

SOUTH TEXAS WATER AUTHORITY
Minutes – Board of Directors Workshop
November 12, 2025

Board Members Present:

Jose Graveley
Frances Garcia
Imelda Garza
Daniel Morales
Joe Morales

Board Members Absent:

Tanya Lawhon
Angela Pena
Patsy Rodgers
Arturo Rodriguez

Staff Present:

John Marez
Frances De Leon
August Patroelj
Victor Gutierrez
Clarissa Vargas
Jo Ella Wagner (Zoom)

Guests Present:

Ivan G. Luna, I.C.E.
Mike Villarreal, CML Insight
Jesus Jimenez, I.C.E.
Sergio Luna, I.C.E.
Andrew Mendez
Zoom:
Isaiah Huerta, Estrada-Hinojosa
Greg Szuman, Willatt & Flickinger
Charles Zahn
Dan Martinez
Rogelio Rodriguez (Water Finance Exchange)
Ansar Palakkal, I.C.E.

1. Call to Order.

Mr. Jose Graveley, Board President, called the STWA Board of Directors Workshop to order at 5:30 p.m. at the Courthouse Annex Law Enforcement Center, 1500 E. King, Kingsville, Texas. A quorum was present.

2. Development of Priority List for Texas Water Development Board Funding Projects.

Mr. Marez said he wants to introduce the subject of prioritizing projects to be funded by the Texas Water Development Board. Although the formal award letter has not been received, STWA expects to receive \$60 million consisting of \$10 million grant funds and \$50 million loan proceeds. This round of funding is primarily for STWA infrastructure based on the Board's direction.

Mr. Isaiah Huerta of Estrada-Hinojosa noted that there is a grant cap of \$10 million and the remainder will be in the form of a loan from the SRF funding. He explained that STWA requested \$88.5 million but this year's limits reduced the award to \$50 million for loan funds and \$10 million in grant funds. Mr. D. Morales asked if STWA would need to take the entire amount in order to receive the \$10 million grant and Mr. Huerta responded, "Yes."

Mr. Rogelio Rodriguez of Water Finance Exchange confirmed Mr. Huerta's information and clarified that the changes in funding were made in order to maximize funding to other communities.

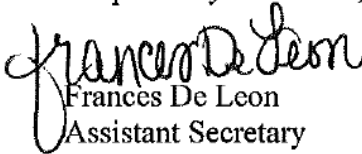
Mr. Ivan Luna of I.C.E. distributed copies of and reviewed a presentation on the Capital Improvements Program. He explained that the goal is to prioritize projects to ensure STWA's long-term sustainability and independence. He stated that 53 projects were included in the master plan and provided a list of these projects with the approximate costs. The seven projects included in the presentation are the top seven projects recommended by I.C.E. The recommended projects include Cathodic Protection of the 42" waterline, inspection of the 42" waterline, test well drilling logging and water sampling, STWA Brackish Water Plant, a new water well in Ricardo, STWA distribution model and replacement of 1 mile of 8" waterline in Bishop. He added that the projects can be changed as requested by the Board. Mr. Marez noted that a new administration building is listed among the potential original 53 projects.

Mr. Graveley stated that he wants the Board members to review the list but all agreed it could take months to finalize. Mr. Rodriguez pointed out that at this point, STWA is not committed to the funding.

3. Adjournment.

The workshop adjourned 6:48 p.m.

Respectfully submitted,


Frances De Leon
Assistant Secretary