

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

Date: Tuesday, August 16, 2022

Time: Scheduled to begin at 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, August 16, 2022

Scheduled to begin at 5:30 p.m.

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

Webinar/Meeting ID: 161 495 3962

Passcode: 281213

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 & Audit Committee will review, discuss and provide the Committee's recommendation on the following:

DISCUSSION ITEMS

1. Joel Ledesma
Approve increase to the aggregate contract not-to-exceed amount for renewable energy engineering services by \$4 million, from \$2 million to \$6 million, for Contract No. 4500116976 with **IEC Corporation**, Contract No. 4500116978 with **Black & Veatch Corporation**, and Contract No. 4500116974 with **AECOM Technical Services, Inc.**
Presentation: 7 minutes
Discussion: 3 minutes
2. Rob Lechner
Authorize the Chief Executive Officer and General Manager to award a contract to **Pride Industries One, Inc.** to provide Custodial Services for SMUD facilities for a three-year term from September 1, 2022, to August 31, 2025, with two optional one-year extensions for a not-to-exceed amount of \$13 million.
Presentation: 10 minutes
Discussion: 5 minutes
3. Laura Lewis
Make findings pursuant to Government Code section 54953(e) to continue holding meetings virtually during proclaimed state of emergency (recurring item, every 30 days).
Presentation: 1 minute
Discussion: 9 minutes

INFORMATIONAL ITEMS

4. Lisa Limcaco
Provide the Board with SMUD's financial results from the six-month period ended June 30, 2022, and a summary of SMUD's current Power Supply Costs.
Presentation: 7 minutes
Discussion: 3 minutes
5. Public Comment
6. Rosanna Herber
Summary of Committee Direction.
Discussion: 1 minute

ANNOUNCEMENT OF CLOSED SESSION AGENDA

1. Conference with Real Property Negotiators.

Pursuant to Section 54956.8 of the Government Code:

SMUD Negotiators:

Ellias van Ekelenburg, Director, Environmental, Safety & Real Estate Services
Blandon Granger, Supervisor, Real Estate Services

Negotiators:

Ajesh Kumar and Michael D. Pratap

The Property:

6307 Requa Way, Sacramento, CA 95823
(approximately 0.23 acres).

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.

SSS No.
SCS 22-211

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit, 8/16/2022
Board Meeting Date August 18, 2022

TO				TO							
1.	Tasha Crawford			6.	Lora Anguay						
2.	Robert Adams			7.	Scott Martin						
3.	Casey Fallon			8.							
4.	Joel Ledesma			9.	Legal						
5.	Jennifer Davidson			10.	CEO & General Manager						
Consent Calendar		X	Yes	No If no, schedule a dry run presentation.		Budgeted		X	Yes	No (If no, explain in Cost/Budgeted section.)	
FROM (IPR) Dan Manfredi				DEPARTMENT Supply Chain				MAIL STOP EA404		EXT. 6283	
								DATE SENT 7/29/2022			

NARRATIVE:

Requested Action: Approve increase to the aggregate contract not-to-exceed amount for renewable energy engineering services by \$4 million, from \$2 million to \$6 million, for Contract No. 4500116976 with IEC Corporation (IEC), Contract No. 4500116978 with Black & Veatch Corporation (Black & Veatch), and Contract No. 4500116974 with AECOM Technical Services, Inc. (AECOM) (collectively, the Contracts).

Summary: The Contracts were initially competitively awarded as a result of RFP No. 190044.SB for Renewable Energy Engineering Services, for the period June 1, 2019, to August 30, 2022, with the option to extend three additional years. The total aggregate amount of all tasks was not-to-exceed \$2,000,000. Approval of the requested action will increase the aggregate amount for the Contracts from \$2,000,000 to \$6,000,000.

Power Generation's Project Development Group has numerous renewables projects that are currently moving toward design and construction to meet the 2030 Zero Carbon Plan timeline. Due to the limited number of internal staff and concurrent projects, SMUD will need to rely on independent contractors for Owners Engineering (OE) and Project Management (PM) Engineering support services for a minimum of three large renewables projects. These projects are currently in the originating stage and will take three years to get through the design and construction phases.

IEC, Black & Veatch, and AECOM currently provide OE and PM engineering support services and have been performing exceptionally well since 2019. The contracts are set to expire in August 2022; however, SMUD intends to extend to August 30, 2025, to maintain the continuity of work that has already started.

Currently, the contract balance is approximately \$650,000.

Contract Actions	Amount	Cumulative Total	Description
Original Aggregate Amount	\$2,000,000	N/A	New Awards
Increase Aggregate Amount	\$4,000,000	\$6,000,000	Increase Funds

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

Benefits: Provides SMUD with three qualified Contractors to support SMUD's 2030 Zero Carbon Plan. SMUD will achieve \$400,000 in cost savings (cost avoidance) through negotiated billing rates with the Contractors.

Cost/Budgeted: \$4,000,000; Budgeted for 2022 through 2025 by Power Generation.

Alternatives: SMUD crews could hire internal engineering staff to perform the services; however, the onboarding time would delay projects and jeopardize meeting the 2030 Zero Carbon Plan timeline.

Affected Parties: Power Generation, Supply Chain Services, and Contractor.

Coordination: Power Generation and Supply Chain Services.

Presenter: Joel Ledesma, Director, Power Generation

Additional Links:

SUBJECT

Contract Change Orders- Renewables Engineering Services

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 - 8/16/22Board Meeting Date
August 18, 2022

TO					TO				
1.	Tasha Crawford				6.	Jennifer Davidson			
2.	Robert Adams				7.	Lora Anguay			
3.	John Larsen				8.	Scott Martin			
4.	Rob Lechner				9.	Legal			
5.	Casey Fallon				10.	CEO & General Manager			
Consent Calendar	X	Yes		No <i>If no, schedule a dry run presentation.</i>	Budgeted	X	Yes		No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Andrew McDermott					DEPARTMENT Procurement			MAIL STOP EA404	EXT. 5862
								DATE SENT 08/02/22	

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to award a contract to Pride Industries One, Inc. to provide Custodial Services for SMUD facilities for a three-year term from September 1, 2022, to August 31, 2025, with two optional one-year extensions for a not-to-exceed amount of \$13 million.

Summary: RFP Doc3419955087 was issued in April 2022 to solicit qualified firms to provide Custodial Services for SMUD facilities. This solicitation was issued with mandatory requirements including compliance with the Living Wage Policy and minimum experience levels with data to support experience. Procurement held a mandatory pre-proposal walk-through on April 23, 2022, to allow proposers to become familiar with the facilities. Procurement received 5 proposals and based on the evaluation, is requesting approval to award a three-year agreement with two additional one-year period options to Pride Industries One, Inc.

Board Policy: BL-8, Delegation to the Chief Executive Officer and General Manager with Respect to Procurement; SD-6, Safety Leadership: This contract supports the Board's commitment to SD-6 by continuing to provide a safe and clean environment for SMUD employees and customers.

Recommendation: Award to Highest Evaluated Responsive Proposer

Award to:

Pride Industries One, Inc.
10030 Foothills Blvd.
Roseville, CA 95747

Proposers Notified by Procurement: 17

Proposers Downloaded: 14

Pre-Proposal Conference Attendance: 6

Proposals Received: 5

Responsive Proposals Received	P/F	10 Points SEED	70 Points Technical	20 Points Pricing	Total Score	Overall Rank	Proposal Amount	SEED CREDIT	Evaluated Proposal Amount	Proposed Award Amount
Pride Industries One, Inc.	P	10	70	19.99	99.99	1	\$221,571.71	\$11,071.49	\$210,500.22	\$13,000,000
Spencer Building Maintenance	P	10	66	20	96	2	\$221,429.89	\$11,071.49	\$210,358.40	

Non-Responsive Proposals Received	Reasoning	Proposal Amount
J's Janitorial Cleaning Service	Did not meet pass/fail requirements	\$210,604
Innovative Facility Services	Did not meet minimum score threshold	\$280,923.04
MEK Enterprises	Did not meet minimum score threshold	\$56,038.16

Supplier Diversity Program:

The highest evaluated proposer, Pride Industries One, Inc, is partnering with a local business within SMUD's service area and are eligible for the SEED credit.

Benefits: To provide custodial services for SMUD facilities.

Cost/Budgeted: \$13,000,000; Budgeted for 2022-2027 by Facilities

Alternatives: Not award this contract which is not in the best interest of SMUD.

Affected Parties: Facilities, Supply Chain Services, and Pride Industries One, Inc.

Coordination: Facilities and Supply Chain Services.

Presenter: Rob Lechner, Director, Facilities & Security Operations

Additional Links:

SUBJECT	Custodial Services Contract Award	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 – 08/16/22
Board Meeting Date
August 18, 2022

TO					TO					
1.	Joe Schofield				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 Legal Department				MAIL STOP B406	EXT. 5446	DATE SENT 07/26/22
NARRATIVE:										
<p>Requested Action: Make findings pursuant to Government Code section 54953(e) to continue meetings via virtual (online/teleconference) meeting for the next 30 days.</p> <p>Summary: Pursuant to Executive Order N-29-20 issued on March 17, 2020, and Executive Order N-35-20 issued on March 21, 2020, as well as the Emergency Board Meeting Procedures adopted by this Board via Resolution No. 20-06-08 on June 18, 2020, this Board has conducted regular Board meetings and other public meetings via remote (online/teleconference) meetings.</p> <p>On September 16, 2021, Governor Newsom signed Assembly Bill 361 (AB 361), which became effective immediately upon signature, containing language that eased Brown Act requirements to allow local agencies to meet remotely. AB 361 allows meetings to continue to be conducted by teleconference, similar to the process used during the current COVID-19 pandemic, but only when there is a declared state of emergency when the local governing body makes findings that there are imminent health risks to meeting in person.</p> <p>On February 25, 2022, Executive Order N-04-22 was issued leaving the California State of Emergency due to the threat of COVID-19 in effect for the foreseeable future. Though the State of Emergency remains in effect, mask mandates have been dropped locally and at the State level.</p> <p>On April 21, 2022, CAL/OSHA re-adopted its workplace COVID-19 Emergency Temporary Standards (ETS), as modified, effective May 6, 2022, through December 31, 2022, including outbreak reporting; SMUD staff continue to report COVID-19 infections, though at a decreasing rate; the lack of a requirement to sign in at SMUD Board meetings with contact information could make contact tracing nearly impossible; and the most recently reported COVID-19 data published, by the Sacramento County Department of Public Health on its Epidemiology COVID-19 Dashboard, and covering the period up to July 20, 2022, indicated a local COVID-19 case rate of 30.8% and 26 deaths since the last update. Since June 1, 2022, Sacramento County has been in the high severity tier for COVID-19. All surrounding counties are also in the high severity tier. Lab testing of samples in the Sacramento area wastewater show COVID rates are currently still significantly higher than the Delta peak in August 2021. Moreover, when SMUD Board and Committee meetings were held in person, they could last as long as four hours with all participants in a single room. And although we could space out participants, they would still be breathing one another's respiration air for what could be a lengthy period of time.</p> <p>By Resolution 21-10-01 adopted on October 12, 2021, Resolution No. 21-10-03 adopted on October 21, 2021, Resolution No. 21-11-05 adopted on November 18, 2021, Resolution No. 21-12-04 adopted on December 9, 2021, Resolution No. 22-03-01 adopted on March 8, 2022, Resolution No. 22-03-03 adopted on March 17, 2022, Resolution No. 22-04-01 adopted on April 13, 2022, Resolution No. 22-04-03 adopted on April 21, 2022, Resolution No. 22-05-06 adopted on May 19, 2022, Resolution No. 22-06-02 adopted on June 16, 2022, and Resolution No. 22-07-02 adopted on July 21, 2022, this Board has previously made findings to continue to hold regular Board meetings and other public meetings via solely virtual (online/teleconference) format.</p>										

Staff's recommendation is to continue to hold regular Board meetings and other public meetings via solely virtual (online/teleconference) meeting and continue to monitor developments related to the COVID-19 pandemic. Pursuant to Government Code section 54953(e), this Board must make findings every 30 days that conditions warrant continuing to meet virtually instead of in-person.

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

Benefits: Making the determination to continue remote meetings will allow for efficient conduct of SMUD business.

Cost/Budgeted: Contained in Business Unit budget for internal labor.

Alternatives: Take no action and comply with all original Brown Act requirements.

Affected Parties: SMUD, Board of Directors, Public

Coordination: Executive Office, Board Office, Legal Department, Information Technology, Communications

Presenter: Laura Lewis, Chief Legal & Government Affairs Officer

Additional Links:

SUBJECT

Make Findings to Continue Online/Teleconference Meetings

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No.

CFO 21-018

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit, 2022Board Meeting Date
N/A

TO				TO						
1.	Jennifer Davidson			6.						
2.	Lora Anguay			7.						
3.	Scott Martin			8.						
4.				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) Lisa Limcaco				DEPARTMENT Accounting				MAIL STOP B352	EXT. 6957	DATE SENT 8/2/22

NARRATIVE:

Requested Action: Provide the Board with SMUD's financial results for the year-to-date period in 2022, and a summary of SMUD's current Power Supply Costs.

Summary: Staff will present SMUD's financial results for the year-to-date period in 2022, and a 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 information regarding SMUD's financial condition and SMUD's current power supply costs.

Cost/Budgeted: N/A

Alternatives: N/A

Affected Parties: Accounting

Coordination: Accounting

Presenter: Lisa Limcaco

Additional Links:

SUBJECT

SMUD's 2022 Year-to-Date Financial Results & Power Supply Costs

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: July 29, 2022
ACC 22-018

FROM: Kathy Ketchum / Lisa Limcaco

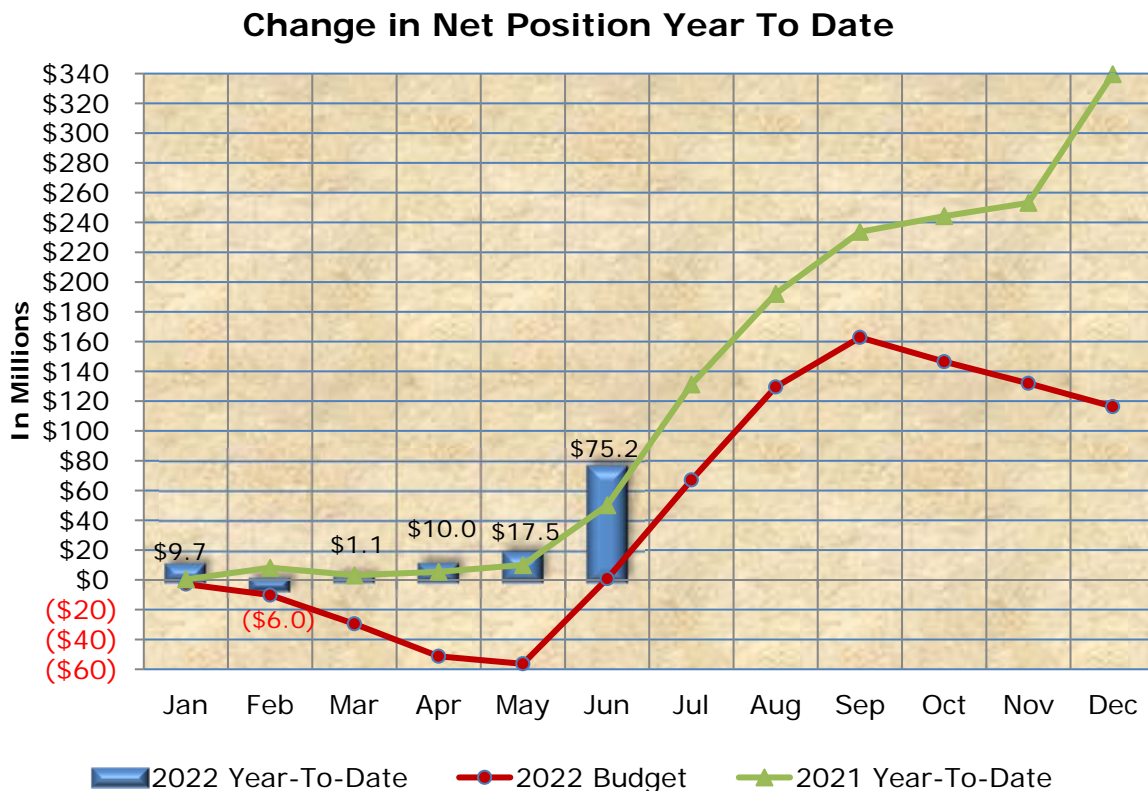
SUBJECT: JUNE 2022 FINANCIAL RESULTS AND OPERATIONS DATA

We are attaching the financial and operating reports for the six months of 2022. They include sales and generation statistics and other selected data.

The change in net position is an increase of \$75.2 million compared to a budgeted increase of \$0.8 million, resulting in a favorable variance of \$74.4 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 2022 Budget approved by the Board of Directors on December 9, 2021.



SACRAMENTO MUNICIPAL UTILITY DISTRICT
EXECUTIVE SUMMARY
For the Six Months Ended June 30, 2022

Net Position

- The change in net position is an increase of \$75.2 million compared to a budgeted increase of \$0.8 million, resulting in a favorable variance of \$74.4 million.

Revenues

- Revenues from sales to customers were \$704.3 million, which was \$35.0 million higher than planned.
 - The increase is primarily due to higher commercial customer revenues of \$25.1 million, higher residential sales of \$12.0 million, and lower provision for uncollectible accounts of \$10.5 million, offset by a \$13.3 million year-to-date adjustment of commercial customer revenues related to the 2021 estimated unbilled revenues.
- Revenues under the California Global Warming Solutions Act (Assembly Bill [AB] - 32) were \$12.0 million. This is due to carbon allowances sold through the state sanctioned quarterly auctions.
- Low Carbon Fuel Standard (LCFS) revenues were \$1.1 million, which was \$8.2 million lower than planned due to a decrease in price per credit and the timing of credit sales.
- Non-cash revenues transferred to the rate stabilization fund were \$13.2 million, of which \$12.1 million was for AB-32 and \$1.1 million was for 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 were \$27.8 million, of which \$25.1 million was for revenue recognized for the annual Hydro rate adjustment and \$2.7 million was for revenues recognized from LCFS electric vehicle programs expenses.

Commodities, Purchased Power and Production

Overall, load was higher than planned. Both hydro and thermal generation were lower than planned due to precipitation levels and outages, respectively. This resulted in lower fuel usage, decreased net price per MMBTU (due to fuel sales), and additional purchased power expense.

- SMUD's generation was lower by 604 GWh (20.4 percent); JPA and other generation was lower by 397 GWh (17.6 percent); Hydro generation was lower by 207 GWh (29.0 percent).
- Purchased power expense of \$248.8 million, less surplus power sales of \$53.5 million, was \$195.3 million, which was \$83.6 million higher than planned. Purchased power expense increased because of higher prices of \$44.0 million and higher quantities purchased of \$39.6 million.
- Production operations cost of \$188.1 million, less surplus gas sales of \$98.7 million, was \$89.4 million, which was \$29.1 million lower than planned.
 - Fuel costs of \$121.1 million, less surplus gas sales of \$98.7 million, was \$22.4 million, which was \$37.0 million lower than planned. This is primarily due to lower fuel prices of \$29.6 million and lower fuel usage of \$7.4 million. The lower price variance is due to surplus gas sales, natural gas hedging activities, Cosumnes Power Plant unplanned outage, and higher sales price per Renewable Identification Number (RIN), which resulted in sales of \$2.6 million higher than planned.
 - Offset by higher carbon allowances of \$5.0 million due to higher Calpine purchases due to lower hydro and thermal generation.
- The "power margin", or sales to customers less cost of purchased power, production operations costs and gas hedges included in investment revenue was \$426.3 million, which was \$12.7 million lower than planned. Power margin as a percentage of sales to customers was 60.5 percent, which was 5.1 percent lower than planned.

Other Operating Expenses

- All other operating expenses were \$379.4 million, which was \$59.9 million lower than planned.
 - Customer accounts expenses were \$3.8 million lower than planned primarily in Revenue Assurance due to vacancies, labor charged to projects and delays in meter maintenance.
 - Customer service and information expenses were \$10.4 million lower than planned primarily due to lower than anticipated transportation electrification expenses due to a DOE grant not awarded for the Equity EV program, customer program expenses are lower due to supply chain issues and delays that

affected customer participation, lower load management program expenses due to delayed launch of My Energy Optimizer, and lower Greenergy Recs and Carbon Offsets.

- Public good expenses were \$5.6 million lower than planned primarily due to a delay in Storage and Generation Research Programs, research and development labor being charged to technology areas, lower than plan incentives in Energy Storage and EV's, and overall fewer projects completed than planned. Activity is expected to increase over the summer.
- Transmission and distribution maintenance expenses were \$4.2 million higher than planned. This is primarily due to higher service reconnect and repair expenses caused by completing more work than planned for year-to-date, and higher station equipment preventative maintenance and onboarding/training of 13 new apprentices.
- Negative non-cash amortization of pension and other post-employment benefits (OPEB) was \$45.6 million lower than planned, which resulted in a positive impact to net position. This is due to Governmental Accounting Standards Board (GASB) 68 Pension and GASB 75 OPEB negative amortizations.

Non-operating Revenues and Expenses

Other revenue, net, was \$11.3 million higher than planned primarily due to higher investment revenue of \$6.8 million due to natural gas hedging activities, \$2.3 million higher contributions in aid of construction due to differences between accounting treatment of offsets and amounts recorded for budget purposes, and \$1.1 million due to a refund stemming from prior years purchased power expense related to the Simpson Biomass contract that ended in 2021.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Month Ended June 30, 2022
(thousands of dollars)

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>	<u>Percent of Increase (Decrease)</u>
OPERATING REVENUES				
Sales to customers	\$ 175,492	\$ 166,602	\$ 8,890	5.3 %
Sales of surplus power	11,761	14,474	(2,713)	(18.7)
Sales of surplus gas	23,217	-	23,217	*
LCFS revenue	-	2,325	(2,325)	(100.0)
Other electric revenue	4,888	2,619	2,269	86.6
Revenue to rate stabilization fund	(80)	-	(80)	*
Revenue from rate stabilization fund	(136)	-	(136)	*
Total operating revenues	215,142	186,020	29,122	15.7
OPERATING EXPENSES				
Operations				
Purchased power	71,064	37,782	33,282	88.1
Production	30,422	18,386	12,036	65.5
Transmission and distribution	7,161	7,033	128	1.8
Customer accounts	4,294	5,555	(1,261)	(22.7)
Customer service and information	4,821	7,741	(2,920)	(37.7)
Administrative and general	16,213	16,874	(661)	(3.9)
Public good	4,672	6,239	(1,567)	(25.1)
Total operations	138,647	99,610	39,037	39.2
Maintenance				
Production	3,877	4,105	(228)	(5.6)
Transmission and distribution	11,555	10,901	654	6.0
Total maintenance	15,432	15,006	426	2.8
Depreciation and amortization				
Depreciation	18,503	18,506	(3)	(0.0)
Amortization of pension and OPEB	(6,515)	1,087	(7,602)	(699.4)
Amortization of regulatory asset	2,883	2,881	2	0.1
Total depreciation and amortization	14,871	22,474	(7,603)	(33.8)
Total operating expenses	168,950	137,090	31,860	23.2
OPERATING INCOME	46,192	48,930	(2,738)	(5.6)
NON-OPERATING REVENUES AND EXPENSES				
Other revenues/(expenses)				
Interest income	902	346	556	160.7
Investment revenue (expense)	2,704	(173)	2,877	*
Other income (expense) - net	15,733	15,703	30	0.2
Unrealized holding gains (losses)	(683)	-	(683)	*
Revenue - CIAC	1,566	1,160	406	35.0
Total other revenues	20,222	17,036	3,186	18.7
Interest charges				
Interest on long-term debt	8,501	8,644	(143)	(1.7)
Interest on commercial paper	281	169	112	66.3
Total interest charges	8,782	8,813	(31)	(0.4)
CHANGE IN NET POSITION	\$ 57,632	\$ 57,153	\$ 479	0.8 %

* Equals 1000% or greater.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Six Months Ended June 30, 2022
(thousands of dollars)

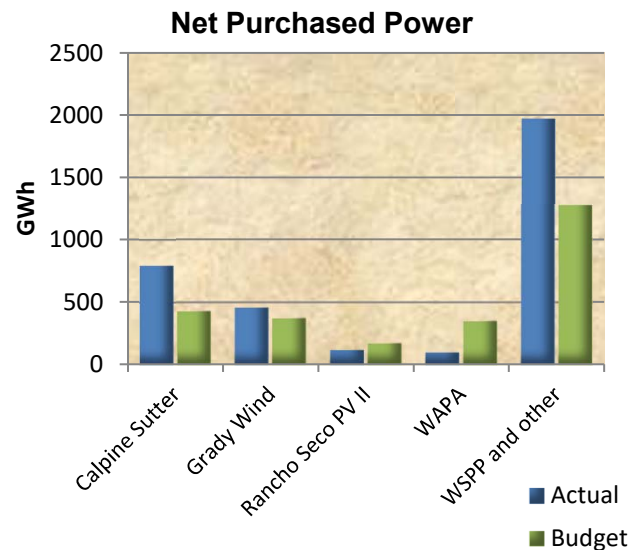
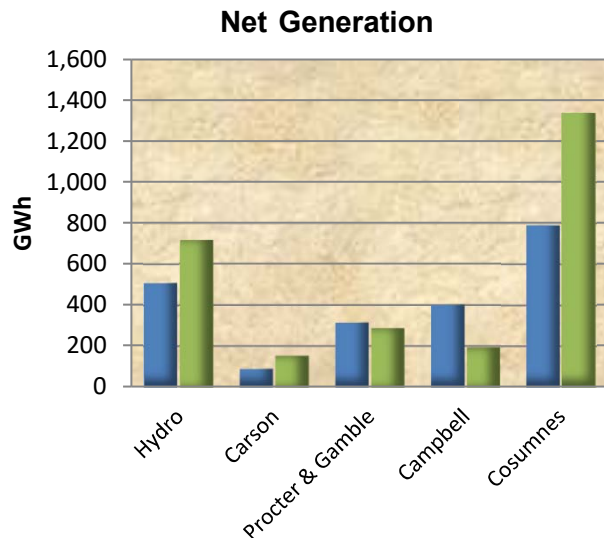
	Actual	Budget	Over (Under)	Percent of Increase (Decrease)
OPERATING REVENUES				
Sales to customers	\$ 704,306	\$ 669,321	\$ 34,985	5.2 %
Sales of surplus power	53,455	78,552	(25,097)	(31.9)
Sales of surplus gas	98,699	-	98,699	*
AB32 revenue	12,000	-	12,000	*
LCFS revenue	1,107	9,341	(8,234)	(88.1)
Other electric revenue	20,803	17,300	3,503	20.2
Revenue to rate stabilization fund	(13,187)	-	(13,187)	*
Revenue from rate stabilization fund	27,827	-	27,827	*
Total operating revenues	905,010	774,514	130,496	16.8
OPERATING EXPENSES				
Operations				
Purchased power	248,803	190,280	58,523	30.8
Production	188,133	118,567	69,566	58.7
Transmission and distribution	42,008	40,427	1,581	3.9
Customer accounts	25,759	29,601	(3,842)	(13.0)
Customer service and information	30,865	41,294	(10,429)	(25.3)
Administrative and general	83,085	84,743	(1,658)	(2.0)
Public good	22,714	28,339	(5,625)	(19.8)
Total operations	641,367	533,251	108,116	20.3
Maintenance				
Production	25,702	26,118	(416)	(1.6)
Transmission and distribution	59,202	55,037	4,165	7.6
Total maintenance	84,904	81,155	3,749	4.6
Depreciation and amortization				
Depreciation	110,853	109,883	970	0.9
Amortization of pension and OPEB	(39,092)	6,520	(45,612)	(699.6)
Amortization of regulatory asset	18,286	17,285	1,001	5.8
Total depreciation and amortization	90,047	133,688	(43,641)	(32.6)
Total operating expenses	816,318	748,094	68,224	9.1
OPERATING INCOME	88,692	26,420	62,272	235.7
NON-OPERATING REVENUES AND EXPENSES				
Other revenues/(expenses)				
Interest income	3,056	2,020	1,036	51.3
Investment revenue (expense)	5,865	(1,035)	6,900	666.7
Other income (expense) - net	21,554	19,307	2,247	11.6
Unrealized holding gains (losses)	(1,226)	-	(1,226)	*
Revenue - CIAC	9,312	6,965	2,347	33.7
Total other revenues	38,561	27,257	11,304	41.5
Interest charges				
Interest on long-term debt	51,447	51,852	(405)	(0.8)
Interest on commercial paper	650	1,015	(365)	(36.0)
Total interest charges	52,097	52,867	(770)	(1.5)
CHANGE IN NET POSITION	\$ 75,156	\$ 810	\$ 74,346	* %

* Equals 1000% or greater.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
SOURCES AND USES OF ENERGY - COMPARED TO BUDGET
For the Period Ended June 30, 2022

Sources of Energy (GWh)	Month		Increase (Decrease)	Year to Date		Increase (Decrease)
	Actual	Budget	Percentage	Actual	Budget	Percentage
Net Generated						
Hydro	80	184	(56.5)	507	714	(29.0)
Carson Power Plant	26	7	271.4	89	154	(42.2)
Procter & Gamble Power Plant	64	33	93.9	314	286	9.8
Campbell Power Plant	86	6	*	399	195	104.6
Cosumnes Power Plant	7	304	(97.7)	789	1,338	(41.0)
Other	65	75	(13.3)	265	280	(5.4)
Total net generation	328	609	(46.1)	2,363	2,967	(20.4)
Purchased Power less transmission losses:						
CalEnergy	21	18	16.7	116	111	4.5
Calpine Sutter	157	24	554.2	793	428	85.3
Drew Solar	-	33	(100.0)	-	141	(100.0)
Feed in Tariff	24	25	(4.0)	113	110	2.7
Grady Wind	78	75	4.0	456	372	22.6
Rancho Seco PV II	30	38	(21.1)	121	170	(28.8)
WAPA	28	103	(72.8)	100	348	(71.3)
WSPP and other	564	246	129.3	1,971	1,273	54.8
Other long term power	51	67	(23.9)	278	329	(15.5)
Total net purchases	953	629	51.5	3,948	3,282	20.3
Total sources of energy	1,281	1,238	3.5	6,311	6,249	1.0
Uses of energy:						
SMUD electric sales and usage	1,007	910	10.7	4,882	4,643	5.1
Surplus power sales	242	259	(6.6)	1,249	1,290	(3.2)
System losses	32	69	(53.6)	180	316	(43.0)
Total uses of energy	1,281	1,238	3.5 %	6,311	6,249	1.0 %

* Change equals 1000% or more.



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

- Hydro generation is lower than planned (29 percent).
- JPA generation is lower than planned (19.4 percent).

Purchased power, less surplus power sales, is higher than plan (35.5 percent).

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
June 30, 2022 and 2021
(thousands of dollars)

	<u>Total</u>						
	SMUD	Cosumnes	NCEA	NCGA #1	Intercompany Eliminations	2022	2021
ELECTRIC UTILITY PLANT							
Plant in service, original cost	\$ 5,839,718	\$ 946,971	\$ -	\$ -	\$ -	\$ 6,786,689	\$ 6,443,683
Less accumulated depreciation	2,751,879	662,152	-	-	-	3,414,031	3,223,386
Plant in service - net	3,087,839	284,819	-	-	-	3,372,658	3,220,297
Construction work in progress	477,345	14,137	-	-	-	491,482	538,734
Investment in Joint Power Agencies	309,672	-	-	-	(282,662)	27,011	22,575
Total electric utility plant - net	3,874,856	298,956	-	-	(282,662)	3,891,151	3,781,606
RESTRICTED ASSETS							
Revenue bond reserves	2,931	-	-	-	-	2,931	3,813
Restricted for payment of debt service	128,629	-	-	-	-	128,629	129,042
JPA funds	-	13,980	15,817	22,899	-	52,696	50,462
Nuclear decommissioning trust fund	8,880	-	-	-	-	8,880	8,874
Rate stabilization fund	174,352	-	-	-	-	174,352	158,406
Net pension asset	35,738	-	-	-	-	35,738	-
Net OPEB asset	34,223	-	-	-	-	34,223	770
Other funds	31,690	-	3,000	-	-	34,690	22,393
Due (to) from unrestricted funds (decommissioning)	(6,684)	-	-	-	-	(6,684)	(6,684)
Due (to) from restricted funds (decommissioning)	6,684	-	-	-	-	6,684	6,684
Less current portion	(139,423)	(13,980)	(18,817)	(22,899)	-	(195,119)	(198,968)
Total restricted assets	277,020	-	-	-	-	277,020	174,792
CURRENT ASSETS							
Cash, cash equivalents and investments							
Unrestricted	491,143	64,163	-	-	-	555,306	587,184
Restricted	139,423	13,980	18,817	22,899	-	195,119	198,968
Accounts receivable - net	263,551	26,317	4,294	2,258	(35,149)	261,269	233,889
Energy efficiency loans due within one year	201	-	-	-	-	201	2,691
Interest receivable	1,728	81	-	-	-	1,809	1,646
Regulatory costs to be recovered within one year	36,242	104	-	105	-	36,451	37,744
Derivative financial instruments maturing within in one year	70,825	-	-	-	-	70,825	29,065
Inventories	92,634	19,570	-	-	-	112,204	95,295
Prepaid gas to be delivered within one year	-	-	3,896	23,720	-	27,616	24,748
Prepayments and other	31,874	7,356	20	16	-	39,266	23,626
Total current assets	1,127,621	131,571	27,027	48,998	(35,149)	1,300,066	1,234,856
NONCURRENT ASSETS							
Regulatory costs for future recovery							
Decommissioning	73,675	-	-	-	-	73,675	79,467
Pension	332,031	-	-	-	-	332,031	349,058
OPEB	274,623	-	-	-	-	274,623	287,396
Bond Issues	-	731	-	419	-	1,150	1,359
Derivative financial instruments	1,736	-	-	-	-	1,736	5,807
Derivative financial instruments	106,040	-	-	-	-	106,040	24,540
Prepaid gas	-	-	527,421	125,433	-	652,854	680,469
Prepaid power and capacity	277	-	-	-	-	277	484
Energy efficiency loans - net	830	-	-	-	-	830	11,983
Other	75,003	4	-	63	-	75,070	49,375
Total noncurrent assets	864,215	735	527,421	125,915	-	1,518,286	1,489,938
TOTAL ASSETS	\$ 6,143,712	\$ 431,262	\$ 554,448	\$ 174,913	\$ (317,811)	\$ 6,986,523	\$ 6,681,192
DEFERRED OUTFLOWS OF RESOURCES							
Accumulated decrease in fair value of hedging derivatives	13,015	-	-	-	-	13,015	32,245
Deferred pension outflows	60,201	-	-	-	-	60,201	160,377
Deferred OPEB outflows	23,006	-	-	-	-	23,006	24,689
Deferred ARO outflows	-	1,553	-	-	-	1,553	1,560
Unamortized bond losses - other	8,196	1,333	-	-	-	9,529	13,480
TOTAL DEFERRED OUTFLOWS OF RESOURCES	104,418	2,886	-	-	-	107,304	232,351
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 6,248,130	\$ 434,148	\$ 554,448	\$ 174,913	\$ (317,811)	\$ 7,093,827	\$ 6,913,543

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
June 30, 2022 and 2021
(thousands of dollars)

	<u>Total</u>						
	SMUD	Cosumnes	NCEA	NCGA #1	Intercompany Eliminations	2022	2021
LONG-TERM DEBT - NET	\$ 2,254,262	\$ 98,349	\$ 549,343	\$ 142,935	\$ -	\$ 3,044,889	3,238,898
CURRENT LIABILITIES							
Accounts payable	105,146	13,933	2,506	1,201	-	122,785	92,991
Purchased power payable	91,349	4,240	-	-	(35,149)	60,440	43,278
Credit support collateral obligation	15,850	-	-	-	-	15,850	3,558
Long-term debt due within one year	100,150	11,450	-	20,550	-	132,150	127,390
Accrued decommissioning	6,889	-	-	-	-	6,889	6,751
Interest payable	33,722	2,530	10,876	558	-	47,686	52,925
Accrued salaries and compensated absences	48,996	-	-	-	-	48,996	43,565
Derivative financial instruments maturing within one year	14,900	-	-	-	-	14,900	20,087
Customer deposits	1,477	-	-	-	-	1,477	2,844
Other	45,388	-	-	-	-	45,388	25,624
Total current liabilities	463,867	32,153	13,382	22,309	(35,150)	496,561	419,013
NONCURRENT LIABILITIES							
Accrued decommissioning - net	75,872	9,021	-	-	-	84,893	90,290
Derivative financial instruments	6,962	-	-	-	-	6,962	19,642
Net pension liability	-	-	-	-	-	-	393,557
Net OPEB liability	-	-	-	-	-	-	23,263
Other	80,643	-	161	-	-	80,804	92,402
Total noncurrent liabilities	163,477	9,021	161	-	-	172,659	619,154
TOTAL LIABILITIES	2,881,606	139,523	562,886	165,244	(35,150)	3,714,108	4,277,065
DEFERRED INFLOWS OF RESOURCES							
Accumulated increase in fair value of hedging derivatives	169,306	-	-	-	-	169,306	52,909
Deferred pension inflows	200,735	-	-	-	-	200,735	7,106
Deferred OPEB inflows	79,069	-	-	-	-	79,069	49,493
Regulatory credits	546,472	-	-	-	-	546,472	509,665
Unamortized bond gains - other	8,516	-	-	-	-	8,516	6,029
Unearned revenue	3,337	30	-	-	-	3,367	3,625
TOTAL DEFERRED INFLOWS OF RESOURCES	1,007,435	30	-	-	-	1,007,465	628,827
NET POSITION							
Balance at beginning of year	2,292,641	283,722	(6,565)	9,838	(282,539)	2,297,097	1,957,512
Net increase (decrease) for the year	66,448	10,873	(1,946)	(219)	-	75,156	50,139
Member contributions (distributions) - net	-	-	73	50	(123)	-	-
TOTAL NET POSITION	2,359,089	294,595	(8,438)	9,669	(282,662)	2,372,253	2,007,651
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 6,248,130	\$ 434,148	\$ 554,448	\$ 174,913	\$ (317,811)	\$ 7,093,827	\$ 6,913,543

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF CASH FLOWS
For the Period Ended June 30, 2022
(thousands of dollars)

	Month	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 115,733	\$ 696,662
Receipts from surplus power and gas sales	35,277	148,060
Other receipts	40,753	88,028
Payments to employees - payroll and other	(44,475)	(195,847)
Payments for wholesale power and gas purchases	(82,336)	(349,951)
Payments to vendors/others	(9,397)	(178,380)
Net cash provided by operating activities	55,555	208,572
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interest on debt	-	(14,395)
Net cash used in noncapital financing activities	-	(14,395)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction expenditures	(61,666)	(172,589)
Contributions in aid of construction	1,333	13,425
Net proceeds from bond issues	150,711	150,711
Repayments and refundings of debt	(151,523)	(151,523)
Other receipts	-	4,906
Interest on debt	-	(59,077)
Net cash used in capital and related financing activities	(61,145)	(214,147)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales and maturities of securities	11,708	179,764
Purchases of securities	(29,586)	(410,314)
Interest and dividends received	316	2,164
Investment revenue/expenses - net	2,695	5,842
Net cash used in investing activities	(14,867)	(222,544)
Net decrease in cash and cash equivalents	(20,457)	(242,514)
Cash and cash equivalents at the beginning of the month and year	566,591	788,648
Cash and cash equivalents at June 30, 2022	\$ 546,134	\$ 546,134
Cash and cash equivalents included in:		
Unrestricted cash and cash equivalents	\$ 379,702	\$ 379,702
Restricted and designated cash and cash equivalents	58,835	58,835
Restricted and designated assets (a component of the total of \$277,020 at June 30, 2022)	107,597	107,597
Cash and cash equivalents at June 30, 2022	\$ 546,134	\$ 546,134

SSS No.
BOD 2021-024

BOARD AGENDA ITEM STAFFING SUMMARY SHEET

Committee Meeting & Date
2022
Board Meeting Date
N/A

TO					TO				
1.	Jennifer Davidson				6.				
2.	Lora Anguay				7.				
3.	Scott Martin				8.				
4.					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) Rosanna Herber / Donna Lofton				DEPARTMENT Board Office	MAIL STOP B307			EXT. 5079
							DATE SENT 12/21/2021	

NARRATIVE:

Requested Action: A summary of directives provided to staff during the committee meeting.

Summary: The Board requested 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 Policy 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 and 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.