

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

Date: Tuesday, January 16, 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, January 16, 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:** 160 523 2692

**Passcode:** 933791

**Phone Dial-in Number:** 1-669-254-5252 or 1-833-568-8864 (Toll Free)

*Verbal Public Comment:*

Members of the public may provide verbal public comment by:

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

*Written Public Comment:*

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

## **DISCUSSION ITEMS**

1. Jon Olson

Authorize the Chief Executive Officer and General Manager to execute the third amendment to the **California Oregon Transmission Project (COTP) Long-Term Layoff Agreement (Agreement)** by and among the **Transmission Agency of Northern California (TANC)** and certain of its members, namely, **SMUD, Modesto Irrigation District (MID), Turlock Irrigation District (TID), the City of Palo Alto, and the City of Roseville**, substantially in form attached, to extend the existing **Agreement** for an additional 10 years to January 31, 2034.  
Presentation: 7 minutes  
Discussion: 2 minutes
2. Eric Poff

Authorize the Chief Executive Officer and General Manager to award contracts to **Siemens Energy, Inc., ILJIN Electric USA, Inc., Mader Supply LLC, PTI Transformers LP, and WEG Transformers USA LLC** to manufacture and provide generation, distribution and transmission power transformers during the five-year period of February 1, 2024, to January 31, 2029, with one optional two-year extension for a total aggregate contract not-to-exceed amount of \$250 million.  
Presentation: 7 minutes  
Discussion: 4 minutes
3. Maria Veloso Koenig

Authorize the Chief Executive Officer and General Manager to negotiate and award a sole source contract to **Siemens Industry, Inc.** for the upgrade of their proprietary **Energy Management System (EMS)** for the term January 19, 2024, through December 31, 2026, for a total not-to-exceed amount of \$6 million.  
Presentation: 7 minutes  
Discussion: 3 minutes
4. Rob Lechner

Authorize the Chief Executive Officer and General Manager to award contracts to **Arrow Construction, Nyecon, Inc., Roebbelen Contracting, Inc., and Sierra National Construction, Inc.** to provide general building construction and support services for a three-year term from January 22, 2024, to January 21, 2027, with three optional one-year extensions, for a total aggregate contract not-to-exceed amount of \$30 million.  
Presentation: 5 minutes  
Discussion: 4 minutes

## **INFORMATIONAL ITEMS**

5. Lisa Limcaco Provide the Board with SMUD's financial results from the 11-month period ended November 30, 2023, and a summary of SMUD's current Power Supply Costs.  
Presentation: 5 minutes  
Discussion: 2 minutes
6. Claire Rogers Provide the Board with an informational presentation on Internal Audit and the 2024 Annual Plan.  
Presentation: 7 minutes  
Discussion: 2 minutes
7. Claire Rogers Internal Audit Reports: Status of Recommendations Report for Q4 2023, and Heat Illness Prevention Program.  
Discussion: 1 minute
8. Public Comment.
9. Rob Kerth Summary of Committee Direction.  
Discussion: 1 minute

## **ANNOUNCEMENT OF CLOSED SESSION AGENDA:**

### **1. Conference with Legal Counsel – Anticipated Litigation**

Significant exposure to litigation pursuant to paragraph (d)(2) of Government Code section 54956.9: one case.

*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.  
ET&C 23-087

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit - 1/16/24
Board Meeting Date January 18, 2024

TO				TO			
1.	Chad Adair	6.	Scott Martin				
2.	Jon Olson	7.	Jose Bodipo-Memba				
3.	Russell Mills	8.	Jennifer Davidson				
4.	Heather Wilson	9.	<b>Legal</b>				
5.	Lora Anguay	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>	<input type="checkbox"/> <b>No</b>	<i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Chad Adair		DEPARTMENT Energy Trading & Contracts		MAIL STOP A404	EXT. 5494	DATE SENT 12/22/23	

**NARRATIVE:**

**Requested Action:** Authorize the Chief Executive Officer and General Manager, or his delegate, to execute the third amendment to the California Oregon Transmission Project (COTP) Long-Term Layoff Agreement (Agreement) by and among the Transmission Agency of Northern California (TANC) and certain of its members, namely, SMUD, Modesto Irrigation District (MID), the Turlock Irrigation District (TID), the City of Palo Alto (Palo Alto), and the City of Roseville (Roseville), substantially in form attached, to extend the existing Agreement for an additional 10 years to January 31, 2034.

**Summary:** Pursuant to Resolution No. 90-03-10, SMUD, Palo Alto, MID, Roseville, and TID are each Participants in and parties to TANC Project Agreement No. 3 (“TANC PA 3”), entered into March 1, 1990, for the funding, construction, and operation of the COTP.

Pursuant to Resolution No. 09-01-05, SMUD entered into a Long-Term Layoff Agreement on February 1, 2009, with TANC and certain of its members, namely, Palo Alto, Roseville, MID, and TID wherein Palo Alto and Roseville laid off their entitlement to TANC’s Transfer Capability on the COTP associated with their participation percentages under TANC PA 3 to MID, TID, and SMUD for a 15-year term of the Agreement.

In the Agreement, MID, Roseville, TID, and SMUD accepted and assumed all of Palo Alto and Roseville’s participation percentages under TANC PA 3 for the term of the Agreement, with SMUD acquiring 35 MW of capacity in the north-to-south direction and 27 MW in the south-to-north direction on the COTP.

Pursuant to Resolution No. 14-04-08, SMUD executed Amendment No. 1 to the Agreement effective July 1, 2014, which returned Roseville’s COTP interests, rights, and obligations from MID, TID, and SMUD back to Roseville, and clarified Palo Alto’s voting rights under TANC PA 3.

SMUD executed Amendment No. 2 to the Agreement on May 26, 2016, pursuant to authorization under Resolution No. 14-04-08, which provided that in the absence of a default by MID, TID, and SMUD, Debt Service for the 2016A Bonds and any extension thereof associated with Palo Alto’s 3.6815 participation percentage in TANC’s entitlement to transfer capability on the COTP would be paid by MID, TID, and SMUD.

The Parties have negotiated on this Amendment No. 3 to extend the Agreement for an additional 10 years to January 31, 2034 to ensure that all of Palo Alto’s interests, rights, and obligations associated with its participation percentage under TANC PA 3 continue to be laid off to MID, TID, and SMUD (with SMUD maintaining 22 MW north-to-south and 17 MW south-to-north transfer capability) for the extended term of the Agreement and to add an annual market payment to Palo Alto from MID, TID, and SMUD. This Amendment No. 3, by modifying the term of the Agreement, will also extend the term of Roseville’s layoff of its South of Tesla (“SOT”) allocation, originally described in Section 4 of the Agreement.

The Agreement will expire on January 31, 2024, if this Amendment Number 3 is not approved.

**Board Policy:** Strategic Direction SD-2, Competitive Rates; Strategic Direction SD-4, Reliability, Strategic Direction SD-9, Resource Planning  
*(Number & Title)*

**Benefits:** SMUD will maintain 22 MW north-to-south and 17 MW south-to-north of additional transmission capacity on the COTP. The Amendment will enable SMUD to continue to import additional amounts of Northwest Power from outside the California Independent System Operator (CAISO) grid, avoid the associated CAISO fees, enhance SMUD's import reliability through the purchase of more firm energy, and provide an opportunity for SMUD to pursue additional long-term renewable power supply agreements with projects located in northern California or from points beyond in the long-term.

**Cost/Budgeted:** The expected annual cost for SMUD's share of this Agreement is approximately \$755,000 (including the market payment) and is included in the budget for 2024 and beyond. SMUD's share of the market payment is approximately \$244,000 per year in the first five years and \$355,000 per year in the last five years.

**Alternatives:** Forego the opportunity to continue having an additional 22 MW north-to-south and 17 MW south-to-north of COTP capacity and continue utilizing the existing import capability SMUD has on PG&E's grid across CAISO's Balancing Authority.

**Affected Parties:** SMUD, TANC, the City of Palo Alto, MID, TID, and the City of Roseville.

**Coordination:** Energy Trading & Contracts and Legal

**Presenter:** Jon Olson, Director, Energy Trading & Contracts

**Additional Links:**

SUBJECT

**Third Amendment to the SMUD-TID-MID-Palo Alto-Roseville TANC California Oregon Transmission Project Long-Term Layoff Agreement**

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

# DRAFT – NOT FOR EXECUTION

Amendment No. 3  
Long-Term Layoff Agreement  
By and Among  
the  
Transmission Agency of Northern California  
and certain  
of its Members  
namely  
The City of Palo Alto  
The City of Roseville  
The Modesto Irrigation District  
The Turlock Irrigation District  
and  
The Sacramento Municipal Utility District



# DRAFT – NOT FOR EXECUTION

## TABLE OF CONTENTS

RECITALS .....	2
AGREEMENT .....	3
Section 1. Effective Date.....	3
Section 2. Modification of Section 2, “Term” .....	3
Section 3. Addition of Section 3.k, “Annual Market Payment” .....	4
Section 4. Integration .....	4
SIGNATURES .....	4

This Amendment No. 3 of the February 1, 2009 Long Term Layoff Agreement By and Among the Transmission Agency of Northern California and certain of its members (“LTLA”), is entered into as of the Effective Date defined in Section 1 of this Amendment No. 3, by and among the Transmission Agency of Northern California (“TANC”) and certain of its members, namely the City of Palo Alto, referred to as “PALO ALTO”, and, the City of Roseville (“ROSEVILLE”), the Modesto Irrigation District (“MODESTO”), the Turlock Irrigation District (“TURLOCK”), and the Sacramento Municipal Utility District (“SMUD”), with references to each entity individually and collectively as “Party” or “Parties”. Capitalized terms used in this Amendment No. 3 are defined in TANC Project Agreement No. 3, unless otherwise specifically defined in this Amendment No. 3.

### RECITALS:

- A. PALO ALTO, MODESTO, ROSEVILLE, TURLOCK, and SMUD are each Participants in and parties to TANC Project Agreement No. 3 (“TANC PA 3”), entered into March 1, 1990.
- B. In the LTLA, PALO ALTO and ROSEVILLE laid off their entitlement to TANC’s Transfer Capability on the California-Oregon Transmission Project (“COTP”) associated with their Participation Percentages under TANC PA 3 to MODESTO, TURLOCK, and SMUD for the fifteen-year term of the LTLA.
- C. In the LTLA, MODESTO, TURLOCK, and SMUD accepted and assumed all of PALO ALTO and ROSEVILLE’s Participation Percentages under TANC PA 3 for the term of the LTLA.
- D. Amendment No. 1 to the LTLA returned ROSEVILLE’s COTP interests, rights, and obligations from MODESTO, TURLOCK, and SMUD back to ROSEVILLE, and clarified PALO ALTO’s voting rights under TANC PA 3.

## DRAFT – NOT FOR EXECUTION

- E. At TANC's January 27, 2016 meeting, TANC approved a resolution authorizing the issuance of California-Oregon Transmission Project Revenue Refunding Bonds, 2016 Series, ("the 2016 COTP Bonds"). On March 9, 2016 TANC issued and sold its \$173,920,000 California-Oregon Transmission Project Revenue Refunding Bonds, 2016 Series A (the "2016A Bonds"), which have a maturity date of May 1, 2039.
- F. Amendment No. 2 to the LTLA provided that in the absence of a default by MODESTO, TURLOCK, and SMUD, Debt Service for the 2016A Bonds and any extension thereof associated with PALO ALTO's 3.6815 Participation Percentage in TANC's entitlement to Transfer Capability on the COTP would be paid by MODESTO, TURLOCK, and SMUD.
- G. The Parties have agreed to execute this Amendment No. 3 to the LTLA to extend the LTLA for approximately an additional ten years to January 31, 2034 to ensure that all of PALO ALTO's interests, rights, and obligations associated with its Participation Percentage under TANC PA 3 continue to be laid off to MODESTO, TURLOCK, and SMUD for the extended term of the LTLA in the absence of a default by MODESTO, TURLOCK, and SMUD, and to add an annual market payment to PALO ALTO from MODESTO, TURLOCK, and SMUD. This Amendment No. 3, by modifying the term of the LTLA, will also extend the term of ROSEVILLE's layoff of its South of Tesla ("SOT") allocation, originally described in Section 4 of the LTLA.
- H. The Parties agree that except as amended and modified by Amendment No. 1 and Amendment No. 2, which remain in effect, and this Amendment No. 3, the LTLA remains in full force and effect, without any other changes to any of its provisions.

NOW THEREFORE, in consideration of the premises described in the Recitals, and in consideration of the terms, covenants, and conditions that are set out below, the Parties have entered into this Amendment No. 3 to the LTLA.

### AGREEMENT:

#### Section 1. Effective Date.

This Amendment No. 3 shall become effective and enforceable on \_\_\_\_\_ 2024 at 0001 hours Pacific Prevailing Time following the due execution and delivery of this Amendment No. 3 to TANC, or the date on which this Amendment No. 3 is duly executed by all of the Parties and delivered to TANC, if \_\_\_\_\_ 2024 passes without such execution and delivery (hereinafter "Effective Date").

#### Section 2. Modification of Section 2, "Term".

Section 2 of the LTLA, entitled "Term", is hereby modified as follows:

## DRAFT – NOT FOR EXECUTION

“The term of this Agreement shall be approximately twenty five (25) years commencing on the Effective Date and terminating at 0000 hours Pacific Prevailing Time on January 31, 2034, unless the Parties mutually agree in writing to extend the term of the Agreement for another five (5) years (hereinafter “Term”).

### Section 3. Addition of Section 3.k, “Annual Market Payment”.

Section 3.k., “Annual Market Payment.” is hereby added:

“Starting May 1, 2024, and on each May 1 thereafter for the term of the LTLA, MODESTO, TURLOCK, and SMUD, in aggregate, will pay PALO ALTO an annual fixed payment of \$550,000 per year to PALO ALTO for the 5 years from 2024 through 2028 (\$61,820 from MODESTO or 11.24%, \$244,090 from TURLOCK or 44.38%, and \$244,090 from SMUD or 44.38%), and \$800,000 per year for the 5 years from 2029 through 2033 (\$89,920 from MODESTO or 11.24%, \$355,040 from TURLOCK or 44.38%, and \$355,040 from SMUD or 44.38%). While this payment will be administered by TANC in accordance with section 3.f of the LTLA, MODESTO, TURLOCK and SMUD shall be jointly and severally liable to make the payment annually.”

### Section 4. Integration.

Except as amended and modified by Amendment No. 1 and Amendment No. 2, which remain in effect, and this Amendment No. 3, the LTLA remains in full force and effect, without change to any of its provisions other than the text expressly altered by this Amendment No.3. On the Effective Date this Amendment No. 3 and the LTLA shall be one, integrated Agreement.

The Parties have duly executed and delivered this Amendment via their authorized representatives set forth below.

### SIGNATURES:

TRANSMISSION AGENCY OF  
NORTHERN CALIFORNIA

By:

Its:

Dated:

CITY OF PALO ALTO

By:

Its:

Dated:

DRAFT – NOT FOR EXECUTION

TURLOCK IRRIGATION DISTRICT

By:

Its:

Dated:

SACRAMENTO MUNICIPAL

UTILITY DISTRICT

By:

Its:

Dated:

MODESTO IRRIGATION DISTRICT

By:

Its:

Dated:

CITY OF ROSEVILLE

By:

Its:

Dated:



# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

 Committee Meeting & Date  
 Finance and Audit 1/16/2024

 Board Meeting Date  
 1/18/2024

TO				TO								
1.	Robert Adams	6.	Lora Anguay									
2.	Casey Fallon	7.	Scott Martin									
3.	Eric Poff	8.	Jose Bodipo-Memba									
4.	Frankie McDermott	9.	<b>Legal</b>									
5.	Jennifer Davidson	10.	<b>CEO &amp; General Manager</b>									
<b>Consent Calendar</b>		<input checked="" type="checkbox"/>	<b>Yes</b>	<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>		
FROM (IPR) Jesse Mays				DEPARTMENT Procurement				MAIL STOP EA404	EXT. 5744	DATE SENT 12/26/2023		

**NARRATIVE:**

**Requested Action:** Authorize the Chief Executive Officer and General Manager to award contracts to Siemens Energy, Inc., ILJIN Electric USA, Inc., Mader Supply LLC, PTI Transformers LP, and WEG Transformers USA LLC to manufacture and provide Generation, Distribution and Transmission Power Transformers during the five-year period of February 1, 2024, to January 31, 2029, with one optional two-year extension for a total aggregate contract not-to-exceed amount of \$250,000,000.

**Summary:** Request for Proposals (RFP) No. Doc4093798372 was issued in July 2023 to solicit proposals to establish strategic alliance agreements with one or more power transformer suppliers for a five-year period with one optional two-year extension. The not-to-exceed aggregate amount includes funding to order 70 transformer units over the next five years. The optional two-year extension will account for project or manufacturing delays. Each of the 70 units fall into 19 different transformer types or sizes and will be used in one of three areas of our overall system including; distribution, transmission, or power generation. Due to the complexity across the broad category of “large power transformers,” proposers did not bid on all 70 units or all 19 types of transformers. This solicitation was aggregated to include all large power transformer needs forecasted by SMUD over the next five years to encourage participation from as many potential global manufacturing partners as possible with the intent to award multiple category specific contracts, and, in some cases, primary and secondary sources of supply to mitigate risk of supply disruption, delays, quality or other factors. A Pre-Proposal Conference was held on July 27, 2023, with 19 attendees. On October 23, 2023, SMUD received 11 proposals that were evaluated in accordance with the advertised criteria. Of the 11 proposals received, seven were responsive. SMUD initiated and continues to negotiate with the top ranked proposers. SMUD is requesting approval to award contracts to the highest ranked proposers upon successful completion of negotiations for a total aggregate contract not-to-exceed amount of \$250,000,000. The current result of the solicitation is shown below.

**Recommendation:** Award to Highest Evaluated Responsive Proposers

Award to:

<a href="#">Siemens Energy, Inc.</a>	<a href="#">ILJIN Electric USA, Inc.</a>	<a href="#">Mader Supply LLC</a>
<a href="#">8841 Wadford Dr.</a>	<a href="#">15915 Katy Freeway, Suite 215</a>	<a href="#">4708 Roseville Road Ste 101</a>
<a href="#">Raleigh, NC 27616</a>	<a href="#">Houston, TX 77094</a>	<a href="#">North Highlands, CA 95660</a>

<a href="#">PTI Transformers LP</a>	<a href="#">WEG Transformers USA LLC</a>
<a href="#">101 Rockman St</a>	<a href="#">6350 WEG Dr</a>
<a href="#">Winnipeg, MB. Canada R3T 0L7</a>	<a href="#">Washington, MO 63090</a>

Proposers Notified by Procurement: 95  
Proposers Downloaded: 19  
Pre-Proposal Conference Attendance: 19  
Proposals Received: 11

Responsive Proposals Received	P/F	10 Points SEED	50 Points Tech.	40 Points Pricing	Total Score	Over all Rank	Proposal Amount	*Evaluated Proposal Amount	Proposed Award Amount
Mader Supply LLC (Royal)	P	10	35.64	24.00	69.64	1	\$47,372,172	\$47,122,172	NTE \$250,000,000, Aggregate of all Task Authorizations
Mader Supply LLC (Howard)	P	10	36.82	14.15	60.97	2	\$103,266,330	\$103,016,330	
ILJIN Electric USA, Inc.	P	-	35.86	20.46	56.32	3	\$65,167,000	\$65,167,000	
Mader Supply LLC (Hyundai)	P	10	27.40	16.50	53.90	4	\$145,279,320	\$145,029,320	
Siemens Energy, Inc.	P	-	36.31	10.39	46.70	5	\$174,905,896	\$174,905,896	
PTI Transformers LP	P	-	26.75	17.30	44.05	6	\$79,897,000	\$79,897,000	
WEG Transformers USA LLC	P	-	29.66	9.26	38.92	7	\$198,162,153	\$198,162,153	

Non-Responsive Proposals Received	Proposal Amount	Comments
Fleming Electric Inc (Pralar USA, Inc.)	\$68,436,600	Proposal does not meet specification in regard to drying method.
Elsewedy Electric Inc.	\$110,756,900	Did not meet minimum manufacturing experience requirements
Mader Supply LLC (Elsewedy Electric Inc.)	\$115,025,176	Manufacture did not meet minimum manufacturing experience requirements
Pennsylvania Transformer Technology	\$34,233,786	Did not meet minimum requirements by providing ISO9001 certificate for factories manufacturing units proposed.

\*Evaluated Proposal Amount: While typically within a price range, the amounts here are significantly different because each Proposer responded on a different percentage of the bid schedule line items, representing a different number of units and type as well. Reiterating per the information above, this solicitation included 70 transformer units that fall into 19 different sizes or types that further organize into three business areas or components of our system: distribution, power generation, transmission.

**Supplier Diversity Program:**

Mader Supply LLC is a SEED-verified vendor who will be distributing transformers manufactured by Howard Transformers, Royal Transformers, and Hyundai Corporation.

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

**Benefits:** Award of these contracts will provide SMUD with multiple qualified vendors to provide power transformers to SMUD over the next five to seven years.

**Cost/Budgeted:** \$250,000,000; Budgeted for 2024 through 2031 by Energy Delivery & Operations.

**Alternatives:** Only award contracts to the highest ranked proposers of each line item. It is in SMUD's interest to have multiple suppliers for each line item to mitigate supply interruptions.

**Affected Parties:** Energy Delivery & Operations, Procurement, Warehouse & Fleet, and Contractor.

**Coordination:** Energy Delivery & Operations and Procurement, Warehouse & Fleet.

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

**Additional Links:**

SUBJECT

**Award Power Transformer Contracts**

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.





# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
Finance & Audit – 01/16/24Board Meeting Date  
January 18, 2024

TO				TO								
1.	Casey Fallon	6.	Jose Bodipo-Memba									
2.	Maria Veloso Koenig	7.	Jennifer Davidson									
3.	Frankie McDermott	8.										
4.	Scott Martin	9.	<b>Legal</b>									
5.	Lora Anguay	10.	<b>CEO &amp; General Manager</b>									
<b>Consent Calendar</b>		<input checked="" type="checkbox"/>	<b>Yes</b>	<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>		
FROM (IPR) Dejona Lopez				DEPARTMENT Procurement, Warehouse and Fleet				MAIL STOP EA404	EXT. 5331	DATE SENT 12/22/2023		

**NARRATIVE:**

**Requested Action:** Authorize the Chief Executive Officer and General Manager to negotiate and award a Sole Source contract to Siemens Industry, Inc. (“Siemens”) for the upgrade of their proprietary Energy Management System (“EMS”) for the term January 19, 2024, through December 31, 2026, for a total not-to-exceed amount of \$6,000,000.

**Summary:** The EMS is critical to the real-time operations of SMUD's transmission, generation, distribution, gas, scheduling, and commodity settlement systems. SMUD Transmission Planning and Operations is currently using the Siemens Spectrum Power 7, v2.2 EMS that was implemented in 2019. The EMS is also used to perform the Balancing Authority operations for the Balancing Authority of Northern California (BANC) and participation in the Energy Imbalance Market (EIM). The EMS was originally scheduled for an upgrade in 2026, but with projects coming online in support of the 2030 Zero Carbon Plan (ZCP), it is critical that the timeline for the EMS upgrade project be expedited. This will ensure the hardware, software and other third-party products are refreshed and the EMS that supports both SMUD’s and BANC’s grid management and operations are current on vendor supported products. As this software is proprietary, Siemens is the only vendor with the access required to upgrade the EMS.

**Recommendation:** Award a Sole Source contract to:

Siemens Industry, Inc.
10900 Wayzata Blvd., Ste. 400
Minnetonka, MN 55305

**Comments:**

This will be a non-standard contract that will be negotiated with and approved by SMUD Risk Management and Legal.

**Board Policy:** Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement; Strategic Direction SD-4, Reliability; Strategic Direction SD-7, Environmental Leadership

**Benefits:** The upgrade will provide minimized operational costs, new features and functionality to improve real-time monitoring and control of the grid and generation assets by Transmission Planning and Operations and will allow for a refresh of all hardware and third-party software before they are outdated and unsupported.

**Cost/Budgeted:** \$6,000,000; Budgeted for 2024-2026 by Transmission Planning and Operations.

**Alternatives:** Issue a competitive solicitation to replace the entire EMS. This alternative is cost and resource prohibitive, introduces unnecessary risk to operations, and would delay integrating ZCP requirements into the system.

**Affected Parties:** Transmission Planning and Operations, Procurement, Warehouse and Fleet, and Siemens.

**Coordination:** Transmission Planning & Operations and Procurement, Warehouse & Fleet.

**Presenter:** Maria Veloso Koenig, Interim Director, Transmission Planning & Operations

**Additional Links:**

SUBJECT

**Sole Source Contract with Siemens Industry, Inc. for EMS Upgrade**

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.



SSS No. SCS 23-269

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 01/16/2024
Board Meeting Date January 18, 2024

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

<b>Consent Calendar</b>	<input checked="" type="checkbox"/>	<b>Yes</b>	<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>
-------------------------	-------------------------------------	------------	--	-----------------	-------------------------------------	------------	---

FROM (IPR) Jesse Mays	DEPARTMENT Supply Chain Services	MAIL STOP EA404	EXT. 5860	DATE SENT 12/26/2024
--------------------------	-------------------------------------	--------------------	--------------	-------------------------

**NARRATIVE:**

**Requested Action:** Authorize the Chief Executive Officer and General Manager to award contracts to Arrow Construction (Arrow), Nyecon, Inc. (Nyecon), Roebbelen Contracting, Inc. (Roebbelen) and Sierra National Construction, Inc. (SNC) to provide General Building Construction and Support Services for a three-year term from January 22, 2024, to January 21, 2027, with three optional one-year extensions, for a total aggregate contract not-to-exceed amount of \$30 million.

**Summary:** Request for Proposals DOC4022189793 (RFP) was issued in July 2023 to solicit qualified firms to provide general building construction and support services in support of the Facilities Business Unit. The solicitation was issued with a provision to award multiple contracts for an approximate three-year period. The Contractors will furnish all supervision, labor, materials, equipment, and incidentals necessary to accomplish the work in accordance with the contract. This is a master task contract that will include a variety of project types. The work may include, but is not limited to tenant improvements projects, asphalt concrete and concrete parking repairs, installation of underground utilities and site work, electrical work, demolition, soil remediation, abatement of hazardous materials, structure repair and construction, heating, ventilation and air conditioning (HVAC) work, replacement of end-of-life equipment and systems, fencing, roofing, landscaping, and miscellaneous work in support of ongoing Facilities operations and design build tasks. A pre-proposal conference was held on July 27, 2023. On August 21, 2023, SMUD received four proposals that were evaluated in accordance with the advertised criteria. The rate schedule provided to the Contractors consisted of 11 items, but only two-line items were cost driven. SMUD pre-set the rates on items 3-11 but allowed Contractors to provide mark-up on the labor rates, items 1-2. SMUD initiated rate negotiations on those two-line items and as a result, two of the Contractors (Nyecon and SNC) lowered their mark-up compared to their current labor rates, and the other two Contractors (Arrow and Roebbelen) raised their rates. Staff determined rates to be fair and reasonable by comparing the Contractor’s proposed rates with existing contract rates. The result of the analysis determined that the proposed rates are within 5% of existing contracts. Furthermore, while the evaluated proposal amounts includes labor, subcontracting, materials, and equipment for the estimated volume of work over the term of the contracts, actual project work will be evaluated and awarded at the task or project level on a competitive basis driving further competition and cost savings to SMUD long term. The result of the evaluation and award recommendations are shown below.

**Recommendation:** Award to Highest Evaluated Responsive Proposers

Award to:

Arrow Construction	Nyecon, Inc.	Roebbelen Contracting, Inc.	Sierra National Construction, Inc.
1850 Diesel Drive	3780 Happy Lane, #A	1241 Hawk Flight Court	5433 El Camino Avenue, Suite 4
Sacramento, CA 95838	Sacramento, CA 95827	El Dorado Hills, CA 95762	Carmichael, CA 95608

Proposers Notified by Procurement: 43  
Proposers Downloaded: 9  
Pre-Proposal Conference Attendance: 19  
Proposals Received: 4

Responsive Proposals Received	P/F	<u>10 Points SEED</u>	<u>60 Points Technical</u>	<u>30 Points Pricing</u>	Total Score	Overall Rank	Proposal Amount	Evaluated Proposal Amount	Proposed Award Amount
Sierra National Construction, Inc.	P	10	59.70	28.27	97.97	1	\$31,532,000	\$31,282,000	NTE \$30,000,000, Aggregate of all Task Authorizations
Roebbelen Contracting, Inc.	P	10	55.67	27.23	92.90	2	\$32,732,000	\$32,482,000	
Nyecon, Inc.	P	10	50.50	30.00	90.50	3	\$29,732,000	\$29,482,000	
Arrow Construction	P	10	51.17	28.65	89.82	4	\$31,122,000	\$30,872,000	

Supplier Diversity Program:

SNC is the highest ranked Proposer who will be self-performing 50% of the work and subcontracting 50% to Supplier Education & Economic Development (SEED) verified vendors. Roebbelen the second highest ranked Proposer will be self-performing 56% of the work and subcontracting 44% to SEED-verified vendors. Nyecon is a SEED-verified vendor and was the third highest ranked proposer but also had the lowest rates. Arrow is also a SEED-verified vendor and, although they raised their rates to a more competitive range, were still the second lowest in overall cost.

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

**Benefits:** Awarding these contracts will provide the Facilities Department with operational continuity and a roster of qualified Contractors with varying skill sets to ensure proper maintenance for SMUD properties.

**Cost/Budgeted:** \$30,000,000; Budgeted for 2024 through 2030 by Facilities Security & Emergency Operations.

**Alternatives:** Award fewer contracts which would minimize coverage for SMUD properties which could have a potential effect on daily operations.

**Affected Parties:** Facilities Security & Emergency Operations, Procurement, Warehouse & Fleet, and Contractor.

**Coordination:** Facilities Security & Emergency Operations and Procurement, Warehouse & Fleet.

**Presenter:** Rob Lechner, Director, Facilities, Security & Emergency Operations

**Additional Links:**

SUBJECT	<b>Award General Building Construction and Support Contracts</b>	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.	Jennifer Davidson			6.			
2.	Lora Anguay			7.			
3.	Scott Martin			8.			
4.	Jose Bodipo-Memba			9.	<b>Legal</b>		
5.				10.	<b>CEO &amp; General Manager</b>		
<b>Consent Calendar</b>		<input type="checkbox"/>	<b>Yes</b>	<input type="checkbox"/>		<b>No</b> <i>If no, schedule a dry run presentation.</i>	
FROM (IPR)		DEPARTMENT		MAIL STOP		EXT.	
Lisa Limcaco		Accounting		B352		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>
--	--------------------------------------

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT  
OFFICE MEMORANDUM**

TO: Distribution

DATE: December 29, 2023  
ACC 23-034

FROM: Kathy Ketchum / Lisa Limcaco

**SUBJECT: NOVEMBER 2023 FINANCIAL RESULTS AND OPERATIONS DATA**

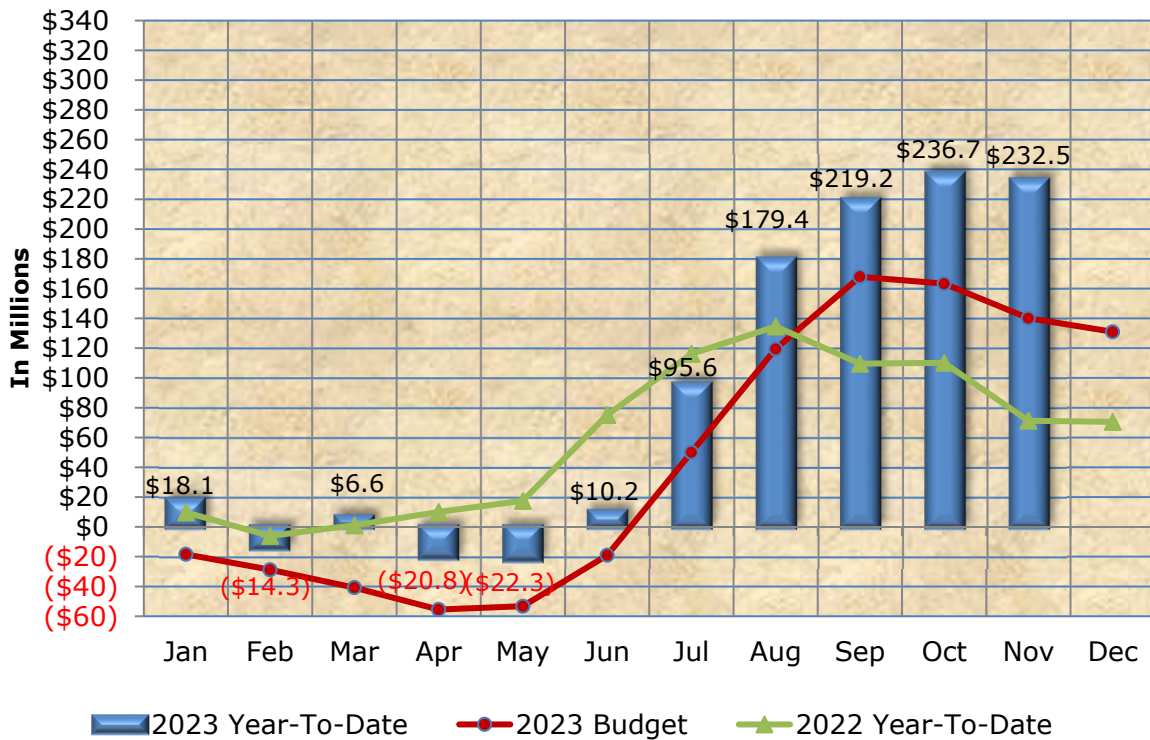
We are attaching the financial and operating reports for the eleven months of 2023. They include sales and generation statistics and other selected data.

The change in net position is an increase of \$232.5 million compared to a budgeted increase of \$140.1 million, resulting in a favorable variance of \$92.4 million.

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

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

**Change in Net Position Year To Date**





**SACRAMENTO MUNICIPAL UTILITY DISTRICT  
EXECUTIVE SUMMARY  
For the Eleven Months Ended November 30, 2023**

Net Position

- The change in net position is an increase of \$232.5 million compared to a budgeted increase of \$140.1 million, resulting in a favorable variance of \$92.4 million.

Revenues

- Revenues from sales to customers were \$1,488.5 million, which was \$18.4 million lower than planned. The decrease is primarily due to:
  - Lower commercial customer revenue of \$27.0 million primarily due to lower customer usage.
  - Offset by lower provision for uncollectible accounts of \$9.2 million.
- Revenues under the California Global Warming Solutions Act Assembly Bill – 32 (AB-32) were \$29.3 million. This is due to carbon allowances sold through the state sanctioned quarterly auctions.
- Low Carbon Fuel Standard (LCFS) revenues were \$5.9 million due to LCFS credit sales.
- Other electric revenues were higher by \$13.1 million primarily due to higher Procter & Gamble Power Plant steam sales than planned.
- Non-cash revenues transferred to the rate stabilization fund were \$101.4 million, of which \$65.4 million was for the annual Hydro Generation Adjustment, \$30.0 million was for AB-32 and \$6.0 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 \$41.8 million, which is \$15.8 million higher than plan. The increase is primarily due to \$27.7 million of revenue recognized for AB-32, offset by lower revenue recognized for the Community Impact Plan (CIP) of \$6.2 million and lower revenue recognized from LCFS electric vehicle programs expenses of \$5.7 million.

Commodities, Purchased Power, and Production

- SMUD's generation was lower by 55 GWh (0.8 percent); JPA and other generation was lower by 765 GWh (15.1 percent); and Hydro generation was higher by 710 GWh (43.9 percent).
- Purchased power expense of \$415.9 million, less surplus power sales of \$176.8 million, was \$239.1 million, which was \$8.7 million lower than planned. October and November were warmer than forecasted and load is still down overall due to the loss of datacenter accounts and a cooler September. Hydro generation is still higher than planned due to higher precipitation levels earlier in the year and resulting inflows from snow melt. In addition, surplus power is being sold and market purchases are being purchased at a lower price than plan due to abundant hydro generation driving market prices down.
- Production operations cost of \$307.8 million, less surplus gas sales of \$107.8 million, was \$200.0 million, which was \$30.3 million lower than planned.
  - Fuel costs of \$195.8 million less surplus gas sales of \$107.8 million, was \$88.0 million, which was \$24.7 million lower than planned. This is primarily due to lower usage and lower prices.
- The "power margin", or sales to customers less cost of purchased power, production operations costs and gas hedges included in investment revenue was \$1,042.0 million, which was \$13.3 million higher than planned. The power margin as a percentage of sales to customers was 70.0 percent, which was 1.7 percent higher than planned. This is due to lower sales to customers, lower thermal generation, and lower purchased power.

Other Operating Expenses

- All other operating expenses were \$876.8 million, which was \$7.6 million lower than planned.
  - Customer Service and Information expenses were down \$10.3 million primarily due to supply chain issues causing equipment delivery delays and, in turn, switch installation delays in the NextGen ACLM program and charger installation delays in transportation electrification. Additionally, the delay in the launch of the Partner+ program in Storage Virtual Power Plant and lower rebate activity in the transportation electrification programs are driving costs down.
  - Administrative & General expenses were down \$12.8 million primarily due to a difference in accounting and budgeting for the other postemployment benefits (OPEB) normal cost, lower new business development planning expenses under demonstration and selling expenses, and lower miscellaneous

- general expenses, including the enterprise shared drive migration project, T3 transformation project, and other expenses and projects.
- Public Good expenses were down \$11.4 million primarily due to project delays in building electrification and energy efficiency CIP program initiatives. Additionally, research and development project delays in Electric Transportation, ChargeReady Community Grant, Energy Storage Systems (ESS) battery storage and other projects being moved to 2024.
  - Production maintenance expenses were \$2.7 million lower than planned primarily due to lower Solano wind maintenance expenses and shifting of maintenance timelines for Cosumnes Power Plant.
  - Transmission and distribution maintenance expenses were \$17.2 million higher than planned. This is primarily due to higher costs related to the storm response early in the year.
  - Non-cash depreciation and amortization is higher by \$14.5 million primarily due to unplanned amortization of lease assets, offset by a timing difference between budgeted and actual depreciation.

#### Non-operating Revenues and Expenses

- Other revenue, net, was \$94.1 million higher than planned primarily due to gain on sale of the Solano property of \$33.3 million, an insurance recovery payment of \$13.6 million related to Cosumnes Power Plant, higher settlements of \$9.8 million due to a settlement payment of \$14.8 million related to the US Bureau of Reclamation, Central Valley Project Improvement Act settlement, a distribution from the Transmission Agency of Northern California of \$6.1 million, and higher interest income of \$23.0 million, all offset by higher investment expense of \$6.7 million primarily due to natural gas hedging activity.
- Interest charges were \$6.9 million lower than planned primarily due to budgeted interest expense continuing for bonds refunded in June and a new swap agreement that reduces interest expense.

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

	Actual	Budget	Over (Under)	Percent of Increase (Decrease)
<b>OPERATING REVENUES</b>				
Sales to customers	\$ 104,698	\$ 98,359	\$ 6,339	6.4 %
Sales of surplus power	9,257	21,438	(12,181)	(56.8)
Sales of surplus gas	13,472	-	13,472	*
AB32 revenue	10,618	-	10,618	*
Other electric revenue	3,716	2,786	930	33.4
Revenue to rate stabilization fund	(10,618)	-	(10,618)	*
Revenue from rate stabilization fund	1,278	2,425	(1,147)	(47.3)
<b>Total operating revenues</b>	<b>132,421</b>	<b>125,008</b>	<b>7,413</b>	<b>5.9</b>
<b>OPERATING EXPENSES</b>				
Operations				
Purchased power	31,742	32,195	(453)	(1.4)
Production	29,683	29,413	270	0.9
Transmission and distribution	7,421	8,123	(702)	(8.6)
Customer accounts	4,784	4,988	(204)	(4.1)
Customer service and information	6,825	6,925	(100)	(1.4)
Administrative and general	16,261	16,601	(340)	(2.0)
Public good	6,231	6,587	(356)	(5.4)
<b>Total operations</b>	<b>102,947</b>	<b>104,832</b>	<b>(1,885)</b>	<b>(1.8)</b>
Maintenance				
Production	4,049	2,919	1,130	38.7
Transmission and distribution	10,366	10,560	(194)	(1.8)
<b>Total maintenance</b>	<b>14,415</b>	<b>13,479</b>	<b>936</b>	<b>6.9</b>
Depreciation and amortization				
Depreciation and amortization	21,862	20,719	1,143	5.5
Amortization of regulatory asset	3,302	3,444	(142)	(4.1)
<b>Total depreciation and amortization</b>	<b>25,164</b>	<b>24,163</b>	<b>1,001</b>	<b>4.1</b>
<b>Total operating expenses</b>	<b>142,526</b>	<b>142,474</b>	<b>52</b>	<b>0.0</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(10,105)</b>	<b>(17,466)</b>	<b>7,361</b>	<b>42.1</b>
<b>NON-OPERATING REVENUES AND EXPENSES</b>				
Other revenues/(expenses)				
Interest income	3,076	1,073	2,003	186.7
Investment revenue (expense)	(1,480)	(41)	(1,439)	*
Other income (expense) - net	7,447	742	6,705	903.6
Unrealized holding gains (losses)	2,756	-	2,756	*
Revenue - CIAC	1,621	1,253	368	29.4
<b>Total other revenues</b>	<b>13,420</b>	<b>3,027</b>	<b>10,393</b>	<b>343.3</b>
Interest charges				
Interest on long-term debt	7,636	8,693	(1,057)	(12.2)
Interest on commercial paper	(116)	86	(202)	(234.9)
<b>Total interest charges</b>	<b>7,520</b>	<b>8,779</b>	<b>(1,259)</b>	<b>(14.3)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ (4,205)</b>	<b>\$ (23,218)</b>	<b>\$ 19,013</b>	<b>81.9 %</b>

\* Equals 1000% or greater.

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

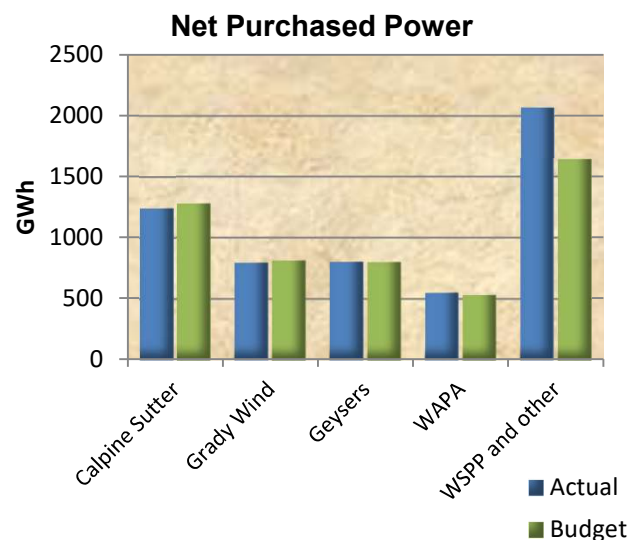
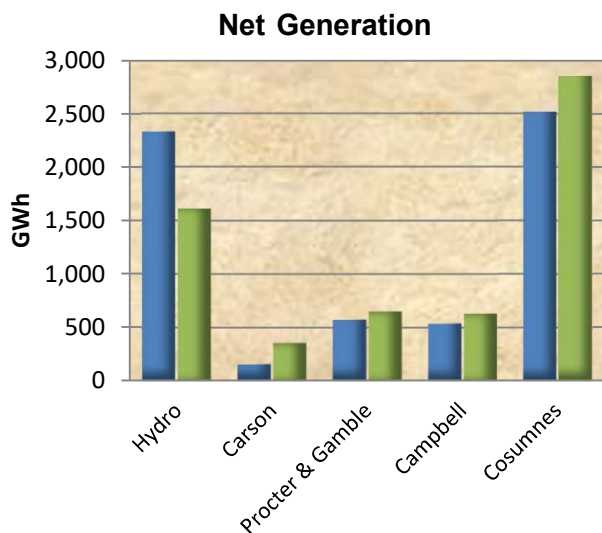
	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>	<u>Percent of Increase (Decrease)</u>
<b>OPERATING REVENUES</b>				
Sales to customers	\$ 1,488,491	\$ 1,506,865	\$ (18,374)	(1.2) %
Sales of surplus power	176,825	262,147	(85,322)	(32.5)
Sales of surplus gas	107,752	-	107,752	*
SB-1 revenue (deferral)/recognition, net	435	-	435	*
AB32 revenue	29,294	-	29,294	*
LCFS revenue	5,875	-	5,875	*
Other electric revenue	42,770	29,622	13,148	44.4
Revenue to rate stabilization fund	(101,392)	-	(101,392)	*
Revenue from rate stabilization fund	41,777	25,969	15,808	60.9
<b>Total operating revenues</b>	<b>1,791,827</b>	<b>1,824,603</b>	<b>(32,776)</b>	<b>(1.8)</b>
<b>OPERATING EXPENSES</b>				
Operations				
Purchased power	415,893	509,914	(94,021)	(18.4)
Production	307,822	230,376	77,446	33.6
Transmission and distribution	79,684	80,146	(462)	(0.6)
Customer accounts	53,047	51,627	1,420	2.8
Customer service and information	68,002	78,284	(10,282)	(13.1)
Administrative and general	179,951	192,730	(12,779)	(6.6)
Public good	55,626	66,997	(11,371)	(17.0)
<b>Total operations</b>	<b>1,160,025</b>	<b>1,210,074</b>	<b>(50,049)</b>	<b>(4.1)</b>
Maintenance				
Production	37,685	40,335	(2,650)	(6.6)
Transmission and distribution	129,670	112,505	17,165	15.3
<b>Total maintenance</b>	<b>167,355</b>	<b>152,840</b>	<b>14,515</b>	<b>9.5</b>
Depreciation and amortization				
Depreciation and amortization	238,408	223,877	14,531	6.5
Amortization of regulatory asset	34,703	37,892	(3,189)	(8.4)
<b>Total depreciation and amortization</b>	<b>273,111</b>	<b>261,769</b>	<b>11,342</b>	<b>4.3</b>
<b>Total operating expenses</b>	<b>1,600,491</b>	<b>1,624,683</b>	<b>(24,192)</b>	<b>(1.5)</b>
<b>OPERATING INCOME</b>	<b>191,336</b>	<b>199,920</b>	<b>(8,584)</b>	<b>(4.3)</b>
<b>NON-OPERATING REVENUES AND EXPENSES</b>				
Other revenues/(expenses)				
Interest income	34,701	11,744	22,957	195.5
Investment revenue (expense)	(7,277)	(539)	(6,738)	*
Other income (expense) - net	83,979	12,460	71,519	574.0
Unrealized holding gains (losses)	2,543	-	2,543	*
Revenue - CIAC	17,575	13,753	3,822	27.8
<b>Total other revenues</b>	<b>131,521</b>	<b>37,418</b>	<b>94,103</b>	<b>251.5</b>
Interest charges				
Interest on long-term debt	86,592	94,112	(7,520)	(8.0)
Interest on commercial paper	3,727	3,116	611	19.6
<b>Total interest charges</b>	<b>90,319</b>	<b>97,228</b>	<b>(6,909)</b>	<b>(7.1)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 232,538</b>	<b>\$ 140,110</b>	<b>\$ 92,428</b>	<b>66.0 %</b>

\* Equals 1000% or greater.

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

Sources of Energy (GWh)	Month		Increase	Year to Date		Increase
	Actual	Budget	(Decrease) Percentage	Actual	Budget	(Decrease) Percentage
<b>Net Generated</b>						
Hydro	16	66	(75.8)	2,328	1,618	43.9
Carson Power Plant	-	42	(100.0)	155	355	(56.3)
Procter & Gamble Power Plant	62	74	(16.2)	572	650	(12.0)
Campbell Power Plant	64	88	(27.3)	535	629	(14.9)
Cosumnes Power Plant	265	410	(35.4)	2,515	2,856	(11.9)
Other	15	24	(37.5)	512	564	(9.2)
<b>Total net generation</b>	<b>422</b>	<b>704</b>	<b>(40.1)</b>	<b>6,617</b>	<b>6,672</b>	<b>(0.8)</b>
<b>Purchased Power less transmission losses:</b>						
CalEnergy	19	18	5.6	203	204	(0.5)
Calpine Sutter	157	102	53.9	1,242	1,279	(2.9)
Drew Solar	18	18	0.0	280	286	(2.1)
Feed in Tariff	11	9	22.2	198	203	(2.5)
Geysers	72	72	0.0	803	802	0.1
Grady Wind	69	72	(4.2)	796	813	(2.1)
Rancho Seco PV II	7	16	(56.3)	166	271	(38.7)
WAPA	19	24	(20.8)	551	532	3.6
WSPP and other	187	32	484.4	2,068	1,642	25.9
Other long term power	36	40	(10.0)	512	593	(13.7)
<b>Total net purchases</b>	<b>595</b>	<b>403</b>	<b>47.6</b>	<b>6,819</b>	<b>6,625</b>	<b>2.9</b>
<b>Total sources of energy</b>	<b>1,017</b>	<b>1,107</b>	<b>(8.1)</b>	<b>13,436</b>	<b>13,297</b>	<b>1.0</b>
<b>Uses of energy:</b>						
SMUD electric sales and usage	744	790	(5.8)	9,289	9,559	(2.8)
Surplus power sales	248	289	(14.2)	3,841	3,300	16.4
System losses	25	28	(10.7)	306	438	(30.1)
<b>Total uses of energy</b>	<b>1,017</b>	<b>1,107</b>	<b>(8.1) %</b>	<b>13,436</b>	<b>13,297</b>	<b>1.0 %</b>

\* Change equals 1000% or more.



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

- Hydro generation is higher than planned (43.9 percent).
- JPA generation is lower than planned (15.9 percent).

Purchased power, less surplus power sales, is lower than plan (10.4 percent).

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

ASSETS

							Total	
	SMUD	SFA	NCEA	NCGA #1	Intercompany Eliminations	2023	2022	
<b>ELECTRIC UTILITY PLANT</b>								
Plant in service, original cost	\$ 6,222,369	\$ 964,112	\$ -	\$ -	\$ (4,578)	\$ 7,181,903	\$ 6,938,549	
Less accumulated depreciation	3,014,103	687,457	-	-	(785)	3,700,775	3,501,381	
Plant in service -net	3,208,266	276,655	-	-	(3,793)	3,481,128	3,437,168	
Construction work in progress	612,248	13,277	-	-	-	625,525	546,572	
Investment in Joint Power Agencies	321,481	-	-	-	(282,884)	38,596	32,824	
Total electric utility plant -net	4,141,995	289,932	-	-	(286,677)	4,145,249	4,016,564	
<b>RESTRICTED ASSETS</b>								
Revenue bond reserves	1,027	-	-	-	-	1,027	2,004	
Restricted for payment of debt service	52,065	-	-	-	-	52,065	59,360	
JPA funds	-	5,906	15,415	11,212	-	32,533	29,260	
Nuclear decommissioning trust fund	9,377	-	-	-	-	9,377	8,954	
Rate stabilization fund	215,631	-	-	-	-	215,631	188,965	
Net pension asset	-	-	-	-	-	-	61,942	
Net OPEB asset	-	-	-	-	-	-	34,223	
Other funds	40,616	-	3,061	1	-	43,678	27,473	
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	(63,979)	(5,906)	(18,476)	(11,213)	-	(99,574)	(99,607)	
Total restricted assets	254,737	-	-	-	-	254,737	312,574	
<b>CURRENT ASSETS</b>								
Cash, cash equivalents and investments								
Unrestricted	507,735	32,218	-	-	-	539,953	615,796	
Restricted	63,979	5,906	18,476	11,213	-	99,574	99,608	
Accounts receivable -net	251,460	47,723	5,378	3,008	(69,115)	238,455	261,939	
Lease receivable	835	-	-	-	(209)	626	360	
Energy efficiency loans due within one year	139	-	-	-	-	139	201	
Interest receivable	6,971	171	-	6	-	7,148	3,106	
Lease interest receivable	92	-	-	-	(46)	46	66	
Regulatory costs to be recovered within one year	61,903	104	-	105	-	62,112	36,492	
Derivative financial instruments maturing within in one year	16,010	-	-	-	-	16,010	109,466	
Inventories	138,004	17,484	-	-	-	155,488	117,200	
Prepaid gas to be delivered within one year	-	-	13,598	28,200	-	41,798	28,991	
Prepayments and other	29,156	10,247	-	16	-	39,419	26,998	
Total current assets	1,076,284	113,853	37,452	42,548	(69,370)	1,200,768	1,300,223	
<b>NONCURRENT ASSETS</b>								
Regulatory costs for future recovery								
Decommissioning	70,924	-	-	-	-	70,924	71,399	
Pension	449,988	-	-	-	-	449,988	338,892	
OPEB	288,493	-	-	-	-	288,493	274,035	
Bond Issues	-	583	-	271	-	854	1,063	
Derivative financial instruments	31	-	-	-	-	31	1,288	
Derivative financial instruments	45,208	-	-	-	-	45,208	103,332	
Prepaid gas	-	-	511,585	86,594	-	598,179	639,977	
Prepaid power and capacity	-	-	-	-	-	-	190	
Lease receivable	21,134	-	-	-	(3,742)	17,392	17,162	
Energy efficiency loans -net	428	-	-	-	-	428	671	
Other	68,077	13	-	40	-	68,130	66,839	
Total noncurrent assets	944,283	596	511,585	86,905	(3,742)	1,539,627	1,514,848	
<b>TOTAL ASSETS</b>	<b>\$ 6,417,299</b>	<b>\$ 404,381</b>	<b>\$ 549,037</b>	<b>\$ 129,453</b>	<b>\$ (359,789)</b>	<b>\$ 7,140,381</b>	<b>\$ 7,144,209</b>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Accumulated decrease in fair value of hedging derivatives	77,522	-	-	-	-	77,522	13,328	
Deferred pension outflows	136,536	-	-	-	-	136,536	67,992	
Deferred OPEB outflows	43,356	-	-	-	-	43,356	20,900	
Deferred ARO outflows	-	1,435	-	-	-	1,435	1,368	
Unamortized bond losses - other	5,525	934	-	-	-	6,459	8,572	
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>262,939</b>	<b>2,369</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>265,308</b>	<b>112,160</b>	
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 6,680,238</b>	<b>\$ 406,750</b>	<b>\$ 549,037</b>	<b>\$ 129,453</b>	<b>\$ (359,789)</b>	<b>\$ 7,405,689</b>	<b>\$ 7,256,369</b>	

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

LIABILITIES AND NET ASSETS

	<u>Total</u>						
	SMUD	SFA	NCEA	NCGA #1	Intercompany Eliminations	2023	2022
<b>LONG-TERM DEBT -NET</b>	\$ 2,215,768	\$ 80,734	\$ 525,595	\$ 94,540	\$ -	\$ 2,916,637	2,891,576
<b>CURRENT LIABILITIES</b>							
Commercial paper notes	-	-	-	-	-	-	150,000
Accounts payable	125,235	7,550	(1,602)	49	-	131,232	139,572
Purchased power payable	80,264	23,478	-	502	(69,116)	35,128	54,758
Credit support collateral obligation	12,602	-	-	1	-	12,603	12,294
Long-term debt due within one year	84,590	13,115	14,505	25,530	-	137,740	135,875
Accrued decommissioning	7,549	-	-	-	-	7,549	6,889
Interest payable	26,416	1,831	9,015	909	-	38,171	38,086
Accrued interest liability	11	65	-	-	(46)	30	30
Accrued salaries and compensated absences	50,845	-	-	-	-	50,845	49,443
Derivative financial instruments maturing within one year	65,610	-	-	-	-	65,610	9,944
Customer deposits	1,934	-	-	-	-	1,934	1,757
Lease liability	2,496	289	-	-	(209)	2,576	26,061
Other	55,279	-	-	-	-	55,279	49,030
<b>Total current liabilities</b>	<b>512,831</b>	<b>46,328</b>	<b>21,918</b>	<b>26,991</b>	<b>(69,371)</b>	<b>538,697</b>	<b>673,739</b>
<b>NONCURRENT LIABILITIES</b>							
Accrued decommissioning - net	73,618	9,756	-	-	-	83,374	82,690
Derivative financial instruments	13,512	-	-	-	-	13,512	5,532
Net pension liability	191,014	-	-	-	-	191,014	-
Net OPEB liability	31,190	-	-	-	-	31,190	-
Lease liability	4,537	5,170	-	-	(3,742)	5,965	30,530
Other	84,977	-	208	-	-	85,185	78,788
<b>Total noncurrent liabilities</b>	<b>398,848</b>	<b>14,926</b>	<b>208</b>	<b>-</b>	<b>(3,742)</b>	<b>410,240</b>	<b>197,540</b>
<b>TOTAL LIABILITIES</b>	<b>3,127,447</b>	<b>141,988</b>	<b>547,721</b>	<b>121,531</b>	<b>(73,113)</b>	<b>3,865,574</b>	<b>3,762,855</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Accumulated increase in fair value of hedging derivatives	61,219	-	-	-	-	61,219	209,219
Deferred pension inflows	17,536	-	-	-	-	17,536	171,762
Deferred OPEB inflows	33,732	-	-	-	-	33,732	63,237
Deferred lease inflows	21,224	-	-	-	(3,792)	17,432	17,373
Regulatory credits	760,057	-	-	-	-	760,057	640,313
Unamortized bond gains - other	46,845	-	-	-	-	46,845	20,775
Unearned revenue	3,948	5	-	-	-	3,953	3,307
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>944,561</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>(3,792)</b>	<b>940,774</b>	<b>1,125,986</b>
<b>NET POSITION</b>							
Balance at beginning of year	2,377,719	267,457	(4,610)	8,989	(282,752)	2,366,803	2,296,261
Net increase (decrease) for the year	230,511	22,300	6,956	(467)	(26,762)	232,538	71,267
Member contributions (distributions) -net	-	(25,000)	(1,030)	(600)	26,630	-	-
<b>TOTAL NET POSITION</b>	<b>2,608,230</b>	<b>264,757</b>	<b>1,316</b>	<b>7,922</b>	<b>(282,884)</b>	<b>2,599,341</b>	<b>2,367,528</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 6,680,238</b>	<b>\$ 406,750</b>	<b>\$ 549,037</b>	<b>\$ 129,453</b>	<b>\$ (359,789)</b>	<b>\$ 7,405,689</b>	<b>\$ 7,256,369</b>

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

	Month	Year to Date
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	126,065	\$ 1,530,639
Receipts from surplus power and gas sales	18,899	316,322
Other receipts	25,633	176,242
Payments to employees - payroll and other	(27,138)	(367,073)
Payments for wholesale power and gas purchases	(42,534)	(641,758)
Payments to vendors/others	(35,759)	(537,921)
Net cash provided by operating activities	65,166	476,451
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Repayment of debt	-	(25,185)
Interest on debt	-	(27,659)
Net cash used in noncapital financing activities	-	(52,844)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Construction expenditures	(63,267)	(399,978)
Proceeds from land sales	-	45,000
Contributions in aid of construction	286	20,239
Net proceeds from bond issues	-	537,606
Repayments and refundings of debt	-	(420,730)
Issuance of commercial paper	-	50,000
Repayments of commercial paper	-	(200,000)
Other receipts	-	16,501
Interest on debt	(14,244)	(116,685)
Lease and other payments	(2,201)	(24,741)
Cash received from leases	28	886
Net cash used in capital and related financing activities	(79,398)	(491,902)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales and maturities of securities	19,154	523,327
Purchases of securities	(2,331)	(672,481)
Interest and dividends received	2,014	32,210
Investment revenue/expenses - net	(1,480)	(7,362)
Net cash provided by (used in) investing activities	17,357	(124,306)
Net increase (decrease) in cash and cash equivalents	3,125	(192,601)
Cash and cash equivalents at the beginning of the month and year	194,112	389,838
Cash and cash equivalents at November 30, 2023	\$ 197,237	\$ 197,237
Cash and cash equivalents included in:		
Unrestricted cash and cash equivalents	\$ 157,745	\$ 157,745
Restricted and designated cash and cash equivalents	28,398	28,398
Restricted and designated assets (a component of the total of \$254,737 at November 30, 2023)	11,094	11,094
Cash and cash equivalents at November 30, 2023	\$ 197,237	\$ 197,237





SSS No. IAS 2024-1

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit January 16, 2024
Board Meeting Date N/A

TO				TO			
1.	Jennifer Davidson	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>Budgeted</b>		<b>Yes</b>		<b>No</b> (If no, explain in Cost/Budgeted section.)	
FROM (IPR) Claire Rogers		DEPARTMENT Internal Audit Services		MAIL STOP B409	EXT. 7122	DATE SENT 12/28/23	

**NARRATIVE:**

**Requested Action:** Provide the Board with an informational presentation on Internal Audit and the 2024 Annual Plan.

**Summary:** The presentation will review the purpose, authority and responsibilities of Internal Audit Services. In addition, the organizational relationship and role in SMUD’s overall risk management and control will be presented.

Internal Audit Services takes multiple steps to create the proposed annual audit plan. The objective is to develop a plan that is risk based and focused to deliver value to SMUD. The following key steps are completed: understand SMUD’s business environment, organization, and strategic goals; assess risk and exposure in achieving goals; understand controls/strategies in place to mitigate risks; obtain input from executives, managers and key stakeholders; assess impact of prior audit work; availability and expertise of resources and best practices. This information is gathered, evaluated, and prioritized to develop the final plan. The audits selected reflect greater business risks, audits that are performed cyclically or areas that may not have as robust systems of internal controls to help ensure adequate risk mitigation.

**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, Internal Audit Services

**Additional Links:**

SUBJECT 2024 Internal Audit Plan	ITEM NO. (FOR LEGAL USE ONLY)
-------------------------------------	-------------------------------

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.



SSS No. IAS 2024-2

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit January 16, 2024
Board Meeting Date N/A

TO	TO
1. Jennifer Davidson	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>	<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	x	<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 12/28/23
-----------------------------	---------------------------------------	-------------------	--------------	-----------------------

**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:

<b>Title</b>	<b>Report Number</b>
• Status of Recommendations Report for Q4 2023.....	n/a
• Heat Illness Prevention Program .....	28007720

**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, Internal Audit Services

**Additional Links:**

SUBJECT Internal Audit Services Report	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
---	--------------------------------------

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

# SACRAMENTO MUNICIPAL UTILITY DISTRICT

## OFFICE MEMORANDUM

**TO:** Board of Directors

**DATE:** January 3, 2024

**FROM:** Claire Rogers

**SUBJECT: QUARTERLY REPORT ON THE STATUS OF RECOMMENDATIONS AS OF  
DECEMBER 31, 2023**

We are pleased to inform you that all outstanding recommendations have been implemented, and there is no Status of Recommendations report for the Fourth Quarter of 2023. There are currently no outstanding items.

If you need further information or wish to discuss any aspect of the report, please contact me at 732-7122, or [Claire.Rogers@smud.org](mailto:Claire.Rogers@smud.org).

# Heat Illness Prevention Program

## Executive Summary

Internal Audit Services (IAS) has completed a review of SMUD's Heat Illness Prevention Program. The purpose of this audit was to confirm that SMUD's Heat Illness Prevention standards align with Cal/OSHA's Heat Illness Prevention Regulations. This audit was included in the 2023 IAS Audit Plan.

Heat illness is a serious medical condition resulting from the body's inability to cope with a particular heat load, and includes heat cramps, heat exhaustion, heat syncope, and heat stroke. In California, Cal/OSHA's Heat Illness Prevention regulations require employers to take steps to protect outdoor workers from heat illness with water, rest, shade, and training. Heat illness training is required for all outdoor workers and a written prevention plan must be available at all outdoor worksites.

We reviewed all SMUD policies, procedures, and training related heat illness prevention and identified each employer requirement in Cal/OSHA's Heat Illness Prevention regulations; we then reviewed SMUD's Heat Illness Prevention Plan and related training and confirmed that all of the requirements were met. We also selected a sample of field employees and confirmed that they all received the required heat illness prevention training. Our review found that SMUD's Heat Illness Prevention program complies with Cal/OSHA's Heat Illness Prevention regulations, and that the training is delivered to applicable field employees.

IAS commends Safety Services staff for its dedication to employee safety and the prevention of heat illness, and we would like to thank them for their cooperation and support during this audit. We would also like to thank Sacramento Power Academy staff for the assistance they provided.

**ERM Dashboard**

**Employee Safety**



# Internal Audit Services

---

## Heat Illness Prevention Program

Audit Report 28007720



# Heat Illness Prevention Program

## Internal Audit Services Report

### **Background:**

Internal Audit Services (IAS) has completed a review of SMUD's Heat Illness Prevention Program. The purpose of this audit was to determine whether SMUD's Heat Illness Prevention Program complies with Cal/OSHA's Heat Illness Prevention regulations. This audit was included in the 2023 IAS Audit Plan.

Heat illness is a serious medical condition resulting from the body's inability to cope with a particular heat load, and includes heat cramps, heat exhaustion, heat syncope and heat stroke. In California, Cal/OSHA's Heat Illness Prevention regulations require employers to take steps to protect outdoor workers from heat illness with water, rest, shade, and training. Heat illness training is required for all outdoor workers and a written prevention plan must be available at all outdoor worksites.

SMUD's Health and Safety (Safety Services) team is responsible for developing, implementing, and maintaining safety standards, programs, and processes, as well as monitoring compliance with safety statutes and regulations. The Safety Services team is also responsible for developing and conducting training on safety procedures; the Sacramento Power Academy (SPA) staff assist in delivering training, and are responsible for maintaining documentation of safety and health training for all Energy Delivery and Operations team members.

### **Scope:**

The scope of this audit included all heat illness prevention-related procedures and training, and all applicable 2023 training records. Because the fieldwork for this audit was completed in October and November, we did not have the opportunity to visit sites and test the implementation of heat illness prevention procedures.

### **Objectives:**

The objective of this audit was to determine whether SMUD's Heat Illness Prevention Program complies with Cal/OSHA's Heat Illness Prevention regulations.

### **Summary:**

AQS interviewed Safety Services staff to learn about the processes related to heat illness prevention and training. We also reviewed all policies, procedures, and training related heat illness prevention. Specifically, we identified each requirement in Cal/OSHA's Heat Illness Prevention regulations; we then reviewed SMUD's Health and Safety Standard for Heat Illness, as well as Energy Delivery and Operations' Safety Manual, and confirmed that each requirement was addressed.

We also identified all Cal/OSHA requirements for Heat Illness Prevention training, and reviewed SMUD's Heat Illness Prevention training to confirm that all of the required



elements were included. We also selected a sample of field employees and confirmed that they all received the required heat illness prevention training.

**Conclusion:**

SMUD's Heat Illness Prevention program complies with Cal/OSHA's Heat Illness Prevention regulations. Additionally, its Heat Illness Prevention training complies with the regulations' training requirements, and is delivered to applicable field employees.

IAS commends Safety Services staff for its dedication to employee safety and the prevention of heat illness, and we would like to thank them for their cooperation and support during this audit. We would also like to thank Sacramento Power Academy staff for the assistance they provided.





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.	Jennifer Davidson	6.										
2.	Suresh Kotha	7.										
3.	Brandy Bolden	8.										
4.	Farres Everly	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> <input type="checkbox"/>		<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Rob Kerth / Crystal Henderson				DEPARTMENT Board Office				MAIL STOP B307	EXT. 5424	DATE SENT 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:** *(Number & Title)* 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)
--	-------------------------------

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.