

Comments from Hilde Schweitzer

Re:

11 am Item 24 on the BOS Agenda for 9-10-2019

Item 24. 19-1215

Chief Administrative Office recommending the Board:

- 1) Receive a presentation on the El Dorado - Sacramento Municipal Utility District (SMUD) Cooperation Agreement special revenue fund as requested at the June 17, 2019, Budget Hearing; and
- 2) Provide direction to staff on the need to return to the Board with any recommended revisions to the current SMUD fund expenditure practices. (Est. Time: 30 Min.)

FUNDING: SMUD Funds.

Reviewing the documents provided I have the following questions and comments:

Why are there no financials provided for the SMUD money received for years prior to 2015?

The County received \$1 million within 10 days of signing their personal agreement with SMUD in 2005. On July 23, 2014, FERC issued to Sacramento Municipal Utility District (SMUD) a new license for the Upper American River Project (UARP) resulting in an additional \$1.6 million within 10 days.

Yearly payments of \$590,000 have been made starting with an initial \$590,000 within 30 days of the FERC license (30 days from July 23, 2014) and are adjusted annually so currently are much higher.

The financials provided for the SMUD money expenditures only include the FY 2015-2016 and beyond.

El Dorado County has managed the South Fork American River since the early 1980s. The river itself is directly in the footprint of the UARP and the FERC issued license to SMUD and the river is clearly included in the project boundaries of both SMUD and PGE. There is a direct nexus between recreational activity on the river and the need for managing the resource to protect the resource from potential impacts of users of the river.

It was understood by SMUD and all other Agencies, NGOs, and Private Stakeholders involved in the UARP relicense that the 2005 Cooperative Agreement signed by El Dorado County and SMUD would in part provide money to El Dorado County to manage the river (see text of Agreement below) and to mitigate impacts by SMUD to the resource involving recreation on the South Fork American River. El Dorado County has not spent any of the SMUD money to date for the management of the South Fork American River which has annual use numbers of over 100,000 and is used year-round.

There is a need for more River Staff to patrol and manage the middle section of the river which has seen an explosion of use in the last 8 plus years and is an area with the most impact on

residential landowners along the river. There is no dedicated River Staff for this congested use area to deal with conflict and education. There is a need for a full time River Supervisor to oversee management of the river year-round since there are beatable flows year-round. There is a need for an economic study to understand river recreational use and what is needed to adequately manage this use and to obtain funding through grants and matching grants that have never been applied for. The County has chosen to ignore the potential of the riverfront land it owns at Chili Bar. SMUD funds could be used to improve this whitewater park which is the only public access to the beginning of the 21 mile run on the South Fork American and is the closest river access area to Placerville and surrounding towns. HLP has a master Plan with many low cost and major improvements that could benefit from SMUD money. The County-owned Cronan Ranch parcel could benefit from SMUD funds.

The past financials indicate a bias towards using SMUD funds for the Rubicon Trail, Sheriff patrol and vehicles for the Rubicon Trail, and very little else. Future transportation projects include \$4 million for Wentworth Springs Road maintenance, a road that is nowhere near the project boundary for the UARP and one that was not named for funding in the agreement like Ice House was. It is, however, one of the main roads used to access the Rubicon Trail.

The Rubicon Trail is not included in the SMUD and FERC defined project boundary for the UARP. The Rubicon Trail does abut SMUD reservoirs in places but specific improvements to the Rubicon Trail were never discussed as part of the agreement between SMUD and the signatories of the 2007 Settlement Agreement signed by everyone except El Dorado County including the Forest Service, BLM, State Parks, other Federal and State Agencies, NGOs, and private party Stakeholders. It was understood that the SMUD/El Dorado County Cooperative Agreement would fund necessary programs to manage the South Fork.

As one of the signatories to the 2007 Settlement Agreement with SMUD I find it disheartening that El Dorado County Parks has demonstrated so little concern for the management and care of the South Fork American River Program and has chosen instead to finance and fund the Rubicon Trail so heavily. I am not opposed to funding programs like the Rubicon Trail but not at the expense of other more heavily used parks and resources in the County.

I respectfully request that Staff and the Board consider using some of the SMUD funds to fund projects on the South Fork American River, something that is directly and completely connected to the the UARP and within its project boundaries.

Respectfully,
Hilde Schweitzer

The County's Agreement with SMUD states that the annual monies provided to the County be used for :

ARTICLE IV PAYMENTS BY SMUD

4.1 SMUD Initial Payment. SMUD will pay to the County the sum of \$2,600,000 in two separate installments: (i) \$1,000,000 within ten (10) days after the Effective Date of this Agreement; and (ii) \$1,600,000 within ten (10) days after the New License becomes final and non-appealable but no later than August 1, 2012.

4.2 SMUD Annual Payments. SMUD will pay to the County, for the Term of this Agreement, an annual amount of \$590,000 in accordance with this Section 4.2. The first payment under this Section 4.2 will be due and payable on the later of thirty (30) days after the date on which the New License issued by FERC becomes final and is no longer subject to judicial review or July 1 of such year. Payments for all subsequent years will be due and payable on each July 1.

4.4 Use of Payment Funds. SMUD's payments as described in Section 4.1 are to be utilized by the County for capital improvements to Ice House Road and other miscellaneous capital projects 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. SMUD's payments as described in Section 4.2 are to be utilized by the County for 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. SMUD's payments as described in Section 4.3 are to be utilized by the County in order to minimize, avoid, or mitigate socioeconomic impacts attributable to the construction of the Iowa Hill Development within those areas of the County affected by such construction. The determination of which specific uses of payments by SMUD under this Article IV are consistent with the limitations of this Section are to be made by the County in its sole discretion.