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SOAH DOCKET NO. 473-20-4071.WS

PUC DOCKET NO. 50788

RATEPAYERS' RESPONSE TO STAFF'S FIRST RFI

STAFF 1-1:

Admit or deny: Ratepayers secured expert analysis of Windermere Oaks Water Supply Corporation's (Windermere) rate design for the test year that is the basis of the appealed rates. If admit, please provide details of any expert analyses performed on behalf of the Ratepayers, including the name and qualifications of the individual who performed the analysis and the conclusions reached as a result of the analysis.

RATEPAYERS' RESPONSE:

Admit, Ratepayer's secured an expert analysis to review the Financial Reports which were used to in Windermere's Rate Design. The Expert is Robert Gaines.

Mr. Gaines has been a Certified Public Accountant since 1975. He received a Bachelor of Business Administration degree from the University of Texas McCombs School of Business in 1973. He is currently self-employed as a CPA, having previously worked at Alton D. Thiele in Belton, Texas as an audit manager. His professional experience includes managing and performing financial audits, primarily of rural water supply corporations ("WSCs") and special utility districts ("SUDs"). He has also been involved in the preparation and/or review of financial statements and related reporting documents for over 30 WSCs. He has consulted with WSCs concerning allowable expenses for rate-making purposes. He authored "An Introduction to WSC Exemption Status Under 501(c)12" published in the Texas Rural Water Association Journal Quality on Tap.

Mr. Gaines has hand-on experience as a member of the board of Armstrong Water Supply Corporation ("Armstrong") located in Holland, Texas for over 25 years. Armstrong has over 1,000 water connections. Mr. Gaines also holds the position of Secretary/Treasurer of Armstrong's board.

In summary, Mr. Gaines' analyses concludes as follows:

- Windermere's financial reports, which are claimed to be the basis upon which the TRWA revenue requirement was determined, are not reliable for purposes of rate analysis;
- Windermere's financial reports are not a reliable tool for setting a range of reasonable values for rate-making purposes;

- Windermere's financial reports are not a reliable tool for determining whether its rates recover only its reasonable and necessary expenses;
- Windermere's financial reports are not a reliable tool for determining whether its rates collect only expenses actually realized or which can be anticipated with reasonable certainty;
- Windermere's outside legal costs are not costs of service;
- Based on the testimony of Windermere's representative, the appealed rates were not designed to recover the company's actual cost for legal services during any given period;
- The \$20,000 per month cash flow figure Windermere's representative testified was the basis for determining the appealed rates does not appear to be a reasonable or reliable approximation of the actual cost incurred by the company for outside legal services each month;
- Outside legal costs are typically variable costs;
- Windermere's tariff appears to authorize assessments only to make up for shortfalls involving costs of service, therefore it does not cover the outside legal costs;
- The appealed rates are not borne evenly across a single class of customer;
- Windermere's arrangement with its attorneys to pay only a fraction of its costs for legal services and accrue the balance as debt has put Windermere in a position of growing concerns and has created a financial burden for future ratepayers from which they receive no benefit.

Prepared by: Kathryn E. Allen

Sponsored by: Robert Gaines

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RATEPAYERS' RESPONSE TO STAFF'S FIRST RFI

STAFF 1-2:

Are Ratepayers aware of any properties within the Windermere service area that shared a meter during the test year? If so, how many properties? Please provide supporting documentation

RATEPAYERS' RESPONSE:

Yes

Based on Ratepayers research, listed below are the properties in Windermere's service area that share a water meter and also share sewer service during the test year 2019.

Water/Sewer

Property Owner/Member	Address	Shares With	Address	See Attachment
Foy By-Pass Trust	225 Airstrip Rd Spicewood, Tx 78669	Dana Martin	223 Airstrip Rd Spicewood, Tx 78669	Windermere's answer to Staff's 6-10 and 6-11
Foy By-Pass Trust	225 Airstrip Rd Spicewood, Tx 78669	Malcolm Bailey	221 Airstrip Rd Spicewood, Tx 78669	Windermere's answer to Staff's 6-10 and 6-11
Foy By-Pass Trust	225 Airstrip Rd Spicewood, Tx 78669	Chuck Walters	227 Airstrip Rd Spicewood, Tx 78669	Windermere's answer to Staff's 6-10 and 6-11
Elice Investments LLC	224 Airstrip Rd Spicewood, Tx 78669	Edwin E. Presley	222 Airstrip, Spicewood Texas 78669	Attachment A

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RATEPAYERS' RESPONSE TO STAFF'S FIRST RFI

STAFF 1-3:

Are Ratepayers aware of any inaccuracies in Windermere's response to Staff's RFI Staff 6-13 to Windermere? If so, please submit a detailed explanation.

RATEPAYERS' RESPONSE:

Yes

In Windermere's answer to Staff's RFI Staff 6-13 it appears all listed members have paid either \$4,000 or \$4,600 in equity buy in fees, however there is no delineation of this fee for either water and sewer or just water. Windermere has well over fifteen homes with septic systems and no sewer service. Based on Windermere's answer to Staff it appears Windermere charged a standard equity buy in fee. For example, Patti Flunker has two homes on one parcel of land each with individual water meters, however Ms. Flunker has no sewer service, yet she has paid a \$4,000 equity buy in fee for both homes totaling \$8,000 unlike others who appear to have paid \$4,000 for water and sewer service, \$2,000 for water and \$2,000 for sewer.

On review of Windermere's answers it appears there are members listed on the membership list (see Joe Gimenez Rebuttal Testimony JG-30) but not listed on Windermere Attachment Staff 6-13. These include;

George Marwiegh
Kirk Covington

Finally, Essie and Elsa Atarod are listed on Windermere Attachment Staff 6-13 for having an additional meter, yet not charged an equity buy in fee for this additional service. Texas Rural Water Association who provided services for the rate design for Windermere also provides advice regarding equity buy in fees for water supply corporation, attached as Attachment B.

Prepared by: Patti Flunker

Sponsored by: Patti Flunker

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RATEPAYERS' RESPONSE TO STAFF'S FIRST RFI

STAFF 1-4:

Are Ratepayers aware of any properties that use water or sewer service for non-residential purposes? If so, please provide any details available to the Ratepayers, including how many properties, for how long, and for what purpose?

RATEPAYERS' RESPONSE:

Yes

Property	Requested Date	Purpose	Reference
Werrick Armstrong	5/25/2011	irrigation	May 28, 2011 WOWSC Board Meeting Minutes (see Ratepayers Attachment C in Ratepayers 5 th RFI to Windermere).
Essi Atarod	8/30/2017	irrigation	August 30, 2017 WOWSC Board Meeting Minutes (see Ratepayers Attachment E in Ratepayers 5 th RFI to Windermere).
Bus Hangers RV Storage	unknown	Bus Hangars RV Storage and Vehicle Storage	Attachment C

Prepared by: Patti Flunker

Sponsored by: Patti Flunker

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RATEPAYERS' RESPONSE TO STAFF'S FIRST RFI

STAFF 1-5:

For members who have entered into Nonstandard Service Agreements with tenants, who submits payment to Windermere for water and sewer service: the tenant or the member? Please provide supporting documentation.

RATEPAYERS' RESPONSE:

Ratepayers are unaware of any member who has entered into a Nonstandard Service Agreement with a tenant. However, Ratepayers are aware of some tenants who have signed an Alternative Billing Agreement to receive water and sewer service. Ms. Flunker has had a tenant in the past sign an Alternate Billing Agreement for a rental home located at 305 Coventry Road. Windermere billed the tenant not the member. See attachment Attachment D email from Windermere.

Prepared by: Patti Flunker

Sponsored by: Patti Flunker

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RATEPAYERS' RESPONSE TO STAFF'S FIRST RFI

STAFF 1-6:

Are Ratepayers aware of any tenants that pay for water and sewer service that have also paid a membership fee?

RATEPAYERS' RESPONSE:

No

Prepared by: Patti Flunker

Sponsored by: Patti Flunker

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RATEPAYERS' RESPONSE TO STAFF'S FIRST RFI

STAFF 1-7:

Are Ratepayers aware of any tenants that pay for water and sewer service that have also paid an equity buy-in fee?

RATEPAYERS' RESPONSE:

No

Prepared by: Patti Flunker

Sponsored by: Patti Flunker

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RATEPAYERS' RESPONSE TO STAFF'S FIRST RFI

STAFF 1-8:

Are Ratepayers aware of any tenants that pay for water and sewer service that are also members of Windermere?

RATEPAYERS' RESPONSE:

No

Prepared by: Patti Flunker

Sponsored by: Patti Flunker

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RATEPAYERS' RESPONSE TO STAFF'S FIRST RFI

STAFF 1-9:

Given the jury finding in Rene French, 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. that Dana Martin breached her fiduciary duty to Windermere, have ratepayers received any communication from the Windermere Board of Directors indicating whether it intends to pursue recovery of the 2019 cost of Ms. Martin's legal defense from Ms. Martin? If so, did the Board indicate when and how it would attempt to recover those costs?

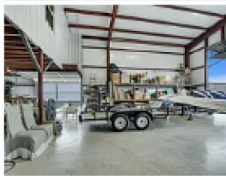
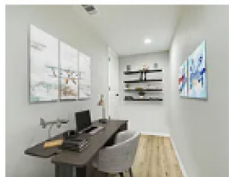
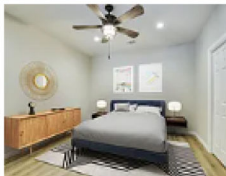
RATEPAYERS' RESPONSE:

No, the Ratepayer Representatives have not directly received a letter from Windermere's Board of Directors indicating whether it intends to pursue recovery of the 2019 cost of Ms. Martin's legal defense from Ms. Martin.

However, Windermere did post to their website and send out to the Members a letter dated November 22, 2022 from the Legal Subcommittee signed by Joe Gimenez and Mike Nelson attached as Attachment E. The letter states "The WOWSC has a right to reimbursement of those fees in the event of a final judgment finding Ms. Martin liable, and will consider and take appropriate action at the appropriate time."

Prepared by: Patti Flunker

Sponsored by: Patti Flunker


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1 bd | 2 ba | 2,750 sqft

222 Airstrip Rd, Spicewood, TX 78669

 Sold | Sold on 12/08/20 | Zestimate®: **\$486,700**

 Est. refi payment: \$75/mo [Refinance your loan](#)
[Home value](#) [Owner tools](#) [Home details](#) [Neighborhood details](#)

Overview

Note: This property is not currently for sale or for rent on Zillow. The description and property data below may've been provided by a third party, the homeowner or public records.

This property is located in a private airport in the Spicewood community offers grass and paved landing strip and has a brand new apartment with a full bath, kitchen, washer dryer, and office or storage area. This hanger has a large bifold automatic door with an additional door with paved access to the taxiway. Ample storage with the custom steel shelving and plenty of space for planes, boats, RVs, cars, or other toys. What an amazing opportunity in the heart of the hill country only 25 minutes from Austin. Spicewood Airport - 88R

Facts and features

[Edit](#)

Type:	See Remarks	Cooling:	Central
Year built:	2013	Parking:	4 Parking spaces
Heating:	Forced air, Electric	HOA:	\$75 monthly
		Lot:	4,312 sqft

Interior details

Bedrooms and bathrooms

Bedrooms: 1

Bathrooms: 2

Full bathrooms: 1

1/2 bathrooms: 1

Flooring

Flooring: Concrete, Hardwood

Heating

Heating features: Forced air, Electric

Cooling

Cooling features: Central

Appliances

Appliances included: Dishwasher, Refrigerator

Interior Features

Interior features: Interior Steps

Other interior features

Total interior livable area: 2,750 sqft

FEES AND RATES

Click here to return to the Ask Larry homepage.
(<https://www.trwa.org/general/custom.asp?page=141>)

On this page:

Fees | Rates

Fees

Q: Our system has a section of the distribution system which is in need of repair or replacement and serves about 40 customers. Since this section of the system is an older section and was not built or designed like the rest of the system, can we begin assessing these customers the costs for improving that line which will serve no other customers, as it is a dead end street?

Q: Can we charge an average usage on a meter we cannot access, such as the highest usage in the last 12 months, or must we use another method? Can we charge a fee each time we cannot get access to read a meter, including when we are trying to disconnect for nonpayment? Our intent is to get better cooperation from the customers. We recently resolved one access issue involving an unmanageable dog, but we still do not feel we have recourse should that customer decide not to cooperate in the future.

Q: It has been my experience that the equity buy-in fee is the same for every member regardless of the size of meter being installed because it is a per tap basis fee. My manager is questioning if this is the correct procedure or should we be multiplying the equity buy in fee by the meter equivalent? Our equity buy-in fee is \$1,562.50 for a standard residential 5/8" x 3/4" meter. Should we be charging 8 times that or \$12,500 for a new 2" meter?

A: Yes, the equity buy-in fee or any other capital improvement type fee should be multiplied by the equivalent meter size because the purpose of the fee is for new customers to reimburse the system for past investments to the system's capacity and to create a dedicated fund for future capacity improvements such as line upgrades, new tanks, treatment or production. The need for these additional capacity improvements are directly correlated to the demand that new customers place on the system's current capacity. Because larger meter sizes use up a greater proportion of the system's capacity, the customer with the larger meter is required to reimburse the system in proportion to their capacity demands.

(Q: What is an equity buy-in fee?)

A: Although it may not seem fair that only some customers have to pay the equity buy in fee (EBIF), or other front-end capital improvement fees, it's important to understand the history of how water supply corporations were financed.

Many were formed 35 to 40 years ago and did not initially charge up-front fees except the \$50 membership fee. The system paid for these early taps and system infrastructure by borrowing money, instead of having each customer pay their share of the construction expenses up front. The customers paid for this infrastructure through their rates, which were used to pay the debt service. As you state, new service connections are charged the extra fee to reach parity with the old service connections that have been paying rates through the years to finance the system's infrastructure and capacity to serve those connections.

The equity buy-in fee, like other types of front-end capital improvement fees, can only be charged once per meter. Applicants for service with existing meters or taps, where water service has been connected to the system in the past, cannot be charged a new EBIF. The theory is that customers at the existing meter have already paid for the infrastructure to serve that connection either through rates or through a previously paid EBIF, so charging the EBIF again would be double charging.

Unlike the membership fee, the EBIF can't be liquidated due to nonpayment of service. The water system is supposed to use this money to invest in system capacity and system improvements that are necessary to provide service capacity to the new connection. Once a person has paid all fees required to have water service installed, it is up to the system to build in the necessary capacity with the funds collected for that purpose.

If the system has been delinquent in using the fees they have collected to upgrade the system or has added more customers to a small line than allowed by PUC rules, then the system must pay for the cost to upgrade those lines from reserves it has accumulated from the EBIF or by borrowing money, as opposed to requiring that a new applicant pay to install a new 6-inch line that should have already been upgraded. The new applicant should only pay for the capacity required to serve their meter, not to upgrade the system for existing customers.

Some systems choose not to charge an EBIF, and instead borrow money from USDA-RD, TWDB, or from a commercial lender for system upgrades. They recover the funds to service the debt through their water rates. Remember that the water system must be able to justify the amount of EBIF that they charge. New customers may rightfully request an explanation of the fee or may appeal the charge to the PUC for review.

Q: We are considering ways to increase revenues and the question came up whether we can charge a fee for meters that are locked and not being used, but still can be turned on at the customer's request. Is there a fee other systems charge for this or is this illegal? We have several meters that have been locked for years but are still in the ground.

Q: In calculating an impact fee for a new service connection, if the line the applicant will be served by requires an upgrade, can the price to lay a replacement pipe across that property be figured into the fee?

A: No. The PUC does not consider the cost of a line extension to an individual applicant's service to be an "impact fee." Impact fees are based on required improvements to the system's major capacity components such as water production (surface water or groundwater), water treatment, water storage (elevated, ground, pressure tanks), booster/high service pumps, and major transmission lines. The development of an impact fee

should be accomplished with the assistance of an engineer to "project" the size of these components that will be needed based on the increased demand on the system and establish some base projected pricing of each of these components.

An impact fee should be based on a target number of "new connections" or take into account "replacement" capacity for those previous connections which were added causing the capacity to be depleted. TCEQ rules require that all systems maintain 15 percent "extra capacity" for future growth. This extra 15 percent capacity has to be funded by either impact (or other up-front) fees or by the system going into debt to build this replacement capacity. The bottom line is that either the new applicants pay their fair share of replacing the system's existing capacity or they pay for future improvements.

Otherwise, the system's existing customers have to subsidize these new improvements. If an applicant requests a meter on a 2-inch line which already has the maximum number of connections as allowed by TCEQ or the system's engineered hydraulic study, the applicant's cost of receiving service should include the actual "construction" cost of installing a new 2-inch line (minimum allowed by TCEQ) to their service location. In addition to the cost of the line, the applicant also has to pay for their actual meter installation, membership fee/deposit (if a district), administrative charges, CSI fee, and the normal "impact fee" which pays for their fair share of the system capacity components discussed above.

Some systems allow an applicant to enter into a "Line Reimbursement Agreement" which allows the system to recover some of the applicant's construction costs from other new applicants that are now able to connect to this "new" line and then in turn reimburse the customer who made the initial investment. Some systems do not provide such an "agreement" and the TCEQ has no current rule requiring systems to do so. It is however a "customer friendly" policy.

I hope you are able to see the difference between "impact fee" and actual "construction costs." Both can be charged because one fee is for necessary improvements to replace off-site capacity while the other is the more visible on-site cost of installing the meter and the small distribution improvements to the service location.

Q: Are we allowed to fine or penalize WSC members for failure to comply with our drought contingency plan?

Q: A neighboring city has recently approached our WSC about adding the city's sewer fees to our water bills. We have agreed to do this, but are having trouble determining an appropriate fee. We thought \$10 per active account per month was reasonable, but the city countered with \$2.00 per active account per month. Is there any TRWA or TCEQ guidance on determining this type of fee?

Q: Our board wants to increase the reconnect fee on customers that are locked for nonpayment. Where do I find the rules for what we can legally charge and do you have any suggestions?

Q: We have been trying to think of ways to increase customers on our south system. We have discussed discounting our tap fee for a specified amount of time or possibly charging the regular tap fee and the company absorbing the cost of road bores. Is this a bad idea?

Q: Can our water supply corporation charge a tap fee instead of separately charging for parts and labor? This would allow us to give a standard quote for a new service, provided the applicant just needs a standard service with no road bores involved.

Q: Are water supply corporations required to charge membership and equity buy-in fees for water and sewer separately? If our membership fee is \$100, should we charge an additional \$100 when we begin operating a wastewater plant?

A: The new wastewater portion of your business should have its own set of records, as the water system has had for years. The wastewater service is an additional service that did not exist when your system started and you may decide to collect a separate membership fee for wastewater service, if allowed in your bylaws. The wastewater membership fee must be approved by the board and included in the tariff. The wastewater equity buy-in fee is a separate fee. It is to be used only for the wastewater system improvements once the system is up and running.

Initial costs associated with getting the wastewater system up and running will probably be a mix of loans, grants and reserve money from the WSC. Records should be kept of all the WSC money spent towards the wastewater project so the board will have an accurate accounting of the startup costs.

Monthly wastewater system rates need to be accounted for and used to pay for all electricity, maintenance and other management and operating costs associated with running the system, as well as debt service and depreciation (and reserves).

If your board has not yet established approved wastewater fees for the tariff, this issue needs to be placed on your board's next meeting agenda for adoption. You cannot legally collect or charge any applicant any of these fees until the board has approved them.

Most systems do not set up separate bank accounts for the water and wastewater funds, but you should maintain a paper trail that auditors can follow to assist the system in determining how much is being collected and spent on each different operation.

A word of caution: Be sure to check your certificate of formation and bylaws to be sure some previous board or membership meeting has not amended these documents to delete sewer or wastewater as part of your authorized business. Years ago, some systems voted to remove all references to sewer or wastewater from their tariff, bylaws and articles of incorporation. Although Chapter 67 (<https://statutes.capitol.texas.gov/Docs/WA/htm/WA.67.htm>) of the Water Code clearly states that a WSC can provide both types of utility service, some systems have deleted the wastewater and sewer references from governance documents.

Your membership may have to amend your system's bylaws and certificate of formation, after your system's attorney determines whether current documents allow you to offer both services.

Q: A current member of our WSC has asked for a second meter on their property. Is it ethical for us to charge a second equity buy-in fee for this meter if we already charged such a fee for their first meter?

A: The answer is yes, it's not only ethical, it's also both fair and necessary. Think of it this way: what if that property owner was requesting not one meter, but four new ones? And what if one or all of those new meters were located on the same property, but a half mile away from the end of your current line? Wouldn't it make sense for the owner to have to pay the cost of extending the line(s) out to those structures?

The purpose of an equity buy-in fee is to establish parity between the new customer or applicant and those who have already been receiving service. All new customers or applicants for water service use some of the system's existing facilities and capacity that was already in place – things like pipe lines, tanks, wells, pumps and so on. These existing capacity components were and are being paid for through monthly water rates. Therefore, existing customers have been paying for extra capacity for many years and these new customers are being asked to provide a portion of the cost associated with the capacity they will be using.

Some of this cost will be paid by these new customers once they start paying their monthly water bill, but the previous customers not only have been paying for what it costs for them to receive water delivered to their homes, they have also been paying a bit extra toward the complete debt-service for all existing capacity. Additionally, Texas Commission on Environmental Quality (TCEQ) rules require that all public water systems be designed with a minimum of 15 percent "extra" capacity. The rules go on to state that once a system begins to use some of that extra capacity, they need to begin designing specific improvements which will replace this used capacity. Then, once the system reaches 100 percent capacity, that system should begin constructing these new facilities to replace or build that extra 15 percent or more back into their system for future growth.

It doesn't matter whether the extra capacity is used to supply brand new customers who have never had service or to existing customers seeking an additional meter. The capacity is being used either way, and these new meters and customers are utilizing their share of the system's resources. That availability to use that capacity should be paid for, but not by tacking the costs onto existing customers. Instead, growth should pay for growth, even if a current member is responsible for the new growth through the addition of a second meter on their property. Going back to my earlier example, if a current customer wanted a new meter placed at the end of a road a 1/2 mile past the end of the existing water line, that new customer should pay their costs for extending that line and not have that cost be paid for by the rest of the members.

Published in March/April 2019

Q: The owner of a commercial property currently has a standard 3/4" meter that services a few business suites. The owner plans to expand its operations on the property, and has requested a larger 2" meter to accommodate that growth. Since the owner already paid an equity buy-in fee (EBIF) for its current 3/4" meter, can we charge them new EBIF for the larger meter?

Q: The TRWA Sample Tariff has a place where we can set an appropriate nonstandard service investigation fee for those types of requests. What would be an appropriate fee, and how do we go about setting that in our tariff?

Q: I recall a rule stating that WSCs should maintain a reserve account in an amount equal to our membership deposits, but our CPA is unable to locate a statute or rule on point. Do we have to maintain this type of an account, and if so, why?

Q: Our tariff allows us to charge customers a "groundwater district production fee." Can you explain what this fee is and how it works?

Rates

Q: A current member of our WSC wants to add a second meter on their property. We would like to give members a cost break on subsequent meters. Can you explain why we have to charge customers for the cost of a full membership for a subsequent meter if they are already a member?

Q: We have not had any sizable expense since 2006, but we are getting bids, etc. to drill a new well at an approximate cost of \$80,000.00. We have the money, so we will not be financing this expense. My understanding is that under our capital improvement budget, we could take the cost, divide by 10 years and expense out in our budget at approximately \$8000.00 a year. Is this correct?

Q: We are creating a new rate schedule and I have a question regarding rate charges based on meter size. One of my board members suggested we “grandfather” in our existing customers at their normal standard rates and begin charging new customers who move into properties holding larger meters with new higher rates based on their meter size. That way we don’t make any waves with existing customers, and the new ones wouldn’t have any other expectations. I’m thinking this sounds discriminatory. What can you tell me about this idea? Do we need to be consistent with everyone’s rates, old customer and new?

Q: We are revising our tariff. While the board of directors is keeping the old monthly charges and rates, we only have a base rate for 1 ½-inch meters. How do we determine base rates for 2- or 3-inch meters?

Q: The Board of Directors for our WSC would like to increase our water rates and needs to know what the procedure is. Are we required to go through the state to have the increase approved? I would appreciate any information you can give me.

Q: In a TRWA Conference presentation on tariffs, service fees, and charges, you mentioned that we could not charge customers based on the customer’s kind of use of the water, but we could vary the minimum monthly charge for each customer based on the size of their meter. We are currently charging different usage rates to residential customers and commercial customers on occasion. On occasion, we also make water sales to companies that are bulk purchases. We are trying to get into compliance. Can you explain a little more?

Q: Our water supply corporation is looking into taking over a small (54 meters) water system. The small system is approximately three miles from our existing system. We will interconnect at some point. My question is whether our WSC may operate the smaller system as a standalone system for the time being, as far as rates go. We would like some time to see if the smaller system can pay its own way with its current rates left in place and not be a liability for our current system.

Q: Our City Council has recently decided to purchase a small, private water system. Are we legally able to charge the private system our basic charge for those outside of our city limits, as long as it is in accordance with our city ordinance? If it is legal, do we need to have a public hearing to notify the public that we will increase their water bill to come into compliance with our city ordinance?



(512) 755-0220

BUS HANGARS

Welcome to Bus Hangars RV Storage ~ Premier Vehicle Storage



ABOUT US

Premium Coach Storage

All units are 25' x 60' with a 50 amp breaker, with insulated exterior walls and sealed concrete floors. Perfect for RV Storage, Boat Storage, or Storage and Warehouse for cars and motorcycles. Cameras record every ingress and egress.

Big Doors

16' x 16' doors make rv storage and boat storage easy, with plenty of room for slide outs or other vehicles. Bus Hangars is the premium storage and warehouse facility in Central Texas.

Protect Your Investment

Take care of the bus that takes care of you! Keep the sun and wind away, and preserve your investment. Storage and warehouse for RVs, boats, cars, motorcycles, trailers plus room for any household items that other rv storage and boat storage might not have.

THE BUS HANGARS STORY



It seems that it is hard to find well built, secure storage that could also provide electrical, water and sewer. Maybe a bit more room for the motorcycle, boat and Christmas decorations would be nice too!

Bus Hangars is the answer. We provide a quality space for your expensive RV, boats, extra cars or whatever. But we leave more room for large vehicles to maneuver, with plenty of room for slide outs and access to the coach, plus a 50 amp plug in each stall, and water and sewer for your tanks.

These stalls are 25 ' wide and 60' deep with a 16' x 16' overhead door and a 3' x 6' walk through for easy access.

All exterior walls are insulated which keeps the interior up to 50 degrees cooler in the warm summer time and well above freezing during the occasional cold days.

Please give us a call at (512) 755-0220, or email to answer any questions.

CONTACT US

Drop us a line!

Name

Email*

Message

Phone Number*

Send

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----- Forwarded Message -----

From: Dave Embrey <windermerewater@gmail.com>
To: "patriciaflunker@yahoo.com" <patriciaflunker@yahoo.com>
Sent: Tuesday, September 15, 2015 at 05:42:09 PM CDT
Subject: WOWSC - Change in water service at 305 Coventry

Hello Mr. & Mrs. Flunker,

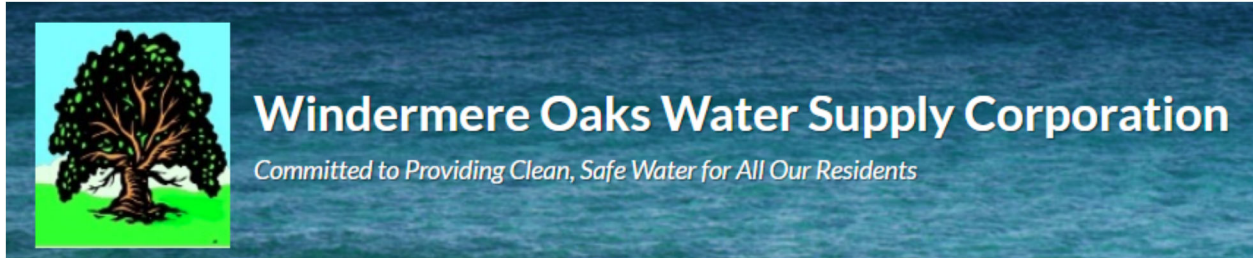
I was contact by Erica Sacket, your tenant at 305 Coventry, account #58, notifying the WOWSC that Sept 27th would be her move out date. I will have the meter read the 28th & compute her final bill. I have her forwarding address & email to send the bill. If you have a rental deposit I suggest you check with the WOWSC for unpaid charges before refunding.

I will keep you posted, but feel free to call any time for a status.

Thank You,

--

Dave Embrey
(830)598-7511x1



November 22, 2022

Dear WOWSC Members,

The trial of the lawsuit regarding the sale of certain Windermere Oaks Water Supply Corporation property to Friendship Homes and Hangars back in 2015 finally concluded on Friday, November 18th.

After nearly a *full week* of evidence and testimony, the jury in the case came back with a verdict that, in short, found that Dana Martin and Friendship Homes behaved improperly in the transaction, and that they should pay \$70,000 in damages to WOWSC, representing the difference in value paid by Friendship Homes (\$203,000) compared to what the jury found the property sold was actually worth.

The jury was presented with specific questions as to the liability of both Friendship Homes and Hangars and Dana Martin, and the jury found them liable; however, it is also notable that the jury *did not find* that Ms. Martin acted with any malicious intent.

The result of those findings will be a judgment that money damages of \$70,000 are awarded against those defendants, to be paid to the WSC, subject to plaintiffs' claims to some of that money.

Additionally, at the close of evidence, the court issued judgment *dismissing* all of the plaintiffs' claims that WOWSC had acted "ultra vires," or outside its powers.

Finally, there is one remaining claim involving the WOWSC that remains pending, related to whether any/how much of the \$70,000 awarded to the WOWSC should be paid to the plaintiffs in connection with their costs in pursuing the case; the court will make that determination at a later date.

This trial came at the conclusion of a grueling and divisive litigation process, and after the enormous expenditure of legal fees.

In order to obtain just this result, the plaintiffs testified that their attorney's fees alone were over \$460,000.

You will note that WOWSC was *not* a plaintiff against Ms. Martin and Friendship at this trial; as was discussed at length at the October 26, 2019 WOWSC membership-Board meeting, the Board appropriately weighed the potential costs and uncertainty as to the potential legal claims against Ms. Martin and Friendship Homes in deciding *not* to pursue those claims further (as the plaintiffs and a small group of WOWSC members wanted).

As reflected in public discussions at that 2019 meeting, the 2019 WOWSC Board thoughtfully considered the actions of the 2015 WOWSC Board, the competing appraisals and other evidence of the property's value, the potential damage to WOWSC's reputation as a seller if it tried to sue a buyer of its property (making it potentially difficult to find future willing buyers to purchase WOWSC's remaining airport property), and other related concerns, and determined that full litigation against Dana Martin and Friendship Homes would be imprudent, too costly, and questionable for full recovery of \$1 million+ that the plaintiffs believed likely.

After all of this litigation, and all of these legal expenses, the jury's finding that the claims were worth only \$70,000 supports the Board's decision three years ago *not* to risk significant ratepayer dollars in pursuit of a risky and uncertain claim.

In summary, after trial of the case to a jury of 12 citizens of Burnet county, this case is over, with a finding against Ms. Martin and Friendship Homes **and no findings or judgments against any of the WOWSC's other directors (past and current) or against the WOWSC in any respect.**

Ms. Martin, Friendship Homes, and the plaintiffs may appeal this verdict, and the WOWSC knows that they might do so.

The WOWSC however is hopeful that the parties accept the will of the jury and do not appeal so as to diminish future legal costs to the company's members.

The WOWSC specifically hopes that at the very least, the plaintiffs will not appeal any of the court's actions dismissing the other directors or the WOWSC, so that the WOWSC does not have to incur any effort or legal costs in that appeal.

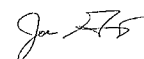
Additionally, when the result of this case becomes final (after appeals, if any are asserted), the WOWSC will consider and take action with respect to any attorney's fees it advanced Ms. Martin's defense regarding claims made against her as a former director (such attorney's fees were paid with respect to the defense of all current and former directors named as defendants, with all of those directors other than Ms. Martin being dismissed from the case by the court). The WOWSC has a right to reimbursement of those fees in the event of a final judgment finding Ms. Martin liable, and will consider and take appropriate action at the appropriate time.

There will surely be some other related developments and actions flowing from the results of this case, but for now, we wanted to share with you the immediate results, and the WSC's wishes to move forward and once and for all, put this matter behind us and to heal as a community.

The WSC hopes you all have a wonderful Thanksgiving with your family and friends.

Sincerely,

The WOWSC Legal Subcommittee



Joe Gimenez, President



Mike Nelson Vice President