

## 1999 WATER REVENUE REQUIREMENT & RATE DESIGN

Item Cost	%	Fixed	%	Variable
232,878	50	116,439	50	116,439
3,672	50	1,836	50	1,836
4,196	100	4,196	0	0
15,735	0	0	100	15,735
47,205	0	0	100	47,205
20,980	0	0	100	20,980
14,000	100	14,000	0	0
15,000	100	15,000	0	0
31,470	100	31,470	0	0
15,735	100	15,735	0	0
5,245	50	2,623	50	2,623
17,932	50	8,966	50	8,966
500	100	500	0	0
15,735	50	7,868	50	7,868
15,735	50	7,868	50	7,868
10,490	50	5,245	50	5,245
2,000	100	2,000	0	0
12,588	50	6,294	50	6,294
5,000	50	2,500	50	2,500
6000	100	6,000	0	0
7500	100	7,500	0	0
27,274	100	27,274	0	0
2000	100	2,000	0	0
7867.5	100	7,868	0	0
3147	100	3,147	0	0
2098	100	2,098	0	0
5245	0	0	100	5,245
1049	100	1,049	0	0
2000	100	2,000	0	0
1995.63	0	0	100	1,996
552,271		301,474		250,798
532283	0.58	310498.42	0.42	221784.58
55,227				
-75,000		-43750.00		-18229.17
-75,368	1	-75368.39		
\$989,413		\$492,854		\$454,353

=====>		3.02 /TH.GAL.	USE ->	PROPOSED RATE \$4.25 /TH.GAL.	
					0.7503121
	Ψ			Ψ	
=====>		16.40 /MO.	YIELDS ->	\$11.68 /MO.	
		22.45 /MO. incl. min. gallons		20.18 /MO. incl. min. gallons	

## 1999 WATER REVENUE CONT.

NE 2504  
2,000  
150,239

# of Connections	Min. Bill	Minimum Bill Including G: Rev/Month	Rev/Year
2432	\$ 11.68	\$20.18 \$49,073	\$588,871
0	\$ 19.50	\$ 28.00 \$0	\$0
0	\$ 38.89	\$ 47.39 \$0	\$0
1	\$ 62.24	\$ 70.74 \$71	\$849
0	\$ 93.42	\$101.92 \$0	\$0
0	\$ 116.78	\$125.28 \$0	\$0
0	\$ 194.67	\$203.17 \$0	\$0
2	\$ 389.22	\$397.72 \$795	\$9,545
TOTAL MINIMUM CHARGES=>			\$599,266
RGES=> 91,799 @ \$4.25 /1,000 GAL			390,147
			\$989,413

INSERT DATA:

NO OF 5/8" CUST. =	2432	5/8", 3/4"	EQUIV.	2432
NO OF 1" CUST. =	0	1"	EQUIV.	0
NO OF 1-1/2" CUST. =	0	1-1/2"	EQUIV.	0
NO OF 2" CUST. =	1	2"	EQUIV.	5.33
NO OF 2-1/2" CUST. =	0	2-1/2"	EQUIV.	0
NO OF 3" CUST. =	0	3"	EQUIV.	0
NO OF 4" CUST. =	0	4"	EQUIV.	0
NO OF 6" CUST. =		2 6"	EQUIV.	66.66
	2435			2503.99

2494.8

2435.4

ANCE RESERVE INSTEAD

STARTING CONNECTIONS = 2376 AND ENDING CONNECTIONS = 2495, WHICH IS 5% GROWTH RATE

NET REVENUE GREATER THAN OR = 1.1 DEBT SERVICE?:

**\$587,510.12**

\$585,511.30



joe.gimenez &lt;1129jjg@gmail.com&gt;

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**PUC Rate Case -- Depreciation in the TRWA Analysis**3 messages

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**Joe Gimenez** <1129jjg@gmail.com>

Tue, Apr 20, 2021 at 9:59 AM

To: Trent Hightower &lt;Trent.Hightower@trwa.org&gt;, "James C. Smith, III" &lt;James.Smith@trwa.org&gt;

Cc: Mike Nelson &lt;brownsandniners@aol.com&gt;, Jamie Mauldin &lt;jmauldin@lglawfirm.com&gt;, Reid Barnes &lt;rbarnes@lglawfirm.com&gt;

Good morning Trent and James,

Yesterday, the PUC Staff asked WOWSC to respond to an inquiry about WOWSC's use of depreciation in its rate calculation. Staff has previously expressed that depreciation cannot be used in a cash-basis budget. I'm not an accountant or finance major so I cannot specifically describe their problem with this, except to say that they were critical during mediation about the fact that WOWSC had paid off most of its assets and yet was still claiming depreciation on the TRWA rate analysis sheet.

Here is the question from staff:

Reference Mike Nelson's testimony, Attachment MN-2, Water Revenue and Rate Design. Provide the basis for the calculation used to determine the Budget/Cost of Service Item, Depreciation, in the amount of \$56,273.

I've attached the PDF of the TRWA rate analysis spreadsheet which WOWSC used to develop the rate.

Right now, our response to Staff might be something like "We used the TRWA rate analysis spreadsheet." But they obviously want more as to why depreciation was considered and not some other calculation, like "Capital Renewals and Replacements" or some such. James and I have discussed this previously. But since this matter has ramifications for other WSCs which may wind up in PUC rate cases using the TRWA spreadsheet, I want us to be on the same page with you all.

Finally, as fyi, WOWSC asked NewGen Strategies to help us develop Financial Policies, which is here. At the bottom of page 1 is what they came up with for the definition of 'depreciation' for our cash-basis system.

Hopefully, I've laid this out appropriately, and will defer to Jamie Mauldin or Mike Nelson for any corrections.

Otherwise, do you have any thoughts on how we should handle this Staff question so as to align with any future inquiry of a TRWA-assisted WSC would be much appreciated.

Thanks,  
Joe

---

**2 attachments****Mike Nelson Attachment 2.pdf**

117K

**50788 Staff's Third RFIs to Windermere AIS Final.pdf**

115K

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**Trent Hightower** <Trent.Hightower@trwa.org>

Tue, Apr 20, 2021 at 10:19 AM

To: Joe Gimenez &lt;1129jjg@gmail.com&gt;, James Smith &lt;james.smith@trwa.org&gt;

Cc: Mike Nelson &lt;brownsandniners@aol.com&gt;, Jamie Mauldin &lt;jmauldin@lglawfirm.com&gt;, Reid Barnes &lt;rbarnes@lglawfirm.com&gt;

Joe,

I don't have much in the way of an accounting or finance background either, so I'm probably not much help here. The spreadsheet was created before I came to work for TRWA, so maybe James has some more institutional knowledge about the various factors that went into it. I'll circulate this email around on our end to see if the people more in the know think it's something we need to update based on the PUC's recent feedback.

**Trent Hightower**

Assistant General Counsel

Texas Rural Water Association

1616 Rio Grande | Austin, Texas 78701

Phone: (512) 472-8591, x106

Cell: (512) 923-5850

Fax: (512) 472-5186

[www.trwa.org](http://www.trwa.org)

[Quoted text hidden]

---

**Joe Gimenez** <1129jjg@gmail.com>

Tue, Apr 20, 2021 at 10:30 AM

To: Trent Hightower <Trent.Hightower@trwa.org>

thanks Trent.

[Quoted text hidden]

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

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

**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION  
TO WINDERMERE OAKS WATER SUPPLY CORPORATION  
QUESTION NO. STAFF 3-1**

The Staff (Staff) of the Public Utility Commission of Texas (Commission) requests that Windermere Oaks Water Supply Corporation (Windermere) provide the following information and answer the following questions under oath. The questions shall be answered in sufficient detail to fully present all of the relevant facts, within the time limit provided by the Presiding Officer or within 20 days, if the Presiding Officer has not provided a time limit. Please copy the question immediately above the answer to each question. These questions are continuing in nature, and, if there is a relevant change in circumstances, Windermere must submit an amended answer, under oath, as a supplement to its original answer. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of that answer.

Provide responses to the Requests for Information by filing with the Commission solely through the Interchange on the Commission's website and provide notice, by email, to all other parties that the pleading or document has been filed with the Commission, unless otherwise ordered by the presiding officer pursuant to the Order Suspending Rules in Docket No. 50664.

Dated: April 19, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Rachelle Nicolette Robles  
Division Director

Eleanor D' Ambrosio  
Managing Attorney

/s/ Merritt Lander  
Merritt Lander  
State Bar No. 24106183  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7290  
(512) 936-7268 (facsimile)  
Merritt.Lander@puc.texas.gov

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

**CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record on April 19, 2021 in accordance with the Order Suspending Rules filed in Project No. 50664.

/s/ Merritt Lander  
Merritt Lander

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

**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION  
TO WINDERMERE OAKS WATER SUPPLY CORPORATION  
QUESTION NO. STAFF 3-1**

**DEFINITIONS**

- 1) "Windermere," or "you" refers to Windermere Oaks Water Supply Corporation and any person acting or purporting to act on its behalf, including, without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.

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

**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION  
TO WINDERMERE OAKS WATER SUPPLY CORPORATION  
QUESTION NO. STAFF 3-1**

**INSTRUCTIONS**

- 1) Pursuant to 16 TAC § 22.144(c)(2), Staff requests that answers to the requests for information be made under oath.
- 2) Please copy the question immediately above the answer to each question. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.
- 3) These questions are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer.
- 4) Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.
- 5) The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
- 6) If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients or copies, subject matter of the document, and the basis upon which such privilege is claimed.
- 7) 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.
- 8) Staff requests that each item of information be made available as it is completed, rather than upon completion of all information requested.

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

**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION  
TO WINDERMERE OAKS WATER SUPPLY CORPORATION  
QUESTION NO. STAFF 3-1**

**Staff 3-1** Reference Mike Nelson's testimony, Attachment MN-2, Water Revenue and Rate Design. Provide the basis for the calculation used to determine the Budget/Cost of Service Item, Depreciation, in the amount of \$56,273.



WATER REVENUE REQUIREMENT & RATE DESIGN

UTILITY:

REVENUE REQUIREMENT

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

## RATE CALCULATION

### GALLONAGE CHARGE

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

17.07 /TH.GAL.

USE ->

### PROPOSED RATE

\$3.55 /TH.GAL.

### MINIMUM BILL

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

116.68 /MO.

YIELDS ->

\$174.59 /MO.

116.68 /MO. incl. min. gallons

174.59 /MO.

Avg. Test-Yr Customer Equivalents = 253  
Gallons Included In Minimum Bill = 0  
Test Year Gallons Billed (x 1,000) = 13,000

inc. min. gall

### REVENUES GENERATED:

Connection Size	# of Connections	Min. Bill	Minimum Bill Including Gals	Rev./Month	Rev./Year
5/8", 3/4"	253	\$174.59	\$174.59	\$44,170	\$530,042
3/4"	0	\$261.88	\$ 261.88	\$0	\$0
1"	0	\$ 436.46	\$ 436.46	\$0	\$0
1-1/2"	0	\$ 872.93	\$ 872.93	\$0	\$0
2"	0	\$ 1,396.69	\$ 1,396.69	\$0	\$0
2-1/2"	0	\$ 1,396.69	\$ 1,396.69	\$0	\$0
3"	0	\$ 1,745.86	\$ 1,745.86	\$0	\$0
4"	0	\$ 4,364.64	\$ 4,364.64	\$0	\$0
6"	0	\$ 8,729.28	\$ 8,729.28	\$0	\$0
		TOTAL MINIMUM CHARGES=>			\$530,042
GALLONAGE CHARGES=>		13,000 @		\$3.55 /1,000 GAL	46,150
TOTAL REVENUE GENERATED=>					\$576,192

Printed on:

time:

### NOTES:



joe gimenez &lt;1129jjg@gmail.com&gt;

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**PUC RFI**15 messages

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**Joe Gimenez** <1129jjg@gmail.com>

Thu, Apr 22, 2021 at 10:50 AM

To: Trent Hightower &lt;Trent.Hightower@trwa.org&gt;

Cc: Jamie Mauldin &lt;jmauldin@lglawfirm.com&gt;, Robyn Katz &lt;rkatz@lglawfirm.com&gt;, Mike Nelson &lt;brownsandniners@aol.com&gt;

Good morning Trent,

I received this yesterday from our attorneys and unfortunately once again they are asking for a lot of information that only trwa would be able to provide. I'm wondering whether y'all have had previous inquiries from the PUC about your spreadsheet. Anyway any help you can provide us would be greatly appreciated.

----- Forwarded message -----

From: **Robyn Katz** <rkatz@lglawfirm.com>

Date: Wed, Apr 21, 2021, 2:33 PM

Subject: Docket No. 50788 Staff's 4th RFI

To: Joe Gimenez &lt;1129jjg@gmail.com&gt;

Cc: Mike Nelson &lt;brownsandniners@aol.com&gt;, Jamie Mauldin &lt;jmauldin@lglawfirm.com&gt;, Reid Barnes &lt;rbarnes@lglawfirm.com&gt;, Patricia Martinez &lt;pmartinez@lglawfirm.com&gt;, Jessica Shipley &lt;jshipley@lglawfirm.com&gt;

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

ROBYN F. KATZ



512-322-5855 Direct

Lloyd Gosselink Rochelle & Townsend, P.C.

816 Congress Ave., Suite 1900, Austin, TX 78701

[www.lglawfirm.com](http://www.lglawfirm.com) | 512-322-5800

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**Trent Hightower** <[Trent.Hightower@trwa.org](mailto:Trent.Hightower@trwa.org)>

To: Joe Gimenez <[1129jgg@gmail.com](mailto:1129jgg@gmail.com)>

Cc: Larry Bell <[larry.bell@trwa.org](mailto:larry.bell@trwa.org)>, Paul King <[paul.king@trwa.org](mailto:paul.king@trwa.org)>, James Smith <[james.smith@trwa.org](mailto:james.smith@trwa.org)>

Thu, Apr 22, 2021 at 10:59 AM

Hi Joe,

I'm forwarding this to Larry, Paul, and James because I think they'll be better suited to answer your questions. Guys, can yall help Joe out? Thanks!

**Trent Hightower**

Assistant General Counsel

Texas Rural Water Association

1616 Rio Grande | Austin, Texas 78701

Phone: (512) 472-8591, x106

Cell: (512) 923-5850

Fax: (512) 472-5186

www.trwa.org

[Quoted text hidden]

---

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

---

**Joe Gimenez** <1129jgg@gmail.com>

Fri, Apr 23, 2021 at 10:21 AM

To: George Burris <watermgmt@yahoo.com>, WOWSC billing <windermerewater@gmail.com>

Cc: Mike Nelson <brownsandniners@aol.com>

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

---

[REDACTED]

---

**WOWSC billing** <windermerewater@gmail.com>

Fri, Apr 23, 2021 at 11:58 AM

To: Joe Gimenez <1129jgg@gmail.com>, GEORGE BURRISS <watermgmt@yahoo.com>

[REDACTED]

[Quoted text hidden]

---

**Joe Gimenez** <1129jgg@gmail.com>

Fri, Apr 23, 2021 at 12:11 PM

To: WOWSC billing <windermerewater@gmail.com>

Cc: GEORGE BURRISS <watermgmt@yahoo.com>

[REDACTED]

[REDACTED]

[REDACTED]

[Quoted text hidden]

---

**brownsandniners@aol.com** <brownsandniners@aol.com>

Wed, Apr 28, 2021 at 1:04 PM

Reply-To: brownsandniners@aol.com

To: "1129jig@gmail.com" <1129jig@gmail.com>, "watermgmt@yahoo.com" <watermgmt@yahoo.com>, "windermerewater@gmail.com" <windermerewater@gmail.com>, brownsandniners@aol.com

[Quoted text hidden]

---

**Joe Gimenez** <1129jig@gmail.com>

Mon, May 3, 2021 at 12:36 PM

To: WOWSC billing <windermerewater@gmail.com>

Cc: George Burris <watermgmt@yahoo.com>

----- Forwarded message -----

From: **Joe Gimenez** <1129jig@gmail.com>

Date: Fri, Apr 23, 2021 at 10:21 AM

Subject: Fwd: PUC RFI

To: George Burris <watermgmt@yahoo.com>, WOWSC billing <windermerewater@gmail.com>

Cc: Mike Nelson <brownsandniners@aol.com>

[Quoted text hidden]

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**WOWSC billing** <windermerewater@gmail.com>

Mon, May 3, 2021 at 1:58 PM

To: Joe Gimenez <1129jig@gmail.com>

[Quoted text hidden]

---

**WOWSC billing** <windermerewater@gmail.com>

Tue, May 4, 2021 at 9:10 AM

To: Joe Gimenez <1129jgg@gmail.com>

[Redacted]

[Redacted]

[Redacted]

[Quoted text hidden]

--

Please see attached

Have a wonderful day!

Sincerely,  
Lori Lynn Cantrell  
WOWSC Billing Department  
(830)598-7511x1

[Redacted]

---

**WOWSC billing** <windermerewater@gmail.com>

Tue, May 4, 2021 at 9:13 AM

To: Joe Gimenez <1129jgg@gmail.com>

[Redacted]  
[Quoted text hidden]

---

**Joe Gimenez** <1129jgg@gmail.com>

Tue, May 4, 2021 at 9:38 AM

To: WOWSC billing <windermerewater@gmail.com>

[Redacted]

On Tue, May 4, 2021 at 9:10 AM WOWSC billing <windermerewater@gmail.com> wrote:

[Quoted text hidden]

---

**Joe Gimenez** <1129jgg@gmail.com>

Tue, May 4, 2021 at 9:40 AM

To: Robyn Katz <rkatz@lglawfirm.com>, Reid Barnes <rbarnes@lglawfirm.com>, Jamie Mauldin <jmauldin@lglawfirm.com>, Mike Nelson <brownsandniners@aol.com>, "Taylor P. Denison" <tdenison@lglawfirm.com>

[Redacted]

----- Forwarded message -----

From: **WOWSC billing** <windermerewater@gmail.com>

Date: Tue, May 4, 2021 at 9:10 AM

Subject: Re: PUC RFI

To: Joe Gimenez <1129jgg@gmail.com>

[Quoted text hidden]

[REDACTED]

---

**Jamie Mauldin** <jmauldin@lglawfirm.com>

Tue, May 4, 2021 at 9:42 AM

To: Joe Gimenez <1129jgg@gmail.com>, Robyn Katz <rkatz@lglawfirm.com>, Reid Barnes <rbarnes@lglawfirm.com>, Mike Nelson <brownsandniners@aol.com>, "Taylor P. Denison" <tdenison@lglawfirm.com>

**JAMIE L. MAULDIN**

Principal

512-322-5890 Direct

512-771-5232 Cell

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[Quoted text hidden]

---

**Joe Gimenez** <1129jgg@gmail.com>

Tue, May 4, 2021 at 9:47 AM

To: Jamie Mauldin &lt;jmauldin@lglawfirm.com&gt;

Cc: Robyn Katz &lt;rkatz@lglawfirm.com&gt;, Reid Barnes &lt;rbarnes@lglawfirm.com&gt;, Mike Nelson &lt;brownsandniners@aol.com&gt;, "Taylor P. Denison" &lt;tdenison@lglawfirm.com&gt;

[REDACTED]

[Quoted text hidden]

---

**Jamie Mauldin** <jmauldin@lglawfirm.com>

Tue, May 4, 2021 at 9:51 AM

To: Joe Gimenez &lt;1129jgg@gmail.com&gt;

Thanks, Joe.

[Quoted text hidden]





joe gimenez <1129jgg@gmail.com>

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## Staff Recommendations about TRWA Rate Analysis spreadsheet

2 messages

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**Joe Gimenez** <1129jgg@gmail.com>

Wed, May 5, 2021 at 4:53 PM

To: Trent Hightower <Trent.Hightower@trwa.org>

Trent,

In hope that TRWA might consider its rate analysis tools as it might be used for other WSCs right now, please take a look at PUC staff's criticism in this link in WoWSCs case: [https://interchange.puc.texas.gov/Documents/50788\\_107\\_1126030.PDF](https://interchange.puc.texas.gov/Documents/50788_107_1126030.PDF)

Best regards,  
Joe

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**Trent Hightower** <Trent.Hightower@trwa.org>

Wed, May 5, 2021 at 4:56 PM

To: Joe Gimenez <1129jgg@gmail.com>

Cc: Larry Bell <larry.bell@trwa.org>, Paul King <paul.king@trwa.org>, William White <william.white@trwa.org>, James Smith <james.smith@trwa.org>

Thanks,

Joe – I'm sending this on to our Circuit Rider team since they're who generally utilize this tool. Thanks!

### Trent Hightower

Assistant General Counsel

Texas Rural Water Association

1616 Rio Grande | Austin, Texas 78701

Phone: (512) 472-8591, x106

Cell: (512) 923-5850

Fax: (512) 472-5186

[www.trwa.org](http://www.trwa.org)

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joe gimenez <1129jjg@gmail.com>

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## Windermere Oaks Response to Staff 3-1

1 message

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Joe Gimenez <1129jjg@gmail.com>

Wed, May 12, 2021 at 1:19 PM

To: "James C. Smith, III" <James.Smith@trwa.org>, larry.bell@trwa.org

Hi James, Larry,

Just closing the loop, I did not write back to you all because our attorneys thought we had enough already for a response without further input from you all. Let us know if you feel otherwise after seeing the following:

**Staff 3-1**           Reference Mike Nelson's testimony, Attachment MN-2, Water Revenue and Rate Design. Provide the basis for the calculation used to determine the Budget/Cost of Service Item, Depreciation, in the amount of \$56,273.

**RESPONSE:** The basis for the calculation of \$56,273 for depreciation in the 2020 rate analysis was based on the Y2017 actual of \$55,908 Depreciation Reserve. See cell E195 in Attachment Staff 3-1. This amount was used in the Y2018 budget of \$56,000 (see cell H195 in the same worksheet), and was then carried into both the Y2019 & Y2020 budgets (\$56,000 both). The basis for the \$273 of the \$56,273 is not known.

WOWSC used the spreadsheet that it had developed in prior collaboration with the Texas Rural Water Association (TRWA) in 2017 for determination of a rate increase in 2018. Through discussion with TRWA, their spreadsheet used the generally accepted accounting practice of "Depreciation" for its rate analysis, in the manner preferred by the Texas Commission on Environmental Quality. The TCEQ was the oversight agency for water utilities when TRWA developed its rate analysis spreadsheet.

WOWSC treats this "depreciation" amount as a reserve for future capital expenditures related to aging infrastructure.

Prepared by: Joe Gimenez  
Sponsored by: Joe Gimenez



joe gimenez &lt;1129jjg@gmail.com&gt;

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**Testimony rebuttal -- Patti assertions re waste water gallonage**

1 message

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**Joe Gimenez** <1129jjg@gmail.com>

Wed, May 12, 2021 at 1:24 PM

To: "James C. Smith, III" &lt;James.Smith@trwa.org&gt;

Cc: larry.bell@trwa.org

James,

In her testimony to the PUC, Patti Flunker makes the following assertions:

While working at TRWA I understood that the water rate study required the water system to determine how many gallons were pumped in one year and how many gallons of water were billed to the customers for the test year. This also includes number of connections typically and is for a 12-month period. The wastewater study requires the total number of gallons treated and is often calculated by using the wastewater customers average winter bill usage.

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

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

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

A. Yes, please see attachment. 3

James, could you comment on Patti's assertions here, that WOWSC in 2020 did not include gallons treated? And also her assertion for the 2018 wastewater study?

thank you,  
Joe



joe.gimenez &lt;1129jjg@gmail.com&gt;

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**Waste Water Study**

3 messages

**Joe Gimenez** <1129jjg@gmail.com>

Wed, May 12, 2021 at 2:35 PM

To: "James C. Smith, III" &lt;James.Smith@trwa.org&gt;

Cc: larry.bell@trwa.org, George Burris &lt;watermgmt@yahoo.com&gt;, Mike Nelson &lt;brownsandniners@aol.com&gt;, Robyn Katz &lt;rkatz@lglawfirm.com&gt;

James,

The WOWSC is also being asked about whether in January 2020 we did two separate studies (one for water, one for waste water) to come up with the 2020 rates. Patti points to the 2018 rate case study which had two sheets, and were provided in the testimony from her brother Bill. (see attached).

In January 2020, when you visited with Mike, George and I at the WOWSC plant, did you perform two different analysis? Is there a second rate sheet that you did that you can provide us? I only seemed to have had one for the water, which I assumed, possibly mistakenly, included the waste water rates.

Let me know what you find in your records.

thank you  
Joe

**Bill Stein Exhibits 1 and 2.pdf**

453K

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**James Smith** <james.smith@trwa.org>

Fri, May 14, 2021 at 8:49 AM

To: Joe Gimenez &lt;1129jjg@gmail.com&gt;

Cc: Larry Bell &lt;larry.bell@trwa.org&gt;, George Burris &lt;watermgmt@yahoo.com&gt;, Mike Nelson &lt;brownsandniners@aol.com&gt;, Robyn Katz &lt;rkatz@lglawfirm.com&gt;

Mr. Gimenez,

I have looked back and cannot find anything in my records.

James Smith

Circuit Rider, Technical

Assistance Departmental

Texas Rural Water Association

1616 Rio Grande

Austin, TX. 78701

Office (512) 472-8591

Fax (512) 472-5186

Please note my email address has changed to:

James.Smith@trwa.org

www.trwa.org

This message may contain information that is confidential. The information is intended solely for the use of the addressee(s). If you are not an addressee, you disclosure, copying, distribution or use of the contents of this message is prohibited. If this message has been sent to you in error, please notify the sender by return e-mail.

Thank you

[Quoted text hidden]

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**Joe Gimenez** <1129jgg@gmail.com>

Fri, May 14, 2021 at 9:14 AM

To: James Smith <james.smith@trwa.org>

Cc: Larry Bell <larry.bell@trwa.org>, George Burris <watermgmt@yahoo.com>, Mike Nelson <brownsandniners@aol.com>, Robyn Katz <rkatz@lglawfirm.com>

James,

Ok, thanks for the look. We thought that was the case but we wanted to be sure. I appreciate your looking into it.

best regards,

Joe

[Quoted text hidden]

## WATER REVENUE REQUIREMENT &amp; RATE DESIGN

UTILITY:

This is the WOWSC 2018 water rate study

REVENUE REQUIREMENT  
BUDGET/COST OF SERVICE ITEM

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

Exhibit 1



2

## UTILITY.

Date Referenced: 1-Jan-97

DEPRECIATION  
ANALYSIS

Description	Acquired Date	Ver./Est. Original Cost	Economic Life, yrs	Actual Deprec Life	Annual Deprec	Accum Deprec	Net Plant
Land	1-Jun-79	0	n/a	n/a	n/a	n/a	0 00
Structures:							
Masonry	1-Jun-79	0	30	17.6	0.00	0.00	
Wood	1-Jan-01	0	15	-4.0	0.00	0.00	
Well	1-Jun-79	0	30	17.6	0.00	0.00	
Pumps							
Booster >=7HP	1-Jan-01	0	10	-4.0	0.00	0.00	
Booster <7HP	1-Jun-79	0	5	17.6	--	0.00	
Motor	1-May-94	0	3	2.7	0.00	0.00	
Well, <5l	1-Jan-01	0	5	-4.0	0.00	0.00	
Well, >5l	1-Jun-96	0	10	0.6	0.00	0.00	
Hypochlorinator	1-Aug-94	0	5	2.4	0.00	0.00	
Gas Chlorinator	1-Jan-01	0	10	-4.0	0.00	0.00	
Tanks:							
Pressure	1-Jun-79	0	50	17.6	0.00	0.00	
Ground	1-Jun-79	0	50	17.6	0.00	0.00	
Distrib. System	1-Jun-79	0	50	17.6	0.00	0.00	
Distrib. System	1-Jun-93	0	50	3.6	0.00	0.00	
Services	1-Jun-79	0	20	17.6	0.00	0.00	
Services	1-Jun-93	0	20	3.6	0.00	0.00	
Meters	1-Jun-79	0	20	17.6	0.00	0.00	
Meters	1-Jun-93	0	20	3.6	0.00	0.00	
Compressor	1-Jan-01	0	10	-4.0	0.00	0.00	
Electrical Controls	1-May-94	0	30	2.7	0.00	0.00	
Furniture/Fixtures	1-Jan-81	0	10	16.0	--	0.00	
Heavy Equipment	15-Feb-89	0	10	7.9	0.00	0.00	
Light Vehicles	15-Sep-87	0	5	9.3	--	0.00	
Shop Tools	1-Jan-81	0	15	16.0	--	0.00	
Computer/Software	1-Feb-95	0	5	1.9	0.00	0.00	
Fencing	1-Jun-79	0	30	17.6	0.00	0.00	
Total:		\$0			\$0	\$0	\$0



1999 WATER REVENUE CONT.		
Avg. Test-Yr Customer Equivalents =		2504
Gallons Included In Minimum Bill =		2,000
Test Year Gallons Pumped (x 1,000) =	NE	
Test Year Gallons Billed (x 1,000) =		150,239

REVENUES GENERATED

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

NOTES: NO DEPRECIATION, MAINTENANCE RESERVE INSTEAD  
BASED ON BEGINNING CONNECTIONS =2376 AND ENDING CONNECTIONS = 2495, WHICH IS 5% GROWTH RATE  
NET REVENUE GREATER THAN OR = 1 1 DEBT SERVICE?  
NET REVENUE = \$587,510 12  
1 1 DEBT SERVICE = \$585,511 30

## WASTEWATER RATE CALCULATIONS

UTILITY:

## REVENUE REQUIREMENT

BUDGET/COST OF SERVICE ITEM

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

RATE CALCULATION

GALLONAGE CHARGE					
Variable Cost/Test Year Gallons/1,000 =====>			\$3 94 /TH GAL	USE ->	PROPOSED RATE \$2.50 /TH.GAL.
MINIMUM BILL					
Fixed Cost/12/Customer Equivalents =====>			\$40 12 /MO.	YIELDS ->	\$44.43 /MO.
Avg Test-Yr Customer Equivalents =		218			
Gallons Included In Minimum Bill =		2,000			
Test Year Gallons Billed (x 1,000) =		7,800			

REVENUES GENERATED

Connection Size	# of Connections	Min Bill	Rev /Month	Rev /Year
	218	\$44 43	\$0 00	\$0 00

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

NOTES

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

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-10:** Please produce copies of all spreadsheets, workpapers, analyses and similar materials prepared or provided by Texas Rural Water Association.

**RESPONSE:** See Attachment Ratepayers 7-9.

Prepared by: Joe Gimenez  
Sponsored by: Joe Gimenez

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

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-11:** Admit or deny that the documents attached hereto as Exhibit 1 (numbered in the lower righthand corner as RATEPAYERS070 – 141) are true and correct copies of Windermere's original records, that they were made at or near the time of each act, event, condition, opinion, or diagnosis set forth therein, that they were made by, or from information transmitted by, persons with knowledge of the matters set forth, that they were kept in the course of regularly conducted business activity and that it is Windermere's regular practice to make the records.

If this request is denied (in whole or in part), please specifically identify each record as to which the request is denied and the basis for such denial.

**RESPONSE:** Admit, assuming the figures in Ratepayers Exhibit 1 accurately reflects WOWSC's General Ledger as of December 31, 2019.

Prepared by: Joe Gimenez  
Sponsored by: Joe Gimenez

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-12:** Admit or deny that the documents attached hereto as Exhibit 2 (numbered in the lower righthand corner as RATEPAYERS142 – 186) are true and correct copies of Windermere's original records, that they were made at or near the time of each act, event, condition, opinion, or diagnosis set forth therein, that they were made by, or from information transmitted by, persons with knowledge of the matters set forth, that they were kept in the course of regularly conducted business activity and that it is Windermere's regular practice to make the records.

If this request is denied (in whole or in part), please specifically identify each record as to which the request is denied and the basis for such denial.

**RESPONSE:** Admit, assuming the figures in Ratepayers Exhibit 2 accurately reflects WOWSC's General Ledger as of December 31, 2020.

Prepared by: Joe Gimenez  
Sponsored by: Joe Gimenez

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

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-13:** Admit or deny that the documents attached hereto as Exhibit 3 (numbered in the lower righthand corner as RATEPAYERS187 – 232) are true and correct copies of Windermere's original records, that they were made at or near the time of each act, event, condition, opinion, or diagnosis set forth therein, that they were made by, or from information transmitted by, persons with knowledge of the matters set forth, that they were kept in the course of regularly conducted business activity and that it is Windermere's regular practice to make the records.

If this request is denied (in whole or in part), please specifically identify each record as to which the request is denied and the basis for such denial.

**RESPONSE:** Admit, assuming the figures in Ratepayers Exhibit 3 accurately reflects WOWSC's General Ledger as of December 31, 2021.

Prepared by: Joe Gimenez  
Sponsored by: Joe Gimenez

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-14:** Admit or deny that the documents attached hereto as Exhibit 4 are true and correct copies of invoices Windermere received from Water Management, Inc. for 2019, 2020 and 2021 pursuant to the Utility Operating Agreement dated January 9, 2018 (Attachment GB-1).

If this request is denied (in whole or in part), please specifically identify each invoice as to which the request is denied and the basis for such denial.

**RESPONSE:** Admit.

Prepared by: Joe Gimenez  
Sponsored by: Joe Gimenez



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

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-15:**     Produce a true and correct copy of the Utility Operating Agreement and/or any other contract between Windermere and Water Management, Inc. in effect at any time during 2020, 2021 or 2022.

**RESPONSE:**             See the Direct Testimony of George Burriss at Attachment GB-1.

Prepared by:         Joe Gimenez  
Sponsored by:        Joe Gimenez

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

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-16:** Produce a true and correct copy of the contract between Water Management, Inc. and Corix in effect at any time during 2020, 2021 or 2022.

**RESPONSE:** See the Direct Testimony of George Burriss at Confidential Attachment GB-2.

Prepared by: Joe Gimenez  
Sponsored by: Joe Gimenez

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

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-17:** Admit or deny that the document attached hereto as Exhibit 5 is a true and correct copy of correspondence from Kathryn E. Allen to Joe de la Fuente, an attorney with Lloyd Gosselink, that was received on or about July 9, 2021.

**RESPONSE:** Admit.

Prepared by: Joe Gimenez  
Sponsored by: Joe Gimenez

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-18:** Please describe all efforts (if any have been made) to market or sell Windermere's remaining tract within Spicewood Airport. This RFI encompasses, without limitation, each request (if Windermere contends any has been made) to the plaintiffs in Cause No. 48292 for a release of the *lis pendens*.

**RESPONSE:** WOWSC has made verbal requests to the plaintiffs in Cause No. 48292 for a release of the *lis pendens*. But plaintiffs responded that it would release the *lis pendens* only upon certain conditions. See Attachment Ratepayers 7-18.

WOWSC has made no effort to market or sell the remaining tract due to the *lis pendens*.

Prepared by: Joe Gimenez

Sponsored by: Joe Gimenez

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

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-19:** Admit or deny that the document attached hereto as Exhibit 6 is a true and correct copy of an email exchange between TCEQ staff and George Burris of Water Management reflecting that the Final Closure Report concerning Windermere's property within Spicewood Airport was not approved by TCEQ until July 22, 2022.

**RESPONSE:** Admit.

Prepared by: Joe Gimenez  
Sponsored by: Joe Gimenez

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

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-20:** Admit or deny Windermere minutes from December 5, 2012, attached hereto as Exhibit 7, pg. 1 indicate that Windermere possessed thirty-five acres off of Exeter Road for WWTP ponds.

**RESPONSE:** Admit.

Prepared by: Joe Gimenez  
Sponsored by: Joe Gimenez

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

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-21:** Reference the chart below listing parcels of real property shown on the Burnet County tax rolls as property of Windermere. For each parcel, please provide the requested information concerning (i) its fair market value and (ii) the portion used for operations or occupied by an incomplete improvement to be used for operations.

BCAD Prop. ID	Parcel Size	Fair Market Value		Portion of tract that is (i) reasonably necessary for and used in Windermere's operation to provide water supply and/or sewer service, or (ii) an incomplete improvement designed and intended to be used in such operation	
		1/2020	Present	1/2020	Present
45556	0.2299				
45557	0.2646				
45575	0.4004				
45779	0.1286				
56117	0.266 ac.				
56136	24 ac.				
56161	4.027 ac.				
62330	2.9857 ac.				
65687	35.954 ac.				

**RESPONSE:** The requested information does not exist in the Corporation's records.

Prepared by: Joe Gimenez  
Sponsored by: Joe Gimenez

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

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-22:** Please reference Windermere's Response to Staff's 6-10, specifically "WOWSC is aware of only one property that shares a single meter: a hangar property constructed in the 1970s or 1980s that received water service from a provider other than WOWSC. Four entities use the hangar unit." to answer the following question.

Admit or deny the property referred to in Windermere's answer to Staff's 6-11 is also the property referred in the document attached hereto as Exhibit 8.

**RESPONSE:** Admit.

Prepared by: Joe Gimenez  
Sponsored by: Joe Gimenez



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

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-23:** Admit or deny, Windermere Oaks Water Supply Corporation was formed in November of 1995 according to the Articles of Incorporation.

**RESPONSE:** Admit.

Prepared by: Joe Gimenez  
Sponsored by: Joe Gimenez

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-24:** Admit or deny Exhibit 8 records an Improvement/Building date of 1996 for the property in Windermere's answer to Staff's 6-11.

**RESPONSE:** WOWSC never used the Burnet CAD record to verify when the building, referred to in WOWSC's Staff 6-10 and 6-11, was built. Rather, it based its Responses to Staff 6-10 and 6-11 on the WOWSC general manager's recollection that the building was built before the Corporation was formed.

As discussed in WOWSC's Response to Staff 6-10, WOWSC does not know when the hangar was constructed and, therefore, cannot provide a date when the hangar's service was shared. See WOWSC Responses to Staff 6-10, 6-11. Thus, WOWSC is unable to admit or deny that the property was built in 1996.

Prepared by: Joe Gimenez  
Sponsored by: Joe Gimenez

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-25:** Admit or deny that Windermere did not give the written notice of the hearing to all affected customers that is the subject of Issue #2 in the July 16, 2020 Preliminary Order. If this request is denied, please provide a copy of the written notice.

**RESPONSE:** Deny. Commission Staff initially failed to send a Commission-approved notice to WOWSC. See Hearing Transcript 589:18-19; 16 Tex. Admin. Code (TAC) § 24.101(c)(6).

Nevertheless, WOWSC subsequently provided written notice to the hearing to all affected customers at its August 17, 2021, Open Meeting where the minutes were properly posted on the WOWSC website. See Attachment Ratepayers 7-25.

Prepared by: Joe Gimenez

Sponsored by: Joe Gimenez



# Windermere Oaks Water Supply Corporation

424 Coventry Rd  
Spicewood, Texas 78669

## 2021 - 2022 Board of Directors:

Joe Gimenez, President  
Patricia Gerino, Vice President  
Mike Nelson, Secretary/Treasurer  
Rich Schaefer, Director  
Dorothy Taylor, Director

**Windermere Oaks Water Supply Corporation (WOWSC) meeting held: Tuesday, August 17, 2021 via videoconference using Zoom**

**2021 - 2022 Board Members Present:** Joe Gimenez, Mike Nelson, Rich Schaefer, Dorothy Taylor

## Minutes

The meeting was called to order at 6:08PM by Joe Gimenez. A quorum was established with three Board Members present at the start, Joe, Dorothy, Mike. Rich joined a few minutes after the start.

- 1) Comments from citizens and members who wish to speak on agenda or non-agenda items (3-minute limit per person)
  - i) Micki Bertino: Many folks don't have great internet. Hopefully we can get back to in-person meetings, even if they have social distancing.
- 2) Approval of Board Meeting Minutes
  - a) June 10, 2021
    - i) Table until next meeting
- 3) MANAGERS REPORT –
  - a) ZEBRA MUSSEL PROJECT –Update on efforts to secure regulatory agencies approvals for installing strainer on the pump manifold on raw water intake barge to remove particles larger than 35 microns with automatic backwash capability.
    - i) Zebra mussels are in WOWSC's area of Lake Travis in great numbers. Last summer George submitted an application to TCEQ for WOWSC to install strainers on WOWSC's water intake barge requesting a variance on TCEQ's current rule. TCEQ denied WOWSC's application but stated they would reconsider if both the LCRA and Texas Parks & Wildlife Department (TPWD) agreed. Both the LCRA and TPWD wrote letters endorsing WOWSC's application. George resubmitted WOWSC's application to TCEQ with the endorsement letters and is now awaiting TCEQ's response.
  - b) CLARIFIER AND STORAGE TANK– Update on progress of engineering plans, pricing comparisons, and possible installation for clarifier and storage tank related to system growth. Discussion and possible action on paying deposit to tank manufacturer.
    - i) George requested estimates and quotes from vendors and is awaiting their responses. The project is getting close to the end of planning and is nearing start of execution. George is making adjustments to the plan to meet the project's budget target.
  - c) CONSERVATION REQUIREMENTS – Update on requirements of regulatory agencies to reduce members' water consumption for conservation efforts, including the USDA/FSA Source Water Protection report.
    - i) George submitted WOWSC's conservation plan to the LCRA and is awaiting LCRA's response. An updated conservation plan is needed every five years.
  - d) TRWA CONFERENCE REPORT – Provide summary of TRWA annual conference sessions which Joe and George attended.

- i) This was a technical and engineering conference with suppliers to the industry. Joe and George mostly attended different sessions and met with folks facing similar challenges as WOWSC. Joe met with the TRWA lead council and president. Joe met with CoBank representative John DeLuca who informed Joe that WOWSC could still accept the \$300,000 loan. CoBank requested WOWSC complete and provide Form 990. Joe attended sessions on using drones for plant inspections and Texas legislature updates. George attended sessions on variable speed pump motors, new regulations, and lead & copper sampling. George took a tour of a clarifier at a very large WTP (60M gallons treated per day).
- ii) Based on WOWSC's record, TCEQ informed WOWSC that lead & copper sampling can be reduced to every three years.

4) LEGAL MATTERS – Update of scheduling for the various litigation and rate case matters.

a) Ratepayers Appeal of Water and Sewer Increases by the WOWSC filed with the Public Utility Commission of Texas

- i) The July 14 – 16 PUC hearing was pushed out and was initially rescheduled to August 24<sup>th</sup> which conflicted with the ongoing Cause No. 48292 litigation. Rescheduling efforts found the Ratepayers had conflicts in September and the PUC staff had conflicts in October and November. December 3 – 5 are the new hearing dates.
- ii) Rough schedule estimate:
  - (1) Hearing and filings in December 2021 with back & forth in January 2022.
  - (2) PUC staff and judge determination in February 2022 with appeals in February / March 2022.
  - (3) Final Commission determination in March / April 2022.

iii) WOWSC's litigation costs for this PUC rate case are to be included as future higher rates possibly spanning a two-year period.

b) Ffrench, et al., Intervenor-plaintiffs and Double F Hanger 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) May 3<sup>rd</sup> summary judgement removed all directors from the case except Dana Martin.
- ii) The judge issued orders to mediate and reach settlement.
- iii) The judge accepted a continuance request from the FHH attorney due to a serious family illness. The case is postponed until sometime in Y2022. A new trial date needs to be set.

5) TREASURER REPORT –

a) Review and acceptance of June and July financial reports.

i) June 2021

(1) June Income: \$48.8K

(a) Water + Sewer revenue: \$45.7K

(b) Standby Fees: \$1.9K

(c) Year to date (YTD) Water + Sewer revenue at \$302.6K of YTD budget \$270.0K

(d) YTD Standby Fees revenue at \$26.7K versus annual budget \$33.0K

(e) YTD Equity Buy-in Fees revenue at \$18.8K versus annual budget \$27.6K

(f) YTD Water & Sewer Taps revenue at \$5.2K versus annual budget \$10.4K

(2) June Expenses: \$49.3K

(a) Legal: \$20.0K

(i) YTD Legal at \$115.7K versus annual budget \$250.0K

(b) Repairs and Maintenance: \$8.0K

(i) Repairs and Maintenance at \$60.8K versus annual budget \$50.0K


1. Repairs from severe freeze at \$15.0K YTD

(3) June Net Income: (\$5.2K)

(4) 2021 Metrics:

- (a) Debt to Service Coverage Ratio (DSCR): 0.93
    - (b) Debt to Capital Ratio: 0.23
    - (c) Days of Cash on Hand: 144 days
  - (5) 2020 Metrics:
    - (a) DSCR: 0.77
    - (b) Debt to Capital Ratio: 0.18
    - (c) Days of Cash on Hand: 67 days
  - (6) Motion made and carried by all to accept the June financial report
  - ii) July 2021
    - (1) July Income: \$60.3K
      - (a) Water + Sewer revenue: \$55.8K
      - (b) Standby Fees: \$1.6K
      - (c) Year to date (YTD) Water + Sewer revenue at \$358.4K of YTD budget \$315.0K
      - (d) YTD Standby Fees revenue at \$28.3K versus annual budget \$33.0K
      - (e) YTD Equity Buy-in Fees revenue at \$18.8K versus annual budget \$27.6K
      - (f) YTD Water & Sewer Taps revenue at \$6.0K versus annual budget \$10.4K
    - (2) July Expenses: \$34.7K
      - (a) Legal: \$7.5K
        - (i) YTD Legal at \$123.2K versus annual budget \$250.0K
      - (b) Repairs and Maintenance: \$7.1K
        - (i) Repairs and Maintenance at \$67.9K versus annual budget \$50.0K
          - 1. Repairs from severe freeze at \$15.0K YTD
          - 2. George submitted an insurance claim for ~\$20K
    - (3) July Net Income: \$21.0K
    - (4) 2021 Metrics:
      - (a) Debt to Service Coverage Ratio (DSCR): 2.60
      - (b) Debt to Capital Ratio: 0.23
      - (c) Days of Cash on Hand: 146 days
    - (5) 2020 Metrics:
      - (a) DSCR: 1.35
      - (b) Debt to Capital Ratio: 0.15
      - (c) Days of Cash on Hand: 79 days
    - (6) Motion made and carried by all to accept the July financial report
  - b) Presentation of Form 990, the WOWSC's tax return for 2020.
    - i) CoBank requested WOWSC complete and submit Form 990 to the IRS
    - ii) Joe worked with Raven Herron, Inc. to complete the Form 990.
    - iii) Mike reviewed the completed Form 990.
  - c) Discussion and possible action on Officer expense reimbursement report.
    - i) Reviewed Joe's PIO expense report
    - ii) Motion made and carried by Mike, Rich, & Dorothy to accept the expense report and reimburse Joe.
      - (1) Joe abstained from the vote
- 6) E-BILLING & EPAYMENTS SOLUTIONS – Discussion and possible action on purchasing software program for members to use electronic payment options.
  - a) Rich met with PayStar and expressPay.
    - i) Both require WOWSC to setup a separate accounts receivable that mirrors WOWSC's administrative RVS system with a link to the RVS accounts receivable.
      - (1) Billing payments get directly deposited electronically
    - ii) PayStar was the most responsive, but had the highest collection fees
      - (1) Either customers pay the 2.7% to 3.0% fees or the business pays the fees

- iii) expressPay has a significant reduction in fees if the business pays the fees
  - b) Sending out monthly statements via email can reduce postal fees
  - c) Rich is investigating using QuickBooks as another accounts receivable system and to send bills via email and then using Zelle to receive payments to avoid fees.
    - i) QuickBooks' payment fee is 2.75%
    - ii) BofA provides Zelle for small businesses to avoid transaction fees
    - iii) Rich to check if First United Bank has Zelle or similar capability
  - d) Two electronic aspects:
    - i) Billing
    - ii) Making payments
  - e) Rich will continue investigating cost effective solutions. Customers that move to receiving electronic billing may reduce WOWSC's cost.
  - f) WOWSC likely has a mixture of members who will want to remain on today's system and those who will move to electronic billing and payment.
  - g) There is additional workload on the billing office staff to maintain two accounts receivable systems.
  - h) WOWSC already has QuickBooks and is using it for chart of accounts and total revenues. A list of customers is not in QuickBooks today.
  - i) Rich is keeping Lori up to date on the discussions. A request was made to include Lori in the discussions with companies to understand the available products and to ask questions pertinent to WOWSC.
- 7) PURSUIT OF ARPA FUNDING: Discussion and possible action on approving outreach efforts to Burnet County Commissioners for seeking ARPA funding.
- a) Joe learned of Federal money available to States and Counties. Dorothy and Joe are investigating how to apply for access to the funds. Joe is working with George on items needed for WOWSC to keep pace with growth, ~ fifty new houses in the last five years.
  - b) Joe wants to submit a request for funds to help with increasing WOWSC's capacity and with renewing WOWSC's infrastructure.
  - c) Motion made and carried by all for Joe to develop the ARPA funding request and to submit it to the Burnet County Commissioners.
- 8) NEW BUSINESS – Discussion and possible action on agenda for next meeting.
- a) Approval of Board Meetings' minutes
  - b) Manager's report
  - c) Executive session for legal update
- 9) NEXT MEETING – Set date, time and place for next meeting.
- a) Tuesday, August 24, 2021 at 6:00PM
- 10) Motion made and carried by all to adjourn at 7:26PM



Submitted by: Mike Nelson

APPROVED BY WOWSC Board on September 30, 2021

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

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-26:** Reference Attachment MN-6. Please describe the process (i.e., due diligence) by which the information contained therein was gathered and compiled, identify the person(s) who performed that work and produce the billing records and other underlying documents from which the information was obtained.

**RESPONSE:** Mike Nelson created the revenue model and manually entered volumetric data from WOWSC's Y2019 end of month Director Reports. For WOWSC's Y2019 end of month Directors' Reports, see Voluminous Confidential Attachment Ratepayers 7-26.

Prepared by: Mike Nelson  
Sponsored by: Mike Nelson



**Attachment Ratepayers 7-26 is  
Voluminous and CONFIDENTIAL  
and is being provided in subsequent  
filing**

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

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-27:**     Reference Revised Attachment MN-6. Please describe the process (i.e., due diligence) by which the information contained therein was gathered and compiled, identify the person(s) who performed that work and produce the billing records and other underlying documents from which the information was obtained.

**RESPONSE:**             See WOWSC's Response to Ratepayers 7-26.

Prepared by:         Mike Nelson  
Sponsored by:         Mike Nelson

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

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-28:**     Reference Windermere's Response to Staff 8-9 and Attachment Staff 8-9, in particular page 4 of 10. Please produce the cost estimates for the 2 projects referred to (which apparently were attached at one time), the records reflecting all costs (paid and incurred) for each of these projects and the annual savings, if any, to Windermere's customers generated by each project

**RESPONSE:**             The requested information does not exist in the Corporation's records.

Prepared by:     Joe Gimenez  
Sponsored by:     Joe Gimenez

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

**WOWSC'S RESPONSE TO RATEPAYERS SEVENTH RFI**

**RATEPAYERS 7-29:** Please explain where Mike Nelson obtained the revised information for his answers in the Revised Attachment MN-6.

**RESPONSE:** Mike Nelson obtained the information in his revenue model and WOWSC's Y2019 end of month Director Reports.

For WOWSC's Y2019 end of month Directors' Reports, see Voluminous Confidential Attachment Ratepayers 7-26.

Prepared by: Mike Nelson  
Sponsored by: Mike Nelson

The following files are not convertible:

Oaks WSC 2019 A).xls	Attachment Ratepayers 7-9 (Windermere
Oaks WSC 2019 B).xls	Attachment Ratepayers 7-9 (Windermere
Oaks WSC 2019 C).xls	Attachment Ratepayers 7-9 (Windermere
Oaks WSC 2019 D).xls	Attachment Ratepayers 7-9 (Windermere
Oaks WSC 2019 E).xls	Attachment Ratepayers 7-9 (Windermere
Analysis worksheet for 2019).xls	Attachment Ratepayers 7-9 (TRWA Rate
Oaks WSC-2016).xls	Attachment Ratepayers 7-9 (Windermere
(WW+Rate+Calc+worksheet).xls	Attachment Ratepayers 7-9
Oaks 2017).xls	Attachment Ratepayers 7-9 (Windermear
Analysis worksheet for 2019) (Nov. 2020).xls	Attachment Ratepayers 7-9 (TRWA Rate

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact [centralrecords@puc.texas.gov](mailto:centralrecords@puc.texas.gov) if you have any questions.