

STATE OF CALIFORNIA
CAPITAL OUTLAY
BUDGET CHANGE PROPOSAL (COBCP)
COVER PAGE (REV 03/04)

DEPARTMENT OF FINANCE
915 L Street
Sacramento, CA 95814
IMS Mail Code: A15

BUDGET YEAR 2007-08

ORG CODE: 3845 COBCP NO: 07/08:03 PRIORITY: 1 PROJECT ID: 38-07-030

DEPARTMENT: SAN DIEGO RIVER CONSERVANCY

PROJECT TITLE: **Historical & Cultural Resources Restoration & Preservation – Old Mission Dam, Flume, and Waterworks**

TOTAL REQUEST (DOLLARS IN THOUSANDS): \$1,603 MAJOR/MINOR: MA

PHASE(S) TO BE FUNDED: VARIOUS PROJ CAT: _____ CCCI/EPI: _____

SUMMARY OF PROPOSAL:

Appropriate to the San Diego River Conservancy one million, six hundred and three thousand dollars (\$1,603,000), the unallocated, unappropriated balance of Proposition 40 Section 5096.610(d) designated for the protection of Historical and Cultural Resources (available for multiple departments). The requested appropriation will be extensively leveraged with partner contributions.

The purpose of the requested appropriation is to advance the Conservancy's "*Natural and Cultural Resources Restoration and Preservation Program*" by funding projects that protect historically significant San Diego River resources that are currently threatened, disappearing, or at risk of being further damaged or lost forever. Specifically, the funds will be used to repair, restore and preserve the highest priority of these "at-risk" resources, San Diego's "Old Mission Dam, Flume and Waterworks System". This 200-year treasure is an irreplaceable part of San Diego's early history. As a registered state and federal historical landmark, its restoration is fully consistent with the use of Prop 40 Section 5096.610(d) funds as well as the Conservancy's enabling statute, mission, and Strategic Plan. This project also represents an excellent investment of the remaining funds set aside in Proposition 40 to preserve culturally significant aspects of California's history for future generations.

The Conservancy is relatively new and has never had its own capital outlay/local assistance appropriation with which to conduct its statutory mission (Capital Outlay Budget = \$0) and four major programs. Application is currently underway for the entire remaining balance of the original Prop 40 River Parkways appropriation earmarked for the San Diego River (which is a line-item in Resources Agency's budget). In addition the Conservancy has in the past, is now, and will continue to actively seek funding from numerous other state, federal, local, and private funding sources as described in Section A (and detailed in Appendix 1).

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HAS A BUDGET PACKAGE BEEN COMPLETED FOR THIS PROJECT? (E/U/N/?): N

REQUIRES LEGISLATION (Y/N): N IF YES, LIST CODE SECTIONS: N/A

REQUIRES PROVISIONAL LANGUAGE (Y/N) N IMPACT ON SUPPORT BUDGET:

ONE-TIME COSTS (Y/N): FUTURE COSTS (Y/N): FUTURE SAVINGS (Y/N): N

REVENUE (Y/N): N DOES THE PROPOSAL AFFECT ANOTHER DEPARTMENT (Y/N): -

N IF YES, ATTACH COMMENTS OF AFFECTED DEPARTMENT SIGNED BY ITS DIRECTOR OR DESIGNEE.

SIGNATURE APPROVALS:

PREPARED BY DATE

REVIEWED BY DATE

DEPARTMENT DIRECTOR DATE

AGENCY SECRETARY DATE

DOF ANALYST USE

DOF ISSUE # PROGRAM CAT: PROJECT CAT: BUDG PACK STATUS:

ADDED REVIEW: SUPPORT: TIRU: FSCU: OSAE: CALSTARS:

ORG CODE: 3845 COBCP NO: 07/08:03 PRIORITY: 1 PROJECT ID: 38-07-030

Using the attached page, follow the format outlined below and fully address all of the items. Use addition pages as needed. Certain projects may require additional information. Questions should be referred to DOF.

A. PURPOSE OF THE PROJECT: (problem, program need, infrastructure deficiency)

Purpose

The San Diego River Conservancy (Conservancy) requests appropriation of the \$1,603,000 unallocated, unappropriated balance of Proposition 40 Section 5096.610(d) funds¹. This section of Proposition 40 is designated for the protection of Historical and Cultural Resources² but is not designated to a particular agency. Consistent with the Conservancy's "*Natural and Cultural Resources Restoration and Preservation Program*", the purpose of the requested funds is to conduct high priority projects that restore and preserve historical and cultural resources within the San Diego River Area, with emphasis on "at-risk" resources.

Specifically the funds will be used to restore and protect San Diego's 200-year old "Old Mission Dam, Flume, and Waterworks System" which is currently damaged, deteriorating, and at risk to vandalism and theft. On April 8, 2005, the Governing Board of the San Diego River Conservancy adopted Resolution 05-06 authorizing the Executive Officer to "work with appropriate parties to take immediate actions to preserve the remaining segments of the San Diego Mission Flume and Waterworks". The funds requested in this COBCP will allow the Conservancy to substantially fulfill that directive. More importantly, the project is also fully consistent with the specific purpose of Section 5096.610(d) of Proposition 40 as well as the Conservancy's enabling statute, statutory mission, and Strategic Plan. State funds will be leveraged with local partner contributions.

The "Big Picture" Problem

The San Diego River Conservancy has a clear statutory mandate, a recently adopted Five Year Strategic and Infrastructure Plan, a newly established *Natural and Cultural Resources Restoration and Preservation Program*, and dozens of irreplaceable historical/cultural resources within its jurisdiction. Within the San Diego River Watershed, there are 29 registered State Historic Landmarks and 4 National Historic Landmarks. Today many of these irreplaceable treasures remain largely unprotected, threatened, and deteriorating. These "at-risk" resources are in serious and urgent need of funding to prevent catastrophic failure or continued loss due to damage or vandalism.

The Conservancy however has never had funding appropriated to its Capital Outlay Budget with which it can conduct its statutory mission and its *Natural and Cultural Resources Restoration and Preservation Program*. A secondary problem is the Conservancy's lack of readily available flexible capital outlay funds to cover any necessary upfront costs and to react quickly to new threats or brief windows of opportunity.

Program Need, Urgency, and Nexus to Prop 40 Section 5096.610(d)

When the California legislature created the San Diego River Conservancy, it recognized that the San Diego River, in addition to being an important local asset, is also of both statewide and national significance. This significance is due in large part to its very rich endowment of

ORG CODE: 3845 COBCP NO: 07/08:03 PRIORITY: 1 PROJECT ID: 38-07-030

exceptional cultural, historical, and archaeological resources. The San Diego River Area boasts many California (and Pacific Coast) "firsts" including the State's first Mission, first dam, first engineered irrigation system, and first presidio (European settlement). Each of these, and many others, serve as irreplaceable windows into San Diego's humble beginnings and the Spanish missionary's ever present struggle to achieve a consistent water supply necessary for their survival.

Today the very same archeological treasures that earned the San Diego River Area its title as the "Birthplace of California" and the "Plymouth Rock of the West Coast" remain largely unprotected, threatened, and deteriorating. The \$1.6 million requested in the COBCP will be used to repair, restore and preserve the highest priority and most at-risk of these priceless resources.

The Old Mission Dam, Flume and Waterworks System -- The "Specific" Problem

In the naturally arid coastal region that would become San Diego, the Old Mission Dam, Flume and Waterworks System was constructed out of necessity between 1813 and 1819 by Christianized Kumeyaay Indian laborers and Franciscan missionaries. Today, the Pacific Coast's first dam is credited by many California water professionals as an "engineering marvel" that made the establishment of the San Diego pueblo (town) possible. Also today, portions of this state and federal historical landmark are damaged and vulnerable.

A 19 foot section of the dam was severely damaged by fire crews using bulldozers at night to create firebreaks during the October 2003 fire storms³ and the overall structural integrity of the dam has been brought into question. The most at-risk and urgent component of the waterworks system is the 3.5-mile gravity fed tile-lined flume that once conveyed San Diego River water to the Mission San Diego de Alcalá and the Padres agricultural fields approximately six miles downstream⁴. Over the past 200 years, the hand-made flume tiles have endured numerous assaults including significant loss due to floods, removal by pioneers for roofing materials and later by souvenir gatherers, vandalism, accidental impact, and repeated fires. In a recent event, a heavy equipment operator accidentally plowed through the valuable flume leaving a bulldozer blade-sized gash⁵.

"Old Mission Dam, Flume and Waterworks System Restoration and Preservation Project"

The overall purpose of proposed project is to repair, restore, preserve, and interpret the Old Mission Dam, Flume and Waterworks System. This five-phased project will be conducted by the Conservancy in partnership with the City of San Diego (City). **The overall Scope of Work and a Preliminary Project Budget is presented in Attachment A of this document.** The Scope of Work details each of the project's five phases and the component tasks of each phase. A preliminary conceptual cost estimate for each task and phase is also provided. The first phase of the project, which involves the dredging and removal of silt behind the dam, will be fully funded and conducted exclusively by the City of San Diego. The City has already secured funding for all of Phase 1 and work is scheduled to begin⁶.

The appropriation requested in this COBCP will be used to conduct two and one-half of the project's five phases, Phases 2, 3, and the first half of Phase 4. Phase 2 involves the repair,

ORG CODE: 3845 COBCP NO: 07/08:03 PRIORITY: 1 PROJECT ID: 38-07-030

engineering assessment and stabilization of the dam. Phase 3 involves the mapping and assessment of each flume tile (or segment of tiles), as well as the development of site-specific recommendations for optimal tile restoration and permanent preservation. The first task of Phase 4 (and last task to be funded under this COBCP) involves the initial implementation of the recommended site-specific measures to restore and protect each segment of flume.

Funds have not yet been sought/secured for the last task of the Phase 4 and Phase 5. Task 4.2 calls for the completion of the flume restoration and preservation effort initiated under Task 4.1. Phase 5, the final phase of the project, is devoted to the design and deployment of interpretive signage and other educational and interactive features to increase the public's appreciation and stewardship of this archeological treasure. One such interactive feature currently envisioned, is a small-scale working model of the Old Mission Dam, Flume and Waterworks System.

Estimated Costs and Leveraging

As shown in **Attachment A**, the phases to be funded under this COBCP are estimated at approximately \$1.6 million, the total amount requested. The City of San Diego is funding all of Phase 1 and the Conservancy intends to seek and secure another future source of funds to complete the overall Project (i.e., remainder of Phase 4 and Phase 5).

Conservancy's Total Fiscal Need

To put this \$1.6 million request in perspective, the Conservancy's recently adopted Five Year Strategic and Infrastructure Plan estimates the Conservancy's total capital outlay funding need at approximately **\$164.5 million**⁷. This is the estimate of the total cost for the Conservancy to conduct its statutory mission over the upcoming five year planning period. It is based on the projected costs of conducting the Conservancy's four major Programs and 30 implementing Projects. The *Natural and Cultural Resources Restoration and Preservation Program* alone, which has an initial five year objective of accomplishing at least three high priority projects, is conservatively estimated to cost in excess of **\$11.5 million**. This estimate however does not include flexible (capital outlay) funds to cover any necessary upfront costs and to react quickly to new threats or brief windows of opportunity.

Past and Future Conservancy Efforts to Secure Funding

Although the San Diego River Conservancy is still in its infancy, it has already taken significant steps to secure funding (or related budget authority) necessary to conduct its mission. See Appendix 1 for discussion of Conservancy's efforts to secure funding.

To date the Conservancy has successfully secured a \$240,000 award from the City of San Diego as mitigation for alleged discharges of sewage into the San Diego River.⁸ These funds are currently earning interest in a Special Deposit Fund Account and can be used for capital outlay purposes. The Governing Board has formally designated these funds for use as seed money to initiate the Conservancy's comprehensive Hydrology Assessment of the San Diego River Watershed, currently in the early design stages. However since this \$240,000 is the only source of readily available funds that the Conservancy can use for capital outlay purposes, it is temporarily being used (borrowed) to cover the required upfront costs associated with White

ORG CODE: 3845 COBCP NO: 07/08:03 PRIORITY: 1 PROJECT ID: 38-07-030

property donation (104 acres) to which the Conservancy is currently taking title. It will also be used to pay the upfront costs for several other acquisitions the Conservancy is actively pursuing.

In addition, the Conservancy has applied for several state and local grants and other funding opportunities. In anticipation of receiving state and local funds, the Conservancy requested and was granted \$500,000 of Reimbursement Authority.

Strong Partner Support / Highly leveraged

A cooperative partnership between the Conservancy and the City of San Diego already exists. The partners will work together to ensure that the State's \$1.6 million is highly leveraged to provide maximum restoration and preservation per dollar. As mentioned, the City has secured funding for the first phase of the project which is scheduled to begin.

Consequences of Not Granting this COBCP

If the funding for this Historical and Cultural Resources Restoration COBCP is not awarded, the Old Mission Dam, Flume, and Waterworks System will remain unprotected and portions of this irreplaceable resource, especially the flume tiles, may be further degraded or lost forever.

Measures of Success

Successful use of the requested appropriation will be measured in terms of:

- Repair, restoration and preservation of the Old Mission Dam, Flume and Waterworks System.

Additional Important Information in Appendices and Attachment

In order to keep the body of this document concise and focused, I have provided one Attachment and two important Appendices with relevant additional information for your consideration.

Attachment A

The ***Scope of Work and Preliminary Cost Estimate*** for the overall "Old Mission Dame, Flume and Waterworks Restoration and Preservation Project" is provided in **Attachment A**.

Appendix 1

Appendix 1 provides information on each of the following topics:

Past and Future Conservancy Efforts to Secure Funding

- *2007 Federal Appropriation Request through Congresswoman Susan Davis*
- *2007 Federal Appropriation Request through the Department of Agriculture*
- *\$240,000 Settlement Award in Interest-Bearing Special Deposit Fund Account*
- *Legislature's Infrastructure Bond Proposals For June 2006 Ballot*
- *Water and Parks (Cave's) Private Initiative for Nov 2006 Ballot*
- *Resources' Prop 40 River Parkways Funds for San Diego River -- \$3 million*

ORG CODE: 3845 COBCP NO: 07/08:03 PRIORITY: 1 PROJECT ID: 38-07-030

- *Current Plans for Resources' Remaining Prop 40 River Parkways -- \$5 million*
- *Previous Informal Plans for Remainder of Prop 40 River Parkways Funds*
- *Reimbursement Authority and Federal Trust Fund Authority*
- *Supplemental Environmental Project (SEP) to Local Transit District*
- *Support BCPs for 2007*
- *Federal Appropriation for FY 2006*
- *Consolidated Grant, State Water Resources Control Board*
- *Prop 50 Integrated Regional Water Management Plan (SWRCB)*
- *Southern California Wetlands Recovery Project (four proposals)*

Why Should Funds be Appropriated to the San Diego River Conservancy?

- *Strong Partner Support / Highly leveraged*
- *Demonstrated Need*
- *Strong Public Support*
- *Allows Conservancy to Build Track Record*

Appendix 2

Appendix 2 provides the overview of the Conservancy's total COBCP Request including:

Background: Information about Conservancy's statutory mission, Five Year Plan, four major Programs and 30 implementing projects.

Map: Newly developed GIS based map of the San Diego River Watershed identifying the Conservancy's statutory jurisdiction and major River reaches.

Table 1: Summary table of COBCPs included in this year's COBCP package.

B. RELATIONSHIP TO THE STRATEGIC PLAN: (relevance of problem/need to mission and goals)

On April 8, 2005, the Governing Board of the San Diego River Conservancy adopted Resolution 05-06 authorizing the Executive Officer to "work with appropriate parties to take immediate actions to preserve the remaining segments of the San Diego Mission Flume and Waterworks". The funds requested in this COBCP will allow the Conservancy to substantially fulfill that directive. More importantly, the project is also fully consistent with the specific purpose of Section 5096.610(d) of Proposition 40 as well as the Conservancy's enabling statute, statutory mission, and Strategic Plan.

ORG CODE: 3845 COBCP NO: 07/08:03 PRIORITY: 1 PROJECT ID: 38-07-030

The San Diego River Conservancy has full authority to conduct the project proposed in this COBCP. This COBCP is entirely consistent with, and in furtherance of, the “*San Diego River Conservancy’s Five Year Strategic and Infrastructure Plan 2006-2011*” (Plan)⁹. The “Old Mission Dam, Flume and Waterworks System Restoration and Preservation Project” effectively implements the Conservancy’s *Natural and Cultural Resources Restoration and Preservation Program*, one of its four major programs. The Conservancy objective implemented by this Program is to protect and preserve cultural and historic resources within the San Diego River Area¹⁰. The Old Mission Dam project implements Project 2 of the Cultural Program and specifically implements component project 2.2 as described below and on pages 37-39 of the Plan.

The Natural and Cultural Resources Restoration and Preservation Program

Project 2: Protect and Preserve Cultural and Historic Resources

Under Project 2, the Conservancy and its partners will repair, restore, and preserve historical resources by appropriate methods on a project by project basis. One of the three projects to be conducted during the five year planning period is:

(2.2) Historic Mission Dam Dredging Project

NOTE:

The Historic Mission Dam Dredging Project referenced in the Strategic Plan consists only of the first two phases the overall larger “Old Mission Dam, Flume and Waterworks System Restoration and Preservation Project”. Phases 1 and 2 were estimated in the Strategic Plan to cost approximately \$1.2 million. Since adoption of the Strategic Plan, the City of San Diego has secured full funding for Phase 1 of the project. For this reason, this COBCP requests funding sufficient to conduct the next 2.5 phases of the project. Funding for the final 1.5 phases is still needed. The Conservancy will seek additional future funding sources for this purpose.

C. ALTERNATIVES: (for each, describe the proposed alternative and provide a brief summary of scope, cost, funding source, program benefits, facility management benefits, and impact on support budget)

Alternative #1: Provide funding at recommended level of \$1,603,000, which is from the unallocated, unappropriated Section 5096.610 (d) of Proposition 40 funding which can only be used for the proposed purposes of preserving valuable historical and cultural resources as described in Section A above.

Alternative #2. Rely exclusively on existing local funds to address problem and need. This would mean that the stated public benefits (preservation of historical resources within the San Diego River Area) would be greatly reduced since local funds are generally very limited at this time. The funds requested in this COBCP (and more) will be needed in addition to the City’s current financial commitment to the project.

ORG CODE: 3845 COBCP NO: 07/08:03 PRIORITY: 1 PROJECT ID: 38-07-030

Alternative #3. Appropriate a lesser level of funding than requested for the purposes of the San Diego River Conservancy's *Natural and Cultural Resources Restoration and Preservation Program*. Any amount of funding will be appreciated and used efficiently. However Proposition 40 5096.610 (d) funds can only be used for the protection of historical resources and, at a minimum, should be appropriated to the San Diego River Conservancy for this purpose.

D. RECOMMENDED SOLUTION:

1. *Which alternative and why?*

The Conservancy is recommending alternative 1. By preserving San Diego's threatened and disappearing historical and cultural resources, especially the Old Mission Dam, Flume and Waterworks System, the remaining balance of Prop 40 Section 5096.610 (d) funds will have important multiple and direct public benefits to the residents, tourists, and economy of San Diego and California.

The remainder of Section 5096.610 (d) funds should be appropriated to the Conservancy because they are an outstanding match for a significant documented Conservancy need and a high priority problem for which other funds are not currently available.

Some of the most irreplaceable local, state and federal historical landmarks within the San Diego River Conservancy's jurisdiction are *threatened, disappearing or at-risk* of being damaged further or lost forever. The requested appropriation will allow the Conservancy and its partners to take action to ensure that San Diego River Area treasures are restored and preserved for future generations and all time.

In evaluating this COBCP it is important to keep in mind that the Conservancy has in the past, is now, and will continue in the future to make a significant concerted effort to secure the capital outlay funding needed to conduct its *Natural and Cultural Resources Restoration and Preservation Program* and other Programs. Such efforts are described in Appendix 1 of this document. The Conservancy is neither complacent nor relying upon State funding for the conduct of its mission. The Conservancy will continue to seek out and apply for any and every state, federal, local, and private funding opportunity that is appropriate and seen as a worthwhile investment of staff time to pursue.

2. *Detail scope description.*

Provide funding to the San Diego River Conservancy from Proposition 40 Section 5096.610 (d) for the purpose of undertaking multiple phases of its high priority project designed to repair, restore and preserve San Diego's Old Mission Dam, Flume and Waterworks System. The dam and waterworks system is an invaluable historical and cultural resource of local, statewide, and national significance. It is also a registered state and federal historical landmark. Furthermore, portions of system remain unprotected, threatened and at risk to further damage and loss.

ORG CODE: 3845 COBCP NO: 07/08:03 PRIORITY: 1 PROJECT ID: 38-07-030

3. *Basis for cost information.*

Due to the time constraints for submitting this revised proposal, the cost estimates provided in **Attachment A** of this document should be considered preliminary conceptual estimates based on readily available information from the City of San Diego and a local historian. More refined information, can be developed by the City's Engineering Department and the consensus of several local historians, but will require a minimum of 1-2 weeks to obtain.

Generally the cost information in the Conservancy's Five Year Strategic and Infrastructure Plan are based upon best available and most current market driven costs. They are educated, reasonable, and location specific estimates arrived at in consultation with the Conservancy partners, but they are not precise calculations. This proposal would use a limited amount of funds to provide large public benefits, but represents only a small portion of the Conservancy's overall fiscal need for historical and cultural resources restoration and preservation as identified in the Conservancy's Five Year Strategic and Infrastructure Plan. This COBCP is an excellent match with the Conservancy's needs and an efficient investment of the remaining Prop 40 Section 5096.610 (d) funds that can not be allocated for other purposes.

4. *Factors/benefits for recommended other than the least expensive alternative.*

This proposal uses funds from a limited funding source that can only be used for the stated programmatic purposes. The requested \$1.6 million appropriation represents only a very small fraction of the identified need. Less funding will address an even smaller fraction of the need and will realize commensurately less public benefit. Please see Appendix 1 for additional justification of this \$1.6 million request for the remaining Prop 40 Section 5096.610 (d) funds.

5. *Complete description of impact on support budget.*

There will be no impact on the Conservancy's support budget.

6. *Identify and explain any project risks.*

There are no risks associated with this type of conservation program.

7. *List requested interdepartmental coordination and/or special project approval (including mandatory reviews and approvals, e.g. technology proposals).*

No interdepartmental coordination, reviews or approval are required for the expenditure of these funds.

ORG CODE: 3845 COBCP NO: 07/08:03 PRIORITY: 1 PROJECT ID: 38-07-030

End Notes:

¹

Unallocated Prop 40 Bond Funds <http://www.4050bonds.resources.ca.gov>

Prop 40 Section	Public Resource Code	Department/Program	Available Balance
5096.610(d)	5096.652(a)	(Multiple Departments): Historical and Cultural Resources	\$1,603,000

² Public Resources Code Section 5096.652 (a) states that funds pursuant to this section “shall be available for the acquisition, development, preservation, and interpretation of buildings, structures, sites, places, and artifacts that preserve and demonstrate culturally significant aspects of California’s history and for grants for these purposes”.

³ The October 2003 Cedar Fire was the largest in California’s recorded history. The fire followed the San Diego River downstream from its headwaters into the City of San Diego, burning over 74% of the San Diego River Watershed.

⁴ The 3.5-mile tile flume connected to a 2.5-mile clay ditch which together conveyed River water from the Dam site to the Mission and Padres’ fields six miles downstream.

⁵ A large portion of the flume runs through a large privately owned and currently operating sand and gravel mine. Other significant segments of the flume pass through the City’s Mission Trail Regional Park and a US Navy golf course.

⁶ The City of San Diego will pay for and conduct dredging, silt removal, and all other Phase 1 tasks. The City has committed its own Prop 40 Per Capita allocation for completion of Phase 1 work.

⁷ The total funding need was derived by estimating the costs of each program and implementing project. Project cost estimates were provided by the anticipated lead project partner and based upon best available and most current cost information. They are educated, reasonable, and location specific estimates but are not precise calculations.

⁸ The \$240,000 award was part of a larger settlement between the City of San Diego and the Regional Water Quality Control Board in 2005.

⁹ A copy of the Conservancy’s “Five Year Strategic and Infrastructure Plan, 2006-2011 is enclosed in this COBCP Request package and may also be accessed at <http://sdrc.ca.gov>. A copy of the Plan has previously been submitted to the Department of Finance.

¹⁰ Although the enabling statute does not specifically direct the Conservancy to protect the River’s historical and cultural resources in the same direct way that it requires habitat and wildlife protection, it does nevertheless clearly articulate that the River’s cultural and historical resources are of value to both the State and the Nation. Furthermore, the statute indicates that it is the Legislature’s intent for the Conservancy to consider the recommendations in the San Diego River Park Conceptual Plan when conducting its mission. The San Diego River Park Conceptual Plan, June 2002 specifically identifies three objectives that are mentioned and inferred in the Conservancy’s statute, but not directly identified as statutory objectives. These three additional objectives are 1) build a River Park and Trail; 2) protect cultural and historical resources, and 3) provide public access to the River. These three additional Conceptual Plan objectives are fully consistent with the Conservancy’s overall mission and statute and the Governing Board has decided, as a matter of policy, to incorporate them into the Conservancy’s objectives.

Appendix 1

Past and Future Conservancy Efforts to Secure Funding

Although the San Diego River Conservancy is still in its infancy, it has already taken significant steps to secure funding (or related budget authority) necessary to conduct its mission.

a. Federal Appropriation Request for 2007 thru Congresswomen Susan Davis

The Conservancy has submitted a request for 2007 federal appropriation through the Department of Interior via Congresswoman Susan Davis. If successful, the funding would be appropriated to the Conservancy's local federal partner, the Bureau of Reclamation, for the purpose of developing sophisticated predictive models upon which the Conservancy's Hydrology Assessment of the San Diego River Watershed will be based. This federal appropriation request is pending.

b. Federal Appropriation Request for 2007 thru Dept of Agriculture via City

The Conservancy has also submitted a request for 2007 federal appropriation through the Department of Agriculture via City of San Diego. If successful, the funding would be appropriated to the Conservancy's local federal partner, the Cleveland National Forest, for the purpose of acquiring private in-holdings within the Forest on behalf of the Conservancy. This federal appropriation request is pending.

c. \$240,000 Settlement Award in Interest-Bearing Special Deposit Fund Acct

The Conservancy has **successfully secured a \$240,000 award** through the Regional Water Quality Control Board from the City of San Diego as mitigation for alleged discharges of sewage into the San Diego River. The funds were part of a larger settlement between the City and the Regional Board. The Executive Officer was successful in establishing an interest bearing *Special Deposit Fund Account* (through the Dept of Finance) to receive these funds and similar future funds. These funds are readily accessible and can be used for capital outlay purposes. The Governing Board has formally designated these funds as seed money to initiate the Conservancy's comprehensive Hydrology Assessment of the San Diego River Watershed which is currently in the early design stages. Portions of the \$240,000 however are currently being used to cover the upfront costs of on-going acquisitions (White property, "Property 001", etc.). This practice will necessarily continue until the Conservancy is able to secure an alternate source of readily available funds for this purpose.

d. Legislature's Infrastructure Bond Proposals for June 2006 Ballot

Conservancy adopted Reso 05-10 (June 2005) supporting infrastructure bond line-item allocation.
Conservancy adopted Reso 05-21 (Aug 2005) supporting infrastructure bond allocation > \$10 million.
EO working w/key legislators/staff/committees to secure line-item allocation for Conservancy since Mar 2005. SB153 & Senate's final version had **\$10 million allocation for Conservancy**. Failed to get 2/3 vote on floor. Assembly's final version had **\$20 million allocation for Conservancy**. Failed to get 2/3 vote on floor.

e. Water and Parks (Cave's) Private Initiative for Nov 2006 Ballot

Although the Conservancy does not have its own specific line item allocation in the Cave's initiative (EO was not aware of initiative during drafting), it is eligible to receive significant funding from the State Coastal Conservancy under Chapter 7, Protection of Beaches, Bays and Coastal Waters (assuming voter approval). Section 75060(f) makes \$27 million available to the Coastal Conservancy for the protection of San Diego Bay and coastal watersheds.

The San Diego River Conservancy will submit well developed project proposals to the Coastal Conservancy requesting funding. The Conservancy will also request funding from the Wildlife Conservation Board. In addition, the Conservancy will submit competitive applications to the

Resources Agency, State Water Resources Board, Department of Water Resources, Department of Parks and Recreation, and other departments for various pots of funding included in the initiative such as River Parkways, Urban Streams, etc. The Conservancy may also explore urban greening funds in the initiative.

f. Resources' Prop 40 River Parkways Funds for San Diego River -- \$3 million

Current status: Three applications, totaling approximately \$3 million, are currently under review by the Resources Agency.

When the Conservancy brought its Executive Officer on board in late April 2004, there was approximately \$7.8 million (of the original \$12 million) remaining in Resources' Prop 40 River Parkways line-item for the San Diego River. In September of 2004, the Executive Officer recommended and the Conservancy Governing Board unanimously approved three excellent projects and the use of approximately \$3 million in Prop 40 River Parkways funds to support them.

The Board requested the lead partner for each project to submit application directly to the Resources Agency for Prop 40 funding. The City of San Diego submitted two applications (bicycle path development project and habitat restoration project) and the San Diego River Park Foundation submitted one application (acquisition in headwaters). Both have also submitted additional requested information. The Conservancy has remained in contact with both the applicants and the Resources Agency throughout the review process. The Conservancy has and will continue to facilitate completion of the application review process in any way it can and within the shortest possible timeframe.

g. Current Plans for Resources' Remaining Prop 40 River Parkways-\$5 million

Current status: Application, totaling approximately \$5 million, is currently under development by the Conservancy and will be submitted to Resources ASAP.

The San Diego River Conservancy is currently preparing a multi-project, multi-partner application for the entire remaining \$5 million balance of Prop 40 River Parkways funds. The Conservancy's application(s), which will be submitted directly to Resources, requests Prop 40 River Parkways funds for the design and construction of multiple trail segments along the length of the River as well as some very recently available acquisitions which we are currently pursuing and intend to secure as quickly as possible.

We are proposing the development of trail segments (of varying lengths) in the headwaters, El Monte Valley, Lakeside, the City of Santee, and the City of San Diego and we are currently working closely with our partners to develop application for each segment. Partners include the Cleveland National Forest, the County of San Diego, the City of Santee, City of San Diego, the Endangered Habitats League, the San Diego River Park Foundation, the San Diego Bicycle Coalition and other members of the San Diego River Coalition. We are also currently working closely with the Department of Fish and Game and US Fish and Wildlife to address each of the many complex CEQA issues that have arisen to date.

Our Prop 40 application will also request funding for several newly available acquisitions we are currently pursuing. These include one exceptional two-mile long parcel (currently in bankruptcy court) and several parcels in El Monte Valley. We will also request funding for a conservation easement we are pursuing.

h. Previous Informal Plans for Remainder of Prop 40 River Parkways Funds

Since late April 2004, the City of San Diego has on more than one occasion presented status reports to the Governing Board on four to six potential acquisitions it has been pursuing. These were believed to represent the best, highest priority opportunities within the City for Prop 40 funding. In Sept 2004, the

Governing Board gave its blessing to develop these potential acquisitions ASAP and voted to informally support any or all of the six parcels for potential future Prop 40 funding. To date, some of these acquisition efforts continue to be viable but are not yet ready for purchase. The Conservancy will continue contact with City real estate representatives and the landowners as appropriate. When and if the landowners become ready to sell, the Conservancy will be there to assist them.

i. Reimbursement Authority and Federal Trust Fund Authority

In addition, the Conservancy has applied for several state and local grants and other funding opportunities. In anticipation of receiving such funds, the Conservancy requested and was granted \$500,000 of Reimbursement Authority. The Conservancy plans to request increased Reimbursement Authority by way of the Budget Revision process, as needed. The Conservancy has also applied for three federal appropriations and will seek future Federal Trust Fund Authority.

j. Supplemental Environmental Project (SEP) to Local Transit District

The Conservancy has submitted an SEP application to the San Diego Metropolitan Transit District and the Regional Water Quality Control Board to obtain funding for the Conservancy's Hydrology Assessment of the San Diego River Watershed. Decision is pending.

k. Support BCPs for 2007

The Conservancy plans to submit Support BCP requests for FY 2007-2008.

The Conservancy further intends to aggressively pursue other appropriate federal, state, local, and private funding sources as they arise in the future. In addition, the Conservancy has also applied for several past sources of funding as summarized below.

- **Federal Appropriation for FY 2006**
- **Consolidated Grant (State Water Resources Control Board)**
- **Prop 50 Integrated Regional Water Management Plan (SWRCB)**
- **Southern California Wetlands Recovery Project (four proposals)**

Why Should Funds be Appropriated to the San Diego River Conservancy?

Strong Partner Support / Highly leveraged

A cooperative network of partners is already assembled that will strongly support the Conservancy's efforts and will ensure that the State's investment is highly leveraged to provide maximum conservation per dollar.

Demonstrated Need

The Conservancy's *Five Year Strategic and Infrastructure Plan* clearly documents and demonstrates the Conservancy's need for \$164.5 million over the upcoming five year planning period. This modest COBCP requests only a minute fraction of the total needed, but will result in an important early Conservancy success. In addition, a readily available flexible funding source is needed to cover the upfront costs of acquisitions, move rapidly in the market, and take advantage of limited windows of opportunity.

Strong Public Support

The Public has demonstrated strong support for the Conservancy, its mission, and Five Year Strategic and Infrastructure Plan and each of its four major programs and thirty implementing projects.

Allows Conservancy to Build Track Record / Demonstrate Value-Added

Appropriation of \$2.5 million to the Conservancy will allow it to grow its much needed track record. The San Diego River Conservancy is anxious to move forward with projects of this nature because in addition to directly achieving its mission, they also help to cultivate the Agency's new track record. This Administration has provided an opportunity for the San Diego River Conservancy to demonstrate its ability to both obtain/spend dollars and to consummate projects within its jurisdiction efficiently.

The Conservancy is requesting these, and other funds, in order to demonstrate its capacity to secure and efficiently expend money, as well as to demonstrate its value-added (i.e., show the value of, and need for, this Conservancy to advance the statutory objectives and the community vision of protecting the special resources of the San Diego River).

Appendix 2

Five Year Strategic and Infrastructure Plan, 2006-2011

On March 24, 2006, the Governing Board of the San Diego River Conservancy (Conservancy) adopted its first "Five Year Strategic and Infrastructure Plan, 2006-2011" (Plan) (see endnote 9). Derived from the statutory objectives specified in the San Diego River Conservancy Act, the mission of the Conservancy as stated in the Plan is:

The mission of the San Diego River Conservancy is to further the goals of its enabling legislation (i.e., land conservation, recreation and education, natural and cultural resources preservation and restoration, water quality and natural flood conveyance), by conserving and restoring its land and water for the enjoyment of present and future generations. This mission will be accomplished in part by building, with our partners, a San Diego River Park and hiking trail stretching from the headwaters to the Pacific Ocean.

The Plan also defines the strategy by which the Conservancy will conduct its statutory mission during the upcoming five year planning period. Specifically, the Plan defines the Conservancy's four major Program areas, each embodying one or more of the statutory objectives specified in the San Diego River Conservancy's enabling statute, Public Resources Code, Division 22.9, Section 32630. The Conservancy's four major Programs are:

- 1) Land Conservation;
- 2) Recreation and Education;
- 3) Natural and Cultural Resources Preservation and Restoration; and
- 4) Water Quality and Natural Flood Conveyance.

In addition, the Plan further defines a set of projects through which each Program will be implemented. In all, there are a total of thirty implementing projects.

Overview of COBCP Request Packet

The San Diego River Conservancy currently has a Capital Outlay Budget of \$0. In order to conduct its basic statutory mission, it is essential for the Conservancy to secure an adequate capital outlay budget of its own. The Conservancy respectfully requests the Agency's and Department of Finance's support in securing the capital outlay funds (and additional budget authority) needed by the Conservancy to conduct its statutory mission.

For your convenience, an overview table summarizing the Conservancy's COBCP Request Packet is attached as **Table 1**.

Table 1. Summary of Conservancy COBCPs by Program

<i>SDRC Program Number and Name</i>	<i>COBCP Number and Title</i>	<i>COBCP Priority</i>	<i>Approx Prop 40 Fund Request</i>
3. Natural & Cultural Resources Preservation & Restoration	07/08:03 Historical & Cultural Resources Restoration & Preservation	1	<i>Prop 40 Historical and Cultural Resources</i> \$1,603,000
4. Water Quality & Natural Flood Conveyance	07/08:04 Water Quality & Natural Flood Conveyance	2	<i>Prop 40 Beaches, Watershed, & Water Qual</i> \$569,000
Total	—	—	\$2,172,000