

Board Finance & Audit Committee Meeting and Special SMUD Board of Directors Meeting

Date: Wednesday, June 14, 2023

Time: Immediately following the ERCS Committee meeting scheduled to begin at 6:00 p.m.

Location: SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, CA

AGENDA

BOARD FINANCE & AUDIT COMMITTEE MEETING AND SPECIAL SMUD BOARD OF DIRECTORS MEETING

Wednesday, June 14, 2023
SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, California
Immediately following the Energy Resources & Customer Services Committee
Meeting and Special SMUD Board of Directors Meeting
scheduled to begin at 6:00 p.m.

This Committee meeting is noticed as a joint meeting with the Board of Directors for the purpose of compliance with the Brown Act. In order to preserve the function of the Committee as advisory to the Board, members of the Board may attend and participate in the discussions, but no Board action will be taken. The Finance & Audit Committee will review, discuss and provide the Committee's recommendation on the agenda items.

Virtual Viewing or Attendance:

Live video streams (view-only) and indexed archives of meetings are available at:
http://smud.granicus.com/ViewPublisher.php?view_id=16

Zoom Webinar Link: [Join Board Finance & Audit Committee Meeting Here](#)
Webinar/Meeting ID: 161 342 0318
Passcode: 882214
Phone Dial-in Number: 1-669-254-5252 or 1-833-568-8864 (Toll Free)

Verbal Public Comment:

Members of the public may provide verbal public comment by:

- Registering in advance of a meeting by sending an email to PublicComment@smud.org, making sure to include the commenter's name, date of the meeting, and topic or agenda item for comment. Microphones will be enabled for virtual or telephonic attendees at the time public comment is called and when the commenter's name is announced.
- Completing a sign-up form at the table outside of the meeting room and giving it to SMUD Security.
- Using the "Raise Hand" feature in Zoom (or pressing *9 while dialed into the telephone/toll-free number) during the meeting at the time public comment is called. Microphones will be enabled for virtual or telephonic attendees when the commenter's name is announced.

Written Public Comment:

Members of the public may provide written public comment on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via email to PublicComment@smud.org or by mailing or bringing physical copies to the meeting. Comments will not be read into the record but will be provided to the Board and placed into the record of the meeting if received within two hours after the meeting ends.

DISCUSSION ITEMS

1. Alcides Hernandez Discuss August 30, 2023, as the date for the **Public Hearing** for considering the **Chief Executive Officer and General Manager's Report and Recommendation on Rates and Services (CEO & GM Report)** dated June 15, 2023.
Presentation: 10 minutes
Discussion: 5 minutes

2. Casey Fallon Approve an increase to the aggregate contract not-to-exceed amount for distribution substation transformers by \$6 million, from \$32.4 million to \$38.4 million, for Contract No. 4600001232 with **Pennsylvania Transformer Technology, Inc.** and Contract No. 4600001382 with **Siemens Energy, Inc.**
Presentation: 5 minutes
Discussion: 1 minute

3. Laurie Rodriguez Approve increase to reimbursable technology expenses for local agency executives.
Presentation: 4 minutes
Discussion: 2 minutes

INFORMATIONAL ITEMS

4. Lisa Limcaco Provide the Board with SMUD's financial results from the four-month period ended April 30, 2023, and a summary of SMUD's current Power Supply Costs.
Presentation: 5 minutes
Discussion: 3 minutes

5. Claire Rogers Audit Reports: Green-e® Energy Annual Verification.
Discussion: 1 minute

6. Public Comment.

7. Rob Kerth Summary of Committee Direction.
Discussion: 1 minute

Members of the public shall have up to three (3) minutes to provide public comment on items on the agenda or items not on the agenda, but within the jurisdiction of SMUD. The total time allotted to any individual speaker shall not exceed nine (9) minutes.

Members of the public wishing to inspect public documents related to agenda items may click on the Information Packet link for this meeting on the smud.org website or may call 1-916-732-7143 to arrange for inspection of the documents at the SMUD Headquarters Building, 6201 S Street, Sacramento, California.

ADA Accessibility Procedures: Upon request, SMUD will generally provide appropriate aids and services leading to effective communication for qualified persons with disabilities so that they can participate equally in this meeting. If you need a reasonable auxiliary aid or service for effective communication to participate, please email Toni.Stelling@smud.org, or contact by phone at 1-916-732-7143, no later than 48 hours before this meeting.

SSS No.
RS23-003

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 06/14/23
Board Meeting Date
June 15, 2023

TO					TO							
1.	Scott Martin				6.							
2.	Jennifer Davidson				7.							
3.	Jose Bodipo-Memba				8.							
4.	Lora Anguay				9.	Legal						
5.					10.	CEO & General Manager						
Consent Calendar		x	Yes	No <i>If no, schedule a dry run presentation.</i>			Budgeted		x	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>	
FROM (IPR) Alcides Hernandez				DEPARTMENT Revenue Strategy				MAIL STOP B256	EXT. 6397	DATE SENT 5/19/23		

NARRATIVE:

Requested Action: Approve August 30, 2023, as the Public Hearing date for considering the Chief Executive Officer and General Manager’s Report and Recommendations on Rates and Services – Volumes 1 and 2 (“CEO & GM Report”) dated June 15, 2023.

Summary: Initiate the public rate process by setting August 30, 2023, as the public hearing date for considering proposals presented in the CEO & GM Report for modifications to SMUD’s Rates, Rules and Regulations. The Chief Executive Officer and General Manager is expected to publicly release the CEO & GM Report with the Board’s setting of the public hearing date. The following dates for the public workshops associated with the rate process will also be published:

- Rates Workshop #1: July 13, 2023
- Rates Workshop #2: August 3, 2023.

Board Policy: *(Number & Title)* While meeting provisions of the Board’s competitive rates directive (SD-2 Competitive Rates), this proposal maintains competitive rates and low-cost access to credit markets (SD-3 Access to Credit Markets).

Benefits: Initiates the rate process for public communication regarding proposed modifications to SMUD’s Rates, Rules and Regulations.

Cost/Budgeted: N/A

Alternatives: N/A

Affected Parties: SMUD and SMUD customers

Coordination: Revenue Strategy

Presenter: Alcides Hernandez, Manager, Revenue Strategy

Additional Links:

SUBJECT SMUD 2023 Rate Process	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. SCS 23-121

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 06/14/23Board Meeting Date
June 15, 2023

TO				TO					
1.	Robert Adams		6.	Lora Anguay		7.	Scott Martin		
2.	Casey Fallon		8.	Jose Bodipo-Memba		9.	Legal		
3.	Eric Poff		10.	CEO & General Manager					
4.	Frankie McDermott								
5.	Jennifer Davidson								
Consent Calendar		<input checked="" type="checkbox"/> Yes	No <i>If no, schedule a dry run presentation.</i>		Budgeted		<input checked="" type="checkbox"/> Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>	
FROM (IPR) Jesse Mays				DEPARTMENT Procurement			MAIL STOP EA404	EXT. 5744	DATE SENT 5/30/2023

NARRATIVE:

Requested Action: Approve an increase to the aggregate contract not-to-exceed amount for distribution substation transformers by \$6 million, from \$32.4 million to \$38.4 million, for Contract No. 4600001232 with Pennsylvania Transformer Technology, Inc. and Contract No. 4600001382 with Siemens Energy, Inc.

Summary: By Board Resolution No. 19-01-03, Contract No. 4600001232 with Pennsylvania Transformer Technology, Inc. (Pennsylvania Contract) and Contract No. 4600001231 with Siemens Industry, Inc. c/o Geo E Honn Company, Inc. (Siemens Contract) were awarded in January 2019 for provision of distribution substation transformers to support new substation builds, replacements, and spares for a four-year term from approximately January 23, 2019, to January 16, 2023, with an optional one-year extension, for a total not-to-exceed aggregate contract amount of \$32.4 million. Contract Change No. 01 to the Siemens Contract modified the General Conditions to add Section 5.23 clarifying ownership of programs, designs, and drawings. Contract Change No. 02 to Siemens Contract was a novation from Siemens Industry, Inc. to Siemens Energy, Inc. wherein Siemens Contract No. 4600001231 was closed and replaced with Contract No. 4600001382 with Siemens Energy, Inc. (Updated Siemens Contract). Contract Change No. 01 to the Updated Siemens Contract exercised the optional one-year extension to change the expiration date from January 16, 2023, to January 16, 2024. Contract Change No. 01 to the Pennsylvania Contract exercised the optional one-year extension to change the expiration date from January 16, 2023, to January 16, 2024. The current action requests Board approval to increase the total contract aggregate not-to-exceed amount for distribution substation transformers by \$6 million to allow SMUD to order distribution substation transformers for projects in 2024. SMUD is soliciting new contracts and anticipates them to be in place by the end of 2023. Due to the current lead times for distribution substation transformers, SMUD needs to order the transformers now to ensure they are delivered on time for construction.

Currently, the contract balance is approximately \$910,000.

Contract Actions	Amount	Cumulative Total	Description
Original Contract	\$32,400,000	\$32,400,000	
Change No. 01 (Siemens Contract)	\$ 0	\$32,400,000	Revised General Conditions
Change No. 02 (Siemens Contract)	\$ 0	\$32,400,000	Revised vendor from Siemens Industry to Siemens Energy
Change No. 01 (Updated Siemens Contract) Change No. 01 (Pennsylvania Contract)	\$ 0	\$32,400,000	One-year contract extension
Pending Board Approval	\$ 6,000,000	\$38,400,000	Increase Total Aggregate Amount

Board Policy: Board-Staff Linkage BL-8, Delegation to the Chief Executive Officer and General Manager with Respect to Procurement; Procurement; Strategic Direction SD-4, Reliability
(Number & Title)

Benefits: The increased funding will allow SMUD to order distribution substation transformers to meet the construction schedule.

Cost/Budgeted: \$38.4 M; Budgeted through January 2024 by Energy Delivery & Operations.

Alternatives: Wait to order the distribution substation transformers until the new contracts are put into place in ~December 2023 and delay the substation construction projects by ~8-9 months.

Affected Parties: Energy Delivery & Operations, Supply Chain Services, and Contractor.

Coordination: Energy Delivery & Operations and Supply Chain Services.

Presenter: Casey Fallon, Director of Procurement, Warehouse & Fleet

Additional Links:

SUBJECT

NTE Aggregate Amount Increase for Distribution Substation Transformers

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. PSS 23-005

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
 Finance & Audit – 06/14/23
 Board Meeting Date
 June 15, 2023

TO		TO	
1.	Jose Bodipo-Memba	6.	
2.	Jennifer Davidson	7.	
3.	Lora Anguay	8.	
4.	Scott Martin	9.	Legal
5.		10.	CEO & General Manager

Consent Calendar		Yes	<input checked="" type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/>	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR)	DEPARTMENT			MAIL STOP	EXT.	DATE SENT		
Laurie Rodriguez	People Services & Strategies			B251	5628	05/24/23		

NARRATIVE:

Requested Action: Approve increase to reimbursable technology expenses for local agency executives.

Summary: Employees who are permitted to use personal devices to conduct SMUD business can receive technology allowances and reimbursement of expenses incurred related to the use of their personal devices, instead of SMUD-issued equipment.

SMUD’s current policy allows reimbursement of technology-related expenditures with proof of purchase for eligible employees including local agency executives for, among other things, purchase of a cell phone device (\$300 every 36 months or \$200 every 24 months). Also currently, Senior Leadership, including local agency executives, can receive \$1,000 reimbursement for purchase every 24 months of a laptop or iPad.

People Services & Strategies (PS&S) is recommending updating the current Technology Allowance Policy to allow eligible employees including local agency executives to receive \$400 cell phone reimbursement every 24 months and to remove \$300 reimbursement every 36 months for purchase of a cell phone.

Additionally, cell phones would be added to eligible devices that Senior Leadership, including local agency executives, can receive \$1,000 reimbursement for purchases every 24 months. Eligible employees receiving \$1,000 reimbursement for cell phone are not eligible for the \$400 reimbursement referenced above.

Board Policy: Strategic Direction SD-8, Employee Relations: a) SMUD shall attract and retain a highly qualified and diverse workforce.; Governance Process GP-3, Board Job Description: j) Take such other actions as may be required by law.

Benefits: Allows SMUD to remain competitive in attracting and retaining a highly qualified workforce.

Cost/Budgeted: \$10,000 estimated budget increase.

Alternatives: Do not increase the allowed reimbursable amount for technology. Approve a different modification to the allowed reimbursable amount for technology.

Affected Parties: Board of Directors and SMUD Employees eligible for technology reimbursement.

Coordination: Executive Office, Board Office, Accounting, People Services & Strategies & Legal

Presenter: Laurie Rodriguez, Director, People Services & Strategies

Additional Links:

SUBJECT Increase to Technology Allowance	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No.
CFO 22-021

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit, 2023
Board Meeting Date N/A

TO				TO			
1.	Jennifer Davidson	6.					
2.	Lora Anguay	7.					
3.	Scott Martin	8.					
4.	Jose Bodipo-Memba	9.	Legal				
5.		10.	CEO & General Manager				
Consent Calendar		Budgeted		Yes		No (If no, explain in Cost/Budgeted section.)	
FROM (IPR) Lisa Limcaco		DEPARTMENT Accounting		MAIL STOP B352	EXT. 7045	DATE SENT 12/27/2022	

NARRATIVE:

Requested Action: Provide the Board with SMUD’s financial results for the year-to-date period and a summary of SMUD’s current Power Supply Costs.

Summary: Staff will present SMUD’s financial results for the year-to-date period and a summary of SMUD’s current Power Supply Costs to the Board of Directors.

Board Policy: GP-3, Board Job Description
(Number & Title)

Benefits: Provide Board members with information regarding SMUD’s financial position and SMUD’s current power supply costs.

Cost/Budgeted: N/A

Alternatives: N/A

Affected Parties: Accounting and SMUD

Coordination: Accounting

Presenter: Lisa Limcaco

Additional Links:

SUBJECT SMUD’s Financial Results & Power Supply Costs	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT
OFFICE MEMORANDUM**

TO: Distribution

DATE: May 31, 2023
ACC 23-018

FROM: Kathy Ketchum / Lisa Limcaco

SUBJECT: APRIL 2023 FINANCIAL RESULTS AND OPERATIONS DATA

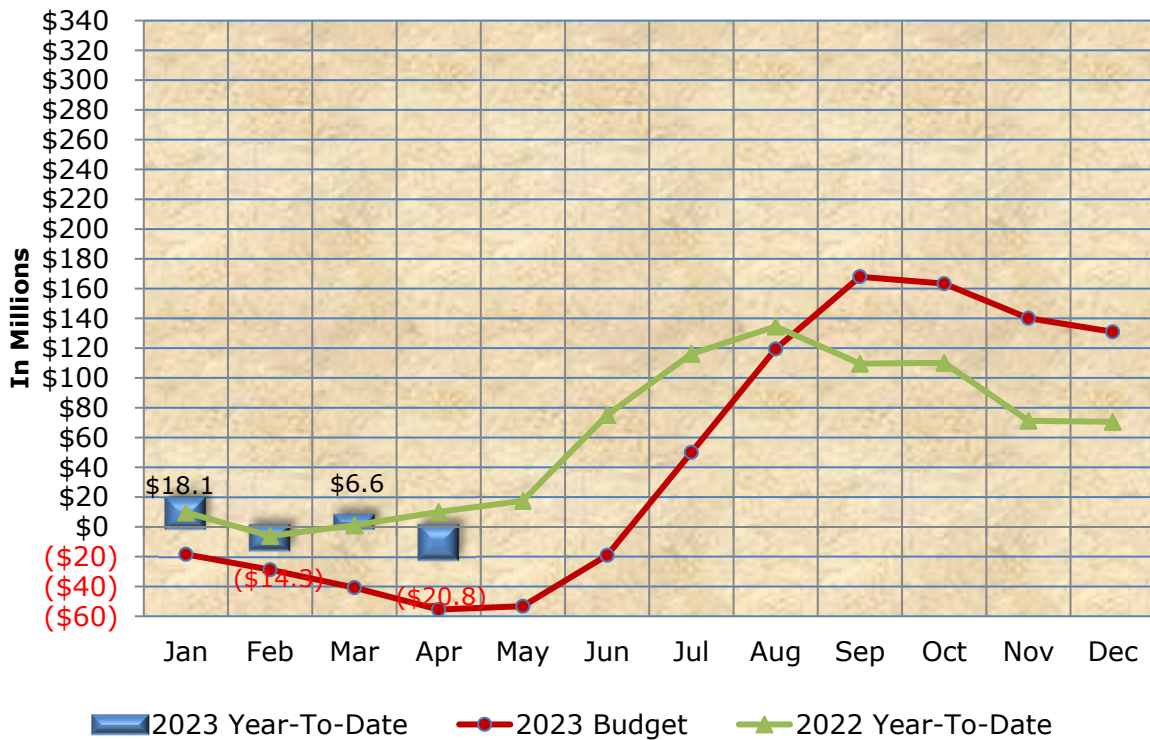
We are attaching the financial and operating reports for the four months of 2023. They include sales and generation statistics and other selected data.

The change in net position is a decrease of \$20.8 million compared to a budgeted decrease of \$55.5 million, resulting in a favorable variance of \$34.7 million.

We prepared these statements on the accrual basis of accounting, and they conform to generally accepted accounting principles. The bases for the budget amounts are:

- 1) Budgeted electric revenues are based on the Forecast of Revenues by the Pricing Department, adjusted for unbilled revenues; and
- 2) Budgeted operating expenses reflect the 2023 Budget approved by the Board of Directors on December 8, 2022.

Change in Net Position Year To Date



SACRAMENTO MUNICIPAL UTILITY DISTRICT
EXECUTIVE SUMMARY
For the Four Months Ended April 30, 2023

Net Position

- The change in net position is a decrease of \$20.8 million compared to a budgeted decrease of \$55.5 million, resulting in a favorable variance of \$34.7 million.

Revenues

- Revenues from sales to customers were \$441.0 million, which was \$6.0 million higher than planned. The increase is primarily due to:
 - Higher residential sales of \$6.1 million due to higher customer usage of \$9.8 million and lower average customer rates because of a shift in customer load shape of \$4.1 million
 - Lower provision for uncollectible accounts of \$3.2 million
 - Offset by lower commercial customer revenues of \$3.5 million due to lower customer usage of \$13.7 million and higher average customer rates because of shift in customer load shape of \$10.4 million.
- Public Good revenue for the Community Impact Plan is \$3.6 million below plan as the actuals are recorded under Transfers from Rate Stabilization Fund.
- Revenues under the California Global Warming Solutions Act (Assembly Bill [AB] - 32) were \$5.6 million. This is due to carbon allowances sold through the state sanctioned quarterly auctions.
- Low Carbon Fuel Standard (LCFS) revenues were \$1.1 million, which was \$2.5 million lower than planned due to revenue recognition being recorded under revenue from rate stabilization.
- Non-cash revenues transferred to the rate stabilization fund were \$72.1 million, of which \$65.4 million was for the annual Hydro Generation Adjustment, \$5.6 million was for AB-32 and \$1.1 million was for LCFS. Funds are deferred until SMUD has qualified program expenses (projects that reduce carbon emissions or electric vehicle programs) to recognize revenue.
- Non-cash revenues transferred from the rate stabilization fund were \$32.3 million, of which \$27.7 million was for revenue recognized for AB-32, \$2.8 million was for revenue recognized from LCFS electric vehicle programs expenses and \$1.7 was for revenue recognized for the Community Impact Plan.
- Other electric revenues were higher by \$5.6 million primarily due to higher Procter & Gamble Power Plant steam sales than planned.

Commodities, Purchased Power and Production

- *Overall, load was higher than planned. Hydro generation was higher than planned due to higher precipitation levels and inflows from snow melt resulting in lower commodity costs.*
- SMUD's generation was higher by 422 GWh (23.4 percent); JPA and other generation was higher by 23 GWh (2.0 percent); and Hydro generation was higher by 399 GWh (63.6 percent).
- Purchased power expense of \$146.1 million, less surplus power sales of \$78.3 million, was \$67.8 million, which was \$50.9 million lower than planned. Purchased power expense decreased because of lower purchases of \$42.2 million, gas hedges of \$18.5 million offset by higher prices of \$9.8 million.
- Production operations cost of \$132.9 million, less surplus gas sales of \$55.3 million, is \$77.6 million, which is \$21.9 million higher than planned.
 - Fuel costs of \$90.2 million less surplus gas sales of \$55.3 million, was \$34.9 million, which was \$17.2 million higher than planned. This is primarily due to higher fuel prices of \$15.4 million and higher fuel usage of \$1.8 million.
- The "power margin", or sales to customers less cost of purchased power, production operations costs and gas hedges included in investment revenue was \$296.7 million, which was \$36.1 million higher than planned. The power margin as a percentage of sales to customers was 67.3 percent, which was 7.4 percent higher than planned. This is due to higher precipitation levels leading to higher hydro generation.

Other Operating Expenses

- All other operating expenses were \$319.3 million, which was \$7.1 million higher than planned.
 - Customer Service and Information expenses were down \$2.5 million primarily due to supply chain issues causing equipment delivery delays and, in turn, charger installation delays in the NextGen program.

- Administrative & General expenses were down \$7.0 million primarily due to a difference in accounting and budgeting for the other postemployment benefits (OPEB) normal cost.
- Public Good expenses were down \$3.8 million primarily due to Research and Development project delays in Electric Transportation, Grid Evolution and Power Generation Research, fewer projects than planned in complete energy solutions, and lower rebate activity across residential and commercial programs.
- Production – maintenance expenses were \$2.4 million lower than planned primarily due to supply chain issues for planned major maintenance at the Procter & Gamble Power Plant.
- Transmission and distribution maintenance expenses were \$17.6 million higher than planned. This is primarily due to higher costs related to storm response.
- Non-cash depreciation and amortization is higher by \$6.6 million primarily due to unplanned amortization of lease assets.

Non-operating Revenues and Expenses

- Other revenue, net, was \$41.4 million higher than planned primarily due to gain on sale of the Solano property of \$27.3 million, higher interest income, the reversal of an accrual for Clean Air Act Fees of \$2.0 million, unrealized holding gains, higher investment revenue due to natural gas hedging activities and contributions in aid of construction.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Month Ended April 30, 2023
(thousands of dollars)

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>	<u>Percent of Increase (Decrease)</u>
OPERATING REVENUES				
Sales to customers	\$ 106,151	\$ 102,996	\$ 3,155	3.1 %
Sales of surplus power	13,351	15,870	(2,519)	(15.9)
Sales of surplus gas	7,342	-	7,342	*
Public good revenue	-	1,144	(1,144)	(100.0)
LCFS revenue	82	1,214	(1,132)	(93.2)
Other electric revenue	3,950	2,987	963	32.2
Revenue to rate stabilization fund	(65,579)	-	(65,579)	*
Revenue from rate stabilization fund	20,857	-	20,857	*
Total operating revenues	86,154	124,211	(38,057)	(30.6)
OPERATING EXPENSES				
Operations				
Purchased power	25,721	39,814	(14,093)	(35.4)
Production	22,095	14,678	7,417	50.5
Transmission and distribution	6,476	6,711	(235)	(3.5)
Customer accounts	4,367	4,003	364	9.1
Customer service and information	5,092	6,677	(1,585)	(23.7)
Administrative and general	14,673	15,642	(969)	(6.2)
Public good	5,291	5,240	51	1.0
Total operations	83,715	92,765	(9,050)	(9.8)
Maintenance				
Production	2,981	6,426	(3,445)	(53.6)
Transmission and distribution	11,025	10,503	522	5.0
Total maintenance	14,006	16,929	(2,923)	(17.3)
Depreciation and amortization				
Depreciation and amortization	21,699	20,208	1,491	7.4
Amortization of regulatory asset	3,165	3,445	(280)	(8.1)
Total depreciation and amortization	24,864	23,653	1,211	5.1
Total operating expenses	122,585	133,347	(10,762)	(8.1)
OPERATING INCOME (LOSS)	(36,431)	(9,136)	(27,295)	(298.8)
NON-OPERATING REVENUES AND EXPENSES				
Other revenues/(expenses)				
Interest income	2,908	1,080	1,828	169.3
Investment revenue (expense)	(393)	(53)	(340)	(641.5)
Other income (expense) - net	13,583	737	12,846	*
Unrealized holding gains (losses)	(70)	-	(70)	*
Revenue - CIAC	1,588	1,255	333	26.5
Total other revenues	17,616	3,019	14,597	483.5
Interest charges				
Interest on long-term debt	7,960	8,086	(126)	(1.6)
Interest on commercial paper	624	499	125	25.1
Total interest charges	8,584	8,585	(1)	(0.0)
CHANGE IN NET POSITION	\$ (27,399)	\$ (14,702)	\$ (12,697)	(86.4) %

* Equals 1000% or greater.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Four Months Ended April 30, 2023
(thousands of dollars)

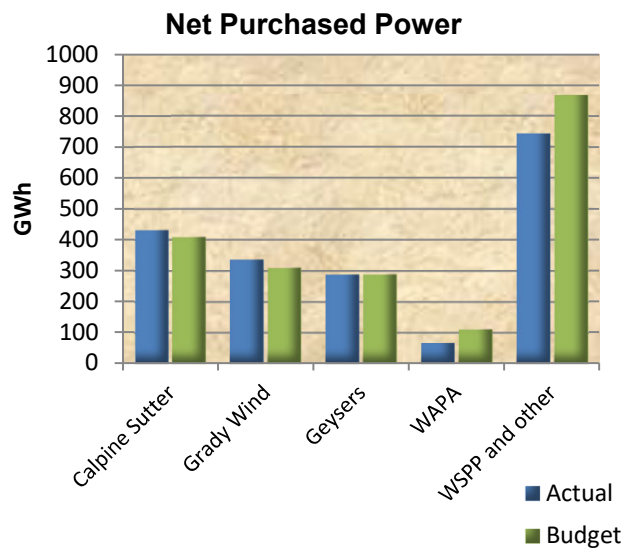
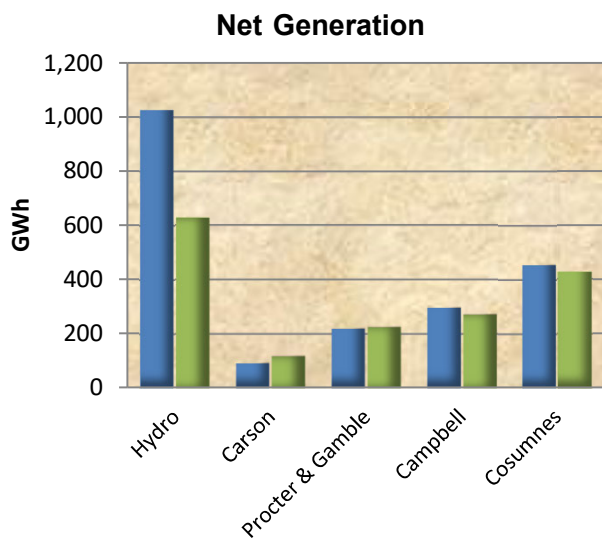
	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>	<u>Percent of Increase (Decrease)</u>
OPERATING REVENUES				
Sales to customers	\$ 440,968	\$ 434,963	\$ 6,005	1.4 %
Sales of surplus power	78,292	73,489	4,803	6.5
Sales of surplus gas	55,310	-	55,310	*
Public good revenue	-	3,569	(3,569)	(100.0)
AB32 revenue	5,570	-	5,570	*
LCFS revenue	1,053	3,503	(2,450)	(69.9)
Other electric revenue	16,953	11,335	5,618	49.6
Revenue to rate stabilization fund	(72,120)	-	(72,120)	*
Revenue from rate stabilization fund	32,296	-	32,296	*
Total operating revenues	558,322	526,859	31,463	6.0
OPERATING EXPENSES				
Operations				
Purchased power	146,069	192,139	(46,070)	(24.0)
Production	132,939	55,730	77,209	138.5
Transmission and distribution	28,530	28,971	(441)	(1.5)
Customer accounts	18,624	18,283	341	1.9
Customer service and information	23,495	26,035	(2,540)	(9.8)
Administrative and general	65,757	72,774	(7,017)	(9.6)
Public good	16,898	20,652	(3,754)	(18.2)
Total operations	432,312	414,584	17,728	4.3
Maintenance				
Production	12,784	15,200	(2,416)	(15.9)
Transmission and distribution	53,893	36,280	17,613	48.5
Total maintenance	66,677	51,480	15,197	29.5
Depreciation and amortization				
Depreciation and amortization	86,783	80,192	6,591	8.2
Amortization of regulatory asset	12,492	13,779	(1,287)	(9.3)
Total depreciation and amortization	99,275	93,971	5,304	5.6
Total operating expenses	598,264	560,035	38,229	6.8
OPERATING INCOME (LOSS)	(39,942)	(33,176)	(6,766)	(20.4)
NON-OPERATING REVENUES AND EXPENSES				
Other revenues/(expenses)				
Interest income	10,212	4,277	5,935	138.8
Investment revenue (expense)	1,165	(210)	1,375	654.8
Other income (expense) - net	33,162	2,385	30,777	*
Unrealized holding gains (losses)	1,992	-	1,992	*
Revenue - CIAC	6,320	4,996	1,324	26.5
Total other revenues	52,851	11,448	41,403	361.7
Interest charges				
Interest on long-term debt	31,780	32,339	(559)	(1.7)
Interest on commercial paper	1,888	1,403	485	34.6
Total interest charges	33,668	33,742	(74)	(0.2)
CHANGE IN NET POSITION	\$ (20,759)	\$ (55,470)	\$ 34,711	62.6 %

* Equals 1000% or greater.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT
SOURCES AND USES OF ENERGY - COMPARED TO BUDGET
For the Period Ended April 30, 2023**

Sources of Energy (GWh)	Month		Increase (Decrease) Percentage	Year to Date		Increase (Decrease) Percentage
	Actual	Budget		Actual	Budget	
Net Generated						
Hydro	278	169	64.5	1,026	627	63.6
Carson Power Plant	23	23	0.0	92	118	(22.0)
Procter & Gamble Power Plant	63	41	53.7	219	224	(2.2)
Campbell Power Plant	55	32	71.9	295	271	8.9
Cosumnes Power Plant	79	68	16.2	454	426	6.6
Other	47	59	(20.3)	142	140	1.4
Total net generation	545	392	39.0	2,228	1,806	23.4
Purchased Power less transmission losses:						
CalEnergy	19	18	5.6	68	73	(6.8)
Calpine Sutter	35	54	(35.2)	431	408	5.6
Drew Solar	30	29	3.4	90	92	(2.2)
Feed in Tariff	24	22	9.1	57	60	(5.0)
Geysers	72	72	0.0	288	288	0.0
Grady Wind	79	88	(10.2)	336	309	8.7
Rancho Seco PV II	21	27	(22.2)	51	81	(37.0)
WAPA	55	61	(9.8)	67	111	(39.6)
WSPP and other	140	256	(45.3)	743	867	(14.3)
Other long term power	43	54	(20.4)	161	192	(16.1)
Total net purchases	518	681	(23.9)	2,292	2,481	(7.6)
Total sources of energy	1,063	1,073	(0.9)	4,520	4,287	5.4
Uses of energy:						
SMUD electric sales and usage	716	712	0.6	3,077	3,106	(0.9)
Surplus power sales	337	300	12.3	1,327	1,003	32.3
System losses	10	61	(83.6)	116	178	(34.8)
Total uses of energy	1,063	1,073	(0.9) %	4,520	4,287	5.4 %

* Change equals 1000% or more.



Net generation is higher than planned for the four-month period.

- Hydro generation is higher than planned (63.6 percent).
- JPA generation is higher than planned (2 percent).

Purchased power, less surplus power sales, is lower than plan (34.7 percent).

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
April 30, 2023 and 2022
(thousands of dollars)

	Total						
	SMUD	SFA	NCEA	NCGA #1	Intercompany Eliminations	2023	2022
ELECTRIC UTILITY PLANT							
Plant in service, original cost	\$ 6,187,955	\$ 963,380	\$ -	\$ -	\$ (4,578)	\$ 7,146,757	\$ 6,845,045
Less accumulated depreciation	2,909,734	689,445	-	-	(629)	3,598,550	3,404,392
Plant in service -net	3,278,221	273,935	-	-	(3,949)	3,548,207	3,440,653
Construction work in progress	376,558	29,865	-	-	-	406,423	433,346
Investment in Joint Power Agencies	315,518	-	-	-	(282,822)	32,696	27,063
Total electric utility plant -net	3,970,297	303,800	-	-	(286,771)	3,987,326	3,901,062
RESTRICTED ASSETS							
Revenue bond reserves	2,004	-	-	-	-	2,004	2,931
Restricted for payment of debt service	109,476	-	-	-	-	109,476	102,998
JPA funds	-	7,237	18,171	20,033	-	45,441	45,093
Nuclear decommissioning trust fund	9,108	-	-	-	-	9,108	8,874
Rate stabilization fund	195,840	-	-	-	-	195,840	167,967
Net pension asset	-	-	-	-	-	-	35,738
Net OPEB asset	-	-	-	-	-	-	57,532
Other funds	29,177	-	3,000	1	-	32,178	28,596
Due (to) from unrestricted funds (decommissioning)	(6,684)	-	-	-	-	(6,684)	(6,684)
Due (to) from restricted funds (decommissioning)	6,684	-	-	-	-	6,684	6,684
Less current portion	(121,072)	(7,237)	(21,171)	(20,034)	-	(169,514)	(163,516)
Total restricted assets	224,533	-	-	-	-	224,533	286,213
CURRENT ASSETS							
Cash, cash equivalents and investments							
Unrestricted	463,346	37,060	-	-	-	500,406	604,385
Restricted	121,072	7,237	21,171	20,034	-	169,514	163,516
Accounts receivable -net	277,818	54,599	-	2,378	(87,468)	247,327	197,728
Lease receivable	740	-	-	-	(209)	531	353
Energy efficiency loans due within one year	139	-	-	-	-	139	201
Interest receivable	4,750	77	-	17	-	4,844	879
Lease Interest Receivable	43	-	-	-	(17)	26	68
Regulatory costs to be recovered within one year	61,147	104	-	105	-	61,356	37,289
Derivative financial instruments maturing within in one year	22,987	-	-	-	-	22,987	110,483
Inventories	104,923	17,484	-	-	-	122,407	98,774
Prepaid gas to be delivered within one year	-	-	4,827	26,297	-	31,124	27,221
Prepayments and other	32,088	13,193	17	16	-	45,314	26,484
Total current assets	1,089,053	129,754	26,015	48,847	(87,694)	1,205,975	1,267,381
NONCURRENT ASSETS							
Regulatory costs for future recovery							
Decommissioning	74,493	-	-	-	-	74,493	74,600
Pension	470,868	-	-	-	-	470,868	334,869
OPEB	298,405	-	-	-	-	298,405	276,752
Bond Issues	-	644	-	332	-	976	1,185
Derivative financial instruments	1,306	-	-	-	-	1,306	(212)
Derivative financial instruments	65,037	-	-	-	-	65,037	105,583
Prepaid gas	-	-	522,799	103,149	-	625,948	657,071
Prepaid power and capacity	104	-	-	-	-	104	311
Lease receivable	21,558	-	-	-	(3,742)	17,816	17,363
Energy efficiency loans -net	600	-	-	-	-	600	838
Other	81,413	13	-	49	-	81,475	68,867
Total noncurrent assets	1,013,784	657	522,799	103,530	(3,742)	1,637,028	1,537,227
TOTAL ASSETS	\$ 6,297,667	\$ 434,211	\$ 548,814	\$ 152,377	\$ (378,207)	\$ 7,054,862	\$ 6,991,883
DEFERRED OUTFLOWS OF RESOURCES							
Accumulated decrease in fair value of hedging derivatives	44,843	-	-	-	-	44,843	10,840
Deferred pension outflows	139,792	-	-	-	-	139,792	67,245
Deferred OPEB outflows	43,356	-	-	-	-	43,356	23,708
Deferred ARO outflows	-	1,837	-	-	-	1,837	1,627
Unamortized bond losses - other	6,558	1,097	-	-	-	7,655	11,201
TOTAL DEFERRED OUTFLOWS OF RESOURCES	234,549	2,934	-	-	-	237,483	114,621
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 6,532,216	\$ 437,145	\$ 548,814	\$ 152,377	\$ (378,207)	\$ 7,292,345	\$ 7,106,504

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
April 30, 2023 and 2022
(thousands of dollars)

	<u>Total</u>						2023	2022
	SMUD	SFA	NCEA	NCGA #1	Intercompany Eliminations			
LONG-TERM DEBT -NET	\$ 2,114,342	\$ 94,925	\$ 542,928	\$ 120,070	\$ -	\$ 2,872,265	3,067,720	
CURRENT LIABILITIES								
Commercial paper notes	200,000	-	-	-	-	200,000	-	
Accounts payable	113,969	8,888	-	14	-	122,871	115,054	
Purchased power payable	92,574	33,629	-	-	(87,468)	38,735	35,934	
Credit support collateral obligation	10,887	-	-	1	-	10,888	9,758	
Long-term debt due within one year	111,165	1,845	2,320	22,865	-	138,195	132,150	
Accrued decommissioning	7,549	-	-	-	-	7,549	6,889	
Interest payable	31,121	1,496	7,251	498	-	40,366	40,620	
Interest Accrued Liability	12	24	-	-	(17)	19	32	
Accrued salaries and compensated absences	46,204	-	-	-	-	46,204	43,620	
Derivative financial instruments maturing within one year	35,969	-	-	-	-	35,969	9,671	
Customer deposits	1,758	-	-	-	-	1,758	1,316	
Lease Liability	17,702	289	-	-	(209)	17,782	26,053	
Other	49,545	-	-	-	-	49,545	42,091	
Total current liabilities	718,455	46,171	9,571	23,378	(87,694)	709,881	463,188	
NONCURRENT LIABILITIES								
Accrued decommissioning -net	76,917	9,756	-	-	-	86,673	85,812	
Derivative financial instruments	11,020	-	-	-	-	11,020	5,197	
Net pension liability	235,451	-	-	-	-	235,451	-	
Net OPEB liability	6,753	-	-	-	-	6,753	-	
Lease Liability	4,727	5,170	-	-	(3,742)	6,155	30,732	
Other	84,808	-	208	-	-	85,016	84,884	
Total noncurrent liabilities	419,676	14,926	208	-	(3,742)	431,068	206,625	
TOTAL LIABILITIES	3,252,473	156,022	552,707	143,448	(91,436)	4,013,214	3,737,533	
DEFERRED INFLOWS OF RESOURCES								
Accumulated increase in fair value of hedging derivatives	87,994	-	-	-	-	87,994	212,215	
Deferred pension inflows	17,536	-	-	-	-	17,536	210,392	
Deferred OPEB inflows	33,732	-	-	-	-	33,732	84,347	
Deferred Lease inflows	21,862	-	-	-	(3,949)	17,913	17,643	
Regulatory credits	748,404	-	-	-	-	748,404	525,946	
Unamortized bond gains - other	19,266	-	-	-	-	19,266	8,759	
Unearned revenue	8,200	42	-	-	-	8,242	3,387	
TOTAL DEFERRED INFLOWS OF RESOURCES	936,994	42	-	-	(3,949)	933,087	1,062,689	
NET POSITION								
Balance at beginning of year	2,377,719	267,457	(4,610)	8,989	(282,752)	2,366,803	2,296,261	
Net increase (decrease) for the year	(34,970)	13,624	684	(97)	-	(20,759)	10,021	
Member contributions (distributions) -net	-	-	33	37	(70)	-	-	
TOTAL NET POSITION	2,342,749	281,081	(3,893)	8,929	(282,822)	2,346,044	2,306,282	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 6,532,216	\$ 437,145	\$ 548,814	\$ 152,377	\$ (378,207)	\$ 7,292,345	\$ 7,106,504	

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF CASH FLOWS
For the Period Ended April 30, 2023
(thousands of dollars)

	Month	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 115,087	\$ 471,741
Receipts from surplus power and gas sales	28,089	161,854
Other receipts	8,250	49,380
Payments to employees - payroll and other	(28,690)	(130,092)
Payments for wholesale power and gas purchases	(55,219)	(304,329)
Payments to vendors/others	(64,315)	(242,706)
Net cash provided by operating activities	3,202	5,848
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interest on debt	(1,316)	(13,952)
Net cash used in noncapital financing activities	(1,316)	(13,952)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction expenditures	(30,564)	(97,784)
Proceeds from land sales	-	45,000
Contributions in aid of construction	2,758	6,176
Issuance of commercial paper	-	50,000
Interest on debt	-	(42,938)
Lease and other payments	(2,201)	(9,590)
Cash received from leases	27	660
Net cash used in capital and related financing activities	(29,980)	(48,476)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales and maturities of securities	19,269	196,708
Purchases of securities	(67,812)	(229,381)
Interest and dividends received	2,657	10,204
Investment revenue/expenses - net	(383)	1,167
Net cash used in investing activities	(46,269)	(21,302)
Net decrease in cash and cash equivalents	(74,363)	(77,882)
Cash and cash equivalents at the beginning of the month and year	386,319	389,838
Cash and cash equivalents at April 30, 2023	\$ 311,956	\$ 311,956
Cash and cash equivalents included in:		
Unrestricted cash and cash equivalents	\$ 260,522	\$ 260,522
Restricted and designated cash and cash equivalents	40,633	40,633
Restricted and designated assets (a component of the total of \$224,533 at April 30, 2023)	10,801	10,801
Cash and cash equivalents at April 30, 2023	\$ 311,956	\$ 311,956

SSS No. AQS 2023-5

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit Committee June 14, 2023
Board Meeting Date NA

TO	TO
1. Jennifer Davidson	6.
2. Jose Bodipo-Memba	7.
3. Lora Anguay	8.
4. Scott Martin	9. Legal
5.	10. CEO & General Manager

Consent Calendar	Yes	No <i>If no, schedule a dry run presentation.</i>	Budgeted	X	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Claire Rogers		DEPARTMENT Audit and Quality Services	MAIL STOP ME-2	EXT. 7122	DATE SENT 5/30/23	

NARRATIVE:

Requested Action: Informational agenda item to provide Board Members with the opportunity to ask questions and/or discuss recent reports issued by Audit and Quality Services.

Summary: Reports Issued by Audit and Quality Services:

Title	Report Number
• Green-e® Energy Annual Verification	28007624

Board Policy: Board-Staff Linkage, Board-Internal Auditor Relationship (BL-3)
(Number & Title)

Benefits: n/a

Cost/Budgeted: n/a

Alternatives: n/a

Affected Parties: Board, Internal Auditor

Coordination: n/a

Presenter: Claire Rogers

Additional Links

SUBJECT Reports Issued by Audit and Quality Services	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: May 30, 2023
Audit Report #28007624

FROM: Claire Rogers

SUBJECT: Green-e® Energy Annual Verification — Agreed-Upon Procedures

Audit and Quality Services (AQS) has performed the procedures enumerated below, which were agreed to by SMUD and the Center for Resource Solutions, to verify SMUD's compliance with annual reporting requirements of the Center for Resource Solutions' Green-e® Energy program for the year ended December 31, 2022. SMUD's management is responsible for compliance with the annual reporting requirements of the Center for Resource Solutions' Green-e® Energy program.

The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures include, but are not limited to:

- Validation and recalculation of Greenergy (excluding Partner Plus) and Solar Shares retail sales;
- Validation and recalculation of Greenergy (excluding Partner Plus) and Solar Shares resource supply, or renewable energy credits (RECs), retired in the Western Electric Coordinating Council (WECC) WREGIS tracking system database;
- Validation and recalculation of Greenergy (excluding Partner Plus) and Solar Shares Product Content Labels.

Based on the Green-e® Energy Audit Protocol and the results of the Agreed-Upon Procedures, AQS asserts that SMUD has no exceptions with regard to its compliance of the Green-e Energy verification reporting requirements put forth in the Annual Verification Protocol.

The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. AQS was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on SMUD's compliance to the annual reporting requirements of the Center for Resource Solutions' Green-e® Energy program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to SMUD and the Center for Resource Solutions.

SSS No. BOD 2022-020

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date 2023
Board Meeting Date N/A

TO	TO
1. Jennifer Davidson	6.
2. Jose Bodipo-Memba	7.
3. Scott Martin	8.
4. Lora Anguay	9. Legal
5.	10. CEO & General Manager

Consent Calendar		Yes	<input checked="" type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>	Budgeted		Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Rob Kerth / Special Assistant to the Board	DEPARTMENT Board Office				MAIL STOP B307	EXT. 5079	DATE SENT 12/27/22	

NARRATIVE:

Requested Action: A summary of directives provided to staff during the committee meeting.

Summary: The Board requested an on-going opportunity to do a wrap up period at the end of each committee meeting to summarize various Board member suggestions and requests that were made at the meeting in an effort to make clear the will of the Board. The Committee Chair will summarize Board member requests that come out of the committee presentations for this meeting.

Board Policy: GP-4 Agenda Planning states the Board will focus on the results the Board wants the organization to achieve.
(Number & Title)

Benefits: Having an agendized opportunity to summarize the Board’s requests and suggestions that arise during the committee meeting will help clarify what the will of the Board.

Cost/Budgeted: Included in budget

Alternatives: Not summarize the Board’s requests at this meeting.

Affected Parties: Board of Directors and Executive Staff

Coordination: Special Assistant to the Board

Presenter: Rob Kerth, Finance and Audit Chair

Additional Links:

SUBJECT Summary Of Committee Direction – Finance and Audit	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.