

Windermere Oaks Water Supply Corporation

424 Coventry Rd
Spicewood, Texas 78669

2017 Board of Directors:

Dorothy Taylor, President
Jerry Ingham, Vice President
Jeff Hagar, Secretary/Treasurer
William Stein, Director
Bill Billingsley, Director

Open Board of Directors meeting held: Thursday, January 11, 2018.

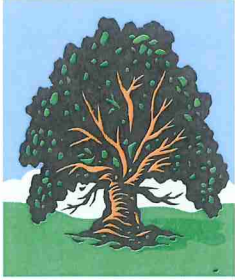
2017-2018 Board Members Present: Dorothy Taylor, Jeff Hagar, Jerry Ingham, Bill Billingsley, Bill Stein.

Minutes

The meeting was called to order at 6:30PM by Dorothy Taylor. A quorum was established and all Board Members were present.

Items from the Agenda:

- 1) All Board Members were present establishing a quorum.
- 2) Speakers signed up. Danny Flunker wanted to know if the WOWSC knew the WOPOA had sent out a post card and email notices to its members regarding the sharing or opting out of email addresses between the two groups. Danny submitted a sample of what he would have done for the WOWSC's information. Marvin Lewis congratulated us on sending out a boiled water notice related to the recent water pipe break. Also, Marvin asked about financial information not being posted to the website. Patti Flunker let George know she's available to help with the new tariff information released today by TRWA.
- 3) Approval of the December 13, 2017 Meeting Minutes. Dorothy called for a motion to approve. Made by Bill Stein and seconded by Jerry Ingham. All voted in favor to approve.
- 4) Review the summary financials for December 2017. Karri stated that everything went to the CPA today for review and the final depreciation numbers. WOWSC Board can't approve, until we have those numbers. Karri reviewed the details. Everything else appears to be in order. Marvin Lewis asked about the interest rate for the loan. No one knew the rate off the top of their head, but Karri thought it was less than 4 ½ %.
- 5) Manager's Report.
 - WOWSC has been working with Texas Rural Water Association to analyze our water and wastewater rates. James Smith with TRWA joined us as our guest to walk us through the new water rate evaluation. James brought a report for our review. Only had the water rate report tonight. Sewer is still in the works. Based on our audit from 2016. Spreadsheet computes our cost including depreciation to recommend a rate based on cost. 75%-80% of our costs are fixed. Fixed costs will have to be paid whether we generate income or not. At this time we had 240 connections and sold just over 8M gallons of water. Based on our cost, increases are justifiable. Bill Stein asked about people wanting to pay only for what they use. James said not many districts give a minimum amount anymore. James recommends plugging your new numbers in every year, so you can make minor increases as you go. Jerry noted we're not charging enough money. James stated depreciation needs to be funded properly. Bill Stein asked about tap fees and standby fees. James stated this worksheet doesn't consider those costs. Wastewater rate sheet should be available in about a week.
 - The Tennis Village Lift Station project is ongoing. We're about half way through the project. Tanks are installed. Waiting for the Electrician. Weather has been an issue. George reported budget is OK.
 - The water outage happened at a bad spot in our system, right next to the fire hydrant pipe. The pipe is DI with a cement liner, so it will last for a long time. Can't prove what



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- happened, but the gasketed connection came loose where it ran right over the top of the fire pipe. The fire hydrant is currently shut down. We need to re-route the fire line.
- We sent a consultant to Ft. Worth to look at the generator. Report was negative. Many issues with the unit. It wouldn't start while he was there. Entech is the maintenance company and they were there and couldn't get it started either. Waiting for possible cost to repair, is it worth it, should we keep looking. Recommendation from our consultant is to pass on this unit. George also prefers not going with diesel, but to buy propane. George will bring proposals for new generators to look at options. We need a unit for the water plant and a small mobile unit to take to the lift stations. We decided to get more information about the cost to repair this unit and to keep looking. No action taken by the WOWSC Board on the HCA generator.
 - Revised tariff discussed previously.
 - We have engaged a consultant to revise the maps of the CCN (Certificate of Convenience and Necessity) Amendment. The revised map was handed out in the meeting. She has a history of getting these maps approved. She worked for TCEQ previously in the mapping department, so she's confident she can get the amendment approved. To be submitted in a week or two.
- 6) Review and approval of notification materials to be sent to members for Director Applications. Credentials committee will review for correctness. Bill Stein made the motion we approve the materials. Dorothy Taylor seconded the motion and it passed unanimously.
 - 7) Discussion of the TRWA rate evaluation was tabled, until we receive the balance of the rate information and recommendations from TRWA.
 - 8) At 7:38 the Board went into Executive Session.
 - 9) At 7:48 the Board meeting resumed.
 - 10) Jeff Hagar made a motion to approve a new rate for Karri Gibson of \$30.00 per hour. Bill Stein seconded the motion and it passed unanimously. Bill Stein made a motion to approve the following new rates for Water Management Inc. broken down as: \$5,775 per month for CORIX, \$1,000 per month for Lori and a monthly rate of \$4,025 for Water Management Inc., for a total monthly cost of \$10,800 to Water Management Inc. Jerry Ingham seconded the motion and it passed unanimously.
 - 11) There was no old business discussed or new business introduced.
 - 12) Jerry Ingham made a motion to adjourn, seconded by Bill Stein and unanimous approval of all board members present. Meeting adjourned at 7:56 PM

Submitted by: Jeff Hagar.

APPROVED BY WOWSC Board on February 8th, 2018