

SOUTH TEXAS WATER AUTHORITY  
Minutes – Special Board of Directors Meeting  
August 19, 2025

Board Members Present:

Jose Graveley  
Frances Garcia  
Tanya Lawhon  
Daniel Morales  
Joe Morales  
Patsy Rodgers  
Angela Pena

Board Members Absent:

Imelda Garza  
Arturo Rodriguez

Staff Present:

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

Guests Present:

Ivan Luna, I.C.E.  
Ansar Palakkal, I.C.E.  
Charles W. Zahn  
Rob Williamson, Evergreen  
Baldemar Garcia, RWSC President  
Dr. Tonoy Das – TAMU-Kingsville  
Dr. David Ramirez – TAMU-Kingsville  
Adam La Rosa  
Holly Bockholt  
Steven Unterbrink  
Mark Maddox  
Phyllis Unterbrink  
Jeryn Sealy  
Aaron Price  
John Thornberry  
Elizabeth Ramos  
Mario Alejo Munoz  
Lizette Gonzales  
Kleberg County Judge Rudy Madrid  
Esteban Ramos – Corpus Christi Water

Guests Present:

Julia Guido  
Ross Irby  
Kay Irby  
Michael Wetz  
Dallas Beken  
Colton Beken  
Gary Moravits  
Chris Moravits  
Andrew Mendez

1. Call to Order.

Mr. Jose Graveley, Board President, called the Special 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. Discussion and Possible Action – Discharge Options: Brackish Desalination Project.

Mr. Graveley addressed the audience. He said negative comments have been received from the public regarding the Brackish Desalination Project. He said that Kleberg County Judge Rudy Madrid has been involved in the project but has made it clear that he does not want water discharged into Baffin Bay without scientific studies. Mr. Graveley gave the Board members the opportunity to express their comments on the project. Mr. Daniel Morales said there is no doubt

that other water sources are needed but discharging brine into creeks, Baffin Bay or any body of water is not something he wants to explore. Mr. Joe Morales stated that he wants to take the public's interests into consideration. He does not want an environmental disaster and he is not in favor of discharging waste water into the creeks or Baffin Bay. Ms. Pena said she understands the frustration but noted that all meetings have been posted publicly and not kept a secret. Dr. Lawhon stated that she is new to the STWA Board and welcomes the public's comments. She said she is learning and wants to maintain transparency and will be open and listen to the public.

Mr. Graveley made a motion to remove the option of any discharge into Baffin Bay from the Seven Seas project. Ms. Pena seconded and all voted in favor.

Mr. Graveley announced, "No discharge into Baffin Bay."

Mr. Kasy Stinson of Seven Seas stated that Seven Seas and STWA have heard the concerns of the public. Based on the Board's decision, Seven Seas will no longer pursue the creeks and Baffin Bay as a discharge option and has already commissioned a study for deep-well disposal. He added that he would remain outside for anyone who has questions.

Mr. Graveley invited the public to comment on this item.

Mr. John Thornberry of Riviera Beach stated that he feels like the motion was made and it becomes something that the public should not be concerned about any longer although there has been a lack of transparency. He said that the Board should have a scientifically based study conducted. He noted that a credible committee was created to guide the discharge process with the least impact on the environment but nothing has come of it. An environmental impact study is being done locally and does not include the institutions that are best suited for this type of analysis. He added that the cost published is a fraction of what a true impact assessment costs and this study will merely measure the chemistry of the discharge water. He asked for transparency and that the Board use real science-based data to make informed decisions and to do the right thing.

Adam La Rosa, Riviera, said he is concerned that repeatedly county representatives have said that lies are being told and actually it is just that a lot of questions are being asked. He stated that this project is in Nueces County and besides reverse osmosis, it is unknown what other type of filtering will be done. He questions what is being done to ensure that the salinity is not affected, what the chemical makeup of the potable water will be, and how much this is influenced by the Tesla plant. He said he wants to know what the plan is such as deep-well injection, and if so, then is it fracking, selling it or something else and how will the brine be handled.

Elizabeth Ramos, Kingsville, said she has received social media messages about the project. She is not in favor of or against the project but questions what will be dumped. She strives for the community to work together. She feels there has been no transparency and noted that there have been no town halls. She feels that the STWA agendas are not informational for the community to understand and STWA needs to communicate in layman's terms. She also suggested that STWA form a better relationship with the Kingsville Record and pointed out that the only article she saw was when Rudy Madrid approached Corpus Christi and questioned why there has been no follow up. Judge Madrid responded that there had been follow up. After an exchange between the two,

Ms. Ramos told the Board to do better on transparency and communicate with the community in order to avoid the backlash and left the meeting.

Kleberg County Judge Rudy Madrid said that as things got started, it had nothing to do with Baffin Bay and went over the history. The area is being faced with a drought. STWA has a forty-year agreement with the City of Corpus Christi and can turn off the water at any time. If CCW does not renew the contract, Ricardo loses water. He added that this is STWA's deal with Seven Seas but Kleberg County got involved because he saw an emergency. Then he heard that they can discharge excess water into Baffin Bay, so he thought it was ok after hearing scientists and researchers saying that it was good to go but then there were community concerns. He said that from the beginning he expressed that he will not do anything that will negatively impact Baffin Bay. He felt that the research would need to be done. He also met with President Graveley, and STWA Board Members F. Garcia and D. Morales and expressed that there should be no water discharge into Baffin Bay if it is going to damage it. His first goal was to secure an available, reliable resource of water for Ricardo, Driscoll, and Bishop and this has been done. His second goal was to satisfy concerned citizens by taking out the option of discharge to Baffin Bay which has also been done. The next thing is that the water will now cost more because of deep well injection, but if we sell water to CCW, they will resell it and big manufacturers will pay for it instead of the tax payers.

Mr. Drew Mendez, Kingsville, commended the Board for asking questions and taking this action.

Dr. Lawhon stated that 52 days ago she requested a copy of the Seven Seas contract and has still not received it. She stated that if a vote is expected on September 9<sup>th</sup>, she cannot vote without reading the contract. Mr. Marez said he would provide the contract to the Board by morning but reminded the Board that they are subject to the non-disclosure agreement. Dr. Lawhon also asked for the rates in order to know what the constituents will need to pay. Mr. Graveley said that would change because the environmental study needs to be done. Mr. Marez added that Seven Seas says that more than likely there will be a notable increase to the rate user.

Dr. Lawhon also asked about the Seven Seas town hall meeting. Mr. Stinson said that one of Seven Seas' representatives mentioned a town hall but this has not been authorized by Seven Seas; however, he is making himself available to anyone who has questions.

Dr. Lawhon also asked about the size of the project. Mr. Stinson said the plant is being designed as a 3 MGD plant. Mr. Marez added that it was the City of Corpus Christi that initiated discussions on scaling up the plant – not South Texas Water Authority.

### 3. Citizen Comments.

Mr. Graveley opened the floor to citizen's comments.

Aaron Price, Ingleside, said that Judge Madrid is on video at the June 24, 2025 Corpus Christi Council meeting saying that the project will freshen Baffin Bay. Mr. Price added that there needs to be transparency. He keeps hearing that Baffin is too salty but disagrees. It does not need fresh water. He has 50 years of data from TPWD showing that the average salinity is 39.18 ppt. He also said that the study that is being considered is only a water analysis study but does not analyze

the effect of the discharge on the Bay. He added that deep well injection costs more than surface water disposal but it is the right thing to do for the environment.

Mark Maddox, Riviera Beach, stated that he is glad the Board voted the way they did and it is the right thing to do. He stressed that dumping any type of water into the bay is not good because it is not natural. Water from sewer treatment is already going into the bay and needs to be cleaned up. He thanked the Board for voting the way they did and noted that the public will still keep an eye on it. Everyone is just trying to be a good steward. He urged the Board to continue looking for other options such as drying lakes or other means where brine is used. If pipelines are considered for deep-well or off-shore it should include looking into taking sewage out of being dumped into bay and put into the pipelines which will have a great environmental impact.

Drew Mendez, Kingsville, operator of Brine and Blood, commended the Board for asking questions and taking time to address this issue.

4. Benefits Study Presentation by Evergreen Solutions, LLC.

Mr. Rob Williamson of Evergreen Solutions, LLC. reviewed the benefits study conducted by his organization. He noted that the analysis showed that STWA's benefits package excels in health coverage, long-term disability protection and paid leave which provides a competitive advantage in recruiting and retaining talented staff. However, compared to other organizations, gaps remain in areas such as health plan diversity, vision coverage cost-sharing and the absence of EAP and tuition reimbursement. He noted that the compensation study presented in May showed that on average, STWA is 11% behind the market on minimum comparative salaries and stressed that any advantages on the STWA's benefits package should be used as a recruitment and retention tool – not as a reason for maintaining below market salaries.

Mr. Williamson summarized that after conducting the compensation study and benefits survey, he recommends placing employees within the recommended pay grades with a 15% cap in year one to maintain fiscal responsibility followed by moving employees to pay ranges to align with market average in year 2.

No action was taken by the Board.

5. Discussion and Action Proposed: Environmental Impact Study by Texas A&M University – Kingsville Engineering Department.

Mr. Ivan Luna of International Consulting Engineers (I.C.E.) stated that at the request of Mr. Marez, he is helping to find options for an environmental impact study and requested a proposal from the Texas A&M University-Kingsville Engineering Department. Mr. Marez explained that STWA will be financing this study in order to perform a study that is independent of Seven Seas. The study will be conducted in two phases over a six-month period at a cost of \$22,064. After several questions from the Board, Mr. J. Morales made a motion to table the item until after discussion on the Executive Session Items. Ms. Rodgers seconded and the motion passed unanimously.

6. Fiscal Year 2025 Budget Amendments.

Ms. Wagner reported a \$129,000 increase in Total Revenues, a \$16,497 increase in Personnel Expenses, \$110,000 increase in Total Supplies and Materials, \$420,580 in Total Professional Fees \$7,300 decrease in Total Consumable Supplies and Materials and \$2,421 decrease in Total Recurring Operating Costs. Additionally the amended budget shows a \$25,000 decrease in Total Capital Outlay resulting in a Net Income of -\$335,561. Mr. D. Morales made a motion to approve the 2025 Amended Budget. Ms. Garcia seconded. All voted in favor.

7. 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.

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

Mr. Graveley announced that the Board would convene in Closed Session at 7:21 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.

8. 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 8:13 p.m. No action was taken during Closed Session.

5. Discussion and Action Proposed: Environmental Impact Study by Texas A&M University – Kingsville Engineering Department

Mr. Graveley reopened discussion on this item. Mr. J. Morales made a motion to approve the proposal from Texas A&M University-Kingsville Engineering Department for the Environmental Impact Study at a total cost of \$22,064. Ms. Garcia seconded the motion. Dr. Lawhon, Mr. J. Morales, Mr. Graveley, Ms. Garcia, Mr. D. Morales and Ms. Rodgers voted in favor. Ms. Pena voted against. The motion passed.

9. Receive legal advice from Counsel regarding notice of meetings of the Board of Directors pursuant to the Texas Open Meetings Act.

Mr. Zahn informed the Board that a recent legislative change effective September 1<sup>st</sup>, requires agendas to be posted three business days before the meeting. He further explained that the day of

the posting and the day of the meeting are not included in the three days. Therefore, Tuesday meetings will need to be posted on Wednesday of the previous week but this will need to be adjusted for holidays to allow three business days.

10. Administration Report.

Mr. Marez stated that information has been received on addressing the mold issue at STWA's office building and the cost could be around \$100,000. More information will be included on the September 9<sup>th</sup> agenda.

11. Adjournment.

With no further business to discuss, Mr. D. Morales moved to adjourn the meeting at 8:23 p.m. Ms. Rodgers seconded. The motion carried.

Respectfully submitted,

  
Frances De Leon  
Assistant Secretary