



Memorandum

January 16, 2019

To: Curtis Palmer
Budget Analyst IV, Budget Division

From: Ellery Stahler
Deputy Administrator, Division of State Lands

Through: Charles Donohue
Administrator, Division of State Lands

Subject: Status Report to the Legislature's Interim Finance Committee:
Fund to Protect the Lake Tahoe Basin

Pursuant to Chapter 514, Statutes of Nevada 1999, please find an update on the Environmental Improvement Program and the Fund to Protect the Lake Tahoe Basin. The purpose of this report is to provide an overview and progress report of Environmental Improvement Program (EIP) projects funded through the Fund to Protect the Lake Tahoe Basin general obligation bonds as required by Chapter 514, Statutes of Nevada 1999 and Chapter 431, Statutes of Nevada 2009.

Please submit the attached informational report to the Interim Finance Committee on our behalf. Thank you for your assistance and please do not hesitate to call if you have any questions.

Attachment

cc: Bradley Crowell, Director, DCNR
Kimbra Ellsworth, LCB



January 16, 2019

To: Interim Finance Committee

From: Ellery Stahler
Deputy Administrator, Division of State Lands

Through: Charles Donohue
Administrator, Division of State Lands

CC: Bradley Crowell, Director, DCNR;
Legislative Counsel Bureau

Subject: Status Report: Fund to Protect the Lake Tahoe Basin

The purpose of this report is to provide an overview and progress report of Environmental Improvement Program (EIP) projects funded through the Fund to Protect the Lake Tahoe Basin general obligation bonds as required by Chapter 514, Statutes of Nevada 1999 and Chapter 431, Statutes of Nevada 2009 for the period ending December 31, 2018.

EIP SUMMARY

The Environmental Improvement Program continues to be successful in implementing projects to restore and enhance the ecosystem at Lake Tahoe. Projects are identified and approved in collaboration with partners including the Nevada Tahoe Resource Team (NTRT) which is an eight-member team composed of individuals from the Nevada Division of State Lands, Nevada Division of State Parks, Nevada Division of Forestry and the Nevada Department of Wildlife. The Nevada Department of Transportation, Nevada Division of Environmental Protection, Tahoe Regional Planning Agency (TRPA), local jurisdictions and United States Forest Service are also critical partners.

Partners identify priority projects that are necessary to protect and enhance the environmental condition at Lake Tahoe and assist the TRPA in meeting the nine environmental thresholds in the TRPA Regional Plan. A five-year list of priority projects is maintained in an on-line EIP Tracker Database and then reviewed and updated on a yearly basis as needed. This project list is also reviewed by the Tahoe Interagency Executive Steering Committee to maintain consistency with EIP priorities. These projects address stormwater quality on both local and State roads, reduce the threat of wildfire in the wildland-urban interface while restoring or enhancing wildlife habitat, produce wildlife surveys, provide habitat restoration (including old growth, aspen and stream environment zones), provide land coverage restoration, and improve the

recreation facilities in Lake Tahoe Nevada State Park. Many projects in all program areas span multiple years for planning/design and construction due to their complex nature, variability in site conditions and limited length of the construction season in the Tahoe Basin (May 1-October 15).

FUND TO PROTECT THE LAKE TAHOE BASIN – Financial Summary

The Fund to Protect the Lake Tahoe Basin was established in Chapter 514, Statutes of Nevada 1999 to authorize the issuance of general obligation bonds for the development and implementation of a program of environmental projects for the protection of the Lake Tahoe basin. In 2009, with the passage of AB 18 (Chapter 431, Statutes of Nevada, 2009), the Legislature extended the State’s commitment to the EIP by authorizing an additional \$100 million through the sale of general obligation bonds over the subsequent 10 years. SB 197 (Chapter 32, Statutes of Nevada, 2017) extended the deadline of the issuance of these bonds until June 30, 2030. The issuance of the bonds is approved by the Legislature pursuant to a schedule established by the Administrator of the Division of State Lands and then the sales are coordinated with the State Treasurer’s Office.

The following is a summary of the bond sales.

| Bond Sales (Millions) | | | | | | | | | | | | | | |
|-----------------------|--------|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|
| Leg Session | Bill # | Authorization (Millions) | Oct-99 | Oct-01 | Jul-04 | Jul-06 | Jul-07 | Nov-09 | Jun-10 | Apr-14 | Nov-16 | Nov-17 | Nov-18 | Unsold Bonds |
| 99 | AB 285 | \$3.20 | \$3.20 | | | | | | | | | | | |
| 01 | AB 177 | \$16.20 | | \$6.20 | \$10.0 | | | | | | | | | |
| 03 | SB 46 | \$9.87 | | | \$3.0 | \$6.87 | | | | | | | | |
| 05 | AB 458 | \$16.80 | | | | \$6.90 | \$2.0 | \$7.90 | | | | | | |
| 07 | SB 55 | \$9.06 | | | | | \$3.12 | \$3.52 | \$2.42 | | | | | |
| 09 | AB 18 | \$4.42 | | | | | | \$2.21 | \$2.21 | | | | | |
| 11 | SB 438 | \$12.00 | | | | | | | | \$1.50 | \$1.50 | \$2.50 | \$2.50 | \$4.00 |

PROJECT SUMMARY

As of December 31, 2018, the Nevada EIP has funded 139 environmental improvement projects, 129 of which are complete and 10 of which are in various stages of construction or planning and design. As of December 31, 2018, there were approximately \$4.1 million in bonds on hand; those funds are encumbered to project expenses and implementation costs.

RECENT PROJECT ACCOMPLISHMENT HIGHLIGHTS (July 2018-December 2018)

Forest Restoration, Hazardous Fuels, Wildlife

- A 300-acre forest health project titled Spooner Landscape Resilience Project was implemented in November 2018. The project is located in the Spooner unit of the Lake Tahoe Nevada State Park and included the removal of over 5,000 trees which were flown from the project site to a landing. Trees and chips were hauled from the landing to a mill in Quincy and a biomass facility located in Loyalton. A media day was held in October to provide local media outlets with an opportunity to film the operations and interview agency representatives.
- American marten surveys were conducted on 625 acres within Lake Tahoe Nevada State Park and detected in one creek drainage. Surveys will continue to help us better understand habitat connectivity and learn about environmental factors that contribute to their occurrence.

Aquatic Invasive Species (AIS)

- In partnership with the Tahoe Regional Planning Agency (TRPA) and the Nevada Division of State Parks (NDSP), NDSL is continuing efforts to treat the invasive Asian clam population at Sand Harbor. Thus far, eight acres of the lake bed have been treated and rubber barriers are planned to be relocated again in May 2019. Effectiveness monitoring has shown a 99% mortality rate of Asian clams under the barriers. Through an agreement between TRPA and US Army Corps of Engineers (USACE), additional Section 108 funding from the USACE has been allocated to the May 2019 relocation effort.

Water Quality and Stormwater Management

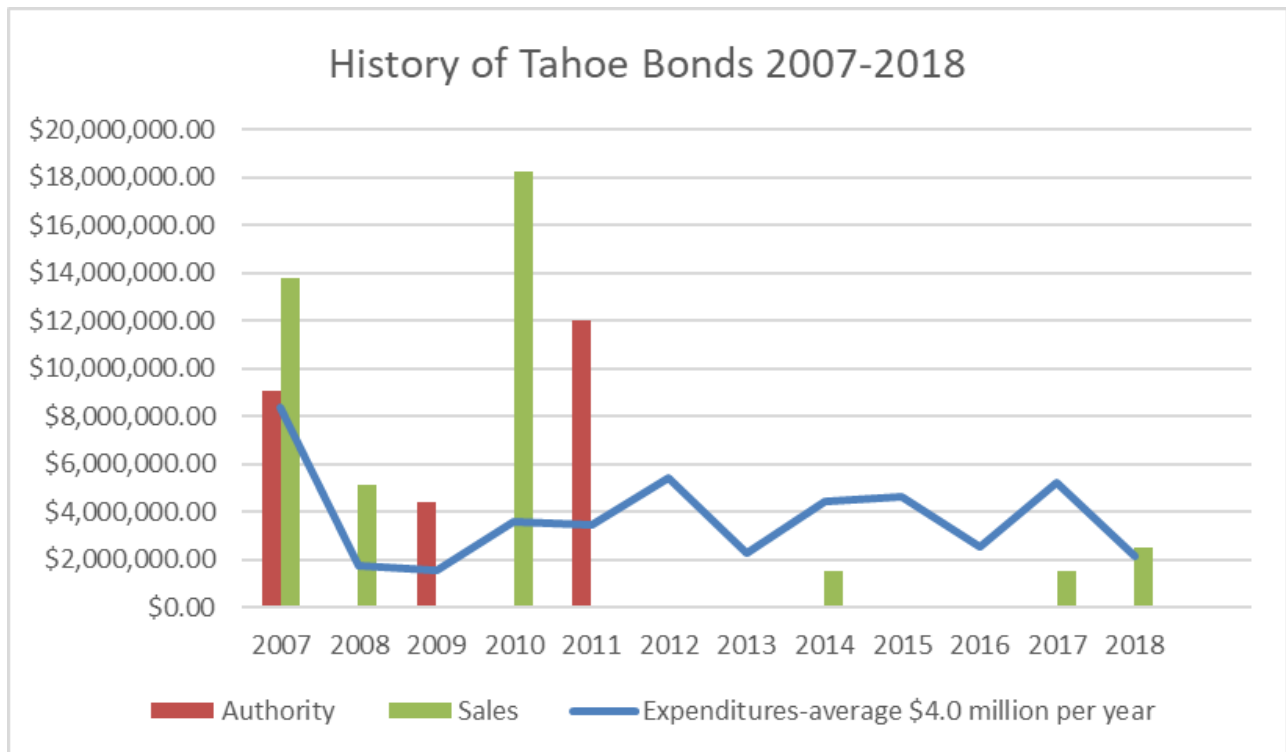
- Stormwater treatment infrastructure was installed in the Pittman Terrace neighborhood of Douglas County to improve the conveyance system for Highway 50 runoff, increase water infiltration, and stabilize conveyance ditches leading to Lake Tahoe. Revegetation work will continue in calendar year 2019 with additional NDOT funding.
- Water quality improvements were completed along Kahle Drive in Douglas County to increase the treatment effectiveness of an infiltration basin and improve stormwater conveyance. Construction included expanding the size and function of Kahle Basin, replacing the undersized conveyance pipe and storm drain manholes, constructing a sediment forebay and spillway, and planting native wetland vegetation.

Recreation

- Design plans for the Spooner Front Country project that include a visitor center, a ranger station and an amphitheater are at the 60% conceptual design level. Construction is planned for calendar year 2020.

SENATE BILL 438 (2011 SESSION)

The CIP budget approved for the 2017-2019 biennium authorized \$5.0 million in bonds for the Tahoe EIP. In November 2017, \$2.5 million in bonds was sold. The remaining \$2.5 million in bonds was sold in November 2018. There is currently \$4 million in authority under SB438 (2011). Proceeds from the bond sales will be utilized for high priority projects identified in the areas of Water Quality/Erosion Control/SEZ Restoration, Forest Restoration, Aquatic Invasive Species, Sensitive Species and Recreational Facilities.



EIP STAKEHOLDER COMMITMENTS

The Federal Government passed the Lake Tahoe Restoration Act on December 10, 2016 which authorized \$415 million in funding for forest health, water quality, AIS, the reintroduction of Lahontan cutthroat trout and other EIP projects. To date, \$5.5 million of this authority has been secured for forest health and AIS. The Lake Tahoe Partnership is actively working with the federal administration to secure additional funding under this bill. The State of Nevada committed \$100 million towards the EIP and the Question 1 program has authorized \$5 million in funding towards the Lake Tahoe

Bikeway. The State of California has successfully passed a new water bond that will assist California agencies in implementation of the EIP program on the California side of the Tahoe Basin. The White Pine bill continues to provide funding for forest fuel reduction projects through Southern Nevada Public Land Management Act (SNPLMA) funds administered by the Bureau of Land Management (BLM). We also have a number of private organizations that are contributing funds towards environmental improvement; many of these efforts have been spearheaded by the Tahoe Fund. Through new partnerships and a focus on implementing the highest priority projects, significant progress continues to be made towards environmental threshold attainment.