

California Tahoe Conservancy  
Agenda Item 2  
September 21, 2017

**BOARD MEETING MINUTES  
JUNE 15, 2017**

**June 15, 2017 (9:30 a.m.) Board Meeting**

The minutes are prepared from the same-day audio recording and transcription by Foothill Transcription Company certified on July 19, 2017.

**Agenda Item 1. Roll Call**

Vice Chair Hooper welcomed all of those present and said Chair Sevison had been called away. Given the Chair's absence, Vice Chair Hooper called the meeting to order with a 9:40 a.m. roll call at the North Tahoe Events Center, Lakeview Suite, 8318 North Lake Boulevard, Kings Beach, California.

**Members present:**

John Hooper, Vice Chair, Public Member  
Hal Cole, City of South Lake Tahoe  
Todd Ferrara, California Natural Resources Agency  
Karen Finn, California Department of Finance  
Paula Frantz, El Dorado County  
Lynn Suter, Public Member

**Members absent:**

Larry Sevison, Chair, Placer County  
Jeff Marsolais, U.S. Forest Service (ex officio)

**Others present:**

Danae Aitchison, Deputy Attorney General

Patrick Wright, Executive Director

Jane Freeman, Deputy Director

Mike Steeves, Staff Counsel

Ryan Davis, Staff Counsel

## **Agenda Item 2. Minutes**

The Board considered the minutes from the January 13, 2017 and March 16, 2017 meetings.

Ms. Finn moved approval of the January 13, 2017 minutes (**Resolution 17-06-01(a)**) and the March 16, 2017 minutes as corrected (**Resolution 17-06-01(b)**) to reflect the following change to Vice Chair Hooper's comment on page 27 with regard to the Proposition 1 grant application review process by the external review team: ". . . more importantly, the external review team did not have had a chance to look at them." The motion was seconded by Ms. Suter.

The motion passed unanimously on a voice vote.

## **Agenda Item 3. Chair's Report**

Vice Chair Hooper did not have a report.

## **Agenda Item 4. Attorney General's Report**

Deputy Attorney General Danae Aitchison did not have a report, but expressed her appreciation for the opportunity to assist the Board.

## **Agenda Item 5. Executive Director's Report**

Speaking for Chair Sevison who was not present at the meeting, Mr. Wright announced that Vice Chair Hooper would be leaving the Board following the meeting after over 30 years of dedicated service to the Conservancy.

Mr. Wright said Vice Chair Hooper, along with Chair Sevison, represent the final two remaining original Board members. Acknowledging Vice Chair Hooper's tremendous effort, Mr. Wright presented Vice Chair Hooper with a photograph

of the Upper Truckee Marsh (Marsh), in recognition of Vice Chair Hooper's particular interest in river restoration.

Vice Chair Hooper thanked Mr. Wright for his kindness. Vice Chair Hooper said he is fortunate to have had the opportunity yesterday, along with Ms. Suter, to see the Upper Truckee River Reach 5 restoration in action, and noted the ambitious project, involving re-contouring of that segment of the river. He noted the restoration is resulting in the river overflowing its new banks, in exactly the way it has been designed to do, and creating a new wetland. Vice Chair Hooper noted that seeing this successful restoration project caused him to reflect that the U.S. Forest Service (USFS) and Conservancy began the permitting process in 2004 and, while these projects take an incredibly long time to come to fruition, they not only address river restoration but also climate change, because the wetlands will become storage areas for the late summer release of water and provide opportunities for carbon sequestration. Vice Chair Hooper said climate change was something we were not even thinking about when the Conservancy was formed.

In conclusion, Vice Chair Hooper said we have really invented a new profession, the profession of environmental restoration, and learned to protect land and water, a step at a time. It is incredibly exciting, and we are doing work that has implications far beyond the Lake Tahoe Basin (Basin). Vice Chair Hooper said water is the issue of this century, and we are at the forefront of it. Vice Chair Hooper concluded that he is very proud to have been a part of this effort with the wonderful staff and Board.

Mr. Patrick Wright then presented a power point update on key projects and events. Mr. Wright said his presentation would be a regular event to provide the Board with a snapshot of the variety of activities that are underway based on the Board's previous authorizations and actions.

Specifically, Mr. Wright highlighted:

- The construction of the City of South Lake Tahoe (City) El Dorado Beach to Ski Run Bike Trail, which received Conservancy funds for planning.
- Placer County Dollar Creek Shared Use Bike Trail, which received Conservancy planning funding over the course of its 25-year history.
- Meyers Stream Environment Zone (SEZ) Restoration Erosion Control Project currently under construction.

- Tahoe Resource Conservation District (Tahoe RCD) works on Lake Tahoe wide Aquatic Invasive Species (AIS) control efforts.
- The Lake Tahoe West Restoration Partnership, as well as the new Tahoe-Central Sierra Resilient Forest Initiative (TCSI) partnership with the Sierra Nevada Conservancy (SNC), USFS, The Nature Conservancy, and National Forest Foundation (NFF), which is intended to address forest health and resilience at a regional scale. SNC submitted a funding request to CAL FIRE on behalf of the TCSI partners to fund forest health projects throughout the TCSI area.
- The Tahoe RCD's proposed acquisition of Johnson Meadow, which is receiving over \$4 million in funding from the Conservancy Proposition 1, Round 1, matched by another \$4 million from the California Department of Fish and Wildlife as well as support from the Tahoe Fund and the Barton Hospital Foundation.

Turning to the summer's flagship events, Mr. Wright noted the 10-year anniversary of the Angora Fire, and the Tahoe Environmental Summit scheduled for August 22, hosted by U.S. Senator Dianne Feinstein.

Mr. Wright concluded by introducing several new Conservancy staff members, including Mr. Jason Vasquez, Ms. Thea Graybill, and Mr. Forest Schafer, as well as legal intern, Dan Lawler, and student intern, Ryan Kaup.

Referring to Mr. Wright's Executive Director Report and specifically the status of Assembly Bill 1191, which makes clarifying changes to the Government Code section pertaining to the membership of the Conservancy governing body, Mr. Ferrara said the legislation is working its way through the Assembly and the Senate. Mr. Ferrara said the legislation is scheduled for the Consent Calendar in the Senate Natural Resources Committee, after passing through the Assembly committee on a nine to zero vote, and will be considered by the Senate Appropriations Committee. On behalf of the California Natural Resources Agency, Mr. Ferrara said he is hopeful and optimistic that the Governor will sign the legislation into law in July.

In concluding his presentation, Mr. Wright said Tahoe Keys Property Owners Association (TKPOA) membership would be considering the potential for moving its corporation yard out of the Marsh onto a less sensitive area. He said

this effort is something staff and TKPOA have been working on for a number of years and will provide another boost to the Conservancy's Marsh restoration efforts.

#### **Agenda Item 6. Public Comment on Non-Agenda Items**

Ms. Ellie Waller, a Tahoe Vista resident, thanked the Board for holding its meeting on the North Shore. Ms. Waller thanked Vice Chair Hooper for his years of service and the evidence of his legacy. Ms. Waller thanked the Board for taking the opportunity to review her recently submitted written public comments on specific agenda items and feels the Board has sufficiently reviewed these. Ms. Waller said she is looking forward to the upcoming joint meeting between the Conservancy, North Tahoe Public Utility District, Department of Parks and Recreation (DPR), and Placer County regarding the town center concept. Ms. Waller asked the Board to consider for potential acquisition a property in the Tahoe Vista area as a possible public campground location. She said the property could support up to 40 spaces, has existing infrastructure, and is located directly across from the Conservancy's Sandy Beach property operated by DPR.

Ms. Ann Nichols, with the North Tahoe Preservation Alliance, acknowledged Vice Chair Hooper's tenure on the Board. Ms. Nichols said she would be commenting later on Agenda Item 11.a.

#### **Agenda Item 7. Presentations and Update on the US 50/South Shore Community Revitalization Project**

Mr. Carl Hasty, Tahoe Transportation District (TTD) Manager, gave a presentation on the project.

Mr. Ed Mosher, a resident of the City of South Lake Tahoe, commented on the presentation, noting a number of concerns related to cost, environmental and noise impacts, snow removal, and parking.

In response to a question from Ms. Suter regarding the position of the City on the project, Mr. Cole said the City Council is not unanimous in supporting the project and previously had concerns over the use of eminent domain authority.

Mr. Cole also mentioned his own concerns over signage, traffic circulation, workforce housing, and best management practices.

Mr. Wright said one reason for the TTD presentation is the potential for impacts to the Conservancy's Van Sickle Bi-State Park and specifically the Park entrance.

## **Agenda Item 8. Consent Items**

The Board considered the following consent items:

### **a. State Parks Fuels Reduction and Understory Burning Project Grant**

Consideration and possible authorization for a grant to DPR for up to \$414,074 in Southern Nevada Public Land Management Act Round 16 funding for the State Parks Fuels Reduction and Understory Burning Project at the Ed Z'Berg Sugar Pine Point State Park and the Tahoe State Recreation Area.

**(Resolution 17-06-02)**

### **b. Lake Tahoe West National Forest Foundation Grant**

Consideration and possible authorization to accept and expend a sub-award grant from the NFF for up to \$238,884 for preparation of California Environmental Quality Act components of the Lake Tahoe West Restoration Partnership joint environmental analysis.

**(Resolution 17-06-03)**

### **c. Second Street Basin License Agreement**

Consideration and possible authorization for a long-term license agreement with the City on three Conservancy parcels in support of the Second Street Basin Project (El Dorado County Assessor's Parcel Numbers (APNs) 023-251-14, 023-251-15, and 023-251-16).

**(Resolution 17-06-04)**

**d. South Tahoe Greenway Shared Use Trail Project Phase 1a Additional Drainage Construction**

Consideration and possible authorization to expend up to \$60,277 for South Tahoe Greenway Shared Use Trail Phase 1a drainage improvements (El Dorado County APNs 025-401-01, 025-401-03, 025-402-12, 025-402-13, and 025-402-14).  
**(Resolution 17-06-05)**

**e. Tahoe Pines Campground Restoration and Access Project Grant**

Consideration and possible authorization to accept up to \$300,000 from the U.S. Bureau of Reclamation to reimburse costs associated with implementation of the Tahoe Pines Restoration and Access Project (El Dorado County APN 34-300-10).

**(Resolution 17-06-06)**

**Vice Chair Hooper called for public and Board comments on Agenda Item 8. Seeing no comments, Vice Chair called for Board action on Agenda Item 8. Ms. Finn moved approval of Agenda Item 8 (Resolutions 17-06-02, 17-06-03, 17-06-04, 17-06-05, and 17-06-06). Ms. Suter seconded the motion. The motion passed unanimously on a voice vote.**

**Agenda Item 9. Annual Program Authorizations and Update Items**

**a. Fiscal Year 2017/18 Work Program and Budget**

The Board was provided an overview and update of the Fiscal Year 2017/18 Conservancy work program and budget. Kevin Prior, Administrative Officer, and Penny Stewart, Natural Resources and Public Access Program Manager, presented Item 9.a.

Mr. Wright said that the Conservancy is now heading towards another fiscal cliff, similar to where the agency was prior to receiving Proposition 1 grant funds, and while this funding shortfall could be bridged with another State bond measure, this funding source is uncertain. Mr. Wright said the next five to ten years will be an interesting period for the Conservancy as it moves away from single-agency, single-purpose projects to more collaborative interagency projects, as illustrated by the recent Proposition 1 awards funding more of these area-wide global planning efforts rather than the projects themselves. Mr. Wright said

the Conservancy is relying more on local governments, like Placer County and TTD, to fund bike trails and other projects.

Mr. Wright said the Conservancy's funding shift towards more strategic planning, which is reflected in some of the recent Conservancy staffing hires, is a move from being primarily a project-focused agency to complementing that with more strategic planning with other agencies. In terms of where money is likely to be heading in the next few years, Mr. Wright said there continues to be funding available for forest health, AIS, public access, watershed restoration, and greenhouse gas reduction projects.

Mr. Wright said the lack of bond funding presents a challenge for the management of Conservancy lands. Mr. Wright noted the Conservancy's large backlog of unresolved encroachments and maintenance of existing improvements on Conservancy land, which are more than 30 years old in some cases. Mr. Wright added that the pending land exchanges include several thousands of lots identified for transfer from the USFS to the Conservancy, which would add further land management workload issues.

Mr. Wright also noted the Conservancy's existing priority projects, specifically the Marsh and the entire Upper Truckee River Corridor, which will continue to be the Conservancy's signature area. Mr. Wright said he expects a steady evolution towards the local agencies leading most of the projects, with the Conservancy in more of a grantor capacity rather than receiving funding directly.

Mr. Wright said the Conservancy's Asset Lands Program presents an opportunity to use its vacant lands at the South Lake Tahoe "Y" to help fulfill some of the goals of the Tahoe Valley Area Plan in South Lake Tahoe. Mr. Wright said the so-called three-and-a-half-acre parcel, adjacent to the "Y," is the subject of active negotiations with the owners of the development formerly known as the Factory Stores at the "Y" and now known as The Crossing. Mr. Wright said staff is currently in negotiations with the owners of The Crossing and is considering, along with the City, the potential for a connection to the City's Greenbelt Trail as well as mixed-use development. Mr. Wright said staff hoped to brief the Board further at a future Board meeting. Mr. Wright said staff is in the process of meeting with City staff to ensure the developer's potential plans for that parcel are fully integrated into the Greenbelt and consistent with the City's priorities for that area.

With regard to other Asset Land parcels, Mr. Wright said staff has engaged in several conversations with consultants, community leaders, and others and is hearing overwhelmingly from the community to not just auction those off to the highest bidder, but to work with the City and community to figure out what is the best use for those parcels. Mr. Wright said housing is probably the number one priority. Consequently, Mr. Wright said he has had several meetings in the last couple weeks with housing advocates in South Lake Tahoe regarding the potential for those parcels to be used for housing.

Mr. Wright noted that TTD, completely separate from the Loop Road Project, has indicated that it is considering an effort to partner with the Conservancy on housing because of the opportunity for transit-oriented development options. Mr. Wright added that El Dorado County has approached staff on the potential of using one of the parcels to co-locate El Dorado County offices.

In response to a question from Mr. Ferrara on the level of interest and status of the applications for the Conservancy's Proposition 1, Round 2 funding, Ms. Stewart said staff received 14 applications totaling approximately \$9 million for the \$3.6 million available.

Following the presentation and Board comment, Vice Chair Hooper said he will be holding public comment on Item 9.a., the Fiscal Year 2017/18 Work Program and Budget discussion item until after the completion of the presentation of Item 9.b.

#### **b. Annual Planning Authorization**

The Board considered possible authorization to expend up to \$879,600 in Fiscal Year 2017/18 for the following purposes: planning, environmental review, specialized technical support for evaluation of feasibility and conceptual development of projects, and Lake Tahoe License Plate marketing.

David Gregorich, Budget Officer, presented the item.

**Following the invitation for Board and public comments on the items and seeing none, Vice Chair Hooper called for Board action on Item 9.b. Ms. Suter moved for approval of (Resolution 17-06-07). Mr. Ferrara seconded the motion. The motion passed unanimously on a roll call vote.**

### **c. Annual Land Management Authorization**

The Board considered possible authorization to expend up to \$977,178 for direct property management, hazard abatement, restoration, and forest health activities on Conservancy land during Fiscal Year 2017/18.

Shawn Butler, Land Management Program Supervisor, and Milan Yeates, Associate Environmental Planner, presented Item 9.c.

Mr. Ferrara thanked staff for the thoughtful land management and forestry presentation. He said it represents some of the most important work performed by the Conservancy. With regard to the portion of the presentation addressing the status of fuels treatment work prior to 2012 and currently, Mr. Ferrara asked whether the current level of work, in light of the aggressive treatments for a period following the Angora Fire, is appropriate for sustainable land management in terms of maintaining previous treatments.

Mr. Butler agreed with Mr. Ferrara's characterization of the past level of work. Mr. Butler said it would be nice if the level of work was consistent with the 2012 levels but, to an extent, the levels of work reflect the levels of available funding. Currently, the Conservancy uses some "outside funding," or a combination of federal and State money as well as State Responsibility Area (SRA) funding administered through the California Conservation Corps (CCCs) to treat its land. In response to further questioning from Mr. Ferrara, Mr. Butler agreed that it would be beneficial to see the level of treatment trend upward.

Ms. Suter said she appreciated the staff presentation as an opportunity for the Board to understand the breadth of the work accomplished, given the amount of available funding. In that regard, Ms. Suter expressed her concern with the potential increase in work associated with the proposed USFS land exchange. Ms. Suter asked if there is a chance the USFS would be able to help the Conservancy with management costs, which could be incorporated into the exchange agreement.

Mr. Butler said, as he understands the land exchange provisions of the Lake Tahoe Restoration Act (LTRA), it authorized \$1 million to help with some of the initial due diligence and the transfer.

Mr. Wright clarified that the LTRA authorizes \$1 million for the Conservancy to effectuate the transfer, but it does not authorize funding to manage the land

upon transfer. Consequently, Mr. Wright said staff intends to look to the State budget process for phased solutions. Mr. Wright added that while the \$1 million allocation in the LTRA is authorized, it has not been appropriated. Mr. Wright said one motivation for the exchange is potential for management efficiency, given the Conservancy's experience with management of small urban lots. Mr. Wright said staff will provide the Board with not just the details of the exchange, but also a multi-year plan to get there, including the land management mechanisms.

In response to a question from Ms. Suter regarding the flow of SRA funding and the use of grants to fund work on Conservancy land, Mr. Butler said the SRA work is performed directly by the CCCs. Mr. Butler said the CCCs used SRA funding to perform fuels treatment work on a 40-acre Conservancy parcel.

In response to a question from Ms. Suter regarding the encroachment problem and staff's limited resources, Mr. Butler said staff anticipates being able to reduce that inventory, but said encroachments are very burdensome for the land management program and legal staff because some particular situations are very difficult to resolve. Mr. Butler said that task will be one of the items considered in the upcoming discussions on the Conservancy Strategic Plan.

Ms. Finn commented on the use of SRA funding. She said the SRA funding originates from fees paid by private homeowners and said that the benefit derived from projects funded with SRA is going not only to the Conservancy but also to the fee-payers living within the immediate or adjoining neighborhood as well. Ms. Finn added that the core recipient of SRA funding is CAL FIRE to make sure those investments benefit the fee-payers.

Following the Board comments, Vice Chair Hooper called for public comment on the item.

Ms. Ellie Waller, Tahoe Vista resident, said she understands there will be a future detailed presentation on the land swap with the USFS and asked that, as part of that presentation, there be discussion regarding the use of the word "urban" in the context of the land exchange; specifically whether some of those lots will become Asset Lands, which could provide some benefit financially to the Conservancy for management of other lots. Secondly, Ms. Waller said some landowners consider the SRA fee to be a tax. Ms. Waller thanked Ms. Finn for her clarifying comments, and agreed there are benefits to the homeowners. Ms. Waller said she is one of the private landowners who appreciates the

Conservancy's fuels management work in her neighborhood and in the adjacent neighborhoods.

Mr. Ed Moser, South Lake Tahoe resident, commented on the item and specifically on the importance of fire prevention, including SRA funding.

Upon completion of the public comment, Ms. Finn added to the discussion of the USFS land exchange. Ms. Finn encouraged staff to engage with the Board in light of the potential management cost and potential need for additional State funding.

**Following the Board and public comments, Vice Chair Hooper called for Board action on Item 9.c. Ms. Suter moved for approval of (Resolution 17-06-08). Ms. Finn seconded the motion. The motion passed unanimously on a roll call vote.**

**Item 9.a. (continued)**

Following the vote, Vice Chair Hooper called for public comment on Item 9.a., the Conservancy's Fiscal Year 2017/18 Work Program and Budget.

Ms. Norma Santiago commented on the item. Ms. Santiago shared that she had recently learned about a funding opportunity through the State Office of Emergency Services to fund projects that are part of a jurisdiction's hazard mitigation plan, provided they contains a component of climate change adaptability as it relates to some sort of disaster; for instance, fire, flooding, drought. The Conservancy may have a project that benefits the county and helps with mitigation for a particular disaster. She suggested that as the Conservancy starts developing work plans, it might want to look at these creative financing opportunities, such as the hazard mitigation plans, and getting Conservancy projects incorporated into those county plans.

**Agenda Item 10 Closed Session**

Vice Chair Hooper called for public comment on Item 10.

Ms. Ann Nichols, with the North Tahoe Preservation Alliance, commented. Ms. Nichols said Mr. Wright works hard and does a great job, but said she is hoping that the Board will instruct him to be careful about turning the Conservancy into a development agency. Ms. Nichols referred to the fact that the Board will be considering the sale of development commodities as part of the Tahoe City

Lodge project. Ms. Nichols said this project will result in luxury condominiums instead solving affordable housing. Ms. Nichols said she is also concerned about the Conservancy's Asset Land sales. Ms. Nichols said she fails to see how this helps the environment and the scenic qualities contemplated by the Lake Tahoe Acquisitions Bond Act. Ms. Nichols said the Conservancy is getting far afield of what the real focus should be.

Following the public comment, Deputy Attorney General Danae Aitchison announced that the Board, under the Bagley-Keene Open Meeting Act (Bagley-Keene), is required to conduct essentially all of its business in a public forum so that the public has a transparent ability to see what the Board is doing. She said there are very limited exceptions under Bagley-Keene, one of which the Board will be utilizing today to meet and confer in closed session for the purpose of an employee performance review. Accordingly, Ms. Aitchison said the Board will recess for the closed session and reconvene following the closed session to return to the remainder of the agenda.

Vice Chair Hooper said, for guidance to members of the public that the Board will not likely return to open session until at least 1:30 p.m.

Following completion of the closed session, the Board reconvened in open session. Vice Chair Hooper announced that the Board will be touching base with the Executive Director in about six months.

## **11. Project Authorizations**

### **a. Conservancy Land Bank Sale and Transfer of Tourist Accommodation Units**

The Board considered possible authorization to take all actions necessary to sell and transfer six Existing Residential Units of Use and ten tourist accommodation units (TAUs) to Placer County for use on Placer County APNs 094-070-001 and 094-070-002.

Aimee Rutledge, Staff Services Manager, presented the item.

Following the presentation, in response to a question from Vice Chair Hooper regarding the SEZ elements of the project, Ms. Rutledge said the SEZ restoration is a condition of the development approval. Ms. Rutledge said her understanding is that the project proponent will be restoring an area near the Tahoe City Golf Course. Ms. Rutledge introduced the project proponent for further clarification.

Mr. Samir Tuma, Kila Tahoe Developers of the Tahoe City Lodge, addressed the Board. Mr. Tuma said a 4.2 acre portion of the Tahoe City Golf Course is included within the Town Center area and that a 1.7 acre portion will be restored and permanently restricted.

In response to a question from Ms. Frantz regarding the origin of the development rights for the project, Ms. Rutledge said in addition to the 61 TAUs proposed for transfer by the Conservancy, the remainder of the units needed for the 118-unit total complex will come from the existing development that is being removed, so added with the existing development to these 61 units is how the total number needed is derived.

In response to a question from Ms. Finn, Ms. Rutledge said Placer County will be the entity purchasing the TAUs from the Conservancy because Placer County has an incentive program associated with this Town Center area.

Following the Board comments, Vice Chair Hooper called for public comment.

Ms. Ellie Waller, Tahoe Vista resident, commented on the item. Ms. Waller said she was a member of the North Tahoe West Citizen Advisory Team for the Tahoe Basin Area Plan, and consequently is very familiar with the process which led to the project. She said she is glad to see that the Conservancy is divesting itself of the TAUs. Ms. Waller said she was concerned about whether Placer County is paying too much, and was pleased to hear the explanation from Ms. Rutledge as to the basis for the \$12,500 price based on the Knights Inn property. For the record, Ms. Waller said 40 units are for hotels, out of the 78 units and 118 units for sale, which could go into a pool. Consequently, some of the members of the public have issues about how that whole for-profit versus the TAUs being purchased by Placer County under its process.

Ms. Jennifer Merchant, Deputy County Executive Officer with Placer County, commented on the item.

Ms. Merchant began by thanking the Board and staff for the cooperation over the last many months, the Conservancy's support of Placer County, and assistance implementing the Tahoe Regional Planning Agency's (TRPA's) Regional Plan, of which the TAUs and the commodity system are an integral part.

By way of background information, Ms. Merchant said Placer County approved an economic analysis in 2015 that looked at why there appeared to be challenges in attracting developers in the Basin. Ms. Merchant said the analysis demonstrated that the lodging product drives tourism to the area, which is a key part of the area economy. Ms. Merchant said that product is in some cases dated or dilapidated.

Ms. Merchant said that condition is tied to the time and the cost of TRPA's commodities system, which Placer County has engaged in to create its own kind of mini-land bank or unit commodity bank to use as an incentive to encourage developers to invest in its communities. Consequently, Placer County has been acquiring TAUs in small amounts in addition to the proposed acquisition from the Conservancy.

For clarification, Ms. Merchant said the County's application to the Conservancy is to acquire up to 61 units, with the understanding TRPA will recognize the incentives associated with the Conservancy's TAUs from 16 to 61.

Ms. Merchant said the remaining question for Placer County is the total number of TAUs needed. Ms. Merchant said Placer County is certain of its need for the 14 SEZ TAUs; and may know within the next 30 to 60 days of working with Conservancy staff through the escrow process whether there is a need to purchase all 61.

Finally, Ms. Merchant addressed the issue of the TAUs fair market value. Ms. Merchant said Placer County may take exception to the staff analysis on the subject. Ms. Merchant said Placer County has been engaged in discussions with Conservancy staff for quite some time on the availability of the units. Placer County noted that the Conservancy's website showed TAUs available for a certain price and that Conservancy staff was astute enough to go out into the market and utilize the TRPA bonus unit program to turn those 16 into 61, allowing the Conservancy to generate more revenue from the TAUs.

However, Ms. Merchant said the price being discussed was \$12,000. Ms. Merchant said she was surprised to learn that Conservancy staff was not comfortable with the \$12,000 price because of the agreement Placer County has with the City to purchase similar rights. Ms. Merchant said Placer County has not closed on the City purchase and sales agreement and a fair market value would be based on a completed sales price.

Ms. Frantz said she is not convinced that the City's sales price to Placer County should not apply to the fair market value determination of the Conservancy's rights.

Mr. Wright said he agreed with Placer County that staff had an informal agreement at \$12,000 with Placer County. Mr. Wright said staff then discovered the deal that was made with the City and said that should be the new price. Mr. Wright said the application from Placer County came in to the Conservancy after Conservancy staff became aware of the deal with the City. Consequently, staff could not justify to the public undercutting the City's price.

However, Mr. Wright acknowledged Placer County's position and that good faith negotiations have been occurring for some time. Mr. Wright said from staff's perspective the key is for the price to be based on the fair market value.

He said staff did not want to set the precedent of cutting deals because of all the precedents that could set Basin-wide. Mr. Wright said the State of California must get what these TAUs are worth and he said staff, himself included, believes that \$12,500 makes more sense.

Ms. Rutledge added that the valuation exercise is standard due diligence every time the Conservancy sells development rights.

Ms. Frantz said she would be supporting staff's evaluation at \$12,500. Ms. Frantz said she appreciates Ms. Merchant's position. Ms. Frantz said from her perspective, the determination of fair market value can be made not just from deals that have been totally consummated but also ones in escrow. Ms. Frantz said that evaluation is common practice in El Dorado County. Transactions in escrow may get slightly different weight, but they are reviewed. Ms. Frantz said she did not see a reason why the State of California or the Conservancy would be getting less for the same type of TAUs than the City is getting in this same period.

Mr. Ferrara said from his perspective both parties seem to be very reasonable and can work this out. In his opinion, the differential would pass the test of fair market value, given the level of disparity. Mr. Ferrara encouraged both staff and Placer County to figure out a path forward that meets everyone's needs given that the ultimate benefit to the project is substantial.

Mr. Cole said the Board should make the decision on the sale price.

Ms. Frantz suggested that because the \$12,500 staff-recommended price was based on a deal that is not yet fully consummated; the parties split the difference, and set the sales price at \$12,250 per unit. This gives recognition to the benefit of the negotiation prior to the City's deal going through, giving some credence to the idea that, because the City's deal is not fully consummated, that it might not get the same view of being an established fair market value, as if it had actually been finalized, but yet it is evidence towards the current fair market value. Ms. Frantz said this would be somewhat of a balancing of the equities, giving some equity towards Placer County while also equitable to the State.

Accordingly, Ms. Frantz offered the following revised motion for consideration:

**“Authorize staff to sell and transfer the residential units and the tourist accommodation units for the price of \$12,250 per unit.”**

**The Motion was seconded by Mr. Cole.**

**Vice Chair Hooper called for Board action on Item 11.a. (Resolution 17-06-09) as amended. The motion passed unanimously on a roll call vote.**

#### **b. Plates for Projects Grant Award**

The Board considered possible authorization for a grant to the League to Save Lake Tahoe (League) in the amount of \$20,000 for the “Eyes on the Lake” Program.

Chris Mertens, Associate Environmental Planner, presented the item.

Ms. Frantz complimented Mr. Mertens on the presentation and said the project generates an amazing synergy; it works really well, and is consistent with staff's previous presentation on the program.

Mr. Jesse Patterson, League Deputy Director, commented on the item. Mr. Patterson said the League's “Eyes on the Lake” Program started about four years ago, and has certified 350 volunteers, resulting in 700 surveys at 130 unique sites around the lake. He said this year there will be additional sites due to the change in the lake level and corresponding nearshore. Mr. Patterson said the Conservancy and the League have collaborated well in the past particularly with respect to the “Eyes on the Lake” volunteers working directly with Conservancy

staff in the field helping to survey the Upper Truckee River in preparation for the Marsh restoration.

In response to a question from Ms. Frantz regarding the current level of inspections, Mr. Patterson said the League is performing just under 100 per year. However, the League is excited by the opportunity to expand even more, including a smart phone application for reporting through the University of California, Davis Tahoe Citizen Science application. Mr. Patterson said the “Eyes on the Lake” staff originally provided training predominantly on the South Shore, but has now expanded to the North Shore and into classrooms in the four school districts around Lake Tahoe as well as ones in Carmel, Monterey, and some other places.

**Following the invitation for Board and public comments, Vice Chair Hooper called for Board action on Item 11.b. Mr. Ferrara moved for approval of (Resolution 17-06-10). Ms. Frantz seconded the motion. The motion passed unanimously on a roll call vote.**

Following the vote, and in light of her comments on the Lake Tahoe License Plate Program at the March 16, 2017 meeting, Ms. Finn asked for and received permission from Vice Chair Hooper to update the Board on the issue of selling license plates directly from automobile dealerships.

Ms. Finn said she reached out to Department of Motor Vehicles (DMV) staff directly responsible for the Special Interest License Plate Program and determined that there is no prohibition for dealers to sell specialty license plates directly, for new or used cars. Ms. Finn said her contact at DMV has volunteered to train dealers within the Basin and get the local DMV to reach out or to do some training as well. According to Ms. Finn, her contact at DMV believes the issue is both a lack of understanding of the program and an unwillingness to take the extra step required. However, this could be remedied with training and coordination. Ms. Finn said she will make the necessary arrangements for staff and the DMV to better coordinate on the issue.

Mr. Wright said he appreciates the effort and asked that it be extended to Sacramento and the Bay Area.

## 12. License Agreement Authorizations

### a. Country Club Heights Erosion Control Project License Agreement

The Board considered possible authorization for a long-term license agreement with El Dorado County on 12 Conservancy parcels in support of the Country Club Heights Erosion Control Project (El Dorado County APNs 033-100-23, 033-201-04, 033-201-32, 033-211-09, 033-212-03, 033-212-09, 033-213-05, 033-221-03, 033-222-17, 033-223-05, 033-301-01, and 034-753-02).

Stuart Roll, Senior Environmental Planner, presented the item.

**Following the invitation for Board and public comments and seeing none, Vice Chair Hooper called for Board action on Item 12.a. Ms. Finn moved for approval of (Resolution 17-06-11). Ms. Suter seconded the motion. The motion passed unanimously on a roll call vote.**

### b. Bijou Park Creek Watershed Management/Southwest Corner Project License Agreement

The Board considered possible authorization for a long-term license agreement with the City on seven Conservancy parcels in support of the Bijou Park Creek Watershed Management/ Southwest Corner Project (El Dorado County APNs 027-112-13, 027-112-14, 027-112-15, 027-112-16, 027-112-17, 027-112-24, and 027-053-14).

Jen Greenberg, Environmental Planner, presented the item.

Following the presentation Vice Chair Hooper asked for Board and public comment.

Mr. Ed Moser, South Lake Tahoe resident, commented. Mr. Moser said he supports the license to the City for use of the Conservancy parcels. Mr. Moser said he did not support the use of Conservancy funds for the purchase of the property. Mr. Moser said the City, El Dorado County, and Heavenly Ski Resort are all stakeholders in the project area, and should be responsible for any further improvements and costs. Mr. Moser said the City inherited from El Dorado County problems with no drainage infrastructure in place, which is a big part of the problem. Mr. Moser said he intends to recommend to the City that they

impose a parcel tax and at least a \$50 million bond issue to pay for environmental improvements.

Mr. Cole commented on the item. He said the City is in negotiations with the contiguous property. It is the City's intention to create watershed mitigation all the way up to Pioneer Trail. Mr. Cole noted that, unfortunately, there is not enough money or planning to do it all at once. He said that the City had this opportunity to daylight the creek because of the particular parcel of land, and using these seven parcels will go a long way toward water treatment, but this is just the beginning, not an end. Mr. Cole said he hopes to see in the next number of months, the City returning to the Board with the possibility of using Conservancy money to buy other land and opening up the watershed. He said this has been a fluid process from the very beginning. Mr. Cole said he thinks Mr. Wright brought this project to the City originally, because not only is this building blighted economically and visually, but this asphalt over this pipe has been going on for so long that this project itself will help and these seven parcels will help. In conclusion, Mr. Cole said he hopes the Board will have the opportunity to consider three or four properties in the near future for City acquisition to make a true watershed treatment out of this project. He noted this is the last remaining watershed in the City's jurisdiction that doesn't have any treatment. He said the City has done an incredible job on Fairway Avenue and Bijou Meadow, but we need to address this problem right away.

**After Board and public comments, Vice Chair Hooper called for Board action on Item 12.b. Mr. Cole moved for approval of (Resolution 17-06-12). Ms. Frantz seconded the motion. The motion passed unanimously on a roll call vote.**

### **Agenda Item 13. Public Comment**

Vice Chair Hooper called for members of the public to come forward and seeing none concluded the public comment period.

### **Agenda Item 14. Board Member Comment**

Following completion of the public comment, Vice Chair Hooper called for comment from the Board.

Mr. Ferrara expressed his appreciation for the Vice Chair Hooper's work on the Conservancy Board. Mr. Ferrara said it has been a pleasure to work with Vice

Chair Hooper and learn from his leadership. Mr. Ferrara said he hopes Vice Chair Hooper finds another opportunity to remain engaged at Lake Tahoe.

Ms. Finn echoed Mr. Ferrara's comment and thanked Vice Chair Hooper for his dedication to the State of California, as well as the Tahoe area. Ms. Finn said she appreciated the opportunity to work together on the Board and that it has been educational.

Ms. Suter also asked to associate herself with the comments of both Mr. Ferrara and Ms. Finn. In particular, she said she enjoyed the many staff field trips taken with Vice Chair Hooper, including the one the day before. Ms. Suter said those experiences have been wonderful and educational, partly because of Vice Chair Hooper's 32 years of experience.

Ms. Frantz said that while her tenure on the Board is only recent, she has worked with a number of other boards, and that Vice Chair Hooper is one of the most gentlemanly and delightful Board members she has worked with.

Mr. Cole said he had the good fortune of working with Vice Chair Hooper on the Conservancy Board many years ago and now. Mr. Cole said, as a public servant, he understands the time and sacrifice required of Vice Chair Hooper as the Vice Chair of the Board. Mr. Cole said he appreciates Vice Chair Hooper's professionalism and dedication to Lake Tahoe. Mr. Cole also thanked the Board and City Council for allowing him to represent the City, especially through the current process. He noted that, as almost a lifelong resident, being able to participate in the Bijou Creek Watershed project has been a real joy and something he will treasure for a long time. He thanked the Board for helping make this possible.

Mr. Wright said the Conservancy has a September meeting scheduled. In addition to that, he hopes to, along with Deputy Director Freeman, engage with the Board more frequently by changing next year's the meeting schedule and potentially increasing the number of meetings as well as increasing the number of tours in a way that works better for the Board and staff.

### **Agenda Item 15. Adjourn**

Vice Chair Hooper adjourned the meeting at approximately 3:45 p.m.

California Tahoe Conservancy  
Resolution 17-09-01  
Adopted: September 21, 2017

**APPROVAL OF MINUTES**

I hereby certify that the foregoing is a true and correct copy of the minutes of the June 15, 2017, meeting of the California Tahoe Conservancy adopted on September 21, 2017.

IN WITNESS THEREOF, I have hereunto set my hand this 21st day of September, 2017.

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Patrick Wright  
Executive Director