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AGENDA ITEM MEMO

BOARD MEETING DATE: November 19, 2025

TO: Board Members

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

FROM: T. Clay Schultz, PhD, Director, Regional Water Project Development
Theresa Finch, P.G., Manager, Regional Water Project Development

SUBJECT: Ector County General Revenue Grant – Water Supply Project and
Countywide Comprehensive Water Master Plan – TWDB Project No. 21894

ACTION REQUESTED

Consider authorizing the Executive Administrator to execute an agreement with Ector County (County) for a \$17,000,000 grant pursuant to House Bill 500, 89th Leg., R.S., Article VI, Section 6.02 and Senate Bill 1, 89th Leg., R.S., Article IX, Section 17.18.

BACKGROUND

In the 89th Legislative Session, \$17,000,000 was appropriated to address the Ector County “final mile” water supply distribution and create a county-wide master plan for water usage.

The western portion of Ector County is one of the largest unincorporated areas of Texas, spanning more than 658 square miles. This project will address what is known as the “final mile” of water line connections for residents in the County. The project area encompasses the region south of SH 302, north of Interstate 20, west of West Loop 338, and east of FM 866. This area serves as both the existing service boundary for the Ector County Utility District (ECUD) and the location of the project.

An allocation of \$250,000 from the total General Revenue Grant appropriation has been designated for the development of a comprehensive, county-wide master water plan for water usage. This plan will assess existing water service needs across the County and establish a long-term strategy for the equitable delivery of water services to all residents.

The master plan for water usage will serve as a foundational reference for evaluating future water infrastructure needs and will inform policy discussions regarding potential funding sources for subsequent phases of service expansion in the County.

[Our Mission](#) : [Board Members](#)

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

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

KEY ISSUES

The 89th Texas Legislature specifically directed the Texas Water Development Board (TWDB) to provide those funds for the above stated purpose. Consequently, the TWDB may provide the 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 to protect the interests of TWDB and document the transaction to the satisfaction of the Executive Administrator.

RECOMMENDATION

The Executive Administrator recommends authorizing the execution of an agreement with Ector County (County) for a \$17,000,000 grant pursuant to House Bill 500, 89th Leg., R.S., Article VI, Section 6.02 and Senate Bill 1, 89th Leg., R.S., Article IX, Section 17.18.

Attachment:

1. Resolution (25-)

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE
TO ECTOR COUNTY
FROM THE GENERAL REVENUE FUND
THROUGH A GRANT IN THE AMOUNT OF \$17,000,000

(25-)

Recitals:

The 89th Texas Legislature, through House Bill 500, 89th Leg. R.S., Article 6, Section 6.02 and Senate Bill 1, 89th Leg. R.S., Article IX, Section 17.18 appropriated to the Texas Water Development Board (TWDB) an amount not to exceed \$17,000,000 out of the General Revenue Fund for the purpose of constructing a water supply project for Ector County, Texas.

The Ector County, Texas (County), has filed an application for financial assistance in the amount of \$17,000,000 in grant funds to finance certain water system improvements identified as Project No. 21894.

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 Ector County, Texas for a grant in the amount of \$17,000,000 from the General Revenue Fund. This commitment will expire on June 21, 2027.

Such commitment is conditioned as follows:

Standard Conditions:

1. This commitment is contingent on the County executing a Grant Agreement in a form and substance acceptable to the Executive Administrator.
2. The Utility shall return any grant funds that are determined to be surplus funds in a manner determined by the Executive Administrator.
3. The Grant Agreement must contain a provision that the County agrees to comply with all of the conditions set forth in the TWDB Resolution.
4. 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.

5. 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.
6. Financial assistance funds shall not be used by the County 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 County 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.
7. Prior to closing, when any portion of the financial assistance is to be held in escrow or in trust, the County 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.
8. The County 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 County 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 19th day of November 2025.

TEXAS WATER DEVELOPMENT BOARD

L'Oreal Stepney, P.E., Chairwoman

DATE SIGNED: _____

ATTEST:

Bryan McMath, Executive Administrator