

Attachment C

Guidance for Preparation of Scope of Work for Regional Water Planning

Prepared for Phase II of the 3rd Round of Regional Water Planning

February 5, 2008

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Current Timeline for Regional Water Planning Contracting

January 28, 2008 - Board considers adopting revisions to 31 Texas Administrative Code 355 and 357.

January 28, 2008 – Board considers posting the Request For Applications for the development of regional water plans.

February 8, 2008 - TWDB posts Request for Regional Water Planning Applications, and releases Guidance for Preparation of Scope of Work for Regional Water Planning Guidelines for Regional Water Plan Development, and Guidelines for Regional Water Planning Data Deliverables.

June 13, 2008 - Proposal application and scope of work for Phase II of third round of regional water planning due to the TWDB.

June 14 - August 25, 2008 - TWDB staff review of scope of work and preparation of recommendation for Board consideration at the regularly scheduled August 2008 Board meeting.

August 26, 2008 – November 23, 2008 – Negotiate and execute regional water planning contracts.

September 1, 2009 – Estimated legislative appropriation for FY 2010-2011 becomes available for regional water planning activities.

March 1, 2010 – Submit Initially Prepared Regional Water Plans (IPPs) to TWDB.

September 1, 2010 – Submit Adopted Regional Water Plans to TWDB.

January 5, 2011 – Statutory deadline for submission of Adopted Regional Water Plans to TWDB.

Required Public Notices Associated with Preparing a Scope of Work and Submitting an Application to TWDB for Regional Water Planning Funds

There are two notices associated with developing a scope of work and filing an application (see Texas Administration Code §355.97 and §357.6):

- Notice of a RWPG public meeting to receive public input on scope of work 30 days prior to the RWPG meeting to receive public input
- Notice of intent to apply for Regional Water Planning funds 30 days prior to TWDB Board action

Introduction to Preparing Scope of Work and Summary of Available Funding

The scope of work included in the application for funding will address eligible updates to the 2006 regional water plans and produce a 2011 regional water plan to be adopted by the individual regional water planning group. TWDB anticipates that funding for the remaining three years of this regional water planning cycle will be limited to a maximum of \$9 million.

TWDB staff has initially allocated this funding into three categories of funds, 'base' funds, 'additional' funds, and 'set-aside' funds as follows:

A – Base Funding Allocation (see Table 1):

Base funding amounts are to be used to update regional plans based on foreseeable changed conditions to meet statute and rule requirements including holding meetings, preparing and submitting all plan documents, and providing all data.

These base funds were allocated as follows:

- **\$2.9** million allocated as a base level of funding for the update of Tasks 1, 6, 7, 8, 9, and 10 as contained in this scope of work guidance document. These fund amounts are associated with specific tasks and specific regions.
- **\$1.3** million allocated in formula funding based on the number of water user groups and wholesale water providers in the region as a total for the update of four Tasks: 2, 3, 4, and 5. The planning groups may propose updates to these tasks (projections, water supply analysis, water management strategies, and the strategy impacts on water quality) based upon changed conditions.
- These base funding amounts are not guaranteed funds and must be requested in the grant application. All proposed work activities and associated dollars must be fully justified in order to receive funding. If a work scope cannot support the associated funding request, contracted amounts may be less than these initial base amounts.
- All scope of work items to be funded with base funds must be summarized, eligible for Board funding, and indicated as base funds for each Task in the application.

B – Additional Funding Requests:

- Additional funds within the overall budget for regional water planning are proposed for additional work beyond the base activities that regional water planning groups will have to perform in making minimal changes in response to changed conditions.
- Recommendations for additional funding will be made based on need and scope of work. Applications for these additional funds will be evaluated on a competitive basis considering the following criteria (31 Texas Administrative Code 355.94): the amount and timing of need for water supplies in the region that will be addressed by the proposed task in the scope of work; lack of duplication of effort; and soundness of scope of work including the budget.
- All proposed scope of work items that would require additional funds beyond allocated base funds must be fully scoped with detailed budgets, eligible for Board funding, and indicated as non-base fund requests in the application.

Budget Request Format

Scopes of work must be submitted in a format that designates all proposed budget dollars as either base funding or as additional funding requests.

For example:

*“Task 1
base funding request \$_____*

*Task 2
base funding request \$_____*
additional funding request\$_____

*Task 10
base funding request \$_____*
additional funding request \$_____

Funding request for other eligible activities \$_____”

Etc.

C – Set-aside funding:

- Staff proposes setting aside additional funding for regional plan amendments and other unforeseen funding needs that may arise during the remaining years of this planning cycle.

Upon submittal to TWDB, staff will thoroughly review each subtask included in the scope of work for: (1) changed conditions, (2) new information, (3) duplication with previous

studies, and (4) reasonableness of budget. Funding levels for the individual applications will be based upon the Task-specific criteria and the available planning funds.

The intent of this planning cycle is the revision of the 2006 regional water plans. Because each regional plan will require differing levels of revision, TWDB recognizes the need for flexibility. Once the scope of work and associated budget have been approved by the Board, and signed into contract, the regional water planning groups and their consultants will have the option of reallocating funds between the subtasks of a particular task and will be able to reallocate funds between tasks up to 35 percent of either task's budget, as described in the contract. The reallocation of funds beyond this limit will require an amendment to the contract's scope of work and budget.

**Table 1.
Summary of Base-Funding Allocations for Phase II of the Third Round of Regional Planning**

		Task/Chapter Allocations									
		1	2	3	4	5	6	7	8	9	10
		Planning Area Description	Population & Water Demand Projections	Evaluation of Existing Water Supply	Identification of Water Needs and Selection of Water Management Strategies (WMS)	Impacts of WMSs on Water Quality	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)
Region	Total Base Funding	Base	Total base funds to be allocated between Tasks 2-5 per the RWPG's Scope of Work			Base	Base	Base	Base	Base	
A	\$183,080	\$10,000	\$45,930			\$10,000	\$10,000	\$15,000	\$4,400	\$87,750	
B	\$137,390	\$10,000	\$24,190			\$10,000	\$10,000	\$15,000	\$1,400	\$66,800	
C	\$637,590	\$10,000	\$242,670			\$10,000	\$10,000	\$15,000	\$67,600	\$282,320	
D	\$236,610	\$10,000	\$91,510			\$10,000	\$10,000	\$15,000	\$10,000	\$90,100	
E	\$173,030	\$10,000	\$15,570			\$10,000	\$10,000	\$15,000	\$2,600	\$109,860	
F	\$217,770	\$10,000	\$44,290			\$10,000	\$10,000	\$15,000	\$7,400	\$121,080	
G	\$406,210	\$10,000	\$171,610			\$10,000	\$10,000	\$15,000	\$25,800	\$163,800	
H	\$565,270	\$10,000	\$197,470			\$10,000	\$10,000	\$15,000	\$58,000	\$264,800	
I	\$231,510	\$10,000	\$68,050			\$10,000	\$10,000	\$15,000	\$9,400	\$109,060	
J	\$122,340	\$10,000	\$11,060			\$10,000	\$10,000	\$15,000	\$600	\$65,680	
K	\$248,780	\$10,000	\$72,020			\$10,000	\$10,000	\$15,000	\$16,400	\$115,360	
L	\$336,250	\$10,000	\$106,550			\$10,000	\$10,000	\$15,000	\$22,800	\$161,900	
M	\$277,970	\$10,000	\$101,430			\$10,000	\$10,000	\$15,000	\$12,800	\$118,740	
N	\$151,310	\$10,000	\$22,710			\$10,000	\$10,000	\$15,000	\$1,800	\$81,800	
O	\$178,010	\$10,000	\$36,260			\$10,000	\$10,000	\$15,000	\$7,800	\$88,950	
P	\$103,510	\$10,000	\$6,310			\$10,000	\$10,000	\$15,000	\$200	\$52,000	
	\$4,206,630	\$160,000	\$1,257,630			\$160,000	\$160,000	\$240,000	\$249,000	\$1,980,000	

Scope of Work Tasks and Associated Funding Requests

The SOW needs to address the remainder of the third planning cycle, which concludes January 5, 2011. The SOW must address all necessary elements required in a regional water plan as described in 31 TAC Chapter 357. **This Guidance for Preparation of Scope of Work for Regional Water Planning document, the User Guide to the Regional Water Planning Data Web Interface (DB12 guide under separate cover), Guidelines for Regional Water Plan Development (under separate cover), Guidelines for Regional Water Planning Data Deliverables (under separate cover), and the final negotiated scope of work prepared in accordance with these documents,** will serve as the core of the regional planning contracts during the remainder of this third round of regional water planning. However, all provisions of 31 Texas Administrative Code, Chapter 357 will serve as the foundational guidance for the development of regional water plans. Any revisions to 31 Texas Administrative Code, Chapter 357 adopted by the Board during the planning effort that result in a change to the planning efforts will be addressed through contract amendments.

Task 0: Scope of Work Development

The scope of work will include a detailed description of the tasks to be performed, identification of the responsible parties for task execution, a task schedule, and task, subtask, and expense budgets.

Funding

Funding for scope of work development will be considered a part of the Task 10 / Administrative base funding. The regional water planning groups may allocate up to \$10,000 from these administrative funds to pay for scope of work development. Regional water planning groups and their subcontractors may only charge for scope of work efforts performed after Board approval of posting this request for proposals but before execution of the associated contracts/subcontracts.

Required Application Information

None

Task 1: Planning area description

This task will be viewed as a limited effort to update the area descriptions contained in the 2006 approved regional water plans.

Required Application Information

Funds must be requested in the application and the scope of work must specify the work to be done.

Task 2: Select revisions of population and water demand projections

This task will focus on updating population and water demand projections from the 2006 regional water plans based on changed conditions as described in the Guidelines for Regional Water Plan Development.

This work may include, but is not necessarily limited to:

- 1) revisions of population projections for municipal water user groups.
- 2) revisions of water demand projections for water user groups and wholesale water providers, excluding steam-electric power demands.
- 3) inclusion of cities, non-city water utilities and wholesale water providers not included in previous regional water plans and that meet the water user group or wholesale water provider definition in Guidelines for Regional Water Planning Data Deliverables.
- 4) review of new water demand projections for steam-electric power production.

TWDB has contracted with outside researchers to develop new methodology to project county-level water demand projections for steam-electric power. TWDB, Texas Commission on Environmental Quality, Texas Parks & Wildlife Department, Texas Department of Agriculture will utilize this information to develop draft steam-electric power water demand projections by the end of August 2008. The regional water planning groups will have the opportunity to review and request revisions to these projections.

Required Application Information

The application's scope of work for this task will include a listing of water user groups and wholesale water providers which are anticipated to require revisions. All revisions to population and water demand projections must be approved by the regional water planning group and supported with documentation as described in the Guidelines for Regional Water Plan Development.

Task 3: Water supply analysis

This task will focus primarily on updating existing water supply numbers included in the 2006 approved regional water plans based upon changed conditions. This work may include, but is not necessarily limited to:

1. updating groundwater supply volumes based on information resulting from updated Groundwater Availability Models (see Table 2 for a list of models revised or completed since the completion of the 2006 regional water plans).

2. updating firm yield of surface water supply volumes due to changed water rights or approved surface Water Availability Models (as specified in the Guidelines for Regional Water Plan Development).
3. updating groundwater supply volumes based on Managed Available Groundwater volumes calculated by TWDB with desired future conditions adopted for the applicable Groundwater Management Area by January 1, 2008.
4. updating water supply numbers based on information indicating a new drought-of-record for one or more source.
5. updating the water supply to water user groups or wholesale water providers due to contractual or transmission infrastructure changes or due to changes in surface water rights by the Texas Commission of Environmental Quality.

Managed Available Groundwater volumes resulting from the Groundwater Management Area process **must** be used by planning groups if desired future conditions were submitted for a Groundwater Management Area to TWDB by the January 1, 2008 deadline. TWDB staff will provide these Managed Available Groundwater volumes on a per-county basis.

If a groundwater management area submits the desired future conditions to TWDB after January 1, 2008 and the regional water planning group believes that the resulting managed available groundwater volumes can be incorporated into the planning process, the regional water planning group may request funding for necessary update to the applicable water supply analysis.

Groundwater Availability Models that were not available during the preparation of the 2006 plan may be used to update groundwater availability numbers unless more accurate site-specific or timely Managed Available Groundwater information is available. Where new or updated Groundwater Availability Models have been developed, TWDB staff will work with the planning groups to prepare any necessary model runs to reflect region-specific availability policies. Contractors are encouraged to check the status of Groundwater Availability Models for their regions at the following Web site address, <http://www.twdb.state.tx.us/gam/>.

Specific guidance for methodology to be used to determine existing surface water supply, groundwater supply, and reuse supply during drought-of-record conditions is included in Guidelines for Regional Water Plan Development.

Required Application Information

Each proposed subtask for water supply analysis should specify the water source which will be analyzed and the changed conditions that make it necessary to reevaluate the water supply. Each subtask should also include the water user groups or wholesale water providers which utilize the specified source and a cost for the proposed subtask.

Task 4: Identification, evaluation and selection of water management strategies based on needs

This task will focus on the identification of water needs based upon changed conditions in demand or supply and updating the recommended water management strategies in the approved regional water plans as necessary.

This work **will** include:

- Update of water management strategies' capital cost estimates to second quarter 2007 price levels according to the Engineering News Record (ENR) Construction Cost Index (CCI). This can be accomplished by either updating total costs by applying the appropriate CCI conversion to each total cost in the current approved regional plan or by reevaluating/re-estimating costs at a more detailed level.
- Updating water management strategies annual costs (and any presented unit cost estimates) to reflect updated power and capital/debt service costs in accordance with revised capital costs or changes to power costs.

This work **may** include, but is not limited to:

- Identify, evaluate, and select new water management strategies for new water user groups or wholesale water providers with needs corresponding to individual retail public utilities and logical reporting units of retail public utilities and water user groups that have experienced changed conditions requiring the evaluation of additional or modified water management strategies. Examples of changed conditions include:
 - Documented changes in water demand such as projected demands exceeding the supplies available from previously adopted water management strategies,
 - Changes in availability such as supplies being less than demands, and
 - Regionalization of two or more water user groups.
- Revision of water management strategy analyses and modifications to existing water management strategies only if the water demands, water supply volumes, or identified water needs have changed.
- Review and revision of a water management strategy to ensure that all necessary project elements are included so as to qualify for funding under the TWDB Water Infrastructure Funding program.
- Development of new water management strategies if a strategy included in the current approved plan is: no longer feasible; if the regional planning group wants to add or remove a strategy; if a new water management strategy is identified; or if the sponsor of a strategy no longer supports the strategy.
- Development of a new or removal of an existing water management strategy based on revised water demand or supply figures.
- Revising analyses and descriptions as necessary for water management strategies (e.g. due to changes in routing, capacity, or timing) and revising the impact descriptions for any revised water management strategies.
- Establishment of alternative water management strategies: TWDB Rule 357.7(a)(7)(H) allows for the substitution of one evaluated alternative water management strategy for another if the strategy originally recommended is no longer feasible. These alternative water management strategies must be fully

evaluated in terms of costs and impacts on water quality, the natural environment and agriculture. In addition, the regional water plan will specifically identify the alternative water management strategies that may be substituted to meet needs.

Required Application Information

Each proposed subtask will specify the common changed conditions that make it necessary to reevaluate one or more water management strategies. Each subtask should also include the water user groups or wholesale water providers which utilize the water management strategy (Table 2).

**Table 2.
Example of Proposed Water Supply Analysis Revisions.**

Subtask	Changed Conditions	Water User Groups/Wholesale Water Providers	Cost
Revision of construction costs	Required revision and increase in costs	All WUGs/WWPs with WMS in 2006 Plan	\$20,000
Strategies to Meet Growth	Population and water demand projections increased.	11 Water User Groups in the IH-35 corridor: City A, City B, City C	\$10,000
Revised WMSs to address Managed Available Groundwater volumes	New managed available groundwater volumes from the Groundwater Management Area process	25 Water User Groups: City X, City y, County-Other A	\$54,000
New Groundwater Availability Model (GAM)	GAM availability volumes released in November 2007.	Irrigation in Counties J, K, L and P.	\$45,000

Task 5: Impacts of selected water management strategies on key parameters of water quality and impacts of moving water from rural and agricultural areas

This work will be limited to updating this section of the regional water plan as necessary to incorporate or address changed conditions and to address new Water Management Strategies developed during this current round.

Required Application Information

The application’s scope of work must specify the work to be done and the additional funds needed.

Task 6: Water conservation and drought management recommendations

This work will be limited to updating this chapter of the regional water plan as necessary including, for example, to address updated information or to address new water management strategies developed during this current round.

Required Application Information

Funds must be requested in the application and the scope of work must specify the work to be done.

Task 7: Description of how the regional water plan is consistent with long-term protection of the state's water resources, agricultural resources, and natural resources

Work under this task will be limited to updating the current description in the 2006 regional water plan as necessary, for example, based on changed conditions and new water management strategies identified under previous tasks.

Required Application Information

Funds must be requested in the application and the scope of work must specify the work to be done.

Task 8: Unique stream segments/reservoir sites/legislative recommendations

Work under this task will be limited to updating the current descriptions of and potential revisions to recommendations for unique reservoir or stream segments in the currently approved regional plan and updating legislative recommendations as necessary. The legislative recommendations are to be developed by planning groups in a similar manner as for the previous approved regional water plans.

Required Application Information

Funds must be requested in the application and the scope of work must specify the work to be done.

Task 9: Report to Legislature on Water Infrastructure Funding Recommendations

A provision was integrated into the scope of work for the second round of regional water planning to survey municipal water user groups with needs in order to develop infrastructure funding recommendations.

To meet this requirement during the current round of regional planning, regional water planning groups must update their assessment of funding needs either through a water user group survey similar to the last round. Additional task guidance and a Board-developed survey instrument will be provided prior to execution of the contract.

Required Application Information

The application's scope of work must specify the work to be done and the additional funds needed.

Task 10: Adoption of plan

This task includes public participation, eligible administrative costs, eligible planning group member travel and, if elected, scope of work development. This task has a similar scope and effort as funded during the second round of regional planning.

Public participation was important in the development and adoption of the 2006 regional water plans and will continue to be so in this next round of regional water planning. Activities conducted by professional public relations staff are intended to inform and involve the members of the public. Therefore, TWDB funding limits will be based on population of the regional water planning area and further limited to eligible activities conducted by consultants under contract. Funding will be provided for translators deemed necessary and preparing copies of information for voting and non-voting members.

Since the major cost of eligible travel will be mileage paid to voting planning group members, the TWDB has determined that travel will be based on a combination of the relative land area and travel distance in the planning area. Due to a legislative intent agreement, voting member travel funding statewide cannot exceed \$50,000 per year or a total of \$250,000 during the five-year planning period. Each funding contract will include a provision limiting travel funding to the planning group's proportional share of total travel funds.

Other eligible activities:

- Work required to consider the impacts of climate change as a factor in the regional planning process.
- Work to catalogue the implementation of previously recommended water management strategies contained in prior regional and state water plans.

Required Application Information

The application's scope of work must specify the work to be done and the additional funds needed.

Data Entry into Relational Database

The data associated with the above tasks must be entered into a relational database **prior to submission of the initially prepared plan (IPP)**. The Board will not accept adopted regional water plans until the associated data in the TWDB regional water planning database (DB12) is complete and accurate.

Each regional water planning group will access and update the database via the Internet and will not need to have the software Microsoft Access in order to use the application. Additionally, a run-time version of the database will be available for download at the TWDB web site. Online data entry forms will be provided and reports can be generated

from the database to assist the planning groups with preparation of their 2011 regional water plans. TWDB staff will populate the database with the previously submitted 2006 regional water plan data. The planning groups and their contractors will be asked to review and revise, if necessary, the existing data and add new data to the database as required by updates and other work under the funded tasks described above. The intent of the database is to maintain standardization of data and to facilitate the compilation of statewide information. Specifics on data entry are available in Guidelines for Regional Water Planning Data Deliverables and User Guide to the Regional Water Planning Data Web Interface. All incremental and total costs of updating DB12 to accurately reflect all work and changes associated with this round of planning are to be embedded within the scope of work budgets for Tasks 1-10.

Contracts Between the TWDB and the Regional Water Planning Groups

The planning contracts will identify the cost for the preparation of the regional water plans. Contracts will be for the full period through adoption of the next regional water plans. The contracts will include contingency language relative to funding authorization for planning efforts scheduled for the FY 2008-09 biennium and FY 2010-11 biennium. Contracts and scopes of work must clearly delineate deliverables based on a two-thirds/one-third split of total requested funds in order to allow for completing discrete deliverables in the event that FY 2010-11 biennium funding is not appropriated.

Two-thirds of the contracted funds will be immediately available for planning activities since two-thirds (\$6 million) of the total estimated \$9 million of funding has already been appropriated by the Legislature. The estimated remaining \$3 million for regional planning will be contingent on authorization and appropriation by the Texas Legislature for the FY 2010-11 biennium. The deliverables and work scope items must be designated to indicate which portion of these two funding sources will support the task or subtask. The regional water planning groups may delineate where and how this split is applied to their total budgeted amount as appropriate to accommodate its proposed work schedule and work plan.