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

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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 ERRATA TESTIMONY OF DANNY FLUNKER, PATRICIA FLUNKER
AND BILL STEIN**

TO THE ADMINISTRATIVE LAW JUDGE:

NOW COMES, Ratepayers of the Windermere Oaks Water Supply Corporation (Ratepayers) and files the Errata Testimony of Danny Flunker, Patricia Flunker and Bill Stein established by SOAH Order No. 11.

Sincerely,

Josie Fuller

Josie Fuller
Ratepayer Representative
328 Coventry Road
Spicewood, Texas 78669
(512) 743-2553
Ratepayers repjosiefuller@gmail.com

Patti Flunker

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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 17, 2021 in accordance with the Order Suspending Rules, issued in Project 50664.

Sincerely,

Josie Fuller

Josie Fuller

Patti Flunker

Patti Flunker

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

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ERRATA 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 keep secret including financials. [REDACTED] [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. Note-WOWSC
11 missed the ten-day deadline. [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 meeting. [REDACTED]

23 [REDACTED]. That mistake was not corrected to the best of my knowledge. "My exact

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

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

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

I am also requesting copies of all communication/correspondence between WOWSC and Roger Jay Grissom. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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

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

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 Q [REDACTED]

9 [REDACTED]

10 A. [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.

1 [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. WOWSC filed suit on September 23, 2019 without a board vote [REDACTED].
17 [REDACTED], in October of 2019 the board voted to sue the
18 Texas AG after the fact. [REDACTED]. [REDACTED]
19 [REDACTED] it 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-I-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

1 IV. CONCLUSION

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
6 membership. As it was made available it was then freely shared with the members. [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

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

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DIRECT TESTIMONY OF PATTI FLUNKER

I. INTRODUCTION, POSITION, AND QUALIFICATIONS

Q Please state your name and address

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

Q Please describe your education and professional background

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

Employed at Texas Reliability Entity as an Enforcement Analysis. In this position
administered risk assessment analysis of registered entity submittals of potential
noncompliance issues with the North American Electric Reliability Corporation (NERC)
Standards affecting the Texas Bulk Electric System. Recently moved over to the Legal
Department supporting the General Counsel and Deputy General Counsel in various legal
capacities.

Previously employed at Texas Rural Water Association (TRWA) as a Paralegal. Supported
the Executive Director, Assistant General Counsel, TRWA Staff and over 700+ members
of the association which included many water supply corporations and water districts.

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

Q Please describe your involvement with this rate appeal case.

A. Ratepayer Representative

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

A. No

II. PURPOSE OF TESTIMONY

Q Please describe whose behalf you are testifying?

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

Q What is the purpose of your testimony?

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

Q What have you done to prepare for your testimony?

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

III. DIRECT TESTIMONY

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] I recommend they open their meetings up
2 to the general public [REDACTED], [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 TRWA Larry Bell Technical Assistant Director/Ask Larry Q&A

² See exhibit on TRWA Article on Developing Rates

³ See exhibit 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 TRWA WOWSC 2018 water rate study

⁵ See exhibit 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 Burriss WOWSC GM to Mr. Gimenez and Mike
7 Nelson, WOWSC Secretary and Treasurer that James Smith only performed a water rates
8 study. Mr. Burriss does not acknowledge that all expense for water and sewer were used
9 in this one rate study. It appears he assumes they will need to modify the results to
10 accommodate for a sewer rate increase using the 60/40 rule. Attached are exhibits of my
11 request and Mr. Gimenez's answers.⁷

12 Q Are you aware that Board President, Joe Gimenez has developed a website called
13 *Spicewood News* [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]
21 [REDACTED]
⁷ Exhibits of PIA Request for Rate Study
[REDACTED]

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]

[REDACTED]

1

[REDACTED]

2

[REDACTED]

3

IV. CONCLUSION

4

Q Does this conclude your testimony?

5

A. Yes.

6

[REDACTED]

7

[REDACTED]

8

[REDACTED]

9

[REDACTED]

10

[REDACTED]

11

[REDACTED]

12

[REDACTED]

13

[REDACTED]

[REDACTED]

**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 A. Yes, [REDACTED]

15 [REDACTED]

16 [REDACTED]

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

[REDACTED]

1 A. Yes, we did. At several board meetings we discussed various scenarios to raise the rates
2 and implement tier billing. [REDACTED]

3 [REDACTED]
4 [REDACTED]
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
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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

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

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

IV. CONCLUSION

Q Does this conclude your testimony?

A. Yes

[REDACTED]

V. EXHIBITS

WATER REVENUE REQUIREMENT & RATE DESIGN

UTILITY:

This is the WOWSC 2018 water rate study

REVENUE REQUIREMENT

BUDGET/COST OF SERVICE ITEM

	Item Cost	%	Fixed	%	Variable
SALARIES	0	78	0	22	0
CONTRACT LABOR	117,865	75	88,399	25	29,466
CHEMICALS AND TREATMENT	12,035	60	7,221	40	4,814
UTILITIES	20,922	70	14,645	30	6,277
REPAIRS AND MAINTENANCE	71,060	50	35,530	50	35,530
OFFICE EXPENSES BILLING	15,679	45	7,056	55	8,623
ACCOUNTING & LEGAL	171,337	50	85,669	50	85,669
HEALTH INSURANCE	0	50	0	50	0
OFFICE SUPPLIES	4,707	45	2,118	55	2,589
TANK REPAIRS	0	50	0	50	0
BAD DEBT	0	50	0	50	0
PAYROLL TAXES	0	50	0	50	0
TELEPHONE	6,549	40	2,620	60	3,929
TRUCK & EQUIP. EXPENSE	0	50	0	50	0
TRAVEL & ENTERTAINMENT	1,130	50	565	50	565
EQUIPMENT RENTAL	250	50	125	50	125
INSURANCE - WC & LIABILITY	14,160	70	9,912	30	4,248
LICENSE & DUES	178	50	89	50	89
POSTAGE & FREIGHT	2,710	50	1,355	50	1,355
ADVERTISING	0	30	0	70	0
SAMPLING	8,459	50	4,230	50	4,230
EDUCATION	0	50	0	50	0
DEPRECIATION	56,273	60	33,764	40	22,509
MATERIALS & SUPPLIES	6,730	50	3,365	50	3,365
SECURITY	0	50	0	50	0
MISCELLANEOUS	1,250	50	625	50	625
LONG TERM DEBT	49,882	100	49,882	0	0
PURCHASED WATER	8,490	45	3,821	55	4,670
SLUG REMOVAL	2,363	50	1,182	50	1,182
BOOKKEEPING	4,163	50	2,082	50	2,082
	0	50	0	50	0
	0	50	0	50	0
SUB-TOTAL (LESS FIT & RETURN)	576,192		354,252	100	221,940
% OF TOTAL (FIXED + VARIABLE)		63		37	
PRINC. & INTEREST - WATER	0		0.00		0.00
MAINTENANCE RESERVE*	0		0.00		0.00
LESS OTHER REVENUE	\$0		0.00		0.00
TOTAL	\$576,192		\$354,252		\$221,940

Exhibit 1

RATE CALCULATION

GALLONAGE CHARGE

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

17 07 /TH GAL.

USE ->

PROPOSED RATE

\$3.55 /TH.GAL.

MINIMUM BILL

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

116.68 /MO

YIELDS ->

\$174.59 /MO.

116 68 /MO incl min gallons

174.59 /MO.

inc. min. gall

Avg Test-Yr Customer Equivalents =

253

Gallons Included in Minimum Bill =

0

Test Year Gallons Billed (x 1,000) =

13,000

REVENUES GENERATED

Connection Size	# of Connections	Min Bill	Minimum Bill Including Gals	Rev /Month	Rev /Year
5/8", 3/4"	253	\$174 59	\$174 59	\$44,170	\$530,042
3/4"	0	\$261 88	\$ 261 88	\$0	\$0
1"	0	\$ 436 46	\$ 436 46	\$0	\$0
1-1/2"	0	\$ 872 93	\$ 872 93	\$0	\$0
2"	0	\$ 1,396 69	\$ 1,396 69	\$0	\$0
2-1/2"	0	\$ 1,396 69	\$ 1,396 69	\$0	\$0
3"	0	\$ 1,745 86	\$ 1,745 86	\$0	\$0
4"	0	\$ 4,364 64	\$ 4,364 64	\$0	\$0
6"	0	\$ 8,729 28	\$ 8,729 28	\$0	\$0

TOTAL MINIMUM CHARGES=>

\$530,042

GALLONAGE CHARGES=>

13,000 @

\$3 55 /1,000 GAL

46,150

TOTAL REVENUE GENERATED=>

\$576,192

Printed on

time

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 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 G& 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

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

WASTEWATER RATE CALCULATIONS

UTILITY:

REVENUE REQUIREMENT

BUDGET/COST OF SERVICE ITEM

	Item Cost	% Fixed	\$ Value Fixed	% Variable	\$ Value Variable	2015	2016	Average
SALARIES	\$29,622.00	50	\$14,811.00	50	\$14,811.00	11,480	10,480	10,980 <u>Water Sold (1,000 gal)</u>
SALARIES OT			\$0.00	100	\$0.00			
UNIFORMES			\$0.00	100	\$0.00	7,000	7,000	7,000 <u>Wastewater Treated</u>
HOSPITAL/DENTAL INSURANCE	\$5,868.00	60	\$3,520.80	40	\$2,347.20			(1,000 gal)
FICA			\$0.00	100	\$0.00	60.98%	66.79%	63.88% <u>Use average and per cent</u>
RETIREMENT			\$0.00	100	\$0.00			<u>for gallonage of WW billed</u>
WORKER COMPENSATION			\$0.00	100	\$0.00			
UNEMPLOYMENT INSURANCE			\$0.00	100	\$0.00			
FUEL & LUBRICANTS			\$0.00	100	\$0.00			
CHEMICALS	\$661.00	70	\$462.70	30	\$198.30			
OPERATIONAL SUPPLIES	\$542.00	70	\$379.40	30	\$162.60			
MAINTENANCE SEWER PLANT			\$0.00	100	\$0.00			
MAINTENANCE SEWER LINES	\$17,314.00	80	\$13,851.20	20	\$3,462.80			
MAINTENANCE IRRIGATION	\$822.00	70	\$575.40	30	\$246.60			
MAINTENANCE VEHICALS	\$4,233.00	70	\$2,963.10	30	\$1,269.90			
MAINTENANCE EQUIPMENT	\$175.00	80	\$140.00	20	\$35.00			
MEETING/MILEAGE			\$0.00	100	\$0.00			
SCHOOLS/SIMINARS	\$822.00	70	\$575.40	30	\$246.60			
INSURANCE & BONDS			\$0.00	100	\$0.00			
PROFESSIONAL SERVICES	\$11,486.00	70	\$8,040.20	30	\$3,445.80			
TELEPHONE/PAGER	\$1,970.00	60	\$1,182.00	40	\$788.00			
UTILITIES	\$4,531.00	70	\$3,171.70	30	\$1,359.30			
STATE INSPECTION FEE			\$0.00	100	\$0.00			
LABORATORY FEES	\$3,911.00	80	\$3,128.80	20	\$782.20			
LCRA COMPOSTING EXP	\$568.00	50	\$284.00	50	\$284.00			
MISCELLANEOUS	\$3,299.00	60	\$1,979.40	40	\$1,319.60			
TRANSFER TO DEBT SERVICE			\$0.00	100	\$0.00			
USDA RD RUS LOAN PAYMENT	\$49,892.00	100	\$49,892.00	0	\$0.00			
CIP			\$0.00	100	\$0.00			
			\$0.00	100	\$0.00			
			\$0.00	100	\$0.00			
			\$0.00	100	\$0.00			
SUB-TOTAL			\$104,957.10	100	\$30,758.90			
% OF TOTAL (FIXED + VARIABLE)		68		32				
MAINTENANCE RESERVE*			\$0.00		\$0.00			
LESS OTHER REVENUE	\$0.00		\$0.00		\$0.00			
TOTAL	\$135,716.00		\$104,957.10		\$30,758.90			

RATE CALCULATION

GALLONAGE CHARGE

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

\$3.94 /TH.GAL.

USE ->

PROPOSED RATE

\$2.50 /TH.GAL.

|
\\

\\

MINIMUM BILL

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

\$40 12 /MO.

YIELDS ->

\$44.43 /MO.

Avg Test-Yr Customer Equivalents =

218

Gallons Included In Minimum Bill =

2,000

Test Year Gallons Billed (x 1,000) =

7,800

REVENUES GENERATED

Connection Size

of Connections

Min Bill

Rev /Month

Rev /Year

218

\$44 43

\$0 00

\$0 00

	TOTAL MINIMUM CHARGES=>		\$0 00
GALLONAGE CHARGES=>	7,800 @	\$2 50 /1,000 GAL	\$19,500 00
TOTAL REVENUE GENERATED=>			\$19,500 00

NOTES

- 1) To use the table, simply change any of the values in the "initial data" area of the worksheet.
- 2) To print the table, just choose "Print" from the "File" menu. The print area is already defined.

LOAN DATA		TABLE DATA	
Loan amount:		Table starts at date:	
Annual interest rate:		or at payment number:	1
Term in years:			
Payments per year:	12		
First payment due:	Friday May 7, 2021		
PERIODIC PAYMENT			
Entered payment:		The table uses the calculated periodic payment amount	
Calculated payment:	#NUM!	unless you enter a value for "Entered payment".	
CALCULATIONS			
Use payment of:	#NUM!	Beginning balance at payment 1:	#NUM!
1st payment in table: 1		Cumulative interest prior to payment 1:	#NUM!

[illegible]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



of the system. The new asset would then begin its

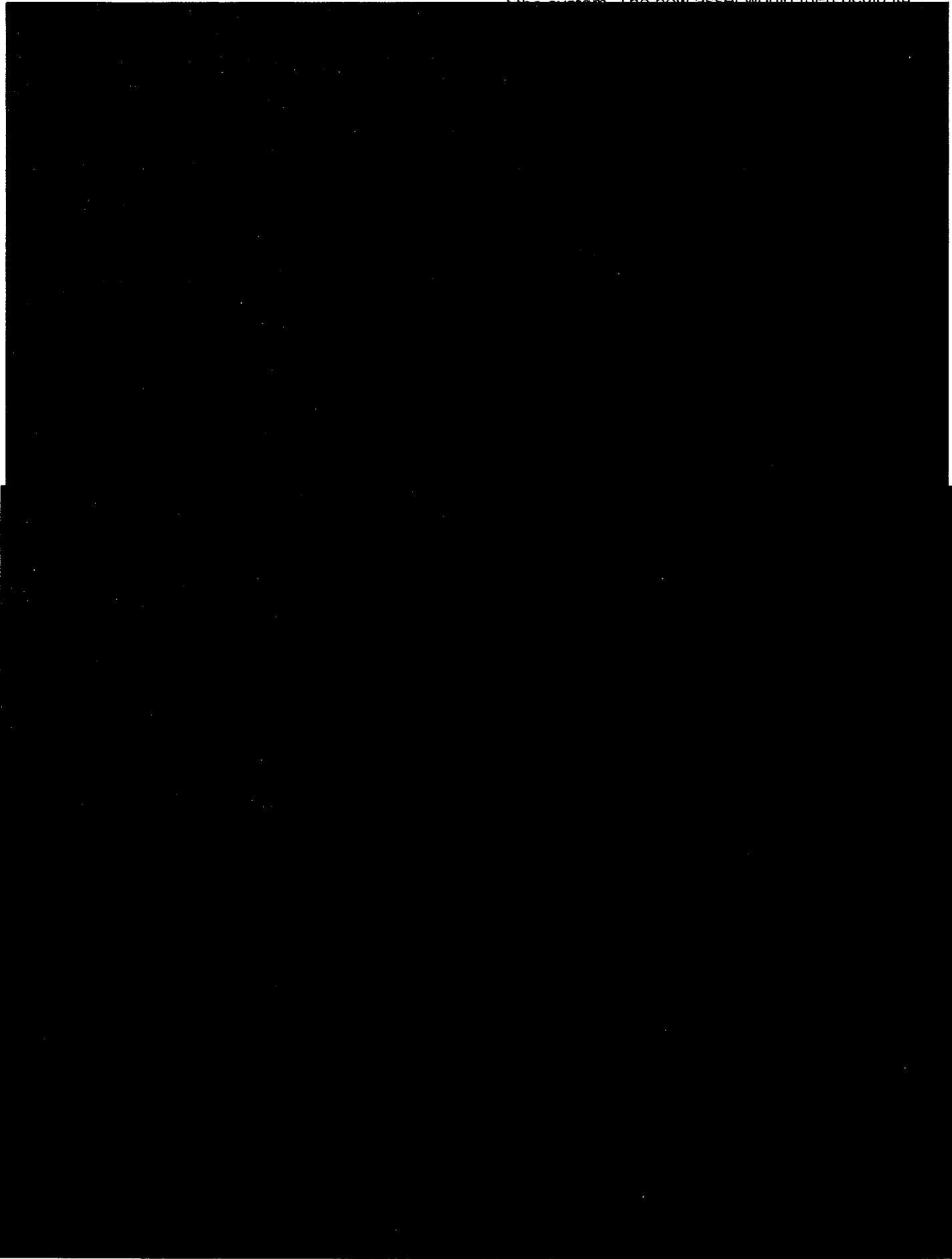


Exhibit 3

From: "Dorothy Taylor" <dtaylor27@me.com>
To: "Jeff Hagar" <jeff.hagar@gmail.com>, "Bill Stein" <wp_stein@yahoo.com>, "Bill Billingsley Jr" <lcbaviation@hotmail.com>, "Jerry Ingham c/o Donna" <tell.write@gmail.com>
Cc: "George Burriss" <watermgmt@yahoo.com>, "Karri Gibson" <kgibson1861@gmail.com>
Sent: Thu, Feb 8, 2018 at 1:54 PM
Subject: Fwd: next WOWSC Board meeting 6:45pm Thursday Feb 8th
WOWSC Board,

Because tonight's meeting will focus on WOWSC Rate analysis from TRWA and discussing and coming up with rates moving forward, I've attached the current WOWSC Fee Schedule Summary that shows the current Water and Wastewater Rates that went into effect October 1st 2012.

Previously rates were updated in 2005. I've attached a document showing those rates.

thanks
Dorothy
512-422-5194

Begin forwarded message:

From: Dorothy Taylor <dtaylor27@me.com>
Subject: next WOWSC Board meeting 6:45pm Thursday Feb 8th
Date: February 2, 2018 at 6:50:46 PM CST
To: Jeff Hagar <jeff.hagar@gmail.com>, Bill Stein <wp_stein@yahoo.com>, Bill Billingsley Jr <lcbaviation@hotmail.com>, Jerry Ingham c/o Donna <tell.write@gmail.com>
Cc: George Burriss <watermgmt@yahoo.com>, Karri Gibson <kgibson1861@gmail.com>

Attached is the agenda for next week's **WOWSC Board meeting at 6:45pm Thursday Feb 8th.**

On Feb 1, 2018, at 3:33 PM, Dorothy Taylor <dtaylor27@me.com> wrote:

WOWSC Board members,

Exhibit 2

As you know from our last Board meeting we have been waiting for the rate analysis from Texas Rural Water Association of our "wastewater" numbers.

James from TRWA presented the "water" numbers at our last Board meeting.

I spoke to James today and he indicated that he hopes to get the numbers to me late today.

I would like to schedule a Board meeting so that we can review and talk about TRWA rate analysis and changes in WOWSC rates, which will then enable us to discuss and finalize and approve the 2018 budget.

Please let me know if you are available at 6:30pm on Wednesday Feb 7th, or 6:30pm on Thursday Feb 8th or 6:30 pm on Friday Feb 9th. Which date works best for you or if all of the dates work for you. I'll then schedule and send out an agenda.

thanks

Dorothy
512-422-5194

Windermere Oaks Water Supply Corporation

P.O. Box 279
Spicewood, TX 78669



2005 BOARD OF DIRECTORS

Wade Whiteside, President,
Bill Leech, Vice President
Kerry Spradley, Secretary/Treasurer
Mark McDonald
Place 5 Open

(830) 693-8342
(830) 693-1164
(512) 323-8240
(830) 693-2560

Professional Management by:
Water Management, Inc.
Contact: George Burriss,

(830) 598-7511

July 20, 2005

TO: ALL WINDERMERE OAKS WSC MEMBERS and CUSTOMERS
RE: NOTICE OF RATE/TARIFF CHANGES EFFECTIVE 8/01/2005

On June 11, 2005, the Board of Directors voted 4-0 (5th board position open due to resignation) to revise the Corporation's water and sewer tariffs. The equity buy-in fee, monthly service and gallonage rates were changed. Notice of this change in rates was also discussed in an open meeting held on July 6, 2005.

The following sections of the Tariff were modified.

Section G. Rates and Service Fees

Paragraph 5 —Equity Buy-In Fee

\$4,000 assessed to the tap / lot for which the service is originally requested.

Paragraph 6—Monthly Charges

a. —Service Availability Charge

(1) —Water Service

The minimum water Service Availability Charge (5/8" x 3/4" & 3/4" meter) shall be \$45.00

(2) —Sewer Service

The minimum sewer Service Availability Charge (5/8" x 3/4" & 3/4" meter) shall be \$37.50.

c. —Gallonage Charge

(1) —Water

\$3.00 per 1,000 gallons for any gallonage over 2,000, up to 4,000 gallons; and \$5.00 per 1,000 gallon for any gallonage over 4,000 gallons.

(2) —Sewer

\$2.50 per 1,000 gallons of water for any gallonage over 2,000 gallons, up to 10,000 gallons.

The new rates become effective August 1, 2005. You will first see the new rates on your September billing, issued after the meters are read during the last week of August.

As explained at the annual membership meeting and all subsequent open board meetings, this rate increase is necessary due to the added costs associated with the necessary capital expansion projects for the water treatment plant plus increasing costs of operation of both the water and sewer plants.

All our customer/members are encouraged to review the above changes to our tariff. The entire tariff is available for your review by contacting the Corporation's business office during normal business hours. Copies will be provided at the cost of reproduction. Your Board of Directors will assist in answering any questions you may have. A copy of the revised tariff will be filed with the state which may be contacted at: Utilities & Districts Section, Water Permitting Division, Texas Commission on Environmental Quality, P.O. Box 13087, Mail Code 153, Austin, Texas 78711-3087.

For the Board,

Wade Whiteside, President
Windermere Oaks Water Supply Corporation

WINDEREMERE OAKS WATER SUPPLY CORPORATION

WATER AND SEWER TARIFF

SECTION G – RATES AND SERVICE FEES

(AMENDMENTS OF DECEMBER 9, 2006)

6(b) **Reserved Service Charge** – The monthly charge for each active account at a specific location for which a membership has been acquired but service has not been activated at the member's request. The monthly reserved service charge shall equal the service availability charge for the water and/or sewer service reserved for that geographic service location. If the member has not quantified his/her future service requirements, it shall be presumed that the property can be adequately served by a 5/8 x 3/4-inch water meter with comparable sewer service requirements. If the member increases the property's service demands at the time actual service is initiated, the member may be backbilled for the incremental difference between the paid reserve service charge and the charge which should have been charged for service demands ultimately consumed by that property.

6(c) **Standby Fee** – The monthly charge assessed each lot of any subdivision in the Corporation's lawful service area where a real estate covenant, deed restriction or other agreement in the landowner's chain of title creates an obligation for the landowner to pay a monthly fee pending the initiation of actual water and/or sewer service. The Standby Fee is \$13.00 per month for water and \$13.00 per month for sewer. If the annual Standby Fees are paid in a lump sum at the beginning of the year, the Standby Fee for water is \$108.00 and the Standby Fee for sewer is \$108.00. Standby Fees are levied to offset system maintenance costs and not to fund capacity upgrades.

6(d) **Gallonge Charge** – (renumbered only)



Windermere Oaks Water Supply Corporation

P.O. Box 790
Marble Falls, TX 78654
830-598-7511

July 27, 2009

To: Windermere Oaks Water Supply Corporation (WOWSC) members and customers

Re: Tariff Changes

- Section G, 11 – Change of the Reconnect Fee to \$100.00
- Section G, 12 – Change of the Service Trip Fee to \$50.00
- Section G, 15 – Change of the Meter Test Fee to \$200.00

During the Annual Membership Meeting of February 7, 2009, the Board of Supervisors of the Windermere Oaks Water Supply Corporation approved changes to increase the amount charged for these fees whenever these services are performed by the utility. These rates will be effective as of August 1, 2009.

Your monthly service rates are not affected by these changes.

If you have any questions concerning these changes please call the number above.

Thank you,

George Burriss
General Manager

Windermere Oaks Water Supply Corporation

424 Coventry Rd. Spicewood, TX 78669

Fee Schedule Summary

Standby Fees:

The monthly charge assessed each lot of any subdivision in the Corporation's lawful service area where a real estate covenant, deed restriction or other agreement in the landowner's chain of title creates an obligation for the landowner to pay a monthly fee pending the initiation of actual water and/or sewer service.

The Standby Fee is \$13.00 per month for water and \$13.00 per month for sewer.

(If the annual Standby Fees are paid in a lump sum by January 31st, the Standby Fee for water is \$108.00 and the Standby Fee for sewer is \$108.00.)

Membership Fee

The Windermere Oaks Water Supply Corporation is a member-owned, non-profit corporation established to provide potable water and/or wastewater utility services to its members. Membership in the corporation is a prerequisite for eligibility for services. Membership fees are associated with each property for which service is provided. Memberships may be surrendered or transferred if the associated property is sold.

Membership Fee	\$ 350
Membership Transfer Fee	\$ 35

Equity Buy-In Fee

In addition to the Membership Fee, each Applicant for new service where a new service tap is necessary shall be required to achieve parity with the contributions to the construction of the Corporation's facilities capacity that have been made previously by existing Members. This fee shall be assessed prior to providing or reserving service on a per service unit basis for each property and shall be assigned and restricted to that property for which the service was originally requested.

Equity Buy-In Fee	\$ 4,000
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Customer Service Inspection and Installation Fee(Tap Fee)

A Customer Service Inspection is required. Also the Corporation shall charge an installation fee (also known as "tap fee") for services as follows: **Standard Service** shall include all labor, materials, engineering, legal, customer service inspection, and administrative costs necessary to provide individual metered water and/or wastewater service, and shall be charged on a per tap basis. The Corporation **Customer Service Inspection Fee is \$350. The Installation Fee for water service is \$ 750, and the Installation Fee for wastewater service is \$ 750.**

Non-Standard Service Installation Fee(s) shall be as determined by the Corporation on a case-by-case basis in accordance with the terms of the Corporation's Tariff.

Monthly Base Rate and Usage Charges:

Water Service: Effective 10.1.2012 the monthly charge for metered water service ("Base Charge") is **\$ 46.50**. This fee includes the first 2,000 gallons of water consumed. Additional gallonage charges apply as follows:

2,001 through 4,000 gallons	\$ 3.25 per 1,000 gallons
4,001 through 8,000 gallons	\$ 5.50 per 1,000 gallons
8,001 through 12,000 gallons	\$ 6.50 per 1,000 gallons
12,001 through 20,000 gallons	\$ 8.00 per 1,000 gallons
20,001 or More	\$10.00 per 1,000 gallons

Wastewater (Sewer) Service: Effective 10.1.2012 the monthly charge is **\$ 39.00**. This fee based on water consumption up to 2,000 gallons. Additional water consumption gallonage charges apply as follows:

2,001 through 10,000 gallons	\$ 2.50 per 1,000 gallons of water consumed
10,001 or More	No additional charge

Plus applicable state taxes.

The Corporation reserves the right to amend the above fees at any time.

10.1.15R