

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

August 21, 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 Rohlf      | Treasurer      |
| Louis Eckert     | Director       |

All Board members were present except Secretary Hoekstra. 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. Minutes to July 17, 2025, Regular Meeting

Draft minutes to this regular meeting were presented and discussed. With no corrections noted, Treasurer Rohlf moved to approve the minutes. Director Eckert seconded the motion. After full discussion and all voting in favor, the motion carried.

4. Payment of Current Bills and Invoices.

Treasurer Rohlf presented the invoices to be approved for the period and discussed those invoices in some detail. The provided Burgess and Niple invoice will be the last for services provided during the HWY 290 relocation project. It was also noted that the District’s insurance expense increased by 50%. 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 July 31, 2025.

Treasurer Rohlfs presented the financial reports for the period ending July 31, 2025, to include a Balance Sheet and a Profit and Loss Statement.

Treasurer Rohlfs reported the Districts CD account has matures and the interest income shall show on next month's financial report. The CD was also renewed for twelve months.

With no corrections needed, Director Eckert moved to approve the June 2025 Financial Reports as presented. Vice-President Nebgen 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 Capital Excavation has completed all work on the Highway 290 relocation project. Capital Excavation has requested any items found incomplete be brought to their attention so they may finish them. PGMS has not received any update to the final paving completion date.

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

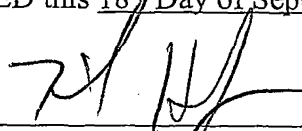
The older Ground Storage Tank has not shown any signs of leakage in the last reporting period.

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

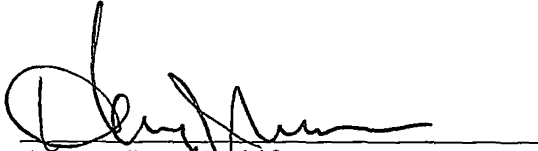
7. New Business.  
The District's Tax-Rate workshop will be held on August 28, 2025 at 9:00 A.M.
8. Old Business – Operations Update, take action as needed.
  - Update to Plaque Placement at the Plant. The post has been installed and ready for the plaque to be hung on it.
  - Update to Highway 290 Expansion. Burgess and Niple should have the final mapping done soon.
  - Update on Grant progress / Reimbursement of funds. Reimbursements have not been received.
  - Update on Well Progress. Texan Water Services report that they have drilled test holes and found about 40 gallons per minute of water. There are concerns that this may not be enough to justify pursuing as a new production well. Texan Water will drill a second test well and report when complete.
  - Update on General Security. Director Eckert provided a summary of his research about security cameras including costs, data storage and video quality. With this information the District may discuss and approve the system to be installed at the next regular meeting.
  - Update on Multi-Project Development No update.
  - Update on Drought. Updated during Management Report.
9. Secretary's Report.  
None
10. Treasurer's Report.  
Treasurer Rohlf reported that the 2024-2025 audit has begun with the initial data submission made. Until a replacement has been appointed, Treasurer Rohlf will attest to the monthly meeting minutes.
11. President's Report.  
Several local residents have been approached to consider taking a position on the District Board. Interested parties will be vetted and if eligible be appointed to the vacant position.
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 10:06 A.M.

PASSED AND APPROVED this 18<sup>th</sup> Day of September 2025.



Nikolaus Hopkins, President  
Stonewall Water Control and Improvement District



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