

EXECUTIVE DIRECTOR'S REPORT

A. Budget

2013-14 FY: As authorized by the Board in September 2012, staff has submitted the Conservancy's budget requests for the 2013-14 fiscal year.

A total of \$5,930,000 was requested for capital outlay and local assistance from funding sources dedicated to the Conservancy to enable continued implementation of the Environmental Improvement Program (EIP). This includes \$490,000 from various state sources dedicated to the Conservancy, \$440,000 in funding from Conservancy land bank proceeds, and authority to accept up to an additional \$5,000,000 in federal funding.

The Conservancy's baseline support budget would continue at a level of \$5,757,000 and 41.0 PY, available from various special funds and revenue sources dedicated to the Conservancy. In addition, \$300,000 in AB 32 "cap and trade" monies was requested to support the Conservancy's efforts to develop overall policy and to coordinate the State of California's climate change and sustainability efforts throughout the Tahoe Basin.

These requests are currently being reviewed by Natural Resources Agency and the Department of Finance as part of the development of the proposed 2013-14 Governor's Budget, to be released in early January 2013. Staff will keep the Board informed as the 2013-14 budget cycle progresses.

B. Land Sales Update

In March 2012, the Board approved Asset Lands Program Guidelines and authorized staff to proceed with pre-sale activities on four different properties. As reported staff is proceeding with comprehensive pre-sale activities on two of the four properties at this time – the 8.4-acre former drive-in movie theater on Glenwood Way and the 15+ acre property at the end of Sherman Way formerly

known as the Tallac Vista Conference Center. Both properties are listed for sale through Jean Merkelbach at Sierra Sotheby's International Realty.

One bid for the drive-in property was submitted on November 15, 2012, the date that sealed, written bids were due. This minimum price bid was rejected by staff because it did not conform to several of the bid requirements. Therefore, staff is proceeding with re-advertising the property and has established a new bid date to coincide with the March 1, 2013 bid date for the former Tallac Vista property. The updated former drive-in and Tallac Vista listings can be seen at the following respective multiple listing links:

<http://www.sothebysrealty.com/eng/sales/detail/180-1-921-4415608/1340-glenwood-way-south-lake-tahoe-ca-96150>,

<http://www.sothebysrealty.com/eng/sales/detail/180-1-921-4415412/2675-sherman-way-south-lake-tahoe-ca-96150>.

Specific property information and bid opening documents are available on the Conservancy's website at the following respective links:

http://tahoe.ca.gov/files/glenwood_BID_OPENING_document-2012-1119.pdf.

http://tahoe.ca.gov/files/sherman_way_BID_OPENING_document-2012-1119.pdf.

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

1. Public Access and Recreation

Sawmill II Bike Trail: Since May 2005, the Conservancy has awarded a total of \$821,000 (\$460,000 from the Public Access and Recreation Program and \$361,000 from the Erosion Control Program) to El Dorado County to design and permit a Class 1 bike trail and erosion control improvements. In March 2012, an additional grant of \$85,000 was awarded to the County to acquire easements associated with the bike trail. Construction of 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 took place in summer 2012 and is now complete. Despite the County's verbal agreement to procure easements for the bike path, negotiations with landowners are not progressing. A portion of the project thus may need to be redesigned and re-analyzed for potential impacts, and construction may be delayed until 2015. The realignment may also increase the initial engineer's estimate of construction costs by \$500,000. The delay in timing may also jeopardize the construction funding for a 2013 implementation schedule. The County may elect to

move forward with the Lake Tahoe Boulevard Bike Path project to avoid the loss of federal Congestion Mitigation and Air Quality Improvement Program funding, as well as continue to improve the bike trail network of unincorporated El Dorado County.

South Tahoe Greenway Shared-Use Trail: The South Tahoe Greenway Shared-Use Trail Project will provide the backbone of the bicycle network in the core of South Lake Tahoe. The 3.86 miles of proposed new trail will link the Sierra Tract neighborhood in South Lake Tahoe with Van Sickle Bi-State Park and will incorporate a section of existing bike path at the South Tahoe Ball Fields. The project received Conservancy, Tahoe Regional Planning Agency (TRPA), and City of South Lake Tahoe (City) approval in late 2011. Current staff effort focuses on defining a first phase construction project using limited existing Conservancy funds.

Lake Tahoe Boulevard Enhancement: The Conservancy grant agreement with El Dorado County expired in June 2011. Conservancy staff, however, anticipates continued involvement as a participant on the project's Technical Advisory Committee as it progresses through final design. Depending on the County's ability to obtain easements on private property for the Sawmill II Bike Path (see above), the County may move forward with construction of this project in the summer of 2014.

Lake Tahoe Water Trail: Conservancy staff efforts during Summer 2012 focused on collaborative efforts to improve educational and interpretive messages available to paddlers and to implement high priority Non-Motorized Boating Framework tasks on Conservancy properties. This includes working to create comprehensive wayfinding and interpretive posters for use at high profile launch sites.

2. Soil Erosion Control

The Conservancy has awarded El Dorado County \$8,851,938 in Conservancy grants for the active erosion control projects highlighted below. These projects address sediment sources, capture and treat stormwater from public rights-of-way, and improve water quality by reducing the amount of sediment and nutrients delivered to Lake Tahoe.

Montgomery Estates Erosion Control, Areas 1, 2, & 3: The Board has authorized a total of \$369,000 in grant funds for the planning of this project. The Conservancy expended the planning grant with the completion of preliminary plans for Area 1 in spring 2011. Project implementation for Area 1a was completed in 2011, and Area 1b completed construction this past summer. Planning continues for Areas 2 and 3 with funding from the U.S. Forest Service, Lake Tahoe Basin Management Unit (LTBMU). The Natural Resources Conservation Service Community Watershed Partnership (CWP) and the Tahoe Resource Conservation District have been assisting the County with surveys of the plan area to determine areas of erosion to stabilize and opportunities for infiltrating stormwater on public parcels. Conservancy crews addressed eroding slopes on Conservancy-owned lands in the project area earlier this past summer with rock slope protection and revegetation, as a result of the CWP efforts.

Sawmill II Erosion Control: The Board has authorized erosion control grant funds totaling \$361,000 for this project. The project is planned in concert with the bike trail project along Sawmill Road. Currently, the County is implementing the project in two phases: Phase A (Sawmill Road to Echo View Drive), followed by Phase B (Echo View Drive to U.S. Highway 50). Phase A completed construction in summer 2012, and Phase B will begin construction in summer 2013. The Echo View 2 Erosion Control Project, an offshoot of this project, also completed construction this summer.

Christmas Valley Erosion Control: The Board has authorized grant funds totaling \$2,685,626 for this project. The County completed Phase 1 of this project along Grass Lake Road in 2007, Phase 2A along Cornelian and Shakori Drives in 2009, and Phase 2B in 2010. Construction of Phase 2C is almost complete and will be finished in 2013.

Angora 3 Erosion Control: The Board has authorized grant funds totaling \$4,836,312 for this project. The County constructed a portion of this project in 2007 in response to the Angora Fire, with the remaining portions constructed in the summer and fall of 2008. High groundwater in the area after the Fire, due to a lack of vegetation, resulted in several challenges in the project area that the County has been addressing. The County constructed several additional project improvements in the fall of

2011 to improve the project's performance. The project will conclude in 2012 upon the receipt of all final grant deliverables.

Angora Fire Emergency Rehabilitation: The Board authorized grant funds totaling \$600,000 to the County for improvements and monitoring associated with the Angora Fire response. The County completed this project in early November 2007. Monitoring and maintenance of the facilities continue. Additional stabilization work was completed in 2011 along Mule Deer Circle and Lookout Point Circle, due to high ground water issues occurring after the Fire. County crews have addressed the last of the areas with high groundwater issues this summer. The final monitoring report of the project is the last remaining task.

Comprehensive Facility Erosion Control: The Cold Creek Filter Plant Best Management Practices (BMP) and Ralph Tank Removal Stream Environment Zone (SEZ) Restoration Projects were constructed in Fall 2011 using LTBMU and South Tahoe Public Utility District (STPUD) funding. The Board authorized \$450,000 to STPUD to plan improvements and develop SEZ restoration components within the County. This planning effort will help control sediment sources and treat stormwater runoff at 18 different STPUD facilities. STPUD incorporated the BMP Toolbox, a collection of techniques and strategies to restore and address runoff from multiple STPUD facility sites, into the Draft Alternatives Analysis for Technical Advisory Committee (TAC) review. STPUD is determining the future needs of their facilities this fall and will then determine which facilities will receive BMPs.

3. Natural Resources

Upper Truckee River Sunset Stables Reach: The Conservancy Board approved the environmental document for this project in March 2012. To date, the Board has authorized \$2,479,728 for planning activities. The Conservancy is implementing this river restoration project in partnership with the LTBMU, 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.

The project site is located along the Upper Truckee River near the Lake Tahoe Airport, between Meyers and South Lake Tahoe, and encompasses Reaches 5 and 6 of the river. The project will restore natural river

processes, enhance Stream Environment Zones (SEZs), improve wildlife habitat and fisheries, and improve water quality in the 254-acre planning area.

To control noxious weeds in the project area prior to ground-disturbing activities and prevent their spread into newly-graded areas of the project, the project area was treated for noxious weeds in August and October 2011. The Conservancy will perform a second year of treatment this fall and next spring.

Final design for Reach 5 is completed. Construction of this reach by LTBMU began this past summer with the preparation of the staging and stockpile site. The stockpile site is ready to accept fill from the City of South Lake Tahoe's Bijou Project in May 2013. This fill will be used for the river restoration project. To facilitate the construction of the Reach 5 project, the Conservancy entered into a Wyden Participating Agreement with the LTBMU in May. This agreement expires in October 2017 and gives the LTBMU access to Conservancy-owned land for activities required for construction of the Reach 5 project.

The LTBMU is applying for all project permits needed for construction this winter. After obtaining all permits, construction will begin in May 2013 with the importation of fill from the City of South Lake Tahoe's Bijou Project Area. Reach 5 channel construction will begin in July 2012.

Final design and construction of Reach 6 is currently on hold while funding is secured. Up to \$1,000,000 from the Southern Nevada Public Land Management Act (SNPLMA) Round 12 funding is available through LTBMU. An agreement with the U.S. Army Corps of Engineers (USACE) provides up to \$5,000,000 for design and construction of Reach 6, but this funding has yet to be obligated by the USACE. Up to \$400,000 in Tahoe Keys Mitigation funds through the Lahontan Regional Water Quality Control Board has also been approved for final design work for Reach 6.

Once final design and construction funding is secured and approved by this Board, the Conservancy will take the project to the State Public Works Board for approval to proceed to final design and construction.

Upper Truckee Golf Course Reach: The project site is located approximately 1.5 miles north of Meyers and 2.5 miles south of the South Lake Tahoe city limits. The project area encompasses both California Department of Parks and Recreation (DPR) and Conservancy properties, and includes the Lake Valley State Recreation Area and a portion of Washoe Meadows State Park. The project will restore natural river processes, resulting in enhanced SEZs, improved wildlife and fisheries habitat, and improved water quality.

The project and some park unit boundary modifications were approved by DPR in early 2012. Discussions between DPR staff and project opponents continue

Erie Circle SEZ: This project encompasses a severely-eroding slope within an SEZ on Conservancy-owned properties. To date, the Conservancy has expended \$44,080 for an existing conditions analysis and plan development. Conservancy staff finalized design with the consultant in Summer 2010, but the major stabilization and conveyance work has been placed on hold until funding becomes available. Minor slope stabilization work began in Fall 2010 using Conservancy crews and was completed in 2012. Conservancy crews will continue adaptively managing this work into the future. Previous stabilization work has been very effective at preventing erosion. Staff will continue monitoring the work for effectiveness.

Tahoe Pines Campground Restoration Project: The eight-acre site was acquired by the Conservancy in 2007 with financial assistance from the California Wildlife Foundation. Consistent with the terms of the Purchase Agreement, the previous owners maintained three residences on the site for a period of five years following the acquisition; the residences were physically removed from the site in Summer 2012. The campground improvements were removed prior to the Conservancy taking control of the property in 2007.

In January 2011, the Board authorized the acceptance of \$200,000 from the U.S. Bureau of Reclamation (BOR) for planning, design, and environmental review of a restoration project. Additionally, Conservancy staff unsuccessfully applied for a grant from the River Parkways Grant Program administered by the California Natural Resources Agency to

supplement the BOR funding and garner initial funds for project implementation.

Staff continues to work toward a complementary restoration and public access design of the site, and is implementing protective measures such as minor site stabilization (erosion control), vehicle access barriers, and forest health (tree removal) activities. Staff plans to bring a project design and California Environmental Quality Act (CEQA) documentation forward for the Board to consider in the spring of 2013. The proposed approval may encompass a restoration and public access project, authorize Conservancy site improvement funding, change the current BOR grant funds from planning to implementation, and accept a portion of the U.S. 50 right-of-way abutting the subject property from the California Department of Transportation (Caltrans) which would offer further opportunities for comprehensive site restoration and public access.

4. Forest Habitat Enhancement

The Forest Habitat Enhancement Program focuses on preserving, enhancing, and restoring forested habitats on Conservancy-owned property. These projects are designed to improve habitat, reduce fire threat, and promote natural processes. Staff worked 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 for the 2012 field season.

The Conservancy is engaged in various monitoring projects to determine the effectiveness of program activities. Between 2002 and 2006, the Conservancy and the California Department of Forestry and Fire Protection (CalFire) established a series of permanent forest inventory plots across the Conservancy's ownership. The Conservancy will use information derived from the inventory to aid in the development of management objectives and strategies. The Conservancy initiated a second round of data collection on these plots in 2009 and will continue the effort over the next several summers. Moving forward, the Conservancy will focus on monitoring plots within annual treatment units. Furthermore, monitoring of songbird populations within current and planned project areas was initiated in 2009. Additional surveys were conducted in June and July 2011. Lastly, Conservancy staff plans to continue stocking surveys on proposed quaking aspen stands in

El Dorado County. Staff will revisit these transects periodically after the removal of encroaching conifers to measure the success of such treatments.

The Conservancy is winding down post-fire restoration work on Conservancy-owned land within the Angora Fire area. Restoration will focus on controlling competing chaparral growth, as it can overtop planted conifers and cause higher than average mortality. Potential Angora Fire restoration treatment for 2013 could include manual removal of chaparral.

Lake Valley Fire Protection District: Conservancy staff worked collaboratively with LVFPD to plan, implement, and fund the restoration of 40 acres of urban lots in 2012. The California Conservation Corps (CCC), with the assistance of Proposition 84 funds, completed the Meyers 5 Project, Phases 3 and 4 in 2012. Phases 1 and 2 were completed in previous years. Phase 5 is anticipated to be completed in 2013.

The Tahoe Resource Conservation District forestry crews completed the Southern Pines Project, Unit 2, in 2012.

Meeks Bay Fire Protection District: With the help of MBFPD, the Conservancy is completing projects located on Meeks Bay urban lots and Meeks Bay Meadow. To date, Meeks Bay urban lots are approximately 95% complete, and Meeks Bay Meadow is fully completed. Preparation is complete for the General Creek Project but has not started due to seasonal wildlife restrictions. It is anticipated that operations may begin once these seasonal wildlife restrictions have been lifted.

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

1. Public Access and Recreation

Homewood Bike Path: The Conservancy awarded \$165,000 to the Tahoe City Public Utility District (TCPUD) in May 2008 to finalize the design and procure the necessary permits for this project. TCPUD continues to plan and evaluate the bike path. There is potential for the improvements to be completed in conjunction with the State Highway 89 Water Quality Retrofit Project, planned for implementation by Caltrans in 2014; otherwise, TCPUD would construct the path in 2015. TCPUD has

approached the Conservancy about potentially funding construction of this path. However, timing of construction remains uncertain given the Conservancy's limited fiscal resources.

Lakeside Bike Trail (Phases V through VII): At the March 2010 Board meeting, the Board authorized \$2,500,000 as well as 9,300 square feet of SEZ Restoration Credit and 2,100 square feet of Class 5 coverage to TCPUD to complete Phases V through VII of the Lakeside Bike Trail through Tahoe City. Construction of Phases V through VII is complete. A wetland mitigation phase has been completed as well, although continued monitoring and potential adaptive management actions to ensure adequate functionality of the constructed wetland may occur over the next few summer seasons.

Dollar Creek Bike Trail (aka North Tahoe Bike Trail): The Board has authorized \$435,000 in planning grant funds to Placer County for this project.

County staff has a contract to evaluate and design the proposed 2.2-mile trail alignment between Dollar Point and the southern boundary of LTBMU land terminating just west of Fulton Crescent Road, a county street. The project kicked off its planning effort in August 2011. Initial planning studies were completed, and a public open house was held in October 2011. Another open house was held in Spring 2012 at the release of the environmental document for public comment. The Placer County Planning Commission recommended approval of the project in July 2012; on October 23, the Board of Supervisors approved the project.

The Conservancy Board will consider a grant of easement to Placer County at this month's meeting. The easement would traverse the Conservancy's Dollar Property, which is slated for transfer to the California Department of Parks and Recreation as authorized by the Board in September, 2012.

North Tahoe Beach Pavilion Rentals: The rental of the Pavilion now falls under the Beach Maintenance Contract with the North Tahoe Public Utility District (NTPUD). Rental information is available at <http://northtahoe parks.com/reserve.php>. A 35% discount to the rental rate is offered to non-profits.

2. Soil Erosion Control

The Board has authorized \$14,261,338 in grant funds to Placer County for currently 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.

Homewood Erosion Control: The Board has authorized \$580,000 in planning funds and \$200,000 in site improvement funds for this project. Phases 1 and 1a were constructed during the summer of 2012. Planning for future phases will resume when resources are available.

Brockway Erosion Control: Construction was completed during the summer of 2012. The Board has authorized \$1,974,655 for this project. The next phase will involve plumbing co-mingled flows from the Stateline area to the new improvements. Storm water from public and private lands in Nevada and California co-mingle, 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: There have been no changes to the project since the June 2012 Board meeting. The Board has authorized \$600,000 to plan the Commercial Core Improvement Project (CCIP) and \$1,123,000 for the Watershed Improvement Project (WIP).

The County completed environmental documentation for both projects. Final design has been completed for the CCIP and two phases of the WIP (Coon Clean Water Pipe and Lower Chipmunk phases). Acquisition activities are underway in both project areas. In March 2012, the Board authorized grant easements across eleven Conservancy-owned properties for the CCIP. Appraisals have been approved.

Given current funding opportunities, the County split the WIP into numerous phases in order to construct portions of the project as funding becomes available. Construction of the first phase was completed in 2010 using funding from the America Recovery and Reinvestment Act of 2009 (ARRA). The first phase included installation of the Fox Street Clean Water Pipe and improvements to storm water conveyances and treatment

basins along Fox Street and intersecting streets. It is anticipated that the CCIP and the Lower Chipmunk phase of the WIP will be constructed in 2013 and 2014.

Lake Forest Erosion Control: The Board has authorized \$4,216,976 for this project, comprised of Areas A, B, and C. The County constructed Area A improvements in the summer of 2008. Construction of the first phase of Area B, the Highlands Subdivision, was completed in the fall of 2012. Water quality improvements in the Lake Forest Subdivision of Area B are scheduled for construction in 2013 or 2014. The County completed construction of the SEZ restoration and wildlife enhancement portion of Area B in the fall of 2010, which provides a polishing treatment for storm water from the Highlands Subdivision. The County will resume planning for Area C when Area B nears completion.

West Sunnyside Erosion Control: The Board has authorized \$2,891,707 for this project. The County completed construction of Phase 1 in the fall of 2010. Final design for Phase 2 is underway, and construction is scheduled for 2013 or 2014.

Unpaved Access Roads and Trails Erosion Control: There have been no changes since the June 2012 Board meeting. The Board authorized \$150,000 to NTPUD to address water quality issues associated with unpaved roads and trails that access NTPUD facilities. NTPUD is focusing current efforts on completing cultural and biological resource assessments needed to support environmental documentation. Once the environmental documentation is complete, NTPUD will finalize the engineered designs, obtain construction funding, and implement the improvements.

3. Natural Resources

Lower Blackwood Creek Restoration: This project is located along Blackwood Creek and includes Eagle Rock on the west shore of Lake Tahoe, north of Tahoma. The project will enhance aquatic and riparian habitat conditions and provide water quality benefits by reducing sediment sources in the watershed that contribute more fine sediment per acre than any other watershed in the Basin. Since 2005, the Board has authorized \$4,250,000 for planning, final design, and implementation of the project.

The CCC completed the realignment of a popular but eroding trail accessing Eagle Rock under the direction of Conservancy staff in the summer of 2011. Additional work on the trail network north of Eagle Rock is planned for the 2013 field season. Construction of the stream enhancement and aspen release components of the project began in June 2012 and were completed in fall of 2012. Irrigation, plant establishment, and monitoring are planned at the stream project site in 2013 and subsequent years.

The Conservancy signed an agreement with USACE to provide up to \$3,250,000 in federal funds to reimburse project-related expenses. To date, USACE has provided \$2,425,000 to reimburse planning and implementation costs. USACE continues to seek the additional \$800,000 to cover implementation costs. USACE funding will reimburse up to 75% of planning and implementation costs for restoration activities, excluding trail realignment. Through a competitive, statewide grant process, the Conservancy received Proposition 84-funded CCC crews valued at \$77,310 to complete the trail work.

Lake Forest SEZ and Wildlife Enhancement Phase of the Lake Forest Erosion Control Project Area B: There have been no changes since the June 2012 board meeting. The project is approximately two miles east of Tahoe City, adjacent to Lake Tahoe and mostly on Conservancy-owned property. The Lake Forest Stream Environment Zone and Wildlife Enhancement Phase is a part of the larger Lake Forest Erosion Control Project Area B being implemented by Placer County. The SEZ and Wildlife Phase restored a stream that had been placed in a culvert and enhances adjacent meadow, riparian, and aquatic habitats.

The Conservancy signed an agreement with USACE to provide \$2,075,000 in federal funds to reimburse implementation costs. This USACE funding was granted to the County at the May 2009 Board meeting. The County began construction in the fall of 2009 and completed the project in 2010 by connecting the new channel and abandoning the subsurface culvert. Despite a low water year, the channel saw its first flows in April 2012.

Ward Creek Watershed Assessment and Restoration: Conservancy is implementing the projects defined in the Watershed Assessment in coordination with LTBMU, DPR, Placer County, and

Alpine Meadows Ski Resort (Alpine Meadows), among other entities. The project was initiated by the Conservancy in 2004, and the Board has authorized \$1,115,000 through four different annual planning authorizations for planning activities. The project area encompasses the entire 9.74-square-mile watershed located on the west shore of Lake Tahoe, south of Tahoe City.

The Ward Creek Dam Removal was completed in 2006. Conservancy crews constructed the main improvements of the Drainage and SEZ Restoration Project near the Stanford Rock Crossing in 2010 and some additional improvements in Fall 2011 and 2012. Monitoring and adaptive management will continue until at least Fall 2013.

In July 2012, Alpine Meadows contacted the Conservancy regarding their requirement to complete environmental improvements on Conservancy-owned lands they are leasing by October 15, 2014. The new lease agreement adopted by the Board at the October 2011 board meeting outlines this requirement. 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 is working with Alpine Meadows to develop a comprehensive plan for improving and protecting additional areas leased from the Conservancy. Construction of improvements is scheduled to resume in the summer of 2013.

4. Forest Habitat Enhancement

The Forest Habitat Enhancement Program focuses on preserving, enhancing, and restoring forested habitats on Conservancy-owned property. These projects are designed to improve habitat, reduce fire threat, and promote natural processes. Staff worked with the North Tahoe Fire Protection District (NTFPD) to plan and implement the Conservancy's forestry activities in Placer County for the 2012 field season.

The Conservancy is engaged in various monitoring projects to determine the effectiveness of program activities. Between 2002 and 2006, the Conservancy and CalFire established a series of permanent forest inventory plots across Conservancy-owned lands. The Conservancy will use information derived from the inventory to aid in the development of management objectives and strategies. The Conservancy initiated a second round of data collection on

these plots in 2009 and will continue the effort over the next several summers. Moving forward, the Conservancy will focus on monitoring plots within annual treatment units. In addition, monitoring of songbird populations within current and planned project areas was initiated in 2009. Additional surveys took place in June and July 2011.

North Tahoe Fire Protection District: In 2012, Conservancy staff collaborated with NTFPD to plan, implement, and fund projects in the Ward Creek and Commonwealth/Windsor areas through a variety of sources, including SNPLMA and direct Conservancy funds. Both projects have yet to start implementation due to contract preparation as well as seasonal wildlife restrictions. These two treatment areas may be completed in the spring of 2013.

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 2013 and 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 grant agreement with the City of South Lake Tahoe terminated in June 2011. Nonetheless, Conservancy staff anticipates continued involvement with this project. With the assistance of TRPA and Tahoe Metropolitan Planning Organization staff, the City received construction funding via Caltrans from the excess funding available from the U.S. Highway 50 Water Quality Retrofit Project (Trout Creek to Ski Run Boulevard reach). Construction may begin in 2014 should all necessary easements be obtained. Two of the required easements over Conservancy-owned land within the project area were approved by the Board in March 2012.

El Dorado Beach Lakefront Enhancement (Phase 2 of Lakeview Commons Project): The Conservancy awarded a \$6,000,000 site improvement grant to the City for this project. Construction began in May

2011 and was completed in July 2012. A park dedication and grand opening ceremony was held on June 20, 2012.

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 City and El Dorado County have yet to develop a strategy to procure the additional funds.

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 and by reducing the amount of sediment and nutrients delivered to Lake Tahoe.

Sierra Tract Erosion Control: The Board authorized \$4,717,884 for this multi-phased project. The City constructed Phase 2 in 2005, Phase 1A in 2007, and Phase 1B in November 2010. Construction of Phase 1C is postponed due to lack of funding.

After completion of an analysis using the new Pollutant Load Reduction Model, the City modified the boundaries of Phase 3 to address the highest-priority problems. Phase 3 lies adjacent to U.S. Highway 50, so 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, with help from TRPA, is also engaging private property owners in the project area. The City began design of Phase 3 in August 2012. The project will proceed to the development of 60% plans upon resolution of project design and permitting process issues. Completion of design, environmental documents, and permits is anticipated in 2013, with construction scheduled for 2014. Phase 4 is being planned in conjunction with the City's Sierra Boulevard Streetscape Project, a comprehensive project proposed to include water quality improvements, a bike trail, and neighborhood enhancements like sidewalks. As part of this effort, Liberty Utilities has completed their underground line project. Phase 5 will be pursued in the future as funding allows.

Al Tahoe Erosion Control: The City completed construction of Project Area 1 in 2010, funded entirely with LTBMU and ARRA funds. The Board authorized \$1,675,000 in May 2011 for implementation of the Al Tahoe Erosion Control Project 2. Construction was completed for Project Area 2 in Summer 2012.

Bijou 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. The City continues to develop an optional buy-in Community Facilities District (CFD) to provide private funding for the project. Property owners who choose to participate in the CFD will receive a TRPA BMP compliance certificate in exchange for their contributions to this shared water quality facility.

Phase I of the erosion control project also includes the replacement of old and undersized pipes currently under the Bijou commercial core with properly-sized infrastructure to improve conveyance and stabilize the existing deteriorating pipe system. Replacing these pipes will assist the project in achieving its water quality objectives while also allowing the City to pursue future water quality improvements throughout the entire watershed. Caltrans installed the portion of the new culvert under U.S. Highway 50 in the summer of 2012, which has resulted in significant implementation cost savings for the City.

The City has secured all necessary easements and permits for the project's construction, and the bid advertisement period is anticipated to occur in early 2013. Phase I project construction is planned to start in May of 2013 and continue through the 2014 construction season. The City has accepted \$4,735,000 from Caltrans for Phase I, and additional construction funds totaling \$5,197,000 have been awarded to this project from the SNPLMA program. The City has also applied for \$3,000,000 in Proposition 84 stormwater grant funding for Phase I project construction; if awarded, this funding would insure that the City has adequate funding to complete all construction activities.

Due to the complexities of the project, Conservancy senior management and the City Council are informed of all developments as they occur.

East Pioneer Erosion Control: There have been no changes since the March 2012 Board meeting. The Board has authorized \$1,020,977 in planning funds for this project. Water quality monitoring is complete in the Keller Canyon portion of the project. The City is completing the pre-project monitoring report, and, after receipt and review of the report, Conservancy staff will work with City staff to close out this grant agreement.

3. Natural Resources

Upper Truckee River Airport Reach: The Board authorized \$5,899,500 for planning and site improvement grants for this project. The City also received a grant of \$2,000,000 from the U.S. Bureau of Reclamation. The Conservancy has received funds from USACE to reimburse up to \$1,500,000 in planning, monitoring, and construction management costs.

The project is located on the Upper Truckee River, on City property adjacent to the South Lake Tahoe Airport. The project restores natural river processes, resulting in enhanced SEZs, improved terrestrial and aquatic habitat, and improved water quality.

After postponing the project one year to allow vegetation establishment, project construction was completed in the fall of 2011. The old channel is filled, and the new channel is now active. Irrigation will continue through 2013 to establish newly-planted vegetation. The project saw its first peak flow event in April 2012, and some private citizens have questioned whether the project is degrading water quality. The City and Conservancy coordinated adaptive management activities to address some bank erosion in Fall 2012.

Upper Truckee River, Middle Reaches 1 and 2, SEZ and Wildlife Enhancement: There have been no changes to this project since the September 2012 Board meeting. This project has been temporarily placed on hold to pursue full fee acquisition of the property by LTBMU. 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.

The project site is located downstream of the Lake Tahoe Airport, upstream of U.S. Highway 50 in South Lake Tahoe, and adjacent to the Sierra Tract Subdivision. The majority of the project area is currently located on private property, so public property acquisition efforts need to progress prior to the project moving forward.

The project aims to improve water quality by filling a highly erosive gully channel in the meadow that formed during the flood of 1997. The project also includes bank stabilization treatments and habitat improvements along the main channel of the river. Depending on the outcome of the acquisition discussions, additional restoration and public access features may be incorporated into the project design as appropriate.

Upper Truckee Marsh Restoration: To date, the Board has authorized \$6,500,000 for project planning and design, and \$10,500,000 for the implementation of the first phase of the project, the Lower West Side Project. 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 objectives of the project include enhancing sensitive wetland habitat, restoring natural hydrologic processes, improving water quality, and providing appropriate recreational opportunities. The Upper Truckee Marsh filters all runoff from the two largest watersheds in the Tahoe Basin, and its restoration is likely to be one of the most significant actions leading to the improved clarity of Lake Tahoe.

In September 2010, the Board authorized the acceptance of up to \$1,162,000 in federal reimbursements from the U.S. Bureau of Reclamation to fund the completion of preliminary plans and environmental review. The Conservancy, with assistance from consultants hired by the California Department of General Services, has developed four alternatives, and all are under environmental review. A print check draft of the Environmental Impact Report and Environmental Impact Statement has been completed, and release of a public draft of the document is scheduled for early 2013.

4. Forest Habitat Enhancement

The Forest Habitat Enhancement Program focuses on restoring forested habitats on Conservancy-owned property. Projects are designed to improve habitat, reduce fire threat, and promote natural processes. Staff worked with the City of South Lake Tahoe Fire Department (SLTFD) to plan and implement the forestry activities for the 2012 field season.

The Conservancy is engaged in various monitoring projects to determine the effectiveness of program activities. Between 2002 and 2006, the Conservancy and CalFire established a series of permanent forest inventory plots across Conservancy ownership, including Conservancy-owned lands in the City. The Conservancy will use information derived from the inventory to aid in the development of management objectives and strategies. The Conservancy initiated a second round of data collection on these plots in 2009 and will continue the effort over the next several summers. Furthermore, monitoring of songbird populations within current and planned project areas was initiated in 2009. Additional surveys were conducted in June and July 2011.

City of South Lake Tahoe Fire Department: In 2012, Conservancy staff worked collaboratively with SLTFD and LVFPD to fund a hand crew on 25 acres of Van Sickle Bi-State Park. The project location is within and around the parking area and on both sides of the main road leading to the Nevada side of the park. Implementation of this work is anticipated to be completed this field season with follow up burning of resulting slash piles in 2013.

5. Land Exchange

The Board-approved land exchange with the City closed escrow in April 2012. The Conservancy transferred approximately 1.2 acres of commercially-zoned property to the City in return for approximately 32.7 acres to assist the Conservancy with meeting land bank and Upper Truckee Marsh restoration objectives. Specifically, the Conservancy transferred the former Unocal property along Lake Tahoe Boulevard and land at the corner of Modesto and Harrison Avenues to the City in return for the former drive-in movie theater along Glenwood Way and land within the Upper Truckee River floodplain west of Sunset Drive. The transaction involved land assets of equal value, based upon independent appraisals.

F. Urban Land Management Program

1. Special Use Requests

Pursuant to Board authority dated January 20, 2011, staff is authorized to enter into license agreements consisting of three years or less provided the Board is notified. Staff is providing notice of six recent licenses as described below.

a. Long term (three-year) license granted to the City of South Lake Tahoe executed on August 25, 2012. Explore Tahoe: An Urban Trailhead, a recreational facility of the City, will be implementing a variety of educational and program activities within the Van Sickle Bi-State Park. The City will be furthering the program objectives for this Conservancy-funded project in-lieu of a license fee. Evidence of insurance listing the Conservancy as additional insured was provided.

b. Very short term (one-day) license granted to the Bonnier Corporation executed on September 7, 2012. The Bonnier Corporation hosted a photography and video workshop at Van Sickle Bi-State Park. The fee for this license was \$100, and they have agreed to provide photos for use on the Conservancy website. Evidence of insurance listing the Conservancy as additional insured was provided.

c. Very short term (one-day) license granted to North Tahoe High School (NTHS) executed on September 14, 2012. NTHS hosted a cross country invitational track meet on the Dollar property. The fee for this license was waived. Evidence of insurance listing the Conservancy as additional insured was provided.

d. Short-term (two-month) license granted to The Sugar Pine Foundation executed on September 15, 2012. The Sugar Pine Foundation hosted three community volunteer events to plant sugar pine seedlings at the former Tahoe Pines Campground and Jewel Road in El Dorado County and at Regency Drive in Placer County. The license fee for these activities was waived in lieu of the seedling plantings. Evidence of insurance listing the Conservancy as additional insured was waived, and participants were required to sign a Waiver and Release of Liability.

e. Long term (three-year) license granted to Tahoe Institute for Natural Science (TINS) executed on September 22, 2012. TINS will be conducting a bird study at the Cove East property using bird banding and mist netting methods. TINS will be providing annual results of the studies in lieu of the license fee. Evidence of insurance listing the Conservancy as additional insured has been provided.

f. Long term (two-year) license granted to Integrated Environmental Restoration Services (IERS) was executed on November 1, 2012. IERS will be conducting a SNLPMA-funded forest management practice study using non-invasive methods. Monitoring will occur on previous or current forest management practice sites designated in El Dorado and Placer Counties. IERS will be providing annual reports in lieu of the license fee. Evidence of insurance listing the Conservancy as additional insured has been provided.

2. Upper Truckee Marsh

The 2012 seasonal marsh closure to dogs began on May 1 and ended on July 31. City leash ordinances are in effect from August 1, 2012 through April 30, 2013. The El Dorado County Sheriff's Office is currently under contract to enforce ordinances on the property.