

California Tahoe Conservancy  
Agenda Item 2  
May 19, 2011

**BOARD MEETING MINUTES  
JANUARY 20, 2011**

The California Tahoe Conservancy (Conservancy) Board convened at the Lake Tahoe Community College in South Lake Tahoe. Chairman Larry Sevison called the meeting to order at 9:37 a.m. and welcomed new Board members, noting the swearing in of Angela Swanson representing the City of South Lake Tahoe, and Jeff Marsolais representing the U.S. Forest Service.

**1. Roll Call**

Diane Niland of the Staff called the roll. Chairman Larry Sevison, Vice-Chairman John Hooper, and members Norma Santiago, Lynn Suter, and Angela Swanson were present. Todd Ferrara was present as designee for the Natural Resources Agency, and Ken DaRosa was present as designee for the Department of Finance. Jeff Marsolais, Acting Forest Supervisor for U.S Forest Service, Lake Tahoe Basin Management Unit, was also present.

**2. Approval of Minutes**

The Board approved the minutes of the meeting of September 16, 2010 on a voice vote.

**3. Chairman's Report**

Chairman Sevison noted that the Conservancy would like to make presentations in recognition of former Board members Rob Schladale and Kathay Lovell to thank them for their years of service.

Mr. Lacey presented a resolution of appreciation to Mr. Schladale, thanking him for his service and support in Sacramento. Mr. Schladale commented on his appreciation for the Board and Staff, stating that the agency does great work.

Mr. Lacey presented a Resolution of Appreciation to Ms. Lovell, noting that she was an asset to the Conservancy Board and had well represented her constituency. Ms. Lovell noted her appreciation for the experience and stated that this is one of the most accomplished Boards upon which one can sit.

Mr. Sevison noted that Board member Angela Swanson requested consideration of Agenda Item 10b earlier in the meeting, due to a scheduling conflict. Seeing no objection, Mr. Sevison stated that the Board would consider Agenda Item 10b, the Upper Truckee River Public Access Improvements Project, after the Consent Calendar.

#### **4. Deputy Attorney General's Report**

Deputy Attorney General Marian Moe provided an updated Conflict of Interest Pamphlet and emphasized the April 1, 2011 deadline for submittal of Form 700, the Statement of Economic Interests.

#### **5. Executive Director's Report and Major Projects Update**

Executive Director Patrick Wright highlighted changes with the new administration in Sacramento and the need to work with budget administrators and legislators. He further noted that the Conservancy is facing one of the most challenging periods in its history. He informed the Board that the Conservancy and its partners were successful in securing a one million dollar grant from the Strategic Growth Council, noting the Tahoe Basin's application ranked second in the State despite vigorous competition from other regions. The grant will be utilized to develop and promote locally-based sustainability plans, which in turn will be used to strengthen the Basin-wide plan.

Mr. Wright informed the Board that the Conservancy would be launching a strategic planning process. A consultant team has been selected and will work with staff, Board members, and stakeholders in the next two months. The goal is to have a Strategic Plan for Board consideration by September 2011.

Regarding the newly-formed Tahoe Fund, Mr. Wright noted that the Fund had succeeded in securing its 501(c) 3 nonprofit status in September 2010. Board members continue to meet regularly to refine and advance the goals of the Fund.

Mr. Wright updated the Board on recent developments with the newly-released Lake Tahoe License Plate, including a new program in which Tahoe area ski resorts would offer a lift ticket with the purchase of a plate.

Mr. Wright highlighted the reinvigorated efforts of Basin agencies to work with representatives in Washington D.C., Sacramento, and Carson City, Nevada to advance Basin causes. In particular, Mr. Wright noted that he has been working closely with Senator Feinstein's office. Senator Feinstein will be hosting this year's Lake Tahoe summit in August to support the Lake Tahoe Restoration Act. He also noted that the Tahoe Fund would likely play an important role in the annual event. Lastly,

Mr. Wright informed the Board that the Lake Tahoe Restoration Act did not pass in the 2010 Congressional session, but is now being revised for re-submittal in 2011.

Ms. Santiago commented on the changing legislative dynamic, noting that U.S. Congressman McClintock representing District 4 of California, is now on the House Subcommittee for Public Lands.

## **6. Public Comment on Items Not on the Agenda**

There was no public comment.

## **7. Consent Items**

Mr. Sevison requested Item 7b be pulled in order for the Board to hear an update. The Board approved the remaining consent items, Items 7a and 7c, by voice vote.

### *Item 7b*

Stuart Roll of the Staff greeted the Board and presented Consent Item 7b, the Tahoe Pines Restoration Planning Project, including the recommendation to approve Resolution 11-01-02.

Mr. DaRosa asked whether this project was within current budget authority. Mr. Roll answered affirmatively.

Ms. Santiago asked where this project fits in with other Conservancy priorities. Mr. Roll responded as a small project, it could potentially be implemented by in-house crews and thus may be implemented sooner than a larger Conservancy project.

The Board adopted Resolution 11-01-02 for Item 7b on a voice vote.

## **10b. Upper Truckee Marsh Public Access Improvements**

Mr. Sevison noted that in response to a request by Ms. Swanson, Item 10b, Upper Truckee Marsh Public Access Improvements, would be heard at this time.

Bruce Eisner of the Staff greeted the Board and presented the project, including the recommendation to approve Resolution 11-01-08.

Mr. Hooper inquired whether the existing foot path would be relocated as part of the proposed project. Mr. Eisner answered that it should not be relocated, but that it may move when the Conservancy's Upper Truckee Marsh Restoration Project is constructed, noting that additional paths may be designed to connect the parking lot to the primary lake access trail.

Ms. Suter asked whether the existing foot path was also a road. Mr. Eisner responded that there are two easements: one for public access and one held by the Tahoe Keys Property Owners Association (TKPOA) for vehicular access to the east channel. He added that the existing path is wide enough to accommodate this vehicular access requirement.

Ms. Santiago inquired how the proposed land coverage transfers relate to the Cove East litigation settlement, and whether the Tahoe Regional Planning Agency (TRPA) clarified the land capability classification of the property. Mr. Eisner responded that the litigation settlement provided for specific, allowable land coverage, and that the settlement area includes both Conservancy and Tahoe Keys Marina (Marina) lands, for which special rules – that effectively bypass all other coverage regulations – allow for coverage to move between the lands. In fact, the litigation settlement resulted in the amendment of the TRPA Regional Plan for this very unique area. Mr. Eisner further noted that there is considerably more coverage within the settlement area than is needed for the project.

Mr. Eisner stated that TRPA has not yet addressed the land capability issue. He described that, while 11 acres of stream environment zone (SEZ) were restored as part of the Conservancy's Lower West Side Project, there are conflicting findings between TRPA and the Lahontan Regional Water Quality Control Board regarding the definition of man-modified status. He further explained that the findings are not consistent with actions taken by the TRPA and Lahontan Boards, and that the proposed project is in fact located on Bailey Class 6 lands and not SEZ. Mr. Eisner stated that staff is corresponding with TRPA and Lahontan on this matter and anticipates an answer in the next two months.

Mr. DaRosa asked how the Conservancy acquired Parcel B. Mr. Eisner responded that the acquisition was part of the litigation settlement. Funding for the acquisition came through a special \$15,000,000 appropriation of offshore oil revenues. Mr. Eisner stated that former State Assistant Attorney General Greg Taylor assisted with procurement funding specifically for litigation settlements at Tahoe. He explained that this fund was used to acquire the Upper Truckee Marsh, which represents the Conservancy's largest and most expensive litigation settlement acquisition, along with four or five other litigation settlement acquisitions. Mr. Eisner clarified that the key difference is that, unlike bond-funded acquisitions, this special fund allowed for the payment of litigation premiums through a litigation settlement.

Mr. DaRosa asked how the proposed \$261,000 purchase price for Parcel B compares with the litigation settlement cost. Mr. Eisner responded that Tom Crandall of State Department of General Services, Real Estate Services Division, (DGS-RES) prepared the appraisal establishing the proposed option purchase price.

Mr. DaRosa asked if the \$5,000 annual payments into a Capital Improvement Trust Fund from the Tahoe Keys Marina would fund the project's capital improvements. Mr. Eisner clarified that only capital improvement replacement, and not annual maintenance repairs, would be funded by these receipts, explaining that the initial capital improvements would be paid by the Marina.

Mr. DaRosa inquired whether there is a clear distinction as to what constitutes maintenance and improvements. Mr. Eisner referenced the two-page maintenance exhibit that indicates typical operations and maintenance and the proper use of the replacement trust fund.

Mr. Eisner noted that Deputy Attorney General Marian Moe and Staff Counsel John Gussman crafted and reviewed the proposed lease language to protect the agency's and the public's interests. He further stated that it is reasonable to expect that new owners are a possibility, and that the language was not crafted uniquely for the current ownership.

Mr. Ferrara asked whether the capital improvements revert back to the Conservancy at the conclusion of the 30-year lease. Mr. Eisner responded that the capital improvements funded by the Marina run with the land and will become property of the Conservancy when the lease ends. He elaborated that provisions of the lease agreement outline the use of monies placed in the capital improvement trust and ensure that the facilities will be maintained for the next 20 to 30 years.

Ms. Swanson noted that it is nice to be participating on projects in South Lake Tahoe and thanked staff for their hard work. She requested clarification on the reasons behind the 30 year lease, opt out options, and the provisions to protect the Conservancy's interests. Mr. Eisner explained that during the term of lease, the findings to extend the agreement are also provisions for early termination of the agreement; that is, termination is possible if the Conservancy cannot continually make the findings. Mr. Eisner further explained that one provision that would allow the Marina to charge for parking would provide the Conservancy with 20 percent of all parking revenues earned on both Marina and Conservancy land.

Mr. Sevison inquired whether there is potential for increased parking. Mr. Eisner answered that opportunities will be limited, depending on future restoration

Mr. Lacey asked Mr. Eisner to explain the determination of the 90 parking spaces. Mr. Eisner stated that this is an approximation that is consistent with the Marina Master Plan and approvable under existing parking standards; of the 90 proposed spaces, 30 would be considered to meet anticipated public access needs for the Conservancy and 60 for the Marina. The parking spaces would be shared, managed by the Marina, and would accommodate the typical Marina and public access use pattern. Mr. Eisner

further noted that the proposed parking spaces are permissible within the Marina Master Plan, and that improvements have to be consistent with the Plan, as supported by the California Environmental Quality Act (CEQA) documentation.

When asked whether the access easement to the east channel supports the launching of boats, Mr. Eisner answered no. He explained that the easement is specifically for vehicular access and maintenance of the easterly bulkhead and that the marina channel is maintained by the Marina, the TKPOA, and the Beach and Harbor Association. Mr. Eisner further stated the TKPOA owns the land immediately adjoining the eastern edge of the channel and that, in the future, the channel can be widened if so desired.

Mr. Eisner clarified that the easement is not for public vehicular access.

It was requested that Mr. Eisner clarify the capital improvements related to boat inspections. Mr. Eisner explained that TRPA oversees a mandatory boat inspection program to detect Aquatic Invasive Species, and the Tahoe Keys Marina, as the largest marina on the Lake, conducts the greatest number of boat inspections. He added that, in the last several years, with the Lake at low levels and the Marina deep enough to still launch boats, the inspection and launch line had regularly queued up a significant distance. Under this proposal, a long driveway incorporated into the design would enable inspectors to examine queued up boats, thereby providing better customer service and more efficient inspections. Mr. Eisner noted that the Conservancy continues to be active with addressing Aquatic Invasive Species in the Basin and the project design will assist with this effort.

The Board approved Resolution 11-01-08 with a unanimous voice vote.

Board member Swanson left the meeting at 10:45 a.m.

## **8. Forestry**

Brian Hirt of the Staff presented the project overview for the Forest Habitat Enhancement, Fuels Reduction, and Property Restoration authorization, including the recommendation to approve Resolution 11-01-04.

Mr. Hooper commented that he was glad the Forestry Program was moving ahead with reexamining the Program Guidelines. Mr. Hirt responded that it was indeed time to revisit several aspects of the program, including organization. He further stated that staff would be sure to bring questions to the Board for direction and work towards achieving the goals and objectives set within guidelines.

It was noted that there seemed to be a stable pattern of program funding and acres treated from 2001 to 2008, with a spike in 2010. He asked to what the spike in 2010 was attributable. Mr. Hirt replied that collaboration between partners has increased over

the years and, while a small dip was seen in 2009, the fruits of past years' collaboration was evident in 2010. Mr. Hirt further noted that the American Recovery and Reinvestment Act of 2009 (ARRA) funds contributed to the treatment. Mr. Wright added that the data for funding and acres treated do not necessarily have a direct correlation. He suggested that the Forestry Program needs to update the funding tables to better illustrate the mix of Conservancy and federal monies, explaining that the Conservancy now has partnerships with local fire districts and federal agencies.

When asked whether the ARRA funding was for a variety of agencies or just for the Conservancy, Mr. Hirt responded that funding went directly to fire districts, with several projects involving Conservancy lands and with partners working collaboratively to ensure that the outcome met Conservancy and district objectives. Both Mr. Hirt and Mr. Wright were thanked for the explanation.

The Board unanimously adopted Resolution 11-01-04 on a voice vote.

## **9. Land Bank**

Mr. Severson introduced Item 9, Land Bank Transfers. Amy Cecchettini of the Staff noted that she and Gerry Willmetts, also of the Staff, would present two Land Bank items for the Board's consideration.

### *Item 1 – Tahoe Vista Partners*

Ms. Cecchettini presented the Tahoe Vista Partners Project, along with the recommendation to adopt Resolution 11-01-05. She noted that Bob Spitzer, Attorney for Tahoe Vista Partners, LLC, was in the audience to answer any questions.

Ms. Santiago asked how the transfer would impact the accessibility of the site.

Ms. Cecchettini clarified that the Conservancy was transferring rights out of the Land Bank, not transferring actual land; in effect the project proposes to purchase 10 Tourist Accommodation Units and 43,309 square feet of potential coverage rights, pending Board approval.

Mr. Lacey noted that this is an important clarification for the record; the property in question would not be impacted by the proposed project. The property has been open space for more than 20 years, and the parcel has been operating as a lake access facility for a long time. He added that there might be increased access from the residential units across the street, but that the Conservancy property will continue to provide lake access.

Ms. Santiago thanked Mr. Lacey for the clarification. She referenced the settlement agreement and coverage issues, noting that she wished to be clear and on record that

there is no way that the Conservancy could be brought into an additional lawsuit as a result of the transfer. Ms. Cecchettini explained that the Conservancy was not originally part of the lawsuit. She further stated that the revised project was approved by Placer County, and still needs approvals from TRPA. Ms. Cecchettini stated that, under the terms of the agreement, the original parties cannot re-sue; although other parties might be sued again, it is unlikely the Conservancy would be sued as it does not have regulatory authority.

Mr. Hooper questioned the bulk discount of \$9 per square foot. He stated that he could not recall the Program Guidelines or precedence and asked whether we have latitude to authorize such a discount and, if not offered, what revenues would we achieve. Ms. Cecchettini replied that normally the price would be \$10 per square foot but, due to the amount of coverage requested, the project proponent offered \$8 per square foot. She explained that staff has determined that the Land Bank would achieve an overall benefit from selling at a discounted price, and noted that the \$9 per square foot reflects a compromise. Mr. Hooper offered his thanks.

Mr. Eisner added that the Board's adopted Land Coverage Guidelines specify that rights be sold at fair market value, which can vary. He further noted that, given the downturn in the economy, revenues from the sale of coverage and other marketable rights have declined. Mr. Eisner reminded the Board that the typical transaction is in the hundreds of square feet, and pointed out that the more than 43,000 square feet of coverage under consideration represents eight or nine years of potential sales. He stated, therefore, that staff determined this transaction meets the program requirements, brings cash into the Land Bank and the Conservancy immediately, and, in light of the soft market, the bulk discount is appropriate and makes good economic sense.

Mr. Ferrara requested clarification between the figure \$699,781 and \$609,781, asking if it was a typo or a \$90,000 error. Mr. Eisner clarified that the cover recommendation provided the total revenue generated by two separate transactions.

Mr. Sevison invited Bob Spitzer forward. Mr. Spitzer introduced himself as the attorney representing the buyer, Tahoe Valley Partners, and stated that he wanted to compliment staff on their handling of the transaction.

The Board adopted Resolution 11-01-05 on a voice vote. Mr. Sevison abstained from the vote because he owns property in the subject area.

### *Item 2 - The Aspens at South Lake Tahoe*

Mr. Willmettt greeted the Board and presented the Aspens at South Lake Tahoe project, along with the recommendation to approve Resolution 11-01-06.



Mr. Sevison asked whether this project is purchasing coverage in the amount of \$90,000. Mr. Willmettt stated that was correct.

Ms. Suter asked Mr. Willmettt to explain why the \$6 per square foot price was so much lower than \$9 per square foot on the other project. Mr. Willmettt explained that the price per square foot is based on fair market value. He stated that the price started in 1990 at \$4 per square foot in this particular hydrologic area, and explained that the market has changed very little, moving from four to five to six dollars. Mr. Willmettt further explained that the price was determined by an independent fee appraiser as well as staff understanding of market conditions. Mr. Willmettt acknowledged the difference in values between the north and south shores.

Mr. DaRosa asked where the revenues go. Mr. Willmettt stated that the revenues are held by TRPA in an excess coverage mitigation fund, and that TRPA releases the fees back to the Conservancy.

Mr. DaRosa clarified that the funds come back to the Conservancy and not to a general fund, then appropriated for Conservancy projects. Mr. Willmettt confirmed that is the revenues are placed into the Lake Tahoe Conservancy Fund.

The Board adopted Resolution 11-01-06 on a unanimous voice vote.

### **10a. Van Sickle CA/NV Bi-State Park California-side Day Use Area**

Lisa O'Daly of the Staff presented the project, including a recommendation to adopt Resolution 11-01-07.

Mr. Sevison asked about the white squares in the middle of the map. Ms. O'Daly replied that they were the South Tahoe Public Utility District water tanks.

Mr. DaRosa noted a very enthusiastic presentation. He asked about the annual operating costs and whether the Conservancy implemented the day to day operations for the Park. Ms. O'Daly answered that the Land Management Program staff was responsible for managing land owned by the Conservancy. Mr. DaRosa asked if staff would be conducting guided tours, or whether staff responsibilities would be limited to operations and maintenance. Ms. O'Daly explained that the Park will be unique, indicating that caretakers reside at site and will assist with many of the day to day responsibilities, including facilities management. She noted that, while the Conservancy is not immediately intending to run tours, staff at Explore Tahoe - located in Heavenly Village at the South Lake Tahoe/Stateline border - will take on an interpretive component. She described that Conservancy Staff and its partners will be putting together a walking map that directs the public from the Village to the Park and breaks the habit of vehicular access.

Mr. Wright stated that Park operations will be incorporated into the Conservancy's operations and maintenance program. He noted that, several years ago, Conservancy staff had anticipated transferring the property to the California Department of Parks and Recreation (DPR), and that he would still like to explore that option with the new administration. Mr. Wright acknowledged, however, that this is not best time to announce a new state park while other parks will be closing. Despite the current climate, however, he said that the message to both Governor's offices will be that in recognition of the budget crisis, the Conservancy is developing partnerships between both states and non-profits. Mr. Wright suggested that this is an opportunity to convince both administrations to move forward with public-private partnerships that can achieve our goals. He noted that, in the long term, it makes more sense for DPR to own this property as part of a larger land exchange with agencies that employ the staff and personnel necessary to handle these larger acreages.

Mr. DaRosa asked what the distance was to the trailhead. Ms. O'Daly stated that the distance is one half-mile.

Ms. O'Daly clarified that the Van Sickle Connector connects to the Daggett System, providing a way to get from the casino core to the Tahoe Rim Trail. She added that this linkage is a phenomenal regional asset.

Mr. Dave Morrow, the Administrator of the Nevada Division of State Parks (NDSP), echoed the enthusiasm of Staff and noted the incredible effort to date. He emphasized that the Conservancy is key to moving the project along. Mr. Morrow acknowledged the value of the partnership and the project. He noted that NDSP and the Conservancy keep meeting and surpassing every hurdle, and that they will make it work because the opportunities are extraordinary.

Mr. Sevison asked what was the other potential funding. Ms. O'Daly noted that the Conservancy anticipated a non-profit contribution, but that has not materialized.

The Board approved Resolution 11-01-07 unanimously.

## **11. Public Comment**

There was no public comment.

## **12. Board Member Comment**

Mr. Ferrara commented that the Natural Resources Agency is in a period of transition. He stated that Governor Edmund "Jerry" Brown appointed former State Assemblyman John Laird to Secretary of the Natural Resources Agency. He reported that Secretary Laird has expressed great interest in the Conservancies and a great affinity for the

Sierras and Tahoe. Mr. Ferrara noted that he anticipates Secretary Laird will desire to be active in the work of the Conservancy and in the Summit this summer.

Mr. DaRosa stated that he would add to Mr. Ferrara's comments, noting that, with the administration in transition, the Department of Finance is working on a number of issues of interest to the Conservancy. He indicated his availability to discuss the issues and asked for understanding that the transition process is still underway.

Ms. Suter noted that the Tahoe Conservancy is one of the first items on the Assembly sub floor calendar and asked if a representative would be in attendance.

Mr. Marsolais remarked upon the spirit of cooperation he was witnessing and noted that it was a great privilege to serve amongst Basin leaders. He noted that he was humbled by the accomplishments to date and by the many things yet to do.

Mr. Marsolais noted the importance of continuing to reach out to partners and keeping the spirit of collaboration alive.

Ms. Santiago acknowledged the professionalism of the Staff, particularly Tricia York who worked hard on the sustainability grant. She further noted that she had stepped down as Chair for the El Dorado County Board of Supervisors and was starting her position as the Chair of TRPA.

### **13. Adjournment**

Chairman Sevison again welcomed the new Board members, and adjourned the meeting at 12:10 p.m.