

**MINUTES TO A
REGULAR MEETING OF THE
BOARD OF DIRECTORS
STONEWALL WATER CONTROL AND IMPROVEMENT DISTRICT**

December 21, 2023

The Board of Directors of the Stonewall Water Control and Improvement District (the "District") held its regular meeting at 9:00 a.m. at the Oro Bianco Italian Creamery located at 48 Ranch Road 1623, Stonewall, Texas 78671, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code, whereupon the roll was called of the members of the Board, to-wit:

Nikolaus Hopkins	President
Mark Nebgen	Vice-President
Laurel Hoekstra	Secretary
Henry Rohlfs	Treasurer
Robert Welch	Director

All Board members were present. Also in attendance, Dirk Jordan ("General Counsel") and Timothy Young with Professional General Management Services, Inc. ("General Management").

1. Call to Order and Establish a Quorum.

President Hopkins, after finding the notice of the meeting was posted as required and that a quorum of the Board of Directors was present, called the meeting to order and declared it open for such business as may come before it at approximately 9:11 A.M.

2. Receive Comments from the Public.

No public comment was offered.

3. Approve Minutes to Previous Regular Meeting Held on November 16, 2023.

Copies of the draft minutes to this meeting were presented and reviewed. Treasurer Rohlfs noted an error in the Financial Report that shall be corrected. Vice-President Nebgen moved to approve the Minutes with the noted correction. Treasurer Rohlfs seconded the motion. After full discussion and all voting in favor, the motion carried.

4. Payment of Current Bills and Invoices.

Treasurer Rohlfs presented a report on invoices and bills to be approved for this period. With the completion of the 2022 annual audit, an invoice from Atchley and Associates was included in the monthly payments. There were no other unexpected or extraordinary bills or invoices presented and all bills pertained to the normal operation and management of the District. Secretary Hoekstra moved to approve the payment of bills and invoices as presented. Director Welch seconded the motion. After full discussion and all voting in favor, the motion carried.

Additional work by Werner Electrical is required at the water plant. Secretary Hoekstra moved to authorize the work and payment. Vice-President Nebgen seconded the motion and after full discussion and all voting in favor, the motion carried.

5. Financial Statements for the Period Ending November 30, 2023.
Treasurer Rohlfs presented to the Board a financial report for the period ending November 2023. With no corrections needed, Secretary Hoekstra moved to approve the financial report as presented. Vice-President Nebgen seconded the motion and after full discussion and all voting in favor, the motion carried.

6. Receive operations report relating to current system operational issues and take action deemed necessary thereon. (Presented by Professional General Management Services, Inc.)
Management presented the System Operations and Management Report to include (a) water accountability, (b) status of system accounts and (c) significant events. A copy of the Systems Total Report, Allocation of Receipts, Exceptional Usage Report and Adjustments Report were also presented and discussed as a matter of routine.

It was reported to the District that no additional water leaks have been reported. PGMS presented a draft Drought Contingency Plan for review. A target goal of 200 gallons of use per house per day will be added to the DCP. Water use by the Arrowhead Creek Vineyards continues to decline but is still excessive. PGMS will continue to contact these customers and require a reduction in use in accordance with drought policy and use restrictions.

PGMS was tasked with expediting the replacement of the 2” galvanized pump piping. All parts have arrived except the needed 2” butterfly valves. Once they arrive, the project will be scheduled.

The District’s line extension policy was discussed in detail but no action was taken.

A pending work list was also provided. Vice-President Nebgen moved to approve the management report, Secretary Hoekstra seconded the motion. After full discussion and all voting in favor, the motion carried.

7. Resignation of Director Robert Welch.
Director Welch announced that he will be moving out of the District and will be resigning his Director position when the move is complete. As the last serving “original Board member”, Mr. Welch will be missed by all. President Hopkins moved to accept Director Welch’s resignation. Treasurer Rohlfs seconded the motion and after full discussion and all voting in favor, the motion carried.

8. Old Business – Operations update, take action as needed.

- Update on Drought Plan and High-Water Users.
Water use by the District’s residents has decreased sharply. There are still some users that use an excessive amount of water that will be contacted directly. The DCP will have target use goals added giving better direction of required reductions during drought stages.
- Update on Meter Located at 1623 Strip Center.
PGMS is to draft a letter to the tenants of Mr. Scott informing them of the unauthorized connection they are currently using. The same letter will also be sent to the managers of the businesses as well as the Gillespie County offices.

- Update on the VFD Emergency Fill Hydrant.
There is no update to the emergency fill valve.
- Update on GST Progress
Geotechnical data and information has been reviewed and an estimated cost of engineering and supervision has been submitted by Picket, Kelm and Associates, Inc. This estimate was approved and submitted to Burgess-Niple. Once their foundation construction design is complete, TTE LLC., will begin construction.
- Update on Highway 290 Expansion
PGMS has located all valves and meters in the project area. Additionally, the water mains have been located and marked with blue flags and ground paint. Burgess-Niple is in process of creating construction design drawings. The next step will be to invite bidders to submit qualifications and proposals.
- Update on Grant Progress and SP2125 Application.
Vice-President Nebgen reported that the Stonewall WCID line relocation project costs, including any additional external engineering, will likely go over the approved grant of \$625,000. Mr. Nebgen is working with TXDOT for possible additional financing. All pay apps will be made by the contractor and will be paid directly from TXDOT. Stonewall WCID will be reimbursed by TXDOT as well.

9. Secretary's Report.
None

13. Treasurer's Report.
None.

14. President's Report.
President Hopkins reported that 2024 will be an election year for the District. PGMS and the District shall investigate possible funding for a new water well through the newly passed Proposition 6. The Board has asked for recommendations for upcoming TRWA and TCEQ conferences that will be a benefit to the District.

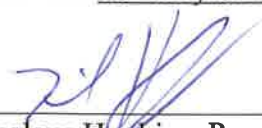
15. Other matters as may come before the Board and take action necessary thereon.

- The date for next month's regular meeting was set for January 18, 2024, at 9:00 AM.
- No other items were discussed.

President Hopkins asked if any further business needs to be brought forward. No additional matters were brought forward.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 11:00 A.M.

PASSED AND APPROVED this 18th Day of January 2024.



Nikolaus Hopkins, President
Stonewall Water Control and Improvement District



Attest, Laurel Hoekstra, Secretary
Stonewall Water Control and Improvement District