

California Tahoe Conservancy  
Agenda Item 7a  
December 16, 2011

**UPPER TRUCKEE RIVER – AIRPORT STREAM ENVIRONMENT ZONE  
RESTORATION PROJECT – REALLOCATION OF FUNDS**

**Summary:** Staff recommends a reallocation of U.S. Army Corps of Engineers (USACE) funds to support the Upper Truckee River – Airport Stream Environment Zone Restoration Project (project). This adjustment reallocates \$138,750 of the USACE funding from the planning to the site improvement phase of the project. The project’s description, schedule, scope, and overall budget remain the same.

**Location:** The project area is located immediately north and east of the Lake Tahoe Airport in South Lake Tahoe, El Dorado County (Attachment 1).

**Fiscal Summary:** The Conservancy has provided \$5,899,500 in planning and site improvement grants to the City of South Lake Tahoe (City) for the project. USACE has provided \$1,230,000 to reimburse a portion of the grant. Pursuant to a December 2008 California Tahoe Conservancy (Conservancy) Board authorization, \$855,000 in USACE agreement funding was allocated for reimbursement of a portion of the project’s planning costs, and \$375,000 was allocated for reimbursement of a portion of the project’s site improvement costs. Staff recommends an adjustment to the allocations of these reimbursement amounts so that \$716,250 of the USACE funding is used to reimburse a portion of the project’s planning costs and \$513,750 is applied toward reimbursement of the project’s site improvement costs. This allows the Conservancy to increase the amount of Conservancy funds available in the planning grant by \$138,750. However, because USACE reimbursement of the site improvement grant funding would be increased by the same amount, staff anticipates no net change in the total amount of Conservancy funding for the project.

Source of Funds	Current Budget	Proposed Budget
Planning		
Conservancy	\$ 544,500	\$ 683,250
USACE	<u>855,000</u>	<u>716,250</u>
<b>Subtotal</b>	<b>\$1,399,500</b>	<b>\$1,399,500</b>
Site Improvement		
Conservancy	\$4,125,000	\$3,986,250
USACE	<u>375,000</u>	<u>513,750</u>
<b>Subtotal</b>	<b>4,500,000</b>	<b>4,500,000</b>
<b>Total Project Cost</b>	<b>\$5,899,500</b>	<b>\$5,899,500</b>

**Recommended Action:** Adopt Resolution 11-12-01 (Attachment 2) authorizing staff to make necessary adjustments to reimbursements from the U.S. Army Corps of Engineers for the Upper Truckee River – Airport Stream Environment Zone Restoration Project as described in the staff report.

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### Background

Restoring the Upper Truckee River and the associated riparian area has long been a high priority within the Lake Tahoe Basin. The river delivers more than 30% of the total inflow to Lake Tahoe and is the single largest source of sediment flowing into Lake Tahoe. Accordingly, the Conservancy is actively involved in several restoration projects in the Upper Truckee River watershed. One such project is the Airport Stream Environment Zone Restoration Project, which is partially funded by the Conservancy and implemented by the City. This project restores approximately 4,000 feet of river channel and 20 acres of surrounding Stream Environment Zone (SEZ) in the area adjoining the Lake Tahoe Airport. Benefits to water quality, groundwater levels, vegetation, and terrestrial and aquatic wildlife are all expected from this project.

The project was initiated in 2003 with the Conservancy awarding the City a total of \$1,399,500 in planning grants. In May 2008, the Conservancy authorized a site improvement grant of \$4,500,000 to the City for construction of the project. Of this amount, \$1,230,000 was to be reimbursed to the Conservancy by the USACE. Additionally, the U.S. Bureau of Reclamation has provided \$2,000,000 directly to the City for construction of the project.

### **Proposed Action**

Staff recommends reallocation of \$138,750 of the USACE funding from the planning phase to the site improvement phase of the project. The project's description, schedule, scope, and overall budget remain the same. There will be no net change in the amount of Conservancy funding for the project.

The allocation of funds for the USACE agreement, as approved by the Conservancy Board in December of 2008, divided the \$1,230,000 grant between planning (\$855,000) and site improvement (\$375,000) costs incurred by the City under Conservancy grants. Staff is proposing the reallocation because during USACE scope and budget review, the Conservancy, City, and USACE staffs determined there were not enough USACE allowable expenses in the planning phase to fully utilize the available USACE funds. A reallocation of funds from the planning to the site improvement phase of the project will allow the USACE to disburse the entire \$1,230,000. Therefore, staff recommends that USACE funds be reallocated to allow reimbursement to the Conservancy of \$716,250 for planning costs and \$513,750 for site improvement costs.

### **Consistency with the Conservancy's Enabling Legislation**

The recommended action is consistent with the Conservancy's enabling legislation. Under Government Code section 66908, the Conservancy is authorized to receive grants and other funds from both public and private sources.

### **Compliance with the California Environmental Quality Act (CEQA)**

The proposed action addresses the reimbursement of funds which the Conservancy has already spent on the project. The action is within the scope of the mitigated negative declaration for the project, and does not involve any new environmental effects or changes in mitigation measures. As such, the proposed action has already been analyzed for environmental impacts, and they are disclosed in the prior negative declaration. That MND is attached as a disclosure document for your use in making a decision on the action. This staff report is an addendum to the MND, and supports this action under CEQA Guidelines section 15164.

**List of Attachments:**

Attachment 1 - Project Location Map

Attachment 2 - Resolution 11-12-01

**Conservancy Staff Contact:**

Scott Carroll

(530) 543-6062

[scarroll@tahoe.ca.gov](mailto:scarroll@tahoe.ca.gov)