

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

February 20, 2025

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 Rohlf	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 9:09 A.M.

2. Receive Comments from the Public.

None.

3. Corrected Minutes to Previous Meeting Held on November 21, 2024.

Corrected minutes to this meeting were provided to the Board for their review and approval. With no further corrections noted, Treasurer Rohlf moved to approve the minutes. Secretary Hoekstra seconded the motion. After full discussion and all voting in favor, the motion carried.

4. Minutes to January 16, 2025, Regular Meeting

Draft minutes to this regular meeting were presented and discussed. With no corrections noted, Vice-President Nebgen moved to approve the minutes. Secretary Hoekstra seconded the motion. After full discussion and all voting in favor, the motion carried.

5. Payment of Current Bills and Invoices.

Treasurer Rohlf presented the invoices to be approved for the period and discussed those invoices in some detail. It was reported that Atchley and Associates have completed the District's financial audit and submitted their final invoice. Treasurer Rohlf reported that TXDOT has approved the first Highway 290 Relocation Project reimbursement, but payment has yet to be received. 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.

6. Financial Statements for the Period Ending January 31, 2025.

Treasurer Rohlf presented the financial reports for the period ending January 31, 2025, to include a Balance Sheet and a Profit and Loss Statement.

Treasurer Rohlf reported that the majority of tax collections have come in. It was also reported that TXDOT has not yet made their first reimbursement payment. With all reimbursement requests made to TXDOT, the District expects payments soon. No further update has been made by TXDOT.

The financial report indicates significantly more revenue in “water sales” than expected. This is likely an inputting error that will be investigated.

No further action was taken pending resolution of unexpected “water sales”.

7. 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 aquifer levels held through November, they have begun to drop again. PGMS shall monitor for leaks and water abuse. Additionally, Hill Country Underground WCD may move to a Stage 3 drought status if the aquifer continues to decline.

Management also reported on the TxDOT Highway 290 Project. In the last reporting period, TXDOT and its contractors completed the majority of pending items, including resetting hydrants to grade and installing concrete pads around all distribution valves. This work should complete the highway 290 project. PGMS shall report any updates or changes promptly.

The new Ground Storage Tank has operated without issue for the last month.

Maguire Tanks inspected the galvanized tank on Friday February 7th. The field crew indicated that the tank was in pretty rough shape but should be repairable with a new internal coating. As of the February meeting, the written inspection report was not available for review. Once the written report is in hand, the District will discuss possible solutions.

PGMS met with a concrete contractor at the water plant to discuss the chlorine room damage and a possible solution. Groundworks inspected the site and building on February 7th. Their written report indicates that the pumphouse is ≤ 0.6 ” out of level and should be repaired with piers and beams prior to the building’s wall repairs. This work is estimated to cost \$26,400 to repair. Approval was not made and PGMS is to request additional estimates from concrete contractors.

Treasurer Rohlfis 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.

• Presentation by Pedernales River Alliance

The Pedernales River Alliance (PRA) presented to the Board their efforts and stance towards the Arch Ray and Villages developments as well as other developments planned in the Fredericksburg and Stonewall area. The PRA is currently looking for input and volunteers to help minimize the potential environmental impact of these developments, specifically impacts related to requested wastewater discharge permits. The Villages and Arch Ray have each requested permits from the Texas Commission on Environmental Quality (TCEQ) to discharge treated effluent to a tributary of the Pedernales River. It is the opinion of the PRA that any permit allowing discharge to the Pedernales River watershed will have negative impacts on the natural flora and fauna of the river and may also impact the recreational use of the river downstream of any wastewater discharge(s).

Additionally, the Villages has requested a permit from the Hill Country Underground Water Conservation District to install two production wells to provide water to the development. It is the view of the PRA that the added strain to the underground aquifer will have negative effects on other water wells in the area.

Stonewall WCID will form a resolution to be approved expressing the opinion of the District.

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

- Update on meter located at 1623 Strip Center – Parts were delayed but are in hand and ready for install. This will be completed in the next work week. Mr. Kim has been communicating with PGMS through this project.
- Update for Hydrant Costs. The District shall make payment for the Storz hydrant connections. In addition to payment a letter will be attached expressing the District's displeasure of this unexpected change order expense.
- Update to Plaque Placement at the Plant. With the location for the plaque installation approved, a decorative signpost of the appropriate height is currently being built. Once finished, the sign will be permanently installed.
- Update on Highway 290 Expansion. Final grading and concrete work have been completed. There is no expected further impact on, or changes to the distribution system at this time. PGMS will report any future updates immediately.
- Update on Grant progress / Reimbursement of funds. No update.
- Update to Old GST. The inspection was completed on February 7, 2025. The written report is expected very soon.
- Update on Digital Community Sign. The Chamber of Commerce has expressed a desire to have a multi color display on the new sign. The School, VFD and District are exploring funding options for the possible increase in cost.
- Update on Well Progress No update.

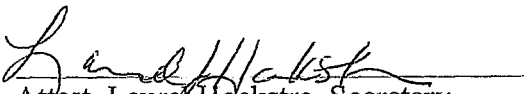
9. Secretary's Report.
None.
10. Treasurer's Report.
None
11. President's Report.
None
12. Other matters that may come before the Board and take action necessary thereon.
None

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 11:25 A.M.

PASSED AND APPROVED this 20th Day of March 2025.



Nikolaus Hopkins, President
Stonewall Water Control and Improvement District



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