

## **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, the Board authorized modification of Asset Lands Program Guidelines and identification of seventeen Asset Lands the Conservancy may seek to sell or transfer. The following additional program modifications were also authorized by the Board:

- 1) The Board and public will tour the property prior to presale authorization. Regular meeting notification will be followed;
- 2) The funding source for the original purchase of the property will be identified;
- 3) Land capability will be identified; and
- 4) The asset lands referred to in this modification are the specific seventeen identified.

There are currently no properties for sale. For more information visit <http://tahoe.ca.gov/asset-land-sales-information.aspx>.

## 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 of the bike trail is anticipated in 2014.

## **2. Soil Erosion Control**

The Conservancy has awarded El Dorado County \$4,647,239 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.

**Lake Tahoe Boulevard Enhancement:** The Board authorized a site improvement grant for \$211,613 at the March 2014 Board meeting, which will fund water quality improvements along Lake Tahoe Boulevard (LTB) planned for construction in 2015. The County is separately moving forward with a bike path located on the west side of (LTB) within an old native surface road.

**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.

**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 beginning in June 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. An advisory group meeting, comprised of regional agencies and stakeholders was conducted in early March 2014, the project design (50% level of completion) and its objectives were well received. Staff intends to bring a project authorization recommendation along with associated environmental documentation

forward for the Board's consideration in 2014 for a restoration and public access project to be implemented in fall 2015.

#### 4. Forest Improvement



The Forest Improvement 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 20 percent complete.

#### 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. The TCPUD has now secured all needed construction funds and expects to begin construction in 2015.

**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:** Placer County constructed water quality improvement infrastructure on the California side of the Brockway watershed during summer 2012 and completed the revegetation components of the project in fall 2013. Project monitoring will continue through fall 2015 in accordance with the Conservancy's grant requirements. The final phase of improvements in the Brockway watershed will be constructed in Nevada by Boulder Bay LLC. It involves installment of conveyance infrastructure and a new infiltration facility to reduce the volume of co-mingled flows originating from the Stateline casino corridor. Overflow from this system will be directed into the water quality improvement facilities constructed in California as part of the Project. This collaborative effort to improve water quality in the Brockway watershed is being completed through 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 and are ongoing in preparation for construction 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.

At this meeting the Board is considering a recommendation that would authorize additional license agreements in support of the WIP. This authorization would facilitate construction of the Coon Clean Water Pipe phase of the WIP which is scheduled to begin in summer 2014.

**Lake Forest Erosion Control:** The County constructed the Area A erosion control phase, the Area B Highlands erosion control phase, and the Area B SEZ restoration and wildlife enhancement phase. Water quality and SEZ improvements in the Lake Forest Subdivision of Area B (Panorama phase) are scheduled to be constructed in summer 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 popular, but eroding, trails





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.

Staff worked with Alpine Meadows to develop a comprehensive plan for improving and protecting additional areas leased from the Conservancy. Alpine Meadows completed emergency repairs in 2012 necessitated by a landslide, the first phase of improvements in fall 2013, and will implement the second phase of improvements in 2014.

#### **4. Forest Improvement**

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 2015.

**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.

Staff is recommending authorization to acquire the Alta Mira property at the east end of El Dorado Beach at the May 2014 meeting.

**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 Project which is currently under construction in the same area. The Conservancy is also actively seeking additional funding for future project phases. 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 \$4,929,497 since 2000 for this multi-phased project. The City completed Phase 1A, 1B, and Phase 2. 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.

In March 2014 the Conservancy Board authorized a site improvement grant for Phase 3/4, and a long-term license agreement for improvements and maintenance on three Conservancy parcels. If the City is awarded State Water Board Proposition 84 funds, it will construct Phase 3/4 in 2015. If this additional funding is not secured, the City will construct a discrete portion of the project with the available Conservancy funds.

**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 retention release. 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



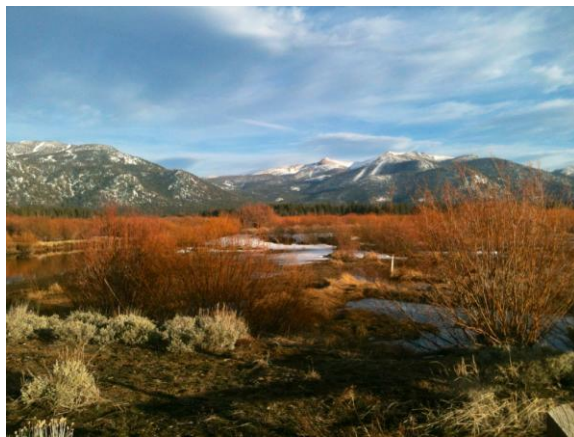
Truckee River interagency adaptive management group inspected the project site and developed recommendations for additional adaptive management work that the City

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, the selection criteria and process are being reviewed by a Science Review Panel and a Technical Advisory Group. Once complete, the selection process will be implemented, a preferred alternative will be selected and a final environmental document will be prepared. More information is available at <http://tahoe.ca.gov/upper-truckee-marsh-69.aspx>.

#### **4. Forest Improvement**

The Forest Improvement 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 5 percent complete.

## **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 four recent licenses as described below:

- a. Very short-term (one-day) license granted to Departure Films executed on March 30, 2014. Departure Films video recorded background scenes for a new HGTV Series at Lake Forest Glen and North Tahoe Beach. The Placer County Film Commission was notified and a Film Permit was issued. Departure Films paid a license fee of \$100. Evidence of insurance listing the Conservancy as additional insured was provided.
- b. Short-term (three-year) license granted to the Tahoe Regional Planning Agency (TRPA) executed on April 1, 2014. This has been an annual license to TRPA for Noise Monitoring stations throughout the Lake Tahoe Basin. In lieu of a license fee, the TRPA will apply the sum of \$900 (\$100 per location) per year toward efforts to meet the goals for Threshold Categories identified in the Regional Plan. Evidence of insurance listing the Conservancy as additional insured was provided.
- c. Short-term (one-month) license granted to The Sugar Pine Foundation executed on April 12, 2014. The Sugar Pine Foundation hosted three community volunteer events to plant sugar pine seedlings on Golden Bear Road in El Dorado County and on Polaris Drive and Commonwealth 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.

- d. Very short-term (one-day) license granted to Alyssa Hurlstone executed on May 19, 2014. Ms. Hurlstone hosted a wedding ceremony at Eagle Rock. Ms. Hurlstone paid a license fee of \$100. The insurance certificate requirement was waived for this license.

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

The seasonal dog closure is scheduled for May 1 - July 31, 2014. The Conservancy-owned Cove East property, west of the river, remains open for year-round, leashed dog access. 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 gates are scheduled to open on May 1, 2014. More information about Van Sickle is available at:

<http://tahoe.ca.gov/van-sickle-bi-state-park-79.aspx>