

California Tahoe Conservancy
Agenda Item 2
June 16, 2016

**BOARD MEETING MINUTES
MARCH 17, 2016**

Vice Chair John Hooper called the meeting to order at 9:36 a.m. at the Lahontan Annex Hearing Room, South Lake Tahoe, California. Those in attendance and constituting a quorum were:

Members present:

John Hooper, Vice Chair, Public Member
Todd Ferrara, California Natural Resources Agency
Jeff Marsolais, United States Forest Service (ex officio)
Sue Novasel, El Dorado County
Karen Finn, California Department of Finance
Tom Davis, City of South Lake Tahoe

Members absent:

Lynn Suter, Public Member
Chair Larry Sevison, Placer County

Others present:

Marian Moe, Deputy Attorney General
Patrick Wright, Executive Director
Jane Freeman, Deputy Director
Ryan Davis, Staff Counsel
Diane Niland, Clerk of the Board

Agenda Items

Agenda Item 1. Roll Call

The Clerk of the Board called the roll at 9:36 a.m.

Agenda Item 2. Minutes

The minutes were taken out of order and considered after the conclusion of agenda Item 8a. Mr. Ferrara moved approval of the March 17, 2016, Minutes (**Resolution 16-03-01**) as submitted. The motion was seconded by Ms. Novasel. The motion passed unanimously among those participating on a roll call vote. Mr. Davis abstained.

Agenda Item 3. Chair's Report

Vice Chair Hooper acknowledged Conservancy staff member and Board Clerk Diane Niland for her service to the Conservancy and her upcoming retirement from the Conservancy.

Agenda Item 4. Attorney General's Report

Deputy Attorney General Marian Moe had no report.

Agenda Item 5. Executive Director's Report

Executive Director Patrick Wright highlighted several Conservancy staff accomplishments since the December 15, 2015 Board meeting. Mr. Wright mentioned recent presentations to the Tahoe Regional Planning Agency (TRPA) on the Upper Truckee Marsh project by Stu Roll and his own on the Lake Tahoe West collaborative planning project in concert with Mr. Marsolais and noted that both projects are significant as they involve large landscape multi-benefit efforts.

Next Mr. Wright described a series of staff level meetings with the Washoe Tribe and efforts to complete a Memorandum of Understanding (MOU) strengthening the relationship between the Conservancy and the Tribe.

Finally, Mr. Wright described the upcoming Lake Tahoe environmental summit in August hosted by U.S. Senator Harry Reid.

Agenda Item 6. Public Comment on Non-Agenda Items

There was no public comment.

Agenda Item 7. Consent

Alert Tahoe License Agreement

The Board considered possible authorization for a long-term license agreement with the University of Nevada, Reno for the Alert Tahoe Ward Peak Fire Camera Station and Early Warning System (Placer County Assessor Parcel 083-010-014).

Ms. Novasel moved approval of **Resolution 16-03-02**. Mr. Davis seconded the motion. The motion passed unanimously on a roll call vote.

Agenda Item 8. Project Authorizations

a. Proposition 1 Grant Awards

The Board reviewed and considered possible authorization of Proposition 1 grants in the amount of up to \$7,161,568 at the allocated project amounts shown in the related agenda attachment(s). Supervising Environmental Planner Penny Stewart presented the item.

In response to a question from Mr. Davis during the presentation regarding consideration of three project items identified in the Agenda for further review and anticipated future Proposition 1 Board recommendations, Staff Counsel Ryan Davis advised the Board that it could hear public comment on those items but that the Board's deliberative process was limited under the Bagley-Keene Open Meeting Act. Accordingly, he advised the Board to only deliberate on the items specifically recommended for the March 2016 action.

In response to similar questions from Board Members Finn, Novasel, and Davis regarding the proposed reductions in funding for certain grant applications, the competitive nature of the process, and how the review team recommendations were considered, Ms. Stewart and Mr. Wright confirmed that the funding reductions were made based on external review team input and in consideration of other potential funding sources. Ms. Stewart and Mr. Wright explained that the reduction typically resulted in smaller or scaled down projects and noted the Aquatic Invasive Species (AIS) control project is an example of a project where

the scoring was based on the adjusted project scope with fewer project sites and the reduced scope project scored equally as well.

In response to a question from Mr. Marsolais regarding coordination of the Conservancy Proposition 1 awards and other Proposition 1 funding available state-wide, Ms. Stewart said time was spent with the applicants and the Department of Fish and Wildlife (DFW) to understand why the Lake Tahoe projects did not score competitively in the recent DFW Proposition 1 process. In response to a question from Mr. Ferrara regarding the project application process and a funding overlap with projects potentially eligible for DFW Proposition 1 funding, Ms. Stewart said there were 12 Lake Tahoe projects submitted to DFW, 11 of which were the same or similar to ones submitted to the Conservancy. None of the Lake Tahoe projects submitted to DFW were approved for funding.

In response to a question from Mr. Ferrara regarding the allocation of funding between grant categories (i.e., planning and implementation), Ms. Stewart said that the Conservancy Proposition 1 Guidelines did not restrict or allocate the funding by grant category.

Following completion of Ms. Stewart's presentation, Vice Chair Hooper invited further Board member comment. Ms. Novasel questioned whether any of the funding reductions will change the project and/or timing of project completion. Ms. Stewart said that scalability and timing were considered in the review process and also said that environmental review was the primary element potentially impacting timing. Ms. Stewart also reiterated that additional funding may be available for the shortfalls in the recommended projects.

Finally, Ms. Moe said that the reduction of funding and scaling of projects or adding other funding is not uncommon in State competitive grant processes.

Mr. Wright also said that the project scope and scale reductions did not impact the overall eligibility of the recommended projects. Mr. Davis asked about the timing of funding once the grants are approved. Ms. Stewart said that the grant agreements were currently being prepared for distribution to the grantees.

In response to a comment from Mr. Marsolais regarding how this round might relate to future Proposition 1 rounds and other state wide funding, Mr. Wright said staff was assessing and pursuing other funding such as federal and regional funding.

Following Board comments, Vice Chair Hooper invited public comment on the items which was received as follows:

Ms. Nancy Kerry, City Manager, City of South Lake Tahoe (City), commented on the Bijou Park Creek Watershed and Stream Environment Zone (SEZ) Restoration Project. Ms. Kerry acknowledged Public Works Director Ray Jarvis in attendance and referenced the project's many environmental benefits including SEZ restoration in a town center with a walkable community component, all of which are currently being evaluated under the California Environmental Quality Act (CEQA). Ms. Kerry added that the project demonstrates the role of effective partnerships to achieve water quality objectives.

Mr. Jason Burke, City Stormwater Program Coordinator, also commented on the project. Mr. Burke further summarized the project's environmental benefits, including Bijou Park Creek restoration, groundwater recharge, and storm water treatment and reduction of nutrient transport into Lake Tahoe. Mr. Burke concluded his comments by noting that the project is being designed based on the City's past experience with similar projects including the Upper Truckee River Airport Reach SEZ restoration and the Bijou Area Erosion Control Project, Phase 1.

Ms. Hillary Roverud, City Deputy Director of Development Services, concluded the City's presentation on the project by noting its location in a Tourist Core Area Plan and its contribution to TRPA's Regional Plan goals, including the Regional Sustainable Communities Strategy, and the Conservancy's Tahoe Livable Communities Program.

Ms. Cyndie Walck, Engineering Geologist, California Department of Parks and Recreation, commented on the Burton Creek State Park, Anton Meadows Dam Removal and Restoration Project noting that the project involves the removal of an aging dam, which currently inhibits fish migration and impacts the adjoining meadow area. She noted that the dam formerly served pre-1914 water rights associated with the Tahoe City Golf Course, which have been superseded by the Tahoe City Public Utility District's upgrade to its water treatment facilities and related lake intake points.

Mr. Donald Palaroan, Senior Civil Engineer, El Dorado County, Transportation Division, commented on the Meyers SEZ Restoration/Erosion Control Project. Mr. Palaroan referenced the project's potential educational value due to its proximity to the Lake Tahoe Environmental Science Magnet School. Mr. Palaroan noted that the project was currently undergoing environmental review, including the project's positive environmental impacts from treatment of storm

water and reduction of sediment discharge into the Upper Truckee River and the Lake Tahoe Golf Course.

Mr. Harold Singer, member of the Board of Directors of the Tahoe Resource Conservation District (District), commented on the Lake Tahoe Aquatic Invasive Plant Control Project, the Tahoe Storm Water Resource Plan Project, and the Johnson Meadows Acquisition Project. He noted the District's long-standing commitment to realizing the ecological and environmental benefits of all three projects. Mr. Singer concluded his remarks by acknowledging the work of the Conservancy's Proposition 1 external review team

Ms. Kim Boyd, District Manager, also commented on the three District projects proposed for funding awards and further acknowledged the work of the Conservancy staff and the external review team.

In response to the earlier comment made by Conservancy Board Members Finn and Novasel about the scalability of the aquatic invasive species work and the proposed reduced award for the Lake Tahoe Aquatic Invasive Plant Control Project, Ms. Boyd said that the plant infestation is site specific, such as at Emerald Bay where no additional work may be needed, if projects are implemented in a systematic fashion. Ultimately this results in a dramatic decrease in need for future funding for reducing population spread of invasive plants. Ms. Boyd concluded her comments on this project by noting that the District is considering new Environmental Protection Agency technological solutions for the AIS work as well as funding from Bureau of Reclamation and Nevada Division of State Lands for a Basin-wide approach to the problem.

Commenting on the Tahoe Storm Water Resource Plan, Ms. Boyd noted that the plan is required under Senate Bill 985, will contain all of the regional storm water monitoring program elements, and is consistent with a related District application to the State Water Resources Control Board for funding the Lake Tahoe portion of the Integrated Regional Water Management Plan.

Ms. Boyd concluded her remarks by commenting on the proposed Johnson Meadows Acquisition grant. She identified Johnson Meadows as the last large remaining piece of private land that is critical to the Upper Truckee River restoration efforts.

Martin Goldberg, Fuels Management Specialist, Lake Valley Fire Protection District (LVFPD), commented on the Lake Tahoe Basin Wildfire Protection and

Water Quality Enhancement Project. He described the project as providing a significant contribution to wildfire protection on the California side of the Basin. Mr. Goldberg noted that LVFPD developed this proposal in coordination with the Tahoe Fire and Fuels Team partnership. He said LVFPD is working with the National Forest Foundation Lake Tahoe West process to leverage funding and activities to address funding reductions and improve effectiveness and coordination of the two efforts.

Mr. Ed Mosher, resident of the City, provided comments on the Bijou Park Creek Watershed and SEZ Restoration Project. Mr. Mosher indicated he is not opposed to the project but is opposed to the scope of the project. He questions the cost versus benefits of the project and wonders whether the project could be constructed on existing publicly owned land at the site.

Vice Chair Hooper called for Board action on **Resolutions 16-03-03 subdivision (.1) through subdivision (.7)** as separate independent items with individual roll call votes. Mr. Davis moved approval of each resolution separately and Ms. Novasel seconded each resolution separately.

The motions on each resolution (**Resolutions 16-03-03 subdivision (.1) through subdivision (.7)**) passed unanimously on roll call votes.

Following the decision on the Proposition 1 grants, Mr. Wright acknowledged and thanked Ms. Lisa O'Daly of staff for her leadership guiding the process from development of grant guidelines through application review and approval. Mr. Wright also acknowledged Ms. Stewart's coordination efforts and all of the applicants.

At this point the Board took a 10 minute break.

b. South Tahoe Greenway Shared-Use Trail Phase 1b & 2 Project Modification and Land Exchange

The Board considered adoption, approval, and authorization for: 1) the South Tahoe Greenway Shared-Use Trail Phase 1b & 2 Project (Project) Modification Mitigated Negative Declaration Supplement and the Mitigation Monitoring Reporting Program; 2) the Project; 3) expenditure of \$200,000 in Conservancy funds and an additional \$3,027,000 in partner funds from grants and other funding agreements; and 4) entering into land exchange, easement, and other land tenure agreements for implementation, operation, and maintenance of the

Project with the City, the Lake Tahoe Community College District, the South Tahoe Public Utility District, and the California Department of Transportation (Caltrans) as to the land ownerships shown on the related agenda Attachment 2.

Ms. Sue Rae Irelan, Associate Environmental Planner, introduced the Project and thanked the Board for its support of the Project over many years. Ms. Irelan introduced Mr. Chris Mertens, Associate Environmental Planner, as the newly assigned Conservancy staff member for day-to-day Project management.

Mr. Mertens described the Project locational background information, its phasing due to funding constraints, and indicated that construction of Phase 1a was complete.

Mr. Mertens said that funding for Phases 1b and 2 includes \$2 million in Active Transportation Program (ATP) grant funds from Caltrans and Federal Highway Administration. He said the combined phases of the Project will result in approximately two miles of trail.

Mr. Mertens described the design modifications using a boardwalk and elevated causeway and the trail realignment as new design techniques allowing more direct connections with a reduced environmental impact.

Next Mr. Mertens described the land exchange elements as necessary to achieve land management efficiency (i.e., through the role of the City as the day-to-day operator) and to address funding requirements associated with the Community College project funding which must be expended on College-owned land.

Mr. Mertens also described the specific land transaction and contractual elements including Caltrans Master Agreement and program supplements, agreements for the expenditure of matching funds, and a three party MOU involving the City, the College, and the Conservancy for the purpose of coordinating the future funding for long-term maintenance and capital replacement of the improvements.

Lastly Mr. Mertens mentioned the cost elements including the additional \$200,000 requested funding authorization for unanticipated ATP grant requirements, in addition to previously authorized funding.

Mr. Mertens described the project schedule as being driven by permitting and State Department of General Services approval and indicated that construction of Phases 1b and 2 will commence in August 2019.

In response to a question from Mr. Ferrara regarding the cost implications of the design modifications and trail realignment and the reduction in trail length from

the 2011 design, Ms. Irelan said the realignment eliminates the need for retaining walls and tributary creek crossings and therefore results in a construction cost decrease of approximately \$1 million.

In response to a question from Ms. Novasel regarding the responsibility and funding for operation and maintenance of the trail, Mr. Mertens said staff is developing an MOU between the Conservancy, City, and the College that will address operations and maintenance and long-term replacement responsibilities.

In response to a question from Ms. Novasel regarding winter snow removal on the trail, Ms. Irelan said the project may qualify based on further City analysis for possible winter snow removal.

There was no public comment on this item.

Mr. Davis moved approval of **Resolution 16-03-04**. Ms. Novasel seconded the motion. The motion passed unanimously by roll call vote.

c. Land Bank Excess Coverage Mitigation Memorandum of Understanding

The Board considered authorization for amendments to the Conservancy's 1988 Land Bank MOU with the TRPA.

Chief Administrative Officer Kevin Prior presented this item beginning with background on the two primary functions of the Land Bank, which are the mitigation of excess coverage and transfer of marketable rights.

Mr. Prior described TRPA's system for payment of excess coverage mitigation fees and the specific changes to the MOU including the elimination of a one-to-one relationship between the fees and the mitigation achieved by the Conservancy under the MOU. He said that the Conservancy now has more discretion to determine the nature of the projects it will implement as on-the-ground mitigation and to focus mitigation in more environmentally sensitive areas.

In response to a questions from Board Members Davis and Novasel regarding the indexed fee structure, Mr. Prior indicated the index is calculated based on residential home sale information in Lake Tahoe. This approach was peer reviewed and the indexed fee has only had minor changes, in the range of one to three percent.

In response to a question from Ms. Finn regarding the application of California's Proposition 26 to the TRPA excess coverage mitigation fee and compliance issues, Staff Counsel Ryan Davis responded that the Conservancy's Land Bank role was that of a service provider and not the fee collection agency. Following additional advice from Deputy Attorney General Marian Moe, staff agreed to consult with TRPA on the respective roles regarding the collection of the excess coverage mitigation fee and the possible application of Proposition 26 to the process.

Vice Chair Hooper called for public comment on this item. Mr. Gary Bowen commented on the possibility of a TRPA proposed process to redefine marketable commodities and specifically Tourist Accommodation Units. In response to Mr. Bowen's comment, Mr. Wright said that Conservancy staff would monitor this process going forward in light of the potential for additional future changes to the MOU.

Ms. Novasel moved approval of **Resolution 16-03-05**. Mr. Davis seconded the motion. The motion passed unanimously by roll call vote.

Agenda Item 9. Public Comment

There was no public comment.

Agenda Item 10. Board Member Comment

Ms. Novasel requested that staff return to the Board with an update on the status of the Proposition 1 projects going forward and the possibility of a field tour.

Mr. Davis stated that he was honored to have the opportunity to participate in the Proposition 1 awards.

Mr. Marsolais commented on the importance of the large landscape focus of the Proposition 1 awards and the potential to compete well at the regional and federal level for additional funding.

In conclusion, Vice Chair Hooper thanked the Board and staff and noted the June 2016 date for the next regularly scheduled meeting.

Agenda Item 11. Adjournment

Vice Chair Hooper adjourned the meeting at 12:03 p.m.

California Tahoe Conservancy
Resolution 16-06-01
Adopted: June 16, 2016

APPROVAL OF MINUTES

I hereby certify that the foregoing is a true and correct copy of the minutes of the March 17, 2016, meeting of the California Tahoe Conservancy adopted on June 16, 2016.

IN WITNESS THEREOF, I have hereunto set my hand this 16th day of June, 2016.

Patrick Wright
Executive Director