

CENTRAL ARIZONA PROJECT FUND TRANSFER PROGRAM
LONG-TERM DIRECTION, PROJECT ALLOCATION GUIDANCE, and RATIONALE

U.S. Fish and Wildlife Service
U.S. Bureau of Reclamation

March 2003

DESCRIPTION OF THE PROGRAM

The Central Arizona Project (CAP) Fund Transfer Program was developed to partially mitigate impacts of the CAP on threatened and endangered native fishes of the Gila River basin. The U.S. Fish and Wildlife Service (Service) concluded in a 1994 biological opinion that the CAP is a conduit for transfers of non-indigenous fishes and other aquatic organisms from the lower Colorado River (where the CAP originates) to waters of the Gila River basin. That opinion identified the spread and establishment of non-native aquatic organisms as a serious long-term threat to the status and recovery of native aquatic species, following a long history of habitat loss and degradation. Impacts of non-natives include predation, competition, hybridization, and parasite and pathogen transmission. In most cases, it is extremely difficult or impossible to remove invaders once they have established.

For these reasons, the Service opinion concluded that operation of the CAP would jeopardize the continued existence of four native threatened or endangered fish species: Gila topminnow *Poeciliopsis occidentalis*, spikedace *Meda fulgida*, loach minnow *Tiaroga cobitis*, and razorback sucker *Xyrauchen texanus*. The Service also concluded that the CAP would adversely modify designated critical habitat of the latter three species. Two reasonable and prudent alternatives in the 1994 biological opinion directed the U.S. Bureau of Reclamation (Reclamation) to implement fund transfers to the Service. A revised biological opinion was issued by the Service in 2001 that, among other actions, reiterated the need for and purposes of these fund transfers.

The purpose of the CAP Fund Transfer Program is to provide the Service monies to undertake conservation actions (recovery and protection) for these four fishes, or other Gila River basin federal/state-listed or candidate fish species, by implementing existing and future recovery plans for those fishes. The objectives of the actions are to prevent extinction and enhance the conservation status of these species to compensate for threats from the CAP that cannot be removed or prevented. In addition, the biological opinions state that a critical recovery goal for native fishes in the Gila River basin is to control non-native fishes and other non-indigenous aquatic organisms. Thus the fund transfer program is also directed toward actions against non-native aquatic biota where they interfere with recovery of native forms.

Reclamation is to transfer \$500,000 to the Service each year for a total of 25 years to implement this program. Half that amount is identified for native fish recovery actions, and half for non-native aquatic biota control actions. Expenditure of these funds is jointly agreed upon by Reclamation and the Service in consultation with the Arizona (AZGFD) and New Mexico (NMGFD) Departments of Game and Fish. The Service submits an annual report to Reclamation detailing the expenditure of the funds and how they contributed to recovery of fishes in the Gila River basin.

The purpose of this document is to define the long-term goals, breadth, priorities, and processes of the 25-year CAP Fund Transfer Program. Beginning in 2003, and at approximately 5-year intervals thereafter, strategic goals and priorities will be established, reviewed, and/or

modified in a sub-document that will provide shorter-term direction to the program through review of past accomplishments and failures, status changes of species, new technologies, etc.

PROGRAM GOALS

The overall goals of the fund transfer program, as established by the biological opinions, are to: (1) achieve enhanced status for listed or candidate Gila River basin fish species by implementing existing and future recovery plans for those fishes; and (2) alleviate existing non-native aquatic species threats in the Gila River basin, remove non-natives that may surmount fish barriers constructed by Reclamation, and remove or control any non-native species that may enter the basin via the CAP or other avenues. In order to accomplish these goals, conservation of all native fishes is important.

Immediate objectives of the Fund Transfer Program are to prevent extinction of rare stocks of native fishes of the Gila River basin, protect and stabilize those populations, and replicate populations into secured habitats. All other activities are in support of these actions (e.g., safeguard water rights, develop or implement control methods against non-native fishes, produce hatchery populations for repatriation, construct fish barriers, renovate streams for benefit of native species, etc.).

PROGRAM PRIORITIES AND FUNDING CRITERIA

Funding to achieve recovery for Gila River basin native fishes is limited and the conservation status of listed fishes is critical.¹ Monies from the fund transfer program thus are prioritized such that meaningful, achievable, and lasting on-the-ground activities benefit native fishes according to recovery plan goals and other acceptable sources of guidance. Highest priority projects are those that are necessary to 1) prevent extinction and stabilize populations in the wild, and 2) replicate rare populations in the wild.

Sub-priorities needed to prevent extinction and stabilize populations in the wild include (in no particular order):

- Construct barriers to protect existing populations
- Control non-native aquatic species above barriers
- Maintain refugia populations
- Implement other actions to remove immediate threats and thereby help prevent extinction in the wild

Sub-priorities needed to replicate rare populations in the wild include (in no particular order):

- Safeguard streams for replication of rare populations
- Where necessary, construct barriers and renovate streams
- Undertake captive production, including development of propagation techniques
- Implement other actions to insure that rare populations are replicated

¹ Within the past century, all 20 native fishes historically found in the Gila River basin have suffered declines in abundance and distribution. Three have been designated threatened under the Endangered Species Act (ESA), an additional 7 are classified as endangered and another is proposed endangered, and 1 is extinct. Seven species have been extirpated from the basin, but 4 have been repatriated, although with very limited success. At one time, all of the Gila basin native fishes not formally listed under ESA were on the Candidate list until a regulatory redefinition removed most. The status of nearly all species continues to decline.

Additional priority is given to projects that: 1) benefit the four "jeopardy" species identified in the 1994 biological opinion; 2) benefit multiple species, including listed, candidate, and state-listed species; 3) provide immediate on-the-ground benefit; and/or 4) address other activities pertaining to research or management.

It is recognized that planning and environmental compliance activities must proceed in advance of on-the-ground actions. However, mandates under Section 7 of the Endangered Species Act for Federal agencies to assist in conserving threatened and endangered species, and separate monies available to State agencies for this same purpose, may help provide for these needs when possible. These potential funding needs will be evaluated on a case-by-case basis as appropriate.

PROJECT SELECTION PROCESS

Primary administration of the CAP Fund Transfer Program is by Reclamation and the Service. Program guidance is in cooperation with AZGFD and NMGFD. Two committees have been established with representation from the four agencies to address technical and policy matters of the program. The CAP Technical Committee is comprised of biologists that oversee project solicitation, consideration, and recommendations for implementation. The CAP Policy Committee was established to give guidance to the Technical Committee, approve recommended projects, and to deal with policy and political issues that may arise during implementation of the program. A process has been established where the Policy Committee meets annually to review project proposals, with consensus among the four parties the goal. Because this is a federally-funded program, the Service and Reclamation will make the final decisions on project implementation if consensus cannot be reached.

Following are steps involved in formulating, selecting, and awarding CAP Fund Transfer Program projects. During the selection process, in addition to considerations of how each project addresses program biological priorities and conforms with 5-year strategic goals, each project must contribute to recovery, be technically sound and able to be implemented, have a suitable vendor available to perform the work, be able to accomplish objectives in a reasonable time frame, and not be redundant either in scope or funding source. Original project ideas are based on recovery plans and are generated through discussions with ad hoc groups of biologists, agency, academic, and non-governmental organizations, private fish biologists working in the Gila River basin, and other entities as appropriate.

1. The Technical and Policy committees meet jointly early in the calendar year to discuss and recommend selections of potential projects to be funded in the following fiscal year. A short description of purpose, proposed actions, time frame (duration), and estimated funding amount for each potential project are prepared and sent to the Policy Committee in May. Prior year project accomplishments, failures, and status are discussed.
2. The proposed project list is presented by the Technical Committee and reviewed by the Policy Committee during a Policy Committee meeting held in June.
3. The Technical Committee modifies the project selections based on direction from the Policy Committee.

4. The Policy Committee reviews the revised project list, and the final list is approved by September.
5. Reclamation uses the finalized short project descriptions to prepare a modification of the interagency agreement in October–December that is used to transfer funds to the Service. After both Reclamation and the Service sign the modification, the funding is transferred. Some funding may be retained by Reclamation for projects that Reclamation will directly implement, such as fish barrier design.
6. The Service and/or Reclamation prepare detailed statements of work for each project, which are offered for review by Technical Committee members.
7. The Service and/or Reclamation funds the various projects through interagency agreements, cooperative agreements, grant agreements, purchase order contracts, regular contracts, transfers of money to other Service stations, and any other appropriate mechanism.
8. Draft final products on projects are received by the Service and/or Reclamation and are offered to Technical and Policy Committee members for review.
9. Final project products are approved by the Service and Reclamation and distributed to other interested parties.
10. The Service submits an annual project report to Reclamation that describes how program expenditures and products have assisted in recovery of Gila River basin native fishes.