

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

April 16, 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:

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| Nikolaus Hopkins | President |
| Mark Nebgen | Vice-President |
| Henry Rohlfs | Treasurer |
| Louis Eckert | Secretary |

All Board members were present. Also, in attendance was Mr. William Mooney, Dirk Jordan ("General Counsel") and Patrick C. King 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 9:07 A.M.
2. Receive Comments from the Public
No public comments were offered.
3. Minutes to March 19, 2026, Regular Meeting
Draft minutes to this regular meeting were presented and discussed. Secretary Eckert moved to approve the minutes as presented. 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. Secretary 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 March 31, 2026.
Treasurer Rohlfs presented the financial report, to include the Balance Sheet and a Profit and Loss Statement for the period ending March 31, 2026 and discussed those reports in some detail. Secretary Eckert moved to approve the financial report and Treasurers Report as presented. Vice-President Nebgen seconded the motion. 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 PGMS, Inc.)

Management presented the System Operations and Management Report to include (a) water accountability, (b) status of system accounts and (c) significant events.

- a. A security breach at the water plant was reported and investigated. A list of recommendations to prevent a breach was provided.
- b. Management reported that the Engineers had been contacted to explore funding opportunities for the proposed new well and should have information soon.
- c. Management reported that a request had been received for an adjustment to their February water bill, Account No. 337. A draft Leak Adjustment Policy was provided for formal consideration to implement.
- d. An update to the current drought conditions was presented. It was noted that the HCUWCD well measuring equipment installed on Well No. 1 continues to be inoperable.
- e. It was reported that the District continues to wait for funding for expenses associated with the TxDOT Highway 290 road project.
- f. A list of work performed this period was provided.
- g. A list of pending work was also provided, to include a distribution valve replacement located on St. Francis and Peach Street that may require an outage at the school. Management will find out and report.
- h. A letter is currently being drafted to notify all customers of the potential of a cross-connection if they have a private well or other possible condition, such as in-ground irrigation or swimming pools.

Treasurer Rohlfs moved to approve the management report as presented. Secretary Eckert seconded the motion. After full discussion and all voting in favor, the motion carried.

7. New Business:

- a. Hydrology study for test well. Mr. Paul Babbs with HCUWCD indicated he thinks the proposed well is in another aquifer. There was discussion about whether or not it should be moved from the current proposed location. Texas Water drilled the test well but may not have followed up with pump testing or water quality sampling. There was additional discussion about the routing of the line from the new, proposed well and the water plant. It was stated that the District will rely on the County to proceed with survey work.
- b. Discuss billing issue. The draft Leak Adjustment Policy was discussed in detail. This policy provides guidelines for staff to follow when considering an adjustment for a leak. President Hopkins offered the following changes to the draft that was presented.
 - Change provision e from “previous 24 months” to “previous 12 months”.
 - Add a provision to indicate that a final determination remains at the discretion of the District.

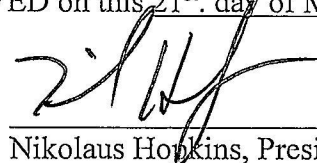
With those revisions, Treasurer Rohlfs moved to adopt the policy as revised. Vice President Nebgen seconded the motion. After full discussion and all voting in favor, the motion carried.

- c. Broken fence at plant. Secretary Eckert indicated he has looked at the location and does not feel that outside help will be needed. The repair will require replacing the broken bracket that holds the barbed wire.

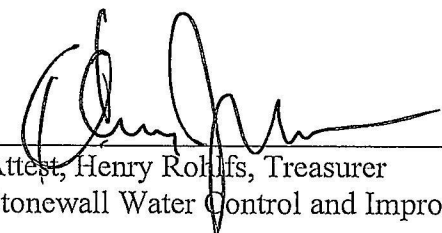
8. Old Business – Operations Update, taken action as needed:
- There was discussion about the new lead / copper sampling that is required at schools and day care facilities. The new Rule is unclear, and management is to get clarification from the TCEQ.
 - Update on Grant progress / Reimbursement of funds. No updates provided.
 - Update on well development / engineering estimates. Estimates still need to be obtained for construction work relating to the new proposed well.
 - Updates on commercial development properties. It was mentioned that Mr. Jack Gillum may be adding a tasting room.
 - Update on drought status. This was previously discussed.
 - Election update. The election is on May 2, 2026.
 - Update on concrete repair to plant. It was discussed that this is on the contractors list and will get to it as soon as possible.
9. Secretary's Report - No additional report was provided.
10. Treasurers Report - Treasurer Rohlfs presented and handed out the Treasurers Report, 1st quarter, 2026, and discussed that report in some detail. Vice President Nebgen moved to approve the Quarterly Treasurer's Report as presented. Secretary Eckert seconded the motion. After full discussion and all voting in favor, the motion carried.
11. President's Report - President Hopkins administered the Oath of Office to Mr. William Mooney. A copy of those documents was provided to Secretary Eckert. It was noted that there are required classes from the Office of the Attorney General for the Texas Open Meetings laws and the Texas Open Records laws.
12. Other matters that may come before the Board and take action necessary thereon.
- It was announced that Mrs. Herbert Nebgen has passed away and that arrangements are being made to provide condolences.
 - No additional matters were brought forward.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 10:32 A.M.

PASSED AND APPROVED on this 21st day of May April 2026.



Nikolaus Hopkins, President
Stonewall Water Control and Improvement District



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