

## **South Tahoe Public Utilities District**

### Agency Profile

The South Tahoe Public Utility District (STPUD) provides municipal water and wastewater services in the southern portion of the Tahoe Basin. The District serves an area of 42.2 square miles with a population of approximately 32,500. STPUD has a sphere of influence that encompasses an additional 3.2 square miles, which consists of lands in the central portion of the District.

STPUD was formed in 1950 to provide sewer services only; currently, it has approximately 17,600 wastewater connections and the capacity to treat 7.7 million gallons per day (MGD). The District maintains 42 lift stations and approximately 420 miles of connection lines.

In the mid 1970's, STPUD began providing municipal water to residents. Currently, it serves approximately 18,800 water connections from rights to 9,528 acre-feet (AF) of groundwater from 17 active wells. STPUD also maintains 370 miles of main lines and 14 pump stations.

On or around the same time, the District is acquired the authorization to provide fire suppression, parks and recreation and street lighting services. The District has never provided the first two services and only exercises street lighting services to the extent that it serves as a billing mechanism for a small number of special assessment districts. Consequently, fire suppression and parks and recreation should be considered authorized but unexercised powers.

### *Land Use Character*

STPUD serves an area within the southern portion of the Tahoe Basin in El Dorado County, including the City of South Lake Tahoe and a number of unincorporated communities. The current estimated population is 32,500 residents, with little growth expected to occur within the STPUD service area through 2030 due to Tahoe Regional Planning Agency (TRPA) regulations. A vacant land survey prepared from the El Dorado County Assessor's records in 2002 identified 11,985 acres consisting of 27 vacant parcels within the South Tahoe area. The development of these parcels would be limited to approximately 460 dwelling units due to TRPA regulations, which equates to the development of 92 units per year over a five year period.

The majority of the District's customers are single-family and multi-family residential properties with some commercial uses. In addition, the area has a significant number of part-time residents and experiences population influxes due to seasonal tourism.

### *Level of Service*

Although STPUD is empowered to provide a variety of public services, the District does not actively provide any services other than water and wastewater services. According to the General Government Services I Municipal Services Review, adopted by the Commission on January 30, 2008, STPUD acts as an assessment district for lighting

and landscaping services, but it is not a direct service provider. Instead, STPUD is billing mechanism for a small number of special assessment districts to provide street lighting for several small subdivisions. The District has not, and does not now, install or maintain the lighting fixtures or infrastructure.

STPUD is also authorized to provide parks and recreation and fire suppression services, neither of which it is currently providing. Although these powers could not be designated “latent,” they are not currently provided to District residents.

STPUD appears to have sufficient supply infrastructure and facilities available to efficiently serve the resident of the Tahoe Basin. STPUD uses a pay as you go approach to fund capital projects where feasible and obtains financing when necessary for larger projects. A majority of the District’s customers pay a flat rate for water and sewer service so the District’s revenue streams are relatively stable. STPUD has the financial resources to maintain adequate service levels and provide for capital needs. The District has successfully pursued federal assistance and other grant funding, and leverages the use of project financing where appropriate. In addition, it should be noted that, unlike service areas with steady demand, STPUD must plan for available capacity to serve the seasonal population and part time residences even though they will have periods of limited consumption.

#### Commission’s Policies and Guidelines

LAFCO Policy 4.4 requires the Commission to review the following topics before making sphere of influence determinations. The Commission’s recent review of water and wastewater services addressed these requirements as noted below. All citations are from the *Final Water, Wastewater and Power Municipal Services Review*, adopted by the Commission on January 30, 2008. As noted before, STPUD is authorized to provide services other than water and wastewater services, but these powers are largely unexercised and will not be further discussed in either this section or in the Government Code §56425 determinations.

#### **1. Service capacity, level and types of services currently provided by the agency, and areas where these services are provided**

Refer to pages 7-1 to 7-3, “Section 7.1 – Overview;” and pages 7-4 to 7-9 “Section 7.3 – Infrastructure Needs or Deficiencies” and pages 7-15 to 7-16, “Section 7.12.2 – Infrastructure Needs or Deficiencies.”

#### **2. Financial capabilities and costs of service**

Refer to pages 7-10 to 7-11, “Section 7.4 – Financing Constraints and Opportunities;” pages 7-12 to 7-13, “Section 7.6 – Opportunities for Rate Restructuring;” page 7-12, “Section 7.5 – Cost Avoidance Opportunities;” and page 7-16, “Section 7.12.3 – Financing Constraints and Opportunities,” “Section 7.12.4 – Cost Avoidance Opportunities,” and “Section 7.12.5 – Opportunities for Rate and Fee Restructuring.”

**3. Topographic factors and areas of social and economic interdependencies**

Refer to pages 7-1 to 7-3, "Section 7.1 – Overview."

**4. Existing and planned land uses, land use plans and policies, consistency with county and city general plans, and projected growth in the affected area**

Refer to pages 7-1 to 7-3, "Section 7.1 – Overview;" page 7-4, "Section 7.2 Growth and Population Projections;" and page 7-15, "Section 7.12.1 – Growth and Population."

**5. Potential effects on agricultural and open space lands**

STPUD is within the Lake Tahoe Basin land use zoning area, which consists primarily of the Tahoe Agricultural District. This area is also simultaneously under the jurisdiction of the TRPA, which regulates growth near Lake Tahoe and has designated approximately 85-90% of the territory for conservation or recreation. Residential, commercial and tourist areas are concentrated in the City of South Lake Tahoe and along major roadways (Highways 50 and 89). Building within the district is severely restricted, and only approximately 115 residential permits are issued within the entire Lake Tahoe Basin each year. Consequently, it is extremely unlikely that the land use within STPUD will change significantly as a result of the District's operations.

**6. A description of the services that will be provided to any areas which may be added to the sphere and the timing and method for funding expansion of facilities or services**

Refer to pages 7-4 to 7-9 "Section 7.3 – Infrastructure Needs or Deficiencies;" and pages 7-15 to 7-16, "Section 7.12.2 – Infrastructure Need or Deficiencies."

**7. An analysis of the effects of a proposed sphere of influence on other agencies and their service capabilities:**

There is no overlap in services with any other public agency. The only effects are on private water companies that provide service in mutually exclusive areas.

**DETERMINATIONS**

In determining the sphere of influence for each local agency, Government Code §56425(e) requires the Commission to consider and prepare a written statement of determinations with respect to four factors. Staff recommends the following determinations for updating the sphere for South Tahoe PUD:

**1. The present and planned land uses in the area, including agricultural and open space lands.**

Present land use in the STUPD area includes residential, recreational, commercial and tourist-related uses. Primary residential areas within STPUD tend to follow the major highways and roads that bisect the district. Growth and development potential

is limited largely by TRPA regulations and there are not expected to be any substantial changes in the planned land use as a direct result of this review.

**2. *The present and probable need for public facilities and services in the area.***

Present needs for public facilities and services are currently being met. Probable needs for public facilities and services are not currently anticipated to vary from present needs, as future demands are expected to remain relatively the same.

In 2006, STPUD had approximately 13,800 water service accounts, of which 95 percent are residential and the remainder is commercial. This distribution is expected to remain fairly constant through 2030.

STPUD operates the only wastewater treatment system in South Lake Tahoe. In 2006, the District treated approximately 4,200 AF of wastewater flows. Flows are projected to increase to 5,000 AF per year by 2015.

**3. *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.***

The present capacity of public facilities provided is adequate to serve the existing community.

The major water issue in the Tahoe Basin is one of water quality rather than water supply. STPUD relies on groundwater for its water supply and there are significant plumes of MTBE-contaminated groundwater within the Tahoe Basin. The District has funds designated to address these contamination issues and must provide MTBE treatment on certain wells. Per STPUD's *Urban Water Management Plan 2005 Update* (January 2007 Draft), supplies will be adequate to meet projected demands through 2030 under normal conditions as well as single and multiple dry year scenarios.

Due to strict environmental regulations, all wastewater must be exported out of the Tahoe Basin. The District exports advanced secondary treated effluent to Alpine County for land application and fire suppression use. Waterline replacement and installing meters on non-metered accounts will be an infrastructure need for several years as the District systematically implements the improvements. The District has planned for the infrastructure needs of its water and wastewater services through its ten-year CIP.

**4. *The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.***

Social or economic communities of interest in the area do not extend beyond the District boundaries. In addition to the City of South Lake Tahoe, STPUD serves a number of unincorporated communities such as Montgomery Estates, Tahoe Paradise, Meyers, Angora Highlands, Fallen Leaf Lake, and Christmas Valley. The City of South Lake Tahoe is the primary concentrated, social or economic

community of interest that is within the district. Due to TRPA land use regulations, these communities' populations are expected to remain relatively stable.

Based upon the information contained in this document, it is recommended that the South Tahoe Sphere of Influence be updated to affirm its current sphere, as shown in the map labeled "Exhibit A" and attached to Resolution L-2008-09.