



# 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: Thursday, September 30, 2021 at the Windermere Oaks Pavilion**

**2021 - 2022 Board Members Present:** Patricia Gerino, Joe Gimenez, Mike Nelson, Dorothy Taylor

## Minutes

The meeting was called to order at 6:00PM by Joe Gimenez. A quorum was established with four Board Members present.

- 1) Comments from citizens and members who wish to speak on agenda or non-agenda items (3-minute limit per person)
  - i) Danny Flunker: Questioned need for ARPA funds.
- 2) Approval of Board Meeting Minutes
  - a) August 17, 2021
  - b) August 24, 2021
  - c) Motion made and carried by all to accept the August 17<sup>th</sup> and August 24<sup>th</sup> meeting minutes.
- 3) MANAGER'S REPORT
  - a) SAPA IRRIGATION PLAN – Update on plans and progress being made by Spicewood Airport Pilots Association for irrigation of 3 acres using WOWSC effluent.
    - i) The operator of the boring machine passed. The project is on hold. The project would add three acres of treated waste water dispersant field to WOWSC's existing seven acres.
  - b) ARPA FUNDS CONSIDERATION – Discussion and possible action on including, in request for ARPA funds, costs required for relocation of water plant.
    - i) Joe submitted WOWSC's request to the Burnet County auditor. The Burnet County auditor told Joe that to date Burnet County has received ~\$9M from ARPA and another ~\$9M is on the way. Burnet county has significant growth needs. Burnet County is directly receiving the Federal ARPA funds which is a new way of working for the county as Federal money is usually received by the State of Texas. Joe anticipates an update to WOWSC from the auditor by the end of October. Texas is receiving ~\$16B in Federal ARPA funds.
    - ii) Joe asked Bill Earnest to request a meeting with Texas State Representative Terry Wilson and Joe to discuss ARPA funds for WOWSC.
    - iii) Consensus was reached for Joe to continue driving WOWSC's ARPA funds request.
    - iv) The number of hangars at SAP could grow another seventy hangars
    - v) WO has ~200 empty lots
    - vi) ARPA funds can be used for upgrading infrastructure

- vii) Motion made and carried by all to work with George to expand WOWSC's request for ARPA funds to include expanding capacity of WOWSC's plants.
  - c) 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 brought the proposal for a new storage tank and handed out quotes for two tank options. First option is for a painted tank. Second option is for a galvanized tank. George has found the galvanized tanks to age better than the painted tanks. The galvanized tank is \$2,175 less than the painted tank. George recommends moving forward with the galvanized tank.
      - (1) Painted tank installed quote: \$158,375
      - (2) Galvanized tank installed quote: \$156,200
    - ii) Room exists next to the existing storage tank for the new storage tank.
    - iii) George wants to start the storage tank project in early December.
    - iv) Since COVID-19 started, water consumption has increased approximately 25%. Costs have increased to meet the increased demand. WO has added five to ten houses per year the last few years.
    - v) Water loss has significantly decreased resulting from the completed WTP and WWTP water conservation projects.
    - vi) George recalls WOWSC's average usage is approximately 4 acre ft/per month and the month of August usage was > 9 acre ft.
    - vii) Y2021 has been a mild year with the first 100 degree day in August
    - viii) Home building continues in WO
    - ix) One goal is to upgrade the WTP plant's capacity of clean stored water to meet and stay ahead of future demand.
    - x) WOWSC still needs to replace the existing old clarifier. Last year was the first year WOWSC was pressed to meet treated water demand.
    - xi) WOWSC member growth has significantly increased in the last five years
    - xii) The plan is to modify the existing storage tank into a clarifier once the new storage tank is on-line.
    - xiii) Then, in ~five years acquire another storage tank to increase capacity for future demand.
    - xiv) Deposit = 30%
    - xv) George is targeting next week for completed project drawings.
    - xvi) See item #5 Loan discussion below. \$300,000 loan approved with CoBank. In June 2020 the CoBank loans were approved. The first two loans were taken then and the third loan start was delayed until start of project.
    - xvii) Motion made and carried by all to authorize George to work with Superior Tank on a new storage tank and to provide funding for the project.
  - d) 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 30 microns with automatic backwash capability. Discussion and possible action on paying deposit for screen.
    - i) Zebra mussels in Lake Travis are multiplying. WOWSC is keeping adult zebra mussels out using fine copper screens on the intake pipes but have no way to keep baby zebra mussels out.
    - ii) WOWSC submitted an application to TCEQ to install strainers to keep the baby and adult zebra mussels out. George received approval from both the LCRA and TPWD to remove the zebra mussels at the water intake pumps and return them directly to Lake Travis.
    - iii) The strainer manufacturer is located in Israel and has a significant backlog.
    - iv) In north America, zebra mussels were first introduced to the Great Lakes.
    - v) A California manufacture is sending George a list of customers where he can go and see a strainer in person.
- 4) TREASURER'S REPORT a) Review and acceptance of August financial report.
- a) August 2021 after executive session

- i) August Income: \$43.2K. Note: Payment deposits were delayed by COVID-19.
  - (1) Water + Sewer revenue: \$41.9K
  - (2) Standby Fees: \$0
  - (3) Year to date (YTD) Water + Sewer revenue at \$358.4K of YTD budget \$400.3K
  - (4) YTD Standby Fees revenue at \$28.3K versus annual budget \$28.3K
  - (5) YTD Equity Buy-in Fees revenue at \$18.8K versus annual budget \$27.6K
  - (6) YTD Water & Sewer Taps revenue at \$6.0K versus annual budget \$10.4K
- ii) August Expenses: \$61.6K
  - (1) Legal: \$25.5K
    - (a) YTD Legal at \$189.2K versus annual budget \$250.0K
  - (2) Repairs and Maintenance: \$7.7K
    - (a) Repairs and Maintenance at \$76.4K versus annual budget \$50.0K
      - (i) Repairs from severe freeze at \$15.7K YTD. George submitted an insurance claim.
      - (ii) Repairs and maintenance on barge at \$1.8K YTD.
- iii) August Net Income: <\$23.0K>
- iv) 2021 Metrics:
  - (1) Debt to Service Coverage Ratio (DSCR): (1.39)
  - (2) Debt to Capital Ratio: 0.24
  - (3) Days of Cash on Hand: 132 days
- v) 2020 Metrics:
  - (1) DSCR: 1.15
  - (2) Debt to Capital Ratio: 0.18
  - (3) Days of Cash on Hand: 69 days
- vi) Motion made and carried by all to accept the August financial report

Open meeting stopped at 6:52PM  
 Executive session started at 6:54PM  
 Executive session ended at 7:19PM  
 Open meeting restarted at 7:21PM

- 5) LOAN – Discussion, consideration and possible action regarding approval of loan terms proposed by CoBank and finalizing loan.
  - a) The Board voted in 2020 to approve the entire loan offer from CoBank and opted then not to take the \$300,000 loan because we were not ready to begin the tank project.
  - b) WOWSC needs to accept the entire loan once the request is made.
  - c) George completed obtaining quotes and engineering approvals for the tank project and the \$300,000 loan is necessary to move the project forward.
  - d) Consensus was reached to affirm the Board’s vote approving the loan in June 2020 and to accept the additional \$300,000 loan offered by CoBank.
- 6) E-BILLING & EPAYMENTS SOLUTIONS – Discussion and possible action on purchasing software program for members to use electronic payment options.
  - a) Dorothy learned that First United Bank does not accept Zelle payments.
  - b) Systems East Xpress Pay:
    - i) WOWSC would import the RVS report monthly into Express Pay.

- ii) Express Pay sends a billing email to those who sign-up for credit card payment.
  - iii) WOWSC's fees: \$0
  - iv) Members/Customers fees: 2.85% + \$0.40 per transaction
  - c) PayStar:
    - i) WOWSC would import the RVS report monthly into PayStar.
    - ii) WOWSC's fees are:
      - (1) Integration one-time fee: \$125
      - (2) Monthly fee: \$35
    - iii) Customer fees
      - (1) For bills > \$150: \$2.50%
      - (2) For bills between \$50 and \$150: \$2.75%
    - iv) Expects to add capability to send billing email next year
  - d) Patricia and Joe prefer PayStar as it has lower customer fees
  - e) Patricia suggested WOWSC request all members provide their email enabling WOWSC to send billing emails.
  - f) Motion made and carried by all to authorize George to contact PayStar to implement credit & debit cards payment capability.
- 7) EXECUTIVE SESSION – The Board will go into Executive Session under Texas Government Code § 551.072 to consult with the WOWSC Attorney regarding pending or anticipated litigation matters listed in item 11 below.
- 8) EXECUTIVE SESSION – The Board will go into Executive Session under Texas Government Code § 551.072 to discuss the potential purchase and sale of real property listed in items 9 - 10 below.
- 9) PURCHASE OF REAL PROPERTY – Discuss, consider, and act on the potential purchase of real property for WOWSC facilities.
- a) Motion made and carried by all for George to engage a real estate agent outside of WOWSC and the WO community on behalf of WOWSC to explore property options for WTP.
  - b) Want an arm's length transaction
- 10) SALE OF REAL PROPERTY – Discuss, consider, and act on the potential sale of WOWSC property
- a) No discussion
- 11) PENDING/ANTICIPATED LITIGATION MATTERS – Discuss, consider, and act on pending or anticipated litigation, including:
- a) 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, 33rd Jud. Dist., Burnet County Dist. Ct.;
    - i) No discussion
  - b) Ratepayers Appeal of Water and Sewer Increases by the WOWSC filed with the Public Utility Commission of Texas; and
    - i) No discussion
  - c) Windermere Oaks Water Supply Corporation, et al. v. Allied World Specialty Insurance Company; Cause No. 1:21-CV-258-RP, pending in the Western District Court of Texas, Austin Division.
    - i) No discussion
- 12) INSURANCE – Discussion, consideration and possible action on seeking new insurance company.
- a) Insurance company has stated in court that they do not cover issues involving contracts.

- b) All company business uses contracts.
- c) Joe recommends moving forward with finding another D&O insurance policy that covers D&O and issues involving contracts.
- d) Texas law states corporations pay Director legal expenses
- e) Motion made and carried by all to endeavor to find a new D&O insurance policy and / or investigate if Allied has a policy that does not exclude contracts.

13) RATE CASE AT PUBLIC UTILITY COMMISSION – Update on Ratepayers Appeal of the decision by WOWSC to change water and sewer rates.

- a) WOWSC wants to work with ratepayers to resolve the rate case. Some PUC staff assumptions were incorrect in their testimony.
- b) WOWSC has ~280 customers of which 40 members don't use water regularly and another ~80 members use less 2,000 gallons per month.
- c) Grant Rabon's analysis found the PUC staff testimony would cause WOWSC financial ruin.

14) NEW BUSINESS – Discussion and possible action on agenda for next meeting.

- a) Approval of Board Meeting minutes
- b) Manager's report
- c) Executive session
- d) September financial report
- e) Document retention policy – not at this time

15) NEXT MEETING – Set date, time and place for next meeting.

- a) 21Oct2021 at 6:00PM

16) Motion made and carried by all to adjourn at 7:57PM



Submitted by: Mike Nelson

APPROVED BY WOWSC Board on November 18, 2021

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