

# EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

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## *AGENDA OF SEPTEMBER 23, 2020*

### *REGULAR MEETING*

**TO:** Shiva Frentzen, Chair, and  
Members of the El Dorado County Local Agency Formation  
Commission

**FROM:** José C. Henríquez, Executive Officer

**PREPARED BY:** Erica Sanchez, Assistant Executive Officer

**AGENDA ITEM #4D:** OPEN THE PUBLIC COMMENT PERIOD FOR THE DRAFT  
MUNICIPAL SERVICE REVIEW AND SPHERE OF  
INFLUENCE STUDY FOR THE TAHOE RESOURCE  
CONSERVATION DISTRICT (LAFCO PROJECT NO. 2019-06)

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### **RECOMMENDATION**

Staff recommends that the Commission:

1. Open the Public Hearing to receive comments on the Draft Tahoe Resource Conservation District Municipal Service Review and Sphere of Influence Study; and
2. Continue the Public Hearing until the December 2, 2020 meeting to allow sufficient time and opportunity for the public and the Tahoe Resource Conservation District Board of Directors to review and comment on the study. Staff will return this item in December for final action and adoption.

### **REASON FOR RECOMMENDED ACTION**

The Tahoe Resource Conservation District Municipal Service Review (MSR) and Sphere of Influence (SOI) Update provides a current snapshot of service delivery for the District, and also serves to identify areas of potential growth for future extension of services, or areas of potential reduction for lack of services, where appropriate. State Law requires that an MSR be performed before the Commission can update an agency's SOI.

## **BACKGROUND**

The Tahoe Resource Conservation District (Tahoe RCD or District) was formed in 1974 by the California State Legislature under the provisions of Division 9 of the California Public Resources Code. Tahoe RCD was created to address the unique soil, water and related natural resources issues in the Lake Tahoe Basin. The District promotes the conservation and improvement of the Lake Tahoe Basin's soil, water and related natural resources by providing leadership, information, programs, and technical assistance to land managers, owners, and organizations. Tahoe RCD is a very visible resource conservation district and its programs, projects and staff are very active throughout the Tahoe Basin.

Tahoe RCD consists of those parts of the counties of El Dorado and Placer Counties lying within the Tahoe Basin adjacent to Lake Tahoe. The District's boundaries cover approximately 240,000 acres, including 141,400 acres within El Dorado County and 97,400 acres within Placer County.

As part of its empowered service of resource conservation, resource conservation services through the following current programs and projects:

- Aquatic Invasive Species (AIS) Programs – Prevention and Control
- Fire Adapted Communities Program
- Landscape Conservation Program
- Stormwater Program
- Johnson Meadow Restoration Project
- Pomin Park and Polaris Creek Restoration Project

Tahoe RCD also participates in a number of cooperative efforts with federal, state, local, non-profit, private partners and volunteer organizations to fulfill its commitment and responsibilities with respect to protecting and restoring natural resources in the Tahoe Basin.

## **Municipal Service Review Determinations**

The MSR provides analysis for the statutory criteria set forth within the CKH Act, as well as additional locally adopted requirements. These criteria are listed as follows:

- Growth and Population Projections
- Disadvantaged Unincorporated Communities
- Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies
- Financial Ability to Provide Services
- Status of, and Opportunities for, Shared Facilities
- Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies
- The Potential Effect of Agency Services on Agricultural and Open Space Lands

Throughout the analysis portions of the report, LAFCO staff did not identify any substantial areas for improvement or current issues faced by the Districts that needed to be addressed or resolved as a part of this Municipal Service Review. Overall, the MSR found that the Tahoe RCD provides a high level of resource conservation services, consistent with the residents' expectations.

**MSR Determination 1** – The Tahoe Region's population of permanent residents has continued to decrease in recent years. Population estimates for the El Dorado and Placer County portions of the Basin have decreased almost 9% from 41,176 persons in 2010 to 37,853 in 2018. Despite the current downward trend, the Tahoe Regional Planning Agency estimates that the California portion of the Tahoe Basin could be expected to grow to 45,468 persons by 2035.

Due to the high percentage of vacation homes in the Tahoe Basin, the number of residents year-round is noticeably less than the seasonal population. Overnight and day visitors can more than triple the Region's population during peak periods. However, the seasonal population still contributes almost equally to the demand on Tahoe RCD services, because of the large percentage of recreational users and home ownership, each of which have unique resource conservation needs. Tahoe RCD has indicated in that increased development and recreational tourism contributes to a negative impact on the surrounding natural environment.

**MSR Determination 2** – Disadvantaged Unincorporated Communities (DUCs) are defined as inhabited territory (12 or more registered voters) that constitutes all or a portion of a community with an annual median household income that is less than 80 percent of the statewide annual median household income. The 2018 statewide median household income was \$71,228, making the median household income for a disadvantaged community as defined by the Water Code \$56,982.

Tahoe RCD includes 57 census block group areas within El Dorado and Placer Counties, 47 of which have income data available for 2018. Based on the income criteria and block group level income data from the same time period, 43%, of the census block group areas within Tahoe RCD are considered disadvantaged unincorporated communities. Overall, the average median household income within Tahoe RCD was \$64,243, with a wide range on either side from \$24,141 to \$147,841.

Pursuant to Government Code Section 56430, disadvantaged unincorporated communities may also lack water, waste water, and structural fire protection services. Tahoe RCD does not provide any of these services; however, these services are provided within Tahoe RCD boundaries by various water, sewer and fire protection agencies.

**MSR Determination 3** – Aside from the newly acquired 206-acre Johnson Meadow which is planned for restoration, the Tahoe RCD does not own any major infrastructure or facilities. It does, however, maintain multiple stormwater monitoring stations, and four roadside watercraft inspection stations. Tahoe RCD also owns various equipment, tools and instruments used for in the field operations and basic office equipment for administrative and planning functions. Tahoe RCD used to share office space with the Natural Resource Conservation Service, but it now independently leases its office space at 870 Emerald Bay Road in South Lake Tahoe.

**MSR Determination 4** – Tahoe RCD is overwhelmingly financed by government and private grants, followed to a much lesser extent by property taxes. Tahoe RCD has been awarded over \$30 million in single-year and multi-year grants since 2014 from federal, state and local sources, which translates to 92-98% of its incoming revenue. Although the majority of the funding is only semi-stable due to the uncertain nature of grants, the District appears to be able to adequately finance its operations, in part, because it provides service to such a high-profile area that receives an abundance of attention and funding at the national and state level.

Tahoe RCD staff has indicated that the District's unrestricted funds may not be sufficient in the long term to keep up with future demand for services and increasing operating costs. Despite increasing operational costs, Tahoe RCD has been able to continue normal operations without significantly affecting its programs or services. This is in part due to the District's carry-over fund balance, which is used in some years to make up the difference in revenue and expenses, but has maintained an overall increasing rate since FY 2015-16. By practice, Tahoe RCD management strives to hold one year's worth of operating expenses, excluding program costs, in unrestricted funds. Tahoe RCD may need to consider additional managerial efficiencies and the re-prioritization of programs and services in order to operate entirely within budget in any given year.

Tahoe RCD's 2018-2021 Strategic Direction Plan outlines strategies for Tahoe RCD to achieve stable financial resources, including: negotiating sustainable payment structures with contract funders, pursuing high-value, multi-year grant opportunities, establishing a fee for service program, creating a revenue plan and funding structure for Johnson Meadow, and exploring additional revenue sources. If implemented, these measures would provide additional financial stability to the District's largely grant-funded budget.

**MSR Determination 5** – Tahoe RCD participates in numerous cooperative efforts and partnerships with public, private, and volunteer organizations with respect to protecting and restoring natural resources in the El Dorado and Placer County portions of the Tahoe Basin. By the very nature of resource conservation services and the multi-jurisdictional region where the RCD operates, many, if not most, of the District's programs are cooperative efforts.

Tahoe RCD also contracts with other public agencies within the Tahoe Basin to provide resource conservation services outside its boundaries. Such agreements are in place for the District to provide watercraft inspection, regional stormwater monitoring, and aquatic invasive species control to areas within the Tahoe Basin, but outside of Tahoe RCD's jurisdictional boundaries. These service extensions are allowed by State Law under an exemption for agreements between public agencies, whereby Tahoe RCD provides services that other public agencies would have otherwise provided except that Tahoe RCD can provide them at a higher level, at a lower cost or in a more efficient manner.

**MSR Determination 6** – Tahoe RCD is governed by a five-member Board of Directors appointed by the El Dorado County Board of Supervisors. The District has a full-time staff of 20 employees, and also employs upwards of 50 additional of seasonal staff members during the summer field season.

Tahoe RCD appears to operate sufficiently under its existing structure; the governmental structure is appropriate to provide adequate services, and the management structure of

the District is sufficient to perform necessary services and maintain operation in an efficient and effective manner. It is reasonable to conclude that the Tahoe RCD is competently serving the areas under its jurisdiction and there is no recommendation for restructuring of any kind.

In addition, Tahoe RCD seems to be very efficiently operated with the current resources and staffing available. Tahoe RCD is a very visible resource conservation district and its programs, projects and staff are very active throughout the Tahoe Basin. The District informs, educates and interacts with the community through its website that provides an abundance of information and publications, its Facebook and Twitter accounts, as well as an electronic newsletter. Staff is very receptive to public inquiries regarding the various programs and services that are available to landowners in the Tahoe Basin.

**MSR Determination 7** – The Tahoe Basin is subject to multi-agency authority and planning, and development within Tahoe RCD is tightly regulated. One of the goals of the Tahoe RCD is to promote the responsible stewardship of the natural resources within its service boundaries. This is accomplished, in part, by discouraging the premature conversion of agricultural, open space, or forest land to urban uses. The services provided by Tahoe RCD protect open space and the natural resources economy by assisting private landowners and local agencies in the efficient management of local natural resources.

### **Sphere of Influence Determinations**

The MSR also includes a review of the existing SOI for the Districts to determine if changes should be made. Written determinations are included within the MSR consistent with the requirements of CKH that address the following:

- Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands
- Present and Probable Need for Public Facilities and Services
- Present Capacity of Public Facilities and Adequacy of Public Services
- Existence of Any Social or Economic Communities of Interest
- Present and Probable Need for Public Facilities and Services Related to Water, Sewer, or Fire Protection, of any Disadvantaged Unincorporated Community within the Existing Sphere of Influence

**SOI Determination 1** – Present land use in the Tahoe RCD area includes residential, recreational, commercial and tourist-related uses. Primary residential areas within Tahoe RCD tend to follow the major highways and roads that bisect the district. Growth and development potential is limited largely by the Tahoe Regional Planning Agency (TRPA) regulations. No substantial changes in the planned land use are expected as a direct result of affirming the current Tahoe RCD sphere of influence.

**SOI Determination 2** – The number of permanent residents within the Tahoe RCD service area, has decreased almost 9% from 2010 (41,176) to 2018 (37,853); however, TRPA estimates that the California portion of the Tahoe Basin could be expected to potentially grow to 45,468 persons by 2035.

Due to the high percentage of vacation homes and year-round recreational activities in the Tahoe Basin, the number of permanent residents is noticeably less than the seasonal population and overnight and day visitors can more than triple the Region's population during peak periods. The seasonal population still contributes almost equally to the demand on Tahoe RCD services, because of the large percentage of recreational users and home ownership, each of which have unique resource conservation needs.

**SOI Determination 3** – The Tahoe RCD appears to provide a high level of resource conservation services to its residents. Tahoe RCD receives sufficient revenue to fund its programs through various grants, contributions from both El Dorado and Placer Counties and a relatively small increment of local property taxes. Although the majority of the funding is only semi-stable due to the uncertain nature of grants, Tahoe RCD does not appear to have difficulties in financing its operations, in part, because it provides service to such a high-profile area that receives an abundance of attention and funding at the national and state level.

**SOI Determination 4** – Tahoe RCD serves multiple distinct communities in the Tahoe Basin, including the City of south lake Tahoe, Meeks Bay, Tahoe City, Fallen Leaf Lake, Meyers, North Shore, Phillips and Tahoma. The City of South Lake Tahoe is the only incorporated community within the Tahoe RCD boundaries, and is the primary concentrated, social or economic community of interest that is within the District. Due to stringent TRPA land use regulations, these communities' permanent populations are expected to remain relatively stable in the next few years.

**SOI Determination 5** – While LAFCO has identified disadvantaged communities within the Tahoe RCD service area boundary, the District does not provide any of the municipal services as defined in Government Code 56425(e)(5).

### **Sphere of Influence Recommendations**

Tahoe RCD's service area has not changed since its creation, nor has its sphere of influence, which is concurrent with the District's boundaries. The Tahoe RCD SOI was last updated in 2007. The SOI set by the Commission at the time affirmed the original sphere. Based upon the information contained in this report, it is recommended that the Tahoe RCD sphere of influence be updated to affirm the original sphere, as shown in Map 1 of the Draft Tahoe RCD MSR/SOI Study.

**Staff Outreach and Public Comment Period**

Tahoe RCD's Finance Director provided additional information about the District through various email communications, requested financial and operational documents, a District questionnaire. The Finance Director and Executive Director reviewed the Administrative Draft of the report for accuracy prior to this publishing of the Draft MSR and provided staff with appropriate comments and corrections which were incorporated into this Draft MSR. The TRCD Board and the general public will have until the end of the public comment period on December 2, 2020 to submit comments for the Final MSR and SOI Update.

**Attachments:**

- Attachment A: Draft Tahoe RCD Municipal Service Review and Sphere of Influence Study (LAFCO Project #2019-06)
- Attachment B: Recommended Tahoe RCD SOI Map