

Board of Directors Meeting Agenda

Date: January 16, 2025

Time: 6:00 p.m.

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

AGENDA

SACRAMENTO MUNICIPAL UTILITY DISTRICT BOARD OF DIRECTORS MEETING SMUD HEADQUARTERS BUILDING AUDITORIUM – 6201 S STREET SACRAMENTO, CALIFORNIA

January 16, 2025 – 6:00 p.m.

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 SMUD Board of Directors Meeting Here](#)

Webinar/Meeting ID: 160 152 1167

Passcode: 173289

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.

Call to Order.

a. Roll Call.

1. Oath of Office
Brandon D. Rose – Ward 1
Nancy Bui-Thompson – Ward 2
Rob Kerth – Ward 5
2. Approval of the Agenda.
3. Commendation Resolution for Director Herber.

Presenter: President Fishman

4. Committee Chair Reports.
 - a. Committee Chair report of January 14, 2025, Finance & Audit Committee
 - b. Committee Chair report of January 15, 2025, Policy Committee

Items 8 and 9 were reviewed by the January 14, 2025, Finance and Audit Committee.

Comments from the public are welcome when these agenda items are called.

Consent Calendar:

5. Approve revised Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period November 16, 2024, through December 12, 2024.
6. Approve Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period of December 13, 2024, through January 15, 2025, and technology reimbursement requests for purchases or repairs (pursuant to Resolution No. 19-12-05).
7. Approval of the minutes of the meeting of December 12, 2024.
8. Approve proposed revisions to **Board-Staff Linkage BL-3, Board-Internal Auditor Relationship**. Finance and Audit Committee 1/14. (Paul Lau)
9. Authorize the Chief Executive Officer and General Manager to negotiate and award contracts to **AECOM (Architecture, Engineering, Construction, Operations and Management) Technical Services, Black & Veatch Corporation, and Kleinfelder/Gas Transmission Systems, Inc. (Kleinfelder/GTS)** to provide professional renewable engineering services for the five-year period from February 1, 2025, to January 31, 2030, with two optional one-year extensions, for a total aggregate contract not-to-exceed amount of \$30 million. Finance and Audit Committee 1/14. (Lora Anquay)

* * * * *

Public Comment:

10. Items not on the agenda.

Board and CEO Reports:

11. Directors' Reports.
12. President's Report.
13. CEO's Report.
 - a. Board Video

Summary of Board Direction

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Board Committee Meetings and Special Meetings of the Board of Directors are held at the SMUD Headquarters Building, 6201 S Street, Sacramento

January 14, 2025	Finance and Audit Committee and Special SMUD Board of Directors Meeting	Auditorium*	6:00 p.m.
January 15, 2025	Policy Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.
February 11, 2025	Strategic Development Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.
February 12, 2025	Policy Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.
February 18, 2025	Finance and Audit Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.
February 19, 2025	Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.

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Regular Meetings of the Board of Directors are held at the SMUD Headquarters Building, 6201 S Street, Sacramento

February 20, 2025	Auditorium*	6:00 p.m.
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**The Auditorium is located in the lobby of the SMUD Headquarters Building, 6201 S Street, Sacramento, California.*

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. LEG 2025-0003

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date N/A
Board Meeting Date January 16, 2025

TO	TO									
1.	6.									
2.	7.									
3.	8.									
4.	9. Legal									
5.	10. CEO & General Manager									
<table border="0" style="width: 100%;"> <tr> <td style="width: 15%;">Consent Calendar</td> <td style="width: 5%;"></td> <td style="width: 5%;">Yes</td> <td style="width: 5%;"><input checked="" type="checkbox"/></td> <td style="width: 55%;">No <i>If no, schedule a dry run presentation.</i></td> <td style="width: 10%;">Budgeted</td> <td style="width: 5%;"><input checked="" type="checkbox"/></td> <td style="width: 5%;">Yes</td> <td style="width: 15%;">No <i>(If no, explain in Cost/Budgeted section.)</i></td> </tr> </table>	Consent Calendar		Yes	<input checked="" type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/>	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>	
Consent Calendar		Yes	<input checked="" type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/>	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>		
<table border="0" style="width: 100%;"> <tr> <td style="width: 35%;">FROM (IPR) Laura Lewis</td> <td style="width: 35%;">DEPARTMENT Executive Office</td> <td style="width: 10%;">MAIL STOP B308</td> <td style="width: 10%;">EXT. 6123</td> <td style="width: 10%;">DATE SENT 12/31/24</td> </tr> </table>	FROM (IPR) Laura Lewis	DEPARTMENT Executive Office	MAIL STOP B308	EXT. 6123	DATE SENT 12/31/24					
FROM (IPR) Laura Lewis	DEPARTMENT Executive Office	MAIL STOP B308	EXT. 6123	DATE SENT 12/31/24						

NARRATIVE:

Requested Action: Approve commendation resolution for Director Herber.

Summary: The SMUD Board of Directors is composed of seven members, elected by the communities they serve. The duties of the Board President are defined by the Municipal Utility District (MUD) Act (California Public Utilities Code §§ 11501, et seq.), and during each one-year term, the Board President’s job is to establish policies and values about how SMUD serves its customers and community and to set the long-term direction for SMUD.

As the elected representative from Ward 4, Director Herber served this Board well and faithfully as President for the year 2024. The Board would like to highlight the key accomplishments and contributions from Director Herber.

Board Policy: *(Number & Title)* Governance Process GP-3, Board Job Description – g) Serve as ambassadors for SMUD and build relationships throughout SMUD’s service territory and the region.

Benefits: Public acknowledgment of service.

Cost/Budgeted: This item has no direct budgetary impact.

Alternatives: N/A

Affected Parties: Board of Directors

Coordination: Board of Directors, Board Office and Executive Office

Presenter: President Fishman

Additional Links:

SUBJECT	Commendation Resolution for Director Herber	ITEM NO. (FOR LEGAL USE ONLY)	3
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

RESOLUTION NO. _____

WHEREAS, Rosanna Herber, as the elected representative from Ward 4, served this Board well and faithfully as President for the year 2024; and

WHEREAS, President Herber helped SMUD strengthen its reputation in 2024 as a leader in environmental stewardship, and a customer- and community-focused utility; and

WHEREAS, through President Herber's leadership, SMUD continued progress in delivering on its 2030 Zero Carbon Plan, including recruiting tens of thousands of customers to Join the Charge, securing new clean energy resources, and pursuing new partnerships, pilot programs and significant grant funding to ensure continued world-class reliability to support the most aggressive carbon reduction goal of any large utility in the U.S.; and

WHEREAS, despite cost pressures from supply chain constraints, lingering inflation and increases in compliance regulations, SMUD was able to keep rates among the lowest in California – and more than 52 percent lower than neighboring PG&E; and

WHEREAS, with President Herber's leadership, SMUD sold \$630 million of certified Green Bonds, demonstrating our commitment to environmental sustainability; and

WHEREAS, under President Herber's leadership, SMUD initiated a new Lineworker Scholarship Program in partnership with the local International Brotherhood of Electrical Workers (IBEW) to recruit workers from underrepresented communities; and

WHEREAS, under President Herber's leadership, SMUD continued walking door-to-door and business-to-business to connect low-income customers and small/medium businesses with SMUD's zero carbon programs; and

WHEREAS, SMUD made significant progress on clean energy projects - including commencing commercial operation of the 85 Megawatt Solano 4 Wind project, starting construction on the Country Acres solar and battery project and beginning negotiations with Calpine Corporation on the Power Purchase Agreement for carbon capture and storage; and

WHEREAS, President Herber led the organization in a literacy awareness campaign with the Sacramento Literacy Foundation, re-established the Elected Women's Luncheon, dedicated MOSAC's new Health Connection exhibit, and broke ground at four Mutual Housing projects; and

WHEREAS, under President Herber's leadership, the Board of Directors participated in its first ever Diversity, Equity and Inclusion training at SMUD; and

WHEREAS, President Herber continued to be critical to community and outreach efforts, attending dozens of events, and delivering nearly 85 speeches and presentations during the year; and

WHEREAS, President Herber continued to faithfully serve her constituents in Ward 4, which includes Curtis Park, Land Park, Greenhaven, Pocket, Walnut Grove and parts of Elk Grove; and

WHEREAS, the Board has benefited from President Herber's equitable management of the Board meetings, as well as her enthusiastic representation of SMUD's ambitious goal to our partners, the public and media; **NOW, THEREFORE**,

DRAFT

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

This Board commends Rosanna Herber for her outstanding and dedicated service to the Board, to SMUD, and to the Sacramento community during her tenure as President, and the Board looks forward to serving with her as she continues as the Director for Ward 4.

RESOLUTION NO. _____

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

That this Board hereby approves revised Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period of November 16, 2024, through December 12, 2024.

RESOLUTION NO. _____

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

Section 1. That this Board hereby approves Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period of December 13, 2024, through January 15, 2025.

Section 2. That this Board hereby approves Board member reimbursement requests for technology-related expenses (pursuant to Resolution No. 19-12-05).

**Board Member Request for Approval of Technology Reimbursement
(pursuant to Governance Process GP-12, Board Compensation and Benefits)**

Cell Phone Allowance (check only one box)

- Low usage - \$8.75/per pay period
5 hours or less of calls/texts per month
- Medium usage - \$16.25/per pay period
5 hours to 24 hours of calls/texts per month
- High usage - \$26.25/per pay period
More than 24 hours of calls/texts per month

Data (check box if requested)

- Email/Data Plan - \$20.00/per pay period

Internet Access (check box if requested)

- Internet access for laptops/tablets working remotely - \$16.00 per pay period

Cell Phone Device Reimbursement (check only one box)

- Reimbursement up to \$400 every 24 months for the purchase of a phone

*Note: *Senior Leadership cannot combine both reimbursements toward a cell phone. If you receive \$400 for a cell phone reimbursement, you can only use the \$1000 to purchase a laptop or iPad/tablet. If you receive \$1000 for the purchase of a cell phone, you are not eligible to receive the \$400 cell phone reimbursement.*

Laptop/Tablet/Computer/Cell Phone Device Reimbursement (check if requested)

- Reimbursement up to \$1000 every 24 months for the purchase of a laptop/tablet or cell phone (see restrictions above with regard to cell phone purchases)

Date: January 3, 2025

Name: Brandon Rose

Signature: *Brandon D. Rose*

**Board Member Request for Approval of Technology Reimbursement
(pursuant to Governance Process GP-12, Board Compensation and Benefits)**

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Laptop/Tablet/Computer/Cell Phone Device Reimbursement (check if requested)

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Date: 11/11/2024

Name: Nancy Bui-Thompson

Signature: 

**Board Member Request for Approval of Technology Reimbursement
(pursuant to Governance Process GP-12, Board Compensation and Benefits)**

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Laptop/Tablet/Computer/Cell Phone Device Reimbursement (check if requested)

- Reimbursement up to \$1000 every 24 months for the purchase of a laptop/tablet or cell phone (see restrictions above with regard to cell phone purchases)

Date: 12-10-2024

Name: Gregg Fishman

Signature: Gregg Fishman

**Board Member Request for Approval of Technology Reimbursement
(pursuant to Governance Process GP-12, Board Compensation and Benefits)**

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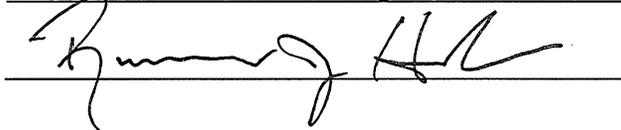
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Laptop/Tablet/Computer/Cell Phone Device Reimbursement (check if requested)

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Date: 12/11/2024

Name: Rosanna Herber

Signature: 

**Board Member Request for Approval of Technology Reimbursement
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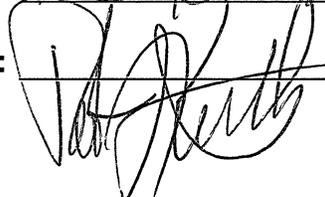
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Date: 12/10/24

Name: ROB KEITH

Signature: 

**Board Member Request for Approval of Technology Reimbursement
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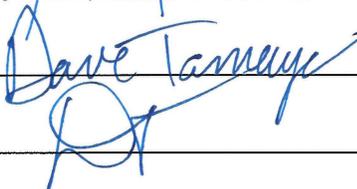
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Date: 12/10/2024

Name: Dave Lammey

Signature: 

**Board Member Request for Approval of Technology Reimbursement
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Date: 12/10/24

Name: Hetti Sauborn

Signature: 

Sacramento, California

December 12, 2024

The Board of Directors of the Sacramento Municipal Utility District met in regular session simultaneously in the Auditorium of the SMUD Headquarters Building at 6201 S Street, Sacramento, and via virtual meeting (online) at 6:00 p.m.

Roll Call:

Presiding: President Herber

Present: Directors Rose, Bui-Thompson, Fishman, Kerth, Tamayo, and Sanborn

Present also were Paul Lau, Chief Executive Officer and General Manager; Laura Lewis, Chief Legal & Government Affairs Officer and General Counsel and Secretary, other members of SMUD's executive management; and SMUD employees and visitors.

Director Kerth shared the 2030 Climate Action Tip.

President Herber called for approval of the agenda. Director Kerth moved for approval of the agenda, Director Tamayo seconded, and the agenda was unanimously approved.

Director Kerth, Chair, presented the report for the Finance & Audit Committee meeting held on December 10, 2024.

Director Tamayo, Chair, presented the report on the Policy Committee meeting held on December 11, 2024.

President Herber then called for public comment for items on the agenda, but none was forthcoming.

President Herber then addressed the consent calendar consisting of Items 3 through 8. Director Tamayo moved for approval of the consent calendar, Vice President Fishman seconded, and Resolution Nos. 24-12-01 through 24-12-05 were unanimously approved.

RESOLUTION NO. 24-12-01

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

That this Board hereby approves Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period of November 16, 2024, through December 12, 2024.

Approved: December 12, 2024

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR FISHMAN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

RESOLUTION NO. 24-12-02

WHEREAS, the Board of Directors currently delegates the authority to approve pay schedules and special compensation items to the Chief Executive Officer and General Manager; and

WHEREAS, the **California Public Employees' Retirement System (CalPERS)** adopted California Code of Regulations, Title 2, Sections 570.5 and 571(b), which require this Board to formally adopt pay schedules and special compensation items for purposes of calculating CalPERS retirement benefits; **NOW, THEREFORE,**

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

Adopt Sacramento Municipal Utility District's Pay Schedule and Special Compensation items for employees pursuant to California Code of Regulations, Title 2, Sections 570.5 and 571(b), substantially in the form of **Attachment A** and **Attachment B**.

Approved: December 12, 2024

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR FISHMAN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

Job ID	Job Title	Prob Per Mo	Pay Scale Group	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step10	Wage Type	Effective Date
50051540	Accountant Entry	F	PAS00430	\$77,334.40									\$102,440.00	Annually	12/14/2024
50051541	Accountant Journey	12	PAS00520	\$96,553.60									\$127,878.40	Annually	12/14/2024
50083082	Accounting Technician	6	OSE0680A	\$32.53	\$33.37	\$34.21	\$35.05	\$35.95	\$36.86	\$37.77	\$38.74	\$39.73		Hourly	12/14/2024
50051545	Administrative Supervisor	12	PAS00430	\$77,334.40									\$102,440.00	Annually	12/14/2024
50131376	Analyst Trainee	N/	PAS00390	\$70,075.20									\$92,913.60	Annually	12/14/2024
50157614	Art Director	12	PAS00620	\$123,531.20									\$163,592.00	Annually	12/14/2024
50051631	Asset Protection Officer I	12	SECU220A	\$24.61	\$25.26	\$25.91	\$26.54	\$27.21	\$27.86	\$28.57	\$29.26	\$30.02		Hourly	12/14/2024
50051633	Asset Protection Officer II	12	SECU245A	\$31.23	\$32.01	\$32.80	\$33.63	\$34.48	\$35.37	\$36.20	\$37.14	\$38.07		Hourly	12/14/2024
50138722	Asset Supervisor Business Operations	12	PAS0062L	\$123,531.20									\$228,883.20	Annually	12/14/2024
50169886	Asset Supervisor Power Generation	12	PAS0062J	\$123,531.20									\$213,449.60	Annually	12/14/2024
50121495	Assistant Engineer	12	PAS00410	\$73,611.20									\$97,489.60	Annually	12/14/2024
50136460	Assistant General Manager	N/	EXEUC01E	\$301,246.40									\$492,939.20	Annually	12/14/2024
50092300	Assistant Superintendent Power Generation	12	PAS00660	\$136,364.80									\$180,606.40	Annually	12/14/2024
50159051	Assistant Supervisor Telecommunication Operations and Management	12	PAS0059C	\$114,712.00									\$163,592.00	Annually	12/14/2024
50090360	Associate Civil Engineer Entry Level	F	PAS00520	\$96,553.60									\$127,878.40	Annually	12/14/2024
50097000	Associate Civil Engineer Journey	12	PAS00590	\$114,712.00									\$151,985.60	Annually	12/14/2024
50051553	Associate Desktop Support Specialist Closed Classification	F	PAS00450	\$81,244.80									\$107,577.60	Annually	12/14/2024
50083179	Associate Distribution Design Engineer Entry	F	PAS00520	\$96,553.60									\$127,878.40	Annually	12/14/2024
50051525	Associate Distribution Design Engineer Journey	12	PAS00590	\$114,712.00									\$151,985.60	Annually	12/14/2024
61000010	Associate Distribution Operations Engineer Entry	F	PAS00520	\$93,516.80									\$123,843.20	Annually	1/8/2024
61000010	Associate Distribution Operations Engineer Journey	F	PAS00520	\$96,553.60									\$127,878.40	Annually	12/14/2024
61000011	Associate Distribution Operations Engineer Journey	12	PAS00590	\$111,092.80									\$147,201.60	Annually	1/8/2024
61000011	Associate Distribution Operations Engineer Journey	12	PAS00590	\$114,712.00									\$151,985.60	Annually	12/14/2024
50083180	Associate Distribution System Engineer Entry	F	PAS00520	\$96,553.60									\$127,878.40	Annually	12/14/2024
50051539	Associate Distribution System Engineer Journey	12	PAS00590	\$114,712.00									\$151,985.60	Annually	12/14/2024
50083181	Associate Electrical Engineer Entry	F	PAS00520	\$96,553.60									\$127,878.40	Annually	12/14/2024
50051526	Associate Electrical Engineer Journey	12	PAS00590	\$114,712.00									\$151,985.60	Annually	12/14/2024
50139912	Associate Energy Management System Engineer Entry Level	F	PAS00520	\$96,553.60									\$127,878.40	Annually	12/14/2024
50139910	Associate Energy Management System Engineer Journey	12	PAS00590	\$114,712.00									\$151,985.60	Annually	12/14/2024
50121331	Associate Enterprise Technology Analyst Entry	F	PAS00450	\$81,244.80									\$107,577.60	Annually	12/14/2024
50121274	Associate Enterprise Technology Developer Entry	F	PAS00450	\$81,244.80									\$107,577.60	Annually	12/14/2024
50168400	Associate Instrument and Controls Engineer Entry Level	F	PAS00520	\$96,553.60									\$127,878.40	Annually	12/14/2024
50108175	Associate Instrument and Controls Engineer Journey	12	PAS00590	\$114,712.00									\$151,985.60	Annually	12/14/2024
50051532	Associate Mechanical Engineer Entry Level	F	PAS00520	\$96,553.60									\$127,878.40	Annually	12/14/2024
50083182	Associate Mechanical Engineer Journey	12	PAS00590	\$114,712.00									\$151,985.60	Annually	12/14/2024
50120408	Associate Power Operation Engineer Journey Level	12	PAS00590	\$114,712.00									\$151,985.60	Annually	12/14/2024
50134736	Associate Protection Engineer Entry Level	F	PAS00520	\$96,553.60									\$127,878.40	Annually	12/14/2024
50120123	Associate Protection Engineer Journey	12	PAS00590	\$114,712.00									\$151,985.60	Annually	12/14/2024
61000022	Associate Substation Engineer Entry	F	PAS00520	\$93,516.80									\$123,843.20	Annually	5/7/2024
61000022	Associate Substation Engineer Entry	F	PAS00520	\$96,553.60									\$127,878.40	Annually	12/14/2024
61000023	Associate Substation Engineer Journey	12	PAS00590	\$111,092.80									\$147,201.60	Annually	5/7/2024
61000023	Associate Substation Engineer Journey	12	PAS00590	\$114,712.00									\$151,985.60	Annually	12/14/2024
50121906	Associate Telecommunication Engineer Entry	F	PAS00520	\$96,553.60									\$127,878.40	Annually	12/14/2024
50121894	Associate Telecommunication Engineer Journey	12	PAS00590	\$114,712.00									\$151,985.60	Annually	12/14/2024
50123046	Associate Transmission Planning Engineer Entry	F	PAS00520	\$96,553.60									\$127,878.40	Annually	12/14/2024
50123047	Associate Transmission Planning Engineer Journey	12	PAS00590	\$114,712.00									\$151,985.60	Annually	12/14/2024
50051556	Attorney Entry Level	N/	PAS00620	\$123,531.20									\$163,592.00	Annually	12/14/2024
50051557	Attorney Journey Level	N/	PAS00660	\$136,364.80									\$180,606.40	Annually	12/14/2024
50054600	Board Member	N/	BOARD001	\$317.00										Per Meeting	12/14/2024
50051564	Body Fender Mechanic	12	IBEW884A	\$56.95										Hourly	12/14/2024
50160320	Business Continuity Program Manager	12	PAS00640	\$129,771.20									\$171,891.20	Annually	12/14/2024
50166420	Business Development Manager Customer Sales	N/	PAS0069B	\$146,806.40									\$204,318.40	Annually	12/14/2024
50083187	Business Planning Analyst Entry Level	F	PAS0043B	\$77,334.40									\$107,577.60	Annually	12/14/2024
50051560	Business Planning Analyst Journey	12	PAS0052B	\$96,553.60									\$134,284.80	Annually	12/14/2024
50051551	Business Technology Analyst Entry	F	PAS00450	\$81,244.80									\$107,577.60	Annually	12/14/2024
50051561	Business Technology Analyst Journey	12	PAS00540	\$101,400.00									\$134,284.80	Annually	12/14/2024
50111755	Business Technology Program Manager	12	PAS00660	\$136,364.80									\$180,606.40	Annually	12/14/2024
50088597	Business Transformation Specialist	12	PAS00640	\$129,771.20									\$171,891.20	Annually	12/14/2024
50084255	Business Unit Planning Coordinator	12	PAS0062B	\$123,531.20									\$171,891.20	Annually	12/14/2024
50051586	Cable Locator	12	IBEW873G	\$48.95	\$49.98	\$51.40	\$52.71	\$53.70						Hourly	12/14/2024
50051584	Cable Locator with class A	12	IBEW873M	\$50.10	\$51.13	\$52.55	\$53.86	\$54.85						Hourly	12/14/2024
50051585	Cable Locator with Hazmat	12	IBEW873X	\$50.21	\$51.24	\$52.65	\$53.98	\$54.97						Hourly	12/14/2024
50185732	Cable Splicer Construction Foreman/Woman	12	IBEW941I	\$82.28										Hourly	12/14/2024
50167676	Cable Splicer Construction Foreman/Woman with class A	12	IBEW941F	\$83.43										Hourly	12/14/2024
50051574	Cable Splicer/Electrician	12	IBEW923K	\$69.30										Hourly	12/14/2024
50083188	Cable Splicer/Electrician Apprentice	54	IBEW909A	\$45.07	\$47.62	\$50.22	\$52.83	\$55.47	\$58.07	\$60.61	\$63.24	\$65.81		Hourly	12/14/2024
50051575	Cable Splicer/Electrician Apprentice with class A	54	IBEW909B	\$46.22	\$48.77	\$51.37	\$53.98	\$56.62	\$59.22	\$61.76	\$64.39	\$66.96		Hourly	12/14/2024
50051579	Cable Splicer/Electrician Apprentice with hazmat	54	IBEW909C	\$46.34	\$48.89	\$51.49	\$54.10	\$56.74	\$59.34	\$61.88	\$64.51	\$67.08		Hourly	12/14/2024
50051844	Cable Splicer/Electrician Foreman/Woman	12	IBEW937D	\$74.63										Hourly	12/14/2024
50051577	Cable Splicer/Electrician Foreman/Woman Light	12	IBEW942A	\$78.08										Hourly	12/14/2024
50051578	Cable Splicer/Electrician Foreman/Woman Light with class A	12	IBEW942L	\$79.23										Hourly	12/14/2024
50051576	Cable Splicer/Electrician with Class A	12	IBEW923L	\$70.45										Hourly	12/14/2024
50051583	Calibration Technician	12	IBEW925A	\$67.66										Hourly	12/14/2024
50166640	Category Manager	12	PAS00560	\$106,537.60									\$141,148.80	Annually	12/14/2024
50131457	Chief Customer Officer	N/	EXEUC01E	\$301,246.40									\$492,939.20	Annually	12/14/2024
50136448	Chief Diversity Officer	N/	EXEUC01E	\$301,246.40									\$492,939.20	Annually	12/14/2024
50051691	Chief Executive Officer and General Manager	N/	EXEUC03E	\$600,000.00									\$1,200,000.00	Annually	12/14/2024
50107656	Chief Financial Officer	N/	EXEUC01E	\$301,246.40									\$492,939.20	Annually	12/14/2024
50159814	Chief Information Officer	N/	EXEUC01E	\$301,246.40									\$492,939.20	Annually	12/14/2024
50051558	Chief Legal & Government Affairs Officer	N/	EXEUC01E	\$301,246.40									\$492,939.20	Annually	12/14/2024

N/ designates non-civil service jobs
F designates non-journey nonrepresented flex jobs

2025 SMUD Wage Schedule
Effective 12/14/2024

50154525	Material Specialist I with class A	12	IBEW793A	\$29.05	\$33.32	\$37.62	\$41.91											Hourly	12/14/2024
50154527	Material Specialist I with Crane and class A	12	IBEW793D	\$30.00	\$34.27	\$38.57	\$42.86											Hourly	12/14/2024
50099007	Material Specialist I with Crane and class A Closed Classification	12	IBEW851A	\$35.44	\$40.54	\$45.65	\$50.79											Hourly	12/14/2024
50154528	Material Specialist I with crane and hazmat	12	IBEW793E	\$30.12	\$34.39	\$38.69	\$42.98											Hourly	12/14/2024
50099008	Material Specialist I with crane and hazmat Closed Classification	12	IBEW851B	\$35.56	\$40.66	\$45.77	\$50.91											Hourly	12/14/2024
50154529	Material Specialist I with hazmat	12	IBEW793B	\$29.17	\$33.44	\$37.74	\$42.03											Hourly	12/14/2024
50099005	Material Specialist I with hazmat Closed Classification	12	IBEW851H	\$34.61	\$39.71	\$44.82	\$49.96											Hourly	12/14/2024
50154530	Material Specialist II	12	IBEW912D	\$42.88														Hourly	12/14/2024
50154478	Material Specialist II with class A	12	IBEW912F	\$44.03														Hourly	12/14/2024
50051787	Material Specialist II Closed Classification	12	IBEW862I	\$51.24														Hourly	12/14/2024
50154480	Material Specialist II with Crane and class A	12	IBEW912P	\$44.98														Hourly	12/14/2024
50099011	Material Specialist II with Crane and class A Closed Classification	12	IBEW862A	\$53.34														Hourly	12/14/2024
50154481	Material Specialist II with crane and hazmat	12	IBEW912R	\$45.10														Hourly	12/14/2024
50099012	Material Specialist II with crane and hazmat Closed Classification	12	IBEW862B	\$53.46														Hourly	12/14/2024
50154482	Material Specialist II with hazmat	12	IBEW912H	\$44.15														Hourly	12/14/2024
50083234	Material Specialist II with hazmat Closed Classification	12	IBEW862X	\$52.51														Hourly	12/14/2024
50154483	Material Specialist III	12	IBEW928D	\$55.97														Hourly	12/14/2024
50052074	Material Specialist III Closed Classification	12	IBEW878L	\$55.97														Hourly	12/14/2024
50154484	Material Specialist III with class A	12	IBEW928G	\$57.12														Hourly	12/14/2024
50154486	Material Specialist III with Crane and class A	12	IBEW928L	\$58.07														Hourly	12/14/2024
50099013	Material Specialist III with Crane and class A Closed Classification	12	IBEW879D	\$58.07														Hourly	12/14/2024
50154487	Material Specialist III with crane and hazmat	12	IBEW928M	\$58.19														Hourly	12/14/2024
50099014	Material Specialist III with crane and hazmat Closed Classification	12	IBEW898A	\$58.19														Hourly	12/14/2024
50154488	Material Specialist III with hazmat	12	IBEW928H	\$57.24														Hourly	12/14/2024
50052076	Material Specialist III with hazmat Closed Classification	12	IBEW879B	\$57.24														Hourly	12/14/2024
50154489	Material Specialist IV	12	IBEW858B	\$59.49														Hourly	12/14/2024
50154490	Material Specialist IV with class A	12	IBEW858H	\$60.64														Hourly	12/14/2024
50052171	Material Specialist IV with class A Closed Classification	12	IBEW898C	\$60.64														Hourly	12/14/2024
50154570	Material Specialist IV with Crane and class A	12	IBEW858N	\$61.59														Hourly	12/14/2024
50154571	Material Specialist IV with crane and hazmat	12	IBEW858P	\$61.71														Hourly	12/14/2024
50099010	Material Specialist IV with crane and hazmat Closed Classification	12	IBEW893E	\$61.71														Hourly	12/14/2024
50154572	Material Specialist IV with hazmat	12	IBEW858J	\$60.76														Hourly	12/14/2024
50052172	Material Specialist IV with hazmat Closed Classification	12	IBEW898X	\$60.76														Hourly	12/14/2024
50051788	Material Specialist II with class A Closed Classification	12	IBEW862C	\$52.39														Hourly	12/14/2024
50052075	Material Specialist III with class A Closed Classification	12	IBEW879A	\$57.12														Hourly	12/14/2024
50154141	Mechanic	12	IBEW865B	\$52.14														Hourly	12/14/2024
50051791	Mechanic Closed Classification	12	IBEW884A	\$56.95														Hourly	12/14/2024
50154142	Mechanic with Class A	12	IBEW865C	\$53.29														Hourly	12/14/2024
50051792	Mechanic with class A Closed Classification	12	IBEW888G	\$58.10														Hourly	12/14/2024
50154143	Mechanic with hazmat	12	IBEW865D	\$53.41														Hourly	12/14/2024
50051793	Mechanic with hazmat Closed Classification	12	IBEW888X	\$58.22														Hourly	12/14/2024
50154165	Mechanical Foreman/Woman Light	12	IBEW921G	\$65.40														Hourly	12/14/2024
50099904	Mechanical Foreman/Woman Light Closed Classification	12	IBEW937G	\$71.40														Hourly	12/14/2024
50164526	Meter & Service Designer	6	OSE0711A	\$37.60	\$38.54	\$39.51	\$40.49	\$41.52										Hourly	12/14/2024
50051796	Meter Technician	12	IBEW925A	\$67.66														Hourly	12/14/2024
50051797	Meter Technician Apprentice	48	IBEW912E	\$43.98	\$46.88	\$49.79	\$52.68	\$55.60	\$58.46	\$61.37	\$64.26							Hourly	12/14/2024
61000007	Network Assistant	12	IBEW802G	\$33.43	\$34.96	\$36.49	\$38.01											Hourly	12/14/2024
61000005	Network Assistant W/CL A	12	IBEW802L	\$34.58	\$36.11	\$37.64	\$39.16											Hourly	12/14/2024
50051839	Network Cable Foreman/Woman Light	12	IBEW941M	\$74.23														Hourly	12/14/2024
50051841	Network Electrician Foreman/Woman Light	12	IBEW941M	\$74.23														Hourly	12/14/2024
50051843	Network Electrician Foreman/Woman Light with hazmat	12	IBEW941X	\$75.50														Hourly	12/14/2024
50165507	Network Engineer Operations Technology Entry Level	F	PAS0045O	\$81,244.80									\$107,577.60	Annually				12/14/2024	
50165508	Network Engineer Operations Technology Journey	12	PAS0059O	\$114,712.00									\$151,985.60	Annually				12/14/2024	
50051846	Office Assistant	6	OSE0548A	\$17.00	\$17.48	\$17.99	\$18.54	\$19.09	\$19.67	\$20.26	\$20.86	\$21.48						Hourly	12/14/2024
50051847	Office Specialist I	6	OSE0615A	\$23.44	\$24.03	\$24.63	\$25.21	\$25.84	\$26.51	\$27.17	\$27.85	\$28.56						Hourly	12/14/2024
50051848	Office Specialist II	6	OSE0647A	\$28.06	\$28.78	\$29.50	\$30.24	\$31.00	\$31.78	\$32.60	\$33.39	\$34.24						Hourly	12/14/2024
50122178	Office Specialist II Confidential	6	CONF647A	\$30.25	\$31.01	\$31.78	\$32.60	\$33.41	\$34.24	\$35.11	\$35.98	\$36.90						Hourly	12/14/2024
50051849	Office Technician	6	OSE0672A	\$31.11	\$31.89	\$32.71	\$33.53	\$34.31	\$35.23	\$36.04	\$36.97	\$37.90						Hourly	12/14/2024
50085707	Office Technician Confidential	6	CONF672A	\$34.02	\$34.85	\$35.76	\$36.64	\$37.90	\$38.53	\$39.50	\$40.45	\$41.49						Hourly	12/14/2024
50051851	Operations Support Supervisor	12	PAS0052O	\$96,553.60									\$127,878.40	Annually				12/14/2024	
50125954	Organization Effectiveness Specialist Entry Level	F	PAS0047O	\$85,384.00									\$113,027.20	Annually				12/14/2024	
50125953	Organization Effectiveness Specialist Journey Level	12	PAS0056O	\$106,537.60									\$141,148.80	Annually				12/14/2024	
50154533	Paralegal Confidential	6	CONF735A	\$42.14	\$43.18	\$44.28	\$45.37	\$46.51	\$47.67	\$48.87	\$50.08	\$51.33						Hourly	12/14/2024
50092672	Pavroll Technician Confidential	6	CONF702A	\$37.64	\$38.59	\$39.59	\$40.62	\$41.66	\$42.68	\$43.81	\$44.92	\$46.07						Hourly	12/14/2024
50051857	Physical Network Specialist Closed Classification	12	PAS0054O	\$101,400.00									\$134,284.80	Annually				12/14/2024	
50159569	Physical Security Program Manager	12	PAS0064O	\$129,771.20									\$171,891.20	Annually				12/14/2024	
50051860	Plant Mechanic	12	IBEW908A	\$62.42														Hourly	12/14/2024
50083241	Plant Mechanic Apprentice	48	IBEW879E	\$40.57	\$43.25	\$45.94	\$48.61	\$51.27	\$53.95	\$56.62	\$59.31							Hourly	12/14/2024
50083242	Plant Mechanic Apprentice with class A	48	IBEW879H	\$41.72	\$44.44	\$47.13	\$49.80	\$52.45	\$55.13	\$57.81	\$60.50							Hourly	12/14/2024
50051861	Plant Mechanic Apprentice with hazmat	48	IBEW874X	\$41.84	\$44.57	\$47.25	\$49.91	\$52.60	\$55.26	\$57.93	\$60.62							Hourly	12/14/2024
50100942	Plant Mechanic Welder	12	IBEW920A	\$66.34														Hourly	12/14/2024
50051862	Plant Mechanic with class A	12	IBEW908L	\$63.57														Hourly	12/14/2024
50083240	Plant Mechanic with hazmat	12	IBEW908X	\$63.69														Hourly	12/14/2024
50083244	Power Contracts Specialist Entry Level	F	PAS0049O	\$89,648.00									\$118,788.80	Annually				12/14/2024	
50161142	Power Contracts Specialist Intermediate Level	F	PAS0054O	\$101,400.00									\$134,284.80	Annually				12/14/2024	
50067464	Power Contracts Specialist Journey	12	PAS0059O	\$114,712.00									\$151,985.60	Annually				12/14/2024	
50139834	Power Generation Asset Supervisor	12	PAS0062I	\$123,531.20									\$193,481.60	Annually				12/14/2024	
50051904	Power Quality Technician	6	OSE0760A	\$48.07	\$49.31	\$50.54	\$51.83	\$53.09	\$54.44	\$55.78	\$57.20	\$58.63						Hourly	12/14/2024
50088326	Power System Analyst Entry	F	PAS0047O	\$85,384.00									\$113,027.20	Annually				12/14/2024	
50051905	Power System Analyst Journey	12	PAS0056O	\$106,537.60									\$141,148.80	Annually				12/14/2024	
50154573	Power System Operator Entry	36	IBEW955A	\$72.07	\$73.88	\$75.72	\$77.65	\$79.55										Hourly	12/14/2024
50154574	Power System Operator I	F	IBEW980A	\$79.55	\$81.53	\$83.62	\$85.70	\$87.85	\$90.05	\$92.28	\$94.62	\$96.98						Hourly	12/14/2024

N/ designates non-civil service jobs

F designates non-journey nonrepresented flex jobs

**Attachment B
to Resolution No. 24-12-02**

Sacramento Municipal Utility District 2025 Other Pay Compensation Policy							
OTHER COMPENSATION CATEGORY	WAGE TYPE	ELIGIBLE EMPLOYEE GROUPS					EFFECTIVE DATE
		OSE	IBEW	PAS/MGMT	PSOA	CONF	
Special Assignment Pay	2nd Shift Differential Pay	\$ 2.88	\$ 3.89	*6%		4%	12/14/2024
Special Assignment Pay	3rd Shift Differential Pay	\$ 3.85	\$ 5.19	*8%		6%	12/14/2024
Special Assignment Pay	4th Shift Diff Pay - R.S.	\$ 4.81	\$ 5.19	*8%		8%	12/14/2024
Special Assignment Pay	PSOA 2nd Shift Differential Pay				8%		12/14/2024
Special Assignment Pay	Dbltm 4th Shift Diff	2X + \$4.81	2X + \$5.19	*2X + 8%	2X + 8%	0	12/14/2024
Special Assignment Pay	Instructor/Training Officer				8%		12/14/2024
Special Assignment Pay	Mutual Aid		2X				12/14/2024
Statutory Items	DT Incentive Erngs	2X	2X	*2X	2X		12/14/2024
Incentive Pay	Employer Paid Member Contributions	0.00%	0.00%	1.75%	0.00%	1.75%	12/14/2024
Statutory Items	FRC Cleaning Allowance	Up to \$1,550 / yr	Up to \$1,550 / yr	Up to \$1,550 / yr			12/14/2024
Manual Adjustment Required to correct	LUMP SUM ADJ - PERS	**	**	**	**	**	12/14/2024
Statutory Items	Overtime Incentive Erngs	2X	2X	*2X	2X		12/14/2024
Statutory Items	PERS Uniform Allowance	Up to \$1,559 / yr	Up to \$2,078 / yr	Up to \$2,078 / yr			12/14/2024
Special Assignment Pay	Relief Shift Differential	\$ 4.81	\$ 5.19	*8%	8%	8%	12/14/2024
Special Assignment Pay	Sch Hol Wk Shft 2 Dif-PAS			*1.5X + 6%			12/14/2024
Special Assignment Pay	Sch Hol Wk Shft 3 Dif-PAS			*1.5X + 8%			12/14/2024
Special Assignment Pay	Sch Hol Wk Shft 4 Dif-PAS			*1.5X + 8%			12/14/2024
Statutory Items	Sch Holiday Dbl Time	2X	2X	*2X	2X		12/14/2024
Statutory Items	Sch Holiday Work	2X	2X	*1.5X	2X		12/14/2024
Statutory Items	Sch Holiday Worked - PAS			*1.5X			12/14/2024
Special Assignment Pay	Schd Hol DT Shft 2 Diff	2X + \$2.88	2X + \$3.89	*2X + 6%	2X + 8%		12/14/2024
Special Assignment Pay	Schd Hol DT Shft 3 Diff	2X + \$3.85	2X + \$5.19	*2X + 8%	2X + 8%		12/14/2024
Special Assignment Pay	Schd Hol DT Shft 4 Diff	2X + \$4.81	2X + \$5.19	*2X + 8%	2X + 8%		12/14/2024
Special Assignment Pay	Sched Hol Wrk Shft 2 Diff	2X + \$2.88	2X + \$3.89	*1.5X + 6%	2X + 8%		12/14/2024
Special Assignment Pay	Sched Hol Wrk Shft 3 Diff	2X + \$3.85	2X + \$5.19	*1.5X + 8%	2X + 8%		12/14/2024
Special Assignment Pay	Sched Hol Wrk Shft 4 Diff	2X + \$4.81	2X + \$5.19	*1.5X + 8%	2X + 8%		12/14/2024
Premium Pay	WOC DT Incentive	2X	2X		2X	2X	12/14/2024
Premium Pay	WOC Hol Special	2X	2X		2X	2X	12/14/2024
Premium Pay	WOC OT Incentive	2X	2X		2X	1.5X	12/14/2024
Premium Pay	WOC Reg	1X	1X		1X	1X	12/14/2024
Special Assignment Pay	Temporary Upgrade 2.5%	2.50%	2.50%	2.50%	2.50%	2.50%	12/14/2024
Special Assignment Pay	Temporary Upgrade 5%	5%	5%	5%	5%	5%	12/14/2024
Special Assignment Pay	Temporary Upgrade 7.5%	7.50%	7.50%	7.50%	7.50%	7.50%	12/14/2024
Special Assignment Pay	Temporary Upgrade 10%	10%	10%	10%	10%	10%	12/14/2024
Short Term Incentives - Exec	STI			11%			12/14/2024
Short Term Incentives - Dir	STI			6%			12/14/2024
Individual Performance Award	Pay for Performance Award			0 - 9%			12/14/2024
Incentive Pay	Off-Salary-Schedule Pay						12/14/2024

Labor Policy:

Other compensation will be reported as pensionable compensation in accordance with CalPERS rules & regulations. The above table provides information related to other compensation items for employee groups. Represented employee other compensation may also be found in the applicable labor agreements. For unrepresented employees, this document shall be used to delineate other compensation items, including Special Assignment Pay and Statutory Items designated for employees working 12 hour work schedules and/or shift schedules within Security Operations, Energy Trading & Contracts and any other designated 24/7 operational area.

*applies to PAS employees in Energy Trading & Contracts working a shift schedule

**manual adjustment amount required to correct records varies depending upon situation

RESOLUTION NO. 24-12-03

WHEREAS, in 2022, SMUD entered into a **Master Agreement for Electric Power Research Institute (EPRI) Member Participation (EPRI Master Agreement)**, the terms of which govern the research selected under the 2025-2029 Research Portfolio Agreement; and

WHEREAS, **EPRI** is a non-profit organization, funded by utility membership participation in its research activities whose members represent more than 90% of the electricity generated and delivered in the United States; and

WHEREAS, each year, SMUD evaluates **EPRI's** annual programs to determine if proposed annual research projects will bring value to and are aligned with SMUD research plans; and

WHEREAS, **EPRI** is the only known source in the United States providing this electric utility collaborative service where SMUD can significantly leverage its limited research funds with the funds of other participating utilities to take advantage of valuable research projects and information; and

WHEREAS, it would not be productive or in the best interest of SMUD to advertise for competitive bids for the products and services referred to above because they can only be obtained from **EPRI**; and

WHEREAS, SMUD desires to participate in the following **EPRI** collaborative research and development programs for 2025, with specific program areas for subsequent years to be determined by staff in alignment with SMUD's research plans:

221	Bulk Energy Storage	\$32,480
222	Advanced Generation & Carbon Capture and Storage	\$32,480
208	Hydropower Generation	\$32,480
223	Heat Rate and Flexibility: Generation Fleet Optimization	\$32,479
34	Transmission Asset Management Analytics	\$29,513
173	Bulk System Integration of Renewables and DERS	\$70,425

37.114	Substation Physical Security	\$6,875
94	Energy Storage and Distributed Generation	\$105,597
174	DER Integration	\$62,467
198	Strategic Sustainability Science	\$36,147
18	Electric Transportation	\$64,105
10D	Grid-Edge Customer Technologies	\$68,573
182	Customer Insights	\$43,748
204	Advanced Buildings	\$42,261
PS161A	Emerging ICT and Technology Transfer	\$6,049
PS161F	Advanced Metering Systems	\$30,244
62	Occupational Health and Safety	\$28,984
2025 Total Cost to SMUD:		\$693,865

and;

WHEREAS, by entering into a five-year agreement for **EPRI** research, development and demonstration (RD&D) programs, SMUD will receive a 25% discount on **EPRI** program prices; and

WHEREAS, the performance of research and other activities of **EPRI** has resulted, and will continue to result, in benefits to electric utility systems throughout the country, including SMUD; **NOW, THEREFORE**,

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

Section 1. The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of SMUD, to negotiate and execute a sole source contract with **Electric Power Research Institute (EPRI)** to provide market and technical research services to SMUD for the five-year period from January 1, 2025, through December 31, 2029, for a not-to-exceed amount of \$6,000,000.

Section 2. The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the contract that, in his prudent judgment: (a) further the primary purpose of the

contract; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amount and applicable contingencies.

Approved: December 12, 2024

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR FISHMAN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

RESOLUTION NO. 24-12-04

WHEREAS, this Board has received the Certificate of Facts from the Registrar of Voters of the County of Sacramento determining the results of the election held on November 5, 2024, for the Director from SMUD Ward 1 and the Director from SMUD Ward 5; and

WHEREAS, those results are as follows:

Ward No. 1	Sacramento County Votes Cast	Placer County Votes Cast	Total Votes Cast
Brandon D. Rose	54,769	2,049	56,818
Robert P. "Bob" Wichert	20,211	709	20,920
Chet Corcos	8,199	339	8,538

Ward No. 5	Total Votes Cast
Rob Kerth	40,123
Fatima Malik	20,447
Nkiruka Catherine Ohaegbu	12,255

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

This Board hereby determines that Brandon D. Rose has been elected to the position of Director Ward 1 and Rob Kerth has been elected to the position of Director Ward 5 pursuant to **Attachment C**.

Approved: December 12, 2024

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR FISHMAN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			



COUNTY OF SACRAMENTO VOTER REGISTRATION AND ELECTIONS CERTIFICATE OF FACTS

STATE OF CALIFORNIA }
County of Sacramento } ss.

I, HANG NGUYEN, Registrar of Voters of the County of Sacramento, State of California, do hereby certify that the names of the candidates shown below were submitted to the known qualified electors in Sacramento County in the:

Sacramento Municipal Utility District, Ward 1

for the purpose of electing:

One (1) Director

at the **November 5, 2024 Presidential General Election**

The results of the Official Canvass conducted by this office are as follows:

Name	Sacramento Votes Cast	Placer Votes Cast	Total Votes Cast
*Brandon D. Rose	54,769	2,049	56,818
Robert P. "Bob" Wichert	20,211	709	20,920
Chet Corcos	8,199	339	8,538

I further certify that the conduct of the election and canvass of the ballots was, in every respect, in accordance with the election laws of the State of California.

IN WITNESS WHEREOF I have set my hand and affixed my official seal on this **3rd day of December 2024**, in accordance with the laws of the State of California.



HANG NGUYEN
REGISTRAR OF VOTERS
County of Sacramento
State of California

*Elected



COUNTY OF SACRAMENTO VOTER REGISTRATION AND ELECTIONS CERTIFICATE OF FACTS

STATE OF CALIFORNIA }
County of Sacramento } ss.

I, HANG NGUYEN, Registrar of Voters of the County of Sacramento, State of California, do hereby certify that the names of the candidates shown below were submitted to the known qualified electors in Sacramento County in the:

Sacramento Municipal Utility District, Ward 5

for the purpose of electing:

One (1) Director

at the **November 5, 2024 Presidential General Election**

The results of the Official Canvass conducted by this office are as follows:

Name	Total Votes Cast
*Rob Kerth	40,123
Fatima Malik	20,447
Nkiruka Catherine Ohaegbu	12,255

I further certify that the conduct of the election and canvass of the ballots was, in every respect, in accordance with the election laws of the State of California.

IN WITNESS WHEREOF I have set my hand and affixed my official seal on this **3rd day of December 2024**, in accordance with the laws of the State of California.



HANG NGUYEN
REGISTRAR OF VOTERS
County of Sacramento
State of California

*Elected

RESOLUTION NO. 24-12-05

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

This Board accepts the monitoring report for **Strategic Direction SD-11, Public Power Business Model**, substantially in the form set forth in **Attachment D** hereto and made a part hereof.

Approved: December 12, 2024

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR FISHMAN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: November 25, 2024

FROM: Claire Rogers *CR 11/25/24*

**SUBJECT: Audit Report No. 28007757
Board Monitoring Report; SD-11: Public Power Business
Model**

Internal Audit Services (IAS) received the SD-11 *Public Power Business Model* 2024 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Interviewed report contributors and verified the methodology used to prepare the statements in our sample.
- Validated the reasonableness of the statements in our sample based on the data or other support provided to us.

During the review, nothing came to IAS' attention that would suggest the items sampled within the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

CC:

Paul Lau

Board Monitoring Report 2024

SD-11, Public Power Business Model

1. Background

Strategic Direction [11](#), Public Power Business Model states that:

Supporting and strengthening the public power business model is a core value. Local decision making and flexibility are essential to effective and responsible local governance. Community-owned utilities are primarily accountable to their customers, not stockholders. Community citizens have a direct voice in public power decisions.

Preservation of this business model is vital to ensure public power systems continue to provide innovative solutions tailored to best meet the needs of their customers and communities.

2. Executive Summary

SMUD is in compliance with SD-11.

The SD-11 monitoring report updates the Board on our efforts to insulate SMUD from issues that may impact our local governance and provide the Board with a final status report on 2024 issues impacting this strategic directive. SMUD's interests are advanced in the legislative and regulatory arenas to the greatest extent possible. For instance, SMUD meets with key federal and state officials, both elected and appointed, with the driving purpose of educating them on the impact of new and existing policy.

State Legislative. SMUD had several victories this year in the California Legislature that advanced the public power business model to ensure local decision making and flexibility. SMUD sponsored legislation to extend our nonstock security authority for another 10 years [Assembly Bill (AB) 2457] and also defended against legislation that would have forced publicly-owned utilities (POUs) to allow attachments to utility poles without appropriate safeguards in place if a short shot-clock approval timeline was not met (AB 2221). SMUD also worked through our trade associations to remove notification requirements for hot work (AB 3062) and reduce the scope of a bill seeking to cap the amount of money utilities can recover for new housing construction service [Senate Bill (SB) 1210].

State Regulatory. SMUD engaged in numerous proceedings before state agencies this year, chiefly the California Energy Commission (CEC) and California Air Resources Board (CARB), to advance the public power business model. Most notably, SMUD and our associations advocated for several amendments to CARB's Low Carbon Fuel Standard (LCFS). The LCFS encourages the use of low and zero carbon transportation fuels through a declining limit on carbon intensity. SMUD uses revenue from monetizing LCFS credits to fund numerous transportation electrification programs and projects. CARB approved the proposed amendments to the LCFS program at a hearing on November 8. We expect these changes will provide SMUD with a greater number of LCFS credits, increase LCFS credit prices, and maintain flexibility in utility spending requirements.

SMUD tracked and participated in numerous agency proceedings for opportunities to advance SMUD's strategic directives, protect jurisdictional limits, and monitor potential changes to industry standards. These include, but are not limited to:

- CARB's Cap-and-Trade pre-rulemaking proceeding (ongoing) where SMUD continues

to advocate to preserve allowance allocations for POU and flexibility regarding allowance disposition.

- CEC's Demand Side Grid Support (DSGS) and Distributed Electricity Backup Assets (DEBA) program implementation, where SMUD and the California Municipal Utilities Association (CMUA) influenced program guidelines and solicitations to provide greater flexibility for POU-administered programs and dedicated funding for projects in POU service areas.
- CEC's Power Source Disclosure (PSD) rulemaking proceeding (currently ongoing), where SMUD and our associations are advocating to ensure that implementation of hourly greenhouse gas (GHG) accounting requirements and other changes to the PSD program are accurate and within the statutory authority. Additionally, SMUD has supported pathways for recognizing carbon capture, utilization, and sequestration (CCUS) in the Power Content Label (PCL), which are based on data reported in the PSD program.
- State Water Resources Control Board (SWRCB) rulemaking to develop statewide utility wildfire general order, where SMUD and our associations are advocating for balanced regulatory oversight for only those utility activities that pose a risk to water quality.
- CEC's Load Management Standards (LMS) regulation and implementation, which required coordination with other California utilities in the development of a single statewide tool and continued coordination with CEC staff on SMUD's LMS Compliance Plan.
- In 2023, SMUD and our associations successfully influenced the development of the CARB's Advanced Clean Fleets regulation, which requires public agencies and large commercial fleets to transition all medium- and heavy-duty (MHD) vehicles to zero-emission beginning in 2024. SMUD has continued to work with our associations on the implementation of AB 1594 (Garcia), which provides regulatory flexibility to publicly owned utilities for the purchase of traditional utility-specialized vehicles that are needed to maintain reliable service.

Federal. In 2023, SMUD was awarded a \$50 million grant from the Department of Energy's (DOE) Grid Resilience and Innovation Partnership (GRIP) Program which will help fund our Connected Clean PowerCity Project. This year, SMUD worked to negotiate the terms of the award with the Department of Energy for the \$142 million project to develop the next generation of smart grid infrastructure, executing the grant agreement on September 30. Once completed, the Connected Clean PowerCity project will showcase public power's ingenuity by deploying a technology ecosystem enabling interactive energy management relationships between SMUD and our customers. SMUD submitted two applications in the second round of GRIP funding and worked to secure support from the federal delegation for the proposals. In October, SMUD was notified that it was not selected for a second round award.

On the legislative front, SMUD has joined other utilities in advocating for permitting reform legislation. Throughout the year, permitting reform was frequently discussed, but a formal legislative proposal remained elusive until July, when Senate Energy and Natural Resources Committee Chairman Joe Manchin III (I-WV) and Ranking Member John Barrasso (R-WY) introduced a bill that was quickly advanced through their committee. Unfortunately, the legislation includes a provision to subject not-for-profit electric utilities like SMUD to the jurisdiction of the Federal Energy Regulatory Commission (FERC) for purposes of interregional planning and cost allocation. SMUD expressed serious concerns with this provision to Sen. Alex Padilla (D-CA), who sits on the Committee. Chairman Manchin pledged to continue discussions about public power's concerns about the provision, but the final disposition will not be known until legislators return to Washington, D.C. for a lame duck session after the November

elections.

In the regulatory arena, SMUD tracked and weighed in on the implementation of tax credits in the Inflation Reduction Act, particularly the implementation of the “elective pay” mechanism for not-for-profit utilities to receive cash payments for eligible projects since they have no tax burden to offset and the development of the new 45V tax credit for hydrogen production. SMUD also worked with numerous coalitions to follow the U.S. Environmental Protection Agency’s (EPA) final rule to curb greenhouse gases from new and existing fossil-fueled power plants. Finally, SMUD engaged with its national trade association, the American Public Power Association (APPA), to provide feedback on a proposal by the Cybersecurity and Infrastructure Security Agency’s (CISA) to require onerous and duplicative reporting of cyber incidents.

SMUD also continued engagement with FERC on dockets related to cost allocation and transmission planning. SMUD continues to develop its enterprise-wide grant capture program to respond to federal funding opportunity announcements and build relationships with key officials and new offices within the DOE in charge of IIJA grant guidance and implementation efforts.

Community Choice Aggregators (CCA). AB 117 (2002) created Community Choice Aggregation and authorized local governments to aggregate customer electric load and become the default power provider in the service territory of an incumbent investor-owned utility (IOU). SMUD responded by offering to provide operational services to CCAs.

Today, SMUD offers 11 comprehensive services to CCAs: contact center, billing, debt collections, customer relationship management systems, data management, market research, data analytics, custom reporting, customer programs, electrification concierge, and marketing services. SMUD supports seven CCAs: Valley Clean Energy (VCE), Ava Community Energy (formerly known as East Bay Community Energy), Silicon Valley Clean Energy (SVCE), Marin Clean Energy (MCE), Sonoma Clean Power (SCP), Central Coast Community Energy (3CE), and San Jose Clean Energy (SJCE). CCAs enable their customers to access many of the same public power benefits that SMUD and other POU’s have provided millions of Californians. Our support of CCAs promotes public power. CCAs also have aggressive carbon reduction goals similar to SMUD’s. Our support of CCAs promotes carbon reduction regionally. SMUD is leveraging our decades of experience as a utility, staff expertise, and existing systems to provide skilled services to CCAs, generating new revenue and strengthening SMUD’s ability to provide cost effective public power service to our customers. There are currently over 25 active CCAs in California, representing nearly half of the state, and additional ones emerging or investigating the feasibility of starting a new CCA. The potential for new CCA clients for SMUD is great.

California Independent System Operator Corporation (CAISO) Markets and Pathways Initiative
SMUD continues to see significant benefits with its participation in the CAISO’s Western Energy Imbalance Market (EIM) since joining in 2019 through the Balancing Authority of Northern California (BANC). On March 25, 2021, the remaining BANC Balancing Authority Area (BAA) footprint joined the EIM. This broader BANC resource participation has resulted in greater economic benefits and a better ability to integrate and manage intermittent resources within the BANC footprint.

SMUD and BANC, as well as other EIM participants, have supported the extension of the EIM real-time framework to the CAISO’s day ahead market under the CAISO’s Extended Day Ahead Market (EDAM) initiative. After a few years of discussions, direct involvement with the CAISO and a handful of other stakeholders, and broader stakeholder meetings to develop an EDAM proposal, the CAISO filed a tariff amendment with FERC in August 2023 which FERC approved in June. EDAM implementation activities have begun with EDAM launch planned for Spring of

2026. SMUD plans to join EDAM with the other BANC participants beginning in 2027.

To support EDAM, and further development of a west-wide market, multiple state commissioners in the west, including California, issued a letter to the Western Interstate Energy Board in summer of 2023 calling for the creation of an independent entity that could serve as a means of delivering a market for western states. A West-Wide Governance Pathways Initiative (Pathways Initiative) was created, and a broad stakeholder committee has proposed a multi-step process to create an independent governing body that would enable a path forward for a potential west-wide fully organized market (a Regional Transmission Organization, or RTO). An independent governing body is seen by many entities outside of California as critical to participating in EDAM and other future markets. Earlier in 2024, as the first step, the CAISO approved elevating the EIM/EDAM Governing Body joint authority with the CAISO Board to primary authority over EIM/EDAM market matters. The second step is creation of a non-profit entity and transfer of governance authority over EIM/EDAM markets from the CAISO to this new “Regional Organization.” This will occur after California legislation is introduced in 2025, and if approved, it amends existing California law applicable to the CAISO governance. And step 3 is potential continued future expansion of regionalized functions and services offered by the Regional Organization. SMUD views EDAM, and the Pathways Initiative, as important steps forward in the evolution of Western energy markets and it aligns well with SMUD’s 2030 Zero Carbon Plan goals.

As SMUD’s Strategic Plan indicates, internal and external factors are driving our business and shaping our business model. Legislative and regulatory uncertainty continues to be a threat to the Public Power Business Model (SD-11). SMUD takes positions on legislation and regulations based on the Board’s Strategic Direction.

3. Additional Supporting Information

Local decision making and flexibility are essential to effective and responsible local governance. We continued to guard local decision-making and flexibility as we pursue innovative solutions that meet the needs of our customers and our community. High priority 2024 issues were as follows:

- Meetings with state legislators to highlight SMUD’s legislative priorities to advance the public power business model.
- Sponsoring legislation to extend SMUD’s nonstock security authority.
- Securing amendments to remove applicability of onerous requirements to SMUD (e.g., AB 2221, AB 3062, SB 1210).
- Grants capture initiatives to support SMUD’s 2030 Zero Carbon Plan, including the GRIP II grant, the Recompete grant, and Matsui earmark.
- Advocating for favorable outcomes in the federal appropriations process, which determines the level of funding available for high-priority grant programs authorized in the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA).
- Defending against proposals to reverse the direct pay provisions enacted in the IRA.
- Meetings with CEC Commissioners to educate key policy decision-makers on activities and needs related to SMUD’s 2030 Zero Carbon Plan, including transportation electrification, building electrification, and load flexibility, to advance the public power business model.
- Advocating to preserve POU allowance allocations and flexibility regarding allowance value within the Cap-and-Trade program.

- Continued outreach to the CEC regarding SMUD’s compliance approach to the Load Management Standards regulation, as well as the development of SMUD’s revised compliance plan.
- Working with the California Electric Transportation Coalition (CaETC) and partners to encourage changes to strengthen the LCFS program and update utility spending requirements.
- Advocating for a balanced regulatory approach regarding the SWRCB’s Draft Utility Wildfire General Order.

4. Challenges:

SMUD continues to face prescriptive legislative and regulatory mandates for carbon reduction, renewable energy, resources planning, and building and vehicle electrification, in part because of the State’s robust climate change goals and their potential interplay with pending federal regulations. With SMUD customers still struggling as energy costs continue to rise, it is particularly important to defend against mandates that increase costs for SMUD.

While state policy is increasingly recognizing the importance of a diverse set of resources to reliably and affordably achieve electric sector decarbonization goals, uncertainty remains regarding the definition of “zero-carbon resources,” particularly emerging technologies, for purposes of the state’s long-term goals. This uncertainty and potential lag time in updating state policy and regulations may pose some challenges for SMUD, as a POU that is making early investments in emerging technologies to support decarbonization goals that are faster than those of the state. The CEC is in the process of developing the next SB 100 Joint Agency Report, which is evaluating the tradeoffs of various scenarios – including one with no combustion of biogas, carbon capture, or hydrogen – to inform state policymakers. SMUD will continue to advocate for policies that recognize the renewable and zero-carbon resources needed to decarbonize our grid.

Changes to Cap-and-Trade are on the horizon, and CARB staff has signaled both a need to reduce allowance allocations and the potential for more prescriptive requirements regarding the disposition of allowance value. In addition, the CEC has initiated a rulemaking to implement hourly GHG emissions accounting and reporting requirements for SMUD and other large utilities as part of the Power Source Disclosure program. The new requirements are highly complex, and it is critical to ensure that implementation is accurate, understandable, and fair.

SMUD will continue to advocate for the advancement of beneficial transportation and building electrification, along with consideration of utility needs for accelerating the enabling infrastructure. Transportation electrification has been a priority for the Newsom Administration, with Governor Newsom’s executive order to require that all new cars and passenger trucks sold in California be zero-emission vehicles by 2035 and CARB’s Advanced Clean Cars II regulation that took effect at the end of 2022.

Additionally, SMUD continues to monitor CPUC proceedings that may attempt to assert jurisdiction over POUs (e.g., pole and conduits database, demand flexibility through dynamic rates, discharge permitting for electric utility maintenance tasks, resiliency activities, and General Orders).

5. Recommendation

It is recommended that the Board accept the Monitoring Report for SD-11.

Appendices

State Legislation that Impacted SD-11

AB 2457 (McCarty) – Nonstock Security Authority

SMUD-sponsored legislation, [AB 2457](#), which extends the sunset and limit on the number of acquisitions under our current pilot project authority, granted through [AB 689](#) in 2019 that allows us to hold nonstock security in a corporation or other private entity under certain conditions.

Status: Signed by the Governor

SMUD Position: Sponsor. SMUD drafted the legislative language, developed and executed the legislative strategy, led all advocacy, testified in legislative committees, and developed a large support coalition of 18 organizations.

Staff Comment: New programs are often met with resistance from the legislature, particularly on more complicated topics such as nonstock security. While we initially sought to completely remove the sunset, rather than extend it, the passage of this bill is a significant victory for SMUD. We will be able to continue with this innovative authority to potentially seek additional financial upside in our various partnerships. Importantly, the bill also explicitly allows us to include services or access to SMUD facilities (e.g., workforce development training) as something SMUD can provide in exchange for nonstock security. This is a helpful clarification to existing law.

AB 2221 (J. Carrillo) – Broadband Pole Attachments

[AB 2221](#), sponsored by Crown Castle, sought to install problematic, burdensome, and limiting timelines (called shot clocks) for broadband pole attachment applications. If utilities did not approve or deny the pole attachment applications in accordance with the shot clocks, the applications would be deemed approved. SMUD worked with CMUA in opposing this bill, and the bill was held in the Assembly Appropriations Committee and died.

Status: Dead

SMUD Position: Worked through the California Municipal Utilities Association in opposing the bill.

Staff Comment: This bill would have had very significant safety implications. This was Crown Castle's second bite at the apple – as their AB 965 last year sought to institute similar provisions, but we were able to successfully get publicly owned utilities removed from that bill. SMUD worked closely with a coalition of publicly owned utilities to defeat this bill this year as well.

AB 3062 (Bauer-Kahan) – Hot Work Notification

[AB 3062](#), as introduced, would have required utilities to provide 24 hours' notice to fire protection agencies before performing any hot work. The bill was amended in the Assembly Utilities and Energy Committee and was limited to providing this notice at least 24 hours in advance of a controlled or prescribed burn.

Status: Signed by Governor

SMUD Position: SMUD worked through the California Municipal Utilities Association to oppose this bill

unless it was limited to controlled burns only. Once the amendments were in print, the California Municipal Utilities Association moved to neutral.

Staff Comment: While SMUD always coordinates closely with relevant agencies in our work, this bill as introduced would have imposed an additional bureaucratic requirement to performing our routine maintenance and managing our infrastructure. Limiting the notification or prescribed burns is much more reasonable, particularly since prescribed burns are usually conducted by the Bureau of Land Management, United States Forest Service or Cal Fire, and not SMUD.

AB 2619 (Connolly) – Net Energy Metering

[AB 2619](#) would have required the California Public Utilities Commission to develop by 2027 a new solar tariff to replace the current tariff (e.g., Net Energy Metering (NEM) 3.0). The bill would have reverted all NEM 3.0 customers to the prior NEM 2.0 tariff until the new tariff was developed.

Status: This bill was never heard in committee and is dead.

SMUD Position: Watch

Staff Comment: SMUD was neutral on the bill but watched very closely. The author said the bill was not intended to impact publicly owned utilities but the language was not as clear as we would have liked.

Energy Resources Surcharge

The Governor proposed a [budget trailer bill](#) to assess additional fees on the delivery of electricity to fund the CEC. The Energy Resources Surcharge Law imposes a surcharge on consumers for the consumption of electricity purchased from an electric utility at a rate annually fixed by the CEC not to exceed a surcharge rate cap of \$0.0003/kilowatt-hour, which the CEC states costs the average customer about \$2 per year. This bill would have expanded the applicability of the surcharge to additionally include the consumption of electricity generated by solar energy systems that are connected to the grid and would increase the surcharge rate cap from \$0.0003 per kilowatt-hour to \$0.00066 per kilowatt-hour, which would be subject to an annual adjustment based on the Consumer Price Index.

Status: Much to the CEC's chagrin, the Governor's Office and legislative leadership held the proposal for this year.

SMUD Position: SMUD worked closely with CMUA and other publicly-owned utilities to seek revisions from the CEC.

Staff Comment: Not only were we concerned with the doubling of the surcharge, but the methodology for including solar customers would be technologically challenging and confusing for our customers.

AB 2037 (Papan) – Weights and Measures: Electric Vehicle Chargers

[AB 2037](#) authorizes county sealers to test and verify as correct electrical vehicle (EV) chargers operated by a public agency that is located in the county in which the sealer has jurisdiction. If the EV charger is found to be incorrect, the bill requires the county sealer to mark it with a tag and require the charger to be repaired or corrected. This is only related to the weights and measures of the EV charger, not the operation of the charger, which was a point of confusion with the bill as it moved through the legislature. The bill seeks to ensure the right amount is charged to customers for the amount of electricity consumed – similar to what is done at gas stations.

Status: Signed by Governor

SMUD Position: Worked with the author to secure amendments.

Staff Comment: Through SMUD’s eFuel program, we offer leases on EV chargers for commercial customers. Thanks to help from the Board, we were successful in securing an amendment to make sure the operator of that leased charger is responsible for the bill’s requirements, as opposed to SMUD. SMUD also worked with CMUA on amendments to allow publicly-owned utilities to self-verify the accuracy of our commercially available EV chargers. The author accepted these amendments, but instead of requiring the verification to occur every two years, like it does for the County Sealer, the author wants publicly-owned utilities to verify our chargers every six months, which is where the bill language ultimately landed.

Taxpayer Deception Act

There was a significant [ballot measure](#) that SMUD watched closely this year. Called the Taxpayer Protection Act by its proponents and Taxpayer Deception Act by the opposition, this initiative would have changed voter thresholds for fee and tax increases and, importantly for us, would have changed our “reasonable cost of service” metric to “actual cost of service.”

Status: The initiative was removed from the November 2024 ballot by the California Supreme Court in a ruling that came out in late June. The Court stated that the initiative would have substantially altered the state’s basic plan of government and, therefore, cannot be enacted by initiative. It is rather governed by the procedures to revise the California Constitution.

SMUD Position: SMUD watched very closely but did not take an official position. The California Special Districts Association (CSDA), of which SMUD is a member, was heavily involved, filing an amicus brief to the California Supreme Court.

Staff Comment: The impacts of the initiative, if passed, were far-reaching and broad – a significant threat to the public power business model and SMUD’s ability to set rates and provide reliable and safe electricity to our customers.

AB 1465 (Wicks) – Title V Fee Increases

[AB 1465](#) increases existing air district civil penalty limits by a factor of up to three for emissions from a Title V source that contain one or more air contaminants.

Status: Signed by the Governor

SMUD Position: SMUD worked through CMUA in opposition to this bill last year, and it was held. The bill was brought back in the 11th hour this year and passed quickly.

Staff Comment: If a SMUD Title V emissions source was found to be in violation, the local air district may impose penalties that are triple the current rate. Typically, penalties are now assessed at \$5,000 per day (\$15,000 by January 1, 2025). Working with CMUA, SMUD was able to get a letter on record that clarifies that this does not apply during declared emergencies.

AB 2204 (Bennett) - Hydrogen

[AB 2204](#) sought to impose a concept called the 3 pillars, which would require all hydrogen produced or used in California to be from new and incremental renewable generation resources, include temporal matching of renewable generation resources, and geographic deliverability of renewable energy resources.

Status: Dead.

SMUD Position: SMUD did not have an official position.

Staff Comment: SMUD worked with the Northern California Power Agency, the building trades, International Brotherhood of Electrical Workers (IBEW) and the Alliance for Renewable Clean Hydrogen Energy Systems (also known as ARCHES, a public/private partnership to create a hydrogen hub in California) to meet with members of the legislature to share our concerns with the 3 pillars model, primarily that it could make it more difficult for federal dollars to flow to California.

SB 1210 (Skinner) – New Housing Construction

[SB 1210](#) initially would have imposed a cap on how much utilities can recover to provide service and upgrade capacity to serve new housing construction. The cap would have been one percent of the reported building permit value of a housing unit. The bill was ultimately amended to focus more on transparency of fees – the bill requires utilities to post on their websites both the schedule of estimated fees for typical service connections as well as the estimated time frames for completing service connections.

Status: Signed by the Governor

SMUD Position: SMUD worked with CMUA to express concerns with the bill as initially drafted.

Staff Comment: The bill as initially written was in conflict with how utilities provide service to new housing construction.

State Regulation that Impacted SD-11

Low Carbon Fuel Standard Program

The LCFS program is designed to encourage the use and production of low carbon transportation fuels. The LCFS is a market-based program that is based on declining carbon intensity (CI) benchmarks; transportation fuels that have a CI lower than the benchmark generate LCFS credits, and those with higher a CI generate credit deficits. LCFS credits associated with electricity can be generated in several categories, depending on the type and location of the charging; proceeds must generally support transportation electrification projects or programs. Utilities, including SMUD, currently receive “base credits” that are allocated based on estimated EV charging within their service areas. A minimum portion of these base credits fund the statewide Clean Fuel Reward (CFR) program; the remaining “holdback” credits fund utility-specific programs, with minimum spending requirements for projects benefiting low-income and disadvantaged communities. SMUD also generates credits through partnerships with dairies that produce digester gas for low-carbon electricity.

CARB started a formal rulemaking process in January 2024 with proposed amendments to the LCFS regulatory language. CARB then issued two rounds of changes to the proposed amendments, most recently in October, and approved the amendments at its November 8 hearing.

Status: CARB’s adopted amendments to the LCFS regulation will go into effect in 2025. There were several important changes to the LCFS program. First, CARB increased the stringency of the program, which is designed to displace the use of additional fossil fuels and potentially increase LCFS credit prices. Additionally, the regulatory changes will allow SMUD to retain a greater number of credits, contributing fewer credits to the statewide CFR program, and also preserve flexibility in how SMUD spends the credit value. CARB staff have indicated that they do not anticipate any further amendments to the LCFS program until after CARB’s next Scoping Plan Update, which is expected to occur in 2027.

Cap-and-Trade Amendments (Pre-Rulemaking)

The Cap-and-Trade program is a key element of California’s strategy to reduce GHG emissions by setting an economy-wide, declining cap on annual GHG emissions. Covered entities must surrender compliance instruments, or allowances, for each metric ton of GHG emissions. The current regulation provides SMUD, and other electric utilities, a specified amount of directly allocated allowances through 2030 to mitigate the cost impacts to ratepayers of compliance with the Cap-and-Trade program. As a POU, SMUD has the option of depositing allowances to meet our compliance obligations or consigning allowances to auction and using the proceeds to benefit ratepayers, in accordance with certain regulatory requirements.

Over the past two years, CARB has engaged in pre-rulemaking activities for potential updates to the Cap-and-Trade regulation. The primary objective of the update is to align the Cap-and-Trade program with CARB’s 2022 Scoping Plan Update, which calls for additional emissions reductions by 2030 in order to achieve carbon neutrality by 2045. As part of the update, CARB will also consider changes to improve program implementation. While CARB has not yet proposed any formal amendments, potential changes under consideration that are key to SMUD include:

- Reductions to allowance budgets, including utility allowance allocations, through 2030.
- Reduced flexibility for POUs to either consign allowances to auction or deposit for compliance.
- Reduced flexibility for POUs regarding use of allowance proceeds.

POU allowance allocations provide important ratepayer benefits and are critical to advancing the state’s GHG reduction goals. Reductions in allowance allocations may directly impact ratepayers during a time when the state is suffering from an affordability crisis. SMUD and our associations have urged CARB to minimize changes to utility allowance allocations to the extent possible. SMUD also does not support changes that would require POUs to consign all allowances and restrict proceeds; preserving POUs’ flexibility to determine how best to use allowance value is the most efficient, effective, and suitable way to respond to local communities’ needs and reduce GHG emissions in our service areas.

Status: CARB has held several pre-rulemaking workshops but has not yet released draft regulatory amendments. The formal rulemaking is expected to begin in late 2024.

Power Source Disclosure Amendments

SB 1158 (Becker) established new hourly GHG reporting requirements for retail suppliers of electricity, including SMUD, which the CEC is tasked with implementing. Under the new law, retail suppliers will be required to report the following information beginning January 1, 2028:

- Sources of electricity used to serve hourly loss-adjusted retail load.
- The GHG emissions associated with each source.
- Annual total and average GHG emissions intensity.
- Annual avoided GHG emissions.

In May 2024, the CEC issued proposed amendments to the Power Source Disclosure (PSD) program to update the PSD program, incorporate the requirements of SB 1158, and make changes to the Power Content Label (PCL) that relies on data reported through the PSD program. SMUD submitted comments both individually and in coordination with CMUA, which highlighted several clarifications necessary to improve accuracy and avoid ambiguity. SMUD also advocated for the inclusion of a pathway for counting natural gas paired with carbon capture, utilization and sequestration (CCUS) technology.

The CEC subsequently issued revised proposed amendments in October 2024. These amendments made several of the clarifications requested by SMUD and CMUA, as well as incorporating a new

category for emerging technologies, which could include technologies like CCUS and green hydrogen. Status: Through CMUA, SMUD will continue to advocate for simplifying the PSD process and ensuring that CCUS has a path to being recognized. Following the current comment period, we expect that the CEC will adopt the proposed changes in 2025.

Demand Side Grid Support (DSGS) Program

The CEC's Demand Side Grid Support (DSGS) program was established as part of the Strategic Reliability Reserve created by AB 205 (2022). The program provides incentives to utility customers that provide incremental net load reductions during grid emergencies or extreme events. DSGS providers, which may include POU, enroll customers and administer the program; depending on the participation option, providers receive administrative cost reimbursement or incentives for committed load reduction capacity. The CEC revised the program guidelines in 2023 to reflect lessons learned, expand eligibility, allow third-party aggregators to serve as program administrators under certain conditions, and pilot new participation options.

The current DSGS program includes three participation pathways, originally designed with the CAISO in mind:

- Option 1, which provides incentives to customers that voluntarily reduce net load in response to Energy Emergency Alerts (EEAs) issued by a California balancing authority (BA).
- Option 2, which provides monthly capacity payments for demand response resources participating in electricity markets that can provide additional load reduction capability.
- Option 3, which provides monthly capacity payments for behind-the-meter battery virtual power plants that dispatch based on market or other reliability-related signals.

SMUD successfully advocated for flexibility allowing non-CAISO balancing authority areas to benefit from the DSGS program and for POU to propose alternative program requirements that are best suited for the reliability needs of the POU and their BA. In coordination with CMUA, SMUD also successfully advocated for changes requiring third-party aggregators to obtain written permission from the host POU before becoming a DSGS provider, to ensure any DSGS activities are coordinated with POU needs and operations.

In October 2024, the CEC released additional revisions to the DSGS guidelines. The proposed changes would primarily revise certain requirements for Option 3 and add a new Option 4, which would provide an emergency load flexibility virtual power plant (VPP) that would allow participation by smart thermostats and electric water heaters. The proposed DSGS program retains POU flexibility and continues to ensure coordination between DSGS providers and host POU.

Status: SMUD is enrolled as a DSGS provider for "Option 1" and plans to expand the program to additional customers in the future. SMUD supported CMUA comments, submitted October 30, 2024, which generally supported the DSGS program, but sought clarification that DSGS providers will be able to recover administrative costs. The revised DSGS guidelines are expected to be adopted by the CEC in February or March 2025.

2025 Energy Code – Rulemaking Activities

The CEC released the proposed 2025 Energy Code in March 2024. The new code continued the trend toward more heat pump space heating (HPSH) and heat pump water heating (HPWH) through prescriptive requirements for new single-family homes, multifamily, and select nonresidential building types. Separately, the new code proposed a voluntary measure (Part 11) that included a heat pump space heating baseline for alterations of existing single-family homes. The changes also included

updates to efficiency standards and certain photovoltaic and energy storage requirements, including a minor clarification to community solar requirements.

SMUD supported the expansion of heat pump baselines and prescriptive requirements for space and water heating. Additionally, SMUD supported proposed electric ready requirements for new multi-family and non-residential buildings.

Status: The CEC adopted the 2025 Energy Code in September 2024 and the requirements will go into effect for construction permits that are applied for on or after January 1, 2026.

Load Management Standard (LMS) Regulation

The amended LMS regulations were adopted by the CEC in October 2022 and took effect on April 1, 2023, expanding on efforts to increase efficiency and demand flexibility in California's electricity grid. While the standard has been in statute since 1978, the most recent amendments are intended to form the foundation of a statewide system that automates the creation of hourly or sub-hourly costs and signals that can be used by end-use automation to provide real-time demand flexibility on the grid. The amended regulations require the state's three largest IOUs and CCAs, the Los Angeles Department of Water, and Power (LADWP) and SMUD to develop marginal cost-based rates that change at least hourly for each customer class that is determined to materially reduce peak load, among other requirements.

During the rulemaking process, SMUD staff advocated to CEC staff, Commissioners, and other key policymakers to help guide the development of the LMS and ensure that SMUD can continue to offer pilots and programs as an alternative to dynamic rates. The final regulations largely reflected our recommendations for a separate compliance pathway for POUs that provides greater implementation flexibility.

SMUD adopted its LMS Compliance Plan and submitted for CEC approval in November 2023. Thereafter, CEC staff indicated that they did not believe that SMUD's Compliance Plan met the requirements of the LMS regulations, and this ultimately resulted in a Deficiency Notice (Notice) from the CEC's Executive Director. The Notice indicated the CEC's view that SMUD must incorporate dynamic rates or programs incorporating dynamic price signals or must update the analysis provided in the Compliance Plan. SMUD is currently preparing a response to the CEC's letter, which is due in December 2024.

Status: The new LMS regulations went into effect in April 2023. This year, SMUD fulfilled several regulatory requirements, including incorporating the Rate Identification Number (RIN) onto customer bills, participated in a joint utility group to develop the concept paper for a "single statewide tool" that would enable customers and third parties to evaluate rates or make rate changes, and submitted a list of load-modifying programs. SMUD will continue preparing a response to the CEC's Notice and will continue coordination with CEC staff to resolve any issues.

Draft Utility Wildfire General Order

In June, the State Water Resources Control Board (SWRCB) issued the *Draft Utility Wildfire and Similar Operations and Maintenance Activities Clean Water Act Section 401 Water Quality Certification and Waste Discharge Requirements General Order and Associated CEQA EIR* (Draft GO). The Draft GO covers twelve "project activities" related to wildfire risk mitigation, response, and cleanup activities that may cause or threaten to cause discharge of waste into waters of the state and applies to these activities even if the activity is not directly related to wildfire. The Draft GO applies to a project activity when the activity causes soil disturbance within specific distances from waters of the state (WOTS) or

due to the slope and soil characteristics where the work is being performed. If the Draft GO applies, then the utility must comply with a variety of project conditions and reporting requirements.

SMUD, CMUA and an informal joint utility group advocated for changes that would refocus the scope of the Draft GO on activities that pose a greater risk to water quality and ensure that any project conditions or reporting requirements balance the need for oversight with needed utility mitigation and maintenance work.

Status: Interested parties filed comments in early September 2024. SWRCB staff intends to submit a final utility wildfire general order in February 2025 for board approval, and SMUDs anticipates ongoing advocacy prior to adoption.

Delta Water and Hydro Impacts

Two substantial Delta planning processes could potentially affect energy available for SMUD's purchase from the Central Valley Project (CVP) and flows within the Upper American River Project (UARP) watershed: the Bay–Delta Water Quality Control Plan (Bay–Delta Plan), and the Delta Conveyance Project (successor to the California WaterFix Project, which was in turn successor to the Bay Delta Conservation Plan).

Phase 2 of the Bay–Delta Plan is ongoing and could potentially affect SMUD by increasing the volume of water required for outflow into the Bay (Phase 3 would, if carried out, implement Phase 2 through modifications to water rights). A substantial change in Delta outflow and tributary flow requirements could, among other things, have a major impact on the timing of hydroelectric energy generation. The State Water Resources Control Board (SWRCB) staff released a draft of one of the Phase 2 documents identifying an environmental need for significantly more outflows (in short, 35 to 75% of all water is allegedly needed for outflow with staff recommending 45 to 65%).

Governor Newsom requested the SWRCB explore negotiation of voluntary agreements with water purveyors in lieu of imposing a strict plan. Work on the voluntary agreements process has been picking up speed and is now known as the Healthy Rivers and Landscapes Program. If adopted by its numerous sponsors and the SWRCB, the program would initiate aquatic habitat restoration and release of flows to support a healthier Delta ecosystem,

Although the earlier, two-tunnel Delta conveyance WaterFix Project was cancelled and its environmental documents rescinded in 2019, the Department of Water Resources (DWR) quickly relaunched the project as a one-tunnel option, renamed the Delta Conveyance Project. The Draft Environmental Impact Report was released in July 2022. The project would involve building one new intake and a tunnel to complement the historical diversion of water through the Delta channels for the State Water Project (SWP). It had been expected the Project would involve the CVP as well, though that does not appear to be the case and the U.S. Bureau of Reclamation has not been participating, suggesting no CVP power would be used for the project. This is important because if provided by the CVP, power for the estimated 10-year construction effort and long-term operations would come out of supplies otherwise sold to public power contractors, the single largest share of which goes to SMUD under an existing long-term contract (which will be succeeded a new contract). Using the tunnels would be part of an effort to maintain or even increase Delta watershed exports to Southern and Central California. Proponents have claimed the project would help reduce the historical impacts of the South of Delta pumps on special status fish species, though modeling by Northern California interests of the prior project suggests the reduced impacts have not been proven and in fact the opposite could be true. Modeling of the

newly proposed project is under way. Changes in the timing of the energy generation due to the project are as yet unclear. DWR approved the Project on December 21, 2023.

In the meantime, the Delta Conveyance Project faces numerous legal challenges.

- (1) In January of this year, dozens of plaintiffs filed nine lawsuits challenging the Project approval under the California Environmental Quality Act (CEQA) and Sacramento Superior Court issued a preliminary injunction against DWR. This ruling is on appeal.
- (2) Also in January, in another lawsuit the Court held that DWR lacked the authority to fund the project using revenue bonds. This ruling is also on appeal.
- (3) Yet another lawsuit is challenging the SWRCB's authority to rule on the water rights petitions that DWR filed in support of the Project until another proceeding is completed.

Staff Comment: SMUD is working closely with a coalition of water interests to evaluate the impacts of the Bay-Delta Plan and the Delta Conveyance Project to understand the implications for power generation and SMUD's water rights and hopefully to agree upon a voluntary agreement process as a substitute for a regulated process. SMUD is also working with DWR on how to serve the Project with power.

Federal Legislation that Impacted SD-11

S. 4753 (Manchin): the "Energy Permitting Reform Act"

While SMUD has supported the intent of permitting reform proposals, S. 4753 includes a provision that would require public power entities, Power Marketing Administrations, and other non-jurisdictional entities to come under the jurisdiction of the Federal Energy Regulatory Commission (FERC) for purposes of interregional planning and cost allocation. This would upend the regime adopted by FERC in Order 1000 that provides for public power's voluntary participation in interregional planning, as well as require public power entities to file a tariff in order to build a transmission line in a national interest transmission corridor. SMUD expressed concerns about this provision to Sen. Alex Padilla (D-CA), who sits on the committee of jurisdiction, and SMUD has coordinated with APPA and the Large Public Power Council (LPPC) to relay the same concerns in their discussions with committees. SMUD will continue to monitor this legislation.

Tax Policy

As a municipal utility, SMUD relies on municipal bonds and utilizes all available financing mechanisms to decrease the financing costs of infrastructure investments and projects. Therefore, SMUD has continued to advocate for maintaining the longstanding tax exemption for municipal bond interest as well as preserving the ability of municipal utilities to access elective payment of energy tax credits as authorized under the Inflation Reduction Act (IRA).

The 2017 Tax Cuts and Jobs Act (TCJA) preserved the general exemption, but removed it for advance refunding bonds, which are used to effectively refinance an original bond. SMUD has worked individually and through coalitions to restore the exemption for advance refunding bonds. Bipartisan bills in both the House and Senate have been proposed that would restore advanced refunding. Such legislation is unlikely to be passed as a stand-alone bill; however, restoring advance refunding may be considered as part of a tax reform package as several tax provisions in the TCJA are set to expire at the end of 2025.

The 2022 IRA includes a provision that allows tax-exempt entities to receive refundable elective payments of various energy tax credits, making them directly available to public power utilities for the first time. Both the House and Senate have introduced provisions in various legislation that would

repeal energy tax credits authorized under the law; however, none have been advanced. SMUD has worked individually and through coalitions like the American Public Power Association (APPA) and Large Public Power Council (LPPC) to preserve the energy incentives and the ability of municipal utilities to elect elective payment of various energy tax credits. Most recently, Congress passed S.J. Res. 38, a resolution under the Congressional Review Act that would invalidate a secretarial waiver of provisions in the IRA that require a certain percentage of project components to be domestically sourced in order to receive a full elective payment. President Biden vetoed this resolution, preserving the full value of elective payment for projects where a domestic supply chain is infeasible. Federal Affairs will continue to track this issue.

H.R. 8790 (Westerman): the Fix Our Forests Act

In September, the House passed H.R. 8790, the “Fix Our Forests Act,” which would expedite forest management activities on federal land, including several provisions to allow local governments and special districts to participate in assessing firehedges, provide a categorical exclusion for vegetation management in utility rights-of-way, and automatically approve utility vegetation management plans 120 days after submittal. SMUD Federal Affairs will continue to follow this legislation, although it is unlikely to advance in the Senate.

Pole Attachments

Municipal utilities are exempt from federal regulation of pole attachments under Section 224 of the Federal Communications Act. However, the Federal Communications Commission (FCC) has taken steps in recent years that impact public power pole attachments. In September 2018 the FCC issued a declaratory order and ruling reinterpreting other sections of the law to impose fee limits and timelines on pole attachment applications. Most recently, in March 2022, the FCC approved a Further Notice of Proposed Rulemaking (FNPRM) on the allocation of pole replacement costs and the resolution of pole attachment disputes. SMUD has expressed to its delegation concerns about this federal intrusion, noting that it has developed pole attachment agreements with telecom carriers. Rep. Anna Eshoo (D-CA) introduced legislation in January 2019 to nullify the 2018 FCC order, and Senator Dianne Feinstein (D-CA) sponsored similar legislation in the Senate in June 2019. The bills have failed to gain bipartisan support or traction in either chamber, and they have not been reintroduced in subsequent congressional sessions.

Appropriations

As has been customary for many years, Congressional appropriators failed to pass yearly funding bills before the end of the fiscal year (September 30). The federal government is currently operating under a continuing resolution (CR) to keep the government funded through Dec. 20, 2024. It is expected that Congress will pass a year-end omnibus spending bill, but the outcome of the November election could alter that trajectory.

Spent Nuclear Fuel Removal

Unable to make progress on removing spent nuclear fuel to interim storage facilities, congressional attention has turned to reprocessing and establishing a consent-based process for siting new facilities. The House Fiscal Year 25 Energy & Water Appropriations bill prohibits funds from being used to site a private interim storage facility, and the Senate bill authorizes the Department of Energy to identify a site for interim storage using consent-based principles. Meanwhile, the Biden Administration has made progress on establishing a consent-based siting process and issued a Request for Information seeking partners interested in developing interim storage facilities. Finally, Rep. Mike Levin (D-CA) introduced legislation to create a new government agency tasked with the disposition of used nuclear fuel, the “Nuclear Waste Administration Act.” This legislation is not expected to advance in the current Congress.

Federal Regulatory Issues that Impacted SD-11

FERC Order 1000 and Order 1920

SMUD has participated in Order 1000 regional transmission planning through WestConnect, a regional planning entity that is comprised of member transmission providers (both jurisdictional and non-jurisdictional transmission providers) with service areas consisting of all or portions of eleven states. WestConnect members work collaboratively to jointly plan transmission facilities, assess stakeholder and market needs and develop cost-effective enhancements to the western wholesale electricity market.

In 2015, FERC accepted WestConnect's withdrawal rights for non-jurisdictional transmission providers such as SMUD. Accordingly, if costs are allocated for particular transmission projects that are unacceptable, the non-jurisdictional transmission provider has a right to withdraw from the cost allocation determination. El Paso Electric, a WestConnect jurisdictional transmission provider, appealed FERC's decision in the 5th Circuit Court of Appeals contending that a non-jurisdictional's decision not to accept cost allocation for a project will cause free ridership. On August 2, 2023, the 5th Circuit issued a decision reversing FERC's WestConnect order, concluding that FERC's order implementing Order 1000 for the WestConnect region is not a just and reasonable application of cost causation. In 2024, the WestConnect transmission providers began to discuss next steps to address the court's decision and Order 1920 (see below) together in a FERC filing. Meanwhile, in response to the court's decision, FERC issued an order on October 17 directing the jurisdictional transmission providers to revise their tariffs removing the opt-out provisions for non-jurisdictional transmission providers. The jurisdictional and non-jurisdictional transmission providers are discussing a response to FERC's order and exploring alternative options for continued planning that will ensure we are able to decide whether to accept costs for transmission projects. Accordingly, there is uncertainty at this time on the future of WestConnect's regional planning process.

In May 2024, FERC finalized its long-awaited rule known as "Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection" (Order 1920) reforming existing regulations under Order 1000. SMUD worked with LPPC, APPA, and the Transmission Agency of Northern California (TANC) to develop comments in response to the proposal. FERC also hosted a technical conference with industry experts to discuss certain transmission planning and cost allocation issues, including proposals in the Notice of Proposal Rulemaking (NOPR). The final Order requires transmission providers to engage in a long-term, forward-looking planning process once every five years, developing scenarios and identifying transmission needs as well as allocating costs to the various entities within the planning region. It imposes a set of seven benefits to be considered, including aging infrastructure replacement, reduced congestion, and mitigation of extreme weather events, among other things. On cost allocation, Order 1920 requires each transmission provider to consult with state regulators on a cost allocation methodology, but it does not require state approval. SMUD had advocated for cost containment elements, and two such controls were included: reevaluation of projects in changed circumstances and right-sizing transmission rebuilds. Some entities sought rehearing of the Order at FERC and subsequently appealed the Order in the 4th Circuit Court of Appeals, arguing among other things that public power entities should be given some of the same privileges as state entities in developing cost allocation methodologies. We expect FERC to issue its order on rehearing by the end of 2024 and the 4th Circuit will begin proceedings in 2025.

CAISO Markets and Pathways Initiative

SMUD has a direct interest in finding long-term solutions to the challenges posed by the integration of intermittent resources, such as wind and solar. One solution has been the

development of an EIM operated by the CAISO, and another solution is the CAISO's EDAM. In general, the EIM is a sub-hourly energy platform that automatically clears and dispatches the lowest cost electricity available to serve demand on a real-time basis, with EDAM providing similar functionality but with a day-ahead resource and scheduling commitment.

SMUD joined in spring of 2019 under what is referred to as "Phase 1" of BANC's EIM participation as the first municipal participant. SMUD has successfully participated in the EIM since go-live on April 3, 2019, which has provided reliability, operational flexibility, and financial benefits.

The rest of BANC, including the Western Area Power Administration (WAPA) – Sierra Nevada Region, joined the EIM on March 25, 2021, under what is referred to as BANC EIM "Phase 2." This broader BANC resource participation in EIM has resulted in additional economic benefits and a greater ability to integrate and manage intermittent resources within the BANC BAA.

Given the success of EIM, the CAISO, with the support of SMUD and BANC, as well as other EIM participants, launched a stakeholder initiative to develop an extension of the EIM real time framework to the CAISO's day ahead market, referred to as the EDAM. Like EIM, EDAM would broaden the access to regional resources for the reliable integration of renewable generation and better optimization of resources, only over a longer (day ahead) time horizon, and participation is voluntary. SMUD (along with BANC) was given a seat at the table in the development of EDAM. After a few years of negotiations, along with discussions and stakeholder meetings, the CAISO Board of Governors and Western Energy Imbalance Market Governing Body jointly approved the EDAM framework in February of 2023. On August 22, 2023, the CAISO filed an EDAM tariff amendment with the FERC, to which SMUD filed supportive comments. FERC approved the bulk of the EDAM proposal in December 2023, but it rejected the EDAM transmission access charge component without prejudice. The CAISO subsequently filed a revised EDAM access charge tariff amendment providing additional details and addressing the deficiencies in its original filing, which FERC approved on June 11, 2024. The CAISO began EDAM implementation activities in 2024 with EDAM launch scheduled for 2026 with PacifiCorp and Portland General Electric as the first participants. SMUD, along with the other BANC participants, plans to join EDAM beginning in Spring 2027, with SMUD/BANC implementation activities beginning in 2025. Other EIM entities have also informed the CAISO of their interest in joining EDAM in 2027, including Los Angeles Department of Water & Power (LADWP) and NV Energy. Like EIM, EDAM remains a voluntary market, allowing SMUD the added flexibility to time its participation and pivoting later, should better options arise in the future.

Some parties outside of California have stated that a day-ahead market decision, such as participation in EDAM and market services beyond EDAM, hinges on the potential for representative, independent governance. In response, multiple western state commissioners, including California, issued a letter to the Western Interstate Energy Board in summer of 2023 calling for the creation of an independent entity that could serve as a means of delivering a market for western states. The West-Wide Governance Pathways Initiative (Pathways Initiative) was created and a stakeholder committee was formed to develop a governance proposal. Following an inclusive and broad set of stakeholder meetings and comment periods throughout 2024, the committee proposed a multi-step process to create an independent governing body that would enable a path forward for a potential west-wide fully organized market (a Regional Transmission Organization, or RTO). Earlier in 2024, as the first step, the CAISO approved elevating the EIM/EDAM Governing Body joint authority with the CAISO Board to primary authority over EIM/EDAM market matters. This transition will be triggered when the following

criteria are met: i) execution of EDAM Implementation Agreements by utilities representing load equal or greater than 70% of CAISO load, and ii) at least one new participant from both the Northwest and Southwest, beyond PacifiCorp, BANC, and LADWP. The second step is creation of a non-profit entity and transfer of governance authority over EIM/EDAM markets from the CAISO to this new “Regional Organization.” The CAISO would retain authority over its other functions such as balancing authority responsibilities, resource adequacy, transmission planning, and reliability coordination. The market governance transition would occur after FERC approval of a CAISO tariff filing. However, a condition precedent of this filing is the passage of California legislation in 2025 that would amend existing California law which currently requires the CAISO operate a market for California. And step 3 is a longer-term process that envisions future expansion of regionalized functions and services offered by the Regional Organization.

SMUD believes EDAM and the Pathways Initiative are important steps forward in the evolution of Western energy markets. EDAM enables improved intermittent resource integration by allowing participants to decommit less efficient resources in the day ahead timeframe, as opposed to only in the shorter real time window. The Pathways Initiative is aimed at solving a critical independent governance gating issue for broader participation in EDAM and other future market offerings. As we have seen with EIM’s gradual expansion that now covers 80% of the load in the west, broader and more diverse participation throughout the west unlocks more reliability, operational flexibility, and financial benefits through regional diversity. Thus, EDAM and the Pathways Initiative align well with SMUD’s 2030 Zero Carbon Plan goals.

Implementing Clean Energy Tax Credits

The Department of the Treasury and Internal Revenue Service have been jointly issuing guidance to implement the clean energy tax provisions of the Inflation Reduction Act. These guidance documents can have significant and material impacts on the value of the credits, particularly with respect to the elective pay provisions that allow public power systems to directly avail themselves of the credits. In 2024, Treasury and the IRS released guidance on elective pay generally as well as separate guidance on the pre-registration system established as a prerequisite to access elective pay. SMUD engaged with trade groups and coalitions to provide comments on these guidance documents as well as volunteered as a beta tester of the pre-registration portal. In addition to the elective pay guidance, Treasury and IRS are working to finalize guidance on domestic content requirements, which erode the value of elective payments if they are not met or waived. After 2025, failing to meet domestic content targets will preclude entities from accessing elective pay, making it a crucial element of the process. SMUD is awaiting final guidance on post-2025 domestic content requirements.

President Herber then turned to Discussion Calendar Item 9.a. and 9.b. pertaining to the 2025 Budget. She stated Item 9.a. is to adopt the 2025 Budget which, among other things, establishes:

- An Operations and Maintenance Budget of \$1,463.9 million (including Public Goods Charge of \$104.8 million);
- A Debt Service budget of \$205.4 million;
- A Capital and Reserve Budget of \$612 million; and
- Authorized contingencies.

She stated Item 9.b. is a Declaration of Intent to Issue Debt to create \$400 million of additional bonding authority to reimburse for qualifying capital expenditures, and Official Intent to reimburse for 2025, 2024 and 2023 capital expenditures from bond proceeds, which is required to maintain tax-exempt financing capability.

Jennifer Restivo, Director of Planning & Revenue Strategy, gave a presentation regarding the 2025 Budget and borrowing authority. A copy of the slides used in her presentation is attached hereto.

No public comment was forthcoming for Discussion Calendar Items 9.a. or 9.b.

After some discussion, Director Sanborn moved for approval of Discussion Calendar Item 9.a., Vice President Fishman seconded, and Resolution No. 24-12-06 was unanimously approved.

RESOLUTION NO. 24-12-06

WHEREAS, the proposed 2025 Budget is expected to result in a positive net income for 2025; **NOW, THEREFORE**,

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

Section 1. This resolution may be referred to as the 2025 Budget Resolution.

Section 2. (a) There is hereby appropriated from the General Fund sufficient monies for the payment of demands against SMUD which relate to obligations incurred for the purposes and within the amount specified for such purposes in the following projection of SMUD's program for the period January 1, 2025, through December 31, 2025.

Operations and maintenance:

Commodity - purchased power, fuel, and wheeling	\$610,000,000
Public Goods	67,630,890
Customer, energy delivery, zero carbon, workforce diversity & enterprise partnerships, information technology, corporate services & Rancho Seco	786,248,204
Sub-Total	\$1,463,879,094
Debt Service	205,393,922
Capital and reserve	612,031,708
TOTAL	\$2,281,304,724

(b) The Commodity line-item budget is based on assumptions of average rainfall and temperatures during 2025. SMUD has in place a Hydro Generation Adjustment (SMUD HGA) mechanism whereby, based on the actual rainfall amounts between April 1, 2024, and March 31, 2025 in comparison to the budget assumptions, SMUD may transfer funds to or from the Hydro Rate Stabilization Fund and, once pre-established limits are met, increase or decrease customer rates. The Commodity line-item budget will be increased or reduced based on the actual transfer and/or change in customer revenues from the SMUD HGA adjustment.

(c) SMUD has budgeted to receive energy in 2025 under its contract with the Western Area Power Administration (WAPA). SMUD has in place a WAPA Hydro Generation Adjustment (WAPA HGA) mechanism whereby, based on the actual delivery from WAPA between April 1, 2024, and March 31, 2025 in comparison to the budget assumptions, SMUD may transfer funds to or from the WAPA Rate Stabilization Fund and, once pre-established limits are met, increase or decrease customer rates. This energy primarily is generated at Central Valley Project hydroelectric plants, and the actual quantity of energy received will be dependent on rainfall, carryover water storage and operation of the WAPA system to meet contractual water deliveries. Because WAPA generation facilities are spread over a wide area, insurance is not practical for offsetting variations of energy deliveries due to weather. One purpose of the Rate Stabilization Fund is to mitigate such variations. The Commodity line-item budget will be increased or reduced based on the actual transfer and/or change in customer revenues from the WAPA HGA adjustment

(d) Budgeted energy purchases necessary to meet customer energy sales requirements (10,500 GWh) are based on average weather conditions and expected customer growth in 2025. Should actual weather conditions or growth levels cause SMUD retail sales and related energy requirements to be higher, the Commodity line item budget will be increased by the NP15 power price per megawatt-hour of additional retail energy sales to offset the cost of these sales.

(e) SMUD participates in regulatory programs such as Low Carbon Fuel Standard (LCFS) and Cap-and-Trade. Under these programs, SMUD has the option to monetize the credits and allowances applicable to these programs through sales transactions. When SMUD collects revenues through these sales, it is required to apply the proceeds toward specific expenses that support the program goals. An additional purpose of the Rate Stabilization Fund is to mitigate fluctuations from regulatory programs. The Accountant is hereby authorized to transfer funds to or from the Rate Stabilization Fund to match LCFS

and Cap-and-Trade revenues with expenses. The budgeted amount will be increased or decreased accordingly.

(f) For purposes of Section 11891.6 of the Municipal Utility District Act, there shall be deemed added to each line item, in section 2a, a 10 percent contingency. Demands against SMUD which relate to obligations incurred for each line item and are within such line item amount plus the 10 percent contingency may be paid without prior specific approval of this Board, provided the total of such payments during 2025 may not exceed the total budget amount plus this 10% contingency, plus the commodity contingency and adjustments for weather hedge contracts, higher retail sales and Rate Stabilization transfers as set forth in paragraphs (b), (c), (d), (e) and (f) above.

Section 3. Demands against SMUD may be paid without the prior specific approval of this Board if they relate to obligations incurred for the purpose and within the amounts specified in Section 2, provided such demands are approved by the CEO & General Manager or someone to whom he has delegated such approval authority. It is the purpose and intent of this paragraph to delegate to the CEO & General Manager authority to make purchases, to negotiate and execute contracts, and expend funds in any manner necessary or appropriate to the administration of the business affairs of SMUD, all within the amounts and for the purposes set forth above, and subject to the provisions of existing law and of all the duly passed resolutions of this Board, including the Board-approved delegations of authority.

Section 4. At monthly intervals, the Treasurer shall transfer from the General Fund appropriate amounts into each of the various funds established to service SMUD's general obligation indebtedness, its Electric System Revenue Bond indebtedness, and its Electric Revenue Bond indebtedness in approximately equal installments as set forth in the tabulations on file with the Accountant. Investment authority, for all funds, is delegated to the Treasurer for a one-year period in accordance with California Code Section 53607.

Section 5. The number of permanent full-time employees during 2025 shall not exceed 2,300 employees plus a five percent contingency without further authorization of this Board.

Section 6. The Public Goods Charge shall be adjusted for expenditures of \$104.8 million, which exceeds the minimum of 2.85% of 1994 revenues. The percentage allocation for the public goods charge expenditures shall apply to low-income assistance, energy efficiency, research and development, and new renewable generation.

Section 7. The CEO & General Manager, or his designee, is authorized to make future changes to the **Budget** that, in his prudent judgment: (a) further the primary purpose of the **Budget**; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized **Budget** amounts and applicable contingencies.

Approved: December 12, 2024

INTRODUCED: DIRECTOR SANBORN				
SECONDED: DIRECTOR FISHMAN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

President Herber then turned to Discussion Calendar Item 9.b., to adopt the Declaration of Intent to Issue Debt.

There being no further discussion, Director Sanborn moved for approval of Discussion Calendar Item 9.b., Vice President Fishman seconded, and Resolution No. 24-12-07 was unanimously approved.

RESOLUTION NO. 24-12-07

Supplemental Resolution (Supplemental)
to Resolutions No. 6457, 8107, 83-7-26)
as amended by Resolution No. 87-10-22,)
No. 92-12-29, No. 93-12-19, No. 94-12-16,)
No. 95-12-10, No. 96-12-07, No. 97-12-18,)
No. 98-11-12, No. 99-12-10, No. 00-12-11,)
No. 01-12-02, No. 02-11-04, No. 03-12-14,)
No. 04-12-11, No. 05-12-13, No. 06-12-08,)
No. 07-12-08, No. 08-12-05, No. 09-12-08,)
No. 10-12-03, No. 11-12-08, No. 12-12-06,)
No. 13-12-09, No. 14-12-13, No. 15-12-08,)
No. 16-12-14, No. 17-12-13, No. 18-12-12,)
No. 19-11-05, No. 20-12-14, No. 21-12-11,)
No. 22-12-06, and No. 23-12-10) declaring the)
intention of the Board of Directors of the)
Sacramento Municipal Utility District to)
Authorize the issuance of additional)
Revenue Bonds)
_____)

WHEREAS, Sacramento Municipal Utility District (“SMUD”) on July 23, 1970, May 2, 1974, and July 21, 1983, by the adoption by its Board of Directors of Resolutions No. 6457, 8107, and 83-7-26, as amended by Resolution No. 87-10-22 adopted October 1, 1987; Resolutions No. 92-2-11, No. 92-12-29, No. 93-12-19, No. 94-12-16, No. 95-12-10, No. 96-12-07, No. 97-12-18, No. 98-11-12, No. 99-12-10, No. 00-12-11, No. 01-12-02, No. 02-11-04, No. 03-12-14, No. 04-12-11, No. 05-12-13, No. 06-12-08, No. 07-12-08, No. 08-12-05, No. 09-12-08, No. 10-12-03, No. 11-12-08, No. 12-12-06, No. 13-12-09, No. 14-12-13, No. 15-12-08, No. 17-12-13, No. 18-12-12, 19-11-05, 20-12-14, 21-12-11, 22-12-06, 23-12-14 adopted by the Board of Directors on February 6, 1992, December 17, 1992, December 16, 1993, December 15, 1994, December 14, 1995, December 19, 1996, December 17, 1997, November 30, 1998, December 2, 1999, December 7, 2000, December 6, 2001, November 7, 2002, December 4, 2003, December 2, 2004, December 1, 2005, December 7, 2006, December 6, 2007, December 4, 2008, December 3, 2009, December 3, 2010, December 1, 2011, December 6, 2012, December 5, 2013, December 4, 2014, December 3, 2015, December 1, 2016, December 21, 2017, December 20, 2018, November 21, 2019, December 10, 2020, December 9, 2021, December 8, 2022, and December 14, 2023, respectively (collectively, the “Prior Resolutions”), found and determined that it was necessary to raise

funds by the issuance of revenue bonds in the maximum principal amount of \$9,055,000,000 pursuant to Sections 12850, et seq., of the California Public Utilities Code (the “Act”); and

WHEREAS, in order to provide reliable electric service to its customers, it is necessary for SMUD to make certain capital improvements and other capital expenditures to its system, which capital improvements and other capital expenditures are designed to have useful lives of up to 40 years, or more; and

WHEREAS, to fairly apportion the costs of such capital improvements and other capital expenditures among SMUD’s customers who will receive the benefits of such improvements, SMUD has determined to authorize the financing of such improvements and expenditures with bonds of SMUD; and

WHEREAS, to provide bond financing for such improvements and expenditures, it now appears necessary to increase the authorized issue of revenue bonds that may be issued by SMUD pursuant to the Act; and

WHEREAS, the Board of Directors of SMUD desires to inform its customers and the public of its plans for financing capital improvements and other capital expenditures to its system by specifying certain items for which the proceeds of said revenue bonds are to be used, which uses shall not include daily maintenance and operations costs; **NOW, THEREFORE,**

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

Section 1. The Board of Directors of SMUD declares its intention to authorize the issuance of additional revenue bonds or Clean Renewable Energy Bonds for the purpose of financing, in whole or in part, the costs of the capital items identified in SMUD’s 2025 capital budget, 2023 and 2024 capital expenditures not previously financed, the prepayment of purchased power or natural gas and the purchase of natural gas reserves, pipelines or storage facilities, for all of which SMUD is authorized by law to issue such bonds. SMUD has paid or reasonably expects to pay certain expenditures (the “Reimbursement Expenditures”) in connection with such capital items prior to the issuance of such bonds, and hereby officially declares its intent to use certain proceeds of such

bonds to reimburse the Reimbursement Expenditures. The declarations contained in this section are made solely for purposes of establishing compliance with Section 1.150-2 of the U. S. Treasury Regulations, and do not bind SMUD to make any expenditure, incur any indebtedness or proceed with the above-mentioned capital expenditures.

Section 2. The maximum principal amount of the additional revenue bonds proposed to be issued under this supplemental resolution is \$400,000,000. Such maximum principal amount is in addition to the \$9,055,000,000 principal amount of revenue bonds authorized pursuant to the Prior Resolutions. Such additional bonds may be issued in series from time to time, and it shall not be necessary that all of the bonds proposed to be issued be issued at any one time.

Proceeds from the issuance of these bonds will be used to finance capital improvements identified in SMUD's 2025 capital budget, 2023 and 2024 capital expenditures not previously financed, capital expenditures for the prepayment of purchased power or natural gas and the purchase of natural gas reserves, pipelines, or storage facilities. The declarations in this section are made solely to establish compliance with Section 12852 of the California Public Utilities Code, and do not bind SMUD to make any expenditure, incur any indebtedness or proceed with the above-mentioned capital expenditures.

Section 3. The maximum term of any of such bonds is 40 years. In the event the maximum authorized amount under a series of bonds is divided into two or more series, the said maximum term shall be calculated in each case from the date of each divided series of bonds.

Section 4. The maximum rate of interest to be payable upon such bonds shall not exceed the interest rate per annum equal to the greater of fifteen percent (15 percent) per annum or the yield of United States Treasury bonds having a remaining term equal, as nearly as practicable, to the final maturity of such bonds, as determined by SMUD as of the date of sale of such bonds, plus three percent (3 percent). The maximum discount with respect to such bonds shall not exceed ten percent (10 percent).

Section 5. This resolution shall take effect immediately, subject only to the right of referendum provided in Article 6a of Chapter 6 of Division 6 of the California Public Utilities Code (beginning at Section 12850 thereof).

Section 6. The Secretary of SMUD is hereby directed to publish a copy of this resolution once a week for two successive weeks in a newspaper of general circulation published within SMUD’s boundaries. At any time within 60 days after the date of the second such publication, a referendum petition signed by voters in number equal to at least three percent (3 percent) of the total vote cast, as defined in Section 11507 of the California Public Utilities Code, demanding the submission of this resolution to a vote of the voters of SMUD for their assent to the issuance of the proposed bonds, may be filed with the Secretary of SMUD. Upon presentation to the Secretary of SMUD of such a referendary petition, this resolution shall not be of effect unless and until it has been assented to by the voters.

Approved: December 12, 2024

INTRODUCED: DIRECTOR SANBORN				
SECONDED: DIRECTOR FISHMAN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

President Herber then turned to Discussion Calendar Item 10, to discuss a possible merit increase to the Chief Executive Officer and General Manager's base salary and/or performance bonus, pursuant to the Chief Executive Officer and General Manager's employment contract.

President Herber stated the Board had met in closed session and was considering a 13 percent increase.

Vice President Fishman stated that Mr. Lau had an exemplary year and although he personally struggled with the numbers contemplated, Mr. Lau deserved it, and he stated he was happy to support it.

Director Bui-Thompson stated she supported the increase. She noted that SMUD considers itself the best utility in the country run by the best team and best CEO. She stated Mr. Lau represented the rare American Dream story, starting as an intern and 40 years later becoming the CEO.

Director Sanborn thanked Mr. Lau and stated that the neighboring utility's CEO compensation was over 17 times the amount discussed for Mr. Lau. She stated it is fair and reasonable to give Mr. Lau the compensation he is due.

Director Tamayo thanked Mr. Lau for his energy and leadership which has made SMUD highly regarded locally, nationally, and internationally.

President Herber stated it was a pleasure to work with Mr. Lau, both as a former employee and now as a Board member. She stated her constituents want to keep rates low, keep the lights on, and keep pursuing green, clean energy, and Mr. Lau has done all those things.

No public comment was forthcoming for Agenda Item 10.

There being no further discussion, Director Kerth moved to approve a merit increase of thirteen (13) percent, and Director Bui-Thompson seconded. Resolution No. 24-12-08 was approved by a vote of 6-0, with Director Rose abstaining.

RESOLUTION NO. 24-12-08

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

That the Board authorizes a merit compensation increase in the base salary for the Chief Executive Officer and General Manager of thirteen percent (13%), to be effective the first pay period of 2025, in accordance with the terms of the Chief Executive Officer and General Manager's Employment Agreement.

Approved: December 12, 2024

INTRODUCED: DIRECTOR KERTH				
SECONDED: DIRECTOR BUI-THOMPSON				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE			X	
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

President Herber then called for public comment items not on the agenda.

Cindy Heitzman, Executive Director for the California Preservation Foundation, stated her organization's mission is to protect California historic resources through education and advocacy. She thanked SMUD for its preliminary support of their Breaking Barriers and Building Bridges conference to be held in Sacramento on May 7-10, 2025.

Carson Anderson, Board of Trustees member for the California Preservation Foundation, stated he was the Historic Preservation Director Emeritus for the City of Sacramento. He stated he wanted to underscore the fact that preservation activities, including preserving historic buildings, is an inherently green practice and companion to what SMUD is doing to achieve net zero.

President Herber then turned to Directors' Reports.

Director Sanborn thanked President Herber for organizing the Elected Women's Luncheon held at SMUD and noted there was almost parity in the state legislature now with over 50% women in the Senate. She reported on her attendance at the Carmichael Chamber business luncheon, her presentation to the SMUD Green Team regarding circular economy, her participation in Run to Feed the Hungry, and her attendance at the Sacramento Metro Advocates for Rail and Transit (SMART) Annual Fundraiser.

Director Tamayo reported that he had met with many community members and organizations including the Business Advisory Council, Property and Business Improvement Districts (PBIDs), Chambers, and other advocates. He reported on his participation in the Meadowview Neighborhood Association Walk and Franklin Boulevard Business Walk to spread awareness of services available. He concluded by reporting on a Home Infrastructure Planning briefing he had received from James Frasher, Director of Research & Development, Grants & Partnerships, and thanked him for the information.

Director Kerth reported on his attendance at tree lighting ceremonies in North Sacramento and Natomas, and his participation in Run to Feed the Hungry. He reported he had spoken at the Community Climate Action

Day in Del Paso Heights, which was a tree planting along the Sacramento northern parkway where they had 350 volunteers and 200 trees supplied by SMUD. He then reported on his attendance at the Plumbers and Pipefitter's Local holiday celebration known as the "Big Cheese" as well as the Indus Valley American Chamber of Commerce Annual Dinner.

Vice President Fishman reported on his attendance at Mayor Steinberg's Farewell Celebration, noting Mayor Steinberg had been an exemplary leader. He then reported on his speaking engagement at SMUD's Youth Energy Summit. He concluded by stating he had attended the memorial service for former Sacramento Fire Chief Ray Jones and noted that he had led an exemplary life of service to family and community.

Director Bui-Thompson reported on her attendance at the "Big Cheese" event as well as Mayor Steinberg's Farewell Celebration, as well as her attendance at the Sacramento Metro Chamber's Holiday Mixer, and the Stockton Boulevard Partnership Holiday Mixer. She thanked President Herber for resurrecting the Elected Women's Luncheon. She concluded by reporting on her attendance at the open house for Children's Choice for Hearing and Talking (CCHAT) Center.

Director Rose reported on his attendance at the Sacramento Metro Chamber's Holiday Mixer. He reported on a briefing he had received from Meguire Whitney since he was unable to attend the federal briefing. He concluded by thanking President Herber for her work in 2024.

President Herber thanked staff for their assistance in organizing the Elected Women's Luncheon. She then congratulated SMUD employee Betty Low for her recent graduation from the Elk Grove Chamber of Commerce Leadership Elk Grove program. She reported on her participation in Run to Feed the Hungry where she was able to talk to KCRA 3 regarding SMUD's volunteers and involvement. She reported on her participation on the tree lighting in downtown Sacramento and her attendance at the Gifts to Share Pocket Holiday Lighting Event in the Pocket Greenhaven area. She concluded by reporting on

her attendance at the Roberts Family Development Center fundraiser and thanked Derrell Roberts and Tina Roberts for their work in the community.

Paul Lau, Chief Executive Officer and General Manager, thanked President Herber for her leadership and noted it had been wonderful working with her in 2024. He then reported on the following items:

1) **Year in Review**. What an amazing year it has been. I would like to extend warm wishes for the holiday season to all! 2024 was another strong year for SMUD, with demonstrated industry leadership, positive results and significant progress toward our 2030 Zero Carbon goal. As you heard, last year we were 80% carbon-free, the first time in SMUD's history. This is something we can all be proud of. I cannot thank the Board enough for your leadership this year and for being so active in our journey to a zero-carbon future. Can you believe that altogether, our Board members delivered over 160 speeches or presentations this year? This does not include the 1,100 community meetings attended by our Board members. You have been out front, and we appreciate all you do for SMUD, our customers and community!

2) **Smart Grid Planning in Indonesia**. I recently returned from Indonesia where I attended a series of workshops sharing international best practices on distribution Smart Grid planning. The event was organized by the state-owned Indonesian electric company, who is responsible for managing the distribution of electricity to customers across Indonesia. They wanted to gather smart grid insights from experienced utility networks around the world. I attended as a representative of the United States Agency for International Development and was joined by former CEO & GM John Di Stasio and CAISO's Vice President of System Operations, Dede Subakti. The issues covered over the course of three days included

everything from smart meters and demand response to customer applications and cybersecurity. I was proud to present on our smart grid implementation and distribution successes and what we are doing at SMUD with distributed energy and demand response programs in pursuit of our ambitious 2030 Clean Energy Vision.

3) **Mutual Aid**. For the first time in SMUD's history, one of our substation high voltage electrician crews provided mutual aid support in the form of labor. Lodi Electric reached out to us for support replacing seven bushings on their 31.25 MVA substation power transformer. Lodi has a smaller service area than SMUD, and less equipment to maintain. That means they had less staff and resources for this grid improvement project, and they were in need of a helping hand. We were happy to support this effort. A big thank you to the team!

4) **Board Video**. Finally, we are ready to take a behind the scenes look at our Energy Trading & Contracts team. The Energy Trading & Contracts team does complex and fascinating work every day to keep the lights on and rates low for our customers and community.

There were no items for the Summary of Board Direction.

No further business appearing, President Herber adjourned the meeting at 7:09 p.m.

Approved:

President

Secretary

Exhibit to Agenda Items #9a & 9b

Adopt the following:

- a. **2025 Budget** which, among other things, establishes:
 - An Operations and Maintenance Budget of \$1,463.9 million (including Public Goods Charge of \$104.8 million);
 - A Debt Service budget of \$205.4 million;
 - A Capital and Reserve Budget of \$612 million; and
 - Authorized contingencies.

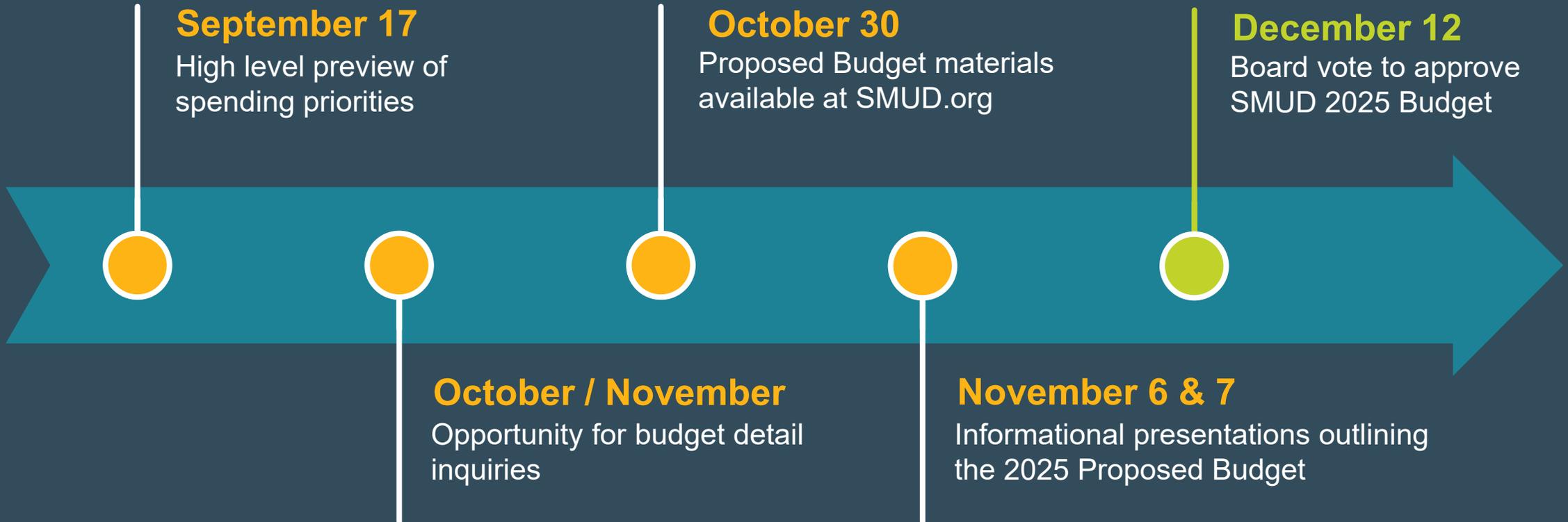
- b. Declaration of Intent to Issue Debt to create \$400 million of additional bonding authority to reimburse for qualifying capital expenditures, and Official Intent to reimburse for 2025, 2024 and 2023 capital expenditures from bond proceeds, which is required to maintain tax-exempt financing capability.

Board of Directors Meeting

Thursday, December 12, 2024, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

2025 Budget timeline



2025 SMUD Budget

Commodities	\$610
SMUD Operating Expenses	786
Public Good Expenses	68
Operations & Maintenance Sub-Total	\$1,464
Capital	612
Debt Service	205
Total Budget Authorization	\$2,281

Totals may reflect minor rounding differences

\$Millions

2025 Budget Net Income

Electric Sales	\$1,819
Other Revenue	69
Total Revenue	\$1,888
Commodity	610
Business Unit Operations	854
Other Costs/Income	307
Change in net position – Net Income	\$118

Totals may reflect minor rounding differences

\$Millions

- 2025 Budget achieves key financial metrics
- Positive net income (cash portion) is reinvested to offset capital costs

Request to Approve

- 2025 SMUD Budget Resolution
- 2025 Debt Resolution

SSS No. IAS 2005-3

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 01/14/25
Board Meeting Date January 16, 2025

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 checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>	Budgeted	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Claire Rogers			DEPARTMENT Internal Audit Services			MAIL STOP B409	EXT. 7122	DATE SENT 12/30/24	

NARRATIVE:

Requested Action: Approve proposed revisions to **Board-Staff Linkage BL-3, Board-Internal Auditor Relationship.**

Summary: Update the BL-3 to reflect recent changes to the Institute of Internal Auditors Global Standards. Copies of proposed revisions are attached in redlined and “clean” copy.

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

Benefits: Enables the Board to review the policy with the opportunity to make corrections, additions or changes if necessary.

Cost/Budgeted: There is no budgetary impact related to this proposed change.

Alternatives: Maintain the existing policy; approve different revisions; table discussion for another date.

Affected Parties: Board of Directors, All SMUD Departments

Coordination: Board of Directors, Board Office, Executive Office, Legal, and Internal Audit Services

Presenter: Claire Rogers, Director, Audit Services

Additional Links:

SUBJECT Proposed Revisions to BL-3, Board-Internal Auditor Relationship	ITEM NO. (FOR LEGAL USE ONLY) 8
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

Category: Board-Staff Linkage
Policy No.: BL-3
Title: Board-Internal Auditor Relationship

The Internal Auditor provides independent, objective assurance and consulting services to the Board and management designed to add value and improve SMUD's operations. The Internal Auditor's ~~purpose mission~~ is to strengthen SMUD's ability to create, protect, and sustain enhance and protect organizational value by providing the Board and management with independent, risk-based and objective assurance, advice, ~~and~~ insight and foresight.

The Internal Auditor will govern the internal audit department by adhering to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirement including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing.

To provide for the independence of the internal audit function, The the Internal Auditor has a direct reporting relationship reports to the Board of Directors. In addition, the Internal Auditor reports to the Chief Executive Officer and General Manager (CEO) for all administrative matters. The Board may provide input into the audit planning process and may require that special projects and reviews be conducted.

The CEO is responsible for hiring and terminating the Internal Auditor with the concurrence of the Board. As part of the hiring process, the CEO will recommend two qualified final candidates to the Board for its consideration. The CEO may rank the candidates in order of preference.

The CEO is responsible for the evaluation of the Internal Auditor's performance. The Board, at its discretion, may participate in the Internal Auditor's performance evaluation.

The Internal Auditor will assure that the internal audit department remains free from all conditions that threaten the ability of the auditors to carry out their responsibilities in an unbiased manner; including matters of audit selection, scope, procedures, frequency, timing, and report content.

The Internal Auditor shall conduct audit services as identified in the annual audit plan, investigations, and special projects requested by management, Chief Legal Officer and General Counsel, or the Board. The work of the Internal Auditor shall provide reasonable assurance regarding the achievement of objectives in the following areas:

- a) Adherence to plans, policies and procedures.
- b) Compliance with applicable laws and regulations.
- c) Effectiveness and application of administrative and financial controls.

- d) Effectiveness and efficiency of operations.
- e) Reliability of data.
- f) Safeguarding assets.
- g) Accuracy of the Strategic Direction monitoring reports.

The Internal Auditor in the performance of his or her duties shall have access to the Board of Directors and unlimited access to all activities, records, property and personnel of SMUD.

The Internal Auditor will maintain a quality assurance and improvement program that covers all aspects of the internal audit department.

The Board shall receive the results of all audits it requests and all results from the annual audit plan. Audit reports from the annual audit plan will be placed on a Board committee agenda for discussion as an information item. In addition, the Internal Auditor shall inform the Board of the results of any other audit when he or she reasonably determines that the audit indicates a significant financial, operational, or reputational risk to SMUD. In all cases, reports will be sent to individuals, be it the Board or management, who are in positions to see that action is taken on audit findings and recommendations. The Internal Auditor will follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results to the Board and senior management quarterly. The Internal Auditor will communicate to the Board and senior management, as necessary, management's responses to risk that the Internal Auditor determines may be unacceptable or acceptance of a risk that may be beyond SMUD's risk appetite.

Monitoring Method: Board Report

Frequency: Annual

Versioning:

December 19, 2002	Resolution No. 02-12-14	Date of Adoption.
October 16, 2003	Resolution No. 03-10-14	Date of Revision.
April 20, 2006	Resolution No. 06-04-10	Date of Revision.
December 18, 2008	Resolution No. 08-12-10	Date of Revision.
November 1, 2012	Resolution No. 12-11-08	Date of Revision.
August 20, 2015	Resolution No. 15-08-02	Date of Revision.
April 19, 2018	Resolution No. 18-04-06	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision. [Current Policy]
<u>January 16, 2025</u>	<u>Resolution No. 25-01-XX</u>	<u>Date of Revision.</u>

Category: Board-Staff Linkage
Policy No.: BL-3
Title: Board-Internal Auditor Relationship

The Internal Auditor provides independent, objective assurance and consulting services to the Board and management designed to add value and improve SMUD's operations. The Internal Auditor's purpose is to strengthen SMUD's ability to create, protect, and sustain value by providing the Board and management with independent, risk-based and objective assurance, advice, insight and foresight.

The Internal Auditor will govern the internal audit department by adhering to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirement.

To provide for the independence of the internal audit function, the Internal Auditor has a direct reporting relationship to the Board of Directors. In addition, the Internal Auditor reports to the Chief Executive Officer and General Manager (CEO) for all administrative matters. The Board may provide input into the audit planning process and may require that special projects and reviews be conducted.

The CEO is responsible for hiring and terminating the Internal Auditor with the concurrence of the Board. As part of the hiring process, the CEO will recommend two qualified final candidates to the Board for its consideration. The CEO may rank the candidates in order of preference.

The CEO is responsible for the evaluation of the Internal Auditor's performance. The Board, at its discretion, may participate in the Internal Auditor's performance evaluation.

The Internal Auditor will assure that the internal audit department remains free from all conditions that threaten the ability of the auditors to carry out their responsibilities in an unbiased manner; including matters of audit selection, scope, procedures, frequency, timing, and report content.

The Internal Auditor shall conduct audit services as identified in the annual audit plan, investigations, and special projects requested by management, Chief Legal Officer and General Counsel, or the Board. The work of the Internal Auditor shall provide reasonable assurance regarding the achievement of objectives in the following areas:

- a) Adherence to plans, policies and procedures.
- b) Compliance with applicable laws and regulations.
- c) Effectiveness and application of administrative and financial controls.
- d) Effectiveness and efficiency of operations.
- e) Reliability of data.

- f) Safeguarding assets.
- g) Accuracy of the Strategic Direction monitoring reports.

The Internal Auditor in the performance of his or her duties shall have access to the Board of Directors and unlimited access to all activities, records, property and personnel of SMUD.

The Internal Auditor will maintain a quality assurance and improvement program that covers all aspects of the internal audit department.

The Board shall receive the results of all audits it requests and all results from the annual audit plan. Audit reports from the annual audit plan will be placed on a Board committee agenda for discussion as an information item. In addition, the Internal Auditor shall inform the Board of the results of any other audit when he or she reasonably determines that the audit indicates a significant financial, operational, or reputational risk to SMUD. In all cases, reports will be sent to individuals, be it the Board or management, who are in positions to see that action is taken on audit findings and recommendations. The Internal Auditor will follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results to the Board and senior management quarterly. The Internal Auditor will communicate to the Board and senior management, as necessary, management's responses to risk that the Internal Auditor determines may be unacceptable or acceptance of a risk that may be beyond SMUD's risk appetite.

Monitoring Method: Board Report

Frequency: Annual

Versioning:

December 19, 2002	Resolution No. 02-12-14	Date of Adoption.
October 16, 2003	Resolution No. 03-10-14	Date of Revision.
April 20, 2006	Resolution No. 06-04-10	Date of Revision.
December 18, 2008	Resolution No. 08-12-10	Date of Revision.
November 1, 2012	Resolution No. 12-11-08	Date of Revision.
August 20, 2015	Resolution No. 15-08-02	Date of Revision.
April 19, 2018	Resolution No. 18-04-06	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision.
January 16, 2025	Resolution No. 25-01-XX	Date of Revision.

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RESOLUTION NO. _____

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

This Board approves the revisions to **Board-Staff Linkage BL-3, Board-Internal Auditor Relationship** substantially in the form as set forth in **Attachment**

_____.

SSS No.
SCS 24-368

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 01/14/25
Board Meeting Date
January 16, 2025

TO				TO			
1.	Casey Fallon	6.					
2.	Josh Langdon	7.					
3.	Scott Martin	8.					
4.	Lora Anguay	9.	Legal				
5.	Jose Bodipo-Memba	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) Daniel Manfredi		DEPARTMENT Supply Chain Services		MAIL STOP EA404	EXT. 6283	DATE SENT 12/26/24	

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to negotiate and award contracts to AECOM (Architecture, Engineering, Construction, Operations and Management) Technical Services, Black & Veatch Corporation, and Kleinfelder / GTS (Gas Transmission Systems, Inc.) to provide professional renewable engineering services for the five-year period from February 1, 2025, to January 31, 2030, with two optional one-year extensions, for a total aggregate contract not-to-exceed amount of \$30,000,000.

Summary: Request for Proposals Doc4730889978 (RFP) was issued in August 2024 to solicit third-party Contractors to support current SMUD assets and to perform renewable energy studies, investigations, and engineering in support of future wind, solar, distributed generation, and energy storage projects (inclusive of both stand alone and hybrid projects). The projects range in size, typology, and interconnection voltage from a 75MW Solar plus battery project interconnected on the 69kV to a 275MW Solar plus battery project interconnected on the 230kV, however projects of smaller or larger size may be a part of future scopes of service. The rates proposed are in alignment with the market rates for these highly technical resources and the individual project pricing will be negotiated once scopes are identified to ensure fair and reasonable pricing.

Recommendation: Award to the Highest Evaluated Responsive Proposers

Award to:

AECOM Technical Services	Black & Veatch Corporation	Kleinfelder/GTS
2020 L Street, Suite 400 Sacramento, CA 95811	11401 Lamar Avenue Overland Park, KS 66211	3130 Kilgore Rd., Suite 200 Rancho Cordova, CA 95670

Proposers Notified by Procurement: 180
Proposers Downloaded: 23
Pre-Proposal Conference Attendance: 14
Proposals Received: 9

Responsive Proposals Received	P/F	SEED Points 10	Technical Points 65	Price Points 25	Total Score 100	Rank	Proposal Amount	Evaluated Proposal Amount	Proposed Award Amount
AECOM Technical Services	P	10	64.19	20.07	94.25	1	\$8,530,000	\$8,280,000	NTE Aggregate \$30,000,000 of all Task Orders
Black & Veatch	P	10	59.00	22.49	91.49	2	\$7,638,500	\$7,388,500	
Kleinfelder/GTS	P	10	56.00	21.64	87.64	3	\$7,929,000	\$7,679,000	
Patrick Engineering	P	10	51.13	25.00	86.13	4	\$6,896,000	\$6,646,000	
HDR	P	10	54.25	19.01	83.26	5	\$8,990,500	\$8,740,500	
EN Engineering	P	10	50.06	21.29	81.35	6	\$8,055,000	\$7,805,000	
Green River Engineering	P	10	44.25	19.99	74.24	7	\$8,560,000	\$8,310,000	

Non-responsive Proposals Received	Comments
Soltek	Did not meet the mandatory requirements.
Worley Group	Did not meet the mandatory requirements.

Comments: The contracts include non-standard SMUD contract terms. SMUD staff, including Risk and Legal, will approve the final non-standard terms that are still being negotiated.

Supplier Diversity Program:

All three Prime Contractors committed 20% Supplier Education & Economic Diversity (SEED) participation.

Board Policy: Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement; Strategic Direction SD-7, Environmental Leadership; Strategic Direction SD-10, Innovation; Strategic Direction SD-13, Economic Development.

Benefits: The Contracts will provide a high level of engineering design, research and development expertise to support SMUD's 2030 Zero Carbon Plan.

Cost/Budgeted: \$30,000,000; Budgeted for 2025- 2031 by Zero Carbon Energy Solutions

Alternatives: 1) Break up the scope of services and solicit contracts for the individual categories of service. This option would require additional SMUD resources to manage the contracts. 2) SMUD could hire internally specialized engineering resources to perform the work in-house. Due to current staffing shortages nationwide, this option would likely not materialize in the time and effort needed to onboard internal resources.

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

Coordination: Zero Carbon Energy Solutions and Supply Chain Services

Presenter: Josh Langdon, Director, Power Generation

Additional Links:

SUBJECT

Renewable Engineering Services Contract Award

ITEM NO. (FOR LEGAL USE ONLY)

9

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

RESOLUTION NO. _____

WHEREAS, in August 2024, SMUD issued Request for Proposals No. Doc4730889978 (RFP) to solicit qualified contractors to provide professional renewable engineering services; and

WHEREAS, nine (9) proposals received in response to the RFP were evaluated; **NOW, THEREFORE**,

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

Section 1. As a result of such examination, **AECOM (Architecture, Engineering, Construction, Operations, and Management) Technical Services (AECOM Technical Services), Black & Veatch Corporation (Black & Veatch), and Kleinfelder / GTS (Gas Transmission Systems, Inc.) (Kleinfelder/GTS)**, are hereby determined and declared to be the three highest evaluated responsive proposers to provide professional renewable engineering services.

Section 2. The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of SMUD, to negotiate and award contracts to **AECOM Technical Services, Black & Veatch, and Kleinfelder/GTS** (collectively, the **Contracts**) to provide professional renewable engineering services for the five-year period from February 1, 2025, to January 31, 2030, with two optional one-year extensions, for a total aggregate contract not-to-exceed amount of \$30,000,000.

Section 3. The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the **Contracts** that, in his prudent judgment: (a) further the primary purpose of the

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Contracts; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.