

# Windermere Oaks Water Supply Corporation

## NEWSLETTER



March 20, 2018

WOWSC Members,

The Board wanted to make you aware of the lawsuit that has been filed against your Water Supply Corporation by TOMA Integrity, Inc. The lawsuit has been brought by this group claiming an error in the agenda of a Board meeting in December 2015, impacting a decision made by that WOWSC Board. None of the current Board members were on the Board of Directors during the December 2015 meeting. They claim that the Board in 2015 violated the Open Meetings Act by not posting the agenda item correctly; the actual decision made by that Board was within that Board's authority.

What we know so far is that TOMA Integrity, Inc. is made up of 4 Directors: J. Richard Dial, Lawrence Ffrench, Daniel Flunker, and S. Bruce Sorgen.

You should know that the expenses and consequences of TOMA's lawsuit will not be in the best interest of your Water Supply Corporation. This lawsuit poses a financial threat to the corporation's sustainability and could ultimately impact the continuation of your Water Supply Corporation.

The current Board is working with an attorney and is not able to share all the details of this lawsuit but wanted you to know that this Board's responsibility is to protect the Water Supply Corporation and you, the members.

The Board is also aware that the rates adjustment has been a concern to everyone. Please know that this Board takes their fiduciary responsibility decision seriously, and as members, we will also be affected. This Board will continue to work in the best interest of you and the Corporation. Please understand that the previous board recognized the need for reviewing rates since there had not been a rate adjustment since 2012. When made aware of the Texas Rural Water Association's free rate analysis program, they started the process. Months of work began with TRWA in early 2017, which resulted in the TRWA's final recommendation to the WOWSC Board in February of this year. A "town hall" meeting was held on March 3<sup>rd</sup> for the purpose of allowing WOWSC members to have a question and answer session about the rate process and a representative from TRWA was present. The rate adjustment was necessary based on our cost to own and operate the system. Expenses for the TOMA lawsuit were not included in the rate analysis.

The Board is dealing with the TOMA lawsuit and we are concerned about the uncertainty of the expenses for the lawsuit that ultimately could affect the financial stability of WOWSC. We are hopeful the lawsuit can be resolved in a way that is beneficial to the Corporation and you the members because otherwise we will all be dealing with a financial threat to this corporation.

If you have any questions, please let us know.

Thanks,  
WOWSC Board

**Board of Directors:** Dorothy Taylor, President; Jerry Ingham, Vice President;  
Jeff Hagar, Secretary/Treasurer; Bill Stein, Director; Bill Billingsley, Director

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