

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

July 20, 2023

The Board of Directors of the Stonewall Water Control and Improvement District (the "District") held its regular meeting at 9:00 a.m. at the Oro Bianco Italian Creamery located at 48 Ranch Road 1623, 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"), William Ball with Burgess-Niple ("District Engineer") 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 9:02 A.M.
  
2. Receive Comments from the Public.  
No public comment was offered.
  
3. Approve Minutes to Previous Regular Meeting Held on May 11, 2023.  
Copies of the draft minutes to this meeting were presented and reviewed. Treasurer Rohlfs moved to approve the Minutes as presented. Secretary Hoekstra seconded the motion. After full discussion and all voting in favor, the motion carried.
  
4. Approve Minutes to Previous Special Meeting Held on June 8, 2023.  
Copies of the draft minutes to this meeting were presented and reviewed. Treasurer Rohlfs moved to approve the Minutes as presented. Secretary Hoekstra seconded the motion. After full discussion and all voting in favor, the motion carried.
  
5. Approve Minutes to Previous Regular Meeting Held on June 15, 2023.  
Copies of the draft minutes to this meeting were presented and reviewed. Treasurer Rohlfs moved to approve the Minutes as presented. Vice-President Nebgen seconded the motion. After full discussion and all voting in favor, the motion carried.

6. Approve Minutes to Previous Special Meeting Held on June 29, 2023.  
Copies of the draft minutes to this meeting were presented and reviewed. Director Welch moved to approve the Minutes as presented. Vice-President Nebgen seconded the motion. After full discussion and all voting in favor, the motion carried.
7. Approve Minutes to Previous Special Meeting Held on July 6, 2023.  
Copies of the draft minutes to this meeting were presented and reviewed. Director Welch moved to approve the Minutes as presented. Vice-President Nebgen seconded the motion. After full discussion and all voting in favor, the motion carried.
8. Approve Minutes to Previous Special Meeting Held on July 13, 2023.  
Copies of the draft minutes to this meeting were presented and reviewed. Vice-President Nebgen moved to approve the Minutes as presented. Treasurer Rohlfs seconded the motion. After full discussion and all voting in favor, the motion carried.
9. Payment of Current Bills and Invoices.  
Treasurer Rohlfs presented a report of invoices and bills to be approved for this period. There were no unexpected or extraordinary bills or invoices presented and all bills pertained to the normal operation and management of the District. It was noted that the total cost of several invoices including Core & Main and Fluid Meter Service, were passed to the new connection on Cemetery Dr. Secretary Hoekstra moved to approve the payment of bills and invoices as presented. Vice-President Nebgen seconded the motion. After full discussion and all voting in favor, the motion carried.
10. Financial Statements for the Period Ending April 2023.  
Treasurer Rohlfs presented to the Board a financial report for the period ending April 30, 2023. With no corrections needed, Secretary Hoekstra moved to approve the financial report as presented. Vice-President Nebgen seconded the motion and after full discussion and all voting in favor, the motion carried.
11. Financial Statements for the Period Ending May 2023.  
Treasurer Rohlfs presented to the Board a financial report for the period ending May 31, 2023. With no corrections needed, Secretary Hoekstra moved to approve the financial report as presented. Vice-President Nebgen seconded the motion and after full discussion and all voting in favor, the motion carried.
12. Financial Statements for the Period Ending June 2023.  
Treasurer Rohlfs presented to the Board a financial report for the period ending June 30, 2023, as well as the Fiscal Year-End Profit and Loss Statement. With no corrections needed, Secretary Hoekstra moved to approve the financial report as presented. Vice-President Nebgen seconded the motion and after full discussion and all voting in favor, the motion carried.

13. Receive operations report relating to current system operational issues and take action deemed necessary thereon. (Presented by Professional General Management Services, Inc.)

Management 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 presented and discussed as a matter of routine.

It was reported to the District that two additional water leaks have been reported and repaired. The District and PGMS will continue to work towards amending the approved Drought Contingency Plan as needed moving forward.

PGMS was tasked with obtaining a cost estimate for a new Hydrant Meter with Backflow protection. PGMS was given a verbal estimate of \$2,000, but we are waiting for it in writing so the purchase may be approved.

PGMS was also tasked with expediting the replacement of the 2" galvanized pump piping. All parts have arrived except the needed 2" butterfly valves. Once they arrive, the project will be scheduled.

PGMS, Inc. presented to the Board a list of customers that continually use an excessive amount of water. This excessive use coupled with an ongoing, extreme drought and unknown leaks may create supply issues if not mediated soon. Information provided by the HCUGWCD, and U.S. Drought Monitor indicate the Gillespie County area remains in extreme/exceptional drought, with no relief in the immediate future. PGMS shall contact customers who use more than 15,000 gallons in a month. Additionally, management shall expedite the locating and repair of any water leaks in the distribution system.

A pending work list was also provided. Secretary Hoekstra moved to approve the management report. Vice-President Nebgen seconded the motion. After full discussion and all voting in favor, the motion carried.

14. Old Business – Operations update, take action as needed.

- Update on Meter Located at 1623 Strip Center.

PGMS recently contacted Kelly Ohlfers with Gillespie County who reports that Hye Thai, Oro Bianco and Chocolates El Rey are each connected to the Public Water Supply (PWS). However, the Districts records indicate that only Chocolates El Rey have an account. Two attempts were made to contact Mr. Jake Scott by phone, but neither was answered. A follow-up email was sent as well but it was also not responded to. PGMS has been tasked with drafting a certified letter detailing the current problems, and restorative path, with the strip center.

- Update on the VFD hydrant.  
It is reported that the hydrant has been moved and returned to service. PGMS has been tasked with adding two (2) metal protective bollards to prevent accidental impacts and damage. Additionally, the cost of a new hydrant meter and backflow prevention device was requested from Fluid Meter Service. This quote will be forwarded to the Board as it is received.
- Update on GST Progress  
William Ball, of Burgess-Niple had no update on the progress of the new GST. The sole bidder, TTE LLC., shall begin scheduling immediately after approval of their submitted bid.
- Update on Highway 290 Expansion  
TXDOT has reported that the contract they had with HDS has expired and a new contract was awarded to ARS. Contacts of all parties were shared after the contract was awarded. TXDOT, ARS, PGMS, Burgess-Niple and District members have held bi-weekly update meetings concerning the expansion project. Additional conflicts have been removed from the list as TXDOT redesigned culvert and driveway alignments. This has brought the total down to approximately 3,900 feet of pipeline that will need to be relocated, not including any needed relocation of the Aspra 4" water line.

The District is also exploring options for the abandonment or removal of the existing pipelines that are in conflict. If the pipelines are left, the District will remain responsible for them for their life. Alternatively, the pipelines may be removed at a currently unknown cost. Burgess-Niple and PGMS will work to get estimated costs to remove the existing pipelines rather than leaving them.

Vice-President Nebgen has continued to work with the TWICC team to obtain funding for the HWY 290 relocation project. Mr. Nebgen has scheduled and attended several meetings with TXDOT and funding partners to date.

Counsel Jordan has reported that local lawmaker(s) have taken interest in the District's predicament but have yet to offer any solutions or funding avenues.

- Update to TCEQ Water Capacity  
Since the last report, a change in the formula TCEQ uses to count RV Slot capacity was passed in the latest legislative session. Eight RV slots will now count as one, single LUE. This will dramatically reduce the required capacity for the Peachtree RV Park. However, this law does not take effect until September 1, 2023. In the meantime, PGMS has requested an extension of 60 additional days to submit the District's response to the alleged violation. By the end of the extension, the new law will be in place and the LUE count shall be re-evaluated.

15. Secretary's Report.  
Secretary Hoekstra noted that the Board of Directors should take the Texas Secretary of State's Open Meeting Training if they have not yet.
16. Treasurer's Report.  
Treasurer Rohlf's gave a quarterly report of the District's Finances and accrued profit. Also, the upcoming FY 2022/2023 audit will begin August 21, 2023. PGMS Bookkeeper, Gina Crouchet, will be available as needed to assist.
17. President's Report.  
President Hopkins indicated they had nothing further to report.
18. Other matters as may come before the Board and take action necessary thereon.
- The date for next month's regular meeting was set for August 17, 2023, at 9:00 AM.
  - No other items were discussed.

President Hopkins asked if any further business needs to be brought forward. No additional matters were brought forward.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 11:44 A. M.

PASSED AND APPROVED this 17<sup>th</sup> Day of August 2023.



Nikolaus Hopkins, President  
Stonewall Water Control and Improvement District



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