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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, Director, Regional Water Project Development
William Alfaro, Manager, Regional Water Project Development

DATE: August 21, 2025

SUBJECT: Hidalgo County Drainage District No. 1 General Appropriations Grant
Project No. 21770

ACTION REQUESTED

Consider authorizing the Executive Administrator to execute a grant agreement with the Hidalgo County Drainage District No. 1, in an amount not to exceed \$500,000 in grant funds pursuant to Rider No. 21 of the General Appropriations Act for the 2024-25 Biennium.

BACKGROUND

The existing outfall/drainage systems related to the Raymondville Drain Outfall System covers over 1,600 square miles of watershed, from Edinburg Lake in Hidalgo County to the Laguna Madre in Willacy County. These systems were designed primarily to convey agricultural runoff from storm water events with a 9.5-year recurrence interval. Due to extraordinary urban growth in Hidalgo County, during major storm events, the capacity of the drainage systems in both Hidalgo County and Willacy County has been insufficient, causing flooding in the area.

The Raymondville Drain Project (Project) was authorized under Title IV, Section 401 of the Water Resources Development Act of 1986. The Project is being developed by Hidalgo County Drainage District No. 1 (District) under the regulations and guidelines of the U.S. Army Corps of Engineers – Galveston District (USACE). It will encompass a drainage channel system of approximately 60 miles. With this project, the District intends to provide an alternate drainage conveyance for Hidalgo County and an improved drainage conveyance for northern Willacy County during major and/or regional storm events. Due to the size of the Project, as well as the estimated total construction cost (approximately \$418 million), the project has been divided into six major phases to be developed as funds become available.

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Leading the state's efforts
in ensuring a secure
water future for Texas

Board Members

L'Oreal Stepney, P.E., Chairwoman | Tonya R. Miller, Board Member
Bryan McMath, Executive Administrator

The Project includes over 14 miles of new drainage channels, improvements to approximately 40 miles of existing channels, construction of a major detention lake (approximately 250 acres) south of Edinburg International Airport, and numerous weirs, bridges, and other flood control structures.

KEY ISSUES

The Legislature set aside funds for the Project and specifically directed the TWDB to provide those funds to the District for that purpose. Consequently, the TWDB may provide the funds from the General Revenue Fund without reference to the requirements of other TWDB programs. The conditions necessary to affect the financing are only those necessary to protect the interests of the TWDB and document the transaction to the satisfaction of the Executive Administrator.

RECOMMENDATION

The Executive Administrator recommends approving authorization to execute a grant agreement with the District to include an additional \$500,000 grant pursuant to Rider No. 21 of the General Appropriations Act.

Attachment:

1. Proposed Resolution 25-

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE TO
HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
FROM THE GENERAL REVENUE THROUGH A GRANT IN THE AMOUNT OF \$500,000

(25 -)

Recitals:

The General Appropriations Act, 88th Leg. R.S., Ch. 1170, Art. VI, 2023 (HB 1), 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 making a grant to the Hidalgo County Drainage District No. 1 (District).

The funds are to be used to implement a flood control project authorized and designated by the U.S. Army Corps of Engineers.

The District has requested that the TWDB enter into a Grant Agreement for an additional \$500,000 in appropriations from the General Revenue Fund as authorized by the 88th Legislature for improvements and expansion of its existing drainage system, identified as Project No. 21770 (the Project).

The TWDB hereby finds that the Grant is reasonable and that the request is in the public interest and will serve a public purpose in accordance with HB 1 (2023).

NOW THEREFORE, the TWDB resolves as follows:

The Executive Administrator is authorized to negotiate and execute a Grant Agreement with the Hidalgo County Drainage District No. 1 in an amount not to exceed \$500,000 in grant funds from the General Revenue Fund. This commitment will expire on August 31, 2025.

APPROVED and ordered of record this, the 21st day of August, 2025.

TEXAS WATER DEVELOPMENT BOARD

L'Oreal Stepney, P.E., Chairwoman

DATE SIGNED

ATTEST:

Bryan McMath, Executive Administrator