

EXECUTIVE OFFICER SUMMARY REPORT
August 12, 2005

ITEM: **14**

SUBJECT: **FY 06 FEDERAL APPROPRIATION FOR
ACQUISITIONS IN CLEVELAND NATIONAL FOREST
/ HEADWATERS OF SAN DIEGO RIVER**

The Conservancy requested a \$500,000 FY 06 Federal Appropriation to support acquisitions of Cleveland National Forest “in-holdings” within the headwaters of the San Diego River. H.R. 2361, Department of Interior Appropriations Bill, provides for acquisition of lands within the Cleveland National Forest (along with seven other forests) and allocates just over \$1 million to be shared among the eight named forests. The Board may adopt a resolution (*tentative Resolution 05-20*) authorizing (1) the use of Proposition 40 River Parkways Funds for State match purposes; and (2) the initiation of willing seller negotiations. (*Deborah Jayne*)

PURPOSE: Consideration and possible adoption of tentative Resolution 05-20.

DISCUSSION: Background
On April 8, 2005 this Governing Board adopted Resolution 05-09 authorizing the Executive Officer to work cooperatively with the City of San Diego and the Cleveland National Forest in a joint request for FY 06 federal appropriation to support acquisitions of Forest Service “in-holdings” in the headwaters portion of the San Diego River. (**Supporting Document 2**)

The Conservancy’s proposal requested \$500,000 in federal funds to acquire one or more properties in the headwaters of the San Diego River. These privately held “in-holdings” are located within the Cleveland National Forest with the three most promising parcels located immediately above the El Capitan Reservoir. The proposed project represents a cooperative effort between the Conservancy, the City of San Diego, and the Cleveland National Forest. All three agencies consider (some or all of) the potential properties to be “priority

acquisitions” due to their location and water quality / watershed protection value.

Role of Each Partner

As briefly summarized below, each of the three partners has and will play a critical role in the proposed acquisitions.

San Diego River Conservancy

In late January 2005, I approached the City of San Diego’s Governmental Relations Department Director, Andrew Poat with a request to participate in the City’s request to Congress for a FY 06 Federal Appropriation. In consultation with City staff, the Conservancy developed a concept and prepared a written proposal. Under the proposal, the Conservancy would receive the federal funding, acquire the properties directly, and eventually transfer them to the Forest Service for long-term holding and maintenance as part of Forest Lands. Also under the proposal, the Conservancy would apply for and bring Proposition 40 River Parkway funds to the table for the promised \$500,000 State “match”.

City of San Diego

Mr. Poat and Brent Eidson (Deputy Director of City of San Diego, Government Relations Department and the City’s recently assigned liaison to the Conservancy), agreed to add the Conservancy’s proposal to the City’s proposed list of legislative priorities for consideration by the Rules Committee. On March 9, 2005, Mr. Eidson and Mr. Poat presented our proposal along with numerous other City proposals to the Rules Committee for consideration. When the Committee subsequently approved the list, our proposal officially became a City of San Diego legislative priority to be supported by and advocated for along with the City’s other priorities by the City’s lobbyists. The lobbyists were successful in getting the Conservancy’s proposal included in the final Department of Interior Bill which will be presented to the President for approval or veto.

Cleveland National Forest

Daniel Aklufi (Assistant Lands, Minerals and Recreation Officer, Cleveland National Forest) made me aware of potential parcels in response to my inquiry. On March 26, 2005, Mr. Aklufi took me to see the parcels above the reservoir and provided me with contact information for one of the three land owners (who has been given the authority to represent the other two land owners in potential initial negotiations). The

owners have expressed interest in selling if the “right price” can be agreed upon.

Based on the current language in the Department of Interior Appropriation Bill, if the proposed federal budget is signed, it appears the appropriation would go directly to the Forest Service, rather than to the Conservancy. In this case, the Conservancy would apply to the Resources Agency for the Proposition 40 money and then re-grant the money to the Forest Service who will use the State funds, in combination with the federal appropriation, to acquire the properties directly. The properties would then become part of the Cleveland National Forest and would be maintained in perpetuity.

Current Status of Conservancy Proposal

On July 26, 2005 H.R. 2361, Department of Interior Appropriations Bill, appropriated funds for the Department of the Interior, environment, and related agencies for the fiscal year ending September 30, 2006.

On page 34 of Conference Report 109-188, Cleveland National Forest acquisitions are specifically referenced. *“For acquisition of lands within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, Sequoia, and **Cleveland National Forests**, California, as authorized by law, \$1,069,000, to be derived from forest receipts.” (Supporting Document 3)*

Next Steps

At this point, it is unclear how the funds will be distributed among the eight Forests and what the exact dollar allocation will be. Other uncertainties include:

- Will tentatively willing sellers remain willing?
- When will the properties rise to the top of the Forest Services’ priority acquisitions list? (Should be soon in light of available funding earmarked for that purpose.)
- Will the Conservancy be awarded sufficient Proposition 40 monies for the state match?
- Will the President sign the budget including our appropriation, and if so when?

As you can see there are still several uncertainties and many steps ahead. Nevertheless the proposed project looks promising at this time, especially since it has been specifically

identified in the Department of Interior bill. At this point, I consider the project to be a high priority for the Conservancy and am seeking Governing Board's concurrence.

I am currently scheduled to meet with the Cleveland National Forest District Ranger and staff on August 29, 2005 to discuss this project further.

LEGAL CONCERNS: None.

FISCAL IMPACT: None.

SUPPORTING
DOCUMENTS:

1. Tentative Resolution 05-20
2. Conservancy Resolution 05-09, adopted April 8, 2005
3. Excerpts from H.R. 2361 Committee Report #109-188
4. FY 06 Appropriation Project Request Pre-Proposal

RECOMMENDATION: Adopt Resolution 05-20.