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AGENDA ITEM MEMO

BOARD MEETING DATE: May 11, 2026

TO: Board Members

THROUGH: Bryan McMath, Executive Administrator
Ashley Harden, General Counsel
Walter Dean, Assistant General Counsel
Jessica Peña, Deputy Executive Administrator, Water Supply & Infrastructure

FROM: T. Clay Schultz, PhD, Director, Regional Water Project Development
Nancy Richards, Manager, Regional Water Project Development

SUBJECT: City of Friendswood/Harris County Flood Control District General Revenue Grant – Lower Clear Creek Watershed Flood Project – TWDB Project No. 21933

ACTION REQUESTED

Consider authorizing the Executive Administrator to execute an agreement with the Harris County Flood Control District for a \$10,000,000 grant pursuant to SB 1, 89th Leg., R.S., Article IX, Section 17.18 (17).

BACKGROUND

The Harris County Flood Control District (District), in partnership with the City of Friendswood, is constructing the Bay Area Regional Flood Control Project. The project will reduce flood risk within the Clear Creek watershed by expanding stormwater detention capacity and improving conveyance to Clear Creek, providing long-term flood mitigation benefits to flood-prone neighborhoods.

The project consists of expansion and improvement of an existing pond located adjacent to the Blackhawk Wastewater Treatment Plant, terracing approximately 200 feet along Clear Creek bank, and consolidating three ponds owned by homeowner's associations into a single unified detention basin. The total project cost is approximately \$23 million, including \$13.1 million from the City of Friendswood.

KEY ISSUES

The Legislature specifically directed the Texas Water Development Board (TWDB) to provide funds for the above stated purpose. Consequently, the TWDB may provide funds from the general revenue account without reference to the requirements of other TWDB programs. The conditions necessary to affect the financing are only those necessary

Our Mission

Leading the state's efforts
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Board Members

L'Oreal Stepney, P.E., Chairwoman | W. Brady Franks, Board Member | Ashley Morgan, Board Member
Bryan McMath, Executive Administrator

to protect the interests of the TWDB and document the transaction to the satisfaction of the Executive Administrator.

RECOMMENDATION

The Executive Administrator recommends authorizing the execution of an agreement with the District for a \$10,000,000 grant pursuant to SB 1, 89th Leg., R.S., Article IX, Section 17.18.

Attachment:

1. Proposed Resolution (26-)

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE
TO THE CITY OF FRIENDSWOOD, TEXAS FOR THE LOWER CLEAR CREEK
WATERSHED FLOOD PROJECT AND
FROM THE GENERAL REVENUE FUND
THROUGH A GRANT IN THE AMOUNT OF \$10,000,000

(26-)

Recitals:

Senate Bill 1, 89th Leg. R.S., Article IX, appropriated to the Texas Water Development Board (TWDB) an amount not to exceed \$10,000,000 out of the General Revenue Fund for the purpose of constructing a flood project by the Harris County Flood Control District (District) for The City of Friendswood, Texas for the Lower Clear Creek Watershed Flood Project.

The District seeks financial assistance in the amount of \$10,000,000 in grant funds to finance the flood improvements identified as Project No. 21933.

In accordance with its duties and responsibilities under Texas Water Code § 6.012, the TWDB has considered all matters required by law and in particular the instructions of the 89th Legislature.

The TWDB hereby finds that the project is eligible to receive funds in accordance with House Bill 500 and Senate Bill 1.

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

A commitment is made by the TWDB to The Harris County Flood Control District for a grant in the amount of \$10,000,000 from the General Revenue Fund for the Lower Clear Creek Watershed Flood Project. This commitment will expire on June 21, 2027.

Such commitment is conditioned as follows:

Standard Conditions:

1. This commitment is contingent on the District executing a Grant Agreement in a form and substance acceptable to the Executive Administrator.
2. The Grant Agreement must contain a provision that the District agrees to comply with all of the conditions set forth in the TWDB Resolution.
3. The Grant Agreement must contain a provision that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Grant Agreement that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect.

4. Financial assistance funds are public funds and, as such, the Grant 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.
5. Financial assistance funds shall not be used by the District when sampling, testing, removing, or disposing of contaminated soils and/or media at the project site. The Grant Agreement shall include an environmental indemnification provision wherein the District 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 District, its contractors, consultants, agents, officials and employees as a result of activities relating to the project to the extent permitted by law.
6. Prior to closing, when any portion of the financial assistance is to be held in escrow or in trust, the District 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.
7. Before closing, the District shall submit to the escrow agent a closing memo signed by the Executive Administrator.
8. The District 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).
9. The District shall submit progress reports with sufficient documentation on costs on a quarterly or monthly basis to allow for the timely distribution of the grant funds.

APPROVED and ordered of record this 11th day of May 2026.

TEXAS WATER DEVELOPMENT BOARD

L'Oreal Stepney, P.E., Chairwoman

DATE SIGNED: _____

ATTEST:

Bryan McMath, Executive Administrator