



# Request for Proposals: Texas Water Market Makers

## About Texas Water Trade

Over the next thirty years, Texas' population is set to double. While the economic powerhouses of Texas—its cities and industries—are positioned to capture the water they need to enable this growth, the state's agricultural producers, its rural communities, and its environment are predicted to be less water secure than ever before. Avoiding this looming water crisis will require investments that transcend sectors and deploy innovative tools that work in Texas' pro-property rights culture. Texas Water Trade (TWT) was incorporated in 2018 in recognition of the scale of this challenge, with the mission of channeling the power of markets and technological innovation to create a future of clean, flowing water for all Texans.

## About The Project

In May 2020, TWT will launch Texas Water Market Makers (Market Makers), a competitive program that will award technical resources to eligible conservation entities in priority regions across the state. The program will steer resources to organizations with strong track records in land conservation and a commitment to integrate flow protection and restoration into their work.

The first cohort of Market Makers, comprised of three organizations, has been selected and will be announced on May 15, 2020. Our Market Makers represent the geographic diversity of the state, and will be advancing flows restoration and protection in inland and coastal basins. Their work will also reflect the hydrologic realities of Texas, with some focusing on opportunities to dedicate water through the surface water appropriations system and others focused on reducing groundwater pumping to protect critical springflows.

Over the next two years, TWT will work directly with our Market Makers to define realistic, quantitative conservation goals related to restoring or protecting flows in priority reaches and sub-bays. We will also assist them in realizing these goals through hands-on prioritization of water rights, transaction design, marketing and educational material development, water rights appraisal, engineering design, development of monitoring plans and funding

strategies. Through this work, we hope to advance TWT's objective to restore or protect 10,000 acre-feet of water instream by the end of 2021.

Through this program, we hope to enable our Market Makers to be competitive for TWT's Texas Flows Fund, which is a fund TWT administers and which will be competitively available for environmental water transactions anywhere in the state. We have raised \$500,000 for the Texas Flows Fund and have a goal of raising a total of \$900,000 by the end of 2021. Our intent is to leverage those philanthropic resources to attract another \$1 million in federal or state funding for environmental water transactions by the end of 2021. Currently we plan to announce the first RFP for the Texas Flows Fund in late 2020.

In 2022, it is envisioned that TWT will open the Market Maker program for a second round of competition. The current cohort of Market Makers will be eligible to reapply for continued participation in the program, along with a new set of potential environmental water practitioners.

## About The RFP

TWT is seeking proposals from a consultant or consultant team who can support delivery of the Market Makers onboarding process from June to October 2020. Over this period, TWT staff and the selected contractor will work directly with the Market Maker organizations to:

- Develop quantitative flow targets in their priority basins that are achievable over 2-, 5- and 10-year timeframes;
- Select priority reaches or sub-bays where they will focus their work in the first two years;
- Identify strategies for achieving those flow targets, including temporary or permanent acquisition of water rights, contract water, and forbearance agreements. These may be coupled with deployment of water conserving technologies and/or infrastructure investments;
- Prioritize engagement with water rights holders in pursuit of the Market Makers' two-year targets, based on information such as water usage, water rights characteristics and deal complexity;
- Develop communications materials to support the Market Makers in explaining the mechanics and benefits of environmental water transactions to water rights holders, funders, regulatory agencies and other decision makers;
- Assess and respond to Market Makers' needs as they internalize environmental water transactions into their organizational workplan and culture.

Texas Water Trade is seeking competitive proposals for a consultant or consulting team to deliver the following services:

- Develop and implement a schedule for advancing each of the three Market Makers through the process of flow target development, strategy ideation, and prioritization;
- Coordinate twice-monthly meetings with each Market Maker to advance progress against the work;
- Assist Market Makers in undertaking preliminary screens of water rights and river reaches or sub-bays for prioritization;
- Coordinate with TWT staff and other technical contractors to assemble data to support development of Market Makers' strategies;
- Assist Market Makers in filing simple administrative permit amendment requests (e.g. to add instream use to existing surface water rights);
- Solicit needs from the Market Makers on fundamentals of environmental water transactions to inform training delivery;
- If it can be done safely given current Covid-19 guidelines, coordinate one in-person meeting of the Market Makers in late 2020 to advance community building and sharing learnings to date;
- Assemble training materials and essential background information into a Handbook on Flows Transactions for Texas practitioners;
- Attend biweekly check-ins with TWT staff on program delivery.

To support this work, Texas Water Trade will provide the following inputs:

- Results of an initial onboarding survey of Market Makers representing their interests, knowledge base and self-assessment of needs;
- Conceptual framework for establishing quantitative flow restoration or protection targets, as guided by TWT's Advisory Council;
- Monitoring framework for flows transactions, currently in development, with a first version to be adopted by end of 2020;
- Retention of technical contractors for advanced hydrological modeling, legal analysis or complex administrative permit amendments, water rights valuation, or other needs as they arise.

The time commitment for delivery of these services is anticipated to be on average 10-15 hours per week, although there may be variance in weekly hours required. This will be in addition to TWT's own staff time, which is estimated to be roughly .5 FTE for knowledge transfer, strategic development and administrative support. In addition, TWT anticipates having one full-time graduate-level student intern supporting this work during the summer months.

In selecting the consultant or consultant team, Texas Water Trade will consider the respondent's:

- History of similar work;
- In-house technical support related to hydrologic analysis and water rights assessment;

- Familiarity with the Texas water appropriations system.

Competitive proposals will include:

- Examples of at least 2 projects on which the consultant or consulting team has delivered capacity building and technical services delivery similar to the Market Maker program objectives;
- Full cost estimate, broken down by itemized categories related to the services outlined in this RFP. While in-person delivery of some elements of the program would be preferred, the ongoing uncertainty surrounding Covid-19 may limit Texas Water Trade's ability to convene its Market Makers for physical meetings during some of the contract period. However, respondents are encouraged to include travel-related expenses in their proposed budgets;
- Bios of the full consulting team.

Proposals will be accepted until May 15, 2020 and can be sent to Christine Rosales at [rosales@texaswatertrade.org](mailto:rosales@texaswatertrade.org).