

UPPER TRUCKEE RIVER SUNSET STABLES REACH RESTORATION PROJECT

Summary: Staff recommends adoption of the proposed Negative Declaration for the Upper Truckee River Sunset Stables Reach Restoration Project and authorization for staff to enter into a implementation agreement with the U.S. Forest Service, Lake Tahoe Basin Management Unit for construction of the Reach Five portion of the project on Conservancy land.

Location: The property is located in El Dorado County near the Lake Tahoe Airport adjacent to U.S. Highway 50 and Elks Club Drive (El Dorado County Assessor's Parcel Numbers 33-050-18, 33-110-11, and 33-191-05) (Attachment 1).

Fiscal Summary: Minor administrative costs and time within existing budget.

Recommended Action: Adopt Resolution 12-03-05 (Attachment 2).

Background

The Conservancy Board authorized acquisition of the 189-acre Sunset Stables property in 1999. This property is adjacent to 65 acres of Lake Tahoe Basin Management Unit (LTBMU) lands that together comprise the entirety of the Upper Truckee River Sunset Stables Restoration Project. Similar needs for restoration of both reaches and the surrounding lands resulted in the identification of a single project area boundary that encompasses both Conservancy and LTBMU properties, with Reach Five primarily on LTBMU land and Reach Six on Conservancy property.

A partnership between the two agencies was formed to jointly plan and implement restoration of both reaches to take advantage of planning work completed by the Conservancy for both of the adjacent ownerships and to efficiently implement the project. Further, the LTBMU possesses in-house technical expertise that complements Conservancy staff capacities. Integrating these efforts into a single project area will maximize environmental benefits and cost efficiencies.

The Sunset Stables Restoration Project has multiple objectives, including:

- Restoring natural function to the floodplain and river channel by reducing stream bank erosion and increasing floodplain connectivity;
- Improving water quality by decreasing fine sediments and nutrient contributions to Lake Tahoe;
- Enhancing and restoring vegetative communities and wildlife habitat;
- Improving fisheries habitat by enhancing riparian and aquatic habitat in the river; and
- Maintaining appropriate and compatible existing public access and recreational opportunities.

Project Description

The Conservancy and the LTBMU propose to restore a portion of the Upper Truckee River near the Lake Tahoe Airport by constructing approximately 12,000 feet of new river channel on State and federal lands. The proposed project activities would result in a geomorphically stable channel more consistent with the current flow and sediment transport needs of the river. The stream banks would be stabilized with riparian vegetation, sod blocks, large wood, and/or rock placement. Changes to the river channel and bank elevations would improve river function by allowing water to enter the floodplain at lower flows and by raising seasonal groundwater levels. Increasing seasonal groundwater levels would be expected to improve the habitat quality of the wet meadow.

During the first year of construction, the infrastructure would be built to support project construction, including staging and materials storage areas, access and haul roads, and temporary river crossings. Next, new channel excavation would begin, including modifying the meadow to reconnect old overflow channels with the new channel as appropriate. The new channel construction is expected to require two construction seasons. The banks of the new channel and bordering meadow would then be re-vegetated with vegetation harvested from nearby sources (e.g., sod blocks and willows), and irrigation systems would be installed and operated where necessary to assist in plant establishment. The new channel would be allowed to season during the third construction season to allow the vegetation to become well established. Once adequate revegetation success has been achieved, most likely during the fourth year after initial project construction, the new channel would be connected to the existing river at defined tie-in points.

Finally, the old abandoned channel would be filled with stored soil material, imported material, and/or material used for access and haul roads as they are removed and material becomes available. Access and haul roads and river crossings would be removed, and storage and staging areas would be re-contoured and revegetated prior to demobilizing the site.

An implementation agreement is required to allow the LTBMU to construct with its in-house construction unit a portion of the Reach Five project on Conservancy lands. The implementation agreement defines the roles, responsibilities and funding commitments of the parties both during construction and post construction operation and maintenance and monitoring.

Specifically it gives the LTBMU permission to construct the project which includes permission to install temporary roads to transport material, construct new channel segments, stage equipment, collect plant materials, and temporarily stockpile excavated soil (Attachment 3). The soil stockpile area would require an open and level area approximately two and one-half acres in size. This area would be covered with compacted aggregate base material to facilitate stockpile operations. The stockpile area would be located near the former Sunset Stables base facilities adjacent to the U.S. Highway 50 side of the property. The LTBMU will construct, operate and maintain the staging during the period of construction for the Reach 5 portion of the project. After completion of the Reach 5 work the operation and maintenance of the staging area would be the responsibility of the Conservancy. The staging area would be used for stockpiling of soil from the construction of the Reach 6 portion of the project. At the completion of Reach 6 construction activities, the aggregate base material would be removed, and the stockpile area would be restored.

As noted below, the agreement also defines the remaining financial commitments to the project.

Project Budget

LTBMU has received \$5,510,000 in funding through the Southern Nevada Public Land Management Act (SNPLMA), which is sufficient for completion of planning, final design and construction and post construction monitoring of Reach 5.

The current estimate for the final design and construction of Reach Six is \$4,050,000. At this time \$1,510,000 is expected to support the completion of Reach Six final designs and construction: \$400,000 in Tahoe Keys Mitigation funds and \$110,000 federal reimbursements from previous implementation agreements between the Conservancy

and the US Forest Service, and \$1,000,000 in SNPLMA funding approved by the U.S. Secretary of the Interior. An agreement with the U.S. Army Corps of Engineers (USACE) was approved by the Board and provides up to \$5,000,000 for final design and construction of Reach Six. Appropriation of the funding to fulfill the terms of this agreement is being sought by the USACE, but the timing for appropriation of these funds is unknown. Therefore, the Conservancy and LTBMU are seeking alternative grants and funding opportunities to secure the remaining \$2,540,000 million needed to keep implementation of Reach Six on schedule. Applications for this additional funding will be submitted over the next year.

Funding details for each reach and previous funding provided are included below.

Acquisition and Planning Budget

California Tahoe Conservancy Property Acquisition	\$2,500,000
California Tahoe Conservancy Planning Costs	\$2,480,000
LTBMU Planning	<u>\$ 450,000</u>
Total Previous Funding	\$5,430,000

LTBMU Implementation Budget for Reach Five

Final Design and Permits	\$ 600,000
Construction	<u>\$4,500,000</u>
Total	\$5,100,000

Estimated Implementation Budget for Reach Six

Final Design and Permits	\$ 550,000
Construction	<u>\$ 3,500,000</u>
Total	\$4,050,000

Project Implementation

The proposed project would be implemented in two phases due to funding availability: Reach Five (LTBMU and Conservancy lands) is anticipated to be implemented beginning in 2013, followed by the implementation of Reach Six (Conservancy land), projected to begin in 2015. Each phase would take approximately three to five years to complete in order to allow sufficient time for the new river channel to stabilize and revegetation of disturbed areas to become fully established prior to the introduction of river flows. As currently planned, the Sunset Stables Restoration Project would occur over four to eight years, depending on funding availability and the permitting schedule.

Once all funds for Reach Six implementation are obtained, staff will seek separate authorization from the Board to proceed to final design and construction. After Board Authorization, the staff will work with Department of General Services (DGS) to secure State Public Works Board for the approval to spend State funds for implementation of the Reach Six portion of the project, prior to proceeding to final design and construction.

The Conservancy and LTBMU are currently considering the LTBMU to lead implementation of the Reach Six portion of the project. A final determination regarding Reach Six implementation will be made and if found to be practical and appropriate, the matter will be brought to the Board for consideration and possible authorization.

Project Evaluation

Implementation of the Sunset Stables Restoration Project meets the criteria and objectives of the Conservancy's Wildlife Habitat Enhancement and Stream Environment Zone (SEZ) Restoration Programs. The Upper Truckee River Watershed is the largest contributor of sediment into Lake Tahoe. According to historic Washoe accounts, the Upper Truckee River was the most productive fishery in the Tahoe Basin. Currently, fish habitat is severely degraded due to historic land uses and adjacent development. Terrestrial habitat also has been impaired as an indirect result of channel alterations. The project will improve water quality and habitat conditions in the project vicinity. Implementation of this project is a high priority for the Lake Tahoe Environmental Improvement Program (EIP Project # 948), contributes to the attainment of the Lake Tahoe Total Maximum Daily Load objectives set by the Lahontan Regional Water Quality Control Board, and achieves SEZ restoration and wildlife habitat environmental thresholds identified by the Tahoe Regional Planning Agency.

The Sunset Stables Restoration Project will build upon other nearby restoration projects and will use cost effective techniques that minimize negative impacts on the environment. Implementation of the project represents one of the final projects needed for a comprehensive watershed restoration of the Upper Truckee River watershed. Implementation of the project will use proven cost effective techniques and incorporate design features and construction controls to ensure construction-related disturbances are minimized.

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 reimbursement and other funds from public agencies. Under Government Code section 66907.10, the Conservancy is authorized to improve and develop acquired lands for a variety of purposes, including protection of the natural environment, provision of public access or recreational facilities, preservation of wildlife habitat areas, or providing access to or management of acquired lands. 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. Finally, under Government Code section 66906.8, the Conservancy is authorized to select and hire private consultants or contractors as necessary to achieve these purposes.

Compliance with the California Environmental Quality Act (CEQA)

The Conservancy, acting as the lead agency, prepared an Initial Study and Negative Declaration (IS/ND) for this project to comply with CEQA (Attachment 4). Copies of the IS/ND are retained, with the record of proceedings upon which the Board's decision on this matter is based, at the Conservancy office, 1061 Third Street, South Lake Tahoe, CA 96150.

The IS/ND and a Notice of Intent to Adopt a Negative Declaration (NOI) were submitted to the State Clearinghouse (Number 2011042069) on April 22, 2011. The Clearinghouse circulated these documents to responsible agencies for a review period ending on May 23, 2011. The Conservancy also publicly circulated the NOI for the project, announcing the public review period for the IS/ND (April 22, 2011 – May 23, 2011) and providing information regarding where the documents could be reviewed. This NOI was mailed to organizations and individuals who participated in earlier planning public processes and to agencies and organizations that could be affected by the project. The NOI was published in the *Tahoe Daily Tribune* newspaper on April 22, 2011.

Staff considered, responded to, and in some cases, incorporated revisions in response to public comments received regarding the project. Staff has determined that the project, as proposed, would not cause a significant effect on the environment. Since completion of the IS/ND there is no new information, substantial changes to the proposed project,

or changes to implementation which would involve any new significant effects which were not previously analyzed.

Staff recommends that the Board review the IS/ND, together with the comments received during the public review process, and make the findings as set forth in the attached resolution. If the Board adopts the IS/ND and authorizes the project, Staff will file an NOD with the State Clearinghouse pursuant to CEQA Guidelines (Cal. Code Regs., Title 14, § 15000 et seq.), section 15075. Attachment 5 contains the Conservancy's proposed NOD.

List of Attachments:

Attachment 1 – Project Location Map

Attachment 2 – Resolution 12-03-05

Attachment 3 – Project Access, Storage and Dewatering

Attachment 4 – Tahoe Conservancy Final Initial Study and Negative Declaration
(on CD)

Attachment 5 – Notice of Determination

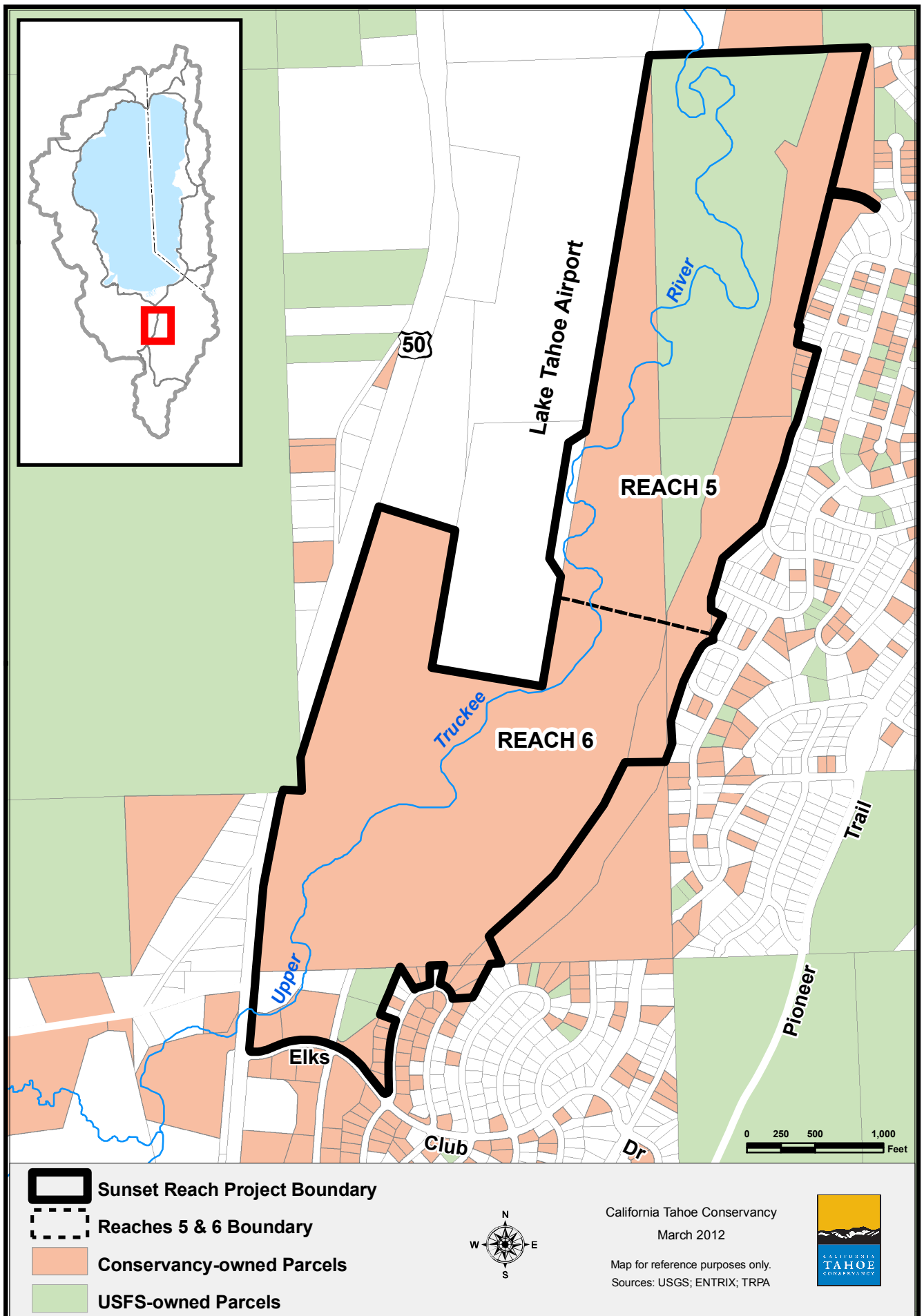
Conservancy Staff Contact:

Joe Pepi

(530) 543-6066

jpepi@tahoe.ca.gov

ATTACHMENT 1
Project Location Map



ATTACHMENT 2

California Tahoe Conservancy

Resolution

12-03-05

Adopted: December 16, 2011

UPPER TRUCKEE RIVER SUNSET STABLES REACH RESTORATION PROJECT

Staff recommends that the California Tahoe Conservancy (Conservancy) adopt the following finding based on the accompanying staff report, and pursuant to Public Resources Code section 21000 et seq.:

"The Conservancy, in its capacity as the lead agency, independently prepared the Initial Study and Negative Declaration and Response to Comments for the Upper Truckee River Sunset Stables Reach Restoration Project. The Conservancy finds on the basis of the whole record before it that there is no substantial evidence that the Project will have a significant effect on the environment and that the Negative Declaration reflects the Conservancy's independent judgment and analysis. The California Department of General Services, Environmental Services Section, holds the documents and other material that make up the Project Record. The Conservancy hereby adopts the Negative Declaration and directs staff to file a Notice of Determination with the State Clearinghouse for this project."

Staff further recommends that the Conservancy adopt the following resolution, pursuant to Government Code section 66907:

"The Conservancy hereby authorizes staff to enter into an implementation agreement with the U.S. Forest Service, Lake Tahoe Basin Management Unit for and take all other necessary action, as described in the accompanying staff report, to implement the Reach 5 portion of the Upper Truckee River Sunset Stables Reach Restoration Project."

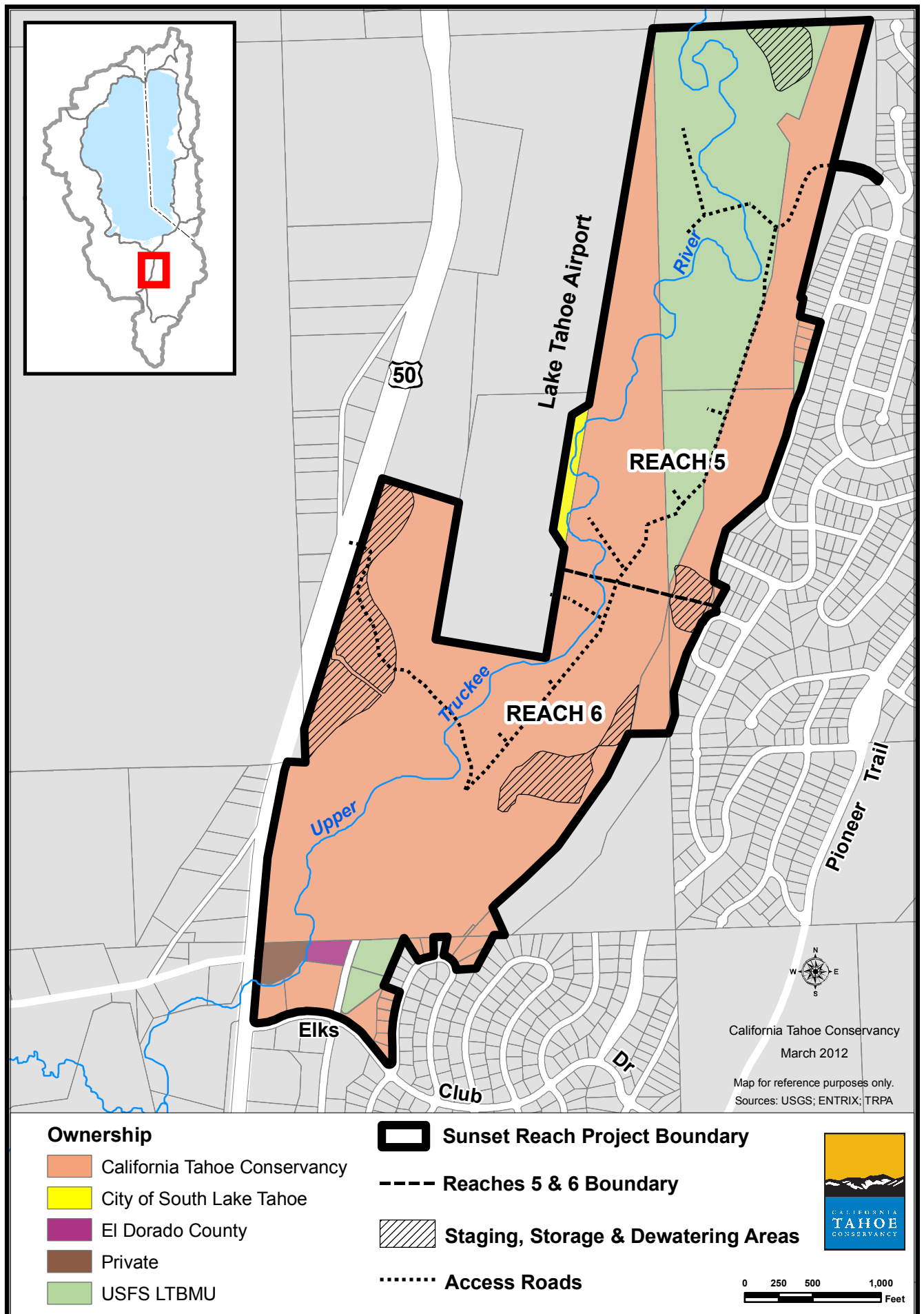
I hereby certify that the foregoing is a true and correct copy of the resolution duly and regularly adopted by the Conservancy at a meeting thereof held on the 15th day of March 2012.

In WITNESS THEREOF, I have hereunto set my hand this 15th day of March 2012.

Patrick Wright
Executive Officer

ATTACHMENT 3

Project Access, Storage & Dewatering



ATTACHMENT 4

**UPPER TRUCKEE RIVER SUNSET STABLES REACH
RESTORATION PROJECT**

Tahoe Conservancy Final Initial Study
Negative Declaration

On CD

ATTACHMENT 5

NOTICE OF DETERMINATION

TO: Office of Planning and Research
1400 10th Street, Room 121
Sacramento, CA 95814

FROM: California Tahoe Conservancy
1061 Third Street
South Lake Tahoe, CA 96150

Subject:

Filing of Notice of Determination in compliance with sections 21108 and 21152 of the Public Resources Code.

Project Title:

Upper Truckee River Sunset Stables Reach Restoration Project

State Clearinghouse Number:
2011042069

Contact Person:
Joe Pepi

Telephone Number:
(530) 543-6066

Project Location:

The project is located along the Upper Truckee River, approximately four miles south of Lake Tahoe.

Project Description:

The project proposes to restore the Sunset Stables reach of the Upper Truckee River by constructing approximately 12,000 feet of new river channel. The proposed project would result in a geomorphically stable channel more consistent with the current flow and sediment transport needs of the river. The streambanks would be stabilized with riparian vegetation, sod blocks, large wood, and/or rock.

This is to advise that the California Tahoe Conservancy Board has approved the above described project on December 16, 2011 and has made the following determinations regarding the above described project:

1. The project will not have a significant effect on the environment.
2. A Negative Declaration was adopted for this project pursuant to the provisions of CEQA.
3. The Conservancy finds that no substantial changes are proposed in the project, and no substantial changes have occurred with respect to the circumstances under which the project is taken that would affect any potentially significant environmental effects.

Fish and Game Fees: A California Department of Fish and Game Environmental Filing Fee was paid for this project. A copy of the receipt will be filed with this notice.

Date Received for Filing:

Patrick Wright
Executive Director
California Tahoe Conservancy