



# Scope of Work: BOR WaterSMART Water Marketing Grant Writer

## 1. Introduction

The Utah Department of Natural Resources, Division of Water Resources (DWRe) is requesting a cost proposal for a grant writing contract ("Contract") to prepare a U.S. Bureau of Reclamation ("BOR") WaterSMART Water Marketing Strategy Grant Application ("Grant Application") seeking \$400,000 to study and implement water banking as water marketing strategy for the State.

The primary goals of the Contract are to:

- 1) Collaborate with and assist an established and diverse water banking stakeholder working group ("Working Group") on timely completing the Grant Application;
- 2) Prepare a competitive and compelling Grant Application that satisfactorily addresses the WaterSMART Water Marketing program criteria; and
- 3) Clearly articulate in the Grant Application the approach for developing a water marketing strategy, including water banking concepts and goals in manner that meets the WaterSMART Water Marketing program criteria.

The target date for completion of this project is approximately end of April of 2019, subject to the forthcoming BOR Funding Opportunity Announcement ("FOA").

DWRe has identified your firm for consideration based on Statements of Qualifications submitted to Candice Hasenyager via the Professional Services Contracting process. Please submit a cost proposal to Ann Schliep at [aschliep@utah.gov](mailto:aschliep@utah.gov) by March 1st, 2019. Submissions must be limited to 10 Pages.

## 2. Background

The Utah Governor's 2017 Recommended State Water Strategy ("State Water Strategy") made various recommendations for increasing water marketability and the role of water markets, include the potential for developing a water banking program in Utah. The Working Group understands water

banks, in their most simple form, to facilitate the voluntary temporary transfer of the use of water rights from one user to another.

The Water Strategy Report envisioned water markets, including water banking as a tool to meet numerous pressing water needs such as:

1. The protection or enhancement of instream flows for the natural system, wildlife and recreation uses;
2. Facilitating non-permanent transfers of water through leases, contracts, or other voluntary arrangements to support competing water uses, including increasing municipal demands;
3. Protecting agriculture by creating an alternative to permanent “buy and dry” water transfers in which agricultural water rights are acquired for municipal and industrial use and the related farm land is permanently retired;
4. Developing a market to incentivize wise use and efficient allocation of scarce water resources; and
5. Adding flexibility to Utah’s prior appropriation system while maintaining the validity of underlying water rights.

The Working Group was initially convened pursuant to the directives of a 2017 Joint Resolution of the Utah Legislature to study the expansion of instream flows rights. The focus of the Working Group quickly transitioned from the study of instream flows to the broader study of water banking as means to fulfill both instream flow needs and the above noted goals of the State Water Strategy. Since its inception, the Working Group has grown to more than 50 participants from environmental, municipal, state agency, agriculture, and other water user interests. In order to determine how water banks could best be established and operate in Utah, the Working Group spent more than a year studying water banking models in sister states and well as the legal and logistical barriers to water markets in Utah.

Over the last year, the Working Group has developed a conceptual model in which local water users create and manage water banks in a given region, with each water bank designed to suit the needs of its specific area or watershed. The goal of this water banking structure is to make water banks that: (a) support and benefit agriculture; (b) operate on a transparent, voluntary, and willing party basis; (c) facilitate open water markets without impairing existing water leasing and sharing efforts; (d) promote low transaction costs; and (e) allow for a wide range of interests to participate, including agricultural, municipal, and instream interests such as recreation and the environment.

Currently, the Working Group is operating to develop and implement its conceptual model through a series of working Sub-Committees.

The Legislative Sub-Committee is examining how the Working Group’s concepts can be implemented within the existing Utah law, identifying which laws need to be changed to accommodate water banking, and writing new legislation to support the concept. The Legislative committee also worked for the passage of a new 2019 Joint Resolution Supporting the Continued Study of Water Banking which gives a Legislative endorsement of the project. The 2019 Joint Resolution is accompanied by a \$400,000 appropriations request for state funds that will act as either a standalone funding for the project or as an in-kind contribution of funds to a successful Grant Application. As of the time writing, the Appropriation request has received favorable support but has not yet been awarded.

The Working Group Pilot Project Sub-Committee's goal is to facilitate the testing of the working concept's administrative and systematic concepts and inform a future permanent of Water Banking in the State. The Grant Application is a key component to the Pilot Project Sub-Committee's work. Multiple real world pilot projects will test the efficacy of the proposed Water Banking legislation and the practical implications of the implementing water banks on the ground. At the conclusion of the Pilot Project a Water Marketing Strategy Report will be prepared reflecting the lessons learned from the pilot project(s) and making recommendations for statewide implementation of water banking a water marketing strategy.

### 3. Task Description: Grant Application Preparation

DWR is seeking a qualified, professional grant writer guide the Working Group, through the direct supervision of the Pilot Project Sub-Committee, through the WaterSMART Water Marketing Strategy grant application process and produce a highly competitive Grant Application. For more information on the BOR Water Marketing Strategy Grants:

<https://www.usbr.gov/watersmart/watermarketing/index.html>

In collaboration with the Working Group, prepare the Grant Application according to BOR's marketing strategy framework and criteria that expresses the Working Group's activities to date and their water banking concept. The Working group is comprised of diverse stakeholder representation, and has ample background information and experience to inform the Grant Application preparation. BOR water marketing strategy required elements include:

- (1) Outreach and Partnership Building
  - The Working Group has already engaged in extensive outreach and partnership building. The Grant Application will need to summarize these activities to date.
  - Additional outreach and partnership building is needed to educate and gather input from the water user community about the Working Group's water banking concepts prior to implementation of pilot projects. The Grant Application will need to summarize and these additional activities.
- (2) Scoping and Planning Activities:
  - The Working Group has already engaged in extensive study of both sister state water banking programs and the existence of proto-water banking activities in Utah. The Grant Application will need to summarize these activities.
  - Additional scoping is needed to inform and choose the Pilot Project locations. The Grant Application will need to identify and summarize these additional scoping activities.
- (3) Development of a Water Strategy Document:
  - The Working Group considers their proposed water banking legislation to be a primary component of the Water Strategy Document for the State, however, other components of a water marketing strategy should also be considered.
  - The Grant Application will need to pay particular attention to the Water Marketing Strategy requirements and elements to properly frame our existing legislation and work as a Water Strategy Document

(4) Pilot Activities:

- The Working Group is interested in initiating between 1-3 Pilot Projects around the state of Utah to test the Working Groups Water Banking Concepts.
- Lessons from the Pilot Projects are intended to inform recommendations for the final Water Marketing Strategy Report required by a successful Grant Application. The Water Marketing Strategy Report will inform what changes needed to be made to the water banking concepts needed for a successful permanent water banking program in Utah.

## 4. Grant Application Cost Proposal

The Grant Application Cost proposal should include the following:

- Expectations of total hours to complete the project, and hourly breakdowns of the project work elements.
- Hourly rates for all staff involved.
- An approach for coalescing the needs of various stakeholders into a cohesive, complete project application.

Expected deliverables for Task 1 include:

- Up to 3 draft revisions of the grant application prior to submission (date contingent on FOA).
- Introductory meeting to establish working group goals and objectives.
- Weekly communication with the Pilot Project Subcommittee.
- Final grant application, submitted by the FOA deadline.

## 5. Deliverables and Preliminary Due Dates

Deliverable due dates are based upon the contract award date and the FOA. The project and all deliverables must be completed by the FOA's indicated deadline. Any change in the execution date of the contract must result in a mutually agreed upon change in deliverable dates. All final products generated by the contractor will be transmitted to DWRe in a mutually agreed upon format prior to the expiration of the contract.

Task	Deliverable	Due Date
Grant Preparation	Introductory Meeting (2 hours)	Before March 11th
	Weekly group communication	Ongoing (FOA Deadline)

	Draft 1	(3 weeks before deadline)
	Draft 2	(2 weeks before deadline)
	Draft 3 – Final Draft	(1 week before deadline)

## 6. Cost Estimate

Cost proposal must include elements in the form provided below.

Task	Deliverable	Proposed Cost (USD)
Grant Preparation	Introductory Meeting (2 hours)	
	Weekly group communication	
	Draft 1	
	Draft 2	
	Draft 3 – Final Draft	

All negotiations and final contract will be conducted through the Purchasing officer (Ann Schliep). Notice to proceed shall be provided when the contractor receives the contract from State of Utah Procurement.

\*Note: The 2019 FOA has not yet been released and this scope of work is contingent on terms on the 2019 FOA.