

STERLING COUNTY UNDERGROUND WATER CONSERVATION DISTRICT
REGULAR BOARD MEETING
August 10, 2026

Members Present: Chairman of the Board Jack Clark, Cliff Caldwell, Evan Canady, General Manager Diana Thomas, and Technician Ashley Masters

Public Present: Accountant Karen Hodges.

The meeting was called to order at 1:02 PM by Jack Clark, Chairman of the Board.

Evan Canady moved and Cliff Caldwell seconded to accept the minutes of the previous meeting. The motion carried.

Accountant Karen Hodges presented the financial report and bills to the Board. The bills included standard monthly bills, scholarship for the local 4H Water Ambassador, and meeting hotel reimbursement from March 2026. After reviewing the bills as presented, Evan Canady moved to transfer \$7,500 from the MM account and pay all the bills. Cliff Caldwell seconded, and the motion passed unanimously.

The Manager's report included: WTWMA in San Angelo, GMDA Conference in Lubbock, West Texas Legislative Summit in San Angelo, virtual TAGD Executive Committee meeting, and Sterling County Commissioners Court in Sterling City. WTWMA reported that one of the airplanes will need a complete engine overhaul due to accumulated flight hours. The estimated cost of the overhaul is \$30-50,000 and can be scheduled in the off-season. Forecasts predict a typical Texas August of increasing temperatures and declining precipitation. Ashley attended the Groundwater Management Districts Association 2026 Summer Conference in Lubbock. This meeting covered the importance of data collection utilizing various methods and why this is key in understanding and relating information to constituents. It also focused on the importance of education programs for all ages to ensure better understanding and participation in conservation efforts. Speakers with City of Abilene and City of Lubbock detailed what challenges they face and how they are addressing the water issues and planning for the future. Senator Perry spoke on the future issues he believes are coming for Texas water and his thoughts on how groundwater districts should address them. Rainwater harvesting on a large scale was demonstrated at a tour of the Samuel Jackson, LLC facility; the entire facility uses collected rain water to run operations from evaporative cooling fans to the kitchen sink. The West Texas Legislative Summit in San Angelo saw a large number of state legislators and industry representatives discussing healthcare, nuclear power generation, data centers, and the upcoming 2027 legislative session. Infrastructure, including water supply infrastructure, and property taxes look to dominate the 2027 legislative session. Emerging technology in the small and mid-size nuclear reactors that dramatically reduce water usage was discussed. Data centers do not see a saturation point in the market and expect growth to continue, sharing their hopes for an open market as Texas figures out the water and energy supply issues. The TAGD Executive Committee met virtually to discuss FY 26-27 budgets and the need for long-term strategic planning. Diana talked with the Sterling County Commissioners' Court on the status of local aquifer resources and how the SCUWCD is achieving the DFC.

Monitor well network surveillance was completed, and handouts were given to directors for their review. Mackey's well is still dry and an unusual increase was noted in the Jack Clark Divide Well. The rain gauge network was downloaded for the 1st and 2nd quarters. Rainfall varied widely, with divide gauges receiving the least rainfall. Ashley noted the need to deploy the replacement gauge for the Sherwood rain gauge.

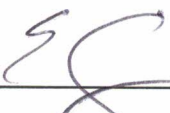
The well camera was utilized for 3 wells in Irion County. No Notice of Intent to Drill was received for the previous month.

Diana Thomas presented the Board with a draft budget reflecting the previously adopted payroll changes. Adjustments due to increased insurance premiums, increased vehicle maintenance, decreased cloud seeding to more accurately reflect the actual invoice, and decreased hydrologist/consultant were all reflected in the draft budget. The completed TNT worksheet was presented to the Board with the NNR tax rate highlighted. Various increased tax rates were calculated and discussed to reduce the budget deficit.

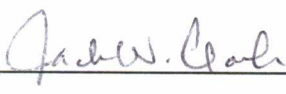
Cliff Caldwell moved to propose a FY 2026-207 budget totaling \$179,850 in expenses. Compared to the previous fiscal year Payroll and Insurance increased while Cloud Seeding and Professional Fees decreased resulting in a net increase of \$3,600. Evan Canady seconded, and the motion passed unanimously.

Diana Thomas reviewed the TNT Worksheet and presented tax rates at varying amounts starting at the NNR up to the VATR and the revenues each one generated. Cliff Caldwell moved to propose a 2026 Tax Rate of \$0.016964 per \$100 valuation. This proposed tax rate is 2.5% above the No New Revenue Rate and will increase total taxes. Evan Canady seconded and the motion passed unanimously.

There being no further business Cliff Caldwell moved and Evan Canady seconded to adjourn at 2:00 PM.



Attesting Signature



Presiding Officer

Date: 9-14-2026