



Agenda Report

Agenda of:	December 16, 2025
Department:	Administration
Subject:	Discussion and possible action on a resolution authorizing a TxCDBG grant amendment and conducting a public hearing regarding the proposed changes to the project scope for Texas Department of Agriculture Contract No. CDV23-0365

Recommended Motion:

Move to approve the resolution authorizing submission of a major amendment to the Texas Department of Agriculture (TDA) for TxCDBG Contract No. CDV23-0365.

Background:

The City of Castroville received a Texas Community Development Block Grant (TxCDBG) from the Texas Department of Agriculture (TDA) under Contract No. CDV23-0365 for water system improvements within a designated low-to-moderate income (LMI) target area.

Following bid award and construction progress, it was determined that there are **unallocated (“extra”) grant funds** remaining under the contract. TDA has advised that:

- Any remaining funds must be used **within the same approved project limits and LMI benefit area**; and
- Only certain types of improvements are **eligible activities** under TxCDBG rules.

Through coordination among the City, the engineer (RESPEC), the contractor (Aetos), and GrantWorks, the City proposes to use the remaining funds to add **eligible sewer improvements (e.g., sewer lateral cleanouts within the public right-of-way)** that directly benefit the same LMI area already approved for the original project.

TDA has also advised that certain other proposed items (e.g., manhole rehabilitation for inflow and infiltration reduction) **do not qualify** as eligible activities under this grant, because they are treated as citywide benefit or ongoing operations and maintenance. As a result, the scope has been refined through multiple rounds of correspondence to focus solely on **eligible, location-specific sewer improvements**.

Because the City is adding a new activity (sewer laterals) to an existing TxCDBG water project, TDA requires a **major amendment**, which in turn requires:

1. A **public hearing** to inform residents and receive public comment on the proposed use of remaining funds in the LMI area; and
2. A **City Council resolution** authorizing submission of the amendment to TDA, including the revised project description, performance statement, updated maps, and justification letter.

The proposed resolution:

- Formally authorizes the amendment request to TDA;
- Confirms that the additional sewer improvements will occur **within the same LMI project area** and will not change the beneficiary population; and
- Authorizes the Mayor/City Administrator and staff to execute all related documents necessary to complete the amendment and proceed with construction and closeout.

STAFF RECOMMENDATION

Staff recommends adoption of the proposed resolution.

Fiscal Impact:

There is no new local cost associated with this action. The amendment reallocates existing TxCDBG grant funds within the approved contract amount. Local match, if any, remains unchanged.

☒ **Budgeted** ☐ **Requires Budget Amendment**

Source of Funding: TxCDBG grant funds

Urgency (0-5 = Low Urgency to High Urgency): 5

Impact (0-5 = Low Impact to High Impact): 3

Submitted by: R. Scott Dixon

Attachments: Resolution authorizing submission of a major amendment to the Texas Department of Agriculture (TDA) for TxCDBG Contract No. CDV23-0365