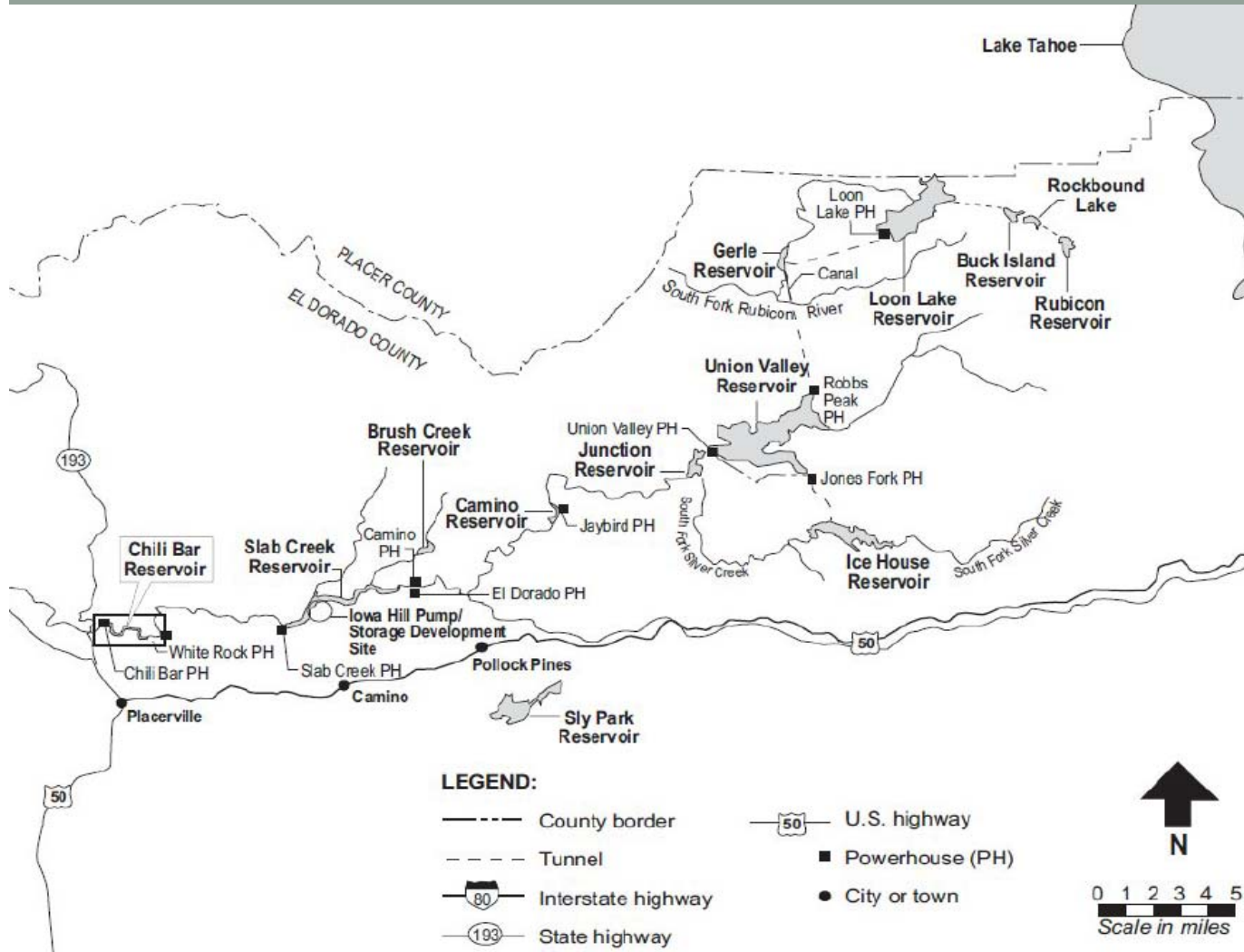


SMUD SPECIAL REVENUE FUND

Cooperation Agreement with
Sacramento Municipal Utility District

February 11, 2020



Map of the Upper American River Project from FERC License

STRUCTURE OF THE CURRENT AGREEMENT REGARDING PAYMENTS FROM SMUD

El Dorado – SMUD Cooperation Agreement

Signed on October 18, 2005 with Resolution 312-2005

Article IV – Payments by SMUD

- 4.1 SMUD Initial Payment – \$2.6 million
- 4.2 Annual Payments – Due July 1st of each year; first payment was \$590,000
- 4.4 Use of Payment Funds
 - Initial Payment: “utilized by the County for capital improvements in Ice House Road and other miscellaneous capital projects related to the UARP and its impacts.”
 - Annual Payment: “for the purposes of road maintenance, watershed management, and other miscellaneous activities related to the UARP and its impacts on facilities owned or services provided by, or any resource or other interest within the jurisdiction of, the county.”
- 4.5 Adjustment of Payments – annual payments to be adjusted for inflation based on Urban Consumer’s Price Index

Transition Agreement with GDPUD

- On March 10, 2009 the Board signed a Transition Agreement with Georgetown Divide Public Utility District (GDPUD) with Legistar Item 09-0298.
- This agreement outlines the continued payment of 9/59th of the annual SMUD payment to GDPUD as long as the El Dorado – SMUD Cooperation Agreement remains in effect.

PRIOR BOARD DIRECTION

Prior Board Direction on Use of Funds

- December 18, 2012 (#12-1398) Board provided direction regarding future SMUD fund expenditures:
 - GDPUD would be paid 9/59 (\$90,000); and
 - Rubicon Trail Maintenance 20/59 (\$200,000); and
 - Law enforcement 7/59 (\$50,000); and
 - Reserve Account – Recreational Projects, mainline roads, or MOU law enforcement in the UARP 22/59 (\$250,000).
 - Board action only, no Resolution, etc.
 - Distribution did not add to 100% - 1/59 remained unassigned in Board action
- Recall: “road maintenance, watershed management, and other miscellaneous activities related to the UARP and its impacts”

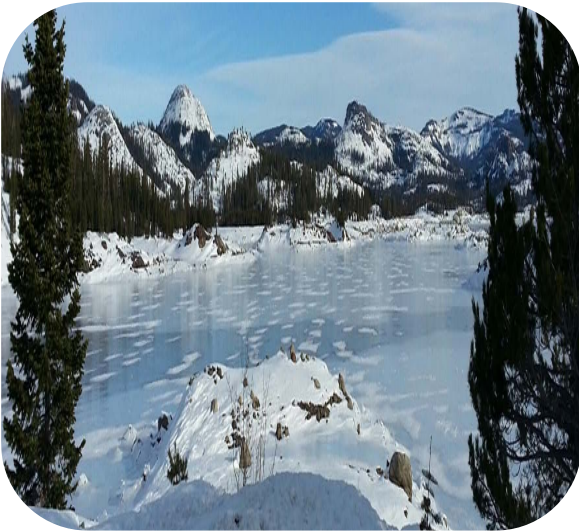
CAO – PARKS

Rubicon Trail



SMUD funds have been used as grant match for the Rubicon Trail maintenance and operations. It has not been used for Educational Grants or for the Economic Study.

Using SMUD funds as match the county has obtained \$4,821,190 in grants since Fiscal Year 2001-02 for the Rubicon



This funding has provided matching funds for bridge repair, equipment needed to access the trail, spill kits, BMP installation and monitoring, rock drops for rock armoring, gabions, trail delineation, signage, and sanitation removal.

Future Need for use of SMUD Funds

- Continued use of funds for grant matching for trail maintenance and operations.
- Lack of maintenance could lead to another Cleanup and Abatement Order from the Water Board which could result in a \$10,000 a day fine.

EL DORADO COUNTY SHERIFF'S OFFICE

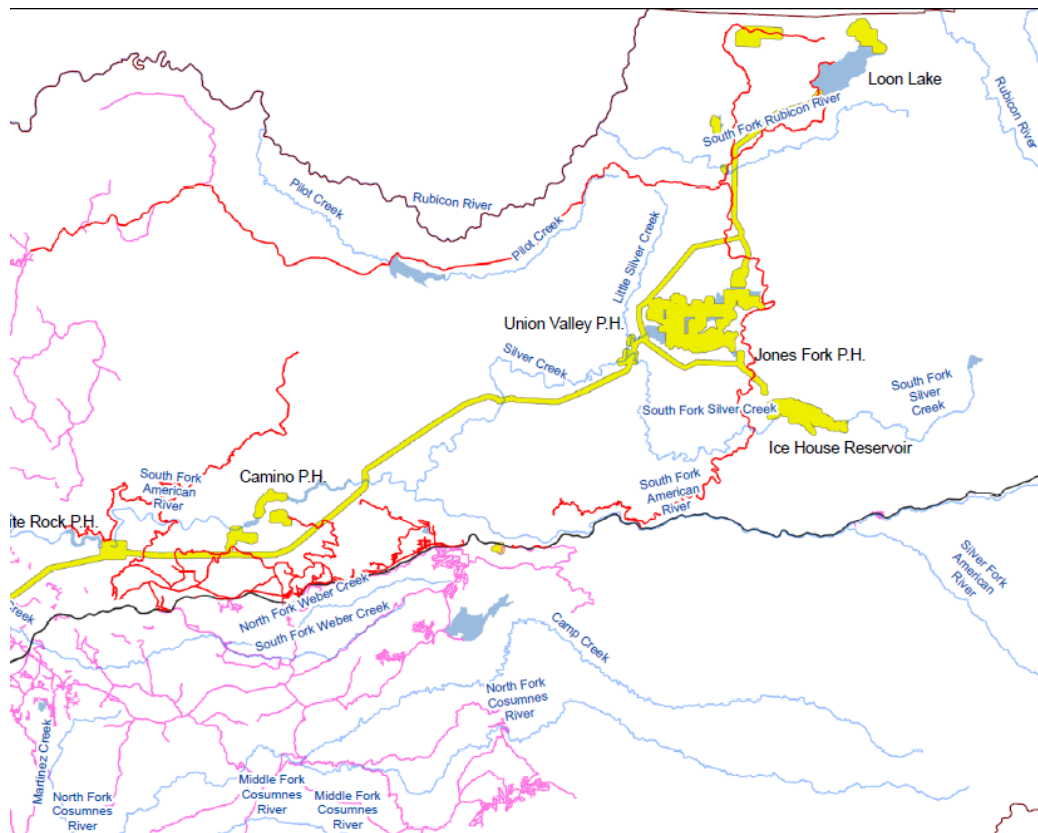
El Dorado County Sheriff's Office

Law Enforcement of UARP Trails

- SMUD funds utilized as matching funds & supplemental financial support for California Off Highway Vehicle program
- Provides law enforcement on the Rubicon
- Provides a valuable service as it relates to the recreational activities occurring on the UARP Trails
- Serves as a critical partner to other agencies
- Small fraction of the SMUD revenues used
- Equipment, training, coordination and expertise

DEPARTMENT OF TRANSPORTATION

SMUD UARP Access Roads



Legend

- County Boundary
- US 50
- SMUD Lines and Powerhouses
- Roads accessed by SMUD
- Rivers & Creeks
- County Maintained Roads

Ice House Road and Wentworth Springs Road

- Ice House Road and Wentworth Springs Road are the primary routes used by SMUD to access four (4) of their UARP power houses, several dams, miles of aqueducts, electric transmission lines, and maintenance yards.
- Maintenance and safety improvements of Ice House Road and Wentworth Springs Road.
 - Maintenance work included pavement, signs, striping, drainage, bridges, and culverts.
 - Roadside drainage features are also equipped with erosion mitigation measures to protect the watershed.

Camino/Pollock Pines Roads utilized by SMUD

- SMUD funds have not been used to maintain these roads.
- County roads in the Camino/Pollock Pines area are the primary routes used by SMUD to access four (4) of their lower UARP power houses, several dams, miles of aqueducts, electric transmission lines, and maintenance yards.
- Forebay, North Canyon and Mosquito Road are just three of the area roads that are used by SMUD construction and maintenance vehicles all year round.

Future Need for use of SMUD Funds

- Average future routine maintenance cost for Ice House Road and Wentworth Springs Road is estimated at \$270,000 per year to maintain in fair condition.
 - Grant funding for maintenance is expected to decline in upcoming years.
- Average routine maintenance cost for the 41 miles of main roads accessed by SMUD in the Camino/Pollock Pines area would be \$250,000 per year to maintain in fair condition.
- There are another 50 miles of minor roads in the Camino area between U.S. Highway 50 and the UARP that would be \$300,000 per year to maintain in fair condition.

5 YEAR PROJECTIONS

	FY 2020-21 Projection		FY 2021-22 Projection		FY 2022-23 Projection		FY 2023-24 Projection		FY 2024-25 Projection	
	\$	%	\$	%	\$	%	\$	%	\$	%
Beginning Fund Balance	3,499,362		2,628,167		1,190,193		793,187		481,030	
Revenue from SMUD	761,510		777,121		793,052		809,309		825,900	
Interest Revenue	34,994		26,282		11,902		7,932		4,810	
GDPUD Payment	(114,227)	15%	(116,568)	15%	(118,958)	15%	(121,396)	15%	(123,885)	15%
Parks - Rubicon	(103,748)	14%	(103,748)	13%	(103,748)	13%	(103,748)	13%	(103,748)	13%
Sheriff - Rubicon	(83,774)	11%	(83,774)	11%	(83,774)	11%	(83,774)	10%	(83,774)	10%
DOT - Icehouse Rd CIP	(1,365,950)	179%	(1,116,807)	144%		0%		0%		0%
DOT- Mosquito Bridge					(75,000)	9%	(13,000)	2%	(13,000)	2%
Proposed DOT Annual Projects			(820,480)	106%	(820,480)	103%	(820,480)	101%	(820,480)	99%
Total Appropriations	(1,667,699)		(2,241,377)		(1,201,960)		(1,142,398)		(1,144,887)	
To/from Reserves for Special Projects	(906,189)	-119%	(1,464,256)	-188%	(408,908)	-52%	(333,089)	-41%	(318,987)	-39%
Projected Fund Balance	2,628,167		1,190,193		793,187		468,030		153,723	

Projections for Parks and Sheriff is based on prior four year usage guided by previous Board direction. The Ice House Road CIP project is included in the Board approved DOT CIP. The Board provided direction to use SMUD funds on the Mosquito Bridge retrofit. The DOT Proposed Annual Projects have not been approved by the Board.

DESIRE TO EXPLORE OTHER EXPENDITURE PRACTICES?
