

## **PROPOSITION 1, ROUND 2 GRANT AWARDS**

**Recommended Action:** Adopt Resolutions 17-09-02.1 – 17-09-02.8 authorizing eight grants for up to \$4,153,072 for the following planning, acquisition, and implementation efforts:

- Bijou Park Creek Restoration Priority Acquisitions, City of South Lake Tahoe;
- Country Club Heights Erosion Control Project, El Dorado County;
- Collaborative Aquatic Invasive Species Program Planning, Tahoe Resource Conservation District (Tahoe RCD);
- Lake Tahoe West Restoration Partnership, National Forest Foundation;
- Control of the Invasive Mysis Shrimp to Recover Lake Clarity and Ecosystem Health, University of California, Davis;
- Tahoe City Caltrans Maintenance Yard Relocation and Restoration Project, Tahoe Transportation District;
- Polaris Creek and Wetland Restoration, Feasibility Study, Tahoe RCD;
- Country Club Heights Erosion Control Project-Phase 3, El Dorado County.

**Location:** The eight recommended projects are located throughout the California side of the Lake Tahoe Basin in Placer and El Dorado counties.

**Fiscal Summary:** Grant awards totaling \$4,153,072 will be funded with up to \$3,600,933 in Proposition 1 funding and \$552,139 in Proposition 50 funding.

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### **Overview**

#### **Description of Recommended Action**

California Tahoe Conservancy (Conservancy) staff recommends Board approval of up to \$3,600,933 in Proposition 1 funds for the following eight projects:

<b>Project</b>	<b>Project Proponent</b>	<b>Grant Type</b>	<b>Maximum Recommended Grant Amount</b>
Bijou Park Creek Restoration Priority Acquisitions	City of South Lake Tahoe	Acquisition	\$814,102
Country Club Heights Erosion Control Project	El Dorado County	Implementation	\$250,000
Collaborative Aquatic Invasive Species (AIS) Program Planning	Tahoe RCD	Planning	\$862,000
Lake Tahoe West Restoration Partnership	National Forest Foundation	Planning	\$398,750
Control of the Invasive Mysis Shrimp to Recover Lake Clarity and Ecosystem Health	University of California, Davis	Planning	\$390,081
Tahoe City Caltrans Maintenance Yard Relocation and Restoration Project	Tahoe Transportation District	Planning	\$354,000
Polaris Creek and Wetland Restoration, Feasibility Study	Tahoe RCD	Planning	\$282,000
Country Club Heights Erosion Control Project-Phase 3	El Dorado County	Planning	\$250,000

In addition, Conservancy staff recommends Board approval of up to \$552,139 in Proposition 50 funds for the following project:

<b>Project</b>	<b>Project Proponent</b>	<b>Grant Type</b>	<b>Maximum Recommended Grant Amount</b>
Bijou Park Creek Restoration Priority Acquisitions	City of South Lake Tahoe	Acquisition	\$552,139

Attachment 1a lists the applications received that are recommended and includes a description of the primary focus area, grant type, and funding request for each recommended project. Attachment 1b lists the applications received that are not recommended for funding. Attachment 2 illustrates the location of the eight projects. Attachments 3.1 through 3.8 provide details on each project recommended for funding, including a project description, expected benefits, budget, schedule, and resolutions.

The projects recommended for funding were highly ranked by the External Review Team (External Team) and Conservancy staff. These eight projects represent a broad cross section of high priority projects in the Lake Tahoe Basin (Basin). The individual project descriptions describe each project's multiple benefits.

Consistent with the Conservancy's Proposition 1 Grant Guidelines (Guidelines), the eight projects recommended for approval cover four of the five focus areas (sustainable communities is not covered) and spread funding geographically throughout the California side of the Basin as shown in Attachment 2. There is one acquisition grant, one implementation grant, and six planning grants. There are no monitoring grants recommended for funding. Staff anticipates entering into grant agreements after Board approval.

## **History**

In November 2014, California voters passed Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014. This bond act requires the development of a competitive grants program for awarding the \$15 million in Proposition 1 funding allocated directly to the Conservancy under Water Code section 79731(b). The competitive grants program must support multi-benefit ecosystem and watershed protection and restoration projects consistent with statewide priorities.

In June 2015, the Board approved the Guidelines and authorized staff to solicit applications for Round 1. The Guidelines established a competitive grants program that supports implementation of the Basin's Environmental Improvement Program (EIP) by providing funding for multi-benefit storm water, watershed and ecosystem restoration, aquatic invasive species, forest health, and sustainable communities projects.

In March, September, and December 2016, the Board authorized almost \$9.5 million in Proposition 1 funding for nine projects. In March 2017, the Board approved the solicitation of applications for Round 2. Staff posted the grant solicitation announcement and grant application package on the Conservancy's website on March 18, 2017. Staff also sent an email to over 225 parties providing them with the announcement.

Nine different applicants submitted fourteen applications, totaling more than \$8 million in funding requests, by the April 28, 2017 deadline.

Conservancy staff performed an initial review of the applications for eligibility and completeness and requested clarifications to assist the External Team's evaluation. In early June, the External Team received the applications, including the clarifying information, to review and score. The External Team consisted of seven representatives from State, federal, and regional agencies or non-profits. Each member of the External Team individually scored the applications based on the evaluation criteria in the Guidelines. These criteria included project benefits/State priorities, readiness/feasibility, leveraged funding, innovation and science, organizational capacity, and public and stakeholder support.

Conservancy staff compiled the External Team's individual scores, and the External Team met on June 26, 2017 to discuss the scoring and develop recommendations. In addition to considering scores, focus areas, and geographic distribution, the External Team discussed other funding sources for which the projects might be eligible while developing recommendations. The External Team recommended full or partial funding to best utilize the limited amount of Proposition 1 funds available for the Basin's highest priorities. For projects that were partially funded, the External Team recommended funding portions of the project with clear and distinct high priority deliverables.

Conservancy staff considered the External Team's recommendations in light of Proposition 1 requirements, the Conservancy's enabling legislation, the Conservancy's Strategic Plan, and the availability of funding from Proposition 1 and other sources in finalizing the recommended grant awards. After the Board's authorization of these grants, Conservancy staff will share the External Team's comments with the applicants upon request.

The Conservancy administers grants in accordance with the terms and conditions of the Board authorization, the staff recommendation, the Guidelines and project application, and a standard Conservancy grant agreement. A planning grant agreement requires a workplan, including a detailed budget and description of the schedule and deliverables. A site improvement implementation grant agreement requires an interest in the project site sufficient to allow operation and maintenance for the useful life of the improvements. Acquisition grant agreements require willing sellers, approved appraisals, and operation and maintenance of the property in perpetuity. Any transfer of any interest in the acquired property or change in its use inconsistent with the purposes of the grant requires additional Board approval. Consistent with the application submittal requirements, the Conservancy staff may approve advance

requests for a percentage of the grant funds in certain instances. An expense reimbursement requires appropriate documentation such as product deliverables or invoices. All grants require periodic reporting of progress. Data-based deliverables must be submitted in the appropriate format.

### **Financing**

The Conservancy received \$15 million in Proposition 1 funds. After deducting statewide bond processing, program delivery costs, program planning and monitoring costs, and the Round 1 grant awards, the Conservancy has \$3,600,933 remaining in Proposition 1 funding to award to Round 2 projects. Conservancy staff also recommends the award of up to \$552,139 in Proposition 50 funding to the Bijou Park Creek Restoration Priority Acquisitions. The External Team identified four parcels as the highest priority for resource benefits. Because there is only adequate Proposition 1 funding available to support full acquisition and restoration of three parcels and a portion of the fourth parcel for a total of \$814,102, staff is recommending an additional \$552,139 in Proposition 50 funding to assist the City in acquiring and restoring the fourth parcel.

Water Code section 79542 states that Proposition 50 funding to the Conservancy is for acquisition from willing sellers, restoration, and protection of land and water resources to improve water quality in Lake Tahoe. The Bijou Park Creek Restoration Priority Acquisitions are consistent with these provisions of Proposition 50.

The National Forest Foundation is awaiting a decision regarding the availability of additional funding from the Southern Nevada Public Land Management Act for the Lake Tahoe West Restoration Partnership (LTW). Depending on the timing of that decision, the LTW may require less Proposition 1 funding than currently recommended. If this situation occurs, then the amount of Proposition 50 funding for the Bijou Park Creek Restoration Priority Acquisitions would be reduced.

The recommended Proposition 1 funding for the Collaborative AIS Program Planning and Control of the Invasive Mysis Shrimp to Recover Lake Clarity and Ecosystem Health projects qualifies as programmatic matching funds required for the Conservancy's use of Lake Tahoe Science and Lake Improvement Account (SB630) funds. The recommended AIS grants totaling \$1,252,081 will match the Conservancy's SB630 funding of \$350,000 in the Fiscal Year 2017/18, as well as anticipated SB630 appropriations in future years. The SB630 Stakeholder Group considers continued funding of AIS control efforts a priority for the SB630 funding and supports this recommendation.

Additionally, during the course of implementation, subject to Conservancy approval, a project budget in a project description may deviate from the individual line items. However, the total expenditure of Conservancy funds for each project will not exceed the grant award.

## **Authority**

### **Consistency with the Conservancy's Enabling Legislation**

Implementation of this project/program is consistent with the Conservancy's enabling legislation. Specifically, Government Code section 66907.7 authorizes the Conservancy to award grants to local public agencies, State agencies, and nonprofit organizations for purposes consistent with its mission.

### **Consistency with the Conservancy's Strategic Plan**

The recommended action is consistent with the Strategic Plan because it will invest in high priority conservation projects and programs (Strategy II) by funding multi-benefit storm water, watershed and ecosystem restoration, AIS, and forest health projects.

### **Consistency with the Conservancy's Program Guidelines**

The recommended action is consistent with the Conservancy's approved Proposition 1 Grant Guidelines. Use of Proposition 50 funds is consistent with the Erosion Control Grants Program Guidelines approved in prior years by the Board.

### **Consistency with External Authorities**

The recommended action is consistent with the EIP and other external authorities. Each project description (Attachments 3.1 through 3.8) explains the project consistency with the EIP. The recommended projects will provide multiple benefits and are consistent with the California Water Action Plan and other State and regional priorities.

## **Compliance with the California Environmental Quality Act**

The Conservancy is required to determine California Environmental Quality Act (CEQA) compliance and make certain findings prior to taking action on a project. Each project description (Attachments 3.1 through 3.8) explains compliance with CEQA.

## **List of Attachments**

- Attachment 1a – Proposed Funding
- Attachment 1b – Projects Not Recommended for Funding
- Attachment 2 – Location Map
- Attachment 3.1 – Bijou Park Creek Restoration Priority Acquisitions
  - Attachment 3.1a – Project description, budget, schedule, and CEQA
  - Attachment 3.1b – Resolution 17-09-02.1
  - Attachment 3.1c – Project Map
  - Attachment 3.1d – Notice of Exemption, Exhibit A
- Attachment 3.2 – Country Club Heights Erosion Control Project
  - Attachment 3.2a – Project description, budget, schedule, and CEQA
  - Attachment 3.2b – Resolution 17-09-02.2
  - Attachment 3.2c – Project Map
- Attachment 3.3 – Collaborative Aquatic Invasive Species Program Planning
  - Attachment 3.3a – Project description, budget, schedule, and CEQA
  - Attachment 3.3b – Resolution 17-09-02.3
  - Attachment 3.3c – Notice of Exemption, Exhibit A
- Attachment 3.4 – Lake Tahoe West Restoration Partnership
  - Attachment 3.4a – Project description, budget, schedule, and CEQA
  - Attachment 3.4b – Resolution 17-09-02.4
  - Attachment 3.4c – Project Map
  - Attachment 3.4d – Notice of Exemption, Exhibit A
- Attachment 3.5 – Control of the Invasive Mysis Shrimp to Recover Lake Clarity and Ecosystem Health
  - Attachment 3.5a – Project description, budget, schedule, and CEQA
  - Attachment 3.5b – Resolution 17-09-02.5
  - Attachment 3.5c – Notice of Exemption, Exhibit A
- Attachment 3.6 – Tahoe City Caltrans Maintenance Yard Relocation and Restoration Project
  - Attachment 3.6a – Project description, budget, schedule, and CEQA
  - Attachment 3.6b – Resolution 17-09-02.6
  - Attachment 3.6c – Project Map
  - Attachment 3.6d – Location Map
  - Attachment 3.6e – Notice of Exemption, Exhibit A
- Attachment 3.7 – Polaris Creek and Wetland Restoration, Feasibility Study
  - Attachment 3.7a – Project description, budget, schedule, and CEQA
  - Attachment 3.7b – Resolution 17-09-02.7
  - Attachment 3.7c – Project Map
  - Attachment 3.7d – Location Map

- Attachment 3.7e – Notice of Exemption, Exhibit A
- Attachment 3.8 – Country Club Heights Erosion Control Project-Phase 3
  - Attachment 3.8a – Project description, budget, schedule, and CEQA
  - Attachment 3.8b – Resolution 17-09-02.8
  - Attachment 3.8c – Project Map
  - Attachment 3.8d – Notice of Exemption, Exhibit A

**Conservancy Staff Contact**

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