



## Filing Receipt

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

<b>RATEPAYERS APPEAL OF THE DECISION BY WINDERMERE OAKS WATER SUPPLY CORPORATION TO CHANGE WATER AND SEWER RATES</b>	<b>§ § § § §</b>	<b>BEFORE THE STATE OFFICE  OF  ADMINISTRATIVE HEARINGS</b>
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**RATEPAYERS' REPRESENTATIVES FIFTH REQUEST FOR INFORMATION  
TO WINDERMERE OAKS WATER SUPPLY CORPORATION**

THE REPRESENTATIVES OF THE RATEPAYERS OF WINDERMERE OAKS WATER SUPPLY CORPORATION ("Ratepayers") serve this Fifth Request for Information ("RFI") on Windermere Oaks Water Supply Corporation ("Windermere" or "WOWSC") pursuant to 16 TAC §22.144. Ratepayers' RFIs are set forth on the attachment hereto, which is incorporated herein. Pursuant to SOAH Order No. 23, Windermere's responses are due 20 business days after receipt of this Request. In all other respects, Windermere's responses must comply with §22.144(c). Windermere has a continuing duty to supplement its responses as required by §22.144(i).

Respectfully Submitted,

THE LAW OFFICE OF KATHRYN E. ALLEN,  
PLLC  
114 W. 7th St., Suite 1100  
Austin, Texas 78701  
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/s/ Kathryn E. Allen  
Kathryn E. Allen  
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Attorneys for Ratepayers

**Certificate of Service**

I hereby certify that, unless otherwise ordered by the Presiding Officer, notice of this filing was provided to all parties of record via electronic mail on December 20, 2022.

/s/ Kathryn E. Allen  
Kathryn E. Allen  
State Bar ID No. 01043100  
*kallen@keallenlaw.com*

Attorneys for Ratepayers

**SOAH DOCKET NO. 473-20-4071.WS**  
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**RATEPAYERS FIFTH REQUEST FOR INFORMATION  
TO WINDERMERE OAKS WATER SUPPLY CORPORATION**

**Definitions and Instructions**

1. “Windermere” refers to Windermere Oaks Water Supply and Sewer Corporation, and its affiliates, subsidiaries, and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.

2. Document. The term “document” or “documents” as used herein shall be defined in the broadest sense and shall include any non-identical copies (whether different from the originals because of notes made on such copies or otherwise), of writings of every kind and description, whether inscribed or stored by hand, mechanical, electronic, microfilm, photographic, or other means, including, but not limited to, phonic (such as tape recordings) or visual reproduction of oral statements, conversations or events, and including, but not limited to, correspondence, transcripts, statements, teletype messages, electronic mail (e-mail or email), instant messages, text messages, blackberry or palm pilot messages, internal memoranda, notes, transcriptions, reports (including drafts, preliminary, intermediate and final reports), contracts, agreements, surveys, comparisons, charts, books, pamphlets, bulletins, records, accounts, checks, receipts, bills, minutes, calendar and diary entries, appointment books, time sheets, log sheets, ledgers, compilations, studies, tabulations, tallies, maps, diagrams, drawings, papers, plans, pictures, computer runs, summaries of computer runs, and any translations of any of the foregoing. The term “document” includes all electronically produced, generated, or stored records (including deleted information), including, but not limited to, computer disks (including floppy diskettes, zip disks, CD-ROMs, and hard drives), word processing files, website postings, PDF or tif files, slides, graphic material, tapes, computer databases and other data compilations, spreadsheets, schedules, and for all and each of the foregoing, including all non-identical copies, back-ups, or archival versions of same, whether located on-site or off-site. Designated documents shall be taken to include all attachments and enclosures.

3. Specific Request for Production of Electronically Stored Data and Information. The term “document” includes, and this Request seeks discovery of, data and information that exists or ever existed in electronic or magnetic form, including deleted material. Ratepayers request production of such data and information as follows:

a. Production Format for Electronically Stored Information (ESI). Production of all ESI not specifically addressed below is requested in native file format. Before being produced, all parent-level email and loose-file (non-email) ESI should be de-duplicated across all custodians and shared network drives based on MD5 hash value. Individual email attachments should not be separately de-duplicated. All ESI should be produced with a metadata field listing

all custodians where duplicate documents were found. All ESI documents with any text content should be produced with full extracted text in a corresponding TXT file.

b. Production of Email. Email should be produced in native format as individual, parent level, HTML files, and attachments to emails should sequentially follow their parent emails and be produced in native format as separate files. If any email cannot be produced in native format, such email should be produced in searchable image format, parent emails and their attachments should be produced as separate, contiguous documents. All email metadata should be processed in the Central time zone, and all metadata fields for date sent, time sent, date received, and time received should be converted to the same time zone.

c. Production of Excel™ Spreadsheets. Excel™ spreadsheets should be produced in native format if stored in that manner, and each native file should be named with a document production number as described below. If a spreadsheet contains privileged information, you may produce it as imaged ESI, with the privileged information redacted, provided that you make reasonable efforts in applying page layout settings to maximize document readability. Images of spreadsheets that contain multiple worksheets should be produced with worksheet names indicated in a header or footer. To the extent that print-outs or images of all or part of a spreadsheet were also maintained in the ordinary course of business in static form (e.g., as a pdf attachment), those documents should be produced as images.

d. Production of Database Information. Relevant information from a database should be produced as a report or data table, either in a static image format or in a popular database application, such as an Access™ database.

e. Production of ESI Commentary and Tracked Changes. Microsoft Word, Microsoft Excel, and similar file formats that provide for comments or tracked changes should be produced in a manner in which all comments and tracked changes are preserved, accessible, and viewable in their original color format. Such production may be in native format.

4. Pursuant to 16 TAC § 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.

5. Privilege. For each document or item of information withheld under a claim of privilege, Windermere is requested to provide a description that includes the date, the identity of the originator, the identity of all parties to whom the document or item was circulated, the subject matter, the privilege claimed and the basis upon which such privilege is claimed.

6. Pursuant to 16 TAC § 22.144(c)(2), Ratepayers requests that answers to the requests for information be made under oath.

- RATEPAYERS' 5-1: Admit or Deny: that on the November 18, 2022 at the conclusion of the *Rene Ffrench, John Richard Dial, Stuart Bruce Sorgen, Intervenor Plaintiffs, and as Representatives for Windermere Oaks Water Supply Corporation v. Friendship Homes & Hangars, LLC and Burnet County Commissioners Court, Windermere Water Supply Corporation et. al.*, the Jury submitted to the court a Verdict Certificate, attached as Attachment A which answered "No" to the following questions.
- a.) Were the material facts as to Martin's relationship or interest in FFH and as to the Sale Contract or transaction disclosed to or known by the WOWSC's board of directors as of the December 19, 2015 board meeting?
  - b.) Was the Sale Contract or transaction fair to the WOWSC when approved by the board of directors?
  - c.) In connection with the transaction to purchase the Property from WOWSC, did Dana Martin comply with her fiduciary duty as director of WOWSC?
- RATEPAYERS' 5-2: Admit or Deny: that on the November 18, 2022 at the conclusion of the *Rene Ffrench, John Richard Dial, Stuart Bruce Sorgen, Intervenor Plaintiffs, and as Representatives for Windermere Oaks Water Supply Corporation v. Friendship Homes & Hangars, LLC and Burnet County Commissioners Court, Windermere Water Supply Corporation et. al.*, the Jury submitted to the court a Verdict Certificate, attached as Attachment A which answered "Yes" to the following questions.
- a.) Whether FHH had been used for personal purposes of Dana Martin.
  - b.) Whether FHH used Dana Martin for dishonesty of purpose or intent to deceive.
  - c.) Was FHH part of a conspiracy with Dana Martin that damaged the WOWSC?
- RATEPAYERS' 5-3: Please provide the amount in dollars that Windermere netted from the 2016 land deal to Dana Martin/Friendship Homes and Hanger.
- RATEPAYERS' 5-4: As of November 21, 2022, provide an estimate of Windermere's incurred legal expenses in the *Rene Ffrench, John Richard Dial, Stuart Bruce Sorgen, Intervenor Plaintiffs, and as Representatives for Windermere Oaks Water Supply Corporation v. Friendship Homes & Hangars, LLC and Burnet County Commissioners Court, Windermere Water Supply Corporation et. al.*

- RATEPAYERS' 5-5: Please reference the January 23, 2020, WOWSC Board Meeting Minutes Approved, attached as Attachment B to this filing, to answer the following questions
- a.) Page three, Item 8(f) states, "Troupe Brewer communicated WOWSC's request to Lloyd Gosselink to spread invoice payments over several months." Please quantify the meaning of "several months" as referenced in these minutes.
  - b.) Did Lloyd Gosselink agree to spread invoice payments over several months? If yes, please state the number of months and provide the Board meeting minutes indicating that Lloyd Gosselink agreed to Windermere's request.
- RATEPAYERS' 5-6: Admit or Deny: Windemere proposed to Enoch and Kever a plan to spread invoice payments over several months?
- RATEPAYERS' 5-7: If the answer to 5-3 is Admit, state the number of months and provide the Board meeting minutes indicating that Enoch and Kever agreed to Windermere's request.
- RATEPAYERS' 5-8: Please reference Mike Nelson's testimony<sup>1</sup> which states that Windermere entered into an agreement with both law firms to make monthly payments of \$10,000 to answer the questions below;
- a.) Provide Board meeting minutes indicating that the Board voted to enter into agreement with Lloyd Gosselink to make monthly payments of \$10,000;
  - b.) Provide a signed copy of the Agreement between Lloyd Gosselink and Windermere;
  - c.) Provide Board meeting minutes indicating that the Board voted to enter into agreement with Enoch and Kever to make monthly payments of \$10,000;
  - d.) Provide a signed copy of the Agreement between Enoch and Kever and Windermere.

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<sup>1</sup> Mike Nelson, testimony, Day 1, Dec. 1, 2021, page 198, lines 9-14

- RATEPAYERS' 5-9: Admit or Deny: Mike Nelson stated under oath at the December 1, 2021 Evidentiary Hearing, that Windermere's rates were increased to pay down the legal balances until the legal balances are gone.<sup>2</sup>
- RATEPAYERS 5-10: If Windermere's Response is Admit in 5-9, please state when the legal balances will be gone.
- RATEPAYERS' 5-11: Please provide the amount in dollars that Windermere netted from the 2016 land deal to Dana Martin/Friendship Homes and Hanger
- RATEPAYERS' 5-12: As of November 21, 2022, provide an estimate of Windermere's incurred legal expenses in the *Rene Ffrench, John Richard Dial, Stuart Bruce Sorgen, Intervenor Plaintiffs, and as Representatives for Windermere Oaks Water Supply Corporation v. Friendship Homes & Hangars, LLC and Burnet County Commissioners Court, Windermere Water Supply Corporation et. al..*
- RATEPAYERS' 5-13: In Windermere's response to Staff's RFI 6-12, please define the meaning of hangar property, the location of the hangar properties and evidence which supports Windermere's statement "that the only property that may be used for non-residential services in the hangar property is in Windermere's response to Staff's RFI 6-10."  
Please see Attachment F to answer a-f.
- a.) Admit or Deny these properties which are highlighted in red are all in Windermere's service area?
  - b.) Are most of these properties in red the hangars referred to in Windermere's answer to Staff's 6-12?
  - c.) Do any of these hangars share a grinder pump with another hangar?
  - d.) If the answer to the above question c.) is yes, how does Windermere charge for sewer service for shared grinder pumps?
  - e.) Do the property owners that share a grinder pump each have a membership?
  - f.) Do the property owners that share a grinder pump each pay the base rate for sewer service?
  - g.) Please reference the May 23, 2017 WOWSC Board Meeting Minutes Approved: attached as Attachment G, specifically Windermere's Attorney, Mark Zeppa statement on page 2 that "If you look at the evolution of the tariffs, it doesn't say you can't have two people on a grinder pump, it says you can't have two people on the same sewer connection. Admit or Deny the property referred to in Windermere's response to Staff's RFI, 6-10 shares a sewer connection?

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<sup>2</sup> Mike Nelson, testimony, Day 1, Dec. 1, 2021, page 198, lines 19-21



h.) Admit or Deny the property in Windermere's Response to Staff's RFI 6-10 "Windemere Hangars" is located on the attached Attachment H where the red star is located.

- RATEPAYERS' 5-14: Please reference the May 28, 2011 WOWSC Board Meeting Minutes Approved attached as Attachment C, Admit or Deny the board voted to accept an Agreement in Principle to allow for a property owner to use Windermere's affluent water for irrigation uses?
- RATEPAYERS' 5-15: Admit or Deny, Werrick Armstrong is the property owner referenced in Ratepayers' 5-16, if Admit are they a member of Windermere?
- RATEPAYERS' 5-16: Admit or Deny, Mr. Armstrong's, property is not in Windermere's water or sewer CNN area?
- RATEPAYERS' 5-17: Admit or Deny Mr. Armstrong has a meter?
- RATEPAYERS' 5-18: Does Mr. Armstrong have tap for potable water service from Windermere?
- RATEPAYERS' 5-19: Please reference the July 31, 2012 WOWSC Board Meeting Minutes Approved attached as Attachment D; Admit or Deny Mr. Armstrong asked about getting bigger lines to his service from Windermere. Please explain if Mr. Armstrong paid for the installation of the bigger lines.
- RATEPAYERS' 5-20: Please reference the August 30, 2017 WOWSC Board Meeting Minutes Approved attached as Attachment E; Admit or Deny a request was made by a member for additional water meter for irrigation.
- RATEPAYERS' 5-21: Admit or Deny the board approved this request for an additional water meter for irrigation use?
- RATEPAYERS' 5-22: Admit or Deny the following Members who live in the Windermere Oaks Subdivision each have two meters; one for residential purpose and one for irrigation;  
Don Arldt  
Essi Atarod
- RATEPAYERS' 5-23: Admit or Deny George Marwieh was a member of Windermere in 2019? If Admit, is there a structure on Mr. Marwieh's property?
- RATEPAYERS' 5-24: Has Mr. Marwieh voted in Windermere elections?

RATEPAYRES' 5-25: Admit or Deny: Windermere's Tariff allow property owners to have water service without a hangar or single-family residence on the property? If Admit, please explain.

## CAUSE NO. 48292

RENE FFRENCH, JOHN RICHARD DIAL, §  
 STUART BRUCE SORGEN §  
*Intervenor Plaintiffs,* §

IN THE DISTRICT COURT,

and as REPRESENTATIVES FOR §  
 WINDERMERE OAKS WATER §  
 SUPPLY CORPORATION §

v. §

33<sup>RD</sup> JUDICIAL DISTRICT

FRIENDSHIP HOMES & HANGARS, LLC, §  
 AND BURNET COUNTY §  
 COMMISSIONERS COURT, §  
 WINDERMERE OAKS WATER SUPPLY §  
 CORPORATION ET AL. §

*Defendants.*

BURNET COUNTY, TEXAS

CHARGE OF THE COURT

Members of the Jury:

After the closing arguments, you will go to the jury room to decide the case, answer the questions that are attached, and reach a verdict. You may discuss the case with other jurors only when you are all together in the jury room.

Remember my previous instructions: Do not discuss the case with anyone else, either in person or by any other means. Do not do any independent investigation about the case or conduct any research. Do not look up any words in dictionaries or on the Internet. Do not post information about the case on the Internet. Do not share any special knowledge or experiences with the other jurors. Do not use your phone or any other electronic device during your deliberations for any reason.

Any notes you have taken are for your own personal use. You may take your notes back into the jury room and consult them during deliberations, but do not show or read your notes to your fellow jurors during your deliberations. Your notes are not evidence. Each of you should rely on your independent recollection of the evidence and not be influenced by the fact that another juror has or has not taken notes.

You must leave your notes with the bailiff when you are not deliberating. The bailiff will give your notes to me promptly after collecting them from you. I will make sure your notes are kept in a safe, secure location and not disclosed to anyone. After you complete your deliberations, the bailiff will collect your notes. When you are released from jury duty, the bailiff will promptly destroy your notes so that nobody can read what you wrote.

Here are the instructions for answering the questions.

1. Do not let bias, prejudice, or sympathy play any part in your decision.
2. Base your answers only on the evidence admitted in court and on the law that is in these instructions and questions. Do not consider or discuss any evidence that was not admitted in the courtroom.
3. You are to make up your own minds about the facts. You are the sole judges of the credibility of the witnesses and the weight to give their testimony. But on matters of law, you must follow all of my instructions.
4. If my instructions use a word in a way that is different from its ordinary meaning, use the meaning I give you, which will be a proper legal definition.
5. All the questions and answers are important. No one should say that any question or answer is not important.
6. Answer "yes" or "no" to all questions unless you are told otherwise. A "yes" answer must be based on a preponderance of the evidence unless you are told otherwise. Whenever a question requires an answer other than "yes" or "no," your answer must be based on a preponderance of the evidence unless you are told otherwise.

The term "preponderance of the evidence" means the greater weight of credible evidence presented in this case. If you do not find that a preponderance of the evidence supports a "yes" answer, then answer "no." A preponderance of the evidence is not measured by the number of witnesses or by the number of documents admitted in evidence. For a fact to be proved by a preponderance of the evidence, you must find that the fact is more likely true than not true.

7. Do not decide who you think should win before you answer the questions and then just answer the questions to match your decision. Answer each question carefully without considering who will win. Do not discuss or consider the effect your answers will have.
8. Do not answer questions by drawing straws or by any method of chance.
9. Some questions might ask you for a dollar amount. Do not agree in advance to decide on a dollar amount by adding up each juror's amount and then figuring the average.
10. Do not trade your answers. For example, do not say, "I will answer this question your way if you answer another question my way."
11. Unless otherwise instructed, the answers to the questions must be based on the decision of at least 10 jurors. The same 10 jurors must agree on every answer. Do not agree to be bound by a vote of anything less than 10 jurors, even if it would be a majority of the 12 jurors.

As I have said before, if you do not follow these instructions, you will be guilty of juror misconduct, and I might have to order a new trial and start this process over again. This would waste your time and the parties' money, and would require the taxpayers of this county to pay for

another trial. If a juror breaks any of these rules, tell that person to stop and report it to me immediately.

**Presiding Juror:**

1. When you go into the jury room to answer the questions, the first thing you will need to do is choose a presiding juror.
2. The presiding juror has these duties:
  - a. Have the complete charge read aloud if it will be helpful to your deliberations;
  - b. Preside over your deliberations, meaning manage the discussions, and see that you follow these instructions;
  - c. Give written questions or comments to the bailiff who will give them to the judge;
  - d. Write down the answers you agree on;
  - e. Get the signatures for the verdict certificate; and
  - f. Notify the bailiff that you have reached a verdict.

Do you understand the duties of the presiding juror? If you do not, please tell me now.

**Instructions for Signing the Verdict Certificate**

1. Unless otherwise instructed, you may answer the questions on a vote of 10 jurors. The same 10 jurors must agree on every answer in the charge. This means you may not have one group of 10 jurors agree on one answer and a different group of 10 jurors agree on another answer.
2. If 10 jurors agree on every answer, those 10 jurors sign the verdict. If 11 jurors agree on every answer, those 11 jurors sign the verdict. If all 12 of you agree on every answer, you are unanimous, and only the presiding juror signs the verdict.
3. All jurors should deliberate on every question. You may end up with all 12 of you agreeing on some answers, while only 10 or 11 of you agree on other answers. But when you sign the verdict, only those 10 or 11 who agree on every answer will sign the verdict.
4. There are some special instructions before Questions 6 and 7 explaining how to answer those questions. Please follow the instructions. If all 12 of you answer those questions, you will need to complete a second verdict certificate for those questions.

Do you understand these instructions? If you do not, please tell me now.

  
PRESIDING JUDGE

**Definitions of Terms**

1. "WOWSC" means the Windemere Oaks Water Supply Corporation.
2. "FHH" means Friendship Homes & Hangars, LLC.
3. "Martin" means Dana Martin.
4. "Property" means the acreage conveyed to FHH by WOWSC which is at issue in this lawsuit.

5. "Sale Contract" means the Unimproved Property Contract dated December 19, 2015 between WOWSC and FHH.

**Instructions**

1. You are instructed that the WOWSC is a private non-profit corporation and is not a public entity. It is therefore not subject to any legal requirement that it put out for statutory competitive bidding any surplus property.
2. For purposes of this trial, it is conclusively established that the Board of Directors of Windermere Oaks Water Supply Corporation violated the Texas Open Meetings Act by not giving proper notice to the public before discussing and voting on the subject land contract at its December 19, 2015 and February 22, 2016 Board Meetings. After litigation, the violations of the Texas Open Meeting Act did not result in actions of the Board being declared void.
3. Under Texas statutory law, the fact that a director has a financial interest in a matter does not necessarily invalidate a related contract between that director and the corporation.

QUESTION 1:

Please answer "Yes" or "No" to each of the following questions.

- (a) Were the material facts as to Martin's relationship or interest in FFH and as to the Sale Contract or transaction disclosed to or known by the WOWSC's board of directors as of the December 19, 2015 board meeting? H BSA

Answer "Yes" or "No."

Answer: No

- (b) Was the Sale Contract or transaction fair to the WOWSC when approved by the board of directors?

In answering whether the Sale Contract or transaction was fair to the WOWSC, you should consider all circumstances surrounding the transaction.

Answer "Yes" or "No."

Answer: No

## QUESTION 2:

In connection with the transaction to purchase the Property from WOWSC, did Dana Martin comply with her fiduciary duty as director of WOWSC?

To prove she complied with her fiduciary duty as a board member, Dana Martin must show:

1. The transaction was fair and equitable to the WOWSC;
2. Dana Martin made reasonable use of the confidence that WOWSC placed in her;
3. Dana Martin acted in the utmost good faith and exercised the most scrupulous honesty toward the WOWSC;
4. Dana Martin placed the interests of WOWSC before her own and did not use the advantage of her position to gain any benefit for herself at the expense of WOWSC; and
5. Dana Martin fully and fairly disclosed all important information to WOWSC concerning the transaction.

Answer "Yes" or "No."

Answer: No



If you answered "No" for Question 2 AND answered "No" to both Question 1(a) and 1(b), then answer the following questions. Otherwise, do not answer any of the following questions.

QUESTION 3:

Is FHH responsible for the conduct of Dana Martin?

FHH is responsible for the conduct of Dana Martin if:

FHH was organized and operated as a mere tool or business conduit of Dana Martin and there was such unity between FHH and Dana Martin that the separateness of FHH had ceased and holding only Dana Martin responsible would result in injustice.

In deciding whether there was such unity between FHH and Dana Martin that the separateness of FHH had ceased, you are to consider the total dealings of FHH and Dana Martin, including:

1. The degree to which Dana Martin's property had been kept separate from that of FHH;
2. The amount of financial interest, ownership, and control Dana Martin maintained over FHH;
3. Whether FHH had been used for personal purposes of Dana Martin; and
4. Whether FHH used Dana Martin for dishonesty of purpose or intent to deceive.

Answer "Yes" or "No."

Answer: Yes

QUESTION 4:

Was FHH part of a conspiracy with Dana Martin that damaged the WOWSC?

To be part of a conspiracy, FHH and Dana Martin must have had knowledge of, agreed to, and intended a common objective or course of action that resulted in the damages to the company. One or more persons involved in the conspiracy must have performed some act or acts to further the conspiracy.

Answer "Yes" or "No."

Answer: Yes

If you answered "no" to Question 2, then answer the following Question. Otherwise do not answer the following Question.

QUESTION 5:

What sum of money, if any, if paid now in cash, would fairly and reasonably compensate the WOWSC for its damages, if any, that were proximately caused by the conduct you found in Question 2 only?

"Proximate cause" means a cause that was a substantial factor in bringing about an event, and without which cause such event would not have occurred. In order to be a proximate cause, the act or omission complained of must be such that a person using the degree of care required of him would have foreseen that the event, or some similar event, might reasonably result therefrom. There may be more than one cause of an event.

If answering questions about damages, answer each question separately. Do not increase or reduce the amount in one answer because of your answer to any question about damages. Do not speculate about what any party's ultimate recovery may or may not be. Any recovery will be determined by the court when it applies the law to your answers at the time of judgment. Do not add any amount for interest on damages, if any.

Consider the following elements of damages, if any, and none other.

Answer separately in dollars and cents for damages, if any.

The difference between the net amount, considering fair market value, the WOWSC would have received from a sale of the Property to an unrelated party at the time of the transaction and the net amount received by WOWSC at the time of the transaction.

Answer: \$ 70,000.<sup>00</sup>

The diminution in the value of the company's remaining property resulting from the transaction.

Answer: \$ 0.<sup>00</sup>

The interest expense paid by the company on relevant loans after the closing date.

Answer: \$ 0.<sup>00</sup>

Answer the following question only if you unanimously answered “No” to Question 2. Otherwise, do not answer the following question. To answer “Yes” to the following question, your answer must be unanimous. You may answer “No” to any part of the following question only upon a vote of ten or more jurors. Otherwise, you must not answer that part of the following question.

#### QUESTION 6.

Do you find by clear and convincing evidence that the harm to WOWSC resulted from malice, fraud, or gross negligence?

“Malice” means a specific intent by Dana Martin to cause substantial injury or harm to WOWSC.

Fraud occurs when—

1. A party makes a material misrepresentation, and
2. The misrepresentation is made with knowledge of its falsity or made recklessly without any knowledge of the truth and as a positive assertion, and
3. The misrepresentation is made with the intention that it should be acted on by the other party, and
4. The other party relies on the misrepresentation and thereby suffers injury.

“Misrepresentation” means—

1. A false statement of fact, or
2. A promise of future performance made with an intent, at the time the promise was made, not to perform as promised, or
3. A statement of opinion based on a false statement of fact, or
4. A statement of opinion that the maker knows to be false, or
5. An expression of opinion that is false, made by one who has, or purports to have, special knowledge of the subject matter of the opinion.

“Special knowledge” means knowledge or information superior to that possessed by the other party and to which the other party did not have equal access.

Fraud also occurs when—

1. a party fails to disclose a material fact within the knowledge of that party, and
2. the party knows that the other party is ignorant of the fact and does not have an equal opportunity to discover the truth, and
3. the party intends to induce the other party to take some action by failing to disclose the fact, and
4. the other party suffers injury as a result of acting without knowledge of the undisclosed fact.

“Gross negligence” means an act or omission by Dana Martin,

1. Which when viewed objectively from the standpoint of Dana Martin at the time of its occurrence involves an extreme degree of risk, considering the probability and magnitude of the potential harm to others; and
2. Of which Dana Martin has actual, subjective awareness of the risk involved, but nevertheless proceeds with conscious indifference to the rights, safety, or welfare of others.

"Clear and convincing evidence" means the measure or degree of proof that produces a firm belief or conviction of the truth of the allegations sought to be established.

Answer "Yes" or "No."

Answer: No

## QUESTION 7.

Answer the following question only if you unanimously answered “Yes” to Question 6. Otherwise, do not answer the following question. You must unanimously agree on the amount of any award of exemplary damages.

What sum of money, if any, if paid now in cash, should be assessed against Dana Martin as exemplary damages, if any, for the conduct found in response to Question 6?

“Exemplary damages” means an amount that you may in your discretion award as a penalty or by way of punishment.

Factors to consider in awarding exemplary damages, if any, are:

1. The nature of the wrong.
2. The character of the conduct involved.
3. The degree of culpability of Dana Martin.
4. The situation and sensibilities of the parties concerned.
5. The extent to which such conduct offends a public sense of justice and propriety.
6. The net worth of Dana Martin.

Answer in dollars and cents, if any.

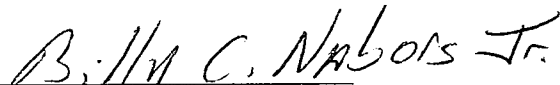
Answer: \_\_\_\_\_

VERDICT CERTIFICATE

*{CHECK APPROPRIATE OPTION BELOW}*

☒ Our verdict is unanimous. All 12 of us have agreed to each and every answer. The presiding juror has signed the certificate for all 12 of us.

  
\_\_\_\_\_  
PRESIDING JUROR

  
\_\_\_\_\_  
PRINTED NAME OF PRESIDING JUROR

\_\_\_\_\_ Our verdict is not unanimous. Eleven of us have agreed to each and every answer and have signed the certificate below.

\_\_\_\_\_ Our verdict is not unanimous. Ten of us have agreed to each and every answer and have signed the certificate below.

Jurors' Signatures

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Jurors' Printed Names

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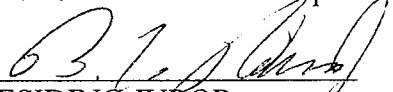
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PRESIDING JUROR

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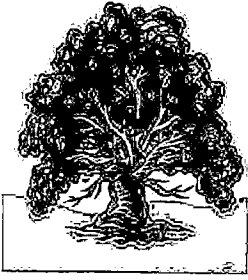


Additional Certificate

I certify that the jury was unanimous in answering the following questions: 6 and 7. All 12 of us agreed to each of the answers. The presiding juror has signed the certificate for all 12 of us.

  
PRESIDING JUROR

  
PRINTED NAME OF PRESIDING JUROR



# Windermere Oaks Water Supply Corporation

424 Coventry Rd  
Spicewood, Texas 78669

**2019 - 2020 Board of Directors:**  
Joe Gimenez, President  
Mike Nelson, Secretary/Treasurer  
Patricia Gerino, Director  
Dorothy Taylor, Director

Windermere Oaks Water Supply Corporation (WOWSC) meeting held Thursday, January 23, 2020 at the Spicewood Community Center, 7901 Co Rd 404, Spicewood TX, 78669

2019 - 2020 Board Members Present: Patricia Gerino, Joe Gimenez, Mike Nelson, Dorothy Taylor

## Minutes

The meeting was called to order at 6:02PM by Joe Gimenez. A quorum was established with four Board Members present. Bill Earnest sold his airport hangar and is no longer a WOWSC member or WOWSC Board Member.

- 1) Comments from citizens and members who have signed sign-up sheet to speak (3-minute limit per person)
  - a) Rene Ffrench
    - i) Asked if WOWSC's Public Comment Policy is word for word as recommended by TRWA.
    - ii) Rates and assessments: Article 18 of USDA recommended by-laws
      - (1) Previous Board removed article 18
      - (2) Assessments are for shortfalls for water and sewage delivery and emergencies
      - (3) Believes an assessment is not appropriate for legal expenses
    - iii) Danny Flunker
      - (1) Bill Earnest has resigned for second time from WOWSC Board
      - (2) Board has not tried to sell remaining land
      - (3) Submitted a written request to add an agenda item to the upcoming Annual Member meeting for the plaintiff's (Rene Ffrench, John Richard Dial, Stuart Bruce Sorgen) suing WOWSC and WOWSC Board Members to present a ten-minute video regarding the current lawsuits.
- 2) Review, consider and take action to approve minutes of prior meetings:
  - a) December 14, 2019 and December 19, 2019 meeting minutes
    - i) Motion made and carried by all to approve both the December 14, 2019 and December 19, 2019 minutes
- 3) MANAGER'S REPORT –
  - a) MANAGER'S REPORT –
    - a. INSTALLATION OF GENERATOR – Update on timeline for completion of installation, including concrete slab, electrical work, possibility of service disruption and options to mitigate.
      - i. Generator was delivered and is in place on its concrete pad.
      - ii. Next step is to install the electrical switch.
        1. George is planning to rent a temporary generator to power the pumps during installation of the electrical switch to avoid a fall in water pressure.
        2. Proposal was made to send an alert to our community regarding the electrical switch installation
        3. Electrical switch installation is scheduled for next week
      - iii. Still need to install the propane tank
    - b. PRE-TREATMENT FACILITY – Update on any new bids and plans.
      - i. George to discuss water pre-treatment with the Walla Walla Washington water treatment plant
    - c. TRWA RATE ANALYSIS – Update on TRWA availability for rate analysis.

- i. George, Joe, and Mike met with James Smith of TRWA this week and provided James with WOWSC's Y2019 financials to use in his rate model analysis. James agreed to provide his rate analysis within a week.
- 4) TRWA MEMBERSHIP AND CONFERENCE ATTENDANCE – Consideration and possible action on TRWA 2020 Membership Dues Renewal Statement, including annual membership fees and voluntary contributions to Legal Defense Fund, Disaster Relief Fund, Building Fund, and Voluntary Foundation. Consideration and possible action on approval of Board member attendance at TRWA 2020 RuralWaterCon in San Antonio, March 25-27.
  - a) George provided Joe with the TRWA yearly membership dues bill of \$400. TRWA also requested donations to three voluntary funds of \$100 each and a defense fund donation of \$275.
    - i) Defense fund (\$275 donation requested) is for statewide legal issues
      - (1) George believes Municipalities do not pay sales tax on materials used in their WTP and WWTP.
      - (2) WOWSC pays sales tax on materials.
      - (3) TRWA has developed a legal program and for ~\$400 would represent WOWSC in a request to not pay sales tax on materials.
        - (a) If granted, sales tax on materials would not be paid moving forward.
      - (4) George to follow-up with TRWA on costs to represent WOWSC in a request to not pay sales tax on materials.
    - ii) Disaster Relief fund (\$100 donation requested) was established in Y2005
    - iii) Joe proposed WOWSC donate to both the Defense fund and Disaster Relief fund
    - iv) Dorothy requested additional information on all voluntary funds
    - v) Patricia and Mike agreed with donating \$100 to the Disaster Relief fund and for George to get additional information on the Defense fund and legal costs for representation to not pay sales tax on materials
    - vi) George mentioned that TXWARN also assists with disaster relief to all public and private Texas utilities
    - vii) Motion made and carried by all to approve the \$400 membership dues, \$100 Disaster Relief fund donation, and to further investigate the Defense fund donation and legal representation to not pay sales tax on materials
  - b) Joe may want to attend the Rural Water Conference.
    - i) Motion made and carried by all to approve Board members attendance at RuralWaterCon 2020
- 5) REPLACEMENT OF VACANCY -- Article 8, Section 9 of the WOWSC Bylaws state that “any vacancy occurring in the board of directors may be filled by affirmative vote of the remaining directors, though less than a quorum of the board. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.” Following the resignation of Board member Bill Earnest, the Board will consider and act upon filling the vacancy.
  - a) Bill Earnest found and recommended Rich Schaefer to take his place on the Board
  - b) Rich has a background in computers
  - c) Patricia knows Rich from working on the Spicewood Airport and Pilots Association Board of Directors where Rich is the treasurer.
  - d) Motion made and carried by all to accept Rich Schaefer as Board Director Place 2 for the remainder of the term ending at election 2021.
- 6) ANNUAL MEMBERS MEETING – Consideration of any items related to execution of annual members meeting on February 1, and action as needed.
  - a) Danny Flunker Submitted a written request to add an agenda item to the upcoming Annual Member meeting for the plaintiff's (Rene Ffrench, John Richard Dial, Stuart Bruce Sorgen) suing WOWSC and WOWSC Board Members to present a ten-minute video regarding the current lawsuits.
- 7) FINANCIAL REPORT – The Treasurer will provide overview of previous month's financial report and amend 2020 budget projections.
  - a) December Income: \$43.4K
    - i) December Water + Sewer revenue: \$28.5K
    - ii) Year to date (YTD) Water + Sewer revenue at \$369.5K of YTD budget \$325.4K
    - iii) YTD Equity Buy-in Fees revenue at \$50.6K versus annual budget \$27.6K
    - iv) YTD Water & Sewer Taps revenue at \$20.7K versus annual budget \$10.4K
  - b) December Expenses: \$79.2K

- i) \$45.6K legal fees paid in December
  - c) December Net Income: -\$35.8K
  - d) YTD Legal/Appraisal at \$166.6K of annual budget \$38.0K
    - i) \$128.6K of unplanned legal expenses
  - e) YTD Water + Sewer Repairs at \$28.3K of annual budget \$45.0K
  - f) YTD Net Income: \$41.2K
  - g) 2019 Metrics:
    - i) Debt to Service Coverage Ratio (DSCR): 1.10
    - ii) Debt to Capital Ratio: 0.16
    - iii) Days of Cash on Hand: 140 days
  - h) 2018 Metrics:
    - i) DSCR: 2.08
    - ii) Debt to Capital Ratio: 0.18
    - iii) Days of Cash on Hand: 186 days
  - i) Received in December \$62.1K in legal invoices
  - j) Proposal to increase legal budget from \$110K to \$250K as we've already been billed in January \$59.6K
  - k) Joe requested George summarize the extra hours he spent on the emergency temporary repairs to keep the water running and for the long-term repairs of the barge and water intake system.
  - l) Motion made and carried to amend Y2020 budget legal expenses from \$110K to \$250K
  - m) Motion made and carried by all to accept the December Financial Report
  - n) Tim Norden asked if our WOWSC Board had a preference regarding WOWSC's Y2019 financial audit using a modified cash basis method, GAAP method, or tax basis method. \$850 to complete and submit 990 tax form.
    - i) George took the action to request Tim learn the financial audit method other WTP & WWTP corporations use.
    - ii) Tabled item for future meeting.
  - o) Tim Norden provided George with a verbal quote of \$850 to complete and submit WOWSC's Y2019 990 tax form.
- 8) **CONSIDERATION OF RATE INCREASE OR SPECIAL ASSESSMENT** – In light of a total cost of over \$100,000 in upgrades to WOWSC utility infrastructure incurred in 2019 and budgeted for 2020, and in view of significant legal costs incurred in FY 2019 in defense of the corporation, in addition to unprecedented costs budgeted for FY 2020 regarding same, the Board will consider options for addressing the budgeted shortfall including a possible rate increase and/or approving a monthly assessment to member bills, as authorized by WOWSC's Tariff, Section G, Rates and Service Fees, #11 Assessments, which expressly provides: "if at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors determines the total amount derived from the collection of water or wastewater charges to be insufficient for the payment of all costs incident to the operation of the Corporation's system during the year in which such charges are collected, the Board shall make and levy an assessment against each Member of the Corporation as the Board may determine or as may be required by Rural Development, so that the sum of such assessments and the amount collected from water and other sources is sufficient to fully pay all costs of the operation, maintenance, replacement and repayment on indebtedness for the year's operations."
- a) James Smith of TRWA ran through a couple of rate increase scenarios at this week's meeting
  - b) James to run a rate analysis using WOWSC's Y2019 financials in his model for review at our upcoming Annual Members meeting
  - c) Rate increase to be on the agenda of the Board meeting immediately following the Annual Members meeting
  - d) Joe stated rate increases have a 30-day notification requirement
  - e) April meter readings for May payments are targeted to include rate increase
  - f) Troupe Brewer communicated WOWSC's request to Lloyd Gosselink to spread invoice payments over several months

- g) Board believes the rate increase can be rolled back once all legal issues are fully resolved and all legal bills are paid
- 9) Executive Session under Texas Government Code § 551.071(1) and (2) regarding:
- a) Jay Grissom Letter to WOWSC advising of intent to take issues to small claims court.
  - b) Ffrench, et al., Intervenor-plaintiffs and Double F Hangar Operations, LLC, et al. v. Friendship Homes & Hangars, LLC, Windermere Oaks WSC, et al., Cause No. 48292, 33rd Jud. Dist., Burnet County Dist. Ct.
    - i) Executive session started at 7:10PM
    - ii) Executive session ended at 8:04PM
    - iii) Open meeting reconvened at 8:05PM
- 10) Consideration and possible action on potential engagement of insurance coverage counsel
- i) Motion made and carried by all to engage Lee Shidlofsky and Shidlofsky Law Firm as insurance council to provide insurance coverage advice and counsel
- 11) Consideration and possible action on items discussed in Executive Session.
- a) None
- 12) New business and discussion and possible action on agenda for next meeting.
- a) Y2020 Annual Members meeting
  - b) Saturday, Feb 1<sup>st</sup>, immediately following the WO POA Annual meeting at the Spicewood Community Center
    - i) Elect officers
    - ii) Rate increase or assessment
    - iii) Y2019 financial audit to use cash basis or tax basis method
  - c) Tuesday, Feb 11<sup>th</sup>, at 6:00PM at the Spicewood Community Center
    - i) Review previous Board Meetings' minutes
    - ii) Manager's report
    - iii) Review the January financial report
    - iv) Executive Session for legal issues
    - v) Budget discussion
    - vi) TRWA Defense fund donation and legal representation to not pay sales tax on materials
    - vii) COBANK loan application
- 13) Set date, time, and place for next meeting.
- a) Saturday, February 1, immediately following the WO POA annual meeting at Spicewood Community Center
- 14) Motion made and carried to adjourn at 8:11PM



Submitted by: Mike Nelson

APPROVED BY WOWSC Board on February 11, 2020

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

## **Windermere Oaks Water Supply Corporation**

May 28, 2011

### MINUTES

#### **Board Members Present**

Pat Mulligan, President  
Kerry Spradley, Vice-President/Asst. Treasurer (non-voting)  
Gary Martin, Secretary/Treasurer  
Bill Earnest, Director  
Ewell Jackson, Director  
Dorothy Taylor, Director

#### **Visitors Present**

Hubert Lormond  
Don Vogelsang  
Lois Vogelsang  
Werrick Armstrong

Meeting was called to order at 9:36 a.m.

Ewell Jackson made a motion that was seconded by Bill Earnest to approve the minutes of our previous stated meeting on April 23, 2011. Motion carried.

President Mulligan introduced Werrick Armstrong. Mr. Armstrong's residence is on 10 acres at Rustic Lane which is between Windermere Oaks and Ridge Harbor. Mr. Armstrong explained that he owns a landscaping business and had extensive landscaping at his residence. He made a proposal which would allow him access to WOWSC affluent for irrigation, in lieu of, an easement through his property for WOWSC. This easement would allow WOWSC easier access for any future interconnection with Ridge Harbor, should that need ever arise. Mr. Armstrong explained that he would incur all costs associated with connection to the WOWSC affluent system. Kerry Spradley indicated that a permit must first be obtained from the TCEQ. Mr. Armstrong estimates a usage of approximately 15,000-20,000 gallons per month. All Board Members agreed that Mr. Armstrong's proposal was fair and reasonable. Gary Martin made a motion that was seconded by Bill Earnest to accept an "*Agreement in Principle*" with Mr. Armstrong until contract details could be finalized. Motion carried.

**Drought Contingency Plan** – President Mulligan said that Dorothy Taylor had drafted a Drought Contingency Plan. Dorothy then told the Board that this plan would be e-mailed to all WOWSC Board Members for review/revision as a "work in progress". President Mulligan said that we would discuss this Water Contingency Plan at our next meeting for approval so that it could be submitted to the LCRA as requested.

Kerry Spradley explained that Windermere Oaks is part of a study for water needs with Llano and Burnet counties. Long-term plans could include a regional water system with a plant located at Lake Marble Falls. Total cost (amortized over 30 years) is estimated at \$5,000 per property owner!

Kerry Spradley also explained that the LCRA still wants to sell all wet utilities to only one vendor and that they have extended their bid process.

Conversation then ensued regarding the Water Coalition. A motion was made by President Mulligan which was seconded by Bill Earnest that WOWSC join this coalition. Motion carried.

### **Old Business**

Bill Earnest indicated that he had not yet obtained any information or pricing on a tanker truck. President Mulligan then facilitated discussion about WOWSC continuing to pursue the purchase/lease of a tanker truck. The Board agreed that allowing Windermere Oaks to become “dry” would lead to many problems including declining property values and that we should pursue every avenue possible to prevent this from happening.

#### **Action Items:**

- 1) Kerry Spradley agreed to contact the LCRA and inquire about available water transport services.
- 2) Follow-up with Hank Cantu. Kerry Spradley wrote a letter to Mr. Cantu on May 25 requesting pricing for his service of hauling water.
- 3) Pursue the rental/purchase of a water truck from Hertz and whether they are certified for potable water, presented by Dorothy Taylor.
- 4) Kerry Spradley agreed to contact the City of Marble Falls regarding the availability of water trucks.

### **EXECUTIVE SESSION**

Meeting was adjourned at 12:08 p.m.

Respectfully submitted,

Gary N. Martin  
Secretary/Treasurer

## **Windermere Oaks Water Supply Corporation**

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Board of Directors Meeting

July 31, 2012

### **Minutes**

#### **Board Members Present:**

Pat Mulligan, President

Dorothy Taylor, Secretary

Bill Earnest, Director

Mike Madden, Director

President Mulligan called the meeting to order at 6:03pm. Quorum present.

President Mulligan stated that previous minutes were not available for approval. Approval would have to be made at the next meeting.

President Mulligan stated that Lee Haslem has purchased 11 acres from Ken Peterson and wants water and sewer service. Discussion of whether this property is outside of our CCN. It was stated that Mr Haslem needs to send a written request.

President Mulligan shared the letter from Ed McClelland requesting a variance of the five foot easement on the west boundary of this property. Bill Earnest is to visit the property with Larry Black to determine in variance should be allowed.

President Mulligan shared numbers that he had Dave Embrey run through the billing system with proposed new rates. He expressed concern that changes would decrease overall revenues. Bill Earnest and Dorothy Taylor indicated that a decrease was not possible and it was decided that they would review with Dave. They will also look over the language of "Monthly Reserve" and "Standby Fees" and report back to the Board.

President Mulligan stated that Board is required to set up a Credentials Committee for review to identify possible future Board members. This committee should consist of 2 existing Board members(those Board members consist of ones that would not be up for reelection in the next annual meeting) and 1 general member.

Jerry Ingham volunteered to be the general member representative. It was decided that this committee would be Pat Mulligan, Mike Madden and Jerry Ingham.

President Mulligan discussed the need to purchase a new boat to replace the donated boat that was stolen. A 14 foot aluminum boat size was discussed . No need for a motor or trailer. President Mulligan made a motion not to exceed \$1500.00 for the purchase of a boat. Mike Madden seconded. The vote was 4-0 to spend up to \$1500.00. There was also mention to possible look into a suitable used boat and President Mulligan agreed to look into that.



President Mulligan stated the George Burris was working on a design for a new waste treatment plant and that he would be meeting with George and Susan Roth on Thursday August 2nd.

President Mulligan stated that WOWSC application for a grant had been made to cover some of the costs to increase the size of the existing barge and fabrication of skimmer barge.

President Mulligan stated that Stage 2 of the Drought Contingency Plan remains in effect.

President Mulligan stated that Werrick Armstrong has asked about bigger lines to his service. It was stated that he would need to submit request/application. It was also stated that Mr Armstrong would be required to pay for the installation of the bigger lines.

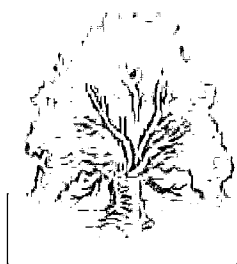
Board went into **Executive Session** and covered various administrative and personnel items.

Out of executive session:

Next meeting was scheduled for Tuesday, October 2, 2012.

Being no further business, the meeting was adjourned at 8:30 pm.

Submitted by  
Dorothy Taylor



## Windermere Oaks Water Supply Corporation

424 Coventry Rd  
Spicewood, Texas 78669

### 2017 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: Wednesday, August 30, 2017.**

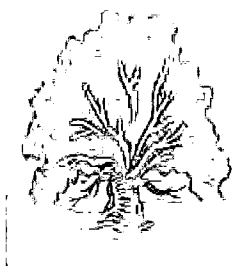
**2017 Board Members Present:** Jeff Hagar, Jerry Ingham, Bill Billingley, William Stein, Dorothy Taylor

### Minutes

The meeting was called to order at 6:04PM by Dorothy Taylor. A quorum was established and all Board Members were present.

Items from the Agenda:

- 1) All Board Members were present establishing a quorum.
- 2) Speakers signed up. Danny Flunker. Speaking for Dick Dial, in reference to the real estate transaction with Dana Martin. Dick received the documents requested. Dick recalled that Bob Mebane assured "us" verbally that a written Attorney's opinion existed claiming the real estate transaction between the WOWSC Board and Dana Martin was legal. Dorothy hasn't seen this document and she stated she would check into. Dick also didn't see on the December 19, 2015 Agenda where there was an actionable item for the real estate transaction. Dorothy pointed out in the minutes from the December 19 2015 meeting that the discussion of the real estate item is listed in Executive Session, but that the Board action was taken after coming out of executive session.
- 3) Approval of the May 23<sup>rd</sup> 2017 Meeting Minutes. Dorothy called for a motion. Made by Jeff Hagar and seconded by Bill Stein. All voted in favor to approve.
- 4) Review and Approval of May, June, and July 2017 financials. Motion made to approve by Jerry Ingham and seconded by Bill Stein. All voted in favor to approve.
- 5) Tennis Village POA held a meeting on August 19, 2017 and notified George Burriss that a prior vote by Tennis Village 22-0, in favor of not allowing, WOWSC to do anything on their common area property. WOWSC is now back to our option of replacing the lift station in its current location. WOWSC Board received a recommended solution and a revised proposal and an updated estimate from George Burriss to replace the Lift Station with (2) Grinder Pumps and a catch basin upstream. Jeff Hagar made a motion to approve George's proposed (2) Grinder Pump solution and adjust the Lift Station budget upwards by \$7,667 for a total budget amount of \$60,667 to cover the offset between the original approved budget and today's estimate to replace the Tennis Village Lift Station. Seconded by Bill Stein. All voted in favor to approve.
- 6) Manager's Report. Annual Water Quality Report for 2016 presented. George was very pleased with our water quality reports. Advised on the sale of water to the airport for construction. Update on rate analysis work with TRWA. We have forwarded everything to TRWA. Hurricane Harvey has everyone distracted right now, so the rate study has been delayed. New hard drive for Plant computer. Karri Gibson volunteered to try and install.
- 7) Member request for an additional water meter for irrigation. This item needs to coincide with the rate study and how we would charge. Concerns about consumption and overuse or reduced revenue. WOWSC Board would need to work out the details and modify our tariff. Installation detail would be necessary. Board tabled this item for action, until more information is obtained to understand how to allow and charge for the additional meter.



## Windermere Oaks Water Supply Corporation

424 Coventry Rd  
Spicewood, Texas 78669

### 2017 Board of Directors:

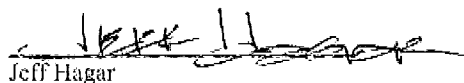
Dorothy Taylor, President  
Jerry Ingham, Vice President  
Jeff Hagar, Secretary/Treasurer  
William Stein, Director  
Bill Billingsley, Director

- 8) Emergency Generator: Malcolm Belisle informed WOWSC that HCA has a generator to donate. Appears to be a Cummins diesel with low hours. George wants to go look at it and take a service guy with him to inspect it. We need Malcolm to put us in touch with "the guy". Jeff Hagar knows Malcolm and will reach out to Malcolm to find out next steps.
- 9) Dorothy stated that there was not a need to go into Executive Session. No reason to take action at this meeting. She questioned if there was any reason that WOWSC needs to keep the 7 acres it owns in the airport and she suggested that if not needed that the Board members might want to sell the property. Dick Dial gave Dorothy a list of publications that WOWSC could consider listing it with. The Board discussed that there is a small pie shape piece we would need to carve out of it, since our lift station is there, but the rest of the property could be sold. There was a question about access to the remaining property, since it doesn't front the road. WOWSC has a 50' easement. The Board discussed some of the steps to put it up for sale. First we need a survey, replat and appraisal. Our recent sale of 4 acres will be a comparable sale, roughly \$50,000 per acre. Board took no action, but will discuss at future meeting whether to sell or wait for future development.
- 10) Kari asked "are there any other items that should be on the reserve list?" For planning purposes. Board needs to review the 5 year plan. Dorothy will forward copy of latest to Board members.. Board needs to keep this list in front of us and review for possibly additions to the reserve list.

No new or old business.

Jerry Ingham made a motion to adjourn, seconded by Bill Stein and unanimous approval of all board members present. Meeting adjourned at 7:21PM

Submitted by:

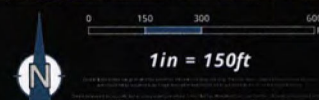
  
Jeff Hagar

**APPROVED BY WOWSC Board on December, 13, 2017**

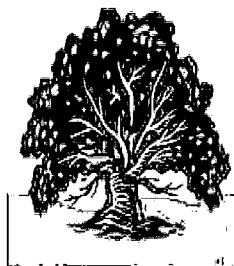




**DOUCET & ASSOCIATES** WINDERMERE OAKS WATER SUPPLY CORP  
Water & Wastewater Network







# Windermere Oaks Water Supply Corporation

424 Coventry Rd  
Spicewood, Texas 78669

## 2017 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: Tuesday, May 23, 2017.

**2017 Board Members Present:** Jeff Hagar, Jerry Ingham, Bill Billingsley, William Stein, Dorothy Taylor

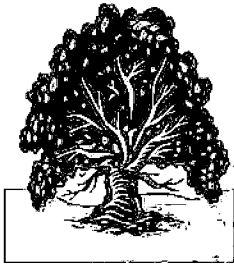
## Minutes

The meeting was called to order at 6:07PM by Dorothy Taylor. A quorum was established and all Board Members were present.

Dorothy Taylor stated the first order of business was to approve the minutes from March 11, 2017 and April 28, 2017. A motion to approve was made by Jerry Ingham, seconded by Bill Stein, all in favor, motion passed.

Second order of business was to consult with our Attorney, Mark Zeppa, on replacement of the Tennis Village lift station. Mark Zeppa participated by phone.

- Mark clarified the deed covenants. The sewer system between the houses and the Tennis Village common area property line are owned by the TVPOA and TVPOA is obligated to maintain. The lift station and on then to the treatment facility are owned by the WOWSC and WOWSC is obligated to maintain. Mark was unsure about where the catch basins fall into the system, so he asked George to clarify.
- George clarified there are catch basins on TVPOA property within their collection system. In Mark's opinion, the catch basins are part of the property of the TVPOA. George concurred. If there's a problem with the catch basins, it's the TVPOA's responsibility to correct. George believes they understand. TVPOA could ask the WOWSC to correct the problem and the WOWSC could bill them for it or TVPOA could hire someone else to make repair.
- Bill Stein asked if there's documentation in the articles of incorporation when the transfer occurred and WOWSC took over the system. Mark concurred. He stated that he prepared the transfer documents and all property transferred. He also stated that the deed restrictions were created when the subdivision was established and have not been changed. Bill asked about the transfer of the lift station and ownership. Mark clarified the lift station transferred and is owned and the responsibility of WOWSC. Mark reiterated that everything within the Tennis Village property line is owned by the TVPOA.
- George clarified that the catch basins are on TV property.
- Dorothy summarized the discussion: the WOWSC is responsible for the lift station and the TVPOA is responsible for the catch basins. Mark concurred.
- Bill Stein asked how to rectify the issue of placing grinder pumps on TV property. George stated that TV has declined WOWSC to allow them to put any facilities on their property. As far as he's concerned, WOWSC would have to rebuild the existing lift station in it's existing location, which is off of TV property. This was new information to some members of the WOWSC Board, as it was just recently decided in a TVPOA Board meeting.
- Mark said another option was for WOWSC to put TVPOA on notice that their catch basins are no longer compliant, give them a reasonable time frame to make repairs and if they fail to do so, terminate their service. George stated the TV understands this is an option. George also stated that the recent decision by the TVPOA leaves the WOWSC with no good option other than



# Windermere Oaks Water Supply Corporation

424 Coventry Rd  
Spicewood, Texas 78669

## 2017 Board of Directors:

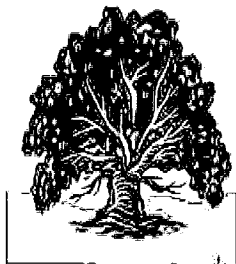
Dorothy Taylor, President  
Jerry Ingham, Vice President  
Jeff Hagar, Secretary/Treasurer  
William Stein, Director  
Bill Billingsley, Director

rebuilding the lift station where it is now.

- Dorothy asked if we rebuild the lift station, won't we have to deal with the catch basins. George stated, no, what the TV does with their catch basins is their business. Jeff Hagar asked, but if we rebuild the lift station, we would install our own catch basin to protect the new lift station and George concurred. He went on to say the best place for grinder pumps is on TV property. It would make them easier to maintain and to service.
- Bill Stein asked about eminent domain. Mark stated the WOWSC has almost unlimited power of eminent domain, as it relates to the asset of ground water. He said it's not an issue with the sewer system. WOWSC could condemn the property, but that's a time consuming and expensive process, but is available to WOWSC.
- In Mark's opinion the loop lines and the catch basins are the responsibility of TV to upkeep and maintain. The main and the lift station are the responsibility of the WOWSC to upkeep and maintain.
- Jeff Hagar asked then exactly where are we. George stated that in light of the TVPOA decision from a few days ago to not allow WOWSC to place the grinder pumps on TVPOA property, our only option is to rebuild the lift station in the cedar break along soda creek. Jeff Hagar asked if would have to start over with engineering and approvals. George said would have an approved plan for the lift station. Jeff Hagar stated we would need to update the cost and George concurred.
- Dorothy asked George then if his recommendation is to move forward with the lift station. George concurred and stated we would install our own equipment, including a catch basin to protect our equipment. Jeff Hagar asked if their catch basins not being in compliance will affect our new equipment and George said we won't have a problem, but they might. So Dorothy clarified we would do nothing with the existing catch basins, they would be left as they are. George concurred. Dorothy suggested then that the next step is for the WOWSC to move forward. George concurred.
- Bill Stein stated that the TV may not be fully informed on these issues and that he would like 30 days to educate the property owners, before a decision is made. The WOWSC Board agreed to allow Bill to talk with the TV residents to see if another decision is possible. Bill thought he could have a decision before the next WOWSC meeting scheduled for June 6<sup>th</sup>.

The third order of business was to talk with Mark Zeppa about shared grinder pumps.

- Dorothy stated she and George had gone through the tariffs and that it is the policy not to have shared grinder pumps. The WOWSC Board also grandfathered those property owners prior to January 17, 2014. Mark Zeppa sent an email stating that from that date forward, property owners should not share grinder pumps.
- Bill Stein asked about the original Tariff ratified before 2015, if it also stipulated no shared grinder pumps. Mark Zeppa stated that the original tariffs speak of multiple customers being served from one connection. It doesn't speak about grinder pumps. All of this evolved out of a TCEQ regulation on water meters; that you can only have one connection to a water meter. Most WSC's took that and made it apply to all connections, including WO. If you look at the evolution of the tariff's, it doesn't say you can't have two people on a grinder pump, it says you can't have two people on the same sewer connection.



# Windermere Oaks Water Supply Corporation

424 Coventry Rd  
Spicewood, Texas 78669

## 2017 Board of Directors:

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

- Dorothy clarified Mark's statement that there is no reference to a grinder pump. Bill Stein clarified the revised tariff is for water and sewer. Dorothy read an excerpt that only one connection for dwelling or business.
- Jeff Hagar summarized then that the 2015 Tariff is consistent with one connection for water and sewer. George concurred.
- Bill Stein asked about previous minutes where the WOWSC had grandfathered those sharing grinder pumps, prior to January 17, 2014 and wanted to know why. Mark Zeppa stated that the TCEQ regulates water connections. The new tariff's regulated both water and sewer connections for the WOWSC. The Board at that time felt it was necessary to grandfather those few individuals who were sharing grinder pumps, prior to the revised tariffs.
- Questions about what if two property owners can't agree who pays to make a grinder pump repair in case of failure. Mark Zeppa stated you would just terminate their water service, until such time the repairs are made.
- George stated there are only 4-5 shared grinder pumps in the community.
- Questions about the 1995 tariffs, but George concurred that most of the shared grinder pumps were put in prior to 1995.
- Bill Stein asked about a shared pump failing. Do they have to replace with two pumps? Mark Zeppa stated we should modify the tariff to clarify. The WOWSC board needs to decide how to handle shared grinder pump failure and replacement going forward.
- Mark suggested he draft a new section of the tariff for us to review, so that if there is a failure, we would have the right to terminate water service, until repairs are made by the customer.

No more questions for Mark Zeppa.

The fourth order of business is to recommend (1) WOWSC member for the 2018 Election Credentials Committee. Dorothy nominated Nicky Campbell. Seconded by Jerry Ingham. All in favor. Motioned passed.


Discussion of future meeting dates: June 6<sup>th</sup>, July 11<sup>th</sup>, September 12<sup>th</sup>, November 14<sup>th</sup> Change June 6<sup>th</sup> to June 7<sup>th</sup>

No old or new business to discuss.

Final order of business. Karri reviewed financials. Jerry Ingham made a motion to approve. Jeff Hagar seconded. All in favor.

Dorothy made a motion to adjourn, seconded by Jerry Ingham and unanimous approval of all board members present. Meeting adjourned at 7:02PM

Submitted by: Jeff Hagar, **APPROVED BY WOWSC Board on August 30, 2017.**

  
Jeff Hagar



