

\$3.09 million for CREP-related maintenance and shared restoration costs, and \$2 million for technical assistance such as developing plans, inspecting sites, and marketing the program.

The Conservation Commission has entered into 790 CREP lease contracts. The first four Washington CREP leases are scheduled to expire in 2010. Upon expiration, leaseholders can continue in the CREP program or choose not to renew the lease. Some options available to leaseholders include:

- Renewing with FSA (rental rate might be different and this option might be partially unavailable to some landowners);
- Converting the leased riparian buffer land to a permanent conservation easement;
- Continuing to protect the buffered area without a legal instrument that protects the land;
- Harvesting timber within the former CREP buffer for commercial value; or
- Converting the land within the CREP buffer back to agricultural use.

Analysis

The federal CREP program is undersubscribed in Washington State and the FSA is allowing landowners to renew leases, so federal funds are at least partially available to landowners. As a result, the WWRP grants for CREP lease extensions act as a safety net for sponsors to continue protecting riparian buffers when federal funds are not fully available. Recent legislation makes the Conservation Commission eligible to receive grants for CREP extensions through the Riparian Protection Account.

CREP lease extensions must be eligible for Riparian Protection Account grant funds during the next WWRP grant cycle, which starts in early 2010. RCO staff developed some initial policy options for CREP lease extension eligibility and is forming a committee of key stakeholders to analyze the advantages and disadvantages of the following policy options:

Option	Description
Direct Competition in the Riparian Category	Sponsors seeking funds for CREP lease extensions would compete individually against all other Riparian Category grant applicants.
Block Grant Funds with Board Approval	The Conservation Commission would be eligible to receive CREP extension grants. The board would set aside some Riparian Protection Account funds in each biennium for CREP extensions. The Conservation Commission would give the board a priority funding list for approval or amendment.
Bundled (Single Grant Managed by Conservation Commission)	Under this option, the Conservation Commission would receive one grant for CREP lease extensions, and would subcontract the leases with landowners.

The stakeholder group also will seek to resolve some of the operational issues. For example, difficulties in managing 25-year lease extensions within the WWRP framework might be resolved by treating the extensions like term conservation easements.

Next Steps

Staff will work with stakeholders to conduct the analysis above and will draft a proposal for public review and comment in August. Based on public response, staff will revise the proposal and will report back to the board in September. Staff will update the proposal based on board comment, and will submit the final proposal to the board in November.