

EXECUTIVE DIRECTOR'S REPORT

A. Budget

Fiscal Year 2017/18: On January 10, 2017, Governor Brown released the proposed Governor's Budget for the 2017/18 fiscal year.

The California Tahoe Conservancy's (Conservancy) proposed FY 2017/18 budget includes:

- \$6,992,000 for capital outlay and local assistance to fund its various programmatic priorities and support the Environmental Improvement Program for the Lake Tahoe Basin, including:
 - \$2,639,000 in bond funds from Propositions 12, 40, 50, and 84;
 - \$1,135,000 from special funds dedicated to the Conservancy (Habitat Conservation Fund, Lake Tahoe license plate proceeds, Tahoe Conservancy Fund, and SB 630);
 - \$3,218,000 in federal grant and reimbursement authority.
- \$6,638,000 for ongoing support, including:
 - continuing "baseline" funding from various special funds and revenue sources dedicated to the Conservancy.

This year's capital outlay budget shifts from a program budget to a hybrid capital budget including both programmatic and project specific line items. As part of this shift, individual line items are being proposed for two projects, the Upper Truckee River and Marsh Restoration, and the South Tahoe Greenway Shared Use Trail Phase 1b/2 Projects. Line items are also proposed for minor capital outlay, acquisition activities, and conceptual and feasibility activities.

The Governor's Budget has been incorporated into Assembly Bill 96 and Senate Bill 72 for consideration by the State Legislature during the spring budget hearings.

B. Legislative Update

On February 17, 2017, Assembly Member Bigelow introduced AB 1191, an act to amend section 66906.1 of the Government Code. As discussed at the January 13, 2017

Board meeting, the Conservancy's enabling statute does not specify that elected officials, city council members, or members of county boards of supervisors may serve on the Conservancy Board. The proposed legislation would clarify the original intent of Government Code section 66906.1 by expressly providing for elected members of the City Council of the City of South Lake Tahoe, the Board of Supervisors of Placer County, and the Board of Supervisors of El Dorado County to serve on the Conservancy Board. The legislation would also clarify that elected officials from these jurisdictions may serve on the Tahoe Regional Planning Agency Governing Board. Staff will continue to regularly update the Board on the status of AB 1191.

C. Highlights and Cross-Cutting Programs and Projects

U.S. Highway 50 Community Revitalization Project:

This Tahoe Transportation District (TTD) project, commonly referred to as the Loop Road Project, would relocate U.S. Highway 50 to the south from its current location near the California/Nevada state line. The revised alignment would impact Van Sickle Bi-State Park (VSP) and numerous parcels owned by the City of South Lake Tahoe (CSLT). Many of the CSLT parcels were purchased using Conservancy-funded acquisition grants. Conservancy staff continues to coordinate with Nevada Division of State Parks staff related to potential impacts to VSP and participates in Project Development Team meetings.

The project's environmental document is expected to be released for public comment in spring 2017. TTD representatives will present an overview of the project to the Conservancy Board in June 2017.

TTD is exploring opportunities to address transit centered development and affordable and work force housing within the entire south shore area to complement the requirements of the project. This may provide partnership opportunities for TTD and the Conservancy's asset lands.

Forest Health Landscape Planning:

The Conservancy, along with the USDA Forest Service (USFS), California Department of Parks and Recreation (DPR), Tahoe Regional Planning Agency (TRPA), Tahoe Fire and Fuels Team, and the National Forest Foundation (NFF) continue to make progress on the Lake Tahoe West Restoration Partnership, a collaborative landscape level planning effort for the West Shore. The partner agencies and entities have developed teams to work on the different aspects of the initial planning phase. NFF's facilitator, the Executive Team, and the Core Team steer these efforts. Members of the public and other stakeholders form the stakeholder group, which has met two times.

Discussions continue regarding implementation of a new landscape level effort, the Tahoe Sierra Resilient Forest Initiative. This initiative aims to accelerate large landscape forest health projects and development of biomass utilization infrastructure throughout the central Sierra to improve forest ecosystem health and resiliency. The Lake Tahoe West project is included within this larger initiative.

TRPA Shoreline Process:

TRPA has embarked on the Shoreline Planning Initiative, a consensus-based multi-stakeholder planning process initiated to bring closure to a 30-year old effort to update ordinances related to activity within the Lake Tahoe shorezone. In order to move forward through critical policy issues and ensure efficient development of Policies, Code, and an Environmental Impact Statement (EIS), TRPA has prepared a Shoreline Planning Initiative Work Program to complete the general planning effort in three phases by June 2018.

TRPA staff continue to hold meetings with the multi-stakeholder Shoreline Steering Committee and the Joint Fact Finding Committee and make progress on this important effort. Conservancy staff participate on the Joint Fact Finding subcommittee.

Aquatic Invasive Species:

The Aquatic Invasive Species (AIS) Implementation Plan, a product of the Board's September 2014 authorization of \$150,000 from the Lake Tahoe Science and Lake Improvement Account (Account) and \$150,000 from Proposition 40 consistent with Senate Bill 630, continues to direct the Lake Tahoe Basin's strategy for AIS control activities. In June 2015, the Board authorized an additional \$200,000 from the Account expanding the Tahoe Resource Conservation District's (TRCD) AIS plant eradication through the TRCD/Conservancy Joint Powers Agreement. This funding supports AIS eradication and control at the Tahoe City Dam, Emerald Bay, Lakeside Beach and Marina, Ski Run Marina and channel, Fleur de Lac Marina, and Tahoe Vista. In March 2016, the Board authorized a Proposition 1 implementation grant for \$700,000 to TRCD for additional plant control phases and projects. Accordingly, TRCD's staff and its consultants and contractors worked for the remainder of the 2016 field season on multiple projects and will continue their phased control approach at these locations in 2017. A grant recommendation for up to \$260,128 to TRCD to implement a pilot project using new technology for AIS plant control is being presented to you at this meeting.

- Location: Lake wide
- Description: Invasive plant control, warm water fish data collection, AIS Implementation Plan
- Conservancy Funding: \$300,000 (2014), \$200,000 (2015), \$700,000 (2016)

- Schedule:
 - 2015: Warm water fish data collection, invasive plant control, implementation plan completed
 - 2016: Invasive plant control
- Lead Agency: TRCD
- Partners: University of Nevada – Reno
- Staff Contact: Whitney Brennan

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

1. Natural Resources

Natural resources projects restore natural river processes, enhance stream environment zones (SEZs), improve wildlife habitat and fisheries, and improve water quality.



Sunset Stables Reach 5 new channel

Upper Truckee River Sunset Stables Reach Restoration:

The USFS nearly completed the Reach 5 portion of the Upper Truckee River restoration effort in October 2016 before several rain events triggered an end to the construction season. A significant portion of the Reach 5 restoration is on Conservancy-owned land through a cooperative agreement between the USFS and the Conservancy. Restoration included construction of a new river channel to raise the riverbed and inundate the meadow. The restored channel will improve groundwater, enhance unique habitats, and improve water quality by reducing bank erosion and increasing natural wetland filtration. The fall rain and recent flood events have impacted the project and necessitate the need for corrective actions. The USFS intends to complete this corrective work and other project

elements in 2017 and will monitor the project in coming years to demonstrate performance and resource benefits.

- Location: Between Meyers and CSLT
- Description: 254 acres for Reaches 5 and 6;
 - Reach 5: 7,500 feet of channel construction;
 - Reach 6: Project is currently on hold pending construction funding
- Conservancy Funding: \$2,479,728 Reach 5 and 6 planning; \$0 construction
- USFS Funding: Reach 5 final design and construction - \$6,510,000
- Reach 5 Schedule:
 - 2013: 3,000 feet of new channel construction
 - 2014: 3,000 feet of new channel construction and related utility line relocation
 - 2015: No active construction, new channel vegetation established and aquatic resource relocation conducted for approximately 70 percent of the Western Pearlshell mussels
 - 2016: 1,500 feet of new channel construction at tie-in points, aquatic relocations, river relocation into new channel and backfill of old channel
 - 2017: Complete all remaining items
- Lead Agencies: USFS, Conservancy
- Partners: U.S. Army Corps of Engineers (USACE) (Reach 6)
- Staff Contact: Joe Pepi
- Project documents:
<http://www.fs.usda.gov/goto/lbmu/UpperTruckeeRestoration>

Tahoe Pines Campground Restoration and Access Project:

Staff completed the preliminary plan stage and received Board authority in July 2014 to move this project forward to final design and construction. In July 2016, the State Public Works Board (PWB) approved preliminary plans and authorized development of working drawings. Staff continues to work closely with the Department of General Services (DGS) and the Department of Finance (DOF) to move the project forward. Property and contracting challenges have caused a delay in project implementation. Staff now will be applying for regulatory agency permits in 2017 in preparation for construction bid advertisement and project implementation in 2018. Staff has submitted an application for potential Bureau of Reclamation (BOR) construction funding for the project.

- Location: Confluence of Upper Truckee River and Echo Creek in Meyers
- Description: Eight-acre site to restore SEZ and provide appropriate river-oriented access features
- Conservancy Funding: \$4 million land acquisition, \$125,000 planning; \$650,000 construction
- Total Project Cost: \$975,000

- Schedule: State PWB approved preliminary plans in July 2016; 2018 construction
- Lead Agency: Conservancy
- Partners: BOR, California Department of Transportation (Caltrans), DGS
- Staff Contact: Joe Pepi

2. Forest Improvement

Forest improvement projects are designed to improve wildlife habitat, reduce fire threat, and promote natural processes.



Staff works cooperatively with the Lake Valley Fire Protection District (LVFPD), DPR, and the Meeks Bay Fire Protection District to plan and implement Conservancy's forestry activities in El Dorado County, primarily on Conservancy land. Staff, along with public agency partners such as the California Conservation Corps (CCC), will implement approximately 65 acres of forest health/fuels reduction projects on Conservancy land in El Dorado County in 2017. These projects are coordinated through the annual Lake Tahoe Basin Fuels Reduction and Fire Prevention Incident Action Plan by the Tahoe Fire and Fuels Team. In addition, staff addresses hazard tree and fuel loading concerns raised by the public.

Due to recent drought conditions, staff is observing increased levels of stressed trees and insect activity. Staff takes appropriate measures to reduce the spread of these conditions through regular lot inspections.

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

1. Public Access and Recreation

Public access and recreation projects enhance regional public access and recreation.

Dollar Creek Shared-Use Trail:

Approximately two miles of paved bike trail funded in part by the TTD is scheduled for 2017 construction for which tree removal began prior to the onset of winter 2016/17. The Board's previously approved land transactions; including easements through the Conservancy's 900-plus acre Dollar property and a land transfer from the North Tahoe Public Utility District (NTPUD) to Placer County for the Conservancy-funded 85-acre Firestone property, provide the necessary right-of-way for the trail. A Basin-wide Federal Lands Access Program grant awarded to the TTD is the primary source of construction funding.

- Location: Dollar Hill State Route 28 to Fulton Crescent Drive
- Description: 2.2 mile connection extending the Lake Tahoe Bike Trail network
- Anticipated Total Project Construction Cost: \$3.5 Million
- Schedule:
 - 2015 – Right-of-way acquisition complete
 - 2017 – Construction start
- Lead Agency: Placer County
- Partners: Conservancy, North Lake Tahoe Resort Association (NLTRA), TTD, NTPUD
- Staff Contact: Lisa O'Daly
- Project documents:
<http://www.placer.ca.gov/Departments/Works/Projects/DollarCreekBikeTrail.aspx>

Kings Beach General Plan Revision and Public Pier Rebuild Project:

The DPR is leading a Kings Beach State Recreation Area General Plan (GP) Revision and the Public Pier Rebuild Project planning process, including environmental review under the provisions of both the California Environmental Quality Act (CEQA) and TRPA environmental regulations. In April 2015, the Conservancy Board authorized \$525,000 in Proposition 40 and NLTRA funds for this planning effort. In addition, the DPR has committed \$442,646. The Environmental Impact Report/ Environmental Impact Statement (EIR/EIS) scoping period occurred in late 2015 and early 2016. In response to comments, the NTLRA and Placer County approved an additional \$69,575 in grant funding to allow

consideration of a third pier location alternative. The Board authorized acceptance and expenditure of this additional funding in September 2016. Public review and comment on three concept alternatives occurred in August and September 2016. The Preferred Alternative for the project was released in January 2017, with public input accepted through February 15, 2017.

- Location: Kings Beach State Recreation Area and environs, Kings Beach
- Description: Revise the GP to provide the planning basis for a rebuilt pier and other recreational needs. Rebuild the existing pier with a combination fixed pier/floating pier design, optimize the location relative to onsite needs, and extend the length to reach the navigational target at the 6,217-foot contour line.
- Conservancy Funding: \$562,700 for feasibility study, preliminary planning, GP development, and environmental review in addition to \$94,575 in grant funding from NLTRA
- Total Project Cost: \$1,099,921 (GP/preliminary planning/feasibility/environmental)
- Schedule:
 - 2015 – Complete work on the feasibility study and preliminary plans and initiate GP and environmental review processes
 - 2015-2017 – GP development, pier preliminary plan completion, environmental analysis
 - 2018-2019 – Final design and construction
- Lead Agency: DPR
- Partners: Conservancy, NLTRA, DGS
- Staff Contact: Lisa O'Daly

2. Forest Improvement

Forest improvement projects are designed to improve wildlife habitat, reduce fire threat, and promote natural processes.

Consistent with Governor Brown's declared State of Emergency on October 30, 2015 regarding the increased mortality of trees statewide, Conservancy staff, its forest health partners, and neighboring property owners are observing increased mortality of sugar pines, including larger diameter trees, specifically within the Carnelian and Agate Bay areas. Staff is taking appropriate measures, including removal of trees using a private contractor, to safeguard remaining healthy trees and remove dead, dying, or otherwise hazardous trees.

Staff works cooperatively with the North Tahoe Fire Protection District (NTFPD) to plan and implement the Conservancy's forestry activities in Placer County. Staff and NTFPD will implement approximately 64 acres of forest health/fuels reduction projects on Conservancy land in Placer County in 2017. These projects are being

implemented using funding from a Federal Emergency Management Agency Hazardous Fuels Mitigation Grant that NTFPD secured.

The Conservancy and NTFPD plan to implement this project in three phases. Conservancy staff anticipate submitting a conceptual proposal for a fuels reduction and biomass project on behalf of our partners to the CalFire Forest Health Grant Program in 2017.

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

1. Public Access and Recreation

These projects enhance regional public access and recreation

El Dorado Beach to Ski Run Boulevard Bike Trail and Lake Access Enhancement:

Construction of approximately .75 miles of paved bike trail for Phase 1 is scheduled to begin in 2017. In 2012, the Board approved easements through Conservancy land to facilitate the project. CSLT has also completed easement acquisition needed to complete project implementation through private land. Portions of the trail are also located within the U.S. Highway 50 right-of-way. Although the Conservancy has no active funding in this project, staff monitors implementation to ensure compliance with the terms of its easements and with the planning grant awarded in 2002.

- Location: CSLT along U.S. Highway 50
- Description: A three-quarter-mile segment that will bridge the bike trail gap between El Dorado Beach and Ski Run Boulevard
- Conservancy Funding: \$645,000 planning
- Total Project Cost: \$2,000,000
- Schedule:
 - 2017: Trail construction
- Lead Agency: CSLT
- Partners: Caltrans
- Staff Contact: Lisa O'Daly

South Tahoe Greenway Shared Use Trail:

Conservancy staff are working with Caltrans to develop a National Environmental Policy Act (NEPA) document for the Greenway. Staff are also developing maintenance cost estimates, finalizing easements with South Tahoe Public Utility District, and coordinating with DGS.

Several key elements of the project, including a land exchange and Memorandum of Understanding (MOU) between the Conservancy, CSLT, and Lake Tahoe Community College District (LTCC), have not yet been completed. Board approval of

the MOU is being sought at this meeting. These key elements, as well as an operations and maintenance agreement with CSLT, must be completed by May 1, 2017. The purpose of the land exchange is to allow LTCC to contribute \$700,000 to the project and gain management efficiencies.

The approved Greenway project includes the following elements:

- Location: Between the Sierra Tract neighborhood and Van Sickle Bi-State Park
- Description: 3.86-mile trail to provide the backbone of the bicycle network in the core of South Lake Tahoe; planned phased implementation includes Phase 1a, Glenwood Way to Herbert Ave., (0.42 miles, completed in October 2015); and Phases 1b & 2 (approximately 1 mile)
- Conservancy Funding: Preliminary planning - \$585,060; Phase 1a final design and construction - \$881,000; final design and construction for Phase 1b and 2 - \$1,300,000
- Partner funding for Phases 1b & 2:
 - \$1,928,000 in Active Transportation Program funds (State and federal funds, administered by Caltrans and California Transportation Commission);
 - \$700,000 in Measure F funds (LTCC);
 - \$399,000 in Congestion Mitigation and Air Quality funds (federal funds administered through TTD).
- Total Project Cost: Estimated \$12-15 million to complete
- Schedule:
 - 2015 – Phase 1a construction completed
 - 2016/17 – Procedural grant requirement steps (CEQA supplemental, NEPA, Master Agreement development, etc.)
 - 2018/19 – Final design of Phase 1b & 2
 - 2020/2021 – Phase 1b & 2 construction
- Lead Agency: Conservancy
- Partners: Caltrans, LTCC, CSLT, TTD, USFS, Federal Highway Administration
- Staff Contact: Chris Mertens
- Project documents: http://tahoe.ca.gov/ctc_projects/south-tahoe-greenway-79/

2. Natural Resources

Natural resources projects restore natural river processes, enhance SEZs, improve wildlife habitat and fisheries, and improve water quality.



Cove East in winter

Upper Truckee Marsh Restoration:

The Board certified the Final EIR and approved the project in December 2015 and authorized staff to expend funds for project planning, acquisition, and construction. TRPA has certified the project's Joint Final EIR/ EIS/ EIS. DGS recently awarded a contract for preliminary plan development, and the design contractor has commenced engineering activities. A team of scientists and resource experts is providing guidance and assistance to the project design and monitoring development efforts. This technical team recently met with staff and consultants, offering numerous suggestions to improve the project's benefits and approach.

Staff is also continuing negotiations with private property owners for acquisitions in support of the project. Staff is working closely with the USACE to develop a partnership agreement for the project, and pursuing other federal and state funding opportunities for the project, as they arise. Staff and contractors continue comprehensive monitoring in the Marsh thanks to partnerships with the State Water Resources Control Board (SWRCB), the TRCD, and the United States Geological Survey (USGS).

- Location: Mouth of the Upper Truckee River on the south end of Lake Tahoe primarily on Conservancy-owned lands
- Description: 600-acre river and marsh restoration project, including the Lower West Side Project
- Conservancy Funding authorized to date: \$4,305,000 planning; \$1,495,000 acquisitions, \$20,760,000 construction (Lower West Side and the future Marsh project)
- Total Project Cost: Estimated \$12.36 million additional to complete the project
- Schedule:
 - 2001-2002 – Lower West Side project constructed
 - 2013 – Draft EIR/EIS/EIS released for public comment
 - 2014 – Preferred alternative presented to Board for discussion
 - 2015/2016 – Final EIR/EIS/EIS certification
 - 2019 – Anticipated start of construction
- Lead Agency: Conservancy

- Partners: BOR, DGS, SWRCB, TRPA, USACE
- Staff Contact: Scott Carroll
- Project documents: http://tahoe.ca.gov/ctc_projects/upper-truckee-marsh-69/

3. Forest Improvement

Forest improvement projects are designed to improve wildlife habitat, reduce fire threat, and promote natural processes.



California Conservation Corps
Crews help fall a tree.

Within the CSLT, staff expects to complete eight acres of fuel hazard reduction and hazard tree removal initiated in response to neighboring landowner concerns. At this time, staff continues to monitor disease and insect activity as part of these forest health efforts and addresses issues where necessary.

Staff continues to coordinate with the South Lake Tahoe Fire Department and LVFPD to implement forest health/fuels reduction projects on 37 acres at the CSLT Airport with funding from the Bureau of Land Management Southern Nevada Public Land Management Act grants program. LVFPD will complete the remaining seven acres in 2017.

G. Urban Land Management Program

1. Special Use Requests:

Pursuant to Board authority (January 20, 2011), staff is authorized to enter into license agreements consisting of three years or less provided the Board is notified. Accordingly, staff is providing this notice of recently executed license agreements.

Short-term (three-year) license was granted to Tahoe Expedition Academy on February 13, 2017 for the purpose of conducting bird surveys at Snow Creek for educational purposes. The Conservancy's license fee was waived in favor of an in-lieu right to use all data collected.

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

The seasonal Upper Truckee Marsh dog closure ended on July 31, 2016. The El Dorado County Sheriff's Office and California Highway Patrol assist with management of the Marsh property and the Park. Conservancy volunteers and TRCD-provided land stewards also assist with property management.



TRCD Crew during Heavenly Creek Bridge Construction

VSP closed to public vehicle access for the season on October 31, 2016. The Park was selected as a "must visit" destination in South Lake Tahoe by FlipKey, a TripAdvisor company. The Park is also featured in an article, *8 Beautiful Little Lake Towns Across America*. Here is a link to that article:

<https://www.flipkey.com/blog/2017/02/06/beautiful-little-lake-towns-across-america/>



Hitching Post