

PROPOSITION 1, ROUND 3 GRANT AWARD

Recommended Action: Adopt Resolution 20-12-03 (Attachment 1) authorizing a Proposition 1 grant to El Dorado County (County) for up to \$440,000 to implement the Country Club Heights Erosion Control Project – Phase 3 (Project), authorizing the execution of all other agreements necessary for the Project, and containing the appropriate California Environmental Quality Act (CEQA) determination.

Executive Summary: The County seeks to use Proposition 1 grant funds to implement the Project. The California Tahoe Conservancy (Conservancy) held a third round (Round 3) of the grant program in fall 2020 to fund high-priority multiple-benefit ecosystem and watershed protection and restoration projects. Of the five applications received only the County's application was eligible and met Proposition 1 requirements. The External Review Team (External Team) and Conservancy staff recommend funding the County's application for the Project. The Project will achieve multiple benefits by 1) treating storm water; 2) removing historical fill material from the Upper Truckee River (River) floodplain; and 3) improving public access. The recommended action is consistent with the state priorities set forth in Proposition 1, as well as Conservancy Strategic Plan Goals 2 (Restore the Resilience of Lake Tahoe Basin Forests and Watersheds) and 3 (Provide Public Access and Outdoor Recreation for All Communities). The action will support the Lake Tahoe Environmental Improvement Program (EIP) project 01.01.01.0067 (Country Club Heights Stormwater Management and Erosion Control Project). If approved staff will execute all necessary agreements shortly thereafter.

Location: The Project is located in the County along Elks Club Drive, bordered by Waverly Drive to the east, U.S. Highway 50 to the west, and the River to the north (Attachment 2). The Project area includes the Conservancy's Elks Club property and adjacent publicly owned parcels.

Fiscal Summary: Staff seeks authorization to award up to \$440,000 of Proposition 1 funding.

Overview

History – Proposition 1 Grant Program

To implement Proposition 1 (the Water Quality, Supply, and Infrastructure Improvement Act of 2014), the Conservancy administers a competitive grants program for awarding funding allocated to it under Water Code section 79731(b). Staff administers the grants program pursuant to the Proposition 1 Grant Guidelines (Guidelines) that the Conservancy Board (Board) approved in 2015. The Guidelines support the EIP by providing funding for multiple-benefit storm water, watershed and ecosystem restoration, aquatic invasive species, forest health, and sustainable communities projects.

The Conservancy is now on its third round of Proposition 1 grants. The Conservancy completed two rounds of Proposition 1 grants between March 2016 and September 2017, and awarded nearly \$12.4 million to support 17 projects (Attachment 3). After the second round of grants, several grantees did not expend their entire grant awards and returned approximately \$1.2 million. Therefore, the Conservancy solicited a third round of grants in August 2020. Staff posted the grant solicitation announcement and grant application package on the Conservancy's website and notified regional partners. Five agencies submitted applications, totaling more than \$1.64 million in funding requests.

After the solicitation closed staff reviewed the applications for eligibility and completeness. Staff considered Proposition 1 requirements, the Conservancy's enabling legislation, the Conservancy's Strategic Plan, and the availability of funding from Proposition 1 and other sources. Staff determined that two of the applications included ineligible recipients. Staff requested supplemental information from the three remaining applicants. Staff then concluded preliminarily that two more applications did not meet the requirement to provide fisheries or ecosystem benefits or improvements that are greater than applicable environmental mitigation measures or compliance obligations.

The External Team evaluated all three remaining applications based on several criteria, including project benefits, state priorities, readiness and feasibility, leveraged funding, innovation and science, organizational capacity, and public and stakeholder support. The External Team met on October 22, 2020 and concurred with Conservancy staff's determinations that two of the applications did not meet grant requirements. They recommended funding the County's application as the single eligible application.

History – Project

The Project is located along the River at Elks Club Drive on one parcel owned by the County and two Conservancy parcels. Historically the Project area included a structure that operated as the Elks Club Lodge. This development in the stream environment zone (SEZ) extensively disturbed the River floodplain, resulting in an elevated and dried surface that does not provide floodplain or wetland habitat benefits. The Conservancy demolished the Elks Club Lodge after acquiring the property but did not remove most of the historically placed fill. The South Lake Tahoe Flea Market also operated at the Elks

Club site for more than 30 years, until 2019. Residents and visitors continue to use the site to access the River and trail network, especially in the summer months.

In 2016 and 2017 the County planned and completed significant work on the Country Club Heights Erosion Control Project. The County's planning comprehensively addressed storm water within the Country Club Heights neighborhood, and restoration opportunities on publicly owned meadows (Attachment 4). In 2017 the Board authorized a \$250,000 Proposition 1 implementation grant to the County to construct Phases 1 and 2 of the Country Club Heights Erosion Control Project.

The County has since completed these two phases.

The original planning, identified as Phases 1 and 2, did not evaluate restoring the River floodplain at the Elks Club site due to limited funding. In 2017 the Board also authorized a \$250,000 Proposition 1 grant to the County for planning and preliminary design of the Project (Phase 3). Planning for Phase 3—which includes managing storm water management, restoring the floodplain, and providing public access—is complete and designs are nearly final. More specifically, the County completed preconstruction monitoring, a feasibility report with 30 percent preliminary designs, and environmental documents. In April 2020 the El Dorado County Board of Supervisors adopted a mitigated negative declaration (MND) and mitigation monitoring and reporting program (MMRP) for the Project to comply with CEQA. The County now seeks Proposition 1 funding to implement the Project.

Detailed Description of Recommended Action

1. Major Elements and/or Steps of the Recommended Action

Staff seeks authorization to award one Proposition 1 implementation grant to the County. Staff also asks the Board to review and consider the MND and adopt the MMRP that the County has prepared and adopted for the Project.

To implement the Project, the County will:

- restore a portion of the floodplain by removing historical fill material;
- treat storm water runoff prior to it reaching the River by removing asphalt and fill to construct an infiltration basin; and
- improve access for people recreating by constructing a decomposed granite path from the parking lot to the River that complies with the Americans with Disabilities Act (ADA) Standards for Accessible Design.

By removing the fill material, the County will restore some of the site to its predevelopment condition. If the County can secure additional funding, it will also reconstruct the parking lot to elevate it above the surface of the floodplain, incorporate additional storm water treatment, and meet ADA standards. The County expects to begin implementation in summer 2021 and complete construction in one season.

Staff also seeks Board authorization to execute all other agreements necessary to implement the Project. If authorized, staff will enter into a long-term license agreement in early 2021 to provide the County with access rights to construct and maintain the Project.

2. Overall Context and Benefits

The Project will result in several benefits consistent with the Conservancy's Strategic Plan. The County will improve water quality by reducing impervious surfaces and infiltrating neighborhood storm water in a new basin. The County will also improve wildlife habitat by removing fill, expanding the River floodplain, raising groundwater, and reestablishing SEZ and wetland vegetation. These improvements will make the site more resilient to the extreme precipitation events and droughts expected with climate change. The Project is an important piece of the longstanding interagency, multijurisdictional effort to restore the River at the watershed scale, and will complement existing upstream and downstream River and floodplain restoration.

The County will also create several public access benefits by implementing the Project. The County will remove several existing user-generated trails and consolidate them into one improved and ADA-compliant decomposed granite path from the parking lot to the River. The County will also remove a portion of the parking lot while still retaining adequate parking for public uses. The Project will improve access to the River for people kayaking and boating, as well as access to adjacent public lands for hikers and bikers.

3. Schedule for the Recommended Action

Staff intends to execute the necessary agreements in early 2021. The Conservancy will administer the grant in accordance with the terms and conditions of the Board authorization, the staff recommendation, the Guidelines, and Project application.

Staff anticipates the following approximate Project schedule.

Table 1. Schedule

| Task | Completion Date |
|---|------------------------|
| Complete final plans, specifications, and reports | Winter 2020 |
| Complete final agency permitting and submittals | Winter 2020 |
| Advertise and bid | Spring 2021 |
| Award contract | Spring 2021 |
| Begin construction | Summer 2021 |
| End construction | Fall 2021 |

Financing

The recommended action will expend up to \$440,000 of Proposition 1 funds for direct Project construction activities. Agreement processing also requires incidental staff costs.

The County has secured additional funding for Project implementation, including up to \$270,000 from the USDA Forest Service, Lake Tahoe Basin Management Unit

(Southern Nevada Public Land Management Act funds), and \$83,000 from the Tahoe Regional Planning Agency (SEZ and Water Quality mitigation funds). The County is seeking additional funding to reconstruct the parking lot. If the County does not secure additional funding most of the existing parking area will remain intact.

Authority

Consistency with the Conservancy's Enabling Legislation

Implementing this Project is consistent with the Conservancy's enabling legislation. Specifically, Government Code section 66907.7 authorizes the Conservancy to award grants to local public agencies for purposes consistent with its mission. Government Code section 66907.8 authorizes the Conservancy to lease, rent, or otherwise transfer any real property interest to fulfill the purposes of its enabling legislation and to promote the State's planning priorities. Under Government Code section 66907.9, the Conservancy is authorized to initiate, negotiate, and participate in agreements for the management of land under its ownership or control with local public agencies, and to enter into any other agreements authorized by state or federal law.

Consistency with the Conservancy's Strategic Plan

The recommended action is consistent with Strategic Plan Goal 2, Strategy B: to advance multiple-benefit projects that creatively combine restoring and building the resilience of forests and watersheds with water quality protection, green infrastructure, recreation, and climate change mitigation and adaptation. It is also consistent with Strategic Plan Goal 3, Strategy B: to foster multiple-benefit projects that link people's health and well-being, public access, and the Conservancy's unique array of protected lands.

Consistency with the Conservancy's Program Guidelines

The recommended action is consistent with the Conservancy's Proposition 1 Grant Guidelines and the External Team's recommendation. The Round 3 solicitation requires that applicants propose projects that are consistent with the requirements of the Guidelines, and that staff will implement the solicitation process and evaluate the projects consistent with the Guidelines. The recommended action is also consistent with the Conservancy's Special Use Guidelines because it is consistent with the Land Management program objectives and existing uses of Conservancy land. The recommended action is consistent with the Conservancy's Erosion Control Program Guidelines because the action enables the County to construct and maintain storm water treatment infrastructure to improve water quality for Lake Tahoe.

Consistency with External Authorities

The recommended action is consistent with the EIP because it implements EIP project 01.01.01.0067 (Country Club Heights Stormwater Management and Erosion Control Project) and advances the Tahoe Sierra Region Stormwater Resource Plan. It also supports state and regional priorities because it provides funding for multiple-benefit ecosystem and watershed protection and restoration projects consistent with the

California Water Action Plan, which highlights the importance of continuing restoration efforts in the Lake Tahoe Basin.

Compliance with the California Environmental Quality Act

The County, acting as the lead agency, prepared an initial study (IS)/MND, including an MMRP, for the Project to comply with CEQA. El Dorado County Board of Supervisors adopted the MND and MMRP on April 7, 2020, and filed a notice of determination (NOD) on April 10, 2020. The MMRP for the Project can be found on pages 101-108 of the IS/MND.

A copy of the IS/MND and MMRP (Attachment 5) are available for review on the County's website at <https://www.edcgov.us/Government/dot/pages/ceqa.aspx> or upon request.

As a responsible agency, the Conservancy must review and consider the MND prepared by the County and reach its own conclusions on whether and how to approve the Project. Staff reviewed the MND and believes that the Project is adequately analyzed in this document. Staff determined that the Project, as mitigated, would not cause a significant effect on the environment.

Staff recommends that the Board review and consider the MND adopted by the County as lead agency, adopt the MMRP, and make the findings set forth in the attached resolution. If the Board considers and concurs with the MND and authorizes the grant, staff will file an NOD with the State Clearinghouse pursuant to CEQA guidelines, section 15096 (Attachment 6).

List of Attachments

Attachment 1 – Resolution 20-12-03

- Exhibit A – MMRP

Attachment 2 – Project Map

Attachment 3 – Proposition 1 Grant Awards, Rounds 1 and 2 Update

Attachment 4 – Location Map

Attachment 5 – County's IS/MND and MMRP

Attachment 6 – Conservancy's NOD

- Exhibit A – Project Map
- Exhibit B – Filing Fee Receipt

Conservancy Staff Contact

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