

**SIERRA TRACT EROSION CONTROL PROJECT, PHASE 3/4
SITE IMPROVEMENT GRANT AND LICENSE AGREEMENT**

Summary: Staff recommends authorization of up to \$211,613 for a site improvement grant and a long-term license agreement to the City of South Lake Tahoe for improvements and maintenance on three Conservancy parcels in support of the Sierra Tract Erosion Control Project, Phase 3/4, Site Improvement Grant and License Agreement.

Location: The Project is located in a portion of the Sierra Tract subdivision, approximately one mile east of the "Y" intersection of U.S. Highway 50 and State Route 89. The project area is generally bounded by U.S. Highway 50 (Lake Tahoe Blvd.) to the northwest, Sierra Blvd. to Martin Avenue on the northeast, and River Drive to the southwest. License agreements are proposed for two Conservancy parcels and one parcel jointly owned by the Conservancy and Caltrans (El Dorado County APNs 031-061-12, 031-061-20, and 031-061-21) (Attachment 1).

Fiscal Summary: The proposed Conservancy grant is for up to \$211,613 in Proposition 50 funds. The proposed license agreement does not involve any expenditure or receipt of funds by the Conservancy.

Recommended Action: Adopt Resolution 14-03-04 (Attachment 2).

Background

The Sierra Tract Erosion Control Project has an extensive history and several phases. The City of South Lake Tahoe (City) was initially awarded a planning grant from the California Tahoe Conservancy (Conservancy) in December 2000 to begin the development of the conceptual plans, including opportunities and constraints for the entire Sierra Tract project area, which covered the Sierra Tract and Highland Woods subdivisions. The Sierra Tract project is listed as project #693 of the Environmental Improvement Program (EIP). The City applied the Conservancy's Preferred Design

Approach to plan erosion control facilities through all phases to achieve the greatest benefit to water quality.

Since 2000, the Board has authorized a series of grants to the City totaling \$4,717,884, which have funded various activities associated with the planning, acquisition, and implementation of several phases of Sierra Tract Erosion Control Project.

Conservancy Funding	Amount Awarded	Years Awarded
Planning	\$2,313,884	2000, 2003, 2004 2005, 2006
Acquisition	\$704,000	2004, 2006
Site Improvement (Phase 2)	\$1,700,000	2005
TOTAL	\$4,717,884	

The U.S. Forest Service, Lake Tahoe Basin Management Unit granted several awards for Sierra Tract Erosion Control Project as well, through the Southern Nevada Public Lands Management Act (SNPLMA). A total of \$700,000 in SNPLMA funds has been awarded for planning Phases 3 and 4.

The City conducted a pollutant load analysis of the originally identified Phases 3 and 4 using the Pollutant Load Reduction Model (PLRM) to identify high priority areas for storm water treatment. Review of the PLRM analysis indicated that significant portions of the original Phase 3 and 4 project areas did not warrant treatment because they are not directly connected to surface waters. In the interest of focusing limited available resources to more directly address high priority pollutant load areas, Phases 3 and 4 were combined into a single project, Phase 3/4.

The City requests a \$211,613 site improvement grant from the Conservancy to construct the Sierra Tract Erosion Control Project Phase 3/4 Site Improvement Grant and License Agreement (Project). The City has adopted a Mitigated Negative Declaration and completed 90% engineering designs. The City is in the process of acquiring easements on private parcels. The City is also requesting a license agreement to allow construction of improvements on Conservancy property.

Historically, staff brought the Soil Erosion Control Program grant awards to the Conservancy Board on a yearly basis. In September 2008, the Board authorized the release of the Soil Erosion Control Grants Program Announcement and Guidelines for

the 2008-2009 round of grants. The Announcement and Guidelines requested applications from the local jurisdictions for the highest priority erosion control projects listed in the EIP. For numerous reasons, including the State bond freeze and the development of the PLRM, not all of the funding approved in the 2008-2009 round was awarded immediately. The funds for this recommendation remain from this 2008-2009 authorization. The Project is considered a high priority because it efficiently reduces fine sediment loads which are currently transported directly to Lake Tahoe.

Project Description

The Project includes about 90 acres of fairly dense residential and commercial development along U.S. Highway 50. The Project is directly adjacent to the Upper Truckee River (UTR), and untreated urban storm water currently flows directly into the UTR.

The Project addresses the highest priority water quality impairments within its boundary, assisting the City in meeting Total Maximum Daily Load (TMDL) compliance requirements. The Project proposes to stabilize road shoulders and drainage swales with vegetation, soil treatment, and other methods. The Project will disperse storm water runoff to facilitate infiltration and treat remaining surface runoff prior to discharge into waterways. Additional treatments include capturing road sand, cinders, and sediment. In addition, the Project is designed to retain storm water on vacant land while minimizing adverse affects to private property. These improvements will reduce the volume of storm water and the quantity of fine sediment particles and nutrients reaching the UTR. As part of the Project, the Chris Basin, which was originally constructed using a 1986 Conservancy site improvement grant, will be completely reconstructed to increase its treatment capacity. Attachment 3 shows the proposed improvements.

The granting of a license agreement for three Conservancy parcels located along River Drive will allow for the construction of an underground infiltration gallery and storm drain system to connect it to an existing Caltrans storm drain pipe which discharges to the UTR. These proposed facilities are a key part of storm water treatment for the Project and are being designed to maintain existing public access while minimizing impacts to natural resources.

The City's Project design is being closely coordinated with Caltrans because the Project area is directly adjacent to U.S. Highway 50. Storm water from the State and City-owned rights-of-way flow back and forth between the ownerships and portions of the adjoining storm water treatment facilities will be directly connected to one another.

Caltrans will be completing the 90% engineering design plans for their project in April 2014 and plan to construct their project beginning in 2017.

The Project will require two years of post-construction monitoring to confirm the improvements are functioning as designed, and includes extensive monitoring requirements to assure the constructed Best Management Practices (BMPs) are functioning according to the projected sediment removal efficiencies derived from the PLRM studies.

Project Budget

If approved, the Conservancy will fund this Project from available Proposition 50 funding sources. The State Treasurer's Office has approved Conservancy Erosion Control/Water Quality projects as eligible for use of Prop 50 bond funds.

The budget for the recommended Conservancy grant is as follows:

Activity	Amount
Administration	\$ 8,500
Construction	203,113
TOTAL	\$211,613

The anticipated project construction funding sources are as follows:

Funding Source	Amount
State Water Board Proposition 84 Funding (Pending)	\$2,811,164
Recommended Conservancy Site Improvement	211,613
City of SLT Match to Proposition 84 Funding (Pending)	540,336
USFS Construction Grant 10-DG-11051900-033	40,000
TOTAL	\$3,602,500

The total project construction cost, as based on the engineer's estimate, is as follows:

Activity	Amount
Construction Costs	\$3,050,550
Resident Engineer/Resident Inspector/Materials Test	264,000
Labor Compliance	20,000
Construction Engineering (Consultant)	50,000
Construction Engineering (City Staff)	68,000
City Staff Administration	52,000
Performance Assessment and Evaluation Monitoring	41,000
Education and Outreach	7,000
Advertising, Bidding, Permitting, Administration	50,000
TOTAL	\$3,602,500

At this time, the City is actively pursuing Project funding through the State Water Board Proposition 84 Storm Water Grants Program. In the event that the City is unsuccessful in securing this funding, the City is developing a strategy to implement a portion of the Project improvements that could be constructed with the recommended Conservancy funds and available U.S. Forest Service funds.

Project Schedule

Task	Completion Date
Complete Final Design Package	March 2014
Complete Permitting	December 2014
Advertise for Bids	January 2015
Bid Opening	April 2015
Award Contract	April 2015
Project Construction	May 2015
Begin Post Construction Monitoring	October 2015
End Post Construction Monitoring	October 2017

Project Implementation

Standard agreements entered into by the Conservancy and the individual grantees will govern Project implementation. As in recent agreements, the proposed site improvement grant will provide for an advance of up to 90% for administration and construction.

Upon Board approval, staff intends to enter into the long-term license agreement referenced above and take all necessary actions to implement the agreement. The license of up to 20 years with the option to renew at the end of the agreement term would allow for project implementation, including installation and maintenance of improvements on the three Conservancy parcels identified in Attachment 1. Consistent with Board direction under the Conservancy's Special Use Program, the City will not be charged a fee for the use of Conservancy property for improvements associated with its water quality projects.

The Project budget and schedule are preliminary and subject to change. However, such changes will not exceed the total amount awarded in the grant. Any remaining funds for site improvement projects will be used, if necessary, to extend improvements to adjoining areas.

Project Evaluation

The Project is consistent with the Conservancy's Erosion Control Program Guidelines and followed the Preferred Design Approach during planning. Further, modeling completed as part of the City's TMDL strategy has shown that the Sierra Tract Subdivision is a significant source of fine sediment particles to the Lake.

The City must enter into a license agreement with the Conservancy for the construction of Project improvements on three Conservancy parcels. The Conservancy acquired these parcels under the Conservancy's Environmentally Sensitive Lands Program. The proposed improvements will consist of an underground infiltration gallery and storm drain system. Conservancy staff proposes the following El Dorado County APNs for license agreements: 031-061-12, 031-061-20, and 031-061-21.

The proposed license agreement is consistent with the Conservancy's adopted Special Use Guidelines and the Conservancy's Soil Erosion Control Program Guidelines. The license agreement will contain standard language requiring the City to provide insurance, performance bonds, and indemnification, as well as restoration of any damage to the Conservancy parcel.

The City will be required to comply with all regulatory requirements established by the TRPA and other agencies, and to obtain all necessary permits prior to commencing work.

Consistency with the Conservancy's Enabling Legislation

Implementation of this Project and the actions described above are consistent with the Conservancy's enabling legislation. Specifically, Government Code section 66907.7 authorizes the Conservancy to award grants to local public agencies, state agencies, federal agencies, federally recognized Indian tribes, the Tahoe Transportation District, and nonprofit organizations for purposes consistent with its mission which includes soil erosion control projects. Government Code section 66907.8 authorizes the Conservancy to lease, rent, sell, exchange, or otherwise transfer any interest in real property or interest therein to local public agencies, individuals, corporate entities, or partnerships for management purposes. Under Government Code section 66907.9, the Conservancy is authorized to initiate, negotiate, and participate in agreements for the management of land under its ownership or control with local public agencies, State agencies, federal agencies, nonprofit organizations, individuals, corporate entities, or partnerships, and to enter into any other agreements authorized by State or federal law.

Compliance with the California Environmental Quality Act

The City, acting as the lead agency, prepared an Initial Study (IS) and a Mitigated Negative Declaration (MND) for this Project to comply with CEQA. The City Council adopted the MND on August 8, 2013, and a Notice of Determination (NOD) was filed with the State Clearinghouse on August 12, 2013.

A copy of the IS and MND have been provided to the Board on CD (Attachment 4) and are available for public review at the Conservancy Office, 1061 Third Street, South Lake Tahoe, CA 96150.

As a responsible agency, the Conservancy must consider the MND prepared by the City and reach its own conclusions on whether and how to approve the Project. Staff has reviewed the IS and MND, and believes the analyses of the Project proposed is adequate. Staff has determined that the Project, as proposed, would not cause a significant effect on the environment. The mitigation measures for the Project can be found on pages 3 and 4 of the Final MND.

Staff recommends the Board review and consider the MND prepared and adopted by the City as the lead agency, together with any comments received during the public process; certify that it has independently considered and reached its own conclusions regarding the potential environmental effects of the Project; make the findings as set forth in the attached resolution (Attachment 2); and authorize the site improvement grant and license agreement. If the Board considers and concurs with the MND and

authorizes the grant funding and license agreement, staff will file an NOD with the State Clearinghouse pursuant to CEQA Guidelines (Cal. Code Regs., Title 14, § 15000 et seq.), section 15096. Attachment 5 contains the Conservancy's proposed NOD.

List of Attachments:

Attachment 1: Project Location Map

Attachment 2: Resolution 14-03-04

Attachment 3: Proposed Project Improvements

Attachment 4: City of South Lake Tahoe Initial Study and Mitigated Negative Declaration (on attached CD)

Attachment 5: Conservancy Notice of Determination

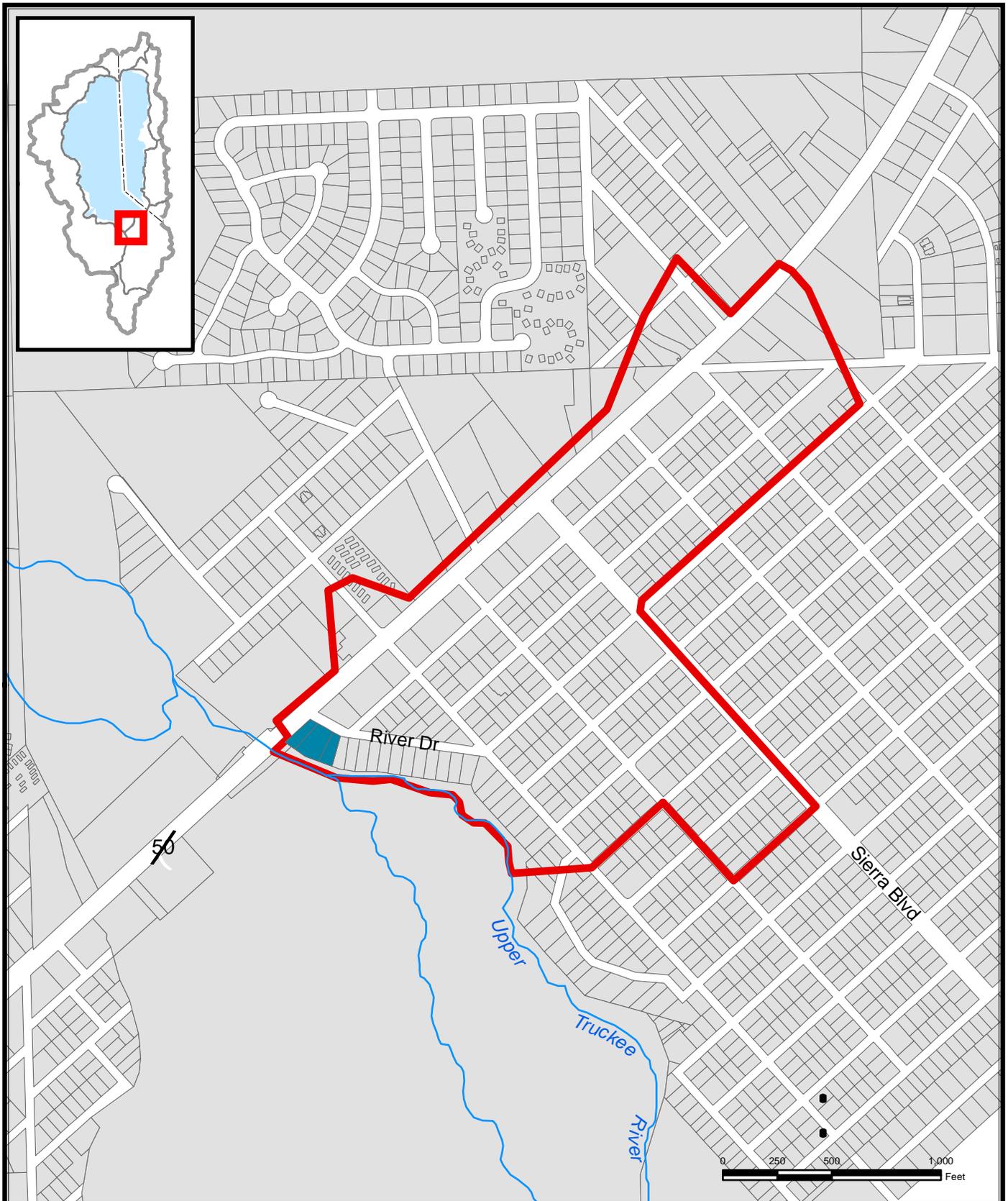
Conservancy Staff Contact:

Joe Pepi

(530) 543-6066

joe.pepi@tahoe.ca.gov

ATTACHMENT 1
Sierra Tract Erosion Control Project Phase 3/4



-  Project Area
-  Conservancy Parcels Proposed for License Agreements

California Tahoe Conservancy
March 2014

Map for reference purposes only.
Sources: TRPA; El Dorado County; USGS



ATTACHMENT 2

California Tahoe Conservancy

Resolution

14-03-04

Adopted: March 20, 2014

SIERRA TRACT EROSION CONTROL PROJECT, PHASE 3/4

Staff recommends that the Conservancy make the following finding based on the accompanying staff report pursuant to Public Resources Code section 21000 et seq.:

"The California Tahoe Conservancy, in its role as a responsible agency under the California Environmental Policy Act, has independently reviewed and considered the environmental impacts of the Sierra Tract Erosion Control Project, Phase 3/4 as described in City of South Lake Tahoe's (City) Initial Study and Mitigated Negative Declaration (IS/MND) certified by the City on August 8, 2013. The Conservancy has independently considered and reached its own conclusions regarding the environmental affects of the proposed project and finds, on the basis of the whole record before it, that there is no substantial evidence that the project will have a significant effect on the environment. The Conservancy incorporates the mitigation measures described in the MND as a condition for approval of the project. The Conservancy hereby directs staff to file a Notice of Determination with the State Clearinghouse for this project."

Staff further recommends the Conservancy adopt the following resolution pursuant to Government Code section 66907.7:

"The California Tahoe Conservancy hereby authorizes the award of a site improvement grant, up to \$211,613, and entering into a long-term license agreement on El Dorado County Assessor Parcel Numbers 31-061-12, 031-061-20, and 031-061-21, with the City of South Lake Tahoe to construct, maintain, and improve storm-water facilities, and implement erosion control practices for the Sierra Tract Erosion Control Project, Phase 3/4. Further, the Conservancy authorizes staff to enter into a grant and a license agreement, and to take all other necessary steps consistent with the accompanying staff recommendation."

I hereby certify that the foregoing is a true and correct copy of the resolution duly and regularly adopted by the California Tahoe Conservancy at a meeting thereof held on the 20th day of March 2014.

In WITNESS THEREOF, I have hereunto set my hand this 20th day of March 2014.

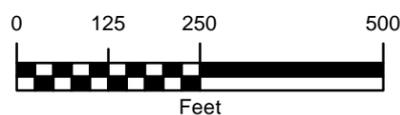
Patrick Wright
Executive Director

ATTACHMENT 3 Proposed Project Improvements



Data Sources: City of South Lake Tahoe LIDAR (Merrick and Company, 2002)
 El Dorado County Parcel Database, 2007
 West Sierra Tract ECP As-Built Drawings, 1990
 City of South Lake Tahoe Aerial Photography, 2002

**Sierra Tract Erosion Control Project
 Phase 3 and 4**



**CDM
 Smith**

**Figure 2-2
 Project Plan**

ATTACHMENT 4

SIERRA TRACT EROSION CONTROL PROJECT, PHASE 3/4

City of South Lake Tahoe Initial Study
and Mitigated Negative Declaration

(On attached CD)

ATTACHMENT 5

NOTICE OF DETERMINATION

TO: Office of Planning and Research
1400 10th Street, Room 121
Sacramento, CA. 95814

FROM: California Tahoe Conservancy
1061 Third Street
South Lake Tahoe, CA. 96150

Subject:

Filing a Notice of Determination in compliance with section 21108 of the Public Resources Code

Project Title:

Sierra Tract Erosion Control Project, Phase 3/4, Site Improvement Grant and License Agreement

State Clearinghouse Number:

2013062009

Contact Person:

Joe Pepi

Telephone Number:

(530) 543-6066

Project Location:

Project is located in a portion of the Sierra Tract subdivision, approximately one mile east of the "Y" intersection of U.S. Highway 50 and State Route 89. The project area is generally bounded by U.S. Highway 50 (Lake Tahoe Blvd.) to the northwest, Sierra Blvd. to Martin Avenue on the northeast, and River Drive to the southwest.

Project Description:

The Project will implement erosion control and water quality improvements that will reduce sediment and pollutant discharges to Lake Tahoe from City administered rights-of-way within the Project area. License agreements are proposed for two Conservancy parcels and one parcel jointly owned by the Conservancy and Caltrans, within the project area (El Dorado County APNs 031-061-12, 031-061-20, and 031-061-21)

This is to advise that the California Tahoe Conservancy, acting as a responsible agency, has approved the above-described project on March 20, 2014 and has made the following determinations regarding the above-described project:

1. The project will not have a significant effect on the environment.
2. The City, acting as the lead agency, prepared an Initial Study (IS) and a Mitigated Negative Declaration (MND) for this Project to comply with CEQA. The City Council adopted the MND on August 8, 2013, and a Notice of Determination (NOD) was filed on August 12, 2013 with the State Clearinghouse. The Notice of Determination, Mitigated Negative Declaration, and record of project approval may be examined at the City of South Lake Tahoe, 1052 Tata Lane, South Lake Tahoe, CA 96150.
3. Mitigation Measures were made a condition of the approval of the project by the City of South Lake Tahoe and the California Tahoe Conservancy.

Fish and Game Fees: A California Department of Fish and Game Environmental Filing Fee was paid for this project. A copy of the receipt will be filed with this Notice.

Date Received for Filing:

Patrick Wright
Executive Director