



Request for Proposals
Texas Water Market Makers Program
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 using 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.

Texas has four critical factors in place to enable a successful market-based response to its water challenges, including flexible water rights, diverse water resources, advanced science, and capital resources. By leveraging these advantages, we can efficiently and effectively allocate water to sustain productivity across all of the state's freshwater user groups, including reliable freshwater inflows into bays and enhanced flow in priority stream reaches.

Program Overview

Texas Water Trade is expanding the use of voluntary water transactions and other innovative projects to restore and protect flow in Texas river basins. These projects can provide temporary or permanent instream flow by reducing water consumption by current users or through the modification of current management systems, such as development of alternative infrastructure to meet water demands. Our first cohort of Market Makers started in 2020 and has achieved considerable results. TWT is excited to build on that success and continue to show that transactions can be a powerful tool for conservation.

Texas Water Trade will assist members of the Market Makers program to develop and implement water transactions and projects for the mutual benefit of the environment and water rights holders.

Selected Market Makers will receive dedicated technical support over the two-year duration of the contract. During this period, TWT will assist in integrating water transactions into existing conservation work, defining ecological goals, identifying water rights to reach desired goals, helping to execute transactions and advising on monitoring outcomes. Organizations selected as Market Makers also benefit by joining the community of practitioners who can provide support and advice while elevating visibility of voluntary water transactions as conservation tools.

Invitation

TWT is seeking existing, regional entities with active landowner relationships to apply for this program. The objective of this RFP is to select Texas-based entities who, with targeted resources, can pursue and execute water transactions within a two-year program. TWT invites any nonprofit conservation group, land trust, soil and water conservation district, groundwater conservation district, irrigation district or other nonprofit entity to respond to this RFP. Respondents will be assessed based upon demonstration of their specific capacities, experiences, priorities, relationships, and skills that will position them to increase flow in priority Texas stream reaches and bays through voluntary water transactions.

Program Value

Qualified organizations selected to become Market Makers will receive the following categories of support:

Community: Developing water transactions requires dedication and can be challenging for a new practitioner. TWT has been working to build and sustain a strong community of Market Makers who provide each other mutual learning and support.

Funding: Water transactions work is labor-intensive and requires consistent and sustained funding. Working with Market Makers to develop new funding sources, TWT hopes to support both landowner payments and the time of project managers working on transactions.

Representative voice: The use of water markets and transactions to restore flow to the environment is unfamiliar to most Texans, including water right holders, local government, and state officials. The program will provide consistent, concise, and effective communications to increase awareness and acceptance of voluntary water transactions as an effective tool.

Training: Water transactions work is complex, requiring familiarity with agricultural economics, biology, hydrology, law, policy, and culture. The program will provide intensive and appropriate education and training to help Market Makers build successful water transactions programs.

Planning: Successful water transaction programs depend on thoughtful design and planning. The program will help Market Makers design a science-based flow restoration program that complements their organizational culture and assets.

Prioritization: Implementing cost-effective water transactions demands clear prioritization of geographical targets based on hydrological conditions, water rights allocation and water usage. Market Makers will receive hands-on support to prioritize stream reaches and/or sub-bays and to define conservation objectives for their geographies of interest.

Transactions: Negotiating and executing water right transactions can be challenging, particularly at the outset of a program. TWT will provide support to Market Makers on water valuation, contract negotiation and legal controls.

Monitoring and accounting: Water transactions require specialized monitoring methods to ensure conservation outcomes. TWT will support Market Makers to design project monitoring and flows restoration accounting using best practices developed by the National Fish and Wildlife Foundation.

Schedule

March 21, 2022: RFP announced and released.

April 29, 2022: RFP Responses due by 5:00 p.m. CST.

May 23, 2022: TWT announces selected Market Makers

Selection Process

A selection committee will assist in the evaluation of RFP responses. Respondents must demonstrate a capacity to undertake water transactions as a priority aspect of their conservation strategy.

Respondents with existing relationships in the priority basins identified by TWT will receive higher scoring, as will entities that demonstrate a history of successful project completion.

Priority basins are: Blanco, Lower Guadalupe-San Antonio, Upper Brazos (Double Mountain Fork and Salt Fork), Nueces Bay, Upper Colorado and its tributaries, Upper Rio Grande, Pecos and Devils rivers. Entities outside these basins are still encouraged to apply.

TWT is committed to the vision of clean, flowing water for all. Organizations representing communities of color are encouraged to apply.

Detailed Request for Proposals

Respondents should provide a brief answer to the following questions to demonstrate their fit as a Market Maker. Applications should not exceed 4 pages in length.

1. Where do you work in Texas?
2. What are the significant water issues impacting fish and wildlife in your area?
3. What are your primary conservation objectives?
4. What are your current freshwater conservation objectives, if any?
5. Have you brainstormed or developed any water quantity-related projects in your priority areas?
6. What strategies and tools do you employ to achieve your conservation goals?
7. What is the estimated budget for your current Texas conservation work?
8. Who are the key personnel responsible for employing your conservations strategies and tools (include relevant experience, level of involvement and scope of responsibility)?
9. What are your specific abilities and skills related to acquisition of land and/or other real estate assets, if any?
10. What is your experience dealing with ground and/or surface water rights?
11. What is your knowledge of Texas laws regarding groundwater and/or surface water rights?
12. What is your experience working (and credibility) with rural landowners, specifically irrigated agricultural producers?
13. Do you have experience collaborating with community leaders and stakeholders, as well as other conservation organizations?
14. What do you hope to achieve in becoming a Market Maker?

15. Briefly discuss 2-3 on-the-ground projects your organization has undertaken and describe the timeline from planning to execution of those projects.

Respondents should provide contact information for two references who would be willing to discuss the organization's conservation work and potential as a Market Maker.

Review Criteria

Respondents must be committed and well positioned to begin identifying and developing water transactions in their priority basins. Responses shall be evaluated and ranked according to the following criteria:

1. The respondent's potential to become a successful Market Maker based upon:
 - Strategic Approach and Priorities
 - Budget
 - Ability and Skill
 - Experience
 - Knowledge
 - Relationships and Reputation
 - Commitment
2. The degree to which Market Makers will be positioned to develop, negotiate, and submit a water transaction proposal for funding by spring 2024.
3. The degree to which the response helps TWT meet the program's anticipated 2024 outcomes.

Texas Water Market Makers Program Anticipated 2024 Outcomes

1. Launch the second round of Markets Makers who demonstrate a strong commitment to the goal of utilizing water transactions as a means of conservation.
2. Develop functional water transaction programs with each Market Maker with clear strategic direction and priorities.
3. Increase awareness of the initiative with landowners in the Market Makers' priority geographies and with key funders, policymakers, and other stakeholders.
4. Prepare Market Makers to be competitive for TWT's second Texas Flows Fund water transaction RFP. To learn more about the Flows Fund, see [here](#).

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 Water Market Makers Program, please contact Quinn McColly, Conservation Finance Director, Texas Water Trade, mccolly@texaswatertrade.org.