

**Part X Balance Sheet**Check if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing	66,741	1	48,712
	<b>2</b> Savings and temporary cash investments	59,818	2	60,299
	<b>3</b> Pledges and grants receivable, net		3	
	<b>4</b> Accounts receivable, net		4	
	<b>5</b> Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	<b>7</b> Notes and loans receivable, net		7	
	<b>8</b> Inventories for sale or use		8	
	<b>9</b> Prepaid expenses and deferred charges		9	
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 2,246,669		
	<b>b</b> Less: accumulated depreciation	10b 960,979	1,306,460	10c 1,285,690
	<b>11</b> Investments—publicly traded securities		11	
	<b>12</b> Investments—other securities. See Part IV, line 11		12	
	<b>13</b> Investments—program-related. See Part IV, line 11		13	
	<b>14</b> Intangible assets		14	
	<b>15</b> Other assets. See Part IV, line 11	66,935	15	42,018
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 33)	1,499,954	16	1,436,719	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses	1,680	17	3,531
	<b>18</b> Grants payable		18	
	<b>19</b> Deferred revenue		19	
	<b>20</b> Tax-exempt bond liabilities		20	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	<b>22</b> Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties	262,624	23	224,546
	<b>24</b> Unsecured notes and loans payable to unrelated third parties		24	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	94,925	25	107,443
	<b>26 Total liabilities.</b> Add lines 17 through 25	359,229	26	335,520
	<b>Net Assets or Fund Balances</b>	<b>Organizations that follow FASB ASC 958, check here</b> <input type="checkbox"/>		
<b>27</b> Net assets without donor restrictions			27	
<b>28</b> Net assets with donor restrictions			28	
<b>Organizations that do not follow FASB ASC 958, check here</b> <input checked="" type="checkbox"/>				
<b>29</b> Capital stock or trust principal, or current funds			29	
<b>30</b> Paid-in or capital surplus, or land, building, or equipment fund			30	
<b>31</b> Retained earnings, endowment, accumulated income, or other funds		1,140,725	31	1,101,199
<b>32</b> Total net assets or fund balances		1,140,725	32	1,101,199
<b>33</b> Total liabilities and net assets/fund balances	1,499,954	33	1,436,719	

Form **990** (2019)

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response or note to any line in this Part XI ☐

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	<b>520,127</b>
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	<b>559,653</b>
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	<b>-39,526</b>
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	<b>4</b>	<b>1,140,725</b>
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain on Schedule O)	<b>9</b>	
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	<b>10</b>	<b>1,101,199</b>

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response or note to any line in this Part XII ☐

	Yes	No
<b>1</b> Accounting method used to prepare the Form 990: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		<b>X</b>
<b>b</b> Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		<b>X</b>
<b>c</b> If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.		
<b>3a</b> As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		
<b>b</b> If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits		

Form **990** (2019)



**SCHEDULE D  
(Form 990)**Department of the Treasury  
Internal Revenue Service**Supplemental Financial Statements**▶ Complete if the organization answered "Yes" on Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2019****Open to Public  
Inspection**

Name of the organization

Employer identification number

**WINDERMERE OAKS WATER SUPPLY CORP****74-2785317****Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate value of contributions to (during year) .....		
3 Aggregate value of grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (for example, recreation or education) ☐ Preservation of a historically important land area

☐ Protection of natural habitat ☐ Preservation of a certified historic structure

☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ .....

4 Number of states where property subject to conservation easement is located ▶ .....

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....

☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ .....

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ .....

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 .....

(ii) Assets included in Form 990, Part X .....

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1 .....

b Assets included in Form 990, Part X .....

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

**3** Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):

- a** ☐ Public exhibition  
**b** ☐ Scholarly research  
**c** ☐ Preservation for future generations

- d** ☐ Loan or exchange program  
**e** ☐ Other .....

**4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

**5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

**Part IV Escrow and Custodial Arrangements.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

**1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

**b** If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
<b>1c</b> Beginning balance	
<b>1d</b> Additions during the year	
<b>1e</b> Distributions during the year	
<b>1f</b> Ending balance	

**2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

**b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

**Part V Endowment Funds.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
<b>1a</b> Beginning of year balance					
<b>b</b> Contributions					
<b>c</b> Net investment earnings, gains, and losses					
<b>d</b> Grants or scholarships					
<b>e</b> Other expenditures for facilities and programs					
<b>f</b> Administrative expenses					
<b>g</b> End of year balance					

**2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a** Board designated or quasi-endowment ☐ %  
**b** Permanent endowment ☐ %  
**c** Term endowment ☐ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

**3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i)** Unrelated organizations  
**(ii)** Related organizations

	Yes	No
<b>3a(i)</b>		
<b>3a(ii)</b>		
<b>3b</b>		

**b** If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? ☐

**4** Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land		61,110		61,110
<b>b</b> Buildings				
<b>c</b> Leasehold improvements				
<b>d</b> Equipment				
<b>e</b> Other		2,185,559	960,979	1,224,580
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				1,285,690

**Part VII Investments – Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.)		

**Part VIII Investments – Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 13.)		

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) <b>MEMBERSHIP FEES REFUNDABLE</b>	<b>107,443</b>
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.)	<b>107,443</b>

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ☐

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.



**SCHEDULE O**  
**(Form 990 or 990-EZ)**Department of the Treasury  
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ**Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2019****Open to Public  
Inspection**

Name of the organization

**WINDERMERE OAKS WATER SUPPLY CORP**

Employer identification number

**74-2785317****FORM 990, PART VI, LINE 6 - CLASSES OF MEMBERS OR STOCKHOLDERS**

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**FORM 990, PART VI, LINE 7A - ELECTION OF MEMBERS AND THEIR RIGHTS**

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**FORM 990, PART VI, LINE 11B - ORGANIZATION'S PROCESS TO REVIEW FORM 990****NO REVIEW WAS OR WILL BE CONDUCTED.****FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION****NO DOCUMENTS AVAILABLE TO THE PUBLIC**

Form **4562**Department of the Treasury  
Internal Revenue Service (99)**Depreciation and Amortization**  
(Including Information on Listed Property)

▶ Attach to your tax return.

▶ Go to [www.irs.gov/Form4562](http://www.irs.gov/Form4562) for instructions and the latest information.

OMB No. 1545-0172

**2019**Attachment  
Sequence No. **179**

Name(s) shown on return

**WINDERMERE OAKS WATER SUPPLY CORP**

Identifying number

**74-2785317**

Business or activity to which this form relates

**INDIRECT DEPRECIATION****Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

<b>1</b>	Maximum amount (see instructions)	<b>1</b>	<b>1,020,000</b>
<b>2</b>	Total cost of section 179 property placed in service (see instructions)	<b>2</b>	
<b>3</b>	Threshold cost of section 179 property before reduction in limitation (see instructions)	<b>3</b>	<b>2,550,000</b>
<b>4</b>	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	<b>4</b>	
<b>5</b>	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	<b>5</b>	
<b>6</b>	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
<b>7</b>	Listed property. Enter the amount from line 29	<b>7</b>	
<b>8</b>	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	<b>8</b>	
<b>9</b>	Tentative deduction. Enter the <b>smaller</b> of line 5 or line 8	<b>9</b>	
<b>10</b>	Carryover of disallowed deduction from line 13 of your 2018 Form 4562	<b>10</b>	
<b>11</b>	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions	<b>11</b>	
<b>12</b>	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	<b>12</b>	
<b>13</b>	Carryover of disallowed deduction to 2020. Add lines 9 and 10, less line 12	<b>13</b>	

**Note:** Don't use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)**

<b>14</b>	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	<b>14</b>	
<b>15</b>	Property subject to section 168(f)(1) election	<b>15</b>	
<b>16</b>	Other depreciation (including ACRS)	<b>16</b>	

**Part III MACRS Depreciation (Don't include listed property. See instructions.)****Section A**

<b>17</b>	MACRS deductions for assets placed in service in tax years beginning before 2019	<b>17</b>	<b>55,508</b>
<b>18</b>	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

**Section B—Assets Placed in Service During 2019 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
<b>19a</b> 3-year property						
<b>b</b> 5-year property						
<b>c</b> 7-year property						
<b>d</b> 10-year property						
<b>e</b> 15-year property						
<b>f</b> 20-year property						
<b>g</b> 25-year property			25 yrs.		S/L	
<b>h</b> Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
<b>i</b> Nonresidential real property	<b>09/26/19</b>	<b>35,000</b>	39 yrs.	MM	S/L	<b>262</b>
				MM	S/L	

**Section C—Assets Placed in Service During 2019 Tax Year Using the Alternative Depreciation System**

<b>20a</b> Class life					S/L	
<b>b</b> 12-year			12 yrs.		S/L	
<b>c</b> 30-year			30 yrs.	MM	S/L	
<b>d</b> 40-year			40 yrs.	MM	S/L	

**Part IV Summary (See instructions.)**

<b>21</b>	Listed property. Enter amount from line 28	<b>21</b>	
<b>22</b>	<b>Total.</b> Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	<b>22</b>	<b>55,770</b>
<b>23</b>	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	<b>23</b>	

For Paperwork Reduction Act Notice, see separate instructions.

DAA

Form **4562** (2019)  
**THERE ARE NO AMOUNTS FOR PAGE 2**



joe.gimenez <1129jjg@gmail.com>

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## Update

2 messages

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**Grant Rabon** <grabon@newgenstrategies.net>  
To: Joe Gimenez <1129jjg@gmail.com>

Thu, Aug 20, 2020 at 8:42 PM

Joe,

Tomorrow I will send you a draft of the financial analysis I would like to present next Thursday.

Thanks!

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### Grant Rabon | NewGen Strategies & Solutions

Executive Consultant

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**Joe Gimenez** <1129jjg@gmail.com>  
To: Grant Rabon <grabon@newgenstrategies.net>

Thu, Aug 20, 2020 at 10:25 PM

Awesome

[Quoted text hidden]

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### 2 attachments



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Reprinted for:

4/30/2017

# Directors Report

**WINDERMERE OAKS WSC**

<b>WATER Pumped This Month</b>	<b>1,696,500 Gallons</b>
<b>WATER Sold This Month</b>	<b>749,600 Gallons</b>
<b>WATER Used for Fire and Flushing Line</b>	<b>466,105 Gallons</b>
<b>WATER Loss</b>	<b>480,795 Gallons</b>
<b>WATER Loss (%)</b>	<b>28.34 %</b>

	<b>Amount (\$)</b>	<b># Of Accounts</b>
Total WATER	12,670.93	245
Total SEWAGE	9,077.25	217
Total Late Charge	325.93	33
Total Connection Fee	35.00	1
Total Adjustments		
Total Tax	108.57	242
<b>Total Current Charges</b>	<b>22,217.68</b>	<b>245</b>
Amount Past Due 1-30 Days	1,171.02	17
Amount Past Due 31-60 Days	3,514.73	38
Amount Past Due Over 60 Days	25,890.73	60
Amount Of Overpayments/Prepayments	-12,507.98	82
<b>Total Receivables</b>	<b>40,286.18</b>	<b>315</b>

Total Receipts On Account	22,279.57	215
Net Change in Memberships	0.00	0
Amount of All Memberships	89,250.00	255

Turned Off Accounts (Amount Owed)	3,108.18	6
Collection Accounts (Amount Owed)	19,530.63	337
Number Of Unread (Turned On) Meters		8

Average Usage For Active Meters	2,963	253
Average WATER Charge For Active Meters	50.08	245

<b>Meters</b>	<b>Usage Groups</b>	<b>Gallons</b>	<b># Of Accounts</b>	<b>Usage</b>	<b>Gallons</b>	<b>% Of Usage</b>	<b>% Of Sales</b>
	Over 50,000		1	119,000		15.88	0.00
	40,001-50,000		0	0		0.00	0.00
	30,001-40,000		0	0		0.00	0.00
	20,001-30,000		1	21,300		2.84	1.40
	10,001-20,000		5	64,900		8.66	3.31
	8,001-10,000		10	86,600		11.55	5.63
	6,001-8,000		9	61,600		8.22	4.88
	4,001-6,000		31	152,200		20.30	14.19
	2,001-4,000		57	165,000		22.01	22.21
	1-2,000		94	79,000		10.54	33.87
	Zero Usage		45	0		0.00	14.52
<b>Total Meters</b>			<b>253</b>	<b>749,600</b>		<b>100.00</b>	<b>100.00</b>

5/1/2017

6:12:50PM

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## Directors Report

WINDERMERE OAKS WSC

### Monthly Reconciliation

Ending Receivables (Last Month)		40,348.07
Sales this Month	+	22,217.68
Adjustments this Month		0.00
Less Payments this Month	-	22,279.57
	=	40,286.18
Total Receivables		<b>40,286.18</b>
Ending Memberships (Last Month)		88,200.00
Changes this Month		0.00
	=	88,200.00
Total Memberships		<b>89,250.00</b>

# ADJUSTMENTS

Monday, May 1, 2017  
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ACCT. #	NAME	DATE	AMOUNT	APPROVAL	CODE
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**Total Adjustments**

**Accounts**

**Total Adjustments**

Qualified By: All Customers

\*\*\*\*\* **Windermere Oaks Water Supply Corp.**

Monday, May 1, 2017

6:20:18PM

# NEW ACCOUNTS

ACCT #	RATE	ROUTE	NAME	SERVICE ADDRESS	TURN-ON DATE
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Accounts added since 04/01/2017

All Customers Rate Category = x

**Windermere Oaks Water Supply Corp.**

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**PAST DUE LIST****WINDERMERE OAKS WSC**

ACCT #	RT NAME	CURRENT	1-30	31-60	61+	LAST PAYMENT	TOTAL
8	1 WIMBUSH, CHRIS	27.30	27.30	27.30	246.15	50.00 3/31/17	328.05
9	1 ALCORN, MARVIN	95.93	95.93	95.93	84.54	322.49 1/8/17	372.33
49	1 BOYLE, CATLYNN	105.17	5.15			95.00 4/17/17	110.32
54	1 FLUNKER, PATRICIA	66.03	62.66			37.94 3/16/17	128.69
67	1 VANOS, FRANK	104.60	20.28			85.93 4/25/17	124.88
77	1 CHRISTIAN, MATT	95.93	95.93	89.39		95.93 2/26/17	281.25
150	1 ADAIR, SCOTT	99.39	86.51			95.93 4/6/17	185.90
162	1 BRUNS, FRANCIS	56.73	2.97			43.76 4/6/17	59.70
217	1 FIVE J HOLDINGS LLC	85.93	10.00			85.93 4/25/17	95.93
386	1 DAVIS, HAMLET	182.06	33.87			115.17 4/13/17	215.93
461	1 MARTIN, SCOTT	97.08	95.93	98.24	119.64	500.00 10/27/16	410.89
496	1 HOWARD, BRIAN	148.33	136.02			125.00 4/6/17	284.35
540	1 MARTIN, SCOTT	100.09	152.31	95.93	84.79	500.00 10/27/16	433.12
552	1 BRADY, ALLISON	124.37	99.09	94.60	97.29	264.75 12/8/16	415.35
576	1 STEVE WALKER	150.71	114.41	86.61		35.00 4/28/17	351.73
581	1 C.A. AVIATION INC.	95.93	85.93			181.86 3/13/17	181.86
Total Receivables:		<b>40,286.18</b>	<b>1,635.58</b>	<b>588.00</b>			
Accounts Listed:		<b>16</b>	<b>1,124.29</b>		<b>632.41</b>		<b>\$3,980.28</b>

All Customers Rate Category = x All Aged Accounts

**Windermere Oaks Water Supply Corp.**

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Reprinted for: 4/30/2017  
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**EXCEPTIONAL USAGE****WINDERMERE OAKS WSC**

ACCT	RT	NAME	USAGE	LAST USAGE	PERCENT	12 MON AVE	YR AGO USE	PERCENT	LAST YR AVE	READINGS	UNITS
113	1	WELLS, ROBT & DONNA	15,000	11,000	136	8,833	4,400	341	8,400	2725900 2710900	1
145	1	WOMBLE, W. T.	21,300	22,400	95	21,050	400	5,325	17,600	881000 859700	1
278	1	OTWELL, JOHN & CHRISTI	10,200	10,900	94	8,200	4,300	237	7,300	666700 656500	1
386	1	DAVIS, HAMLET	13,400	10,200	131	10,800	9,300	144	11,400	600600 587200	1
470	1	SEWER PLANT WATER	119,000	102,700	116	113,717	400	29,750	83,300	1555300 1436300	1
541	1	PROCESS METER	15,600	12,500	125	12,133	1,200	1,300	10,600	201100 185500	1
550	1	SEIZERT, PAUL & APRIL	10,700	9,300	115	9,242	9,700	110	10,000	361900 351200	1
			205,200	179,000			29,700		148,600		

7 Customers using 205,200 gallons

**Accounts meet any of the following:**

7 Accounts With High use over 10000

7 Accounts using 205,200 gallons

Windermere Oaks Water Supply Corp.

Monday, May 1, 2017

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**ALLOCATION OF RECEIPTS THIS MONTH****\*\*WINDER\*\***

Day	WATER	SEWAGE	Late C	Connec	Adjust	Tap Fe	Equity	Tax	Stand	Prepai	Deposits	Total	App. Deposit	NET
3	465.00	390.00	136.00					4.30	216.00			1,211.30		1,211.30
6	3,102.59	2,263.43	51.69					26.64		218.16		5,662.51		5,662.51
11	2,848.56	2,121.75	30.00		(100.21)			24.94		187.85		5,112.89		5,112.89
13	1,081.83	752.30	202.00					9.20	432.00	(80.85)		2,396.48		2,396.48
17	2,999.10	2,172.49	79.42					25.78		246.29		5,523.08		5,523.08
25	406.67	340.91	62.03					3.76		(216.00)		597.37		597.37
28	551.87	506.98	72.89	35.00				5.75		(64.19)		1,108.30		1,108.30
30	350.07	287.65	40.00					3.19		(13.27)		667.64		667.64
	11,887.46	8,974.76	674.03	35.00	(323.22)			105.55	648.00	277.99		22,279.57		22,279.57

Qualified By: All Customers

**Windermere Oaks Water Supply Corp.**



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Reprinted for: 4/30/2017

**RECEIPTS THIS MONTH**

WINDERMERE ACCT #	OAKS NAME	WSC LAST PAYMENT	DAY	CHECK NUMBER	TOTAL PAID THIS MONTH	CURRENT BALANCE
1	WOMBLE, W. T.	\$85.93	4/17/2017	3,262	\$85.93	85.93
3	CAMPBELL, ROBERT & NIC	\$91.71	4/6/2017	2,198	\$91.71	92.29
4	MEBANE, ROBERT & NICKI	\$26.00	4/17/2017	79,261,643	\$26.00	26.00
5	INGHAM, JERRY	\$85.93	4/6/2017	2,736	\$85.93	86.51
6	GELINAS, CHARLES	\$98.29	4/17/2017	192	\$98.29	92.29
7	WRIGHT, ELEANOR	\$85.93	4/6/2017	5,454	\$85.93	85.93
11	YOUNG, DUFF	\$177.58	4/11/2017	497,978,539	\$177.58	85.93
12	BURNETT, JEFF	\$85.93	4/17/2017	78,888,310	\$85.93	88.82
15	HAGAR, JEFFREY	\$91.13	4/27/2017		\$91.13	86.51
16	FOY, CAROL	\$102.01	4/6/2017	6,811	\$102.01	111.15
17	CONTRERAS, ARTURO	\$101.13	4/17/2017	2,521	\$188.21	75.93
18	WORLEY, DAVID S.	\$98.29	4/11/2017	76,701,614	\$98.29	109.55
19	RIGGAN, TONY C.	\$85.93	4/17/2017	1,450	\$85.93	100.70
20	HICKS, ALLEN R.	\$92.86	4/6/2017	10,619	\$92.86	96.91
21	IVEY, CINDY	\$91.71	4/17/2017	1,342	\$91.71	85.93
22	FULLER, RON	\$85.93	4/17/2017	4,904	\$85.93	85.93
23	LASSERE, CYNTHIA LEIGH	\$46.73	4/11/2017	10,220	\$46.73	46.73
24	ARLDT, DONALD	\$46.73	4/13/2017	1,597	\$46.73	46.73
25	ARLDT, DONALD	\$47.39	4/13/2017	1,596	\$47.39	47.39
26	CHANEY, R & C	\$85.93	4/30/2017	2,575,154	\$85.93	0.00
27	HICKS, ROBERT	\$86.51	4/13/2017	3,793	\$86.51	91.71
29	KOEHLER, RON	\$111.96	4/11/2017	1,330	\$111.96	123.21
30	FORD, JOHN	\$300.00	4/17/2017	5,336	\$300.00	-245.87
31	MESSERSMITH, GARY	\$95.93	4/30/2017	1,421	\$181.86	-6.54
33	WHISENNAND, DON	\$47.39	4/6/2017	5,019	\$47.39	48.04
34	CROCKETT, DEBBIE	\$95.93	4/11/2017	2,527,689	\$95.93	85.93
36	MC KELLOP, RICHARD & P.	\$94.60	4/6/2017	8,103	\$94.60	95.17
37	MC ALISTER, J.A.	\$85.93	4/6/2017	1,605	\$85.93	85.93
38	COSTA, JAN & SCOTT	\$97.49	4/6/2017	2,742	\$97.49	97.49
41	BODEN, JUSTIN & KATHLE	\$91.71	4/17/2017	330	\$91.71	103.92
42	MEBANE, ROBERT & NICKI	\$85.93	4/17/2017	79,261,642	\$85.93	85.93
47	MC DUFF, FRANK	\$85.93	4/11/2017	14,669,843	\$85.93	85.93
48	BURDETT, MIKE & BETH	\$89.98	4/11/2017	995,243	\$89.98	93.45
49	BOYLE, CATLYNN	\$95.00	4/17/2017	money order	\$95.00	110.32
50	MC CORMICK, MICHAEL	\$85.93	4/11/2017	7,017	\$85.93	85.93
51	WHEELER, GREG	\$85.93	4/11/2017	1,205	\$85.93	85.93
56	STUART, RICHARD	\$46.73	4/13/2017	6,377	\$46.73	46.73
59	WINDERMERE HANGAR	\$86.43	4/6/2017	6,811	\$86.43	85.93
62	ARMSTRONG, WERRICK	\$46.73	4/6/2017	491	\$46.73	46.73
66	STEIN, BILL	\$83.86	4/11/2017	77,682,554	\$83.86	85.93
67	VANOS, FRANK	\$85.93	4/25/2017	2,561,820	\$85.93	124.88
70	GAIENNIE, JAMES	\$96.91	4/11/2017	1,723	\$96.91	93.45
73	ROTHERMEL JR., WM. G.	\$85.93	4/6/2017	2,839	\$85.93	85.93
74	ROLLINS, RHETT	\$103.11	4/28/2017	1,362	\$103.11	119.00
76	WAGNER, ROBIN	\$85.93	4/6/2017	497,244,390	\$85.93	85.93
81	MASCIO, MORGAN	\$76.13	4/11/2017	768	\$76.13	85.93
82	SISSINGHURST LTD.	\$85.93	4/11/2017	649	\$85.93	85.93
84	HARDWICK, CINDY & PAUL	\$95.93	4/28/2017	7,365	\$95.93	86.51
85	HARRISON, HENRY & CIND	\$85.93	4/6/2017	6,721	\$85.93	85.93

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**RECEIPTS THIS MONTH**

<b>WINDERMERE OAKS WSC</b>						
<b>ACCT #</b>	<b>NAME</b>	<b>LAST PAYMENT</b>	<b>DAY</b>	<b>CHECK NUMBER</b>	<b>TOTAL PAID THIS MONTH</b>	<b>CURRENT BALANCE</b>
87	MUDDER, TOM & SHERRY	\$85.93	4/3/2017	3,790	\$85.93	85.93
90	DEYO, RANDY & SANDI	\$107.13	4/17/2017	6,532	\$107.13	85.93
92	WIGGINS, TERRY & LORRA	\$85.93	4/6/2017	134,798,673	\$85.93	0.00
93	MAIR, HANS	\$85.93	4/3/2017	2,297	\$85.93	85.93
94	GOYETTE, KIM	\$85.93	4/6/2017	2,522	\$85.93	85.93
95	ZIMMERMAN, MITCHELL	\$200.00	4/13/2017	1,407	\$400.00	-220.05
97	BURNS, ROBERT B.	\$85.93	4/6/2017	1,474	\$85.93	85.93
99	BELL, KEITH & SANDY	\$85.93	4/25/2017	1,809	\$85.93	102.29
102	BRANCH, JOHN & CARMEL	\$85.93	4/17/2017	8,412	\$85.93	85.93
103	PENNER, SCOTT & AMY	\$200.00	4/17/2017	1,027	\$200.00	48.56
104	DOFFING, THOMAS	\$89.98	4/6/2017	6,332	\$89.98	95.17
106	MC DONALD, MARK A.	\$90.55	4/13/2017	2,090	\$90.55	92.29
108	MEECE, M. E.	\$85.93	4/6/2017	497,321,259	\$85.93	85.93
111	TULLIS, CAROL	\$85.93	4/6/2017	3,780	\$85.93	85.93
112	TAYLOR, DOROTHY	\$89.98	4/17/2017	78,928,325	\$89.98	93.45
113	WELLS, ROBT & DONNA	\$169.62	4/28/2017	2,697	\$169.62	184.92
122	YANCEY, JACQUELINE	\$95.93	4/17/2017	403	\$95.93	85.93
123	CROW, RICHARD	\$94.02	4/11/2017	11,618	\$94.02	101.51
124	LORMAND, HUBERT	\$95.17	4/6/2017	4,266	\$95.17	101.51
125	HANEL, EDWARD	\$95.00	4/13/2017	498,397,492	\$95.00	76.86
126	DOFFING, W. L.	\$99.90	4/6/2017	8,246	\$99.90	99.09
127	KMOORE INVESTMENTS	\$85.93	4/11/2017	10,080	\$85.93	85.93
128	MC DONALD, MARK	\$95.76	4/11/2017	4,258	\$95.76	130.55
129	COONS, JANICE	\$157.53	4/6/2017	15,150	\$157.53	91.71
131	COKER, J. D.	\$86.51	4/11/2017	76,472,918	\$86.51	90.55
132	RENO, DENVER & MARK	\$85.93	4/17/2017	908	\$85.93	95.93
133	WHITEFIELD FARMS INC.	\$53.27	4/6/2017	5,144	\$53.27	57.69
135	WINDERMERE OAKS POA	\$46.73	4/11/2017	1,399	\$46.73	49.02
136	SYDION, LLC	\$25.34	4/17/2017	1,777	\$25.34	56.73
137	MUSKE, LARRY	\$46.73	4/11/2017	995,442	\$46.73	0.50
139	SUN DESERT ENTERPRISES	\$85.93	4/17/2017	79,524,835	\$85.93	85.93
142	PLOUVIER, BENJAMIN	\$86.51	4/6/2017	572	\$86.51	113.57
143	WINDERMERE OAKS POA	\$46.73	4/11/2017	1,399	\$46.73	46.73
144	WINDERMERE OAKS POA	\$46.73	4/11/2017	1,399	\$46.73	46.73
145	WOMBLE, W. T.	\$249.24	4/17/2017	3,262	\$249.24	238.19
146	BLACK, CHRIS & CINDY	\$87.08	4/13/2017	4,351	\$87.08	91.71
149	WADE, LARRY	\$85.93	4/6/2017	5,192	\$85.93	85.93
150	ADAIR, SCOTT	\$95.93	4/6/2017	2,249	\$95.93	185.90
151	LEWIS, MARVIN	\$113.57	4/28/2017	6,558	\$113.57	108.74
154	DELEON, ARMANDO & MA	\$117.59	4/6/2017	497,521,416	\$117.59	137.79
155	BOOTH, RAY & MARY	\$94.60	4/11/2017	995,532	\$94.60	85.93
156	DOFFING, W. L.	\$85.93	4/6/2017		\$85.93	85.93
158	EARNEST, WILLIAM T.	\$46.73	4/17/2017	5,587	\$46.73	46.73
161	AIKMAN, BILL	\$85.93	4/17/2017	15,743,801	\$85.93	85.93
162	BRUNS, FRANCIS	\$43.76	4/6/2017	7,870	\$43.76	59.70
163	A. K. ENTERPRISES	\$95.93	4/25/2017	2,039	\$95.93	105.53
167	HAAS, PAT	\$62.61	4/17/2017	1,589	\$62.61	56.58
169	WINDERMERE OAKS POA	\$85.93	4/11/2017	1,399	\$85.93	110.35
170	FALKNER, R. JERRY	\$85.93	4/11/2017	4,452	\$85.93	85.93

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**RECEIPTS THIS MONTH**

WINDERMERE ACCT #	OAKS NAME	WSC LAST PAYMENT	DAY	CHECK NUMBER	TOTAL PAID THIS MONTH	CURRENT BALANCE
171	HOLLINGSWORTH, DEWEY	\$128.84	4/6/2017	11,877	\$128.84	135.98
173	INGHAM, BETTIE	\$85.93	4/6/2017	4,145	\$85.93	85.93
176	BELISLE, MALCOLM	\$111.96	4/11/2017	14,474,370	\$111.96	104.72
177	SPECHT, ERICH	\$87.08	4/17/2017	1,024	\$87.08	97.67
178	PIGG, PAM	\$52.00	4/6/2017	5,292	\$52.00	52.00
179	BARTH, STAN	\$91.71	4/6/2017	1,622	\$91.71	85.93
180	SLIMP, RON	\$121.61	4/17/2017	2,585	\$121.61	134.17
181	MULLIGAN, PATRICK	\$98.29	4/6/2017	497,379,080	\$98.29	103.92
182	VAN EMAN, STUART	\$95.93	4/28/2017	1,160	\$95.93	85.93
183	ROSS, NED	\$277.79	4/3/2017	4,396	\$277.79	85.93
185	SCHAEFER, RICH	\$100.00	4/6/2017	497,259,304	\$100.00	43.40
187	MURDOCH, JAMES	\$85.93	4/13/2017	9,614	\$85.93	85.93
189	SABO CONSOLIDATED LLC	\$95.93	4/25/2017	6,124	\$95.93	85.93
190	HELLER, ANDREW	\$85.93	4/11/2017	2,146	\$85.93	85.93
192	MORSE, NORMAN	\$69.74	4/30/2017	82,425,428	\$155.67	16.19
194	CLORE, MARGERY	\$160.80	4/6/2017	7,192	\$160.80	89.98
195	WYATT, JOE B.	\$85.93	4/17/2017	6,213	\$85.93	85.93
196	SAATHOFF, BILL	\$85.93	4/11/2017	13,340	\$85.93	85.93
198	WILBURN, RALPH & KATHI	\$85.93	4/6/2017	2,999	\$85.93	85.93
200	BLACKERBY, TED	\$85.93	4/11/2017	5,048	\$85.93	85.93
204	WILSON-MARTIN, CARY&C	\$95.93	4/11/2017	1,103	\$95.93	75.93
207	STEWART, RONNIE	\$85.93	4/13/2017	78,381,079	\$85.93	99.90
208	LEVOS, JEFF	\$46.73	4/6/2017	143	\$46.73	46.73
209	JACKSON, KEVIN	\$85.93	4/11/2017	995,524	\$85.93	-859.30
210	HUSTON, CHAD	\$85.93	4/6/2017	497,335,158	\$85.93	85.93
217	FIVE J HOLDINGS LLC	\$85.93	4/25/2017	990	\$171.86	95.93
219	RODDA, BRUCE	\$46.73	4/11/2017	4,514	\$46.73	46.73
220	WYNNE, KEN	\$88.82	4/17/2017	5,978	\$88.82	85.93
222	SWANSON, WILLIAM	\$104.72	4/13/2017	15,203,970	\$104.72	85.93
227	DISMUKE, DARRYL & ANTI	\$104.72	4/17/2017	4,891	\$104.72	144.12
229	DESTEFANO, DAVID	\$111.11	4/17/2017	499,193,079	\$111.11	81.73
230	HOWLE, JAMES	\$100.00	4/17/2017	78,726,782	\$100.00	17.25
231	HANNAFIN, ANNE	\$94.02	4/17/2017	15,533,296	\$94.02	91.13
232	ZAPALAC, MICHELLE& WII	\$75.93	4/17/2017	5,052	\$75.93	98.29
233	GIBSON, KARRI	\$90.55	4/11/2017	500,087	\$90.55	95.17
237	NELSON, MICHAEL	\$101.71	4/30/2017	4,884	\$101.71	94.02
239	BOOTH, RAY & MARY	\$88.24	4/11/2017	995,533	\$88.24	91.13
266	MILBURN, RAYE	\$95.93	4/6/2017	2,776	\$95.93	75.93
278	OTWELL, JOHN & CHRISTIN	\$153.61	4/17/2017	379	\$153.61	149.04
281	QUIROGA, ARMANDO & EL	\$85.00	4/13/2017	498,666,849	\$85.00	-31.99
303	HASTINGS, GEORGE & NAN	\$85.93	4/11/2017	2,529,119	\$85.93	85.93
305	HUTSON, TOM & LISA	\$85.93	4/11/2017	6,436	\$85.93	85.93
306	MARTIN, LUCY DUNFORD	\$312.00	4/3/2017	696,726	\$312.00	312.00
340	YOUNG, GARY	\$104.49	4/17/2017	15,609,462	\$104.49	85.93
341	SCHWARTZ, MIKE	\$156.23	4/13/2017	1,090	\$156.23	103.92
370	WILLIAMS, JANNE	\$312.00	4/13/2017	29,690	\$312.00	0.00
377	MC ALISTER, J.A.	\$46.73	4/6/2017		\$46.73	46.73
380	RICHARDSON, JANEY	\$89.39	4/17/2017	772	\$89.39	88.24
386	DAVIS, HAMLET	\$115.17	4/13/2017	1,137	\$241.80	215.93

Monday, May 1, 2017

6:25:06PM

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**RECEIPTS THIS MONTH**

WINDERMERE ACCT #	OAKS NAME	WSC LAST PAYMENT	DAY	CHECK NUMBER	TOTAL PAID THIS MONTH	CURRENT BALANCE
389	106 TOPSPIN INVESTMENT	\$85.93	4/13/2017	3,204	\$85.93	85.93
404	BECKER, AL & LISETTE	\$85.93	4/11/2017	6,150	\$85.93	85.93
412	WILLIAMS, JANNE	\$312.00	4/13/2017	29,690	\$312.00	0.00
426	ELLIS, JEFF & ROSE	\$107.13	4/6/2017	7,889	\$107.13	113.57
454	SORGEN, BRUCE	\$85.93	4/6/2017	1,208	\$85.93	85.93
482	HARVEY, BEAU	\$105.76	4/28/2017	3,932	\$105.76	115.98
489	PEREZ, TIM & GAIL	\$314.33	4/30/2017	2,544	\$314.33	99.09
492	RYAN, HILLARY A.	\$85.93	4/17/2017	5,137	\$85.93	85.93
494	DEE, BOBBY & ELSIE	\$85.93	4/11/2017	5,879	\$85.93	85.93
496	HOWARD, BRIAN	\$125.00	4/6/2017	1,078	\$125.00	284.35
497	HUBBARD, BRADLEY B.	\$85.93	4/17/2017	2,295	\$85.93	85.93
503	WOOD, GARY & MARY	\$52.61	4/6/2017	1,452	\$52.61	75.38
513	HOWARD, ROLAND & HELI	\$85.93	4/3/2017	906,435	\$85.93	85.93
520	MARTIN, ANNETTE & TIM	\$106.33	4/11/2017	76,851,192	\$106.33	120.80
523	STEIN, BARRY	\$165.50	4/6/2017	2,636	\$165.50	-22.80
524	GERINO, THOMAS	\$85.93	4/11/2017	995,524	\$85.93	136.88
529	HANCOCK, DEBORAH	\$90.00	4/17/2017	3,476	\$90.00	-34.27
533	MORROW, CORY & SHERR	\$117.59	4/11/2017	3,304	\$117.59	126.43
534	HOEKSTRA, DIRK	\$113.11	4/13/2017	78,368,380	\$113.11	115.98
535	HARMEIER, MACEY	\$64.56	4/13/2017	767	\$64.56	85.93
536	SCHUSTER, APRIL	\$92.29	4/11/2017	167	\$92.29	98.29
537	GRESHOWAK, STEVE & JUI	\$94.02	4/17/2017	15,404,868	\$94.02	89.98
542	ANDREWS, TAMRA	\$400.00	4/6/2017	5,401	\$400.00	-20.09
543	GIMENEZ, JOE	\$103.11	4/17/2017	319	\$103.11	96.91
545	HAGAR, JEFFREY	\$85.63	4/27/2017		\$85.63	85.93
546	HURT, STEVEN	\$85.93	4/17/2017	7,046	\$85.93	85.93
547	CHRISTENSON, ALLEN	\$87.08	4/17/2017	1,962	\$87.08	89.98
550	SEIZERT, PAUL & APRIL	\$141.40	4/11/2017	497,760,256	\$141.40	152.31
553	DURAN, OLIVIA	\$97.49	4/17/2017	1,748	\$97.49	99.09
554	MARTIN, JAMES & DORINE	\$86.51	4/17/2017	1,163	\$86.51	85.93
555	COVINGTON, KIRK	\$46.73	4/17/2017	1,165	\$46.73	49.35
557	RUSSELL, JAMES	\$85.93	4/17/2017	996,248	\$85.93	85.93
558	SKEEN, WILLIAM & HOLLY	\$95.76	4/17/2017	1,023	\$95.76	90.55
559	COVINGTON, KIRK	\$46.73	4/17/2017	1,165	\$46.73	46.73
561	THALE, BRYAN	\$85.93	4/11/2017	9,163	\$85.93	85.93
563	BILLINGSLEY, LITTLETON	\$87.08	4/6/2017	3,172	\$87.08	93.45
564	BERTINO, DAVID	\$200.00	4/28/2017	2,682	\$200.00	25.16
565	WILLIAMS, MICHAEL	\$85.93	4/11/2017	995,008	\$85.93	85.93
566	MARTIN, CHARLES & JILL	\$181.86	4/3/2017	4,893	\$181.86	85.93
567	STAGER, CHARLES & REBE	\$94.02	4/11/2017	4,116	\$94.02	119.19
568	FULLER, JOSIE	\$85.93	4/17/2017	2,001	\$85.93	92.86
569	DUNLAP, LAJUANA	\$85.93	4/11/2017	995,155	\$85.93	85.93
572	PARTRIDGE, LESLIE R.	\$90.21	4/17/2017	15,633,535	\$90.21	-38.31
575	DOLFUSS, NELSON	\$89.98	4/13/2017	123	\$89.98	88.82
576	STEVE WALKER	\$35.00	4/28/2017	165	\$35.00	351.73
577	PETTICREW, FRED	\$85.93	4/6/2017	1,073	\$85.93	85.93
578	MELLENGER, L.C.	\$95.93	4/17/2017	908	\$181.86	0.00
579	PETRO SOURCE CONSULT I	\$85.93	4/11/2017	1,281	\$85.93	85.93
580	WINTERS, REX	\$103.45	4/28/2017	1,317	\$103.45	117.59

Monday, May 1, 2017

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**RECEIPTS THIS MONTH**

<b>WINDERMERE OAKS WSC</b>						
<b>ACCT #</b>	<b>NAME</b>	<b>LAST PAYMENT</b>	<b>DAY</b>	<b>CHECK NUMBER</b>	<b>TOTAL PAID THIS MONTH</b>	<b>CURRENT BALANCE</b>
582	LERNER, STEVEN & NANCY	\$85.93	4/6/2017	1,594	\$85.93	85.93
583	CHRIS ELDER HOMES	\$181.86	4/17/2017	1,373	\$277.79	38.24
584	PARK, CLARISSA	\$100.00	4/11/2017	14,175,832	\$100.00	-64.84
585	MOON, THOMAS & JULIE	\$85.93	4/6/2017	3,778	\$85.93	85.93
586	GRISSOM, ROGER & CARRI	\$85.93	4/11/2017	995,072	\$85.93	85.93
587	MC FARLAND, KATHY	\$91.13	4/6/2017	4,816	\$91.13	103.92
588	PUERTA, JACEN	\$100.00	4/11/2017	995,471	\$100.00	53.72
589	MILLER, SCOTT & JUDY	\$85.93	4/3/2017	1,045	\$85.93	85.93
590	WISNOSKI, PATRICK & LAI	\$51.79	4/25/2017	499,610,051	\$51.79	85.93
591	DAVIS, BRAD & GLYNIS	\$91.71	4/11/2017	6,528	\$91.71	96.33
592	MENENDEZ, LAUREN	\$124.02	4/17/2017	1,091	\$124.02	130.55
594	FERGUSON, DARLA	\$97.17	4/17/2017	1,274	\$97.17	92.29
595	JOHNSON, DEAN	\$75.93	4/11/2017	14,248,321	\$75.93	85.93
596	RATTRAY, EVAN & PHEBE	\$85.93	4/13/2017	1,057	\$85.93	88.24
597	WHIDDEN, CHARLIE & ANTON	\$85.93	4/6/2017	2,299	\$85.93	85.93
599	JAMES, PATRICK	\$85.93	4/17/2017	3,307	\$85.93	85.93
600	COHEN, ISAAC	\$95.93	4/25/2017	195	\$95.93	85.93
602	DOSS, MICHAEL	\$95.93	4/6/2017	3,310	\$95.93	75.93
605	DOUBLE F HANGER	\$85.95	4/11/2017	996,067	\$85.95	85.91

215 Accounts listed

Total Amount of Receipts This Month: \$22,279.57

Total Receivables: 40,286.18

All Customers

Windermere Oaks Water Supply Corp.

# Billing Register

\*\*WINDER\*\*

5/1/2017

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Page 1 of 8															
Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Connec	Adjust	Tap Fe	Equity	Tax	Stand	Prepai	PastDue	Total
1	1 WOMBLE, W. T.	0	140	46.50	39.00						0.43				85.93
3	1 CAMPBELL, ROBERT &	3,100	9191	50.08	41.75						0.46				92.29
4	1 MEBANE, ROBERT & N	300	3	13.00	13.00										26.00
5	1 INGHAM, JERRY	2,100	15263	46.83	39.25						0.43				86.51
6	1 GELINAS, CHARLES	3,100	17958	50.08	41.75						0.46				92.29
7	1 WRIGHT, ELEANOR	0	4613	46.50	39.00						0.43				85.93
8	1 WIMBUSH, CHRIS	0	364	13.00	13.00	1.30								300.75	328.05
9	1 ALCORN, MARVIN	1,000	3514	46.50	39.00	10.00					0.43			276.40	372.33
10	1 ANDERSON, JEFFREY	5,200	66	59.60	47.00						0.53			(422.25)	(315.12)
11	1 YOUNG, DUFF	500	165	46.50	39.00						0.43				85.93
12	1 BURNETT, JEFF	2,500	15949	48.13	40.25						0.44				88.82
15	1 HAGAR, JEFFREY	2,100	938	46.83	39.25						0.43				86.51
16	1 FOY, CAROL	5,700	4907	62.35	48.25						0.55				111.15
17	1 CONTRERAS, ARTURO	1,700	5776	46.50	39.00						0.43			(10.00)	75.93
18	1 WORLEY, DAVID S.	5,500	9459	61.25	47.75						0.55				109.55
19	1 RIGGAN, TONY C.	4,400	5021	55.20	45.00						0.50				100.70
20	1 HICKS, ALLEN R.	3,900	14995	52.68	43.75						0.48				96.91
21	1 IVEY, CINDY	1,600	14014	46.50	39.00						0.43				85.93
22	1 FULLER, RON	200	3112	46.50	39.00						0.43				85.93
23	1 LASSERE, CYNTHIA LE	0	494	46.50							0.23				46.73
24	1 ARLDT, DONALD	1,300	6254	46.50							0.23				46.73
25	1 ARLDT, DONALD	2,200	407	47.15							0.24				47.39
26	1 CHANEY, R & C	300	4816	46.50	39.00						0.43			(85.93)	0.00
27	1 HICKS, ROBERT	3,000	10271	49.75	41.50						0.46				91.71
29	1 KOEHLER, RON	7,200	33291	70.60	52.00						0.61				123.21
30	1 FORD, JOHN	900	7171	46.50	39.00						0.43			(331.80)	(245.87)
31	1 MESSERSMITH, GARY	2,600	3432	48.45	40.50						0.44			(95.93)	(6.54)
32	1 SHIVELY, BYRLAN	200	3743	46.50							0.23			(162.31)	(115.58)
33	1 WHISENNAND, DON	2,400	2633	47.80							0.24				48.04
34	1 CROCKETT, DEBBIE	200	6617	46.50	39.00						0.43				85.93
36	1 MC KELLOP, RICHARD	3,600	31091	51.70	43.00						0.47				95.17
37	1 MC ALISTER, J.A.	1,700	2335	46.50	39.00						0.43				85.93
38	1 COSTA, JAN & SCOTT	4,000	2350	53.00	44.00						0.49				97.49

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Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Connec	Adjust	Tap Fe	Equity	Tax	Stand	Prepai	PastDue	Total
39	1 WELLS, S & L	5,800	6314	62.90	48.50						0.56			(20.00)	91.96
41	1 BODEN, JUSTIN & KATI	4,800	8136	57.40	46.00						0.52				103.92
42	1 MEBANE, ROBERT & N	1,400	1049	46.50	39.00						0.43				85.93
47	1 MC DUFF, FRANK	700	9679	46.50	39.00						0.43				85.93
48	1 BURDETT, MIKE & BET	3,300	1579	50.73	42.25						0.47				93.45
49	1 BOYLE, CATLYNN	3,600	5271	51.70	43.00	10.00					0.47			5.15	110.32
50	1 MC CORMICK, MICHAEL	700	1419	46.50	39.00						0.43				85.93
51	1 WHEELER, GREG	1,700	9127	46.50	39.00						0.43				85.93
52	1 MARTIN, DANA	2,000	12869	46.50							0.23			(418.44)	(371.71)
54	1 FLUNKER, PATRICIA	4,500	4762	55.75		10.00					0.28			62.66	128.69
56	1 STUART, RICHARD	600	8084	46.50							0.23				46.73
58	1 FLUNKER, PATRICIA	2,900	8024	49.43							0.25			(7.35)	42.33
59	1 WINDERMERE HANGAR	1,800	335	46.50	39.00						0.43				85.93
62	1 ARMSTRONG, WERRICK	0	700	46.50							0.23				46.73
66	1 STEIN, BILL	1,000	298	46.50	39.00						0.43				85.93
67	1 VANOS, FRANK	3,500	7209	51.38	42.75	10.00					0.47			20.28	124.88
69	1 MITCHHART, KIM	2,600	10960	48.45	40.50						0.44			(47.20)	42.19
70	1 GAIENNIE, JAMES	3,300	10232	50.73	42.25						0.47				93.45
73	1 ROTHERMEL JR., WM. C	0	6088	46.50	39.00						0.43				85.93
74	1 ROLLINS, RHETT	5,400	9049	60.70	47.50	10.26					0.54				119.00
76	1 WAGNER, ROBIN	1,000	13042	46.50	39.00						0.43				85.93
77	1 CHRISTIAN, MATT	400	8189	46.50	39.00	10.00					0.43			185.32	281.25
81	1 MASCO, MORGAN	600	8114	46.50	39.00						0.43				85.93
82	1 SISSINGHURST LTD.	400	922	46.50	39.00						0.43				85.93
84	1 HARDWICK, CINDY & F	2,100	5334	46.83	39.25	10.00					0.43			(10.00)	86.51
85	1 HARRISON, HENRY & C	100	521	46.50	39.00						0.43				85.93
87	1 MUDDER, TOM & SHER	800	184	46.50	39.00						0.43				85.93
90	1 DEYO, RANDY & SAND	400	6579	46.50	39.00						0.43				85.93
92	1 WIGGINS, TERRY & LOI	1,400	3820	46.50	39.00						0.43			(85.93)	0.00
93	1 MAIR, HANS	600	146	46.50	39.00						0.43				85.93
94	1 GOYETTE, KIM	400	9936	46.50	39.00						0.43				85.93
95	1 ZIMMERMAN, MITCHELL	3,000	3038	49.75	41.50						0.46			(311.76)	(220.05)
97	1 BURNS, ROBERT B.	1,800	6390	46.50	39.00						0.43				85.93
99	1 BELL, KEITH & SANDY	3,100	7145	50.08	41.75	10.00					0.46				102.29
100	1 WYNNE, DIANA J.	1,800	13219	46.50	39.00						0.43			(443.23)	(357.30)
102	1 BRANCH, JOHN & CARL	2,000	3567	46.50	39.00						0.43				85.93

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Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Connec	Adjust	Tap Fe	Equity	Tax	Stand	Prepai	PastDue	Total
103	1 PENNER, SCOTT & AM	2,300	9923	47.48	39.75						0.44			(39.11)	48.56
104	1 DOFFING, THOMAS	3,600	5102	51.70	43.00						0.47				95.17
106	1 MC DONALD, MARK A.	3,100	10694	50.08	41.75						0.46				92.29
107	1 HEINE, JON & SUE	1,600	4553	46.50	39.00						0.43			(137.94)	(52.01)
108	1 MEECE, M. E.	700	4156	46.50	39.00						0.43				85.93
109	1 BROWN, DON & KATHY	500	1982	46.50	39.00						0.43			(773.37)	(687.44)
110	1 JOHNSON, IRWIN	2,700	6944	48.78	40.75						0.45			(91.32)	(1.34)
111	1 TULLIS, CAROL	0	1730	46.50	39.00						0.43				85.93
112	1 TAYLOR, DOROTHY	3,300	2746	50.73	42.25						0.47				93.45
113	1 WELLS, ROBT & DONN	15,000	27259	125.00	59.00	15.35					0.92			(15.35)	184.92
114	1 REYNOLDS, ROBERT &	5,600	990	61.80	48.00						0.55			(950.33)	(839.98)
122	1 YANCEY, JACQUELINE	1,200	7632	46.50	39.00						0.43				85.93
123	1 CROW, RICHARD	4,500	3103	55.75	45.25						0.51				101.51
124	1 LORMAND, HUBERT	4,500	5280	55.75	45.25						0.51				101.51
125	1 HANEL, EDWARD	1,400	707	46.50	39.00						0.43			(9.07)	76.86
126	1 DOFFING, W. L.	4,200	5699	54.10	44.50						0.49				99.09
127	1 KMOORE INVESTMENT	600	565	46.50	39.00						0.43				85.93
128	1 MC DONALD, MARK	8,100	20446	75.65	54.25						0.65				130.55
129	1 COONS, JANICE	3,000	19147	49.75	41.50						0.46				91.71
131	1 COKER, J. D.	2,800	6496	49.10	41.00						0.45				90.55
132	1 RENO, DENVER & MAR	1,900	1444	46.50	39.00	10.00					0.43				95.93
133	1 WHITEFIELD FARMS IN	4,800	1538	57.40							0.29				57.69
135	1 WINDERMERE OAKS P	2,700	5718	48.78							0.24				49.02
136	1 SYDION, LLC	0	30	46.50		10.00					0.23				56.73
137	1 MUSKE, LARRY	0	2275	46.50							0.23			(46.23)	0.50
139	1 SUN DESERT ENTERPR	0	141	46.50	39.00						0.43				85.93
142	1 PLOUVIER, BENJAMIN	6,000	3961	64.00	49.00						0.57				113.57
143	1 WINDERMERE OAKS P	0	5379	46.50							0.23				46.73
144	1 WINDERMERE OAKS P	500	5433	46.50							0.23				46.73
145	1 WOMBLE, W. T.	21,300	8810	178.00	59.00						1.19				238.19
146	1 BLACK, CHRIS & CINDY	3,000	21826	49.75	41.50						0.46				91.71
149	1 WADE, LARRY	100	502	46.50	39.00						0.43				85.93
150	1 ADAIR, SCOTT	2,600	9999	48.45	40.50	10.00					0.44			86.51	185.90
151	1 LEWIS, MARVIN	5,400	15706	60.70	47.50						0.54				108.74
154	1 DELEON, ARMANDO &	8,900	7126	80.85	56.25						0.69				137.79
155	1 BOOTH, RAY & MARY	1,400	3843	46.50	39.00						0.43				85.93



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Acct	Rt	Name	Usage	Reading	WATER	SEWAGE	Late C	Connec	Adjust	Tap Fe	Equity	Tax	Stand	Prepai	PastDue	Total
156	1	DOFFING, W. L.	0	1041	46.50	39.00						0.43				85.93
158	1	EARNEST, WILLIAM T.	0	742	46.50							0.23				46.73
161	1	AIKMAN, BILL	0	475	46.50	39.00						0.43				85.93
162	1	BRUNS, FRANCIS	500	1273	46.50		10.00					0.23			2.97	59.70
163	1	A. K. ENTERPRISES	5,000	3474	58.50	46.50	10.00					0.53			(10.00)	105.53
167	1	HAAS, PAT	4,600	1757	56.30							0.28				56.58
169	1	WINDERMERE OAKS P	5,600	37765	61.80	48.00						0.55				110.35
170	1	FALKNER, R. JERRY	200	1432	46.50	39.00						0.43				85.93
171	1	HOLLINGSWORTH, DEV	8,700	13637	79.55	55.75						0.68				135.98
173	1	INGHAM, BETTIE	2,700	6108	46.50	39.00						0.43				85.93
176	1	BELISLE, MALCOLM	4,900	12203	57.95	46.25						0.52				104.72
177	1	SPECHT, ERICH	2,300	12695	47.48	39.75	10.00					0.44				97.67
178	1	PIGG, PAM	0	5080	13.00	39.00										52.00
179	1	BARTH, STAN	1,600	8431	46.50	39.00						0.43				85.93
180	1	SLIMP, RON	8,500	9860	78.25	55.25						0.67				134.17
181	1	MULLIGAN, PATRICK	4,800	10750	57.40	46.00						0.52				103.92
182	1	VAN EMAN, STUART	0	10140	46.50	39.00	10.00					0.43			(10.00)	85.93
183	1	ROSS, NED	100	1594	46.50	39.00						0.43				85.93
185	1	SCHAEFER, RICH	200	3523	46.50	39.00						0.43			(42.53)	43.40
186	1	JOHNSON, IRWIN	2,400	336	47.80	40.00						0.44			(186.52)	(98.28)
187	1	MURDOCH, JAMES	0	668	46.50	39.00						0.43				85.93
189	1	SABO CONSOLIDATED	600	1958	46.50	39.00	10.00					0.43			(10.00)	85.93
190	1	HELLER, ANDREW	0	180	46.50	39.00						0.43				85.93
192	1	MORSE, NORMAN	1,100	4329	46.50	39.00						0.43			(69.74)	16.19
194	1	CLORE, MARGERY	2,700	3786	48.78	40.75						0.45				89.98
195	1	WYATT, JOE B.	0	355	46.50	39.00						0.43				85.93
196	1	SAATHOFF, BILL	400	898	46.50	39.00						0.43				85.93
198	1	WILBURN, RALPH & K	0	9181	46.50	39.00						0.43				85.93
200	1	BLACKERBY, TED	200	191	46.50	39.00						0.43				85.93
202	1	STEIN, BARRY	800	1756	46.50	39.00						0.43			(45.30)	40.63
204	1	WILSON-MARTIN, CAR	200	31	46.50	39.00						0.43			(10.00)	75.93
207	1	STEWART, RONNIE	4,300	13129	54.65	44.75						0.50				99.90
208	2	LEVOS, JEFF	100	3184	46.50							0.23				46.73
210	1	HUSTON, CHAD	1,200	418	46.50	39.00						0.43				85.93
213	1	CHAPMAN, DAVID	0	203	46.50							0.23			(161.16)	(114.43)
217	1	FIVE J HOLDINGS LLC	100	265	46.50	39.00						0.43			10.00	2426.93

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Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Connec	Adjust	Tap Fe	Equity	Tax	Stand	Prepai	PastDue	Total
219	1 RODDA, BRUCE	0	0	46.50							0.23				46.73
220	1 WYNNE, KEN	0	1497	46.50	39.00						0.43				85.93
222	1 SWANSON, WILLIAM	200	4032	46.50	39.00						0.43				85.93
224	1 ATAROD, ESSI & ELSA	5,100	2546	59.05	46.75						0.53			(4.22)	102.11
226	1 DIAL, DICK	1,700	2256	46.50	39.00						0.43			(76.92)	9.01
227	1 DISMUKE, DARRYL & /	9,600	8765	85.40	58.00						0.72				144.12
229	1 DESTEFANO, DAVID	3,100	7337	50.08	41.75						0.46			(10.56)	81.73
230	1 HOWLE, JAMES	1,800	11594	46.50	39.00						0.43			(68.68)	17.25
231	1 HANNAFIN, ANNE	2,900	6915	49.43	41.25						0.45				91.13
232	1 ZAPALAC, MICHELLE&	4,100	29165	53.55	44.25						0.49				98.29
233	1 GIBSON, KARRI	3,600	6329	51.70	43.00						0.47				95.17
237	1 NELSON, MICHAEL	3,400	518	51.05	42.50	10.00					0.47			(10.00)	94.02
239	1 BOOTH, RAY & MARY	2,900	4004	49.43	41.25						0.45				91.13
249	1 CUDDIE, BOB & ELIZABETH	0	184	46.50	39.00						0.43			(198.73)	(112.80)
266	1 MILBURN, RAYE	100	13301	46.50	39.00						0.43			(10.00)	75.93
278	1 OTWELL, JOHN & CHRISTINE	10,200	6667	89.30	59.00						0.74				149.04
281	1 QUIROGA, ARMANDO & /	2,000	6093	46.50	39.00						0.43			(117.92)	(31.99)
285	1 GALLYAMOVA, ALBINA	300	7799	46.50	39.00						0.43			(215.16)	(129.23)
303	1 HASTINGS, GEORGE & /	2,000	2138	46.50	39.00						0.43				85.93
305	1 HUTSON, TOM & LISA	1,400	4907	46.50	39.00						0.43				85.93
340	1 YOUNG, GARY	500	720	46.50	39.00						0.43				85.93
341	1 SCHWARTZ, MIKE	4,800	9330	57.40	46.00						0.52				103.92
349	1 CALLAWAY, TRAVIS & /	500	5473	46.50	39.00						0.43			(69.21)	16.72
377	1 MC ALISTER, J.A.	0	4490	46.50							0.23				46.73
380	1 RICHARDSON, JANEY	2,400	10250	47.80	40.00						0.44				88.24
386	1 DAVIS, HAMLET	13,400	6006	112.20	59.00	10.00					0.86			33.87	215.93
389	1 106 TOPSPIN INVESTMENT	0	394	46.50	39.00						0.43				85.93
404	1 BECKER, AL & LISETTE	200	4367	46.50	39.00						0.43				85.93
417	1 QUICK, DEBORAH	1,200	18110	46.50	39.00						0.43			(31.58)	54.35
426	1 ELLIS, JEFF & ROSE	6,000	1553	64.00	49.00						0.57				113.57
454	1 SORGEN, BRUCE	200	325	46.50	39.00						0.43				85.93
458	1 FLOWE, MARK	100	6951	46.50	39.00						0.43			(90.21)	(4.28)
461	1 MARTIN, SCOTT	2,200	10964	47.15	39.50	10.00					0.43			313.81	410.89
482	1 HARVEY, BEAU	6,300	7929	65.65	49.75	10.00					0.58			(10.00)	115.98
489	1 PEREZ, TIM & GAIL	4,200	3975	54.10	44.50	10.00					0.49			(10.00)	99.09
492	1 RYAN, HILLARY A.	0	480	46.50	39.00						0.43				85.93

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Acct	Rt	Name	Usage	Reading	WATER	SEWAGE	Late C	Connec	Adjust	Tap Fe	Equity	Tax	Stand	Prepai	PastDue	Total
494	1	DEE, BOBBY & ELSIE	300	14829	46.50	39.00						0.43				85.93
496	1	HOWARD, BRIAN	8,700	9566	79.55	55.75	12.35					0.68			136.02	284.35
497	1	HUBBARD, BRADLEY F	0	479	46.50	39.00						0.43				85.93
503	1	WOOD, GARY & MARY	8,000	7131	75.00							0.38				75.38
513	1	HOWARD, ROLAND & F	200	91	46.50	39.00						0.43				85.93
520	1	MARTIN, ANNETTE & T	6,900	8949	68.95	51.25						0.60				120.80
523	1	STEIN, BARRY	2,100	8769	46.83	39.25						0.43			(109.31)	(22.80)
524	1	GERINO, THOMAS	8,800	980	80.20	56.00						0.68				136.88
529	1	HANCOCK, DEBORAH	1,800	3268	46.50	39.00						0.43			(120.20)	(34.27)
532	1	DAVIS, ELICE	4,400	8432	55.20	45.00						0.50			(598.91)	(498.21)
533	1	MORROW, CORY & SHI	7,600	9799	72.80	53.00						0.63				126.43
534	1	HOEKSTRA, DIRK	6,300	2931	65.65	49.75						0.58				115.98
535	1	HARMEIER, MACEY	1,500	8596	46.50	39.00						0.43				85.93
536	1	SCHUSTER, APRIL	4,100	8140	53.55	44.25						0.49				98.29
537	1	GRESHOWAK, STEVE &	2,700	5645	48.78	40.75						0.45				89.98
540	1	MARTIN, SCOTT	400	213	46.50	39.00	14.16					0.43			333.03	433.12
542	1	ANDREWS, TAMRA	2,300	6389	47.48	39.75						0.44			(107.76)	(20.09)
543	1	GIMENEZ, JOE	3,900	4789	52.68	43.75						0.48				96.91
545	1	HAGAR, JEFFREY	100	339	46.50	39.00						0.43				85.93
546	1	HURT, STEVEN	0	159	46.50	39.00						0.43				85.93
547	1	CHRISTENSON, ALLEN	2,700	11004	48.78	40.75						0.45				89.98
549	1	LOWERY, JOHN & EMIL	800	3868	46.50	39.00						0.43			(10.00)	75.93
550	1	SEIZERT, PAUL & APRIL	10,700	3619	92.55	59.00						0.76				152.31
552	1	BRADY, ALLISON	6,100	3484	64.55	49.25	10.00					0.57			290.98	415.35
553	1	DURAN, OLIVIA	4,200	10245	54.10	44.50						0.49				99.09
554	1	MARTIN, JAMES & DOF	700	4700	46.50	39.00						0.43				85.93
555	1	COVINGTON, KIRK	2,800	871	49.10							0.25				49.35
557	1	RUSSELL, JAMES	200	600	46.50	39.00						0.43				85.93
558	1	SKEEN, WILLIAM & HO	2,800	6775	49.10	41.00						0.45				90.55
559	1	COVINGTON, KIRK	0	229	46.50							0.23				46.73
560	1	BESTERVELD, PAUL &	0	66	46.50	39.00						0.43			(332.14)	(246.21)
561	1	THALE, BRYAN	1,700	4947	46.50	39.00						0.43				85.93
563	1	BILLINGSLEY, LITTLET	3,300	7348	50.73	42.25						0.47				93.45
564	1	BERTINO, DAVID	3,100	247	50.08	41.75	10.00					0.46			(77.13)	25.16
565	1	WILLIAMS, MICHAEL	0	0	46.50	39.00						0.43				85.93
566	1	MARTIN, CHARLES & J	400	919	46.50	39.00						0.43				85.93

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Attachment Ratepayers 8-27D

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Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Connec	Adjust	Tap Fe	Equity	Tax	Stand	Prepaid	Past Due	Total
567	1 STAGER, CHARLES & R	6,700	11176	67.85	50.75						0.59				119.19
568	1 FULLER, JOSIE	3,200	2379	50.40	42.00						0.46				92.86
569	1 DUNLAP, LAJUANA	0	317	46.50	39.00						0.43				85.93
572	1 PARTRIDGE, LESLIE R.	0	20	46.50	39.00						0.43			(124.24)	(38.31)
575	1 DOLFUSS, NELSON	2,500	1611	48.13	40.25						0.44				88.82
576	1 STEVE WALKER	5,000	237	58.50	46.50	10.18	35.00				0.53			201.02	351.73
577	1 PETTICREW, FRED	100	963	46.50	39.00						0.43				85.93
578	1 MELLENGER, L.C.	0	82	46.50	39.00						0.43			(85.93)	0.00
579	1 PETRO SOURCE CONSU	0	5	46.50	39.00						0.43				85.93
580	1 WINTERS, REX	6,500	569	66.75	50.25	10.00					0.59			(10.00)	117.59
581	1 C.A. AVIATION INC.	1,300	3122	46.50	39.00	10.00					0.43			85.93	181.86
582	1 LERNER, STEVEN & NA	500	3061	46.50	39.00						0.43				85.93
583	1 CHRIS ELDER HOMES	8,500	105	78.25	55.25						0.67			(95.93)	38.24
584	1 PARK, CLARISSA	800	4106	46.50	39.00						0.43			(150.77)	(64.84)
585	1 MOON, THOMAS & JUL	1,400	473	46.50	39.00						0.43				85.93
586	1 GRISSOM, ROGER & CA	0	815	46.50	39.00						0.43				85.93
587	1 MC FARLAND, KATHY	4,800	2525	57.40	46.00						0.52				103.92
588	1 PUERTA, JACEN	100	18	46.50	39.00						0.43			(32.21)	53.72
589	1 MILLER, SCOTT & JUDY	800	1617	46.50	39.00						0.43				85.93
590	1 WISNOSKI, PATRICK &	1,900	6238	46.50	39.00	10.00					0.43			(10.00)	85.93
591	1 DAVIS, BRAD & GLYNIS	3,800	259	52.35	43.50						0.48				96.33
592	1 MENENDEZ, LAUREN	8,100	2271	75.65	54.25						0.65				130.55
594	1 FERGUSON, DARLA	3,100	2305	50.08	41.75						0.46				92.29
595	1 JOHNSON, DEAN	0	15	46.50	39.00						0.43				85.93
596	1 RATTRAY, EVAN & PHI	2,400	8576	47.80	40.00						0.44				88.24
597	1 WHIDDEN, CHARLIE &	0	2	46.50	39.00						0.43				85.93
598	1 CARMICHAEL, JUDITH	2,600	3251	48.45							0.24			(78.11)	(29.42)
599	1 JAMES, PATRICK	1,300	2795	46.50	39.00						0.43				85.93
600	1 COHEN, ISAAC	1,100	5871	46.50	39.00	10.00					0.43			(10.00)	85.93
602	1 DOSS, MICHAEL	100	333	46.50	39.00						0.43			(10.00)	75.93
605	1 DOUBLE F HANGER	0	426	46.50	39.00						0.43			(0.02)	85.91

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Acct	Rt Name	Usage	Reading	WATER	SEWAGE	Late C	Connec	Adjust	Tap Fe	Equity	Tax	Stand	Prepai	Past Due	Total
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5/1/2017

6:26:14PM

# Billing Register Summary

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4/30/2017

\*\*WINDER\*\*

WATER \$12,624.43  
SEWAGE \$9,077.25

Late Charge \$323.60  
Connection Fee \$35.00

Adjustments  
Tap Fees  
Equity Buy In  
Tax \$108.34

Stand By Fee  
Prepaid  
Windermere Oaks Water Supply Corp.

Total Current Charges \$22,168.62  
Past Due \$2,344.70  
Prepay/Overpay (\$7,945.95)  
Total Receivables \$16,567.37

Total Usage 605,700  
244 Accounts Listed

Qualified By: All Customers Rate Category = x

Monday, May 1, 2017

6:27:50PM

# SALES TAX REPORT

**WINDERMERE OAKS WSC**

<b>RATE</b>	<b>TAX %</b>	<b>ACCOUNTS</b>	<b>TOTAL TAX</b>	<b>STATE</b>	<b>COUNTY</b>	<b>OTHER</b>	<b>TAXABLE SALES</b>	<b>EXEMPT</b>	<b>COUNTY</b>
3	0.500	213	\$101.31	\$0.00	\$0.00	\$101.31	\$20,186.52	0	0
4	0.500	27	\$6.60	\$0.00	\$0.00	\$6.60	\$1,325.66	0	0
6	0.500	1	\$0.43	\$0.00	\$0.00	\$0.43	\$85.50	0	0
7	0.500	1	\$0.23	\$0.00	\$0.00	\$0.23	\$46.50	0	0
		<b>242</b>	<b>\$108.57</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$108.57</b>	<b>\$21,644.18</b>	<b>0</b>	

Qualified By: All Rate Codes

**Windermere Oaks Water Supply Corp.**

**Brittney Garza**

---

**From:** Joe Gimenez <1129jjg@gmail.com>  
**Sent:** Thursday, August 20, 2020 5:03 PM  
**To:** Grant Rabon  
**Subject:** Fwd: New Gen Questions

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

From: **George Burriss** <[watermgmt@yahoo.com](mailto:watermgmt@yahoo.com)>  
Date: Thu, Aug 20, 2020, 5:00 PM  
Subject: New Gen Questions  
To: Joe Gimenez <[1129jjg@gmail.com](mailto:1129jjg@gmail.com)>

Joe,

The equity buy in fee is charged once per membership.

The standby question has several facets and I would have to do a little homework in order to give you a complete and accurate response. But, just of the top of my head, the total is the sum of these items:

The annual charge for a standby account is \$358.80. If it is paid in full by Jan 31, the account is credited with a \$110.20 discount. The discounted amount would be \$248.40.

If the total charge is not paid by Jan 31, then the account is billed \$14.95 for water, and \$14.95 for sewer. ( $14.95 \times 2 \times 12 = \$358.80$ ).

The number of standby accounts is closer to 145. If 100 accounts paid the discounted amount, (\$24,840), and 45 paid the full amount, (\$16,146), the total would be \$40,986. However, we never collect them all in the year they were billed. So, the total collected reflects a past due total which affects the amount collected.

If this sounds convoluted, well it is. But this was established decades ago, and this is what we inherited. Nevertheless, without this revenue, we could not balance the budget, so it has never been restructured, so far as I know.

If you need the full, accurate accounting of this issue, I will be happy to work on it.

George



joe.gimenez <1129jjg@gmail.com>

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## DRAFT Report

5 messages

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**Grant Rabon** <grabon@newgenstrategies.net>  
To: Joe Gimenez <1129jjg@gmail.com>

Fri, Aug 21, 2020 at 10:16 AM

Joe,

Attached is a draft of the financial analysis I would like to present next Thursday. It contains a few assumptions that I would like to review with you to ensure I am not missing any key considerations, but I believe this provides you a good idea of my conclusions and recommendations. Please let me know when you would like to talk.

Thanks!

---

**Grant Rabon | NewGen Strategies & Solutions**

Executive Consultant

8140 N. Mopac Expressway | Building 1, Suite 240 | Austin, TX 78759

Office: (512) 900-8232 | Cellular: (512) 565-0123

grabon@newgenstrategies.net

Please visit our website at [www.newgenstrategies.net](http://www.newgenstrategies.net)



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 **NewGen Report - DRAFT.pdf**  
811K

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**Joe Gimenez** <1129jjg@gmail.com>  
To: Grant Rabon <grabon@newgenstrategies.net>  
Cc: Mike Nelson <brownsandniners@aol.com>

Fri, Aug 21, 2020 at 10:29 AM

Grant,

This report is very, very good. I appreciate the hard work you all put into this.

With regards to your questions about assumptions, I'd like to loop in our Treasurer, Mike Nelson, into that discussion. He has several more years of history than I do with the financials at WOWSC so I think it would be most appropriate to get his input at this point on assumptions.



Mike, I would also appreciate it if you would review Grant's report and offer your insights before we present it to the Board. Please let Grant and I know when you have a window to talk, after you've reviewed this document.

Thank you Grant for an excellent report. Mike and I will get back to you.

Best regards,  
Joe

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 **NewGen Report - DRAFT.pdf**  
811K

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

Fri, Aug 21, 2020 at 2:01 PM

Reply-To: brownsandniners@aol.com

To: "1129jjg@gmail.com" <1129jjg@gmail.com>, "grabon@newgenstrategies.net" <grabon@newgenstrategies.net>, brownsandniners@aol.com

Hello Grant and Joe,

Does this Monday, August 24th, at 4pm, 5pm, or 6pm work for you to review Grant's report? I will review it over the weekend.

Thanks,  
Mike

[Quoted text hidden]

---

**Grant Rabon** <grabon@newgenstrategies.net>

Fri, Aug 21, 2020 at 2:17 PM

To: "brownsandniners@aol.com" <brownsandniners@aol.com>, "1129jjg@gmail.com" <1129jjg@gmail.com>

August 24 at 4:00 PM works fine for me. Do you want me to send out an invitation with a call-in number?

[Quoted text hidden]

---

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

Fri, Aug 21, 2020 at 2:27 PM

To: Grant Rabon <grabon@newgenstrategies.net>

Cc: "brownsandniners@aol.com" <brownsandniners@aol.com>

that time and day works for me. please send call invite.

[Quoted text hidden]



8140 N Mopac Expy  
Bldg 1, Ste 240  
Austin, TX 78759  
Phone: (512) 479-7900  
Fax: (512) 479-7905

August 27, 2020

via email

Mr. Joe Gimenez  
Windermere Oaks Water Supply Corporation  
424 Coventry Road  
Spicewood, TX 78669

**Subject: Financial Assessment**

Dear Mr. Gimenez:

NewGen Strategies and Solutions, LLC (NewGen) performed a high-level financial assessment of Windermere Oaks Water Supply Corporation (WOWSC) to document the impact of the lawsuits on WOWSC's financial position and provide possible financial policies that may benefit the utility.

## Recent History

NewGen reviewed the financial results for 2017, 2018, and 2019 to assess WOWSC's recent financial history. The following tables provide a summary of WOWSC's financial condition as measured by various common benchmarks over the past three years. It is important to recognize that WOWSC's involvement in two lawsuits brought against WOWSC by TOMA Integrity, Inc. and by Rene Ffrench, John Richard Dial, and Stuart Bruce Sorgen have placed significant strain on the financial condition of the utility. Further, WOWSC is currently defending its March 2020 rate change, necessitated by legal expenses, at the Public Utility Commission of Texas (PUCT). WOWSC's future financial condition depends on the duration and outcome of its various legal challenges.

**Table 1  
Leverage Ratios**

	2017	2018	2019
<b>Debt to Capitalization</b>			
Debt	\$ 388,064	\$ 357,549	\$ 331,989
Equity	1,177,136	1,179,199	1,128,317
Total	\$ 1,565,199	\$ 1,536,748	\$ 1,460,306
Ratio	<b>25%</b>	<b>23%</b>	<b>23%</b>
<b>Debt to Net Plant Assets</b>			
Debt	\$ 388,064	\$ 357,549	\$ 331,989
Net Asset Value of Plant	1,396,139	1,363,874	1,285,272
Ratio	<b>28%</b>	<b>26%</b>	<b>26%</b>

August 27, 2020

Page 2

The debt to capitalization ratio and debt to net plant assets ratio provide an indication of the leverage of the utility. There is not a target leverage ratio that is ideal for all utilities but, generally, the lower the leverage ratio, the more financial flexibility the utility has and the easier it is for the utility to finance its capital needs. As a point of reference, in a recent Fitch Ratings report (Fitch Medians)<sup>1</sup>, the median value of debt to net plant assets for small systems (defined as utilities serving fewer than 100,000 persons) was 36%. Thus, WOWSC is less leveraged than the Fitch median small system by this metric. It is important to note that WOWSC is significantly smaller than the average system defined as a small system by Fitch.

**Table 2**  
**Debt Service Coverage**

	2017	2018	2019
Available for Debt Service	\$ 85,606	\$ 91,885	\$ 55,681
Debt Service	50,118	50,104	50,089
Ratio	<b>1.71</b>	<b>1.83</b>	<b>1.11</b>

Debt service coverage is a measure of financial flexibility that judges a utility's financial margin to pay debt service from net revenues after priority expenses, such as operation and maintenance (O&M) expenses, are paid. It is common for utility debt covenants to have a requirement for debt service coverage, such as 1.25. WOWSC's debt service coverage decreased precipitously in 2019 due, in large part, to lawsuit expenses. The Fitch Medians report indicates the median debt service coverage for small systems was 2.6, which is significantly higher than WOWSC's current debt service coverage despite the fact that WOWSC has relatively low leverage. A key benefit of sufficient debt service coverage is that it indicates revenue in excess of cash O&M that can be used to cash fund some portion of capital expenses.

**Table 3**  
**Days Cash on Hand**

	2017	2018	2019
<b>Actual Results</b>			
Liquid Assets	\$ 144,112	\$ 168,542	\$ 150,994
Less: Capital Expenditure Reserve	(47,158)	(41,983)	(41,983)
Net Unrestricted Reserves	\$ 96,954	\$ 126,559	\$ 109,012
Total Cash Operating Expenses	\$ 291,019	\$ 371,260	\$ 503,795
DCOH	<b>122</b>	<b>124</b>	<b>79</b>
<b>Modified Results if There Were No Lawsuits</b>			
Lawsuit Specific Costs	\$ -	\$ 25,480	\$ 159,173
Modified Net Unrestricted Reserves	96,954	152,039	293,665
Modified Cash Operating Expenses	291,019	345,780	344,622
DCOH (hypothetical)	<b>122</b>	<b>160</b>	<b>311</b>

<sup>1</sup> Fitch Ratings, 2019 Water and Sewer Medians, Public Finance, November 12, 2018.

August 27, 2020

Page 3

Days cash on hand (DCOH) serves as an indication of liquidity or ability to meet short-term liabilities, particularly under unforeseen hardships. This is generally calculated as current unrestricted cash and investments, divided by annual cash operating expenditures, divided by 365 days in a year. The Fitch Medians report indicates the median DCOH for small systems was 627.

As shown in Table 3, WOWSC's actual DCOH has been declining significantly as a result of lawsuit expenses. Table 3 also shows a hypothetical DCOH based on what NewGen estimates would have been the financial impact if WOWSC had not had the lawsuit expenses (with all else equal). WOWSC took action in February 2020 to increase water and sewer rates to help mitigate the financial impact of the lawsuits. WOWSC's financial condition would be significantly improved, and rates could be lowered, if all outstanding legal disputes were resolved.

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NewGen developed a financial projection for 2020 based on the WOWSC 2020 budget (with a few line items adjusted), current rates, new CoBank loans, and assumed lawsuit expenses, as shown in Exhibit A. The analysis indicates WOWSC will essentially breakeven on a cash basis if lawsuit expenses are limited to approximately \$245,000 in 2020. It is worth noting that WOWSC has been billed for approximately \$169,000 for legal expenses related to the lawsuit as of May 2020. Thus, further financial deterioration is possible if legal expenses do not abate despite the significant increase in rates approved in February 2020.

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It is good governance for utilities to have written financial policies to guide the utility and ensure consistent decision-making over time. NewGen is not aware of any written financial policies for WOWSC. Therefore, we suggest the following possible financial policies for consideration by WOWSC. Not all of these policies may be needed or appropriate. Further, the inclusion of one policy may impact the stated target of another policy. For example, whether or not WOWSC opts to maintain an emergency reserve fund may alter the number of days cash O&M WOWSC targets for its operating reserve. Utilities that employ financial policies, such as the ones suggested below, tend to be rewarded with better interest rates from lenders and more favorable terms for financing. Further, financial policies can help guide consistent, optimal decision-making.

To be clear, the targets listed in the financial policies below are merely suggestions. The actual targets appropriate for each of the policies below should be selected by the WOWSC Board based on WOWSC's priorities, values, and risk tolerance. WOWSC may not need to adopt all of the suggested policies listed below but, rather, may pick and choose the policies that are appropriate for WOWSC.

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- The term of debt generally shall not exceed the useful life of the asset financed, and shall not generally exceed 30 years.
- Debt service coverage of at least 1.50x shall be targeted (and actual debt service coverage shall be in compliance with all relevant debt covenants).
- Ongoing routine, preventive maintenance should be funded on a pay-as-you-go basis.
- Capital projects should be financed through a combination of cash, referred to as pay-as-you-go financing (equity contributions from current revenues), and debt. An equity contribution ratio of at least 15% is desirable.

August 27, 2020

Page 4

- The utility shall maintain operating cash reserves equivalent to a minimum of 90 days of budgeted cash operations and maintenance expense.
- The utility shall maintain an emergency reserve with a minimum of 30 days of budgeted cash operations and maintenance expense.
- The utility shall maintain a repair and replacement reserve with a target balance of 50% of current year depreciation.
- Rates shall be designed to generate sufficient revenues to support the full cost of operations and debt; provide debt service coverage and meet other debt covenants, if applicable; and ensure adequate and appropriate levels of reserves and working capital.

### **New Fair Market Value Process**

The 86<sup>th</sup> Texas Legislature passed House Bill 3542, which established a fair market valuation process that may be used by Class A or Class B water or sewer utilities acquiring another retail public utility (or facilities of another retail public utility).<sup>2</sup> This new fair market valuation process provides an acquiring utility the opportunity to put more than original cost less depreciation into rate base (i.e., a positive acquisition premium). Rate base for regulated utilities, such as investor-owned utilities (IOUs), is the invested capital on which they are allowed the opportunity to earn a return. Traditional rate regulation limits the primary component of rate base to original cost less depreciation. Thus, the opportunity to put a positive acquisition premium into rate base is attractive to the acquiring rate regulated utility. The presumed goal of House Bill 3542 was to make it more attractive for larger, more efficient and well financed utilities to acquire smaller and/or distressed utilities. The target utilities may be less efficient due to the scale of their operations or may lack access to sufficient funding to invest in facilities to improve service or satisfy regulatory requirements.<sup>3</sup> Thus, although a positive acquisition premium may result in higher rates for the customers of the acquired system, there is the potential benefit to customers of more efficient operations and/or improved service or regulatory compliance. Consolidating systems within a larger entity has the potential to achieve greater economies of scale and spread capital cost recovery over more customers, benefiting ratepayers.

While each situation is different, and there can be benefits of IOU ownership, it is important to note that IOUs have structural cost disadvantages as compared with not-for-profit entities, such as WOWSC. First, an IOU's return on investment, as established by the PUCT, includes profit that a not-for-profit entity does not require. Second, the IOU must pay taxes (property taxes, sales taxes, and income taxes) that a not-for-profit entity does not pay. Thus, in order for the IOU to charge the same or similar rates as the not-for-profit entity, the IOU must operate more efficiently than the not-for-profit entity in order to overcome these structural cost disadvantages and still generate a return for its investors. Further, whereas important decisions for WOWSC, such as rate-setting or impacts to community aesthetic, are made by a board that is elected by the customers, customers of IOUs must rely on the PUCT to ensure that rates, policies, and decisions are just, reasonable and in the public interest of all ratepayers. Thus, there is some loss of control that would accompany a transition from WOWSC's current governance structure to IOU ownership.

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<sup>2</sup> The new rules were adopted by the PUCT in Docket No. 49813.

<sup>3</sup> NewGen is in no way implying that WOWSC is inefficient or lacks access to sufficient capital funding. These are simply example attributes that are sometimes cited when discussing candidate target utilities under the fair market valuation process.

August 27, 2020  
Page 5

We appreciate the opportunity to assist WOWSC. If there are any questions regarding this financial assessment, please feel free to contact me.

Sincerely,  
NewGen Strategies and Solutions, LLC

A handwritten signature in black ink that reads "Grant Rabon". The signature is written in a cursive, flowing style.

Grant Rabon, Executive Consultant

## Windermere Oaks Water Supply Corp

## Exhibit A

		Actual 2017	Actual 2018	Actual 2019	Budget 2020	Adjustments	Projected 2020	Notes
		A	B	C	E	F	G	H
1	Revenue							
2	Standby Fees	\$ 41,977	\$ 38,959	\$ 44,079	\$ 33,000	\$ 11,079	\$ 44,079	A
3	Service	279,873	341,066	369,541	390,000	145,553	535,553	B
4	Late Charge	6,750	8,575	5,092	5,000		5,000	
5	Membership Transfer Fees	70	350	(1,982)	2,800	(2,800)	-	C
6	Equity Buy-In Fees	24,000	41,800	50,600	27,600	18,400	46,000	D
7	Tap Fees	8,250	16,425	20,700	10,350	13,900	24,250	D
8	Reconnect Fee	35	-	-	-		-	
9	Miscellaneous	-	2,035	59,149	-		-	
10		\$ 360,956	\$ 449,211	\$ 547,180	\$ 468,750		\$ 654,882	
11	Other							
12	Interest Income	\$ 362	\$ 331	\$ 481	\$ 300		\$ 300	
13	Property Sales	-	-	-	-		-	
14		\$ 362	\$ 331	\$ 481	\$ 300		\$ 300	
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16	Total Revenue	\$ 361,318	\$ 449,543	\$ 547,661	\$ 469,050		\$ 655,182	
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19	Operator	\$ 109,800	\$ 116,825	\$ 117,865	\$ 123,375		\$ 123,375	
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29	Billing Services	15,928	14,350	15,679	20,000		20,000	
30	Contract Services	2,657	4,783	3,069	9,000		9,000	
31	Legal and Appraisal	2,247	12,501	7,411	-	7,386	7,386	F
32	Legal - Lawsuit Specific	-	25,480	159,173	110,000	135,223	245,223	G
33	Dues and Subscriptions	2,552	1,835	178	4,000		4,000	
34	TCEQ Fees	1,818	1,816	1,816	2,100		2,100	
35	Insurance	12,577	14,083	14,161	21,000		21,000	
36	Meals and Entertainment	-	131	-	500		500	
37	Office Supplies	1,570	1,283	4,707	3,400		3,400	
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39	Postage and Shipping	2,510	2,094	2,710	5,000		5,000	
40	Equipment Rental	-	-	250	1,500		1,500	
41	Repairs and Maintenance	35,481	76,824	71,060	50,000	11,121	61,121	F
42	Repair Parts	8,468	7,523	6,730	16,000		16,000	
43	Printing	-	2,184	168	1,500		1,500	
44	Interest	15,307	13,603	11,815	14,000	28	14,028	H
45	Taxes - Property	-	-	-	40		40	
46	Meetings and Conferences	2,933	1,382	1,130	2,500		2,500	
47		\$ 291,019	\$ 371,260	\$ 503,795	\$ 471,365		\$ 642,174	
48								
49	Net Income before Depreciation	\$ 70,300	\$ 78,283	\$ 43,866	\$ (2,315)		\$ 13,008	
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51	Debt Principal	\$ 34,812	\$ 36,502	\$ 38,274	\$ -	13,008	\$ 13,008	H
52								
53	Net Cash Flow before Cash Capital Outlay	\$ 35,488	\$ 41,781	\$ 5,592	\$ (2,315)		\$ -	I

## Notes:

- A Assumed to be the same as in 2019
- B Forecasted based on eight months at current rates and four months at prior rates as well as 10 additional water and sewer customers in 2020
- C Assumed to be \$0 based on recent actual fees
- D Based on 10 water and sewer customers added per year
- E Assumed to be equal to the tap fee revenue
- F Based on an average of the actual results for the last three years
- G Estimate for the purposes of the analysis
- H Based on CoBank estimates for loans in the amounts of \$230,000 and \$150,000
- I Assumes bad debt does not increase significantly



joe.gimenez <1129jjg@gmail.com>

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## Revised Draft Report

3 messages

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**Grant Rabon** <grabon@newgenstrategies.net>  
To: Joe Gimenez <1129jjg@gmail.com>

Tue, Aug 25, 2020 at 9:48 AM

Joe,

Please find the revised draft report attached for your review and comment.

Thanks!

---

**Grant Rabon | NewGen Strategies & Solutions**

Executive Consultant

8140 North Mopac Expressway | Suite 1-240 | Austin, TX 78759

Office: (512) 900-8232 | Cellular: (512) 565-0123

grabon@newgenstrategies.net

Please visit our website at [www.newgenstrategies.net](http://www.newgenstrategies.net)



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 **NewGen Report - FINAL DRAFT.pdf**  
858K

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**Grant Rabon** <grabon@newgenstrategies.net>  
To: Joe Gimenez <1129jjg@gmail.com>

Tue, Aug 25, 2020 at 10:30 AM

Joe,

I have added a footnote to the attached version. Does this accomplish your goals?

[Quoted text hidden]

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 **NewGen Report - FINAL DRAFT.pdf**  
835K

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**Joe Gimenez** <1129jjg@gmail.com>  
To: Grant Rabon <grabon@newgenstrategies.net>

Tue, Aug 25, 2020 at 1:05 PM

Grant,  
I appreciate your adding the footnote.

I think your original sentence is very appropriate to its description of situations where a utility may be a target.

However, in Winderemere Oaks case, it is appropriate that a reader in no way infers those conditions from your descriptive sentence. As your report demonstrates, WOWSC has been incredibly efficient in its operations given its history of incredibly low base rates. On the regulatory front, WOWSC has had no violations in its consumer confidence survey by the Texas Commission on Environmental Quality for the last four years. Similarly, TCEQ extended our wastewater permit for ten years, and not the customary five years, signaling equally good efficiency and satisfaction of regulatory requirements. And, as CoBank's recent approval of \$680,000 in loans demonstrates, the WOWSC's efficient operations and strong financial position proves access to sufficient funding for long-term investments in our facilities to improve service and further satisfy regulatory requirements.

Again, your footnote appropriately demonstrates the narrow information-sharing about the process for fair market valuations when used to identify to target candidates, as you intended.

Thank you for your consideration of my point.

Best regards,  
Joe

[Quoted text hidden]



8140 N Mopac Expy  
Bldg 1, Ste 240  
Austin, TX 78759  
Phone: (512) 479-7900  
Fax: (512) 479-7905

August 25, 2020

via email

Mr. Joe Gimenez  
Windermere Oaks Water Supply Corporation  
424 Coventry Road  
Spicewood, TX 78669

**Subject: Financial Assessment**

Dear Mr. Gimenez:

NewGen Strategies and Solutions, LLC (NewGen) performed a high-level financial assessment of Windermere Oaks Water Supply Corporation (WOWSC) to document the impact of the lawsuits on WOWSC's financial position and provide possible financial policies that may benefit the utility.

## Recent History

NewGen reviewed the financial results for 2017, 2018, and 2019 to assess WOWSC's recent financial history. The following tables provide a summary of WOWSC's financial condition as measured by various common benchmarks over the past three years. It is important to recognize that WOWSC's involvement in two lawsuits brought against WOWSC by TOMA Integrity, Inc. and by Rene Ffrench, John Richard Dial, and Stuart Bruce Sorgen have placed significant strain on the financial condition of the utility. Further, WOWSC is currently defending its March 2020 rate change, necessitated by legal expenses, at the Public Utility Commission of Texas (PUCT). WOWSC's future financial condition depends on the duration and outcome of its various legal challenges.

**Table 1**  
**Leverage Ratios**

	2017	2018	2019
<b>Debt to Capitalization</b>			
Debt	\$ 388,064	\$ 357,549	\$ 331,989
Equity	1,177,136	1,179,199	1,128,317
Total	\$ 1,565,199	\$ 1,536,748	\$ 1,460,306
Ratio	<b>25%</b>	<b>23%</b>	<b>23%</b>
<b>Debt to Net Plant Assets</b>			
Debt	\$ 388,064	\$ 357,549	\$ 331,989
Net Asset Value of Plant	1,396,139	1,363,874	1,285,272
Ratio	<b>28%</b>	<b>26%</b>	<b>26%</b>

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The debt to capitalization ratio and debt to net plant assets ratio provide an indication of the leverage of the utility. There is not a target leverage ratio that is ideal for all utilities but, generally, the lower the leverage ratio, the more financial flexibility the utility has and the easier it is for the utility to finance its capital needs. As a point of reference, in a recent Fitch Ratings report (Fitch Medians)<sup>1</sup>, the median value of debt to net plant assets for small systems (defined as utilities serving fewer than 100,000 persons) was 36%. Thus, WOWSC is less leveraged than the Fitch median small system by this metric. It is important to note that WOWSC is significantly smaller than the average system defined as a small system by Fitch.

**Table 2**  
**Debt Service Coverage**

	2017	2018	2019
Available for Debt Service	\$ 85,606	\$ 91,885	\$ 55,681
Debt Service	50,118	50,104	50,089
Ratio	1.71	1.83	1.11

Debt service coverage is a measure of financial flexibility that judges a utility's financial margin to pay debt service from net revenues after priority expenses, such as operation and maintenance (O&M) expenses, are paid. It is common for utility debt covenants to have a requirement for debt service coverage, such as 1.25. WOWSC's debt service coverage decreased precipitously in 2019 due, in large part, to lawsuit expenses. The Fitch Medians report indicates the median debt service coverage for small systems was 2.6, which is significantly higher than WOWSC's current debt service coverage despite the fact that WOWSC has relatively low leverage. A key benefit of sufficient debt service coverage is that it indicates revenue in excess of cash O&M that can be used to cash fund some portion of capital expenses.

**Table 3**  
**Days Cash on Hand**

	2017	2018	2019
<b>Actual Results</b>			
Liquid Assets	\$ 144,112	\$ 168,542	\$ 150,994
Less: Capital Expenditure Reserve	(47,158)	(41,983)	(41,983)
Net Unrestricted Reserves	\$ 96,954	\$ 126,559	\$ 109,012
Total Cash Operating Expenses	\$ 291,019	\$ 371,260	\$ 503,795
DCOH	122	124	79
<b>Modified Results if There Were No Lawsuits</b>			
Lawsuit Specific Costs	\$ -	\$ 25,480	\$ 159,173
Modified Net Unrestricted Reserves	96,954	152,039	293,665
Modified Cash Operating Expenses	291,019	345,780	344,622
DCOH (hypothetical)	122	160	311

<sup>1</sup> Fitch Ratings, 2019 Water and Sewer Medians, Public Finance, November 12, 2018.

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Page 3

Days cash on hand (DCOH) serves as an indication of liquidity or ability to meet short-term liabilities, particularly under unforeseen hardships. This is generally calculated as current unrestricted cash and investments, divided by annual cash operating expenditures, divided by 365 days in a year. The Fitch Medians report indicates the median DCOH for small systems was 627.

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August 25, 2020

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August 25, 2020  
Page 5

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Sincerely,

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A handwritten signature in black ink that reads "Grant Rabon". The signature is fluid and cursive, with the first name "Grant" and last name "Rabon" clearly distinguishable.

Grant Rabon, Executive Consultant

FINAL DRAFT

## Windermere Oaks Water Supply Corp

## Exhibit A

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## Notes:

- A Assumed to be the same as in 2019
- B Forecasted based on eight months at current rates and four months at prior rates as well as 10 additional water and sewer customers in 2020
- C Assumed to be \$0 based on recent actual fees
- D Based on 10 water and sewer customers added per year
- E Assumed to be equal to the tap fee revenue
- F Based on an average of the actual results for the last three years
- G Estimate for the purposes of the analysis
- H Based on CoBank estimates for loans in the amounts of \$230,000 and \$150,000
- I Assumes bad debt does not increase significantly



joe gimenez <1129jgg@gmail.com>

---

## Voice Message - Final report

42 messages

---

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

Sun, Aug 30, 2020 at 12:40 PM

To: Grant Rabon <grabon@newgenstrategies.net>

Cc: Patricia Gerino <patriciag@aerophoto.com>

Grant,

I received your voice message from Friday. Yes, please send FINAL report. We are looking forward to posting it and having more discussions with our community about it.

Also, please send invoice.

You had mentioned a workshop process for discussing how to implement the financial policies discussed in your report. What would be next steps on that and projected fees?

Again, thank you for delivering an excellent report.

best regards,  
Joe

---

**Grant Rabon** <grabon@newgenstrategies.net>

Sun, Aug 30, 2020 at 1:41 PM

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

Cc: Patricia Gerino <patriciag@aerophoto.com>

Joe,

Attached is a final version of the financial assessment report. Feel free to contact me if anyone has questions.

Our firm does its invoicing the 15<sup>th</sup> of each month, so an invoice will be sent to you sometime around September 20.

Regarding next steps for the financial policies, I would suggest any workshops or other services related to helping to establish written financial policies be covered under an ad hoc task authorization, such as the one attached. It is difficult to provide an exact budget without knowing how the Board will want to proceed or what questions they will have, but I estimate it would be no more than \$2,000 (at most). Nonetheless, the attached contemplates establishing a \$5,000 budget to work against in case other issues arise that lead to services you would like me to provide on an ad hoc basis. To be clear, I will only bill for time actually worked.

Let me know if you want to schedule a call to discuss anything.

Thanks!

---

**Grant Rabon | NewGen Strategies & Solutions**

Executive Consultant



8140 North Mopac Expressway | Suite 1-240 | Austin, TX 78759

Office: (512) 900-8232 | Cellular: (512) 565-0123

grabon@newgenstrategies.net

Please visit our website at [www.newgenstrategies.net](http://www.newgenstrategies.net)



[Quoted text hidden]

---

## 2 attachments

 **NewGen Report.pdf**  
237K

 **TA-2.pdf**  
80K

---

**Joe Gimenez** <1129jjg@gmail.com>  
To: Grant Rabon <grabon@newgenstrategies.net>  
Cc: Patricia Gerino <patriciag@aerophoto.com>

Sun, Aug 30, 2020 at 3:03 PM

Grant,  
So in thinking about this report, maybe a change is needed. Sorry for the reversal here.

On page 6, the DCOH chart, we say 'lawsuit specific costs' was \$159k.

Not entirely accurate: There was some portion of general counsel mixed into that as well. My guess is that it was \$60k general counsel and \$90k lawsuit related. I'd have to review some things to come up with a better guess.

Should we adjust that or footnote it or something?  
thanks,  
Joe

[Quoted text hidden]

---

**Grant Rabon** <grabon@newgenstrategies.net>  
To: Joe Gimenez <1129jjg@gmail.com>  
Cc: Patricia Gerino <patriciag@aerophoto.com>

Sun, Aug 30, 2020 at 6:23 PM

First, thank you for reviewing the document so carefully. I, like you, want to make sure the report is accurate and perhaps a footnote for clarification is warranted. However, I want to first make sure I understand the facts. You seem to be indicating the \$159,173 in "Lawsuit Specific Costs" for 2019 on Table 3 of the report may be inaccurate.

Page 5 of the 7 page PDF attached shows the final financial results for WOWSC in 2019 and it lists \$79,586.41 for lawsuit related costs allocated to water and \$79,586.40 allocated to sewer for a total of \$159,172.81 in lawsuit related costs. There is an additional \$7,410.65 in legal/appraisal costs for the water and sewer utilities also listed for 2019. Do you think these expense were mislabeled? Might your estimates be different from the attached based on the difference between invoices received from the attorneys versus invoices paid? Am I misinterpreting these results?

Let me know your thoughts and I will be happy to make a correction if one is warranted.

[Quoted text hidden]

---

 **2019 Financials - Final.pdf**  
341K

---

**Joe Gimenez** <1129jgg@gmail.com>  
To: Grant Rabon <grabon@newgenstrategies.net>

Tue, Sep 1, 2020 at 3:37 PM

Grant,  
So the line item for legal costs should be coded differently. We should break them into specific lawsuit costs and specific general counsel. Let me see what I can do. I think the point of the chart is to show how the lawsuit costs have impacted us so I want to make sure that those costs are separated from the general counsel. the appraisal other legal costs are okay as stated on the financials.

Let me see what I can do and will get back to you.

jg

[Quoted text hidden]

---

**Grant Rabon** <grabon@newgenstrategies.net>  
To: Joe Gimenez <1129jgg@gmail.com>

Tue, Sep 1, 2020 at 3:40 PM

Sure. I am happy to update the numbers once we have clarity around what amounts are for what purposes. Thanks!

[Quoted text hidden]

---

**Joe Gimenez** <1129jgg@gmail.com>  
To: Grant Rabon <grabon@newgenstrategies.net>  
Cc: Jamie Mauldin <jmauldin@lglawfirm.com>

Tue, Sep 1, 2020 at 4:10 PM

Grant,  
Lawsuit specific **paid bills** were approximately \$105,395.00 in 2019.

The remaining \$51k-ish in **paid bills** was general counsel.

These numbers are fairly close estimates of invoices that were received in the appropriate time period to pay them, but I don't know exactly how they were paid. In other words, we would receive three invoices from attorneys -- 2 from Lloyd Gosselink and 1 from Enoch Kever per month. (As example, the LG bills we received in December would be for work performed in October, whereas the EK bill we receive in December would be for work performed in November.) Then the accountants wrote checks. I don't know if it was one check for both invoices for LG or what. But this is a pretty fair estimate of amounts invoiced to us versus what is indicated as being paid on the balance sheet.

I've included Jamie Mauldin, our rate case attorney, on this email as I would like her to have this information as well.

So I think the "Lawsuit Specific Costs" notation of your report could reflect this somehow.

Best regards,  
Joe

jg

[Quoted text hidden]

---

**Grant Rabon** <grabon@newgenstrategies.net>  
To: Joe Gimenez <1129jgg@gmail.com>  
Cc: Jamie Mauldin <jmauldin@lglawfirm.com>

Tue, Sep 1, 2020 at 5:02 PM

Just so I am clear, the general counsel work that was performed for you in 2019 was not related to the lawsuits? Put another way, if the lawsuits would not have happened you would have still incurred approximately \$51,000 in general

counsel fees?

[Quoted text hidden]

---

**Joe Gimenez** <1129jjg@gmail.com>  
To: Grant Rabon <grabon@newgenstrategies.net>  
Cc: Jamie Mauldin <jmauldin@lglawfirm.com>

Tue, Sep 1, 2020 at 5:46 PM

Well that's certainly something that I am contending. Namely that the ratepayers Representatives and the puc case are connected to the plaintiffs and that all of their activity in 2019 including a removal petition and the number of other situations which required general counsel would not have occurred if there were not litigation going on. For example also they required us to use general counsel for PIA request. We had 46 PIA request in 2019 and 40 of them or so or either the plaintiffs in the lawsuit or their allies in the neighborhood. So the general counsel definitely was to advise us of how to respond to these situations given that we knew that they were part of or would be part of potential litigation.

Sorry for any misspellings and bad wording I'm using talk mode while I'm driving

[Quoted text hidden]

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**4 attachments**



image009.jpg  
3K



image010.jpg  
3K



image011.jpg  
3K



image012.jpg  
3K

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**Joe Gimenez** <1129jjg@gmail.com>  
To: Grant Rabon <grabon@newgenstrategies.net>  
Cc: Jamie Mauldin <jmauldin@lglawfirm.com>

Wed, Sep 2, 2020 at 11:24 AM

Jamie,  
Grant at NewGen created a report for the Board, attached. We are discussing page 2 of the report, Table 3, specifically the amount for "Lawsuit Specific Costs" and our discussion reflects concerns of accuracy for that number as I know the ratepayer reps will seize upon that. Do you have any thoughts about how to properly represent that? Should Grant just handle that with a footnote somehow?

thanks,

Joe

[Quoted text hidden]

---

**6 - NewGen Report - FINAL DRAFT.pdf**  
835K

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**Jamie Mauldin** <jmauldin@lglawfirm.com>  
To: Joe Gimenez <1129jjg@gmail.com>, Grant Rabon <grabon@newgenstrategies.net>

Thu, Sep 3, 2020 at 8:58 AM

Joe and Grant—

Would it be possible to modify the category name to something more general, ie. "Legal Expenses" and then footnote that these costs are directly related to ongoing lawsuits as well as general counsel services for PIA requests?

I'm available to discuss if you want to give my cell phone a buzz.

Thanks!

Jamie



**JAMIE L. MAULDIN**

Principal

512-322-5890 Direct

512-771-5232 Cell

Lloyd Gosselink Rochelle & Townsend, P.C.

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

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

[News](#) | [vCard](#) | [LinkedIn](#) | [Bio](#)

**From:** Joe Gimenez <[1129jig@gmail.com](mailto:1129jig@gmail.com)>

**Sent:** Wednesday, September 2, 2020 11:25 AM

**To:** Grant Rabon <[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)>

**Cc:** Jamie Mauldin <[jmauldin@lglawfirm.com](mailto:jmauldin@lglawfirm.com)>

**Subject:** Re: Voice Message - Final report

Jamie,

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thanks,

Joe

On Tue, Sep 1, 2020 at 5:46 PM Joe Gimenez <[1129jig@gmail.com](mailto:1129jig@gmail.com)> wrote:

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Sorry for any misspellings and bad wording I'm using talk mode while I'm driving

On Tue, Sep 1, 2020, 5:02 PM Grant Rabon <[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)> wrote:

Just so I am clear, the general counsel work that was performed for you in 2019 was not related to the lawsuits? Put another way, if the lawsuits would not have happened you would have still incurred approximately \$51,000 in general counsel fees?

---

**Grant Rabon | NewGen Strategies & Solutions**

Executive Consultant

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[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)

Please visit our website at [www.newgenstrategies.net](http://www.newgenstrategies.net)

---

**From:** Joe Gimenez <[1129jjg@gmail.com](mailto:1129jjg@gmail.com)>  
**Sent:** Tuesday, September 01, 2020 4:10 PM  
**To:** Grant Rabon <[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)>  
**Cc:** Jamie Mauldin <[jmauldin@lglawfirm.com](mailto:jmauldin@lglawfirm.com)>  
**Subject:** Re: Voice Message - Final report

Grant,

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I've included Jamie Mauldin, our rate case attorney, on this email as I would like her to have this information as well.

So I think the "Lawsuit Specific Costs" notation of your report could reflect this somehow.

Best regards,

Joe

jg

On Tue, Sep 1, 2020 at 3:40 PM Grant Rabon <[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)> wrote:

Sure. I am happy to update the numbers once we have clarity around what amounts are for what purposes.  
Thanks!

---

**Grant Rabon | NewGen Strategies & Solutions**

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[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)

Please visit our website at [www.newgenstrategies.net](http://www.newgenstrategies.net)

---

**From:** Joe Gimenez <[1129jjg@gmail.com](mailto:1129jjg@gmail.com)>  
**Sent:** Tuesday, September 01, 2020 3:38 PM  
**To:** Grant Rabon <[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)>  
**Subject:** Re: Voice Message - Final report

Grant,

So the line item for legal costs should be coded differently. We should break them into specific lawsuit costs and specific general counsel. Let me see what I can do. I think the point of the chart is to show how the lawsuit costs have impacted us so I want to make sure that those costs are separated from the general counsel. the appraisal other legal costs are okay as stated on the financials.

Let me see what I can do and will get back to you.

jg

On Sun, Aug 30, 2020 at 6:23 PM Grant Rabon <[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)> wrote:



First, thank you for reviewing the document so carefully. I, like you, want to make sure the report is accurate and perhaps a footnote for clarification is warranted. However, I want to first make sure I understand the facts. You seem to be indicating the \$159,173 in "Lawsuit Specific Costs" for 2019 on Table 3 of the report may be inaccurate.

Page 5 of the 7 page PDF attached shows the final financial results for WOWSC in 2019 and it lists \$79,586.41 for lawsuit related costs allocated to water and \$79,586.40 allocated to sewer for a total of \$159,172.81 in lawsuit related costs. There is an additional \$7,410.65 in legal/appraisal costs for the water and sewer utilities also listed for 2019. Do you think these expense were mislabeled? Might your estimates be different from the attached based on the difference between invoices received from the attorneys versus invoices paid? Am I misinterpreting these results?

Let me know your thoughts and I will be happy to make a correction if one is warranted.

Thanks!

---

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grabon@newgenstrategies.net

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---

**From:** Joe Gimenez <[1129jig@gmail.com](mailto:1129jig@gmail.com)>

[Quoted text hidden]

[Quoted text hidden]

[Quoted text hidden]

[Quoted text hidden]

---

**From:** Joe Gimenez <[1129jig@gmail.com](mailto:1129jig@gmail.com)>  
**Sent:** Sunday, August 30, 2020 12:41 PM  
**To:** Grant Rabon <[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)>  
**Cc:** Patricia Gerino <[patriciag@aerophoto.com](mailto:patriciag@aerophoto.com)>  
**Subject:** Voice Message - Final report

Grant,

I received your voice message from Friday. Yes, please send FINAL report. We are looking forward to posting it and having more discussions with our community about it.

Also, please send invoice.

You had mentioned a workshop process for discussing how to implement the financial policies discussed in your report. What would be next steps on that and projected fees?

Again, thank you for delivering an excellent report.

best regards,

Joe

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---

**Grant Rabon** <grabon@newgenstrategies.net>

Thu, Sep 3, 2020 at 9:08 AM

To: Jamie Mauldin <jmauldin@lglawfirm.com>, Joe Gimenez <1129jjg@gmail.com>

I am open to having a quick call to come to an appropriate resolution of this matter. Changing the label to "Legal Expenses" may not solve the issue because there are other legal expenses that are not included in the amount listed. Thus, the amount does not reflect all legal expenses. Might the solution be to change the label from "Lawsuit Specific Costs" to "Lawsuit Related Legal Costs"? I am pretty open today if we want to discuss.

---

**Grant Rabon | NewGen Strategies & Solutions**

Executive Consultant

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Office: (512) 900-8232 | Cellular: (512) 565-0123

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Please visit our website at [www.newgenstrategies.net](http://www.newgenstrategies.net)





[Quoted text hidden]

---

**Grant Rabon** <grabon@newgenstrategies.net>  
To: Jamie Mauldin <jmauldin@lglawfirm.com>, Joe Gimenez <1129jjg@gmail.com>

Thu, Sep 3, 2020 at 9:10 AM

We could also add the footnote stating the "Lawsuit Related Legal Costs" include costs are directly related to ongoing lawsuits as well as general counsel services for PIA requests.

---

**Grant Rabon | NewGen Strategies & Solutions**

Executive Consultant

8140 North Mopac Expressway | Suite 1-240 | Austin, TX 78759

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grabon@newgenstrategies.net

Please visit our website at [www.newgenstrategies.net](http://www.newgenstrategies.net)



**From:** Jamie Mauldin <jmauldin@lglawfirm.com>  
**Sent:** Thursday, September 03, 2020 8:58 AM  
**To:** 'Joe Gimenez' <1129jjg@gmail.com>; Grant Rabon <grabon@newgenstrategies.net>

[Quoted text hidden]

[Quoted text hidden]

---

**Jamie Mauldin** <jmauldin@lglawfirm.com>  
To: Grant Rabon <grabon@newgenstrategies.net>, Joe Gimenez <1129jjg@gmail.com>

Thu, Sep 3, 2020 at 9:11 AM

Grant, I like your suggested revisions.



**JAMIE L. MAULDIN**  
Principal  
512-322-5890 Direct  
512-771-5232 Cell  
Lloyd Gosselink Rochelle & Townsend, P.C.  
816 Congress Ave., Suite 1900, Austin, TX 78701

www.lglawfirm.com | 512-322-5800  
News | vCard | LinkedIn | Bio

[Quoted text hidden]

---

**Grant Rabon** <grabon@newgenstrategies.net>  
To: Jamie Mauldin <jmauldin@lglawfirm.com>, Joe Gimenez <1129jgg@gmail.com>

Thu, Sep 3, 2020 at 9:20 AM

Does that sound like an acceptable solution Joe?

[Quoted text hidden]

---

**Joe Gimenez** <1129jgg@gmail.com>  
To: Grant Rabon <grabon@newgenstrategies.net>  
Cc: Jamie Mauldin <jmauldin@lglawfirm.com>

Thu, Sep 3, 2020 at 11:11 AM

Works for me.

Sorry to have been a pain about this.

[Quoted text hidden]

---

**Grant Rabon** <grabon@newgenstrategies.net>  
To: Joe Gimenez <1129jgg@gmail.com>  
Cc: Jamie Mauldin <jmauldin@lglawfirm.com>

Thu, Sep 3, 2020 at 11:21 AM

No problem at all.

[Quoted text hidden]

---

**Joe Gimenez** <1129jgg@gmail.com>  
To: Grant Rabon <grabon@newgenstrategies.net>  
Cc: Patricia Gerino <patriciag@aerophoto.com>, Troupe Brewer <tbrewer@lglawfirm.com>

Wed, Sep 23, 2020 at 4:12 PM

Grant,  
The Board last night agreed to further engagement with NewGen, for a workshop to establish financial policies. The Board envisioned that the workshop will be conducted as an open meeting, to work through discussion of the policies proposed in the report, with the final work product to be a document that is produced after the workshop, incorporating the workshop discussion, for adaptation by the Board at a subsequent meeting. Do you believe this ad hoc authorization document already incorporates that scope of work or does it need to be modified?

Best regards,  
Joe

On Sun, Aug 30, 2020 at 1:42 PM Grant Rabon <grabon@newgenstrategies.net> wrote:

[Quoted text hidden]

---

**Grant Rabon** <grabon@newgenstrategies.net>  
To: Joe Gimenez <1129jgg@gmail.com>  
Cc: Patricia Gerino <patriciag@aerophoto.com>, Troupe Brewer <tbrewer@lglawfirm.com>

Wed, Sep 23, 2020 at 4:22 PM

Joe,

I think the ad hoc authorization is fine to cover what you have described. When (on what date) were you thinking you would want to have the workshop to discuss the financial policies?

[Quoted text hidden]

---

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

Wed, Sep 23, 2020 at 4:41 PM

To: Grant Rabon <grabon@newgenstrategies.net>

Cc: Patricia Gerino <patriciag@aerophoto.com>, Troupe Brewer <tbrewer@lglawfirm.com>

Grant,

That's great news re the authorization. Could you change the date to reflect today's date?

re the meeting -- we will do it by Zoom and since the mediation for the rate case is now postponed indefinitely we can do it any time. We just need three days to post notice before any proposed meeting date. I am out the week of the Oct. 5-9, so next week or the week of Oct. 12-16. Or later. Up to you.

best regards,

Joe

[Quoted text hidden]

---

**Grant Rabon** <grabon@newgenstrategies.net>

Thu, Sep 24, 2020 at 7:20 PM

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

Cc: Patricia Gerino <patriciag@aerophoto.com>, Troupe Brewer <tbrewer@lglawfirm.com>

Joe,

Attached is the task authorization with today's date as the effective date.

As for scheduling the workshop, I have ample availability currently for the week of October 12 through October 16, except I have a city council meeting the evening of Tuesday, October 13. Does one of those dates work best for you?

[Quoted text hidden]

---

 **TA-2.pdf**  
80K

---

**Patricia Gerino** <pgerino@gmail.com>

Fri, Sep 25, 2020 at 10:19 AM

Reply-To: pgerino@gmail.com

To: Grant Rabon <grabon@newgenstrategies.net>

Cc: Joe Gimenez <1129jgg@gmail.com>, Patricia Gerino <patriciag@aerophoto.com>, Troupe Brewer <tbrewer@lglawfirm.com>

I am good any day suring that time frame. Joe are we looking at an evening workshop?



Click For A Quick Video Of Our Work

Patricia Gerino

888-542-0231

4000 16th Street North

St. Petersburg, FL 33703

Visit our website

[Quoted text hidden]

---

**Joe Gimenez** <1129jjg@gmail.com>  
To: Grant Rabon <grabon@newgenstrategies.net>  
Cc: Patricia Gerino <patriciag@aerophoto.com>, Troupe Brewer <tbrewer@lglawfirm.com>

Mon, Sep 28, 2020 at 11:05 AM

Grant,  
Let's pencil in Oct. 14, at 6 p.m.  
Let me work to confirm.  
Best regards,  
Joe

[Quoted text hidden]

---

**Grant Rabon** <grabon@newgenstrategies.net>  
To: Joe Gimenez <1129jjg@gmail.com>  
Cc: Patricia Gerino <patriciag@aerophoto.com>, Troupe Brewer <tbrewer@lglawfirm.com>

Mon, Sep 28, 2020 at 11:09 AM

Thanks for the heads-up. Let me know when this date is confirmed. Thanks!

[Quoted text hidden]

---

**Patricia Gerino** <pgerino@gmail.com>  
Reply-To: pgerino@gmail.com  
To: Joe Gimenez <1129jjg@gmail.com>  
Cc: Grant Rabon <grabon@newgenstrategies.net>, Patricia Gerino <patriciag@aerophoto.com>, Troupe Brewer <tbrewer@lglawfirm.com>

Mon, Sep 28, 2020 at 12:12 PM

That works for me



Click For A Quick Video Of Our Work  
*Patricia Gerino*  
888-542-0231  
4000 16th Street North  
St. Petersburg, FL 33703  
Visit our website

[Quoted text hidden]

---

**Joe Gimenez** <1129jig@gmail.com>  
To: Grant Rabon <grabon@newgenstrategies.net>

Thu, Oct 1, 2020 at 1:46 PM

Grant,  
It looks like the 12th will be meeting date. The Board had set a not-to-exceed \$2,500 amount for this exercise given our financial situation. Is that possible for you all to do this work for that amount? I thought that was the number on this at one point which is why I mentioned that at the meeting.  
Let me know.  
thanks,  
Joe  
[Quoted text hidden]

---

**Grant Rabon** <grabon@newgenstrategies.net>  
To: Joe Gimenez <1129jig@gmail.com>

Thu, Oct 1, 2020 at 1:57 PM

Yes, that will not be a problem. I had just suggested \$5,000 in case there were follow-up tasks. Let's talk sometime before October 12 just to touch base. Are you available on October 9 or are you on vacation? If October 9 does not work we can talk the morning of October 12.

[Quoted text hidden]

---

**Joe Gimenez** <1129jig@gmail.com>  
To: Grant Rabon <grabon@newgenstrategies.net>

Thu, Oct 1, 2020 at 2:00 PM

Grant,  
It would have to be the morning of the 12th.  
Maybe you could reword the not-to-exceed component as to what the follow-up tasks would be and their cost, giving the Board option in future?  
The lawsuits are having their effect on our financial decision making. It's a big deal for our small system.  
thanks,  
jg  
[Quoted text hidden]

---

**Grant Rabon** <grabon@newgenstrategies.net>  
To: Joe Gimenez <1129jig@gmail.com>

Thu, Oct 1, 2020 at 3:15 PM

I will send you an invitation for a short call to touch base on October 12. Do you need a new Task Authorization that states the not to exceed for this task is \$2,500? If not, I will commit to not billing more than \$2,500 for the currently requested task and we can leave the remaining budget for anything further you might desire as follow-up. Either way, I won't bill you for more than what we agreed without your permission (and only if the services requested change).

[Quoted text hidden]

---

**Grant Rabon** <grabon@newgenstrategies.net>  
To: Joe Gimenez <1129jig@gmail.com>

Fri, Oct 2, 2020 at 9:59 AM

Joe,

Can you send me the bond covenants from your new CoBank loan? Has that loan closed?

[Quoted text hidden]

---

**Joe Gimenez** <1129jig@gmail.com>  
To: Grant Rabon <grabon@newgenstrategies.net>

Fri, Oct 2, 2020 at 12:58 PM

Grant,

This email will suffice for our agreement so no need to send a new Task Authorization. I've signed and attached the one you previously sent.

Thank you for working with us. Much needed and much appreciated.

Best regards,

Joe

[Quoted text hidden]

---

 **Scan201001133517.pdf**  
299K

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

Fri, Oct 2, 2020 at 1:02 PM

To: Grant Rabon <grabon@newgenstrategies.net>

Cc: "DeLuca, John" <JDeLuca@cobank.com>, Mike Nelson <brownsandniners@aol.com>

Grant,

No, we have not closed.

I've attached what I think are the appropriate documents for your needs. And if not I've included John DeLuca at CoBank on this email, so that he can provide you with the Bond covenant information you seek.

For other information, please let Mike Nelson, our Treasurer know your needs next week. He also is cc'd on this email. I will be out elk hunting next week so I won't have email access.

Best regards,

Joe

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

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Thank you Joe. I do not believe anything was attached to your email, but I'm sure John DeLuca can provide me the draft covenants.

Happy and safe hunting!

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Cc: "DeLuca, John" <JDeLuca@cobank.com>, Mike Nelson <brownsandniners@aol.com>

Sorry, here it is. I think...

[Quoted text hidden]

---

 **Slip Pages for CoBank.pdf**  
4447K

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**DeLuca, John** <JDeLuca@cobank.com>

Fri, Oct 2, 2020 at 1:26 PM

To: Joe Gimenez <1129jgg@gmail.com>, Grant Rabon <grabon@newgenstrategies.net>

Cc: Mike Nelson <brownsandniners@aol.com>

Grant,

In addition to what Joe sent, noting specifically the Debt Service Reserve requirements, the following key financial covenants apply:

- Annual financial statements and Form 990 with 180 days of year end; interim financial statements upon request
- Consent for additional debt, with exceptions for USDA, TWDB and PMSI
- DSC of 1.25x

There are other requirements and I can share the Master Credit Agreement (upon consent from Joe or Mike).

We hope to close next week—pending a few open items.

LMK if you need anything else.

Thanks,

John DeLuca

 COBANK | Sr. Relationship Manager

Rural Water and Community Facilities

Mobile: (917) 838-7376

Jdeluca@cobank.com

[Quoted text hidden]

*Unless specifically stated, (i) this email does not create a legal relationship between CoBank, ACB, including its subsidiaries and affiliates (collectively "CoBank") and the recipient, and (ii) CoBank disclaims any liability for the content of this email or for the consequences of any actions taken on the basis of the information provided in this email or its attachments. This email is intended solely for the use of the intended recipient(s) and may contain information that is confidential, privileged or otherwise protected from disclosure. If you are not the intended recipient of this email, please notify the sender, and delete it from your system. In communicating via email with CoBank, you consent to the foregoing.*

CoBank, 6340 S. Fiddlers Green Circle, Greenwood Village, CO 80111 [www.cobank.com](http://www.cobank.com)

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Fri, Oct 2, 2020 at 1:34 PM

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To: Grant Rabon <grabon@newgenstrategies.net>, Joe Gimenez <1129jig@gmail.com>

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Here you go....

John DeLuca

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Rural Water and Community Facilities

Mobile: (917) 838-7376

Jdeluca@cobank.com

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**Subject:** Re: Voice Message - Final report

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Let me know.

thanks,

Joe

On Thu, Sep 24, 2020 at 7:21 PM Grant Rabon <[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)> wrote:

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Thanks!

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---

**From:** Joe Gimenez <[1129jjg@gmail.com](mailto:1129jjg@gmail.com)>

**Sent:** Wednesday, September 23, 2020 4:42 PM

**To:** Grant Rabon <[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)>

**Cc:** Patricia Gerino <[patriciag@aerophoto.com](mailto:patriciag@aerophoto.com)>; Troupe Brewer <[tbrewer@lglawfirm.com](mailto:tbrewer@lglawfirm.com)>

**Subject:** Re: Voice Message - Final report

Grant,

That's great news re the authorization. Could you change the date to reflect today's date?

re the meeting -- we will do it by Zoom and since the mediation for the rate case is now postponed indefinitely we can do it any time. We just need three days to post notice before any proposed meeting date. I am out the week of the Oct. 5-9, so next week or the week of Oct. 12-16. Or later. Up to you.

best regards,

Joe

On Wed, Sep 23, 2020 at 4:22 PM Grant Rabon <[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)> wrote:

Joe,

I think the ad hoc authorization is fine to cover what you have described. When (on what date) were you thinking you would want to have the workshop to discuss the financial policies?

---

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---

**From:** Joe Gimenez <[1129jjg@gmail.com](mailto:1129jjg@gmail.com)>  
**Sent:** Wednesday, September 23, 2020 4:12 PM  
**To:** Grant Rabon <[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)>  
**Cc:** Patricia Gerino <[patriciag@aerophoto.com](mailto:patriciag@aerophoto.com)>; Troupe Brewer <[tbrewer@lglawfirm.com](mailto:tbrewer@lglawfirm.com)>  
**Subject:** Re: Voice Message - Final report

Grant,

The Board last night agreed to further engagement with NewGen, for a workshop to establish financial policies. The Board envisioned that the workshop will be conducted as an open meeting, to work through discussion of the policies proposed in the report, with the final work product to be a document that is produced after the workshop, incorporating the workshop discussion, for adaptation by the Board at a subsequent meeting. Do you believe this ad hoc authorization document already incorporates that scope of work or does it need to be modified?

Best regards,

Joe

On Sun, Aug 30, 2020 at 1:42 PM Grant Rabon <[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)> wrote:

Joe,

Attached is a final version of the financial assessment report. Feel free to contact me if anyone has questions.

Our firm does its invoicing the 15<sup>th</sup> of each month, so an invoice will be sent to you sometime around September 20.

Regarding next steps for the financial policies, I would suggest any workshops or other services related to helping to establish written financial policies be covered under an ad hoc task authorization, such as the one



attached. It is difficult to provide an exact budget without knowing how the Board will want to proceed or what questions they will have, but I estimate it would be no more than \$2,000 (at most). Nonetheless, the attached contemplates establishing a \$5,000 budget to work against in case other issues arise that lead to services you would like me to provide on an ad hoc basis. To be clear, I will only bill for time actually worked.

Let me know if you want to schedule a call to discuss anything.

Thanks!

---

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---

**From:** Joe Gimenez <[1129jig@gmail.com](mailto:1129jig@gmail.com)>  
**Sent:** Sunday, August 30, 2020 12:41 PM  
**To:** Grant Rabon <[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)>  
**Cc:** Patricia Gerino <[patriciag@aerophoto.com](mailto:patriciag@aerophoto.com)>  
**Subject:** Voice Message - Final report

Grant,

I received your voice message from Friday. Yes, please send FINAL report. We are looking forward to posting it and having more discussions with our community about it.

Also, please send invoice.

You had mentioned a workshop process for discussing how to implement the financial policies discussed in your report. What would be next steps on that and projected fees?


Again, thank you for delivering an excellent report.

best regards,

Joe

[Quoted text hidden]

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303K

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**Grant Rabon** <grabon@newgenstrategies.net>  
To: "DeLuca, John" <JDeLuca@cobank.com>, Joe Gimenez <1129jjg@gmail.com>  
Cc: Mike Nelson <brownsandniners@aol.com>

Fri, Oct 2, 2020 at 2:31 PM

Thanks!

---

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**Cc:** Mike Nelson <brownsandniners@aol.com>  
**Subject:** RE: Voice Message - Final report

Here you go....

John DeLuca

 **COBANK** | Sr. Relationship Manager



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Mobile: (917) 838-7376

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Grant,

That's great news re the authorization. Could you change the date to reflect today's date?

re the meeting -- we will do it by Zoom and since the mediation for the rate case is now postponed indefinitely we can do it any time. We just need three days to post notice before any proposed meeting date. I am out the week of the Oct. 5-9, so next week or the week of Oct. 12-16. Or later. Up to you.

best regards,

Joe

On Wed, Sep 23, 2020 at 4:22 PM Grant Rabon <[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)> wrote:

Joe,

I think the ad hoc authorization is fine to cover what you have described. When (on what date) were you thinking you would want to have the workshop to discuss the financial policies?

---

**Grant Rabon | NewGen Strategies & Solutions**

Executive Consultant

[8140 North Mopac Expressway](#) | [Suite 1-240](#) | Austin, TX 78759

Office: (512) 900-8232 | Cellular: (512) 565-0123

[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)

Please visit our website at [www.newgenstrategies.net](http://www.newgenstrategies.net)



**From:** Joe Gimenez <[1129jjg@gmail.com](mailto:1129jjg@gmail.com)>  
**Sent:** Wednesday, September 23, 2020 4:12 PM  
**To:** Grant Rabon <[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)>  
**Cc:** Patricia Gerino <[patriciag@aerophoto.com](mailto:patriciag@aerophoto.com)>; Troupe Brewer <[tbrewer@lglawfirm.com](mailto:tbrewer@lglawfirm.com)>  
**Subject:** Re: Voice Message - Final report

Grant,

The Board last night agreed to further engagement with NewGen, for a workshop to establish financial policies. The Board envisioned that the workshop will be conducted as an open meeting, to work through discussion of the policies proposed in the report, with the final work product to be a document that is produced after the workshop, incorporating the workshop discussion, for adaptation by the Board at a subsequent meeting. Do you believe this ad hoc authorization document already incorporates that scope of work or does it need to be modified?

Best regards,

Joe

On Sun, Aug 30, 2020 at 1:42 PM Grant Rabon <[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)> wrote:

Joe,

Attached is a final version of the financial assessment report. Feel free to contact me if anyone has questions.

Our firm does its invoicing the 15<sup>th</sup> of each month, so an invoice will be sent to you sometime around September 20.

Regarding next steps for the financial policies, I would suggest any workshops or other services related to helping to establish written financial policies be covered under an ad hoc task authorization, such as the one attached. It is difficult to provide an exact budget without knowing how the Board will want to proceed or what questions they will have, but I estimate it would be no more than \$2,000 (at most). Nonetheless, the attached contemplates establishing a \$5,000 budget to work against in case other issues arise that lead to services you would like me to provide on an ad hoc basis. To be clear, I will only bill for time actually worked.

Let me know if you want to schedule a call to discuss anything.

Thanks!

---

**Grant Rabon | NewGen Strategies & Solutions**

Executive Consultant

[8140 North Mopac Expressway](#) | [Suite 1-240](#) | Austin, TX 78759

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Please visit our website at [www.newgenstrategies.net](http://www.newgenstrategies.net)



---

**From:** Joe Gimenez <[1129jjg@gmail.com](mailto:1129jjg@gmail.com)>  
**Sent:** Sunday, August 30, 2020 12:41 PM  
**To:** Grant Rabon <[grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net)>  
**Cc:** Patricia Gerino <[patriciag@aerophoto.com](mailto:patriciag@aerophoto.com)>  
**Subject:** Voice Message - Final report

Grant,

I received your voice message from Friday. Yes, please send FINAL report. We are looking forward to posting it and having more discussions with our community about it.

Also, please send invoice.

You had mentioned a workshop process for discussing how to implement the financial policies discussed in your report. What would be next steps on that and projected fees?

Again, thank you for delivering an excellent report.

best regards,

Joe

[Quoted text hidden]



8140 N Mopac Expy  
Bldg 1, Ste 240  
Austin, TX 78759  
Phone: (512) 479-7900  
Fax: (512) 479-7905

August 27, 2020

via email

Mr. Joe Gimenez  
Windermere Oaks Water Supply Corporation  
424 Coventry Road  
Spicewood, TX 78669

**Subject: Financial Assessment**

Dear Mr. Gimenez:

NewGen Strategies and Solutions, LLC (NewGen) performed a high-level financial assessment of Windermere Oaks Water Supply Corporation (WOWSC) to document the impact of the lawsuits on WOWSC's financial position and provide possible financial policies that may benefit the utility.

## Recent History

NewGen reviewed the financial results for 2017, 2018, and 2019 to assess WOWSC's recent financial history. The following tables provide a summary of WOWSC's financial condition as measured by various common benchmarks over the past three years. It is important to recognize that WOWSC's involvement in two lawsuits brought against WOWSC by TOMA Integrity, Inc. and by Rene Ffrench, John Richard Dial, and Stuart Bruce Sorgen have placed significant strain on the financial condition of the utility. Further, WOWSC is currently defending its March 2020 rate change, necessitated by legal expenses, at the Public Utility Commission of Texas (PUCT). WOWSC's future financial condition depends on the duration and outcome of its various legal challenges.

**Table 1  
Leverage Ratios**

	2017	2018	2019
<b>Debt to Capitalization</b>			
Debt	\$ 388,064	\$ 357,549	\$ 331,989
Equity	1,177,136	1,179,199	1,128,317
Total	\$ 1,565,199	\$ 1,536,748	\$ 1,460,306
Ratio	<b>25%</b>	<b>23%</b>	<b>23%</b>
<b>Debt to Net Plant Assets</b>			
Debt	\$ 388,064	\$ 357,549	\$ 331,989
Net Asset Value of Plant	1,396,139	1,363,874	1,285,272
Ratio	<b>28%</b>	<b>26%</b>	<b>26%</b>



August 27, 2020

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The debt to capitalization ratio and debt to net plant assets ratio provide an indication of the leverage of the utility. There is not a target leverage ratio that is ideal for all utilities but, generally, the lower the leverage ratio, the more financial flexibility the utility has and the easier it is for the utility to finance its capital needs. As a point of reference, in a recent Fitch Ratings report (Fitch Medians)<sup>1</sup>, the median value of debt to net plant assets for small systems (defined as utilities serving fewer than 100,000 persons) was 36%. Thus, WOWSC is less leveraged than the Fitch median small system by this metric. It is important to note that WOWSC is significantly smaller than the average system defined as a small system by Fitch.

**Table 2**  
**Debt Service Coverage**

	2017	2018	2019
Available for Debt Service	\$ 85,606	\$ 91,885	\$ 55,681
Debt Service	50,118	50,104	50,089
Ratio	<b>1.71</b>	<b>1.83</b>	<b>1.11</b>

Debt service coverage is a measure of financial flexibility that judges a utility's financial margin to pay debt service from net revenues after priority expenses, such as operation and maintenance (O&M) expenses, are paid. It is common for utility debt covenants to have a requirement for debt service coverage, such as 1.25. WOWSC's debt service coverage decreased precipitously in 2019 due, in large part, to lawsuit expenses. The Fitch Medians report indicates the median debt service coverage for small systems was 2.6, which is significantly higher than WOWSC's current debt service coverage despite the fact that WOWSC has relatively low leverage. A key benefit of sufficient debt service coverage is that it indicates revenue in excess of cash O&M that can be used to cash fund some portion of capital expenses.

**Table 3**  
**Days Cash on Hand**

	2017	2018	2019
<b>Actual Results</b>			
Liquid Assets	\$ 144,112	\$ 168,542	\$ 150,994
Less: Capital Expenditure Reserve	(47,158)	(41,983)	(41,983)
Net Unrestricted Reserves	\$ 96,954	\$ 126,559	\$ 109,012
Total Cash Operating Expenses	\$ 291,019	\$ 371,260	\$ 503,795
DCOH	<b>122</b>	<b>124</b>	<b>79</b>
<b>Modified Results if There Were No Lawsuits</b>			
Lawsuit Specific Costs	\$ -	\$ 25,480	\$ 159,173
Modified Net Unrestricted Reserves	96,954	152,039	293,665
Modified Cash Operating Expenses	291,019	345,780	344,622
DCOH (hypothetical)	<b>122</b>	<b>160</b>	<b>311</b>

<sup>1</sup> Fitch Ratings, 2019 Water and Sewer Medians, Public Finance, November 12, 2018.

August 27, 2020

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Days cash on hand (DCOH) serves as an indication of liquidity or ability to meet short-term liabilities, particularly under unforeseen hardships. This is generally calculated as current unrestricted cash and investments, divided by annual cash operating expenditures, divided by 365 days in a year. The Fitch Medians report indicates the median DCOH for small systems was 627.

As shown in Table 3, WOWSC's actual DCOH has been declining significantly as a result of lawsuit expenses. Table 3 also shows a hypothetical DCOH based on what NewGen estimates would have been the financial impact if WOWSC had not had the lawsuit expenses (with all else equal). WOWSC took action in February 2020 to increase water and sewer rates to help mitigate the financial impact of the lawsuits. WOWSC's financial condition would be significantly improved, and rates could be lowered, if all outstanding legal disputes were resolved.

## Current Conditions

NewGen developed a financial projection for 2020 based on the WOWSC 2020 budget (with a few line items adjusted), current rates, new CoBank loans, and assumed lawsuit expenses, as shown in Exhibit A. The analysis indicates WOWSC will essentially breakeven on a cash basis if lawsuit expenses are limited to approximately \$245,000 in 2020. It is worth noting that WOWSC has been billed for approximately \$169,000 for legal expenses related to the lawsuit as of May 2020. Thus, further financial deterioration is possible if legal expenses do not abate despite the significant increase in rates approved in February 2020.

## Financial Policies

It is good governance for utilities to have written financial policies to guide the utility and ensure consistent decision-making over time. NewGen is not aware of any written financial policies for WOWSC. Therefore, we suggest the following possible financial policies for consideration by WOWSC. Not all of these policies may be needed or appropriate. Further, the inclusion of one policy may impact the stated target of another policy. For example, whether or not WOWSC opts to maintain an emergency reserve fund may alter the number of days cash O&M WOWSC targets for its operating reserve. Utilities that employ financial policies, such as the ones suggested below, tend to be rewarded with better interest rates from lenders and more favorable terms for financing. Further, financial policies can help guide consistent, optimal decision-making.

To be clear, the targets listed in the financial policies below are merely suggestions. The actual targets appropriate for each of the policies below should be selected by the WOWSC Board based on WOWSC's priorities, values, and risk tolerance. WOWSC may not need to adopt all of the suggested policies listed below but, rather, may pick and choose the policies that are appropriate for WOWSC.

### List of Possible Financial Policies

- The term of debt generally shall not exceed the useful life of the asset financed, and shall not generally exceed 30 years.
- Debt service coverage of at least 1.50x shall be targeted (and actual debt service coverage shall be in compliance with all relevant debt covenants).
- Ongoing routine, preventive maintenance should be funded on a pay-as-you-go basis.
- Capital projects should be financed through a combination of cash, referred to as pay-as-you-go financing (equity contributions from current revenues), and debt. An equity contribution ratio of at least 15% is desirable.

August 27, 2020

Page 4

- The utility shall maintain operating cash reserves equivalent to a minimum of 90 days of budgeted cash operations and maintenance expense.
- The utility shall maintain an emergency reserve with a minimum of 30 days of budgeted cash operations and maintenance expense.
- The utility shall maintain a repair and replacement reserve with a target balance of 50% of current year depreciation.
- Rates shall be designed to generate sufficient revenues to support the full cost of operations and debt; provide debt service coverage and meet other debt covenants, if applicable; and ensure adequate and appropriate levels of reserves and working capital.

### **New Fair Market Value Process**

The 86<sup>th</sup> Texas Legislature passed House Bill 3542, which established a fair market valuation process that may be used by Class A or Class B water or sewer utilities acquiring another retail public utility (or facilities of another retail public utility).<sup>2</sup> This new fair market valuation process provides an acquiring utility the opportunity to put more than original cost less depreciation into rate base (i.e., a positive acquisition premium). Rate base for regulated utilities, such as investor-owned utilities (IOUs), is the invested capital on which they are allowed the opportunity to earn a return. Traditional rate regulation limits the primary component of rate base to original cost less depreciation. Thus, the opportunity to put a positive acquisition premium into rate base is attractive to the acquiring rate regulated utility. The presumed goal of House Bill 3542 was to make it more attractive for larger, more efficient and well financed utilities to acquire smaller and/or distressed utilities. The target utilities may be less efficient due to the scale of their operations or may lack access to sufficient funding to invest in facilities to improve service or satisfy regulatory requirements.<sup>3</sup> Thus, although a positive acquisition premium may result in higher rates for the customers of the acquired system, there is the potential benefit to customers of more efficient operations and/or improved service or regulatory compliance. Consolidating systems within a larger entity has the potential to achieve greater economies of scale and spread capital cost recovery over more customers, benefiting ratepayers.

While each situation is different, and there can be benefits of IOU ownership, it is important to note that IOUs have structural cost disadvantages as compared with not-for-profit entities, such as WOWSC. First, an IOU's return on investment, as established by the PUCT, includes profit that a not-for-profit entity does not require. Second, the IOU must pay taxes (property taxes, sales taxes, and income taxes) that a not-for-profit entity does not pay. Thus, in order for the IOU to charge the same or similar rates as the not-for-profit entity, the IOU must operate more efficiently than the not-for-profit entity in order to overcome these structural cost disadvantages and still generate a return for its investors. Further, whereas important decisions for WOWSC, such as rate-setting or impacts to community aesthetic, are made by a board that is elected by the customers, customers of IOUs must rely on the PUCT to ensure that rates, policies, and decisions are just, reasonable and in the public interest of all ratepayers. Thus, there is some loss of control that would accompany a transition from WOWSC's current governance structure to IOU ownership.

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<sup>2</sup> The new rules were adopted by the PUCT in Docket No. 49813.

<sup>3</sup> NewGen is in no way implying that WOWSC is inefficient or lacks access to sufficient capital funding. These are simply example attributes that are sometimes cited when discussing candidate target utilities under the fair market valuation process.

August 27, 2020  
Page 5

We appreciate the opportunity to assist WOWSC. If there are any questions regarding this financial assessment, please feel free to contact me.

Sincerely,  
NewGen Strategies and Solutions, LLC

A handwritten signature in black ink, reading "Grant Rabon". The signature is written in a cursive style with a large, stylized "G" and "R".

Grant Rabon, Executive Consultant

## Windermere Oaks Water Supply Corp

## Exhibit A

		Actual 2017	Actual 2018	Actual 2019	Budget 2020	Adjustments	Projected 2020	Notes
		A	B	C	E	F	G	H
1	Revenue							
2	Standby Fees	\$ 41,977	\$ 38,959	\$ 44,079	\$ 33,000	\$ 11,079	\$ 44,079	A
3	Service	279,873	341,066	369,541	390,000	145,553	535,553	B
4	Late Charge	6,750	8,575	5,092	5,000		5,000	
5	Membership Transfer Fees	70	350	(1,982)	2,800	(2,800)	-	C
6	Equity Buy-In Fees	24,000	41,800	50,600	27,600	18,400	46,000	D
7	Tap Fees	8,250	16,425	20,700	10,350	13,900	24,250	D
8	Reconnect Fee	35	-	-	-		-	
9	Miscellaneous	-	2,035	59,149	-		-	
10		\$ 360,956	\$ 449,211	\$ 547,180	\$ 468,750		\$ 654,882	
11	Other							
12	Interest Income	\$ 362	\$ 331	\$ 481	\$ 300		\$ 300	
13	Property Sales	-	-	-	-		-	
14		\$ 362	\$ 331	\$ 481	\$ 300		\$ 300	
15								
16	Total Revenue	\$ 361,318	\$ 449,543	\$ 547,661	\$ 469,050		\$ 655,182	
17								
18	Operating Expenses							
19	Operator	\$ 109,800	\$ 116,825	\$ 117,865	\$ 123,375		\$ 123,375	
20	Chemicals	10,425	10,602	12,035	12,450		12,450	
21	Electricity	20,143	21,585	20,922	22,400		22,400	
22	Sludge Removal	8,095	4,521	2,363	5,000		5,000	
23	LCRA Raw Water Fee	8,551	8,468	8,490	9,000		9,000	
24	Lab Fees	5,244	7,166	8,459	6,500		6,500	
25	Website	358	358	-	500		500	
26	New Service Taps	15,455	10,462	20,985	7,200	17,050	24,250	E
27	Bank Charges	481	411	222	600		600	
28	Accounting	4,263	6,465	5,848	17,800		17,800	
29	Billing Services	15,928	14,350	15,679	20,000		20,000	
30	Contract Services	2,657	4,783	3,069	9,000		9,000	
31	Legal and Appraisal	2,247	12,501	7,411	-	7,386	7,386	F
32	Legal - Lawsuit Specific	-	25,480	159,173	110,000	135,223	245,223	G
33	Dues and Subscriptions	2,552	1,835	178	4,000		4,000	
34	TCEQ Fees	1,818	1,816	1,816	2,100		2,100	
35	Insurance	12,577	14,083	14,161	21,000		21,000	
36	Meals and Entertainment	-	131	-	500		500	
37	Office Supplies	1,570	1,283	4,707	3,400		3,400	
38	Telephone and Internet	4,156	4,526	6,549	6,000		6,000	
39	Postage and Shipping	2,510	2,094	2,710	5,000		5,000	
40	Equipment Rental	-	-	250	1,500		1,500	
41	Repairs and Maintenance	35,481	76,824	71,060	50,000	11,121	61,121	F
42	Repair Parts	8,468	7,523	6,730	16,000		16,000	
43	Printing	-	2,184	168	1,500		1,500	
44	Interest	15,307	13,603	11,815	14,000	28	14,028	H
45	Taxes - Property	-	-	-	40		40	
46	Meetings and Conferences	2,933	1,382	1,130	2,500		2,500	
47		\$ 291,019	\$ 371,260	\$ 503,795	\$ 471,365		\$ 642,174	
48								
49	Net Income before Depreciation	\$ 70,300	\$ 78,283	\$ 43,866	\$ (2,315)		\$ 13,008	
50								
51	Debt Principal	\$ 34,812	\$ 36,502	\$ 38,274	\$ -	13,008	\$ 13,008	H
52								
53	Net Cash Flow before Cash Capital Outlay	\$ 35,488	\$ 41,781	\$ 5,592	\$ (2,315)		\$ -	I

## Notes:

- A Assumed to be the same as in 2019
- B Forecasted based on eight months at current rates and four months at prior rates as well as 10 additional water and sewer customers in 2020
- C Assumed to be \$0 based on recent actual fees
- D Based on 10 water and sewer customers added per year
- E Assumed to be equal to the tap fee revenue
- F Based on an average of the actual results for the last three years
- G Estimate for the purposes of the analysis
- H Based on CoBank estimates for loans in the amounts of \$230,000 and \$150,000
- I Assumes bad debt does not increase significantly

## **TASK AUTHORIZATION NO. 2**

### **Windermere Oaks Water Supply Corporation**

---

**Effective Date:** September 1, 2020

**Client Name:** Windermere Oaks Water Supply Corporation

**Task Authorization Description: Ad Hoc Meetings and Services**

Consultant and Client agree that this Task Authorization will be governed by the terms and conditions of the Agreement dated June 16, 2020, as amended, unless specifically modified herein.

#### **Scope of Services**

NewGen will provide ad hoc services at the Client's request. Services may include facilitation of a workshop for the Client Board to discuss possible financial policies, aid in the establishment of written financial policies, and develop a plan for the Client to transition into compliance with the adopted financial policies (if applicable). Other services may be provided on request.

#### **Schedule**

To be determined by mutual agreement.

#### **Fee for Services**

The initial budget established for this task is not-to-exceed \$5,000. The Consultant will only bill the Client for time actually worked, as established in the Agreement.

**Windermere Oaks Water Supply Corp      NewGen Strategies and Solutions, LLC**

Signature _____	Signature _____
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

9:54 AM  
08/19/20  
Cash Basis**Windermere Oaks W.S.C.**  
**Balance Sheet**  
As of December 31, 2019

	Dec 31, 19
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
10200 Cash in Bank-2100725	48,712.43
10205 - Capital Expenditures Reserve	41,982.58
10400 - MM/Contingency Funds-128546	60,299.43
Total Checking/Savings	150,994.44
Total Current Assets	150,994.44
Fixed Assets	
15000 - Furniture & Fixtures	2,572.62
15100 - Equipment	109,418.15
15200 - Fence	19,017.66
15300 - Water Treatment Facility	191,994.20
15310 - 2004 Water Plant Expansion	6,500.00
15340 - 3-Phase Electrical Upgrade	8,699.00
15350 - 2004 Water Storage Tank	70,649.95
15400 - Improvements	34,888.96
15401 - Tennis Village Lift Station (Replace Lift Station)	59,341.90
15402 - Water Plant Generator (New Generator)	35,000.00
15500 - Building	3,377.58
15600 - Sewer Plant	125,233.87
15650 - Barge Replacement	652.27
15700 - Hydrotank Foundation	9,599.19
15750 - Boat	4,000.00
15800 - Decant Lagoon	18,475.51
15850 - 2014 WW Treatment Plant (Expenditures for WWTP)	788,648.35
15851 - Total Land	
16800 - Lot 253	6,403.75
16900 - Land	54,705.69
Total 15851 - Total Land	61,109.44
15900 - Sewer Plant Bldg new	18,277.70
15950 - 2007 Water Treatment Plant	679,210.33
17000 - Accumulated Depreciation	-961,394.83
Total Fixed Assets	1,285,271.85
Other Assets	
19300 - Standby Fees Delinquent	27,569.29
Total Other Assets	27,569.29
<b>TOTAL ASSETS</b>	<b>1,463,835.58</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
25000 - Water & Sewer Taxes Payable	3,529.84
Total Other Current Liabilities	3,529.84
Total Current Liabilities	3,529.84
Long Term Liabilities	
27500 - Membership Fees Refundabl	107,442.75
27750 - Loan ABT WWTP April 4 2014 (This is first loan for WWTP)	224,546.24
Total Long Term Liabilities	331,988.99
Total Liabilities	335,518.83
Equity	
39005 - Retained Earnings	1,140,726.69
Net Income	-12,409.94

9:54 AM  
08/19/20  
Cash Basis

**Windermere Oaks W.S.C.**  
**Balance Sheet**  
As of December 31, 2019

	Dec 31, 19
Total Equity	1,128,316.75
TOTAL LIABILITIES & EQUITY	1,463,835.58



9:55 AM  
08/19/20  
Cash Basis

# Windermere Oaks W.S.C. Profit & Loss Budget Performance January through December 2019

	Jan - Dec 19	Budget	Jan - Dec 19	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
40000 · Standby Fees					
40000-5 · Standby Fees - Water	22,039.44	16,500.00	22,039.44	16,500.00	16,500.00
40000-6 · Standby Fees - Sewer	22,039.44	16,500.00	22,039.44	16,500.00	16,500.00
Total 40000 · Standby Fees	44,078.88	33,000.00	44,078.88	33,000.00	33,000.00
40200 · Water & Sewer Services					
40200-5 · Water Services	228,199.16	215,000.00	228,199.16	215,000.00	215,000.00
40200-6 · Sewer Services	141,469.36	140,000.03	141,469.36	140,000.03	140,000.03
40200 · Water & Sewer Services - Other	-127.42		-127.42		
Total 40200 · Water & Sewer Services	369,541.10	355,000.03	369,541.10	355,000.03	355,000.03
40300 · Late Charges					
40300-5 · Late Charges - Water	3,120.41	4,500.00	3,120.41	4,500.00	4,500.00
40300-6 · Late Charges - Sewer	1,972.01	3,000.00	1,972.01	3,000.00	3,000.00
Total 40300 · Late Charges	5,092.42	7,500.00	5,092.42	7,500.00	7,500.00
40400 · Membership Fees	-1,780.32		-1,780.32		
40410 · Membership Transfer Fees					
40410-5 · Membership Transfer Fees-Water	-160.99	150.00	-160.99	150.00	150.00
40410-6 · Membership Transfer Fees-Sewer	-161.01	150.00	-161.01	150.00	150.00
40410 · Membership Transfer Fees - Other	120.75		120.75		
Total 40410 · Membership Transfer Fees	-201.25	300.00	-201.25	300.00	300.00
40500 · Equity Buy-In Fees					
40500-5 · Equity Buy-In Fees - Water	25,300.00	13,800.00	25,300.00	13,800.00	13,800.00
40500-6 · Equity Buy-In Fees - Sewer	25,300.00	13,800.00	25,300.00	13,800.00	13,800.00
Total 40500 · Equity Buy-In Fees	50,600.00	27,600.00	50,600.00	27,600.00	27,600.00
40600 · Water & Sewer Taps					
40600-5 · Water Taps	10,350.00	5,175.00	10,350.00	5,175.00	5,175.00
40600-6 · Sewer Taps	10,350.00	5,175.00	10,350.00	5,175.00	5,175.00
Total 40600 · Water & Sewer Taps	20,700.00	10,350.00	20,700.00	10,350.00	10,350.00
42000 · Insurance Claim Settlements	59,855.84		59,855.84		
44000 · Regulatory Assessment fee refun					
44000-6 · Regulatory Assess Fee Ref-Sewer	-660.13		-660.13		
44000-5 · Regulatory Assess Fee Ref - Wat	-1,046.69		-1,046.69		
Total 44000 · Regulatory Assessment fee refun	-1,706.82		-1,706.82		
46400 · Reconnect fee					
46400-5 · Reconnect Fee - Water	0.00	200.00	0.00	200.00	200.00
46400-6 · Reconnect Fee - Sewer	0.00	200.00	0.00	200.00	200.00
Total 46400 · Reconnect fee	0.00	400.00	0.00	400.00	400.00
49200 · Airport Irrigation Project	1,000.00		1,000.00		
Total Income	547,179.85	434,150.03	547,179.85	434,150.03	434,150.03
Cost of Goods Sold					

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Cash Basis

**Windermere Oaks W.S.C.**  
**Profit & Loss Budget Performance**  
 January through December 2019

	Jan - Dec 19	Budget	Jan - Dec 19	YTD Budget	Annual Budget
50000 · COS-Operator					
50000-5 · COS Operator - Water	76,346.25	80,194.00	76,346.25	80,194.00	80,194.00
50000-6 · COS Operator - Sewer	41,518.75	43,181.00	41,518.75	43,181.00	43,181.00
<b>Total 50000 · COS-Operator</b>	<b>117,865.00</b>	<b>123,375.00</b>	<b>117,865.00</b>	<b>123,375.00</b>	<b>123,375.00</b>
57000 · COS-Chemicals					
57000-5 · COS Chemicals - Water	11,724.07	11,319.00	11,724.07	11,319.00	11,319.00
57000-6 · COS Chemicals - Sewer	311.17	231.00	311.17	231.00	231.00
<b>Total 57000 · COS-Chemicals</b>	<b>12,035.24</b>	<b>11,550.00</b>	<b>12,035.24</b>	<b>11,550.00</b>	<b>11,550.00</b>
57500 · COS-Electricity					
57500-5 · COS Electricity -Water	10,576.17	13,398.00	10,576.17	13,398.00	13,398.00
57500-6 · COS Electricity -Sewer	10,346.07	9,702.00	10,346.07	9,702.00	9,702.00
<b>Total 57500 · COS-Electricity</b>	<b>20,922.24</b>	<b>23,100.00</b>	<b>20,922.24</b>	<b>23,100.00</b>	<b>23,100.00</b>
58000 · COS-Sludge Removal					
58000-5 · COS-Sludge Removal - Water	972.50	4,140.00	972.50	4,140.00	4,140.00
58000-6 · COS-Sludge Removal - Sewer	1,390.00	4,860.00	1,390.00	4,860.00	4,860.00
<b>Total 58000 · COS-Sludge Removal</b>	<b>2,362.50</b>	<b>9,000.00</b>	<b>2,362.50</b>	<b>9,000.00</b>	<b>9,000.00</b>
58500 · LCRA - Raw Water Fee					
58500-5 · COS-LCRA Raw Water Fee - Water	4,780.29	7,200.00	4,780.29	7,200.00	7,200.00
58500-6 · COS-LCRA Raw Water Fee - Sewer	3,709.41	4,800.00	3,709.41	4,800.00	4,800.00
<b>Total 58500 · LCRA - Raw Water Fee</b>	<b>8,489.70</b>	<b>12,000.00</b>	<b>8,489.70</b>	<b>12,000.00</b>	<b>12,000.00</b>
59000 · COS-Lab Fees					
59000-5 · COS Lab Fees- Water	3,206.68	4,160.00	3,206.68	4,160.00	4,160.00
59000-6 · COS Lab Fees- Sewer	4,947.08		4,947.08		
59000 · COS-Lab Fees · Other	305.00		305.00		
<b>Total 59000 · COS-Lab Fees</b>	<b>8,458.76</b>	<b>4,160.00</b>	<b>8,458.76</b>	<b>4,160.00</b>	<b>4,160.00</b>
<b>Total COGS</b>	<b>170,133.44</b>	<b>183,185.00</b>	<b>170,133.44</b>	<b>183,185.00</b>	<b>183,185.00</b>
<b>Gross Profit</b>	<b>377,046.41</b>	<b>250,965.03</b>	<b>377,046.41</b>	<b>250,965.03</b>	<b>250,965.03</b>
<b>Expense</b>					
77600 · Website					
77600-5 · Website - Water	0.00	200.00	0.00	200.00	200.00
77600-6 · Website - Sewer	0.00	200.00	0.00	200.00	200.00
<b>Total 77600 · Website</b>	<b>0.00</b>	<b>400.00</b>	<b>0.00</b>	<b>400.00</b>	<b>400.00</b>
59610 · Install New Service Taps					
59610-5 · Install New Service Taps-Water	10,531.06	4,500.00	10,531.06	4,500.00	4,500.00
59610-6 · Install New Service Taps-Sewer	10,453.90	4,500.00	10,453.90	4,500.00	4,500.00
<b>Total 59610 · Install New Service Taps</b>	<b>20,984.96</b>	<b>9,000.00</b>	<b>20,984.96</b>	<b>9,000.00</b>	<b>9,000.00</b>
62000 · Bank Charges					
62000-5 · Bank Charges - Water	110.92	300.00	110.92	300.00	300.00
62000-6 · Bank Charges - Sewer	103.42	300.00	103.42	300.00	300.00
62000 · Bank Charges · Other	7.50		7.50		

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# Windermere Oaks W.S.C. Profit & Loss Budget Performance January through December 2019

	Jan - Dec 19	Budget	Jan - Dec 19	YTD Budget	Annual Budget
Total 62000 - Bank Charges	221.84	600.00	221.84	600.00	600.00
62400 - Bookkeeping					
62400-6 - Bookkeeping - Sewer	2,081.54		2,081.54		
62400-6 - Bookkeeping - Water	2,081.54		2,081.54		
Total 62400 - Bookkeeping	4,163.08		4,163.08		
62500 - Accounting					
62500-5 - Accounting - Water	915.00	5,000.00	915.00	5,000.00	5,000.00
62500-6 - Accounting - Sewer	770.00	5,000.00	770.00	5,000.00	5,000.00
Total 62500 - Accounting	1,685.00	10,000.00	1,685.00	10,000.00	10,000.00
62600 - Billing Services					
62600-5 - Billing - Water	7,839.62	8,400.00	7,839.62	8,400.00	8,400.00
62600-6 - Billing - Sewer	7,839.61	8,400.00	7,839.61	8,400.00	8,400.00
Total 62600 - Billing Services	15,679.23	16,800.00	15,679.23	16,800.00	16,800.00
62800 - Total Contract Services					
62804-5 - Professional Engineer - Water	0.00	2,500.00	0.00	2,500.00	2,500.00
62804-6 - Professional Engineer - Sewer	3,069.00	3,500.00	3,069.00	3,500.00	3,500.00
62806-5 - Consulting Fees - Water	0.00	2,000.00	0.00	2,000.00	2,000.00
62806-6 - Consulting Fees - Sewer	0.00	1,000.00	0.00	1,000.00	1,000.00
Total 62800 - Total Contract Services	3,069.00	9,000.00	3,069.00	9,000.00	9,000.00
63000 - Legal/Appraisal					
63000-5 - Legal/Appraisal - Water	3,707.83	7,200.00	3,707.83	7,200.00	7,200.00
63000-6 - Legal/Appraisal - Sewer	3,702.82	7,200.00	3,702.82	7,200.00	7,200.00
63100-5 - Lawsuit 2017/18-Water (2017/18 Lawsuit)	79,586.41	11,800.00	79,586.41	11,800.00	11,800.00
63100-6 - Lawsuit 2017/18-Sewer	79,586.40	11,800.00	79,586.40	11,800.00	11,800.00
Total 63000 - Legal/Appraisal	166,583.46	38,000.00	166,583.46	38,000.00	38,000.00
63500 - Dues & Subscriptions					
63500-5 - Dues/Subscriptions - Water	89.23	925.00	89.23	925.00	925.00
63500-6 - Dues/Subscriptions - Sewer	89.22	925.00	89.22	925.00	925.00
63501 - CTWC Subscription	0.00	2,000.00	0.00	2,000.00	2,000.00
Total 63500 - Dues & Subscriptions	178.45	3,850.00	178.45	3,850.00	3,850.00
64000 - Regulatory System Fee					
64010-6 - TCEQ Annual Fee - Sewer	1,250.00	1,500.00	1,250.00	1,500.00	1,500.00
64020-5 - TCEQ Annual Water System Fee	565.95	750.00	565.95	750.00	750.00
Total 64000 - Regulatory System Fee	1,815.95	2,250.00	1,815.95	2,250.00	2,250.00
65500 - Insurance					
65500-5 - Insurance - Water	7,080.28	8,000.00	7,080.28	8,000.00	8,000.00
65500-6 - Insurance - Sewer	7,080.27	8,000.00	7,080.27	8,000.00	8,000.00
Total 65500 - Insurance	14,160.55	16,000.00	14,160.55	16,000.00	16,000.00
66000 - Office Supplies					
66000-5 - Office Supplies - Water	2,354.62	1,500.00	2,354.62	1,500.00	1,500.00
66000-6 - Office Supplies - Sewer	2,352.37	1,500.00	2,352.37	1,500.00	1,500.00

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# Windermere Oaks W.S.C. Profit & Loss Budget Performance January through December 2019

	Jan - Dec 19	Budget	Jan - Dec 19	YTD Budget	Annual Budget
Total 66000 · Office Supplies	4,706.99	3,000.00	4,706.99	3,000.00	3,000.00
66500 · Telephone and Internet					
66500-5 · Telephone/Internet - Water	3,356.70	3,000.00	3,356.70	3,000.00	3,000.00
66500-6 · Telephone/Internet - Sewer	2,903.54	3,000.00	2,903.54	3,000.00	3,000.00
66500 · Telephone and Internet - Other	289.20		289.20		
Total 66500 · Telephone and Internet	6,549.44	6,000.00	6,549.44	6,000.00	6,000.00
67000 · Postage & Shipping Expense					
67000-5 · Postage & Shipping - Water	1,327.29	2,000.00	1,327.29	2,000.00	2,000.00
67000-6 · Postage & Shipping - Sewer	1,382.68	2,000.00	1,382.68	2,000.00	2,000.00
Total 67000 · Postage & Shipping Expense	2,709.97	4,000.00	2,709.97	4,000.00	4,000.00
68000 · Equipment Rental Expense	250.00	1,000.00	250.00	1,000.00	1,000.00
68500 · Repairs & Maintenance					
68500-5 · Repairs & Maintenance - Water	21,389.26	35,000.00	21,389.26	35,000.00	35,000.00
68500-6 · Repairs & Maintenance - Sewer	6,923.19	10,000.00	6,923.19	10,000.00	10,000.00
68522-5 · Barge Storm Damage 10/16/18 (Barge only storm damage)	42,747.78	6,000.00	42,747.78	6,000.00	6,000.00
Total 68500 · Repairs & Maintenance	71,060.23	51,000.00	71,060.23	51,000.00	51,000.00
68550 · Sludge Removal	90.00		90.00		
68600 · Repair Parts					
68600-5 · Repair Parts - Water	6,218.26	11,200.00	6,218.26	11,200.00	11,200.00
68600-6 · Repair Parts - Sewer	511.93	4,800.00	511.93	4,800.00	4,800.00
Total 68600 · Repair Parts	6,730.19	16,000.00	6,730.19	16,000.00	16,000.00
69000 · Printing Expense					
69000-5 · Printing Expense - Water	84.00	750.00	84.00	750.00	750.00
69000-6 · Printing Expense - Sewer	84.00	750.00	84.00	750.00	750.00
Total 69000 · Printing Expense	168.00	1,500.00	168.00	1,500.00	1,500.00
71500 · Interest Expense					
71500-5 · Interest Expense - Water	971.59	14,000.00	971.59	14,000.00	14,000.00
71500-6 · Interest Expense - Sewer	10,843.43		10,843.43		
Total 71500 · Interest Expense	11,815.02	14,000.00	11,815.02	14,000.00	14,000.00
72100 · Taxes-Property	0.00	40.00	0.00	40.00	40.00
77500 · Meetings/Conferences					
77500-5 · Meetings/Conferences-Water	837.50	1,250.00	837.50	1,250.00	1,250.00
77500-6 · Meetings/Conferences-Sewer	292.50	1,250.00	292.50	1,250.00	1,250.00
Total 77500 · Meetings/Conferences	1,130.00	2,500.00	1,130.00	2,500.00	2,500.00
Total Expense	333,751.36	204,940.00	333,751.36	204,940.00	204,940.00
Net Ordinary Income	43,295.05	46,025.03	43,295.05	46,025.03	46,025.03
Other Income/Expense					
Other Income					
41000 · Interest Income	481.01		481.01		
Total Other Income	481.01		481.01		



8140 N Mopac Expy  
Bldg 1, Ste 240  
Austin, TX 78759  
Phone: (512) 479-7900  
Fax: (512) 479-7905

August 25, 2020

via email

Mr. Joe Gimenez  
Windermere Oaks Water Supply Corporation  
424 Coventry Road  
Spicewood, TX 78669

**Subject: Financial Assessment**

Dear Mr. Gimenez:

NewGen Strategies and Solutions, LLC (NewGen) performed a high-level financial assessment of Windermere Oaks Water Supply Corporation (WOWSC) to document the impact of the lawsuits on WOWSC's financial position and provide possible financial policies that may benefit the utility.

## Recent History

NewGen reviewed the financial results for 2017, 2018, and 2019 to assess WOWSC's recent financial history. The following tables provide a summary of WOWSC's financial condition as measured by various common benchmarks over the past three years. It is important to recognize that WOWSC's involvement in two lawsuits brought against WOWSC by TOMA Integrity, Inc. and by Rene Ffrench, John Richard Dial, and Stuart Bruce Sorgen have placed significant strain on the financial condition of the utility. Further, WOWSC is currently defending its March 2020 rate change, necessitated by legal expenses, at the Public Utility Commission of Texas (PUCT). WOWSC's future financial condition depends on the duration and outcome of its various legal challenges.

**Table 1**  
**Leverage Ratios**

	2017	2018	2019
<b>Debt to Capitalization</b>			
Debt	\$ 388,064	\$ 357,549	\$ 331,989
Equity	1,177,136	1,179,199	1,128,317
Total	\$ 1,565,199	\$ 1,536,748	\$ 1,460,306
Ratio	<b>25%</b>	<b>23%</b>	<b>23%</b>
<b>Debt to Net Plant Assets</b>			
Debt	\$ 388,064	\$ 357,549	\$ 331,989
Net Asset Value of Plant	1,396,139	1,363,874	1,285,272
Ratio	<b>28%</b>	<b>26%</b>	<b>26%</b>

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The debt to capitalization ratio and debt to net plant assets ratio provide an indication of the leverage of the utility. There is not a target leverage ratio that is ideal for all utilities but, generally, the lower the leverage ratio, the more financial flexibility the utility has and the easier it is for the utility to finance its capital needs. As a point of reference, in a recent Fitch Ratings report (Fitch Medians)<sup>1</sup>, the median value of debt to net plant assets for small systems (defined as utilities serving fewer than 100,000 persons) was 36%. Thus, WOWSC is less leveraged than the Fitch median small system by this metric. It is important to note that WOWSC is significantly smaller than the average system defined as a small system by Fitch.

**Table 2**  
**Debt Service Coverage**

	2017	2018	2019
Available for Debt Service	\$ 85,606	\$ 91,885	\$ 55,681
Debt Service	50,118	50,104	50,089
Ratio	1.71	1.83	1.11

Debt service coverage is a measure of financial flexibility that judges a utility's financial margin to pay debt service from net revenues after priority expenses, such as operation and maintenance (O&M) expenses, are paid. It is common for utility debt covenants to have a requirement for debt service coverage, such as 1.25. WOWSC's debt service coverage decreased precipitously in 2019 due, in large part, to lawsuit expenses. The Fitch Medians report indicates the median debt service coverage for small systems was 2.6, which is significantly higher than WOWSC's current debt service coverage despite the fact that WOWSC has relatively low leverage. A key benefit of sufficient debt service coverage is that it indicates revenue in excess of cash O&M that can be used to cash fund some portion of capital expenses.

**Table 3**  
**Days Cash on Hand**

	2017	2018	2019
<b>Actual Results</b>			
Liquid Assets	\$ 144,112	\$ 168,542	\$ 150,994
Less: Capital Expenditure Reserve	(47,158)	(41,983)	(41,983)
Net Unrestricted Reserves	\$ 96,954	\$ 126,559	\$ 109,012
Total Cash Operating Expenses	\$ 291,019	\$ 371,260	\$ 503,795
DCOH	122	124	79
<b>Modified Results if There Were No Lawsuits</b>			
Lawsuit Specific Costs	\$ -	\$ 25,480	\$ 159,173
Modified Net Unrestricted Reserves	96,954	152,039	293,665
Modified Cash Operating Expenses	291,019	345,780	344,622
DCOH (hypothetical)	122	160	311

<sup>1</sup> Fitch Ratings, 2019 Water and Sewer Medians, Public Finance, November 12, 2018.

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Days cash on hand (DCOH) serves as an indication of liquidity or ability to meet short-term liabilities, particularly under unforeseen hardships. This is generally calculated as current unrestricted cash and investments, divided by annual cash operating expenditures, divided by 365 days in a year. The Fitch Medians report indicates the median DCOH for small systems was 627.

As shown in Table 3, WOWSC's actual DCOH has been declining significantly as a result of lawsuit expenses. Table 3 also shows a hypothetical DCOH based on what NewGen estimates would have been the financial impact if WOWSC had not had the lawsuit expenses (with all else equal). WOWSC took action in February 2020 to increase water and sewer rates to help mitigate the financial impact of the lawsuits. WOWSC's financial condition would be significantly improved, and rates could be lowered, if all outstanding legal disputes were resolved.

## Current Conditions

NewGen developed a financial projection for 2020 based on the WOWSC 2020 budget (with a few line items adjusted), current rates, new CoBank loans, and assumed lawsuit expenses, as shown in Exhibit A. The analysis indicates WOWSC will essentially breakeven on a cash basis if lawsuit expenses are limited to approximately \$245,000 in 2020. It is worth noting that WOWSC has been billed for approximately \$169,000 for legal expenses related to the lawsuit as of May 2020. Thus, further financial deterioration is possible if legal expenses do not abate despite the significant increase in rates approved in February 2020.

## Financial Policies

It is good governance for utilities to have written financial policies to guide the utility and ensure consistent decision-making over time. NewGen is not aware of any written financial policies for WOWSC. Therefore, we suggest the following possible financial policies for consideration by WOWSC. Not all of these policies may be needed or appropriate. Further, the inclusion of one policy may impact the stated target of another policy. For example, whether or not WOWSC opts to maintain an emergency reserve fund may alter the number of days cash O&M WOWSC targets for its operating reserve. Utilities that employ financial policies, such as the ones suggested below, tend to be rewarded with better interest rates from lenders and more favorable terms for financing. Further, financial policies can help guide consistent, optimal decision-making.

To be clear, the targets listed in the financial policies below are merely suggestions. The actual targets appropriate for each of the policies below should be selected by the WOWSC Board based on WOWSC's priorities, values, and risk tolerance. WOWSC may not need to adopt all of the suggested policies listed below but, rather, may pick and choose the policies that are appropriate for WOWSC.

### List of Possible Financial Policies

- The term of debt generally shall not exceed the useful life of the asset financed, and shall not generally exceed 30 years.
- Debt service coverage of at least 1.50x shall be targeted (and actual debt service coverage shall be in compliance with all relevant debt covenants).
- Ongoing routine, preventive maintenance should be funded on a pay-as-you-go basis.
- Capital projects should be financed through a combination of cash, referred to as pay-as-you-go financing (equity contributions from current revenues), and debt. An equity contribution ratio of at least 15% is desirable.

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- The utility shall maintain operating cash reserves equivalent to a minimum of 90 days of budgeted cash operations and maintenance expense.
- The utility shall maintain an emergency reserve with a minimum of 30 days of budgeted cash operations and maintenance expense.
- The utility shall maintain a repair and replacement reserve with a target balance of 50% of current year depreciation.
- Rates shall be designed to generate sufficient revenues to support the full cost of operations and debt; provide debt service coverage and meet other debt covenants, if applicable; and ensure adequate and appropriate levels of reserves and working capital.

### New Fair Market Value Process

The 86<sup>th</sup> Texas Legislature passed House Bill 3542, which established a fair market valuation process that may be used by Class A or Class B water or sewer utilities acquiring another retail public utility (or facilities of another retail public utility).<sup>2</sup> This new fair market valuation process provides an acquiring utility the opportunity to put more than original cost less depreciation into rate base (i.e., a positive acquisition premium). Rate base for regulated utilities, such as investor-owned utilities (IOUs), is the invested capital on which they are allowed the opportunity to earn a return. Traditional rate regulation limits the primary component of rate base to original cost less depreciation. Thus, the opportunity to put a positive acquisition premium into rate base is attractive to the acquiring rate regulated utility. The presumed goal of House Bill 3542 was to make it more attractive for larger, more efficient and well financed utilities to acquire smaller and/or distressed utilities. The target utilities may be less efficient due to the scale of their operations or may lack access to sufficient funding to invest in facilities to improve service or satisfy regulatory requirements.<sup>3</sup> Thus, although a positive acquisition premium may result in higher rates for the customers of the acquired system, there is the potential benefit to customers of more efficient operations and/or improved service or regulatory compliance. Consolidating systems within a larger entity has the potential to achieve greater economies of scale and spread capital cost recovery over more customers, benefiting ratepayers.

While each situation is different, and there can be benefits of IOU ownership, it is important to note that IOUs have structural cost disadvantages as compared with not-for-profit entities, such as WOWSC. First, an IOU's return on investment, as established by the PUCT, includes profit that a not-for-profit entity does not require. Second, the IOU must pay taxes (property taxes, sales taxes, and income taxes) that a not-for-profit entity does not pay. Thus, in order for the IOU to charge the same or similar rates as the not-for-profit entity, the IOU must operate more efficiently than the not-for-profit entity in order to overcome these structural cost disadvantages and still generate a return for its investors. Further, whereas important decisions for WOWSC, such as rate-setting or impacts to community aesthetic, are made by a board that is elected by the customers, customers of IOUs must rely on the PUCT to ensure that rates, policies, and decisions are just, reasonable and in the public interest of all ratepayers. Thus, there is some loss of control that would accompany a transition from WOWSC's current governance structure to IOU ownership.

<sup>2</sup> The new rules were adopted by the PUCT in Docket No. 49813.

<sup>3</sup> NewGen is in no way implying that WOWSC is inefficient or lacks access to sufficient capital funding. These are simply example attributes that are sometimes cited when discussing candidate target utilities under the fair market valuation process.



August 25, 2020  
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We appreciate the opportunity to assist WOWSC. If there are any questions regarding this financial assessment, please feel free to contact me.

Sincerely,

NewGen Strategies and Solutions, LLC

A handwritten signature in black ink that reads "Grant Rabon". The signature is fluid and cursive, with the first name "Grant" and last name "Rabon" clearly distinguishable.

Grant Rabon, Executive Consultant

FINAL DRAFT

## Windermere Oaks Water Supply Corp

## Exhibit A

		Actual 2017	Actual 2018	Actual 2019	Budget 2020	Adjustments	Projected 2020	Notes
		A	B	C	E	F	G	H
1	Revenue							
2	Standby Fees	\$ 41,977	\$ 38,959	\$ 44,079	\$ 33,000	\$ 11,079	\$ 44,079	A
3	Service	279,873	341,066	369,541	390,000	145,553	535,553	B
4	Late Charge	6,750	8,575	5,092	5,000		5,000	
5	Membership Transfer Fees	70	350	(1,982)	2,800	(2,800)	-	C
6	Equity Buy-In Fees	24,000	41,800	50,600	27,600	18,400	46,000	D
7	Tap Fees	8,250	16,425	20,700	10,350	13,900	24,250	D
8	Reconnect Fee	35	-	-	-		-	
9	Miscellaneous	-	2,035	59,149	-		-	
10		\$ 360,956	\$ 449,211	\$ 547,180	\$ 468,750		\$ 654,882	
11	Other							
12	Interest Income	\$ 362	\$ 331	\$ 481	\$ 300		\$ 300	
13	Property Sales	-	-	-	-		-	
14		\$ 362	\$ 331	\$ 481	\$ 300		\$ 300	
15								
16	Total Revenue	\$ 361,318	\$ 449,543	\$ 547,661	\$ 469,050		\$ 655,182	
17								
18	Operating Expenses							
19	Operator	\$ 109,800	\$ 116,825	\$ 117,865	\$ 123,375		\$ 123,375	
20	Chemicals	10,425	10,602	12,035	12,450		12,450	
21	Electricity	20,143	21,585	20,922	22,400		22,400	
22	Sludge Removal	8,095	4,521	2,363	5,000		5,000	
23	LCRA Raw Water Fee	8,551	8,468	8,490	9,000		9,000	
24	Lab Fees	5,244	7,166	8,459	6,500		6,500	
25	Website	358	358		500		500	
26	New Service Taps	15,455	10,462	20,985	7,200	17,050	24,250	E
27	Bank Charges	481	411	222	600		600	
28	Accounting	4,263	6,465	5,848	17,800		17,800	
29	Billing Services	15,928	14,350	15,679	20,000		20,000	
30	Contract Services	2,657	4,783	3,069	9,000		9,000	
31	Legal and Appraisal	2,247	12,501	7,411	-	7,386	7,386	F
32	Legal - Lawsuit Specific	-	25,480	159,173	110,000	135,223	245,223	G
33	Dues and Subscriptions	2,552	1,835	178	4,000		4,000	
34	TCEQ Fees	1,818	1,816	1,816	2,100		2,100	
35	Insurance	12,577	14,083	14,161	21,000		21,000	
36	Meals and Entertainment	-	131	-	500		500	
37	Office Supplies	1,570	1,283	4,707	3,400		3,400	
38	Telephone and Internet	4,156	4,526	6,549	6,000		6,000	
39	Postage and Shipping	2,510	2,094	2,710	5,000		5,000	
40	Equipment Rental	-	-	250	1,500		1,500	
41	Repairs and Maintenance	35,481	76,824	71,060	50,000	11,121	61,121	F
42	Repair Parts	8,468	7,523	6,730	16,000		16,000	
43	Printing	-	2,184	168	1,500		1,500	
44	Interest	15,307	13,603	11,815	14,000	28	14,028	H
45	Taxes - Property	-	-	-	40		40	
46	Meetings and Conferences	2,933	1,382	1,130	2,500		2,500	
47		\$ 291,019	\$ 371,260	\$ 503,795	\$ 471,365		\$ 642,174	
48								
49	Net Income before Depreciation	\$ 70,300	\$ 78,283	\$ 43,866	\$ (2,315)		\$ 13,008	
50								
51	Debt Principal	\$ 34,812	\$ 36,502	\$ 38,274	\$ -	13,008	\$ 13,008	H
52								
53	Net Cash Flow before Cash Capital Outlay	\$ 35,488	\$ 41,781	\$ 5,592	\$ (2,315)		\$ -	I

## Notes:

- A Assumed to be the same as in 2019
- B Forecasted based on eight months at current rates and four months at prior rates as well as 10 additional water and sewer customers in 2020
- C Assumed to be \$0 based on recent actual fees
- D Based on 10 water and sewer customers added per year
- E Assumed to be equal to the tap fee revenue
- F Based on an average of the actual results for the last three years
- G Estimate for the purposes of the analysis
- H Based on CoBank estimates for loans in the amounts of \$230,000 and \$150,000
- I Assumes bad debt does not increase significantly