

To: Honorable Mayor & City Council

From: Stephanie Biggs, Administrative Assistant, Terry Wells, Public Works Director, Toni Kunz, City Administrator

Date: July 14, 2026

Agenda Item: C Discussion and possible action on Resolution 2026-006

Action Requested: Review, discuss, and act on resolution 2026-006 authorizing the City to file an application for assistance with Water System Improvements from the Texas Water Development Board.

This is a rare 100% grant opportunity – no match is required from the City. Project phases eligible for funding are Planning, Acquisition, Design, and Construction. We would incur fees for a grant management.

The application is due 7/31 so we must act on this tonight and approve the meeting minutes at the 7/28 meeting in order to make the deadline.

Funds will be disbursed to applicants through an entity-established, interest-bearing escrow account. All commitments, grant agreements, and closings to escrow should be completed by August 1, 2027. We will have until August 31, 2031 to expend the escrow funds. Under no circumstances will funds be released from project escrow accounts after August 31, 2031. Remaining funds shall be returned to TWDB no later than September 1, 2031.

HB 500 appropriated \$1.038 billion to TWDB for water supply and infrastructure projects. This is a one-time opportunity for the City to receive up to \$10,000,000. The language is specific to water infrastructure and supply projects that address water loss, TCEQ violations, or upgrading or replacing water systems. Wastewater and flood projects are excluded.

Working together, Terry Wells and Ardurra have identified the following scope:

- **Water Treatment Plant Improvements:**
 - Mulberry Ground Storage Tank Lining and Coating
 - Dallas Ground Storage Tank Replacement
 - Indian Waters Ground Storage Tank Replacement
- **Emergency Power Systems:**
 - Install Backup Generator at Mulberry Water Treatment Plant
 - Install Backup Generator at Indian Waters Water Treatment Plant
- **Water Main Improvements (Replacements, Upsizing, Extensions):**
 - Cherokee Drive 6-inch Water Main Upsize

- Beaumont Street 6-inch Water Main Replacement
- Galveston Street 6-inch Water Main Replacement/Extension
- Madrona Lane Water Main Extension and Improvements
- System Wide replacement of Asbestos Cement (AC) Waterlines.
- **Valve Replacement:**
 - Replace Pressure Reducer Valves (on Montague Dr & Old Medina Hwy)
 - City-Wide Isolation Valve Replacement