



INSTRUCTIONS FOR COMPLETING THE WATER LEASE AND TRANSFER GRANT APPLICATION

Revised
October 2009

**Grant applications may be submitted to OWEB at any time.
To learn of the next application deadline, please contact OWEB staff, or visit
www.oregon.gov/OWEB**

Oregon Watershed Enhancement Board (OWEB)
775 Summer Street NE, Suite 360
Salem, OR 97301-1290
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OWEB STAFF ASSISTANCE

Water lease and transfer acquisition projects are reviewed both regionally for ecological merit and in OWEB's central office on all criteria. Therefore it may be beneficial to contact your local field representative and OWEB's acquisition grant staff for assistance as you develop your proposal.

Central Office:

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For the most recent OWEB staff directory, see our website at:
www.oregon.gov/OWEB

GENERAL APPLICATION INSTRUCTIONS

The application contains the questions and the forms that must be completed. **Section I should be completed using the space provided.** Sections I and II should not exceed three (3) pages total. OWEB is seeking an overview of the project in the first two sections only. Starting with Section III, the questions request a full explanation of project specifics. Answer all questions, *using additional sheets of paper as needed.*

Please number your answers to correspond to the questions. Retype the first sentence of each question immediately before your response. The budget and match funding, legal requirements sheets, and all materials described in Section IIIC must be attached to the application. **Please use 8½" x 11" paper and provide a single-sided original to facilitate copying. All materials included with the application must be single-sided, unstapled, and unbound. Avoid color and other detail that will not photocopy clearly.**

If any of the information requested on the application form cannot be supplied, be sure to include an explanation of why it was not provided for review.

Section I APPLICANT INFORMATION **Complete the form provided**

While preferred, these pages need not be typed. **Do not exceed 3 pages for Sections I and II.**

Name of project: Provide a name that can be used for the project on all related correspondence and/or agreements. Give the project a name, which helps to define it. For example, "Rock Creek Water Lease," or "Beaver Creek Instream Transfer."

Project location: Identify the watershed, stream name, county, and township range and section(s) where the proposed project is located.

OWEB dollars requested/Total cost of project: Fill in the dollar figures as appropriate. These amounts should match those on the "Water Lease and Transfer Budget Form."

Applicant Name: An applicant can be an individual, non-profit, watershed council, public or private entity, local, state or federal agency (however, any state or federal agency must be a co-applicant with another eligible entity).

Applicant Contact: If the applicant is an organization or entity (not an individual), list the person who should be contacted or notified during the grant evaluation process.

Applicant Phone, Fax, Email, Website, and Address: Provide all contact information for the applicant.

Applicant Organization Type: Mark the box next to the type of entity which most closely matches the applicant. The choices are Local Government, Non-Profit, Tribe, Watershed Council, Soil and Water Conservation District, Individual, or Irrigation District.

Technical Contact Name, Phone, Fax, and Email: If an individual, other than the applicant or applicant contact, should be the primary contact for the project during the grant evaluation process, provide the requested information.

Current Water Right Holder: Provide the contact information for the current holder(s) of the water right proposed to be transferred or lease instream.

Water Right Certificate Number: Provide the water right certificate or permit number issued by the Oregon Water Resources Department for this project. More information about water rights can be found at www.oregon.gov/OWRD/WR/index.shtml.

Section II PROJECT SUMMARY

1. Has this application been previously submitted? Mark whether you have previously applied for OWEB funding for this project. If the application has been submitted previously, list the previous application's number and describe how you have modified the proposed project for this application. If you need assistance with your previous grant application number, please contact our office at 503-986-0187.

2. Check the primary type of activity proposed: Check one box that best represents the type of water lease or transfer proposed.

A water right may only be used for the purposes authorized under the right at the location identified in the right. Most changes in the use of water rights may only be made after approval by the Water Resources Department for a Water Right Transfer. A transfer may approve changes in the place of use, point of diversion, or character of use of a water right. Water rights may be transferred to instream uses, either permanently or temporarily. Temporary transfers are generally used for periods of time exceeding five years. For more information on water right transfers, please visit www.oregon.gov/OWRD/mgmt_transfers.shtml.

Oregon's instream leasing program provides a voluntary means to aid the restoration and protection of streamflows. Instream leases allow water right holders a way to protect water rights that are currently unused while also providing instream benefits. The term of an instream use lease cannot exceed five years, but it may be renewed. Split season leases are used if the water right is to be used for both the existing authorized purpose and for instream use during the same year. For more information on the instream leasing program, please visit www.oregon.gov/OWRD/mgmt_leases.shtml.

For more information on water rights, transfers, and leases, contact the Oregon Water Resources Department at 503-986-0800, or visit their website at www.oregon.gov/OWRD/.

3. Transaction Term: Identify the term of the transaction in months or years.

4. Amount of water proposed to be leased or transferred: Identify the amount of water that is proposed for lease or transfer. This number should be expressed in cubic feet per second (cfs).

5. Total volume of water to be transferred or leased: Identify the total volume of water to be secured in acre-feet.

6. Instream water right reach: Identify the reach on the instream water right in river miles.

7. Short description of project: Using 200 words or less, describe the proposed acquisition including project activity type (Question #2), purchase price, amount requested, the conservation need (Section IIIA, Questions #1-2), and conservation goals of the project. Include a statement about who will maintain the water interest after it is purchased or leased.

OWEB uses a brief description of proposed projects in internal communications with regional review teams and with the OWEB Board, and in external communications with the media, legislators, and the public about proposed grant projects. Prepare a clear description that captures the key features of the proposed project within the size limitation requested.

8. Timeline: Describe the timeline for the proposed project and include information and anticipated dates for the water right transfer process and purchase. If match funding has not already been secured, describe when match funding decisions are anticipated. If applicable to the proposed project, describe a post-purchase timeline that includes periodic measurement of whether the instream lease or water right is being met.

Section III

SPECIFIC PROJECT ACTIVITY

As described in Oregon Administrative Rules 695-046-0040, OWEB water lease and transfer grant applications are evaluated based on the following criteria:

- (a) The ecological benefits of the proposed project;
- (b) The financial partners in the project and other support expressed for the project;
- (c) The effect of the proposed project on the local and regional community; and
- (d) The soundness of the legal and financial terms of the proposed water right transaction.

The questions in Section III come from the application requirements described in OWEB's water lease and transfer administrative rules, which are available either on the Secretary of State's Web site, or with the water lease and transfer grant materials on the OWEB Web site at www.oregon.gov/OWEB.

A. ECOLOGICAL BENEFITS

1. Describe the habitat and species the project proposes to benefit through an increase in instream flow, the relative importance of the site's habitat and species values at the watershed and basin scale, and how the project relates to other watershed restoration and protection efforts in the watershed. Describe the species and life stages most likely benefited by the proposal.

2. Describe whether the proposed water lease or transfer is located in a high priority area as identified in The Oregon Plan Streamflow Restoration Priorities (2001) available online at www.oregon.gov/OWRD/mgmt_opsw.shtml. If the proposed project is not located in a high priority area, describe how the proposed water lease or transfer benefits the conservation needs of priority habitat and species.

The Water Resources Department and the Department of Fish and Wildlife jointly identified priority areas for streamflow restoration in basins throughout the state. These priority areas represent watersheds in which there is a combination of need and opportunity for flow restoration to support fish recovery efforts under the Oregon Plan for Salmon and Watersheds.

3. If applicable, reference current conservation plans that identify the habitat and species as protection priorities. Attach relevant pages (no more than 10 pages total) from these plans to the grant application.

Do not provide a list of the conservation plans that identify the habitats or species present in the river or stream, or in the river reach affected, as a protection priority. Attach pages that reference the property, river reach, habitats, or species from the most important and relevant conservation plans because OWEB may not have copies of those plans available to provide to reviewers.

For example, does the project include stream reaches identified by the Oregon Chapter of the American Fisheries Society as Aquatic Diversity Areas? Has a watershed assessment or action plan been completed for the watershed, and does it identify this river reach or protected aquatic habitats as important to watershed function? **Do not attach more than 10 pages total from all listed plans.**

4. If applicable, describe the water quality parameters the project proposes to directly affect, and the current condition and trend of water quality in the project area.

Contact the Oregon Department of Environmental Quality's Water Quality Program for more information (www.deq.state.or.us/wq/).

5. Describe how the applicant, or the entity who will maintain the water interest, plans to conduct periodic measurement of whether the instream lease or water right is being met. Describe how the project's benefits will be monitored and evaluated over time.

For more information about monitoring, visit the OWEB Monitoring & Reporting site (www.oregon.gov/OWEB/MONITOR/index.shtml) or contact Greg Sieglitz, Monitoring Program Manager at (503) 986-0194 (greg.sieglitz@state.or.us).

6. Explain why the proposed lease or transfer of the water interest is the best method to accomplish the proposed protection, restoration, or improvement in habitat or water quality described above.

B. PARTNERS, SUPPORT FOR THE PROJECT, AND THE EFFECT OF THE PROPOSED ACQUISITION PROJECT ON THE LOCAL AND REGIONAL COMMUNITY

1. Describe the financial and in-kind partners in the project and what they will contribute. Describe project partners, and what they will contribute whether it is funding or technical assistance.
2. Describe the entities that support the proposed project. Identify and describe both non-governmental and governmental entities that support the proposed project. Attach letters to verify that support.
3. Describe the current land uses on the property to which the water right is appurtenant (the land to which the water right was attached when it was established) and the land uses on adjacent properties.
4. If the project is a permanent transfer, describe the effect of the proposed water transfer on the property taxes paid on the property to which the water right is appurtenant, and the proposed project's effect on the local property tax base.
5. Describe any anticipated economic and social effects the project may have on the local and regional economy and community.

C. REQUIRED ATTACHMENTS

The following, if applicable, must be attached to the grant application, or received by OWEB by the grant deadline, for the application to be considered complete.

1. **Location Map.** On a USGS 7.5 min topographic quad map show the location of the point(s) of diversion, instream reach, and place(s) of use of the water interest proposed for lease or transfer. Provide a map on 8½" x 11" pages and include a legend and north arrow. Avoid color and detail that will not photocopy clearly. Provide 25 color copies of any maps that you want OWEB reviewers to see in color.
2. **Conservation Plans (Section III, #A2).** Attach no more than **10 total pages** from current conservation plans that identify the habitat and species, which are expected to benefit from the proposed project, as protection priorities.
3. **Letters or Documentation of Support (Section III, #B2).** Attach letters documenting support for the proposed project.
4. **Water Right Holder Letter.** Attach a letter from the current water right holder(s) stating that they are in discussion with the grant applicant about transferring or leasing the water right interest.
5. **Fair Market Value Appraisal.** Attach a fair market value appraisal or other OWEB Board-approved valuation of the water right interest to be acquired. The appraisal or valuation must have been completed within the year prior to the grant deadline. Contact OWEB staff for more information about appraisal or other approved valuation methods.

6. **Water Right Certificate or Permit.** Attach the water right certificate or permit for the water right certificate or permit number identified on Page 1 issued by the Oregon Water Resources Department. Water right certificates are available on-line at www.oregon.gov/apps/wr/wrinfo/wrinfo.php. Other information about water rights can be found at www.oregon.gov/OWRD/WR/index.shtml.
7. **Irrigation District Statement.** If applicable, attach a statement regarding whether the lands served are within an irrigation district or similar organization that conveys water to the subject water right(s).
8. **Ownership and Lien Report.** Attach an ownership and lien report for the property to which the water right is appurtenant.
9. **Option, Purchase or Lease Agreement/Donation & Disclosure.** Attach a copy of the written option, purchase, or lease agreement for the subject water lease or transfer, including the agreed-upon purchase or lease price for the water interest.

Also include the following information:

- a. A statement of whether the seller or lessor of the water interest is contractually required by the written option, purchase or lease agreement, or other related documents, to donate or transfer funds to the buyer, applicant, or a third party who has assisted with or facilitated the proposed lease or transfer.
 - b. Disclosure of the amount of a contractually required donation or payment is required after an initial staff recommendation has been prepared on the grant application. Disclosure of the amount is required only if the donation or payment will exceed 15 percent of the purchase or lease price for the water interest. Disclosure of the amount of a contractually required donation or payment exceeding 15 percent of the purchase or lease price must be made to the Executive Director of the Oregon Watershed Enhancement Board in writing prior to the Board's consideration of the proposed funding request, or the grant application will not be considered for funding by the Board.
10. **Water Right Assessment.** Attach an assessment of the reliability of the water right for providing instream benefits, including:
 - a. A description of which month(s) the water right has typically been used and how often the water right has been met in the last ten years
 - b. A written statement from the Oregon Water Resources Department describing the extent to which the water right has historically been met and whether regulation has been or may be required on the stream in question regarding the proposed right.
 - c. A signed statement from the current holder of the portion of the water right proposed to be transferred or leased instream or the landowner to which the water right is appurtenant stating that the water has been used over the past five years in accordance with the terms and conditions of the right or that the right is not subject to forfeiture under ORS 540.610.

11. **Prior Purchase Statement.** Applicants may submit an application for a lease or transfer that occurred prior to Board review if the lease or transfer occurred after the preceding grant application deadline. In such cases, applicants must submit the following with their application:
 - a. An explanation of the circumstances requiring lease or transfer prior to Board review of the application; and
 - b. A statement acknowledging that the applicant proceeded with the lease or transfer with the understanding that the Board might not approve funding for the project, and that the prior lease or transfer and any financial consequences to the applicant will not be a factor in the Board’s funding decision.

12. **OWEB Water Lease and Transfer Budget & Match Form** (separate form).

OWEB funds are only eligible to be used towards the purchase price of the water lease or transfer. All other categories listed on the budget form are not eligible for the use of OWEB funds, but are eligible match as identified in OWEB’s administrative rules.

Please note the column marked, “Match Funds.” This column is for the amount of funds from sources other than OWEB. Match funding totaling 25 percent of the amount requested from OWEB is required. The “Source” column is for listing the source of matching funds, while “Match Funds Status” is where you should explain whether funds are secured or pending. Verification that match funding totaling 25 percent of OWEB grant funds has been secured is required prior to the release of any OWEB grant.

13. **Land Use Information Sheet** (part of the Grant Application).

OWEB requires that all watershed projects comply with the Statewide Planning Goals by ensuring compatibility with acknowledged comprehensive plans. The Land Use Information Sheet is the document OWEB requires to ensure a project’s compatibility with local comprehensive plans. While included in the grant application, the Land Use Information Sheet does not need to be submitted with the application. The form must be submitted prior to OWEB signing a grant agreement and releasing project funds. OWEB will only release project funds if the project either is not regulated by, or is compatible with, the local comprehensive plan and zoning ordinance.

14. **Legal Requirements Form** (part of the Grant Application).

This form provides acknowledgment that if OWEB awards funds for the project, you are willing and capable of the contractual and performance obligations required under the OWEB water lease and transfer grant program.

15. **Photographs.** If applicable, provide photographs to aid in understanding the project. Avoid color and detail that will not photocopy clearly. Provide 25 color copies of any photographs that you want OWEB reviewers to see in color.

NOTE: The OWEB Executive Director has the discretion to waive one or more of the listed due diligence requirements if a functional equivalent, one that provides the same information as the document or information required by the rule, is submitted for the Board’s consideration.