

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

November 20, 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 9:00 A.M.

**2. Receive Comments from the Public**

Mr. Cameron Baird requested an update to the re-placement of his water service. PGMS has applied for a permit with TXDOT and as soon as that is approved, PGMS shall install a new service at the driveway and remove the service previously installed.

**3. Minutes to October 16, 2025, Regular Meeting**

Draft minutes to this regular meeting were presented and discussed. With no corrections noted, Treasurer Rohlfs 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. Atchley and Associates has submitted their most recent invoice for the 2024-2025 annual audit. 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 October 31, 2025.

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

Treasurer Rohlfs reported that, with Pam Taylor's assistance, the District's chart of accounts will be cleaned up and organized in the next fiscal year. It was also reported that the recently completed pipeline replacement project completed, the assets will be added to the balance sheet and will be depreciated in accordance with Stonewall WCID policy.

With no corrections needed, Vice-President Nebgen moved to approve the October 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 has repaired all but one known leak with it pending for repair later this week. Other wise the water loss is coming down again.

PGMS reported that the generator's battery failed to hold a charge and was replaced after it could not start the generator. After replacement, the generator has run as it should. PGMS recommends the generator receive maintenance by Wakisha Pierce with whom they have a professional relationship.

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. To date no issues have been noted.

Director Eckert moved to approve the management report as presented. Treasurer Rohlfs 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 Highway 290 Progress. There is no update to provide. Paving has been completed and no issues have been noted. PGMS will continue to monitor the project area and report any problems immediately.
- 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. To keep the new camera running without interruption, a solar panel will be purchased and installed at the VFD. 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.
- Update to Board Vacancy. No update given.

9. Secretary's Report.

None

10. Treasurer's Report.

Treasurer Rohlfs reported that the District's annual audit is progressing without issues. The auditors did not identify any deficiencies but did recommend that the District line up expenses with the chart of accounts and budget.

Additionally, the auditor recommended that the District review and update the investment policy, including the Annual Accounting Policy. The final audit should be ready for review soon. President Hopkins moved to approve Treasurer Rohlfs' report as presented. Director Eckert seconded the motion. After full discussion and all voting in favor, the motion carried.

Treasurer Rohlfs recommends that Pam Taylor register for training covering current governmental rules and regulations at a cost to the District of \$300. Vice-President Nebgen moved to approve the additional training for Pam Taylor. Director Eckert seconded the motion. After full discussion and all voting in favor, the motion carried.

11. President's Report.

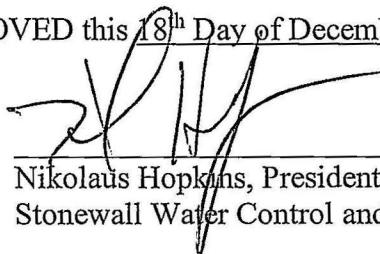
President Hopkins noted that the District should review the water rates and O&M Tax revenues and the relation between them. PGMS will work to provide examples of rates with varying levels of tax decreases.

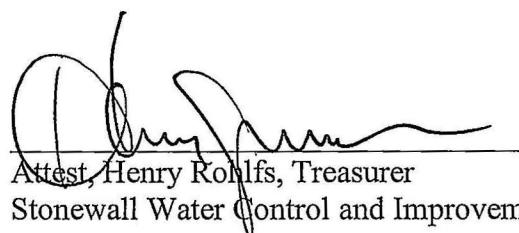
12. Other matters that may come before the Board and take action necessary thereon.

None

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 10:05 A.M.

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

  
Nikolaus Hopkins, President  
Stonewall Water Control and Improvement District

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