



ENGINEERING SERVICES

To: Mayor and Town Council

From: Hulon T. Webb, Jr., Director of Engineering Services

**Through: Mario Canizares, Town Manager
Chuck Ewings, Assistant Town Manager**

Re: Custer Road 6MG Ground Storage Tank Grant Funding Opportunity

Town Council Meeting – June 23, 2026

Strategic Visioning Priority: Provide Excellent Municipal Services

Agenda Item:

Consider and act upon a Resolution authorizing the Town Manager, and/or his/her designee, to apply for the Texas Water Development Board, Water Supply and Infrastructure Grant Program and consider and act upon authorizing the Town Manager, and/or his/her designee, to accept the Texas Water Development Board, Water Supply and Infrastructure Grant Program upon award, and to take any and all actions relating thereto.

Description of Agenda Item:

On March 10, 2026, Town Council rejected all proposals received in response to CSP No. 2026-05-B for the Custer Road 6MG Ground Storage Tank after a limited number of proposals were received and the proposals received were significantly over the proposed and available budget. Staff explored additional funding opportunities and determined that the project is a candidate for a grant opportunity from the Texas Water Development Board.

House Bill 500, passed during the 89th Legislative Session, appropriated \$1.038 billion in funds for water supply and infrastructure projects to the Texas Water Development Board.

This is a one-time opportunity for a limited number of Texas communities to receive grant funding to implement water supply/water infrastructure projects. Once this initial appropriation is provided to communities by August 31, 2027, the TWDB will no longer have these grant funds available to provide financial assistance.

Budget Impact:

The total requested amount for this item is \$19,200,000, which is slightly below the \$21,000,000 funding cap allowed per project for service areas with a population size between 10,001 - 150,000. If awarded, the grant would cover the anticipated full cost of the project. The \$19,200,000 includes a contingency for the project to capture any change in cost needs. The current estimate for the project is \$17,000,000 without contingency.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the attached documents as to form and legality.

Attached Documents:

1. Texas Water Development Board Memo – HB 500 Implementation Plan – Water Supply and Infrastructure Grants
2. Resolution

Town Staff Recommendation:

Town staff recommends that the Town Council approve a Resolution authorizing the Town Manager, and/or his/her designee, to apply for the Texas Water Development Board, Water Supply and Infrastructure Grant Program and consider and act upon authorizing the Town Manager, and/or his/her designee, to accept the Texas Water Development Board, Water Supply and Infrastructure Grant Program upon award, and to take any and all actions relating thereto.

Proposed Motion:

I move to accept a Resolution authorizing the Town Manager, and/or his/her designee, to apply for the Texas Water Development Board, Water Supply and Infrastructure Grant Program and consider and act upon authorizing the Town Manager, and/or his/her designee, to accept the Texas Water Development Board, Water Supply and Infrastructure Grant Program upon award, and to take any and all actions relating thereto.