

UPPER TRUCKEE MARSH RESTORATION PLANNING

Summary: Staff recommends authorization to expend up to \$562,000 to complete the planning phase of the Upper Truckee Marsh Restoration Project; and authorization to enter into an agreement to accept up to \$1,162,000 from the U.S. Bureau of Reclamation (BOR) to reimburse costs associated with the planning of the Upper Truckee Marsh Restoration Project.

Location: South shore of Lake Tahoe, bounded by U.S. Highway 50, Highland Woods, Al Tahoe, Tahoe Island/Sky Meadows, and Tahoe Keys neighborhoods (Attachment 1).

Fiscal Summary: \$562,000 in Conservancy expenditures.

Source of Funds: Habitat Conservation Fund, Lake Tahoe Conservancy Account, Federal Trust Fund, and/or Proposition 12,40,50 and/or 84 funds.

Total Revenue: \$1,162,000 from Southern Nevada Public Lands Management Act through the United States Department of Interior, Bureau of Reclamation.

Recommended Action: Adopt Resolution 10-09-06 (Attachment 2).

Background

Since January 1988, the Board has authorized several acquisitions totaling approximately 525 acres surrounding the mouth of the Upper Truckee River. The purposes of these acquisitions include: restoring disturbed wetlands; restoring the natural function of the river; improving water quality; preserving and enhancing wildlife habitat; preserving and enhancing habitat for sensitive or endangered species; and providing public access, recreation, and environmental education opportunities. This property is commonly known as "the Upper Truckee Marsh" (Marsh). Acquisition costs totaled approximately \$14 million. The property includes the downstream reaches of Trout Creek and the Upper Truckee River, adjacent wetland and upland habitats, and the Lower West Side (LWS) Wetlands Restoration Project site.

Historically, the Marsh occupied a much larger area along the south shore of Lake Tahoe, encompassing approximately 1,340 acres. The Marsh was drastically altered from the late 1950s into the 1970s. During this period, approximately 600 acres in the center of the Marsh were excavated to create lagoons and the Tahoe Keys Marina. Fill was brought into the Marsh to form the housing pads of the Tahoe Keys residential area. Construction of Tahoe Keys fragmented the Marsh into what is now known as Pope Marsh on the west and the Upper Truckee Marsh on the east. In addition to the resulting loss of wetland acreage, a portion of the Upper Truckee River was channelized in conjunction with construction of the Tahoe Keys development. As a result, the river is disconnected from portions of its former floodplain and rarely overflows its banks or floods the Marsh.

After the Conservancy had acquired the majority of the Marsh, Conservancy staff began planning to restore the natural functions and habitat characteristics of the Marsh. This project involves Environmental Improvement Program (EIP) projects number 399, 560, 611, 906, 952, 1002, and 1005. Once implemented, this comprehensive restoration effort known as the Upper Truckee Marsh Restoration Project (the Project), will assist in meeting the EIP thresholds of soil conservation, water quality, fisheries, and wildlife habitat within the Upper Truckee River Watershed. Elements of public access may also be included where appropriate.

The Board has authorized over \$6.5 million to date for Project planning and design efforts. In addition, the Board authorized \$10.5 million for the implementation of the Lower West Side Wetland Restoration Project, which achieved a portion of the goals of EIP projects 399, 560, 611, and 1002 by restoring over 12 acres of wetland in 2001.

The Project is the largest restoration project ever undertaken by the Conservancy or any other agency within the Tahoe Basin. Conservancy staff, with assistance from the Department of General Services (DGS) and a Technical Advisory Group, designed the project to meet the following objectives:

- Restore natural and self-sustaining river and floodplain processes and functions;
- Protect, enhance, and restore naturally functioning habitats;
- Restore and enhance fish and wildlife habitat quality;
- Improve water quality through enhancement of natural physical and biological processes;
- Protect and where feasible, expand Tahoe Yellow Cress populations; and
- Enhance the quality of public access, access to vistas and environmental interpretation at the Lower West Side and Cove East Beach.

Project Description

The recommended action would allow the Conservancy to expend up to \$562,000 in State funds, in addition to \$530,592 in previously authorized funds, to complete planning of the Project. To date, the team of consultants, Conservancy staff and DGS have developed four restoration alternatives and an administrative draft Environmental Impact Report / Environmental Impact Study (EIR/EIS) for the Project that complies with California Environmental Quality Act (CEQA), National Environmental Policy Act (NEPA), and TRPA's *Code of Ordinances* Chapter 5. The Conservancy would use the additional funds to evaluate and respond to input received during public review of this environmental document, develop a preferred alternative from components of one or more of the existing alternatives, complete preliminary design work on the preferred alternative, and develop draft specifications and permit applications.

Completion of the planning phase will make the Project eligible for future implementation funding from multiple grant sources. Implementation of the Project will require future Conservancy Board adoption of environmental findings pursuant to CEQA, and authorization to proceed with implementation from the Conservancy Board and State Public Works Board.

The recommended action would also authorize the Conservancy to enter into an agreement with the BOR to receive reimbursement of costs associated with completion of the planning phase of the Project. The agreement would provide \$1,162,000 in federal funds, which would reimburse capital outlay expenditures, as well as previously authorized support costs related to the Project. Entering into the funding agreement with BOR will require Conservancy staff to undertake standard grant administration tasks, including invoicing and preparation of financial and progress reports.

Project Budget

The estimated Capital Outlay cost to complete each task in the planning phase of the Project is shown below. Costs per task may change, but the total amount for all tasks will not exceed \$1,092,592.

Estimated project costs are summarized as follows:

Develop preferred alternative	\$42,592
Schematic design	50,000
Final environmental documentation	110,000
Preliminary design	600,000
Develop draft specifications and cost estimate	85,000
Prepare draft permit applications	95,000
Contingency	<u>110,000</u>
TOTAL	\$1,092,592

The funding plan for completion of the planning phase of the Project is shown below. The federal reimbursement amount exceeds capital outlay expenditures because a portion of federal reimbursement will cover previously authorized support costs for Conservancy staff time necessary to manage the Project.

Expenditures:

Proposed Conservancy funds	\$562,000
Previously authorized Conservancy funds	<u>530,592</u>
TOTAL	\$1,092,592

Reimbursements:

Bureau of Reclamation	\$1,162,000
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Project Implementation

The project is being administered through the Professional Services Branch of the DGS' Real Estate Services Division. In addition, BOR, Tahoe Regional Planning Agency (TRPA) and other agencies and technical experts provide input during project planning as part of the Technical Advisory Group.

If authorized, the Conservancy will enter into a grant agreement with the BOR to receive reimbursement of planning expenses. If authorized, the Conservancy and DGS will amend the existing contract to include tasks necessary to assist with developing a preferred alternative, complete schematic design of the preferred alternative, and complete a final environmental review document that meets CEQA, NEPA, and TRPA

requirements. The Conservancy and DGS may elect to amend the existing contract or select a new contractor through a competitive process to complete preliminary design, and develop draft specifications, cost estimate, and permit applications.

Consistency with the Conservancy's Enabling Legislation

Implementation of this project is consistent with the Conservancy's enabling legislation. Specifically, Government Code section 66908 authorizes the Conservancy to receive reimbursements and other funds from public agencies. Government Code section 66907.10 authorizes the Conservancy to improve and develop acquired lands for a variety of purposes, including protection of the natural environment. 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 and control with local public agencies, state agencies, federal agencies, nonprofit organizations, individuals, corporate entities, or partnerships. Under Government Code section 66906.8, the Conservancy is authorized to select and hire private consultants or contractors to achieve these purposes.

Compliance with the California Environmental Quality Act (CEQA)

Pursuant to State CEQA Guidelines (Cal. Code Regs., title 14, § 15000 et seq.), certain classes of activities are statutorily exempt from CEQA or are exempt because they have been determined by the Secretary for Resources to have no significant effect on the environment. Pursuant to Public Resources Code section 21082, the Conservancy has also adopted regulations to implement, interpret, and make specific, the provisions of CEQA. Cal. Code Regs., title 14, § 12100 et seq. Staff has evaluated this project, and has found it to be exempt under CEQA. This project qualifies for a categorical exemption under State CEQA Guidelines, section 15306 (information collection) and for a statutory exemption under section 15262 (feasibility and planning studies). A Notice of Exemption (NOE) has been drafted for the project (Attachment 3). If the Board approves the project, staff will file a Notice of Exemption (NOE) with the State Clearinghouse pursuant to State CEQA Guidelines, section 15062.

List of Attachments:

Attachment 1 – Project Map

Attachment 2 – Resolution 10-09-06

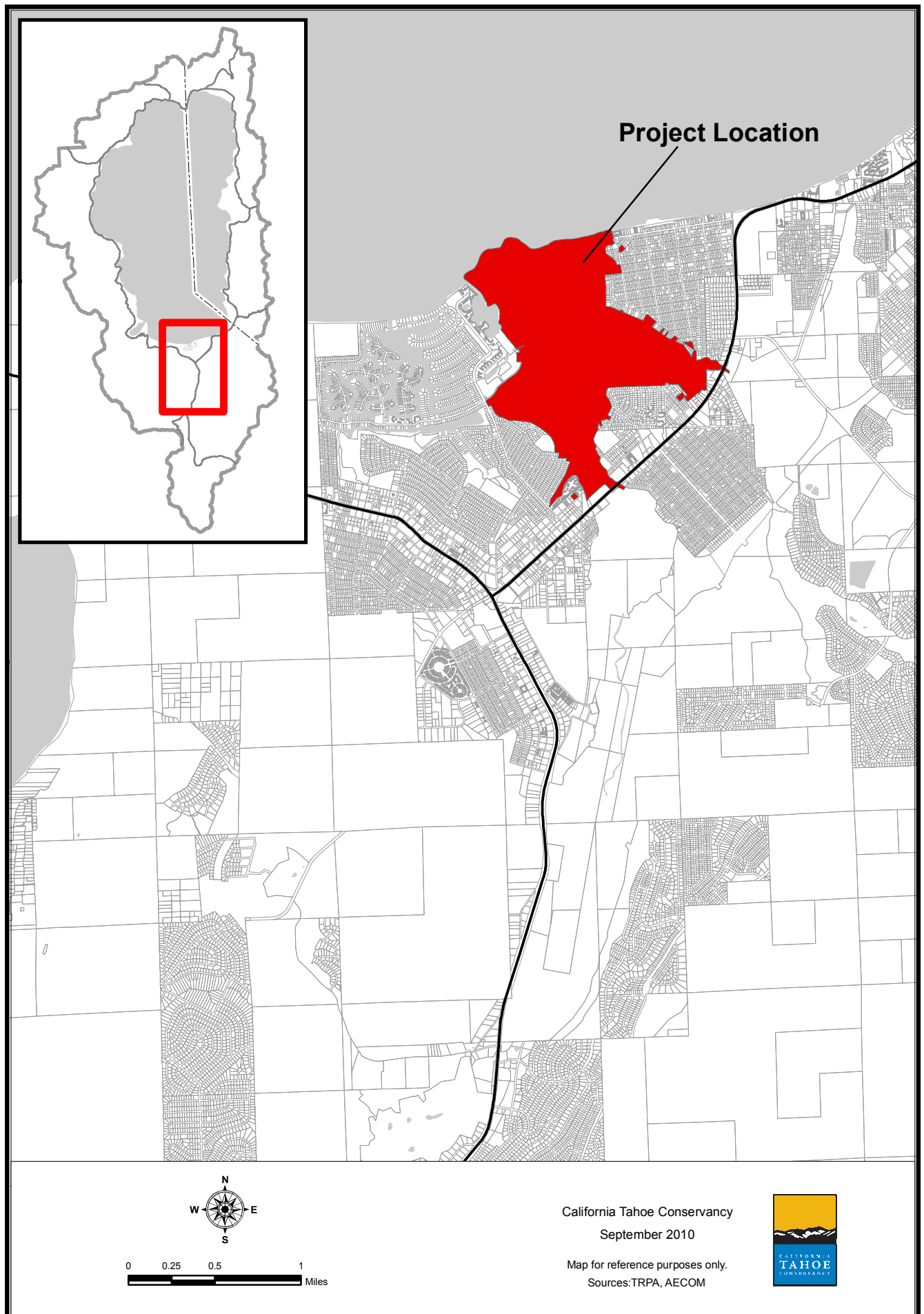
Attachment 3 – Notice of Exemption

Conservancy Staff Contact:

Adam Lewandowski

Phone: (530) 543-6054

ATTACHMENT 1
Upper Truckee Marsh Restoration Project Location



ATTACHMENT 2

California Tahoe Conservancy
Resolution
10-09-06
Adopted: September 16, 2010

UPPER TRUCKEE MARSH RESTORATION PLANNING

Staff recommends 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 has evaluated the project and has determined it to be categorically and statutorily exempt from CEQA. The Conservancy hereby directs staff to file a Notice of Exemption for this project with the State Clearinghouse."

Staff further recommends that the Conservancy adopt the following resolution pursuant to Government Code sections 66906.8, 66907.9, 66907.10, and 66908:

"The California Tahoe Conservancy hereby authorizes staff to enter into an agreement for the acceptance of up to \$1,162,000 for the Upper Truckee Marsh Restoration Project from the U.S. Bureau of Reclamation, to expend up to \$562,000 of State funds for the planning and preliminary design of the Upper Truckee Marsh Restoration Project, and to take all other steps, in substantial conformity with the accompanying staff report, necessary for acceptance of said funds and execution of planning and design of the Upper Truckee Marsh Restoration Project."

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 16th day of September 2010.

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In WITNESS THEREOF, I have hereunto set my hand this 16th day of September 2010.

Patrick Wright
Executive Director

ATTACHMENT 3

NOTICE OF EXEMPTION

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

Project Title:

Upper Truckee Marsh Restoration Project Planning

Project Location – Specific:

The project area is located along the south shore of Lake Tahoe, within the City of South Lake Tahoe. It is bounded generally by U.S. Highway 50 and the Highland Woods neighborhood on the south, the Al Tahoe neighborhood on the east, and Tahoe Islands/Sky Meadows and Tahoe Keys neighborhoods on the west.

Project Location – City:

City of South Lake Tahoe

Project Location – County:

El Dorado

Description of Nature, Purpose, and Beneficiaries of Project:

The project consists of planning and preliminary design work for a wetland restoration project along Lake Tahoe. The project also involves entering into an agreement with the U.S. Bureau of Reclamation to receive funds to reimburse planning and preliminary design costs.

Name of Public Agency Approving Project:

California Tahoe Conservancy (Conservancy meeting of 9/16/2010) (Agenda Item 10)

Name of Person or Agency Carrying Out Project:

California Tahoe Conservancy

Exempt Status:

- ☐ Ministerial (§ 21080 (b)(1); § 15268)
- ☐ Declared Emergency (§ 21080 (b)(3); § 15269 (a))
- ☐ Emergency Project (§ 21080 (b)(4); § 15269 (b)(c))
- ☒ Categorical Exemption (§§ 15306) and Statutory Exemption (§ 15262)

Reasons Why Project is Exempt:

Project involves only information collection, planning, and acceptance of funds in order to further planning efforts.

Contact Person:

Adam Lewandowski

Telephone Number:

(530) 543-6054

Date Received for Filing:

Patrick Wright
Executive Director