

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

September 22, 2022

The Board of Directors for Stonewall Water Control and Improvement District (the "District") met in regular session at 9:00 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
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"), 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 9:20 A.M.

2. Receive Comments from the Public.

None.

3. Approve Minutes to Previous Meeting Held on August 18, 2022.

A copy of the minutes to the August 18<sup>th</sup> 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. Approve Minutes of Closed Meeting Held on September 1<sup>st</sup>.

The meeting was closed meeting with no action(s) taken.

5. Approve Minutes to Previous Tax Rate Meeting Held on September 15, 2022.

A copy of the minutes to the September 15<sup>th</sup> tax-rate meeting were dispersed and read.

With no corrections needed, Secretary Hoekstra moved to approve the minutes. Vice-President Nebgen seconded the motion. After full discussion and all voting in favor, the motion carried.

6. 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. An invoice from Atchley and Associates (\$2,547.00) and from the Fredericksburg Standard (\$400.00) were added to the invoice report. Secretary Hoekstra

moved to approve the bills as presented. Vice-President Nebgen seconded the motion. After full discussion and all voting in favor, the motion carried.

7. Financial Statements for the Period Ending August 31, 2022.

Treasurer Rohlf presented the financial reports for August 2022 for review, including District Income and Expense Report and Balance Sheet. All financial reports reconcile correctly with the District's bank statements. The District's Profit and Loss report is accurate with no corrections needed. Vice-President 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 no new leaks were reported during the last month. PGMS has located two possible leaks on south FM 1623 that will be repaired as soon as possible. August's water loss could not be accurately calculated as the well #1 meter has failed.

The meter serving well #1 was replaced on August 14<sup>th</sup>. The new meter is accurately measuring pumpage. Well #1 shows a pumping rate of 79 GPM with the new meter.

Despite efforts to shorten the run times of Well #2, the cavitation has persisted. Conversations with the Hill Country UCD indicated that the strongest portion of the aquifer is below 80ft, while the District's pump sat at 70ft. An additional 20 feet of drop pipe was added to the well positioning the pump at 90 ft below ground. Since the pump was lowered, the well has produced 43 GPM steadily with no cavitation.

The line extension and service for 309 Ranch Road 1 has been completed.

Old Pending Tasks:

- Set service at 309 Ranch Road 1 - Complete
- Move Hydrant #18 at VFD – The area has been surveyed, utility locate request made and completed, and the TXDOT permit application has been made. With permit approval, the project will move forward.
- Compile a list of all properties that require backflow prevention and report to the Board. – Work in progress
- Research whether the Hensel Aquifer can be reached and what is the water quality – Work in progress
- Research the benefits of rehabilitating the production wells – No benefit to rehabilitating the current wells.
- Research any secondary water sources – Work in progress
- Send conservation letters to the top water users – Continuing Project
- Contact Xavier Church about high water use - Complete
- How many meters serve the Baptist Church? - Complete
- Finish any inventorying of parts and supplies - Complete

- Recommend Updates to the District's Drought Contingency Plan – Work in progress

**New Pending Tasks:**

- Continue Cleaning Treatment Plant Yard

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:

- None

8. Old Business:

- Happy State Bank: Secretary Hoekstra has delivered to Happy State Bank all requested documents including Executed Board Minutes, Deposits, and other requested documentation. Secretary Hoekstra will pick up new signatory cards for all current Board members to sign. 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.
- Update on Ranch Road 1 Project: This project is complete, and the property owner may connect to the new service at their convenience.
- Update on Audit: The audit is moving forward as expected with no new updates.
- Update to Drought Status: The District continues to see the affects of the current drought. The recent rains and well repairs have eased the strain to the water system, but continued conservation efforts are needed. The District will send a conservation letter out to all customers with excessive use during the last billing cycle. Direct calls will be made to those customers who used more than 30,000 gallons during the last billing cycle. Additionally the District will have signs printed to aid in the ongoing conservation messaging.

The District will create a new rate class for use above 50,000 gallons during a single billing cycle. The rate for the new class will mirror the bulk water rate of \$20.00 per 1,000 gallons used over 50,000.

- 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: Burgess Niple has been contacted and asked to begin engineering for a new ground storage tank. Mr. Callegari has received the as-built drawings of the water plant and is scheduling an on-site walk through soon.
- Director Health Contingency: Secretary Hoekstra has drafted contingencies in the case a director falls ill or is otherwise unable to complete their Director duties. This draft will be circulated through the Board and reviewed. With no revisions necessary, a draft amendment to the District's by-laws will be presented during the next regular meeting.

9. Secretary's Report.  
None

10. Treasurer's Report.

- Treasurer Rohlfs presented to the Board an informational pamphlet about TexPool services. The information will be reviewed by the Board for possible discussion or action during the next regular meeting.

11. President's Report.  
None

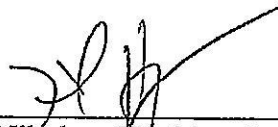
12. Other Items

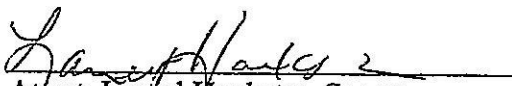
- The Board discussed the overall maintenance of the water treatment plant and fire hydrants. It was discussed whether the District will begin a new contract with a maintenance company or individual or to purchase equipment. Management and District members will collect information on maintenance equipment for discussion at the next regular meeting.

Closed Session:

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

PASSED AND APPROVED this 20<sup>th</sup> Day of October 2022.

  
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Nikolaus Hopkins, President  
Stonewall Water Control and Improvement District

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