

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

January 15, 2026

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 Cameran 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 9:04 A.M.

2. Receive Comments from the Public

Mr. Cameran Baird commented to make his frustration about the delays in moving his service known to the Board and PGMS. Mr. Baird was updated to the steps taken and efforts made to obtain a TXDOT permit to install his service. PGMS has assured Mr. Baird that with the help of the Board, the permit and water service will be completed as soon as possible.

3. Minutes to December 18, 2025, Regular Meeting

Draft minutes to this regular meeting were presented and discussed. It was noted that the minutes indicated that Director Eckert had moved to approve Agenda Item #6 when in fact Director Eckert was absent from the meeting. It has been corrected to indicate Treasurer Rohlfs made the motion and Vice-President Nebgen seconded. With the one correction 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. Treasurer Rohlfs reported no issues have been noted in the annual audit and Atchley and Associates are close to finishing. It was also noted the Atchley invoice provided will be the last for this year’s 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 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. These reports were discussed in detail

Treasurer Rohlfs reported that, with Pam Taylor's assistance, the District's financial statement now includes year-to-date comparisons of expenses.

The District has begun collecting 2026 Property tax payments. Payments will likely be received for the next few months with the bulk expected in the next month.

It was also reported that the current TEXPOOL rate is 3.71%.

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

PGMS reported that the Baptist Church has made repairs to their leak(s) and the monthly usage has returned to normal.

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.

The potential development of the 2.5-acre Burg tract was discussed in detail. The preliminary plan is to build a tap room and tasting room along the highway 290 frontage and two barndominium style homes in the northern half of the property. If it is developed as presented, the property would demand 4 LUE's.

Finally, the benefits of the upcoming TRWA Water convention were discussed in detail. PGMS recommends any interested parties register for the event.

Director Eckert 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.

- None

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

- Update on Grant progress / Reimbursement of funds. Treasurer Rohlfs was asked to resubmit the reimbursement request with additional mileage breakdowns. With this information TXDOT "hopes to be done soon."
- 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. Director Eckert reports that the security camera over the water filling station is working properly. The battery was changed out and to minimize the number of these changes, a solar charger has been ordered.
- Add Director Eckert to the District's bank signature card. All necessary forms have been completed and Director Eckert should be added to the signature card very soon.
- Update to Board Vacancy. One resident introduced themselves and expressed the interest in becoming a WCID Board member. No other action was taken.
- New Laws: Counsel Jordan reported to the Infrastructure Grant availabilities. A Project Information Form (PIF) is due to the Water Board by March 6th. If the District is unable to make this deadline, the next round will be in 2027. TWDB has requested the District be a member of the 2026 Master Water Plan. With this inclusion, grants may become easier to receive.

9. Secretary's Report.

None

10. Treasurer's Report.
none

11. President's Report.
None

Executive Session: At 10:32 AM the Board moved to Executive Session. No action was taken during this session and the Board returned to open session at 10:34AM

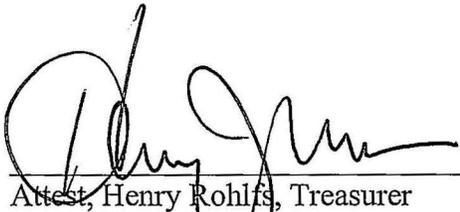
12. Other matters that may come before the Board and take action necessary thereon.
None

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 10:39 A.M.

PASSED AND APPROVED on this 18th day of February 2026.



Nikolaus Hopkins, President
Stonewall Water Control and Improvement District



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