



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 7/27/2021

To: Board of Supervisors

Department or Agency Name(s): Auditor-Controller Treasurer-Tax Collector

Staff Name and Phone Number: Levi Ehrlich 565-3289

Vote Requirement: Majority

Supervisory District(s): Fourth and Fifth

Title:

Gold Ridge Resource Conservation District Fund Transfer

Recommended Action:

Approval of the Resolution of the Board of Supervisors, County of Sonoma, State of California, authorizing the Auditor-Controller Treasurer-Tax Collector to establish a temporary fund transfer for Gold Ridge Resource Conservation District in an amount up to \$600,000. (Fourth and Fifth Districts)

Executive Summary:

The Gold Ridge Resource Conservation District ("the District"), in conjunction with the Auditor-Controller Treasurer-Tax Collector, is requesting the Board approve a temporary fund transfer in an amount not to exceed \$600,000 to provide the District with sufficient funds to meet cash flow needs and repay the current note held by the County Treasury.

Discussion:

The District was established in 1941 as one of the original resource conservation districts, and the first in Sonoma County. The District was established to ensure strong, productive, and viable agricultural endeavors in Western Sonoma County can continue by improving soil and water quality. Providing an economically and ecologically viable and healthy agricultural community.

To that end, the District has applied for and received several awards from federal, state and local sources for various projects. The following is a brief summary of the major awards and amounts remaining to be billed:

Funding Agency	Grant/Contract Amount
Santa Rosa Plan Groundwater Sustainability Agency	\$ 47,659.07
National Resource Conservation Science	238,439.36
Sonoma County Water Agency	28,446.48
California Department of Fish & Wildlife	732,773.39
North Coast Integrated Regional Water Management Plan	415,456.50
California Department of Food & Agriculture	140,329.46
Caltrans	188,132.83
Wildlife Conservation Board	262,897.86
Grand Total	\$ 2,054,134.95

The District must spend the funds prior to reimbursement from awarding agencies and does not have adequate cash to cover these upfront expenditures. By resolution, the District has requested a temporary fund transfer under Article XVI, Section 6 of the State Constitution. This fund transfer takes the form of a line of credit with a limit of \$600,000 requested for FY 2021-22. The line of credit will be repaid by the last Monday in April of the current fiscal year. This line of credit is necessary to allow the District to maintain operations prior to reimbursements being received and represents a low risk to the County as the grants/contracts have already been awarded to the District.

The District currently has a note with the County Treasury in the amount of \$400,000 that serves as bridge financing from May through July 2021. This note is due and payable on December 31, 2021. The District's cash balance in the County Treasury as of May 31, 2021 is \$314,453. In addition, the District has a nominal amount in their Exchange Bank checking account. Accordingly, the District will need to use approximately \$89,547 of the temporary fund transfer to pay off the balance of the current note held by the Treasury, including interest.

Your Board delegated authority to the Auditor-Controller Treasurer-Tax Collector to approve temporary fund transfers to agencies that can secure transfers wholly by revenue collected through the secured property tax system. The District does not receive sufficient property tax support to meet the current temporary fund transfer request. In FY 2020-21, the District will receive less than \$33,000 in property tax revenues; therefore, Board of Supervisors approval is required for a temporary fund transfer secured by revenue from outside sources.

In FY 2014-15, the District agreed to work with the Auditor-Controller Treasurer-Tax Collector to develop a plan that addressed their structural deficit with the aim of eliminating their annual operating deficit and working down their accumulated deficit. This goal has been met, and the District anticipates FY 2021-22 revenues to exceed expenditures by approximately \$5,076.

Prior Board Actions:

Last year the Board approved a similar transfer of \$600,000 on September 15, 2020, Resolution No. 20-0337

FISCAL SUMMARY

Expenditures	FY 20-21 Adopted	FY 21-22 Projected	FY 22-23 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			

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Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

The recommended temporary fund transfer has no significant financial impact. Rather than a physical transfer of cash to the District, this action provides authority for the District to operate with a deficit cash position up to the approved amount and the District will receive negative quarterly interest apportionments based on its average daily balance and the Treasury Pooled interest rate.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

- 1) Resolution establishing temporary fund transfer.
- 2) Gold Ridge RCD Resolution.

Related Items "On File" with the Clerk of the Board:

None