SAN DIEGO RIVER CONSERVANCY

Revised September 7, 2004

TENTATIVE RESOLUTION 04-07

OPPOSITION TO CALIFORNIA PERFORMANCE REVIEW (CPR) RES12 TO ELIMINATE SAN DIEGO RIVER CONSERVANCY AS A STATE AGENCY

Note: The Executive Officer was directed by the Chair, Vice-Chair, and two other members of the Governing Board to prepare this Tentative Resolution for the Board's consideration on September 10, 2004.

1. ***Need and Overall Legislative Mandate of San Diego River Conservancy (SDRC)***
   WHEREAS, the San Diego River Conservancy Act (Act)[1] was signed into law in September 2002. Like each of the eight state conservancies, the San Diego River Conservancy (SDRC) is legislatively mandated to protect and enhance a sensitive resource of statewide significance. Section 32631 of Act states, in part, that (a) The San Diego River is in need of restoration, conservation, and enhancement all along its length and the Area presents excellent opportunities for recreation, scientific research, and educational and cultural activities ***of value to California and the nation***. (b) Given the opportunities available, the State recognizes the importance of holding the San Diego River Area lands in trust to be preserved and enhanced for the enjoyment of present and future generations;

2. ***Specific Legislative Mandates of SDRC***
   WHEREAS, section 32633 of the Act states that the San Diego River Conservancy (SDRC) was created for the following purposes: (a) To acquire and manage public lands within the San Diego River Area, and to provide recreational opportunities, open space, wildlife habitat and species restoration and protection, wetland protection and restoration, and protection and maintenance of the quality of the waters in the San Diego River for all beneficial uses, lands for educational uses within the area, and natural floodwater conveyance. (b) To provide for the public's enjoyment, and to enhance the recreational and educational experience on public lands in the territory in a manner consistent with the protection of land and natural resources, as well as economic resources, in the area;

3. ***California Performance Review (CPR) RES12***
   WHEREAS, the Governor's California Performance Review (CPR), released for public comment on August 3, 2004, contains recommendation RES12, "Restructure Funding and Governance for Certain Land Conservancies";

4. ***CPR RES12 Recommends Eliminating All State Conservancies of "Non-Statewide Interest" and Retaining those of "Statewide Interest"***
   WHEREAS, RES12 of the CPR recommends eliminating all state conservancies of "non-statewide interest" (a total of five are specified[2]) and retaining state agency status and funding for state conservancies that protect assets of "statewide significance"(the remaining three are specified[3]);
5. ***RES12 Recommends Eliminating SDRC as a State Agency / Devolving into JPA***

WHEREAS, RES12 of the California Performance Review recommends eliminating the San Diego River Conservancy as a state agency because the assets it protects are of "regional or local" interest only. Specifically, RES12 would:

- **eliminate the SDRC's state agency status;**
- **eliminate all state funding (for staff support and land acquisition)[4];**
- **remove state-level majority participation on the governing board[5];**
- **devolve the SDRC into a local joint powers authority (JPA); and**
- **encourage the resulting JPA to compete for state bond funds along with local and nonprofit entities;**

Response to RES12:

6. ***San Diego River Area IS of Statewide Significance***

WHEREAS, the RES12 recommendation to eliminate the SDRC as a state agency is based on the *incorrect premise* that assets protected by the San Diego River Conservancy are of "regional or local" interest only. The San Diego River Area is, in fact, of statewide significance as described below. Furthermore the Area has national and even global importance.

Statewide Significance

The San Diego River is a highly valued natural, historical, cultural, archeological, recreational, and economic resource of statewide significance. The San Diego River Area is the "Birthplace of California" and holds the key to the State's heritage. The Area transcends regional boundaries for numerous reasons, but primarily due to its enormous historical and archeological significance**.** With human inhabitants for over 10,000 years, the San Diego River Area boasts no less than twenty-nine State Historic Landmarks, three State Parks, rich archeological resources, and many California "firsts" (see list below). In 1769, Father Juan Crespi wrote about the San Diego River in a letter reporting back to Spain on his travels, "If the River is permanent, it may prove in time to be the best of those discovered in all of California". Today the San Diego River Watershed is home to over one-half million people, including five Native American tribes, and at least twenty-five state and federally listed (endangered and threatened) plant and animal species.

The San Diego River is also of significant economic value to the State. In 2003 alone, the San Diego River Conservancy Area welcomed over twenty-six million visitors (compared to two million visitors to Lake Tahoe Conservancy Area) helping to support an annual tourism industry in San Diego of over five billion dollars. San Diego tourism, which is the third largest industry in San Diego (following manufacturing and the military), contributes to the overall state economy.

National Significance

The enabling statute which created the San Diego River Conservancy found the San Diego River to be of recreational, scientific, educational and cultural value to "*California* ***and the nation***"[1]. The San Diego River Area is considered the "Plymouth Rock" of the west coast due to its national and state historical significance. There are four National

Historic Landmarks connected with the San Diego River and much of the upper watershed is in the Cleveland National Forest.

Global Significance

The San Diego River Area is (part of) one of only five Mediterranean Ecosystems in the world[6]. San Diego is also a world-renowned tourist destination, annually attracting millions of visitors from around the globe and generating in excess of five billion dollars in tourism revenue.

In summary, the San Diego River Area is a highly valued natural, historical, cultural, archeological, recreational, and economic resource of statewide significance:

- Birthplace of California
- "Plymouth Rock" of the west coast due to its historical national and state significance
- (Part of) one of only five Mediterranean Ecosystems in the world[6]
- 29 State Historic Landmarks connected with the San Diego River
- 4 National Historic Landmarks connected with the San Diego River
- 3 State parks (Old Town State Historic, Cuyamaca Rancho, Anza Borrego)
- 1 Cleveland National Forest in the headwaters (includes waterfalls)
- Native Americans have lived along the River for 10,000 - 11,000 years
- First presidio / European settlement in California and the west coast of the United States
- First mission in California (originally located in present day Presidio Park; currently located upstream of original location)
- First dam in California
- First engineered irrigation system (6-mile flume from dam to mission)
- Rich in archeological resources
- First (or one of first) American Flag raising in California
- First unofficial capitol of both "upper and lower California" and residence of first Mexican Governor of California
- First transcontinental mail route started/ended along the San Diego River
- First church in California
- Oldest commercial trail (La Playa Trail runs along San Diego River to Old Town State Historic Park)

- Oldest cemeteries in California of European origin are along the San Diego River
- Anchor of the statewide mission chain
- Life blood for early residents (from all origins)
- Six local jurisdictions in watershed today
- Highest human population of any watershed in San Diego County (approximately 509,000)
- Home to five Native American reservations today (Inaja, Cosmit, Barona, Viejas, Capitan Grande)
- Home to at least 25 federal and state listed species today (Endangered /Threatened)
- State Natural Community Conservation Plan (NCCP) / San Diego Multiple Species Conservation Plan (MSCP) is currently being implemented within the SDRC jurisdiction. Hundreds of millions of local, federal, and state dollars have been invested in NCCP/MSCP land, regulatory reform, and conservation.
- 52-mile long San Diego River from Julian (historic gold mining town) to the Pacific Beach; Approximately 67 named tributary streams to San Diego River plus numerous additional unnamed tributaries. Watershed drains approximately 440 square miles.
- San Diego River Watershed is tributary to the Pacific Ocean and one of California's most popular beaches (water quality impacts recreation and habitat beneficial uses).
- Beneficial uses of the San Diego River and its tributaries include municipal and domestic supply (MUN); agricultural supply (AGR); industrial supply (IND); industrial process supply (PROC); contact and non-contact water recreation (REC-1 and REC-2); warm freshwater habitat (WARM); cold fresh water habitat (COLD); wildlife habitat (WILD); and rare, threatened, or endangered species (RARE). The beneficial uses at the River mouth include REC-1; commercial and sport fishing (COMM); estuarine habitat (EST); WILD; RARE; marine habitat (MAR); migration of aquatic organisms (MIGR); and shellfish harvesting (SHELL).
- Portions of the San Diego River, River mouth, Forrester Creek, and Famosa Slough are water quality impaired, i.e., currently designated on the Clean Water Act Section 303(d) list as not meeting state water quality standards for one or more of the following pollutants: bacteria, low dissolved oxygen, phosphorus, total dissolved solids, pH, and eutrophic conditions. Total Maximum Daily Load (TMDL) calculations for bacteria are currently under development to restore beneficial uses and achieve bacteria water quality objectives in the San Diego River, River mouth, and Forrester Creek.
- San Diego River Watershed includes five water storage reservoirs of over 200,000 acre-feet, including the largest in San Diego County.
- The Santee/El Monte Aquifer, below the San Diego River, is the largest aquifer in San Diego County. The storage capacity of the Santee/El Monte Aquifer is more than 50,000 acre-feet. Storage capacity of the Mission Valley Aquifer is 40,000 acre-feet.
- Largest fire in the State's recorded history – the October 2003 Cedar Fire burned 74% of the San Diego River Watershed.
- 26.4 million tourists (from around the world) visited the San Diego River Conservancy Area in

2003 (Compared to 2 million visitors to Lake Tahoe Conservancy Area).

- $5.3 billion generated in San Diego tourism revenue in 2003. San Diego tourism, which is the third largest industry in San Diego, contributes to overall state economy.

Response to RES12:

7. ***Unclear How "Statewide Significance" was Defined for RES12***
WHEREAS, it is unclear how the authors of RES12 defined/determined "statewide significance". RES12 provides no indication of what criteria was used to establish statewide significance. For example, what was the basis for RES12's determination that the Santa Monica Mountains Conservancy protects assets of statewide significance, while the San Diego River Conservancy's assets are deemed to be only local in interest? RES12 must clearly define its statewide significance criteria.

Response to RES12:

8. ***JPA Cannot Replace Function and Benefits of State Conservancy***
WHEREAS, recommendation RES12 is based on the *incorrect premise* that a joint powers authority (JPA) can replace a state conservancy. RES12 fails to recognize the unique function and benefits of the state conservancy which ***cannot*** be replaced by a local joint powers authority or any other entity.

Function of State Conservancy
The function of a state conservancy is to focus the policy, authority, and resources of the State of California on the needs of a highly valued resource of statewide significance, such as the San Diego River.

The State conservancy uses a "place-based" model that represents "decentralized" state government in which the state's policy, authority, and resources "empower the locals" to protect an exceptional asset. Because the state conservancy carries the "political weight" and status of a state agency but channels all the benefits to a specific geographic resource, it affords that resource special status and funding not otherwise available. In doing so, the conservancy ensures the effective protection of the exceptional resource in a way that preserves statewide interests.

A JPA cannot provide the necessary access and priority status to state funds. Similarly, a JPA cannot focus the State's needed policy and authority on the exceptional asset, nor can a JPA incorporate California's statewide conservation objectives and priorities into its decision-making process. Also as discussed below, a JPA cannot provide the "integrated statewide coordinated approach" to conserving California resources that is clearly called for in State law and for which the state conservancies were created. To the contrary, an independent locally driven JPA (especially one without State majority representation) will make conservation decisions based on local, rather than on statewide, priorities. The ability to effectively coordinate on a statewide basis will be lost if the state conservancies are devolved into isolated local JPAs.

Likewise the unique ***benefits*** of the state conservancy also can not be replaced by a JPA. As

discussed in a later finding, RES12 fails to recognize (1) the state conservancy's significant ability to leverage state dollars (by as much as a factor of 20); and (2) its excellent cost-to-benefit ratio (e.g., it costs the state $265,000 in annual operating expenses for the San Diego River Conservancy to manage a multi-million land acquisition program on behalf of the state). In short, the economic benefits of the San Diego River Conservancy and the other state conservancies far outweigh the costs. A JPA cannot provide this same level or type of benefits.

Another benefit of state conservancies that definitely can not be provided by JPAs is the critical role that the eight conservancies collectively play in implementing the state's overall ***"growth management strategy"***; an important issue addressed in the CPR Report. State conservancies effectively (1) protect sensitive undeveloped lands; and (2) restore degraded developed lands, and do so from an integrated statewide perspective, rather than from a local piecemeal approach.

Moreover, in the case of the San Diego River, there is strong community-based and political support for the San Diego River Conservancy and its mission. The ***San Diego River Coalition***, comprised of over 50 dedicated community groups (representing over 200,000 citizens) and the ***San Diego River Park Foundation,*** a local non-profit and voice of the Coalition, have already ***considered and rejected the JPA model*** in strong favor of a state conservancy. In addition, in the early 2000s the Mayor of San Diego convened the ***San Diego River Alliance***, a group of elected officials (representing all affected political jurisdictions), to promote the San Diego River Park and the creation of the San Diego River Conservancy. Recognizing its unique function and benefits, a state conservancy was deemed the most effective mechanism to accomplish the common goals. Furthermore it should be noted that the local governments have always had the option of forming a JPA at any time during the past 40 years, but did not do so. A higher power, the State's authority and resources, was needed to move the community vision into full gear.

Response to RES12:

9. ***CPR RES12 is Fundamentally Flawed***

WHEREAS, the San Diego River Conservancy finds recommendation RES12 of the California Performance Review to be fundamentally flawed for several reasons:

- **RES12 does not achieve CPR's stated objectives;**
- **RES12 is not supported by the rationale provided;**
- **RES12 is based on false premises and incomplete information; and**
- **RES12 does not remedy the alleged problems.**

Response to RES12:

10. ***RES12 Does Not Meet CPR's Stated Objectives***

WHEREAS, RES12 does not meet CPR's stated objectives:

(a) "Put the People First";
(b) Streamline Operations; and
(c) Save State Dollars.

Response to RES12

10a***RES12 Does Not "Put the People First"***

WHEREAS, RES12 does not "put the people first" and in fact is contrary to the people's wishes. Californians have expressed strong consensus support for state conservancies as evidenced by:

- ***Voters Approved Bond Fund Appropriations to Conservancies***
  In recent years, voters have approved several statewide General Obligation Bond Acts[7] appropriating hundreds of millions of dollars to state conservancies for resource protection and conservation purposes. This statewide vote represents an unquestionable statement that Californians believe state conservancies are important and that they want them to continue to exist and to be given adequate funding to carry out their mission. The bond acts contain "line-item" appropriations, i.e., very specific language directing explicit funding amounts to specific conservancies. To eliminate any of the state conservancies or redirect any of these dollars would be contrary to the people's stated wishes; and

- ***Legislators Created Conservancies and found that Conservation Needs Statewide Coordination***
  Legislators, the ***people's representatives***, have written a variety of laws that (1) express the state's overall land conservation policy and objectives; and (2) create state conservancies to implement that policy and achieve the objectives. The Legislature has declared that ***"California's land is an exhaustible resource…essential to the economy, environment and general well-being of the people of California[8].*** Furthermore, "***The Legislature has found that the size, diversity, and interdependence of the state's resources require that land conservation efforts be coordinated and integrated on a statewide basis"[8]. "Watersheds and wildlife corridors transcend local jurisdictional boundaries and the effects of environmental degradation usually do not remain confined to a single geographic area. A piecemeal approach, left to the independent action of local entities, is destined to be ineffective. For this reason, the Legislature has deemed the conservation of land such as wildlife habitat to be a critical responsibility of the State, which has the ability to plan and implement programs on a larger scale than local or regional entities."***[8]

In direct contrast to the findings of the legislature above which recommend a coordinated and integrated approach to statewide conservation, RES12 recommends eliminating most state conservancies in favor of independent locally driven joint powers authorities (JPAs).

Response to RES12

10b***RES12 Does Not "Streamline Operations"***

WHEREAS, RES12 does not streamline Conservancy operations; it eliminates them. As defined in Finding 2 of this Resolution, the San Diego River Conservancy has specific legislative mandates to protect and enhance the San Diego River Area. Because state conservancies serve a unique function and because JPAs can not replace that function (as discussed above), devolving the San Diego River Conservancy into a JPA, will eliminate rather than streamline its operations. If CPR RES12 is implemented, the legislatively mandated mission of the San Diego River Conservancy will be unfilled.

Response to RES12

10c***RES12 Does Not "Save State Dollars"***

WHEREAS, Eliminating the San Digo River Conservancy and other state conservancies does not save the state dollars because state conservancies (1) effectively leverage state funds; and (2) have excellent cost-to-benefit ratios. Furthermore the dollar savings estimated in the CPR Report will likely not be achieved as described below.

- ***Conservancies Leverage State Funds***

  RES12 fails to recognize and account for the significant economic benefits afforded by state conservancies. Probably the single most important economic benefit is that conservancies form partnerships and leverage state funds. Rather than the State of California picking up the tab to restore the San Diego River, the San Diego River Conservancy serves to attract and facilitate contributing funds from many diverse sources including the federal government, local governments, other state agencies, nonprofits, private entities, and private landowners. By leveraging state dollars to achieve the common goal of the partners, each state dollars is stretched/maximized so more can be accomplished and projects are more likely to get funded (because leveraged partnerships demonstrate a broad base of project support).

  Although the San Diego River Conservancy is still in its infancy, the Lakeside's River Park Conservancy (a small local nonprofit located within the jurisdiction of the San Diego River Conservancy), provides a good illustration of effective leveraging. In two and half years, the Lakeside Conservancy has been able to leverage its grant funds and donations by a "factor of 20". The political weight and status of a state agency should increase its leveraging power significantly. In other words, the true "costs" to the state for operating a state conservancy can not be calculated accurately without accounting for the substantial return that the conservancy will generate for every state dollar spent.

- ***Conservancies Offer Excellent Cost-to-Benefit Ratio***

  The costs to operate a state conservancy are minute compared to the short and long-term benefits to the state. For example, it costs the state $265,000 per year in operating expenses for the San Diego River Conservancy to manage a multi-million dollar land acquisition program on behalf of the state[9]. That is an excellent cost-to-benefit ratio and a good return on the state's investment.

  The San Diego River Conservancy operation is very lean and efficient and lowering costs further improves its cost-to-benefit ratio. Specifically, the San Diego River Conservancy operates out of the office of the California Regional Water Quality Control Board, San Diego Region. This arrangement is very cost-effective, saving the state thousands of dollars in office set-up, office space, and equipment costs. Similarly, the San Diego River Conservancy obtains some administrative support from the State Coastal Conservancy (accounting, personnel, procurement, budgeting, etc.). By piggy-backing on existing administrative operations (rather than creating its own), the San Diego River Conservancy is again saving the state thousands of dollars in administrative costs and overhead.

  By running a lean operation and partnering with many public and private entities, leveraging funds, piggy-backing on other state agencies where possible, obtaining non-state funds, accepting donations, purchasing easements, negotiating lot line adjustments, making the perpetual management of a property a condition of the acquisition, and other creative solutions, the San Diego River Conservancy is able to provide fiscal returns to the state many times the state's original investment. In other words, the ***economic (and other) benefits of the San Diego River Conservancy far outweigh its minimal cost***.

- ***Estimated CPR Savings Will Likely Not be Achieved***

  It should first be noted that typically 2/3 of state conservancy funding comes from voter approved general obligation bonds. RES12 estimates that approximately $2.1 million dollars per year can be saved by eliminating five of the eight state conservancies. This is a very small expected savings. This calculation assumes that the state would no longer pay the salaries of conservancy staff members. In reality, the state would continue to pay many of the staff members' salaries even if the conservancies were eliminated because many staff members have mandatory "return rights" to their previous state position. Exempt employees have mandatory return rights to their former state positions and non-exempt employees have civil service protection and "bumping rights" to their previous state positions. As a result the estimated savings of RES12, are at best, overstated. In addition, if the bond fund monies specified by voters for state conservancies cannot be redirected for other purposes, portions of

the estimated savings would not be realized. Finally when the state incurs the costs of litigation associated with the redirection of bond fund monies specifically appropriated for conservancies, projected savings would be further reduced. In short, the **savings to the state are small while the potential costs are high.**

Furthermore it should be noted that the table (on page 3) of RES12 indicates that the FY 2002-03 budget for the San Diego River was $265,000, when in fact it was zero. There was no appropriation to the San Diego River Conservancy in FY 02/03. The first appropriation was in FY 03/04.

Response to Rationale Provided:

11. ***Conservancies Aren't Broken / RES12 is NOT SUPPORTED BY RATIONALE***

WHEREAS, it is unclear why CPR RES12 recommends fixing a state conservancy model that is not broken and in fact is working well. Although the San Diego River Conservancy is in its infancy, there are over two decades of state conservancy successes in California which attest to the model's effectiveness. The rationale or justification for CPR RES12 appears to be[10]:

(a) lack of statewide Strategic Plan;
(b) lack of statewide accountability and oversight; and
(c) conservancy purchases are opportunity driven.

As discussed below, the rationale provided for RES12 is not persuasive and does not support the conclusion to eliminate state agency status and devolve conservancies into local JPAs. Also as discussed throughout this Resolution, RES12 is based on false premises and incomplete information.

As with any model, there is room for improvement in the existing conservancy model (e.g., by developing and implementing a statewide strategic plan and enhancing statewide coordination). However all such improvements can be made ***within the current framework of the state conservancies***. CPR RES12 provides no convincing arguments for eliminating the conservancies as state agencies and furthermore elimination of the conservancies would not remedy the alleged problems.

Response to Rationale Provided:

11a***Lack of Statewide Strategic Plan Does Not Support Elimination of SDRC***

WHEREAS, the lack of a statewide Strategic Plan *does not support the conclusion* that the San Diego River Conservancy (and other conservancies) should be eliminated. If the lack of a statewide plan is a problem, it can easily be remedied: develop a plan. A statewide plan would be useful and we would be happy to participate in its development. RES12 suggests that a plan be developed by the "remaining" three conservancies in consultation with other state agencies. We believe that the San Diego River Conservancy, and all state conservancies, should participate in the joint development of the statewide Strategic Plan. The Plan will be far more valuable and have greater applicability if it includes statewide input.

Each of the conservancies has developed (or is developing) an individual planning document for their own jurisdiction that can be incorporated into the overall statewide Plan. Although

these planning documents may differ in various respects, the underlying objectives and themes are the same. This is the case because each conservancy was created by the legislature for the purpose of carrying out the state's overall conservation policy and objectives.

It should be noted that pursuant to the 1990-00 Budget Act, an effort to develop a statewide plan is already underway by the Resources Agency. The "*California Continuing Resource Investment Strategy Project"* is being developed "to assess the current condition of the state's natural resources and habitat" and "to establish long-term funding and policy priorities and targets for future investment in resource protection and habitat acquisition or preservation". When completed, this plan should improve overall statewide coordination.

Note also that the Legislative Analyst's Office (LAO) Report "California's Land Conservation Efforts: the Role of State Conservancies" dated January 2001 (see Item 9 Supporting Document 3) identifies the lack of a comprehensive statewide plan and the lack of broad statewide perspective as "inefficiencies" in state conservancies. The LOA Report concludes these inefficiencies can be mitigated by defining and prioritizing statewide resources needs (i.e., developing a statewide Strategic Plan).

Response to Rationale Provided:

11b***Governance Provides State-level Accountability and Oversight***

WHEREAS, the assertion that state conservancies have (1) diffused accountability, (2) limited state-level oversight; and (3) that conservancy boards are not reflective of the state policy makers who are held accountable for the expenditure of state funds, is perplexing given the statutorily defined composition of the governing boards. In the case of the San Diego River Conservancy, the Governing Board includes the Undersecretary of the Resources Agency and the Deputy Director of the Department of Finance. It is hard to imagine who could be more accountable for the expenditure of state funds that these two individuals. Similarly all five of our "Public at Large" members are state representatives;

three are appointed by the Governor; one is appointed by the Senate; and one by the Assembly[5]. Of our nine voting members, seven are state and two are local representatives[11].

The governance of the state conservancy, consisting of both state and local representatives, was specifically designed by the Legislature *to provide the needed state-level accountability and oversight.* The role of each state representative on the governing board is to bring the broad statewide perspective, policies, and objectives to the decision-making process and to ensure statewide interests are promoted. In addition, the specific role of the Department of Finance representative is to be the state's "fiscal watchdog" on the Governing Board and to ensure that conservancy's decisions are in the best fiscal interest of California.

Its worth pointing out that the *short-term limits* of the governor appointees provides a further "check" on the San Diego River Conservancy governance to ensure the state's interests are implemented. Should an appointee fail to carry out the Governor's wishes, he or she can be

replaced within 2-3 years.

Effective State / Local Partnership Model
It is our belief that the state conservancies work well and that the state representatives are effectively carrying out their oversight role. In fact we believe that the conservancy governance provides an excellent model of effective state and local partnerships. The State of California brings the policy, authority, and resources to the partnership that only the State of California can provide. The local representatives bring the community perspective and in-depth knowledge of the resource to the partnership and help to engender the trust and cooperation of local nonprofits and private landowners. The local representatives of the governance bring the care and attention that only the "locals" can provide.

We believe that the many accomplishments of the state conservancies over the past two decades clearly demonstrate that the conservancy governance works. Elsewhere, the CPR Report recommends improving state and local government relationships. For those charged with implementing this recommendation, we would refer them to the state conservancy governance as a model of effective state/local partnerships.

We believe CPR's assertion regarding the lack of a statewide accountability and oversight is incorrect. But assuming that it is correct, the remedy to fix the alleged problem should be to increase statewide accountability and oversight; not to eliminate the conservancies.
The alleged lack of statewide accountability and oversight can be mitigated by establishing a statewide Strategic Plan in which statewide needs, goals, and resources are clearly defined and prioritized. As mentioned above, the Resources Agency currently has such a plan underway. Other remedies include requiring all conservancies to submit further detailed annual fiscal reports and inviting frequent audits of all fiscal records. Eliminating state agency status and devolving into independent local JPAs does not remedy this alleged problem.

Response to Rationale Provided:
11c***Conservancy Acquisitions are Based on Established Objectives and Priorities***
WHEREAS, the assertion that conservancy purchases are opportunistic rather than supportive of statewide management priorities *does not support the conclusion* that the San Diego River Conservancy (and other conservancies) should be eliminated. We believe the assertion is incorrect. But assuming that it is correct, the remedy is to take steps to ensure consistency with statewide priorities and objectives; not to eliminate the conservancies. The first obvious step is to make sure statewide priorities are well defined and understood (i.e., develop and implement a statewide Strategic Plan).

Acquisitions are not simply made as opportunities arise. In the absence of a statewide Strategic Plan, the Conservancies have each developed (or are developing) their own Strategic Plan (or equivalent) consistent with their enabling statutes. The enabling statutes are by definition consistent with the state's overall conservation policy and objectives (since the conservancies were created specifically to implement the state's overall policy and objectives). All potential projects are first evaluated based on the conservancy's objectives

(as specified in enabling statute) and prioritization criteria as documented in its Strategic Plan. Only those projects that are consistent with the enabling statute and Strategic Plan are retained for further consideration. Projects fully meeting the prioritization criteria are put on a special list and may then be purchased as opportunities arise.

Opportunity plays a role at this stage in the process since you can't buy a parcel if it's not available and conversely if you don't buy a parcel when it is available, you may loose the opportunity to buy it forever. So opportunity is a late-stage factor, but only after each project is first carefully evaluated for consistency with the conservancy's enabling statute and Strategic Plan.

Response to RES12:

12.***Reducing State Majority Exacerbates Alleged Lack of Statewide Accountability / Oversight***

WHEREAS, RES12 is based on the *incorrect premise* that removing state-level majority participation from the governing boards will remedy the lack of statewide accountability and oversight. To the extent there is a lack of statewide accountability, eliminating state-level majority on the governing boards would only exacerbate the problem.

Response to RES12:

13. ***Reducing State Funding and Removing State Majority Will Not Empower Locals***

WHEREAS, RES12 is based on the *incorrect premise* that reducing state funding and removing state-level majority participation from the governing board will "empower the local jurisdictions to address local land conservation issues". This is contrary to fact. As described in Finding 8 above, it is precisely the state's authority and resources (not the lack thereof) that empowers that locals to work together to protect the asset.

Response to RES12:

14. ***Statewide Master Plan Should be Developed***

WHEREAS, the RES12 recommendation to develop a statewide Master Plan is an excellent idea but should include the insights and expertise of all eight state conservancies.

Response to RES12:

15.***New Sierra Nevada Conservancy Just Approved by Legislature***

WHEREAS, in light of the August 3, 2004 CPR RES12 recommendation to eliminate the state agency status and funding of five of the existing eight conservancies, it is interesting that the Legislature would on August 25, 2004 approve a bill creating a new ninth state conservancy, the Sierra Nevada Conservancy (see Item 9 Supporting Document 6). The Governor is expected to sign the bill.

NOW, THEREFORE BE IT RESOLVED that the San Diego River Conservancy Governing Board strongly opposes California Performance Review (CPR)

Recommendation RES12 to eliminate the San Diego River Conservancy as a state agency, along with all state funding, and to devolve the SDRC into a local joint powers authority (JPA).

Passed and Adopted by the Board of the
SAN DIEGO RIVER CONSERVANCY

on _____ , 2004.

_____
Dick Murphy, Chairperson
San Diego River Conservancy

ATTEST: _____
Hayley Peterson
Deputy Attorney General

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[1] San Diego River Conservancy Act. Public Resources Code, Division 22.9, commencing with Section 32630.

[2] The San Diego River Conservancy, San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, San Joaquin River Conservancy, Baldwin Hills Conservancy, and Coachella Valley Mountains Conservancy.

[3] The State Coastal Conservancy, California Tahoe Conservancy, and Santa Monica Mountains Conservancy.

[4] The San Diego River Conservancy currently has no capital outlay or local assistance appropriation for land acquisition. Its FY 04/05 support budget is $265,000.

[5] The San Diego River Conservancy has state-level majority representation on its governing board although several of the "state" seats are filled with local representatives. For example all five of the public members at large, although appointed by the Governor, Assembly, or Senate, are filled by members of the local community.

[6] Citation for one of five Mediterranean Ecosystems: _____

[7] Statewide ballot measures, Propositions 12, 13, 40, and 50.

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[8] Legislative Analyst's Office (LAO) Report *"California's Land Conservation Efforts: the Role of State Conservancies"*. January 2001.

[9] There is currently $7.8 remaining of an original $12 million appropriation in Resources budget earmarked for the restoration of the San Diego River.

[10] Although Recommendation RES12 does not specifically identify these three statements as "justification" for the conclusion to eliminate the San Diego River Conservancy, they are the only rationale provided. RES12 identifies these statements as "limitations and inefficiencies" of state conservancies.

[11] Local voting members include the Mayor of San Diego and a member of the San Diego City Council. We also have two non-voting members on the Governing Board: a representative from the San Diego Regional Water Quality Control Board and the Executive Director of the Wildlife Conservation Board.