SOUTH TEXAS WATER AUTHORITY
Minutes – Regular Board of Directors Meeting
June 2, 2026

Board Members Present:

Jose Graveley
Imelda Garza
Frances Garcia
Daniel Morales (Zoom)
Joe Morales
Angela Pena
Patsy Rodgers

Board Members Absent:

Tanya Lawhon
Art Rodriguez

Staff Present:

John Marez
Frances De Leon
Patrick Sendejo
Victor Gutierrez
August Patroelj

Guests Present:

Charlie Zahn (Zoom)
Bobby Villarreal (Zoom)
Hunter Hudson (Zoom)
Ivan Luna, I.C.E.
Ansar Palakkal, I.C.E.
Mohammad Azayzeh, I.C.E.
Kasy Stinson, Seven Seas
Christina Dupont, Seven Seas
Rogelio Rodriguez, Water Finance Exchange
Viviana Ortiz, Water Finance Exchange
Lenny Anzaldua, Workforce Solutions
Myra Alaniz
Holly Bockholt
James Johnson

1. Call to Order.

Mr. Jose Graveley, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:33 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. No public comments were made.

3. New Board Members' Oaths of Office.

Mr. Patroelj administered the Oath of Office to Ms. Frances Garcia who was re-appointed to Place 1 on the Board by the Kleberg County Commissioner's Court and Mr. Joe Morales who was re-appointed to Place 4 by Nueces County Commissioner's Court.

4. Election of officers.

Ms. Garcia made a motion to re-elect the current slate of officers. Ms. Rodgers seconded and all voted in favor.

The officers remain as follows:
Mr. Graveley – President
Ms. Garcia – Vice-President
Ms. Garza – Secretary/Treasurer

5. Approval of Minutes.

Ms. Garza made a motion to approve the minutes of the May 5, 2026 Regular Meeting as presented. Ms. Rodgers seconded. The motion passed by unanimous vote.

6. Quarterly Report/Treasurer's Report/Payment of Bills.

The following reports were presented for Board approval:

STWA Investment Report for Quarter Ended March 31, 2026
Corrected STWA Revenue Fund Balance Sheet – March, 2026
Treasurer's Report for period ending April 30, 2026
STWA Income Statement – Comparison to Prior Year for April, 2026
Revenue Fund Income Statement for period ending April 30, 2026
Special Services Income Statement for period ending April 30, 2026
Tax Fund Income Statement for period ending April 30, 2026
STWA Revenue Fund Trial Balance – April, 2026
STWA Revenue Fund Balance Sheet – April, 2026
STWA Debt Service Fund Income Statement for period ending April 30, 2026
STWA Debt Service Fund Trial Balance – April, 2026
STWA Debt Service Fund Balance Sheet – April, 2026
STWA Capital Projects Fund Income Statement for period ending April 30, 2026
STWA Capital Projects Fund Trial Balance – April, 2026
STWA Capital Projects Fund Balance Sheet – April, 2026
Outstanding Water and O&M Invoices – NCWC&ID#5 and City of Driscoll

The following invoices were presented for Board approval:

• Charles W. Zahn, Jr., Attorney at Law (April)	$ 8,370.00
• International Consulting Engineers	$ 7,869.50
• International Consulting Engineers	$ 6,887.50
• International Consulting Engineers	$ 10,367.00
• International Consulting Engineers	$ 18,399.65

Mr. Patroelj pointed out an error on the STWA Investment Report for Quarter Ended March 31, 2026 (Quarterly Report). He stated that the Total Cash Accounts under the Beginning Market

Value should be $5,318,426.08 instead of $5,435,792.62. The Board discussed the outstanding NCWC&ID #5 and City of Driscoll Water and O&M invoices balances. Mr. D. Morales asked if staff had been in contact with those customers and suggested reaching out to them about the outstanding balances and the possibility of interest charges in order to encourage payment. Mr. Marez stated he had discussed the matter with Mayor Gonzalez of the City of Driscoll. Staff agreed to provide a friendly reminder of the past due amounts. Mr. Patroelj asked for the Board's direction in presenting bills for payment. Currently he presents invoices that exceed $5,000. Mr. J. Morales commented that he wants to see invoices related to legal and engineering services but otherwise if invoices are within budget constraints, they should be paid. The Board agreed that invoices should be brought to their attention when needed. Mr. J. Morales made a motion to approve the Quarterly Report with the correction, the Treasurer's Report and payment of bills as presented. Ms. Garza seconded. The motion passed unanimously.

7. Operation and Maintenance Report.

Mr. Sendejo reported that he is currently trying to fill four vacancies. One applicant is going through the screening process and another applicant is scheduled for an interview. No additional information was requested by the Board.

8. **Resolution 26-07**. Resolution appointing Frances De Leon, Assistant Executive Director, to serve as Chief Tax Assessor for South Texas Water Authority.
9. **Resolution 26-08**. Resolution appointing Kevin Kieschnick, Nueces County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Nueces County.
10. **Resolution 26-09**. Resolution appointing Maria Victoria Valadez, Kleberg County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Kleberg County.

Mr. Graveley made a motion to adopt Resolutions 26-07, 26-08 and 26-09. The motion was seconded by Ms. Garza and passed unanimously.

11. **Resolution 26-10**. Resolution establishing tax exemptions for residence homesteads, for property owners who are 65 years of age or older, for persons who are disabled, and for disabled veterans.

Mr. J. Morales made a motion to adopt Resolution 26-10. The motion was seconded by Ms. Garza and passed unanimously.

12. Approval to transfer remaining Cathodic Protection Technician position to Field Technician.

Mr. Marez stated that the Board previously approved converting the vacant Cathodic Protection Technician position to Field Technician. He requested approval to transfer the remaining Cathodic Protection position to Field Technician to better support operational and maintenance needs. Ongoing Cathodic Protection job duties will be assigned to field staff as needed. Mr. J. Morales moved to approve transfer of the position as requested. Ms. Rodgers seconded and all voted in favor.

13. Work Experience Worksite Agreement with Workforce Solutions Coastal Bend.

Mr. Lenny Anzaldua of Workforce Solution Coastal Bend provided a brief explanation of services offered by his organization. He presented a Work Experience Worksite Agreement and explained that the term of the agreement is two years expiring in June 2028 but can be terminated upon written request. The program provides a means of training employees at zero expense to STWA for 90 days and provides a window to determine if the employee is a good fit. During this time Workforce Solutions will cover the salary 100% and coordinate with a designated STWA representative to enroll prospective applicants in the program and provide the required documentation. Ms. Rodgers made a motion to authorize execution of the worksite agreement. Ms. Garcia seconded. The motion passed by unanimous vote.

14. RFP/CSP for mold remediation.

Mr. Marez stated that although the Board previously authorized use of a Job Order Contract procurement method for mold remediation, he encountered a lack of qualified vendors. After further evaluation, he recommends transitioning to a Competitive Sealed Proposal/Request for Proposals (RFP) process which is better suited due to the specialized nature of mold remediation services and the need to evaluate contractor qualifications, remediation methodologies, schedule, safety practices and pricing. The RFP will provide potential bidders with the same information used for the Job Order Contract. He stated that the Board can authorize staff to evaluate and award the bid or present the bids at the June 30th meeting for the Board's review and award. Mr. J. Morales made a motion to authorize the Executive Director to proceed with issuance of a Request for Proposals/Competitive Sealed Proposal for Mold Remediation Services for the Administration Office and establish a project budget authority not to exceed $300,000 and to return to the Board with proposals. Mr. Graveley seconded the motion. All voted in favor.

15. Update on Seven Seas Project.

Mr. Kasy Stinson from Seven Seas provided an update on the Seven Seas project. He stated that a well driller has been selected and is on standby. Seven Seas is working with finalizing the land lease agreement. He assured the Board that Seven Seas is ready as soon as they are able to proceed. Mr. J. Morales asked about confidence in the well's production and Mr. Stinson responded that Seven Seas is confident on the ability to produce the needed water at this location.

16. 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.

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

Mr. Graveley announced that the Board would convene in Closed Session at 6:24 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.

The Board reconvened in Open Session at 7:10 p.m. No action was taken during Closed Session.

17. 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.

17.a. Consider land lease agreement with the Port of Corpus Christi.

No action was taken by the Board. Legal counsel Charlie Zahn asked that this item be placed on the June 30, 2026 agenda.

18. Administration Report.

- Future Board Meeting Dates

Mr. Marez informed the Board that the next meeting is scheduled for June 30th and will include discussion on the preliminary budget. If needed, mini budget workshops will be scheduled in July before the next meeting on August 4th.

19. Adjournment.

With no further business to discuss, Ms. Garza moved to adjourn the meeting at 7:15 p.m. Ms. Rodgers seconded. The motion carried.

Respectfully submitted,

Frances De Leon
Assistant Secretary