

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

July 17, 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 except Secretary Hoekstra. Also in attendance was Dirk Jordan (“General Counsel”) and Mark Labounty 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

None.

3. Minutes to June 19, 2025, Regular Meeting

Draft minutes to this regular meeting were presented and discussed. With no corrections noted, Director Eckert moved to approve the minutes. 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 the period and discussed those invoices in some detail. With no other extraordinary bills or invoices, Vice-President Nebgen moved to approve the invoices as presented. Director Eckert seconded the motion. After full discussion and all voting in favor, the motion carried.

5. Financial Statements for the Period Ending June 30, 2025.

Treasurer Rohlfs presented the financial reports for the period ending June 30, 2025, to include a Balance Sheet and a Profit and Loss Statement.

Treasurer Rohlfs reported the Districts CD account will mature in the next period. Reinvestment shall be approved at the next regular meeting.

It was noted that Heartland Financial has reimbursed previous, erroneous charges to the District's account.

With no corrections needed, Vice-President Nebgen moved to approve the June 2025 Financial Reports as presented. Director Eckert seconded the motion and 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 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 Hill Country Underground Water Conservation District has declared a Stage 4 drought for the Stonewall area. This declaration requires a 20% reduction on pumping from all permit holders. The Stonewall WCID drought plan requires a 20% reduction in Stage 2 so the District will continue in a Stage 2 Drought Condition. Recent rains have caused a noticeable increase in the local aquifer. Though positive, the District should continue to conserve water as able.

PGMS called the GCD for a now, third time to let them know the level indicator at well #2 and now #1 are not working, to which they said they are aware of the failure and are in contact with the level indicator manufacturer to have repairs made.

The District's high users were discussed in detail. PGMS shall continue to monitor the distribution system to minimize unnecessary water losses. PGMS shall flush dead-end mains and two hydrants per month as drought related restrictions allow.

Management discussed in detail the operation of both GSTs and the two production well. The discussion included run-times and production expectations of each well.

Management also reported that there has been no substantial work completed for the District, with the TxDOT Highway 290 Project. Capital Excavation has been standing by until the paving is complete. Once done, Cap EX will finish bringing valve covers and hydrant to grade as well as installing "Valve" markers. The signs are done on the north side and will be placed on the south side when the paving is complete. TXDOT now claims the paving will be completed in June.

No additional leakage has been noted on the new Ground Storage Tank.

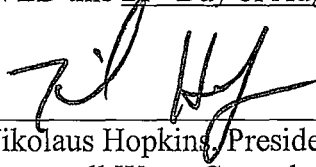
The older Ground Storage Tank has not shown any signs of leakage in the last reporting period.

Treasurer Rohlf moved to approve the management report as presented. Vice-President Nebgen seconded the motion. After full discussion and all voting in favor, the motion carried.

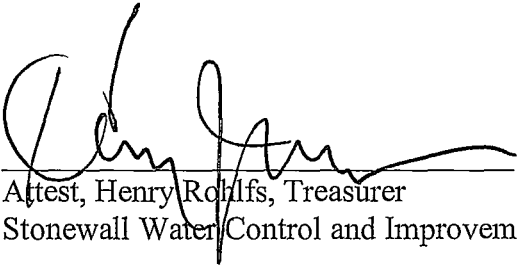
7. New Business.
None
8. Old Business – Operations Update, take action as needed.
 - Update to Plaque Placement at the Plant. The scheduled installation was rained out and rescheduled for a later date.
 - Update on Highway 290 Expansion. Capital Excavation is finishing their final work. PGMS does not expect to incur any additional expenses on this project.
 - Update on Grant progress / Reimbursement of funds. TXDOT has confirmed receipt of the District's reimbursement request and are reviewing it for approval.
 - Update on Well Progress. Texan Water Services report that they will be drilling test holes on July 2nd. If sufficient water is found, the permanent well bore will be scheduled. Repairs to the surrounding fence will be made and if water is found, a gate will need to be installed along with an all-weather access road.
 - Update on General Security. The VFD has agreed to allow the installation of a Ring Camera aimed at the fill station.
 - Update on Multi-Project Development No update. A follow-up meeting shall be scheduled with the developers and PGMS to discuss the findings of their well inspection.
 - Update on Drought. Updated during Management Report.
9. Secretary's Report.
None
10. Treasurer's Report.
Provided an update to soon-maturing CDs and other investment accounts.
11. President's Report.
Will post an agenda prior to the next regular meeting.
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 10:16 A.M.

PASSED AND APPROVED this 21st Day of August 2025.



Nikolaus Hopkins, President
Stonewall Water Control and Improvement District



Attest, Henry Rohlf, Treasurer
Stonewall Water Control and Improvement District