

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

Date: Tuesday, October 19, 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, October 19, 2021**

**Scheduled to begin at 5:30 p.m.**

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

**Webinar/Meeting ID:** 160 752 0276

**Passcode:** 559548

**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](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](mailto: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](mailto: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](mailto: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 purpose of the meeting will be to review, discuss, and provide the Committee's recommendation on the following item(s):

## **DISCUSSION ITEMS**

1. Ed Hamzawi  
Approve the Chief Executive Officer and General Manager to award a contract to **AECOM Technical Services, Inc.** for commercial electric vehicle charging as a service for a three-year term, from October 25, 2021, to October 25, 2024, for a not-to-exceed amount of \$3.6 million.  
Presentation: 20 minutes  
Discussion: 10 minutes
2. Laurie Rodriguez
  - a. Approve contract change to Contract No. 4500110473 with **United Health Care Insurance Company** approving 2022 medical insurance premium rates and extending the contract by one year for the period January 1, 2022, through December 31, 2022; 2022 cost estimated at \$37.4 million.
  - b. Approve contract change to Contract No. 4500043215 with **Kaiser Permanente** approving 2022 medical insurance premium rates and extending the contract by one year for the period January 1, 2022, through December 31, 2022; 2022 cost estimated at \$29.3 million.  
Presentation: 10 minutes  
Discussion: 5 minutes
3. Laurie Rodriguez  
Approve Contract Change No. 1 to Contract No. 4500099793 with **Intercare Holdings Insurance Services, Inc.** to extend the contract expiration date from March 14, 2022, to December 31, 2022, and increase the contract amount by \$294,200, from \$1,825,800 to \$2,120,000.  
Presentation: 6 minutes  
Discussion: 5 minutes
4. Joe Schofield  
Discuss Ward redistricting preliminary maps to adjust SMUD ward boundaries using the 2020 data released by the **U. S. Census Bureau** (as adjusted to meet State requirements) and approve release of draft maps in anticipation of the November 4, 2021, and December 15, 2021, public workshops on redistricting and the adoption of the new ward boundaries on January 20, 2022.  
Presentation: 10 minutes  
Discussion: 10 minutes

## **INFORMATIONAL ITEMS**

5. Lisa Limcaco                      Provide the Board with the financial results from the eight-month period ended August 31, 2021.  
Presentation: 3 minutes  
Discussion: 2 minutes
6. Claire Rogers                      Audit Reports: Status of Recommendations Report for Q3 2021, Power Source Disclosure Program, and Greenergy Partner Plus Annual Verification.  
Discussion: 1 minute
7. Toni Hoang                      Enterprise risk management update including a high-level summary of risk management and wildfire mitigation and response activities.  
Presentation: 7 minutes  
Discussion: 5 minutes
8. Jennifer Davidson                      Provide the Board with the summary of SMUD's current Power Supply Costs.  
Presentation: 3 minutes  
Discussion: 1 minutes
9. Public Comment
10. 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](mailto: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](mailto: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](mailto: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](mailto:Toni.Stelling@smud.org), or contact by phone at (916) 732-7143, no later than 48 hours before this virtual meeting.*



SSS No.
SCS-21-224

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit October 19, 2021
Board Meeting Date October 21, 2021

TO					TO				
1.	Robert Adams				6.	Jennifer Davidson			
2.	Richard Oberg				7.	Lora Anguay			
3.	Ed Hamzawi				8.	Scott Martin			
4.	Casey Fallon				9.	Legal			
5.	Gary King				10.	CEO & General Manager			

<b>Consent Calendar</b>	x	<b>Yes</b>		<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	x	<b>Yes</b>		<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>
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FROM (IPR) Jesse Mays	DEPARTMENT Advanced Energy Solutions	MAIL STOP EA404	EXT. 5744	DATE SENT 10/1/2021
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**NARRATIVE:**

**Requested Action:** Authorize the Chief Executive Officer and General Manager to award a contract to AECOM Technical Services, Inc. (AECOM) for Commercial Electric Vehicle Charging as a Service for a three-year term, from October 25, 2021, to October 25, 2024, for a not-to-exceed amount of \$3,600,000.

**Summary:** Request for Proposals (RFP) No. Doc2881578904 was issued in April 2021 to solicit qualified firms to provide commercial electric vehicle (EV) advisory services, electrical engineering/design services, and project management services, as well as EV Charger network and hardware and ongoing maintenance, to support SMUD's new Charging as a Service (CaaS) Program. A pre-proposal conference was held on April 13, 2021, of which fifteen vendors attended. On June 9, 2021, five proposals were received and evaluated in accordance with the advertised criteria.

**Board Policy:** BL-8; Delegation to the GM with respect to Procurement; SD-7, Environmental Leadership; SD-10, Innovation; SD-13, Economic Development  
(Number & Title)

**Recommendation:** Award to the Highest Evaluated Responsive Proposer.

Award to:

AECOM Technical Services, Inc.
2020 L Street, Suite 400
Sacramento, CA 95811

Proposers Notified by Procurement: 98

Proposers Downloaded: 33

Pre-Proposal Conference Attendance: 15

Proposals Received: 5

Responsive Proposals Received	P/F	SEED	Technical	Pricing	Total Score	Overall Rank	Proposal Amount	Evaluated Proposal Amount	Proposed Award Amount
		10 Points	70 Points	20 Points					
AECOM Technical Services, Inc.	P	10.00	63.90	14.29	88.19	1	\$3,614,916.66	\$3,483,871.03	\$3,600,000
Brighton Energy Inc.	P	10.00	57.83	20.00	87.83	2	\$2,620,912.60	\$2,489,866.97	
Cleantek Electric Inc.	P	1.79	48.23	12.10	62.12	3	\$4,121,720.70	\$4,114,342.82	
Itron, Inc.	P	-	54.28	6.17	60.44	4	\$8,077,159.78	\$8,077,159.78	
L&T Technology Services	P	10.00	27.73	14.45	52.17	5	\$3,577,612.20	\$3,446,566.57	

**Comments:** This Contract includes non-standard SMUD contract terms. SMUD staff including Risk and Legal negotiated and accepted the non-standard terms that are included in the following sections of the contract:

- Section 10.A, Intellectual Property
- Section 12.D, Representations and Warranties
- Section 13.A, Indemnification of SMUD
- Section 15.C, Contractor's Obligation Upon Termination
- Appendix – Insurance Requirements

Supplier Diversity Program: Type below see sample below.

The highest ranked proposer, AECOM Technical Services, Inc. is not a SEED vendor. AECOM has proposed to self-perform 25% of this work and subcontract 20.9% to SEED verified vendors, and 54.1% to non-SEED vendors.

**Benefits:** Awarding a contract to AECOM Technical Services, Inc. will provide SMUD with a highly qualified firm to support SMUD's new Charging as a Service Program.

**Cost/Budgeted:** \$3,600,000; Budgeted for 2021 through 2024 by Advanced Energy Solutions, Customer Delivery

**Alternatives:** Alternative 1) Break up the scope and solicit contracts for the individual categories of service. This option would require additional SMUD resources to manage the contracts. Alternative 2) Solicit a contract that includes all services including EVSE installation and construction. By separating the services and construction contracts SMUD can secure more than one construction contracts which will mitigate the risk of labor demands affecting this program.

**Affected Parties:** Advanced Energy Solutions, Supply Chain Services, and Contractor.

**Coordination:** Advanced Energy Solutions and Jillian Rich, and Supply Chain Services.

**Presenter:** Ed Hamzawi

**Additional Links:**

SUBJECT

Commercial Electric Vehicle Charging as a Service Contract Award

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.





SSS No.  
HRS 21-006

## BOARD AGENDA ITEM STAFFING SUMMARY SHEET

Committee Meeting & Date  
Finance & Audit – October 19, 2021  
Board Meeting Date  
October 21, 2021

TO					TO							
1.	Casey Fallon	6.	Lora Anguay									
2.	Jason Shibata	7.	Scott Martin									
3.	Laurie Rodriguez	8.										
4.	Gary King	9.	<b>Legal</b>									
5.	Jennifer Davidson	10.	<b>CEO &amp; General Manager</b>									
<b>Consent Calendar</b>		<input checked="" type="checkbox"/>	<b>Yes</b>	<b>No</b> <i>If no, schedule a dry run presentation.</i>		<b>Budgeted</b>		<input checked="" type="checkbox"/>	<b>Yes</b>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Andrew McDermott				DEPARTMENT Supply Chain Services				MAIL STOP EA404		EXT. 6383		DATE SENT 09/08/2021
<b>NARRATIVE:</b>												
<p><b>Requested Action:</b></p> <ul style="list-style-type: none"> <li>a) Approve contract change to Contract No. 4500110473 with United Health Care Insurance Company (“United HealthCare”) approving 2022 medical insurance premium rates and extending the contract by one year for the period January 1, 2022, through December 31, 2022; 2022 cost estimated at \$37.4 million.</li> <li>b) Approve contract change to Contract No. 4500043215 with Kaiser Permanente approving 2022 medical insurance premium rates and extending the contract by one year for the period January 1, 2022, through December 31, 2022; 2022 cost estimated at \$29.3 million.</li> </ul> <p><b>Summary:</b> United HealthCare presented SMUD with a renewal increase for the 2022 plan year of 5.39% for our active employee, pre-65 retiree and Medicare Advantage medical plans. Based on these rates and current enrollment, the total cost for 2022 medical benefit plans is projected at \$37.4 million.</p> <p>Kaiser Permanente presented SMUD with renewal increases for the 2022 plan year of 5.15% for our active employee, pre-65 retiree and Medicare Advantage medical plans. Based on these rates and current enrollment, the total cost for 2022 medical benefit plans is projected at \$29.3 million.</p> <p>These actions will allow SMUD to provide medical benefit plans for the year 2022 to approximately 9,000 employees, retirees, and eligible dependents enrolled in United HealthCare and Kaiser Permanente medical plans in the most cost-effective manner.</p> <p>Note: The estimated costs above will vary based on 2022 employee/retiree Open Enrollment selections and SMUD population.</p> <p><b>Board Policy:</b> SD-3, Access to Credit Markets. SMUD staff negotiated best price and terms with medical providers in consideration of the long-term revenue requirements, debt, and financial risk to SMUD.</p> <p><i>(Number &amp; Title)</i></p> <p>SD-8, Employee Relations. Providing medical benefits to employees supports SMUD’s goal of an inclusive workplace that engages and inspires employees to commit to SMUD’s purpose, vision, and values.</p> <p><b>Benefits:</b> Provide quality medical benefits to eligible SMUD employees, retirees and eligible dependents.</p> <p><b>Cost/Budgeted:</b> Assuming current enrollment, SMUD’s share of cost is projected at \$58.7 million (after employee/retiree contributions).</p> <p><b>Alternatives:</b> Not accept the proposed rate increases; consider other alternatives to meet SMUD obligations.</p> <p><b>Affected Parties:</b> All eligible SMUD employees, retirees and eligible dependents participating in SMUD’s medical benefit plans.</p>												

**Coordination:** People Services & Strategies, Procurement, United HealthCare and Kaiser Permanente.

**Presenter:** Laurie Rodriguez, Director, People Services & Strategies

**Additional Links:**

SUBJECT

**\* Approve medical premiums and extend contract with United HealthCare and Kaiser Permanente for the period of Jan. 1, 2022 to Dec. 31, 2022**

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.



SSS No. SCS 21-232

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
Finance & Audit – 10/19/21Board Meeting Date  
October 21, 2021

TO					TO								
1.	Tasha Crawford				7.	Jennifer Davidson							
2.	Robert Adams				8.	Lora Anguay							
3.	Cheryl Spector				9.	Scott Martin							
4.	Laurie Rodriguez				10.								
5.	Casey Fallon				11.	Legal							
6.	Gary King				12.	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) Andrew McDermott					DEPARTMENT Procurement					MAIL STOP B357		EXT. 5862	DATE SENT 10/8/21

**NARRATIVE:**

**Requested Action:** Approve Contract Change No. 01 to Contract No. 4500099793 with INTERCARE HOLDINGS INSURANCE SERVICES, INC. to extend the contract expiration date from March 14, 2022, to December 31, 2022, and increase the contract amount by \$294,200, from \$1,825,800 to \$2,120,000.

**Summary:** This contract was awarded on a competitive basis to INTERCARE in December 2020 through Board Resolution 16-12-06. The original contract was awarded for the period from March 15, 2017, to March 14, 2022, for a \$1,825,800. Contract Change No. 01 is requested to extend the contract expiration date to December 31, 2022, and increase the contract by \$294,200 for a new not-to-exceed amount of \$2,120,000. There is a regular monthly spend of \$30,000 for this service, and the current funding will only allow to cover through August 2022. This change is requested to allow SMUD's People Services & Strategies (PS&S) department to enhance the short-term and long-term disability benefits to continue to support SMUD's diverse workforce and will be going to RFP in early 2022. This additional funding will allow for the needed time for the RFP process.

Currently, the contract balance is approximately \$227,000.

Contract Actions	Amount	Cumulative Total	Description
Original Contract	\$1,825,800		
Pending Change No. 01	\$294,200	\$2,120,000	Increase NTE and extend expiration

**Board Policy:** Board-Staff Linkage BL-8, Delegation to the Chief Executive Officer and General Manager with Respect to Procurement; Strategic Direction SD-8, Employee Relations, Strategic Direction SD-6, Safety Leadership  
(Number & Title)

**Benefits:** Will ensure that SMUD continues to receive satisfactory services and remains compliant with all the California Workers' Compensation laws and short-term disability and long term disability (STD/LTD) claims.

**Cost/Budgeted:** \$294,200; Budgeted for 2022 by People Services & Strategies

**Alternatives:** Not approving this contract change would not allow PS&S to enhance the long-term and short-term disability benefits and could result in a lapse of service. This is not the desired route for the business unit.

**Affected Parties:** People Services & Strategies, Supply Chain Services, and Intercare Holdings Insurance Services, Inc.

**Coordination:** People Services & Strategies and Supply Chain Services.

**Presenter:** Laurie Rodriguez, Director, People Services & Strategies

**Additional Links:**

SUBJECT

**Contract Change No. 01 for Intercare Holdings Insurance Services, Inc.**

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.



# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
Finance & Audit – 10/19/21  
Board Meeting Date  
October 21, 2021

TO					TO							
1.	Gary King				6.							
2.	Jennifer Davidson				7.							
3.	Lora Anguay				8.							
4.	Scott Martin				9.	<b>Legal</b>						
5.					10.	<b>CEO &amp; General Manager</b>						
<b>Consent Calendar</b>		<input checked="" type="checkbox"/>	<b>Yes</b>	<b>No</b> <i>If no, schedule a dry run presentation.</i>		<b>Budgeted</b>		<input checked="" type="checkbox"/>	<b>Yes</b>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Joe Schofield					DEPARTMENT Office of the General Counsel					MAIL STOP B406	EXT. 5446	DATE SENT 09/28/21
<b>NARRATIVE:</b>												
<p><b>Requested Action:</b> Discuss Ward redistricting preliminary maps to adjust SMUD ward boundaries using the 2020 data released by the U. S. Census Bureau (as adjusted to meet State requirements) and approve release of draft maps in anticipation of the November 4, 2021, and December 15, 2021, public workshops on redistricting and the adoption of the new ward boundaries on January 20, 2022.</p> <p><b>Summary:</b> 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). Federal judicial decisions and the Voting Rights Act of 1985 set forth the federal requirements for redistricting, including direction to apportion wards with a maximum population deviation under 10 percent and a prohibition on redistricting in a manner which results in a denial or abridgement of the right to vote. California Elections Code section 22000 sets forth the criteria the Board should consider in adjusting ward boundaries.</p> <p>The following criteria (based on legal requirements) to develop new ward boundaries was adopted by Resolution No. 21-07-05 on July 15, 2021:</p> <ul style="list-style-type: none"> <li>Adjust wards so they are, as far as practicable, equal in population such that the population deviation between the largest and smallest wards does not exceed 10%;</li> <li>Consider geography and topography;</li> <li>Consider cohesiveness, contiguity, integrity, and compactness of territory;</li> <li>Consider communities of common interest: contiguous populations which share common social and economic interests that should be included within a single district for purposes of its effective and fair representation.</li> </ul> <p><b>Board Policy:</b> Governance Process GP-3, Board Job Description – j) Take such other actions as may be required by law. <i>(Number &amp; Title)</i></p> <p><b>Benefits:</b> Comply with state and federal requirements; adjust ward boundaries to account for changes in population.</p> <p><b>Cost/Budgeted:</b> Contained in the Corporate/Legal Budget – most costs are for internal labor.</p> <p><b>Alternatives:</b> None – action must be taken to comply with the law.</p> <p><b>Affected Parties:</b> SMUD, Board of Directors, Public</p> <p><b>Coordination:</b> Executive Office, Board Office, Legal Department, Community Engagement, Sustainable Communities, Distribution Planning &amp; Operations, IT, and Marketing &amp; Corporate Communications</p> <p><b>Presenter:</b> Joe Schofield, Deputy General Counsel</p>												
<b>Additional Links:</b>												
SUBJECT <b>Redistricting - Preliminary Maps</b>										ITEM NO. <i>(FOR LEGAL USE ONLY)</i>		

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	If no, schedule a dry run presentation.					Budgeted	x	Yes	No	If no, explain in Cost/Budgeted section.)				
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FROM (IPR)					DEPARTMENT					MAIL STOP		EXT.		DATE SENT	
Lisa Limcaco					Accounting					B352		6957		12/30/20	

### NARRATIVE:

<b>Requested Action:</b>	Provide SMUD's financial results for the year-to-date period in 2021.														
<b>Summary:</b>	Staff will present SMUD's financial results for the year-to-date period in 2021 to the Board of Directors.														
<b>Board Policy:</b> (Number & Title)	GP-3, Board Job Description														
<b>Benefits:</b>	Provides Board members with information regarding SMUD's financial condition.														
<b>Cost/Budgeted:</b>	n/a														
<b>Alternatives:</b>	None														
<b>Affected Parties:</b>	Accounting														
<b>Coordination:</b>	Accounting														
<b>Presenter:</b>	Lisa Limcaco														

### Additional Links:

SUBJECT

Year-to-date Financial Results for SMUD

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT**  
**OFFICE MEMORANDUM**

TO: Distribution

DATE: September 29, 2021  
ACC 21-018

FROM: Kathy Ketchum / Lisa Limcaco

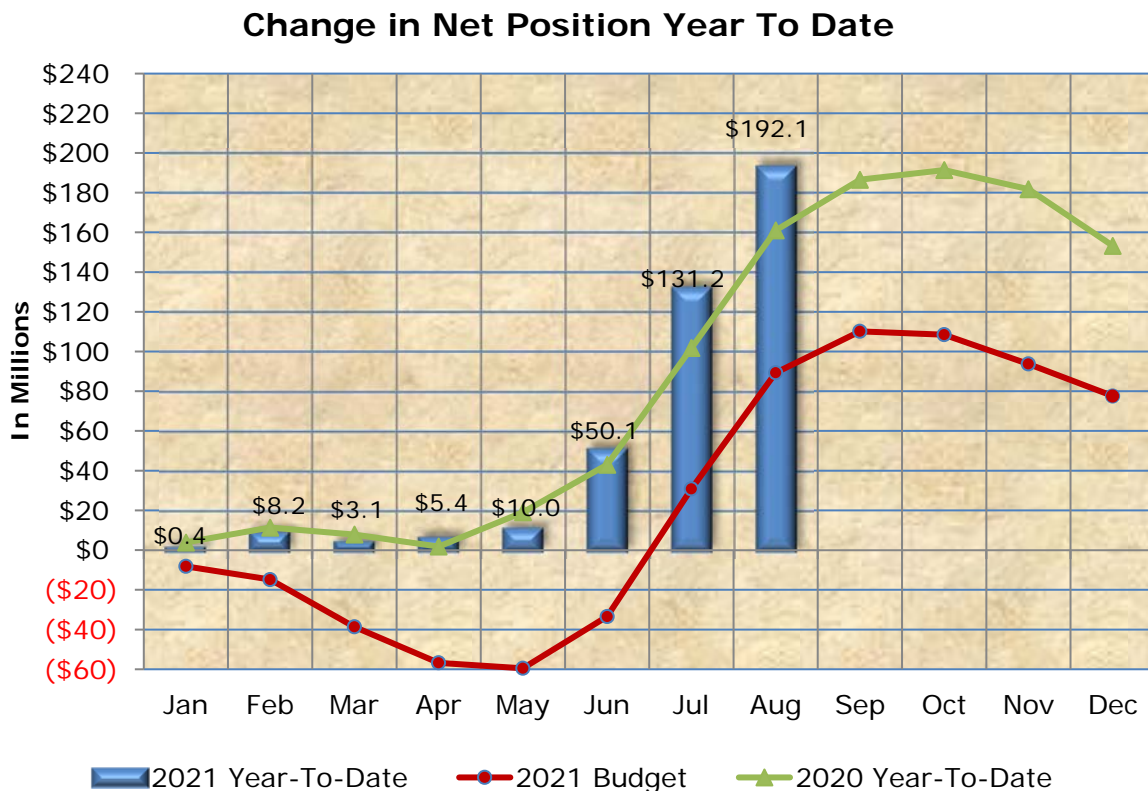
**SUBJECT: AUGUST 2021 FINANCIAL RESULTS AND OPERATIONS DATA**

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

The change in net position is a positive \$192.1 million compared to a budgeted positive \$89.3 million, resulting in a favorable variance of \$102.8 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 Eight Months Ended August 31, 2021**

Net Position

- The change in net position is a positive \$192.1 million compared to a positive \$89.3 million budget, resulting in a favorable variance of \$102.8 million.

Revenues

- Revenues from sales to customers were \$1,038.4 million, which was \$20.5 million (2.0 percent) higher than planned.
  - The increase was primarily due to higher customer usage of \$26.6 million and a shift in customer load shape compared to plan of \$11.6 million, offset by a higher uncollectible provision of \$17.0 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 \$20.6 million, which was \$1.1 million (5.9 percent) higher than planned.
  - Other electric revenue is higher by \$3.4 million, primarily due to transmission revenue of \$0.9 and Greenergy revenue of \$0.8 million.
  - Steam sales are higher by \$1.6 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 \$2.8 million and \$1.9 million, respectively. This is due to COVID-19 and the moratorium on electric shut offs.
- Non-cash revenues transferred to the rate stabilization fund was \$17.8 million, of which \$11.9 million was for AB-32 and \$5.9 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 \$24.7 million, of which \$18.6 million was for the annual Hydro rate adjustment, \$4.7 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 lower by 5 GWh (0.1 percent).
  - JPA and other generation was higher by 947 GWh (28.9 percent).
  - Hydro generation was lower by 952 GWh (71.9 percent).
- Purchased power expense of \$278.7 million, less surplus power sales of \$75.3 million, was \$203.4 million, which was \$36.3 million (21.7 percent) higher than planned. Purchased power expense increased as a result of higher prices of \$22.9 million and higher quantities purchased of \$13.4 million.
- Production operations cost of \$230.7 million, less gas sales of \$85.4 million, was \$145.3 million, which was \$6.6 million (4.4 percent) lower than planned.
  - Fuel costs of \$153.6 million, less surplus gas sales of \$85.4 million, was \$68.2 million, which was \$5.2 million (7.1 percent) lower than planned. This is primarily due to lower fuel prices of \$31.8 million offset by higher fuel usage of \$25.4 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 \$15.7 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 \$4.2 million lower primarily due to timing differences from reimbursable operating fees and expenses for the Campbell Power Plant of \$1.5 million and the Cosumnes Power Plant of \$1.4 million.
  - Allowance expenses were \$5.1 million higher, primarily due to recording the 2020 Calpine Sutter greenhouse gas allowance obligation of \$3.5 million.

- The “power margin”, or sales to customers less cost of purchased power, production operations costs and gas hedges included in investment expense was \$690.9 million, which was \$8.0 million (1.2 percent) lower than planned. Power margin as a percentage of sales to customers was 66.5 percent, which was 2.1 percent lower than planned.

#### Other Operating Expenses

- All other operating expenses were \$490.6 million, which was \$88.6 million (15.3 percent) lower than planned.
  - Transmission and distribution operating expenses were \$5.0 million (8.6 percent) lower than planned. This is mainly due to lower distribution operations-overhead line expenses of \$2.0 million and transmission-wheeling expense of \$1.2 million.
  - Customer accounts expenses were \$4.9 million (12.3 percent) lower than planned. This is primarily due to lower labor of \$4.2 million, of which \$1.9 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 \$4.3 million (9.2 percent) lower than planned. This is primarily due to lower energy efficiency incentives of \$1.9 million, labor \$1.5 million and outside services of \$1.3 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 \$29.6 million (23.0 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 \$5.5 million, 4) lower demo and selling expenses of \$2.2 million (primarily due to labor of \$1.5 million), and lower workers compensation expense of \$1.5 million (primarily due to quarterly adjustment to the workers compensation reserve of \$1.0 million).
  - Public good expenses were \$12.0 million (28.6 percent) lower than planned. This is due to lower expenditures for research and development (R&D) programs of \$6.5 million and lower expenditures for energy efficiency programs of \$5.6 million. R&D program expenses are lower primarily due to the \$5.0 million budgeted for programs and projects related to the IRP/Zero Carbon Plan (spending plans have not been determined at this point). Energy efficiency program expenses are lower primarily due to fewer incentives of \$5.1 million; however, rebates are expected to increase this summer.
  - Production maintenance expenses were \$10.2 million (31.4 percent) lower than planned. This is mainly due lower expenses resulting from timing differences for maintenance scheduled for Procter & Gamble Power Plant of \$3.5 million and the Cosumnes Power Plant of \$1.5 million as well as lower hydro maintenance expenses of \$4.8 million, primarily due to labor vacancies of \$2.9 million. Labor has been reprioritized to focus on regulatory and capital work.
  - Transmission and distribution maintenance expenses were on target with budgeted amounts. However, distribution maintenance – overhead line expenses were lower due to outside services of \$4.4 million (because of lower tree trimming expenses resulting from a shortage in tree trimming crews in urban areas), offset primarily by higher distribution maintenance - station equipment expenses of \$2.4 million, primarily due to labor of \$1.6 million.
- Non-cash amortization of pension and other post-employment benefits (OPEB) was \$19.6 million, which resulted in a positive impact to net position. This is due to Governmental Accounting Standards Board (GASB) 75 OPEB amortization of \$10.5 million and GASB 68 Pension amortization of \$9.1 million.

#### Non-operating Revenues and Expenses

- Other revenue, net was \$4.8 million (25.9 percent) higher than planned. This was mainly due to higher miscellaneous non-operating income of \$1.5 million, primarily due to a termination payment ending the Heartland gas contract of \$2.0 million.

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

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>	<u>Percent of Increase (Decrease)</u>
<b>OPERATING REVENUES</b>				
Sales to customers	\$ 176,595	\$ 176,905	\$ (310)	(0.2) %
Sales of surplus power	12,074	13,849	(1,775)	(12.8)
Sales of surplus gas	13,180	-	13,180	*
AB32 revenue	3,495	-	3,495	*
LCFS revenue	-	990	(990)	(100.0)
Other electric revenue	2,856	2,168	688	31.7
Revenue to rate stabilization fund	(3,495)	-	(3,495)	*
Revenue from rate stabilization fund	1,634	-	1,634	*
Total operating revenues	206,339	193,912	12,427	6.4
<b>OPERATING EXPENSES</b>				
Operations				
Purchased power	42,747	32,745	10,002	30.5
Production	34,666	23,640	11,026	46.6
Transmission and distribution	6,994	7,391	(397)	(5.4)
Customer accounts	4,281	5,116	(835)	(16.3)
Customer service and information	5,560	5,991	(431)	(7.2)
Administrative and general	13,155	13,897	(742)	(5.3)
Public good	4,539	4,831	(292)	(6.0)
Total operations	111,942	93,611	18,331	19.6
Maintenance				
Production	3,820	5,016	(1,196)	(23.8)
Transmission and distribution	7,350	8,343	(993)	(11.9)
Total maintenance	11,170	13,359	(2,189)	(16.4)
Depreciation and amortization				
Depreciation	18,059	18,246	(187)	(1.0)
Amortization of pension and OPEB	(2,454)	-	(2,454)	*
Amortization of regulatory asset	3,093	3,073	20	0.7
Total depreciation and amortization	18,698	21,319	(2,621)	(12.3)
Total operating expenses	141,810	128,289	13,521	10.5
<b>OPERATING INCOME</b>	64,529	65,623	(1,094)	(1.7)
<b>NON-OPERATING REVENUES AND EXPENSES</b>				
Other revenues/(expenses)				
Interest income	154	484	(330)	(68.2)
Investment revenue (expense)	381	(181)	562	310.5
Other income (expense) - net	3,072	767	2,305	300.5
Unrealized holding gains (losses)	(129)	-	(129)	*
Revenue - CIAC	1,524	1,107	417	37.7
Total other revenues	5,002	2,177	2,825	129.8
Interest charges				
Interest on long-term debt	8,667	9,174	(507)	(5.5)
Interest on commercial paper	-	137	(137)	(100.0)
Total interest charges	8,667	9,311	(644)	(6.9)
<b>CHANGE IN NET POSITION</b>	\$ 60,864	\$ 58,489	\$ 2,375	4.1 %

\* Equals 1000% or greater.

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

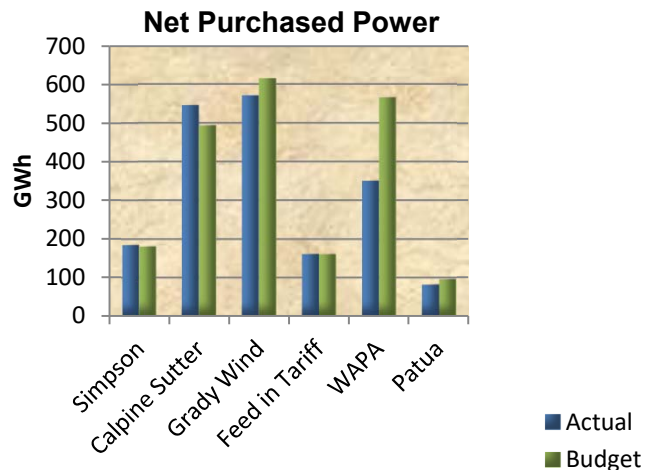
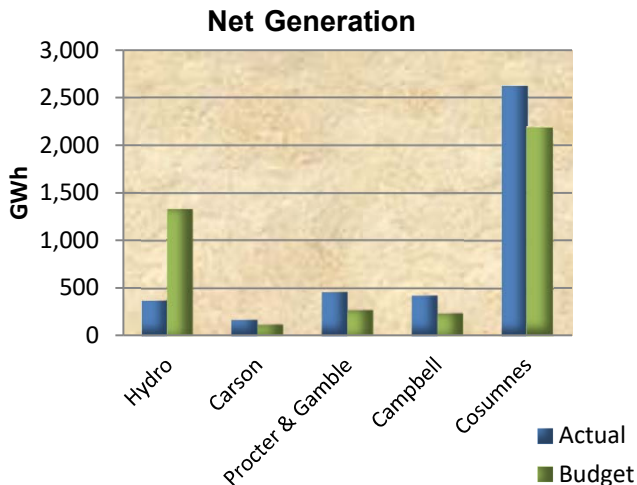
	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>	<u>Percent of Increase (Decrease)</u>
<b>OPERATING REVENUES</b>				
Sales to customers	\$ 1,038,384	\$ 1,017,896	\$ 20,488	2.0 %
Sales of surplus power	75,345	69,062	6,283	9.1
Sales of surplus gas	85,364	-	85,364	*
SB-1 revenue (deferral)/recognition, net	-	700	(700)	(100.0)
AB32 revenue	10,815	-	10,815	*
LCFS revenue	5,875	6,735	(860)	(12.8)
Other electric revenue	20,597	19,454	1,143	5.9
Revenue to rate stabilization fund	(17,773)	-	(17,773)	*
Revenue from rate stabilization fund	24,717	-	24,717	*
Total operating revenues	1,243,324	1,113,847	129,477	11.6
<b>OPERATING EXPENSES</b>				
Operations				
Purchased power	278,729	236,119	42,610	18.0
Production	230,679	151,946	78,733	51.8
Transmission and distribution	53,132	58,145	(5,013)	(8.6)
Customer accounts	35,240	40,177	(4,937)	(12.3)
Customer service and information	42,173	46,450	(4,277)	(9.2)
Administrative and general	98,967	128,602	(29,635)	(23.0)
Public good	29,939	41,908	(11,969)	(28.6)
Total operations	768,859	703,347	65,512	9.3
Maintenance				
Production	22,252	32,431	(10,179)	(31.4)
Transmission and distribution	62,182	62,207	(25)	(0.0)
Total maintenance	84,434	94,638	(10,204)	(10.8)
Depreciation and amortization				
Depreciation	143,075	144,700	(1,625)	(1.1)
Amortization of pension and OPEB	(19,633)	-	(19,633)	*
Amortization of regulatory asset	23,258	24,582	(1,324)	(5.4)
Total depreciation and amortization	146,700	169,282	(22,582)	(13.3)
Total operating expenses	999,993	967,267	32,726	3.4
<b>OPERATING INCOME</b>	243,331	146,580	96,751	66.0
<b>NON-OPERATING REVENUES AND EXPENSES</b>				
Other revenues/(expenses)				
Interest income	4,919	4,007	912	22.8
Investment revenue (expense)	(335)	(1,498)	1,163	77.6
Other income (expense) - net	8,037	7,006	1,031	14.7
Unrealized holding gains (losses)	(1,582)	-	(1,582)	*
Revenue - CIAC	12,084	8,846	3,238	36.6
Total other revenues	23,123	18,361	4,762	25.9
Interest charges				
Interest on long-term debt	73,141	74,525	(1,384)	(1.9)
Interest on commercial paper	1,199	1,094	105	9.6
Total interest charges	74,340	75,619	(1,279)	(1.7)
<b>CHANGE IN NET POSITION</b>	\$ 192,114	\$ 89,322	\$ 102,792	115.1 %

\* Equals 1000% or greater.

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

Sources of Energy (GWh)	Month		Increase	Year to Date		Increase
	Actual	Budget	(Decrease) Percentage	Actual	Budget	(Decrease) Percentage
Net Generated						
Hydro	99	209	(52.6) %	372	1,324	(71.9) %
Carson Power Plant	30	39	(23.1)	170	115	47.8
Procter & Gamble Power Plant	70	93	(24.7)	458	267	71.5
Campbell Power Plant	91	73	24.7	422	234	80.3
Cosumnes Power Plant	375	338	10.9	2,623	2,186	20.0
Other	88	93	(5.4)	546	470	16.2
Total net generation	753	845	(10.9)	4,591	4,596	(0.1)
Purchased Power less transmission losses:						
Avangrid	11	17	(35.3)	79	78	1.3
Calpine Sutter	128	167	(23.4)	545	493	10.5
Feed in Tariff	22	24	(8.3)	161	160	0.6
Grady Wind	64	61	4.9	571	615	(7.2)
Great Valley Solar	16	19	(15.8)	123	127	(3.1)
Kiefer - Greenenergy	9	9	0.0	68	74	(8.1)
Patua	10	9	11.1	82	95	(13.7)
Rancho Seco PV II	32	38	(15.8)	247	248	(0.4)
Simpson	-	-	0.0	184	180	2.2
WAPA	74	91	(18.7)	350	565	(38.1)
WSPP and other	247	58	325.9	2,053	1,435	43.1
Other long term power	27	34	(20.6)	197	258	(23.6)
Total net purchases	640	527	21.4	4,660	4,328	7.7
Total sources of energy	1,393	1,372	1.5	9,251	8,924	3.7
Uses of energy:						
SMUD electric sales and usage	1,065	1,063	0.2	7,076	6,892	2.7
Surplus power sales	281	282	(0.4)	1,897	1,770	7.2
System losses	47	27	74.1	278	262	6.1
Total uses of energy	1,393	1,372	1.5 %	9,251	8,924	3.7 %

\* Change equals 1000% or more.



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

- Hydro generation is lower than planned (71.9 percent).
- JPA generation is higher than planned (31.1 percent).

Purchased power, less surplus power sales, is higher than plan (8.0 percent).



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

ASSETS

								<u>Total</u>	
	SMUD	Carson	P&G	Cosumnes	Campbell	NCEA	NCGA #1	2021	2020
<b>ELECTRIC UTILITY PLANT</b>									
Plant in service, original cost	\$ 5,523,577	\$ 153,543	\$ 197,768	\$ 390,652	\$ 208,959	\$ -	\$ -	\$ 6,474,499	\$ 6,263,127
Less accumulated depreciation	2,615,227	127,015	153,175	193,929	165,617	-	-	3,254,963	3,075,763
Plant in service - net	2,908,350	26,528	44,593	196,723	43,342	-	-	3,219,536	3,187,364
Construction work in progress	556,772	1,418	-	1,106	-	-	-	559,296	490,303
Investment in Joint Power Agencies	305,012	-	-	-	-	-	-	22,523	15,668
Total electric utility plant - net	3,770,134	27,946	44,593	197,829	43,342	-	-	3,801,355	3,693,335
<b>RESTRICTED ASSETS</b>									
Revenue bond reserves	3,813	-	-	-	-	-	-	3,813	4,748
Restricted for payment of debt service	10,470	-	-	-	-	-	-	10,470	10,470
JPA funds	-	-	-	2,752	-	7,692	4,407	14,851	16,399
Nuclear decommissioning trust fund	8,874	-	-	-	-	-	-	8,874	8,853
Rate stabilization fund	161,783	-	-	-	-	-	-	161,783	130,458
Due (to) from unrestricted funds (decommissioning)	16,368	-	-	-	-	3,000	3,352	22,720	29,089
Due (to) from restricted funds (decommissioning)	(6,684)	-	-	-	-	-	-	(6,684)	(6,684)
Due (to) from restricted funds (decommissioning)	6,684	-	-	-	-	-	-	6,684	6,684
Total restricted assets	(23,998)	-	-	(2,752)	-	(10,692)	(7,759)	(45,201)	(44,697)
Less current restricted assets	177,310	-	-	-	-	-	-	177,310	155,320
<b>CURRENT ASSETS</b>									
Cash, cash equivalents and investments									
Unrestricted	543,922	5,220	23,686	16,985	11,646	-	-	601,459	818,249
Accumulated receivable - net	23,998	-	-	2,752	-	10,692	7,759	45,201	44,697
Energy efficiency loans due within one year	328,656	4,857	7,085	15,972	7,233	2,898	2,276	308,147	316,558
Interest receivable	2,691	-	-	-	-	-	-	2,691	3,021
Regulatory costs to be recovered within one year	758	1	7	5	4	-	4	779	2,037
Derivative financial instruments maturing within in one year	38,020	-	-	104	-	-	105	38,229	37,988
Inventories	46,616	-	-	-	-	-	-	46,616	8,845
Prepaid gas to be delivered within one year	80,719	2,346	4,282	7,344	4,632	-	-	99,323	75,792
Prepayments and other	-	-	-	-	-	3,717	21,467	25,184	22,299
Total current assets	23,796	531	685	4,288	599	12	16	29,927	28,370
<b>NONCURRENT ASSETS</b>									
Regulatory costs for future recovery									
Decommissioning	78,648	-	-	-	-	-	-	78,648	71,972
Pension	346,220	-	-	-	-	-	-	346,220	363,247
OPEB	285,268	-	-	-	-	-	-	285,268	298,041
Bond Issues	-	-	-	818	-	-	507	1,325	1,533
Derivative financial instruments	4,879	-	-	-	-	-	-	4,879	7,839
Derivative financial instruments	33,661	-	-	-	-	-	-	33,661	9,008
Prepaid gas	-	-	-	-	-	530,471	145,378	675,849	701,033
Prepaid power and capacity	450	-	-	-	-	-	-	450	657
Energy efficiency loans - net	6,879	-	-	-	-	-	-	6,879	20,299
Other	53,989	1	1	3	1	-	76	54,071	44,141
Total noncurrent assets	809,994	1	1	821	1	530,471	145,961	1,487,250	1,517,770
<b>TOTAL ASSETS</b>	<b>\$ 5,846,614</b>	<b>\$ 40,902</b>	<b>\$ 80,340</b>	<b>\$ 246,099</b>	<b>\$ 67,457</b>	<b>\$ 547,790</b>	<b>\$ 177,588</b>	<b>\$ 6,663,471</b>	<b>\$ 6,724,281</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Accumulated decrease in fair value of hedging derivatives	26,549	-	-	-	-	-	-	26,549	56,759
Deferred pension outflows	189,488	-	-	-	-	-	-	189,488	93,218
Deferred OPEB outflows	24,207	-	-	-	-	-	-	24,207	23,792
Deferred ARO outflows	-	1,502	-	-	-	-	-	1,502	1,738
Unamortized bond losses - other	11,720	-	-	1,599	-	-	-	13,319	16,372
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>251,964</b>	<b>1,502</b>	<b>-</b>	<b>1,599</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>255,065</b>	<b>191,879</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 6,098,578</b>	<b>\$ 42,404</b>	<b>\$ 80,340</b>	<b>\$ 247,698</b>	<b>\$ 67,457</b>	<b>\$ 547,790</b>	<b>\$ 177,588</b>	<b>\$ 6,918,536</b>	<b>\$ 6,916,160</b>

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

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

LIABILITIES AND NET ASSETS

	<u>Total</u>								
	SMUD	Carson	P&G	Cosumnes	Campbell	NCEA	NCGA #1	2021	2020
<b>LONG-TERM DEBT - NET</b>	\$ 2,299,256	\$ -	\$ -	\$ 100,141	\$ -	\$ 553,470	\$ 142,935	\$ 3,095,802	\$ 3,273,037
<b>CURRENT LIABILITIES</b>									
Accounts payable	96,444	1,624	743	2,961	1,198	288	948	104,207	77,855
Purchased power payable	79,800	2,167	5,082	10,060	5,769	-	-	42,047	50,797
Credit support collateral obligation	533	-	-	-	-	-	3,352	3,885	4,722
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	12,904	-	-	843	-	3,625	224	17,596	17,661
Accrued salaries and compensated absences	48,011	-	-	-	-	-	-	48,011	40,659
Derivative financial instruments maturing within one year	18,139	-	-	-	-	-	-	18,139	23,546
Customer deposits	1,956	-	-	-	-	-	-	1,956	22,151
Other	26,195	-	-	-	-	-	-	26,195	23,781
Total current liabilities	390,883	3,791	5,825	25,314	6,967	3,913	25,074	400,937	394,211
<b>NONCURRENT LIABILITIES</b>									
Accrued decommissioning - net	80,838	8,633	-	-	-	-	-	89,471	82,887
Derivative financial instruments	16,043	-	-	-	-	-	-	16,043	43,292
Net pension liability	393,557	-	-	-	-	-	-	393,557	447,648
Net OPEB liability	23,263	-	-	-	-	-	-	23,263	52,211
Other	92,701	-	-	-	-	120	-	92,821	88,369
Total noncurrent liabilities	606,402	8,633	-	-	-	120	-	615,155	714,407
<b>TOTAL LIABILITIES</b>	<b>3,296,541</b>	<b>12,424</b>	<b>5,825</b>	<b>125,455</b>	<b>6,967</b>	<b>557,503</b>	<b>168,009</b>	<b>4,111,894</b>	<b>4,381,655</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Accumulated increase in fair value of hedging derivatives	78,990	-	-	-	-	-	-	78,990	17,726
Deferred pension inflows	4,737	-	-	-	-	-	-	4,737	31,567
Deferred OPEB inflows	46,373	-	-	-	-	-	-	46,373	33,101
Regulatory credits	513,710	-	-	-	-	-	-	513,710	476,408
Unamortized bond gains - other	9,734	-	-	-	-	-	-	9,734	6,821
Unearned revenue	3,454	19	-	-	-	-	-	3,473	3,580
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>656,998</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>657,017</b>	<b>569,203</b>
<b>NET POSITION</b>									
Balance at beginning of year	1,944,593	33,298	74,811	119,915	64,447	(7,319)	10,146	1,957,511	1,804,277
Net increase (decrease) for the year	200,446	(3,337)	(296)	2,328	(3,957)	(1,598)	(86)	192,114	161,025
Member contributions (distributions) - net	-	-	-	-	-	(796)	(481)	-	-
<b>TOTAL NET POSITION</b>	<b>2,145,039</b>	<b>29,961</b>	<b>74,515</b>	<b>122,243</b>	<b>60,490</b>	<b>(9,713)</b>	<b>9,579</b>	<b>2,149,625</b>	<b>1,965,302</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 6,098,578</b>	<b>\$ 42,404</b>	<b>\$ 80,340</b>	<b>\$ 247,698</b>	<b>\$ 67,457</b>	<b>\$ 547,790</b>	<b>\$ 177,588</b>	<b>\$ 6,918,536</b>	<b>\$ 6,916,160</b>

\*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 August 31, 2021**  
**(thousands of dollars)**

	Month	Year to Date
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 172,971	\$ 952,628
Receipts from surplus power and gas sales	28,510	155,974
Other receipts	4,970	50,610
Payments to employees - payroll and other	(24,668)	(291,420)
Payments for wholesale power and gas purchases	(64,468)	(391,448)
Payments to vendors/others	(34,284)	(259,474)
Net cash provided by operating activities	83,031	216,870
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
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)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Construction expenditures	(23,107)	(193,248)
Contributions in aid of construction	1,776	16,518
Net proceeds from bond issues	-	130,248
Repayments and refundings of debt	(81,255)	(239,475)
Interest on debt	(42,954)	(109,479)
Net cash used in capital and related financing activities	(145,540)	(395,436)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales and maturities of securities	20,025	185,050
Purchases of securities	(3,602)	(8,725)
Proceeds from termination of gas contract	2,000	2,000
Interest and dividends received	332	6,727
Investment revenue/expenses - net	381	(333)
Net cash provided by investing activities	19,136	184,719
Net decrease in cash and cash equivalents	(43,373)	(35,228)
Cash and cash equivalents at the beginning of the month and year	746,756	738,611
Cash and cash equivalents at August 31, 2021	\$ 703,383	\$ 703,383
Cash and cash equivalents included in:		
Unrestricted cash and cash equivalents	\$ 668,817	\$ 668,817
Restricted and designated cash and cash equivalents	23,384	23,384
Restricted and designated assets (a component of the total of \$177,310 at August 31, 2021)	11,182	11,182
Cash and cash equivalents at August 31, 2021	\$ 703,383	\$ 703,383



SSS No.
AQS 2021-7

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit
October 19, 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 If no, schedule a dry run presentation.	Budgeted		Yes		No (If no, explain in Cost/Budgeted section.)
FROM (IPR)				DEPARTMENT	MAIL STOP				EXT.
Claire Rogers				Audit & Quality Services	ME-2				7122
									DATE SENT
									10/6/21

### NARRATIVE:

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

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

Title	Report Number
• Status of Recommendations Report for Q3 2021.....	n/a
• Power Source Disclosure Program.....	28007381
• Greenergy Partner Plus Annual Verification.....	28007325

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

**Benefits:** n/a

**Cost/Budgeted:** n/a

**Alternatives:** n/a

**Affected Parties:** Board, Internal Advisor

**Coordination:** n/a

**Presenter:** Claire Rogers

### Additional Links:

SUBJECT	Reports issued by Audit and Quality Services	ITEM NO. (FOR LEGAL USE ONLY)
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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:** October 5, 2021

**FROM:** Claire Rogers

**SUBJECT: QUARTERLY REPORT ON THE STATUS OF RECOMMENDATIONS AS OF  
SEPTEMBER 30, 2021**

We are pleased to inform you that all outstanding recommendations have been implemented, and there is no Status of Recommendations report for the Third Quarter of 2021. There are currently no outstanding items.

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

# **SACRAMENTO MUNICIPAL UTILITY DISTRICT**

## ***Office Memorandum***

**TO:** Board of Directors

**DATE:** September 29, 2021  
Audit Report #28007381

**FROM:** Claire Rogers

**SUBJECT:** California Energy Commission's (CEC's) Power Source Disclosure Program (PSD) and Power Content Label (PCL)

Audit and Quality Services (AQS) has performed the CEC's Agreed-Upon Procedures required by California Code of Regulations, Title 20, Section 1394, as amended.

California law requires retail suppliers of electricity to disclose to consumers accurate, reliable, and simple-to-understand information on the sources of energy used to generate the electricity being used. This is done annually via the Power Source Disclosure (PSD) annual reports, which are detailed listings of power purchases and resales, and the Power Content Label (PCL). The PCL in Attachment 1 shows the sources of power SMUD discloses to its customers.

AQS reviewed the 2020 Annual PSD and PCL reports for the calendar year ending December 31, 2020 and verified, on a sample basis, the actual MWh procured by generating facilities. The source documentation reviewed included internal generation reports from SMUD's Energy Management System (EMS), Western Renewable Energy Generation Information System (WREGIS) database, internally prepared supporting spreadsheets, and external invoices.

The engagement to apply the agreed-upon procedures was performed in accordance with the standards established by the American Institute of Certified Public Accountants. AQS was not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the annual reporting related to the 2020 PSD and PCL reports. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Attachments:

Attachment 1, SMUD 2020 Power Content Label

# Attachment 1 SMUD 2020 Power Content Label

2020 POWER CONTENT LABEL												
Sacramento Municipal Utility District												
smud.org/SMUDPCL												
Greenhouse Gas Emissions Intensity (lbs CO <sub>2</sub> e/MWh)						Energy Resources	SMUD General Mix	Greenenergy PartnerPlus	Greenenergy Partner	SolarShares Commercial	SolarShares Residential	2020 CA Power Mix
SMUD General Mix	Greenenergy PartnerPlus	Greenenergy Partner	SolarShares Commercial	SolarShares Residential	2020 CA Utility Average	<div>Eligible Renewable<sup>1</sup></div> <div>Biomass &amp; Biowaste</div> <div>Geothermal</div> <div>Eligible Hydroelectric</div> <div>Solar</div> <div>Wind</div> <div>Coal</div> <div>Large Hydroelectric</div> <div>Natural Gas</div> <div>Nuclear</div> <div>Other</div> <div>Unspecified Power<sup>2</sup></div> <div>TOTAL</div>	33.8%	85.0%	0.0%	100.0%	100.0%	33.1%
358	24	944	0	0	466		7.0%	27.3%	0.0%	0.0%	0.0%	2.5%
<div><div>■ SMUD General Mix</div><div>■ Greenenergy PartnerPlus</div><div>■ Greenenergy Partner</div><div>■ SolarShares Commercial</div><div>■ SolarShares Residential</div><div>■ 2020 CA Utility Average</div></div>							3.5%	1.4%	0.0%	0.0%	0.0%	4.9%
							0.6%	0.0%	0.0%	0.0%	0.0%	1.4%
							0.5%	28.9%	0.0%	100.0%	100.0%	13.2%
							22.2%	27.4%	0.0%	0.0%	0.0%	11.1%
							0.0%	0.0%	0.0%	0.0%	0.0%	2.7%
							29.1%	15.0%	0.0%	0.0%	0.0%	12.2%
							35.2%	0.0%	0.0%	0.0%	0.0%	37.1%
							1.3%	0.0%	0.0%	0.0%	0.0%	9.3%
							0.1%	0.0%	0.0%	0.0%	0.0%	0.2%
							0.5%	0.0%	100.0%	0.0%	0.0%	5.4%
							100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Percentage of Retail Sales Covered by Retired Unbundled RECs <sup>3</sup> :						1%	0%	100%	0%	0%		
<sup>1</sup> The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.												
<sup>2</sup> Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.												
<sup>3</sup> Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.												
If you are a participant in a product that shows a "Percentage of Retail Sales Covered by Retired Unbundled RECs", SMUD purchased unbundled RECs to match all or a portion of your energy usage. For more information about the renewable sources of these unbundled RECs, please refer to our webpage listed above.												
Some customers may be served by more than one electricity portfolio.												
For specific information about this electricity portfolio, contact:						Sacramento Municipal Utility District (SMUD) 888-742-7683						
For general information about the Power Content Label, visit:						<a href="http://www.energy.ca.gov/pcl/">http://www.energy.ca.gov/pcl/</a>						
For additional questions, please contact the California Energy Commission at:						Toll-free in California: 844-454-2906 Outside California: 916-653-0237						



# SACRAMENTO MUNICIPAL UTILITY DISTRICT

## OFFICE MEMORANDUM

**TO:** Board of Directors

**DATE:** September 15, 2021  
Audit Report #28007325

**FROM:** Claire Rogers

**SUBJECT:** Greenergy Partner Plus Program Verification - Agreed-Upon Procedures

Audit and Quality Services (AQS) has performed the procedures below, which were agreed to by SMUD and the Center for Resource Solutions (CRS), to verify SMUD's compliance with annual reporting requirements of the CRS' Greenergy Partner Plus Program Verification for the year ended December 31, 2020. SMUD's management is responsible for compliance with the annual reporting requirements of the CRS' Greenergy Partner Plus Program Verification. This is the first year that SMUD participates in CRS' Greenergy Partner Plus Program Verification Submission.

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

The procedures include, but are not limited to:

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

Based on the Verification Audit Protocol for Greenergy Partner Plus Program Verification and the results of the Agreed-Upon Procedures, AQS asserts that SMUD has no exceptions with regard to its compliance of the verification reporting requirements put forth in the Verification Audit Protocol.

The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. AQS was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on SMUD's compliance to the annual reporting requirements of the CRS' Greenergy Partner Plus Program Verification. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to SMUD and CRS.



SSS No.
CFO 21-011

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit October 19, 2021
Board Meeting Date N/A

TO				TO					
1.	Russell Mills			6.					
2.	Gary King			7.					
3.	Jennifer Davidson			8.					
4.	Lora Anguay			9.	Legal				
5.	Scott Martin			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) Toni Hoang			DEPARTMENT Treasury & Risk Management			MAIL STOP B355		EXT. 6532	DATE SENT 10/8/2021
<b>NARRATIVE:</b>									
<b>Requested Action:</b>		Enterprise risk management update including a high-level summary of risk management and wildfire mitigation and response activities.							
<b>Summary:</b>		Provide the Board's Finance and Audit Committee with a summary of issues that may change or have changed the Enterprise Risk profile.							
<b>Board Policy:</b> (Number & Title)		SD-17, Enterprise Risk Management.							
<b>Benefits:</b>		Provides the Board with the current residual risk exposure and related information, for enterprise-wide business risks.							
<b>Cost/Budgeted:</b>		N/A							
<b>Alternatives:</b>		N/A							
<b>Affected Parties:</b>		SMUD Board of Directors and organization							
<b>Coordination:</b>		All Executives and Business Unit Leadership Teams							
<b>Presenter:</b>		Toni Hoang							

<b>Additional Links:</b>

SUBJECT	Enterprise risk management update	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.



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 If no, schedule a dry run presentation.	Budgeted		Yes	No (If no, explain in Cost/Budgeted section.)
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FROM (IPR)	DEPARTMENT	MAIL STOP	EXT.	DATE SENT
Russell Mills	Treasury	B355	6509	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)
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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 &amp; Date

Finance &amp; 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	x	No If no, schedule a dry run presentation.	Budgeted		Yes	No (If no, explain in Cost/Budgeted section.)		
FROM (IPR)				DEPARTMENT				MAIL STOP	EXT.	DATE SENT
Rosanna Herber / Donna Lofton				Board Office				B307	5079	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.