

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

October 19, 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 except Secretary Hoekstra. 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 9:05 A.M.

2. Receive Comments from the Public.
No public comment was offered.

3. Approve Minutes to Previous Special Meeting Held on September 4, 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 September 21, 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 Workshop Meeting Held on October 5, 2023.
Copies of the draft minutes to this meeting were not available at the time of the meeting. This agenda item was tabled for the next meeting to be held in November.

6. Payment of Current Bills and Invoices.

Treasurer Rohlf presented a report on invoices and bills to be approved for this period. A Core and Main invoice was discussed in detail as it became past due, due to miscommunication. Additionally, to the report on invoices, President Hopkins and Vice-President Nebgen were each reimbursed \$150.00 for tree trimming completed at the water plant. 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. Director Welch seconded the motion. After full discussion and all voting in favor, the motion carried.

7. Financial Statements for the Period Ending September 30, 2023.

Treasurer Rohlf presented to the Board a financial report for the period ending August 2023. Both the Interest Income and Water Sales were discussed in detail as both were substantially higher than Fiscal Year 2021-2022. With no corrections needed, Vice-President Nebgen moved to approve the financial report as presented. Director Welch seconded the motion and after full discussion and all voting in favor, the motion carried.

8. 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 Vineyards has decreased 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 customer service staff continues to contact all other customers with monthly usage of 15,000 gallons or more to reduce overall system pumpage.

It was reported that any new wells in the Stonewall area will have to be dug to the Trinity Aquifer. No new Ellemberger wells will be permitted.

The Stonewall Post Office has not recently made payments towards their water bill. The P.O. requested a new account be set up and contacted PGMS customer service to do so. The account is now pending until a W-9 can be sent to USPS.

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.

The newly approved water rates will include a means for possible high-water use exceptions to be decided on a case by case basis when the water is used for the benefit or betterment of the community

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

9. New Business

- Review of Drought Contingency Plan

A draft, revised Drought Contingency Plan was presented to the Board. The plan was reviewed, and additional revisions are still needed. The most significant change being the plan will no longer have authorized “fines”.

- Review of Budget

The draft budget, prepared by Treasurer Rohlfs, was discussed in detail. With no additional changes needed, the budget is set for approval at the next regular meeting.

10. 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 now includes restrictions put forth by the Hill Country Underground Water Conservation District (HCUGCD) as well as changes to include aquifer levels along with the current runtime measures. The current DCP contains language that the District may fine customers who use too much water. Those fines will be removed.

- 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. The same letter will also be sent to the Gillespie County offices.

- Update on the VFD Emergency Fill Hydrant.

Through discussions with Burgess-Niple and TTE, LLC., the truck fill connection will now be within the fenced plant site situated so an Engine may connect to a 5” FDC and relay water to the smaller brush trucks and tenders. The construction drawings will be edited to reflect the change.

- Update on GST Progress

The Pre-Construction meeting occurred with attendees from the District, PGMS, Burgess-Niple, TTE LLC., and 5S Services on October 5. An estimated timeline of events, beginning with a geo-technical evaluation of the substrate, was discussed. It was noted that there were several low hanging tree branches that will need removal prior to the Geo-Tech drilling rig’s arrival on October 18th. Once the ground review is complete, the foundation design will be finalized and construction of it will begin. Other parts, including the tank, piping and valves will be ordered now so to minimize any delays due to manufacturing or shipping.

- Update on Highway 290 Expansion
TXDOT and their engineers have reported that the list of conflicts and mapping should be updated with all new locating data very soon.
- Update to TCEQ Water Capacity
PGMS has received confirmation that the District is no longer in violation of system capacity requirements. However, the evidence of purchase for the new well #1 meter was rejected. Fluid Meter Service shall be asked to test and calibrate the District's well meters and those reports will be forwarded to the TCEQ San Antonio office.
- Update on Grant Progress and SP2125 Application.
Vice-President Nebgen reported that the grant request package will be presented to the Texas Water Development Board on November 1st.

12. Secretary's Report.
None

13. Treasurer's Report.
Treasurer Rohlf presented to the Board the District's Quarterly Financial Report. All finances are in good shape with no issues to report. The annual audit done by Atchley and Associates is substantially complete and may be ready for approval at the next regular meeting.

14. President's Report.
None

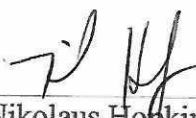
15. Other matters as may come before the Board and take action necessary thereon.

- The date for next month's regular meeting was set for November 16, 2023, at 9:00 AM.
- No other items were discussed.

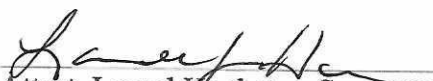
President Hopkins asked if any further business needs to be brought forward. No additional matters were brought forward.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 10:32 A. M.

PASSED AND APPROVED this 16th Day of November 2023.



Nikolaus Hopkins, President
Stonewall Water Control and Improvement District



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