

SMUD SPECIAL REVENUE FUND

History and Overview

Cooperation Agreement with

Sacramento Municipal Utility District

September 10, 2019

19-1215 C 1 of 17

HISTORY

Upper American River Project (UARP)

Streams

Brush Creek
 Gerle Creek (below Gerle Creek Dam)
 Gerle Creek (below Loon Lake Dam)
 Little Rubicon River
 Rubicon River (below Rubicon Dam)
 Silver Creek (below Camino Dam)
 Silver Creek (below Junction Dam)
 Silver Creek (south fork below Ice House Dam)
 South Fork, American River (below South Fork Powerhouse)
 South Fork, American River (below Chili Bar Dam)
 South Fork, Rubicon River (below Robbs Peak Dam)

Reservoirs

Brush Creek Reservoir
 Chili Bar Reservoir
 Gerle Creek Reservoir
 Ice House Reservoir
 Junction Reservoir
 Loon Lake Reservoir
 Rubicon Reservoir
 Slab Creek Reservoir
 Union Valley Reservoir



UARP is a network of eleven reservoirs and eight powerhouses.

Recreational facilities were developed around the reservoirs and called the Crystal Basin Recreation Area.

Original UARP Agreement

- UARP created in the late 1950's with agreements between:
 - United States Forest Services
 - Sierra Pacific Industries
 - Sacramento Municipal Utility District (SMUD)
 - El Dorado County
- No monetary compensation for impact of UARP on roads or other areas of impact e.g. Rubicon Trail
- Outlined the construction and maintenance of roads reaching the UARP

STRUCTURE OF THE CURRENT AGREEMENT

El Dorado – SMUD Cooperation Agreement

Signed on October 18, 2005 with Resolution 312-2005

Purposes of the 2005 Agreement

- SMUD re-licensed the UARP through the Federal Energy Regulatory Commission and this required El Dorado County support.
- Included provisions regarding the since-abandoned Iowa Hill project.
- Outlines water rights and water deliveries between El Dorado Parties and SMUD.

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

El Dorado Intra-County Coordination Agreement (ICCA)

- Established with Board Resolution 312-2005 on October 18, 2005
 - included ICCA and the SMUD Cooperation Agreement
- Allocated 9/59 of SMUD annual payments to the Georgetown Divide Public Utility District
- On January 8, 2019, Board of Supervisors found that ICCA had expired per agreement terms

USE OF SMUD FUNDS

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”

Following Prior Board Direction

- Following the 2012 arrangement, in Fiscal Year 2018-19 the following allocations would be applied to the \$731,886 annual payment:
 - \$111,644 to GDPUD,
 - \$248,097 for Rubicon Trail maintenance,
 - \$86,834 for Law Enforcement,
 - \$272,906 for reserves (recreation, roads / Ice House Road, etc) and
 - \$12,405 unassigned.

Current and Planned Use of Funds

	Board Direction	FY 2015-16 Actuals	FY 2016-17 Actuals	FY 2017-18 Actuals	FY 2018-19 Actual	FY 2019-20 Budget	FY 2020-21 Projections	FY 2021-22 Projections
GDPUD Payment	15%	15%	15%	15%	15%	15%	15%	15%
Parks - Rubicon	34%	31%	15%	14%	7%	8%	14%	14%
Sheriff - Rubicon	12%	13%	5%	13%	11%	14%	11%	11%
DOT - Icehouse Rd CIP		49%	36%	22%	12%	3%	179%	144%
% of Payment To/from Reserves for Special Projects	37%	-8%	28%	35%	54%	60%	-119%	-84%

The table above shows the percentage of the annual payment by funding use.

Historic / Projected Balance of Fund

	FY 2015-16 Actuals	FY 2016-17 Actuals	FY 2017-18 Actuals	FY 2018-19 Actual	FY 2019-20 Budget	FY 2020-21 Projections	FY 2021-22 Projections
Projected / Actual Fund Balance	2,233,411	2,452,050	2,738,757	3,209,780	3,684,913	2,813,087	2,191,619
% Change from Prior Year	-2%	10%	12%	17%	15%	-24%	-22%

The table above shows the fund balance at the end of the year and the percent of change in fund balance from the prior year.

Board Direction on Use of Funds

- Mosquito Bridge Park:
 - On February 14, 2017 the Board of Supervisors provided direction for SMUD funds to be used for annual maintenance of the existing Mosquito Bridge once it is converted for pedestrian and bicycle (#17-0159).
 - This maintenance has been estimated at \$13,000 annually and would begin Fiscal Year 2023-24.

Planned Future Transportation Projects

Future Projects	Estimated Cost	Estimated Completion Date
Mosquito Bridge Park Retrofit	\$75,000	2023
Mosquito Bridge Park Maintenance	\$13,000/yr.	On-going starting 2024
Lower Ice House Road Maintenance	\$4 million	2024
Upper Ice House Road Maintenance	\$2.5 million	2024
Wentworth Springs Road Maintenance	\$4 million	2030
Total	\$10.67 Million by 2030	

DIRECTION ON FUTURE USE OF FUNDS

Requesting Board Direction

- Georgetown Divide Public Utility District Payment?
 - Payment to GDPUD is not outlined in SMUD agreement
 - Do not have a current agreement
- Adherence to 2012 Board Direction?
 - GDPUD 9/59
 - SMUD Rubicon Trail Maintenance 20/59
 - Law enforcement 7/59
 - Reserve Account – Recreational Projects, mainline roads, or MOU law enforcement in the UARP 22/59
 - Unassigned in prior Board direction 1/59
- Mosquito Bridge Park Retrofit & Maintenance?
- Modified Distribution?