

COMMENTS TO PUC ON DECEMBER 19, 2024

Good morning.

I am Joe Gimenez, former volunteer president of the Board for the Windermere Oaks Water Supply Corporation, from March 2019 until April 2023.

My three years of testimony in the 50788 rate case is on the PUC interchange.

Commissioner Cobos' Memorandum of December 13, 2023, said that "Texas Water Code 13.043 (j), read in harmony with subsection (e) require[d] the Commission to preserve Windermere's financial integrity at the time the repealed rates were set."

Commissioner Cobos also said proper reading of law required the Commission to reverse two prior applications which had allowed for the consideration of a water company's financial integrity at the time of the rate decision.

By reversing pre-cedent applications, the Commission ignored that four years of world changing events had occurred since Windermere's test year of 2019.

Commissioner Cobos' novel application, with your vote, thus ignored the Covid era of supply chain disruptions, parts shortages, and 9 percent inflation.

Commissioner Cobos' interpretation, with your vote, thus ignored the Yuri disaster causing insurance rates for water plant infrastructure to double and triple.

Commissioner Cobos' interpretation, with your vote, also ignored the warning from Windermere Oaks Treasurer and its expert, that PUC Staff rate recommendations would financially annihilate Windermere Oaks.

During the 50788 rate case, I was told by Lloyd Gosselink attorneys that the contemporary financial integrity of Windermere would be considered and affirmed.

We took extensive effort, at considerable cost, to detail how such financial annihilation has instant and future costs, like the loss of credit opportunities.

The financial annihilation caused by the Commission's vote has prevented Windermere in 2024 from making infrastructure upgrades or additions like it normally would.

Judges Siano and Wiseman acknowledged these uncontroversial economic realities in their PFD.

We assumed our attorneys were right, that there was no way in a million years that the PUC would financially annihilate our half-million dollar operation and destroy 30-years of work which volunteer directors built.

We were wrong.

The PUC has financially annihilated Windermere.

There are other possibilities.

Maybe the Texas Legislature got it wrong with TWC 13.043 (j) and (e), incorrectly assessing unintended consequences.

If so, I would be willing to assist the PUC in the upcoming Legislative Session to fix that.

Or it's possible that Commissioner Cobos' Roll-back-the-rates interpretation, PUC Staff, and your vote, got it wrong.

If that is the case you all can and should fix that before more destruction occurs.

Thank you for your time.