COMMENTS TO PUC March 13, 2025

Good morning,

I'm Joe Gimenez, former volunteer president of the Windermere Oaks Water Supply Corporation Board of Directors (March 2019 - April 2023).

I testified in the 50788 rate case, available on the PUC interchange.

On February 22, representatives from temporary manager Anser held a town hall meeting to discuss future monthly rates for Windermere.

They proposed a rate of $382 per month, which is 132% higher than the appealed rate in 50788.

Anser representatives mentioned that PUC Staff does not support the $382 rate and seeks further study to lower it.

Also PUC Staff wants Windermere to use about $200,000 from a recent $1.25 million land sale to reduce projected monthly rates, using $4,000 to $5,000 each month to offset expenses.

This would reduce the $382 rate by only about $18 per month.

I urge the Commissioners to review this Staff recommendation in view of the following.

In my opinion, Staff is making another incorrect decision, similar to their 2023 rates and refunds recommendations.

Windermere urgently needs the $200,000 for retrofitting an old 125,000-gallon storage tank into a clarifier.

Retrofit Plans and finances were in place in 2022 before PUC Staff's rates financially strained the company last year.

Let's examine Staff's track record.

Windermere implemented Staff rates in March 2024, per Commission order.

Windermere's P&L report showed that it lost $200,000 in 2024.

To keep water flowing, Windermere's Board used $100,000 in reserves for loan covenants for the $650,000 low-interest loan secured in 2020 for the retrofit.

Windermere used another $100,000 intended for the clarifier retrofit to keep the plant running.

But also due to PUC Staff rates, Windermere defaulted on its loan and had to use $560,000 from land sale proceeds to pay CoBank.

Windermere's daily operator claimed another $100,000-plus from the land sale money because they weren't paid out of the 2024 operational base rates or the reserves. Other land sale money paid for legal fees.

All this was avoidable.

The Commission could have adopted the Proposal for Decision by Judges Wiseman and Siano, considering Windermere's current financial integrity, as had been done in previous rate appeals.

Instead, the Commission followed Staff and Commissioner Cobos' recommendations, reading TWC 13.043 section (j) in harmony with section (e), leading to Windermere's financial turmoil.

I strongly encourage Commissioners to instruct Staff to let Anser to use the remaining land sale proceeds for the clarifier retrofit.

Failure to do so could jeopardize water quality in Windermere as this drought at Lake Travis continues.

Windermere's pumping barge is already near the bottom of its water hole, delivering heavy sediment to the clarifier.

This will only worsen, especially if the lake drops another 20 feet, like what it easily could.

Staff's inattention to this critical infrastructure, defunding it in order to artificially lower monthly base rates, could add to their unenvious record of malfeasance in Windermere.

Just as I and our Board's former Treasurer warned in early 2023 about Staff's disastrous rates, I am warning today of Staff's current preference.

Thank you for your time.