

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

August 18, 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:

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| Nikolaus Hopkins | President |
| Mark Nebgen | Vice-President |
| Laurel Hoekstra | Secretary |
| Henry Rohlfs | Treasurer |
| Robert Welch | Director |

All Board members were present. Also in attendance, Dirk Jordan ("General Counsel"), Eileen Boyd ("Public Commentor"), and Patric King 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 9:05 A.M.
2. Receive Comments from the Public.
Eileen Boyd publicly commented her disappointment in the time frame of her new water service and lack of communication with PGMS. Mrs. Boyd's service will now be placed within the TXDOT ROW negating the need for and easement and survey. The service shall be installed as soon as permission is granted from TXDOT.
3. Approve Minutes to Previous Meeting Held on July 21, 2022.
A copy of the minutes to the July 21st regular meeting were dispersed and read. With no corrections needed, 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. All bills and invoices pertained to the normal function of the District. Reimbursement to Treasurer Rohlfs for phone services was added to the invoice report. Secretary Hoekstra moved to approve the bills as presented. Director Welch seconded the motion. After full discussion and all voting in favor, the motion carried.
5. Financial Statements for the Period Ending July 31, 2022.
Treasurer Rohlfs presented the financial reports for July 2022 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. These represent reconciliation errors that will be corrected with journal entries as the new fiscal year begins. The

District's Profit and Loss report is accurate with no corrections needed. Director Nebgen moved to accept the Financial Reports as presented. Secretary Hoekstra 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, though Director Nebgen reported that there may be a new leak. He will report back to PGMS. July's water loss could not be accurately calculated as the well #1 meter has failed.

Well #2 is running as it should however the aquifer level is dropping low enough to affect the pump. If left at full flow, the well will cavitate and pump air. The well's production was cut back to 25 GPM to reduce the cavitation. The "turn on" probe in the GST will also be raised to shorten the run cycle of each well.

Pending Tasks:

- Set service at 309 Ranch Road 1
- Move Hydrant #18 at VFD
- Compile a list of all properties that require backflow prevention and report to the Board.
- Research whether the Hensel Aquifer can be reached and what is the water quality
- Research the benefits of rehabilitating the production wells
- Research any secondary water sources
- Send conservation letters to the top water users
- Contact Xavier Church about high water use
- How many meters serve the Baptist Church?
- Finish any inventorying of parts and supplies
- Recommend Updates to the District's Drought Contingency Plan

Secretary Hoekstra 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:

- None

8. Old Business:

- With his SWCID Board of Directors term expired, Britton Waldron shall be removed from any and all District bank accounts. Mr. Waldron will also be removed from any vendor or contractor accounts. Newly elected Board Member, Mark Nebgen, shall be added to the District's banking accounts. Mr. Nebgen will also be added to the District's vendor and contractor accounts. Furthermore, each Board Member shall sign new signatory cards as required by the District's banking institutions.

- **Audit Committee Report**
 - The 2021-2022 Audit is progressing with minimal issues. Field work is expected to end shortly. Corrections made during the previous year's audit were not reflected in the District's bookkeeping. These corrections will be added this year. With no complications, the audit should be completed in with plenty of time for review by the November deadline.

- **Update to Drought Status**
 - The District continues to see the affects of the current drought. The wells continue to provide sufficient supplies however, the flow has slowed. The District will send a conservation letter out to all customers with the next billing cycle. Additionally, a second, individualized, letter will be sent to all customers who used more than 30,000 gallons of water in July 2022.

- **Storage Tank Warrantees**
 - Both tanks come with a one-year parts and material warrantee. The contractor I spoke with offers a one-year workmanship warrantee as well.

- **Update on Engineers Contract**
 - PGMS presented information about and the rate schedule of Burgess-Niple and Southwest Engineers. Treasurer Rohlfs moved to accept Burgess-Niple as District Engineer. Secretary Hoekstra seconded the motion and after full discussion and all voting in favor, the motion carried.
 - PGMS shall work with Burgess-Niple to move forward with the new GST project.

- **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.

9. Secretary's Report.
None

10. Treasurer's Report.

- Treasurer Rohlfs reported that the District's auditor has a positive recommendation of TexPool services.

11. President's Report.
None

12. Other Items

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 11:23 A.M.

PASSED AND APPROVED this 15th Day of September 2022.



Nikolaus Hopkins, President
Stonewall Water Control and Improvement District



Attest, Laurel Hoekstra, Secretary

Stonewall Water Control and Improvement District