

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

October 16, 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 were Cameron Baird (Public Commenter), 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 9:01 A.M.

2. Receive Comments from the Public

Mr. Cameron Baird addressed the Board to voice his displeasure with the placement of his water service. After discussion, PGMS will move the current service located at the northwest corner of Mr. Baird’s property to immediately north of his driveway. PGMS shall complete this without additional labor or materials expenses to the District or Mr. Baird. If additional expenses are incurred due to permitting or the like, those shall be paid by Mr. Baird.

3. Minutes to September 18, 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. Atchley and Associates has submitted their first invoice for the 2024-2025 annual audit. 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 September 30, 2025.

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

Atchley and Associates has recommended a 12-month Profit and Loss chart be added to the District's financial report.

Treasurer Rohlfs reported that \$50,000 has been transferred from the Reserve Account to the TXPOOL account due to better rates, currently at 4.1%.

With no corrections needed, Vice-President Nebgen moved to approve the September 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 received a call about a possible leak near Highway 290 and FM 1623S. The area was inspected, and it appears the unusually green grass is due to a previous mainline leak and Mrs. Klien's previous leak. We will monitor the area to make sure there is no active leaks.

Sample results from the Texas Dept. of State Health services report were discussed in detail. The District's distribution system was sampled for Disinfection Byproducts specifically Tri Halo Methane (TTHM) and Halo Acetic Acids (HAA5). All results showed concentrations well below the state mandated maximum contaminant levels.

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.

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.

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.

- Baird Service Update
 - PGMS shall reinstall the water service next to Mr. Baird's existing driveway.
- Electronic Well Pinging Device
 - PGMS has offered to purchase the District's well measurement device as the District's wells are currently continually monitored through the GCD. Stonewall has elected to not sell the well measuring device as it may be needed in the future.
- Declaration of Secretary Hoekstra's passing and Officer Vacancy.
 - Stonewall WCID unfortunately needed to acknowledge the passing of Secretary Hoekstra and declare the Secretary position vacant. The position will be filled by the appointment of a volunteer who meets the requirements to serve.

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

- Update to Highway 290 Progress. There is no update to provide. Hunter Industries is still preparing the three mile bridge and other areas for paving.
- 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. The District will request Burgess and Niple provide estimated costs for all needed engineering and permitting for the construction of a new PWS well and the estimated cost of piping, tie-ins and other expected expenses of a new well. The District will continue to make efforts to add well production including a possible well site on Wood Ln., east of FM1623.
- Update on General Security. Director Eckert Purchased reported that the security camera at the Volunteer Fire Dept. is up and running. The second camera will be installed at the water plant as soon as reliable Wi-Fi is set up.
- 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.

Treasurer Rohlfs reported that the District's Quarterly Report will be completed soon and emailed to the Board for review. Atchley and Associates has requested the District's Standard Operating Procedures concerning annual audits. This will be provided as soon as possible. It was also noted that while the District's investment policies satisfy all requirements of all regulatory entities, it is designed for much larger utilities. The policy shall be simplified and tailored to the District.

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.

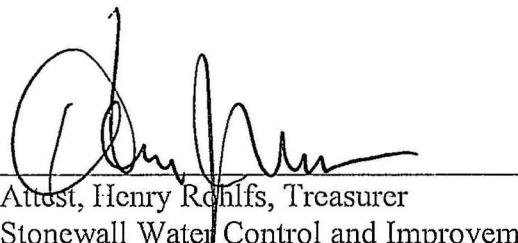
None

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

PASSED AND APPROVED this 20th Day of November 2025.



Nikolaus Hopkins, President
Stonewall Water Control and Improvement District



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