



401 B Street, Suite 800  
 San Diego, CA 92101-4231  
 (619) 699-1900  
 Fax (619) 699-1905  
 www.sandag.org

# MEETING NOTICE AND AGENDA

## ENVIRONMENTAL MITIGATION PROGRAM WORKING GROUP

The Environmental Mitigation Program Working Group may take action on any item appearing on this agenda.

February 10, 2009

1 to 3 p.m.

SANDAG, 7th Floor Conference Room  
 401 B Street, Suite 800  
 San Diego, CA 92101-4231

Staff Contact: Keith Greer  
 (619) 699-7390  
 kgr@sandag.org

### AGENDA HIGHLIGHTS

- NATURE RESERVE OF ORANGE COUNTY - STRUCTURE, OPERATIONS, AND COORDINATION
- REFINING ROLES OF MANAGEMENT AND MONITORING COORDINATORS
- REGIONAL HABITAT CONSERVATION FUNDING RECOMMENDATIONS

*SANDAG offices are accessible by public transit.  
 Phone 1-800-COMMUTE or see www.sdcommute.com for route information.*

*In compliance with the Americans with Disabilities Act (ADA), SANDAG will accommodate persons who require assistance in order to participate in SANDAG meetings. If such assistance is required, please contact SANDAG at (619) 699-1900 at least 72 hours in advance of the meeting.*

*To request this document or related reports in an alternative format, please call (619) 699-1900, (619) 699-1904 (TTY), or fax (619) 699-1905.*

#### MEMBER AGENCIES

Cities of  
 Carlsbad  
 Chula Vista  
 Coronado  
 Del Mar  
 El Cajon  
 Encinitas  
 Escondido  
 Imperial Beach  
 La Mesa  
 Lemon Grove  
 National City  
 Oceanside  
 Poway  
 San Diego  
 San Marcos  
 Santee  
 Solana Beach  
 Vista  
 and  
 County of San Diego

#### ADVISORY MEMBERS

Imperial County  
 California Department  
 of Transportation  
 Metropolitan  
 Transit System  
 North County  
 Transit District  
 United States  
 Department of Defense  
 San Diego  
 Unified Port District  
 San Diego County  
 Water Authority  
 Southern California  
 Tribal Chairmen's Association  
 Mexico

# ENVIRONMENTAL MITIGATION PROGRAM WORKING GROUP

February 10, 2009

<b>ITEM #</b>		<b>RECOMMENDATION</b>
1.	WELCOME AND INTRODUCTIONS (Chair, Mayor Pro Tem Carrie Downey, City of Coronado)	
+2.	SUMMARY OF NOVEMBER 13, 2008, MEETING  Review and approve the meeting summary of November 13, 2008.	APPROVE
3.	PUBLIC COMMENTS AND COMMUNICATIONS  Members of the public will have the opportunity to address the Environmental Mitigation Program Working Group (EMPWG) on any issue within the jurisdiction of the Working Group. Speakers are limited to three minutes each.	COMMENT
4.	REQUEST FOR LETTERS OF INTEREST REGARDING WETLAND MITIGATION PARTERSHIPS (Keith Greer, SANDAG)  SANDAG will be soliciting letters of interest from individuals and organizations interested in helping to develop solutions for regional and local transportation wetland mitigation needs under the <i>TransNet</i> Environmental Mitigation Program. Mr. Greer will inform the group of this effort to broaden the outreach efforts for wetland creation opportunities.	INFORMATION
+5.	NATURE RESERVE OF ORANGE COUNTY - STRUCTURE, OPERATIONS, AND COORDINATION (Lyndine McAfee, Executive Director)  The Nature Reserve of Orange County (NROC) is a 501(c)(3) non-profit corporation that manages the NCCP/HCP for the Central and Coastal Subregion of Orange County. The Executive Director, Lyn McAfee, will present information on how NROC was formed, its governance structure, coordination efforts, and its operations to manage the 37,000-acre reserve system.	INFORMATION
+6.	REFINING THE ROLES OF THE MANAGEMENT AND MONITORING COORDINATORS (Ron Rempel)  The SANDAG Board of Directors has approved hiring management and monitoring coordinators to assist with the regional habitat preserve efforts. On November 13, 2008, Mr. Ron Rempel presented a draft of those duties during a public workshop. Mr. Rempel has refined these duties and will seek input from the Working Group.	DISCUSSION

<b>ITEM #</b>	<b>RECOMMENDATION</b>
---------------	-----------------------

+7.	REGIONAL HABITAT CONSERVATION FUNDING: RECOMMENDATIONS OF THE AD HOC SUBCOMMITTEE (Thomas Oberbauer, Vice Chair; Keith Greer, SANDAG))	DISCUSSION/ POSSIBLE ACTION
-----	--	--------------------------------

A request was made to the EMP Working Group at its September 9, 2008, meeting to review the range of options for the habitat conservation component of a potential regional funding measure. The Working Group discussed a series of recommendations at its November 13, 2008, meeting and acted on four of the six policy recommendations. The Working Group will be asked to discuss and take possible action on the remaining two recommendations.

8.	NEXT MEETING DATE AND ADJOURN	INFORMATION
----	-------------------------------	-------------

The next meeting of the EMP Working Group will be on March 10, 2009.

Tentative topics to be discussed are the recommendations for the development of a regional management and monitoring entity, recommendations from the subcommittee on FY 2009 Land Management Grants, and format of the first annual report on progress of the Environmental Mitigation Program.

+ next to an item indicates an attachment

**San Diego Association of Governments**  
**ENVIRONMENTAL MITIGATION PROGRAM**  
**WORKING GROUP**

February 10, 2009

AGENDA ITEM NO.: **2**

**Action Requested: APPROVE**

SUMMARY OF NOVEMBER 13, 2008, MEETING

File Number 3002700

**Members in Attendance:**

Hon. Carrie Downey, (Chair), City of Coronado  
Bruce April, Caltrans  
Michael Beck, Endangered Habitats League  
Jim Whalen, Alliance for Habitat Conservation  
Michael Beck, Endangered Habitats League  
Catherine Caldwell, (Alternate) Wildlife Conservation Board  
Robert Fisher, USGS  
Jeanne Krosch, City of San Diego  
Patrick Murphy, (Alternate) City of Carlsbad, North County Coastal  
David Mayer, California Department of Fish and Game  
Mary Small, California Coastal Conservancy  
Kathy Viatella, the Nature Conservancy  
Marisa Lundstedt, City of Chula Vista, South County  
Clark Winchell, (Alternate) U.S. Fish and Wildlife Service  
Emily Young, The San Diego Foundation

**SANDAG Staff in Attendance:**

Rob Rundle  
Keith Greer  
Sue Carnevale  
Grace Chung

**Others in Attendance:**

Scott Grimes  
Jerre Stallcup, CBI  
Patricia Gordon-Reedy, CBI  
Esther Daigneault, County of San Diego  
Andrea Bitterling, Helix Environmental  
Molly Leuttgerodt, County of San Diego  
Rick Alexander, Sweetwater Water District  
Diane Coombs  
Lee Shenk  
Paul Bingham

Junko Hoshi, California Department of Fish and Game  
Jennifer Hogan, California Department of Fish and Game  
Brenda Johnson, California Department of Fish and Game  
Patrick Atchison, TAIC  
Libby Lucas, California Department of Fish and Game  
Jeff Lincer, WRI  
Anne Fege, San Diego Natural History Museum  
Ron Rempel  
Jason Giessow  
Joyce Schlachter, BLM  
Rod Dossey  
Steve Newton-Reed, California Department of Fish and Game  
Ken Devore, County of San Diego, Parks and Recreation  
Megan Hamilton, County of San Diego  
Shea O'Keefe

### **1. Welcome and Introductions**

Chair Hon. Carrie Downey, City of Coronado, called the meeting to order at 1:02 p.m, and welcomed the group.

### **2. September 9 Meeting Summary**

Ms. Downey asked the Working Group if there were any corrections to the meeting minutes. There were none. A motion was raised by Michael Beck, Endangered Habitat League, and then seconded by Bruce April to approve the meeting summary. The motion carried without opposition.

### **3. Public Comments and Communications**

Members of the public had the opportunity to address the Environmental Mitigation Program Working Group (EMPWG) on any issue within the jurisdiction of the Working Group. There were no public comments.

### **4. Status of EMPWG Activities**

Mr. Keith Greer, SANDAG, updated the Working Group on the status of the 13 land management grant projects that were approved by the SANDAG Board of Directors (Board) on September 26, 2008. SANDAG had received the Scope of Work for ten of these projects. It is anticipated that these ten projects will be under contract within the next 2-3 weeks. Additionally, work is underway to do a comprehensive update of the current regional vegetation mapping database. An oversight committee has been formed and a scope of work is expected within the next couple of months. It is uncertain if the mapping of exotic species will be included in or parallel this mapping effort. Staff is also working on developing projects for burrowing owls, rare butterflies, and coordinated management structure.

Mr. Greer reminded the Working Group that the land management grants for this fiscal year totaled \$1.63 million and that the next round of RFPs is targeted to be released by December 1,

2008. There will be a 60-day request for proposals. Mr. Greer noted that garbage removal was included as a qualifying activity in the RFP; but the process, criteria, and other eligibility criteria remains the same. Mr. Greer asked if any members of the Working Group would like to volunteer to serve on the Review Committee. Bruce April, David Mayer, Jim Whalen, Clark Winchell/Susan Wynn, Tom Oberbauer/Carrie Downey, and Ann Harvey had expressed interest or were named as possible volunteers.

## **5. Conserved Lands Database Stakeholder Review**

Ms. Grace Chung, SANDAG, gave a technical presentation on the Conserved Lands Database that is being developed by SANDAG for the San Diego region. A Web-based application has been developed to assist stakeholders in reviewing this database. Ms. Chung showed how it can be used to access geographic information on conserved lands in the County of San Diego via the Internet. Staff requested that stakeholders provide input to help correct, revise, and update the database.

Questions were asked about the process by which the database was being updated and its intended purpose. Mr. Greer indicated that the first step of this process is to complete a review of the database for QA/QC. The Web-based application is an informational tool that allows interested parties to reference known conserved lands and review the accuracy of the information in the database. Currently, there is not a lot of built-in analytics in the application because the database is still in the QA/QC phase; thus the need to publicly vet the information in the database to improve accuracy to insure the integrity of the data. The second step is then to build other tools that analyze and provide additional information for viewing and exploring the database. More accurate and better-defined attribute information would enable the use of this database for analytical studies. Ms. Sue Carnevale, SANDAG, also indicated that there is no system for automatic updates. System maintenance and updates are issues to be addressed.

This application will be available to the public and an announcement will be sent out within the next 2-3 weeks. And to address concerns over privacy because of the public use of this application, Ms. Carnevale indicated that the names of property owners will not be posted and will only be listed as "private" in the database.

Ms. Downey asked that this be placed back on the agenda in three months after the Working Group member reviews the database. Mr. Greer added that as a part of SANDAG's review of grant applications, applicants will be required to prove that the lands that they are proposing a grant on are shown as conserved and shown to be conserved in the database.

## **6. Recommendations of the Environmental Mitigation Program Working Group (EMPWG) Ad Hoc Subcommittee on Regional Habitat Conservation Funding**

Mr. Greer presented the Working Group with the recommendations made by the EMPWG Ad Hoc Subcommittee during its meeting on September 9, 2008, regarding potential management options and costs for habitat conservation as part of a future quality of life funding measure. These recommendations were based on answering the policy questions presented at the January 2009 SANDAG Board of Directors retreat. The policy questions, the Subcommittee's response/recommendations, and the action/position taken by the EMPWG are as follow:

- *Should a standardized management plan be developed with generic costs for the purpose of estimating regional funding needs? If so, should an independent third party be contracted to develop these costs?*

EMP Subcommittee Response: Yes, a subcommittee has already been established to discuss what should be included in habitat management plans. The subcommittee will be meeting over the next few months to develop a proposal to the EMP Working Group. No, the subcommittee feels that the financial model and the estimates on cost have been validated by outside sources, they are robust, and any additional analysis would not yield significantly different results.

EMPWG Action: Recommendation adopted. No discussion.

- *Should a regional funding source include an endowment for perpetual management and monitoring? If no endowment is developed, what is proposed at the end of the current funding measure?*

EMP Subcommittee Response: The regional funding source should yield a perpetual funding source. The method (e.g., endowment, perpetual tax, etc.) should be open for discussion.

EMPWG Action: Recommendation adopted. The EMPWG agreed there should be a perpetual funding source, but all alternatives that achieve this goal should be open for future discussion.

- *Should the jurisdictions be required to maintain their current level of effort regarding open space management? If so, how do you establish equity amongst the jurisdictions?*

EMP Subcommittee Response: The regional conservation plans rely upon the promise of a regional funding source. Some jurisdictions have active open space divisions and/or stable funding sources (i.e., non-general fund). The subcommittee feels that the regional funding source should cover the biological management and monitoring cost, and one-half of the land (stewardship) management cost on lands covered as part of the NCCP. The regional funding source would be a match to the jurisdictions' or other land managers' management cost as required by the conservation plans.

EMPWG Action: Recommendation deferred until next meeting. Mr. Beck raised the issue of how non-profits will match the regional funding source given the uncertainty of NGO's funding. More information is requested to quantify the implications of this match.

- *Should the regional funding source provide the funds for basic land management of private property dedicated to a jurisdiction through a development entitlement process?*

EMP Subcommittee Response: Yes, one-half of the cost as described above.

EMPWG Action: Recommendation adopted. No discussion.

- *Should the regional funding source include a contingency for unforeseen events? If a contingency is desirable, should it be generated from the proposed land management funding until an established threshold is met?*

EMP Subcommittee Response: Yes, a 10% contingency should be included. It should build up to a predetermined amount, and then funds should be redirected towards other management and/or monitoring efforts until the funds used drops below the predetermined amount. The amount of the contingency would need to be determined.

EMPWG Action: Recommendation deferred until next meeting. Yes, the regional funding source should include a contingency with a "cap" amount in case it is not needed. But, more research is needed to determine the proportion of the contingency. Staff will return with numbers on a suggested amount.

- *Should the local jurisdictions provide for the program administration costs?*

EMP Subcommittee Response: Yes, one-half of the land management cost only as described above.

EMPWG Action: Recommendation adopted. No discussion.

## **7. Agenda for September 9, 2008, Meeting and Adjourn**

Chair Downey adjourned the meeting at 2:17 p.m. The next meeting is scheduled for January 13, 2009, from 1 to 3 p.m.

## Nature Reserve of Orange County Website Site

home about nroc board staff land areas projects documents photos contact links

**NATURE RESERVE**  
of  
**ORANGE COUNTY**

Protecting our natural resources for future generations

**Our Mission**  
*"To ensure the persistence of the Reserve's natural communities, including the full spectrum of native plant and animal species, through the protection, study and restoration of native habitats and natural processes."*

coastal reserve    coast live oaks    central reserve    crystal cove state park    central reserve    limestone canyon

NROC is a 501(c)(3) nonprofit corporation that manages the Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) for the Central and Coastal Subregion of Orange County, California.

We coordinate land management activities of public and private landowners within the 37,000 acre reserve system, conduct wildlife and habitat research and monitoring, and restore disturbed habitats.

The reserve system is also called the Nature Reserve of Orange County. It is 37,000 acres of permanently protected open space within the 208,000 Central/Coastal Subregion. Inside the Reserve only land uses that are compatible with habitat and wildlife preservation are allowed. Economic growth and development occur only outside the boundaries of the Reserve.

area map [pdf format]

Map of the Orange County Nature Reserve

**VIEW VIDEO**

Bill Ostrander, NROC director representing Southern California Edison, presents a corporate contribution to Lyn McAfee for the

CACTUS WREN FEEDING YOUNG AT NEST SITE IN CENTRAL ORANGE CO., CALIFORNIA

Internet 100%

http://www.naturereserveoc.org/NCCP%20Reserve%20Design%202011-17-2004b.pdf

Please visit:

<http://www.naturereserveoc.org/>

## **DRAFT- Management Coordinator Position**

**Opportunity Description:** The San Diego Management and Monitoring Program (SDMMP) is a science based program seeking to provide a coordinated approach to management and biological monitoring of lands in San Diego that have been conserved through various programs including the Multiple Species Conservation Program, the Multiple Habitats Conservation Program, the TransNet Environmental Mitigation program and various other conservation and mitigation efforts. The SDMMP work area includes all of San Diego County. The SDMMP will help initiate the regional effort to coordinate the adaptive management of the regional preserve system, including identification of threats (invasive species, fire, human impacts), in a consistent, cost-effective manner that is scalable from the preserve-level up to the level of the Southern California Natural Community Conservation Program (NCCP). The Management Program Coordinator reports to and takes direction from the SDMMP Program Developer/Executive Director

### **Major Responsibilities will include:**

- Coordinating the updating and maintenance of the conserved lands database and prepare relevant analyzes
- Working closely with the Monitoring Program Coordinator to coordinate the development of monitoring protocols for evaluating adaptive management actions
- Coordinating with the wildlife agencies, other NCCP subregions and jurisdictions on technical matters, including adaptive management testing and analysis
- Coordinating input to and preparing grant proposals
- Identify grant opportunities, prepare grant proposals
- Coordinating training workshops for preserve managers
- Identifying management actions to addresses threats/risks to species and habitats
- Preparing a preserve management equipment needs/availability plan
- Coordinating development and implementation of a GIS based preserve management tracking database and utilizing it for preparing annual preserve management implementation assessments reports and work plans
- In coordination with the monitoring program coordinator, identifying the expertise areas for independent science advisors based on input from (1) stakeholders, (2) agencies, (3) other programs, (4) species models/stressors as identified in the species monitoring prioritization literature (see article at <http://www3.interscience.wiley.com/journal/119418046/abstract>) and other sources.
- Working with stakeholders and in coordination with the Monitor Program Coordinator to implement the independent science program
- Coordinating technical/peer review of adaptive management actions
- Acting as the lead for the Land Managers Coordination Team
- Reviewing adaptive management monitoring data to ensure it has been subject to QAQC prior to its entry into regional databases and utilized for the analysis of management actions

- Working closely with the SDMMMP's Monitoring Coordinator to ensure that adaptive management activities include a monitoring program that will properly inform stakeholders if the question(s) posed as part of the adaptive management action was/were answered
- Assisting with the maintenance of a website utilized to provide information, data, reports, and analyses to the stakeholders and the public
- In coordination with the SDMMMP Monitoring Coordinator, assist in the development of combined list priorities for management and monitoring and potential funding sources and action agencies

**Desired Qualifications, Skills and Knowledge Requirements:**

**Experience and Education**

- 5-10 years of experience developing and implementing preserve management plans, including budget development and management and contract development and management
- 5+ years of experience working effectively with multiple partners to implement preserve management programs
- An advanced degree (preferably a PhD) in natural resources/ecology/wildlife biology or closely related field
- Knowledge of NCCPA, FESA, and the policy and practical implications of these and other environmental laws and regulations as they might affect the implementation of preserve management actions

**Skills**

- Excellent communication skills and experience establishing positive relationships with managers, peers, and diverse stakeholders
- Ability to collaborate with diverse stakeholders
- Ability to work well with, create and lead teams
- Exceptional writing skills
- Ability to communicate and present information through a variety of mediums
- Knowledge of conceptual species model development and application to the design of adaptive management actions
- Demonstrated ability to create and manage databases
- Demonstrated ability to utilize GIS for spatial data analysis

## **DRAFT Biological Monitoring Coordinator**

**Opportunity Description:** The San Diego Management and Monitoring Program (SDMMP) is a science based program seeking to provide a coordinated approach to management and biological monitoring of lands in San Diego that have been conserved through various programs including the Multiple Species Conservation Program, the Multiple Habitats Conservation Program, the TransNet Environmental Mitigation program and various other conservation and mitigation efforts. The SDMMP work area includes all of San Diego County. The SDMMP will help initiate the regional effort to coordinate the adaptive management of the regional preserve system, including identification of threats (invasive species, fire, human impacts), in a consistent, cost-effective manner that is scalable from the preserve-level up to the level of the Southern California Natural Community Conservation Program (NCCP). The Management Program Coordinator reports to and takes direction from the SDMMP Program Developer/Executive Director

### **Major Responsibilities will include:**

- Coordinating the collection and analysis of monitoring data
- Collaborating with the wildlife agencies and permittees in the preparation of triennial reports on the monitoring efforts
- Coordinating with the wildlife agencies, other NCCP subregions and jurisdictions on technical matters, including standardizing field protocols, monitoring locations, data collection, etc.
- Coordinating and making recommendations for future grant proposals preparing grant proposals
- Working with the stakeholders, local agencies/jurisdictions, wildlife agencies and science advisors to develop training workshops for field data collection
- Assisting with the implementation of the activities identified in the Regional Preserve Implementation Assessment
- In coordination with the management program coordinator, identifying expertise areas for independent science advisors based on input from (1) stakeholders, (2) agencies, (3) other programs, (4) species models/stressors as identified in the species monitoring prioritization literature (see article at <http://www3.interscience.wiley.com/journal/119418046/abstract>) and other sources.
- Working with stakeholders and Management Coordinator to identify potential independent science advisors based on identified expertise areas
- Assisting stakeholders to develop focused questions for submittal to the independent science advisors and coordinating their responses
- Developing and maintaining personal contacts necessary to assure cooperation between entities conducting species monitoring
- Reviewing data and ensuring it has been subject to QAQC prior to its entry into databases
- Working closely with the Management Coordinator to ensure that adaptive management activities include a monitoring program that will inform stakeholders whether or not the adaptive management action answered the question(s)

- Reviewing reports and protocols and results from various sources in the region and provide written comments to the Program Developer/Executive Director
- Making recommendations regarding priorities for monitoring
- Overseeing/managing current and future contracts
- Assisting with the maintenance of a website utilized to provide information, data, reports, and analyses to the stakeholders and the public
- Reviewing new and revised monitoring protocols and coordinating their peer review and costs of implementation
- Identifying which species still require theoretical models to assist in identifying/assessing threats/risk factors and coordinating their development
- In coordination with the SDMMP Management Coordinator, assist in the development of combined list of priorities for management and monitoring and potential funding sources and action agencies

### **Desired Qualifications, Skills and Knowledge Requirements:**

#### **Experience and Education**

- 5-10 years of experience developing and implementing multi-entity species and habitat monitoring programs including budget and contract development and management
- 5+ years of experience working effectively with multiple partners to implement preserve management programs
- An advanced degree (preferably a PhD) in natural resources/ecology/wildlife biology or closely related field
- Knowledge of NCCPA, FESA, and the policy and practical implications of these and other environmental laws and regulations as they might affect the implementation of species and habitat monitoring programs

#### **Skills**

- Exceptional data analysis and writing skills
- Ability to work well with, create and lead teams
- Excellent communication skills and experience establishing positive relationships with managers, peers, and diverse stakeholders
- Ability to collaborate with diverse stakeholders
- Demonstrated ability to create and manage databases
- Demonstrated ability to utilize GIS for spatial data analysis
- Ability to communicate and present information through a variety of mediums
- Demonstrated ability in conceptual model development and application to the design of species, habitat and landscape level (ecological processes) monitoring protocols
- Demonstrated ability to coordinate the development of cost effective species and habitat monitoring protocols

**San Diego Association of Governments**  
**ENVIRONMENTAL MITIGATION PROGRAM**  
**WORKING GROUP**

February 10, 2009

AGENDA ITEM NO.: **7**

**Action Requested: DISCUSSION / POSSIBLE ACTION**

REGIONAL HABITAT CONSERVATION FUNDING: RECOMMENDATIONS  
OF THE AD HOC SUBCOMMITTEE

File Number 3002700

**Introduction**

At the September 9, 2008, Environmental Mitigation Program Working Group (EMPWG) meeting a request was made by SANDAG staff to have the Working Group review the range of investment options for habitat conservation presented to the SANDAG Board at its 2008 retreat and make a recommendation to refine the necessary funding requirements. The EMPWG selected an ad hoc subcommittee to review the options and the associated cost and make a recommendation to the EMPWG at its November meeting. The ad hoc subcommittee met on October 14, 2008, and consisted of Michael Beck, Susan Wynn, David Mayer, Betsy Miller, James Whalen, and was chaired by Vice Chair Thomas Oberbauer. On November 13, 2008, the EMPWG recommended support for all but two of the subcommittee's recommendations. The EMPWG wanted additional information and discussion on the remaining two policy questions.

**Discussion**

The ad hoc subcommittee focused on providing recommendations to key policy questions that were presented at the January SANDAG Board of Directors retreat. Establishing a position on these questions allows for the determination of the necessary investment level for habitat conservation. The following are the policy questions and the ad hoc committee's responses/recommendations that were deferred for additional discussion by the EMPWG (see Item 2, Minutes of November 13, 2009, for the four items that were recommended for approval).

*Deferred for Additional Discussion*

- ***Should the jurisdictions be required to maintain their current level of effort regarding open space management? If so, how do you establish equity amongst the jurisdictions?***

EMP Subcommittee Response: The regional conservation plans rely upon the promise of a regional funding source. Some jurisdictions have active open space divisions and/or stable funding sources (i.e., non-general fund). The subcommittee feels that the regional funding source should cover the biological management and monitoring cost, and one-half of the land (stewardship) management cost on lands covered as part of the NCCP. The regional funding source would be a match to the jurisdictions' or other land managers' management cost as required by the conservation plans.

EMPWG Action: Recommendation deferred until next meeting. Mr. Beck raised the issue of how non-profits will match the regional funding source given the uncertainty of NGO's funding. More information is requested to quantify the implications of this match.

SANDAG Staff Analysis: In order to understand the levels of committed funding for open space management, SANDAG staff reviewed the FY 2009 budgets of ten jurisdictions, and the IRS 990 forms<sup>a</sup> and an available audit from 11 non-profit land managers. The results showed that both jurisdictions and the NGOs had a wide variation of committed funding among individual jurisdictions/organization.

As an example, the County and City of San Diego have large Open Space Divisions, with significant operational budgets. Conversely, the smaller cities (e.g., Escondido) do not have separate open space management divisions. Most of the jurisdictions utilize General Fund revenue for open space management approved by the various governing bodies as part of an annual or biannual budget process. Some jurisdiction utilize some non-General Fund revenues such as community facility districts and utility franchise tax,<sup>b</sup> others sole use General Fund or funding acquired through the development entitlement process.

Some non-profits are well established and are funded assets through a variety of funding sources, such as endowments and other "permanently restrict"<sup>c</sup> direct public support, member donations, sales of inventory, and grants. Others are smaller and suffice off of grants and donations. There is a great disparity among the NGOs regarding funding for land management.

The issue of the financial equity among jurisdiction and non-profit land managers exists with or without a regional funding source. While the larger jurisdictions have more potential for allocating funding, the expectations both regulatory under the NCCP program and political from the public are higher than on a NGO.

SANDAG Staff Recommendation: SANDAG staff supports the EMPWG Subcommittee's recommendation to have the regional funding source pay for all of the biological monitoring and biological management costs, and ½ of the basic land stewardship costs. This would augment the existing basic land stewardship costs for all land managers in the region—both jurisdictions and NGOs. **The method of funding could be a pro-rata share of the funds based on land management acreage, and not necessarily a matching program.** It is recommended that the method be determined as part of the Quality of Life Ad Hoc Committee's efforts.

- ***Should the regional funding source include a contingency for unforeseen events? If a contingency is desirable, should it be generated from the proposed land management funding until an established threshold is met?***

---

<sup>a</sup> NGO Funds and Expenditures table were determined from IRS 990 forms retrieved from GuideStar: <<http://www.guidestar.org>>. GuideStar is an online database where nonprofit organizations provide voluntary information regarding their missions, goals, programs and accomplishments; additionally, the organization's IRS Form 990 are made available to registered users of the website.

<sup>b</sup> In 1972, City of San Diego Charter section 103.1a was approved by voters which called for creation of Environmental Growth Fund using 25% of franchises collected for gas, electricity and steam

<sup>c</sup> Permanently restricted assets are assets, gifts, or bequests that are donated with stipulations that they be preserved, used for a specific purpose, or be invested to provide a permanent source of income

EMP Subcommittee Response: Yes, a 10% contingency should be included. It should build up to a predetermined amount, and then funds should be redirected towards other management and/or monitoring efforts until the fund used drops below the predetermined amount. The amount of the contingency would need to be determined.

EMPWG Action: Recommendation deferred until next meeting. Yes, the regional funding source should include a contingency with a "cap" amount in case it is not needed. But, more research is needed to determine the proportion of the contingency. Staff will return with numbers on a suggested amount.

SANDAG Staff Analysis: A contingency fund for unforeseen events is common in all budgetary efforts. For land management it may be argued that it is equally if not more important due to variation in biotic influences (e.g., exotic species invasion), abiotic influences (e.g., large fire events), and fluctuations in market investments. In order to understand how contingency funding is handled on a larger programmatic level, SANDAG staff reviewed the Reserve budgets of ten government organizations, including SANDAG. The average targeted reserve amount ranges from 5% – 30% of the operating budgets. Actual reserves in the budgets have a wider range, 3.1% – 39%. The City of Carlsbad represents an outlier in this data and with its removal the average target is 11.4% and the actual reserves are 9.6%.

SANDAG Staff Recommendation: It is recommended that a contingency fund be created with a regional funding source. The EMPWG group recommended a 10% contingency fund be created. This is close to the actual and target averages of the jurisdictions analyzed with the exclusion of Carlsbad. SANDAG staff would recommend that language from SANDAG's Board Policy No. 030 (see Attachment 1), which indicates that the contingency should grow over time until the minimum target for the necessary amount at Preserve build-out is established. Furthermore, this policy states "Once the target is reached, each year's budget process should include the amount necessary to replenish or increase the contingency reserve to achieve this minimum balance, unless explicitly approved otherwise by the Executive Committee."

Since it is expected that the open space preserve will be built out over a 40-year period (i.e., the land to be managed and monitored will grow), the proposed contingency should be set at 10% of the annual operating budget for that given year, with any replenishments necessary to achieve the minimum balance. Policies on the qualifying uses of the fund, the decision-maker on the approval of any use, and the length of replenishment of the contingency after its use should open for further discussion by the Quality of Life Committee.

Attachment: 1. SANDAG Board Policy No. 030

Key Staff Contact: Keith Greer, (619) 699-7390, [kgr@sandag.org](mailto:kgr@sandag.org)



## BOARD POLICY No. **030**

### CONTINGENCY RESERVE POLICY

#### 1. Purpose

SANDAG has historically relied upon budget savings to provide adequate fiscal flexibility to accommodate unavoidable and unanticipated costs. As SANDAG has taken on more responsibilities and funding sources have become more constrained, additional tools for managing financial fluctuations are warranted. Establishing a contingency reserve fund provides a means for dealing with emergency or high priority situations that may arise during the course of the year that could not otherwise be funded in the near-term.

The purpose of this policy is to provide guidelines for a contingency reserve, such as the required balance, allowable uses, required approvals, and method of replenishment.

#### 2. Scope

*Contingency Reserve Fund Required Balance* - The targeted minimum amount to be maintained in the reserve account shall be equal to 5 percent of total budgeted annual expenditures of the Overall Work Program (OWP). Total annual expenditures are defined as the amount of the OWP Expenditures contained in the Sources and Application of Funds chapter of the annual OWP. During the years from FY 2006 to FY 2010, this minimum target will be built up incrementally. A minimum of \$500,000 will be budgeted each year until the target reserve amount is achieved. A 5 percent reserve for FY 2006 would total approximately \$2.5 million. Once the target is reached, each year's budget process should include the amount necessary to replenish or increase the contingency reserve to achieve this minimum balance, unless explicitly approved otherwise by the Executive Committee.

*Other Deposits to Contingency Reserve Fund* - Any year-end budgetary savings of discretionary funding (e.g., Transportation Development Act [TDA], *TransNet*) will be transferred into the reserve fund.

*Applicable Fund Sources* - Most federal and state planning and grant funds cannot be used to establish or replenish the contingency reserve fund. Local matching funds such as TDA and *TransNet*, which are more discretionary in nature, will be used as the source to build and replenish this fund.

*Qualifying Uses of the Reserve Fund* - The Reserve Fund shall be used for one-time non-recurring purposes, unless otherwise approved by the Executive Committee. The following occurrences shall qualify as potential eligible uses, subject to individual approval by the Executive Committee:

- a. opportunities to advance urgent, high-priority needs;

- b. unanticipated needs relating to a crucial existing commitment; and
- c. unforeseen withdrawal or cutback of a revenue source.

*Approval for the Use of Reserve Funds* - Each proposed use of the contingency reserve fund will be subject to approval by the SANDAG Executive Committee. Each request for approval will include the specific amount needed, a justification of the need, and a discussion of any other alternatives that were examined.

*Replenishment of the Reserve Fund* - Replenishment up to the minimum target of 5 percent will be the first priority for the use of applicable funds in the following year's budget process.

Adopted June 2005

Amended December 2006