

STANDARD AGREEMENT

- APPROVED BY THE ATTORNEY GENERAL

CONTRACT # CTA-04019	AM. NO.
TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION # 94-6000511	

TD. 2 (REV. 5-91)

AGREEMENT, made and entered into this 22nd day of April, 2005, in the State of California, by and between State of California, its duly elected or appointed, qualified and acting.

TITLE OF OFFICER ACTING FOR STATE
Administrative Officer AGENCY
California Tahoe Conservancy, hereafter called the State, and

CONTRACTOR'S NAME
County of El Dorado, hereafter called the Contractor.

WITNESSETH: That the Contractor for and in consideration of the covenants, conditions, agreements, and stipulations of the State hereinafter expressed, does hereby agree to furnish to the State services and materials as follows: (Set forth service to be rendered by Contractor, amount to be paid Contractor, time for performance or completion, and attach plans and specifications, if any.)

1. Scope of Agreement

The California Tahoe Conservancy (hereinafter "Conservancy"), acting pursuant to Section 66907.7 of the Government Code and its resolution of April 22, 2005, hereby grants to the County of El Dorado (hereinafter "Grantee"), a sum not to exceed three hundred sixty-nine thousand dollars (\$369,000), subject to the terms and conditions set forth below. These funds shall be used for planning the Montgomery Estates II Erosion Control Project (hereinafter "the Project(s)"), as further described in the Conservancy staff recommendation of the same date as the above resolution and attached hereto as Exhibit A.

CONTINUED ON _____ SHEETS, EACH BEARING NAME OF CONTRACTOR AND CONTRACT NUMBER.

IN WITNESS WHEREOF, the parties have executed this agreement hereto, upon the date first above written.

STATE OF CALIFORNIA	CONTRACTOR
BY: <u>David Gregorich</u> Administrative Officer	CONTRACTOR (If other than an individual, state whether a corporation, partnership, etc.) <u>County of El Dorado Board of Supervisors</u>
BY: <u>Charlie Paine</u> Name/Title CHARLIE PAINE Chairman	360 Fair Ln., Placerville, CA 95667 <u>6/14/05</u>

Amount ENCUMBERED BY THIS DOCUMENT \$369,000	PROGRAM/CATEGORY (CODE AND TITLE)		FUND TITLE	
	(OPTIONAL USE)			
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT \$ 0	ITEM	CHAPTER	STATUTE	FISCAL YEAR
TOTAL AMOUNT ENCUMBERED TO DATE \$ 369,000	OBJECT OF EXPENDITURE (CODE AND TITLE)			
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.		T.B.A. NO.	B.R. NO.	
SIGNATURE OF ACCOUNTING OFFICER X <u>Leonora J. Lopez</u>			DATE <u>8/2/05</u>	

Department of General Services
ATTEST: Cindy Keck, Clerk
of the Board of Supervisors
BY: Jim Tammen
DEPUTY
6/14/05

CONTRACTOR STATE AGENCY DEPT. OF GEN. SER. CONTROLLER

The Grantee hereby agrees to complete the Project(s) in accordance with:

- (i) the terms and conditions of this Agreement;
- (ii) the Planning Project Schedule(s) and Budget(s) as set forth in Exhibit B; and
- (iii) the Planning Project Workplan(s) approved by the Executive Officer of the Conservancy ("the Executive Officer") pursuant to the paragraph entitled "Planning Project Workplan" below.

The Grantee shall at all times exercise responsibility over the design and implementation of the Project(s).

2. Incorporation of Documents by Reference

The following exhibits and other documents are incorporated by reference into this Agreement and made a part hereof:

- (a) Exhibit A, Conservancy Staff Recommendation containing the Conservancy board resolution of April 22, 2005;
- (b) Exhibit B, the Planning Project Schedule(s) and Planning Project Budget(s);
- (c) Exhibit C, the Grantee's List of Assurances;
- (d) Exhibit D, Request for Disbursement Form;
- (e) Exhibit E, Mandatory Insurance Provision;
- (f) Exhibit F, Sign Guidelines; and
- (g) Exhibit G, List of Eligible Project Costs

In the event of any inconsistency between or among the main body of this Agreement and the above documents, the inconsistency shall be resolved, except as otherwise provided herein, by giving precedence in the following order: (1) Conservancy Resolution; (2) the body of the Agreement; (3) the Planning Project Workplan approved by the Executive Officer; (4) the Schedule(s) and Budget(s); (5) the Conservancy staff recommendation; (6) List of Assurances (7) List of Eligible Project Costs; (8) the Mandatory Insurance Provision; (9) the model Request for Disbursement Form; and (10) Sign Guidelines.

3. Planning Project Workplan

Within the time periods shown in the Project Schedule(s) in Exhibit B, and prior to commencement of the Project(s) and disbursement of funds, the Grantee shall submit for each individual project a detailed Planning Project Workplan ("the Workplan") to the Executive Officer or his designee for review and written approval as to its consistency with the terms of this agreement. Said approval shall (a) be by way of a written determination that said items are consistent with this agreement, and (b) shall be a precondition of Grantee's entering into agreements with contractors/consultants or undertaking work where no contractors/consultants are to be hired. The Workplan shall include:

- a. The specific tasks to be performed and products to be produced including but not limited to such items as topographic site maps, hydrologic studies, draft construction plans,

environmental documents, consultation with permitting and funding agencies, design alternatives, land acquisition activities (including landowner contacts, legal descriptions, maps, title reports and appraisals), line item construction cost estimates, project monitoring plans (pre-and post construction), permits, budgets, schedules and grant applications for project construction funding;

- b. A schedule for the project, specifically listing the completion date for each product and a final project completion date; and
- c. A detailed project budget. The project budget shall describe all labor and materials costs to be incurred to complete each component of the project. For each project component, the project budget shall list all intended funding sources including the Conservancy's grant, and all other sources of funds, materials, or labor, if any.

The Workplan shall have the same effect as if included in the text of this agreement. However, the Workplan may be modified without amendment of this agreement upon the Grantee's submission of a modified Workplan and the Executive Officer's written approval of it. If this agreement and the Workplan are inconsistent, the agreement shall control.

The grantee shall carry out the project in accordance with the approved Workplan.

4. Other Contractors

Grantee's scope of work for consultant service contracts should be submitted to the Conservancy's Project Coordinator for review and comment prior to the Grantee's negotiation with the Consultant. Nothing in the contract documents shall create any contractual relationship between any third party contractor and the Conservancy.

5. Publicity and Acknowledgment

The Grantee agrees that it will acknowledge the Conservancy's support whenever projects funded, in whole or in part, by this agreement are publicized in any news media, brochures, articles, seminars or other type of promotional material. Projects funded by Propositions 12, 40, or 50 must comply with the sign guidelines set forth in Exhibit F.

Grantee's shall prepare and submit an on-line catalog entry from to the California Environmental Information Catalog for information products and reports (e.g., environmental and biological field surveys, natural hazard assessments, geographic information, etc.) relating to California's natural environment that have been prepared with funds made available from Proposition 40 or 50. Of particular interest are those products that characterize site-specific conditions with regard to vegetation, wildlife populations, species occurrences and other measures of biological diversity, environmental and ecological condition. The on-line catalog entry form is available at <http://gis.ca.gov/catalog/intro.epl?page=using.html>. The Conservancy shall determine whether, for public policy reasons, a catalog description of any information product or report should be withheld from disclosure in the California Environmental Information catalog.

6. Copies of Data, Plans and Specifications

The Conservancy shall be provided with copies of all data, design plans, specifications, photographs, negatives, audio and video productions, films, recordings, reports, findings, and recommendations of every description or any part thereof, prepared under this agreement.

The Conservancy shall have the full right to copy and distribute said copies in any manner when and where it may determine without any claim on the part of the grantee, its vendors or subcontractors to additional compensation.

7. Conditions Precedent to Commencement of Project and/or Disbursement of Funds

In addition to any other conditions contained herein, Grantee shall not commence the Project(s) and the Conservancy shall not be obligated to disburse any funds under this agreement unless and until the following conditions precedent have been met:

- a. A resolution or other similar action has been taken by the City Council/Board of Supervisors/Board of Directors/etc. of the Grantee authorizing the execution of this agreement and approving its terms and conditions.
- b. The Executive Officer has approved in writing:
 - i. the Workplan(s) for the Project(s); and
 - ii. that Grantee has complied with the requirements set forth in the paragraph entitled "Insurance", below;

8. Project Completion

The Grantee shall complete the project(s) by the completion date provided in the section entitled "TERM OF AGREEMENT". Upon completion of the Project(s), the grantee shall supply the Conservancy with evidence of completion by submitting: (1) the Workplan(s) and any other work products specified in the Workplan(s) for the Project(s); the Final Report and (2) a fully executed final "Request for Disbursement" form. Within thirty days of grantee's compliance with this paragraph, the Conservancy shall determine whether a project has been satisfactorily completed. If the Conservancy determines that a project has been satisfactorily completed, the Conservancy shall issue to the grantee a letter of acceptance of the project. The project shall be deemed complete as of the date of the letter of acceptance.

9. Progress Reports and Final Report

Progress reports shall be submitted quarterly (January, April, July, October) or with each invoice (whichever is more frequent).

Each progress report shall include, but not be limited to:

- a. a summary of work completed during reporting period;
- b. draft products, reports or interim findings, including a statement of tasks or milestones and a report of the status on each, including public and agency meetings and the results of such meetings;
- c. a discussion of any challenges or opportunities encountered in accomplishing the scope of work;
- d. an assessment of the progress as compared to the timeline in the Project Schedule;
- e. a narrative financial report comparing costs to date and the approved scope of work and budget. This report should state whether or not the project is progressing within the approved project budget, including an explanation of any potential deviations; and
- f. copies of any other relevant materials produced under the terms of this agreement;

If an invoice is not being submitted for any one quarter, a progress report is still required.

The Grantee shall submit a final report as defined in the Workplan on or before the date listed in the project schedule.

The Final Report shall include but not be limited to:

- a. A brief summary of the objectives of the project and how these objectives were accomplished;
- b. A discussion of how the grant funds were used and any fiscal contributions from other sources;
- c. Any findings, conclusions, or recommendations for follow-up or ongoing activities that might result from successful completion of the project;
- d. A statement, if applicable, of future intent of public and/or private support to maintain or further develop the project, including proposed submittal dates for future funding;
- e. Copies of all news articles and any other media coverage, as well as all promotional and educational materials produced as a result of this agreement; and
- f. the work products identified in the Workplan, including summaries of the public and agency meetings conducted for the project.

A request for final payment should be submitted in conjunction with, but not as a portion of, the final report.

10. Expenditure of Funds and Allocation of Funding Among Budget Items

Except as otherwise provided herein, the Grantee shall expend funds in the manner described in the individual Project Budget submitted with the Workplan approved by the Conservancy for each individual project. The dollar amount of an item in a Project Budget may be increased by up to ten percent (10%) through reallocation of funds from another item or items, without approval by the Executive Officer or his designee; however, the Grantee shall notify the Conservancy in writing at the time of making any such reallocation, and shall identify both the item(s) being increased and those being decreased. Any increase of more than ten percent (10%) in the amount of an item must be approved in writing by the Executive Officer or his designee. The total amount of the grant may not be increased except by formal amendment of this Agreement. Upon written approval of the Executive Officer of the Conservancy, project funds may be reallocated between individual projects.

11. Costs and Disbursements

Upon determination by the Conservancy that all "CONDITIONS PRECEDENT TO COMMENCEMENT OF PROJECT AND DISBURSEMENT" have been fully met, the Conservancy shall disburse to the Grantee, in accordance with the approved Project Budget, a total amount not to exceed the amount of this grant, as follows:

With the exception of advances of grant funds as provided for below, disbursements of grant funds shall be made on the basis of costs incurred, less ten percent (10%) to be withheld from all invoiced amounts (including amounts previously advanced) other than amounts actually paid to Grantee's subcontractors where the contractors are subject to ten percent (10%) withholding by the Grantee.

The remaining amounts withheld shall be disbursed upon (1) Grantee's satisfactory completion of the Project and submittal of a Final Report and a fully executed final Request for Disbursement substantially in the form of Exhibit D; and (2) final approval of the completed Project by the Conservancy's designated representative(s).

Upon Conservancy approval of the Workplan(s), Grantee may request an advance of up to 50% of the amount set forth in the Project Budget. To request an advance, the Grantee shall submit: (1) a letter stating the amount of the advance requested signed by a person authorized by the Grantee to request an advance, and (2) a copy of the approved budget for the project.

After an advance:

- (a) The Grantee shall submit reports at least quarterly (January, April, July, October) showing expenditures from the advanced funds. This documentation shall be the same as that required for submittal of invoices, except that a Request for Disbursement form will not be included.

(b) The Grantee shall submit all work products to the Conservancy's project manager or his or her designee for written comments and authorization to proceed to the next stage of planning.

If Grantee receives an advance of grant funds, additional grant funds shall not be disbursed until all advanced funds have been expended. Interest on advanced funds shall be used for the purpose of the Project(s), as approved by the Conservancy. Grantee's first request for disbursement after the advances shall document all expenditures of previously advanced grant funds. In the event any portion of the advanced funds are not needed, these funds shall be returned by Grantee to the Conservancy on or before the date for completion of the project.

The Grantee shall request disbursement, by filing with the Conservancy fully executed "Request for Disbursement" forms which contain:

- the invoice number (up to 14 characters) which contains a two-letter abbreviation of the project name, and the sequential number of the invoice (starting with 1) (e.g., GB1, for invoice #1 for the Golden Bear project). The Grantee may also include its own project number in the invoice number (GB1-95133);
- Grantee's name and address;
- the number of the Agreement (e.g., CTA-95023);
- the date of the submittal;
- the amount of the invoice;
- contact person and phone number;
- an itemized description of all work done for which disbursement is requested; and
- the signature of an official authorized by the Grantee to sign such invoices certifying that the invoiced work has been completed.

Additionally, each form shall be accompanied by:

- any supporting invoices or other source documents from contractors hired by the Grantee to complete any portion of the Project(s) funded under this Agreement; and
- documentation of the completion of the portion of the Project for which disbursement of grant funds is requested (such as design drawings, specifications, hydrologic calculations, site survey or inspection notes, etc.).

Failure to submit a completed Request for Disbursement form, with all necessary supporting documents, shall relieve the Conservancy of any obligation to disburse funds to the Grantee until such time as the deficiencies are corrected.

Conservancy will make best efforts to forward each completed and approved Request for Disbursement form to the State Department of General Services or to the Office of the State Controller, as the case may be, within ten (10) working days of receipt by the Conservancy.

12. Term of Agreement; Completion Date; Project Schedule

This Agreement shall take effect upon the Conservancy's receipt of one or more original completed copies signed by the authorized representatives of both parties and the Conservancy's accounting officer, together with a certified copy of Grantee's resolution authorizing Grantee's execution of this Agreement. The term of the Agreement shall run from the effective date through **June 30, 2009** (the termination date") unless, otherwise terminated or amended as provided herein.

All work shall be completed by the completion date(s) shown in the Project Schedule(s) ("the Completion date(s)"). The Grantee agrees to submit all work products identified in the Workplan(s) by the date set forth in the project schedule for each individual project by the Completion Date(s). For good cause shown, the Completion Date(s), as well as any other dates set forth in the Project Schedule(s), may be extended by the Executive Officer upon written request by the Grantee. Such extension shall not be unreasonably denied.

Prior to completion of a project, for any discrete component of a project, either party may indicate its intent to terminate its obligations under this Agreement with respect to that component, for any reason, by providing the other party with sixty (60) days' notice in writing.

In the event of termination by the Conservancy, the Grantee agrees to take all reasonable measures to prevent further costs to the Conservancy under this Agreement, and the Conservancy shall be responsible for any reasonable and noncancellable (binding) obligations incurred by the Grantee in the performance of this Agreement until the date of actual termination, but in any case not to exceed the undisbursed balance of funding authorized in this Agreement.

If, other than for reasons beyond Grantee's control, Grantee fails to complete the work in accordance with this Agreement, or fails to fulfill another material term or obligation of this Agreement, Grantee shall repay to the Conservancy all amounts disbursed by the Conservancy hereunder. The Conservancy may, in its discretion, waive such repayment, in whole or in part, on the basis of Grantee's written statement of reasons. If the Executive Officer or his designee does not approve such waiver, the matter shall be referred to the Conservancy's governing board for its decision.

Following notice of intent to terminate, the Conservancy and the Grantee shall enter into a written termination agreement establishing the effective date for termination of an individual Project or the Projects, as the case may be, the basis for settlement of any outstanding obligations, and the amount and the date of payment of any sums due to either party.

This paragraph shall not be deemed to limit any legal or equitable remedies which either party may have for breach of this Agreement.

13. Liability

The Grantee shall be responsible for, indemnify and save harmless the Conservancy, its

officers, agents and employees, from any and all liabilities, claims, demands, damages or costs resulting from, growing out of, or in any way connected with or incident to this agreement, except for active negligence of the Conservancy, its officers, agents or employees. The duty of the Grantee to indemnify and save harmless includes the duty to defend as set forth in Civil Code Section 2778.

The parties expressly acknowledge that this Agreement is an agreement for the subvention of public funds from the Conservancy to the Grantee, and is not an "agreement" as that term is defined in Government Code Section 895 or a "construction contract" under Civil Code

Sections 2782 or 2783. Accordingly, it is acknowledged Grantee does not, in matters arising under this Agreement, have any right to contribution and indemnity from the Conservancy and/or the State of California arising under Government Code Sections 895.2 and 895.6.

Grantee waives any and all rights to any type of express or implied indemnity or right of contribution from the State, its officers, agents or employees, for any liability resulting from, growing out of, or in any way connected with or incident to this Agreement, except such liability as results from the Conservancy's active negligence or the intentional wrongdoing of Conservancy, its member(s), officer(s), agent(s), or employee(s), and, in the case of joint negligence, is in direct proportion to the Conservancy's share of fault.

14. Insurance

In the event that Grantee enters into an agreement or agreements with independent contractors or other third parties other than agencies or political subdivisions of the State of California for implementation of the Project(s) or a portion thereof, such agreement(s) shall include a mandatory insurance provision substantially in the form of Exhibit "E" attached hereto. In addition, Grantee shall make reasonable efforts to assure that Conservancy, and its members, officers and employees, are included as additional insured under the insurance required by Exhibit "E", and that a copy of the endorsements or certificate naming them as additional insured is furnished to the Conservancy as soon as practical. In the event the contractor or third party is unable to name the Conservancy as an additional named insured, the Grantee shall so notify the Conservancy. Within five (5) working days thereafter the Conservancy should notify the Grantee whether the Grantee shall proceed with the Project(s) or portion thereof absent such provision in the insurance.

The company or companies providing such insurance shall have no recourse against the Conservancy and the State of California, and their members, officers and employees, or any of them, for payment of any premiums or assessments under such insurance. Conservancy shall also be provided with notice of any proposed cancellation of insurance.

15. Audits/Accounting/Records

The Grantee shall establish an official file for the Project(s). The file shall contain adequate documentation of all actions that have been taken with respect to the project.

The Grantee shall establish separate accounting records for receipt, deposit, and disbursement of all project funds, including interest. All funds received by the Grantee shall be deposited into separate fund accounts that identify the funds and clearly show the manner of their disposition. The Grantee agrees that adequate supporting documentation shall be maintained in such detail so as to provide an audit trail which will permit tracing transactions from support documentation to the accounting records to the financial reports and billings. Interest on advanced funds shall be used for the purpose of the Project(s), as approved by the Conservancy. The Grantee shall promptly report to the Conservancy the application for or the receipt of any new funds from other funding sources.

The grantee shall maintain books, records documents, and other evidence sufficient to reflect properly the amount, receipt, and disposition of all project funds, including State funds, interest earned, and any matching funds by the Grantee and the total cost of the Project(s). The maintenance requirements extend to books of original entry, source documents supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, canceled checks, and related documents and records. Source documents include copies of all awards, applications, and required financial and narrative reports. Personnel and payroll records shall include the time and attendance reports for all individuals reimbursed under the award, whether they are employed full-time or part-time. Time and effort reports are also required for consultants and contractors. Adequate supporting documentation shall be maintained in such detail so as to provide an audit trail which will permit tracing transactions from the invoices to the financial statement, to the accounting records, and to the supporting documentation.

All Grantee records relevant to the project must be preserved a minimum of three years after the final payment of the contract or the final audit, whichever is later, and shall be subject at all reasonable times to inspection, examination, monitoring, copying excerpting, transcribing, and audit by the State of California.

The State of California and the California Tahoe Conservancy reserve the right to call for a program audit or a financial audit at any time between the execution of this Agreement and the Completion or termination of the Project(s). At any time, the Conservancy may disallow all or part of the cost of the activity or action determined to be not in compliance with the terms and conditions of this Agreement.

16. Nondiscrimination

During the performance of this Agreement, the Grantee and its contractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical disability, medical condition, marital status, age or sex. The Grantee and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. The Grantee and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12900 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990, set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated

into this contract by reference and made a part hereof as if set forth in full. The Grantee and its contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. This nondiscrimination clause shall be included in all contracts entered into by the Grantee for the performance of work within the scope of this Agreement.

17. Independent Status of Grantee and Grantor

The Grantee, its agents and employees, and the Grantor, its agents and employees, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the respective parties.

18. Assignability

Without the written consent of the Conservancy or its successors, the Grantee's interest in, and responsibilities under this Agreement shall not be assignable by the Grantee either in whole or in part.

19. Drug-Free Workplace

Grantee agrees to maintain a drug-free workplace in accordance with Government Code Section 8355 et seq. by doing all of the following:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's or organizations, workplace and specifying the actions that will be taken against employees for violations of this prohibition;
- (b) Establishing a drug-free awareness program to inform employees about (1) the dangers of drug abuse in the workplace; (2) the person's or organization's policy of maintaining a drug-free workplace; (3) any available drug counseling, rehabilitation, and employee assistance programs; and (4) the penalties that may be imposed upon employees for drug abuse violations;
- (c) Requiring that each employee engaged in the performance of the contract be given a copy of a drug-free work place certification.

20. Time of the Essence

Time is of the essence as to the date upon which Grantee has agreed to complete the Project(s). With respect to all other dates set forth herein, Grantee shall use best efforts to accomplish the tasks on the specified dates.

21. Amendments

Except as otherwise provided herein, no alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement to be incorporated herein shall be binding on any of the parties hereto.

22. Project Coordinators

Steve Bachman (or such other person(s) as the Executive Officer may designate from time to time) is designated the Conservancy's Project Coordinator for this grant. The Grantee officer or employee with responsibility for administering this agreement is Steve Kooyman, Supervising Civil Engineer, Department of Transportation, or successor.

23. Conservancy Approvals

All actions and approvals, required to be taken by the Conservancy under this Agreement, may be taken by the Executive Officer or his designee.

24. Grantee Approvals

All actions and approvals, required to be taken by the Grantee under this Agreement, may be taken by the Director of the Department of Transportation or his designee.

25. Resolution

The signature of the Executive Officer or other authorized official of the Conservancy on this Agreement certifies that at its April 22, 2005 meeting, the Conservancy approved a grant of three hundred sixty-nine thousand dollars (\$369,000) to the Grantee for the planning of the Project(s) described in the attached Conservancy Staff Recommendation (Exhibit A).

26. Sections and Headings

The headings and captions of the various sections of this Agreement have been inserted only for the purpose of convenience, and are not a part of this Agreement and shall not be deemed in any manner to modify, explain, or restrict any of the provisions of this Agreement.

27. Severability

The provisions of this Agreement are intended to be severable, separate, and distinct from each other. If any provision hereof is determined to be invalid or for any reason becomes unenforceable, no other shall be thereby affected or impaired.

28. Entire Agreement

This Agreement, and the attached exhibits, constitutes the entire contract between the parties hereto, relating to the Project(s) and may not be modified except by an instrument in writing signed by the parties hereto.

Exhibit A

Tahoe Conservancy
Staff Recommendation
4-05-2
April 22, 2005

Soil Erosion Control Program Grants

REQUESTED ACTION: Authorization of grants for the implementation of eleven soil erosion control and watershed restoration projects involving planning, site improvements, and acquisition of various interests in real property.

LOCATION: Various project sites throughout the Tahoe Basin as shown in Exhibit 1.

FISCAL SUMMARY:

Erosion Control Site Improvement Costs:	\$2,935,000
Erosion Control Planning Costs:	\$2,670,000
Erosion Control Acquisition Costs:	<u>\$195,000</u>
Total:	\$5,800,000 from Proposition 50

RECOMMENDATION: Staff recommends that the Conservancy adopt the following resolution pursuant to Government Code Section 66905 et seq. and 66907.7:

"The California Tahoe Conservancy hereby authorizes staff to enter into standard agreements and take all other necessary steps, subject to the provisions and conditions discussed in the accompanying staff report, project synopses, and exhibits, in order to fund and implement the following grant projects:

1. To the County of El Dorado

A total of \$2,800,000 for planning, site improvements, and acquisition of various interests in real property for the Apalachee, Christmas Valley Phase II, Montgomery Estates II, and Angora III erosion control projects.

2. To the County of Placer

A total of \$2,100,000 for planning, site improvements, and acquisition of various interests in real property for the Tahoe Pines Phase I, Brockway, Homewood, and Upper Cutthroat erosion control projects.

3. To the City of South Lake Tahoe

A total of \$900,000 for planning for the East Pioneer Trail, Sierra Tract, and Bijou Area erosion control projects.

"The award of the site improvement and acquisition grants and disbursement of funds is conditioned upon a commitment, by resolution and through execution of standard agreements, by the individual grantees to undertake the projects in a manner consistent with the purposes and scopes of the grants, to monitor the effectiveness of the projects, and to manage and maintain the projects for the 20-year term of the grants."

"The award of the planning grants and the disbursement of funds is conditioned upon a commitment by the individual grantees, by resolution and through execution of the planning grant agreements, to undertake the planning efforts in a manner consistent with the purposes and scopes of the grants."

Staff further recommends that the Conservancy make the following concurrent finding based on the accompanying staff report pursuant to Public Resources Code Section 21000 et seq.:

"The California Tahoe Conservancy has considered the environmental impacts of the proposed Tahoe Pines Phase 1 Erosion Control Project as described in the attached Mitigated Negative Declaration and Initial Study for the Skyland Erosion Control Project adopted by the County of Placer, together with other information provided to the Conservancy, and finds that, with the proposed mitigation measures that have been incorporated into the project by the County, there is no substantial evidence that this project will have a significant effect on the environment."

STAFF DISCUSSION:

I. Introduction

On November 22, 1985, the Conservancy adopted program guidelines and criteria and authorized staff to take steps to initiate a soil erosion control grants program. In September 2000, the Conservancy adopted planning grant guidelines for this program. Since 1985, the Conservancy has approved grants totaling approximately \$75.3 million for 93 erosion control projects, including \$59.6 million for the construction of site improvements (\$6.2 million of this total in planning grants), and \$15.7 million for the acquisition of various interests in real property. In July 2004, the Conservancy adopted revised grant program guidelines and authorized staff to initiate the twentieth round of erosion control grants. A program announcement and guidelines were circulated among the eligible applicants initiating the 2004-2005 application process.

Under this round of the program, the eligible applicants include the County of El Dorado; the County of Placer; the City of South Lake Tahoe; and the three public utility districts (PUDs) operating on the California side of the Tahoe Basin, the Tahoe City Public Utility District (TCPUD), the North Tahoe Public Utility District (NTPUD) and the South Tahoe Public Utility District (STPUD). Although they are eligible applicants, no PUDs submitted applications this year.

A total of \$7,500,000 from the Conservancy's current year Proposition 50 local assistance appropriations for this program was made available for planning, acquisition and site improvements for this round of grants. From this \$7,500,000, the Conservancy allocated a total

of \$4,500,000 in jurisdictional allocations (60% of \$7,500,000) to El Dorado County, Placer County and the City of South Lake Tahoe. This amount was further allocated equally to each jurisdiction based on similar initial needs as defined by the Tahoe Regional Planning Agency's (TRPA) Environmental Improvement Program (EIP) for Lake Tahoe, as shown below:

El Dorado County	\$1,500,000
Placer County	1,500,000
<u>City of South Lake Tahoe</u>	<u>1,500,000</u>
Total jurisdictional allocation	\$4,500,000

These funds were allocated to the various jurisdictions provided that they submit applications for projects that meet program criteria. The remaining \$3,000,000 was retained by the Conservancy for award to the best qualifying applications on a discretionary and competitive basis.

All eligible jurisdictions were encouraged to submit applications for jurisdictional and discretionary planning, site improvement, and acquisition funds needed to implement erosion control projects. The program guidelines specify that the Conservancy will consider in its funding decisions the proposed projects' achievement of the following three objectives:

- the projects address high priority soil erosion control and water quality improvement needs. The grants program is intended to fund and implement projects in areas with critical problems and design projects that maximize, to the extent feasible, water quality benefits. The design objective can be achieved by the preferred design approach or by the use of other approaches that have been shown, by either qualitative or quantitative analysis, to have significant water quality benefit. In particular, projects should focus on preventing the mobilization of fine sediment and nutrients by erosion (source control), reducing surface water volumes (hydrologic design considerations), and removing fine sediment and nutrients from stormwater (treatment).
- the projects address soil erosion control needs effectively (i.e., through the implementation of thorough, comprehensive projects at the lowest necessary cost).
- the projects can be readily implemented.

In addition to these primary objectives, projects must be monitored to document effectiveness in reducing the discharge of sediment and other nutrients to the waters of the Lake Tahoe region. The program guidelines also encourage project monitoring plans that will provide meaningful information leading to improved future project designs. Finally, to the extent feasible, projects should also be compatible with other resource objectives such as forest health and wildlife habitat enhancement.

Conservancy staff continues to work to improve the overall soil erosion control program in the basin. The board's approvals of a planning grants component in September 2000, and the Preferred Design Approach in July 2001, were significant milestones in program development. Grant guidelines based on the Conservancy's Preferred Design Approach have been adopted by the U.S. Forest Service (USFS) and Nevada State Lands grant programs, and the Lahontan Regional Water Quality Control Board (LRWQCB) and TRPA staffs support the approach.

Conservancy staff play an active role in the Lake Tahoe Basin Storm Water Quality Improvement Committee (SWQIC). Since the establishment of the SWQIC in May 2002 by the Lake Tahoe Basin Executives, several project planning guidance documents have been produced for the development of water quality improvement projects basinwide. The Conservancy board and the Lake Tahoe Basin Executives have endorsed the concepts and principles of the following SWQIC documents:

- Project Delivery Process (PDP)
- Formulating and Evaluating Alternatives for Water Quality Improvement Projects (FEA)
- Interaction Protocol
- Conflict Resolution Process

Pursuant to the FEA process, applicants are requested to develop and analyze a variety of design alternatives to determine the best elements to include in a particular project. Consistent with the Preferred Design Approach, the alternatives should first consider source control measures, then runoff volume control measures, and finally, treatment systems.

II. Evaluation Process for Applications Received

As adopted by the board, the application review process involved a three-step procedure: field review, pre-application, and final application. First, a field review of potential project sites was conducted. In most cases, the field review was attended by representatives of the Conservancy, TRPA, LRWQCB, and the applicants. The purpose of the field review was to identify high priority projects and to obtain agency comments and concerns at an early stage in the application process so that pre-applications could address these concerns. In the case of projects that were previously funded and no significant changes to the design were proposed, the field review step was omitted.

The pre-applications provided more detailed information about the proposed projects identified during the field reviews (e.g., estimated costs, planning, and acquisition needs), but not as much detail as the final applications require. The pre-applications provided sufficient information to determine whether a project meets program requirements, objectives, and criteria. Additionally, it was determined from the pre-applications which projects within each jurisdiction would receive the strongest consideration for grants from the available funds. This step allows the applicants to save time and money by avoiding preparation of final grant applications for less competitive, lower priority projects.

During the preliminary application phase, the total funding requests submitted by the applicants were greater than the funds available for this funding cycle. Staff worked with the applicants to adjust their requests to match the potentially available funds. Priority was given to augmenting ongoing site improvement projects as explained in Section III. Planning grant requests were adjusted so that the total amount requested by all jurisdictions matched the potential amount of funds available. It is expected that grantees may need to apply for additional planning funds at a later date to complete all the necessary planning products for some of the projects.

In response to the adoption of TRPA's May 2001 update of the EIP and other factors, the Conservancy adopted, in July 2001, new guidelines for the soil erosion control grants program. Prior to July 2001, all site improvement projects were required to meet a minimum sediment reduction efficiency standard of 6.4 pounds of sediment retained per State dollar spent on site improvements. The new guidelines replaced the sediment reduction efficiency standard with the Preferred Design Approach and consistency with the objectives of the EIP as requirements for new erosion control projects in order to broaden the water quality objectives of the program. Since the Upper Cutthroat and Apalachee projects received Conservancy site improvement grants prior to July 2001, they are required to continue to meet the sediment reduction standard. Applicants have submitted calculations showing that each of these projects meets the standard. Additional information regarding sediment reduction efficiency is presented in the respective project synopses.

Evaluation of the final project applications involved a series of steps. First, staff reinspected the sites, in some cases accompanied by the applicant or with staff from TRPA and LRWQCB if these agencies had raised any concerns about the project. Second, copies of the project applications were transmitted to TRPA and LRWQCB and comments were solicited from them. Staff then re-evaluated each of the projects for consistency with the adopted grant program guidelines and criteria for consistency with TRPA's EIP. All of the projects recommended for funding are included in TRPA's May 2001 EIP update. Additionally, staff evaluated the proposed projects in terms of their priority for discretionary site improvement funds.

III. Summary of Recommendations

All of the final applications are for projects that are eligible for funding under this round of the erosion control grants program and the recommendations are consistent with the applications. Staff is recommending award of erosion control grants totaling \$5,800,000 (\$2,935,000 in site improvement grants, \$2,670,000 in planning grants, and \$195,000 in erosion control land acquisition grants) for 11 projects. It should be noted that the City of South Lake Tahoe has not yet approved the California Environmental Quality Act (CEQA) documentation for the Sierra Tract Phase 2 Erosion Control Project. It is anticipated that this documentation will be approved by the City Council prior to the board's May 20, 2005 meeting. Therefore, staff expects to present a recommendation at the May meeting for \$1,700,000 in site improvements for the Sierra Tract Phase 2 project.

At this time, staff is recommending a total of \$2,800,000 in site improvement, acquisition and planning funds for El Dorado County. A total of \$2,100,000 is recommended for Placer County in site improvement, acquisition, and planning funds. A total of \$900,000 in planning grants is recommended for the City of South Lake Tahoe. Of the 11 projects proposed for funding, three are site improvement proposals for the construction of water quality improvements or project monitoring, two involve land acquisition, and eight are for project planning. Of the planning grant requests, three are requests to initiate new planning projects and five are requests for augmentations to previous planning grants. These planning grants were phased because more detailed planning needs were to be identified as part of the scopes of the original grants. Planning funding helps to ensure a continuous flow of future site improvement projects. The funding recommendations presented at this meeting are summarized in Exhibit 2.

The prioritization of projects and the allocation of jurisdictional and discretionary funds reflect a number of considerations. The main factors which influenced the priorities for funding included are the ability to implement a project quickly, the cost-effectiveness and comprehensiveness of the project, the amount of planning and design work already completed, and the support of affected property owners. Other factors affecting project ranking include the proximity to Lake Tahoe or other bodies of water, the priority given to the project by other agencies and staff, the value of monitoring to improve the effectiveness of current and future projects, and the availability of funding from other sources. The highest priority projects in each jurisdiction are recommended for the allocated jurisdictional funds. Based on the applications received from all potential grantees, the remaining funding needs are compared, resulting in a funding priority ranking that is used as a basis for recommendations for discretionary funding.

The Tahoe Pines Phase I and Apalachee projects were given the highest priority for jurisdictional and discretionary funding because they involve funding of improvements that will have direct water quality benefits. The Tahoe Pines Phase I and Apalachee projects are also recommended for related acquisition grants. The augmentations of grants for ongoing planning projects (Brockway, Christmas Valley Phase II, Angora III, East Pioneer Trail and Sierra Tract) ranked next in priority after the site improvement projects because there has already been progress made in planning these projects and they are closer to implementation than the three projects proposed for initial planning funding (Homewood, Montgomery Estates II, and Bijou Area). The Upper Cutthroat grant request is for project monitoring. Since there will not be additional on-the-ground improvements as a result of Upper Cutthroat project monitoring, it is the lowest ranked project recommended for funding.

El Dorado County's Apalachee site improvement application is the highest priority funding proposal, and it requests monies above the allocated jurisdictional amount of \$1,500,000. The funding need for this project is met by first applying the jurisdictional allocation of \$1,500,000, then applying discretionary funding to meet the remaining need. Apalachee project design is near completion and it is the most readily implementable of the projects proposed for funding this year. The Tahoe Pines Phase I project is ranked next in priority because it is a site improvement project, but it is less far along in design than the Apalachee project. A total of \$1,000,000 in jurisdictional funding is recommended for the Tahoe Pines Phase I project. Of this amount, \$895,000 is recommended for site improvements and \$105,000 is for acquisitions. The remaining \$500,000 in available Placer County jurisdictional funding is recommended to augment planning funding for the Brockway project (\$400,000), which is currently in the early stages of planning, and to provide a portion (\$100,000) of the needed Homewood project funding, as further explained below. These two projects are ranked lower than Tahoe Pines Phase I because they are planning projects. Because of the aforementioned delay in CEQA documentation approval, at this time staff can only recommend granting \$900,000 to the City of South Lake Tahoe, all of which is jurisdictional funding. This funding is recommended for planning the East Pioneer Trail, Sierra Tract, and Bijou Area projects. Jurisdictional funding in the amount of \$600,000 will likely be recommended for the City's Sierra Tract Phase 2 site improvement project at the May 2005 board meeting. The above recommendations complete the allocation of jurisdictional funds.

The allocation of the \$3 million in discretionary funding is being recommended for six projects. The highest priority is the completion of site improvement funding (\$420,000 for site improvements and \$90,000 for acquisitions for the Apalachee project, and an anticipated

\$1,100,000 for the Sierra Tract Phase 2 project). Next in priority is the completion of planning funding. For El Dorado County, \$134,000 in discretionary funding is recommended for the Christmas Valley Phase II project and \$287,000 for the Angora III project in order to fully fund planning. The initiation of planning for new EIP erosion control projects is the next priority for funding. For El Dorado County, staff recommends applying \$369,000 in discretionary funding to begin planning the Montgomery Estates II project. Staff recommends initiating planning of the Homewood project in Placer County, with a recommended \$480,000 in discretionary funding to add to the \$100,000 in recommended jurisdictional funding, for a total of \$580,000 for this project. The final project recommended for funding this year is Upper Cutthroat. This project is ranked lower than the others because the funding is for monitoring only. However, since Placer County's Upper Cutthroat monitoring proposal is expected to quantitatively document the extent of water quality improvement, and to contribute to improved future project designs, it is recommended for \$120,000 in discretionary funding.

The recommended site improvement funding will treat approximately 4.4 miles of roadway with water quality improvements. More specifically, the improvements proposed for funding in this round of grants include a total of approximately 35,430 feet (6.7 miles) of curb and gutter; 6,010 feet (1.1 miles) of rock-lined and vegetated channels; 10,090 square feet of rock slope protection; 8,470 feet (1.6 miles) of stormdrain pipe; 225,520 square feet (5.18 acres) of revegetation; 11,230 square feet of porous pavement; eight water quality treatment and infiltration basins; and 125 sediment traps.

IV. Award of Site Improvement, Planning and Acquisition Funds for Project Applications Submitted by El Dorado County

A. Introduction - The Conservancy allocated a total of \$1,500,000 in jurisdictional funds for qualifying high priority erosion control projects submitted by El Dorado County.

El Dorado County submitted four final applications for consideration in this funding cycle. The projects are summarized briefly below and are discussed more fully in the attached project synopses.

B. Apalachee - The project is located in the Tahoe Paradise area on the south shore of Lake Tahoe, generally bounded by Pioneer Trail on the south and east, USFS lands on the north, and the Upper Truckee River on the west. The project area includes portions of the Tahoe Paradise and Rolling Woods Heights subdivisions. The primary problems to be addressed include erosion along steep cut banks and roadways that are heavily sanded in the winter for driver safety. These eroding cut banks and heavily sanded roads result in high sediment yields, which are conveyed to stream environment zones (SEZs) adjacent to the Upper Truckee River and Trout Creek.

Since May of 2000, the Conservancy has authorized a total of \$7,521,500 in site improvement and acquisition funding for Phases I, II, and III of the Apalachee project. This year, the County is requesting an additional \$1,920,000 for Phase II site improvements and \$90,000 for property acquisition for both Phase 1 and 2. Improvements covered by this year's funding request include approximately: 2,746 linear feet of vegetated channel, 22 sediment traps, 1,680 square feet of rock sediment traps, 543 linear feet of rock breast wall, 11,226 square feet of porous pavement, 23,148 linear feet of curb and gutter, two storm water treatment basins, seven flow spreading devices (coir log), 6,836 square feet of asphalt removal, 5,844 linear feet of storm drain pipe,

63 drop inlets, and other measures. Phase II of the project is scheduled for construction in 2005, with Phase III construction scheduled for 2006.

C. Christmas Valley Phase II - The Christmas Valley Phase II project will be implemented in two phases in order to accelerate design and construction. The Phase I project area extends from the southernmost region of Grass Lake Road to Highway 89, while Phase II extends from Grass Lake Road to Highway 50, and includes the subdivisions on both sides of Highway 89. The County has identified all existing problem areas for each sub-watershed within the Phase I project area (Grass Lake Road to Highway 89). Storm water runoff flows untreated through the project area into the Upper Truckee River and to Lake Tahoe. Cut slopes throughout the project area are in need of soils stabilization. Roads throughout the project area do not have curb and gutter or sediment trapping devices. Runoff from Highway 89 runs untreated through the project area and to the Upper Truckee River. The County is requesting an augmentation of this planning grant in the amount of \$134,000 to fund additional planning work associated with alternatives analysis leading to the selection of a preferred alternative. The County expects to apply for a site improvement grant in 2006, with construction scheduled to begin in 2007.

D. Angora III - The Angora III project begins where Angora Creek crosses Lake Tahoe Boulevard, and includes Mt. Rainier Drive and a portion of North Upper Truckee Road. The project area is generally bounded by Angora Creek to the north, Mt. Rainier Drive and Pyramid Circle to the west, North Upper Truckee Road to the south, and Mountain Meadow Drive and View Circle to the east. Stormwater runoff flows untreated through private and public parcels via a network of eroding channels and roadside ditches. Stormwater runoff from Lake Tahoe Boulevard discharges directly into Angora Creek within the project area. Cut slopes throughout the project area are in need of soils stabilization. Project area roads do not have curb and gutter or sediment traps. The County is requesting an augmentation to this planning grant in the amount of \$287,000 to fund additional planning work including alternatives analysis, leading to a the selection of a preferred alternative. The County expects to apply for a site improvement grant in 2006, with construction scheduled to begin in 2007.

E. Montgomery Estates II - The Montgomery Estates II project area is located both east and west of Pioneer Trail, and north and south of Cold Creek, within the Lake Christopher, Montgomery Estates, and Meadow Lakes subdivisions. Storm water runoff flows untreated through private and public parcels via a network of eroding cut slopes. Stormwater runoff from Montgomery Estates II discharges directly into Cold Creek within the project area. Cut slopes throughout the project area are in need of soils stabilization. The project has received USFS and TRPA funding for the initial stages of planning. The County is requesting a planning grant in the amount of \$369,000 to fund additional project planning work associated with alternatives analysis and development of a preferred alternative.

F. Recommended Award of Grants to El Dorado County - Based on review of the County's applications, staff finds that all four projects submitted meet the Conservancy's eligibility and evaluation criteria and qualify for funding.

Staff ranks the Apalachee project high in priority because it is a site improvement project that has received previous funding and will begin construction in 2005. Funding is necessary this year for site improvements to substantially complete design and construction of Phase II. Therefore, staff is recommending an award of \$1,920,000 for site improvements and \$90,000 for

acquisitions for the Apalachee project. In addition, staff is recommending an award of \$790,000 in planning funds for the Christmas Valley Phase II, Angora III, and Montgomery Estates II projects.

In summary, staff recommends that the Conservancy fund:

- (1) Site improvements and acquisitions for the Apalachee project in the amount of \$1,500,000 in jurisdictional funds and \$510,000 in discretionary funding for a total of \$2,010,000;
- (2) Planning for the Christmas Valley Phase II project in the amount of \$134,000 in discretionary funds;
- (3) Planning for the Angora III project in the amount of \$287,000 in discretionary funds; and
- (4) Planning for the Montgomery Estates II project in the amount of \$369,000 in discretionary funds.

V. Award of Site Improvement, Acquisition and Planning Funds for Project Applications Submitted by Placer County

A. Introduction - The Conservancy allocated a total of \$1,500,000 in jurisdictional funds for qualifying high priority erosion control projects submitted by Placer County. Placer County submitted final applications for four projects. The projects are summarized briefly below and are discussed more fully in the attached project synopses.

B. Tahoe Pines Phase 1 – The Tahoe Pines Phase 1 Erosion Control Project is located in the Skyland subdivision on the northwest shore of Lake Tahoe, approximately four miles south of Tahoe City. This subdivision is generally bounded by Leota Way to the northwest, Elizabeth Drive to the south, and Highway 89 to the east. The Skyland subdivision was developed with little regard for the cumulative water quality impacts of the development of steeply sloping land directly adjacent to Lake Tahoe. The unstable shoulders are hydrologically well-connected to the lake resulting in the discharge of sediment and nutrients to Lake Tahoe during moderate-to-large runoff events.

The County is using previously granted Conservancy and U.S. Forest Service funds totaling \$625,000 to plan comprehensive water quality improvements for the full Tahoe Pines Phase 1 project area (146 acres). To expedite detailed design and implementation of the first construction phase, County staff worked cooperatively with reviewing agencies to accelerate planning of Phase 1 of the project (30 acres). Planning for Phase 1 is now complete and the County is requesting \$895,000 in site improvement funding and \$105,000 in acquisition funding to complete construction plans, acquire needed property, and construct Phase 1 water quality improvements. Improvements proposed for funding include: three infiltration basins, four flow spreading areas, 17 sandtraps, 2,300 feet of rock-lined channel, 700 linear feet of storm drain pipe, 2,000 linear feet of curb and gutter, and about 1.2 acres of revegetation. Construction is planned for the summer of 2006.

C. Brockway - The Brockway Erosion Control Project is located on the north shore of Lake Tahoe near the California/Nevada state line and approximately 0.5 miles southeast of Kings

Beach. The project area is generally bounded on the north by a watershed boundary approximately 0.5 miles north of Highway 28, Speedboat Avenue to the west, the state line to the east, and the lake shoreline to the south. The developments in this area have steeply graded, narrow roads that carry a large amount of sediment-laden runoff from Highway 28, County roads, and private property directly to the lake. Planning water quality improvements for this project area is especially challenging due to the high flow volumes and scour velocities encountered, and the relative lack of relatively level open space available for stormwater detention and treatment purposes.

The Conservancy awarded a \$185,000 planning grant in 2000 and the U.S. Forest Service has provided \$200,000 for planning. The County has completed base mapping for project design and will complete their studies of existing conditions and develop alternatives for the project by early summer 2005. The \$400,000 recommended for this grant will enable the County to continue planning work, including completion of an existing conditions study and the development of project alternatives. The County expects to apply for a site improvement grant in 2006, with construction scheduled to begin in 2007.

D. Homewood - The Homewood Erosion Control Project is located on the west shore of Lake Tahoe, in Placer County just north of the Placer/ El Dorado County line. The project area is generally bounded by Fern Street to the north, Pine Ridge Road and McKinney Rubicon Springs Road to the south, Lagoon Road and Sacramento Avenue to the west, and Lake Tahoe to the east. Runoff in the area is generated by impervious residential development, including over ½ mile of unpaved public and private roadways. Stormwater typically flows down unstable earthen road shoulders and into man-made drainage systems and creeks that convey sediment and nutrients to Lake Tahoe, contributing to the reduction of clarity of the lake. The County is requesting \$580,000 to fund planning work, including the development of a workplan, an existing conditions study, alternatives development and analysis, environmental studies and CEQA documentation, and site improvement grant application preparation. The County expects to apply for a site improvement grant in 2007, with construction scheduled to begin in 2009.

E. Upper Cutthroat - This project is located on the north shore of Lake Tahoe in the northeasterly portion of Kings Beach, within the Brockway Vista residential subdivision. The Conservancy approved site improvement and acquisition grant funding for this erosion control project in 2000, 2002, and 2003. Construction was completed in 2004. The project is intended to maximize infiltration opportunities, eliminate erosion of existing road shoulders, and greatly reduce the volume of water leaving the project area. The County is requesting \$120,000 in monitoring funds to better understand the performance of specific infiltration features within the project area. Placer County and the Tahoe Research Group will install flow-monitoring equipment and conduct simulated storm events to measure rates of infiltration and discharge by various features in the project area. The study will evaluate how the specific infiltration features perform and will convey information to implementers throughout the Lake Tahoe Basin for the purpose of improving future stormwater management designs.

F. Recommended Award of Grants to Placer County - Based on review of the County's applications, staff finds that all projects submitted meet the Conservancy's eligibility and evaluation criteria and qualify for funding.

Staff has ranked the Tahoe Pines Phase 1 project as the highest priority project submitted by Placer County because it involves the construction of improvements in 2006 that will provide benefits in the near term. Staff is recommending \$895,000 in jurisdictional site improvement funding and \$105,000 in jurisdictional acquisition funding for the Tahoe Pines Phase 1 project. The remaining Placer County applications are for projects that are still in the planning stage. Of these planning grant requests, the Brockway project ranked highest in priority because the Conservancy has committed funds to this project, the County has made progress in planning, and the site is on very steep slopes directly above the lake. A grant of \$400,000 in jurisdictional planning funding is recommended for the Brockway project. Placer County's remaining jurisdictional funds were recommended for planning work on the Homewood project. Jurisdictional funding of \$100,000 and \$480,000 in discretionary funding is recommended for this project. Finally, \$120,000 in discretionary funding is recommended for the Upper Cutthroat project for monitoring to quantitatively evaluate infiltration rates associated with project improvements and to present the findings to implementers throughout the Lake Tahoe Basin.

In summary, staff recommends that the Conservancy fund:

- (1) Site improvements and acquisitions for the Tahoe Pines Phase 1 Erosion Control Project in the amount of \$1,000,000 in jurisdictional funds;
- (2) Planning for the Brockway Erosion Control Project in the amount of \$400,000 in jurisdictional funds;
- (3) Planning for the Homewood Erosion Control Project in the amount of \$100,000 in jurisdictional funds and \$480,000 in discretionary funds; and
- (4) Site improvements (monitoring) for the Upper Cutthroat Erosion Control Project in the amount of \$120,000 in discretionary funds.

VI. Award of Planning and Funds for Project Applications Submitted by the City of South Lake Tahoe

A. Introduction - The Conservancy allocated a total of \$1,500,000 in jurisdictional funds for qualifying high priority erosion control projects submitted by the City of South Lake Tahoe. The City submitted four final applications for consideration in this funding cycle. These projects are briefly summarized below and more fully described in the attached synopses.

B. Sierra Tract Phase 2 - The City of South Lake Tahoe has not yet approved the CEQA documentation for the Sierra Tract Phase 2 Erosion Control Project. It is anticipated that this documentation will be approved by the City Council prior to the board's May 20, 2005 meeting. Therefore, staff expects to present a recommendation at the May meeting for \$1,700,000 in site improvement for the Sierra Tract Phase 2 project. To provide a complete understanding of current and anticipated recommendations for the full \$7.5 million allocated for erosion control program funding, staff has included a brief project description below.

The Sierra Tract Phase 2 Erosion Control Project is located in the Sierra Tract subdivision in the City of South Lake Tahoe. The project area is roughly bounded by Trout Creek to the east, Reno Avenue to the west, Knox Avenue to the south, and Highway 50 to the north. Much of the

drainage from the project area flows uncontrolled through City rights-of-way, private property, and public parcels with much of it reaching the Trout Creek flood plain.

Previous planning grants funded the conceptual plan for the entire project area, environmental documents, project reports and construction plans for Phases 1 and 2. In 2004, an acquisition grant was awarded for the purchase of necessary property in project Phases 1 and 2. This site improvement grant will fund the construction of Phase 2 within the Sierra Tract project area. The project is scheduled to be constructed in 2005.

The City has requested a \$1,700,000 site improvement grant to construct Phase 2. The project design incorporates the Conservancy's Preferred Design Approach by prioritizing dispersing stormwater runoff to facilitate infiltration and treat remaining surface runoff prior to its discharge into waterways. In addition, parking barriers, such as boulders, will be placed in highly impacted areas along the road shoulders to minimize parking on dirt road shoulders. The soils in these protected road shoulders will be treated and revegetated to allow stormwater to be infiltrated adjacent to the road. Other treatments include capturing road sand, cinders, and sediment in sediment trapping devices near areas where the roads are sanded. The design will provide vegetation specifications for each unique soil, slope, and land use condition. Several water quality treatment basins and swales along roads are planned throughout the project area.

More specifically, the second phase of this project will use a variety of treatments, including: 3.1 acres of revegetation, 8,350 feet of curb and gutter, 1,930 feet of storm drain pipe, 960 feet of vegetated channels, 23 sediment trapping structures, and three stormwater treatment basins. The treatment facilities will be designed to remove the fine sediment and dissolved nutrient component of storm water runoff before it is discharged to the Trout Creek flood plain.

C. East Pioneer Trail - The East Pioneer Trail Erosion Control Project is located in the eastern portion of the City. The project is roughly bounded by Keller Road to the east (the Rocky Point project's most westerly project boundary), Al Tahoe Boulevard to the west, Lake Tahoe to the north and the upper portion of the watersheds to the south.

The Conservancy-awarded planning grants in 2000, 2003 and 2004 have funded the preliminary hydrology and outfall study, aerial topographical mapping for the entire project area, initial project planning and the work plan development. In addition, these grants have funded the watershed master plan consisting of compiling existing conditions information and organizing the data on a detailed base map. Furthermore, a preliminary hydrologic conditions analysis and a conceptual design have been developed for this large project area. The hydrologic conditions analysis and conceptual plan also includes identifying pollutant loads and sources, project outfalls and restoration opportunities, and potential constraints. In addition, a property database has been developed to assist in identifying potential property acquisitions for future erosion control projects and possible SEZ restoration opportunities.

The draft watershed master plan report has been submitted and reviewed by the technical advisory committee (TAC). One of the greatest constraints the study identified is that relatively clean water is mixing with heavily polluted water, causing the existing drainage and treatment facilities being overwhelmed, and thereby relatively ineffective in treating the polluted runoff.

In response to these findings, the TAC has directed the City's consultant to design the first

construction project in the area to specifically address the mixing of clean and polluted waters. The remaining funds from the 2004 planning grant and funds from this planning grant will be used to develop plans for this construction project.

D. Sierra Tract - The Sierra Tract Erosion Control Project is located in the Sierra Tract and Highland Woods subdivisions of the City of South Lake Tahoe. The project area is roughly bounded by the Upper Truckee River to the west, Sierra Boulevard to the east, Barbara Avenue to the south, and Highway 50 to the north. Although the project area is relatively flat, the natural drainage tends to flow uncontrollably through City rights-of-way, private property, and public parcels, with much of it reaching the Upper Truckee River. These flows spread out across streets and developed property, causing local flooding and depositing sediment. The effectiveness of facilities downstream, such as meadows and existing treatment basins, is limited since these facilities are overburdened by heavy loads of sediment and nutrients.

The City was awarded a \$284,694 planning grant in December 2000 to begin the development of the conceptual project plans, including an opportunities and constraints analysis for the entire project area. The \$363,000 grant augmentation awarded in 2003 funded a portion of the project-wide conceptual plan and provided initial funds for the construction plans for the first phase of implementation. In 2004, the planning grant augmentation of \$600,000 funded the completion of the design for Phase 1 and funded a portion of the design costs for Phase 2. In addition, in 2004 an acquisition grant of \$454,000 was awarded to fund the acquisition of easements or fee title for properties that have been identified as necessary for implementation of Phases 1 and 2.

The City is requesting a \$300,000 planning grant to initiate the planning of Phase 3. The previous planning grants funded the conceptual plan for the entire project area, environmental documents, project reports and construction plans for Phases 1 and 2. This planning grant augmentation will initiate the development of plans, specifications, an environmental document and a project report for the third phase of construction within the Sierra Tract project area. The acquisition funds remaining from Phases 1 and 2 will be applied to acquire necessary easements or fee title for properties that are necessary for implementation of Phase 3. The City may request additional funds for acquisition needs in the future. A consultant will be hired this spring to develop design plans for Phase 3 and the project is scheduled for construction in 2007.

E. Bijou Area- The Bijou Area Erosion Control and Water Quality Improvement Project is located in the eastern portion of the City. The project is roughly bounded by Herbert Avenue to the east, Al Tahoe Boulevard to the west, and extends from the ridgeline of the Heavenly Valley Ski Resort to Lake Tahoe. The upper portion of the project area is impacted by uncontrolled stormwater runoff flowing through City rights-of-way, private property, and public parcels. The loose granite soil typical of this upper portion of the project area shows a high potential for erosion and contributes large sediment loads to the lower portions of the watershed.

The lower portion of the project area, typically north of Pioneer Trail, is composed of high-density development and exhibits most of the problems that impact water quality in this watershed. The encroachment of past development into SEZ areas has reduced the potential for treatment of storm water through these natural systems. One area of primary concern is the area of developed parcels along the US Highway 50 commercial corridor that are typically 100% impervious to storm water infiltration do not appear to have any water quality treatment facilities.

The City is requesting a \$200,000 planning grant to initiate the planning of the second project within the East Pioneer Trail Watershed Master Plan area. This project is a model because it is the City's first project to be prioritized through a watershed-scale master planning study. The proposed planning grant will provide funds for pre-acquisition activities and the development of construction plans for the project. The City will investigate opportunities for SEZ restoration and enhancement to create a comprehensive water quality improvement project.

F. Recommended Award of Grants to the City of South Lake Tahoe - Based on a review of the City's applications, staff believes that all the projects meet the Conservancy's eligibility and evaluation criteria and qualify for funding consideration. In staff's opinion, the Sierra Tract Phase 2 project is the highest priority of the City's projects because these funds will provide for actual construction of on the ground improvements. However, as noted above, the recommendation to authorize funding of Phase 2 is not included in this staff report. Staff anticipates recommending board authorization of funding for Phase 2 at the May board meeting after the city has completed its environmental review process. The Sierra Tract, East Pioneer Trail, and Bijou Area projects are next in rank because these projects are in various planning stages. Of these planning projects, the East Pioneer Trail project is ranked the highest because preliminary design work is complete and the project is scheduled to be constructed in 2006. The Sierra Tract project is ranked next because the USFS has allocated erosion control grant funds and because it is further along in the planning process than the Bijou Area project.

In summary, staff recommends that the Conservancy fund:

- (1) Planning for the East Pioneer Trail Erosion Control Project in the amount of \$200,000 in jurisdictional funds;
- (2) Planning for the Sierra Tract Phase 3 Erosion Control Project in the amount of \$300,000 in jurisdictional funds; and
- (3) Planning for the Bijou Area Erosion Control and Water Quality Improvement Project in the amount of \$400,000 in jurisdictional funds.

VII. Implementation of the Grants

If the staff recommendation is approved, implementation of the projects will be governed by standard grant agreements entered into by the Conservancy and the individual grantees. As in recent agreements, the new grants will provide for advances of up to 90% for design, administration, and construction, subject to meeting certain requirements. In addition, where appropriate, all site improvement and land acquisition projects within a jurisdiction will be governed by a single grant agreement for each type of activity rather than separate agreements for each individual project. This approach gives the Conservancy and grantees flexibility to transfer funds between projects, upon board notification, to meet funding needs identified in the final design, permit and bid stages of a project. Staff must approve such transfers and each project must retain sufficient funding to meet all program requirements such as sediment reduction efficiencies.

Site improvement grants must be executed by the end of this fiscal year (June 30, 2005) pursuant to program deadlines. Additionally, it should be noted that the lists of parcels and the project budgets and schedules in the project synopses are preliminary. Final project design may alter the need for the acquisition of particular parcels or the allocation of funds between major budget items. However, such changes will not exceed the total amount awarded in the grant. Any remaining funds in site improvement projects will be used, if necessary, to extend improvements to adjoining areas, or upon board notification, applied to another project included in the same grant.

Pursuant to a previous board action, staff is providing notice of its intent to issue licenses for the use of a number of Conservancy parcels for erosion control improvements.

Due to the fact that current projects are funded with Proposition 50 funds, certain requirements associated with these bond funds will be incorporated into the grant agreements where applicable. Specifically, grantees must provide separate accounting for advanced funds and interest earned; use interest on advanced funds for project purposes; and return unused advance funds within 60 days of project completion. Other requirements include annual audits and annual reports to the Legislature on bond-funded project status; disclosure of all project funding sources; restrictions on the transfer and sale of property, including reimbursements of the amount of the grant or the sale proceeds in certain situations; Conservancy approval of the transfer of bond-funded land acquisitions. Property acquired with bond funds cannot be returned to the State without the approval of the Conservancy. Recently a staff was directed by the Secretary of Resources to have grantees catalog deliverables produced under Proposition 50. Other State approvals may also be required.

EXHIBIT 1

SOIL EROSION CONTROL PROJECTS FISCAL YEAR 2004/2005

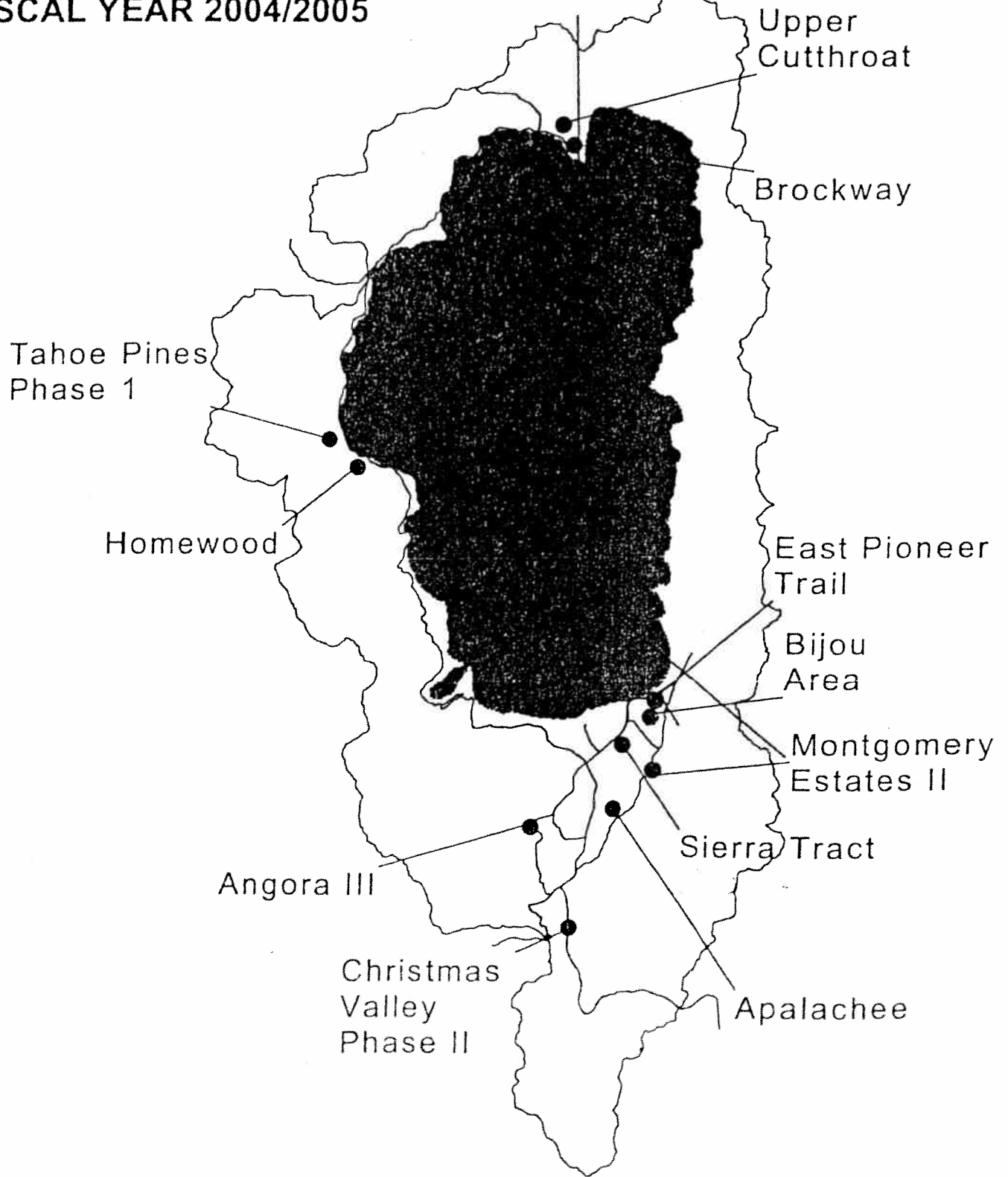


EXHIBIT 2
SUMMARY OF EROSION CONTROL FUNDING RECOMMENDATIONS FOR
FISCAL YEAR 2004/2005

	Grant Type	Jurisdictional ¹	Discretionary ²	Total
Placer County				
Tahoe Pines Phase 1	Site Improvement	\$895,000	\$0	\$895,000
Tahoe Pines Phase 1	Acquisition	\$105,000	\$0	\$105,000
Brockway	Planning	\$400,000	\$0	\$400,000
Homewood	Planning	\$100,000	\$480,000	\$580,000
Upper Cutthroat	Site Improvement	\$0	\$120,000	\$120,000
	Subtotals:	\$1,500,000	\$600,000	\$2,100,000
El Dorado County				
Apalachee	Site Improvement	\$1,500,000	\$420,000	\$1,920,000
Apalachee	Acquisition	\$0	\$90,000	\$90,000
Christmas Valley Phase II	Planning	\$0	\$134,000	\$134,000
Angora III	Planning	\$0	\$287,000	\$287,000
Montgomery Estates II	Planning	\$0	\$369,000	\$369,000
	Subtotals:	\$1,500,000	\$1,300,000	\$2,800,000
City of South Lake Tahoe				
Sierra Tract	Planning	\$300,000	\$0	\$300,000
East Pioneer Trail	Planning	\$200,000	\$0	\$200,000
Bijou Area	Planning	\$400,000	\$0	\$400,000
Sierra Tract Phase 2 ³	Site Improvement	\$0	\$0	\$0
	Subtotals:	\$900,000	\$0	\$900,000
	Grand Totals:	\$3,900,000	\$1,900,000	\$5,800,000

¹ Each jurisdiction receives \$1,500,000 in allocated funds. The highest priority projects in each jurisdiction are recommended for the allocated jurisdictional funds.

² Discretionary funds are distributed based on a number of factors including the an ability to implement a project quickly, the cost-effectiveness and comprehensiveness of the project, the amount of planning and design work already completed, the significance of the problem to be addressed, and the support of affected property owners. Other factors affecting project ranking include the proximity to Lake Tahoe or other bodies of water, the priority given to the project by other agencies and staff, the value of monitoring to improve the effectiveness of current and future projects, and the availability of funding from other sources.

³The City of South Lake Tahoe has not yet approved the CEQA documentation for the Sierra Tract Phase 2 Erosion Control Project. It is anticipated that this documentation will be approved by the City Council prior to the board's May 20, 2005 Board meeting, at which time staff will present the board with a recommendation for \$1,700,000 in site improvement funding for the Sierra Tract Phase 2. If the Sierra Tract Phase 2 grant is recommended in May, the total amount recommended for funding will total the amount allocated by the board in July 2004 for the 2005 erosion Control Grants Program (\$7.5 million).

MONTGOMERY ESTATES II
EROSION CONTROL PROJECT
PLANNING GRANT

PROJECT SYNOPSIS
April 22, 2005

APPLICANT:

El Dorado County

LOCATION:

The Project includes El Dorado County road rights-of-way east of Pioneer Trail and both north and south of Cold Creek within the Lake Christopher, the Montgomery Estates at Lake Christopher Unit Nos. 1 and 2, the Montgomery Estates Unit Nos. 4 and, and Meadow Lakes Unit 1 subdivisions. Exhibit 1 shows the project location.

ESTIMATED TOTAL PROJECT PLANNING COST: \$ 825,031

AMOUNT REQUESTED FROM CONSERVANCY:

Planning: \$ 369,000

AMOUNT RECOMMENDED:

Planning: \$ 369,000

OTHER FUNDING SOURCES:

Tahoe Regional Planning Agency (TRPA) Water Quality Funds: \$ 231,796

United States Forest Service (USFS) Grant: \$ 224,235

PROJECT BACKGROUND:

The Montgomery Estates II project encompasses three areas as depicted on Exhibit 2. In the late 1980s and early 1990s, the County constructed some erosion control improvements in these areas. These improvements primarily related to revegetation of cut slopes and stabilization of drainageways in severely eroding areas. The currently proposed project will address all the areas in these subdivisions which were not treated in the previous projects. It will also apply the Conservancy's Preferred Design Approach (PDA) so that the greatest water quality benefit can be achieved.

In 1988, the County constructed erosion control improvements along Cold Creek Trail and Del Norte Street, closed and revegetated Ravine Street, and revegetated slopes on Del Norte Street, Fortune Way, and Cold Creek Trail. In 1990, additional revegetation work was done in the

Del Norte area, along with the installation of erosion control improvements in the drainageways between Alice Lane and Viking Way and between Del Norte and Fortune Way. In 2001, a drainageway between Lupine Trail and High Meadows Court was stabilized by the installation of a culvert to protect the adjacent property owners from errant flows.

The Montgomery Estates II Project is project #701 in TRPA's Environmental Improvement Project (EIP) list. The 1988/1990 construction efforts were stabilization projects and did not address the 20-year, 1-hour treatment/infiltration requirements or the PDA. Erosion control and water quality improvements in the remaining subdivision streets in the project area have not been included in previous projects. Therefore, the County will complete an assessment for the entire Montgomery Estates area to determine what additional improvements need to be constructed at the previous project areas for compliance, and for all remaining areas that have not been improved.

The Plateau Circle subdivision was included in the project area for this project since the subdivision impacts Trout Creek and Cold Creek.

This planning grant request includes the project evaluation process described in the Storm Water Quality Improvement Committee (SWQIC) guidelines for erosion control projects in the Lake Tahoe Basin.

PROJECT DESCRIPTION:

The goal of the project is to improve water quality in Lake Tahoe by reducing erosion and sediment originating in the Montgomery Estates II project area.

The project design process will follow the Conservancy's PDA as further detailed in the SWQIC process.

The objective of the project is to treat runoff to improve water quality by:

- Treating runoff before it reaches Cold Creek and Trout Creek
- Stabilizing eroding cut slopes
- Stabilizing roadside ditches
- Capturing road sand and cinders to prevent discharge to receiving waters

The County and their consultant will develop a monitoring plan to evaluate the achievement of the project objectives. At a minimum, the County will complete photo documentation to evaluate the effectiveness of the proposed improvements.

As planning and design progress, the County may discover additional problem areas with corresponding opportunities for improvements and/or alternative design approaches to those listed above. Exhibit 2 depicts the project areas as currently established. Exhibit 3 shows the total estimated planning budget, and the planning budget for each phase of the project.

Since this project is in the initial planning stages, costs listed in Exhibit 3 are estimates and subject to change. Costs are estimated based on previous project planning costs.

PROJECT SCHEDULE:

Exhibit 4 shows an estimated schedule for the planning and implementation of this project.

CONSISTENCY WITH EVALUATION CRITERIA:

Significant and Documentable Benefit to Lake Tahoe Water Quality

TRPA's Water Quality Management Plan for the Lake Tahoe Region was prepared pursuant to the requirements of Section 208 of the Federal Clean Water Act and is often referred to as the "208 Plan". The 208 Plan is a key document guiding water quality management in the Tahoe Basin. TRPA's EIP complements and updates the Capital Improvements Program of the 208 Plan. The Montgomery Estates II Erosion Control Project is listed in TRPA's EIP as Project # 701.

The 208 Plan states that management practices necessary to control the problems associated with streets, roads, and highways should be geared toward infiltration of runoff; revegetation of denuded areas; and stabilization of unstable drainages, slopes, and shoulders. Without proper stabilization these areas are potential sediment sources that can affect Lake Tahoe. According to the 208 Plan, street and road networks, in combination with existing development, represent a large source of elevated sediment and nutrient loads that the lake is currently receiving. Studies in other parts of the country indicate that best management practices (BMPs) can reduce yields of suspended sediment from small urbanized areas by 80 to 100 percent, and yields of phosphorus and nitrogen by 40 to 80 percent. The long-term decline in lake clarity has long been associated with increased algal productivity. Studies by the Tahoe Research Group (TRG) indicate that the lake is now phosphorus-limited; adding phosphorus to the lake increases algal productivity more than other nutrients, like nitrogen. Algal growth is particularly responsive to the combination of nutrients, trace elements, and natural organic compounds released by the erosion of Tahoe watersheds. Since phosphorus adheres to sediment, it often enters Lake Tahoe attached to sediment contained in surface runoff, particularly fine sediment. Recent TRG studies also indicate that very fine inorganic particles may significantly contribute to the reduced clarity of the lake. Conservancy projects work to control waterborne nutrient and fine sediment inputs to tributaries and the lake by reducing and preventing erosion, reducing runoff volume generated, and treating storm water to remove pollutants.

As explained below, the Montgomery Estates II Erosion Control Project is expected to reduce erosion from slopes and channels in the subdivisions, reduce peak flows into adjacent Trout Creek and Cold Creek, and capture road runoff for treatment before it reaches these tributaries that flow to Lake Tahoe. This project will complement the erosion control work already completed in the Montgomery Estates and Meadow Lakes subdivisions. Installation of storm drain pipe and paved swales reduces erosion by providing a non-erodible surface to carry runoff and helps control the path the storm runoff takes. Drainage improvements, such as rock-lined channels, reduce erosion by decreasing the velocity of runoff and by protecting underlying soils. Revegetation of road shoulders reduces erosion by physically stabilizing soil. Sediment traps and infiltration and treatment basins help remove sediment and nutrients from storm runoff. The infiltration and treatment improvements also may reduce the peak flows and slow the delivery of storm runoff to the treatment basins within the project area. Site improvements from this project

will contribute to the goal of completing the EIP and bringing all County roads into compliance with the 208 Plan's goal of completing all Best Management Practices on County roads by 2008.

Comprehensiveness

This project will be the second phase of efforts within the Montgomery Estates subdivisions and is another project in an ongoing series being implemented by the County, the USFS, and the City of South Lake Tahoe (CSLT) within the Cold Creek and Trout Creek watersheds. Therefore, this project will complement other restoration and erosion control projects within the watershed, including the Pioneer Trail III Erosion Control Project (County), Trout Creek Stream Restoration Project (CSLT), and Cold Creek Stream Restoration and Erosion Control Project (CSLT).

Cost-Effectiveness

The outcome of this planning grant is expected to be an implementation grant application which is comprehensive and includes design plans and cost estimates with a significant level of detail. This planning process is expected to greatly improve the cost-effectiveness and implementability of this project, as the process will identify potential project barriers early in the design process (SWQIC PDP and Formulating and Evaluating Alternatives [FEA]). For example, in the past, difficulties in getting concurrence on easement and full acquisitions, design standards, and permit issues have delayed projects and increased costs. This planning grant will allow El Dorado County to identify and pursue acquisitions, design standards, and permit conditions early in the design process. This process will also allow the grantee to avoid design changes late in the process due to property owners having concerns or other issues.

The County and its consultant will utilize, where appropriate, the SWQIC FEA and PDP processes, consistent with the Conservancy erosion control grant guidelines.

The cost of planning for this project is comparable to previous similar projects implemented in the Lake Tahoe Basin. In addition, the County has received matching funding from TRPA and USFS for this phase of the project.

Implementability

During the early part of FY 2004-2005, the County retained a consulting firm to assist with planning and engineering related to implementing the FEA process. This will allow County staff to focus on other projects such as the Apalachee Erosion Control Project and allow the County's consultant to focus on the planning efforts for this project without requiring additional staff for management. Therefore, staff believes that, with assistance from the consultant, this project can be implemented in accordance with the proposed schedule shown in Exhibit 4.

As previously stated, this project is part of EIP Project # 701, and has a high priority ranking from by TRPA.

Cooperation and Support

Staff from TRPA, the Lahontan Regional Water Quality Control Board (LRWQCB), and the USFS have participated in the discussions and field reviews of this project for several years and

have supported the project with funding and technical assistance. TRPA has provided \$231,796 from its Water Quality Mitigation Fund, which was approved at the May 2003 TRPA board meeting. TRPA will also provide technical assistance throughout the PDP. The USFS has provided \$224,235 for planning efforts and will provide technical review of the National Environmental Policy Act (NEPA) environmental documents. The USFS will also provide the County with any necessary special use permits and approvals to construct the project upon its land. The LRWQCB will provide technical assistance throughout the PDP.

Compliance with the California Environmental Quality Act (CEQA)

Pursuant to State CEQA Guidelines (Title 14, California Administrative Code Section 15000 et seq.), certain classes of activities are statutorily exempt from CEQA or are exempt because they have been determined by the Secretary for Resources not to have a significant effect on the environment. Pursuant to Public Resources Code Section 21082, the Conservancy has also adopted regulations (Title 14, California Code Section 21082 et seq.) to implement, interpret and make specific the provisions of CEQA. Staff has evaluated this planning project, and has found it to be exempt under CEQA. This project qualifies for an exemption under Sections 15306 and 12102.6 (information collection) and Section 15262 (planning and feasibility studies). A Notice of Exemption has been drafted by staff (Exhibit 5). If the project is approved by the board, staff will file the Notice of Exemption with the State Clearinghouse pursuant to Section 15062 of the State CEQA Guidelines.

RECOMMENDATION:

Staff recommends approval of a grant of \$369,000 for planning for the Montgomery Estates II Erosion Control Project because it is included in the EIP and is expected to result in a significant benefit to Lake Tahoe water quality.

Exhibit 1

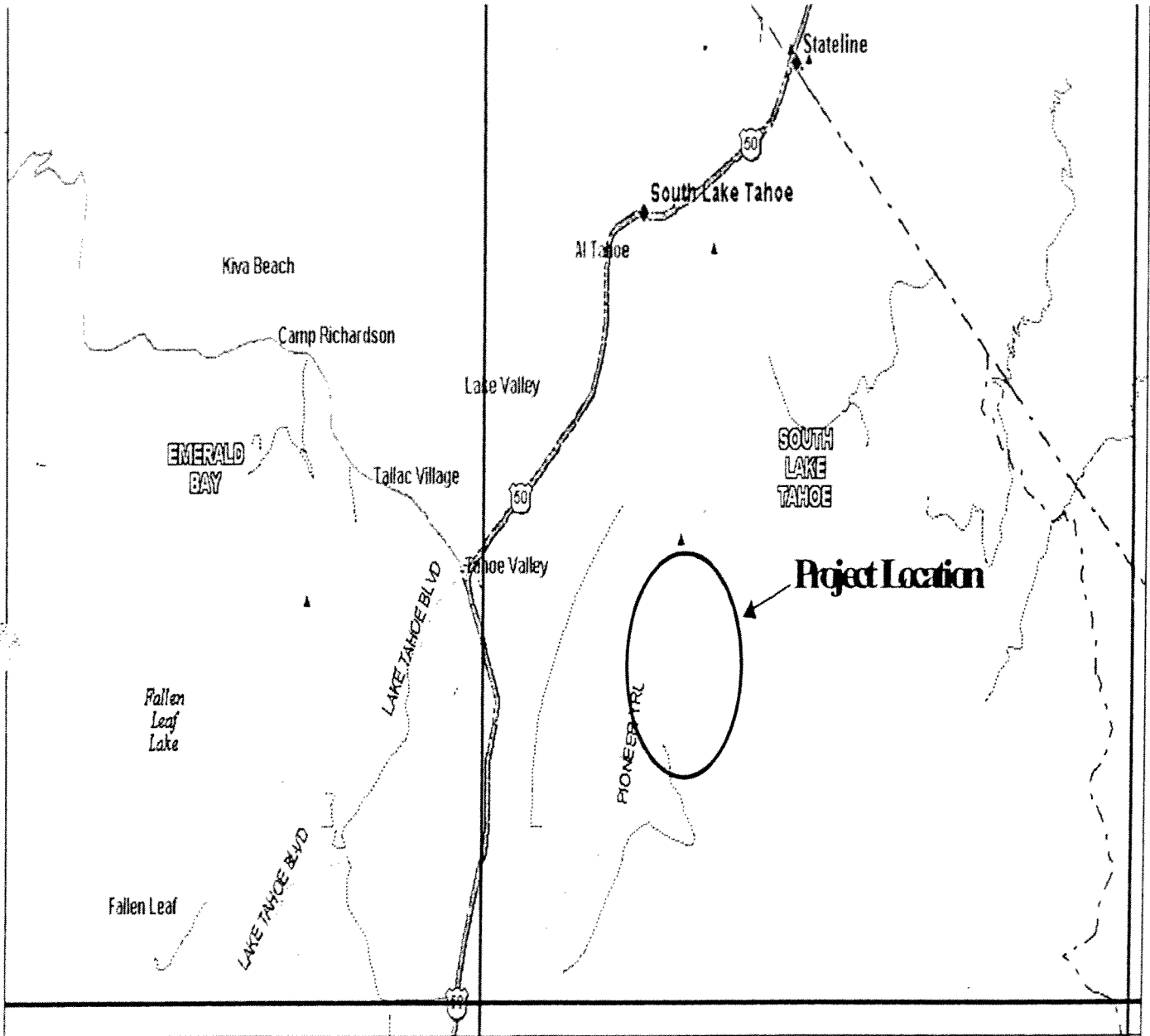
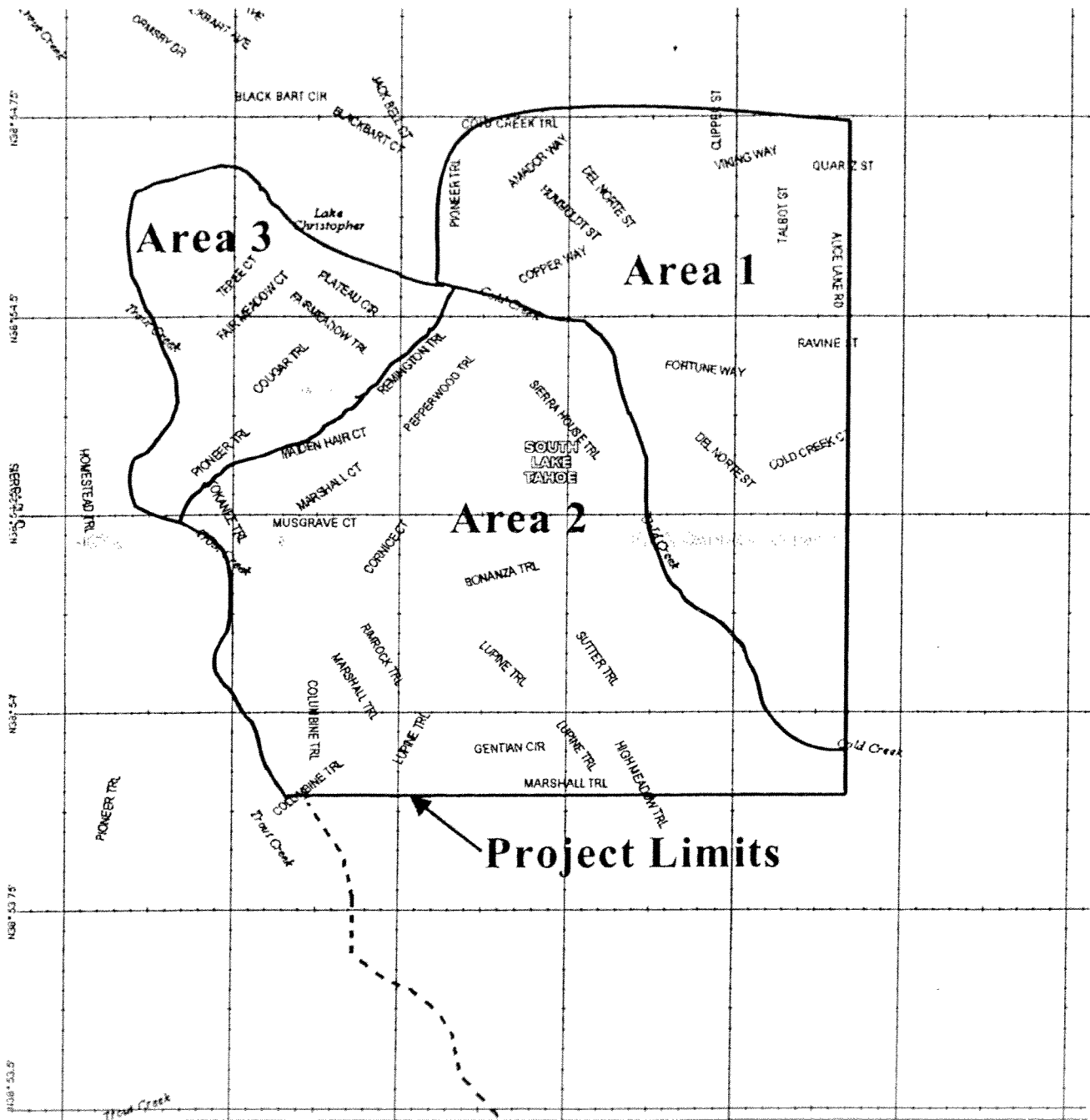


Exhibit 2



The Montgomery Estates Erosion Control Project is split into three areas.

- **Area 1** has a northern limit at Cold Creek Trail and extends south to Cold Creek. The western limit of Area 1 includes Pioneer Trail.
- **Area 2** has a northern limit of Cold Creek and extends south to Marshall Trail. The western limit of Area 2 includes Pioneer Trail heading south-west to Trout Creek. Trout Creek then becomes the western limit of Area 2.
- **Area 3** has a northern limit at Lake Christopher and extends south to Trout Creek. The western limit includes Plateau Circle and extends east to Pioneer Trail.

Exhibit 3. Estimated Project Planning Budget

Task	Estimated Budget
Design and Administration (D&A)	\$ 751,101
Pre-Acquisition	\$ 56,061
Monitoring	\$ 17,838
Total	\$ 825,000

Estimated Budget by Planning Phase and Funding Source

Task	Estimated Budget	TRPA 2004	USFS 2004	CTC FY 04-05
Scoping Phase (Project Areas 1-3)	\$ 450,965	\$ 200,000	\$ 200,000	\$ 50,965
FEA Phase (Project Area 1)	\$ 193,110	\$ 31,796	\$ 24,235	\$ 137,079
Environmental Phase (Project Area 1)	\$ 107,026	\$ 0	\$ 0	\$ 107,026
Pre-Acquisition Work Phase 1 (Project Areas 1-3)	\$ 56,061	\$ 0	\$ 0	\$ 56,061
Monitoring Scoping	\$ 17,838	\$ 0	\$ 0	\$ 17,869
Total	\$ 825,000	\$ 231,796	\$ 224,235	\$ 369,000

Exhibit 4. Estimated Schedule

Estimated Phase Completion

Estimated Date

Scoping (Project Areas 1-3)	May 2005
FEA process	Nov 2005
Environmental Documentation and ROW Analysis (Area 1)	Dec 2005
Preliminary Plans, Specifications, & Engineering Drawings (Area 1)	Apr 2006
Implementation (Area 1)	Oct 2006*

* This stage will be funded under a future grant

Exhibit 5

NOTICE OF EXEMPTION

TO: Office of Planning and Research
1400 -10th Street, Room 121
Sacramento, CA 95814

FROM: California Tahoe Conservancy
2161 Lake Tahoe Boulevard
South Lake Tahoe, CA 96150

Project Title

Planning Grant for the development of the Montgomery Estates II Erosion Control Project

Project Location - Specific

The project area includes El Dorado County road rights-of-way east and west of Pioneer Trail and both north and south of Cold Creek within the Lake Christopher, the Montgomery Estates, and the Meadow Lakes subdivisions.

Project Location - El Dorado County

Description of Nature, Purpose and Beneficiaries of Project

The granting of funding to assist in the planning of a project which will treat runoff before it discharges into Cold Creek and Trout Creek.

Name of Public Agency Approving Project

California Tahoe Conservancy
(Conservancy meeting of April 22, 2005, Agenda Item VIII a.4.)

Name of Person or Agency Carrying Out Project

El Dorado County Department of Transportation

Exempt Status:

Ministerial (Sec. 15073)

Declared Emergency (Sec. 15071 (a))

Emergency Project (Sec. 15071 (b) and (c))

Categorical Exemption. Class 6, Section 15306; (Also Title 14, Division 5.3, Sections 12102.6) And under Section 15262 (planning and feasibility studies)

Reasons Why Project is Exempt:

Action involves information collection and planning of a water quality improvement project.

Contact Person	Area Code	Telephone	Extension
Stephen Bachman	(530)	542-5560	331

Date Received for Filing:

Steve Goldman
Project Manager

EXHIBIT B

EL DORADO COUNTY

Project: Montgomery Estates II Planning Grant

PROJECT SCHEDULE:

Phase	Estimated Completion Date
Planning	
Scoping (Project Areas 1-3)	May 2005
FEA process	Nov 2005
Environmental Documentation and ROW Analysis (Area 1)	Dec 2005
Implementation	
Plans Specifications & Engineering Drawings (Area 1)	Apr 2006
Implementation (Area 1)	Oct 2006

Total Estimated Planning Budget Summary

Task	Estimated Budget
Design and Administration (D&A)	\$ 751,101
Pre-Acquisition	\$ 56,061
Monitoring	\$ 17,838
Total	\$ 825,000

Total Project Planning Phase Estimated Budget

Task	Estimated Budget	TRPA 2004	USFS 2004	CTC FY 04-05
D&A Phase 1 – Scoping Phase (Project Areas 1-3)	\$ 450,965	\$ 200,000	\$ 200,000	\$ 50,965
D&A Phase 2 – FEA Phase (Project Area 1)	\$ 193,110	\$ 31,796	\$ 24,235	\$ 137,079
D&A Phase 3 – Environmental Phase (Project Area 1)	\$ 107,026	\$ 0	\$ 0	\$ 107,026
Pre-Acquisition Phase 1 – Scoping Phase 1 (Project Areas 1-3)	\$ 56,061	\$ 0	\$ 0	\$ 56,061
Monitoring Phase 1 – Scoping Phase (Project Areas 1-3)	\$ 17,838	\$ 0	\$ 0	\$ 17,869
Total	\$ 825,000	\$ 231,796	\$ 224,235	\$ 369,000

Exhibit C

List of Assurances
(For Planning Work)

By entering into the foregoing Agreement the applicant assures and certifies that it will comply with Conservancy regulations, policies, guidelines, conditions, and requirements, in existence on the effective date of this Agreement, as they relate to the acceptance and use of Conservancy funds for the Project(s). Also, the applicant gives assurance and certifies with respect to the grant that:

1. It possesses legal authority to apply for and receive the grant funds; that where appropriate, a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
2. Except as otherwise provided by law, it will give the Conservancy, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the grant.
3. It will ensure that any publications, studies, reports, or brochures which are made possible by or derived in whole or in part from this project shall acknowledge the assistance of the Conservancy as follows: "Funding for this project has been provided in part by the California Tahoe Conservancy".
4. It will cause planning work on the Project(s) to be commenced within a reasonable time after receipt of notification from the Conservancy, and will complete the work with reasonable diligence.
5. It will comply with the applicable requirements of the California Environmental Quality Act.

Exhibit D

REQUEST FOR DISBURSEMENT

Remit to: Grantee Address

Date:
Billing Period: xxxxxx

Project: PCXXXX - XXXXXXXXXXXXXXXXXXXXXXX

Grant/Invoice No. CTA-XXXXX.X RCxxx

	Budget Amount	Revised Budget	Total Prev. Billed	Balance Last Period	Current Billing	Balance Available
Project Design and Administration				-		-
Proj. Design & Admin - Advance Funds				-		-
Construction				-		-
Construction - Advance Funds				-		-
Monitoring				-		-
Contingency				-		-
Total:	-	-	-	-	-	-

Billing Summary

Invoice #	Actual Expenses	Advance funds	Retention	Amount Requested	Payment
RC123				-	
RC124				-	
RC124				-	
RCXXX subtotal				-	

Invoice RCxxx requested amount

Signature _____
Title
Authorized Project Coordinator

EXHIBIT E

1. INSURANCE

PUBLIC WORKS CONSTRUCTION

GENERAL INSURANCE REQUIREMENTS: The Contractor shall provide proof of a policy of insurance satisfactory to the El Dorado County Risk Manager and documentation evidencing that the Contractor maintains insurance that meets the following requirements:

1. Full Workers' Compensation and Employers' Liability Insurance covering all employees of the Contractor as required by law in the State of California.
2. Commercial General Liability Insurance of not less than Two Million Dollars (\$2,000,000) combined single limit per occurrence for bodily injury and property damage, including but not limited to endorsements for the following coverage: Premises, personal injury, operations, products and completed operations, blanket contractual, and independent contractors liability.
3. Automobile Liability Insurance of not less than One Million Dollars (\$1,000,000) is required in the event motor vehicles are used by the Contractor in performance of the contract.
4. In the event Contractor is a licensed professional and is performing professional services under this contract, professional liability is required with a limit of liability of not less than One Million Dollars (\$1,000,000).
5. Explosion, Collapse and Underground coverage (XCU) is required

PROOF OF INSURANCE REQUIREMENTS:

1. Contractor shall furnish proof of coverage satisfactory to the El Dorado County Risk Manager as evidence that the insurance required herein is being maintained. The insurance will be issued by an insurance company acceptable to the Risk Manager, or be provided through partial or total self-insurance likewise acceptable to the Risk Manager.
2. The County of El Dorado, its officers, officials, employees, and volunteers, and the State of California, California Tahoe Conservancy (CTC) its officers, officials, employees, and volunteers are included as additional insureds, but only insofar as

the operations under this Agreement are concerned. This provision shall apply to all liability policies except Workers' Compensation and professional liability insurance policies. Proof that the County and CTC are named additional insureds shall be made by providing the Risk Manager with a certified copy, or other acceptable evidence, of an endorsement to Contractor's insurance policy naming the County and CTC additional insureds.

3. In the event Contractor cannot provide an occurrence policy, Contractor shall provide insurance covering claims made as a result of performance of this Contract for not less than three (3) years following completion of performance of this Agreement.
4. Any deductibles or self-insured retentions must be declared to and approved by the County. At the option of the County, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to the County, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

INSURANCE NOTIFICATION REQUIREMENTS:

1. The insurance required herein shall provide that no cancellation or material change in any policy shall become effective except upon thirty (30) days prior written notice to the County of El Dorado at the office of the Department of Transportation, 2850 Fairlane Court, Placerville, CA 95667.
2. Contractor agrees that the insurance required herein shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires at any time or times during the term of this contract, Contractor shall immediately provide a new certificate of insurance as evidence of the required insurance coverage. In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, County may, in addition to any other remedies it may have, terminate the Contract upon the occurrence of such event. New certificates of insurance are subject to the approval of the Risk Manager.

ADDITIONAL STANDARDS: Certificate shall meet such additional standards as may be determined by the contracting County Department either independently or in consultation with the Risk Manager, as essential for protection of the County.

COMMENCEMENT OF PERFORMANCE: Contractor shall not commence performance of this Agreement unless and until compliance with each and every requirement of the insurance provisions is achieved.

MATERIAL BREACH: Failure of Contractor to maintain the insurance required herein, or to comply with any of the requirements of the insurance provisions, shall constitute a material breach of the entire Agreement.

REPORTING PROVISIONS: Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the County, its officers, officials, employees or volunteers, or CTC, its officers, officials, employees or volunteers.

PRIMARY COVERAGE: The Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

PREMIUM PAYMENTS: The insurance companies shall have no recourse against the County of El Dorado or CTC, its officers, agents, employees, or any of them for payment of any premiums or assessments under any policy issued by any insurance company.

CONTRACTOR'S OBLIGATIONS: Contractor's indemnity and other obligations shall not be limited by the insurance required herein and shall survive the expiration of this Agreement.

GOVERNING PRECEDENCE: To the extent that this Section, "Public Works Construction-General Insurance Requirements," is inconsistent with 7-1.12, "Indemnification and Insurance," of the State of California, Department of Transportation, Caltrans, Standard Specifications, July 2002, this Article shall govern; otherwise each and every provision of such Section 7-1.12 shall be applicable to this Agreement.

PROFESSIONAL SERVICES/CONSULTANT

Consultant shall provide proof of a policy of insurance satisfactory to the El Dorado County Risk Manager and documentation evidencing that Consultant maintains insurance that meets the following requirements:

- A. Full Workers' Compensation and Employers' Liability Insurance covering all employees of Consultant as required by law in the State of California.
- B. Commercial General Liability Insurance of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage.

- C. Automobile liability insurance of not less than \$500,000 is required in the event motor vehicles are used by the Consultant in performance of the contract.
- D. In the event Consultant is a licensed professional, and is performing professional services under this contract, professional liability (for example, malpractice insurance) is required with a limit of liability not less than \$1,000,000.
- E. Consultant shall furnish a certificate of insurance satisfactory to the El Dorado County Risk Manager as evidence that the insurance required above is being maintained.
- F. The insurance will be issued by an insurance company acceptable to the Risk Management Division, or be provided through partial or total self-insurance likewise acceptable to the Risk Management Division.
- G. Consultant agrees that the insurance required above shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires at any time or times during the term of this contract, Consultant shall immediately provide a new certificate of insurance as evidence of required insurance coverage. In the event Consultant fails to keep in effect at all times insurance coverage as herein provided, County may, in addition to any other remedies it may have, terminate the contract upon the occurrence of such event. New certificates of insurance are subject to the approval of the Risk Manager, and Consultant agrees that no work or services shall be performed prior to the giving of such approval.
- H. The certificate of insurance must include the following provisions stating that:
 - a. The insurer will not cancel the insured's coverage without 30 day prior written notice to the County; and
 - b. The County of El Dorado, its officers, officials, employees, and volunteers, and the State of California, California Tahoe Conservancy (CTC) its officers, officials, employees, and volunteers are included as additional insureds, but only insofar as the operations under this contract are concerned. This provision shall apply to all liability policies except workers' compensation and professional liability insurance policies.

- I. The Consultant's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
- J. Any deductibles or self-insured retentions must be declared to and approved by the County. At the option of the County, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the County, its officers, officials, employees, and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- K. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the County, its officers, officials, employees or volunteers or CTC, its officers, officials, employees or volunteers.
- L. The insurance companies shall have no recourse against the County of El Dorado or CTC, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by any insurance company.
- M. Contractor's obligations shall not be limited by the foregoing insurance requirements and shall survive the expiration of this Agreement.
- N. In the event contractor cannot provide an occurrence policy, Consultant shall provide insurance covering claims made as a result of performance of this contract for not less than three years following completion of performance of this Agreement.
- O. The certificate of insurance shall meet such additional standards as may be determined by the contracting County Department either independently or in consultation with the Risk Management Division, as essential for protection of the County.

2. INDEMNITY

PUBLIC WORKS CONSTRUCTION

To the fullest extent allowed by law, the Contractor shall defend, indemnify, and hold the County and the California Tahoe Conservancy (CTC) harmless against and from any and all claims, suits, losses, demands, and liability for damages, including attorney's fees and other costs of defense brought for or on account of

injuries to or death of any person, including but not limited to, workers and the public, or on account of injuries to or death of County or CTC employees, or damage to property, or any economic consequential or special damages which are claimed or which shall in any way arise out of or be connected with Contractor's services, operations or performance hereunder, regardless of the existence or degree of fault or negligence on the part of the County, CTC, the Contractor, subcontractors or employee of any of these, except active or sole negligence, or willful misconduct of the County, CTC, its officers and employees, where expressly prohibited by statute.

The duty to indemnify and hold harmless the County and CTC specifically includes the duties to defend set forth in Section 2778 of the Civil Code.

The insurance obligations of the Contractor are separate, independent obligations under the Contract Documents, and the provisions of this defense and indemnity are not intended to modify, nor should they be construed as modifying or in any way limiting, the insurance obligations set forth in the Contract Documents.

Exhibit F
SIGN GUIDELINES
(Proposition 50)

Authority:

All projects funded by the "The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002" (**2002 Clean Water Act**) must include a posted sign acknowledging the source of the funds following guidelines developed by the Resources Agency.

Purpose:

To inform the public that the 2002 Bond Acts that they voted for are providing public benefits throughout the State and that their Bond dollars are at work and helping make California a better place to live. This message will reinforce the need for additional funding for similar projects.

Universal Logo:

All signs will contain a universal logo that will be equated with the 2002 Bond Act statewide. The logo will be on a template, available through the internet (www.resources.ca.gov)

Tier I and Tier II:

For the purpose of the sign guidelines only, all projects are divided into Tier I and Tier II projects:

Tier I: Projects using less than \$750,000 of Bond Act Funds.

Tier II: Projects using more than \$750,000 of Bond Act Funds and/or projects situated in areas of high public visibility. (such as near a freeway intersection).

(Archaeological sites are excluded)

Minimum Requirements: Tier I

The universal logo must be mounted in an area to maximize visibility and durability. The logo must be a minimum of 2'x2'. There is no maximum size. Exceptions are permitted in the case of trails, historical sites and other areas where these dimensions may not be appreciate. The logo must be posted no later than project completion.

A larger sign that includes the logo, other wording and acknowledgements may be posted. There is no maximum number of signs.

Minimum Requirements: Tier II

Two signs are required per project, one during construction and one upon completion.

Sign while under construction:

The sign will use a white background and will contain the logo and the following language:

(Description of Project)

**Another project to improve California's water quality
(watersheds, environment, etc.) funded by the 2002
Clean Water Bond –**

Arnold Schwarzenegger, Governor

Recommended size of signs while under construction: minimum of 4.5'x 7.5'.

Project completion Sign

Upon completion of all Tier II projects, a sign will be posted that includes the Bond Logo. The logo on the sign must be a minimum of 2'x 2' and include the following wording:

(Description of Projects)

**Another project to improve California water quality
(watersheds, environment, etc.) funded by the 2002
Clean Water Bond – (in large font)**

**Optional Language: The Water Security, Clean Drinking Water, Coastal
and Beach Protection Act of 2002**

Director of State Department

Mike Chrisman, Secretary for Resources

Arnold Schwarzenegger, Governor

The name of the director of the logo agency or other governing body may also be added. The sign may also include the names (and/or logos) of other partners, organizations, individuals and elected representatives as deemed appropriate by those involved in the project.

Sign Construction:

All material used shall be durable and able to resist the elements and graffiti. State Parks and Cal Trans standards can be used as a guide for gauge of metal, quality of points used, mounting specifications, etc.

Sign Duration:

The goal is to have project signs in place for a lengthy period of time, preferably a minimum of 2 years for Tier I project signs and 4 years minimum for Tier II projects signs.

Sign Cost:

The cost of the sign(s) is an eligible project cost. Application should consider potential replacement cost as well. More durable signage encouraged; e.g. bronze memorials mounted in stone at trailheads, on refurbished historical monuments and buildings etc.

Appropriateness of Signs:

For projects where the required sign may be out of place (such as some refurbished cultural and historic monuments and buildings), the project officer/grants administrator in consultation with the application may authorize a sign that is tasteful and appropriate to the project in question. Alternate signage must be immediately recognized as a clean Water Bond sign.

Sign on State Highways:

Signs placed within the state highway right-of-way may require a Caltrans encroachment permit. Contact your local Caltrans District Office early in the planning phases for more information.

EXHIBIT G

Eligible Project Costs for Planning and Site Improvement Grants

Eligible costs - The Conservancy will fund up to 100% of eligible project costs for planning and site improvements.

The following types of costs are eligible for funding under the planning grant program:

- work-plan preparation;
- completion of approved work-plan products;
- public meeting costs;
- project design, administration, and interagency coordination;
- pre-construction water quality monitoring;
- preparation of preliminary plans, specifications and cost estimates;
- grant application preparation;
- pre-acquisition activities related to the acquisition of interests in land;
- project evaluation and environmental documentation; and
- preparation and processing of permit applications.

The Conservancy will fund all eligible project costs incurred after board approval (consistent with the terms of the grant agreement) and Conservancy staff approval of the grantee's work-plan. Advance payments or reimbursement for expenses will not begin until Conservancy staff approval of the grantee's work-plan. The work-plan will identify the specific work products (conceptual plans, environmental documents, surveys etc.) to be developed during the planning process and their delivery dates. Written approval from the Conservancy is required for any major changes to the approved work-plan.

The following types of costs are eligible for funding under the site improvement grants program:

- project administration and interagency coordination;
- preparation and processing of permit applications;
- water quality monitoring;
- preparation of contract documents including final plans, specifications and cost estimates;
- construction of erosion control and restoration measures and re-vegetation of disturbed areas;
- project inspection;
- final planning activities for acquisition of interests in land; and
- project evaluation and documentation.