



Windermere Oaks Water Supply Corporation

424 Coventry Rd
Spicewood, Texas 78669

2019 - 2020 Board of Directors:
Joe Gimenez, President
Bill Earnest, Vice President
Mike Nelson, Secretary/Treasurer
David Bertino, Director
Norman Morse, Director

Windermere Oaks Water Supply Corporation (WOWSC) meeting held: Wednesday, August 21, 2019

2019 - 2020 Board Members Present: David Bertino, Bill Earnest, Joe Gimenez, Mike Nelson

Minutes

The meeting was called to order at 6:02PM by Joe Gimenez. A quorum was established with four Board Members present.

1. Review, consider and take action to approve minutes of prior meetings.
 1. July 10, 2019 Meeting: Review and approval tabled to next meeting
2. NAMING CONSIDERATION – Consideration of proposal for naming the water treatment facility.
 1. Motion made and carried to name our water plant the George Burriss Water Treatment Facility of Windermere Oaks.

Naming Proposal

Whereas, our water treatment facility has no official name; and

Whereas, our community owes many accomplishments to more than 20 years of hard work, perseverance, leadership, deep industry knowledge and management skills of one person to the Windermere Oaks Water Supply Corporation; and

Whereas, this person has helped our water supply corporation to:

- keep our water and sewer plants running during many flooding events;
- develop innovative solutions during several years of drought;
- design, secure permits and complete the construction of the water treatment plant in 2007;
- design and secure permits for the wastewater treatment facility in 2013-14 and complete its construction in 2015
- design, and supervise the construction of the new inlet barge facility using a Grant from the Department of Agriculture, completed in October 2014;
- rebuild the pump barge which was torn from its mooring and secure insurance proceeds in 2018-19;
- consistently meet water quality standards;
- provide excellent customer service to residents;
- operate within a tight budget;

- convey ongoing concern and compliance about regulatory matters to Boards;
- exist over time as a non-profit with a volunteer board, by educating ever-changing Board members and help them navigate issues;

and,

Whereas our community owes a debt of gratitude for helping us keep pace with our growth at reasonable levels of cost,

We hereby authorize naming our water plant the George Burriss Water Treatment Facility of Windermere Oaks.

3. **CONFLICT OF INTEREST POLICY** – After review of previous years’ minutes, it has become apparent that a Board-ratified conflict of interest policy does not exist for WOWSC. Legal team has provided COI policy used by other water supply corporations, for review and approval.
 1. This item was tabled.

4. **EDUCATIONAL OPPORTUNITIES** -- Discussion and possible action for Board member and/or contractor attendance at 2019 CoBank Rural Water Forum on September 19 in Bryan, Texas. The event is no-cost. Travel and meal expenses may be incurred. Topics include CCN and 1926(b) issues, employee retention, customer communications, and more.
 1. Motion made and was passed by all present board members that board members can go to classes and get reimbursed for their expenses.

5. **MANAGER’S REPORT** –
 1. **WATER TESTS** – Update on lead and copper lab results; update on disinfection by-product test results.
 1. George provided update
 2. **INSURANCE FILING FOR PUMP BARGE** – update on status of submission of claim for \$60,855.84 and corresponding action for FEMA Grant application.
 1. A check for reimbursement from insurance company was issued.
 3. **TRWA ASSISTANCE** – Status of inquiries to TRWA regarding whistle blower policy, review of financials and 5-year-plan.
 1. Financials review:
 1. Example financial metric: Dollars in bank vs monthly expenses.
 2. WOWSC does not have a history of compiling financial metrics.
 3. Our bookkeepers generate our financial statements at the end of each month and recently added a few metrics
 4. Grant Rabon of NewGen Strategies and Solutions reviewed his presentation on Financial Management and Fiduciary Responsibilities and also NewGen’s financial services at our May 20th WOWSC Board meeting
 5. Does TRWA provide financial reviews of systems?
 1. James Smith of TRWA attended our meeting and informed us that:
 1. TRWA has a rate spreadsheet analysis tool that determines base rates and it was used to help determine WOWSC’s June 2018 rates increase.
 2. TRWA has a budgeting tool (CIP: Capital Improvement Plan)
 1. Action Item: Meet with James Smith of TRWA to obtain and learn the CIP budget tool - Mike
 2. WOWSC Budget committee was formed: Bill Earnest, Mike Nelson
 2. Five-year plan update:
 1. Built new water plant
 2. Built new waste water plant

3. Built pump station at tennis village
4. Purchasing and installing 150KW propane generator for ~\$80K
 1. Generator provider requested 50% up front (~\$35K). George to move forward requesting invoice.
 2. WOWSC is required to install a back-up generator as we now have > 250 customers
5. Next project is to install a new redundant water pretreatment facility at our WTP. Previous estimates were ~\$150K. George is obtaining bids.
6. Future: Homeland Security is requiring hardening security of systems. George is investigating installing security cameras systems.
7. Future: Recycle backwash water at WTP and retreat it to reduce raw water purchase from LCRA
8. Future: Recycle effluent water at WWTP to reduce raw water purchase from LCRA
4. GENERATOR PURCHASE UPDATE– After approving purchase at July meeting, manager will provide update on contract, deposit, schedule.
 1. Purchasing and installing 150KW propane generator for ~\$80K
 1. Generator provider requested 50% up front (~\$35K). George to move forward requesting invoice.
 2. WOWSC is required to install a back-up generator as we now have > 250 customers
5. MEMBER REQUEST -- Consideration of member request for \$1500 payment for reimbursement of grinder pump replacement due to alleged deadhead incident in June.
 1. Broken sewer leak repair:
 1. Roots from a nearby tree broke a sewer pipe.
 2. WOWSC replaced the broken sewer pipe and also a valve for two homes.
 3. The new valve worked after it was installed July 1st but then failed shut July 2nd.
 4. The faulty valve was replaced the next day, July 3rd.
 5. First of the two residences is occupied full time and the second home is occupied part time.
 6. The second home that is occupied part time claimed they had two commercial grade grinders that stopped working and requested \$12000.
 7. Having two grinders is a preference and is not mandatory. Most homes have one grinder pump.
 8. Background:
 1. Joe learned from customer:
 1. June 15th: second home's grinders pumps were working
 2. June 19th: no grinder pump alarm at the second home
 3. June 30th: no grinder pump alarm at the second home
 2. Could have been an electrical issue as both grinder pumps stopped working.
 1. The plumber called by the second home's owner snipped the power wires at both grinder pumps.
 3. It's not clear why the second home's grinder pumps would have been operating when no one was at the home during the sewer pipe leak, initial repair of the sewer pipe and valve replacement, and replacement of the faulty valve. So, it's not clear why either of the second home's grinder pumps would fail.
 1. Second home's owner theorized the first home's waste was pumped into the second home's waste system when the faulty valve failed shut.
 2. The second home's waste system should have a check valve after the grinder pumps that keeps the first home's waste from entering the second home's waste system.
 1. Is / was the second home's waste system's check valve defective?
 4. First home's grinder pump was over flowing and did not fail
 9. George offered to arrange for two residential grinder pump replacements at \$1350.
 10. Second home owner lowered the request to \$1500.
 11. No motion made by our Board

12. Other discussion: Previously George recommended WOWSC take control of our residences' grinder pumps' maintenance and repair. When the grinder pumps are privately owned, they are better treated and not as likely to be mistreated.
6. COST ESTIMATES FOR PRE-TREATMENT FACILITY -- Progress on development of cost estimates for 5-year plan projects.
 1. George is requesting bids on replacing the Pre-treatment Facility with a new redundant system
 1. WOWSC's pre-treatment facility was built with previously used equipment
 2. The system's clean out valve was incorrectly installed at 11' high versus 1'
 3. Project planning needs to include a switch over plan from the existing old system to the new redundant systems
 1. Question: Could another system's pretreated water be used by our WTP while the new redundant systems are being installed?
 4. Bill believes the pre-treatment facility upgrade needs to be done to keep the water system top notch.
7. 2020 BUDGET -- Appointment of Budget Committee is needed for 2020 budget development, for possible consideration at October meeting.
 1. WOWSC Budget committee was formed: Bill Earnest, Mike Nelson
6. EFFLUENT WATER AGREEMENT WITH SPICEWOOD AIRPORT PILOTS ASSOCIATION – Consideration of contract, after review by legal, for agreement with SAPA for provision of effluent water for its grass runway. The addition of an effluent water field will come at no cost to WOWSC, in view of increased number of taps and regulators' history of requiring larger dispersal fields.
 1. Joe has been working on a contract with our attorneys and SAPA
 2. Benefit: Additional area for effluent water spray, but only at night
 3. Questions from our attorneys:
 1. Do we need a permit adjustment → Yes per George
 2. Do we need an engineering assessment → Yes per George
 3. Joe to provide the above answers to our attorneys
 4. David's understanding is that SAPA only wants to water the grass runway at night.
 5. Today our effluent water is sprayed when needed at any time.
 6. Per Joe previous concerns regarding costs for WOWSC attorney fees and engineering fees are no longer an issue for the pilot association.
7. FINANCIAL REPORT -- Treasurer Mike Nelson to discuss monthly financial reports.
 1. July financials' review and approval tabled to next meeting
8. LOAN OFFER FROM COBANK-- Review, consider and take action to approve loan offer to pay-off balloon note, pay for generator, and have standby funds available for five-year plan improvements.
 1. Present loan: 4.75% interest rate. ~\$50K/year (\$4157.71/month). Current balance ~\$250K. Loan has a \$171,523.39 balloon payment at maturity. Maturity date is May 4, 2021.
 2. Commercial loans: Prime + 1% ~ 6.5% for seven years
 3. CoBank (Coop Bank): \$130B bank in Colorado that does agricultural loans, water plant loans, etc.
 1. WOWSC has been approved for a \$500K twenty-year loan with a fixed rate at 4.4% for loans > \$100K
 1. Adjustable rate for each loan < \$100K
 2. Fixed rate (now at 4.4%) for loans ≥ \$100K
 3. Don't have to use all \$500K at any given time
 4. Want to use new loan to pay off
 1. Current loan (balance ~\$250K)
 2. Back-up generator
 5. Get 0.25% of loan returned at end of year
 6. Reduces monthly payment by extending period of loan

1. From \$4157.71/month to ~ \$1568/ month
 2. WOWSC's line of credit with First United Bank expired last year and was not renewed. The CoBank loan would replace the need for a line of credit.
 3. Joe read a motion for the CoBank loan.
 4. Our attorney's reviewed and approved the CoBank loan paperwork.
 5. Our WOWSC Board needs to approve use of the CoBank loan.
 6. Financial advice is to pay for capital improvements with long term debt over time and to not fully pay up front where today's members would pay entirely for capital improvements versus future members sharing in the payment.
 7. WOWSC's Debt to Capital Ratio = 0.17. Bankers want this ratio below 1.5
 8. Are the loan's terms against our Bylaws? Review Section 9 Obligations with regards to indebtedness
 9. Motion made to table further loan discussion until our next meeting did not pass
 10. Motion made to approve loan did not pass
 11. Keep the CoBank Loan on the agenda for our next meeting
 12. AI: Review the CoBank Loan documents before our next meeting. – Mike and David
 13. AI: Ask our attorneys if any of the loan's terms violate WOWSC's Bylaws and share their response.
- Joe

9. INSTITUTE NEW POLICY FOR MONTHLY TIME LIMITS ON PUBLIC INFORMATION ACT REQUESTS
– In view of multiple Public Information Act requests submitted to WOWSC and the time and costs involved in responding, the Texas Public Information Act allows certain limitations. The Board will consider guidance from legal counsel and possibly act to establish a 15-hour monthly time limitation for a requestor in a one-month period.
 1. At our July 10th WOWSC Board Meeting, the Board approved adoption of a policy with a 36-hour maximum limit on personnel time per requestor per fiscal year.
 2. Motion made and carried to adopt a policy with a 15-hour maximum limit on personnel time per requestor per month
 3. WOWSC's Public Information Officer (PIO) needs to be a Board member.
 4. Joe volunteered to be WOWSC's PIO when no other Board member agreed to take on the role.
 5. Joe had to redact members personal financial information when responding to one recent request.
 6. At our July 10th WOWSC Board Meeting, the Board approved WOWSC's PIO be paid \$416/month for the type of duties already performed through emails, phone calls, etc. to fulfill the requests, with stipulation that payment may end when number of Public Information Act requests significantly decrease.
10. PUBLIC INFORMATION OFFICER RECAP– Update from Public Information Officer on number of inquiries received, number of requested items in requests, types of information being requested, and hours spent per request since instituting the 36-hour yearly limit.
 1. As of July 11th, WOWSC had received 19 requests
 2. WOWSC has now received a total of 31 requests
 3. Guesstimate each request averages ~ 3 items
11. CLARIFICATIONS ON PROCESSES AT WOWSC – The Board will offer clarifying comments to concerns raised by a member in an email circulated to the neighborhood. The topics include status of letter sent approved January 12, use of WSC funds for legal expenses, considerations for fulfilling public information act requests, assertions in affidavit, and compensation for services related to PIA fulfilment, as well as other subjects contained in the email.
 1. Joe video-taped this portion of our Board meeting
 2. Answers to questions to our WOWSC Board of Directors
 1. Our attorneys are still working on the demand letter sent in January
 2. A previous WOWSC Board decided not to accept an offer of \$175K for 7 acres
 3. Title company provided an appraisal
 4. A second lawsuit was filed in May 2019 against previous WOWSC's Board Members. WOWSC provides previous WOWSC Board Members with legal counsel.

5. Assertions made of not wanting to share information with our members are not true.
 6. Legal fees related to the two lawsuits and TPIA requests are ~\$75K through the first six months of this year.
 7. WOWSC's ByLaws include payment to WOWSC Officers.
12. Comments from citizens and members who have signed sign-up sheet to speak (3-minute limit per person).
1. Mark O'Malley:
 1. Conflict of interest policy confusion
 2. Is WOWSC still employing Lloyd Gosselink?
 1. Status on demand letter
 3. Appraisal paid for by WOWSC
 2. Dick Dial:
 1. Status on demand letter
 2. Right of first refusal
 3. Danny Flunker:
 1. 33 open records requests
 2. Whistle blower policy
 3. 2006 appraisal for seven acres
 4. Rene Ffrench:
 1. Loan would not be needed
 2. Conflict of interest is in Bylaws
 3. Have all Board Members read the Bylaws?
13. ANNUAL MEETING – In response to a member describing discrepancies between bylaws and the recent practice for assigning dates for holding annual meetings, we will discuss plan for scheduling 2020 annual meeting.
1. Bylaws target the first Saturday in February to hold our Annual Board Meeting and states it needs to be held between January 1st through April 30th
 2. Should we target our Annual Board Meeting be held after the WO POA Annual Meeting which normally is held the first Saturday in February?
 1. It could be better for folks who don't occupy their homes full time and who will need to travel to attend so they could attend both meetings.
 2. Bill recommends doing this as it was done in the past.
 3. Motion made and carried to target the first Saturday in February to hold our Annual WOWSC Board Meeting after the Annual WO POA Meeting in the same venue.
14. CONSIDER BYLAW ISSUES CONCERNING ABSENCE OF BOARD MEMBER FROM MEETINGS – In view of WOWSC bylaw authorizing removal of Board member after three consecutive missed meetings, the Board will consider setting date for special meeting to discuss possible removal of Norman Morse from Board and discuss the process for seeking and appointing replacement.
1. Norm Morse has now missed five consecutive Board meetings.
 2. Board meeting notices need to be mailed to notify Board Members of the meetings.
 1. Bylaws don't mention email
 3. No one recalls a previous Board removing one of its WOWSC Board Members.
 4. David believes Norman Morse plans to return to WO in September and to attend our next WOWSC Board meeting.
 5. Options:
 1. Mail meeting notices to Norman going forward
 2. Use email as proper notification
 6. Motion made and carried to hold special meeting for removal of Norman Morris from our WOWSC Board and to provide a ten-day Certified mail notice for motion of removal ten days prior to the meeting.
15. New business and discussion and possible action on agenda for next meeting.
1. Topics for next meeting:

1. Organize WOWSC's documents
2. Legal update
3. Pretreatment proposal

16. Set date, time, and place for next meeting.

1. Next meeting Wednesday, September 18, 2019

17. Adjourn.

1. Motion made and carried to adjourn 9:16PM



Submitted by: Mike Nelson

APPROVED BY WOWSC Board on September 18, 2019