

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

July 21, 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
Laurel Hoekstra	Secretary
Henry Rohlfs	Treasurer
Robert Welch	Director
Mark Nebgen	Director

All Board members were present. Also in attendance, 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 9:12 A.M.
2. Receive Comments from the Public.
None.
3. Approve Minutes to Previous Meeting Held on June 23, 2022.
A copy of the minutes to the March regular meeting were dispersed and read.
With corrections needed to the Director Roll and Passed and Approved date, Treasurer Rohlfs moved to approve the minutes. 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 a report of invoices and bills to be approved for this period. PGMS had no additional invoices to add for discussion. The District had a past due credit with Sunbelt Rentals that nearly covered the cost of renting an excavator for leak repairs. The remaining invoice amount will be mailed soon. 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 June 30, 2022.
Treasurer Rohlfs presented the financial reports for January 1 through June 30th for review. All financial reports reconcile correctly with the District’s bank statements. It was noted that the financial reports include entries for two bank accounts with RBFCU that are closed. The District’s Profit and Loss report is accurate with corrections made to past minor irregularities stemming from the recent account institution change. Secretary Hoekstra moved to accept the

Financial Reports as presented. Director Nebgen seconded the motion and after full discussion and all voting in favor, the motion carried.

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 an additional leak was reported and repaired leaving no remaining repairs pending. The water loss has decreased again and expected to continue downward with additional repairs being made. The well meter readings in July are not 100% accurate as the meter serving well #1 has failed. Fluid Meter Service will be onsite Friday July 22nd to calibrate and make any necessary repairs to the meter.

Repairs made to well #2 were also discussed in detail. Electrical repairs have been made to the plant's lighting, vent fan, GFCI outlets and other minor issues. All electrical components are now working correctly.

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. This project is ongoing as the number of potential cross connections with residential wells grows. 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.

Secretary Hoekstra moved to accept the Operations and Management Report as provided. Director Welch seconded the motion and after full discussion and all voting in favor, the motion carried.

7. New Business:

- Audit Committee Report
 - The 2021-2022 Audit is progressing with minimal issues. All requested paperwork, statements, and reports have been submitted to the auditor. Field work is expected to begin in early August. With no complications, the audit should be completed in September.
- Director Health Contingency.
 - General Counsel is tasked with drafting contingencies in the case a director falls ill or is otherwise unable to complete their Director duties.

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

- Approve Financial Statements for first quarter 2022.
 - Completed in Agenda Item #5.
- Update on Drought Awareness
 - Hill County Underground Conservation District General Manager, Paul Tybor presented an overview of the drought status within the District. Many local

municipalities, including the City of Fredericksburg have implemented Stage 3 of their drought contingency Plan. Mr. Tybor also reported that Ellemberger Aquifer is nearing capacity and any new development may have a negative impact on the District's supply wells. With no signs of the current "La Nina" climate pattern ending soon, HCUCD does not see the ongoing drought coming to an end soon.

- Update on Ground Storage Tanks.
 - PGMS submitted for review two separate budgetary estimates for the purchase of a GST. PGMS is tasked with determining the differences in warranties and guarantees between bolted steel and welded steel tanks. The current tank is operating as it should.

- Review Engineering Contracts
 - PGMS is to provide information for two engineering firms for consideration. PGMS will contact Burgess & Niple and Southwest Engineers.

- Appoint Officers of the Board
 - Officers were appointed as:
 - President: Nick Hopkins
 - Vice-President Mark Nebgen
 - Treasurer Henry Rohlf
 - Secretary Laurel Hoekstra

10. Secretary's Report.

None

11. Treasurer's Report.

None

13. President's Report.

None

14. Other Items

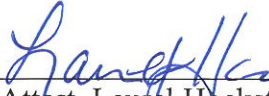
The Stonewall VFD has been agreeable to moving Hydrant #18 from the HWY 290 ROW to the southern edge of the VFD parking lot. A surveyor has been contacted to identify the needed easement area. Once an easement is in place, PGMS will begin construction immediately.

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