



County of El Dorado

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Legislation Details (With Text)

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Type: Agenda Item **Status:** Approved

File created: 11/5/2012 **In control:** Board of Supervisors

On agenda: 12/18/2012 **Final action:** 12/18/2012

Title: Chief Administrative Office recommending the Board:
1) Approve the closure of the Sacramento Municipal Utility District (SMUD) agency fund 8803311 and the creation of a new special revenue fund 7702317 for the El Dorado-SMUD Cooperation Agreement funds. Funds will be moved from the old agency fund to the new special revenue fund; and
2) Approve a budget transfer replacing the budget transfer approved by the Board on December 4, 2012 (Legistar item 12-1449) allocating funds from the new SMUD special revenue fund to the Sheriff for law enforcement activities on the Rubicon Trail. (4/5 vote required)

FUNDING: General Fund.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2A - Revised Budget Transfer SMUD funds to Sheriff.pdf, 2. A - EDC SMUD Article IV.pdf, 3. B - Email Smeltzer to Sweeney 10-25-12.pdf, 4. C - Letter from Faith Cushman attached 11-13-12.pdf, 5. D - email from Bill Center attached 11-13-12.pdf, 6. E - email from Howard Penn attached 11-13-2012.pdf, 7. F - Motion from Sup. Briggs 12-1398.pdf

| Date | Ver. | Action By | Action | Result |
|------------|------|----------------------|----------|--------|
| 12/18/2012 | 2 | Board of Supervisors | Approved | Pass |
| 11/13/2012 | 1 | Board of Supervisors | Approved | Pass |

Supervisor Sweeney recommending the Board continue placing the revenues from the Sacramento Municipal Utility District (SMUD) settlement agreement in the established special fund and that such revenues be used for road maintenance and law enforcement within the area of the Upper American River Project.

BACKGROUND

In the late 1950's the County, the United States Forest Service (USFS), Michigan California Lumber Company (now Sierra Pacific Industries), and the Sacramento Municipal Utility District (SMUD) reached agreements as to the construction and maintenance of the roads within the Upper American River Project (UARP). There was no money provided for such maintenance and no impact money to the County for the implementation of the UARP. It was thought that the tourism dollars derived from UARP users would offset County costs; that obviously did not happen.

During the recent re-licensing of the UARP by SMUD through the Federal Energy Regulatory Commission the County concluded a settlement agreement with SMUD. The electronic version of that agreement is on the County Water Agency Website and is cited as the "El Dorado-SMUD Cooperation Agreement".

Attached is Article IV of that agreement. We have received approximately \$2.9 million per section 4.1

and are eagerly awaiting annual payments under section 4.2. The annual payments will begin after SMUD receives its new license. Per section 4.4 payments are to be used for “activities related to the UARP”.

Over the years our maintenance group at the Department of Transportation (DOT) has succeeded in obtaining grants through the Federal Forest Highway Fund to make improvements and provide maintenance on the primary roads within the UARP; however, these grants have and will require local matching funds. This would be a good use of the SMUD settlement funds.

On April 23, 2009 the Sacramento Valley Regional Water Quality Control Board issued a cleanup and abatement order (CAO) regarding the Rubicon Trail. This order led to the County obtaining an easement from the USFS this year. Between the CAO and the easement the County needs to provide continuing maintenance and law enforcement on the Rubicon Trail; this would also qualify for use of the SMUD settlement funds.

Besides keeping the funds in a special account, I propose the following as guidelines for future expenditures:

- 1.. Per section 6.3 of the El Dorado Intra-County Coordination Agreement the Georgetown Divide Public Utility District would be paid 9/59 (\$90,000) of the payment from SMUD derived from section 4.2 but not including the monies derived from section 4.3; and
- 2.. for Rubicon Trail Maintenance 20/59 (\$200,000); and
- 3.. for Law enforcement 15/29 (\$150,000); and
- 4.. for future matching funds for mainline roads in the UARP 15/29 (\$150,000) .

These amounts would be accelerated per section 4.5. By example the total payment at August 2012 would have been \$679,175 yielding 1) \$103,603; 2) \$241,740; 3) \$172,672; 4) \$172,672