



# DRINKING WATER SOURCE PROTECTION GRANT PROGRAM

## Frequently Asked Questions

*Oregon Watershed Enhancement Board*

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This document provides clarifying answers to questions recently posed by applicants. It is not a comprehensive overview of the program. Please refer to the [Drinking Water Source Protection \(DWSP\) Grant Program Manual](#) for detailed program information, and contact Audrey Squires, DWSP Specialist, with specific questions: [Audrey.L.Squires@oweb.oregon.gov](mailto:Audrey.L.Squires@oweb.oregon.gov) or 503.798.6337.

### THE YELLOW HIGHLIGHTED ITEMS ARE CORRECTIONS TO THE DWSP PROGRAM MANUAL

*How do I provide evidence of water system ownership?*

- We included the wrong link in that section of the program manual. Please use the [Water System Search](#) on the OHA website and provide a screenshot of your water system's information to meet this application requirement. If your entity's name does not exactly match the name in the OHA Water System Search, please provide additional verification/documentation that the applicant entity is in fact the owner/operator of the water system.

*Can you explain the first cycle exemption for third-party demonstration of market value?*

- Per OAR [695-048-0120\(3\)](#), "a third-party demonstration of market value of the Protective Instrument is not required for loan repayments." While third-party demonstration of market value is a generally recommended practice when pursuing land acquisition and conservation, we understand that these loan repayment projects were completed prior to the development of program requirements, and often in very urgent situations, and so we created this waiver to be more inclusive of these projects. However, we need to correct an error in the [DWSP Program Manual](#) on page 15. We incorrectly included reimbursement projects in this third-party valuation exemption. Administrative rule does not provide the exemption for reimbursement projects, only loan repayment, and so a third-party demonstration of market value is required for reimbursement projects.

### APPRAISALS

*Is an appraisal required at the time of application?*

- No, an appraisal is not required at the time of application. It will be required as part of the due diligence steps if awarded funding, with a few exceptions. (See [DWSP Program Manual](#), Appendix A.) OWEB staff will help you understand the appraisal requirements for your project during your pre-application consultation meeting.

*Since an appraisal is not required at the time of application, how should I estimate purchase price?*

- Some options include the recent listings of the property, existing appraisals, sales of nearby similar properties, broker's price opinion, or a restricted appraisal. For explanation of these options, see the [Acquisition Cost Estimation Guidance](#) from OWEB's Land Acquisition Grant Program. When reviewing that guidance, please keep in mind that the Land Acquisition Grant



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Program is *different* than the DWSP Grant Program, and as such, program structure and requirements within that document are not applicable to the DWSP Grant Program. The purpose of looking at that guidance would be to generate ideas for how to estimate the value of the property.

*We need to do a Yellow Book appraisal for requirements from another funder. Is that type of appraisal acceptable for DWSP?*

- Yes. Yellow Book (or UASFLA) appraisals, which are required for federally funded projects, meet DWSP requirements because they are compliant with USPAP appraisal standards. The Appraiser may have to invoke a (USPAP) Jurisdictional Exception in deference to Yellow Book, usually for not stating a specific “exposure time”, though if they use the Yellow Book definition of Market Value, that may not be a requirement. Ultimately, when you order your Yellow Book appraisal from an Oregon Certified Appraiser, because of their certification, they will have to comply with USPAP. When working with an appraiser, please make sure to provide DWSP appraisal requirements (Appendix A of the [DWSP Program Manual](#)).

*If the seller will not sell property at the appraised value, will the project be eligible for DWSP funding?*

- [OAR 695-048-0100](#) requires that the purchase price of the property be based on an appraisal and appraisal review. Given this requirement, neither OWEB funds nor eligible match can be used for any amount paid in excess of the OWEB-approved appraised value. If the applicant chooses to purchase the property at a price higher than the OWEB-approved appraised value, they will need to use other funds for the difference between the appraised and negotiated values.

### APPLICATION REQUIREMENTS

*Some application questions in the Word template don't seem to apply to my project. Will I have to answer them?*

- The [application template](#) includes *all possible* questions. The [online application](#) will filter out some questions depending on your project. For example, if you are not requesting loan repayment, you will select “no” to that question, and then any follow-up questions about a loan will not appear for you. We encourage you to review the online application and click the radio buttons and check boxes that fit your project so that you can see which questions will apply to your proposal.

*What level of commitment is required of the landowner at the time of application?*

- The landowner must be a willing seller. To evidence this, please have them fill out and sign the [Landowner Acknowledgement Form](#). A purchase and sale agreement is not required at the time of application.



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*What level of map quality are you looking for?*

- We have no requirement for the quality level maps. Our only expectation is that the required information (described in the [DWSP Program Manual](#) on page 12) is included in the maps in a readable/understandable form. It's ok to combine the required maps as long as all requested information is included, and the maps are legible. Online mapping tools with annotations can be used to fulfill this requirement if you do not have access to ArcGIS. When using the online mapping tools (which are linked in the DWSP Program Manual on page 12), please ensure that your Drinking Water Source Area (DWSA) is outlined so that its boundaries are clear. This [DEQ mapping tool](#) may be best for creating a DWSA map. If you have access to ArcGIS, you can download DWSA layers on the [DEQ Drinking Water Protection Program webpage](#). For the Threats Map, please look at your Updated Source Water Assessment from DEQ. You may be able to use the maps in that report to meet this requirement.

*Is a management plan required at the time of application?*

- No. The management plan is required for funded projects prior to closing on the land transaction, with some exceptions. (See [DWSP Program Manual](#) pages 17-18.)

## APPLICATION EVALUATION

*How will applications be evaluated?*

- The first step in the evaluation process is an eligibility review by OWEB staff immediately after applications are submitted in December 2024. In January through March 2025, OWEB contractors will evaluate the soundness of the proposed real estate transaction. Concurrently, a technical review team will evaluate the merits of the application with respect to evaluation criteria defined in [OAR 695-048-0110](#), also depicted in this [diagram of evaluation criteria](#). All evaluation criteria are equally weighted. Reviewers will determine how well a project meets each criterion and then determine the overall likelihood of success. Reviewers will then rank the projects. The projects that fit within the \$5 million program budget will receive funding in order of ranking within the two project tracks (General Fund – loan repayment/reimbursement; Lottery Revenue Bonds – forward-looking acquisition).

*Who is on the technical review team?*

- We are currently forming the technical review team. At this time, membership consists of staff from various state and federal agencies with expertise in drinking water, water systems, hydrology, hydrogeology, watershed processes, forest stewardship, land transactions, and project management. We will also be inviting the nine federally recognized tribes within Oregon and the Nez Perce Tribe to serve on the review team.



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*Will my application be more competitive if I ask for a lower amount of money?*

- Project cost does not factor into the evaluation. Please ask for what you need to successfully complete the project. That said, given the limited funding, we encourage applicants to be conservative with their funding requests and attempt to leverage other funding sources so that we can fund as many projects as possible. OWEB will not reduce grant requests except for the scenario of one falling on the funding line where only a limited amount of funding remains.

### PARTNERSHIPS

*What are examples of eligible Partners?*

- Land trusts, soil and water conservation districts, and tribes are examples of eligible partners. State agencies are not eligible partners. See [ORS 271.715](#) for a detailed definition.

*For applications involving loan repayment, where an MOU was in place with a land trust partner at the time of purchase, will additional documentation of partnership be required for the DWSP application/award period?*

- If the MOU includes the information required by OWEB, then it is sufficient. If it is lacking any of the required information (see page 17 of the [DWSP Program Manual](#)), then you would need to amend the MOU to include it. The Partnership agreement should include a description of Partnership resources to assist with the long-term protection, restoration, or enhancement of drinking water sources; clearly defined roles and responsibilities; and whether the Partnership's mission supports the protection or restoration of natural resources and/or drinking water. If the project is selected for funding, the Partnership agreement will need to be amended with required flow-down terms from the grant agreement between OWEB and the Water Supplier.

### MATCH

*Is pending match accepted?*

- Pending match is allowed at the time of application. It must be secured prior to the grantee's first payment reimbursement from OWEB.

*Can the cost of developing the management plan be used as match?*

- Yes, as long as costs are/were incurred during the appropriate match window. Please see [DWSP Program Manual](#) page 9 for more details on match.

*Are there any match fund sources that are ineligible?*

- Private, state, and federal funds are all eligible match. Other OWEB grants cannot be used as match.



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### POST-AWARD

*Can the project partner own the land?*

- Yes, the project partner (a holder, as defined by [ORS 271.715](#)) can own and manage the land for the benefit of the water supplier and their drinking water source.

*Are we allowed to offer public access to the property?*

- The DWSP program does not have requirements or restrictions with respect to public access. That decision is up to the applicant (and partner, if applicable). Whatever decision you make should be justified in your application with a focus on how the drinking water source will remain protected.

*If awarded funding, when do we have to complete the project by?*

- [OAR 695-048-0140](#) requires that all conditions of the grant award be met within 18 months. Grant awards will likely be made in late April 2025, which puts the end date at late October 2026.

### GENERAL

*Can OWEB staff review my application prior to submission?*

- We can offer a “completeness review” if sent to OWEB staff at least one week prior to the application deadline (i.e., by Dec. 5<sup>th</sup>). During the completeness review, we will not provide specific edits. Rather, we will focus on ensuring that you have included all required materials and that the responses and documentation provided in the application will be clear to the technical review team. Please email Audrey Squires to set up a completeness review: [Audrey.L.Squires@oweb.oregon.gov](mailto:Audrey.L.Squires@oweb.oregon.gov).

*What if my community is not disadvantaged, are we still eligible to apply?*

- Being a disadvantaged community is not a requirement for this program. To be an eligible applicant, you must have a service population at or below 25,000 users. Serving a lower income population is a factor that will be evaluated by the review team but is not an eligibility requirement. The legislative intent of these community characteristics (i.e., small/rural population, lower income population) is because they may result in a financial strain on the water supplier’s ability to deliver services. For more information on eligibility requirements, please see pages 2-3 of the [DWSP Program Manual](#).

*Are DWSP program requirements the same as OWEB's Land Acquisition program requirements?*

- No. Some are similar, but they have important differences. Please make sure to refer to guidance and materials specific to the DWSP program located on the [DWSP webpage](#).