



Windermere Oaks Water Supply Corporation

424 Coventry Rd
Spicewood, Texas 78669

2021 - 2022 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: Tuesday, August 17, 2021 via videoconference using Zoom

2021 - 2022 Board Members Present: Joe Gimenez, Mike Nelson, Rich Schaefer, Dorothy Taylor

Minutes

The meeting was called to order at 6:08PM by Joe Gimenez. A quorum was established with three Board Members present at the start, Joe, Dorothy, Mike. Rich joined a few minutes after the start.

- 1) Comments from citizens and members who wish to speak on agenda or non-agenda items (3-minute limit per person)
 - i) Micki Bertino: Many folks don't have great internet. Hopefully we can get back to in-person meetings, even if they have social distancing.
- 2) Approval of Board Meeting Minutes
 - a) June 10, 2021
 - i) Table until next meeting
- 3) MANAGERS REPORT –
 - a) ZEBRA MUSSEL PROJECT – Update on efforts to secure regulatory agencies approvals for installing strainer on the pump manifold on raw water intake barge to remove particles larger than 35 microns with automatic backwash capability.
 - i) Zebra mussels are in WOWSC's area of Lake Travis in great numbers. Last summer George submitted an application to TCEQ for WOWSC to install strainers on WOWSC's water intake barge requesting a variance on TCEQ's current rule. TCEQ denied WOWSC's application but stated they would reconsider if both the LCRA and Texas Parks & Wildlife Department (TPWD) agreed. Both the LCRA and TPWD wrote letters endorsing WOWSC's application. George resubmitted WOWSC's application to TCEQ with the endorsement letters and is now awaiting TCEQ's response.
 - b) CLARIFIER AND STORAGE TANK – Update on progress of engineering plans, pricing comparisons, and possible installation for clarifier and storage tank related to system growth. Discussion and possible action on paying deposit to tank manufacturer.
 - i) George requested estimates and quotes from vendors and is awaiting their responses. The project is getting close to the end of planning and is nearing start of execution. George is making adjustments to the plan to meet the project's budget target.
 - c) CONSERVATION REQUIREMENTS – Update on requirements of regulatory agencies to reduce members' water consumption for conservation efforts, including the USDA/FSA Source Water Protection report.
 - i) George submitted WOWSC's conservation plan to the LCRA and is awaiting LCRA's response. An updated conservation plan is needed every five years.
 - d) TRWA CONFERENCE REPORT – Provide summary of TRWA annual conference sessions which Joe and George attended.

- i) This was a technical and engineering conference with suppliers to the industry. Joe and George mostly attended different sessions and met with folks facing similar challenges as WOWSC. Joe met with the TRWA lead council and president. Joe met with CoBank representative John DeLuca who informed Joe that WOWSC could still accept the \$300,000 loan. CoBank requested WOWSC complete and provide Form 990. Joe attended sessions on using drones for plant inspections and Texas legislature updates. George attended sessions on variable speed pump motors, new regulations, and lead & copper sampling. George took a tour of a clarifier at a very large WTP (60M gallons treated per day).
 - ii) Based on WOWSC's record, TCEQ informed WOWSC that lead & copper sampling can be reduced to every three years.
- 4) LEGAL MATTERS – Update of scheduling for the various litigation and rate case matters.
- a) Ratepayers Appeal of Water and Sewer Increases by the WOWSC filed with the Public Utility Commission of Texas
 - i) The July 14 – 16 PUC hearing was pushed out and was initially rescheduled to August 24th which conflicted with the ongoing Cause No. 48292 litigation. Rescheduling efforts found the Ratepayers had conflicts in September and the PUC staff had conflicts in October and November. December 3 – 5 are the new hearing dates.
 - ii) Rough schedule estimate:
 - (1) Hearing and filings in December 2021 with back & forth in January 2022.
 - (2) PUC staff and judge determination in February 2022 with appeals in February / March 2022.
 - (3) Final Commission determination in March / April 2022.
 - iii) WOWSC's litigation costs for this PUC rate case are to be included as future higher rates possibly spanning a two-year period.
 - b) Ffrench, et al., Intervenor-plaintiffs and Double F Hanger Operations, LLC, et al. v. Friendship Homes & Hangars, LLC, Windermere Oaks WSC, et al., Cause No. 48292, 33rdJud. Dist., Burnet County Dist. Ct
 - i) May 3rd summary judgement removed all directors from the case except Dana Martin.
 - ii) The judge issued orders to mediate and reach settlement.
 - iii) The judge accepted a continuance request from the FHH attorney due to a serious family illness. The case is postponed until sometime in Y2022. A new trial date needs to be set.
- 5) TREASURER REPORT –
- a) Review and acceptance of June and July financial reports.
 - i) June 2021
 - (1) June Income: \$48.8K
 - (a) Water + Sewer revenue: \$45.7K
 - (b) Standby Fees: \$1.9K
 - (c) Year to date (YTD) Water + Sewer revenue at \$302.6K of YTD budget \$270.0K
 - (d) YTD Standby Fees revenue at \$26.7K versus annual budget \$33.0K
 - (e) YTD Equity Buy-in Fees revenue at \$18.8K versus annual budget \$27.6K
 - (f) YTD Water & Sewer Taps revenue at \$5.2K versus annual budget \$10.4K
 - (2) June Expenses: \$49.3K
 - (a) Legal: \$20.0K
 - (i) YTD Legal at \$115.7K versus annual budget \$250.0K
 - (b) Repairs and Maintenance: \$8.0K
 - (i) Repairs and Maintenance at \$60.8K versus annual budget \$50.0K
 - 1. Repairs from severe freeze at \$15.0K YTD
 - (3) June Net Income: (\$5.2K)
 - (4) 2021 Metrics:

- (a) Debt to Service Coverage Ratio (DSCR): 0.93
 - (b) Debt to Capital Ratio: 0.23
 - (c) Days of Cash on Hand: 144 days
 - (5) 2020 Metrics:
 - (a) DSCR: 0.77
 - (b) Debt to Capital Ratio: 0.18
 - (c) Days of Cash on Hand: 67 days
 - (6) Motion made and carried by all to accept the June financial report
 - ii) July 2021
 - (1) July Income: \$60.3K
 - (a) Water + Sewer revenue: \$55.8K
 - (b) Standby Fees: \$1.6K
 - (c) Year to date (YTD) Water + Sewer revenue at \$358.4K of YTD budget \$315.0K
 - (d) YTD Standby Fees revenue at \$28.3K versus annual budget \$33.0K
 - (e) YTD Equity Buy-in Fees revenue at \$18.8K versus annual budget \$27.6K
 - (f) YTD Water & Sewer Taps revenue at \$6.0K versus annual budget \$10.4K
 - (2) July Expenses: \$34.7K
 - (a) Legal: \$7.5K
 - (i) YTD Legal at \$123.2K versus annual budget \$250.0K
 - (b) Repairs and Maintenance: \$7.1K
 - (i) Repairs and Maintenance at \$67.9K versus annual budget \$50.0K
 - 1. Repairs from severe freeze at \$15.0K YTD
 - 2. George submitted an insurance claim for ~\$20K
 - (3) July Net Income: \$21.0K
 - (4) 2021 Metrics:
 - (a) Debt to Service Coverage Ratio (DSCR): 2.60
 - (b) Debt to Capital Ratio: 0.23
 - (c) Days of Cash on Hand: 146 days
 - (5) 2020 Metrics:
 - (a) DSCR: 1.35
 - (b) Debt to Capital Ratio: 0.15
 - (c) Days of Cash on Hand: 79 days
 - (6) Motion made and carried by all to accept the July financial report
 - b) Presentation of Form 990, the WOWSC's tax return for 2020.
 - i) CoBank requested WOWSC complete and submit Form 990 to the IRS
 - ii) Joe worked with Raven Herron, Inc. to complete the Form 990.
 - iii) Mike reviewed the completed Form 990.
 - c) Discussion and possible action on Officer expense reimbursement report.
 - i) Reviewed Joe's PIO expense report
 - ii) Motion made and carried by Mike, Rich, & Dorothy to accept the expense report and reimburse Joe.
 - (1) Joe abstained from the vote
- 6) E-BILLING & EPAYMENTS SOLUTIONS – Discussion and possible action on purchasing software program for members to use electronic payment options.
 - a) Rich met with PayStar and expressPay.
 - i) Both require WOWSC to setup a separate accounts receivable that mirrors WOWSC's administrative RVS system with a link to the RVS accounts receivable.
 - (1) Billing payments get directly deposited electronically
 - ii) PayStar was the most responsive, but had the highest collection fees
 - (1) Either customers pay the 2.7% to 3.0% fees or the business pays the fees

- iii) expressPay has a significant reduction in fees if the business pays the fees
 - b) Sending out monthly statements via email can reduce postal fees
 - c) Rich is investigating using QuickBooks as another accounts receivable system and to send bills via email and then using Zelle to receive payments to avoid fees.
 - i) QuickBooks' payment fee is 2.75%
 - ii) BofA provides Zelle for small businesses to avoid transaction fees
 - iii) Rich to check if First United Bank has Zelle or similar capability
 - d) Two electronic aspects:
 - i) Billing
 - ii) Making payments
 - e) Rich will continue investigating cost effective solutions. Customers that move to receiving electronic billing may reduce WOWSC's cost.
 - f) WOWSC likely has a mixture of members who will want to remain on today's system and those who will move to electronic billing and payment.
 - g) There is additional workload on the billing office staff to maintain two accounts receivable systems.
 - h) WOWSC already has QuickBooks and is using it for chart of accounts and total revenues. A list of customers is not in QuickBooks today.
 - i) Rich is keeping Lori up to date on the discussions. A request was made to include Lori in the discussions with companies to understand the available products and to ask questions pertinent to WOWSC.
- 7) PURSUIT OF ARPA FUNDING: Discussion and possible action on approving outreach efforts to Burnet County Commissioners for seeking ARPA funding.
- a) Joe learned of Federal money available to States and Counties. Dorothy and Joe are investigating how to apply for access to the funds. Joe is working with George on items needed for WOWSC to keep pace with growth, ~ fifty new houses in the last five years.
 - b) Joe wants to submit a request for funds to help with increasing WOWSC's capacity and with renewing WOWSC's infrastructure.
 - c) Motion made and carried by all for Joe to develop the ARPA funding request and to submit it to the Burnet County Commissioners.
- 8) NEW BUSINESS – Discussion and possible action on agenda for next meeting.
- a) Approval of Board Meetings' minutes
 - b) Manager's report
 - c) Executive session for legal update
- 9) NEXT MEETING – Set date, time and place for next meeting.
- a) Tuesday, August 24, 2021 at 6:00PM
- 10) Motion made and carried by all to adjourn at 7:26PM



Submitted by: Mike Nelson

APPROVED BY WOWSC Board on September 30, 2021