

California Tahoe Conservancy
Agenda Item 2
December 7, 2017

**BOARD MEETING MINUTES
SEPTEMBER 21, 2017**

September 21, 2017 (1:00 p.m.) Board Meeting

The minutes are prepared from the same-day audio recording and transcription by Foothill Transcription Company certified on October 5, 2017.

Agenda Item 1. Roll Call

Chair Larry Sevison welcomed all of those present and called the meeting to order with a 1:08 p.m. roll call at the Lake Tahoe Community College, 1 College Drive, Board Room L104, South Lake Tahoe, California 96150.

Members present:

Larry Sevison, Chair, Placer County
Adam Acosta, Public Member
Todd Ferrara, California Natural Resources Agency
Karen Finn, California Department of Finance
Brooke Laine, City of South Lake Tahoe
Teresa McClung, U.S. Forest Service (ex officio)
Sue Novasel, El Dorado County
Lynn Suter, Public Member

Others present:

Danae Aitchison, Deputy Attorney General
Patrick Wright, Executive Director
Jane Freeman, Deputy Director
Mike Steeves, Staff Counsel

Agenda Item 2. Minutes

The California Tahoe Conservancy Board (Board) considered the minutes from the June 15, 2017 meeting. Ms. Suter moved approval of the minutes (**Resolution 17-09-01**). Ms. Finn seconded the motion and the motion was approved on a voice vote.

Agenda Item 3. Chair's Report

Chair Sevison did not have a report, but welcomed the following new and returning Board members: Mr. Acosta, Ms. Laine, and Ms. Suter. Chair Sevison also offered a resolution honoring Mr. John Hooper for his 32 years of service to the State and Board.

Agenda Item 4. Attorney General's Report

Deputy Attorney General Danae Aitchison did not have a report.

Agenda Item 5. Executive Director's Report

Mr. Wright started his report by announcing the retirement of one of the Conservancy's longstanding and most valuable employees, Penny Stewart. Mr. Wright expressed that it would not be the same at the Conservancy without Penny. Acknowledging Penny's dedication to the Conservancy and passion for Lake Tahoe, Mr. Wright presented Penny with a photograph of the Upper Truckee Marsh (Marsh) and read a few lines of a resolution for Penny. Ms. Stewart thanked Mr. Wright and expressed that it has been a pleasure.

Mr. Wright then thanked staff for the Board tour of Van Sickle Bi-State Park (Park) that morning, giving Mr. Acosta a tour of the Lake Tahoe Basin (Basin) yesterday, and providing tours for visiting agency heads and dignitaries over the summer. Mr. Wright also mentioned that staff participated in a work day at Park a couple weeks ago. Mr. Wright expressed that it has been a fun yet productive summer.

Mr. Wright mentioned the recent Lake Tahoe Summit. Mr. Wright stated that the Conservancy signed an agreement with the Army Corps of Engineers for \$4 million for the Marsh at the Summit. Mr. Wright said the Conservancy also participated in a Memorandum of Understanding signing ceremony for the new Tahoe-Central Sierra Initiative (TCSI). As part of TCSI, which spans the Central

Sierra and Lake Tahoe, the Conservancy was successful in partnering with the Sierra Nevada Conservancy (SNC) in getting a \$5 million grant through California cap-and-trade funds for forest health projects in the Basin and Central Sierra.

Mr. Wright said the Conservancy was also successful in securing funding for another project. Mr. Wright said the Conservancy received a grant from the Bureau of Reclamation for the Tahoe Pines Campground Restoration and Access Project.

Mr. Wright then announced the Conservancy was fortunate to hear last week that the Parks Bond passed the legislature and is now headed for the Governor's signature. Mr. Wright said if the voters pass it in June 2018, the Conservancy will receive \$27 million. In addition, Mr. Wright explained if the Parks Bond passes, it will allocate money to the Conservancy's partners: California Department of Fish and Wildlife, California Wildlife Conservation Board, and California Natural Resources Agency. Mr. Wright further explained passage of the Parks Bond would put the Conservancy in good position to address many of our high-priority projects in the Basin. Mr. Wright expressed that the Governor's Office is eager to get the Parks Bond money invested. In fact, Mr. Wright stated he was told that within 10 days of the Governor signing the bill, which is likely to happen in the next week or so, the State agencies involved must have budget proposals in. Mr. Wright explained the passage or non-passage of the Parks Bond will pose an interesting challenge for the Conservancy's upcoming strategic planning process. Mr. Wright stated that the Conservancy is optimistic that, with the support of the Governor, the legislature, and a coalition of statewide conservation leaders, the bond will pass.

On the administrative side, Mr. Wright said staff is proposing to move from four to six Board meetings next year with one of them being a Board tour day. Mr. Wright proposed February, April, June, September, October, and December. Mr. Wright expressed that having six meetings may work better because it provides more flexibility and takes some pressure off of staff.

Mr. Wright also proposed holding Board elections for Chair and Vice Chair at the next Board meeting as well as forming committees to increase the level of communication on issues that are of particular significance to Board members. Mr. Wright listed a few committee examples, including an Organizational Development Committee to deal with organizational issues, Legislative Committee to address the issues and bills that involve the Conservancy and the

other conservancies, Strategic Planning Committee to help with the strategic planning process, and Local Government Committee to address local issues. Mr. Wright expressed interest in hearing what the Board members thought of the proposed committees. Mr. Wright further stated that he and Ms. Freeman would follow up with Board members individually to discuss committees further. Mr. Wright said, in particular, local Board members may want a different level of communication and involvement with respect to projects that are happening in their area.

Mr. Wright went on to discuss the Conservancy's recent launch of a monthly Executive Director's newsletter. Mr. Wright explained the newsletter is an opportunity for Board members to hear about newsworthy items in between Board meetings. Mr. Wright stated that the newsletter also includes news clippings related to the Basin, Conservancy project updates, and more. Mr. Wright said he wants to ensure Board members are aware of Conservancy news but also Lake Tahoe area news, which may be unrelated to Board items. Mr. Wright asked the Board to submit ideas on how to make the newsletter more useful and effective.

Mr. Wright mentioned that staff had received one comment letter on the Proposition 1 agenda item and directed the Board to review that letter.

Mr. Wright then introduced Mr. Bob Kingman, Assistant Executive Officer of SNC. Mr. Wright explained that SNC invited him to their meeting two weeks ago to help cement the partnership that is growing between the Conservancy and SNC, as we recognize that the Basin is actually part of the Sierra Nevada, and there are many ways the Conservancy and SNC could work together. Mr. Wright then turned the floor over to Mr. Kingman.

While Mr. Kingman approached the podium, Mr. Acosta commented on Mr. Wright's presentation. Mr. Acosta asked if there was a theme that came through during the tours for visiting agency heads and dignitaries about paramount issues.

In response, Mr. Wright said that projects in the Basin are now being done on a larger scale and are interagency. Mr. Wright explained that the days of the Conservancy and other California agencies doing their own separate projects are gone. Mr. Wright described how almost everything the Conservancy is doing is big, multi-benefit, and involves a dozen different agencies. Mr. Wright explained that the Park could not have happened without the Conservancy, Nevada State

Parks, Tahoe Rim Trail Association, and a whole host of agencies. Mr. Wright expressed it is positive yet challenging to get all these different agencies on the same page on so many projects.

Mr. Kingman thanked Mr. Wright for the introduction and announced that it was great to come back and see a lot of the projects that he was involved with, some of which more than 20 years ago, still coming to fruition in the Basin. Mr. Kingman said it is rewarding and he hoped the Board was as proud as he is.

Mr. Kingman explained he was there on behalf of Jim Branham, SNC's Executive Officer, who could not attend the Board meeting. Mr. Kingman said he wanted to express SNC's appreciation to the Conservancy Board, Executive Director, and staff for the continued partnership between the organizations and the opportunity to grow those partnerships, like the Greenhouse Gas Reduction Fund grant (GGRF grant). Mr. Kingman further stated that the agencies were refining ways to work together and entertaining new opportunities that can benefit the entire Sierra Nevada region, regardless of jurisdictional boundaries. Mr. Kingman said SNC is looking forward to working with the Conservancy staff on the collaborative challenges that come with projects.

Agenda Item 6. Public Comment on Non-Agenda Items

Chair Sevison invited the public to comment and seeing none concluded the public comment period.

Agenda Item 7. Presentations and Update Items

a. Tahoe Regional Planning Agency Development Rights Strategic Initiative Process

Mr. Kevin Prior, Chief Administrative Officer with the Conservancy, and John Hester, Chief Operating Officer with the Tahoe Regional Planning Agency (TRPA), presented Item 7.a.

Chair Sevison opened it up to questions from the Board. Ms. Suter asked for clarification on the veto power and which agency would have the veto power. In response, Mr. Hester said the jurisdiction where the development right is moving from can veto under TRPA's current code. Mr. Hester further explained that if that agency does not approve it, it does not happen. Mr. Hester said, in some

cases, TRPA has required the developer to provide an additional environmental benefit or pay. Mr. Hester stated it is a case-by-case negotiation when development rights move between jurisdictions. Mr. Hester said when a party is interested in a redevelopment or development project yet has no idea what the development rights will cost, it will be challenging to convince an investor to pay for the project. Mr. Hester said that was causing problems in the current system.

Mr. Sevison then stated there are some jurisdictions that might think they are shorted a particular commodity that they are being asked to sell and would rather not dispose of it, and so they can veto it or not allow the transfer. Mr. Sevison said it is not just a money issue; it might be that the City of South Lake Tahoe (City) does not want to give up any square footage or whatever the commodity is and, for their own jurisdiction's well-being, they choose not to participate.

Ms. Suter asked if they could veto it in that case and Mr. Sevison stated they could. Mr. Hester confirmed they currently can veto it but the idea is to remove that. Mr. Hester explained how the current development rights transfer veto provision works and how a single currency could help address issues associated with the veto provision.

Mr. Prior noted that the Conservancy is working with TRPA and that staff will be coming back to the Board with updates on staffing and funding needs as well as any updates to the memorandum of understanding between TRPA and the Conservancy, and Conservancy guidelines.

Mr. Wright explained the context for why staff is providing this update. Mr. Wright stated that the DRSI working group is developing recommendations that could result in significant impacts by changing the entire growth management system in the Basin and fundamentally affecting the commodity system.

Mr. Wright also noted the working group is anticipating a major role for the Conservancy in implementing the recommended changes. It could result in an expansion of the Conservancy's current land bank role where the Conservancy would purchase more properties, restoring the land, and transferring the commodities, similar to recently completed projects such as the Tahoe Valley Lodge and the Smoke Shop. Mr. Wright indicated the challenge is how to pay for increased land and commodity purchases and restoration. Mr. Wright said the leading DRSI working group option is to pair a fee with funding from bonds or

other sources. Mr. Wright explained that it is similar to the excess coverage mitigation fee where TRPA currently collects excess coverage mitigation fees for new developments that have more coverage than TRPA allows. These fees are transferred to the Conservancy to buy land and coverage and restore the land. Mr. Wright explained this process is just an expansion of what the Conservancy has done for 20 years, but could potentially be a big part of the Conservancy's workload and something the Conservancy will be talking about as part of the strategic planning process. Mr. Wright said staff would continue to update the Board as the process continues.

Ms. Finn then requested an update after the working group makes a decision. Chair Sevison agreed.

Chair Sevison then invited the public to comment.

Ms. Laurel Ames, representing the Sierra Club, commented on the presentation, noting the Sierra Club is concerned about the impacts that the proposed development rights changes could have on growth, the amount of traffic, the number of people, the lack of a transit system, and what it will do to the environment. Ms. Ames further noted that the TRPA plan says it will be equal but it is never equal nor better. Ms. Ames said the only time we get better is when there is restoration, and the Conservancy does a great job with restoration. Ms. Ames stated, however, that this is not restoration; this is just money. Ms. Ames concluded by stating she had little hope that this process will result in anything good for the environment.

Mr. Ed Moser, a resident of the City, commented on the presentation, noting a concern about the present system of bonus units, and taking commercial floor areas and TAUs from sensitive lands. Mr. Moser also mentioned that traffic and the amount of tourists are the problems. Mr. Moser stated redevelopment in the City was supposed to reduce the number of hotel rooms, and it has not. Mr. Moser said there are actually more hotel rooms. Mr. Moser suggested looking into that before TRPA puts anything into effect.

b. Status of Conservancy Asset Land at 2070 Lake Tahoe Boulevard

Ms. Aimee Rutledge, Staff Services Manager with the Conservancy presented Item 7.b.

Chair Sevison opened it up to questions from the Board.

Ms. Novasel asked if staff is requiring deed restrictions for workforce and affordable housing. Ms. Rutledge responded that staff has considered this but has not come to a conclusion. Ms. Rutledge said staff wants to help facilitate what makes sense for the potential partners, like Vail, Sutter Capital Group, Barton Hospital, and others. Ms. Rutledge said the development has to be viable, and it has to work for employers. Ms. Rutledge explained that staff does not know whether there would be a deed restriction, or just a long-term lease.

Ms. Rutledge explained that staff has talked with various employers about what they are doing to facilitate more affordable housing in the Basin. Ms. Rutledge stated there have been some recent articles about affordable housing efforts and how partnerships can help enhance financing for projects that are long-term but do not involve deed restrictions. Ms. Rutledge said staff is cognizant that deed restrictions are an option, and has researched other places where it has worked.

Ms. Novasel further stated that her daughter lives near Aspen, Colorado, where affordable housing has worked. Ms. Novasel expressed that affordable housing is a viable option, but her concern is that if you do not have deed restrictions or something like it, projects will not be affordable for residents. Ms. Rutledge said she appreciated Ms. Novasel's feedback, and that staff is researching it, but also staying sensitive to what is inherently viable for the employers and developers.

Ms. Suter said she shares Ms. Novasel's concerns regarding whether the units become unaffordable for workforce housing. Ms. Suter asked whether employers are considering jointly owning, building, or leasing to ensure that those units go to their employees or other employees in the region.

Ms. Rutledge said yes, Vail has partnered with developers who have entitlements and then do long-term leases. Ms. Rutledge said Vail is interested in year-round housing because of the increased usage at Heavenly in the summer. Ms. Rutledge said staff is listening to those who are going to make this happen on the ground as well as thinking about what will work for the community and the parties involved. Ms. Rutledge said it is in flux as the employers are trying to figure out what would work for them. Ms. Rutledge mentioned news articles about workforce housing projects in Placer County.

Ms. Suter asked Ms. Rutledge if she was referring to the article in the Board packet about tiny houses. Ms. Rutledge said yes, people are thinking about that and staff has talked with developers about tiny houses on the Conservancy's

other asset lands. Ms. Rutledge said that tiny houses present an interesting challenge with the current TRPA development rights system. Ms. Rutledge said some smaller employers have actually bought housing and become direct landlords, which is a different approach that works for them economically.

Ms. Suter asked how many units the developer would incorporate in the project. Ms. Rutledge responded that staff and the developer are estimating about 40 residential units, but that might change in the final design because of issues like snow storage. Ms. Suter expressed that staff is going in the right direction.

Ms. Suter asked if staff would bring something back to the Board in a year. Ms. Rutledge said she did not know exactly when staff would bring something to the Board because staff will need to complete the environmental review before that happens, which can take a while.

Chair Sevison invited the public to comment.

Mr. Moser commented about the construction of the condos next to Van Sickle Bi-State Park and how the Conservancy failed to purchase the parcel where the condos are being constructed. Mr. Moser noted that the City indicated there was the promise of affordable housing with at least four units as part of the condo development, which was part of the selling point. Mr. Moser said cops and teachers are not going to afford a \$2 million condo. Mr. Moser expressed concern that it could happen with this project also and further stated he wanted the Conservancy to hold firm to affordable housing because it is needed.

c. Status of Projects and Partnerships with El Dorado County

Mr. Stuart Roll, Program Supervisor and Senior Environmental Planner with the Conservancy, and Mr. Donald Palaroan, Senior Civil Engineer with El Dorado County, presented Item 7.c.

Before Chair Sevison opened it up to comments from the Board, Mr. Wright added that while staff did not do a full-scale audit, staff is not aware of any major disconnects with respect to ongoing obligations. Mr. Wright noted that when the Conservancy awards a local government a grant for an acquisition or a project, the work and partnership does not end there. Mr. Wright said the work often just begins since there is a 20 year commitment to make sure the grant requirements are met. Mr. Wright said there is a significant workload for Conservancy staff and local governments. Mr. Wright said the Conservancy is pleased to report,

with respect to El Dorado County, that ongoing grant monitoring and maintenance is working in part because both entities have new technological systems to help track this workload. Mr. Wright concluded that the partnership between El Dorado County and the Conservancy is working, but it is a big effort and workload. Mr. Wright stated, as we go into the Conservancy's strategic planning process, we are going to talk more about how the Conservancy funds this workload.

Ms. Novasel expressed how much pride El Dorado County has with its grant responsibility. Ms. Novasel stated El Dorado County takes this ongoing maintenance very seriously, and it is through professionals like Mr. Palaroan that do such a good job. Ms. Novasel thanked the El Dorado County and Conservancy staff for the good partnership that works so well.

Mr. Acosta thanked Mr. Palaroan and said he gained a better appreciation of the work El Dorado County does after meeting with Mr. Palaroan on the previous day's orientation tour.

Chair Sevison asked if the Conservancy could participate in a funding program to pay for the maintenance costs of systems that reach maturity. Mr. Wright responded that the legislature and the Governor give the Conservancy money for projects, but it is difficult to find money for maintenance. Mr. Wright said it is going to be a challenge because it is not popular to fund ongoing maintenance and repairs. Mr. Wright said the Conservancy is 30 years old and staff is seeing its initial investments are worn out. Mr. Wright stated that he welcomes that conversation as the Conservancy goes through its strategic planning process.

Chair Sevison invited the public to comment and seeing none, moved to the Proposition 1, Round 2 Grant Awards agenda item.

Agenda Item 8. Project Authorizations

a. Proposition 1, Round 2 Grant Awards

Ms. Whitney Brennan, Senior Environmental Scientist with the Conservancy, presented Item 8.a.

Chair Sevison asked if the University of California, Davis (UC Davis) would report to the Conservancy on the outcome of the Mysis shrimp project. Ms. Brennan explained that UC Davis would provide the Conservancy with a

report and also engage with the Tahoe Science Council to help find an independent review panel to determine if it was the best strategy, if it can be used lakewide, if it is cost-effective, etc. Chair Severson agreed that would be helpful.

Ms. Finn asked if the State owns the Caltrans Maintenance Yard to which Ms. Brennan responded that the State does own the property. Ms. Finn asked if, through this project, Caltrans would find an alternative site for the Caltrans Maintenance Yard. Ms. Brennan explained that the project is a feasibility study, which would look at alternative sites for relocation.

Ms. Novasel asked if it was staff's recommendation to go forward with recommending the Board authorize the City's purchase of all four parcels. Ms. Brennan responded that staff assumed there would be discussion about the Bijou Park Creek Restoration Priority Acquisitions 17-09-02.1 resolution on how to proceed.

Mr. Ferrara asked staff to explain which homeowner or landowner had sent the comment letter regarding her and her neighbor's unwillingness to sell. Ms. Brennan pointed to the map and explained that the top two parcels (closest to the Knights Inn property) are the ones that the letter regarded, and her neighbor is across the street.

Mr. Ferrara then asked who owned the fourth parcel on Woodbine. Ms. Stewart stated the owner is Chris Borsos and she is in the audience. Ms. Borsos confirmed it was her house on Woodbine and that she is a willing seller.

Mr. Ferrara asked staff if they have had an opportunity to follow up after receiving the letter. Mr. Wright said staff would prefer to wait until the public comment period, which will give the Conservancy an update from some of the owners and from the City on the extent to which there are willing sellers. Mr. Wright further stated that, depending on the outcome of that conversation, staff is prepared to offer alternative resolutions.

Mr. Wright suggested the City give staff and the Board an update because it is a grant to the City. In response, Mr. Jason Burke, Storm Water Coordinator for the City, said he would rather let the property owners speak instead of speaking for them, if they are here and interested. Mr. Burke clarified that the Proposition 1 grant application was due on April 28, 2017. Mr. Burke further stated the City had six weeks to prepare the application and City staff reached out to the

landowner then. He noted that if anything has changed since then regarding this outreach it is unknown to him. Mr. Burke stated again that he would prefer to hear from any property owners themselves.

Mr. Wright said that is fine. Mr. Wright further explained that staff wants to make this simple and not to get into a long discussion of contingencies and conditional approvals. He suggested that if the City has a willing seller, the Board consider approval of funding for that acquisition, and where the City does not have willing sellers, the Board not move forward with those approvals. Mr. Wright explained it is staff's initial understanding that the property at the bottom of the map is a willing seller and there is no reason the Board cannot do a partial award. Mr. Wright stated if there are not willing sellers then under the Bond Act and the Conservancy's Proposition 1 guidelines, the Conservancy cannot move forward. Mr. Wright said staff wants to give the owners the benefit of telling the Board directly where they stand before the Board moves forward with this item. Mr. Wright said staff is not recommending an award to the City to acquire the unwilling seller's two parcels.

Mr. Ferrara asked if staff knows anything further about the owner across the street from the owner who submitted the comment letter. Mr. Burke offered to provide an update. Mr. Burke said he spoke with her on April 24 when she had just purchased the property. Mr. Burke stated the owner was very excited about her home purchase, and since that time, has invested what she described as up to \$100,000 worth of improvements in the home. Mr. Burke explained that she believes the value of the home, after her improvements, is very high and probably would be greater than the City's appraised value. Mr. Burke said she indicated she would sell at the right price, but she was unwilling to put that in writing at the time. Mr. Burke said the owner stated that the letter did not speak on her behalf. Mr. Burke said, when he read the letter to her, she had not actually spoken with the writer of the letter that is before you. Mr. Burke said that is as much as he would be willing to say.

Mr. Wright said the staff recommendation is to move forward with the one clear willing seller. However, Mr. Wright stated that in the other two cases for the other three parcels, there is not a willing seller. Mr. Wright said one option that the Board might want to consider is moving ahead with the clear willing seller and take no action on the others. Mr. Wright explained that meant between now and potentially December, if the City is able to re-initiate conversations and come to some agreement, there is still an option to move forward rather than just closing out the whole grant round today and foreclose that possibility.

Mr. Wright stated that staff thinks that is the most reasonable approach, but if the Board has other ideas, it should consider those too.

Ms. Suter asked if December was when the Board had to close this item out. Mr. Wright responded that there is an ultimate deadline for granting all of the Proposition 1 money but that is not in December.

Ms. Laine said that idea is, at a minimum, the City's preference because people think when government purchases property, there is more money than there is. Ms. Laine stated there might be a cooling off period where the property owner decides they might be a willing seller. Ms. Laine said, in this particular grant proposal there is an underpinning to it that is different from other grants that have been proposed, which is that this is a large restoration project, of which we are only at the beginning. Ms. Laine further stated that the City has identified, as the Conservancy staff pointed out, up to ten parcels that would be and should be considered in the acquisition, which would be beneficial to the Bijou Restoration Project and the daylighting of the stream. Ms. Laine said the Conservancy staff took those ten parcels and picked four, but the nuance for the City is, because of the willing seller requirement, it would be advantageous to the City for conversations with the current parcel owners to continue and for the Conservancy to consider letting the City look at the ten parcels that were originally suggested in the grant, if possible. Ms. Laine said that would be advantageous for the City, as there is an unwilling seller for two parcels. Ms. Laine said the Board could have the money sit there and not use it for purposes intended. Ms. Laine said another option could be that three months from now the unwilling seller could change her mind and the Board could vote on that, or, if that does not happen, perhaps the City could move on some of the other parcels that were identified in the original grant application. Ms. Laine said that is for the Board to determine.

Ms. Suter asked if the City has actually negotiated with the ten owners. Ms. Laine responded that the City has not negotiated with anybody. Ms. Laine said the City reached out to the property owners, given their experiences in this flood zone, to see if they would be interested in selling their properties if the City is able to acquire them. Ms. Laine said the initial indication from these ten property owners at that time, including the unwilling seller (Mrs. Willison), was that they were interested. Ms. Laine said sometimes when the rubber hits the road, the property owners change their minds.

Ms. Suter asked Ms. Laine if that contact was back in April and Ms. Laine

responded that it was.

Chair Sevison asked Mr. Wright if the Board could go forward with the willing seller at this time and let the rest of the Proposition 1 money sit as a package, with the potential that if the City gets willing sellers, the funding could be expanded later. Mr. Wright said if the Board funds one parcel today, which it sounds like there may be broad-based support for that, and if the City is able to convince the other two owners to come around in the foreseeable future, the Board could award those as well. Mr. Wright said, if the City would like the Board to consider the parcels that were not recommended, staff would have to discuss it further because of the competitive process involved with Proposition 1. The Conservancy's external review panel did not recommend properties five through ten; there is a long list of other projects that the panel also did not recommend. Mr. Wright said, to be true to the Conservancy's competitive process, staff would have to come up with some mechanism for making sure that there is a competitive process surrounding those other parcels. Mr. Wright said he could not tell you today what that would be, but staff would have to be true to the spirit of the Proposition 1 rules regarding the competitive process. Mr. Wright assured the Board that staff is prepared to do that.

Mr. Wright said, with this particular recommendation, staff is recommending pairing Proposition 1 money with Proposition 50 money. Mr. Wright explained that Proposition 1 money is competitive yet Proposition 50 is not. Mr. Wright asked staff if the Conservancy has exhausted the Proposition 1 money. Mr. Steeves said no, if the Board approves the funding for the one parcel with a willing seller, the Conservancy would still have about \$300,000 left in Proposition 1.

Mr. Wright confirmed there would be money left over and then staff and the Board would have to talk about what is the fair, competitive way to allocate that \$300,000. Mr. Wright said it could be that since these other parcels rank high that the other parcels are likely to rank high as well. Mr. Wright stated, even though it is not a lot of money, the Conservancy would have to go through the review process again.

Ms. Laine commented that the Proposition 1 money is competitive and the Conservancy has spent a good portion of that on one acquisition with about \$300,000 left. Ms. Laine then asked if the Conservancy could use the Proposition 50 money, where there is about a half-a-million left, on any of the other six properties that were not recommended by the Conservancy. Mr. Wright said that

would be an option as well.

Ms. Suter reminded the Board that the Conservancy has to follow the restrictions of these various propositions. Ms. Suter said, to that point, in the Executive Director's Report, there is an explanation of a Department of Finance Office of State Audits audit on the Conservancy's Proposition 84 funds. Ms. Suter stated, if the Conservancy is under the same kind of restrictions, the Conservancy could learn from that audit. Ms. Suter said the Board and staff should keep in mind that the Conservancy will be audited on these bonds, and there should not be any deficiencies with these bonds.

Mr. Wright stated again that the Conservancy is not in a position to indicate to the Board that there are willing sellers, so it is the staff's recommendation not to take action regarding those three parcels.

Ms. Novasel thanked Mr. Wright and said that seems reasonable. Ms. Novasel asked, when staff went through the process of identifying these four parcels, was the overriding factor of selecting these four because staff thought there were willing sellers on those and for the other six, staff were not sure about?

Mr. Wright said no, the willing seller is a yes or no question on the nomination form. Mr. Wright explained it is tricky because there is uncertainty if a seller is willing until there is a final deal. Mr. Wright said, in defense of the City, it had every indication when the City submitted its application, that these were willing sellers. Mr. Wright said the City did not have a signed document but the City did not go into the application process without identifying willing sellers.

Ms. Novasel asked about the other six properties and if they were deemed not as good as the other four for this type of restoration project. Ms. Novasel questioned why the Board was not looking at all ten of the parcels. Ms. Freeman said the City actually identified a priority order and the external panel reviewed the City's prioritization. Ms. Freeman confirmed that the parcels near Knights Inn were the highest priority, and the parcel on Woodbine was the next highest priority.

Ms. Novasel asked if the Conservancy finds the City does not have two willing sellers, and the Conservancy still has the money, will staff go down the list of ten parcels since that was part of the review process. Mr. Wright explained that it would have to apply to the other grants as well. Mr. Wright said many of the grants did not get everything they asked for either, which makes it complicated. Mr. Wright stated, as Ms. Laine pointed out, the Conservancy is fortunate to

have some non-Proposition 1 money that we may be able to devote to this project.

Chair Severson confirmed with Mr. Wright that he was suggesting that the Board fund the parcel with the willing seller and have that be the action. Mr. Wright said yes, subject to public comment and discussion.

Chair Severson then invited the public to comment.

Mr. Kevin Fritzsche, a City resident, commented on the item. Mr. Fritzsche said he owns the property at 3590 Bill Avenue, which is directly adjacent to the three properties where there are not willing sellers. Mr. Fritzsche wanted to know if he was in the list of ten properties. Mr. Fritzsche said he would be a more willing seller than his neighbors would because last winter he found out his house was in the middle of the flood zone. Mr. Fritzsche wondered why the City selected his neighbor's parcel, who just bought the property, and his property was not selected.

Ms. Laine responded that staff is looking for the original application and we will see if you are one of the ten properties. Mr. Fritzsche thanked Ms. Laine.

Mr. David Kerry, a City resident, commented on the item. Mr. Kerry said he is familiar with the Bill Avenue properties, and he is a friend of the unwilling seller of the two properties who could not be here. Mr. Kerry said the reason those two properties were the highest priority is because they are located at the lowest point on Bill Avenue where the water collects. Mr. Kerry explained that, before incorporation of South Lake City, El Dorado County put a culvert and a drainage ditch through her property, which connects to the 30-inch pipe that currently goes under U.S. Highway 50. Mr. Kerry stated it is a completely inadequate drainage system, as the residents on Bill Avenue can attest, because there was flooding this year. Mr. Kerry said those two properties would be absolutely key and essential to the City's project because the drainage that currently occurs there goes through the unwilling seller's (Ms. Willison's) properties.

Mr. Moser commented on this item. He said he has been following this project for some time. Mr. Moser said the two parcels the Board is discussing are at the headwater and, without those parcels, it throws a wrench into the City's project. Mr. Moser said he wants the City and the Board to resolve that first before the Conservancy awards money for other properties. Mr. Moser stated the big problem is that there are no curbs, gutters, or drains in this area; all the streets

become tributaries when it rains or when the snow melts. Mr. Moser said Heavenly pumps millions of gallons of water on the mountain and that water comes down into the City, so Heavenly should share some of the cost.

Mr. Moser said there are still some issues with the Knights Inn project, which may be in court and may not be resolved for some time. Mr. Moser asked the Board to put this item on hold until those issues are resolved. Mr. Moser further stated that the water collects in the lowest area in the ponds, then it goes directly to Lake Tahoe. Mr. Moser said the system is not serving any infiltration or sediment reduction purpose. Mr. Moser further said the City should redesign the project. Mr. Moser said he did not agree with the City's plan to have the water collect in the ponds and then run it back through a ditch under the project area and U.S. Highway 50 through the old existing 30-inch pipe. Mr. Moser said the City just wants to say they have an environmental improvement project on the property yet the project is doing more harm than good.

Ms. Ames commented on the item. Ms. Ames stated that everything overflows in these big storms. Ms. Ames wants the City to start designing for the storms that are coming, not the storms from ten years ago. Ms. Ames also asked, with regard to the aquatic invasive species (AIS) grant proposal, if the herbicides were part of the grant and whether herbicides are going to be reviewed, or if the grant was solely on the non-chemical operations. Ms. Brennan answered that the AIS grant proposal does not include herbicides. Ms. Brennan explained that the innovative techniques the applicants are looking at are ultraviolet light technology and maybe some kind of site-specific dredging that is efficient and effective, which ultimately will not lead to more plant growth.

Additionally, Ms. Ames asked if the AIS grant proposal would look at clean flow. Ms. Brennan stated that she was not sure, it probably depends on the progress in the timeline. Ms. Ames thanked Ms. Brennan and reminded the Board that herbicides in Lake Tahoe require a permit from Lahontan.

Chair Sevison then invited the Board to comment and asked Mr. Wright to clarify the recommendation to the Board.

Mr. Wright said there are a series of resolutions, one for each project. Mr. Wright said staff has prepared a substitute recommendation for the proposed Bijou Park project because it is a partial award. Mr. Wright read the substitute recommendation to the Board: "The Conservancy hereby authorizes the award of a grant to the City of South Lake Tahoe for up to \$572,250 for one parcel, El

Dorado County Assessor's Parcel Number 25-282-15 of the Bijou Park Creek Restoration Priority Acquisitions, and authorizes staff to take all other necessary steps consistent with the accompanying staff recommendation." Mr. Wright explained that it is staff's recommendation to adopt the recommendations in your package with the substitute recommendation for the Bijou Park project.

Ms. Novasel asked if the \$572,250 includes all the costs of that one parcel. Mr. Wright confirmed the number was correct.

Ms. Laine asked Mr. Wright to clarify what that means for the Proposition 50 funding. Mr. Wright explained that staff did not agendaize the proposed next steps. Mr. Wright said staff would come back to the Board in December. Mr. Wright explained coming back to the Board could be in a variety of forms, however, staff will work closely with the Board and City staff. Mr. Wright clarified that staff is not tied to December, but would love to have things move as quickly as possible.

Ms. Novasel asked if staff decides to go back to the drawing board, does the Conservancy have to re-do all of the bidding again. Mr. Wright answered, if there is \$300,000 left, staff will decide what to do. Mr. Wright said there are two options. One would be for staff to convey to the panel what happened and ask them how they want to deal with the rest of the money. Another option is that the Conservancy could do a whole new round, which Mr. Wright expressed he is very reluctant to do for \$300,000. Mr. Wright said his inclination would be to try to come up with some way to do it more efficiently.

Mr. Ferrara commented that there are several projects that the Board will not be awarding at the full amount that they have requested and asked if there is a chance to augment those awards. Mr. Wright said yes, that is correct too.

Ms. Finn asked if the Board could wait and roll it in to next year's Proposition 1 round. Mr. Wright explained that the Conservancy does not have more Proposition 1 funding. However, Mr. Wright said there is a third option to roll this funding in to funding from the Parks Bond, if it is approved.

Chair Severson and Mr. Wright then agreed that the Board needed a motion and vote on each individual proposed Proposition 1 project. Mr. Wright then clarified that one cumulative motion and second of the motion is fine but the Board must vote on each individual resolution.

Chair Sevison called for Board action on Item 8.a. Ms. Suter moved for approval of Resolutions 17-09-02.1 – 17-09-02.8. Ms. Finn seconded the motion. The Board then voted individually on each separate resolution, including Resolution 17-09-02.1 as amended. Each resolution passed unanimously on a roll call vote.

Subsequently, Chair Sevison called for a five-minute break.

Agenda Item 7. Presentations and Update Items

d. Lake Tahoe West Restoration Partnership Update

Mr. Jason Vasques, Recreation, Access, and Forest Ecosystem Planning Supervisor with the Conservancy, and Mr. Dorian Fougères, California Program Manager with the National Forest Foundation, presented Item 7.d.

Chair Sevison invited the Board to comment on Item 7.d.

Ms. Novasel thanked Mr. Vasques and Mr. Fougères for the presentation. Ms. Novasel said the west slope is having a lot of problems with tree mortality. Ms. Novasel stated El Dorado County is part of the Tree Mortality Task Force that has eight counties working on this issue. Ms. Novasel asked if the Lake Tahoe West project is working on or concerned about tree mortality.

Mr. Fougères said the short answer is yes, the group is definitely concerned about it. Mr. Fougères explained that the group has been thinking and talking about it because this effort is focused on the future. Mr. Fougères noted he cannot predict the future but realizes it may become a severe issue here in the Basin. Mr. Fougères said, until last week, the group included Mr. Mike Vollmer from TRPA who is also the Chair of the Basin's Tree Mortality Task Force. Mr. Fougères explained that the landscape design system framework shows insects and disease as a disturbance but the question is how much, how frequently, what is the severity, and what the scope of the problem is. Mr. Fougères concluded that tree mortality is definitely one of the concerns that the group is looking at, however, the group is also careful not to duplicate efforts but rather share information with the Task Force.

Mr. Wright said what is most challenging but also most interesting about this project is to get all the agencies in alignment. Mr. Wright said it may sound obvious and simple, but it is complicated. Mr. Wright explained this project will

diagram all the permitting requirements of the different agencies and determine if there are opportunities to streamline this permitting to do a large-scale project that crosses ownerships and increases the pace and scale of actions.

Mr. Wright said we are trying to figure out if this effort can meld the different permitting and environmental review processes in a way that allows us to work at a larger scale. Mr. Wright stated that staff would keep the Board informed of the status of the project. Mr. Wright said there may be roadblocks but we have an amazing team and everyone is at the table, including TRPA, Lahontan, DPR, Forest Service, and the Conservancy.

Ms. McClung said this is a major emphasis for the Forest Service and is how the Forest Service is going to manage and plan for forestland rehabilitation. Ms. McClung noted that the Forest Service is excited about this project because “all lands” is something that the U.S. Secretary of Agriculture has talked about for ten years now, and this is a way to implement “all lands” forest management. Ms. McClung explained that, once the agencies get through the permitting, the project would allow the group to implement and increase the pace and scale of restoration. Ms. McClung said it is also exciting that the group could take the processes and replicate it in the Basin and other parts of the Sierra Nevada, which then feeds into the TCSI. Ms. McClung concluded that this is the start of a much bigger process.

Chair Sevison said groups in Central Oregon are also trying to thin forests and reduce fire hazards. Chair Sevison expressed that it is an honorable cause to try to salvage and manage the forests to control fires. Chair Sevison said this is a great first step.

Chair Sevison invited the public to comment and seeing none concluded the public comment period.

Agenda Item 8. Project Authorizations

b. Joint Powers Agreement with the Sierra Nevada Conservancy

Mr. Vasques presented Item 8.b.

Chair Sevison invited the Board to comment.

Ms. Laine asked what other legal structures did staff look at, and how did staff determine that a joint powers agreement (JPA) would be the correct mechanism.

Mr. Vasques said there are a number of mechanisms that the Conservancy has used for various purposes, like interagency agreements, direct contracts, etc. but all of those mechanisms are restricted to within our jurisdiction. Mr. Vasques explained that a JPA allows the Conservancy or the SNC to go beyond our jurisdiction and to provide funds to another jurisdiction or implement projects in another jurisdiction. Mr. Vasques said it is the appropriate mechanism for something like this initiative.

Ms. Laine noted that once a JPA is established, then there are generally voting members, but that is not what we are doing here.

Mr. Vasques asked Mr. Steeves and Mr. Wright to weigh-in.

Mr. Wright said staff has looked at various options. Staff does not think forming a joint powers authority is necessary. Mr. Wright explained that the Conservancy faced the same decision with the Tahoe Resource Conservation District, and staff decided to go forward with a JPA to help facilitate things. Mr. Wright said, generally speaking, a JPA is not going to allow us to do projects in the Sierra Nevada that are not related to our work or vice-versa. Mr. Wright said, for example, if the Conservancy wants to do a forest project in Modoc County, staff would not use this. JPAs are formed when two entities have something in common that they want to do, and this is the most efficient way to do that, and it gives us, we think, a little bit more flexibility and authority of doing that than doing a new interagency agreement every time we want to do something.

Mr. Steeves said, just to clarify, the Joint Powers Act provides for two different mechanisms. Mr. Steeves explained that there could either be an authority with its own Board, or an agreement. Mr. Steeves said staff chose the agreement because we can accomplish what needs to be accomplished through the agreement.

Ms. Finn commented that the JPA seems very bureaucratic. Ms. Finn asked why two State agencies could not work together without a bureaucratic document, as the Conservancy does with Nevada State Parks, DPR, and California Department of Fish and Wildlife. Ms. Finn said she does not understand why extra bureaucracy is needed between two willing sister State agencies.

Mr. Steeves responded to Ms. Finn's comment stating that, unfortunately, the Conservancy's enabling legislation limits what we can do to within the Basin, which includes spending money and implementing direct projects. Mr. Steeves said the JPA would allow the Conservancy to fund and implement projects outside the Basin as long as there is an impact or effect within the Basin.

Mr. Steeves said, to the extent that the Conservancy has shared common powers with SNC, it allows us to partner without having an artificial line where we can only fund a certain portion of a project because it is in the Basin.

Ms. Finn asked if SNC's jurisdiction specifically excludes the Conservancy. Mr. Wright and Mr. Vasques said yes. Mr. Wright said that is a big part of the problem because SNC got this grant, and they want to award us some of the money but cannot without the JPA.

Ms. Finn asked how SNC applied for a grant from the California Department of Forestry and Fire Protection (CAL FIRE) to do a project in the Conservancy's jurisdiction and get awarded the grant. Mr. Wright explained that the grant application covered three national forests, some of which dipped into the Basin, which is part of this larger Tahoe Central Sierra landscape. Mr. Wright said, CAL FIRE asked SNC and the Conservancy who to grant the money to and SNC and the Conservancy agreed CAL FIRE should grant the money to SNC rather than doing two separate grants with overlapping jurisdictional aspects of the project. Mr. Wright said in order to overcome the current bureaucratic hurdles, the SNC and Conservancy need a new bureaucratic layer.

Mr. Vasques added that, in part, this large landscape-scale initiative is what makes a more competitive grant application. Mr. Vasques said there is strength in that type of grant application and that is why it is important to have mechanisms allowing the SNC and Conservancy to apply for those grants. Mr. Vasques further stated that by working at the large landscape-scale, the SNC and Conservancy are tackling the problem at the scale of the problem. Mr. Vasques said by working across 2.4 million acres and across jurisdictions, we are getting to something significant and meaningful in its impact and its ability to buffer against climate change.

Ms. Finn asked if a JPA is between two different governments and how a JPA is written to say the State is going to work with the State. Mr. Steeves said the type of agency is irrelevant to the JPA as long as there are common powers. Mr. Steeves said it could be state-state, local-local, state-local; the Conservancy could partner with a Nevada agency as well.

Chair Sevison commented that it could be helpful dealing with the dead tree issue, particularly if an agency is getting rid of the dead trees.

Subsequently, Chair Sevison invited the public to comment and seeing none concluded the public comment period.

Chair Sevison called for Board action on Item 8.b. Ms. Finn moved for approval of Resolution 17-09-03. Ms. Suter seconded the motion. The resolution passed unanimously on a roll call vote.

c. Land Management Classifications

Mr. Nick Meyer, Associate Environmental Planner with the Conservancy, presented Item 8.c.

After Mr. Meyer's presentation, Mr. Wright said the reason why staff want to get Board approval of the land management classifications is because, under the Americans with Disabilities Act of 1990 (ADA), the Conservancy needs to move forward with some improvements. Mr. Wright explained that, in order to make these improvements, the Conservancy should have a land classification system. Mr. Wright said staff is not coming to the Board with a full-blown land management plan for all of the Conservancy's parcels; this Board action is on the narrow question of how the Conservancy classifies land. Mr. Wright also explained that staff is doing this for purposes of ADA, but it will also set the stage for a strategic planning conversation on how the Conservancy finds money to manage lands on an ongoing basis. Mr. Wright said it is going to be a continuing challenge, and this is just a beginning step, which to inventory all of our land using these classifications.

Ms. Novasel asked if there is a classification for rural lots or if everything is classified as urban lots. Mr. Wright said that almost all of the Conservancy lots are urban, and then the general one is areas that are outside of the urbanized areas.

Ms. Novasel asked if there is a specific reason why we are creating classifications for the ADA requirements.

Mr. Steeves said the Conservancy is in the process of putting together an ADA Transition Plan. Mr. Steeves noted the Conservancy has been working with the

California Department of General Services to come up with a plan to ensure the Conservancy's parcels are ADA-compliant. Mr. Steeves said the first step in completing an ADA Transition Plan, which the Board will need to approve next year, is to classify the parcels so staff can articulate how the parcels are used and what the Conservancy needs to do to accommodate access.

Chair Sevison pointed out that it seems like an insurmountable task for the Conservancy to take 3,000 lots and somehow make them ADA-accessible. Mr. Wright said that is the reason why the Conservancy is going to classify the parcels so the Conservancy can explain when it is and is not reasonable to do that with the parcels. Mr. Wright explained that it is unnecessary to have the same ADA requirement for a lakefront park that an urban lot in a neighborhood may have. Mr. Wright said that is why the Conservancy is classifying the parcels; there should not be a one-size-fits-all solution.

Additionally, Mr. Wright said, while staff is going through this process, the Conservancy should complete a land management plan. Mr. Wright said staff is taking this opportunity to do a thorough inventory of all of the Conservancy's parcels, what their uses are, and to set the stage for a conversation on how to best manage the land as well as how to best pay for managing the land.

Ms. Finn asked if other Conservancies have had to do this. Mr. Wright responded that the California Tahoe Conservancy is the only Conservancy that owns land. Mr. Wright said the California State Coastal Conservancy owns a parcel or two, but not as many parcels as the Conservancy does.

Ms. Finn asked for further clarification and if there were any better comparisons. Mr. Steeves said the best parallel is DPR. The Conservancy is different from other conservancies in that we own a lot of parcels. Mr. Steeves said, to the extent that the Conservancy owns parcels that accommodate access, their purpose is for recreation, like a parking lot or bathroom. Mr. Steeves explained that the Conservancy needs to make sure those facilities are ADA-compliant. Mr. Steeves said this plan would help identify those facilities so they can be ADA-compliant.

Ms. Finn asked which types of parcels would not need to be ADA-compliant. Mr. Wright said the Upper Truckee Marsh is a good example because it is a wetland, unlike a lakefront or a beachfront park.

Chair Sevison invited the public to comment and seeing none concluded the public comment period.

Chair Sevison called for Board action on Item 8.c. Ms. Novasel moved for approval of Resolution 17-09-04. Ms. Suter seconded the motion. The resolution passed unanimously on a roll call vote.

Agenda Item 9. Public Comment on Non-Agenda Items

Chair Sevison invited the public to comment and seeing none concluded the public comment period.

Agenda Item 10. Board Member Comment

Chair Sevison invited the Board to comment.

Ms. Suter thanked staff for putting together a thorough Board book. Ms. Suter said the Executive Director's Report is especially useful for new members of the Board and serves as a review for all Board members because each project starts with the history and goes through the entire project.

Mr. Acosta said he wanted to echo Ms. Suter's comments. Mr. Acosta also extended the utmost gratitude to Mr. Wright, Ms. Freeman, Mr. Shawn Butler, and everybody that drove and showed him around the Basin yesterday.

Ms. Novasel expressed that she is very happy to be back on the Board, and she is looking forward to another epic, enjoyable time working with everybody. Ms. Novasel said she spoke with Ms. Aitchison about possibly doing some policy work for the Board as far as understanding procedurally how the Board works. Ms. Novasel asked Ms. Aitchison if the Board follows Robert's Rules, or how the Board is organized and whether the Board has anything in writing. Ms. Novasel requested that the Board discuss procedures in the future.

Ms. McClung thanked the Board and staff for welcoming her. Ms. McClung introduced herself as the Deputy Forest Supervisor at the Lake Tahoe Basin Management Unit and explained that Mr. Jeff Marsolais could not be here today. Ms. McClung said Mr. Marsolais and she would be tag teaming the Board meetings.

Mr. Wright said, unless staff hears otherwise, staff is going to move to the new meeting schedule that we discussed. Mr. Wright noted the 2018 meetings would be in February, April, June, September, October, and December. Mr. Wright also directed the Board to think about Board Chair and Vice-Chair positions and committees. Mr. Wright said staff would work with the Chair to determine what the committees would be and who would be on them. Mr. Wright said staff wants to make room for everybody who is interested.

Mr. Wright stated that staff would love to have the local Board members attend one of the monthly all-staff meetings so staff can get to know the Board members, hear the Board members' priorities, and let the Board members hear from staff. Mr. Wright said the Conservancy holds the all-staff meetings on the first Wednesday of each month. Mr. Wright said he thought staff would really appreciate hearing from the Board, particularly the three local Board members.

Agenda Item 11. Adjourn

Chair Severson adjourned the meeting at 4:51 p.m.

California Tahoe Conservancy
Resolution 17-12-01
Adopted: December 7, 2017

APPROVAL OF MINUTES

I hereby certify that the foregoing is a true and correct copy of the minutes of the September 21, 2017 meeting of the California Tahoe Conservancy adopted on December 7, 2017.

IN WITNESS THEREOF, I have hereunto set my hand this 7th day of December, 2017.

Patrick Wright
Executive Director