Board of Directors Meeting Agenda

Date:     August 20, 2020
Time:     5:30 p.m.
Location: Virtual Meeting (online)

Powering forward. Together.
•AMENDED AGENDA

SACRAMENTO MUNICIPAL UTILITY DISTRICT
BOARD OF DIRECTORS MEETING

In accordance with the Governor’s Executive Order N-29-20 and the Emergency Board Meeting Procedures adopted by the SMUD Board of Directors, the regular Board meeting and other public meetings are closed to the public to align with state, local, and federal guidelines and social distancing recommendations for the containment of the coronavirus.

Live video streams and indexed archives of meetings are available at: 
http://smud.granicus.com/ViewPublisher.php?view_id=16

Members of the public may register to provide verbal comments at an upcoming Board or Committee meeting by e-mailing a request to PublicComment@smud.org. Please include the date of the meeting, name, and topic or agenda item the requestor wishes to speak on. The request may also be submitted while the meeting is in progress during the standard time for the agenda item or topic. **Pre-registration is strongly encouraged by no later than 3:00 p.m. on the day of the meeting.**

Members of the public may provide written public comments on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via e-mail. Comments may be submitted to PublicComment@smud.org and will be placed into the record of the meeting.

Members of the public that are listening to or watching the live stream of a Board meeting and wish to submit written comments on a specific agenda item as it is being heard may submit their comments, limited to 250 words or less, to PublicComment@smud.org, noting the agenda item number in the subject line. The Board President may read comments for items on the agenda into the record, in his discretion, based upon such factors as the length of the agenda or the number of e-mail comments received. General public comment for items not on the agenda will not be read into the record but will be provided to the Board and placed into the record of the Board meeting if it is received within two hours after the meeting ends.

**August 20, 2020 – 5:30 p.m.**

*Zoom Webinar Link: Join SMUD Board Meeting Here*  
*Webinar ID: 160 034 6862*  
*Password: 182400*  
*Phone Dial-in Number: 1-669-254-5252*

Call to Order.  
a. Roll Call.

1. Approval of the Agenda.

2. Committee Chair Reports.  
a. Committee Chair report of August 18, 2020, Energy Resources & Customer Services Committee  
b. Committee Chair report of August 19, 2020, Finance and Audit Committee
Comments from the public are welcome when these agenda items are called.

Consent Calendar:

3. Approve Board member compensation for service rendered at the request of the Board (pursuant to Resolution 18-12-15) for the period of July 16, 2020, through August 15, 2020.

4. Approval of the minutes of the meeting of July 16, 2020.

5. Accept the monitoring report for Strategic Direction SD-5, Customer Relations. Energy Resources & Customer Services Committee 8/18. (Nicole Howard)

6. Approve proposed revisions to Strategic Direction SD-5, Customer Relations to establish an overall customer experience “value for what you pay” target of 70 percent by the end of 2025 and 80 percent by the end of 2030. Energy Resources & Customer Services Committee 8/18. (Nicole Howard)


8. Approve delay of the implementation of the Commercial Rate Restructure for one year to be effective no later than May 31, 2022. Energy Resources & Customer Services Committee 8/18. (Jennifer Davidson)

9. Accept the monitoring report for Strategic Direction SD-8, Employee Relations. Finance and Audit Committee 8/19. (Gary King)

10. Accept the monitoring report for Strategic Direction SD-12, Ethics. Finance and Audit Committee 8/19. (Gary King)

11. Approve Contract Change No. 4 to Contract No. 4500121595 with Roebbelen Contracting, Inc., to increase the contract amount by $16,370,620 from $17,468,503 to $33,839,123 to construct the Station G Substation. Finance and Audit Committee 8/19. (Frankie McDermott)

* * * * * * *

Informational Items:

12. Provide the Board with the financial results from the six-month period ended June 30, 2020.  
   Presenter: Lisa Limcaco

   Presenter: Claire Rogers

   Presenter: Jennifer Davidson
15. Provide the Board with the Quarterly Procurement Report for Second Quarter 2020.  
   Presenter: Casey Fallon

* * * * * * *

• Discussion Calendar:

16. Discuss Board meeting schedule and potential addition of a regular Board meeting in late August or early September.  
   Presenter: President Kerth

Public Comment:

17. Items not on the agenda.

Board and CEO Reports:

18. Directors' Reports.

19. President’s Report.

20. CEO’s Report.
   a. Board Video re: Lighting and Autism

Summary of Board Direction

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FOLLOWING ADJOURNMENT OF THE FOREGOING SMUD BOARD OF DIRECTORS MEETING, ANNUAL MEETINGS AND THE REGULAR MEETING OF THE FOLLOWING JOINT POWERS AGENCIES WILL CONVENE:

CENTRAL VALLEY FINANCING AUTHORITY
NORTHERN CALIFORNIA GAS AUTHORITY NUMBER 1
SACRAMENTO COGENERATION AUTHORITY
SACRAMENTO MUNICIPAL UTILITY DISTRICT FINANCING AUTHORITY
SACRAMENTO POWER AUTHORITY
NORTHERN CALIFORNIA ENERGY AUTHORITY

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

*The SMUD Board of Directors is currently operating under Emergency Board Meeting Procedures. In response to local, state, and federal directives, the following meetings will be held virtually (online).*

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<th>Date</th>
<th>Meeting</th>
<th>Location</th>
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<td>August 18, 2020</td>
<td>Special Board of Directors Meeting</td>
<td>Virtual Meeting (online)</td>
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<td>August 18, 2020</td>
<td>Energy Resources &amp; Customer Services Committee and Special Board of Directors Meeting</td>
<td>Virtual Meeting (online)</td>
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<tr>
<td>August 19, 2020</td>
<td>Finance and Audit Committee and Special SMUD Board of Directors Meeting</td>
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<td>September 8, 2020</td>
<td>Strategic Development Committee and Special Board of Directors Meeting</td>
<td>Virtual Meeting (online)</td>
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<td>September 9, 2020</td>
<td>Policy Committee and Special Board of Directors Meeting</td>
<td>Virtual Meeting (online)</td>
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<tr>
<td>September 15, 2020</td>
<td>Finance and Audit Committee and Special SMUD Board of Directors Meeting</td>
<td>Virtual Meeting (online)</td>
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Regular Meetings of the Board of Directors are held at the SMUD Headquarters Building, 6201 S Street, Sacramento

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Pursuant to Resolution No. 20-06-08 adopted on June 18, 2020, Emergency Board Meeting Procedures are in effect:

- Members of the public may make either a general public comment or comment on a specific agenda item by submitting comments via email. Comments may be submitted to PublicComment@smud.org. Comments will be provided to the Board and placed into the record of the Board meeting if it is received within two hours after the meeting ends.

- Members of the public that are listening or watching the live stream of a Board meeting and wish to comment on a specific agenda item as it is being heard, may submit their comments, limited to 250 words or less, to PublicComment@smud.org. The Board President may read the comments into the record, in his discretion, based upon such factors as the length of the agenda, the number of email comments received, and whether the Board is in danger of losing a quorum. Comments will be provided to the Board and placed into the record of the Board meeting if it is received within two hours after the meeting ends.

- Members of the public may register to provide verbal comments at an upcoming Board or Committee meeting by emailing a request to speak to PublicComment@smud.org. Please include the date of the meeting, name, and topic or agenda item the requestor wishes to speak on. The request may also be submitted while the meeting is in progress during the standard time for the agenda item or topic. Pre-registration is strongly encouraged by no later than 3:00 p.m. on the day of the meeting.

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 virtual 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 (916) 732-7143, no later than 48 hours before this virtual meeting.
RESOLUTION NO. ________________

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 18-12-15) for the period of July 16, 2020, through August 15, 2020.
The Board of Directors of the Sacramento Municipal Utility District met in regular session via virtual meeting (online) at 5:32 p.m.

Roll Call:

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

Present also were Arlen Orchard, Chief Executive Officer and General Manager; Laura Lewis, Chief Legal Officer and General Counsel and Secretary, and members of SMUD’s executive management; and SMUD employees and visitors.

Director Fishman shared the safety tip.

President Kerth called for approval of the agenda. Vice President Bui-Thompson moved for approval of the agenda, Director Tamayo seconded, and the agenda was unanimously approved.

Director Herber, Chair, presented the report on the Finance and Audit Committee meeting held on July 14, 2020.

Director Sanborn, Chair, presented the report on the Policy Committee meeting held on July 15, 2020.

President Kerth then addressed the consent calendar consisting of Items 3 and 4. No public comment was forthcoming. Director Herber moved for approval of the consent calendar, Director Fishman seconded, and Resolution No. 20-07-01 was unanimously approved.
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 18-12-15)

Approved: July 16, 2020

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President Kerth then turned to Informational Items 5 through 7.

Lisa Limcaco, Director of Accounting & Controller, briefly explained how the hot weather in May and June resulted in higher revenues than anticipated since revenues are forecasted on normal weather conditions. She also stated that the aging Accounts Receivable are tracked on a weekly basis, and with the moratorium on disconnection, two to four percent of revenues may not be collected and could lead to an additional $20 million or more of bad debt expense above budget for the year. She then gave a presentation on agenda item 5, regarding SMUD’s financial statement through May 31, 2020. A copy of the slides used in her presentation is attached hereto.

No public comment was forthcoming on agenda item 5.

Jennifer Davidson, Chief Financial Officer, gave a presentation on agenda item 6, a summary of SMUD’s current Power Supply Costs. A copy of the slides used in her presentation is attached hereto.

No public comment was forthcoming on agenda item 6.

Eric Douglas, consultant to the Board, gave a presentation on agenda item 7, a holistic policy review of Governance Process GP-2, Governance Focus, Governance Process GP-3, Board Job Description, and Governance Process GP-7, Guidelines for Board Member Behavior. A copy of the slides used in his presentation is attached hereto.

No public comment was forthcoming on agenda item 7.

President Kerth then turned the meeting to Discussion Calendar Item 8, to accept the monitoring report for Strategic Direction SD-13, Economic Development.

Erik Krause, Director of Retail Product Delivery & Sales, gave a presentation on agenda item 8. A copy of the slides used in his presentation is attached hereto.

No public comment was forthcoming on agenda item 8.

There being no discussion, Director Herber moved for approval of Discussion Calendar Item 8, Director Fishman seconded, and Resolution No. 20-07-02 was unanimously approved.
RESOLUTION NO. 20-07-02

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

This Board accepts the monitoring report for Strategic Direction SD-13, Economic Development, substantially in the form set forth in Attachment A hereto and made a part hereof.

Approved: July 16, 2020

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TO:       Board of Directors
FROM:    Claire Rogers  CR 7/7/20

SUBJECT: Audit Report No. 28007207
Board Monitoring Report; SD-13: Economic Development

Audit and Quality Services (AQS) reviewed the SD-13 Economic Development 2019 Annual Board Monitoring Report and performed the following:

- Reviewed the information presented in the report to determine the possible existence of material misstatements;
- Interviewed report contributors and verified the methodology used to prepare the monitoring report; and
- Validated the reasonableness of a selection of the report’s statements and assertions.

During the review, nothing came to AQS’ attention that would suggest the report did not fairly represent the source data available at the time of the review.

CC:
Arlen Orchard
1. Purpose & Background

Strategic Direction 13 (SD-13) Economic Development states that:

Promoting the economic vitality of our region and the growth of our customer base is a key value of SMUD. Therefore, SMUD shall exercise strategic leadership and actively participate in regional economic development.

Specifically:
   a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.
   b) SMUD shall align its economic development activities with regional economic development initiatives.
   c) SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.
   d) SMUD shall offer economic development rates and program incentives.
   e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers.

2. Executive summary

SMUD is in compliance with SD-13, Economic Development.

SMUD continues to be a nationally recognized leader in corporate citizenship for our longstanding commitment to the economic health of the greater Sacramento region. In 2019, we continued our visible support for and engagement with the business community. We developed key partnerships to support a shared vision, to deliver greater collective impact and an inclusive economy. Additionally, we continue to focus our economic development support through SMUD’s Sustainable Communities Initiative. With Sustainable Communities, we’re aligning our programs, goals and investments around supporting healthy, vibrant and economically sustainable neighborhoods for ALL of our customers with a special eye to improving equity in our region.

Our strategy to enhance the economic vitality of the Sacramento region is comprehensive. Key tactics to engage, inform and support the regional business community include:

- Supporting the developer community.
- Ensuring our commercial and industrial service connection costs are in-line with other West Coast electric utilities.
- Supporting business formation, attraction, retention and expansion efforts.
- Providing business development resources for entrepreneurs.
- Improving the Supplier Education and Economic Development (SEED) contracting program for local small businesses.
- Continuing to offer and enhance economic development rates.
- Providing program energy efficiency and electrification incentives and rebates.
- Expanding partnerships with local agencies and non-profits to facilitate community development.
- Broadening support of the region’s emerging innovation ecosystem, including the California Mobility Center.
- Deploying significant resources to support a Sustainable Communities plan that can be replicated and measured for effectiveness and impact.

Establishing and sustaining an innovation ecosystem that translates to entrepreneurial success is essential to driving meaningful societal and business impacts within the region. This is why SMUD continues to grow and evolve our engagement with key organizations like CleanStart, Hacker Lab, InnoGrove, Startup Sac, and Urban Hive. The Entrepreneurs Campus’ Global Venture Impact Summit offered the opportunity to develop a new SMUD Challenge competition and showcased our efforts to drive new business initiatives. Furthermore, this work creates continued opportunities to leverage SMUD’s research and development and New Business Development efforts to advance strategic goals and objectives of the company.

Through outreach and education, SMUD’s Supplier Education and Economic Development (SEED) team teaches local small businesses how to contract with SMUD and positively impact their bottom line. SEED offers incentives to local small businesses that participate in SMUD’s competitive bid process. It also helps prime contractors find local sub-contractors, which helps them gain a competitive edge when developing their bids or proposals. In 2019, the SEED program partnered with Supply Chain Services, conducting a variety of outreach and education events and awarding 33.81% of SMUD’s contracts to SEED-certified small businesses, exceeding the Board-established goal of 20%. One hundred eighty-four (184) SEED contracts were awarded in 2019, totaling $130,026,977.

SMUD works with numerous local economic development organizations to enhance regional economic vitality. Our leadership roles in the Greater Sacramento Economic Council (GSEC), Valley Vision, Sacramento Metro Chamber, Urban Land Institute, Downtown Sacramento Partnership, Sacramento Black Chamber, Sacramento Asian Pacific Chamber, Sacramento Area Council of Governments (SACOG), Sacramento Public Agency Consortium (SacPAC) and many others help ensure our activities support the region’s efforts to attract, retain and expand companies in our service area. It also means SMUD has a seat at the table early on in economic development conversations. Other major tactics to encourage regional economic development include our dedicated Commercial Development team and participation in business walks.

Business attraction was a key economic development focus in 2019. We participated in 23 new business attraction, retention and expansion projects. Our work supported five wins and the creation of an estimated 525 jobs within our service area. Projects included a large video game developer from the Bay Area, another arm of Amazon, and a dental implant manufacturer from the Northern Bay Area. To cultivate additional projects, SMUD participated in eight business attraction, retention and expansion missions and tradeshows in and outside of California, including Select USA with the Governor’s Office of Business and Economic Development in Washington D.C. Staff engaged with site selection consultants and key attraction prospects at conferences hosted by groups including the Site Selectors Guild and the Industrial Asset Management Council.
3. Information about our 2019 efforts to achieve the specific elements outlined in SD-13 is provided in the following section.

a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.

Electrification and transportation continue to be strategic areas of focus for SMUD, as well as the public power industry in general. This year, SMUD utilized its relationships with Hacker Lab, CleanStart, and the Impact Global Venture Summit to promote awareness, innovation and job creation with local startups to address these challenges. From growing participation in CleanTech meetups, to showcasing the opportunity of the California Mobility Center (CMC), these efforts are increasing investments to develop new solutions in these areas.

The New Business Development (NBD) Team introduced four new business opportunities to the Executive Committee. The Committee decided to proceed with the planning and implementation of the EV Charging as a Service. The Committee also decided to proceed with the feasibility and implementation phases of the California Mobility Center (CMC). The NBD Team helped incorporate CMC as a non-profit entity in California. Late 2019, they also started working on implementation activities with the focus of making the CMC operational in 2020.

This year, the cross-collaboration with Sustainable Communities and Economic Development resulted in a deeper impact in our relationship with Hacker Lab, increasing our investment in their startup and entrepreneur’s program while also broadening our reach with support of their Pathways program to drive innovation in underserved communities. Detailed information about our 2019 partnerships that promote innovation is provided in Appendix A.

SMUD continues to effectively balance our goal of fostering innovation with our commitment to keeping rates low. SMUD’s average rates will remain competitive even after the adopted rate increases for 2020 and 2021. In 2019, SMUD’s system average rate was 36.5% below PG&E. On December 13, 2018, PG&E filed its 2020 General Rate Case application with the CPUC requesting a 6.8% electric revenue increase in 2020, which includes the Tax Act reduction. A detailed summary of SMUD’s rate competitiveness is provided in Appendix A.

b) SMUD shall align its economic development activities with regional economic development initiatives

Business attraction is a key regional priority. SMUD plays a critical role in GSEC with SMUD’s CEO serving on its Executive Committee and staff members serving as active members of its Economic Development Directors’ Task Force. Through these roles, SMUD provided indirect support in the attraction of five companies that will create 525 jobs in SMUD’s service territory. Detailed information about SMUD’s role in key regional economic development organizations is provided in Appendix B.

To promote workforce and equitable economic and community development, SMUD continues targeting economic development, community/environmental health, and neighborhood outreach activities in vulnerable and disadvantaged communities through its Sustainable Communities initiative. SMUD has invested over $3 million into this effort, leveraging partnerships to increase impact in these areas of need. Additional information regarding Sustainable Communities can be found in Appendix B.
SMUD demonstrated leadership in several regional business advocacy programs to Washington D.C. in 2019. SMUD had a strong representation during the Metro Chamber’s 49th Annual Cap-to-Cap program where the Board and staff advocated for a number of issues, including air quality, electric vehicles and climate change. SMUD played a key role in executing the 3rd Annual Capital Region Executive Leadership Mission hosted by Congresswoman Matsui, chaired by City of Sacramento Mayor Steinberg, and organized by the Sacramento Asian Pacific Chamber of Commerce, GSEC, SACOG and the Building Trades. Also, SMUD staff spoke on a panel at the Congressional Black Caucus to promote economic development in underserved communities.

c) SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers

In addition to our 23 new attraction, retention and expansion projects, staff cultivated potential projects by conducting and participating in 9 missions and tradeshows during 2019.

The Commercial Development team actively engaged with 240 commercial, mixed-use and residential project developers throughout our service territory.

Staff from numerous departments partnered with the Sacramento Metro Chamber and the Capital Region Small Business Development Center (SBDC). To support the creation and growth of small businesses, the SBDC helped 36 businesses start up, retained 2,539 jobs, created 474 new jobs and helped businesses access $15.5 million in capital during 2019.

The Revenue Operations, DG Interconnections team continued to partner with various local agencies and chambers to provide energy efficiency expertise for prospective, proposed, and existing customer startups related to the Indoor Cultivation industry in the greater Sacramento area. In 2019 we offered insight and education to the first Cannabis Opportunity Reinvestment and Equity (CORE) cohort hosted by the Greater Sacramento Urban League. We were able to better explain the process new business owners need to complete for permitting and permission to operate. We demonstrated differences in lighting options, rebates available, and the potential for cost savings through energy efficiency in the Indoor Cultivation facilities. Also, the Cannabis Operations team monitors all existing Indoor Cultivation Rule 16 projects for progress and works to keep Grid Assets and Grid Operations teams aware if dates are going to change. Once operational the team monitors the customer load and provides insight to lighting irradiation levels within their facilities, and ways to effectively use their energy to reduce operational costs.

d) SMUD shall offer economic development rates and program incentives

In 2019, SMUD offered an Economic Development Rate (EDR) to incentivize the attraction, retention and expansion of businesses within our service area. A description of the current EDR can be found in Appendix D.

SMUD conducted strategic outreach and engagement to developers and builders of residential subdivisions, multifamily developments about its Smart Homes program offerings and incentives for All Electric and SolarShares.

Our Small and Midsize Business (SMB) Team actively engaged with 3,712 customers, providing personalized assistance and tailored energy advice and solutions, to meet the individual customer needs. SMB customers took advantage of a variety of SMUD incentive
programs, including Express Energy Solutions, Complete Energy Solutions and the Custom Incentive Program.

e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers

Our SEED program offered certified small businesses incentives to participate in SMUD’s competitive bid process. It also helped prime contractors find local sub-contractors to gain an advantage in developing their bids or proposals.

Our SEED team held 12 workshops, orientations or panel discussions and coordinated participation in over 112 outreach events, reaching approximately 13,750 people with information about SEED.

SMUD’s annual goal is to award 20% of all contracts to certified small businesses. We exceeded that goal in 2019, awarding 33.81% of contracts to SEED qualified vendors, totaling $130,026,977.

The SEED team also coordinated the Business Advisory Council (BAC). The BAC raises local business awareness about contracting with SMUD and makes recommendations for improvements to our contracting process. SMUD hosts quarterly meetings for over 35 member agencies, including regional Chambers of Commerce and Property and Business Improvement Districts.

For more information about our 2019 efforts to promote our SEED program and achievement of our SEED goals, please see Appendix E.

4. Challenges: The regulatory climate in California, particularly the costs of doing business and regulatory compliance, are often cited as reasons why companies choose to locate in other states.

Additionally, the Sacramento Area saw a very low vacancy rate for industrial real estate in 2019, which hindered our ability to attract large employers. With limited new construction and the start of the cannabis market, it is projected to continue on this path.

SMUD is actively working with regional and state partners, such as GSEC, GO-Biz and the California Association of Local Economic Development, to address the state and local regulatory challenges that limit our ability to attract or develop new businesses.

5. Recommendation: It is recommended that the Board accept the Monitoring Report for SD-13, Economic Development.
APPENDIX A

SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.

In a healthy innovation ecosystem, resources invested in the knowledge economy through private, government, or direct business investment are subsequently replenished by innovation-induced profit increases in the commercial economy. SMUD’s approach to innovation includes investments in the knowledge economy that complement business development efforts.

For corporations and startups alike, achieving success and growth depends on a support network and ecosystem in which to collaborate. SMUD’s strategy is to continue to identify the problem solvers within our community, and strategically invest in their programs that will grow our region’s knowledge economy. The following outlines key 2019 developments in the partnerships Economic Development and Partnerships supports in the innovative entrepreneurship ecosystem:

**Hacker Lab** is an all-in-one makerspace, coworking facility and workforce incubator that has come to be one of the most recognized centers for innovation in the region. As such, SMUD continues to invest in their programs end-to-end, including their maker education programs, entrepreneurship business accelerator (StartUp Hustle), as well as their 8-month long career pathway development program to support the dreams of underserved Sacramentans. SMUD also leveraged its collaborative relationships with the region to begin a dialogue between Hacker Lab, Volunteers of America, the City of Rancho Cordova and the Rancho Cordova Chamber of Commerce to deepen and expand the program offerings within the Rancho Cordova Hacker Lab facility.

Hacker Lab’s programs continue to provide amazing impact within our region. Hacker Lab supported 424 new companies in our region during 2019, in industries including information & communication technology, health, food & agriculture and advanced manufacturing. Hacker Lab trained more than 2,160 people in diverse course offerings including 3D printing, business entrepreneurship, robotics, and, electronics. We also featured Gina Lujan, Co-Founder of Hacker Lab, and Retail Products Delivery and Sales Director Erik Krause in an innovation-themed ad campaign launched in 2019.

Our partnership with **InnoGrove** in the southern service area continues to provide support for their STEM-related summer camps and other programs throughout the academic year. These camps, focused on students ages 8 to 15, utilized Construct 2, a free game design tool, to give students the ability to continue their game design and development on their own home PCs as well as learning in the class. Students were also able to use the PodPi comics-based system to learn programming and robotics principals as well as standardized languages JavaScript and Arduino. Infusing these marketable skills into our region’s youth, utilized by innovators around the globe, helps ensure our innovation ecosystem will continue to grow and thrive. InnoGrove’s ongoing sponsorship includes a seat on their Board of Directors, as well as access to their co-working facilities and other visibility and recognition benefits.

Another region-wide partnership, **CleanStart Inc.**, continued working to build the clean tech hub in the Sacramento region. Through SMUD’s partnership the organization was not only able to continue publication of their annual progress report for the region’s Clean Tech industry, but grow their monthly meetup program, as well as restart their Clean Tech Showcase after a five-year hiatus. The Showcase highlighted 18 up-and-coming companies from the area, innovation in clean tech and the $50 million of new investment in our region’s startup ecosystem. Their monthly meetup program focused on cleantech topics such as mobility, solar & micro grids and energy...
efficiency and featured four presentations by SMUD board members, senior leadership, and CEO Arlen Orchard.

Our expanded partnership with the Entrepreneurs Campus helped grow their annual Global Venture Impact Summit event, resulting in 200 mentor matches, 25 startup exhibitors, and a new SMUD challenge. This challenge offered local college student teams the opportunity to innovate on mobility issues affecting our region, creating potential solutions.

Our partnership with Startup Sac continues into its second year. They are engaged in the acceleration of Sacramento’s startup and innovation ecosystem through educating, empowering and connecting startups to founders and innovators, and are involved in many local activities, including Startup Sac Happy Hour presentation and networking sessions, and Warm-Up Pitch events for local entrepreneurs seeking investment capital.

SMUD also holds a membership at The Urban Hive, a coworking community and shared workspace supporting entrepreneurs, designers, changemakers and creators, in their Cannery facilities off Alhambra Blvd.

Commitment to Low Rates:

SMUD continues to maintain rates that are below PG&E’s, both at a system level and by rate class.

Figure 1: Compares SMUD and PG&E system average rates for the past 10 years. On a system average basis, SMUD’s system average rates have averaged 28% below PG&E’s since 2010.

As shown in Figure 1, the rate competitiveness by class varies for the different customer classes and is at least 32.2% below comparable PG&E class average rates. Since the creation of this annual monitoring report in 2007, SMUD has consistently maintained rates that were more than 18% below PG&E.

<table>
<thead>
<tr>
<th>Customer</th>
<th>Rate Categories</th>
<th>Average Annual Rate PG&amp;E 2019</th>
<th>Average Annual Rate SMUD 2019</th>
<th>Difference Below PG&amp;E*</th>
<th>Difference Below PG&amp;E*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>E-1 R-TOD</td>
<td>$0.2505</td>
<td>$0.1509</td>
<td>-39.8%</td>
<td>-35.6%</td>
</tr>
<tr>
<td></td>
<td>CARE*** EAPR &amp; EAPRMED**</td>
<td>$0.1471</td>
<td>$0.0997</td>
<td>-32.2%</td>
<td>-27.3%</td>
</tr>
<tr>
<td>All Residential</td>
<td></td>
<td>$0.2205</td>
<td>$0.1439</td>
<td>-34.7%</td>
<td>-30.9%</td>
</tr>
<tr>
<td>Small Commercial****</td>
<td>&lt;= 20 kW A-1 GFN/GSN_T</td>
<td>$0.2572</td>
<td>$0.1502</td>
<td>-41.6%</td>
<td>-38.8%</td>
</tr>
<tr>
<td></td>
<td>21 - 299 kW A-6 GSS_T</td>
<td>$0.2456</td>
<td>$0.1391</td>
<td>-43.4%</td>
<td>-40.4%</td>
</tr>
<tr>
<td>Medium Commercial****</td>
<td>300 - 999 kW E-19 TOU-3</td>
<td>$0.2265</td>
<td>$0.1305</td>
<td>-42.4%</td>
<td>-40.1%</td>
</tr>
<tr>
<td></td>
<td>500 - 999 kW E-19 TOU-2</td>
<td>$0.2006</td>
<td>$0.1227</td>
<td>-38.8%</td>
<td>-34.8%</td>
</tr>
<tr>
<td>Large Commercial****</td>
<td>=&gt; 1 MW E-20 TOU-1</td>
<td>$0.1598</td>
<td>$0.1038</td>
<td>-35.1%</td>
<td>-31.5%</td>
</tr>
<tr>
<td>Lighting</td>
<td>Traffic Signals</td>
<td>$0.2453</td>
<td>$0.1178</td>
<td>-52.0%</td>
<td>-48.6%</td>
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<tr>
<td></td>
<td>Street Lighting</td>
<td>various SLS,NLG</td>
<td>$0.2614</td>
<td>$0.1302</td>
<td>-50.2%</td>
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<tr>
<td></td>
<td>Agriculture</td>
<td>Ag ASN/D,AON/D</td>
<td>$0.2162</td>
<td>$0.1332</td>
<td>-38.4%</td>
</tr>
<tr>
<td>System Average</td>
<td></td>
<td>$0.2109</td>
<td>$0.1340</td>
<td>-36.5%</td>
<td>-33.4%</td>
</tr>
</tbody>
</table>

SMUD shall align its economic development activities with regional economic development initiatives.

Throughout 2019, SMUD staff held visible leadership roles in regional economic development initiatives and organizations, helping ensure regional stakeholders are working in concert on business development, attraction, retention and expansion efforts and that our efforts are aligned with regional priorities. SMUD’s leadership roles in regional economic development organizations included:

- Align Capital Region, Board of Directors
- Business Environmental Resource Center, Advisory Committee
- California Capital, Loan Advisory Committee
- Capital Region Executive Leadership Mission, Steering Committee
- Capital Region Prosperity Plan, Steering Committee
- Carmichael Chamber of Commerce, Board President
- Capital Region Small Business Development Center, Advisory Board
- Downtown Sacramento Partnership, Board of Directors
- Folsom Tourism and Economic Development Corporation, Board
- Greater Sacramento Economic Council, Board of Directors
- Greater Sacramento Economic Council, Economic Development Directors Taskforce
- Greater Sacramento Urban League, Board of Directors
- Grow Sacramento Fund, Loan Advisory Committee
- Hacker Lab, Board of Directors
- InnoGrove, Board of Directors
- Metro EDGE, Leadership Council
- Midtown Business Association, Board of Directors
- North State Building Industry Association, Board of Directors
- North Sacramento Chamber of Commerce, Board of Directors
- Power Inn Alliance, Board President
- Power Inn Alliance, Planning & Business Development Committee
- Sacramento Construction Management Education Foundation, Executive Committee
- Sacramento Asian Pacific Chamber of Commerce, Board of Directors
- Sacramento Asian Pacific Chamber of Commerce, Internal Study Mission
- Sacramento Black Chamber of Commerce, Board of Directors
- Sacramento Employment and Training Agency, Board
- Sacramento Metro Chamber of Commerce, Executive Committee
- Sacramento Metro Chamber, Study Mission Steering Committee
- Sacramento Metro Chamber, Cap-to-Cap Economic Development Team
- Sacramento Public Agency Consortium, Member
- Urban Land Institute, Board President
- Valley Vision, Executive Committee

Capital Region Prosperity Plan:

SMUD was a funding partner and Steering Committee member for development of the Capital Region Prosperity Plan. The plan was the direct result of the Brookings analysis conducted in 2018 and included strategic growth plans for the leading regional economic clusters (Life
Sciences, Food & Agriculture and Advanced Mobility); informed the region’s Metropolitan Transportation Plan investment priorities; and was the basis for an updated Comprehensive Economic Development Strategy (CEDS) for the region, which is a necessary step in maintaining regional eligibility for competitive grant funding from the U.S. Economic Development Administration (U.S. EDA).

**Sustainable Communities Initiative:**

With our Sustainable Communities initiative, SMUD fully embraces the notion that we are more than a utility – that we can and will play an active role in improving the quality of life in our region and in all our neighborhoods.

An important corollary to Sustainable Communities is our 20-year, $7 billion investment plan to dramatically cut our region’s carbon footprint, improve air quality, and support inclusive economic development. As an example, the plan calls for a $2 billion investment in building and transportation electrification. A recent Brookings report prompted us to dramatically rethink how we provide value to the communities we serve. Brookings found that 34 percent of our residents live in households that don’t earn enough to cover basic expenses.

Through Sustainable Communities, we’re partnering with policy makers, transit, technology companies, health care providers and community-based organizations to leverage our investments to create collective impact to enhance workforce training, transportation access, clean energy, job creation and inclusive economic development in those neighborhoods.

SMUD is partnering with several leading businesses to increase the use of solar in public places, particularly in underserved communities. The project will educate up to 200 students in the hands-on technical skills needed to install solar trees being placed across the Sacramento region. Each solar tree produces nearly 5,000 kilowatt-hours of solar energy, reducing carbon dioxide emissions by 3.4 metric tons. That’s equivalent to planting 58 trees.

Partnering with us are the Sacramento Promise Zone Collaborative, the Sacramento Black Chamber of Commerce, the Greater Sacramento Urban League, the Sacramento Kings, Baker Energy Team, UC Davis and Spotlight Solar.

In its third year, the SMUD Shine awards program continued to promote neighborhood improvements and encourage community development across our region, awarding more than $400,000 to 19 organizations.

The Stockton Boulevard Partnership is receiving up to $15,000 for their Block by Block Program. The Block by Block program will enhance the physical environment of Stockton Boulevard in order to reduce criminal activity and encourage a safe environment for businesses to thrive and residents and patrons to live, work, and play.

Lastly, the Sacramento Asian Pacific Chamber of Commerce partnered with the Sacramento Hispanic, Rainbow, Black Chambers, as well as with SMUD and Wells Fargo, to highlight the diversity of Sacramento with an art exhibit at the Sacramento International Airport. This interactive exhibit — *This is Sacramento* — features artwork from local artists and provides a pathway for emerging artists to grow their careers and display their artistic interpretations of Sacramento to visitors to Sacramento and their own neighborhoods. The exhibit is located on the third floor of Terminal B and includes murals, sculptures and multimedia displays. Phase 2 will expand into neighborhoods with a total of six to eight art installations.
SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.

Projects announced in 2019 include 5 new companies creating 525 new jobs:

- **EA Sports** – The expansion of this company in Midtown created 200 new jobs.
- **Metro Mail** – A consolidation and expansion in Natomas creating 100 new Sacramento jobs.
- **Amazon** – Another arm of this company opened a division at SMF for better distribution creating 100 jobs.
- **El and El Woodworks** – An expansion of an existing Galt company creating 75 jobs.
- **Dental Masters** – A Bay Area dental implant manufacturer opened a site in Sacramento County creating 50 jobs.

Below is a list of the strategic business attraction and expansion missions and tradeshows that staff supported and/or attended in 2019, targeting industries of regional importance to the Sacramento economy and our local partners.

<table>
<thead>
<tr>
<th>Business Association</th>
<th>Month</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA Association for Local Economic Development</td>
<td>March</td>
<td>Anaheim, CA</td>
</tr>
<tr>
<td>Industrial Asset Management Council</td>
<td>May</td>
<td>Santa Barbara, CA</td>
</tr>
<tr>
<td>Site Selector Guild</td>
<td>May</td>
<td>Salt Lake City, UT</td>
</tr>
<tr>
<td>Area Development</td>
<td>June</td>
<td>Charlotte, NC</td>
</tr>
<tr>
<td>Select USA</td>
<td>June</td>
<td>Washington, D.C.</td>
</tr>
<tr>
<td>Site Selector Guild</td>
<td>September</td>
<td>Plano, TX</td>
</tr>
<tr>
<td>Industrial Asset Management Council</td>
<td>September</td>
<td>Milwaukee, WI</td>
</tr>
<tr>
<td>Area Development – Women in Economic Development</td>
<td>October</td>
<td>Chicago, IL</td>
</tr>
<tr>
<td>Area Development</td>
<td>December</td>
<td>Houston, TX</td>
</tr>
</tbody>
</table>

**Business Walks:** There were several business walks in 2019 organized and hosted by a variety of local chamber organizations. The SMB team supported over 50 Chamber and PIB events throughout 2019, including the Business Walks listed below:

- March – Folsom Chamber of Commerce Business Walk
- May – Mack Road Partnership Business Walk
- September – Folsom Chamber of Commerce Business Walk
- September – Downtown Sacramento Business Walk
- October – Arden Arcade Business Walk
- October – Citrus Heights Chamber of Commerce Business Walk
- October – Vietnamese Chamber of Commerce Business Walk

While the Business Walks successfully meet with over a hundred business customers, the SMUD personnel associated are able to meet with between 20-40 business customers on each Walk, introducing them to our suite of products to support their success.
In 2019, the Small and Midsize Business (SMB) team of Strategic Account Advisors (SAA) engaged with the community by supporting business walks and presenting SMUD programs at a variety of events.

SMB SAA’s Presented at:
- Oak Park Business Association
- Metro Chamber of Commerce
- Midtown Business Association
- CAAPS New Member Orientation
- CAAPS Sacramento Business Exchange Networking
- SMUD Business Advisory Council
- Rancho Cordova Chamber New Member Orientation
- Sacramento Rainbow Chamber SacPAC Meeting
- NAWBO New Member Orientation
- Galt Chamber of Commerce
- California Capital Procurement Technical Assistance Center
- Sacramento Asian Chamber New Member Orientation

Additionally, the SMB team created, organized, and participated in a Commercial Blitz; where 27 SMUD employees from Commercial Delivery, Energy Advisor, SEED and Interconnections teams ventured out into the community to engage with Small and Midsized business customers. The Blitz was built around a quarterly message; Easy Business Tools. The Easy Business Tools message educated customers to the benefits of SMUD My Account, the variety of billing and payment options available to Small and Midsize businesses, as well and the Collective Billing option. The messaging also included information on how a customer could connect with their personal Strategic Account Advisor. This Blitz resulted in over 300 interactions of Small and Midsize businesses with SMUD experts and SAA’s. The Blitz provided approximately 100 new “leads” for SMB SAA’s to follow up on.

Commercial Development: Over the course of 2019, our Commercial Development team actively engaged with approximately 240 commercial, mixed-use and residential project developers throughout our service area. Some highlights include:
- Completed three developer and builder workshops to promote new SMUD program offerings;
- Provided strategic outreach on SMUD bundled programs to developers and builders.
- Completed a second developer and home Builder Breakfast;
- Managing the Statewide Community Infrastructure Program (SCIP) which allows development projects to levy property taxes to finance eligible infrastructure expenses. In 2019, SMUD processed two acquisition agreements for SMUD Fees and Infrastructure. Anticipate additional projects gaining SCIP approval in 2020;
- Distributed four “Developer Connections” quarterly e-newsletters. The open and read rate is consistently at 50% or more;
- Completed the “Central City 21kV Extension Plan.” Staff has identified development projects that are in the “queue” for future years and mapped out a plan to extend our 21kV system to address this aggressive development activity;
- Staff expanded its research into vacant property parcels and or “under-utilized” parcels in opportunity areas on the I-5 Corridor in Natomas and portions of the Power Inn and 65th Street areas. To identify future development plans on those parcels, staff plans to communicate with all parcel owners to determine what, if anything, the parcel owner
intends to do with said parcel. With this information, SMUD is then able to appropriately, and proactively, plan electric utility infrastructure to meet the customer’s needs.

Central City Growth: The unprecedented new construction and significant building renovations continued to be robust in 2019; at the close of the year, over 120 new development or significant building renovation projects were actively engaged by SMUD’s Commercial Development team within the central city zone (which covers roughly 7 square miles). These 120+ projects – in varying stages of design or construction – equate to 15 million square feet of space under construction or renovation, with a total planned expenditure of just over $6 billion. Included in these projects, are some 30,000+ planned new housing units, apartments, duplexes, and fourplexes.

As an example of different approaches to central city development, 19J opened to tenants in fall of 2019. This 11-story mixed use building was exceptionally unique from SMUD’s perspective, in that existing overhead utility lines had to be undergrounded to accommodate the vertical construction and space had to be identified within the building’s footprint to accommodate necessary SMUD facilities. Additionally, to meet the developer’s request of providing “green energy resources”, SMUD provided its first-ever Developer SolarShares offering – whereby all 173 apartment tenants automatically are signed up for SMUD’s SolarShares product, as a condition of tenancy. This is believed to be the first of its kind in the nation.

2019 was a year of substantial progress for development north of downtown. At Metro Air Park, NorthPoint Development LLC, based out of Kansas City, Missouri, purchased 132 acres north of the existing Amazon facility. NorthPoint is planning to construct two phases a Metro Air Park. The first phase, which is under construction, consists of 1.13 million square feet of warehouse space and is slated to be completed in late 2020. Buzz Oates began construction of their first phase at Metro Air Park, a 500,000-square foot building at the intersection of Elveta and Metro Air Parkway. Centene, a Fortune 500 company based out of Saint Louis, Missouri, began construction of the first phase of its West Coast Headquarters at the intersection of I-5 and Arena Blvd.

In addition, the Commercial Development team worked closely in numerous, high-profile developments, the Railyards, Folsom South, California Military HQ Campus, and on additional infrastructure completion to support development in the Sunridge Specific Plan Area along Douglas Road and Sunrise Blvd in Rancho Cordova.
APPENDIX D

SMUD shall offer economic development rates and program incentives.

SMUD offers economic incentives to help attract new businesses and expand existing ones to grow the regional economy. Incentives range from helping design new construction, to offering energy-efficient upgrades for equipment and proposing our Economic Development Rate (EDR).

**Economic Development Rate:** Customers that exceed 299kw for three consecutive months may qualify for the EDR. This rate has multiple options for our customers: a frontloaded rate to help reduce initial operating costs or a fixed discount over the ten-year period. Customers who locate in a disadvantaged community have the same options, but with a larger discount. Additionally, an economic impact study is performed by the Greater Sacramento Economic Council. This ensures the customer is aware of other economic development programs and incentives.

<table>
<thead>
<tr>
<th>Size</th>
<th>Term</th>
<th>Industry Requirements</th>
<th>Job Requirements</th>
<th>Full Service Requirement</th>
<th>Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>300kW+</td>
<td>10 years</td>
<td>No limitations</td>
<td>No minimum requirement</td>
<td>No</td>
<td>Two options for customers to choose:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Standard EDR</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Opt A:</strong> 6% for years 1-5, declining 1% per year for years 6-10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Opt B:</strong> 4.5% for 10 years</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Rate for Disadvantaged Communities</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Opt A:</strong> 8% for years 1-5, declining 1.5% per year for years 6-10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Opt B:</strong> 6% for 10 years</td>
</tr>
</tbody>
</table>

**Program Incentives:** SMUD offered several energy efficiency and Go Electric business incentives to help meet the financial responsibility goals and growing sustainability needs of our commercial customers. Our Integrated Design Solutions, Custom Energy Efficiency, Complete Energy Solutions, and Express Energy Solutions programs offered incentives to help customers finance and install new energy-saving equipment and make energy efficiency modifications to their building. We offered new Go Electric rebates for businesses upgrading to cleaner and more efficient technologies for water heating, space heating, cooking, and new building construction. The effort is part of SMUD’s goal to achieve 100% net-zero-carbon by 2040. We also offered assistance with energy management and incentives for load shifting and curtailment.

Our SMB Team provided incentives to 691 SMB customers, for a combined energy savings of 18.08 GWh and demand savings of 4.27 MW.
APPENDIX E

SMUD shall offer a contracting program for certified small businesses who are rate-paying customers.

In 2019, we exceeded our goal of awarding at least 20% of all contracts to certified small businesses. Specifically, we awarded 33.81% through 184 SEED contracts totaling over $130 million.

<table>
<thead>
<tr>
<th>Award Type</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total PO $</td>
</tr>
<tr>
<td>SEED Prime</td>
<td>$ 84,393,559.45</td>
</tr>
<tr>
<td>SEED Sub</td>
<td>$ 43,073,253.32</td>
</tr>
<tr>
<td>Sheltered Market</td>
<td>$ 1,843,970.90</td>
</tr>
<tr>
<td>Exempt</td>
<td>$716,193.64</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$130,026,977.31</strong></td>
</tr>
</tbody>
</table>

Note: The acronym PO refers to “Purchase Orders.”

The SEED team focused its efforts on the following key outreach initiatives:

- **Availability Study & Electronic Bid Solicitation Mapping**: Following the original 2005 study, the SEED team launched a new business Availability Study (awarded to a SEED vendor) to provide an overview of the current regional business market. The results will inform our business outreach strategy, and may also be used by other internal partners. The SEED team also continues to analyze outreach efforts by ward segments to identify opportunities of engagement.

- **Business Advisory Committee (BAC)**: SEED hosted four quarterly meetings in 2019 for BAC business organization leaders, raising awareness about the SEED program, sponsored events, incentives, commercial programs and contracts awarded to BAC members’ constituents. This included over 67 SMUD contracts totaling over $80 million dollars (doubled from 2018). With Marketing, the SEED team also conducted a member needs and satisfaction survey which resulted in high marks for the committee’s value to its members.

- **Connecting Point Conference**: With SacPAC, SEED coordinated the Connecting Point conference in May. With more than 200 local businesses and over 65 public and private sector exhibitors, the event promoted contracting opportunities and offered a “Cyber Café”, allowing vendors to register on the spot in SMUD’s Electronic Bid Solicitation System (EBSS). Workshops and panel discussions, including the new “Doing Business in the Public Sector” panel, featured five small business owners sharing their experience and providing tips to other small businesses on contracting with SMUD.

- **Capital Region Small Business Week (CRSBW)**: As the “Powered by” sponsor, SMUD received high visibility and supported 7 events during the regional CRSBW.

- **How to Do Business with SMUD**: The SEED team collaborated with Supply Chain to deliver workshops to raise awareness of SMUD’s procurement program and encourage future participation.

- **Sacramento Public Agency Consortium (SacPAC)**: SMUD was an active member of SacPAC, a collaborative effort of regional public agencies and small business assistance organizations, such as the State of California, County of Sacramento, CalTrans,
Regional Transit, Small Business Association, SCORE, Sacramento Small Business Development Center, and various chamber partners. SEED team spoke on panel presentations about SEED and how to do business with SMUD.

- **“Meet the Buyers” Conference:** SMUD, with SacPAC, hosted the 8th annual “Meet the Buyers” Conference, a forum for small, local contractors to meet SMUD buyers and learn about contracting opportunities. Two new, popular panel presentations featured Contract Managers, Procurement Professionals, and special SEED vendors who were awarded contracts with SMUD. The nearly 200 attendees were able to meet with buyers and register on-site in SMUD’s EBSS or update their profile.

- **New Partners:** SEED team identified new business partners, including the Natomas and Orangevale Chambers of Commerce, and construction industry associations, including the Sacramento Regional Builders Exchange (SRBX) and Associated General Contractors of California (AGC), and continues to engage with Sacramento Business Journal to market SEED and Economic Development incentives.

- **SEED Internal Awareness:** The SEED team developed outreach initiatives to enhance internal awareness of, and engagement in, the SEED program.
  - **SEED Road Show:** Across SMUD, SEED shares information about the purpose and benefits of the program to business units and to the local economic community, and completed presentations to 10 internal teams in 2019. With an overall evaluation satisfaction rate of 98%, the Road Show will continue to be offered across SMUD to raise awareness of, and participation in, the SEED program.
  - **SEED Ambassador Program:** This new program engages designated employees within SMUD business units in promoting the use of SEED vendors in their workgroup’s contracting activities. The SEED team conducted recruitment and initial training of over 33 participants. Employees have provided very positive feedback for the program and have already begun to identify SEED opportunities for their workgroups. The Program continues to see more referrals from employees.

- **Sheltered Market Initiatives:** The SEED team continually explores innovative way to foster small business participation in solicitations, including promotional product opportunities and various other solicitations. SEED worked closely with Supply Chain to identify 10 sheltered market contracting opportunities in the areas of commodities and professional services. The contracts are specific only to verified SEED vendors and totaled approximately $829,150. Forty-four percent (44%) of the sheltered market opportunities were 2-to-4-year contracts.

- **SB605:** The SEED team adopted and implemented new legislation expanding the definition of “small business” to include Public Works projects. As a result, more than 40 previous SEED vendors have been reclassified under the new definition. All SEED collateral was updated to reflect SMUD’s acceptance of the public works certification, with the team conducting research to identify vendors with public works certifications.

- **SEED Quarterly Newsletter:** Mid-year, the SEED team launched a quarterly newsletter to external partners and SEED Ambassadors to highlight SEED program resources and contracting opportunities. It features information including free government contracting services, SEED supplier success stories, recent contract awards, upcoming bid opportunities, and small business events and workshops.

- **Social Media:** The SEED team collaborated with Marketing and Corporate Communications to establish a weekly schedule for submitting social media content to promote small business solicitation opportunities and events.
President Kerth then turned the meeting to Discussion Calendar Item 9, to accept the monitoring report for Strategic Direction SD-14, System Enhancement.

Maria Veloso Koenig, Director of Grid Planning, provided a presentation. A copy of the slides used in her presentation is attached to these minutes.

No public comment was forthcoming on agenda item 9.

There being no discussion, Director Fishman moved for approval of Discussion Calendar Item 9, Director Tamayo seconded, and Resolution No. 20-07-03 was unanimously approved.
BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:

This Board accepts the monitoring report for Strategic Direction SD-14, System Enhancement, substantially in the form set forth in Attachment B hereto and made a part hereof.

Approved: July 16, 2020

<table>
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<tr>
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<th>AYE</th>
<th>NO</th>
<th>ABSTAIN</th>
<th>ABSENT</th>
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</tr>
</tbody>
</table>
TO: Board of Directors

FROM: Claire Rogers

SUBJECT: Audit Report No. 28007208
Board Monitoring Report; SD-14: System Enhancement Policy

Audit and Quality Services (AQS) reviewed the SD-14 System Enhancement Policy 2019 Annual Board Monitoring Report and performed the following:

- Reviewed the information presented in the report to determine the possible existence of material misstatements;
- Interviewed report contributors and verified the methodology used to prepare the monitoring report; and
- Validated the reasonableness of a selection of the report’s statements and assertions.

During the review, nothing came to AQS’ attention that would suggest the report did not fairly represent the source data available at the time of the review.

CC:
Arlen Orchard
1) Background

Strategic Direction 14, the System Enhancement Board policy states that:

As a community-owned utility, SMUD recognizes that the relocation or underground placement of primary voltage power lines may be desirable to local jurisdictions to improve aesthetics, economic vitality, safety and disabled access. Therefore, it is a key value of SMUD to make selected distribution system enhancements, such as permanent relocation or underground placement of primary power lines below 69 kV.

a) SMUD will, at its expense and where technically feasible, permanently relocate or underground existing overhead distribution facilities provided the governing body of the city or county in which the electric facilities are and will be located has:

   i) Identified, after consultation with SMUD, a specific system enhancement project;
   ii) Determined the project is in the public interest;
   iii) Ensured all existing overhead communication facilities related to the project will also be permanently relocated or placed underground;
   iv) Obtained and provided SMUD with all easements necessary for the project.

b) After achievement of core financial targets, SMUD will annually commit up to one-half of one percent of its annual gross electric sales revenue to system enhancements. The proposed projects will be subject to SMUD’s annual budget approval process, and uncommitted funds from any given year will not be carried over to future years. Funding will be assigned to projects brought forward by local cities or counties based on applying the following criteria (not in order of preference):

   i) Project scale and/or cost when measured against available District resources.
   ii) Requesting entity has developed full scope, obtained all necessary easements, and development plan for customer service conversion from overhead to underground, as required.
   iii) Extent to which the costs are borne by others.
2) Executive summary

SD-14 states that SMUD “will annually commit up to one-half of one percent of its annual gross electric sales revenue to system enhancements.” For 2019, this threshold was approximately $7 million.

SMUD is in compliance with SD-14, System Enhancement.

One project was completed in 2019 as shown on Table 1 below. Table 2 shows the committed projects that are currently in progress. The budget for these four projects is included in the approved 2020 - 2022 operational plan.

Table 1: SD-14 Projects Completed in 2019

<table>
<thead>
<tr>
<th>Local Jurisdiction</th>
<th>Project Title</th>
<th>Total Project Budget</th>
<th>Total Project Spend</th>
<th>2019 Project Budget</th>
<th>2019 Project Spend</th>
<th>Construction Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Sacramento</td>
<td>Sutter Village (~200 feet)</td>
<td>$101.3K</td>
<td>$121.8K</td>
<td>$75K</td>
<td>$22.2K</td>
<td>March 2019</td>
</tr>
</tbody>
</table>

Table 2: SD-14 Projects in Progress

<table>
<thead>
<tr>
<th>Local Jurisdiction</th>
<th>Project Title</th>
<th>SMUD Ballpark Estimate</th>
<th>2019 Project Budget</th>
<th>2019 Project Spend</th>
<th>Planned Construction Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sacramento County</td>
<td>Hazel Avenue Phase 3 Sunset to Madison (0.7 mile)</td>
<td>$1,300K</td>
<td>$0</td>
<td>$0</td>
<td>2020</td>
</tr>
<tr>
<td>Sacramento County</td>
<td>Fair Oaks Blvd Landis to Angelina (0.3 mile)</td>
<td>$300K</td>
<td>$550K</td>
<td>$4K</td>
<td>2020</td>
</tr>
<tr>
<td>Citrus Heights</td>
<td>Auburn Blvd. Rusch Park to I-80 (0.75 mile)</td>
<td>$2,500K</td>
<td>$0</td>
<td>$0</td>
<td>2022</td>
</tr>
<tr>
<td>Elk Grove</td>
<td>Elk Grove Blvd b/w Waterman &amp; School Streets (~0.5 mile)</td>
<td>$800K</td>
<td>$0</td>
<td>$7K</td>
<td>2022</td>
</tr>
</tbody>
</table>

As needed, staff continued education efforts with local jurisdictions and commercial
developers regarding the policy and the process for SD-14 funding consideration and implementation.

3) Additional supporting information

Since the adoption of the SD-14 policy, nine projects have been funded through the policy for a total of $10.6 million. Table 3 lists the projects completed by year.

Table 3: Completed Projects Since Policy Adoption

<table>
<thead>
<tr>
<th>Local Jurisdiction</th>
<th>Project Description</th>
<th>SMUD Construction Completion</th>
<th>SMUD Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sacramento County</td>
<td>North Highlands Town Ctr. at Watt Ave. &amp; Freedom Park Dr. (0.5 mile)</td>
<td>2012</td>
<td>$1.1 M</td>
</tr>
<tr>
<td>City of Sacramento</td>
<td>7th St. b/w North B &amp; Richards Blvd. (1,500 ft.)</td>
<td>2012</td>
<td>$1.3 M</td>
</tr>
<tr>
<td>City of Sacramento</td>
<td>Richards Blvd. b/w North 5th &amp; North 7th Streets (1,000 ft.)</td>
<td>2012</td>
<td>$1.2 M</td>
</tr>
<tr>
<td>Citrus Heights</td>
<td>Auburn Blvd. b/w Sylvan Corners &amp; Rusch Park (1 mile)</td>
<td>2013</td>
<td>$2.6 M</td>
</tr>
<tr>
<td>City of Sacramento</td>
<td>16th and O Streets (1,000 ft.)</td>
<td>2013</td>
<td>$0.3 M</td>
</tr>
<tr>
<td>Sacramento County</td>
<td>Fair Oaks Blvd. b/w Landis Ave. &amp; Engle Rd. (0.5 mile)</td>
<td>2016</td>
<td>$1.2 M</td>
</tr>
<tr>
<td>Sacramento County</td>
<td>Hazel Avenue Phase 2 b/w Curragh Downs &amp; Sunset Ave. (1 mile)</td>
<td>2017</td>
<td>$2.3 M</td>
</tr>
<tr>
<td>City of Sacramento</td>
<td>Ice Blocks Project R Street b/w 16th &amp; 18th Streets (1,000 ft.)</td>
<td>2017</td>
<td>$0.47 M</td>
</tr>
<tr>
<td>City of Sacramento</td>
<td>Sutter Village (~200 feet)</td>
<td>2019</td>
<td>$0.12 M</td>
</tr>
</tbody>
</table>

Total: $10.6M
4) **Challenges**

There were no challenges encountered with the implementation of the Board policy in 2019.

5) **Recommendation**

It is recommended that the Board accept the 2019 Monitoring Report for SD-14, System Enhancement.

6) **Appendices**

The photographs below are of a previously completed phase of the Fair Oaks Blvd. project, showing two locations before and after project construction.
Sacramento County - Fair Oaks Boulevard Project before construction

Sacramento County - Fair Oaks Boulevard Project after construction
Sacramento County - Fair Oaks Boulevard Project *before construction*

![Before construction image](image1)

Sacramento County - Fair Oaks Boulevard Project *after construction*

![After construction image](image2)
President Kerth then turned the meeting to Discussion Calendar Item 10, to adopt proposed revisions to Board-Staff Linkage BL-8, Delegation to the Chief Executive Officer and General Manager with Respect to Procurement.

Gary King, Chief Workforce Officer, provided a presentation on agenda item 10. A copy of the slides used in his presentation is attached to these minutes.

No public comment was forthcoming on agenda item 10.

After some discussion, Director Sanborn moved that the proposed revisions be approved as presented but with a modification to delegate a limit of $3 million rather than $5 million for Memberships/Project Participation Agreements with Nonprofit Entities, Director Tamayo seconded, and Resolution No. 20-07-04 was unanimously approved.
RESOLUTION NO. 20-07-04

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

This Board approves the revisions to the Board-Staff Linkage BL-8, Delegation to the Chief Executive Officer and General Manager with Respect to Procurement, substantially in the form as set forth in Attachment C.

Approved: July 16, 2020

<table>
<thead>
<tr>
<th>DIRECTOR</th>
<th>AYE</th>
<th>NO</th>
<th>ABSTAIN</th>
<th>ABSENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>KERTH</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>ROSE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUI-THOMPSON</td>
<td></td>
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<tr>
<td>FISHMAN</td>
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<tr>
<td>HERBER</td>
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<tr>
<td>TAMAYO</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SANBORN</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SMUD BOARD POLICY

<table>
<thead>
<tr>
<th>Category:</th>
<th>Title: Delegation to the Chief Executive Officer and General Manager With Respect to Procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Adoption:</td>
<td>Resolution No. 03-08-07</td>
</tr>
<tr>
<td>Revision:</td>
<td>Resolution No. 03-10-14</td>
</tr>
<tr>
<td>Revision:</td>
<td>Resolution No. 04-06-04</td>
</tr>
<tr>
<td>Revision:</td>
<td>Resolution No. 08-10-09</td>
</tr>
<tr>
<td>Revision:</td>
<td>Resolution No. 09-10-05</td>
</tr>
<tr>
<td>Revision:</td>
<td>Resolution No. 11-08-04</td>
</tr>
<tr>
<td>Revision:</td>
<td>Resolution No. 11-11-06</td>
</tr>
<tr>
<td>Revision:</td>
<td>Resolution No. 12-03-13</td>
</tr>
<tr>
<td>Revision:</td>
<td>Resolution No. 14-08-03</td>
</tr>
<tr>
<td>Revision:</td>
<td>Resolution No. 16-12-18</td>
</tr>
<tr>
<td>Revision:</td>
<td>Resolution No. 20-07-05</td>
</tr>
</tbody>
</table>

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

a) **Competition**: SMUD’s procurement activities shall be competitive whenever practical.

b) **Direct Procurement**: Direct procurement may be utilized when it is in SMUD’s best interest. Direct procurement is the purchase of goods or services without competition when multiple sources of supply are available.

c) **Sole Source Procurement**: Sole source procurement shall be performed only in the case of emergency or when a competitive process would be an idle act.

d) **Inclusiveness**: SMUD’s procurement practices shall promote inclusiveness of the entire supplier community in its contracting opportunities.

e) **Economic Development**: SMUD’s procurement practices shall promote the economic development of the community we serve.
f) **Environmental Procurement:** SMUD shall minimize the impact on the environment through its procurement practices. In making procurement decisions, staff shall consider the environmental impacts in assessing total cost and benefits.

g) **Responsible Bidder:** SMUD shall only do business with reputable and responsible suppliers. A Responsible Bidder demonstrates trustworthiness, quality, capacity, financial capability, fair labor practices, and experience to satisfactorily perform SMUD work through the bidding and evaluation process. In addition, SMUD will determine Responsible Bidders by considering a supplier’s social, environmental ethical, and safety accountability where applicable.

h) **Best Value Procurement:** SMUD may procure goods and services by the best value at the lowest cost methodology where cost and other factors are used to obtain the maximum value while ensuring a fair and equitable process.

i) **Strategic Alliances:** SMUD may enter into strategic alliance contracts for the procurement of goods or services. A Strategic Alliance is a competitively bid multi-year contract for goods and/or services in which the Supplier and SMUD work collaboratively over the life of the contract to improve quality, and to explore design and process improvements to reduce the cost of production, service delivery, and the total cost of ownership. These benefits are shared both by SMUD and the Supplier.

j) **Supply Chain Risk:** SMUD’s procurement activities shall identify, manage, and mitigate supply chain risks through a coordinated effort across the enterprise.

k) **Protest Policy:** SMUD shall ensure that suppliers are afforded the opportunity to have their grievances heard through a fair protest process.

l) **Delegation of Authority to the Chief Executive Officer and General Manager:** The Chief Executive Officer and General Manager is delegated authority to perform and approve the procurement activities in accordance with the below matrix. This delegation includes the authority to amend contracts for time extensions or other changes that create no additional cost to SMUD.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Competitive Awards:</strong></td>
<td></td>
</tr>
<tr>
<td>Operational Inventory</td>
<td>$8 million</td>
</tr>
<tr>
<td>Non-inventory Materials</td>
<td>$8 million</td>
</tr>
<tr>
<td>Construction and Maintenance Services</td>
<td>$8 million</td>
</tr>
<tr>
<td>Information Technology</td>
<td>$8 million</td>
</tr>
<tr>
<td>Professional and Consulting Services</td>
<td>$2 million</td>
</tr>
<tr>
<td>Rents and Leases</td>
<td>$1 million</td>
</tr>
<tr>
<td><strong>Sole Source:</strong></td>
<td></td>
</tr>
<tr>
<td>All types except Maintenance/Licensing Fees</td>
<td>$1 million</td>
</tr>
<tr>
<td>Maintenance/Licensing Fees</td>
<td>$3 million or original approved amount</td>
</tr>
<tr>
<td><strong>Direct Procurement:</strong></td>
<td></td>
</tr>
<tr>
<td>Materials/Supplies/Services</td>
<td>$50k</td>
</tr>
<tr>
<td>Government Entities</td>
<td>$1 million</td>
</tr>
<tr>
<td>Nonprofit Entities (services/goods)</td>
<td>$1 million</td>
</tr>
<tr>
<td><strong>Emergency Procurements:</strong></td>
<td></td>
</tr>
<tr>
<td>All types</td>
<td>$1 million</td>
</tr>
</tbody>
</table>
Nonprofit Entities:
Memberships/Project Participation Agreement $3 million

Contingencies:
Board Awarded Contracts
Up to 10% of contract award

Monitoring Method: GM Report
Frequency: Quarterly
President Kerth then turned the meeting to Discussion Calendar Item 11, to adopt a resolution declaring a Climate Emergency.

Director Rose provided an overview of changes that had been made to the draft resolution since the June 18, 2020, Board meeting.

Ben Davis, Policy Associate for California Solar & Storage Association (CalSSA), spoke in support of adoption of the resolution declaring a Climate Emergency.

Anabel Crouch spoke in support of adoption of the resolution declaring a Climate Emergency.

Chris Brown, on behalf of Sacramento Climate Coalition, spoke in support of adoption of the resolution declaring a Climate Emergency.

Inga Olson, Board Member of the League of Women Voters of Sacramento County, which is a member of Sacramento Climate Coalition, spoke in support of adoption of the resolution declaring a Climate Emergency.

Public comment was received and read into the record regarding agenda item 11, copies of which are attached to these minutes, from the following members of the public:

- Barbara Leary, Chair of Sacramento Sierra Club
- Dana Michaels
- Lee Miller
- Joan Normington
- Megan Shumway
- Ed Smeloff
- William Schmidt
- Jane Lamborn
- Inger Bisson
- City of Sacramento Councilmember-Elect Katie Valenzuela
- Judy Robinson
- Ann Amato
- Dr. C. H. Crowe
- Laurie Litman
- Esme Plascencia
- Natalie Brown
- Glayol Sahba, MD
- Andres Gutierrez
- Stephen Pham
- Cole Smith-Crowley
- Jolie M.B. Terrazas, Ph.D.
- Michael Dack
- Karen Jacques
- Emily Fieberling
- Supriya Patel
- Angelina Galiteva
After some discussion, Director Sanborn moved for approval of the draft declaration of climate emergency resolution with a modification to Section 6. to remove the requirement from “within 180 days” and to insert “no later than March 31, 2021,” Director Herber seconded, and Resolution No. 20-07-05 was unanimously approved.
WHEREAS, carbon dioxide and other greenhouse gases (GHG) are known to trap heat at the Earth's surface, leading to increased atmospheric temperatures; and

WHEREAS, recent historical planetary carbon dioxide concentrations were below 280 parts per million (PPM) but current planetary concentrations exceed 415 PPM and continue to rise rapidly; and

WHEREAS, there is overwhelming scientific consensus that planetary temperatures have risen more than 1.8 degrees Fahrenheit (F) above late 19th century levels and that climate-related problems exist worldwide including unstable weather, droughts, wildfires, flooding, extreme heat, species loss, sea level rise, food shortages, and human displacement; and

WHEREAS, in 2016, 194 countries and the European Union agreed in the Paris Climate Agreement to attempt to limit the planetary temperature increase to 2.7 F above pre-industrial levels; and

WHEREAS, the United Nations’ Intergovernmental Panel on Climate Change warned that planetary carbon dioxide levels must fall 45 percent below 2010 levels by 2030 in order to meet the 2.7 F goal; and

WHEREAS, worldwide GHG emissions exceeded 49,000,000,000 tonnes in 2010, and California GHG emissions were 424,000,000 tonnes in 2017; and

WHEREAS, SMUD GHG emissions were 1,755,000 tonnes in 2018; and

WHEREAS, each 1.8 F increase in average annual temperature is projected to reduce the Gross Domestic Product of Sacramento County by 4%, resulting in significant economic and public health impacts;1 and

WHEREAS, the physical impacts of climate change are already impacting frontline, vulnerable communities which bear little responsibility for the crisis, exacerbating societal injustice; and

WHEREAS, for more than 70 years, the community-owned, not-for-profit Sacramento Municipal Utility District (SMUD) has been the Sacramento region’s committed energy partner and has led the way in providing environmentally responsible energy and environmental stewardship to benefit its customers and community; and

WHEREAS, the SMUD Board of Directors has a long history of environmental stewardship including: (1) Pioneering renewable energy programs and standards, (2) Setting an early GHG emissions reduction goal of 90% below 1990 emission levels by 2050, (3) Partnering to plant over 500,000 shade trees throughout the region that have significantly improved air quality, sequestered carbon and lowered energy bills since 1990; and (4) Helped grow the local market for solar development by providing $130 million in customer incentives to install solar on over 15,000 rooftops; and

WHEREAS, the SMUD Board of Directors believes in creating a sustainable future for all of our customers and the community and has made significant investments in new technologies and progressive approaches to carbon reduction, which has resulted in reduced GHG emissions of 50% from 1990 levels in 2018 (the equivalent of removing 377,000 vehicles from the road) and has reduced the carbon intensity of its power mix, which is now, on average, more than 50% percent carbon-free; and

WHEREAS, in 2018, SMUD’s Board of Directors adopted SMUD’s 2040 Energy Plan, which serves as an ambitious roadmap for how SMUD will achieve net-zero GHG emissions by 2040. SMUD’s regional approach will result in a 64% reduction in Sacramento County’s GHG emissions (about 8,500,000 tonnes), improve local air quality for the community and maintain low rates and reliability for our customers; and

WHEREAS, SMUD’s 2040 Energy Plan establishes an innovative and unique approach to GHG reduction that calls for nearly $7 billion in investments over the next 20 years that prioritizes local investment in regional building and transportation electrification, significantly increases procurement of zero-emission generation resources and energy storage and, encourages energy
efficiency and demand response programs, in order to achieve SMUD’s GHG
reduction goals while maintaining affordable rates and reliable electric service;
and

WHEREAS, SMUD’s 2040 Energy Plan recognizes that the people
most likely to be disproportionately burdened by the adverse effects of climate
change live in underserved and low-income communities; and

WHEREAS, through SMUD’s Sustainable Communities Initiative,
GHG emission reduction investments are leveraged by engaging our community
partners to target and maximize the benefits to neighborhoods that are likely to
be underserved or in distress by lack of community development, income,
housing, education, employment opportunities and transportation. Together we
strive to collectively promote, create and sustain diverse and healthy
communities for all; and

WHEREAS, while SMUD has made significant progress in reducing
GHG emissions associated with its power supply, the SMUD Board of Directors
recognizes the risk of uncontrolled climate change and is committed to urgently
do more to expand and accelerate the reduction of GHG emissions in pursuit of
its 2040 Energy Plan and beyond; and

WHEREAS, SMUD, as a community-owned, not for profit electric
utility, is uniquely situated to support and enable partner organizations and
community members to reduce GHG emissions; NOW, THEREFORE

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

Section 1. The Board of Directors recognizes and acknowledges
a planetary climate emergency and declares a climate emergency within its
jurisdiction.

Section 2. The Board of Directors commits to work towards
carbon neutrality by 2030 and to collaboratively find creative solutions to
eliminate GHG emissions until a safe atmosphere is restored.

Section 3. The Board of Directors intends to involve the public in
an open and transparent manner in planning for and reaching SMUD’s climate
goals.
Section 4. The Board of Directors encourages and promotes the expansion of policies and partnerships with local cities, counties, agencies, businesses and other community organizations to leverage opportunities to achieve rapid transformative reductions in regional GHG emissions.

Section 5. The SMUD Board of Directors affirms our commitment to environmental justice principals and SMUD’s leadership through the Sustainable Communities Initiative.

Section 6. The Board of Directors directs the CEO and General Manager to report on clear, actionable and measurable strategies and plans to reach SMUD’s climate emergency goals no later than March 31, 2021.

Section 7. The Board of Directors instructs the CEO and General Manager to report annually on the measures taken to reduce GHG emissions and the results achieved.

Approved: July 16, 2020
President Kerth then turned to agenda item 12, statements from the public regarding items not on the agenda. He stated that in accordance with the Emergency Board Meeting Procedures, public comment for items not on the agenda would be provided to the Board electronically and placed into the record if received within two hours after the meeting ended. No public comment was forthcoming for agenda item 12.

Director Rose reported he had spent a lot of time on the Climate Emergency resolution was glad it was approved.

Vice President Bui-Thompson stated she would forgo her report in light of the hour but thanked everyone for their hard work.

Director Fishman thanked President Kerth, Director Rose, and Director Herber for their work on the Climate Emergency resolution and stated he would also forgo his report.

Director Herber stated she was grateful for all of the hard work on the Climate Emergency resolution and for those in attendance at the meeting.

Director Tamayo thanked all for their work on the Climate Emergency resolution and stated he had received a number of calls with regard to the CEO search. He stated the Board was committed to hiring someone who is very committed to the environment, and he thanked Mr. Orchard for the progress made in addressing climate change.

Director Sanborn reported on her participation in the Carmichael Chamber Facebook Live event and thanked the Chamber and SMUD staff.

President Kerth stated that it was clear to him during the development of the Climate Emergency resolution with advocates, Board Members, customers, and those responsible for reliability that there was an agreement on the fundamentals of wanting green power, keeping it affordable, and always having power when it is needed. He stated his belief that with this fundamental agreement, he was expectant that the goals will be achieved.

Arlen Orchard, Chief Executive Officer and General Manager, reported on the following items:
1) **Phase 1 Re-entry Rescheduled.** The Board is aware that we have delayed Phase 1 of our re-entry plan to being to phase some employees back onto our campuses from the original date of July 13th to Sept. 21st. I think it is safe to say that this date may slip beyond September depending on the status of the pandemic. Our approach to re-entry focuses on employee and public safety. We are taking a very gradual approach in which we can pivot as the situation changes, and the recent spike in COVID-19 cases in Sacramento County prompted us to rethink the planned re-entry date. As a point of reference, a third of all COVID cases for Sacramento have been diagnosed in the last 14 days. This pattern is similar for the entire state. The bottom line is that our re-entry plans will continue to be guided by health and safety concerns for our employees and based on best available public health guidelines, and we will adjust our approach as appropriate. For now, we are continuing with the employees who are working remotely – they will continue to work remotely until we can determine that it is safe. At this point, we have had members of our staff test positive for COVID19. As of today, we do not have any employees who contracted COVID-19 as a result of SMUD work, but through the ways that you would expect people to have exposure – from family members, graduation events, birthday parties – those types of things.

2) **J.D. Power Sustainability Results.** I would like to share some results from recent sustainability, customer satisfaction and brand surveys. J.D. Power and Associates created a new index score focused on sustainability efforts. Among the 35 largest U.S. electric utilities (serving 500,000 or more customers), SMUD tied for first with 32, the same score as Florida’s NextEra Energy. Scores reflect customer awareness, support,
engagement and advocacy for their local utility’s climate sustainability programs. In the J.D. Power Business Customer Satisfaction survey for the first half of the year, SMUD received a satisfaction score of 844, up 52 points from 2019. We ranked first in California, first in the West Midsize-segment, and tied for second in the nation.

3) **New Micro Loan Program to Assist Small Non-profits.** As the Board is well aware, the economic disruption from COVID-19 has disproportionately hurt our disadvantaged communities. We also know that our non-profit partners throughout the region will be vital players in helping these communities recover from the pandemic. We unfortunately know that those in these communities are the first to lose their jobs, the last to regain employment, and are the least likely to have resources to fall back on during times of unemployment. By leveraging existing funds, we are able to repurpose some economic development dollars to create a micro-loan program for eligible non-profits to stimulate the economy and increase community investment. Many small non-profits are not eligible for any of the prior loan or grant opportunities and are in danger of closing their doors due to the pandemic. These are often small non-profits that do great work in some of our most in need communities. I am pleased to say SMUD has entered into a partnership with California Capital to offer micro-loans ranging from $1,000 to $25,000 to non-profits in underserved areas. As noted, we are re-purposing $500,000 of existing economic development loan funds for use in this investment program. The program will focus on communities most in need according to our Sustainable Communities Resource Needs map. Priority will be given to small non-profits that have not received prior loans or
grants and whose work support our sustainable communities initiative.

4) **Giving Continues Despite 2020 State Fair Cancellation.**

While the coronavirus canceled this year’s California State Fair, SMUD still partnered with Cal Expo on the third annual Giving Monday. Giving Monday is a food drive that supports the Elk Grove Food Bank. On July 6th, utilizing a contact-less drive-through, we collected nearly 3,000 pounds of food to be distributed to 300 families. Food banks have been especially hard hit due to increased demand for resources during the pandemic. The Elk Grove Food Bank has experienced a 600-percent rise in the weekly number of new client registrations. We also offered $5 Save Mart vouchers to the first 500 donors. Many used the vouchers to buy food and returned to make second donations.

5) **Some Funding Restored to Energy Efficiency Programs.**

The Board recalls that early in the response to the economic impacts of the pandemic, I cut funds from our Energy Efficiency and electrification budget to preserve cash flow. As you heard earlier tonight, the warmer-than-normal temperatures resulted in additional revenues for SMUD. This trend continued for the month of June, in which preliminary figures have us with $6 million of additional net revenues above where we expected to be for the month. Accordingly, we decided that we could safely restore funds for some Energy Efficiency and related customer programs. All together, we will restore about $9 million of funding: $5million for energy efficiency, $1 million for building electrification, $2.5 million for low income community support, and $0.5 million for rebates for energy efficiency items available through the SMUD Energy Store. We will send the
Board a memo by the end of next week with more details on exactly what programs are being restarted or continued.

President Kerth requested the Summary of Board Direction.

Ms. Lewis provided the summary: Staff will review the meeting procedures and Board policies with respect to the Board’s commitment to transparency and report back to the Board. Staff will bring a discussion of best practices in procurement when we present the next quarterly procurement report. Staff will provide a memo to the Board regarding the questions that we ask to potential suppliers to determine if they qualify as a “Responsible Bidder.” Staff will work with the BL-8 Ad Hoc on the format of the annual report to the Board with respect to participation and membership agreements with non-profits.

No further business appearing, President Kerth adjourned the meeting at 10:34 p.m.

Approved:

_________________________ _____________________________
President    Secretary
Exhibit to Agenda Item #5
Provide the Board with the financial results from the five-month period ended May 31, 2020.

Board of Directors Meeting
Thursday, July 16, 2020, scheduled to begin at 5:30 p.m.
May 2020 YTD – Change in Net Position  
(Thousands of dollars)

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total customer sales</td>
<td>$489,873</td>
<td>$490,807</td>
<td>$(934)</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>$18,712</td>
<td>$18,427</td>
<td>$285</td>
</tr>
<tr>
<td>Net transfer from rate stabilization fund</td>
<td>$8,306</td>
<td>$-</td>
<td>$8,306</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>$516,891</td>
<td>$509,234</td>
<td>$7,657</td>
</tr>
<tr>
<td>Net purchased power</td>
<td>$97,345</td>
<td>$83,388</td>
<td>$13,957</td>
</tr>
<tr>
<td>Net production</td>
<td>$94,523</td>
<td>$121,994</td>
<td>$(27,471)</td>
</tr>
<tr>
<td>Transmission and distribution</td>
<td>$67,387</td>
<td>$67,121</td>
<td>$266</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>$231,803</td>
<td>$249,460</td>
<td>$(17,657)</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>$491,058</td>
<td>$521,963</td>
<td>$(30,905)</td>
</tr>
<tr>
<td><strong>Net operating income</strong></td>
<td>$25,833</td>
<td>$(12,729)</td>
<td>$38,562</td>
</tr>
<tr>
<td>Total non-operating revenues</td>
<td>$36,837</td>
<td>$12,715</td>
<td>$24,122</td>
</tr>
<tr>
<td>Total non-operating expenses</td>
<td>$43,614</td>
<td>$43,891</td>
<td>$(277)</td>
</tr>
<tr>
<td><strong>Change in Net Position</strong></td>
<td>$19,056</td>
<td>$(43,905)</td>
<td>$62,961</td>
</tr>
</tbody>
</table>

- **YTD Sales to customers** – slightly under target
  - May sales slightly above budget due to unseasonably hot weather and residential customers using more energy than plan
  - Delinquent customer payments increasing – additional bad debt expense reflected monthly, starting in May
- Net production costs – 29% under budget – due to lower fuel prices
- $11M proceeds from dissolution of gas prepay contract
- Change in net position - $62M over budget
May 2020 YTD – Energy Sources & Uses

Sources of energy
• Hydro – 74% under budget
• JPA – slightly under target
• Purchased Power (net of surplus power sales) – 30% over budget

YTD customer usage slightly under target
• May usage slightly above target due unseasonably hot weather
Exhibit to Agenda Item #6
Summary of SMUD’s current Power Supply Costs

Board of Directors Meeting
Thursday, July 16, 2020 scheduled to begin at 5:30 p.m.
# Precipitation – Pacific House

## Plan vs. Actual

<table>
<thead>
<tr>
<th>Month</th>
<th>Plan</th>
<th>Actual</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct-19</td>
<td>1.90&quot;</td>
<td>0.05&quot;</td>
<td>-1.85&quot;</td>
</tr>
<tr>
<td>Nov-19</td>
<td>7.47&quot;</td>
<td>2.82&quot;</td>
<td>-4.65&quot;</td>
</tr>
<tr>
<td>Dec-19</td>
<td>7.75&quot;</td>
<td>10.52&quot;</td>
<td>2.77&quot;</td>
</tr>
<tr>
<td>Jan-20</td>
<td>9.35&quot;</td>
<td>4.12&quot;</td>
<td>-5.23&quot;</td>
</tr>
<tr>
<td>Feb-20</td>
<td>8.69&quot;</td>
<td>0.02&quot;</td>
<td>-8.67&quot;</td>
</tr>
<tr>
<td>Mar-20</td>
<td>6.75&quot;</td>
<td>12.35&quot;</td>
<td>5.60&quot;</td>
</tr>
<tr>
<td>Apr-20</td>
<td>4.28&quot;</td>
<td>4.93&quot;</td>
<td>0.65&quot;</td>
</tr>
<tr>
<td>May-20</td>
<td>1.87&quot;</td>
<td>3.47&quot;</td>
<td>1.60&quot;</td>
</tr>
<tr>
<td>Jun-20</td>
<td>0.97&quot;</td>
<td>0.16&quot;</td>
<td>-0.81&quot;</td>
</tr>
</tbody>
</table>

### Water Year 2020

- **Plan**
- **Actual**

![Graph showing precipitation data for different months](chart.png)
SMUD has in place financial mitigation tools that hedge against hydroelectric uncertainty.

Fund Balances:
- HRSF Balance - $74.7M
- RSF WAPA Balance - $43.3M

2020 Fund Transfers:
- Projected transfer into WAPA RSF $688k

<table>
<thead>
<tr>
<th>2020 Commodity Costs Forecast vs. Budget (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forecast</td>
</tr>
<tr>
<td>$</td>
</tr>
<tr>
<td>$</td>
</tr>
<tr>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hydro Performance as July 1, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forecasted (GWh)</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>UARP</td>
</tr>
<tr>
<td>WAPA</td>
</tr>
<tr>
<td>UARP + WAPA</td>
</tr>
</tbody>
</table>
Exhibit to Agenda Item #7

Board of Directors Meeting
Thursday, July 16, 2020, scheduled to begin at 5:30 p.m.
GP-2: Governance Focus

The Board will govern with an emphasis on: (i) outward vision rather than an internal preoccupation; (ii) encouragement of diversity in viewpoints; (iii) strategic leadership more than administrative detail; (iv) clear distinction of Board and General Manager roles; (v) collaborative rather than individual decisions; (vi) the future rather than past or present; and (vii) proactive thinking.
GP-2: Governance Focus

a) The Board will cultivate a sense of group responsibility. The Board will be responsible for excellence in governing. The Board will be an initiator of policy. The Board will use the expertise of individual members to enhance the ability of the Board as a body.

b) The Board will direct, evaluate and inspire the organization through the establishment of written policies reflecting the Board’s values. The Board’s major policy focus will be on SMUD’s intended impacts outside the organization, not on the administrative or programmatic means of achieving those effects.
GP-2: Governance Focus

c) Continual Board development will include orientation of new Board members in the Board’s governance policies and processes, periodic re-orientation of existing Board members, and regular Board discussion of process improvement.
Questions About GP-2

- How to better utilize the Board for developing outward vision?

- How to assure full transparency of Board proceedings so the public can follow and provide comment?

- How does the Board regularly discuss and evaluate its own performance?
GP-3: Board Job Description

The specific job duty of Board members as elected representatives is to ensure appropriate organizational performance.

Specifically, the Board shall:

a) Produce and maintain written policies that ensure high quality of governance and clear roles in decision-making between Board and staff.

b) Regularly monitor and evaluate the performance of the General Manager.
c) Seek to understand the strategic viewpoints and values of our customers, owners, the community and other interested stakeholders.

d) Develop and adopt Strategic Directive policies for SMUD that define the outcomes the Board wants SMUD to achieve.
GP-3: Board Job Description

e) Conduct a comprehensive review of the Strategic Directives every three years (or sooner, if circumstances warrant) commencing in 2013. Review the Strategic Directives regularly, on the timetable specified in each policy, and communicate to the General Manager whether the Board finds SMUD to be in compliance. For the purpose of this policy, compliance is defined as substantially meeting the requirements of the Strategic Directive.
GP-3: Board Job Description

f) Adopt the SMUD budget on an annual basis.

g) Serve as ambassadors for SMUD and build relationships throughout SMUD’s service territory and the region.

h) Contract with an external independent auditor to audit SMUD’s finances and procedures; such audits are to be performed on an annual basis.
GP-3: Board Job Description

i) Set the rates, rules and regulations for services and commodities provided by SMUD.

j) Take such other actions as may be required by law.
Questions About GP-3

- How do we define Board member’s roles as ambassadors for SMUD and in building relationships throughout SMUD’s territory and region?
GP-7: Guidelines for Board Member Behavior

The Board and its members should act in an ethical, businesslike, productive, and lawful manner. Board members should avoid even the appearance of impropriety to ensure and maintain public confidence in SMUD.

a) Board members shall conduct themselves in accordance with all laws.

b) Board members should conduct themselves with civility and respect at all times with one another, with staff, and with members of the public.
c) Board members are expected to demonstrate loyalty to the interests of SMUD owners and ratepayers. This supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of the organization’s activities.
d) Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.

i) Board members must recognize the lack of authority vested in them as individuals in their interactions with the General Manager or with staff, except where explicitly Board authorized.

ii) In their interactions with the public, press or other entities, Board members should recognize the same limitation and the inability of any Board member to speak for the Board or for other Board members except to repeat explicitly stated Board decisions.
GP-7: Guidelines for Board Member Behavior

e) Board members shall at all times endeavor to express their individual opinions in a responsible manner, without causing harm to SMUD, to SMUD’s owners and customers, or to other Board members and staff.

i) Each member of the Board is expected to support the legitimacy and authority of the decisions of the Board concerning any matter, irrespective of the member’s personal position.

ii) Board members retain the right to criticize the decisions of SMUD, but in doing so should make it clear that it is their opinion, and not the opinion of the Board or other Board members, and so long as it complies with the limitations set forth in these policies. Board members are encouraged to notify the General Manager in advance when they plan to speak publicly in opposition to SMUD decisions and policies.
f) Members should prepare themselves for Board deliberations.
GP-7: Guidelines for Board Member Behavior

g) Board members shall discourage former Board members from attempting to influence the Board, individual Board members or staff, on behalf of any third party (other than a governmental entity) from whom the former Board member is receiving compensation, on any matter that the former Board member substantially participated in during his or her tenure with the Board. This provision shall not apply to: (i) communications by a former Board member acting in his or her capacity as an individual or ratepayer and for which the Board member receives no compensation; or (ii) communications with a former Board member who has not been a Board member for more than two years.
Comments About GP-7

- Let’s revisit and make sure that Board members agree on these guidelines.
Exhibit to Agenda Item #8
Accept the monitoring report for Strategic Direction SD-13, Economic Development.

Board of Directors Meeting
Thursday, July 16, 2020, scheduled to begin at 5:30 p.m.
Economic Development Policy

SD-13:

“Promoting the economic vitality of our region and the growth of our customer base is a key value of SMUD. Therefore, SMUD shall exercise strategic leadership and actively participate in regional economic development.

Specifically:

a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.

b) SMUD shall align its economic development activities with regional economic development initiatives.

c) SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.

d) SMUD shall offer economic development rates and program incentives.

e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers.”
General Strategy & Approach

- Competitive Rates & Incentives
- Attraction, Retention & Expansion
- Developer Community Support
- Advancing Innovation and Entrepreneurship
- Small Business Contracting Opportunities
- Partnerships with local agencies & non-profits
- Sustainable Communities Initiative
a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.

Innovation Ecosystem Engagement

- **Hacker Lab**
  - Entrepreneurial education
  - Career pathway development program

- **InnoGrove**
  - STEM education programming
  - Technology Camp

- **CleanStart**
  - Clean Tech Annual Progress Report
  - Monthly Meetups
  - Clean Tech Showcase

- **Startup Sac**
  - Educating and connecting entrepreneurs
  - Regional resource website

- **The Urban Hive & I/O Labs**
  - Continued buildout of new coworking spaces

- **Entrepreneurs Campus**
  - Global Impact Venture Summit
b) SMUD shall align its economic development activities with regional economic development initiatives.

Workforce & Equitable Economic & Community Development
- Sustainable Communities Program, Promise Zone and Oak Park Promise Neighborhood, Powering Futures Scholarships and Shine Program

Leadership in Economic Development Initiatives & Programs
- Capital Region Executive Leadership Mission, Cap-to-Cap, Prosper, Indianapolis Study Mission and Internal Study Mission
- Prosperity Plan (CEDS)
c) SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.

**Project Successes:** 23 projects in 2019, resulting in 5 wins and an estimated 525 jobs
- EA Sports
- Metro Mail
- Dental Masters
- Amazon
- El and El Woodworks

**Business Attraction Missions:** 9 conferences and trade shows

**Small Business Development Center:** 36 new business start ups, 2,539 jobs retained, 474 jobs created and $15.5 million in loans

**Small and Mid-Size Business (SMB) Team:** 3,712 customers provided personalized assistance and tailored advice and solutions

**Commercial Development Team:** Actively engaged with more than 240 commercial, mixed-use and residential project developers

**Indoor Cultivation:** Point of contact and support for all customer inquiries
d) SMUD shall offer economic development rates and program incentives.

**Economic Development Rate:**

<table>
<thead>
<tr>
<th>Size</th>
<th>Term</th>
<th>Industry Requirements</th>
<th>Job Requirements</th>
<th>Full Service Requirement</th>
<th>Discount (2 options)</th>
</tr>
</thead>
<tbody>
<tr>
<td>300kW+</td>
<td>10 years</td>
<td>No limitations</td>
<td>No minimum requirement</td>
<td>No</td>
<td>Standard EDR</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Opt A: 6% for years 1-5, declining 1% per year for years 6-10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Opt B: 4.5% for 10 years</td>
</tr>
</tbody>
</table>

**Rate for Disadvantaged Communities**

|          |         |                        |                         |                          |                                       |
|          |         |                        |                         |                          | Standard EDR                          |
|          |         |                        |                         |                          | Opt A: 8% for years 1-5, declining 1.5% per year for years 6-10 |
|          |         |                        |                         |                          | Opt B: 6% for 10 years                 |

**Programs & Services:**

- Integrated Design Solutions, Custom Energy Efficiency, Complete Energy Solutions, and Express Energy Solutions programs
- Go Electric rebates
e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers.

Contracting Outcomes
- Exceeded 20% target: 33.81%
- Total dollar amount $130M
- 184 contracts with SEED Participation
- Implemented SB-605

Targeted Small Business Outreach & Marketing
- Conducted 12 SEED informational workshops, orientations and panels
- Participated in over 112 outreach events
- Launch of SEED Quarterly Newsletter
- Created Internal SEED Road Show and Ambassador Program

(continued)
e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers. (continued)

Major Small Business Contracting Events
- Connecting Point
- 8th Annual Meet the Buyers
- Capital Region Small Business Week – “Powered by” Sponsor

Business Advisory Council (BAC)
- Local Chamber, PBID and business association members
- Raises local business awareness about SMUD’s programs, services and contracting
- Awarded over 67 contracts for $80M to BAC members’ vendors
- Business Advisory Council (BAC) Member Survey
Conclusion

• 2019 SMUD efforts were in compliance with SD-13

• Requested Action: Accept the monitoring report for Strategic Direction SD-13, Economic Development
Exhibit to Agenda Item #9
Accept the monitoring report for Strategic Direction SD-14, System Enhancement.

Board of Directors Meeting
Thursday, July 16, 2020, scheduled to begin at 5:30 p.m.
SD-14, System Enhancement
Policy Key Elements

• Applies to power lines below 69kV
• SMUD commits up to ½ of 1% of annual gross electrical sales revenues pending meeting financial targets & annual budget approval process
  ➢ ~ $7 million allocation in 2019 budget
• Funding is for the relocation or underground placement of SMUD facilities
• Uncommitted funds from any given year are not carried over to future years
• Communications facilities within project boundaries must also be relocated or placed underground
• Local agency obtains and provides SMUD all necessary easements
SD-14, System Enhancement
2019 Projects and Key Activities

• One project completed

<table>
<thead>
<tr>
<th>Local Jurisdiction</th>
<th>Project</th>
<th>Total Project Budget</th>
<th>Total Project Spend</th>
<th>2019 Project Budget</th>
<th>2019 Project Spend</th>
<th>Construction Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Sacramento</td>
<td>Sutter Village (~200 feet)</td>
<td>$101.3K</td>
<td>$121.8K</td>
<td>$75K</td>
<td>$22.2K</td>
<td>March 2019</td>
</tr>
</tbody>
</table>

• Continued education efforts with local jurisdictions and commercial developers
### 2019 Projects and Key Activities (cont’d.)

- Four committed projects in progress
- **2019**
  - $550K Budget
  - $11K total spend

<table>
<thead>
<tr>
<th>Local Jurisdiction</th>
<th>Ward #</th>
<th>Project Title and Scope</th>
<th>SMUD Total Ballpark Estimate</th>
<th>2019 Project Budget</th>
<th>2019 Project Spend</th>
<th>Planned Construction Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sacramento County</td>
<td>1</td>
<td>Hazel Avenue Phase 3 Sunset to Madison (0.7 mile)</td>
<td>$1,300 K</td>
<td>$0</td>
<td>$0</td>
<td>2020</td>
</tr>
<tr>
<td>Sacramento County</td>
<td>7</td>
<td>Fair Oaks Blvd Landis to Angelina (0.3 mile)</td>
<td>$300 K</td>
<td>$550 K</td>
<td>$4 K</td>
<td>2020</td>
</tr>
<tr>
<td>Citrus Heights</td>
<td>1</td>
<td>Auburn Blvd. Rusch Park to I-80 (0.75 mile)</td>
<td>$2,500 K</td>
<td>$0</td>
<td>$0</td>
<td>2022</td>
</tr>
<tr>
<td>City of Elk Grove</td>
<td>2</td>
<td>Elk Grove Blvd b/w Waterman &amp; School Streets (~0.5 mile)</td>
<td>$800 K</td>
<td>$0</td>
<td>$7 K</td>
<td>2022</td>
</tr>
</tbody>
</table>
Completed Projects Funded Through SD-14

• Nine projects completed since policy adoption
  – $10.6 million
  – Approximately 3.7 miles placed underground

<table>
<thead>
<tr>
<th>Local Agency</th>
<th># of Projects</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sacramento County</td>
<td>3</td>
<td>$4.6 M</td>
</tr>
<tr>
<td>Citrus Heights</td>
<td>1</td>
<td>$2.6 M</td>
</tr>
<tr>
<td>City of Sacramento</td>
<td>5</td>
<td>$3.4 M</td>
</tr>
</tbody>
</table>
Sutter Village Project (F and 51st Streets)

Before construction

After construction
Conclusion and Requested Action

• In 2019, SMUD was in full compliance with SD-14, System Enhancement

• Request the Board to accept the 2019 monitoring report
Questions?
Exhibit to Agenda Item #10
Adopt proposed revisions to Board-Staff Linkage BL-8, Delegation to the Chief Executive Officer and General Manager with Respect to Procurement.

Board of Directors Meeting
Thursday, July 16, 2020, scheduled to begin at 5:30 p.m.
Board Ad Hoc Committee on BL-7 and BL-8

Committee Participants

Board Members: President Rob Kerth, Director Heidi Sanborn
Staff: Arlen Orchard, Laura Lewis, Gary King, Casey Fallon
Facilitator: Eric Douglas

Goals for Ad Hoc

✓ SMUD contracts with reputable companies
✓ SMUD’s procurement investments align with its values
✓ Clear policy guidance and language
Suggested Revisions to BL-8 Policy

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

a) **Competition:** SMUD’s procurement activities shall be competitive whenever practical.

b) **Direct Procurement:** Direct procurement may be utilized when it is in SMUD’s best interest. Direct procurement is the purchase of goods or services without competition when multiple sources of supply are available.

c) **Sole Source Procurement:** Sole source procurement shall be performed only in the case of emergency or when a competitive process would be an idle act.

d) **Inclusiveness:** SMUD’s procurement practices shall promote inclusiveness of the entire supplier community in its contracting opportunities.

e) **Economic Development:** SMUD’s procurement practices shall promote the economic development of the rate paying community we serve.

f) **Environmental Procurement:** SMUD shall minimize the impact on the environment through its procurement practices. In making procurement decisions, staff shall consider the environmental impacts in assessing total cost and benefits.
g) **Responsible Bidder:** SMUD shall only do business with reputable and responsible suppliers. A Responsible Bidder demonstrates the attribute of trustworthiness, as well as quality, fitness, capacity, financial capability, fair labor practices, and experience to satisfactorily perform SMUD work through the bidding and evaluation process. In addition, SMUD will determine Responsible Bidders by considering a supplier’s social, environmental ethical, and safety accountability where applicable.

h) **Best Value Procurement:** SMUD may procure *supplies and materials goods and services* by the best value at the lowest cost methodology where cost and other factors are used to obtain the maximum value while ensuring a fair and equitable process.

i) **Strategic Alliances:** SMUD may enter into strategic alliance contracts for the procurement of goods or services. A Strategic Alliance is a competitively bid multi-year contract for goods and/or services in which the Supplier and SMUD work collaboratively over the life of the contract to improve quality, and to explore design and process improvements to reduce the cost of production, service delivery, and the total cost of ownership. These benefits are shared both by SMUD and the Supplier.

j) **Supply Chain Risk:** SMUD’s procurement activities shall identify, manage, and mitigate supply chain risks through a coordinated effort across the enterprise.

k) **Protest Policy:** SMUD shall ensure that suppliers are afforded the opportunity to have their grievances heard through a fair protest process.
Suggested Revisions to BL-8 Policy

II) Delegation of Authority to the Chief Executive Officer and General Manager: The Chief Executive Officer and General Manager is delegated authority to perform and approve the procurement activities in accordance with the below matrix. This delegation includes the authority to amend contracts for time extensions or other changes that create no additional cost to SMUD.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Awards:</td>
<td></td>
</tr>
<tr>
<td>Operational Inventory</td>
<td>$8 million</td>
</tr>
<tr>
<td>Non-inventory Materials</td>
<td>$8 million</td>
</tr>
<tr>
<td>Construction and Maintenance Services</td>
<td>$8 million</td>
</tr>
<tr>
<td>Information Technology</td>
<td>$8 million</td>
</tr>
<tr>
<td>Professional and Consulting Services</td>
<td>$2 million</td>
</tr>
<tr>
<td>Rents and Leases</td>
<td>$1 million</td>
</tr>
<tr>
<td>Sole Source:</td>
<td></td>
</tr>
<tr>
<td>All types except Maintenance/Licensing Fees</td>
<td>$1 million</td>
</tr>
<tr>
<td>Maintenance/Licensing Fees</td>
<td>$3 million or original</td>
</tr>
</tbody>
</table>

July 16, 2020 Board of Directors Meeting
Suggested Revisions to BL-8 Policy

Direct Procurement:
- Materials/Supplies/Services: $50k
- Government Entities: $1 million
- Nonprofit Entities (services/goods): $1 million

Emergency Procurements:
- All types: $1 million

Nonprofit Entities:
- Memberships/Project Participation Agreement: N/A $5 million

Contract Amendments:
- Time-Extension-Only: N/A
- Other Non-Cost Changes: N/A

Contingencies:
- Board Awarded Contracts: Up to 10% of contract award
July 11, 2020

SMUD Board Directors: Brandon Rose, Nancy Bui-Thompson, Gregg Fishman, Rosanna Herber, Rob Kerth, Dave Tamayo, Heidi Sanborn

Executive Director: Arlen Orchard and staff

RE: SMUD Climate Emergency Declaration Draft

Dear SMUD Board Members and Staff,

The Executive Committee has had the opportunity to review the recently released SMUD Climate Emergency Draft and I am pleased to report that the feedback has been entirely positive. The commitment to reaching carbon neutrality by 2030 with a collaborative approach to finding creative solutions is key to making our region an example to the rest of our State and Nation.

We are hoping to see the same commitments made by our County and local cities along with businesses and other community organizations as mentioned, and appreciate your support of the Sustainable Communities Initiative.

We look forward to seeing the staff presentation of proposed strategies on reaching the goals that you have set forth.

Thank you for the considerable thought and significant effort that was put into the creation of this document.

Sincerely,

Barbara Leary, Chair Sacramento Sierra Club Group
Re: Board of Directors Meeting - July 16, 2020
Agenda Item No. 1, Climate Emergency Declaration

Dear Board of Directors,

I am Dana Michaels, one of your customers in Sacramento. I urge you to adopt the Climate Emergency Declaration, Agenda Item 1 for your meeting on July 16, 2020. Anyone who has paid attention to weather patterns of the past 50 years knows that our summers have gradually (by human standards) become much hotter and drier than in the past. And our winters have been drier, as well. The negative impact on human health, animal populations, and our ecosystems is undeniable.

Too many of our "leaders" (politicians) are afraid to challenge the fossil fuel industry and those who make money from it with meaningful actions that would wean us off their toxic products. But if we don't stop using fossil fuels, we will soon make the Earth -- our only home -- uninhabitable for life as we know it.

There are sustainable, alternative energy sources available, and I'm proud of SMUD for starting to use them when it first became feasible. Such intelligent leadership increased demand, which made production of solar, wind, and geothermal power profitable. That led to more research, development, and production of power that didn't create the greenhouse gases behind rapid climate change.

Responsible, ethical utility providers like SMUD can make sustainable energy production profitable by increasing demand for non-polluting power that won't endanger anyone's health or habitat (human or animal).

SMUD has been a leader in the past and can be one again. I ask you, please adopt the Climate Emergency Declaration, Agenda Item 1 at today's Board meeting. Thank you.

Dana Michaels
7356 Marani Way
Sacramento 95831
Good Evening SMUD Board Members
My name is Lee Miller and I am a constituent who lives in Ward 3.

I am writing to thank Rosanna Heber, Brandon Rose, and Rob Kerth for taking on the monumental task of creating the SMUD Climate Change Resolution. I know it took you all many hours to get the draft right and I applaud you all for creating a strong document and showing the leadership we expect from the board.

When the resolution is passed, the board will take a gigantic step towards making history. By SMUD board adopting this resolution, it will be the first utility to do so and it makes me proud to say I am a SMUD customer. SMUD has been a leader in the past and the resolution will send shock waves throughout the utility industry.

GREAT JOB SMUD BOARD MEMBERS! It is wonderful to see that the board is leading the way to make SMUD the leader in the fight to reduce its carbon footprint, and when SMUD takes an action of this magnitude, others will follow suit.

I urge the entire board to pass the SMUD Climate Emergency Resolution

Thank you

Respectfully
Lee Miller
Ward 3
CAUTION: This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

As a SMUD customer I urge you to vote yes for this declaration.
Thank you.
Joan Normington
Congratulations on developing a good draft of a Climate Emergency Declaration. If passed tonight you will be signaling SMUD's return to leading in environmental innovation. SMUD will be the first Utility not owned by a municipality to declare a Climate Emergency.

Considering the reality that changes made today may not show effectiveness until mid to late in the century, it is extremely important SMUD does all it can to eliminate greenhouse gas emissions.

--

Megan Shumway
Greetings and Salutations SMUD Board Members,

I am writing to urge you to unanimously support the Draft Climate Emergency Resolution on your agenda this evening. SMUD has been and should continue to be a beacon for the nation on responsible energy policy. Future generations will thank you for your commitment and leadership.

Best regards,

Ed Smeloff | Senior Director, Grid Integration
ed@votesolar.org | 707.677.2107

Vote Solar
Trinidad, CA
votesolar.org
From: sBill Schmidt
To: Public Comment
Subject: [EXTERNAL EMAIL] Climate Emergency
Date: Wednesday, July 15, 2020 8:09:03 PM

CAUTION: This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

I am pleased you put the resolution on the agenda. While climate change may not impact me that much due to my age, it will have a significant if not catastrophic impact on my/our children and grandchildren. We need to do all we can to eliminate fossil fuels, a major contributor. Thank you.
William Schmidt
Wilton,CA

Sent from my iPad
SMUD Board of Directors Meeting - July 16, 2022
Agenda Item 1, Resolution for Climate Emergency Declaration

Dear SMUD Board of Directors,

My name is Jane Lamborn and I am a constituent of Ward 2, living in Wilton. I urge you to adopt the Climate Emergency Declaration which is Agenda Item No. 1 on your meeting for July 16th.

The harm being caused by climate change has become increasingly clear, and the need to take immediate action to address it is now imperative. Your proposed declaration is truly an historic document. If adopted, SMUD will be the first utility to adopt such a resolution. SMUD has been a leader in the past, and I urge it to once again show leadership and commitment in pursuing the course that will best benefit it as a utility and will benefit its constituents. Please adopt the Climate Emergency Resolution on your agenda.

Thank you,

Jane Lamborn
Dear Rob Kerth!  7-15-20
Re:  Fossil Fuels

Climate change is slowly killing our planet and global warming is alarming. We don't even know with the warming of the oceans if that will eventually affect our global currents and increase the temperature swings that currently sometimes change 20 to 30 degrees from one day to the next!

We need more reduction in fossil fuels and we need to care enough about our planet to rescue the environment. To rescue and preserve our entire existence on this planet.

One solution decades ago was to re-mineralize the soil with finely ground-up rock and in the late 80's this would have been at a cost to the U.S. of less than a 1 year military budget, strengthening forests and orchards, farmlands, etc., but it wasn't done and all pleas to do it were ignored. "Not enough information," was the response I received from President Bill Clinton and I kept writing to Bush, etc., but no one had the courage to address the challenge we were facing at the time.

But now action is critical to reduce fossil fuels over a period of time and use alternative sources of energy.

Please help rescue this beautiful planet and allow the next generation to thrive in a life-sustaining environment and food-sustaining climate.

Thanks for your attention,

Respectfully,

Inger Bisson
701 Hawkcrest Circle
Dear SMUD Board Members:

I hope this email finds you all as well as can be expected during these trying times. I am writing today to express my support for the climate emergency declaration draft as written.

We need to shut down the fossil fuel power plants as soon as possible to protect the health of our communities. The transition away from fossil fuels will be costly, but less costly than maintaining
natural gas infrastructure over time - making an earlier transition a more economically responsible choice for your ratepayers. These costs can be offset both by current programs for rate relief for low-income customers, and also by the creation of new jobs through building new renewable energy as well as the phase out and deconstruction of the fossil fuel power plants in our region.

SMUD has the opportunity to play a critical role in a just recovery from COVID-19 in Sacramento. The clean job creation sparked by this declaration will create meaningful job training and employment opportunities that are more important than ever. We could make significant progress on environmental justice as well as economic justice, and become a model for the rest of the state and country.

Thank you for your time and consideration of my comments.

Sincerely,

Katie Valenzuela  
Councilmember-Elect  
Sacramento City Council, District 4  
kbvale@gmail.com
Good morning
Please find attached a letter that I am submitted as part of Public Comment for the July 16, 2020 SMUD Board meeting pertaining to SUPPORTING the Climate Emergency resolution. Thank you in advance for sharing this with all SMUD Board members and appropriate staff.

Best
Judy

--

Judy Robinson
personal email: RobinsonJu364@gmail.com
July 12, 2020

Rob Kerth, Board President  
SMUD Board of Directors  
SMUD  
6201 S Street  
Sacramento, CA 95817

RE: Support Climate Emergency Resolution

Dear Honorable President Kerth and esteemed Board Members;

Thank you for the opportunity to comment on the July 16 Resolution to declare a “Climate Emergency.” I wholeheartedly encourage and ask that every Board member supports and approves this critically important resolution. Frankly it is years overdue, and I’m so appreciative for the SMUD leadership to declare this emergency and take measurable steps that hopefully Sacramento County, and Cities and businesses across the entire SMUD District will follow. I am proud to be a SMUD customer!

I would like for the Board to consider a couple of other things, Health and Equity. First, I agree with everything in the resolution. Second, I would like to suggest that deliberate attention to health be emphasized more, especially as staff goes forward with identifying actionable and measurable strategies for implementation. This is important because if health impacts are not considered in solutions, then unintended consequences occur. When health is considered, equity is also factored in and the best overall solutions rise to the surface. For example: we know that planting trees has many GHG reducing and other benefits. Planting trees is good. However, individuals suffering with asthma and other respiratory diseases can be further exacerbated if the wrong species of tree is planted near where they live. Another example is air conditioning, or lack of. Air conditioning in multi-family housing and rentals is not a building code requirement for Sacramento City or County. Heating is required but not air conditioning. Nearly 47% of residential properties in the county are rental properties. Temperatures in Sacramento are continuing to rise and it’s one of our significant climate impacts. While we’re working to reduce GHG emissions, how do we balance that with also getting air conditioning into rental housing, at a low enough cost that our lowest income residents can not only have AC but can afford to use it. The list goes on, and it’s an important list or we’re going to miss the right and best solutions.

Lastly, I appreciate that the SMUD Board and Utility is affirming your commitment to environmental justice principals and leadership through the Sustainable Communities Initiative. The Sustainable Communities Initiative is wonderful and other jurisdictions should again follow SMUD’s leadership. However, it does not go far enough in addressing our inequities and disparities in our overburdened and under-resourced communities. SMUD needs to go beyond Sustainable Communities and look at overall SMUD operations with an equity lens. I invite the Board and Staff to utilize an equity lens in how budgets are created, where funding and projects are prioritized, job training and opportunities especially for our youth and our future. I understand that SMUD is also a business and needs to run efficiently as a business so many factors must be taken into consideration. But we need to invest more starting in our disadvantaged communities and less in our other communities in order to start making up for the decades of disinvestment.

Thank you again for the opportunity to comment. Please feel free to contact me at Robinsonju364@gmail.com with any questions or further discussion.

Sincerely,

Judy Robinson

Concerned SMUD Customer
Robinsonju364@gmail.com
Dear SMUD Board Members:

I was extremely pleased to see that you have created a document that acknowledges our climate emergency. I ask that you please vote yes and pass this declaration. It will become a big part of all your legacies and will put you on the map as leaders in the battle against climate change. My hope is that your action inspires other utilities to make similar declarations. The key part of the declaration is the adoption of the 2030 deadline with a carbon zero goal. With those goals it gives our planet a fighting chance. I am sure your staff, with your support, and all their talents and expertise, will come up with a plan in 180 days.

SMUD will join the national and international community in passing this Climate Emergency Declaration. As stewards of the Sacramento Community, again, I urge you to vote yes and start the work!

Thank you for taking action. I also thank you for taking in the feedback of your customers and other Sacramento residents.

Ann Amato, Carmichael resident
Please vote "No" on the resolution. While renewable energy may be the way of the future, now is not the time to make that decision. We do not know what inventions will improve the use of fossil fuels in the future and we do not know if renewable energy can supply the need.

--
Dr. C. H. Crowe
Principal
Valley Christian Academy
-----Original Message-----
From: Laurie Litman <lslitman@gmail.com>
Sent: Thursday, July 16, 2020 2:36 PM
To: Brandon Rose-Contact <brandondrose@hotmail.com>; Nancy Bui-Thompson <Nancy.Bui-Thompson@smud.org>; Rosanna J. Herber <Rosanna.Herber@smud.org>; Rob Kerth External <rob@kerth.us>; Dave Tamayo <davetamayo2@gmail.com>; Heidi Sanborn <Heidi.Sanborn@smud.org>; Arlen Orchard <Arlen.Orchard@smud.org>
Cc: Kate Wilkins <katemwilkins@gmail.com>; Ilonka Zlatar <ilonka.zlar@gmail.com>; Justin Tweet <justin_tweet@yahoo.com>; Donna Kincannon <dlkincannon@att.net>; Kristi Perry <khp@mycci.net>; Moiz Mir <moizmir123@gmail.com>
Subject: [EXTERNAL] 350 Sacramento supports SMUD's Climate Emergency Resolution

CAUTION: This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear SMUD Boardmembers, Mr. Orchard, and staff,

350 Sacramento strongly supports the Climate Emergency Resolution as a first step toward elevating the climate crisis in your decisionmaking hierarchy. We support your recognition of the accelerating climate emergency, the goal of carbon neutrality by 2030, and your commitment to develop plans to reach those goals. We urge you to adopt the Resolution and to use that as the basis of intensifying your efforts to address climate change through the lens of equity to help create a healthier community and world. We also want to thank SMUD for all the good you do for the Sacramento region and look forward to working with you on those efforts.

Sincerely,
Laurie Litman
president, 350 Sacramento
Hello Board Members,

My name is Esme Plascencia and I am a resident at Ward 3. I want to thank you for allowing more time for public input in response to the Draft Climate Emergency Resolution. It takes active listening and compassion to really listen. To see a resolution which recognizes the people most likely to be disproportionately burdened by the adverse effects of climate change live in underserved and low-income communities is a step forward and needs to be reconsidered by 2030. By 2040, it may be too late to fix the pollution in the air that is drastically impacting the health of people who live in low-income communities. Please make it an urgent matter to address the air quality affecting people to this day. The resolution is a step in the right direction and I hope it will make changes to the community of which I am a part.

Sincerely,

Esme
My name is Natalie Brown, and I wish to make a comment on agenda item 11, Adopting a resolution declaring a Climate Emergency.

I am a student at UCLA. As young person who will have to live with the climate consequences of SMUD’s lack of urgency for decades to come, I am asking SMUD to use this window of opportunity to act on climate by committing to an accelerated transition to 100% renewable energy.

As an intern at Environment California, I have spent the last few weeks talking to my peers about the importance of a faster transition from fossil fuel to clean energy. I’ve made phonecalls, collected videos of my friends, and taken to social media to spread the word about the opportunity SMUD has to lead the state in climate action.

Californians, Sacramentans, and (more than anyone) young people want to transition to 100% renewable energy. We want our kids and grandkids to breathe clean air and that will only be possible if SMUD prioritizes the closure of all five of the utility’s gas power plants by 2030.

I urge SMUD to start building towards a future in a city that shares our values. Our futures, which are already being impacted by pollution and the impacts of the climate crisis - depend on bold, clean energy leadership from our utility: leadership that’s committed to kick-starting a rapid transition to clean, renewable energy. For young people’s sake, please act on climate, close the dirty power plants, and commit to 100% renewable energy by 2030.

Thank you.

Natalie Brown
Hello
I’d like to be able to make a public comment for the meeting tonight in support of SMUD’s Historic Climate emergency Declaration!
I want to thank the board for having the vision and leadership that it takes to protect our climate for us and future generations. The 2030 date is critical if we are to heed the recommendations of the thousands of studies and nearly 100 scientists who made the 2018 IPCC recommendations to keep global temperature rise below 1.5 degrees.
Thank you,
Glayol Sahba Medical Doctor

Sent from my iPhone
My name is Andres Gutierrez and I wish to make a comment on agenda item 11, Adopting a resolution declaring a Climate Emergency.

I am a student at UC Davis. As someone who believes we can make a difference in reducing climate change impacts, I am asking SMUD to use this window of opportunity to act on climate by committing to an accelerated transition to 100% renewable energy.

As an intern at Environment California, I have spent the last few weeks talking to my peers about the importance of a faster transition from fossil fuel to clean energy. I’ve made phone calls, collected videos of my friends, and taken to social media to spread the word about the opportunity SMUD has to lead the state in climate action.

Californians, Sacramentans, and my fellow youth want to transition to 100% renewable energy. We want our kids and grandkids to breathe clean air and protect the environment, but that will only be possible if SMUD prioritizes the closure of all five of the utility’s gas power plants by 2030.

I urge SMUD to start building towards a future in a city that shares our values. Our futures, which are already being impacted by pollution and the impacts of the climate crisis - depend on bold, clean energy leadership from our utility: leadership that’s committed to kick-starting a rapid transition to clean, renewable energy. For the sake of the youth, for our sake, please act on climate, close the power plants, and commit to 100% renewable energy by 2030.

Thank you.
My name is Stephen Pham and I wish to make a comment on agenda item 11: adopting a resolution declaring a climate emergency.

I am a student at UC Irvine. Seeing as how other policymakers are targeting 2030 as the premier goal for reducing emissions and reversing the effects of climate change, SMUD’s lack of urgency is threatening the necessary progress that other leaders have made. SMUD should prioritize the opening of the general manager role as a window of opportunity to commit to an accelerated transition to 100% renewable energy.

As an intern at Environment California, I have spent the last few weeks talking to the public about the importance of relying on greener alternatives to fossil fuels. I’ve done research on rising legislation such as AB 345 and AB 3030 and have seen the consequences of climate change imposed on areas such as public health and biodiversity.

Californians, Sacramentans, and young people want to transition to 100% renewable energy. We want our kids to breathe clean air and enjoy the beautiful nature. That will only be possible if SMUD prioritizes the closure of its five gas power plants by 2030.

I urge SMUD to start building towards that future. Our futures, which are already being impacted by the climate crisis - depend on bold leadership from our utility: leadership that’s committed to kick-starting a rapid transition to clean, renewable energy. For the well-being of current and future generations, please act on climate, close the dirty power plants, and commit to 100% renewable energy by 2030.

Thank you.
We need to understand this is an emergency and act accordingly. There are tools available as seen in the presentation last night to Policy Committee on Carbon Sequestration. The science and technology on direct air carbon capture (DACC) has changed drastically in just a few years, so that now it is a feasible alternative.
The state of the science and new technology change almost exponentially and rapidly. What is SMUD doing to stay on top of the science?
Is SMUD doing anything to support the advancement of the science including working with great local universities?
Is SMUD participating in the Little Bang/Big Bang contests at UC Davis?
Has SMUD explored selling excess peak power to companies, so that they can increase the amount of renewables without negatively impacting the grid while reducing emissions from other sources of energy? For instance, DACC uses a lot of electricity but new companies such as Carbon Engineering (Canada) have direct air carbon capture powered by excess renewable energy.
Has SMUD considered any type of direct air carbon capture competitions to see what type of innovation could be out there?
Keep in mind that small investments in innovative ideas might require SMUD to take some risk, but could provide great benefit by being first to market, reducing carbon earlier (which is a greater benefit) and perhaps earning some sort of license and/or royalties on the innovation. To wait 10 years until the science is 100% validated will mean lost time and opportunity for turnarounds.
The SMUD Climate Emergency Declaration is fundamentally about land. As a non-Native person I want to first acknowledge the land and recognize the original people of what is now referred to as the Sacramento area. This area was and still is the tribal land of the Nisenan, Maidu, Miwok, Me-Wuk, the Patwin, Wintu and Wintun. Despite centuries of genocide, occupation, and continued genocide as evidenced by the ongoing tragedy of Missing and Murdered Indigenous Women and Girls (#MMIWG), these first people are resilient and vibrant, and are important members of our community today. May this acknowledgement of the land be a humble step toward truth-telling about our history and healing the relationship between Native and non-Native people. We should have, and still can, learn from Native people about caring for the land. Whereas they lived on this land for thousands of years, many of us colonial settlers have managed to bring the land to an irreversible ecological crisis in a relative blink of the eye. I want to thank SMUD for the Climate Emergency Declaration which sets the goal of being fossil fuel free and carbon neutral (NOT NET NEUTRAL) by 2030. This Declaration also acknowledges that Environmental Justice and equity must be at the forefront of bold actions needed to mitigate the existential threat we all face. We cannot just say Black Lives Matter, we must show it by acknowledging, and doing everything we can to reverse, damage such as that caused by power plants situated in vulnerable communities.

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Jolie M.B. Terrazas, Ph.D.
Industrial and Organizational Psychology

Ecosia: Plant trees while you search the web.
Thank you for amending the proposed Climate Emergency Declaration to make it stronger. I urge you to vote to adopt and implement it.

Sincerely,

Michael Dack,
This is a tremendously important issue. I wish members of the public had been given more time and more notice so that we could adequately review the proposed Declaration by tonight’s meeting.

The current draft is a start, but it needs more work and more specificity. Net zero is not zero and the draft talks about getting to net zero by 2040 with references, but no commitments or plans to get there sooner. The goal of getting to net zero by 2040 doesn't reflect the acute and ever growing emergency that we currently face. It also says nothing about what SMUD plans to do to replace its existing natural gas plants.

I hope that this declaration can be brought back to next month’s meeting after the public has had time to more thoroughly review it and ask questions.

Karen Jacques
SMUD customer alarmed by the ever growing climate crisis
Name: Emily Fieberling  
Organization: Environment California  
Item: 11, Adopting a resolution declaring a Climate Emergency.

Environment California is a statewide organization working on clean air, clean water and protecting our beautiful places.

Environment California helped to pass the first RPS in 2002 and the subsequent bills including SB 100. I was thrilled to work with Environment California as an intern during that time and I joined staff to help stave off the worst impacts of climate change.

The bottom line is that utilities need to step up and get to 100% clean energy by 2030. Everyday we hear more news that we are polluting too much CO2 and methane and other pollutants into the atmosphere. It needs to stop and it needs to stop quickly.

SMUD, for goodness sake, should be a leader in this effort. But sadly, the current plans have you relying on dirty power well into the 2040s. That is not acceptable.

There are three reasons to transition more quickly to 100% clean energy:
1- SMUD should be reducing pollution in local communities that have often been most affected by air pollution
2- If we are going to get to 100% clean energy ASAP, we need leadership. We as young people are going to suffer the consequences of your inaction. Every indicator shows things will only get worse.
3- Across the state, other peaker plants are shutting down and being replaced with clean energy. SMUD should follow the work of others.

Please don’t pass up on this opportunity.

Thanks,

Emily

Emily Fieberling  
Conservation Fellow  
Environment California  
510-363-2693
To Whom It May Concern,

My name is Supriya and I’m a 14 year old climate organizer from Ward 5. I would like to begin by thanking SMUD for their commitment to climate justice, and for improving the language of the Climate Emergency Declaration. I support the draft of the Declaration as is due to the fact that it sets a goal carbon neutrality by 2030 in accordance with the deadlines set by the United Nations’s IPCC (Intergovernmental Panel on Climate Change. I also support the Declaration’s requirement for the SMUD Board to issue an action report within 180 days of the passage of the Climate Emergency Declaration.

I understand "carbon neutral" to mean three things:

- SMUD will not burn fossil fuels at its natural gas plants
- SMUD will not purchase energy made from fossil fuels
- SMUD will not use offsets or accounting methods to mask any use of fossil fuels

These steps are absolutely vital to ensuring that my generation will inherit a livable planet. If my understanding of carbon neutrality is correct, then I encourage the SMUD Board to pass the Declaration and to put it into action as fast as possible. I understand that achieving carbon neutrality by 2030 will be a difficult process, but it is crucial to understand that the steps that the Board is taking today will impact me and my entire generations for the rest of our lives. I wish I was exaggerating when I say that my future is literally at stake here. In addition to passing the Climate Emergency Declaration, I urge the Board to address how the carbon emissions from SMUD’s plants disproportionately impact marginalized communities, particularly low income people of color. Racism and the climate crisis are issues which are deeply intertwined. The Board must take steps to address the issue of environmental racism and must examine SMUD’s role in this phenomenon.

Best,
Supriya Patel
Members of the Board and SMUD Management

The Renewables100 Policy Institute supports and applauds SMUD's proposed Climate Emergency Resolution and its goals and objectives.

We would also like to note that this Resolution honors the memory of S. David Freeman, a former General Manager of SMUD who loved this Utility and remained actively involved in SMUD's renewable energy and climate related activities until his passing on May 12, 2020. Dave Freeman aka the "Green Cowboy", who was an invaluable member of our Institute's advisory Board will be remembered as a tireless advocated for curbing climate change and accelerating the global transition to 100% renewable energy.

SMUD's universally acknowledged climate leadership continues through this Resolution and we thank the Board and Management for your commitment to the planet and our future.

Renewables 100 Policy Institute.
### BOARD AGENDA ITEM

**STAFFING SUMMARY SHEET**

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<td>2. Nicole Howard</td>
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<td>3. Frankie McDermott</td>
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<td>4. Stephen Clemons</td>
<td>9. Legal</td>
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<td>10. CEO &amp; General Manager</td>
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**Consent Calendar**

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<td>Tracy Carlson</td>
<td>Customer Service &amp; Operations</td>
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**NARRATIVE:**

**Requested Action:**

a. Accept the monitoring report for Strategic Direction SD-5, Customer Relations.

b. Approve proposed revisions to Strategic Direction SD-5, Customer Relations, to establish an overall customer experience “value for what you pay” target of 70 percent by the end of 2025 and 80 percent by the end of 2030.

**Summary:**

Communicate status of key metrics as they relate to customer satisfaction and the hearing/appeal process.

Staff also proposes to revise the policy to change the overall customer experience “value for what you pay” target from 80 percent by the end of 2021 to 70 percent by the end of 2025 and establish an 80 percent “value for what you pay” target by the end of 2030. A copy of the redlined policy is attached.

**Board Policy:**

SD-5, Customer Relations. This report provides the measurement of customer service as specified in SD-5.

**Benefits:**

Provide Board Members with an update on the compliance of the Strategic Direction and allow an opportunity to make corrections, additions, or changes if necessary.

**Cost/Budgeted:**

N/A

**Alternatives:**

No action would impact ability to meet Strategic Direction.

**Affected Parties:**

Customer Service & Operations, Communications, Marketing, & Community Relations, Legal, and SMUD customers

**Coordination:**

Customer Service & Operations

**Presenter:**

Tracy Carlson, Director, Customer Service & Operations

**Additional Links:**

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**SUBJECT**

Annual Monitoring Report & Proposed Revisions for SD-5, Customer Relations

**ITEM NO.**

5

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.
Audit and Quality Services (AQS) reviewed the SD-05 Customer Relations 2019 Annual Board Monitoring Report and performed the following:

- Reviewed the information presented in the report to determine the possible existence of material misstatements;
- Interviewed report contributors and verified the methodology used to prepare the monitoring report; and
- Validated the reasonableness of a selection of the report’s statements and assertions.

During the course of the review, nothing came to AQS’ attention that would suggest the report did not fairly represent the source data available at the time of the review.

CC:

Arlen Orchard
1) Background

Strategic Direction 5 states that:

Maintaining a high level of customer relations is a core value of SMUD. Additionally, the Board sets a customer satisfaction target of 95 percent with no individual component measured falling below 85 percent.

In addition, the Board establishes an overall customer experience “value for what you pay” target of 80 percent by the end of 2021, with neither the average commercial customer score falling below 69 percent nor the average residential customer score falling below 65 percent in any year.

As part of this policy:

   a) SMUD customers shall be treated in a respectful, dignified and civil manner.

   b) SMUD shall communicate a procedure for customers who believe they have not received fair treatment from SMUD to be heard.

2) Executive summary

To ensure customers are receiving the highest quality of service, SMUD measures the satisfaction of key interactions with SMUD: Outages, Tree Trimming, Bill Inquiries, New Connections, IVR Payments, and IVR Payment Arrangements.

In addition, we measure Value for What You Pay as value drives customer loyalty. Value is defined as the trade-off between the perceived benefits a customer gets to the cost they have to pay for the benefits. Knowing what customers value allows SMUD to tailor services, products, and offerings to sustain customer relationships as the utility market evolves. SMUD is measuring customer perceived value because SMUD believes it is an effective early indicator of customer loyalty. When customers have options to choose alternatives, whether alternatives in energy, energy advisement, and other related services, we want our customers to continue choosing SMUD.

High satisfaction in these key interactions below and a high Value for What You Pay score supports SMUD’s purpose and vision to act in the best interests of our customers and community.
SMUD is in compliance with the policy and has exceeded the targets set forth by the Board in all instances for SD-5.

SMUD has exceeded the target of 95% with an overall Customer Satisfaction of 97%. All four components exceeded the expectation set.

SMUD achieved a 67% overall Value for What You Pay score, with neither Residential nor Commercial falling below their prescribed floors. Although this is 2% above the 2016 baseline score of 65%, we recognize this is a 4% decrease from the 2018 score of 71%. As expected, we experienced volatility within our Residential segment resulting from the transition to and fist summer of our Time of Day rates. What was not anticipated but necessary, was a complex rate proposal impacting both Commercial and Net Energy Metering customers. The compounding impacts drove down our overall score and this is expected to continue as we make further pricing changes. Enterprise priorities, driving large investments in other strategic initiatives, prevents the significant investments needed to offset pricing impacts and sustain Best in Class customer experience scores in the future.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Status</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Service Level</td>
<td>Overall Satisfaction 97%</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Tree Trimming 95%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>New Connects 98%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bill Inquiries 96%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Outage Communication 96%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>IVR Payment 96%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>IVR Payment Arrangement 98%</td>
<td></td>
</tr>
<tr>
<td>Value for What You Pay Addendum</td>
<td>Overall VFP 67%</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Commercial 69%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Residential 66%</td>
<td></td>
</tr>
</tbody>
</table>

Respectful Customer Treatment: Compliant

SMUD customers are treated in a respectful, dignified and civil manner. SMUD employees are trained to deliver quality customer experience through extensive, multi-channel employee competency development.
**Hearing Appeal Process:** Compliant

Customers are made aware of SMUD’s Hearing and Appeal process through multiple channels. The back page of every paper bill describes the process. In addition, the process is described in detail on the SMUD website and is linked from the digital bill in My Account.

Link: [https://www.smud.org/assets/documents/pdf/Board-Meeting-Procedures.pdf](https://www.smud.org/assets/documents/pdf/Board-Meeting-Procedures.pdf)

Zero hearings were conducted in 2019, as staff successfully resolved all escalations within standard customer communication channels.

3) **Additional supporting information**
See Appendix A for supporting information.

<table>
<thead>
<tr>
<th>2019 Accomplishments</th>
<th>Supportive SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceeded Weatherization and EAPR pilots goal while maintaining 89% avg. pilot satisfaction with an overall EAPR satisfaction &gt;95%.</td>
<td>SD-5</td>
</tr>
<tr>
<td>Met customer EE goals saving our customers 157 GWh of energy representing approximately $14.5 Million in bill savings.</td>
<td>SD-5</td>
</tr>
<tr>
<td>Small and Midsize Business team created and launched an “Easy Business Tools” campaign. The Easy Business Tools message educated customers to the benefits of SMUD My Account, the variety of billing and payment options available, and information on how a customer could connect with their personal Strategic Account Advisor.</td>
<td>SD-5</td>
</tr>
<tr>
<td>2019-2020 partnership with Habitat for Humanity incentivizing electrification and solar, including new, rebuilds and repairs up to 50 homes and 50 multi-family residences.</td>
<td>SD-5</td>
</tr>
<tr>
<td>Successfully launched redesigned Sacramento Shade Program providing 10,697 free trees to customers (avg. of 4.15 /customer) with a concentration in low income communities.</td>
<td>SD-5</td>
</tr>
<tr>
<td>“Lighting for the Spectrum” focused on impact of circadian lighting on people with autism. 36 families installed/tested in their homes.</td>
<td>SD-5</td>
</tr>
<tr>
<td>SMUD Energy Store finalized 5-yr. expansion of partnership with City of Sac. on water rebates and incentives.</td>
<td>SD-5</td>
</tr>
<tr>
<td>21,000+ total touchpoints made by commercial street teams. Including a Commercial Blitz where employees from across SMUD met with Small and Midsize Businesses to share quarterly messages.</td>
<td>SD-5</td>
</tr>
</tbody>
</table>
Developed Commercial Rate Restructure Impact Tool that was leveraged to educate customers on the future impacts to their business. The tool provides current and future bill impacts for the duration of the transition.

The SEED team held 12 workshops, orientations or panel discussions and coordinated participation in over 112 outreach events, reaching approximately 13,750 small business representatives with information about SEED and other SMUD programs.

Provided incentives for the installation of more than 130 workplace chargers at commercial customer locations.

SAAs engaged with several Sustainable Communities initiatives to provide energy efficiency guidance and advisory services including City of Refuge, Pioneer Church, Volunteers of America, Salvation Army and Roberts Family Community Center.

Updated Commercial MyAccount dashboard to be more intuitive and easier to navigate. Added customized features that populated the contact information of the SAA, as well as proactive suggestions based on account preferences and/or past program participation.

Respectful Customer Treatment Supporting Information:

**Classroom Training Attendees:** 936

**Web/ E-Learning:** 436

**Real Time Training – 2019 Bulletins:** 43 Bulletins

**Customer Journey Mapping:** 32

4) **Challenges**

The next few years will continue to bring price increases, complex rate structures, and a strong effort to incentivize customers to electrify their homes and businesses. In addition, customer needs and expectations will continue to evolve. Investing in customer experience enhancements will be critical if we intend to maintain Best in Class customer experience outcomes.

5) **Recommendation**

It is recommended that the Board accept the Monitoring Report for SD-5
## 6) Appendices

### Appendix A

#### Customer Satisfaction

<table>
<thead>
<tr>
<th>Overall Satisfaction</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tree Trimming</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td>New Connects</td>
<td>98%</td>
<td>98%</td>
<td>97%</td>
</tr>
<tr>
<td>Bill Inquires</td>
<td>96%</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td>Outage</td>
<td>96%</td>
<td>96%</td>
<td>95%</td>
</tr>
<tr>
<td>IVR Payment</td>
<td>96%</td>
<td>96%</td>
<td>N/A</td>
</tr>
<tr>
<td>IVR Payment Arrangement</td>
<td>98%</td>
<td>98%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

#### Value for What You Pay

<table>
<thead>
<tr>
<th>VFP Segment Thresholds</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Minimum</td>
<td>69%</td>
<td>73%</td>
<td>72%</td>
<td>74%</td>
<td>67%</td>
</tr>
<tr>
<td>69%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential Minimum</td>
<td>66%</td>
<td>69%</td>
<td>68%</td>
<td>66%</td>
<td>63%</td>
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<tr>
<td>65%</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Weatherization & EAPR

Three Year Partnership with Habitat for Humanity
Circadian Lighting
SMUD Energy Store 5 yr. Partnership

Commercial Rate Restructure Impact Tool

Estimated Rate Impacts
SAAs Support Sustainable Communities

Building sustainable communities

The need for equity

Commercial MyAccount

Good afternoon!

Your billing history

Your account advisor
ALFREDO CASTILLO:
Adrian.Castillo@smud.org

Update your profile

Would you like to remove a card or what else is powered outage impacts your account?

Yes  No

Account Details

Your account advisor
ALFREDO CASTILLO:
Adrian.Castillo@smud.org

Update your profile

Would you like to remove a card or what else is powered outage impacts your account?

Yes  No

Account Details
RESOLUTION NO. ______________

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

This Board accepts the monitoring report for Strategic Direction SD-5,

Customer Relations, substantially in the form set forth in Attachment ____ hereto and
made a part hereof.
Request Action:

a. Accept the monitoring report for Strategic Direction SD-5, Customer Relations.

b. Approve proposed revisions to Strategic Direction SD-5, Customer Relations, to establish an overall customer experience “value for what you pay” target of 70 percent by the end of 2025 and 80 percent by the end of 2030.

Summary:
Communicate status of key metrics as they relate to customer satisfaction and the hearing/appeal process.

Staff also proposes to revise the policy to change the overall customer experience “value for what you pay” target from 80 percent by the end of 2021 to 70 percent by the end of 2025 and establish an 80 percent “value for what you pay” target by the end of 2030. A copy of the redlined policy is attached.

Board Policy:
SD-5, Customer Relations. This report provides the measurement of customer service as specified in SD-5.

Benefits:
Provide Board Members with an update on the compliance of the Strategic Direction and allow an opportunity to make corrections, additions, or changes if necessary.

Cost/Budgeted: N/A

Alternatives: No action would impact ability to meet Strategic Direction.

Affected Parties: Customer Service & Operations, Communications, Marketing, & Community Relations, Legal, and SMUD customers

Coordination: Customer Service & Operations

Presenter: Tracy Carlson, Director, Customer Service & Operations

Additional Links:
Maintaining a high level of customer relations is a core value of SMUD. Additionally, the Board sets a customer satisfaction target of 95 percent with no individual component measured falling below 85 percent. In addition, the Board establishes an overall customer experience “value for what you pay” target of 80 percent by the end of 2025 and 80 percent by the end of 2030, with neither the average commercial customer score falling below 69 percent nor the average residential customer score falling below 65 percent in any year.

As part of this policy:

a) SMUD customers shall be treated in a respectful, dignified and civil manner.

b) SMUD shall communicate a procedure for customers who believe they have not received fair treatment from SMUD to be heard.

**Monitoring Method:** GM Report
**Frequency:** Annual
RESOLUTION NO. _______________

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

This Board approves the revisions to the Strategic Direction SD-5,

Customer Relations, substantially in the form as set forth in Attachment ___.

**TO**

1. Claire Rogers
2. Nicole Howard
3. Frankie McDermott
4. Stephen Clemons
5. 

**TO**

6. 
7. 
8. 
9. Legal
10. CEO & General Manager

<table>
<thead>
<tr>
<th>Consent Calendar</th>
<th>X</th>
<th>Yes</th>
<th>No</th>
<th>If no, schedule a dry run presentation.</th>
<th>Budgeted</th>
<th>Yes</th>
<th>No (If no, explain in Cost/Budgeted section)</th>
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<tbody>
<tr>
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<td></td>
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<td>Farres Everly</td>
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<td>MAIL STOP</td>
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<td>6478</td>
<td>7/27/20</td>
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</table>

**NARRATIVE:**

**Requested Action:** Accept the monitoring report for Strategic Direction SD-15, Outreach and Communication.

**Summary:** The Board of Directors will be presented with overall customer communications activities for 2019.

**Board Policy:** SD-15, Outreach and Communication.

**Benefits:** As a customer-owned utility, SMUD has a responsibility to communicate with all of our customers. Consistent, integrated purpose-driven communications enhance our relationship with our customers and create an environment of partnership and engagement.

**Cost/Budgeted:** N/A

**Alternatives:** Provide the Board with written reports and communication through the Chief Executive Officer and General Manager.

**Affected Parties:** Communications, Marketing, & Community Relations, Customer Operations and SMUD customers.

**Coordination:** Communications, Marketing & Community Relations

**Presenter:** Farres Everly, Director, Corporate Communications & Marketing

**Additional Links:**

**SUBJECT**

Annual Monitoring Report for SD-15, Outreach and Communication

**ITEM NO. (FOR LEGAL USE ONLY)**

7

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.
SACRAMENTO MUNICIPAL UTILITY DISTRICT
OFFICE MEMORANDUM

TO: Board of Directors

FROM: Claire Rogers CR 8/11/20

DATE: August 11, 2020

SUBJECT: Audit Report No. 28007210
Board Monitoring Report; SD-15: Outreach and Communication

Audit and Quality Services (AQS) reviewed the SD-15 Outreach and Communication 2019 Annual Board Monitoring Report and performed the following:

• Reviewed the information presented in the report to determine the possible existence of material misstatements;
• Interviewed report contributors and verified the methodology used to prepare the monitoring report; and
• Validated the reasonableness of a selection of the report’s statements and assertions.

During the course of the review, nothing came to AQS’ attention that would suggest the report did not fairly represent the source data available at the time of the review.

CC:
Arlen Orchard
1) Background

Strategic Direction 15 states:

Providing broad outreach and communication to SMUD’s customers and the community is a key value of SMUD.

Specifically:

a. SMUD shall provide its customers the information, education and tools they need to best manage their energy use according to their needs.

b. SMUD will use an integrated and consistent communication strategy that recognizes the unique customer segments that SMUD serves.

c. SMUD’s communication and community outreach activities shall reflect the diversity of the communities we serve. SMUD shall use a broad mix of communication channels to reach all customer segments. This communication shall be designed to ensure that all groups are aware of SMUD’s major decisions and programs.

2) Executive summary

Strategic Direction 15 requires SMUD’s communication and community outreach activities to reflect the diversity of SMUD, using a broad mix of communication channels. In accordance, we look at the level of our marketing and outreach activities by communication channel, as well as the customer awareness of various programs and services by ethnicity, household income and Value for What You Pay.

**SMUD is in compliance with SD-15 Outreach and Communication.**

2019 was a very active year for outreach and communications. The Time-of-Day (TOD) Rate campaign and transition support was the largest outreach and communication in SMUD’s history. Additionally, we were actively promoting helpful tools and tips for our customers, along with our ongoing promotion of programs and services.

We could be seen or heard in 15 customer-facing communication channels, including information in more than 10 languages. We implemented over 20 marketing campaigns
in total and participated in 1,416 community events, workshops, and partnerships (see Appendix A for overview of community events and partnerships).

Our activities accounted for more than 868,232,984 customer impressions in 2019. Of these, 437,589,424 were ethnic customer impressions. Just looking at TV and radio, the average SMUD customer had the opportunity to see or hear a SMUD commercial 73 times in 2019.

We look at trends related to the overall awareness of a cross-section of SMUD's programs and services, segmented by ethnicity. The segments include Asian Pacific Islander, Hispanic, African American and Caucasian. The programs measured are Rebates, Energy Assistance Program Rate (EAPR), Greenergy, Electric Vehicle (EV) discount, My Energy Tools, SMUD Energy Store, SMUD Mobile App and the TOD Rate.

2019 proved to be a good year for awareness as we saw year-over-year increases for all programs for all ethnicities. See charts in Appendix B.

<table>
<thead>
<tr>
<th>SD Requirement</th>
<th>Program/initiative/policy</th>
<th>Purpose</th>
<th>Outcome</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and tools to manage energy use</td>
<td>In 2019, we implemented a robust multi-channel and multi-phased campaign to support TOD, along with more than 20 others promoting customer programs and services. Some of those include EVs/Drive Electric, SMUD Energy Store, Rebates, Billing/Payment options and Greenergy.</td>
<td>To increase customer engagement and awareness of major initiatives such as TOD, as well as our programs, services and tools to help manage energy use and support the environment.</td>
<td>A successful transition of residential customers to the TOD rate, and year-over-year increases in awareness among all ethnic segments for all of the programs measured. (Appendix B)</td>
<td>Phases 2 and 3 of the Time-of-Day education campaign ran from January through September, with broad awareness tactics as well as highly targeted, personalized communications.</td>
</tr>
</tbody>
</table>
3) **Additional supporting information for SD-15, Outreach and Communication**

   a) **SMUD shall provide its customers the information, education and tools they need to best manage their energy use according to their needs.**

   In 2019, we developed and implemented over 20 marketing and communication campaigns, including:

   - Time-of-Day
   - Bill Alerts/My Energy Tools
   - Bill Pay Your Way
   - Safety (Car Pole, 811, Wildfire)
   - Community-Owned, Not-For-Profit
   - Complete Energy Solutions
   - EAPR
   - Economic Development
   - Electric Vehicles
   - EnergyHELP
   - Express Energy Solutions
   - Greenergy
   - HomePower
   - Paperless Billing
   - Powering Futures
   - Rebates
   - Refrigerator Recycling
   - SMUD Energy Store
   - Shade Trees
   - Shine Neighborhood Awards

---

**Integrated and consistent communication that recognizes unique customer segments**

| Implemented communications, including collateral and advertisements in more than 10 languages, over a dozen communication channels, and present at hundreds of community events. | To have consistent, integrated messages available for various customer segments, including those based on ethnicity or those who may not see our messages in mainstream communication channels. | More than 437 million ethnic customer impressions, and 1,104 cultural, ethnic, and other special population events to support our diverse customer base (see Appendices A, B). | The 1,104 cultural, ethnic and other special population events throughout 2019 is a new record for SMUD. |

**Broad mix of communication channels**

| In 2019, we used 15 customer-facing communication channels to reach our customers, including face-to-face, door-to-door, traditional media and online media. | To reach customers with our messages in the communication channels they prefer. | More than 868 million customer impressions and support of 1,416 community events and partnerships in 2019 (see Appendices A, B). |
b) **SMUD will use an integrated and consistent communication strategy that recognizes the unique customer segments that SMUD serves.**

In 2019, our marketing and communications could be seen and heard in more than 10 languages in 15 customer-facing channels, including:

<table>
<thead>
<tr>
<th>TV</th>
<th>Online</th>
<th>Radio</th>
<th>Print</th>
<th>Direct Mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td>Community Events</td>
<td>Surveys, focus groups</td>
<td>News Media</td>
<td>SMUD.org</td>
</tr>
<tr>
<td>Billboards Buses</td>
<td>Social Media</td>
<td>Door-to-door</td>
<td>Partnerships</td>
<td>Workshops</td>
</tr>
</tbody>
</table>


c) **SMUD’s communication and community outreach activities shall reflect the diversity of SMUD. SMUD shall use a broad mix of communication channels to reach all customer segments. This communication shall be designed to ensure that all groups are aware of SMUD’s major decisions and programs.**

With millions of bill inserts and emails, tens of thousands of websites and multiple social media channels where customers could see our ads, hundreds of occasions SMUD had a presence at a community event or conducted a class, and our robust schedule of TV, radio, and print advertisements, it’s clear that we used a broad mix of channels to reach all of our customers in the channels they prefer. This includes in-language media such as TV, radio, print and digital in more than 10 languages.

These tactics account for 868,232,984 customer impressions in 2019. Of these, 437,589,424 were ethnic impressions. Just measuring TV and radio, the average SMUD customer had the opportunity to see or hear a SMUD commercial 73 times in 2019.

- 12,966,094 bill package inserts
- 1,416 sponsorships & events
- 2,609,851 direct mail pieces
- 29 radio stations
• 11,572,657 emails
• 442 billboards, transit boards
• 37 print publications
• 6 Social Media Channels
• 111,167 websites & app’s
• 24 broadcast & cable TV stations
• 16,121 volunteer hours
• 19 Shine awards

4) **Challenges**

It’s important that we reach customers in the communication channels they prefer and we continue to look for new opportunities and channels to reach our customers. However, channels can be limited based on our service territory and especially when trying to reach customers that prefer communications in certain languages we have limited opportunities.

Additionally, not all programs and services are intended for all customers, which is why target marketing and segmentation is necessary to reach customers most likely to qualify and benefit from a particular program or service.

5) **Recommendation**

It is recommended that the Board accept the Monitoring Report for SD-15 Outreach and Communication.

6) **Appendices**
APPENDIX A

Community Outreach and Engagement

In 2019, we continued to be very active in the community through our support of efforts that improve the quality of life in our region. SMUD participated in 1,416 events and sponsorships, and SMUD employees volunteered 16,121 hours.

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business booths, tradeshows, and conferences</td>
<td>18</td>
</tr>
<tr>
<td>Business sponsorships, networking events, and mixers</td>
<td>178</td>
</tr>
<tr>
<td>Community sponsorships, networking events, ads, or mixers</td>
<td>222</td>
</tr>
<tr>
<td>Panels, presentations or committee meetings</td>
<td>144</td>
</tr>
<tr>
<td>Partnerships</td>
<td>107</td>
</tr>
<tr>
<td>Residential booths or community events</td>
<td>381</td>
</tr>
<tr>
<td>School outreach, education, or career fairs</td>
<td>205</td>
</tr>
<tr>
<td>Volunteer events</td>
<td>86*</td>
</tr>
<tr>
<td>Workshops</td>
<td>161</td>
</tr>
<tr>
<td>Cultural, ethnic, special population</td>
<td>1,104*</td>
</tr>
</tbody>
</table>

*These events are already included in the other categories but noted separately to highlight volunteerism and events for ethnic and special audiences including Arts, Disabilities, Education, Environmental, Health & safety, LGBTQ, Military, Seniors, STEM/Robotics.
APPENDIX B
Awareness of Programs by Ethnicity

Hispanic – Overall Awareness 2019
Awareness trends over the last five years among Hispanic customers. All programs show a year-over-year increase from 2018 to 2019.

African American – Overall Awareness 2019
For African-American customers, awareness of all programs and services was up from 2018 to 2019.
Caucasian – Overall Awareness 2019
Among Caucasians, all programs and services saw increases in awareness year-over-year.

Asian Pacific Islander – Overall Awareness 2019
All programs and services had increases in awareness from 2018 to 2019 with Asian Pacific Islander customers.
RESOLUTION NO. ______________

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

This Board accepts the monitoring report for Strategic Direction SD-15, Outreach and Communication, substantially in the form set forth in Attachment ____ hereto and made a part hereof.
## BOARD AGENDA ITEM

### STAFFING SUMMARY SHEET

<table>
<thead>
<tr>
<th>SSS No.</th>
<th>PPP 20-021</th>
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</table>

<table>
<thead>
<tr>
<th>Committee Meeting &amp; Date</th>
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</thead>
<tbody>
<tr>
<td>Board Meeting Date</td>
<td>August 20, 2020</td>
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</table>

<table>
<thead>
<tr>
<th>TO</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Nicole Howard</td>
<td>7.</td>
</tr>
<tr>
<td>4. Stephen Clemons</td>
<td>9. Legal</td>
</tr>
<tr>
<td>5. Jennifer Restivo</td>
<td>10. CEO &amp; General Manager</td>
</tr>
</tbody>
</table>

### Consent Calendar

- **Consent Calendar**: Yes
- **If no, schedule a dry run presentation.**: No
- **Budgeted**: Yes

### FROM (IPR) DEPARTMENT MAIL

- **MAIL STOP**: B356
- **EXT.**: 6397
- **DATE SENT**: 7/31/20

### NARRATIVE:

#### Requested Action:

Board approval to delay the implementation of the Commercial Rate Restructure (CRR) for one year to be effective no later than May 31, 2022.

#### Summary:

In June 2019, the Board adopted Resolution No. 19-06-13 which included, among several rate action items, a CRR glidepath to be effective no later than May 31, 2021.

Due to the COVID-19 crisis that began in mid-March and currently continues, SMUD’s crisis response has shifted our focus and altered the original planned rates implementation work for the remainder of the year. Although staff has made progress on rate implementation work, the CRR requires significant effort and delaying the CRR rate transition for one year will not materially impact SMUD’s long term goals and rates trajectory adopted by the Board. The delay does not adversely impact SMUD’s revenue collection as the CRR is designed to be revenue neutral by rate category. The necessary changes to the rate schedules will be included in the planned 2021 rate action under miscellaneous rate changes.

#### Board Policy:

- **Board Policy** (Number & Title): SD-2, Competitive Rates

#### Benefits:

The extra year would allow staff the opportunity to continue to balance priorities that have been impacted by the COVID-19 crisis, with customers staying on the legacy rates for one more year as we continue to plan and implement the roll out of the new rates under the new normal moving forward. The CRR complies with Board directives on rates, supports the Integrated Resource Plan (IRP), the ambitious carbon reduction goals set by the Board, promotes electrification and aligns prices when renewable power is abundant.

#### Cost/Budgeted:

- **Cost/Budgeted**: N/A

#### Alternatives:

- **Keep existing transition date of no later than May 31, 2021 as adopted by the Board in rates resolution 19-06-13.**

#### Affected Parties:

- **Affected Parties**: All commercial customers, excluding agricultural and lighting customers.

#### Coordination:

- **Coordination**: Planning, Pricing & Enterprise Performance

#### Presenter:

- **Presenter**: Alcides Hernandez
### SUBJECT
Delay of Commercial Rate Restructure (CRR) implementation for one year

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.
WHEREAS, by Resolution No. 19-06-13, adopted June 24, 2019, this Board approved several rate action items including a Commercial Rate Restructure (CRR) that would be effective no later than May 31, 2021; and

WHEREAS, due to the COVID-19 (coronavirus) crisis that began in mid-March 2020 and currently continues, the crisis response has shifted SMUD’s focus and altered the original planned rates implementation work for the remainder of 2020; and

WHEREAS, although staff has made progress on rate implementation work, the CRR requires significant effort and delaying the CRR rate transition for one year will not materially impact SMUD’s long term goals and rates trajectory adopted by the Board; and

WHEREAS, the delay does not adversely impact SMUD’s revenue collection as the CRR is designed to be revenue neutral by rate category; and

WHEREAS, staff recommends that the necessary changes to the rate schedules be included in the planned 2021 rate action under miscellaneous rate changes with the CRR effective no later than May 31, 2022; NOW, THEREFORE,

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

Section 1. That this Board approves a delay of one year for the implementation of the Commercial Rate Restructure (CRR) such that the CRR will be effective no later than May 31, 2022.
TO

1. Claire Rogers
2. Gary King
3. Stephen Clemons
4. Jennifer Davidson
5. Laurie Rodriguez, Human Resources, Diversity & Inclusion
6. CEO & General Manager
7. Finance & Audit
8. Human Resources
9. Legal
10. Consent Calendar

Consent Calendar | Yes | No If no, schedule a dry run presentation. | Budgeted | Yes | No (If no, explain in Cost/Budgeted section.)
---|---|---|---|---|---
FROM (IPR) | Laurie Rodriguez | DEPARTMENT | Human Resources, Diversity & Inclusion | MAIL STOP | EXT. | DATE SENT
| | | | B251 | 5628 | 7/30/20

NARRATIVE:

Requested Action: Accept the monitoring report for Strategic Direction SD-8, Employee Relations.

Summary: This presentation provides the Board with the annual monitoring of SD-8, Employee Relations and confirms that SMUD is in compliance.

Board Policy:
(Number & Title)

SD-8, Employee Relations

Benefits: Provide the Directors and Executive Staff with an overview of the Board Policy and give them an opportunity to ask questions, make corrections, additions or changes, if necessary.

Cost/Budgeted: N/A

Alternatives: N/A

Affected Parties: All SMUD employees

Coordination: Human Resources, Diversity & Inclusion

Presenter: Laurie Rodriguez, Human Resources, Diversity & Inclusion Director

Additional Links:
TO: Board of Directors

FROM: Claire Rogers  

SUBJECT: Audit Report No. 28007204
Board Monitoring Report; SD-08: Employee Relations

Audit and Quality Services (AQS) reviewed the SD-08 Employee Relations 2019 Annual Board Monitoring Report and performed the following:

- Reviewed the information presented in the report to determine the possible existence of material misstatements;
- Interviewed report contributors and verified the methodology used to prepare the monitoring report; and
- Validated the reasonableness of a selection of the report’s statements and assertions.

During the course of the review, nothing came to AQS’ attention that would suggest the report did not fairly represent the source data available at the time of the review.

CC:

Arlen Orchard
1. **Background**

Strategic Direction 8 (SD-8) states that:

Developing and maintaining a high quality, diverse and inclusive workplace that engages and inspires employees to commit to SMUD’s purpose, vision and values is a core value of SMUD.

SMUD is committed to diversity and inclusion and will foster and support a workplace that values employees representing a variety of backgrounds, including but not limited to, race, ethnicity, gender, gender identification and/or expression, sexual orientation and identification, national origin, age, physical abilities, veteran status, socio-economic status, life experiences, talents, and thinking styles.

Therefore:

a) SMUD shall attract and retain a highly qualified and diverse workforce.
b) SMUD shall promote inclusion and diversity and engage its workforce in activities that demonstrate and support inclusion and diversity across the organization.
c) SMUD shall engage its workforce in personal and professional development.
d) SMUD’s percentage of engaged employees as measured through the Engagement Index shall exceed 80%.
e) SMUD shall use a broad mix of communication and outreach channels to ensure its recruitment activities reflect the diversity of the communities it serves.
f) SMUD shall maintain and communicate written policies that define procedures and expectations for staff and provide for effective handling of grievances.
g) Annually, and consistent with State and Federal law, the Board shall receive a report detailing the demographics and trends of the SMUD workforce, the available workforce, and the Sacramento region. The report shall also provide information on veterans as a part of SMUD’s workforce.

2. **Executive Summary**

*In February 2020, SMUD formally added specific diversity and inclusion (D&I) components into SD-8, Employee Relations. The SD-8 additions further illustrate SMUD’s commitment to diversity and inclusion as we continue the evolution of SMUD’s culture, support an engaged workforce, and attract and retain high-quality talent.*

The SD-8 additions also speak to the need for SMUD to continue to promote inclusion and diversity activities internally and use a mix of communication and outreach channels to ensure new employee recruitment activities reflect the diversity of our larger community. The updated SD-8 (stated below) will be used for the 2019 monitoring report.
SMUD is in full compliance with SD-8, Employee Relations.

In 2019, as outlined in this report, we demonstrated a targeted focus on growing a quality, diverse talent pipeline along with executing strategies for empowering our current talent through mentoring, training and development.

<table>
<thead>
<tr>
<th>SD Requirement</th>
<th>SD Support (Program, Policy, Procedure or Initiative)</th>
<th>Purpose</th>
<th>Outcome</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td>Career Ambassador Program</td>
<td>Early outreach &amp; connection with future pipeline (youth) to increase future workforce talent while simultaneously engaging employees</td>
<td>Reached 35,422 students and community members</td>
<td>Increased focus on diverse and underserved communities</td>
</tr>
<tr>
<td>b)</td>
<td>Employee Resource Groups</td>
<td>Contribute to an inclusive work culture by creating a sense of community and promoting education and awareness in alignment with SMUD’s mission and values.</td>
<td>69 ERG events supported business initiatives</td>
<td>35% increase in the number of activities &amp; events from 2018</td>
</tr>
<tr>
<td>c)</td>
<td>Corporate Learning &amp; Development Curriculum</td>
<td>Develop skills and leadership competencies that will support SMUD’s current and future business strategy</td>
<td>2,487 active employees averaged 38 hours of training</td>
<td>Average hours up from 33 hrs in 2018</td>
</tr>
<tr>
<td></td>
<td>Internal &amp; External Leadership Programs</td>
<td>Provide experiential learning opportunities to develop leadership, and support collaboration and philanthropy in the community</td>
<td>20 employees participated in local and regional development programs</td>
<td>Enhanced candidate screening to now include development potential and focused consideration to succession plans</td>
</tr>
<tr>
<td></td>
<td>Education Assistance</td>
<td>Support employee continued education to attract &amp; retain a highly qualified workforce</td>
<td>150 employees utilized the program. 60 employees completed one or more classes with Ashford University.</td>
<td>10% increase over 2018</td>
</tr>
<tr>
<td></td>
<td>Engagement Index Pulse Survey</td>
<td>Understand the employee level of engagement and support leaders in sustaining high levels of engagement while identifying continuous improvement opportunities</td>
<td>Overall employee engagement is <strong>87% engaged</strong>, which also placed SMUD in the 85th percentile (all companies) Pulse survey with limited # of questions in 2019</td>
<td>Focus is on increasing trust as a foundation for improving collaboration and communication</td>
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<td>---</td>
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<td>---------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------</td>
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<tr>
<td>e)</td>
<td>Workforce Outreach &amp; Partnerships</td>
<td>Promote job opportunities, grow diversity of talent pipeline and talent pool, raise awareness of SMUD’s employer brand</td>
<td>Participated in <strong>female</strong> (5), <strong>LGBTQ</strong> (2), <strong>culture &amp; ethnic</strong> focused (86), <strong>low income</strong> (25), <strong>veteran</strong> (3) and <strong>disabled</strong> (2) employment-related events</td>
<td>Increased focus in 2019 on workforce outreach to broader community (2018 was primarily with education partners)</td>
</tr>
<tr>
<td></td>
<td>Internships</td>
<td>Strengthen talent pipeline by immersing students of varied backgrounds in SMUD’s culture and careers</td>
<td>1,695 college intern applicants, <strong>76 interns hired</strong>; 25 high summer school interns; 5 high school students during the school year</td>
<td>There was an increase of intern applicants. There was the same number of college interns.</td>
</tr>
<tr>
<td></td>
<td>Powering Futures Scholarships</td>
<td>Support diverse talent pipeline in community and STEM disciplines</td>
<td>21 scholarships awarded</td>
<td>The scholarships ranged from $1,500 (for Community College students) to $5,000 for 4-year University students.</td>
</tr>
<tr>
<td></td>
<td>CSUS Powering Hornets and UCD Powering Aggies Scholarships</td>
<td>Support talent pipeline and STEM disciplines in community</td>
<td>1 scholarship awarded to each university</td>
<td>These contributions are in the form of endowments managed by each university.</td>
</tr>
<tr>
<td></td>
<td>Hornet Leadership Program - SMUD cohort</td>
<td>Support talent pipeline and STEM disciplines in community</td>
<td>Funded <strong>10 students</strong> from diverse backgrounds majoring in critical IT majors</td>
<td>SMUD donated to this program at the $25,000 sponsorship level, used to fund scholarships and assist with program administration</td>
</tr>
<tr>
<td>f)</td>
<td>Code of Business Ethics and Employee Conduct</td>
<td>Provide an easy-to-read explanation of SMUD’s values and expectations for employee behavior</td>
<td><strong>100% compliance</strong></td>
<td>Code supplements SMUD’s state law-mandated Conflict of Interest Code</td>
</tr>
</tbody>
</table>
3. **Additional Supporting Information**

Please see attached Appendix for additional information related to the SD-8 metrics.

4. **Challenges**

In 2019, there were incremental changes in some areas of SMUD’s workforce demographics. Low employee turnover inhibits the speed at which there can be substantial change, however, we anticipate that an increase in focused outreach, continued assessment, and updates to our talent processes will help with progress.

5. **Recommendations**

As reflected in this report, SMUD has achieved the goals set forth in SD-8 for ensuring SMUD develops and maintains a high quality, inclusive workplace that engages and inspires employees to commit to SMUD’s purpose, vision and values. In 2019, we increased talent outreach and our focus on the diversification of our talent pool and underserved communities. We worked to educate leaders on workforce demographics, and also improved talent acquisition processes to address bias in hiring practices. Since 2013, SMUD has achieved increasing high levels of engagement, yet we know that as our industry becomes much more complex, we need to increase our capabilities in how we collaborate and communicate to have a culture that supports our strategic plan. We began complementing engagement work with deep work on a culture of trust in 2019-2020. We are focused on building higher levels of trust, diversity and inclusiveness as a foundation for realizing our desired culture in the 2020-2024 Strategic Plan goal to “foster a culture of collaboration, inclusion, accountability and trust, and recognize and value employees' ideas.”

*It is recommended the Board accept the monitoring report for Strategic Direction 8.*
Appendix

a) SMUD shall attract and retain a highly qualified workforce.

Attracting and Retaining our Workforce
In 2019, we implemented a variety of procedural changes to address the potential for inequity within the talent acquisition process, including incorporating unconscious bias training for interviewing panels, developing guidelines for hiring managers to improve the diversity of interview panels, and pay equity analysis for all new hires and promotions. Additionally, our succession planning efforts now feature increased visibility of demographics pertaining to leadership diversity, women, and minorities.

A variety of activities and events throughout the year also delivered on SMUD’s commitment to improve cultural understanding across the organization. In addition to educational, social, and celebratory events sponsored by our Employee Resource Groups, we also hosted events such as: the Touch of Understanding workshop to improve disability awareness among our internship cohorts; an Authentic Voices workshop highlighting current social issues; and a Multiracial Voices keynote from the Robertson Center for Intercultural Leadership during Employee Learning Week, which highlighted a multifaceted approach to embracing diversity in the workplace to include diversity of thought and conflict. Additionally, a member of our GRAIN ERG arranged for the on-site screening of a documentary titled “Angst: Raising Awareness Around Anxiety” at each of the East Campus and Customer Service Center locations. Through interviews with teens, educators, experts, parents, and Olympic gold medalist Michael Phelps, the film addressed ways to identify symptoms of anxiety and seek help with mental wellness. It was followed by an employee-led discussion including personal testimony, associated stigma, and resources available to employees and their families.

Retention
Despite an increase from 6.9% in 2018 to 8.5% in 2019, SMUD’s turnover continues to rank below the industry benchmark of 11.1%. This increase can be attributed to an uptick in retirements – from 78 in 2018 to 103 in 2019. In addition to the fact SMUD’s Baby Boomer workforce is entering retirement eligibility, this data also aligns with the cyclical pattern we’ve seen in retirements over time. Historically, we see these numbers rise in small waves that crest every three to four years.

Career Ambassadors – Talent Pipeline
SMUD Career Ambassadors participate in a wide range of workforce-related events in the community. These events include career fairs, career exploration, mock interviews, resume reviews, competition judging and student mentoring. In 2019, 295 SMUD employees were listed as Career Ambassadors. They participated in 147 career events, invested 397 hours, and reached over 34,000 members of the community.

Career Ambassadors led information sessions in all the Los Rios Community Colleges, CSU Sacramento and Chico, UC Davis, University of the Pacific, and William Jessup University; promoted SMUD’s College Internship Program, Powering Futures Scholarship, and provided students with resume writing tips. In addition to promoting
careers to students, Career Ambassadors also promoted SMUD career opportunities at events such as the LGBTQ community at the Sol Collective’s Transgender Job Fair, the UC Davis Veteran Networking Fair, the Honor a Hero Hire a Vet Job & Resource Fair, and Travis Air Force Base’s Career Summit.

b) **SMUD shall promote inclusion and diversity and engage its workforce in activities that demonstrate and support inclusion and diversity across the organization.**

**D&I Strategy**

Our diversity and inclusion strategy is a comprehensive approach and attention is ongoing. In 2019, we continued to align our strategy with *Global Diversity & Inclusion Benchmarks*, which focuses on four key pillars: Foundational, Internal, External and Bridging (data, culture & communications). While we have grown our D&I strategy execution team to include all areas of HRD&I, Corporate Communications, Business Unit Members and expanded Employee Resource Groups, we look forward to creating more opportunity for stakeholder input on the strategy in 2020. This approach will ensure our strategy accounts for the many diverse perspectives and experiences throughout SMUD, thereby increasing our ability to effect meaningful change for our employees and surrounding community. Specifically, we see areas of opportunity in our review and analysis of current systems with an equity lens, as well as the pace with which we’ve historically made progress in these areas.

**Employee Resource Groups**

The below-listed Employee Resource Groups (ERGs) provide mentoring, professional development, diverse workforce recruiting and volunteer hours at SMUD and in the community.

- Black Employee Resource Group (BERG)
- Asian Pacific Islander (GRAIN ERG)
- Latinos Unity Network for Action (LUNA)
- Military Employee Resource Group (MERG)
- People Reaffirming Inclusion Diversity and Equality (PRIDE)
- Women’s Employee Resource Group (WERG)
- Young Professionals Employee Resource Group (YP ERG)

We continue to increase the opportunities for our ERGs to contribute to SMUD’s business practices. In 2019, they provided valuable resources and insight for diverse workforce recruiting and volunteerism, wellness and dependent care, SMUD’s Sustainable Communities Initiative, and internships.

c) **SMUD shall engage its workforce in personal and professional development.**

Learning and development teams across SMUD design and deliver training courses and programs that support employees’ on-the-job and professional development needs. Learning goals are connected to SMUD’s Strategic Directions, and course offerings are
reviewed at least quarterly to ensure alignment to business strategy and include a mix of classroom, online and self-directed learning.

Leadership Development
SMUD conducts an annual selection process for external leadership development offerings to match candidates with a program that effectively meets their development needs and SMUD’s business objectives. We sent 20 employees to several local and regional leadership development programs including Nehemiah Emerging Leaders, WEI Business Acumen for Emerging Leaders, Asian Pacific Chamber Catalyst program, Leadership Rancho Cordova program, Leadership Elk Grove, Leadership Sacramento, Leaders United, Sacramento Entrepreneurship Academy, and SMUD’s (internal) Building Leadership Talent program.

Education Assistance
The education assistance benefit supports employees who are pursuing college degrees and developing their SMUD careers by completing certificates or taking individual classes that support our business. We offer up to $5,000 per calendar year for qualified, regular full-time employees to partake in eligible programs, and up to $2,500 for part-time employees. Many employees use the program to pursue an Associate’s, Bachelor’s or Master’s degree in areas as wide-ranging as accounting, law, finance, human resource management, information technology, project management and energy efficiency.

d) SMUD’s percentage of engaged employees as measured through the Engagement Index shall exceed 80%.

Engagement Pulse Survey
Employee engagement is a measure of the psychological commitment (hearts & minds) employees feel toward their work. Research shows engagement is strongly correlated with higher productivity, fewer accidents, and lower turnover, so high engagement is like a human capital bonus for the organization.

In 2019, we conducted a twelve-question “pulse survey” to measure engagement and take a pulse on some of our persistent challenges – like collaboration and communication-- and to ensure baseline or trendline data on critical priorities – like building trust and diversity and inclusion.

The response rate was 86% or 2,015 of 2,335 employees participating, and it was consistently high across all business units. Higher rates of participation, such as the pulse survey participation, generally point to a stronger sense of involvement. Key takeaways from the Pulse Survey include:

i. Positive Findings:
• 87% of Employees are engaged, which is statistically unchanged from the 2017 survey where 88% of employees were engaged, and is above the survey norm
• Employees have high favorability towards 1) sharing safety practices, 2) finding enjoyment in their jobs, and 3) overall satisfaction with their job, leading them to recommend SMUD as a great place to work
• Employees see that senior leaders are encouraging interdepartmental collaboration and sharing of information

ii. Opportunities:

• Continue to strengthen communication, particularly improving the cascade between the executives and directors
• Continue to build trust and improve cross-functional collaboration across the organization.

After validating these results with facilitated discussion groups comprised of a broad mix of employees throughout SMUD, we used the qualitative and quantitative findings to explore, and ultimately launch, our official FranklinCovey Speed of Trust campaign in 2019. Starting with the executive team, senior leaders completed 360 reviews centered on trust, participated in workshops, and developed self and team commitments to model trust behaviors and language with a goal to have all directors complete this initial trust work in 2020. We look forward to continuing this top-down, multi-year effort as we work to educate and empower employees with the Speed of Trust framework.

SMUD leaders made concentrated efforts to improve the flow of information throughout the organization with the help of a few logistical components. In example, an enterprise-wide RACI matrix (used to assign roles and responsibilities for project tasks, milestones, and decisions) was established to serve as a repository for all critical efforts and improve executive line of sight into the people responsible for driving progress in these areas. Senior leaders also increased the frequency with which all SMUD executives and directors congregated -- from every other month to monthly. Additionally, the decision was made to reboot the Leadership Summit in 2020 to provide clarity for all leaders at SMUD on enterprise priorities, financial outlook, and the important role they play in ensuring our future success.

e) SMUD shall use a broad mix of communication and outreach channels to ensure its recruitment activities reflect the diversity of the communities it serves.

Employment Outreach and Partnerships
In 2019 we expanded our outreach working with a wide variety of organizations to build greater awareness of SMUD as a top employer, and to help build our talent pipeline. The organizations we work with include the Greater Sacramento Urban League, California Department of Veterans Affairs, American Society of Engineering Education: Minorities Engineering Division, Tech Latino, Women Who Code, Goodwill Industries, The Rainbow Chamber, Association of Women in Water, Energy & Environment, Improve Your Tomorrow, and California Indian Manpower Consortium, Inc. We continue
to conduct employment outreach with educational institutions and consistently partner and collaborate with SMUD’s Sustainable Communities and Community Engagement.

**Internships**
To help our interns make the most of their opportunity at SMUD, we developed a program titled Passport to a Great Internship Experience in 2019. The concept of a passport encouraged students to immerse themselves in SMUD’s culture and network with other employees while completing tasks like conducting informational interviews; attending events hosted by our Employee Resource Groups; participating in volunteer projects; and attending workshops hosted by the Learning & Development team.

Our interns worked on a variety of projects including:
- Improving efficiencies in department by using technology to write Python scripts and creating a case comparison script that can parse, filter, and convert .epc files to Excel and compare them to find differences and developing effective tracking methods for inventory/equipment throughout locations and vehicles
- Assisted with routine air quality monitoring, water testing and soil removal for the Rancho Seco II solar project
- Managed project status for 40+ pilot partnerships for the Sustainable Communities Team
- Assisted environmental team with biological resource surveys to ensure SMUD is compliant with state and federal environmental regulations

**Powering Futures scholarships**
Recipients were awarded up to $5,000 each and included local students registered in a degree program. Those with a demonstrated financial need pursuing majors related to careers in SMUD received preference. Along with the scholarships, students were also presented with an opportunity to receive a paid internship.

**Powering Aggies and Powering Hornets Scholarship Programs**
The Powering Aggies and Powering Hornets Scholarship programs were set up in 2018 to provide a scholarship for 1 student each from UC Davis and Sac State. Eligible students who majored in a SMUD-related career field (UC Davis) or Electrical Engineering (Sac State) were selected by their respective universities. In 2019, SMUD fully funded these scholarships to create endowments that will provide a more sustainable source of funding with the goal being to provide $2,500 for each student each year.

**Hornet Leadership Program (HLP)**
This two-year, extra-curricular program, launched in Fall 2018, introduces students to an array of vital training. Students completing the program will have demonstrated leadership skills commensurate with industry requirements. Of the 300 students participating in the entire HLP program during the year, the SMUD cohort consists of 10 IT students from diverse backgrounds.
f) SMUD shall maintain and communicate written policies that define procedures and expectations for staff and provide for effective handling of grievances.

In addition to SMUD’s Code of Business Ethics and Employee Conduct, its Employee and Labor Relations teams provided daily advice, guidance and counsel to employees on employee relations issues. Staff worked to ensure all employees (represented and unrepresented) understand SMUD policies and procedures, and that employees know and understand what their responsibilities are with respect to the Code of Ethics.

A total of 9 grievances were filed and closed in 2019, down from 16 grievances in 2018.

![2019 Grievances](chart)

2019 Grievances

<table>
<thead>
<tr>
<th></th>
<th>OSE</th>
<th>IBEW</th>
<th>Unrepresented</th>
<th>Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>10</td>
<td>2</td>
<td>3</td>
<td></td>
</tr>
<tr>
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<td>12</td>
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<td>3</td>
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<td>4</td>
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<tr>
<td>2019</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td></td>
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</tbody>
</table>


g) Annually, and consistent with State and Federal law, the Board shall receive a report detailing the demographics of the SMUD workforce, the available workforce, and the Sacramento region. The report shall also provide information on veterans as a part of SMUD’s workforce.

The chart below provides the demographic information about SMUD’s workforce (excluding “casual” positions and members of the Board of Directors), compared to two external benchmarks: the U.S. Labor Force and select county census data in California.

### Workforce Demographics

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Male</th>
<th>Female</th>
<th>Caucasian</th>
<th>African American</th>
<th>Hispanic</th>
<th>Asian</th>
<th>Native American</th>
<th>2 or more Races</th>
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</thead>
<tbody>
<tr>
<td>2019</td>
<td>66%</td>
<td>34%</td>
<td>59%</td>
<td>8%</td>
<td>14%</td>
<td>15%</td>
<td>0%</td>
<td>4%</td>
</tr>
<tr>
<td>2018*</td>
<td>66%</td>
<td>34%</td>
<td>60%</td>
<td>8%</td>
<td>14%</td>
<td>15%</td>
<td>0%</td>
<td>4%</td>
</tr>
<tr>
<td>2017*</td>
<td>67%</td>
<td>33%</td>
<td>61%</td>
<td>7%</td>
<td>13%</td>
<td>14%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>2016</td>
<td>67%</td>
<td>33%</td>
<td>62%</td>
<td>7%</td>
<td>13%</td>
<td>14%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>2015</td>
<td>67%</td>
<td>33%</td>
<td>63%</td>
<td>8%</td>
<td>12%</td>
<td>13%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>2014</td>
<td>68%</td>
<td>32%</td>
<td>65%</td>
<td>8%</td>
<td>11%</td>
<td>13%</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

EEO Tabulation 2006-2010 (5-year American Community Survey data)*
In 2019, SMUD’s workforce continued to change with Caucasian employees representing 59% of the workforce, down from 60% in 2018. This shift occurred, as the representation of Hispanic employees increased by 0.6%, and Asian employees increased by 0.5% in 2019. (Note: the percentages may not add up to 100% due to rounding.) The primary drivers behind this shift are employee turnover rates, which create opportunities to hire, and the demographic makeup of qualified applicants. In 2019, SMUD extended its outreach to build greater awareness of SMUD as a top employer, and develop its talent pipeline, to ensure its recruitment activities as we work to reflect the diversity of the communities we serve.

Military Veterans in SMUD’s Workforce
Veterans are a small but important part of SMUD’s workforce. According to our records, Veterans comprised 3.4% of SMUD’s workforce in 2019, down from 3.7% in 2018 and 4.0% in 2017. This decline is the result of our retiring Veteran workforce but may also be a result of the decline we’ve seen in Veteran self-reporting. We are evaluating methods for improving the integrity of this data, including a partnership with the Military Employee Resource Group data steward and tactics for surveying SMUD’s workforce.

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
<th>Caucasian</th>
<th>African American</th>
<th>Hispanic</th>
<th>Asian</th>
<th>Native American</th>
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<tbody>
<tr>
<td>SMUD Veterans 2019</td>
<td>92%</td>
<td>8%</td>
<td>55%</td>
<td>8%</td>
<td>16%</td>
<td>14%</td>
<td>0%</td>
<td>7%</td>
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<tr>
<td>SMUD Veterans 2018*</td>
<td>92%</td>
<td>8%</td>
<td>56%</td>
<td>8%</td>
<td>15%</td>
<td>14%</td>
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<td>SMUD Veterans 2017*</td>
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<td>9%</td>
<td>59%</td>
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<td>14%</td>
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<td>SMUD Veterans 2014</td>
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<tr>
<td>CA Veterans</td>
<td>91%</td>
<td>9%</td>
<td>63%</td>
<td>9%</td>
<td>17%</td>
<td>7%</td>
<td>1%</td>
<td>3%</td>
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*Percentages may not add up to 100% due to rounding*  
*Source: va.gov/vetdata(09/30/17)*
RESOLUTION NO. ______________

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

This Board accepts the monitoring report for Strategic Direction SD-8,
Employee Relations, substantially in the form set forth in Attachment ____ hereto and
made a part hereof.
<table>
<thead>
<tr>
<th>TO</th>
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<tbody>
<tr>
<td>2. Gary King</td>
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<td>4. Jennifer Davidson</td>
<td>9. Legal</td>
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<td>10. CEO &amp; General Manager</td>
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**Consent Calendar**

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<th>No If no, schedule a dry run presentation.</th>
<th>Yes</th>
<th>No (If no, explain in Cost/Budgeted section)</th>
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**FROM (IPR) DEPARTMENT MAIL STOP EXT. DATE SENT**

Laurie Rodriguez  Human Resources, Diversity & Inclusion  B251  5628  7/30/20

**NARRATIVE:**

- **Requested Action:** Accept the monitoring report for Strategic Direction SD-12, Ethics.
- **Summary:** This presentation provides the Board with the annual monitoring of SD-12, Ethics and confirms that SMUD is in compliance.
- **Board Policy:** SD-12, Ethics
- **Benefits:** Provide the Directors and Executive Staff with an overview of the Board Policy and give them an opportunity to ask questions, make corrections, additions or changes, if necessary.
- **Cost/Budgeted:** N/A
- **Alternatives:** N/A
- **Affected Parties:** All SMUD employees and Contractors
- **Coordination:** Human Resources, Diversity & Inclusion
- **Presenter:** Laurie Rodriguez, Human Resources, Diversity & Inclusion Director

**Additional Links:**

**SUBJECT**

SD-12, Ethics Board Monitoring Report

**ITEM NO. (FOR LEGAL USE ONLY):**

10

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.
TO: Board of Directors

FROM: Claire Rogers

SUBJECT: Audit Report No. 28007205
        Board Monitoring Report; SD-12: Ethics

Audit and Quality Services (AQS) reviewed the SD-12 Ethics 2019 Annual Board Monitoring Report and performed the following:

- Reviewed the information presented in the report to determine the possible existence of material misstatements;
- Interviewed report contributors and verified the methodology used to prepare the monitoring report; and
- Validated the reasonableness of a selection of the report’s statements and assertions.

During the course of the review, nothing came to AQS’ attention that would suggest the report did not fairly represent the source data available at the time of the review.

CC:

Arlen Orchard
1. Background

Strategic Direction 12 states that:

Maintaining the public trust and confidence in the integrity and ethical conduct of the Board and SMUD employees is a core value. Therefore, to ensure the public interest is paramount in all official conduct, the Board shall adopt and update, as necessary: a Conflict of Interest Code as required by State law. SMUD shall also maintain and enforce a code of conduct applicable to all employees.

Among other things the code of conduct shall:

a) Require high ethical standards in all aspects of official conduct;

b) Establish clear guidelines for ethical standards and conduct by setting forth those acts that may be incompatible with the best interests of SMUD and the public;

c) Require disclosure and reporting of potential conflicts of interest; and

d) Provide a process for (i) reporting suspected violations of the code of conduct and policies through multiple channels, including an anonymous hotline, and (ii) investigating suspected violations.

2. Executive Summary

SMUD is in compliance with the requirements of SD-12.

Strategic Direction 12 requires SMUD to have a process to report potential conflicts of interest and a process for reporting and investigating suspected violations of the Code of Conduct. Compliance is foundational for acting in the best interests of our customers and community. Several SMUD policies and procedures support the requirement of high ethical standards in all aspects of official conduct.

<table>
<thead>
<tr>
<th>SD Requirement</th>
<th>Supporting Process/Procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Require high ethical standards</td>
<td>SMUD's Ethics policy (AP 05.02.03) sets the requirements and expectations for ethical behavior, including communication, training and other resources.</td>
</tr>
</tbody>
</table>
b) Establish clear guidelines for ethical standards and conduct

SMUD’s Code of Business Ethics and Employee Conduct were approved by the CEO & General Manager in 2013. SMUD’s Ethics procedure (MP 05.02.03.100) was adopted in 2008 and updated in January 2019. SMUD’s Conflict of Interest policy (AP 05.02.02) includes Board revisions adopted in 2018 and was approved by the FPPC (Fair Political Practices Commission) in 2018.

c) Require disclosure and reporting potential conflicts of interest statements

Notice of filing requirements was sent to employees in February. The deadline for the 2019 calendar year filing was extended through June 1 due to the COVID-19 pandemic. 100% of the annual conflict of interest statements were received by the time this report was finalized.

d) Provide a process for reporting and investigating suspected violations of the code of ethics

SMUD’s Whistleblower Anti-Retaliation policy (AP 05.01.03) was approved in 2014. SMUD’s Complaint Process Policy (AP 05.01.04) was approved in 2006 and updated in October 2018 (administrative update only). SMUD’s Ethics and Compliance Hotline has been in place since 2008.

3. Additional Supporting Information

Ethics Policy

In accordance with Board Policy SD-12 Ethics, SMUD developed the Code of Business Ethics and Employee Conduct, approved by the CEO & General Manager in 2013. This document supplements SMUD’s State-law mandated Conflict of Interest Code and provides an easy-to-read explanation of SMUD’s values and expectations for employee behavior. It also identifies various staff resources to obtain further guidance, as well as alternative methods to report suspected violations of SMUD’s Code of Business Ethics. The Code provides a framework for how employees should act toward customers, vendors and each other. It also emphasizes that as a publicly-owned utility, SMUD and its employees must adhere to the highest ethical standards.

All new employees receive a copy of SMUD’s Code of Business Ethics prior to or during new employee orientation, and are required to review and submit a signed acknowledgement to Human Resources, Diversity & Inclusion (HRD&I) within 30 days of orientation. In addition, all contractors with unescorted access receive a copy of the Code when their background check is conducted. HRD&I verifies Code acknowledgements on a quarterly basis to ensure signed acknowledgments are received from all new employees and contractors.
Ethics Training

Ethics training is a mandatory requirement for all SMUD employees, who are required to complete the training every 2 years on a fixed rotating schedule. New or returning employees and newly promoted leaders are required to take Ethics training within 1 year of coming to their role. Course completion is tracked using SMUD’s Learning Management System (LMS) and reported as part of SMUD’s mandatory training statistics. For the 2019-2020 course cycle, a total of 2,172 active employees were expected to complete this training within this 2-year time frame. Results show that 2,167 employees completed it in 2019, resulting in a 99.7% completion rate. Five employees did not complete due to military leave, separations and retirements. Those required to do so will complete in 2020 (along with all 2020 new hires).

Disclosure and Reporting of Potential Conflicts of Interest

The Political Reform Act (Cal. Gov. Code §§ 81000, et seq.) requires certain government officials and employees to publicly disclose certain financial information relevant to the scope of decision-making for their positions with SMUD.

To maintain compliance, all employees in positions designated by the SMUD Board must complete and submit an annual Statement of Economic Interests, FPPC Form 700 (Conflict of Interest Statement). Incumbents of designated positions shall file an Assuming Office Statement within 30 days of starting their employment or beginning the new position. Employees in designated positions who leave SMUD shall file Leaving Office Statements within 30 days of their final dates of employment.

HRD&I sent financial disclosure materials to designated employees in February 2019 and had successfully met the FPPC filing deadline of June 1. The annual Conflict of Interest Statements are public documents filed with Corporate Files. 100 percent of the annual Conflict of Interest Statements from SMUD officials and designated employees have been received. In conjunction with SMUD’s Ethics Officer, HRD&I staff follows up to ensure total compliance. In the rare event that full compliance is not achieved, SMUD is obligated to report violations to the FPPC for enforcement. This has occurred only two times in the last decade.

Process for Reporting and Investigating Suspected Violations

SMUD holds its employees to a higher standard than that required by law and is committed to providing a work environment in which all individuals are treated with dignity and respect. SMUD encourages employees to bring concerns about potential legal violations or violations of SMUD policies to the attention of a SMUD leader. All SMUD leaders are required to immediately report all complaints they receive regarding suspected policy violations to the Fair Employment Office. An employee who believes that they are unable to make a complaint through their management reporting line may report complaints directly to the Fair Employment Office, Labor Relations, Internal Auditor’s or General Counsel’s Office. Additionally, SMUD has contracted with Navex Global Compliance since November 2008 to operate an anonymous Ethics and Compliance Hotline. This hotline can be used by employees to file complaints anonymously should they so choose, either online or by calling Navex Global Compliance directly. As part of SMUD’s Complaint Process and Whistleblower Anti-Retaliation policies, a Whistleblower Committee was established to review and act, when appropriate, on hotline/whistleblower complaints. The committee is comprised of representatives from the General Counsel’s office, Audit & Quality
Services and HRD&I, including members of our Fair Employment Office and Labor Relations team.

In addition to investigating potential violations of SMUD’s Nondiscrimination, Anti-Harassment and Non-Retaliation Policy (AP 05.01.01) and Code of Ethics, Labor Relations and Fair Employment analysts also advise, consult with and support leaders on recommended action and coaching to address problematic behaviors and attitudes among the workforce that are not necessarily prohibited by law. This includes working with a leaders’ leader or senior leadership when improved leadership skills would benefit relationships. These proactive measures play a critical role in a culture where all employees are respected and valued.

The following charts illustrate complaints including those filed through SMUD’s Ethics and Compliance Hotline.
4. Challenges

Completing training and obtaining necessary documents can be a challenge for employees on any type of extended leave. Broad or anonymous complaints are sometimes filed without supporting and/or contact information to allow for follow-up and further investigation. We recognize there are opportunities to increase awareness of the integrity of the process and are looking at various ways to engage with employees to explore their concerns in this area.

5. Recommendations

As reflected in this report, SMUD has achieved the goals set forth in SD-12 for maintaining the public trust and confidence in the integrity and ethical conduct of the Board and SMUD employees. The policies, guidelines, staff training and monitoring and reporting components have played a part in ensuring high ethical standards in all areas of conduct and in operations.

*It is recommended the Board accept the monitoring report for Strategic Direction 12.*

6. Appendices

N/A
RESOLUTION NO. ______________

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

This Board accepts the monitoring report for Strategic Direction SD-12, Ethics, substantially in the form set forth in Attachment ____ hereto and made a part hereof.
TO  TO
1. Alan Sparks 6. Jennifer Davidson
2. Robert Adams 7. Stephen Clemons
3. Casey Fallon 8. Gary King
4. Mike Deis 9. Legal
5. Frankie McDermott 10. CEO & General Manager

Consent Calendar x Yes No If no, schedule a dry run presentation. Budgeted x Yes No (If no, explain in Cost/Budgeted section.)
FROM (IPR) DEPARTMENT MAIL STOP EXT. DATE SENT
Jesse Mays Procurement EA404 5744 7/31/20

NARRATIVE:

Requested Action: Approve Contract Change No. 04 to Contract No. 4500121595 with Roebbelen Contracting, Inc. (Roebbelen) to increase the contract amount by $16,370,620 from $17,468,503 to $33,839,123. The contract change will add the adjoining Station G outdoor substation construction to the existing contract scope that includes the construction of the Station G control building.

Summary: The proposed Station G 115kV/12kV Substation located at 7th and G Streets will replace the existing Station A substation located at 6th and H Streets, which is at the end of its operational life. Station G consists of a two-story control building and an adjoining outdoor substation yard with electrical equipment and a perimeter screening wall. SMUD issued Request for Proposal (RFP) Number 190108.MJ in May, 2019 for the construction of the Station G Control Building.

When SMUD issued the RFP for the control building, the adjoining substation and perimeter wall plans and specifications were 60% complete with SMUD staff and Black and Veatch, the Engineer-Of-Record, working towards a final design. Staff planned to solicit the adjoining substation improvements separately since the plans and specification were not ready for procurement.

Due to Roebbelen’s RFP evaluation score and ranking, SMUD awarded a contract in April 2020 for a not-to-exceed amount of $54,760. The contract scope included the finalization of the Value Engineering for the building, building pre-construction activities and for the Value Engineering of the adjoining substation plans and specifications. The Value Engineering process for the control building resulted in a savings of $503,845. Therefore, based upon staff’s recommendations, the Board of Directors approved Contract Change No. 2 to the existing contract authorizing the addition of $17,305,972 for the construction of the Station G control building.

Staff then completed the same Value Engineering and bid proposal review process with Roebbelen and Black and Veatch for the adjoining substation as the adjoining substation design was completed during the timeframe SMUD initially contracted with Roebbelen. This approach would allow for the simultaneous construction of the control building and the adjoining substation. Construction cost savings and schedule improvements were now available if one contractor was selected to perform all of the work. Working with an initial proposal from Roebbelen, for the adjoining substation construction, the parties identified reductions to the proposal that include $621,911 from Value Engineering. The following is a list of proposed Value Engineering elements and cost savings:
Value Engineering Element | Cost Savings
--- | ---
Change sliding gate at North Perimeter Wall from manufactured by Basteel, to locally custom fabricated cantilevered gate. | <$346,000>
Modify Finish on Perimeter Site Wall | <$275,911>
Total | <$621,911>

Therefore, staff is requesting the Board approval for Contract Change No. 04 to Contract No. 4500121595 with Roebbelen Contracting, Inc. (Roebbelen) to perform the Station G adjoining substation construction and increase the contract amount by $16,370,620 from $17,468,503, to $33,839,123.

<table>
<thead>
<tr>
<th>Contract No. 4500121595 with Roebbelen Contracting, Inc</th>
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<tr>
<td>Contract Actions</td>
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<tr>
<td>Change No. 01</td>
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<tr>
<td>Change No. 02</td>
<td>$17,305,972</td>
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<tr>
<td>Change No. 03</td>
<td>$107,771</td>
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<tr>
<td>Proposed Change No. 04</td>
<td>$16,370,621</td>
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</table>

**Board Policy:** BL-8; Delegation to the CEO and GM with respect to Procurement; SD-4; Reliability. SD-7; Environmental Leadership. SD-13; Economic Development.

**Benefits:** Provides SMUD with a qualified contractor to construct the adjoining Station G substation along with the associated control building.

**Cost/Budgeted:** $33,839,123; Budgeted through 2021 by Grid Assets

**Alternatives:** Rebid all revised plans and specification that incorporate the recent Value Engineering. This would significantly delay the completion of the Station G substation by at least one year. Based upon the current construction environment, we may not see additional prospective bidders meeting or exceeding the qualification and experience that is available with Roebbelen.

**Affected Parties:** Grid Assets, Supply Chain Services, and Contractor.

**Coordination:** Grid Assets – Ken Groves, and Supply Chain Services.

**Presenter:** Mike Deis

**Additional Links:**

SUBJECT
Approved Contract Change No. 04 for Station G Control Building Construction

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.
WHEREAS, by Resolution No. 15-12-05, adopted December 3, 2015, this Board approved the Station A Substation Rebuild and Relocation Project, in compliance with the California Environmental Quality Act (CEQA), initiating work on what is now called the proposed Station G 115kV/12kV Substation located at 7th and G Streets to replace the existing Substation A located at 6th and H Streets; and

WHEREAS, Station G will consist of a two-story control building and an adjoining outdoor substation yard with electrical equipment and a perimeter screening wall; and

WHEREAS, SMUD issued Request for Proposal No. 190108.MJ (RFP) in May 2019 for construction of the Station G Control Building at which time the plans and specifications were substantially complete with some areas requiring finalization; and

WHEREAS, at the time the RFP was issued, plans for the adjoining substation and perimeter wall were incomplete and intended to be included in a separate Request for Proposal process; and

WHEREAS, the evaluation of the RFP and subsequent identification of the need for and completion of a value engineering process to review and change plans and specifications to provide the same quality and functionality at a lower cost (Value Engineering) took longer than estimated; and

WHEREAS, during the same time frame, the plans and specifications for the adjoining substation design were completed, which allowed for construction of the control building and adjoining substation at the same time; and
WHEREAS, a contract was awarded on a competitive basis to Roebbelen Contracting, Inc. (Roebbelen) in April 2020 for the Station G Control Building and Civil Pre-Construction Services for the period April 24, 2020, through May 29, 2020, in an amount not-to-exceed $54,760; and

WHEREAS, Contract Change No. 1 extended the contract term to June 19, 2020; and

WHEREAS, by Resolution No. 20-06-07, adopted June 18, 2020, this Board approved Contract Change No. 2 to Contract No. 4500121595 with Roebbelen to increase the contract amount by $17,305,972 from $54,760 to $17,360,732 to construct the Station G Control Building, and to extend the term of the contract to November 25, 2021; and

WHEREAS, Contract Change No. 3 provided for the authorized contingency of 0.06% ($107,771) of the available 10% ($1,736,073), increasing the contract amount by $107,771, from $17,360,732 to $17,468,503; and

WHEREAS, staff completed a Value Engineering bid proposal review process and determined cost savings and schedule improvements were available if one contractor was selected to perform construction of the adjoining substation; and

WHEREAS, additional funding will be required to add construction of the adjoining Station G Outdoor Substation to the existing contract scope under the Roebbelen contract; NOW, THEREFORE,

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

Section 1. This Board hereby authorizes the Chief Executive Officer and General Manager, or his designee, to execute Contract Change No. 4 to Contract
No. 4500121595 with Roebbelen Contracting, Inc., to increase the contract amount by $16,370,620 from $17,468,503 to $33,839,123 to construct the Station G Substation.

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 amounts and applicable contingencies.
## BOARD AGENDA ITEM

**STAFFING SUMMARY SHEET**

<table>
<thead>
<tr>
<th>TO</th>
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<tbody>
<tr>
<td>1.</td>
<td>Jennifer Davidson</td>
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<td>10.</td>
<td>CEO &amp; General Manager</td>
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### Consent Calendar

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<th>FROM (IPR) DEPARTMENT</th>
<th>TO DEPARTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandra Moorman</td>
<td>Accounting</td>
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### NARRATIVE:

**Requested Action:** Provide the Board with SMUD’s financial results for the year-to-date period for 2020.

**Summary:** Staff will present the Board with SMUD’s financial results for the year-to-date period for 2020.

**Board Policy:**

*GP-3, Board Job Description*

**Benefits:** Provide the Board Members with current information on SMUD’s financial condition.

**Cost/Budgeted:** N/A

**Alternatives:** Choose to receive briefing via written report.

**Affected Parties:** Accounting, Planning, Pricing & Enterprise Performance

**Coordination:** Accounting, Planning, Pricing & Enterprise Performance

**Presenter:** Lisa Limcaco, Controller

### Additional Links:

**SUBJECT**

Review of SMUD’s Year-to-Date Financial Results

ITEM NO. (FOR LEGAL USE ONLY) 12

**ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.**
TO: Distribution  
DATE: July 31, 2020

FROM: Kathy Ketchum / Lisa Limcaco

ACC 20-010

SUBJECT: JUNE 2020 FINANCIAL RESULTS AND OPERATIONS DATA

We are attaching the financial and operating reports for the six months of 2020. They include sales and generation statistics and other selected data.

SMUD’s year-to-date net position increased $43.0 million compared to a $34.6 million decrease projected in the budget. We attribute the favorable variance ($77.6 million) to higher operating revenues, lower operating expenses, higher non-operating revenue and lower interest expense.

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

1) Budgeted electric revenues are based on the Forecast of Revenues by the Rates Department, adjusted for unbilled revenues; and

2) Budgeted operating expenses reflect the 2020 Budget approved by the Board of Directors on November 21, 2019.

Change in Net Position Year To Date

<table>
<thead>
<tr>
<th>Month</th>
<th>2020 Year-To-Date</th>
<th>2020 Budget</th>
<th>2019 Year-To-Date</th>
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<tbody>
<tr>
<td>Jan</td>
<td>$3.9</td>
<td></td>
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<tr>
<td>Feb</td>
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<td>Mar</td>
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<td>Apr</td>
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<tr>
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<td>Jun</td>
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<td>Dec</td>
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In Millions

($3.9)  ($11.4)  ($7.9)  ($1.8)  ($19.1)  ($43.0)  $0  $20  $40  $60  $80  $100  $120  $140  $160  $180  $200  $220  $240
EXECUTIVE SUMMARY
For the Six Months Ended June 30, 2020

Net Position
- SMUD’s net position increased $43.0 million compared to a $34.6 million decrease projected in the budget. We attribute the favorable variance ($77.6 million) to higher operating revenues, lower operating expenses, higher non-operating revenue and lower interest expense.

Revenues
- Revenues from sales to customers were $642.8 million, which was $10.4 million (1.6 percent) higher than planned.
  - The variance was due to higher average customer rates per kilowatt-hour, offset by lower customer usage and higher uncollectible provision.
- Other electric revenues were $15.7 million, which was $3.8 million (19.4 percent) lower than planned.
  - The variance was primarily due to Low Carbon Fuel Standard (LCFS) revenue of $4.5 million that was budgeted; however, actuals are recorded to LCFS revenue.
- Non-cash revenues recognized for the California Solar Initiative (SB-1), was $0.4 million, which was $1.6 million (80.2 percent) lower than planned.
- Non-cash revenues transferred to the rate stabilization was $6.0 million, of which $3.9 million was for LCFS and $2.1 million for true-up to qualified program expenses on final 2019 California Air Resources Board carbon allowances (AB-32) report. Funds are deferred until SMUD has qualified program expenses to recognize revenue.
- Non-cash revenues transferred from the rate stabilization fund was $13.0 million, of which $7.7 million was for Hydro, $3.6 million for AB-32 and $1.7 million for LCFS.

Operating Expenses
- Purchased power expense of $142.0 million, less surplus power sales of $13.5 million, was $128.5 million, which was $19.0 million (17.3 percent) higher than planned.
  - Purchased power expense was the result of higher quantities purchased of $24.0 million, offset by lower prices of $5.0 million.
- SMUD’s generation was lower by 509 GWh (15.3 percent).
  - Hydro generation was lower by 620 GWh (71.3 percent).
  - JPAs generation was higher by 142 GWh (6.5 percent).
- Production operations cost of $135.4 million, less gas sales of $35.1 million, was $100.3 million, which was $25.7 million (20.4 percent) lower than planned.
  - Fuel costs, net of gas sales, were $18.2 million lower due to lower fuel prices of $31.5 million and ineffective gas hedges of $0.6 million, offset by higher fuel usage of $13.9 million.
- The "power margin", or revenues less cost of purchased power, production operations costs and gas hedges included in investment expense was $442.6 million, which was $24.4 million (5.8 percent) higher than planned.
- All other operating expenses were $384.8 million, which was $29.4 million (7.1 percent) lower than planned.
  - Administrative and general expenses were $14.6 million lower than planned which included the following: 1) a non-cash adjustment to actuals for GASB 75 OPEB amortization of $5.2 million, 2) timing difference for funding designated for the California Mobility Center of $5.0 million (this was budgeted to the Statement of Revenues, Expenses and Changes to Net Position; however, actuals will be recorded to the Statement of Net Position when they occur), 3) lower disbursements for the 2019 Performance Management Program and 2019 Enterprise Performance Awards of $2.7 million and 4) a reduction in claims reserve for both general liability and workers compensation of $2.5 million and $1.6 million respectively. Lower expenses were offset by higher GASB 68 pension amortization of $7.1 million. As a note, administrative and general expenses include COVID-19 related paid leave and sequestration stipend expense of $7.0 million.
  - Non-cash depreciation expense was $1.4 million higher, primarily a result of projects capitalized earlier than anticipated.
  - Non-cash depletion expense was $1.9 million lower, due to the sale of Rosa after the preparation of the 2020 budget.

Non-Operating Revenues and Expenses
- Other revenue, net was $37.9 million, which was $22.7 million (149.2 percent) higher than planned.
  - Other income was $16.0 million higher than planned. This is primarily due to the dissolution of the Royal Bank of Canada gas prepay contract of $10.9 million and reimbursement of 2017 winter storms claim of $5.5 million.
## SACRAMENTO MUNICIPAL UTILITY DISTRICT
### STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
#### For the Month Ended June 30, 2020

(Thousands of dollars)

### OPERATING REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual</th>
<th>Budget</th>
<th>Over/Under</th>
<th>Percent of Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales to customers</td>
<td>$152,885</td>
<td>$141,546</td>
<td>$11,339</td>
<td>8.0%</td>
</tr>
<tr>
<td>Sales of surplus power</td>
<td>4,164</td>
<td>7,643</td>
<td>(3,479)</td>
<td>(45.5)%</td>
</tr>
<tr>
<td>Sales of surplus gas</td>
<td>3,419</td>
<td>-</td>
<td>3,419</td>
<td>*</td>
</tr>
<tr>
<td>Public good revenue</td>
<td>275</td>
<td>333</td>
<td>(58)</td>
<td>(17.4)%</td>
</tr>
<tr>
<td>SB-1 revenue (deferral)/recognition, net</td>
<td>191</td>
<td>342</td>
<td>(151)</td>
<td>(44.2)%</td>
</tr>
<tr>
<td>Other electric revenue</td>
<td>3,161</td>
<td>4,393</td>
<td>(1,232)</td>
<td>(28.0)%</td>
</tr>
<tr>
<td>Revenue to rate stabilization fund</td>
<td>(2,125)</td>
<td>-</td>
<td>(2,125)</td>
<td>*</td>
</tr>
<tr>
<td>Revenue from rate stabilization fund</td>
<td>800</td>
<td>-</td>
<td>800</td>
<td>*</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>162,770</td>
<td>154,257</td>
<td>8,513</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

### OPERATING EXPENSES

#### Operations

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual</th>
<th>Budget</th>
<th>Over/Under</th>
<th>Percent of Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased power</td>
<td>35,361</td>
<td>33,831</td>
<td>1,530</td>
<td>4.5%</td>
</tr>
<tr>
<td>Production</td>
<td>23,259</td>
<td>19,639</td>
<td>3,620</td>
<td>18.4%</td>
</tr>
<tr>
<td>Transmission and distribution</td>
<td>7,593</td>
<td>8,410</td>
<td>(817)</td>
<td>(9.7)%</td>
</tr>
<tr>
<td>Customer accounts</td>
<td>4,838</td>
<td>5,479</td>
<td>(641)</td>
<td>(11.7)%</td>
</tr>
<tr>
<td>Customer service and information</td>
<td>4,454</td>
<td>6,701</td>
<td>2,247</td>
<td>(33.5)%</td>
</tr>
<tr>
<td>Administrative and general</td>
<td>15,080</td>
<td>23,834</td>
<td>(8,754)</td>
<td>(36.7)%</td>
</tr>
<tr>
<td>Public good</td>
<td>4,994</td>
<td>6,173</td>
<td>1,179</td>
<td>(19.1)%</td>
</tr>
<tr>
<td><strong>Total operations</strong></td>
<td>95,579</td>
<td>104,067</td>
<td>(8,488)</td>
<td>(8.2)%</td>
</tr>
</tbody>
</table>

#### Maintenance

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual</th>
<th>Budget</th>
<th>Over/Under</th>
<th>Percent of Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>4,321</td>
<td>5,447</td>
<td>(1,126)</td>
<td>(20.7)%</td>
</tr>
<tr>
<td>Transmission and distribution</td>
<td>10,204</td>
<td>7,220</td>
<td>2,984</td>
<td>41.3%</td>
</tr>
<tr>
<td><strong>Total maintenance</strong></td>
<td>14,525</td>
<td>12,667</td>
<td>1,858</td>
<td>14.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual</th>
<th>Budget</th>
<th>Over/Under</th>
<th>Percent of Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>17,098</td>
<td>17,511</td>
<td>(413)</td>
<td>(2.4)%</td>
</tr>
<tr>
<td>Depletion</td>
<td>-</td>
<td>323</td>
<td>(323)</td>
<td>(100.0)%</td>
</tr>
<tr>
<td>Amortization of regulatory asset</td>
<td>3,012</td>
<td>2,928</td>
<td>84</td>
<td>2.9%</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>130,214</td>
<td>137,496</td>
<td>(7,282)</td>
<td>(5.3)%</td>
</tr>
</tbody>
</table>

### OPERATING INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual</th>
<th>Budget</th>
<th>Over/Under</th>
<th>Percent of Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>130,214</td>
<td>137,496</td>
<td>(7,282)</td>
<td>(5.3)%</td>
</tr>
</tbody>
</table>

### NON-OPERATING REVENUES AND EXPENSES

#### Other revenues/(expenses)

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual</th>
<th>Budget</th>
<th>Over/Under</th>
<th>Percent of Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>1,443</td>
<td>1,043</td>
<td>400</td>
<td>38.4%</td>
</tr>
<tr>
<td>Investment revenue (expense)</td>
<td>(309)</td>
<td>(132)</td>
<td>(177)</td>
<td>(134.1)%</td>
</tr>
<tr>
<td>Other income (expense) - net</td>
<td>(1,347)</td>
<td>428</td>
<td>(1,775)</td>
<td>(414.7)%</td>
</tr>
<tr>
<td>Unrealized holding gains (losses)</td>
<td>(194)</td>
<td>-</td>
<td>(194)</td>
<td>*</td>
</tr>
<tr>
<td>Revenue - CIAC</td>
<td>1,444</td>
<td>1,146</td>
<td>298</td>
<td>26.0%</td>
</tr>
<tr>
<td><strong>Total other revenues</strong></td>
<td>1,037</td>
<td>2,485</td>
<td>(1,448)</td>
<td>(58.3)%</td>
</tr>
</tbody>
</table>

#### Interest charges

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual</th>
<th>Budget</th>
<th>Over/Under</th>
<th>Percent of Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on long-term debt</td>
<td>9,520</td>
<td>9,643</td>
<td>(123)</td>
<td>(1.3)%</td>
</tr>
<tr>
<td>Interest on commercial paper</td>
<td>128</td>
<td>273</td>
<td>(145)</td>
<td>(53.1)%</td>
</tr>
<tr>
<td><strong>Total interest charges</strong></td>
<td>9,648</td>
<td>9,916</td>
<td>(268)</td>
<td>(2.7)%</td>
</tr>
</tbody>
</table>

### CHANGE IN NET POSITION

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual</th>
<th>Budget</th>
<th>Over/Under</th>
<th>Percent of Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total operating income</strong></td>
<td>23,945</td>
<td>9,330</td>
<td>14,615</td>
<td>156.8%</td>
</tr>
</tbody>
</table>

* Equals 1000% or greater.
### SACRAMENTO MUNICIPAL UTILITY DISTRICT
### STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
### For the Six Months Ended June 30, 2020
### (thousands of dollars)

<table>
<thead>
<tr>
<th>OPERATING REVENUES</th>
<th>Actual</th>
<th>Budget</th>
<th>Over (Under)</th>
<th>Percent of Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales to customers</td>
<td>$642,757</td>
<td>$632,353</td>
<td>$10,404</td>
<td>1.6%</td>
</tr>
<tr>
<td>Sales of surplus power</td>
<td>13,508</td>
<td>33,191</td>
<td>(19,683)</td>
<td>(59.3%)</td>
</tr>
<tr>
<td>Sales of surplus gas</td>
<td>35,084</td>
<td>-</td>
<td>35,084</td>
<td>*</td>
</tr>
<tr>
<td>Public good revenue</td>
<td>1,875</td>
<td>2,000</td>
<td>(125)</td>
<td>(6.3%)</td>
</tr>
<tr>
<td>SB-1 revenue (deferral)/recognition, net</td>
<td>406</td>
<td>2,050</td>
<td>(1,644)</td>
<td>(80.2%)</td>
</tr>
<tr>
<td>LCFS revenue</td>
<td>4,382</td>
<td>-</td>
<td>4,382</td>
<td>*</td>
</tr>
<tr>
<td>Other electric revenue</td>
<td>15,676</td>
<td>35,084</td>
<td>(19,408)</td>
<td>(55.2%)</td>
</tr>
<tr>
<td>Revenue to rate stabilization fund</td>
<td>(5,979)</td>
<td>-</td>
<td>(5,979)</td>
<td>*</td>
</tr>
<tr>
<td>Revenue from rate stabilization fund</td>
<td>-</td>
<td>12,960</td>
<td>12,960</td>
<td>*</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td><strong>720,669</strong></td>
<td><strong>689,038</strong></td>
<td><strong>31,631</strong></td>
<td><strong>4.6%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
</tr>
<tr>
<td>Purchased power</td>
</tr>
<tr>
<td>Production</td>
</tr>
<tr>
<td>Transmission and distribution</td>
</tr>
<tr>
<td>Customer accounts</td>
</tr>
<tr>
<td>Customer service and information</td>
</tr>
<tr>
<td>Administrative and general</td>
</tr>
<tr>
<td>Public good</td>
</tr>
<tr>
<td><strong>Total operations</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
</tr>
<tr>
<td>Transmission and distribution</td>
</tr>
<tr>
<td><strong>Total maintenance</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Depletion</td>
</tr>
<tr>
<td>Amortization of regulatory asset</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>58,389</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NON-OPERATING REVENUES AND EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other revenues/(expenses)</td>
</tr>
<tr>
<td>Interest income</td>
</tr>
<tr>
<td>Investment revenue (expense)</td>
</tr>
<tr>
<td>Other income (expense) - net</td>
</tr>
<tr>
<td>Unrealized holding gains (losses)</td>
</tr>
<tr>
<td>Revenue - CIAC</td>
</tr>
<tr>
<td><strong>Total other revenues</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on long-term debt</td>
</tr>
<tr>
<td>Interest on commercial paper</td>
</tr>
<tr>
<td><strong>Total interest charges</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHANGE IN NET POSITION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$43,001</strong></td>
</tr>
</tbody>
</table>

* Equals 1000% or greater.
### SACRAMENTO MUNICIPAL UTILITY DISTRICT
### SOURCES AND USES OF ENERGY - COMPARED TO BUDGET
### For the Period Ended June 30, 2020

<table>
<thead>
<tr>
<th>Sources of Energy (GWh)</th>
<th>Month</th>
<th>Increase (Decrease)</th>
<th>Year-to-Date</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Budget</td>
<td>Percentage</td>
<td>Actual</td>
</tr>
<tr>
<td>Net Generated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hydro</td>
<td>74</td>
<td>194</td>
<td>(61.9) %</td>
<td>250</td>
</tr>
<tr>
<td>Carson Ice (CVFA)</td>
<td>20</td>
<td>4</td>
<td>400.0</td>
<td>104</td>
</tr>
<tr>
<td>Procter &amp; Gamble (SCA)</td>
<td>54</td>
<td>10</td>
<td>440.0</td>
<td>310</td>
</tr>
<tr>
<td>Campbell Soup Project (SPA)</td>
<td>31</td>
<td>6</td>
<td>416.7</td>
<td>244</td>
</tr>
<tr>
<td>SMUD Financing Authority (SFA)</td>
<td>324</td>
<td>252</td>
<td>28.6</td>
<td>1,653</td>
</tr>
<tr>
<td>Other</td>
<td>76</td>
<td>82</td>
<td>(7.3)</td>
<td>261</td>
</tr>
<tr>
<td><strong>Total net generation</strong></td>
<td>579</td>
<td>548</td>
<td>5.7</td>
<td>2,822</td>
</tr>
</tbody>
</table>

**Purchased Power less transmission losses:**

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Percentage</th>
<th>Actual</th>
<th>Budget</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avangrid</td>
<td>8</td>
<td>16</td>
<td>(50.0)</td>
<td>29</td>
<td>59</td>
<td>(50.8)</td>
</tr>
<tr>
<td>Calpine Sutter</td>
<td>50</td>
<td>33</td>
<td>51.5</td>
<td>119</td>
<td>93</td>
<td>28.0</td>
</tr>
<tr>
<td>Feed in Tariff</td>
<td>26</td>
<td>25</td>
<td>4.0</td>
<td>107</td>
<td>111</td>
<td>(3.6)</td>
</tr>
<tr>
<td>Grady Wind</td>
<td>97</td>
<td>84</td>
<td>15.5</td>
<td>487</td>
<td>500</td>
<td>(2.6)</td>
</tr>
<tr>
<td>Great Valley Solar</td>
<td>20</td>
<td>20</td>
<td>0.0</td>
<td>85</td>
<td>87</td>
<td>(2.3)</td>
</tr>
<tr>
<td>Kiefer - Greenergy</td>
<td>9</td>
<td>9</td>
<td>0.0</td>
<td>56</td>
<td>56</td>
<td>0.0</td>
</tr>
<tr>
<td>Patua</td>
<td>12</td>
<td>10</td>
<td>20.0</td>
<td>69</td>
<td>78</td>
<td>(11.5)</td>
</tr>
<tr>
<td>Simpson</td>
<td>26</td>
<td>29</td>
<td>(10.3)</td>
<td>152</td>
<td>135</td>
<td>12.6</td>
</tr>
<tr>
<td>WAPA</td>
<td>120</td>
<td>103</td>
<td>16.5</td>
<td>390</td>
<td>348</td>
<td>12.1</td>
</tr>
<tr>
<td>WSPP and other</td>
<td>282</td>
<td>304</td>
<td>(7.2)</td>
<td>1,620</td>
<td>1,211</td>
<td>33.8</td>
</tr>
<tr>
<td>Other long term power</td>
<td>29</td>
<td>31</td>
<td>(6.5)</td>
<td>123</td>
<td>151</td>
<td>(18.5)</td>
</tr>
<tr>
<td><strong>Total net purchases</strong></td>
<td>679</td>
<td>664</td>
<td>2.3</td>
<td>3,237</td>
<td>2,829</td>
<td>14.4</td>
</tr>
</tbody>
</table>

**Total sources of energy**

|                      | 1,258  | 1,212  | 3.8       | 6,059  | 6,160  | (1.6)      |

**Uses of energy:**

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SMUD electric sales and usage</td>
<td>964</td>
<td>946</td>
<td>1.9</td>
<td>4,791</td>
<td>4,833</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Surplus power sales</td>
<td>263</td>
<td>231</td>
<td>13.9</td>
<td>1,102</td>
<td>1,076</td>
<td>2.4</td>
</tr>
<tr>
<td>System losses</td>
<td>31</td>
<td>35</td>
<td>(11.4)</td>
<td>166</td>
<td>251</td>
<td>(33.9)</td>
</tr>
<tr>
<td><strong>Total uses of energy</strong></td>
<td>1,258</td>
<td>1,212</td>
<td>3.8 %</td>
<td>6,059</td>
<td>6,160</td>
<td>(1.6) %</td>
</tr>
</tbody>
</table>

* Change equals 1000% or more.

---

**Net generation is lower than budget for the six-month period.**

- Hydro generation is lower than planned (71.3 percent).
- JPA generation is higher than planned (6.5 percent).

**Purchased power, less surplus power sales, is higher than plan (21.8 percent).**
# SACRAMENTO MUNICIPAL UTILITY DISTRICT
## STATEMENTS OF NET POSITION
### June 30, 2020 and 2019

(Thousands of dollars)

### ASSETS

<table>
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<td>745,045</td>
<td>5,431</td>
<td>18,709</td>
<td>12,999</td>
<td>10,863</td>
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<td>-</td>
<td>793,047</td>
<td>407,465</td>
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<td>5,431</td>
<td>18,709</td>
<td>12,999</td>
<td>10,863</td>
<td>-</td>
<td>-</td>
<td>793,047</td>
<td>407,465</td>
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<td>692</td>
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<td>1</td>
<td>945</td>
<td>1</td>
<td>535,033</td>
<td>170,184</td>
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<td>1,619,145</td>
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<td><strong>TOTAL ASSETS</strong></td>
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<td>$45,529</td>
<td>$81,466</td>
<td>$275,521</td>
<td>$70,770</td>
<td>$560,138</td>
<td>$215,109</td>
<td>$6,781,476</td>
<td>$6,329,829</td>
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### DEFERRED OUTFLOWS OF RESOURCES

|                      |      |      |     |     |     |      |         |            |            |
| Accumulated decrease in fair value of hedging derivatives | 82,714 | - | - | - | - | - | - | 82,714 | 86,856 |
| Deferred pension outflows | 73,045 | - | - | - | - | - | - | 73,045 | 80,891 |
| Deferred OPEB outflows | 24,508 | - | - | - | - | - | - | 24,508 | 15,032 |
| Deferred ARO outflows | - | 1,793 | - | - | - | - | - | 1,793 | 2,105 |
| Unamortized bond losses | 14,965 | - | - | 2,005 | - | - | - | 16,970 | 20,910 |
| **TOTAL DEFERRED OUTFLOWS OF RESOURCES** | 195,232 | 1,793 | - | 2,005 | - | - | - | 199,030 | 185,794 |

| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | $6,068,042 | $47,322 | $81,466 | $277,526 | $70,770 | $560,138 | $215,109 | $6,980,505 | $6,515,623 |

*Numbers may not add across due to elimination entries not shown on this sheet.*
## SACRAMENTO MUNICIPAL UTILITY DISTRICT

### STATEMENTS OF NET POSITION

**June 30, 2020 and 2019**

(Thousands of dollars)

### LIABILITIES AND NET ASSETS

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<th>SMUD</th>
<th>CVFA</th>
<th>SCA</th>
<th>SFA</th>
<th>SPA</th>
<th>NCEA</th>
<th>NCGA #1</th>
<th>2020</th>
<th>2019</th>
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<td>Commercial paper notes</td>
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<td>35,540</td>
<td>48,288</td>
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<td>Long-term debt due within one year</td>
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<td>-</td>
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<td>14,830</td>
<td>14,280</td>
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<td><strong>TOTAL NET POSITION</strong></td>
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<td>77,179</td>
<td>120,123</td>
<td>67,731</td>
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<td>10,435</td>
<td>1,847,278</td>
<td>1,748,431</td>
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<td><strong>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</strong></td>
<td>$6,068,042</td>
<td>$47,322</td>
<td>$81,466</td>
<td>$277,526</td>
<td>$70,770</td>
<td>$560,138</td>
<td>$215,109</td>
<td>$6,980,505</td>
<td>$6,515,623</td>
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*Numbers may not add across due to elimination entries not shown on this sheet.
### Reports Issued by Audit and Quality Services

#### Summary:
Reports Issued by Audit and Quality Services:

<table>
<thead>
<tr>
<th>Title</th>
<th>Report Number</th>
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<tbody>
<tr>
<td>Status of Recommendations Report for Q2 2020</td>
<td>n/a</td>
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<tr>
<td>Green-e® Energy Annual Verification</td>
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**Board Policy:**
- Board-Staff Linkage, Board-Internal Auditor Relationship (BL-3)

**Benefits:** N/A

**Cost/Budgeted:** N/A

**Alternatives:** N/A

**Affected Parties:** Board, Internal Auditor

**Coordination:** N/A

**Presenter:** Claire Rogers

#### Consent Calendar
- **Consent Calendar:** Yes
- **If no, schedule a dry run presentation:** No
- **Budgeted:** Yes
- **No (If no, explain in Cost/Budgeted section):**
- **FROM (IPR):** Claire Rogers
- **DEPARTMENT:** Audit and Quality Services
- **MAIL STOP:** ME-2
- **EXT.:** 7122
- **DATE SENT:** 8/7/20

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

**Requested Action:**
Informational agenda item to provide Board Members with the opportunity to ask questions and/or discuss recent reports issued by Audit and Quality Services.
TO: Board of Directors
FROM: Claire Rogers
SUBJECT: QUARTERLY REPORT ON THE STATUS OF RECOMMENDATIONS AS OF JUNE 30, 2020

Attached for your review is the Status of Recommendations report for the Second Quarter of 2020. Prior to this report being finalized, all outstanding recommendations were given to the responsible department Manager/Director for follow up.

The attached report includes all outstanding items as of June 30, 2020 regardless of their risk ranking.

Two open items were closed during the reporting period and were reviewed to assure implementation in accordance with the management response. None of the remaining 8 items are currently overdue. The chart below is a breakdown by age and risk of the outstanding items regardless of their risk ranking:

Age and Risk of Outstanding Items

If you need further information or wish to discuss any aspect of the report, please contact me at 732-7122, or Claire.Rogers@smud.org.
**Q2 2020 Status of Recommendation Report**

**2016 General Computer Controls Recommendation**

AQS has closed this recommendation. The recommendation has been implemented except for some remaining work to remediate and mitigate conflicts within the Customer business unit. We plan to perform an audit of SAP user access in the future, the scope of which will include a review of remediation, mitigation and governance activities.
<table>
<thead>
<tr>
<th>RISK</th>
<th>RECOMMENDATION</th>
<th>RESPONSIBLE DEPARTMENT</th>
<th>STATUS / DATE</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Records Management (2014)</td>
<td>Until SMUD or the Documentum vendor, EMC, can get the record destruction</td>
<td>Legal Department</td>
<td>Date Issued 02/17/2015</td>
<td>A joint business decision was made to replace the current SRMA (SMUD Records Management Application) solution with another industry solution. IT and Legal have partnered and identified a replacement technology. A proof-of-concept (POC) of the new technology will be conducted in 2019. Upon successful completion, the new technology solution will be used to commence destruction of records in Documentum, but only if certain conditions are met. One key condition is ensuring the assignment of retention, which the existing Documentum business model does not allow. Corrections to the model are being made incrementally, which includes restructuring each business model to the retention schedule and fixing the naming conventions/taxonomy in Documentum. Records &amp; Information Management must complete a records evaluation for each business area using Documentum to enable this work to be completed, which is a time intensive effort. With some evaluations being complete, the new technology will be run on the first area in Documentum 1st Quarter 2020 and will continue to be run in the completed business areas thereafter. Records will continue to work with IT on this project and affected business units as prioritized by the Information Governance Counsel (IGC) until the new technology can be used for all business areas in Documentum.</td>
</tr>
<tr>
<td>28006022-02</td>
<td>feature in Documentum to work appropriately, manually identify records at</td>
<td></td>
<td>Outstanding 12/15/2015</td>
<td></td>
</tr>
<tr>
<td>Medium</td>
<td>or past their retention period, notify the record owners that the retention</td>
<td></td>
<td>4 Extensions</td>
<td></td>
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<tr>
<td>Process Improvement</td>
<td>period has been reached, and destroy them after record owner approval.</td>
<td></td>
<td>Revised to 12/31/2020</td>
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<tr>
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<tr>
<td>Project Management</td>
<td>Enterprise Performance should update its project management templates to include clear guidance on communication plans, benefits realization and analysis, resources, and quality management. As more projects are completed under the project management process, EP should evaluate whether the required deliverable documents provide sufficient information.</td>
<td>Planning, Pricing &amp; Enterprise Performance Department</td>
<td>Date Issued 12/06/2018</td>
<td>The development of deliverable document guidance related to communications plans, benefits realization and analysis, and quality management will be incorporated into the changes made with the implementation of the PPM tool. Because it would not be efficient to update these deliverable documents before making additional changes with the PPM tool, the due date for this corrective action will be extended to align with implementation of the tool. Note: Due date has been extended to October 15, 2020 to accommodate changing priorities associated with SMUD's COVID-19 response.</td>
</tr>
<tr>
<td>28006647-01</td>
<td>Policies and Procedures</td>
<td></td>
<td>Outstanding 08/15/2019</td>
<td></td>
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<tr>
<td>Medium</td>
<td></td>
<td></td>
<td>2 Extensions</td>
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<td></td>
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<td></td>
<td>Revised to 10/15/2020</td>
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<tr>
<td>Project Management</td>
<td>EP should update project management process guidance to include the process for reviewing key deliverable documents and clarify when EP may request resubmission of incomplete or inaccurate documents. EP should also ensure that updated guidance is communicated to project managers and PMOs.</td>
<td>Planning, Pricing &amp; Enterprise Performance Department</td>
<td>Date Issued 12/06/2018</td>
<td>As stated in the previous management response, communication and accountability will improve upon implementation of the PPM tool. In the interest of efficiency, EP will extend the corrective action due date to align with implementation of the tool, as job aids will be updated and training provided with the roll out of the tool. Note: Due date has been extended to October 15, 2020 to accommodate changing priorities associated with SMUD's COVID-19 response.</td>
</tr>
<tr>
<td>28006647-02</td>
<td>Policies and Procedures</td>
<td></td>
<td>Outstanding 10/15/2019</td>
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<td>Revised to 10/15/2020</td>
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<tr>
<td>Project Management</td>
<td>EP should define the roles and responsibilities of project management offices, and then evaluate existing PMO structures to determine what will best support the needs of the business.</td>
<td>Planning, Pricing &amp; Enterprise Performance Department</td>
<td>Date Issued 12/06/2018</td>
<td>Based on feedback from Executives, Enterprise Performance will not be making any changes or clarifications to the organizational structure of PMOs. However, it is continuing to work on the clarification of PMO roles and responsibilities. The corrective action due date will be extended as EP determines how best to proceed.</td>
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<tr>
<td>28006647-03</td>
<td>Medium</td>
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<td>Outstanding 08/15/2019</td>
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## STATUS OF RECOMMENDATIONS AT 06/30/2020

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<td>Revised to 10/15/2020</td>
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<tr>
<td><strong>Project Management</strong></td>
<td>Enterprise Performance should require that all projects are tracked in a central database.</td>
<td>Planning, Pricing &amp; Enterprise Performance Department</td>
<td>Date Issued 12/06/2018, Outstanding 10/15/2020</td>
<td>We agree with AQS’s recommendation that all projects should be tracked in a central database. EP is searching for a Project Portfolio Management tool in conjunction with IT. Tool selection and implementation is proposed for funding in 2019 budget. Work has started with IT on selection. Some projects are not tracked in the PPD due to the complexity of the project and the limitations of the current in-house built PPD tool. These projects, such as the Time-of-Day transition and the Headquarters Rehabilitation are tracked and reported separately to executives. EP agrees there is the potential for a project to not be tracked in any manner. Until the new tool is implemented, EP will continue to regularly review spending to ensure projects are monitored. EP will work to develop a process and a tracking mechanism in the central database (once it is implemented) for projects that currently don’t go through OAT so that they are monitored through a formal project management approach.</td>
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<td>28006647-04</td>
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<td>28006920-01 Low</td>
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<tr>
<td>Pole Inspections SoR 28007140-01</td>
<td>Low Process Improvement</td>
<td>AQS recommends Distribution Systems Operations and Maintenance - TDMP: Evaluate the annual pole inspection planning process to identify what caused some poles due for inspection to not be included in the annual plan and enhance controls to ensure going forward all poles are that are due for inspection per GO 165 and the TMIP are added to the annual plan.</td>
<td>Distribution Operations Department</td>
<td>Date Issued 01/21/2020</td>
</tr>
<tr>
<td>Pole Inspections SoR 28007140-02</td>
<td>Low Policies and Procedures</td>
<td>AQS recommends TDMP formally document the process to develop the annual plan for intrusive pole tests and its process to monitor the completion of the annual plan for intrusive pole tests. The procedures should include items such as: roles and responsibilities, the process description and methodology, and service levels (if applicable).</td>
<td>Distribution Operations Department</td>
<td>Date Issued 01/21/2020</td>
</tr>
</tbody>
</table>

Distribution System Operations and Maintenance agrees with AQS’s recommendation. TDMP was unaware that an existing flow chart was not being followed, that indicated any ‘found in field’ asset would have an immediate detailed line inspection and pole test (if applicable) performed at the time of discovery. Additionally, TDMP was not made aware by any other departments that new facilities were ‘found in field’ and need an inspection notification created for the following year. TDMP will update its queries and procedures to ensure all distribution equipment ‘found in field’ are included in the upcoming year’s maintenance plan. All 11 pole locations will have a detailed line inspection and pole test performed by the end of 2020. It is anticipated that all corrective actions will be implemented by January 15, 2021.

Line Assets - Transmission and Distribution Line Construction and Maintenance: Energy Deliver recognizes the need for formal, documented processes and is currently reviewing and updating work, safety and preferred work method procedures / processes throughout.
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<td></td>
<td>Maintenance formally document the process to schedule work for intrusive pole tests and the process to monitor the completion of scheduled inspections. The procedures should include items such as: roles and responsibilities, the process description and methodology, and service levels (if applicable).</td>
<td>Energy Delivery. The proposed timeline schedule for completion of this effort has not been finalized but this recommendation will be included in the scope of the project (roles &amp; responsibilities, the process description and methodology, and service levels). This effort will be prioritized and completed by January 15, 2021.</td>
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TO: Board of Directors

FROM: Claire Rogers

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

Audit and Quality Services (AQS) has performed the procedures enumerated below, which were agreed to by SMUD and the Center for Resource Solutions, to verify SMUD’s compliance with annual reporting requirements of the Center for Resource Solutions’ Green-e® Energy program for the year ended December 31, 2019. SMUD’s management is responsible for compliance with the annual reporting requirements of the Center for Resource Solutions’ Green-e® Energy program.

The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures include, but are not limited to:

- Validation and recalculation of Greenergy and SolarShares retail sales;
- Validation and recalculation of Greenergy and SolarShares resource supply, or renewable energy credits (RECs), retired in the Western Electric Coordinating Council (WECC) WREGIS tracking system database;
- Validation and recalculation of Greenergy and SolarShares Product Content Labels.

During the performance of the agreed-up procedures it was identified that 301 MWh was underreported (428,545MWh vs 428,846 MWh) on SMUD’s RY2019 Voluntary Renewable Energy Program application to the California Air Resources Board to request allowance retirements submitted on July 1, 2020. CRS and SMUD’s Program Management have been informed of this item and will work with the California Air Resources Board to make the adjustment.

Other than the exception noted above, AQS asserts that SMUD has no additional exceptions with regard to its compliance of the Green-e® Energy verification reporting requirements put forth in the Annual Verification Protocol.

The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. AQS was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on SMUD’s compliance to the annual reporting requirements of the Center for Resource Solutions’ Green-e® Energy program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to SMUD and the Center for Resource Solutions.
**NARRATIVE:**

**Requested Action:** Provide the Board with SMUD’s current Power Supply Costs.

**Summary:** Staff will present the Board with SMUD’s Power Supply Costs for the year-to-date period for 2020.

**Board Policy:**

*GP-3*

**Benefits:** Provides the Board Members with current information on power supply costs for SMUD.

**Cost/Budgeted:** n/a

**Alternatives:** None

**Affected Parties:** Planning, Pricing & Enterprise Performance

**Coordinaton:** Planning, Pricing & Enterprise Performance

**Presenter:** Jennifer Davidson

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<table>
<thead>
<tr>
<th>Consent Calendar</th>
<th></th>
<th>Yes</th>
<th></th>
<th>Budgeted</th>
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<th>No (If no, explain in Cost/Budgeted section.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FROM (IPR)</td>
<td>Jennifer Restivo</td>
<td>DEPARTMENT</td>
<td>Planning, Pricing &amp; Enterprise Performance</td>
<td>MAIL STOP</td>
<td>B356</td>
<td>EXT.</td>
</tr>
</tbody>
</table>

**ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.**
NARRATIVE:

Requested Action: Informational Item – SMUD Procurement Quarterly report – 2nd Quarter 2020

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

Board Policy: This report is provided to demonstrate compliance with SMUD Policy BL-8 and the following Policy Elements:

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

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

Coordination: Procurement Operations, Board Office

Presenter: Casey Fallon