

Texas Water Development Board

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TO: Board Members

THROUGH: Carolyn L. Brittin, Deputy Executive Administrator
Water Resources Planning and Information *CYB*

Dan Hardin, Director, Water Resources Planning Division *DH*

Melanie Callahan, Chief Financial Officer *me*

FROM: Matt Nelson, Manager, Regional Water Planning *mn*

DATE: January 12, 2011

SUBJECT: Consider authorizing the Executive Administrator to publish a request for Regional Water Planning Grant Applications for up to \$3,320,492 to commence funding the fourth cycle (2011-2015) of regional water planning

ACTION REQUESTED

Authorize the Executive Administrator to publish a request for Regional Water Planning Grant Applications for up to \$3,320,492 to commence funding the fourth cycle (2011-2015) of regional water planning. Requests for this currently available funding will be due April 8, 2011.

BACKGROUND

Section 16.051 of the Texas Water Code (TWC) requires the Texas Water Development Board (TWDB) to develop and adopt a comprehensive state water plan every five years that incorporates the regional water plans developed under TWC Section 16.053. The state water plans are prepared by TWDB based on the regional water plans that are developed every five years by the 16 regional water planning groups.

Our Mission :
To provide leadership, planning, financial assistance, information, and education for the conservation and responsible development of water for Texas :
Board Members
Edward G. Vaughan, Chairman
Jack Hunt, Vice Chairman
J. Kevin Ward, Executive Administrator

James E. Herring, Member
Thomas Weir Labatt III, Member

Joe M. Crutcher, Member
Lewis H. McMahan, Member

Texas has now completed the third cycle (2006-2010) of the regional water planning process that was created in 1997 by Senate Bill 1, 75th Texas Legislature. These sixteen 2011 Regional Water Plans that the Board approved at its October, November, and December meetings will be the basis for the 2012 State Water Plan. Regional water planning groups (RWPGs) must now begin preparation of the 2016 Regional Water Plans that, once approved, will become the basis for the 2017 State Water Plan.

The 2011 regional water plans were prepared as updates to the 2006 regional water plans, focused primarily on changed conditions, as U.S. Census data to develop wholesale revisions to projected population was not available. For the fourth cycle of regional water planning, the 2010 U.S. Census data will become available in the summer of 2011, to be used as the basis for conducting a full-scale revision of regional water plans including the associated population and municipal water demand projections for these 2016 regional water plans, including the extension of the planning horizon and projection period out to the year 2070.

Population and water demand projections are to be formally adopted by the TWDB after receiving input from the planning groups and the Texas Commission on Environmental Quality, Texas Parks and Wildlife Department, and the Texas Department of Agriculture.

Available Funding

Funding to commence planning activities is proposed to be provided to all planning groups in an amount not to exceed \$3,320,492. This funding is comprised of:

- FY11 funds less Legislative Budget Board budget reductions
- \$182,251 in remaining reserved funds from FY10.

If any action taken by the 82nd Texas Legislature results in an amount less than \$3,320,492 being available during FY11, the proposed funding amounts for each region and for each task will be reduced proportionally.

Staff proposes allocating the \$3,320,492 in funds to regions as an initial funding amount, possibly to be augmented by lapsed funds from the 2011 regional water planning grants, and potential future appropriations, if made available by the legislature.

TWDB included approximately \$6.3 million in its Legislative Appropriations Request to the 82nd Texas Legislature for FY 12-13.

PROPOSED REQUEST FOR APPLICATIONS

Scope of Initial Planning Activities

Work to be performed under this proposed Request for Applications (Attachment A) are to support RWPG efforts to:

- evaluate and provide input on population and population-related water demand projections through 2070;

- evaluate and provide input on non-population related water demand projections including for irrigation, livestock, mining, steam electric, and manufacturing through 2070;
- evaluate existing water supplies for water user groups and wholesalers including the impacts of recently established Managed Available Groundwater numbers;
- identify water needs of water user groups and wholesaler suppliers;
- identify potentially feasible water management strategies for evaluation;
- prepare and submit a Technical Memorandum summarizing activities and data; and
- subject to the findings in the Technical Memorandum and available funding, begin evaluating potential water management strategies to meet identified water needs.

Based on the proposed allocations of currently available funds in Table 1 (Attachment B), regional water planning groups would need additional legislatively appropriated funding to:

- complete evaluations of and make recommendations of water management strategies;
- evaluate the potential impacts of the regional water plans;
- develop policy and other recommendations;
- approve and submit their draft plans;
- hold hearings and take public input on the draft plans; and
- adopt and submit their final 2016 regional water plans.

Funding Allocations

The initial proposed funding allocations shown in Table 1 (Attachment B) are estimates of the amount of money planning groups will need to perform technical work in accordance with statute and rule requirements including: providing public notice; holding meetings; preparing associated plan documents; and populating the online planning database. These initial funds are proposed to be fully allocated to the following tasks as follows:

- Task 2A: non-population-related water demand projections (manufacturing, mining, irrigation, steam electric power, livestock) – *Allocation between regions based on regions' relative share of non-population-related water user groups.*
- Task 2B: population and population-related demand projections - *Allocation between regions based on both the region's relative share of the anticipated state population growth and the regions' relative share of the population-related water user groups and wholesale water providers.*
- Task 3: evaluation of existing water supplies - *Allocation between regions based on regions' relative share of all water user groups and wholesale water providers.*
- Task 4B: identification of feasible strategies - *Allocation between regions based on regions' relative share of all water user groups that had identified water needs in the 2011 Regional Water Plans.*

- Task 4C: Technical Memorandum submission - *Allocation between regions based on regions' relative share of all water user groups and wholesale water providers.*
- Initial portion of Task 10: administration and public participation - *Allocation between regions based on regions' relative share of all water user groups and wholesale water providers.*
- Task 4D: evaluation of potentially feasible water management strategies - *Allocation between regions based on regions' relative share of all water user groups that had identified water needs in the 2011 plans.* After further scoping by the region, submission of the Technical Memorandum (Task 4C), and contingent on a notice-to-proceed, a portion of Task 4D may be funded. If a proposed work scope cannot support the associated funding request, final, contracted funding amounts presented under Task 4D in Table 1 may be less than the amounts shown.

The proposed allocations do not include funding to evaluate the implementation of previously recommended water management strategies as recommended by the Sunset Commission.

Simplified Regional Water Planning

Based on the TWDB water needs analysis performed under Task 4A and Technical Memorandums submitted by Regions under Task 4C, TWDB staff may determine that some regions shall enter into a simplified regional planning process under TWC 16.053(g)¹. This alternative planning process will be more clearly defined once TWDB planning rules are adopted under the rule revision process planned to occur beginning in 2011. In the event that a region is designated to follow simplified planning, the region's contract budget may be modified to reflect the decreased work effort required.

KEY ISSUES

Funding recommendations for this cycle of regional water planning recognize that not all regions would require an equal amount of effort to complete the fundamental planning tasks as defined in statute and rule.

These initial funding amounts are not guaranteed funds and must be requested in grant applications submitted to TWDB by the deadline. All proposed work activities and associated dollars must be fully justified.

TWDB Online Planning Database

¹ "The board shall provide technical and financial assistance to the regional water planning groups in the development of their plans. The board shall simplify, as much as possible, planning requirements in regions with abundant water resources. The board, if requested, may facilitate resolution of conflicts within regions."

The TWDB online planning database will become more integral to this upcoming regional planning cycle by synthesizing regions' data and providing summary reports that will be required to be incorporated within each regional water plan. This approach will:

- reduce the overall cost to the State of producing and approving regional water plans, for example, by reducing the efforts required to identify and present water needs under Task 4A (Table 1, Attachment B);
- ensure that regions populate and rely on the online planning database at an early stage in the planning cycle;
- improve the accuracy of the information entered into the database to ensure that it accurately reflects the regional water plans;
- save significant TWDB staff resources during the reviews of the draft and adopted regional water plans;
- facilitate simplified planning for those regions that have abundant water resources and few projected water needs by allowing TWDB to update significant portions of their regional plans; and,
- accelerate the regional water plan approval process.

Schedule

- Post Request for Regional Water Planning Grant Applications February 4, 2011
- Deadline for Regional Water Planning Grant Applications April 8, 2011
- TWDB staff request for Board authorization to negotiate and execute 16 regional planning contracts in May 2011.

Allocation of Additional Regional Water Planning Funds

If additional funding for this cycle of regional water planning is made available by the 82nd Texas Legislature, regions will be required to apply for these additional funds under a Request for Application process approved by the Board at a future date. Future funding, if appropriated, would be allocated to complete Tasks 4D and 10, and to perform Tasks 1, and 5-9 (Table 1). A scope of work for the remainder of the planning tasks would be prepared by regional planning groups (based on the region's Technical Memorandum) as part of any further requests for additional regional water planning funds, subject to availability.

Absence of Additional Regional Water Planning Funding

In the event that the Texas Legislature does not appropriate any additional funding for activities to develop the 2016 regional water plans, TWDB staff recommends that the total funding allocations for each region shown in Table 1 be reallocated across each region's planning tasks to facilitate completion of regional water plans that meet minimum rule requirements. This would retain the total funding allocation to each region but reassign the region's total funding across Tasks 1-10, as appropriate, to balance work efforts required to produce adopted regional water plans that meet statute and rules.

Final staff funding recommendations for regional water planning contracts will be presented at the May 19, 2010 meeting for Board consideration.

RECOMMENDATION

Authorize the Executive Administrator to publish a request for Regional Water Planning Grant Applications for up to \$3,320,492 to commence funding the fourth cycle (2011-2015) of regional water planning.

This recommendation has been reviewed by legal counsel and is in compliance with applicable statutes and Board rules.



Ken Petersen
General Counsel

Attachment A: Draft Request for Applications

Attachment B: Table 1: Summary of Recommended Funding Allocations for the Fourth Cycle of Regional Water Planning

Attachment A

Texas Water Development Board

Request for Applications

The Texas Water Development Board (TWDB) requests, pursuant to 31 Texas Administrative Code (TAC) §355.92, the submission of regional water planning applications leading to the possible award of contracts to revise or update regional water plans as described in 31 TAC Chapter 357. In order to receive a grant, the applicant must be a political subdivision of the state and must have been designated an eligible applicant by a regional water planning group as defined in 31 TAC §355.91. 31 TAC Chapter 355, Subchapter C provides guidance for regional water planning grants.

Description of Funding Consideration.

Total funding for activities related to the development or revision of a regional water plan shall not exceed 100 percent of the total cost of the planning for that regional water planning area as defined in 31 TAC §355.91. Funds awarded for grants under this request for applications may total up to the remaining amount of funds appropriated for such activities for the Fiscal Year 2010-2011 biennium.

Funding is provided on a not-to-exceed basis for certain planning tasks as outlined in the Guidance for Preparation of the Application for Regional Water Planning Funding. As further outlined in this Guidance, provisions exist for additional funding, if made available, for the tasks not addressed in this application. In the event that acceptable applications are not submitted or that insufficient funds are available to fund proposed activities, the TWDB retains the right to not award contract funds.

Deadline, Review Criteria, and Contact Person for Additional Information.

Five double sided copies and an electronic version of a complete regional water planning grant application must be filed with the Board prior to 5:00 p.m., April 8, 2011. All applications should be prepared using the TWDB's application instruction sheet for Regional Water Planning Grants, and the Guidance for Preparation of the Application for Regional Water Planning Funding. Applications will be evaluated according to the criteria listed in 31 TAC §355.94. All potential applicants may contact the Board to obtain the application checklist and guidance documents or they may be obtained from the Texas Water Development Board's webpage at: <http://www.twdb.state.tx.us/wrpi/rwp/rwp.asp>

Applications must be directed either in person to David Carter, Texas Water Development Board, Stephen F. Austin Building, 1700 North Congress Avenue, Austin, Texas, or by mail to David Carter, Texas Water Development Board, P.O. Box 13231, Austin, Texas, 78711-3231. Requests for information, the Board's rules, and instruction sheet covering the research and planning fund may be directed to Temple McKinnon at the preceding address or by calling (512) 475-2057, or by e-mail at temple.mckinnon@twdb.state.tx.us.

TRD-
Ken Petersen
General Counsel
Texas Water Development Board
Filed:

Table 1: Summary of Recommended Funding Allocations for the Fourth Cycle of Regional Planning

		Task/Chapter Allocations									
		1	2A*	2B*	3*	4A**	4B	4C*	4D	5 - 9	10
		Planning Area Description (Update)	Non-Population Related Water Demand Projections (new projections)	Population & Population-Related Water Demand Projections (new projections)	Evaluation of Existing Water Supply	Identification of Water Needs	Identification of Potentially Feasible Water Management Strategies	Technical Memorandum (Summary of Tasks 1-4B) of Regional Water Plan	Evaluation and Selection of Water Management Strategies	Impacts of WMSs on Water Quality & Moving Water from Ag and Rural Areas; Conservation and Drought Management; Consistency with Long-term Protection of Natural Resources; Unique Reservoir/Stream Segments & Legislative Recommendations; Water Infrastructure Funding	Adoption of Plan (administration & public participation for Tasks 1-4C)
Region	Total Initial Funding	Amount	Amount	Amount	Amount	Amount**	Amount	Amount	Amount	Amount	Amount
A	\$124,228	TBD	\$17,800	\$5,936	\$35,874	\$0	\$2,921	\$11,210	\$14,613	TBD	\$35,874
B	\$65,185	TBD	\$9,181	\$2,934	\$19,699	\$0	\$1,252	\$6,156	\$6,263	TBD	\$19,699
C	\$542,297	TBD	\$18,175	\$70,129	\$101,814	\$0	\$36,405	\$31,817	\$182,143	TBD	\$101,814
D	\$228,181	TBD	\$20,236	\$17,247	\$69,466	\$0	\$5,007	\$21,708	\$25,051	TBD	\$69,466
E	\$43,554	TBD	\$4,497	\$6,607	\$10,783	\$0	\$1,252	\$3,370	\$6,263	TBD	\$10,783
F	\$187,268	TBD	\$25,670	\$7,208	\$49,974	\$0	\$6,467	\$15,617	\$32,358	TBD	\$49,974
G	\$392,646	TBD	\$35,038	\$30,977	\$106,584	\$0	\$13,352	\$33,307	\$66,803	TBD	\$106,584
H	\$527,018	TBD	\$24,358	\$60,564	\$101,814	\$0	\$34,423	\$31,817	\$172,227	TBD	\$101,814
I	\$229,659	TBD	\$20,236	\$15,097	\$63,453	\$0	\$7,928	\$19,829	\$39,664	TBD	\$63,453
J	\$36,635	TBD	\$5,996	\$2,054	\$11,820	\$0	\$209	\$3,694	\$1,044	TBD	\$11,820
K	\$206,750	TBD	\$19,112	\$18,298	\$48,315	\$0	\$9,597	\$15,098	\$48,015	TBD	\$48,315
L	\$306,120	TBD	\$27,169	\$26,755	\$75,480	\$0	\$12,935	\$23,587	\$64,716	TBD	\$75,480
M	\$158,086	TBD	\$8,806	\$23,418	\$32,763	\$0	\$8,345	\$10,238	\$41,752	TBD	\$32,763
N	\$85,332	TBD	\$10,305	\$5,772	\$24,261	\$0	\$2,191	\$7,582	\$10,960	TBD	\$24,261
O	\$161,650	TBD	\$19,112	\$6,009	\$39,813	\$0	\$7,406	\$12,442	\$37,055	TBD	\$39,813
P	\$25,884	TBD	\$4,310	\$994	\$8,087	\$0	\$313	\$2,527	\$1,566	TBD	\$8,087
Total	\$3,320,492	TBD	\$270,000	\$300,000	\$800,000	\$0	\$150,000	\$250,000	\$ 750,492	TBD	\$800,000

*Related data results to be provided as TWDB-generated reports based on the online planning database (DB17).

TWDB-generated reports will be required to be incorporated into Technical Memoranda and the Draft and Adopted regional water plan documents.

**Analysis and reporting to be performed by TWDB staff using the information provided by Regions in the online planning database.

TWDB to provide customizable online reports.