

From: **Patti Flunker** pflunkerwosc@yahoo.com
Subject: Update from the WOWSC – Town Hall on CSWR Offer Saturday Oct. 25th at 9:30 AM
Date: October 21, 2025 at 9:47 PM
To: WOWSC Billing windermerewater@gmail.com

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Members,

At our October 16, 2025, Board Meeting, the WOWSC Board voted to accept a Letter of Intent from Central States Water Resources (CSWR) to purchase all of the corporation's water and wastewater assets for nearly \$1.2 million. After careful evaluation of our system's condition, outstanding TCEQ violations (costing over \$1 million to correct), and the corporation's limited financing options, the Board concluded that transferring ownership to a qualified, well-capitalized, and experienced water utility owner is in the best interest of the membership.

Over the years, many essential upgrades to our utility have been deferred or addressed with temporary, low-cost fixes rather than long-term solutions. For example, installing a new clarifier and securing fencing around the effluent field on Exeter Road were both identified by the TCEQ years ago as serious concerns. These and other critical improvements have gone unaddressed while substantial funds were spent elsewhere, including on legal fees, rather than reinvested into the system. This pattern of neglect has left the utility with overdue infrastructure needs that will now require significant funding. As a nonprofit water supply corporation, WOWSC is limited in its ability to generate funds to pay for capital improvements, especially when they have history of defaulted - meaning the burden of funding these projects ultimately falls on members. Without the sale, the Board would be forced to pass on costly assessments to pay for these necessary upgrades and raise the rates.

Under the proposal, CSWR would assume all future responsibility for capital improvements, compliance, and operations. Net sale proceeds would be refunded directly to property owners for each property owned, based on the original equity buy-in fee that reflects what was paid for that property's system capacity. These equity buy-in amounts range between approximately \$3,000 and \$4,600 per property. Whether you or a previous owner paid the equity buy-in fee, the current legal property owner is the rightful recipient of the refund.

The system would continue under Public Utility Commission of Texas oversight, ensuring that CSWR cannot raise rates without Commission approval based on verified financial data.

With this transition, there would no longer be board elections, board meetings, or volunteer management of a complex public utility. Operating a water and wastewater system carries significant technical, financial, and regulatory obligations that require experienced professionals including board members.

Transferring ownership to CSWR ensures that these responsibilities are handled by a company with the resources, staff, and expertise to manage them effectively and reliably.

A Town Hall Meeting will be held this Saturday, October 25, 2025, at 9:30 a.m. at the Windermere Oaks Pavilion, where a CSWR representative will provide details and answer questions. A Special Members Meeting to vote on the sale will follow on Saturday, December 13, 2025, at 10:00 a.m., also at the Pavilion.

Please click on this link <https://wowsc.org/cswr-town-hall-oct-25-2025> to view CSWR information including their current base rates which are \$49.89 for water and \$63.28 for sewer, a letter from the Board, and background information on who CSWR is.

Sincerely,
WOWSC Board of Directors
Patti Flunker/President
Mark Carpenter/Vice President
Allen Hicks/Secretary, Treasurer
Bill Stein/Director
Karen Yeaman/Director

