

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

Date: Tuesday, May 14, 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, May 14, 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: 161 097 3883

Passcode: 406076

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. Katarina Miletijev Discuss adoption of the **2024 Update** to SMUD's 2023-2025 **Wildfire Mitigation Plan**.
Presentation: 15 minutes
Discussion: 5 minutes

2. Laura Lewis Discuss adoption of a resolution calling election for Directors for Wards 1, 2, and 5 and request Sacramento County and Placer County to consolidate that election with the November 5, 2024, general election.
Presentation: 5 minutes
Discussion: 1 minute

3. Casey Fallon Provide the Board the Quarterly Procurement Report for First Quarter 2024 and discuss potential non-substantive revisions to **Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement**.
Presentation: 7 minutes
Discussion: 3 minutes

INFORMATIONAL ITEMS

4. Lisa Limcaco Provide the Board with the financial results from the three-month period ended March 31, 2024, and a summary of SMUD's current Power Supply Costs.
Presentation: 5 minutes
Discussion: 2 minutes

5. Public Comment.

6. 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.
DP&O 24-001

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit - 05/14/24
Board Meeting Date
May 16, 2024

TO				TO			
1.	Frankie McDermott	6.					
2.	Jose Bodipo-Memba	7.					
3.	Lora Anguay	8.					
4.	Scott Martin	9.	Legal				
5.		10.	CEO & General Manager				
Consent Calendar	<input checked="" 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>				
FROM (IPR)	DEPARTMENT	MAIL STOP	EXT.	DATE SENT			
Katarina Miletijev	Distribution Planning & Operations	EA502	6235	04/19/24			

NARRATIVE:

Requested Action: Adopt the 2024 Update to SMUD’s 2023-2025 Wildfire Mitigation Plan.

Summary: Senate Bill 901 (2018) and Assembly Bill 1054 (2019) revised Public Utilities Code section 8387 to require that before January 1, 2020, and annually thereafter, every publicly owned electric utility prepare a wildfire mitigation plan (WMP), present it in a noticed public meeting, and accept comments. Section 8387 also requires that the utility contract with a qualified independent evaluator experienced in assessing the safe operation of electrical infrastructure to review and assess the comprehensiveness of the utility’s WMP. The evaluator shall issue a report and present the report at a public meeting. On or before July 1 of each year publicly owned electric utilities must submit their approved WMPs to the California Wildfire Safety Advisory Board (WSAB) for review, comment, and advisory opinion. At least once every three years, the submission shall be a comprehensive revision of the plan.

By Resolution 19-10-09, the Board adopted SMUD’s initial Wildfire Mitigation Plan and authorized the Chief Executive Officer and General Manager to make future changes to the WMP that further the primary purpose of the WMP and provide a net benefit to SMUD. By Resolution each year following, the Board adopted SMUD’s annual WMP update. In 2023 SMUD conducted a comprehensive review and revision of its WMP, which was adopted by Board Resolution 23-06-05 after an extensive public outreach effort. The 2023-2025 was reviewed by a qualified independent evaluator, and their report was presented to the Board. The 2023-2025 WMP was duly submitted to the WSAB prior to July 1, 2023.

In accordance with Section 8387, SMUD staff has completed its annual review and update of SMUD’s WMP. The 2024 update to SMUD’s 2023-2025 WMP provides an update on SMUD’s wildfire prevention and mitigation programs and efforts. The draft 2024 WMP update was offered for public comment for thirty days, following normal process. The 2024 update does not include any significant updates, and an update to the independent evaluation was deemed not necessary.

Board Policy: Strategic Direction SD-4, Reliability; Strategic Direction SD-6, Safety Leadership; Strategic Direction (Number & Title) SD-15, Outreach and Communication; Strategic Direction SD-17, Enterprise Risk Management

Benefits: The WMP Update is in alignment with SD-4, Reliability, that SMUD will maintain the electric system in good repair, and SD-6, Safety Leadership, that SMUD will implement measures to protect the public from injuries related to SMUD operations or facilities. Additionally, this item is consistent with SD-15, Outreach and Communication, that SMUD will ensure all groups are aware of SMUD’s major decisions and programs. This item is consistent with SD-17, Enterprise Risk Management, in maintaining an integrated enterprise risk management process.

Cost/Budgeted: The programs outlined in the WMP are budgeted in separate processes by the sponsoring departments.

Alternatives: California law requires the WMP to be presented to the Board in a noticed public meeting.

Affected Parties: Transmission Planning & Operations, Distribution Planning & Operations, Line Assets, Power Generation, Customer Experience Delivery, Marketing and Corporate Communications, Customer Operations & Community Energy Services, Environmental and Real Estate Services, Facility and Security Operations, Information Technology, Procurement, Warehouse and Fleet, People Services & Strategies, Treasury and Risk Management, Legal and Government Affairs, Board Office

Coordination: Transmission Planning & Operations, Distribution Planning & Operations, Line Assets, Power Generation, Customer Experience Delivery, Marketing and Corporate Communications, Customer Operations & Community Energy Services, Environmental and Real Estate Services, Facility and Security Operations, Information Technology, Procurement, Warehouse and Fleet, People Services & Strategies, Treasury, Government Affairs and Risk Management, Legal and Government Affairs, Board Office

Presenter: Katarina Miletijev, Director Distribution Planning and Operations

Additional Links:

SUBJECT

2024 Wildfire Mitigation Plan Update

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

DRAFT

2024 Update

2023 – 2025 Wildfire Mitigation Plan

PUBLIC REVIEW DRAFT



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1 Executive Summary

SMUD adopted a three-year Wildfire Mitigation Plan (WMP) in 2023. This 2023-2025 WMP was a comprehensive update of SMUD's WMP and included a risk assessment, analysis on the impact of climate change, descriptions of prevention and mitigation initiatives, discussion of project updates and outcomes, and metrics to evaluate the WMP performance. This 2024 update to the 2023-2025 WMP outlines progress made on several multi-year projects and provides other minor updates to reported initiatives.

Projects. The multi-year projects outlined in SMUD's 2023 comprehensive update are complete or on-track with one exception. Although SMUD's service territory is outside the CPUC's High Fire Threat District (HFTD), SMUD has been installing Cal FIRE exempt arrestors, connectors, and fuses in the Pole Clearing Area (PCA). In late 2023, a manufacturer of a particular fuse holder halted production and shipments to utilities. This has caused a slight disruption in the overall project. SMUD staff and vendors are exploring alternatives in addition to working with the vendor to see if production will be resumed with a design change. SMUD staff have adjusted the plan to continue installing other hardware that have not been impacted. Overall project completion target remains the same, however, this target may be adjusted if hardware remains unavailable.

Risk management. The bulk of SMUD's efforts continue to be reducing fuel around our facilities to reduce ignition risk. Winter season arrived late in 2022. The late winter season allowed vegetation contractors to continue working in our highest fire risk Upper American River Project (UARP) area late into the fall of 2022, enabling us to get ahead of the scheduled 2023 work. As a result of this accelerated work, 2023 vegetation removal activities in the UARP concluded much earlier than planned. Earlier completion allowed SMUD to lower its wildfire risk in the UARP prior to the hot-dry months of August and September

Northern CA has benefited from atmospheric rivers and snowpacks that have delivered above average rain and water totals in 2023 and 2024. The late wet winter/spring resulted in a shortened and mild wildfire season for Northern CA in 2023. The outlook for wildland fire potential in Northern California looks similar for 2024¹.

The various programs and projects described in the 2023-2025 WMP continue to provide a comprehensive and innovative approach to SMUD's wildfire risk reduction.

1.1 Document Introduction

The numbered sections in this 2024 WMP update are intended to replace the respective numbered sections within the 2023 – 2025 WMP published in July 2023.

¹ https://www.nifc.gov/nicc-files/predictive/outlooks/monthly_seasonal_outlook.pdf. Accessed April 2nd, 2024. (The link will open the most current month. To view historical data, use this link to access the archived monthly reports: <https://www.nifc.gov/nicc/predictive-services/outlooks>)

2.5 Accountability of the plan

SMUD’s Chief Operating Officer has overall responsibility for the WMP. The Chief Operating Officer and Chief Customer Officer are responsible for executing the various components of the WMP.

2.5.1 SMUD operating unit responsibility specific to each component of the plan

Table 3 lists the Director with responsibility for the departments or workgroups that are accountable for the various components of SMUD’s WMP. In each case the Director or the Director’s designees will be responsible for the accuracy of, and for operations in accordance with, the specified component of the plan.

Table 3 Accountability for the WMP components.

Mitigation Activities	Responsible Department and Workgroup
	Manager, Enterprise Strategy and Risk
Fire threat assessment in service area and UARP	Director, Distribution Planning & Operations
Wildfire prevention strategy and programs	
- Disable automatic reclosing - Planned de-energizations	Director, Transmission Planning & Operations, Director, Distribution Planning & Operations
	Director, Line Assets
- Substation visual inspections	Director, Substation, Telecom & Metering Assets
- Vegetation management - Pole clearing program	Director, Line Assets
Fire mitigation construction	
- Natural Ester-based fluid - Cal FIRE exempt equipment in PCA	Director, Distribution Planning & Operations
- Weather stations	Director, Transmission Planning & Operations
Enhancement projects	
Pilot projects	
- Light Detection and Ranging and Ortho Imagery	Director, Line Assets
Emergency preparedness	
- SMUD Emergency Operations Centers	Director, Facilities, Security & IPPS
- Public and agency communications for wildfires	Director, Customer Operations & Community Energy Services, Director, Customer Experience Delivery, Director, Corporate Communications, Director, Commercial Development & Solutions

5.1 CAL FIRE Fire Resource and Assessment Program (FRAP)

CAL FIRE publishes multiple maps related to fire threat throughout the state. SMUD refers to the Fire Hazard Severity Zone (FHSZ)⁶ map for many years to inform and plan maintenance activities. CAL FIRE published new FHSZ map in April 2024. The new map depicts slight changes in fire hazard severity in the PCA. SMUD staff have begun the process of importing the map data. SMUD staff will analyze the impacts of the new map and adjust SMUD's mitigation programs as needed. However, CAL FIRE has not published a new map depicting FHSZ for Local Responsibility Area (LRA)⁷ and Federal Responsibility Area (FRA). The LRA and FRA depict fire hazard within Sacramento County areas, and portions of the UARP where SMUD has transmission lines respectively. SMUD staff will continue monitoring CAL FIRE's website for updates to these two maps.

Although SMUD takes CAL FIRE's FHSZ mapping into consideration as part of its wildfire mitigation planning, SMUD's Wildfire Mitigation Plan references the CPUC Fire Threat Map that focuses on the risk of utility associated wildfires⁸.

6.2 Transmission grid operational practices

6.2.1 Disabling reclosing

All Valley 115 kV, 230 kV and UARP 69 kV, 230 kV transmission auto reclosers are disabled and will remain disabled to mitigate wildfire risks. The disabling of reclosing follows fire season described in 6.1.1

6.2.2 Planned de-energization during fire season

SMUD's Power System Operators (PSO) have the authority to de-energize portions or all the Valley and UARP transmission line(s) for safety, reliability, conditions beyond design criteria, threat of wildfires and during emergency conditions when requested by local law enforcement or fire officials. Per existing protocols, planned de-energizations are coordinated with interconnected agencies.

During active fire season as declared by CAL FIRE the PSO is authorized to de-energize portions or all the Valley and UARP transmission line(s) when there is imminent fire danger, mandatory fire orders are in effect, and/or the transmission system is experiencing conditions beyond design criteria. The PSO will take a combination of many factors into consideration when implementing de-energization procedures, which include the triggers listed below, as well as power system knowledge and potential community impacts. De-energization decisions require a balancing of all these factors as well as a knowledge of the area and operation of the power system. No single element is determinative.

- Extreme fire danger threat levels, as classified by the National Fire Danger Rating System
- A RFW declaration by the National Weather Service
- Low humidity levels lower than what is required for a RFW
- Sustained winds exceeding design standards
- Site-specific conditions such as temperature, terrain, and local climate
- Critically dry vegetation that could serve as fuel for a wildfire
- On-the-ground, real-time observation from SMUD or other agency field staff

The PSO utilizes various operational and situational awareness tools to determine when de-energization is appropriate. The tools are listed below:

⁶ <https://osfm.fire.ca.gov/what-we-do/community-wildfire-preparedness-and-mitigation/fire-hazard-severity-zones>

⁷ <https://osfm.fire.ca.gov/what-we-do/community-wildfire-preparedness-and-mitigation/fire-hazard-severity-zones/fire-hazard-severity-zones-maps>

⁸ <https://www.cpuc.ca.gov/industries-and-topics/wildfires/fire-threat-maps-and-fire-safety-rulemaking>

- Weather data telemetered into SMUD’s Energy Management System, such as wind speed, wind direction, air temperature, barometric pressure and relative humidity
- US Forest Service – Wildland Fire Assessment System, <https://www.wfas.net/>
- CAL FIRE Incidents Information, <https://www.fire.ca.gov/incidents>
- CAL FIRE California Statewide Fire Map: <https://www.fire.ca.gov/incidents/>
- National Weather Service: <https://www.weather.gov/>
- Indji Watch real time operational tool
- Geographic Information System (GIS) based tools
- ALERTWildfire: <http://www.alertwildfire.org/tahoe/index.html>
- NOAA/National Weather Service Storm Prediction Center: <https://www.spc.noaa.gov/>
- National Significant Wildland and Fire Potential Outlook, <https://www.predictiveservices.nifc.gov/outlooks/outlooks.htm>
- Wildfire Forecast & Threat Intelligence Integration Center (WFTIIC), <https://hub.wftiic.ca.gov/>

6.6 Enhancement and mitigation projects

SMUD forecasts and plans for upcoming work several years in advance. This planning process allows adequate level of staffing and funding for needed projects. This section identifies the specific upcoming projects that help reduce SMUD’s wildfire risk.

6.6.2 *Replace #6 Copper conductors in PCA*

Status: Completed 2023

Start Date: 2021

Expected Completion: 2023

This project targets SMUD’s PCA for removal of #6 copper conductors and replacement with heavier gauge aluminum. The project was proposed in conjunction with Eagle Take Permit mitigation work to reduce avian contacts issued in connection with the expansion of SMUD’s Wind Farm in Solano County. The mitigation activity involves re-framing approximately 185 poles to increase overhead conductor spacing.

6.6.4 *UARP Fuels Reduction*

Status: Completed 2023

Start Date: 2019

Expected Completion: 2023

This project is designed to help protect the UARP transmission lines and strengthen the fire break value it provides. The project area includes the entire length of SMUD’s UARP transmission line within the existing right-of-way corridor plus approximately 200 feet on each side. Project treatments are designed to increase the area of forest lands treated for fuels reduction and prescribed fire and contribute to the longer-term restoration of the Crystal Basin forested landscape. Implementation measures will reduce the density of surface and ladder fuels by mechanical thinning, mastication, and hand crew work as part of a larger suite of silvicultural prescriptions that restore mixed conifer composition, health, and vigor. The project seeks to establish conditions that allow for a mosaic of multiple age class forest stands, variation in tree size, density, and species composition through treatments that retain the largest trees while establishing conditions that allow for safe and efficient fire suppression, especially around private inholdings of Sierra foothill communities.

6.6.5 *Install SCADA reclosers in PCA*

Status: Deferred 2025 to 2027 due to unforeseen design and supply chain constraints

Start Date: 2025

Expected Completion: 2027

The existing 12kV feeders serving PCA customers are non-SCADA. This project will install SCADA enabled reclosers on feeders that serves SMUD's PCA customers. The SCADA reclosers will provide distribution operators visibility to the circuits and ability to operate the recloser remotely, including remotely disabling the reclosing function. The SCADA enabled reclosers will have modern microprocessor-based controllers, which will provide SMUD engineers the flexibility of fast-trip settings during fire season, and normal settings for improved reliability during storm season. Visibility to circuit's measured values will provide distribution operators the ability to remotely de-energize the circuit(s) when conditions warrant or when requested by emergency response personnel.

7.2 Public and agency communications for a potential wildfire

Public safety is a guiding principle at SMUD. While SMUD's WMP activities are designed to mitigate wildfire danger, in instances of high fire threat conditions, interruption of electrical service by de-energizing powerlines may be necessary as a last resort. De-energizing powerlines may be the safest approach and makes sense if the risk of a wildfire starting and spreading is severe. SMUD proactively communicates with customers and key stakeholders through multiple channels about preparing for potential power outages, and the power restoration process. SMUD recognizes that many entities and individuals are particularly vulnerable during extended power outages and makes every effort to provide up-to-date information to these populations prior to, during and after an event.

This proactive communication is utilized for:

- 1) A wildfire threat to localized circuits within the SMUD service territory that results in localized de-energization.
- 2) A wildfire threat to SMUD's UARP hydroelectric generation and transmission system that results in a de-energization event causing a capacity/energy shortage (rotating outages).
- 3) A wildfire threat to a major shared transmission line(s) that impacts the statewide grid or parts of it and creates a resource shortage for the utilities, including SMUD, that rely on the resources the line(s) provides.

SMUD has implemented an opt-in program on smud.org that allows for vulnerable populations to receive additional information or notifications in the unlikely event of a wildfire in SMUD service territory.

Among SMUD's most vulnerable customers are those enrolled in the Medical Equipment Discount Rate program (MED rate). These customers rely on specialized medical equipment that may require power. SMUD also has a Vulnerable Customer program which allows customers to self-identify as vulnerable for concerns not covered by our MED Rate, we include our Energy Assistance Program Rate (EAPR) and 3rd Party/Senior Id customers in this group. SMUD has more than 13,000 customers who rely on specialized medical equipment and who are enrolled in the MED rate program, 3rd Party/Senior ID program or enrolled in our Vulnerable Customer program. Additionally, SMUD has nearly 90,000 customers that participate in our EAPR program. SMUD will send these customers an email or letter each year to remind them of the risk of wildfire danger, to have an emergency back-up plan if an outage occurs, to update their contact information and refer them to Smud.org/wildfiresafety for more information.

All SMUD customers can visit the smud.org/wildfiresafety webpage where they'll be able to find:

- Wildfire mitigation plan
- Information on how SMUD mitigates fire risk
- Emergency preparedness tips guide (7 languages)
- Links to additional resources
- Video on wildfire mitigation efforts
- Rotating outage map and periodic event updates
- Frequently Asked Questions on the de-energization process

[Smud.org/WildfireSafety](https://smud.org/WildfireSafety) provides access to information about SMUD's effort in wildfire planning and prevention (including an archive of this and prior WMPs), how to identify fire risk in areas where SMUD maintains electric facilities, a video on our wildfire mitigation efforts, emergency planning and preparation (six different languages) and SMUD's de-energization protocols.

SMUD also proactively communicates before potential emergency events about our efforts to prepare for and reduce wildfire risk.

In advance of peak wildfire season, SMUD conducts ongoing communications about how to prepare for emergencies in the event of a wildfire, natural disaster or major outage. The communications include:

- Letters and emails to MED Rate, EAPR 3rd Party/Senior ID and self-identified vulnerable customers, with preparation checklists.
- Outdoor billboards
- Digital monitors in our customer lobby
- Bill inserts
- Reminders on SMUD.org homepage encouraging customers to update contact information
- Customer newsletters (print and email) on safety tips, preparation.

SMUD's public information specialists will provide ongoing updates on multiple platforms, including social media, to provide customers and the community with up-to-date information about an emergency or potential emergency.

SMUD's government affairs representatives will reach out to the executive staff of local governments, elected officials, SMUD's state delegation, federal and tribe representatives and appropriate agency staff to provide initial contact and ongoing communications by email and phone with messages for their constituents.

In the time leading up to a potential or imminent de-energization event or emergency, SMUD makes every effort to maintain contact with customers it believes may be impacted and keep the media, local agencies and the public aware of the number of customers affected, and SMUD's activities and restoration efforts.

Key stakeholders and public safety partners, including potentially impacted federal, state and local elected officials, City and County executive staff, tribe representatives and first responders are also contacted via a variety of channels. SMUD has specific personnel assigned to elected officials and agencies, and to critical customers including water and telecommunications utilities potentially affected by de-energized powerlines.

9.1 Effectiveness of the WMP

In the initial WMP, SMUD staff identified metrics that met the criteria of PUC 8387. These identified metrics were general in nature. Since those initial metric criteria were identified, the wildfire planning process has continued to develop, and SMUD has received independent evaluation of its WMP. In response to the industry's maturing understanding of wildfire metrics and recommendations received, SMUD undertook a multi-step effort to identify new metrics that can better gauge the success of its many programs and mitigation activities outlined in the WMP.

The first step in this multi-step effort was to assess, identify and establish useful metrics that best measure the activities related to minimizing the probability that SMUD's transmission and distribution system may be the origin or contributing source for the ignition of a wildfire. Metrics identified in this section are measures of quantitative assessment that will be used for assessing, comparing, and tracking performance of the programs and efforts identified in this WMP. This step was completed and reflected in the metrics identified in this WMP.

The second step is to define the benchmarks associated with the metrics. The purpose of these benchmarks is to establish criteria to measure performance of the various activities. Some activities can be measured with specific units of work that are forecasted at the beginning of a year, such as quantities of inspected units etc. Progress towards these forecasted units would indicate on- or off-track completion cadence, which can be adjusted as needed during the year. Other metrics are identified to count uncontrollable units that indicate performance of the grid, such as outage event counts or number of corrective action findings. Development of these benchmarks will require several years of data to determine trendlines and averages. Data collection for the new metrics began in 2021. Following existing practices, SMUD anticipates five years of data will be required to establish the benchmarks, with a target period in 2026.

The third and final step is to determine or define the percentage reduction targets against the benchmarks. Percent reductions against benchmarks would need to be realistic, and not easily achievable. SMUD anticipates the initial benchmarks would require fine adjustments periodically to ensure continued effort towards risk reduction activities. These benchmarks and adjustments will be reflected in SMUD's annual WMP updates.

9.1.1 *Metrics and assumptions for measuring WMP performance*

SMUD will track the following metrics to measure the performance of this WMP, and its effectiveness in reducing catastrophic wildfire. These new set of metrics are more granular and targeted towards specific maintenance activities that can more closely be tied to performance of the WMP.

Work is identified in annual work plans authorized on an executive level, and work that remains incomplete will be flagged in future work plans. Work may be field-verified and open work notifications are regularly reviewed to allow management to prioritize work in accordance with current risks. SMUD's target is always to complete 100 percent of the work within the initially scheduled time frame. However, emergencies or other unforeseen contingencies can occur that require material and labor resources to be otherwise assigned. In this instance delayed work will be prioritized in following time periods. All work is completed within time periods to allow for the safe and reliable operation of the electric system in accordance with applicable requirements and industry standards.

The Inspection Program Performance metrics shown in Table 88 are based on inspection activities for targeted areas. These are key performance indicators (KPI) based metrics, with specific targets for completion within a year.

Table 8 Inspection Program Performance

Inspection Program Performance (KPI)	Target
Number of poles inspected from DLI, Distribution, PCA	≥95%
Number of structures inspected from Patrol, Transmission, PCA	≥95%
Number of structures inspected from Patrol, Transmission, HFTD Tier 3	≥95%
Percentage of circuit miles inspected for vegetation compliance, Distribution, HFTD Tier 2	≥95%
Percentage of circuit miles inspected for vegetation compliance, Transmission, PCA	≥95%
Percentage of circuit miles inspected for vegetation compliance, Transmission, HFTD Tier 3	≥95%
Number of aerial Flight Patrols, Visual, UARP	2
Number of aerial Flight Patrols, Infrared, UARP	1
Number of aerial Flight Patrols, 69kV, Infrared, Valley	
Number of aerial Flight Patrols, 12kV, Infrared, PCA	1
VM Quality Control for Transmission, Sacramento County	
VM Quality Control for Transmission, UARP	≥95%
Number of trees trimmed or removed, normal activities, PCA	
Number of trees trimmed or removed, normal activities, UARP	≥95%
Number of poles cleared/treated before start of fire season, PCA	

9.1.2 Outcome Metrics

Two sets of outcome metrics were identified that measure performance of the grid. These metrics replace the more general “ignition events” identified in previous WMPs, which couldn’t directly be tied to risk categories. The outcome metrics shown in Table 9 are consistent with GO95 Rule 18¹¹ repair priority levels.

Table 9 Grid Condition Findings

Grid Condition Findings (Non KPI)
Number of GO95 Rule 18 Level 1 findings, Distribution, PCA
Number of GO95 Rule 18 Level 1 findings, Transmission, PCA
Number of GO95 Rule 18 Level 1 findings, Transmission, HFTD Tier 2
Number of GO95 Rule 18 Level 1 findings, Transmission, HFTD Tier 3
Number of GO95 Rule 18 Level 2 findings, Distribution, PCA
Number of GO95 Rule 18 Level 2 findings, Distribution, HFTD Tier 2
Number of GO95 Rule 18 Level 2 findings, Distribution, HFTD Tier 3
Number of GO95 Rule 18 Level 2 findings, Transmission, PCA
Number of GO95 Rule 18 Level 2 findings, Transmission, HFTD Tier 2
Number of GO95 Rule 18 Level 2 findings, Transmission, HFTD Tier 3
Number of GO95 Rule 18 Level 3 findings, Distribution, PCA
Number of GO95 Rule 18 Level 3 findings, Distribution, HFTD Tier 2
Number of GO95 Rule 18 Level 3 findings, Distribution, HFTD Tier 3
Number of GO95 Rule 18 Level 3 findings, Transmission, PCA
Number of GO95 Rule 18 Level 3 findings, Transmission, HFTD Tier 2
Number of GO95 Rule 18 Level 3 findings, Transmission, HFTD Tier 3

The second set of outcome metrics are a measure of the ignition drivers during fire season, shown in Table 1010.

Table 10 Drivers of Ignitions

Drivers of Ignitions, fire season only (Non KPI)
Number of Overhead Outage Events caused by animals, inside PCA
Number of Overhead Outage Events caused by foreign material, inside PCA
Number of Overhead Outage Events caused by Vegetation - Tree Preventable, inside PCA
Number of Overhead Outage Events caused by Vegetation - Tree Non-Preventable, inside PCA

¹¹ <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M338/K730/338730245.pdf>

9.1.3 Enhancement Projects

Once a project or program is approved, it is planned for execution based on the upcoming year’s work schedule. The targets listed here for the approved projects are monitored via milestone achievements.

Table 11 System enhancement capital project performance

Project (KPI)	Target
Circuit feet completed, PCA, #6CU Reconductor (Completed in 2023)	>=95%
Units of trees pruned or removed, Wildfire Mitigation Vegetation Management work, UARP (Completed in 2023)	
Number of SCADA reclosers installed, PCA (Scheduled Start 2025)	>=95%

9.1.4 Community Outreach Measures

SMUD reaches out to customers, local communities, and government agencies for multiple programs. Metrics were developed specific to wildfire mitigation efforts and communication. The various type of community outreach measures is shown in Table 12.

Table 12 Community Outreach Programs

Community Outreach Programs (non KPI)
Number of contacts with Federal, State and Local Govt offices, specific to wildfire or de-energization related contacts
Number of mailers sent to customers related to Wildfire Mitigation Activities, Email, MED rate
Number of mailers sent to customers related to Wildfire Mitigation Activities, Email, Senior ID
Number of mailers sent to customers related to Wildfire Mitigation Activities, Direct Mail, MED rate
Number of mailers sent to customers related to Wildfire Mitigation Activities, Direct Mail, Customer Connection

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
 Finance & Audit – 05/14/24
 Board Meeting Date
 May 16, 2024

TO				TO				
1.	Jose Bodipo-Memba	6.		7.		8.		
2.	Lora Anguay	9.	Legal	10.	CEO & General Manager			
3.	Scott Martin							
4.								
5.								
Consent Calendar		<input checked="" type="checkbox"/>	Yes	No <i>If no, schedule a dry run presentation.</i>		Budgeted		
		<input checked="" type="checkbox"/>	Yes			No <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR)		DEPARTMENT				MAIL STOP	EXT.	DATE SENT
Laura Lewis		Executive Office				B308	6123	04/24/24

NARRATIVE:

Requested Action: Adopt resolution calling election for Directors for Wards 1, 2, and 5 and request Sacramento County and Placer County to consolidate that election with the November 5, 2024, general election.

Summary: The members of SMUD’s Board of Directors are elected to staggered four-year terms from the Wards they represent. The terms of the Directors for Ward 1 (Brandon D. Rose), Ward 2 (Nancy Bui-Thompson), and Ward 5 (Rob Kerth) will expire on December 31, 2024. Section 11829 of the Municipal Utility District (MUD) Act, in the Public Utilities Code, provides that the resolution calling the election shall also provide for the consolidation of the election with the general election to be held at the same time, in the counties in which SMUD is located and to authorize the counties to canvass the returns and certify the results of the election to the Board. In addition, the resolution shall state the date and purpose of the election, request the counties to reestablish the boundaries of election precincts to coincide with the ward boundaries, specify the length of a candidate statement of qualifications, manner of payment by the candidate, determine the method for breaking a tie vote, and designate the boundaries of the subject SMUD Wards. As part of the resolution, staff is recommending that the Board adopt the following:

- a) In the event of a tie vote, determine the election by lot; and
- b) Require candidates to pay at the at the Sacramento County Voter Registration and Elections and/or the Placer County Elections Office for costs associated with the statement of qualifications; and
- c) Set the statement of qualifications at 200 words or less.

Sacramento and Placer Counties Registrar of Voters’ Offices have informed SMUD that the resolution calling and consolidating the election must be received by their offices no later than June 5, 2024. The attached resolution sets forth all of the information necessary to call the election for Wards 1, 2, and 5 and consolidates the election with the general election to be held on November 5, 2024.

Board Policy: Board Job Description GP-3(j) – Take such other actions as may be required by law.
(Number & Title)

Benefits: Provides for election of Directors in compliance with law.

Cost/Budgeted: Sacramento and Placer Counties will bill SMUD for the actual cost of conducting the election when completed. \$375,000 was budgeted based on the cost of previous elections.

Alternatives: None. This action is legally required.

Affected Parties: Board Members, Board Office, Executive Office, Legal

Coordination: Board Office, Executive Office, Legal

Presenter: Laura Lewis, Chief Legal & Government Affairs Officer

Additional Links:

SUBJECT Call Election of Directors for Wards 1, 2, and 5	ITEM NO. (FOR LEGAL USE ONLY)
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RESOLUTION NO. _____

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

Section 1. That an election is called to be held on the 5th day of November, 2024, for the purpose of electing three (3) directors of the Sacramento Municipal Utility District (“SMUD”), one of whom shall be a resident and voter of each of Wards 1, 2, and 5. The boundaries of said wards are hereby fixed and established as shown on the sheets appended hereto. Each director shall be elected for a full four-year term from the ward in which he or she resides and the election shall be held and conducted in all respects as required by law.

<u>Ward</u>	<u>Incumbent</u>	<u>Expiration of Term</u>
1	Brandon D. Rose	2024
2	Nancy Bui-Thompson	2024
5	Rob Kerth	2024

Section 2. That the Boards of Supervisors of the Counties of Sacramento and Placer are requested to consolidate said election of directors of SMUD with the general election to be held on the 5th day of November, 2024.

Section 3. That the Boards of Supervisors of the Counties of Sacramento and Placer are requested to reestablish the boundaries of such election precincts as are divided by the boundaries of Wards 1, 2, and 5 of SMUD to provide that the boundaries of the election precincts coincide with the boundaries of said wards.

Section 4. That the Boards of Supervisors of the Counties of Sacramento and Placer are authorized to canvass the returns of the election of directors and to certify the election results to this Board.

Section 5. That in the event of a tie vote between candidates, the election shall be determined by lot.

Section 6. That any candidate for the Board of Directors of SMUD who files a statement of qualifications for printing and distributing pursuant to Section 13307 of the Elections Code shall pay at the Sacramento County Voter Registration and Elections and/or the Placer County Elections Office, in advance, for the publication of the candidate's statement, pursuant to Elections Code Section 13307, in the amount estimated by the Sacramento County Registrar of Voters, and that any such statement shall contain 200 words or less.

Section 7. That SMUD agrees to reimburse the Registrar of Voters for actual costs incurred, such costs to be calculated by the method set forth in the County's current Election Fee Schedule, pursuant to Elections Code section 10520.

Section 8. That the Secretary of SMUD is directed to transmit certified copies of this resolution to the Clerk of the Boards of Supervisors of the Counties of Sacramento and Placer, to the County Clerks of the Counties of Sacramento and Placer, and to the Registrars of Voters of the Counties of Sacramento and Placer.

SSS No. SCS 24-106

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit - 05/14/24

Board Meeting Date
N/A



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

Consent Calendar	Yes	X	No <i>(If no, schedule a dry run presentation.)</i>	Budgeted	Yes	X	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Jaimee Lutz			DEPARTMENT Procurement Operations				MAIL STOP EA404 EXT. 6407 DATE SENT 4/19/2024

NARRATIVE:

Requested Action: Provide the Board the Quarterly Procurement Report for First Quarter 2024 and discuss potential non-substantive revisions to Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement.

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. Last year, the Board modified BL-8 to add a “Supplier Code of Conduct.” Staff recommends changing the reference to a “Contractor Code of Conduct” which is more encompassing.

Board Policy: This report is provided to demonstrate compliance with SMUD Policy BL-8 and the following Policy *(Number & Title)* Elements:

- Competition
- Direct Procurement
- Sole Source Procurement
- Inclusiveness
- Environmental Procurement
- Responsible Bidder
- Best Value Procurement
- Strategic Alliances
- Protest Policy

Benefits: Ensures compliance with Public Contracting and Best Value procurement principles.

Cost/Budgeted: N/A

Alternatives: Provide quarterly procurement report to Board members via written memo from the Chief Executive Officer & General Manager. Retain existing language in BL-8.

Affected Parties: SMUD

Coordination: Procurement Operations

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

Additional Links:

SUBJECT	2024 First Quarterly Procurement Report and Potential Revisions to Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

Category: Board-Staff Linkage
Policy No.: BL-8
Title: Delegation to the CEO with Respect to Procurement

The procurement of goods and services is an integral part of SMUD operations. SMUD's procurement activities shall take place in accordance with the following principles:

- a) **Competition:** SMUD's procurement activities shall be competitive whenever practical.
- b) **Direct Procurement:** Direct procurement may be utilized when it is in SMUD's best interest. Direct procurement is the purchase of goods or services without competition when multiple sources of supply are available.
- c) **Sole Source Procurement:** Sole source procurement shall be performed only in the case of emergency or when a competitive process would be an idle act.
- d) **Inclusiveness:** SMUD's procurement practices shall promote inclusiveness of the entire supplier community in its contracting opportunities.
- e) **Economic Development:** SMUD's procurement practices shall promote the economic development of the community we serve.
- f) **Environmental Procurement:** SMUD shall minimize the impact on the environment through its procurement practices. In making procurement decisions, staff shall consider the environmental impacts in assessing total cost and benefits.
- g) **Responsible Bidder:** SMUD shall only do business with reputable and responsible suppliers. A Responsible Bidder demonstrates trustworthiness, quality, capacity, financial capability, fair labor practices, and experience to satisfactorily perform SMUD work through the bidding and evaluation process. In addition, SMUD will determine Responsible Bidders by considering a supplier's social, environmental ethical, and safety accountability where applicable.
- h) **Supplier Code of Conduct:** SMUD shall set minimum expectations or standards for all suppliers to follow in the course of doing business with SMUD (in some cases by submitting data and reporting annually) including but not limited to, labor and human rights, environmental, social, governance (ESG), health and safety accountability, ethics and compliance, and diversity, equity, inclusion, and belonging practices.
- i) **Best Value Procurement:** SMUD may procure goods and services by the best value at the lowest cost methodology, where cost and other factors are used to obtain the maximum value while ensuring a fair and equitable process.

- j) **Leveraged Procurement Agreement (LPA):** SMUD may procure goods and services where another lead public agency or organization competitively procures the same goods or services under applicable state and federal laws to streamline procurement processes and leverage collective buying power of multiple agencies to achieve cost savings and other benefits to SMUD. Leveraged procurement agreements are generally referred to by other public agencies as “Cooperative Purchasing Agreements.”
- k) **Strategic Alliances:** SMUD may enter into strategic alliance contracts for the procurement of goods or services. A Strategic Alliance is a competitively bid multi-year contract for goods and/or services in which the Supplier and SMUD work collaboratively over the life of the contract to improve quality, and to explore design and process improvements to reduce the cost of production, service delivery, and the total cost of ownership. These benefits are shared both by SMUD and the Supplier.
- l) **Supply Chain Risk:** SMUD’s procurement activities shall identify, manage, and mitigate supply chain risks through a coordinated effort across the enterprise.
- m) **Protest Policy:** SMUD shall ensure that suppliers are afforded the opportunity to have their grievances heard through a fair protest process.
- n) **Delegation of Authority to the CEO:** The Chief Executive Officer and General Manager (CEO) is delegated authority to perform and approve the procurement activities in accordance with the below matrix. This delegation includes the authority to amend contracts for time extensions or other changes that create no additional cost to SMUD.

<u>Category</u>	<u>Amount*</u>
Competitive Awards:	
Operational Inventory	\$11 million
Non-inventory Materials	\$11 million
Construction and Maintenance Services	\$11 million
Information Technology	\$11 million
Professional and Consulting Services	\$3 million
Rents and Leases	\$1 million
Sole Source:	
All types except Maintenance/Licensing Fees	\$1.5 million
Maintenance/Licensing Fees	\$3 million or original approved amount
Direct Procurement:	
Materials/Supplies/Services	\$50k**
Government Entities	\$1 million
Nonprofit Entities (services/goods)	\$1 million

<u>Category</u>	<u>Amount*</u>
Emergency Procurements:	
All types	\$2 million
Nonprofit Entities:	
Memberships/Project Participation Agreement	\$3 million
Contingencies:	
Board Awarded Contracts	Up to 10% of Contract Award

***The amounts for all categories except Direct Procurement Materials/Supplies/Services shall be adjusted automatically on an annual basis beginning Jan 1, 2024, consistent with the U.S. Bureau of Labor Statistics (BLS) published national consumer price index (CPI) per the Federal Reserve Bank of Minneapolis Average Annual CPI calculator.**

****The amount shall be adjusted automatically on an annual basis pursuant to the implicit price deflator as set forth in California Public Utilities Code section 12751, using the base year of 1997.**

Monitoring Method: CEO Report

Frequency: Quarterly

Versioning:

August 21, 2003	Resolution No. 03-08-07	Date of Adoption.
October 16, 2003	Resolution No. 03-10-14	Date of Revision.
June 3, 2004	Resolution No. 04-06-04	Date of Revision.
October 16, 2008	Resolution No. 08-10-09	Date of Revision.
October 1, 2009	Resolution No. 09-10-05	Date of Revision.
August 4, 2011	Resolution No. 11-08-04	Date of Revision.
November 17, 2011	Resolution No. 11-11-06	Date of Revision.
March 15, 2012	Resolution No. 12-03-13	Date of Revision.
August 21, 2014	Resolution No. 14-08-03	Date of Revision.
December 15, 2016	Resolution No. 16-12-18	Date of Revision.
July 16, 2020	Resolution No. 20-07-05	Date of Revision.
March 18, 2021	Resolution No. 21-03-04	Date of Revision.
June 15, 2023	Resolution No. 23-06-04	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision. [Current Policy]

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: April 30, 2024
ACC 24-012

FROM: Kathy Ketchum / Lisa Limcaco

SUBJECT: MARCH 2024 FINANCIAL RESULTS AND OPERATIONS DATA

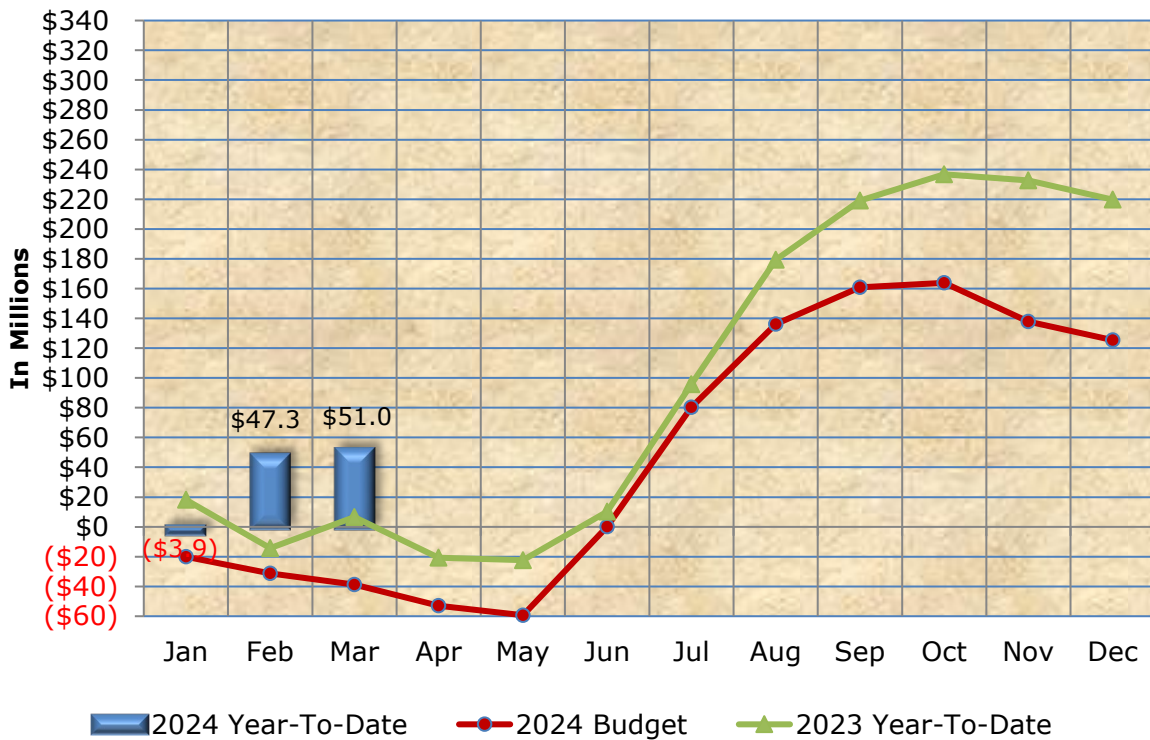
We are attaching the financial and operating reports for the three months of 2024. They include sales and generation statistics and other selected data.

The change in net position is a increase of \$51.0 million compared to a budgeted decrease of \$38.8 million, resulting in a favorable variance of \$89.8 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 Three Months Ended March 31, 2024**

Net Position

- The change in net position is an increase of \$51.0 million compared to a budgeted decrease of \$38.8 million, resulting in a favorable variance of \$89.8 million.

Revenues

- Revenues from sales to customers were \$338.7 million, which was \$3.4 million lower than planned. The decrease is primarily due to:
 - Lower residential customer revenue of \$7.9 million primarily due to lower customer usage.
 - Higher commercial sales of \$3.7 million primarily due to higher customer usage.
 - Lower provision for uncollectible accounts of \$0.8 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 \$2.5 million higher due to higher interconnection fees, transmission revenue, and Sacramento Power Academy revenue.
- Non-cash revenues transferred to the rate stabilization fund were \$13.9 million, of which \$10.4 million was for AB-32 and \$3.4 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 \$17.3 million, which is \$11.9 million higher than plan. The increase is primarily due to \$13.9 million of revenue recognized for AB-32 and \$3.0 million of revenue recognized for LCFS.

Commodities, Purchased Power, and Production

- SMUD's generation was lower by 149 GWh (7.3 percent); JPA and other generation was lower by 216 GWh (12.4 percent); and Hydro generation was higher by 67 GWh (22.4 percent).
- Purchased power expense of \$72.6 million, less surplus power sales of \$37.8 million was \$34.8 million, which was \$0.5 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 \$102.7 million, less surplus gas sales of \$22.1 million, was \$80.6 million, which was \$19.1 million lower than planned.
 - Fuel costs of \$73.0 million less surplus gas sales of \$22.1 million, was \$50.9 million, which was \$15.5 million lower than planned. Thermal generation has decreased due to an unplanned outage at the Carson 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 \$224.2 million, which was \$16.1 million higher than planned. The power margin as a percentage of sales to customers was 66.2 percent, which was 5.4 percent higher than planned. This is primarily due to lower production costs due to lower fuel costs offset by lower sales to customers.

Other Operating Expenses

- All other operating expenses were \$249.9 million, which was \$0.1 million lower than planned.
 - Transmission and distribution operations expenses were down \$4.1 million primarily due to lower transmission fees as a result of using more hydro generation than plan.
 - Customer service and information expenses were down \$2.7 million due to lower participation in My Energy Optimizer Partner and Peak Conserve programs and lower participation in the Commercial Greenergy program.
 - Administrative & General expenses were up \$1.9 million primarily due to write-off of uncollectible non-electric billings, administrative costs related to the February storm, bond issuance costs, offset by a slower start to projects such as Agile product teams, Digital platform and SAP S4 HANA.

- Public Good expenses were \$1.0 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 lower than planned due to shifting from planned maintenance to unplanned major repair at the Carson plant.
- Transmission and distribution maintenance expenses were \$3.3 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 \$2.6 million primarily due to amortization of software subscription assets.

Non-operating Revenues and Expenses

- Other revenue, net, was \$59.5 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 March 31, 2024
(thousands of dollars)

	Actual	Budget	Over (Under)	Percent of Increase (Decrease)
OPERATING REVENUES				
Sales to customers	\$ 111,295	\$ 111,564	\$ (269)	(0.2) %
Sales of surplus power	7,919	11,346	(3,427)	(30.2)
Sales of surplus gas	3,833	-	3,833	*
LCFS revenue	1,292	-	1,292	*
Other electric revenue	3,096	2,941	155	5.3
Revenue to rate stabilization fund	(1,292)	(242)	(1,050)	433.9
Revenue from rate stabilization fund	6,140	3,014	3,126	103.7
Total operating revenues	132,283	128,623	3,660	2.8
OPERATING EXPENSES				
Operations				
Purchased power	18,772	23,214	(4,442)	(19.1)
Production	20,213	20,972	(759)	(3.6)
Transmission and distribution	6,736	8,658	(1,922)	(22.2)
Customer accounts	4,613	4,513	100	2.2
Customer service and information	6,879	7,759	(880)	(11.3)
Administrative and general	24,144	19,892	4,252	21.4
Public good	3,907	5,505	(1,598)	(29.0)
Total operations	85,264	90,513	(5,249)	(5.8)
Maintenance				
Production	5,995	5,365	630	11.7
Transmission and distribution	8,734	10,971	(2,237)	(20.4)
Total maintenance	14,729	16,336	(1,607)	(9.8)
Depreciation and amortization				
Depreciation and amortization	22,917	22,386	531	2.4
Amortization of regulatory asset	3,210	3,403	(193)	(5.7)
Total depreciation and amortization	26,127	25,789	338	1.3
Total operating expenses	126,120	132,638	(6,518)	(4.9)
OPERATING INCOME (LOSS)	6,163	(4,015)	10,178	253.5
NON-OPERATING REVENUES AND EXPENSES				
Other revenues/(expenses)				
Interest income	3,384	2,307	1,077	46.7
Investment revenue (expense)	(649)	20	(669)	*
Other income (expense) - net	1,191	809	382	47.2
Unrealized holding gains (losses)	501	-	501	*
Revenue - CIAC	1,644	1,719	(75)	(4.4)
Total other revenues	6,071	4,855	1,216	25.0
Interest charges				
Interest on long-term debt	7,837	7,737	100	1.3
Interest on commercial paper	766	651	115	17.7
Total interest charges	8,603	8,388	215	2.6
CHANGE IN NET POSITION	\$ 3,631	\$ (7,548)	\$ 11,179	148.1 %

* Equals 1000% or greater.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Three Months Ended March 31, 2024
(thousands of dollars)

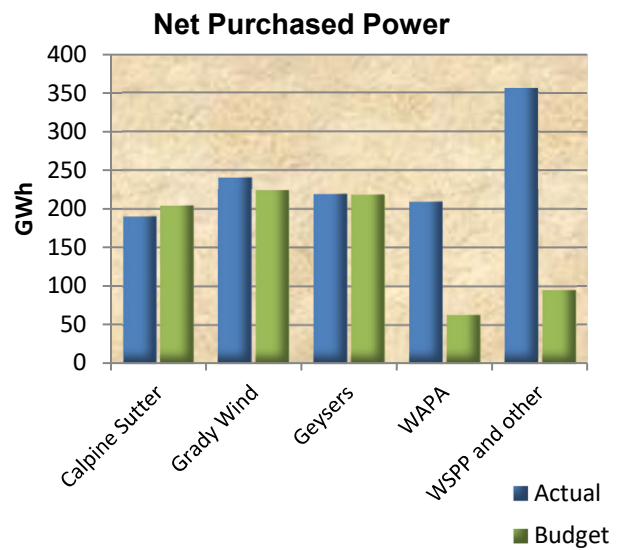
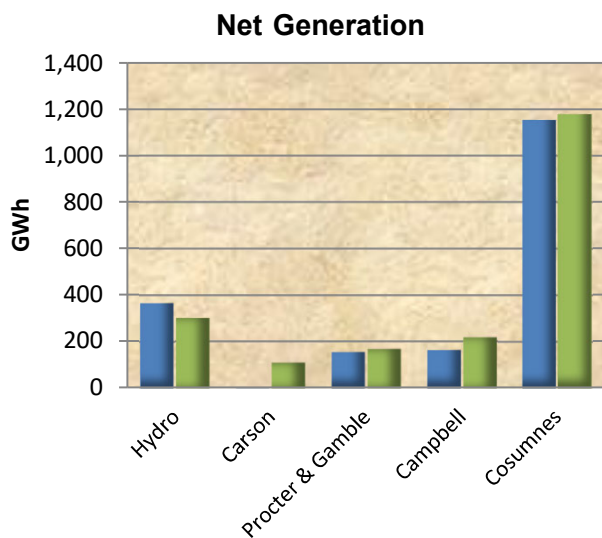
	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>	<u>Percent of Increase (Decrease)</u>
OPERATING REVENUES				
Sales to customers	\$ 338,672	\$ 342,072	\$ (3,400)	(1.0) %
Sales of surplus power	37,849	48,612	(10,763)	(22.1)
Sales of surplus gas	22,096	-	22,096	*
SB-1 revenue (deferral)/recognition, net	143	-	143	*
AB32 revenue	10,440	-	10,440	*
LCFS revenue	3,423	-	3,423	*
Other electric revenue	11,361	8,830	2,531	28.7
Revenue to rate stabilization fund	(13,863)	(726)	(13,137)	*
Revenue from rate stabilization fund	17,280	5,335	11,945	223.9
Total operating revenues	427,401	404,123	23,278	5.8
OPERATING EXPENSES				
Operations				
Purchased power	72,654	82,881	(10,227)	(12.3)
Production	102,705	99,714	2,991	3.0
Transmission and distribution	20,492	24,605	(4,113)	(16.7)
Customer accounts	13,659	14,051	(392)	(2.8)
Customer service and information	18,711	21,435	(2,724)	(12.7)
Administrative and general	59,129	57,197	1,932	3.4
Public good	15,760	14,722	1,038	7.1
Total operations	303,110	314,605	(11,495)	(3.7)
Maintenance				
Production	10,146	12,250	(2,104)	(17.2)
Transmission and distribution	33,155	29,813	3,342	11.2
Total maintenance	43,301	42,063	1,238	2.9
Depreciation and amortization				
Depreciation and amortization	68,382	65,753	2,629	4.0
Amortization of regulatory asset	10,494	10,209	285	2.8
Total depreciation and amortization	78,876	75,962	2,914	3.8
Total operating expenses	425,287	432,630	(7,343)	(1.7)
OPERATING INCOME (LOSS)	2,114	(28,507)	30,621	107.4
NON-OPERATING REVENUES AND EXPENSES				
Other revenues/(expenses)				
Interest income	9,816	6,888	2,928	42.5
Investment revenue (expense)	924	60	864	*
Other income (expense) - net	59,225	2,148	57,077	*
Unrealized holding gains (losses)	(1,165)	-	(1,165)	*
Revenue - CIAC	4,921	5,152	(231)	(4.5)
Total other revenues	73,721	14,248	59,473	417.4
Interest charges				
Interest on long-term debt	23,189	23,209	(20)	(0.1)
Interest on commercial paper	1,680	1,363	317	23.3
Total interest charges	24,869	24,572	297	1.2
CHANGE IN NET POSITION	\$ 50,966	\$ (38,831)	\$ 89,797	231.3 %

* Equals 1000% or greater.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT
SOURCES AND USES OF ENERGY - COMPARED TO BUDGET
For the Period Ended March 31, 2024**

Sources of Energy (GWh)	Month		Increase (Decrease) Percentage	Year to Date		Increase (Decrease) Percentage
	Actual	Budget		Actual	Budget	
Net Generated						
Hydro	202	175	15.4	366	299	22.4
Carson Power Plant	-	24	(100.0)	1	108	(99.1)
Procter & Gamble Power Plant	34	27	25.9	154	166	(7.2)
Campbell Power Plant	2	19	(89.5)	163	216	(24.5)
Cosumnes Power Plant	380	371	2.4	1,153	1,179	(2.2)
Other	32	35	(8.6)	58	76	(23.7)
Total net generation	650	651	(0.2)	1,895	2,044	(7.3)
Purchased Power less transmission losses:						
CalEnergy	21	19	10.5	51	56	(8.9)
Calpine Sutter	16	12	33.3	190	204	(6.9)
Drew Solar	22	27	(18.5)	59	63	(6.3)
Feed in Tariff	14	18	(22.2)	30	39	(23.1)
Geysers	74	74	0.0	219	218	0.5
Grady Wind	87	82	6.1	240	224	7.1
Rancho Seco PV II	25	28	(10.7)	46	61	(24.6)
WAPA	85	28	203.6	209	63	231.7
WSPP and other	123	58	112.1	356	95	274.7
Other long term power	35	49	(28.6)	100	127	(21.3)
Total net purchases	502	395	27.1	1,500	1,150	30.4
Total sources of energy	1,152	1,046	10.1	3,395	3,194	6.3
Uses of energy:						
SMUD electric sales and usage	753	739	1.9	2,332	2,327	0.2
Surplus power sales	370	242	52.9	985	727	35.5
System losses	29	65	(55.4)	78	140	(44.3)
Total uses of energy	1,152	1,046	10.1 %	3,395	3,194	6.3 %

* Change equals 1000% or more.



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

- Hydro generation is higher than planned (22.4 percent).
- JPA generation is lower than planned (11.9 percent).

Purchased power, less surplus power sales, is higher than plan (21.7 percent).

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
March 31, 2024 and 2023
(thousands of dollars)

	Total						
	SMUD	SFA	NCEA	NCGA #1	Intercompany Eliminations	2024	2023
ELECTRIC UTILITY PLANT							
Plant in service, original cost	\$ 6,388,212	\$ 978,600	\$ -	\$ -	\$ (4,578)	\$ 7,362,234	\$ 7,174,093
Less accumulated depreciation	3,003,130	699,299	-	-	(875)	3,701,554	3,584,713
Plant in service - net	3,385,082	279,301	-	-	(3,703)	3,660,680	3,589,380
Construction work in progress	655,993	8,059	-	-	-	664,052	371,222
Investment in Joint Power Agencies	321,601	-	-	-	(283,103)	38,498	32,722
Total electric utility plant - net	4,362,676	287,360	-	-	(286,806)	4,363,230	3,993,324
RESTRICTED ASSETS							
Revenue bond reserves	1,027	-	-	-	-	1,027	2,004
Restricted for payment of debt service	72,038	-	-	-	-	72,038	87,764
JPA funds	-	12,520	20,114	21,189	-	53,823	41,877
Nuclear decommissioning trust fund	9,540	-	-	-	-	9,540	9,073
Rate stabilization fund	208,714	-	-	-	-	208,714	151,118
Other funds	38,999	-	3,000	173	-	42,172	34,657
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	(92,541)	(12,513)	(23,114)	(21,362)	-	(149,530)	(144,202)
Total restricted assets	237,777	7	-	-	-	237,784	182,291
CURRENT ASSETS							
Cash, cash equivalents and investments							
Unrestricted	480,674	42,603	-	-	-	523,277	593,850
Restricted	92,541	12,513	23,114	21,362	-	149,530	144,202
Accounts receivable - net	252,855	53,764	2,393	2,974	(97,633)	214,353	237,386
Lease receivable	890	-	-	-	(217)	673	529
Energy efficiency loans due within one year	139	-	-	-	-	139	139
Interest receivable	4,303	354	-	17	-	4,674	4,618
Lease interest receivable	81	-	-	-	(12)	69	5
Regulatory costs to be recovered within one year	76,937	104	-	105	-	77,146	61,182
Derivative financial instruments maturing within in one year	19,371	-	-	-	-	19,371	28,222
Inventories	139,453	16,240	-	-	-	155,693	118,494
Prepaid gas to be delivered within one year	-	-	19,055	29,214	-	48,269	30,726
Prepayments and other	32,565	6,687	125	16	-	39,393	41,062
Total current assets	1,099,809	132,265	44,687	53,688	(97,862)	1,232,587	1,260,415
NONCURRENT ASSETS							
Regulatory costs for future recovery							
Decommissioning	99,614	-	-	-	-	99,614	74,995
Pension	542,186	-	-	-	-	542,186	473,850
OPEB	306,708	-	-	-	-	306,708	299,821
Bond Issues	-	548	-	236	-	784	993
Derivative financial instruments	453	-	-	-	-	453	1,131
Derivative financial instruments	36,337	-	-	-	-	36,337	63,920
Prepaid gas	-	-	503,880	76,148	-	580,028	628,297
Prepaid power and capacity	-	-	-	-	-	-	121
Lease receivable	20,733	-	-	-	(3,525)	17,208	17,840
Energy efficiency loans - net	347	-	-	-	-	347	640
Other	86,668	12	(16)	35	-	86,699	79,133
Total noncurrent assets	1,093,046	560	503,864	76,419	(3,525)	1,670,364	1,640,741
TOTAL ASSETS	\$ 6,793,308	\$ 420,192	\$ 548,551	\$ 130,107	\$ (388,193)	\$ 7,503,965	\$ 7,076,771
DEFERRED OUTFLOWS OF RESOURCES							
Accumulated decrease in fair value of hedging derivatives	55,432	-	-	-	-	55,432	38,363
Deferred pension outflows	140,837	-	-	-	-	140,837	141,421
Deferred OPEB outflows	56,729	-	-	-	-	56,729	43,356
Deferred ARO outflows	-	1,564	-	-	-	1,564	1,894
Unamortized bond losses - other	4,982	841	-	-	-	5,823	7,839
TOTAL DEFERRED OUTFLOWS OF RESOURCES	257,980	2,405	-	-	-	260,385	232,873
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 7,051,288	\$ 422,597	\$ 548,551	\$ 130,107	\$ (388,193)	\$ 7,764,350	\$ 7,309,644

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
March 31, 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	\$ 2,213,009	\$ 80,128	\$ 523,990	\$ 94,540	\$ -	\$ 2,911,667	2,875,650
CURRENT LIABILITIES							
Commercial paper notes	150,000	-	-	-	-	150,000	200,000
Accounts payable	100,600	4,099	-	-	-	104,699	134,675
Purchased power payable	83,487	42,468	-	870	(97,632)	29,193	40,809
Credit support collateral obligation	10,265	-	-	-	-	10,265	13,406
Long-term debt due within one year	84,590	13,115	14,505	25,530	-	137,740	138,195
Accrued decommissioning	7,140	-	-	-	-	7,140	7,549
Interest payable	21,393	1,099	5,409	1,336	-	29,237	29,730
Accrued interest liability	259	17	-	-	(12)	264	98
Accrued salaries and compensated absences	47,311	-	-	-	-	47,311	45,610
Derivative financial instruments maturing within one year	37,396	-	-	-	-	37,396	29,538
Customer deposits	2,019	-	-	-	-	2,019	1,724
Lease and subscription software liability	31,831	297	-	-	(217)	31,911	27,327
Other	58,905	-	-	-	-	58,905	48,756
Total current liabilities	635,196	61,095	19,914	27,736	(97,861)	646,080	717,417
NONCURRENT LIABILITIES							
Accrued decommissioning - net	102,471	10,166	-	-	-	112,637	87,141
Derivative financial instruments	20,749	-	-	-	-	20,749	10,777
Net pension liability	259,010	-	-	-	-	259,010	235,451
Net OPEB liability	25,334	-	-	-	-	25,334	6,753
Lease liability	64,617	4,873	-	-	(3,525)	65,965	24,794
Other	88,586	-	248	-	-	88,834	84,820
Total noncurrent liabilities	560,767	15,039	248	-	(3,525)	572,529	449,736
TOTAL LIABILITIES	3,408,972	156,262	544,152	122,276	(101,386)	4,130,276	4,042,803
DEFERRED INFLOWS OF RESOURCES							
Accumulated increase in fair value of hedging derivatives	55,588	-	-	-	-	55,588	91,959
Deferred pension inflows	8,416	-	-	-	-	8,416	17,536
Deferred OPEB inflows	30,616	-	-	-	-	30,616	33,732
Deferred lease inflows	20,859	-	-	-	(3,703)	17,156	17,981
Regulatory credits	843,100	-	-	-	-	843,100	681,397
Unamortized bond gains - other	37,644	-	-	-	-	37,644	42,365
Unearned revenue	3,841	48	-	-	-	3,889	8,255
TOTAL DEFERRED INFLOWS OF RESOURCES	1,000,064	48	-	-	(3,703)	996,409	893,225
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	46,249	548	4,201	(32)	-	50,966	6,640
TOTAL NET POSITION	2,642,252	266,287	4,399	7,831	(283,104)	2,637,665	2,373,616
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 7,051,288	\$ 422,597	\$ 548,551	\$ 130,107	\$ (388,193)	\$ 7,764,350	\$ 7,309,644

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF CASH FLOWS
For the Period Ended March 31, 2024
(thousands of dollars)

	<u>Month</u>	<u>Year to Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 120,789	\$ 365,519
Receipts from surplus power and gas sales	13,354	65,445
Other receipts	16,207	75,128
Payments to employees - payroll and other	(49,436)	(107,170)
Payments for wholesale power and gas purchases	(29,980)	(143,821)
Payments to vendors/others	(32,800)	(137,127)
Net cash provided by operating activities	38,134	117,974
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interest on debt	-	(12,110)
Net cash used in noncapital financing activities	-	(12,110)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction expenditures	(45,105)	(112,322)
Contributions in aid of construction	606	4,449
Other receipts	100	100
Interest on debt	(289)	(42,776)
Lease and other receipts/payments - net	(2,461)	(8,054)
Net cash used in capital and related financing activities	(47,149)	(158,603)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales and maturities of securities	171,498	254,780
Purchases of securities	(151,849)	(155,817)
Interest and dividends received	3,151	14,121
Investment revenue/expenses - net	(663)	925
Net cash provided by investing activities	22,137	114,009
Net increase in cash and cash equivalents	13,122	61,270
Cash and cash equivalents at the beginning of the month and year	339,372	291,224
Cash and cash equivalents at March 31, 2024	\$ 352,494	\$ 352,494
Cash and cash equivalents included in:		
Unrestricted cash and cash equivalents	\$ 291,698	\$ 291,698
Restricted and designated cash and cash equivalents	49,517	49,517
Restricted and designated assets (a component of the total of \$237,784 at March 31, 2024)	11,279	11,279
Cash and cash equivalents at March 31, 2024	\$ 352,494	\$ 352,494

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.