

**EXCHANGE AND TRANSFER OF CONSERVANCY LANDS WITH
TAHOE CITY PUBLIC UTILITY DISTRICT**

Summary: Staff recommends authorization of an exchange and transfer of approximately 6.49 acres of California Tahoe Conservancy (Conservancy) owned property, mostly high-capability land in the vicinity of Tahoma/Chambers Landing, in return for approximately 6.5 acres of environmentally sensitive and public recreation land owned by the Tahoe City Public Utility District (TCPUD), in the Homewood Quail Lake area as shown in Attachment 1.

This property exchange facilitates construction of the TCPUD's West Lake Tahoe Regional Water Treatment Plant (WLTRWTP) project on their preferred, lowest impact site (Conservancy's 6.49-acre parcel), including removal of a water intake facility from Chamber's Landing Beach, and allows the Conservancy to acquire an equal amount of environmentally sensitive and public recreation land.

Location: Placer County (Conservancy-owned Placer County APN 098-330-004 and TCPUD-owned Placer County APNs 097-050-018-part and 097-050-27-part).

Fiscal Summary: Escrow fees estimated at \$1,600 (Lake Tahoe Acquisition Fund) and incidental staff and management costs.

Recommended Action: Adopt Resolution 15-12-05 (Attachment 2).

Background

The TCPUD is undertaking the construction of a permanent, year-round drinking water treatment plant to replace the temporary seasonal treatment plant located at Chambers Landing. The new water treatment plant is intended to provide a reliable, drought-resistant, and safe drinking water source to the TCPUD's McKinney-Quail Water Service area and, potentially, other water systems in the West Lake Tahoe region. After more than a year of public outreach and environmental analysis of alternative locations, the TCPUD's preferred alternative is that the WLTRWTP be sited on the

vacant 6.49-acre Conservancy parcel. The TCPUD's site alternatives analysis concluded that the Conservancy site has the least environmental impact and cost because it is closest to the TCPUD's Lake intake site (requiring less pipe), and was the only feasible alternative.

The Conservancy acquired the property in 1992 under the Land Coverage Program with appropriations from the Lake Tahoe Acquisition Bond Act, which provided funding to acquire land coverage and protect the natural environment where preservation or restoration could result in water quality benefits. All the potential coverage was transferred off the property and retired through the Excess Coverage Mitigation Program. The residential development right was sold in 2005.

The Conservancy parcel is mostly high-capability, non-sensitive land, except for a 0.48-acre open space easement area established along McKinney Creek held by Placer County. The McKinney Creek easement will remain protected by Placer County. The water treatment plant will be located near Lodge Drive on the high capability portion of the Conservancy parcel. This location is on the opposite side of the property from McKinney Creek.

Conservancy staff have reviewed the environmental document prepared on behalf of the TCPUD, and share its conclusion that the Conservancy parcel is the most appropriate location for the new facility. Therefore, to facilitate management efficiencies of our respective lands in the basin, Conservancy and TCPUD staff are proposing a land exchange through which the TCPUD would receive the 6.49 acre Conservancy parcel and the Conservancy would receive 6.5 acres of environmentally sensitive land owned by TCPUD in the Quail Lake watershed, including sections of the unnamed creek running from Quail Lake to Lake Tahoe.

During the comment period, the TCPUD received broad-based support for its proposed facility and the land exchange, although several neighbors expressed concern about the potential impacts on their properties. The TCPUD has largely addressed these concerns through siting and landscape improvements.

The TCPUD also considered adding a public parking area and restrooms to serve Lake Tahoe Bikeway and Chamber's Landing Beach users, but eliminated these facilities because of strong opposition during the public comment period.

Project Description

Staff recommends Board authorization to exchange and transfer approximately 6.49 acres of Conservancy owned property (Placer County APN 098-330-004) in return for approximately 6.5 acres of environmentally sensitive TCPUD owned property (Placer County APNs 097-050-018-part and 097-050-27-part) (Attachment 1).

The proposed exchange and transfer is subject to the following conditions and understandings:

1. No consideration is to be paid by either party to the other, since the exchange component is considered to be of equal or greater value to the Conservancy and meets the purposes of the original land acquisition (protecting the natural environment where preservation or restoration could result in water quality benefits).
2. The receiving party (TCPUD) will be responsible for providing all coverage and/or development rights necessary for their proposed uses.
3. Escrow and closing costs will be shared between the parties. Conservancy costs are estimated at about \$1,600.
4. The TCPUD will be responsible for providing all coverage and/or development rights necessary for their proposed uses.

The Conservancy property includes mostly high capability, forested upland and a section of 0.48 acres of "Open Space Easement/Recreation Area" held by Placer County along McKinney Creek, as identified on the original subdivision maps. This open space easement will not change as a part of the exchange and will continue to be protected by Placer County. Current uses of the Conservancy property include passive recreation by neighbors, including an informal pedestrian trail to Chamber's Landing Beach. The Lake Tahoe Bikeway is adjacent to the property along Highway 89, on the east (Lake) side of the property. The property is surrounded by the Chamberlands development, including mostly residential and some commercial uses (restaurant) across Highway 89.

The TCPUD property includes about 2.5 acres of creek and wet meadow area and 3.5 acres of forested upland, although it is all mapped SEZ by Tahoe Regional Planning Agency's (TRPA) GIS SEZ map layer (coverage not verified by TRPA). Current uses of the TCPUD property include passive recreation by neighbors and an informal pedestrian trail that starts near the intersection of Lagoon and Meadow Roads and heads north toward Quail Lake. It is surrounded on the west, east, and south sides by residential development and on the north by open space lands owned by TCPUD. It

contains a braided creek area on the edge of a wet meadow and large stand of mature willows.

The Conservancy has inspected the site and considers the recreational uses and management costs of the TCPUD property similar to the Conservancy property. No deferred maintenance or exceptional management issues or title issues were identified on the TCPUD property during Conservancy due diligence. The only management action by the TCPUD during their ownership was to place boulders along Meadow Drive on the north side of the property to prevent parking/vehicle access on the property.

Project Evaluation

The proposed property exchange and transfer will enable the TCPUD to own and manage high-capability land that is best suited to their management purposes (the WLTRWTP project). The Conservancy will own and manage environmentally sensitive land with a stream environment zone in the Quail Lake watershed and passive public recreation trails, which are best suited to the Conservancy's management purposes. Staff is recommending an exchange rather than a sale or lease because the TCPUD is better equipped to own and manage a water treatment facility, and because the Conservancy will receive an equally large, more environmentally sensitive parcel in return.

The property exchange and transfer is consistent with the purpose of the original Conservancy parcel acquisition and funding source (acquisition of land coverage and protection of the natural environment where preservation or restoration could result in water quality benefits). Specifically, as compensation for lands acquired with Lake Tahoe Acquisitions Bond Act funds, the Conservancy will receive an equally large parcel of more environmentally sensitive land. In addition, if the TRPA GIS SEZ map layer is accurate, the Conservancy will acquire and retire approximately 343 square feet of potential land coverage rights on the property. The exact available potential coverage will need to be verified by TRPA.

In addition to the management benefits described above, the proposed transfer will facilitate both the construction of the TCPUD's WLTRWTP project, which will provide a clean, reliable and drought-resistant water source to the community, and improve public lake access through the removal of a water intake structure from the Chamber's Landing beach.

Consistency with the Conservancy's Enabling Legislation

The proposed property exchange is consistent with the Conservancy's enabling legislation. Specifically, Government Code section 66907 authorizes the Conservancy to select and acquire real property or interests therein in the name of and on behalf of the State, for the purposes of protecting the natural environment, providing public access or public recreational facilities, preserving wildlife habitat areas, or providing access to or management of acquired lands. Additionally, pursuant to Government Code section 66907.1, the Conservancy may acquire interests in land by means of land exchanges. Finally, pursuant to Government Code Section 66907.8, the Conservancy may exchange, or otherwise transfer any real property or interest therein, or option acquired under the legislation to local public agencies, State agencies, federal agencies, nonprofit organizations, individuals, corporate entities or partnerships for management purposes pursuant to terms and conditions approved by the Conservancy.

Compliance with the California Environmental Quality Act (CEQA)

TCPUD, acting as the lead agency on the WLTRWTP project, including this proposed land exchange, prepared its Initial Study/Mitigation Negative Declaration (IS/MND) in order to comply with CEQA. TCPUD adopted the MND on October 7, 2015, and a Notice of Determination (NOD) was filed with the State Clearinghouse (SCH# 2015082021) on October 8, 2015.

A copy of the IS/MND has been provided to the Board on CD (Attachment 3) and is available for public review at the Conservancy office, 1061 Third Street in South Lake Tahoe, California.

As a responsible agency, the Conservancy must consider the MND prepared by TCPUD and reach its own conclusions on whether and how to approve the Project. Staff has reviewed the IS/MND and believes the Project analysis 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 are located in *Section II, Environmental Analysis and Mitigation Measures*, of the IS/MND.

Staff recommends the Board review and consider the IS/MND prepared and adopted by TCPUD as lead agency, together with any comments received during the public review process; certify that it has independently considered and reached its own conclusions regarding the environmental effects of the of the Project; make the findings as set forth in the Resolution (Attachment 2); and authorize the exchange. If the Board considers and concurs with the IS/MND and authorizes the actions described above, staff will file

a NOD with the State Clearinghouse pursuant to State CEQA Guidelines, section 15096 (Attachment 4).

List of Attachments:

Attachment 1 – Project Location Map

Attachment 2 – Resolution 15-12-05

Attachment 3 – CEQA documentation - TCPUD

Attachment 4 – Conservancy Notice of Determination

Conservancy Staff Contact:

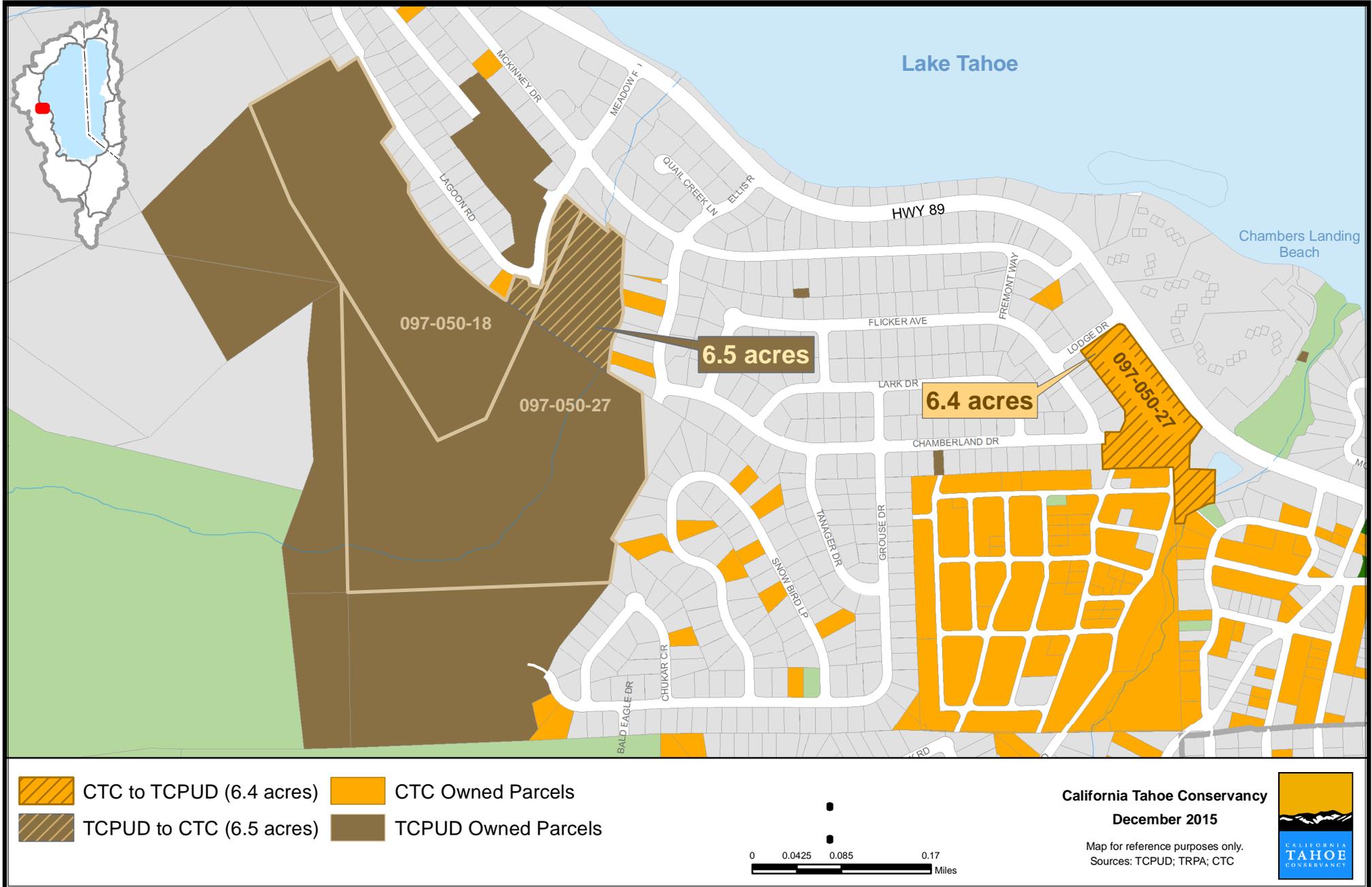
Aimee Rutledge

(530) 307-3380

aimee.rutledge@tahoe.ca.gov

ATTACHMENT 1

Exchange and Transfer of Conservancy Lands with Tahoe City Public Utility District



ATTACHMENT 2

California Tahoe Conservancy
Resolution 15-12-05
Adopted: December 18, 2015

EXCHANGE AND TRANSFER OF CONSERVANCY LANDS WITH TAHOE CITY PUBLIC UTILITY DISTRICT

Staff recommends that the California Tahoe 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 Quality Act, has reviewed and considered the Initial Study and Mitigated Negative Declaration (IS/MND) certified by Tahoe City Public Utility District on October 7, 2015. The Conservancy certifies that it has independently considered and reached its own conclusions regarding the environmental effects 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 that the Conservancy adopt the following resolution pursuant to Government Code sections 66907, 66907.1, 66907.2 and 66907.8:

“The California Tahoe Conservancy hereby authorizes staff to execute all necessary documents, and take all other steps necessary consistent with the accompanying staff recommendation to facilitate the transfer, for management purposes, of approximately 6.49 acres of Conservancy-owned land coverage and open-space land to the Tahoe City Public Utility District in return for approximately 6.5 acres of environmentally sensitive lands in Placer County, subject to the conditions stated in the accompanying staff report.”

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 18th day of December, 2015.

In WITNESS THEREOF, I have hereunto set my hand this 18th day of December, 2015.

Patrick Wright
Executive Director

ATTACHMENT 3

**EXCHANGE AND TRANSFER OF CONSERVANCY LANDS
WITH TAHOE CITY PUBLIC UTILITY DISTRICT**

Tahoe City Public Utility District Initial Study
Mitigated Negative Declaration
Notice of Determination
California Department of Fish and Wildlife Filing Fee

On Attached CD

ATTACHMENT 4

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

Project Title:

Exchange and Transfer of California Tahoe Conservancy (Conservancy) Lands with Tahoe City Public Utility District (TCPUD)

State Clearinghouse Number:

2015082021

Contact Person:

Aimee Rutledge

Telephone Number:

(530) 543-6067

Project Location: Placer County

Placer County Assessor Parcels Numbers 098-330-004 (Conservancy owned) and 097-050-018-partial (TCPUD owned) and 097-050-27-partial (TCPUD owned) in the west shore of Lake Tahoe, CA.

Project Description:

Tahoe Conservancy approval of a land transfer of Placer County Assessor Parcels Number 098-330-004 (Conservancy owned), 097-050-018- partial (TCPUD owned) and 097-050-27-partial (TCPUD owned) between the Conservancy and TCPUD for the purpose of facilitating the Tahoe City Public Utility District's West Lake Tahoe Water Treatment Plant and furthering Conservancy program objectives to manage sensitive lands in the Quail Lake watershed.

This is to advise that the California Tahoe Conservancy, acting as a responsible agency, has approved the above described project on December 18, 2015 and has made the following determinations:

1. The project will not have a significant effect on the environment.
 2. A Mitigated Negative Declaration (MND) for the project was prepared and approved by Tahoe City Public Utility District on October 7, 2015, and a Notice of Determination was filed on October 8, 2015. The California Tahoe Conservancy reviewed and considered the MND prior to project approval. The Notice of Determination, MND, and record of project approval may be examined at Tahoe City Public Utility District 221 Fairway Drive, Tahoe City, CA 96145.
 3. Mitigation measures were made a condition of the approval of the project by Tahoe City Public Utility District and the Conservancy and are located in Section 3.1 Aesthetics AES-1 page 43, Section 3.4 Biological Resources BIO-1, BIO-2, BIO-3, BIO-4 and BIO-5 page 62, and Section 3.12 Noise NOI-1, NOI-2, NOI-3 page 105 of the Environmental Analysis and Mitigation Measures, of the IS/MND.
-

Fish and Game Fees: A California Department of Fish and Game Environmental Filing Fee was paid for this project by Placer County as Lead Agency.

Date Received for Filing:

Patrick Wright
Executive Director