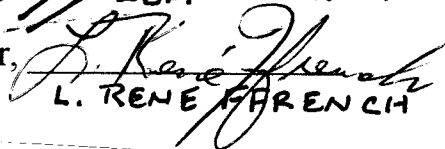


WINDERMERE OAKS WATER SUPPLY CORPORATION
BALLOTING PROCEDURES FOR
THE 2023 MEMBERS' DIRECTOR REMOVAL SPECIAL MEETING

Adopted in accordance with Sections 67.0051-.0055 and 67.007 of the Texas Water Code, and the Bylaws of the Corporation, by the Board of Directors, this 11th day of October 2023.

Director-at-Large, 
JEFF WALKER

Director-at-Large, 
JEFF ANDERSON

Secretary-Treasurer, 
L. RENE FRENCH

Members' Special Meeting Removal Process:

This procedure document is provided for the purpose of organizing and clarifying tasks and records required to comply with the Director Removal requirements in Sec. 67.007 of the Texas Water Code and the Bylaws of the Windermere Oaks Water Supply Corporation ("WOWSC") as updated on November 18, 2021.

The Procedure has been derived from the WOWSC ELECTION PROCEDURES updated on March 6, 2023 by J. Gimenez and R. Schaefer.

Article 8, Section 9 of the Bylaws of the Windermere Oaks Water Supply Corporation governs the removal and replacement of Directors. Article 8, Section 9 provides, in relevant part:

A director may be removed upon (sic) majority vote of all members. Any member, officer or director may present charges in writing against a director with the Secretary/Treasurer of the Corporation. If presented by a member, the charges must be accompanied by a petition signed by at least ten (10%) percent of the members of the Corporation. Such removal shall be voted on at the next regular or special meeting of the members. The director(s) against whom such charges have been presented shall be informed in writing of the charges at least twenty days before the meeting, and shall have the opportunity at such meeting to be heard in person or by counsel, to present witnesses and other evidence in rebuttal of such charges, and to question other witnesses. The person(s) bringing (sic) such charges shall have the same rights. The president shall preside over the meeting unless (s)he is the subject of the charges, in which case the vice president shall preside. If both the president and vice president are the subject of the charges, the directors who are not subject to charges shall appoint a presiding officer by majority vote. Any vacancy occurring in the board of directors may be filled by the affirmative vote of the remaining directors, though less than a quorum of the board. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of members called for that purpose.

The Members' Special Meeting. The date for the voting of the Members to determine whether either or both of the two directors nominated for removal from the WOWSC Board of Directors will be Removed from office or Retained in office will be determined by the WOWSC Board of Directors in compliance of the sequential timing requirements for each of the prerequisite activities. A Members' Special Meeting may be held for the purpose of balloting eligible members on an issue that requires a vote of the members. The purpose of the Members' Special Meeting is to be specified in the notice of such meeting. In the event that one or both of the directors are removed, as per the Bylaws, any vacancy occurring in the board of directors may be filled by the affirmative vote of the remaining directors, though less than a quorum of the Board.

Credentials Committee. The eligible members on the Credentials Committee appointed at the April 15th, 2023 Open Board Meeting will assist the Board in preparation for the Members' Special Meeting. As per the WOWSC voting procedure document updated on March 6th 2023 by J. Gimenez and R. Schaefer, the chairperson of the Credentials Committee will be the Secretary/Treasurer. As stated in that document, the committee shall at no time have sufficient board members appointed to constitute a quorum of the Board of Directors.

The **Credentials Committee** shall meet before the Members' Special Meeting to assist the Board by:

- validating at least 20 days before the Members' Special Meeting that the percentage of WOWSC members in good standing who signed each of the **Director Removal Petitions** is equal to or greater than the 10% required by the WOWSC Bylaws;
- recommending for Board approval the **Special Meeting Ballot** form, the Members' Special Meeting Notice, to include agenda, location and date, the Members' Special Meeting Packet, and any other related forms and notices for the Special Meeting to be mailed or presented in person at least 10 days prior to the Special Meeting, as per

- Article 7 Sec 3 of the Bylaws;
- recommending for Board approval a person to fill the role of **Independent Balloting Agent** at least 15 days prior to the Special Meeting;
- recommending for Board approval a date for the Members' Special Meeting;
- ensuring that the balloting procedures are implemented correctly;
- completing validation of eligible voters, ballots received, and voting results; and
- maintaining minutes of each meeting of the Credentials Committee as per the Bylaws;

Board Special Meeting and Adoption of Balloting Procedures. The Board will meet at least 15 days before the Members' Special Meeting to review and adopt the ballot form, the voting procedures, and the Special Meeting Packet. These voting/balloting procedures apply to a Members' Special Meeting where a vote will be held on the potential removal of a director(s). The balloting procedures are to be adopted in accordance with Section 67.007(b) and 67.0054(f) of the Texas Water Code. The timeline for events leading up to a Members' Special Director Removal Meeting is set forth in **Attachment 1** hereto.

1. **Board Special Meeting.** The directors who are not subject to charges will meet no later than 15 days before the date of the Members' Special Meeting to:
 - a. Select a Director to be the **Presiding Director** and an **Independent Balloting Agent** for the Members' Special Meeting
 - 1) The Board of Directors may select and an **Independent Balloting Agent** based on the recommendation of the Credentials Committee.
 - 2) The **Independent Balloting Agent** is not required to be an experienced election judge or Agent and may serve as an unpaid volunteer.
 - 3) The **Independent Balloting Agent** cannot be associated with the Corporation as an employee, director or candidate for director, a family member of a candidate or director, or an independent contractor engaged by the Corporation as part of the Corporation's regular course of business, but may be a member of the Corporation.
 - b. **Finalize and approve:**
 - 1) the voting ballot with Removal/Retention choices;
 - 2) the Special Members' Meeting Notice/Agenda; and
 - 3) the Members' Special Meeting packet to be mailed.

2. **Voting Roster.** At least 10 days prior to and not earlier than 30 days prior to the Special Meeting, the Corporation will prepare an alphabetical list of the names, service addresses, service account numbers, and number of memberships of all its voting members ("Voting Roster") as required by Article 7, Section 5 of the Bylaws.
 - a. The Voting Roster of members approved to vote in the Special Meeting vote shall be available no later than the second business day after the date the Special Meeting packets are sent to the members, and through the day of the Special Members' Meeting.
 - b. The Voting Roster will also be made available in the Corporation's office or other location deemed accessible for inspection by a member or the member's agent or attorney.
 - c. Two days prior to the Special Meeting, the Corporation shall provide a copy of the updated Voting Roster to the **Independent Balloting Agent** to verify the members which may cast a ballot in the Special Election.
 - d. The updated Voting Roster will be available for inspection during the Members' Special Meeting.

3. **Meeting Packets.** At least 10 days before the date of a member meeting where a ballot vote will be held, the Corporation shall mail to each voting member of the Corporation the meeting packets, which will contain as applicable:

- a. a Members' Notification Letter (sample) (**Attachment 2**);
- b. the Notice/Agenda of the Members' Special Meeting (**Attachment 3**);
- c. the Official Ballot Form (**Attachment 4**);
- d. an envelope for members to return their ballots that indicates the member's return address and account number, and the address where the ballots are to be mailed or delivered (either to the **Independent Balloting Agent's** office address or the **Independent Balloting Agent's** mailing address) (**Attachment 5**);
- e. a copy of the Removal Petition Charges against Richard Schaefer on which the members have requested a vote (**Attachment 7**); and
- f. a copy of the Removal Petition Charges against Dorothy Taylor on which the members have requested a vote (**Attachment 8**).

The Corporation shall send the voting packet to the member's current billing address. If renters are billed for service, the Corporation shall send the voting packet to the member's address on file with the Corporation.

4. **Voting.** A member is entitled to only one vote regardless of the number of memberships the member owns.¹ The voting member may be a natural person; the representative of a partnership of two or more persons having a joint or common interest, including a married couple who jointly own property; or a Corporation representative.

- a. **Voting in Advance of the Special Meeting**

- 1) The Independent Balloting Agent will accept ballot forms at the Agent's address by mail received the day before the special meeting, or not later than noon in person the day before the Special Meeting at the Agent's office.
- 2) Upon receipt of a ballot, the **Independent Balloting Agent** will record on the Official Voting Roster that the member has submitted a ballot envelope, and then will place the unopened ballot envelope in a secured ballot box.
- 3) The secured box will remain in the custody of the **Independent Balloting Agent** until the end of the Member's Special Director Removal Meeting.

- b. **Voting in Person on the day of the Special Meeting**

- 1) Members choosing to vote the day of the Members' Special Meeting will check in prior to the meeting start so that the Independent Balloting Agent can determine whether the member has already submitted a ballot.
- 2) The **Independent Balloting Agent** will provide an "In Person" official ballot to those members voting in person. The "In Person" ballots will be printed on different color paper to distinguish them from the ballots sent in advance of the Special Meeting.
- 3) If a member has already submitted a ballot, the member may not vote again nor change their vote nor submit another ballot, but the member is otherwise permitted to participate in the Special Members' Meeting.

5. **Open Meetings Act Notice.** The Corporation also will post the Agenda of the Members' Special Meeting in accordance with the Open Meetings Act, Chapter 551 Texas Government Code, at least 72 hours in advance of any member meeting (see **Attachment 3**). If the Board plans to hold a board meeting upon adjournment of the Members' Special Meeting, a separate notice of that meeting also must be posted.

6. **Conducting the Special Meeting.** The presiding director will conduct the Members' Special Meeting in accordance with the noticed meeting agenda.

7. **Quorum Requirement.** At the commencement of the Members' Special Meeting, the presiding director will ask the Independent Balloting Agent for a total of the members who have already voted by mail or by delivered ballot, and a count of the members who are present in person who have not

¹ See T.W.C. § 67.006

yet voted to establish a quorum. A quorum for the transaction of business at a meeting of the members is a majority of the members who mailed or delivered ballots to the Independent Balloting Agent on a matter submitted to a vote and the members voting in person at the meeting. Following establish of a quorum, the presiding director will begin the meeting according to the agenda.

8. **Ballots.** The Independent Balloting Agent shall keep the mailed and delivered ballots in a secured container potentially provided by Corporation. Ballots cast at the meeting shall also be kept in a container separate from the mailed in and delivered ballots. Following the directors being giving the opportunity to be heard in person or by counsel, to present witnesses and other evidence in rebuttal of such charges, and to question other witnesses and the person(s) bringing such charges, the presiding director shall make a last call for the ballots.
9. **Counting the Ballots.** Once the quorum has been established, the Independent Balloting Agent may begin to open the ballot envelopes received in advance of the meeting, process, and record the ballot choices on the Independent Balloting Agent Voting Results Report and place those ballots back into the container along with the envelopes and keep those ballots separate from the ballots cast on the day of the meeting. When the presiding director has made the last call for ballots being cast during the meeting, the Independent Balloting Agent will perform the same steps with the ballots cast at the meeting and record the vote tallies on the Voting Results Report and place those ballots back into their respective container. The Independent Balloting Agent will then count the total votes cast in person and count those made in advance and total on the Voting Results Report. Following the final computation of the votes, the Independent Balloting Agent will inform the presiding director that he/she is ready to present the report. Following computation of the votes, the Independent Balloting Agent will submit to the presiding director the official Voting Results Report (see **Attachment 9**) and retain all balloting materials to assure confidentiality and control of the documents.

The **Independent Balloting Agent** may enlist the assistance of members or other individuals to count ballots and to assist with other duties. Individuals assisting the **Independent Balloting Agent** shall not be an employee of the Corporation, a current director, a family member of a director, a candidate, an independent contractor engaged by the Corporation as part of the Corporation's regular course of business, or an employee or family member of an independent contractor engaged by the Corporation as part of the Corporation's regular course of business.

- If the Removal and Retention votes for an individual result in a tie, a ballot recount will be made by the Independent Balloting Agent with validation of all ballots, ballot coupons, and envelopes to assure authenticity.
- If the ballot recount results in a tie, another Members' Special Meeting shall be called for the purpose of resolving the tie through another member vote.

10. **Next Board of Directors' Meeting:** After the Members' Special Meeting, a WOWSC Board Special Meeting may be conducted. A separate agenda will be posted for this Board Special Meeting, as required by the Texas Open Meetings Act, where business may include, if applicable, selecting any replacement directors to fill any vacant positions on the WOWSC Board and electing officers from among the resulting board members if applicable,

The Board also may designate those directors if not otherwise designated in the Bylaws who have authority to sign checks when disbursements have been approved by the Board of Directors on behalf of the Corporation. Additionally, the Board may consider and discuss old and new business or other items as specified in the agenda notice of the directors' meeting as required and permitted by the Texas Open Meetings Act.

11. **Contesting the Vote.** Should any member wish to contest the voting outcome from the Members' Special Meeting, said member must officially file suit in Burnet County District Court within 30 days of the announcement of the official results of the vote at issue.

**At least 95 Days
Prior to the Members' Special Meeting
The Credentials Committee is selected.
DONE - April 15, 2023**

**At least 20
Days Prior**

The Credentials Committee will meet to validate that the percentage of membership signing the Director Removal Petition is equal to or greater than the 10% required. As required, if a Special Board Meeting is to be convened to consider the deliverables from the Credentials Committee, a Notice/Agenda of the Special Board Meeting shall be posted as per the Texas Open Meetings Act at least 72 hours before the Board Meeting is planned to convene.

**At least 20 Days
Prior**

A document of the written Removal Charges against each applicable Director shall be presented to each charged director. A document of the charges against each applicable director may be mailed to the address for each charged Director as verification.

**At least 15 Days
Prior**

The Board of Directors will hold an open meeting to vote on approving the Credentials Committee recommendations of the Director Removal Balloting Procedure, the ballot form, the Independent Balloting Agent, the date for the Members' Special Meeting, the special meeting packet, members' special meetings notice by resolution, a follow-up board special meeting notice (as applicable), set the date the voting roster is needed, and for any other related items or forms for the members' meeting.

**At Least 10 Days
Prior- Suggested
is 12 Days Prior.**

Members' meeting packets, with notice/agenda of the Members' Special Meeting, with notice/agenda of Board Special Meeting (if applicable), with official ballots, and with ballot envelopes are mailed. If the vote is cancelled, the notice of cancelation of the meeting and any agenda must still be sent, but may be included with a utility bill. The Voting Roster shall be made available no later than the second business day after meeting packets are sent out to members at the corporate office and at the Independent Balloting Agent's office.

**72+ Hours
Prior**

Corporation posts notice of Membership Special Meeting AND of the next Board of Directors' Meeting (if applicable), in accordance with the Texas Open Meetings Act.

1 Day Prior

Deadline for receipt of ballots to be delivered by mail or to be delivered to the Independent Balloting Agent's business office

**Meeting/Voting
Day**

Meeting is convened, and ballots are accepted until presiding director makes a last call for ballots. Ballots are processed by the Independent Balloting Agent team in accordance with the Agent team procedures. When all of the ballots that were received before the Meeting are tallied with the ballots received during the meeting, the Agent will prepare the Balloting Report and present it to the Presiding Director and send a scanned copy via email to each of the Directors and the GM.

**Notification Letter for the Members' Special
Meeting of Windermere Oaks Water Supply
Corporation**

10 AM Saturday Nov 4th, 2023 at
Spicewood Community Center, 7901 County Road 404, Spicewood, TX 78669

**A Members' Special Meeting for the Windermere Oaks Water Supply Corporation ("Meeting")
will be held on Saturday Nov 4th, 2023 at 10:00 AM
at the Spicewood Community Center, 7901 County Road 404, Spicewood, TX 78669**

The purpose of the Meeting is to hold an organized discussion regarding the Director Removal Petition signed by at least 10% of the Membership in which charges to remove for cause were presented against two seated Directors. The two named Directors are permitted to address the membership personally or through legal counsel concerning the charges set forth on the membership Petition to remove them from the Board. At the same meeting the WOWSC members have the same rights to address the charges against the two named Directors.

Following the discussion of the Removal Charges, every member in good standing that has not already submitted an official ballot prior to the Meeting will have a short period to vote by ballot to: 1) Retain the seated Director; or 2) Remove the seated Director.

The Corporation will mail to each member one official ballot regardless of the number of memberships each member may hold. Only the original official ballot mailed to the member OR the official, colored ballot provided to members to vote in person at the Meeting, but not both, will be considered valid and counted. If a member has lost their mail-in ballot, a replacement ballot will be issued to the member. The member must contact the Independent Balloting Agent by phone at (512) 469-7474 or by email at FRANK@FRANKREILLY.COM, to obtain an official replacement ballot.

Reproduced or copied ballots will not be accepted.

On the day of the Members' Special Meeting Vote, members wishing to vote in person will register with the Independent Balloting Agent ("IBA") prior to the Meeting start. The IBA will determine whether the member's official mail-in ballot has been received via mail. If the member has not previously submitted a ballot, the member will be provided with a new official, colored ballot. If the member has submitted their ballot by mail in advance of the Meeting, but the Corporation has not received the ballot, the member will be provided with a new official ballot and the previously mailed ballot, if received in the future, will not be counted. Members will only receive one ballot no matter how many memberships they hold, and only one ballot per member will be counted. The voting member's name is required to be noted with the application for service name if different. In accordance with the Corporation's Bylaws and Balloting/Election Procedures, only properly submitted ballots of members in good standing who are eligible to vote will be counted as valid.

WINDERMERE OAKS WATER SUPPLY CORPORATION

424 COVENTRY ROAD, SPICEWOOD, TX 78669

NOTICE OF MEMBERS' SPECIAL MEETING

A WOWSC Members' Special Meeting to Vote about Removing Two Directors

The Members of the **Windermere Oaks Water Supply Corporation** will meet on
Saturday November 4th, 2023 at 10:00 AM
at the Spicewood Community Center, 7901 County Road 404, Spicewood, TX 78669

The purpose of the Members' Special Meeting is to hold an organized discussion where the two seated Directors who have been charged by a group of WOWSC Members with violations of the WOWSC Bylaws will be permitted to address the membership personally or through legal counsel before a vote is finalized to determine whether the individuals are removed or retained as Directors on the Board.

TAKE NOTICE THAT A MEETING OF THE ABOVE-REFERENCED BOARD OF DIRECTORS OF WINDERMERE OAKS WATER SUPPLY CORPORATION will commence at the time and location as noted above to consider and act by motion, resolution, or otherwise upon any matter in connection with the subjects as listed below. This public meeting is being held pursuant to Texas Government Code § 551.001, et seq. All deliberations of the Board shall be made in Open Meetings unless made in Executive Sessions pursuant to Government Code, Chapter 551, Subchapter D, to discuss an item listed below or under the specified agenda item for Executive Session. In the event the Board elects to convene in Executive Session, no action will be taken by the Board until the Board has closed the Executive Session and returned to the Open Meeting. Members who desire to address the Board regarding an item on the agenda during an open meeting may do so during the public comment portion related to such item and before the Board acts on such item. All public comments shall be subject to the Public Comment Policy adopted by the Board on November 20, 2019.

The Board may discuss or take action regarding any of the items on the posted agenda.

AGENDA ¹:

Before the meeting is officially called, the Members will sign in for attendance, register with the Independent Balloting Agent ("IBA"), and if applicable, receive a ballot. Members may vote at that time or may wait until arguments are heard to vote. When arguments have concluded, the Presiding Director will call for collection of all ballots and the IBA will collect the final ballots and tally the last votes to add to the in-process tally of votes. When the final tally is completed, the IBA will present the official Voting Results Report to the Presiding Director who will read aloud the results.

- 1) CALL TO ORDER.
- 2) ROLL CALL - Establishment of a quorum for the Members' Special Meeting.
- 3) PUBLIC COMMENT² – The Board of Directors (BOD) will receive verbal comments from the public who wish to speak on agenda or non-agenda items (3-minute limit per person). The items presented that are requesting actions or resolutions will be included as new business considerations in the minutes of the Special Meeting.
- 4) The Presiding Director will then outline the proceedings plan to the members and to the charged directors.
- 5) Presentation of the Removal Petition and Charges brought by Members against Richard Schaefer.
- 6) Opportunity for Richard Schaefer to present defense arguments either personally or by counsel.
- 7) Opportunity for members to present arguments in support of Richard Schaefer
- 8) Opportunity for members to present arguments either personally or by counsel in support of the removal of Richard Schaefer from the WOWSC Board of Directors,
- 9) Presentation of the Removal Petition and Charges brought by Members against Dorothy Taylor.

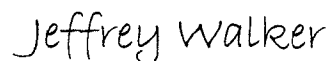
- 10) Opportunity for Dorothy Taylor to present defense arguments either personally or by counsel.
- 11) Opportunity for members to present arguments in support of Dorothy Taylor.
- 12) Opportunity for members to present arguments either personally or by counsel in support of the removal of Dorothy Taylor from the WOWSC Board of Directors.
- 13) The Presiding Director will call for final collection of all ballots by the Independent Balloting Agent.
- 14) The IBA will retire to the ballot counting room, finalize the voting results, complete the official Voting Results Report, and present the Voting Results Report to the Presiding Director. The IBA shall provide a copy of the report to all directors via email within 24 hours.
- 15) The Presiding Director will then read aloud the voting results to the attendees and announce whether any of the challenged seats on the Board are still occupied or are now vacated
- 16) The Presiding Director may announce that immediately following the adjournment of the Members' Special Meeting, the Board of Directors will convene to conduct the duly posted and noticed Special Board Meeting to discuss, as applicable, items that are noticed on the Board Special Meeting Notice/Agenda, in accordance with the Texas Open Meetings Act.
- 17) In the event that one or both directors are removed by the member vote, the presiding director may request for members of the corporation to nominate candidates for the board to consider in filling a vacated seat on the Board.
- 18) The Presiding Director may present closing remarks.
- 19) The Presiding Director will call for a motion to adjourn and following discussion, the meeting will be adjourned.

Both the undersigned WOWSC Directors have called this Members' Special Meeting as a result of a Board Resolution and certify that this notice has been duly and properly posted at least 72 (seventy-two) hours preceding the scheduled meeting in a place accessible to the public at all times, as well as at the Corporation's office located at 424 Coventry, Spicewood, Texas 78669, and this notice has been provided to the Burnet County Clerk for posting on the Burnet County Public Notices Website and/or on the Corporation's Internet Website, pursuant to Section 551.054, Texas Government Code.



Submitted by: L. Rene Ffrench
WOWSC Secretary/Treasurer

AND



Jeff Walker
WOWSC Director-at-Large

¹ The terms "agenda" and "notice" are often used interchangeably in discussing the Act because of the practice of posting the agenda as the notice of a meeting or as an appendix to the notice. See, e.g., *City of San Antonio v. Fourth Court of Appeals*, 820 S.W.2d 762,764 (Tex. 1991). Pg. 3, D.2 2022 Open Meetings Handbook – by Office of the Attorney General.

² The Board is neither 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.

OFFICIAL BALLOT AND INSTRUCTIONS

Please Use the only the Official Envelope to Mail / Deliver Your Ballot

Member's Name: _____
 Account Number: _____

Two (2) Options to Cast Your Vote

Option 1

A. Mailed to the Independent Balloting Agent
 OR
B. Delivered to the Independent Balloting Agent's office.

Mailing:

1. Mark your selections by placing an X or ✓ inside the appropriate box on the ballot below.
2. Place the entire Official Ballot into the provided postage paid envelope. Do Not Cut off the Coupon. That will be done only by the Independent Balloting Agent.
3. Mail the envelope as addressed to:
 Frank Reilly, Potts & Reilly LLP
 WOWSC Balloting Process Agent
 PO Box 4037
 Horseshoe Bay, Texas 78657-4037 OR
 Deliver the envelope to:
 Frank Reilly, Potts & Reilly LLP
 112 Par Three Court,
 Horseshoe Bay, TX 78657

Mailed ballots must be received by **Friday November 3, 2023** in order to be counted. Delivered in person ballots must be received by Noon the day before the Members Special Meeting.

Option 2

2. **In Person** on the day of the Annual Meeting on **Saturday the 4th of November, 2023.**
 1. When you vote in person on the day of the Members Special Meeting you will receive an official ballot when you register to vote.
 2. The in-person ballot will be on different color paper from the mailed official ballot.
 3. You do not need to bring your ballot that was mailed to you in the packet.

In accordance with the Corporation's Bylaws, **ONLY ONE BALLOT PER MEMBER WILL BE COUNTED AS VALID REGARDLESS OF HOW MANY MEMBERSHIPS A MEMBER OWNS. ONLY PROPERLY SUBMITTED BALLOTS OF MEMBERS IN GOOD STANDING WHO ARE ELIGIBLE TO VOTE WILL BE COUNTED AS VALID.**

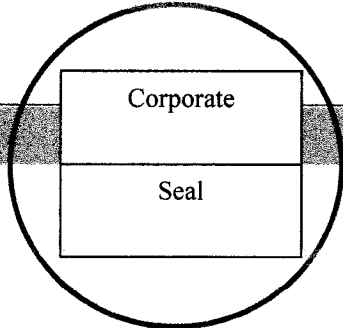
E-mailed and Faxed Ballots will NOT be accepted. Reproduced unofficial ballots will NOT be accepted.

All ballots mailed or delivered must have the embossed WOWSC seal on them to be considered official.

Please Vote Below

WOWSC 2023 Official Director Removal Ballot Coupon

Mark your selections by placing an X or a ✓ inside the appropriate boxes.
 Reproduced ballots that do not have the official WOWSC seal will not be accepted.



VOTE FOR ONLY 1 CHOICE FOR EACH DIRECTOR

<u>Removal of Dorothy Taylor</u>	<u>Removal of Richard Schaefer</u>
<input type="checkbox"/> <u>For Removal</u> From The Board	<input type="checkbox"/> <u>For Removal</u> From The Board
<input type="checkbox"/> <u>Against Removal</u> From The Board	<input type="checkbox"/> <u>Against Removal</u> From The Board

This whole page is your ballot. The New Voting Process will keep your vote and identity private. Only the Official Ballot with the Corporate Seal received in the WOWSC provided envelope will be accepted as a mail-in Ballot.

- Ballot envelopes will only be opened during the Members' Special Meeting by the Balloting Agent Team.
- All ballots and envelopes are official records and shall be retained by the Independent Balloting Agent.

ATTACHMENT 5: SAMPLE RETURN ENVELOPE

Attachment 5: an example envelope for members to mail or deliver return their ballots

<p>Member's name / Account # Address City, TX, ZIP</p>	<p>POST OFFICE WILL NOT DELIVER WITHOUT POSTAGE</p>
<p>Frank Reilly, Potts & Reilly LLP Balloting Agent for Windermere Oaks WSC P O Box 4037 Horseshoe Bay, Texas 78657-4037</p>	

**Independent Balloting Agent Official Voting Results Report
for the
Windermere Oaks Water Supply Corporation Director Removal Vote
Dated: November 4, 2023**

I, the undersigned **Independent Balloting Agent**, do hereby certify that all ballots received were counted with the assistance of:

- 1. _____
- 2. _____
- 3. _____
- 4. _____

Total number of ballots received prior to meeting _____

Total number of ballots cast today _____

Total number of ballots not counted due to defects _____

Total number of ballots cast _____

Director Removal Vote Totals

RICHARD SCHAEFER

DOROTHY TAYLOR

FOR REMOVAL : _____

FOR REMOVAL: _____

AGAINST REMOVAL: _____

AGAINST REMOVAL: _____

VOTED ERRORS: _____

VOTED ERRORS: _____

Printed Name of Independent Balloting Agent

Signature of Independent Balloting Agent

Date _____ Presented to the WOWSC Presiding Director

Name of Presiding Director: _____

Date: September 15, 2023

**To: Windermere Oaks Water Supply Corporation Board
Through: Rene Ffrench – WOWSC Secretary/Treasurer**

**Charges in the Removal Petition of Richard T. Schaefer – President of
Windermere Oaks Water Supply Corporation Board:
Presented in Person during the WOWSC Open Board Meeting – Sept 15, 2023**

We, the concerned members of Windermere Oaks Water Supply Corporation, are resolute in our commitment to safeguard our water company from continued mismanagement and financial instability. We petition for the immediate and necessary removal of Rich Schaefer from his position as a director and president of the Windermere Oaks Water Supply Corporation and request a call for a Special Meeting to exercise our rights. The charges are listed below.

Fiduciary Duty Breach:

- **Inappropriate Payment to Joe Gimenez:** Under the joint leadership of Richard Schaefer an unvoted decision was made to continue compensating Joe Gimenez, a former board member, at a rate of \$400 as a public information officer. This decision resulted in Mr. Gimenez collecting over \$4,000, a clear violation of the Texas Business Organization Code § 22.231, which restricts officer terms to a maximum of three years. Mr. Gimenez's extended service and the financial compensation he received were contrary to the legal parameters set forth by the code. Mr. Schaefer has remained reticent regarding the issue of Mr. Gimenez refunding the \$4,000 payment, which was in breach of statutory requirements.
- **Advocacy for Sustained High Rates and the Speeder of Bankruptcy:** In his capacity as president, Mr. Schaefer has consistently advocated for maintaining our current rate levels. Furthermore, he has instructed the legal representatives at Lloyd Gosselink to assert that any decision by the commission in favor of rate reductions and subsequent refunds to ratepayers would trigger bankruptcy, thus imperiling the continuity of our water system.
- **Lack of Oversight and Unilateral Decision Making:** Mr. Schaefer has permitted General Manager George Burns to exercise significant decision-making authority for the corporation without seeking input from the current board. According to the corporation's bylaws, that the Corporation may appoint from time-to-time agents and registrars, who shall perform their duties under the supervision of the secretary- treasurer this is a responsibility that Mr. Schaefer has retracted from Rene Ffrench. Mr. Schaefer is under the supervision of Mr. Ffrench as the agent of the corporation. Additionally, Mr. Schaefer was privy to the termination of Corix, but he deliberately withheld this pivotal information from fellow board members. Mr. Schaefer has unilaterally along with support from the attorneys at Lloyd Gosselink stricken Rene Ffrench's authority per the bylaws as the Secretary/Treasurer that he shall give or cause to be given notice of all meetings of the members and all meetings of the board of directors. Mr. Schaeffer is clearly undermining the provisions in the bylaws and is acting in violations of this governing document.

- **TCEQ Violations:** Under Mr. Schaefer's leadership, Windermere Oaks Water Supply Corporation has incurred unresolved TCEQ (Texas Commission on Environmental Quality) violations, which have not been appropriately addressed or transparently communicated to the members and customers of the WOWSC.
- **Legal Counsel Supremacy Over Corporation Stability:** Mr. Schaefer's administration prioritizes the maintenance of a team of attorneys over the corporation's stability and the best interests of its membership. This prioritization infringes upon the fiduciary duty owed to the members and places the corporation's financial well-being at risk.
- **Loss of Trust:** The continued presence of Rich Schaefer erodes members' trust in the board's ability to act in our best interests. We believe that our water company deserves leaders who prioritize transparency and financial stability.
- **PUC Compliance Filing:** The recent PUC compliance filing underscores the mismanagement and neglect that has occurred under their watch. This filing raises serious questions about his ability to protect our interests and uphold the integrity of our member-owned member-controlled water corporation.

Petition to Removal Richard Schaeffer

We, the undersigned members of Windermere Oaks Water Supply Corporation, respectfully demand the immediate removal of Richard Schaefer from his position as a director of the board. We firmly believe that his actions and decisions have compromised the financial stability, integrity, and welfare of our member-owned, member-controlled water corporation. We request a special meeting of the members to address and vote on this removal.

(51 Signatures on File)

Date: September 15, 2023

To: Windermere Oaks Water Supply Corporation Board

Through: Rene Ffrench – WOWSC Secretary/Treasurer

**Charges in the Removal Petition of Dorothy Taylor – Vice-President of
Windermere Oaks Water Supply Corporation Board:**

Presented in Person during the WOWSC Open Board Meeting – Sept 15, 2023

We, the concerned members of Windermere Oaks Water Supply Corporation, are resolute in our commitment to safeguard our water company from continued mismanagement and financial instability. We petition for the immediate and necessary removal of Dorothy Taylor from her position as a director and vice president of the Windermere Oaks Water Supply Corporation and request a call for a Special meeting to exercise our rights. The charges are listed below.

The Issues:

Dorothy Taylor has been a constant presence in our corporation, holding various leadership positions, including President and Vice President. Regrettably, under her extended tenure and watch, our water company has experienced significant issues that have eroded the trust of our membership. Ms. Taylor's silence and inaction during board meetings have raised doubts about her commitment to safeguarding the interests of our membership. It is with great concern that we bring forth this petition to address her involvement in the ongoing challenges facing our corporation. The charges are listed below.

Charges:

- **Unfettered Authority for Surcharges:** Ms. Taylor voted to add a surcharge to the tariff, granting the board unfettered authority to impose surcharges on the ratepayers for various purposes without limitations or accountability to the membership. This decision effectively allows the board to take additional money from the ratepayers at their discretion, without checks and balances in place.
- **Inconsistent Enforcement of Membership Requirements:** For years, Dorothy Taylor has advocated for stringent membership requirements, insisting that board members and voters must possess deeds and membership applications that are identical. She has developed election procedures that reiterate this policy. However, Ms. Taylor's own actions and decisions have demonstrated a lack of consistent application of this policy. Some members have been allowed to vote without having their names on the application or deed, while others have been denied this opportunity. Ms. Taylor herself does not possess an application that matches her deed, highlighting the inconsistencies and the lack of adherence to the standards she advocated for.
- **Involvement in the PUC Rate Appeal:** Dorothy Taylor voted in favor of raising our rates to cover her own legal fees which is the subject in the PUC rate appeal. This self-serving decision is in direct conflict with the interests of our membership. Notably, Ms. Taylor neither recused herself from this vote nor signed a conflict of interest policy prior to voting, as outlined in the recent PUC Compliance Filing. This failure to adhere to proper procedures and her decision to

prioritize personal interests over those of our members is a grave concern.

- **Support for High Rates and Threat of Bankruptcy:** Ms. Taylor has consistently supported maintaining high rates, including legal fees in our rates and has endorsed the position in the rate appeal that if these rates are reduced by the PUC Commission, she supports declaring bankruptcy. This stance is alarming and places our water company's financial stability at risk.
- **Lack of Proactive Leadership:** Despite her extensive tenure and leadership positions within the corporation, Ms. Taylor has failed to provide proactive leadership or address the systemic issues that have plagued our membership. Her consistent presence during these challenging times calls into question her ability to effectively lead and protect the interests of our members.
- **Failure to Speak Up:** Dorothy Taylor's silence during board meetings has been conspicuous, especially when it comes to addressing issues that directly impact our members. A lack of vocal advocacy on matters of importance raises concerns about her willingness to stand up for the good of the membership.

Petition to Remove Dorothy Taylor

We, the undersigned members of Windermere Oaks Water Supply Corporation, formally request the immediate removal of Dorothy Taylor from her position as a director of the board. We believe that her extended tenure, inconsistent enforcement of membership requirements, involvement in the PUC rate appeal, unwavering support for high rates, endorsement of bankruptcy as a solution, and failure to adhere to her own advocated policies have contributed to the challenges our water corporation faces today. It is essential to our membership that we address these concerns and seek new leadership dedicated to transparency, integrity, and the welfare of our corporation.

(49 Signatures on File)