

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

August 15, 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") 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 9:04 A.M.
2. Receive Comments from the Public.
No public comment was given.
3. Minutes to previous meeting held on July 18, 2024.
Draft minutes to this meeting were presented and discussed. Public commenter, Emily Kirschner, of Fredericksburg City Council and VP of Economic Development with Texas Regional Bank, was not included and shall be added. Treasurer Rohlfs moved to approve the minutes, with Mrs. Kirschner added. Secretary Hoekstra 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. With no extraordinary bills or invoices, Vice-President Nebgen moved to approve the invoices as presented. Secretary Hoekstra 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 July 31, 2024, to include a Balance Sheet and a Profit and Loss Statement. This report begins the 2024-2025 fiscal year and YTD totals have restarted.

Treasurer Rohlfs presented low-risk investment options to the Board including competitive CD rates from the District's current depository, Happy State Bank.

It was noted that some receipts may be moved to or from the Current Fiscal year to the Previous as directed by the District's auditor. Additionally, annual adjustments to the depreciation of the District's fixed assets are expected at the conclusion of the 2023-2024 audit.

The District has submitted the first reimbursement request from TXDOT for expenses relating to the Highway 290 Project. No update has been made from TXDOT.

Secretary Hoekstra moved to approve the financial statements as presented. Vice-President Nebgen 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. Though the region did not get any significant rainfall in the last month, the aquifer has maintained a relatively steady level. With temperatures rising again and rains ending, the aquifer may begin to decline. PGMS shall continue to monitor the aquifer and make recommendations as 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 converted the new GST to a top fill configuration and tested that operation. With the tank construction near completion, the bolted floor was vacuum tested for leaks. Any leaks found were addressed at that time. With the vacuum testing completed, the GST was disinfected with a chlorine solution and filled. After 24 hours, some water was removed and the tank refilled using the District's wells. A bacteriological sample was collected and delivered to the lab. With negative results the tank will be ready for use. Though, several items must be completed prior to the GST being accepted.

The meter serving well #2 has been repaired and can be read from the elevated meter screen.

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

7. New Business.

- Plant Shut-off Procedure/ Generator Update

During recent thunderstorms electricity to the water plant has flickered or gone out causing the booster pump VFD's protectors have tripped and needed manual restarting. PGMS will contact Yaskawa, or vendor reps, to identify and correct the issue. In the short term, several Board members have been trained to restart the pumps in an emergency.

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

- Update on meter located at 1623 Strip Center – A letter describing the updated service size and description of fees has been sent to Mr. Scott. PGMS has not heard anything since the letter was sent.
- Update on ground storage tank / emergency fill valve. The contractor has installed this valve. A requested 90-degree elbow will be added to allow hoses to be laid in a straight line to a pump truck in the event it is needed. This will keep the fill hose from kinking and stopping flow.
- Update on TxDOT, Hwy 290 expansion. – The Highway 290 project has continued with minimal delays. PGMS will continue to invoice separately for any time spent on this project.
- Update on Grant progress / Reimbursement of funds. Treasurer Rohlfs has made the District's first request for reimbursement. No further update was available.

9. Secretary's Report.

Secretary Hoekstra requested that PGMS clean debris from well #2 site to allow better mowing.

10. Treasurer's Report.

Treasurer Rohlfs reported that the District has engaged with Atchley and Associates to complete the 2023-2024 annual audit. The annual audit will begin towards the end of August and is expected to be completed before the November due date.

An annual review and update of the District's insurance policy will be made soon to include the new GST and any other upgrades to the system or regulatory requirements.

A District Tax-Rate Workshop will be held on August 22nd at the regular meeting place.

11. President's Report.

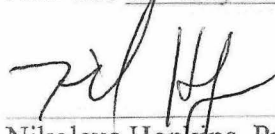
President Hopkins reported that Texan Water charges \$9,000 for a 400 feet deep test well.

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

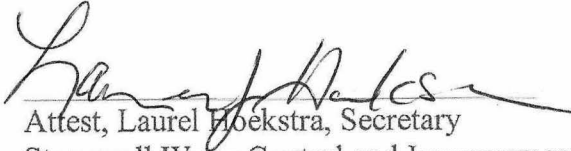
It was reported that an neighboring development, Arch Rey, has applied for a TCEQ wastewater discharge permit for discharge into the Pedernales River. Members of the community are encouraged to give their thoughts to the TCEQ on this matter.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 11:30 A.M.

PASSED AND APPROVED this 19th Day of September 2024.



Nikolaus Hopkins, President
Stonewall Water Control and Improvement District



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