

California Tahoe Conservancy
Agenda Item 2
December 14, 2012

**BOARD MEETING MINUTES
September 12, 2012**

The Board convened at Granlibakken Resort and Conference Center in Tahoe City, CA. Chairman Sevison called the meeting to order at 9:30 a.m.

1. Roll Call

Ryan Davis of the staff called the roll. Chairman Larry Sevison, Vice Chairman John Hooper and Board members Angela Swanson, Norma Santiago, Pedro Reyes, designee for Department of Finance, and Todd Ferrara, designee for Natural Resources Agency, were also present. Lynn Suter and Nancy Gibson were absent. Mike LeFevre, designee for United States Forest Service (USFS), Lake Tahoe Management Unit was not present for roll call, but joined the meeting at 9:50 a.m.

2. Approval of Minutes

Pedro Reyes requested the minutes of June 20th reflect his return to the reconvened session at the Lakeview Commons dedication. The amended minutes were moved, seconded, and approved on a voice vote.

3. Chairman's Report

There was no Chairman's Report.

4. Deputy Attorney General's Report

Marian Moe announced a closed session of the Board to follow today's staff presentations.

5. Executive Director's Report and Major Projects Update

Patrick Wright briefed the Board on the annual Tahoe Summit hosted by Senator Dean Heller of Nevada in August. California Governor Jerry Brown and Nevada Governor Brian Sandoval attended the Summit. California Natural Resources Secretary John Laird and Nevada Department of Conservation and Natural Resources Director Leo

Drozdoff also attended. Mr. Wright reported that the annual Summit continues to play a critical role in keeping key agencies and stakeholders on the same page. The 2012 Summit also generated significant momentum toward completing the Regional Plan. Senator Dianne Feinstein hosted an informal meeting following the Summit. Senator Feinstein plans to continue her efforts to move the Lake Tahoe Restoration Act forward.

Mr. Wright introduced Amy Berry, CEO of the Tahoe Fund (Fund). Ms. Berry gave a status overview of the Fund's efforts. She presented the California Tahoe Conservancy (Conservancy) with a check for \$27,500 for the Lower Blackwood Creek Restoration Project. These donations were raised at the Founder's Circle Dinner in August.

Maja Thaler, of Sandbox Studio, briefed the Board on license plate marketing. Ms. Thaler explained that the current ad campaign for the plate aims to raise awareness, inspire the public to purchase a Lake Tahoe license plate, closely connect the Tahoe plate with the projects that it supports, and build public and private support for the Conservancy and the Lake Tahoe license plate. Ms. Thaler reviewed the advertising budget, the Plate for Powder program, and the results from this year's promotion.

Chairman Sevison asked Ms. Thaler whether the North Tahoe and South Tahoe Utility Districts might follow Tahoe City Public Utility District's lead to include license plate flyers in their billings. She stated she would continue to try to reach out to them. Angela Swanson expressed her willingness to assist with this endeavor.

Todd Ferrara asked Mr. Wright about plate sales annual revenue. Mr. Wright stated recent years have averaged about \$1,200,000 annually, down from a high of \$1,400,000 to \$1,500,000 five years ago, but a gradual increase is emerging. He suggested that these increased sales are tied to promotions, and he hopes the Fund's new promotional efforts will be successful.

Scott Carroll of the staff briefed the Board on the Upper Truckee River Marsh EIR/EIS. The EIR/EIS will be a combined document that includes California Environmental Quality Act, National Environmental Policy Act, and Tahoe Regional Planning Agency (TRPA) environmental review requirements. The project is a multi-agency partnership, with objectives of restoring natural river processes and functions, enhancing aquatic and terrestrial habitat, improving water quality through natural processes, protecting and expanding Tahoe Yellow Cress populations, providing appropriate public access opportunities, protecting the site's cultural heritage, and avoiding increased flood hazards. Mr. Carroll noted that the document is unique in that a preferred alternative has not yet been selected. Mr. Carroll reviewed the four alternatives and explained that the alternative eventually selected may be a combination, including elements of two or more current alternatives. Mr. Carroll explained that the environmental document is

nearing release, and will have a 60-day public review period. Following public review, Mr. Carroll said he anticipates that response to comments and development of a preferred alternative will take an additional eight to twelve months. Grant funding from the U.S. Bureau of Reclamation (BOR) is available to develop the preferred alternative. It is hoped funding for construction can be more easily obtained once a final environmental document is in place.

Ms. Santiago asked Mr. Carroll to clarify whether there is money for planning but not for construction. Mr. Carroll responded affirmatively and stated the cost for construction would be approximately \$5,000,000 to \$15,000,000 depending on the alternative selected. Ms. Santiago further inquired whether funding sources for construction have been identified. Mr. Carroll stated funding sources for construction have not yet been identified. He noted that, while the BOR and the U.S. Army Corps of Engineers have historically supported projects of this nature, neither currently has sufficient funding available. Ms. Santiago encouraged Mr. Carroll to look for construction funding while in the planning phase to assure timely implementation. Mr. Carroll stated that there may be opportunities to phase the project as funding becomes available.

Pedro Reyes asked what the least expensive alternative would be. Mr. Carroll stated the question cannot be answered at this time because new or combined alternatives are expected in order to best meet the goals and objectives of the project. He also emphasized the importance of remaining true to the environmental review.

Patrick Wright added that this project is likely to be one of the most important projects ever done by the Conservancy. Additionally, it will be among the most challenging with regard to funding. Mr. Wright said funding sources indicate the project must proceed through the planning process and be shovel-ready when the construction funds become available, even if this means the project does not immediately move forward after the planning and design phases are completed. He agreed with Mr. Carroll's assessment to implement smaller portions of the project as work progresses toward the greater objective. It is hoped that as each phase progresses, future funding sources will be encouraged to come forward.

Vice Chair Hooper recommended developing funding through sources that have very strong ties to the Basin. He stated, "If there's ever a project that is first among equals in terms of the importance as far as impacts on the lake, this is it." He also asked what efforts are being made to involve scientists and others who may be able to play devil's advocate in helping think through these projects.

Patrick Wright stated, in terms of the funding and science aspects, this project should be as one effort rather than multiple segments. Partnering with the California Department of Parks and Recreation (DPR) as well as USFS may reassure potential funders that this is a highly significant project.

Angela Swanson expressed her support for this project and its benefit to the City of South Lake Tahoe and the community. She asked for more information about the public rollout and the interpretive portion. She believes the public is eager to be a partner.

Mr. Carroll responded that the project will be out for public review for 60 days, reviewed by other agencies, and presented at public workshops to keep the public informed. Public input is greatly encouraged.

Norma Santiago raised the question of pooling funding from various agencies to help reduce costs toward completion of the project. Mr. Wright stated he hoped to come up with a joint funding strategy. This would require collaboration, prioritization, and joint pursuits for funding.

Pedro Reyes supported multiple options for the project that would allow the public to understand the various levels this project might include, based on available funding. He suggested the public wants to know what they are getting and other potential options. Mr. Carroll agreed.

Mr. Wright introduced John Skeel, the new District Manager for the Tahoe Resource Conservation District (TRCD). Mr. Skeel was welcomed by the Board.

Mr. Reyes thanked the staff for the excellent presentations.

Mr. Hooper asked for an update on the Tahoe-Baikal program. Mr. Wright recommended we table this until a Tahoe-Baikal representative is available to speak to the Board at an upcoming meeting.

For the record, Mr. Lacey noted that Michael LeFevre, designee for USFS, joined the meeting at 9:50 a.m.

6. Public Comment

Ann Nichols of the North Tahoe Preservation Alliance expressed concern over the brokering of Conservancy-owned development rights and the disposition of Asset Lands as noted in the Conservancy's Strategic Plan. She requested that the staff and Board make an effort to keep the community informed on these matters.

Ellie Waller of Tahoe Vista stated she had been following the TRPA Regional Plan Update very closely. She asked that Conservancy staff continue to participate in dialogue with TRPA staff to ensure that effective polices are adopted with respect to land coverage transfers, mitigations, and use of fees. She also asked whether the Conservancy is relying on Regional Plan Update (RPU) changes to help correct deficits and whether the Conservancy has enough coverage to meet current commitments. Chairman Sevison recommended postponing comment until the coverage report later in the meeting.

There was no further public comment.

7. Consent Items

Item 7. Environmentally Sensitive Lands

Staff recommended authorization of \$1,000, plus related closing costs, for the purchase of one environmentally sensitive parcel located in the Mountain View Estates Subdivision. No Board or public comments were voiced. Resolution 12-09-01 was moved, seconded, and approved on a voice vote.

8. Land Bank

Item 8a. Annual Land Bank Update

Bruce Eisner of the staff presented an information-only slide show to the Board as an update to the previously-approved Resolution 12-06-02, Annual Land Bank Authorization, which was authorized by the Board in June 2012.

Chairman Sevison asked how low-capability land would be affected by the land use changes. Mr. Eisner stated he did not think the Conservancy would be adversely affected; however, it is not entirely clear which lands will be affected.

Ms. Santiago asked Mr. Eisner whether incentives to transfer residential rights from sensitive lands to town centers and corresponding excess coverage mitigation fees are more or less restrictive under the RPU. Mr. Eisner stated the new excess coverage mitigation fees under the RPU will be restricted to the purchase and restoration of existing coverage which may allow for greater environmental benefit.

Chairman Sevison inquired as to whether the funds from the old program will be available to the new program. Mr. Eisner responded that he did not think so, but that discussions are still taking place as to the use of these funds.

Patrick Wright stated that the new plan is a major upgrade that will make the land bank much more effective in producing and tracking environmental results. He also added, in response to Ellie Waller's earlier public comments, more discussion is needed with TRPA before there is a definitive answer.

No action was taken on this item.

Item 8b. Transfer and Assignment of Restoration Credit to a Residential Project in Unincorporated El Dorado County

Item 8b was removed from consideration at the applicant's request.

9. Land Management

Item 9. Annual Property Management and Forest Habitat Enhancement Updates

Staff members Shawn Butler and Brian Hirt gave an information-only presentation.

District Manager John Skeel of TRCD was thanked by Mr. Butler for TRCD's staff participation.

Ms. Swanson asked whether reduced funding would force a commensurate reduction in acres treated. Brian Hirt responded that any reduction of funds would dictate a similar percentage reduction in treatment, but added that funding sources vary by project.

Chairman Sevison complimented the Conservancy on their work near Brockway last year. He noted that the work transformed the area to a beautiful, walkable area.

Mr. Wright praised the staff and crews from the Conservancy and TRCD for their great efforts. He expressed his confidence in their outstanding, professional performance as skilled managers of Conservancy-owned lands. He shared that neighbors of Conservancy lots have taken their time to come to the agency in person to express their appreciation of our staff and crews, specifically, Jay Seals and Juan Carlos Urizar.

No action was taken on this item at this meeting.

10. Strategic Plan

Item 10. Strategic Plan

Patrick Wright, Executive Director, presented the Strategic Plan's four major strategies to achieve the Conservancy's mission and vision:

- Lead California's Efforts on Sustainability, Climate Change, and other Basin-wide Initiatives.
- Invest in High Priority Conservation and Recreation (Environmental Improvement Program) Projects and Programs
- Effectively Manage Conservancy Lands and Assets
- Strengthen Conservancy Operations

Mr. Wright thanked Kevin Prior, Chief Administrative Officer, for his outstanding efforts with the Strategic Plan.

Pedro Reyes applauded the agency's effort in developing the plan and expressed his pride in the organization. Mr. Reyes requested an addition and revision to Strategy I to read as follows: Lead California's efforts *in the Lake Tahoe Basin* on sustainability, climate change, and other Basin-wide initiatives.

Ms. Santiago commended agency staff for their efforts with the plan. She also recommended an addition and revision to Strategy II.B, Performance Targets, to read as follows: Restore, enhance, *or confirm adequacy of stream and floodplain management of* 15,000 linear feet of stream channel.

Under Strategy IV.D, Improve Communications, John Hooper suggested creating a speakers' bureau made up of Conservancy Board and staff members who could address organizations such as the Commonwealth Club of San Francisco or other such analogous organizations to improve agency communications and outreach to the public.

Ms. Swanson said she is appreciative of and impressed with the great and continuous effort on the plan. She suggested a re-evaluation of the agency's interface with agency partners in terms of project monitoring. Mr. Wright responded that the agency has an aggressive internal program as well as inter-agency program for this purpose. We are ramping up our efforts basin-wide.

Chairman Severson recommended the Strategic Plan document be viewed as a fluid, moving, and living document that continues to be adaptable to accommodate worthwhile programs in the future. He then asked for public comment on this item.

Steve Teshara of Sustainably Community Advocates addressed the Board. He expressed his appreciation to the Board and staff for the new Strategic Plan.

Ms. Santiago moved for the adoption of the Conservancy Strategic Plan Resolution 12-09-03, which included the two revisions noted above to Strategy I and Strategy II.B. The motion was seconded and carried by voice vote.

11. Administration

11a. Election of Conservancy Chair and Vice-Chair

Angela Swanson nominated and motioned approval of the nomination of John Hooper for Vice-Chairman. Chairman Sevison asked for public comment on the nomination. There was no public comment. The motion was seconded and approved.

Norma Santiago nominated and motioned approval of the nomination of Larry Sevison for Chairman. Vice-Chairman Hooper asked for public comment on the nomination. There was no public comment. The motion was seconded and approved.

11b. Fiscal Year 2013 – 2014 Budget Requests

Kevin Prior, Chief Administrative Officer for the Conservancy, presented the 2013- 2014 budget to the Board.

The Conservancy is requesting the Board's approval of the budget requests for ongoing capital outlay, local assistance, and related support. Mr. Prior guided the Board through the support and cap outlay budget, and tied it to the recently adopted Strategic Plan. The final portion of his presentation focused on the agency's future.

The request includes \$6,100,000 for the support budget, \$930,000 in capital funding for programs and projects in support of the Environmental Improvement Program for the Lake Tahoe Basin, and up to an additional \$5,000,000 federal trust fund authority to accept federal grants.

Mr. Prior recommended the Board approve Resolution 12-09-05, the California Tahoe Conservancy's budget proposals for the 2013-2014 fiscal year, which includes \$5,930,000 for capital outlay and local assistance for funding the Conservancy's various programs in support of the Environmental Improvement program for the Lake Tahoe Basin. He then opened the discussion for questions.

Chairman Sevison asked whether the \$5,000,000 federal grant authority amount is a ceiling. Mr. Prior stated it is a ceiling amount for the 2013-14 fiscal year. Mr. Wright

stated there is a process (Section 28 letter) for an adjustment to the budget through the Department of Finance if, in fact, a larger grant is accessible.

Pedro Reyes stated he would abstain without prejudice from voting on this item as it pertains to finance.

Ms. Swanson asked for clarity on the \$578,000 shortfall. She specifically asked what the plan is if the AB 32 “cap and trade” funding fails and how staff will work with the Board to deal with the potential shortfall. Mr. Prior stated the ongoing plan will look at a cut in support dollars as far as contracts. The agency will also continue to work on leveraging dollars for grant funding and working on capital outlay. Mr. Wright stated only limited vacancies will be filled even if things improve. Due to natural attrition, he does not anticipate layoffs.

Ms. Santiago asked when the \$6,100,000 will be funded and when we will know if we are going to get the \$300,000. Mr. Wright responded that the funds would likely be realized toward the end of the fiscal year. He also mentioned that staffing salaries and other components of the agency’s needs are not based on this funding. The agency is being very, very conservative.

Seeing no further comments from the Board or the public, Chairman Sevison called for the motion. The adoption of Resolution 12-09-04 was moved, seconded and approved on a voice vote. Pedro Reyes abstained.

12. Land Exchange

Item 12. Exchange and Transfer of Conservancy Lands with California Department of Parks and Recreation

Ryan Davis of the staff presented Item 12. This item is partially in response to direction from the Legislature to work with the Natural Resources Agency and DPR on a process for improved land ownership patterns and land management processes. Mr. Davis explained the background of the exchanges with DPR and that, with the Dollar property, an easement will be retained for the proposed North Tahoe Bike Trail. Ms. Swanson asked for the easement’s specific location. Mr. Lacey stated the proposed trail would extend north/south through the eastern portion of the Dollar property, and that the trail will be Class 1.

Chairman Sevison stated this parcel could house a trailhead. Mr. Davis concurred adding that DPR is inheriting a revenue stream on the parcel leased by Tahoe City Public Utility District. He also explained the various trail systems currently in existence

in the area that will be enhanced by the addition of the parcel exchange and the addition on the North Tahoe Bike Trail.

Mr. Davis said the environmental document for the North Tahoe Bike Trail is in circulation, and that approval of the document and a reservation of easement for the trail will be brought to the Board in December.

Todd Ferrara asked Mr. Davis what the next step will be. Mr. Davis confirmed the next step would be construction by Placer County as lead agency, which will also secure the funding.

Mr. Davis then summarized the various right-of-ways and easements of the Van Sickle Bi-State Park exchange. Ms. Santiago asked for clarification of the jurisdiction boundaries. Lisa O' Daly of the staff explained that the park entrance is located in the City of South Lake Tahoe (City), but the day-use area is located in unincorporated El Dorado County.

Ms. Swanson stated the City is very proud of the development of Van Sickle Bi-State Park, and believes it is a DPR facility and must be managed in that way. She explained that the City is sensitive to DPR concerns, however the City has always believed the park should be a DPR facility.

Ms. Santiago supported Ms. Swanson's comments on behalf of El Dorado County. She also asked Mr. Davis whether the lands involved in the Cascade property transfer are sensitive lands. He explained the various restrictions and risks as relates to their funding sources and obligations. Mr. Eisner stated virtually all the parcels are stream environment zone and they will be managed as such.

The Rubicon lots have more unique histories. Mr. Wright stated the agencies are committed to keep transfer costs down. It is hoped the State will save money by putting the land in the proper hands. DPR and the Conservancy are working very closely on the remaining details of the framework and will continue to do so. The Conservancy is asking the Board today to give staff the authority to pursue further discussions with the Natural Resources Agency and DPR to continue moving forward. Any changes will be brought before the Board.

Todd Ferrara of the Natural Resources Agency reaffirmed his agency's position to assist in addressing the issues that both the Conservancy and DPR may have.

Pedro Reyes expressed his support of the transfer restrictions and control, and the deed restrictions that will remain there. Mr. Reyes moved the item.

Ms. Santiago seconded the item. She also commented on the letter received from Marilyn Linkem of DPR.

With regard to the letter received from DPR on December 6th, Mr. Hooper acknowledged the concerns, but stated it is the Conservancy's role to move forward. Mr. Hooper commented on the protection that land subject to transfer will retain. He assured the public that whatever level of protection these lands were subject to under the Conservancy will not change. Plans in place for bike trails and the like will not change either. Mr. Davis agreed.

Chairman Sevison expressed his concerns regarding DPR. He also expressed concern regarding the staffing of agency properties, particularly in Kings Beach. He would like to see a management analysis of the area. He urged the Conservancy to look at better ways to manage these facilities cooperatively.

Chairman Sevison called for public comment. There was no public comment. The item was approved by a voice vote.

13. Public Comment

Patrick Wright expressed his appreciation to Conservancy staffers Tom Schaefer and Bruce Cutting with Integrated Technology, and Diane Niland for their significant time and effort coordinating the meeting.

14. Board Member Comment

Mike LeFevre of USFS commented that they received 18,500 comments on their outreach for the Land Management Plan effort. Many of the comments are form letters. However, 2,900 are original comments.

Seeing no further comments, Chairman Sevison called for the closed session to begin.

15. Closed Session

At 12:05 p.m. all public and nonessential meeting attendees exited the meeting room. The Board met in a brief closed session.

16. Recess

The Board recessed for lunch at 12:25 p.m.

17. Reconvene

The Board reconvened for the project site tour at 2:00 p.m., touring the Lower Blackwood Creek Restoration Project and the adjacent Eagle Rock Trail Project.

18. Adjournment

The meeting was adjourned at 5:00 p.m.

California Tahoe Conservancy
Agenda Item 2
Minutes
Adopted: December 14, 2012

APPROVAL OF MINUTES

I hereby certify that the foregoing is a true and correct copy of the minutes of the September 12, 2012 Board meeting of the California Tahoe Conservancy adopted on December 14, 2012.

IN WITNESS THEREOF, I have hereunto set my hand this 14th day of December, 2012.

Patrick Wright
Executive Director