

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

July 18, 2024

The Board of Directors of the Stonewall Water Control and Improvement District (the "District") held a 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
Louis Eckert	Director

All Board members were present. Also in attendance was Dirk Jordan ("General Counsel"), Emily Kirchner, Fredericksburg City Council and VP of Economic Development with Texas Regional Bank, and Timothy Young with Professional General Management Services, Inc. ("General Management").

----- Due to unforeseen circumstances concerning Oro Bianco Italian Creamery, the meeting was held at the Stonewall Smokchouse located at 411 Ranch Road 1623, Stonewall TX 78671 -----

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 9:16 A.M.
2. Receive Comments from the Public.
Mrs. Emily Kirchner attended the meeting, in her role as Fredericksburg Council Person, to reach out to the communities surrounding Fredericksburg. Mrs. Kirchner indicated that the City is engaging with neighbors to better understand impacts outside of Fredericksburg proper including taxes, water and wastewater, and other infrastructure improvements to the area.
3. Minutes to previous meeting held on June 20, 2024.
Draft minutes to this meeting were presented and discussed. Treasurer Rohlfs moved to approve the minutes as presented. Director Eckert seconded the motion. After full discussion and all voting in favor, the motion carried.
4. Payment of Current Bills and Invoices.
Treasurer Rohlfs presented the invoices to be approved for this period and discussed those invoices in some detail. Payment Applications from TTE LLC. for work on the new GST were discussed in detail. The applications have been inline with the contract and are within expectations. The final pay application shall be paid once the new GST has been completed, approved by engineering and the District, and all clean up and revegetation has been completed. Secretary Hoekstra moved to approve the invoices as presented. Vice-President Nebgen seconded the motion. After full discussion and all voting in favor, the motion carried.

5. Financial Statements for the Period Ending April 30, 2024.
Treasurer Rohlfs presented the financial reports for the period ending June 2024, to include a Balance Sheet and a Profit and Loss Statement. This report completed the 2023-2024 fiscal year and YTD totals will start over for July's reports. Vice-President Nebgen moved to approve the financial statements as presented. Director Eckert seconded the motion. After full discussion, 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.

An update on the current drought conditions was reported. The District continues in a Stage 2 Drought Condition. Despite recent rains recharging the aquifer and reducing customers' irrigation needs, levels in the aquifer have stabilized and have begun to drop slightly. However, the levels remain higher than at any point in 2023. Management will continue to monitor the drought conditions and make recommended changes as may be needed.

Management also reported on the TxDOT Highway 290 Project. Meetings with TxDOT officials have continued to discuss different topics including bedding material, pipe alignment, filling of new lines, and disinfection and flushing. Capital Excavation has begun laying new pipe and without additional delays expect to be finished in 90 days. Once the pipe work is finished, TxDOT will continue expanding the highway through the Stonewall service area.

TTE LLC., has nearly completed the construction of the new GST. During inspections, it was noted that the new tank is configured to be filled from the bottom, unlike the top fill design. This will be corrected so that the tank will fill from the top as required by the TCEQ. Other parts for the chlorine tie-in and mixer have been delivered and shall be installed immediately.

Treasurer Rohlfs moved to approve the management report as presented. Secretary Hoekstra seconded the motion. After full discussion and all voting in favor, the motion carried.

7. New Business.

- Review Financial Accounts

It was reported that the end of year financials are complete and ready for audit when requested. Happy State Bank has indicated that they will match investment account rates up to 5.25% for 3-11-month CDs. The current tiered rate was also discussed in detail.

- Discuss Condition of Old Storage Tank.

The District's old storage tank has developed a small leak that is filling the concrete ring and well 2 meter box. Once the new tank has been placed online, the old tank may be taken off-line and repairs made. When TTE has completed their construction, PGMS shall schedule an interior inspection to identify issues to be addressed in a single maintenance and repair project.

- Discuss Plant Shut-Off and Line ID's.

During the construction of the new GST an unknown water line was found inside the water plant yard. This line appears to feed two meters behind (south of) the plant. This line, in addition to a vacant poly line and old well #2 line were not on any map and were not located prior to construction. PGMS recommends that the service line be removed from the plant area and re-laid in the driveway to these two properties. The well #2 line will likely have to stay in place but it will be better marked.

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

- Update on meter located at 1623 Strip Center – Mr. Jake Scott submitted to the District a wastewater plan, designed and signed by an engineer that says the strip center property will require 4.15 LUE's of capacity. Considering there is a single LUE already served, Mr. Scott will be liable for an increase of 3.15 LUE's. PGMS will send an updated letter of service to Mr. Scott and install a properly sized service once a new service application has been submitted along with all Capital Recovery Fees paid.
- Update on artwork for marketing collateral - None
- Update on ground storage tank / emergency fill valve. The contractor has installed this valve.
- Update on TxDOT, Hwy 290 expansion. – The Highway 290 project has begun in earnest. PGMS will continue to invoice separately for any time spent on this project.
- Update on Grant progress / Reimbursement of funds. Treasurer Rohlfs is working with TXDOT to set up the District's reimbursement account. It has been reported that reimbursements will come in as submitted and not one lump-sum repayment.

9. Secretary's Report.

Secretary Hoekstra indicated there is nothing further to report.

10. Treasurer's Report.

Treasurer Rohlfs reported the District's quarterly report is in good shape. The District has engaged with Atchley and Associates to complete the 2023-2024 annual audit. The annual audit is expected to be completed before the November due date. Additionally, payment for TTE LLCs application shall be sent electronically.

11. President's Report.


President Hopkins indicated there is nothing further to report.


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

No additional matters were brought forward.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 11:51 A.M.

PASSED AND APPROVED this 15th Day of August 2024.


Nikolaus Hopkins, President
Stonewall Water Control and Improvement District


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