

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

Date: Tuesday, November 19, 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, November 19, 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](http://smud.granicus.com/ViewPublisher.php?view_id=16)

**Zoom Webinar Link:** [Join Board Finance & Audit Committee Meeting Here](#)

**Webinar/Meeting ID:** 161 340 2617

**Passcode:** 231904

**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](mailto: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. Lucas Raley  
Discuss authorization of the Chief Executive Officer and General Manager to negotiate and award contracts to **Utility Tree Service, LLC, Mountain F. Enterprises, Inc., Community Tree Service, LLC, Rancho Tree Service, Greentek Services, LLC, and Asoemo Environmental Restoration Industry, LLC**, for Vegetation Management – Utility Line Clearance Services for a contract term of three years from November 22, 2024, to November 21, 2027, with two optional one-year extensions, for a total aggregate contract not-to-exceed amount of \$250 million.  
Presentation: 7 minutes  
Discussion: 5 minutes

### **INFORMATIONAL ITEMS**

2. Lisa Limcaco  
Provide the Board with the financial results from the nine-month period ended September 30, 2024, and a summary of SMUD's current Power Supply Costs.  
Presentation: 5 minutes  
Discussion: 2 minutes

### **DISCUSSION ITEMS (cont.)**

3. Lisa Limcaco  
Discuss authorization of SMUD's Accountant to defer recognition of \$121 million of 2024 operating revenues to offset the following: 1) \$20 million future Community Impact Plan expenditures through 2028; 2) \$60 million for future unexpected increases in Commodity expenditures through 2030; and 3) \$41 million for future one-time specific expenditures in order to match such expenditures in the appropriate accounting period for rate-making purposes.  
Presentation: 5 minutes  
Discussion: 4 minutes

### **INFORMATIONAL ITEMS (cont.)**

4. Jennifer Restivo  
SMUD 2025 Proposed Budget presentation follow-up questions.  
Discussion: 5 minutes
5. Casey Fallon  
Quarterly Procurement Report for Third Quarter 2024.  
Presentation: 5 minutes  
Discussion: 3 minutes

6. Claire Rogers Internal Audit Services Reports: California Energy Commission's (CEC's) Power Source Disclosure Program (PSD) and Power Content Label; California Independent System Operator Corporation (CAISO) Self-Audit of Settlement Quality Meter Data (SQMD) for SMUD's Energy Imbalance Market (EIM) Participating Resources, and Balance Authority Northern California (BANC) EIM Load Resource – SMUD; and California Independent System Operator Corporation (CAISO) Self-Audit of Settlement Quality Meter Data (SQMD) for Valley Clean Energy Alliance and Ava Community Energy, formerly East Bay Community Energy - Community Choice Aggregators. Discussion: 2 minutes
7. Public Comment.
8. 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](http://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](mailto:Toni.Stelling@smud.org), or contact by phone at 1-916-732-7143, no later than 48 hours before this meeting.*



SSS No. SCS 24-282

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 11/19/24
Board Meeting Date November 21, 2024

TO	TO
1. Casey Fallon	6. Jose Bodipo-Memba
2. Lucas Raley	7.
3. Frankie McDermott	8.
4. Lora Anguay	9. <b>Legal</b>
5. Scott Martin	10. <b>CEO &amp; General Manager</b>

<b>Consent Calendar</b>	X	<b>Yes</b>		<i>No If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	X	<b>Yes</b>		<i>No (If no, explain in Cost/Budgeted section.)</i>
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FROM (IPR) Greg Hovious	DEPARTMENT Procurement	MAIL STOP EA404	EXT. 6175	DATE SENT 9/20/24
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**NARRATIVE:**

**Requested Action:** Authorize the Chief Executive Officer and General Manager to negotiate and award contracts to Utility Tree Service LLC, Mountain F. Enterprises Inc., Community Tree Service LLC, Rancho Tree Service, Greentek Services LLC, and Asoemo Environmental Restoration Industry LLC for Vegetation Management – Utility Line Clearance Services for a contract term of three years from November 22, 2024, to November 21, 2027, with two optional one-year extensions, for a total aggregate contract not-to-exceed amount of \$250 million.

**Summary:** Request for Proposals No. Doc4621886315 (RFP) was issued in June 2024 to solicit qualified firms to provide all supervision, labor, materials, equipment, and incidentals necessary to perform right-of-way vegetation maintenance work on SMUD’s Transmission and Distribution Systems on a task order basis. A pre-proposal conference was held on June 27, 2024, of which 28 contractors attended. On July 26, 2024, SMUD received 22 proposals of which 19 were responsive and three were non-responsive.

SMUD engaged in multiple rounds of negotiations with the top 13 proposers to arrive at the recommendation to award contracts to the six highest evaluated responsive proposers. Staff plans to utilize the two highest evaluated proposers, Utility Tree Service LLC, and Mountain F. Enterprises Inc., as the primary contractors performing the full scope of vegetation management utility line clearance maintenance work and storm restoration. Staff expects to utilize the proposers ranked three through six as secondary contractors on an as-needed basis should SMUD need additional resources. Any adjustments to primary and secondary contractor utilization made by staff over the term of the contract will be based on factors such as alignment with SMUD’s operational needs and/or contractor availability and performance.

Primary Contractors	
1. Utility Tree Service, LLC 1623 S. Main St Milpitas, CA 95035	2. Mountain F. Enterprises, Inc. 950 Iron Point Road, Suite 210 Folsom, CA 95630

Secondary Contractors	
3. Community Tree Service, LLC 416 Salinas Rd. Royal Oaks, CA 95706	4. Rancho Tree Service 4700 Stockdale Highway #100 Bakersfield, CA 93309
5. Greentek Services, LLC 2015 Challenger Ave, Suite A Oroville, CA 95965	6. Asoemo Environmental Restoration Industry, LLC 2151 River Plaza Dr, Suite 105 Sacramento, CA 95833

The results of the proposal evaluation are below.

**Recommendation:** Award contracts to the 6 Highest Evaluated Responsive Proposers, . Utility Tree Service, LLC, Mountain F. Enterprises, Inc., Community Tree Service, LLC, Rancho Tree Service, Greentek Services, LLC, and Asoemo Environmental Restoration Industry, LLC

Proposers Notified by Procurement: 58

Proposers Downloaded: 35

Pre-Proposal Conference Attendance: 28

Proposals Received: 22

Responsive Proposals Received	P/F	SEED Points	Tech Points	Price Points	Total Score	Rank	Proposal Amount	SEED Credit	Evaluated Proposal Amount	Proposed Award Amount
		10	47	43	100					
Utility Tree Service, LLC	P	2.11	43.00	27.43	72.54	1	\$247,881,914	\$250,000	\$247,631,914	Aggregate Amount of all Task Authorizations Not-to-Exceed \$250,000,000
Mountain F. Enterprises, Inc.	P	2.39	35.75	29.51	67.64	2	\$230,408,694	\$250,000	\$230,158,694	
Community Tree Service, LLC	P	2.97	29.50	34.56	67.03	3	\$196,779,007	\$250,000	\$196,529,007	
Rancho Tree Service	P	1.98	35.50	28.93	66.41	4	\$234,969,390	\$250,000	\$234,719,390	
Greentek Services, LLC	P	-	19.92	43.00	62.92	5	\$157,942,185	\$0	\$157,942,185	
Asoemo Environmental Restoration Industry, LLC	P	2.82	29.08	29.24	61.14	6	\$232,509,922	\$250,000	\$232,259,922	
Ace Tree Enterprise Inc.	P	0.77	27.50	32.68	60.95	7	\$207,952,145	\$159,083	\$207,793,062	
AAA Tree Service LLC	P	-	30.75	29.95	60.70	8	\$226,509,922	\$0	\$226,744,684	
Davey Tree Surgery Company	P	-	35.50	24.44	59.94	9	\$277,918,452	\$0	\$277,918,452	
California Tree Solutions	P	-	27.50	30.65	58.15	10	\$221,564,450	\$0	\$221,564,450	
Core Tree Care, Inc	P	0.84	31.67	25.40	57.91	11	\$267,610,210	\$224,793	\$267,385,418	
Mowbray's Tree Service	P	-	31.25	25.42	56.67	12	\$267,178,529	\$0	\$267,178,529	
Wright Tree Service of the West, Inc.	P	1.45	27.00	27.91	56.36	13	\$234,545,258	\$250,000	\$243,295,258	
Mario's Tree Service, Inc.	P	0.05	27.00	28.24	55.29	14	\$240,478,458	\$12,024	\$240,466,434	
Essential Vegetation Management Company, LLC	P	2.00	21.58	31.10	54.68	15	\$218,628,588	\$250,000	\$218,378,588	
MCY Tree, Inc.	P	-	29.00	25.08	54.08	16	\$270,743,988	\$0	\$270,743,988	
Bravo Tree Service, Inc.	P	1.57	16.33	33.43	51.33	17	\$203,413,377	\$250,000	\$203,163,377	
Pino Tree Service, Inc.	P	-	27.00	23.73	50.73	18	\$286,228,927	\$0	\$286,228,927	
West Coast Arborists, Inc.	P	2.39	12.25	24.38	39.02	19	\$278,765,067	\$250,000	\$278,515,067	

Non-Responsive Proposals Received	Proposal Amount
Anvil Power dba Atlas Tree Surgery	\$283,262,319
West Coast Tree Services	\$278,765,067
United Tree – Environmental Management	\$203,008,556

**Comments:**

Supplier Diversity Program:

Utility Tree Service, LLC, designated 4.2% of their proposal to Supplier Education & Economic Development (SEED) verified vendors.

Mountain F. Enterprises, Inc. designated 4.8% of their proposal to SEED verified vendors.

Community Tree Service, LLC, designated 5.9% of their proposal to SEED verified vendors.

Rancho Tree Service designated 4% of their proposal to SEED verified vendors.

Greentek Services, LLC, did not designate any work to SEED vendors.

Aosomeo Environmental Restoration Industry, LLC, designated 5.6% of their proposal to SEED verified vendors.

**Board Policy:** Board-Staff Linkage BL-8; Delegation to the CEO with Respect to Procurement; Procurement; Strategic  
*(Number & Title)* Direction SD-4, Reliability; Strategic Direction SD-6, Safety Leadership; Strategic Direction SD-13, Economic Development.

**Benefits:** Qualified contractors ensure SMUD’s community owners have safe, reliable power for both the distribution and transmission systems by performing critical maintenance of vegetation and ensuring appropriate staffing to support and respond to after-hours storm events 365/24-7 support.

**Cost/Budgeted:** \$250,000,000; Budgeted for 2024 through 2029 by Energy Delivery & Operations.

**Alternatives:** Negotiate current contracts with incumbent contractors for an extended term.

**Affected Parties:** Energy Delivery & Operation, Supply Chain Services, and Contractors.

**Coordination:** Energy Delivery & Operations and Supply Chain Services.

**Presenter:** Lucas Raley, Director, Line Assets

**Additional Links:**

SUBJECT

**Award Contracts for Vegetation Management Utility Line Clearance Services**

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.	<b>Legal</b>			
5.				10.	<b>CEO &amp; General Manager</b>			
<b>Consent Calendar</b>		<b>Yes</b>	<b>No</b> <i>If no, schedule a dry run presentation.</i>		<b>Budgeted</b>	<b>Yes</b>	<b>No</b> <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: November 1, 2024  
ACC 24-017

FROM: Kathy Ketchum / Lisa Limcaco

SUBJECT: **SEPTEMBER 2024 FINANCIAL RESULTS AND OPERATIONS DATA**

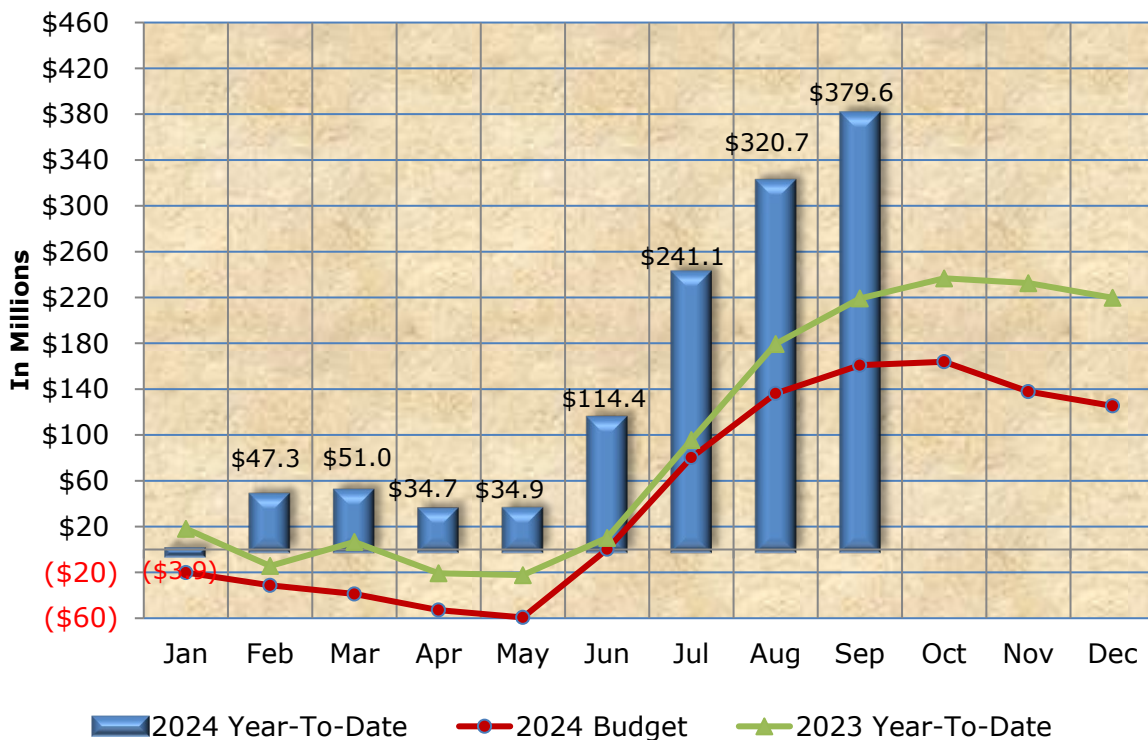
We are attaching the financial and operating reports for the nine months of 2024. They include sales and generation statistics and other selected data.

The change in net position is an increase of \$379.6 million compared to a budgeted increase of \$160.9 million, resulting in a favorable variance of \$218.7 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 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 Nine Months Ended September 30, 2024**

Net Position

- The change in net position is an increase of \$379.6 million compared to a budgeted increase of \$160.9 million, resulting in a favorable variance of \$218.7 million.

Revenues

- Revenues from sales to customers were \$1,412.5 million, which was \$51.7 million higher than planned. The increase is primarily due to:
  - Higher residential sales of \$36.1 million primarily due to higher customer usage.
  - Higher commercial sales of \$13.0 million primarily due to higher customer usage.
  - No actual provision for uncollectible accounts compared to a budget of \$2.3 million. The current balance of the accumulated provision is sufficient to cover write-offs of arrears.
- Revenues under the California Global Warming Solutions Act (Assembly Bill [AB] – 32) were \$27.3 million. This is due to carbon allowances sold through the state sanctioned quarterly auctions.
- Low Carbon Fuel Standard (LCFS) revenues were \$5.0 million due to LCFS credit sales.
- Other electric revenues were \$8.4 million higher due to higher unplanned interconnection fees, transmission revenue, and Sacramento Power Academy revenue.
- Non-cash revenues transferred to the rate stabilization fund were \$44.2 million, of which \$29.8 million was for AB-32, \$9.3 million was for the annual WAPA Hydro Generation Adjustment and \$5.0 million was for LCFS. AB-32 and 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 \$38.9 million, of which \$21.4 million was for revenue recognized for AB-32, \$9.1 million was for LCFS and Community Impact Plan, 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 979 GWh (14.9 percent); JPA and other generation was lower by 767 GWh (15.0 percent); and Hydro generation was lower by 212 GWh (14.5 percent).
- Purchased power expense of \$322.9 million, less surplus power sales of \$102.5 million was \$220.4 million, which was \$44.6 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 \$248.5 million, less surplus gas sales of \$62.9 million, was \$185.6 million, which was \$75.2 million lower than planned.
  - Fuel costs of \$148.4 million less surplus gas sales of \$62.9 million, was \$85.5 million, which was \$55.2 million lower than planned. Fuel costs were lower due to decrease in thermal generation from unplanned major overhauls costs at the Carson and Procter & Gamble plants and it was more economical to replace the thermal generation with 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 \$1,002.7 million, which was \$78.5 million higher than planned. The power margin as a percentage of sales to customers was 71.0 percent, which was 3.1 percent higher than planned. This is primarily due to lower production costs due to lower fuel costs and higher customer sales.

Other Operating Expenses

- All other operating expenses were \$766.9 million, which was \$17.2 million lower than planned.
  - Transmission and distribution operations expenses were down \$8.4 million primarily due to lower cost of transmission fees than planned.
  - Customer accounts expenses were up \$1.2 million primarily due to higher labor due to new customer representative class in contact center operations.
  - Customer service and information expenses were down \$8.5 million due to lower participation in EV equity incentive programs, My Energy Optimizer Partner, and Peak Conserve programs.
  - Public Good expenses were \$3.6 million higher than planned primarily due to more participation in energy efficiency programs and low income building electrification program initiatives.

- Production maintenance expenses were \$4.0 million lower than planned. This is primarily due to lower hydro maintenance costs offset by higher power plant overhaul expenses.
- Transmission and distribution maintenance expenses were \$5.6 million lower than planned. This is primarily due to the recent operational changes in the vegetation maintenance of transmission and distribution lines.
- Non-cash depreciation and amortization is higher by \$3.7 million primarily due to the unplanned amortization of software subscription assets.

#### Non-operating Revenues and Expenses

- Other revenue, net, was \$111.6 million higher than planned primarily due to a business interruption insurance recovery payment of \$88.9 million related to the Cosumnes Power Plant outage claim, a settlement payment of \$7.5 million related to Substation A fire claim, \$5.8 million related to the Rancho Seco annual spent fuel settlement, and higher interest income.
- Interest charges were \$1.3 million lower than planned due to lower commercial paper interest expense due to early repayment in May.

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

	Actual	Budget	Over (Under)	Percent of Increase (Decrease)
<b>OPERATING REVENUES</b>				
Sales to customers	\$ 186,035	\$ 170,881	\$ 15,154	8.9 %
Sales of surplus power	11,824	35,075	(23,251)	(66.3)
Sales of surplus gas	8,224	-	8,224	*
AB32 revenue	(3)	-	(3)	*
Other electric revenue	3,740	2,668	1,072	40.2
Revenue to rate stabilization fund	-	(242)	242	(100.0)
Revenue from rate stabilization fund	815	3,440	(2,625)	(76.3)
<b>Total operating revenues</b>	<b>210,635</b>	<b>211,822</b>	<b>(1,187)</b>	<b>(0.6)</b>
<b>OPERATING EXPENSES</b>				
Operations				
Purchased power	43,727	61,343	(17,616)	(28.7)
Production	27,388	31,338	(3,950)	(12.6)
Transmission and distribution	7,202	7,682	(480)	(6.2)
Customer accounts	5,154	5,249	(95)	(1.8)
Customer service and information	5,851	8,193	(2,342)	(28.6)
Administrative and general	16,421	19,713	(3,292)	(16.7)
Public good	6,029	6,157	(128)	(2.1)
<b>Total operations</b>	<b>111,772</b>	<b>139,675</b>	<b>(27,903)</b>	<b>(20.0)</b>
Maintenance				
Production	2,811	5,842	(3,031)	(51.9)
Transmission and distribution	9,377	11,408	(2,031)	(17.8)
<b>Total maintenance</b>	<b>12,188</b>	<b>17,250</b>	<b>(5,062)</b>	<b>(29.3)</b>
Depreciation and amortization				
Depreciation and amortization	22,523	22,794	(271)	(1.2)
Amortization of regulatory asset	3,883	3,403	480	14.1
<b>Total depreciation and amortization</b>	<b>26,406</b>	<b>26,197</b>	<b>209</b>	<b>0.8</b>
<b>Total operating expenses</b>	<b>150,366</b>	<b>183,122</b>	<b>(32,756)</b>	<b>(17.9)</b>
<b>OPERATING INCOME</b>	<b>60,269</b>	<b>28,700</b>	<b>31,569</b>	<b>110.0</b>
<b>NON-OPERATING REVENUES AND EXPENSES</b>				
Other revenues/(expenses)				
Interest income	3,398	2,344	1,054	45.0
Investment revenue (expense)	(39)	14	(53)	(378.6)
Other income (expense) - net	1,069	874	195	22.3
Unrealized holding gains (losses)	1,047	-	1,047	*
Revenue - CIAC	1,676	1,726	(50)	(2.9)
<b>Total other revenues</b>	<b>7,151</b>	<b>4,958</b>	<b>2,193</b>	<b>44.2</b>
Interest charges				
Interest on long-term debt	8,199	8,955	(756)	(8.4)
Interest on commercial paper and other	282	86	196	227.9
<b>Total interest charges</b>	<b>8,481</b>	<b>9,041</b>	<b>(560)</b>	<b>(6.2)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 58,939</b>	<b>\$ 24,617</b>	<b>\$ 34,322</b>	<b>139.4 %</b>

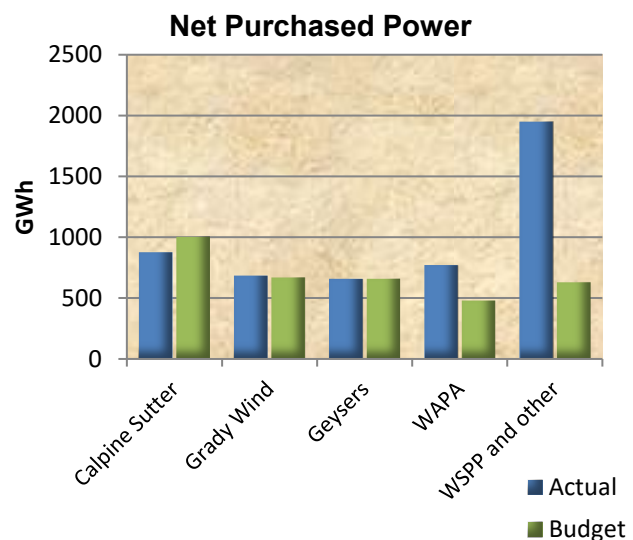
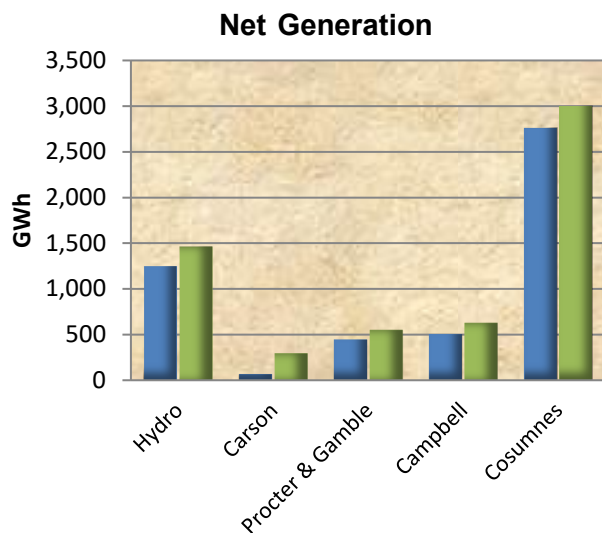
**SACRAMENTO MUNICIPAL UTILITY DISTRICT**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the Nine Months Ended September 30, 2024  
(thousands of dollars)

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>	<u>Percent of Increase (Decrease)</u>
<b>OPERATING REVENUES</b>				
Sales to customers	\$ 1,412,533	\$ 1,360,877	\$ 51,656	3.8 %
Sales of surplus power	102,482	202,673	(100,191)	(49.4)
Sales of surplus gas	62,898	-	62,898	*
SB-1 revenue (deferral)/recognition, net	564	-	564	*
AB32 revenue	27,255	-	27,255	*
LCFS revenue	5,021	-	5,021	*
Other electric revenue	33,804	25,374	8,430	33.2
Revenue to rate stabilization fund	(44,161)	(2,177)	(41,984)	*
Revenue from rate stabilization fund	38,918	31,823	7,095	22.3
<b>Total operating revenues</b>	<b>1,639,314</b>	<b>1,618,570</b>	<b>20,744</b>	<b>1.3</b>
<b>OPERATING EXPENSES</b>				
Operations				
Purchased power	322,883	378,444	(55,561)	(14.7)
Production	248,517	260,838	(12,321)	(4.7)
Transmission and distribution	65,380	73,806	(8,426)	(11.4)
Customer accounts	44,681	43,480	1,201	2.8
Customer service and information	58,484	66,968	(8,484)	(12.7)
Administrative and general	177,906	177,148	758	0.4
Public good	52,339	48,695	3,644	7.5
<b>Total operations</b>	<b>970,190</b>	<b>1,049,379</b>	<b>(79,189)</b>	<b>(7.5)</b>
Maintenance				
Production	39,638	43,626	(3,988)	(9.1)
Transmission and distribution	92,427	98,050	(5,623)	(5.7)
<b>Total maintenance</b>	<b>132,065</b>	<b>141,676</b>	<b>(9,611)</b>	<b>(6.8)</b>
Depreciation and amortization				
Depreciation and amortization	203,325	201,751	1,574	0.8
Amortization of regulatory asset	32,728	30,628	2,100	6.9
<b>Total depreciation and amortization</b>	<b>236,053</b>	<b>232,379</b>	<b>3,674</b>	<b>1.6</b>
<b>Total operating expenses</b>	<b>1,338,308</b>	<b>1,423,434</b>	<b>(85,126)</b>	<b>(6.0)</b>
<b>OPERATING INCOME</b>	<b>301,006</b>	<b>195,136</b>	<b>105,870</b>	<b>54.3</b>
<b>NON-OPERATING REVENUES AND EXPENSES</b>				
Other revenues (expenses)				
Interest income	33,462	20,927	12,535	59.9
Investment revenue (expense)	(3,778)	171	(3,949)	*
Other income (expense) - net	108,252	7,280	100,972	*
Unrealized holding gains (losses)	2,606	-	2,606	*
Revenue - CIAC	14,908	15,497	(589)	(3.8)
<b>Total other revenues</b>	<b>155,450</b>	<b>43,875</b>	<b>111,575</b>	<b>254.3</b>
Interest charges				
Interest on long-term debt	73,678	73,686	(8)	(0.0)
Interest on commercial paper and other	3,179	4,459	(1,280)	(28.7)
<b>Total interest charges</b>	<b>76,857</b>	<b>78,145</b>	<b>(1,288)</b>	<b>(1.6)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 379,599</b>	<b>\$ 160,866</b>	<b>\$ 218,733</b>	<b>136.0 %</b>

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

Sources of Energy (GWh)	Month		Increase	Year to Date		Increase
	Actual	Budget	(Decrease) Percentage	Actual	Budget	(Decrease) Percentage
<b>Net Generated</b>						
Hydro	74	143	(48.3)	1,250	1,462	(14.5)
Carson Power Plant	14	45	(68.9)	70	298	(76.5)
Procter & Gamble Power Plant	48	74	(35.1)	448	553	(19.0)
Campbell Power Plant	34	50	(32.0)	505	630	(19.8)
Cosumnes Power Plant	362	397	(8.8)	2,763	3,002	(8.0)
Other	75	84	(10.7)	549	619	(11.3)
<b>Total net generation</b>	<b>607</b>	<b>793</b>	<b>(23.5)</b>	<b>5,585</b>	<b>6,564</b>	<b>(14.9)</b>
<b>Purchased Power less transmission losses:</b>						
CalEnergy	12	18	(33.3)	138	168	(17.9)
Calpine Sutter	145	167	(13.2)	878	1,003	(12.5)
Drew Solar	29	26	11.5	252	244	3.3
Feed in Tariff	20	20	0.0	171	178	(3.9)
Geysers	72	72	0.0	658	658	0.0
Grady Wind	66	70	(5.7)	686	670	2.4
Rancho Seco PV II	31	31	0.0	245	276	(11.2)
WAPA	62	43	44.2	772	480	60.8
WSPP and other	228	92	147.8	1,950	629	210.0
Other long term power	49	52	(5.8)	421	470	(10.4)
<b>Total net purchases</b>	<b>714</b>	<b>591</b>	<b>20.8</b>	<b>6,171</b>	<b>4,776</b>	<b>29.2</b>
<b>Total sources of energy</b>	<b>1,321</b>	<b>1,384</b>	<b>(4.6)</b>	<b>11,756</b>	<b>11,340</b>	<b>3.7</b>
<b>Uses of energy:</b>						
SMUD electric sales and usage	965	889	8.5	8,214	7,834	4.9
Surplus power sales	340	454	(25.1)	3,296	3,090	6.7
System losses	16	41	(61.0)	246	416	(40.9)
<b>Total uses of energy</b>	<b>1,321</b>	<b>1,384</b>	<b>(4.6) %</b>	<b>11,756</b>	<b>11,340</b>	<b>3.7 %</b>

\* Change equals 1000% or more.



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

- Hydro generation is lower than planned (14.5 percent).
- JPA generation is lower than planned (15.5 percent).

Purchased power, less surplus power sales, is higher than plan (70.5 percent).



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

Total

	SMUD	SFA	NCEA	NCGA #1	Intercompany Eliminations	2024	2023 (restated)
<b>ELECTRIC UTILITY PLANT</b>							
Plant in service, original cost	\$ 6,465,310	\$ 983,709	\$ -	\$ -	\$ (4,578)	\$ 7,444,441	\$ 7,183,082
Less accumulated depreciation	3,089,031	719,331	-	-	(1,010)	3,807,352	3,689,691
Plant in service - net	3,376,279	264,378	-	-	(3,568)	3,637,089	3,493,391
Construction work in progress	811,217	8,739	-	-	-	819,956	568,398
Investment in Joint Power Agencies	321,377	-	-	-	(283,036)	38,341	32,566
Total electric utility plant - net	4,508,873	273,117	-	-	(286,604)	4,495,386	4,094,355
<b>RESTRICTED ASSETS</b>							
Revenue bond reserves	-	-	-	-	-	-	1,027
Restricted for payment of debt service	16,588	-	-	-	-	16,588	30,275
JPA funds	-	6,348	13,196	8,423	-	27,967	23,832
Nuclear decommissioning trust fund	9,792	-	-	-	-	9,792	9,298
Rate stabilization fund	217,374	-	-	-	-	217,374	206,848
Other funds	60,740	8	4,156	2	-	64,906	35,705
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	(63,466)	(6,348)	(17,352)	(8,425)	-	(95,591)	(68,986)
Total restricted assets	241,028	8	-	-	-	241,036	237,999
<b>CURRENT ASSETS</b>							
Cash, cash equivalents and investments							
Unrestricted	602,994	45,896	-	-	-	648,890	557,674
Restricted	63,466	6,348	17,352	8,425	-	95,591	68,986
Accounts receivable - net	376,479	38,555	3,985	2,808	(65,362)	356,465	312,309
Lease receivable	894	-	-	-	(217)	677	622
Energy efficiency loans due within one year	139	-	-	-	-	139	139
Interest receivable	5,322	455	-	1	-	5,778	4,489
Lease interest receivable	104	-	-	-	(36)	68	67
Regulatory costs to be recovered within one year	75,084	104	-	105	-	75,293	61,321
Derivative financial instruments maturing within in one year	17,905	-	-	-	-	17,905	26,675
Inventories	157,233	16,240	-	-	-	173,473	142,425
Prepaid gas to be delivered within one year	-	-	9,749	31,004	-	40,753	38,274
Prepayments and other	36,231	4,425	4	16	-	40,676	42,351
Total current assets	1,335,851	112,023	31,090	42,359	(65,615)	1,455,708	1,255,332
<b>NONCURRENT ASSETS</b>							
Regulatory costs for future recovery							
Decommissioning	95,926	-	-	-	-	95,926	72,086
Pension	518,242	-	-	-	-	518,242	455,953
OPEB	296,824	-	-	-	-	296,824	291,325
Bond Issues	-	496	-	183	-	679	889
Derivative financial instruments	215	-	-	-	-	215	538
Derivative financial instruments	26,262	-	-	-	-	26,262	55,738
Prepaid gas	-	-	690,709	60,444	-	751,153	606,991
Prepaid power and capacity	-	-	-	-	-	-	17
Lease receivable	20,542	-	-	-	(3,525)	17,017	17,526
Energy efficiency loans - net	282	-	-	-	-	282	468
Other	68,532	12	-	27	-	68,571	74,062
Total noncurrent assets	1,026,825	508	690,709	60,654	(3,525)	1,775,171	1,575,593
<b>TOTAL ASSETS</b>	<b>\$ 7,112,577</b>	<b>\$ 385,656</b>	<b>\$ 721,799</b>	<b>\$ 103,013</b>	<b>\$ (355,744)</b>	<b>\$ 7,967,301</b>	<b>\$ 7,163,279</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Accumulated decrease in fair value of hedging derivatives	52,790	-	-	-	-	52,790	40,669
Deferred pension outflows	151,166	-	-	-	-	151,166	136,536
Deferred OPEB outflows	56,729	-	-	-	-	56,729	43,356
Deferred ARO outflows	-	1,117	-	-	-	1,117	1,550
Unamortized bond losses - other	30,233	712	4,799	-	-	35,744	6,776
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>290,918</b>	<b>1,829</b>	<b>4,799</b>	<b>-</b>	<b>-</b>	<b>297,546</b>	<b>228,887</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 7,403,495</b>	<b>\$ 387,485</b>	<b>\$ 726,598</b>	<b>\$ 103,013</b>	<b>\$ (355,744)</b>	<b>\$ 8,264,847</b>	<b>\$ 7,392,166</b>

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

LIABILITIES AND NET ASSETS

							<u>Total</u>	
	SMUD	SFA	NCEA	NCGA #1	Intercompany Eliminations	2024	2023 (restated)	
<b>LONG-TERM DEBT - NET</b>	\$ 2,407,511	\$ 65,020	\$ 724,077	\$ 66,245	\$ -	\$ 3,262,853	2,922,818	
<b>CURRENT LIABILITIES</b>								
Accounts payable	98,110	5,105	-	-	-	103,215	122,130	
Purchased power payable	84,039	25,903	-	526	(65,362)	45,106	41,204	
Credit support collateral obligation	6,358	-	-	-	-	6,358	14,116	
Long-term debt due within one year	90,045	14,270	5,455	28,295	-	138,065	137,740	
Accrued decommissioning	7,140	-	-	-	-	7,140	7,549	
Interest payable	24,675	935	5,747	1,062	-	32,419	31,429	
Accrued interest liability	176	51	-	-	(36)	191	107	
Accrued salaries and compensated absences	50,812	-	-	-	-	50,812	45,262	
Derivative financial instruments maturing within one year	30,561	-	-	-	-	30,561	29,334	
Customer deposits	2,174	-	-	-	-	2,174	1,897	
Lease and subscription software liability	33,562	297	-	-	(217)	33,642	14,294	
Other	56,418	-	-	-	-	56,418	48,338	
<b>Total current liabilities</b>	<b>484,070</b>	<b>46,561</b>	<b>11,202</b>	<b>29,883</b>	<b>(65,615)</b>	<b>506,101</b>	<b>493,400</b>	
<b>NONCURRENT LIABILITIES</b>								
Accrued decommissioning - net	99,035	10,166	-	-	-	109,201	84,457	
Derivative financial instruments	23,023	-	-	-	-	23,023	12,889	
Net pension liability	225,210	-	-	-	-	225,210	191,014	
Net OPEB liability	49,478	-	-	-	-	49,478	31,190	
Lease liability	47,433	4,873	-	-	(3,525)	48,781	24,633	
Other	88,219	-	247	-	-	88,466	83,627	
<b>Total noncurrent liabilities</b>	<b>532,398</b>	<b>15,039</b>	<b>247</b>	<b>-</b>	<b>(3,525)</b>	<b>544,159</b>	<b>427,810</b>	
<b>TOTAL LIABILITIES</b>	<b>3,423,979</b>	<b>126,620</b>	<b>735,526</b>	<b>96,128</b>	<b>(69,140)</b>	<b>4,313,113</b>	<b>3,844,028</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Accumulated increase in fair value of hedging derivatives	43,875	-	-	-	-	43,875	82,174	
Deferred pension inflows	8,416	-	-	-	-	8,416	17,536	
Deferred OPEB inflows	30,616	-	-	-	-	30,616	33,732	
Deferred lease inflows	20,431	-	-	-	(3,568)	16,863	17,569	
Regulatory credits	846,576	-	-	-	-	846,576	762,961	
Unamortized bond gains - other	35,041	-	-	-	-	35,041	39,842	
Unearned revenue	4,033	16	-	-	-	4,049	8,175	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>988,988</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>(3,568)</b>	<b>985,436</b>	<b>961,989</b>	
<b>NET POSITION</b>								
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	394,525	(4,890)	(9,038)	(427)	(571)	379,599	219,173	
Member contributions (distributions) - net	-	-	58	(515)	457	-	-	
<b>TOTAL NET POSITION</b>	<b>2,990,528</b>	<b>260,849</b>	<b>(8,928)</b>	<b>6,885</b>	<b>(283,036)</b>	<b>2,966,298</b>	<b>2,586,149</b>	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 7,403,495</b>	<b>\$ 387,485</b>	<b>\$ 726,598</b>	<b>\$ 103,013</b>	<b>\$ (355,744)</b>	<b>\$ 8,264,847</b>	<b>\$ 7,392,166</b>	

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

	Month	Year to Date
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 202,714	\$ 1,320,529
Receipts from surplus power and gas sales	25,066	167,302
Other receipts	5,909	183,127
Payments to employees - payroll and other	(30,300)	(329,843)
Payments for wholesale power and gas purchases	(60,086)	(435,416)
Payments to vendors/others	(28,389)	(413,186)
Net cash provided by operating activities	114,914	492,513
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Proceeds from bond issuance, net of premium	-	733,046
Repayment of debt	-	(562,825)
Prepaid gas supply expenditures	-	(187,894)
Interest on debt	-	(31,861)
Net cash used in noncapital financing activities	-	(49,534)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Construction expenditures	(37,737)	(371,495)
Contributions in aid of construction	1,771	25,060
Net proceeds from bond issues	-	753,929
Repayments and refundings of debt	-	(547,705)
Repayments of commercial paper	-	(150,000)
Other receipts/payments - net	-	2,693
Interest on debt	(344)	(126,814)
Lease and other receipts/payments - net	(3,167)	(26,589)
Net cash used in capital and related financing activities	(39,477)	(440,921)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales and maturities of securities	38,728	554,130
Purchases of securities	(77,894)	(374,412)
Proceeds from termination of gas contract	-	2,565
Interest and dividends received	2,119	36,521
Investment revenue/expenses - net	(17)	(4,118)
Net cash (used in) provided by investing activities	(37,064)	214,686
Net increase in cash and cash equivalents	38,373	216,744
Cash and cash equivalents at the beginning of the month and year	469,595	291,224
Cash and cash equivalents at September 30, 2024	\$ 507,968	\$ 507,968
Cash and cash equivalents included in:		
Unrestricted cash and cash equivalents	\$ 443,065	\$ 443,065
Restricted and designated cash and cash equivalents	53,349	53,349
Restricted and designated assets (a component of the total of \$241,036 at September 30, 2024)	11,554	11,554
Cash and cash equivalents at September 30, 2024	\$ 507,968	\$ 507,968



SSS No. ACC 24-019

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 11/19/24
Board Meeting Date November 21, 2024

TO				TO					
1.	Scott Martin	6.							
2.	Jose Bodipo-Memba								
3.	Lora Anguay	8.							
4.		9.	<b>Legal</b>						
5.		10.	<b>CEO &amp; General Manager</b>						
<b>Consent Calendar</b>	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	<i>If no, schedule a dry run presentation.</i>			<b>Budgeted</b>	<input checked="" type="checkbox"/> <b>Yes</b>	<b>No</b> (If no, explain in Cost/Budgeted section.)	
FROM (IPR)	DEPARTMENT		MAIL STOP	EXT.	DATE SENT				
Lisa Limcaco	Accounting		B352	7045	11/5/2024				

**NARRATIVE:**

**Requested Action:** Authorize SMUD’s Accountant to defer recognition of \$121 million of 2024 operating revenues to offset the following 1) \$20 million future Community Impact Plan expenditures through 2028, 2) \$60 million for future unexpected increases in Commodity expenditures through 2030 and 3) \$41 million for future one-time specific expenditures in order to match such expenditures in the appropriate accounting period for rate-making purposes.

**Summary:** Pursuant to Governmental Accounting Standards Board (GASB) codification section Re10 Regulated Operations, staff is recommending that the Board authorize a total deferral of \$121.0 million of 2024 operating revenues as a regulatory liability for recognition in future years for the following expenditures:

- 1) A \$20 million of deferred operating revenues will be utilized to offset future Community Impact Plan expenditures through 2028. This utilization of deferred revenues is in line with the plan to offset additional 2030 Zero Carbon plan spending for pilots and programs.
- 2) A \$60 million of deferred operating revenues will be utilized for future unplanned increases in Commodity expenditures through 2030 that will have a negative impact to net income. This deferral will provide reserves to cover large fluctuations in the commodity market that may have a significant financial impact on SMUD.
- 3) A \$41 million of deferred operating revenues will help offset one-time expenditures that were not identified during the annual budget process. SMUD will be able to mitigate risks that may occur from unforeseen or one-time events which may have a significant financial impact on SMUD, such as, but not limited to, catastrophic events, wildfire costs and additional 2030 Zero Carbon Plan expenditures. This deferral will provide reserves to cover large contingencies while limiting or leveling out the impact of cost increases to rate payers.

These deferrals will allow for appropriate matching of revenue with expense recognition for rate making purposes.

**Board Policy:** SD-2, Competitive Rates - allows SMUD to limit or level the impact of increases in rates.  
*(Number & Title)*

**Benefits:** This accounting treatment will offset any negative significant financial impacts of unforeseen or one-time events which could have an impact on rate payers.

**Cost/Budgeted:** N/A

**Alternatives:** Recognize as operating revenues when received. When unforeseen expenditures occur in the future, the additional costs could lead to increases to SMUD rate payers.

**Affected Parties:** Accounting, Budget, Treasury

**Coordination:** Accounting, Budget, Treasury

**Presenter:** Lisa Limcaco, Director of Accounting and Controller

**Additional Links:**

SUBJECT <b>Year-End Deferral of 2024 Operating Revenues</b>	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.



SSS No. CFO 24-016

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 11/19/24
Board Meeting Date N/A

TO				TO							
1.	Scott Martin	6.									
2.	Lora Anguay	7.									
3.	Jose Bodipo-Memba	8.									
4.		9.	<b>Legal</b>								
5.		10.	<b>CEO &amp; General Manager</b>								
<b>Consent Calendar</b>		<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b> <i>If no, schedule a dry run presentation.</i>		<b>Budgeted</b>	<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Jennifer Restivo				DEPARTMENT Planning & Performance				MAIL STOP B356	EXT. 5193	DATE SENT 11/05/24	

**NARRATIVE:**

**Requested Action:** 2025 Proposed SMUD Budget presentation follow up questions.

**Summary:** Follow up questions from the Board of Directors regarding the 2025 Proposed SMUD Budget presented on November 6 and 7, 2024, at the Finance & Audit Committee meetings.

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

**Benefits:** Provides an opportunity for Board members to ask questions and receive additional information.

**Cost/Budgeted:** There is no budgetary impact for this informational item.

**Alternatives:** N/A

**Affected Parties:** Board of Directors

**Coordination:** Executive Office, Board Office, Finance & Strategy

**Presenter:** Jennifer Restivo, Director, Planning & Revenue Strategy

**Additional Links:**

<b>SUBJECT</b>	<b>2025 Proposed SMUD Budget Follow Up Questions</b>	<b>ITEM NO. (FOR LEGAL USE ONLY)</b>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.





SSS No. SCS 24-291

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 11/19/24
Board Meeting Date N/A

TO	TO
1. Casey Fallon	6.
2. Jose Bodipo-Memba	7.
3. Lora Anguay	8.
4. Scott Martin	9. <b>Legal</b>
5.	10. <b>CEO &amp; General Manager</b>

<b>Consent Calendar</b>		<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	<input checked="" type="checkbox"/>	<b>Yes</b>		<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>
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FROM (IPR) Jaimee Lutz	DEPARTMENT Procurement Operations	MAIL STOP EA404	EXT. 6407	DATE SENT 10/24/24
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**NARRATIVE:**

**Requested Action:** Quarterly Procurement Report for Third Quarter 2024.

**Summary:** In August 2003, the Board of Directors approved the SMUD Procurement Policy which included a commitment for staff to report on the SMUD Procurement Activities on a quarterly basis.

**Board Policy:** *(Number & Title)* This report is provided to demonstrate compliance with SMUD Policy Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement, and the following Policy Elements:

a) Competition	h) Contractor Code of Conduct
b) Direct Procurement	i) Best Value Procurement
c) Sole Source Procurement	j) Leveraged Procurement Agreement (LPA)
d) Inclusiveness (participation)	k) Strategic Alliances
e) Economic Development	l) Supply Chain Risk
f) Environmental Procurement	m) Protest Policy
g) Responsible Bidder	n) Delegation of Authority to the CEO

**Benefits:** Ensures compliance with public contracting and best value procurement principles.

**Cost/Budgeted:** There is no budgetary impact for this informational briefing.

**Alternatives:** Provide quarterly procurement report to Board members via written memo from the Chief Executive Officer & General Manager.

**Affected Parties:** SMUD

**Coordination:** Procurement Operations

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

**Additional Links:**

SUBJECT <b>2024 Third Quarter Procurement Report</b>	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.



SSS No. IAS 2024-7

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 11/19/24
Board Meeting Date N/A

TO				TO							
1.	Jose Bodipo-Memba	6.									
2.	Lora Anguay	7.									
3.	Scott Martin	8.									
4.		9.	<b>Legal</b>								
5.		10.	<b>CEO &amp; General Manager</b>								
<b>Consent Calendar</b>		<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b> <i>If no, schedule a dry run presentation.</i>		<b>Budgeted</b>	<input type="checkbox"/>	<b>Yes</b>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Claire Rogers				DEPARTMENT Internal Audit Services				MAIL STOP B409	EXT. 7122	DATE SENT 10/31/24	

**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>
<ul style="list-style-type: none"> <li>California Energy Commission’s (CEC’s) Power Source Disclosure Program (PSD) and Power Content Label .....</li> <li>California Independent System Operator Corporation (CAISO) Self-Audit of Settlement Quality Meter Data (SQMD) for SMUD’s Energy Imbalance Market (EIM) Participating Resources, and Balance Authority Northern California (BANC) EIM Load Resource – SMUD .....</li> <li>California Independent System Operator Corporation (CAISO) Self-Audit of Settlement Quality Meter Data (SQMD) for Valley Clean Energy Alliance and Ava Community Energy, formerly East Bay Community Energy - Community Choice Aggregators.....</li> </ul>	<p>28007820</p> <p>28007821</p> <p>28007822</p>

**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 <b>Internal Audit Services Report</b>	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:** October 29, 2024  
Audit Report #28007820

**FROM:** Claire Rogers

**SUBJECT:** California Energy Commission's (CEC's) Power Source Disclosure Program (PSD) and Power Content Label (PCL)

Internal Audit Services (IAS) has performed the CEC's Agreed-Upon Procedures required by California Code of Regulations, Title 20, Section 1394, as amended.

California law requires retail suppliers of electricity to disclose to consumers accurate, reliable, and simple-to-understand information on the sources of energy used to generate the electricity being used. This is done annually via the Power Source Disclosure (PSD) annual reports, which are detailed listings of power purchases and resales, and the Power Content Label (PCL). The PCL in Attachment 1 shows the sources of power SMUD discloses to its customers.

IAS reviewed the 2023 Annual PSD and PCL reports for the calendar year ending December 31, 2023, and verified, on a sample basis, the actual MWh procured by generating facilities. The source documentation reviewed included internal generation reports from SMUD's Energy Management System (EMS), Western Renewable Energy Generation Information System (WREGIS) database, internally prepared supporting spreadsheets, and external invoices.

The engagement to apply the agreed-upon procedures was performed in accordance with the standards established by the American Institute of Certified Public Accountants. IAS was not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the annual reporting related to the 2023 PSD and PCL reports. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Attachments:

Attachment 1, SMUD 2023 Power Content Label

# Attachment 1 SMUD 2023 Power Content Label

2023 POWER CONTENT LABEL																			
Sacramento Municipal Utility District																			
smud.org/SMUDPCL																			
Greenhouse Gas Emissions Intensity (lbs CO <sub>2</sub> e/MWh)						Energy Resources													
SMUD General Mix	Greenery Partner Plus	Greenery CA Renewable	Greenery Local Renewable	SolarShares Commercial	SolarShares Neighborhood	2023 CA Utility Average	Eligible Renewable <sup>1</sup>	SMUD General Mix	Greenery Partner Plus	Greenery CA Renewable	Greenery Local Renewable	SolarShares Commercial	SolarShares Neighborhood	2023 CA Power Mix					
260	0	0	0	0	0	373		45.0%	85.0%	100.0%	100.0%	100.0%	100.0%	36.9%					
							Biomass & Biowaste	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%					
							Geothermal	14.7%	0.0%	0.0%	0.0%	0.0%	0.0%	4.8%					
							Eligible Hydroelectric	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%					
							Solar	10.9%	29.2%	71.9%	100.0%	100.0%	100.0%	17.0%					
							Wind	14.4%	55.8%	28.1%	0.0%	0.0%	0.0%	11.2%					
							Coal	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%					
							Large Hydroelectric	32.6%	15.0%	0.0%	0.0%	0.0%	0.0%	11.7%					
							Natural Gas	21.9%	0.0%	0.0%	0.0%	0.0%	0.0%	36.6%					
							Nuclear	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	9.3%					
							Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%					
							Unspecified Power <sup>2</sup>	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	3.7%					
							<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>					
							<b>Percentage of Retail Sales Covered by Retired Unbundled RECs<sup>3</sup>:</b>							7%	0%	0%	0%	0%	0%
							<p><sup>1</sup>The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.</p> <p><sup>2</sup>Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.</p> <p><sup>3</sup>Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.</p> <p>If you are a participant in a product that shows a "Percentage of Retail Sales Covered by Retired Unbundled RECs", SMUD purchased unbundled RECs to match all or a portion of your energy usage. For more information about the renewable sources of these unbundled RECs, please refer to our webpage listed above.</p> <p><b>Some customers may be served by more than one electricity portfolio.</b></p>												
For specific information about this electricity portfolio, contact:						Sacramento Municipal Utility District (SMUD) 888-742-7683													
For general information about the Power Content Label, visit:						<a href="https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program">https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program</a>													

# SACRAMENTO MUNICIPAL UTILITY DISTRICT

## *Office Memorandum*

**TO:** Board of Directors

**DATE:** October 25, 2024  
Audit Report # 28007821

**FROM:** Claire Rogers

**SUBJECT:** The California Independent System Operator Corporation (CAISO) Self-Audit of Settlement Quality Meter Data (SQMD) for SMUD's Energy Imbalance Market (EIM) Participating resources, and Balancing Authority of Northern California (BANC) EIM Load Resource

Internal Audit Service (IAS) has performed a biennial self-audit as set forth in CAISO Tariff Section 10.3.10.1 for SMUD EIM Participating Resources and BANC EIM Load Resource for the period beginning June 1, 2023 through June 30, 2024.

SMUD submits meter data to the CAISO for 33 internal SMUD generators, 2 interties and one load resource as required for our participation in CAISO EIM.

IAS reviewed SMUD's data submittal and validation procedures for the EIM participating meters. IAS also selected a sample of meter data during the audit period and traced the meter data from the Market Results Interface – Settlements (MRI-S) system to SMUD's Energy Management System (EMS) and Itron Enterprise Edition (IEE), SMUD's meter data acquisition system.

Based on the procedures performed, IAS determined the procedures followed to report generation from EIM Generators and Interties were completed and accurately reported to the CAISO.

IAS did not audit all source data used to prepare this report. During the course of the audit, nothing came to the auditor's attention that would suggest the report did not fairly represent the source data available at the time of the review.

# SACRAMENTO MUNICIPAL UTILITY DISTRICT

## *Office Memorandum*

**TO:** Board of Directors

**DATE:** October 25, 2024  
Audit Report #28007822

**FROM:** Claire Rogers

**SUBJECT:** The California Independent System Operator Corporation (CAISO) Self-Audit of Settlement Quality Meter Data (SQMD) for Valley Clean Energy Alliance and Ava Community Energy, formerly East Bay Community Energy, (**Community Choice Aggregators**)

Internal Audit Services (IAS) has performed a biennial self-audit as set forth in CAISO Tariff Section 10.3.10.1 for SQMD for Valley Clean Energy Alliance and Ava Community Energy, Community Choice Aggregators, for the period beginning June 1, 2023 through June 30, 2024.

SMUD receives meter data from PG&E, the Utility Distribution Company (UDC), aggregates the data, adjusts the data for distribution losses and submits SQMD to the CAISO for wholesale load settlement. Collection and validation of meter data received from the UDC is not included in this audit.

IAS reviewed the processes associated with the submission of SQMD to the CAISO. IAS selected a sample of billing data, and traced data through the application of the load shape, application of the loss factor and the submittal to the CAISO. In addition, IAS reviewed and tested SQMD monitoring controls implemented by SMUD.

Based on the procedures performed, IAS determined the procedures followed to process meter data and submit SQMD to the CAISO were followed and that the total load billed is consistent with the total load settled for the days sampled.

IAS did not audit all source data used to prepare this report. During the course of the audit, nothing came to the auditor's attention that would suggest the report did not fairly represent the source data available at the time of the review.







SSS No. BOD 2024-009
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# 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.	<b>Legal</b>				
5.		10.	<b>CEO &amp; General Manager</b>				
<b>Consent Calendar</b>		<input type="checkbox"/>	<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b>	<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	<b>Summary of Committee Direction – Finance &amp; Audit</b>	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.