

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

Date: Tuesday, November 16, 2021

Time: 5:30 p.m.

Location: Virtual Meeting (online)

Powering forward. Together.



AGENDA

BOARD FINANCE & AUDIT COMMITTEE MEETING AND SPECIAL SMUD BOARD OF DIRECTORS MEETING

Tuesday, November 16, 2021

Scheduled to begin at 5:30 p.m.

Zoom Webinar Link: [Join SMUD Board Finance & Audit Committee Meeting Here](#)

Webinar/Meeting ID: 160 854 9908

Passcode: 446767

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

Pursuant to Government Code section 54953(e) and the Emergency Board Meeting Procedures adopted by the SMUD Board of Directors, the regular Board meeting and other public meetings are currently conducted solely via virtual (online/teleconference) meeting to align with state, local, and federal guidelines 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 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.**

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 Committee 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 Committee Chair 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.

This Committee meeting is noticed as a joint meeting with the Board of Directors for the purpose of compliance with the Brown Act. In order to preserve the function of the Committee as advisory to the Board, members of the Board may attend and participate in the discussions, but no Board action will be taken. The Finance and Audit Committee will review, discuss and provide the Committee's recommendation on the following:

DISCUSSION ITEMS

1. Nancy Bui-Thompson Approve Contract Change No. 6 to Contract No. 4500057661 with **Leading Resources, Inc.** to extend the contract expiration date from December 31, 2021, to December 31, 2024, to allow for continuity of consulting support for the SMUD Board.
Discussion: 5 minutes
2. Joe Schofield Select a preferred redistricting map adjusting SMUD's political ward boundaries for presentation at the December 15, 2021, Public Workshop.
Presentation: 10 minutes
Discussion: 5 minutes

INFORMATIONAL ITEMS

3. Jennifer Davidson SMUD 2022 Proposed Budget presentation follow up questions.
Discussion: 5 minutes
4. Casey Fallon Quarterly Procurement Report for Third Quarter 2021.
Presentation: 10 minutes
Discussion: 3 minutes
5. Lisa Limcaco Provide the Board with the financial results from the nine-month period ended September 30, 2021.
Presentation: 3 minutes
Discussion: 2 minutes
6. Jennifer Davidson Provide the Board with the summary of SMUD's current Power Supply Costs.
Presentation: 3 minutes
Discussion: 3 minutes
7. Public Comment
8. Rosanna Herber Summary of Committee Direction.
Discussion: 1 minute

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 Committee 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 Committee Chair may read the comments into the record, in her discretion, based upon such factors as the length of the agenda or the number of email comments received. Comments will be provided to the Board and placed into the record of the Committee 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.

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

TO				TO				
1.	Robert Adams		6.	Scott Martin				
2.	Casey Fallon		7.					
3.	Jennifer Davidson		8.					
4.	Gary King		9.	Legal				
5.	Lora Anguay		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) Andrew McDermott			DEPARTMENT Procurement			MAIL STOP B357	EXT. 5862	DATE SENT 11/01/21

NARRATIVE:

Requested Action: Approve Contract Change No. 6 to Contract No. 4500057661 with Leading Resources, Inc. to extend the contract expiration date from December 31, 2021, to December 31, 2024, to allow for continuity of consulting support for the SMUD Board.

Summary: This contract was awarded on a competitive basis to Leading Resources, Inc. in January 2009 pursuant to Board Resolution No. 08-12-19. The original contract was awarded for the period from January 1, 2009, to December 31, 2011, for a not-to-exceed amount of \$200,000. Board Resolution No. 11-12-16 approved Contract Change No. 1 to extend the contract expiration date to December 31, 2012, and increased the contract amount by \$60,000, for a new not-to-exceed amount of \$260,000. Board Resolution No. 12-10-06 approved Contract Change No. 2 to extend the contract expiration date to December 31, 2013. Board Resolution No. 13-11-04 approved Contract Change No. 3 to extend the contract expiration date to December 31, 2015. Board Resolution No. 15-09-02 approved Contract Change No. 4 to extend the contract expiration date to December 31, 2018. Board Resolution No. 18-12-17 approved Contract Change No. 5 to extend the contract expiration date to December 31, 2021, and to increase the contract amount by \$400,00, for a new not-to-exceed amount of \$660,000, to allow for continuity of consulting support for Board Strategic Directives. Contract Change No. 6 is requested to extend the expiration date by three years from December 31, 2021, to December 31, 2024, to provide facilitation and consulting services to the SMUD Board of Directors.

Currently, the contract balance is approximately \$337,000.

Contract Actions	Amount	Cumulative Amount	Description
Original Contract	\$200,000	\$200,000	Original Award
Change No. 01	\$60,000	\$260,000	Extended and increased
Change No. 02	\$0	\$260,000	Extended
Change No. 03	\$0	\$260,000	Extended
Change No. 04	\$0	\$260,000	Extended
Change No. 05	\$400,000	\$660,000	Extended and increased
Pending Change No. 06	\$0	\$660,000	Extends
Total Revised Contract	\$660,000	\$660,000	

Board Policy:

(Number & Title)

Benefits: Allows the Board to continue to realize the benefits of Leading Resources, Inc.'s expertise which is also informed by previous consulting work on SMUD Strategic Directives.

Cost/Budgeted: No increase.

Alternatives: Release a new competitive solicitation; however, there is a risk of lapse in consulting services during the solicitation process.

Affected Parties: Board President and CEO/GM

Coordination: Board President and CEO/GM

Presenter: President Bui-Thompson

Additional Links:

SUBJECT	Contract Change No. 6 for Leading Resources, Inc. (Board Consultant Services)	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. LEG 2021-0137

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 11/16/21
Board Meeting Date November 18, 2021

TO	TO
1. Gary King	6.
2. Jennifer Davidson	7.
3. Lora Anguay	8.
4. Scott Martin	9. Legal
5.	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) Joe Schofield	DEPARTMENT Office of the General Counsel			MAIL STOP B406	EXT. 5446	DATE SENT 09/28/21	

NARRATIVE:

Requested Action: Select a preferred redistricting map adjusting SMUD’s political ward boundaries for presentation at the December 15, 2021, Public Workshop.

Summary: The Municipal Utility District (MUD) Act and Elections Code require that the Board adjust SMUD’s ward boundaries every 10 years following the release of data by the Census Bureau. SMUD is required to complete its redistricting effort no later than April 17, 2022 (recently adjusted by SB 594). Consistent with state and federal law, the SMUD Board adopted redistricting criteria at the July 15, 2021, Board meeting and identified public workshop schedules for late October/early November and late November/early December (November 4, 2021, and December 15, 2021).

With input from the Board, staff developed two preliminary alternative maps for review by the public. SMUD notified all customers and more than 200 community organizations of the November 4, 2021, public workshop and created a webpage for the 2021 Redistricting process on smud.org which provides redistricting information, copies of the preliminary alternative maps, as well as other tools and information. The Board is expected to adopt a final redistricting map at the January 20, 2022, Board meeting.

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

Benefits: Comply with state and federal requirements; assure equitable voting for Directors consistent with changes in population. Selection of a preferred map will focus the December 15th public workshop and allow staff to make refinements necessary to meet the January 20th deadline.

Cost/Budgeted: Contained in the Corporate/Legal Budget – most costs are for internal labor.

Alternatives: None – action must be taken to comply with the law.

Affected Parties: SMUD, Board of Directors, Public

Coordination: Executive Office, Board Office, Legal Department, Community Engagement, Sustainable Communities, Distribution Planning & Operations, IT, and Marketing & Corporate Communications

Presenter: Joe Schofield, Deputy General Counsel

Additional Links:	ITEM NO. (FOR LEGAL USE ONLY)
SUBJECT Select Preferred Redistricting Map	

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No.

CFO 21-015

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit November 16, 2021
Board Meeting Date November 18, 2021

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

Consent Calendar	Yes	No <i>If no, schedule a dry run presentation.</i>	Budgeted	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Jennifer Restivo			DEPARTMENT Planning, Pricing & Enterprise Performance		MAIL STOP B356 EXT. 5193 DATE SENT 11/1/21

NARRATIVE:

Requested Action: SMUD 2022 Proposed Budget presentation follow up questions.

Summary: Follow up questions from the Board of Directors regarding the SMUD 2022 Proposed Budget, that was presented on November 9th and 10th, 2021 at the Finance and Audit Committee budget meetings.

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

Benefits: Provide additional information to the Board of Directors regarding the SMUD 2022 Proposed Budget.

Cost/Budgeted: N/A

Alternatives: N/A

Affected Parties: Board of Directors

Coordination: N/A

Presenter: Jennifer Davidson

Additional Links:

SUBJECT 2022 Budget Presentation follow up questions	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No.
SCS 21-250

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit November 16, 2021
Board Meeting Date N/A

TO				TO			
1.	Robert Adams	6.	Scott Martin				
2.	Casey Fallon	7.					
3.	Gary King	8.					
4.	Jennifer Davidson	9.	Legal				
5.	Lora Anguay	10.	CEO & General Manager				
Consent Calendar	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<i>If no, schedule a dry run presentation.</i>		
Budgeted	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No - informational item			
FROM (IPR)		DEPARTMENT		MAIL STOP	EXT.	DATE SENT	
Denise Reyes		Procurement Operations		EA404	7141	11/1/2021	

NARRATIVE:

Requested Action: Informational Item – Quarterly Procurement Report – 3rd Quarter 2021.

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

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

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

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

Cost/Budgeted: N/A

Alternatives: Not to provide a Quarterly Procurement Report.

Affected Parties: SMUD

Coordination: Procurement Operations

Presenter: Casey Fallon

Additional Links:

SUBJECT Quarterly Procurement Report – 3rd Quarter 2021	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No.
CFO 20-017

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit, 2021
Board Meeting Date n/a

TO		TO	
1.	Gary King	6.	
2.	Jennifer Davidson	7.	
3.	Lora Anguay	8.	
4.	Scott Martin	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>
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FROM (IPR) Lisa Limcaco	DEPARTMENT Accounting	MAIL STOP B352	EXT. 6957	DATE SENT 12/30/20
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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. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT
OFFICE MEMORANDUM**

TO: Distribution

DATE: October 29, 2021
ACC 21-019

FROM: Kathy Ketchum / Lisa Limcaco

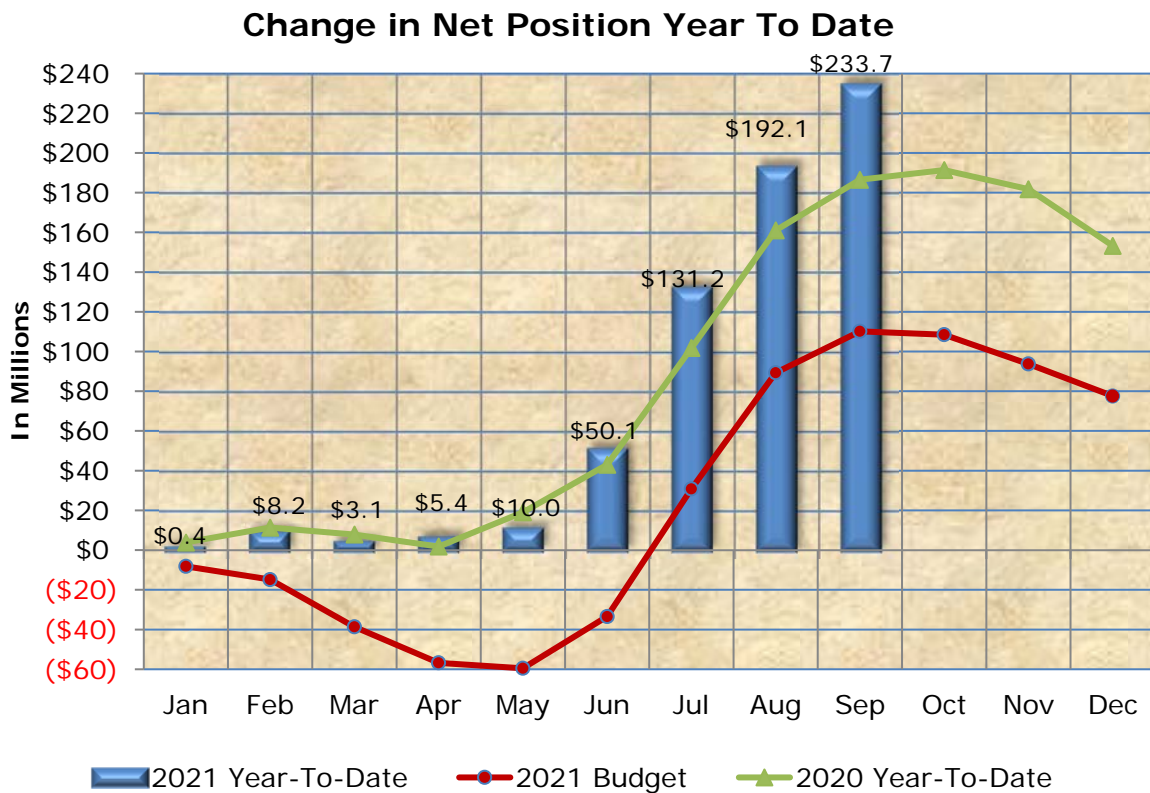
SUBJECT: SEPTEMBER 2021 FINANCIAL RESULTS AND OPERATIONS DATA

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

The change in net position is a positive \$233.7 million compared to a budgeted positive \$110.2 million, resulting in a favorable variance of \$123.5 million.

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

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



**SACRAMENTO MUNICIPAL UTILITY DISTRICT
EXECUTIVE SUMMARY
For the Nine Months Ended September 30, 2021**

Net Position

- The change in net position is a positive \$233.7 million compared to a positive \$110.2 million budget, resulting in a favorable variance of \$123.5 million.

Revenues

- Revenues from sales to customers were \$1,199.1 million, which was \$35.7 million (3.1 percent) higher than planned.
 - The increase was primarily due to higher customer usage of \$32.3 million and a shift in customer load shape compared to plan of \$19.6 million, offset by a higher uncollectible provision of \$15.2 million (due to COVID-19 and the moratorium on electric shut offs).
- Revenues under the California Global Warming Solutions Act (Assembly Bill [AB] - 32) were \$10.8 million. This is due to carbon allowances sold through the state sanctioned quarterly auctions.
- Other electric revenues were \$23.0 million, which was \$1.5 million (6.8 percent) higher than planned.
 - Other electric revenue is higher by \$4.0 million, primarily due to transmission revenue of \$1.2 million, Greenergy revenue of \$0.9 million, and other electric revenue of \$0.8 million (primarily due to BANC operational revenue of \$0.6 million).
 - Steam sales are higher by \$1.9 million, due to sales to the Procter & Gamble Power Plant, primarily due to a contract change resulting in higher actual steam rates compared to rates used for the budget.
 - Miscellaneous service revenues and customer late fee revenues are lower by \$3.1 million and \$2.2 million, respectively. Lower miscellaneous services are due to lower field service and customer connection charges of \$4.1 million. This is due to COVID-19 and the moratorium on electric shut offs.
- Non-cash revenues transferred to the rate stabilization fund was \$18.5 million, of which \$11.9 million was for AB-32 and \$6.6 million was for Low Carbon Fuel Standard (LCFS). Funds are deferred until SMUD has qualified program expenses (projects that reduce carbon emissions or electric vehicle programs) to recognize revenue.
- Non-cash revenues transferred from the rate stabilization fund was \$25.4 million, of which \$18.6 million was for the annual Hydro rate adjustment, \$5.4 million was for revenues recognized from LCFS electric vehicle programs expenses, and \$1.4 million was from AB-32 program expenses.

Commodities, Purchased Power and Production

Overall, load was higher than planned due to warmer than anticipated weather. Additionally, hydro generation was lower due to precipitation levels. This resulted in higher fuel usage for increased thermal plant generation and additional purchased power expenses.

- SMUD's generation was higher by 49 GWh (0.9 percent).
 - JPA and other generation was higher by 1,026 GWh (27.2 percent).
 - Hydro generation was lower by 977 GWh (70.0 percent).
- Purchased power expense of \$322.7 million, less surplus power sales of \$87.5 million, was \$235.2 million, which was \$43.4 million (22.6 percent) higher than planned. Purchased power expense increased as a result of higher prices of \$31.0 million and higher quantities purchased of \$12.4 million.
- Production operations cost of \$259.6 million, less gas sales of \$95.6 million, was \$164.0 million, which was \$7.0 million (4.1 percent) lower than planned.
 - Fuel costs of \$170.7 million, less surplus gas sales of \$95.7 million, was \$75.0 million, which was \$7.7 million (9.3 percent) lower than planned. This is primarily due to lower fuel prices of \$37.5 million offset by higher fuel usage of \$27.7 million. The lower price variance is primarily due to a higher sales price per Renewable Identification Number (RIN), which resulted in a positive variance of \$18.8 million. RINs were generated when renewable natural gas (RNG) was produced. Some RNG and RINs were sold to monetize on positive differences between sales and replacement gas. Additionally, lower prices are a direct result of gas sales in February of \$7.0 million due to market conditions resulting from extreme weather in the east and south.

- Other power generation expenses were \$4.6 million lower primarily due to timing differences from reimbursable operating fees and expenses for the Campbell Power Plant of \$1.7 million and the Cosumnes Power Plant of \$1.4 million.
- Allowance expenses were \$8.4 million higher, primarily due to recording the 2020 Calpine Sutter greenhouse gas allowance obligation of \$3.5 million as well as offsets purchased to cover SMUD's 2018 through 2020 obligation of \$2.4 million. Year to date Calpine purchases are higher due to lower hydro generation.
- The "power margin", or sales to customers less cost of purchased power, production operations costs and gas hedges included in investment expense was \$802.0 million, which was \$1.5 million (0.2 percent) higher than planned. Power margin as a percentage of sales to customers was 66.9 percent, which was 1.9 percent lower than planned.

Other Operating Expenses

- All other operating expenses were \$557.5 million, which was \$98.8 million (15.1 percent) lower than planned.
 - Transmission and distribution operating expenses were \$5.2 million (8.0 percent) lower than planned. This is mainly due to lower distribution operations-overhead line expenses of \$2.6 million.
 - Customer accounts expenses were \$6.1 million (13.4 percent) lower than planned. This is primarily due to lower labor of \$5.4 million, of which \$3.1 million is a result of lower customer call volumes because of COVID-19 and the moratorium on electric shut offs.
 - Customer service and information expenses were \$4.7 million (9.0 percent) lower than planned. This is primarily due to lower energy efficiency incentives of \$2.1 million, labor of \$1.3 million and outside services of \$1.9 million. Variances related to incentives and outside services are lower than anticipated due to fewer incentive participants, COVID-19 and other implementation delays in transportation electrification programs.
 - Administrative and general expenses were \$31.2 million (21.6 percent) lower than planned. This includes the following: 1) an unspent corporate contingency which budgeted for unexpected operations and maintenance expenses of \$11.0 million (at this time, this amount is not expected to be spent), 2) lump sum merit awards budgeted of \$4.0 million (actuals of \$2.9 million were recorded to follow where work was performed), 3) lower net retiree medical premium expense of \$6.1 million, 4) lower demo and selling expenses of \$2.4 million (primarily due to labor of \$2.0 million), and lower workers compensation expense of \$2.0 million (primarily due to quarterly adjustment to the workers compensation reserve of \$1.5 million).
 - Public good expenses were \$16.6 million (33.3 percent) lower than planned. This is due to lower expenditures for research and development (R&D) programs of \$9.3 million due to \$7.5 million budgeted for programs and projects related to the IRP/Zero Carbon Plan (this will not be spent this year), and lower expenditures for energy efficiency programs of \$6.4 million primarily due to fewer incentives of \$5.8 million.
 - Production maintenance expenses were \$8.1 million (21.9 percent) lower than planned. This is mainly due to lower hydro maintenance expenses of \$6.5 million, primarily due to labor vacancies of \$3.2 million. Labor has been reprioritized to focus on regulatory and capital work. Lower expenses also resulted from timing differences for maintenance scheduled for the Cosumnes Power Plant of \$1.5 million.
 - Transmission and distribution maintenance expenses were \$2.7 million (3.8 percent) lower than planned. Distribution maintenance – overhead line expenses were lower due to outside services of \$5.2 million (because of lower tree trimming expenses resulting from a shortage in crews in urban areas), offset primarily by higher distribution maintenance - station equipment expenses of \$2.2 million, primarily due to labor of \$1.4 million that was budgeted elsewhere.
- Non-cash amortization of pension and other post-employment benefits (OPEB) was \$22.1 million, which resulted in a positive impact to net position. This is due to Governmental Accounting Standards Board (GASB) 75 OPEB amortization of \$11.9 million and GASB 68 Pension amortization of \$10.2 million.

Non-operating Revenues and Expenses

- Other revenue, net was \$6.6 million (32.1 percent) higher than planned. This was due to higher contributions in aid of construction of \$3.7 million (due to differences between accounting treatment of offsets and amounts recorded for budget purposes of \$4.5 million), miscellaneous non-operating income of \$2.0 million, primarily due to a termination payment ending the Heartland gas contract of \$2.0 million, and higher investment revenue from natural gas hedging activities of \$2.1 million.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Month Ended September 30, 2021
(thousands of dollars)

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>	<u>Percent of Increase (Decrease)</u>
OPERATING REVENUES				
Sales to customers	\$ 160,754	\$ 145,575	\$ 15,179	10.4 %
Sales of surplus power	12,097	8,119	3,978	49.0
Sales of surplus gas	10,293	-	10,293	*
LCFS revenue	700	1,114	(414)	(37.2)
Other electric revenue	2,446	2,119	327	15.4
Revenue to rate stabilization fund	(700)	-	(700)	*
Revenue from rate stabilization fund	717	-	717	*
Total operating revenues	186,307	156,927	29,380	18.7
OPERATING EXPENSES				
Operations				
Purchased power	43,958	32,931	11,027	33.5
Production	28,956	19,084	9,872	51.7
Transmission and distribution	7,198	7,416	(218)	(2.9)
Customer accounts	4,162	5,329	(1,167)	(21.9)
Customer service and information	5,580	6,015	(435)	(7.2)
Administrative and general	14,012	15,534	(1,522)	(9.8)
Public good	3,282	7,864	(4,582)	(58.3)
Total operations	107,148	94,173	12,975	13.8
Maintenance				
Production	6,727	4,651	2,076	44.6
Transmission and distribution	6,209	8,874	(2,665)	(30.0)
Total maintenance	12,936	13,525	(589)	(4.4)
Depreciation and amortization				
Depreciation	19,190	18,308	882	4.8
Amortization of pension and OPEB	(2,454)	-	(2,454)	*
Amortization of regulatory asset	2,974	3,073	(99)	(3.2)
Total depreciation and amortization	19,710	21,381	(1,671)	(7.8)
Total operating expenses	139,794	129,079	10,715	8.3
OPERATING INCOME	46,513	27,848	18,665	67.0
NON-OPERATING REVENUES AND EXPENSES				
Other revenues/(expenses)				
Interest income	344	492	(148)	(30.1)
Investment revenue (expense)	776	(175)	951	543.4
Other income (expense) - net	1,524	771	753	97.7
Unrealized holding gains (losses)	(133)	-	(133)	*
Revenue - CIAC	1,526	1,108	418	37.7
Total other revenues	4,037	2,196	1,841	83.8
Interest charges				
Interest on long-term debt	8,540	9,023	(483)	(5.4)
Interest on commercial paper	392	137	255	186.1
Total interest charges	8,932	9,160	(228)	(2.5)
CHANGE IN NET POSITION	\$ 41,618	\$ 20,884	\$ 20,734	99.3 %

* Equals 1000% or greater.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Nine Months Ended September 30, 2021
(thousands of dollars)

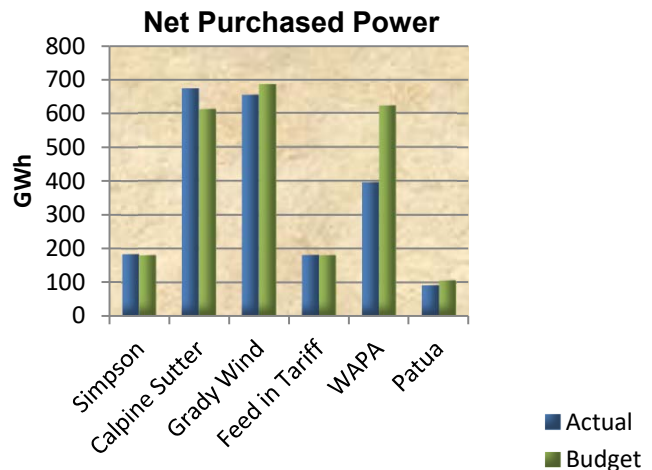
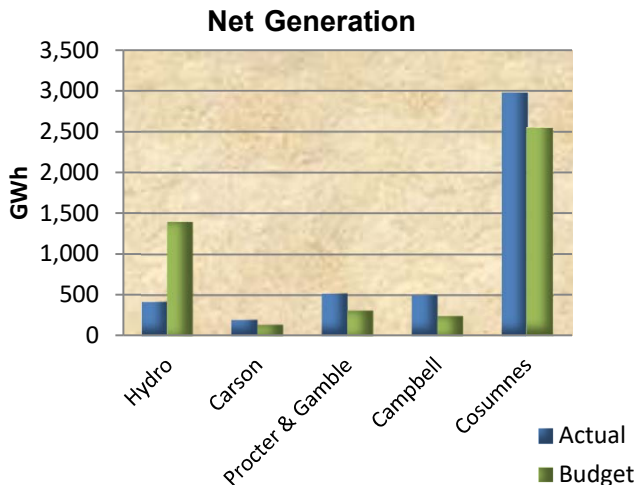
	Actual	Budget	Over (Under)	Percent of Increase (Decrease)
OPERATING REVENUES				
Sales to customers	\$ 1,199,138	\$ 1,163,471	\$ 35,667	3.1 %
Sales of surplus power	87,442	77,182	10,260	13.3
Sales of surplus gas	95,656	-	95,656	*
SB-1 revenue (deferral)/recognition, net	-	700	(700)	(100.0)
AB32 revenue	10,815	-	10,815	*
LCFS revenue	6,575	7,849	(1,274)	(16.2)
Other electric revenue	23,045	21,572	1,473	6.8
Revenue to rate stabilization fund	(18,473)	-	(18,473)	*
Revenue from rate stabilization fund	25,433	-	25,433	*
Total operating revenues	1,429,631	1,270,774	158,857	12.5
OPERATING EXPENSES				
Operations				
Purchased power	322,688	269,050	53,638	19.9
Production	259,635	171,029	88,606	51.8
Transmission and distribution	60,329	65,561	(5,232)	(8.0)
Customer accounts	39,402	45,506	(6,104)	(13.4)
Customer service and information	47,753	52,466	(4,713)	(9.0)
Administrative and general	112,979	144,136	(31,157)	(21.6)
Public good	33,221	49,772	(16,551)	(33.3)
Total operations	876,007	797,520	78,487	9.8
Maintenance				
Production	28,979	37,082	(8,103)	(21.9)
Transmission and distribution	68,391	71,082	(2,691)	(3.8)
Total maintenance	97,370	108,164	(10,794)	(10.0)
Depreciation and amortization				
Depreciation	162,264	163,008	(744)	(0.5)
Amortization of pension and OPEB	(22,087)	-	(22,087)	*
Amortization of regulatory asset	26,233	27,655	(1,422)	(5.1)
Total depreciation and amortization	166,410	190,663	(24,253)	(12.7)
Total operating expenses	1,139,787	1,096,347	43,440	4.0
OPERATING INCOME	289,844	174,427	115,417	66.2
NON-OPERATING REVENUES AND EXPENSES				
Other revenues/(expenses)				
Interest income	5,264	4,498	766	17.0
Investment revenue (expense)	441	(1,672)	2,113	126.4
Other income (expense) - net	9,561	7,777	1,784	22.9
Unrealized holding gains (losses)	(1,716)	-	(1,716)	*
Revenue - CIAC	13,610	9,954	3,656	36.7
Total other revenues	27,160	20,557	6,603	32.1
Interest charges				
Interest on long-term debt	81,681	83,547	(1,866)	(2.2)
Interest on commercial paper	1,591	1,230	361	29.3
Total interest charges	83,272	84,777	(1,505)	(1.8)
CHANGE IN NET POSITION	\$ 233,732	\$ 110,207	\$ 123,525	112.1 %

* Equals 1000% or greater.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT
SOURCES AND USES OF ENERGY - COMPARED TO BUDGET
For the Period Ended September 30, 2021**

Sources of Energy (GWh)	Month		Increase (Decrease) Percentage	Year to Date		Increase (Decrease) Percentage
	Actual	Budget		Actual	Budget	
Net Generated						
Hydro	46	71	(35.2) %	418	1,395	(70.0) %
Carson Power Plant	28	23	21.7	198	137	44.5
Procter & Gamble Power Plant	60	43	39.5	518	310	67.1
Campbell Power Plant	78	8	875.0	500	243	105.8
Cosumnes Power Plant	353	358	(1.4)	2,976	2,544	17.0
Other	61	69	(11.6)	607	539	12.6
Total net generation	626	572	9.4	5,217	5,168	0.9
Purchased Power less transmission losses:						
Avangrid	7	10	(30.0)	91	87	4.6
Calpine Sutter	128	118	8.5	673	611	10.1
Feed in Tariff	20	20	0.0	181	180	0.6
Grady Wind	83	70	18.6	654	685	(4.5)
Great Valley Solar	15	17	(11.8)	137	143	(4.2)
Kiefer - Greenergy	9	9	0.0	77	83	(7.2)
Patua	10	11	(9.1)	92	105	(12.4)
Rancho Seco PV II	32	32	0.0	279	280	(0.4)
Simpson	-	-	0.0	184	180	2.2
WAPA	46	56	(17.9)	395	621	(36.4)
WSPP and other	238	205	16.1	2,291	1,639	39.8
Other long term power	18	28	(35.7)	218	290	(24.8)
Total net purchases	606	576	5.2	5,272	4,904	7.5
Total sources of energy	1,232	1,148	7.3	10,489	10,072	4.1
Uses of energy:						
SMUD electric sales and usage	960	923	4.0	8,036	7,815	2.8
Surplus power sales	237	191	24.1	2,140	1,961	9.1
System losses	35	34	2.9	313	296	5.7
Total uses of energy	1,232	1,148	7.3 %	10,489	10,072	4.1 %

* Change equals 1000% or more.



Net generation is higher than budget for the nine-month period.

- Hydro generation is lower than planned (70.0 percent).
- JPA generation is higher than planned (29.6 percent).

Purchased power, less surplus power sales, is higher than plan (6.4 percent).

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
September 30, 2021 and 2020
(thousands of dollars)

ASSETS

								<u>Total</u>	
	SMUD	Carson	P&G	Cosumnes	Campbell	NCEA	NCGA #1	2021	2020
ELECTRIC UTILITY PLANT									
Plant in service, original cost	\$ 5,536,122	\$ 154,892	\$ 197,768	\$ 390,652	\$ 208,697	\$ -	\$ -	\$ 6,488,131	\$ 6,272,699
Less accumulated depreciation	2,627,728	127,376	153,251	195,239	167,808	-	-	3,271,402	3,091,597
Plant in service - net	2,908,394	27,516	44,517	195,413	40,889	-	-	3,216,729	3,181,102
Construction work in progress	561,834	56	-	1,259	63	-	-	563,211	506,645
Investment in Joint Power Agencies	304,992	-	-	-	-	-	-	22,497	15,642
Total electric utility plant - net	3,775,220	27,572	44,517	196,672	40,952	-	-	3,802,437	3,703,389
RESTRICTED ASSETS									
Revenue bond reserves	2,931	-	-	-	-	-	-	2,931	3,813
Restricted for payment of debt service	33,783	-	-	-	-	-	-	33,783	32,063
Restricted for Nuclear decommissioning trust fund	8,874	-	-	4,127	-	10,334	6,708	21,169	22,613
Rate stabilization fund	161,766	-	-	-	-	-	-	161,766	129,559
Other funds from unrestricted funds (decommissioning)	16,368	-	-	-	-	3,000	3,047	22,415	29,091
Due (to) from restricted funds (decommissioning)	(6,684)	-	-	-	-	-	-	(6,684)	(6,684)
Due portion	6,684	-	-	-	-	-	-	6,684	6,684
Due (to) from restricted assets	(47,311)	-	-	(4,127)	-	(13,334)	(9,755)	(74,527)	(72,504)
Less current restricted assets	176,411	-	-	-	-	-	-	176,411	153,483
CURRENT ASSETS									
Cash, cash equivalents and investments									
Unrestricted	577,354	5,350	20,608	17,303	11,634	-	-	632,249	831,556
Accounts receivable - net	47,311	-	-	4,127	-	13,334	9,755	74,527	72,504
Restricted Energy efficiency loans due within one year	321,354	4,773	10,081	19,828	6,649	2,797	2,205	297,826	303,854
Interest receivable	2,691	-	-	-	-	-	-	2,691	3,021
Regulatory costs to be recovered within one year	954	2	11	8	5	-	1	981	2,680
Derivative financial instruments maturing within in one year	35,431	-	-	104	-	-	105	35,640	38,804
Inventories	69,436	-	-	-	-	-	-	69,436	9,323
Prepaid gas to be delivered within one year	82,338	2,346	4,282	7,344	4,632	-	-	100,942	76,631
Prepayments and other	-	-	-	-	-	3,717	21,682	25,399	22,492
	22,993	465	565	4,110	514	7	16	28,670	24,907
Total current assets	1,159,862	12,936	35,547	52,824	23,434	19,855	33,764	1,268,361	1,385,772
NONCURRENT ASSETS									
Regulatory costs for future recovery									
Decommissioning	78,175	-	-	-	-	-	-	78,175	71,669
Pension	344,801	-	-	-	-	-	-	344,801	361,828
OPEB	284,203	-	-	-	-	-	-	284,203	296,976
Bond Issues	-	-	-	809	-	-	498	1,307	1,517
Derivative financial instruments	4,006	-	-	-	-	-	-	4,006	8,023
Derivative financial instruments	51,762	-	-	-	-	-	-	51,762	8,553
Prepaid gas	-	-	-	-	-	530,062	143,550	673,613	699,011
Prepaid power and capacity	432	-	-	-	-	-	-	432	640
Energy efficiency loans - net	4,421	-	-	-	-	-	-	4,421	19,864
Other	59,221	1	1	3	1	-	74	59,302	44,460
Total noncurrent assets	827,021	1	1	812	1	530,062	144,122	1,502,022	1,512,541
TOTAL ASSETS	\$ 5,938,514	\$ 40,509	\$ 80,066	\$ 250,307	\$ 64,387	\$ 549,917	\$ 177,886	\$ 6,749,231	\$ 6,755,185
DEFERRED OUTFLOWS OF RESOURCES									
Accumulated decrease in fair value of hedging derivatives	23,663	-	-	-	-	-	-	23,663	57,672
Deferred pension outflows	186,518	-	-	-	-	-	-	186,518	87,636
Deferred OPEB outflows	23,965	-	-	-	-	-	-	23,966	23,433
Deferred ARO outflows	-	1,473	-	-	-	-	-	1,473	1,711
Unamortized bond losses - other	11,482	-	-	1,573	-	-	-	13,055	16,083
TOTAL DEFERRED OUTFLOWS OF RESOURCES	245,628	1,473	-	1,573	-	-	-	248,675	186,535
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 6,184,142	\$ 41,982	\$ 80,066	\$ 251,880	\$ 64,387	\$ 549,917	\$ 177,886	\$ 6,997,906	\$ 6,941,720

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

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
September 30, 2021 and 2020
(thousands of dollars)

LIABILITIES AND NET ASSETS

	<u>Total</u>								
	SMUD	Carson	P&G	Cosumnes	Campbell	NCEA	NCGA #1	2021	2020
LONG-TERM DEBT - NET	\$ 2,296,317	\$ -	\$ -	\$ 99,961	\$ -	\$ 553,055	\$ 142,935	\$ 3,092,268	\$ 3,269,596
CURRENT LIABILITIES									
Accounts payable	97,148	1,732	686	2,929	1,032	271	1,422	105,220	78,546
Purchased power payable	80,980	2,078	4,555	14,165	5,254	-	-	37,172	38,498
Credit support collateral obligation	533	-	-	-	-	-	3,047	3,580	4,723
Long-term debt due within one year	100,150	-	-	11,450	-	-	20,550	132,150	127,390
Accrued decommissioning	6,751	-	-	-	-	-	-	6,751	5,649
Interest payable	22,422	-	-	1,265	-	5,438	337	29,462	30,093
Accrued salaries and compensated absences	50,212	-	-	-	-	-	-	50,212	43,010
Derivative financial instruments maturing within one year	17,506	-	-	-	-	-	-	17,506	25,562
Customer deposits	1,708	-	-	-	-	-	-	1,708	21,492
Other	26,665	-	-	-	-	-	-	26,665	24,148
Total current liabilities	404,075	3,810	5,241	29,809	6,286	5,709	25,356	410,426	399,111
NONCURRENT LIABILITIES									
Accrued decommissioning - net	80,365	8,633	-	-	-	-	-	88,998	82,591
Derivative financial instruments	13,935	-	-	-	-	-	-	13,935	43,364
Net pension liability	393,557	-	-	-	-	-	-	393,557	447,648
Net OPEB liability	23,263	-	-	-	-	-	-	23,263	52,211
Other	92,630	-	-	-	-	120	-	92,751	90,858
Total noncurrent liabilities	603,750	8,633	-	-	-	120	-	612,504	716,672
TOTAL LIABILITIES	3,304,142	12,443	5,241	129,770	6,286	558,884	168,291	4,115,198	4,385,379
DEFERRED INFLOWS OF RESOURCES									
Accumulated increase in fair value of hedging derivatives	116,305	-	-	-	-	-	-	116,305	17,574
Deferred pension inflows	3,553	-	-	-	-	-	-	3,553	29,763
Deferred OPEB inflows	44,812	-	-	-	-	-	-	44,813	31,881
Regulatory credits	513,719	-	-	-	-	-	-	513,719	476,018
Unamortized bond gains - other	9,612	-	-	-	-	-	-	9,612	6,742
Unearned revenue	3,449	14	-	-	-	-	-	3,463	3,572
TOTAL DEFERRED INFLOWS OF RESOURCES	691,450	14	-	-	-	-	-	691,465	565,550
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
(decrease) for the year	243,957	(3,773)	14	2,195	(6,346)	(855)	(74)	233,732	186,514
Member contributions (distributions) - net	-	-	-	-	-	(793)	(478)	-	-
TOTAL NET POSITION	2,188,550	29,525	74,825	122,110	58,101	(8,967)	9,595	2,191,243	1,990,791
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 6,184,142	\$ 41,982	\$ 80,066	\$ 251,880	\$ 64,387	\$ 549,917	\$ 177,886	\$ 6,997,906	\$ 6,941,720

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

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF CASH FLOWS
For the Period Ended September 30, 2021
(thousands of dollars)

	Month	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 165,437	\$ 1,118,065
Receipts from surplus power and gas sales	23,869	179,843
Other receipts	3,371	53,981
Payments to employees - payroll and other	(23,569)	(314,989)
Payments for wholesale power and gas purchases	(66,923)	(458,371)
Payments to vendors/others	(25,094)	(284,568)
Net cash provided by operating activities	77,091	293,961
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from insurance settlements	-	3,135
Repayment of debt	-	(18,450)
Interest on debt	-	(26,066)
Net cash used in noncapital financing activities	-	(41,381)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction expenditures	(21,748)	(214,996)
Contributions in aid of construction	1,551	18,069
Net proceeds from bond issues	-	130,248
Repayments and refundings of debt	-	(239,475)
Other receipts	2,540	2,540
Interest on debt	-	(109,479)
Net cash used in capital and related financing activities	(17,657)	(413,093)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales and maturities of securities	26	185,076
Purchases of securities	(47,633)	(56,358)
Proceeds from termination of gas contract	-	2,000
Interest and dividends received	143	6,870
Investment revenue/expenses - net	775	442
Net cash (used in) provided by investing activities	(46,689)	138,030
Net increase (decrease) in cash and cash equivalents	12,745	(22,483)
Cash and cash equivalents at the beginning of the month and year	703,383	738,611
Cash and cash equivalents at September 30, 2021	\$ 716,128	\$ 716,128
Cash and cash equivalents included in:		
Unrestricted cash and cash equivalents	\$ 678,190	\$ 678,190
Restricted and designated cash and cash equivalents	26,756	26,756
Restricted and designated assets (a component of the total of \$176,411 at September 30, 2021)	11,182	11,182
Cash and cash equivalents at September 30, 2021	\$ 716,128	\$ 716,128

SSS No.
CFO 20-016

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit, 2021
Board Meeting Date n/a

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

Consent Calendar	Yes	No <i>If no, schedule a dry run presentation.</i>	Budgeted	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
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FROM (IPR) Russell Mills	DEPARTMENT Treasury	MAIL STOP B355	EXT. 6509	DATE SENT 12/30/20
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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. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. BOD 2021-006

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit 2021
Board Meeting Date N/A

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

Consent Calendar	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>	Budgeted	<input type="checkbox"/>	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Rosanna Herber / Donna Lofton	DEPARTMENT Board Office			MAIL STOP B307	EXT. 5079	DATE SENT 12/22/20		

NARRATIVE:

Requested Action: Provide a summary of committee direction from the Board to Staff.

Summary: During a Board discussion at the January 2017 Policy Committee, the Board requested having an on-going opportunity to do a wrap up period at the end of each committee meeting to summarize various Board member suggestions and requests that were made at the meeting in an effort to make clear the will of the Board. The Committee Chair will summarize Board member requests that come out of the committee presentations for this meeting.

Board Policy: GP-4 Agenda Planning states the Board will focus on the results the Board wants the organization to achieve.
(Number & Title)

Benefits: Having an agendaized opportunity to summarize the Board's requests and suggestions that arise during the committee meeting will help clarify what the will of the Board.

Cost/Budgeted: N/A

Alternatives: Not summarize the Board's requests at this meeting.

Affected Parties: Board of Directors and Executive Staff

Coordination: Donna Lofton, Special Assistant to the Board

Presenter: Rosanna Herber, Finance & Audit Committee Chair

Additional Links:

SUBJECT Summary of Committee Direction	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.