

EXECUTIVE DIRECTOR'S REPORT

A. Budget

Fiscal Year (FY) 2013/14: The Legislature has passed and the Governor has signed the State's 2013 Budget Act. The Conservancy's capital outlay and local assistance appropriations for FY 2013/14 total \$5,015,000. This amount will allow continued funding of projects to meet resource and public access needs under the Environmental Improvement Program (EIP). The appropriations include a mixture of funding from Proposition 84, the Habitat Conservation Fund, and revenues from the Lake Tahoe License Plate and the Conservancy's Land Bank. The Conservancy's baseline support budget continues at a level of \$4,922,000 and 41.0 positions, available from various special funds and revenue sources dedicated to the Conservancy.

Fiscal Year 2014/15: For the Conservancy, a total of \$3,246,000 was requested in the 2014/15 Governor's Budget for capital outlay and local assistance from funding sources dedicated to the Conservancy to enable continued implementation of the EIP. This includes \$575,000 from various state sources dedicated to the Conservancy; \$440,000 in funding from Conservancy land bank proceeds; and \$2,231,000 in bond funds. The Conservancy's baseline support budget is proposed at a total of \$5,508,000 and 39.0 PY. This would entail various special funds and revenue sources dedicated to the Conservancy, along with \$550,000 available from revenues generated under the Conservancy's Asset Lands Program. Staff is also working with the Natural Resources Agency and the Department of Finance on a funding request to be submitted this spring for up to \$400,000 in State Lands Commission lease revenues to be used for various purposes at Lake Tahoe pursuant to recently-passed SB 630. Legislative hearings on the proposed budget will begin in March and continue throughout the spring. Staff will keep the Board informed as the 2014/15 budget cycle progresses.

B. Asset Land Sales Update

In response to comments from Board members and the public, staff is recommending modifications to the Asset Lands Program Guidelines at the March 2014 meeting.

C. Major Conservancy Projects Recently Completed or In Progress, El Dorado County

1. Public Access and Recreation

Sawmill II Bike

Trail: The initial phase of the trail beginning at the intersection of Lake Tahoe Boulevard and Sawmill Road and ending at the entrance to Echo View Estates is complete. The second phase of trail



construction, from Echo View Drive to U.S. Highway 50, is anticipated to start and be completed during the 2014 construction season. The Conservancy awarded up to \$350,000 in site improvement funding at the June 2013 meeting to support the construction efforts.

Lake Tahoe Boulevard Enhancement: The County is moving forward with a bike path located on the west side of Lake Tahoe Boulevard (LTB) within an old native surface road, and erosion control spot treatments along LTB. Construction is anticipated in 2014. The Board is considering authorization of a site improvement grant at this

Board meeting, which if approved would fund additional water quality improvements along LTB which are planned for construction in 2015.

2. Soil Erosion Control

The Conservancy has awarded El Dorado County \$4,435,626 in grants for the active erosion control projects highlighted below. These projects capture and treat stormwater from public rights-of-way (ROWs), address sediment sources, and improve water quality by reducing the amount of sediment and nutrients delivered to Lake Tahoe.

Montgomery Estates Erosion Control, Areas 1, 2, & 3: Areas 1 and 2 are complete. Planning continues for Area 3 with funding from the U.S. Forest Service, Lake Tahoe Basin Management Unit (LTBMU). The County has license agreements on several Conservancy parcels to construct water quality improvements in Area 2.

Sawmill II Erosion Control: This County project is planned in concert with the Sawmill II Bike Trail, of which Phase A (Sawmill Road to Echo View Drive) and the Echo View 2 Erosion Control Project, an offshoot of this project, are complete. Phase B (Echo View Drive to U.S. Highway 50) is scheduled for construction during the 2014 season.

Christmas Valley Erosion Control: The County completed Phase 1, 2A, 2B and 2C of this project, and monitoring will continue through 2015.



County Service Area #5 Erosion Control Project Phase A: The project will stabilize eroding slopes and ditches within the rights-of-way (ROW) of existing roadways and incorporate infiltration systems within the current storm drainage infrastructure to reduce the volume of stormwater runoff and fine sediment that reaches Lake Tahoe. Final plans

are expected in spring 2014, and the project will be constructed in fall 2014.

Forest View Water Quality Project: The project will complement existing BMPs (Best Management Practices) for conveyance in the subdivision by incorporating offline infiltration systems, within the County ROW on existing roadways, to reduce the volume of stormwater runoff and fine sediment that reaches Lake Tahoe. Final plans are expected in spring 2014, and the project is scheduled for construction in fall 2014.

Golden Bear Erosion Control Project: The project will stabilize eroding slopes and drainage ditches and install an infiltration system, within the existing ROW, to reduce the volume and treat stormwater runoff that currently discharges directly to Trout Creek. Final plans are expected in spring 2014, and the project is scheduled for construction in fall 2014.

3. Natural Resources

Upper Truckee River Sunset Stables Reach: The 254-acre project area, between Meyers and South Lake Tahoe, will restore natural river processes, enhance stream environment zones (SEZ), improve wildlife habitat and fisheries, and improve water quality. To date, the Board has authorized \$2,479,728 for planning activities.



The Conservancy is partnering with the LTBMU on this river restoration project since the project will be carried out on both State and federal lands. The project will be constructed in two phases, Reach 5 and

Reach 6 (currently on hold). To provide LTBMU access to Conservancy-

owned land for activities required for construction of the Reach 5 project, the Conservancy entered into a five-year Wyden Participating Agreement with LTBMU in May 2012. This agreement expires in October 2017.

Project documents can be found at:

<http://www.fs.usda.gov/goto/lbmu/UpperTruckeeRestoration>.

Reach 5 channel construction began in early May 2013, and about 3000 feet of new channel were constructed during the 2013 season. The construction of the remaining 4500 feet of channel and related utility line relocation will take place in 2014. There will be no construction in 2015 while the vegetation in the new channel is established, and the relocation of the river into the new channel is planned for 2016. No Conservancy funds are being used for the construction of Reach 5.

Upper Truckee Golf Course Reach: The project will restore natural river processes, resulting in enhanced SEZ, improved wildlife and fisheries habitat, and improved water quality, along one of the Basin's most degraded watersheds, between Meyers and South Lake Tahoe. The project area encompasses both California Department of Parks and Recreation (DPR) and Conservancy properties, slated for transfer to DPR, and includes the Lake Valley State Recreation Area and a portion of Washoe Meadows State Park.

The project and some park unit boundary modifications were approved by DPR in early 2012. Project opponents have filed a lawsuit against DPR. Discussions between DPR staff and these project opponents continue.

Tahoe Pines Campground Restoration and Access Project: This eight-acre site at the confluence of Echo Creek and the Upper Truckee River in Meyers represents a significant opportunity to restore SEZ in the Basin's most degraded watershed. Staff intends to bring a project authorization recommendation along with associated environmental documentation forward for the Board's consideration in July 2014 for a restoration and public access project to be implemented in fall 2015.

4. Forest Habitat Enhancement



The Forest Habitat Enhancement Program projects are designed to improve habitat, reduce fire threat, and promote natural processes. Staff works with the Lake Valley Fire Protection District (LVFPD) and the Meeks Bay Fire Protection District (MBFPD) to plan and implement the Conservancy's forestry activities in El Dorado County. In 2014, the Conservancy and partners will treat 133 acres of forest health/fuels reduction projects on Conservancy parcels. In addition, we have collaboratively worked with California State Parks to fund and complete 25

acres of forest health/fuels reduction on their property. For this field season we are approximately 15 percent complete. For more information, please see the discussion item which includes proposed updated FHE Guidelines.

D. Major Conservancy Projects Recently Completed or In Progress, Placer County

1. Public Access and Recreation

Homewood Bike Trail: The Conservancy awarded the Tahoe City Public Utility District (TCPUD) a \$500,000 site improvement grant in June 2013 to construct the missing one-mile segment in the west shore bike trail system. The Conservancy and TCPUD completed the grant agreement and the project is now in final design. In October, TCPUD learned that they were awarded a \$350,000 Environmental Enhancement Mitigation Program grant, reducing the outstanding balance needed for construction funding to less than \$90,000.

Dollar Creek Shared-Use Trail: The Conservancy awarded Placer County an up-to \$500,000 acquisition grant in June 2013 to acquire a 19.5 acre parcel owned by NV Energy, enabling a trail connection to the neighborhood at Fulton Crescent Drive. The appraisal for the property acquisition is now complete and NV Energy is reviewing the appraisal.

2. Soil Erosion Control

The Board has authorized \$11,418,120 in grant funds to Placer County for active erosion control projects. These projects address sources of sediment and capture and treat stormwater runoff from public rights-of-way. The projects improve water quality by reducing the amount of sediment and nutrients delivered to Lake Tahoe.



Brockway Erosion Control:

Construction was completed during summer 2012 and the revegetation component of the project was completed in fall 2013. The next phase will involve plumbing co-mingled flows from the Stateline area to the new improvements, necessitating a joint treatment and cost-sharing agreement between Placer County, Boulder Bay LLC, Washoe County, and the states of Nevada and California.

Kings Beach Commercial Core and Watershed Improvement

Projects: The Board has authorized \$600,000 to plan the Commercial Core Improvement Project (CCIP) and \$1,123,000 for the Watershed Improvement Project (WIP). These projects address aging infrastructure, water quality, and transportation facilities in central Kings Beach. More information is available on their website,

<http://www.kingsbeachcore.info/>.

The County split both the WIP and CCIP into phases in order to construct portions of the project as funding becomes available. Utility relocations for the CCIP began in summer 2013 in preparation for construction in 2014. The Lower Chipmunk phase of the WIP may begin in 2014. The “Core of the Core” will install full streetscape improvements from Secline to Minnow, Class II bikeways from State Route 267 to Chipmunk, five storm drain systems/crossings, three satellite parking lots, 103 on-street parking spaces, 13 additional speed humps, and improved transit facilities and shelters.

Lake Forest Erosion Control: The County constructed Area A, the first phase of Area B (including SEZ restoration and wildlife enhancement), and the 90% final design for water quality and SEZ improvements in the Lake Forest Subdivision of Area B. Construction is scheduled for 2014.

West Sunnyside Erosion Control: The County completed construction of Phase 1 in fall 2010. Final design for Phase 2 is underway, and construction is scheduled for 2015.

3. Natural Resources

Lower Blackwood Creek Restoration: The completed project, including the realignment of a popular, but eroding, trail accessing Eagle Rock, enhanced aquatic and riparian habitat conditions and provides water quality benefits by reducing sediment sources in the watershed that contributes more fine sediment per acre than any other watershed in the Basin. Final site restoration, irrigation and plant establishment activities will continue at the stream project site into 2014. Monitoring and adaptive management is underway and will occur in subsequent years. More



project information is available at <http://tahoe.ca.gov/lower-blackwood-creek-restoration-69.aspx>.

Alpine Meadows Lease:

Also in the Ward Creek watershed, Alpine Meadows contacted the Conservancy in July 2012 regarding their lease requirement to complete environmental improvements on Conservancy-owned lands they lease by October 15, 2014. In August 2012, a landslide occurred on these lands, necessitating emergency repairs to an access road and two drainages.

Repairs and improvements to reduce the likelihood of future impacts were completed in October 2012. Staff worked with Alpine Meadows to develop a comprehensive plan for improving and protecting additional areas leased from the Conservancy. Alpine Meadows completed the first phase of improvements in fall 2013 and will completed the second phase of improvements in 2014.

4. Forest Habitat Enhancement

Staff worked with the North Tahoe Fire Protection District (NTFPD) to plan and implement the Conservancy's forestry activities in Placer County. In 2014, the Conservancy and partners will treat 87 acres of forest health/fuels reduction projects on Conservancy parcels. For this field season we are approximately 20 percent complete.



Depending upon the outcome of a Federal Emergency Management Agency (FEMA) grant proposal submitted by NTFPD in collaboration with the Conservancy, the agencies may implement the first year of urban lot fuel treatment of approximately 100 acres in 2014.

E. Major Conservancy Projects Recently Completed or In Progress, City of South Lake Tahoe

1. Public Access and Recreation

El Dorado Beach to Ski Run Boulevard Bike Trail and Lake

Access Enhancement: The Conservancy authorized a grant to the City of South Lake Tahoe (City) that funded planning and design of a three-quarter mile trail that will bridge the gap that extends from El Dorado Beach to Ski Run Boulevard. Construction may begin in 2015 should all necessary easements be obtained.

El Dorado Beach Lakefront Enhancement (Phase 2 of Lakeview Commons Project):

This Conservancy funded City project increased and enhanced public access to El Dorado Beach in central South Lake



Tahoe. The second phase of construction is not yet funded. Another four to five million dollars in capital funding is necessary to complete construction of the full design that has been permitted through local and regional entities.

The project's permits will expire this year unless 'diligent pursuit' of the project is demonstrated by the City of South Lake Tahoe. The City and El Dorado County have yet to develop a strategy to procure the additional funds.

The Conservancy continues to work with State Lands Commission, Tahoe Fund, and other partners to secure funds to acquire and restore the Alta Mira property at the east end of El Dorado Beach.

South Tahoe Greenway Shared-Use Trail: The 3.86-mile South Tahoe Greenway Shared-Use Trail Project will provide the backbone of the bicycle network in the core of South Lake Tahoe between the Sierra Tract Subdivision and Van Sickle Bi-State Park. The Conservancy will

schedule construction to begin on Phase 1a after the conclusion of the Bijou Erosion Control which is currently under construction in the same area. More information is available at <http://tahoe.ca.gov/south-tahoe-greenway-79.aspx>.

2. Soil Erosion Control

The Board has authorized \$9,702,387 to the City for active erosion control projects. These projects improve water quality by addressing sources of sediment and stormwater runoff from public rights-of-way (ROWs) and by reducing the amount of sediment and nutrients delivered to Lake Tahoe.

Sierra Tract Erosion Control: The Board has authorized \$4,717,884 since 2000 for this multi-phased project. The City completed Phase 1A, 1B, and Phase 2. Phase 1C is postponed due to lack of funding. In the



interest of focusing limited available resources to more directly address high priority pollutant load areas, Phases 3 and 4 were combined into a single project, Phase 3/4. The City and Caltrans are coordinating the design of their adjacent water quality projects to efficiently address the stormwater

runoff pollutants from both project areas.

The City is seeking a site improvement grant of up to \$211,613 from the Conservancy for the Sierra Tract Erosion Control Project, Phase 3/4, and a long-term license agreement for improvements and maintenance on three Conservancy parcels this month. If the City is awarded State Water Board Proposition 84 funds, it will construct Phase 3/4 in 2015.

Bijou Area Erosion Control: The Board has authorized a total of \$2,288,526 for the project. Phase I of the project addresses the highest priority water quality problems in the Bijou Creek watershed by

developing advanced treatment in the commercial core and by pursuing cooperative cost sharing between public and private contributors. Phase I of the project started in June 2013 and will continue through the 2014 construction season. Conservancy staff is working closely with the City as several Conservancy properties are being utilized for project improvements.

East Pioneer Erosion Control: The City submitted the draft pre-project monitoring report, and determined that the environmental benefits proposed by the project do not match the anticipated expenditure to implement the project. Conservancy staff received the final report for the project and is in the process of reviewing it. Once approved, retention will be released. There will be funds remaining in the grant that will not be used.

3. Natural Resources

Upper Truckee River, Airport Reach: In June 2013 the Upper

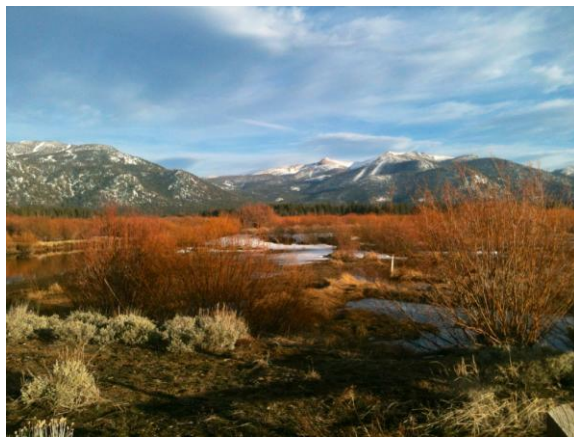


Truckee River interagency adaptive management group inspected the project site and developed recommendations for additional adaptive management work that the City implemented in October 2013. A two-year post project monitoring report is expected to be completed in spring 2014.

Upper Truckee River, Middle Reaches 1 and 2: This project continues to be on hold as LTBMU pursues full fee acquisition of the private property. The Conservancy is working with LTBMU and other partners to develop a shared funding strategy for acquiring and restoring this important and environmentally sensitive property. Public acquisition

of the property would improve the restoration and public access opportunities onsite and would provide a critical linkage between the largely publicly-owned Upper Truckee River meadow and floodplain areas. Restoration planning will resume once the future potential project and status of the acquisition are more clearly understood.

Upper Truckee Marsh Restoration: The Upper Truckee Marsh filters all runoff from the two largest watersheds in the Tahoe Basin. Its restoration will significantly improve ecosystem health and lake clarity. This project is located at the mouth of the Upper Truckee River on the



south end of Lake Tahoe and is being implemented by the Conservancy primarily on Conservancy-owned lands.

The Conservancy, with assistance from consultants hired by the California Department of General Services

(DGS), has developed four alternatives, all of which went through the draft environmental document public comment process. Currently, Conservancy and DGS staff are working with consultants and partners to select a preferred alternative, taking into consideration the project's goals and objectives, the public comments and the environmental analysis. The environmental document will be finalized once the preferred alternative is selected. More information is available at <http://tahoe.ca.gov/upper-truckee-marsh-69.aspx>.

4. Forest Habitat Enhancement

The Forest Habitat Enhancement Program focuses on restoring forested habitats on Conservancy-owned property. Staff worked with the City of South Lake Tahoe Fire Department (SLTFD) to plan and implement the forestry activities for the 2013 field season. In 2014, the Conservancy and

partners will treat 25 acres of forest health/fuels reduction projects on City of South Lake Tahoe (Airport) parcels. For this field season we are approximately 0 percent complete.

F. Urban Land Management Program

1. Special Use Requests

The Conservancy has not granted any licenses since the December 2013 Board Meeting.

2. Upper Truckee Marsh and Van Sickle Bi-State Park

City leash ordinances are in effect from August 1, 2013 through April 30, 2014. The seasonal dog closure is scheduled to commence again on May 1, 2014. The El Dorado County Sheriff's Office is currently under contract to



enforce ordinances on the marsh property, as well as at Van Sickle Bi-State Park (Van Sickle).

Van Sickle closed for the season on October 31, 2013 and gates are scheduled to open on May 1, 2014. 2014 National Winter Trails Day activities were canceled due to rain.

In response to increased winter use at Van Sickle, additional staff time has been committed in recent months to address those associated winter activities and management concerns. More information about Van Sickle is available at <http://tahoe.ca.gov/van-sickle-bi-state-park-79.aspx>