

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

October 20, 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"), Britton Waldron (Public Commentor), 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.
Mr. Britton Waldron recommended that the District timestamp agenda postings to the District website to avoid possible issues.
3. Approve Minutes to Previous Meeting Held on September 22, 2022.
A copy of the minutes to the September 22nd regular meeting were dispersed and read. The minutes shall be amended to show no motions were made during or after Closed Meeting and that the meeting ended at 12:05PM. With no other corrections needed, Treasurer Rohlfs moved to approve the minutes. 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 for this period. PGMS had no additional invoices to add for discussion. Reimbursement to Mark Nebgen, in the amount of \$2,317.98, for the purchase of yard maintenance equipment was added to the current invoices to be paid. All bills and invoices pertained to the normal function of the District. Vice-President Nebgen moved to approve the bills as presented. Secretary Hoekstra seconded the motion. After full discussion and all voting in favor, the motion carried.

5. Financial Statements for the Period Ending September 30, 2022.

Treasurer Rohlfs presented the financial reports for September 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. It was reported that 2023 tax revenues will be about the same as the last year's. The two RBFCU bank accounts will be clear to close once the audit is complete. Vice-President Ncbgen 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 three new leaks were reported during the last month. PGMS has completed repairs on each leak. There are currently no known leaks within the distribution system.

It was reported that a large leak within the TXDOT Rest Area. The spot was investigated, and no leaks were seen. TXDOT is assumed to have fixed their leak.

The air release valve for well #1 has failed and is leaking Water by on a regular basis. PGMS disassembled and cleaned the ARV but it is worn past repair. The valve shall be replaced as soon as possible.

The District received two phone calls during the month pertaining to possible new construction. First was a call about possible new services at US HWY 290 and Woodrose Ln. the 2nd was for a two acre tract that the prospective buyer wants to place several manufactured homes on. No applications or service investigations have been requested for these two properties to date.

Additionally, Mr. Perez has requested his service be upsized to accommodate additions to the current building. Estimated costs for the upgrade will be sent to him.

Treasurer Rohlfs moved to approve the operations report as presented. Secretary Hoekstra seconded the motion and after full discussion and everyone voting in favor, The motion carried.

Old Pending Tasks:

- o Move Hydrant #18 at VFD – The area has been surveyed, utility locate request made and completed, and the TXDOT permit application has been made. Pending final approval from VFD.
- o Compile a list of all properties that require backflow prevention and report to the Board. – Work in progress
- o Research any secondary water sources – Work in progress
- o Send conservation letters to the top water users – Continuing Project
- o Recommend Updates to the District's Drought Contingency Plan – Work in progress
- o Continue Cleanup of Plant yard – Ongoing
- o Post 20% reduction signs -

New Pending Tasks:

- None

7. New Business:

- Consider and Take Action on Diversifying District Funds: The District's approved investment policy excludes the use of TexPool. With rates rising to 2.85% - 3.0%, the District shall invest monies into Money Market or Certified Deposit accounts. Treasurer has the approved authority to transfer monies as approved by the Board.
- Compensation for Director's Duties: Compensation for approved work performed by Directors shall be amended. Vice-President Nebgen and Treasurer Rohlfs will committee to create guidance for Director Compensation.

8. Old Business:

- Update on Audit: The audit is moving forward as expected with an estimated completion during the first week of November. No further document requests have been made.
- Update to Drought Status: The District continues to see the effects 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 have signs posted throughout the system to aid in the ongoing conservation messaging.
- Update on Yard Maintenance Equipment: Lawn equipment has been purchased and is ready for use at the water treatment plant.
- Update on Engineers Contract: Burgess Niple has provided to the District a contract for services pertaining the design and construction of a new Ground Storage Tank. The contract was approved, pending resolution of one objection of possible non-compliance with the District's professional services agreement policy. Further research shows that Districts , in Texas, may not take bids for professional services. The contract shall be executed and returned to Burgess Niple.
- Update on GST Warranty: No update. This item shall be removed from Old Business.
- Director Health Contingency: Secretary Hoekstra has drafted contingencies in the case a director falls ill or is otherwise unable to complete their Director duties. and circulated it through the Board for review.

Vice-President Nebgen moved to approve the provided amendment to the District's By-Laws. Treasurer Rohlfs seconded the motion and with everyone voting in favor, the motion carried.

9. Secretary's Report.

None

10. Treasurer's Report.

- Treasurer Rohlfs presented to the Board a quarterly banking report for review.

11. President's Report.

- None

12. Other Items

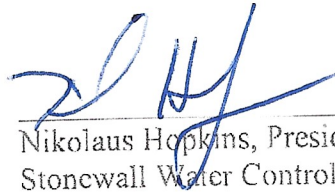
- None.

Closed Session:

- None.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 10:31 A.M.

PASSED AND APPROVED this 17th Day of November 2022.



Nikolaus Hopkins, President
Stonewall Water Control and Improvement District



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