

EXECUTIVE DIRECTOR'S REPORT

A. Budget

Fiscal Year 2016/17: On January 8, 2016, Governor Brown released the proposed Governor's Budget for the 2016/17 fiscal year.

The California Tahoe Conservancy's (Conservancy) proposed FY 2016/17 budget includes:

- \$9,797,000 for capital outlay and local assistance to fund its various programmatic priorities and support the Environmental Improvement Program for the Lake Tahoe Basin, including:
 - \$4,376,000 in bond funds from Propositions 12, 40, 50, and 84;
 - \$1,421,000 from special funds dedicated to the Conservancy (Habitat Conservation Fund, Lake Tahoe license plate proceeds, Tahoe Conservancy Fund, and SB 630);
 - \$2,000,000 in federal grant authority; and
 - \$2,000,000 in reimbursements.

- \$6,615,000 and 39.0 PY for ongoing support, including:
 - continuing "baseline" funding from various special funds and revenue sources dedicated to the Conservancy;

The Governor's Budget has been incorporated into Assembly Bill 1598 and Senate Bill 825 for consideration by the State Legislature during the spring budget hearings.

B. Highlights

Tribal Consultation Policy and Washoe Tribe MOU: Conservancy management met with the Washoe Tribal Chairman and his staff on February 29, 2016 to discuss a draft Memorandum of Understanding (MOU) between the Tribe and Conservancy. The MOU describes our joint partnership in environmental restoration and protection on the California side of Lake Tahoe. We also discussed the California Natural Resources Agency's (CNRA) Tribal Consultation Policy to determine if the

Conservancy will adopt it in its entirety or if we will develop our own policy consistent with the CNRA policy but tailored to the Conservancy.

Forest Health Landscape Planning: The Conservancy and the USDA Forest Service (USFS) presented the Lake Tahoe West collaborative landscape level planning effort to the Tahoe Regional Planning Agency on February 24, 2016. Lake Tahoe West is a landscape-level collaborative planning process for the West Shore. The National Forest Foundation is partnering with the agencies on this project and has submitted a Proposition 1 grant application to the Conservancy, which is included in the staff recommendations for Board approval at this meeting.

Tahoe Sustainable Communities: Conservancy staff continue to implement the Tahoe Livable Communities Strategy through the Conservancy's land acquisition and marketable rights program to: 1) acquire and restore aging developed properties on environmentally sensitive lands and retire or transfer the development rights to town centers; 2) sell, lease, or exchange vacant Conservancy land in these town centers; and 3) acquire the remaining private properties in several of Lake Tahoe's roadless subdivisions to remove the threat of development. Negotiations continue on several potential transactions.

Conservancy staff has cancelled the March 2016 Board tour and authorization to modify Asset Lands Program Guidelines and conduct pre-sale activities. In an effort to take a more comprehensive approach the Conservancy will be reviewing and updating acquisition, disposition, exchange and transfer real estate guidance. Staff will bring back a recommendation on comprehensive Asset Lands Program Guidelines to the Board at a future date.

Excess Coverage Mitigation Memorandum of Understanding: At the March Board meeting, staff is recommending authorization for updates to the Conservancy's 1987 MOU with the Tahoe Regional Planning Agency (TRPA) to reflect recent amendments to Chapter 30 of the 2012 TRPA Regional Plan (Regional Plan) and Code of Ordinances (Code). For additional information see Agenda Item 8c.

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

1. Natural Resources

These projects restore natural river processes, enhance stream environment zones, improve wildlife habitat and fisheries and improve water quality.



Sunset Stables Reach 5 Construction 2013

Upper Truckee River Sunset Stables Reach:

USFS restoration crews completed the second year of construction in 2014, and after a year of irrigation to support plant establishment in 2015 the project will be completed in 2016. In preparation for the dewatering and filling of the existing channel in 2016, USFS staff relocated Western Pearlshell mussels in summer of 2015 from the existing Reach 5 channel into other portions of the Upper Truckee River, including Reach 6, as well as other streams.

- Location: Between Meyers and South Lake Tahoe
- Description: 254 acres, Reach 5: 7,500 feet of channel construction, Reach 6 is on hold
- Conservancy Funding: \$2,479,728 planning; \$0 construction
- Total Project Cost: Reach 5 final design and construction - \$6,510,000
- Schedule:
 - 2013: 3,000 feet of new channel constructed Reach 5
 - 2014: 3,000 feet of new channel construction and related utility line relocation, Reach 5
 - 2015: No active construction, new channel vegetation established and aquatic resource relocation conducted for approximately 70% of the Western Pearlshell mussels, Reach 5
 - 2016: 1,500 feet of new channel construction at tie-in points, river relocation into new channel and backfill of existing channel, Reach 5
- 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 has completed the preliminary plan stage and received Board authority to move this project forward to final design and construction at the July 2014 meeting. Staff is coordinating with Department of General Services (DGS) and Department of Finance staff in preparation for authorization by the State Public Works Board (PWB) to proceed to working drawings. Staff will be applying for regulatory agency permits in 2016 to allow for construction bid advertisement and project implementation in 2017.

- Location: Confluence of Upper Truckee River and Echo Creek in Meyers
- Description: Eight-acre site to restore Stream Environment Zone 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: 2017 construction
- State PWB approval anticipated in spring 2016
- Lead Agency: Conservancy
- Partners: Bureau of Reclamation, Caltrans, DGS
- Staff Contact: Joe Pepi

2. 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 2016, the Conservancy and partners plan on implementing approximately 92 acres of forest health/fuels reduction projects on Conservancy parcels in El Dorado County. These projects were coordinated through the annual Lake Tahoe Basin Fuels Reduction and Fire Prevention Incident Action Plan by the Tahoe Fuels and Fire Team. In addition to the above mentioned 92 acres, staff anticipates approximately eight acres of unscheduled citizen complaint fuel hazard reductions and hazard tree removals.

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

1. Public Access and Recreation

These projects enhance regional public access and recreation.



Homewood Bike Trail, existing conditions

Homewood Bike Trail:

Caltrans completed water quality improvements in this area in 2015, allowing Tahoe City Public Utility District (TCPUD) to complete final plans and specifications and prepare for 2016 project implementation. In February 2016 Conservancy staff authorized TCPUD to advertise for construction bids for this project.

- Location: Along State Route 89 in Homewood.
- Description: The missing one-mile segment in the west shore bike trail system
- Conservancy Funding: \$325,274 planning; \$500,000 construction
- Total Project Cost: \$1,557,970
- Schedule: 2016 – construction
- Lead Agency: TCPUD
- Partners: Conservancy
- Staff Contact: Scott Cecchi
- Project documents: http://tahoe.ca.gov/wp-content/uploads/2014/06/files/ITEM10a_HomewoodBikeTrail.pdf

Dollar Creek Shared-Use Trail

Placer County is the lead agency for this project, funded in part with a basin-wide Federal Lands Access Program grant awarded to the Tahoe Transportation District (TTD). Procedural steps have recently been completed, allowing the project to schedule 2016 construction.

- Location: Dollar Hill Highway 28 to Fulton Crescent Drive
- Description: 2.2 mile connection extending the Lake Tahoe Bike Trail network
- Total Project Construction Cost: \$3.5 Million
- Schedule:
 - 2015 – Right-of-way acquisition complete
 - 2016 – Construction start

- Lead Agency: Placer County
- Partners: Conservancy, North Lake Tahoe Resort Association, TTD, North Tahoe Public Utility District (NTPUD)
- Staff Contact: Sue Rae Irelan
- Project documents:
<http://www.placer.ca.gov/Departments/Works/Projects/DollarCreekBikeTrail.aspx>

Kings Beach General Plan Revision and Pier Redevelopment:

The pier feasibility study was completed with the resulting data submitted to the consultant team working on the General Plan (GP) Revision and Pier Redevelopment Project (Project). State Parks secured \$307,339 of additional funding to allow completion of the GP and Project scope of work. California Department of Parks and Recreation (DPR) and Conservancy staff, working as a team, initiated the GP and Project process, including environmental review under the provisions of both the California Environmental Quality Act (CEQA) and TRPA environmental regulations. The Environmental Impact Report/ Environmental Impact Statement (EIR/EIS) scoping period began on December 22, 2015. The TRPA scoping hearing is set for April 13, 2016.

- Location: Kings Beach State Recreation Area, Kings Beach
- Description: Redevelop 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. Also revise the GP to provide the planning basis for a redeveloped pier and other recreational needs.
- Conservancy Funding: \$562,700 for feasibility study, preliminary planning, GP development, and environmental review
- Total Project Cost: \$832,339 (GP/preliminary planning/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, North Lake Tahoe Resort Association(NLTRA)
- Staff Contact: Sue Rae Irelan

2. Soil Erosion Control

These projects improve water quality by capturing and treating stormwater to reduce the amount of sediment and nutrients delivered to Lake Tahoe.

Kings Beach Commercial Core and Watershed Improvement Projects:

All Conservancy grants for these projects were closed out in June 2015. Placer County continues substantial progress constructing these projects.

Work in the Kings Beach neighborhood will continue in spring 2016 with the construction of additional sidewalks. Placer County is at the fifty percent design level for the next phase of water quality improvements in the neighborhood, which will be focused on the Coon Street sub-watershed.

The “Core of the Core” project is scheduled for completion in the spring of 2016. The “Gateway to the Core” phase was bid this winter for construction in 2016. The Gateway phase will implement improvements at both ends of the “Core of the Core” project.

- Location: Kings Beach subdivision and State Route 28 (SR28) in the vicinity
- Description: Full streetscape improvements including Class II bikeways along SR28 from State Route 267 to Chipmunk Street. Project implements water quality and pedestrian improvements throughout the watershed.
- Conservancy Funding: \$600,000 to plan the Commercial Core Improvement Project (CCIP) and \$1,123,000 for planning and acquisition grants for the Watershed Improvement Project (WIP)
- Total Project Cost: Over \$45 million
- Schedule:
 - 2010 – Fox Clean Water Pipe completed
 - 2014-2016 – Construction of the “Core of the Core” phase of the CCIP and associated improvements in the Kings Beach neighborhood
 - 2016 – Construction of the “Gateway to the Core” phase of the CCIP
 - UNFUNDED – Construction of the Coon Clean Water Pipe and Stream Environment Zone Improvements
- Lead Agency: Placer County
- Partners: Conservancy, Caltrans, TRPA, USFS, NLTRA, DPR, Department of Housing and Community Development, North Tahoe Business Association, Federal Highway Administration, State Water Resources Control Board
- Staff Contacts: Scott Cecchi
- Project documents: <http://www.kingsbeachcore.info/> ;
http://www.placer.ca.gov/~media/dpw/ProjectsKingsBeach/documents/KbEIRa_ppB.ashx

3. Natural Resources

These projects restore natural river processes, enhance stream environment zones, improve wildlife habitat and fisheries and improve water quality.



Lower Blackwood Creek, Fall 2013

Lower Blackwood Creek Restoration:

The Eagle Rock trails continue to be a favorite destination for Lake Tahoe visitors for their mountain and lake vistas. Post-project effectiveness monitoring of the Lower Blackwood Creek Restoration project indicates very successful re-establishment of vegetation and visual sightings of fish populations, and the Project was named a TRPA “Best in the Basin” award winner. Monitoring to inform adaptive management will continue and is anticipated to help inform design for future Basin projects and activities.

- Location: West shore, five miles south of Tahoe City
- Description: Enhanced water quality and aquatic and riparian habitat conditions along Blackwood Creek and the realignment of popular, but eroding, trails accessing Eagle Rock
- Conservancy Funding authorized: \$4,229,000
- USACE reimbursements: \$3,175,000
- Schedule:
 - 2011 – Construction of first phase of Eagle Rock trail
 - 2012 – Construction of stream improvements
 - 2013-2014 – Final site restoration, irrigation and plant establishment activities; monitoring; construction of second phase of Eagle Rock Trail
 - 2015 – Monitoring
- Lead Agency: Conservancy
- Partners: USACE, DGS, Tahoe Fund, California Conservation Corps
- Staff Contact: Stuart Roll
- Project documents: http://tahoe.ca.gov/ctc_projects/lower-blackwood-creek-restoration-69/



Sherwood Ski Lift access road post treatment

Alpine Meadows Lease:

Installation of Best Management Practices (BMPs) was completed in fall 2015 on the Sherwood Ski Lift access road which is located on Conservancy land and was funded and implemented by Alpine Sierra Ventures, LLC. This addresses all lease-required items. Maintenance responsibilities continue.

- Location: Alpine Meadows Ski Resort
- Description: Reconstruction of the Sherwood Ski Lift access road to meet current standards for drainage and BMPs in areas addressed by the lease between Alpine Sierra Ventures, LLC. and the Conservancy
- Conservancy Funding: None
- Schedule:
 - 2012 – Emergency repairs necessitated by a landslide
 - 2013 – Construction of first phase of road BMPs
 - 2014 – Monitoring of phase 1 road BMPs
 - 2015 – Final phase of road BMPs completed
- Lead Agency: Alpine Sierra Ventures, LLC
- Partners: Conservancy
- Staff Contacts: Shawn Butler, Scott Cecchi

4. Forest Improvement

The Forest Improvement Program projects are designed to improve habitat, reduce fire threat, and promote natural processes.



Staff works with the North Tahoe Fire Protection District (NTFPD) to plan and implement the Conservancy's forestry activities in Placer County. In 2016, the Conservancy and partners plan on implementing approximately 50 acres of forest health/fuels reduction projects on Conservancy parcels in Placer County. These projects were coordinated through the annual Lake Tahoe Basin Fuels Reduction and Fire Prevention Incident Action Plan by the Tahoe Fuels and Fire Team. In addition to the above mentioned 50 acres, staff anticipates approximately 10 acres of un-scheduled citizen complaint fuel hazard reductions and hazard tree removals.

In 2010, NTPUD applied for a Federal Emergency Management Agency (FEMA) Hazardous Fuels Mitigation Fund grant. Staff recently completed a final draft of the Environmental Analysis for this grant, which soon will be circulated for public comment. This grant will cover fuel hazard reduction on 881 Conservancy-owned parcels under one acre in size in Placer County.

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:

The City continues to acquire the easements needed for project implementation. Easements have been granted over three Conservancy properties. Portions of the trail are located within the U.S. 50 right-of-way. The Conservancy has no active funding in this project.

- Location: South Lake Tahoe 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:
 - 2016: Anticipated construction upon completion of easement acquisition
- Lead Agency: City of South Lake Tahoe
- Partners: Conservancy, Caltrans
- Staff Contact: Lisa O'Daly

South Tahoe Greenway Shared Use Trail:

Phase 1a of the Greenway, a 0.42 mile connection between Herbert Avenue and Glenwood Avenue, was constructed in 2015.

Conservancy staff are bringing the next phases of this project to the Board at this meeting for adoption of supplemental CEQA documents, the approval of the current Phase 1b and 2 project, and authorization of actions to implement the project.

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); Phases 1b & 2 (approximately 1 mile)
- Conservancy Funding authorized: Preliminary planning - \$585,060; Phase 1a final design and construction - \$881,000; final design and construction for Phase 1b and 2 - \$1,100,000 plus \$200,000 recommended additional authorization
- Total Project Cost: Estimated \$12-15 million to complete

- Schedule:
 - 2015 – Phase 1a construction completed
 - 2016 – Procedural grant requirement steps (CEQA supplemental, National Environmental Policy Act (NEPA), Master Agreement development, etc.)
 - 2017/18 – Final design of Phase 1b & 2
 - 2019/2020 – Phase 1b & 2 construction
- Lead Agency: Conservancy
- Partners: Caltrans, Lake Tahoe Community College, City of South Lake Tahoe, TTD, USFS, FHWA
- Staff Contact: Chris Mertens
- Project documents: http://tahoe.ca.gov/ctc_projects/south-tahoe-greenway-79/

2. Soil Erosion Control

These projects improve water quality by capturing and treating stormwater to reduce the amount of sediment and nutrients delivered to Lake Tahoe.



Sierra Tract stormwater runoff (pre-project)

Sierra Tract Erosion Control:

The City started construction of Sierra Tract Phase 3/4 in July 2015, with construction scheduled for completion by fall 2016.

- Location: Sierra Tract neighborhood in South Lake Tahoe
- Description: Address stormwater runoff pollutants that discharge directly into the Upper Truckee River using improvements such as infiltration galleries
- Conservancy Funding: \$4,929,497 (all phases)
- Total Project Cost: Estimated \$3.6 million to complete Phase 3/4
- Schedule:
 - 2000-2013 – Phase 1A, 1B, and Phase 2 completed
 - 2014 – Grants awarded for Phase 3/4 final design and construction
 - 2015 – Start of Phase 3/4 construction
 - 2016 – Completion of Phase 3/4 construction
- Lead Agency: City of South Lake Tahoe
- Partners: Conservancy, SWRCB, USFS
- Staff Contact: Joe Pepi
- Project documents: www.cityofslt.us/documentcenter/view/3204

3. Natural Resources

These projects restore natural river processes, enhance stream environment zones, improve wildlife habitat and fisheries and improve water quality.



Cove East in winter

Upper Truckee Marsh Restoration:

- At the December Board meeting the Board certified the Final Environmental Impact Report and approved the project. As part of the December project approval, the Board authorized staff to expend funds for project planning, acquisition and construction. The TRPA certified the Project's Joint Final EIR/EIS/ EIS on February 24th, and the Bureau of Reclamation (BOR) anticipates signing a Record of Decision in the coming months to complete NEPA compliance. Staff continues close coordination with DGS and Department of Finance to soon begin preliminary plan development, and 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 staff is also pursuing other federal and state funding opportunities for the Project, as they arise. Staff and contractors continue comprehensive monitoring of water in the Marsh thanks to partnerships with the SWRCB 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 (Phase 1 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/

4. Forest Improvement

The Forest Improvement Program projects are designed to improve habitat, reduce fire threat, and promote natural processes.



California Conservation Corps
Crews help fall a tree.

The Forest Improvement Program focuses on restoring forested habitats on Conservancy-owned property. In 2016, 10 acres of Conservancy-owned land is scheduled for treatment. In addition to the above mentioned 10 acres, staff anticipates approximately three acres of unscheduled citizen complaint fuel hazard reductions and hazard tree removals.

Staff worked with the South Lake Tahoe Fire Department (SLTFD) and LVFPD to secure funding through the Bureau of Land Management Southern Nevada Public Land Management Act (SNPLMA) grants to plan and implement forest health/fuels reduction projects on 37 acres at the City of South Lake Tahoe's Airport parcels. LVFPD plans on completing the remaining seven acres in 2016.

These projects were coordinated through the annual Lake Tahoe Basin Fuels Reduction and Fire Prevention Incident Action Plan by Tahoe Forest Fuels Team.

G. Urban Land Management Program



Eagle Rock film shoot by Loom

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.

Staff is providing notice of recently executed licenses below:

Short-term (three years) granted to City of South Lake Tahoe for the purpose of providing program delivery through the Conservancy-funded facility Explore Tahoe: An Urban Trailhead. Activities are limited to environmental education, interpretive programs, and winter trails events. The license fee and insurance requirements have been satisfied.

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

The seasonal Upper Truckee Marsh dog closure begins on May 1, 2016. The El Dorado County Sheriff's Office is currently under contract to enforce local ordinances on the marsh property, as well as at Van Sickle Bi-State Park. The park reopens to public vehicle access for the season on May 1, 2016. More information about Van Sickle Bi-State Park is available at: http://tahoe.ca.gov/ctc_projects/van-sickle-bi-state-park-79/