

SOUTH TEXAS WATER AUTHORITY  
Minutes – Regular Board of Directors Meeting  
March 9, 2026

Board Members Present:

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

Board Members Absent:

Patsy Rodgers  
Tanya Lawhon  
Art Rodriguez

Staff Present:

John Marez  
Frances De Leon  
Jo Ella Wagner  
Patrick Sendejo  
August Patroelj

Guests Present:

Greg Szuman, Willatt & Flickinger (Zoom)  
Kasy Stinson, Seven Seas  
Margaret Kelly, John Womack & Co., P.C.  
Ivan Luna, I.C.E.  
Ansar Palakkal, I.C.E.  
Louis Longoria, John Womack & Co., P.C.  
Esteban Ramos, Corpus Christi Water  
Charlie Zahn  
Andrew Mendez  
Myra Alaniz  
Holly Bolkholt

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. Public comment was provided by Mr. Andrew Mendez.

3. Proposed Fiscal Year 2025 Audit.

Ms. Margaret Kelly, John Womack & Co., P.C. reviewed the Fiscal Year 2025 Audit with the Board and reported that all records were in order and the Authority's financial position continued to strengthen. She added that there was nothing negative to report and thanked staff for their work. She noted that the meeting with the audit review committee proved helpful because it provided opportunity to research questions and provide answers.

4. Resolution 26-05. Resolution accepting the Fiscal Year 2025 Audit prepared by John Womack & Co., P.C. of Kingsville, Texas.

Mr. Graveley made a motion to approve Resolution 26-05 accepting the Fiscal Year 2025 Audit. Mr. J. Morales seconded the motion. All voted in favor.

5. Approval of Minutes.

Mr. J. Morales made a motion to approve the minutes of the February 10, 2026 Regular Meeting as presented. Mr. D. Morales seconded. The motion passed by unanimous vote.

6. Treasurer's Report/Payment of Bills.

The following reports were presented for Board approval:

Financial Statement Analysis for January 2026 – Budget Issues/Concerns  
STWA Cash Report for January 2026  
Treasurer's Report for period ending January 31, 2026  
STWA Income Statement – Comparison to Prior Year for January, 2026  
Revenue Fund Income Statement for period ending January 31, 2026  
STWA Revenue Fund Trial Balance – January, 2026  
STWA Revenue Fund Balance Sheet – January, 2026  
Special Services Income Statement for period ending January 31, 2026  
Tax Fund Income Statement for period ending January 31, 2026  
STWA Debt Service Fund Income Statement for period ending January 31, 2026  
STWA Debt Service Fund Trial Balance – January, 2026  
STWA Debt Service Fund Balance Sheet – January, 2026  
STWA Capital Projects Fund Balance Sheet – January, 2026  
STWA Capital Projects Fund Income Statement for period ending January 31, 2026  
STWA Capital Projects Fund Trial Balance – January, 2026  
STWA Capital Projects Fund Balance Sheet – January, 2026

The following outstanding invoices were presented for Board approval:

• International Consulting Engineers (12/31/2025)	\$ 17,906.65
• International Consulting Engineers (01/31/2026)	\$ 17,906.65
• International Consulting Engineers (12/31/2025)	\$ 31,781.20
• International Consulting Engineers (01/31/2026)	\$ 31,781.20
• International Consulting Engineers	\$ 6,395.00
• International Consulting Engineers	\$ 26,378.50
• Charles W. Zahn, Jr., Attorney at Law (January)	\$ 6,660.00
• John Womack & Co, P.C.	\$ 12,500.00
• Kleberg County Appraisal District	\$ 5,708.57
• Charles W. Zahn, Jr., Attorney at Law (February)	\$ 5,310.00
• International Consulting Engineers	\$ 27,284.50

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

7. Operation and Maintenance Report.

Mr. Graveley commented that field staff did a good job on the recent leak repair of STWA's spur line. Mr. Sendejo stated that the crew worked hard on that job and he coordinated with Tesla to minimize usage during the repair. He added that interviews will be conducted to fill the current Field Technician vacancy. Two new pumps have been delivered for the Agua Dulce Pump Station and will be installed in the upcoming days. In response to a request from Ms. Pena, Mr. Marez stated that he will send video on the leak repair and will start sending videos and/or pictures to the Board when available.

8. Resolution 26-06. Resolution of appreciation for Ms. Jo Ella Wagner for 31 years of dedicated service to the South Texas Water Authority from 1995-2026.

Ms. Garcia read Resolution 26-06 aloud. Mr. J. Morales made a motion to adopt the resolution. Ms. Garza seconded and the motion passed by unanimous vote.

9. Salary of Assistant Executive Director.

Mr. Marez stated that at the last meeting, the Board approved appointment of an Assistant Executive Director. He stated that the Board previously approved a \$5,000 annual stipend for the Assistant Executive Director appointed in 2021. He added that it is up to the Board whether to approve the same amount or a different amount. Mr. J. Morales made a motion to approve a flat annual stipend of \$5,000 based on the clear precedent set previously. Mr. D. Morales seconded. All voted in favor.

10. Professional Services Contract with Jimenez Engineering Solutions, LLC DBA International Consulting Engineers (ICE) for the Texas Water Development Board DWSRF FY 2026 Project.

Mr. Marez presented a Professional Services Contract with Jimenez Engineering Solutions, LLC DBA International Consulting Engineers (ICE) for the TWDB DWSRF FY 2026 project. He explained that the agreement outlines services associated with the TWDB Drinking Water State Revolving Fund Program for FY 2026 in an amount not to exceed \$6,789,714. Mr. D. Morales moved to authorize the Executive Director to execute a professional services agreement with Jimenez Engineering DBA International Consulting Engineers in an amount not to exceed \$6,789,714 for services related to STWA's application for the TWDB DWSRF FY 2026 Program. Ms. Garcia seconded and all voted in favor.

11. Kleberg County Clerk Contract to conduct Bond Election on behalf of STWA.

12. Nueces County Clerk Contract to conduct Bond Election on behalf of STWA

Mr. Marez presented memorandums from Daniel Martinez of Winstead to the Kleberg and Nueces County Clerks outlining requirements for the proposed May 2, 2026 bond election. He said the information was identical and requested authorization to execute the election services

agreements with each county. Mr. D. Morales made a motion to authorize execution of the election services agreements with the Kleberg County and Nueces County Clerks. Ms. Garza seconded and the motion passed unanimously.

13. Update on Seven Seas Project.

Mr. Kasy Stinson, representing Seven Seas, provided a brief update on the project. He said that because the Board requested to change the disposal method to deep well injection, the cost was revised to accommodate the change. There was also a change on the land to be used. These factors resulted in pushing out the deadline. He added that approval of the amended contract is also needed. Mr. Marez pointed out that discussions on the payment security are ongoing and will be discussed in Executive Session. Mr. D. Morales stated that this was the first time he became aware of the cost increasing to \$5.15 and Mr. Marez stated that it may have been previously discussed in Executive Session.

14. 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.

14.a. Receive legal advice from counsel regarding alternate water sources.

Mr. Graveley announced that the Board would convene in Closed Session at 6:30 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.

15. 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.

15.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 6:56 p.m. No action was taken during Closed Session. Mr. Graveley made a motion to approve the Second Amended and Restated Water Supply Agreement by and between South Texas Water Authority and Seven Seas Water USA, LLC with such approval being subject to approval by the President of the Board of Directors and Counsel for STWA to a rewrite of Paragraph 10.5 (e) to provide that STWA shall maintain a reserve fund

only until such time as Seven Seas begins to deliver water to STWA pursuant to the Agreement. Ms. Garcia seconded. The motion passed on a vote of 5 to 0. Mr. J. Morales abstained.

16. Administration Report.


- Future Board Meeting Dates

Mr. Marez informed the Board that staff would contact them to determine if a quorum will be available for a March 30<sup>th</sup> or 31<sup>st</sup> meeting.

17. Adjournment.

With no further business to discuss, Ms. Garcia moved to adjourn the meeting at 6:59 p.m. Mr. Graveley seconded. The motion carried.

Respectfully submitted,

  
Frances De Leon  
Assistant Secretary