

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

Date: Tuesday, June 18, 2024

Time: Scheduled to begin at 6:00 p.m.

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

Powering forward. Together.



AGENDA

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

Tuesday, June 18, 2024
SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, California
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: 161 691 2022

Passcode: 499343

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:

- 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. Email is not monitored during 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. Eric Poff
Authorize the Chief Executive Officer and General Manager to negotiate and award a contract to **Utility Partners of America** for meter replacement services for a period of one year, with two optional one-year extensions, for a total not-to-exceed amount of \$21,442,000.
Presentation: 5 minutes
Discussion: 2 minutes
2. Eric Poff
Approve Contract Change No. 1 to Contract No. 4600001773 with **Kortick Manufacturing, LLC**, for supply of network transformers to extend the contract expiration date from November 14, 2024, to February 28, 2026, and increase the contract not to exceed amount by \$10 million, from \$11 million to \$21 million.
Presentation: 5 minutes
Discussion: 1 minute
3. Joel Ledesma
Authorize the Chief Executive Officer and General Manager to negotiate and award a contract to **Andritz Hydro Corp** for the Camino Generator 1 Rehabilitation for a period of two years for an amount not to exceed \$11,903,140.
Presentation: 5 minutes
Discussion: 2 minutes

INFORMATIONAL ITEMS

4. Lisa Limcaco
Provide the Board with the financial results from the four-month period ended April 30, 2024, and a summary of SMUD's current Power Supply Costs.
Presentation: 5 minutes
Discussion: 1 minute
5. Claire Rogers
Internal Audit Services Report: 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. SCS 24-142

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 06/18/24
Board Meeting Date June 20, 2024

TO				TO			
1.	Casey Fallon	6.	Jose Bodipo-Memba				
2.	Eric Poff	7.					
3.	Frankie McDermott	8.					
4.	Scott Martin	9.	Legal				
5.	Lora Anguay	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) Greg Hovious			DEPARTMENT Procurement	MAIL STOP EA404	EXT. 4860	DATE SENT 05/24/24	

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to negotiate and award a contract to Utility Partners of America for meter replacement services for a period of one year, with two optional one-year extensions, for a total not-to-exceed amount of \$21,442,000.

Summary: In October 2023, SMUD was awarded \$50 million from the Department of Energy Grid Deployment Office’s Grid Resilience and Innovation Partnerships (GRIP) program for SMUD’s Connected Clean PowerCity®. The Connected Clean PowerCity project will enhance SMUD’s infrastructure to interact with technology and customers at the grid's edge, establishing improved visibility, management and control.

As part of the project, we will deploy up to 200,000 Itron Riva meters with up to eight Distributed Intelligence apps per meter to support various use cases. A condition of the GRIP grant requires installation of 5,000 meters per month in September and October 2024, and 19,000 per month from November 2024 through August 2025.

For the meter installation services, on February 5, 2024, SMUD issued Request for Proposal No. Doc4413278410 (RFP) to solicit qualified firms to install 200,000 SMUD-furnished Itron Riva meters. On February 14, 2024, SMUD held an online Pre-Proposal Conference that was attended by four Contractors. On March 7, 2024, SMUD received one proposal from Utility Partners of America. Their proposal was evaluated in accordance with the advertised criteria and was found to be responsive. SMUD initiated and continues to negotiate a contract with Utility Partners of America for an aggregate not-to-exceed amount of \$21,442,000 upon successful completion of negotiations. The current result of the solicitation is shown below.

Recommendation: Award to the Highest Evaluated Responsive Proposer

Award to:

Utility Partners of America
1881 Suber Mill Road
Greer, South Carolina 29650

<u>Proposers Notified by Procurement:</u>	19
<u>Proposers Downloaded:</u>	8
<u>Pre-Proposal Conference Attendance:</u>	4
<u>Proposals Received:</u>	1

Responsive Proposals Received	<u>P/F</u>	<u>60 Points Technical</u>	<u>40 Points Pricing</u>	Total Score	Overall Rank	Proposal Amount	Proposed Award Amount
Utility Partners of America	P	52.30	40	92.30	1	\$52,978,000	Not-to-Exceed \$21,442,000

Supplier Diversity Program:

Due to the provisions of the grant, SMUD was unable to include Supplier Education & Economic Diversity (SEED) Program goals or incentives in this RFP or contract.

Board Policy: Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement; Board-Staff Linkage, (Number & Title) BL-13, Delegation to the CEO with Respect to Grants

Benefits: Award of this contract will provide SMUD with a qualified contractor to install 200,000 Itron Riva meters.

Cost/Budgeted: \$21,442,000; Budgeted for 2024 and 2025 by Energy Delivery & Operations.

Alternatives: Do not award this contract and lose the GRIP grant funding.

Affected Parties: Energy Delivery & Operations, Information Technology Supply Chain Services, and Utility Partners of America

Coordination: Energy Delivery & Operations, Information Technology and Supply Chain Services

Presenter: Eric Poff, Director, Substation, Telecommunications & Metering Assets

Additional Links:

SUBJECT	Award Meter Replacement Contract	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. SCS 24-163

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit - 06/18/24

Board Meeting Date
June 20, 2024

TO	TO
1. Casey Fallon	6. Jose Bodipo-Memba
2. Eric Poff	7.
3. Frankie McDermott	8.
4. Scott Martin	9. Legal
5. Lora Anguay	10. CEO & General Manager

Consent Calendar	X	Yes		<i>No If no, schedule a dry run presentation.</i>	Budgeted	X	Yes	<i>No (If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Jose Noriega			DEPARTMENT Procurement		MAIL STOP EA404		EXT. 6687	DATE SENT 6/7/2024

NARRATIVE:

Requested Action: Approve Contract Change No. 1 to Contract No. 4600001773 with Kortick Manufacturing, LLC, for supply of network transformers, to extend the contract expiration date from November 14, 2024, to February 28, 2026, and increase the contract not-to-exceed amount by \$10 million, from \$11 million to \$21 million.

Summary: Contract No. 4600001270 was awarded on a competitive basis to Frase Enterprises, Inc. in May 2019 for supply of network transformer to support SMUD’s ongoing maintenance requirements. The original contract was awarded for the period from May 15, 2019 to May 14, 2023, for a not-to-exceed amount of \$1 million. Contract Change No. 1 increased the contract not to exceed amount from \$1 million to \$3.5 million and added one new transformer stock code to the contract. Contract Change No. 2 increased the contract amount from \$3.5 million to \$8 million and extend the contract expiration date from May 14, 2023 to May 14, 2024. Contract Change No. 3 increased the contract not-to-exceed amount from \$8 million to \$11 million and extended the contract expiration date from May 14, 2024 to November 14, 2024. Contract Change No. 4 assigned Contract No. 4600001270 with Frase Enterprises, Inc. to Kortick Manufacturing LLC. Contract No. 4600001270 was replaced with Contract No. 4600001773. This Contract Change No. 1 to Contract No. 4600001773 requests approval to increase the contract not-to-exceed amount by \$10 million, from \$11 million to \$21 million and extend the contract expiration date from November 14, 2024, to February 28, 2026. The original contract was intended to support SMUD’s ongoing maintenance requirements. SMUD’s Energy Delivery & Operations team identified a significant increase in our upcoming demand for network transformers with plans to replace approximately 50 network transformers each year through 2028. Due to equipment lead times, SMUD needs to order the network transformers now to maintain the transformer replacement schedule for 2025. SMUD is currently sourcing replacement contract(s) for network transformers with expectations to award later this year. The new contracts will not be awarded in time to place orders for work scheduled to take place in 2025 but will support the needed transformers for years 2026 through 2028.

Currently, the contract balance is approximately \$168,000.

Contract Actions	Amount	Cumulative Total	Description
Original Contract 4600001270	\$1,000,000		
Change No. 01	\$2,500,000	\$3,500,000	Increase contract value
Change No. 02	\$4,500,000	\$8,000,000	Increase contract value and extend term.
Change No. 03	\$3,000,000	\$11,000,000	Increase contract value and extend term.

Change No. 04	\$0	\$11,000,000	Assign contract to Kortick Manufacturing. Contract No. 4600001270 replaced with Contract No. 4600001773.
Pending Change No. 1 Contract No. 4600001773	\$10,000,000	\$21,000,000	Increase contract value and extend term.

Board Policy: Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement; Strategic Direction SD-4, Reliability.
(Number & Title)

Benefits: This contract change will allow SMUD to purchase network transformers required for replacement projects scheduled to take place in 2025.

Cost/Budgeted: \$21,000,000; Budgeted for 2019 to 2026 by Energy Delivery & Operations.

Alternatives: Wait to order the network transformers until the new contract(s) are awarded and delay the network transformer replacement project. Delaying the transformer replacement increases the risk of transformer failure.

Affected Parties: Energy Delivery & Operations, Supply Chain Services, and Kortick Manufacturing, LLC.

Coordination: Energy Delivery & Operations and Supply Chain Services.

Presenter: Eric Poff, Director, Substation, Telecommunications & Metering Assets

Additional Links:

SUBJECT	Contract Change for Supply of Network Transformers (Kortick Manufacturing, LLC)	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. SCS 24-147

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
 Finance & Audit - 06/18/24
 Board Meeting Date
 June 20, 2024

TO				TO					
1.	Casey Fallon			6.					
2.	Bryan Swann			7.					
3.	Scott Martin			8.					
4.	Lora Anguay			9.	Legal				
5.	Jose Bodipo-Memba			10.	CEO & General Manager				
Consent Calendar	x	Yes	No <i>If no, schedule a dry run presentation.</i>	Budgeted		Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Greg Hovious				DEPARTMENT Procurement, Warehouse & Fleet			MAIL STOP EA404	EXT. 4860	DATE SENT 05/24/24

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to negotiate and award a contract to Andritz Hydro Corp for the Camino Generator 1 Rehabilitation for a period of two years for an amount not to exceed \$11,903,140.

Summary: Camino Generator #1 has reached its maximum beneficial use and must be rehabilitated. On February 12, 2024, SMUD issued Request for Proposal No. Doc4407380073 (RFP) to solicit qualified firms to provide design, manufacturing, disassembly, removal of the existing generator windings/core, install replacement windings/core, and test the rehabilitated Camino Unit#1 Generator. A mandatory Pre-proposal Conference was held of which six (6) Contractors attended. A mandatory Site Inspection was conducted on March 21, 2024, of which four (4) Contractors attended. On May 3, 2024, SMUD received four (4) proposals. Two (2) proposers were deemed non-responsive as they did not possess the required contractor’s license. SMUD initiated and continues to negotiate with the highest evaluated Proposer, Andritz Hydro Corp. (Andritz). SMUD is requesting approval to award a contract to Andritz upon successful negotiations for a not-to-exceed amount of \$11,903,140.

Recommendation: Award to Highest Evaluated Responsive Proposer

Award to:

Andritz Hydro Corp
10735 David Taylor Drive #500
Charlotte, NC 28262

Proposers Notified by Procurement: 33
Proposers Downloaded: 9
Pre-Proposal Conference Attendance: 6
Proposals Received: 4

Responsive Proposals Received	P/F	10 Points SEED	50 Points Technical	40 Points Pricing	Total Score	Overall Rank	Proposal Amount	Evaluated Proposal Amount	Proposed Award Amount Not To Exceed
Andritz Hydro Corp	P	0	47.33	40	87.33	1	\$10,494,700	\$11,241,940	\$11,903,140
National Electric Coil LP	P	0	24.08	35.18	59.26	2	\$11,962,514	\$12,759,570	

Non-Responsive Proposals Received	Proposal Amount
Industrial Service Solutions	\$7,695,577
Integrated Power Services, LLC	\$7,198,037

Supplier Diversity Program: The highest evaluated responsive Proposer, Andritz Hydro Corp, is self-performing 99% of the work and subcontracting 1% to non-Supplier Education & Economic Development (SEED) vendor, A1 Remediation Service.

Board Policy: Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement; Strategic Direction SD-4, Reliability.
(Number & Title)

Benefits: SMUD contracts with a qualified contractor to rehabilitate Camino Generator #1.

Cost/Budgeted: \$11,903,140; Budgeted for 2024 and 2025 by Zero Carbon Energy Solutions.

Alternatives: Not rehabilitating Camino Generator #1 will result in total failure of the generator.

Affected Parties: Zero Carbon Energy Solutions, Supply Chain Services, and Contractor.

Coordination: Zero Carbon Energy Solutions, Legal, and Supply Chain Services.

Presenter: Joel Ledesma, Director, Power Generation

Additional Links:

SUBJECT

Award Contract for Camino Generator 1 Rehabilitation

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. CFO 23-016

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit, 2024
Board Meeting Date N/A

TO				TO			
1.	Jose Bodipo-Memba	6.					
2.	Lora Anguay	7.					
3.	Scott Martin	8.					
4.		9.	Legal				
5.		10.	CEO & General Manager				
Consent Calendar		Yes	No <i>If no, schedule a dry run presentation.</i>		Budgeted	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Lisa Limcaco		DEPARTMENT Accounting			MAIL STOP B352	EXT. 7045	DATE SENT 12/18/23

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: Provide information via written memo/report to the Board.

Affected Parties: Accounting

Coordination: Accounting

Presenter: Lisa Limcaco

Additional Links:

SUBJECT SMUD’s Financial Results & Power Supply Costs	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: Distribution

DATE: May 28, 2024
ACC 24-013

FROM: Kathy Ketchum / Lisa Limcaco

SUBJECT: APRIL 2024 FINANCIAL RESULTS AND OPERATIONS DATA

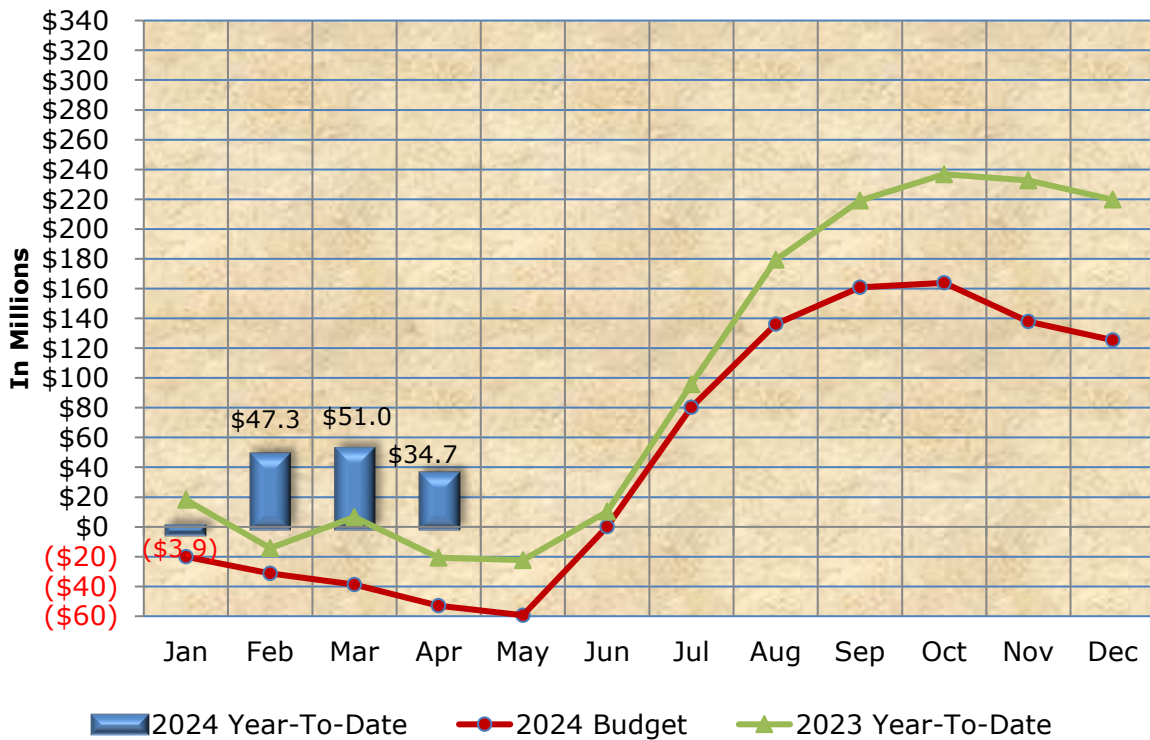
We are attaching the financial and operating reports for the four months of 2024. They include sales and generation statistics and other selected data.

The change in net position is an increase of \$34.7 million compared to a budgeted decrease of \$52.9 million, resulting in a favorable variance of \$87.6 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 2024 Budget approved by the Board of Directors on December 14, 2023.

Change in Net Position Year To Date



**SACRAMENTO MUNICIPAL UTILITY DISTRICT
EXECUTIVE SUMMARY
For the Four Months Ended April 30, 2024**

Net Position

- The change in net position is an increase of \$34.7 million compared to a budgeted decrease of \$52.9 million, resulting in a favorable variance of \$87.6 million.

Revenues

- Revenues from sales to customers were \$447.8 million, which was \$0.3 million higher than planned. The increase is primarily due to:
 - Lower residential customer revenue of \$8.2 million primarily due to lower customer usage.
 - Higher commercial sales of \$7.2 million primarily due to higher customer usage.
 - Lower provision for uncollectible accounts of \$1.0 million.
- Revenues under the California Global Warming Solutions Act (Assembly Bill [AB] – 32) were \$10.4 million. This is due to carbon allowances sold through the state sanctioned quarterly auctions.
- Low Carbon Fuel Standard (LCFS) revenues were \$3.4 million due to LCFS credit sales.
- Other electric revenues were \$2.9 million higher due to higher interconnection fees, transmission revenue, and Sacramento Power Academy revenue.
- Non-cash revenues transferred to the rate stabilization fund were \$23.2 million, of which \$10.4 million was for AB-32, \$9.3 million was for the annual WAPA Hydro Generation Adjustment and \$3.4 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 \$31.1 million, which is \$23.7 million higher than plan. The increase is primarily due to \$18.7 million of revenue recognized for AB-32 and \$8.3 million was for revenue recognized for the annual Hydro Generation Adjustment.

Commodities, Purchased Power, and Production

- SMUD's generation was lower by 221 GWh (8.8 percent); JPA and other generation was lower by 285 GWh (14.4 percent); and Hydro generation was higher by 64 GWh (12.1 percent).
- Purchased power expense of \$99.3 million, less surplus power sales of \$42.2 million was \$57.1 million, which was \$3.4 million higher than planned. This increase is due to lower thermal generation that led to increased market purchases at favorable market prices.
- Production operations cost of \$123.0 million, less surplus gas sales of \$29.2 million, was \$93.8 million, which was \$22.3 million lower than planned.
 - Fuel costs of \$80.2 million less surplus gas sales of \$29.2 million, was \$51.0 million, which was \$18.6 million lower than planned. Thermal generation has decreased due to a planned outage at the Procter & Gamble plant and it was more economical to replace with hydro generation and market purchases.
- The "power margin", or sales to customers less cost of purchased power, production operations costs and gas hedges included in investment revenue was \$297.5 million, which was \$19.9 million higher than planned. The power margin as a percentage of sales to customers was 66.4 percent, which was 4.4 percent higher than planned. This is primarily due to lower production costs due to lower fuel costs.

Other Operating Expenses

- All other operating expenses were \$343.0 million, which was \$8.2 million higher than planned.
 - Transmission and distribution operations expenses were down \$5.5 million primarily due to lower transmission fees as a result of using more hydro generation than plan.
 - Customer service and information expenses were down \$3.1 million due to lower participation in My Energy Optimizer Partner and Peak Conserve programs and lower participation in the Commercial and Residential Greenergy programs.
 - Administrative & General expenses were up \$5.8 million primarily due to bond issuance costs and costs related to the February storm.
 - Public Good expenses were \$2.3 million higher than planned primarily due to increased HVAC and rebate volume in the Advanced Homes Solutions program. Also, higher than planned project completions in Smart Homes and earlier start in low income building electrification program initiatives.

- Production maintenance expenses were \$2.1 million higher than planned due to unplanned major repair at the Procter & Gamble Power Plant.
- Transmission and distribution maintenance expenses were \$2.3 million higher than planned primarily due to higher costs related to the February storm response, offset by lower expenses than planned related to SMUD's Wildfire Mitigation Plan.
- Non-cash depreciation and amortization is higher by \$3.3 million primarily due to the amortization of software subscription assets.

Non-operating Revenues and Expenses

- Other revenue, net, was \$58.5 million higher than planned primarily due to a business interruption insurance recovery payment of \$51.4 million related to the Cosumnes Power Plant and a settlement payment of \$5.8 million related to the Rancho Seco annual spent fuel settlement, and higher interest income.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Month Ended April 30, 2024
(thousands of dollars)

	Actual	Budget	Over (Under)	Percent of Increase (Decrease)
OPERATING REVENUES				
Sales to customers	\$ 109,151	\$ 105,829	\$ 3,322	3.1 %
Sales of surplus power	4,321	10,068	(5,747)	(57.1)
Sales of surplus gas	7,075	-	7,075	*
SB-1 revenue (deferral)/recognition, net	31	-	31	*
Other electric revenue	3,289	2,919	370	12.7
Revenue to rate stabilization fund	(9,318)	(242)	(9,076)	*
Revenue from rate stabilization fund	13,850	2,091	11,759	562.4
Total operating revenues	128,399	120,665	7,734	6.4
OPERATING EXPENSES				
Operations				
Purchased power	26,644	29,575	(2,931)	(9.9)
Production	20,279	16,426	3,853	23.5
Transmission and distribution	7,591	8,959	(1,368)	(15.3)
Customer accounts	5,041	4,382	659	15.0
Customer service and information	6,809	7,212	(403)	(5.6)
Administrative and general	22,308	18,458	3,850	20.9
Public good	6,067	5,234	833	15.9
Total operations	94,739	90,246	4,493	5.0
Maintenance				
Production	8,192	3,970	4,222	106.3
Transmission and distribution	9,900	10,971	(1,071)	(9.8)
Total maintenance	18,092	14,941	3,151	21.1
Depreciation and amortization				
Depreciation and amortization	23,205	22,522	683	3.0
Amortization of regulatory asset	3,911	3,403	508	14.9
Total depreciation and amortization	27,116	25,925	1,191	4.6
Total operating expenses	139,947	131,112	8,835	6.7
OPERATING INCOME (LOSS)	(11,548)	(10,447)	(1,101)	(10.5)
NON-OPERATING REVENUES AND EXPENSES				
Other revenues/(expenses)				
Interest income	5,600	2,318	3,282	141.6
Investment revenue (expense)	(349)	20	(369)	*
Other income (expense) - net	(1,213)	833	(2,046)	(245.6)
Unrealized holding gains (losses)	(1,811)	-	(1,811)	*
Revenue - CIAC	1,651	1,725	(74)	(4.3)
Total other revenues	3,878	4,896	(1,018)	(20.8)
Interest charges				
Interest on long-term debt	8,105	7,737	368	4.8
Interest on commercial paper	531	785	(254)	(32.4)
Total interest charges	8,636	8,522	114	1.3
CHANGE IN NET POSITION	\$ (16,306)	\$ (14,073)	\$ (2,233)	(15.9) %

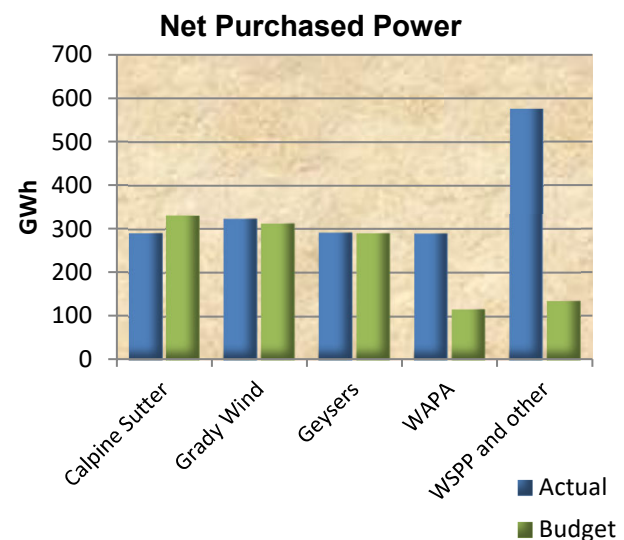
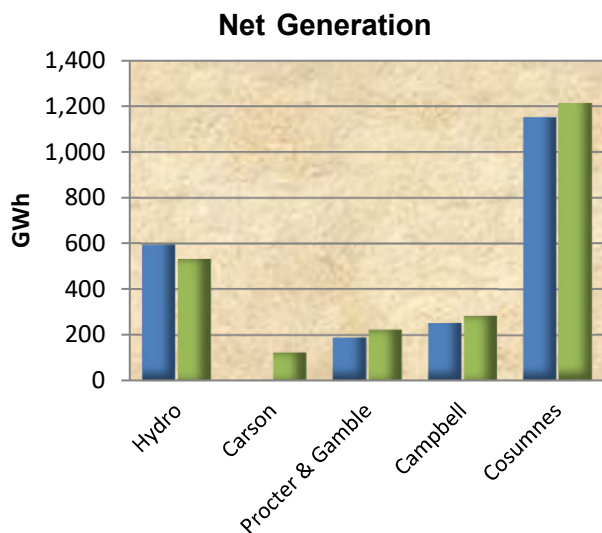
SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Four Months Ended April 30, 2024
(thousands of dollars)

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>	<u>Percent of Increase (Decrease)</u>
OPERATING REVENUES				
Sales to customers	\$ 447,823	\$ 447,509	\$ 314	0.1 %
Sales of surplus power	42,170	58,680	(16,510)	(28.1)
Sales of surplus gas	29,171	-	29,171	*
SB-1 revenue (deferral)/recognition, net	174	-	174	*
AB32 revenue	10,440	-	10,440	*
LCFS revenue	3,423	-	3,423	*
Other electric revenue	14,651	11,750	2,901	24.7
Revenue to rate stabilization fund	(23,182)	(968)	(22,214)	*
Revenue from rate stabilization fund	31,130	7,426	23,704	319.2
Total operating revenues	555,800	524,397	31,403	6.0
OPERATING EXPENSES				
Operations				
Purchased power	99,298	112,455	(13,157)	(11.7)
Production	122,984	116,140	6,844	5.9
Transmission and distribution	28,083	33,564	(5,481)	(16.3)
Customer accounts	18,700	18,433	267	1.4
Customer service and information	25,520	28,646	(3,126)	(10.9)
Administrative and general	81,437	75,655	5,782	7.6
Public good	21,827	19,564	2,263	11.6
Total operations	397,849	404,457	(6,608)	(1.6)
Maintenance				
Production	18,338	16,221	2,117	13.1
Transmission and distribution	43,056	40,784	2,272	5.6
Total maintenance	61,394	57,005	4,389	7.7
Depreciation and amortization				
Depreciation and amortization	91,586	88,274	3,312	3.8
Amortization of regulatory asset	14,406	13,612	794	5.8
Total depreciation and amortization	105,992	101,886	4,106	4.0
Total operating expenses	565,235	563,348	1,887	0.3
OPERATING INCOME (LOSS)	(9,435)	(38,951)	29,516	75.8
NON-OPERATING REVENUES AND EXPENSES				
Other revenues/(expenses)				
Interest income	15,416	9,206	6,210	67.5
Investment revenue	576	80	496	620.0
Other income (expense) - net	58,012	2,980	55,032	*
Unrealized holding gains (losses)	(2,975)	-	(2,975)	*
Revenue - CIAC	6,572	6,877	(305)	(4.4)
Total other revenues	77,601	19,143	58,458	305.4
Interest charges				
Interest on long-term debt	31,295	30,947	348	1.1
Interest on commercial paper	2,211	2,148	63	2.9
Total interest charges	33,506	33,095	411	1.2
CHANGE IN NET POSITION	\$ 34,660	\$ (52,903)	\$ 87,563	165.5 %

**SACRAMENTO MUNICIPAL UTILITY DISTRICT
SOURCES AND USES OF ENERGY - COMPARED TO BUDGET
For the Period Ended April 30, 2024**

Sources of Energy (GWh)	Month		Increase	Year to Date		Increase
	Actual	Budget	(Decrease) Percentage	Actual	Budget	(Decrease) Percentage
Net Generated						
Hydro	229	232	(1.3)	595	531	12.1
Carson Power Plant	-	15	(100.0)	1	123	(99.2)
Procter & Gamble Power Plant	35	56	(37.5)	189	222	(14.9)
Campbell Power Plant	88	67	31.3	251	283	(11.3)
Cosumnes Power Plant	-	35	(100.0)	1,153	1,214	(5.0)
Other	39	57	(31.6)	96	133	(27.8)
Total net generation	391	462	(15.4)	2,285	2,506	(8.8)
Purchased Power less transmission losses:						
CalEnergy	18	18	0.0	68	74	(8.1)
Calpine Sutter	101	127	(20.5)	291	330	(11.8)
Drew Solar	30	29	3.4	92	92	0.0
Feed in Tariff	20	21	(4.8)	50	60	(16.7)
Geysers	72	72	0.0	291	290	0.3
Grady Wind	83	88	(5.7)	323	312	3.5
Rancho Seco PV II	30	33	(9.1)	76	94	(19.1)
WAPA	80	52	53.8	289	116	149.1
WSPP and other	221	39	466.7	577	135	327.4
Other long term power	36	50	(28.0)	139	178	(21.9)
Total net purchases	691	529	30.6	2,196	1,681	30.6
Total sources of energy	1,082	991	9.2	4,481	4,187	7.0
Uses of energy:						
SMUD electric sales and usage	730	704	3.7	3,061	3,031	1.0
Surplus power sales	334	257	30.0	1,323	985	34.3
System losses	18	30	(40.0)	97	171	(43.3)
Total uses of energy	1,082	991	9.2 %	4,481	4,187	7.0 %

* Change equals 1000% or more.



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

- Hydro generation is higher than planned (12.1 percent).
- JPA generation is lower than planned (13.5 percent).

Purchased power, less surplus power sales, is higher than plan (25.4 percent).

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
April 30, 2024 and 2023
(thousands of dollars)

	Total						
	SMUD	SFA	NCEA	NCGA #1	Intercompany Eliminations	2024	2023
ELECTRIC UTILITY PLANT							
Plant in service, original cost	\$ 6,393,244	\$ 983,716	\$ -	\$ -	\$ (4,578)	\$ 7,372,382	\$ 7,180,731
Less accumulated depreciation	3,001,705	702,306	-	-	(897)	3,703,114	3,605,068
Plant in service - net	3,391,539	281,410	-	-	(3,681)	3,669,268	3,575,663
Construction work in progress	661,831	6,499	-	-	-	668,330	406,423
Investment in Joint Power Agencies	321,646	-	-	-	(283,175)	38,471	32,696
Total electric utility plant - net	4,375,016	287,909	-	-	(286,856)	4,376,069	4,014,782
RESTRICTED ASSETS							
Revenue bond reserves	414,417	-	-	-	-	414,417	2,004
Restricted for payment of debt service	84,490	-	-	-	-	84,490	109,476
JPA funds	-	14,030	13,463	22,914	-	50,407	45,441
Nuclear decommissioning trust fund	9,582	-	-	-	-	9,582	9,108
Rate stabilization fund	204,183	-	-	-	-	204,183	195,840
Other funds	42,293	-	3,000	173	-	45,466	32,178
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	(518,567)	(14,023)	(16,463)	(23,086)	-	(572,139)	(169,515)
Total restricted assets	236,398	7	-	1	-	236,406	224,532
CURRENT ASSETS							
Cash, cash equivalents and investments							
Unrestricted	603,580	41,103	-	-	-	644,683	500,406
Restricted	518,567	14,023	16,463	23,086	-	572,139	169,515
Accounts receivable - net	236,888	42,331	841	2,700	(62,811)	219,949	247,327
Lease receivable	952	-	-	-	(217)	735	531
Energy efficiency loans due within one year	139	-	-	-	-	139	139
Interest receivable	5,164	132	-	19	-	5,315	4,843
Lease interest receivable	85	-	-	-	(16)	69	26
Regulatory costs to be recovered within one year	77,144	104	-	105	-	77,353	61,357
Derivative financial instruments maturing within in one year	23,398	-	-	-	-	23,398	22,987
Inventories	142,070	16,240	-	-	-	158,310	122,407
Prepaid gas to be delivered within one year	-	-	9,785	29,506	-	39,291	31,124
Prepayments and other	27,101	6,281	47	16	-	33,445	44,099
Total current assets	1,635,088	120,214	27,136	55,432	(63,044)	1,774,826	1,204,761
NONCURRENT ASSETS							
Regulatory costs for future recovery							
Decommissioning	98,794	-	-	-	-	98,794	74,493
Pension	538,196	-	-	-	-	538,196	470,868
OPEB	305,061	-	-	-	-	305,061	298,405
Bond Issues	-	539	-	227	-	766	976
Derivative financial instruments	880	-	-	-	-	880	1,306
Derivative financial instruments	43,964	-	-	-	-	43,964	65,037
Prepaid gas	-	-	694,333	73,643	-	767,976	625,947
Prepaid power and capacity	-	-	-	-	-	-	104
Lease receivable	20,584	-	-	-	(3,525)	17,059	17,816
Energy efficiency loans - net	311	-	-	-	-	311	600
Other	83,468	12	(16)	34	-	83,498	81,476
Total noncurrent assets	1,091,258	551	694,317	73,904	(3,525)	1,856,505	1,637,028
TOTAL ASSETS	\$ 7,337,760	\$ 408,681	\$ 721,453	\$ 129,337	\$ (353,425)	\$ 8,243,806	\$ 7,081,103
DEFERRED OUTFLOWS OF RESOURCES							
Accumulated decrease in fair value of hedging derivatives	47,825	-	-	-	-	47,825	44,843
Deferred pension outflows	140,837	-	-	-	-	140,837	139,792
Deferred OPEB outflows	56,729	-	-	-	-	56,729	43,356
Deferred ARO outflows	-	1,490	-	-	-	1,490	1,837
Unamortized bond losses - other	18,339	818	13,502	-	-	32,659	7,655
TOTAL DEFERRED OUTFLOWS OF RESOURCES	263,730	2,308	13,502	-	-	279,540	237,483
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 7,601,490	\$ 410,989	\$ 734,955	\$ 129,337	\$ (353,425)	\$ 8,523,346	\$ 7,318,586

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
April 30, 2024 and 2023
(thousands of dollars)

LIABILITIES AND NET ASSETS

	<u>Total</u>						
	SMUD	SFA	NCEA	NCGA #1	Intercompany Eliminations	2024	2023
LONG-TERM DEBT - NET	\$ 2,763,883	\$ 79,977	\$ 732,526	\$ 94,540	\$ -	\$ 3,670,926	2,872,265
CURRENT LIABILITIES							
Commercial paper notes	150,000	-	-	-	-	150,000	200,000
Accounts payable	113,064	13,091	5	-	-	126,160	122,872
Purchased power payable	76,400	19,697	-	1,042	(62,812)	34,327	38,738
Credit support collateral obligation	13,370	-	-	-	-	13,370	10,888
Long-term debt due within one year	84,590	13,115	-	25,530	-	123,235	138,195
Accrued decommissioning	7,140	-	-	-	-	7,140	7,549
Interest payable	26,495	1,465	2,491	443	-	30,894	40,365
Accrued interest liability	267	22	-	-	(16)	273	100
Accrued salaries and compensated absences	51,027	-	-	-	-	51,027	46,204
Derivative financial instruments maturing within one year	36,620	-	-	-	-	36,620	35,969
Customer deposits	2,068	-	-	-	-	2,068	1,758
Lease and subscription software liability	31,910	297	-	-	(217)	31,990	25,155
Other	53,663	-	-	-	-	53,663	49,545
Total current liabilities	646,614	47,687	2,496	27,015	(63,045)	660,767	717,338
NONCURRENT LIABILITIES							
Accrued decommissioning - net	101,693	10,166	-	-	-	111,859	86,673
Derivative financial instruments	14,676	-	-	-	-	14,676	11,020
Net pension liability	259,010	-	-	-	-	259,010	235,451
Net OPEB liability	25,334	-	-	-	-	25,334	6,753
Lease liability	62,216	4,873	-	-	(3,525)	63,564	24,768
Other	88,944	-	246	-	-	89,190	85,016
Total noncurrent liabilities	551,873	15,039	246	-	(3,525)	563,633	449,681
TOTAL LIABILITIES	3,962,370	142,703	735,268	121,555	(66,570)	4,895,326	4,039,284
DEFERRED INFLOWS OF RESOURCES							
Accumulated increase in fair value of hedging derivatives	67,118	-	-	-	-	67,118	87,994
Deferred pension inflows	8,416	-	-	-	-	8,416	17,536
Deferred OPEB inflows	30,616	-	-	-	-	30,616	33,732
Deferred lease inflows	20,788	-	-	-	(3,680)	17,108	17,912
Regulatory credits	842,354	-	-	-	-	842,354	725,606
Unamortized bond gains - other	37,175	-	-	-	-	37,175	42,063
Unearned revenue	3,831	43	-	-	-	3,874	8,242
TOTAL DEFERRED INFLOWS OF RESOURCES	1,010,298	43	-	-	(3,680)	1,006,661	933,085
NET POSITION							
Balance at beginning of year	2,596,003	265,739	52	7,827	(282,922)	2,586,699	2,366,976
Net increase (decrease) for the year	32,819	2,504	(470)	(193)	-	34,660	(20,759)
TOTAL NET POSITION	2,628,822	268,243	(313)	7,782	(283,175)	2,621,359	2,346,217
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 7,601,490	\$ 410,989	\$ 734,955	\$ 129,337	\$ (353,425)	\$ 8,523,346	\$ 7,318,586

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF CASH FLOWS
For the Period Ended April 30, 2024
(thousands of dollars)

	Month	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 119,589	\$ 485,108
Receipts from surplus power and gas sales	10,815	76,260
Other receipts	12,747	87,875
Payments to employees - payroll and other	(29,206)	(136,376)
Payments for wholesale power and gas purchases	(30,510)	(174,331)
Payments to vendors/others	(36,937)	(174,064)
Net cash provided by operating activities	46,498	164,472
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from bond issuance, net of premium	733,046	733,046
Repayment of debt	(537,295)	(537,295)
Prepaid gas supply expenditures	(187,894)	(187,894)
Interest on debt	(15,610)	(27,721)
Net cash used in noncapital financing activities	(7,753)	(19,864)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction expenditures	(34,287)	(146,609)
Contributions in aid of construction	8,032	12,481
Net proceeds from bond issues	753,929	753,929
Repayments and refundings of debt	(200,000)	(200,000)
Other receipts/payments - net	(100)	-
Interest on debt	(20,183)	(62,959)
Lease and other receipts/payments - net	(2,318)	(10,371)
Net cash provided by capital and related financing activities	505,073	346,471
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales and maturities of securities	56,740	311,520
Purchases of securities	(67,779)	(223,596)
Interest and dividends received	4,894	19,015
Investment revenue/expenses - net	(342)	583
Net cash (used in) provided by investing activities	(6,487)	107,522
Net increase in cash and cash equivalents	537,331	598,601
Cash and cash equivalents at the beginning of the month and year	352,494	291,224
Cash and cash equivalents at April 30, 2024	\$ 889,825	\$ 889,825
Cash and cash equivalents included in:		
Unrestricted cash and cash equivalents	\$ 414,889	\$ 414,889
Restricted and designated cash and cash equivalents	463,614	463,614
Restricted and designated assets (a component of the total of \$236,406 at April 30, 2024)	11,322	11,322
Cash and cash equivalents at April 30, 2024	\$ 889,825	\$ 889,825

SSS No. IAS 2024-4

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
 Finance & Audit Committee
 June 18, 2024
 Board Meeting Date
 June 20, 2024

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

Consent Calendar	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<i>(If no, explain in Cost/Budgeted section.)</i>
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FROM (IPR) Claire Rogers	DEPARTMENT Internal Audit Services	MAIL STOP B409	EXT. 7122	DATE SENT 5/29/24
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NARRATIVE:

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

Summary: Reports issued by Internal Audit Services:

<u>Title</u>	<u>Report Number</u>
• Green-e Energy Annual Verification	28007763

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

Benefits: N/A

Cost/Budgeted: N/A

Alternatives: N/A

Affected Parties: SMUD Board and Internal Auditor

Coordination: Internal Audit Services

Presenter: Claire Rogers, Director, Audit Services

Additional Links:

SUBJECT Internal Audit Services Report	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: Board of Directors

DATE: May 29, 2024
Audit Report #28007763

FROM: Claire Rogers

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

Internal Audit Services (IAS) 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, 2023. 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, IAS 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. IAS 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 2024-009

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date FINANCE & AUDIT – 2024
Board Meeting Date N/A

TO				TO			
1.	Scott Martin	6.					
2.	Lora Anguay	7.					
3.	Jose Bodipo-Memba	8.					
4.		9.	Legal				
5.		10.	CEO & General Manager				
Consent Calendar		<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<i>If no, schedule a dry run presentation.</i>	
FROM (IPR)		DEPARTMENT		MAIL STOP	EXT.	DATE SENT	
Rob Kerth / Crystal Henderson		Board Office		B307	5424	12/21/23	

NARRATIVE:

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

Summary: The Board requested an ongoing 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 to make clear the will of the Board. The Finance & Audit Committee Chair will summarize Board member requests that come out of the committee presentations for this meeting.

Board Policy: Governance Process GP-4, Board/Committee Work Plan and Agenda Planning, states, among other things, “the Board will develop and follow an annual work plan that ensures the Board...focuses on the results the Board wants the organization to achieve....”

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

Cost/Budgeted: Included in budget.

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

Affected Parties: Board of Directors and Executive Staff

Coordination: Crystal Henderson, Special Assistant to the Board of Directors

Presenter: Rob Kerth, Finance & Audit Committee Chair

Additional Links:

SUBJECT Summary of Committee Direction – Finance & Audit	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.