

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

December 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 except Director Eckert. Also, in attendance were 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 December 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. 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. The Cattron monitoring software invoice was discussed in detail. The company sold several years ago and did not invoice the District for the monitoring services. This was caught last month and billed in whole. The service has been provided and PGMS recommended paying the invoice. With no other extraordinary bills or invoices, Vice-President Nebgen moved to approve the invoices as presented. Treasurer Rohlfs seconded the motion. After full discussion and all voting in favor, the motion carried.

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

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

Treasurer Rohlfs reported that, with Pam Taylor's assistance, the District's financial statement will include year to date comparisons of expenses. It was also reported that the current TEXPOOL

With no corrections needed, Vice-President Nebgen moved to approve the November 2025 Financial Reports as presented. Treasurer Rohlfs 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 known leaks and as a result, the water loss is coming down again.

PGMS reported that the Baptist Church has used a large amount of water each of the last several months. PGMS technicians will offer to walk the property and locate any possible leaks.

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.

The District has received notification that the smaller Burg property is selling soon. PGMS will wait for the purchasers to call and initialize service as needed. It was also noted that the property at the end of Cemetery Dr. is also selling though no information on the purchaser was known at the time of reporting.

Treasurer Rohlfs 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.
 - The smaller Burg property will be purchased soon with an early plan of building a tasting room with retail as well as two RV slots. The preliminary report is that the owners will live in the RVs until they can build a Barndominium.

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 has requested 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.

 - Update on General Security. No update was given.

 - Update on Drought. Updated during PGMS's Management Report.

 - Add Director Eckert to the District's bank signature card. No update was given.

 - Update to Board Vacancy. No update given.

9. Secretary's Report.
None

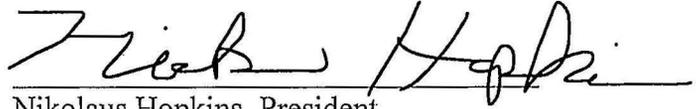
10. Treasurer's Report.
none

11. President's Report.
None

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 10:24 A.M.

PASSED AND APPROVED this 15th Day of January 2026.



Nikolaus Hopkins, President
Stonewall Water Control and Improvement District



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