



October 26, 2011

Cindy Gustafson, President
Tahoe Fund
PO Box 7124
Tahoe City, CA 96145

RE: Proposal for Lobbying and Consulting Services for the Tahoe Fund for 2011 -12

Dear Ms. Gustafson:

Under our current contract, Conservation Strategy Group (CSG) has been providing a range of lobbying and consulting services to help the Tahoe Fund meet its immediate and long-term objectives. We are pleased to submit the attached proposal for our continued services for your review and consideration.

During our current contract period, our objectives are:

- Develop and implement an outreach strategy to bring greater awareness and attention to Tahoe Basin issues at the state political level in Sacramento
- Develop and refine key messages for use with legislators and state agency staff
- Achieve better coordination among state and federal agencies that work in the Basin
- Assist with immediate funding needs to complete projects on the ground
- Develop long-term funding strategies to protect Lake Tahoe

In the attached Scope of Work we recommend continuing to focus on many of these same objectives in the coming year.

Please let me know if you have any questions about this proposal and if you need any additional information. We look forward to continuing to work with you.

Sincerely,

Leslie Friedman Johnson
Partner

Qualifications and Contract Terms

Qualifications of Conservation Strategy Group

Conservation Strategy Group, LLC (CSG) is a Sacramento based lobbying and consulting firm specializing in environmental and natural resources strategy and advocacy. CSG was formed as a limited liability company in 2003, and its predecessor organization, Joseph Caves and Associates, has provided consulting and lobbying services in California since 1993. CSG represents public water and utility agencies, land trusts, environmental groups, conservancies, and local governments before the California Legislature and administrative agencies. CSG also works with clients to develop project and program strategies and to develop and pursue public funding to support their conservation and resource management objectives.

The firm specializes in water, energy, climate change, natural resources, land conservation, clean technology and infrastructure policy and funding. CSG's Partners, Joe Caves and Leslie Friedman Johnson, have each worked for more than 25 years in the fields of legislative and administrative advocacy and in the development and implementation of successful funding strategies for public agencies and non-profit organizations.

CSG works at many levels to create public funding for natural resources, water, parks and open space, clean technology and infrastructure projects. For instance, CSG and its partners have played a significant role in designing, drafting and passing many natural resource bonds including Propositions 12, 13, 40, 50, and 84. Together these bonds have provided more than \$15 billion for natural resources, parks, and water projects in California. Most recently, CSG was closely engaged in the development of the 2009 Delta and statewide water management reform package, which included a proposal for a new \$11.14 billion water bond, slated for the November 2012 ballot.

Over the years, CSG has built strong working relationships with state agencies that oversee funding programs, many of which have been created to govern funds from the resource bonds mentioned above. On behalf of our clients, CSG works closely with many state agencies to help develop effective funding programs and policies. These agencies include the Natural Resources Agency, Department of Water Resources, Wildlife Conservation Board, State Coastal Conservancy, Department of Fish and Game, State Water Resources Control Board, Department of Conservation, Department of Parks and Recreation, California Air Resources Board, and others.

CSG also works with the State Legislature on environmental policy and budget issues. Here, CSG is capable of providing a number of critical services: drafting policy bills; analyzing bills introduced by the Assembly and Senate; advising clients about legislation of interest; lobbying bills on behalf of our clients; and tracking and reporting on legislation as it moves through the legislative process. CSG also monitors and engages in the state budget process as necessary to help ensure that funding is included in the budget that will support programs of interest to our clients.

CSG Staff

Tasha Newman, Director of Client Services, will serve as Client Manager and will work on state agency relationship building and grant opportunities. Reed Addis, Legislative Director, will lead work on legislative issues for the Tahoe Fund. Connie Gallippi, Senior Policy Consultant, will be lead on sustainability issues. CSG Partners, Leslie Friedman Johnson and Joe Caves will lead strategic consulting efforts related to long-term funding strategies. If needed, we will subcontract with the Law Offices of John McCaull for Nevada outreach and state policy and legislative assistance.

Contract Terms

The proposed contract is for a one-year term. CSG will be paid \$5000 per month, and reimbursed pre-approved expenses for the 12 month term of the Agreement.

The Agreement with CSG directs us to serve as the Tahoe Fund's legislative and administrative agency advocate in Sacramento and to perform various tasks including, but not limited to the following:

1. Monitor and report on legislation relevant to the Tahoe Fund. Initiate appropriate actions to advocate the interests of the Fund regarding state legislative or administrative issues.
2. Develop and implement outreach strategies to the California Legislature and state agency staff.
3. Work with Fund staff to write, secure sponsors for, support and achieve enactment of new legislation that addresses the needs or increases your effectiveness implementing your mission.
4. Facilitate formal and informal communication with state legislators, staff members, state agency officials and staff, and maintain regular contact with same in order to anticipate state actions that may affect the Tahoe Basin.
5. Monitor and report on the actions and programs of state agencies pertaining to land and water conservation, sustainability and resource stewardship.
6. Monitor and report on funding opportunities for natural resource, community economic development and recreational projects.
7. Assist the Fund and partners to acquire state funding for projects on the ground.
8. Assist in the development of strategies for long-term funding for the Tahoe Basin.

The 2011-2012 Proposed Scope of Work is intended as a starting point for developing a more detailed scope of work in the months to come.

Proposed Scope of Work for 2011-2012

The primary objective of the Tahoe Fund – Conservation Strategy Group (CSG) relationship is to secure the funding and support needed to implement projects in the Lake Tahoe basin that will provide natural and recreational resource benefits and improve the regional economy.

1. Legislative and State Agency Outreach Strategy

Background: It is our experience that the public perception regarding Lake Tahoe, which includes the legislature and state agencies, is that the region is well protected and there is ongoing funding through the Tahoe Conservancy, federal government, the state of Nevada, and other organizations adequate to support ongoing project activity in the basin. While this may have been true at one point in time, it is no longer true. In order to get the funding and support needed to protect the lake, provide recreational resources, and improve the economy, we need to change this perception.

Action: Create and implement a legislative and state agency outreach strategy for California. This includes refining Tahoe Fund messages and talking points and identifying key legislative, state agency and organizational targets. CSG will coordinate an outreach strategy that includes individual meetings, brown bag lunch events, special legislative hearings, project tours, etc.

Action: Work with Fund staff to identify outreach priorities for the Nevada side of the basin. These may include increasing legislative and state agency cooperation, outreach to Nevada conservation organizations and community leaders and building more support and awareness in the Reno areas for the Fund's activities.

Action: Report to Tahoe Fund on all legislative activity of interest.

2. Secure State Funding for Tahoe Fund priority projects

Background: Over the last few decades, the passage of General Obligation (GO) bond measures in California has enabled the Tahoe Conservancy to fund and manage many natural resource projects in the Tahoe Basin. With California bond funds for many agencies including the Tahoe Conservancy quickly running out, it is essential that we increase investment in the Tahoe Basin from other state and federal funding sources.

During CSG's first contract period with the Tahoe Fund, we identified potential funding for the Upper Truckee River Restoration Program from the Wildlife Conservation Board (WCB). We intend to continue working with WCB, Tahoe Conservancy and the Fund to secure WCB and other public funding in 2012.

Action: Work with Tahoe Fund staff to identify and match public funding opportunities to priority projects. Develop funding strategies for those projects.

Action: Continue to pursue WCB and other funding for the Upper Truckee River.

Action: Assist with grant applications, project tours, and state agency relations.

Action: Monitor and report on new funding opportunities.

3. Develop strategies for long-term funding for the Lake Tahoe Basin

Background: With the passage of Proposition 204 in 1998, the state began a 10-year trend of using GO bonds as the primary funding source for natural resource protection in California. Among these bonds were Propositions 40, 50 and 84. CSG worked on all of these bonds and made sure that the Tahoe Conservancy received funding in each of them. The combined total allocated to the conservancy through these bonds was \$116 million.

State and partner organizations that work to protect and restore the environment have depended almost exclusively on the funds generated by GO bond sales. Unfortunately, most of the authorized natural resource bond funds available will likely be expended in the next three to five years. Many individual state agencies and programs, including the Tahoe Conservancy will run out of bond funds sooner than that.

With the delay of the \$11 billion water bond ([Safe, Clean, and Reliable Drinking Water Supply Act](#)) until the November 2012 ballot, or possibly later, we face uncertain times for state natural resource funding. The current version of the water bond contains \$100 million for the Tahoe Conservancy, which CSG worked to secure for the Conservancy. The bond also contains other programmatic funds (including funding for Wildlife Conservation Board and Integrated Regional Water Management) that could benefit the Tahoe Basin.

In addition, last year CSG developed an initiative to fully fund state parks, Proposition 21. This initiative included provisions that would have greatly helped the Tahoe Conservancy by providing an annual revenue stream for conservation projects. Unfortunately this Proposition was not passed by California voters; however, we still have a huge problem with regard to keeping our state parks open as well as operation and maintenance of other publicly own lands. This issue will need to be resolved.

CSG has also been looking at funding for conservation projects through less obvious avenues including gas tax, transportation mitigation, etc.

Action: CSG will work to ensure that funding for the Tahoe Conservancy remains in the current 2012 water bond, or any alternative measure developed for the ballot.

Action: Work on the development of a per gallon fee for road maintenance, transit projects, and environmental mitigation.

Action: Work on the development of a state parks/conservation funding plan that includes funding for state conservancies that own and manage land.

Action: Work with the legislature to ensure that funding is appropriated through the state budget process to the Conservancy, Wildlife Conservation Board, Department of Water Resources, State Parks, and others.

Action: Provide updates to the Tahoe Fund on the above actions.

4. Internal Capacity Building

Background: The Tahoe Fund is a relatively new non-profit 501c (3) organization. As such, there is work to be done to increase the capacity of the organization. This includes but is not limited to assisting with recruiting Board Members, hiring effective executives and staff and increasing philanthropic support. For instance, the Fund does not currently have any leading corporate philanthropic supporters on the Board from Reno, Sacramento or San Francisco. Lake Tahoe has friends and fans all over the world, and under this scope, CSG can assist the Fund in developing new contacts and relationships in California and Nevada.

Action: CSG will advise and where appropriate assist Fund staff in identifying and reaching out to potential Board members, potential supporters and other allies in both California and Nevada. Rather than a political outreach strategy, this activity will focus on building organizational strength and expertise.

