

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

January 18, 2024

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 Rohlf	Treasurer

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 9:02 A.M.
2. Receive Comments from the Public.  
Mr. Lewis Eckert introduced himself and expressed interest in fulfilling the unexpired term left open by the resignation of Director Welch. Mr. Eckert is a lifelong member of the community with ties to several local organizations.
3. Approve Corrected Minutes to Previous Regular Meeting Held on November 16, 2023.  
Copies of the corrected minutes to this meeting were presented and reviewed. With the error corrected, Treasurer Rohlf moved to approve the corrected Minutes. 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 December 21, 2023.  
Copies of the draft minutes to this meeting were presented and reviewed. With no errors noted, Treasurer Rohlf moved to approve the December minutes as presented. Vice-President Nebgen seconded the motion. After full discussion and all voting in favor, the motion carried.

5. Payment of Current Bills and Invoices.

Treasurer Rohlf presented a report on invoices and bills to be approved for this period. PGMS, Inc. and Burgess-Niple shall submit separate invoices capturing any work or incurred costs pertaining to the Highway 290 expansion project. This will ease the reimbursement process with TXDOT. There were no other unexpected or extraordinary bills or invoices presented and all bills pertained to the normal operation and management of the District. Vice-President Nebgen moved to approve the payment of bills and invoices as presented. Treasurer Rohlf seconded the motion. After full discussion and all voting in favor, the motion carried.

6. Financial Statements for the Period Ending December 31, 2023.

Treasurer Rohlf presented to the Board a financial report for the period ending December 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.

7. 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. PGMS presented a draft Drought Contingency Plan for review. A target goal of 200 gallons of use per house per day will be added to the DCP. Water use by the Arrowhead Creek Vineyards continues to decline but is still excessive. PGMS will continue to contact these customers and require a reduction in use in accordance with drought policy and use restrictions.

PGMS was 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.

Discussion of a new water well centered around well drillers that will assist the District in drilling. Texan Water (formerly Virdell Drilling) was discussed as a likely choice as they have worked with the District wells before. Once engineering and approvals are made, the project will be bid on by Texan and others.

PGMS shall test the backup power system monthly by simulating a commercial power failure. Any issues noted will be reported and repaired.

PGMS shall ensure that all meter boxes are closed tight while reading meters.

A bill note will be added to all customer bills that will direct them to the District's Drought Contingency Plan, posted on the website.

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.

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

- Update on Drought Plan and High-Water Users.  
With targets added to the DCP and customers notified of where to find it, the DCP is now completed.  
High water users will still be called to request reductions in their monthly use. Commercial accounts using excessive amounts have seen their monthly bill increase. Despite these increases, the wineries have continued to use substantial amounts.
- Update on Meter Located at 1623 Strip Center.  
PGMS is to draft a letter to the tenants of Mr. Scott informing them of the unauthorized connection they are currently using. This letter shall be presented at the next regular meeting.
- Update on the VFD Emergency Fill Hydrant.  
There is no update to the emergency fill valve.
- Update on GST Progress  
TTE LLC is waiting for final foundation plans. Once in, any change orders will be noted and discussed as needed/requested.
- Update on Highway 290 Expansion  
Draft construction drawings have been completed. They are in the review process and should be ready to deliver to TXDOT soon.
- Update on Grant Progress and SP2125 Application.  
PGMS and Burgess-Niple is working with TXDOT to identify all expected costs associated with the project. Once all costs are collected, this information will be sent to TXDOT for re-imburement. All parties continue to meet bi-weekly at minimum to discuss any issues that may have arisen.

9. Secretary's Report.  
None

13. Treasurer's Report.  
None.

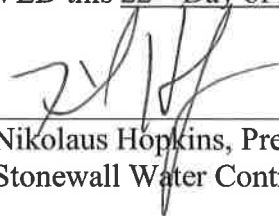
14. President's Report.  
None.


15. Other matters as may come before the Board and take action necessary thereon.
- The date for next month's regular meeting was set for February 22, 2024, 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 10:29 A.M.

PASSED AND APPROVED this 22<sup>nd</sup> Day of February 2024.

  
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Nikolaus Hopkins, President  
Stonewall Water Control and Improvement District

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