



Legislation Text

File #: 20-0192, **Version:** 1

Chief Administrative Office recommending the Board:

- 1) Receive a presentation from El Dorado County departments receiving funding from the El Dorado - Sacramento Municipal Utility District (SMUD) Cooperation Agreement special revenue fund as requested at the September 10, 2019, (19-1215) SMUD Fund Board Presentation; and
- 2) Provide direction to staff on the need to return to the Board with an analysis of the impact of any recommended revisions to the current SMUD fund expenditure practices. (Est. Time: 1.5 Hr.)

FUNDING: SMUD Funds.

BACKGROUND

On September 10, 2019, with Legistar item 19-1215 the Board received a presentation on the history of the El Dorado - Sacramento Municipal Utility District Cooperation Agreement special revenue fund (SMUD funds). After the presentation, the Board provided direction that staff "return to the Board with detailed information, including historical information on where the funds have been used and the requirements surrounding the funding, from all current recipients receiving funding from the El Dorado - Sacramento Municipal Utility District (SMUD) Cooperation Agreement special revenue fund including the Georgetown Divide Public Utility District (GDPUD)."

Staff reached out to GDPUD to present during this item but they were not able to attend. GDPUD receives 9/59ths of the annual SMUD payment. The agreement for this payment is outlined in the GDPUD Transition Agreement approved by the Board on March 3, 2009 (Legistar 09-0298).

A joint presentation has been prepared by the Department of Transportation, Sheriff's Office, and Chief Administrative Office - Parks Division on how SMUD funds have been used historically along with a brief discussion of future needs (Attachment A).

Staff from the three programs have created a SMUD Fund Expenditure Report (Attachment B) outlining in detail for each program receiving SMUD funds: the services provided, how the program benefits the public, the relationship to the Upper American River Project, the use of funding for grant matching, use of SMUD Funds, future needs for SMUD Funds, and consequences if SMUD funding is discontinued.

Attachment C outlines all SMUD fund expenditures by department since the fund was created. The report includes the amount of grant funds that have been accessed as a result of the use of SMUD funds as grant match. The Department of Transportation has included sections on current projects outlined in the Capital Improvement Plan and another section on possible future uses of SMUD funds.

The Chief Administrative Office has compiled a report (Attachment E) forecasting the use of the

SMUD funds over the next five years based on current use, Board approved projects, and DOT suggested future projects. Please note that the Board has previously taken action on use of SMUD Funds for the Ice House Road CIP and Rehabilitation and on-going maintenance of Mosquito Road Bridge (river access). The remaining DOT projects are included in Attachment E to show future needed uses for SMUD Funds; however, funding these projects with SMUD Funds has not been considered by the Board. These projects will be presented for consideration in the future. Should these projects not ultimately be approved for use of SMUD Funds, and funds are not redirected for other DOT or non-DOT uses, the beginning fund balance in FY 2022-23 will be \$800,000 higher.

If the Board would like to consider any changes to SMUD expenditures, staff is recommending that the Board direct staff to conduct an analysis on the impact of those changes and present to the Board at a future date, before any action is taken to change the SMUD Fund expenditure practices.

ALTERNATIVES

The Board could not provide new direction on the use of SMUD funds and staff would continue to follow prior Board direction.

PRIOR BOARD ACTION

See Discussion / Background

OTHER DEPARTMENT AND/OR AGENCY INVOLVEMENT

Department of Transportation
Sheriff's Office
CAO- Parks and Trails

FINANCIAL IMPACT

The County received \$749,762 through the El Dorado SMUD Cooperation Agreement in FY 2019-20. At the beginning of Fiscal Year 2022-23, with the conclusion of the Ice House Road CIP project, it is estimated that the fund will have a fund balance of approximately \$2 million. Combined with DOT's proposed FY 2022-23 projects, and assuming no changes are made to current expenditure practices, Attachment E shows a FY 2022-23 beginning fund balance of approximately \$1.2 million. Should these projects not ultimately be approved for use of SMUD Funds, and funds are not redirected for other DOT or non-DOT uses, the beginning fund balance in FY 2022-23 will be approximately \$800,000 higher than shown on Attachment E.

There is no financial impact for the Board to receive the presentation. New Board direction for the use of El Dorado SMUD Special Revenue Fund could allow these funds to be appropriated toward current or future projects or to other services not outlined in prior Board direction; however, expenditures should remain within the terms of the SMUD Agreement.

CLERK OF THE BOARD FOLLOW-UP ACTIONS

None

STRATEGIC PLAN COMPONENT

Good Governance - Strategic Goal 3. "Promote the development of resources to identify and pursue additional revenue" is strengthened by an effort to understand all current funding sources, particularly special revenue funds with an emphasis on analysis of fund balances and expenditure restrictions.

CONTACT

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