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AGENDA ITEM MEMO

BOARD MEETING DATE: June 25, 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: Arnoldo Rubio, Financial Analyst II, Regional Water Project Development
Tyrone Alcorn, Credit Manager, Regional Water Project Development

SUBJECT: Amendment to the City of Fort Worth Commitment Expiration Date

ACTION REQUESTED

Consider amending by resolution the previously adopted Texas Water Development Board Resolution No. 25-185 to extend the City of Fort Worth Flood Infrastructure Fund commitment to December 31, 2026.

BACKGROUND

On December 16, 2025, the Texas Water Development Board (TWDB) approved a commitment for \$90,000,000 to the City of Fort Worth (City) from the Flood Infrastructure Fund Program (Project No. 40213) for hydraulic and hydrologic modeling of the area and planning, design, acquisition, and construction of 7,392 feet of channel improvements and construction of a 40-acre detention pond. The City was approved for \$18,750,000 in a grant and \$71,250,000 in financing. The commitment is set to expire on June 30, 2026.

KEY ISSUES

The City is currently pending a decision from the Federal Emergency Management Agency (FEMA) for a supplementary \$50,000,000 grant award, thereby potentially reducing the amount requested from TWDB. However, the FEMA application process is still ongoing.

RECOMMENDATION

To allow sufficient time for FEMA to make a decision regarding the City's grant application and for the City to subsequently close on its FIF commitments, the Executive Administrator recommends that the TWDB Resolution No. 25-185 be amended to extend the commitment expiration to December 31, 2026.

Our Mission

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

Board Members

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

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June 25, 2026
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Attachments:

1. Proposed Resolution (26-)
2. Resolution (25-185)
3. Commitment Extension Request

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
AMENDING TWDB RESOLUTION NO. 25-185
TO EXTEND THE FINANCIAL ASSISTANCE COMMITMENT PERIOD TO
CITY OF FORT WORTH
(26-)

Recitals:

At its December 16, 2025 meeting, the Texas Water Development Board (TWDB), by TWDB Resolution No. 25-185, made a commitment to provide financial assistance in the amount of \$90,000,000 to the City of Fort Worth (City) from the Flood Infrastructure Fund to finance a flood project, through the TWDB's purchase of a \$71,250,000 City of Fort Worth, Texas Drainage Utility System Revenue Bonds, Proposed Series 2026 and the execution of a Grant Agreement in the amount of \$18,750,000 for Project No. 40213.

Pursuant to TWDB Resolution No. 25-185, the commitment period will expire June 30, 2026.

The City has submitted a request to extend TWDB's commitment for an additional six (6) months to allow the City to confirm a possible supplementary grant award from a federal agency, 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 six (6) 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. 25-185, is amended to extend the commitment to December 31, 2026; and
2. all other terms and conditions of TWDB Resolution No. 25-185 shall remain in full force and effect.

APPROVED and ordered of record this the 25th day of June 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
\$90,000,000 TO THE CITY OF FORT WORTH
FROM THE FLOOD INFRASTRUCTURE FUND
THROUGH THE PROPOSED PURCHASE OF
\$71,250,000 CITY OF FORT WORTH, TEXAS DRAINAGE UTILITY SYSTEM REVENUE
BONDS, PROPOSED SERIES 2026
AND
THE EXECUTION OF A GRANT AGREEMENT IN THE AMOUNT OF \$18,750,000

(25-185)

Recitals:

The City of Fort Worth (City), located in Tarrant, Denton, Johnson, Parker, and Wise County, Texas, has filed an application for financial assistance from the Flood Infrastructure Fund (FIF) in accordance with Texas Water Code Chapter 15, Subchapter I, to finance a flood project, identified as Project No. 40213.

The City seeks financial assistance from the Texas Water Development Board (TWDB) in the amount of \$90,000,000 through the TWDB's proposed purchase of \$71,250,000 City of Fort Worth, Texas Drainage Utility System Revenue Bonds, Proposed Series 2026 (together with all authorizing documents (Obligations)) and \$18,750,000 through execution of a Grant Agreement, all as is more specifically set forth in the application and in recommendations of the Executive Administrator's staff.

The City has offered a pledge of gross revenues of the City's drainage utility system as sufficient security for the repayment of the Obligations.

Findings:

1. The application and financial assistance requested meet the requirements of Texas Water Code, Chapter 15, Subchapter I; 31 TAC Chapter 363, Subchapters A and D; and the State Fiscal Year 2020 Flood Intended Use Plan (FIUP).
2. The City has demonstrated a sufficient level of cooperation among eligible political subdivisions and has included all of the eligible political subdivisions substantially affected by the flood project in accordance with Texas Water Code § 15.536(2).
3. In its opinion the taxes or revenues pledged by the City will be sufficient to meet all Obligations assumed by the City in accordance with Texas Water Code § 15.536(3).
4. The City is eligible to receive grant funding in accordance with Texas Water Code § 15.534 and the FIUP.
5. The City has demonstrated that the benefit-cost ratio of the Project meets the requirements of the FIUP.

6. The request for financial assistance does not include redundant funding for activities already performed and/or funded through another source, in accordance with the FIUP.
7. The City has demonstrated that the application meets the requirements of the FIUP related to the National Flood Insurance Program in the area to be served by the Project.
8. The Project was developed using the best and most recent available data, in accordance with the FIUP.
9. The City has documented that it has planned for operations and maintenance costs associated with the Project, in accordance with the FIUP.
10. The City has considered possible floodwater capture techniques that could be associated with the Project for water supply purposes, in accordance with the FIUP.

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

11. A commitment is made by the TWDB to City of Fort Worth for financial assistance in the amount of \$90,000,000 from the Flood Infrastructure Fund, to be evidenced by the TWDB's proposed purchase of \$71,250,000 City of Fort Worth, Texas Drainage Utility System Revenue Bonds, Proposed Series 2026 and execution of a Grant Agreement in the amount of \$18,750,000. This commitment will expire on June 30, 2026.

This commitment is conditioned as follows:

Standard Conditions:

1. This commitment is contingent on availability of TWDB funds on hand.
2. This commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that the City has complied with all of the requirements of the laws under which said Obligations were issued, that said Obligations were issued in conformity with the Constitution and laws of the State of Texas, and that said Obligations are valid and binding obligations of the City.
3. This commitment is contingent upon the City'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), including but not limited to 31 TAC Chapter 363.
4. The City shall use a paying agent/registrar in accordance with 31 TAC § 363.42(c)(2).

5. The Obligations must provide that the City will comply with all applicable TWDB laws and rules related to the use of the financial assistance.
6. The Obligations must provide that the City 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.
7. The Obligations must provide that the City will not begin construction for a portion of the Project until the environmental finding has been issued for that portion of the Project.
8. The Obligations must contain a provision requiring the City to maintain insurance coverage sufficient to protect the TWDB's interest in the project.
9. The Obligations must include a provision wherein the City, or an obligated person for whom financial or operating data is presented to the TWDB in the application for financial assistance either individually or in combination with other issuers of the City's Obligations or obligated persons, will, at a minimum, regardless of the amount of the Obligations, covenant to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by Securities and Exchange Commission (SEC) in 17 CFR § 240.15c2-12 (Rule 15c2-12) and determined as if the TWDB were a Participating Underwriter within the meaning of such rule, such continuing disclosure undertaking being for the benefit of the TWDB and the beneficial owners of the City's Obligations, if the TWDB sells or otherwise transfers such Obligations, and the beneficial owners of the TWDB's bonds if the City is an obligated person with respect to such bonds under SEC Rule 15c2-12.
10. The Obligations must contain a provision requiring the City to levy a tax and/or maintain and collect sufficient rates and charges to produce revenues in an amount necessary to meet the debt service requirements of all outstanding obligations and to maintain the funds established and required by the Obligations.
11. The Obligations must include a provision requiring the City to make a final accounting of the total sources and authorized use of Project funds within 60 days of the completion of the Project.
12. The Obligations must include a provision requiring the City to deposit any bond proceeds from the Obligations that are determined to be surplus proceeds remaining after completion of the Project and completion of a final accounting, including any interest earned on the bond proceeds, into the Interest and Sinking Fund.
13. The Grant Agreement must include a provision stating that the City shall either return or deposit into the Interest and Sinking Fund 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.

14. The Obligations must contain a provision that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Obligations that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect.
15. Financial assistance proceeds are public funds and, as such, the Obligations 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.
16. Financial assistance proceeds shall not be used by the City when sampling, testing, removing or disposing of contaminated soils and/or media at the Project site. The Obligations 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, recycling, 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.
17. The Obligations must contain a provision stating that the City 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. The Obligations must provide that the City will not cause or permit the Obligations to be treated as "federally guaranteed" obligations within the meaning of § 149(b) of the Code.
19. The Obligations must contain a covenant that the City will refrain from using the proceeds of the Obligations to pay debt service on another issue of obligations of the borrower in contravention of section 149(d) of the Code (related to "advance refundings").
20. The Obligations must contain a provision requiring the City to submit quarterly status reports on the progress of the project that details information requested by the Executive Administrator. The Executive Administrator may withhold authorization to release funds from escrow or adjust the amount of funds to be released from escrow based on the receipt of the quarterly status reports and the projected quarterly needs for the project.
21. The Obligations must require the accumulation of a reserve fund of no less than average annual debt service requirements, to be accumulated in equal monthly installments over the initial sixty (60) months following the issuance of the Obligations.

22. If the City has existing revenue obligations with the same pledge of security as the proposed Obligations that will remain outstanding after the term of any financial assistance made by the TWDB pursuant to this commitment, the Obligations must contain a provision providing that the lien or liens securing the Obligations issued to the TWDB shall be at least on a parity with lien or liens securing such outstanding obligations.
23. The Obligations must contain a provision providing that additional parity obligations may only be incurred if gross revenues for the preceding fiscal year, or for twelve consecutive months out of the fifteen months immediately preceding, the dated date of such proposed additional parity obligations, are at least equal to 1.50 times the annual debt service requirements of the parity obligations to be outstanding after the issuance of the then proposed additional parity obligations for the fiscal year during which such annual debt service requirements are scheduled to be the greatest.
24. Prior to closing, the City shall submit documentation evidencing the adoption and implementation of sufficient system rates and charges or, if applicable, the levy of an interest and sinking tax rate sufficient for the repayment of all system debt service requirements.
25. Prior to 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, the City shall submit executed contracts for engineering and, if applicable, financial advisor and bond counsel, 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.
26. Prior to closing, when any portion of financial assistance is to be held in escrow or in trust, the City 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.
27. Prior to closing, the City's bond counsel must prepare a written, unqualified approving opinion acceptable to the executive administrator. Bond counsel may rely on covenants and representations of the City when rendering this opinion.

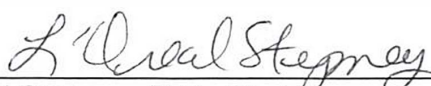
PROVIDED, however, the commitment is subject to the following special conditions:

Special Conditions:

28. Prior to closing, the City shall execute a Grant Agreement in a form and substance acceptable to the Executive Administrator.

APPROVED and ordered of record this the 16th day of December 2025.

TEXAS WATER DEVELOPMENT BOARD



L'Oreal Stepney, P.E., Chairwoman

DATE SIGNED: 12/16/25

ATTEST:



Bryan McMath, Executive Administrator

April 10, 2026

Arnoldo Rubio
Texas Water Development Board
1700 North Congress Ave
Austin, TX 78701

**RE: FIF #40213 GRANT APPLICATION – LEBOW CHANNEL FLOOD MITIGATION PROJECT
CLOSING DATE EXTENSION REQUEST**

Dear Mr. Rubio:

The Texas Water Development Board (TWDB) awarded the City of Fort Worth \$90,000,000 for the Lebow Channel Flood Mitigation Project on December 16th, 2025, with a closing date set for June 18, 2026. This closing date was selected to provide the City time to confirm a supplementary \$50M FEMA grant award, thereby reducing the amount requested from TWDB. However, due to the ongoing federal government shutdown, the City was notified that FEMA cannot award or deny the grant award until further notice.

Therefore, the City is requesting an extension of the closing date of the Flood Infrastructure Fund grant/loan to allow for confirmation from FEMA regarding the supplementary grant award. The City is requesting a 6-month extension from the current closing date, with a new closing date proposed for December 18, 2026.

If you have any questions, feel free to contact Ben Thompson by phone at (817-392-7952) or by email at Benjamin.Thompson@fortworthtexas.gov.

Sincerely,



Jesica McEachern
Assistant City Manager
City Managers Office