SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY

9:30 a.m. – 12:00 p.m.
Friday, February 20, 2009
County Administrative Center
1600 Pacific Highway, Room 302/303
San Diego

Speaker slips will be available. Please fill out a slip and give it to the Chair prior to the meeting if you wish to speak to an item on the agenda. The Board may take action on any item listed on the Consent or Action agenda.

Introductions and Announcements

Approval of the Minutes of January 16, 2009

Executive Directors Report

Public Comment

This portion of the agenda provides an opportunity for members of the public to address the Board on items of interest within the jurisdiction of the Board and not appearing on today's agenda. Comments relating to items on today's agenda are to be taken at the time the item is heard. Pursuant to the Brown Act, no action shall be taken by the Board on public comment items.

ACTION

1. Receive and Distribute Audit for Year Ending June 30, 2008 (page 3)

2. El Camino Real Road Widening (page 49)

3. Marine Life Protection Act (page 59)

4. Powerlines on Via de la Valle (page 65)

INFORMATION

5. Coordination Reports (oral)

   a. San Dieguito River Valley Conservancy
b. Friends of the San Dieguito River Valley

c. Volcan Mountain Preserve Foundation

d. San Dieguito Lagoon Committee

6. Status Reports (Oral)

   a. State Budget Impacts
   b. Fire Recovery
   c. River Park Projects

7. Jurisdictional Status Reports

   An opportunity for the Board members to report on actions taken within their jurisdictions to further the park planning process, or on problems which have arisen.

8. Communications

   a. Letter from Pedro Orso-Delgado at Caltrans re San Dieguito Lagoon Sign on I-5 in Caltrans Right-of-Way, 2/5/09 (page 70)

THE NEXT REGULAR JPA MEETING IS SCHEDULED FOR FRIDAY, MARCH 20, 2009.

If you have any questions, please call Dick Bobertz at (858) 674-2270.

****Due to the high cost of printing and mailing the JPA and CAC agendas, the JPA has converted to an email distribution of both agendas. Please advise the office at 858 674-2270 if you do not have an e-mail address and want other arrangements will be made. Full packets will continue to be mailed free of charge to JPA and CAC members upon request. For others, the cost of the full agenda, with backup material, is $45 per year, and the cost of the agenda without backup material is $10 per year. The agenda and minutes are available at no cost on the San Dieguito River Park web site at www.sdrp.org
AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2008

(Draft Audit Report is attached. Final will be handed out at today’s Board meeting.)
SAN DIEGUITO RIVER VALLEY
REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY

COUNTY OF SAN DIEGO
ESCONDIDO, CALIFORNIA

AUDIT REPORT

JUNE 30, 2008

DRAFT
SAN DIEGUITO RIVER VALLEY
REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY

INTRODUCTORY SECTION

JUNE 30, 2008
# Table of Contents

## INTRODUCTORY SECTION

Table of Contents

## FINANCIAL SECTION

<table>
<thead>
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<th>Page Range</th>
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</thead>
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<tr>
<td>Management's Discussion and Analysis</td>
<td>4 - 11</td>
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<tr>
<td>Basic Financial Statements:</td>
<td></td>
</tr>
<tr>
<td>Government-wide Financial Statements:</td>
<td></td>
</tr>
<tr>
<td>Statement of Net Assets</td>
<td>12</td>
</tr>
<tr>
<td>Statement of Activities</td>
<td>13</td>
</tr>
<tr>
<td>Fund Financial Statements:</td>
<td></td>
</tr>
<tr>
<td>Balance Sheet – Governmental Funds</td>
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</tr>
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<td>Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets</td>
<td>15</td>
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<td>Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Fund Types</td>
<td>16 - 17</td>
</tr>
<tr>
<td>Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities</td>
<td>18</td>
</tr>
<tr>
<td>Notes to the Financial Statements</td>
<td>19 - 37</td>
</tr>
</tbody>
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### Required Supplementary Information Section

- Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (GAAP) General Fund: Pages 39-40

### Supplementary Information Section

- Board of Directors: Page 42

### Other Independent Auditors’ Report Section


### Findings and Recommendation Section

- Schedule of Audit Findings and Questioned Costs: Pages 47-48
- Summary Schedule of Prior Audit Findings: Page 49
INDEPENDENT AUDITORS’ REPORT

Board of Directors
San Dieguito River Valley Regional Open
Space Park Joint Powers Authority
Escondido, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Dieguito River Valley Regional Open Space Park Joint Powers Authority as of, and for the year ended June 30, 2008, which collectively comprise the San Dieguito River Valley Regional Open Space Park Joint Powers Authority’s basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the San Dieguito River Valley Regional Open Space Park Joint Powers Authority’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, standards applicable to financial audits contain in Government Auditing Standards, issued by the Comptroller General of the United States of America, and the State Controller’s Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the San Dieguito River Valley Regional Open Space Park Joint Powers Authority, as of June 30, 2008, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 13, 2009, on our consideration of the San Dieguito River Valley Regional
INDEPENDENT AUDITORS’ REPORT (CONTINUED)
Page 2

Open Space Park Joint Powers Authority’s internal control over financial reporting and our
tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The purpose of that report is to describe the scope of our testing of internal control over
financial reporting and compliance and the results of that testing, and not to provide an
opinion on the internal control over financial reporting or compliance. That report is an
integral part of an audit performed in accordance with Government Audit Standards, and
should be considered in assessing the results of our audit.

The Management’s Discussion and Analysis on pages 4 through 11 is not a required part
of the basic financial statements, but is supplementary information required by the
Governmental Accounting Standards Board. We have applied certain limited procedures,
consisting principally of inquiries of management regarding the methods of measurement
and presentation of the required supplementary information. However, we did not audit
the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements
taken as a whole. The supplementary financial and statistical information listed in the
Table of Contents, is presented for purposes of additional analysis and is not a required
part of the financial statements of the San Dieguito River Valley Regional Open Space
Park Joint Powers Authority. Such information has been subjected to the auditing
procedures applied in the audit of the financial statements and, in our opinion, is fairly
stated in all material respects in relation to the financial statements taken as a whole.

San Diego, California
February 13, 2009

- 3 -
## ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in County Treasury</td>
<td>$429,929</td>
</tr>
<tr>
<td>Cash in Bank and On Hand</td>
<td>$300</td>
</tr>
<tr>
<td>Investments</td>
<td>$100,548</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$5,485</td>
</tr>
<tr>
<td>Undistributed Endowment</td>
<td>$31,608</td>
</tr>
<tr>
<td>Inventory</td>
<td>$1,790</td>
</tr>
<tr>
<td>Land</td>
<td>$33,927,783</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>$7,533,271</td>
</tr>
<tr>
<td>Structures and Improvements</td>
<td>$1,339,252</td>
</tr>
<tr>
<td>Equipment and Vehicles</td>
<td>$1,679,729</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>($1,199,052)</td>
</tr>
</tbody>
</table>

**TOTAL ASSETS**

| General | $43,361,643 |

## LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$110,857</td>
</tr>
<tr>
<td>Wages and Payroll Taxes Payable</td>
<td>$24,973</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>$84,348</td>
</tr>
<tr>
<td>Long-Term Liabilities</td>
<td></td>
</tr>
<tr>
<td>Due Within One Year</td>
<td>$15,543</td>
</tr>
<tr>
<td>Due After One Year</td>
<td>$63,909</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES**

| General | $299,630 |

## NET ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in Capital Assets Net of Related Debt</td>
<td>$42,766,064</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$295,949</td>
</tr>
</tbody>
</table>

**TOTAL NET ASSETS**

| General | $43,062,013 |

The notes to the financial statements are an integral part of this statement.
SAN DIEGUITO RIVER VALLEY
REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

<table>
<thead>
<tr>
<th>Functions/ Programs</th>
<th>Expenses</th>
<th>Operating Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Capital Grants Mitigation</th>
<th>Changes in Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Acquisition and Maintenance</td>
<td>$ 307,948</td>
<td>$</td>
<td>$ 650,865</td>
<td>$ 4,694,111</td>
<td>$ 4,386,163</td>
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<tr>
<td>General Administration</td>
<td>1,579,961</td>
<td></td>
<td>650,865</td>
<td></td>
<td>(1,029,096)</td>
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<tr>
<td>Unallocated Depreciation</td>
<td>95,536</td>
<td></td>
<td></td>
<td></td>
<td>(95,536)</td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td>$ 1,983,445</td>
<td>$</td>
<td>$ 650,865</td>
<td>$ 4,694,111</td>
<td>3,261,531</td>
</tr>
<tr>
<td>General Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Off Track Betting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and Investment Earnings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessments - Members</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3rd Party Recoveries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Miscellaneous</td>
<td></td>
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<td>Total General Revenues</td>
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<td></td>
<td></td>
<td></td>
<td>1,733,780</td>
</tr>
<tr>
<td>Changes in Net Assets</td>
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<td></td>
<td></td>
<td></td>
<td>$ 4,995,311</td>
</tr>
<tr>
<td>Net Assets - Beginning</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>38,066,702</td>
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<tr>
<td>Net Assets - Ending</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 43,062,013</td>
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REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
STATEMENT OF NET ASSETS
JUNE 30, 2008

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<td>TOTAL LIABILITIES</td>
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</tr>
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</tr>
<tr>
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<td></td>
</tr>
<tr>
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<td>295,949</td>
</tr>
<tr>
<td>TOTAL NET ASSETS</td>
<td>$ 43,062,013</td>
</tr>
</tbody>
</table>

The notes to the financial statements are an integral part of this statement.
SAN DIEGUITO RIVER VALLEY
REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2008

Total Fund Balances - Governmental Funds $ 349,482

Amounts reported for governmental activities are not short-
term financial resources and therefore are not reported as
assets in governmental funds. The historical acquisition
cost of the assets is $42,911,035 and the accumulated
depreciation is $119,052. 42,791,983

Long-term liabilities are not due and payable in the current
period and, therefore, are not reported as liabilities in the
governmental funds. Long-term liabilities at year-end
consist of:

Compensated Absences
Note Payable

Total Net Assets - Governmental Activities $43,062,013

The notes to the financial statements are an integral part of this statement.
SAN DIEGUITO RIVER VALLEY
REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2008

REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessments-Members</td>
<td>$820,578</td>
</tr>
<tr>
<td>Off Track Betting</td>
<td>43,429</td>
</tr>
<tr>
<td>Contracts and Grants</td>
<td>5,244,976</td>
</tr>
<tr>
<td>Investment Income</td>
<td>50,629</td>
</tr>
<tr>
<td>Donations</td>
<td>294,796</td>
</tr>
<tr>
<td>3rd Party Recoveries</td>
<td>314,540</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>209,808</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>6,973,789</strong></td>
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EXPENDITURES

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Benefits</td>
<td>896,952</td>
</tr>
<tr>
<td>Professional and Contract Services</td>
<td>450,164</td>
</tr>
<tr>
<td>Special Department Expenses</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>293,761</td>
</tr>
<tr>
<td>Printing and Publications</td>
<td>5,290</td>
</tr>
<tr>
<td>Utilities</td>
<td>-</td>
</tr>
<tr>
<td>Office Expense</td>
<td>-</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
</tr>
<tr>
<td>Telephone</td>
<td>-</td>
</tr>
<tr>
<td><strong>Capital Outlay:</strong></td>
<td></td>
</tr>
<tr>
<td>Land and Structures</td>
<td>5,160,968</td>
</tr>
<tr>
<td>Equipment</td>
<td>100,729</td>
</tr>
<tr>
<td><strong>Debt Service:</strong></td>
<td></td>
</tr>
<tr>
<td>Principal Retirement</td>
<td>31,193</td>
</tr>
<tr>
<td>Interest</td>
<td>906</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>6,939,963</strong></td>
</tr>
</tbody>
</table>

**Excess of Revenues Over (Under) Expenditures**

<table>
<thead>
<tr>
<th>Description</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>38,793</td>
</tr>
</tbody>
</table>

The notes to the financial statements are an integral part of this statement.
SAN DIEGUITO RIVER VALLEY
REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2008

Other Financing Sources and Uses
  Operating Transfers In          -
  Operating Transfers (Out)       -
  Proceeds from Loans            57,112

  Total Other Financing Sources and Uses  57,112

Excess of Revenues and Other Financing
  Sources Over (Under) Expenditures and Other Uses  95,905

Fund Balances - Beginning  253,577

Fund Balances - Ending       $ 349,482

The notes to the financial statements are an integral part of this statement.
Net Change in Fund Balances - Total Governmental Funds $ 95,905

Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This amount of undepreciated Capital Outlay is:

<table>
<thead>
<tr>
<th>Expenditures for Capital Outlay</th>
<th>$5,271,697</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation Expense</td>
<td>(95,596)</td>
</tr>
</tbody>
</table>

Loss on Disposal of Capital Assets (239,772)

Repayments of long-term debt are recorded as expenditures in the governmental funds. In the government-wide statements, they are recorded as reductions of liabilities. Expenditures for payments on Long-Term Debt were:

<table>
<thead>
<tr>
<th>Proceeds from Loans</th>
<th>(57,112)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments on Loans</td>
<td>31,193</td>
</tr>
</tbody>
</table>

Increase in Compensated Absences (11,064)

Change in Net Assets of Governmental Activities $ 4,995,311

The notes to the financial statements are an integral part of this statement.
The notes provided in the Financial Section of this report are considered an integral and essential part of adequate disclosure and fair presentation of this report. The notes include a summary of accounting policies and other necessary disclosure of pertinent matters relating to financial position and results of operations of the San Dieguito River Valley Regional Open Space Park Joint Powers Authority (the JPA). The notes express significant insight to the financial statements and are conjunctive to understanding the rationale for presentation of the financial statements and information contained in this report.

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Accounting Policies
B. Implementation of New Accounting Pronouncements
C. Basis of Presentation
D. Basis of Accounting
E. Fund Accounting
F. Budgets and Budgetary Accounting
G. Encumbrances
H. Deferred Compensation
I. Accumulated Vacation and Sick Leave
J. Employee Retirement Plans
K. Excess of Expenditures Over Appropriations
L. Inventory

NOTE 2 - USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

NOTE 3 - CLASSIFICATION OF ITEMS

NOTE 4 - ACCOUNTS RECEIVABLE

NOTE 5 - CAPITAL ASSETS

NOTE 6 - LEASES

NOTE 7 - CASH AND CASH EQUIVALENTS

NOTE 8 - PENDING LITIGATION
NOTE 9  - EARLY RETIREMENT INCENTIVE PROGRAM

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

NOTE 11 - RISK MANAGEMENT

NOTE 12 - ENDOWMENT FUNDS

NOTE 13 - COMMITMENTS AND CONTINGENCIES

NOTE 14 - FEDERAL AND STATE GRANTS

NOTE 15 - GENERAL LONG-TERM DEBT

NOTE 16 - NOTE PAYABLE
NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Accounting Policies

The County of San Diego, and the cities of Del Mar, San Diego, Escondido, Poway and Solana Beach formed the San Dieguito River Valley Regional Open Space Park Joint Powers Authority (JPA), on June 12, 1989. The JPA was created in order to provide a coordinated program to create, preserve and enhance the San Dieguito River Valley Regional Open Space Park for the benefit of the public. As mandated by the Joint Power Agreement, the Joint Powers Authority’s goal is to:

(1) Preserve land within the focused planning area of the San Dieguito River Valley as a regional open space greenbelt and park system that protects the natural waterways and the natural and cultural resources and sensitive lands, and provides compatible recreational opportunities that do not damage sensitive lands.

(2) Provide a continuous and coordinated system of preserved lands with a connecting corridor of walking, equestrian, and bicycle trails, encompassing the San Dieguito River Valley from the ocean to the river’s source.

The focused planning area of the San Dieguito River Park extends from the ocean at Del Mar to Volcan Mountain located north of Julian.

The Board of Directors consists of the following:

- Two elected members of the governing bodies of the County of San Diego and the City of San Diego appointed by their respective councils.

- One elected member of the City Council of the cities of Del Mar, Escondido, Poway and Solana Beach appointed by their respective councils.

- Chairperson of the San Dieguito Citizens Advisory Committee.
NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Organization and Accounting Policies (Continued)

The accounting policies of the JPA conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants.

B. Implementation of New Accounting Pronouncements

For the year ended June 30, 2004, the JPA was required to adopt GASB Statement No. 34 (GASB 34), Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments, GASB Statement No. 37 (GASB 37), Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments: Omnibus, GASB Statement No. 38 (GASB 38), Certain Financial Statement Note Disclosures, and GASB Statement No. 39 (GASB 39), Determining Whether Certain Organizations are Component Units. GASB 34 significantly changes the way state and local governments report their financial information to the public. As a result of GASB 34, state and local governments are required to report financial modified accrual basis of accounting, but the government-wide statement information using both fund-based and government-wide financial statement presentations. Fund-based statements continue to use the full accrual basis of accounting. In addition to the change in the financial statement presentation, GASB 34 requires the reporting of capital assets and long-term obligations on the government-wide financial statements. The preparation of a Management’s Discussion and Analysis to clarify the JPA’s financial activities is also required by GASB 34. Furthermore, the JPA’s notes to the financial statements incorporate modifications as required under GASB 38.
NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the JPA and its component units. Internal service fund activity is eliminated to avoid double accounting of revenues and expenses.

The government-wide statements are prepared using the economic resources measurement focus. Governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the JPA’s governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The JPA does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the JPA, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the JPA.
NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Fund Financial Statements:

Fund Financial Statements report detailed information about the JPA. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

D. Basis of Accounting

Basis of Accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues - Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the JPA, "available" means collectible within the current period or within 60 days after year-end.
NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

Revenues - Exchange and Non-exchange Transactions (Continued):

Non-exchange transactions, in which the JPA receives value without directly giving equal value in return, include grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the JPA must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the JPA on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred Revenue:

Deferred Revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as deferred revenue. At June 30, 2008, the JPA reported $84,348 in deferred revenue.

Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.
NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

Expenses/Expenditures (Continued):

When both restricted and unrestricted resources are available for use, it is the JPA’s policy to use restricted resources first, then unrestricted resources as they are needed.

E. Fund Accounting

The accounts of the JPA are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. JPA resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The JPA’s accounts are organized into major and nonmajor funds as follows:

Major Governmental Funds:

The General Fund is the general operating fund of the JPA. It is used to account for all financial resources except those required to be accounted for in another fund. The JPA has no other funds.

F. Budgets and Budgetary Accounting

The JPA’s budget for the general fund is adopted on a modified accrual basis. The Administrator submits to the Board of Directors a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. Prior to July 1, the budget is legally enacted through Board action, if the expenditures exceed the appropriations the Administrator is authorized to transfer budgeted amounts between line Items within any fund, however,
NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgets and Budgetary Accounting (Continued)

any revisions that alter the total expenditures of any division or department
must be approved by the Board of Directors. Supplemental appropriations
were made during the year.

G. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of
applicable appropriations for which commitments have been made.
Encumbrances are recorded for purchase orders, contracts, and other
commitments when they are written. Encumbrances are liquidated when the
commitments are paid. All encumbrances are liquidated at June 30.

H. Deferred Compensation

The JPA offers its employees a deferred compensation plan created in
accordance with Internal Revenue Service Code Sections 401(a) and 457.
The plan, available to all employees, permits them to defer a portion of their
salary until future years. The deferred compensation is not available to
employees until termination, retirement, death, or unforeseeable emergency.
Participants’ rights under the plan are equal to the fair market value of the
defered account for each participant.

Plan assets are held and administered by outside investment services and
are not reflected in the report of the JPA.

I. Accumulated Vacation and Sick Leave

Accumulated unpaid employee vacation benefits are recognized as liabilities
of the JPA. The liabilities of $53,533 are recognized in the Liabilities section
of the Statement of Net Assets under Long-Term Liabilities.

At June 30, 2008, employees of the JPA had accumulated sick leave of
$156,780. This amount is not recorded as a liability of the JPA. The JPA’s
policy is to record an expense when sick leave is taken. An amount equal to
the accumulated sick leave is designated in the fund balance.
NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Employee Retirement Plans

The JPA has entered into an agreement whereby all permanent employees who work twenty (20) or more hours per week are eligible to participate in the San Diego County Employees Retirement System (SDCERA).

Plan Description

The SDCERA administers a single-employer defined benefit pension plan which provides retirement, disability, and death benefits for plan members and beneficiaries pursuant to the County Retirement Law of 1937 enacted and amended by the State legislature. The plan integrated with the Federal Social Security System. Cost-of-living adjustments are provided to members and beneficiaries at the discretion of the SDCERA Board of Retirement. SDCERA issues a publicly available financial report that includes financial statements and required supplementary information for the pension plan. The financial report may be obtained by writing to the San Diego County Employees Retirement Association, 1495 Pacific Highway, Suite 400, San Diego, California 92101 or by calling (619) 515-6800.

Funding Policy

State statutes require member contributions to be actuarially determined to provide a specific statutory level of benefit. Member contribution rates as a percentage of salary vary according to age at entry, benefit tier level, and certain negotiated contracts which provide for the County to pay a portion of the employees’ contribution. Participant’s contribution rates expressed as a percentage of salary varies from 9.03% to 14.05% based on the age at the time entry. The JPA is required to contribute at an actuarially determined rate; the current rate is 21.49% plus a negotiated off set of up to 7% of the annual covered payroll.
NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Excess of Expenditures Over Appropriations

Excesses of Expenditures Over Appropriations are as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Benefits</td>
<td>$ 6,437</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>$ 271,261</td>
</tr>
<tr>
<td>Printing and Publications</td>
<td>$ 190</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$ 906</td>
</tr>
<tr>
<td>Principal Retirement</td>
<td>$ 31,193</td>
</tr>
</tbody>
</table>

The JPA incurred unanticipated expenditures.

L. Inventory

The value of operational inventories on hand at year end is $1,790. This is reflected in the JPA's financial statements.

NOTE 2 - USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. These estimates and assumption affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses. Actual results could vary from the estimates that were used.

NOTE 3 - CLASSIFICATION OF ITEMS

Certain items may have been classified differently from one year to another.
NOTE 4 - ACCOUNTS RECEIVABLE

The Accounts Receivable balances at June 30, 2008, consist of the following:

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off Track Betting</td>
<td>$ 4,046</td>
</tr>
<tr>
<td>Interest</td>
<td>1,439</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 5,485</strong></td>
</tr>
</tbody>
</table>

NOTE 5 - CAPITAL ASSETS

Capital Assets are those purchased or acquired with an original cost of $5,000 or more and are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset’s lives are not capitalized, but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis over the following estimated useful lives:
### NOTE 5 - CAPITAL ASSETS (CONTINUED)

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Examples</th>
<th>Estimated Useful Life In Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Site Improvements</td>
<td>Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lighting</td>
<td>20</td>
</tr>
<tr>
<td>HVAC Systems</td>
<td>Heating, ventilation, and air conditioning systems</td>
<td>20</td>
</tr>
<tr>
<td>Roofing</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Interior Construction</td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>Carpet Replacement</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Electrical/Plumbing</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>Sprinkler/Fire System</td>
<td>Fire suppression systems</td>
<td>25</td>
</tr>
<tr>
<td>Outdoor Equipment</td>
<td>Radio towers, fuel tanks, pumps</td>
<td>20</td>
</tr>
<tr>
<td>Machinery and Tools</td>
<td>Shop and maintenance equipment, tools</td>
<td>15</td>
</tr>
<tr>
<td>Kitchen Equipment</td>
<td>Appliances</td>
<td>15</td>
</tr>
<tr>
<td>Custodial Equipment</td>
<td>Floor scrubbers, vacuums, other</td>
<td>15</td>
</tr>
<tr>
<td>Science and Engineering</td>
<td>Lab equipment, scientific apparatus</td>
<td>10</td>
</tr>
<tr>
<td>Furniture and Accessories</td>
<td>Office and other furniture</td>
<td>7</td>
</tr>
<tr>
<td>Business Machines</td>
<td>Fax, duplicating and printing equipment</td>
<td>10</td>
</tr>
<tr>
<td>Copiers</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Communication Equipment</td>
<td>Mobile, portable radios, non-computerized</td>
<td>10</td>
</tr>
<tr>
<td>Computer Hardware</td>
<td>PC's, printers, network hardware</td>
<td>5</td>
</tr>
<tr>
<td>Computer Software</td>
<td>Instructional, other short-term</td>
<td>5 to 10</td>
</tr>
<tr>
<td>Computer Software</td>
<td>Administrative or long-term</td>
<td>10 to 20</td>
</tr>
<tr>
<td>Audio Visual Equipment</td>
<td>Projectors, cameras (still and digital)</td>
<td>10</td>
</tr>
<tr>
<td>Athletic Equipment</td>
<td>Weight machines, exercise equipment</td>
<td>10</td>
</tr>
<tr>
<td>Library Books</td>
<td>Reference Books</td>
<td>5 to 7</td>
</tr>
<tr>
<td>Licensed Vehicles</td>
<td>Heavy duty general purpose, other on-road vehicles</td>
<td>5</td>
</tr>
<tr>
<td>Contractors Equipment</td>
<td>Major off-road vehicles, front-end loaders, large tractors, mobile air compressors</td>
<td>10</td>
</tr>
<tr>
<td>Grounds Equipment</td>
<td>Mowers, tractors, attachments</td>
<td>15</td>
</tr>
</tbody>
</table>
NOTE 5 - CAPITAL ASSETS (CONTINUED)

Capital Assets are recorded at historical cost.

A schedule of changes in capital assets for the year ended June 30, 2008, is shown below:

<table>
<thead>
<tr>
<th>Capital Assets, Not Being Depreciated:</th>
<th>Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$33,854,083</td>
<td>$170,300</td>
<td>$96,600</td>
<td>$33,927,783</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>2,542,603</td>
<td>4,990,668</td>
<td></td>
<td>7,533,271</td>
</tr>
<tr>
<td>Total Capital Assets, Not Being Depreciated</td>
<td>36,396,686</td>
<td>5,160,968</td>
<td>$96,600</td>
<td>41,461,054</td>
</tr>
</tbody>
</table>

| Capital Assets, Being Depreciated:    |         |           |           |         |
| Structures and Improvements           | 1,489,252 | -         | 150,000   | 1,339,252 |
| Equipment and Vehicles                | 103,746   | 110,729   | 103,746   | 110,729   |
| Total Capital Assets, Being Depreciated | 1,592,998 | 110,729   | 253,746   | 1,449,981 |

Less Accumulated Depreciation for:

| Structures and Improvements           | 53,516   | 86,702    | 30,000    | 110,218   |
| Equipment and Vehicles                | 80,574   | 8,834     | 30,574    | 8,834     |
| Total Accumulated Depreciation        | 134,090  | 95,536    | 110,574   | 119,052   |

Total Capital Assets, Being Depreciated, Net | 1,458,908 | 15,193    | 143,172   | 1,330,929 |

| Governmental Activities               |         |           |           |         |
| Capital Assets, Net                   | $37,855,594 | $5,176,161 | $239,772  | $42,791,983 |

NOTE 6 - LEASES

A. Capital Leases

The JPA did not enter into any long-term capital lease arrangements during the year.
NOTE 6 - LEASES (CONTINUED)

B. Operating Lease

The JPA has entered into operating leases for office space and a copier with lease terms in excess of one year. These agreements contain a purchase option. Future minimum lease payments under these agreements are as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Lease Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$ 2,767</td>
</tr>
<tr>
<td>2010</td>
<td>2,767</td>
</tr>
<tr>
<td>2011</td>
<td>2,767</td>
</tr>
<tr>
<td>2012</td>
<td>2,767</td>
</tr>
<tr>
<td>2013</td>
<td>1,153</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 12,221</td>
</tr>
</tbody>
</table>

The JPA will not receive any sublease rental revenues nor pay any contingency rentals for this lease.

NOTE 7 - CASH AND CASH EQUIVALENTS

Cash at June 30, 2008, consisted of the following:

Pooled Funds:
Cash in County Treasury $429,929

Deposits:
Cash in Bank and On Hand $ 300

Cash balances held in banks and in revolving funds are insured up to $100,000 by Federal agencies. The JPA had $300 of uninsured Cash on Hand at June 30, 2008.
NOTE 7 - CASH AND CASH EQUIVALENTS (CONTINUED)

The JPA maintains substantially all of its cash in the San Diego County Treasury as part of the common investment pool. The County is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. Government securities, state registered warrants, notes or bonds, State Treasurer’s investment pool, bankers’ acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

These pooled funds are carried at cost which approximates market value. The difference between cost and market value is considered to be immaterial.

At June 30, 2008, the fair market value of the pooled funds as determined by the County Treasury is 100.36% of cost. The JPA’s share of the unrealized gain is as follows:

<table>
<thead>
<tr>
<th>Carrying Amount</th>
<th>Fair Market Value</th>
<th>Unrealized Gain</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 429,929</td>
<td>$ 431,477</td>
<td>$ 1,548</td>
</tr>
</tbody>
</table>

NOTE 8 - PENDING LITIGATION

The JPA did not have any pending litigation at June 30, 2008.

NOTE 9 - EARLY RETIREMENT INCENTIVE PROGRAM

At June 30, 2008, the JPA did not have any employees participate in an early retirement incentive program.
NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

At June 30, 2008, the JPA did not have any post-employment benefits other than pension benefits.

NOTE 11 - RISK MANAGEMENT

The JPA carries commercial insurance to cover various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters.

Health care coverage is provided to qualified employees through a plan with the County of San Diego. Workers Compensation coverage is provided to the JPA through the County of San Diego.

NOTE 12 - ENDOWMENT FUNDS

At June 30, 2008, the JPA had four (4) endowment funds. The endowments were established at three different foundations whereby the JPA irrevocably donated funds to the foundations with the JPA to receive the net investment income. The principal of the endowments are the property of the foundations and are not reflected in the JPA’s financial statements. The purpose of the endowments and the market value at June 30, 2008, including the amounts available for distribution to the JPA are as follows:

1. Rancho Santa Fe Foundation – Agreement dated September 9, 2003. The purpose of the fund is to provide funds for repair or replacement of the portion of the Coast to Crest Trail built by Crosby at Rancho Santa Fe within the 100-year floodplain. The balance of the fund at June 30, 2008, is $40,766.

NOTE 12 - ENDOWMENT FUNDS (CONTINUED)

3. Del Mar Foundation – Agreement dated April 8, 2004. The purpose of the fund is to provide for the future physical maintenance and management of the San Dieguito Lagoon from the Pacific Ocean to El Camino Real. The balance of the fund at June 30, 2008, is $602,973.


NOTE 13 - COMMITMENTS AND CONTINGENCIES

The JPA has agreed in principle to transfer 390.23 acres of land in Arkansas Canyon and eastern slopes of Volcan Mountain to the California State Department of Fish and Game contingent on further development of a wildlife management plan. The subject land has a book value of $684,369. No effect of this proposed transfer has been reflected in the accompanying financial statements.

NOTE 14 - FEDERAL AND STATE GRANTS

The JPA has been awarded grants from the State of California and the Federal Government to fund land purchases in the San Dieguito River Valley. The State of California and the Federal Government both reserve certain rights with respect to all such land acquired using these funds.

NOTE 15 - GENERAL LONG-TERM DEBT

General Long-Term Debt at June 30, 2008, consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>Balance June 30, 2007</th>
<th>Additions</th>
<th>Subtractions</th>
<th>Balance June 30, 2008</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated Absences (Note 11)</td>
<td>$ 42,469</td>
<td>$11,064</td>
<td>$ -</td>
<td>$ 53,533</td>
<td>$10,707</td>
</tr>
<tr>
<td>Note Payable (Note 16)</td>
<td>-</td>
<td>57,112</td>
<td>31,193</td>
<td>25,919</td>
<td>4,836</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 42,469</strong></td>
<td><strong>$68,176</strong></td>
<td><strong>$ 31,193</strong></td>
<td><strong>$ 79,452</strong></td>
<td><strong>$15,543</strong></td>
</tr>
</tbody>
</table>
NOTE 16 - NOTE PAYABLE


<table>
<thead>
<tr>
<th></th>
<th>Current Portion</th>
<th>Long-Term Portion</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 4,836</td>
<td>$ 21,083</td>
<td>$ 25,919</td>
</tr>
</tbody>
</table>

Required payments of principal on the long-term note payable at June 30, 2008, including current maturities, are as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$ 4,836</td>
</tr>
<tr>
<td>2010</td>
<td>4,836</td>
</tr>
<tr>
<td>2011</td>
<td>4,836</td>
</tr>
<tr>
<td>2012</td>
<td>4,836</td>
</tr>
<tr>
<td>2013</td>
<td>4,836</td>
</tr>
<tr>
<td>Thereafter</td>
<td>1,739</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 25,919</td>
</tr>
</tbody>
</table>
SAN DIEGUITO RIVER VALLEY
REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION SECTION

JUNE 30, 2008
SAN DIEGUITO RIVER VALLEY
REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -- BUDGET AND ACTUAL (GAAP)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

<table>
<thead>
<tr>
<th>Original/Final Budget</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessments - Members</td>
<td>$ 822,079</td>
<td>$ 820,578 ($1,501)</td>
</tr>
<tr>
<td>Off Track Betting</td>
<td>50,000</td>
<td>43,429 (6,571)</td>
</tr>
<tr>
<td>Contracts and Grants</td>
<td>10,149,793</td>
<td>5,244,976 (4,904,817)</td>
</tr>
<tr>
<td>Investment Income</td>
<td>45,000</td>
<td>50,629 5,629</td>
</tr>
<tr>
<td>Donations</td>
<td>28,962</td>
<td>294,796 265,834</td>
</tr>
<tr>
<td>3rd Party Recoveries</td>
<td>916,100</td>
<td>314,540 (601,560)</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>165,415</td>
<td>209,808 44,393</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>12,177,349</td>
<td>6,978,756 (5,198,593)</td>
</tr>
</tbody>
</table>

The notes to the financial statements are an integral part of this statement.
SAN DIEGUITO RIVER VALLEY
REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES -- BUDGET AND ACTUAL (GAAP) (CONTINUED)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th>Original/Final</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Salaries and Benefits</td>
<td>890,515</td>
<td>896,952</td>
</tr>
<tr>
<td>Dues and Subscriptions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Auto and Travel Expense</td>
<td>9,455</td>
<td>-</td>
</tr>
<tr>
<td>Professional Services</td>
<td>41,283</td>
<td>-</td>
</tr>
<tr>
<td>Buildings Repair and Maintenance</td>
<td>68,199</td>
<td>-</td>
</tr>
<tr>
<td>Professional and Contract Services</td>
<td>5,755,280</td>
<td>450,164</td>
</tr>
<tr>
<td>Special Department Expenses</td>
<td>83,000</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>22,500</td>
<td>293,761</td>
</tr>
<tr>
<td>Printing and Publications</td>
<td>5,100</td>
<td>5,290</td>
</tr>
<tr>
<td>Utilities</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>Office Expense</td>
<td>4,050</td>
<td>-</td>
</tr>
<tr>
<td>Insurance</td>
<td>6,150</td>
<td>-</td>
</tr>
<tr>
<td>Telephone</td>
<td>6,700</td>
<td>-</td>
</tr>
<tr>
<td>Capital Outlay - Land and Structures</td>
<td>5,300,000</td>
<td>5,160,968</td>
</tr>
<tr>
<td>Capital Outlay - Equipment</td>
<td>103,400</td>
<td>100,729</td>
</tr>
<tr>
<td>Debt Service - Principal Retirement</td>
<td>-</td>
<td>31,193</td>
</tr>
<tr>
<td>Debt Service - Interest</td>
<td>-</td>
<td>906</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>12,295,732</td>
<td>6,939,963</td>
</tr>
<tr>
<td>Excess of Revenues</td>
<td>(118,383)</td>
<td>38,793</td>
</tr>
<tr>
<td>Other Financing Sources and Uses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Transfers In</td>
<td>176,593</td>
<td>-</td>
</tr>
<tr>
<td>Operating Transfers (Out)</td>
<td>(166,793)</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from Loans</td>
<td>-</td>
<td>57,112</td>
</tr>
<tr>
<td>Total Other Financing Sources (Uses)</td>
<td>9,800</td>
<td>57,112</td>
</tr>
<tr>
<td>Excess of Revenues and Other Financing Sources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over (Under) Expenditures</td>
<td>(108,583)</td>
<td>95,905</td>
</tr>
<tr>
<td>Fund Balances - Beginning</td>
<td>253,577</td>
<td>253,577</td>
</tr>
<tr>
<td>Fund Balances - Ending</td>
<td>$ 144,994</td>
<td>$ 349,482</td>
</tr>
</tbody>
</table>

The notes to the financial statements are an integral part of this statement.
SAN DIEGUITO RIVER VALLEY
REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY

SUPPLEMENTARY INFORMATION SECTION

JUNE 30, 2008
The Board of Directors for the year ended June 30, 2008, was composed of the following members:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dave Roberts</td>
<td>Chair</td>
<td>City of Solana Beach</td>
</tr>
<tr>
<td>Pam Slater-Price</td>
<td>Vice Chair</td>
<td>County of San Diego</td>
</tr>
<tr>
<td>Dianne Jacob</td>
<td>Director</td>
<td>County of San Diego</td>
</tr>
<tr>
<td>Richard Earnest</td>
<td>Director</td>
<td>City of Del Mar</td>
</tr>
<tr>
<td>Dick Daniels</td>
<td>Director</td>
<td>City of Escondido</td>
</tr>
<tr>
<td>Betty Rexford</td>
<td>Director</td>
<td>City of Poway</td>
</tr>
<tr>
<td>Brian Maienschein</td>
<td>Director</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>Scott Peters</td>
<td>Director</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>Dr. Philip Pryde</td>
<td>Director</td>
<td>Citizens Advisory Committee</td>
</tr>
<tr>
<td>Becky Bartling</td>
<td>Ex Officio</td>
<td>22nd District Agricultural Association</td>
</tr>
</tbody>
</table>

**Executive Director**
Richard Bobertz

**Deputy Director**
Susan A. Carter
SAN DIEGUITO RIVER VALLEY
REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY

OTHER INDEPENDENT AUDITORS' REPORT SECTION

JUNE 30, 2008
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Directors
San Dieguito River Valley Regional Open
Space Park Joint Powers Authority
Escondido, California

We have audited the financial statements of the San Dieguito River Valley Regional Open
Space Park Joint Powers Authority (the JPA), as of and for the year ended June 30, 2008,
and have issued our report thereon dated February 13, 2009. We conducted our audit in
accordance with auditing standards generally accepted in the United States of America
and the standards applicable to financial audits contained in Government Auditing
Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the JPA’s internal control over
financial reporting as a basis for designing our auditing procedures for the purpose of
expressing our opinion on the financial statements, but not for the purpose of expressing
an opinion on the effectiveness of the JPA’s internal control over financial reporting.
Accordingly, we do not express and opinion on the effectiveness of the JPA’s internal
control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow
management or employees, in the normal course of performing their assigned functions, to
prevent or detect misstatement on a timely basis. A significant deficiency is a control
deficiency, or combination of control deficiencies, that adversely affect the JPA’s ability to
initiate, authorize, record, process, or report financial data reliably in accordance with
generally accepted accounting principles such that there is more than a remote likelihood
that a misstatement of the JPA’s financial statements that is more than inconsequential will
not be prevented or detected by the JPA’s internal control.

A material weakness is a significant deficiency or combination of significant deficiencies,
that result in more than a remote likelihood that a material misstatement of the financial
statements will not be prevented or detected by the JPA’s internal control.

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43
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the JPA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the audit committee, management, board of directors, and federal awarding agencies and pass-through entities, where applicable, and is not intended to be and should not be used by anyone other than these specified parties.

San Diego, California
February 13, 2009
SAN DIEGUITO RIVER VALLEY
REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY

FINDINGS AND RECOMMENDATIONS SECTION

JUNE 30, 2008
SAN DIEGUITO RIVER VALLEY
REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

Section I -- Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: ____________ Unclassified ____________

Internal control over financial reporting:
Material weakness(es) identified?

Yes ____________ No ____________

Reporting condition(s) identified not considered to be material weaknesses?

Yes ____________ None ____________

Noncompliance material to financial statements noted?

Yes ____________ No ____________

Federal Awards

Internal control over major programs:
Material weakness(es) identified?

Not Applicable

Reporting condition(s) identified not considered to be material weaknesses?

Not Applicable

Type of auditors' report issued on compliance for major programs:

Not Applicable

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)

Not Applicable

Identification of major programs

There were no major programs

Dollar threshold used to distinguish between Type A and Type B programs:

Not Applicable

Auditee qualified as low-risk auditee?

Not Applicable
SAN DIEGUITO RIVER VALLEY
REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008

State Awards

Internal control over state programs:
  Material weakness(es) identified? Not Applicable
  Reporting condition(s) identified not considered to be material weaknesses? Not Applicable

Type of auditors' report issued on compliance for state programs: Not Applicable

Section II -- Financial Statement Findings

No matters were reported.

Section III -- Federal Award Findings and Questioned Costs

No matters were reported.

Section IV -- State Award Findings and Questioned Costs

No matters were reported.
<table>
<thead>
<tr>
<th>Findings/Recommendations</th>
<th>Current Status</th>
<th>District Explanation If Not Implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

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TO: JPA Board
FROM: Staff
SUBJECT: El Camino Real Widening

RECOMMENDATION:
Direct staff to send the attached letter urging the City to use the available $150,000 to design the wildlife undercrossing as part of the El Camino Real widening project and to explore funding opportunities to construct the undercrossing.

SITUATION:
The City of San Diego plans to widen El Camino Real from Via de la Valle to Sea Country Lane. The project is divided into two projects: Phase 1, from Via de la Valle to San Dieguito Drive and includes replacing the El Camino Real Bridge over the San Dieguito River, and Phase 2, from San Dieguito Drive to Sea Country Lane. The subject of this agenda item is Phase 2 of the widening project. Phase 2 is being funded by a developer (DR Horton) as partial mitigation for Black Mountain Ranch and is being processed by the City for a Site Development Permit (SDP). However, the widening plans do not address many of the issues previously raised in particular the MSCP wildlife undercrossing at El Camino Real.

ISSUES:
Plans to widen El Camino Real and Via de la Valle have generated many concerns by the SDRP, the Carmel Valley Community Planning Board and many other concerned citizens and community organizations. In response to the original site development permit application in 2003 for the widening of El Camino Real, JPA staff sent a letter to the City detailing concerns about the project (Attachment 1). This letter was followed by a letter from the JPA Board in 2004 voicing the same concerns. However, none of the issues have been resolved.

- Trail connection from Pacific Highlands Ranch (a neighborhood of Black Mountain Ranch) to the future Coast to Crest Trail.

- Wildlife crossing under El Camino Real to preserve the wildlife corridor between Gonzales Canyon and the San Dieguito River Valley per the MSCP. This undercrossing may include a trail crossing.

- Preserve community character and aesthetics by designing the roadway to be rural in character compatible with the surrounding setting and sensitive to its location in the San Dieguito River Valley in compliance with the City’s North City Future Urbanizing Area Framework Plan.
Wildlife Undercrossing

This area provides the last opportunity to preserve a critical wildlife corridor between Gonzales Canyon and the San Dieguito River Valley, a linkage that is identified in the City’s Multiple Species Conservation Program (MSCP). El Camino Real presents a challenge to the corridor’s function as an impediment to safe wildlife passage. The MSCP recognized this issue and, thus, the City’s Subarea Plan requires a “large culvert or bridge undercrossing for wildlife movement where El Camino Real crosses the outlet of Gonzales Canyon into the San Dieguito River”. The development agreement for Pacific Highlands Ranch required monetary contributions to this wildlife crossing. According to the City’s records a total of $150,000 has been exacted for the design of the undercrossing. However, construction costs are not funded and are not an obligation of the developer.

The current widening plans propose only to widen the road across the existing triple-box culvert with no attention given to a functional wildlife crossing. The culvert appears inadequate for a wildlife crossing and would not meet the City’s MSCP standards for a wildlife crossing (Attachment 2).

Western San Dieguito River Valley Task Force

In response to these concerns a task force was formed in 2006 by the Mayor’s office and then-Councilmember Scott Peters to discuss these road widening plans. The task force generated a report (March 2007) that clearly described a compromise plan for the road widening projects that attempted to meet goals of accommodating traffic while still retaining some of the character of the area, wildlife movement, and trail connections. Progress on these roadway widening projects has been slow and no permits have been issued. On January 28, 2009 the Mayor’s office held a meeting with several members of the previous task force and City staff to once again discuss the widening of El Camino Real.

CAC RECOMMENDATION:

The CAC considered this item at their February 6, 2009 meeting and voted unanimously to recommend that the JPA Board send a letter to the City urging them to spend the allotted funds to design the wildlife undercrossing and to explore opportunities to fund the construction.

RECOMMENDATION:

Direct staff to send the attached letter urging the City to use the available $150,000 to design the wildlife undercrossing as part of the El Camino Real widening project and to explore
funding opportunities to construct the undercrossing.

ALTERNATIVES

1. Direct staff to send the attached letter.
2. Provide direction on additional issues/items to include in the letter.
3. Give staff other direction.

Respectfully submitted,

Shawna Anderson
Principal Environmental Planner

Attachments:

1. JPA staff letter dated September 17, 2003
2. Photo of existing culvert
3. Draft letter
September 17, 2003

Mr. John Fisher
City of San Diego
Development Services Department
1222 First Avenue, MS 302
San Diego, CA 92101

Subject: El Camino Real Street Widening/PTS. No. 9960

Dear Mr. Fisher:

The San Dieguito River Park Joint Powers Authority (JPA) staff and Project Review Committee (PRC) have reviewed the proposed project plans to widen El Camino Real from San Dieguito Road to Half-Mile Drive. The proposed project is located in the San Dieguito River Park Focused Planning Area (FPA) and borders the eastern edge of the proposed San Dieguito Lagoon Wetland Restoration Project. This letter provides City staff with preliminary comments regarding the proposed project based on “Preliminary Site Development Permit” plans dated 7/9/03 received from the City.

The JPA staff has been successfully working with City Engineering staff on the other phase of El Camino Real widening that is from Via de la Valle to San Dieguito Road. The subject project should be carefully coordinated with the other phase of El Camino Real as well as with the proposed Rancho Valley Farms development recently submitted by Pardee Development. All three separate projects are interrelated and should be coordinated together to avoid significant impacts to the critical wildlife corridor (Gonzales Canyon), MHPA function, the planned regional trail system through this area, and community character. These regional issues are critical to the viability of the San Dieguito River Park in the western river valley.

Specifically, the project issues we have identified thus far are explained below and include:

- The need to incorporate regional trail connections into the project
- The requirement for a wildlife crossing under El Camino Real from Gonzales Canyon
- The project should be designed to be compatible with the river valley and historic agricultural character of the area.
TRAIL CONNECTIONS

There are existing and planned regional and community trails in the surrounding area that must not be severed by the widening of El Camino Real. The San Dieguito River Park Coast to Crest Trail is planned along the San Dieguito River both east and west of El Camino Real. This regional trail corridor will extend from the ocean 55 miles to Volcan Mountain in the east. The multi-purpose trail (for hikers, bicyclists, and equestrians) would travel in an east/west direction from the lagoon and would follow the San Dieguito River along the 22nd Agricultural District’s Horse Park facility and continue eastward crossing underneath the north abutment of the El Camino Real bridge. JPA staff has been working with the City of San Diego engineering staff to ensure that the El Camino Real bridge widening project accommodates the Coast to Crest Trail. However, regional trail connections to the Coast to Crest Trail could be compromised if the widening of El Camino Real is not planned to accommodate these trails.

The Pacific Highlands Ranch Specific Plan includes a network of multi-purpose trails. One of these trails travels through Gonzales Canyon to Penasquitos Canyon Preserve and connects to the Trans-County Trail, another regional east/west trail corridor, to the south. The trail’s northern terminus is currently just east of Old El Camino Real, but the trail is planned to be extended to the west to connect to the Coast to Crest Trail as this portion of the NCFUA is developed. The trail connection from Pacific Highlands Ranch must be continued to the Coast to Crest Trail. The connector trail would connect regional trails from Black Mountain and Penasquitos Preserve through Black Mountain Ranch and Carmel Valley to the Coast to Crest Trail. This trail connection would also link the 55-mile long Coast to Crest Trail to the 115-mile long Trans-County Trail, both regional trail corridors included in the California State Recreational Trails Plan (2002). Both trails will also eventually link to the State Coastal Rail Trail along the Pacific Ocean and the Pacific Crest Trail through the mountains. The trail connection would cross Old El Camino Real and then must safely cross El Camino Real either by improving the existing box culvert or by some other means to accommodate the trail. Once across El Camino Real, the trail would follow in the right-of-way of El Camino Real, cross the El Camino Real bridge, and connect to the Coast to Crest Trail on the north side of the river.

As part of the lagoon restoration plan, the San Dieguito River Park also proposes a viewing trail called the Mesa Loop Trail just west of El Camino
Real across from the Stallions Crossing residential project (on the east side of the roadway). We request that the roadway widening project accommodate a vehicular entrance to the Mesa Loop Trail head from El Camino Real.

WILDLIFE CROSSING

This area provides the last opportunity to preserve a critical wildlife corridor between Gonzales Canyon and the San Dieguito River Valley, a linkage that is identified in the City’s Multiple Species Conservation Program (MSCP). El Camino Real presents a challenge to the corridor’s function as an impediment to safe wildlife passage. The MSCP recognized this issue and, thus, the City’s Subarea Plan requires a “large culvert or bridge undercrossing for wildlife movement where El Camino Real crosses the outlet of Gonzales Canyon into the San Dieguito River” (C15, page 26). The development agreement for Pacific Highlands Ranch required monetary contributions to this wildlife crossing across El Camino Real. The El Camino Real project must include improvement plans for this crossing. The current plans propose only to widen the road across the existing triple-box culvert with no attention given to the crossing. The culvert appears inadequate for a wildlife crossing and does not meet the City’s MSCP standards for a wildlife crossing. The El Camino Real Biological Technical Report (RECON, July 31, 2003) mentions the existing culvert, but does not comment on its current function as a wildlife crossing nor on its viability as a wildlife crossing once the roadway is widened. The report should include detailed information on the current condition of the culvert as a wildlife crossing (such as data on its use by wildlife), include a comparison of other successful crossings in the County, and an assessment on whether the culvert would provide a safe useable crossing for wildlife once the roadway is widened. The report should document the types of wildlife that currently use the culvert, the number of road kills, and include alternative designs for a crossing such as a bridge undercrossing. The approaches to the crossing should also be examined and designed to provide adequate vegetative cover for wildlife that use the crossing. The wildlife crossing designs should also incorporate a trail crossing under El Camino Real.

COMMUNITY CHARACTER AND AESTHETICS

The NCFUA Framework Plan provides policies and standards for rural treatment of community facilities such as El Camino Real. The road widening should reflect the historic agricultural character of the area particularly as it descends into the river valley.
Street design should be more rural in character. Both the roadway and proposed 14-foot wide concrete median should be reduced in width to minimize the hard surface and intrusion into the river valley landscape. Contiguous concrete sidewalks and standard streetlights are not compatible with the surrounding rural/agricultural setting or the NCFUA Environmental Tier/MHPA. Those elements shown on the plans should be redesigned to incorporate the trail connections discussed above. The wide median and 5-foot wide sidewalk could be eliminated or reduced and replaced by a non-contiguous meandering decomposed granite path or “enhanced pedestrian” facility (i.e., a trail as discussed above). The Framework Plan and City’s street design manual support rural design treatments in this area. Please also refer to my comment letter to you dated May 9, 2003 regarding the proposed Rancho Valley Farms project.

We look forward to a continuing dialogue with the City on this project and would like to participate in the project design process to address these issues. I would also like to receive a copy of the City’s assessment letter for this project and all environmental reports as they become available. The project will also be reviewed by the San Dieguito River Park Citizens Advisory Committee and the JPA Board of Directors will take action on the project once the final plans and environmental study are available. Please feel free to call me anytime or email me at shawna@sdrp.org. Thank you for providing the San Dieguito River Park with an opportunity to comment on this important project.

Sincerely,

Shawna C. Anderson, AICP
Environmental Planner

Cc: K.C. Strang, Council District 1
    Bernie Turgeon, City of San Diego Planning Dept.
    Jan Fuchs, PRC Chair
    Craig Kahlen, Rick Engineering
February 20, 2009

John Fisher
City of San Diego
Development Services Dept.
1222 First Avenue, MS 302
San Diego, CA 92101

Subject: El Camino Real Road Widening Project # 145081
Wildlife Undercrossing Design

Dear Mr. Fisher:

It has been brought to the JPA Board’s attention that no progress has been made regarding the design of a required wildlife undercrossing under El Camino Real within the Gonzales Canyon connecting the Los Penasquitos Preserve with the San Dieguito River Valley. This critical undercrossing should be included as part of the widening of El Camino Real between San Dieguito Drive and Sea County Lane as a component of the City’s MSCP Subarea Plan (project C15, page 26). The Pacific Highlands Ranch and Black Mountain Ranch FFPs include $150,000 collected as mitigation for the design of this wildlife undercrossing (T-12.2). We urge the City to take action and use these funds to design the undercrossing as part of the roadway widening project. With a completed design the city would then be in an excellent position for upcoming funding opportunities to fund its construction, including a Federal stimulus package, TransNet funds, or other funds.

The JPA has voiced its concerns about the lack of cohesive planning for Subarea II of the North City Future Urbanizing Area (NCFUA). These issues including the wildlife undercrossing were first brought to your attention by JPA staff in a letter dated September 17, 2003 followed by a JPA Board letter in 2004. Then in 2006, JPA staff and CAC members participated in the City’s San Dieguito Western River Valley Task Force that produced a detailed report of which the wildlife undercrossing at El Camino Real was a part. We are disappointed that no action has been taken thus far to ensure these projects don’t go forward without implementing measures to preserve the unique landscape, core habitat, and rural characteristics of the San Dieguito River Valley. The City’s last project review report to DR Horton (dated March 21, 2008) raised many of the issues but we are not aware of any progress to date.

The El Camino Real wildlife undercrossing is the last opportunity to make the final connection to preserve the critical Gonzales Canyon wildlife corridor into the River Valley. We urge you to take immediate action to make the funds available during processing of the roadway widening.

Sincerely,

__________________________
JPA Board Chair

Cc: Bernie Turgeon, City Planning Dept.
Frisco White, Chair, Carmel Valley Community Planning Board
TO: JPA Board

FROM: Staff

SUBJECT: Marine Life Protection Act

RECOMMENDATION:

Authorize the Chair to send a letter to the California Department of Fish and Game to request State Marine Reserve status for the San Dieguito Lagoon as part of the Marine Life Protection Act Initiative.

SITUATION:

A. Background

The Marine Life Protection Act (MLPA) is a state law that requires California’s system of marine protected areas be redesigned to better protect California’s marine life, habitats and ecosystems. The San Dieguito Lagoon is currently classified as a State Marine Park which provides a less conservation-based level of protection than that of State Marine Reserve designation.

Due to extensive expansion of marine habitat from the Wetland Restoration Project MLPA representatives have indicated that the San Dieguito Lagoon would now meet standards to be classified as a State Marine Reserve, which has a higher value for conservation. The higher classification would result in more support from State agencies and an advantage in competing for conservation based grant programs. A JPA Board letter requesting reclassification of the San Dieguito Lagoon as a State Marine Reserve is required in order for action to proceed in the MLPA Initiative process.

B. Issues

1. During CAC discussion concern was expressed about potential new State regulations that would apply under State Marine Reserve classification that might preclude equestrian use of the Coast to Crest Trail on the north side of the lagoon. The MLPA representative advised that State jurisdiction would extend only to the mean high tide level which would not include any area of trails.
2. There is a small amount of recreational fishing occurring along the south bank of the San Dieguito Lagoon. Reclassification from State Marine Park to State Marine Reserve would prohibit all recreational fishing. There is currently no known scientific research to indicate pros or cons of recreational fishing in the San Dieguito Lagoon related to conservation objectives. There is an objective to control fishing on the Grand Avenue Overlook to prevent aesthetic and maintenance problems that could result if the new facility became attractive to extensive recreational fishing. No current regulations control fishing from any location except bridges.

ENVIRONMENTAL REVIEW

Environmental review for a reclassification action under MLPA is under State jurisdiction.

CAC RECOMMENDATION

The CAC reviewed this item on 2/6/09 and voted 20-4-1 to recommend that the JPA Board send a letter requesting reclassification of the San Dieguito Lagoon from a State Marine Park to a State Marine Reserve and expansion of boundaries to match the Wetland Restoration Project area.

FISCAL IMPACT

No fiscal impact has been identified. An advantage in applying for future conservation based grants is projected.

ALTERNATIVES

1. Authorize the Chair to provide a letter to MLPA initiative requesting reclassification of the San Dieguito Lagoon from State Marine Park to State Marine Reserve.
2. Do not request reclassification of the San Dieguito Lagoon.
3. Direct staff to do additional research.

RECOMMENDATION:

Authorize the Chair to send a letter to the California Department of Fish and Game to request State Marine Reserve status for the San Dieguito Lagoon as part of the Marine Life Protection Act Initiative.
Respectfully submitted,

Dick Bobertz  
Executive Director  
Attachments:  
2. Current San Dieguito Lagoon State Marine Park map.
MARINE LIFE PROTECTION ACT GOALS
California Fish and Game Code Section 2853

(a) The Legislature finds and declares that there is a need to reexamine and redesign California's MPA system to increase its coherence and its effectiveness at protecting the state's marine life, habitat, and ecosystems.

(b) To improve the design and management of that system, the commission, pursuant to Section 2859, shall adopt a Marine Life Protection Program, which shall have all of the following goals:

(1) To protect the natural diversity and abundance of marine life, and the structure, function, and integrity of marine ecosystems.

(2) To help sustain, conserve, and protect marine life populations, including those of economic value, and rebuild those that are depleted.

(3) To improve recreational, educational, and study opportunities provided by marine ecosystems that are subject to minimal human disturbance, and to manage these uses in a manner consistent with protecting biodiversity.

(4) To protect marine natural heritage, including protection of representative and unique marine life habitats in California waters for their intrinsic value.

(5) To ensure that California's MPAs have clearly defined objectives, effective management measures, and adequate enforcement, and are based on sound scientific guidelines.

(6) To ensure that the state's MPAs are designed and managed, to the extent possible, as a network.
WHAT ARE MARINE PROTECTED AREAS?
*Defined in Public Resources Code, Sections 36602 and 36710*

A *marine protected area* (MPA) is a named, discrete geographic marine or estuarine area seaward of the mean high tide line or the mouth of a coastal river, including any area of intertidal or subtidal terrain, together with its overlying water and associated flora and fauna that has been designated by law or administrative action to protect or conserve marine life and habitat. MPAs are primarily intended to protect or conserve marine life and habitat...

(a) In a **state marine reserve**, it is unlawful to injure, damage, take, or possess any living, geological, or cultural marine resource, except under a permit or specific authorization from the managing agency for research, restoration, or monitoring purposes. While, to the extent feasible, the area shall be open to the public for managed enjoyment and study, the area shall be maintained to the extent practicable in an undisturbed and unpolluted state. Access and use for activities such as walking, swimming, boating, and diving may be restricted to protect marine resources. Research, restoration, and monitoring may be permitted by the managing agency. Educational activities and other forms of nonconsumptive human use may be permitted by the designating entity or managing agency in a manner consistent with the protection of all marine resources. [PROHIBITS ALL EX extrACTIVE ACTIVITIES]

(b) In a **state marine park**, it is unlawful to injure, damage, take, or possess any living or nonliving marine resource for commercial exploitation purposes. Any human use that would compromise protection of the species of interest, natural community or habitat, or geological, cultural, or recreational features, may be restricted by the designating entity or managing agency. All other uses are allowed, including scientific collection with a permit, research, monitoring, and public recreation, including recreational harvest, unless otherwise restricted. Public use, enjoyment, and education are encouraged, in a manner consistent with protecting resource values. [PROHIBITS ALL COMMERCIAL EXTRACTIVE ACTIVITIES AND POTENTIALLY SOME RECREATIONAL ACTIVITIES]

(c) In a **state marine conservation area**, it is unlawful to injure, damage, take, or possess any living, geological, or cultural marine resource for commercial or recreational purposes, or a combination of commercial and recreational purposes, that the designating entity or managing agency determines would compromise protection of the species of interest, natural community, habitat, or geological features. The designating entity or managing agency may permit research, education, and recreational activities, and certain commercial and recreational harvest of marine resources. [LIMITS RECREATIONAL AND/OR COMMERCIAL EXTRACTIVE ACTIVITIES]
San Dieguito Lagoon State Marine Park SMP

THIS CHART DOES NOT REPLACE THE LEGAL DESCRIPTION FOUND IN TITLE 14, CALIFORNIA CODE OF REGULATIONS
TO: JPA
FROM: Staff
SUBJECT: Overhead Utility Lines on Via De La Valle

RECOMMENDATION:

Direct staff to participate in meetings with utility providers and City Councilmember Lightner’s representatives to try to identify a solution to excess utility poles along Via De La Valle.

SITUATION:

On July 29, 2008 the JPA Board Chair sent a letter to the City of San Diego requesting a solution to the excess utility poles along Via De La Valle. At the January 16, 2009 JPA Board meeting, Bruce Liska of the San Dieguito Planning Group requested Board assistance with the same issue. On January 27, 2009 a response letter was received from the City of San Diego reporting that the City could not direct SDG&E and other Utility providers to transfer utility lines to the new power poles because the widening of Via De La Valle was not an active project. On February 10th, San Diego City Councilman Lightner held a meeting with the City Undergrounding Coordinator and SDG&E representatives to seek a solution. After further research and contacts with utility providers additional meetings are expected to seek a solution.

Attachments:

1. 7/29/08 JPA Board letter to City of San Diego
2. 1/27/09 response letter from City of San Diego
San Dieguito River Valley
Regional Open Space Park
18372 Sycamore Creek Road
Escondido, CA 92025
(858) 674-2270  Fax (858) 674-2280
www.sdrp.org

July 29, 2008

Mayor Jerry Sanders
City of San Diego
202 C Street
San Diego, CA 92101

Council President Scott Peters, District 1
City of San Diego
202 C Street
San Diego, CA 92101

Subject: Utility Lines along Via de la Vallee

Dear Honorable Mayor and Councilman Peters:

The San Dieguito River Park JPA has again been made aware of the abundance of utility poles along Via de la Vallee, marring the scenic view of the San Dieguito River Valley. New utility poles have recently been added to an already unsightly mess along this ½ mile stretch of roadway that provides public views into the valley and lagoon.

The JPA is urging the City of San Diego to work with Sempra Energy and area stakeholders to remedy the proliferation of utility lines now dominating this previously scenic stretch of roadway. We suggest that a working group be established consisting of the City, relevant utility companies including Sempra Energy (SDG&E), and appropriate stakeholders to outline a solution and funding mechanisms.

As you may be aware, part of the restoration of the San Dieguito Lagoon included relocation of SDG&E utility lines out of the lagoon east of I-5. SDG&E recently relocated these lines to ten new power poles placed just south of Via de la Vallee between San Andres Drive and Horse Park. The JPA has taken previous positions that utility lines along Via de la Vallee should be undergrounded because they are an eyesore to a scenic river valley undergoing a major restoration. Unfortunately, the recent utility relocation has further heightened this problem. In addition to the ten new poles, the 33 existing utility poles remain along the south side of Via de la Vallee for a total of 44 utility poles – all located in the public viewshed of a lagoon that is undergoing an $86 million restoration! According to SDG&E, the ten new poles were designed to accommodate more lines including those that currently exist along Via de la Vallee.
Although the JPA continues to strongly urge the undergrounding of all these utility lines and asks that this important area be reexamined for priority underground funding, we support the Carmel Valley Community Planning Board’s position (letter dated July 8, 2008) to consolidate the existing lines along Via de la Valle to the ten new SDG&E poles and remove the 33 old poles from the public street. This should be done before the completion of the restoration project sometime in 2009. SDG&E representatives have told the JPA that they can allocate funds to relocate their lines to the new poles. However, these funds can only be spent if such a consolidation is required by the governing public agency. We urge the City to require this consolidation due to the strong level of public support to consolidate these lines and the large amount of public and private funds spent thus far to protect and restore the river valley in this area. Although an interim solution, this consolidation would go a long way toward improving the current situation along this otherwise scenic corridor.

The JPA is available to take the lead in forming a working group to resolve this issue with the City’s support. Thank you.

Sincerely,

David W. Roberts
JPA Board Chair

Cc:  J.C. Thomas III, SDG&E
     Frisco White, Carmel Valley Community Planning Board
     Jan Fuchs, Regional Issues Committee CVCPB
     Paul Marks, San Dieguito Planning Group
     Hany Elwany, Coastal Environments
     Rebecca Bartling, 22nd DAA
January 27, 2009

David W. Roberts  
JPA Board Chair  
San Dieguito River Valley Regional Open Space Park  
18372 Sycamore Creek Road  
Escondido, CA 92025

Dear Mr. Roberts:

Subject: Utility Lines along Via de la Valle

In response to your letter of July 29, 2008, the following information on the subject utility lines is provided. As you know, this issue has a history going back several years. As stated in your letter, several years ago Pacific Gas & Electric (PG&E) agreed to restore the lagoon as part of the mitigation for de-commissioning the San Onofre Nuclear Plant. At that time, San Diego Gas & Electric (SDGE) 69kv transmission lines ran through the lagoon. As part of the lagoon restoration, PG&E agreed to fund the relocation of the transmission lines out of the lagoon, and paid SDGE to complete the relocation. At that time, there was an existing SDGE distribution pole line within the City of San Diego along Via De La Valle going east from Interstate 5 to about Camino Real. This pole line also has significant fiber optic communications facilities that belong to AT&T and Time Warner.

As part of traffic mitigation related to the Black Mountain Ranch development, Black Mountain Ranch, LLC was expected to widen Via De La Valle. To complete this road widening project, SDGE would have to remove or relocate the existing SDGE distribution pole line, along with the other utilities attached to the pole line. Prior to SDGE relocating the transmission lines for PG&E, they determined that the existing distribution pole line was not capable of supporting the transmission lines, and that new poles would need to be installed. The new transmission pole line was installed in a location that avoided conflict with the proposed Via De La Valle road widening project.

For several years, the SDGE distribution lines along Via De La Valle have been on the City’s undergrounding master plan, with a funding allocation in 2013 and 2014. Under this plan, construction would occur in the 2015/2016 timeframe. However, given that there are now both SDGE distribution and transmission facilities in the area, the
undergrounding costs are going to be much higher. The increased undergrounding cost will require additional years of allocations based on the cost of work and the other priority projects competing for funding.

Presently, the project to widen Via De La Valle road is on indefinite hold. If the widening project were to move forward, the City at that time would require SDGE, along with the other utilities with facilities on the distribution pole line, to relocate their facilities due to a conflict with a public improvement project. It is conceivable that the utilities would choose to relocate the distribution and fiber optic lines to the new transmission pole line. However, since the Via De La Valle widening project is on hold, the City does not have a basis for ordering SDGE to relocate their distribution lines at this time.

Please feel free to call the undersigned at 619.236.6750 should you have any additional questions.

Sincerely,

[Signature]

David Jarrell, P.E.
Deputy Chief Operating Officer
Public Works
City of San Diego

cc: William Anderson, Director, City Planning & Community Investment Dept.
Patti Boekamp, Director, Engineering & Capital Projects Dept.
Afshin Oskoui, City Engineer
Nathan Bruner, Program Manager, Utilities Undergrounding
January 22, 2009

Mr. David W. Roberts  
Chairman  
Joint Powers Authority Board of Directors  
18372 Sycamore Creek Road  
Escondido, CA 92025

Dear Mr. Roberts:

The California Department of Transportation (Department) is pleased to inform you it has approved your request for the installation of San Dieguito River and Lagoon guide signs on Interstate 5 (I-5).

The Department reviews all applicable guidance and policies when evaluating signing requests. According to the California Manual on Uniform Traffic Control Devices, certain requested signs are allowed on freeways and are categorized as "Miscellaneous Guide Signs." These signs can be used to point out geographical features; similar signing is already in place for the San Elijo and Batiquitos Lagoons. The Department determined that your request meets the definition of a "Miscellaneous Guide Sign," permitting the installation of two "San Dieguito Lagoon" signs (one in each direction) on I-5.

Please submit private funds in the amount of $2,500 to the Department for the purchase and installation of the two new guide signs. I have enclosed a Standard Agreement for Miscellaneous Reimbursed Work form, which must be signed and returned to the Department along with a check for the stated amount.

Also, at no additional cost, the Department will replace the existing southbound I-5 bridge identification sign reading "San Dieguito River," and install a new northbound bridge identification sign.

"Caltrans improves mobility across California"
If you have any questions or need additional information, please contact me at (619) 688-6668, or Joe Hull, Deputy District Director of Traffic Operations, at (619) 688-3142.

Sincerely,

PEDRO ORSO-DELGADO
District Director

Enclosure

c: Joe Hull, Deputy District Director of Traffic Operations, Caltrans District 11