

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

September 18, 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
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 9:00 A.M.

2. Receive Comments from the Public

None.

3. Minutes to August 21, 2025, Regular Meeting

Draft minutes to this regular meeting were presented and discussed. With no 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. Payment of Current Bills and Invoices.

Treasurer Rohlfs presented the invoices to be approved for the period and discussed those invoices in some detail. The provided Hill Country Tax Service invoice will be the first for auditing services. Texan Water Wells also provided an invoice for the second test well. Treasurer Rohlfs has been working to comply with new legislative ADA requirements to the District’s online presence. With no other extraordinary bills or invoices, Director 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, 2025.
Treasurer Rohlf presented the financial reports for the period ending August 31, 2025, to include a Balance Sheet and a Profit and Loss Statement.

Treasurer Rohlf reported the Districts CD was also renewed for twelve months.

With no corrections needed, Director Eckert moved to approve the August 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.

Mrs. Mary Klein had a major leak within her property resulting in a bill for 156,000 gallons of use. She has asked the District for relief of the bill. The District approved the standard 50% relief for Mrs. Klein.

The District's high users were discussed in detail with a notable absence of the Bilger irrigation account. 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 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 Rohlf 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.

- Adopt proposed Ad Valorem tax rate
 - The District has proposed an Ad Valorem tax rate of \$0.27 per \$100.00 of property valuation. This will reduce the tax burden on the average property owner by \$10 to \$15. Once adopted, the tax rate will be published on the District's website. Vice-President Nebgen moved to approve the proposed Ad Valorem tax rate. Director Eckert seconded the motion and after full discussion and all voting in favor, the tax rate was approved.
- Meters
 - It is noted that all District meters are outside of the TXDOT ROW.

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 been approved according to TXDOT though the funds have not been received.
- Update on Well Progress. Texan Water Services report that they have drilled a second 200 feet deep test hole and found the same 40 GPM. It was noted that this test well produced a large amount of sand when pumped. The landowner prefers any water produced be used toward the benefit of the community.
- Update on General Security. Director Eckert Purchased, on behalf of the District, one Ring security camera to be placed at the VFD with view of the water filling station. This camera will use the Wi-Fi of the VFD and be monitored by Director Eckert, President Hopkins and any Board member who may be interested.
- Update on Multi-Project Development There was no update however, the land has been placed back on the MLS with a reduced price. This indicates the planned development will be delayed further or scrapped altogether.
- Update on Drought. Updated during PGMS's Management Report.
- Add Director Eckert to the District's bank signature card. The District was provided with the required, past-approved meeting minutes appointing Director Eckert to the Board of Directors. With this information, he may be added to the signature card.

9. Secretary's Report.

None

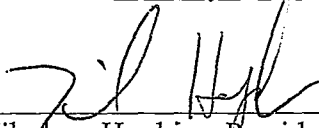
10. Treasurer's Report.

None

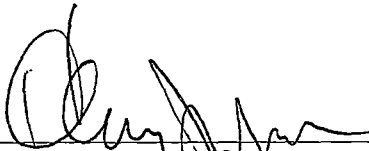
11. President's Report.
Several local residents have been approached to consider taking a position on the District Board. Interested parties will be vetted and if eligible be appointed to the vacant position.
12. Other matters that may come before the Board and take action necessary thereon.
None

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 10:37 A.M.

PASSED AND APPROVED this 16th Day of October 2025.



Nikolaus Hopkins, President
Stonewall Water Control and Improvement District



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