



Windermere Oaks Water Supply Corporation

Committed to Providing Clean, Safe Water for All Our Residents

January 28, 2020

Dear WOWSC Member:

We want to make this short and simple and to the point.

Because a few of your neighbors escalated their legal actions in late 2019 against your non-profit water supply corporation and members of the 2015, 2018 and 2019 Boards of Directors, we are experiencing significant negative cash flow problems in early 2020. Our legal bills are absorbing available funds for the operation, maintenance, and necessary upgrades to your water system that WOWSC committed to in 2019 and 2020.

Even after multiple court rulings in *favor* of WOWSC in these suits, and combined with the division the member plaintiffs have created in this neighborhood, their continuing legal assaults are forcing our Board to raise **your water rates – significantly – to cover ongoing legal expenses and maintain and operate our plant facilities. Upon consultation with TWRA representatives, our base rate water bill will be increased, possibly as much as \$50 per month, and we may need to revisit that later in the year if the increased revenues are still insufficient to pay our bills.**

In 2018 and 2019 we spent approximately \$210,000 in legal fees. Recent legal bills from late 2019 to be paid in 2020 already are nearing \$100,000. With no end in sight of the Plaintiffs' continued legal attack, the Board projects a \$180,000 loss (if rates are not raised) given the increase to our legal fee budget projections to \$250,000 this year. To put this in perspective, the legal defense of our corporation may amount to \$1,000 for each of our 250+ customers this year – or more.

Our Board hopes you will join us in asking **this small group to stop the lawsuits** and stop wasting money that **we all** ultimately end up paying in higher rates. We want our community to keep our non-profit water supply corporation, but the lawsuits are forcing us to consider all options – including bankruptcy, the sale of assets, or sale of the corporation – to ensure our continued water service. It should not be this way.

Let us get back to the business of running the water supply corporation effectively and efficiently. We will discuss these items at the annual member meeting Saturday February 1 at the Spicewood Community Center, at the conclusion of the WO POA meeting.

Joe Gimenez, President
The WOWSC Legal Subcommittee

Mike Nelson, Secretary/Treasurer