

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD MEETING
JULY 23, 2026

Chairwoman L'Oreal Stepney 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 Chairwoman Stepney, Directors Ashley Morgan and Brady Franks were in attendance, and a quorum was present.

The General Counsel announced the items for consideration:

1. Consider acting on a petition for rulemaking filed by Margaret Hill and Co-Petitioners related to a dedicated industrial water-use category for Data Centers and Crypto-Mining Operations at the Texas Department of Information Resources. Breann Hunter, Office of General Counsel, presented this item.

Director Franks moved to deny the petition for rulemaking related to a dedicated industrial water-use category for Data Centers and Crypto-Mining Operations, as recommended by the Executive Administrator.

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

2. Consider authorizing the Executive Administrator to: negotiate and execute contracts for the 2031 regional water plans in an amount not to exceed \$6,314,435, including permission to allow the TWDB to reimburse planning group administrators for eligible direct costs incurred prior to grant contract execution beginning on February 28, 2026; allow Regions C and D to use up to 30 percent of their initially allocated funds and unexpended funds from the development of their 2026 plans to conduct eligible studies; utilize approximately \$793,912 in unexpended funds from the development of the 2026 regional water plans towards planning program activities; and, transfer associated funds from the Water Assistance Fund to the Research and Planning Fund. William Alfaro, Water Supply Planning, presented this item.

Director Morgan moved to authorize the Executive Administrator to: negotiate and execute contracts for the 2031 regional water plans in an amount not to exceed \$6,314,435, including permission to allow the TWDB to reimburse planning group administrators for eligible direct costs incurred prior to grant contract execution beginning on February 28, 2026; allow Regions C and D to use up to 30 percent of their initially allocated funds and unexpended funds from the development of their 2026 plans to conduct eligible studies; utilize approximately \$793,912 in unexpended funds from the development of the 2026 regional water plans towards planning program activities; and, transfer associated funds from the Water Assistance Fund to the Research and Planning Fund, as recommended by the Executive Administrator.

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

3. 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 \$2,341,890 for watershed flood protection planning projects. Chris Mercado, Flood

Planning, presented this item.

Director Franks 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 \$2,341,890 for watershed flood protection planning projects, as recommended by the Executive Administrator.

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

4. Consider authorizing the publication of the adoption of amendments to 31 Texas Administrative Code Chapter 356 related to Groundwater Management. Natalie Ballew, Water Science & Conservation, presented this item.

Director Morgan moved to authorize the publication of the adoption of amendments to 31 Texas Administrative Code Chapter 356 related to Groundwater Management, as recommended by the Executive Administrator.

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

5. Consider authorizing the publication of proposed amendments to 31 Texas Administrative Code Chapter 367. Marla Heger, Water Science & Conservation, presented this item.

Director Franks moved to authorize the publication of proposed amendments to 31 Texas Administrative Code Chapter 367, as recommended by the Executive Administrator.

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

6. Consider authorizing the publication of the adoption of amendments and repeal for 31 Texas Administrative Code Chapters 358 and 363. Erika Mancha, Water Science & Conservation, presented this item.

Director Morgan moved to authorize the publication of the adoption of amendments and repeal for 31 Texas Administrative Code Chapters 358 and 363, as recommended by the Executive Administrator.

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

7. Consider approving by resolution the establishment of new tax-exempt and taxable lending rate scales for the Texas Water Development Fund II Water Financial Assistance Account to be effective July 23, 2026. Lina Linehan, Finance, presented this item.

Director Franks moved to approve the establishment of new tax-exempt and taxable lending rate scales for the Texas Water Development Fund II Water Financial Assistance Account to be effective July 23, 2026, as recommended by the Executive

Administrator.

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

8. Consider approving by resolution: the issuance, sale, and delivery of the State Water Implementation Revenue Fund for Texas Revenue Bonds, Series 2026 (Master Trust) in one or more series; the issuance, sale, and delivery of State of Texas, General Obligation Water Financial Assistance Bonds, Series 2026A (State Water Plan), and Taxable Series 2026B (State Water Plan); the execution of the Bond Indenture and Bond Resolutions; the execution of the State Water Implementation Fund for Texas Funds Transfer Agreement; the Preliminary Official Statements; and authorization for the Executive Administrator, Assistant Executive Administrator, Chief Financial Officer, Development Fund Manager, Director of Debt and Portfolio Management, or any other authorized representative to act on behalf of the Texas Water Development Board in the sale and delivery of such bonds. Thomas Quick, Finance, presented this item.

Director Morgan moved to approve the issuance, sale, and delivery of the State Water Implementation Revenue Fund for Texas Revenue Bonds, Series 2026 (Master Trust) in one or more series; the issuance, sale, and delivery of State of Texas, General Obligation Water Financial Assistance Bonds, Series 2026A (State Water Plan), and Taxable Series 2026B (State Water Plan); the execution of the Bond Indenture and Bond Resolutions; the execution of the State Water Implementation Fund for Texas Funds Transfer Agreement; the Preliminary Official Statements; and authorization for the Executive Administrator, Assistant Executive Administrator, Chief Financial Officer, Development Fund Manager, Director of Debt and Portfolio Management, or any other authorized representative to act on behalf of the Texas Water Development Board in the sale and delivery of such bonds, as recommended by the Executive Administrator.

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

9. Consider approving by resolution: the transfer of funds from the Texas Water Fund to the New Water Supply for Texas Fund; the transfer of funds from the New Water Supply for Texas Fund to State Water Implementation Fund for Texas; and delegation to the Executive Administrator, Chief Financial Officer, Development Fund Manager, Director of Debt and Portfolio Management, and General Counsel to take all actions necessary for the transfers. Thomas Quick, Finance, presented this item.

Director Franks moved to approve the transfer of funds from the Texas Water Fund to the New Water Supply for Texas Fund; the transfer of funds from the New Water Supply for Texas Fund to State Water Implementation Fund for Texas; and delegation to the Executive Administrator, Chief Financial Officer, Development Fund Manager, Director of Debt and Portfolio Management, and General Counsel to take all actions necessary for the transfers, as recommended by the Executive Administrator.

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

10. Consider approving by resolution a request from the Alliance Regional Water Authority (Hays, Caldwell, Guadalupe, Comal, and Bexar counties) for \$75,000,000 in financial assistance from the State Water Implementation Fund for Texas program for construction of water system improvements. David Firgens, Water Supply & Infrastructure, presented this item.

Director Morgan moved to adopt the proposed resolution for the Alliance Regional Water Authority for financial assistance from the State Water Implementation Fund for Texas program for construction of water system improvements, as recommended by the Executive Administrator.

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

11. Consider approving by resolution a request from the Guadalupe-Blanco River Authority (Guadalupe, Comal, Hays, and Caldwell counties) for \$35,000,000 in financial assistance from the State Water Implementation Fund for Texas for construction of water system improvements. David Firgens, Water Supply & Infrastructure, presented this item.

Director Franks moved to adopt the proposed resolution for the Guadalupe-Blanco River Authority for financial assistance from the State Water Implementation Fund for Texas for construction of water system improvements, as recommended by the Executive Administrator.

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

12. Consider adoption of the 2027 State Water Plan (Phase I). Temple McKinnon, Office of Planning, presented this item.

Director Morgan moved to adopt the 2027 State Water Plan (Phase 1), as recommended by the Executive Administrator.

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

13. Consider approving by resolution a request from the North Texas Municipal Water District (Collin, Dallas, Denton, Fannin, Grayson, Hopkins, Hunt, Kaufman, Rains, and Rockwall counties) for \$370,770,000 in financing from the State Water Implementation Fund for Texas program for construction of a water system improvements project. Kylie Beard, Water Supply & Infrastructure, presented this item.

Director Franks moved to adopt the proposed resolution for the North Texas Municipal Water District for financing from the State Water Implementation Fund for Texas program for construction of a water system improvements project, as recommended by the Executive Administrator.

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

14. Consider approving by resolution: a request from the Riverbend Water Resources District (Red River County) for \$248,825,000 in multi-year financial assistance from the State Water Implementation Fund for Texas program for construction of a water supply project, and; a waiver from the requirement to include funds to mitigate water loss as part of this project. Raul Flores, Water Supply & Infrastructure, presented this item.

Director Morgan moved to adopt the proposed resolution for the Riverbend Water Resources District for multi-year financial assistance from the State Water Implementation Fund for Texas program for construction of a water supply 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 Franks, and it passed unanimously.

15. Consider approving by resolution a request from the Tarrant Regional Water District (Tarrant County) for \$55,000,000 in financing from the State Water Implementation Fund for Texas program for construction of a water supply project. Caaren Skrobarczyk, Water Supply & Infrastructure, presented this item.

Director Franks moved to adopt the proposed resolution for the Tarrant Regional Water District for financing from the State Water Implementation Fund for Texas program for construction of a water supply project, as recommended by the Executive Administrator.

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

16. Consider approving by resolution a request from the Upper Trinity Regional Water District (Denton and Collin counties) to amend Texas Water Development Board Resolution No. 23-060 to authorize \$184,000,000 in multi-year board participation financing from the State Water Implementation Fund for Texas program for construction of a water system improvements project. Jacob Berdoll, Water Supply & Infrastructure, presented this item.

Director Morgan moved to adopt the proposed resolution for the Upper Trinity Regional Water District to amend Texas Water Development Board Resolution No. 23-060 in multi-year board participation financing from the State Water Implementation Fund for Texas program for construction of a water system improvements project, as recommended by the Executive Administrator.

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

17. Consider approving by resolution a request from the City of Georgetown (Williamson County) for \$274,000,000 in financing from the State Water Implementation Fund for Texas program for planning, design, and construction of a water supply project. Candice DeLello, Water Supply & Infrastructure, presented this item.

Director Franks moved to adopt the proposed resolution for the City of Georgetown for financing from the State Water Implementation Fund for Texas program for planning, design, and construction of a water supply project, as recommended by the Executive Administrator.

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

18. Consider approving by resolution a request from the San Patricio Municipal Water District (San Patricio County) for \$32,000,000 in financing from the State Water Implementation Fund for Texas program for planning, acquisition, design, and construction of a water system improvements project. Kevin Smith, Water Supply & Infrastructure, presented this item. Jeff Price, General Manager with the San Patricio Municipal Water District, addressed the Board.

Director Morgan moved to adopt the proposed resolution for the San Patricio Municipal Water District for financing from the State Water Implementation Fund for Texas program for planning, acquisition, 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.

19. Consider amending by resolution the previously adopted Texas Water Development Board Resolution No. 25-103 to modify the City of Del Rio's State Water Implementation Revenue Fund for Texas program annual loan closing schedule. David Firgens, Water Supply & Infrastructure, presented this item.

Director Franks moved to adopt the proposed resolution amending the previously adopted Texas Water Development Board Resolution No. 25-103 to modify the City of Del Rio's State Water Implementation Revenue Fund for Texas program annual loan closing schedule, as recommended by the Executive Administrator.

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

20. Consider amending by resolution the previously adopted Texas Water Development Board Resolution No. 23-054 to modify the Brushy Creek Regional Utility Authority's State Water Implementation Revenue Fund for Texas program annual loan closing schedule. Candice DeLello, Water Supply & Infrastructure, presented this item.

Director Morgan moved to adopt the proposed resolution amending the previously adopted Texas Water Development Board Resolution No. 23-054 to modify the Brushy Creek Regional Utility Authority's State Water Implementation Revenue Fund for Texas program annual loan closing schedule, as recommended by the Executive Administrator.

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

21. Consider amending by resolution the previously adopted Texas Water Development Board Resolution No. 24-055 to modify the Coastal Water Authority's State Water

Implementation Revenue Fund for Texas annual loan closing schedule. Nancy Richards, Water Supply & Infrastructure, presented this item. Correspondence in support of this item was received from Greg Olinger, P.E., with Coastal Water Authority.

Director Franks moved to adopt the proposed resolution amending the previously adopted Texas Water Development Board Resolution No. 24-055 to modify the Coastal Water Authority's State Water Implementation Revenue Fund for Texas annual loan closing schedule, as recommended by the Executive Administrator.

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

22. Consider approving by resolution a request from the City of Beaumont (Jefferson County) for \$5,071,429 in financial assistance consisting of \$2,485,000 in financing and \$2,586,429 in principal forgiveness funding from the Drinking Water State Revolving Fund Lead Service Line Replacement Program for planning, design, and construction of a water system improvements project. Nancy Richards, Water Supply & Infrastructure, presented this item.

Director Morgan moved to adopt the proposed resolution for the City of Beaumont for financial assistance from the Drinking Water State Revolving Fund Lead Service Line Replacement Program 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.

23. Consider approving by resolution a request from Comal County for \$30,000,000 in financial assistance consisting of \$25,575,000 in financing and \$4,425,000 in principal forgiveness funding from the Clean Water State Revolving Fund for acquisition for a water quality protection project. Nancy Richards, Water Supply & Infrastructure, presented this item.

Director Franks moved to adopt the proposed resolution for Comal County for financial assistance from the Clean Water State Revolving Fund for acquisition for a water quality protection project, as recommended by the Executive Administrator.

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

24. Consider approving by resolution a request from the City of Dripping Springs (Hays County) for \$51,496,303 in financial assistance consisting of \$48,580,000 in financing and \$2,916,303 in principal forgiveness funding from the Clean Water State Revolving Fund for planning, acquisition, design, and construction of a wastewater system improvements project. Nancy Richards, Water Supply & Infrastructure, presented this item.

Director Morgan moved to adopt the proposed resolution for the City of Dripping Springs for financial assistance from the Clean Water State Revolving Fund for planning, acquisition, design, and construction of a wastewater system

improvements project, as recommended by the Executive Administrator.

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

25. Consider approving by resolution a request from the City of Richland Springs (San Saba County) for \$4,423,388 in principal forgiveness funding from the Clean Water State Revolving Fund Emerging Contaminants program for planning, acquisition, design, and construction of a wastewater system improvements project to address emerging contaminants. Nancy Richards, Water Supply & Infrastructure, presented this item.

Director Franks moved to adopt the proposed resolution for the City of Richland Springs for funding from the Clean Water State Revolving Fund Emerging Contaminants program for planning, acquisition, design, and construction of a wastewater system improvements project to address emerging contaminants, as recommended by the Executive Administrator.

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

26. 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.
27. 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 11:12 a.m.

APPROVED and ordered of record this the 23rd day of July 2026.

TEXAS WATER DEVELOPMENT BOARD

L'Oreal Stepney, P.E., Chairwoman

DATE SIGNED: _____

ATTEST:

Bryan McMath, Executive Administrator