



Windermere Oaks Water Supply Corporation

Committed to Providing Clean, Safe Water for All Our Residents

June 24, 2020

Dear WOWSC Member,

We continue to receive third-party validations as to how well your water company is doing. We think it appropriate to share them with you.

First, the Consumer Confidence Report issued by the Texas Commission on Environmental Quality noted our perfect “no violations” compliance with Environmental Protection Agency regulations in 2019. We are pleased with the continuing effort of our manager and operating company to produce water which meets or exceeds state and federal water quality requirements. This is the fourth consecutive year with no violations. View or request a copy of the report at: <https://wowsc.org/water-quality-report>

Second, the Texas Commission on Environmental Quality renewed – for ten years – our wastewater treatment permit. Their customary permit is five years. Our history of successful, compliant operations warranted a 10-year extension. Again, we should all be well pleased with the continuing efforts of our manager and operating company.

Third, CoBank reviewed our financial status, including full disclosure of the lawsuits filed against us, and approved three loans amounting to \$680,000. CoBank is a \$125 billion national cooperative bank lending to companies like ours. With interest rates at historic lows, this is probably the best borrowing environment we will ever see. We will use \$230,000 to refinance an existing 4.75 percent loan at a lower interest rate. Another loan will pay for \$150,000 in conservation, technology, and dispersant field projects. The remaining \$300,000 is available to us in the next year for a new clarifier to replace our 40-year old tank. This approval, despite the extraordinary legal situation, further validates our management of this company.

Despite these successes, there are challenges. The rate increase we were forced to implement in March is being challenged at the Texas Public Utility Commission by allies of people who have sued our corporation. The rate case they filed may cost another \$100,000 or more in unplanned legal expenses. We paid \$167,000 in legal expenses last year, we’ve already paid \$70,000 in legal expenses this year, and we owe about another \$130,000 to our law firms. The lawsuit against us is continuing, and we will be incurring more legal fees through the rest of the year to defend this water company.

It is unfortunate that our non-profit corporation – and all our rate payers – continue to need such extensive legal representation, but this small group of individuals is unrelenting, despite their track record of failure. If or when they ever stop, we believe that rates can be reduced significantly. Despite these challenges, we will continue to operate this company in the safe, sustainable manner required by law.

Sincerely yours,

WOWSC Board