



P.O. Box 13231, 1700 N. Congress Ave.
Austin, TX 78711-3231, www.twdb.texas.gov
Phone (512) 463-7847, Fax (512) 475-2053

July 23, 2026

Via Email

County Judge

The Honorable Mark A. Henry
Galveston County Judge
722 Moody, Suite 200
Galveston, Texas 77550

Dear Judge Henry:

The Texas Water Development Board (TWDB) is requesting repayment of disallowed costs in the amount of \$761,279.77 associated with the Federal Emergency Management Agency's (FEMA) Flood Mitigation Assistance (FMA) elevation subgrant, FMA-PJ-06-TX-2015-011 (TWDB Contract No. 1500012085).

As a condition of receiving FMA funding, structures benefiting from the grant are required to maintain National Flood Insurance Program (NFIP) coverage for the life of the structure. Pursuant to 44 CFR § 77.6(a)(2), flood insurance must be maintained regardless of property transfer or whether the structure is subsequently removed from the Special Flood Hazard Area. Furthermore, the County and the property owner(s) signed the Acknowledgement of Conditions for FEMA Hazard Mitigation Funds along with recordation of deed restrictions which included these requirements.

TWDB has worked and coordinated extensively with Galveston County for more than two years to resolve the insurance compliance issues associated with the four properties identified in Table 1. Despite these efforts, the required flood insurance coverage has not been verified, which means the associated project costs are ineligible for federal funding.

TWDB must now complete final closeout of this subgrant, and with the concurrence of FEMA, the elevation costs associated with the four noncompliant properties are being disallowed. FEMA has determined that eligible construction and grant administration expenses totaling \$34,800 may be retained by the County and will not be subject to repayment. TWDB requires repayment of the disallowed costs identified in Table 1.

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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Table 1 Disallowed expenses for four structures

Property Address	Temporary housing (\$)	Elevation construction expense (\$)	Expenses disallowed (\$)
2301 8th Ave N Texas City, TX 77590		130,495.04	130,495.04
119 Bayou Vista, Hitchcock, TX 77563		172,815.76	172,815.76
2006 Keystone, Port Bolivar, TX 77650		206,354.97	206,354.97
4501 Lininger Lane, Dickinson, TX 77539	1,525.00	250,089.00	251,614.00
Total disallowed expenses			\$761,279.77

Please remit payment in the amount of \$761,279.77 within 10 business days of receipt of this letter. Instructions for remitting these funds to TWDB are enclosed.

Failure to return the funds within the required timeframe may result in additional collection actions consistent with applicable federal and state grant requirements.

If you have any questions regarding this determination, please contact Kathy Hopkins at (512) 653-1017 or kathy.hopkins@twdb.texas.gov.

Sincerely,



Bryan McMath
 Executive Administrator

KCH/kl

Enclosures

c w/o enc.: FEMA Region 6
 TWDB Grant File

Returning Funds to the Texas Water Development Board Under the Flood Mitigation Assistance Program

If your community needs to return funds to the Texas Water Development Board (TWDB), funds may be submitted in one of two ways: mailing a check or wire transfer. Please follow the instructions to ensure prompt receipt. Never return funds directly to FEMA unless otherwise instructed by the TWDB.

Option 1: Return Funds by Check

Include the TWDB Contract Number on the check to ensure the payment is properly applied.

Mailing Address (USPS)

Texas Water Development Board
Attn: Fin Ops
P.O. Box 13231
Austin, Texas 78711-3231

Overnight Delivery Address (FedEx, UPS, etc.)

Texas Water Development Board
Attn: Fin Ops
1700 North Congress Avenue, Suite 610B
Austin, Texas 78701

Option 2: Return Funds by Wire Transfer

Wire Information	Details
Routing Number	114900164
Financial Institution Name	Texas Comptroller Austin
Account Name	Comptroller of Public Accounts – Treasury Operations
Account Number	463-600-580
Attention	#580 TWDB - Finance - 512-475-2079
Reference	TWDB Agency #580 / Entity Name / Contract Number

Important: Include TWDB Agency #580, Entity Name, and Contract Number in the reference field to ensure proper processing of the wire transfer.

Notification After Sending Funds

After the funds have been sent to TWDB, please notify the TWDB program area and Accounts Payable by email.

- invoice@twdb.texas.gov
- floodgrant@twdb.texas.gov

Please include: Entity Name, Amount Remitted, Date Sent, Contract Number, and Payment Method (Check or Wire Transfer).