



Legislation Text

File #: 20-1410, **Version:** 1

Chief Administrative Office recommending the Board:

- 1) Direct staff to utilize the recommended budgeting plan for the El Dorado Sacramento Municipal Utility District (SMUD) Cooperative Agreement Special Revenue Fund;
- 2) Approve a budget transfer increasing the payment to the Georgetown Divide Public Utility District by \$1,433 to reach the 9/59ths of the SMUD payment outlined in the Georgetown Divide Public Utility District Transition Agreement approved by the Board on March 3, 2009 (4/5 vote required); and
- 3) Direct the Parks Manager and Parks Commission to present recommendations to the Chief Administrative Office on how to utilize SMUD funding provided for parks purposes during the annual budget process.

FUNDING: El Dorado - SMUD Cooperation Agreement Special Revenue Fund.

DISCUSSION / BACKGROUND

On February 11, 2020, with Legistar item 20-0192, the Board received a presentation from El Dorado County departments receiving funding from the El Dorado - Sacramento Municipal Utility District (SMUD) Cooperative Agreement Special Revenue Fund (SMUD Fund). After the presentations, the Board directed that staff return to the Board in October/November 2020 with the results of the Economic Impact Study for further direction with regards to the SMUD Fund.

Due to the Coronavirus pandemic that emerged in March 2020, the Coloma Lotus Economic Impact Study has been delayed to 2021. All stakeholders agreed to delay the impact study so that it would be done once tourism returns to normal levels during the peak summer season. Staff, in meeting with departments and reviewing the El Dorado SMUD Cooperative Agreement, has developed the following budgeting plan for SMUD Funds that will address the community's and Board's feedback provided during the February 2020 presentation.

As outlined in section 4.4 of the El Dorado - SMUD Cooperation Agreement, the annual SMUD payment funds are to be utilized "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." This specifies that the annual SMUD payments must have a nexus to the Upper American River Project (UARP) and its impacts. In an effort to allow departments to use the SMUD annual payment funds to address the impacts of the UARP outside of the Rubicon and mainline roads specified in prior Board direction, staff have developed a new budgeting plan for the SMUD fund as outlined below:

Annually through the normal budget process, departments will utilize SMUD funds, up to the specified amounts, to address the impacts of the UARP. Funds may be carried over from one year to another by a department with approval from the Chief Administrative Office to allow for larger projects. The allocation is as follows:

- Georgetown Divide Public Utility District: 9/59ths as outlined in the GDPUD Transition Agreement
- Parks, Trails, and River Management Division of the Chief Administrative Office: \$150,000

- El Dorado County Sheriff's Office: \$100,000
- Department of Transportation - Road Maintenance: \$500,000
- Mosquito Pedestrian Bridge \$13,000

If approved, this new approach would be utilized in the Fiscal Year 2021-22 budget development process, and would not affect the Ice House Road Pavement Rehabilitation Project Phase 2 as outlined in the Board approved Capital Improvement Plan that is partially funded through Federal Lands Access Program (FLAP) funds or the Mosquito Bridge Retrofit planned for FY 2022-23.

Utilizing the recommended budgeting plan, it is estimated that the SMUD Fund fund balance will lower from the \$3.67 million at the end of FY 2019-20 to an estimated \$932,000 in approximately seven years after which fund balance will begin to increase based on the adjustment of payments outlined in section 4.5 of the El Dorado SMUD Cooperation Agreement. Attachment B forecasts the SMUD fund based on the recommended budget plan, and shows this change in fund balance. Staff will monitor the use of fund balance during the annual budget process and provide the Board with recommendations if adjustments are needed.

Georgetown Divide Public Utility District Payment

When preparing the budget for the SMUD fund, staff estimates the annual payment from SMUD and corresponding 9/59ths payment for GDPUD. For FY 2020-21 the budget estimated \$750,000 in revenue from SMUD and a \$115,000 payment for GDPUD. Based upon the receipt of \$763,349 for the FY 2020-21 Annual SMUD payment, it has been determined that an additional \$1,443 dollars in appropriations is needed for the 9/59ths payment to GDPUD. Staff have prepared a budget transfer that reflects the actual SMUD annual payment amount received, balancing the \$13,349 in excess revenue with appropriations for the GDPUD payment and reducing Interest Revenue to balance, based upon updated projections that interest revenue this year will be lower.

ALTERNATIVES

The Board could decline to provide new direction or provide direction that is different than what is recommended.

PRIOR BOARD ACTION

See above.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel, El Dorado County Sheriff's Office, Department of Transportation, and CAO Parks Division.

FINANCIAL IMPACT

This is no immediate financial impact to providing direction. The FY 2021-22 Budget will be prepared using any new direction before being brought to the Board for review.

The proposed budget transfer updates the budget to reflect the actual payment from SMUD received in the first quarter, and does not have a general fund impact.

CLERK OF THE BOARD FOLLOW UP ACTIONS

None

STRATEGIC PLAN COMPONENT

This item supports the Infrastructure strategic goal to provide, operate, and maintain our infrastructure, public facilities, and associated services that protect our community, environment, and economic well-being by allocating a dedicated funding stream toward road maintenance as well as coordinating and planning for County parks and trails, including ongoing maintenance, operations and replacement.

CONTACT

Don Ashton, CAO

Emma Owens, Management Analyst