



## **PROJECT FUNDING REQUEST**

**BOARD DATE:** September 10, 2026

**PRESENTED BY:** Kathy Hopkins

### **ACTION REQUESTED**

Consider approving by resolution an application from Jefferson County Drainage District No. 6 for \$801,012.00 in grant funding from the Flood Infrastructure Fund (FIF) for a Flood Mitigation Project (FMP).

### **STAFF RECOMMENDATION**

☒ **Approve**   ☐ **No Action**

### **PROJECT NAME**

Jefferson County Drainage District No. 6 - Borley Heights Relief, Project Number 40243

### **BACKGROUND**

The purpose of the Flood Infrastructure Fund (FIF) is to assist in the financing of drainage, flood mitigation, and flood control projects recommended in the state flood plan, including: planning and design activities, work to obtain necessary regulatory approvals, and construction and/or implementation of flood projects. FIF projects presented for consideration have been scored and ranked using prioritization criteria outlined in 31 Texas Administrative Code § 363.404 and further specified in the 2024-2025 FIF Intended Use Plan (IUP). The Flood Mitigation Project (FMP) prioritized list of projects was approved by the Board on April 10, 2025.

### **PROJECT NEED AND DESCRIPTION**

Jefferson County Drainage District No. 6 (District) has been awarded funding through the Federal Emergency Management Agency's (FEMA) Flood Mitigation Assistance grant program to complete a drainage improvement project. The Borley Heights Relief Project is a drainage improvement project designed to reduce recurring shallow and moderate residential flooding in the Borley Heights Addition neighborhood in North Beaumont, Jefferson County. The neighborhood currently drains into a tributary of Griffing Ditch, which is a tributary to Pine Island Bayou, through a single undersized culvert beneath the Lower Neches Valley Authority (LNVA) Beaumont Irrigation Canal. The culvert does not provide adequate capacity during major storm events, and its limited performance is further impacted by backwater conditions that occur when high water levels in Pine Island Bayou extend into Griffing Ditch and the local drainage network. The elevated canal levees further restrict overland drainage, reducing the area's ability to efficiently convey stormwater away from homes and streets.

To address these deficiencies, the project will construct new drainage crossings beneath

the irrigation canal at multiple street locations. The new crossings will be sized to improve stormwater conveyance and will include flap gates to prevent backflow from Pine Island Bayou and Griffing Ditch into the neighborhood during high-water conditions. The project will also construct a new conveyance channel and improve existing drainage channels to efficiently route stormwater from the neighborhood to Griffing Ditch. These improvements are expected to reduce flood risk to 167 residential structures, increase drainage capacity, and improve overall system resilience during major storm events.

## **KEY ISSUES**

This project is a Flood Mitigation Project (FMP) category, Federal Award Matching Funds, of the 2024-2025 Flood Intended Use Plan. The FIF program can provide funding to leverage federal funding by assisting applicants with the required local match. FIF eligible projects that received a FEMA Flood Mitigation Assistance (FMA) grant for FMA FY 2019-2022 may receive a grant for 70 percent of the required local match regardless of the qualifiers listed in the 2024-2025 Intended Use Plan (IUP). Recipients of financial assistance may either use their own available funds or borrow FIF funds at zero percent interest for any portion of the required local share not provided through FIF grant funds.

Jefferson County Drainage District No. 6 has submitted a complete financial assistance application and is eligible to receive 70 percent grant funding through the FIF for a portion of the local match requirements for federal funds from FEMA. The District has been selected to receive \$3,432,907.50 in federal funds through FEMA's Flood Mitigation Assistance grant program. The remaining project cost will be provided through local in-kind funds. Table 1 provides a summary of funding sources, and application summaries are attached.

The funding being provided by the TWDB is in the form of 100 percent grant and therefore not subject to our internal risk score analysis that is applied to loan. For this request, staff reviewed the entity's annual audit and funding application to assess the entity's ability to manage existing obligations and business practices. Based on this analysis, staff believe the entity has adequate capabilities to manage its obligations.

The project recommended for approval meets all minimum requirements in the 2024-2025 FIF IUP:

1. For construction-oriented projects, the benefit/cost ratio of the project meets the requirements of the 2024-2025 FIF IUP.
2. For flood control projects where the project watershed is located outside the boundaries of the applicant, the applicant has entered into a Memorandum of Understanding with all required entities related to management of the watershed.
3. The funding request does not include redundant funding.
4. The area to be served by the project meets the requirements of the 2024-2025 FIF IUP related to the National Flood Insurance Program, (NFIP).
5. The project was developed using the best/most recent available data; for construction projects, the applicant has planned for operation and maintenance costs.
6. For construction projects, the applicant has considered possible floodwater capture techniques that could be associated with the project for water supply purposes.

The project recommended for approval meets the statutory requirements found in the Texas Water Code § 15.536:

1. The application and assistance applied for meet the requirements of Texas Water Code, Chapter 15, Subchapter I and 31 Texas Administrative Code Chapter 363.
2. The application demonstrates a sufficient level of cooperation among eligible political subdivisions and includes all the eligible political subdivisions substantially affected by the flood project.

#### **PROPOSED PROJECT FUNDING**

|                                 |                       |
|---------------------------------|-----------------------|
| <b>TOTAL PROJECT COST</b>       | <b>\$4,577,209.95</b> |
| Grant amount requested from FIF | \$801,012.00          |
| Loan amount requested from FIF  | \$0.00                |
| Local contribution              | 343,290.45            |
| Local in-kind                   | \$0.00                |
| Federal funding                 | \$3,432,907.50        |

#### **PROJECT SCHEDULE**

| <b>Task</b>                          | <b>Schedule Date</b> |
|--------------------------------------|----------------------|
| FIF Closing/Contract Execution       | 12/31/2026           |
| Environmental Assessment             | Complete             |
| Final Engineering                    | Complete             |
| Channel Right-of-Way Acquisition     | Complete             |
| Channel Construction and Enlargement | In progress          |
| Canal Damming and Dewatering         | 9/1/2026             |
| Canal Crossing Construction          | 10/1/2026            |
| Canal Reconstruction                 | 1/1/2027             |
| Concrete Construction                | 1/1/2027             |
| Dress up and Seeding                 | 1/1/2028             |

#### **LEGAL/SPECIAL CONDITIONS**

- Before closing, the District shall execute a Grant Agreement in a form and substance acceptable to the Executive Administrator.
- Before closing, the District must demonstrate its required local match of \$343,290.45, which may be provided through in-kind services with prior approval by the Executive Administrator, and the availability of the \$3,432,907.50 FEMA Flood Mitigation Assistance Grant.
- The District must notify the Executive Administrator in writing 30 days before taking any action to alter its legal status in any manner.

- The Grant Agreement must include a provision requiring that prior to any action by the District to convey its Obligations held by the TWDB to another entity, the conveyance and the assumption of the Obligations must be approved by the TWDB.

Attachments:

1. Financial Review (Project Data Summary)
2. Resolution (26-)
3. Location Map



### Project Data Summary

|                                           |                   |                                                    |                        |             |
|-------------------------------------------|-------------------|----------------------------------------------------|------------------------|-------------|
| Responsible Authority                     |                   | Jefferson Co DD # 6                                |                        |             |
| Solicitation Program                      |                   | FIF                                                |                        |             |
| Funding Program                           |                   | FIF                                                |                        |             |
| Commitment Number                         |                   | G1002429                                           |                        |             |
| Project Number                            |                   | 40243                                              |                        |             |
| List Year                                 |                   | 2024                                               |                        |             |
| Type of Pledge                            |                   | N/A                                                |                        |             |
| Pledge Level (if applicable)              |                   | N/A                                                |                        |             |
| Legal Description                         |                   | Grant Agreement Between the TWDB and the District. |                        |             |
| Tax-exempt or Taxable                     |                   | Tax-Exempt                                         |                        |             |
| Refinance                                 |                   | No                                                 |                        |             |
| Outlay Requirement                        |                   | No                                                 |                        |             |
| Disbursement Method                       |                   | Escrow                                             |                        |             |
| Outlay Type                               |                   | Outlay <> Escrow Release                           |                        |             |
| Qualifies as Disadvantaged                |                   | No                                                 |                        |             |
| Financial Managerial & Technical Complete |                   | N/A                                                |                        |             |
| Phases Funded                             |                   | Construction                                       |                        |             |
| Pre-Design                                |                   | Yes                                                |                        |             |
| Project Consistent with State Water Plan  |                   | N/A                                                |                        |             |
| Water Conservation Plan                   |                   | N/A                                                |                        |             |
| Overall Risk Score                        |                   | N/A                                                |                        |             |
| PROJECT TEAM                              |                   |                                                    |                        |             |
| Team Manager                              | Financial Analyst | Engineering Reviewer                               | Environmental Reviewer | Attorney    |
| Kathy Hopkins                             | Arnoldo Rubio     | Ronnie Hollier                                     |                        | Walter Dean |

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD  
 APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF  
 \$801,012 TO THE JEFFERSON COUNTY DRAINAGE DISTRICT NO. 6  
 FROM THE FLOOD INFRASTRUCTURE FUND THROUGH THE EXECUTION OF A  
 GRANT AGREEMENT IN THE AMOUNT OF \$801,012

(26 - )

Recitals:

The Jefferson County Drainage District No. 6 (District), located in Jefferson 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 the construction of a flood project, identified as Project No. 40243.

The District seeks financial assistance from the Texas Water Development Board (TWDB) in the amount of \$801,012 through execution of a Grant Agreement, as is more specifically set forth in the application and in recommendations of the Executive Administrator's staff.

In addition to the TWDB grant of the \$801,012 the District will provide a local matching funds of \$343,290.45 in support of a \$3,432,907.50 grant from the Federal Emergency Management Agency's Flood Mitigation Assistance Program.

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 District 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. No debt obligations are to be assumed by the District for financial assistance, and no taxes or revenues are required to be pledged by the District in accordance with Texas Water Code § 15.536(3).
4. The District is eligible to receive grant funding in accordance with Texas Water Code § 15.534 and the applicable FIUP.
5. The District 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 District 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 District has documented that it has planned operations and maintenance costs associated with the Project, in accordance with the FIUP.
10. The District 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:

A commitment is made by the TWDB to Jefferson County Drainage District No. 6 for financial assistance in the amount of \$801,012 from the Flood Infrastructure Fund, to be evidenced by the execution of a Grant Agreement. This commitment will expire on December 31, 2026; however, the Executive Administrator may, at his discretion, grant up to one extension for a maximum of three months.

Such 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 District'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.
3. 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).
4. The Grant Agreement must provide that the District will comply with all applicable TWDB laws and rules related to the use of the financial assistance.
5. The Grant Agreement must contain a provision requiring the District to maintain insurance coverage sufficiently to protect the TWDB's interest in the project.
6. 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.
7. The Grant Agreement must include a provision stating that the District 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.

8. 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.
9. Financial assistance proceeds 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.
10. Financial assistance proceeds 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, recycling, 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.
11. The Grant Agreement must contain a provision requiring the District 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.
12. The Grant Agreement must contain a provision stating that the District 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.
13. 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, the District 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.
14. Before closing, when any portion of financial assistance is to be held in escrow or in trust, the District 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.

15. Before release of funds for construction, the District must provide the TWDB with evidence that the necessary acquisitions of land, leases, easements, and rights-of-way have been completed, or that the District has the legal authority necessary to complete the acquisitions.

Special Conditions:

16. Before closing, the District shall execute a Grant Agreement in a form and substance acceptable to the Executive Administrator.
17. Before closing, the District must demonstrate its required local match of \$343,290.45, which may be provided through in-kind services with prior approval by the Executive Administrator, and the availability of the \$3,432,907.50 FEMA Flood Mitigation Assistance Grant.
18. The District must notify the Executive Administrator in writing 30 days before taking any action to alter its legal status in any manner.
19. The Grant Agreement must include a provision requiring that prior to any action by the District to convey its Obligations held by the TWDB to another entity, the conveyance and the assumption of the Obligations must be approved by the TWDB.

APPROVED and ordered of record this, the 10th day of September 2026.

TEXAS WATER DEVELOPMENT BOARD

\_\_\_\_\_  
L'Oreal Stepney, P.E., Chairwoman

DATE SIGNED: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Bryan McMath, Executive Administrator



**Jefferson County  
Drainage District Number 6**

