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AGENDA ITEM MEMO

BOARD MEETING DATE: January 22, 2026

TO: Board Members

THROUGH: Bryan McMath, Executive Administrator
Ashley Harden, General Counsel
Jessica Peña, Deputy Executive Administrator, Water Supply and Infrastructure
T. Clay Schultz, Ph.D., Director Regional Water Project Development

FROM: Racquel McCoy, Loan Closing Manager, Regional Water Project Development
Tyrone Alcorn, Credit Manager, Regional Water Project Development

SUBJECT: Amendment to the Grantwoods Water Supply Corporation Commitment
Expiration Date

ACTION REQUESTED

Consider amending by resolution the previously adopted Texas Water Development Board Resolution No. 25-123 to extend the Grantwoods Water Supply Corporation’s Water Loan Assistance Fund commitment to August 31, 2026.

BACKGROUND

On August 21, 2025, the Texas Water Development Board (TWDB) approved a \$253,000 commitment to Grantwoods Water Supply Corporation (Corporation) from the Water Loan Assistance Fund (Project No. 21882) for planning, design and construction to replace 3,200 feet of 2-inch and 2.5-inch water lines and add approximately 1,350 feet of 1-inch water lines and 7 gate valves. The Corporation also seeks reimbursement for the construction of a platform and enclosure for its chlorine system. The commitment is set to expire on February 28, 2026.

KEY ISSUES

The Corporation has worked with Bleyl Engineering since 2016, which prepared the feasibility studies and budgets for their application for this project. On November 4, 2025, the Corporation was notified by the engineering firm that they were withdrawing from the project. The Corporation is in the process of searching for and hiring a new consulting engineer to take over the project and is requesting an extension to allow more time to complete the procurement process and execute a contract.

[Our Mission](#)

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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

RECOMMENDATION

The requested amendment does not change the grant commitment amount. In order to allow sufficient time for the Corporation to procure a consulting engineer and have sufficient time to close on the commitment, the Executive Administrator recommends that the TWDB Resolution No. 25-123 be amended to extend the commitment expiration to August 31, 2026.

Attachments:

1. Proposed Resolution (26-)
2. Resolution (25-123)
3. Commitment Extension Request

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
AMENDING TWDB RESOLUTION NO. 25-123
TO EXTEND THE FINANCIAL ASSISTANCE COMMITMENT PERIOD TO
GRANTWOODS WATER SUPPLY CORPORATION

(26-)

Recitals:

At its August 21, 2025 meeting, the Texas Water Development Board (TWDB), by TWDB Resolution No. 25-123, made a commitment to provide financial assistance in the amount of \$253,000 to the Grantwoods Water Supply Corporation (Corporation) from the Water Loan Assistance Fund to finance improvements to its water system, through the execution of a Grant Agreement in the amount of \$253,000, all as is more specifically set forth in the application and in recommendations of the TWDB's staff for Project No. 21882.

Pursuant to TWDB Resolution No. 25-123, the commitment period will expire February 28, 2026.

The Corporation has submitted a request to extend TWDB's commitment for an additional six (6) months to provide the Corporation additional time retain a new engineering firm to take over the project and take other steps necessary to satisfy TWDB's closing requirements, 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 three (3) months is reasonable and that the request is in the public interest and will serve a public purpose.

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

1. The commitment made through TWDB Resolution No. 25-123 is amended to extend the commitment to August 31, 2026.
2. All other terms and conditions of TWDB Resolution No. 25-123 shall remain in full force and effect.

APPROVED and ordered of record this the 22nd day of January 2026.

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 IN THE AMOUNT OF
\$253,000 TO GRANTWOODS WATER SUPPLY CORPORATION
FROM THE WATER LOAN ASSISTANCE FUND
THROUGH THE PROPOSED EXECUTION OF A GRANT
AGREEMENT IN THE AMOUNT OF \$253,000

(25-123)

Recitals:

Grantwoods Water Supply Corporation (Corporation), located in Harris County, Texas, has filed an application for financial assistance in the amount of \$253,000, to finance certain water system improvements, identified as Project No. 21882.

Corporation seeks financial assistance from the Texas Water Development Board (TWDB) in the amount of \$253,000 through the execution of a Grant Agreement in the amount \$253,000, all as is more specifically set forth in the application and in recommendations of the TWDB's staff.

The commitment is approved for funding under the TWDB's pre-design funding option, and initial and future releases of funds are subject to 31 TAC § 363.16.

The Board hereby authorizes the transfer of \$253,000 from the Texas Water Fund to the Water Assistance Fund, as authorized by Texas Water Code § 15.504(a).

The Board hereby authorizes the transfer of \$253,000 from the Water Assistance Fund to the Water Loan Assistance fund, as authorized by Texas Water Code § 15.011(b).

In accordance with Texas Water Code § 15.105, the TWDB has considered all matters required by law and in particular the following:

1. The needs of the area to be served by the project and the benefit of the project to the area in relation to the needs of other areas requiring state assistance in any manner and the benefits of those projects to the other areas.
2. The availability of revenue to Corporation, from all sources, for the ultimate repayment of the cost of the project, including interest.
3. The relationship of the project to overall statewide needs.
4. The ability of Corporation to finance the project without state assistance.
5. The ability of the applicant to construct the project without the grant and benefits of the project to water and wastewater needs of the state.

Findings:

1. The public interest requires state assistance in the financing of this project, in accordance with Texas Water Code § 15.106(a)(1).
2. Corporation is exempt from requirements to adopt a water conservation program because the TWDB's financial assistance will be \$500,000 or less.
3. Corporation has completed its current water audit required by Texas Water Code § 16.0121 and has filed it with the TWDB, in accordance with Texas Water Code § 16.053(j).

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

A commitment is made by the TWDB to Grantwoods Water Supply Corporation for financial assistance in the amount of \$253,000 from the Water Loan Assistance Fund through a transfer from the Texas Water Fund to the Water Loan Assistance Fund through the Water Assistance Fund, to be evidenced by Corporation the execution of a Grant Agreement in the amount of \$253,000. This commitment will expire on February 28, 2026.

This 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.
2. This commitment is contingent upon Corporation's continued compliance with all applicable laws, rules, policies, and guidance as these may be amended from time to time to adapt to a change in law, in circumstances, or any other legal requirement.
3. The Obligations must provide that Corporation will comply with all applicable TWDB laws and rules related to the use of the financial assistance.
4. The Grant Agreement must provide that the TWDB may exercise all remedies available to it in law or equity, and any provision that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect.
5. Financial assistance proceeds are public funds. Therefore, the Grant Agreement must require that these proceeds 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. Grant Funds Financial assistance proceeds shall not be used by Corporation when sampling, testing, removing, or disposing of contaminated soils or media at the project site. The Grant Agreement must provide that Corporation is solely responsible for liability resulting from acts or omissions of Corporation, its employees, contractors, or agents arising from the sampling, analysis, transport,

storage, treatment, recycling, and disposition of any contaminated sewage sludge, contaminated sediments or contaminated media that may be generated by Corporation, its contractors, consultants, agents, officials, and employees as a result of activities relating to the Project to the extent permitted by law.

7. Before closing, and if required under the TWDB's financial assistance program and not previously provided with the application, Corporation must submit an executed engineering contract as appropriate for the project scope of work, and an executed financial advisor contract and executed bond counsel contract as appropriate for the work to be performed in obtaining the TWDB's financial assistance for the project, in a form and substance satisfactory to the Executive Administrator. Fees to be reimbursed under any consulting contract must be reasonable in relation to the services performed, must be reflected in the contract, and must be acceptable to the Executive Administrator.
8. Before closing, when any portion of financial assistance proceeds are to be held in escrow or in trust, Corporation must execute an escrow agreement or trust agreement, approved as to form and substance by the Executive Administrator, and must submit that executed agreement to the TWDB.
9. Before closing, Corporation shall submit to the escrow agent a closing memo signed by the Executive Administrator
10. Corporation must abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by Texas Government Code, Chapter 2252, Subchapter F and Texas Water Code § 17.183.
11. Corporation 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).
12. Corporation must comply with all conditions as specified in the final environmental finding of the Executive Administrator when issued, including the standard emergency discovery conditions for threatened and endangered species and cultural resources.
13. The Grant Agreement must provide that Corporation will not begin construction for a portion of the Project until the environmental finding has been issued for that portion of the Project.
14. The Grant Agreement must contain a provision requiring Corporation to maintain insurance coverage sufficient to protect the TWDB's interest in the project.
15. The Grant Agreement must include a provision requiring a final accounting to be made of the total sources and authorized use of Project funds within 60 days of the completion of the Project.

16. The Grant Agreement must include a provision stating that Corporation shall return any grant funds that are determined to be surplus funds remaining after completion of the Project and completion of a final accounting, including any interest earned on the grant funds in a manner approved by the executive administrator.
17. The Grant Agreement must contain a provision stating that Corporation shall abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by Texas Government Code, Chapter 2252, Subchapter G.
18. Before release of funds for the relevant services, and if required under the TWDB's financial assistance program and if not previously provided with the application, Corporation shall submit executed contracts for engineering and, if applicable, financial advisor and legal services, 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.
19. Before closing, when any portion of financial assistance is to be held in escrow or in trust, Corporation shall execute an escrow agreement or trust agreement, approved as to form and substance by the Executive Administrator, and shall submit that executed agreement to the TWDB.
20. Before release of funds for construction, Corporation must provide the TWDB with evidence that the necessary acquisitions of land, leases, easements and rights-of-way have been completed or, if all acquisitions have not been completed, evidence that the applicant has the legal Corporation necessary to complete the acquisitions.

Special Conditions:

21. Corporation must notify the Executive Administrator in writing 30 days before taking any actions to alter its legal status in any manner.
22. Before closing, Corporation shall execute a Grant Agreement in a form and substance acceptable to the Executive Administrator.

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

TEXAS WATER DEVELOPMENT BOARD



 L'Oreal Stepney, P.E., Chairwoman

DATE SIGNED: 8/25/25

ATTEST:



 Bryan McMath, Executive Administrator

GRANTWOODS WATER SUPPLY CORP.
13442 OAK HOLLOW DR.
CYPRESS, TEXAS 77429

December 8, 2025

Shubham Aggarwal
Manager, Regional Water Project Development
Texas Water Development Board
1700 N. Congress Ave.
Austin, Texas 78711

By email to:
Shubham.Aggarwal@twdb.texas.gov
(and copyreaders)

RE: WAF - 21882 - G1002223 - Extension Request

Dear Mr. Aggarwal,

We write to request an extension to the Expiration Date of the Commitment from the current date of February 28, 2026, to August 31, 2026. In the past two days, we obtained an extension to the Closing Date for the Grant Agreement, originally set for January 15, 2026, and rescheduled to February 20, 2026. As of today, we are uncertain if we can meet the February deadlines.

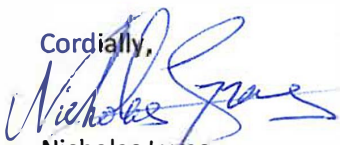
The reason for our request is we were dropped by Bleyl Engineering, the engineering firm with which we have worked since 2016, and which prepared the feasibility studies and budgets for our applications to TWDB for funding assistance in 2023 and 2024.

Recently, I (separately) informed Ms. Richards and Ms. Dixon of the TWDB that Bleyl Engineering withdrew from this project. On 11/05/2025, the day Ms. Richards responded to an email sent to Ms. Dixon by Mr. Sam Hasan, PE, of Bleyl Engineering on 11/04/2025, informing TWDB that they are the engineers for this project, Mr. Hasan informed us that "At this point, due to the current workload and upcoming work I not able to find the time to go forward with this project" On 11/04/2025, Mr. Hasan, PE had sent an email to us with a draft services contract for the waterline project (see copies of emails below).

Over the past 5 weeks we, and our system operator, have been searching for an engineer to take over the project but have not been successful. We are negotiating with one firm and are close to receiving a proposal, but do not have an agreement. We have heard comments from firms that declined the job that the timeline is too tight. Under the initial timeline/schedule, engineering documents were due to the TWDB Engineer on 12/11/2025. With the revised closing date of 02/20/2026, engineering documents are due on 01/14/2026. I just had a discussion with a firm that declined the project with the engineer telling us "...December is done and gone and could not meet the January and February 2026 deadlines."

Due to these events and circumstances, we request the Expiration Date of the Commitment be extended to August 31, 2026, and the Closing Date be (again) extended to May 31, 2026. Revised deadline dates will help us in our search for a new engineer to take over the project. Thank you for your consideration and assistance.

Cordially,



Nicholas Lyras,
Director and Treasurer, Grantwoods Water Supply Corp.

Attachments:

20251104_Bleyl Email - Draft Contract TWDB Proj 21882
20251104_Bleyl Draft Agreement TWDB Proj 21882
202511054_Emails NRichards-KDixon to Bleyl - TWDB Proj 21882
20251105_Bleyl Rejection Email to GWSC -TWDB Proj 21882

CC:

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