

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

June 23, 2022

The Board of Directors for Stonewall Water Control and Improvement District (the “District”) met in regular session at 8:30 a.m. at the Stonewall Chamber of Commerce Building located at 250 Peach Street, 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
Britton Waldron	Vice President
Laurel Hoekstra	Secretary
Henry Rohlfs	Treasurer
Robert Welch	Director

All Board members were present. Also in attendance, Dirk Jordan (“General Counsel”), Mark Nebgen, (“Director Elect”) 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 8:56 A.M.

2. Receive Comments from the Public.

None.

3. Approve Minutes to Previous Meeting Held on May 26, 2022

A copy of the minutes to the March regular meeting were dispersed and read.

With no corrections needed, Secretary Hoekstra moved to approve the minutes as presented. Director Welch 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 of invoices and bills to be approved this period. PGMS had no additional invoices to add for discussion. One Invoice, from Well Doctors, will have to have sales tax removed prior to payment. Secretary Hoekstra moved to approve the bills as presented. Director Nebgen seconded the motion. After full discussion and all voting in favor, the motion carried.

5. Financial Statements for the Period Ending May 31, 2022.

Treasurer Rohlfs presented the available financial reports. Pam Taylor, CPA has continued to move forward with completing the financial reports though they were not ready for review. Statements from Security State Bank & Trust for 2022 have not been received by the District. President Hopkins will request all statements for the current year. It was reported that the Happy State Bank account has reconciled properly thus far. Treasurer Rohlfs as well as PGMS’ Timothy Young report that during the HSB/Sentinel transition, several account details did not

transfer properly. During the transition, the District's deposit limit reverted back to \$1,000 per day. This has been corrected to \$10,000 per day. The local HSB branch has committed to sending all reports and work to correct transfer issues.

The District's .org email service is ready to go. The new email addresses should be complete soon.

The District's 2021 Consumer Confidence report is complete and has been added to the website.

PGMS is to find or design a notice to customer requesting notification contact information.

The District's Profit and Loss report is accurate for the year but there are minor irregularities stemming from the recent account institution change. These and all other corrections should be complete by the end of the month. Approval of the financials was tabled for further preparation and review.

6. Receive operations report relating to current system operational issues and take action deemed necessary thereon. (Presented by PGMS, Inc.)

Timothy Young 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 provided and discussed.

PGMS reports that two additional leaks have been repaired and there are no remaining repairs pending. The water loss has decreased again and expected to continue downward with additional repairs being made. With new meter reads in mid-July, we will re-evaluate the loss percentage.

PGMS reported on the booster pump discharge line failure and associated water loss and damage to the water treatment plant. Repairs made to well #1 were also discussed in detail. PGMS is to work with President Hopkins to have electrical repairs made to the plant's lighting, vent fan, GFCI outlets and other minor issues. This work should be complete by the next regular meeting.

PGMS is to complete a list of all properties that current have a backflow preventer installed and those that do not but should have one. Landis Plumbing will take this list and complete testing on all known Backflow Devices with the cost passed through to the customers. Copies of all test reports shall be sent to the customer and District.

Future testing requirements of the EPA and TCEQ were discussed in some detail, including "forever chemicals" such as PFAS and PFOS.

Treasurer Rohlf moved to accept the Operations and Management Report as provided. Director Nebgen seconded the motion and after full discussion and all voting in favor, the motion carried.

7. New Business:

- TCEQ Drought Awareness
 - The current drought status and local projections were discussed in detail. The District will mail informational postcards or notices to all customer reminding them of the current drought status with included tips for conserving water.

- Allocation of Inventory Items
 - PGMS has begun the inventory process and parts move. This process shall be complete in the next two weeks. Once all parts are inventoried and moved to the new storage container, all paperwork and documents currently stored in the water plant will be moved to the wood building. Secretary Hoekstra with help will then organize the District's documents and properly destroy those that are unneeded.

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

- Approve Financial Statements for first quarter 2022.
 - Statements were not available for review. This item was tabled until the next regular meeting.
- Update on Hour Meters installed by Alterman
 - An hour meter has been installed on each booster pump and they are operating normally.
- Update on Ground Storage Tanks.
 - PGMS is currently soliciting interest and information regarding the engineering, purchase, and installation of a new ground storage tank. Contact has been made with Bulldog Tanks and Columbia tanks. They are to provide budgetary estimates in the coming days. The current tank is operating as it should.

10. Secretary's Report.

Secretary Hoekstra recommended that the District consider a contingency plan in the event one or more directors fall ill or otherwise cannot perform the duties of director.

11. Treasurer's Report.

With all discussion complete and corrections made, Secretary Hoekstra moved to accept the 2022-2023 budget. Director Nebgen seconded the motion and after full discussion and all voting in favor, the motion carried.

13. President's Report.

None

14. Other Items

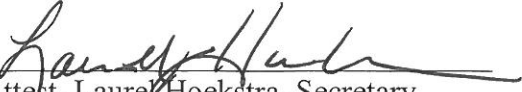
It was discussed that the District would benefit by moving an existing fire hydrant +/-60 south of the Volunteer Fire Dept. to the edge of the driveway to allow truck filling without the dangers of parking on Highway 290. The District has all needed parts to complete this in stock and PGMS is ready to complete the project pending an easement for the water line and hydrant. Secretary Hoekstra moved to approve the move of this hydrant. Director Nebgen seconded the motion and with all voting in favor, the motion carried.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 11:24 A.M.

PASSED AND APPROVED this 18th Day of August 2022.



Nikolaus Hopkins, President
Stonewall Water Control and Improvement District



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