



STATE OF WASHINGTON

OFFICE OF THE INTERAGENCY COMMITTEE
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November 4, 2005

TO: IAC Committee Members and Designees
FROM: Laura Eckert Johnson, Director 
PREPARED BY: Neil Aaland, Assistant Director
SUBJECT: Riparian Habitat Program: Progress Report

Advisory Committee Meetings

The Riparian Habitat Program Advisory Committee has held two meetings. The first was held on October 6, 2005; the second was on October 27, 2005. The primary focus for both meetings was on addressing a list of policy questions compiled by IAC staff. A list of Committee members and the list of policy questions are attached (Attachments I and II). A third meeting has been scheduled for early December, to review the full package of proposed WAC changes, draft evaluation criteria, and draft manual. The general schedule is shown in Attachment III.

A brief summary of the policy questions we have been reviewing includes:

- How to establish ranking priorities
- Whether there should be funding caps
- What the evaluation process should be like and what additional criteria is needed
- How to implement the ability to extend leases under the federal Conservation Reserve Enhancement Program (CREP)
- Whether public access should be required for sites acquired under this program
- Planning requirements

Tentative Recommendations

Some tentative recommendations made by the advisory committee are:

Consistency with plans: The statute says proposals that come from – or are consistent with – formal plans and policies must be “highly considered” (see sections (10)(b) and

(10)(g)). We will likely recommend that being included in a plan is important, but not the only factor. The age, scale, and level of detail of plans should all be considered.

Funding caps: Most IAC programs have a cap on funding; exceptions are BIG (Tier 2) and NOVA ORV (except O&M). The advisors had some concern that large projects could reduce the available funding, but also a perspective that the 50% match requirement would self-regulate, and the evaluation process could drive out projects that are too high-priced.

Evaluation process: There was a preference for an in-person evaluation process, but the committee asked IAC staff to minimize the complexity.

Planning requirement: The WWRP grant program requires applicants to prepare and adopt a plan in order to be eligible to apply. There are six elements required in this process:

1. Develop goals and objectives
2. Prepare an inventory
3. Demonstrate public involvement
4. Prepare a demand and needs analysis
5. Have a capital improvement program
6. Adopt the plan

The advisory committee did not see the need to treat the riparian program differently.

Public access: Committee discussion was whether public access should be required under this program. There was clear agreement that it should **not** be required for CREP lease extensions, nor for tribal applications. Other issues discussed include circumstances where public access could damage natural resources, and the desire to encourage access where possible to build public support for the program.

Stewardship program: The statute requires IAC to give a preference to proposals that included an ongoing stewardship program. The committee discussed the notion of **requiring** such an ongoing program, but fell back to the statutory criteria of providing a preference instead. Staff is looking into a suggestion that the *preparation* of stewardship plans be allowed as an eligible item, or as match (the *implementation* of such plans is not allowed).

Habitat quality: A statutory criterion is "whether the quality of the habitat is improved". The committee believes the intent is whether the acquisition will be more than just acquiring but would also result in improvement. They also suggested that we should provide additional evaluation points for contiguous property (e.g. get neighbors involved as well for a larger bloc of land).

Remaining major policy questions

- *CREP (Conservation Reserve Enhancement Program) lease extensions:* The CREP program is a voluntary federally-funded program for landowners wherein

land is enrolled and removed from production and grazing under 10-15 year contracts. In return, landowners plant trees and shrubs to stabilize the streambank and to provide a number of additional ecological functions. Landowners receive annual rent, incentive and maintenance payments, and cost share for BMP installations. The Conservation Commission administers the program in Washington. See Attachment IV for additional information.

There are a number of issues related to extending CREP leases. Based on the complexity of issues and timing of federal lease expiration, staff believes the Board should consider delaying implementation for two years until the next ground round in 2008. Issues include:

- Present CREP leases do not begin to expire until 2013; accepting applications now with potential funding available in 2007 could mean state resources would be encumbered for up to six years
- How to mesh with the federal CREP; the federal program with the state expires in 2007 and it is unclear whether and how it will be reauthorized. The 2007 Farm Bill will provide further guidance on the future of the CREP program.
- How to best use state funds so that maximum gain is obtained, rather than just displacing federal funds that might be available for lease extensions
- The difficulty for Conservation Districts (a likely applicant, since landowners are not eligible to apply), and other local agencies, to come up with the required 50% match
- Whether lease extensions would be paid in a lump sum, as is typical with IAC easement purchases, or whether we would make annual payments or multi-year payments (which would be a new direction for IAC)
- How to best structure the lease agreement since CREP leases are between the landowner and the federal government. Requiring applicants to be the leaseholder may be a new responsibility
- If a state lease is accepted by the landowner prior to a USDA decision on the extension of the CREP program in 2014, it precludes the landowner from re-enrolling in CREP

Workshops & Public Input

IAC staff conducted workshops in Moses Lake on November 2 and in Fife on November 3 to discuss the new Farmland Preservation Program and Riparian Habitat Program established by the 2005 Legislature. Meeting invitations were sent to approximately 700 people, most of whom would be potential grant applicants in one or both of the programs, or partners of potential applicants. The workshops provided advance information on the new grant programs and provided an opportunity to get feedback on possible policies and guidelines.

Issues that came up at the workshops included:

- How the CREP lease extension program would work (see discussion above);
- Whether the planning requirement would mean:

- A new plan would have to be prepared by June 2006 in order to be eligible for the 2006 grant round (*they should be able to rely on existing plans, as long as they meet the manual requirements*)
- Individual site-specific farm plans would have to be prepared for a farm to be eligible, and which type of the various farm plans would be needed (*staff does not believe the program should require this, although perhaps extra evaluation points could be awarded if one has been done*)
- Whether a minimum width or size of riparian habitat would be stipulated (*the definition of riparian habitat in the statute is fairly broad, so we would likely not stipulate a minimum, but rather let the evaluation review panel address on an application-specific basis*)
- Would the CREP leases allow active management of the property?
- Different perspectives on whether public access should be allowed or discouraged
- Non-profit organizations should not have been excluded from applying to this program

Next steps

Staff will take the comments and direction from IAC Board members and produce drafts of evaluation criteria and manual. A meeting of the riparian habitat advisory committee has been scheduled for December 7 in order to review and provide comments on the full package (including draft WAC). After any changes are made, the package will be circulated to a broader list of people for review and comment. Staff will be back before the Board at your February meeting and present a final package for your consideration.

Staff Recommendation

Give staff direction on the following specific items:

1. Whether to delay implementation of the CREP lease extension portion of the new category to allow staff to sort out the different issues discussed in this memo.
2. Whether to have a cap on funding, or rely on the 50% match requirement and the evaluation review process to eliminate projects deemed too costly.
3. Whether to require public access for projects funded through this program (except for CREP lease extensions and tribal projects), or whether to evaluate those depending on the specific project and whether public access could potentially harm the resource.

**Attachment I
Riparian Habitat Grant Program
Advisory Committee Members
November 2, 2005**

Name	Organization	Phone	E-Mail
Debbie Becker	Conservation Commission	(360) 407-6200	Dbec461@Ecy.Wa.Gov
John Gamon	Dept Of Natural Resources	(360) 902-1661	John.Gamon@Wadnr.Gov
Nathaniel Jones	Dept Of General Administration	(360) 902-0944	Niones@Ga.Wa.Gov
Don Larsen	Dept Of Fish & Wildlife	(509) 323-2967	Larsedtl@Dfw.Wa.Gov
Tom Murdoch	Snohomish Co Parks Dept	(425) 388-6619	Tomm@Streamkeeper.Org Murdoch@Co.Snohomish.Wa.Us
Doug Osterman	King County LE WRIA 9	(206) 296-8069	Doug.Osterman@Metrokc.Gov
Stephen Penland	Dept Of Fish & Wildlife	(360) 902-2598	Penlastp@Dfw.Wa.Gov
Deb Petersen	State Parks	(360) 902-8634	Deb.Petersen@Parks.Wa.Gov
Mike Ryherd	WA Wildlife & Rec Coalition	(206) 842-1407	Mike@Willowbrookfarm.Com
Cathy Schaeffer	Walla Walla County	(509) 524-2648	Cschaeffer@Co.Walla-Walla.Wa.Us
Pene Speaks	Dept Of Natural Resources	(360) 902-1916	Pene.Speaks@Wadnr.Gov
John Stuhlmiller	WA State Farm Bureau	(360) 357-9975	Jstuhlmiller@Wsfb.Com
George Walter	Nisqually Indian Tribe	(360) 438-8687	Gwalter@Nwifc.Wa.Gov
Dan Wrye	Pierce Co Public Works	(253) 798-4672	Dwrye@Co.Pierce.Wa.Us

Attachment II
Riparian Habitat Advisory Committee
List of Policy Questions
September 30, 2005

1. *Ranking priorities.* The statute says proposals that come from – or are consistent with – formal plans and policies must be “highly considered”. (see sections (10)(b) and (10)(g)).
 - a. Should a proposal that is consistent with adopted plans be favored over a proposal that might have better habitat value but is not part of an adopted plan?
 - b. What is the difference between the plans referenced in (10) (b) and the plans referenced in (10) (g)? Should the two different sets of plans be treated differently?
2. *Funding limits.* How much money should be made available for individual projects? Should there be caps per project (e.g. \$1,000,000 per project)?
3. *Evaluation process.* What kind of evaluation process should be used?
Processes used for existing IAC grant programs include:
 - a. Written process: evaluators review application materials and criteria and provide written scores
 - b. In-person process: Evaluation committees meet for presentations by applicants and have group debriefings
4. *Evaluation criteria.* What criteria should be developed beyond those in the bill?
5. *Planning requirements.* The WWRP program has a planning eligibility requirement for all categories. What, if any, changes should be recommended for this new category?
6. *Public access:* If public access would not adversely affect habitat values, should public access be required for property interests acquired in this category¹?
7. *Public access vs. habitat quality:* How do we balance habitat quality with potential public access or use?
8. *Stewardship programs:* The legislation provides that priority should be given to proposals that include an ongoing stewardship program (and that identifies the source of funds for the stewardship activities). A previous pilot riparian habitat program included this as a requirement. Should this new program require an ongoing stewardship program?

¹ In other WWRP habitat categories, public access is optional

9. *Habitat quality*: Section (10)(f) provides that a priority is “whether the quality of the habitat is improved” – does this mean whether the habitat quality is improved prior to purchase, or whether the acquisition will result in improvement? What do you think is intended with this section?

10. *What other policy questions should we consider?*

Attachment III
Riparian Habitat Advisory Committee
Development of Riparian Habitat Program Policies
November 4, 2005

July 2005	<ul style="list-style-type: none"> • Identify people and organizations likely to be interested • Begin to identify potential members of advisory committee
August	<ul style="list-style-type: none"> • Email announcement of new program and invite interested parties to get on mailing list • Appoint Advisory Committee
September	<ul style="list-style-type: none"> • IAC meeting: progress report; public testimony
October	<ul style="list-style-type: none"> • Work with Advisory Committee on first draft of program policies
November	<ul style="list-style-type: none"> • IAC meeting: review proposed policies and rules; review public comments; hear public testimony; approve draft policies and rules for public review
December	<ul style="list-style-type: none"> • Third Advisory Committee meeting to review package of materials • File draft rule language (CR102) • Solicit public comments on draft policies and rule(s)
January 2006	<ul style="list-style-type: none"> • Review public comments with Advisory Committee and develop recommendations to IAC
February	<ul style="list-style-type: none"> • IAC meeting: review public comments; conduct public hearing; adopt policy manual, rule(s) • Announce grant cycle and make application materials available • Begin application workshops around state
March	<ul style="list-style-type: none"> • Continue application workshops around state • Work with potential applicants
May	<ul style="list-style-type: none"> • Applications due
June - August	<ul style="list-style-type: none"> • Evaluate applications, develop prioritized list
September	<ul style="list-style-type: none"> • IAC meeting: presentation of proposed projects; public testimony; approve prioritized list for submission to Governor
October	<ul style="list-style-type: none"> • Submit prioritized list to Governor by November 1

FSA Program Payments

Soil Rental Rate

200% x Soil Rental Rate x per acre
Paid Annually

Practice Incentive Payment (PIP)

40% of eligible costs
Issued after buffer installation is completed

Ag land of statewide significance

10% x Soil Rental Rate x per acre
Paid Annually

Signing Incentive Payment (SIP)

\$10.00 per acre, per full Contract Year
Paid after Contract Approved

Cost Share

50% of eligible costs
Issued after each phase is completed

Maintenance

\$7, \$9 & \$10 per acre
Based upon—No Fence, Fence only, Fence
& Watering

Tree Protectors

50% of hardwood seedling protectors—0% for conifers

Washington State Payments

Practice Incentive Payment (PIP)

40% of eligible costs to establish

Advanced by State to Districts with Loan agreement at 0% interest and reimbursed by FSA PIP

Cost Share

10% of eligible costs

Paid by Districts after each phase is complete

Tree Protectors

100% of cost

Cost Share for hardwood seedling protectors is 10% State.

Rate for conifer seedling protectors is 100% State.

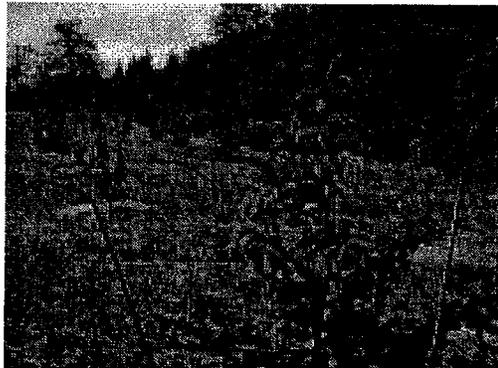
Maintenance

100% of eligible costs for 5 years

Paid by District based upon receipts

Additional Information Regarding CREP

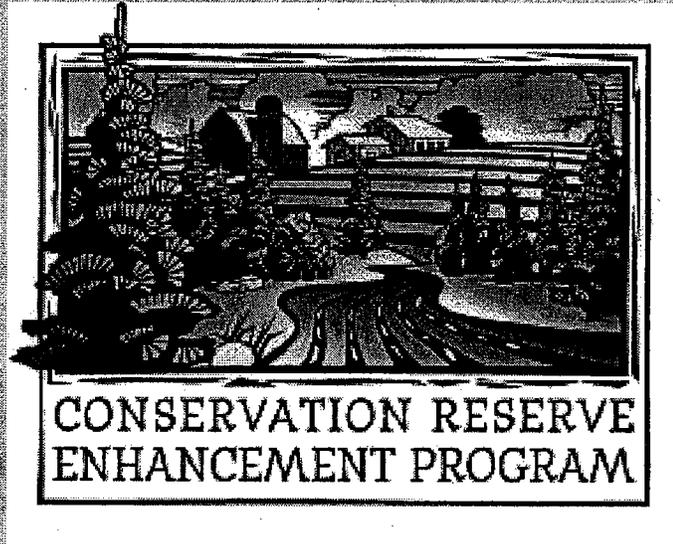
- If a landowner who holds a CREP contract dies, the heirs will have the choice to continue the contract or cancel.
- If a landowner who holds a CREP contract sells the property during the Contract period the buyer must succeed to the contract. Participants should be strongly encouraged to discuss the contract with FSA prior to the sale and to cover the contract in their sales agreement.
- Enrollment in CREP does not void or compromise the land's enrollment in the County's Open Space Program.
- Fencing that was previously installed under a cost share program can be moved to comply with the CREP requirements. It is recommended that as much of the current fencing material be salvaged and used when fencing under the CREP program.
- The general rule is to plant within 12 months of the contract effective date. The technical agency can grant a second 12 months, with FSA County Committee concurrence, if materials are not available, costs are prohibitive, or there are environmental considerations (i.e., need more time for site prep). The County Committee can grant a third 12 months. After 36 months however, we either have to terminate the contract or get a waiver from the national FSA Office.



- It may take as long as 3-6 months to complete the contract process.
- Contact your local Conservation District for more information.

Conservation Reserve Enhancement Program (CREP) Program Review for Landowner Participants

Washington State
Conservation Commission



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What is CREP?

The Conservation Reserve Enhancement Program (CREP) is a joint partnership between the State of Washington and USDA, and is administered by the Washington State Conservation Commission and the Farm Services Agency (FSA). The agreement was signed in 1998 and provides incentives to restore and improve salmon and steelhead habitat on private land.



The program is voluntary for landowners, the land enrolled in CREP is removed from production and grazing under 10 or 15 year contracts. In return, landowners plant trees and shrubs to stabilize the streambank and to provide a number of additional ecological functions.

Landowners receive annual rent, incentive and maintenance payments and cost share for practice installations. These payments made by FSA and the Conservation Commission, can result in no cost to the landowner for participation.

Currently, more than 8,400 stream miles are eligible in agricultural areas in the State of Washington. Many of these stream miles comprise major river systems and tributaries important to the salmon lifecycle. Twenty-seven counties in Washington contain CREP eligible lands and streams.

