



Control Number: 50788



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PUC DOCKET NO. 50788
SOAH DOCKET NO. NO. 73-20-4071.WS

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STATE OFFICE

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

**RATEPAYERS REVISED TESTIMONY OF DANIEL FLUNKER, PATTI FLUNKER
AND BILL STEIN IN RESPONSE TO SOAH ORDER NO. 9**

COMES NOW, the Ratepayers Representatives (Representatives) and files this Revised Direct Testimony in response to the State Office of Administrative Hearings (SOAH) Order No. 9, requiring the Ratepayers to submit a new version of direct testimony of Daniel Flunker, Patti Flunker and Bill Stein in the form of redacted testimony by June 1, 2021. Accordingly, this new version of testimony is timely filed as required by SOAH Order No. 9.

Sincerely,

Josie Fuller

Josie Fuller

Patti Flunker

Patti Flunker

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 email on June 1, 2021 in accordance with the Order Suspending Rules, issued in Project 50664.

Josie Fuller

Josie Fuller

Patti Flunker

Patti Flunker

**WITNESS FOR RATEPAYERS REPRESENTATIVES OF THE
WINDERMERE OAKS WATER SUPPLY CORPORATION
DANIEL FLUNKER REDACTED TESTIMONY**

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DIRECT TESTIMONY OF DANIEL FLUNKER

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1 **I. INTRODUCTION, POSITION, AND QUALIFICATIONS**

2 Q Please state your name and address.

3 A. Danny Flunker 307 Coventry Rd

4 Q Please describe your history with the Windermere Oaks Water Supply Corporation
5 (WOWSC)

6 A. Member since 2006.

7 **II. PURPOSE OF TESTIMONY**

8 Q Please describe the purpose of your testimony?

9 A. My testimony is about Public Information Request (PIR) that I submitted to WOWSC in
10 2019.

11 Q What have you done to prepare for your testimony?

12 A. have studied the requests I personally submitted in 2019. According to my records there
13 were a total of seventeen PIR.

14 **III. DIRECT TESTIMONY**

15 **REGARDING PIR TO THE WOWSC**

16 Q Did you make any PIR to the WOWSC in 2019?

17 A. Yes, a total of seventeen.

18 Q How did you make a PIR?

19 A. All PIRs were made via email.

20 Q Who did you send your PIR to?

21 A. I routinely sent all PIR requests to the entire board. On occasion the WOWSC general
22 counsel was cc'd. Per WOWSC website all requests are processed by their attorneys.

23 Q Why did you make your PIR?

1 A. The PIRs I made were to collect and share information WOWSC seemed to want to

2 [REDACTED]

3 [REDACTED]

4 Q Did you research how to make a PIR to a government entity?

5 A. Yes, I reviewed the Public Information Act of Texas. I also researched what the
6 responsibilities the governing body had. All of that information was researched via the
7 Texas Attorney Generals website regarding this matter. I also read the WOWSC
8 bylaws.

9 Q What did you reference prior to submitting your PIR?

10 A. I referenced the Public Information Act and Texas AG Opinions and the WOWSC
11 bylaws.

12 Q How many unique requests did you make?

13 A. I made seventeen unique requests in 2019.

14 Q Please categorize the requests made to the WOWSC in 2019 and provide exhibits if
15 applicable.

16 A. The request I made are listed below and the text of the email which I sent to the
17 WOWSC board and their attorneys.

18 1) 5/17/19 Pursuant to the **Public** Information Act, I would like to request any and all
19 correspondence from the D&O insurance provider regarding the TOMA Integrity
20 suit.

21 2) 5/28/2019 I am requesting per the PIA, copies of all legal invoices from 3/7/18 to
22 todays date, that is all invoices of all work done by Les Romo and Lloyd Goosling

1 for WOWSC. Note- WOWSC Missed their ten-day deadline and filed a lawsuit
2 over this request only to make the information available in 2021.

3 3) 6/10/2019 I am respectfully requesting per the TPIA, the resignation letter/email
4 from William Bill Stein, the approximate date of that would be 4/10/18.

5 4) 6/5/2019 Pursuant to the Public Information Act, I am respectfully requesting any
6 and all correspondence with (both to and from WOWSC or its agents to Insurer)
7 the D&O insurance provider regarding the petition to remove Dana Martin, TOMA
8 Integrity suit, etc. I am listing points of reference from the letter dated January 30th
9 2018, given to me per PIA Request dated 5/17/19, so as to better help target time
10 frames of correspondence with the insurance carriers.

11 5) 6/14/2019 I am respectfully requesting per the TPIA, the draft minutes (as soon as
12 they are available) for the 6/12/19 WOWSC meeting.

13 6) 6/24/2019 Per the TPIA I am respectfully requesting the email that was omitted in
14 my previous PIA request (see snip). The reference for this omitted email is as
15 follows and is below in the snip, Ms. Martin sent an email to WOWSC Directors
16 Dorothy Taylor, Bob Mebane and Jeff Hagar on July 27, 2017 at 9:18 pm. Please
17 furnish me a copy of this email.

18 7) 6/19/2019 As follow up to my 6/14/19 TPIA request, I am respectfully requesting
19 per the TPIA, the draft minutes for the 6/12/19 WOWSC meeting. I do understand
20 that the Texas Public Information Act and opinions of the Attorney General only
21 applies to information already in existence and does not require the water supply
22 corporation to inform me or make information available when it comes into
23 existence after the date of my request, however in the interest of full transparency,

1 I would hope that you would simply make that information available to the
2 community as soon as it is available. If this information is not available, please let
3 me know when this information may be available.

4 Your cooperation is much appreciated and thank you for your service.

5 8) 7/15/2019 I am respectfully requesting per the TPIA copies of all TPIA request that
6 the WOWSC has received from 3/9/19 to current. You can simply scan them and
7 send them to me via email.

8 9) 6/20/2019 Per the TPIA, I am respectfully requesting any follow up response letter
9 from the insurance carrier to Jose De le Fuentes letter dated 5/31/19 and any other
10 correspondence regarding cause # 48292 since the date of 5/31/19. [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 10) 7/24/2019 I am respectfully requesting an emailed copy of the current manager's
14 contract.

15 11) 7/24/2019 I am respectfully requesting an emailed copy of the current Corix
16 contract. Note-WOWSC said they had no responsive documents hence the need for
17 the 8/1/2019 request.

18 12) 8/1/2019 I am respectfully requesting a copy of the current contract between Water
19 Management Inc and Corix. The WOWSC board unanimously approved of the
20 entering into this contract (see attached minutes).

21 13) 7/25/2019 I am respectfully requesting the draft minutes for the 7/10/19 WOWSC

22 [REDACTED]

23 [REDACTED]

1 comment on #12 was- Joe, don't you think its a conflict of interest for you to make
2 the motion to compensate yourself for being the PIO."

3 14) 8/5/2019 I am respectfully requesting emailed copies of any
4 communication/correspondence, between WOWSC (or its agents) and the
5 insurance carrier since 6/19/19 to today's date.

6 15) 9/26/2019 I am requesting a copy of the draft minutes from the 9/18/19 meetings.

7 I am also requesting copies of all communication/correspondence between WOWSC

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 16) 10/14/2019 Please provide copies of the 9/18/19 meeting minutes, both special and
13 regular. If they haven't been approved yet please provide copies of the draft
14 minutes.

15 17) 10/27/2019 A copy of the emails and the email chains regarding such in their
16 entirety that was read at the 10/26/19 meeting from Bob Mebane, Sandy Neilson
17 and Nancy Lerner. Also, any other correspondence between WOWSC and any
18 members from 7/1/19 to 10/27/19. Copies of Bank Statements and cancelled
19 checks from March 2018 to current. If there is a cost for this portion of the request
20 let me know. Note-Mr. Gimenez sent multiple links to PIA requests. He later sent
21 three PDF's as requested.

22 Q How many requests did you make for legal invoices in 2019?

1 A. I made one request for legal invoices in 2019. I also included the AGs opinion regarding
2 attorney fee bills showing they were not privileged. The attorney general agreed with
3 that. It was then WOWSC sued the Texas AG.

4 Q Were responses to your request for public information promptly replied to?

5 A. No, the request was made May 28th. The PIO followed up with a fee schedule for the
6 cost of copies which I agreed to. On June 12th 2019 I received a letter from WOWSC
7 attorneys stating they filed a request with the AG to withhold information. On
8 September 23rd 2019, I was notified WOWSC filed a lawsuit against AG Ken Paxton
9 after the AG required them to make most of the information available.

10 Q Did the WOWSC deliver to you the specific documents which were requested?

11 A. No, they nonsuited in spring of 2021 but to date the documents have not been given to
12 me. To this day there is no way to ascertain if the information is accurate since they
13 failed to deliver the red bracketed version the AG supplied to WOWSC to requestor.

14 Q If not please list what documents requested in 2019 have not been supplied.

15 A. The attorney fee bills (invoices) were never delivered to me.

16 Q Have you read the Texas Public Information Act?

17 A. Yes

18 Q Does it seem reasonable to you after reading the TPIA on which documents a
19 government entity may withhold from a requestor.

20 A. Yes, very few.

21 Q How many document requests made in 2019 do you believe fall under the TPIA
22 provision of documents which may be withheld from a requestor according to TPIA
23 page?

1 A. None

2 Q Which documents were withheld?

3 A. Attorney fee bills

4 Q What communication did you receive regarding the documents withheld?

5 A. WOWSC did not communicate with until they had filed a lawsuit against the Texas
6 AG. They are supposed to let me know that the Texas AG disagreed with them, that
7 did not happen.

8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]

13 **TEXAS ATTORNEY GENERAL DECISION**

14 **WOWSC LEGAL INVOICES**

15 Q When did you find out about the WOWSC filing for a Texas Attorney General Decision
16 on withholding WOWSC Legal Invoices?

17 A. June 12th and June 19th 2019

18 Q Did you submit a response to the Texas AG in response to WOWSC request for a decision?

19 A. Yes, June 16th 2019

20 Q What was the result of the Texas AG decision?

21 A. The AG agreed with my position allowing for nominal redactions however I found this out
22 after WOWSC filed suit.

[REDACTED]

1 Q Did the WOWSC then provide the invoices, if not describe the events which took place
2 following the AG decision?

3 A. No, On September 23rd 2019 I received an email from WOWSC attorney they filed a
4 lawsuit against the Texas AG. I was never notified the Texas AG required WOWSC to
5 make the invoices available.

6 Q What is the current status of this case or any additional cases the WOWSC has filed in
7 Travis County regarding TPIA request related to WOWSC legal invoices you have
8 requested?

9 A. WOWSC filed two lawsuits against Ken Paxton regarding legal invoices. I found out via
10 WOWSC website that the 2019 suit was nonsuited on March 15th 2021 when it appeared
11 on WOWSC website.² Again, I never received the request. The second request for
12 invoices was to ascertain how much money WOWSC has spent on certain legal matters to
13 include the two AG lawsuits, the PUC rate case, etc. To my knowledge the second AG suit
14 is ongoing however WOWSC claims to have now made that information available.³

15 Q Did WOWSC vote to file suit against the Texas AG?

16 A. [REDACTED]
17 [REDACTED] in October of 2019 the board voted to sue the
18 Texas AG after the fact. [REDACTED] This was
19 [REDACTED] was not properly noticed in a previous meeting
20 agenda nor noticed properly in the October 9th 2019 agenda.⁴ The second Texas AG suit
21 regarding a PIA request was never noticed nor voted on by the WOWSC board.

² https://www.wowsc.org/documents/778/Order_Granteeing_Notice_of_Nonsuit_D-1-GN-20-007251_file_marked_2021.03.15_.pdf

³ Id

⁴ https://www.wowsc.org/documents/778/2019-10-9_WOWSC_Board_Meeting_Minutes_Approved.pdf

IV. CONCLUSION

1

2 Q. Does this conclude your testimony?

3 A. Yes

4 Q. Do have any further comments?

5 A. Yes, All PIA requests were made in an effort to make information available to the

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

**WITNESS FOR RATEPAYERS REPRESENTATIVES OF
THE WINDERMERE OAKS WATER SUPPLY
CORPORATION PATTI FLUNKER**

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REDACTED DIRECT TESTIMONY OF PATTI FLUNKER

I. INTRODUCTION, POSITION, AND QUALIFICATIONS

1 Q Please state your name and address

2 A. Patti Flunker, 307 Coventry Road, Spicewood, Texas 78669

3 Q Please describe your education and professional background

4 A. Bachelor of Arts, Sam Houston State University, Advanced Paralegal Certificate Austin,
5 Community College, Masters of Art Program Legal Studies, Texas State University.

6 Employed at Texas Reliability Entity as an Enforcement Analysis. In this position
7 administered risk assessment analysis of registered entity submittals of potential
8 noncompliance issues with the North American Electric Reliability Corporation (NERC)
9 Standards affecting the Texas Bulk Electric System. Recently moved over to the Legal
10 Department supporting the General Counsel and Deputy General Counsel in various legal
11 capacities.
12 Previously employed at Texas Rural Water Association (TRWA) as a Paralegal. Supported

13 the Executive Director, Assistant General Counsel, TRWA Staff and over 700+ members
14 of the association which included many water supply corporations and water districts.
15

1 Responsibilities in this position included; initiating and developing policy revisions for
2 association publications including tariffs, personal policy, board and election procedures
3 utilized water systems. Collaborated with staff attorneys regarding resolutions to legal
4 issues with utility members specific to operations, governance and regulatory
5 requirements. Research and developed Federal Appropriation request for USDA Funding
6 of rural water programs in Texas including the Circuitry Rider program which provides free
7 rate assistance to water systems in Texas and developed member question database to
8 provide specific analysis on common legal issues applicable to rural water systems.

9 Q Please describe your involvement with this rate appeal case.

10 A. Ratepayer Representative

11 B. Have you ever provided testimony in a Public Utility Commission rate appeal case?

12 A. No

13 **II. PURPOSE OF TESTIMONY**

14 Q Please describe whose behalf you are testifying?

15 A. I am providing direct testimony on behalf of the WOWSC Ratepayers

16 Q What is the purpose of your testimony?

17 A. The purpose of my testimony is to provide my experience working with rural water
18 systems, my knowledge of rate studies and my previous experience assisting the WOWSC.

19 Q What have you done to prepare for your testimony?

20 A. I have read all the testimony of submitted by the WOWSC

21 **III. DIRECT TESTIMONY**

22 Q How long have you been attending WOWSC board meetings?

1 A. I attending my first WOWSC meeting in 2006, however because the board typically would
2 hold their board meetings during working hours I was unable to attend these meetings
3 during the day, however when several years ago when the board began holding the
4 meetings at night I frequently attend these board meetings?

5 Q How long have you been a member of the WOWSC?

6 A. 15 years

7 Q How many homes do you own in the WOWSC service area?

8 A. Two

9 Q Do they have water service?

10 A. Yes

11 Q Do they have wastewater service?

12 A. No

13 Q Did you attend a WOWSC Hall Meeting on March 3, 2018 to discuss the water and sewer
14 rate increases for the 2018 rate increase?

15 A. Yes, I did attend. James Smith was in attendance and discussed the two separate rate
16 studies he had performed. [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 Q Have you ever recommended the WOWSC use TRWA for water and sewer rate study
20 services?

21 A. No

22 Q The WOWSC has claimed on numerous occasions in their newsletters and in this rate
23 appeal that you were instrumental in recommending the WOWSC use TRWA for their rate

1 studies back in 2018, do you know who actually has made the recommendations to the
2 WOWSC to use TRWA for rate studies?

3 A. Yes, Nathan Cantrell. He is a Wastewater Circuit Rider for TRWA and his wife does all
4 the billing for the WOWSC. Prior WOWSC RFI has stated this which I have submitted
5 evidence to dispute this claim.

6 Q Have you ever suggested to the WOWSC to use TRWA for their services?

7 A. Yes, I suggested they contact TRWA for assistance from a Wastewater Circuit Rider for
8 issues they had related to a community lift station in their service area.

9 Q What was the central issue with lift station?

10 A. The lift station was old and failing. The WOWSC was unsure of who was legally
11 financially responsible for the repairs or obtaining new lift station.

12 Q How did you assist the WOWSC to get this resolved expeditiously?

13 A. I prioritized this request from the then President Bob Mebane and current General Manager
14 George Burris due to the serious nature of the issue, that is the failing lift station. I had
15 conversations with the Director of Technical Services and attorneys at TRWA to get the
16 WOWSC the needed support to resolve this issue expeditiously by the most affordable
17 means. Mr. Burris communicated to me he was grateful that I was able to cut through the
18 red tape to get immediate assistance for the WOWSC.

19 Q Did you offer any other assistance to the WOWSC while you were working at TRWA as
20 a paralegal?

21 A. Yes, I recommended they adopt a conflict of interest policy as they were required to have
22 one per their bylaws, they had never adopted one. I sent Dorothy Taylor a sample conflict

23

[REDACTED]

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]

10 Q Did the WOWSC adopt your suggestions?

11 A. Yes, all of these suggestions were adopted/implemented by the WOWSC Board.

12 Q What did you do as a paralegal at TRWA?

13 A. The majority of my job included day to day telephone interaction with association
14 members, specifically board members and the operation staff of the water system.
15 Because TRWA has over 700 members and which most are located in rural areas of Texas
16 the majority of these water systems relied on the free TRWA Legal Support Staff to guide
17 them through the complicated issues with customers, members, employees and developers.
18 Many of these questions were related to rates and rate appeals, elections and board
19 governance.

20 Q Did you ever take calls for assistance with rate studies?

21 A. Yes. I would find out what their needs were and contact the appropriate circuit rider with
22 the relevant information, specifically their needs for just a water rate study or for a study
23 for water rates and one study for wastewater rates.

1 Q Were you familiar with the two different rate studies.

2 A. Yes, when employed at TRWA they used two different spreadsheets for the two different
3 types of study. TRWA has advocated in the past when I was employed there that water
4 and wastewater are two distinct types of service which cost should be broken out.¹

5 Q Does the TRWA water rate study and wastewater study have formulas in their
6 spreadsheets?

7 A. Yes

8 Q What is the difference in these two studies of TRWA?

9 A. While working at TRWA I understood that the water rate study required the water system
10 to determine how many gallons were pumped in one year and how many gallons of water
11 were billed to the customers for the test year. This also includes number of connections
12 typically and is for a 12-month period. The wastewater study requires the total number of
13 gallons treated and is often calculated by using the wastewater customers average winter
14 bill usage. See attached article of TRWA Circuit Rider on developing rates.²

15 Q Did the 2020 WOWSC rate study which is the subject of this rate appeal include this
16 formula?

17 A. No, the WOWSC did not include any number of gallons treated to determine their
18 wastewater rate?

19 Q When you were employed at TRWA did the WOWSC do a wastewater study in 2018 which
20 included total number of gallons treated to determine the wastewater rate?

21 A. Yes, please see attachment.³

¹ See exhibit #4 TRWA Larry Bell Technical Assistant Director/Ask Larry Q&A

² See exhibit #10 on TRWA Article on Developing Rates

³ See exhibit #9 TRWA WOWSC 2018 wastewater study

1 Q When you were at TRWA did the WOWSC do a water rate study?

2 A. Yes, see attachment⁴

3 Q When the WOWSC did the 2020 rate study for the combined water/wastewater study did
4 they use the identical methodology to determine the rates that they used in 2018?

5 A. No

6 Q If not, why methodology does it appear the WOWSC used to determine their water and
7 sewer rates?

8 A. Based on my inspection of the WOWSC 2020 water/wastewater study performed by
9 James Smith of TRWA the WOWSC included additional formulas which are not a part of
10 the TRWA water rate study spreadsheet which utilized when they determined the effective
11 rates. The ratepayers sent out a letter to the ratepayers with our interpretation of their
12 methodology.⁵

13 Q From your knowledge working at TRWA, does the utility typically have to enter into an
14 agreement with TRWA to have a rate study performed?

15 A. Yes, typically a Memorandum of Understanding is executed which essentially clarifies that
16 TRWA does not perform an audit of the systems books. They typically request budgets
17 and financials to determine the expenses to include in rates along with gallon usage of
18 water and wastewater.

19 Q In your professional opinion as someone who has worked with rural water systems and
20 rates as a paralegal at TRWA what are the issues you believe are problematic with the
21 methodology of the 2020 WOWSC rate study?

⁴ See exhibit # 7 TRWA WOWSC 2018 water rate study

⁵ See exhibit #3 Ratepayer Representatives Letter to WOWSC Ratepayers

1 A. Incorrect number customers applied in the rate study as evidenced in Mike Nelson's
2 testimony. The WOWSC did not use the correct number of connections for the rate study.
3 It appears there were 271 taps at the end of 2019, not 254 as the rate study suggest. Around
4 10% of customers do not have wastewater service. Number of gallons treated is not
5 incorporated into the water/wastewater study.

6 Q Are you aware of the methodology the WOWSC used beyond the TRWA rate study
7 methodology spreadsheet?

8 A. Yes, according to the WOWSC minutes from the February 2020 Annual Members
9 Meeting, the WOWSC stated the study performed by TRWA was only for water, however
10 upon review the rate study is a combine's water and wastewater expenses for 2019. The
11 WOWSC rate increase rationale can be decoded in their minutes. However, upon my
12 inspection of the minutes and the 2020 rate study it would appear the additionally
13 methodology used to increase rates by the WOWSC applied a methodology that doesn't
14 follow rate making methodology.⁶

15 Q How do you determine this?

16 A. This is what the General Manager who worked with TRWA on the 2020 rates study stated
17 in the official WOWSC minutes from February 2020.

18 Q Do these minutes state this was a rate study for water and wastewater rates or just for water?

19 A. The minutes state James Smith with TRWA only did a water rate study.

20 Q Did you make a public information request for the 2020 water and wastewater study
21 performed by TRWA? If so did you receive the requested documents.

⁶ https://www.wowsc.org/documents/778/2020-02-01_WOWSC_Annual_Board_Meeting_Minutes_Approved.pdf

1 A. Yes, I requested both studies assuming they did one for water and one for wastewater
2 similar to the 2018 rate study. I only received a water study. When asked for the
3 wastewater study Joe Gimenez stated in his email there were no responsive documents. I
4 never received a statement of document from Joe Gimenez, the public information officer
5 an answer to a copy of the wastewater study. In the documents that Mr. Gimenez sent
6 me, there is an email from George Burris WOWSC GM to Mr. Gimenez and Mike Nelson,
7 WOWSC Secretary and Treasurer that James Smith only performed a water rates study.
8 Mr. Burris does not acknowledge that all expense for water and sewer were used in this
9 one rate study. It appears he assumes they will need to modify the results to accommodate
10 for a sewer rate increase using the 60/40 rule. Attached are exhibits of my request and
11 Mr. Gimenez's answers.⁷

12 Q Are you aware that Board President, Joe Gimenez has developed a website called
13 *Spicewood News* to⁸ [REDACTED]

14 [REDACTED]

15 A. Yes

16 Q. While working at TRWA did you ever hear of board members getting their own website to
17 communicate the water utility news and updates on issues facing the water system.

18 A. Yes, I vaguely remember an issue when a board member without a board vote obtained a
19 website url and created a page to share information to the general public about the utility.

20 [REDACTED]

⁷ #1 & #5 Exhibits of PIA Request for Rate Study

⁸ <http://spicewoodnews.com/response-to-taylor-on-nextdoor>
and exhibit #6 & #8

1 [REDACTED]

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

⁹ <http://spicewoodnews.com/response-to-taylor-on-nextdoor>

1

[REDACTED]

2

[REDACTED]

3

IV. CONCLUSION

4

Q Does this conclude your testimony?

5

A. Yes.

6

Q [REDACTED]

7

[REDACTED]

8

[REDACTED]

9

[REDACTED]

10

[REDACTED] [REDACTED]

11

[REDACTED]

12

[REDACTED]

13

[REDACTED]

¹⁰ <http://spicewoodnews.com/response-to-taylor-on-nextdoor>

**WITNESS FOR WINDERMERE OAKS WATER SUPPLY CORPORATION
RATEPAYERS REPRESENTATIVES
BILL STEIN**

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I. INTRODUCTION, POSITION, AND QUALIFICATIONS

- 1 Q Please state your name and address
- 2 A. Bill Stein, 100 Topspin Circle, Spicewood, Texas 78669
- 3 Q Please describe your education and professional background
- 4 A. University of Louisville, Associate of Science in Culinary Arts | Hospitality Studies,
- 5 Sullivan University, Louisville Kentucky.
- 6 Q Please describe your involvement with this rate appeal case.
- 7 A. I am a ratepayer that has signed the rate appeal petition.
- 8 Q Please describe your history with the Windermere Oaks Water Supply Corporation
- 9 A. I have been a WOWSC ratepayer for 15 years. I have attending WOWSC board
- 10 meetings on and off for the past 15 years. In 2017 I was elected to the WOWSC Board
- 11 of Directors. In mid-2018 due to extensive commitments to my job and limited flexible
- 12 time to attend WOWSC board meetings, I decided to tender resignation as a board
- 13 member.

1 Q Are you related to a Ratepayer Representative?

2 A. Yes, Patti Flunker is my sister.

3 **II. PURPOSE OF TESTIMONY**

4 Q Please describe the purpose of your testimony?

5 A. As a former WOWSC board member I would like to offer my testimony on the 2018
6 TRWA rate study I was a part of when the board voted to raise the rates for water and
7 wastewater.

8 Q What have you done to prepare for your testimony?

9 A. I have reviewed all the exhibits attached to this direct testimony for validity.

10 **III. DIRECT TESTIMONY**

11 Q Did you ever serve as a director on the WOWSC board?

12 A. Yes

13 Q What year and month were you elected to the WOWSC board?

14 A. I was elected in April of 2017.

15 Q What were the names of all the board members on the WOWSC board at the time you sat
16 on the board?

17 A. Dorothy Taylor/President (currently still on board), Jeff Hagar/Vice President, Jerry
18 Ingham/Secretary & Treasurer, Bill Billingsly/Director and myself.

19 Q Did the board discuss a rate increase when you were on the board?

20 A. Yes

21 Q Who was involved in these conversations?

22 A. All board members, the General Manager, George Burris, bookkeeper Kari Gibson.

23 Q Did the board seek out assistance from anyone to do a rate study, if so who?

1 A. Yes, from James Smith with TRWA.

2 Q Did board meet with James Smith of TRWA to review what is involved in a rate study?

3 A. James Smith came to a board meeting to explain what takes place in a rate study¹.

4 Q Who from the board and employees of the WOWSC met with James to begin working on
5 WOWSC rate studies?

6 A. George Burris the General Manager and Kari Gibson the bookkeeper.

7 Q How many rate studies did James Smith produce for the WOWSC?

8 A. James Smith produced a water rate study and a wastewater study.²

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 Q Was there any communication from the board president regarding the water rate study and
13 the wastewater study?

14 [REDACTED]

15 [REDACTED]

16 [REDACTED] d

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 Q Did the board discuss the results of the water and wastewater study?

¹ [https://www.wowsc.org/documents/778/WOWSC Jan 11 2018 approved minutes.pdf](https://www.wowsc.org/documents/778/WOWSC_Jan_11_2018_approved_minutes.pdf)

² See exhibit 1

³ See exhibit 2

1 A. Yes, we did. At several board meetings we discussed various scenarios to raise the rates

2 [REDACTED]

3 [REDACTED]

4 4

5 Q What was resolved by the board from the discussions of the rate study?

6 A. We adopted the TRWA rate study rate and methodology used to determine the water and
7 sewer rates by James Smith with TRWA.

8 Q Did you apply additional methodology to the rates James Smith provided?

9 A. No, we just used the rate sheet methodology provided by James Smith

10 Q Did you get copies of the rate studies for water and wastewater?

11 A. Yes, they are attached as exhibit 1⁵.

12 Q Did you make any suggestions on steps to take when doing future rate studies?

13 A. Yes, I recommended that all future boards would do an audit of the financials prior to
14 raising the rates.⁶

15 Q Did the board agree and vote on this language?

16 A. I thought they did by means of a resolution, but I later learned the resolution reflected the
17 word “may perform and audit” instead of “shall perform and audit”.

18 Q Did you approve the resolution which reflect this agreement?

19 A. No, by the time the minutes were completed I was no longer on the board and did not
20 approve the resolution.

⁴ See exhibit 3

⁵ See exhibit 1

⁶https://www.wowsc.org/documents/778/2018-03-20_WOWSC_Meeting_Minutes_approved.pdf

1 [REDACTED] g

2 [REDACTED]

3 [REDACTED]

4 Q To your best knowledge did the board do an audit prior to raising the rates in 2020.

5 A. As far as I know they have not done an audit of the books of the WOWSC.

6 [REDACTED]

7 [REDACTED]

8 [REDACTED] se

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 IV. CONCLUSION

15 Q Does this conclude your testimony?

16 A. Yes

⁷ https://www.wowsc.org/documents/778/2018-03-20_WOWSC_Meeting_Minutes_approved.pdf