



P.O. Box 13231, 1700 N. Congress Ave.
Austin, TX 78711-3231, www.twdb.texas.gov
Phone (512) 463-7847, Fax (512) 475-2053

AGENDA ITEM MEMO

BOARD MEETING DATE: June 25, 2025

TO: Board Members

THROUGH: Bryan McMath, Executive Administrator
Ashley Harden, General Counsel
Jessica Peña, Deputy Executive Administrator, Water Supply and Infrastructure

FROM: T. Clay Schultz, Ph.D., Director, Regional Water Project Development
William Alfaro, Manager, Regional Water Project Development

SUBJECT: Amendment to the City of Corpus Christi Commitment Expiration Date

ACTION REQUESTED

Consider amending by resolution the previously adopted Texas Water Development Board Resolution No. 24-123 to extend the City of Corpus Christi's Clean Water State Revolving Fund commitment to October 31, 2025.

BACKGROUND

In December 2024, the Texas Water Development Board (TWDB) approved a commitment for \$625,000 in principal forgiveness to the City of Corpus Christi (City) from the Clean Water State Revolving Fund (CWSRF) for planning of wastewater system improvements to address emerging contaminants. The commitment is set to expire on June 30, 2025.

KEY ISSUES

The City is requesting an extension to the commitment expiration date due to current high-priority water supply issues that have required the reallocation of staff and resources previously dedicated to this project. Additionally, the City is engaged in critical budgeting and rate-setting efforts, further straining its limited staff capacity.

Despite these challenges, the City reiterated in its extension request letter its commitment to completing this project.

RECOMMENDATION

The requested amendment does not change the total amount of financial assistance to the City. In order to allow the City time to address other immediate and pressing priorities before closing on this commitment, the Executive Administrator recommends that TWDB Resolution 24-123 be amended to extend the commitment expiration to October 31, 2025.

Our Mission	:	Board Members
Leading the state's efforts	:	L'Oreal Stepney, P.E., Chairwoman Tonya R. Miller, Board Member
in ensuring a secure	:	
water future for Texas	:	Bryan McMath, Executive Administrator

Board Members
June 25, 2025
Page 2

Attachments:

1. Proposed Resolution (25-)
2. Resolution (24-123)
3. Extension Request Letter

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
AMENDING TWDB RESOLUTION NO. 24-123
TO EXTEND THE COMMITMENT PERIOD FOR \$625,000 IN PRINCIPAL FORGIVENESS
TO THE CITY OF CORPUS CHRISTI

(25 -)

At its December 17, 2024 meeting, the Texas Water Development Board (TWDB), by TWDB Resolution No. 24-123, made a commitment to provide financial assistance in the amount of \$625,000 with 100 percent to be forgiven to the City of Corpus Christi (City) from the Clean Water State Revolving Fund to finance the planning of wastewater system improvements to address emerging contaminants, for Project No. 73968.

Pursuant to TWDB Resolution No. 24-123, the commitment period will expire June 30, 2025.

The City has submitted a request to extend the TWDB's commitment for an additional four (4) months due to competing priorities requiring reallocation of staff and resources, all as is more specifically set forth in the recommendations of the TWDB's staff, to which documents express reference is made.

The TWDB hereby finds that granting an extension of four (4) months is in the public interest.

NOW THEREFORE, based on these considerations and findings, the TWDB resolves as follows:

1. the commitment of the TWDB to provide financial assistance in the amount of \$625,000, as authorized in TWDB Resolution No. 24-123, is amended to extend the commitment to October 31, 2025;
2. before closing, the City shall submit to the escrow agent a closing memo signed by the Executive Administrator; and
3. all other terms and conditions of TWDB Resolution No. 24-123 shall remain in full force and effect.

APPROVED and ordered of record this the 25th day of June, 2025.

TEXAS WATER DEVELOPMENT BOARD

L'Oreal Stepney, P.E., Chairwoman

DATE SIGNED: _____

ATTEST:

Bryan McMath, Executive Administrator

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE
TO THE CITY OF CORPUS CHRISTI
FROM THE CLEAN WATER STATE REVOLVING FUND
THROUGH \$625,000 IN PRINCIPAL FORGIVENESS

(24-123)

Recitals:

The City of Corpus Christi (City), located in Nueces County, has filed an application for financial assistance in the amount of \$625,000 from the Clean Water State Revolving Fund (CWSRF) to finance the planning of improvements to address emerging contaminants identified as Project No. 73968.

The City seeks financial assistance from the Texas Water Development Board (TWDB) in the amount of \$625,000 with 100 percent to be forgiven, as is more specifically set forth in the application and in recommendations of the TWDB's staff.

Findings:

1. No debt obligations are to be assumed by the City for the financial assistance and no taxes or revenues are required to be pledged by the City in accordance with Texas Water Code § 15.607.
2. The application and assistance applied for meet the requirements of the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 *et seq.*, and §§ 1382(b) and 1383(c), as well as state law, in accordance with Texas Water Code § 15.607.
3. The City has adopted and implemented a water conservation program for the more efficient use of water that will meet reasonably anticipated local needs and conditions and that incorporates practices, techniques or technology prescribed by the Texas Water Code and TWDB's rules.
4. The City has considered cost-effective, innovative, and nonconventional methods of treatment, in accordance with Texas Water Code § 15.007.
5. In accordance with the applicable IUP, the City is eligible for principal forgiveness through the CWSRF in a total amount not to exceed \$625,000.

NOW, THEREFORE, based on these findings, the TWDB resolves as follows:

A commitment is made by the TWDB to the City of Corpus Christi for financial assistance in the amount of \$625,000 from the Clean Water State Revolving Fund with 100 percent to be forgiven. This commitment will expire on June 30, 2025.

Such commitment is conditioned as follows:

Standard Conditions:

1. This commitment is contingent on a future sale of bonds by the TWDB or on the availability of funds on hand as determined by the TWDB. If the financial assistance is funded with available cash-on-hand, the TWDB reserves the right to change the designated source of funds to bond proceeds issued for the purpose of reimbursing funds used to provide the financial assistance approved in this Resolution.
2. This commitment is contingent upon the City's compliance with all applicable requirements contained in 31 TAC Chapter 375.
3. This commitment is contingent on the City executing a Principal Forgiveness Agreement in a form and substance acceptable to the Executive Administrator.
4. The City shall return any principal forgiveness funds that are determined to be surplus funds in a manner determined by the Executive Administrator.
5. The Principal Forgiveness Agreement must contain a provision that the City agrees to comply with all of the conditions set forth in the TWDB Resolution, which conditions are incorporated herein.
6. The Principal Forgiveness Agreement must contain a provision that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Principal Forgiveness Agreement that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect.
7. Financial assistance funds are public funds and, as such, the Principal Forgiveness Agreement must include a provision requiring that these proceeds shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257.
8. Financial assistance funds shall not be used by the City when sampling, testing, removing or disposing of contaminated soils and/or media at the project site except for an EC project to address PFAs or any contaminant listed on EPA's Contaminant Candidate Lists. The Principal Forgiveness Agreement shall include an environmental indemnification provision wherein the City agrees to indemnify, hold harmless and protect the TWDB from any and all claims, causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the City, its contractors, consultants, agents, officials and employees as a result of activities relating to the project to the extent permitted by law.
9. Before closing, and if not previously provided with the application, the City shall submit executed contracts for engineering and, if applicable, financial advisor and bond counsel contracts, for the project that are satisfactory to the Executive Administrator. Fees to be reimbursed under the contracts must be reasonable in

relation to the services performed, reflected in the contract, and acceptable to the Executive Administrator.

10. Before closing, when any portion of the financial assistance is to be held in escrow or in trust, the City shall execute an escrow or trust agreement, approved as to form and substance by the Executive Administrator, and shall submit that executed agreement to the TWDB.
11. The City must immediately notify TWDB, in writing, of any suit against it by the Attorney General of Texas under Texas Penal Code § 1.10(f) (related to federal laws regulating firearms, firearm accessories, and firearm ammunition).

State Revolving Fund Conditions:

12. The City shall submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with TWDB outlay report guidelines.
13. The Principal Forgiveness Agreement must include a provision stating that all laborers and mechanics employed by contractors and subcontractors for projects shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality in accordance with the Davis-Bacon Act, and the U.S. Department of Labor's implementing regulations. The City, all contractors, and all sub-contractors shall ensure that all project contracts mandate compliance with Davis-Bacon. All contracts and subcontracts for the construction of the project carried out in whole or in part with financial assistance made available as provided herein shall insert in full in any contract in excess of \$2,000 the contracts clauses as provided by the TWDB.
14. The Principal Forgiveness Agreement must include a provision stating that the City shall provide the TWDB with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282, as amended by Pub. L. 110-252. The City shall obtain a Unique Entity Identification Number and shall register with System for Award Management (SAM), and maintain current registration at all times during the term of the Principal Forgiveness Agreement.
15. The Principal Forgiveness Agreement shall provide that all funds will be timely and expeditiously used, as required by 40 CFR § 35.3135(d), and also shall provide that the City will adhere to the approved project schedule.
16. The Principal Forgiveness Agreement must contain a covenant that the City will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by 31 TAC § 375.3, 33 U.S.C. § 1388, and related State Revolving Fund Policy Guidelines.
17. The Principal Forgiveness Agreement must contain a covenant that the City will abide by all applicable requirements related to the Build America, Buy America Act, Public Law 117-58.

18. The Principal Forgiveness Agreement must contain a covenant that the City shall abide by the prohibition on certain telecommunications and video surveillance services or equipment as required by 2 CFR § 200.216;

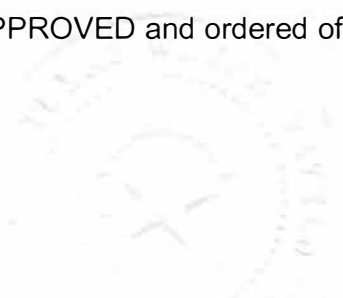
Clean Water State Revolving Fund Conditions:

19. Before release of funds for professional services related to architecture or engineering, including but not limited to contracts for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or other architectural and engineering services as defined in 40 U.S.C. § 1102(2)(A)(C), the City must provide documentation that it has met all applicable federal procurement requirements as more specifically set forth in 40 U.S.C. § 1101 *et seq* and 33 U.S.C. § 1382(b)(14).
20. Before release of funds for professional consultants including, but not limited to, the engineer, financial advisor, and bond counsel, as appropriate, the City must provide documentation that it has met all applicable state procurement requirements as well as all federal procurement requirements under the Disadvantaged Business Enterprises program.

PROVIDED, however, the commitment is subject to the following special conditions:

APPROVED and ordered of record this 17th day of December 2024.

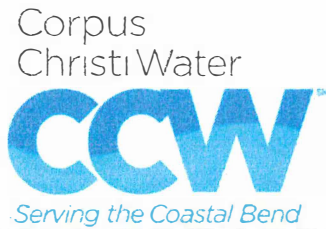
TEXAS WATER DEVELOPMENT BOARD


Brooke T. Paup
Brooke T. Paup, Chairwoman

DATE SIGNED: 12/17/24

ATTEST:


Bryan McMath, Executive Administrator



Texas Water Development Board

1700 North Congress Avenue
Austin, TX 78701

Subject: Request for Extension for Project No. 73968

Dear Texas Water Development Board,

Corpus Christi Water (CCW) respectfully submits this formal request for an extension for the board's consideration regarding Project No. 73968, with a proposed revised deadline of October 30, 2025.

The ongoing and persistent drought conditions in our region require the full commitment of our resources toward water supply management, ensuring the continued availability of water for our community. Our immediate priority is mitigating the effects of the drought and securing additional water sources to maintain stability.

Additionally, Corpus Christi Water is entering the critical budgeting and rate-setting season, which further intensifies our resource allocation challenges. This process demands a significant amount of staff time and attention, making it difficult to give Project No. 73968 the necessary focus at this time.

Granting this extension would allow us to concentrate on addressing the immediate and pressing water supply concerns, navigate the budget and rate-setting period, and ultimately provide undivided attention to Project No. 73968 following this time frame. We remain committed to the project's successful completion and appreciate your consideration of our request.

Thank you for your time and attention to this matter. Please do not hesitate to reach out with any questions or if further documentation is required.

Sincerely,

A handwritten signature in blue ink, appearing to read "Drew Molly", is written over the word "Sincerely,".

Drew Molly, P.E.
Chief Operating Officer
Corpus Christi Water
DrewM@cctexas.com
361-826-3556