

RESOLUTION NUMBER L-2013-05**Update to the South Tahoe Public Utility District
Sphere of Influence****LAFCO Project No. 2012-01**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs the organization and reorganization of cities and special districts by local agency formation commissions established in each county, as defined and specified in Government Code Sections 56000 et seq. (unless otherwise indicated all statutory references are to the Government Code); and

WHEREAS, Section 56425 et seq. provides that the local agency formation commission in each county shall develop and determine the sphere of influence of each local governmental agency within the county, and enact policies designed to promote the logical and orderly development of areas within the spheres of influence, as more fully specified in Sections 56425 et seq.; and

WHEREAS, Section 56430 requires that local agency formation commissions conduct a municipal service review (MSR) prior to, or in conjunction with, consideration of actions to establish or update a sphere of influence (SOI) in accordance with Sections 56076 and 56425; and

WHEREAS, pursuant to Government Code Section 56430, in order to prepare and update spheres of influence, the Commission conducted a municipal service review of the South Tahoe Public Utility District and adopted a written statement of determinations on February 27, 2013; and

WHEREAS, the Executive Officer reviewed the sphere of influence update pursuant to the California Environmental Quality Act (CEQA), and recommended that the project is exempt from CEQA under Section 15061(b)(3) because it is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA, and, based thereon, the Executive Officer prepared a Notice of Exemption; and

WHEREAS, the Executive Officer set a public hearing for February 27, 2013 for consideration of the environmental review and the draft sphere of influence update for Cameron Park Community Services District and caused notice thereof to be posted, published and mailed at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and

WHEREAS, on February 27, 2013, the draft sphere of influence update came on regularly for hearing before LAFCO, at the time and place specified in the Notice; and

WHEREAS, at said hearing, LAFCO reviewed and considered the draft sphere of influence, and the Executive Officer's Report and Recommendations; each of the policies, priorities and factors set forth in Government Code Section 56425 et seq.; LAFCO's Policies and Guidelines related to spheres of influence, starting with Policy 4.0; and all other matters presented as prescribed by law; and

WHEREAS, at that time, an opportunity was given to all interested persons, organizations, and agencies to present oral or written testimony and other information concerning the proposal and all related matters; and

WHEREAS, the Commission received, heard, discussed, and considered all oral and written testimony related to the sphere update, including but not limited to protests and objections, the Executive Officer's report and recommendation, the environmental document and determinations and the service reviews.

NOW, THEREFORE, BE IT HEREBY RESOLVED, DETERMINED, ORDERED AND FOUND:

Section 1. Each of the foregoing recitals is true and correct.

Section 2. The Notice of Exemption prepared by the Executive Officer is approved as the appropriate environmental document for this project.

Section 3. The Commission does hereby make the following determinations regarding the proposal pursuant to Government Code Section 56425(e):

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

Present land use in the STPUD 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.

For the past five years, STPUD's demand has remained consistent. Of its approximately 14,000 water service accounts, 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. The District treats approximately 4,200 AF of wastewater flows. Flows are projected to increase to 5,000 AF per year by 2030.

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 2011 Urban Water Management Plan, 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. The District is in the final stages of replacing all of the remaining large facilities left over from the original 1959 wastewater treatment plant. The expected lifespan of the new treatment facilities is estimated to be 50 to 70 years.

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.

5. *For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.*

As indicated in Section 2 of the MSR, the disadvantaged communities found in the unincorporated service area of South Tahoe PUD are already included in either the service area of STPUD or within its sphere of influence. There are also

disadvantaged communities present within the City of South Lake Tahoe. In neither case, however, was there any evidence that these communities suffer from a lack of services provided by STPUD relative to other portions of STPUD with similar infrastructure deficiencies.

As indicated in this report's Section 1, two of STPUD's major service provision challenges are the age and the undersizing of water and wastewater "legacy" infrastructure – that is, the old water and wastewater lines that the District inherited as it took over from old mutual water companies. Because it was not possible to identify DACs at a more refined level than at the Census Tract level, it is not possible to determine whether there is a correlation between the location of these old lines and neighborhoods that were truly disadvantaged.

It is possible, however, to hypothesize that such a correlation exists. If so, the rate of replacement of these lines is dependent on the securing of sufficient financing for the District to do so. There is no evidence to support any contention that STPUD is actively or passively ignoring the needs in these DACs. Indeed, a case can be made that the opposite is true. District utilizes data from DemographicsNow to be competitive for grants so that the STPUD could replace the lines within DACs faster than its normal, recurring finances allow.

Map 5 of the MSR shows there are large Census Tracts to the southwest of the District that DWR identified as containing DACs. These areas are outside of STPUD's service area and sphere of influence. Map 4 of the MSR shows how large these tracts are, encompassing the Echo Lakes, Meyers, Kyburz, Twin Bridges and Strawberry communities and a significant portion of the Eldorado National forest south of Desolation Wilderness. While LAFCO is aware of these areas, it is not including them in STPUD's sphere of influence for two reasons. First, STPUD does not have the infrastructure or finances to extend municipal services over Echo Summit given the steep topography and, in some places, rugged terrain. Second, because of the limitations on Census information, LAFCO was unable to identify DACs at a level more narrow than the Census Tract level. It is probable only certain confined areas are considered DAC, comprising a small, concentrated footprint relative to the size of these tracts. For example, it is known that the dwellings surrounding Echo Lake are second homes and no one resides there full-time. Very few people live in the national forest full time. Yet these two areas are within the Census Tracts in question. Consequently, at this time, it would not be prudent to include these Census Tracts in the SOI without first identifying the locations of DACs with more certainty and specificity.

Section 4. Pursuant to Government Code Section 56425(i), the Commission does hereby establish the functions and classes of services provided by South Tahoe Public Utility District as follows: Lighting and landscape (billing only), water and wastewater services.

Section 5. The update to the South Tahoe Public Utility District's Sphere of Influence to affirm the current sphere is orderly, logical and justifiable.

APPROVED

Section 6. The Executive Officer is directed to file a Notice of Exemption under Section 15061(b)(3) in compliance with the California Environmental Quality Act and local ordinances implementing the same.

Section 7. The South Tahoe Public Utility District's sphere of influence is updated to affirm its current sphere, including the infill lands within its service area, as shown on the attached map, marked Exhibit A, attached hereto and incorporated herein by this reference.

PASSED AND ADOPTED by the El Dorado Local Agency Formation Commission at a regular meeting of said Commission, held February 27, 2013 by the following vote of said Commission.

Frentzen, Humphreys, Mette,

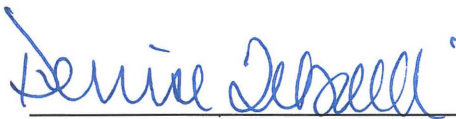
AYES: Mikulaco, Patton, Briggs

NOES:

ABSTENTIONS:

ABSENT: Cole

ATTEST:



Interim Clerk to the Commission

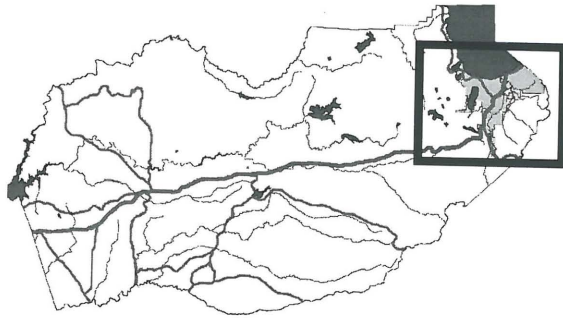


Chairperson




EXHIBIT A

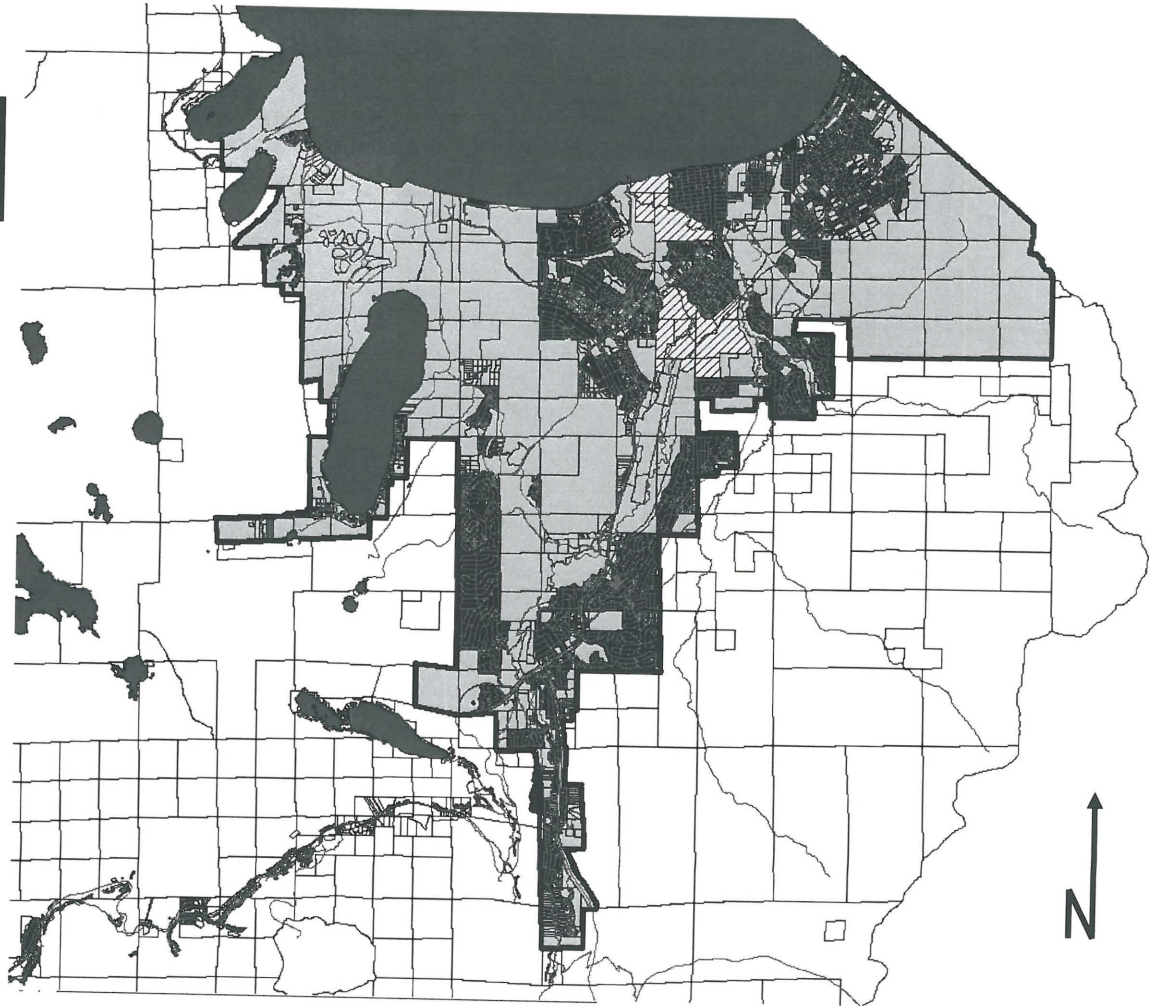
APPROVED

Area of Interest:



Legend:

-  Service Area
-  10-Year Sphere of Influence Area
-  20-Year Sphere of Influence line



South Tahoe Public Utility District Sphere of Influence