

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

December 19, 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 Stonewall Volunteer Fire Department located at 14854 US Highway 290, 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 except Director Eckert. 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 9:15 A.M.

2. Receive Comments from the Public.

None.

3. Minutes to November 21, 2024, Regular Meeting

Draft minutes to this special meeting were presented and discussed. The minutes shall be corrected to indicate Secretary Hoekstra was not at the November meeting. With one correction noted, Treasurer Rohlfs moved to approve the minutes. Vice-President Nebgen 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. Treasurer Rohlfs reported that new checks were ordered and they will be in soon. Atchley and Associates that they are near completion of the District's financial audit. Treasurer Rohlfs reported that TXDOT has approved all District contracts and that the first Highway 290 Relocation Project reimbursement has been approved. With no extraordinary bills or invoices, 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 November 30, 2024.

Treasurer Rohlf presented the financial reports for the period ending November 30, 2024, to include a Balance Sheet and a Profit and Loss Statement.

Treasurer Rohlf reported that the Federal Government has changed reporting requirements from utility Districts. The financials will expressly show Capital Outlays, Capital Improvements and similar moving forward. TXPOOL investments are currently earning 4.2%. The District shall continue to submit reimbursement requests to 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. Despite the lack of rain in the last reporting period, the District's aquifer has leveled off and is not currently declining, indicating heavy nearby use has subsided.

Management also reported on the TxDOT Highway 290 Project. In the last reporting period, TXDOT is nearing completion of replacing all culverts in the project area. Once all culverts are complete, TXDOT, and their contractors, will pave the north side of highway 290. They will then make a traffic pattern change and finish paving the south side. During south side paving, Capital Excavation will reset fire hydrants to the proper height and pour concrete pads around all valves. There are no further outages expected with only cosmetic items remaining to be completed.

The new Ground Storage Tank has operated without issue for the last month. A signed inspection contract was submitted to Maguire Tanks and PGMS is standing by for a scheduled date of inspection. Once set, the old GST will be pumped to distribution without refilling. Maguire will vacuum the floor and make their inspection shortly after draining the tank. Any reports will be forwarded to the Board immediately.

PGMS has been tasked with locating a competent contractor to make repairs to the chlorine room area of the concrete pumphouse. Specifically, a corner area has begun to crumble. An estimation of costs will be forwarded once it is provided.

It has been noted that the water appears to be more corrosive than in the past. PGMS shall measure the corrosivity by using the Langelier Saturation Index or other approved method.

Vice-President Nebgen 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.

- Residential meter rules
 - LUE guidelines based on the City of Austin's were approved.
- Update to the 2023-2024 FY Audit
 - Treasurer Rohlfs reported that the audit has been completed. Highlights show the District had increased water sales but also that expenses were over budget. Atchley and Associates found no issues during the audit and were complementary of Treasurer Rohlfs' redesigned Chart of Accounts.
- Update to Leak Repair Procedures
 - No update was given.
- Review / Discuss Maguire Tank Repair Estimate
 - PGMS reported to the Board that the Maguire estimate includes all expected costs pertaining to a one-half day cleanout and inspection of the District's older GST and Pressure Tank. With no other issues or questions, the estimate was approved. PGMS shall report to the Board any schedule changes or inspection updates.
- Discuss placement of Honorary Plaque
 - The Honorary plaque will be installed near the front gate so it may be seen without entry to the water plant. A decorative post will be installed and the plaque attached to it.

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

- Update on meter located at 1623 Strip Center – Mr. Jonathon Kim contacted PGMS' office requesting services be transferred to his name for all buildings at 54 1623 S. It was explained to Mr. Kim that there was a pre-existing capacity issue with the property. Letters previously sent to Jake Scott were forwarded to Mr. Kim in full disclosure. Mr. Kim has indicated that he intends to rectify the capacity issue. There has been no update to SWCID from Mr. Scott.
- Update on Highway 290 Expansion. Final grading and concrete work will be completed when traffic is moved to the north side of the highway.
- Update on Grant progress / Reimbursement of funds. Treasurer Rohlfs reported that TXDOT has approved the first reimbursement request.
- Update on Old GST. PGMS has requested Maguire Tanks to inspect the tank and make necessary recommendations for corrective measures to be taken.
- Update on Well Progress No update.

9. Secretary's Report.

None.

10. Treasurer's Report.

None.

11. President's Report.

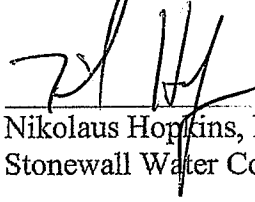
President Hopkins reported that the water fountain / bottle filler has been installed and is in service at the elementary school.

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

None

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 11:08 A.M.

PASSED AND APPROVED this 16th Day of January 2025.

A handwritten signature in black ink, appearing to read 'N. Hopkins', written over a horizontal line.

Nikolaus Hopkins, President
Stonewall Water Control and Improvement District

A handwritten signature in black ink, appearing to read 'Laurel Hoekstra', written over a horizontal line.

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