

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

Date: Tuesday, December 6, 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, December 6, 2022

Scheduled to begin at 5:30 p.m.

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

Webinar/Meeting ID: 160 714 3784

Passcode: 867530

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

### **INFORMATIONAL ITEM**

1. Aaron Worthman  
PARTNER, BAKER TILLY  
VIRCHOW KRAUSE, LLP  
SMUD 2022 Financial Statements External Audit Plan.  
Presentation: 10 minutes  
Discussion: 3 minutes

### **DISCUSSION ITEM**

2. Laura Lewis  
Certify November 8, 2022, election results from the County of Sacramento electing Gregg Fishman to serve as SMUD's Director for Ward 3 and Rosanna Herber to serve as SMUD's Director for Ward 4 for the four-year term beginning January 1, 2023.  
Presentation: 3 minutes  
Discussion: 1 minute

### **INFORMATIONAL ITEMS (cont.)**

3. Lisa Limcaco  
Provide the Board with SMUD's financial results from the ten-month period ended October 31, 2022, and a summary of SMUD's current Power Supply Costs.  
Presentation: 9 minutes  
Discussion: 2 minutes
4. Heidi Sanborn  
Committee Membership and Chairs for 2023.  
Presentation: 5 minutes  
Discussion: 5 minutes
5. Public Comment
6. Rosanna Herber  
Summary of Committee Direction.  
Discussion: 1 minute

### **ANNOUNCEMENT OF CLOSED SESSION AGENDA**

#### **1. Public Employee Performance Evaluation.**

Pursuant to Section 54954.5 of the Government Code:

- a. CEO and General Manager;
- b. Chief Legal & Government Affairs Officer; and
- c. Special Assistant to the Board.

*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.
ACC 22-026

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit December 6, 2022
Board Meeting Date December 8, 2022

TO				TO			
1.	Lisa Limcaco	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 type="checkbox"/> <b>Yes</b>	<input checked="" type="checkbox"/> <b>No</b>	<i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	<input type="checkbox"/> <b>Yes</b>	<input checked="" type="checkbox"/> <b>No</b>	<i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Kathy Ketchum	DEPARTMENT Accounting			MAIL STOP B352	EXT. 5661	DATE SENT 11/14/22	

**NARRATIVE:**

**Requested Action:** 2022 SMUD Financial Statements External Audit Plan.

**Summary:** SMUD’s Independent Auditor is preparing for the annual audit of SMUD’s financial statements. Before they begin their fieldwork, they will present their audit plan to the Finance and Audit Committee. Financial statements are required to be audited by an Independent Auditor in order to access credit markets.

**Board Policy:** GP-14, External Auditor Relationship, SD-3, Access to Credit Markets.  
*(Number & Title)*

**Benefits:** To provide information to the Board of Directors regarding the planned work of the Independent Auditor.

**Cost/Budgeted:** The cost of this presentation is included in the contract for the annual audit of SMUD’s financial statements.

**Alternatives:** Not to present the planned work of the Independent Auditor.

**Affected Parties:** Accounting

**Coordination:** Accounting

**Presenter:** Aaron Worthman, Baker Tilly US, LLP

<b>Additional Links:</b>
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SUBJECT	2022 SMUD Financial Statements External Audit Plan	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.



# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
 Finance & Audit – 12/06/22  
 Board Meeting Date  
 December 8, 2022

TO	TO
1. Jennifer Davidson	6.
2. Lora Anguay	7.
3. Scott Martin	8.
4.	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) Laura Lewis	DEPARTMENT Executive Office			MAIL STOP B308	EXT. 6123	DATE SENT 11/22/22	

**NARRATIVE:**

**Requested Action:** Certify November 8, 2022, election results from the County of Sacramento electing Gregg Fishman to serve as SMUD’s Director for Ward 3 and Rosanna Herber to serve as SMUD’s Director for Ward 4 for the four-year term beginning January 1, 2023.

**Summary:** A statewide election was held on November 8, 2022, wherein SMUD Wards 3 and 4 were on said ballot. The results of the election for the Wards which were up for election are as follows:

*Counts as of 11/29/22 (Sacramento County to post final results no later than 12/08/22):*

Ward No. 3	Votes Cast
Gregg B. Fishman	39,032
Pamela Dessie Stathos	16,250

Ward No. 4	Votes Cast
Rosanna Jane Herber	37,789
Derek Cressman	28,139

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

**Benefits:** Comply with state law.

**Cost/Budgeted:** There is no budgetary impact for this request.

**Alternatives:** None; this action is a legal requirement.

**Affected Parties:** Board of Directors, Legal

**Coordination:** Legal

**Presenter:** Laura Lewis, Chief Legal & Government Affairs Officer

**Additional Links:**

SUBJECT <b>Certify Election Results for SMUD Wards 3 and 4</b>	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.



**The Certificate of Facts from  
Sacramento County will be  
posted once it is available.**



SSS No.  
  
CFO 21-018

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

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

TO	TO
1. Jennifer Davidson	6.
2. Lora Anguay	7.
3. Scott Martin	8.
4.	9. <b>Legal</b>
5.	10. <b>CEO &amp; General Manager</b>

Consent Calendar	Yes	No <i>If no, schedule a dry run presentation.</i>	Budgeted	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) 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. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT  
OFFICE MEMORANDUM**

TO: Distribution

DATE: November 30, 2022  
ACC 22-025

FROM: Kathy Ketchum / Lisa Limcaco

**SUBJECT: OCTOBER 2022 FINANCIAL RESULTS AND OPERATIONS DATA**

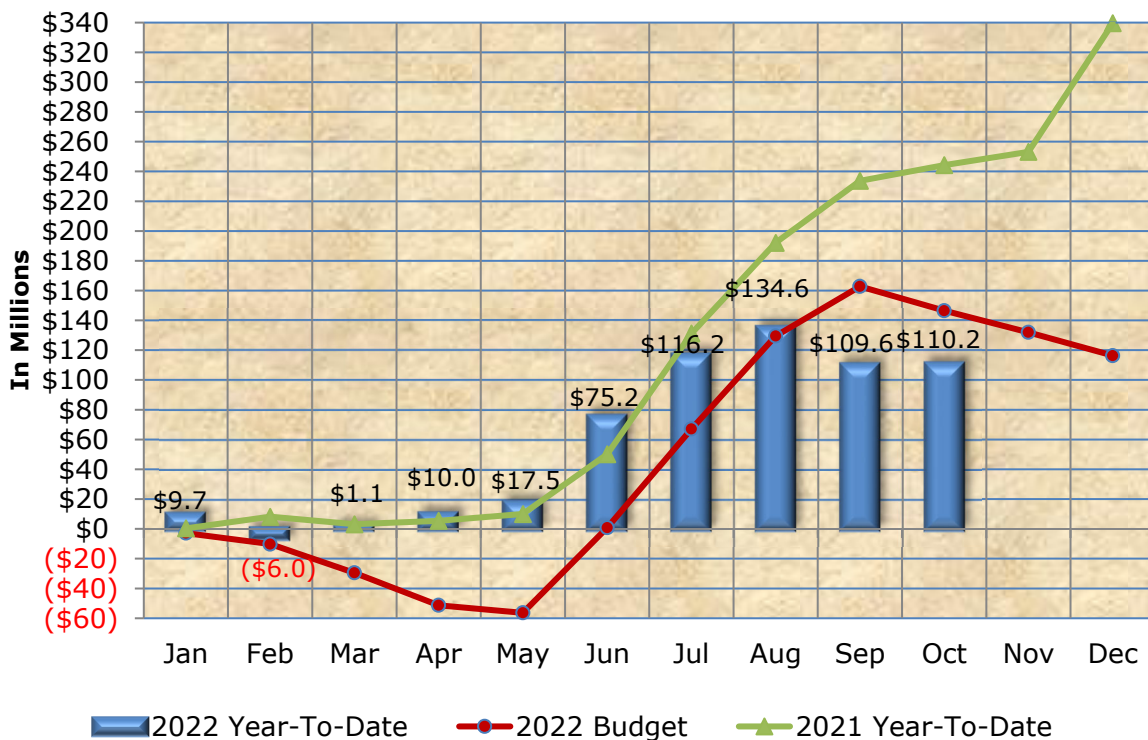
We are attaching the financial and operating reports for the ten months of 2022. They include sales and generation statistics and other selected data.

The change in net position is an increase of \$110.2 million compared to a budgeted increase of \$146.5 million, resulting in an unfavorable variance of \$36.3 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.

**Change in Net Position Year To Date**



**SACRAMENTO MUNICIPAL UTILITY DISTRICT  
EXECUTIVE SUMMARY  
For the Ten Months Ended October 31, 2022**

Net Position

- The change in net position is an increase of \$110.2 million compared to a budgeted increase of \$146.5 million, resulting in an unfavorable variance of \$36.3 million.

Revenues

- Revenues from sales to customers were \$1,393.0 million, which was \$91.7 million higher than planned.
  - The increase is primarily due to higher commercial customer revenues of \$58.7 million, higher residential sales of \$31.2 million, and lower provision for uncollectible accounts of \$13.7 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 \$17.4 million. This is due to carbon allowances sold through the state sanctioned quarterly auctions.
- Low Carbon Fuel Standard (LCFS) revenues were \$7.8 million, which was \$7.7 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 \$25.3 million, of which \$17.4 million was for AB-32 and \$7.8 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 \$31.5 million, of which \$25.1 million was for revenue recognized for the annual Hydro rate adjustment and \$6.4 million was for revenues recognized from LCFS electric vehicle programs expenses.
- Other electric revenues were higher by \$8.7 million primarily due to higher Procter & Gamble Power Plant steam sales, transmission revenue and interconnection fees, offset by lower Greenergy revenue.

Commodities, Purchased Power and Production

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

- SMUD's generation was lower by 2,314 GWh (38.0 percent); JPA and other generation was lower by 1,974 GWh (40.4 percent); and Hydro generation was lower by 340 GWh (28.2 percent).
- Purchased power expense of \$694.1 million, less surplus power sales of \$127.8 million, was \$566.3 million, which was \$392.0 million higher than planned. Purchased power expense increased because of higher prices of \$229.8 million and higher quantities purchased of \$162.2 million due to the procuring of replacement power for the Cosumnes Power Plant (CPP) unplanned outage.
- Production operations cost of \$294.5 million, less surplus gas sales of \$167.9 million, was \$126.6 million, which was \$99.5 million lower than planned.
  - Fuel costs of \$163.1 million, less surplus gas sales of \$167.9 million, created net surplus gas sales of \$4.8 million, which resulted in fuel costs being \$129.6 million lower than planned. This is primarily due to lower fuel prices of \$83.5 million and lower fuel usage of \$46.1 million. Lower fuel usage is primarily due to the CPP unplanned outage. The lower price variance is due to surplus gas sales, natural gas hedging activities, and higher sales price per Renewable Identification Number (RIN), which resulted in sales of \$2.2 million higher than planned.
  - Offset by higher carbon allowances of \$10.3 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 \$726.4 million, which was \$174.5 million lower than planned. The power margin as a percentage of sales to customers was 52.1 percent, which was 17.1 percent lower than planned. This is primarily due to the additional purchased power for the replacement power for the unplanned outage at CPP.

Other Operating Expenses

- All other operating expenses were \$643.9 million, which was \$101.3 million lower than planned.
  - Transmission and distribution operation expenses were higher by \$6.0 million primarily due to higher Transmission Agency of Northern California (TANC) management and transmission trading expenses.

- Customer accounts expenses were \$6.9 million lower than planned primarily in Revenue Assurance due to vacancies and labor charged to projects.
- Customer service and information expenses were \$15.4 million lower than planned primarily due to lower than anticipated transportation electrification expenses due to a Department of Energy 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.
- Administrative and General expenses were down \$6.5 million primarily due to lower labor in new business development and enterprise strategy and lower labor and outside services in market development.
- Public good expenses were \$6.2 million lower than planned primarily due to a delay in Storage and Generation Research Projects, 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.
- Production maintenance expenses were \$2.7 million lower than planned primarily due to lower hydro maintenance costs and storm repairs completed earlier and at less cost than forecasted.
- Transmission and distribution maintenance expenses were \$5.2 million higher than planned. This is primarily due to higher service reconnect and repair expenses and underground line corrective maintenance 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 \$76.0 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 \$35.5 million higher than planned primarily due to higher investment revenue of \$26.3 million due to natural gas hedging activities, \$5.9 million distribution earnings from TANC, \$5.5 million higher interest income, \$4.0 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. These are offset by unrealized holding losses of \$6.9 million and a \$2.8 million expense created by the close out of the South Sutter Water District escrow account.
- Interest charges were \$3.1 million lower than planned due to lower amortization on revenue bonds, lower interest expense on long-term debt and lower commercial paper fees.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the Month Ended October 31, 2022  
(thousands of dollars)

	Actual	Budget	Over (Under)	Percent of Increase (Decrease)
<b>OPERATING REVENUES</b>				
Sales to customers	\$ 118,405	\$ 97,056	\$ 21,349	22.0 %
Sales of surplus power	8,140	13,408	(5,268)	(39.3)
Sales of surplus gas	8,335	-	8,335	*
LCFS revenue	818	979	(161)	(16.4)
Other electric revenue	3,657	2,757	900	32.6
Revenue to rate stabilization fund	(818)	-	(818)	*
Revenue from rate stabilization fund	719	-	719	*
<b>Total operating revenues</b>	<b>139,256</b>	<b>114,200</b>	<b>25,056</b>	<b>21.9</b>
<b>OPERATING EXPENSES</b>				
Operations				
Purchased power	58,499	27,334	31,165	114.0
Production	13,136	23,951	(10,815)	(45.2)
Transmission and distribution	7,281	6,879	402	5.8
Customer accounts	4,632	5,196	(564)	(10.9)
Customer service and information	5,989	6,303	(314)	(5.0)
Administrative and general	13,709	13,882	(173)	(1.2)
Public good	5,309	5,530	(221)	(4.0)
<b>Total operations</b>	<b>108,555</b>	<b>89,075</b>	<b>19,480</b>	<b>21.9</b>
Maintenance				
Production	2,480	1,990	490	24.6
Transmission and distribution	10,895	9,638	1,257	13.0
<b>Total maintenance</b>	<b>13,375</b>	<b>11,628</b>	<b>1,747</b>	<b>15.0</b>
Depreciation and amortization				
Depreciation	18,681	18,961	(280)	(1.5)
Amortization of pension and OPEB	(6,515)	1,087	(7,602)	(699.4)
Amortization of regulatory asset	3,022	2,881	141	4.9
<b>Total depreciation and amortization</b>	<b>15,188</b>	<b>22,929</b>	<b>(7,741)</b>	<b>(33.8)</b>
<b>Total operating expenses</b>	<b>137,118</b>	<b>123,632</b>	<b>13,486</b>	<b>10.9</b>
<b>OPERATING INCOME (LOSS)</b>	<b>2,138</b>	<b>(9,432)</b>	<b>11,570</b>	<b>122.7</b>
<b>NON-OPERATING REVENUES AND EXPENSES</b>				
Other revenues/(expenses)				
Interest income	1,865	332	1,533	461.7
Investment revenue (expense)	(104)	(159)	55	34.6
Other income (expense) - net	4,197	387	3,810	984.5
Unrealized holding gains (losses)	(948)	-	(948)	*
Revenue - CIAC	1,575	1,165	410	35.2
<b>Total other revenues</b>	<b>6,585</b>	<b>1,725</b>	<b>4,860</b>	<b>281.7</b>
Interest charges				
Interest on long-term debt	7,894	8,390	(496)	(5.9)
Interest on commercial paper	235	186	49	26.3
<b>Total interest charges</b>	<b>8,129</b>	<b>8,576</b>	<b>(447)</b>	<b>(5.2)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 594</b>	<b>\$ (16,283)</b>	<b>\$ 16,877</b>	<b>103.6 %</b>

\* Equals 1000% or greater.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the Ten Months Ended October 31, 2022  
(thousands of dollars)

	Actual	Budget	Over (Under)	Percent of Increase (Decrease)
<b>OPERATING REVENUES</b>				
Sales to customers	\$ 1,393,037	\$ 1,301,359	\$ 91,678	7.0 %
Sales of surplus power	127,795	178,197	(50,402)	(28.3)
Sales of surplus gas	167,864	-	167,864	*
SB-1 revenue (deferral)/recognition, net	15	-	15	*
AB32 revenue	17,400	-	17,400	*
LCFS revenue	7,775	15,481	(7,706)	(49.8)
Other electric revenue	36,384	27,697	8,687	31.4
Revenue to rate stabilization fund	(25,255)	-	(25,255)	*
Revenue from rate stabilization fund	31,523	-	31,523	*
<b>Total operating revenues</b>	<b>1,756,538</b>	<b>1,522,734</b>	<b>233,804</b>	<b>15.4</b>
<b>OPERATING EXPENSES</b>				
Operations				
Purchased power	694,054	352,449	341,605	96.9
Production	294,530	226,156	68,374	30.2
Transmission and distribution	75,744	69,736	6,008	8.6
Customer accounts	43,998	50,883	(6,885)	(13.5)
Customer service and information	54,424	69,846	(15,422)	(22.1)
Administrative and general	135,199	141,719	(6,520)	(4.6)
Public good	44,607	50,815	(6,208)	(12.2)
<b>Total operations</b>	<b>1,342,556</b>	<b>961,604</b>	<b>380,952</b>	<b>39.6</b>
Maintenance				
Production	37,116	39,772	(2,656)	(6.7)
Transmission and distribution	102,623	97,388	5,235	5.4
<b>Total maintenance</b>	<b>139,739</b>	<b>137,160</b>	<b>2,579</b>	<b>1.9</b>
Depreciation and amortization				
Depreciation	185,218	185,446	(228)	(0.1)
Amortization of pension and OPEB	(65,153)	10,867	(76,020)	(699.5)
Amortization of regulatory asset	30,167	28,808	1,359	4.7
<b>Total depreciation and amortization</b>	<b>150,232</b>	<b>225,121</b>	<b>(74,889)</b>	<b>(33.3)</b>
<b>Total operating expenses</b>	<b>1,632,527</b>	<b>1,323,885</b>	<b>308,642</b>	<b>23.3</b>
<b>OPERATING INCOME</b>	<b>124,011</b>	<b>198,849</b>	<b>(74,838)</b>	<b>(37.6)</b>
<b>NON-OPERATING REVENUES AND EXPENSES</b>				
Other revenues/(expenses)				
Interest income	8,829	3,306	5,523	167.1
Investment revenue (expense)	25,012	(1,691)	26,703	*
Other income (expense) - net	28,154	21,915	6,239	28.5
Unrealized holding gains (losses)	(6,940)	-	(6,940)	*
Revenue - CIAC	15,601	11,620	3,981	34.3
<b>Total other revenues</b>	<b>70,656</b>	<b>35,150</b>	<b>35,506</b>	<b>101.0</b>
Interest charges				
Interest on long-term debt	83,149	85,742	(2,593)	(3.0)
Interest on commercial paper	1,271	1,728	(457)	(26.4)
<b>Total interest charges</b>	<b>84,420</b>	<b>87,470</b>	<b>(3,050)</b>	<b>(3.5)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 110,247</b>	<b>\$ 146,529</b>	<b>\$ (36,282)</b>	<b>(24.8) %</b>

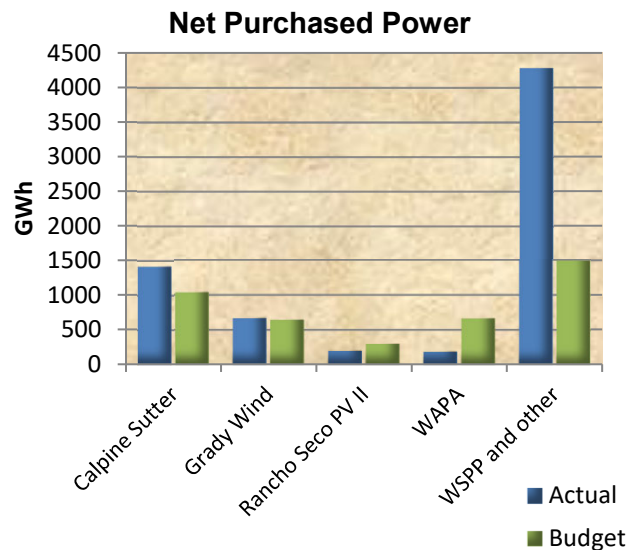
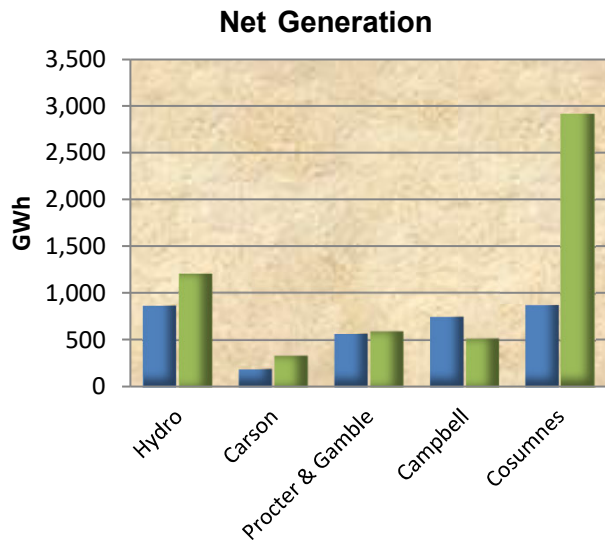
\* Equals 1000% or greater.



**SACRAMENTO MUNICIPAL UTILITY DISTRICT  
SOURCES AND USES OF ENERGY - COMPARED TO BUDGET  
For the Period Ended October 31, 2022**

Sources of Energy (GWh)	Month		Increase	Year to Date		Increase
	Actual	Budget	(Decrease) Percentage	Actual	Budget	(Decrease) Percentage
<b>Net Generated</b>						
Hydro	63	69	(8.7)	864	1,204	(28.2)
Carson Power Plant	21	36	(41.7)	191	332	(42.5)
Procter & Gamble Power Plant	55	54	1.9	564	588	(4.1)
Campbell Power Plant	76	4	*	744	514	44.7
Cosumnes Power Plant	-	418	(100.0)	870	2,918	(70.2)
Other	49	37	32.4	542	533	1.7
<b>Total net generation</b>	<b>264</b>	<b>618</b>	<b>(57.3)</b>	<b>3,775</b>	<b>6,089</b>	<b>(38.0)</b>
<b>Purchased Power less transmission losses:</b>						
CalEnergy	17	19	(10.5)	185	186	(0.5)
Calpine Sutter	160	128	25.0	1,418	1,037	36.7
Drew Solar	23	24	(4.2)	59	253	(76.7)
Feed in Tariff	16	16	0.0	197	195	1.0
Grady Wind	54	74	(27.0)	669	647	3.4
Rancho Seco PV II	14	26	(46.2)	202	304	(33.6)
WAPA	14	45	(68.9)	186	666	(72.1)
WSPP and other	447	22	*	4,284	1,494	186.7
Other long term power	39	52	(25.0)	485	573	(15.4)
<b>Total net purchases</b>	<b>784</b>	<b>406</b>	<b>93.1</b>	<b>7,685</b>	<b>5,355</b>	<b>43.5</b>
<b>Total sources of energy</b>	<b>1,048</b>	<b>1,024</b>	<b>2.3</b>	<b>11,460</b>	<b>11,444</b>	<b>0.1</b>
<b>Uses of energy:</b>						
SMUD electric sales and usage	827	785	5.4	8,945	8,546	4.7
Surplus power sales	185	222	(16.7)	2,183	2,507	(12.9)
System losses	36	17	111.8	332	391	(15.1)
<b>Total uses of energy</b>	<b>1,048</b>	<b>1,024</b>	<b>2.3 %</b>	<b>11,460</b>	<b>11,444</b>	<b>0.1 %</b>

\* Change equals 1000% or more.



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

- Hydro generation is lower than planned (28.2 percent).
- JPA generation is lower than planned (45.6 percent).

Purchased power, less surplus power sales, is higher than plan (93.2 percent).

**SACRAMENTO MUNICIPAL UTILITY DISTRICT**  
**STATEMENTS OF NET POSITION**  
**October 31, 2022 and 2021**  
(thousands of dollars)

	Total						
	SMUD	Cosumnes	NCEA	NCGA #1	Intercompany Eliminations	2022	2021
<b>ELECTRIC UTILITY PLANT</b>							
Plant in service, original cost	\$ 5,897,034	\$ 947,712	\$ -	\$ -	\$ -	\$ 6,844,746	\$ 6,487,751
Less accumulated depreciation	2,789,654	672,113	-	-	-	3,461,767	3,280,230
Plant in service - net	3,107,380	275,599	-	-	-	3,382,979	3,207,521
Construction work in progress	507,666	19,376	-	-	-	527,042	580,218
Investment in Joint Power Agencies	315,538	-	-	-	(282,688)	32,850	22,471
Total electric utility plant - net	3,930,584	294,975	-	-	(282,688)	3,942,871	3,810,210
<b>RESTRICTED ASSETS</b>							
Revenue bond reserves	2,004	-	-	-	-	2,004	2,931
Restrictions for payment of debt service	54,277	-	-	-	-	54,277	57,096
Restrictions for	-	2,493	13,663	7,869	-	24,025	25,573
Nuclear decommissioning trust fund	8,932	-	-	-	-	8,932	8,874
Rate stabilization fund	182,725	-	-	-	-	182,725	161,291
pension asset	61,942	-	-	-	-	61,942	-
Net OPEB asset	34,223	-	-	-	-	34,223	770
Other funds from unrestricted funds (decommissioning)	29,535	-	3,000	1	-	32,536	22,416
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	(62,270)	(2,486)	(16,663)	(7,870)	-	(89,289)	(102,244)
Total restricted assets	311,368	7	-	-	-	311,375	176,707
<b>CURRENT ASSETS</b>							
Cash, cash equivalents and investments							
Unrestricted	536,866	70,214	-	-	-	607,080	657,211
Restricted	62,270	2,486	16,663	7,870	-	89,289	102,244
Accounts receivable - net	284,359	39,435	3,989	2,388	(69,833)	260,338	253,681
Energy efficiency loans due within one year	201	-	-	-	-	201	2,691
Interest receivable	2,606	92	-	8	-	2,706	728
Regulatory costs to be recovered within one year	31,827	104	-	105	-	32,036	36,377
Derivative financial instruments maturing within in one year	74,523	-	-	-	-	74,523	57,509
Inventories	92,422	19,570	-	-	-	111,992	102,051
Prepaid gas to be delivered within one year	-	-	3,843	24,699	-	28,542	25,619
Prepayments and other	24,586	5,335	3	16	-	29,940	27,951
Total current assets	1,109,660	137,236	24,498	35,086	(69,833)	1,236,647	1,266,062
<b>NONCURRENT ASSETS</b>							
Regulatory costs for future recovery							
Decommissioning	71,797	-	-	-	-	71,797	77,704
Pension	326,355	-	-	-	-	326,355	343,382
OPEB	270,365	-	-	-	-	270,365	283,139
Bond Issues	-	696	-	384	-	1,080	1,290
Derivative financial instruments	836	-	-	-	-	836	3,547
Derivative financial instruments	107,387	-	-	-	-	107,387	54,200
Prepaid gas	-	-	525,797	116,941	-	642,738	671,280
Prepaid power and capacity	208	-	-	-	-	208	415
Energy efficiency loans - net	712	-	-	-	-	712	2,420
Other	70,911	4	-	57	-	70,972	59,955
Total noncurrent assets	848,571	700	525,797	117,382	-	1,492,450	1,497,332
<b>TOTAL ASSETS</b>	<b>\$ 6,200,183</b>	<b>\$ 432,918</b>	<b>\$ 550,295</b>	<b>\$ 152,468</b>	<b>\$ (352,521)</b>	<b>\$ 6,983,343</b>	<b>\$ 6,750,311</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Accumulated decrease in fair value of hedging derivatives	13,885	-	-	-	-	13,885	20,930
Deferred pension outflows	70,823	-	-	-	-	70,823	183,548
Deferred OPEB outflows	21,602	-	-	-	-	21,602	23,724
Deferred ARO outflows	-	1,405	-	-	-	1,405	1,445
Unamortized bond losses - other	7,517	1,239	-	-	-	8,756	12,790
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>113,827</b>	<b>2,644</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116,471</b>	<b>242,437</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 6,314,010</b>	<b>\$ 435,562</b>	<b>\$ 550,295</b>	<b>\$ 152,468</b>	<b>\$ (352,521)</b>	<b>\$ 7,099,814</b>	<b>\$ 6,992,748</b>

**SACRAMENTO MUNICIPAL UTILITY DISTRICT**  
**STATEMENTS OF NET POSITION**  
**October 31, 2022 and 2021**  
(thousands of dollars)

	<u>Total</u>						
	SMUD	Cosumnes	NCEA	NCGA #1	Intercompany Eliminations	2022	2021
<b>LONG-TERM DEBT -NET</b>	\$ 2,131,353	\$ 95,869	\$ 547,701	\$ 120,070	\$ -	\$ 2,894,993	3,088,741
<b>CURRENT LIABILITIES</b>							
Commercial paper notes	150,000	-	-	-	-	150,000	-
Accounts payable	119,966	7,530	1,378	125	-	128,999	110,461
Purchased power payable	97,518	26,441	-	-	(69,833)	54,126	32,306
Credit support collateral obligation	16,446	-	-	1	-	16,447	3,580
Long-term debt due within one year	111,165	1,845	-	22,865	-	135,875	132,150
Accrued decommissioning	6,889	-	-	-	-	6,889	6,751
Interest payable	31,393	1,496	7,251	388	-	40,528	40,996
Accrued salaries and compensated absences	45,121	-	-	-	-	45,121	40,940
Derivative financial instruments maturing within one year	11,339	-	-	-	-	11,339	16,964
Customer deposits	1,726	-	-	-	-	1,726	1,557
Other	48,318	-	-	-	-	48,318	27,416
<b>Total current liabilities</b>	<b>639,881</b>	<b>37,312</b>	<b>8,629</b>	<b>23,379</b>	<b>(69,833)</b>	<b>639,368</b>	<b>413,121</b>
<b>NONCURRENT LIABILITIES</b>							
Accrued decommissioning - net	74,046	9,021	-	-	-	83,067	88,527
Derivative financial instruments	6,992	-	-	-	-	6,992	11,738
Net pension liability	-	-	-	-	-	-	393,557
Net OPEB liability	-	-	-	-	-	-	23,263
Other	78,808	-	161	-	-	78,969	92,945
<b>Total noncurrent liabilities</b>	<b>159,846</b>	<b>9,021</b>	<b>161</b>	<b>-</b>	<b>-</b>	<b>169,028</b>	<b>610,030</b>
<b>TOTAL LIABILITIES</b>	<b>2,931,080</b>	<b>142,202</b>	<b>556,491</b>	<b>143,449</b>	<b>(69,833)</b>	<b>3,703,389</b>	<b>4,111,892</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Accumulated increase in fair value of hedging derivatives	173,438	-	-	-	-	173,438	107,099
Deferred pension inflows	181,419	-	-	-	-	181,419	2,369
Deferred OPEB inflows	68,514	-	-	-	-	68,514	43,252
Regulatory credits	554,470	-	-	-	-	554,470	513,392
Unamortized bond gains - other	7,921	-	-	-	-	7,921	9,490
Unearned revenue	3,309	10	-	-	-	3,319	3,458
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>989,071</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>989,081</b>	<b>679,060</b>
<b>NET POSITION</b>							
Balance at beginning of year	2,292,641	283,722	(6,565)	9,838	(282,539)	2,297,097	1,957,512
(decrease) for the year	101,218	9,628	1,228	(296)	(1,531)	110,247	244,284
Member contributions (distributions) - net	-	-	(859)	(523)	1,382	-	-
<b>TOTAL NET POSITION</b>	<b>2,393,859</b>	<b>293,350</b>	<b>(6,196)</b>	<b>9,019</b>	<b>(282,688)</b>	<b>2,407,344</b>	<b>2,201,796</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 6,314,010</b>	<b>\$ 435,562</b>	<b>\$ 550,295</b>	<b>\$ 152,468</b>	<b>\$ (352,521)</b>	<b>\$ 7,099,814</b>	<b>\$ 6,992,748</b>

**SACRAMENTO MUNICIPAL UTILITY DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
For the Period Ended October 31, 2022  
(thousands of dollars)

	Month	Year to Date
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 178,889	\$ 1,412,896
Receipts from surplus power and gas sales	27,453	296,993
Other receipts	13,896	162,818
Payments to employees - payroll and other	(27,236)	(327,181)
Payments for wholesale power and gas purchases	(130,920)	(868,516)
Payments to vendors/others	(50,587)	(384,598)
Net cash provided by operating activities	11,495	292,412
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Repayment of debt	-	(20,550)
Interest on debt	(1,538)	(28,569)
Net cash used in noncapital financing activities	(1,538)	(49,119)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Construction expenditures	(26,637)	(287,055)
Contributions in aid of construction	1,607	19,853
Net proceeds from bond issues	-	150,711
Repayments and refundings of debt	-	(269,385)
Issuance of commercial paper	50,000	150,000
Other receipts	2,102	16,428
Interest on debt	-	(107,999)
Net cash provided by (used in) capital and related financing activities	27,072	(327,447)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales and maturities of securities	54,463	397,388
Purchases of securities	(86,016)	(782,947)
Interest and dividends received	1,783	7,041
Investment revenue/expenses - net	(109)	24,955
Net cash used in investing activities	(29,879)	(353,563)
Net increase (decrease) in cash and cash equivalents	7,150	(437,717)
Cash and cash equivalents at the beginning of the month and year	343,781	788,648
Cash and cash equivalents at October 31, 2022	\$ 350,931	\$ 350,931
Cash and cash equivalents included in:		
Unrestricted cash and cash equivalents	\$ 247,856	\$ 247,856
Restricted and designated cash and cash equivalents	17,696	17,696
Restricted and designated assets (a component of the total of \$311,375 at October 31, 2022)	85,379	85,379
Cash and cash equivalents at October 31, 2022	\$ 350,931	\$ 350,931



SSS No.  BOD 2022-011
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# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date FINANCE & AUDIT December 6, 2022
Board Meeting Date N/A

TO	TO
1. Jennifer Davidson	6.
2. Lora Anguay	7.
3. Scott Martin	8.
4.	9. <b>Legal</b>
5.	10. <b>CEO &amp; General Manager</b>

<b>Consent Calendar</b>	<input type="checkbox"/>	<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b>	<i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	<input type="checkbox"/>	<b>Yes</b>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Rosanna Herber / Donna Lofton	DEPARTMENT Board Office				MAIL STOP B307	EXT. 5079	DATE SENT 11/14/22		

**NARRATIVE:**

**Requested Action:** Allow the Board Members an opportunity to discuss committee membership and chairs for 2023.

**Summary:** This discussion will cover appointments for the four Board committees including chairs, vice chairs, and member and the SMUD - Sacramento Tree Foundation 2 x 2 representatives.

**Board Policy:** *(Number & Title)* This discussion supports GP-6 Role of the Board President which states that the Board President will appoint committee chairs and members of standing committees.

**Benefits:** This discussion will prepare the Board's committee structure and memberships for the upcoming year.

**Cost/Budgeted:** N/A

**Alternatives:** Not select new chairs or members for the committees at this time.

**Affected Parties:** Board of Directors

**Coordination:** Donna Lofton

**Presenter:** 2023 Board President Elect

<b>Additional Links:</b>
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SUBJECT Board Committee Membership 2023	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.







SSS No. BOD 2021-024
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# 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. <b>Legal</b>
5.	10. <b>CEO &amp; General Manager</b>

<b>Consent Calendar</b>		<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>		<b>Yes</b>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>
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FROM (IPR) Rosanna Herber / Donna Lofton	DEPARTMENT Board Office	MAIL STOP B307	EXT. 5079	DATE SENT 12/21/2021
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**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 agendized 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.