

assistance provided at the September 2019 Board meeting through the Agricultural Water Conservation Loan Program (Attachment A).

The grant program offers funding through a competitive process at least once a year to state agencies and political subdivisions for agricultural water conservation programs and projects. Grant topics vary from year to year to address current issues in agricultural water conservation. Projects awarded funding must further water conservation in the state¹ and support the implementation of water conservation water management strategies in the state water plan.² Specific evaluation criteria are listed in the request for applications.

This year, the request for applications seeks proposals that achieve one or more Agricultural Water Conservation Program goals:

- A. improve irrigation efficiency through irrigation system improvements and the adoption of irrigation scheduling practices
- B. advance soil health initiatives and enhance resilience to weather extremes and climate variability
- C. promote innovation in agriculture by incorporating the latest water conservation technological advancements

To achieve these goals, projects should incorporate the following actions and objectives:

1. engage agricultural producers and water managers through educational outreach in the form of field days, workshops, seminars, and demonstrations in classroom settings and on farms involved in the projects;
2. promote the adoption of innovative water conservation practices and technologies that result in improvements to irrigation efficiency, soil health, and soil moisture retention;
3. identify methods to measure and report water conservation performance metrics such as water savings, soil water holding capacity, soil moisture content, plant available water, and infiltration; and
4. build upon the success of existing water conservation efforts and leverage the support of local, state, federal, and private industry partners.

Eligible costs are those directly attributed to the project including planning, design, purchase, acquisition, installation, construction, monitoring, reporting, educational outreach, and dissemination of project findings. Indirect expenses such as the applicant's overhead, facilities, and administrative costs are not eligible for reimbursement and will not count towards the local match when being evaluated by the technical review team.

Funding recipients must submit annual reports, water use data, and an estimate of actual water savings realized through the implementation of the project for a period of three to five years during the project. Additional details and the exact scope of work will be

¹ Texas Water Code §§ 17.900–17.902

² 31 Texas Administrative Code § 367.5

negotiated with selected applicant(s) and may include a comprehensive final report upon completion.

The Executive Administrator intends to publish a request for applications in the *Texas Register* for Fiscal Year 2020 Agricultural Water Conservation Grant projects, not to exceed \$1,200,000 from the Agricultural Water Conservation Fund. Final grant funding allocations for recommended projects are subject to future determination upon Board approval or delegation. The request for applications will include a statement that the TWDB reserves the right to reject parts of any or all applications, if staff determines that the application(s) does not adequately meet the required criteria, or if the funding available is less than the requested funding. Staff will review and rank applications received by the deadline according to rules contained in 31 Texas Administrative Code Chapter 367, criteria and prioritization set forth in the request for applications (Attachment B), and the application instructions (Attachment C). Priority consideration may be given to projects that achieve multiple goals and include all actions and objectives identified in the solicitation.

RECOMMENDATION

Projects funded through this program further water conservation in the state and support the implementation of water conservation water management strategies in the state and regional water plans. The Executive Administrator recommends approval of the funding allocation, in accordance with Texas Administrative Code §367.4. Upon Board approval, the Executive Administrator will publish a request for applications in the *Texas Register*.

Attachment(s):

Attachment A: Agricultural Water Conservation Fund Projected Balance

Attachment B: Request for Applications

Attachment C: Application Instructions

ATTACHMENT A

Agricultural Water Conservation Fund Projected Balance¹

Fiscal Year	Fund Balance	Investment Projections	Loan Origination	Total Loan Repayments	Grants Payable	Annual Grants	Fund Balance
2020	\$7,826,581	\$117,399	\$2,000,000	\$1,284,262	\$3,670,885	\$1,200,000	\$2,357,357
2021	\$2,357,357	\$35,360	\$-	\$1,181,117	\$-	\$1,200,000	\$2,373,834
2022	\$2,373,834	\$35,608	\$1,000,000	\$1,319,863	\$-	\$1,200,000	\$1,529,305
2023	\$1,529,305	\$22,940	\$-	\$1,067,348	\$-	\$1,200,000	\$1,419,592
2024	\$1,419,592	\$21,294	\$1,000,000	\$1,211,904	\$-	\$1,200,000	\$452,791
2025	\$452,791	\$6,792	\$-	\$973,034	\$-	\$1,200,000	\$232,616
2026	\$232,616	\$3,489	\$-	\$833,375	\$-	\$1,069,481	\$-
2027	\$-	\$-	\$-	\$305,576	\$-	\$305,576	\$-
2028	\$-	\$-	\$-	\$305,472	\$-	\$305,472	\$-
2029	\$-	\$-	\$-	\$155,280	\$-	\$155,280	\$-
2030	\$-	\$-	\$-	\$152,640	\$-	\$152,640	\$-
2031	\$-	\$-	\$-	\$-	\$-	\$-	\$-

¹ Data as of 8/31/2019; Assumptions: offer up to \$1,200,000 in annual grants; annual administrative costs associated with the program continue to be covered by general revenue; outstanding balance of \$3,670,885 committed through existing grant project encumbrances; assumed demand for the agricultural loan program is \$1,000,000 every other year after fiscal year 2020; and, 1.50 percent invest earnings rate.

ATTACHMENT B

Request for Applications Fiscal Year 2020 Agricultural Water Conservation Grant Projects

The Texas Water Development Board (TWDB) solicits a request for applications for Fiscal Year 2020 Agricultural Water Conservation Grant Projects. The total amount of the grants to be awarded under this request for applications by the TWDB shall not exceed \$1,200,000 from the Agricultural Water Conservation Fund. The rules governing the Agricultural Water Conservation Fund (31 Texas Administrative Code, Chapter 367) and application instructions are available upon request from the TWDB.

Summary of the Request for Applications

Solicitation Date (Opening): Date published in the *Texas Register*

Due Date (Closing): 2:00 p.m., Wednesday, February 19, 2020

Anticipated Award Date: June 2020

Estimated Total Funding: up to \$1,200,000 total

Eligible Grant Amount: up to \$1,200,000, subject to Board approval

Eligible applicants: state agencies and political subdivisions (as defined by 31 Texas Administrative Code, Chapter 367)

Contact: Cameron Turner, Agricultural Water Conservation, Texas Water Development Board, P.O. Box 13231, Austin, Texas 78711-3231, Phone: (512) 936-6090, E-mail: cameron.turner@twdb.texas.gov

Agricultural Water Conservation Grant Program Goals

Applications must be consistent with the format provided in the Agricultural Water Conservation Grant Application Instructions document. Please contact the TWDB if you intend to apply. Projects awarded funding must further water conservation in the state and support the implementation of water conservation water management strategies in the state water plan (Texas Water Code §§17.900–17.902; 31 Texas Administrative Code §367.5). Applications must meet the eligibility criteria and achieve one or more of the following goals:

- A. improve irrigation efficiency through irrigation system improvements and the adoption of irrigation scheduling practices
- B. advance soil health initiatives and enhance resilience to weather extremes and climate variability
- C. promote innovation in agriculture by incorporating the latest water conservation technological advancements

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To achieve these goals, the project description, scope of work, and deliverables should incorporate the following actions and objectives

1. engage agricultural producers and water managers through educational outreach in the form of field days, workshops, seminars, and demonstrations in classroom settings and on farms involved in the projects;
2. promote the adoption of innovative water conservation practices and technologies that result in improvements to irrigation efficiency, soil health, and soil moisture retention;
3. identify methods to measure and report water conservation performance metrics such as water savings, soil water holding capacity, soil moisture content, plant available water, and infiltration; and
4. build upon the success of existing efforts and leverage the support of local, state, federal, and private industry partners.

Eligible costs are those directly attributed to the project including planning, design, purchase, acquisition, installation, construction, monitoring, reporting, educational outreach, and dissemination of project findings. Indirect expenses such as the applicant's overhead are not eligible for reimbursement and will not count towards the local match when being evaluated by the technical review team.

Funding recipients must submit annual reports, irrigation water use data, and an estimate of actual water savings realized through the implementation of the project for a period of three to five years during the project. Additional details and the exact scope of work will be negotiated with selected applicant(s) and may include a comprehensive final report upon completion.

Grant Amount

Through this announcement, the TWDB has up to \$1,200,000 available from the Agricultural Water Conservation Fund for Fiscal Year 2020 agricultural water conservation grants. The TWDB awards these funds through a statewide competitive grants process. The TWDB evaluates all proposals based upon the specific criteria set forth in this solicitation and application instructions. Unless otherwise specified, eligible expenses typically include the cost of the capital equipment, materials, labor, preparation, installation, or administration directly associated with implementing and completing a conservation program or project. Indirect costs are not allowed as an eligible expense for reimbursement or local match through this request for applications.

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Application Criteria and Selection Process

Prior to technical review, each application will be screened for completeness and compliance with the provisions of this notice. Incomplete applications and those that do not meet the provisions of this notice and the requirements of 31 Texas Administrative Code Chapter 367.5–367.7, as identified in the application instructions, may be eliminated from competition. Applications meeting the provisions of this notice will be scored by a technical review panel. 31 Texas Administrative Code Sections 367.8 and 367.9 require that in reviewing an application for an agricultural water conservation grant, the TWDB shall consider (1) degree to which the applicant has used other available resources to finance the use for which the application is being made (political subdivisions only); (2) willingness and ability of the applicant to raise revenue (political subdivisions only); (3) commitment of the applicant to agricultural water conservation; and, (4) the benefits that will be gained by making the grant.

Prior to approving a grant, the TWDB must find that the grant funds will (1) supplement rather than replace money of the applicant; (2) serve the public interest (in making this finding the TWDB shall include a finding that the grant will assist in the implementation of a water conservation water management strategy identified in the most recent applicable approved regional water plan or state water plan); and, (3) further water conservation in the state.

In addition to the required considerations and findings, the technical review panel will further evaluate the applications using the following criteria: (1) sound and practical approach for implementing project as per the Request for Applications guidelines; (2) clearly identified tasks, products, and reporting timelines; (3) staff with the technical expertise needed to carry out the project; and, (4) proposed costs estimate (budget) that are reasonable and adequately justified. Additionally, priority consideration may be given to projects that achieve multiple goals and include all actions and objectives identified in the Agricultural Water Conservation Grant Program Goals. All applicants must establish a metric for measuring and reporting water savings or improvements in water use efficiency as a direct result of project funding.

Funding and Partial Funding Provisions

The TWDB reserves the right to reject all proposals and make no awards under this announcement. In addition, the TWDB reserves the right to partially fund proposals by funding discrete activities, portions, or phases of a proposed project. TWDB also reserves the right to award funding in an amount greater than any stated limits per project, if applicable. If the TWDB decides to partially fund a proposal, it will do so in a manner that does not prejudice any applicants or affect the basis upon which the proposal, or portion thereof, was evaluated or selected for award, and that maintains the integrity of the

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competition and the evaluation/selection process. The TWDB reserves the right to reject parts of, any, or all applications if staff determines that the application(s) does not adequately meet the required criteria or if the funding available is less than the requested funding. The TWDB also retains the right to not award contract funds.

Negotiations with Selected Applicants

The applicable scope of work, deliverables, timelines, budgets, and contract terms will be negotiated after the TWDB awards the selected applicants. Failure to arrive at mutually agreeable terms of a contract with the selected applicant shall constitute a rejection of the Board's offer and may result in subsequent negotiations with other applicants.

Deadline for Submission of Applications

Submit four double-sided, double-spaced paper copies and one digital copy of completed application(s) to the TWDB on or before 2:00 p.m. on Wednesday, February 19, 2020. Applications can be directed either in person to David Carter, Texas Water Development Board, Stephen F. Austin Building, Room 640G, 1700 North Congress Avenue, Austin, Texas 78701; or by mail to David Carter, Texas Water Development Board, P.O. Box 13231 – Capitol Station, Austin, Texas 78711-3231. Application instructions are available upon request from Cameron Turner, (512) 936-6090, cameron.turner@twdb.texas.gov, or online at <http://www.twdb.texas.gov>.

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Application Instructions Fiscal Year 2020 Agricultural Water Conservation Grant Projects

The Texas Water Development Board's Agricultural Water Conservation Fund offers grants to state agencies and political subdivisions of the State of Texas for agricultural water conservation projects or programs that address the topics published in the recent Request for Applications in the *Texas Register*.

When to apply: The Texas Water Development Board publishes a Request for Applications in the *Texas Register* at least once each fiscal year. Any state agency(s) or political subdivision(s) interested in applying for an agricultural water conservation grant may contact the Contract Administration Division to be included on a mailing list that provides notification that a request has been published. Unsolicited applications can be filed at any time but will only be considered for funding if there is urgency for the activity to be done and is also dependent upon the availability of funds.

Who may apply: Eligible applicants include state agencies and political subdivisions, as defined by 31 Texas Administrative Code, Chapter 367.

Application submittal: Applicants should submit four double-sided, double-spaced paper copies and one digital copy of a complete application to the following address on or before 2:00 p.m. on Wednesday, February 19, 2020:

David Carter
Texas Water Development Board
Contract Administration
P. O. Box 13231
1700 N. Congress Ave.
Austin, Texas 78711-3231

All applications should be complete and include general information, proposed project information, and written assurances, as outlined below. Refer to the Request for Applications for eligible activities, ranking criteria, and selection process. A list of required items has been provided in the following pages to assist in completing an application.

If you intend to apply, please call Cameron Turner, Manager, Agricultural Water Conservation, at (512) 936-6090 or e-mail at cameron.turner@twdb.texas.gov.

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Application Requirements

Texas Administrative Code, Title 31, Part 10, Chapter 367, Section 367.5

Applications should address each of the following requirements, in this order:

Section I. Administrative Requirements

1. Applicant information including:
 - a. The official name of the applicant (political subdivision or state agency);
 - b. Mailing and physical address of the applicant;
 - c. Constitutional and statutory authority creating the applicant, under which the applicant currently operates; and,
 - d. The applicant's Vendor ID number.
2. Names and addresses of the individual or individuals with the legal authority to perform the acts of the entity and title of position (e.g. presiding officer, chairman).
3. Name, address, title, phone number, and email address of the designated representative (e.g. general manager or agency administrator).
4. An affidavit from the individual with the authority to act on behalf of the applicant, or a certified copy of a resolution adopted, or minutes approved by the governing body with the authority to act on behalf of the applicant, which:
 - a. Identifies the amount that the applicant is requesting;
 - b. Authorizes the submission of an application on behalf of the entity; and,
 - c. Designates an authorized representative to submit the application and perform all reasonable and necessary action in support of the application and, if approved by the TWDB, to perform the terms and conditions of the award of money from the Fund.
5. Evidence of the applicant's commitment to water conservation, such as appropriate excerpts from the applicant's management plan or conservation plan, and examples of the applicant's existing conservation programs or projects.

Section II. Project Information

6. Project description, location, and personnel
 - a. Brief project title, summary of the proposed project, explanation of why this activity is needed, and how it will serve the public interest, such as adoption of best management conservation practices and water saving innovations;
 - b. A map of the geographic area in which the applicant is authorized to conduct such actions as are necessary for the proposed conservation program or project, and a description of the geographic area in which the project will occur; and,
 - c. Identification of technical staff with the expertise needed to carry out this project, qualifications, and an estimate of what percentage of their time will be attributed to this project.

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7. Budgets
 - a. The amount requested, cost of each significant element of the project, and a reasonable and adequate justification of why this funding is needed;
 - b. Source of local match and written evidence that the grant funds will supplement rather than replace the money of the applicant; and,
 - c. Proposed task and expense budgets for the program or project that identifies the total project costs by category. (See example budgets, in Section III.)
8. Scope of work
 - a. Clearly identified tasks with detailed descriptions of how each task will incorporate the actions and objectives identified in the solicitation, along with the estimated completion dates for each task and project reporting timelines;
 - b. Project activities and deliverables (data, reports, plans, or other products) that the TWDB will receive through this project; and,
 - c. A description of the extent to which the project will achieve the goals stated in the solicitation, including educational and outreach activities that engage agricultural producers, other project participants, and the public.
9. Water conservation benefits
 - a. Identification of an agricultural water conservation water management strategy in the most recent applicable regional water plan or state water plan;
 - b. An explanation of how the proposed project will implement the strategy through the grant; and,
 - c. An estimate of the baseline water usage prior to the program or project; estimated water savings to be realized by implementation of this program or project; and, a description of monitoring procedures and methodology for calculating water savings.
10. Construction activities
 - a. If the proposed project involves TWDB funding for construction, the application shall include an engineering feasibility report signed and sealed by a professional engineer, in accordance with Texas Administrative Code Chapter 367.6; and,
 - b. If the TWDB funds would be used for construction of a conservation project that will require surface or subsurface disturbance of the soil or alter the existing vegetation, the applicant shall conduct an environmental assessment in compliance with Texas Administrative Code Chapter 367.7.

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Section III. Example Task and Expense Budgets

TASK BUDGET

TASK	DESCRIPTION	TOTAL PROJECT COST
1	Planning and design of improvements	\$80,000.00
2	Purchase equipment, materials, and supplies	\$500,000.00
3	Install equipment, materials, and supplies	\$20,000.00
4	Education, outreach, workshops, and field days	\$30,000.00
5	Monitor, measure, and report results	\$20,000.00
TOTAL		\$650,000.00

EXPENSE BUDGET

CATEGORY	LOCAL MATCH AMOUNT	TWDB GRANT AMOUNT
Salaries & Wages ¹	\$11,000.00	\$11,000.00
Fringe ²	\$1,000.00	\$1,000.00
Travel ³	\$3,000.00	\$3,000.00
Other Expenses ⁴	\$20,000.00	\$20,000.00
Equipment, Materials, and Supplies ⁵	\$250,000.00	\$250,000.00
Subcontract Services	\$40,000.00	\$40,000.00
TOTAL	\$325,000.00	\$325,000.00

¹ Salaries and Wages is defined as the cost of salaries of engineers, draftsmen, stenographers, surveyors, clerks, laborers, etc., for time directly chargeable to this CONTRACT.

² Fringe is defined as the cost of social security contributions, unemployment, excise, and payroll taxes, workers' compensation insurance, retirement benefits, medical and insurance benefits, sick leave, vacation, and holiday pay applicable thereto.

³ Travel is limited to the maximum amounts authorized for state employees by the General Appropriations Act, Tex. Leg. Regular Session, 2019, Article IX, Part 5, as amended or superseded

⁴ Other Expenses is defined to include expendable supplies, communications, reproduction, postage, and costs of public meetings directly chargeable to this CONTRACT.

⁵ Equipment, Materials, and Supplies is defined as all hardware, software, and technology directly chargeable to this contract; those items that are incorporated into and remain part of a feature or structure; and, those items that are used during the installation and construction process, but do not remain a permanent part of the feature or structure.

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Deadline and Submission of Application

Four double-sided, double-spaced paper copies and one digital copy of a complete agricultural water conservation grant application, including the required attachments must be filed with the TWDB on or before 2:00 p.m. on Wednesday, February 19, 2020.

Applications can be delivered in person to:

David Carter
Texas Water Development Board
Room 640G, Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

Applications can also be mailed to:

David Carter
Texas Water Development Board
P.O. Box 13231 – Capitol Station
Austin, Texas 78711-3231

Requests for technical information may be directed to:

Cameron Turner
Agricultural Water Conservation
Texas Water Development Board
P.O. Box 13231
Austin, Texas 78711-3231
E-mail: cameron.turner@twdb.texas.gov
Phone: (512) 936-6090