

# EXHIBIT C

## ANGORA FIRE INTERAGENCY EMERGENCY RESPONSE BUDGET CHANGE PROPOSAL

### I. Summary

The California Tahoe Conservancy (Conservancy), California Department of Parks and Recreation (DPR), State Water Resources Control Board (Water Board), and Tahoe Regional Planning Agency (TRPA) (the Collaborating Agencies) collaboratively request a total of \$3,711,000 and 2.0 personnel years (PY) as deficiency authorizations to their 2007-08 fiscal year budgets. This will, consistent with the Governor's recent Executive Order S-09-07, provide necessary funding to the Collaborating Agencies for their efforts to respond to the human and resource impacts of the recent Angora Fire, to protect Lake Tahoe's extraordinary water quality from runoff this winter, and to accelerate fuel reduction activities on State lands to reduce the threat of future wildfire in the Tahoe Basin.

The request is focused on immediate, high priority activities that should be in place well before the next budget year. It includes \$1,231,000 in one-time costs, and \$2,480,000 and 2.0 PY that should be funded in the current year as deficiency authorizations and should also be continued in future fiscal years as baseline adjustments.

This request will allow the Collaborating Agencies to:

- Provide staff to launch a joint two-year planning and permitting effort between TRPA and El Dorado County to expedite rebuilding by private landowners affected by the Angora Fire;
- Complete clean up and restoration activities needed to protect the soils, restore the forest habitat and other resource values of the area, and protect Lake Tahoe's water quality;
- Support the activities of the Governor's Tahoe Basin Fire Commission;
- Provide the State's cost share for monitoring the effectiveness of Angora Fire rehabilitation efforts; and
- Accelerate fuel reduction and associated permitting activities on State lands throughout the Tahoe Basin.

**Governor's Executive Order:** This proposal supports the objectives of the Governor's Executive Order S-09-07, which directs the state agencies to work with federal and local agencies to "cooperate fully and act expeditiously...to facilitate the mitigation of the effects of the fire and environmental restoration of the Tahoe Basin." The Executive Order also directs the State agencies to "accelerate the compliance process to expedite fuel load reduction on public and private lands in the Lake Tahoe Basin." This request is essential to fulfill these mandates.

More specifically, the request includes the following elements:

3110—Special Resources Programs, Tahoe Regional Planning Agency	\$614,000, one-time		Joint planning/permitting effort with El Dorado County
3125—California Tahoe Conservancy	\$125,000, one-time		Support of the Tahoe Basin Fire Commission
	\$2,000,000, deficiency authorization and baseline adjustment	1.0 PY	Accelerate Conservancy fuels reduction efforts
3790—Department of Parks and Recreation	\$92,000, one-time		Fire rehabilitation, Washoe Meadows State Park
	\$380,000, deficiency authorization and baseline adjustment		Accelerate DPR fuels reduction efforts
3940—State Water Resources Control Board	\$400,000, one-time		Monitoring of fire effects and recovery effectiveness
	\$100,000, deficiency authorization and baseline adjustment	1.0 PY	Enhanced fuel reduction permit processing
	<b>\$3,711,000 total</b>	<b>2.0 PY</b>	<b>Total Deficiency Authorization Requested</b>
	(\$1,231,000)		(one-time costs)
	(\$2,480,000)	(2.0 PY)	(baseline adjustments)

## II. Background

A. The Angora Fire -- Between June 24-July 2, 2007, the Angora Fire burned approximately 3,100 acres of forested and subdivided lands in the Lake Tahoe Basin near the community of Meyers and the City of South Lake Tahoe. The fire destroyed 242 homes and 67 other structures and damaged an additional 35 homes. While the majority of the fire was located on U.S. Forest Service (USFS) land, the Conservancy and DPR own approximately 120 acres within the burned area, including about 175 urban parcels and portions of Washoe Meadows State Park, that were also severely damaged. This damage to the watershed has the potential to significantly impact the local economy as well as water quality and other important forest resources.

B. Debris Removal/Rebuilding Efforts – On June 25, 2007, the Governor issued a proclamation of a state emergency, which cleared the way for the removal of debris and provided State funding to cover the costs of fighting the fire and repairing damaged infrastructure. The County of El Dorado, the California Integrated Waste Management Board (CIWMB), and the Governor’s Office of Emergency Services entered into a Memorandum of Understanding (MOU) for CIWMB to manage structural debris removal. The debris removal effort has been a remarkable success. As of August 20, 259 out of 260 damaged residences have been registered for the removal effort, which is scheduled to be complete by September 1, 2007. Additional resources will be needed, however, for TRPA and the Lahontan Regional Water Quality Control Board to expedite reviews of building applications, permits, and inspections as part of the rebuilding effort.

C. Hazard Reduction and Restoration Efforts – The Collaborating Agencies have worked with the Federal and local agencies to develop an Angora Fire Multi-Agency Watershed Restoration Plan. The primary purpose of the Plan is to stabilize the burn area to prevent damage to life and property, and to minimize flooding and runoff to the surrounding neighborhoods and Lake Tahoe. It is critical that restorative measures be in place prior to the 2007-08 winter season. Soils will be mulched and seeded, road drainages will be improved, hazard trees will be removed, and noxious weeds will be treated. Over \$9.1 million has been made available for fire recovery efforts under this Plan, including over \$3.3 million in State funds, over \$6.2 million in Federal funds, and \$375,000 from El Dorado County. State contributions include nearly \$1.4 million that was redirected from the Conservancy’s Watershed Restoration Program, over \$800,000 from the Department of Forestry and Fire Protection, and over \$1.1 million from the Office of Emergency Services, as shown below. Additional funding needs for this component of the State’s response to the Angora Fire include \$92,000 for restorative work by DPR, and \$400,000 for the Water Board to act as a match to \$1.2 million in Army Corps funding for monitoring the impacts of the fire damage and the effectiveness of the restoration activities.

Multi-Agency Angora Fire Recovery Effort Funding Received/Committed:

State Funding:

California Tahoe Conservancy .....	\$1,389,691
California Department of Forestry and Fire Protection .....	\$840,000
California Office of Emergency Services .....	\$1,125,000

Federal Funding:

U.S Army Corps of Engineers (fire recovery) .....	\$1,500,000
U.S Army Corps of Engineers (monitoring of recovery efforts) .....	\$1,200,000
Natural Resources Conservation Service .....	\$350,000
USDA Forest Service (BAER) .....	\$2,903,210
USDA Forest Service Hazard Tree Effort .....	\$290,000

Local Funding:  
 El Dorado County .....\$375,000

Total Interagency Fire Recovery Effort Funding Received/Committed..\$9,172,901

Multi-Agency Angora Fire Recovery, Remaining Funding Needs:

State Funding:  
 California Department of Parks and Recreation .....\$ 92,000  
 State Water Resources Control Board .....\$400,000

Total Remaining Fire Recovery Funding Needed **\$492,000**

D. Basin-Wide Fuel Reduction Efforts -- Reducing the risk of catastrophic wildfire has been a top priority and is of critical importance in the Tahoe Basin. The Basin’s forests are severely overstocked with small trees, brush, and other materials that pose an extreme fire hazard, which threatens the economy of the Basin and jeopardizes the Lake’s famed water clarity. This same threat poses a significant risk to the State’s and others’ investment in projects completed as part of the Environmental Improvement Program (EIP) and to the health and safety of local residents and visitors.

To address this growing threat, the Federal, State, and local agencies have developed a basin-wide Draft Fuels Management Plan. The Plan has identified projects that would treat nearly 50,000 acres of Federal, State, local, and private lands over the next ten years in the Lake Tahoe Basin, including about 40,000 acres on Forest Service land, over 5,000 acres on State lands, and over 4,000 acres on local government and private lands. The Plan has broad-based support in the Tahoe Basin, particularly because stakeholders recognize the threat of catastrophic wildfire to the region’s economy and to the ongoing billion-dollar investment in improving the Lake’s clarity and protecting the environment.

To meet the treatment schedules for Federal lands, the USFS has significantly increased funding in recent years, including over \$10 million in each of the last two years from the Southern Nevada Public Lands Management Act (SNPLMA). An additional \$12 million has been recommended for funding this year as part of a new Federal program authorized last year. This will result in annual Federal appropriations of over \$20 million to the Tahoe Basin.

State funding levels, by contrast, have not kept pace with the growing recognition of the critical importance of fuels management in the Tahoe Basin. For example, the Tahoe Conservancy’s budget provides funds to treat only about 200 acres per year of the roughly 3,000 acres needing treatment on a regular basis. Following the Angora Fire, the Conservancy has been inundated with requests for fuels treatments on its properties by local fire districts and neighboring residents. At existing funding levels, however, it will take seven to eight years to complete initial treatments on these properties, and many more years to conduct regular maintenance activities. During these periods these lands will be at high risk to fire.

E. California-Nevada Tahoe Basin Fire Commission – On June 25, 2007, Governor Schwarzenegger and Nevada Governor Gibbons signed an agreement establishing the California-Nevada Tahoe Basin Fire Commission in response to the Angora Fire. The Commission will review all regional, state, and federal fire rules and regulations with the goal of reducing the region's fire vulnerability, and make recommendations to help ensure that regulations and policies preserve Lake Tahoe's environment while protecting local homes and business owners. The Commission's first meeting is scheduled for September 10, and they will submit their final recommendations by March 21, 2008.

### **III. Proposed Budget Request**

The requested \$3,711,000 would be allocated as follows:

A. Tahoe Regional Planning Agency – TRPA is requesting \$614,000 in one-time funds for a joint, two-year planning and permitting effort with El Dorado County to expedite rebuilding by private landowners affected by the Angora Fire.

The request will fund a contract under which the County will provide the equivalent of five planning positions over the 07-08 and 08-09 building seasons. It will also fund a planner position at TRPA. These positions will deal exclusively with reviewing development applications and issuing permits for the rebuilding of homes and structures destroyed or damaged by the Angora Fire. The planning positions will be dedicated specifically to records and data research, application review and permit writing to assist homeowners and business owners to begin rebuilding their homes or businesses in an efficient and expeditious manner. The contract plan checkers will be utilized to review final plans submitted to meet the conditions of the permits and allow homeowners to rebuild their homes as quickly as reasonably possible. The inspector positions will be available throughout the process as pre-grade inspections are requested, Best Management Practices (BMP) installation is required, and building inspections become necessary. El Dorado County will provide clerical positions and office space to support the residential rebuilding facilitation team building.

It should be noted that El Dorado County is making a significant effort to expedite permitting for the reconstruction of damaged and destroyed homes. More specifically, the County will:

1. Waive building permit fees for fire victims. The County estimates >\$1,000,000 in lost revenue.
2. Increase its budget allocation for contract plan review and site assessment to handle the expected increase in activity resulting from the fire. Current estimate is \$150,000 (final dollars to be determined).
3. Establish various options for expedited review (e.g., allowing use of post 7/1/99 building plans with minor updates; allowing separate, early submittal of foundation/site plans for early inspection with remaining submittals deferred).

4. Provide each affected property owner with documentation of County/TRPA permit records, coverage, and plan availability (this research and notification is being done in advance of submittal of any permit applications; it will involve approximately 1,500 hours of staff time at various billing rates; assuming an estimated average salary of \$30/hr. equals approximately \$45,000).
5. Cover overtime and lodging/travel/mileage expenses for staff temporarily assigned to assist in the Tahoe Office (estimate \$5,000 to \$10,000).
6. Train additional staff to assist with TRPA reviews (estimate \$10,000).
7. Reassign staff from west slope activities to the Tahoe Office to assist in reconstruction project review/inspection (cost to backfill with additional staff/contract support \$50,000 to \$100,000).

El Dorado County costs are assumed to be spread across two 6-month construction seasons in 07-08 and 08-09 for a total of 12-months.

**One-Time Costs**

One County Principal Planner for 12 months	\$110,000
One Contract County Building Plan Checker for 12 mos. (300 plan checks @ 6 hours each @ \$120/hr.)	\$216,000
One County Senior Building Inspector for 12 months	\$98,000
One TRPA Senior Planner (24 months total)	\$190,000

**Funding Request Summary**

Subtotal TRPA one-time costs	\$614,000
<b>Total TRPA Funding Proposal</b>	<b>\$614,000</b>

**TRPA Request: \$614,000 in one-time costs**

**TRPA contact: Lynn Barnett, (775) 588-4547, ext. 239 [lbarnett@trpa.org](mailto:lbarnett@trpa.org)**

**B. California Tahoe Conservancy** – The Conservancy is requesting \$125,000 in one-time costs for administrative and technical support of the Tahoe Basin Fire Commission. It is also requesting a deficiency authorization of \$2,000,000 (including 1.0 PY) for the 07-08 fiscal year to allow the Conservancy to accelerate fuel reduction efforts on Conservancy-owned land. The latter authorization should be continued in future years as a baseline adjustment. Additional detail is provided below.

The Conservancy will be providing staff support and resources to the Fire Commission. Under the agreement signed by the Governor, the Commission will:

- Perform a comprehensive review of the laws, policies, and practices that affect the Tahoe Basin’s fire prevention and fuel management.
- Evaluate the efficacy of wildlife suppression and fuel management practices employed in the Tahoe Basin.
- Recommend improvements that will reduce the area’s vulnerability to wildfires while protecting the environment.

- Recommend ways to effectively educate homeowners and the public about appropriate fuel-reduction and fire-protection measures.

The requested \$125,000 in one-time funds will provide administrative support for Commission activities, and funds for technical experts and subcommittees to develop and draft recommendations in each of these areas.

As described above, the Conservancy is being inundated with requests for fuels treatments on its property by neighboring residents and the local fire districts. The requested \$2 million increase for fuels reduction would enable the Conservancy to double its capability to implement fuels treatments from about 200 to about 400 acres per year. This acceleration would reduce the period that untreated land would be at risk to significant damage from a catastrophic wildfire. To provide adequate fire protection, these lands should be treated about every 6-7 years, particularly on urban lots that make up the vast majority of the Conservancy’s holdings; this request would provide funds to immediately treat the highest priority areas, and to ramp up the Conservancy’s treatments to about once every ten years.

**Conservancy Request Details**

**One-Time Costs**

Administrative and Technical Support for the California-Nevada Tahoe Basin Fire Commission	\$125,000
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**Deficiency Authorization and Baseline Adjustment**

Accelerate Conservancy Fuels Reduction Efforts	\$2,000,000
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**Funding Request Summary**

Subtotal, Tahoe Conservancy one-time costs	\$125,000
Subtotal, Tahoe Conservancy deficiency authorization and baseline adjustment	\$2,000,000
<b>Total Conservancy Funding Proposal</b>	<b>\$2,125,000</b>

***Conservancy Request: \$125,000 in one-time funds; and \$2,000,000 and 1.0 PY deficiency authorization and baseline increase.***

***Funding Source: General Fund***

Conservancy Contact: Richard Robinson (530) 543-6064    rrobinson@tahoecons.ca.gov

**C. Department of Parks and Recreation** – DPR is requesting \$92,000 in one-time costs to address fire rehabilitation needs on 17 acres in Washoe Meadows State Park burned by the Angora Fire and for rehabilitation of land adjacent to the fire. This adjacent area was impacted by fire suppression and law enforcement traffic.

DPR is also requesting a deficiency authorization and baseline increase of \$380,000 for increased fuel reductions efforts within Tahoe Basin State Parks.

DPR Request Details

**One Time Costs**

<b>Fire Rehabilitation Budget- Washoe Meadows State Park</b>	<b>\$92,000</b>
Fire Damage Reconnaissance of park	\$1,000
Tree removal on 17 acres	\$60,000
Fence and gate repair	\$20,000
Grading of Roads	\$5,000
Restoring fire lines	\$1,000
Follow-up weed inventory and eradication	\$5,000

**Deficiency Authorization and Baseline Adjustment**

Accelerate DPR Fuels Reduction Efforts	\$380,000
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**Funding Request Summary**

Subtotal, DPR one-time costs	\$92,000
Subtotal, DPR deficiency authorization and baseline adjustment	\$380,000
<b>Total DPR Funding Proposal</b>	<b>\$472,000</b>

The above costs include staff and crew time, tools, materials, transportation, and administration.

***DPR Request: \$92,000 in one-time costs; \$380,000 deficiency authorization and baseline increase.***

DPR Contact: Ken Anderson (530) 525-9535 kande@parks.ca.gov

**D. State Water Resources Control Board** – The Water Board is requesting a total of \$500,000, including \$400,000 in one-time costs to provide monitoring to assist with evaluating the effectiveness of Angora Fire rehabilitation efforts; and a deficiency authorization and baseline increase of \$100,000 and 1.0 PY to address increased workload for permitting of fuels reduction projects. The Lahontan Regional Water Quality Control Board (LRWQCB) will carry out these activities.

1. Monitoring - Within this proposal the Water Board is requesting \$400,000 in matching funds (one-time) to provide monitoring activities to evaluate the effectiveness of Angora Fire rehabilitation efforts and potential impacts on basin resources. These funds would be matched by \$1,200,000 in funds provided by the U.S. Army Corps of Engineers.

The monitoring effort would be focused on air quality, upland soils and erosion control effectiveness, stream geomorphology, water quality, and biological resources. Generally, the monitoring efforts rely on a combination of existing (before fire) data and analyses, new field and laboratory efforts to collect data during (in the case of air quality and water quality) or after the fire, and new analyses to answer the specific questions. In some cases (e.g., air quality and biological resources) reference conditions are also determined to better assess fire effects.



The recommended monitoring efforts are proposed, in all cases, for completion by academic scientists and/or technical consultants with agency oversight. This approach should provide the most expedient way to initiate the monitoring activities. This approach also allows the funding agencies greater flexibility to adjust monitoring efforts as new information warrants. Cost estimates were prepared based on this approach.

The work involved in this proposed monitoring effort would be carried out as a fully integrated set of activities. This will require active and ongoing communication and coordination. It is assumed that an existing Federal and an existing State program manager will be jointly assigned to administer the program of work described here. The budget detailed in the following table includes funding for a full-time project manager, who will be essential to ensuring the ongoing success of this monitoring program. Working with the technical teams, this individual will be responsible for:

- Day-to-day coordination of all monitoring efforts and work to ensure maximum efficiency and effectiveness.
- Ongoing communications with the program managers, executive representatives, and the public
- Developing an integrated annual report of all monitoring activities for agency executives, elected officials and their staff, and the public. This annual report will be based on the more detailed individual technical reports produced specific to each topic area.
- Administering any independent peer reviews of technical reports.
- Overseeing the sixth-year comprehensive analysis and monitoring program review.

Each topic area will have a technical team and team leader (or principal investigator). The project manager and team leaders will form the technical oversight team who will oversee implementation of all monitoring activities.

2. Permitting of fuels reduction projects - Also involved in the Water Board's request is \$100,00 and 1.0 PY to assist with permitting of fuels reduction projects. LRWQCB receives over 200 applications per year for permits for timber harvest activities region wide. The number of Federal, State, and private forestry related projects is increasing due to the need to reduce fire threat from excess fuels and to restore meadows that have been overtaken by conifers. However, due to funding constraints (only 1.6 PY allocated for this task), LRWQCB can actively review only 10% - 20% of these applications. A priority is placed on review of those projects that pose a significant risk to adversely affect water quality.

**Anticipated Increased Workload** - Starting this year, \$10 million in additional funding will become available to conduct fuels hazard reduction work for Federal agencies and local fire districts in the Tahoe Basin through the Southern Nevada Public Lands Management Act (SNPLMA). Additional State funding is increasing fuel reduction efforts on DPR and Conservancy lands, and by the CDF implementing Proposition 40 funds. Many of these efforts are large-scale projects that include tree

removal in sensitive “stream environment zone” areas that will be beyond the scope of the proposed delegated permit. LRWQCB review and permitting for the increasing number of projects will still be required. It is estimated that annual acres to be treated/reviewed for projects outside Tahoe Basin is over 10,000 per year just for Federal fuels reduction projects alone. Within the Basin it is estimated that fuels reduction efforts will involve at least 3,500 acres/year. It should be noted that the Water Board has waived permit requirements for defensible space activities on private residential parcels. Therefore, landowners needing to remove dead and dying trees on residential properties located both inside and outside of the Angora Fire area will not be delayed in their tree removal activities by Water Board permitting requirements.

**Water Quality Ramifications** - Forestry activities have the potential to cause significant impacts to water quality, including sediment and nutrient discharges to surface water and damage to sensitive riparian habitat. Water Board authority and expert staff review is one of the primary ways to ensure that the potential adverse affects from these projects are adequately mitigated and that operational restrictions to protect water quality are employed. This is especially critical for Lake Tahoe since it is on the Clean Water Act 303(d) list for threatened and impaired water bodies, due to historic and current sediment contributions. Sediment has been linked to reduced clarity at Lake Tahoe. Numerous creeks draining into Lake Tahoe are also on the 303(d) list for sediment impairment. It is critical that the Water Board is adequately staffed to review these projects, given the extraordinary increase in tree removal activities planned over the next ten years.

#### Water Board Request Details

**One-Time Costs**

Fire effects and recovery effectiveness monitoring (match to \$1,200,000 from Army Corps of Engineers)	\$400,000
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**Deficiency Authorization and Baseline Adjustment**

Environmental Scientist position to process fuel reduction permits	\$100,000
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**Funding Request Summary**

Subtotal, SWRCB one-time costs	\$400,000
Subtotal, SWRCB deficiency authorization and baseline adjustment	\$100,000
<b>Total SWRCB Funding Proposal</b>	<b>\$500,000</b>

***Water Board Request: \$400,000 in one-time costs; and \$100,000 and 1.0 PY deficiency authorization and baseline increase.***

***Funding Source: Baseline costs from General Fund. One-time cost from permit fee and surcharge account.***

**Water Board contact: Lauri Kemper, (530) 542-5436**  
[Lkemper@waterboards.ca.gov](mailto:Lkemper@waterboards.ca.gov)

#### **IV. Analysis of Alternative Means of Solving the Problem**

Alternatives to this request regarding a coordinated response to the Angora Fire and accelerated and enhanced fuel reduction activities in the Tahoe Basin include: 1) doing nothing; 2) considering these activities for inclusion in the 2008-09 Governor's Budget; and 3) fully funding the activities.

Alternative 1) – do nothing

- Meeting Tahoe Basin fuel reduction efforts would take longer and extend the period of exposure to the threat of catastrophic wildfire.
- Full rehabilitation of fire-damaged properties would be delayed or not implemented, subjecting the burn area to a slow recovery and allowing likely significant impacts to the water quality of Lake Tahoe.
- Building permits for the rebuilding of private residences would be subject to the normal schedule for permit review and issuance, thus delaying rebuilding efforts.

Alternative 2) – consider these activities for inclusion in the 2008-09 Governor's Budget

- Many of these activities are time-critical, and funding is needed immediately to enable them to take place
  - Initial soil stabilization and erosion control measures, as well as related monitoring, must be in place before the onset of winter to avoid significant impacts to the watershed and the water quality of Lake Tahoe
  - Planning and field activities can take place during the current summer season, allowing affected residents to rebuild as expeditiously as possible
  - The Governor's Lake Tahoe Basin Fire Commission's first meeting is set for September 10<sup>th</sup>, and its final report is due by March 21, 2008.
- Conservation Corps and other forestry crews are available and can begin work throughout the current fiscal year, allowing the earliest possible fuels treatment in the highest priority areas
- Deficiency authorizations can allow the initial, high-priority and time-critical activities to proceed, while allowing consideration of the longer-term aspects of the baseline adjustments in the Governor's Budget process.

Alternative 3) – fully fund BCP

- Fuels reduction efforts would be accelerated and assist in meeting the targets of the Lake Tahoe Basin Draft Fuels Management Plan. The proposed efforts would result in reducing the threat of catastrophic wildfire in the Tahoe Basin, thereby protecting this important and sensitive environment.
- Risk to the environment, in particular water quality, would be reduced by allowing timely implementation of needed mitigation measures within the Angora Fire burn area.

- Permits for rebuilding structures damaged or destroyed by the Agora Fire would be expeditiously processed, assisting in quick recovery for affected landowners.

## **VI. Recommendation**

Based on the foregoing, approval of this BCP is recommended. This proposal will allow the Collaborating Agencies to provide for public health and safety, expedite the recovery from the effects of the devastating Angora Wildfire, provide additional fuel hazard reduction, and increase forest health enhancement efforts.