

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

March 20, 2025

The Board of Directors of the Stonewall Water Control and Improvement District (the "District") held a regular meeting at 9:00 a.m. at the Stonewall Volunteer Fire Department located at 14854 US Highway 290, 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
Louis Eckert	Director

All Board members were present. Also in attendance was 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 9:08 A.M.
2. Receive Comments from the Public.
None.
3. Corrected Minutes to Previous Meeting Held on January 16, 2025.
Corrected minutes to this meeting were provided to the Board for their review and approval. With no further corrections noted, Treasurer Rohlfs moved to approve the minutes. Director Eckert seconded the motion. After full discussion and all voting in favor, the motion carried.
4. Minutes to February 20, 2025, Regular Meeting
Draft minutes to this regular meeting were presented and discussed. With no corrections noted, Secretary Hoekstra moved to approve the minutes. 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 Rohlfs presented the invoices to be approved for the period and discussed those invoices in some detail. It was reported that Burgess and Niple had submitted the first pay request for updating the District's water system mapping for \$7,762.50. The expense far surpasses the expected costs. As the mapping would not be required if TXDOT did not request the District move pipelines, the cost of mapping shall be submitted for reimbursement. With no other extraordinary bills or invoices, Secretary Hoekstra moved to approve the invoices as presented. Director Eckert seconded the motion. After full discussion and all voting in favor, the motion carried.

6. Financial Statements for the Period Ending February 28, 2025.
Treasurer Rohlf presented the financial reports for the period ending January 31, 2025, to include a Balance Sheet and a Profit and Loss Statement.

Treasurer Rohlf reported that most tax collections have come in. It was reported that TXDOT has made the first reimbursement payment, less 10% holdback, to the District. The payment was made electronically through the customer payment portal. This led the payment to be misclassified as a customer water payment. The error was found and corrected within the billing software. The January 2025 financial report was also corrected and submitted to the Board for review and approval.

There are no expected changes to the District's investment accounts as interest rates have not changed in the last reporting period.

With no corrections needed, Secretary Hoekstra moved to approve the January 2025 and February 2025 Financial Reports 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.

An update on the current drought conditions was reported. The District continues in a Stage 2 Drought Condition. Through the first quarter of the new year, they have begun to drop again. PGMS shall monitor for leaks and water abuse. Additionally, Hill Country Underground WCD may move to a Stage 3 drought status if the aquifer continues to decline.

The sonic level indicator on well #1 has been non-functioning for several weeks. PGMS called the GCD for an update to which they said they are in contact with the level indicator manufacturer to have repairs made.

Management also reported that there has been no continued work, for the District, with the TxDOT Highway 290 Project.

The new Ground Storage Tank has operated without issue for the last month.

Maguire Tanks inspected the galvanized tank on Friday February 7th and submitted their written report on February 20th. In the report they state the ground storage tank is past its useful life and should be replaced with a welded steel tank. Maguire indicates that if they do any work on the tank, they will not be able to warranty the work and therefore are unable to complete repairs.

PGMS is reaching out to other tank refurbishing companies in the Austin/San Antonio area for additional opinions.

PGMS met with a concrete contractor at the water plant to discuss the chlorine room damage and a possible solution. Due to the higher-than-expected scope of work and cost, PGMS will contact additional concrete companies for estimates.

It was reported that TXDOT took water from a District hydrant for work on the highway 290 project when City of Fredericksburg water was unavailable. TXDOT estimates they took 2 – 3 truckloads at 2,000 gallons per refill.

A resident reported standing water near 175 Keystone that may be from the past repair made at that address. PGMS is to investigate.

Treasurer Rohlfs moved to approve the management report as presented. Secretary Hoekstra seconded the motion. After full discussion and all voting in favor, the motion carried.

7. New Business.

• Resolution to Align with the Pedernales River Alliance

The Pedernales River Alliance (PRA) had requested the Stonewall WCID align with the PRA as an affected utility opposed to the proposed wastewater discharge permit sought by Arch Ray and the Villages. Unfortunately, the District is outside of the “Affect Area” and, according to the PUC, has no standing. Stonewall WCID is opposed to the developments and required permits but will not be an intervener.

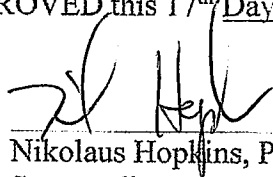
8. Old Business – Operations Update, take action as needed.

- Update on meter located at 1623 Strip Center – Mr. Kim has been communicating with PGMS through this project and all work is expected to be completed by March 28th.
- Update for Hydrant Costs. TXDOT has requested and the District approved payment for upgraded hydrant connections. However, TXDOT has not given payment options.
- Update to Plaque Placement at the Plant. The plaque and decorative signpost are complete and ready for pickup and installation. Due to scheduling conflicts, the post maker cannot install the sign immediately. Members of the Board have volunteered their time to install the plaque.
- Update on Highway 290 Expansion. There are no updates. PGMS will report any future updates immediately.
- Update on Grant progress / Reimbursement of funds. No update.
- Update to Old GST. Covered in Management Report Section 7.
- Update on Digital Community Sign. The Chamber of Commerce has expressed a desire to have a multi color display on the new sign. The School, VFD and District are exploring funding options for the possible increase in cost.
- Update on Well Progress. Texan well service “witched” the property and indicated two potential locations to drill test-holes. Texan Well Service noted that each test-well will cost approximately \$9,000. The test wells will be drilled at Texan Well Service’s earliest opportunity.

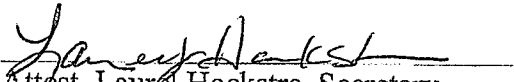
9. Secretary's Report.
None.
10. Treasurer's Report.
None
11. President's Report.
None
12. Other matters that may come before the Board and take action necessary thereon.
None

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 10:36 A.M.

PASSED AND APPROVED this 17th Day of April 2025.



Nikolaus Hopkins, President
Stonewall Water Control and Improvement District



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