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

May 21, 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 |
| William Mooney | Director |

All Board members were present, except Director Mooney. Also in attendance was Dirk Jordan ("General Counsel") and Patrick C. King with Professional General Management Services, Inc. ("General Management"). Also attending, Mr. John Joehnk, customer of Account No. 337.

**1.** <u>Call to Order and Establish a Quorum.</u>
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 <u>9:06 A.M.</u>

**2.** <u>Receive Comments from the Public</u>

- Mr. John Joehnk (Acct. No. 337) was in attendance to discuss his displeasure with delays to his request for credit to his water bill for his leaks experienced during January and February 2026, resulting in a substantial water bill. It was explained that a policy had been established to address these situations, and that credit to his water billed can be established based on this policy. It was pointed out that Mr. Joehnk was requesting a credit amount that deviated from the policy and was informed this matter would be further discussed later during this meeting. Mr. Joehnk thanked everyone for their consideration and left the meeting.
- No additional public comments were offered.

**3.** <u>Minutes to meeting held on April 16, 2026</u>.
Draft minutes to this regular meeting were presented and discussed. Treasurer Rohlfs 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.** <u>Payment of Current Bills and Invoices.</u>
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. <u>Financial Statements for the period ending April 30, 2026.</u>
Treasurer Rohlfs presented the financial report, to include the Balance Sheet and a Profit and Loss Statement for the period ending April 30, 2026, and the fiscal year to date 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. <u>Receive Operations Report relating to current system operational issues and take action deemed necessary thereon</u>. (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.** Management reported that a TCEQ inspection was performed at the plant on April 29, 2026. A list of the issues that were raised during the inspection was provided.

**b.** A revised Operations Manual has been drafted to include changes to the plant that has occurred since the previous TCEQ inspection.

**c.** A final copy of the previously approved Leak Adjustment Policy was also provided.

**d.** A draft Cross Connection letter was presented for review prior to sending this out with the next set of water bills.

**e.** On May 19, 2026, Vice President Nebgen and management attended a meeting with the District's Engineers to discuss funding programs for the planned capital improvements. Several funding programs were discussed during that meeting. Vice President Nebgen indicated there is a grant program now available, but the timetable for a submittal is due July 1, 2026, and additional information will be needed to clarify the requirements of that program. Management indicated that with each of the available funding programs, a financial; advisor will be needed to complete the application to Texas Water Development Board and suggested a financial advisor be contacted to seek a proposal.

Vice President Nebgen moved to proceed with soliciting a financial advisor and have the engineers proceed with an application to TWDB for funding to include a new ground storage tank. Treasurer Rohlfs seconded the motion. After full discussion and all voting in favor, the motion carried.

**f.** There was discussion about how to apply the leak adjustment policy to account No. 337, and it was noted there are extenuating circumstances surrounding two leaks that were occurring in January and February 2026. In addition, the account has not yet established a 12-month usage history that is used to establish as 12-month usage history. It was decided that management will consider the previous 12 months where there was usage and apply that as the base amount and consider the months of January and February 2026 as the adjusted amount. Management will also verify the account is being charged the rate for a 1.5-inch meter. Once calculated with these parameters, the calculations will be shared with the governing Board for a final review.

g. An update to the continuing drought was provided. To date, there has been no change in drought status.

h. A list of work performed during this period along with work that is still pending was provided.

President Hopkins indicated there may be a new lead / copper laboratory testing requirement for schools and day care centers and indicated he would find the requirement to see who is responsible for this. Management indicated it would also look for the new requirement.

7. New Business.
- Oath of Office for Directors – Director Affidavits were completed by Vice President Nebgen and Treasurer Rohlfs whose term expire May 2, 2026, and the Oath of Office was administered by President Hopkins.

8. Old Business.

**a.** Update on Grant progress / Reimbursement of funds. Treasurer Rohlfs indicated the District has now been reimbursed $50,000 from the TxDOT project, with another $10,000 still owed and payable once an audit of the project was approved.

**b.** Update on well development / engineering estimate. President Hopkins indicated he has spoken with the County Surveyor, Mr. Josh Leamons about performing a survey to the new well site to delineate a distance for the sanitary survey. We do not yet know about water quality nor the recharge rate. A quote for those services was provided by Texas Drilling in the amount of $60,305.00, to include a pump test and laboratory fees. Texas Drilling also provided a quote for completion of a new well at $125,000.00.

**c.** Update on commercial development properties. No report was provided.

d. Update on Fence. Secretary Eckert reported that the parts for the fence repair have been ordered and the area along the fence line needs to be cleared of vegetation.

**e.** Security. President Hopkins noted that on Friday, May 15th., he found the gate to the plant open with no one there. Security cameras are being reviewed along with a security service.

**f.** Update on drought status. – This issue was previously discussed during the management report.

**g.** Election update. There was no additional discussion on this issue.

**h.** Update on concrete repairs to plant. This work is still pending.

**9.** Secretary's Report. No additional items were reported.

**10.** Treasurer's Report. No additional items were reported.

**11.** President's Report. President Hopkins indicated there is an opportunity for the District to sponsor educational materials to the school through the Parents Teachers Organization. General Counsel Jordan indicate he would look into the legalities of such a sponsorship.

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

- No additional matters were brought forward.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 11:25 A.M.

PASSED AND APPROVED on this 18st. day of June 2026.

Nikolaus Hopkins, President
Stonewall Water Control and Improvement District

Attest, Louis Eckert, Secretary
Stonewall Water Control and Improvement District