SAN DIEGUITO RIVER PARK
JOINT POWERS AUTHORITY
11:00 a.m. – 12:30 p.m.
Friday, May 15, 2015
County Administration 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

Roll Call

Approval of the Minutes of April 8, 2015 and April 17, 2015

Executive Director’s 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.

CONSENT

DISCUSSION/ACTION

2. Approval of Grants for Passenger Vans For The Watershed Explorer Program (Page 58)

3. Coast to Crest Trail Status Update (Oral)

4. Update Re Lagoon Ranger Station Design/Location (Page 62)

INFORMATION

5. Park Project Status (oral)

6. 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

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

9. Adjourn to Closed Session
   a. Closed Session to Interview Candidates and Consider the Employment of an Executive Director Pursuant to Government Code section 54957(b)(1)

THE NEXT REGULAR JPA MEETING WILL BE JUNE 19, 2015

If you have any questions, please call Mark Ochenduszko 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 to be made. The agenda and minutes are available at no cost on the San Dieguito River Park web site at www.sdrp.org
SAN DIEGUITO RIVER PARK
JOINT POWERS AUTHORITY
Minutes of Special Meeting, April 8, 2015

MEMBERS PRESENT

Don Mosier - Chair       City of Del Mar
Dave Grosch                 City of Poway
Mark Kersey     City of San Diego
Dave Roberts     County of San Diego
Dave Zito                                        City of Solana Beach
Tom Golich     Citizens Advisory Committee
Becky Bartling     22 District Agricultural Association

VISITORS/STAFF PRESENT

Wayne Brechtel     JPA Counsel
Mark Ochenduszko    San Dieguito River Park JPA
Shawna Anderson    San Dieguito River Park JPA
Brenda Miller     San Dieguito River Park JPA
Peter Shapiro     San Dieguito River Valley Conservancy
Trish Boaz     San Dieguito River Valley Conservancy
Carol Carr     Citizens Advisory Committee
Jeff Barnouw     Friends of the San Dieguito Lagoon
Jacqueline Winterer     Friends of the San Dieguito Lagoon

Roll Call

JPA Counsel Brechtel announced that Boardmembers Bartling, Golich, Grosch, Zito, Kersey, Roberts and Mosier are present.

Introduction and Announcements

Chair Mosier convened the meeting at 4:20 p.m. at the City of Del Mar, Main Annex, 1050 Camino Del Mar, Del Mar, CA. 92014.

Public Comment- None

ACTION AGENDA

1. Approval of Tentative Compromise With the California Coastal Commission to Retain a Portion of the Boardwalk at the San Dieguito Lagoon and Direct Staff to Discontinue Request for Motion of Reconsideration of Denial of Appeal Regarding Boardwalk

Executive Director Ochenduszko gave an overview of the issue. In the fall of 2014 the California Coastal Commission (CCC) decided that as part of the South Overflow Lot
Restoration, the boardwalk at the San Dieguito Lagoon would be removed. The JPA filed an appeal that was heard at the March 11, 2015 CCC meeting. The appeal was denied. The JPA board directed staff to prepare a request for reconsideration of this decision which is due April 10, 2015. Dwight Worden, Del Mar City Council member, offered to write the request for motion of reconsideration on behalf of the JPA. The criteria for a motion of reconsideration acceptance is; that there is information that has not been presented or there is new information, that if the CCC would have known about it, may have ruled differently. The motion must be filed within 30 days. If the motion for reconsideration is accepted, the CCC schedules the motion for a subsequent meeting. The next meeting of the CCC is May, 2015 in Santa Barbara. An important note is that reconsideration is rarely granted and a change of decision is difficult to achieve. The associated issues are; whether the motion would be granted, whether we would win reconsideration if the motion was granted, who would pay for preservation of the boardwalk if we were successful with the reconsideration, who would pay the cost to relocate the boardwalk if necessary. Another issue is the repayment of $377,000 in grant money received in 2005, back to the Coastal Conservancy. If the boardwalk is retained, the standard mitigation requirements are four acres to one acre. The boardwalk is described as one acre therefore the JPA would have to provide four acres of mitigation property at an estimated cost of approximately $250,000 per acre.

The CCC staff asked to meet with the JPA to discuss this issue. A meeting was held April 6, 2015. Attendees of the meeting were Chair Mosier, Boardmember Roberts and Bartling, San Dieguito River Valley Conservancy Executive Director Trish Boaz, 22nd District Agricultural Association (DAA) representative Dustin Fuller, JPA staff Shawna Anderson and Mark Ochenduszko, Dwight Worden and CCC staff. At the meeting the CCC staff was willing to compromise their position. A significant portion of the boardwalk would be retained at its current location, with the approach from the western end. The CCC staff is willing to accept, as the only required mitigation in this compromise, the removal of the berm on which the remainder of the boardwalk is located. No other mitigation would be required. The compromise agreement is subject to the JPA not filing a request for motion of reconsideration. The JPA will not be responsible for any additional costs. Executive Director Ochenduszko spoke with the Coastal Conservancy and was informed that if the compromise is approved, the remaining boardwalk and the Coast to Crest Trail meet the requirements of the grant received in 2005, and therefore the grant funds would not have to be paid back.

The Coast to Crest Trail will be constructed along the north end of the lagoon and will connect from El Camino Real to Jimmy Durante Boulevard. The lagoon experience will be the boardwalk. The compromise plan is subject to approval by the JPA board. If the board votes to go forward with the motion to reconsider, the strongest grounds are the subject of mitigation.

Chair Mosier stated that it was a difficult negotiation with the CCC. The CCC staff was adamant that the boardwalk should be removed. Through the negotiation, a large portion of the boardwalk has been retained. The matter of no additional mitigation is important for the JPA.
The compromise is an important matter for the CCC due to the project time limit to restore the South Overflow Lot.

Shawna Anderson showed a drawing to explain the compromise to the board members. The plan is to remove the 282 foot section of trail and berm on the east end to allow the 22nd DAA to design the restoration so there will be full hydrological connection to the San Dieguito River. In addition 682 feet of the boardwalk section would be removed. The current viewing platform would be rebuilt at the end of the “new” boardwalk. The new planned boardwalk would be 800 feet from Jimmy Durante to the new viewing platform. The South Overflow Lot restoration plan has been approved with the Coast to Crest Trail. The name plates on the boardwalk would be removed and reinstalled on the new boardwalk. The boards could also be reused.

Boardmember Bartling stated that the boardwalk would need to be removed around the first part of 2016 at no cost to the JPA. The only cost would be to build the platform at the end.

Public Comment

Peter Shapiro, President of the San Dieguito River Valley Conservancy, stated that the SDRVC would prefer to retain the entire boardwalk and had pushed for the request for motion of reconsideration. Mr. Shapiro continued to say that SDRVC now supports the compromise and supports the JPA Board’s decision.

Trish Boaz, Executive Director of the San Dieguito River Valley Conservancy, commented that the SDRVC supports retention of entire boardwalk.

Carol Carr, Chair of Trails Committee of the Citizens Advisory Committee stated she was opposed to cutting the boardwalk in half. Ms. Carr stated that she believed the CCC erred regarding the loss of wetland with the boardwalk in place and continued to say the water does flow in and out under boardwalk.

Dwight Worden commented that he has read twenty requests for reconsideration and in only two cases has the outcome changed. Mr. Worden feels the compromise is the best option available. The estimated cost to remove the boardwalk is $430,000. Mr. Worden understands that if the JPA pursued the request for motion of reconsideration and lost, the JPA would risk having to pay the cost to remove the boardwalk. Mr. Worden continued to say that only walkers would be allowed on the boardwalk, bikes and horses would be on the Coast to Crest Trail and finished by saying if he had to vote, he would vote for the compromise.

Jeff Barnouw, Friends of the San Dieguito River Valley said he agreed with the compromise.

Jacqueline Winterer said she feels the compromise will make trail users unhappy and that it will have a bad impact on wetlands.
Board Discussion

Boardmember Golich stated that the majority of the Citizens Advisory Committee wanted to see the boardwalk stay however; he said the CAC members did support a compromise but did not want this support to be on the record at the time.

Boardmember Roberts stated that this situation has been difficult. The new information regarding the hydrology and the necessary water flow has made it easier to understand the position of the CCC. The new Coast to Crest Trail will have a berm protecting it and making it further away from Jimmy Durante Boulevard and stated that it would be reasonable to ask that the Coast to Crest Trail be completed before the boardwalk is removed. Boardmember Roberts commented that he is inclined to support the compromise.

Boardmember Zito stated that he would like to have the Coast to Crest trail constructed before the boardwalk is removed and supports the compromise at this time.

Boardmember Kersey stated he feels asking for the reconsideration is risky for our organization and the JPA cannot afford the price of mitigation. Boardmember Kersey stated he does support the compromise.

Boardmember Grosch appreciated all of the citizen emails. Boardmember Grosch stated the compromise is happy and sad, and cost is an issue. He added that the JPA could fight and end up with zero. Boardmember Grosch stated that no one wants the boardwalk to go and that he supports the compromise.

Chair Mosier stated that he reluctantly believes that the compromise is the best solution. Staff recommendation is to approve compromise with the California Coastal Commission and direct staff not to file the request for motion of reconsideration.

Boardmember Golich made the motion to approve the tentative compromise with the California Coastal Commission to retain a portion of the boardwalk at the San Dieguito Lagoon and direct staff to discontinue request for motion of reconsideration of denial of appeal regarding boardwalk removal and ask that the California Coastal Commission will look at options of building the Coast to Crest trail first.

Boardmember Roberts seconded the motion.

Yes votes: Golich, Grosch, Zito, Kersey, Roberts, Mosier
Absent: Lightner, Diaz, Jacob

Chair Mosier adjourned the meeting at 5:07 P.M.
These minutes approved by Board Action

Date        Executive Director
SAN DIEGUITO RIVER PARK
JOINT POWERS AUTHORITY
Minutes of April 17, 2015

MEMBERS PRESENT  REPRESENTING
Don Mosier - Chair       City of Del Mar
Dianne Jacob - Vice Chair    County of San Diego
Dave Grosch            City of Poway
Sherri Lightner       City of San Diego
Dave Roberts          County of San Diego
Dave Zito             City of Solana Beach
Jacqueline Winterer   Citizens Advisory Committee
Becky Bartling        22 District Agricultural Association

VISITORS/STAFF PRESENT
Wayne Brechtel     JPA Counsel
Mark Ochenduszko    San Dieguito River Park JPA
Shawna Anderson    San Dieguito River Park JPA
Brenda Miller       San Dieguito River Park JPA
Jeff Barnouw        Friends of the San Dieguito River Valley
Terry Kopanski      Del Mar Lagoon Committee
Dustin Fuller       22nd DAA
Kristin             22nd DAA
Tiffany Vinson      Councilmember Kersey’s Staff
Garrett Hager       Councilmember Kersey’s Staff
Allison Don         Council President Lightner’s Staff
Kevin McKernan      San Diego River Conservancy
Jeff Pasek          City of San Diego, Public Works
Trish Boaz          San Dieguito River Valley Conservancy
Peter Shapiro       San Dieguito River Valley Conservancy
Mel Millstein       Supervisor Robert’s Staff
Cheryl Goddard      County of San Diego, Parks Department

Introduction and Announcements
Chair Mosier convened the meeting at 11:00 a.m. in the County Administration Building, 1600 Pacific Highway, Room 302/303, San Diego, CA 92101

Approval of Minutes of March 20, 2015
Boardmember Zito made a motion to approve the minutes of March 20, 2015. Boardmember Grosch seconded the motion.

Yes votes: Mosier, Grosch, Zito, Lightner, Roberts. Abstain: Winterer. Absent: Jacob, Diaz, Kersey

Public Comment-None
Counsel Brechtel asked the Board to add to the agenda, the Approval of Conservation Easement Purchase Option Agreement for Fenton North Property. The request for the addition to this agenda is due to the agreement being finalized after the agenda was posted and the need to take immediate action.

Boardmember Roberts made the motion to add agenda item 4: Approval of Conservation Agreement Purchase Option Agreement. Boardmember Zito seconded the motion. Yes votes: Mosier, Winterer, Grosch, Zito, Lightner and Roberts. Absent: Jacob, Diaz and Kersey.

**ACTION AGENDA**

1. **Approval of Proposed Joint Exercise of Powers Agreement (JEPA)**

   **Recommendation:** It is recommended that the Board of Directors approve the proposed revised Joint Exercise of Powers Agreement with the terms reached by the Board of Directors Ad Hoc Subcommittee at its meeting of Wednesday, April 15, 2015 and ask that members place the item on their respective governing board agendas for approval by the end of May, 2015.

Interim Director Ochenduszko introduced the item stating that at the March 20, 2015 Board meeting City of San Diego representative Mark Kersey proposed two changes to the draft Joint Exercise of Powers Agreement. The issue of these two changes was not resolved at the March 20, 2015 meeting and an ad hoc subcommittee of the Board was appointed to discuss the two remaining issues. The subcommittee consisting of Chairperson Mosier, Boardmembers Kersey, Jacob and Zito met on Wednesday, April 15, 2015 and unanimously agreed to a resolution of the issues.

The first issue is the revision of Exhibit D (Public Agency Contribution Formula) to limit member contribution increases to no more than five percent above the previous level, except when required by the contribution formula. The section was changed only to denote that the calculation of a withdrawing agency’s obligation will be based on the most recent Board approved audit report.

The second issue is that Section 20 will remain as it appeared on March 20, 2015 with the following changes any withdrawing member will retain responsibility for its pro rata share of net financial liabilities upon withdrawal. Interim Director Ochenduszko recommended to the Board that it approve the proposed Joint Exercise of Powers Agreement with the noted changes and ask that representatives of the member agencies take the document back to their respective legislative agencies for approval and adoption. The request was made that the agreement be approved by each member agency by May 31, 2015 if possible.

Boardmember Roberts made the motion to approve the Proposed Joint Exercise of Powers Agreement with the noted changes. Boardmember Lightner seconded the motion.

Yes votes: Mosier, Winterer, Grosch, Zito, Lightner and Roberts. Absent: Jacob, Diaz and Kersey.

Boardmember Roberts left the meeting at 11:12 a.m. Boardmember Jacob arrived at 11:14 a.m.
2. Approval of Proposed Fiscal Year 2015-16 Budget

Recommendation: It is recommended that the Board of Directors approve the Fiscal Year 2015-2016 Proposed General Operating Budget.

Interim Director Ochenduszko presented this item stating that this proposed budget has been reviewed by the Board of Directors Finance Subcommittee consisting of Chairman Mosier and Boardmembers Diaz, Zito and Lightner. The Finance Subcommittee has directed that this draft budget be brought to the JPA Board of Directors for review and approval. Interim Director Ochenduszko further reported that the format of this budget has changed from previous years. The budget is a balanced budget in the amount of $1,117,542. The budget requires a total member contribution increase of $102,131. Interim Director Ochenduszko addressed the issues regarding proposed revenue and expenditures for the Fiscal Year 2015-2016. He concluded stating that the budget is a balanced budget with no reserve increases or deficits planned. Interim Director Ochenduszko recommended that the Board approve the proposed budget.

Boardmember Zito made the motion to approve the proposed Fiscal Year 2015-2016 Budget. Boardmember Winterer seconded the motion.

Yes votes: Mosier, Jacob, Winterer, Grosch, Zito, Lightner. Absent: Diaz, Kersey, Roberts.

3. Approval of Memorandum of Understanding Between the San Dieguito River Valley Land Conservancy and San Dieguito River Valley Regional Open Space Park Joint Powers Authority Regarding Real Property Sales for Mitigation Credit of Fenton North and Sycamore-Westridge Land

Recommendation: It is recommended that the Board of Directors:

1. Approve the Memorandum of Understanding and authorize the Board Chairperson to sign it on behalf of the JPA; and
2. Direct that any proceeds received from the sale of Fenton North be first allocated as needed to resolve the JPA’s negative cash balance at the County of San Diego (estimated to be less than $200,000), and that the remainder be invested in the County of San Diego Treasury Investment Pool and retained for a future one-time use to be determined as needed at a later date.

Interim Director Ochenduszko reported that The San Dieguito River Valley Conservancy owns the Fenton North property, located in the San Pasqual Valley. The property is approximately 18.5 acres of unmitigated environmental land and could be used for wetlands restoration. The property was acquired for the purpose of wetlands mitigation. The value of the property is estimated at $50,000 per acre. The property, if sold, would raise over $900,000. The Sycamore Westridge Property is in the San Pasqual Valley is upland coastal sage scrub habitat property, approximately 20.5 acres, and will be available for future sale at approximately $33,500 per acre. The San Dieguito River Valley Regional Open Space Park Joint Powers Authority (JPA) owns the Sycamore Westridge Property and if this property is sold the JPA would share the proceeds of this sale with the San Dieguito River Valley Conservancy 50-50, according to this agreement. The term of the Memorandum of Understanding is ten years.
Interim Director Ochenduszko recommends the Board deposit a portion of the funds in the JPA’s account at the County of San Diego to correct the current negative cash balance and deposit the remaining money with the County Treasurer to be retained for a one-time use designated by the Board of Directors. Interim Director Ochenduszko recommends the approval of the Memorandum of Understanding and to direct the Board of Directors to allocate the funds, when received, as mentioned.

Boardmember Lightner made the motion to approve the Memorandum of Understanding between the San Dieguito River Valley Land Conservancy and San Dieguito River Valley Regional Open Space Park Joint Powers Authority regarding real property sales for mitigation credit of Fenton North and Sycamore-Westridge Land and to sequester the balance of funds until a future date. Boardmember Grosch seconded the motion.

Yes votes: Mosier, Jacob, Winterer, Grosch, Zito Lightner. Absent: Diaz, Kersey, Roberts.

4. Approval of Conservation Agreement Purchase Option Agreement

**Recommendation:** It is recommended that the Board of Directors:

I. Approve the Conservation Easement Purchase Option Agreement for Fenton North Property and authorize the Chairperson of the Board to sign it in behalf of the San Dieguito River Park.

Interim Director Ochenduszko introduced the item explaining the option agreement of environmental credits for the Fenton North Property discussed in the previous agenda item. Interim Director Ochenduszko continued to say that this is a six month agreement allowing SDG&E the exclusive right to acquire the environmental credits for the property in the amount of $50,000. The $50,000 fee is irrevocable. The agreement is a three party agreement between San Dieguito River Valley Conservancy, SDG&E and the JPA because SDG&E would like a conservation easement granted by the JPA at a future date. Interim Director Ochenduszko asked the Board of Directors to approve the three party Conservation Purchase Option Agreement authorizing minor modifications that may be necessary, without changing the terms of the agreement. Counsel Brechtel added that the $50,000 option funds would probably stay with the San Dieguito River Valley Conservancy to pay for expenses relating to this agreement.

Boardmember Zito made the motion to approve the Conservation Agreement Purchase Option Agreement. Boardmember Grosch seconded the motion.

Yes votes: Mosier, Jacob, Winterer, Grosch, Zito and Lightner. Absent: Diaz, Kersey, Roberts

Boardmember Lightner left the meeting at 11:36 a.m.
INFORMATION

5. Park Project Status (oral)

a. Lagoon Ranger Station

Shawna Anderson reported that the Lagoon Ranger Station is still in process including site meetings with the California Coastal Commission staff. There is an issue with the placement of the Ranger Station in relation to the future plan for a Nature Center. Ms. Anderson stated that additional details will be brought to Board of Directors meeting in May and that this project will hopefully go to the California Coastal Commission meeting in August.

b. Pamo Valley Trail

Shawna Anderson reported that the Pamo Valley Trail project is in the site development permit process with the City of San Diego. There is an issue of the cultural resources and if mitigation or if adjustments to the trail alignments will be necessary.

c. Other Park Projects

Interim Director Ochenduszko spoke about more projects in the park. Interim Director Ochenduzko thanked Boardmember Jacob and stated that as a result of a connection that Boardember Jacob has, JPA staff met with Mesa Grande tribal leadership and were able to look at a location where a trail could be put in. The JPA staff is proceeding with talking with the tribal leadership regarding a future easement.

Interim Director Ochenduszko stated that because of connection through Trish Boaz from the San Dieguito River Valley Conservancy we have had communications with the Rancho Santa Fe Home Owners Association regarding the extension of a portion of the Coast to Crest Trail through the Rancho Santa Fe area. As a result of this connection and a field visit to the area, the Rancho Santa Fe Homeowners Association approved working with the River Park on an easement to connect the trail at their April 2, 2015 meeting. The location is at the end of the Del Dios Trail in the Santa Fe Valley and eventually will connect to the Lusardi Creek trail.

Interim Director continued to state that it has been confirmed with the Coastal Conservancy that retaining a portion of the existing boardwalk along with the construction of the Coast to Crest Trail along the north side of the South Overflow Lot meet the requirements of the original grant for the boardwalk. The City of Del Mar may be able to use the remaining planks from the boardwalk for the River Path Extension project.

Next month staff will be bringing to the board the proposal to accept a grant for the Watershed Explorers Program to acquire two vans to transport underserved students, ages 8-14, to the program locations. The program was kicked off March 17 and each class is one week long with visits to Volcan Mountain, Lake Sutherland, San Diego Archeological Center, Sikes Historic Farmstead, Lake Hodges and the San Dieguito Lagoon. School credit is given for this class. A grant has been offered by the San Diego Foundation and
the JPA will be applying for a Neighborhood Reinvestment grant through the County of San Diego to purchase two vans for transportation to this program. Also through a grant from Supervisor Jacob roofing and repairs are being made to a house on the Santa Ysabel Reserve that will serve as a research and field station for rangers. A grant has also been received from Americorps, providing ten volunteers to repair the exterior and habitat restoration at this location. The JPA is working with Caltrans on freeway signage that will direct visitors to the San Dieguito River Park from Interstates 5 and 15. Caltrans has been very helpful and has offered to install the signs at their expense. Interim Director Ochenduszko reported that there are plans to work with the 22nd District Agricultural Association regarding retaining the boardwalk until the Coast to Crest trail is completed on the South Overflow Lot. Becky Bartling reported that the plans are to keep the boardwalk up as long as possible.

5. Coordination Reports (oral)

a. San Dieguito River Valley Conservancy

Trish Boaz thanked the Board and the 22nd District Agricultural Association for their efforts to maintain 600’ of boardwalk. The River Path with the City of Del Mar is moving forward. A grant has been received from the San Diego Foundation for $53,500 to purchase one van for the Watershed Explorers Program. It is a match to the potential Neighborhood Reinvestment Grant through Supervisor Jacob’s office at the County of San Diego. The Conservancy has received the “Best of North County” award from San Diego magazine for “Best Outdoorsy Programming”. Ms. Boaz added that several of the “Best Trails” were within the San Dieguito River Park. Ms. Boaz continued by mentioning several upcoming events; Karen Harwell will be speaking on Exploring Our Sense of Place, San Diego International Wine Show at the Del Mar Fairgrounds with $5000 being donated to the Conservancy. Pizza Port in Solana Beach has brewed a Coast to Crest Trail Ale of which $1 per pint will be donated to the Conservancy. An “Almost Full Moon Hike” will be held and lastly she announced the beginning of the eight month Exploring Our Sense of Place program.

b. Friends of the San Dieguito River Valley – No Report

c. Volcan Mountain Preserve Foundation – No Report

d. San Dieguito Lagoon Committee

Terry Kopanski announced the annual Lagoon Day event, Sunday, April 19, at the Powerhouse in Del Mar. At 10:00 a.m. there will be a hike on the boardwalk, Jacqueline Winterer will speak, and from 5:00 pm – 7:00 pm enjoy the sunset at the beach.

6. Jurisdictional Status Reports

Becky Bartling reported that a good compromise was reached with the California Coastal Commission regarding the boardwalk and she personally thanked everyone for their efforts and stated it will be very nice when completed.

7. Communications – None
8. ADJOURN TO CLOSED SESSION at 11:51 a.m.
   
a. Closed Session Pursuant to Government Code Section 54957(B)(1) to Evaluate the Performance of Interim Executive Director

Counsel Brechtel stated that the Board met and there was no reportable action taken during the closed session.

Chair Mosier adjourned the meeting at 12:25 p.m.

These minutes approved by Board Action

Date ___________________________________ Executive Director
DATE: May 15, 2015

TO: JPA Board

FROM: Staff

SUBJECT: Receive and File Third Party Auditor’s Report for Fiscal Year Ending June 30, 2014

RECOMMENDATION:

It is recommended that the Board of Directors receive and file the Audit Report as of June 30, 2014 for the San Dieguito River Valley Open Space Authority prepared by Hosaka, Rotherham & Company.

INFORMATION:

Attached is the Audit Report for Fiscal Year 2013-14. It is provided in draft form as it was awaiting final review by the firm’s principal at the time of the agenda deadline. It is anticipated that it will be provided in final form at the time of the JPA Board Meeting.

The report shows that the JPA operated at a small surplus in its general fund during Fiscal Year 2014 of $76,466. The JPA’s total net position was $47,744,322, which is a decrease of $748,192. The total value of the decrease is the result of depreciation of JPA owned capital improvements. The agency’s unrestricted net position, excluding investments in capital assets was $1,161,565, compared to the unrestricted net position excluding capital assets for the end of Fiscal Year 13 of $861,746, an increase of $299,819.

The audit report shows total general long term debt of $45,426, all of which is attributable to yet unused accumulated compensated leave for employees. The document displays unfunded pension liabilities of $1,163,024, which is being funded by a pension obligation bond and employer and employee contribution rates. A cash flow deficit with the County Treasury of $108,252 is reported, which is about $95,000 less than was identified at the end of FY13. This report also recognizes, in the audit notes, a potential exposure of up to $200,000 pending the resolution of a dispute with the City of San Diego for engineering oversight services associated with the JPA’s construction of the concrete bicycle/pedestrian ramp leading to the Kreutzer Bridge.

Respectfully Submitted,

Mark Ochenduszko
Interim Executive Director

Att: FY14 Draft Audit Report
SAN DIEGUITO RIVER VALLEY
REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY

COUNTY OF SAN DIEGO

ESCONDIDO, CALIFORNIA

AUDIT REPORT

JUNE 30, 2014
SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY

INTRODUCTORY SECTION

JUNE 30, 2014
# SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY

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<td>FINDINGS AND RECOMMENDATIONS SECTION</td>
<td>38</td>
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<td>-------------------------------------------</td>
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</tr>
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<td>Schedule of Audit Findings and Questioned Costs</td>
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<tr>
<td>Summary Schedule of Prior Audit Findings</td>
<td>40</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund of San Dieguito River Valley Regional Open Space Park, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the San Dieguito River Valley Regional Open Space Park’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.
INDEPENDENT AUDITORS’ REPORT
Page 2

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the San Dieguito River Valley Regional Open Space Park, as of June 30, 2014, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on pages 4 through 9 and 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 5, 2015, on our consideration of the San Dieguito River Valley Regional Open Space Park’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering San Dieguito River Valley Regional Open Space Park’s internal control over financial reporting and compliance.

San Diego, California
February 5, 2015
As management of the San Dieguito River Valley Regional Open Space Park Joint Powers Authority (the JPA), we offer readers of the JPA’s financial statements this narrative overview and analysis of the financial activities of the JPA for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the JPA’s basic financial statements, which begin immediately following this analysis. This annual financial report consists of two main parts (1) Management’s Discussion and Analysis and, (2) Basic Financial Statements.

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. GASB No. 34 established financial reporting standards for state and local governments, including cities, villages and special purpose governments.

FINANCIAL HIGHLIGHTS

- The JPA’s ending total net position balance was $47,744,322.
- The change in net position for the year was a decrease of $748,192.
- The JPA had revenues in excess of expenses in the general fund (before Transfers) in the amount of $76,466 in the current year compared to expenses in excess of revenues of $71,602 in the previous year.
- The JPA had no additions to capital assets this year or last year.
- The JPA’s general fund budget for this year showed no excess revenue over expenditures compared to the actual amount of $76,466.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the JPA’s basic financial statements. The JPA’s audit report is comprised of four components: 1) financial statements and notes, 2) supplementary information, 3) reports on compliance and internal control, and 4) findings and recommendations.

Basic financial statements. The basic financial statements include government-wide financial statements and fund statements. The two sets of statements are tied together by Reconciliations showing why they differ.

The JPA as a whole is reported in the government-wide statements and uses accounting methods similar to those used by companies in the private sector.
OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

More detailed information about the JPA’s most significant funds – not the JPA as a whole is provided in the fund financial statements. Funds are accounting devices the JPA uses to keep track of specific sources of funding and spending on particular programs.

The Statement of Net Position, a government-wide statement, presents information on all of the JPA’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the JPA is improving or deteriorating.

The Statement of Activities, a government-wide statement, presents information showing how the JPA’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The Balance Sheet for governmental funds presents financial information by fund types showing money left at year-end available for spending.

The Statement of Revenues, Expenditures and Changes in Fund Balances for all governmental fund types focuses on how money flows into and out of the various funds.

The Notes to the Basic Financial Statements are included to provide more detailed data and explain some of the information in the statements.

The Supplementary Information gives an overview of the operations of the JPA and the governing body and outlines assessed property valuation.

Reports on Compliance and Internal Control encompass the independent auditor’s reports showing compliance with Government Auditing Standards and provides additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The Findings and Recommendations section notes material weaknesses in the system and recommendations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

To begin our analysis, a summary of the JPA’s statement of net position is presented in Table 1 below for the current year and the prior year.
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Net Position (Continued)

Net position may serve over time, as a useful indicator of a government’s financial position. In the case of the JPA, assets exceeded liabilities by $47,744,322 as of June 30, 2014. See Table 1.

The largest portion of the JPA’s Net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress); less any related debt used to acquire those assets that are still outstanding. The JPA uses these capital assets to provide services to its constituents; consequently, these assets are not available for future spending.

The JPA’s financial position is the product of several financial transactions including the net results of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>Condensed Statement of Net position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2014</td>
</tr>
<tr>
<td>Current and other assets</td>
<td>$1,340,494</td>
</tr>
<tr>
<td>Capital assets, net of depreciation</td>
<td>46,582,757</td>
</tr>
<tr>
<td>Total assets</td>
<td>47,923,251</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>133,503</td>
</tr>
<tr>
<td>General long-term debt</td>
<td>45,426</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>178,929</td>
</tr>
<tr>
<td>Net position:</td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>$46,582,757</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>1,161,565</td>
</tr>
<tr>
<td>Total net position</td>
<td>$47,744,322</td>
</tr>
</tbody>
</table>

Statement of Activities

- The JPA’s total revenues for the fiscal year ended June 30, 2014, excluding inter-fund transfers, increased from $1,882,585 to $1,924,267.

- The JPA’s total expenses decreased from $2,796,164 to $2,672,459.
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Activities (Continued)

- The change in net position was a decrease of $748,192.

The following table presents a summary of the Statement of Activities for the fiscal year ended June 30, 2014:

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2014</th>
<th>June 30, 2013</th>
<th>$ Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating grants and contributions</td>
<td>$985,906</td>
<td>$1,126,455</td>
<td>($140,549)</td>
</tr>
<tr>
<td>General revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment - members</td>
<td>819,678</td>
<td>582,530</td>
<td>237,148</td>
</tr>
<tr>
<td>Off track betting (per state legislation)</td>
<td>20,251</td>
<td>25,896</td>
<td>(5,645)</td>
</tr>
<tr>
<td>Investment income</td>
<td>27,347</td>
<td>58,063</td>
<td>(30,716)</td>
</tr>
<tr>
<td>Donations</td>
<td>70,916</td>
<td>56,742</td>
<td>14,174</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>169</td>
<td>32,899</td>
<td>(32,730)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>1,924,267</td>
<td>1,882,585</td>
<td>41,682</td>
</tr>
<tr>
<td>Operations</td>
<td>1,798,799</td>
<td>1,939,596</td>
<td>(140,797)</td>
</tr>
<tr>
<td>General administration</td>
<td>48,246</td>
<td>17,740</td>
<td>30,506</td>
</tr>
<tr>
<td>Unallocated depreciation</td>
<td>825,414</td>
<td>838,828</td>
<td>(13,414)</td>
</tr>
<tr>
<td>Total expenses</td>
<td>2,672,459</td>
<td>2,796,164</td>
<td>(123,705)</td>
</tr>
<tr>
<td>Change in net position</td>
<td>($748,192)</td>
<td>($913,579)</td>
<td>165,387</td>
</tr>
</tbody>
</table>

Significant Changes in Individual Funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>June 30, 2014</th>
<th>June 30, 2013</th>
<th>$ Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$1,206,991</td>
<td>$900,246</td>
<td>$306,745</td>
</tr>
</tbody>
</table>
General Fund Budgetary Highlights

The General fund did not have any Excess of Expenditures over Appropriations (instances where actual amounts exceeded budgeted amounts) in individual categories.

The JPA’s Total Budget for the General Fund for this year showed no excess revenues over expenditures compared to the actual amount of $76,466.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

| Land | 33,927,783 | 33,927,783 | - |
| Improvements of sites | 16,770,671 | 16,770,671 | - |
| Furniture and Equipment | 167,545 | 167,545 | - |
| Total Capital Assets, Net of Depreciation | 46,582,757 | 47,400,489 | (817,732) |

The JPA had no additions to capital assets during the year ended June 30, 2014.

Long-Term Debt

Accumulated unpaid employee vacation benefits are recognized as liabilities of the JPA. The liabilities of $45,426 are recognized in the Liabilities section of the Statement of Net position under Long-Term liabilities. The San Diego Credit Union Note is for a vehicle purchased in 2007 and was fully paid in 2014.

<table>
<thead>
<tr>
<th>June 30, 2014</th>
<th>June 30, 2013</th>
<th>$ Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego Credit Union Note</td>
<td>$</td>
<td>$1,673</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>45,426</td>
<td>36,827</td>
</tr>
<tr>
<td>Total Long-Term Debt</td>
<td>45,426</td>
<td>38,500</td>
</tr>
</tbody>
</table>
FACTORS BEARING ON THE JPA’S FUTURE

The JPA’s Board of Directors and management considered many factors when setting the Fiscal Year 2014 budget. The Board appointed a Budget Committee which met to assess the available working capital, the operating and capital needs of the JPA, the impacts of the State’s fiscal condition on the JPA’s member agencies and on the JPA’s budget.

CONTACTING THE JPA

This financial report is designed to provide our citizens, member agencies, affiliated entities and creditors with a general overview of the JPA’s finances and to demonstrate the JPA’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the San Dieguito River Valley Regional Open Space Park Joint Powers Authority:

Address: 18372 Sycamore Creek Road, Escondido, California 92025.
Telephone: 858 674-2270
Website: www.sdrp.org
The accompanying notes 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, 2014

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Operating Charges for Services</th>
<th>Capital Grants and Contributions</th>
<th>Net (Expenses), Revenues and Changes in Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>$1,798,799</td>
<td>$985,906</td>
<td>$</td>
<td>$(812,893)</td>
</tr>
<tr>
<td>General administration</td>
<td>48,246</td>
<td></td>
<td></td>
<td>(48,246)</td>
</tr>
<tr>
<td>Unallocated depreciation</td>
<td>825,414</td>
<td></td>
<td></td>
<td>(825,414)</td>
</tr>
<tr>
<td><strong>Total governmental activities</strong></td>
<td><strong>$2,672,459</strong></td>
<td><strong>$985,906</strong></td>
<td><strong>$</strong></td>
<td><strong>(1,686,553)</strong></td>
</tr>
</tbody>
</table>

General revenues:

- Assessments - members: $819,678
- Off track betting (per state legislation): $20,251
- Investment income: $27,347
- Donations: $70,916
- Miscellaneous: $169

**Total general revenues:** $938,361

Changes in net position:

- Prior period adjustment: $230,279

**Net position - ending:** $47,744,322

The accompanying notes are an integral part of this statement.
SAN DIEGUITO RIVER VALLEY REGIONAL OPEN
SPACE PARK JOINT POWERS AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014

```
<table>
<thead>
<tr>
<th>General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

ASSETS:
Cash in revolving fund 300$  
Investments 1,032,777  
Accounts receivable 307,417  
Total assets $1,340,494

LIABILITIES AND FUND BALANCE:
Liabilities:
  Accounts payable $25,251  
  Deficit Cash in County Treasury 108,252  
  Total liabilities 133,503

Fund balance:
  Unassigned 1,206,991  
  Total fund balance 1,206,991  

Total liabilities and fund balances $1,340,494

The accompanying notes are an integral part of this statement.

- 12 -
The accompanying notes 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 FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

General Fund

Revenues:
  Assessments - members $ 819,678
  Off track betting - (per state legislation) 20,251
  Contracts and grants 985,906
  Investment income 27,347
  Donations 70,916
  Miscellaneous 169
  Total revenues 1,924,267

Expenditures:
  Salaries and benefits 971,842
  Auto and travel expense 12,976
  Professional and contracted services 786,527
  Miscellaneous expenses 643
  Non-capitalized expenses 49,002
  Operating expenses 26,811
  Total expenditures 1,847,801

Other Financing Sources (Uses)
  Transfers In 154,840
  Transfers Out (154,840)
  Total Other Financing Sources (Uses) -

Net change in fund balance 76,466

Fund Balance - beginning 900,246
Prior period adjustment 230,279
Fund balance - ending $ 1,206,991

The accompanying notes are an integral part of this statement.
SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds $ 76,466

Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:
   The depreciation of capital assets used in governmental activities is not reported in the funds. (825,414)
   Adjustment to prior year depreciation used in governmental activities is not reported in the funds. 7,682
   Compensated Absences are reported as the amount earned in the SOA but as the amount paid in the funds. (8,599)
   Other adjustments 1,673

Change in net position of governmental activities - statement of activities $ (748,192)

The accompanying notes are an integral part of this statement.
A. Organization

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 Powers Agreement, the JPA’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:

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

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

3. Chairperson of the San Dieguito Citizens Advisory Committee.

B. Summary of Significant Accounting Policies

The accounting policies of the JPA conform to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

1. Reporting Entity

The JPA’s combined financial statements include the accounts of all its operations. The JPA evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the JPA’s reporting entity, as set forth in GASB Statement No. 14, “The Financial Reporting Entity,” as amended by GASB Statement No. 39 “Determining Whether Certain Organizations are Component Units”, include whether:
B. Summary of Significant Accounting Policies (Continued)

- the organization is legally separate (can sue and be sued in its name)
- the JPA holds the corporate powers of the organization
- the JPA appoints a voting majority of the organization’s board
- the JPA is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the JPA
- there is fiscal dependency by the organization on the JPA
- it would be misleading or cause the financial statements to be incomplete to exclude another organization

Based on these criteria, the JPA has no component units. Additionally, the JPA is not a component unit of any other reporting entity as defined by the GASB statement.

2. Implementation of New Accounting Pronouncements

For the fiscal year ended June 30, 2014, the JPA was required to adopt GASB Statement No. 63 (GASB 63), Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The objective of this Statement is to provide guidance to include two new classifications separate from assets and liabilities. Amounts reported as deferred outflows of resources are required to be reported in a Statement of Net Position in a separate section following assets. Similarly, amounts reported as deferred inflows of resources are required to be reported in a Statement of Net Position in a separate section following liabilities. In addition, the totals of these two new classifications should be added to the total for assets and liabilities, respectively.

Another change to financial reporting will include new definitions and calculations of former net asset classifications—invested in capital assets, net of related debt, restricted and unrestricted. Invested in capital assets, net of related debt will be titled “Net Investment in Capital Assets.” The title of the other two classifications will remain the same. The calculations used in arriving at the balances of the classifications will be similar to what they were before, but each will include the new components of deferred outflow and deferred inflow of resources consistent with the placement of assets and liabilities, respectively.

The JPA did not have any deferred inflows or outflows of resources at June 30, 2014. The adoption of this pronouncement resulted in a retroactive change in the term “net assets” being changed to “net position” throughout the financial statements.

3. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the JPA. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-Type activities are financed in whole or in part by fees charged to external parties.
B. Summary of Significant Accounting Policies (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the JPA's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The JPA does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the JPA's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major government funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The JPA reports the following major governmental fund:

General Fund. This is the JPA's primary operating fund. It accounts for all financial resources of the JPA except those required to be accounted for in another fund.

Non-Major Governmental Funds:

The JPA does not have any Non-Major Governmental Funds.

b. Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the JPA gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Government Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The JPA does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.
B. Summary of Significant Accounting Policies (Continued)

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the JPA incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the JPA’s policy to use restricted resources first, then unrestricted resources.

Under GASB Statement No. 20, “Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Propriety Fund Accounting,” all proprietary funds will continue to follow Financial Accounting Standards Board (FASB) standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The JPA has chosen to apply future FASB standards.

4. 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 as of June 30.

5. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the JPA’s Board of Directors must adopt a final budget no later than July 1.

These budgets are revised by the JPA’s Board of Directors and JPA executive director during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was used as a management control device during the year for all budgeted funds. The JPA employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object code. All appropriations lapse at year end.

6. Assets, Liabilities, and Equity

a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to $250,000 by the Federal Deposit Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.
B. Summary of Significant Accounting Policies (Continued)

The JPA maintains substantially all its cash in the San Diego County Treasury. The county pools these funds with those of other JPAs in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with San Diego County Treasury indicates the amount was less than 1% for the year ended June 30, 2014.

b. Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchase method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not “available for appropriation and expenditure” even though they are a component of net current assets.

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets’ lives are not capitalized. A capitalization threshold of $5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Estimated Useful Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>25-50</td>
</tr>
<tr>
<td>Improvements of Sites</td>
<td>7-25</td>
</tr>
<tr>
<td>Equipment</td>
<td>5-20</td>
</tr>
</tbody>
</table>
B. Summary of Significant Accounting Policies (Continued)

d. **Compensated Absences**

Accumulated unpaid employee vacation benefits are recognized as long-term liabilities of the JPA.

Accumulated sick leave benefits are not recognized as liabilities of the JPA. The JPA’s policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable.

e. **Deferred Revenue**

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Deferred revenue is recorded to the extent cash received, on specific projects and programs, exceeds qualified expenditures.

f. **Fund Balance Reserves and Designations**

The JPA has adopted GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balances categories listed below:

- **Nonspendable**, such as fund balance associated with revolving funds, inventories, prepaids, long-term loans and notes receivable, and property held for resale.
- **Restricted** fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- **Committed** fund balance classification includes amounts that can be used for the specific purposes determined by a formal action of the Board of Directors.
- **Assigned** fund balance classification are intended to be used by the entity for specific purposes, but do not meet the criteria to be classified as restricted or committed.
- **Unassigned** fund balance is the residual classification for the entity’s general fund and includes all spendable amounts not contained in the other classification.

When the JPA incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the JPA’s policy to use restricted resources first, then unrestricted resources.

When the JPA incurs an expenditure or expense for which committed, assigned, or unassigned amounts may be used, it is the JPA’s policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts.
B. Summary of Significant Accounting Policies (Continued)

g. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

h. Classification of Items

Certain items may have been classified differently from one year to another.

C. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, “Certain Financial Statement Note Disclosures,” violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<table>
<thead>
<tr>
<th>Violation</th>
<th>Action Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>None Reported</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Deficit Amount</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>None Reported</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

D. Cash and Investments

1. Cash in County Treasury:

The JPA maintains substantially all of its cash in the San Diego County Treasury as part of the common investment pool ($108,252 as of June 30, 2014). This deficit balance is listed as a liability in the accompanying financial statements.

2. Cash on Hand, in Banks, and in Revolving Fund

Cash balances on hand and in banks ($0 as of June 30, 2014) and in the revolving fund ($300 as of June 30, 2014) are insured up to $250,000 by the Federal Deposit Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

3. Analysis of Specific Deposits and Investments

Cash and Investments as of June 30, 2014, are classified in the accompanying financial statements as follows:
D. Cash and Investments (Continued)

Statement of Net Position:

<table>
<thead>
<tr>
<th>Credit</th>
<th>Quality Rating</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in county treasury (deficit)</td>
<td>Not Rated</td>
<td>$(108,252)</td>
</tr>
<tr>
<td>Cash in revolving fund</td>
<td>Not Applicable</td>
<td>300</td>
</tr>
<tr>
<td>Investments</td>
<td>Not Applicable</td>
<td>1,032,777</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$ 924,825</td>
</tr>
</tbody>
</table>

Cash and Investments as of June 30, 2014, consist of the following:

| Cash in county treasury (deficit) | $(108,252)   |
| Deposits with financial institutions | 1,033,077    |
| Total                               | $ 924,825    |

Investments Authorized by the JPA’s Investment Policy

The JPA’s Board of Directors established an internally managed investment account at Fidelity Brokerage Services with two funds, a growth fund for long term reinvestment and a non-wasting income fund for land management purposes. At June 30, 2014, the principal balance of the JPA’s Fidelity ETF combined fund was $1,032,777.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investment policy of the JPA contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code, which is investments in any one issuer (other than U.S. Treasury Securities, mutual funds, and external investment pools) that represent 5% or more of total JPA investments.
Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the JPA’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools.

Investment Accounting Policy

The JPA is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The JPA’s general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earnings investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value.

The term “short-term” refers to investments which have a remaining term of one year or less at time of purchase. The term “nonparticipating” means that the investment’s value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The JPA’s investments in external investment pools are reported at an amount determined by the fair value per share of the pool’s underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940.
E. Accounts Receivable

Accounts Receivable as of June 30, 2014, consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracts and grants</td>
<td>$ 220,017</td>
</tr>
<tr>
<td>Assessments - members</td>
<td>87,400</td>
</tr>
<tr>
<td><strong>Total accounts receivable</strong></td>
<td><strong>$ 307,417</strong></td>
</tr>
</tbody>
</table>

F. Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balances</th>
<th>Additions</th>
<th>Deletions</th>
<th>Ending Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets, not being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$33,927,783</td>
<td>-</td>
<td>-</td>
<td>$33,927,783</td>
</tr>
<tr>
<td>Total capital assets, not being depreciated</td>
<td>33,927,783</td>
<td>-</td>
<td>-</td>
<td>33,927,783</td>
</tr>
<tr>
<td>Capital assets, being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvement of sites</td>
<td>16,770,671</td>
<td>-</td>
<td>-</td>
<td>16,770,671</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>167,545</td>
<td>-</td>
<td>-</td>
<td>167,545</td>
</tr>
<tr>
<td>Total capital assets, being depreciated</td>
<td>16,938,216</td>
<td>-</td>
<td>-</td>
<td>16,938,216</td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvement of sites</td>
<td>(3,320,666)</td>
<td>(810,386)</td>
<td>-</td>
<td>(4,131,052)</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>(144,844)</td>
<td>(15,028)</td>
<td>-</td>
<td>(159,872)</td>
</tr>
<tr>
<td>Prior Year Depreciation Adjustment</td>
<td>7,682</td>
<td></td>
<td></td>
<td>7,682</td>
</tr>
<tr>
<td>Total accumulated Depreciation</td>
<td>(3,457,828)</td>
<td>(825,414)</td>
<td>-</td>
<td>(4,283,242)</td>
</tr>
<tr>
<td>Total capital assets, being depreciated, net</td>
<td>13,480,388</td>
<td>(825,414)</td>
<td>-</td>
<td>12,654,974</td>
</tr>
<tr>
<td>Capital assets, net of depreciation</td>
<td>$47,408,171</td>
<td>(825,414)</td>
<td>-</td>
<td>$46,582,757</td>
</tr>
</tbody>
</table>

Depreciation was charged to functions as follows:

| Unallocated depreciation | $ 825,414 |
G. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2014, are as follows:

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Beginning Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Ending Balance</th>
<th>Amounts Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego Credit Union Note</td>
<td>$1,673</td>
<td></td>
<td>($1,673)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Compensated Absences*</td>
<td>36,827</td>
<td>8,599</td>
<td></td>
<td>45,426</td>
<td></td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td>$38,500</td>
<td>$8,599</td>
<td>($1,673)</td>
<td>$45,426</td>
<td></td>
</tr>
</tbody>
</table>

* Because of the nature of compensated absences and uncertainty over when vacations will be taken, a statement of debt service requirements to maturity for compensated absences has not been presented.

2. San Diego Credit Union Note

On November 7, 2007, the JPA took out a note from San Diego Credit Union in the amount of $23,607. This note is secured by a 2008 Toyota Tacoma Truck. This note calls for 72 monthly principal payments of $482 with interest at 5.99%. The note matured in September 2013 and was fully paid.

H. Operating Leases

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></th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$3,938</td>
</tr>
<tr>
<td>2016</td>
<td>3,938</td>
</tr>
<tr>
<td>2017</td>
<td>3,938</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$11,814</strong></td>
</tr>
</tbody>
</table>

The JPA will receive no sublease rental revenues nor pay any contingent rentals associated with these leases. Total lease payments for the year ended June 30, 2014, was $3,722.
I. Employee Retirement Systems

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 5.91% to 14.45% based on the age at the time of entry. The JPA is required to contribute at an actuarially determined rate; the current rate is 21.49%.

According to the most recently available Actuarial Valuation Report for the Safety and General Plans, for the year ended June 30, 2014, the JPA had total employer contributions of $240,221 which accounted for approximately 0.073% of the entire SDCERA general plan contributions of $328,640,073. The JPA’s unfunded pension obligation as of June 30, 2014 is $1,163,024.

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 Special JPA Risk Management Authority.

J. Litigation, Claims and Assessments

The City of San Diego is seeking recovery of funds for what it contends are unpaid fees for resident engineer services provided in 2010. The JPA continues to dispute the fees sought by the City of San Diego. As of this time, the evaluation of the likelihood of an unfavorable outcome is difficult to assess, but should the JPA be involved in a loss, the range of the potential loss is up to $200,000.
K. **Endowment Funds**

At June 30, 2014, 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, 2014, 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, 2014, was $60,351.

2. Rancho Santa Fe Foundation – Agreement dated July 27, 2004. The purpose of the fund is to maintain and preserve certain parcels on Bernardo Mountain. The balance of the fund at June 30, 2014, was $218,446.

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, 2014, was $682,681.

4. San Diego Community Foundation - Agreement dated May 7, 1997. The purpose of the fund is to support the operations and programs of the San Dieguito River Park. The balance of the fund at June 30, 2014, was $648,835.

L. **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.

M. **Commitments and Contingencies**

State and Federal Allowances, Awards, and Grants

The JPA has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grant, management believes that any required reimbursement will not be material.

N. **Subsequent event**

The JPA’s management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through February 5, 2015, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.
## SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY
### BUDGETARY COMPARISON SCHEDULE
#### GENERAL FUND
##### FOR THE YEAR ENDED JUNE 30, 2014

### Variance with Final Budget

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th></th>
<th></th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Actual</td>
<td>Positive (Negative)</td>
</tr>
</tbody>
</table>

### Revenues:

<table>
<thead>
<tr>
<th>Source</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessments - members</td>
<td>$819,679</td>
<td>$819,679</td>
<td>$819,678</td>
<td>$1</td>
</tr>
<tr>
<td>Off track betting (per state legislation)</td>
<td>25,000</td>
<td>25,000</td>
<td>20,251</td>
<td>(4,749)</td>
</tr>
<tr>
<td>Contracts and grants</td>
<td>741,600</td>
<td>741,600</td>
<td>985,906</td>
<td>244,306</td>
</tr>
<tr>
<td>Investment income</td>
<td>-</td>
<td>-</td>
<td>27,347</td>
<td>27,347</td>
</tr>
<tr>
<td>Donations</td>
<td>3,125</td>
<td>3,125</td>
<td>70,916</td>
<td>67,791</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,200</td>
<td>1,200</td>
<td>169</td>
<td>(1,031)</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>1,590,604</td>
<td>1,590,604</td>
<td>1,924,267</td>
<td>333,663</td>
</tr>
</tbody>
</table>

### Expenditures:

<table>
<thead>
<tr>
<th>Category</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and benefits</td>
<td>963,275</td>
<td>963,275</td>
<td>971,842</td>
<td>(8,567)</td>
</tr>
<tr>
<td>Auto and travel expense</td>
<td>26,055</td>
<td>26,055</td>
<td>12,976</td>
<td>13,079</td>
</tr>
<tr>
<td>Professional and contracted services</td>
<td>147,970</td>
<td>147,970</td>
<td>786,527</td>
<td>(638,557)</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>54,923</td>
<td>54,923</td>
<td>76,456</td>
<td>(21,533)</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>1,192,223</td>
<td>1,192,223</td>
<td>1,847,801</td>
<td>(655,578)</td>
</tr>
</tbody>
</table>

### Excess (deficiency) of revenues over (under) expenditures

| Excess (deficiency) of revenues over (under) expenditures | 398,381 | 398,381 | 76,466 | (321,915) |

### Net change in fund balance

| Net change in fund balance | 398,381 | 398,381 | 76,466 | (321,915) |

### Fund balance - beginning

| Fund balance - beginning | 900,246 | 900,246 | 900,246 | -            |

### Fund balance - ending

| Fund balance - ending | $1,298,627 | $1,298,627 | $1,206,991 | $91,636 |
SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY

OTHER SUPPLEMENTARY INFORMATION SECTION

JUNE 30, 2014
The Board of Directors for the year ended June 30, 2014, was comprised of the following members:

<table>
<thead>
<tr>
<th>Name</th>
<th>Office</th>
<th>Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dave Roberts</td>
<td>Chair</td>
<td>County of San Diego</td>
</tr>
<tr>
<td>Don Mosier</td>
<td>Vice-Chair</td>
<td>Del Mar City Council</td>
</tr>
<tr>
<td>Jim Cunningham</td>
<td>Member</td>
<td>Poway City Council</td>
</tr>
<tr>
<td>Dave Zito</td>
<td>Member</td>
<td>Solana Beach City Council</td>
</tr>
<tr>
<td>Olga Diaz</td>
<td>Member</td>
<td>Escondido City Council</td>
</tr>
<tr>
<td>Dianne Jacob</td>
<td>Member</td>
<td>County of San Diego</td>
</tr>
<tr>
<td>Sherri Lightner</td>
<td>Member</td>
<td>San Diego City Council</td>
</tr>
<tr>
<td>Mark Kersey</td>
<td>Member</td>
<td>San Diego City Council</td>
</tr>
<tr>
<td>Tom Golich</td>
<td>Member</td>
<td>Citizens Advisory Committee</td>
</tr>
</tbody>
</table>

Administration

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dick Bobertz</td>
<td>Executive Director</td>
</tr>
</tbody>
</table>
SAN DIEGUITO RIVER VALLEY
REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY

OTHER INDEPENDENT AUDITORS' REPORTS SECTION

JUNE 30, 2014
INDEPENDENT AUDITORS’ 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, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund of San Dieguito River Valley Regional Open Space Park, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise San Dieguito River Valley Regional Open Space Park's basic financial statements, and have issued our report thereon dated February 5, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered San Dieguito River Valley Regional Open Space Park's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of San Dieguito River Valley Regional Open Space Park's internal control. Accordingly, we do not express an opinion on the effectiveness of San Dieguito River Valley Regional Open Space Park's internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether San Dieguito River Valley Regional Open Space Park’s financial statements are free from 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 statement 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.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Diego, California
February 5, 2015
SAN DIEGUITO RIVER VALLEY
REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY

FINDINGS AND RECOMMENDATIONS SECTION

JUNE 30, 2014
SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

A. Summary of Auditors’ Results

1. Financial Statements

Type of auditors’ report issued: ___________ Unqualified

Internal control over financial reporting:

One or more material weaknesses identified? _____ Yes  X  No

One or more significant deficiencies identified that are not considered to be material weaknesses? _____ Yes  X  None Reported

Noncompliance material to financial statements noted? _____ Yes  X  No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? ___________ N/A

One or more significant deficiencies identified that are not considered to be material weaknesses? ___________ N/A

Type of auditors’ report issued on compliance for major programs: ___________ N/A

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133? ___________ N/A

Identification of major programs:

<table>
<thead>
<tr>
<th>CFDA Number(s)</th>
<th>Name of Federal Program or Cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Applicable</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

Dollar threshold used to distinguish between type A and type B programs: ___________ $300,000

Audittee qualified as low-risk auditee? ___________ N/A

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None
### Summary Schedule of Prior Audit Findings

**San Diego River Valley Regional Open Space Park Joint Powers Authority**

**Summary Schedule of Prior Audit Findings**

**For the Year Ended June 30, 2014**

<table>
<thead>
<tr>
<th>Finding/Recommendation</th>
<th>Current Status</th>
<th>Management's Explanation If Not Implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
TO: JPA Board

FROM: Staff

SUBJECT: Approval of Grants for Passenger Vans for the Watershed Explorer Program

RECOMMENDATION:

Approve the purchase of two 15-person vans for the Watershed Explorer Program.

A. Background

The San Dieguito River Park JPA, San Dieguito River Valley Conservancy, Volcan Mountain Foundation and San Diego Archeological Center are partnering on a program called the "Watershed Explorers Program." The program provides an opportunity for under-served students, ages 8-14 to get outdoors and learn what a watershed is and why its health is important for preserving wildlife and plants, supplying water and keeping water clean. As they experience the outdoors, traveling from Volcan Mountain 55 miles west to the San Dieguito Lagoon, students develop a "sense of place" and appreciation for the environment. The program was developed in 2014.

Over the course of one week, students visit different areas with diverse wildlife and habitat types and focus on different themes within the watershed, starting at the headwaters on Volcan Mountain then heading west to Lake Sutherland, the San Diego Archaeological Center, Sikes Adobe Historic Farmstead/Lake Hodges and finally, the Birdwing Open Air Classroom at the San Dieguito Lagoon. The main impediment to "opening the outdoors" to many students, is the cost of transportation. Due to budget cuts, most schools cannot afford transportation costs, especially a program that travels the length of the entire watershed. The program needs two 15-passenger vans to transport students from under-served areas throughout San Diego County to five destinations in the San Dieguito watershed. The two vans would enable a class of 30 students could participate at the same time. The purchase of the vans will ensure the programs long-term success. The first group of students were hosted from March 23rd through the 27th with 25 high school freshmen from High Tech High in Vista. The launch was a huge success, the only problems encountered were related to transportation.

Recently, a grant was awarded to San Dieguito River Valley Conservancy from The San Diego Foundation for the purchase of one van in the amount of $53,500 for the...
Watershed Explorer Program. The San Dieguito River Valley Conservancy will transfer the funds to the JPA to purchase, own, maintain and operate the vans for the Watershed Explorer Program. The vans will be stored at the JPA main office in Escondido. The other partners will assist with educational programming, acquiring additional grant funding and driving the students. When the vans are not in use for the Watershed Explorer Program, they may be available for use for other educational programs by partner organizations.

An opportunity exists for the JPA to submit a request for a Neighborhood Reinvestment Program grant of $53,500 through County Supervisor, Dianne Jacob to acquire another van. A private donor, who wishes to remain anonymous, has pledged to grant $1000 for gas. This program will be sustained through additional educational related grants. Staff assigned to the Watershed Explorer Program will obtain the necessary driver’s license to operate the vans. Drivers for partner organizations will also need to have a proper driver’s license.

B. Recommendations

1. Adopt Resolution R15-2 authorizing the Interim Executive Director to apply for and accept a County of San Diego Neighborhood Reinvestment Grant for $53,500 to purchase a van to be owned and maintained by the JPA.

2. Authorize staff to accept the $53,500 from the San Dieguito River Valley Conservancy to purchase and own a van for the Watershed Explorers Program.

Respectfully submitted,

Leana Bulay
Interpretive Ranger

Attachment: Resolution R15-2
RESOLUTION NO. R15-2
RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY

WHEREAS, the County of San Diego Neighborhood Reinvestment Program provides funding for non-profit organizations and public agencies for certain specified purposes; and

WHEREAS, the San Dieguito River Valley Regional Open Space Park Joint Powers Authority wants to file an application with County of San Diego for Neighborhood Reinvestment Program funding,

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the San Dieguito River Valley Regional Open Space Park Joint Powers Authority

1. Confirms that the San Dieguito River Valley Regional Open Space Park Joint Powers Authority is a public agency under the laws of the State of California;

2. Approves the filing of an application with the County of San Diego for Neighborhood Reinvestment Program funding during the County’s 2014-2015 Fiscal Year; and

3. Authorizes the person listed below to sign a grant agreement with the County of San Diego for Neighborhood Reinvestment Program funds for the 2014-2015 Fiscal Year.

Print Name: Mark Ochenduszko Signature: ___________________________
Title: Interim Executive Director

Adopted on the 15th day of May, 2015

___________________________________
Don Mosier, Chair
The undersigned hereby certify that the foregoing Resolution Number R15-2 was duly adopted by the Board of Directors on May 15, 2015, following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

______________________________________
Don Mosier, Chair

______________________________________
ATTEST: Brenda Miller, Clerk
TO: JPA Board

FROM: Staff

SUBJECT: Update Re Lagoon Ranger Station Design/Location

SITUATION:

In September 2013, your Board authorized staff to proceed with designing and obtaining permit approvals to construct a ranger station at the San Dieguito Lagoon east of I-5 at San Andres just south of Via de la Valle on property owned by the JPA known as DS32. JPA staff has reported at past meetings on its status. The City Substantial Conformance Review was approved on September 10, 2014 and JPA staff submitted a coastal development permit application to the Coastal Commission office on September 30, 2014. JPA staff has been responding to requests for additional project information. No substantive issues have been raised by the Coastal staff regarding the ranger station design. However, initially reported in June 2014, Coastal staff has raised concerns regarding the location of the ranger station relative to the future location of a nature interpretive center. Although not proposed by the JPA at this time, the nature interpretive center and its future placement in relation to the ranger station has become an issue with the deed restriction for the project site.

The open space deed restriction placed on the 32-acre subject property (per Coastal Commission action in 1998) allows limited development only “in the northwestern six acres of the site”. The rest of the site is to remain as open space including wetland restoration, the disposal of materials from that restoration (known as DS32), and a trail. The Coastal Commission approved a deed restriction amendment in 2013, as requested by the JPA, to also allow construction of the “Birdwing” amphitheater.

Consistent with the property deed restriction, the JPA’s San Dieguito River Park Master Plan for the Coastal Area (2000) and the Final EIR/EIS approved for the San Dieguito Wetland Restoration Project both identify an interpretive center (including a park maintenance building, aka “ranger station”) in the corner of the restoration disposal site. However, in 2010 the JPA hired an architecture team to prepare a conceptual design study for the future interpretive center. The study proposed a location further east on the property adjacent to the now existing Birdwing. Feedback from Coastal staff on that proposal has been negative because they view that location as inconsistent with the deed restriction and original intent of the open space protections placed on the entire site in 1998. Such a proposal would require an amendment to the deed restriction. Because of these concerns, the Coastal staff has not supported approval of the ranger station without understanding its impact on the future of the interpretive center location. In other words, there is not support from local Coastal staff to approve the ranger station in the northwestern corner of the site without assurances that its location would not preclude the possibility of later adding an interpretive center in that same area consistent with the deed restriction.
In response to this concern, the JPA’s architect adjusted the ranger station orientation slightly to allow for potential expansion of an interpretive center in the future and prepared a conceptual drawing of an expansion scenario (Attachments 1 and 2). The architect has advised the JPA staff that there is sufficient room adjacent to the ranger station to accommodate an interpretive center and such an expansion would not harm the integrity of either use and has many advantages over locating the center further east on the site. The expansion plan is conceptual only and other feasible expansion possibilities likely exist. With approval of the ranger station, the JPA would not be committed in any way to proceed with such an expansion nor would it preclude the JPA from pursuing another interpretive center location in the future.

Because the ranger station design is nearly identical to that presented to your Board in 2014, no JPA action is requested at this time to proceed with the coastal permit process. Once a coastal permit for the ranger station is approved (now anticipated for the June Commission hearing), we would proceed with preparing construction plans and obtaining a building permit as previously authorized.

**FISCAL IMPACT**

The cost for consulting services and permits were authorized to be paid out of an annual payment from Southern California Edison to the JPA for ranger services associated with the lagoon restoration project.

**CAC RECOMMENDATION:**

The CAC voted unanimously at their meeting on June 6, 2014 to recommend support for proceeding with the design plans as presented, and to consider incorporating solar panels into the design. JPA staff has regularly reported the status of the ranger station project at CAC meetings.

Respectfully submitted,

Shawna Anderson  
Principal Environmental Planner

Attachments:
1. Ranger Station site plan  
2. Conceptual Expansion Scenario
current instead of dispersal...

...concentration

1. box

...concentration

2. line