



Request for Proposals (RFP)

Texas Flows Fund

For Release March 21, 2022

Background

Over the next 30 years, Texas' population is set to double, driving a projected 35 percent increase in municipal water demand. While cities and industries are well positioned to secure the water that they will need to enable this growth, other water users—such as agricultural producers, rural communities and rivers and bays—will be more vulnerable to shortages.

[Texas Water Trade](#) (TWT) is an Austin-based nonprofit organization working to address this challenge through the use of market-based strategies and tools that restore quantifiable amounts of water instream to important bays and stream reaches. Our goal is to build a future of clean, flowing water for all Texans, including people, fish and wildlife.

TWT seeks to accelerate and expand the use of voluntary water transactions to restore flow in priority Texas basins. These are practices that temporarily or permanently restore environmental flows by reducing existing consumptive uses of water, by modifying water management systems, or by facilitating transactions for environmental flows.

Texas Flows Fund Overview

Recognizing the current shortage of funds available for environmental water transactions in the state, TWT has structured its own funding resource, the Texas Flows Fund, to support projects that commit water to environmental needs. The Texas Flows Fund is designed to make funding available to any nonprofit advancing an environmental water project. To date, the fund has enabled \$340,000 in environmental water purchases. Funds are exclusively limited to the acquisition of water, whether through temporary contract or permanent acquisition. Eligible project types include (but are not limited to):

- Purchase of water rights for formal dedication to instream flow

- Contractual obligation of water rights for instream flow (for example, by forbearance, lease or option agreement)
- Dedication of return flows to environmental flow needs, particularly in circumstances where the water can be protected instream
- Orders of water from storage whose delivery and/or usage will create environmental flow benefits
- Capture and delivery of unappropriated water into a stream channel, bay or estuary (for example, rainwater or air conditioning condensate)
- Creation and use instream of water saved from implementation of an efficiency or reuse project.

This is a representative but inexhaustive list of projects that may be eligible for the Texas Flows Fund. Eligible nonprofits interested in discussing other project types are encouraged to inquire with TWT through the contact information provided below.

In 2022, TWT has \$200,000 available in the Texas Flows Fund for competitive application.

Selection Process

TWT will work with a selection committee to assist in the review and evaluation of proposals. TWT may seek additional information from applicants in the process of review.

Projects in TWT's priority basins will receive higher scoring, as will projects bringing match funds to leverage limited Texas Flows Fund resources.

TWT's priority basins and bays are: Upper Rio Grande, Pecos and Devils; Nueces Bay; Blanco, Lower Guadalupe-San Antonio and San Antonio Bay; Upper Colorado (and tributaries), Matagorda Bay; and the Upper Brazos (with specific emphasis on the Double Mountain Fork and Salt Fork). Groups with environmental water projects beyond these priority basins are still encouraged to apply.

All recipients of the Texas Flows Fund will be required to report on performance of their project on an annual basis using the Flows Restoration Accounting Framework (FRAF, [see here](#)). Applicants are encouraged to review the FRAF before submitting their proposal to ensure that they can comply with this requirement if funded. Projects within bays and estuaries and instream flow projects contributing substantially to a watershed's total flow will be required to undertake more significant monitoring and reporting activities.

Detailed Request for Proposals

Proposals are limited to **5 pages**. Additional supporting documentation, including photographs, hydrological studies, planning documents, permits and legal documentation, do not count toward that page limit but should be used judiciously.

Proposals should include the following:

- Brief Project Description
- Project Benefits: What benefits would be created by the proposed project? What species or habitats will the project be designed to benefit?
- Project Assurances: How will water for environmental uses be generated or secured? What legal mechanism(s) is/are in place to ensure water will be available for environmental use?
- Project Cost: What is the total project cost inclusive of the water transaction for which funds are requested?
- Amount Requested: What amount is the applicant requesting from the Texas Flows Fund?
- Project Leverage: What other funds will be brought to leverage Texas Flows Fund resources? How will those funds be used?
- Project Sponsor(s): Who is project lead? Are there other project partners? What are their roles and responsibilities?
- Reporting: How will the project be monitored for compliance and for outcomes?

The selection committee will evaluate proposals based upon the following criteria. Not all of these criteria will be relevant for every type of environmental water transaction; accordingly, these should not be viewed as minimum qualifications but rather as factors that will inform a project's relative scoring:

1. The applicant has provided the following:
 - a. water right(s) documentation (if appropriated water);
 - b. a landowner agreement or contract; and
 - c. state agency (or comparable) authorization to use water for instream flow (if applicable).
2. The applicant satisfies the following administrative components:
 - a. The water rights to be secured are valid and verifiable (if applicable).
 - b. Landowner/irrigation district agreements are signed or the steps to completion are manageable and timely.

- c. Agency approval, or comparable approval, has been received or a plan is in effect to ensure transfer of the water is in accordance with Texas law and policy (if applicable).
3. The applicant provides a watershed context:
 - a. The proposal summarizes the issues related to watershed health, streamflow, benefiting species status and factors presently limiting their abundance and productivity.
 - b. The proposal demonstrates collaborative efforts with other entities.
 - c. The proposal documents how opportunities for cost-sharing and collaboration with other entities were considered and developed.
 - d. The proposal considers synergistic effects with other habitat restoration actions in the area.
 - e. The proposal is based upon needs expressed in an existing watershed assessment or it describes how a strategic analysis of water acquisition priorities will be developed for that watershed.
4. The applicant satisfies the following hydrologic components:
 - a. The proposal will secure water for in-stream flows or freshwater inflows at a location where inadequate flows are a limiting factor to one or more species or and/or water quality.
 - b. The water right is of significant seniority to be available for use at the historic point of diversion at a time of year when needed to benefit one or more species and/or water quality.
 - c. The quantity of water to be used for environmental flows will incrementally restore flow in the targeted waterway to address the identified limiting factor(s).
5. The applicant demonstrates a benefit to the following biological and water quality components:
 - a. One or more aquatic or avian species are expected to benefit from the proposal when implemented.
 - b. One or more water quality parameters are expected to improve due to increased quantity of flow.
6. The applicant demonstrates cost-effectiveness components:
 - a. The proposal for securing water demonstrates that it is cost-effective in terms of local and regional markets.
 - b. The proposal is based upon valid appraisal and valuation methods.
7. The applicant satisfies monitoring components:
 - a. The proposal documents how compliance monitoring will be implemented and reported using the FRAF.

- b. The proposal makes provisions for basic and effective monitoring of restored flow during the term of the agreement, and the resulting benefit to aquatic and/or avian species and water quality.

Solicitation Schedule

March 21, 2022: RFP announced and released.

May 27, 2022: RFP Responses due by 5:00 p.m. CST

July 19, 2022: TWT announces selected projects

Still Have Questions?

An informational webinar will be held on Monday, April 4, 2022 from 10:30-11:30 a.m. CST. Prospective applicants are strongly encouraged to attend. If you plan on attending the webinar please RSVP to Carson Barr at barr@texaswatertrade.org and we will follow up with the details.

To learn more about the Texas Flows Fund, please contact Quinn McColly, Conservation Finance Director, Texas Water Trade, mccolly@texaswatertrade.org.