

Board of Directors Meeting Agenda

Date: March 18, 2021

Time: 5:30 p.m.

Location: Virtual Meeting (online)

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 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.**

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 her 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.

March 18, 2021 – 5:30 p.m.

Zoom Webinar Link: [Join SMUD Board of Directors Meeting Here](#)

Webinar ID: 161 346 6704

Password: 073991

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 March 9, 2021, Strategic Development Committee
- b. Committee Chair report of March 10, 2021, Policy Committee
- c. Committee Chair report of March 16, 2021, Finance and Audit Committee

Items 5 through 7 were reviewed by the March 10, 2021, Policy Committee. Items 8 through 11 were reviewed by the March 16, 2021, 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 February 16, 2021, through March 15, 2021.
4. Approval of the minutes of the meeting of February 18, 2021.
5. Accept the monitoring report for **Strategic Direction SD-19, Diversified Business.** Policy Committee 3/10. (Scott Martin)
6. Accept the monitoring report for **Strategic Direction SD-6, Safety.** Policy Committee 3/10. (Gary King)
7. Approve proposed revisions to **Emergency Procurement** provision of **Board-Staff Linkage BL-8, Delegation to the Chief Executive Officer and General Manager with Respect to Procurement.** Policy Committee 3/10. (Gary King)
8. Authorize the Chief Executive Officer and General Manager to execute a direct procurement contract with **Hot Line Construction, Inc.** for Pole Replacement and Other Line Work for a period of two years from March 22, 2021, to March 21, 2023, with two optional one-year extensions, for a total aggregate contract amount not-to-exceed \$51,220,537. Finance and Audit Committee 3/16. (Gary King)
9. Authorize the Chief Executive Officer and General Manager to award contracts to **Hot Line Construction, Inc.** and **Mountain G Enterprises** for General Line Construction Work for a period of two years from March 22, 2021, to March 21, 2023, for a total aggregate contract amount not-to-exceed \$20 million. Finance and Audit Committee 3/16. (Gary King)
10. Authorize the Chief Executive Officer and General Manager to award a contract to **Doug Veerkamp General Engineering, Inc.** to provide construction services for the **West Point and Yellowjacket Campgrounds and Appurtenant Boat Ramps Project** in the Crystal Basin region of the **Upper American River Project (UARP)** for a total contract amount not-to-exceed \$8,396,902, and for a contract term from April 1, 2021, to January 31, 2022. Finance and Audit Committee 3/16. (Frankie McDermott)
11. Authorize the Chief Executive Officer and General Manager to execute a four-year **Customer-Tailored Electric Services Agreement** with **NTT Global Data Centers Americas, Inc. (NTT).** Finance and Audit Committee 3/16. (Tracy Carlson)

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Informational Items:

12. Provide the Board with the financial results from the one-month period ended January 31, 2021.
Presenter: Lisa Limcaco
13. Provide the Summary of SMUD's current Power Supply Costs.
Presenter: Jennifer Davidson

Public Comment:

14. Items not on the agenda.

Board and CEO Reports:

15. Directors' Reports.
16. President's Report.
17. CEO's Report.
 - a. Board Video re: 2021 Snow Survey

Summary of Board Direction

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

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).

March 16, 2021	Finance and Audit Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
March 31, 2021	Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
April 6, 2021	Strategic Development Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
April 7, 2021	Policy Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
April 13, 2021	Finance and Audit Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
April 14, 2021	Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.

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Regular 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 meeting will be held virtually (online).

April 15, 2021

Virtual Meeting (online)

5:30 p.m.

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 her 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 February 16, 2021, through March 15, 2021.

Sacramento, California

February 18, 2021

The Board of Directors of the Sacramento Municipal Utility District met in regular session via virtual meeting (online) at 5:30 p.m.

Roll Call:

Presiding: President Bui-Thompson

Present: Directors Rose, Fishman, Herber, Kerth,
Tamayo, and Sanborn

Present also were Paul Lau, 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 Sanborn shared the environmental tip.

President Bui-Thompson called for approval of the agenda.

Director Fishman moved for approval of the agenda, Director Kerth seconded, and the agenda was unanimously approved.

Director Fishman, Chair, presented the report on the Strategic Development Committee meetings held on January 26 and February 9, 2021.

Director Sanborn, Chair, presented the report on the Policy Committee meeting held on February 10, 2021.

Director Herber, Chair, presented the report on the Finance and Audit Committee meeting held on February 16, 2021.

Director Rose, Chair, presented the report on the Energy Resources & Customer Services Committee meeting held on February 17, 2021.

President Bui-Thompson called for statements from the public regarding items on the agenda, but none were forthcoming.

President Bui-Thompson then addressed the consent calendar consisting of Items 3 through 11. Director Tamayo moved for approval of the consent calendar, Director Kerth seconded, and Resolution Nos. 21-02-01 through 21-02-08 were unanimously approved.

RESOLUTION NO. 21-02-01

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

That this Board hereby approves Board member compensation for service rendered at the request of the Board (pursuant to Resolution 18-12-15) for the period of January 16, 2021, through February 15, 2021.

Approved: February 18, 2021

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

RESOLUTION NO. 21-02-02

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

This Board accepts the monitoring report for **Strategic Direction SD-2, Competitive Rates**, substantially in the form set forth in **Attachment A** hereto and made a part hereof.

Approved: February 18, 2021

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

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: February 2, 2021

FROM: Claire Rogers *CR 2/2/21*

SUBJECT: Audit Report No. 28007320
Board Monitoring Report; SD-02: Competitive Rates

Audit and Quality Services (AQS) received the SD-02 *Competitive Rates* 2020 Annual Board Monitoring Report and performed the following:

- A review of the information presented in the report to determine the possible existence of material misstatements;
- Interviews with report contributors and verification of the methodology used to prepare the monitoring report; and
- Validation of the reasonableness of a selection of the report's statements and assertions.

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

CC:

Paul Lau

Board Monitoring Report 2020

SD-2, Competitive Rates



1. Background

Strategic Direction 2, Competitive Rates states that:

Maintaining competitive rates is a core value of SMUD.

Therefore:

- a) The Board establishes a rate target of 18 percent below Pacific Gas & Electric Company's published rates on a system average basis. In addition, the Board establishes a rate target of at least 10 percent below PG&E's published rates for each customer class.
- b) SMUD's rate of change for both rates and bills shall be competitive with other local utilities on a system average basis
- b) In addition, SMUD's rates shall be designed to balance and achieve the following goals:
 - i) Reflect the cost of energy when it is used;
 - ii) Reduce use on peak;
 - iii) Encourage energy efficiency and conservation;
 - iv) Minimize "sticker" shock in the transition from one rate design to another;
 - v) Offer flexibility and options;
 - vi) Be simple and easy to understand;
 - vii) Meet the needs of people with fixed low incomes and severe medical conditions; and
 - viii) Equitably allocate costs across and within customer classes.

2. Executive summary

a) **SMUD is in compliance with SD-2, Competitive Rates.**

As of December 31, 2020, SMUD's rates remain among the lowest in the State and on a system average rate basis are 35.7% below Pacific Gas & Electric (PG&E) Company's, which is better than the SD-2 target of at least 18% below on a system average rate basis. Residential average rates are at least 28.8% below PG&E's residential average rates. See Figure 1 for details.

There were two rate increases to SMUD's rates in 2020. Rates for all customers were increased by 3.75% on January 1, 2020 and 3% on October 1, 2020 per Board rate changes adopted on June 24, 2019. The overall rate advantage between SMUD and PG&E remains well above the SD-2 target of at least 18% on a system average basis.

Metric	2020 performance	2019 performance	5 year average
System average rates 18% below PG&E rates	35.7% below PG&E on a system average rate basis	36.5% below PG&E on a system average rate basis	33.3% below PG&E on a system average rate basis

Most residential customers have been on the standard Time-of-Day (TOD) rate for two years now since the rollout began in late 2018. As of December 31, 2020, approximately 98% of customers who transitioned have remained on the standard TOD rate, with only about 2% of customers choosing the alternative fixed rate. Similar to residential customers, about 2% of the EAPR customers chose the alternative fixed rate during the transition to TOD. The TOD

rate supports the principles of the Board's Strategic Direction as it better aligns residential rates with costs and gives SMUD the ability to achieve our environmental goals by sending price signals that influence customer behaviors such as encouraging efficiency and conservation, and reducing energy use during peak hours.

The year 2020 was an unprecedented year for many reasons. The COVID-19 pandemic forced many employers to adopt remote work around mid-March and some businesses temporarily shut down; the State issued a series of shelter in place mandates throughout the year, and our region also experienced very extreme hot weather during the summer months. All these abnormalities impacted the overall residential and commercial consumption for SMUD customers.

The summer of 2020 was one of the hottest on record in the last 40 years with an average of 78 degrees, which is 3 degrees higher than the 40-year summer average. On average, the Sacramento region experiences about 17 days over 100 degrees during the summer and there were 25 days in 2020. One of the measures commonly used by electric utilities is degree days. This measure takes into account both the high temperature and the low temperature on a given day, which is significant since an important factor in energy use during a heat storm is how much the temperature cools at night. If the Cooling Degree Days (CDDs) are higher than planned, then there is the additional need for air conditioning use than what was planned for. There was a 32% increase in the number of CDDs in 2020 as compared to 2020 forecast. The hotter the weather, both the high and the low, the higher the CDDs. Figure 2 in Appendix A shows the difference in the degree days for 2019 actual, 2020 actual and 2020 forecast.

3) Additional supporting information

- a) **The Board establishes a rate target of 18% below PG&E's published rates on a system average basis. In addition, the Board establishes a rate target of at least 10% below PG&E's published rates for each customer class.**

SMUD continues to maintain average rates that are lower than PG&E's, both at a system level and by rate class. Figure 1 provides a detailed picture of the difference between SMUD's and PG&E's projected average rates by rate class in 2020 as well as the difference between rates in 2019.

Figure 1 – Summary of SMUD and PG&E Rate Comparison in \$/kWh

Customer		Rate Categories		Average Annual Rate		Difference	Difference
				PG&E	SMUD	Below PG&E*	Below PG&E*
Class	Description	PG&E	SMUD	2020	2020	2020	2019
Residential	Standard	E-1	R-TOD	\$0.2631	\$0.1645	-37.5%	-39.8%
	Low Income	CARE***	EAPR & EAPRMED**	\$0.1593	\$0.1134	-28.8%	-32.2%
All Residential				\$0.2297	\$0.1584	-31.0%	-34.7%
Small Commercial****	<= 20 kW	A-1	GFN/GSN_T	\$0.2694	\$0.1567	-41.8%	-41.6%
	21 - 299 kW	A-6	GSS_T	\$0.2558	\$0.1451	-43.3%	-43.4%
Medium Commercial****	300 - 499 kW	A-10	TOU-3	\$0.2378	\$0.1342	-43.6%	-42.4%
	500 - 999 kW	E-19	TOU-2	\$0.2075	\$0.1259	-39.4%	-38.8%
Large Commercial****	>= 1 MW	E-20	TOU-1	\$0.1672	\$0.1074	-35.8%	-35.1%
Lighting	Traffic Signals	TC-1	TS	\$0.2559	\$0.1231	-51.9%	-52.0%
	Street Lighting	various	SLS,NLGT	\$0.3052	\$0.1490	-51.2%	-50.2%
Agriculture	Ag & Pumping	AG	ASN/D,AON/D	\$0.2517	\$0.1388	-44.8%	-38.4%
System Average				\$0.2223	\$0.1429	-35.7%	-36.5%

* Projected 2020 average prices for SMUD with rates effective 10-01-20. PG&E average prices in 2020 reflect rates effective 10/01/20, per Advice Letter 5958-E. The rate difference in year 2019 reflects PG&E average rates as of 10-01-19, per Advice Letter 5644-E dated 09-23-19, and SMUD rates effective 01-01-19.

** CARE vs EAPR includes EAPR & EAPRMED customers.

*** There is no indication from PG&E that their CARE rates include customers who have a medical allowance only.

**** Commercial rates include WAPA credits. The revenue forecast does not consider economic development discounts for year 2020.

As seen in Figure 1, the rate competitiveness by class varies for the different customer classes and is at least 28.8% 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. See Appendix A for more details.

b) SMUD's rate of change for both rates and bills shall be competitive with other local utilities on a system average basis.

SMUD's system average rate and bill averages over time are comparable with other local utilities as shown in detail in Appendix B.

c) Reflect the cost of energy when it is used

SMUD's TOD rate continues to be the standard for residential customers and is designed to more closely reflect the cost of energy when it is used, with prices highest between 5 and 8 p.m., when the cost of energy is the highest. In 2019, the Board approved a restructure of commercial rates which will improve the alignment of the cost of electricity with the price to acquire power. Due to the COVID-19 (coronavirus) pandemic, the Board approved on August 20, 2020 to postpone the implementation of the Commercial Rate Restructure.

d) Encourage energy efficiency and conservation

SMUD continues to encourage energy efficiency and conservation through the residential TOD rate structure, non-residential TOD rates and a variety of programs, such as offering rebates for energy-efficient appliances and heating and cooling systems, and energy-efficient LED lighting. With TOD Rates, when customers use energy is as important as how much they use. TOD Rates encourage customers to shift energy use from peak times when energy is more costly and is produced by a larger portion of carbon-emitting generation plants to off-peak times, when there is often excess carbon-free solar generation on our system. By shifting usage to times when non-carbon emitting resources are plentiful, customers not only save money, they also contribute to reducing carbon emissions and help SMUD achieve our carbon reduction goals. The TOD rate structure as well as the commercial rate restructure are designed to be revenue neutral, so customers can save money if they shift or reduce their usage from peak hours. More detailed information about rebates and savings tips can be found on smud.org.

e) Minimize "sticker shock" in the transition from one rate design to another

SMUD follows this principle through gradualism and balance between rate implementation and customer satisfaction when making rate structure changes in combination with rate increases. For example, to minimize "sticker shock," SMUD raised residential rates in 2018 but not in 2019 so that customers would experience the transition to TOD with no rate increase impacts. This was done to help reduce confusion and facilitate explanations that the bill changes were caused by the structural rate change and customer behavior, and not a rate increase. We also have an optional residential fixed rate as an alternative to the standard TOD rate for those customers that do not wish to be on TOD. Additionally, the approved rate transition to the EAPR program was phased in over three years to minimize bill impacts to our low-income customers. Another example is the commercial rate restructure being phased in over an 8-year period in order to mitigate bill impacts. In addition, SMUD postponed the commercial rate restructure in response to the COVID-19 pandemic.

f) Offer flexibility and options

SMUD provides flexibility and rate options to its customers. Residential customers may select custom due dates, budget billing, and net energy metering customers can choose between the monthly or annual settlement options. The residential rate transition to TOD included the option to switch to a fixed rate as an alternative to the standard TOD rate. All customers may make online payments and set up billing alerts. In addition, qualified commercial customers moving to

SMUD's service area may choose between two different Economic Development Rate discount structures, selecting the option that best suits their needs. This year in response to the COVID-19 pandemic and growing economic challenges, SMUD suspended disconnecting power due to non-payment for residential and commercial customers through January 2021 and this measure was later extended thru April 30, 2021.

g) Be simple and easy to understand

SMUD works to make sure its many programs and rates are simple and easy to understand. For example, staff designed the TOD rate and future commercial rates to balance simplicity while still reflecting the cost of energy when it is used. Significant ongoing customer outreach assist customers in understanding the rate designs.

h) Meet the needs of people with fixed low incomes and severe medical conditions

SMUD continues to meet the needs of people with fixed low incomes and severe medical conditions. The restructuring of the EAPR program has improved the assistance that we offer to our customers most in need by basing assistance on federal poverty level. SMUD is actively working with customers to ease the transition with various programs.

In an effort to better serve our customers during the COVID-19 pandemic, SMUD temporarily adjusted our income document guidelines related to unemployment benefits for our fixed low-income assistance applicants. In mid-March, SMUD suspended disconnections and late fees for nonpayment. As the economic impacts of COVID-19 continue into 2021, SMUD extended the cancellation of disconnections and late fees to at least April 30, 2021.

i) Equitably allocate costs across and within customer classes

To ensure costs are equitably allocated across and within customer classes, staff updates SMUD's marginal cost study and performs rate costing studies prior to recommending rate structure changes. For example, the marginal cost study was updated in 2016, and the results of the study were used to develop the cost-based standard residential TOD rate. The details of this analysis were included in the 2017 CEO & GM Report. Additionally, the marginal cost study was updated in 2020, which was also used to support the value of solar + storage study developed by Energy and Environmental Economics (E3).

In 2019, the Board approved changes to the commercial rate structures which had not been adjusted in decades. The new rate structure will better align cost across the different commercial classes as well as give SMUD a more stable revenue collection as the changes move revenue collection from variable components to fixed components.

j) Reduce Use On-Peak

Both the residential TOD rate and the commercial time of day rates send signals to customers to reduce their on-peak usage. The peak time for residential customers is 5 pm to 8 pm and the peak time for commercial customers under the restructured rates is 4 pm to 9 pm. These time periods correspond to the highest \$/kWh in the rate design to encourage customers to shift their usage outside of the peak period. Even with the extreme pressures that 2020 brought, one of the hottest summers on record and with residential customers forced to stay home, the TOD rate performed as intended. The TOD rate is durable even during non-typical conditions; it's an effective mechanism to send the right price signal to promote reduction of peak and recover revenue. For example, in 2020 the SMUD system peak occurred on August 18, 2020, and the residential peak occurred in the 4 p.m. to 5 p.m. hour, when renewables are still abundant, which is outside of the 5-8 p.m. peak price period. This was the first time that the residential peak

occurred outside of the 5-8 p.m. window on the day that the system peaked for the year since TOD became the standard residential rate.

4) Challenges

a) Rate Pressures

While SMUD has been able to keep rates low, SMUD does face cost pressures going forward from both known and unknown drivers. Examples of known drivers include:

1. Wildfire mitigation, including the increased cost of wildfire insurance and additional vegetation management,
2. SMUD's adopted 2040 Energy Plan to fund initiatives such as transportation and building electrification, storage as well as continuing to encourage energy efficiency to achieve carbon reduction goals, as well as increasing carbon free resources such as new solar and wind. Many of these initiatives require up front infrastructure investments before the revenue is collected or costs are reduced.
3. Increased costs for SMUD labor and benefits, as well as costs for materials, goods and services,
4. New and enhanced technology solutions to support cyber security, customer experience, and distributed energy resources

SMUD also must be prepared to weather unknown cost drivers. Examples of these drivers include the costs related to the COVID-19 pandemic, additional requirements stemming from new legislation in response to the wildfires in recent years, or potentially new mandates to achieve California environmental goals.

On November 18, 2020 the Board of Directors discussed possible updates to the SD-2 requirements. The key items discussed were changes related to the expansion of distributed energy resources (DERs), carbon reduction and electrification. Once the Board finalizes modifications to SD-2, SMUD staff will reflect the new direction. An additional challenge may materialize with the SD-2 requirement of, "SMUD's rate of change for both rates and bills shall be competitive with other local utilities" if the other local public utilities have less aggressive carbon goal than SMUD has determined.

b) Cost Allocation

Due to the current Net Energy Metering (NEM) rates, there is a cost shift to non-NEM customers. This is not aligned with SD-2 guidance. In 2019, SMUD hosted an extensive stakeholder process to receive input for a Value of Solar + Storage independent study. This stakeholder process was named the Technical Working Group that included over ten solar, storage, and environmental organizations to provide inputs for the Value of Solar + Storage Study. In 2020, E3 was the successful bidder to perform an independent Value of Solar + Storage study based on the direct inputs from Technical Working Group. E3's independent study found that the existing NEM rate is causing between a \$24-\$41 million cost shift annually. The goal of the Successor Rate is to assist in addressing the current cost-shift to non-NEM customers and to create a new NEM tariff that is more aligned with the SD-2 guidelines as well as support SMUD's achievement of our aggressive carbon goals. Staff is currently continuing outreach with impacted stakeholders to identify a win/win solution for the Successor Rate.

5) Recommendation

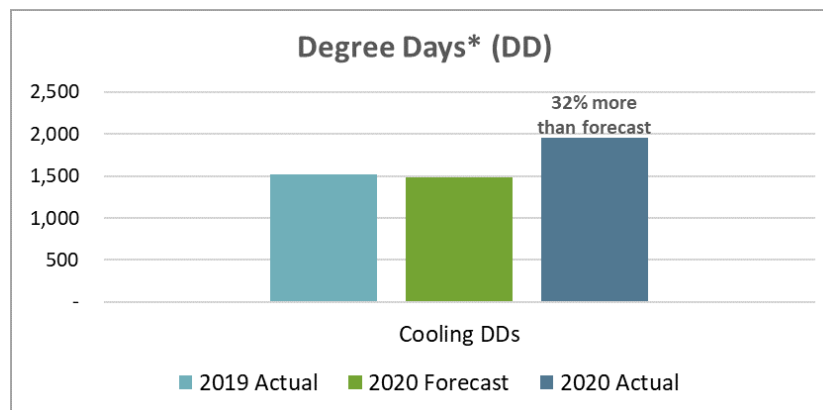
It is recommended that the Board accept the Monitoring Report for SD 2, Competitive Rates.

Appendices

Appendix A: Degree days in 2019 and 2020

Figure 2 shows the difference in the degree days for 2019, 2020 actual and 2020 forecast.

Figure 2 – Degree days in 2019 and 2020



* Degree days are the difference between the daily temperature average, (high temperature plus low temperature divided by two) and 65°F. If the temperature average is above 65°F, we subtract 65 from the average and the result is Cooling Degree Days. If the temperature average is below 65°F, we subtract the average from 65 and the result is Heating Degree Days. For example, the high temperature for a particular day was 90°F and the low temperature was 66°F. The temperature mean for that day was: $(90^{\circ}\text{F} + 66^{\circ}\text{F}) / 2 = 78^{\circ}\text{F}$, because the result is above 65°F: $78^{\circ}\text{F} - 65^{\circ}\text{F} = 13$ Cooling Degree Days.

Appendix B: Average Annual Bill and System Rate of Change Comparisons

The values in the tables below are simple averages of system rate and bill changes over the referenced period. In 2019, the bill average went up for most utilities; the primary driver was warmer weather as compared to 2018.

Figure 3 shows the average of total annual bill amounts which vary year over year due to rate changes as well as changes in usage driven by weather among other variables since customers' energy use impacts the average bill. Values can be negative due to uncharacteristically drastic weather changes. Extremely hot weather will cause the average bill to increase regardless of changes in the average rate.

Figure 3 - Average Annual Bill Changes

Average Annual <u>Bill</u> Rate of Changes		SMUD	Local Utilities*	Local Utilities* Without PG&E
Average Across Time	10-yr avg. (2010 - 2019)	1.44%	1.83%	1.35%
	5-yr avg. (2015 - 2019)	0.94%	0.56%	-0.44%

Figure 4 shows the 6-year trend of average bill changes for each utility highlighting how there are many factors at play when considering average bills including weather, price, kWh usage and customer behavior.

Figure 4 – Historical Bill Rate Changes

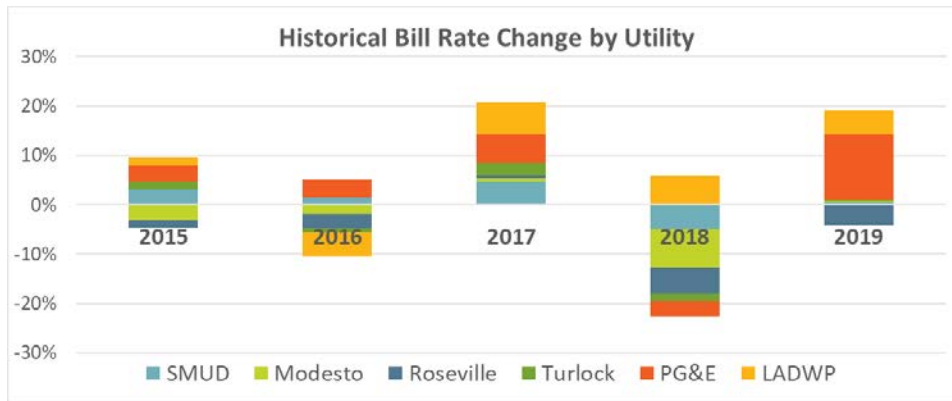


Figure 5 shows the average annual system rate changes for the compared utilities. In the five-year average it shows the SMUD has increased its system average rate at a slightly higher pace than neighboring utilities. SMUD has continued to make investments in our community, as well as technology investments such as Advanced Distribution Management System (ADMS) and Distributed Energy Resources Management System (DERMS), and investments in wildfire mitigation.

Figure 5 - Average Annual Rate Changes (%)

Average Annual <u>System</u> Rate of Changes		SMUD	Local Utilities*	Local Utilities* Without PG&E
Average Across Time	10-yr avg. (2010 - 2019)	2.00%	2.49%	2.25%
	5-yr avg. (2015 - 2019)	1.95%	1.64%	1.02%

* Local utilities: Roseville, Modesto, Turlock, LADWP, PG&E
Values in table are a simple average rate of change.

SMUD also continues to make investments in our infrastructure to ensure reliable power. The benefits of these investments are reflected in our improved reliability metrics as well as our reliability last August 2020 during the extreme heatwave when other California utilities were experiencing rolling blackouts. While SMUD's rate increases have been slightly higher in recent years, we continue to have the lowest system average rate compared to neighboring utilities as shown in Figure 6.

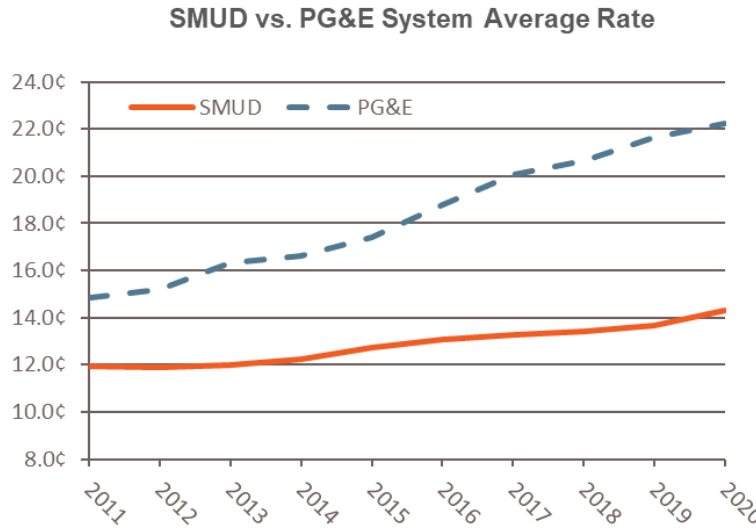
Figure 6 – System Average Rates Across Utilities (\$/kWh)

	SMUD	Roseville	Turlock	Modesto	LADWP	PG&E
System Average Rate	\$0.1368	\$0.1384	\$0.1393	\$0.1423	\$0.1877	\$0.2163

Appendix C: Historical Rate Comparison with PG&E

Figure 7 compares SMUD and PG&E's system average rates for the past 10 years. On a system average basis, SMUD's system average rates have averaged 29% below PG&E's since 2011.

Figure 7 – SMUD and PG&E Historical System Average Rate Comparison



Appendix D: PG&E Updates

Overview of PG&E's recent rate proceedings

In 2020 PG&E had four rate changes, increasing the system average rate in \$/kWh from \$0.2109 in 2019 to \$0.2223 in 2020 as shown in Figure 8.

Figure 8 – PG&E 2019-2020 Rate Changes

	PG&E Rate Changes in 2019 ⁽¹⁾					Annual	PG&E Rate Changes in 2020 ⁽¹⁾					Annual
	January	March	May	July	October	2019	January	March	May	October	2020	
Rate Change (%)	-1.30%	2.20%	2.00%	0.80%	1.90%	5.60%	2.10%	0.05%	3.43%	0.26%	5.84%	
System Rate (\$/kWh)	\$0.1955	\$0.1999	\$0.2060	\$0.2070	\$0.2109		\$0.2155	\$0.2156	\$0.2217	\$0.2223		

(1) Includes California Climate Credit

For January 2021, PG&E forecasts a 0.13 percent increase in PG&E's system bundled average electric rate and a 7.47 percent increase in PG&E's system average rate for Direct Access (DA) and Community Choice Aggregation (CCA) customers, whose average rates exclude commodity charges because these customers purchase the commodity from third-party service providers.

Pending Rate Actions/Initiatives

- PG&E's 2020 General Rate Case:** PG&E is proposing a \$1.058 billion increase over currently authorized spending for 2019. More than half of PG&E's proposed increase would be directly related to wildfire prevention, risk reduction, and additional safety enhancements. This proposal would increase a typical residential customer bill by 6.4 percent or \$10.57 per month (\$8.73 for electric service and \$1.84 for gas service). An average CARE customer would see an increase of about \$7.01 a month (\$5.54 for electric service and \$1.47 gas service). PG&E's 2020 General Rate Case Phase I that was approved by the CPUC included revenue requirement increases for calendar year 2020 through 2022. The annual revenue requirement increase that would have taken effect on January 1, 2020 has been amortized over 3-years and is being put into PG&E's electric rates starting March 1, 2021. PG&E is also implementing a decrease in its Transmission Access Charge Balancing Account Adjustment (TACBAA) rate, which was filed and approved by

the FERC on March 1, 2021. This decrease will partially offset the increase due to the 2020 General Rate Case Phase I settlement.

- Default Time-of-Use Rates: PG&E is scheduled to begin defaulting most Residential customers to more cost-based default TOU rates (subject to their ability to opt-out to another applicable rate) starting in 2020 and continuing in waves for a period of up to eighteen months, ending in 2022. The optional E-TOU-A (weekday peak only) customers were migrated to PG&E's standard E-TOU-C (every day peak) rate reflecting new TOU periods and prices. An optional E-TOU-D (5-8 pm peak) rate having a shorter 3-hour Peak Period June – September, and different prices than the standard, is also available. Customers on tiered rates E-1 (tiered rate) and EL-1 (tiered rate for low income) will continue to migrate to the standard E-TOU-C rate starting March 1, 2021 in coordination with the CCA's who supply generation and charge their Generation Rate on the bill. All other optional rates & programs which are applicable to these customers under the tariff(s) continue to be available to these customers, such as Smart Rate, Solar Choice, etc.
- PG&E Commercial Rate Restructure: PG&E is transitioning its Non-Residential customers to new TOU periods with a later peak period (4pm to 9 pm), reflecting the late afternoon peak market prices. These Non-Residential rates with new TOU periods will become available on an "opt-in" basis beginning in 2019 and are scheduled to become mandatory starting March 1, 2021. The TOU periods, not prices, continue to be grandfathered for Net Energy Metered customers given prior commitments by PG&E.

Chapter 11 Bankruptcy: On January 29, 2019 PG&E filed for chapter 11 bankruptcy. PG&E Corporation and Pacific Gas and Electric Company (together, "PG&E") have agreed to a settlement with the Official Committee of Tort Claimants (TCC) and with firms representing individual claimants who sustained losses from the 2015 Butte Fire, 2017 Northern California Wildfires and 2018 Camp Fire. The settlement agreement is valued at approximately \$13.5 billion and has the support of the TCC. The settlement would resolve all claims arising from those fires, including the 2017 Tubbs Fire as well as all claims arising from the 2016 Ghost Ship Fire in Oakland. The settlement is subject to a number of conditions and is to be implemented pursuant to PG&E's Chapter 11 Plan of Reorganization (the "Plan"), which is subject to confirmation by the Bankruptcy Court in accordance with the provisions of the Bankruptcy Code. PG&E has since emerged from Chapter 11 bankruptcy protection with debt restructuring. There are a number of rate-setting proceedings going on at the CPUC including securitization of wildfire capital costs; catastrophic emergency memo accounts (CEMA) where PG&E expends & tracks costs for requesting recovery (historical); and wildfire mitigation expenditures going forward not included in the General Rate Case for serving customers in rural counties given PG&E's obligation to serve via grid, micro-grid and/or distribution generation solutions.

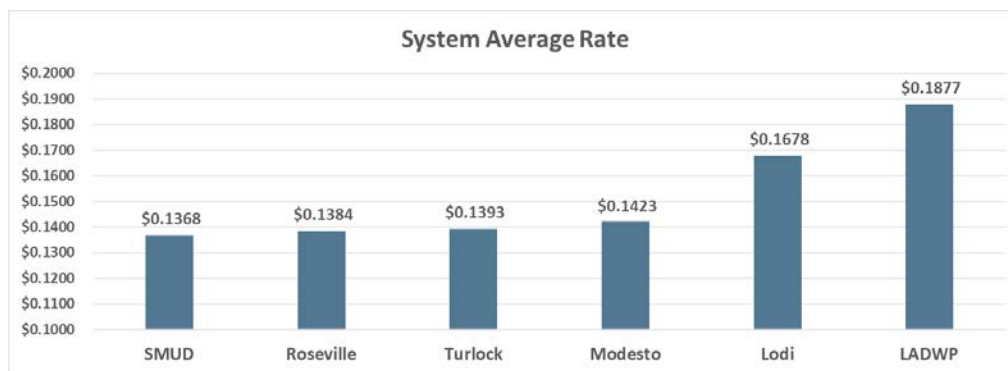
Appendix C: Local Utility Rates

- Modesto Irrigation District (MID): MID has not had a rate increase since 2012. MID did true-up their Environmental Energy Adjustment that resulted in a change from \$26 law0.0067/kWh to \$0.0079/kWh. MID recently adopted a pilot residential TOU rate for Electric Vehicle customers which has a fixed charge of \$30.00 per month as well as three time periods summer and two for winter that differ in price by season. (demand charge or grid access charge for NEM customers above 1 MW.) MID is currently involved in a prop 26 based lawsuit over its electricity charges to residential customers.
- Turlock Irrigation District (TID): TID has not had a rate increase since 2015 and there is no plan to modify rates in 2021. TID does have a pass-through charge that adjusts with costs, outside of any rate increases.

- Roseville Electric: Roseville Electric has not had a rate increase since 2014 and there is no plan to increase their rates for 2021. Roseville does have a pass-through charge that adjusts with costs, outside of any rate increases.
- Lodi Electric: Lodi did not change their base rates in 2019 and 2020 and they do not have any changes forecasted for 2021. Lodi has a monthly energy cost adjustment that adjusts as power costs increase or decrease. The range of the energy cost adjustment for 2020 was -\$0.0046 to \$0.0406 \$/kWh.
- Los Angeles Department of Water and Power (LADWP). LADWP had a 4.2% rate increase in fiscal year 2018-2019 and a 6.1% rate increase in fiscal year 2019-2020. LADWP does have a pass-through charge that adjusts with costs, outside of any rate increases.

While SMUD's neighboring utilities have not raised rates recently, SMUD's system average rate is still competitive, as shown in Figure 9. Figure 9 uses data from the U.S. Energy Information Administration and 2019 is the most recent data available.

Figure 9 – 2019 Utility System Average Rate Comparison



Including pass-through mechanisms in rates is a common utility practice, allowing the utility to collect enough revenue without having to increase rates in a regular rate proceeding. SMUD has the Hydro Generation Adjustment, which allows for a small additional charge on customer bills in the event of less than median precipitation. Figure 10 details the pass-through mechanisms some of SMUD's neighboring utilities have as part of their rate structures.

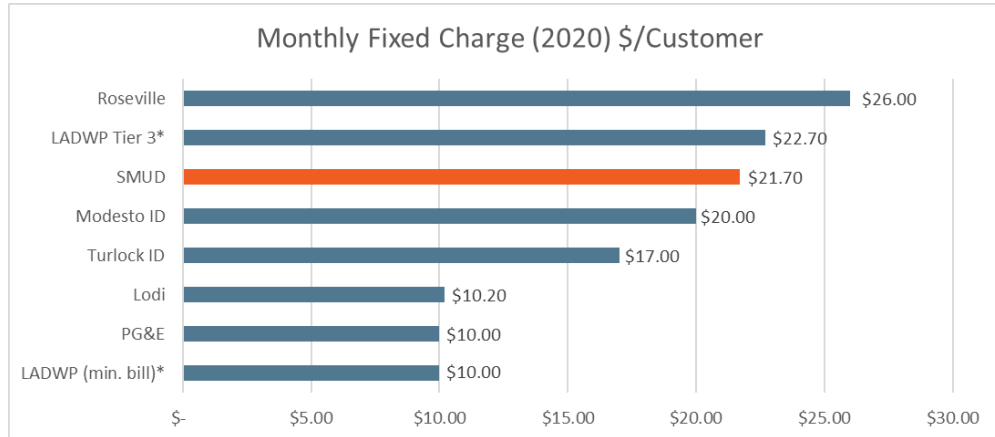
Figure 10 – Utility Pass-through Mechanisms

Utility	Pass through
SMUD	Hydroelectric Generation Adjustment
Modesto Irrigation District	Capital Infrastructure Adjustment
	Environmental Energy Adjustment
Turlock Irrigation District	Power Supply Adjustment
	Environmental Charge
	Public Benefits Surcharge
Roseville Electric	Renewable Energy Surcharge
	Greenhouse Gas Surcharge
	Hydroelectric Adjustment
Lodi Electric	Energy Cost Adjustment
LADWP*	Energy Cost Adjustment
	Electric Subsidy Adjustment

* LADWP has other adjustments to reflect approved rate increase

Including a fixed charge amount on residential customers bills is also a common utility practice. The fixed charge allows for revenue collection for fixed assets that do not vary with electricity consumption. Figure 11 below outlines the fixed charge amount of SMUD's neighboring utilities.

Figure 11 – Monthly Fixed Charge Amount



* LADWP's Tier 1 fixed charge is \$2.30 and Tier 2 fixed charge is \$7.90 but utility has a minimum bill is \$10 per month.

Appendix E: Historical Rate Increases

Figure 12 shows that SMUD's historical rate increases have tracked the Consumer Price Index (CPI) over the past 29 years. Figure 13 shows SMUD's rate increases by year since 2000.

Figure 12 – Annual Rate Increase vs CPI

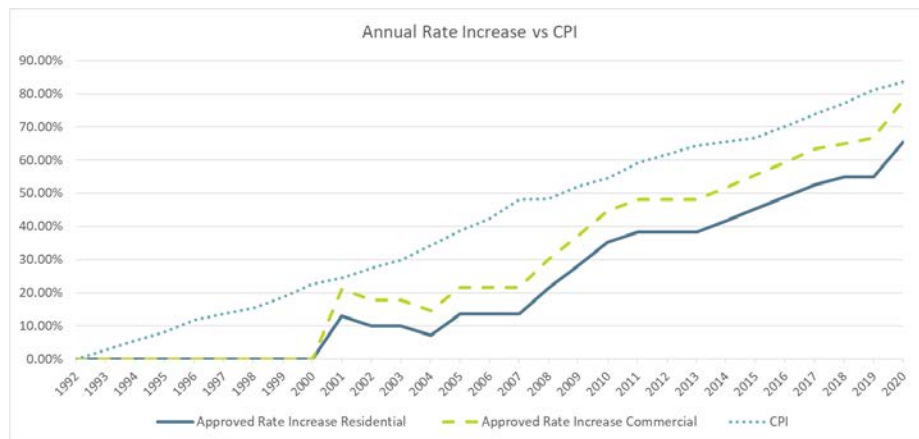


Figure 13 –SMUD Residential and Non-Residential Rate Increase and Energy Surcharge by Year

Year	Rate Increase		Energy Surcharge
	Residential	Non Residential	
2000	0.00%	0.00%	N/A
2001	13.00%	21.00%*	N/A
2002	0.00%	0.00%	-2.60%
2003	0.00%	0.00%	N/A
2004	0.00%	0.00%	-2.70%
2005	6.00%	6.00%	N/A
2006	0.00%	0.00%	N/A
2007	0.00%	0.00%	N/A
2008	7.00%	7.00%	N/A
2009	5.50%	5.50%	N/A
2010	5.50%	5.50%	N/A
2011	2.25%	2.25%	N/A
2012	0.00%	0.00%	N/A
2013	0.00%	0.00%	N/A
2014	2.50%	2.50%	N/A
2015	2.50%	2.50%	N/A
2016	2.50%	2.50%	N/A
2017	2.50%	2.50%	N/A
2018	1.50%	1.00%	N/A
2019	0.00%	1.00%	N/A
1/1/2020	3.75%	3.75%	N/A
10/1/2020	3.00%	3.00%	N/A
1/1/2021	2.50%	2.50%	N/A
10/1/2021	2.00%	2.00%	N/A

* Medium Commercial, Agricultural and Lighting rates increased by 16%

RESOLUTION NO. 21-02-03

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

This Board accepts the monitoring report for **Strategic Direction SD-3, Access to Credit Markets**, substantially in the form set forth in **Attachment B** hereto and made a part hereof.

Approved: February 18, 2021

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

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: February 2, 2021

FROM: Claire Rogers *CR 2/2/21*

**SUBJECT: Audit Report No. 28007321
Board Monitoring Report; SD-03: Access to Credit Markets**

Audit and Quality Services (AQS) reviewed the SD-03 *Access to Credit Markets* 2020 Annual Board Monitoring Report and performed the following:

- A review of the information presented in the report to determine the possible existence of material misstatements;
- Interviews with report contributors and verification of the methodology used to prepare the monitoring report; and
- Validation of the reasonableness of a selection of the report's statements and assertions.

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

CC:

Paul Lau

Board Monitoring Report 2020

SD-3 Board Strategic Direction on Access to Credit Markets



1. Background

Strategic Direction 3 on Access to Credit Markets states that:

Maintaining access to credit is a core value of SMUD.

Therefore:

- a. For SMUD's annual budgets, the Board establishes a minimum target of cash coverage of all debt service payments (fixed charge ratio) of 1.50 times.
- b. When making resource decisions, SMUD shall weigh the impacts on long-term revenue requirements, debt, financial risk and flexibility.
- c. SMUD's goal is to maintain at least an "A" rating with credit rating agencies.

2. Executive summary

SMUD relies on the use of borrowed funds to pay for a portion of its capital needs on an ongoing basis. The Board adopted SD-3, Access to Credit Markets, to help ensure that SMUD maintains the ability to raise new money at competitive rates in the bond market as needed. Making prudent use of borrowed funds to finance capital improvements can help SMUD to mitigate major rate adjustments in periods of intensive capital expansion, and allows SMUD to allocate the costs of those improvements over their useful lives to the customers who benefit from them. Maintaining access to credit markets supports our objective to be financially flexible to make necessary and timely investment and take advantage of opportunities while remaining competitive.

One of the most important indicators of an organization's ability to access credit markets is the independent assessment made by credit rating agencies. SMUD is rated by the three major rating agencies: Standard & Poor's (S&P), Moody's, and Fitch, which review SMUD's credit on approximately an annual basis. The credit ratings assigned are intended to give investors the rating agency's view of the likelihood that SMUD will pay principal and interest on bonds when due. They utilize financial metrics in assessing creditworthiness such as the Fixed Charge Ratio that measures revenue sufficiency to meet obligations, and Days Cash on Hand, a measure of liquidity. They also measure leverage, such as our debt outstanding per customer, and the rate capacity to finance future capital projects without placing undue burden on customers. SMUD's overall governance and risk management

practices are also important to the agencies, along with the ability and willingness to raise rates when necessary while maintaining competitive low-cost energy costs for our customers.

As referenced in the attached ratings agency reports, SMUD has very strong metrics and due to well managed cash flow, has the ability to plan to a more modest fixed charge ratio relative to some other AA rated peers. The most recent SMUD credit reports from both S&P and Fitch also specifically cite the Board's demonstrated willingness to raise rates to support financial performance.

Credit ratings heavily impact an organization's ability to borrow money in the municipal markets, as well as the interest rates they will be required to pay. Higher credit ratings translate into lower borrowing costs. For example, if SMUD's credit ratings were to fall into a lower category, from AA to A, the impact at today's rates would be approximately \$200k/yr for every \$100 million borrowed. During financial turmoil, as experienced in early 2020, higher credit ratings allowed SMUD to access credit markets sooner than lower rated utilities.

Credit ratings also impact an organization's ability to conduct general business transactions. Trading partners utilize credit ratings as a factor in assessing their willingness to transact with SMUD, and to determine commercial terms. Stronger credit ratings enable SMUD to negotiate better terms and conditions for contracts, including power purchase agreements. For example, SMUD's healthy credit ratings minimize the amount of collateral posting required under many of its commodity contracts to hedge natural gas and power. Likewise, if SMUD's ratings were to drop from current levels, collateral posting requirements would increase accordingly. In many cases, a reduction in SMUD's credit ratings below a certain threshold gives our counterparty the right to terminate the contract.

In support of maintaining its financial strength and as a financial risk mitigator SMUD procures insurance. SMUD maintains a comprehensive property and casualty insurance program, with coverage in excess of various self-insured retentions ranging from \$5,000 to \$5,000,000, designed to protect against catastrophic losses that would have an adverse effect on its financial position or operational capabilities. Insurance programs are continuously reviewed and modified when construction, operational exposures, or developments in the insurance industry so warrant. Long term relationships with a variety of insurers minimize SMUD's susceptibility to the effects of insurance market cycles. SMUD budgets reserves to meet potential insurance deductibles and self-insured liability claims and has had no claims that have exceeded coverage limits.

SMUD has remained in compliance with SD-3 as evidenced by the following:

- a. Maintained key financial metrics, including a fixed charge ratio above the minimum policy target of 1.50 times.
 1. 2.11 times in 2019
 2. 2.17 times in 2020 (draft figure as of January 19, 2021)
 3. 1.80 times in 2021 (projected in 2021 Budget)
- b. Credit ratings were affirmed at 'AA' from S&P and Fitch, and Aa3 from Moody's, which is equivalent to AA-. After further consideration of SMUD's wildfire risk, mitigation efforts and gaining a better understanding of public power exposure to wildfires, S&P and Moody's both changed their outlook from negative to stable for SMUD.
- c. Entered into four interest rate swaps, or hedges, that locked in a fixed borrowing rate for SMUD's 2011 Series X, 2012 Series Y, 2013 Series A and 2013 Series B bonds. These swaps were executed at near historical low rates and entering them removes the interest rate risk from the refunding process for these bonds, which will occur in successive years, 2021, 2022 and 2023. In aggregate the swaps locked in \$110 million in net present value savings that will start to materialize starting in 2021 with the refunding of the 2011 Series X bonds.
- d. Issued \$400 million of 2020 Series H Electric Revenue Bonds. This transaction not only refunded all outstanding commercial paper, but also included a portion sold as Green Bonds for various qualifying projects. This bond sale was significant as SMUD was one of the first issuers with the ability to sell bonds in the market after the financial turmoil caused by COVID-19 had frozen credit markets for a few weeks. This highlights our ability to access credit markets as a result of managing SMUD in a manner that invokes confidence from investors.
- e. Terminated the RBC natural gas pre-pay transaction which resulted in \$19 million payment to SMUD. Termination also created operational flexibility and helped SMUD remove the obligation to purchase natural gas from RBC for the next 20 years, which will align with our carbon goals.
- f. Made \$119 million in additional supplemental contributions to CalPERS as part of a 10-year pension funding strategy to eliminate our unfunded pension liability—an obligation rating agencies are increasingly focusing on in their reviews. Addressing the unfunded liability sooner will help control rate increases. These costs would continue to grow into the future since paying only the required minimum payments may not fully mitigate the compounding nature of the outstanding liability adequately. Prior to these contributions, SMUD's Other Post-Employment Benefits (OPEB) and Pension were of 98% and 78% funded, respectively.

- g. Successfully renewed Property and Casualty insurance coverage at market rates, while increasing limits for Directors' and Officers' and cyber insurance. Amidst a record-setting wildfire year in California, during which wildfire liability insurance rates continued to increase substantially, SMUD was able to maintain its \$250 million limits, within which SMUD's self-insured retentions increased from an aggregate of \$38.5 million to \$80 million.

3. Financial Strengths:

Maintaining SMUD's financial strength is a key component to continually accessing credit markets. Below are a list of SMUD specific financial strengths mentioned in recent rating agency reports:

- a. Extremely strong fixed charge coverage
- b. Very strong liquidity unrestricted cash reserves
- c. Prudent financial policies, including strong internal coverage and liquidity targets;
- d. Declining debt service schedule provides future financing flexibility
- e. Diverse, low-cost, and relatively low greenhouse-gas-emitting power supply mix
- f. Actively managed risk management program
- g. Demonstrated willingness and ability to adjust rates to recover costs and maintain margins
- h. Reduced reliance on debt to finance capital needs
- i. Strong risk management and hedging procedures, particularly concerning gas supply for its gas fired plants.

4. Financial Risks :

Below are comments from recent rating's agency reports regarding challenges to SMUD's financial strength that could affect SMUD's ability to access credit markets:

- a. Wildfire liability and inverse condemnation exposure
- b. Increased forecast of capital spending over next five years could put pressure on key credit metrics;
- c. Potential for liquidity declines as SMUD relies less on debt and more heavily on cash on hand to fund capital projects in the future;
- d. Moderate although declining debt burden as a percentage of capitalization, or Debt per customer
- e. Moderate long-term gas exposure and potential for collateral posting requirements requiring maintenance of strong liquidity

5. Additional supporting information

Details on ratings variables, SMUD specific credit strengths, factors that could lead to an upgrade, and insurance are listed below:

Ratings Variables:

The rating agencies evaluate a number of factors in deriving municipal power ratings. These include:

- a. Financial ratios and metrics
- b. Governance Structure and Management
- c. Rate Competitiveness
- d. Cost of production/purchased power (particularly with respect to higher cost renewables)
- e. Risk Management Practices
- f. Service area demographics
- g. Regulatory factors

6. Recommendation:

It is recommended that the Board accept the Monitoring Report for SD SD-3 Board Strategic Direction on Access to Credit Markets

RESOLUTION NO. 21-02-04

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

This Board approves the revisions to **Strategic Direction SD-2,**
Competitive Rates, substantially in the form as set forth in **Attachment C.**

Approved: February 18, 2021

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

**Attachment C
to Resolution No. 21-02-04**

<u>SMUD BOARD POLICY</u>	
Category: Strategic Direction	Title: Competitive Rates
	Policy Number: SD-2
Date of Adoption: May 1, 2003	Resolution No. 03-05-08
Revision Date: October 16, 2003	Resolution No. 03-10-14
Revision Date: February 21, 2008	Resolution No. 08-02-06
Revision Date: October 16, 2008	Resolution No. 08-10-09
Revision Date: January 21, 2010	Resolution No. 10-01-09
Revision Date: February 18, 2021	Resolution No. 21-02-04

Maintaining competitive rates is a core value of SMUD.

Therefore:

- a) The Board establishes a rate target of 18 percent below Pacific Gas & Electric Company's published rates on a system average basis. In addition, the Board establishes a rate target of at least 10 percent below PG&E's published rates for each customer class.
- b) SMUD's rates shall be competitive with other local utilities on a system average basis.
- c) In addition, SMUD's rates shall be designed to balance and achieve the following goals:
 - i) Reflect the cost of energy when it is used or exported to the SMUD grid;
 - ii) Reduce consumption during periods of high system demand;
 - iii) Encourage energy efficiency, conservation and carbon reduction;
 - iv) Encourage cost effective and environmentally beneficial Distributed Energy Resources (DERs) (examples of DERS include but are not limited to rooftop solar, battery storage, and energy reduction applications);
 - v) Minimize the rate of change in the transition from one rate design to another;
 - vi) Provide customers flexibility and choices;
 - vii) Be as simple and easy to understand as possible;

- viii) Address the needs of people with low incomes and severe medical conditions; and
- ix) Equitably allocate costs across and within customer classes.

Monitoring Method: GM Report
Frequency: Annual

RESOLUTION NO. 21-02-05

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

This Board approves the revisions to **Governance Process GP-4**,
Agenda Planning, substantially in the form as set forth in **Attachment D**.

Approved: February 18, 2021

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

**Attachment D
to Resolution No. 21-02-05**

SMUD BOARD POLICY	
Category: Governance Process	Title: BOARD/COMMITTEE WORK PLAN AND AGENDA PLANNING
	Policy Number: GP-4
Date of Adoption: December 19, 2002	Resolution No. 02-12-14
Revision Date: October 16, 2003	Resolution No. 03-10-14
Revision Date: June 3, 2004	Resolution No. 04-06-07
Revision Date: March 20, 2008	Resolution No. 08-03-07
Revision Date: October 16, 2008	Resolution No. 08-10-09
Revision Date: March 5, 2009	Resolution No. 09-03-06
Revision Date: February 3, 2011	Resolution No. 11-02-02
Revision Date: January 16, 2014	Resolution No. 14-01-05
Revision Date: July 17, 2014	Resolution No. 14-07-03
Revision Date: September 21, 2017	Resolution No. 17-09-10
Revision Date: February 18, 2021	Resolution No. 21-02-05

To accomplish its strategic leadership consistent with Board policies, the Board will develop and follow an annual work plan that ensures the Board: (i) focuses on the results the Board wants the organization to achieve; (ii) defines the conditions of SMUD that it considers acceptable and unacceptable; (iii) meets its other obligations as stated by law or policy; and (iv) continually improves its performance through education, feedback, and deliberation. The Board work plan shall guide SMUD staff in preparing the agendas for regular board meetings and standing committee meetings.

Specifically:

1) Board Work Plan

- a) The Board will develop each year a list of topics and issues that it wishes to explore in the coming years and maintain a work plan that will be regularly reviewed by the Board or a standing committee.

- b) The Board President shall ensure that the Board's agendas meet the goals of the annual work plan.

2) Board Agendas

- a) Board agendas shall be posted on the SMUD website at www.smud.org least 72 hours prior to a regular Board meeting and at least 24 hours before a special Board meeting.
- b) Only members of the Board and the Chief Executive Officer and General Manager (CEO/GM) and his or her designees may place items on the Board agenda.
- c) Items for placement on the agenda fall into the following categories:
 - Items generated by SMUD management;
 - Items placed on the agenda by a Board member;
 - Presentations by outside persons or agencies that have received approval for placement on an agenda from the Board President (see Meeting Procedures of the SMUD Board of Directors for details).
- d) To the extent possible, when the Board conducts its regular review of the Board Work Plan, a Board member should notify the other Board members if the member intends to place an item on the agenda for discussion at a Board meeting.
- e) When a Board member wishes to invite people to make a presentation at a Board meeting, the Board member should coordinate with the Board President and CEO/GM. When a Board member invites people to speak at a Board meeting during the public comment period, the Board member should notify the Board President in advance of the meeting to ensure the efficient management of public comment.
- f) Items may be placed on the agenda on either the consent calendar or the discussion calendar. An item placed on the consent calendar may be moved from the consent calendar to the discussion calendar at the request of any Board member, prior to a motion and a second on the consent calendar.
- g) A Board member may propose at the beginning of the meeting to pull an item from the agenda. Upon a motion and a second, the Board may vote to approve the agenda as revised.
- h) Matters not on the agenda for a regular meeting will not be considered by the Board at that meeting except: (1) upon determination by a majority of the Board that an emergency situation exists, severely impairing public health and/or safety; or (2) upon a determination by a two-thirds vote of the Board or by a unanimous vote if less than two-thirds of the members are present, that the need to take action arose subsequent to the agenda being posted; or (3) as otherwise permitted under the Ralph M. Brown Act of the California Government Code.

- i) Whenever an item has been approved for consideration by the Board under paragraph 2) h) of this policy, the Board President will read, upon introducing the item for Board consideration, a brief summary which shall include the subject title, a short explanation of the subject matter, and, if any, the recommendation.
- j) Matters on the agenda for regular meetings which have not been considered and acted upon at such meetings or continued to a subsequent meeting will be deemed continued to the following regular meeting until they can be relisted as a regular item.
- k) Whenever the Board fails to take action on an item on the Board's agenda, the Board will set a date for reconsideration of the item. If for any reason the Board fails to set such a date, the Board Secretary will list all such items as a "pending item" on the action item section of the next regular agenda for which the Board Secretary is accepting items.

3) Committee Agendas

- a) Committee agendas shall be posted on the SMUD website at www.smud.org least 72 hours prior to the committee meeting.
- b) Items may be placed on a committee agenda either by a decision by the full Board, the Board President, a Board member, or by the CEO/GM and his or her designees.
- c) To the extent possible, when the Board conducts its regular review of the Board Work Plan, a Board member should notify the other Board members if the member intends to place an item on the agenda for discussion at a committee meeting.
- d) When a Board member wishes to invite people to make a presentation at a committee meeting, the Board member should coordinate with the committee chair and the CEO/GM. When a Board member invites people to speak at a committee meeting during the public comment period, the Board member should notify the committee chair in advance of the meeting to ensure the efficient management of public comment.
- e) Members of the public may request the opportunity to be listed on a committee agenda for purposes of making a presentation at a committee meeting on matters within SMUD's jurisdiction. The committee chair will review all complete presentation requests and may, at his or her discretion, direct the responsible staff to list the presentation on the committee's agenda. (See Meeting Procedures of the SMUD Board of Directors for details).

4) Issuance of Agendas:

- a) The Board Secretary's office, under the direction of the CEO/GM and the Board President, shall prepare and issue an agenda for each regular meeting and special meeting of the Board.
- b) The Executive Management team, under the direction of the CEO/GM and in coordination with the standing committee chairs, shall prepare and issue an agenda for each standing committee meeting.
- c) Proposed Board agendas will be reviewed by the Board President and proposed committee agendas will be reviewed by the committee chair prior to the development of the relevant public notices.

Monitoring Method: Board Report
Frequency: Annual

RESOLUTION NO. 21-02-06

WHEREAS, California Public Utilities Code section 11908 requires this Board to establish rules for its proceedings; and

WHEREAS, it is prudent to revise the Meeting Procedures to reflect changes made by this Board to ensure the efficient conduct of meetings; **NOW**,
THEREFORE,

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

Section 1. This Board adopts the 2021 Edition of the **Meeting Procedures of the SMUD Board of Directors**, substantially in the form set forth in **Attachment E** hereto and made a part hereof.

Section 2. Prior versions of the Meeting Procedures of the SMUD Board of Directors are superseded in their entirety.

Approved: February 18, 2021

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

Attachment E
to Resolution No. 21-02-06

Meeting Procedures of the SMUD Board of Directors

2021 Edition
Supersedes all previous versions

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INTRODUCTION

Welcome Statement

Welcome to the Board of Directors meeting. These procedures are designed to assist the community in understanding how the Sacramento Municipal Utility District (SMUD) Board of Directors conducts its meetings. Copies of the Meeting Procedures are available upon request through the office of the SMUD Board Secretary or on the internet at www.smud.org.

Authority

The Board of Directors governs SMUD and is its policy-making body. The Board appoints a Chief Executive Officer and General Manager responsible for SMUD's operations.

Board Tenure

The Board of Directors is comprised of seven members elected by ward to represent different geographic areas of the Sacramento region. The Directors serve four-year terms which are staggered.

Board Governance Policies

The Board of Directors operates under a set of governance policies. The governance policies define the Board's purpose and how it operates; SMUD's vision and strategic direction; and its links and delegations to staff. Copies of the Board governance policies are available upon request through the office of the SMUD Board Secretary or on the internet at www.smud.org.

These meeting procedures complement the Board's policies, but do not supersede them. If there is an inconsistency between any of the Board's policies and these meeting procedures, the Board's policies control.

CHAPTER I – BOARD MEETINGS

Rule 1.0 Time and Place

(a) Regular Board meetings occur the third Thursday of the month except that the regular meeting in December occurs the second Thursday of the month. Unless otherwise designated on the Board meeting agenda, regular meetings begin at 6:00 p.m. except that the regular meetings in January, April, July, and October begin at 9:00 a.m.

All regular meetings are held in the SMUD Auditorium at 6201 S Street, Sacramento, California, unless otherwise designated on the Board meeting agenda.

(b) In the event that the Thursday Board meeting falls on a legal holiday, unless otherwise determined by the Board President, that meeting will be held on the next business day following the holiday and begin at the time specified for that Board meeting.

(c) Any meeting or session of the Board may be adjourned for cause, in good faith, at any time, or from time-to-time, when necessary for the expeditious transaction of business.

(d) All meetings of the Board, including regular, special and emergency meetings, are called in accordance with the Ralph M. Brown Act, California Government Code Section 54950, *et seq.*

(e) Board members may participate in Board meetings by teleconferencing under the following conditions: (i) a quorum of the Board members are personally in attendance at the meeting; (ii) the teleconferencing Board member is unavailable to personally attend due to illness or is outside the boundaries of SMUD; (iii) the teleconferencing location is accessible to the public; and (iv) all other requirements of the Ralph M. Brown Act of the California Government Code are met.

(f) Members of the public may audio or video record Board meetings provided that they do not block aisles, exits or interfere with public sight lines.

Rule 1.1 Parliamentary Procedures

In all cases not provided for by these meeting procedures, or by SMUD ordinance or resolution, parliamentary procedures will be in accordance with Robert's Rules of Order (current edition). The Board Secretary will act as parliamentarian to the Board.

Rule 1.2 Order of Business

Unless special circumstance apply, the regular order of business at each regular Board meeting is:

- (a) Call to Order
- (b) Pledge to the Flag
- (c) Roll Call
- (d) Cable Announcement
- (e) Customer Education Message

- (f) Approval of the Agenda
- (g) Approval of the Minutes
- (h) Committee Chair Reports
- (i) Statements from the Public (at the time the agenda item is considered)
- (j) Consent Calendar
- (k) Discussion Calendar
- (l) Public Comments (non-agenda items)
- (m) Directors' Reports
- (n) President's Report
- (o) CEO's Report
- (p) Adjournment

Rule 1.3 Quorum

(a) Four members of the Board constitute a quorum for a regular, special or emergency Board meeting. No business will be acted upon until a quorum is present. No business will be conducted when the number of Board members is reduced below a quorum with the exception of information items. The presiding member of the Board meeting will note for the record when a Board member arrives late to a Board meeting or departs before adjournment.

(b) Whenever two-thirds of the Board membership or two-thirds vote is required for approval of a matter, at least five members or five votes will be required to approve the matter.

Rule 1.4 Presiding Officer and Selection of Officers

(a) The President of the Board will preside over Board meetings. In the absence of the Board President, the Vice-President of the Board will preside at meetings. In the absence of both the Board President and the Vice-President, the members of the Board attending the meeting will choose a president pro tem who will preside at the meeting and will be determined as the first order of business.

(b) The Board President and Vice-President will serve one-year terms and will be selected through a nomination process which will be conducted in

December of each year. If no successor is named by the conclusion of the officer's term, the officer shall continue in office until a successor is named.

Rule 1.5 Public Participation

(a) Members of the public may attend any meeting of the Board of Directors except for closed sessions of the Board as determined by the Ralph M. Brown Act of the California Government Code. Members of the public are required to switch pagers, cellular phones and similar electronic devices to a silent or off mode during Board meetings.

(b) Members of the public may address the Board at a Board meeting on agenda items prior to or during the Board's consideration of that item, and on items of interest not on the agenda which are within SMUD's jurisdiction, except that no public comment will be taken on the form or content of the Board agenda itself except during the general public comment period.

(c) To facilitate the SMUD Board's conduct of business, members of the public that wish to address the Board will have up to three (3) minutes during general public comment period and up to three (3) minutes on any individual agenda item on which the Board will take action. The Consent Calendar is considered a single item, and speakers are subject to the three (3) minute limit for the entire Consent Calendar. Items listed on the agenda but on which no Board action will be taken, including without limitation, Committee reports, Directors' reports, and the CEO's report shall be addressed in the general public comment period, and will be subject to the three (3) minute limitation. In addition to the above time limits, the total time allotted to any individual speaker shall not exceed nine (9) minutes for an entire Board meeting.

(d) Notwithstanding the foregoing, the Board President may, in his or her discretion, and based upon factors such as the length of the agenda, the substance of the agenda, the number of public comment speaker cards submitted, and whether the Board is in danger of losing a quorum, depart from the above referenced time limits for individual speakers, establish a time limit for particular issues, set a cumulative time limit, or otherwise regulate public comment. Speaking times may be extended at the discretion of the Board President. Speakers will be limited to the time allocated by the Board President and will not be allowed to accept time from other members of the public in attendance at the meeting.

(e) Public speakers are expected to exercise decorum when addressing the Board.

(f) Speakers are to direct their comments to the Board. The public comment periods are not intended to be "Question and Answer" periods or conversations

with the SMUD Board or SMUD staff. For non-agenda items, the Board members may not engage in an active discussion of the matter and are limited to making a brief statement, asking clarifying questions or directing staff to follow up on a matter.

(g) Any person desiring to address the Board on an agenda item shall file a request to speak form with a Security Officer present at the meeting prior to the time the matter is called. The speaker shall designate on the request to speak form whether the speaker intends to address the Board on an item on the agenda or on a non-agenda item. Public speakers wishing to distribute written materials to the Board must hand the materials to the Security Officer who will distribute the written materials to the Board and staff. Distributed materials will be made a part of the record and will be available to the public for inspection, unless otherwise confidential. Public speakers speaking during the public comment period and on items on the agenda will not be allowed to use signs, posters, videos, taped recordings or overheads in making their public comments.

(h) In the event that any Board meeting is willfully interrupted or disrupted by a person or by a group or groups of persons so as to render the orderly conduct of the meeting infeasible, the Board President, unless there is an objection by a majority of the Board members present, may order the person, group or groups of persons willfully interrupting the meeting to leave the meeting or be removed from the meeting. In such case, the Board President will:

- (1) Notify the person, group, or groups of persons that they are in non-compliance with meeting procedures;
- (2) Request that they comply; and
- (3) Inform them of the consequence of non-compliance

(i) At least fourteen (14) days in advance of a scheduled Board meeting, members of the public may request the opportunity to be listed on the agenda for purposes of making a presentation at a Board meeting on matters within the SMUD's jurisdiction. Presentation requests must be initiated in writing and submitted to the Board President through the Board office. Requests must state the following information:

- (1) Subject matter;
- (2) Presenter's name, address and telephone number;
- (3) Any action(s) which the requestor wishes the Board to take;
- (4) Amount of time requested, not to exceed 10 minutes;
- (5) Desired Board meeting date.

The Board President will review all complete presentation requests and, may at his or her discretion, direct the Secretary of the Board to list the presentation on the Board's agenda. If the Board President denies a presentation request, the requesting party may address the Board at a meeting on a matter within SMUD's jurisdiction, subject to the three (3) minute time limitation.

(k) Members of the public are prohibited from bringing firearms, knives or other weapons of any kind, as well as bio-waste or bio-hazards, into the Board meeting room or any SMUD building.

(l) SMUD reserves the right to inspect packages, backpacks, purses, and similar containers prior to allowing members of the public entrance to Board meetings.

Rule 1.6 Approval of Board Minutes

The Board Secretary will provide a copy of the minutes of each regular meeting to each member of the Board with the next regular meeting agenda packet. The Board Secretary will provide a copy of the minutes of each special meeting at which Board action is taken to each member of the Board with the next month's regular meeting agenda packet. The minutes of the preceding meeting will not be read at any Board meeting unless a member of the Board requests it, but the Board President will inquire of the Board members whether there are corrections to the minutes. After any corrections have been made, the Board President will call for a motion to approve the minutes.

Rule 1.7 Preservation of Minutes

The minutes of the Board will be maintained by the Board Secretary as a corporate record. The minutes of each meeting will be signed by the Secretary and by the officer who presided at the Board meeting. The Secretary is charged with the custody of all papers, books and documents of the Board and will make the same available for public inspection at all reasonable times in accordance with the California Public Records Act.

Rule 1.8 Taping and Web Streaming of Meetings

The Board Secretary will arrange to have regular Board meetings video-recorded and cablecast on Metro Cable Channel 14, except for closed sessions. SMUD will store video-recordings of Board meetings for a period of four (4) years. Video of the regular Board meetings will be streamed live and, together with the Board agenda, will be archived on the SMUD website for a one-year period.

Rule 1.9 Addressing the Board President and Recognition to Speak

(a) When any Board member is about to speak, he or she will seek recognition to speak from the Board President; and when two or more members address the

Board President at the same time, the Board President will determine the speaking order. Once the Board President has recognized the right of the Board member to speak, the Board President will protect the speaker from disturbance or interference.

(b) The Board President will not recognize a member to speak again, except to answer questions, until all other Board members have had an opportunity to be heard.

(c) All members will have an opportunity to speak before the Board President enters debate on a regular item.

Rule 1.10 Procedure Regarding Motions

(a) **Motions in General:** A resolution, or any other action of the Board, may be proposed by any member including the Board President, by a motion to adopt. Such a motion, if seconded by a member, including the Board President, will be on the floor and must be considered; if not seconded, the motion is lost for lack of a second, and will be so declared by the Board President.

(b) **Amend a Motion:** A motion on the floor (with a second) may be amended at any time before adoption or rejection by an amendatory motion made by any member including the Board President.

An amendatory motion may be in the form of a substitute motion so that it replaces the original motion and can be adopted by a single vote, or it may be phrased so as to amend the original motion; if the substitute motion fails to carry, the original motion will then be voted upon; if the amendment is separately voted upon and is not adopted, the original motion will then be voted upon; if the amendment is adopted, the original motion as amended will then be voted upon.

(c) **Withdraw a Motion:** A motion may be withdrawn by the maker at any time before adoption or rejection with the consent of the second. The second to a motion may be withdrawn by the seconding member at any time before adoption or rejection of the motion; the motion will then be lost for lack of a second and so declared by the Board President unless seconded by another member.

(d) **Motion to Call the Question:** The purpose of a motion to call the question is to close debate and to vote immediately on a motion. After a motion has been seconded, any member may discuss or comment on the subject of the motion. When no member wishes to discuss or comment further, the Board President will call for a vote on the motion. At any time after a motion has been seconded, any member who has the floor, including the Board President, may move to call for the question. The Board President will then state, "the question has been called for." If four members, one of whom may be the Board President, then concur, the Board President will call for a vote on the motion. If less than four members

concur, discussion of the motion will then continue until the question is again called for or discussion terminates and a vote is called for by the Board President.

(e) **Motion to Table:** The purpose of this motion is to terminate further consideration of the subject under discussion. At any time after a motion has been seconded, any member, including the Board President, may move to table the motion. If the tabling motion is seconded, the Board President will call for a vote on the tabling motion. If the tabling motion is adopted, the original motion will remain on the floor but may not again be considered at the meeting at which the tabling motion was adopted except following the adoption of a motion to remove the original motion from the table. The original motion may be considered and voted upon at the next regular meeting of the Board unless again tabled. If not considered at such meeting, it will be deemed lost. If the tabling motion is not adopted, consideration of the original motion will continue under these rules. For the purposes of this section, if the Board recesses the meeting at which a motion has been tabled, the reconvened meeting will be considered a separate meeting and the original motion may be considered and voted upon.

(f) **Motion to Reconsider a Vote:** A motion to reconsider the vote may be made by any member who voted with the prevailing side. No question can be twice reconsidered unless it was amended after its first consideration. A motion to reconsider the vote may be made only at the meeting at which the original vote was taken or, if the Board recesses such meeting, at the reconvened meeting.

Rule 1.11 Roll Call

(a) The Chief Legal Officer and General Counsel will conduct a roll call at the beginning of each publicly noticed Board and Committee meeting.

(b) The roll need not be called in voting upon a motion except where specifically required by law or requested by a member. If the roll is not called, Board members will cast their votes electronically.

(c) Each roll call of the Board will be in ward order, except that the Board President will be called last.

Rule 1.12 Overruling the Board President

A decision of the Board President with respect to the interpretation, applicability or enforcement of these rules may be overruled by majority vote of the Board.

Rule 1.13 Suspension of Rules

Any permanent rule of the Board may be suspended temporarily by a majority of the Board, provided that the temporary suspension will apply only to the matter

under immediate consideration, and in no case will it extend beyond an adjournment.

Rule 1.14 Amendment of Board Meeting Procedures

These meeting procedures may be amended by a majority vote of the Board.

CHAPTER II - COMMITTEES

Rule 2.0 Time and Place

(a) Whenever a standing Committee meeting is also noticed as a special Board Meeting, it shall be conducted as a Committee meeting and members of the Board that are not assigned to the Committee may attend and participate in the discussions, whether or not a quorum of the Board is present. In order to preserve the function of the Committee as advisory to the Board, no Board action will be taken at a Committee meeting.

(b) Board members may participate at Committee meetings by teleconferencing under the following conditions: (i) a quorum of the Committee members are personally in attendance at the meeting; (ii) the teleconferencing Board member is unavailable to personally attend due to illness or is outside the boundaries of SMUD; (iii) the teleconferencing location is accessible to the public; and (iv) all other requirements of the Ralph M. Brown Act of the California Government Code are met.

(c) Members of the public may audio or video record Committee meetings provided that they do not block aisles, exits or interfere with public sight lines.

Rule 2.1 Purpose and Quorum

(a) Board Committees assist the Board by gaining education, considering alternatives and implications, preparing policy alternatives, and making recommendations to the full Board. As a general rule, matters to be considered by the Board will first be referred to a Committee.

(b) Two members of the Board will constitute a quorum for a Committee meeting. Where the number of Board members is reduced below a quorum during a Committee meeting, the Committee may continue to conduct business. Where a Committee lacks a quorum, the Board President, Board Vice-President or Committee Chair, in that order, may appoint a non-committee Board member to serve on the Committee for that meeting.

Rule 2.2 Preparation and Preservation of Minutes

(a) Minutes of each Committee meeting will be prepared by the responsible Executive and reviewed by the Board Secretary. The presiding officer of the Committee will sign the minutes indicating approval of the minutes.

(b) The minutes of Committee meetings will be maintained by the Board Secretary as a corporate record.

Rule 2.3 Taping and Web Streaming of Committee Meetings

Committee meetings will be audio recorded and will be audio streamed live to the public and archived on the SMUD website for one (1) year. The audio recordings of Committee meetings will be maintained for a period of four (4) years.

Rule 2.4 Public Participation

(a) Members of the public may attend any Committee meeting of the Board. Members of the public are required to switch pagers, cellular phones and similar electronic devices to a silent or off mode during Committee meetings.

(b) Members of the public may address the Committee at a meeting on agenda items prior to or during the Committee's consideration of that item.

(c) Pursuant to Rule 2.1(b) of these Procedures, items may only be placed on a Committee agenda either by a decision by the full Board, the Board President, a Board member, or by the CEO and General Manager or his or her designee. Accordingly, no public comment will be taken on the form or content of the agenda.

(d) Speakers will have up to three (3) minutes to address the Committee on items on the agenda; provided, however, the total time allotted to any individual speaker shall not exceed nine (9) minutes. The Board President may, in his or her discretion, and based upon factors such as the length of the agenda, the substance of the agenda, the number of public comment speaker cards submitted, and whether the Board is in danger of losing a quorum, depart from the above referenced time limits for individual speakers, establish a time limit for particular issues, set a cumulative time limit, or otherwise regulate public comment. Speaking times may be extended at the discretion of the Committee Chair. Speakers will be limited to the time allocated by the Chair and will not be allowed to accept time from other members of the public in attendance at the meeting.

(e) Public speakers are expected to exercise decorum when addressing the Committee.

f) Speakers are to direct their comments to the Committee. The public comment periods are not intended to be “Question and Answer” periods or conversations with the SMUD Board or SMUD staff.

(g) Any person desiring to address the Committee on an agenda item shall file a request to speak form with the Security Officer present at the meeting prior to the time the matter is called. The speaker shall designate on the request to speak form whether the speaker intends to address the Committee on an item on the agenda or on a non-agenda item. Public speakers wishing to distribute written materials to the Committee must hand the materials to the Security Officer who will distribute the written materials to the Committee and staff. Distributed materials will be made a part of the record and will be available to the public for inspection, unless otherwise confidential. Public speakers speaking will not be allowed to use signs, posters, videos, taped recordings or overheads in making their public comments.

(h) In the event that any Committee meeting is willfully interrupted or disrupted by a person or by a group or groups of persons so as to render the orderly conduct of the meeting infeasible, the Committee Chair, unless there is an objection by a majority of the Committee members present, may order the person, group or groups of persons willfully interrupting the meeting to leave the meeting or be removed from the meeting. In such case, the Committee Chair will:

- (1) Notify the person, group, or groups of persons that they are in non-compliance with meeting procedures;
- (2) Request that they comply; and
- (3) Inform them of the consequence of non-compliance

(i) At least fourteen (14) days in advance of a Committee meeting, members of the public may request the opportunity to be listed on the agenda for purposes of making a presentation at a Committee meeting on matters within SMUD’s jurisdiction. Presentation requests must be initiated in writing by any individual and submitted to the Committee Chair through the Board of Director’s office. Requests must state the following information:

- (1) Subject matter;
- (2) Presenter’s name, address and telephone number;
- (3) Any action(s) which the requestor wishes SMUD to take;
- (4) Amount of time requested, not to exceed 10 minutes;
- (5) Desired Committee meeting date.

The Committee Chair will review all complete presentation requests and, may at his or her discretion, direct the responsible staff to list the presentation on the Committee's agenda. If the Committee Chair denies a presentation request, the requesting party may address the Committee at a regular meeting subject to the three (3) minute time limitation.

j) Members of the public are prohibited from bringing firearms, knives or other weapons of any kind, as well as bio-waste or bio-hazards, into the Board meeting room or any SMUD building.

(k) SMUD reserves the right to inspect packages, backpacks, purses, and similar containers prior to allowing members of the public entrance to Committee meetings.

CHAPTER III – HEARINGS

Rule 3.0 Hearings – General Procedures

(a) Hearings required by law will be held in compliance with the Municipal Utility District Act (California Public Utilities Code § 11501, *et seq.*) or other relevant statute, ordinance, or regulation. Unless otherwise required by applicable law, the procedures set forth in this Rule 3.0 shall apply to all SMUD Board hearings that do not involve a change in rates or rate structure.

(b) Any individual wishing to address the Board shall fill out a request to speak form and file the form with the Security Officer in attendance at the meeting. Public speakers wishing to distribute written materials to the Board must hand the materials to the Security Officer who will distribute the written materials to the Board and staff. Distributed materials will be made a part of the record and will be available to the public for inspection, unless otherwise confidential.

(c) Speakers will be called in an order determined by the Board President.

(d) Individuals will not be allowed to accept time from other individuals.

(e) Individuals may speak up to three (3) minutes. The Board President may, in his or her discretion and based upon factors such as the length of the agenda, the number of public comment speaker cards submitted, and whether the Board is in danger of losing a quorum, depart from the above referenced time limits for individual speakers, establish a time limit for particular issues, set a cumulative time limit, or otherwise regulate public comment. Speaking times may be extended at the discretion of the Board President.

(f) The Board will consider any written testimony or reports of reasonable length submitted by the public in advance of the hearing.

(g) All exhibits, including documentary materials, will be retained by the Board Secretary as part of the record of the hearings and will be available and will be available to the public for inspection.

Rule 3.1 Hearings – Rate Process

All rate hearings shall be conducted pursuant to the procedures set forth in Ordinance 15-1, attached hereto.

CHAPTER IV – CUSTOMER APPEALS OF DISPUTED BILLS

Rule 4.0 Disputed Bill Appeals Procedure

(a) Section 12823 of the Municipal Utility District Act (California Public Utilities Code § 11501, *et seq.*) establishes the rights of customers regarding disputed bills. For purposes of clarification, these procedures do not apply to the nonpayment of charges and fees by customers that do not dispute the accuracy of a bill.

(b) The following procedures shall govern the process by which a customer may file an appeal with the Board of Directors following an adverse determination by a SMUD Management Hearing Officer (Hearing Officer) under Section 12823(c) of the Municipal Utility District Act: .

(i) Following the SMUD Management Hearing, the Hearing Officer will mail his/her decision to the customer. Included in the mailing of the decision will be an appeal form and instructions on how the customer may appeal the decision to the Board of Directors. Under Rule and Regulation 10, Customer Services may include a request for payment of a deposit as evidence of good faith if such a deposit was not requested previously.

(ii) If the customer does not file an appeal form, the Hearing Officer's decision will be final. If the customer files an appeal form with Customer Services it must be received within ten (10) business days of the date of the Hearing Officer's letter or the customer's appeal will be rejected as untimely and the Hearing Officer's decision will be deemed final. Customer Services will notify the customer that the appeal is untimely. If the customer files an appeal form within 10 business days of the date of the Hearing Officer's letter, the appeal is considered timely. The appeal and appropriate documentation shall be forwarded to the appropriate SMUD Executive for processing, with a copy to the Board Office.

(iii) The Executive shall review the appeal, gather information and provide appropriate documentation to the Board Member for the ward in which the appealing customer resides (service address for the account in question).

(iv) The Board Member for the ward in which the appealing customer resides (service address for the account in question) shall review the information and may elect to contact the customer for additional information.

(v) Once the Board Member's review is complete, the appeal, including the recommendation (if any) of the Board Member, will be placed on the agenda of the Board of Directors for an upcoming meeting of the Board of Directors. The Board Office will notify the customer in writing of the date that the appeal will be heard so that the customer may appear and be heard if he/she so desires.

(vi) The appeal shall be heard by the Board of Directors, and a final decision on the appeal shall be rendered by the Board of Directors. Customer Services shall notify the customer in writing of the Board's decision.

(vii) The Board's decision represents final agency action.

ORDINANCE NO. 15-1

WHEREAS, the Board-appointed citizens' Rate Advisory Committee conducted a thorough review of the Sacramento Municipal Utility District's rates and, on September 27, 1991, submitted its Report and Recommendation to the Board of Directors concerning General Policy Frameworks for Rate-setting; and

WHEREAS, on December 19, 1991 the Board adopted Ordinance No. 91-1 to establish certain procedures that govern its rate-making process; and

WHEREAS, this Board has thoroughly reviewed its rate-making process and hereby determines it to be necessary and appropriate to amend the provisions of Ordinance No. 91-1 to clarify and update its rate-making process; NOW, THEREFORE:

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

Section 1. The following definitions are applicable for this Ordinance:

- (a) "Board" means the Sacramento Municipal Utility District Board of Directors.
- (b) "Business Day" means any day except Saturday, Sunday, or a legal holiday observed by SMUD.
- (c) "Code" means the California Public Utilities Code.
- (d) "Report" means the proposals in the General Manager's Report and Recommendation on Rates and Services, including any addenda or errata.

Section 2. The following procedures are hereby adopted for considering rate changes and conducting hearings thereon:

- (a) These procedures shall be in addition to the procedures outlined in Sections 14401 through 14403.5 of the Code; provided, that in the event of any inconsistency between the procedures adopted herein and the Code, the Code shall govern.
- (b) After the General Manager has released the Report, the public may have access, upon reasonable notice, to SMUD staff's supporting information and documents (excluding confidential information and other information protected from disclosure by law).
- (c) For any change to SMUD rates and charges that intends to increase or decrease revenue, the following requirements shall apply:

i. Public Workshops. No sooner than twenty (20) calendar days following release of the Report, the General Manager or his/her designees shall conduct at least two (2) public workshops.

ii. Public Hearings. No sooner than fourteen (14) calendar days following completion of the first two (2) public workshops, the Board shall conduct one or more public hearings on the proposed change in accordance with the requirements of the Code.

(d) For any change to SMUD rates and charges that does not intend to increase or decrease revenues, the following requirements apply:

i. Public Workshops. No sooner than ten (10) calendar days following release of the Report, the General Manager or his/her designees shall conduct at least two (2) public workshops.

ii. Public Hearings. No sooner than ten (10) calendar days following completion of the first two (2) public workshops, the Board shall conduct one or more public hearings on the proposed change in accordance with the requirements of the Code.

(e) Notwithstanding paragraphs (c) and (d), when unanticipated events cause a sudden and significant change in SMUD's financial condition requiring an immediate response to make changes to rates and charges, the Board shall conduct at least one public hearing on the proposed change no sooner than ten (10) calendar days following release of the Report in accordance with the requirements of the Code.

(f) Public Workshop Procedures. The public workshops shall serve as a forum for the public to question staff as to the recommended rate or rate structure, prior to the public hearing. During the public workshops, members of the public may ask questions and/or provide non-duplicative comments directly relevant to the Report. All workshops shall be recorded and transcribed. The General Manager or his/her designees may, in his/her discretion, set time limits for individual speakers, establish a time limit for particular issues, set a cumulative time limit, or otherwise regulate public comment.

(g) Public Hearing Procedures. During a public hearing, members of the public may provide non-duplicative testimony for up to three (3) minutes and shall have a full and fair opportunity to present comments, recommendations and alternatives for the Board's consideration. Speaking times may be extended at the discretion of the Board President. The Board President may, in his/her discretion, and based upon factors such as the number of public comment speaker cards submitted, depart from the above referenced time limit for individual speakers, set a cumulative time limit, or otherwise regulate public comment.

i. Members of the public that wish to address the Board with alternatives to the rate changes proposed in the Report and that desire additional time for public comment shall notify SMUD in writing at least ten (10) calendar days prior to

the public hearing(s). Such notice shall include the amount of time requested. The Board President may, in his/her discretion, grant additional time up to, but no more than, a total of twenty (20) minutes.

ii. Members of the public desiring to submit written materials are requested to do so at least five (5) business days prior to the public hearing(s).

iii. Notwithstanding any provision in this paragraph (g), the public hearing(s) shall be conducted in accordance with the Board's Meeting Procedures.

iv. The public hearing(s) shall be recorded and transcribed.

(h) Members of the public may submit questions related to the Report in writing at any time after release of the Report up until five (5) business days prior to the public hearing. To the extent practicable, SMUD staff shall respond to such questions in writing within five (5) business days of receipt. Questions received after 5:00 p.m. shall be deemed to have been received on the next business day. SMUD staff will provide notice in the event that complex questions require additional time.

(i) Written documents, including alternative rate proposals, made by members of the public that are directly relevant to the Report and submitted to SMUD shall be made available to the public on SMUD's web site.

(j) Once the public hearing(s) have concluded, the Board shall make available for public review and comment for a period of at least ten (10) calendar days a draft resolution containing its proposed rate decision and the basis for the decision. However, if the Report proposes changes to rates due to circumstances in paragraph (e), the public review and comment period is at least five (5) calendar days.

(k) Following completion of the public comment period, the Board may approve the proposed resolution. However, if the Board proposes any material modifications (i.e., modifications which change customer rates or billings) in the proposed resolution, such resolution as modified shall be made available for public review and comment for a period of at least ten (10) calendar days in normal circumstances; and at least five (5) calendar days if a change to rates is proposed due to circumstances in paragraph (e). The Board shall permit public testimony on the modified resolution prior to any Board action thereon. The final approved resolution shall contain the rate decision and basis for the decision.

(l) Written notices, questions, comments, and other materials submitted by members of the public to SMUD shall be delivered in person, by mail, by facsimile, or by electronic mail.

Section 3. This Ordinance, to the extent it is inconsistent with any prior SMUD resolutions or ordinances, supersedes and repeals such inconsistent resolutions and ordinances.

Section 4. Board rate decisions are promulgated pursuant to Code Sections 11883 and 11885 and such decisions are only reviewable pursuant to Section 14402 of the Code. Nothing contained herein is intended to change, modify, or provide any additional remedies at law or inequity to persons seeking to challenge a rate decision.

Section 5. This Ordinance supersedes Ordinance No. 91-1 and shall take effect upon completion of publication as required by Section 11910 of the Code.

I hereby certify that the foregoing Ordinance was introduced at a regular meeting of the Sacramento Municipal Utility District's Board of Directors on the 5th day of March 2015, and was duly adopted on the 19th of March 2015 at a regular meeting of the Sacramento Municipal Utility District's Board of Directors.

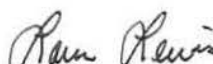
Adopted: March 19, 2015 by the SMUD Board of Directors

INTRODUCED: DIRECTOR SHIROMA				
SECONDED: DIRECTOR TAYLOR				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
KERTH	X			
BUI-THOMPSON	X			
TAYLOR	X			
FISHMAN	X			
SHIROMA	X			
TAMAYO	X			
SLATON	X			



Rob Kerth
President
Board of Directors
Sacramento Municipal Utility District

Attested:



Laura Lewis
Secretary

RESOLUTION NO. 21-02-07

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

This Board approves the revisions to **Governance Process GP-9,**
Board Committee Chairs, substantially in the form as set forth in
Attachment F.

Approved: February 18, 2021

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

**Attachment F
to Resolution No. 21-02-07**

<u>SMUD BOARD POLICY</u>	
Category: Governance Process	Title: Board Committee Chairs
	Policy Number: GP-9
Date of Adoption: December 19, 2002	Resolution No. 02-12-14
Revision Date: October 16, 2003	Resolution No. 03-10-14
Revision Date: June 3, 2004	Resolution No. 04-06-07
Revision Date: January 12, 2006	Resolution No. 06-01-06
Revision Date: February 18, 2021	Resolution No. 21-02-07

The committee chairs shall preside over and facilitate committee meetings.

Specifically:

- a) Standing committee chairs shall approve the annual calendar of committee meetings.
- b) Standing committee meetings are generally scheduled monthly or as determined by the committee chair in consultation with the Board President and Board Office.
- c) Committee chairs shall reschedule and cancel meetings, in consultation with the Board President and Board Office.
- d) Committee chairs shall ensure that committee meetings focus on those issues which, according to Board policy, belong to the Board to decide.
- e) Committee chairs shall ensure that discussion is fair, open and thorough, but also timely, orderly, and kept to the point.
- f) Standing committee chairs shall present the committee results to the Board at the Board meeting following the committee meeting, as necessary.
- g) Standing committee chairs shall review the committee agenda prior to circulation of the public notice of the meeting.

Monitoring Method: Board Report
Frequency: Annual

RESOLUTION NO. 21-02-08

WHEREAS, by Resolution No. 00-09-06, adopted September 7, 2000, this Board approved the **Contract for Electric Service Base Resource (Contract No. 00-SNR-00346)** with the United States Department of Energy **Western Area Power Administration (WAPA)**, which expires on December 31, 2024; and

WHEREAS, SMUD and other **WAPA** customers with similar contracts worked with **WAPA** to develop long-term Base Resource power supply contracts for post-2024 under **WAPA's 2025 Power Marketing Plan** which was established with the benefit of public input; and

WHEREAS, the new **Contract for Electric Service Base Resource (Contract No. 20-SNR-02354)** provides SMUD with an average of 648,000 MWh/year (24.96325% share of the Base Resource) for a 30-year term, subject to adjustment in 2040, which provides economic zero carbon power and will be a key contributor to achieving SMUD's **2030 Zero Carbon Plan**; and

WHEREAS, this energy resource also provides SMUD with valuable firm capacity and Resource Adequacy, maximizing summer peaking, subject to significant environmental constraints based on the variable nature of Northern California hydroelectric generation; and

WHEREAS, approximately three percent of Base Resource generation comes from small hydroelectric facilities which also qualify toward our California Renewables Portfolio Standard (RPS) requirements; and

WHEREAS, CVP economics are forecasted to be positive for the term of the agreement, but given that market conditions for energy may change during the 30-year term, **Contract No. 20-SNR-02354** provides customers with the unilateral option to reduce their Base Resource share or terminate the agreement approximately every five years; and

WHEREAS, **Contract No. 20-SNR-02354** also provides customers with the option to reduce their Base Resource percentage or terminate the contract for any reason through June 30, 2024, which is six months prior to the start of the term of the agreement; and

WHEREAS, SMUD's status as a CVP customer under **Contract No. 20-SNR-02354** provides significant additional transmission opportunities under separate contracts with **WAPA** to access economical and carbon free energy from the Pacific Northwest; **NOW, THEREFORE**,

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

Section 1. That the Chief Executive Officer and General Manager, or his designee, is hereby authorized to execute the **Contract for Electric Service Base Resource (Contract No. 20-SNR-02354)** with the United States Department of Energy **Western Area Power Administration (WAPA)** for a 30-year term of January 1, 2025, through December 31, 2054, with option to reduce or terminate Base Resource Share, prior to the start date and approximately every five years thereafter, substantially in the form of **Attachment G** hereto.

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.

Approved: February 18, 2021

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

Contract 20-SNR-02354

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SIERRA NEVADA REGION

CONTRACT FOR ELECTRIC SERVICE
BASE RESOURCE
WITH

SACRAMENTO MUNICIPAL UTILITY DISTRICT

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SIERRA NEVADA REGION

CONTRACT FOR ELECTRIC SERVICE
BASE RESOURCE
WITH

SACRAMENTO MUNICIPAL UTILITY DISTRICT

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Signature Clause
Resolution/Certificate

General Power Contract Provisions

Exhibit A – Base Resource Percentage and Point(s) of Delivery
Exhibit B – Exchange Program
Exhibit C – Regulation and Reserves
Exhibit D – Rate Schedule

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SIERRA NEVADA REGION

CONTRACT FOR ELECTRIC SERVICE
BASE RESOURCE
WITH

SACRAMENTO MUNICIPAL UTILITY DISTRICT

1. **PREAMBLE:** This Contract is made this _____ day of _____, 20____, pursuant to the Acts of Congress approved June 17, 1902, (32 Stat. 388); August 26, 1937, (50 Stat. 844); August 4, 1939, (53 Stat. 1187); and August 4, 1977, (91 Stat. 565); and Acts amendatory or supplementary to the foregoing Acts; between the UNITED STATES OF AMERICA (United States), acting by and through the Administrator, Western Area Power Administration, Department of Energy, hereinafter called WAPA, represented by the officer executing this Contract, or a duly appointed successor, hereinafter called the Contracting Officer; and SACRAMENTO MUNICIPAL UTILITY DISTRICT, a Public Utility District, hereinafter called the Contractor or SMUD, its successors and assigns; each sometimes hereinafter individually called the Party, and both sometimes hereinafter collectively called the Parties.

2. **EXPLANATORY RECITALS:**

2.1 WAPA markets the surplus generation from, and operates a high-voltage transmission system as a part of, the Central Valley Project (CVP).

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2.2 WAPA and the U.S. Department of the Interior, Bureau of Reclamation (Reclamation), have agreed to work together to efficiently serve Project Use and Preference Customer loads.

2.3 On August 15, 2017, WAPA's final 2025 Power Marketing Plan (Marketing Plan) was published in the Federal Register (82 FR 38675). The Marketing Plan sets forth how WAPA's Sierra Nevada Region will market the power generated from the CVP and Washoe Project.

2.4 The Marketing Plan provides that starting on January 1, 2025, WAPA will provide 98 percent of available CVP power to its existing Customers. Existing Customers will have the right to extend 98 percent of their current Base Resource percentage as provided in the Marketing Plan and under the terms and conditions of this Contract.

2.5 On June 17, 2019, WAPA's Notice of Final 2025 Resource Pool Allocations was published in the Federal Register (84 FR 28039), and SMUD received an allocation.

2.6 SMUD desires to purchase and WAPA is willing to provide a percentage of the Base Resource consistent with the Marketing Plan and the terms and conditions of this Contract.

2.7 Under the Marketing Plan, WAPA requires that its Customers schedule power in accordance with applicable operating requirements, including those of the balancing authority area operator and WAPA's sub-balancing authority area requirements.

///

2.8 WAPA markets power to Federal Preference Customers at the lowest possible rates consistent with sound business principles pursuant to Section 1.1 of Delegation Order 00-037.00B.

3. **AGREEMENT:**

The Parties agree to the terms and conditions set forth herein.

4. **EFFECTIVE DATE AND TERM OF CONTRACT:**

4.1 This Contract shall become effective on the date of execution and shall remain in effect until midnight of December 31, 2054, subject to prior termination as otherwise provided for herein.

4.2 SMUD may reduce its Base Resource percentage or terminate this Contract for any reason through June 30, 2024.

4.3 The date of initial service under this Contract is January 1, 2025.

5. **DEFINITION OF TERMS:**

As used herein, the following terms whether singular or plural, or used with or without initial capitalization, shall have the following meanings:

5.1 "Ancillary Services" means those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with Good Utility Practice.

5.2 "BANC" means the Balancing Authority of Northern California or its successor.

///

1 5.3 “Base Resource” means CVP and Washoe Project power (capacity and
2 energy) output determined by WAPA to be available for Customers, including the
3 Environmental Attributes, only after meeting the requirements of Project Use and
4 First Preference Customers, and any adjustments for maintenance, reserves,
5 system losses, and certain ancillary services.
6

7 5.4 “Base Resource Operating Capability” means that portion of the Maximum
8 Operating Capability that WAPA determines to be available to Customers in any
9 hour.
10

11 5.5 “CAISO” means the California Independent System Operator or its
12 successor.
13

14 5.6 “Capacity” means the electrical capability of a generator, transformer,
15 transmission circuit or other equipment.
16

17 5.7 “Central Valley Project (CVP)” means the multipurpose Federal water
18 development project extending from the Cascade Range in northern California to
19 the plains along the Kern River, south of the City of Bakersfield.
20

21 5.8 “Custom Product” means a combination of products and services which
22 may be made available by WAPA per Customer request.
23

24 5.9 “Customer” means an entity with a contract and receiving electric service
25 from WAPA’s Sierra Nevada Region.
26

26 ///

27 ///

28 ///

1 5.10 "Energy" means capacity measured in terms of the work it is capable of
2 doing over a period of time; electric energy is usually measured in kilowatthours
3 or megawatthours.

4
5 5.11 "Environmental Attributes" means any and all credits, benefits, emissions
6 reductions, offsets, and allowances, howsoever entitled, attributable to the Base
7 Resource, and its avoided emission of pollutants.

8
9 5.12 "FERC" means the Federal Energy Regulatory Commission or its
10 successor.

11
12 5.13 "First Preference Customer" means a Preference Customer within a
13 county of origin (Trinity, Calaveras, and Tuolumne) as specified under the Trinity
14 River Division Act (69 Stat. 719) and the New Melones Project provisions of the
15 Flood Control Act of 1962 (76 Stat. 1173, 1191-1192).

16
17 5.14 "Full Load Service Customer" means a Customer that will have its entire
18 load at its delivery point(s) met by WAPA, and its Portfolio Manager functions for
19 those delivery point(s) performed by WAPA.

20
21 5.15 "Marketing Plan" means WAPA's final 2025 Power Marketing Plan for the
22 Sierra Nevada Region.

23
24 5.16 "Maximum Operating Capability" means the maximum electrical capability
25 from CVP generation available to produce energy, capacity and/or provide
26 ancillary services in any one or more hours.

27 ///

28 ///

1 5.17 "Minimum Base Resource" means the amount of Base Resource energy
2 generated each hour as a result of CVP minimum water releases.

3
4 5.18 "NERC" means the North American Electric Reliability Corporation or its
5 successor.

6
7 5.19 "Operating Reserves" means the combination of spinning and non-
8 spinning reserves required to meet WECC, NERC, and operating requirements,
9 including those of the balancing authority area or WAPA's sub-balancing
10 authority area.

11
12 5.20 "Portfolio Manager" means an entity responsible for determining balanced
13 hourly load and resource schedules for a Customer.

14
15 5.21 "Power" means capacity and energy.

16
17 5.22 "Preference" means the requirements of Reclamation Law that provide for
18 preference in the sale of Federal power be given to certain entities, such as
19 governments (state, Federal and Native American), municipalities and other
20 public corporations or agencies, and cooperatives and other nonprofit
21 organizations financed in whole or in part by loans made pursuant to the Rural
22 Electrification Act of 1936 (See, e.g., Reclamation Project Act of 1939,
23 Section 9(c), 43 USC 485h(c)).

24
25 5.23 "Primary Marketing Area" means the area generally encompassing
26 northern and central California, extending from the Cascade Range to the
27 Tehachapi Mountains and west-central Nevada.

28 ///

1 5.24 "Project Use" means power as defined by Reclamation Law and/or used to
2 operate CVP and Washoe Project facilities.

3
4 5.25 "Rate" means the monetary charge or the formula for computing such a
5 charge for any electric service provided by WAPA, including but not limited to
6 charges for capacity (or demand), energy, or transmission service; however, it
7 does not include leasing fees, service facility charges, or other types of facility
8 use charges. A Rate will be set forth in a Rate Schedule or in a contract.

9
10 5.26 "Rate Adjustment" means a change in an existing Rate or Rates, or the
11 establishment of a Rate or Rates for a new service. It does not include a change
12 in Rate Schedule provisions or in contract terms, other than changes in the price
13 per unit of service, nor does it include changes in the monetary charge pursuant
14 to a formula stated in a Rate Schedule or a contract.

15
16 5.27 "Rate Adjustment Procedures" means those procedures for Rate
17 Adjustments developed by WAPA, Department of Energy (DOE) or FERC which
18 include DOE Order 00-037.00B, DOE Order RA 6120-2, 10 CFR 903, and
19 18 CFR 300, as may be amended.

20
21 5.28 "Rate Effective Date" means the first date of the billing period to which a
22 Rate Schedule or Rate Schedule extension applies. WAPA will provide notice to
23 the Customers of the Rate Effective Date.

24
25 5.29 "Rate Schedule" means a document identified such as a "Rate Schedule,"
26 "Schedule of Rates," or "Schedule Rate" which designates the Rate or Rates
27 applicable to a class of service specified therein and may contain other terms
28 and conditions relating to the service. On the effective date of this Contract,

1 18 CFR 300.1(b)(6) provides FERC may not approve a WAPA Rate Schedule for
2 a period that exceeds five (5) years. The Rate Schedule shall include the Rate
3 Effective Date and the effective period of the Rate Schedule.

4
5 5.30 "Regional Transmission Organization (RTO)" means an organization that
6 meets the minimum characteristics and performs the minimum functions
7 specified in FERC Order 2000, as that order may be amended or superseded.

8
9 5.31 "Regulation" means the service provided by generating units equipped
10 and operating with automatic generation control which will enable such units to
11 respond to direct control signals in an upward or downward direction to match, on
12 a real time basis, demand and resources, consistent with WECC, NERC, and the
13 balancing authority area operator's criteria.

14
15 5.32 "Scheduling Coordinator" means an entity that is responsible for providing
16 hourly load and resource schedules to the balancing authority area operator or
17 WAPA's sub-balancing authority area, in accordance with a FERC-approved tariff
18 or WAPA's procedures and practices.

19
20 5.33 "Variable Resource Customer" means a Customer that is responsible for
21 managing its own energy portfolio.

22
23 5.34 "Washoe Project" means the Federal water project located in the
24 Lahontan Basin in west-central Nevada and east-central California.

25
26 5.35 "WECC" means the Western Electricity Coordinating Council or its
27 successor.

28 ///

1 6. **BASE RESOURCE ESTIMATES AND AVAILABILITY FORECAST:**

2 6.1 At the beginning of each water year, WAPA will post to WAPA's external
3 website a five-year forecast of Base Resource Operating Capability estimated to
4 be available, based on high, average, and low hydrological conditions. The
5 forecast will contain the following information:

6 6.1.1 Maximum Operating Capability of the CVP for each month;

7 6.1.2 Energy required for estimated Project Use loads, First Preference
8 Customers' loads, and ancillary service requirements.

9
10 6.2 Each month, WAPA will post to WAPA's external website a monthly Base
11 Resource forecast of Base Resource Operating Capability and energy estimated
12 to be available for each month on a rolling twelve-month basis, based on high,
13 average, and low hydrological conditions. The monthly forecast will contain the
14 following information:

15 6.2.1 Maximum Operating Capability of the CVP for each month;

16 6.2.2 Energy required for estimated Project Use loads, First Preference
17 Customers' loads, and ancillary service requirements.

18
19 6.3 WAPA shall make reasonable efforts, within its control, to ensure the
20 forecasted Base Resource will be available.

21
22 7. **ELECTRIC SERVICE FURNISHED BY WAPA:**

23 7.1 SMUD will be entitled to receive a percentage of the Base Resource as
24 set forth in Exhibit A.

25
26 7.2 The estimated amount of energy available to SMUD shall be determined
27 by multiplying its Base Resource percentage by the total amount of Base
28 Resource energy available during that period.

1 7.3 The minimum amount of energy SMUD will be required to schedule for
2 each hour shall be determined by multiplying its Base Resource percentage by
3 the Minimum Base Resource, unless otherwise agreed to by WAPA. However, if
4 SMUD does not have sufficient load to take its percentage of the Minimum Base
5 Resource, any excess energy shall be made available to WAPA for the
6 Exchange Program as described later in this Contract under Section 10 and
7 Exhibit B.

8
9 7.4 The maximum amount of energy SMUD may schedule in any hour shall
10 be determined by multiplying its Base Resource percentage by the Base
11 Resource Operating Capability. However, SMUD may schedule energy in
12 excess of this maximum, if approved by WAPA, to accommodate purchases or
13 exchanges from the Exchange Program.

14
15 7.5 SMUD will be entitled to the benefit of available regulation and operating
16 reserves from the CVP in proportion to its Base Resource percentage. The
17 method for calculating regulation and operating reserves is set forth in Exhibit C.

18
19 7.6 WAPA's obligation to provide SMUD's Base Resource is limited to the
20 actual CVP generation available on a real-time basis. WAPA shall have no
21 obligation to replace any Base Resource that is unavailable; for instance, Base
22 Resource that is unavailable due to scheduled maintenance, system
23 emergencies, forced outages, or other constraints. Any costs incurred by either
24 Party as a result of deviations between actual and scheduled Base Resource
25 energy shall be the responsibility of SMUD. WAPA will notify SMUD as soon as
26 reasonably practicable of any situation that will impact the availability of the Base
27 Resource, and will modify schedules accordingly, on a pro-rata basis.

28 ///

7.7 Due to the variable nature of the Base Resource, WAPA may provide a Custom Product upon a Customer's request. Any Custom Product will be the subject of a separate contractual arrangement.

8. **DELIVERY ARRANGEMENTS:**

8.1 WAPA will make SMUD's Base Resource available at the generator bus or such other delivery point(s) on the CVP transmission system as the Parties will mutually agree, as specified in Exhibit A. WAPA reserves Network Integration Transmission Service for the delivery of Base Resource on the CVP transmission system under its Open Access Transmission Tariff (OATT). The rates and terms of this service shall be in accordance with WAPA's then-current rate schedule and OATT.

8.2 If requested by WAPA, SMUD must provide written notification to WAPA by July 1, 2024, demonstrating that it has arranged for delivery of its Base Resource energy to its load. Such notification shall include both transmission and distribution level arrangements, as applicable. WAPA shall have no obligation to make Base Resource available to SMUD if delivery arrangements are not in effect. However, SMUD shall not be relieved of its obligation to pay its percentage share of the Base Resource during the time in which delivery arrangements are not in effect.

9. **SCHEDULING PROCEDURES, BUSINESS PRACTICES AND PROTOCOLS:**

9.1 All energy furnished by WAPA to SMUD will be provided on a scheduled basis. SMUD agrees to abide by the scheduling procedures, business practices and protocols of the applicable balancing authority area or WAPA's sub-balancing authority area, as set forth on WAPA's website. The Parties recognize that the scheduling procedures, business practices and protocols may require

1 modification from time-to-time to reflect updated operating procedures that may
2 become applicable to the Parties. In such event, WAPA will make such changes
3 in accordance with Section 17 of this Contract.
4

5 9.2 Designation of Scheduling Coordinator (SC): If SMUD is required to have
6 a Scheduling Coordinator; SMUD shall notify WAPA of its designated Scheduling
7 Coordinator not less than ninety (90) days prior to the date of initial service under
8 this Contract. In the event that SMUD's Scheduling Coordinator arrangement
9 changes, SMUD shall notify WAPA in writing, not less than thirty (30) days prior
10 to the change, unless a shorter notification period is agreed to by WAPA.
11

12 9.3 **If WAPA is SMUD's Portfolio Manager, as set forth in a separate**
13 **Custom Product Contract, all scheduling activities and responsibilities will**
14 **be performed by WAPA on behalf of SMUD.** At such time as WAPA is no
15 longer SMUD's Portfolio Manager, then SMUD will be responsible for
16 performance of its duties under this Section 9.
17

18 9.4 WAPA will provide Customers with the opportunity to comment on
19 WAPA's maintenance and operations plans. WAPA will facilitate Customer
20 meetings with the Bureau of Reclamation regarding cost and operation planning.
21

22 9.5 In the event that SMUD does not abide by the protocols, business
23 practices and procedures and WAPA incurs costs as a result, SMUD is
24 responsible for and shall pay such costs.

25 ///

26 ///

27 ///

28 ///

10. **EXCHANGE PROGRAM:**

10.1 WAPA will establish and manage an Exchange Program to allow all Customers to fully and efficiently use their Base Resource percentage. The Exchange Program is a mechanism to:

10.1.1 Make available to WAPA, for provision to other Customers, any Base Resource energy a Customer cannot use on a pre-scheduled basis due to insufficient load; and

10.1.2 Help mitigate the costs incurred by a Customer for the power it is obligated to pay for, but may not be able to use.

10.2 Under the Exchange Program, all Base Resource energy in excess of SMUD's load will be retained by WAPA and offered by WAPA for sale to other Customers. SMUD may purchase energy from the Exchange Program. While WAPA's retention of excess Base Resource is mandatory, purchasing from the Exchange Program is voluntary.

10.3 The Exchange Program procedures are set forth in Exhibit B. WAPA may change the program and procedures of the Exchange Program in accordance with Section 17 of this Contract.

10.4 WAPA will also offer a seasonal Exchange Program. Under the seasonal Exchange Program, SMUD may elect to make available to WAPA that portion of its Base Resource percentage that it is unable to use due to insufficient load. SMUD, through WAPA, will be able to exchange its unusable Base Resource percentage with other Customers. Any Customer may submit a request to WAPA to exchange or purchase energy through the seasonal Exchange Program. Details of a seasonal exchange will be developed with the Customer upon request by that Customer.

10.5 Exchanges of the Base Resource between SMUD and others outside of the WAPA-managed Exchange Programs, or other WAPA-managed programs, are prohibited.

11. **INDEPENDENT SYSTEM OPERATOR OR REGIONAL TRANSMISSION ORGANIZATION:**

11.1 WAPA is a sub-balancing authority area within BANC. WAPA operates in conformance with its sub-balancing authority area and BANC's balancing authority area protocols, business practices and procedures. In the event of changes to any protocols, business practices and procedures, WAPA may make any changes necessary to this Contract to conform to the operating and scheduling protocols, business practices and procedures in accordance with Section 17 of this Contract.

11.2 The Parties understand that, in the future, WAPA may also change its operating configuration such as by: (1) joining an independent system operator or RTO or (2) participating in future markets such as energy imbalance markets; or (3) making system configurations to meet future operating requirements. In such an event, if WAPA is required to conform to the protocols, business practices or procedures, WAPA shall make changes to this Contract to conform to the terms and conditions required by such events in accordance with Section 17 of this Contract.

11.3 In the event that: 1) WAPA incurs costs from the balancing authority area, WAPA's sub-balancing authority area, CAISO, an RTO, or a different balancing authority area for serving SMUD's load; or 2) SMUD does not abide by the protocols business practices, or procedures of the balancing authority area, an RTO, or other balancing authority area operator that are applicable to WAPA and

WAPA incurs costs as a result, SMUD agrees to pay all such costs attributable to SMUD.

12. **WAPA RATES:**

12.1 The Base Resource will be provided on a take-or-pay basis. SMUD will be obligated to pay its Base Resource percentage share in accordance with the Rate Schedule attached hereto, whether or not it takes or uses its full Base Resource percentage.

12.2 SMUD shall pay for the electric service furnished hereunder in accordance with the Rates, charges, and conditions set forth in the CVP Schedule of Rates applicable to the Base Resource, effective January 1, 2025, or any superseding Rate Schedule.

12.3 Rates applicable under this Contract shall be subject to change by WAPA in accordance with appropriate Rate Adjustment Procedures. If, at any time, WAPA announces that it has received approval of a Rate Schedule, or extension of an existing Rate Schedule applicable to this Contract, or if a Rate Adjustment Procedure is amended, WAPA will promptly notify SMUD thereof.

12.4 SMUD, by providing written notice to WAPA within ninety (90) days after the Rate Effective Date of a Rate Schedule or Rate Schedule extension applicable to this Contract, may elect to reduce its Base Resource percentage or terminate this Contract. SMUD shall designate a Base Resource percentage reduction or termination effective date that will be effective on the last day of the billing month not later than two (2) years after the Rate Effective Date. If the termination effective date is after the Rate Effective Date, the new or extended Rates shall apply for service taken by SMUD until the termination effective date.

1 Once SMUD provides notice to terminate or reduce its Base Resource
2 percentage, WAPA will begin the process to reallocate the Base Resource to
3 other Preference Customers. SMUD may not revoke its notice to terminate or
4 reduce its Base Resource unless WAPA provides written consent.

5
6 12.5 Rates shall become effective under this Contract on the Rate Effective
7 Date stated in a Rate notice.

8
9 13. **INTEGRATED RESOURCE PLAN:**

10 13.1 In accordance with the Energy Policy Act of 1992, SMUD is required to
11 meet the requirements of WAPA's Energy Planning and Management Program
12 (EPAMP). To fulfill the requirements of EPAMP, SMUD must develop and
13 submit an integrated resource plan or alternative report, as applicable. Specific
14 EPAMP requirements are set forth in the Federal Register at (64 FR 62604) and
15 may be found on WAPA's website. Failure to comply with WAPA's EPAMP
16 requirements may result in penalties as specified therein. SMUD understands
17 that WAPA may re-evaluate its EPAMP requirements and change them from
18 time-to-time as appropriate. Such changes will be subject to a public process
19 and publication in the Federal Register.

20
21 13.2 Should the EPAMP requirements be eliminated, SMUD shall have no
22 responsibilities under Section 13.1.

23
24 14. **ADJUSTMENT OF BASE RESOURCE PERCENTAGE:**

25 14.1 Prior to the date of initial service, WAPA may adjust SMUD's Base
26 Resource percentage, as set forth in Exhibit A herein, if WAPA determines that
27 SMUD's Base Resource percentage is greater than its actual usage, as specified
28 in the Marketing Plan.

1 14.2 After the date of initial service, WAPA may adjust SMUD's Base Resource
2 percentage under any of the following conditions:

3 14.2.1 SMUD sells energy associated with its Base Resource
4 percentage to another entity for resale by that entity;

5 14.2.2 SMUD uses the energy associated with its Base Resource
6 percentage to serve loads outside of the Sierra Nevada Region's Primary
7 Marketing Area;

8 14.2.3 SMUD's annual energy associated with its Base Resource
9 percentage, is ten percent or more than its actual annual energy usage.
10

11 14.3 If WAPA determines that SMUD has met any of the conditions in
12 Section 14.2 above, WAPA will take the following steps:

13 14.3.1 Notify SMUD of the nature of the concern;

14 14.3.2 Analyze SMUD's usage of the energy associated with its Base
15 Resource percentage and determine if an adjustment is necessary on a
16 case-by-case basis, with due consideration of any circumstance that may
17 have temporarily altered SMUD's energy usage;

18 14.3.3 If an adjustment is determined to be necessary, provide a 90-day
19 written notice of such adjustment; and

20 14.3.4 Reduce or rescind SMUD's Base Resource percentage
21 permanently on the effective date specified in the notice.
22

23 15. **METERING AND POWER MEASUREMENT RESPONSIBILITIES:**

24 SMUD shall be responsible for electric power metering equipment requirements and
25 power measurement data associated with the use of WAPA power under this Contract
26 as follows:

27 15.1 Unless previously installed and furnished by WAPA, SMUD shall furnish,
28 install, operate, maintain, and replace, meters and associated metering

1 equipment required for deliveries of WAPA power scheduled to each delivery
2 point on the WAPA grid, the CAISO-controlled grid, a utility distribution company
3 grid, or other electrical system, as may be applicable. Such meters shall comply
4 with the all applicable meter requirements. For instance, meters on:

5 15.1.1 WAPA's system must meet WAPA's meter requirements;

6 15.1.2 CAISO's system must meet CAISO's meter requirements; and/or

7 15.1.3 Pacific Gas & Electric Company's (PG&E) system must meet
8 PG&E's meter requirements.

9
10 15.2 SMUD shall measure power deliveries and provide certified settlement-
11 quality metering data to WAPA as requested. It is generally contemplated that
12 WAPA will require this data on a monthly basis.

13
14 15.3 If WAPA previously installed and furnished a meter to SMUD, WAPA shall
15 be allowed unrestricted, unescorted access to its revenue meter equipment.
16 SMUD shall provide a minimum of three (3) keys or the combination to SMUD's
17 existing locks. Alternatively, WAPA may provide a WAPA-owned padlock(s).
18 Access shall include all gates and/or doors required to access the metering
19 equipment.

20
21 15.4 Upon request by SMUD, to evidence receipt of the Environmental
22 Attributes, WAPA shall timely provide meter data or other mutually agreed upon
23 data to SMUD measuring the amount of CVP energy that is generated and
24 delivered to SMUD. Upon mutual agreement of Customers, WAPA and
25 Reclamation, such meters shall be modified or replaced to meet appropriate
26 standards or requirements to convey CVP Environmental Attributes to
27 Customers.

28 ///

16. **CHANGES IN ORGANIZATIONAL STATUS:**

16.1 If SMUD changes its organizational status or otherwise changes its obligation to supply electric power to Preference loads, WAPA reserves the right to adjust WAPA's power sales obligations under this Contract or to terminate this Contract, as WAPA deems appropriate. Changes in organizational status include but are not limited to:

16.1.1 Merging with another entity;

16.1.2 Acquiring or being acquired by another entity;

16.1.3 Creating a new entity from an existing one;

16.1.4 Joining or withdrawing from a member-based power supply organization; or

16.1.5 Adding or losing members from its membership organization.

16.2 For the purposes of this Section 16, a member is any Preference entity that is included in a membership, which has the responsibility of supplying power to the end-use consumer or Customer. Memberships include but are not limited to:

16.2.1 Municipality;

16.2.2 Cooperative;

16.2.3 Joint powers authority; or

16.2.4 Governmental agency.

16.3 For purposes of this Section 16, participation in a State promulgated direct access program shall not be deemed to be a change in a Customer's organizational status or its obligation to supply electric power to Preference loads.

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1 16.4 Prior to making an organizational change, SMUD may request an opinion
2 from WAPA as to whether SMUD's proposed organizational change will result in
3 an adjustment of SMUD's Base Resource percentage or termination under this
4 Section 16. SMUD shall provide WAPA with all relevant documents and
5 information regarding the proposed organizational change. Based on the
6 documents and information furnished, WAPA will provide SMUD with an opinion.
7

8 16.5 In addition to the above, if the change in organizational status results in a
9 proposed transfer of the Contract, or any portion thereof, Section 37 of the
10 General Power Contract Provisions (GPCP), "Transfer of Interest in Contract,"
11 generally requires the Customer to obtain prior written approval from WAPA's
12 Administrator. Organizational changes that typically propose transfer of the
13 Contract, or a portion of the Contract, and require prior written approval from
14 WAPA include but are not limited to:

15 16.5.1 Merging with another entity;

16 16.5.2 Acquiring or being acquired by another entity;

17 16.5.3 Joining an entity; and

18 16.5.4 Creating a new entity.
19

20 17. **PROTOCOLS, BUSINESS PRACTICES AND PROCEDURES:**

21 WAPA reserves the right to make changes to protocols, business practices and
22 procedures, as needed. Prior to making any changes, WAPA will provide notice to
23 SMUD and provide SMUD with an opportunity to comment on such changes. WAPA
24 will consider any comments made by SMUD before making any changes, and shall
25 provide a written response to the comments. After a final decision is made by WAPA, if
26 SMUD is not satisfied with the decision, SMUD shall have thirty (30) days from the date
27 of WAPA's final decision to appeal the change to WAPA's Administrator. WAPA will not
28 implement a change that has been appealed until a final decision by the Administrator.

Notwithstanding the provisions within this Section 17, SMUD shall retain its right to pursue other legal remedies available to it.

18. **ENFORCEABILITY:**

It is not the intent of the Parties that this Contract confer any rights on third parties to enforce the provisions of this Contract except as required by law or express provision in this Contract. Except as provided in this Section 18, this Contract may be enforced, or caused to be enforced, only by WAPA or SMUD, or their successors or assigns.

19. **GENERAL POWER CONTRACT PROVISIONS:**

The GPCP, effective September 1, 2007, attached hereto, are hereby made a part of this Contract, the same as if they had been expressly set forth herein; Except Section 11 shall not be applicable to this Contract. In the event of a conflict between the GPCP and the provisions in the body of this Contract, the Contract shall control. The usage of the term "Contractor" in the GPCP shall mean SMUD. The usage of the term "firm" in Articles 17 and 18 of the GPCP shall be deemed to be replaced with the words "Base Resource."

20. **EXHIBITS MADE PART OF CONTRACT:**

Exhibit A (Base Resource Percentage and Point(s) of Delivery), Exhibit B (Exchange Program), Exhibit C (Regulation and Reserves), and Exhibit D (Rate Schedule) existing under this Contract may vary during the term hereof. Each of said exhibits shall become a part of this Contract during the term fixed by its provisions. Exhibits A, B, C, and D are attached hereto, and each shall be in force and effect in accordance with its terms until respectively superseded by a subsequent exhibit.

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21. **EXECUTION BY COUNTERPARTS:**

This Contract may be executed in any number of counterparts and, upon execution and delivery by each Party, the executed and delivered counterparts together shall have the same force and effect as an original instrument as if all Parties had signed the same instrument. Any signature page of this Contract may be detached by any counterpart of this Contract without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Contract identical in form hereto, by having attached to it one or more signature pages.

22. **ELECTRONIC SIGNATURES:**

The Parties agree that this Contract may be executed by handwritten signature or digitally signed using Adobe Sign or Adobe E-Signature. An electronic or digital signature is the same as a handwritten signature and shall be considered valid and acceptable.

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1 **IN WITNESS WHEREOF**, the Parties have caused this Contract to be executed the day
2 and year first above written.

3
4 WESTERN AREA POWER ADMINISTRATION

5
6 By:_____

7 Name: Arun K. Sethi

8 Title: Vice President of Power Marketing

9 _____
10 for Sierra Nevada Region

11 Address: 114 Parkshore Drive

12 _____
13 Folsom, CA 95630-4710

14
15 SACRAMENTO MUNICIPAL
16 UTILITY DISTRICT

17 By:_____

18 Attest: Name:_____

19 By:_____ Title:_____

20 Name:_____ Address:_____

21 Title:_____

SACRAMENTO MUNICIPAL UTILITY DISTRICT
Resolution/Certificate

EXHIBIT A
(Base Resource Percentage and Point(s) of Delivery)

1. This Exhibit A, to be effective under and as part of Contract 20-SNR-02354 (Contract), shall become effective upon execution of the Contract; and shall remain in effect until either superseded by another Exhibit A or termination of the Contract.
2. Pursuant to the Marketing Plan, SMUD's extended Base Resource percentage is 24.94590.
3. Pursuant to the Final 2025 Resource Pool Allocations, SMUD received 0.01735 percent of the Base Resource.
4. On the effective date of this Exhibit A, SMUD's percentage of the Base Resource is 24.96325.
5. SMUD's Base Resource percentage may be adjusted by WAPA as specified in the Contract.
6. SMUD's Base Resource percentage will be adjusted effective January 1, 2040, in accordance with the Marketing Plan, to establish the 2040 Resource Pool for new power allocations.
7. The point(s) of delivery on the CVP transmission system for SMUD's Base Resource shall be the Elverta 230-kV Substation, the Hurley 230-kV Substation, and Folsom 230-kV Substation, or as requested by SMUD and approved by WAPA.
8. All power deliveries provided under this Contract shall be adjusted for the applicable transformation and transmission losses on the 230-kV system. Additional transformation and/or transmission losses shall be applied to deliveries at other than the 230-kV level.
9. This Exhibit A shall be replaced by WAPA as necessary under the terms and conditions set forth in the Contract, and a signature is not required by either Party.

EXHIBIT B
(Exchange Program)

1. This Exhibit B, to be effective under and as a part of Contract 20-SNR-02354, (Contract) shall become effective upon execution of the Contract; and, shall remain in effect until superseded by another Exhibit B or termination of the Contract.
2. SMUD is in agreement with the procedures set forth herein.
3. If necessary, WAPA retains the right to make subsequent revisions to Exhibit B after consultation with its Customers. At such time as WAPA promulgates a revision of this Exhibit B, SMUD shall have the option of either accepting the new revision to this Exhibit B or opting out of making purchases from the Exchange Program. If WAPA does not receive notice from SMUD opting out of making purchases from the Exchange Program within 30 days of SMUD's receipt of a revised Exhibit B, SMUD may automatically continue to make purchases from the Exchange Program if already participating.
4. Exchange Program:
 - 4.1 WAPA has established separate Exchange Program for the Full Load Service Customer group and the Variable Resource Customer group. A Customer cannot be in both the Full Load Service Customer group and the Variable Resource Customer group at the same time.
 - 4.2 The Exchange Program will take place on a pre-scheduled basis.
 - 4.3 Base Resource power in excess of a Customer's load in any hour will be distributed by WAPA in the applicable Exchange Program group (Full Load Service or Variable Resource).
 - 4.4 A Customer may choose whether to make purchases from the Exchange Program for its group. Participation in making purchases from the Exchange Program requires a Customer to accept Exchange Program power if it has load in that hour. However, even if a Customer chooses not to participate in making purchases, if that Customer's Base Resource amount exceeds its load in any hour, the excess will go into the Exchange Program for that Customer's group for that hour, for use by participating Customers with load not met by Base Resource power in that hour. In other words, the retention of Base Resource in excess of a Customer's load is mandatory, while participation in making purchases from the Exchange Program is voluntary.

4.5 If a Customer chooses not to make purchases from the Exchange Program, a written notice to that effect must be submitted to WAPA by November 1, 2024. Thereafter, a Customer must submit a written notice to WAPA at least one (1) month prior to changing its participation status; Except if a Customer has elected to make purchases from the Exchange Program and subsequently changes its participation status, the Customer must wait a minimum of one (1) year to again participate in the Exchange Program. Participation status will change on the first day of the month following the required notice period or the minimum one (1) year waiting period.

4.6 A Customer must use its Base Resource power prior to using any other source to meet its load, unless agreed to by WAPA in writing. A Customer participating in the Exchange Program must use Exchange Program power prior to any other source to meet its load, unless agreed to by WAPA in writing.

4.7 Each participating Customer in each group will receive an equal share in megawatts of that group's Exchange Program power available for that hour, up to the Customer's unmet load in that hour.

4.8 Any Exchange Program power that is excess to a Customer's unmet load will go back to the Exchange Program for the group to which the Customer belongs, for that same hour. This power will be reallocated to participating Customers in that group on an equal basis until either that group's Exchange Program has no remaining power in that hour, or no participating Customers in that group have unmet load in that hour.

4.9 If there is power remaining in the Full Load Service Exchange Program or the Variable Resource Exchange Program in any hour, and none of the participating Customers in that group have unmet load in that hour, the remaining power will go to the other group's Exchange Program for that same hour.

4.10 If, in any hour, no participating Customers have unmet load but there is power remaining in either group's Exchange Program, that power may be offered for sale by WAPA unless the amount of power is de minimis.

4.11 Customers' power bills will be adjusted to reflect transactions into and out of the Exchange Program.

EXHIBIT C
(Regulation and Reserves)

1. This Exhibit C to be effective under and as a part of Contract 20-SNR-02354 (Contract), shall become effective upon execution of the Contract; and, shall remain in effect until superseded by another Exhibit C or termination of the Contract.
2. Definitions of Terms:
 - 2.1 Contingency Reserve: An additional amount of operating reserves sufficient to reduce Area Control Error (ACE) to zero in ten minutes following loss of generating capacity, which would result from the most severe single contingency. Contingency Reserves will consist of Spinning and Nonspinning Reserves.
 - 2.2 Frequency Response Reserves: Spinning Reserves which provide the required Frequency Response needed for the reliable operation of an interconnection. The energy is provided by the generator's governor's response to a frequency deviation from scheduled system frequency.
 - 2.3 Nonspinning Reserve: That operating reserve not connected to the system but capable of serving demand within ten minutes, or interruptible load that can be removed from the system within ten minutes.
 - 2.4 Spinning Reserve: Unloaded generation which is synchronized and ready to serve additional demand.
3. WAPA's Disposition of Contingency Reserves and Regulation:
 - 3.1 Contingency Reserves: WAPA will provide all Base Resource schedules with Contingency Reserves, including Spinning, Nonspinning, and Frequency Response Reserves. Contingency Reserves will be provided from CVP generation as available, or procured from other sources as necessary.
 - 3.2 Regulation: WAPA will not provide Regulation with Base Resource schedules. Any sales of Regulation by WAPA will be credited against the Power Revenue Requirement.

EXHIBIT D
(Rate Schedule)

1. This Exhibit D to be effective under and as a part of Contract 20-SNR-02354 (Contract), shall become effective upon execution of the Contract; and, shall remain in effect until superseded by another Exhibit D or termination of the Contract.
2. The CVP Schedule of Rates for Base Resource and First Preference Power (CV-F13) begins on page 2 of this Exhibit D.
3. This Exhibit D shall be replaced by WAPA as necessary under the terms and conditions set forth in the Rate Schedule, and a signature is not required by either Party.

President Bui-Thompson then turned to Informational Items 12 and 13 and noted that any public comment on informational items could be provided during the general public comment period.

Jennifer Davidson, Chief Financial Officer, gave a presentation on agenda item 12, a summary of SMUD's current Power Supply Costs. A copy of the slides used in her presentation is attached hereto.

Casey Fallon, Director of Procurement, Warehouse & Fleet, and Robert Adams, Manager of Supply Chain, gave a presentation on agenda item 13, regarding the quarterly procurement report for the fourth quarter of 2020. A copy of the slides used in their presentation is attached hereto.

President Bui-Thompson then turned to agenda item 14, statements from the public regarding items not on the agenda. She 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 received.

President Bui-Thompson then turned to Directors' Reports.

Vice President Rose reported there had been a lot of correspondence related to a substation on Kathywood Court in Fair Oaks, and a plan was in place to beautify the substation. He then reported on his attendance at a Clean Tech Meetup Group panel presentation on the future of distributed energy resources.

Director Fishman reported on his attendance at the Del Paso Heights Mobility Hub groundbreaking in Director Kerth's ward.

Director Herber reported on her participation in the virtual MLK March and her meetings with City of Sacramento staff related to advancing the 2030 Zero Carbon Plan. She then reported on her attendance at SMUD's Shine Awards.

Director Kerth reported on his attendance at the Del Paso Heights Mobility Hub groundbreaking, which was developed by Green Tech Education, and is there to help people get to work, get job training, get medical visits and run

errands in zero emission vehicles. He thanked staff members Bill Boyce and Jose Bodipo-Memba for their work on the effort.

Vice President Rose stated he had missed the groundbreaking due to a prior obligation but noted he wanted to recognize Simeon Gant, Green Tech Founder and Executive Director, for making the hub come to fruition.

Director Tamayo reported on his meeting with City of Sacramento Councilmember Mai Vang where they covered a number of topics of mutual interest, including solar rates, the California Mobility Center, and opportunities for better collaboration.

Director Sanborn reported on her meeting with representatives from the Aerospace Museum at McClellan Park about becoming more energy efficient. She reported about Global Clean Energy, a company that purchased an old oil refinery on 500 acres in Kern County, which plans to produce biofuel from an oil seed that is a cover crop during fallow periods on the property. She then commended Freedom Through Education, an organization in her ward that provides education to people coming out of the prison system, for winning a SMUD Shine award. She then reported on her meeting with State Treasurer Fiona Ma and Paul Lau regarding a potential partnership and investment in Sacramento on electric vehicles. She closed by extending her congratulations to Simeon Gant for his hard work on the mobility hub.

President Bui-Thompson reported on her attendance at the Energy Summit where she provided an introduction to high school students. She stated she had accepted the Cornerstone award from Habitat for Humanity because SMUD had given over half a million dollars to support Habitat for Humanity. She closed by reporting on her involvement in helping to organize a popup vaccine site in Del Paso Heights and thanked the volunteers and those who had come out to support it.

Paul Lau, Chief Executive Officer and General Manager, reported on the following items:

- 1) **Storm (more to come)**. The big news since the last Board meeting was obviously the late January storm. I will provide an

overview at the end of this report before we show a video on the restoration efforts.

2) **SMUD Receives RP3 Designation.** SMUD will be recognized for achieving “Diamond RP3” designation during the opening of the 2021 Engineering & Operations Virtual Conference on March 23, 2021. The American Public Power Association (APPA) presents the RP3 designation to recognize public power utilities that demonstrate proficiency in four keys areas:

- Reliability
- Safety
- Workforce development
- System development

Criteria within each category are based on sound business practices and represent a utility-wide commitment to safe and reliable delivery of electricity. The Diamond level is the highest of the RP3 classifications.

3) **Changes to Improve Customer Experience.** I want to take this opportunity to inform the Board that we made some changes to our website, smud.org, that makes it easier for customers to access links to our Board and committee meetings and to receive e-mails on topics of specific interest. We are committed to doing our best to notify customers in advance of meetings we believe they have an interest in. We also finalized updates to the e-mail templates to provide a link to the meeting agenda, which includes information about how to live-stream the meeting.

4) **SMUD Adds Five All-Electric Trucks to Fleet.** We partnered with the California Mobility Center and Zeus Electric Chassis to purchase five all-electric trucks to our transportation fleet. The trucks are the only all-electric, medium-duty work truck chassis manufactured in North America. They will be customized for a

variety of uses throughout our service territory. SMUD currently has 950 assets in our fleet consisting of sedans, service trucks, bucket trucks, trailers, cable pullers and other construction equipment. We currently have 122 all-electric or hybrid vehicles across the fleet. Electrification efforts depend on commercially available technology and has focused the last 10 years on electric and hybrid light-duty vehicles and hybrid bucket trucks.

5) Jan Schori Named to CAISO Board of Governors. Governor Newsom recently announced that former SMUD CEO & General Manager Jan Schori has been appointed to the California Independent System Operator (CAISO) Board of Governors. Jan held multiple positions at SMUD from 1984 to 2008, including CEO & General Manager and General Counsel. I join the Board in congratulating Jan in her well-deserved appointment.

6) Storm Wrap-up and Board Video. Tonight's Board video showcases the intense work our staff performed to restore customers' power after the historic January storm. Before going to the video, I would like to provide a brief overview of the storm's magnitude. A severe atmospheric river brought sustained high winds, rain and snow to Northern California beginning the night of January 26th and continuing through the morning of the 27th. The storm caused extensive damage to our system - the most we have seen in many years. In fact, we have extensive data for every storm since 2006, and the January storm is among the top three major events, as determined by wind speed, wires down, total number of outages, sustained outage events, and the number of customers who experienced a sustained outage. SMUD crews, supported by contract and mutual aid crews and staff from across SMUD, worked around the clock to restore power, often

in very difficult conditions. The large number of relatively small outages scattered across our service territory caused some customers to experience prolonged outages. We worked to identify those customers and provide them with additional support, making more than 2,000 proactive calls. The response from our customers to those calls was overwhelmingly positive. The storm caused 800-plus total outage events, impacting 275,906 customers. 2,952 customers were restored in less than one minute. 254,336 customers were restored within 24 hours. 99 percent of customers were restored within 48 hours. The average customer outage duration was 6 hours and 21 minutes. Between January 26 and January 31, our warehouse dispatched a huge amount of equipment to support the restoration effort, including:

- 304 cross-arms
- 71 transformers
- 177,000 feet, or 33.5 miles, of wire of cable
- 890 insulators
- 1,900 fuses

This was a once-in-a-decade storm, or at least we hope it was. I appreciate the work SMUD staff performed in getting the lights back on and the patience and understanding our customers demonstrated during a difficult few days.

President Bui-Thompson requested the Summary of Board Direction, but there were no items.

No further business appearing, President Bui-Thompson adjourned the meeting at 6:51 p.m.

Approved:

President

Secretary

Exhibit to Agenda Item #12

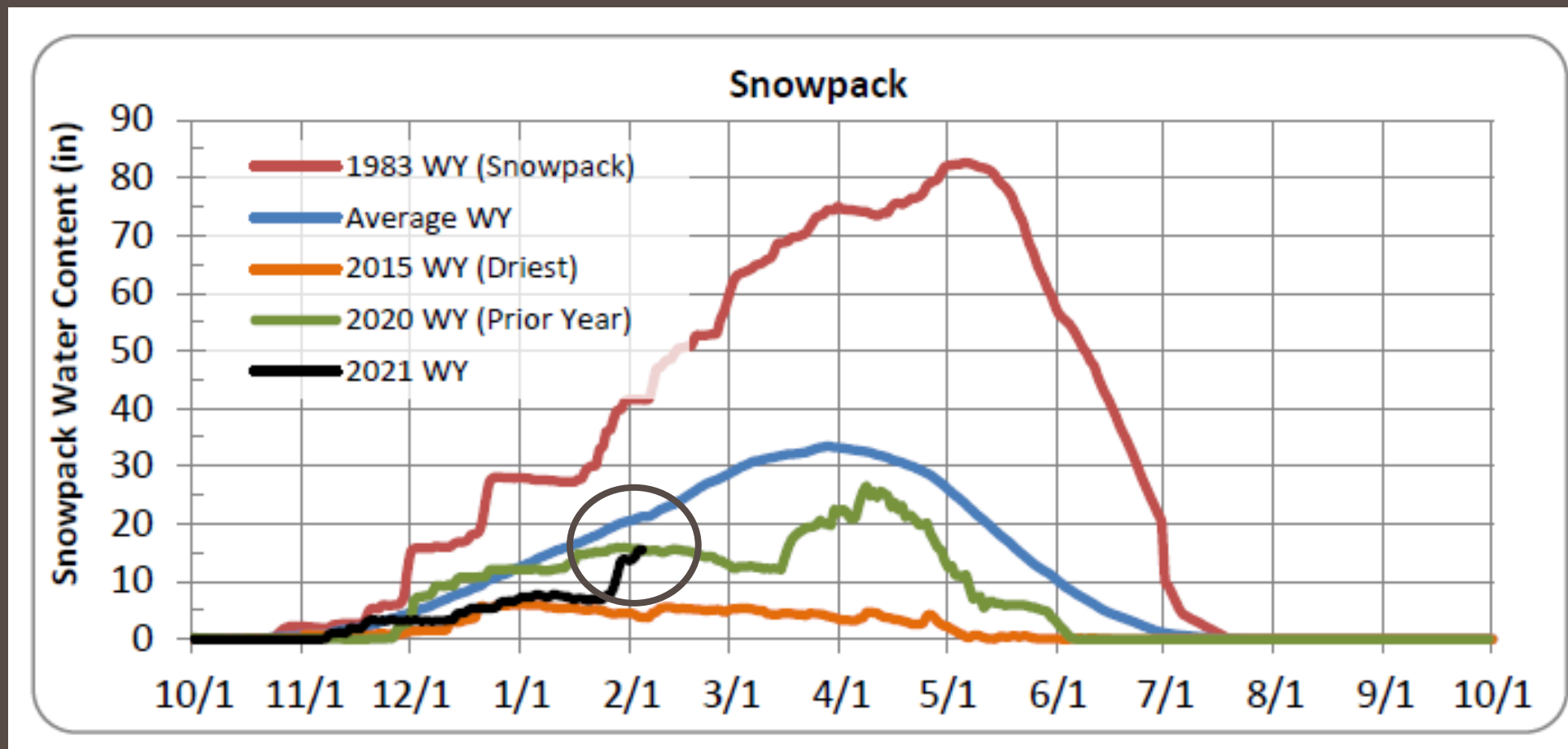
Provide the Summary of SMUD's current Power Supply Costs.

Board of Directors Meeting

Thursday, February 18, 2021, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

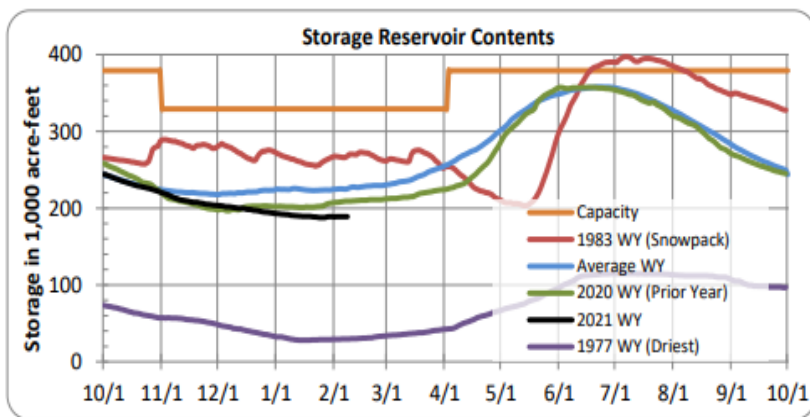
Snowpack Levels



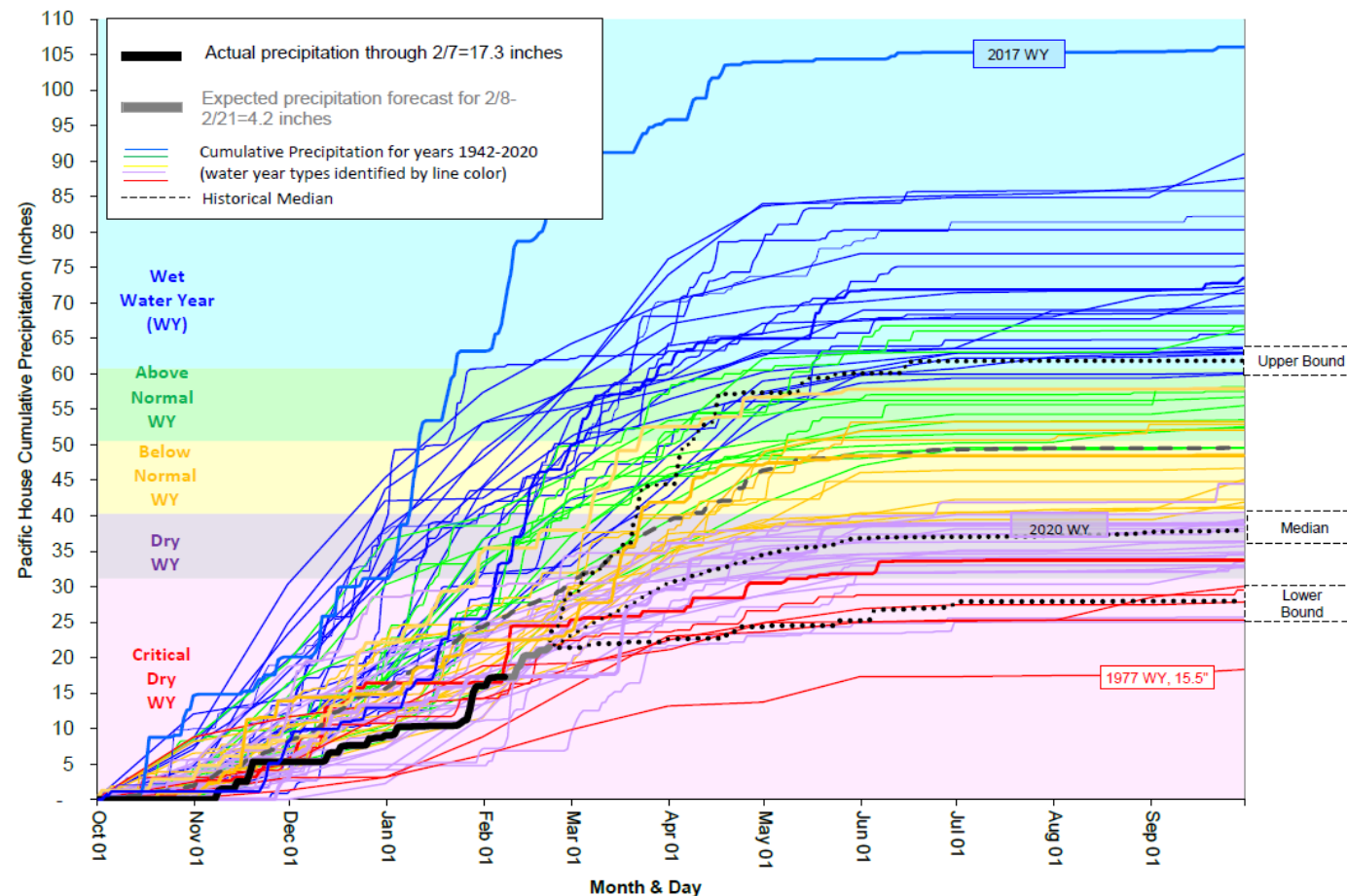
Precipitation Levels

Precipitation - Pacific House Plan vs. Actual/Forecast

Month	Plan	Actual	Difference
Oct-20	2.13"	0.00"	-2.13"
Nov-20	7.61"	5.30"	-2.31"
Dec-20	7.45"	6.08"	-1.73"
Jan-21	9.29"	8.18"	-1.11"
Total	26.48"	19.56"	-6.92"



Comparison of 2021 WY Precipitation to History (1942-2020 WYs)



Commodity Budget: Mitigations & Forecast

SMUD has in place financial mitigation tools that hedge against hydroelectric uncertainty

- HRSF Balance - \$74.7M
 - WY (Apr20-Mar21) forecasted withdrawal \$7.2M
- RSF WAPA Balance - \$44.7M
 - 2021 forecasted transfer out of the WAPA RSF \$3.0M

2021 Commodity Costs Forecast vs. Budget (in millions)			
Forecast		Budget	Difference
\$	428	\$	441
		\$	(13)

Hydro Performance as January 31, 2021			
	Forecasted (GWh)	2021 Budget (GWh)	Variance (GWh)
UARP	1,543	1,558	-15
WAPA	591	661	-70
UARP + WAPA	2,134	2,219	-85

Exhibit to Agenda Item #13

Provide the Board with the Quarterly Procurement Report for Fourth Quarter 2020.

Board of Directors Meeting

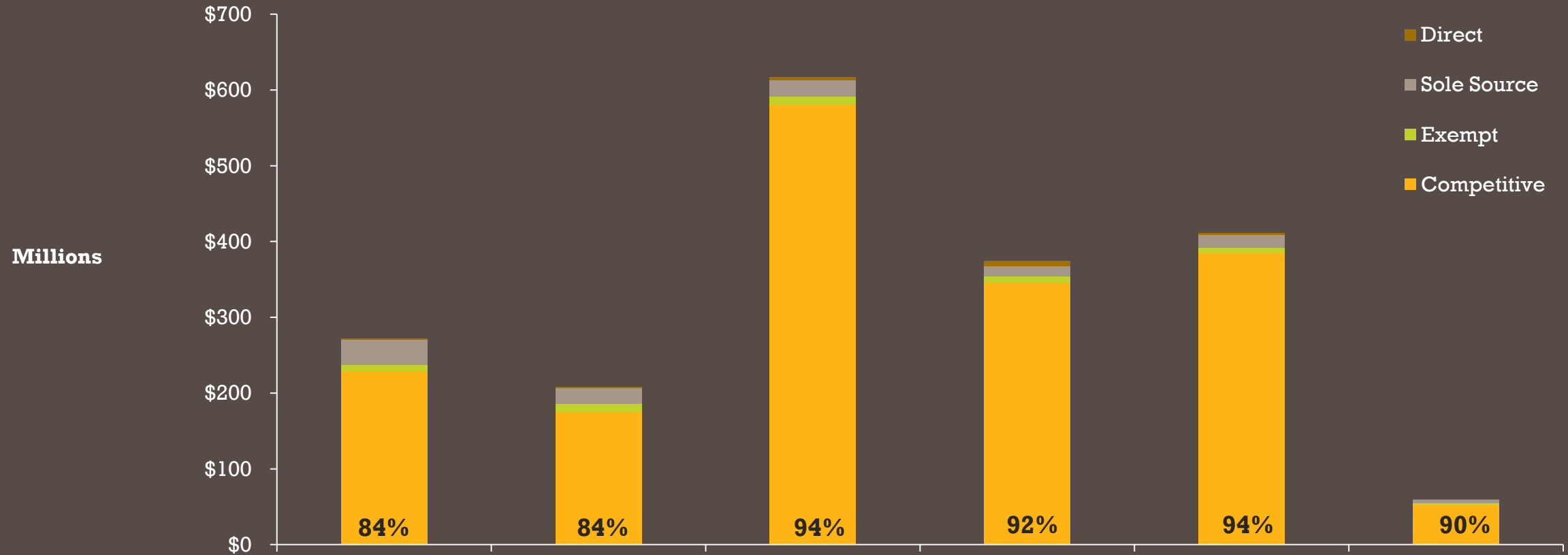
Thursday, February 18, 2021, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Compliance BL-8

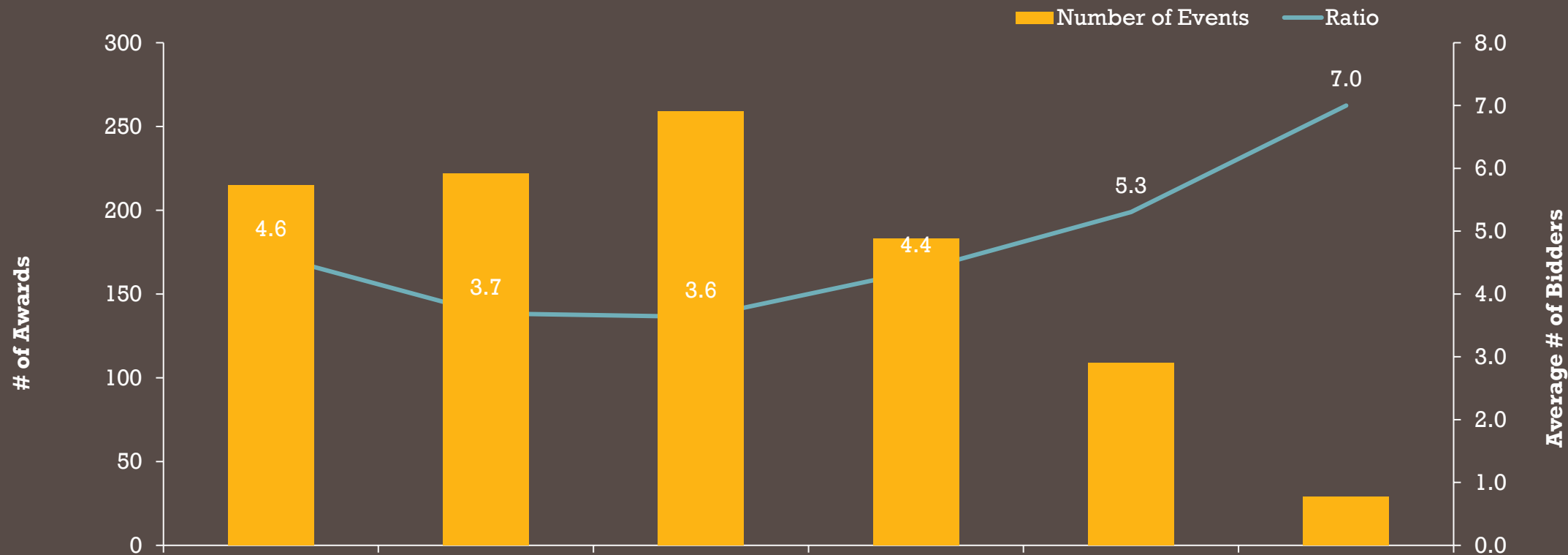


Competition Contract Awards



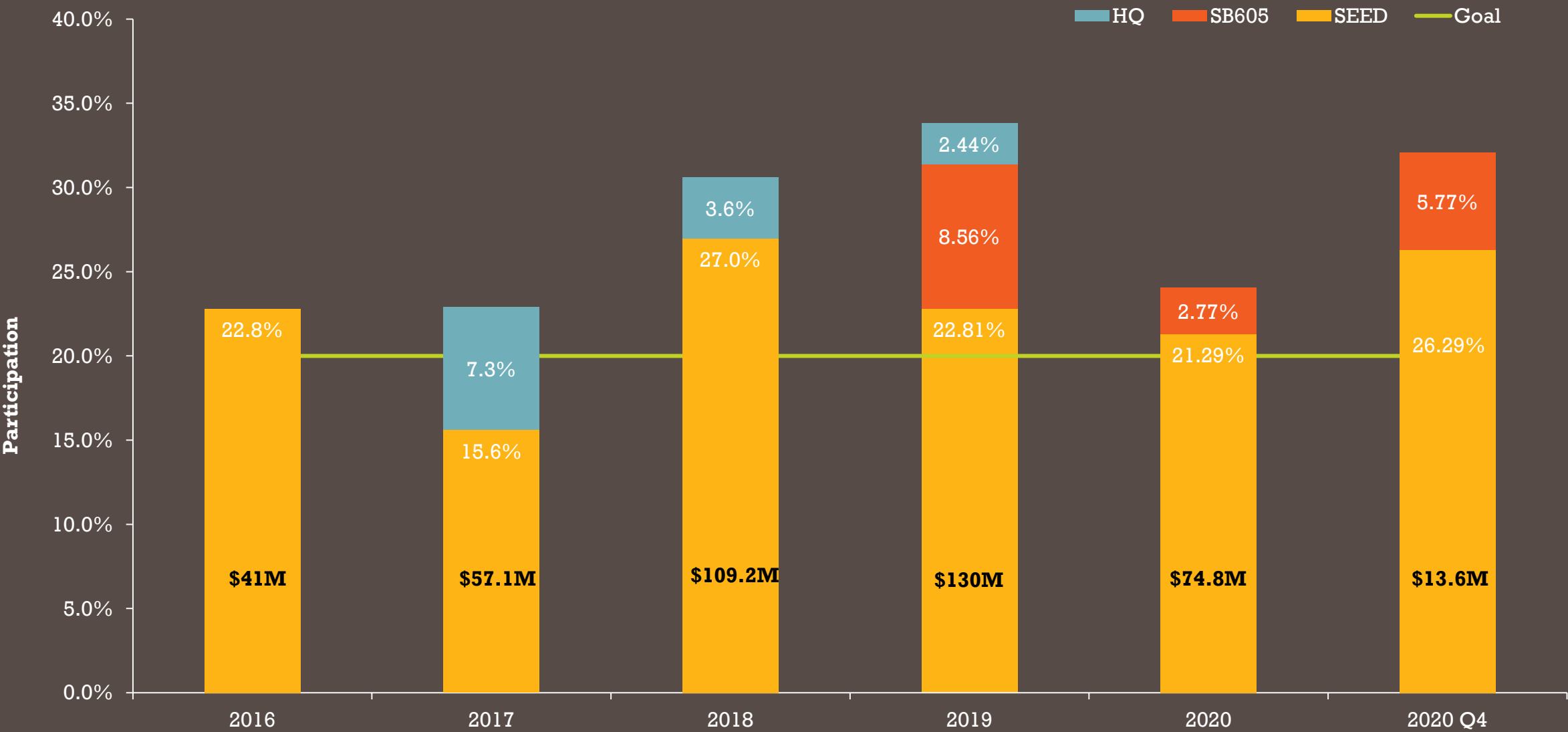
	2016	2017	2018	2019	2020	2020 Q4
Total Awarded	\$271.9M	\$208.1M	\$617M	\$374M	\$411.3M	\$59.4M
Competitively Awarded	\$228.9M	\$175.3M	\$582M	\$345.3M	\$385M	\$53.3M
Exempt	\$8.6M	\$10.9M	\$9.3M	\$8.3M	\$6.5M	\$1.6M
Sole Source	\$32.7M	\$20.1M	\$21.7M	\$13.2M	\$17.8M	\$4.4M
Direct Procurement	\$1.7M	\$1.8M	\$4M	\$7.2M	\$2M	\$129.6K

Inclusiveness Bidders/Event

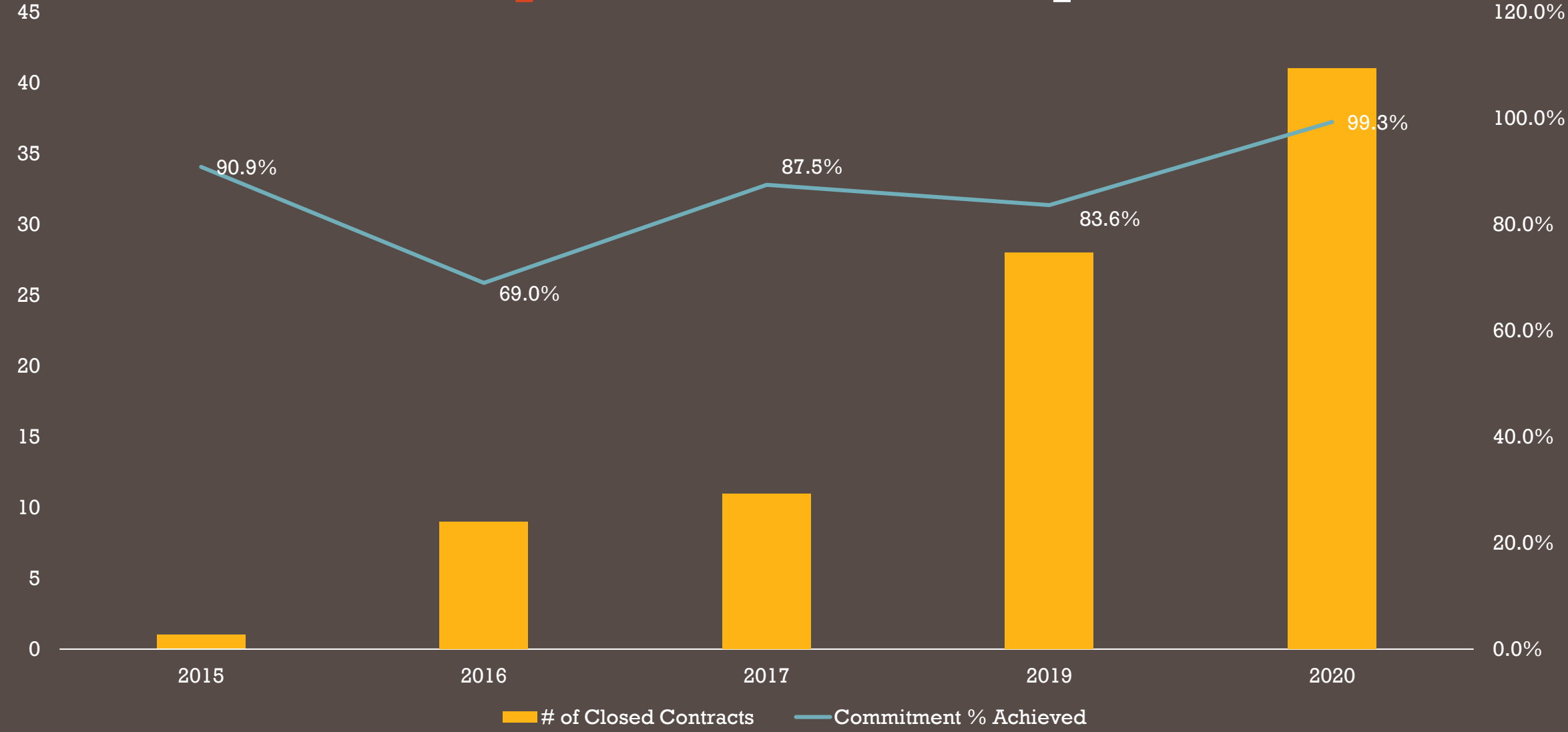


	2016	2017	2018	2019	2020	2020 Q4
Number of Bidders	992	820	942	798	578	203
Number of Events	215	222	259	183	108	29
Events with ≥ 3 Bidders	138	135	139	123	72	19
% of Events with ≥ 3 (count)	64%	61%	54%	67%	66%	86%

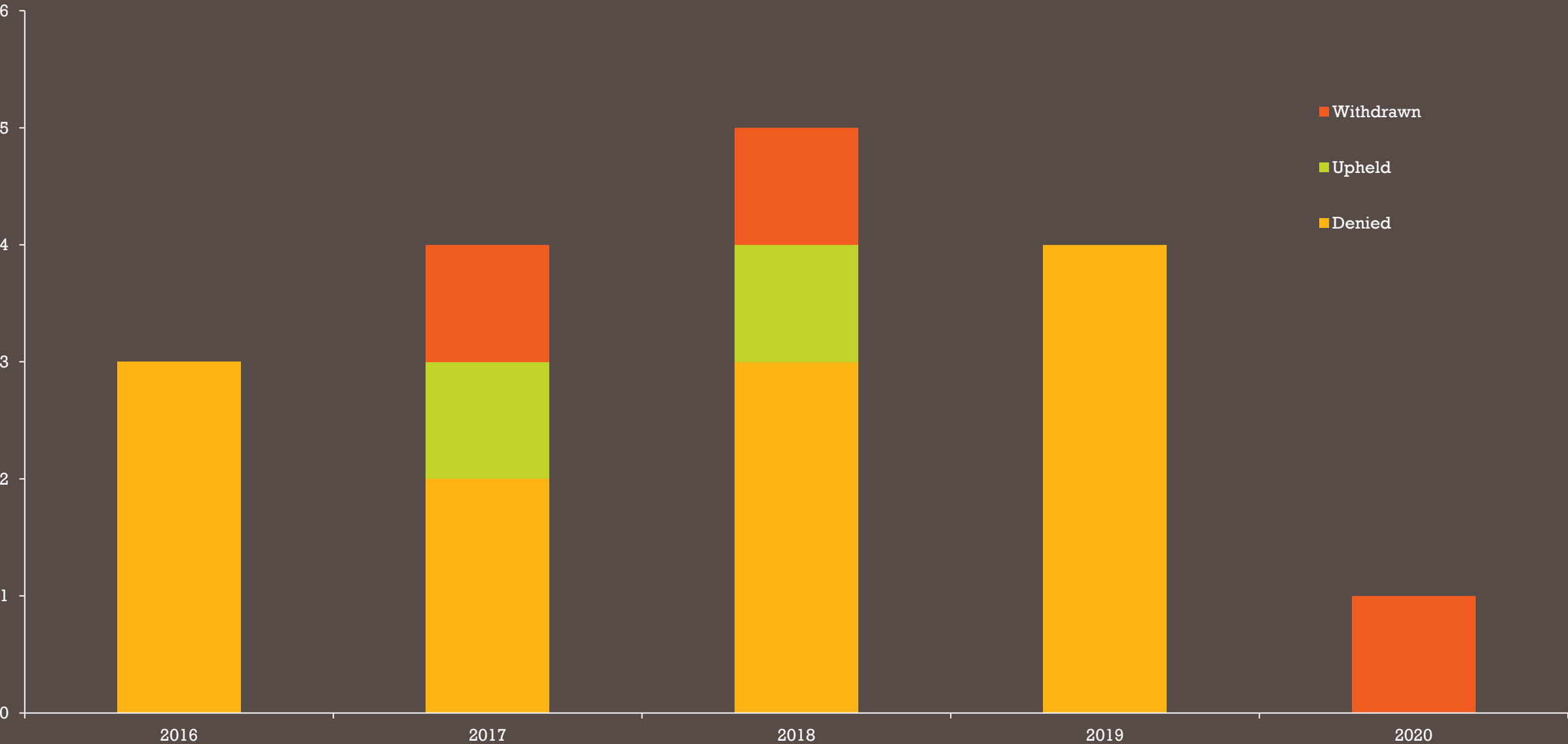
Economic Development SEED Participation



Economic Development SEED Compliance



Protests Solicitations



Environmental Procurement Update



What We Did

- SMUD is officially an EUISSCA member effective January 2021
- Completed initial maturity assessment

What We're Doing

- Developing short- and long-term goals
- Status update will be provided in Q3 Report





- “B” grade is above the average for thermal power generation and North America (both average “B-”) as well as the global average “C.”
- We improved from a B- rating in 2019
- SMUD’s 2020 submittal was scored and benchmarked against over 8,000 companies worldwide
- Only about 2% of companies reach the A-list

CDP - Supplier Engagement Rating	
2019	2020
B-	B

SSS No. RNBS-21-002

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Policy Committee, 3/10/2021
Board Meeting Date
3/18/2021

TO				TO			
1.	Bryan Swann			6.			
2.	Claire Rogers			7.			
3.	Jennifer Davidson			8.			
4.	Stephen Clemons			9.	Legal		
5.	Scott Martin			10.	CEO & General Manager		
Consent Calendar		<input checked="" type="checkbox"/>	Yes	No <i>If no, schedule a dry run presentation.</i>		Budgeted	
		<input checked="" type="checkbox"/>	Yes			No <i>(If no, explain in Cost/Budgeted section.)</i>	
FROM (IPR) Mark Rawson				DEPARTMENT Resource and New Business Strategy			
				MAIL STOP		EXT. 6364	DATE SENT 2/18/21

NARRATIVE:

Requested Action: Accept the monitoring report for Strategic Direction SD-19, Diversified Business.

Summary: The purpose is to provide the Board with an update on SD-19, Diversified Business, for 2020. SMUD has three revenue portfolios that are delivering revenues from sources other than traditional electricity sales to customers. They are comprised of a diverse mix of projects that leverage SMUD's brand, intellectual property and assets to create new revenues for SMUD.

For 2020, the three portfolios generated \$13.8M in revenues.

Board Policy: SD-19, Diversified Business
(Number & Title)

Benefits: These portfolios support the goals and objectives of SD-19 in that they: a) generate new revenues that contribute to SMUD's long-term financial health; b) spur the creation of innovative products and services; c) capture the value of SMUD's brand and intellectual property; and d) better leverage and optimize SMUD's assets.

Cost/Budgeted: Budgeted

Alternatives: Provide the Board written reports and communications through the General Manager & CEO.

Affected Parties: N/A

Coordination: Budget Office, Audit Quality Services

Presenter: Mark Rawson, Manager, New Business Development

Additional Links:

SUBJECT

SD-19 Diversified Business 2020 Monitoring Report

ITEM NO. (FOR LEGAL USE ONLY)

5

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: March 2, 2021

FROM: Claire Rogers *CR 3/2/21*

**SUBJECT: Audit Report No. 28007401
Board Monitoring Report; SD-19: Diversified Business**

Audit and Quality Services (AQS) received the SD-19 *Diversified Business* 2020 Annual Board Monitoring Report and performed the following:

- A review of the information presented in the report to determine the possible existence of material misstatements;
- Interviews with report contributors and verification of the methodology used to prepare the monitoring report; and
- Validation of the reasonableness of a selection of the report's statements and assertions.

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

CC:

Paul Lau

Board Monitoring Report FY 2020 SD-19 Diversified Business



1) Background

Strategic Direction SD-19 states that:

Broadening and diversifying the products and services that SMUD offers is a key value. The desired results are to: a) generate new revenues that contribute to SMUD's long-term financial health; b) spur the creation of innovative products and services; c) capture the value of SMUD's brand and intellectual property; d) better leverage and optimize SMUD's assets; and e) enable SMUD to continue to attract and retain a talented workforce.

Therefore:

- a) SMUD shall broaden and diversify its lines of business, which may include:
 - i) Being an external service provider;
 - ii) Expanding wholesale energy market opportunities;
 - iii) Capitalizing on intellectual property and assets to develop products and services either solely or through strategic partnerships;
 - iv) Selling products and services aligned with SMUD's purpose and Strategic Directions.
- b) SMUD shall ensure any new lines of business:
 - i) Benefit SMUD's customers and our community;
 - ii) Achieve a balanced, diversified portfolio of rewards and risks;
 - iii) Create economic value without compromising SMUD's financial health;
 - iv) Do not pose unreasonable risk to SMUD's reputation;
 - v) Align with, leverage, and optimize SMUD's strengths, assets and expertise;
 - vi) Position SMUD for the future.

2) Executive Summary

- a) Staff is tracking and reporting on three separate revenue portfolios. These revenue programs are deriving revenues that are not traditional electricity sales to customers. The three portfolios are a diverse mix of projects that leverage SMUD's brand, intellectual property (IP) and assets to create new revenues for SMUD.
- b) SMUD is in compliance with SD-19 Diversified Business.**
- c) There are three portfolios that generate revenue for SMUD. Prior to development of SD-19, tracking costs and revenues separately for each revenue program was

aligned with operational efforts, and not specifically configured in a manner to measure net revenue per project. Therefore, only revenues are reported for Legacy Revenue and Innovation Generator Programs. However for the New Revenue Program portfolio, both costs and revenues are reported.

The founding objective of the Legacy Revenue Programs was to improve customer satisfaction by offering products and services requested by customers. Revenue generation was secondary. A requirement was that such programs must be self-sustaining after 5 years. Because many of the operational costs are shared across many programs, it is difficult to calculate net revenues even though revenues are tracked separately.

For fiscal year 2020, the actual costs and revenues for each portfolio are as follows:

Portfolio	Total Expenses	Total Revenues	Total Net Revenues
New Revenue Program	(\$8,326,910)	\$10,387,025	\$2,060,115
Legacy Revenue Programs		\$ 3,442,440	
Innovation Generator Program		\$903	
Total		\$13,830,368	

3) Additional Supporting Information

a) Financial Summary

A total of 16 programs/projects are included in the three portfolios. Descriptions of each deal within each portfolio are listed in Appendix A.

For the Legacy Revenue Programs, actual revenues of \$3,442,440 were \$644,533 above planned revenues of \$2,797,907. The Innovation Generator Program actual revenues were negligible; again, there is no plan tracked for this program. Within the Legacy Revenue Programs, Cell Site Revenue and Home Power contributed most of the increased revenue out of the portfolio.

The New Revenue Program generated \$10,387,025 in revenue which was \$1,194,945 above the planned revenue of \$9,192,080. The actual expenses of \$8,326,910 were \$5,039,938 lower than the planned expenses of \$13,366,848. This resulted in positive net revenue of \$2,060,115 compared to a planned negative net revenue of \$ \$4,174,768 – a variance of \$6,234,883. The biggest driver of this improvement above plan is due to the Community Energy Services Program generating more revenue than planned while also considerably reducing expenses compared to plan.

In Fiscal Year 2020, the New Revenue Program crossed an important threshold generating positive net revenue for the first time since its inception in 2018. In 2018, the program had a net negative revenue of \$4,538,322; in 2019 a negative net revenue of \$664,924; and in 2020 a positive net revenue of \$2,060,115.

The New Business Development Program is centrally responsible for developing, assessing, negotiating, overseeing implementation and tracking performance of existing and new business opportunities for all of SMUD. However, for all of 2020, this team was dedicated full time to planning and launching the California Mobility Center. This team did not actively track the current portfolios or pursue any new opportunities for SMUD.

b) Risk Summary

Risk is reported here only for the New Revenue Program and the methodology is derived from SMUD's Enterprise Risk business practices. Risk is generally defined as the ability to successfully recoup SMUD's investment over a reasonable timeframe, without damaging SMUD's reputation, causing financial hardship, or resulting in regulatory or policy violations.

Risk is evaluated on five impact areas - Financial; Legal, Regulatory and Legislative; Operational; Strategic; and Reputational. See Appendix B for definitions.

The overall risk ratings of the New Revenue Program portfolio were not modified from the 2018 and 2019 assessments as no new opportunities were added. The previous overall portfolio risk was rated low. For 2020, the portfolio risk was not reevaluated or changed as it is still deemed low.

c) Compliance with Desired SD-19 Outcomes

Two of the three portfolios are meeting the desired results stated in the policy as follows:

New Revenue – The New Revenue Program is generating new revenue – position net revenue for the first time.

Spurs Innovative Product and Services – The New Revenue Program is delivering innovative products and services to existing SMUD customers and new customers.

Capture Value From Brand and IP – Intrinsically, brand and IP value are considered and included in the associated revenue models for many of the projects included in the portfolios.

Asset Leverage and Optimization –Transmission Sales is a prime example of how SMUD is extracting additional value from an existing asset by selling surplus transmission capacity more competitively. For 2020, SMUD generated 130% more in excess transmission sales than was planned.

4) Future Steps

Staff is working diligently to maximize the revenue generation that is possible from all three portfolios. Business processes are in place to ensure costs and revenues are tracked so that net revenues can be determined and the cost-benefit analysis of different endeavors can be evaluated.

In Q1 2021, the California Mobility Center will enter commercial operations providing a unique opportunity for SMUD to realize potential benefits from helping mobility companies commercialize new products and services. This new innovation channel for SMUD will be added to the New Revenue Program portfolio for tracking purposes.

5) Challenges

Going forward, regimented cost and revenue tracking will be paramount to assessment of performance under SD-19. As SMUD embarks on attaining new goals relative to zero carbon emissions, a robust innovation pipeline, greater reliance on strategic partnerships and business diversification will all play vital roles.

As part of this evolution as it relates to new revenue opportunities, SMUD needs to learn how to be comfortable with trying new business models for revenue generation, fail quickly and move on to other ideas. The innovation process must be quicker.

6) Recommendation

It is recommended that the Board accept the Fiscal Year 2020 Monitoring Report for SD-19 Diversified Business.

Appendix A
PORTFOLIO PROJECT LIST AND DESCRIPTIONS

New Revenue Program:

1. **Community Choice Aggregator Services:** SMUD provides back office support services such as data management, call center, whole energy, marketing, communications and customer care for Community Choice Aggregators.
2. **NEC/STI:** Partnership with NEC Corporation (NEC) to collaborate on energy solutions for Japanese electric power providers and others in the Asia Pacific region.
3. **Sacramento Power Academy (SPA):** Program to train future utility workers in hundreds of utilities throughout the Western United States.
4. **Smart Grid Billing:** Smart Grid Billing enables real-time device monitoring and control to lower energy consumption and provide predictive maintenance for equipment. Our current pilot is with Embassy Suite and Hyatt Regency in Sacramento. This pilot offers an installation of a storage battery in the Hyatt in midtown that will be connected with the energy management system (EMS).
5. **OSI/DERMS Co-Development:** Open System International, Inc. (OSI) and SMUD strategic technology partnership to implement and deploy an industry-leading Distributed Energy Resource Management System (DERMS). SMUD will receive royalties from future sales of the enhanced product suite for DERMS.
6. **GridX:** Program will generate pro forma bills for all SMUD residential customers under various tariffs as part of RTOU planning efforts.

Legacy Revenue Programs:

1. **Cell Site Construction:** Revenues derived from SMUD review of cell site modifications or new construction.
2. **Energy Profiler:** Energy Profiler Online (EPO) lets customers to see their load profiles, energy consumption by time period, and other information on their facilities from any computer with Internet access.
3. **Home Power:** Program that covers customer's homes against unforeseen electrical repairs to outlets, switches, circuit breakers, fuses and accessible internal wiring. All repairs are performed by a SMUD approved electrical contractor.
4. **Moving Connections:** Program designed to enhance a customer's overall move experience. Residential customers can sign up for phone, internet, and other services, after transferring or starting electric service with a SMUD Customer Service Representative (CSR).
5. **Power Protection:** Residential program that prevents harmful voltage surges from entering a home via a whole house surge suppressor attached to the meter.

Appendix A

The program includes a manufacturer's warranty covering surge damage to appliances and electronic equipment.

Innovation Generator Projects

1. **Advanced Power Strips:** Partnership with cable TV service providers to direct-install free advanced power strips in customer homes. The pilot model will explore leveraging third-parties to enable direct-install of EE and other measures that will benefit SMUD customers.
2. **DER Planning Software:** DER Planning Tool software will forecast adoption scenarios (rate of adoption and geographic location) of DERs like electric vehicles, solar PV, storage, etc.
3. **GridPoint:** Energy management as a service (EMaaS) provides real-time data collection, data analytics, and cloud computing to maximize energy savings and operational efficiencies. This pilot is focused on small and medium business customers.
4. **Intelligent Energy Solutions:** Software that minimizes certain electrical end uses in the customer's home (e.g. pool pumps).
5. **Kandela:** Is a move concierge service for commercial customers, helping them manage their move, in exchange for referral revenue and licensing revenue if the program is adopted by other utilities.

Appendix B

RISK

Risk is tracked only for the New Revenue Program using best practices derived from SMUD's Enterprise Risk business practices. Risk is generally defined as the ability to successfully recoup SMUD's investment over a reasonable timeframe, without damaging SMUD's reputation, causing financial hardship, or resulting in regulatory or policy violations.

A **risk** is the possibility that an event will occur and adversely affect the achievement of objectives. To help understand the nature of risk and to determine the level of risk, the risk assessment process is used. Risk Assessment requires calculations of three components of risk: impact, likelihood and velocity.

Impact is the magnitude of the potential risk based on six impact areas defined below.

Likelihood is the chance that the event (risk) will occur and velocity is the speed at which the risk will occur, if it occurs. For the purposes of this rubric, the **risk score** is calculated as follow: **Impact x [(likelihood+velocity)/2]**

The following five impact areas are considered for the New Revenue Program Portfolio.

Financial – This category focuses on how much SMUD's financial commitment is including both cash and non-cash resources. Labor is considered here as well.

Legal, Regulatory and Legislative – This category considers whether the project has the potential to violate the law, cause significant fines, or a loss of confidential data. It considers whether the project exposes SMUD to higher levels of risks or new risks from a legal, regulatory or legislative perspective.

Operational – This category considers whether the project aligns with, leverages and/or optimizes SMUD's strengths, assets and expertise. It also considers whether the project poses unreasonable risks to existing projects or operations.

Strategic – This category considers whether the project or the failure of the project will impact SMUD's ability to achieve its strategy. It also considers whether the project poses unreasonable risk to SMUD's goals and objectives.

Reputational – This category considers how the project could impact the perception of SMUD by its customers and the community. It considers whether the project poses unreasonable risk to SMUD's reputation.

The following tables define the rubric for ratings of risk impacts.

Appendix B

Impact Areas						
Score	Name	Financial	Legal, Regulatory & Compliance	Operational	Strategic	Reputational (Customer, Community, and Board Relations)
1	Insignificant	<\$2M, no FTE	No legal/compliance violations. No confidential data involved.	Direct alignment with SMUD's strengths, assets, and expertise. No impact to existing projects or operations.	No impact to achievement of goals and objectives.	No impact to metrics and surveys. No public criticism on media platform. No impact to SMUD's reputation.
2	Minor	\$2M<\$5M, 1 FTE	Minor legal/compliance violations. (regulatory fines >\$5K and torts)	Project may be a minor deviation from SMUD's strengths, assets, and expertise. Minor delays or modifications to a few existing projects or operations.	Minor delays or modifications to goals and objectives.	Slight change in customer metrics and surveys. Limited public criticism from a few media platforms.
3	Moderate	\$5M<\$10M, 2 FTEs	Moderate violations lead to increased scrutiny and some fines. (regulatory fines >\$100K) Introduces new risks to SMUD that can be mitigated with effort, confidential data involved.	The project may align with, leverage and optimize only a portion of SMUD's strengths, assets and expertise. Moderate delays or modifications to project portfolio or operations.	Moderate delays or modifications to goals and objectives.	Modest decline in customer metrics and surveys. SMUD is subject to criticism from several opinion leaders/customers, media sources and the Board.
4	Major	\$10<\$20M, 3-4 FTEs or team to support	Significant violations of law or potential loss of confidential data. Significant fines (regulatory fines >\$250K) Introduces new risks to SMUD that are difficult or costly to mitigate.	The project may be a major deviation from SMUD's strengths, assets, and expertise. Significant delays or modifications to existing project portfolio or operations.	Significant delays or reductions in scope of goals and objectives.	Significant deterioration in customer metrics and surveys. Negative media reaches headlines of several publications. Significant erosion of trust from the Board.
5	Critical	>\$20M, >4 FTEs or an entire team or department to support	Violations result in widespread data loss, loss of qualifications for licenses. (regulatory fines >\$1M) Introduces new risks to SMUD that are too difficult or costly to mitigate.	New line of business with significant disruptions to SMUD's strengths, assets and expertise. Cancellation of multiple projects and significant impacts of operations.	Failure to meet SMUD's goals and objectives.	Major deterioration in customer metrics and surveys. Irreparable negative media coverage and damage to SMUD's reputation and credibility with the media and the Board.

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-19, Diversified Business**, substantially in the form set forth in **Attachment ____** hereto and made a part hereof.

SSS No.

E,S,RES 21-02

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

Policy, March 10, 2021

Board Meeting Date

March 18, 2021

TO					TO				
1.	Claire Rogers				6.				
2.	Jennifer Davidson				7.				
3.	Stephen Clemons				8.				
4.					9.	Legal			
5.					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	
Patrick Durham				Workforce Enterprise Services				B203	6327	02/22/2021	

NARRATIVE:

Requested Action: Accept the monitoring report for **Strategic Direction SD-6, Safety.**

Summary: Report on the status of Strategic Direction 6 (SD-6) Safety, for safety performance from July through December of 2020.

Board Policy: This report supports the SD-6 Core Value of Safety by providing a safety performance status.
(Number & Title)

Benefits: Provide the scheduled bi-annual monitoring report as requested by the Board of Directors and Executive Staff. The report provides an opportunity to make recommendations or policy revisions, as necessary.

Cost/Budgeted: None

Alternatives: Provide the Board monitoring report without a presentation.

Affected Parties: Board of Directors, Executive Staff

Coordination: Organization-wide

Presenter: Patrick Durham, Director of Environmental and Real Estate Services

Additional Links:

SUBJECT	Monitoring Report for Strategic Direction SD-6, Safety	ITEM NO. (FOR LEGAL USE ONLY)	6
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: March 2, 2021

FROM: Claire Rogers *CR 3/2/21*

**SUBJECT: Audit Report No. 28007400
Board Monitoring Report; SD-6: Safety**

Audit and Quality Services (AQS) received the SD-6 *Safety* second-half 2020 Biannual Board Monitoring Report and performed the following:

- A review of the information presented in the report to determine the possible existence of material misstatements;
- Interviews with report contributors and verification of the methodology used to prepare the monitoring report; and
- Validation of the reasonableness of a selection of the report's statements and assertions.

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

CC:

Paul Lau

Board Monitoring Report Third & Fourth Quarters, 2020 Strategic Direction SD-6, Safety



1. Background

Creating a safe environment for employees and the public is a core value of SMUD.

Through continuous improvement, SMUD will be recognized as a leader in employee safety while also assuring the safety of the public related to SMUD operations and facilities. This includes a comprehensive approach to monitoring organizational and public safety performance.

Therefore, SMUD will continue to improve safety results to:

Workplace Safety

- a) Reduce SMUD's injury severity rate to 1.4 by 2020, as measured by OSHA's Days Away Restricted Time (DART), a rate that demonstrates strong safety performance.
- b) Provide timely, quality health care for injured employees that aids their recovery while maintaining positive financial performance of the workers' compensation program.

Public Safety

- a) Track and report injuries to the public related to SMUD operations or facilities.
- b) Implement measures to protect the public from injuries related to SMUD operations or facilities.

2. Executive Summary

SMUD is in compliance with the SD-6 direction and is in alignment with SMUD's 5-year strategy of working toward a zero-incident culture. In the second half of 2020, SMUD met its safety performance targets related to SD-6.

Workplace Safety

SMUD recorded a total of 57 Occupational Safety and Health Administration (OSHA) Recordables injuries in 2020, which is a 19% increase over the previous year (2019 = 48 OSHA Recordables). Of the 57 OSHA Recordable injuries reported in 2020, 26 met the DART criteria (7 Lost Time & 19 Modified Duty), resulting in a DART rate of 1.24. The majority (92%) of the DART cases occurred in the field environment. Only 9 of the 26 DART cases were soft tissue related.

Although there was an increase in OSHA Recordables injuries compared to 2019, the 2020 injury count remained 50% lower than the average of the years 2004–2019. (See Appendix A). In addition, SMUD did not have a COVID-19 OSHA recordable in 2020.

Quality care of injured employees is measured through the Workers' Compensation program's performance, which is assessed annually by an independent actuary. SMUD continues to have a reduction in claims over the past three years, a reduction in injury frequency rates, and a reduction in indemnity benefits as presented below as of September 2020:

	2018	2019	2020
No. of Claims (Medical & Indemnity)	120	85	88
Incident rate per 100 employees	5.07	3.60	2.3
Reduction in indemnity benefits	32%	21%	8.2%
Rates per \$100 payroll	.58	.50	.59

To better support the health and wellness of employees at work, Workers Compensation contracted with a new onsite medical services provider, Sacramento-OMC to provide non-emergency on-site medical care for our employees who have suffered injuries or illness (caused by work) as well as employee/pre-employment related evaluations and testing. Sacramento OMC has been on site for over a year.

Public and Community Safety

SMUD tracks public and community incidents in the Safety Incident Tracking System (SITS) involving car-pole, electrical contact, dig-in incidents and injuries to the public that are related to SMUD's operations or facilities.

For 2020, there were 280 incidents where the public vehicles hit SMUD equipment. Of those incidents, there were zero fatalities or hospitalizations caused by the SMUD equipment. Six electrical contacts were reported resulting in one minor shock and one fatality, as well as one claim filed against SMUD. Forty-three dig-ins were reported with zero injuries.

3. Additional Supporting Information

The new SD-6 Safety Direction became effective August 21, 2014. Our goal is to achieve the desired performance objectives by year-end 2020. This report summarizes safety performance in 2020.

Safety Leadership. Continuing in 2020, the new Safety Manager continues with his integration efforts to support Executive Leadership's 5-year plan that emphasized zero incidents and injuries and a focus on a zero-accident safety culture. SMUD's Chief

Executive Officer (CEO) Paul Lau re-emphasized the need to improve safety at SMUD with a greater focus of developing a "Safety for Life" culture, reducing the risk of serious injuries and fatalities, implementing a safety management system, and improving the analysis of injury and incident trends. These goals are outlined in SMUD's new Safety Road Map.

Safety Road Map. SMUD completed its Safety Road Map in December of 2020 with a planned roll-out in early 2021. The Road Map emphasizes a safety for life culture where we support safety leadership, encourage employees to model safety, partner with our contractors, and care for our community.

Safety Management System. SMUD's new Safety Manager is partnering with IT to finalize the SMUD selection process for the safety software vendor selection. Enhancement areas that the Safety team are working to elevate within core safety competencies include: leadership and staff roles and responsibilities, updating safety standards, field training, change management, human performance engineering, field observations, SCORCH, safe driving, ergonomics, job hazard analyses, contractor safety and public safety improvements.

Safety Standards Development. During 2020, Safety continued the efforts to develop new standards and update existing standards to assist in the improved safety of SMUD operations. Standards ready for Director review include: Bloodborne Pathogens; Confined Space Entry; Excavation, Trenching & Shoring; Fall Protection; General Safety Rules; Heat Illness; and Personal Protective Equipment, to name a few. The completed standards include the New Injury and Illness Prevention Program COVID-19 Appendix; 2020 Wildfire Smoke Update; and Special Motorized Equipment.

Supervisor-Employee Interactions. Safety staff updated and strengthened its supervisor-employee interaction quality program. Improvements included data governance definitions for Supervisor-Employee Interactions, Safety Contacts, Field and Office visits. Emphasis is placed on field visits for work with the highest hazard potential. For office personnel, an emphasis is placed on observing personnel pertaining to ergonomic risk, and slip/trip/fall hazards in walking areas, etc. During 2020, a total of 17,539 Supervisor-Employee interactions were complete that resulted in a percentage observed 167%.

Near Miss Reporting. Leadership continues to support and encourage near miss reporting. The process improvements that were initiated in SMUD's Safety Incident Tracking System (SITS), provide a method to more effectively track and implement near miss reporting and public incident tracking. The goal of this process is to identify opportunities for learning before injuries and accidents occur. During 2020, SMUD Grid Assets and Power Generation, reported and investigated 50 Near Misses through SITS.

Community and Public Safety. Community and Public Safety efforts have focused on providing awareness messaging to customers and contractors in the Sacramento area.

Partnering with the Marketing Department, SMUD Public Safety messaging campaign has reached audiences on billboards, visual media, and print regarding car pole, excavating, and electrical safety. This messaging was tailored to educate and make aware the public on how to safely avoid interaction with SMUD infrastructure.

Through 2020, SMUD held one public safety outreach session in collaboration with Grid Assets and Sacramento Power Academy (SPA) for Cal Fire that included a technical presentation on how the electrical distribution and transmission system function and a tour of the electrical equipment used for training at SPA. Public safety outreach opportunities have been challenged by COVID-19, with more than 20 training sessions with local emergency personnel, local contractors, local companies, and Sacramento community members being cancelled. SMUD has continued to collaborate with local emergency personnel through development of electrical safety fact sheets for Fire Department Captains to use during fire incident report outs with their respective Fire Departments. Additionally, SMUD Safety and SPA have partnered to develop an electrical safety awareness video for First Responders, which is planned for distribution in early 2021.

Contractor Safety. SMUD's contractor safety program, is continuing to use ISN, as our online contractor pre-qualification and management program that is used in the evaluation of our contractor's safety record and safety program. at heights, vegetation management, confined spaces, excavations, etc.

SMUD currently has 65 contractors in the ISN program. We continue to network and benchmark with the other utilities, who are using ISN as part of their contractor safety program to further enhance SMUD's process. As part of the growth we have expanded our site safety evaluations performed on our high-risk contractors, a tool to aid SMUD in validating their safety performance on the jobsites. Last year 61 site safety evaluations were completed, and we are on track to complete 140 for the year of 2020. We are continuing to validate our prequalification criteria and selection processes. SMUD's prequalification criteria focuses on Contractor Fatality History, OSHA Citation History, DART and Total Recordable Incident Rates (TRIR), Insurance Experience Modification Rate, Safety Culture Questions, and Safety Program Review, to aid in the evaluation of on the safety performance of our contractors.

Procurement and Safety have partnered together working on enhancing SMUD's contract language as it relates to contractor safety requirements, RFP templates for high risk work, and incorporating contractor safety as part of the onboarding process.

Safely Conducted Observations Reduce Common Hazards (SCORCH). For 2020, SCORCH team members conducted 3,583 Office and Professional interactions whereas the SCORCH Field groups employee interactions were 1,546. These interactions resulted in the removal of 3 barriers to safety. The immediate

implementation of remote work called for a quick pivot of our process to allow observation engagement to take place in our traditional peer to peer and an enhanced virtual self-observation format. An updated digital observation sheet was created to elevate the user experience and enhance our ability to timely capture the work behaviors associated with the large numbers of employees now in a work environment. Valuable best practices and trending analysis data was shared with Safety, Facilities, IT and leadership. This was done to aid departments in aligning and prioritizing business practices in ways that best meet the ergonomic challenges of a remote work environment, with data to support the steps.

4. Challenges

Pandemic. The challenge for Safety this year is COVID-19. SMUD safety, HRD&I, Emergency Planning, Facilities and Communications worked to develop new COVID-19 guidance and testing programs to protect employees, contractors, and the public. These efforts resulted in no work-related COVID-19 exposures and limited absenteeism to our employees. During the second half of 2020, SMUD focused on planning for the safe re-entry of employees, and the development of new safety controls and programs for remote workers. Lastly, Safety and our Emergency Planning teams continue to work pre-plan for employee vaccinations. Communication efforts are underway to encourage employees to voluntarily get the vaccine.

Data Management. Improving the quality, automation, and use of safety data is an ongoing challenge. Efforts are underway with SMUD's IT staff to select a Safety Management System to automate the generation of data and so that Safety can trend recorded incidents using data analytics. In addition, Safety expanded its dashboard reporting and real-time DART, OSHA Recordable, and Preventable Vehicle Accident (PVA) reporting. The new SMS will also allow improved data management of employee suggestions, correction action closure rates, and tailboard status.

Zero Accident Culture. As presented in this report, SMUD continues to work toward a reduction in all incidents. During the past 12 months, SMUD leadership and employees have worked together to build trust and create effective JLMSC Teams, SCORCH (behavior-based) Committees, Safety for Life efforts, contractor safety field visits, and standards/programs. In addition, SMUD has worked closely with contractors conducting high risk work to support the reduction of injuries and incidents to their employees and subcontractors.

5. Recommendation

SMUD is committed to becoming a recognized leader in safety. Both SMUD's leadership team and employees recognize that to achieve success we must integrate safety into all that we do. SMUD is in compliance with SD-6 and recommends that the Board accept the Monitoring Report for SD-6.

6. Appendices - Business Segment Safety Program Improvement Initiatives

Grid Assets (GA). Grid Assets Leadership is continuing to encourage field staff's input and participation on work group specific Joint Labor Management Safety Committees (JLMSC), with representatives from Field, Supervision, Union and Safety in attendance. The Quarterly Business Segment JLMSC has been expanded to an "All Energy Delivery" Joint Labor Management Safety Committee, to include Power Generation, which allows sharing of ideas and mitigation controls, for similar risks. The first meeting was held on Wednesday, April 29th, 2020, via Skype, due to COVID-19 impacts. The second meeting was held on Thursday, August 13, 2020, (also via Skype). Response from participants has been positive and the value is being recognized.

The Safety Team continues to use TapRoot® to identify causal factors, root causes of Serious Injury/Illness Incidents; and reduce workplace hazards and the potential for repeat incidents.

Safety has continued to work with the SMUD Power Academy, through the COVID Pandemic to review internal and external safety training programs, to ensure consistency and quality. An example of collaboration, teamwork, and a process improvement is recording Safety Meetings and uploading them into LMS, for review by employees who missed their originally scheduled Monthly Safety Meeting. Safety has also worked with the Learning and Development Team on the COVID-19 e-learning courses and updates to provide this important training topic to employees online.

The Safety Team has also assisted various work groups for onsite crew trainings, which have been minimized, due to the COVID-19 social distancing requirements. The Safety Team has worked to create social distancing floor plans for these trainings, provided signage, temperature stations, sanitization, PPE, and other support, as needed.

Energy Supply/Power Generation (ES).

Since the beginning of the COVID-19 Pandemic, Power Generation has been flexible in their response to be able to prioritize employee safety while also ensuring that the work is completed. The UARP increased work planning efforts to isolate crews and document work routes in case contact tracing is needed. Gas Pipeline began reporting directly to the field to limit employee to employee contact. Safety meetings including Joint Labor Management Safety Committee, Tailboards, Safety Meetings and Safety Training, including annual crew training, have continued with appropriate modifications to occur virtually, or when an in-person meeting is required social distancing and facial coverings are utilized.

COVID-19 also halted the continuation of the Functional Movement Screens (FMS); however, Power Generation employees continued with their Savvy FIT Daily Dozen for soft tissue injury reduction. As a result, soft tissue injuries continue to trend down. In

addition to the COVID-19 Pandemic, Power Generation has also responded to extreme high heat and wildfire smoke events. Work was planned to ensure that employees were able to reduce or eliminate potential exposures.

Although Cal/OSHA's Voluntary Protection Program (VPP) program has been limited in its scope and participation due to the COVID-19 pandemic, both the UARP and Gas Pipeline Operations (GPO) continue to pursue best in class improvements. The UARP continues to implement the 2017 arc-flash study recommendations, and has fully implemented the pre-startup-safety review (PSSR) as part of their management of change. UARP has ongoing continuous improvement processes through various avenues, including JLMSC, facilities inspections and new processes to eliminate or reduce hazards. GPO continues to meet in VPP and JLMSC meeting to prepare for the Cal/OSHA audit that will likely be scheduled in 2021 or 2022 due to COVID-19 restrictions.

Customer & Community Services (CCS). The Customer Operations Leadership Team safety efforts have continued to emphasize leadership involvement, and employee engagement. Leadership has demonstrated visible involvement through written and verbal communications, as well as through regular supervisory inspections and observations to identify and reinforce the importance of smart set-up of workstations, as well as safe ergonomic behaviors. Employees are taking COVID-19 training and practice their situational awareness training while social distancing, remote work SCORCH observations, and using COVID-19 safe work practices while on SMUD campuses.

Workforce Enterprise Services (WES). Workforce Enterprise Services continued efforts to identify and update procedures, and/or work practices for areas of high-risk work. These efforts have been consistently applied through the fleet, warehouse, and facility operations. Other injury prevention efforts have included updating of ergonomic training to address methodologies for self-help for employees to maintain strength, mobility, and conditioning. In addition, the Environmental Services team is also participating in the beta testing of the contractor safety pre-qualification program.

Driver Safety. In 2020 the approach to Driver Safety was significantly adjusted due to the impacts of COVID-19. In-cab and in-person instruction and ride along activities such as Driving RODEO's and Supervisor Ride-a-longs were halted to prevent possible COVID-19 exposure. The van pool program was also suspended for the same reason. Additional adjustments for 2020 include the development and implementation of "virtual" defensive driving refresher training that covers Smith System techniques as well as SMUD related information. Drivers will be offered the opportunity to take the behind the wheel portion of the training when it can be performed safely. Revised refresher training is available through LMS now. Additional educational information in the form of brief PowerPoint Presentations covering various vehicle related topics have been made available on the Health and Safety SharePoint site for the use of business unit supervisors when conducting safety meetings

Safety for Life. The Safety for Life events scheduled for 2020 were postponed due to COVID-19. To ensure the Safety for Life culture continues to evolve during this time of social distancing and remote work, more emphasis will be placed on Safety for Life communications and testimonials. Safety at a Glance and formal safety meetings will be the primary methods of communication utilized.

Safety Support. As the construction of the HQ project finished up, SMUD Safety conducted a Polychlorinated biphenyls (PCBs) and Volatile Organic Compound air sampling, worked with Environmental Services in completing a PCB risk assessment, and is supporting and reviewing a PCB Close Out report that will be sent to the U.S. Environmental Protection Agency, and is conducting joint safety assessments with RC to ensure that work practices are being performed properly. Safety Services has developed specific work practices; created a work permitting process and develop a Health and Safety Standard for work involving PCBs. In addition, Safety is working Environmental and Substation staff in the construction and sampling of soil at Station G.

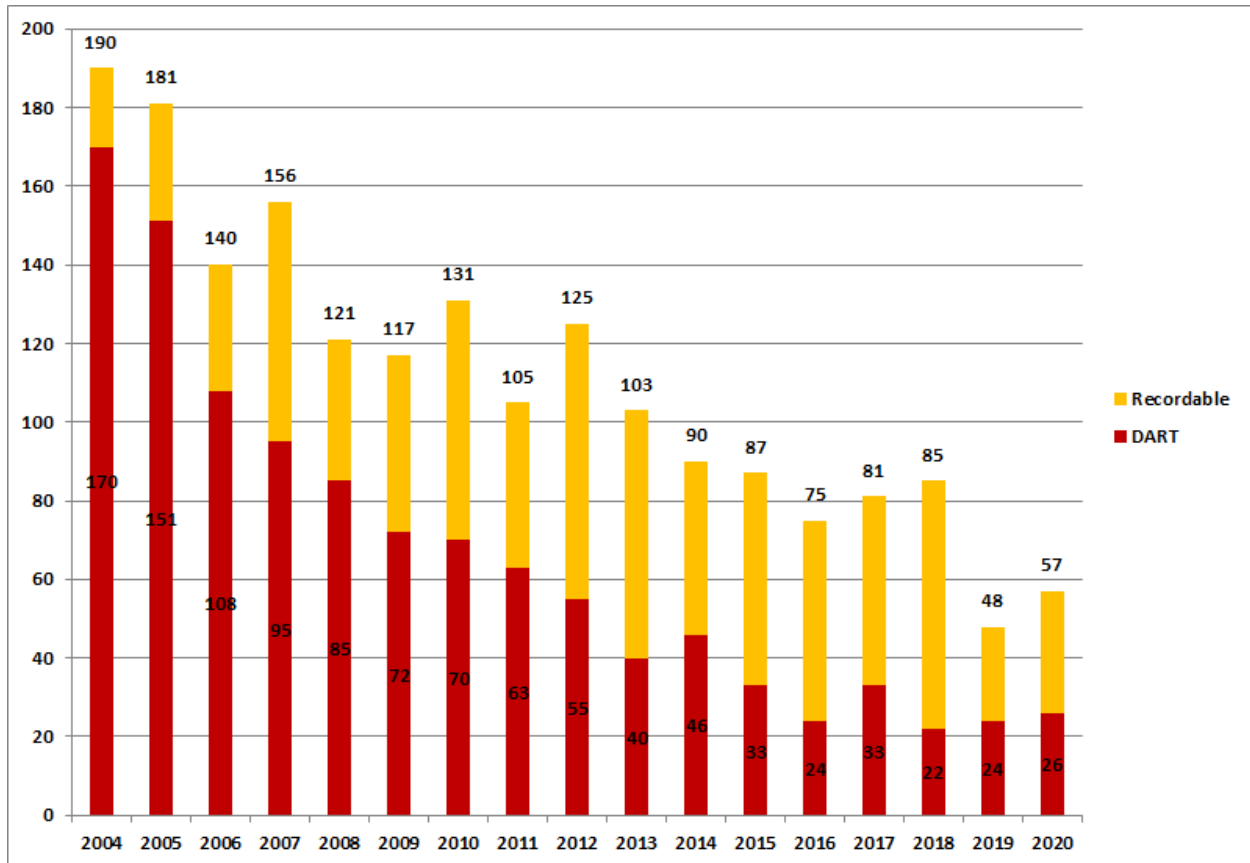
Wellness. Employee health and wellness continues to be a priority for SMUD. Wellness is a state of being, evolving from a way of living, that helps individuals achieve their highest potential through the integration of all components of their lives. SMUD promotes wellness through a holistic approach that recognizes all areas of employee health and well-being including physical, financial, emotional, spiritual and social wellness. During 2020, Wellness activities were modified to support employees working remotely through remote wellness programs and activities. These activities focused on improving and supporting physical and mental health, healthy eating, stress, and coping with changes in lifestyle.

In the fall of this year, Safety teamed with HR to support a flu shot campaign for onsite and remote workers. Kaiser provided flu shots at the EC-OC, CSC, and Fresh Pond campuses. In addition, SMUD identified health care facilities and pharmacies that would provide the flu vaccinations.

Health & Wellness realizes the environments in which we live and work, impacts our well-being. SMUD efforts includes employees and their families by empowering individuals to promote and model positive attitudes and behaviors through a lifelong commitment to wellness.

Appendix A

DART Count and OSHA Recordable 2004-2020



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-6, Safety**, substantially in the form set forth in **Attachment ____** hereto and made a part hereof.

SSS No. SCS 21-035

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Policy Committee, 3/10/2021Board Meeting Date
3/18/2021

TO					TO				
1.	Casey Fallon				6.				
2.	Gary King				7.				
3.	Jennifer Davidson				8.				
4.	Stephen Clemons				9.	Legal			
5.					10.	CEO/GM			
Consent Calendar		Yes	X	No <i>If no, schedule a dry run presentation.</i>		Budgeted	Yes	No - informational item	
FROM (IPR) Denise Reyes				DEPARTMENT Procurement, Warehouse & Fleet			MAIL STOP EA404	EXT. 7141	DATE SENT 2/25/2021
NARRATIVE:									
Requested Action:		Discuss proposed revisions to Emergency Procurement provision of Board-Staff Linkage BL-8, Delegation to the Chief Executive Officer and General Manager with Respect to Procurement.							
Summary:		BL-8 authorizes the CEO to enter into an emergency procurement in an amount not to exceed \$1 million. Based on current and foreseeable economic conditions going forward, staff will recommend the Board adopt an amendment to the policy to increase the emergency delegation for the CEO from \$1 million to \$2 million.							
Board Policy: (Number & Title)		BL-8, Emergency Procurement Delegation							
Benefits:		To maintain a minimum level of production through expanded emergency procurement delegation as needed going forward to support safety and reliability for the community.							
Cost/Budgeted:		No cost associated with this action.							
Alternatives:		Leave the current emergency delegation at \$1 million unchanged.							
Affected Parties:		Procurement, Legal and Board							
Coordination:		Procurement, Board Office							
Presenter:		Casey Fallon, Director Procurement, Warehouse & Fleet							

SUBJECT

BL-8, Emergency Procurement Review

ITEM NO. (FOR LEGAL USE ONLY)

7

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SMUD BOARD POLICY	
Category: Board-Staff Linkage	Title: Delegation to the Chief Executive Officer and General Manager With <u>with</u> Respect to Procurement
	Policy Number: BL-8
Date of Adoption: August 21, 2003	Resolution No. 03-08-07
Revision: October 16, 2003	Resolution No. 03-10-14
Revision: June 3, 2004	Resolution No. 04-06-04
Revision: October 16, 2008	Resolution No. 08-10-09
Revision: October 1, 2009	Resolution No. 09-10-05
Revision: August 4, 2011	Resolution No. 11-08-04
Revision: November 17, 2011	Resolution No. 11-11-06
Revision: March 15, 2012	Resolution No. 12-03-13
Revision: August 21, 2014	Resolution No. 14-08-03
Revision: December 15, 2016	Resolution No. 16-12-18
Revision: July 16, 2020	Resolution No. 20-07-05
<u>Revision:</u> <u>March 18, 2021</u>	<u>Resolution No. 21-03-XX</u>

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.

<u>Category</u>	<u>Amount</u>
Competitive Awards:	
Operational Inventory	\$8 million
Non-inventory Materials	\$8 million
Construction and Maintenance Services	\$8 million
Information Technology	\$8 million
Professional and Consulting Services	\$2 million
Rents and Leases	\$1 million
Sole Source:	
All types except Maintenance/Licensing Fees	\$1 million
Maintenance/Licensing Fees approved amount	\$3 million or original
Direct Procurement:	
Materials/Supplies/Services	\$50k
Government Entities	\$1 million
Nonprofit Entities (services/goods)	\$1 million
Emergency Procurements:	
All types	\$4 <u>2</u> million
Nonprofit Entities:	
Memberships/Project Participation Agreement	\$3 million
Contingencies:	
Board Awarded Contracts	Up to 10% of contract award

Monitoring Method: GM Report
Frequency: Quarterly

SMUD BOARD POLICY	
Category: Board-Staff Linkage	Title: Delegation to the Chief Executive Officer and General Manager with Respect to Procurement
	Policy Number: BL-8
Date of Adoption: August 21, 2003	Resolution No. 03-08-07
Revision: October 16, 2003	Resolution No. 03-10-14
Revision: June 3, 2004	Resolution No. 04-06-04
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Revision: March 15, 2012	Resolution No. 12-03-13
Revision: August 21, 2014	Resolution No. 14-08-03
Revision: December 15, 2016	Resolution No. 16-12-18
Revision: July 16, 2020	Resolution No. 20-07-05
Revision: March 18, 2021	Resolution No. 21-03-XX

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- 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.
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- 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.
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- k) **Protest Policy:** SMUD shall ensure that suppliers are afforded the opportunity to have their grievances heard through a fair protest process.
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<u>Category</u>	<u>Amount</u>
Competitive Awards:	
Operational Inventory	\$8 million
Non-inventory Materials	\$8 million
Construction and Maintenance Services	\$8 million
Information Technology	\$8 million
Professional and Consulting Services	\$2 million
Rents and Leases	\$1 million
Sole Source:	
All types except Maintenance/Licensing Fees	\$1 million
Maintenance/Licensing Fees approved amount	\$3 million or original
Direct Procurement:	
Materials/Supplies/Services	\$50k
Government Entities	\$1 million
Nonprofit Entities (services/goods)	\$1 million
Emergency Procurements:	
All types	\$2 million
Nonprofit Entities:	
Memberships/Project Participation Agreement	\$3 million
Contingencies:	
Board Awarded Contracts	Up to 10% of contract award

Monitoring Method: GM Report
Frequency: Quarterly

RESOLUTION NO. _____

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

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

SSS No. SCS-21-038

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit - 03/16/21Board Meeting Date
March 18, 2021

TO					TO				
1.	Alan Sparks				6.	Jennifer Davidson			
2.	Robert Adams				7.	Gary King			
3.	Casey Fallon				8.				
4.	Attila Miszti				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) Jesse Mays				DEPARTMENT Procurement			MAIL STOP EA404	EXT. 5744	DATE SENT 2/26/21

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to execute a direct procurement contract with Hot Line Construction, Inc. for Pole Replacement and Other Line Work for a period of two years from March 22, 2021, to March 21, 2023, with two optional one-year extensions for a total aggregate contract amount not-to-exceed \$51,220,537.

Summary: SMUD requests approval to execute a Direct Procurement Contract with Hot Line Construction, Inc. to perform pole replacement and other line work for a total aggregate amount not-to-exceed \$51,220,537 for a period of two years from March 22, 2021, to March 21, 2023, with two optional one-year extensions. Hot Line Construction, Inc. is an Electrical, General, and Pole Installation International Brotherhood of Electrical Workers (IBEW) contractor based out of Brentwood, CA, with a local Sacramento office.

Request for Proposal (RFP) No. 200009.JM was issued in March 2020 to solicit qualified firms to remove and replace existing wood poles on SMUD's distribution/transmission systems. On April 16, 2020, twelve (12) responsive proposals and one (1) non-responsive proposal were received and evaluated in accordance with the advertised criteria. On June 18, 2020, the Board authorized the Chief Executive Officer and General Manager to award a contract to the highest evaluated proposer, Power Contracting, LLC, for Pole Replacement and Other Line Work (Resolution No. 20-06-06). Unfortunately, Power Contracting, LLC has not been successful in meeting SMUD's performance expectations per the contract, thus this request to issue a direct procurement contract to Hot Line Construction, Inc., the third ranked proposer (see results table for RFP No. 200009.JM below). The table below includes Hot Line Construction, Inc.'s updated pricing. Although Underground Electric Construction Company, LLC ranked second, they proposed to subcontract a large portion of the primary scope of work, pole replacements, to one of their subcontractors which can be problematic in SMUD's management of the work and ultimately exceeds SMUD's risk tolerance for this category of work, which is not in SMUD's best interest. Issuing a contract to Hot Line Construction, Inc. on a direct procurement basis is beneficial to SMUD because they have the capacity to keep production going immediately in response to an unexpected non-performing contractor, Power Contracting, LLC. Additionally, SMUD staff performed market research that shows Hot Line Construction, Inc.'s pricing to be approximately 5.5% below market for the initial term of this agreement. After all analysis, SMUD staff has determined Hot Line Construction, Inc.'s pricing to be fair and reasonable.

Board Policy: BL-8, Delegation to the Chief Executive Officer and General Manager with Respect to Procurement;
(Number & Title) SD-4, Reliability; SD-6, Safety; SD-13, Economic Development

Recommendation: Issue direct procurement contract to:

HOT LINE CONSTRUCTION, INC.
9020 BRENTWOOD BLVD. SUITE H
BRENTWOOD, CA 94513

Responsive Proposals Received	P/F	10 Points SEED	30 Points Technical	60 Points Pricing	Total Score	Overall Rank	Proposal Amount	Proposed Award Amount
Power Contracting, LLC	P	2.13	28.88	60.00	91.01	1	\$46,839,355	
Underground Electric Construction Company, LLC	P	10	27.13	53.53	90.65	2	\$52,643,343	
Hot Line Construction, Inc.	P	4.35	29.00	53.94	88.33	3	\$51,220,537	NTE \$51,220,537 Aggregate Amount of all Task Authorizations
Diversified Utility Services, Inc.	P	4.06	22.81	55.36	82.23	4	\$50,863,266	
Summit Line Construction	P	3.50	24.00	45.20	72.70	5	\$62,265,884	
Asplundh Construction, LLC	P	3.50	22.63	41.52	67.64	6	\$67,783,684	
PAR Electrical Contractors, Inc.	P	0.35	24.13	40.84	65.32	7	\$68,683,762	
Edison Power Constructors, Inc.	P	-	20.00	43.98	63.98	8	\$63,767,201	
Cupertino Electric, Inc.	P	0.83	29.00	32.85	62.68	9	\$85,447,922	
Wilson Utility Construction Co	P	3.11	19.50	34.96	57.56	10	\$80,469,178	
International Line Builders, Inc.	P	-	24.63	31.79	56.42	11	\$88,207,108	
Sturgeon Electric California, LLC	P	1.57	27.63	26.90	56.10	12	\$104,410,937	

Comments: Supplier Diversity Program: Hot Line Construction, Inc. is self-performing 88% of the work and subcontracting 8.6% to SEED vendors, and 3.4% to non-SEED vendors.

Benefits: This contract will provide SMUD with a qualified contractor to provide pole replacement services to maintain SMUD's infrastructure.

Cost/Budgeted: \$51,220,537; Budgeted for 2021 through March 2025 by Grid Assets, Line Assets.

Alternatives: Without a direct procurement contract, SMUD would have a work stoppage until a substitute contractor and funding mechanism is identified for the work originally awarded to Power Contracting, LLC. Depending on the contracting strategy, this could take up to fourteen (14) weeks to secure.

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

Coordination: Grid Assets – Lucas Raley, and Supply Chain Services.

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

Additional Links:

SUBJECT	Approve Direct Procurement Contract with Hot Line Construction, Inc. for Pole Replacement and Other Line Work	ITEM NO. (FOR LEGAL USE ONLY) 8
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

RESOLUTION NO. _____

WHEREAS, in March 2020, SMUD issued Request for Proposal No. 200009.JM (RFP) to solicit qualified firms to remove and replace existing wood poles on SMUD's distribution/transmission systems; and

WHEREAS, by Resolution No. 20-06-06, adopted June 18, 2020, this Board awarded a contract to **Power Contracting, LLC** to provide pole replacement and other line work for a period of two years from June 22, 2020, to June 21, 2022, with two optional one-year extensions, for a total aggregate amount not-to-exceed \$46,839,355; and

WHEREAS, **Power Contracting, LLC** has not been successful in meeting SMUD's expectations and performance obligations pursuant to the contract; and

WHEREAS, the second highest evaluated proposer from the RFP, **Underground Electric Construction Company, LLC**, proposed to subcontract a large portion of the primary scope of work to a subcontractor which can be problematic in SMUD's management of the work because SMUD is not in contract with and does not have direct oversight of subcontractors executing the work, ultimately exceeding SMUD's risk tolerance for this category of work; and

WHEREAS, **Hot Line Construction, Inc. (Hot Line)**, the third ranked proposer has the capacity to keep production going immediately in response to the unexpected non-performance of **Power Contracting, LLC**; and

WHEREAS, issuance of a direct procurement contract to **Hot Line** is in SMUD's best interests and **Hot Line's** pricing is deemed fair and reasonable at

approximately 5.5% below market for the initial term of this agreement; **NOW,**
THEREFORE,

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

Section 1. That the Chief Executive Officer and General Manager, or his designee, is authorized to execute a direct procurement contract with **Hot Line Construction, Inc.** for pole replacement and other line work for a period of two years from March 22, 2021, to March 21, 2023, with two optional one-year extensions for a total aggregate contract amount not-to-exceed \$51,220,537.

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.

SSS No.
SCS-21-039

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 03/16/21
Board Meeting Date March 18, 2021

TO				TO			
1.	Alan Sparks			6.	Frankie McDermott		
2.	Robert Adams			7.	Jennifer Davidson		
3.	Casey Fallon			8.	Gary King		
4.	Todd Prangley			9.	Legal		
5.	Attila Miszti			10.	CEO & General Manager		
Consent Calendar		Yes	No If no, schedule a dry run presentation.	Budgeted		Yes	No (If no, explain in Cost/Budgeted section.)
FROM (IPR) Jesse Mays			DEPARTMENT Procurement			MAIL STOP EA404	EXT. 5744
						DATE SENT 2/26/21	

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to award contracts to Hot Line Construction, Inc. and Mountain G Enterprises for General Line Construction Work for a period of two years from March 22, 2021, to March 21, 2023, for a total aggregate contract amount not-to-exceed \$20,000,000.

Summary: Request for Proposal (RFP) No. WS2615893830 was issued in December 2020 to solicit qualified electrical contractors who are able to provide all labor, equipment, and incidentals necessary to perform general line construction work, including overhead and underground line construction and maintenance on sub transmission lines. The RFP included a provision to award one or more contracts to the highest rated proposer(s). SMUD held a pre-proposal conference in January 2021 which was attended by twelve (12) vendors. SMUD received a total of seven (7) proposals, two (2) were responsive and five (5) were non-responsive. Through negotiations Mountain G Enterprises reduced their total price by 22%. The result of the evaluation and award recommendations are shown below.

Board Policy: BL-8, Delegation to the Chief Executive Officer and General Manager with Respect to Procurement;
(Number & Title) SD-4, Reliability; SD-6, Safety; SD-13, Economic Development.

Recommendation: Award to the Highest Evaluated Responsive Proposers.

Award to:

HOT LINE CONSTRUCTION, INC.	MOUNTAIN G ENTERPRISES
9020 BRENTWOOD BLVD. SUITE H	1180 IRON POINT ROAD, SUITE 320
BRENTWOOD, CA 94513	FOLSOM, CA 95630

Proposers Notified by Procurement: 71
 Proposers Downloaded: 28
 Pre-Proposal Conference Attendance: 12
 Proposals Received: 7

Responsive Proposals Received	P/F	10 Points SEED	30 Points Technical	60 Points Pricing	Total Score	Overall Rank	Proposal Amount	Evaluated Proposal Amount	Proposed Award Amount
Hot Line Construction, Inc.	P	10	29.25	60.00	99.25	1	\$1,583,794	\$1,504,604	NTE \$20,000,000 Aggregate Amount of all Task Authorizations
Mountain G Enterprises	P	2.48	25.08	47.29	74.85	2	\$1,913,823	\$1,909,077	

Non-Responsive Proposals Received	Proposal Amount
Asplundh Construction LLC	\$1,812,582
Diversified Utility Services Inc	\$3,829,592
PAR Electrical Contractors Inc	\$2,382,226
Potelco, Inc.	\$2,770,306
Sturgeon Electric California LLC	\$1,746,285

Comments: The RFP included a requirement that the proposer must obtain a minimum of 22.75 points out of the 30 technical points available. Asplundh Construction, LLC, Diversified Utility Services, Inc., PAR Electrical Contractors, Inc., and Potelco, Inc. did not obtain the minimum technical points required. Sturgeon Electric California, LLC did not list its subcontractors performing the specified commercial useful function in accordance with Public Contract Code §4104 and does not possess all required licenses to accomplish the full scope of work; therefore, their proposal was deemed non-responsive.

Supplier Diversity Program: Hot Line Construction, Inc. is self-performing 74% of the work and subcontracting 21% to SEED vendors, and 5% to non-SEED vendors. Mountain G Enterprises is self-performing 81% of the work and subcontracting 5% to SEED vendors, and 14% to non-SEED vendors.

Benefits: These contracts will provide SMUD with two qualified contractors to perform general line construction on an as needed basis to maintain SMUD's operations and reliability to its customers.

Cost/Budgeted: \$20,000,000; Budgeted for 2021 through March 2023 by Grid Assets, Line Assets.

Alternatives: Solicit the contracts as the need arises. This would not be in SMUD's best interest because it would delay the work execution. Additionally, SMUD has been adversely affected by the labor climate induced by Pacific Gas & Electric (PG&E) and their ongoing commitment to reduce wildfire risk across its service area. As a result, SMUD has lost contract crews that supported critical Line Assets programs. This loss has caused Line Assets to strategically realign its workload and the work performed by internal SMUD crews. Securing the services provided by Hot Line Construction, Inc. and Mountain G Enterprises will allow the business unit the ability to augment general line construction work while maintaining flexibility in its realignment efforts.

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

Coordination: Grid Assets – Mike Munn, and Supply Chain Services

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

Additional Links:

SUBJECT	Approve contract award to Hot Line Construction, Inc. and Mountain G Enterprises for General Line Construction Work	ITEM NO. (FOR LEGAL USE ONLY) 9
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

RESOLUTION NO. _____

WHEREAS, in December 2020, SMUD issued Request for Proposal No. WS2615893830 (RFP) to solicit qualified electrical contractors to provide general line construction work; and

WHEREAS, seven (7) proposals received in response to the RFP were evaluated; **NOW, THEREFORE**,

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

Section 1. As a result of such examination, **Hot Line Construction, Inc.** and **Mountain G Enterprises** are hereby determined and declared to be the two highest evaluated responsive proposers to provide general line construction work.

Section 2. The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of SMUD, to award contracts to **Hot Line Construction, Inc.** and **Mountain G Enterprises** to provide general line construction work for a period of two years from March 22, 2021, to March 21, 2023, for a total aggregate contract amount not-to-exceed \$20,000,000.

Section 3. The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the contracts that, in his prudent judgment: (a) further the primary purpose of the contracts; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.

SSS No. SCS 21-029

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

Finance and Audit

03/16/2021

Board Meeting Date

03/18/2021

TO						TO							
1.	Alan Sparks					6.	Gary King						
2.	Robert Adams					7.	Jennifer Davidson						
3.	Casey Fallon					8.							
4.	Ross Gould					9.	Legal						
5.	Frankie McDermott					10.	CEO & General Manager						
Consent Calendar		X	Yes		No <i>If no, schedule a dry run presentation.</i>		Budgeted	X	Yes		No <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Doug Moore					DEPARTMENT Supply Chain Services					MAIL STOP EA404		EXT. 7069	DATE SENT 03/03/2021

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to award contract CW2223313 to Doug Veerkamp General Engineering Inc. to provide Construction Services for the West Point and Yellowjacket Campgrounds and Appurtenant Boat Ramps Project in the amount of \$8,396,902 and for a contract term from April 1, 2021 to January 31, 2022.

Summary: RFP Doc. 2701606177 was issued on November 11, 2020 to solicit qualified firms to reconstruct and expand the West Point and Yellowjacket Campgrounds and Boat Ramps as required by USFS 4(e) Condition 45 of the License for the Upper American River Project. The scope of work includes demolition, grading, realignment of existing loops and spurs, installation of new tables/fire rings/BBQ's, new septic and leech lines, water supply/storage/distribution, lake access trails, boat ramp extensions, etc.. The design/environmental/permitting for this project has received USFS approval. Construction is planned to begin as soon as snowmelt allows in 2021 and is targeted for completion before inclement weather begins toward the end of 2021.

Board Policy: BL-8; Delegation to the GM with respect to Procurement; Procurement principles followed in this award include but are not limited to: a) Competition, d) Inclusiveness, e) Economic Development, f) Environmental Procurement, and g) Responsible Bidder(s).

(Number & Title)

Recommendation: Award to Highest Evaluated Responsive Proposer

Award to Highest Evaluated Responsive Proposer

Award to:

[Doug Veerkamp General Engineering, Inc.](#)
[2585 Cold Springs Road](#)
[Placerville, CA 95667](#)

Participants Invited - Ariba:

33

Bids/Proposals Received:

6

Responsive Proposals Received	SEED Points	Technical Points	Price Points	Total Score	Rank	Proposal Amount	SEED Credit	Evaluated Proposal Amount	Proposed Award Amount
	10	50	40	100					
DVGE, Inc.	9.80	46.08	37.34	93.22	1	\$8,396,901	\$82,289	\$8,314,612	\$8,396,902
Clark Bros., Inc.	10.00	38.33	40.00	88.33	2	\$8,011,491.	\$250,000	\$7,761,490	
Burdick Excavating, Inc.	8.50	42.42	37.03	87.95	3	\$8,455,059	\$71,868	\$8,383,191	
K.W. Emerson, Inc.	-	40.83	35.11	75.94	4	\$8,842,435		\$8,842,435	
Westcon Construction Corp.	9.82	31.50	34.17	75.49	5	\$9,175,369	\$90,056	\$9,085,313	
TSI Engineering, Inc.	10.00	28.21	32.64	70.85	6	\$9,761,927	\$250,000	\$9,511,927	

SEED Program:

The highest evaluated responsive proposer, Doug Veerkamp General Engineering, Inc., is self-performing 80% of this work. Through outreach efforts, DVGE was able to subcontract with SEED verified subcontractors/vendors for 20% of their contract.

Benefits: Completion of a major project that is a requirement/condition for compliance with the operating License for the UARP.

Cost/Budgeted: \$8,396,902 / \$8,629,869 Budgeted for 2021 by Power Generation, Cost Center 463

Alternatives: None. Project is UARP License Compliance.

Affected Parties: Power Generation, Supply Chain Services, US Forest Service, and Doug Veerkamp General Engineering Inc.

Coordination: Power Generation - Darold Perry/Shane Crowe, and Supply Chain Services – Doug Moore.

Presenter: Ross Gould

Additional Links:

SUBJECT	Award Contract to Doug Veerkamp General Engineering, Inc. to complete the West Point and Yellowjacket Campgrounds and Boat Ramps Project located in the Upper American River Project	ITEM NO. (FOR LEGAL USE ONLY) 10
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

RESOLUTION NO. _____

WHEREAS, the Federal Energy Regulatory Commission (FERC) license for the Upper American River Project (UARP) requires SMUD to complete a rehabilitation of the West Point and Yellowjacket Campgrounds and Boat Ramps in the Crystal Basin Recreation Area; and

WHEREAS, on November 11, 2020, SMUD issued Request for Proposal (RFP) No. 2701606177 to reconstruct and expand the West Point and Yellowjacket Campgrounds and Boat Ramps; and

WHEREAS, six proposals were received and evaluated; **NOW**,
THEREFORE,

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

Section 1. As a result of such evaluation, **Doug Veerkamp General Engineering, Inc.** is hereby determined and declared to be the highest evaluated responsive proposer to complete the rehabilitation of the West Point and Yellowjacket Campgrounds and Boat Ramps.

Section 2. The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of SMUD, to award a contract to **Doug Veerkamp General Engineering, Inc.** to provide construction services for the West Point and Yellowjacket Campgrounds and Appurtenant Boat Ramps Project for a total contract amount not-to-exceed \$8,396,902, and for a contract term from April 1, 2021, to January 31, 2022.

Section 3. The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the 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.

SSS No. RDPS 21-008

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 03/16/21
Board Meeting Date March 18, 2021

TO		TO	
1.	Erik Krause	6.	Gary King
2.	Jennifer Restivo	7.	
3.	Tracy Carlson	8.	
4.	Stephen Clemons	9.	Legal
5.	Jennifer Davidson	10.	CEO & General Manager

Consent Calendar	Yes	No <i>If no, schedule a dry run presentation.</i>	Budgeted	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Erik Krause			DEPARTMENT Retail Product Delivery & Sales		MAIL STOP A102
					EXT. 2/26/2021

NARRATIVE:					
<p>Requested Action: Authorize the Chief Executive Officer and General Manager to execute a four-year Customer-Tailored Electric Services Agreement (Agreement) with NTT Global Data Centers Americas, Inc. (NTT).</p> <p>Summary: NTT operates the largest data center in SMUD's service territory and is one of SMUD's largest commercial accounts.</p> <p>In January 2016, the Board approved a customer tailored rate agreement with NTT, effective March 26, 2016, that includes a two-tiered contract structure with a "base" load component, at a higher price, and a "base plus" component for new load at the marginal cost of energy. Additionally, under the agreement, NTT does not pay public goods charges for any new load. The two-tiered contract structure was a temporary arrangement designed to provide an economic development incentive to drive significant load growth over the term of the contract. In fact, the rate succeeded in driving load growth with load growing from 35 MW to 50 MW between 2016 and 2021.</p> <p>In 2019, NTT requested an extension to its current contract when it was trying to recruit additional long-term load. Based on NTT's request, staff reviewed the current agreement, analyzed the funds going to public goods and the contribution to marginal costs. In doing so, staff determined, among other things, that:</p> <ul style="list-style-type: none"> The current "base plus" price had fallen below marginal costs, which is out of compliance with Board policy for customer tailored rate agreements If we extended the contract, it is likely that over 50% of NTT's load would be priced below marginal cost. <p>In crafting the new Agreement, we carefully evaluated and considered the marginal cost to serve them, their contribution to SMUD's fixed costs and public good costs, and the financial impact to SMUD if NTT were to relocate to another state.</p> <p>Staff sought to reduce the current discount in a manner that avoids rate shock, recognizes the economic value that NTT provides to SMUD, and ensures that SMUD at least recovers our marginal costs. Accordingly, the discount reduces each year of the contract and, by the fourth year, falls to 15%.</p> <p>This new 4-year Agreement (K700) will become effective March 26, 2021, after the existing contract (K508) expires. Under the Agreement, SMUD will provide NTT a discounted blended rate. The discount rate will be structured as a single-tiered rate, called Base Usage, for 100% of all metered usage at accounts 6375516 and 6375518, corresponding to NTT's CA1, CA2, CA3 and CA4 datacenter facilities.</p>					

Board Policy: Board Strategic Direction(s) SD-13 Economic Development, and SD-2 Competitive Rates - The Agreement minimizes the rate of change from the previous contract while incentivizing the retention and growth of one of our largest commercial customers; SD-9, Resource Planning, the contract provides retention and growth of high load factor load.

Benefits: The Agreement maintains pricing that continues to incentivize growth, minimizes rate shock, helps to retain one of our largest customers, and ensures that SMUD recovers our marginal cost of service and public goods contribution.

Cost/Budgeted: The proposed contract maintains an average 19% discount over the four years compared to our standard retail rate and SMUD’s costs to serve NTT. The NTT rate is budgeted for each year.

Alternatives: Provide electric services under SMUD’s otherwise applicable rate schedules and risk impacting NTT’s load growth and/or loss of significant client load.

Affected Parties: NTT Global Data Centers Americas, Inc. – Affected customer
Pricing - Perform rate and cost benefit analysis
Information Technologies – Perform SAP updates to accommodate new single tier rate and pricing
Billing Services – Validate new single tier, Contract Year pricing and bill customer
Legal – Provide legal review and guidance
Retail Product Delivery and Sales – Customer and internal coordination

Coordination: Retail Product Delivery and Sales; Pricing

Presenter: Erik Krause, Director Retail Product Delivery and Sales

Additional Links:

SUBJECT	Customer-Tailored Electric Services Agreement with NTT Global Data Centers Americas, Inc.	ITEM NO. (FOR LEGAL USE ONLY) 11
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.



**RETAIL ELECTRIC SERVICES AGREEMENT
between
NTT GLOBAL DATA CENTERS AMERICAS, INC.
and
SACRAMENTO MUNICIPAL UTILITY DISTRICT**

This **RETAIL ELECTRIC SERVICES AGREEMENT** ("Agreement") is entered into by and between **NTT GLOBAL DATA CENTERS AMERICAS, INC** ("NTT"), a Nevada corporation, and the **SACRAMENTO MUNICIPAL UTILITY DISTRICT** (SMUD), a California municipal utility district.

- RECITALS -

A. NTT, SMUD's largest private retail customer, is engaged in the business of enterprise data center colocation services with a single or aggregated load in excess of 499 kW each month for three (3) consecutive months, measured as the peak load in the year prior to the establishment of the rate.

B. NTT intends to retain their largest client, with a load of 36 MWs and expects to expand its load by approximately 20-25 MWs during the term of this contract.

C. SMUD is an electric utility engaged in the business of generation, transmission, and distribution of electric power to customers principally in the Sacramento County area.

D. SMUD, through Board Resolution No. 97-04-13, effective June 1, 1997, provided for negotiated Customer-Tailored Rates for commercial and industrial customers.

E. SMUD and NTT currently have a customer-tailored rate agreement (Contract No. K508) which expires March 26, 2021.

F. The Parties desire to enter into this new voluntary, mutually beneficial Agreement, which takes effect upon the expiration of Contract No. K508, for the purpose of describing the customer-tailored rate, terms and conditions associated with the provision of retail electric service to NTT's facilities.

G. For purposes of Internal Revenue Service regulations applicable to SMUD, this Agreement is considered a retail requirements contract.

- AGREEMENT -

The Parties agree as follows:

ARTICLE 1 – TERM AND SCOPE

1.1 Term. This Agreement shall be effective as of the date of last execution by the Parties, (“Effective Date”) and shall continue in effect for four (4) years after the effective date of the Contract Rate (“Contract Rate Term”). The effective date of the Contract Rate Term is March 26, 2021, upon termination of Contract No. K508.

1.2 Scope. During the Contract Rate Term, the terms and conditions of this Agreement, including the Exhibits, shall apply to the NTT Account numbers (6378816 & 6378818) associated with the 69kV substation service(s) at facilities/buildings located at the following addresses, all located in Sacramento California, 95834:

- 1.1.1** 1200 Striker Ave. (CA1 substation, SMUD meter number 2513927)
- 1.1.2** 1312 Striker Ave (CA2 substation, SMUD meter number 2516816)
- 1.1.3** 1625 National Dr. (CA3/CA4 substation, SMUD meter number 2521727)
- 1.1.4** 1731 National Dr. (CA3/CA4 substation, SMUD meter number 2512536)

ARTICLE 2 - CONTRACT DOCUMENTS

2.1 Documents Included. This Agreement consists of this document, Exhibit A (Definitions), and Exhibit B (Contract Rate Schedule) which are specifically incorporated herein and made a part hereof by this reference.

2.2 Conflict with Exhibits. In the event of a conflict between the terms of this document and the terms of any of the Exhibits, the terms of this document shall control.

2.3 Entire Agreement. This Agreement constitutes the entire understanding between NTT and SMUD as to the subject matter hereof and may not be modified except by mutual written agreement.

ARTICLE 3 – CONTRACT RATE

3.1 General. As further described in Exhibit B, SMUD provides NTT the following monthly Contract Rate during the Contract Rate Term for NTT Account(s):

1. Monthly kWh electricity usage: 100% of all electricity usage as listed in Exhibit B, Table 2, will be billed at the Base Usage rate of:
 - a. \$0.08481/kWh, Contract Year 1 (March 26, 2021 to March 26, 2022)
 - b. \$0.09016/kWh, Contract Year 2 (March 26, 2022 to March 26, 2023)
 - c. \$0.09584/kWh, Contract Year 3 (March 26, 2023 to March 26, 2024)
 - d. \$0.10188/kWh, Contract Year 4 (March 26, 2024 to March 26, 2025)
2. The Base Plus Usage rate does not apply to this Agreement and may be displayed on the monthly invoices with an Electricity Usage of zero "0" and a Rate equal to the Base Plus Rate in the corresponding contract year.
3. The Hydro Generation Adjustment (credit or charge) will not apply to NTT Account(s).
4. NTT shall be billed the following standard fixed charges based on the GUT_L Rate Category (Rate Schedule GS-TOU1) - rate category/schedule name subject to change - and subject to all SMUD's Rates, Rules and Regulations, as amended from time to time:
 - a. System Infrastructure Fixed Charge
 - b. Contract Site Infrastructure Fixed Charge
 - c. Power Factor Waiver or Adjustment Charges
 - d. Optional "opt-in" programs and services as selected by NTT, e.g. Custom Greenergy Partner, Energy Tracking Services, etc.
 - e. County of Sacramento Utility Taxes
 - f. State Surcharge

3.2 Metering. The 69kV electric service, serving NTT's CA1 substation, CA2 substation, and the CA3/CA4 substation - shall be separately metered. SMUD will aggregate the metered energy usage for CA1&CA2, 2 meters, and create a Campus Billing account (Account # 6375516) and aggregate the metered energy usage for CA3/CA4, 2 meters, and create a separate Campus Billing account (Account 6375518).

3.3 Assumption. The Contract Rate is based on NTT retaining ~36 MW of load from their largest client and the addition of new load of approximately 20-25 MWs at the locations specified under this Agreement during the four-year

term. However, a failure by NTT to retain the ~36 MW, or add a minimum of 20 MWs during the Contract Rate Term shall not change or void any provision of this Retail Electric Service Agreement.

ARTICLE 4 - EXCLUSIVITY

During the Term, SMUD shall, as partial consideration hereunder, have the exclusive right to supply electricity to the NTT Accounts and NTT shall have the obligation to receive and purchase electricity exclusively from SMUD for the NTT Accounts.

ARTICLE 5 - MISCELLANEOUS

5.1 Status of Parties at Expiration. At the expiration of this Agreement, NTT may receive electric service under any SMUD rate schedule(s) or contract for which it is eligible. This Agreement shall not be construed as limiting SMUD rate options available to NTT at the expiration of this Agreement. Conversely, this Agreement shall not be construed as creating a right in or expectation of NTT to receive electric service not available to other SMUD customers pursuant and subject to SMUD Rates, Rules and Regulations. Moreover, unless otherwise noted in Article 3, this Agreement shall not be construed as exempting NTT from any generally applicable charges, including without limitation the Power Factor Waiver or Adjustment Charges, System Infrastructure Fixed Charge, Contract Site Infrastructure Charge, State Surcharge, County of Sacramento utility taxes and optional "opt-in" programs and services.

5.2 SMUD's Rates, Rules and Regulations. Except as to matters addressed in this Agreement or which may be reasonably inferred with reference to this Agreement, electric service provided to NTT shall be subject to all SMUD's Rates, Rules and Regulations, as amended from time to time.

5.2.1 Priority. In the event of any direct conflict between this Agreement and SMUD's Rates, Rules and Regulations, the terms and provisions of this Agreement, as may be amended from time to time, shall control.

5.3 Notices. Any notice to be given or any document to be delivered by either Party to the other hereunder may be delivered in person or may be deposited in the United States mail, postage prepaid, or sent by overnight courier with receipt confirmation, email, or by facsimile, if such document is not a notice of default hereunder, with a confirming copy to be delivered by first-class mail, and addressed to SMUD or NTT at the following addresses:

If to SMUD:

Sacramento Municipal Utility District
Damien Waples, Strategic Account Advisor – Account Management
and Sales
6301 S Street, MS A102
Sacramento, CA 95817-1899

Telephone Number: (916) 732-5961
Facsimile Number: (916) 732-5162
Mobile Number: (916) 765-3193
Email: Damien.Waples@smud.org

If to NTT:

NTT GLOBAL DATA CENTERS AMERICAS, INC.
Megan Kafka, Vice President of Finance
1200 Striker Ave. Sacramento, CA 95834

Telephone Number: (916) 286-4085
Mobile Number: (916) 367-1556
Email: MKafka@RagingWire.com and,
Legal@RagingWire.com

Either Party may, from time to time, by written notice to the other, designate a different address. Any notice or other document sent by mail shall be deemed delivered on the earlier of actual receipt or two (2) business days after mailing.

5.4 Assignment. Neither Party may assign this Agreement without the express written consent of the other Party.

5.5 Severability. If any provision of this Agreement becomes invalid or unenforceable by decision of a court of competent jurisdiction, or state or federal statute, the remainder of this Agreement which can be given effect without the invalid provision shall continue in full force and shall not be impaired or invalidated.

ARTICLE 6 - SIGNATURE

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized representatives as of the date set forth below.

NTT

NTT Global Data
Centers Americas, Inc.

SMUD

Sacramento Municipal Utility District

By: _____

Name: Meghan Krafka

Title: Vice President of Finance

Date: _____

By: _____

Name: Paul Lau

Title: Chief Executive Officer and
General Manager

Date: _____

Approved as to form:

By: _____

Jim Lahey,
Sr. Director of Legal Services,
NTT Global Data
Centers Americas, Inc.

By: _____

Andrew Meditz,
Counsel for the
Sacramento Municipal Utility District

**Exhibit A
to the
Retail Electric Services Agreement**

- DEFINITIONS -

Words or phrases in this Agreement that are initially capitalized shall have the meaning stated below.

“Agreement” means this Retail Electric Services Agreement between NTT and SMUD.

“Base Usage” means 100% of all metered energy usage as listed in Exhibit B Table 2.

“Base Plus Usage” will not be used in this contract but may display on the monthly invoices and will be listed in Exhibit B Table 3.

“Campus Account” means the aggregation of two (2) 69kV meters (2513927, 2516816), at CA1&CA2 and the aggregation of two (2) meters (2521727 & 2512536) at CA3/CA4 for purposes of creating two separate Campus Billing accounts.

“Contract Rate” means the rates structure described in Section 3.1 and meeting the criteria of SMUD Resolution 97-04-03 for negotiated Customer Tailored Rates for commercial and industrial customers.

“Contract Rate Term” means the four (4) year period from the effective date of the new Contract Rate (March 26, 2021) to its expiration on March 26, 2025.

“Contract Year” means the 12-month period starting on March 26 for a given year of the contract.

“Month” means a standard SMUD billing period of 27 to 34 days.

“Parties” means collectively NTT and SMUD.

“Party” means individually NTT or SMUD.

“NTT” means NTT GLOBAL DATA CENTERS AMERICAS, INC.

“NTT Account(s)” means any SMUD 69kV electricity account serving a NTT data center facility in existence as of the Effective Date via CA1, CA2 and CA3/CA4 substations.

“SMUD” means the Sacramento Municipal Utility District, a California municipal utility district.

“Term” means the period of time beginning on the Effective Date and ending on the expiration of this Agreement during which this Agreement shall be effective.

**Exhibit B
to the
Retail Electric Services Agreement**

- CONTRACT RATE SCHEDULE -

Base Usage Pricing Details - Contract Rate:

1) Base Usage electricity charge per Table 1 below:

Table 1:

Contract Year 1 Mar 26, 2021 to Mar 26, 2022	Contract Year 2 Mar 27, 2022 to Mar 26, 2023	Contract Year 3 Mar 27, 2023 to Mar 26, 2024	Contract Year 4 Mar 27, 2024 to Mar 26, 2025
\$0.08481 /kWh	\$0.09016 /kWh	\$0.09584 /kWh	\$0.10188 /kWh

a) Aggregated electricity usage for the 4 SMUD 69kV meters that qualify for the Base Usage rate per Table 2 below.

Table 2:

Facilities / Account Number	Meter Numbers to be aggregated	Year 1 Mar 26, 2021 to Mar 26, 2022 kWh Bill Base Usage	Year 2 Mar 26, 2022 to Mar 26, 2023 kWh Bill Base Usage	Year 3 Mar 26, 2023 to Mar 26, 2024 kWh Bill Base Usage	Year 4 Mar 26, 2024 to Mar 26, 2025 kWh Bill Base Usage
CA1 & CA2 6375516	2513927 2516816	100% of all metered kWh electricity usage	100% of all metered kWh electricity usage	100% of all metered kWh electricity usage	100% of all metered kWh electricity usage
CA3/CA4 6375518	2521727 2512536	100% of all metered kWh electricity usage	100% of all metered kWh electricity usage	100% of all metered kWh electricity usage	100% of all metered kWh electricity usage

- 2) Base Plus Usage electricity charge does not apply in this contract but may display on the monthly electricity charge invoice with an Electricity Usage as zero (0) and a rate equal to the Base Usage rate in the corresponding contract year.
- 3) Monthly System Infrastructure Fixed Charged based on the GUT_L Rate Category (Rate Schedule GS-TOU1)
- 4) Contract Site Infrastructure Charge Based on the GUT_L Rate Category
- 5) Power Factor Waiver or Adjustment Charges
- 6) Hydro Generation Adjustment will not apply to the Base Usage
- 7) Optional “opt-in” programs and services, e.g. Greenergy, Energy Tracking Services, etc.
- 8) Applicable County of Sacramento utility taxes and State Surcharge
- 9) SMUD will aggregate the metered energy usage from all 4 meters listed in Table 2 and create two (2) Campus Billed Accounts. Account 6375516 will correspond to CA1&CA2 and Account 6375518 will correspond to CA3/CA4.

RESOLUTION NO. _____

WHEREAS, pursuant to Resolution No. 97-04-13 (Section 12), adopted April 17, 1997, this Board authorized the negotiation of customer-tailored contract rates using the unbundled rate components and marginal costs as a foundation, available to customers who meet specified criteria; and

WHEREAS, **NTT Global Data Centers Americas, Inc. (formerly RagingWire Data Centers, Inc. and RagingWire Enterprise Solutions, Inc.) (NTT)** meets the customer-tailored rate criteria specified in said resolution; and

WHEREAS, by Resolution No. 14-02-02, adopted February 6, 2014, SMUD and **NTT** entered into a three-year customer-tailored **Electric Services Agreement**; and

WHEREAS, by Resolution No. 16-01-03, adopted January 7, 2016, SMUD and **NTT** entered into a five-year customer-tailored **Electric Services Agreement**, which expires on March 26, 2021; and

WHEREAS, SMUD has negotiated a new four-year **Electric Services Agreement (Agreement)** with **NTT** to be effective upon expiration of the prior agreement on March 26, 2021; and

WHEREAS, the **Agreement** provides **NTT** a discounted blended rate; and

WHEREAS, the discount rate will be structured as a single-tiered rate, called Base Usage, for 100% of all metered usage at **NTT's** two accounts 6375516 and 6375518, corresponding to **NTT's** CA1, CA2, CA3 and CA4 datacenter facilities; and

WHEREAS, during the term of the **Agreement**, SMUD will have exclusive rights to supply electricity to the **NTT** accounts; **NOW, THEREFORE**,

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

Section 1. That the Chief Executive Officer and General Manager, or his designee, is hereby authorized to execute a four-year **Electric Services Agreement** with **NTT Global Data Centers Americas, Inc.**, substantially in the form of **Attachment ____** hereto.

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 Agreement that, in his prudent judgment: (a) furthers the primary purposes of the Agreement; (b) are intended to provide a net benefit to SMUD; (c) continue to meet the criteria for customer-tailored contract rates; and (d) does not extend the term of the Agreement.

SSS No.
CFO 20-017

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date N/A
Board Meeting Date March 18, 2021

TO					TO				
1.	Gary King				6.				
2.	Jennifer Davidson				7.				
3.					8.				
4.					9.	Legal			
5.					10.	CEO & General Manager			
Consent Calendar x Yes No <i>If no, schedule a dry run presentation.</i>					Budgeted x Yes No <i>(If no, explain in Cost/Budgeted section.)</i>				
FROM (IPR) Lisa Limcaco					DEPARTMENT Accounting				
					MAIL STOP B352	EXT. 6957	DATE SENT 12/30/20		

NARRATIVE:

Requested Action: Provide SMUD's financial results for the year-to-date period in 2021.

Summary: Staff will present SMUD's financial results for the year-to-date period in 2021 to the Board of Directors.

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

Benefits: Provides Board members with information regarding SMUD's financial condition.

Cost/Budgeted: n/a

Alternatives: None

Affected Parties: Accounting

Coordination: Accounting

Presenter: Lisa Limcaco

Additional Links:

SUBJECT Year-to-date Financial Results for SMUD	ITEM NO. (FOR LEGAL USE ONLY) 12
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT
OFFICE MEMORANDUM**

TO: Distribution

DATE: February 26, 2021
ACC 21-001

FROM: Kathy Ketchum / Lisa Limcaco

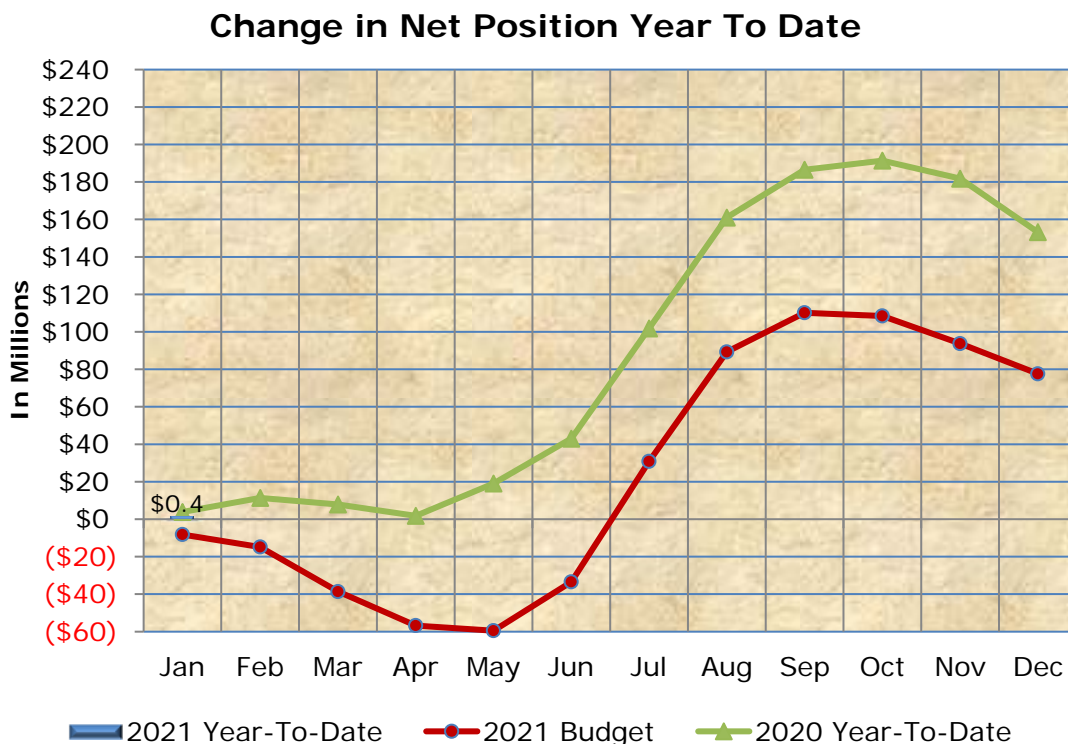
SUBJECT: JANUARY 2021 FINANCIAL RESULTS AND OPERATIONS DATA

We are attaching the financial and operating reports for the one month of 2021. They include sales and generation statistics and other selected data.

SMUD's year-to-date net position increased \$0.4 million compared to a \$8.2 million decrease projected in the budget. We attribute the favorable variance of \$8.6 million to higher operating and non-operating revenues, offset by higher operating and interest expenses.

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

- 1) Budgeted electric revenues are based on the Forecast of Revenues by the Pricing Department, adjusted for unbilled revenues; and
- 2) Budgeted operating expenses reflect the 2021 Budget approved by the Board of Directors on December 10, 2020.



SACRAMENTO MUNICIPAL UTILITY DISTRICT
EXECUTIVE SUMMARY
For the One Month Ended January 31, 2021

Net Position

- SMUD's net position increased \$0.4 million compared to a \$8.2 million decrease projected in the budget. We attribute the favorable variance of \$8.6 million to higher operating and non-operating revenues, offset by higher operating and interest expenses.

Revenues

- Revenues from sales to customers were \$104.6 million, which was \$4.9 million (5.0 percent) higher than planned.
 - The variance was mostly due to a higher average customer rates per kilowatt-hour of \$4.5 million and higher customer usage of \$2.9 million, offset by a higher uncollectible provision of \$2.5 million (due to COVID-19 and the moratorium on electric shut offs).

Operating Expenses

- Purchased power expense of \$26.2 million, less surplus power sales of \$5.8 million, was \$20.4 million, which was \$4.0 million (24.6 percent) higher than planned.
 - Purchased power expense increased as a result of higher quantities purchased of \$13.0 million, offset by lower prices of \$9.0 million.
- SMUD's generation was lower by 173 GWh (26.2 percent).
 - Hydro generation was lower by 41 GWh (63.1 percent).
 - JPAs generation was lower by 127 GWh (21.9 percent).
- Production operations cost of \$29.3 million, less gas sales of \$11.2 million, was \$18.1 million, which was \$4.4 million (19.7 percent) lower than planned.
 - Fuel costs, net of gas sales, were \$4.8 million lower due primarily to lower fuel usage of \$2.7 million and lower fuel prices of \$2.1 million.
 - System control and load dispatching expenses were \$1.4 million higher, mainly due to timing differences for items budgeted in April.
- The "power margin", or sales to customers less cost of purchased power, production operations costs and gas hedges included in investment expense was \$66.1 million, which was \$5.4 million (8.8 percent) higher than planned. Power margin as a percentage of total operating revenues was 63.2 percent, which was 2.2 percent higher than planned.
- All other operating expenses were \$62.9 million, which was \$1.4 million (2.2 percent) lower than planned.
 - Administrative and general expenses were \$3.1 million lower which included the following: Governmental Accounting Standards Board (GASB) 75 Other Post-Employment Benefits amortization of \$1.3 million and GASB 68 Pension amortization of \$1.1 million, offset by higher miscellaneous general expenses of \$1.0 million, primarily due to labor of \$0.6 million.
 - Transmission and distribution maintenance expenses were \$2.8 million higher, primarily due to labor for overhead lines of \$1.7 million. This was due to the additional hours required to restore power caused by the first storm of 2021.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Month Ended January 31, 2021
(thousands of dollars)

	Actual	Budget	Over (Under)	Percent of Increase (Decrease)
OPERATING REVENUES				
Sales to customers	\$ 104,621	\$ 99,683	\$ 4,938	5.0 %
Sales of surplus power	5,818	9,304	(3,486)	(37.5)
Sales of surplus gas	11,179	-	11,179	*
SB-1 revenue (deferral)/recognition, net	-	148	(148)	(100.0)
LCFS revenue	-	372	(372)	(100.0)
Other electric revenue	2,871	2,439	432	17.7
Revenue from rate stabilization fund	936	-	936	*
Total operating revenues	125,425	111,946	13,479	12.0
OPERATING EXPENSES				
Operations				
Purchased power	26,195	25,660	535	2.1
Production	29,287	22,543	6,744	29.9
Transmission and distribution	6,092	7,106	(1,014)	(14.3)
Customer accounts	4,764	5,034	(270)	(5.4)
Customer service and information	5,614	5,421	193	3.6
Administrative and general	10,085	13,161	(3,076)	(23.4)
Public good	3,433	3,613	(180)	(5.0)
Total operations	85,470	82,538	2,932	3.6
Maintenance				
Production	2,487	2,263	224	9.9
Transmission and distribution	9,742	6,945	2,797	40.3
Total maintenance	12,229	9,208	3,021	32.8
Depreciation	17,806	17,757	49	0.3
Amortization of regulatory asset	2,904	3,073	(169)	(5.5)
Total operating expenses	118,409	112,576	5,833	5.2
OPERATING INCOME (LOSS)	7,016	(630)	7,646	*
NON-OPERATING REVENUES AND EXPENSES				
Other revenues/(expenses)				
Interest income	841	492	349	70.9
Investment revenue (expense)	(189)	(188)	(1)	(0.5)
Other income (expense) - net	1,061	534	527	98.7
Unrealized holding gains (losses)	(210)	-	(210)	*
Revenue - CIAC	1,495	1,104	391	35.4
Total other revenues	2,998	1,942	1,056	54.4
Interest charges				
Interest on long-term debt	9,234	9,350	(116)	(1.2)
Interest on commercial paper	396	137	259	189.1
Total interest charges	9,630	9,487	143	1.5
CHANGE IN NET POSITION	\$ 384	\$ (8,175)	\$ 8,559	104.7 %

* Equals 1000% or greater.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the One Month Ended January 31, 2021
(thousands of dollars)

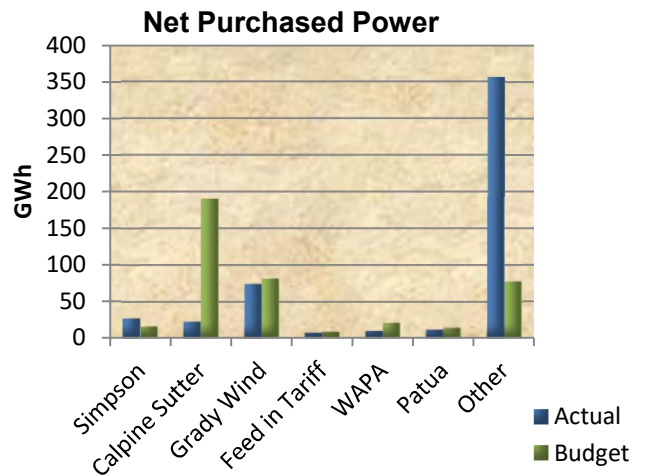
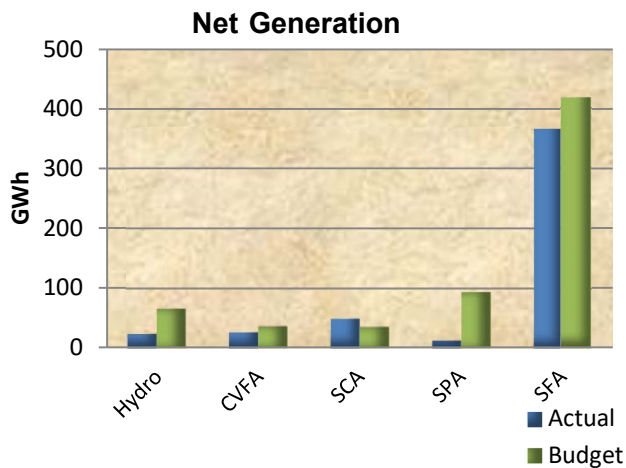
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Amortization of regulatory asset	2,904	3,073	(169)	(5.5)
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Interest on commercial paper	396	137	259	189.1
Total interest charges	9,630	9,487	143	1.5
CHANGE IN NET POSITION	\$ 384	\$ (8,175)	\$ 8,559	104.7 %

* Equals 1000% or greater.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT
SOURCES AND USES OF ENERGY - COMPARED TO BUDGET
For the Period Ended January 31, 2021**

Sources of Energy (GWh)	Month		Increase (Decrease)	Year-to-Date		Increase (Decrease)
	Actual	Budget	Percentage	Actual	Budget	Percentage
Net Generated						
Hydro	24	65	(63.1) %	24	65	(63.1) %
Carson Ice (CVFA)	26	36	(27.8)	26	36	(27.8)
Procter & Gamble (SCA)	49	35	40.0	49	35	40.0
Campbell Soup Project (SPA)	13	92	(85.9)	13	92	(85.9)
SMUD Financing Authority (SFA)	366	418	(12.4)	366	418	(12.4)
Other	10	15	(33.3)	10	15	(33.3)
Total net generation	488	661	(26.2)	488	661	(26.2)
Purchased Power less transmission losses:						
Avangrid	4	3	33.3	4	3	33.3
Calpine Sutter	23	190	(87.9)	23	190	(87.9)
Feed in Tariff	8	9	(11.1)	8	9	(11.1)
Grady Wind	74	81	(8.6)	74	81	(8.6)
Great Valley Solar	8	7	14.3	8	7	14.3
Kiefer - Greenergy	10	10	0.0	10	10	0.0
Patua	12	14	(14.3)	12	14	(14.3)
Rancho Seco PV II	14	14	0.0	14	14	0.0
Simpson	27	16	68.8	27	16	68.8
WAPA	10	21	(52.4)	10	21	(52.4)
WSPP and other	301	16	*	301	16	*
Other long term power	19	27	(29.6)	19	27	(29.6)
Total net purchases	510	408	25.0	510	408	25.0
Total sources of energy	998	1,069	(6.6)	998	1,069	(6.6)
Uses of energy:						
SMUD electric sales and usage	826	801	3.1	826	801	3.1
Surplus power sales	134	199	(32.7)	134	199	(32.7)
System losses	38	69	(44.9)	38	69	(44.9)
Total uses of energy	998	1,069	(6.6) %	998	1,069	(6.6) %

* Change equals 1000% or more.



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

- Hydro generation is lower than planned (63.1 percent).
- JPA generation is lower than planned (21.9 percent).

Purchased power, less surplus power sales, is higher than plan (79.9 percent).

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
January 31, 2021 and 2020
(thousands of dollars)

ASSETS

								<u>Total</u>	
	SMUD	CVFA	SCA	SFA	SPA	NCEA	NCGA #1	2021	2020
ELECTRIC UTILITY PLANT									
Plant in service, original cost	\$ 5,447,346	\$ 153,579	\$ 197,578	\$ 390,508	\$ 208,220	\$ -	\$ -	\$ 6,397,231	\$ 6,207,490
Less accumulated depreciation	2,530,778	123,219	149,785	184,760	161,241	-	-	3,149,783	2,964,073
Plant in service - net	2,916,567	30,360	47,793	205,748	46,979	-	-	3,247,448	3,243,417
Construction work in progress	478,841	361	581	38	748	-	-	480,569	372,708
Investment in Joint Power Agencies	305,117	-	-	-	-	-	-	22,706	15,851
Total electric utility plant - net	3,700,525	30,721	48,374	205,786	47,727	-	-	3,750,723	3,631,976
RESTRICTED ASSETS									
Revenue bond reserves	3,813	-	-	-	-	-	-	3,813	4,748
Restricted for payment of debt service	97,649	-	-	-	-	-	-	97,649	88,717
JPA funds	-	-	-	6,826	-	10,592	11,331	28,749	28,636
Nuclear decommissioning trust fund	8,873	-	-	-	-	-	-	8,873	8,806
Rate stabilization fund	167,790	-	-	-	-	-	-	167,790	142,264
Other funds	16,366	-	-	-	-	3,000	3,880	23,246	29,969
Due (to) from unrestricted funds (decommissioning)	(6,684)	-	-	-	-	-	-	(6,684)	(6,684)
Due (to) from restricted funds (decommissioning)	6,684	-	-	-	-	-	-	6,684	6,684
Less current portion	(108,377)	-	-	(6,826)	-	(13,502)	(15,211)	(143,916)	(131,452)
Total restricted assets	186,114	-	-	-	-	90	-	186,204	171,688
CURRENT ASSETS									
Cash, cash equivalents and investments									
Unrestricted	586,660	6,538	21,272	16,198	10,681	-	-	641,349	474,924
Unrestricted - collateral obligation	-	-	-	-	-	-	-	-	110
Restricted	108,377	-	-	6,826	-	13,502	15,211	143,916	131,452
Accounts receivable - net	242,617	3,707	7,598	26,869	4,867	2,610	2,378	215,134	183,756
Energy efficiency loans due within one year	2,691	-	-	-	-	-	-	2,691	3,021
Interest receivable	1,663	2	7	5	4	-	227	1,908	3,546
Regulatory costs to be recovered within one year	37,023	-	-	104	-	-	105	37,232	37,260
Derivative financial instruments maturing within in one year	5,293	-	-	-	-	-	-	5,293	6,639
Inventories	68,321	2,346	4,282	7,344	4,632	-	-	86,925	71,301
Prepaid gas to be delivered within one year	-	-	-	-	-	3,466	19,996	23,462	21,040
Prepayments and other	17,762	311	254	2,257	184	41	16	20,825	19,667
Total current assets	1,070,407	12,904	33,413	59,603	20,368	19,619	37,933	1,178,735	952,716
NONCURRENT ASSETS									
Regulatory costs for future recovery									
Decommissioning	81,497	-	-	-	-	-	-	81,497	74,535
Pension	356,153	-	-	-	-	-	-	356,153	373,180
OPEB	292,719	-	-	-	-	-	-	292,719	305,492
Bond Issues	-	-	-	879	-	-	568	1,447	1,655
Derivative financial instruments	7,656	-	-	-	-	-	-	7,656	9,660
Derivative financial instruments	9,593	-	-	-	-	-	-	9,593	6,411
Prepaid gas	-	-	-	-	-	532,102	158,053	690,155	713,618
Prepaid power and capacity	571	-	-	-	-	-	-	571	778
Energy efficiency loans - net	17,889	-	-	-	-	-	-	17,889	22,913
Other	53,309	2	1	5	1	-	85	53,403	46,965
Total noncurrent assets	819,387	2	1	884	1	532,102	158,706	1,511,083	1,555,207
TOTAL ASSETS	\$ 5,776,433	\$ 43,627	\$ 81,789	\$ 266,272	\$ 68,096	\$ 551,811	\$ 196,639	\$ 6,626,745	\$ 6,311,587
DEFERRED OUTFLOWS OF RESOURCES									
Accumulated decrease in fair value of hedging derivatives	45,795	-	-	-	-	-	-	45,795	90,496
Deferred pension outflows	173,680	-	-	-	-	-	-	173,680	100,397
Deferred OPEB outflows	25,895	-	-	-	-	-	-	25,895	26,300
Deferred ARO outflows	-	1,705	-	-	-	-	-	1,705	1,928
Unamortized bond losses	13,127	-	-	1,800	-	-	-	14,927	18,498
TOTAL DEFERRED OUTFLOWS OF RESOURCES	258,497	1,705	-	1,800	-	-	-	262,002	237,619
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 6,034,930	\$ 45,332	\$ 81,789	\$ 268,072	\$ 68,096	\$ 551,811	\$ 196,639	\$ 6,888,747	\$ 6,549,206

*Numbers may not add across due to elimination entries not shown on this sheet.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
January 31, 2021 and 2020
(thousands of dollars)

LIABILITIES AND NET ASSETS

								<u>Total</u>	
	SMUD	CVFA	SCA	SFA	SPA	NCEA	NCGA #1	2021	2020
LONG-TERM DEBT - NET	\$ 2,423,081	\$ -	\$ -	\$ 112,952	\$ -	\$ 556,377	\$ 163,485	\$ 3,255,895	\$ 2,940,621
CURRENT LIABILITIES									
Commercial paper notes	-	-	-	-	-	-	-	-	50,000
Accounts payable	85,256	2,113	2,330	2,407	1,048	-	521	93,676	85,529
Purchased power payable	77,737	1,654	4,541	21,490	3,197	-	-	33,109	23,678
Credit support collateral obligation	533	-	-	-	-	-	3,880	4,413	3,230
Long-term debt due within one year	98,040	-	-	10,900	-	-	18,450	127,390	118,305
Accrued decommissioning	6,751	-	-	-	-	-	-	6,751	5,649
Interest payable	46,980	-	-	467	-	1,813	131	49,391	44,133
Accrued salaries and compensated absences	46,143	-	-	-	-	-	-	46,143	48,900
Derivative financial instruments maturing within one year	20,299	-	-	-	-	-	-	20,299	45,786
Customer deposits	13,224	-	-	-	-	-	-	13,224	23,614
Other	24,390	-	-	-	-	-	-	24,390	20,799
Total current liabilities	419,353	3,767	6,871	35,264	4,245	1,813	22,982	418,786	469,623
NONCURRENT LIABILITIES									
Accrued decommissioning - net	83,687	8,633	-	-	-	-	-	92,320	85,392
Derivative financial instruments	33,839	-	-	-	-	-	-	33,839	55,897
Net pension liability	424,820	-	-	-	-	-	-	424,820	467,647
Net OPEB liability	-	-	-	-	-	-	-	-	32,211
Other	94,227	-	-	-	-	120	-	94,347	92,451
Total noncurrent liabilities	636,573	8,633	-	-	-	120	-	645,326	733,598
TOTAL LIABILITIES	3,479,007	12,400	6,871	148,216	4,245	558,310	186,467	4,320,007	4,143,842
DEFERRED INFLOWS OF RESOURCES									
Accumulated increase in fair value of hedging derivatives	14,671	-	-	-	-	-	-	14,671	12,909
Deferred pension inflows	13,027	-	-	-	-	-	-	13,027	44,192
Deferred OPEB inflows	57,294	-	-	-	-	-	-	57,294	41,639
Regulatory credits	515,952	-	-	-	-	-	-	515,952	487,479
Unamortized bond gains - other	6,424	-	-	-	-	-	-	6,424	7,429
Unearned revenue	3,481	(5)	-	-	-	-	-	3,476	3,564
TOTAL DEFERRED INFLOWS OF RESOURCES	610,849	(5)	-	-	-	-	-	610,844	597,212
NET POSITION									
Balance at beginning of year	1,944,593	33,298	74,811	119,915	64,447	(7,319)	10,147	1,957,512	1,804,277
Net increase (decrease) for the year	481	(361)	107	(59)	(596)	802	10	384	3,875
Member contributions (distributions) - net	-	-	-	-	-	18	15	-	-
TOTAL NET POSITION	1,945,074	32,937	74,918	119,856	63,851	(6,499)	10,172	1,957,896	1,808,152
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 6,034,930	\$ 45,332	\$ 81,789	\$ 268,072	\$ 68,096	\$ 551,811	\$ 196,639	\$ 6,888,747	\$ 6,549,206

*Numbers may not add across due to elimination entries not shown on this sheet.

SSS No.
CFO 20-016

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date N/A
Board Meeting Date March 18, 2021

TO					TO				
1.	Gary King				6.				
2.	Jennifer Davidson				7.				
3.					8.				
4.					9.	Legal			
5.					10.	CEO & General Manager			

Consent Calendar	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Jennifer Restivo	DEPARTMENT Planning, Pricing & Enterprise Performance				MAIL STOP B356	EXT. 6343		DATE SENT 12/30/20	

NARRATIVE:

Requested Action: Provide the summary of SMUD's current Power Supply Costs.

Summary: Staff will present the summary of SMUD's current Power Supply Costs to the Board of Directors.

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

Benefits: Provides Board members with current power supply costs information for SMUD.

Cost/Budgeted: n/a

Alternatives: n/a

Affected Parties: Planning, Pricing & Enterprise Performance

Coordination: Planning, Pricing & Enterprise Performance

Presenter: Jennifer Davidson

Additional Links:

SUBJECT	Summary of SMUD's current Power Supply Costs	ITEM NO. (FOR LEGAL USE ONLY) 13
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.