

SOUTH TEXAS WATER AUTHORITY
Special Board of Directors Meeting
November 19, 2019
Minutes

Board Members Present:

Kathleen Lowman
Brandon Barrera
Rudy Galvan, Jr.
Jose Graveley
Lupita Perez
Patsy Rodgers
Steven Vaughn

Board Members Absent:

Filiberto Treviño

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner

Guests Present:

Anthony Corbett,
McLean & Howard, LLP

1. Call to Order.

Ms. Kathleen Lowman, Board President, called the Special Meeting of the STWA Board of Directors to order at 5:30 p.m. A quorum was present.

2. Citizen Comments.

Ms. Lowman opened the floor to citizen's comments. No citizen comments were made.

3. Discussion and possible action regarding an Agreement between Lago Argento Management Partners, LLC, Aqui IV Partners LLC and South Texas Water Authority for Water Resource Management and Infrastructure Investment.

Ms. Serrato stated that she spoke with Brian Williams, General Manager of San Patricio Municipal Water District, who informed her that the District was approached by Aqui IV but because of their water supply contract with the City of Corpus Christi, he believes Aqui IV should be dealing with the City directly since he considers the City to be the regional provider. One of Mr. Williams' concerns was that the District would be negatively impacted in case of rationing during a drought. Aqui IV has also approached San Patricio County but those conversations did not lead to an agreement.

Ms. Serrato also stated that she did not agree with the volumes of water and the water shortages described by Aqui IV at their presentation to STWA and Kleberg County. She distributed information on a preliminary 50-year water outlook supporting her view.

Ms. Lowman announced that the Board would convene in Closed Session at 5:43 p.m. pursuant to Section 551.071 of the Government Code to consult with attorney Anthony Corbett on an Agreement between Lago Argento Management Partners, LLC, Aqui IV Partners LLC and South

Texas Water Authority for Water Resource Management and Infrastructure Investment. The Board reconvened in Open Session at 6:22 p.m. No action was taken during Closed Session.

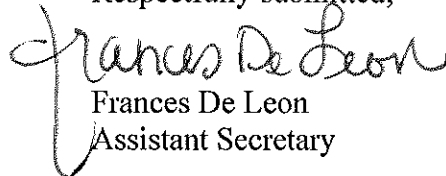
After reconvening, Mr. Graveley made a motion for Ms. Serrato to communicate to Aqui IV that STWA is not willing to engage in a water supply transaction or contract with Aqui IV that exposes it to any take or pay obligation or other financial risk, and to identify the general terms and conditions under which STWA would proceed with further negotiations regarding a proposed contract. His motion further provided that in the event STWA desires to continue contract negotiations under such terms and conditions, STWA would require a cost deposit to fund legal and due diligence costs. Mr. Barrera seconded the motion. All voted in favor.

Ms. Serrato stated that an update on the progress would be provided at the December 3rd meeting.

4. Adjournment.

With no further business to discuss, Ms. Lowman adjourned the meeting at 6:32 p.m.

Respectfully submitted,


Frances De Leon
Assistant Secretary