

**AGENDA ITEM MEMO**

**BOARD MEETING DATE:** August 10, 2023

**TO:** Board Members

**THROUGH:** Jeff Walker, Executive Administrator  
Ashley Harden, General Counsel  
Rebecca Trevino, Chief Financial Officer  
Matt Nelson, Deputy Executive Administrator, Office of Planning

**FROM:** Sarah Lee, Manager, Regional Water Planning

**SUBJECT:** Regional Water Planning Contract Amendments

**ACTION REQUESTED**

Consider authorizing the Executive Administrator to (a) negotiate and execute contract amendments to increase funding allocated to the sixth cycle of regional water planning (2026 Regional Water Plans) contracts by an amount not to exceed \$3,300,000; and (b) transfer these funds from the Water Assistance Fund to the Research and Planning Fund.

**BACKGROUND**

In July 2022, the Texas Water Development Board (TWDB) Board authorized the negotiation and execution of contract amendments to complete the 2026 Regional Water Plans. This authorization increased the anticipated total grant amounts for the 2026 Regional Water Plans to \$15,646,708.

The TWDB’s Legislative Appropriations Request (Fiscal Years 2024-2025) included an exceptional item to increase funding for regional water planning groups to adequately fund additional legislative requirements from several past legislative sessions. The additional funds for regional water planning groups were appropriated by the 88<sup>th</sup> Texas Legislature. A portion of the additional appropriations are intended to support rural and other outreach efforts by planning groups. These additional surveying efforts deemed appropriate by planning groups would fall under the existing public participation task in the regional water planning grant contract scope of work.

Rider 4 of House Bill 1, 88<sup>th</sup> Legislative Session, directs the TWDB to transfer funds from General Revenue to the Water Assistance Fund for the purposes of regional water planning

grants. This transfer of funds will be deposited into Research and Planning Fund within the Water Assistance Fund.

**KEY ISSUES**

Additional appropriations of \$1.32 million for Fiscal Years 2024 and 2025, as well as half of the anticipated additional appropriations from Fiscal Year 2026 are to be added to the remaining five-year planning cycle, as noted in Table 1. These additional funds increase the available total RWPG grant amount of the 2026 Regional Water Plans to \$18,946,708.

**Table 1: Estimate of Increased and Total Funding to be Available for the 2026 Regional Water Plans**

Texas Legislative Session	Basis for Amount	Fiscal Year (FY)	Regional Water Planning Grant Amount <sup>a</sup>	Additional Funds	New Anticipated Regional Water Planning Grant Amount <sup>b</sup>
86 <sup>th</sup>	Committed - summer 2021	FY 2021	\$2,844,856		\$2,844,856
87 <sup>th</sup>	Committed - fall 2022	FY 2022	\$2,844,856		\$2,844,856
		FY 2023	\$2,844,856		\$2,844,856
88 <sup>th</sup>	Appropriated	FY 2024	\$2,844,856	<b>\$1,320,000</b>	\$4,164,856
		FY 2025	\$2,844,856	<b>\$1,320,000</b>	\$4,164,856
89 <sup>th</sup>	1/2 of anticipated appropriation for FY 2026 <sup>c</sup>	FY 2026	\$1,422,428	<b>\$660,000</b>	\$2,082,428
<b>Estimated Total 6<sup>th</sup> Cycle</b>			<b>\$15,646,708</b>	<b>\$3,300,000</b>	<b>\$18,946,708</b>

<sup>a</sup> Amount approved by the TWDB Board July 7, 2022

<sup>b</sup> Projected funding estimate based on appropriations continuing at Fiscal Year 2024-2025 levels

<sup>c</sup> Remainder of Fiscal Year 2026 funds to be reserved for 7<sup>th</sup> cycle (2031 Regional Water Plans)

The Executive Administrator allocated the additional \$3,300,000 of funding using the same formula-based tool utilized previously to allocate funds for this planning cycle. The new proposed total funding amount for the 2026 Regional Water Plans for each of the 16 regions is shown in Table 2.

**Table 2: Summary of Previously Approved and Increased Total Funding Allocated to Regional Water Planning Groups for the 2026 Regional Water Plans**

Region	Total 2026 Regional Water Plans funding approved July 7, 2022	Total anticipated 2026 Regional Water Plan funding with increased appropriations
A	\$713,630	\$864,386
B	\$512,711	\$624,217
C	\$2,293,661	\$2,786,035
D	\$1,102,903	\$1,332,006
E	\$434,544	\$531,020
F	\$1,010,187	\$1,219,281
G	\$1,823,980	\$2,191,611
H	\$2,004,972	\$2,427,091
I	\$1,119,131	\$1,346,611
J	\$378,730	\$464,565
K	\$871,005	\$1,055,910
L	\$998,705	\$1,207,810
M	\$794,251	\$963,947
N	\$524,078	\$637,156
O	\$744,940	\$903,189
P	\$319,280	\$391,873
<b>TOTAL</b>	<b>\$15,646,708</b>	<b>\$18,946,708</b>

There is a risk that the 89<sup>th</sup> Texas legislature could appropriate a lesser amount for regional water planning. In that event, the total funding amounts for each region will be adjusted proportionally to facilitate completion of regional water plans that meet minimum rule requirements. Any such change would be brought to the Executive Administrator before the need to request any associated authorization.

**RECOMMENDATION**

The Executive Administrator recommends the (a) negotiation and execution of contract amendments to increase funding allocated to the sixth cycle of regional water planning (2026 Regional Water Plans) contracts by an amount not to exceed \$3,300,000; and (b) transfer these funds from the Water Assistance Fund to the Research and Planning Fund.