

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

February 19, 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. 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 9:08 A.M.

2. Receive Comments from the Public

Mr. Cameran Baird requested an update to the move of his water service. The steps taken by the SWCID Board and PGMS were discussed in detail. It was also noted that a meeting with TXDOT has been set to happen immediately following the regular Board meeting. An update shall be given as soon as information is available.

3. Minutes to January 12, 2026, 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. Treasurer Rohlfs reported additional bookkeeping has drafted and delivered 1099 tax forms to those who qualify. Additional work performed by the Board during the last month was also discussed. 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 January 31, 2026.

Treasurer Rohlfs presented the financial reports for the period ending January 31, 2026, 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. A large portion, \$24,000, of taxes were received in the last month.

It was also reported that the current TEXPOOL rate is 3.7%.

With no corrections needed, Director Eckert moved to approve the January 2026 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.

PGMS has repaired all known leaks and as a result, the water loss is coming down again. The District's high users were discussed in detail. PGMS shall continue to monitor the distribution system to minimize unnecessary water losses.

The potential development of the 2.5acre Burg tract was discussed in detail as it will be closed on soon. 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.

Vice-President Nebgen moved to approve the management report as presented. Director Eckert seconded the motion. After full discussion and all voting in favor, the motion carried.

PGMS presented to the Board an estimate to repair the pre-cast concrete building from Baxter Masonry for \$2,100.00. Treasurer Rohlfs moved to approve the estimate and schedule the work. Director Eckert seconded the motion and after full discussion and all voting in favor, the estimate was approved.

7. New Business.

- None

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

- Update on Grant progress / Reimbursement of funds. Treasurer Rohlf's noted that the District has submitted all records and forms required and are waiting for the reimbursement.
- 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. They have indicated this will be ready by the next meeting. Property owners have indicated they will be agreeable to give a Sanitary Control Easement and allow the well collection line to run down their driveway to the water treatment plant.
- Update on Baird Water Service. PGMS has continued to work with Vice-President Nebgen to obtain the necessary TXDOT permit to install the service. To date, no permit has been issued. Mr. Nebgen has requested a meeting with TXDOT after the regular meeting to discuss the permit. Mr. Baird was invited to sit in on that meeting.
- Update on Commercial Development. Jack Gilliam is set to close on the 2+ acre "Burg Tract" soon. Once complete he will request the residential service be installed. Once construction is complete on the commercial side, an additional service shall be installed.
- Update to Drought Status. Updated in Operation Report
- Add Director Eckert to the District's bank signature card. All necessary forms have been submitted to the bank.
- Update to Election. February 13, 2026, will be the deadline to submit an application to be placed on the ballot. With fewer candidates than open positions expected, the Board shall approve a Certificate of Unopposed Candidates and then adopt an Order of Election Cancellation.

9. Secretary's Report.

None

10. Treasurer's Report.

none

11. President's Report.

None

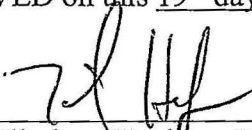
Executive Session:

None

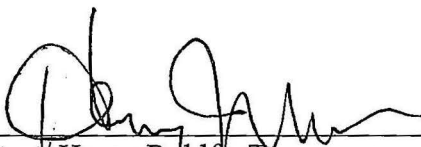
12. Other matters that may come before the Board and take action necessary thereon.
None

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 10:18 A.M.

PASSED AND APPROVED on this 19th day of March 2026.



Nikolaus Hopkins, President
Stonewall Water Control and Improvement District



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