



Windermere Oaks Water Supply Corporation

424 Coventry Rd
Spicewood, Texas 78669

2014 Board of Directors:
Pat Mulligan, President
Bill Earnest, Vice President
Dorothy Taylor, Secretary
Mike Madden, Director
Scott Penner, Director

Open Board of Directors meeting held: Monday, March 24, 2014

Board Members Present:

Pat Mulligan, President
Bill Earnest, Vice President
Dorothy Taylor, Secretary/Treasurer
Mike Madden, Director
Scott Penner, Director

MINUTES

President Mulligan called the meeting to order at 6:04 pm . Quorum Present.

Minutes from the previous Open Board Meeting held February 18, 22, 2014 were presented for approval. Mike Madden made motion to approve, Scott Penner 2nd the motion. Approved by all board members.

George Burriss gave his Manager's Report. **WOWSC MONTHLY REPORT MARCH 2014:**

Since the 5" rainfall episode in November, the lake level rose to the 628' area and has been within a foot of that mark since then. Unfortunately, the short term forecast is for no significant change in the weather pattern. However, the National Weather Service has issued a statement that there is a chance of the emergence of an El Nino pattern developing around the end of the year. Historically, this pattern has been associated with increased precipitation in our area.

In the meantime, however, LCRA has projected the level to be below 600' by the end of August if there is no change in the current condition. For us, when the level drops below the 614' area, there will be water in our "reservoir" only as the releases from Starcke Dam make water available. We need to be aware that as releases from the upstream dams draw down the level of Lake Buchanan, and without significant rainfall, the level of Buchanan will fall to some point at which LCRA will curtail further releases from the upper lakes.

If the worst of the alternatives becomes reality, we will probably be hauling water by the end of the year. In order to prepare for such an eventuality, a new SCADA technician is working on reconfiguring some of the meters in the water plant so that every drop of water which goes through the treatment process can be tracked and counted. The goal, of course, is to reduce the lost water to zero.

There are a few projects which would increase the accuracy of determining the unaccounted for water. Having the leak detection company, Samco, come out and survey the distribution pipes would give us confidence of the integrity of the water pipes. Another would be to complete the meter replacement project for any meters which have registered a total of 1 million gallons. As these meters wear, the result normally is for them to register less than the actual amount of water going through them.

Probably the most important change would be to recycle the backwash water so that it is sent back through the treatment process. Presently that water is collected in the backwash pond, and then pumped to the sewer plant. This water could be blended with the raw water which is pumped from the lake. However TCEQ would have to approve this change,, and the application might need to be prepared by an engineer. Nevertheless, it could be done even though it might cost in the neighborhood of \$10,000.00.

So far as the new WWTP project is concerned, the site for the new plant has had all of the cedar trees cut down, and about half of them have been turned into cedar chips. A new culvert has been installed where the plant access road will intersect Exeter, and PEC has scheduled the installation of the new pole and power lines which will feed the plant. The next step will be to install the road from Exeter up to the plant site, and prepare the foundation for the new plant.

TCEQ is moving along in their review of the permit application and the engineering plans. They have instructed us to publish a public notice of the permit application in the local paper and post a copy of the application at the Burnet County Courthouse. Both of these items were take care of on March 14th.

Other Developments:

- Burnet County has granted an exemption from county property tax.
- Dana Martin had requested that she be allowed to employ one grinder pump for two hangars. The question was referred to Mark Zeppa, and he advised against it. A copy of his response is attached.
- Another review of the real estate in the Air Park has been completed, and copies of deeds have been forwarded to Mr. Dryden.
- All of the flush pipes in the distribution system have been painted black to denote that they are not to be considered "fire hydrants".
- Ricky and Larry have signed new agreements with Water Management. Ricky will work three days per week, and his compensation is now \$2000. per month. Larry's routine is now Monday through Friday from 8:00-4:00, and his compensation is \$2,800 per month.
- On February 14 the lift station in front of the Slimp residence overflowed, and spilled approximately 50-100 gallons which Larry quickly disinfected with chlorine, and then he cleaned up the street. Mr. Slimp reported the problem to Dave, and by the time Larry was contacted, he had already cleaned up the problem and restored the lift station to service, which he determined to be a tripped breaker. However, Mr. Slimp contacted a local attorney, and he has been referred to Mark Zeppa.
- All of the water lines at the Hill Condos have been located, and a plan to install individual meters for each of the units has been developed. The cost of the project is estimated to be \$2500.00.

Respectfully submitted, George Burriss

Dorothy Taylor questioned the statement that LCRA was projecting 600' msl by August, but rather they are projecting a possible combined storage level of Lakes Buchanan and Travis to be 600,000 acre feet in August. George said he had seen information on the LCRA website.

George also mentioned that in the event the WOWSC needed to haul water into the community we might be able to partner with Corix in the use of a truck.

George stated on the new WWTP that he is waiting for 2 Things: 1) LCRA to issue an erosion control permit. (LCRA needed a sealed Engineer Report for approval of our plan for silt fences) 2) Funding

Pat Mulligan stated that Southwest Fluids has been paid \$126,106.48 and is owed \$138,000.00. WOWSC has approx. \$235,000 in the bank.

George Buriss will need \$10,000 for Road (LCRA can specify construction criteria); \$25,000 for Pad and \$25,000 for electrical (PEC)

Pat Mulligan stated the appraisal by bank for 36 acres was \$360,000. (In 2006 it was Approx. \$790,000) The application with the bank included 3 pieces of property as collateral. Bank required WOWSC to agree that we would not pledge the 36 acres to any other bank. Mike Madden made a motion to approve this agreement, Scott Penner seconded. All board members approved.
The bank is to meet Wednesday night and then if loan ok'd, funding could happen in a week.

George stated that Southwest Fluids would be ready by the end of April.

George advised the Pat Haas was to do the road.

George still working on the size of the ponds/lagoons as required by TCEQ. We will need 2 ponds plus place for additional 2 ponds as needed in the future.

George stated that the Burnet County exemption from taxes is for the property that has WOWSC working systems on it.

Pat Mulligan stated that he is still waiting to work out the waiver of the reverter clause with Mr Lucas.

There was a discussion if the hydrant on the big green tank could be used for fire emergency. George stated that the 8" line outside on tank would not have pressure. A pumper truck could suck, but would need 200 feet of pipe which could cost in the \$6,000 range.

George stated that both Ricky and Larry would be working on Wednesdays – plan to make that the “project day”

There was discussion of a problem near Mr Slimp's property. Need to find out what happened and rectify it.

Dorothy Taylor gave an update of status of LCRA's Water Management Plan and an update of the contested case hearing at TCEQ on Feb 17th re: LCRA's Emergency Drought Order that was contested by CWIC/Rice Farmers.

Pat Mulligan stated the \$9,600.00 was paid to Insurance.

Pat Mulligan reviewed the Budget he prepared. Depreciation expenses not used on taxes filing. 2014 Profits 60 plus 35 = \$95,000. Expenditures for plant out of the Balance sheet. Owe \$478,160.27. Mike Madden made a motion to approve the Budget, seconded by Scott Penner. Approved by all.

Pat Mulligan stated election procedures for directors to WOWSC Board. If Board recommended candidates were unopposed and no one else came forward to serve, the Board could declare with a resolution that recommended candidates are elected. And resolution would be read at the annual meeting.

Pat Mulligan stated we would update strategic plan to include: water line and fire hydrant, condo, hangar split, Tennis Village station.

Dorothy Taylor and Mike Madden are working on updating information on past due accounts to determine correct owner and correct past due amounts. Liens notices will be sent with a 30-day notice as advised by WOWSC attorney. If payment not received, Liens will be filed with the Burnet County Clerk's office.

Board discussed Clay Johnson's request to be able to build the taxiway on WOWSC property. Dorothy Taylor made a motion to vote on this issue, Mike Madden seconded. Board vote was 4 against allowing Mr Johnson to build. 1 voted in favor. Pat Mulligan was to draft a letter to Mr. Johnson.

There was Board discussion about whether to include the current property that was being used as a storage area when WOWSC sells their property in the airport area. Dorothy Taylor made a motion to vote on this issue, Bill Earnest seconded. All Board members voted to include the stated property in the sale. Dorothy Taylor is to draft a letter to WOPOA President, Bob Mebane.

There being no further old business or new business, motion was made by Mike Madden to adjourn, Bill Earnest seconded. All board members approved. Meeting adjourned 8:45pm

Submitted By Dorothy Taylor

Email from Attorney, Mark Zeppa regarding 2 customers sharing one grinder pump.

From: "Mark Zeppa"

Subject: **WOWSC waiver of individual grinder pumps 1-17-14**

Date: January 17, 2014 3:45:35 PM CST

To: "'Dorothy Taylor'"

THE BOARD SHOULD NOT GRANT A WAIVER OF THE SEPARATE GRINDER PUMP REQUIREMENT IN THE TARIFF. IF THE PROPERTIES ARE SOLD OR THE NEIGHBORS HAVE A FALLING OUT, YOU WILL HAVE TWO NONCOMPLIANT SEWER PRODUCERS ON YOUR SYSTEM WITH NO WAY TO FORCE THEM TO WORK OUT THE COST OF FIXING THE PROBLEM. TO CUT THEM OFF WOULD REQUIRE A FILING WITH THE TCEQ/PUC WHICH WILL BE EXPENSIVE. PUTTING IN A GRINDER PUMP FOR ONE OF THE CUSTOMERS AFTER THE FACT WILL BE EXPENSIVE. A LOT OF FUTURE HEAD ACHES CAN BE AVOIDED IF YOU HOLD EVERYONE TO THE STANDARD OF THE TARIFF AND NOT LET A FEW OFF THE HOOK BECAUSE IT MAY TEMPORARILY BE CHEAPER IN SOME CASES.

Mark

Mark H. Zeppa Law Offices of Mark H. Zeppa, PC
Independent Water & Sewer Companies of Texas
4833 Spicewood Springs Road, Suite 202 Austin, Texas 78759
(512) 346-4011