

**TEXAS WATER DEVELOPMENT BOARD
REQUEST FOR RESEARCH AND PLANNING FUNDS
BY THE PANHANDLE REGIONAL PLANNING
COMMISSION ON BEHALF OF THE PANHANDLE
AREA WATER PLANNING GROUP**

PHASE II – 2021 REGIONAL PLANNING CYCLE

SUBMITTED ON FEBRUARY 21, 2017

Prepared by Panhandle Regional Planning Commission on behalf of the
Panhandle Water Planning Group

**TEXAS WATER DEVELOPMENT BOARD
REQUEST FOR RESEARCH AND PLANNING FUNDS
FOR THE PANHANDLE WATER PLANNING GROUP
February 21, 2017**

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III. WRITTEN ASSURANCES

Written assurance of the following items:

- ☑ Proposed planning does not duplicate existing projects;
- ☑ Implementation of viable solutions identified through the proposed planning will be diligently pursued and identification of potential sources of funding for implementation of viable solutions;

IV. PROOF OF NOTIFICATION

- ☑ Proof of notification

Develop or revise regional water plans. Eligible applicants requesting funds to develop or revise regional water plans must, not less than 30 days before board consideration of the application, provide notice that an application for planning assistance is being filed with the executive administrator by:

- (1) publishing notice once in a newspaper of general circulation in each county located in whole or in part in the regional water planning area; and
- (2) mailing notice to each mayor of a municipality with a population of 1,000 or more or which is a county seat and that is located in whole or in part in the regional water planning area, to each county judge of a county located in whole or in part in the regional water planning area, to all districts and authorities created under Texas Constitution, Article III, §52, or Article XVI, §59, located in whole or in part in the regional water planning area based upon lists of such water districts and river authorities obtained from Texas Commission on Environmental Quality, and all regional water planning groups in the state.

I. GENERAL INFORMATION

1. Legal name of applicant(s).

Panhandle Regional Planning Commission

2. Regional Water Planning Group.

Panhandle Area (Region A) – Panhandle Water Planning Group (PWPG)

3. Authority of law under which the applicant was created.

The Panhandle Regional Planning Commission was created as a Council of Government in 1968, under authority of Title 12, Sub C, Chapter 391, Texas Local Government Code

4. Applicant’s official representative, Name, Title, Mailing address, Phone number, Fax number, if available, E-mail Address, and Vendor ID number.

Gary Pitner, Executive Director
PO Box 9257
Amarillo, Texas 79105
806/372-3381 (V)
806/373-3268 (F)
e-mail: gpitner@prpc.cog.tx.us
Vendor ID#: 175317291002

5. DUNS Number.

078550019

6. Is this application in response to a Request for Proposals published in the Texas Register?

Yes No

7. If yes to No. 6 above, list document number and date of publication of the Texas Register.

Texas Register Issue 11/18/2016 under Agency: Texas Water Development Board – Request for Applications for Regional Water Planning Grants

<http://www.sos.state.tx.us/texreg/archive/November182016/In%20Addition/In%20Addition.html#145>

8. Type of proposed planning (Check all that apply)

- Initial scope of work
- Development of a regional water plan

- Revision of a regional water plan
- Special studies approved by TWDB

9. Total proposed planning cost.

The total proposed planning cost for Phase II of the 2021 regional planning process in Region A is \$593,774. Of this amount, \$356,265 is contingent upon future appropriations from the Legislature. Please note that this cost is in addition to the \$77,520 previously contracted for Phase I of this process.

10. Total grant funds requested from the Texas Water Development Board.

The total grant amount requested is \$593,774. Please note that this request is in addition to the \$77,520 previously contracted for Phase I of this process.

11. Detailed statement of the purpose for which the money will be used.

The purpose of the requested funding is to prepare the 2021 Panhandle Area Water Plan. The updated water plan is intended to meet legislative and regulatory requirements while addressing changed conditions since the completion of the 2016 Plan. Moreover, there are changed conditions due to changes in the planning process (utility-based planning and new Ogallala GAM), 2011 drought impacts, and agriculture changes. The Panhandle region has recently experienced drought conditions severely limiting its surface water use. This has resulted in increased requirements for groundwater development. These factors were touched on in the 2016 Regional Water Plan, but a much more in depth analysis of the long-term impacts of drought and increased reliance on groundwater will need to be conducted in the 2021 planning effort. In addition, technological and biological advances combined with projected water deficiencies and potential legislative changes have created significant and unanticipated changes in the agricultural industries. Agriculture industries account for the vast majority (90%) of the total water use in the Panhandle planning area. Some of these ongoing changes are expected to be long-term trends that will dramatically affect the composition of livestock operations and crop mix leading to a significant change in water usage within the region. Since most of the water for the Panhandle area is from the Ogallala Aquifer, it is imperative to assess the potential impacts of these regional changes to the supplies available from this important resource. This planning grant outlines the activities necessary to address these changed conditions to maintain the quality and integrity of the Panhandle Area Water Plan and the planning process. Additionally, the fact that Lake Meredith has at times in the last planning cycle come off-line due to low water levels further exacerbates the problems created by the region's reliance upon groundwater. The availability of groundwater by location is of paramount concern to the PWPG. Further delineating current and projected saturated thicknesses of the Ogallala and Dockum Aquifers in geographic relation to agriculture and municipal demand must be an ongoing effort in the region. Region A will be analyzing utilizing the High Plains Aquifer Model currently under development by the Intera for TWDB, North Plains GCD, High Plains UWCD, and the Panhandle GCD. Funds will be used to sustain analysis of the region's water supply, water demands, and the development of water management strategies necessary to preserve the Panhandle

way of life well into the future. This includes protecting the current and future viability of the region's agriculture industry from an economic perspective.

In the 2016 Regional Water Plan the group made comprehensive updates to the Population and Demand numbers based on TWDB's population projections from the 2010 U.S. Census. However, it is anticipated that revised population demand figures will be developed on the state level that will need to be analyzed and reviewed on a regional level for the 2021 Plan. The municipal water demands will now be developed by utility rather than municipality, which will also require careful review. Additionally, the prioritization of regional water management strategies was a new effort in the 2016 planning cycle. It is expected that refinement and more in-depth analysis will be required in this effort for the upcoming planning cycle. The further analysis and development of Chapter 7 – Drought will be a key focus of the upcoming cycle. Finally, if the previous two cycles of regional water planning are any indication, it is expected that actions taken in legislative sessions between now and the submission of the 2021 Plan will require new and more comprehensive factors and chapters to be analyzed and developed for the next Plan.

12. Detailed description of why state funding assistance is needed.

Base Funding Request

The Legislature has mandated that the regional water plans be updated every five years. The Panhandle Area Water Planning Group is expected to produce its next plan by January 2021. Currently, the Texas Legislature and Texas Water Development Board has allocated \$5,689,712 to the second phase of regional water planning in addition to the \$1,649,885 made available for the initial phase of the 2021 regional water planning effort. An additional \$8,534,568 for Phase II will be requested for authorization for the next biennium. Of the total Phase II funding, \$593,774 has been allocated to the Panhandle Region (in addition to the initial \$77,520 made available in Phase I). It is appropriate for the TWDB to award funds to the Panhandle Area Water Planning Group to enable them to meet the state-mandated requirements with the expectations that more appropriate funding levels will be met by legislative sessions over the upcoming planning cycle. These funds have been dedicated to the region to meet the basic water planning requirements of the State of Texas for the region.

The base funding request is to meet legislative and regulatory requirements, including the public participation process outlined by the Legislature. The TWDB has identified required components for the 2021 regional water plans that will require the Panhandle Area to review and update each of the eleven chapters of the 2016 Panhandle Area Water Plan and develop a new 2021 Plan. Descriptions of the required activities for each chapter update are included in the standard Scope of Work developed by TWDB and included in Exhibit IV to this application. The primary activities associated with this planning effort will be:

1. Planning Area Description
3. Water Supply Analyses
- 4A. Identification of Water Needs

- 4B. Identification of Potentially Feasible Water Management Strategies and Water Management Strategy Projects
- 4C. Prepare and Submit Technical Memorandum
- 5A. Evaluation of WMS and WMS projects
- 5B. Water Conservation Recommendations.
- 6. Impacts of the Regional Water Plan
- 7. Drought Response Activities and Recommendations
- 8. Recommendations Regarding Unique Stream Segments and/or Reservoir Sites & Legislative & Regional Policy Issues
- 9. Water Infrastructure Funding Recommendations
- 10. Public Participation and Plan Adoption
- 11. Implementation and Comparison to the Previous Regional Water Plan
- 12. Prepare and Submit Prioritization of Projects in the 2021 Regional Water Plan

13. Identify potential sources and amounts of funding available for implementation of viable solutions resulting from proposed planning.

Panhandle water user groups have actively pursued the implementation of a variety of identified strategies in recent years. This is evidenced by the recent implementation of several strategies identified in previous plans. The electric generation and manufacturing industries continue to implement conservation strategies with the cost savings they create through reuse and enhanced efficiencies. Cities and counties continue to use certificates of obligation and bond issues to generate funds to expand access to groundwater. Additionally, they regularly raise taxes and/or utility rates in order to expand water resources and infrastructure to accommodate future community needs. Unfortunately, many small cities do not have the population to achieve the economies of scale necessary to bring in enough funds to implement higher cost strategies. Agriculture strategies are being adopted based upon cost savings, economies of scale, increased net profitability and a general desire to conserve water for future generations.

Most of the funding for the Panhandle Area water supply projects generally is obtained through cash reserves or bond financing by the respective sponsor of the project. Additional funds have come from federal and state programs. Several Panhandle cities have and will continue to utilize the Texas Water Development Board's SWIFT Program while others are beginning to pursue the Economically Distressed Areas Program. Implementation of the projects covered in the proposed 2021 Panhandle Area Water Plan will likely be financed primarily from Panhandle area water suppliers with assistance from TWDB loan programs and other state and federal programs.

Note that levels of funding from the above sources vary by program. In the Panhandle Region, Texas Community Development Block Grant (TCDBG) program limits applications for assistance to \$275,000 per project with only a few projects being funded in the region each year. Programs offered by USDA-RUS, USDA-RD, TWDB, etc. have

much higher funding capacities. However, many cities have very limited cash income based on small population sizes so low-interest loan programs are sometimes less than desirable. Bonds/Certificates of Obligation are limited by credit standing and repayment capacity of issuing entity.

II. PLANNING INFORMATION

14. A detailed scope of work for proposed planning.

The scope of work developed by TWDB and may be found in Exhibit IV.

15. A task budget for detailed scope of work by task.

The task budget for the base plan based upon the current TWDB Phase II funding allocation may be found in Exhibit I.

16. An expense budget for detailed scope of work by expense category.

The expense budget for the base plan based upon the current TWDB funding allocation may be found in Exhibit I.

17. A time schedule for completing detailed scope of work by task.

The Panhandle Regional Water Planning Group (PWPG) will adopt the Initially Prepared Plan (IPP) and the Final Plan in accordance with TWDB timelines. At this time it is anticipated that the IPP will be due by March 3, 2020 and the Final Plan will be due by September 2, 2020. Further details on timelines by task will be released by the TWDB and have a direct impact on any future contract associated with this application.

18. Specific deliverables for each task in scope of work.

Deliverables are specified in the Scope of Work developed by TWDB, which is attached as Exhibit IV.

19. Method of monitoring study progress.

The progress of each project will be monitored using progress reports that will be submitted to the Texas Water Development Board along with the quarterly invoice.

20. Qualification and direct experience of proposed project staff.

The Panhandle Area Water Planning Group has procured the firm of Freese and Nichols, Inc. to assist with the development of the 2021 Regional Water Plan. Assisting Freese and Nichols are Texas A&M AgriLife Research and Extension Center in Amarillo and LBG-Guyton, Inc. Copies of resumes for key personnel from these firms are included in Exhibit V. Brief descriptions of the experience for the Panhandle Regional Water Planning Commission staff are presented below.

Gary Pitner: Executive Director of the Panhandle Regional Water Planning Commission -Degree in Public Administration, 20+ years in regional planning commission employment. Participant in development and implementation of regional plans, including water quality planning, solid waste management planning, recreational land use planning, community development planning, regional workforce development planning, criminal justice, emergency services and 9-1-1 planning. Direct project manager for numerous community development infrastructure projects. Staffed Texas Water Commission Canadian River Basin Chloride Study. General oversight and responsibility for 13 departments, with funding links to numerous state and federal agencies, including: Texas Department of Housing & Comm. Affairs, Texas Workforce Development Board, Department of Defense, Department of Housing and Urban Development, Texas Department of Aging, Texas Department of Economic Development, Texas Natural Resource Conservation Commission, Texas Parks and Wildlife Department, Texas Department of Criminal Justice, and the Advisory Commission on State Emergency Communications, among others.

Kyle Ingham: Local Government Services Director- Masters in Public Administration. Participated as an assistant to the Region's Administrative Agent in the 2001 Regional Water Planning Cycle. Has completed the 2011 Regional Water Planning Cycle and is nearing the completion of the 2016 Cycle as Primary Administrative Agent. Extensive experience in the development, writing, and implementation of grants from multiple state and federal agencies. Oversight for numerous community development infrastructure projects. Provides management and professional services for local governments on a contract basis. Experienced with procurement of professional services. Municipal and Regional Council experience. Direct working experience with relevant state agencies. Extensive contractor and project management expertise. Has presented local information to the Texas Water Development Board's Board of Directors. Has successfully navigated the TWDB posting and management requirements through a full regional planning cycle.

Director of Finance-Degree in Political Science, Masters in Professional Accounting, Certified Public Accountant. Recipient of numerous "Certificates of Achievement for Excellence in Financial Reporting". Past Chair of Texas Association of Regional Councils Finance Officers Association. Manages multiple state and federal grant accounting and reporting programs. Provides financial accountability for all PRPC programs and pass-through funding. Administers pension and benefit funds for regional planning commission. Provides all required accounting and financial reporting issues required by State and Federal Agencies. Responsible for 18+ million dollar budget annually, plus supervision of all ancillary funds provided by various entities. Provided financial accountability for approximately \$30+ million in state and federal funds over the last four years. Head of a fully computerized and staffed accounting department.

III. WRITTEN ASSURANCES

Written assurance of the following items:

- **Proposed planning does not duplicate existing projects.**
See Exhibit III.

- **Implementation of viable solutions identified through the proposed planning will be diligently pursued and identification of potential sources of funding for implementation of viable solutions.**

See Exhibit III.

IV. PROOF OF NOTIFICATION

The Panhandle Regional Planning Commission provided notice with regard to this application requesting funds for regional water planning as follows:

- (1) publishing notice once in a newspaper of general circulation in each county located in whole or in part in the regional water planning area; and
- (2) mailing notice to each mayor of a municipality with a population of 1,000 or more or which is a county seat and that is located in whole or in part in the regional water planning area, and to each county judge of a county located in whole or in part in the regional water planning area, to all districts and authorities created under Texas Constitution, Article III, §52, or Article XVI, §59, located in whole or in part in the regional water planning area based upon lists of such water districts and river authorities obtained from Texas Commission on Environmental Quality, and all regional water planning groups in the state.

The notice included the following:

- name and address of applicant and applicant's official representative;
- brief description of the proposed planning area;
- purpose of the proposed planning;
- Texas Water Development Board Executive Administrator's name and address; and
- statement that any comments on the proposed planning must be filed with the applicant and the Texas Water Development board Executive Administrator within 30 days of the date on which the notice is mailed or published.

The Panhandle Regional Planning Commission has included information regarding the public notice for the public meeting on the grant application and scope of work in Exhibit VI. Exhibit VI includes the following:

- A copy of the notice published in the newspapers
- Publisher's affidavits
- A copy of the notice sent to each mayor of a municipality with a population of 1,000 or more or which is a county seat and that is located in whole or in part in the regional water planning area, and to each county judge of a county located in whole or in part in the regional water planning area
- A copy of the notice sent to PWPG members and the full interested parties list maintained for the PWPG along with all other RWPGs and districts and authorities in the planning region.
- A copy of the mailing list to which the material was sent.

Submitted By: _____

Gary Pitner
Executive Director, PRPC
Administrator for
Panhandle Area Water Planning Group

Date: February 21, 2017

EXHIBIT I
TASK AND EXPENSE BUDGETS

EXHIBIT I

TASK AND EXPENSE BUDGETS

TASK BUDGET FOR BASIC PLANNING

Task	Description	TWDB Allocation
	Basic Services	
1	Description of the Region	\$ 16,111
3	Water Supply Analysis	\$ 63,562
4A	Needs Analysis	\$ 13,553
4B	Identification of Potentially Feasible WMSs and WMS Projects	\$ 12,739
4C	Prepare and Submit Technical Memorandum	\$ 16,184
5A	Identification and Evaluation of Strategies	\$ 209,893
5B	Water Conservation Recommendations	\$ 19,930
6	Impacts of Regional Water Plan	\$ 28,564
7	Drought Response Activities & Recommendations	\$ 52,410
8	Regulatory, Administrative, Legislative	\$ 7,663
9	Infrastructure Financing Analysis	\$ 6,541
10	Adoption, Submittal, & Approval of Plan	\$ 120,890
11	Implementation and Comparison to Previous RWP	\$ 16,453
12	Prepare and Submit Prioritization of Projects in the 2021 RWP	\$ 9,280
	TOTAL PHASE II ALLOCATION	\$593,774

EXPENSE BUDGET

EXPENSE BUDGET FOR BASIC TASKS*

CATEGORY	TOTAL AMOUNT
Other Expenses ¹	\$50,000
Subcontract Services	\$539,774
Voting Planning Member Travel ²	\$4,000
TOTAL	\$593,774

¹ Eligible Other Expenses are administrative costs associated with Political Subdivisions and are defined to be direct, non-labor costs including:

- a) expendable supplies actually consumed in direct support of the planning process;
- b) direct communication charges
- c) limited direct costs/fees of maintaining RWPG website domain, website hosting, and/or website—not to exceed \$250.00 per calendar year;
- d) reproduction of materials directly associated with notification or planning activities (currently 10¢ per copy or the actual non-labor direct costs as documented by the Contractor);
- e) direct postage (e.g., postage for mailed notification of funding applications or meetings); and
- f) other direct costs of public meetings, all of which must be directly related to planning (e.g., newspaper and other public notice posting costs).

² Voting Planning Member Travel Expenses is defined as eligible mileage expenses incurred by regional water planning members that cannot be reimbursed by any other entity, political subdivision, etc. as certified by the voting member. The reimbursed amount is limited to the maximum amounts authorized for state employees by the General Appropriations Act, Tex. Leg. Regular Session, 2013, Article IX, Part 5, as amended or superseded.

3

Ineligible Expenses include, but are not limited to:

- a) Compensation for the time or expenses of RWPGs members' service on or for the RWPG;
- b) Costs of administering the RWPGs, including labor costs, or building, or overhead costs associated with the Political Subdivision;
- c) Indirect or labor costs of public notice and meetings, including time and expenses for attendance at such meetings;
- d) Costs for training;
- e) Costs of reviewing products developed due to funding requests to TWDB;
- f) Costs of administering the regional water planning grant and associated contracts;
- g) Labor, reproduction, or distribution of newsletters;
- h) Direct costs greater than \$250.00 per year for domain fees, website hosting, and/or web site maintenance costs;
- i) Food, drink, or lodging for Regional Water Planning Group members (including tips and alcoholic beverages);
- j) Purchase, rental, or depreciation of equipment (e.g., computers, copiers, fax machines);
- k) General purchases of office supplies not documented as consumed directly for the planning process; and
- l) Costs associated with social events or tours

*Note: These expense estimates are based solely upon the Summary of Funding Allocated to RWPGs by TWDB at the date of application submission.

EXHIBIT II
TIME SCHEDULE

EXHIBIT II

TIME SCHEDULE FOR PROPOSED PROJECTS PANHANDLE PLANNING AREA

The Panhandle Regional Water Planning Group (PWPG) will adopt the Initially Prepared Plan (IPP) and the Final Plan in accordance with TWDB timelines. At this time, it is anticipated that the IPP will be due by March 3, 2020 and the Final Plan will be due by September 2, 2020. Further details on timelines by task will be released by the TWDB and have a direct impact on any future contract associated with this application.

EXHIBIT III
WRITTEN ASSURANCES

EXHIBIT III

WRITTEN ASSURANCES

1. Written assurance that the proposed planning does not duplicate existing projects.

The proposed projects for Panhandle Water Planning Area described in this application do not duplicate existing projects. The projects will incorporate available information from existing plans, including the *2016 Panhandle Area Water Plan* developed in the last round of regional water planning. The projects are responsive to guidance and requirements developed by the Texas Water Development Board for the development of a regional water plan. All contractors participating in projects under this proposal will read program guidelines and existing plans to ensure that duplicative efforts are avoided.

Gary Pitner
Executive Director, PRPC
Administrator for
Panhandle Area Water Planning Group
February 27, 2015

2. Written assurance that implementation of viable solutions identified through the proposed planning will be diligently pursued and identification of potential sources of funding for implementation of viable solutions.

The Panhandle Regional Planning Commission will diligently pursue the implementation of viable solutions identified through the proposed planning to the extent that Panhandle Regional Planning Commission involvement is consistent with the regional plan, is appropriate for the recommended strategy, and in areas where the Panhandle Regional Planning Commission has the authority to participate. Most viable solutions identified through the proposed planning will be wholly or partially the responsibility of water users and/or water suppliers in the Panhandle Planning Area.

Gary Pitner
Executive Director, PRPC
Administrator for
Panhandle Area Water Planning Group
February 27, 2015

EXHIBIT IV

**DETAILED SCOPES OF WORK
AND JUSTIFICATION FOR PROJECTS**

See:

http://www.twdb.texas.gov/waterplanning/rwp/planningdocu/2021/doc/current_docs/contract_docs/20161118_DraftFirstAmendedSOW.pdf

Note: Tasks 2A, 2B and a portion of Task 10 are funded by the Phase I grant, and are not part of this grant application scope of work. The TWDB scope of work presented in this exhibit includes all tasks.

EXHIBIT V

RESUMES OF PROPOSED PROJECT STAFF

Gary Pitner
Executive Director
Panhandle Regional Planning Commission

Kyle G. Ingham
Local Government Services Director
Panhandle Regional Planning Commission

Resumes of key personnel from the selected firms are included behind this page.

EXHIBIT VI
PUBLIC NOTICE

EXHIBIT VI

PUBLIC NOTICE

The Panhandle Regional Planning Commission published a notice regarding the intent of Panhandle Area Water Planning Group to develop and submit a grant application for Texas Water Development Board funding. The following documents are included in the appendix:

- A copy of the notice published in the newspapers
- Publisher's affidavits (awaiting receipt from paper)
- A copy of the notice sent to each mayor of a municipality with a population of 1,000 or more or which is a county seat and that is located in whole or in part in the regional water planning area, and to each county judge of a county located in whole or in part in the regional water planning area
- A copy of the mailing list to which the material was sent.
- Each General/Special Law District or River authority in PWPG
- All other RWPGs in the State