

MEMORANDUM

Date: October 24, 2011

To: TRPA Governing Board

From: Joanne S. Marchetta, Executive Director

Subject: Monthly Executive Director's Report, October 2011

Updates to the agency's programmatic priorities will be reported quarterly (generally March, June, September, and December). In the interim months, I will report on current activities and items of interest.

I. PROJECT UPDATES

Several project decisions and other lingering unresolved matters (e.g., legal appeals) are scheduled for Governing Board action this fall and early winter so that the "decks will be clear" for full focus on completing the updated Regional Plan.

As the last in a series of public hearings starting this month, the Homewood Project is now scheduled for a decision hearing before the TRPA Governing Board in December: Despite scheduling challenges, after polling the Board to assure full attendance, the final decision hearing for the Homewood Mountain Ski Area and Resort project is now scheduled for the December Governing Board meeting. Staff and the applicant initially briefed the Board on the project in May 2010, held the Draft EIS hearing in February 2011, and released the Final EIS along with written responses to comments to the public early in October. Over the next several months the project will be considered at several public sessions before reaching the TRPA Governing Board. The North Tahoe Regional Advisory Council (NTRAC) reviewed the project at a public session on the evening of October 13 and strongly recommended project approval. TRPA's Advisory Planning Commission will review the Final EIS for technical adequacy at its regularly scheduled meeting on November 9, 2011 and forward its recommendation to the TRPA Board. The Placer County Board of Supervisors will decide whether to approve the project at the Board of Supervisors meeting on November 15, 2011 at Granlibakken in Tahoe City. And the public hearings will culminate with the Governing Board's consideration of whether to grant final approval of the project at a public hearing on December 14, 2011, the first day of the December TRPA Governing Board meeting.

Many TRPA Board members have taken advantage of site visits previously offered by staff or the applicant. Visiting a project site can often provide a more realistic perspective on the nature of the proposals under consideration than any detailed presentation in a board room can convey, and I would urge any of you who have not visited the site or wish to see it again to contact Judy Nikkel to arrange a tour and overview of the proposed project. There may still be another month or so without snow, so please contact us before the end of October to take advantage of no snow cover.

Governing Board to consider (in December) certification of the Final EIR/EIS – but not project approval -- for the California State Park’s Upper Truckee River restoration and golf course relocation project: This high priority environmental restoration and public recreation access EIP project is at a milestone, and California State Parks is seeking final certification of the EIS – but not project approval -- before the end of 2011 and before its EIS funding runs out.

The need for this project stems from the Upper Truckee River’s known substantial contribution to fine sediment load to the Lake through excessive bed and bank erosion and lack of floodplain connectivity (these are largely due to man-made modification to the river’s historic course and flow).

The project is intended to reduce fine sediment loading, restore ecological function and habitat values, and provide improved public recreational access in Washoe Meadows State Park and the Lake Valley State Recreation Area. A portion of the 18-hole public golf course is proposed for relocation out of the sensitive meadow area and onto higher capability lands. California State Parks, in response to hundreds of public comments since the Draft EIS hearings, has substantially modified the original project proposal to address community concerns while still meeting the important water quality, environmental restoration, and public recreation access purposes of the project.

Circulation of the Final EIR/EIS began September 14, 2011, and all TRPA APC and GB members have been offered CD or paper copies of the FEIS. The California State Parks and Recreation Commission held a public hearing today on the Final EIR/EIS. After an emotionally charged, all-day public hearing, it’s my understanding the Commission just voted unanimously late this afternoon to adjust the classifications of the State Recreation Area and State Park and certify the environmental document. I’ll update you further on the Commission’s actions at the board meeting. TRPA’s Advisory Planning Commission is scheduled to consider the technical adequacy of the Final EIS on December 7, and forward the APC recommendation on EIS certification to the TRPA Governing Board for consideration at a public hearing on December 15 (the second day of the December Board meeting). The TRPA Board will not be considering the project approval decision until a final project is designed and funding is available to construct the restoration project.

In November, staff will present to the Governing Board an overview of the full range of Upper Truckee River restoration projects so that you have context for where this project

segment fits within the full scheme of the river's ecosystem restoration. This presentation will provide you with basic technical information and foundation for December's hearing on the environmental document certification, and will focus on the science of stream restoration and the effects of past man-made disturbance on the integrity of the Upper Truckee River ecosystem.

The Tahoe Vista Shores project is coming back this month for a re-hearing and decision. The applicant has fully redesigned the access road in consultation with the affected neighbors to address the central objection raised by community members at the Board hearing in August:

In August, the Board held a hearing to consider approval of the Tahoe Vista Shores project, a 5-acre site in Tahoe Vista proposed for 20 tourist accommodation units to replace the present 1940's run down, boarded up motel structures and random boat storage on site. Although the project met all of the requirements of TRPA's Code and Regional Plan, adjacent neighbors objected to the location of the access road. After a three-hour hearing, the Board sent the Tahoe Vista Shores project back to the drawing board. Over the last two months, the project applicant has worked with key neighboring homeowners to completely redesign the access road from the originally proposed doughnut-shaped driveway traversing the perimeter of the parcel to a lollipop-shaped access drive down the center of the parcel. This should eliminate the objectionable car traffic and headlights shining into neighboring windows raised as objections by the commenters at the August hearing.

II. LEGAL MATTERS

We will continue this month to clear the backlog of long pending administrative legal appeals: Legal staff is continuing to work toward resolving as many pending administrative appeals as possible without the need for Board review, but in some instances where the circumstance of the appeal presents an important legal issue or simply an intractable dispute, every reasonable effort is being made to bring these matters to the Board for resolution before the end of the calendar year. This month, we will bring the Nugget appeal back. This is the appeal that was continued off calendar last month due to the unavailability of the appellant Jim Kelly, the owner of the Nugget Casino. This approach to clearing the appeals docket will allow the Agency's legal staff to focus on supporting the RPU work and the required five-year threshold evaluation, due in December 2011 by the terms of California's legislative rider to TRPA's budget.

League to Save Lake Tahoe appeals the federal court's decision upholding the Governing Board's approval of the Sierra Colina project and files an objection to the applicants' bill of costs: On August 30, 2011, a federal judge ruled in favor of TRPA and the Sierra Colina project in a decision dismissing the League to Save Lake Tahoe's lawsuit against the project approved by the TRPA Governing Board in June 2009. Sierra Colina is an 18-acre residential development project site located in the casino core area of Stateline, Nevada. The project is designed to be a single and multi-family home neighborhood using state-of-the-art environmental building techniques, including Leadership in Energy and Environmental

Design (LEED) certifications. In the lawsuit, the League challenged the adequacy of TRPA's environmental review. In the court's order dismissing the League's claim, US District Judge Robert Jones of the District of Nevada agreed with TRPA that "the project was consistent with restoring, maintaining, and improving the quality of the Lake Tahoe Region for visitors and residents of the region.." and that "it would be built to TRPA design codes and in accordance with the land use regulations set for the project area." He concluded that TRPA acted appropriately in approving the Sierra Colina permit and that the Agency had properly analyzed all environmental impacts.

The League has subsequently appealed the District Court's decision and filed objections to Sierra Colina's bill of costs seeking recovery of approximately \$74,000 on legal fees totaling nearly ten times that amount. Briefing on the costs bill is complete and the parties are awaiting the trial court's decision.

III. INTERNAL AGENCY MANAGEMENT

Seemingly small changes in the Planning Department's staff assignments and physical space adjustments are making big strategic gains: TRPA's Planning Department is changing for the better; so say its staff members in response to recent reorganization and physical space changes. New TRPA Planning Manager John Hester, with some minor reorganization of the planning staff and its functions, is converting the TRPA Planning Department into an integrated and well-functioning team. The Planning Department will now administer short-range, long-range, and transportation planning functions as well as compliance and front-desk services. The focus of the recent changes is on continuous process improvements, staff development, and identifying existing processes that either can be eliminated or changed for improved efficiency. In addition to these improvements, John used simple space reorganization, where we literally tore down cubicle walls and created open work space so that planners can easily consult and work at drafting tables in team consultation, to improve the morale, the consistency, and the output of the Department. Changes like these are becoming the norm in implementing the pillars of TRPA's Strategic Plan, as our commitment to streamlined, efficient, customer-friendly delivery of environmental gain on the ground becomes rooted into agency practices.

Growing participation in fitness programs and athletic events inspires better staff morale, camaraderie, and is commonly linked to greater productivity: Two TRPA staff members, Jill and Lief Larson, have shown personal leadership in bringing on-site to TRPA a lunch-hour CrossFit program that is inspiring TRPA staff to become among the most fit and healthy employees in the Basin. Jill and Lief own a CrossFit gym in Carson City and during the last 6 months have brought the fitness program directly to TRPA and its staff. More than a third of TRPA's 68 staff participates regularly or from time to time in an intense 15 to 30-minute CrossFit workout or in a pilates class offered on site on Tuesdays and Thursdays.

Perhaps it is Jill and Lief's leadership in bringing fitness options to TRPA that is inspiring TRPA staff to take on greater athletic challenges as well. Three TRPA staff members participated in the Lake Tahoe Marathon in September this year. Janny Choy and Jeff Cowen ran the full marathon at 26.2 miles, and Lief Larson completed the half-marathon. Jeff took 43rd place among a packed field and was the fastest declared local in the race clocking the 26-mile run in 4 hours and 5 minutes. Making available on-site fitness programs like CrossFit and pilates classes at lunch time and having a shower facility so staff can refresh after a good workout is improving teamwork and building staff morale and camaraderie, not to mention the health benefits of working out the inevitable and commonplace frustrations of TRPA's challenging work. Changes like these are reestablishing high job satisfaction of staff and moving TRPA toward becoming one of the best places to work in the Basin.

III. REGIONAL PLAN UPDATE

Regular monthly phone conference scheduled among TRPA and representatives of the Governors of the two states to discuss progress and issues related to the Regional Plan Update:

In recognition of the importance of focusing on completion of the regional plan update by the end of next year, I am continuing my monthly phone conferences with the Director of Nevada's Department of Conservation and Natural Resources Leo Drozdoff, and California Secretary of Resources John Laird, to discuss and address issues of importance in advancing the Regional Plan to a successful and timely conclusion. This month we discussed the operation and schedule of the Governing Board Committees in considering important RPU policy and implementation issues and advancing considered recommendations as well as apparent differences of position and approach to the full Board for resolution.

Briefings on proposed changes to regional Land Use Framework scheduled for Tahoe Interagency Executives Steering Committee (TIE-SC) and California legislative and administration staff the week before October Board meeting:

Ahead of bringing matters related to the RPU before the Board Committees for public discussion and debate, staff is working in a variety of forums to educate all interested parties about the nature of the changes proposed in the RPU. The forum for keeping basin agencies generally apprised and taking agency comment and input is the TIE-SC, whose membership represents the NV and CA partnerships. Presently, Jim Lawrence of NV State Lands represents the totality of the Nevada state partnership and Patrick Wright of the California Tahoe Conservancy represents the totality of the California state partnership. The federal partnership is represented on the TIE-SC by Nancy Gibson of the US Forest Service, as the largest land manager in the basin, along with participation by US EPA and the US Fish and Wildlife Service. Last week, staff presented an overview of the changes proposed to the land use elements of the regional plan, specifically modifications to the overall regional Land Use Framework, to the TIE-SC so that all basin agencies have a common information base for further discussion and input on the RPU land use elements. In addition, staff met with California legislative and administration staff last week to brief them as well as part of the

ongoing education of all interested parties on RPU proposals. Last week's legislative briefing will be the same general briefing that will be presented at this month's October Governing Board meeting to the Board and the public.

The Tahoe Metropolitan Planning Organization (TMPO) is holding two public workshops to get input on the future of transportation planning in the Lake Tahoe Basin: The TMPO is updating the Regional Transportation Plan (Mobility 2035) concurrently with the RPU. Several public workshops on transportation strategies for the Basin are planned for the beginning of November. All interested members of the Board and the public are invited to the workshops to help design transportation policies and a transportation strategy that meets the challenges of our future economy, mobility, and sustainability. The Regional Transportation Plan Update (Mobility 2035) workshops/open house will be held:

November 1, 2011 - North Tahoe Event Center, 8313 North Lake Tahoe Blvd., Kings Beach, CA

November 3, 2011 - Inn by the Lake, 3300 Lake Tahoe Blvd., South Lake Tahoe, CA

The open houses will be held 5:30 p.m. to 8:00 p.m. (Presentation begins at 6:00)

IV. PUBLIC AND LEGISLATIVE AFFAIRS

TRPA sponsors successful first open house event -- Community Appreciation Day -- and honors two members of the public providing personal leadership in sustaining Lake Tahoe's environment: On September 29 from 4:00 to 7:00 pm, TRPA hosted its first ever community open house event, Community Appreciation Day. It featured information and interactive displays to educate the public on TRPA's role in delivery of environmental benefits for the Basin. Approximately 100 members of the public attended and were enthusiastic in their participation. Post-event surveys showed high satisfaction for the event. Based on this response, we are planning to make the Community Appreciation Day an annual event and are exploring the possibility of doing it on the North Shore as well as at the TRPA building. Thank you to Board members who attended and helped dish up ice cream to the community and lots of happy kids.

Based upon a call for nomination from the community at large, TRPA recognized the winners of the Lake Spirit Awards honoring "real people making real progress protecting Lake Tahoe" at the event. Two winners (one from the North Shore and one from the South) were honored for going above and beyond the call of duty to protect the beauty and clarity of Lake Tahoe and the Basin environment. They represent the many unsung heroes tirelessly working to protect this special place.

Ruth Dworsky was the Lake Spirit Award winner from the North Shore. **See Photo attached.** She was nominated for her work creating defensible space on the 88-acre Carnelian Woods Townhouse Association where she has been instrumental in organizing

her neighbors around community fire protection. Together they accomplished the removal of 222 dead and dying trees, created 30-foot areas of defensible space around 118 homes, organized community “rake-offs” to clear out brush and debris, inspired 30 people to contribute 250 hours towards creating defensible space, and was affectionately dubbed, “Queen of the Forest” by her neighbors.

TRPA also awarded a Lake Spirit Award to Mahmood Azad from the South Shore. Azad previously worked as a Douglas County Engineer and currently works for the Nevada Tahoe Conservation District. As a County Engineer, he led Douglas County to a heightened level of engagement on Tahoe water quality and clarity. His committed leadership has benefited Lake Tahoe by encouraging the Douglas County Board of Commissioners and County staff to support Lake restoration with both action and funding. He was instrumental in Douglas County’s “Warrior Way” water quality improvement project.

Honorable Mention was awarded to Timothy Rowe, a US Geological Survey hydrologist who has worked in the Tahoe Basin as both a professional and volunteer for over 20 years. His passion and commitment have earned him the unofficial title of “The Face of USGS at Lake Tahoe,” for providing the best science to help make improvements in the Basin. In addition to Lake Spirit Awards, the winners were honored with Certificates of Appreciation from Senator Harry Reid’s office, “in appreciation of their commitment to preserving Lake Tahoe.”

Call is out until October 21, 2011 for the 22nd annual Best in Basin nominations: The Best in the Basin awards program recognizes annually projects that demonstrate exceptional planning, design, and compatibility with the Lake Tahoe environment while following the guidelines set forth by the Agency. The 22nd annual TRPA Best in the Basin Award competition has begun with this year's call for entries. The nomination period closed on Friday, and projects must have been completed in the 2011 calendar year to be considered.

Nevada Legislative Oversight Committee schedules first hearing for TRPA of the 2012 interim legislative season: The first meeting of the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System will be held on Monday, November 14, 2011 in Incline Village, Nevada from 9 am to 5 pm. This year the Committee membership includes Senators John Lee, David Parks, and James Settelmeyer and Assembly Members Kelly Kite, Marilyn Kirkpatrick, and Peggy Pierce. With a couple of new members on the Legislative Committee this interim, we have been asked to make a general presentation giving an overview of TRPA’s organizational structure and budget, followed by a review of TRPA environmental thresholds and progress on the Regional Plan Update.

State Senator Ted Gaines visits Tahoe and is briefed by Ted Thayer, TRPA’s Aquatic Invasive Species Coordinator, on AIS progress being made at Tahoe: On a recent trip to the Truckee/Tahoe area, California State Senator Ted Gaines ventured out on Lake Tahoe

with TRPA's Aquatic Invasive Species Coordinator, Ted Thayer, and Julie Regan, Chief of External Affairs, to review Tahoe's AIS program progress and discuss other Tahoe issues. Senator Gaines was updated on the agency's invasive species prevention measures, along with other current species-controlling programs, including the installation of large rubber mats on the lake's bottom in an effort to kill Asian clams, which are causing increased algal growth and compromising the lake clarity in the near shore regions. During the boat tour, Senator Gaines (after a quick change into his swim trunks) executed a perfect cannon ball into the chilly waters of the Lake.

TRPA reaches out to Assemblywoman Beth Gaines: the communications team organized a visit to the Capitol in Sacramento on October 12 to meet our Assemblywoman Beth Gaines. TRPA staff educated the new Assemblywoman on Lake Tahoe and TRPA issues and will be briefing her on the regional plan update as well while she tours the Tahoe area on October 28.

Other outreach initiatives underway:

The communications team's two highest priorities are currently redesigning the agency's web site and developing a strategic communications campaign for the regional plan update. These two critical outreach initiatives will be discussed at the next Public Outreach/Environmental Education Committee meeting of the Governing Board.

IV. MISCELLANEOUS

Kate Thomas is leaving the Nevada Secretary of State's staff for a position with the City of Reno: We learned recently that Kate Thomas, Secretary of State Ross Miller's dedicated stand-in for Ross at TRPA Governing Board meetings, is leaving the Secretary of State's office for an employment opportunity with the City of Reno. On behalf of staff, I want to thank Kate for her dedication and productive input over the years. We will miss her and wish her well in her new position.

Josh Reid resigns his appointment as President Obama's representative to the TRPA Governing Board leaving the non-voting federal representative post on TRPA's Board vacant for now: Josh Reid, appointed by President Obama to serve as the non-voting federal representative to the TRPA Governing Board, contacted me on September 14, 2011 to let me know that his busy law practice and other work-related commitments necessitated his decision to resign his TRPA Board appointment. On behalf of staff, we thank him for his service and wish him well. For now, this non-voting post on TRPA's Board will remain vacant until a new presidential appointment is made.

Follow-up to criticism raised by Board member at September Board meeting concerning Lakeview Commons project permitting and costs: At the September Governing Board meeting, a letter from the City of South Lake Tahoe was read into the record. The letter listed several complaints about TRPA's handling of the permitting process on the Lakeview Commons project. As with most issues, after further investigation the underlying facts

turned out to be considerably more nuanced and different than presented. **The City's letter from Mayor Hal Cole and my response is appended to this report.**

TRPA works with partner agencies to submit application for \$1 million HUD grant: TRPA staff members John Hitchcock, Kathy Tomascak, Nick Haven and others worked tirelessly to apply for a Housing and Urban Development grant to allow community planning to be expedited as part of the regional plan update. As a complement to California's Strategic Growth Council Grant which is allowing California-side community planning to move in parallel with the RPU, this HUD grant would allow Nevada-side jurisdictions to do the same. We will eagerly await the news as to whether Lake Tahoe receives the grant.



City of South Lake Tahoe

"making a positive difference now"

September 21, 2011

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SEP 29 2011

TAHOE REGIONAL
PLANNING AGENCY

Joanne Marchetta
Executive Director
Tahoe Regional Planning Agency
PO Box 5310
Stateline, NV 89449

Dear Ms. Marchetta,

I am writing to express the concerns of the City Council with regard to how the permitting process for the El Dorado Beach at Lakeview Commons was handled by the TRPA. I believe you have had discussions with the former Assistant City Manager regarding the approval of lighting in the project, however the City Council has just recently been made aware of the increased project costs associated with, what we believe to be a mishandling of the permit requirements by TRPA. Specifically, the change to the light fixture specification that was required by TRPA staff after its approval by the Governing Board caused a \$17,000 increase in design cost and a \$ 72,000 construction contract change order.

It was clear in the project description approved by the Governing Board that the proposed "pedestrian pole lighting" was included in the project. City staff had met with TRPA staff prior to submitting the lighting plan to discuss whether the pole light fixtures would be acceptable. Based on that discussion the project design team was directed to develop a lighting plan that would provide low level security lighting utilizing the pedestrian pole light fixtures. The plan was accepted by TRPA staff and included in the application package approved by the Governing Board on June 24, 2009. The project design team proceeded with developing the construction bid plan set with the pedestrian pole lights. In February 2010, as the project was ready for construction bids, TRPA staff notified City staff that the pedestrian pole lights were not acceptable.

The City Council finds it improper for staff to be able to circumvent the approval of the Governing Board and mislead applicants. These actions result in increased project costs and an arbitrary and capricious permitting process for both public and private sector investors in the Tahoe Basin. We would appreciate your attention to this issue and what steps TRPA will take to remedy this problem.

Sincerely,

Hal Cole, Mayor
City of South Lake Tahoe

C: City Councilmembers



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October 5, 2011

The Honorable Hal Cole
Mayor of the City of South Lake Tahoe
1901 Airport Road, Ste. 206
South Lake Tahoe, CA 96150-7048

Dear Mayor Cole:

Thank you for contacting me about the City Council's concerns over lighting costs at Lakeview Commons related to the TRPA approval for this project. Setting the facts of the matter aside for a moment, I want to start by saying how sorry I am that the City found cause for dispute in this matter. I regret this issue is costing the City money at a time it can least afford it, and I also regret very much the way this dispute was pursued. I would gladly have worked with you to find a solution to the adverse cost implications if I had been made aware in time to have addressed it. I request that in the future, we refrain from negatively characterizing one another through public comments and terse correspondence, and have direct discussions together instead. Issues will no doubt come up, and I would encourage a more amicable way of resolving them.

To the specifics of the issue, although pedestrian pole lighting was proposed in the City's application, TRPA's permit, approved by the Governing Board on June 24, 2009, clearly specified under Special Condition 3.C (enclosed) that "Prior to permit acknowledgement, the following conditions of approval must be satisfied," including:

Lighting Plan consistent with the Bijou/Al Tahoe Community Plan and Design Guidelines and TRPA Code section 30.8, Exterior Lighting Standards including cut off shields to prevent lights on the bluff from being visible from the lake.

Only low level (bollard type) lighting was allowed in the El Dorado Beach area pursuant to Bijou/Al Tahoe Community Plan standards, which were adopted by both the City and TRPA as part of the Bijou/Al Tahoe Community Plan Section J.1.d of these standards states:

In the El Dorado Beach area only low level lights shall be permitted.

We had mutually agreed to the placement of one pole light at the Highway 50 and Lakeview Avenue intersection for safety reasons, and because this pole was in a forested area away from the bluff above Lake Tahoe. Given the City's concern over vandalism of low level lights, my staff worked at length with the City's Public Works and Parks Directors to assist them in identifying low level lighting fixtures that

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were less vulnerable to vandalism, including those successfully in use at similar lakefront projects in Kings Beach and Tahoe City.

Again, I think that this was a simple misunderstanding, and am very sorry that the City Council chose to place the blame on TRPA staff and to characterize our staff as “undermining the Board.” Please contact me directly if you have any other questions regarding this issue.

Sincerely,

A handwritten signature in black ink, reading "Joanne Marchetta". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Joanne Marchetta
Executive Director

Enclosures

