



**REGIONAL AND ECONOMIC SCIENCES**  
Applied Policy Studies for the Public and Private Sectors

**SURVEY OF BUSINESS OWNERS AROUND ALOHA, CAPLES,  
ECHO, AND SILVER LAKES**

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# Introduction

Regional and Economic Sciences (RES) conducted a survey of businesses in or near the El Dorado Irrigation District Project 184 during August 2002 for the El Dorado Irrigation District (EID). We used a list of 24 businesses supplied by EID, and we completed 13 interviews with owners and/or managers. Three declined and three did not return the repeated messages we left on their answering machines. We conducted some of the interviews face-to-face. When that was not feasible, we completed the interviews on the telephone. We could not find five of the businesses on the list of 24.

## Seasonal and Cyclical Behavior

Eight of the businesses are open year-round. The remaining five open late May to early June. Three of the five close in September, one closes in October, and the other closes in November. See Q1, Q2A, and Q2B.

### **Q1** *Is your business open year-round?*

	<b>Freq.</b>	<b>Percent</b>
Yes	8	61.54
No	5	38.46
Total	13	100.00

### **Q2A** *In general, what date does your business open?*

<b>Month open for business</b>	<b>Freq.</b>	<b>Percent</b>
late May	4	80.00
June	1	20.00
Total	5	100.00

### **Q2B** *In general, what date does it close?*

<b>Month closes for business</b>	<b>Freq.</b>	<b>Percent</b>
September	3	60.00
October	1	20.00
November	1	20.00
Total	5	100.00

Nine of the 10 respondents who answered the question about seasonality of their businesses indicated that their gross receipts are higher in some seasons than in others. Of those nine businesses, five have the highest gross receipts in July, and two have the highest in August. The two with the highest in winter cater to snow skiers. See Q3 and Q4.

**Q3 Do you have higher gross receipts at some seasons compared to others?**

	<b>Freq.</b>	<b>Percent</b>
Yes	9	90.00
No	1	10.00
Total	10	100.00

**Q4 In which months do you have the highest gross receipts?**

<b>Months of highest gross receipts</b>	<b>Freq.</b>	<b>Percent</b>
Winter	2	22.22
July	5	55.56
August	2	22.22
Total	9	100.00

Six of the nine who answered the question about the trend in their business activity over the past five years indicated that it had increased. The other four said their business had stayed the same. None indicated that their business had declined over the past five years. Nine said that their business activity is affected by swings in the state's economy, and two said that their businesses are not affected by the state's economy. See Q5 and Q6.

**Q5 Over the past five years, has your business generally increased or decreased on an annual basis?**

	<b>Freq.</b>	<b>Percent</b>
Increased	6	60.00
Stayed the same	4	40.00
Total	10	100.00

**Q6 Does your business activity change because of changes in the statewide economy?**

	<b>Freq.</b>	<b>Percent</b>
Yes	9	81.82
No	2	18.18
Total	11	100.00

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Six of the respondents said that their business activity increases when statewide economic activity increases. We expect this relationship since the demand for most goods does increase as income rises (or statewide economic activity increases). For example, people may go snow skiing rather than stay at home as income rises. However, four of the respondents said that their business activity increases when statewide economic activity decreases. This implies that demand for their goods or services decreases as income increases. This could happen, for example, when falling income results in more camping and less cruising.

Six of the respondents said that their business activity stays the same when statewide economic activity increases, and two of the respondents said that their business activity stays the same when the statewide economy decreases. This implies that rising income has no impact on demand for their goods and services. See Q7A and Q7B.

**Q7A** *In general, does your business activity increase or decrease as a result of increases in statewide economic activity?*

	Freq.	Percent
Increases	6	50.00
Stays the same	6	50.00
Total	12	100.00

**Q7B** *In general, does your business activity increase or decrease as a result of decreases in statewide economic activity?*

	Freq.	Percent
Increases	4	33.33
Decreases	6	50.00
Stays the same	2	16.67
Total	12	100.00

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When we look at the responses to Q7A and Q7 B, we get the following combinations:

- Five respondents said that demand for their products or services increases when statewide activity increases and decreases when statewide activity decreases. By definition, these five businesses are selling “normal goods.” Most goods and services are normal. For example, when income increases, the demand for airline services increases; if income decreases, demand for airline services decreases.
- However, four respondents said that demand for their products or services stays the same when statewide economic activity increases and demand increases when statewide economic activity decreases. It may be that demand stays the same when statewide activity increases because the population usually increases when economic activity increases. Thus, the increase in population tends to increase demand for these businesses, and it offsets the impact of the increase in statewide economic activity, which would otherwise cause their business to decline. When statewide activity decreases, their businesses may increase because people decide to camp out rather than vacation in a hotel or take a cruise.
- One respondent said that his business was unaffected by either increases or decreases in statewide economic activity.
- One respondent said that his business stayed the same when statewide economic activity increases, but decreases statewide economic activity decreases.

## Other Factors Influencing Business

### **Q8** *What factors other than water level and season influence your gross receipts?*

The most frequently cited “other factor” is the state economy mentioned by nine respondents. The second most frequently cited “other factor” was snow levels or weather, which was mentioned by five respondents. Other factors mentioned were gas prices, news media when they make an erroneous report on fire location, marketing and how well local businesses work together for referrals, the Bay Area and Lake Tahoe economy, and the availability of camping at other places, usually due to fire.

Four indicated that Silver Lake is the primary lake that attracts their customers. One said Echo, two said Caples, and three indicated that it was a combination of lakes. See Q9.

### **Q9** *Which lake is the primary lake that attracts your customers?*

	<b>Freq.</b>	<b>Percent</b>
Caples	2	20.00
Echo	1	10.00
Silver	4	40.00
Combination of lakes	3	30.00
Total	10	100.00

Four indicated that they do most of their business when the lakes are full. Four said that they do some of their business when the lakes are full. Two, who cater to snow skiers, said that they do none of their business when the lakes are full. The same two said that they do most of their business when the lakes are partially drained. Six do some of their business when the lakes are partially drained. When the lakes are drained to the maximum, four still do some business, but three do none. See Q11, Q12, and Q13.

**Q11** When \_\_\_[use response from Q9]\_\_\_\_\_ the lakes are full, do you do most of your business, some of it, or none of it?

	Freq.	Percent
Most	4	40.00
Some	4	40.00
None	2	20.00
Total	10	100.00

**Q12** When the \_\_\_[use response from Q9]\_\_\_\_\_ lakes are partially drained, do you do most of your business, some of it, or none of it?

	Freq.	Percent
Most	2	25.00
Some	6	75.00
Total	8	100.00

**Q13** When \_\_\_[use response from Q9]\_\_\_\_\_ the lakes are drained to their maximum, do you do most of your business, some of it, or none of it?

	Freq.	Percent
Some	4	57.14
None	3	42.86
Total	7	100.00

## Number of Employees

The 13 businesses employ 262 full-time and 9 part-time employees during their highest level of activity. Nine of the businesses have four or fewer full-time employees during their highest level of business activity. Three of the businesses have 15 to 19 full-time employees, and one has 200 full-time employees. See Q14.

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**Q14** *When your business is open during your highest level of business activity, in general, how many full-time employees do you have?*

<b># of full-time employees</b>	<b>Freq.</b>	<b>Percent</b>
0	1	7.69
1	1	7.69
2	2	15.38
3	3	23.08
4	2	15.38
15	1	7.69
18	1	7.69
19	1	7.69
200	1	7.69
Total	13	100.00

All 11 businesses that answered the question about part-time employees indicated that they have six or fewer during their busiest season. See Q15.

All 11 who answered the question indicated that they have five or fewer full-time employees during their lowest level of business activity. See Q16.

Seven said that they had owned or managed their business for less than 10 years, and three said that they had owned or managed it for more than 10 years. See Q17.

**Q15** *And how many part-time?*

<b># of part-time employees</b>	<b>Freq.</b>	<b>Percent</b>
0	2	18.18
1	4	36.36
2	4	36.36
6	1	9.09
Total	11	100.00

**Q16** *When your business is open during your lowest level of business activity, in general, how many full-time employees do have?*

<b># of full-time employees</b>	<b>Freq.</b>	<b>Percent</b>
0	3	27.27
1	2	18.18
2	1	9.09
3	4	36.36
5	1	9.09
Total	11	100.00



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**Q17** *How long have you had [or managed] the business here?*

<b>Years owned/managed business</b>	<b>Freq.</b>	<b>Percent</b>
1	1	10.00
2	3	30.00
4	2	20.00
9	1	10.00
14	1	10.00
16	1	10.00
28	1	10.00
Total	10	100.00

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# Satisfaction

Respondents were asked about their level of satisfaction with water level, visual quality, hiking trails, human impacts on vegetation, campsite conditions, and the amount of litter during the seasons, beginning with spring.

**Q18. On a scale of 1 to 5, with 1 being very dissatisfied and 5 being very satisfied, how satisfied would you say you are with the following conditions at [use the name of the primary lake referenced in question 9--if there is a combination refer to it] during the spring period?**

Tables 1 and 2 summarize the answers. Winter is not included since there were only two respondents with businesses open in the winter who answered these questions.

**Table 1. Degree of Satisfaction Among Business Respondents**

Degree of Satisfaction Among Business Respondents																		
Degree	Spring						Summer						Fall					
	Water Level	Visual Quality	Hiking Trails	Human Impacts	Campsite Conditions	Litter	Water Level	Visual Quality	Hiking Trails	Human Impacts	Campsite Conditions	Litter	Water Level	Visual Quality	Hiking Trails	Human Impacts	Campsite Conditions	Litter
Very Dis.												1	3	2				
Dis.		1				2	2	2			2	2	3	3				2
Neutral	4	2	6	7	7	5	4	1	2	5	4	3	4		5	4	5	4
Sat.	4	2	4	3	1	1	3	4	6	4	2	3	1	4	4	3	1	3
Very Sat.	3	6			1	1	2	4	3		1		2	1	1	1	1	
Total	11	11	10	10	9	9	11	11	11	11	8	9	11	11	10	10	8	9

**Table 2. Degree of Satisfaction Among Business Respondents as a Percent of Total**

Degree of Satisfaction Among Business Respondents as a Percent of Total																		
Degree	Spring						Summer						Fall					
	Water Level	Visual Quality	Hiking Trails	Human Impacts	Campsite Conditions	Litter	Water Level	Visual Quality	Hiking Trails	Human Impacts	Campsite Conditions	Litter	Water Level	Visual Quality	Hiking Trails	Human Impacts	Campsite Conditions	Litter
Very Dis.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	11%	27%	18%	0%	0%	0%	0%
Dis.	0%	9%	0%	0%	0%	22%	18%	18%	0%	18%	13%	22%	27%	27%	0%	20%	13%	22%
Neutral	36%	18%	60%	70%	78%	56%	36%	9%	18%	45%	50%	33%	36%	0%	50%	40%	63%	44%
Sat.	36%	18%	40%	30%	11%	11%	27%	36%	55%	36%	25%	33%	9%	36%	40%	30%	13%	33%
Very Sat.	27%	55%	0%	0%	11%	11%	18%	36%	27%	0%	13%	0%	0%	18%	10%	10%	13%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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## Spring

Since there were 11 who responded to this set of six questions, there were 66 potential responses. (There were only 60 responses because some refused to answer some questions.) When asked about satisfaction levels during spring, only three of the 66 potential responses were dissatisfied, or very dissatisfied. There was one response of dissatisfaction with visual quality, and there were two responses of dissatisfaction with the amount of litter.

Visual quality received the largest number of very satisfied responses with six such responses. No one was very satisfied with hiking trails or human impacts on vegetation during spring. Two respondents were dissatisfied with the following: water level, visual quality, human impacts, and litter. One was dissatisfied with campsite conditions, and one was very dissatisfied with litter. Most were neutral, satisfied, or very satisfied with the six question items.

## Summer

There were more responses of dissatisfied and very dissatisfied during the summer than in the spring. Ten out of the potential 66 responses were either very dissatisfied or dissatisfied. Amount of litter received the most responses of dissatisfaction; one response was very dissatisfied and two responses were dissatisfied. No one expressed dissatisfaction with the hiking trails. There were two responses of dissatisfied with each of the other variables. (Same comment as above.)

## Fall

There were more responses of dissatisfaction for the fall than there were for the summer. Nineteen of the potential 66 responses were either very dissatisfied or dissatisfied. The greatest source of dissatisfaction was with water level. Six people were either very dissatisfied or dissatisfied with the water level during the fall. Four were neutral and only one was satisfied.

No one was dissatisfied with the hiking trails, but there was dissatisfaction with all the other variables. There was almost as much dissatisfaction with the visual quality as with the water level.

## Winter

Since there were only two businesses that are open during the winter, only two responded to this set of questions about satisfaction. Both responded that they were neutral in their level of satisfaction with all variables.

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## New Amenities

**Q19** *Can you tell me what two types of amenities you feel the lakes should have that they do not have at this time?*

Three said that they do not know what types of amenities are needed, and two said that they do not want any new amenities with one adding that new amenities will attract more people to damage the environment. Two respondents said that they needed more showers, and two wanted clean, public restrooms. One wanted higher water levels in the fall. Another wanted fish-cleaning stations. One respondent wanted a well-maintained trail around the lake. One requested a quality gas station and grocery store.

## Improved Amenities

**Q20** *How about amenities that might need to be improved?*

Four respondents said the public restrooms needed to be improved. Three said they did not know of any amenities that needed to be improved. Two mentioned better access to boat launches, and two said that parking needed to be improved. There was one mention each for the need to improve showers, picnic areas, and road conditions. One respondent said that they needed improved monitoring of Emigrant Cove because some people are camping there without a permit. One respondent wanted a restaurant at Kit Carson Lodge and a summer activity office for visitors.

**Q21** *Do you have any suggestions for ways that the El Dorado Irrigation District can improve its management of resources in the District?*

Three respondents said that they did not have any suggestions for EID.

Two respondents said EID needed to make more information available about lake water drawdowns. One added that notification and any changes should be in writing. "We are dependent upon guests who call for information on water levels," according to one. Both respondents said that relations with operations/field people are good, but relations with management/planning are not good.

One respondent suggested managing the way PG&E did. He wanted 1-2 people dedicated to the lake who know the lake well. "Too many EID people are coming in who don't know the lake well enough to manage it." However, another respondent said, "EID is better than PG&E," and he added, "Don Pearson works well with us."

One respondent said, "EID management doesn't do anything now. So why suggest anything?"

Another respondent wants to know who controls other small lakes in the area and why they are not included in this survey. "Who is responsible for the large fish kill in Red Lake this summer?"

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One respondent suggested that local water use should have priority over other uses. Another respondent said that EID should make sure there is enough water for good fishing at all times. Finally, another said, “Don’t drain the lake and consider the cabin owners around lake more.”

Only one respondent mentioned a concern other than water for question 21. Although he said he recognized EID is not responsible for road conditions, he believed that EID should influence those who can improve road conditions.

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## Conclusions

This is a small sample of 13 businesses. It could have been almost 50% larger if all had participated. Unfortunately, six individuals either directly declined to participate or indirectly declined by refusing to return messages. Some of those who agreed to be interviewed were openly hostile to our interviewer. Five of the 24 businesses that we could not find are out of business.

The 13 businesses included in our survey employ 262 full-time and 9 part-time employees during their highest level of activity. Nine of the businesses have four or fewer full-time employees during their highest level of business activity. Three of the businesses have 15 to 19 full-time employees, and one has 200 full-time employees. Those who answered the question about part-time employees indicated that they have six or fewer during their busiest season.

Eight of those we interviewed are open year-round and the other five are open during the summer. Two of the eight that are open year-round cater to snow skiers. Six of the respondents said that their business had generally increased during the past five years while four said that it had stayed the same. (Three declined to answer this question.)

Five of the respondents said that their business activity increases when statewide economic activity increases and decreases when statewide economic activity decreases; by definition these businesses are selling “normal goods.” Perhaps more people go snow skiing rather than staying at home when income increases. If correct, snow skiing is a “normal good” by definition. However, four of the businesses said that demand stays the same when statewide activity increases and demand increases when statewide economic activity decreases. Perhaps more people go camping rather than cruising when income declines. Other than the state economy, the most frequently cited factor influencing their businesses is the snow level. Some also mentioned weather and fires.

We asked respondents how satisfied they were with water levels, visual quality, hiking trails, human impacts on vegetation, campsite conditions and the amount of litter during spring, summer, fall, and winter. The responses range from very dissatisfied, dissatisfied, neutral, and satisfied to very satisfied. Since 11 answered these questions for spring, summer, and fall, there are 66 potential responses for each of these seasons. During spring, only 3 of the 66 were dissatisfied or very dissatisfied. That increased to 10 in the summer and 19 in the fall.

When we asked respondents what types of new amenities are needed, three said they do not know what types of amenities are needed, and two said that they do not want any new amenities with one adding that new amenities will attract more people to damage the environment. Two respondents said they needed more showers, and two wanted clean, public restrooms.

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We asked which amenities needed to be improved, and four respondents said public restrooms needed to be improved. Three said that they did not know of any amenities that needed to be improved. Two mentioned better access to boat launches, and two said that parking needed to be improved.

When we asked respondents for suggestions for EID management, there was not much consensus among the respondents. Three said that they did not know of any suggestions for EID. Two said that they wanted more information on the dates EID planned to draw the water down, and one (of the two) asked for written notifications of planned drawdowns and changes in plans. Two expressed support for the operations/field people, but they were critical of management. One respondent said that EID is better than PG&E, but another suggested that EID manage the lakes like PG&E. This person wants 1 to 2 people who really know the lake assigned to it. See Appendix A for actual comments.

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# Appendix A

## EID – Business Survey Results

**Q21** *Do you have any suggestions for ways that the El Dorado Irrigation District can improve its management of resources in the District?*

### Responses:

- None
- Be careful where they sell the water - respondent would prefer to keep it for local use first.
- Don Pearson works well with them. EID is better than PG&E.
- Major need for information on lake levels and operation of lake. They have good relations with operations people but strong objections to planning people. They are dependent upon guests who call for water information and they cannot tell them. Defines recreational season thru mid-October and needs water until then.
- Make sure there is enough water for good fishing at all times.
- Need to give plans for lake drawdown and then advise in advance when plan is going to change. Need to do a better job. Some employees are good at verbal information but need it in writing, especially towards end of season.
- Road conditions are terrible. Recognizes EID is not responsible, but would like them to have some influence on those who are.
- Wants to know who controls other small lakes in the area and why they were not included in the survey (Red Lake). Red Lake had large fish kill earlier in the summer with no explanation - who is responsible?
- None
- None
- Manage the way PG&E did - they want 1-2 people dedicated to their lake who know the lake. Too many EID faces coming in and out and cannot believe they all know the lake well enough to make decisions.



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- Information from field people is pretty good but information from management is awful. Believes they (EID management) do not do anything now so why suggest anything.
  - Do not drain the lake and consider the cabin owners around the lake more.