

ARIZONA DEPARTMENT OF WATER RESOURCES

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Governor

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Director

Memorandum

To: LCR MSCP Steering Committee

From: Technical Review Committee - FY04 Credit

Subject: Review and Recommendation on Reclamation FY04 Credit Request

- The Planning Steering Committee, in a resolution dated January 22, 2004, provided for entities to seek financial and/or habitat credit for conservation actions accomplished prior to implementation of the LCR MSCP. The resolution laid out a process whereby a Technical Review Committee would be formed, consisting of representatives from each state and Reclamation, to review the request and make a recommendation to the Steering Committee (Attachment 1).
- Reclamation, at the April 5, 2005 Steering Committee meeting, submitted a request for credit for work performed through Fiscal Year 2004 for LCR MSCP implementation. The Steering Committee established a technical review committee consisting of Chris Harris and Michael Remington from California, Phil Lehr and Bill Davis from Nevada, Bill Werner and Chuck Paradzick from Arizona, Lesley Fitzpatrick from the FWS (as technical advisor), and Terry Murphy, Glen Gould and Laura Vecerina from Reclamation.
- The Technical Review Group met in Phoenix on April 28, 2005 to review the "Work Tasks and Obligations, Fiscal Year 2004" report submitted by Reclamation. General comments on the report included the need to more clearly tie the workplans to the goals of the HCP and specific conservation measures, the need to identify more specifically the focus of research, and the need to clarify whether credit is being sought for restoration research or as habitat creation credit. Specific information was also requested on a number of individual workplans.

FY04 Credit Criteria

1.) The action described in the proposal for credit fits within or is consistent with elements of the Conservation Plan (Habitat Conservation Plan Chapter 5).

2.) The action described in the proposal for credit provides information needed for implementation of the LCR MSCP.

3.) The proposal represents a good value for the money and does not create a cash flow problem.

4.)The request is consistent with the January 22, 2004 resolution of LCR MSCP Steering Committee on credit for early implementation activities. Note that a separate process, yet to be defined, will be utilized in evaluation of proposals for in-kind credit, as described in the Funding and Management Agreement.

The Technical Review Group expressed concerns about impacts of utilization of credit on cash flow and cost share. Reclamation advised that it was not seeking to use credit early in the program but desired to have credit on the books available in later years. Reclamation agreed to make a presentation to the Steering Committee on the process for use of credit for early work.

- Reclamation revised the Work Tasks and Obligations Fiscal Year 2004 Report based on comments from the Technical Review Group (Attachment 2).
- Based on Reclamation's revisions and additional clarifications, the Technical Review Group is recommending to the Steering Committee that the request for financial credit by Reclamation of \$3,381,440 be approved. The group is also recommending that the revised "Work Tasks and Obligations Fiscal Year 2004" report be submitted to the Fish and Wildlife Service for their review for consistency with the LCR MSCP.

Bill Werner
Spokesperson

(May 12, 2005 memo revised June 3, 2005)

From the Notes of the LCR MSCP Steering Committee, Thursday, January 22, 2004:

Lorri Gray moved and Bill Werner seconded the following amended resolution which was approved by consensus:

“WHEREAS, the Lower Colorado River Multi-Species Conservation Program (LCR MSCP) has multiple participants who will be providing financial support for implementation of the LCR MSCP; and

WHEREAS, implementation of the LCR MSCP is expected to begin as early as November 2004; and

WHEREAS, some participants have resources available to begin certain implementation activities early; and

WHEREAS, those participants need credit for early implementation activities; and

WHEREAS, the Steering Committee of the Lower Colorado River Multi-Species Conservation Program needs a process for the participants to request financial and/or habitat credit from the U.S. Fish and Wildlife Service (FWS) for conservation actions for the LCR MSCP accomplished, prior to implementation of the LCR MSCP; and

WHEREAS, concurrence of the FWS is required for that credit;

THEREFORE BE IT RESOLVED, that the LCR MSCP participants will submit items to consider for potential financial and/or habitat credit to the Bureau of Reclamation for initial review and recommendation to a Technical Review Committee for further review and recommendation to the Steering Committee at an official meeting. Sufficient documentation will be provided as part of the request. The Steering Committee will provide approval or disapproval of the items submitted for financial and/or habitat credit at the next official meeting. If approved, the notification of a request for financial and/or habitat credit will be forwarded to the FWS.”

The Steering Committee established a “Technical Review Committee” for the purposes outlined in the resolution. It will be made up of representatives from each State and from the Bureau of Reclamation. The USFWS will be available for technical assistance on an “as needed” basis. Project proponent will be invited to attend the meeting at which their request is being considered.