

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

September 24, 2026

The Board of Directors of the Stonewall Water Control and Improvement District (the “District”) held a tax rate hearing and 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 |
| Henry Rohlfs     | Treasurer      |
| Louis Eckert     | Secretary      |
| William Mooney   | Director       |

All members of the Board were present, except Director Mooney. Also in attendance was Dirk Jordan (“General Counsel”), Timothy Young and Patrick C. King with Professional General Management Services, Inc. (“General Management”).

Tax Rate Adoption for 2026 – 2027:

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 9:06 A.M.

2. Receive Citizen’s Communication. No public comments were offered.

3. Vote on the proposed tax rate of \$0.250 per \$100.00 of assessed valuation.

Treasurer Rohlfs moved to adopt the published tax rate of \$0.250 per \$100.00 of assessed value. Vice President Nebgen seconded the motion. After full discussion and all voting in favor, the motion carried.

4. Adjourn. The tax rate adoption adjourned at about 9:09 a.m.

Regular meeting:

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 9:09 A.M.

2. Receive Citizen’s communication. (Members of the public may be limited to three minutes for their public comments. No public comments were offered.

3. Minutes to previous regular meeting held on August 20, 2026. Management presented the draft minutes to the meeting of August 20, 2026. Treasurer Rohlfs move to approve the minutes as presented. Vice President Nebgen seconded the motion. After full discussion and all voting in favor, the motion carried.
4. Payment of Current Bills and Invoices.  
Treasurer Rohlfs presented the invoices to be approved for this period and discussed those invoices in detail. Secretary Eckert moved to approve the invoices as presented. Vice President Nebgen seconded the motion. After full discussion and all voting in favor, the motion carried.
5. Financial Statements for the period ending August 31, 2026.  
Treasurer Rohlfs presented the financial report, to include the Balance Sheet and a Profit and Loss Statement for the period ending August 31, 2026, and discussed those reports in detail. It was noted that current interest rates are yielding 3.82% and subject to moving up. President Hopkins asked about the negative income over expenses for this fiscal year to date. Treasurer Rohlfs offered two reasons; tax revenues are low which occurs each year at this time of year and also the District is now using the accrual method of accounting which accounts for funds differently than the cash basis. Vice President Nebgen moved to approve the financial report as presented. Secretary Eckert seconded the motion. After full discussion and all voting in favor, the motion carried.
6. Receive Operations Report relating to current system operational issues and take action deemed necessary thereon. (Presented by PGMS, Inc.)  
Management presented the System Operations and Management Report to include (a) water accountability, (b) status of system accounts and (c) significant events.
  - a. Management indicated that Financial Advisor Chris Lane with Samco Capital Markets was invited to attend but was unable. She indicates she will schedule a date and time that works with her schedule, to be announced.
  - b. By email dated August 4, 2026, Burgess & Niple rendered an engineering estimate of probable costs for the proposed well project in the estimated amount of **\$621,911.50**.
  - c. Management provided updated information in response to the TCEQ inspection performed on April 24, 2026. It was reported that there are three outstanding items, (1) one customer service inspection, (2) backflow testing, and (3) an 85% planning report due to insufficient water production capacity. These items were completed and a report indicating such was sent to TCEQ. Pending any further requirements, this should complete the response to the TCEQ inspection.
  - d. Management reported that the drought conditions have not changed and the website for the HCUWCD was updated on August 29, 2026.
  - e. Management reported that Stonewall WCID has been entered into the voluntary lead testing in schools and childcare facilities. Management reported that staff at TCEQ will be in touch with our office and the school administrator to schedule the sample collections. An email was sent to the Stonewall Elementary Principal on September 18, 2026. Our office staff has completed the required training.

- f. A list of work completed work performed during this period was provided.

Secretary Eckert moved to approve the management report as presented. Treasurer Rohlf's seconded the motion. After full discussion and all voting in favor, the motion carried.

7. **New Business:** New Business, Lead Testing at Stonewall Elementary School was discussed during the Management Report.

8. **Old Business -**

- a. Operations update, take action as needed: No additional information was provided.
- b. Update on Well development / engineering estimates. The engineering estimate of probable costs was discussed. Mr. Josh Lemmons, Gillespie County Surveyor will perform the survey work at the proposed well site.
- c. Updated on commercial development properties. Mr. Jack Gillum has purchased property in front of Burgs Corner to build a wine tasting room but has not yet applied for water. There are one or two RVs on site that are now provided with water service. There has been no changes to this property.

Mr. Kit Patterson purchased land behind the cemetery and built 4 cabins. Mr. Timothy Young met with him on August 20, 2026, to determine what it will take to provide water service. Timothy will also coordinate with the County Health Department to ensure the on-site wastewater is compliant.

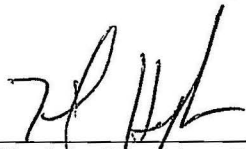
The meter size and capacity requirements were discussed, and no exceptions will be offered for the property. The property will have a 1.5" service installed to manage the capacity.

It was noted that the Burg property has not yet sold.

- d. Update on drought status. This information was presented during the management report. No additional information was provided.
- e. TCEQ Compliance. This information was presented during the management report. No additional information was provided.
9. Secretary's Report. No additional information was provided.
10. Treasurer's Report. No additional information was provided.
11. President's report. No additional information was provided.
12. Other matters that may come before the Board and take action necessary thereon.
- It was discussed that Mr. William Mooney has passed, leaving a vacancy on the Board.
  - It was suggested that the District's meeting remain to be scheduled for the third Thursday each month at 9:00 A.M.
  - No additional matters were brought forward.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 10:30 A.M.

PASSED AND APPROVED on this 15<sup>th</sup> day of October 2026.

  
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Nikolaus Hopkins, President  
Stonewall Water Control and Improvement District

  
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Attest, Louis Eckert, Secretary  
Stonewall Water Control and Improvement District