

SOUTH TEXAS WATER AUTHORITY  
Minutes – Regular Board of Directors Meeting  
March 30, 2026

Board Members Present:

Jose Graveley  
Imelda Garza  
Frances Garcia  
Daniel Morales  
Joe Morales  
Angela Pena  
Patsy Rodgers  
Art Rodriguez

Board Members Absent:

Tanya Lawhon

Staff Present:

John Marez  
Frances De Leon  
Patrick Sendejo  
Victor Gutierrez  
August Patroelj

Guests Present:

Greg Szuman, Willatt & Flickinger (Zoom)  
Kasy Stinson, Seven Seas  
Ivan Luna, I.C.E.  
Charlie Zahn (Zoom)  
Ansar Palakkal, I.C.E.  
Myra Alaniz  
Holly Bolkholt  
Oliver Wiese, Seven Seas  
Hunter Johnson, 28 Midstream

1. Call to Order.

Mr. Jose Graveley, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:30 p.m. at the Courthouse Annex Law Enforcement Center, 1500 E. King, Kingsville, Texas. A quorum was present.

2. Citizen Comments.

Mr. Graveley opened the floor to citizen's comments. No public comments were made.

*The order of the agenda was changed.*

9. Executive Session Agenda Items - In this executive session the board of Directors will deliberate or receive legal advice regarding (1) each of the following matters pursuant to the Section(s) of the Texas Government Code in parenthesis at the end of such matter, and (2) any other agenda items on today's agenda that the presiding officer of the meeting has announced will be considered in this executive session (collectively, the "Executive Session Agenda Items"). The Board of Directors may take action in open session after the executive session on any of the Executive Session Agenda items. The Board of Directors will deliberate the purchase, exchange, lease or value of real property in executive session only if deliberation in an open meeting would have a detrimental effect on South Texas Water Authority's position in negotiations with a third person.

- 9.a. Receive legal advice from counsel regarding alternate water sources.

Mr. Graveley announced that the Board would convene in Closed Session at 5:30 p.m. pursuant to Section 551.071 of the Government Code to receive legal advice from counsel regarding an alternate source of water for the Authority.

10. Open Session Items for Post Executive Session Action – The Board of Directors will convene in Open Session and take action on (1) the agenda items listed below, (2) any other items on this agenda that were postponed or tabled until after Executive Session, and (3) any Executive Session Agenda Items.

- 10.a. Discuss and take action to approve Second Amended and Restated Water Supply Agreement by and between South Texas Water Authority and Seven Seas Water (STWA) USA, LLC.

The Board reconvened in Open Session at 5:59 p.m. No action was taken during Closed Session.

3. Approval of Minutes.

Ms. Garcia made a motion to approve the minutes of the March 9, 2026 Regular Meeting as presented. Ms. Garza seconded. The motion passed by unanimous vote.

4. Treasurer's Report/Payment of Bills.

The following reports were presented for Board approval:

Corrected Revenue Fund Income Statement for period ending September 30, 2025  
Corrected Tax Fund Income Statement for period ending September 30, 2025  
Corrected STWA Revenue Fund Trial Balance – September, 2025  
Corrected STWA Revenue Fund Balance Sheet – September, 2025  
Combined Funds Income Statement – Comparison to Prior Year for period of September, 2025  
Treasurer's Report for period ending February 28, 2026  
STWA Cash Report for February 2026  
STWA Income Statement – Comparison to Prior Year for February, 2026  
Revenue Fund Income Statement for period ending February 28, 2026  
Special Services Income Statement for period ending February 28, 2026  
Tax Fund Income Statement for period ending February 28, 2026  
STWA Revenue Fund Trial Balance – February, 2026  
STWA Revenue Fund Balance Sheet – February, 2026  
STWA Debt Service Fund Income Statement for period ending February 28, 2026  
STWA Debt Service Fund Trial Balance – February, 2026  
STWA Debt Service Fund Balance Sheet – February, 2026  
STWA Capital Projects Fund Income Statement for period ending February 28, 2026  
STWA Capital Projects Fund Trial Balance – February, 2026  
STWA Capital Projects Fund Balance Sheet – February, 2026

No invoices were presented for Board approval.

Mr. Graveley made a motion to approve the Treasurer's Report as presented. Mr. D. Morales seconded. The motion passed unanimously.

5. Operation and Maintenance Report.

Mr. Sendejo presented the Operation and Maintenance Report for the weeks of March 9 to March 23, 2026. He stated that he has scheduled interviews with five applicants this week to fill the current Field Technician vacancy.

6. Proposal from Mammoth Construction for roof coating services.

Mr. Marez explained to the Board that STWA's office building has experienced repeated roof-related intrusions during prior rain events resulting in damage to the interior and exterior portions of the building. He presented a March 23, 2026 proposal from Mammoth Construction for roof coating services at the STWA facility and requested approval of the proposal. The proposal includes coating approximately 4,100 square feet using a mule-hide 100% silicone roof coating over the existing metal roof. Mammoth's proposal includes a roof inspection, cleaning and surface preparation, followed by primer application, seam reinforcement and penetration sealing, and a two-coat silicone roof coating system at a total cost of \$25,432. Mr. D. Morales made a motion to approve the proposal as presented. Ms. Garcia seconded and the motion passed by unanimous vote.

7. Consideration and approval of an order cancelling a bond election for the South Texas Water Authority and resolving other matters incident and related to the cancellation.

Mr. Marez stated that at the February 10, 2026, the Board approved an order calling for a special bond election to seek voter approval for funding infrastructure costs and related expenses necessary to operate and manage STWA. The proposed election was scheduled for May 2, 2026 however, due to factors beyond STWA's control, not all needed requirements were met within the necessary timeline, and the election cannot be held as originally scheduled. He recommended approval of an order canceling the May 2, 2026 bond election. He added that staff will continue coordination with Kleberg and Nueces Counties for a potential bond election on November 3, 2026. Mr. J. Morales made a motion to approve the order canceling the May 2, 2026 election. Mr. Rodriguez seconded and the motion passed unanimously.

8. Update on Seven Seas Project.

Mr. Marez stated that staff and legal counsel continue to work with Seven Seas to finalize an agreement. He added that he feels strongly that the remaining issues can be worked out.

11. Administration Report.

- Future Board Meeting Dates

Mr. Marez informed the Board that the next meeting is scheduled for April 28<sup>th</sup> and asked for feedback on whether another date is preferred. Mr. Graveley asked staff to poll the Board for a date.

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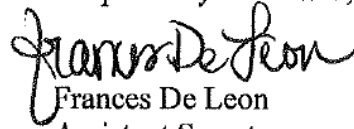
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Mr. Marez also stated that he recently met with groups on various issues and suggested that the Board consider hiring a lobbyist to assist with funding issues and legislative changes. Mr. Graveley requested that he gather cost information for a future meeting.

12. Adjournment.

With no further business to discuss, Ms. Garcia moved to adjourn the meeting at 6:40 p.m. Mr. J. Morales seconded. The motion carried.

Respectfully submitted,

  
Frances De Leon  
Assistant Secretary