



Control Number: 50788



Item Number: 112

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SOAH DOCKET NO. 473-20-4071.WS
PUC DOCKET NO. 50788

2021 MAY 10 AM 10:06

RATEPAYERS APPEAL OF THE § BEFORE THE STATE OFFICE
DECISION BY WINDERMERE OAKS §
WATER SUPPLY CORPORATION TO § OF
CHANGE WATER AND SEWER §
RATES § ADMINISTRATIVE HEARINGS

**WINDERMERE OAKS WATER SUPPLY CORPORATION'S RESPONSE TO
COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION**

Windermere Oaks Water Supply Corporation (WOWSC) files this Response to the Fourth Request for Information (RFI) filed by the Staff of the Public Utility Commission of Texas (Staff). The discovery request was received by WOWSC on April 20, 2021; therefore these responses are timely filed. Pursuant to 16 Tex. Admin. Code (TAC) § 22.144(c)(2)(F), these responses may be treated as if they were filed under oath.

If a responsive document exceeds 99 pages, the response will indicate that the attachment is voluminous, and pursuant to 16 TAC § 22.144(h)(2), the document will be provided electronically on the CD attached to this filing and made available for inspection at the offices of Undine's attorneys, Lloyd Gosselink Rochelle and Townsend, P.C., located at 816 Congress Avenue, Suite 1900, Austin, Texas 78701. Please call Patricia Martinez at 512-322-5883 during regular business hours, to make an appointment to review the documents.

Respectfully submitted,

LLOYD GOSSELINK
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**ATTORNEYS FOR WINDERMERE OAKS
WATER SUPPLY CORPORATION**

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on May 10, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.



JAMIE L. MAULDIN

**SOAH DOCKET NO. 473-20-4071.WS
PUC DOCKET NO. 50788**

WOWSC'S RESPONSE TO STAFF'S FOURTH RFI

Staff 4-1 Please refer to Attachment MN-2 of the Direct Testimony of Mike Nelson. Please provide an electronic copy (.xlsx) of this attachment. The electronic file should include all of the formulas used to calculate the rates. Please ensure that no cell, or any portion of the electronic file is locked for editing.

RESPONSE: Please see Attachment Staff 4-1.

Prepared by: Mike Nelson
Sponsored by: Mike Nelson

UTILITY: WATER REVENUE REQ

REVENUE REQUIREMENT BUDGET/COST OF SERVICE ITEM

	Item Cost	%	Fixed	%	Variable
SALARIES	0	78	==D8*E8/100	=100-E8	==D8*G8/100
CONTRACT LABOR	117865	75	==D9*E9/100	=100-E9	==D9*G9/100
CHEMICALS AND TREATMENT	12035	60	==D10*E10/100	=100-E10	==D10*G10/100
UTILITIES	20922	70	==D11*E11/100	=100-E11	==D11*G11/100
REPAIRS AND MAINTENANCE	71060	50	==D12*E12/100	=100-E12	==D12*G12/100
OFFICE EXPENSES BILLING	15679	45	==D13*E13/100	=100-E13	==D13*G13/100
ACCOUNTING & LEGAL	171337	50	==D14*E14/100	=100-E14	==D14*G14/100
HEALTH INSURANCE	0	50	==D15*E15/100	=100-E15	==D15*G15/100
OFFICE SUPPLIES	4707	45	==D16*E16/100	=100-E16	==D16*G16/100
TANK REPAIRS	0	50	==D17*E17/100	=100-E17	==D17*G17/100
BAD DEBT	0	50	==D18*E18/100	=100-E18	==D18*G18/100
PAYROLL TAXES	0	50	==D19*E19/100	=100-E19	==D19*G19/100
TELEPHONE	6549	40	==D20*E20/100	=100-E20	==D20*G20/100
TRUCK & EQUIP. EXPENSE	0	50	==D21*E21/100	=100-E21	==D21*G21/100
TRAVEL & ENTERTAINMENT	1130	50	==D22*E22/100	=100-E22	==D22*G22/100
EQUIPMENT RENTAL	250	50	==D23*E23/100	=100-E23	==D23*G23/100
INSURANCE - WC & LIABILITY	14160	70	==D24*E24/100	=100-E24	==D24*G24/100
LICENSE & DUES	178	50	==D25*E25/100	=100-E25	==D25*G25/100
POSTAGE & FREIGHT	2710	50	==D26*E26/100	=100-E26	==D26*G26/100
ADVERTISING	0	30	==D27*E27/100	=100-E27	==D27*G27/100
SAMPLING	8459	50	==D28*E28/100	=100-E28	==D28*G28/100
EDUCATION	0	50	==D29*E29/100	=100-E29	==D29*G29/100
DEPRECIATION	56273	60	==D30*E30/100	=100-E30	==D30*G30/100
MATERIALS & SUPPLIES	6730	50	==D31*E31/100	=100-E31	==D31*G31/100
SECURITY	0	50	==D32*E32/100	=100-E32	==D32*G32/100
MISCELLANEOUS	1250	50	==D33*E33/100	=100-E33	==D33*G33/100
LONG TERM DEBT	49862	100	==D34*E34/100	=100-E34	==D34*G34/100
PURCHASED WATER	8490	45	==D35*E35/100	=100-E35	==D35*G35/100
SLUG REMOVAL	2363	50	==D36*E36/100	=100-E36	==D36*G36/100
BOOKKEEPING	4163	50	==D37*E37/100	=100-E37	==D37*G37/100
	0	50	==D38*E38/100	=100-E38	==D38*G38/100
	0	50	==D39*E39/100	=100-E39	==D39*G39/100
SUB-TOTAL (LESS F&T & RETURN)	=SUM(D8:D39)		=SUM(F8:F39)	=100-E40	=SUM(H8:H39)
% OF TOTAL (FIXED + VARIABLE)	0	63	==D42*E41/100	=100-E41	==D42*G41/100
PRINC. & INTEREST - WATER	0		==D43*E41/100		==D43*G41/100
MAINTENANCE RESERVE*	0		==D44*E41/100		==D44*G41/100
LESS OTHER REVENUE	0				
TOTAL			==SUM(F8:D44)-D40	==SUM(F8:F44)-F40	==SUM(H8:H44)-H40

RATE CALCULATION

GALLONAGE CHARGE

Variable Cost/Test Year Gallons/1,000 *****

==H46/D60 /TH.GAL.

USE ->

PROPOSED RATE

3.55 /TH.GAL.

MINIMUM BILL

Fixed Cost/12/Customer Equivalents *****

==F46/(12*D58) /MO.

YIELDS ->

=={(D46 -(K52*D60))/(/MO.
==K56+D59/1000*K5 /MO.
inc. min. gallons

Avg. Test-Yr Customer Equivalents =
Gallons Included In Minimum Bill =
Test Year Gallons Billed (x 1,000) =

==U75

0

13000

REVENUES GENERATED:

Connection Size

5/8", 3/4"

3/4"

1"

1-1/2"

2"

2-1/2"

3"

4"

6"

of Connections

==Q66

==Q67

==Q68

==Q69

==Q70

==Q71

==Q72

==Q73

==Q74

Min. Bill

==K56

==K57*1.5

==F66*12.5

==F66*5

==F66*8

==F66*8

==F66*10

==F66*25

==F66*50

Minimum Bill

Including Gals

==K57

==F67+((D559/1000*1.5)*SK552

==F68+((D559/1000*2.5)*SK552

==F69+((D559/1000*5)*SK552

==F70+((D559/1000*8)*SK552

==F71+((D559/1000*8)*SK552

==F72+((D559/1000*9)*SK552

==F73+((D559/1000*25)*SK552

==F74+((D559/1000*50)*SK552

Rev./Month

==G66*D66

==G67*D67

==G68*D68

==G69*D69

==G70*D70

==G71*D71

==G72*D72

==G73*D73

==G74*D74

Rev./Year

==H66*12

==H67*12

==H68*12

==H69*12

==H70*12

==H71*12

==H72*12

==H73*12

==H74*12

GALLONAGE CHARGES=>

TOTAL REVENUE GENERATI

Printed on:

time:

TOTAL MINIMUM CHARGE
==D60*(D59/1000)*Q75*12 @

==K52

/1,000 GAL

=SUM(J66:J74)
==H77*F77
=SUM(J76:J77)

NOTES:

UTILITY:

Date Referenced: 1-Jan-97

**DEPRECIATION
ANALYSIS**

Description	Acquired Date	Ver./Est. Original Cost	Economic Life, yrs	Actual Deprec. Life	Annual Deprec.	Accum. Deprec.	Net Plant
Land	1-Jun-79	0	n/a	n/a	n/a	n/a	0.00
Structures:							
Masonry	1-Jun-79	0	30	17.6	0.00	0.00	
Wood	1-Jan-01	0	15	-4.0	0.00	0.00	
Well	1-Jun-79	0	30	17.6	0.00	0.00	
Pumps:							
Booster >=7HP	1-Jan-01	0	10	-4.0	0.00	0.00	
Booster <7HP	1-Jun-79	0	5	17.6	--	0.00	
Motor	1-May-94	0	3	2.7	0.00	0.00	
Well, <5'	1-Jan-01	0	5	-4.0	0.00	0.00	
Well, >5'	1-Jun-96	0	10	0.6	0.00	0.00	
Hypochlorinator	1-Aug-94	0	5	2.4	0.00	0.00	
Gas Chlorinator	1-Jan-01	0	10	-4.0	0.00	0.00	
Tanks:							
Pressure	1-Jun-79	0	50	17.6	0.00	0.00	
Ground	1-Jun-79	0	50	17.6	0.00	0.00	
Distrib. System	1-Jun-79	0	50	17.6	0.00	0.00	
Distrib. System	1-Jun-93	0	50	3.6	0.00	0.00	
Services	1-Jun-79	0	20	17.6	0.00	0.00	
Services	1-Jun-93	0	20	3.6	0.00	0.00	
Meters	1-Jun-79	0	20	17.6	0.00	0.00	
Meters	1-Jun-93	0	20	3.6	0.00	0.00	
Compressor	1-Jan-01	0	10	-4.0	0.00	0.00	
Electrical Controls	1-May-94	0	30	2.7	0.00	0.00	
Furniture/Fixtures	1-Jan-81	0	10	16.0	--	0.00	
Heavy Equipment	15-Feb-89	0	10	7.9	0.00	0.00	
Light Vehicles	15-Sep-87	0	5	9.3	--	0.00	
Shop Tools	1-Jan-81	0	15	16.0	--	0.00	
Computer/Software	1-Feb-95	0	5	1.9	0.00	0.00	
Fencing	1-Jun-79	0	30	17.6	0.00	0.00	
Total:		\$0			\$0	\$0	\$0

- - - - - - - - - -

1999 WATER REVENUE REQUIREMENT & RATE DESIGN

UTILITY Maunceville SUD

REVENUE REQUIREMENT
COST OF SERVICE ITEM

	Item Cost	%	Fixed	%	Variable
SALARIES	232,878	50	116,439	50	116,439
CONTRACT LABOR	3,672	50	1,836	50	1,836
UNIFORMS	4,196	100	4,196	0	0
CHEMICALS AND TREATMENT	15,735	0	0	100	15,735
UTILITIES	47,205	0	0	100	47,205
REPAIRS AND MAINTENANCE	20,980	0	0	100	20,980
OFFICE RENT	14,000	100	14,000	0	0
ACCOUNTING & LEGAL	15,000	100	15,000	0	0
HEALTH INSURANCE	31,470	100	31,470	0	0
OFFICE SUPPLIES	15,735	100	15,735	0	0
MISCELLANEOUS	5,245	50	2,623	50	2,623
PAYROLL TAXES	17,932	50	8,966	50	8,966
BANK CHARGES	500	100	500	0	0
TRUCK & EQUIP EXPENSE	15,735	50	7,868	50	7,868
SMALL TOOLS & SUPPLIES	15,735	50	7,868	50	7,868
FUEL	10,490	50	5,245	50	5,245
COMPUTER CHARGES	2,000	100	2,000	0	0
TRANSPORTATION	12,588	50	6,294	50	6,294
EQUIPMENT RENTAL	5,000	50	2,500	50	2,500
COMMUNICATIONS	6000	100	6,000	0	0
PRINTING	7500	100	7,500	0	0
INSURANCE - WC & LIABILITY	27274	100	27,274	0	0
LICENSE & DUES	2000	100	2,000	0	0
POSTAGE & FREIGHT	7867 5	100	7,868	0	0
ADVERTISING	3147	100	3,147	0	0
DIRECTORS EXPENSE	2098	100	2,098	0	0
SAMPLING	5245	0	0	100	5,245
TRAVEL & ENTERTAINMENT	1049	100	1,049	0	0
CONFERENCES & WORKSHOPS	2000	100	2,000	0	0
INCREASE IN VARIABLE	1995 63	0	0	100	1,996
SUB-TOTAL (LESS FIT & RETURN)	552,271		301,474		250,798
% OF TOTAL (FIXED + VARIABLE)		0 58		0 42	
PRINC & INTEREST - WATER	532283		310498 42		221784 58
MAINT & REPLAC RESERVE	55,227				
LESS OTHER REVENUES	-75,000		-43750 00		-18229 17
LESS SEWER RATE ALLOC	-75,368	1	-75368 39		
TOTAL	\$989,413		\$492,854		\$454,353

RATE CALCULATION

GALLONAGE CHARGE

Variable Cost/Test Year Gallons/1,000 =====>

3 02 /TH GAL

USE ->

PROPOSED RATE

\$4 25 /TH GAL

0 7503121

MINIMUM BILL

Fixed Cost/12/Customer Equivalents =====>

16 40 /MO
22 45 /MO incl min gallons

YIELDS ->

\$11 68 /MO
20 18 /MO incl min gallons

1999 WATER REVENUE CONT.

Avg Test-Yr Customer Equivalents = 2504
 Gallons Included In Minimum Bill = 2,000
 Test Year Gallons Pumped (x 1,000) = NE
 Test Year Gallons Billed (x 1,000) = 150,239

REVENUES GENERATED

Connection Size	# of Connections	Min Bill	Minimum Bill Including Gs Rev /Month	Rev /Year
5/8", 3/4"	2432	\$11 68	\$20 18 \$49,073	\$588,871
1"	0	\$ 19 50	\$ 28 00 \$0	\$0
1-1/2"	0	\$ 38 89	\$ 47 39 \$0	\$0
2"	1	\$ 62 24	\$ 70 74 \$71	\$849
2-1/2"	0	\$ 93 42	\$101 92 \$0	\$0
3"	0	\$116 78	\$125 28 \$0	\$0
4"	0	\$194 67	\$203 17 \$0	\$0
6"	2	\$389 22	\$397 72 \$795	\$9,545
		TOTAL MINIMUM CHARGES=>		\$599,266
GALLONAGE CHARGES=>		91,799 @	\$4 25 /1,000 GAL	390,147
				\$989,413

INSERT DATA

NO OF 5/8" CUST =	2432	5/8", 3/4"	EQUIV	2432
NO OF 1" CUST =	0	1"	EQUIV	0
NO OF 1-1/2" CUST =	0	1-1/2"	EQUIV	0
NO OF 2" CUST =	1	2"	EQUIV	5 33
NO OF 2-1/2" CUST =	0	2-1/2"	EQUIV	0
NO OF 3" CUST =	0	3"	EQUIV	0
NO OF 4" CUST =	0	4"	EQUIV	0
NO OF 6" CUST =	2	6"	EQUIV	66 66
	2435			2503 99

NOTES NO DEPRECIATION, MAINTENANCE RESERVE INSTEAD
 BASED ON BEGINNING CONNECTIONS = 2376 AND ENDING CONNECTIONS = 2495, WHICH IS 5% GROWTH RATE
 NET REVENUE GREATER THAN OR = 1 1 DEBT SERVICE?

NET REVENUE = \$587,510 12
 1 1 DEBT SERVICE = \$585,511 30

2494 8

2435 4

**SOAH DOCKET NO. 473-20-4071.WS
PUC DOCKET NO. 50788**

WOWSC'S RESPONSE TO STAFF'S FOURTH RFI

Staff 4-2 Please refer to Attachment MN-1 (Page 3 of 3) of the Direct Testimony of Mike Nelson. For the additional gallonage charges listed under the “Monthly Base Rate and Usage Charges”, please provide an electronic file (.xlsx) demonstrating the calculated tiered charges, along with all of the supporting data used to calculate the tiered charges.

RESPONSE:

Please see Attachment Staff 4-2.

There were no changes made to the tiered charges in 2020. The tiered charges referred to in MN-1 (Page 3 of 3) are the same as those approved from March 12, 2018, March 20, 2018, and March 24, 2018. This Board did not work on modifying the tiered charges in 2018 and does not have the requested information.

Prepared by: Mike Nelson
Sponsored by: Mike Nelson

26-Apr-21
Mike Nelson

Subject: WOWSC Y2020 Water and Sewer Base Rate Charge Calculations for Response to Staff 4-2 RFI

116.68 TRWA's rate analysis 'Fixed Cost/12/Customer Equivalents (worksheet cell F56)

50.95 WOWSC Y2019 Water Base Rate

40.12 WOWSC Y2019 Sewer Base Rate

65.73 b6 - b7 Difference between TRWA Rate Analysis and Y2019 Water Base Rate

39.44 60% of cell b10 (water)

26.29 40% of cell b10 (sewer)

90.39 b7 + b11 WOWSC Y2020 Water Base Rate

66.41 b8 + b12 WOWSC Y2020 Sewer Base Rate

156.80 b14 + b15 WOWSC Y2020 Total Base Rate / min charge

SOAH DOCKET NO. 473-20-4071.WS
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WOWSC'S RESPONSE TO STAFF'S FOURTH RFI

Staff 4-3 Please refer to Attachment MN-1 (Page 3 of 3) of the Direct Testimony of Mike Nelson. For the Wastewater (Sewer) Service charge of \$66.41, please provide an electronic file (.xlsx) demonstrating the calculated sewer charge, along with all of the supporting data used to calculate the sewer charge.

RESPONSE:

Please see Attachment Staff 4-2.

Prepared by: Mike Nelson
Sponsored by: Mike Nelson

SOAH DOCKET NO. 473-20-4071.WS
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WOWSC'S RESPONSE TO STAFF'S FOURTH RFI

Staff 4-4 Please refer to Attachment MN-1 (Page 3 of 3) of the Direct Testimony of Mike Nelson. For the Wastewater (Sewer) Service gallonage charge of \$3.94 per 1,000 gallons of water consumed, please provide an electronic file (.xlsx) demonstrating the calculated sewer gallonage charge, along with all of the supporting data used to calculate the sewer gallonage charge.

RESPONSE:

Please see Attachment Staff 4-4. There was no change made to the Wastewater (Sewer) Service gallonage charge in 2020. The Wastewater (Sewer) Service gallonage charge referred to in MN-1 (Page 3 of 3) was the same as the Board approved on March 12, 2018, March 20, 2018, and March 24, 2018. This Board did not work on modifying the Wastewater (Sewer) Service gallonage charge in 2018 and does not have the requested information.

Prepared by: Mike Nelson
Sponsored by: Mike Nelson



Windermere Oaks Water Supply Corporation

424 Coventry Rd
Spicewood, Texas 78669

2017-2018 Board of Directors:

Dorothy Taylor, President
Jerry Ingham, Vice President
Jeff Hagar, Secretary/Treasurer
William Stein, Director
Bill Billingsley, Director

Open Board of Directors meeting held on: March 12, 2018.

Board Members Present: Dorothy Taylor, Jeff Hagar, Jerry Ingham, Bill Billingsley, Bill Stein

Minutes from the Meeting

Items from the Agenda:

- 1) The meeting was called to order at 6:31 PM by Dorothy Taylor.
- 2) A quorum was established with all Board Members present.
- 3) Citizens and or members with comments: Danny Flunker signed in to speak. Danny Flunker questioned the insurance coverage for the TOMA Integrity Lawsuit based on comments made by Jeff Hagar at the town hall meeting, that there was no coverage. Les Romo, the Attorney for the Corporation, clarified that the coverage hasn't been rejected, negotiations with the insurance carrier are ongoing, and that none of the items Danny listed as concerns regarding coverage were included in the letter from the insurance company. Jeff Hagar clarified that when he made the statement in the town hall meeting, regarding coverage, he told everyone at that time, that he hadn't seen the letter, so he didn't know why coverage was being rejected. The insurance company did agree to cover the first \$5,000 of the claim, but in Hagar's opinion, that was essentially a denial of coverage, considering the value of the financial exposure to the WO Water Supply Corporation.
- 4) Consider and take action to select an independent election auditor, finalize and approve the ballot, agenda and meeting packet for the member meeting. Recommendation from the committee is that Emily Cohen be considered for auditor, Beth Burdett and Kay McDonald for counters. A motion was made by Bill Stein to accept the committee recommendations, the ballot, the agenda and the member meeting packet. Seconded by Bill Billingsley. All voted in favor to approve.
- 5) At 6:39 PM the Governing Board of Directors met in Executive Session to discuss their duties, roles and responsibilities as directors of the Corporation, pending or contemplated litigation, settlement offers, and or the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of specific personnel, as permitted by Chapter 551, Government Code, the Texas Open Meeting Act. No action, decision or vote with regard to any matters discussed in close session was made in accordance with Chapter 551, Government Code. At 7:35 PM the Board ended the Executive Session and resumed the Open Board meeting.
- 6) Consider and take action deemed necessary and appropriate regarding the pending lawsuit filed by TOMA Integrity, Inc... PASS
- 7) Consider and take action regarding the Texas Rural Water Association rate evaluation, and regarding water and wastewater rate changes of the Corporation. Bill Stein reviewed process we've been through with TRWA and the options we're considering. Dorothy clarified that in November 2016 Board was made aware of the availability to use the TRWA rate analysis process. WOWSC started the process with TRWA in Feb 2017 by providing them with breakdowns of expenses and other information necessary. In February 2018, based on their evaluation TRWA provided WOWSC rate amounts for water and wastewater for consideration. Bill Stein opened for discussion on proposals. Jeff Hagar suggested the rates TRWA and George delivered to us. We analyzed our budget based on 1,500 gallons of usage, 2,500 gallons and 4,000 gallons to see the expected impact to the budget. Based on our budget, for 1,500 gallons we end up with a NI of \$61,000 less loan



Windermere Oaks Water Supply Corporation

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Bill Billingsley, Director

principal and reserves for a total NI of a negative (\$89,000). If we all use 2,500 gallons the loss is (\$58,000). This is basically telling us that since we haven't raised rates in six years, we're way behind and these recommendations from TRWA only get us about half of the way to where we need to be. Dorothy recommended that we not kick the can down the road any longer and do what's right by the Corporation to make it sustainable. The hope would be that in the future, Boards will review the rates every year or two years to see what adjustments need to be made. Jeff Hagar did also look into raising the equity buy-in fee and there has not been an adjustment since 2005. We could also adjust that to add revenue. Bill Stein pointed out the equity buy in fee was strictly for capital improvements. Bill Stein had an issue with the amount of the increase. He pointed out the rate for water would double and you lose the 2,000 gallons now included in your bill. He suggested a 15% increase in all of the fees, cut the water allotment in half and leave the rate as TRWA suggested. Dorothy reminded the group the allotment supplements those that don't use all of the allotment. Dorothy offered reducing the rate to \$3.55 per 1,000 gallons for the first 2,000, then \$6.50 for 2,000-5,000, then follow the schedule, 5,000-10,000, 10,000-15,000, the 15,000 and above, with nothing included in the service availability fee. This way the water rates don't change much for the people using less than 2,000 gallons. George pointed out that charging anything less than \$10.16 per 1,000 gallons, which is our variable cost to treat the water, we're losing money. Bill Stein commented that this shifts the burden to the heavy users. Jeff Hagar pointed out that based on our usage report, we have about 57 meters that don't use any water, 106 use less than 2,000 gallons and 62 use between 2,000 and 4,000, so that only leaves about 30 meters to make-up the shortfall as heavy users. That's not enough to wipe out the loss projection. Bill Stein pointed out we're still raising the Service Availability fee and the other fee increase. George pointed out we don't have any big users. The plant is the biggest user. Bill Stein is concerned about charging too much then people will cut back and we'll end up losing money because people conserve. George pointed out all systems are dealing with this issue. That's why TRWA recommended we get there in steps. Jeff Hagar wanted to clarify the 15% increase on fees. Bill Stein confirmed 15% across the board on all fees. Dorothy clarified \$3.55 per 1,000 gallons for the first 2,000, water availability rate at \$50.95, 2,000-4,000 would be \$6.50, 4,000-8,000 would be \$9.75, 8,000-15,000 at \$13.00, 15,000 and above \$15.00. Jeff Hagar made a motion to approve the above water rates, the 15% increase on fees (Stand-by, Equity Buy-in and Installation fees. Membership fee excluded) and adjust the sewer rates as recommended by TRWA, Sewer availability charge \$40.12 and treatment at \$3.94 for 10,000 gallons with no charge above 10,000 gallons. Jerry Ingham seconded the motion and all voted in favor to approve.

- 8) Consider and take action on the Corporation's 2018 Budget. Budget needs to be adjusted to reflect revenue changes from the new rates. Jeff Hagar motioned to table, Bill Stein seconded, all voted in favor to approve.
- 9) Discuss any new matter or business that is presented to the Board, and take action necessary thereon. There were no new matters or business presented to the Board for discussion.
- 10) Bill Stein made a motion to adjourn. Dorothy Taylor seconded and all voted in favor to approve. The meeting adjourned at 8:03 PM.


Submitted by: Jeff Hagar

APPROVED BY WOWSC Board on March 20, 2018



Windermere Oaks Water Supply Corporation

424 Coventry Rd
Spicewood, Texas 78669

2017-2018 Board of Directors:

Dorothy Taylor, President
Jerry Ingham, Vice President
Jeff Hagar, Secretary/Treasurer
William Stein, Director
Bill Billingsley, Director

Open Board of Directors meeting held on: March 20, 2018.

Board Members Present: Dorothy Taylor, Jeff Hagar, Jerry Ingham, Bill Billingsley, Bill Stein

Minutes from the Meeting

Items from the Agenda:

- 1) The meeting was called to order at 6:30 PM by Dorothy Taylor.
- 2) A quorum was established with all Board Members present.
- 3) Citizens and or members with comments: Marvin Lewis asked if there will be any financial information passed out or if there will be any financial information of any kind that he will be able to see or hear. Dorothy thanked Marvin for his comment.
- 4) Consider and take action to approve the prior minutes (March 7th & March 12th) A motion was made by Jerry Ingham to approve both sets of minutes. Seconded by Bill Billingsley. All voted in favor to approve.
- 5) Consider and take action to increase the Membership Fee and Customer Inspection Fee in the Water and Wastewater rates. Dorothy pointed out that we are allowed to adjust the Membership Fee. George pointed out that our costs are less than what we currently charge for the Customer Service Fee. Jeff Hagar made a motion to increase the Membership Fee by 15% for new members only and that we leave the Customer Service Fee at the current rate. Bill Stein seconded and all voted in favor to approve.
- 6) Consider and take action to select an effective date for the revised rates that were approved by the Board in our March 12, 2018 WOWSC Board meeting and any fee increases approved in the same meeting. Dorothy passed out an effective date resolution for the Board to consider. Next meter reading is 3/22, so the following month was discussed. Jeff Hagar made a motion to start the new rates on 3/23 to coincide with the meter reading date. Jerry Ingham seconded and all voted in favor to approve.
- 7) Review and consider and take action to approve a letter to members outlining the Board approved revised rates. Dorothy passed the letter out to the Board for review and discussion. Bill Stein thought including the old rates on the letter was important to members. Bill Stein made a motion to approve the letter and include the old rates for comparison. Jerry Ingham seconded and all voted in favor to approve.
- 8) Consider and take action to pass a resolution that the Board and future Boards will review and make any adjustments deemed necessary and/or appropriate to the rates as part of the budget review process at least every two years. Dorothy explained this resolution is to encourage future Boards to re-consider rates every couple of years. Dorothy read the resolution to the Board. Bill Stein recommended adding a corresponding independent audit to accompany the rate review study. Jeff Hagar agreed. Bill Stein made a motion to accept the Resolution with the audit amendment. Jerry Ingham seconded and all voted in favor of approval.
- 9) Consider and review and take action to approve the February 2018 Financial Report. Karri reviewed the summary report for February 2018. Jerry Ingham made a motion to approve the February 2018 Financial Report. Bill Stein seconded and all voted in favor to approve.
- 10) Consider and take action to approve the Corporation's 2018 Budget. The Budget's been adjusted to include the added revenue generated from the new rates and an assumption on the approximate



Windermere Oaks Water Supply Corporation

424 Coventry Rd
Spicewood, Texas 78669

2017-2018 Board of Directors:

Dorothy Taylor, President
Jerry Ingham, Vice President
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Bill Billingsley, Director

usage. Bill Stein questioned the office supply budget. Jeff Hagar stated he thought we would have higher expenses this year with everything going on and we can also simply adjust the budget to cost at the end of the year. Bill Stein stated he was fine leaving the office supply budget as it was presented. Jerry Ingham made a motion to approve the Corporation's 2018 Budget. Jeff Hagar seconded and all voted in favor to approve.

- 11) At 6:52 PM the Governing Board of Directors met in Executive Session to discuss their duties, roles and responsibilities as directors of the Corporation, pending or contemplated litigation, settlement offers, and or the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of specific personnel, as permitted by Chapter 551, Government Code, the Texas Open Meeting Act. No action, decision or vote with regard to any matters discussed in close session was made in accordance with Chapter 551, Government Code. At 7:37 PM the Board ended the Executive Session and resumed the Open Board meeting.
- 12) Consider and take action deemed necessary and appropriate regarding the pending lawsuit filed by TOMA Integrity, Inc. There was nothing new to consider or take action on, so the Board passed on this item.
- 13) Review and consider and take action to approve a newsletter to be sent to WOWSC Members and Customers. The Board took a moment to read and review the newsletter. Jeff Hagar asked if we could include the dates the new rates go into effect. Dorothy said we could add the date information. Bill Stein made a motion to combine the postage by sending the newsletter and the summary rate change letter, together. Bill Billingsley seconded the motion and all voted in favor to approve.
- 14) Discuss any new matter or business that is presented to the Board, and take action necessary thereon. There were no new matters or business presented to the Board for discussion or action.
- 15) Bill Stein made a motion to adjourn. Bill Billingsley seconded and all voted in favor to approve. The meeting adjourned at 7:42 PM.

Submitted by: Jeff Hagar

APPROVED BY WOWSC Board on April 10, 2018



Windermere Oaks Water Supply Corporation

424 Coventry Rd
Spicewood, Texas 78669

2017-2018 Board of Directors:

Dorothy Taylor, President
Jerry Ingham, Vice President
Jeff Hagar, Secretary/Treasurer
William Stein, Director
Bill Billingsley, Director

Open Board of Directors meeting held on: March 24, 2018.

Board Members Present: Dorothy Taylor, Jeff Hagar, Jerry Ingham

Minutes from the Meeting

Items from the Agenda:

- 1) The meeting was called to order at 1:00 PM by Dorothy Taylor.
- 2) A quorum was established with three of the five Board Members present.
- 3) Citizens and or members with comments: Micki Bertino asked if the Alert System was down? She had not received an alert for this meeting.
- 4) Consider and take action to select an effective date for the revised rates and fees that were approved at the March 12th and March 20th 2018 WOWSC Board Meetings. Dorothy read the resolution to the Board. Jeff Hagar made a motion to use May 22nd 2018 as the effective date for the rate and fee adjustments and to adopt the resolution. Jerry Ingham seconded the motion and all voted in favor to approve.
- 5) The Governing Board of Directors did not meet in Executive Session to discuss their duties, roles and responsibilities as directors of the Corporation, pending or contemplated litigation, settlement offers, and or the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of specific personnel, as permitted by Chapter 551, Government Code, the Texas Open Meeting Act. No action, decision or vote with regard to any matters discussed in close session was made in accordance with Chapter 551, Government Code. The Board passed on this item.
- 6) Consider and take action deemed necessary and appropriate regarding the pending lawsuit filed by TOMA Integrity, Inc. There was nothing new to consider or take action on. The Board passed on this item.
- 7) Discuss any new matter or business that is presented to the Board, and take action necessary thereon. There were no new matters or business presented to the Board for discussion or action.
- 8) Jeff Hagar made a motion to adjourn. Dorothy Taylor seconded and all voted in favor. The meeting adjourned at 1:04 PM.

Submitted by: Jeff Hagar

APPROVED BY WOWSC Board on April 10, 2018

SOAH DOCKET NO. 473-20-4071.WS
PUC DOCKET NO. 50788

WOWSC'S RESPONSE TO STAFF'S FOURTH RFI

Staff 4-5 Please refer to Attachment MN-1 (Page 3 of 3) of the Direct Testimony of Mike Nelson. For the Water Service charge of \$90.39, please provide an electronic file (.xlsx) demonstrating the calculated water charge, along with all of the supporting data used to calculate the water charge.

RESPONSE:

Please see Attachment Staff 4-2.

Prepared by: Mike Nelson
Sponsored by: Mike Nelson

SOAH DOCKET NO. 473-20-4071.WS
PUC DOCKET NO. 50788

WOWSC'S RESPONSE TO STAFF'S FOURTH RFI

Staff 4-6 For the test year used to calculate the protested water rates for Windermere, please provide the total gallonage sold during the test year along with a breakdown of the gallonage sold for each tier.

RESPONSE:

See Attachment Staff 4-6.

Prepared by: Lori Lynn Cantrell
Sponsored by: Mike Nelson

Tiers	January	February	March	April	May	June	July	August	September	October	November	December	Totals
Over 15,000	474,100	480,100	179,100	189,700	301,900	334,100	739,800	364,500	889,400	318,100	303,400	283,500	4,857,700
10,001-15,000	31,800	10,300	99,900	100,400	87,100	161,400	0	391,500	253,900	149,600	59,200	20,500	1,365,600
8,001-10,000	28,100	25,400	27,400	44,200	52,300	82,000	195,100	100,300	72,300	81,600	37,400	43,200	789,300
4,001-8,000	216,400	153,300	155,700	204,000	234,300	195,700	294,400	334,750	281,500	289,200	213,000	223,400	2,795,650
2,001-4,000	184,300	200,900	182,900	187,000	172,600	193,100	181,500	159,700	114,500	167,800	209,700	184,600	2,138,600
1-2,000	96,600	93,000	89,500	91,800	81,500	82,900	62,400	52,800	75,040	80,100	83,400	94,500	983,540
Zero Usage	0	0	0	0	0	0	0	0	0	0	0	0	0
	1,031,300	963,000	734,500	817,100	929,700	1,049,200	1,473,200	1,403,550	1,686,640	1,086,400	906,100	849,700	12,930,390

**SOAH DOCKET NO. 473-20-4071.WS
PUC DOCKET NO. 50788**

WOWSC'S RESPONSE TO STAFF'S FOURTH RFI

Staff 4-7 For the test year used to calculate the protested sewage rates for Windermere, please provide the total gallonage used for the test year.

RESPONSE:

The total gallonage used for the test year is 12,930,390.

Prepared by: Lori Lynn Cantrell
Sponsored by: Mike Nelson

**SOAH DOCKET NO. 473-20-4071.WS
PUC DOCKET NO. 50788**

WOWSC'S RESPONSE TO STAFF'S FOURTH RFI

Staff 4-8 For the test year used to calculate the protested sewage rates for Windermere, please provide the total number of meters used for the test year.

RESPONSE:

The total number of meters used is 271 for water and 245 for wastewater.

Prepared by: Lori Lynn Cantrell
Sponsored by: Mike Nelson