



Windermere Oaks Water Supply Corporation

424 Coventry Rd
Spicewood, Texas 78669

2022 - 2023 Board of Directors:

Joe Gimenez, President
Mike Nelson Vice President
Richard Schaefer, Secretary/Treasurer
Dorothy Taylor, Director

Windermere Oaks Water Supply Corporation (WOWSC) Board meeting held: **Tuesday August 30, 2022**

Agenda and Minutes

1. Call to Order.
Meeting started promptly at 6:00 PM
2. Roll call of Board Members:
Joe Gimenez, Mike Nelson, Dorothy Taylor, and Rich Schaefer were present.
3. Comments from citizens and members who wish to speak on agenda or non-agenda items (3-minute limit per person).¹
27 People signed the attendance sheet.
Patty Flunker – She plans to continue to represent the rate players.
Danny Flunker – Why has a new board member not been added?
Bobby Dee – Would like membership vote to extend water to any new property. Concerned about the implications of a severe drought.
Micki Bertino – Work started next day after meeting on pipeline to barndominium. What was discussed previously? Can't find info about Lake Travis Ranch Estates referenced in agenda.
R. Ffrench – Concerned about mileage reimbursement for board members. Reference 501C accounting rules and IRS standard form instruction 2106.
Jeff Walker – Would like an insurance update including premium and deductibles. There was an open ditch 3' deep and 50' wide that was not adequately secured.
Mark Carpenter – Why has Jeff Walker not been added to the board. Why have we not had a recent audit.
Bill Stein – When we raise rates, we should have an independent audit.
4. APPROVAL OF BOARD MEETING MINUTES –
a. June 22, 2022
All board member comments have been incorporated but has not been distributed for final review. So this has approval has been tabled.
5. POLICIES AND PROCEDURES FOR PUBLIC COMMENT AT BOARD MEETINGS – Discussion of Texas Open Meetings Act and resolution adopted November 20, 2019 regarding procedures for public comment.
Review and robust discussion about what can be discussed at a meeting and procedures for public comments. Board can not discuss items that are not on the meeting agenda. Procedures are available on our website.
6. MEETING DATE FOR INFORMATIONAL MEETING – Discussion, consideration and appropriate action regarding request of principals at the Lake Travis Ranch Estates for community informational meeting about their development.
Suggest meeting on Saturday Sept 24 to discuss their needs and what they will bring to our corporation.

¹ The Board is not allowed to take action on any subject presented that is not on the agenda, nor is the Board required to provide a response; any substantive consideration and action by the Board will be conducted under a specific item on a future agenda.

7. MANAGER'S REPORT

a. CLARIFIER AND STORAGE TANK– Update on progress of plans related to clarifier and installation of storage tank for accomodating system growth.

New storage tank mostly installed, should be finished in Sept. Need some electric work and regulatory approvals. The services expansion approved in June with Corix, allowed us to maintain service when water lines to the new tank were connected. The project to retrofit the old storage tank to a clarifier will be a winter project, as parts for the retrofit have been delayed.

b. ZEBRA MUSSEL FILTRATION SYSTEM – Review and consideration of any matters related to update on the installation of filtration system for zebra mussel mitigation.

Will start as soon as the Storage Tank project is completed. All parts are available.

c. SERVICE EXPANSION – Update on extension of waterline to Jim Madigan/Madigan Homes Inc across CR 414.

Dana Martin's property is the only property to have a service disruption when they connected to our 6" line. Discussion about a fire hydrant on both ends of this new line. Fire hydrant was done at Jim Madigan/Madigan Home Inc's expense and they decided to place the new fire hydrant by Windermere Oaks' front gate entrance.

d. CONDITIONAL WILL-SERVE LETTER – Review and consideration of will-serve letter conditioned upon community meeting and Board consideration.

The WOWSC tariff covers the requirements for application for non standard service.

A letter with 7 conditions, mostly defined by the tariff, was read by Joe.

Dorothy was concerned about our LRCA contract and amount of water purchased and if LCRA has limits on upping the amount.

Board took no action on approval of the will-serve letter.

8. EXECUTIVE SESSION – The Board will go into Executive Session under Texas Government Code § 551.071 to consult with the WOWSC Attorney regarding pending or anticipated litigation matters listed in item 9 below.

Executive Session started at 6:43 PM

9. PENDING/ANTICIPATED LITIGATION MATTERS – Discussion, consideration, and appropriate action regarding pending or anticipated litigation, including:

a. Ffrench, et al., Intervenor-plaintiffs and Double F Hanger Operations, LLC, et al. v. Friendship Homes & Hangars, LLC, Windermere Oaks WSC, et al., Cause No. 48292, 33rd Jud. Dist., Burnet County Dist. Ct.;

b. Ratepayers Appeal of Water and Sewer Increases by the WOWSC filed with the Public Utility Commission of Texas; and

c. Windermere Oaks Water Supply Corporation, et al. v. Allied World Specialty Insurance Company; Cause No. 1:21-CV-258-RP, pending in the Western District Court of Texas, Austin Division.

d. Jeff Walker v. Windermere Oaks Water Supply Corporation. Cause N. 53554.

e. Complaint of Jeff Walker Against Windermere Oaks Water Supply Corporation – Public Utility Commission of Texas, Docket No. 53796

Executive Session ended at 7:23 PM and the public meeting resumed.

No action on items from the Executive session, but Joe read a statement from the lawyers on the status of item a. This includes:

- **Our trial was delayed until Nov 14 because of medical problems with one of the lawyers.**
- **The judge admonished us to not discuss aspects of the case that are not presented in open court.**
- **Pretrial motions were heard by the Judge, who re-iterated her May 3, 2021 ruling dismissing all of the WOWSC's current directors and all of its former directors (except Dana Martin) as defendants, and because the WOWSC acts only through its directors, she will not be considering any claims for relief against the WOWSC. Also, the plaintiff motion to have our lawyer testify was denied. This limits our liability and our defensive legal costs.**

Joe commented on the status of item b. This includes:

- **Case was remanded to State Office of Administrative Hearings for a complete review.**
- **The lawyers cannot agree about using the current record (WOWSC board position to limit expenses), or opening to new discovery (PUC staff lawyers and Rate payers).**
- **A pre-hearing conference will be held later in Sept to resolve this. Then we can prepare for next steps.**

Joe commented on the status of item c. This includes

- **Feb, 21 ruling was favorable. Insurance filed appeals court in LA in July.**

10. TREASURER’S REPORT -- Discussion, consideration and appropriate action regarding the Treasurer’s Report.

\$338,000 account balances. Through July we are running with \$2K more income and \$5K less expenses than budget through July.

Motion made, seconded, and unanimously approved to accept the treasurer’s report.

11. INSURANCE – Discussion, consideration and possible action on business operations and D&O insurance policies.

Secured quote for all insurance except property insurance. We have bound D & O coverage. \$26K quote. Questioning if we need the new Site Pollution policy at \$7.8K.

Joe will bind the General, Cyber, and Crime policies.

12. NEW BUSINESS – Discussion and appropriate action on agenda for next meeting.

- Will Serve Letter
- Additional Board Member.

13. NEXT MEETING – Set date, time and place for next meeting.

Discussed next meeting on Sept 6.

14. Adjourn.

Motion made, seconded, and unanimously approved to adjourn at 8:13

Submitted by: Richard Schaefer

APPROVED BY WOWSC Board on _____ Jan 10, 2023 _____

