

SOUTH TEXAS WATER AUTHORITY
Minutes – Regular Board of Directors Meeting
September 24, 2025

Board Members Present:

Jose Graveley
Frances Garcia
Imelda Garza
Daniel Morales
Joe Morales
Angela Pena
Arturo Rodriguez

Board Members Absent:

Tanya Lawhon
Patsy Rodgers

Staff Present:

John Marez
Patrick Sendejo
Jo Ella Wagner
August Patroelj

Guests Present:

Charles W. Zahn
Kasy Stinson, Seven Seas
Oliver Wiess, Seven Seas
Andrew Mendez
Chris Cuellar
Holly Bockholt
Myra Alaniz
Ansar Palakkal, I.C.E.
Esteban Ramos, City of Corpus Christi
David Ramirez
Ivan G. Luna, I.C.E.
Greg Szuman, Willatt & Flickinger

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. Mr. Andrew Mendez commented that STWA has lost control of its own water contract and documents need to go through lawyers. He added that STWA is trying to sell water and buy water using the same pipeline. He added that he has learned more about STWA from the Corpus Christi meetings than locally and questioned the Authority's transparency. He asked for clarity, accountability, and leadership and said he will continue to monitor the project in order to inform the public.

3. Approval of Minutes

Mr. Rodriguez made a motion to approve the minutes of the September 3, 2025 Special Meeting, the September 9, 2025 Public Hearing and the September 9, 2025 Regular Meeting as presented. Ms. Garcia seconded. The motion passed by unanimous vote.

4. Treasurer's Report/Payment of Bills.

The following reports were presented for Board approval:

Treasurer's Report for period ending August 31, 2025
STWA Income Statement – Comparison to Prior Year for August, 2025
Revenue Fund Income Statement for period ending August 31, 2025
STWA Revenue Fund Trial Balance – August, 2025
STWA Revenue Fund Balance Sheet – August, 2025
Tax Fund Income Statement for period ending August 31, 2025
Special Services Income Statement for period ending August 31, 2025
STWA Debt Service Fund Income Statement for period ending August 31, 2025
STWA Debt Service Fund Trial Balance – August, 2025
STWA Debt Service Fund Balance Sheet – August, 2025
STWA Capital Projects Fund Income Statement for period ending August 31, 2025
STWA Capital Projects Fund Trial Balance – August, 2025
STWA Capital Projects Fund Balance Sheet – August, 2025

The following outstanding invoices were presented for Board approval:

• Charles W. Zahn, Jr., Attorney at Law	\$ 17,190.00
• Raftelis	\$ 2,745.00
• KLX Energy Services	\$ 84,999.83

Mr. D. Morales made a motion to approve the Treasurer's Report and payment of the bills as presented. Ms. Garza seconded. The motion passed unanimously.

5. Operation and Maintenance Report.

Mr. Sendejo reported that work continues on corporation tasks. He added that staff training is ongoing but a Field Technician recently resigned.

6. Fiscal Year 2025 Budget Amendments.

Mr. Patroelj reviewed the amended budget. Total Revenues increased by \$563,812 and Total Expenditures decreased by \$173,708 for a decrease of \$387,104 in Net Income ending at -\$74,555. Mr. D. Morales made a motion to approve the final amended FY 2025 budget. Mr. Rodriguez seconded and all voted in favor.

7. Tax year 2025 tax roll/levy for the South Texas Water Authority's district in Kleberg County.

The Board reviewed the Kleberg County tax roll/levy for Tax Year 2025 reflecting a taxable value of \$1,819,835,627.

8. **Resolution 25-28.** Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Kleberg County for tax year 2025.

Mr. D. Morales made a motion to approve Resolution 25-28 adopting the tax roll/levy for South Texas Water Authority's district in Kleberg County for tax year 2025. Ms. Garcia seconded the motion and all voted in favor.

9. **Tax year 2025 tax roll/levy for the South Texas Water Authority's district in Nueces County.**

The 2025 Nueces County tax roll has not been completed and will be presented at the next meeting.

10. **Resolution 25-29.** Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Nueces County for tax year 2025.

The Board tabled Resolution 25-29.

11. **STWA Investment Policies:**
a) South Texas Water Authority General Fund
b) South Texas Water Authority Debt Service Fund
c) South Texas Water Authority Capital Projects Fund

Mr. Marez informed the Board that their review and approval of STWA's Investment Policies is required every year and added that there have been no changes to the Policies since last year. He recommended adoption of Resolutions 25-30, 25-31 and 25-32 approving the STWA General Fund, Debt Service Fund and Capital Project Fund Investment Policies.

12. **Resolutions 25-30 through 25-32.** Resolutions approving the following South Texas Water Authority Investment Policies:
a) South Texas Water Authority General Fund
b) South Texas Water Authority Debt Service Fund
c) South Texas Water Authority Capital Projects Fund

Mr. Graveley made a motion to adopt Resolutions 25-30, 25-31 and 25-32. Ms. Garcia seconded. All voted in favor.

13. **Extension of depository agreement with Prosperity Bank.**

The Board reviewed a letter from Prosperity Bank for a two-year renewal of the Depository Contract between South Texas Water Authority and Prosperity Bank based on the current terms. Mr. D. Morales made a motion to accept the renewal of the Depository Services Contract with Prosperity Bank. Mr. Rodriguez seconded the motion and all voted in favor.

14. Mold remediation at STWA office building.

Tabled.

15. Discussion and Action Proposed: Environmental Impact Study by Texas A&M University – Kingsville Engineering Department.

Mr. Ivan Luna of International Consulting Engineers (I.C.E.) presented the updated proposal for a Groundwater and Brine Water Quality Evaluation for the Proposed Desalination Plant near Driscoll, Texas. The proposal from the Texas A&M University-Kingsville Engineering Department in the amount of \$21,999.66 is for a study to provide data on brackish groundwater and the expected brine composition for informed design and engineering of the desalination plant. Ms. Pena made a motion to approve the proposal, Ms. Garcia seconded and all voted in favor.

16. Discussion and action to determine the need for an appointment of members for an audit committee.

Ms. Wagner stated that after some recent questions from the Board, auditor Margaret Kelly recommended creating an audit committee made up of Board Members for review of the audit prior to presentation to the Board. Mr. Graveley made a motion to organize an audit committee and appoint Mr. J. Morales, Mr. D. Morales and Ms. Garza as members. The motion was seconded by Mr. Rodriguez and passed by unanimous vote.

17. Authorization to purchase brush cutter attachment with FY 2025 funds.

Mr. Marez presented a bid from Nueces Power Equipment for the purchase of a brush cutter attachment in the amount of \$10,540. He explained that funds are available in the FY 2025 budget. The equipment will allow for more effective clearing of heavy brush and vegetation enabling staff to complete maintenance activities in a timely and cost-efficient manner. Mr. D. Morales made a motion to authorize the purchase of a brush cutter using FY 2025 funds. Ms. Garza seconded and all voted in favor.

18. Water Supply Contract with the City of Corpus Christi.

Mr. Graveley announced that the Board would convene in Closed Session at 6:26 p.m. pursuant to Section 551.071 of the Government Code to receive legal advice from counsel regarding the water supply contract with the City of Corpus Christi and an alternate source of water for the Authority.

19. 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.

- 19.a. Receive legal advice from counsel regarding alternate water sources.
20. 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.

The Board reconvened in Open Session at 7:27 p.m. No action was taken during Closed Session.

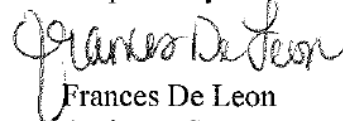
21. Administration Report.

Mr. Marez stated that the next meeting is scheduled for October 28th but he has been made aware of a possible conflict that might require scheduling the meeting on another date. He also informed the Board that negotiations continue on the City of Corpus Christi water supply contract and STWA will not be cutoff if an agreement is not reached by the contract end date.

22. Adjournment.

With no further business to discuss, Mr. Rodriguez moved to adjourn the meeting at 7:28 p.m. Mr. J. Morales seconded. The motion carried.

Respectfully submitted,


Frances De Leon
Assistant Secretary