

Draft LCR MSCP Program Decision Document: 06-001

March 22, 2006

Subject: In-kind Credit for Land and Water Contribution

The Funding and Management Agreement (FMA) provides the ability for Parties, who are signatory to the FMA to obtain credit for providing In-kind Goods or Services to the MSCP Program. The FMA defines In-Kind Goods or Services as “contributed time and effort, real and personal property, and good and services to include but not limited to: land conservation easements, capital improvements, water and professional technical services” (FMA 3.26).

The purpose of this program decision document is to outline the process for determining in-kind credit for land and water contributions. In-Kind credit for land and/or water can mean an acquisition, an easement, a lease, or other mechanisms that secure the resources for the purpose of implementing the MSCP. The process for determining in-kind credit for other types of goods and services will be developed in a separate program decision document.

The FMA states that the contribution of In-Kind Goods or Services shall be credited to a Party only to the extent agreed by the Program Manager and the Steering Committee (FMA 8.7.4). A Party will identify their interest in seeking in-kind credit for land and water contributions during the site selection and evaluation process. The value of in-kind credit for land and water will be determined through a federally approved appraisal. Once the Project Manager determines a property should be secured and developed, as per the site selection process, Reclamation will submit a proposal to the Steering Committee that contains at a minimum the following information: description of the resource, the overall goal and purpose of the property, a federally approved appraisal, the cost of securing the property, and a schedule of when and how much money will be credited to an entity against their contribution. The Steering Committee will then approve the in-kind credit as part of the process for approving land and water acquisitions. Party's have the option of proposing credit for land and water contributions that are less than the federal appraisal. (Note that this paragraph may change as the site selection process is developed)

A schedule determining when credit for land and water will be applied to a Party's funding obligation shall be part of the agreement by the Program Manager and the Steering Committee (FMA 8.7.4). In developing the schedule the Project Manager will take into account several factors including: the entities annual obligation, program cash flow to ensure dollars are available to complete on-going activities, and other credits which have been previously approved. The value of in-kind credit will be adjusted for inflation based on the process outlined in 8.1.1 of the FMA where credits are applied for a period of more than one year. The in-kind credit may be applied to another Party within the same State, if agreed to by the Party's involved.

This program decision document will be reviewed in five years.