

California Tahoe Conservancy
Agenda Item 9a
June 16, 2016

FISCAL YEAR 2016/17 WORK PROGRAM AND BUDGET

Recommended Action: Informational; no recommended action.

Location: Throughout the California side of the Lake Tahoe Basin.

Fiscal Summary: The proposed Fiscal Year 2016/17 budget includes:

- \$16,660,000 in capital outlay and local assistance funding for the California Tahoe Conservancy's various programmatic priorities and support of the Environmental Improvement Program for the Lake Tahoe Basin.
- \$6,615,000 and 37.0 personnel years for ongoing support.

Overview

Description of Recommended Action

Overview and update of the Fiscal Year 2016/17 (FY 2016/17) California Tahoe Conservancy (Conservancy) work program and budget. This is an informational item only.

History

Staff submitted a proposed FY 2016/17 budget and related materials to both the California Natural Resources Agency (CNRA) and the Department of Finance (DOF) during the fall of 2015. These proposals were included in the January Governor's Budget, and are currently being reviewed by the Legislature. At this time, staff anticipates the Conservancy's budget will be approved substantially as submitted, and will become available in the new fiscal year, starting July 1, 2016.

Financing

The proposed FY 2016/17 budget includes:

- \$16,660,000 in capital outlay and local assistance funding for the Conservancy's various programmatic priorities and support of the

Environmental Improvement Program (EIP) for the Lake Tahoe Basin (Basin). This would include:

- \$8,762,000 in bond funds available to the Conservancy;
 - \$3,556,000 in special funds dedicated to the Conservancy; and
 - \$4,342,000 in Federal funding for the acceptance and use of grants through the Federal Trust Fund (FTF).
- \$6,615,000 and 37.0 personnel years for ongoing support. This includes continuing "baseline" funding from various bonds, special funds, and revenue sources dedicated to the Conservancy, such as the Environmental License Plate Fund, Propositions 1/12/50, Habitat Conservation Fund, Lake Tahoe License Plate revenues, and other revenues and reimbursements to the Tahoe Conservancy Fund. It also includes up to \$777,000 in federal, capital outlay, and other reimbursements for staff activities directly related to the implementation of capital projects.

Work Program and Strategic Plan Goals

Conservancy expenditures in FY 2016/17 will continue to be guided by State and regional priorities, the Conservancy's 2012 Strategic Plan, and the FY 2016/17 Work Program, as described below.

Strategic Plan Goals:

Strategy I – Lead California's Efforts on Sustainability, Climate Change, and other Basin-wide Initiatives

As the only California agency focused entirely in the Basin, the Conservancy works with its State and local partners to coordinate and integrate public and private investments to improve the environmental and economic health of Lake Tahoe. The Conservancy plays a key role in providing strategic direction and supporting planning efforts to position the Basin for funding to address new and emerging issues and approaches, such as landscape level planning focused on climate change and sustainability. In order to maintain this role, the Conservancy has had to seek grant funds to help pay for plan development and cover staff costs, since this work is not necessarily related to specific project funding.

FY 2015/16 Accomplishments:

- Developed a comprehensive Aquatic Invasive Species (AIS) implementation plan, through SB 630 funding and in coordination with a stakeholder group

- Participated in the Sierra Meadows Restoration and Research Partnership, to develop a protocol to document carbon sequestration benefits for mountain meadows
- Initiated the Lake Tahoe West Collaborative Project, a landscape level planning effort, with the USDA Forest Service (USFS) and other partners to address forest and watershed health and resiliency, carbon sequestration, and wildlife habitat restoration on 80,000 acres on the west shore of Lake Tahoe
- Contracted with the University of California, Davis to develop climate change and hydrology planning tools to inform project design of the Upper Truckee Marsh and other projects
- Provided five Proposition 1 grants for planning to address comprehensive forest and watershed management, wetlands restoration, and stormwater treatment. These plans are intended to position Basin agencies to more strategically address priorities and compete for implementation funding.
- Coordinated the submittal of a set of six grant applications for Southern Nevada Public Land Management Act Round 16 hazardous fuels planning and implementation grants for comprehensive, basin wide forestry projects
- Completed the first phase of a large-scale land exchange with California Department of Parks and Recreation (DPR), and held public meetings for next phases, which will improve management efficiencies

FY 2016/17 Major Priorities:

- Develop a comprehensive Stormwater Resource Plan, in coordination with Lahontan Regional Water Quality Control Board, Tahoe Resource Conservation District (TRCD), the science community, and other partners, to direct stormwater projects and funding
- Participate and help lead landscape level and programmatic planning efforts, including
 - Lake Tahoe West
 - Programmatic Timberlands Environmental Impact Report, which will comprehensively analyze forest fuels and other watershed treatments across State and private lands on the California side of the Basin to meet California Environmental Quality Act requirements. This is intended to speed up and provide for landscape level implementation of fuels and other projects.
- Pursue Army Corps of Engineers (USACE) funding for AIS efforts in the Basin

- Participate in climate change workshops and meetings to develop tools and methodologies to support cap and trade proposals
- Lead coordination with other Basin entities to develop strategic funding requests to target high priority projects and funding opportunities
- Participate on interagency and stakeholder EIP Committees to coordinate and facilitate EIP implementation
- Participate in working groups implementing changes to TRPA development rights

Strategy II – Invest in High Priority Conservation and Recreation EIP Projects and Programs

The Conservancy will continue to work with its federal, state, and local partners to invest in and help complete high priority EIP projects and programs. While the Conservancy continues to seek funding for high priority projects, such as the Upper Truckee Marsh, decreasing bond funds may result in fewer direct projects implemented by the Conservancy and/or our partners.

FY 2015/16 Accomplishments:

- Completed construction of the Greenway Shared-Use Trail Phase 1a, a .42-mile neighborhood connection between Glenwood Way and Herbert Avenue
- Received Board authorization of environmental documents and for implementation of Conservancy direct projects, including
 - Upper Truckee Marsh Restoration
 - Greenway Shared-Use Trail Phases 1b and 2
- Oversaw grantee completion of site improvement projects, including
 - Sawmill 2A Bike Trail, El Dorado County
 - Lake Tahoe Blvd. Enhancement Project, El Dorado County
- Acquired and/or restored significant resource lands, including
 - Acquisition, demolition and initial restoration of the 1771 Sawmill property
 - Additional stabilization and restoration activities at the Alta Mira, Smoke Shop, and South Y acquisition sites
- Awarded two Proposition 1 grants to the TRCD for AIS control at critical sites on the lake to implement the AIS plan and to help fund acquisition of Johnson Meadows, one of the last critical private holdings along the Upper Truckee River
- Awarded a planning grant to the Tahoe Fund to analyze visitor interpretation and environmental education options for the Basin

FY 2016/17 Major Priorities:

Implement approved direct projects, including:

- Upper Truckee Marsh Restoration, including
 - Complete key acquisitions and easements
 - Pursue a cost-share agreement with the U.S. Army Corps of Engineers in order to receive funding to support restoration efforts
 - Prepare preliminary plans
 - Seek Sacramento oversight agency approvals to proceed to working drawing phase
- Greenway Trail, Phase 1b/2, including
 - Complete the land exchange with the City of South Lake Tahoe and Lake Tahoe Community College
 - Finish ATP grant requirements such as wildlife surveys and National Environmental Policy Act compliance
 - Seek Sacramento oversight agency approvals to proceed to working drawing phase
- Tahoe Pines Campground Restoration, including
 - Seek Sacramento oversight agency approvals to proceed to working drawing and construction phases
- Lakeview Lookout
 - Begin feasibility analysis and conceptual development to position the Conservancy to move forward on implementation if funding becomes available in the future
- Upper Truckee River, Sunset Reach 6
 - Begin feasibility analysis and possibly analyze other restoration options/approaches to position the Conservancy to move forward on implementation if funding becomes available in the future

Coordination on Partner Projects

- Lake Tahoe Water Trail
 - Work with the Sierra Business Council and other stakeholders to design and install trailhead signage; enter into agreements with partner agencies to support signage efforts; and to form an oversight committee to help identify long-term funding and support for the trail
- Kings Beach State Recreation Area General Plan and Pier rebuild project

- Continue partnering with DPR and others on the plan and associated environmental documents for the Pier rebuild
- Award additional Proposition 1 grants of up to \$6.3 million for land acquisition and implementation projects

Land Acquisitions/Land Bank

- Pursuit of Additional Key Acquisitions, including
 - Tahoe Livable Communities program parcels
 - Roadless subdivision parcels
 - Other significant acquisitions on an opportunity basis
- Ongoing Implementation of the Conservancy's Land Bank, including transfer of coverage and marketable rights pursuant to TRPA, community, and statewide planning goals

Strategy III – Effectively Manage Land and Assets

The Conservancy owns over 6,500 acres of land, mostly comprised of smaller urban lots. The primary focus of on-going land management activities includes inspecting parcels, responding to citizen complaints, removing hazard trees, and other activities related to managing and restoring parcels for conservation and recreation purposes. As the Conservancy encounters limitations with some of its dedicated funding sources, finding other funding sources for this work can be challenging but may be necessary. In FY 2015/16, the Conservancy reorganized its forestry program, moving personnel into other divisions in order to target work on the highest priority projects, including Lake Tahoe West, support property management activities, and seek additional grant resources to pay for forest fuels work on Conservancy-owned land. For more detailed information on the Conservancy's Property Management Program, see Attachment 1.

FY 2015/16 Major Accomplishments:

- Inspected over 2,400 properties (about half of the total Conservancy ownership); installed Conservancy signage on over 1,000 parcels; addressed 147 citizen reports, and removed 160 hazard trees
- Completed 30 small-scale restoration projects and 116 maintenance projects on Conservancy parcels; implemented forest health actions on 200 acres of Conservancy lands
- Implemented additional data collection, feasibility assessment, and conceptual planning activities, including

- Assessment and inventory of roads on Conservancy properties for Total Maximum Daily Load (TMDL) reporting purposes
- Surveyed parcels to address encroachment and management issues
- Developed electronic tools and protocols to collect field inspection data
- Enhanced the Conservancy's Parcel Data Management System (PDMS) data base with historical information and other data
- Implemented land transfers and explored potential transfers, including
 - Approved the transfer of the Firestone property from North Tahoe Public Utility District to Placer County for the Dollar Shared-Use Trail
 - Approved the Chamberlands/Quail Creek land exchange with Tahoe City Public Utility District
 - Conducted public outreach with DPR on a Washoe Meadows State Park and Lake Valley State Recreation Area property transfer
- Managed/processed leases and license agreements on Conservancy properties, including
 - License agreements with the University of Nevada, Reno for a fire camera and with the USGS for a water quality monitoring station on Conservancy property

FY 2016/17 Major Priorities:

- Develop a comprehensive Land Management Plan to more effectively manage and generate revenue from Conservancy land
- Continue bi-annual inspections, complete property sign installation, address citizen complaints, and remove hazard trees on Conservancy-owned parcels
- Maintain properties and plan and implement small-scale site restoration and/or forest health projects on Conservancy lands

Strategy IV – Strengthening Conservancy Operations

The work program and budget includes investments in personnel and technology to improve the performance and accountability of Conservancy operations.

FY 2015/16 Accomplishments:

- Converted to the State's new Fi\$Cal accounting and budgeting system as part of Fi\$Cal's Wave 2. This required a shift of staff resources in order for the Fiscal Department to be trained and become proficient in using this system. This also added considerable additional time and effort in working with the Conservancy's invoice payment service
- Acquired project management software to help comprehensively track project schedules, budgets, and deliverables

- Established/enhanced intranet pages to improve internal communications and to standardize and streamline internal operations
- Improved relationships with the DOF and the Department of General Services regarding the capital outlay process, including
 - Establishing parameters for Public Works Board approvals
 - Developing a hybrid program/line item capital outlay budget
- Completed conversion to a voice-over-internet protocol (VOIP) telephone system
- Hired a deputy director, accounting officer, lot inspector, and two legal interns to meet organizational needs

FY 2016/17 Major Priorities:

- Continue ongoing efforts to build, train, and equip a fiscal staff capable of bringing all fiscal operations in-house
- Continue data collection and reconciliation in programmatic data bases, including
 - PDMS
 - Land bank program data
 - EIP reporting

Capital Outlay and Local Assistance Budget

The capital outlay and local assistance budget will provide funding for the Conservancy to meet the State of California's commitment and responsibilities under the EIP and fulfill programmatic priorities as outlined in the Strategic Plan. As of July 1, 2016, the Conservancy will have a total available balance of \$12,318,000 in State capital outlay and local assistance funding and has secured authority of \$4,342,000 in federal funding. Additional details on Conservancy commitments and funding authorities follow:

Capital Outlay and Local Assistance Funding

Conservancy Funds	Fiscal Year 2016-17
Lake Tahoe Conservancy Account	\$ 300,000
Tahoe Conservancy Fund	1,320,000
Habitat Conservation Fund	1,436,000
Lake Tahoe Science & Imprvmnt. (SB 630)	500,000
Conservancy Bond Allocations	
Prop.1	488,000
Prop. 12	3,068,000
Prop. 40	1,204,000
Prop. 50	2,389,000
Prop. 84	1,613,000
Federal Funding Sources	
Federal Trust Fund	4,342,000
Total	\$ 16,660,000

The Capital Outlay and Local Assistance Budget will provide funding toward the following projects and programs:

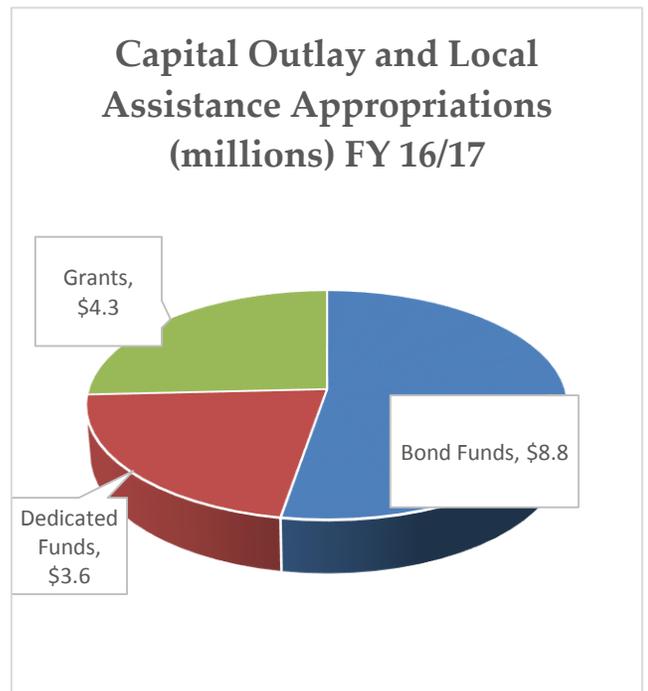
- Restoration of the Upper Truckee River Marsh, the largest and most important restoration project in the Basin. The project cost is expected to exceed \$10 million.
- Implementation of area-wide stormwater projects to help meet Lake Tahoe's TMDL targets to improve lake clarity. The highest priority projects cost more than \$20 million.
- Implementation of the Lake Tahoe West large landscape forest health project, in partnership with the USFS and other stakeholders, with a state share of about \$5 million dollars.
- Planning and construction of the South Tahoe Greenway Shared-Use Trail. The project cost is expected to exceed \$4.3 million.

- Acquisition and restoration of developed property on wetlands and other sensitive lands, and transfer of the development rights to town centers, a high priority for Tahoe Regional Planning Agency, the City of South Lake Tahoe, and Placer County. This program need is expected to exceed \$20 million.
- Providing the matching funds for SB630 funding for aquatic invasive species control, which has launched a new partnership between lakefront owners and public agencies in the Basin. This will require \$4-5 million dollars over the next five years.
- The support budget includes a provision allowing the Conservancy to fund activities directly linked to the implementation of capital outlay projects from capital outlay funds. These project delivery costs are estimated at \$550,000 in direct Conservancy staff time per year.

A brief description or summary of the Conservancy’s varied funding sources follows:

Proposition 1 Bond:

Proposition 1, approved in November 2014, provides \$15 million to the Conservancy to fund multi-benefit water quality, water supply, and watershed protection and restoration projects through the award of competitive grants. Of this amount, 2 percent, or \$300,000, will go toward statewide bond carrying costs, and 5 percent, or \$750,000, will go to the support budget for “program delivery,” leaving \$13.95 million for actual grants. This entire \$13.95 million was appropriated to the Conservancy in FY 2015/16. During FY 2015/16, seven grant awards totaling \$7,161,568 were awarded; three additional grant applications, totaling \$6.3 million, were identified for further review, leaving an available balance of approximately \$488,000.



Proposition 12, 40, 50, and 84 Bonds:

During the 2000s, the voters passed a series of bonds that included allocations to the Conservancy to fund EIP implementation activities. This includes allocations

totaling \$50 million under Proposition 12, \$40 million under Proposition 40, \$40 million under Proposition 50, and \$36 million under Proposition 84. Most of these bond funds have been spent under prior appropriations. The Conservancy will receive appropriation of all reverted Proposition 12, 40, 50, and 84 bond funds in FY 2016/17, exhausting all remaining available funds from the bond acts.

Appropriations in FY 2016/17 include:

- \$2,076,000 from Proposition 12
- \$248,000 from Proposition 40
- \$2,027,000 from Proposition 50
- \$25,000 from Proposition 84

Dedicated Conservancy Funds: These funding sources involve revenue streams that have been set up in separate special funds specifically for use by the Conservancy.

Appropriations in FY 2016/17 include:

- \$481,000 from the Habitat Conservation Fund (HCF)
- \$100,000 from the Lake Tahoe Conservancy Account (LTCA)
- \$440,000 from the Tahoe Conservancy Fund (TCF)
- \$400,000 from the Lake Tahoe Science and Lake Improvement Account (SB630)

Habitat Conservation Fund (HCF): The Mountain Lion Initiative (Proposition 117) of 1990 established the HCF. The measure mandates annual appropriations totaling \$30 million statewide for wildlife and wildlife habitat projects through FY 2019/20. The Conservancy's annual appropriation is \$500,000 (\$481,000 for capital outlay, with the remaining \$19,000 for the support budget). These funds can be used for a variety of specified wildlife habitat-related purposes.

Lake Tahoe Conservancy Account (LTCA): Senate Bill 648 was passed in 1993, establishing the Lake Tahoe license plate. Proceeds from the plates are deposited into the LTCA. Over the years the revenues have been used for preservation and restoration projects, and to construct trails and other forms of non-motorized public access at Lake Tahoe. In the FY 2016/17 budget \$100,000 will be appropriated for capital outlay purposes (an additional \$1,103,000 is in the support budget for staff efforts for these purposes).

In addition, it should be noted that beginning in the FY 2014/15 fiscal year, DPR is receiving a direct appropriation of LTCA monies to fund management activities on Conservancy-owned beaches on the north shore. This arrangement will continue at \$138,000 in FY 2016/17.

Tahoe Conservancy Fund (TCF): The Conservancy's enabling legislation establishes the TCF. Monies in the fund are available for the purposes of the enabling legislation when appropriated by the Legislature. Deposits into the fund include land bank proceeds, special use fees, lease and license revenues, asset land sales, donations, and other miscellaneous revenues. In FY 2016/17 \$440,000 will be appropriated for capital outlay purposes (an additional \$784,000 will be included in the support budget).

Lake Tahoe Science and Lake Improvement Account (SB630): In 2013, the Legislature and Governor approved SB 630 establishing the Lake Tahoe Science and Lake Improvement Account. The funds deposited into the account come from rental income collected by the State Lands Commission for surface uses on Lake Tahoe. These funds are to be expended for establishing a bi-state science-based advisory council, for near-shore aquatic invasive species projects or public access projects, and for near-shore water quality monitoring. Funding for near-shore monitoring must be matched by the Lahontan Regional Water Quality Control Board (or another public agency), and funding for near-shore projects must be matched by the Conservancy or another public entity. In the FY 2016/17 budget \$400,000 will be appropriated to the Conservancy.

Other Funding Sources: The Conservancy will receive federal reimbursement authority of up to \$775,000 in FY 2016/17. This reimbursement authority will provide an accounting mechanism to apply and receive federal domestic assistance monies. The Conservancy also has an estimated \$3,567,000 in previously received cash receipts available for use on new projects under the FTF.

Support Budget

The Conservancy's FY 2016/17 support budget includes a baseline budget of \$6,615,000 and 37.0 positions for the Conservancy's support function (i.e., staff services, office operations, and management of acquired lands). This involves \$5,838,000 from various state sources. In addition, the budget provides authority to cover up to \$777,000 in staff and related support costs directly necessary for the implementation of capital outlay projects from federal, capital outlay, and other reimbursements.

	Positions		Expenditures	
	2015-16	2016-17	2015-16	2016-17
	Estimated	Proposed	Estimated	Proposed
Total Positions, Wages	37.0	37.0	\$3,427,000	\$3,438,000
Operating Expenses and Equipment			2,975,000	3,177,000
Totals, Positions and Expenditures, All Programs			6,402,000	6,615,000
Conservancy Funds				
Environmental License Plate Fund			3,557,000	3,685,000
Lake Tahoe Conservancy Account			1,109,000	1,103,000
Tahoe Conservancy Fund			712,000	784,000
Habitat Conservation Fund			19,000	19,000
Conservancy Bond Allocations				
Prop. 12			2,000	21,000
Prop. 50			6,000	21,000
Prop. 1			204,000	205,000
Other Funding Sources				
Federal Trust Fund			251,000	235,000
Reimbursements			542,000	542,000
Totals, Expenditures, All Funds			\$ 6,402,000	\$ 6,615,000

The increase in overall funding from the prior fiscal year is attributable to restoration of a \$100,000 ELPF reduction, and augmentations needed to keep pace with increased salary, retirement contribution, and health benefit costs.

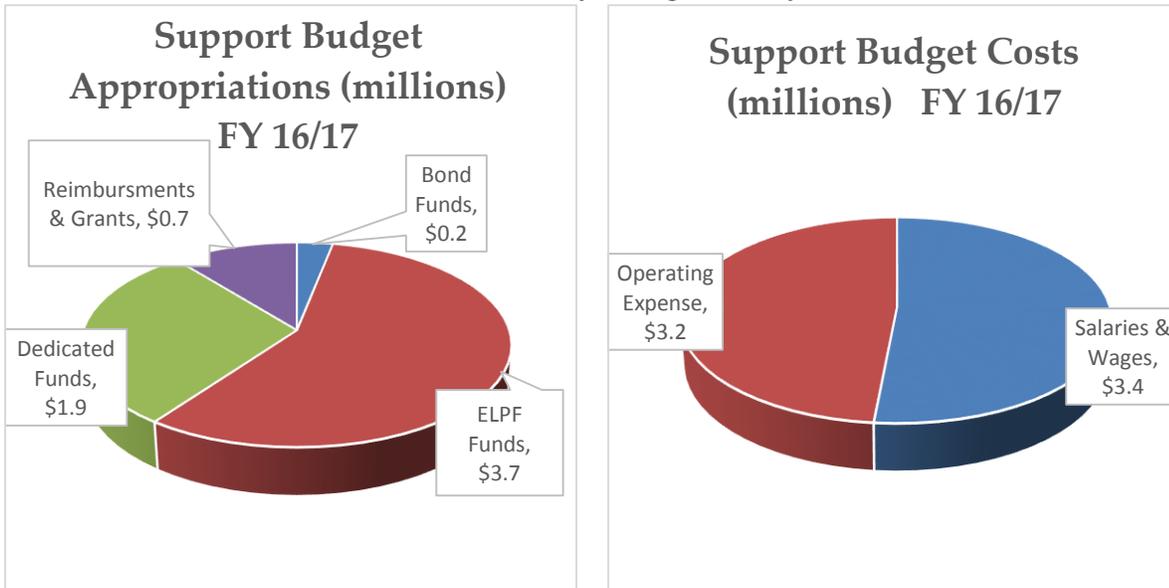
The Conservancy's support budget is funded from several state special funds, including:

- \$3,685,000 from ELPF;
- \$1,103,000 from LTCA (Tahoe license plate proceeds);
- \$784,000 from TCF (mainly lease revenues and land bank proceeds);
- \$19,000 from HCF;
- \$247,000 in bond funds from Propositions 1, 12, and 50;
- \$235,000 in reimbursement authority from FTF
- \$542,000 in capital outlay and other reimbursements.

In addition, an estimated carryover of \$138,000 in funding is available for Conservancy expenditures from the Beverly Charter Trust Fund.

The proposed support budget reflects the Conservancy's continued efforts to realign support functions, as discussed in the 2012 Strategic Plan, and maintain an appropriate level of service to the public and other agencies. The current baseline support budget includes funding for 37.0 positions, which is unchanged from FY 2015/16.

Conservancy Budget Analysis



As the Conservancy begins implementation of its FY 2016/17 budget, and as it enters the FY 2017/18 budget cycle, it again finds itself at a fiscal crossroad. It has broadly identified over \$200 million in nearer-term capital outlay and local assistance needs and opportunities that could be addressed if funding were to be made available. However, the amount of assured funding for these projects (as well as funding for the staff needed to support the effort) is currently limited. The Conservancy is currently navigating a set of ongoing or emerging fiscal issues and trends, including:

- The Conservancy is a land owning agency, with over 4,700 parcels and 6,500 acres. These parcels must be managed and maintained on an ongoing basis. In some cases restorative actions are needed to fully achieve the purposes of the acquisition. In others, more extensive site improvements may be needed. Management costs will tend to increase over time, reflecting overall inflation rates. In contrast, several of the funding sources dedicated to property management purposes are flat or declining (see LTCA and TCF discussion above).

- The model for funding and implementing projects has been changing. Throughout much of the EIP era the Conservancy had the financial ability to self-fund its direct projects, as well as those of its grantees. Project finance is now often the result of an interagency cooperative, collaborative effort where funding is packaged from among several sources. In many cases the Conservancy is now a grant recipient rather than a grantor.
- Increased grant funding – As discussed, packaging project funding has become increasingly important. The Conservancy is and will continue to actively request increased budgetary authority to seek grant funds. This can build on existing relationships with federal funding entities such as the USACE, Bureau of Reclamation, and Bureau of Land Management. Resource staff has set a goal of securing at least one outside grant toward the implementation of every direct Conservancy project.
- Within its support budget, the Conservancy has also undertaken several efforts to gain efficiencies and reduce costs while maintaining an effective organization (e.g., staffing has been reduced by about 20 percent to 37.0 positions, information technology has been used to create efficiencies in data base maintenance, project tracking, and fiscal and human resources recordkeeping).

Attachments

Attachment 1 – Property Management Program

Conservancy Staff Contacts:

David Gregorich	(530) 543-6005
Sue Ewbank	(530) 543-6025
Kevin Prior	(530) 543-6016

ATTACHMENT 1

PROPERTY MANAGEMENT PROGRAM OVERVIEW (Including 2015 Accomplishments)

Program Objectives: Since the adoption of the Conservancy's Property Management Program on September 19, 1986, the Conservancy has been committed to preserving and restoring natural conditions and open space values on Conservancy-owned lands and addressing challenges such as fragmented public/private ownership patterns, varying parcel sizes, diverse management objectives and limited fiscal and staff resources. This commitment is achieved using the following management objectives:

- Manage property in a manner consistent with the purpose(s) for which it was acquired;
- Restore and enhance on-site resources where appropriate;
- Restore and enhance forest resources;
- Resolve potential use conflicts;
- Coordinate the management of such lands with other public agencies and private entities in order to facilitate more responsive, cost-effective, and/or comprehensive management arrangements; and
- Continue to develop the Conservancy's administrative and fiscal capability to manage all types of acquired properties.

To address the program objectives the Conservancy has:

- Worked with various agencies and organizations to provide a project labor force. Today, three seasonal crews – Restoration, Forestry, and Land Management - are provided through a Joint Powers Agreement (JPA) with Tahoe Resource Conservation District (Tahoe RCD). Additionally, the Conservancy utilizes the services of the California Conservation Corps (CCC), local fire districts, private contractors, partner agencies, and occasional volunteers to carry out property management objectives.
- Developed a Parcel Data Management System (PDMS), which provides staff with real-time information on all Conservancy lands. The information includes past and planned projects, easements, licenses, annual site inspections, maintenance and restoration project inventory, past and present citizen reports, Record of Survey maps, and a variety of ownership information. With technical expertise provided by the

Conservancy's Information Technology department, staff will continue to develop and maintain the system.

- Structured acquisitions to resolve management concerns prior to the close of escrow, including use of conservation easements.
- Entered into management agreements that reinforce existing management roles, utilize existing management resources, and facilitate the management of areas with ownership by two or more public entities.
- Maintained its capability to inspect sites, clean properties, remove hazardous conditions, and resolve various land use conflicts.
- Initiated restoration and resource enhancement activities, involving installation of erosion control measures, revegetation, stream environment zone (SEZ) restoration, forest resource management activities, biological and cultural resource protection, and maintenance and improvement of public access facilities.
- Coordinated the restoration and management of property utilizing public and private sector expertise and resources.
- Adopted and implemented special use guidelines encompassing lease, license, and stewardship land management activities that are designed to transfer certain management responsibilities to appropriate third parties.
- Provided coordinated site security using State and local law enforcement.
- Increased the Conservancy's administrative capability to restore and manage properties through staff development, internships, and procurement of management services, including land surveying, from public agencies and private contractors.
- Strengthened the Conservancy's Geographic Information System (GIS) capabilities, land ownership maps, and the procurement of management revenue sources (such as leases and the land coverage program) that support resource objectives.

To address the variety of objectives, the program is organized into the following focus areas and activities, which are detailed below:

- Inspection and Maintenance
- Land and Facility Management
- Restoration and Enhancement of Resources
- Forest Improvement
- Management Coordination
- Management Tools and Administration

A. Inspection and Maintenance

All Conservancy-owned parcels are evaluated on a bi-annual basis through routine parcel inspections. These inspections identify trash and litter, abandoned vehicles, and other personal property. Since most Conservancy-owned properties are situated in residential areas, these inspections also identify use conflicts, which are an ongoing management concern and may require restoration or resource protection activities. Significant resource damage can occur when unauthorized use is not addressed in a timely manner.

Conservancy staff coordinates with the Tahoe RCD Land Management Crew to address management issues. For example the crews may build fences, closed dirt roads and remove debris from drainage channels. Resource protection is an ongoing activity on Conservancy parcels and the Tahoe RCD crew provides the Conservancy with the ability to respond in a timely manner to a variety of land management issues; maintain past projects; address agency commitments in accordance with Operation Maintenance Repair Replacement and Rehabilitation (OMRRR) documents for Army Corps of Engineers cost-share projects; provide fuels maintenance; maintain high-use areas; maintain and patrol the Upper Truckee Marsh (UTM); maintain Van Sickle Bi-State Park (Van Sickle); and eradicate noxious weeds.

2015 Inspection and Maintenance Accomplishments:

- 2,423 parcels inspected (approximately 98,417 inspections since 1987)
- 152 inspections conducted in response to citizen reports
- 39 hazard trees removed
- 81 maintenance work orders completed
- 7.5 acres of forestry fuels reduction

Identify and Resolve Unauthorized Activities and Adverse Resource Conditions

To date well over 600 use conflicts have been identified. Efforts initiated by Conservancy staff or lot inspection contractors and the cooperation of property owners and residents resolve many of these issues. Public education, site rehabilitation, or restoration activities also help to eliminate numerous private uses or encroachments. The current inventory of active encroachments is approximately 320.

The number of new use conflicts has decreased significantly due to the thorough work of the Conservancy's lot inspection and project planning efforts, although a substantial amount of time and resources continues to be required to resolve significant or long-standing encroachments. In some cases, it is necessary to secure the services of a licensed professionals such as engineers or land surveyors to find or locate property corners or boundaries to determine the extent of the problems. Staff obtains these private professionals through retainer agreements prepared and managed by the Department of General Services (DGS). Fourteen properties are scheduled to be surveyed using professional services this year.

To assist in resolving use conflicts, staff developed a land management brochure featuring the Conservancy's acquisition and resource management objectives and policies relating to land uses and site restoration. An updated bilingual version was developed in 2013. This brochure is used to educate the public on adverse resource impacts associated with incompatible use of environmentally sensitive land. The Conservancy website and other communication and outreach efforts such as press releases also serve as valuable tools for conveying land management objectives, updates, and policies.

Parcel Signage Program

Consistent with Strategic Plan direction, staff continues to implement the property signage program which began during the 2014 field season. This program assists the public and other agencies with Conservancy parcel ownership and reporting. Staff and seasonal field crews have erected signs on 2,774 parcels to date. Staff expects to complete signage of all Conservancy parcels by the end of the 2016 field season.

B. Land and Facility Management

The Conservancy manages some property for public access and recreational purposes. Properties managed for these purposes range from developed facilities such as the Alpine Meadows Ski Area and North Tahoe Beach, to undeveloped sites, such as Moon Dune.

Upper Truckee Marsh

The Conservancy continues to contract with Tahoe RCD for a seasonal full-time Land Steward to provide a regular presence on this property and to educate the

public at large about its sensitive plant and wildlife resources. Staff is considering a seasonal part-time Land Steward for the 2016 field season to increase Conservancy presence on this and other properties.

Portions of the UTM beach have been designated as protected habitat for Tahoe Yellow Cress (TYC), a California endangered species that only grows on sandy beaches in the Lake Tahoe Basin. The routine maintenance of TYC protection areas and educational signage encourages the public to respect this species' critical habitat. TYC was removed from the federal Endangered Species Act candidate list in October 2015.

Mutt Mitt dispensers and trash cans are available for the public and have substantially helped in keeping the meadow and beach environments clean. Staff continues to maintain and update signage and educational materials, and the Clean Tahoe Program provides additional garbage collection services on the property. The Conservancy and Tahoe RCD partner with the Lake Tahoe Humane Society - S.P.C.A. to assist with various public outreach efforts and events.

In 2004, a cooperative educational and enforcement program began to help limit the impacts of unleashed dogs on wildlife and other natural resources unique to this largest remaining alpine marsh at Lake Tahoe. In 2010, the Board authorized a seasonal closure prohibiting dog use within the UTM from May 1 through July 31 each year. Implementing a year-round, no dog policy, along with other potential management strategies, remains an option. Leashed dogs continue to be permitted on a year-round basis at the Conservancy's Cove East property west of the UTM. To assist with this board direction, staff maintains a contract with the El Dorado County Sheriff's Office (EDSO) to provide law enforcement services within the UTM. Compliance with the leash ordinance remains a challenge even with public outreach, information and education and the assistance of the law enforcement personnel. During the months of May 2015 through April 2016, 34 citations and 94 warnings were issued by the EDSO for issues in the UTM, many of which were dog related.

While the EDSO provides quality service, staff is actively working with the California Department of Parks and Recreation (DPR) to secure staff with law enforcement or peace officer authority to patrol the UTM and other designated Conservancy parcels. The ranger position would be on a permanent intermittent (PI) status, which will allow for 1500 hours of service in a given fiscal year. A job announcement has been distributed statewide in an effort to have a ranger in

place by July of this year. Staff also coordinates with the California Highway Patrol (CHP) as the State's first line of law enforcement contact for State land.

Van Sickle Bi-State Park

The acquisition of this property in 2002 provided a unique opportunity to partner with Nevada State Parks (NSP) to create a bi-state park on the California/Nevada state line. The Van Sickle Bi-State Park opened to the public in 2011. In response to the Parks popularity and increasing summer and winter use, additional staff time and contracted services have been committed for monitoring, managing, and evaluation of existing and new use patterns and potential management issues.

The park site hosts are the first volunteers through the Conservancy Volunteer Program, approved by the Board in March 2014. The site hosts continue to be a valuable resource at the park particularly during the summer operating season performing visitor education on resource protection and park use.

In 2011, the Van Sickle Foundation granted \$84,000 (\$17,500 per year for five years) to the Tahoe Rim Trail Association (TRTA) to provide fire hydrant water service at the park. Last year the Van Sickle Foundation granted additional funding for the next five years (2016-2020). Edgewood Water Company has proposed a rate increase of 36.68%, effective during Fiscal Year (FY) 2016/17. In anticipation of the rate change, staff has budgeted for the costs not covered by the Van Sickle Foundation grant.

Heavenly Mountain Resort's Epic Discovery Project proposes to connect their trail system to Van Sickle in the future. To address concerns of the Conservancy, TRTA, and NSP about potential impacts to the Van Sickle Bi-State Park as a result of the connection a Trails Partnership Action Plan was drafted. This Action Plan establishes a framework to monitor and address user impacts over time. The partnership includes the Conservancy, Heavenly Mountain Resort, U.S. Forest Service-Lake Tahoe Basin Management Unit (LTBMU), NSP, TRTA, and the Tahoe Area Mountain Biking Association. The partners meet on an annual basis to cooperatively manage, plan, survey, design, construct or reconstruct, improve, and maintain the trail network. Currently staff are working with NSP to compile baseline recreation statistics to help the partnership address user impacts over time.

The Conservancy, TRTA and NSP will continue to coordinate on various trail maintenance activities during the 2016 operating season. TRTA is placing a bridge across a tributary to Edgewood Creek along the Van Sickle connector trail within the State of Nevada portion of the park during the first week of June and NSP is seeking funding for a seasonal aid position to help maintain its facilities and increase NSP presence at the Van Sickle Bi-State Park in 2017.

Van Sickle will be transferred to DPR once agreement is reached on a coordinated operation and funding strategy between DPR and NSP. This operating agreement will address day-to-day and long term coordination, operation, maintenance and funding elements discussed above.

North Shore Beaches

On July 1, 2014, DPR and the Conservancy reached a similar partnership for the management and operations of Kings Beach State Recreation Area (KBSRA) and nearby Conservancy-owned properties. The Conservancy-owned properties include Kings Beach Plaza, Coon Street asset parcel, Steamer's Beach, Sun and Sand easement, Secline Beach, North Tahoe Beach, Moon Dune, and Sandy Beach.

Conservancy and DPR coordinate to identify project needs and priorities, while DPR maintenance staff actively manage and maintain the properties on a day-to-day basis. DPR's efforts and quality of work are well received. During the 2015 field season staff collaborated with DPR and Tahoe RCD crews to rebuild the Moon Dune beach fence. This fence protects the only remaining Lake Tahoe dune habitat.

C. Restoration and Enhancement of Resources

Over 350 sites are identified for potential restoration projects. These projects range in scope from the restoration of degraded small SEZs and removal of land coverage to the resolution of incompatible uses through site restoration. These site restoration and capital improvement projects achieve multiple objectives such as providing public access, enhancing wildlife habitat, preserving and protecting the site, and providing environmental education or interpretation.

Numerous approaches and Best Management Practices (BMPs) are used to rehabilitate, restore, and maintain degraded sites, including the use of:

- Specialized grass seed mixes, recycled pine needles, slow-release fertilizers, soil amendments, decomposed wood chips generated from forest management projects, and erosion control fabric to promote vegetative cover;
- Native shrubs and trees propagated from seed collected by seasonal crews, Conservancy staff, and local seed specialists to add vegetative diversity and provide erosion control;
- Biotechnical methods, such as the installation of willow stakes and fascines, for stabilization and revegetation of stream banks and riparian areas;
- Rock and timber wall slope stabilization methods;
- Sod transplants of native plant material primarily for Stream Environment Zone (SEZ) restoration; and
- Temporary irrigation systems and other means of watering plants to establish permanent vegetation on project sites.

2015 Crew Accomplishments

- 30 urban lot restoration projects completed
- 44,181 square feet of disturbed area restored
- 5 acres of Conservancy land protected
- 2000 ft. of fence installed
- 11,000 square feet of meadow restored

2015 Program Highlights

- Implemented the Thunderbird restoration project;
- Worked with South Tahoe Public Utility District to identify unnecessary road easements on Conservancy lands;
- Improved water quality by creating or facilitating the installation of storm water retention basins;
- Improved sections of the Eagle Rock Trail;
- Controlled invasive weeds on various Conservancy properties;
- Participated in Forest Stewardship Day by leading volunteers and performing collaborative restoration work along the Upper Truckee River Airport Reach Project; and
- Removed conifers in SEZs to enhance habitat.

Priority Projects for 2016 Field Season

Restoration of Developed Property

Staff contracted for the demolition and site stabilization of the recently acquired Sawmill 4-Plex property in South Lake Tahoe. A private contractor will demolish the buildings and remove asphalt, fill, and hazardous materials and perform initial soil treatment and site stabilization. Staff will then assess the property and Tahoe RCD crews will perform additional site work as needed. A total of 6,000 square feet of SEZ is anticipated to be restored. This restored property will also improve water quality and enhance the Highway 50 scenic corridor.

Villas Restoration Phase 2

In 2004, the Conservancy authorized the acquisition of a conservation easement over a two acre parcel formerly owned as common area by the Villas at Lake Forest (Villas) condominium development. The conservation easement restricts future development and allows the removal of existing excess paved parking and driveway for inclusion in the Conservancy's Land Bank as restoration credit. Accordingly a Land Management Program restoration project will be implemented this summer to remove 10,000 square feet of asphalt in the conservation easement, install BMPs, and bank the restoration credit. The project will be implemented in coordination with Tahoe RCD, Tahoe City Public Utility District and Villas management to ensure project success.

Community Watershed Planning

In 2015, El Dorado County, Tahoe RCD, and the Conservancy completed a pilot Community Watershed Planning (CWP) project requiring multi-agency collaboration to address erosion and water quality issues on El Dorado County right-of-way and Conservancy-owned land. Given the successful outcomes, a similar collaborative CWP project will be implemented this summer to prevent erosion and sediment from entering Trout and Cold Creeks. The 2016 project will stabilize and restore an eroding cut-bank slope on adjoining Conservancy-owned land and County right-of-way. The Tahoe RCD through the JPA will provide a portion of the project materials and much of the labor with seasonal contract crews. El Dorado County will provide heavy equipment and site preparation.

Urban Lot Restoration Projects

Over 20 urban lot restoration projects are planned for implementation this summer. These projects focus on water quality, resource protection and community aesthetics on urban lots primarily within subdivisions. Through routine lot inspections, additional projects may be identified.

D. Forest Improvement

The Conservancy's forestry efforts are implemented through the Property Management Program. Forestry improvement projects are also funded through grants from other State and federal agencies.

The forest resources are managed consistent with the Conservancy's Forest Improvement Guidelines, the Lake Tahoe Multi-Jurisdictional Fuel Reduction and Wildfire Prevention Strategy (Strategy) and the 2015 updated Community Wildfire Protection Plan (CWPP). These documents provide guidance for a multi-disciplinary approach to sustainable and resilient forest ecosystem management.

Forestry efforts are coordinated with Tahoe Basin partners, including the U.S. Forest Service, LTBMU, California Department of Forestry and Fire Protection, Nevada Division of Forestry and local fire districts/departments. These partnerships occur at both the executive and staff levels through the Multi-Agency Coordinating Group and Tahoe Fire and Fuels Team. These partners meet regularly to update priorities, develop plans, identify funding and implement projects.

Approximately 5,560 acres of the Conservancy's ownership are forested and require management. Conservancy forested lands vary by stand structure, age and species mixture, property size, and position within or surrounding urban areas. Conservancy-owned property within the Wildland Urban Interface (WUI) are considered the highest priority for forest health and fuels reduction projects. Conservancy staff, along with Tahoe RCD staff and crews, fire district crews, CCCs, and private contractors, plan and implement these projects.

2015 Forestry Accomplishments

- 200 acres of forest health/fuels reduction projects completed
- 15 acres of citizen report driven fuel hazard reduction projects

In 2016, the Conservancy plans to implement forest health and fuels reduction projects on approximately 152 acres of Conservancy land. In addition, staff anticipates approximately 21 acres of citizen report driven fuel hazard reduction projects, including hazard tree removal.

E. Management Coordination

The Conservancy continually refines its capacity, expertise, and flexibility to address changing management requirements with assistance from other public agencies and private contractors, using various partnerships to undertake projects and activities.

Tahoe RCD currently provides primarily seasonal staff to assist the Conservancy in preparing and implementing projects. The seasonal work involves 11 crew members, one UTM land steward, and two program assistants. Tahoe RCD staff through the JPA assists with coordination and implementation of restoration, management, and forest improvement projects and with monitoring and reporting on project activities. In addition, through the Clean Tahoe Program, a local non-profit, assists with litter on Conservancy lands in the City of South Lake Tahoe and El Dorado County as a subcontractor to the Tahoe RCD. Other private and public agency contractors provide specialized tools and equipment or perform specialized tasks such as hazard tree removal and law enforcement.

Easements, Leases, and Licenses

The Conservancy cooperates with public agencies and private entities to facilitate their projects and activities by granting easements and licenses. Projects and activities accommodated through these easements and licenses include, but are not limited to, public and private utility facilities such as water storage and treatment, the Alpine Meadows ski area lease and access to land for groundwater monitoring and contaminant removal.

To date, the Conservancy has authorized over 268 short and long-term uses of Conservancy land and granted 64 licenses to various government agencies for improvements associated with Conservancy-funded projects consisting primarily of Conservancy-funded erosion control projects. Staff evaluates requests through the Board-approved Special Use Program guidelines.

In FY 2015/16 expected revenues generated from long and short-term use of Conservancy-owned lands will total approximately **\$130,000**. As of the end of FY

2015/16, revenues from these activities totaled approximately **\$3,749,564**. The majority of the revenue is derived from the Alpine Meadows ski area lease inherited by the Conservancy in conjunction with the acquisition of the 400-plus acre Ward Peak property in 1987.

Coordinated Management with Other Public Agencies

Staff continues to work with other public agencies, including DPR, LTBMU, the public utility districts, both El Dorado and Placer County, the City of South Lake Tahoe, and land owning educational institutions such as the Lake Tahoe Community College to explore right-of-way dedications and easements, land exchanges and boundary line adjustments. Consistent with the Conservancy's authority to acquire, sell or exchange land for management and other purposes these transactions are designed to improve management efficiency, site protection, and coordination of the Conservancy's management activities with other public agency landowners.

For example, in September 2012, and pursuant to direction from the Legislature and Natural Resources Agency, the Board authorized a memorandum of understanding (MOU) with the Natural Resources Agency and DPR to exchange and transfer approximately 1,285 acres of Conservancy-owned land adjacent to existing DPR park units in El Dorado and Placer Counties in return for 18 environmentally sensitive, subdivided parcels adjacent to other Conservancy-owned environmentally sensitive parcels in the Rubicon subdivision. Subsequently, in 2015 and specific to nine parcels adjoining DPR's Washoe Meadows State Park and Lake Valley State Recreation Area, the Conservancy and DPR staff hosted a public open house to facilitate the orderly land exchange and the day-to-day operation and management responsibility. A similar open house was hosted in Tahoe City in December 2014 to provide details and seek public input specifically on the Dollar Property and Rubicon Property transfers. Staff has completed the exchange of the Rubicon parcels and is seeking final approval from the Department of General Services for the above-mentioned Washoe Meadows and Lake Valley land. The 900 plus acre Dollar Property exchange is being reviewed for site-specific management solutions.

Since the Conservancy-owned parcels were purchased with the intent of transfer to the DPR Conservancy staff successfully resolved all identified encroachment issues related to the Washoe Meadows State Park and Lake Valley State Recreation Area parcels, thereby fulfilling the MOU requirements prior to land

transfer which will be completed by fall 2016 upon approved by the Department of General Services.

Other Transfers of Management Responsibilities to Public and Private Entities

In general, developed and undeveloped public recreational areas are maintained by staff or through agreements with private entities, nonprofit organizations, and other public agencies. In addition to the agreements mentioned above for Van Sickle and the North Shore Beaches, arrangements with the private sector assist the Conservancy in providing enhanced recreational lake access at minimal cost. Specifically, the privately owned Gar Woods Grill and Pier maintains the Carnelian Bay Lake Access Phase I parking area, restrooms, walkways, and grounds year-round in exchange for shared use of parking on adjoining Conservancy land. The Conservancy-owned Carnelian Bay Lake Access Phase II Project including various Conservancy-constructed water quality improvements and public restrooms is maintained through a similar concession known as Waterman's Landing, a coffee house and non-motorized watercraft rental business (i.e. kayak rentals).

E. Specific Management Tools and Program Administration

Conservancy Land Management Plan

Consistent with the Strategic Plan, staff is developing a Land Management Plan (Plan) to more effectively manage its lands. As explained in previous years, the Plan will:

- Establish the basis for management recommendations and help direct the management of Conservancy lands;
- Provide transparency with respect to land management decisions and recommendations;
- Identify gaps and inconsistencies in current management strategies and activities;
- Increase consistency between the management practices of the Conservancy and other local and regional plans; and
- Facilitate the development of site specific plans for management, policies, and regulations.

The Plan identifies the various purposes of Conservancy lands and classifies them based on management objectives and goals. Desired conditions and management actions are being developed to achieve these goals. The Plan will be

consistent with the Tahoe Regional Planning Agency's (TRPA's) land classifications and, where appropriate, with the goals and objectives of adjacent public landowners. Staff anticipates completing a draft Plan in 2017.

Management Tools

Staff continues to develop new management tools to assist with the complex task of tracking property management conditions and projects. Databases, web user interfaces and GIS based land ownership and resource maps assist in the identification of land management problems, prescriptions, and site characteristics. The Conservancy also utilizes operating agreements, partnership agreements, MOUs, easements, leases, licenses, exchanges and minor boundary line adjustments to address various management situations. For example, a long-standing MOU with TRPA provides for expedited regulatory review of Conservancy projects. This MOU establishes standards and procedures for projects that are given exempt or qualified-exempt status under TRPA guidelines, removing the case-by-case review of many management and restoration activities. Staff works with TRPA to update and modify the MOU as appropriate.

Additionally, the Conservancy has a blanket set of Waste Discharge Requirements (WDRs) from Lahontan Regional Water Quality Control Board (LRWQCB). The WDRs only cover limited restoration projects within SEZs.

Finally, the Conservancy continues to develop and update internal procedures for land management. The Project Development, Design, and Construction Handbook assists in identifying, planning, designing, implementing, monitoring, and evaluating restoration projects. Additionally, the *Revegetation Guidance Document for Erosion Control Projects in the Tahoe Basin* completed in 2010 continues to serve as an important project planning resource.