



Members,

June 17, 2025

We hope this message finds you well. This letter is to inform you of important updates about your water and sewer service utility, including recent changes, improvements, and decisions made to protect the integrity of our small, member-owned corporation.

1. Refunds Ordered by the PUC for Improper Surcharges

The Public Utility Commission of Texas (PUC) recently determined that the previous WOWSC board improperly charged double surcharges in December 2024, and January and February of 2025. Those extra charges were not authorized by the PUC and the Commission has ordered WOWSC to refund the overcharges. If you were affected, you'll see a credit on your next bill. Please know this decision to double charge was from the previous board, this current board did not impose those double surcharges. We are committed to operating with transparency and following all PUC directives moving forward.

2. New Membership Requirement Now in Effect

The PUC has ruled, under Texas Water Code §13.002(24), that WOWSC must operate as a member-only utility. This means that only members of WOWSC are eligible to receive utility service. This ruling primarily affects rental properties. Going forward, landlords must choose one of the following two options:

- All-bills-paid lease – The landlord retains the WOWSC membership and pays the utility bills directly. No utility charges may be passed on to the tenant.
- Tenant becomes a member – The renter applies for WOWSC membership and pays the \$402.50 membership fee, which may be paid in installments with board approval.

To comply with the PUC's order, WOWSC is required to file a sworn affidavit within 30 days certifying that all accounts receiving service are in the name of members. If you own a rental property served by WOWSC, you must contact us immediately at samantha@spicewoodus.com to confirm your setup complies with one of the two approved options. WOWSC will also be reaching out to known rental properties, but it is ultimately the landlord's responsibility to confirm compliance. Any rental accounts that do not comply or fail to respond will be included in the affidavit submitted to the PUC.

Please note: This membership enforcement requirement was established under an agreement made by a previous board, not the current board.

3. Refunds vs. Surcharges – Why They're Treated Differently

Just a reminder—refunds and surcharges are handled separately:

- Surcharges are assessed on all current customers, even if you didn't live here during the rate appeal period.
- Refunds go only to those who actually paid the higher rates in the past.

For example, if you are a landlord and had a tenant in 2022 under an alternate billing agreement who paid the utility bills, you are not entitled to the refund—because you were not the one who paid those charges. This situation highlights exactly why renters must be recognized as members under their own names. The audit trail for refund eligibility becomes extremely difficult to track when there is inconsistent or missing information about tenant move-in and move-out dates, landlords resuming service, or shared account numbers across different occupants. Without accurate records, ensuring fair and timely refunds is a challenge for both the utility and the affected

parties. Additionally, the board is well aware that some former customers are entitled to refunds and is evaluating the best approach to ensure those individuals receive what they are owed.

4. Temporary Manager Oversight Has Ended

The PUC has officially ended temporary manager oversight. That means the \$24 monthly charge (\$12 for water, \$12 for sewer) will no longer appear on your bill.

5. Unauthorized Use and Water Theft

Sadly, we've discovered cases of water service being accessed without a valid membership or resold to others. WOWSC is a small, member-owned utility, and this kind of behavior affects all of us. It's not just unfair, it's a violation of the tariff and law. Anyone reselling WOWSC water is unlawfully acting as a utility, and anyone receiving service without membership is committing theft of service. Both are grounds for immediate shutoff and possible legal action. We'd prefer not to go down that road, but protecting this system for all members is our duty, and we'll take the steps necessary to do that.

6. New Operator – Spicewood Utility Services

Spicewood Utility Services is now managing operations for WOWSC. Their team will be in neon vests while in the field. Meter reads will take place between the 21st and 24th of each month. If your meter is located behind a fence or in an area with dogs, please ensure safe access for the technicians during this time or let us know in advance to inform the meter techs.

7. Ongoing Projects and System Improvements

On a positive note, the water intake barge on Lake Travis has finally been relocated to deeper water, after sitting idle in shallow water for several months under previous management. We are also exploring a gradual rollout of smart water meters to enhance system monitoring and customer usage. These meters will allow customers to track daily water use, which can help detect leaks and promote conservation. This is a long-term project and will be implemented in phases over the next few years.

8. Looking Ahead: System Upgrades

We are currently evaluating necessary upgrades to our water storage tank to address capacity concerns, as well as working with the Texas Commission on Environmental Quality (TCEQ) to resolve outstanding wastewater issues related to the effluent field. Improvements may include fencing the effluent area to meet regulatory standards and protect public safety. Many of these projects are long overdue, and the current board is actively seeking grant opportunities and funding to support these improvements without increasing the financial burden on our members.

9. Call Before You Dig

As a reminder, WOWSC is a Call Before You Dig utility, as outlined in our tariff under Section E(27)(e). Members Responsibility - The member is required to notify the system 48 hours prior to digging or excavation activities along or near water/sewer lines and appurtenances. This allows our operator to identify and mark any nearby underground water or sewer lines before your project begins. Failure to notify us and especially damaging a line will result in charges for water loss, line repairs, and operator service fees. These costs are the responsibility of the party that caused the damage. Please help us protect our system and avoid costly accidents by calling ahead. We're here to support your project while keeping WOWSC's infrastructure safe for everyone.

Thank you for your trust and support as we continue the hard work of restoring stability and accountability to our utility. We're committed to keeping you informed and doing what's right for our member owned utility.

Board of Directors

Windermere Oaks Water Supply CorporationWOSC