

MINUTES OF THE  
TEXAS WATER DEVELOPMENT BOARD MEETING  
FEBRUARY 19, 2026

Director Ashley Morgan called to order the meeting of the Texas Water Development Board at 9:30 a.m. This meeting was held at 1700 Congress Ave., Stephen F. Austin Building, Room 170; and via Webinar in Austin, Texas. In addition to Director Morgan, Director Brady Franks was in attendance, and a quorum was present.

The General Counsel announced the items for consideration:

1. Briefing and discussion on material changes to contracts for goods and services executed during the first quarter of Fiscal Year 2026. Lauren Grooms-Meyers, Office of Finance, presented this item.

NO FORMAL ACTION WAS REQUIRED.

2. Consider authorizing the Executive Administrator, Chief Financial Officer, General Counsel, Development Fund Manager, and Director of Debt and Portfolio Management to take all necessary actions for the issuance, sale, and delivery of State of Texas Water Financial Assistance and Refunding Bonds, in one or more series; and approving the selection of financial advisor, bond counsel, disclosure counsel, senior managing underwriter, and co-managing underwriters for the negotiation of the bonds. Lina Linehan, Office of Finance, addressed the Board.

Director Franks moved to authorize the Executive Administrator, Chief Financial Officer, General Counsel, Development Fund Manager, and Director of Debt and Portfolio Management to take all necessary actions for the issuance, sale, and delivery of State of Texas Water Financial Assistance and Refunding Bonds, in one or more series; and approving the selection of financial advisor, bond counsel, disclosure counsel, senior managing underwriter, and co-managing underwriters for the negotiation of the bonds, as recommended by the Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

3. Consider adopting the proposed resolution to suspend program requirements for diversity, equity, and inclusion and authorize the Executive Administrator to adjust grant agreements or other documents that mention diversity, equity, and inclusion to comply with the Attorney General's opinion and All Bond Counsel letter. Breann Hunter, Office of General Counsel, presented this item.

Director Morgan moved to suspend all State Revolving Fund Program Disadvantage Business Enterprise requirements and authorize the Executive Administrator to adjust grant agreements or other documents that mention Disadvantaged Business Enterprise to comply with the Attorney General's opinion and the All Bonds Counsel letter, as recommended by the Executive Administrator.

The motion was seconded by Director Franks, and it passed unanimously.

4. Consider approving an application from Chambers County and authorizing the Executive Administrator to negotiate and execute a contract for grant funding in an amount not to exceed \$39,387 from the Flood Infrastructure Fund for a federal grant award matching funds project. Kathy Hopkins, Water Science & Conservation, presented this item.

Director Franks moved to approve an application from Chambers County and authorize the Executive Administrator to negotiate and execute a contract for grant funding in an amount not to exceed \$39,387 from the Flood Infrastructure Fund for a federal grant award matching funds project, as recommended by the Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

5. Consider approving the selected flood management evaluation applications and authorizing the Executive Administrator to negotiate and execute contracts for grant funding from the 2024-2025 Flood Infrastructure Fund cycle in an amount not to exceed \$1,563,500 for watershed flood protection planning projects. Melissa Hislop, Office of Planning, presented this item.

Director Morgan moved to approve the selected flood management evaluation applications and authorize the Executive Administrator to negotiate and execute contracts for grant funding from the 2024-2025 Flood Infrastructure Fund cycle in an amount not to exceed \$1,563,500 for watershed flood protection planning projects, as recommended by the Executive Administrator.

The motion was seconded by Director Franks, and it passed unanimously.

6. Consider approving by resolution a request from the South Plains Water Supply Corporation (Lubbock County) for \$3,300,000 in grant funding from the Rural Water Assistance Fund for planning, acquisition, design, and construction of a water system improvements project. Theresa Finch, Water Supply & Infrastructure, presented this item.

Director Franks moved to adopt the proposed resolution for the South Plains Water Supply Corporation for assistance in grant funding from the Rural Water Assistance Fund for planning, acquisition, design, and construction of a water system improvements project, as recommended by the Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

7. Consider authorizing the Executive Administrator to execute an agreement with the City of Bay City for a \$15,000,000 grant pursuant to Senate Bill No. 1, 89th Legislative Regular Session, Article IX, Section 17.18 (15). David Figgins, Water Supply & Infrastructure, presented this item.

Director Morgan moved to authorize the Executive Administrator to execute an agreement with the City of Bay City for a grant pursuant to Senate Bill No. 1, 89th Legislative Regular Session, Article IX, Section 17.18, as recommended by the Executive Administrator.

The motion was seconded by Director Franks, and it passed unanimously.

8. Consider approving by resolution a request from the City of Alamo (Hidalgo County) for

\$9,270,269 in financial assistance consisting of \$2,820,000 in financing and \$6,450,269 in principal forgiveness from the Drinking Water State Revolving Fund for planning, design, and construction of a water system improvements project. William Alfaro, Water Supply & Infrastructure, presented this item.

Director Franks moved adopt the proposed resolution for the City of Alamo for financial assistance from the Drinking Water State Revolving Fund for planning, design, and construction of a water system improvements project, as recommended by the Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

9. Consider authorizing the Executive Administrator to execute an agreement with the Brownsville Public Utilities Board for a \$12,700,000 grant pursuant to Senate Bill No. 1, 89th Legislative Regular Session, Article IX, Section 17.18 (4). William Alfaro, Water Supply & Infrastructure, presented this item.

Director Morgan moved to authorize the Executive Administrator to execute an agreement with the Brownsville Public Utilities Board for a grant pursuant to Senate Bill No. 1, 89th Legislative Regular Session, Article IX, Section 17.18, as recommended by the Executive Administrator.

The motion was seconded by Director Franks, and it passed unanimously.

10. Consider approving by resolution a request from the City of Roma (Starr County) to authorize a) \$15,005,492 in financial assistance consisting of \$5,430,000 in financing and \$9,575,492 in principal forgiveness from the Drinking Water State Revolving Fund for planning, design, and construction of a water system improvements project and, b) a waiver from the requirement to include funds to mitigate water loss as part of this project. William Alfaro, Water Supply & Infrastructure, presented this item. Keith Kindler, Enprotec/Hibbs & Todd, Inc., addressed the Board.

Director Franks moved to adopt the proposed resolution for the City of Roma for financial assistance from the Drinking Water State Revolving Fund for planning, design, and construction of a water system improvements project, and a waiver from the requirement to include funds to mitigate water loss as part of this project, as recommended by the Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

11. Consider amending by resolution the previously adopted Texas Water Development Board Resolution No. 25-018 to extend the City of Big Spring's expiration date to September 30, 2026, and change the debt instrument for the inventory portion of the approved commitment. Jacob Berdoll, Water Supply & Infrastructure, presented this item.

Director Morgan moved to adopt the proposed resolution amending the previously adopted Texas Water Development Board Resolution No. 25-018 to extend the City of Big Spring's expiration date to September 30, 2026, and change the debt instrument for the inventory portion of the approved commitment, as recommended by the Executive Administrator.

The motion was seconded by Director Franks, and it passed unanimously.

12. Consider amending by resolution the previously adopted Texas Water Development Board Resolution No. 25-147 to extend the Grassland Water Supply Corporation's Drinking Water State Revolving Fund commitment to August 31, 2026. Racquel McCoy, Water Supply & Infrastructure, presented this item.

Director Franks moved to adopt the proposed resolution amending the previously adopted Texas Water Development Board Resolution No. 25-147 to extend the Grassland Water Supply Corporation's Drinking Water State Revolving Fund commitment to August 31, 2026, as recommended by the Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

13. Consider amending by resolution the previously adopted Texas Water Development Board Resolution No. 25-117 to extend the Military Highway Water Supply Corporation's Economically Distressed Area Program commitment to July 31, 2026. Racquel McCoy, Water Supply & Infrastructure, presented this item.

Director Morgan moved to adopt the proposed resolution amending the previously adopted Texas Water Development Board Resolution No. 25-117 to extend the Military Highway Water Supply Corporation's Economically Distressed Area Program commitment to July 31, 2026, as recommended by the Executive Administrator.

The motion was seconded by Director Franks, and it passed unanimously.

14. Consider approving by resolution a request from the City of Austin (Travis, Hays, and Williamson counties) for \$59,000,000 in financial assistance from the Clean Water State Revolving Fund for construction of a wastewater system improvements project. Dain Larsen, Water Supply & Infrastructure, presented this item. Charles Celauro, City of Austin/Austin Water, addressed the Board.

Director Franks moved to adopt the proposed resolution for the City of Austin for financial assistance from the Clean Water State Revolving Fund for construction of a wastewater system improvements project, as recommended by the Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

15. Consider approving by resolution a request from the City of Bonham (Fannin County) for \$14,444,100 in financial assistance consisting of \$4,335,000 in financing and \$10,109,100 in grant funding from the Water Loan Assistance Fund for design and construction of a water system improvements project. Dain Larsen, Water Supply & Infrastructure, presented this item.

Director Morgan moved to adopt the proposed resolution for the City of Bonham for financial assistance from the Water Loan Assistance Fund for design and construction of a water system improvements project, as recommended by the Executive Administrator.

The motion was seconded by Director Franks, and it passed unanimously.

16. Consider approving by resolution a request from the City of Cotulla (La Salle County) for \$9,953,847 in financial assistance consisting of \$1,505,000 in financing and \$8,448,847 in principal forgiveness from the Clean Water State Revolving Fund for planning, design, and construction of a wastewater system improvements project. Dain Larsen, Water Supply & Infrastructure, presented this item.

Director Franks moved to adopt the proposed resolution for the City of Cotulla for financial assistance from the Clean Water State Revolving Fund for planning, design, and construction of a wastewater system improvements project, as recommended by the Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

17. Consider approving by resolution a request from the New Horizons Ranch and Center, Inc. (Mills County) for \$3,001,775 in principal forgiveness funding from the Drinking Water State Revolving Fund-Emerging Contaminants Program for planning, design, and construction of a water system improvements project to address emerging contaminants. Dain Larsen, Water Supply & Infrastructure, presented this item.

Director Morgan moved to adopt the proposed resolution for the New Horizons Ranch and Center, Inc. for funding from the Drinking Water State Revolving Fund-Emerging Contaminants Program for planning, design, and construction of water system improvements project to address emerging contaminants, as recommended by the Executive Administrator.

The motion was seconded by Director Franks, and it passed unanimously.

18. Consider approving by resolution a request from the City of Pearsall (Frio County) for \$16,102,813 in financial assistance consisting of \$12,245,000 in financing and \$3,857,813 in principal forgiveness funding from the Clean Water State Revolving Fund for planning, acquisition, design, and construction of a wastewater system improvement project. Dain Larsen, Water Supply & Infrastructure, presented this item.

Director Franks moved to adopt the proposed resolution for the City of Pearsall for financial assistance from the Clean Water State Revolving Fund for planning, acquisition, design, and construction of a wastewater system improvement project, as recommended by our Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

19. Consider approving by resolution a request from the City of San Benito (Cameron County) for \$9,533,598 in financial assistance consisting of \$2,900,000 in financing and \$6,633,598 in principal forgiveness funding from the Drinking Water State Revolving Fund for planning, design, and construction of a water system improvements project. Dain Larsen, Water Supply & Infrastructure, presented this item. Lia Clark, Director at Texas Water Finance Exchange, also addressed the Board.

Director Morgan moved to adopt the proposed resolution for the City of San Benito for financial assistance from the Drinking Water State Revolving Fund for planning, design, and construction of a water system improvements project, as recommended by the

Executive Administrator.

The motion was seconded by Director Franks, and it passed unanimously.

20. The Board will receive comments from the public on any matters within the jurisdiction of the TWDB the exception of matters which are subject to the ex parte prohibition found in Texas Government Code Section 2001.061.
21. THE BOARD MAY ADJOURN INTO EXECUTIVE SESSION AND CONDUCT A CLOSED MEETING TO CONSIDER ANY ITEM ON THIS AGENDA IF A MATTER IS RAISED THAT IS APPROPRIATE FOR THE BOARD TO CONDUCT A PRIVATE CONSULTATION WITH ITS ATTORNEY ON A MATTER IN WHICH THE DUTY OF THE ATTORNEY TO THE GOVERNMENTAL BODY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH CHAPTER 551 OF THE TEXAS GOVERNMENT CODE. THE BOARD MAY CONDUCT A CLOSED MEETING TO RECEIVE LEGAL ADVICE AND DISCUSS PENDING OR CONTEMPLATED LITIGATION, SETTLEMENT OFFERS, OR THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE OR DISMISSAL OF SPECIFIC BOARD EMPLOYEES, INCLUDING THE EXECUTIVE ADMINISTRATOR AND GENERAL COUNSEL, AS PERMITTED BY SECTIONS 551.071 AND 551.074, THE TEXAS OPEN MEETINGS ACT, CODIFIED AS CHAPTER 551 OF THE TEXAS GOVERNMENT CODE. THE BOARD MAY ALSO MEET IN OPEN MEETING TO TAKE ACTION ON LEGAL OR PERSONNEL MATTERS CONSIDERED IN THE CLOSED MEETING AS REQUIRED BY SECTION 551.102 OF THE OPEN MEETINGS ACT, CHAPTER 551 OF THE GOVERNMENT CODE. THE BOARD MAY CONDUCT A CLOSED MEETING TO CONSIDER AND DISCUSS FINANCIAL MATTERS RELATED TO THE INVESTMENT OR POTENTIAL INVESTMENT OF THE BOARD'S FUNDS, AS PERMITTED BY SECTION 6.0601(A) OF THE TEXAS WATER CODE. THE BOARD MAY ALSO MEET IN OPEN MEETING TO TAKE ACTION ON A FINANCIAL MATTER DISCUSSED IN THE CLOSED MEETING AS REQUIRED BY SECTION 6.0601(B) OF THE TEXAS WATER CODE.

There being no further business for the Board, the meeting was adjourned at 10:18 a.m.

APPROVED and ordered of record this the 19<sup>th</sup> day of February 2026

TEXAS WATER DEVELOPMENT BOARD

\_\_\_\_\_  
Ashley Morgan, Board Member

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

ATTEST:

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Bryan McMath, Executive Administrator