



Control Number: 50788



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PUC DOCKET NO. 50788
SOAH DOCKET NO. 473-20-4071.W

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| RATEPAYERS APPEAL OF THE DECISION BY WINDERMERE OAKS WATER SUPPLY CORPORATION TO CHANGE WATER AND SEWER RATES | § § § § § | BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS |
|---|-----------------------|---|

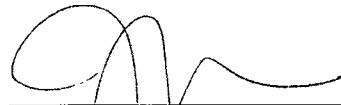
**WINDERMERE OAKS WATER SUPPLY CORPORATION'S RESPONSE TO
RATEPAYERS' REPRESENTATIVES SECOND REQUEST FOR INFORMATION**

Windermere Oaks Water Supply Corporation (WOWSC) files this Response to the Second Request for Information (RFI) filed by Ratepayers' Representatives (Ratepayers). The discovery request was received by WOWSC on November 5, 2020; therefore these responses are timely filed. Pursuant to 16 Tex. Admin. Code (TAC) § 22.144(c)(2)(F), these responses may be treated as if they were filed under oath.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE
& TOWNSEND, P.C.**

816 Congress Avenue, Suite 1900
Austin, Texas 78701
(512) 322-5800
(512) 472-0532 (Fax)



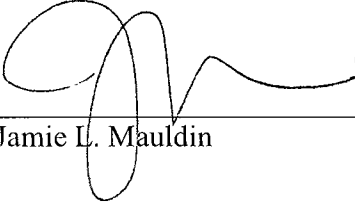
JAMIE L. MAULDIN
State Bar No. 24065694
jmauldin@lglawfirm.com

W. PATRICK DINNIN
State Bar No. 24097603
pdinnin@lglawfirm.com

**ATTORNEYS FOR WINDERMERE OAKS
WATER SUPPLY CORPORATION**

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on November 24, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.



Jamie L. Mauldin

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

**WINDERMERE OAKS WATER SUPPLY CORPORATION'S RESPONSE TO
RATEPAYERS' REPRESENTATIVES SECOND REQUEST FOR INFORMATION**

Ratepayers' RFI 2-1 Admit or Deny the WOWSC Bylaws and/or Articles of Incorporation do not provide for indemnification of Directors of the WOWSC, including Former and/or Current Directors.

RESPONSE: Admit. While the WOWSC Bylaws and Certificate of Incorporation do not provide specific provisions for indemnification of Directors, these documents do not prohibit WOWSC from indemnifying its Directors. Texas law, under Chapter 8 of the Texas Business Organizations Code allows WOWSC to provide indemnification of its Directors, regardless of whether there is a provision in the Bylaws of Articles of Incorporation.

Prepared by: Joe Gimenez
Sponsored by: Joe Gimenez

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

**WINDERMERE OAKS WATER SUPPLY CORPORATION'S RESPONSE TO
RATEPAYERS' REPRESENTATIVES SECOND REQUEST FOR INFORMATION**

Ratepayers' RFI 2-2 Admit or Deny, the WOWSC Board of Directors voted unanimously for advancement of legal cost for the defense of claims against Former and Current Directors according to Texas Business Organizations Code (BOC) Chapter 8, §8.101 - §8.105 at the November 14, 2019 board meeting.

RESPONSE: Admit.

Prepared by: Joe Gimenez
Sponsored by: Joe Gimenez

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

**WINDERMERE OAKS WATER SUPPLY CORPORATION'S RESPONSE TO
RATEPAYERS' REPRESENTATIVES SECOND REQUEST FOR INFORMATION**

Ratepayers' RFI 2-3 Please list all WOWSC Directors who voted at the November 14, 2019 board meeting to advance legal defense expenses to Former and Current Directors for past and future legal defense cost/fees?

RESPONSE: Bill Earnest, Joe Gimenez, Mike Nelson, and Dorothy Taylor.

Prepared by: Joe Gimenez
Sponsored by: Joe Gimenez

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

**WINDERMERE OAKS WATER SUPPLY CORPORATION'S RESPONSE TO
RATEPAYERS' REPRESENTATIVES SECOND REQUEST FOR INFORMATION**

Ratepayers' RFI 2-4 Did the WOWSC Directors which voted to advance legal defense cost/fees to Former and Current Directors at the November 14, 2019 WOWSC board meeting listed in the answer to RFI 2.3 vote as a disinterested and/or independent governing person(s) as required in BOC Chapter 8 § 8.103?

RESPONSE: The requirements listed in BOC § 8.103 are not applicable to the WOWSC Directors' actions to advance legal defense costs or fees to former and current directors.

WOWSC Directors voted to advance legal defense costs or fees to current Directors under BOC § 8.104, which allows advancement of expenses for present officers without making a determination under § 8.101. Therefore, there is no need for the process provided under BOC § 8.103.

WOWSC Directors voted to advance legal defense costs or fees to former Directors under BOC § 8.105(d), which allows WOWSC to pay reasonable expenses for any such person in advance of final disposition. Therefore, there is no need for the process provided under BOC § 8.103.

Prepared by: Joe Gimenez
Sponsored by: Joe Gimenez

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

**WINDERMERE OAKS WATER SUPPLY CORPORATION'S RESPONSE TO
RATEPAYERS' REPRESENTATIVES SECOND REQUEST FOR INFORMATION**

Ratepayers' RFI 2-5 Admit or Deny each director that voted for the advancement of legal defense expenses for Former and Current WOWSC Directors past and future legal defense cost/fees are named defendants in Cause 48292 in the 33rd Judicial District Court, Burnet County Texas.

RESPONSE: Admit. Under BOC §§ 8.104 and 8.105, WOWSC may advance expenses to current and former Directors without applying the process in BOC § 8.103.

Under the framework of the BOC, WOWSC may advance expenses to current Directors who fill out the statements required by BOC § 8.104. Additionally, WOWSC may advance expenses to former Directors without the necessity of the statements required by BOC § 8.104.

Prepared by: Joe Gimenez
Sponsored by: Joe Gimenez

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

**WINDERMERE OAKS WATER SUPPLY CORPORATION'S RESPONSE TO
RATEPAYERS' REPRESENTATIVES SECOND REQUEST FOR INFORMATION**

Ratepayers' RFI 2-6 Are the legal fees for the defense of Former and Current Directors approved at the November 14, 2019 WOWSC board meeting authorized under BOC Chapter 8, as Mandatory Indemnification or Permissive Indemnification?

RESPONSE: WOWSC approved the payment of legal fees for the defense of current Directors as permissive indemnification under BOC § 8.104.

WOWSC approved the payment of legal fees for the defense of former Directors as permissive indemnification under BOC § 8.105.

Prepared by: Joe Gimenez
Sponsored by: Joe Gimenez

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

**WINDERMERE OAKS WATER SUPPLY CORPORATION'S RESPONSE TO
RATEPAYERS' REPRESENTATIVES SECOND REQUEST FOR INFORMATION**

Ratepayers' RFI 2-7 Please provide all affirmations or sworn statements submitted to the WOWSC Corporation by Former and Current WOWSC Directors for legal defense expenses, specifically affirmations permitted in compliance with BOC Chapter 8, §8.104 referring to the payment or reimbursement after the corporation receives an affirmation and undertaking of the Former Directors and Current Directors to repay the WOWSC Corporation any amounts paid or reimbursed to them by the WOWSC if indemnification is prohibited by law.

RESPONSE: Please see Attachment Ratepayers 2-7.

Prepared by: Joe Gimenez
Sponsored by: Joe Gimenez

STATE OF TEXAS

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COUNTY OF BURNET

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**SWORN STATEMENT REGARDING INDEMNIFICATION
AND PAYMENT OF DEFENSE COSTS**

Pursuant to Texas Business Organizations Code §§ 8.101, 8.104, & 8.105, to the extent they are applicable, I Patrick J. Mulligan do hereby swear and affirm that it is my good faith belief that I, at all times pertinent, have met the standard of conduct required of me in my role as member of the Board of Directors of the Windermere Oaks Water Supply Corporation ("WOWSC") and specifically that at all such times I acted in good faith, and I reasonably believed that my conduct was in the best interests of WOWSC and at no time was my conduct ever opposed to such interests of WOWSC, particularly as any such conduct relates to any issues raised in the current lawsuit against WOWSC and current and former members of the Board of Directors (Cause No. 48292 in the 33rd Judicial District, Burnet County, Texas).

Furthermore, I hereby swear and affirm that I will repay any amounts paid or reimbursed to me by WOWSC during the pendency of this proceeding if any final determination is made that I have not met the aforementioned standard of conduct or that indemnification is otherwise prohibited by law.

Patrick J. Mulligan
Name

12/14/19
Date

[Signature]
Signature

VERIFICATION

THE STATE OF TEXAS

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COUNTY OF ~~BURNET~~ Travis

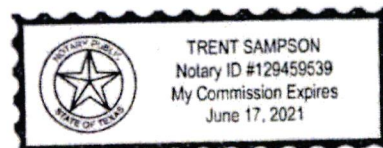
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BEFORE ME, the undersigned Notary Public, on this day personally appeared Patrick John Mulligan who, being by me duly sworn on oath depose and verified that every factual statement contained herein is true and correct.

SUBSCRIBED AND SWORN TO BEFORE ME on the 14th day of December 2019, to certify which witness my hand and official seal.

[Signature]
NOTARY PUBLIC in and for State of Texas

My Commission expires: June 17, 2021



STATE OF TEXAS

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COUNTY OF BURNET

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**SWORN STATEMENT REGARDING INDEMNIFICATION
AND PAYMENT OF DEFENSE COSTS**

Pursuant to Texas Business Organizations Code §§ 8.101, 8.104, & 8.105, to the extent they are applicable, I DOROTHY TAYLOR, hereby swear and affirm that it is my good faith belief that I, at all times pertinent, have met the standard of conduct required of me in my role as member of the Board of Directors of the Windermere Oaks Water Supply Corporation ("WOWSC") and specifically that at all such times I acted in good faith, and I reasonably believed that my conduct was in the best interests of WOWSC and at no time was my conduct ever opposed to such interests of WOWSC, particularly as any such conduct relates to any issues raised in the current lawsuit against WOWSC and current and former members of the Board of Directors (Cause No. 48292 in the 33rd Judicial District, Burnet County, Texas).

Furthermore, I hereby swear and affirm that I will repay any amounts paid or reimbursed to me by WOWSC during the pendency of this proceeding if any final determination is made that I have not met the aforementioned standard of conduct or that indemnification is otherwise prohibited by law.

DOROTHY TAYLOR
Name
Dorothy Taylor
Signature

12/13/19
Date

VERIFICATION

THE STATE OF TEXAS

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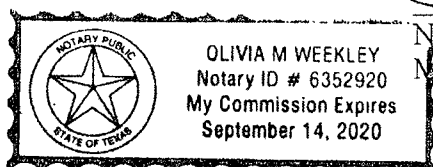
COUNTY OF BURNET

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BEFORE ME, the undersigned Notary Public, on this day personally appeared Dorothy Taylor, who, being by me duly sworn on oath depose and verified that every factual statement contained herein is true and correct.

SUBSCRIBED AND SWORN TO BEFORE ME on the 13th day of December 2019, to certify which witness my hand and official seal.



NOTARY PUBLIC in and for State of Texas
My Commission expires: 9/14/2020

STATE OF TEXAS

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COUNTY OF BURNET

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**SWORN STATEMENT REGARDING INDEMNIFICATION
AND PAYMENT OF DEFENSE COSTS**

Pursuant to Texas Business Organizations Code §§ 8.101, 8.104, & 8.105, to the extent they are applicable, I THOMAS MICHAEL MADDEN, hereby swear and affirm that it is my good faith belief that I, at all times pertinent, have met the standard of conduct required of me in my role as member of the Board of Directors of the Windermere Oaks Water Supply Corporation ("WOWSC") and specifically that at all such times I acted in good faith, and I reasonably believed that my conduct was in the best interests of WOWSC and at no time was my conduct ever opposed to such interests of WOWSC, particularly as any such conduct relates to any issues raised in the current lawsuit against WOWSC and current and former members of the Board of Directors (Cause No. 48292 in the 33rd Judicial District, Burnet County, Texas).

Furthermore, I hereby swear and affirm that I will repay any amounts paid or reimbursed to me by WOWSC during the pendency of this proceeding if any final determination is made that I have not met the aforementioned standard of conduct or that indemnification is otherwise prohibited by law.

THOMAS MICHAEL MADDEN

Name

12/12/2019

Date

Thomas Michael Madden
Signature

VERIFICATION

THE STATE OF TEXAS

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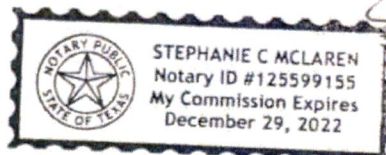
COUNTY OF BURNET

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BEFORE ME, the undersigned Notary Public, on this day personally appeared Thomas Michael Madden who, being by me duly sworn on oath deposed and verified that every factual statement contained herein is true and correct.

SUBSCRIBED AND SWORN TO BEFORE ME on the 12th day of December, 2019, to certify which witness my hand and official seal.



NOTARY PUBLIC in and for State of Texas

My Commission expires: 12-29-2022

STATE OF TEXAS

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COUNTY OF BURNET

**SWORN STATEMENT REGARDING INDEMNIFICATION
AND PAYMENT OF DEFENSE COSTS**

Pursuant to Texas Business Organizations Code §§ 8.101, 8.104, & 8.105, to the extent they are applicable, I Norman R. Morse, hereby swear and affirm that it is my good faith belief that I, at all times pertinent, have met the standard of conduct required of me in my role as member of the Board of Directors of the Windermere Oaks Water Supply Corporation ("WOWSC") and specifically that at all such times I acted in good faith, and I reasonably believed that my conduct was in the best interests of WOWSC and at no time was my conduct ever opposed to such interests of WOWSC, particularly as any such conduct relates to any issues raised in the current lawsuit against WOWSC and current and former members of the Board of Directors (Cause No. 48292 in the 33rd Judicial District, Burnet County, Texas).

Furthermore, I hereby swear and affirm that I will repay any amounts paid or reimbursed to me by WOWSC during the pendency of this proceeding if any final determination is made that I have not met the aforementioned standard of conduct or that indemnification is otherwise prohibited by law.

Norman R. Morse
Name

12/12/2019
Date

Norman R. Morse
Signature

VERIFICATION

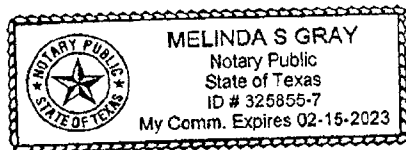
THE STATE OF TEXAS

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COUNTY OF BURNET

BEFORE ME, the undersigned Notary Public, on this day personally appeared Norman R. Morse, who, being by me duly sworn on oath deposed and verified that every factual statement contained herein is true and correct.

SUBSCRIBED AND SWORN TO BEFORE ME on the 12th day of December 2019, to certify which witness my hand and official seal.



[Signature]
NOTARY PUBLIC in and for State of Texas
My Commission expires: 2-15-2023

STATE OF TEXAS

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COUNTY OF TRAVIS

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**SWORN STATEMENT REGARDING INDEMNIFICATION
AND PAYMENT OF DEFENSE COSTS**

Pursuant to Texas Business Organizations Code §§ 8.101, 8.104, & 8.105, to the extent they are applicable, I DANA J. MARTIN, hereby swear and affirm that it is my good faith belief that I, at all times pertinent, have met the standard of conduct required of me in my role as member of the Board of Directors of the Windermere Oaks Water Supply Corporation ("WOWSC") and specifically that at all such times as I was acting in my capacity as a member of the Board, I acted in good faith, and I reasonably believed that my conduct was in the best interests of WOWSC and at no time was my conduct as a board member ever opposed to such interests of WOWSC, particularly as any such conduct relates to any issues raised in the current lawsuit against WOWSC and current and former members of the Board of Directors (Cause No. 48292 in the 33rd Judicial District, Burnet County, Texas).

Furthermore, I hereby swear and affirm that I will repay any amounts paid or reimbursed to me by WOWSC during the pendency of this proceeding if any final determination is made by a Court that I have not met the aforementioned standard of conduct or that indemnification is otherwise prohibited by law.

DANA J. MARTIN
Name
[Signature]
Signature

12-10-2019
Date

VERIFICATION

THE STATE OF TEXAS

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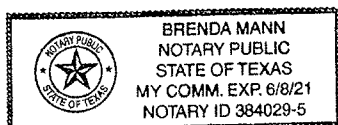
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COUNTY OF TRAVIS

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BEFORE ME, the undersigned Notary Public, on this day personally appeared, Dana J. Martin who, being by me duly sworn on oath depose and verified that every factual statement contained herein is true and correct.

SUBSCRIBED AND SWORN TO BEFORE ME on the 10 day of December 2019, to certify which witness my hand and official seal



[Signature]
NOTARY PUBLIC in and for State of Texas
My Commission expires: 6-8-21

STATE OF TEXAS

Attachment Ratepayers 2-7

COUNTY OF BURNET

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**SWORN STATEMENT REGARDING INDEMNIFICATION
AND PAYMENT OF DEFENSE COSTS**

Pursuant to Texas Business Organizations Code §§ 8.101, 8.104, & 8.105, to the extent they are applicable, I WILLIAM T. EARNEST JR., hereby swear and affirm that it is my good faith belief that I, at all times pertinent, have met the standard of conduct required of me in my role as member of the Board of Directors of the Windermere Oaks Water Supply Corporation ("WOWSC") and specifically that at all such times I acted in good faith, and I reasonably believed that my conduct was in the best interests of WOWSC and at no time was my conduct ever opposed to such interests of WOWSC, particularly as any such conduct relates to any issues raised in the current lawsuit against WOWSC and current and former members of the Board of Directors (Cause No. 48292 in the 33rd Judicial District, Burnet County, Texas).

Furthermore, I hereby swear and affirm that I will repay any amounts paid or reimbursed to me by WOWSC during the pendency of this proceeding if any final determination is made that I have not met the aforementioned standard of conduct or that indemnification is otherwise prohibited by law.

WILLIAM T. EARNEST JR.
Name

22 NOV 2019
Date

William T. Earnest Jr.
Signature

VERIFICATION

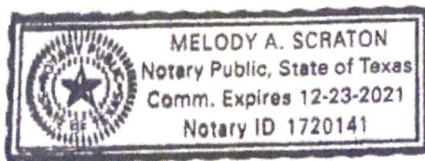
THE STATE OF TEXAS

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COUNTY OF BURNET

BEFORE ME, the undersigned Notary Public, on this day personally appeared William Earnest Jr. who, being by me duly sworn on oath deposed and verified that every factual statement contained herein is true and correct.

SUBSCRIBED AND SWORN TO BEFORE ME on the 22 day of November 2019, to certify which witness my hand and official seal.



Melody A. Scraton
NOTARY PUBLIC in and for State of Texas
My Commission expires: 12/23/2021

STATE OF TEXAS

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COUNTY OF BURNET

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**SWORN STATEMENT REGARDING INDEMNIFICATION
AND PAYMENT OF DEFENSE COSTS**

Pursuant to Texas Business Organizations Code §§ 8.101, 8.104, & 8.105, to the extent they are applicable, I JOSEPH GIMONER III, hereby swear and affirm that it is my good faith belief that I, at all times pertinent, have met the standard of conduct required of me in my role as member of the Board of Directors of the Windermere Oaks Water Supply Corporation ("WOWSC") and specifically that at all such times I acted in good faith, and I reasonably believed that my conduct was in the best interests of WOWSC and at no time was my conduct ever opposed to such interests of WOWSC, particularly as any such conduct relates to any issues raised in the current lawsuit against WOWSC and current and former members of the Board of Directors (Cause No. 48292 in the 33rd Judicial District, Burnet County, Texas).

Furthermore, I hereby swear and affirm that I will repay any amounts paid or reimbursed to me by WOWSC during the pendency of this proceeding if any final determination is made that I have not met the aforementioned standard of conduct or that indemnification is otherwise prohibited by law.

Joseph J. Gimoner III

Name

11/15/19

Date

Joseph J. Gimoner III

Signature

VERIFICATION

THE STATE OF TEXAS

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COUNTY OF BURNET

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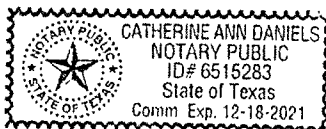
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BEFORE ME, the undersigned Notary Public, on this day personally appeared JOSEPH GIMONER III, who, being by me duly sworn on oath deposed and verified that every factual statement contained herein is true and correct.

SUBSCRIBED AND SWORN TO BEFORE ME on the 15TH day of November 2019, to certify which witness my hand and official seal.

Catherine A. Daniels

NOTARY PUBLIC in and for State of Texas
My Commission expires: _____



STATE OF TEXAS
COUNTY OF BURNET

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**SWORN STATEMENT REGARDING INDEMNIFICATION
AND PAYMENT OF DEFENSE COSTS**

Pursuant to Texas Business Organizations Code §§ 8.101, 8.104, & 8.105, to the extent they are applicable, I ROBERT MEBANIE, hereby swear and affirm that it is my good faith belief that I, at all times pertinent, have met the standard of conduct required of me in my role as member of the Board of Directors of the Windermere Oaks Water Supply Corporation ("WOWSC") and specifically that at all such times I acted in good faith, and I reasonably believed that my conduct was in the best interests of WOWSC and at no time was my conduct ever opposed to such interests of WOWSC, particularly as any such conduct relates to any issues raised in the current lawsuit against WOWSC and current and former members of the Board of Directors (Cause No. 48292 in the 33rd Judicial District, Burnet County, Texas).

Furthermore, I hereby swear and affirm that I will repay any amounts paid or reimbursed to me by WOWSC during the pendency of this proceeding if any final determination is made that I have not met the aforementioned standard of conduct or that indemnification is otherwise prohibited by law.

ROBERT MEBANIE
Name

11-20-2019
Date

[Signature]
Signature

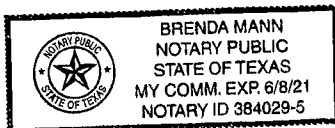
VERIFICATION

THE STATE OF TEXAS
COUNTY OF BURNET

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Robert Mebanie BEFORE ME, the undersigned Notary Public, on this day personally appeared who, being by me duly sworn on oath deposed and verified that every factual statement contained herein is true and correct.

SUBSCRIBED AND SWORN TO BEFORE ME on the 20th day of November 2019, to certify which witness my hand and official seal.



[Signature]

NOTARY PUBLIC in and for State of Texas
My Commission expires: 6-8-21

STATE OF TEXAS

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Attachment Ratepayers 2-7

COUNTY OF BURNET

**SWORN STATEMENT REGARDING INDEMNIFICATION
AND PAYMENT OF DEFENSE COSTS**

Pursuant to Texas Business Organizations Code §§ 8.101, 8.104, & 8.105, to the extent they are applicable, I Michael E. A. Nelson, hereby swear and affirm that it is my good faith belief that I, at all times pertinent, have met the standard of conduct required of me in my role as member of the Board of Directors of the Windermere Oaks Water Supply Corporation ("WOWSC") and specifically that at all such times I acted in good faith, and I reasonably believed that my conduct was in the best interests of WOWSC and at no time was my conduct ever opposed to such interests of WOWSC, particularly as any such conduct relates to any issues raised in the current lawsuit against WOWSC and current and former members of the Board of Directors (Cause No. 48292 in the 33rd Judicial District, Burnet County, Texas).

Furthermore, I hereby swear and affirm that I will repay any amounts paid or reimbursed to me by WOWSC during the pendency of this proceeding if any final determination is made that I have not met the aforementioned standard of conduct or that indemnification is otherwise prohibited by law.

Michael E. A. Nelson
Name

11/25/19
Date

Michael E. A. Nelson
Signature

VERIFICATION

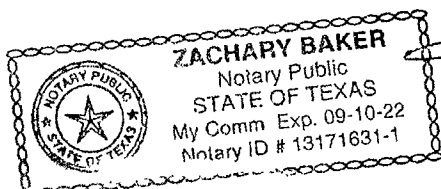
THE STATE OF TEXAS

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COUNTY OF BURNET

BEFORE ME, the undersigned Notary Public, on this day personally appeared Michael Nelson, who, being by me duly sworn on oath depose and verified that every factual statement contained herein is true and correct.

SUBSCRIBED AND SWORN TO BEFORE ME on the 25th day of November 2019, to certify which witness my hand and official seal.



[Signature]
NOTARY PUBLIC in and for State of Texas
My Commission expires: 9/10/22

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

**WINDERMERE OAKS WATER SUPPLY CORPORATION'S RESPONSE TO
RATEPAYERS' REPRESENTATIVES SECOND REQUEST FOR INFORMATION**

Ratepayers' RFI 2-8 Please state the date WOWSC received affirmations and/or or sworn statements for advancement of legal defense expenses from the Former and Current Directors listed below;

Joe Gimenez – Current board president
Dorothy Taylor – Current board member
Mike Nelson – Current board secretary
Bill Earnest – Former board member
Pat Mulligan – Former board member
Mike Madden – Former board member
Dana Martin – Former board member
Bob Mebane – Former board member
Norm Morse – Former Board member

RESPONSE: The dates on which the affirmations were executed by former and current directors are listed below:

- Joe Gimenez – Current board president
 - 11/15/19
- Dorothy Taylor – Current board member
 - 12/13/19
- Mike Nelson – Current board secretary
 - 11/25/19
- Bill Earnest – Former board member
 - 11/22/19
- Pat Mulligan – Former board member
 - 12/16/19
- Mike Madden – Former board member
 - 12/12/19
- Dana Martin – Former board member
 - 12/10/19
- Bob Mebane – Former board member
 - 11/20/19
- Norm Morse – Former Board member
 - 12/12/19

Prepared by: Joe Gimenez
Sponsored by: Joe Gimenez

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

**WINDERMERE OAKS WATER SUPPLY CORPORATION'S RESPONSE TO
RATEPAYERS' REPRESENTATIVES SECOND REQUEST FOR INFORMATION**

Ratepayers' RFI 2-9 What were the legal expenses in 2019 prior to the Former and Current WOWSC Directors submission of their affirmations and/or or sworn statements to the WOWSC Corporation as required by BOC, Chapter 8, §8.104 and §8.105?

RESPONSE: The legal expenses incurred by Enoch Kever from 1/1/19 to 12/16/19 total \$31,258.93.

The legal expenses incurred by Lloyd Gosselink Rochelle & Townsend from 1/1/19 to 12/16/19 total \$229,042.55.

Prepared by: Joe Gimenez
Sponsored by: Joe Gimenez

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

**WINDERMERE OAKS WATER SUPPLY CORPORATION'S RESPONSE TO
RATEPAYERS' REPRESENTATIVES SECOND REQUEST FOR INFORMATION**

Ratepayers' RFI 2-10 Please provide any type of Resolution or Agreement, etc. the WOWSC Board approved/passed, to advance legal expenses for past and future legal defense cost/fees to Former and Current Directors including but not limited to the following Directors;

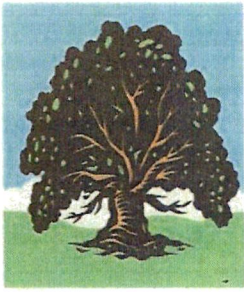
Joe Gimenez – Current board president
Dorothy Taylor – Current board member
Mike Nelson – Current board secretary
Bill Earnest – Former board member
Pat Mulligan – Former board member
Mike Madden – Former board member
Dana Martin – Former board member
Bob Mebane – Former board member
Norm Morse – Former Board member

RESPONSE: The minutes from the following WOWSC Board of Directors Meetings reflect that WOWSC authorized the payment of legal defense costs and fees regarding former and current Directors:

- June 12, 2019 Board of Directors Meeting, Item No. 7 from Meeting Minutes
- November 14, 2019 Board of Directors Meeting, Item No. 3.2 from Meeting Minutes

The corresponding Meeting Minutes have been provided in Attachment Ratepayers 2-10.

Prepared by: Joe Gimenez
Sponsored by: Joe Gimenez



Windermere Oaks Water Supply Corporation

424 Coventry Rd
Spicewood, Texas 78669

2019 - 2020 Board of Directors:
Joe Gimenez, President
Bill Earnest, Vice President
Mike Nelson, Secretary/Treasurer
Dorothy Taylor, Director

Windermere Oaks Water Supply Corporation (WOWSC) meeting held: Thursday, November 14, 2019

2019 - 2020 Board Members Present: Bill Earnest, Joe Gimenez, Mike Nelson, Dorothy Taylor

Minutes

The meeting was called to order at 3:08PM by Joe Gimenez. A quorum was established with all four Board Members present.

1. Comments from citizens and members who have signed sign-up sheet to speak (3-minute limit per person).
 1. Rene Ffrench:
 1. Is WOWSC aware of OSHA 11-910?
 2. Executive session, item D: property evaluation by Lloyd Gosselink?
 3. Executive session, item D: real estate, are third parties involved?
 4. Executive session, item E: are there legal issues related to the communication regarding recall petition?
 2. Danny Flunker
 1. Mentioned a Texas supreme court correction
 2. Executive session, item D: What real estate?
 3. It's not a recall petition, it's a removal petition
 3. Bruce Sorgen
 1. Why is this a 3pm meeting and not a 6pm meeting?
2. Executive Session under Texas Government Code § 551.071(1) and (2) regarding:
 1. Ffrench, et al., Intervenor-plaintiffs and Double F Hangar Operations, LLC, et al. v. Friendship Homes & Hangars, LLC, Windermere Oaks WSC, et al., Cause No. 48292, 33rd Jud. Dist., Burnet County Dist. Ct.; and
 2. TOMA Integrity, Inc., et al. v. Windermere Oaks WSC, Cause No. 47531, 33rd Jud. Dist., Burnet County Dist. Ct., on appeal at 6th Ct. of Appeals, No. 06-19-00005-CV.
 3. Appeal of Attorney General ruling filed in Travis County Court in the case of WOWSC v The Honorable Ken Paxton, Attorney General of Texas, for protection of corporate rights and privileges during ongoing litigation.
 4. Evaluation of condition of real estate by Lloyd Gosselink.
 5. Discuss legal issues related to notice, ballots and communications regarding recall petition procedures sent by non-Board Members and legal remedies necessary to implement applicable procedures.
 1. Executive session started at 3:16pm
 2. Executive session ended at 4:35pm
3. Consideration and possible action on items discussed in Executive Session including, but not limited to, possible defense/payment of defense costs by WOWSC of claims against current and former directors pursuant to Tex. Bus. Org. Code §§ 8.101-8.105.
 1. Board meeting reconvened at 4:36pm

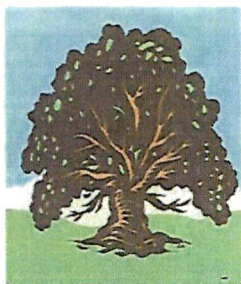
2. Motion made and carried by all to have WOWSC corporation provide defense and to cover all past and future defense costs for all Directors, current and former, conditioned upon each signing a sworn statement pursuant to business organizations code 8.104
3. Motion made and carried by all to appoint Shelby O'Brien as defense council for newly named individual directors, current and former, in legal proceedings
4. Discuss and act as necessary regarding implementation of recall petition procedures established by bylaws and applicable law, including authorizing communications with members regarding recall petition procedures.
 1. Bill to run recall petition discussion and Joe recused himself from the discussion
 2. Want to provide mail-in ballot process
 3. Board is looking at holding a Special Members Meeting targeting Saturdays in December and is searching for a suitable place to hold the meeting
 4. Bill Earnest to run Special Members Meeting
 5. Add this topic to the agenda on Wednesday, Nov 20th, for further discussion and to formalize
 6. Danny Flunker:
 1. WOWSC received \$200,000 for land and have legal fees
 2. Will it be recalled?
 7. Mark McDonald: Should Bill have recused himself for previous motion?
 8. Rene Ffrench: Any discussion on power outage and generator?
5. New business and discussion and possible action on agenda for next meeting.
 1. Recall Petition
 2. October Financials overview
 3. Manager's report
 4. Certification of qualifications on ballots
 5. Generator update
 6. Y2020 Budget
 7. WTP pretreatment improvement
 8. Power outage
 1. Would generator have kept power outage from impacting pressure / loss of pressure?
6. Set date, time, and place for next meeting
 1. Wednesday, November 20th, at 6:00PM at Spicewood Community Center
7. Motion made and carried to adjourn at 4:47PM



Submitted by: Mike Nelson

APPROVED BY WOWSC Board on December 19, 2019

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



Windermere Oaks Water Supply Corporation

424 Coventry Rd
Spicewood, Texas 78669

2019 - 2020 Board of Directors:

Joe Gimenez, President
Bill Earnest, Vice President
Mike Nelson, Secretary/Treasurer
David Bertino, Director
Norman Morse, Director

Windermere Oaks Water Supply Corporation (WOWSC) meeting held: Wednesday, June 12, 2019

2019 - 2020 Board Members Present: David Bertino, Joe Gimenez, Mike Nelson

Minutes

The meeting was called to order at 6:28PM by Joe Gimenez. A quorum was established with three Board Members present.

1. Review, consider and take action to approve minutes of prior meetings.
 1. May 20, 2019 Board Meeting
 1. Motion made and carried to approve May 20, 2019 Board Meeting minutes
2. MANAGER'S REPORT –
 1. Customer Issue – Center Cove 1 lot and easement release issues are no longer issues.
 1. The lot's owners requested the fees they paid be refunded after they determined that there are too many issues to proceed with building on this lot. Owners are putting the lot up for sale.
 2. Computer Needs – Status report regarding existing equipment, utility-billing needs and recommendation.
 1. Billing computer had issues and was replaced. \$775 for new DELL desktop. Installment is additional.
 3. FEMA Application – Report on meeting regarding grant application for reimbursement of \$25,000 deductible plus administrative fees.
 1. FEMA held meetings with George and were helpful with inputting information into the proper format. Another meeting is scheduled for next week.
 4. Receivables 60 days or more. Discuss line item in End of Month report and consider requesting change to report, breaking line item into two items, one for standby fees and the other for delinquent accounts.
 1. George asked our billing software company if they can separate past due standby fees and delinquent accounts. Starting with the June month end report they will be reported separately.
 5. TRWA ASSISTANCE – Whistle blower policy, record retention policy, review of financial and 5-year-plan.
 1. No discussion. Keep on next meeting's agenda.
3. FINANCIAL REPORT – Treasurer Mike Nelson to discuss monthly financial reports.
 1. May Income: \$39.9K
 1. May Water + Sewer = \$27.0K
 2. Jan - May Water + Sewer at \$141.9K of budgeted \$147.9K
 3. Y2019 Equity Buy-in Fees at \$23.0K of budgeted \$27.6K
 4. Y2019 Water & Sewer Taps at \$9.5K of budgeted \$10.4K

2. May Expenses: \$27.3K
 1. No legal fees paid in May
3. May Net Income: \$12.5K
4. Y2019 Barge Storm Damage Repairs = \$42.7K
5. Y2019 Legal Fees at \$22.1K of budgeted \$38.0K
6. Y2019 Water + Sewer Repairs at \$18.8K of budgeted \$45.0K
7. Joe requested June 2018 ratios comparison to June 2019 ratios
 1. May ratios:
 1. DSCR: 0.89
 2. Debt to Equity: 0.17
 3. Days of Cash on Hand: 163 days
8. Motion made and carried to accept May 2019 Financials report
4. LOAN PROCESS Review – Update on possibility for July meeting vote.
 1. Discussions continued with First United, Lone Star Capital, and CoBank. Joe continues to provide requested information to the banks.
 2. Keep on next meeting's agenda.
5. GENERATOR PURCHASE – Update on possibility for July meeting vote.
 1. George asked for update on quote. Delivery time was updated to three to four months. Storm has spurred high generator sales.
 2. Keep on next meeting's agenda.
6. Executive Session under Texas Government Code § 551.071(1) and (2) regarding: a. Ffrench, et al., Intervenor-plaintiffs and Double F Hangar Operations, LLC, et al. v. Friendship Homes & Hangars, LLC, Windermere Oaks WSC, et al., Cause No. 48292, 33rd Jud. Dist., Burnet County Dist. Ct.; and b. TOMA Integrity, Inc., et al. v. Windermere Oaks WSC, Cause No. 47531, 33rd Jud. Dist., Burnet County Dist. Ct., on appeal at 6th Ct. of Appeals, No. 06-19-00005-CV.
 1. Entered executive session at 6:48PM
 2. Exited executive session at 7:44PM
7. Consider and act on matters reviewed in the immediately preceding Executive Session agenda item.
 1. Motion made and carried to authorize litigation subcommittee to engage defense council as may be necessary to defend any legal claims against any co-defendant co-directors.
8. Comments from citizens and members who have signed sign-up sheet to speak (3-minute limit per person).
 1. None
9. New business and discussion and possible action on agenda for next meeting.
 1. Discuss updating table in EOM report to reflect current rate ranges
 2. Financial report
 3. Managers report
 1. TRWA assistance
 4. Loan approval
 5. Generator approval
 6. TRWA assistance
 7. Executive session as needed
10. Set date, time, and place for next meeting

1. Wednesday, July 10th, at 6:00PM, at WO Pavilion

11. Motion made and carried to adjourn at 7:49PM

A handwritten signature in black ink, appearing to read "Mike Nelson".

Submitted by: Mike Nelson

APPROVED BY WOWSC Board on July 10, 2019

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

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

**WINDERMERE OAKS WATER SUPPLY CORPORATION'S RESPONSE TO
RATEPAYERS' REPRESENTATIVES SECOND REQUEST FOR INFORMATION**

Ratepayers' RFI 2-11 If the WOWSC board voted to advance legal fees under BOC Chapter 8, please provide the name(s), title, individual, etc. who will be determining "reasonable attorney fees" as stated in §8.104 and §8.001(3)(B) for the Former and Current Directors' legal expenses?

RESPONSE: WOWSC's legal subcommittee, consisting of Joe Gimenez, President, and Mike Nelson, Secretary/Treasurer, will be responsible for determining the reasonableness of attorney fees, as stated in BOC §§ 8.104 and 8.001(3)(B).

Prepared by: Joe Gimenez
Sponsored by: Joe Gimenez

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

**WINDERMERE OAKS WATER SUPPLY CORPORATION'S RESPONSE TO
RATEPAYERS' REPRESENTATIVES SECOND REQUEST FOR INFORMATION**

Ratepayers' RFI 2-12 Please state which provision from BOC Chapter 8, §8.103 listed below did the board used for determining indemnification of Former and Current Directors at the November 14, 2019 board meeting;

(1) a majority vote of the governing persons who at the time of the vote are disinterested and independent, regardless of whether the governing persons who are disinterested and independent constitute a quorum;

(2) a majority vote of a committee of the governing authority of the enterprise if the committee:

(3) special legal counsel selected by the governing authority of the enterprise, or selected by a committee of the governing authority, by vote in accordance with Subdivision (1) or (2);

(4) the owners or members of the enterprise in a vote that excludes the ownership or membership interests held by each governing person who is not disinterested and independent; or

(5) a unanimous vote of the owners or members of the enterprise.

RESPONSE: Please see WOWSC's responses to Ratepayers' RFI Nos. 2-4 through 2-6.

Prepared by: Joe Gimenez

Sponsored by: Joe Gimenez