



South Tahoe Public Utility District

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Mary D. Nichols, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Cap-and-Trade Auction Proceeds Second Investment Plan

Dear Chair Nichols:

On behalf of the South Tahoe Public Utility District (STPUD), I am pleased to submit the following comments to the California Air Resources Board's (CARB) draft Concept Paper for the Cap-and-Trade Auction Proceeds Second Investment Plan (Concept Paper). The STPUD is part of the California Tahoe Alliance comprised of a diverse group of local public agencies, public utility districts, environmental nonprofits, and special districts that collaboratively pursue dedicated, long-term funding to support a broad range of natural resource restoration and preservation projects in the Lake Tahoe Basin.

We are pleased to see the Concept Paper highlight several strategies to reduce greenhouse gas emissions that are **achievable** in the Tahoe Basin, including a greater role for rural communities, increased public transit and alternative modes of transportation, and a more comprehensive approach to resource protection and carbon sequestration. In constructing the final version of the Second Investment Plan, we respectfully request you consider the following:

1. Dedicated Program for Rural Communities: The Concept Paper notes that rural communities have a critical role to play to achieve the state's climate goals, but does not provide a definition of a rural community. We suggest a rural community be defined as identified in the California Water Code, Chapter 3. Definitions (79702); however, we would additionally add that the definition of "a reasonably isolated and divisible segment of a larger municipality" not be confined to a population of 20,000 persons or less, but instead allow isolated communities to provide narrative and appropriate data to define how isolation and the 'rural' nature of their communities leads to economic distress.

The STPUD agrees that rural communities should have a greater focus in the next investment plan. Rural communities, like disadvantaged communities, often lack the financial and technical resources of urban areas and therefore have trouble assembling competitive grant proposals for statewide programs. Furthermore, many rural communities do not qualify as disadvantaged communities under the CalEnviroScreen tool and are therefore excluded from portions of cap and trade funding despite the fact that many rural areas like Kings Beach and South Lake Tahoe have median household incomes well below the statewide average. Accordingly,

we urge you to consider including language for a dedicated program to provide funding to rural and isolated communities that suffer from economic distress.

2. Consideration of Tourist Destinations for Transportation/Sustainable Communities Funding

The Tahoe Region also struggles to compete for transportation and sustainable communities funding. The Tahoe Regional Planning Agency adopted the Lake Tahoe Sustainable Communities Strategy (SCS) in 2012; however the Tahoe region is unable to compete with larger cities for grants to implement many of the projects called for by the SCS because of comparatively low ridership and funding formulas that do not account for visitors. The SCS identifies the need to promote walkable, bikeable, and transit-friendly communities by constructing bike trails, improving transit connections, and concentrating tourist amenities in Town Centers. A key goal of the SCS is to reduce dependence on the automobile for residents and visitors to the Tahoe Basin.

The permanent population of the Tahoe Basin is approximately 53,000. However, on busy summer weekends, the number of people in the Basin swells to 250,000 straining the Basin's transportation network and causing congestion and emission concerns. Future investments of sustainable communities funds need to account for communities such as the Tahoe Basin whose residential population does not adequately reflect the infrastructure needed to reduce dependence on automobiles and promote sustainable communities. We urge you to consider including language in the second investment plan that prioritizes funding for communities that are tourist destinations

3. Natural Resources and Waste Diversion

The STPUD supports the comprehensive and holistic approach to resource protection and management outlined in the Concept Plan. The Concept Plan points out that natural systems do not have specific boundaries and future investments need a landscape-level approach to maximize carbon sequestration benefits. We agree and believe that resource investments need to be made through a regional implementer, and the California Tahoe Conservancy is most suited to be the regional implementer for the California side of the Tahoe Basin. The Tahoe Conservancy's long history of implementing projects on its own land and providing grants to local agencies make it an ideal entity to coordinate cap and trade investments in the Tahoe Basin. The Tahoe Conservancy is best situated to identify projects at a landscape level that will reduce GHGs by enhancing forest health, restoring critical wetland and meadowlands, and protecting lands from development. Investing Cap-and-Trade Auction Revenue through the Tahoe Conservancy will best prioritize integrated projects that protect and restore the Tahoe Basin's forests, rivers and open spaces.

The investment plan also calls for better methods of carbon sequestration and methane emission reductions. Tahoe's forests are overstocked and extremely susceptible to catastrophic wildfires, a major source of GHG emissions. Our forests also lack species and age diversity which inhibit carbon sequestration capacity. Forest treatments which promote healthy forests not only improve carbon sequestration, but also reduce risk of catastrophic wildfire. However, Tahoe's forests are not currently providing the GHG emission benefits they could because funding for treatment projects is limited and post-treatment slash is often pile-burned. The Alliance strongly supports funding for forest treatment projects and rural biomass facilities to reduce wildfire risk, promote healthy forests, and reduce pile burning.

Overall, STPUD is very supportive of the California Air Resources Board Cap-and-Trade Auction Proceeds Second Investment Plan Draft. We appreciate the opportunity to provide and for your consideration of our above comments. As California begins to see the harmful effects of climate change, we must look to every resource available to work against these effects. Investment in sustainable communities and natural resources will go a long way toward mitigating the effects of untamed and uncontrolled greenhouse gas emissions.

Sincerely,



Richard Solbrig
General Manager/Engineer