



PROJECT FUNDING REQUEST

BOARD DATE: October 1, 2026

Presented by: Chris Mercado

ACTION REQUESTED

Consider approving the selected flood management evaluation (FME) application and authorizing the Executive Administrator to execute contracts for grant funding from the 2024-25 Flood Infrastructure Fund cycle in an amount not to exceed \$178,526 for a watershed flood protection planning project.

STAFF RECOMMENDATION

☒ Approve

☐ No Action

PROJECT NAME

Hays County – Community Flood Mitigation Planning Project, Project Number 40238

BACKGROUND

Passed by the 86th Texas Legislature and approved by voters through a constitutional amendment, the Flood Infrastructure Fund (FIF) was created to provide funding for flood mitigation projects. The purpose of the FIF, as outlined in Senate Bill 7, is to assist in financing drainage, flood mitigation, and flood control 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 2024-25 Flood Intended Use Plan. The prioritized list of projects was approved by the Board in April 2025.

PROJECT NEED AND DESCRIPTION

Project Need

Hays County is located within one of the most hydrologically dynamic environments in the United States, commonly referred to as “Flash Flood Alley.” The combination of steep topography, rapidly responding watersheds, intense rainfall patterns, and expanding development has resulted in repeated and severe flooding across the county. The Guadalupe River Basin, which influences much of Hays County, has experienced numerous major flood events, several of which resulted in fatalities, roadway failures, property loss, and long-term community disruption. This project was recommended by the Region 11 Guadalupe Regional Flood Planning Group.

Project Description

The proposed study will create a community flood mitigation plan that seeks to reduce flood risk within Hays County. The study area includes 729.4 square miles and approximately 538.4 stream miles within the San Marcos River watershed. The project will update Hays County’s risk ranking of stream crossings. Identification of hot spots based on building flood risk will be performed for long-term mitigation planning. Based on the building hot spots and stream crossing prioritization, at least eight high-priority low water crossings and/or flood problem areas will be identified as potential flood mitigation projects (FMPs). Detailed

COMMITMENT PERIOD: THREE (3) MONTHS TO EXPIRE January 29, 2027, for grant only projects; however, the Executive Administrator may, at his discretion, grant up to one extension for a maximum of three months.

hydrologic and hydraulic modeling will be performed at the potential FMP locations. A mitigation planning report will provide a thorough explanation of all procedures, assumptions, special considerations, comparisons, and planning results.

Key project elements:

1. Project Management and Meetings
2. Data Collection and Review
3. Survey/Field Work: Field measurements for a minimum of four locations to fill data gaps at critical hydraulic structures
4. Coordination with Regional Flood Planning Group 11 and overlapping projects
5. Hydrologic Analysis: Perform hydrologic modeling and calibration
6. Hydraulic Analysis: Perform hydraulic modeling and calibration
7. Identification of Flood Problem Areas: Identify a minimum of 27 building hot spots and 100 high risk stream crossings
8. Alternatives Analysis: Evaluate a minimum of eight alternative analyses
9. Community Outreach
10. QC/Model Validation
11. Reporting

Key project deliverables:

1. Updated hydrologic and hydraulic models (analysis of the 10 percent, 1 percent, and 0.2 percent annual chance events) including Quality Assurance/Quality Control (QA/QC) documentation
2. Memo summarizing data collected
3. Field survey reporting
4. Watershed-wide Risk Matrix
5. List/Table of Alternative Solutions (minimum of 8 alternatives)
6. Draft and Final Reports

KEY ISSUES

The selected project represents those eligible under the FME Category of the 2024-25 Flood Intended Use Plan. This category of funding was designed to conduct studies to identify, assess, and quantify flood risk or identify, evaluate, and recommend flood risk reduction solutions. These studies involve planning of entire watersheds or sub-watersheds, as required by the TWDB regional flood planning program, to better inform the development of strategies using structural and nonstructural measures before a flood event. This may include determining and describing problems from or related to flooding, identifying, and planning solutions to flooding problems, and estimating the benefits and costs of these solutions. FMEs are eligible to receive a maximum of 100 percent grant funds based on criteria outlined in the 2024-25 Flood Intended Use Plan. Recipients of financial assistance may either use their own funds or borrow FIF funds at zero percent interest for any portion of the remaining project cost.

Hays County has submitted a complete financial assistance application and is eligible to receive grant funding through the FIF for a portion of their total project cost. The applicant has pledged to contribute local funds to provide the remaining project costs. No federal funds have been identified as a source by the applicant. A summary of funding sources for this study has been provided in the Proposed Project Funding section.

The funding being provided by the TWDB consists entirely of grant funding and therefore is not subject to our internal risk score analysis that is applied to loans. TWDB reviewed the entity's annual audit and funding application information 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 found in the 2024-25 Flood Intended Use Plan:

1. must be recommended in a Regional Flood Plan as a Flood Management Evaluation (FME).
2. all activities are considered "flood control planning" as defined in Texas Water Code § 15.405;
3. the application does not include the actual preparation of a Federal Emergency Management Agency Flood Insurance Rate Maps;
4. the funding request does not include redundant funding;
5. that the application demonstrates a sufficient level of cooperation among eligible political subdivisions and includes all of the eligible political subdivisions substantially affected by the Project;
6. the area to be served by the Project meets the requirements of the 2024-25 Flood Intended Use Plan related to the National Flood Insurance Program;
7. the project was developed using the best/most recent available data;

The selected project recommended for approval meets the statutory and rule requirements found in Texas Water Code Chapter 15 Subchapter F and 31 Texas Administrative Code Chapter 355, including:

1. that financial assistance is necessary for the applicants to carry out adequate flood control planning; and
2. that the applicant has notified all required entities of the application.

PROPOSED PROJECT FUNDING

TOTAL STUDY COST	\$238,035
Grant amount requested from FIF	\$178,526
Eligible grant (%)	75%
Loan amount requested from FIF	\$0
Local Contribution	\$59,509
Local in-kind	\$0
Federal funding	\$0

PROJECT SCHEDULE

Task	Schedule Date
Closing	January 29, 2026
FME Completion	July 1, 2030

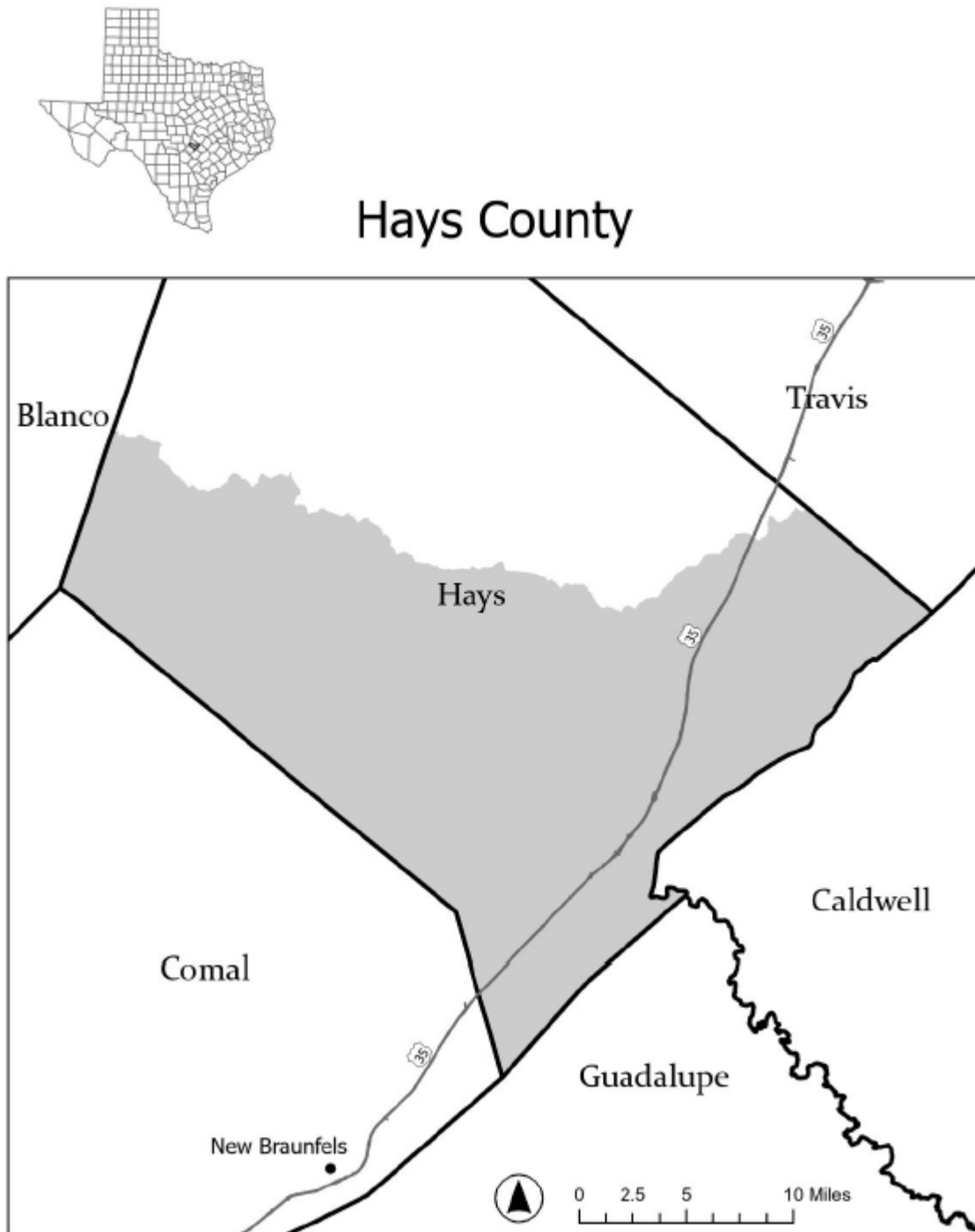
LEGAL/SPECIAL CONDITIONS

- Prior to closing, the entity shall execute a Grant Agreement in a form and substance acceptable to the Executive Administrator;
- Prior to closing, the entity must demonstrate its required local share listed in the table above.
- Prior to closing on any portion of financial assistance, the entity 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; and
- Prior to closing, the entity must submit documentation evidencing that the area to be served by the Project has floodplain ordinances or orders, as applicable, in place, in accordance with the 2024-25 Flood Infrastructure Fund Intended Use Plan or must include in the scope of work that the applicant will work with any community within the project area, that does not meet minimum standard, towards adoption and enforcement of floodplain management ordinances or orders, as applicable, in accordance with the 2024-25 Flood Intended Use Plan.

Attachments:

1. Project Summary Map
2. Hays County Project Data Summary

Project Summary Map of FIF FME Area – Hays County





Project Data Summary

Responsible Authority		Hays County		
Solicitation Program		FIF		
Funding Program		FIF		
Commitment Number		G1002463		
Project Number		40238		
List Year		2024		
Type of Pledge		N/A		
Pledge Level (if applicable)		N/A		
Legal Description		\$178,526 Grant Agreement		
Tax-exempt or Taxable		Tax-Exempt		
Refinance		No		
Outlay Requirement		Yes		
Disbursement Method		Escrow		
Outlay Type		Outlay = Escrow Release		
Qualifies as Disadvantaged		No		
Financial Managerial & Technical Complete		N/A		
Phases Funded		Planning		
Pre-Design		No		
Project Consistent with State Water Plan		N/A		
Water Conservation Plan		Exempt (\$500,000 or less)		
Overall Risk Score		N/A		
PROJECT TEAM				
Team Manager	Financial Analyst	Engineering Reviewer	Environmental Reviewer	Attorney
Chris Mercado	Sarah Smaardyk	Dita Prasidi		Marshall Walters