

2026 Water Transaction

GUIDANCE DOCUMENT



Private Forest Accord Grant Program

OREGON DEPARTMENT OF FISH & WILDLIFE

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Section 1: Introduction

Oregon Department of Fish and Wildlife (ODFW) funded interests in water transactions must continue to be used for the purposes specified in the Grant Application for the duration of the project. ODFW/PFA Grant Program does not make water transaction grants directly to individual landowners, instead, individual landowners may partner with an eligible entity (the grantee). The grantee is ODFW's direct partner and is responsible for working with the landowner to develop and implement the project. Water transactions are funded by the PFA Grant Program and related contracts must include certain ODFW-related terms and conditions to ensure that use of the transaction remains consistent with the purpose of the ODFW-funded grant.

Where to Get Information

For additional information, or consultation requests, please contact your local PFA Stream Biologist or the PFA Grant Coordinator, at pfa.grants@odfw.oregon.gov.

This document provides guidance specific to Water Transaction projects only. For proposals involving Land transactions, please refer to the *Land Transaction Guidance Document* found on PFAGrants.com.

For purposes of mitigation

As defined in the Oregon Administrative Rule, funding from the PFA Grant Program cannot be used for any prior or current compensatory mitigation obligations.

For future use

The PFA Grant Program sets deadlines to ensure funded transactions are completed within a reasonable timeframe. Generally, the Grantee will have 5 years to complete the project as outlined in the agreement. Any expenses to be reimbursed for nonuse will be paid in a lump sum on the five year mark. If unforeseen circumstances cause delays exceeding the standard deadlines, project grantees can request extensions before the initial deadline expires, as an amendment that must be approved by ODFW. Extensions are granted based on the project's revised plans and construction schedule. Failure to implement the project within the agreed timeframe or secure an extension will trigger a compliance review by PFA Grant.

Timeline for project solicitation

The timeline for the 2026 PFA Grant project solicitation is listed below. This timeline is an estimate subject to updates, reviews, and revisions.

Annual project solicitation opens.	**Friday, November 12, 2026, at 6:00 a.m.**
Solicitation closes, project proposals due.	**Friday, January 8, 2027, at 5:00 p.m.**
Grant review period	January – March 2027
PFA Advisory Committee project review and recommendations.	March 2027
ODFW staff presents recommendations to the Fish & Wildlife Commission.	April 2027
Anticipated grant awards and eligible project start date	**April 2027**
Online Application Access/Link:	Online Application Link (Apply Here)

Program Contacts

ODFW contact	Contact Areas of Focus
Program Questions **PFA.Grants@odfw.oregon.gov**	Contact for general inquiries, including specific project questions, project amendments, possible project delays, and application feedback requests.
Tiffany Caldwell – Private Forest Accord Staff Assistant **Tiffany.s.caldwell@odfw.oregon.gov**	Contact for project reimbursement requests, all reports, and administrative questions.
Andy Spyrka – Private Forest Accord Grant Coordinator **Andrew.j.spyrka@odfw.oregon.gov** Oregon Department of Fish and Wildlife, Habitat Division. 4034 Fairview Industrial Drive SE Salem, OR 97302	Use for all hard copy mailings.
Private Forest Accord Biologists 6 Regions across the State of Oregon: – Klamath Falls Watershed District – Umpqua Watershed District – South Willamette Watershed District – Grande Ronde Watershed District – Mid Coast Watershed District – North Coast Watershed District PFA Biologist Boundaries Map PFA Biologist Contact Information by region	Project development.

Section 2: Eligibility and Costs

The PFA Grant Program provides funding for water transaction grants for future projects that benefit species covered by the anticipated Oregon Department of Forestry's Private Forest Accord Habitat Conservation Plan (HCP). Projects must demonstrate meaningful and lasting conservation outcomes and habitat benefits for the covered species. All water transactions must align with the broader goals of the PFA Grant Program, specifically providing conservation benefits to species covered by the HCP. Proposals should demonstrate the return on investment and justify why water transaction is the best value for the investment.

All grant applications submitted to the PFA Grant Program are reviewed annually in their entirety through a competitive process. Each application is scored and ranked in comparison to all other types of PFA Grant Program applications, including implementation, planning, and research projects**. Water transaction projects will compete for the same funding pool as other project types submitted.**

Water Transaction projects can benefit aquatic ecosystems by maintaining healthy water levels for fish, wildlife, and recreation. Existing consumptive use water rights (e.g., irrigation, municipal, etc.) can be legally converted to instream water rights to increase the amount of water protected in rivers, streams, or other bodies of water. This process of restoring instream flows often involves buying or leasing water rights, both of which are eligible for the PFA Grant Program. PFA Grant encourages prospective applicants to coordinate with state agencies such as Oregon Water Resources Department (OWRD), Oregon Department of Fish & Wildlife (ODFW), and Oregon Department of Environmental Quality (ODEQ) to better understand regional flow restoration priorities, how the proposed project aligns with those priorities, and/or how any other agency voluntary flow protection programs could be utilized. Questions in the application will provide an opportunity to discuss how the proposed project expands on other State Agency priorities.

PFA Grant allocates funding for water transaction projects to other entities. When legally transferred instream, the Oregon Water Resources Department holds instream water rights in trust for the State of Oregon. ODFW and PFA Grant do not hold an interest in water rights funded by grants.

Eligible Water Transaction Types

The following are eligible project types are defined for the PFA Grant Program Water Transaction Projects.

- **Instream Flow Restoration Projects Types Administered by OWRD**
  - **Full Season Instream Lease**
    - A voluntary agreement where a water right holder leases all or a portion of their water right for an entire irrigation season to be protected instream for ecological benefits. The water right remains valid and reverts to its original use after the lease term (up to five years).
  - **Split-Season Instream Lease**
    - A flexible lease allowing a water right holder to use water for part of the irrigation season and lease it instream for the remainder—helping maintain late-season streamflows while still supporting some agricultural use.
  - **Permanent Instream Transfer**
    - A permanent change of a surface water right from out-of-stream use (like irrigation) to instream use, creating a lasting water right held in trust by the state to support streamflow restoration.
  - **Time-limited Instream Transfer**
    - A temporary change of a surface water right to instream use for a set period (typically longer than five years). The water is protected instream for the term, then reverts to its original use once the agreement ends.

- **Other Project Types Not Administered by OWRD**
  - **Forbearance Agreements**
    - Voluntary agreements where water right holders agree to not divert or use water during certain periods or flow conditions, allowing more water to remain in the stream without formally changing the water right.
  - **Minimum Flow Agreements**
    - Arrangements that ensure a specific flow level is maintained in a stream through voluntary cooperation or coordinated management between water users and conservation partners and the state.
  - **Other Water Use Agreements**
    - Collaborative arrangements tailored to specific circumstances—such as rotational use, shared conservation measures, or temporary water sharing—to balance instream and out-of-stream needs.

It is recommended that applicants reference Flow Restoration Tools provided by the Oregon Water Resource Department, when developing an application for the PFA Grants Program.

Eligible applicants

- Colleges and Universities
- Federal agencies
- Local governments and political subdivisions
- Non-profits
- Private corporation or limited liability corporation
- Soil and Water Conservation Districts
- State agencies
- Tribes as recognized by the State of Oregon
- Watershed Councils

Individuals are not eligible to apply independently but may partner with an eligible applicant.

Eligible and Ineligible Costs – Water Transaction Grants

Overview

Only eligible costs are reimbursable under the PFA Grant Program. Water transaction projects must include all anticipated costs in the Comprehensive Budget Sheet (Appendix G) at the time of application submission. Upon submission, the application is considered complete—no revisions or late additions will be accepted.

Eligible Costs

Eligible water transaction costs include those directly related to final stages of securing an interest in water, including associated administrative, legal, technical, and due diligence expenses. Certain preliminary or exploratory due diligence and legal expenses are not eligible,- see Pre-Agreement Costs section for specifics.

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Personnel/Administrative Costs

- Costs must be directly tied to the execution of the water transactions. Eligible items include the following:Advertising for public notices or hearings
- Attorney fees related to due diligence, title, contracts, and water law issues
- Billing and invoicing preparation
- Communication and correspondence
- Consultant fees for water valuation or legal review
- Contract procurement and award administration
- Certified Water Rights Examiner (CWRE)
- GIS mapping and water right documentation
- Meeting facilitation and site visits
- Monitoring or enforcement related to long-term compliance (e.g., easement enforcement)
- Negotiations and stakeholder engagement
- Progress report preparation
- Project management and coordination

- Public hearings and associated logistics
- Room or venue rental
- Salaries and benefits for staff working on the water transaction
- Travel costs directly tied to site visits or negotiations

Other Direct Costs

These are costs directly tied to securing and finalizing the transaction of water or water rights:

- Purchase price of water or water rights (including surface or groundwater)
- Option fees tied to a binding purchase agreement
- Appraisal and appraisal review (one per water transaction)
- Environmental assessments and hydrologic investigations
- Title insurance and extended title reports
- Attorney fees directly related to the transaction
- Escrow and closing fees with a neutral third party
- Recording fees for title transfers or trust agreements
- Due diligence costs (e.g., field inspections, water availability verification)
- Bridge loan interest (if necessary to secure water before funding is disbursed)
- Technical reports or feasibility studies required for water transactions
- Water right application fees (e.g., transfer of point of diversion)
- NEPA/SEPA compliance documents (if applicable)
- Signs, boundary markers, or notices if physical diversion infrastructure is acquired

Ineligible Costs

The following costs are not reimbursable under the water transaction category:

- Annual water assessments or user fees after transaction
- Bonus payments to sellers
- Ceremonial, or entertainment expenses
- Fundraising expenses
- Legal settlements, mitigation obligations, or FERC relicensing costs
- Indirect or overhead costs not directly linked to the transaction
- Purchase of personal property
- Retroactive costs incurred before the eligible pre-agreement period
- Speculative or unsupported costs (e.g., unverified values or placeholder amounts)
- Lobbying, membership dues, or political advocacy
- Owner-requested upgrades or additional purchases not directly related to the project goal(s)
- Costs required to meet unrelated regulatory or permitting obligations

Additional Budget Considerations

No minimum or maximums exists on funding requests.

Water transaction grants may be applied to:

- The purchase price and the purchase option fees associated with the property interest;
- The interest on bridge loans needed to secure closure on the property interest prior to when funding will be available for distribution through the program;
- The staff costs incurred as part of the transaction process related to the property interest;
- The cost due diligence activities, including appraisal, environmental site assessment, survey, title review, the applicant's legal fees incurred, and other customary due diligence activities;
- The cost of baseline inventory preparation;
- The cost of preparation of the initial management plan, including consideration of any restoration needs;
- The closing fees, including, but not limited to, recording and title insurance costs; and
- The cost of securing and maintaining the conservation values associated with the property interest in accordance with the application or a management plan approved by the Director.

Additional descriptions of eligible costs based on the *Comprehensive Budget Sheet* found in Appendix G are listed below. To avoid confusion:

- List line-item costs as precisely as possible.
- Do not lump charges unless elaborated in the Scope of Work, *Budget Discussion* section.
- Equipment costs may be lumped together in the Comprehensive Budget Template to save space but must be detailed in the *Budget Discussion.*
- **Appendix G, Comprehensive Budget Sheet, is required to be used for all project budgets.**

Applicants are encouraged to carefully consider all cost factors associated with the project before submitting an application. The following is a breakdown of the cost categories in the budget sheet:

Personnel costs (salaries & wages)

Salaries and wages and the associated benefits of grantee employees who are directly engaged in the execution of the grant project, limited to actual time spent on the grant project, including reporting and other grant-specific needs. List all staff by title who will be working on the grant as separate line items and, in the Grant narrative, a short qualification statement for each staff member.

Contractual

Direct consultant and contractual services necessary to achieve the grant objectives. Contractual costs include professional and consulting services directly related to achieving the grant goals, objectives, and milestones. List each contract as a separate line item. For all consultants on the project, a brief description of their experience, role in the project, and costs must be discussed in the Grant narrative.

Travel

Costs associated with travel to and from project sites, meetings, conferences, etc., directly related to the grant project. These must be considered reasonable and necessary for the completion of the project. Reimbursement rates will be based on the Grantee's written travel policy if established. If the Grantee does not have set reimbursement rates, they will follow the United States General Services Administration Per Diem Rates for the State of Oregon. Mileage rates shall not exceed those allowed by the IRS. Travel costs may be lumped into one line item.

Water Transaction Purchase Price

This is where the costs of the transaction are to be listed in the budget if applicable. ***Indirect costs do not apply to this cost; this is considered a direct cost.***

Supplies

Supplies used in direct support of the project. Supplies include items under $5,000 per unit cost.

For example, 5 chainsaws at $1,500 per unit would be considered Supplies.

Equipment

The PFA Grant Program is funded by public resources, to ensure responsible use of funds, all projects proposing equipment purchases exceeding $5,000 (defined as any singular, tangible asset) must develop a five-year Maintenance and Monitoring Plan (M&MP). This M&MP, outlined in Appendix S: Equipment Maintenance & Monitoring Plan, ensures equipment remains in optimal working order, maximizes lifespan, and continues to serve its intended purpose for five years following project completion.

Grants also will cover the cost of leasing equipment, and the *Budget Narrative* must include a cost-benefit analysis showing the benefit of purchasing equipment over leasing if choosing to purchase. Equipment must be purchased on a competitive basis, and the budget analysis must include a price comparison of comparable alternatives. The grant application must describe the proposed use and maintenance plans for equipment after the grant period.

Other Costs – CRITICAL INFORMATION FOR WATER PROJECTS

For all water transaction projects, list funding requests for nonuse agreements under the “other costs” budget category.

Indirect Cost Rates

General costs associated with doing the business required to implement the project, i.e., overhead costs. Examples include salaries and benefits of employees not directly assigned to a project; functions such as personnel, accounting, budgeting, audits, business services, information technology, and janitorial, rent, utility supplies, etc. Unless a federally negotiated rate is described and provided in an attachment in the proposed Scope of Work, all indirect costs are capped at a 15 percent rate (15%) of the project costs requested from ODFW associated with the following budget categories:

- Personnel Costs
- Supplies Costs
- Equipment Costs
- Contractual costs
    - Note:
        - Indirect for all contractual costs is capped at 15% of the total contract cost.
- Other Costs

All indirect costs must be requested at the time of the application to be considered for funding. Grantee must maintain all indirect costs receipts and records in the event of an audit and review. Any federally negotiated rate accepted by the PFA Grant Program, must adhere to the terms, conditions, and eligible budget categories discussed in this section, *Indirect Cost Rates.*

Reference Appendix F: Indirect Costs Definition and Policy for additional information if requesting any indirect costs.

Pre-Agreement Costs

Grants for Water Transactions that incur pre-agreement costs eligible for reimbursement are project costs incurred before fully executing a project agreement. Pre-agreement costs **only apply for costs incurred up to 2 years prior to the submission date of the application.** Not all administrative and incidental costs are eligible pre-agreement costs

Pre-agreement costs are limited to the following:

- Administration costs

- Incidental costs limited to:

    - Appraisal and appraisal review (Must meet requirements set forth in this document).
    - Baseline documentation–conservation easements only
    - Boundary line adjustments, lot line adjustments, and subdivision exemptions
    - Cultural resources (survey, excavation, on-site monitoring, data recovery, and other costs)
    - Environmental site assessments as described in this manual

- Land survey (i.e. property boundaries). New legal surveys must be recorded with the county auditor's office on the property title if the property is successfully acquired with an RCO grant.
- Preliminary title reports
- Relocation administration
- Stewardship plans–salmon recovery grants and Washington Wildlife and Recreation Program Habitat Conservation Account (except State Lands Restoration) and Farm and Forest Account projects only
- Wetland delineations
- Incidental costs include:
    - Appraisals and appraisal reviews of water rights
    - Water right verification and chain of title
    - Hydrologic or geotechnical evaluations
    - Environmental audits or water quality assessments
    - Cultural resource assessments (if required)
    - Legal reviews related to water right transferability
    - Preliminary title reports for water rights or associated land
    - Public interest review documents (if applicable)

All pre-agreement costs incurred must adhere to the requirements in this manual for the costs to be eligible for PFA Grant funding or match. **All pre-agreement costs requests must demonstrate proof of payment to be considered for reimbursement and only apply for costs incurred up to 2 years prior to the submission date of the application**

Cost Justification for Water Transactions

For water transaction projects, applicants must provide documentation and rationale to demonstrate that the proposed transaction cost is reasonable, consistent with market conditions, and reflects the ecological value of the water secured. Leased or transactional water must show measurable water in-stream **The applicant must demonstrate that the water rights certificate has been beneficially used regularly and is reliable over the past 5 years. Water rights acquired or transferred through the transaction must produce a direct, measurable increase in streamflow.**

Because traditional real estate appraisals are often not applicable to water-only transactions, PFA Grant accepts the following types of cost justification in lieu of or in addition to a formal appraisal, and must include one or more of the following in the application:

- *Comparable Transactions:*
  Provide documentation of recent water right sales, leases, or transfers within the same basin or adjacent watersheds. Include:
    - Volume or rate (cfs or acre-feet)
    - Term (e.g., annual, split-season, permanent)
    - Purchase or lease price

  - Source and priority of the water right
  - Transaction type and structure (e.g., instream lease, forbearance)

- *Third-Party Valuation or Consultant Opinion:*
  Submit a letter or report from a qualified water rights consultant, water lawyer, or appraiser familiar with regional water markets that includes:
  - An opinion on the reasonableness of the proposed price
  - A summary of relevant market context
  - Any assumptions used in evaluating the value
- *Historical Price Justification:*
  If the applicant or its partners have conducted prior transactions in the basin, submit a summary of prior prices paid, including any differences in term, flow volume, or legal status that affect comparability.
- *Price per Unit Justification:*
  Break down the proposed transaction into a cost per cfs or per acre-foot restored. Explain how the price compares to:
  - Past project costs
  - Prices in similar ecologically or legally constrained basins
  - The expected duration and magnitude of ecological benefit
- *Alternative Cost Comparison:*
  Describe alternative strategies considered (e.g., infrastructure upgrades, habitat restoration), and explain why the water transaction provides better or more cost-effective habitat benefits.

All cost justification submissions must include:

- A detailed cost breakdown
- Water right documentation (e.g., certificate, decree, map)
- A copy of the draft lease or purchase agreement (if available)
- Any communication or analysis used to support price negotiations

Match

Match funding is not required, but applicants who demonstrate match in the application will receive additional points during the scoring phase.

Escrow Payments for Water Transactions

The PFA Grant Program recognizes the need to streamline the water transaction process, particularly when acquiring water rights or entering into formal agreements such as permanent transfers, instream leases, or forbearance contracts. While the program traditionally operates on a reimbursement basis, the use of escrow accounts can provide an effective mechanism to facilitate timely fund disbursement and efficient project implementation.

Escrow allows PFA Grant funds to be placed in a secure, third-party account ahead of closing. This eliminates the need for project sponsors to cover full water transaction costs upfront and wait for reimbursement, thereby accelerating the timeline for finalizing water transactions.

Escrow Eligibility and Requirements

To use an escrow account for a PFA Grant-funded water transactions, project sponsors must follow the guidelines below:

- **Advance Planning**: Initiate the escrow payment request early in the transaction process. PFA Grant requires a minimum of **30 days** to process the request, with an additional **3–7 business days** for funds to be deposited into escrow once approved.
- **Required Documentation**: Submit a new billing request through the **Online Grant Management System** with the following supporting materials:
    - A current **appraisal and appraisal review** (if applicable)
    - Drafts of the **water right transfer documents** (e.g., lease, forbearance agreement, or instream transfer application)
    - **Buyer's Estimated Settlement Statement** showing the project sponsor's matching contribution deposited into escrow
    - Drafts of any **Assignment of Rights** or agreements conveying flow benefits
    - **Escrow payment instructions**, referencing recording of the PFA Grant's interest (e.g., Assignment of Rights or Deed of Right)
    - **Hazardous Substances Certification** and supporting documentation (e.g., checklist or environmental review, as appropriate)
    - **Landowner donation statement**, if applicable
    - A legally binding agreement between the sponsor and landowner (e.g., **Water Use Agreement**, Purchase and Sale Agreement, or Option)
    - **Preliminary title report** (if property ownership or title is involved)
    - **Voluntary Acquisition and Just Compensation Notices** (if federal funds are involved)

Time-Sensitive Considerations for Escrow Use

- **Closing Timeline**: Once PFA Grant deposits funds into escrow, **closing must occur within 45 days**. If closing does not occur within this timeframe, the grant program may request return of the funds.

- **Post-Closing Documentation**: Within **60 days of closing**, project sponsors must submit final, executed, and recorded documents (e.g., transfer agreements, recorded assignments, or confirmation of instream lease approval).

This process ensures accountability and supports timely and transparent water transactions aligned with public funding standards.

Section 3: Application Requirements

How To Apply

The water transaction grant application is part of an ODFW online grant application system. An ODFW Grant Management System username and password are required to access the online application. Refer to the PFAGrants.com webpage for materials that are required with the w water transaction application.

How Applications Will Be Reviewed

All water transaction proposals submitted to the Private Forest Accord (PFA) Grant Program are evaluated using a standardized scoring matrix, Appendix C: Application Evaluation Criteria. This matrix provides a consistent and transparent framework for reviewing proposals based on their ecological value, technical soundness, fiscal justification, and alignment with program goals.

Projects are evaluated across ten primary criteria: applicant capacity, clarity of proposal, ecological and conservation benefit, hydrologic and biological significance, project feasibility, strategic alignment with PFA and state priorities, cost effectiveness, monitoring and compliance framework, public and collaborative value, and legal and regulatory readiness. Each criterion carries an assigned point value, totaling 50 possible points.

Reviewers assess each proposal's expected ecological outcomes, contribution to flow restoration, readiness for implementation, including partner and landowner engagement, and overall cost justification. The evaluation emphasizes measurable habitat benefits to HCP-covered species, alignment with basin-level restoration priorities, and strong documentation of due diligence and compliance.

Applicants are encouraged to reference this framework during proposal development to ensure their submissions clearly demonstrate ecological impact, financial transparency, and conformance with PFA and ODFW objectives.

PFA Grant Program –Application Checklist

This checklist is intended to help applicants ensure all required materials and actions are completed for an eligible and complete water transaction project under the PFA Grant Program.

1. ☐ Upload a copy of the Water Right Certificate(s).
2. ☐ Evidence of past use and reliability data
3. ☐ Water right (claim) valuation or water market report.
4. ☐ Support Letters (If applicable)
5. ☐ Copy of the approval order from the Oregon Water Resources Department required to affect the transfer or change of use – if applicable

6. ☐ Landowner Acknowledgement Form (Appendix A)
    a. Upload the Landowner Acknowledgement Form associated with each Water Right Certificate being proposed in this transaction.
7. ☐ Include two maps: one showing the property boundary and one showing regional context.
    a. Maps must include the following, select all that apply
        i. ☐ Project area boundaries
        ii. ☐ True north arrow
        iii. ☐ Map title and legend
        iv. ☐ Latitude and longitude of project location
        v. ☐ Property boundaries
        vi. ☐ Monitoring Locations
        vii. ☐ Surface water bodies
        viii. ☐ Location of involved structures (existing or proposed)
        ix. ☐ Tax Map and Lot numbers of each property in project area boundary
            1. Note: Each property where project work is planned must be identifiable on the map or your application will be deemed incomplete.
        x. ☐ Point(s) of Diversion and Place(s) of Use associated with the project (if applicable
        xi. ☐ Proposed measurement location(s) (if applicable)

Good-Standing Requirement

Recipients of ODFW water transaction grants must fulfill all management planning and reporting requirements from existing agreements before qualifying for new funding. **Failure to address outstanding reports may delay new grant agreements and jeopardize completing transactions.** Furthermore, ODFW can withhold grant funds for closing transactions if a recipient is not in full compliance with all terms of their grant agreements, including reporting requirements across all ODFW grants they hold.

Landowner Acknowledgement

To ensure landowner awareness and transparency, applications require a completed Landowner Acknowledgement Form. This form confirms the landowner understands applications and related information are public record. It also verifies the landowner has been informed the transaction hinges on

mutually agreed terms. The Water Transaction Acknowledgement Form can be found in the appendix of this guidance document. Please reference Appendix A: Landowner Acknowledgement Form.

Project Schedule

Applicants must submit a detailed timeline outlining key steps involved in the water transaction, including negotiation timelines for purchase agreements, appraisals, surveys, and title reviews. This ensures a successful transaction within the mandated 24-month period following the Fish and Wildlife Commission award.

Projects should not expect to begin project-related tasks prior to April 1, 2026.

Grantee Insurance Requirements

Water Transaction grantees and their contractors are required to carry certain types and amounts of insurance. Refer to Appendix D: Insurance Requirements

Other Considerations

Amendments

Any requests for a grant amendment, such as changes to the budget, timeline, or scope of work, must be approved by ODFW. Grantees shall submit requests to the ODFW PFA Grant Coordinator using the Amendment Request form, Appendix H: Amendment Request Form. Changes will not take effect until ODFW has executed a newly signed agreement between both parties with the project amendment attached.

Allowable amendments:

- Scope Changes: Modifications to the activities or objectives of the project.
- Budget Adjustments: Reallocation of funds between budget categories, of 10% of greater, or the need for additional funding.
- Timeline Extensions: Requests for more time to complete the project beyond the original deadline.

Amendments must be submitted at least 30 days prior to the proposed change, and may require a revised budget, project plans, or schedules to accompany the request.

Accounting requirements

The Grantee must maintain an adequate and up-to-date accounting system that adheres to generally accepted accounting principles throughout the term of the grant agreement. ODFW reserves the right to request and audit accounting documents at any time for any reason. The Grantee's records should reflect

all transactions, including source documents, invoices, payments, timecards, etc. Grantees should expect an audit and be prepared to respond with up-to-date records.

Advance payments

Based on need and available funding, advance payments may be considered case-by-case at the discretion of ODFW. Applicants must request advance payment in the original project application and detail how and when advanced funding will be used, including any price quotes, expected charges, etc.

Advancement requests cannot exceed 25 percent of the total grant award at any one time, and at least 75 percent must have been spent before requesting another advance payment. Grantees receiving an advance must submit to enhanced reporting and specific benchmarks for performance, as defined in the advancement agreement, or the Grantee risks returning the advanced funds to ODFW. **All advance payments must be entirely spent within 120 days of receiving advance funding, or the Grantee must return the advancement to ODFW.** ODFW recommends that all proposals be prepared if the advancement request is not awarded or is reduced.

Excluding Ineligible Portions from Funding

PFA Grant can work with applicants to exclude ineligible areas or uses from the funded portion of the project. To do this effectively, applicants must note the following in their application:

- Clearly delineate the excluded area using a survey map, legal description, or spatial data.
- Ensure the excluded area is factored out of the appraised value of the water transaction.
- The Deed of Right or Assignment of Rights must clearly describe the funded portion of the transaction and its intended uses.

Sensitive species considerations

When conducting any ground-disturbing activity, Grantee's must comply with all applicable laws, regulations, restrictions, and recommendations concerning the protection of sensitive species and their habitats. A Grantee may not undertake any work or activities that may adversely affect sensitive species or their habitats. This includes, but is not limited to, construction, land modification, and any other project-related activities. The Grantee is responsible for obtaining and adhering to all necessary permits and approvals and shall implement all required mitigation measures to minimize environmental impacts. Failure to comply with this clause may result in suspension or termination of the grant and require remedial actions at the Grantee's expense.

Grant agreements

Successful grantees must enter into a grant agreement signed by the Grantee and ODFW before ODFW can disburse funds. Grant agreements detail the Grantee's responsibilities in implementing the project.

If the guidance in this document conflicts with any part of the grant agreement, the grant agreement shall take precedence.

Ineligible Water Transaction Projects

The following types of water transactions are not eligible for funding under the PFA Grant Program:

- Water rights or properties donated by a third party in lieu of mitigation, permit, or development impact fees.
- Transfer of development rights.
- Properties or water rights where exclusive use privileges will be leased to a third party for private benefit.

Payment of grant funds

Grants are reimbursement-based unless an advance payment is requested. All successful Grantees are required to submit a performance report with each request for reimbursement. Reimbursements, and performance reports, are required quarterly by each project, even if no fiscal activity occurs. If projects are needing more frequent reimbursements then quarterly, they should file an advancement request with the application or during the contract creation phase. See *Project reporting and reimbursement* below for more information.

Ten percent of project funds will be held until the final invoice and final report are submitted.

Performance Bonds

All ODFW PFA Grant Agreements do not require performance bonds for the Grantee, if the Grantee will be completing the project work themselves. If the Grantee plans to subcontract any portion of the project work, you may be responsible for obtaining performance bonds from those contractors per Oregon Law and Oregon Revised Statute 279C.380.

Project data

Monitoring Plan

Applicants must provide a clear and detailed Monitoring Plan that describes how project outcomes will be tracked, evaluated, and reported over the term of the transaction. The plan should demonstrate that monitoring methods are appropriate for the project type, scale, and duration of the protection term.

At minimum, the Monitoring Plan must address the following:

Methods for Monitoring the Diversion and Protected Reach

Describe how the diversion and protected stream reach will be monitored, including the method, timing, frequency, and location of measurements. Identify any equipment or technology that will be used to verify compliance with flow protection terms and to assess instream conditions.

Responsible Parties

Identify the agencies, organizations, programs, or individuals responsible for collecting, storing, and evaluating monitoring data. Include names, titles, affiliations, and contact information for each responsible party.

Types of Data Collected

Specify the types of data that will be collected to assess project performance, which may include streamflow, biological, water quality, or habitat data. Clearly explain how these data relate to the conservation objectives of the transaction.

Data Management and Analysis

Outline how data will be managed, analyzed, and interpreted to evaluate project effectiveness and ensure data integrity. Include any data quality assurance or control measures, analytical methods, and evaluation criteria that will be applied.

Integration with Reporting Requirements

Explain how monitoring results will inform the project's final report, including how findings will be synthesized to demonstrate outcomes and compliance with grant requirements.

Reporting and Data Accessibility

Describe how monitoring results will be reported and made publicly available. Reports should be accessible to natural resource professionals and the public, consistent with ODFW data-sharing policies.

Monitoring Plans should be commensurate with the transaction term and type, ensuring adequate data collection to verify ecological benefit and legal compliance throughout the project duration.

Data inventories

Prior to submitting the project completion/close-out report to ODFW, the Grantee must upload all required information to the designated restoration inventory system provided by the Department. Proof of successful submission is mandatory in the final report.

Archaeological and cultural considerations

The Grantee is responsible for meeting any archeological and cultural permit requirements. All projects involving ground disturbance must undergo a review and compliance consultation with the Oregon State Historic Preservation Office (SHPO) to determine if a project will impact properties of historic significance. These include, but are not limited to, prehistoric or historic districts, sites, buildings, structures, objects, artifacts, records, material remains, and traditional, religious, spiritual, storied, or legendary places. To receive reimbursement of funds, all implementation/ground disturbance projects must provide proof of communication with SHPO in either the project application or the first reimbursement request**.** If SHPO requires certain conditions to be met for the project, the Grantee should contact ODFW immediately. If an inadvertent discovery occurs, the Grantee must follow the procedures in the grant agreement and immediately contact ODFW to develop an action plan.

All applicants are encouraged to consider the proposed project against possible SHPO requirements and incorporate potential compliance costs into the grant application. These costs may include personnel costs, consulting, monitoring, etc. Information on requirements for a project compliance review can be found on the Oregon State Historic Preservation Office webpage. Additional resources may be found here and in the *Appendices.*

Grant agreement conditions and important points

1. Projects must provide measurable and realized benefits consistent with the purposes of the PFA Grant Program.
2. No minimum or maximum funding requests exist.
3. Grants can be made only to eligible applicants.
4. Grantees must be able to plan, administer, and complete the project.
5. The Grantee must be responsible for all project permitting and reporting and document this in reports to ODFW.
6. GIS data files supporting the project must be delivered to ODFW in performance and final project completion reports.
7. All projects must follow the publicity requirements defined in this procedural guide.
8. Funding will not be reimbursed until an agreement between ODFW and the Grantee is executed.
9. An agreement is not fully executed until it is signed and approved by the Director of ODFW.

10. All projects and activities related to the project must be completed by the expiration date in the grant agreement.
11. No ground disturbance work shall commence until the Grantee satisfies all permit requirements.
12. All educational materials and planning documents created and used for a PFA grant must be submitted to ODFW. ODFW reserves the right to keep copies of these and other submitted materials and use them at its discretion.
13. It is the responsibility of grantees with projects that involve implementation to secure access rights from the landowner for the Grantee to perform work and ODFW to conduct site visits if requested.
14. All projects must follow the project reporting and reimbursement schedule below.

Project Reporting and Payment of Grant Funds

For all water transaction projects, reimbursements will be processed only after the irrigation season has ended and proof of nonuse has been provided. All reimbursements must be paid out before the five-year project performance period, if a project is requesting funding for longer than 5 years, such as for nonuse or deferment of irrigation, then a lump sum must be requested on year 5 of the agreement. No funding will be disbursed after the expiration date of the project agreement.

Grants are reimbursement-based unless an advance payment is requested. All successful Grantees are required to submit a once a year performance report and a separate performance report with each request for reimbursement. Projects may request reimbursements quarterly, if projects are requiring more frequent reimbursements than quarterly, they should file an advancement request with the application or during the contract creation phase.

Annual Performance Reports

The goal of the once annual Performance Report, Appendix K: Annual Performance Report, is for ODFW staff to work with project proponents to assess successes and pitfalls to ensure projects meet their goals. Annual performance reports are due by December 31st for all projects, even if no fiscal activity has occurred. Grantees should plan for this and build the necessary staff time into the project budget. Grantees should expect to prepare the following for ODFW staff review in annual performance reports:

1. Comprehensive budget update.
2. Update on goals, milestones, and objectives.
3. Overall successes and potential pitfalls.
4. Provide collected data and any data summaries.
5. Match update (if applicable).
6. Demonstrating the ability to complete the project on time and within budget.
7. Option for an ODFW in-person field tour.

Reimbursement Requests

All requests for reimbursements can only be filed quarterly, and are due within 30 days following the end of the fiscal quarterly schedule outlined below, no sooner, no later.

- Quarter 1. Due by April 30
- Quarter 2. Due by July 31
- Quarter 3. Due by October 31
- Quarter 4. Due by January 31 *(following calendar year)*

If your organization requires funding more frequently than quarterly, it is strongly recommended to request an advance payment during the project application process .

Each request for reimbursement requires a progress report that should summarize grant-funded activities since the last submitted report, such as implementation targets met (e.g., barriers removed, stream miles opened, restoration acres achieved, etc.), fiscal expenditures, invoices, proof of payment, project highlights, achieved milestones, and next quarter expectations. See the appendices for example Performance reports which should also discuss lessons learned, project shortcomings, and any adaptations necessary to keep the project on track, on budget, and on time. Any performance report requesting reimbursement of funds must include proof of purchase, and documentation of any payroll, reference *Appendix E: Expense Reporting Template and Guidance.*

Final Project Completion Report

A final project completion report will also be required; a template is provided in *Appendix O: Project Completion Report*. All final reports drafts are due 30 calendar days before the project completion date for review and comment by ODFW. Final reports are due 30 calendar days after the completion of the draft report, as approved by ODFW staff. Applicants should budget time for reporting. ODFW may request a site inspection upon close-out. Applicants should plan for this additional time.

Ten percent of project funds will be held until the final invoice and final report are submitted.

Signage, Publicity, and Disclosure of Funding Source

All projects shall acknowledge project funders on any outreach and educational materials, publications, signs, postings, flyers, press releases, or all other public-facing communications. This statement about grant funds must be included in any public publication:

> "This Project was funded in full or part by the Oregon Department of Fish and Wildlife Private Forest Accord Grant Program. A result of a landmark conservation initiative working to conserve Oregon's watersheds for current and future generations."

All published materials (electronic and printed) must also have the ODFW and PFA Grant Program logo and any other logo the Department deems appropriate. The size of the ODFW logo should be comparable to other logos on the published material. A shortened funding statement may be allowed if approved by ODFW staff. Logos should be requested by the Grantee when needed.

All projects involving on-the-ground construction or earth-work must install a semi-permanent sign at the project site, or another approved location, recognizing the Oregon Department of Fish and Wildlife and the PFA Grant Program, using logos provided in the Grant Agreement. Signs must be at least 24 inches by 36 inches in size (2 ft by 3 ft) to ensure visibility, with 18 x 24 inches acceptable for smaller or limited-access sites. Each sign must be constructed of weather-resistant materials such as aluminum or HDPE with UV-protected printing and securely mounted on 4x4 treated posts or equivalent framing. The sign must remain in place and be maintained for the duration of the project. Signs may be combined with other project or partner signage if the PFA Grant Program and Oregon Department of Fish and Wildlife logos are included at equal size and prominence relative to other funders, and the text clearly acknowledges PFA Grant Program support.

Section 4: Confidentiality

PFA Grant understands that information provided in support of a water transaction grant will contain sensitive details. In recognition of this, PFA Grant will endeavor to restrict access to the following documents: title reports and policies, exceptions documentation, and vesting deeds; environmental site assessments; landowner acknowledgements; options; purchase and sale agreements; and supporting documentation regarding the applicant or landowner's financial or sensitive business information.

Applicants should consider that Oregon Public Records law provides that, in general, any document used or retained by a public agency is a public record subject to disclosure in response to a public records request unless an exemption applies. ODFW will make all its public records, not otherwise exempt from disclosure by law, available for inspection during regular business hours as described in OAR 635-001-0301. Many of the exemptions to disclosure in Oregon Public Records law are conditional exemptions where, when presented with a public record request, the public agency must weigh the public interest in disclosure against the agency and public interest in nondisclosure. ORS 192.345 lists the categories of public records conditionally exempt from disclosure in a particular instance. This list includes, but is not limited to, "trade secrets" (192.345(2)), production and business records (192.345(5)), information relating to the appraisal of real estate prior to its acquisition (192.345(6)), and information regarding habitat, location or population of threatened or endangered species (192.345(13). In the event of a public records request related to any of these documents, ODFW will inform the applicant of the request and will analyze whether public records law requires disclosure.

Section 5: Post-Award

Grant Agreement

The standard form grant agreement templates have been pre-approved as legally sufficient by the Oregon Department of Justice. ODFW does not have to negotiate changes to the grant agreement templates for individual projects. Applicants are encouraged to review the templates before applying for a grant. The documents are available on the PFAGrants.com webpage.

Applicants conditionally selected to receive funding will be required to sign a standard form grant agreement soon after the Fish and Wildlife Commission awards funds. The release of the grant funds will be conditioned on the grantee meeting the requirements specified in the grant agreement. Please reference Appendix B: Draft Grantee Agreement – Water Transactions.

Availability of Grant Funds

If the Fish and Wildlife Commission makes a conditional funding award for a project, the funds will be held and made available for that project, consistent with the terms of the grant agreement, while the grantee fulfills the funding conditions.

1. Prior to Closing

   Grant funds may be distributed to the grantee, prior to the transaction closing, for due diligence activities, including appraisal, environmental site assessment, survey, title review, the grantee's legal fees incurred, and other customary due diligence activities, provided: (i) the due diligence items or activities are included in the Contracted Services category of the approved project budget; (ii) the grantee obtains the written approval of the ODFW Grant Coordinator prior to incurring the expenses if the expenses are incurred after the grant award; (iii) the due diligence items comply with all applicable grant funding conditions; and (iv) the due diligence items have been reviewed and approved by ODFW. ODFW may require the grantee to meet threshold requirements, such as obtaining an executed option approved by ODFW, before ODFW authorizes due diligence activities for which the grantee will request reimbursement prior to closing. ODFW may require the grantee to conduct certain due diligence in a stepwise manner for the purpose of limiting grant funds that are spent before an identified project soundness concern is addressed.

2. At Closing

   Grantees have 24 months after the award of grant funds to fulfill funding conditions related to the purchase of the property interest and close the transaction. Grant funds for purchase of the property interest will be distributed only if the grantee meets all related grant requirements, and only if the purchase closes. If a grantee does not meet the conditions and close the transaction by the deadline, the ODFW PFA Advisory Committee must decide whether

to extend the closing deadline or rescind the remaining grant funds, which may require additional approval from the Fish and Wildlife Commission.

3. After Closing

   If the approved project budget includes funds for preparation of the property management plan or site stabilization activities, those funds will be distributed to the grantee upon completion and ODFW approval.

SECTION 6 – Project application, access link, and submittal instructions

Project application, scope of work and budget

To apply for funding, an applicant must complete and submit online a complete application. Project proposals should be submitted through the Online PFA Grant Program Submission portal, and include at the time of submission the Scope of Work and any required documents or related attachments discussed below in *Submittal Instructions*. Project applications should be prepared to discuss the project type, summarize the budget, and define the primary objectives and metrics for measuring success.

A Grant Guidelines Public Informational Video is available at PFAGrants.com. Sign up here to receive notice of any updates.

Submittal instructions

All proposed projects must log in to the Online PFA Grant Program Online Submission portal to create a username and password, more information may be found on the "How to apply" webpage at PFAGrants.com, and below.

Online Application Link: https://www.grantinterface.com/Home/Logon?urlkey=odfw

Once logged in and a user profile is created, applicants can access the documents required for a grant application.

The application portal (linked here) will close at the deadline listed above in this Grant Guidelines Document, and late applications cannot be accepted. All applicants should request usernames and passwords well before the submission deadline to explore the application system and resolve technical difficulties before the deadline.

All-inclusive Application Deadline

All information submitted in association with the application (including attachments), whether required or optional, must be submitted online with the application, by the application deadline. No material will be accepted separately. All proposals are considered complete and full once submitted. Applications can not be revised once submitted.

Appendices

- Appendix A: Landowner Acknowledgement Form
- Appendix B: Draft Grantee Agreement – Water Transactions
- Appendix C: Evaluation Criteria
- Appendix D: Insurance Requirements
- *Appendix E: Expense Reporting Template and Guidance*
- Appendix F: Indirect Costs Definition and Policies
- Appendix G: Comprehensive Budget Sheet
- Appendix H: Amendment Request Form
- *Appendix I: Performance Report & Request for Reimbursement Form*
- *Appendix J: Project Completion Report*
- Appendix K: Annual Performance Report

All appendices can be found online at PFAGrants.com