

WINDERMERE OAKS WATER SUPPLY CORPORATION
Special Board Meeting Minutes
April 7, 2025 – 6:00 PM
Windermere Oaks Pavilion, 105 Eaton Lane, Spicewood, TX 78669

1) Call to Order

President Patti Flunker called the meeting to order at 6:01 PM.

2) Roll Call and Quorum

Directors present: Patti Flunker (President), Mark Carpenter and Allen Hicks. A quorum was established pursuant to Article 8, Section 10 of the WOWSC Bylaws, which requires a majority of the board members to be present.

3) Pledge of Allegiance

The Board agreed to waive the Pledge of Allegiance by unanimous consent.

4) Public Comment – signed up to speak

The Board heard from several members of the public on various matters of concern:

- *Josie Fuller* requested clarification on the status of a previously announced meeting regarding a potential rate increase. She expressed confusion over conflicting emails about its cancellation. Temporary Manager Lenita Goehring explained that while a rate study had been conducted, the rate case was currently on hold pending financial clarification and audit concerns. Patti Flunker also shared concerns about the rate consultant's approach and confirmed that rate adjustments are not imminent.
- *Julie Neumann* inquired about the annual meeting notice mailing. Some members indicated they had not received it. Patti stated that over 300 notices were mailed on March 27, 2025, and agreed to send an alert with the agenda to ensure members were informed.
- *Robin Phillips* spoke in support of Curtis Jeffries as a potential new operator, citing his dual certifications in water and wastewater and his experience in the industry. He encouraged the Board to consider him for future operational needs.
- *Danny Flunker* raised concerns about Carlos Rubinstein's consulting roles, claiming that he was serving multiple clients with conflicting interests and had not delivered results for WOWSC. He questioned the board's decision-making on consultants and rate increases.
- Additional speakers raised concerns about unauthorized water sharing at the airport, with some hangars using a single meter. Patti and David Salinas from U.S. Water explained that sharing water between structures violates the tariff and constitutes theft of service.

5) Approval of March 17, 2025, Meeting Minutes

A motion was made by Allen Hicks to approve the minutes from the March 17, 2025, special board meeting. The motion was seconded by Mark Carpenter and approved unanimously.

6) Appointment of Legal Counsel

Lenita Bates, Temporary Manager presented a proposal to engage Art Rodriguez as legal counsel, citing his experience and lower billing rate. Patti and board members agreed to table the

matter to allow time for further review of his credentials and contract terms. Patti emphasized the importance of selecting counsel with strong nonprofit corporate law experience rather than purely utility law expertise. No vote was taken.

7) Invoices and Repairs Report – March 2025

David Salinas of U.S. Water reported on several operational and repair items, including:

- Tap and leak repairs on Sky King and Hill Loop.
- Electrical repairs at the airport lift station and ongoing communication issues with the autodialer.
- Motor failure on a key transfer pump at the water plant, requiring replacement.
- Payment of past-due LCRA raw water invoices totaling approximately \$1,000.
- Freeze-related water breaks in February, primarily on customer-side infrastructure.
- Delayed response from prior operator related to equipment failures.
- Quote obtained from Viking for over \$6,000 to restore the second trimer, which is essential for summer demand and TCEQ compliance.

David also flagged that the barge currently has only two of four pumps operational, putting WOWSC at risk of noncompliance. Quotes for pump replacements are being obtained, and installation contractors are being sought. Patti confirmed that priorities moving forward are restoring full water treatment capacity and ensuring system redundancy before peak demand.

8) Temporary Manager Rate Increase

This item was discussed generally during earlier comments. No specific proposal or vote was brought forward during the meeting.

9) Discussion and Possible Action: Operations and Billing Services – Contracts and Proposals

The Board reviewed three contracts related to operations and billing services:

- A temporary contract from U.S. Water Corporation, the current operator;
- A proposal from Spicewood Utility Services for long-term operator services; and
- The existing contract with Lori Cantrell for billing and administrative support.

President Patti Flunker presented the contract from Spicewood Utility Services and noted minor redline edits that would be included in the final version. The Board discussed the importance of establishing a new operator relationship to improve service continuity and system oversight. The proposed start date for Spicewood Utility Services was set for April 14, 2025. A motion was made by Patti Flunker to approve the contract with Spicewood Utility Services for operator services, contingent upon incorporation of the discussed redline edits, with services to begin April 14, 2025. The motion was seconded and passed unanimously. Following approval of the new operator contract, the Board discussed the need to transition from U.S. Water Corporation. A motion was made by Patti Flunker to provide written 30-day notice of termination to U.S. Water Corporation. The motion was seconded and approved unanimously. The Board then considered billing and administrative services. A motion was made by Patti Flunker to provide Lori Cantrell with written 30-day notice of termination for her billing and administrative support contract. The motion was seconded by Mark Hastings and approved unanimously.

10) Tariff Amendments – Renters as Members (PUC Docket 55454)

Patti initiated discussion on proposed updates to the tariff to comply with the PUC order requiring renters to either become members or receive service as tenants. The Board agreed that further review and drafting of specific language is required. No vote was taken.

11) Discussion and Possible Action on System Fire Hydrants

The Board engaged in a detailed discussion about the status and safety of fire hydrants located within the WOWSC system. David Salinas of U.S. Water stated that, upon inspection, the hydrants in the community are *not fire-rated hydrants* and were not installed with the necessary engineering approvals. He explained that they were originally designed and used to flush the system, not to provide fire suppression. Several were painted red in the past, which may have given the community the false impression that WOWSC offers fire protection through hydrants. Patti Flunker clarified that WOWSC, as a water supply corporation, is not legally required to provide fire suppression service. However, she and David emphasized that if hydrants remain in place and appear functional, they must be compliant and properly rated. Otherwise, there is a legal liability risk if emergency responders rely on them during a fire event.

The Board and attendees further discussed:

- The potential for backflow damage to the water plant due to high pressure when hydrants are used incorrectly.
- Instances of past damage caused by fire hydrant hammer effects.
- A recommendation that all non-functional hydrants be painted black in accordance with TCEQ guidelines to indicate they are inactive.
- The need for a full system evaluation by the incoming operator (Spicewood Utility Services) to determine whether any hydrants can be restored or should be permanently decommissioned.

No formal action was taken at this time, but the Board directed the operator to begin the process of blacking out nonfunctional hydrants and assessing their future use.

12) Discussion: TCEQ FMT Capacity Study and Update on Required Annual TCEQ Reports

David Salinas provided a detailed update on TCEQ's oversight of WOWSC's system capacity. He stated that the water plant is currently operating with only one of two treatment trains (trimlines) functioning, putting the system out of compliance with the TCEQ's 85/15 storage capacity rule. The operator has been in contact with vendors to repair the downed equipment and has obtained quotes to restore treatment capacity before summer demand increases.

David also outlined remaining TCEQ items on the wastewater side, including:

- The requirement for fencing or documentation proving security measures at the Coventry lift station;
- Ongoing odor complaints at the Coventry lift station and a proposed installation of passive odor scrubbers using activated carbon; and
- Concerns about the dispersal field's acreage, with only 1.8 acres of the required 24 acres in active use. David noted a variance had been requested years ago, but no written response from TCEQ was located.

Patti Flunker reported that TCEQ had verbally confirmed no outstanding water violations remain and that all water-related issues dating back to 2022–2023 were resolved. The Board was informed that instead of requiring an engineering report, TCEQ is allowing the operator to submit a written plan for future capacity improvements.

13) Discussion of the 2025 Budget

This item was deferred. Due to the need to focus on urgent operational and compliance matters, the Board did not engage in a full discussion of the 2025 budget. The item will be placed on a future agenda.

14) Discussion and Possible Action on Calling the 2025 Annual Members Meeting and Holding an Open Board Meeting Immediately Following

The Board discussed the timing and format of the upcoming Annual Members Meeting. Patti Flunker confirmed that over 300 notices had been mailed on March 27, 2025, but some members in attendance reported they had not yet received theirs. Patti agreed to send an alert with the meeting materials via the utility's email system and post the agenda online.

The Board affirmed its intention to hold an open board meeting immediately following the Annual Members Meeting in accordance with past practice. No formal vote was required.

15) Adjournment

A motion to adjourn was made, seconded, and passed unanimously. The meeting adjourned at 8:25 PM.

Submitted by: Allen Hicks
Patti Flunker/President



Approved by board on _____