

SOUTH TEXAS WATER AUTHORITY
Minutes – Regular Board of Directors Meeting
September 9, 2025

Board Members Present:

Jose Graveley
Frances Garcia
Imelda Garza
Daniel Morales
Joe Morales
Patsy Rodgers
Arturo Rodriguez

Board Members Absent:

Tanya Lawhon
Angela Pena

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Patrick Sendejo
Victor Gutierrez
August Patroelj
Clarissa Vargas

Guests Present:

Baldemar Garcia, RWSC President
Rogelio Rodriguez, Water Finance Exchange
Charles W. Zahn

1. Call to Order.

Mr. Jose Graveley, Board President, called the Special Meeting of the STWA Board of Directors to order at 5:35 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. Rogelio Rodriguez of Water Finance Exchange provided an update on their efforts to secure funding for STWA. He reported that STWA's most recent application for additional funding was ranked 13 out of 355 applications and is included in the 31 applications which were invited for funding. The funding amount is \$60 million and includes 70% of forgivable loan funds. He expects funding to become available in about 18 months. He also reported that another grant from the Municipal Investment Fund is available in the amount of \$250,000 to research the feasibility of solar projects and could be followed by a \$1.2 million grant for engineering.

3. Approval of Minutes

Ms. Rodgers made a motion to approve the minutes of the August 5, 2025 Regular Meeting and August 19, 2025 Special Meeting as presented. Mr. Rodriguez 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 July 31, 2025
STWA Income Statement – Comparison to Prior Year for July, 2025
Revenue Fund Income Statement for period ending July 31, 2025
STWA Revenue Fund Trial Balance – July, 2025
STWA Revenue Fund Balance Sheet – July, 2025
Special Services Income Statement for period ending July 31, 2025
Tax Fund Income Statement for period ending July 31, 2025
STWA Capital Projects Fund Income Statement for period ending July 31, 2025
STWA Capital Projects Fund Trial Balance – July, 2025
STWA Capital Projects Fund Balance Sheet – July, 2025
STWA Debt Service Fund Income Statement for period ending July 31, 2025
STWA Debt Service Fund Trial Balance – July, 2025
STWA Debt Service Fund Balance Sheet – July, 2025

No invoices were presented for Board approval. Mr. Patroelj directed attention to an additional report, STWA Income Statement – Comparison to Prior Year, that he included to address a previous request for a more summarized version of financial reports. He stated that he plans to include this in the future in addition to the usual financial statements. He also noted that the Special Services reports show a loss and he is looking to remedy the loss for a breakeven in the next fiscal year. He asked for the Board's direction moving forward and Mr. D. Morales said the reporting is moving in the right direction. Ms. Garza made a motion to approve the Treasurer's Report as presented. Mr. Rodriguez seconded. The motion passed unanimously.

5. Operation and Maintenance Report.

Mr. Sendejo reported that Cathodic Protection Technician Hector Barbosa resigned but left a plan in place to continue cathodic protection work. Additionally, a Field Technician II has been terminated but two Field Technicians are working on obtaining their water license.

6. Fiscal Year 2026 budget, revenues and rates.

Mr. Marez and Ms. Wagner presented the proposed budget and stated that the budget is based on an increased Handling Charge of \$0.60/1,000 gallons and a total sales volume of approximately 545 million gallons comprised of a contracted amount for the City of Kingsville and five-year averages for the remaining customers. Additionally the Corpus Christi cost of water decreased by about \$0.09/1,000 gallons. The proposed budget was sent to the wholesale customers for a 30-day review and comment period and no comments were received. Mr. J. Morales commented that he is ok with the presented budget and noted that the loss is due primarily to capital expenditures which are necessary and important to maintaining the pipeline. Mr. D. Morales questioned the accuracy of the beginning balances shown on the budget worksheets. Ms. Wagner explained that she worked off the ending balance from the previous year but the net change illustrates the correct activity. Mr. D. Morales said that for next year, he would like to see trends showing the previous year versus the current year.

7. **Resolution 25-25. Resolution adopting the recommended Fiscal Year 2026 budget.**

Ms. Garza made a motion to approve Resolution 25-25 adopting the FY 2026 budget as presented. Ms. Rodgers seconded. All voted in favor.

8. **Resolution 25-26. Resolution adopting the Fiscal Year 2026/Tax Year 2025 tax rate.**

Ms. Garza made a motion to approve Resolution 25-26 adopting the Fiscal Year 2026/Tax Year 2025 M&O tax rate of \$0.049557 per \$100 assessed valuation and the I&S tax rate of \$0.010142 per \$100 assessed valuation for a total tax rate of \$0.059699 per \$100 of taxable value. The motion was seconded by Ms. Rodgers and passed by unanimous vote.

9. **Authorization to solicit bids for Fiscal Year 2026 truck purchase.**

Mr. Marez presented a specification sheet for a 2025 or 2026 work truck and requested authorization to solicit bids. He explained that staff is attempting to get ahead on the process and the bids will be brought before the Board at a later meeting. The purchase will occur in FY 2026. Mr. Graveley made a motion to authorize staff to proceed with submitting a bid proposal to dealerships based on the recommended specifications. Ms. Garcia seconded the motion and all voted in favor.

10. **Resolution 25-27. Resolution Amending Authorized South Texas Water Authority Representatives for TexPool Accounts.**

Ms. Wagner presented Resolution 25-27 amending authorized representatives on STWA's TexPool accounts. She explained that approval of the resolution would authorize Mr. Marez, Ms. Wagner, Ms. De Leon, Mr. Patroelj, Mr. Graveley, Ms. Garcia and Ms. Garza as representatives. Mr. J. Morales made a motion to approve Resolution 25-27. Ms. Rodgers seconded and the motion passed by unanimous vote.

11. **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.**

11.a. **Receive legal advice from counsel regarding alternate water sources.**

Mr. Graveley announced that the Board would convene in Closed Session at 6:25 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.

12. 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 6:50 p.m. No action was taken during Closed Session.


13. Administration Report.

Mr. Marez stated that the September 23rd meeting will need to be moved September 24th and the remaining meetings for the year are scheduled for October 28th and December 9th. He had nothing else to report.

14. Adjournment.

With no further business to discuss, Mr. Graveley moved to adjourn the meeting at 6:53 p.m. Ms. Rodgers seconded. The motion carried.

Respectfully submitted,


Frances De Leon
Assistant Secretary