



Windermere Oaks Water Supply Corporation

424 Coventry Rd
Spicewood, Texas 78669

2020 - 2021 Board of Directors:
Joe Gimenez, President
Patricia Gerino, Vice President
Mike Nelson, Secretary/Treasurer
Rich Schaefer, Director
Dorothy Taylor, Director

Windermere Oaks Water Supply Corporation (WOWSC) meeting held: Thursday, January 21, 2021 via videoconference using GoToMeeting

2020 - 2021 Board Members Present: Patricia Gerino, Joe Gimenez, Mike Nelson, Rich Schaefer, Dorothy Taylor

Minutes

The meeting was called to order at 6:03PM by Joe Gimenez. A quorum was established with four Board Members present at the start (Patricia, Joe, Mike, Dorothy). Rich Schaefer joined at 6:20PM.

- 1) Comments from citizens and members who wish to speak on agenda or non-agenda items (3-minute limit per person)
 - a) Micki Bertino: Received meeting notice alert at 10:30PM Monday night on her phone. Would have appreciated a better notice regarding this meeting using GoToMeeting instead of Zoom.
 - b) Patti Flunker: Agreed with Micki Bertino on appreciating a better notice regarding this meeting using GoToMeeting instead of Zoom and believes a change to GoToMeeting could disenfranchise members.
 - c) Marsha Westerman: Agreed with Micki Bertino and Patti Flunker on appreciating a better notice regarding this meeting using GoToMeeting instead of Zoom, had difficulty attending the meeting, and thought it was unfair.
 - d) Danny Flunker: WOWSC filed another lawsuit against Texas AG without informing members.
 - e) Ken Epich: Is tired of the frivolous lawsuits, receiving mail on lawsuits, and higher rates. Believes these are frivolous lawsuits by folks who lost a business deal to a savvy business woman. Retirees cannot afford the higher rates.
- 2) Approval of Board Meeting Minutes
 - a) December 16, 2020
 - i) Include Dorothy's feedback and resend for review.
 - b) December 17, 2020
 - i) Include Dorothy's feedback and resend for review.
- 3) MANAGER'S REPORT –
 - a) CORONAVIRUS – Update on recommendations from public health officials and water associations regarding water treatment processes for Covid-19, as well as response.
 - i) The safety protocols have not changed. Team is practicing the same protocols.
 - b) EASEMENT ENCROACHMENT -- Background and situation report on easement's encroachment on property of 423 Coventry Road.
 - i) New conduits for the electric cables that run to the barge were installed on the property and are now located within the 5' easement. The next step, a new survey, is anticipated to complete within a couple of weeks.
 - c) LCRA GRANT PROJECTS – Update on conservation projects.
 - i) The WWTP project was completed in October. Since project completion, WWTP raw water usage has dropped ~80%. The WTP project is expected to start within two weeks.
 - d) CLARIFIER AND ZEBRA MUSSELS – Update on recent permit applications for zebra mussel treatments and research on clarifier replacement projects.
 - i) Zebra Mussels

ii) Zebra Mussels Mitigation:

- (1) The City of Austin has committed to spending ~\$4M to mitigate zebra mussels at their WTPs. The City of Austin's remedy is not applicable to our small WOWSC system, as treating zebra mussels with chemicals creates unintended issues.
- (2) TCEQ questioned if the proposed strainers have lead parts. George learned the manufacturer can replace all lead parts with stainless steel parts. Using stainless steel parts increases the cost a couple of thousand dollars per strainer.
- (3) TCEQ is also concerned with returning the strained zebra mussels back into the lake. George and Joe plan to meet with LCRA to gain LCRA's consensus on using the strainers and returning strained zebra mussels back into the lake. Issue: If baby mussels get into the water intake pipe, they will clog the pipe requiring replacement or boring of pipe to unclog the pipe.

iii) New Clarifier:

- (1) George submitted an application for installation of a new clarifier to TCEQ. George is expecting application approval in mid-February. George is proceeding with project planning with the project engineer and manufacturer so the project can start soon after receiving approval from TCEQ.

4) TREASURER REPORT –

a) Review and acceptance of December report.

i) December 2020

(1) December Income: \$53.8K

(a) Water + Sewer revenue: \$47.2K

(b) Standby Fees: \$6.0K

(c) Year to date (YTD) Water + Sewer revenue at \$535.0K of YTD budget \$390.0K

(d) YTD Standby Fees revenue at \$41.2K versus annual budget \$33.0K

(e) YTD Equity Buy-in Fees revenue at \$59.8K versus annual budget \$27.6K

(f) YTD Water & Sewer Taps revenue at \$20.7K versus annual budget \$10.4K

(2) December Expenses: \$95.1K

(a) Legal: \$60.8K

(i) YTD Legal at \$245.8K versus annual budget \$250.0K

(b) Repairs and Maintenance: \$7.8K

(i) Repairs and Maintenance at \$69.6K versus annual budget \$50.0K

(3) December Net Income: <\$41.4K>

(4) 2020 Metrics:

(a) Debt to Service Coverage Ratio (DSCR): 4.25

(b) Debt to Capital Ratio: 0.24

(c) Days of Cash on Hand: 198 days

(5) 2019 Metrics:

(a) DSCR: 1.10

(b) Debt to Capital Ratio: 0.16

(6) Days of Cash on Hand: 139 days

(7) Motion made and carried by all to accept the December financial report

b) Consider and take possible action on accepting financial policies provided by NewGen Strategies.

i) PUC rate case has questioned if using depreciation was the proper method for budgeting capital renewal and replacement funding.

(1) Grant Rabon recommended update of the proposed policy to 'Sufficient capital renewal and replacement funding shall be included in developing the rates.'

(2) Joe modified the proposed financial policy based on Grant Rabon's recommendation. Joe plans to review the modification to the last bullet with Grant and then add review and approval of the updated financial policy proposal at a future Board meeting.

- 5) CONSIDERATION OF BUDGET FOR 2021 – The Board will consider and take possible action on accepting 2021 budget.
 - a) George believes the budget has what’s needed for the Y2021 operating plan. The third CoBank loan is included in the budget.
 - b) Motion was made and carried by all to approve our Y2021 budget as presented at our December 16, 2020 Board meeting.

- 6) REAL ESTATE COMMITTEE – Receive update regarding WOWSC property in airport area. Consider and take possible action on moving forward with marketing of WOWSC property.
 - a) All activity is on hold due to the lis pendens from the French, Dial, Sorgen lawsuit

- 7) ELECTION PROCEDURE – Discuss process for engagement with members regarding election procedures.
 - a) The Annual Members Meeting notice and Board of Director applications were mailed to all members on Jan 5th.
 - b) Will need to hold a Board meeting after the credentials committee receives the Board Director applications.
 - c) Dorothy discussed election procedures and the election auditor with the TRWA. The elections auditor has to be a volunteer member.
 - d) WOWSC’s attorney received a letter from the plaintiff’s attorney stating the WOWSC Board was aware of concerns regarding Board of Director elections. However, the WOWSC Board was not aware of any concerns regarding the Board of Director elections.

- 8) PENDING/ANTICIPATED LITIGATION MATTERS – Discuss, consider, and act on pending or anticipated litigation, including:
 - a) Ffrench, et al., Intervenor-plaintiffs and Double F Hangar Operations, LLC, et al. v. Friendship Homes & Hangars, LLC, Windermere Oaks WSC, et al., Cause No. 48292, 33rd Jud. Dist., Burnet County Dist. Ct.;
 - b) Ratepayers Appeal of Water and Sewer Increases by the WOWSC filed with the Public Utility Commission of Texas;
 - c) Appeal of Attorney General ruling filed in Travis County District Court in the case of WOWSC v The Honorable Ken Paxton, Attorney General of Texas, Cause No. D-1-GN19-006219, for protection of corporate rights and privileges during ongoing litigation including potential settlement of same.
 - d) Appeal of Attorney General ruling filed in Travis County District Court in the case of WOWSC v The Honorable Ken Paxton, Attorney General of Texas, Cause No. D-1-GN20-007251, for protection of corporate rights and privileges during ongoing litigation.

The Board may go into Executive Session under Texas Government Code § 551.071 (Consultation with Attorney) to discuss Item 10.

 - e) Open meeting paused: 6:54pm
 - f) Executive Session started: 6:58pm
 - g) Executive Session ended: 8:15pm
 - h) Open meeting resumed: 8:25pm

- 9) Consideration and possible action on items discussed in Executive Session.
 - a) For the purpose of pursuing the financial reimbursement and future financial support of Windermere Oaks Water Supply Corporation, and in fulfillment of the Corporation’s legal obligation to defend directors, a motion was made and carried by all for the Board to authorize the Shidlofsky law firm to file and pursue a breach of contract claim against our insurance company for cost in defense of the Ffrench/Friendship homes litigation.
 - b) Motion was made and carried by all for the Board to appoint a D&O insurance litigation subcommittee of Patricia Gerino and Richard Schaefer to communicate with the Shidlofsky law firm about the timing, conduct, and management of the lawsuit against our insurance company.
 - c) In view of the current state of litigation and the continuing costs of litigation, and in the interest of full transparency, a motion was made and carried by all for the Board to authorize the litigation subcommittee to work with legal counsel to release some or all legal invoices at issue in two Public Information Act appeals in Travis County as well as the Public Utility Commission rate case, as the legal subcommittee may direct.
 - d) In light of the agreed court ruling in the French/Friendship homes litigation ordering WOWSC to produce certain tapes and minutes of Executive Sessions in that litigation, and in the interest of transparency and open communication, a motion was made and carried by all to authorize the company to publish the tapes and minutes

on its website and to authorize the legal subcommittee to develop any communications to members about the tapes and minutes and, as appropriate, the invoices that are the subject of the previous motion.

- 10) 2021-2022 RESOLUTION ON HOLIDAY CALENDAR – Discuss and possible action on Resolution Adopting WOWSC Business Hours and Holiday Calendar
 - a) Joe read resolution (add resolution to minutes)

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF WINDERMERE OAKS WATER SUPPLY CORPORATION
ADOPTING CORPORATE BUSINESS HOURS
AND HOLIDAY SCHEDULE**

WHEREAS, Windermere Oaks Water Supply Corporation (“WOWSC”) is a nonprofit water supply corporation, operating under the authority of Chapter 67 of the Texas Water Code and the holder of retail water utility and sewer service Certificates of Convenience and Necessity Nos. 12011 and 20662 issued by the Public Utility Commission of Texas;

WHEREAS, the WOWSC Board of Directors (the “Board”) desires to establish a standing policy regarding Corporate business hours in observance of state and federal holidays, and to establish specific business hours and dates upon which WOWSC will be effectively closed for Corporate business during the holiday season;

WHEREAS, the Corporate business hours hereby established are different than the WSC operating hours for the water and sewer utility system, which shall remain operational day-to-day and year round; and

WHEREAS, the standing policy on Corporate business hours and specific holiday schedule of WOWSC through February 1, 2022 is hereby adopted by the Board as further established below.


NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF WINDERMERE OAKS WATER SUPPLY CORPORATION THAT:

1. The above recitals are true and correct.
2. The Board of Directors of WOWSC hereby adopts this standing policy and holiday schedule relating to WOWSC Corporate business hours and dates of closure for WOWSC during the 2021 and 2022 holiday season.
3. WOWSC shall be closed in observance of all state holidays established by the Texas Comptroller (including “skeleton crew” and “optional” holidays) and federal holidays.
4. WOWSC shall be closed for Corporate business from December 20, 2021 through December 31, 2021, and shall reopen for Corporate business on January 3, 2022.
5. The aforementioned state and federal holidays, and specific dates of closure, shall not constitute business days for the Corporation.

This resolution is hereby PASSED AND APPROVED this 21st day of January, 2021 by vote of 5 in support, 0 against, and 0 abstaining.

i)

WINDERMERE OAKS
WATER SUPPLY CORPORATION



Joe Gimenez, President

ATTEST:



Mike Nelson, Secretary/Treasurer

- ii)
 - b) Could a generic resolution be used to cover future years to avoid having to pass resolutions each year? That's difficult as some holiday dates change year to year and those with fixed dates change day of the week year to year.
 - c) Motion was made and carried by all to adopt the resolution on WOWSC 2021-2022 Business Hours and Holiday Calendar.
- 11) NEW BUSINESS – Discussion and possible action on agenda for next meeting.
- a) Managers report
 - b) Financial
 - c) Meeting minutes
 - d) Election
- 12) NEXT MEETING – Set date, time and place for next meeting.
- a) Thursday, February 11th, at 6pm using Zoom
- 13) Motion made and carried by all to adjourn at 8:41PM



Submitted by: Mike Nelson

APPROVED BY WOWSC Board on March 9, 2021

Billing Questions: (830) 598-7511 Ext 1
Water or Sewer Emergency: Phone (830) 598-7511 Ext 2