

# San Diego River Conservancy

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<http://resources.ca.gov/sdrc.html>



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**Mike Chrisman**  
*Secretary, Resources Agency*

June 1, 2005

Mr. Ken Lane  
Fiscal Systems and Consulting Unit  
915 L Street  
Sacramento, CA 95814

Dear Mr. Lane,

## **REQUEST FOR CREATION OF SPECIAL DEPOSIT FUND ACCOUNT**

I am writing to request the establishment of an interest bearing Special Deposit Fund Account for certain funds received by the San Diego River Conservancy (Conservancy) as a result of a negotiated settlement (or supplemental environmental project). From time to time, the Conservancy anticipates receiving funds from a waste discharger regulated by the California Regional Water Quality Control Board, San Diego Region (Regional Board). In the event that a waste discharger violates its Waste Discharge Requirements (or a Basin Plan prohibition), the Regional Board may choose to issue an administrative civil liability to the discharger for the violation. This type of enforcement action may, at times, result in a negotiated settlement between the Regional Board and the discharger (or in the conduct of a supplemental environmental project or SEP). If the violation involves a discharge of waste into the San Diego River system, the Regional Board may consider having a portion of the liability paid to the Conservancy in cash to be used for the benefit of the River.

Generally, the only stipulation associated with these funds will be that the funds must be spent on water-quality related projects or issues. Therefore the Conservancy may use these funds for one or more of the following purposes: (a) acquisition of property (or conservation easement); (b) restoration of property (or conservation easement); (c) hydrology assessment of the San Diego River (or reach of the river); (d) collection of water or sediment quality related data; (e) Geospatial Information Management System; (f) management of property (or conservation easement); or (g) other project to restore or protect the San Diego River.

For instance, the Regional Board and the City of San Diego (City) recently entered into a settlement agreement to cover the City's liability for illicit sewage discharges which occurred between February 2001 to October 2004. Under the terms of the settlement, the City of San Diego will pay the State of California a total of \$1.2 million. Of that \$1.2 million, \$240,000 will be payable directly to the San Diego River Conservancy "for the purpose of providing funding for water quality related projects within the San Diego River Watershed".

Because of the nature and unknown frequency of these awards (timing and dollar amount is unknown and cannot be predicted), I am requesting the establishment of an "open-ended" account which will earn interest and provide the maximum amount of flexibility regarding the timing of fund deposit and withdrawal (i.e., we can deposit and withdraw funds as needed). The establishment of a Special Deposit Fund Account will permit the San Diego River Conservancy to deposit this \$240,000 (and future, periodic funds) into an interest bearing account until such time that the Conservancy is able to encumber or expend the funds. Thus, the account will provide the Conservancy the time and flexibility needed to determine the most effective use for the funds which will best support the Conservancy's goals and mission.

On April 8, 2005 the Conservancy adopted Resolution 05-02 authorizing the Executive Officer to deposit the \$240,000 award into an interest bearing account. The board will consider various alternatives for the use of the money at an upcoming board meeting.

Please do not hesitate to contact me at (858) 467-2972 or Regine Serrano of the State Coastal Conservancy at (510) 286-4349 if you have questions or require additional information.

Sincerely,

Deborah S. Jayne  
Executive Officer