

PATHWAY Forum Meeting Summary

PATHWAY FORUM MEETING
April 3, 2008
North Tahoe Conference Center
Kings Beach, California

MEETING ATTENDEES

Forum Members: Mike Berg, Pat Davison, Michael Donahoe, John Falk, Elise Fett, Adrian Freund, Dave Hamilton, Bill Hetland, Bill Horn, Ellen Lapham, Steve Leman, John McCall, Greg McKay, Bruce McNulty, Barbara Perlman-Whyman, Anga Rebane, Kay Scherer, Glen Smith, Patrick Wright

PATHWAY Executives, Agency Staff: Lauri Kemper, Bob Larsen, Hannah Schembri, Doug Smith (Lahontan); Tom Porta, Jason Kuchnicki (NDEP); Eli Ilano, Mike LeFevre, Bob King (USFS); Larry Benoit, John Hitchcock, Paul Nielsen, Julie Regan, John Singlaub (TRPA)

Project Team: Jeremy Sokulsky (Environmental Incentives)

Kearns & West Facilitation Team: Anna West, Janet Thomson

WELCOME, INTRODUCTIONS, AGENDA REVIEW

Anna West welcomed the Forum and additional attendees to the final Forum meeting. She provided a brief overview of the day's agenda and ground rules and highlighted the goals and objectives of the April meeting: to hear updates from the TMDL team on the TMDL strategy and how the strategy reflects Forum input, as well as allocations of load reductions and recommendations; to hear updates from TRPA on the Regional Plan alternative and schedule; and to learn from the USFS about the status of their Forest Plan and timeline.

TMDL PROCESS AND SCHEDULE

Doug Smith (Lahontan) gave an overview of the TMDL from 2001 to the present day. (See Doug's PowerPoint presentation "Forum Intro" on the Pathway website www.pathway2007.org under "Forum"). Lahontan and NDEP are beginning to write the final TMDL document and hope to have a draft for public comment by early 2009. The hope is to have a fully effective TMDL for Lake Tahoe by 2010.

TMDL RECOMMENDED STRATEGY UPDATE

Bob Larsen (Lahontan) presented the TMDL Recommended Strategy. (See Bob's PowerPoint presentation "Recommended Strategy Update" on the Pathway website www.pathway2007.org under "Forum"). The TMDL is organized around core questions: What pollutants are causing Lake Tahoe's clarity loss? How much of each pollutant is reaching Lake Tahoe? We can say now the

clarity loss is caused by very fine sediment particles as well as algal particles fed by nutrients in the Lake. The bulk of fine sediment particles comes from urban areas. The challenge to reverse clarity decline defines the first interim goal. Researchers have said that if we can achieve 24 meters of clarity measured consistently for 5 years, we can say we have turned a corner. That is the focus of the TMDL implementation plan goal for achieving the first phase of the TMDL.

Bob reviewed the options for reducing pollutant inputs to Lake Tahoe, including a 32% reduction in fine sediments to achieve the clarity challenge. He reminded the Forum of the work they did in the fall looking at source categories, cost-benefit for load reduction across landscapes, and tiers or levels of implementation. Bob reviewed the illustrative scenarios that were presented in December and emphasized the points they heard from the Forum: do not ignore the technologies we know work, but at the same time move forward with innovation. Focus on cost-effective solutions and options that will have other ecosystem benefits. The TMDL team refined their Recommended Strategy based on what they heard, which resulted in a refinement of scenario B. Bob reviewed the Recommended Strategy with the group, which in order to achieve 32% reduction in fine particle load over the next 15 years will need 1% reduction from forest lands, 1.8% from stream channels, 4.6% from atmospheric, and 24.5% from urban upland sources. It is important to remember that the Recommended Strategy does not prescribe specific actions, so opportunities for innovation remain.

Q. Who will drive the effort: local, county, state, or federal agencies?

A. It will be a cooperative effort among all federal, state, and local entities, particularly from a funding perspective. Storm water permits on the California side allow Lahontan to put requirements on local jurisdictions. USFS partners have a role in addressing forest reductions. The short answer is that everyone has a role.

Q. There is no central agency that will drive the cooperative effort to achieve the plan?

A. If there were one single agency, it would probably be TRPA. The Regional Plan incorporates much of the TMDL Recommended Strategy. With respect to the TMDL itself, NDEP and the water board are implementing agencies. Lahontan will be the driving force for addressing storm water in California. Nevada is responsible on their side of the Lake. There is an MOU with the USFS and Lahontan is working to better define expectations. Also, TPRA has the authority to deal with atmospheric sources, which Lahontan does not.

Q. We need a lead agency/entity that we can rely on and that can coordinate all the various jurisdictions. The amount of funding to meet the clarity challenge is more than we have ever seen before. Has there been any kind of analysis as to whether or not the funding amount is realistic?

A. The implementation plan will bring a lot of the pieces together and the TMDL will be the framework document to include all the details. The funding question is a good one. We can figure \$1 billion for the first 10 years.

Comment: John Singlaub added that TRPA does not expect people to do this out of the kindness of their heart and recognizes responsibility for doing this. As TRPA moves forward with the Regional Plan, we plan to build in the EIP and regulatory incentives. Private investment is able to do a lot for water quality improvement provided we can give them incentives. We need to move from government funding to private sector, from a regulatory to an incentive-based approach. Additional environmental costs are part of doing work up here.

Q: Regarding upland forest and re-vegetation for ski runs, does that represent a change from current practices?

A: With respect to the USFS, a lot of the Recommended Strategy is consistent with current practices, ski runs being one of those areas. There have been lots of advancements with how we address and stabilize ski runs, so there is no great shift with respect to that.

Comment: John Singlaub added that he did not want the group to have the impression that TRPA is only focusing on fine sediments. Nutrients are critical too. The science has shown us where the biggest sources are and what the biggest losses of clarity are, but there are lots of other issues involved.

Comment: Bob added that anything they do to address fine particles also achieves reductions in phosphorus as well. A lot of the activities also generate some nitrogen reduction. Bob agreed that the presentation should be revised to note this information.

Q: Is there more data on wildfire restoration practices that are most effective for Lake clarity?

A: There is monitoring and restoration work going on right now. It is not included in the TMDL right now because the fire happened late in the analysis, but it falls into that category of restoring disturbed lands.

Comment: Wildfires may not be a rare occurrence in the future.

Response: Bob Larsen agreed that an increase in the frequency of prescribed burns or fuel management has the potential to affect pollutant loads. This is one subject of adaptive management that will be further investigated in the future.

Q: Can you comment on the article that recently appeared in the Sacramento Bee?

A: The article was pretty one-sided in describing a single climate change scenario and how it might affect Lake Tahoe. There were other climate change presentations given that day that suggested we could have more frequent intense storms that would cause great mixing, rather than the scenario presented in the article with less winds and less mixing. It is not as simple as it was made out to be. The symposium was to put research on the table, so it is unfortunate that the article focused on one presentation in an entire afternoon of presentations on global warming and effects on Lake Tahoe. There were other scenarios that were equally convincing.

Comment: Lauri added that the main point is that we have to prepare for uncertainty. All climate scientists talk about uncertainty in predicting wind. Doug pointed out that a lack of Lake mixing in the future could mean more phosphorous being released, so we need to get going now on reducing loads.

Q: Don't we have more capability to model some of those potential changes in terms of what it might mean regarding the TMDL?

A: Yes, the TMDL models give us powerful predictive tools, but the uncertainty is in climatic modeling. The clarity model needs to be fed by the climatic model.

Q: Can we put milestones in the TMDL implementation that says in 5 years we should reevaluate climate change and build in flexibility to do an about-face if needed?

A: The implementation plan is geared toward that type of adaptive management. It is important to revisit on a regular basis.

Comment: Larry Benoit said the one of the greatest needs is to obtain SNPLMA funding to improve the linkage between climate change and either the watershed model or the clarity model.

Comment: John McCall praised the increase in scientific quality over the years and added that there is still a lot of uncertainty, so it is appropriate to revisit this in 5 years, maybe sooner.

Comment: Bob Larsen concluded that we have come a long way, but there is still a lot of work to do.

TMDL OVERVIEW OF ALLOCATIONS AND IMPLEMENTATION

Jason Kuchnicki (NDEP) provided an overview of allocation and implementation planning components of the TMDL. (See Jason's PowerPoint presentation "TMDL Implementation Allocation Components" on the Pathway website at www.pathway2007.org under "Forum"). The allocation component describes the allowable load between and within source categories. The implementation plan component describes the actions necessary to achieve water clarity objectives. The two components are linked as the two components together describe "who" is responsible to do "how much" of "what".

In an attempt to describe the "who's" and "what's", Jason said Lahontan, NDEP, and TRPA all have a regulatory role, yet recognize the need for and benefits of developing incentive-based approaches to accelerate implementation efforts. Local governments, resource management and transportation agencies will largely be responsible for the installation, operations and maintenance of these programs and projects. At a cost of roughly \$1.5 billion over the next 15-20 years, all groups will need to work together to determine how to fund the needed improvements. The first step is having a plan that has broad-based agency and stakeholder support. Jason turned it over to Bob to provide more information regarding "how much".

TMDL ALLOCATION APPROACH AND NEXT STEPS

Bob gave an overview of the allocation process. (See Bob's power point presentation "Allocations" on the Pathway website at www.pathway2007.org under "Forum"). Allocation is the allowable numeric load to achieve water quality goals. Allocating the pollutant loads is required by the EPA and it defines who is responsible for reducing loads. Regulatory programs drive achieving allocations. We are fortunate in Lake Tahoe in that we have the Lake Tahoe Watershed Model and the Pollutant Reduction Opportunity Analysis. These allow us to look at relative load reduction among sources.

The TMDL team has to consider many variables as they move forward with the allocation process. The team grappled with 3 main issues: total baseline load versus anthropogenic portion of that baseline load, allocation on the Recommended Strategy or equally across the sources, and basin-wide versus jurisdiction-specific allocations. The bulk of the total load is the anthropogenic load

and the fine particle load in particular is coming from urban areas. Bob showed a table that compared Recommended Strategy reductions with equal reductions across all sources and the numbers are not that different. The big difference is in forest lands, but it is not very cost effective to target source reduction there. If we allocated according to the Recommended Strategy, we have reasonable assurance that we can reach the clarity challenge.

Q: What assumptions related to wildfires and other natural disturbances played in when you were determining background levels and how do you compare the existing load to that background?

A: We did a gross watershed model analysis looking at background versus anthropogenic. There are 12-15 different land uses, so we took urban and converted it to forested land use. We ran the model from there and asked what the load would be if those areas were vegetated. This was a gross level approach, but the points are appreciated.

Lastly, urban lands are considered as a waste load allocation because discharge from urban storm water often comes out of the pipe. It is very common for urban waste loads to be issued at jurisdiction-specific level to allow for regulation of those loads, where as forest, stream, and atmospheric are not as jurisdiction-specific for allocations.

In conclusion, we have learned that the bulk of the load is from anthropogenic sources. We put a lot of time and energy into figuring out what makes the most sense in terms of allocations and we think we need to make use of the information we have and allocate according to Recommended Strategy. Allocations will be jurisdiction specific for urban lands. The next steps are to finish the allocation process and draft the TMDL through this calendar year and early next year. Then we will send out documents for peer review and develop tools to help in the implementation framework, such as a crediting system that will link activities on the ground to load reduction credits.

Q: You should take into account that forest areas are not far from baseline and that is part of why cost is so high because they are probably very close to, or below, background levels.

A: That point gets back to our ability to reduce. There is not a huge opportunity in the forest areas, about 1% reduction, so we are looking at things at the source level that allows us to take into account the ability to reduce. The total load is more focused on urban areas, as far as what portion of that load is anthropogenic or not.

Q: There should be a threshold cutoff so that we do not put lots of effort where it will not do much good. If contributions of some watershed to nutrients is miniscule, put that money instead into the Upper Truckee where it could be spent removing several tons of pollutant load.

A: Looking at watersheds, all of them have the opportunity to reduce. A significant difference is what the jurisdiction would be -- undeveloped versus developed. There are lots of opportunities to reduce pollutant loads in the urban environment. The whole crediting system is intended to allow geographic flexibility. If you are a small jurisdiction, then your burden will be considerably less and your allocations will also be considerably less.

Q: How are you going to drive management to successful conclusions? It seems like the responsibility will fall to TRPA to look at the overall goals and getting on to the urban jurisdictions. Is this how it will be presented to the Board of Supervisors?

A: In California, for instance, Lahontan will permit the counties and City of South Lake Tahoe as co-permittees. In the next permit update, we will incorporate TMDL requirements into that permit. The load allocations for these jurisdictions will be clear and linked to the crediting system. As long as load reductions are achieved in an efficient way, then they maintain compliance. There are a number of incentives that can help drive that as well. There is also flexibility to allow the market to drive where it makes the most sense to achieve load reductions.

Q: Are you allocating air deposition to NDOT or CALTRANS?

A: Air deposition is probably the weakest part of the science with respect to the TMDL. As far as assaying which percentage from specific jurisdictions, we do not have that requirement at this time. We do not have the information to support allocating that atmospheric load.

Q: Will the requirement for CALTRANS to retrofit facilities in the Lake Tahoe hydrologic unit be dropped from future permits?

A: The CALTRANS permit is overdue for an update. There is a draft and we have provided some suggestions. The short answer is yes. From the TMDL perspective, we want to put money into the areas of biggest impact. Our Board has indicated some flexibility with that in the past, we are moving forward to the TMDL approach.

Comment: We are asking for each jurisdiction to come up with an overall plan on achieving those reductions. It comes down to how to credit for certain things that we may not have a great tool now to quantify. Just being able to have tools to have jurisdictions inform us, which watershed or subwatersheds are taken care of, and document that as a credit or reduction. Those things still need to be worked out in terms of credit for reduction. On CALTRANS, we have staff doing project review work.

Q: Does the pollution load credits idea make the assumption that it does not matter where you reduce as long as you reduce?

A: Yes, as long as it gets a reduction. Apply it to where it will affect Lake clarity. We do not care which source, as long as it in fact is a source that does get into the Lake. Urban areas are delivering sediment; we know this load is getting to the Lake. The calculations and assumptions we are making have to do with pollutants we know are getting to the Lake. We need to make an overall reduction and it does not matter so much about where those occur, as long as we are reducing sediment.

Comment: We want to make sure jurisdictions have the flexibility to work with each other. That said, we are not going to give someone credit for doing an activity in the watershed if it doesn't get to the Lake. We will make sure the connectivity issue is addressed.

Q: Will there be extra credit in high priority watersheds?

A: Yes, that is why it gets back to focusing on stormwater outfall points. Prioritize those that discharge directly to the Lake and that really impact water quality.

Q: If we find in the future that the emphasis on fuels reduction has insufficient funding to do the projects in a manner that truly does comply, do you have an adaptive management mechanism in mind for adjusting those allocations in the future?

A: We are working with partners to look at fuels management projects and determine if they will have the type of loading impact or lack thereof that we expect. If the area is extremely flammable with steep slopes and we need to put heavy equipment in there and that increases loading, then we may need to consider mitigation measures in another watershed to deal with that. We'll look at it from a project-scale perspective and ask, what is the impact of the proposed activity and how does that fit into the greater scheme of things?

CREDITING, TRACKING, AND VERIFICATION

Jeremy Sokulsky (Environmental Incentives) said the crediting program is really the heart of his involvement in the TMDL. (See Jeremy's PowerPoint presentation "WQC Forum" on the Pathway website at www.pathway2007.org under "Forum"). The program aims to develop a meaningful unit that is consistent and trackable. Load reduction of fine sediment particles is somewhat elusive, so using credit is a way to take an estimate of what actions we are getting benefit from, track them, and account for them. The crediting program is expected to track all pollutants.

A goal of the program is to help answer questions such as: can innovation and new information improve our strategy to reduce pollutants? This program was set up to give incentive and provides a mechanism for folks to be rewarded for actually improving, taking experimental steps, and making greater load reductions in any particular area than just current practice.

Lake Tahoe may not be ready for a free market trading mechanism, but we need a tool to track compliance and permits, load reduction. That has been completed and now we are working on developing of the credit and defining its uses, defining the protocols stage. Then we will move into the program design, roles, protocols, and guidelines of how they should be executed.

We hope this will be a useful system and that everyone will use it so that we have a consistent way to estimate individual project benefits. We want to go after places where we will get the greatest benefit and then track, report the project, and note the programmatic accomplishments. The TMDL specific uses of the credit are really accounting for pollutant reductions related to the load allocations and corresponding implementation requirements. The policy innovation we are hoping for is to enable geographic flexibility in achieving load reduction and permit compliance.

There will be some additional work to build out the management system. We are working with stakeholders to develop consistent credits and honing in on what specifically the credits will be defined by. Talking to the Forum has been very helpful to develop load allocations and the same will happen with the crediting program.

Q: What latitude will local jurisdictions be afforded in terms of their ability to transfer money out of jurisdiction either across county or state lines?

A: We are looking into that; we do not want to define a program that is illegal. A massive step forward is having the flexibility in permits. We want treatment of those places that give you the best return.

Comment: CALTRANS would be interested in that type of venture. We would like to see the City of South Lake Tahoe or someone be a lead agency where the priority watersheds are. We are

starting to look at the different legalities, how CALTRANS is funded, and funding for capital projects.

Q: Will your product include the next steps that the basin might have to take if they did want to create a credit bank?

A: Yes. The project was funded by the EPA through the targeted watershed initiative grant. A lot of initial deliverables are related directly to the discussion of how to create a trading mechanism.

Comment: If experts are on contract to provide look into creating a credit bank, it would help the basin make a decision of whether or not that is a direction they want to go. They need that initial feed of data to know what the roadblocks are to going down that road.

Comment: If you can really nail the credit, then exchanging is the obvious next step. You have done 99% of the work if people can understand, estimate, and trust the credit you have defined. Environmental Incentives has done work on the national level reviewing why programs work and do not work. The crux of why they do not work is because people do not trust the credit.

Q: Any talk about how this might connect down to individual or business unit level?

A: Yes. This is really an allocation compliance tool as it is contracted and so we will take those mechanisms that Lahontan and NDEP uses to really address those issues. It is probably easier to do a jurisdictional average, which may mean that counties decide to drill down to the household level.

Comment: Municipal stormwater permits are issued to local governments and that includes all land within the jurisdiction that is not federally- or state-owned. As part of the reduction plan, local jurisdictions can look at individual neighborhoods and assign a certain number of credits for a subdivision. Jurisdictions can decide to look into that for themselves.

Comment: Counties in California expect to have an estimate of load reduction from individual discharge points in stormwater systems next year. That will serve as a tool for figuring out how local jurisdictions want to get their reductions.

Q: Is the Lake better off if we reduce pollutant load in some areas and not others?

A: We have to consider whether we need to put bounds on the flexibility included in this program. If, for example, everyone wanted to provide for reductions in South Lake Tahoe, that might not be best for the Lake. I do not have an exact answer, but an offset is really meant as "I'm increasing pollutants here so therefore I'm reducing pollutants there." Each project needs to be neutral or reduce -- we are not talking about increasing loads.

Q: Have you thought about rewarding entities that take the risk of using innovative technologies, or at least not penalizing them for something everyone thought would work but didn't?

A: That is at the crux of one of those two defining questions about program design. One of the things that this type of crediting program does is allows policy intervention between what really happened and what you get load reduction credit for. Within the middle, that is the credit. The ability to share risk between the project implementer and the program manager/regulator, whoever that may be, is one of the foundations of the project. The agencies are very aware that innovation is good and they are going to have to accept some level of risk when it comes to encouraging that kind of activity.

Q: Is the credit transferable so that you create incentive to maintain and build off that credit?

A: The program will be hands-off in terms of transferability between individual residents. Maintenance is a different question. It is absolutely an important dynamic of having the crediting program.

Comment: In Portland, stormwater utility fees are reduced based on reduction of runoff to the system. That could happen here; we are looking at that. Are your BMPs in place and functioning? Your fee would be based on your load to the system.

Comment: Many programs around the country are not regulatory in so far as who defines fee and fee reduction. It is the county responding to regulation and it sets up an incentive schedule. They seem to be very practical programs, especially when putting such emphasis on parcel-specific action. It seems very doable in Tahoe.

Q: Have you taken an estimate of what monitoring and verification costs will be annually, and over the 20-year period? Who will pay?

A: The question is well timed. There was a Lake Tahoe interagency monitoring program session on this yesterday. But the answer is no, we do not have specific details with regards to neither costs nor roles and responsibilities at this time.

Comment: On the California side, we do not expect much increased burden. In Nevada, there is an annual inspection on most locations and annual maintenance. There is a move towards a regional stormwater monitoring program which is more of a pooled approach to monitoring and effectiveness. Hopefully if this works, everyone will figure out their contribution to the pool.

Comment: We are trying to develop a statistically representative sample throughout the basin for monitoring. Once an entity does a project, hopefully we will see if we are or are not getting the load reductions we expect to see. In California it will be more permit-driven and looking to local jurisdictions to pick up large portions of those costs. In Nevada it largely still needs to be looked at.

Comment: A very key concern is the effectiveness of the funds spent. The protocols are really intended to enhance abilities to prioritize and become effective with the funds spent. The Army Corps is developing a practical operation and maintenance check type of protocol, or survey, so it can be consistent.

Comment: Regarding credits and fuel reduction, if the expectation is that we will offset the added contribution of fuel reduction projects by doing something else and thereby adding to the cost of the fuels reduction project, we are missing the boat. Just ask anyone who has done a real stream restoration -- there is a short term contribution to pollutant load no matter how good your BMPs are, but in the longer term you are getting a real gain.

Comment: We are planning a crediting system that is an annual average over an estimated period of time to allow for smoothing to recognize net benefit (i.e., may have short-term pollutant increases but significant long-term pollutant load decreases).

Q: If there are increased loads from the watershed due to either fire or fuels reduction, is there flexibility in implementing the TMDL to look at other source categories to offset those increased loads? Could the allocation move to additional urban reductions to account for those higher impacts? My plug is for the management system to look at allocations and total loading as time goes on to see if we are still on track to achieve the clarity challenge and reductions to 100 feet.

Comment: This program is exciting because instead of noting very specific, single regulatory actions we are looking in a broader sense at an approach that helps to achieve our goals. How can we focus on getting 90% of the benefit, rather than spending 90% of our efforts to achieve 10% of the benefit? This is a very important element of the shift in attitudes.

Anna thanked the entire TMDL team. She asked the group to stay tuned for future information from the TMDL team about the TMDL program and the crediting and tracking system.

FORUM RECOGNITION

Lauri Kemper (Lahontan) said that Lahontan wants to continue working with the Forum and will keep everyone informed. The website is a good place to look for information. She thanked the Forum for all their involvement and participation. We have, with your help, come up with a clarity challenge to reverse clarity loss and thanked the Forum for being willing to accept that as a goal. Support of that challenge will really help to make a difference to its overall success.

Eli Ilano (USFS), Deputy Forest Supervisor, said Terri Marceron really wanted to express to the Forum how much she liked working with you all. She is handing over much of the land management planning to me as a line officer with the USFS. This level of civil engagement is great. Terri thanks you all and I am looking forward to working with you all, not necessarily in a structured group like this, but in whatever unfolds after this.

Tom Porta (NDEP) said it is clear that TMDL efforts across the country are not successful unless they have stakeholder involvement. We have heard you over the years and when you see the final TMDL, you will have a big part of that and that will drive the success that we are looking for to get the clarity. On behalf of NDEP and myself, I would like to really truly thank each and every one of you for being a positive contributor for this process.

John Singlaub (TRPA) added his thanks to the Forum members. There has been a lot of frustration in this process and many may think you have not been a large contributor to this, but just having the Forum influenced our plan significantly. We see this as a transition going to the next phase and I want to add my thank you for your participation.

Julie Regan (TRPA) echoed what everyone said and added that you cannot underestimate the power of people coming together. She thanked the Corps, EPA, and other supporting agencies of this effort. Julie passed around plaques to the Forum members as a token of thanks.

TRPA REGIONAL PLAN UPDATE: PROJECT DESCRIPTION, PROCESS, AND SCHEDULE

John Hitchcock (TRPA) updated the Forum on the Regional Plan Update as well as two key policy issues: land use and project descriptions. (See John's PowerPoint presentation "TRPA Forum Presentation" on the Pathway website at www.pathway2007.org under "Forum").

John talked about the schedule and having additional Forum-like meetings to discuss the draft Regional Plan package as well as two additional public workshops to talk about the draft plan.

A big component of the Regional Plan update is the land use component. John reviewed the key objectives that TRPA is trying to achieve. They will modify and change the land use pattern to advance the attainment of the environmental thresholds. They are also looking to modify the land use plan to create concentrated centers within the basin. TRPA is proposing to implement land use policies that encourage compact and pedestrian-transit oriented development.

John reviewed the zone system that is in place today -- the Plan Area Statement system. Right now there are five land use classifications and the five classes are not at a fine enough scale to deal with the fact that we have distinct commercial land use patterns. TRPA is proposing to shift to transect-based zones. In commercial zones, we will break those out into more discrete land use patterns-- town centers, tourist centers, neighborhood centers. John reviewed the land use zoning classifications.

TRPA is looking at encouraging compact, mixed-use and pedestrian transit oriented development. Data shows compact neighborhoods result in vital community centers, reduction of VMT, and emissions. The new plan is proposing to move in this direction to create land use policies that will encourage mixed use development and compact design. On-the-ground, this means TRPA needs to rethink density standards, height standards, and subdivision standards.

The last policy issue has to do with climate change and greenhouse gas emissions. The easiest way to get at reducing greenhouse gas emissions is through land use and transportation.

Q: Are the additional public meetings before or after the plan goes to EDAW?

A: After. The public workshops would coincide with the Draft Regional Plan package being released.

Comment: A lot of the land use discussion came out of the place-based planning effort. We are trying to use incentives to create environmental improvements. The driving goal is meeting the thresholds.

Paul Nielsen (EIP with TRPA) talked about the successes of the EIP over the last ten years and regional revenue sources. (See Paul's "Forum Presentation" PowerPoint on the Pathway website at www.pathway2007.org). We are hoping in August to get commitments from all our partners to continue EIP projects for the next ten years.

Paul reviewed the focus areas of the next phase of the EIP: restoring watersheds and habitat, improving forest health, achieving air quality and transportation goals, enhancing recreation and scenic resources, science and reporting, and public education and outreach.

The big issue is how to fund the next phase of the EIP. We are optimistic that we can secure state and federal funding, just like in the first go-around. We are struggling with local revenue generation and need to have a more concrete plan of how for how we can help the local jurisdictions fund their share of the EIP. Implementing a Tahoe basin stormwater fee is something we are looking at, as well as developing an EIP implementation fee, and placing before the electorate a proposal to increase Tahoe basin transient occupancy tax rate. We need to have a conversation about a truly regional revenue source. Other options include placing before the electorate proposals to increase sales tax and commissioning a Tahoe basin user fee study. Maybe visitors should pay a share of parking fees for instance. County vehicle registration is also an option.

Comment: A second homeowner fee is the most popular. We would probably get the support of local voters on that.

The Regional Plan will propose policies relating to global climate change. We proposed to link EIP projects to climate change effects to the maximum extent in order to leverage new resource of funds that may be available for this purpose, but will also have a direct relationship to needed EIP projects. We also want to highlight the contribution of the private sector toward environmental quality improvement.

Q: Take advantage of the public concern for fuels management and propose to increase sales and use tax for fuels management projects for communities.

A: Yes, we will focus on forest fuels.

Q: South shore is in decline commercially and demographically. There are all kinds of things that are not being funded now. I hope you are not in denial like many public officials in this area are about what is possible.

A: I appreciate that comment. We are not charging forward thinking people will pick funding the EIP over getting snow removed in front of their property. It is unfortunate that the timing is not right, but we need to have the conversation. That is why there are other ways of potentially raising this revenue. We do not expect to pass a tax that will generate tens of millions of dollars for the EIP.

Comment: We have come to count on state and federal funds to do things normally paid for by local jurisdictions. We have to break that cycle.

Comment: We do not have local revenues and this is a national and international responsibility. We have to press that point home. This is not building suburbs in Fresno, this is Lake Tahoe.

Comment: Other communities that are not growing are recognizing the importance of maintaining stormwater quality and they are paying for that locally. There is no TRPA there getting state and federal funding, so the sooner we recognize we are all in this together, we have to find funds. My biggest fear is that the congressionals ask what the locals are paying and the answer is nothing. How are we getting sufficient water to put out the fires? The PUDs want to ask the federal government. That is not paid for by any federal government anywhere, why should it be here? There is a privilege to living in Tahoe, but there are different options.

Q: You would be well served when you compare stormwater fees in other places to differentiate that part of it that goes to keep water out of my house versus the part that pays for water quality when it gets discharged. I am glad the real estate transfer tax was mentioned. My question is, in a very short time the alternative is going to be sent to EDAW to develop the environmental impacts. What will be the nature of this list of things? How will it be formatted in the Regional Plan alternative? We can do any of these things. Will you suggest that TRPA adopt a specific strategy? This is good information, but I want to know how it will be in the Regional Plan alternative.

A: The EIP will be incorporated into the Regional Plan by identifying the subprograms that are listed: the focus areas and action priorities like treating runoff from urban roads, highways, etc. There is an environmental target associated with each one of those items. As far as financing goes, it will be very similar to what was done with the first EIP and its finance plan. That was to identify the funding need, to look at existing funding sources and project revenues from those, establish a funding gap, and then adopt a set of recommendations that could be implemented to bridge that funding gap. I do not see our Board picking one particular funding strategy for the local regional revenue and saying go forth and do this. To draw a parallel to Monterey and Santa Cruz, there are entities around with stormwater fees because there is a marine sanctuary there and people are tired of the beaches being closed and of people getting sick. That is how they got that passed. Monterey Bay is a national treasure and they are doing what they can to protect it.

Comment: It is important for this group to be aware that we realize it is going to be a complex blend of sources to get the funding we need. We have the benefit of a lot of public opinion research paid for through Pathway and we are in tune with what the electorate is saying. We need to tap into the extraordinary wealth of seasonal part time homeowners, who are actually more inclined to pay. Paul is going over a suite of options and we have public opinion data that will help us.

Comment: The NTCD has started a study for a stormwater utility and in the Douglas County portion, we got seed money from the GIDs and homeowners associations. We are in the third phase now, the feasibility study stage. We have catalogued the drop inlets, vaults and infiltration basins. Even just that is a good step in the right direction. Some of the GIDs have the capability to clean out all of their vaults, others do not. We are looking at economies of scale of doing that as a utility. We have come up against the question of user fees which would probably be administered through fees in the GIDs.

Q: The problem we will see in this is that some areas already have the EIP and treating water as maintenance. How do you fold those two situations together in a stormwater utility?

A: Thanks for mentioning this. TRPA helped fund this. It is great that it is coming up from the conservation districts and we hope to incorporate it into the finance plan.

Q: What would the range of fees be?

A: Last time it was \$5-7/month/parcel but that is a really rough estimate.

A: Round Hill has 650 units and we spend \$13,000/year maintaining.

Comment: There should be some sort of equity in what each county is contributing to the problem and maybe some flexibility where counties can allocate money to deal with particular problems. Everyone doing their piece might have better buyoff in the basin.

Comment: We are trying to shoot for that. With the TMDL information coming out and the way we organized the EIP, we can be responsive to that.

Comment: It has to do with land use planning pattern. Part of land use changes is trying to find something sustainable. Once we can do that, people may be more likely to want to increase their sales tax to incorporate environmental improvement. We cannot separate the two.

Comment: EPA has national guidance concerning affordable economic expenditures to address potentially significant economic degradation, based on local income, so there is guidance that talks about percent of annual average income considered affordable for environmental purposes.

LTBMU USFS UPDATE ON PROCESS AND SCHEDULE

Eli Ilano (USFS) introduced himself and shared his background from working for Senator Reid in Washington to his current position with the USFS. He shared how the USFS is using the Forum's input and how they are proceeding in writing their revised Land Management Plan.

The three major themes for the Land Management Plan are forest health and fuels, recreation management, and watershed restoration and water quality. Recreation use patterns have changed since our current plan was written in 1988. Our new plan is going to be a different approach to planning. The current plan has a lot of site-specific detailed decisions. That is not exactly where the field of planning and the national USFS planning concept is moving. The idea now is to spend more time talking about what the future looks like. What do you want to see in the future? For us this is called desired conditions. This is the first place where we will use a lot of Pathway work. We are largely taking it word-for-word as you spent a lot of time working on those words. In other places, we are adding desired conditions for areas of responsibility that we have that you did not address, such as heritage resources.

The next concept of this new realm of planning is what the USFS calls strategies, part two of the plan. The strategies are the ways we can get to our desired conditions. There is more flexibility on a site-specific basis to tailor whatever it is we are trying to do. Another piece of the strategies are objectives. These will be more specific statements of desired conditions. Our objectives will be measurable, time-oriented, such as, in five years we want to accomplish thirteen miles of stream restoration.

The third part is design criteria. This is what you may have heard referred to as standards and guidelines. Nationally, the USFS is trying to move more towards guidelines than standards. We are waiting for the green light to move forward and re-engage the public. Any day now we are anticipating being able to move forward with the publication of the new EIS planning rules and regulations so that we can again engage the public in further developing these other items of the plan. We are hoping that soon you can tell us how we put together strategies and design criteria and whether that gets to your visions.

We also want a common set of transects that cover public lands we manage and the other areas that TRPA's plan covers. We are toying with different ideas of what our transects are going to be. Not

a tourism zone, but more like here is general forest and here is roadless. We are hoping to get your ideas on that as well. Also, we do not want to lose all the information layers we had. If we have an area that is general forest, a lot is going on that is not the same from a land management perspective. So we might have other overlays when we go and do a project. For instance, if we have general forest, but it turns out there are cultural sites, spotted owls, or a stream, those overlays will have meaning. We want to be able to incorporate those things as well.

We hope the new planning rule will be signed soon. We are anticipating we can come to you and have some public engagement in this process in the early summer. That will also give us time to create a more logical presentation so we can focus your efforts on what will really be the most useful input to us.

Q: So is the conclusion to all of this that you will have to do an EIS on the plan?

A: Interesting question and at this point, it depends. It partially depends on what we end up developing. The greater amount of specificity in the standards, goals, and strategies means a higher probability that we have to do an EIS.

Q: Are you still guessing what the judicial results will be on USFS in terms of rules?

A: As it relates to NEPA, my guess is it will not say anything substantially different than it said last time.

Q: Are you aware of what Tahoe National Forest did in terms of inventorying just about everything? The impetus was for the travel management plan. Has this forest engaged in anything at that level of depth and complexity for figuring out what is there?

A: As it relates to travel management planning, we are in the envious position of having designated our routes of travel many years ago, so we actually did not have to go through that process again. As it relates to an inventory of resources, most forests would envy our inventory and data and how accessible it is. We do ongoing inventories that are fueled both by dollars to do inventories and from dollars to do monitoring that feed into the inventory. We benefited from all the work that has been done here over the last twenty years.

Q: Are you able to draw layers of data out of the database, do maps and overlays? Is that also true for this forest and is it publicly available?

A: I think a lot of data layers are publicly available, but I am not sure whether you can find that through TIMS or whether you would have to call us. I do not think it is on the website, but we have provided layers to a number of groups.

Comment: TIMS is probably the closest point of access.

Q: What is the timeframe for the public being able to look at strategies and design criteria?

A: Probably throughout the summer. The pressures on us to get this done are going to be increasing, so we do not have the luxury of spending another year doing this. At the first get together we will roll out our public participation plan for how many public meetings, field trips and workshops before we get to the point where we just have to write something up.

Q: Is the new planning rule based on 2000 or 1982 or what?

A: It is probably most similar to the 2005 planning rule, with some changes that occurred since 2005. I do not know the specifics or the exact changes. The environmental management system component is much smaller; it is more focused on operations as opposed to natural resource management.

CLOSING REMARKS

John Singlaub noted that TRPA is uncertain about the next step for the Forum. This is the end of the first iteration as it existed for four agencies working together for a common plan. We are all late on our plans, and that is why we thought today would be a good time to have closure. We would like to have a Forum-like group to continue to be available to us just as part of the Regional Plan Update. That is as much detail as I know or anticipate right now. This has been a good mechanism to get a lot more voices involved in our planning process, beyond the usual suspects. It has been really good, please stay tuned.

Comment: If anyone has any questions about the Regional Plan EIS, someone from EDAW is here to discuss.

Comment: Since some Forum members are not here today, please keep us informed on some frequency that makes sense, as a Forum. We have all invested years in this, so we care a lot about what happens next and we want to have input maybe not on the total plan, but on various aspects.

Anna West thanked the Forum for attending and participating in the meeting. The meeting was adjourned.

Forum materials:

To review Forum materials, including presentations from this meeting, please go to:
<http://www.PATHWAY2007.org/>

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