

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

August 17, 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") 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 9:03 A.M.
2. Receive Comments from the Public.
No public comment was offered.
3. Approve Corrected Minutes to Previous Special Meeting Held on July 13, 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.
4. Approve Minutes to Previous Regular Meeting Held on July 20, 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.
5. Approve Minutes to Previous Special Meeting Held on July 27, 2023.
Copies of the draft minutes to this meeting were presented and reviewed. Vice-President Nebgen moved to approve the Minutes as presented. Director Welch seconded the motion. After full discussion and all voting in favor, the motion carried.

6. Approve Minutes to Previous Special Meeting Held on August 3, 2023.
Copies of the draft minutes to this meeting were presented and reviewed. Director Welch moved to approve the Minutes as presented. Treasurer Rohlf's seconded the motion. After full discussion and all voting in favor, the motion carried.

7. Payment of Current Bills and Invoices.
Treasurer Rohlf's 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 late Core & Main were added to the report. Treasurer Rohlf's reported that the Bookkeeping invoice included charges related to the ongoing annual audit and that the District will see a 2% increase to the insurance premiums. All checks related to the ongoing Highway 290 expansion project shall be recorded separately from regular business payments. Vice-President Nebgen moved to approve the payment of bills and invoices as presented. Secretary Hoekstra seconded the motion. After full discussion and all voting in favor, the motion carried.

8. Financial Statements for the Period Ending July 31, 2023.
Treasurer Rohlf's presented to the Board a financial report for the period ending July 2023. It was reported that a request for additional documents by Atchley and Associates is expected as the annual audit progresses toward a filing deadline of November 11, 2023. With no corrections needed, Vice-President Nebgen moved to approve the financial report as presented. Secretary Hoekstra seconded the motion and after full discussion and all voting in favor, the motion carried.

9. 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 no additional water leaks have been reported. The District and PGMS will continue to work towards amending the approved Drought Contingency Plan as needed moving forward.

Water use by the Arrowhead Creek and Bilger wineries has spiked, indicating that their wells may have failed. PGMS will contact the customers and request a reduction in use in accordance with drought policy and use restrictions. In-person visits to the sites have been scheduled and rescheduled but have yet to take place.

PGMS customer service staff continues to contact all customers with monthly usage of 15,000 gallons or more in an effort to reduce overall system pumpage. While many of these customers have reduced their use, several have not and new, additional customers have also increased their use.

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.

Several old Past Due accounts were discussed. The accounts in question have been inactive for years and below a reasonable threshold for collections. These accounts shall be written off, as allowed, during the annual audit.

A pending work list was also provided. Treasurer Rohlf's moved to approve the management report. Director Welch 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 Drought Plan and High-Water Users.
The drought plan continues to be a work in progress. The plan shall now include restrictions put forth by the Hill Country Underground Water Conservation District (HCUGCD). Additionally, SWCID imposed triggers will be changed to include aquifer levels along with the current runtime measures.
- Update on Meter Located at 1623 Strip Center.
PGMS recently sent a new letter to Mr. Jake Scott to inform him of known issues at the 1623 strip center. The letter included an updated cost to replace the current meter with an appropriately sized meter for the property as a whole and for individual meters for each building. Also added were the LUE based capital recovery fees for the properties, both individually and as a single unit. To date no response has been made.
- Update on the VFD Emergency Fill Hydrant.
The layout of this new line shall be determined during the GST pre-construction meeting with Burgess-Niple and TTE, LLC. as to not interfere with their construction. Most necessary parts are already on site with only 6" PVC needing to be purchased.
- Update on GST Progress
TTE, LLC., has been awarded the project and is awaiting an executed contract.
- Update on Highway 290 Expansion
PGMS was tasked with meeting with SAM Surveyors to locate and mark the 4" water line west of the RR1 and HWY 290 intersection. This should be completed promptly to avoid any delays.
- Update to TCEQ Water Capacity
With passage of new laws pertaining to the capacity calculations of RV parks, PGMS has requested a new TCEQ accounting of water capacity requirements for the District. No response has been received since this request.

- Update on Grant Progress and SP2125 Application.
Vice-President Nebgen reported that the application is substantially completed and ready for review. Once reviewed, the application shall be submitted on time and in compliance with applicable rules.

15. Secretary's Report.
None

16. Treasurer's Report.
None

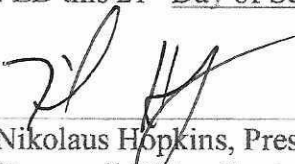
17. President's Report.
President Hopkins reported that negotiations with the Stonewall cemetery for a possible new well site have progressed. The Cemetery has suggested a long-term, low-cost lease for unused property to the south of the cemetery proper. This area will maintain the minimum separations from a new PWS well and any plots. Additionally, this proposed property is only 625 feet from the water plant. This short distance will help keep district costs down and minimize construction time.

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 September 21, 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 11:52 A. M.

PASSED AND APPROVED this 21st Day of September 2023.



Nikolaus Hopkins, President
Stonewall Water Control and Improvement District



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