

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Jose M Graveley, President
DATE: January 3, 2025
SUBJECT: Meeting Notice and Agenda for the South Texas Water Authority

A Special Meeting of the STWA Board of Directors is scheduled for:

Tuesday, January 7, 2025
5:30 p.m.
Courthouse Annex Law Enforcement Center
1500 E. King
Kingsville TX 78363

The Board will consider and act upon any lawful subject which may come before it, including among others, the following:

Agenda

1. Call to order.
2. Citizen comments. This is an opportunity for citizens to address the Board of Directors concerning an issue of community interest that is not on the agenda. Comments on the agenda items must be made when the agenda item comes before the Board. The President may place a time limit on all comments. The response of the Board to any comment under this heading is limited to making a statement of specific factual information in response to the inquiry, or, reciting existing policy in response to the inquiry. Any deliberation of the issue is limited to a proposal to place it on the agenda for a later meeting.
3. CONSIDERATION AND APPROVAL OF A SPECIAL PROJECT CONTRACT BETWEEN THE SOUTH TEXAS WATER AUTHORITY AND THE RICARDO WATER SUPPLY CORPORATION AND OTHER MATTERS RELATED THERETO
4. CONSIDERATION AND APPROVAL OF A SPECIAL PROJECT CONTRACT BETWEEN THE SOUTH TEXAS WATER AUTHORITY AND THE NUECES WATER SUPPLY CORPORATION AND OTHER MATTERS RELATED THERETO
5. CONSIDERATION AND APPROVAL OF A RESOLUTION BY THE BOARD OF DIRECTORS OF THE SOUTH TEXAS WATER AUTHORITY AUTHORIZING EXECUTION OF A PRINCIPAL FORGIVENESS AGREEMENT WITH THE TEXAS WATER DEVELOPMENT BOARD AND OTHER MATTERS RELATED THERETO PERTAINING TO THE SOUTH TEXAS WATER AUTHORITY CONTRACT REVENUE BONDS (RICARDO WATER SUPPLY CORPORATION), TAXABLE SERIES 2025
6. CONSIDERATION AND APPROVAL OF A RESOLUTION BY THE BOARD OF DIRECTORS OF THE SOUTH TEXAS WATER AUTHORITY AUTHORIZING

EXECUTION OF A PRINCIPAL FORGIVENESS AGREEMENT WITH THE TEXAS WATER DEVELOPMENT BOARD AND OTHER MATTERS RELATED THERETO PERTAINING TO THE SOUTH TEXAS WATER AUTHORITY CONTRACT REVENUE BONDS (NUECES WATER SUPPLY CORPORATION), TAXABLE SERIES 2025

7. CONSIDERATION AND APPROVAL OF A RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF SOUTH TEXAS WATER AUTHORITY CONTRACT REVENUE BONDS (RICARDO WATER SUPPLY CORPORATION), TAXABLE SERIES 2025, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO
8. CONSIDERATION AND APPROVAL OF A RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF SOUTH TEXAS WATER AUTHORITY CONTRACT REVENUE BONDS (NUECES WATER SUPPLY CORPORATION), TAXABLE SERIES 2025, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO
9. Adjournment.

The Board may go into closed session at any time when permitted by Chapter 551, Government Code. Before going into closed session, a quorum of the Board must be assembled in the meeting room, the meeting must be convened as an open meeting pursuant to proper notice, and the presiding officer must announce that a closed session will be held and must identify the sections of Chapter 551, Government Code, authorizing the closed session.

JMG/JM/fdl
Attachments

This meeting notice was posted on
STWA's website, www.stwa.org, and on
indoor and outdoor bulletin boards at
STWA's administrative offices,
2302 East Sage Road, Kingsville, Texas at
5:00 am/pm on January 3, 2025
Francis De Leon
Assistant Secretary

Memo

To: Board of Directors, South Texas Water Authority, Nueces Water Supply Corporation, Ricardo Water Supply Corporation
From: John Marez, Executive Director, STWA; General Manager, NWSC & RWSC
Date: January 3, 2025
Topic: Approval and Execution of Financing Documents for TWDB State Water Revolving Funds

Background:

The South Texas Water Authority (STWA), Nueces Water Supply Corporation (NWSC), and Ricardo Water Supply Corporation (RWSC) are finalizing a significant milestone in securing funding through the Texas Water Development Board (TWDB). After nearly two years of preparation, including submitting applications for the State Water Revolving Fund, the process has concluded in the official adoption and signing of agreements between our boards and the State of Texas.

The secured funding includes:

1. \$875,000 in STWA Contract Revenue Bonds (TWDB Taxable Series 2025) for Nueces WSC.
2. \$1,485,000 in STWA Contract Revenue Bonds (TWDB Taxable Series 2025) for Ricardo WSC.

These funds will support vital infrastructure improvements to enhance water supply reliability for the residents and businesses served by our organizations.

Analysis:

The attached documents prepared by Winstead PC represent the final step in this process. They include agreements necessary to formalize the financing arrangements with the TWDB and ensure compliance with state requirements.

The documents for review and signature include:

1. Certificate Pertaining to the Resolution: Confirms compliance with financing resolutions.
2. Resolution Authorizing Grant Agreements: Approves TWDB grant agreements.
3. Special Project Contract: Outlines project terms, responsibilities, and funding allocation.
4. Escrow Agreements (Grant & Loan Proceeds): Governs the disbursement of funds to ensure project accountability.
5. Paying Agent/Registrar Agreement: Formalizes payment processing terms.
6. General Certificates (Authority & Corporation): Confirms due diligence for all parties.
7. Signature Identification & No-Litigation Certificate: Validates signatures and confirms the absence of any pending litigation.
8. Attorney General/Comptroller Instruction Letter: Provides procedural instructions for compliance.
9. DTC Blanket Letter of Representations: Ensures electronic bond registration compliance.

The documents must be executed by authorized officials, notarized if applicable, and returned promptly to meet submission deadlines.

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Staff Recommendation:

Staff recommends the board approve the financing agreements and related resolutions.

Board Action:

Motion to approve the financing agreements and related resolutions as presented, authorize the Executive Director/General Manager, or designee to execute all necessary documents, and direct staff to ensure timely submission of the signed originals to Winstead PC no later than January 10, 2025.

Summary:

This marks the conclusion of nearly two years of work to secure funding through the TWDB's Drinking Water State Revolving Fund program. The signing of these agreements represents a significant achievement for STWA, NWSC, and RWSC. The funds will allow us to move forward with critical water infrastructure projects to ensure reliable service for our communities.

112 E. Pecan Street
Suite 725
San Antonio, TX 78205

210.277.6800 OFFICE
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winstead.com

RECEIVED

JAN 03 2024

direct dial: 210-277-6803
dmartinez@winstead.com

SOUTH TEXAS WATER AUTHORITY

January 2, 2025

Mr. John Marez
Executive Director
South Texas Water Authority
2302 East Sage Road
Kingsville, Texas 78363

BY FEDERAL EXPRESS 361/592-9323

Re: \$875,000 South Texas Water Authority Contract Revenue Bonds (Nueces Water Supply Corporation), Taxable Series 2025 (TWDB) and \$1,485,000 South Texas Water Authority Contract Revenue Bonds (Ricardo Water Supply Corporation), Taxable Series 2025

Dear Mr. Marez:

Enclosed are the following documents for execution at the January 7, 2025 meeting of the Board of Directors for the Authority, Nueces WSC and the Ricardo WSC pertaining to each of the captioned financings:

1. Certificate pertaining to the Resolution (five originals);
2. Resolution authorizing Grant Agreements (five signature pages);
3. Special Project Contract (five signature pages);
4. Escrow Agreement (grant agreement) (five signature pages);
5. Escrow Agreement (loan proceeds) (five signature pages);
6. Paying Agent/Registrar Agreement (five signature pages);
7. General Certificate of the Authority (five signature pages);
8. General Certificate of the Corporation (five signature pages);
9. Signature Identification and No-Litigation Certificate (five signature pages);
10. Attorney General/Comptroller Instruction Letter (five signature pages); and

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11. DTC Blanket Letter of Representations.

Please have the appropriate officials properly execute, seal (and notarize, if applicable) all signature pages and return them to me **no later than Friday, January 10, 2025**. We will provide a complete transcript of proceedings with originals of these documents after closing as is customary.

Thank you, in advance, for your prompt attention to this matter. If I can provide any additional assistance concerning this matter, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Dan".

Daniel M. Martinez

DMM/tmg

Enclosures