

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

Date: Tuesday, January 17, 2023

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, January 17, 2023

Scheduled to begin at 5:30 p.m.

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

Webinar/Meeting ID: 161 780 4495

Passcode: 892288

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 his 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. The Finance & Audit Committee will review, discuss and provide the Committee's recommendation on the following items, and the Board of Directors will take action on the Discussion Calendar:

DISCUSSION CALENDAR

1. 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).
Discussion: 5 minutes

INFORMATIONAL ITEMS

2. Lisa Limcaco Provide the Board with SMUD's financial results from the eleven-month period ended November 30, 2022, and a summary of SMUD's current Power Supply Costs.
Presentation: 10 minutes
Discussion: 5 minutes
3. Claire Rogers Provide the Board with an informational presentation on Internal Audit and the 2023 Annual Plan.
Presentation: 10 minutes
Discussion: 3 minutes
4. Claire Rogers Audit Reports: Q4 2022 Status of Recommendations report.
Discussion: 1 minute
5. Public Comment
6. Rob Kerth Summary of Committee Direction.
Discussion: 1 minute

ANNOUNCEMENT OF CLOSED SESSION AGENDA

1. Conference with Labor Negotiators

Pursuant to Section 54957.6 of the Government Code:

SMUD Designated Representatives:

Cheryl Spector, Manager, Employee Relations
Jennifer Dibble, Principal Employee Relations Analyst

Employee Organization:

SMUD Public Safety Officers' Association (PSOA).

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 his discretion, based upon such factors as the length of the agenda or the number of email comments received. Comments will be provided to the Board and placed into the record of the Committee meeting if it is received within two hours after the meeting ends.

*Members of the public may register to provide verbal comments at an upcoming Board or Committee meeting by emailing a request to speak to PublicComment@smud.org. Please include the date of the meeting, name, and topic or agenda item the requestor wishes to speak on. The request may also be submitted while the meeting is in progress during the standard time for the agenda item or topic. **Pre-registration is strongly encouraged by no later than 3:00 p.m. on the day of the meeting.***

ADA Accessibility Procedures: Upon request, SMUD will generally provide appropriate aids and services leading to effective communication for qualified persons with disabilities so that they can participate equally in this virtual meeting. If you need a reasonable auxiliary aid or service for effective communication to participate, please email Toni.Stelling@smud.org, or contact by phone at (916) 732-7143, no later than 48 hours before this virtual meeting.

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 01/17/23
Board Meeting Date
January 17, 2023
January 19, 2023

TO					TO							
1.	Jennifer Davidson				6.							
2.	Lora Anguay				7.							
3.	Scott Martin				8.							
4.	Jose Bodipo-Memba				9.	Legal						
5.					10.	CEO & General Manager						
Consent Calendar		<input checked="" type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	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 11/03/22
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 making some changes to previous COVID-19 Executive Orders but leaving the California State of Emergency due to the threat of COVID-19 in effect. On October 17, 2022, Governor Newsom announced his intent to end the California State of Emergency on February 28, 2023.</p> <p>On December 15, 2022, Cal/OSHA voted to adopt non-emergency COVID-19 Prevention Regulations, which will become effective in January 2023 when approved by the Office of Administrative Law, including defining “close contact” in an indoor space of 400,000 cubic feet or less as sharing the same indoor airspace for a cumulative total of 15 minutes or more in a 24-hour period. SMUD staff continue to report COVID-19 infections; 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 January 4, 2023, indicated a local COVID-19 case rate of 13.2% and 13 deaths since the last update. Epidemiological analysis of wastewater in Sacramento County also shows elevated levels. Due to the increase, Sacramento County was placed in the medium tier, with all surrounding counties also in the medium tier. 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>												

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, Resolution No. 22-07-02 adopted on July 21, 2022, Resolution No. 22-08-05 adopted on August 18, 2022, Resolution No. 22-09-06 adopted on September 15, 2022, Resolution No. 22-10-01 adopted on October 12, 2022, Resolution No. 22-10-03 adopted on October 20, 2022, and Resolution No. 22-11-04 adopted on November 17, 2022, this Board has previously made findings to continue to hold regular Board meetings and other public meetings via solely virtual (online/teleconference) format.

Staff's recommendation is to continue to hold regular Board meetings and other public meetings via virtual (online/teleconference) meeting or as hybrid virtual (online/teleconference/limited in-person) 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.

RESOLUTION NO. _____

WHEREAS, SMUD is committed to preserving public access and participation in meetings of the Board of Directors and to the safety of meeting attendees; and

WHEREAS, all meetings of the Board of Directors are open and public, as required by the Ralph M. Brown Act (Gov't Code, §§ 5495054963) ("Brown Act"), so that any member of the public may attend, participate in, and watch SMUD's governing body conduct its business; and

WHEREAS, the newly enacted Government Code section 54953(e) authorizes a local agency's governing body, during a proclaimed state of emergency, to participate in its public meetings using remote teleconferencing without compliance with the requirements of Government Code section 54953(b)(3), under specified conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, another condition is that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body determines that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, on February 28, 2022, the California Department of Public Health rescinded the mask requirement effective March 1, 2022, for all individuals

regardless of vaccination status and instead issued a strong recommendation that all persons, regardless of vaccine status, continue indoor masking; and

WHEREAS, the Sacramento County Department of Public Health on its Epidemiology COVID-19 Dashboard continues to show elevated case and death data that appears to have been stable for weeks, and this is supported by ongoing wastewater sampling; and

WHEREAS, Sacramento County and surrounding counties currently have medium community transmission rates for COVID-19 as defined by the Centers for Disease Control and Prevention; and

WHEREAS, on December 15, 2022, the California Department of Industrial Relations, Division of Occupational Safety and Health (Cal/OSHA) voted to adopt Non-emergency COVID-19 Prevention Regulations, which will become effective in January 2023 when approved by the Office of Administrative Law, including defining “close contact” in an indoor space of 400,000 cubic feet or less as sharing the same indoor airspace for a cumulative total of 15 minutes or more in a 24-hour period; and

WHEREAS, SMUD staff and other community members are still reporting infections with lasting symptoms; and

WHEREAS, adoption of the new bivalent booster is still relatively low; and

WHEREAS, SMUD Board and Committee meetings can last as long as four hours, with participants sitting in the same room sharing air the entire time; and

WHEREAS, it would be impractical for SMUD to take steps necessary to prevent imminent risks to the health and safety of attendees, such as by holding public

meetings outdoors, ensuring public meeting attendees are vaccinated, have appropriate face coverings, and wear them consistent with public health guidance; and

WHEREAS, all meetings, agendas, meeting dates, times, and manner in which the public may participate in the public meetings of the SMUD Board and offer public comment by telephone or internet-based service options including video conference are posted on the SMUD website and physically outside of SMUD's Headquarters Building; and

WHEREAS, by Resolution No. 21-10-01 adopted on October 12, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 21-10-03 adopted on October 21, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 21-11-05 adopted on November 18, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 21-12-04 adopted on December 9, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-03-01 adopted on March 8, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-03-03 adopted on March 17, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-04-01 adopted on April 13, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-04-03 adopted on April 21, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-05-06 adopted on May 19, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-06-02 adopted on June 16, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct

remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-07-02 adopted on July 21, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-08-05 adopted on August 18, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-09-06 adopted on September 15, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-10-01 adopted on October 12, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-10-03 adopted on October 20, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-11-04 adopted on November 17, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; **NOW, THEREFORE**,

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

Section 1. Risks to Health and Safety of Attendees. The Board has reconsidered the circumstances of the state of emergency and hereby finds that the state of emergency continues to directly impact the ability of the members to meet safely in person and holding SMUD Board meetings in person would present imminent risks to the health and safety of attendees.

Section 2. Remote Teleconference Meetings. SMUD staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including conducting open and public meetings in accordance with section 54953(e) and other applicable provisions of the Brown Act.

Section 3. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) February 16, 2023, or (ii) such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the SMUD Board may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

SSS No.
CFO 22-021

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit, 2023
Board Meeting Date
N/A

TO				TO			
1.	Jennifer Davidson			6.			
2.	Lora Anguay			7.			
3.	Scott Martin			8.			
4.	Jose Bodipo-Memba			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.	DATE SENT
Lisa Limcaco		Accounting		B352		7045	12/27/2022

NARRATIVE:

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

Summary: Staff will present SMUD's financial results for the year-to-date period 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: Provide Board members with information regarding SMUD's financial position and SMUD's current power supply costs.

Cost/Budgeted: N/A

Alternatives: N/A

Affected Parties: Accounting and SMUD

Coordination: Accounting

Presenter: Lisa Limcaco

Additional Links:

SUBJECT	SMUD's Financial Results & Power Supply Costs	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: Distribution

DATE: December 30, 2022
ACC 22-028

FROM: Kathy Ketchum / Lisa Limcaco

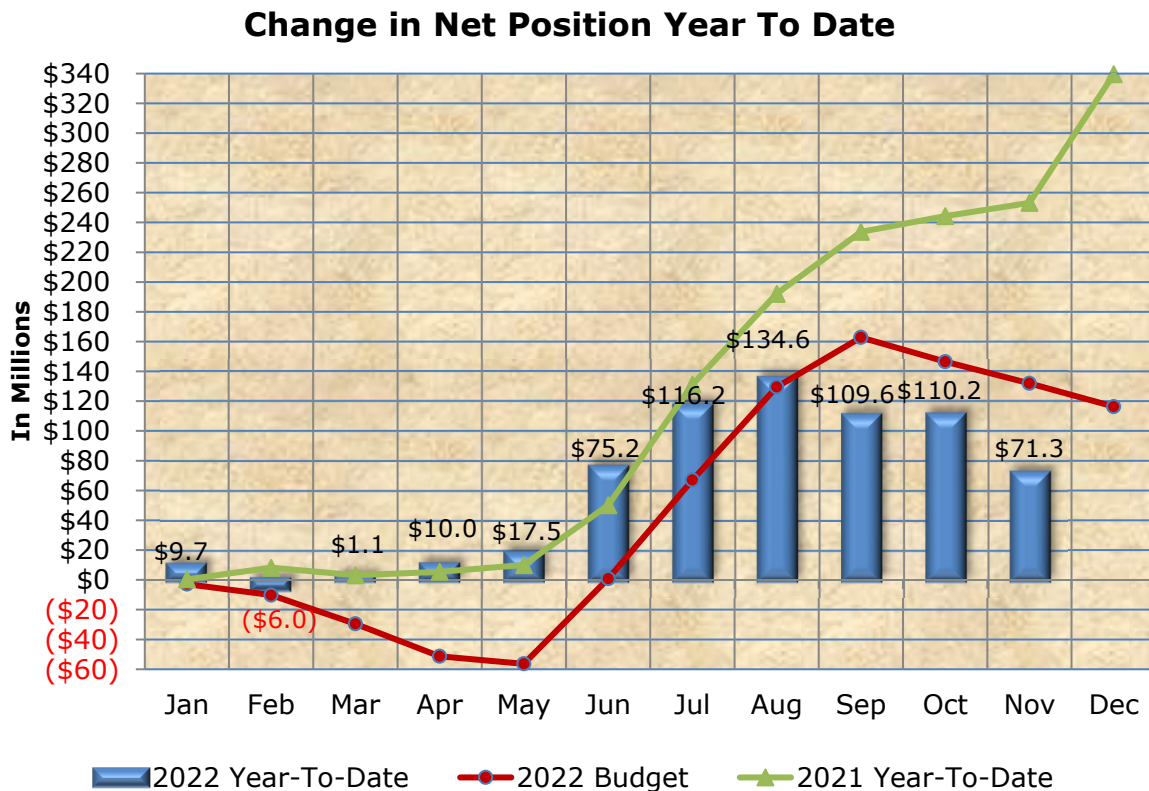
SUBJECT: NOVEMBER 2022 FINANCIAL RESULTS AND OPERATIONS DATA

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

The change in net position is an increase of \$71.3 million compared to a budgeted increase of \$132.0 million, resulting in an unfavorable variance of \$60.7 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 Eleven Months Ended November 30, 2022

Net Position

- The change in net position is an increase of \$71.3 million compared to a budgeted increase of \$132.0 million, resulting in an unfavorable variance of \$60.7 million.

Revenues

- Revenues from sales to customers were \$1,501.1 million, which was \$100.2 million higher than planned.
 - The increase is primarily due to higher commercial customer revenues of \$59.0 million, higher residential sales of \$38.5 million, and lower provision for uncollectible accounts of \$14.2 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 \$22.8 million. This is due to carbon allowances sold through the state sanctioned quarterly auctions.
- Low Carbon Fuel Standard (LCFS) revenues were \$9.1 million, which was \$8.7 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 \$32.0 million, of which \$22.8 million was for AB-32 and \$9.1 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 \$32.0 million, of which \$25.1 million was for revenue recognized for the annual Hydro rate adjustment and \$6.9 million was for revenues recognized from LCFS electric vehicle programs expenses.
- Other electric revenues were higher by \$59.6 million primarily due to \$50.0 million receipt of CPP business interruption insurance proceeds and 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 2,663 GWh (39.9 percent); JPA and other generation was lower by 2,307 GWh (42.5 percent); and Hydro generation was lower by 356 GWh (28.4 percent).
- Purchased power expense of \$757.2 million, less surplus power sales of \$137.4 million, was \$619.8 million, which was \$429.9 million higher than planned. Purchased power expense increased because of higher prices of \$240.1 million and higher quantities purchased of \$189.8 million due to the procuring of replacement power for the Cosumnes Power Plant (CPP) unplanned outage.
- Production operations cost of \$322.3 million, less surplus gas sales of \$184.2 million, was \$138.1 million, which was \$109.5 million lower than planned.
 - Fuel costs of \$177.8 million, less surplus gas sales of \$184.2 million, created net surplus gas sales of \$6.4 million, which resulted in fuel costs being \$143.4 lower than planned. This is primarily due to lower fuel prices of \$90.8 million and lower fuel usage of \$52.6 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 \$1.9 million higher than planned.
 - Offset by higher carbon allowances of \$11.4 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 \$769.6 million, which was \$193.8 million lower than planned. The power margin as a percentage of sales to customers was 51.3 percent, which was 17.5 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 \$776.8 million, which was \$44.2 million lower than planned.

- Transmission and distribution operation expenses were higher by \$5.9 million primarily due to higher Transmission Agency of Northern California (TANC) management and transmission trading expenses.
- Customer accounts expenses were \$7.5 million lower than planned primarily in Revenue Assurance due to vacancies and labor charged to projects.
- Customer service and information expenses were \$17.3 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 \$6.8 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 \$6.7 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.
- Transmission and distribution maintenance expenses were \$5.5 million higher than planned. This is primarily due to higher service reconnect and repair expenses and higher station equipment preventative maintenance and onboarding/training of 13 new apprentices.
- Non-cash amortization of pension and other post-employment benefits (OPEB) was \$12.0 million lower than planned, which resulted in a positive impact to net position. This is due to the implementation of regulatory accounting for Governmental Accounting Standards Board (GASB) 68 Pension and GASB 75 OPEB amortizations.
- Non-cash amortization of regulatory assets was \$5.8 million lower than planned due to the implementation of regulatory accounting for GASB 68 Pension and GASB 75 OPEB amortizations.

Non-operating Revenues and Expenses

- Other revenue, net, was \$38.1 million higher than planned primarily due to higher investment revenue of \$26.4 million due to natural gas hedging activities, \$7.3 million higher interest income, \$5.9 million distribution earnings from TANC, \$4.9 million higher contributions in aid of construction due to differences between accounting treatment of offsets and amounts recorded for budget purposes, \$1.3 million in real estate and fleet sales, 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 \$5.7 million, a \$2.8 million expense created by the close out of the South Sutter Water District escrow account, and \$1.9 million loss on early retirement of assets.
- Interest charges were \$3.4 million lower than planned due to lower amortization on revenue bonds, lower interest expense on long-term debt and lower commercial paper interest and fees.

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

	Actual	Budget	Over (Under)	Percent of Increase (Decrease)
OPERATING REVENUES				
Sales to customers	\$ 108,071	\$ 99,579	\$ 8,492	8.5 %
Sales of surplus power	9,610	10,067	(457)	(4.5)
Sales of surplus gas	16,324	-	16,324	*
AB32 revenue	5,360	-	5,360	*
LCFS revenue	1,365	2,317	(952)	(41.1)
Other electric revenue	53,709	2,806	50,903	*
Revenue to rate stabilization fund	(6,725)	-	(6,725)	*
Revenue from rate stabilization fund	484	-	484	*
Total operating revenues	188,198	114,769	73,429	64.0
OPERATING EXPENSES				
Operations				
Purchased power	63,161	25,732	37,429	145.5
Production	27,731	21,430	6,301	29.4
Transmission and distribution	7,189	7,280	(91)	(1.3)
Customer accounts	4,495	5,128	(633)	(12.3)
Customer service and information	5,791	7,668	(1,877)	(24.5)
Administrative and general	14,406	14,685	(279)	(1.9)
Public good	5,004	5,506	(502)	(9.1)
Total operations	127,777	87,429	40,348	46.1
Maintenance				
Production	6,244	3,019	3,225	106.8
Transmission and distribution	9,756	9,467	289	3.1
Total maintenance	16,000	12,486	3,514	28.1
Depreciation and amortization				
Depreciation	19,049	18,973	76	0.4
Amortization of pension and OPEB	65,153	1,087	64,066	*
Amortization of regulatory asset	(4,267)	2,881	(7,148)	(248.1)
Total depreciation and amortization	79,935	22,941	56,994	248.4
Total operating expenses	223,712	122,856	100,856	82.1
OPERATING INCOME (LOSS)	(35,514)	(8,087)	(27,427)	(339.1)
NON-OPERATING REVENUES AND EXPENSES				
Other revenues/(expenses)				
Interest income	2,157	340	1,817	534.4
Investment revenue (expense)	36	(159)	195	122.6
Other income (expense) - net	(741)	805	(1,546)	(192.0)
Unrealized holding gains (losses)	1,259	-	1,259	*
Revenue - CIAC	2,051	1,165	886	76.1
Total other revenues	4,762	2,151	2,611	121.4
Interest charges				
Interest on long-term debt	7,901	8,391	(490)	(5.8)
Interest on commercial paper	327	190	137	72.1
Total interest charges	8,228	8,581	(353)	(4.1)
CHANGE IN NET POSITION	\$ (38,980)	\$ (14,517)	\$ (24,463)	(168.5) %

* Equals 1000% or greater.

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

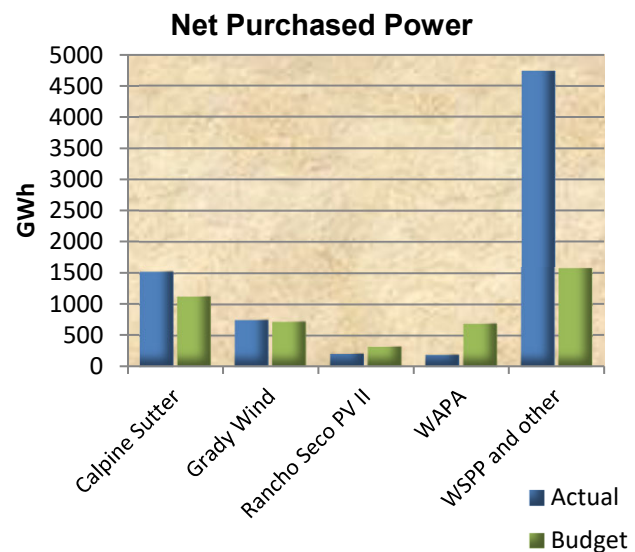
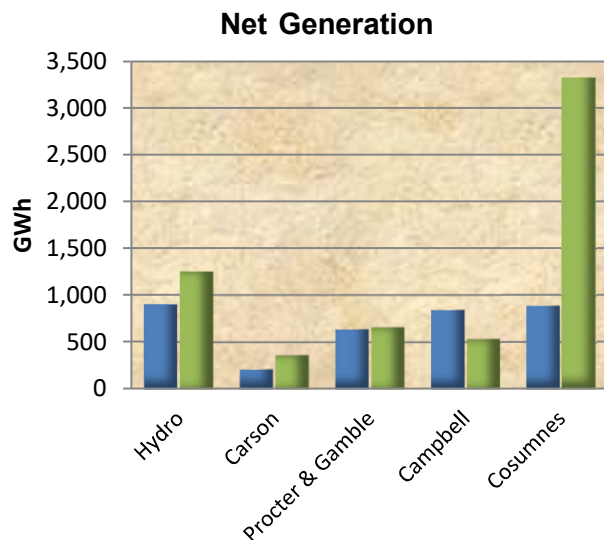
	Actual	Budget	Over (Under)	Percent of Increase (Decrease)
OPERATING REVENUES				
Sales to customers	\$ 1,501,108	\$ 1,400,938	\$ 100,170	7.2 %
Sales of surplus power	137,404	188,264	(50,860)	(27.0)
Sales of surplus gas	184,188	-	184,188	*
SB-1 revenue (deferral)/recognition, net	15	-	15	*
AB32 revenue	22,760	-	22,760	*
LCFS revenue	9,140	17,797	(8,657)	(48.6)
Other electric revenue	90,095	30,504	59,591	195.4
Revenue to rate stabilization fund	(31,980)	-	(31,980)	*
Revenue from rate stabilization fund	32,007	-	32,007	*
Total operating revenues	1,944,737	1,637,503	307,234	18.8
OPERATING EXPENSES				
Operations				
Purchased power	757,215	378,181	379,034	100.2
Production	322,261	247,587	74,674	30.2
Transmission and distribution	82,933	77,016	5,917	7.7
Customer accounts	48,494	56,012	(7,518)	(13.4)
Customer service and information	60,215	77,514	(17,299)	(22.3)
Administrative and general	149,604	156,402	(6,798)	(4.3)
Public good	49,611	56,321	(6,710)	(11.9)
Total operations	1,470,333	1,049,033	421,300	40.2
Maintenance				
Production	43,360	42,791	569	1.3
Transmission and distribution	112,378	106,855	5,523	5.2
Total maintenance	155,738	149,646	6,092	4.1
Depreciation and amortization				
Depreciation	204,268	204,420	(152)	(0.1)
Amortization of pension and OPEB	-	11,953	(11,953)	(100.0)
Amortization of regulatory asset	25,900	31,689	(5,789)	(18.3)
Total depreciation and amortization	230,168	248,062	(17,894)	(7.2)
Total operating expenses	1,856,239	1,446,741	409,498	28.3
OPERATING INCOME	88,498	190,762	(102,264)	(53.6)
NON-OPERATING REVENUES AND EXPENSES				
Other revenues/(expenses)				
Interest income	10,986	3,646	7,340	201.3
Investment revenue (expense)	25,048	(1,849)	26,897	*
Other income (expense) - net	27,411	22,719	4,692	20.7
Unrealized holding gains (losses)	(5,681)	-	(5,681)	*
Revenue - CIAC	17,652	12,785	4,867	38.1
Total other revenues	75,416	37,301	38,115	102.2
Interest charges				
Interest on long-term debt	91,049	94,134	(3,085)	(3.3)
Interest on commercial paper	1,598	1,917	(319)	(16.6)
Total interest charges	92,647	96,051	(3,404)	(3.5)
CHANGE IN NET POSITION	\$ 71,267	\$ 132,012	\$ (60,745)	(46.0) %

* Equals 1000% or greater.

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

Sources of Energy (GWh)	Month		Increase	Year to Date		Increase
	Actual	Budget	(Decrease) Percentage	Actual	Budget	(Decrease) Percentage
Net Generated						
Hydro	32	48	(33.3)	896	1,252	(28.4)
Carson Power Plant	18	29	(37.9)	210	361	(41.8)
Procter & Gamble Power Plant	69	66	4.5	633	654	(3.2)
Campbell Power Plant	94	16	487.5	838	530	58.1
Cosumnes Power Plant	12	405	(97.0)	882	3,324	(73.5)
Other	16	26	(38.5)	557	558	(0.2)
Total net generation	241	590	(59.2)	4,016	6,679	(39.9)
Purchased Power less transmission losses:						
CalEnergy	18	18	0.0	203	204	(0.5)
Calpine Sutter	108	86	25.6	1,526	1,123	35.9
Drew Solar	22	18	22.2	81	271	(70.1)
Feed in Tariff	11	9	22.2	208	204	2.0
Grady Wind	78	72	8.3	747	720	3.8
Rancho Seco PV II	9	17	(47.1)	211	322	(34.5)
WAPA	6	24	(75.0)	191	690	(72.3)
WSPP and other	456	85	436.5	4,739	1,579	200.1
Other long term power	36	43	(16.3)	528	614	(14.0)
Total net purchases	744	372	100.0	8,434	5,727	47.3
Total sources of energy	985	962	2.4	12,450	12,406	0.4
Uses of energy:						
SMUD electric sales and usage	796	770	3.4	9,742	9,317	4.6
Surplus power sales	162	177	(8.5)	2,349	2,684	(12.5)
System losses	27	15	80.0	359	405	(11.4)
Total uses of energy	985	962	2.4 %	12,450	12,406	0.4 %

* Change equals 1000% or more.



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

- Hydro generation is lower than planned (28.4 percent).
- JPA generation is lower than planned (47.4 percent).

Purchased power, less surplus power sales, is higher than plan (100 percent).

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
November 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	\$ 5,909,290	\$ 947,712	\$ -	\$ -	\$ -	\$ 6,857,002	\$ 6,513,382	
Less accumulated depreciation	2,800,477	674,926	-	-	-	3,475,403	3,295,900	
Plant in service - net	3,108,813	272,786	-	-	-	3,381,599	3,217,482	
Construction work in progress	510,245	36,327	-	-	-	546,572	578,572	
Investment in Joint Power Agencies	315,542	-	-	-	(282,717)	32,824	27,193	
Total electric utility plant - net	3,934,600	309,113	-	-	(282,717)	3,960,995	3,823,247	
RESTRICTED ASSETS								
Revenue bond reserves	2,004	-	-	-	-	2,004	2,931	
Restricted for payment of debt service	59,360	-	-	-	-	59,360	63,589	
Restricted for nuclear decommissioning trust fund	-	2,645	16,325	10,291	-	29,261	31,905	
Rate stabilization fund	8,954	-	-	-	-	8,954	8,874	
pension asset	188,965	-	-	-	-	188,965	166,197	
Net OPEB asset	61,942	-	-	-	-	61,942	-	
Due to from unrestricted funds (decommissioning)	34,223	-	-	-	-	34,223	770	
Due to from restricted funds (decommissioning)	24,472	-	3,000	1	-	27,473	22,416	
Less current portion	(6,684)	-	-	-	-	(6,684)	(6,684)	
Total restricted assets	(6,684)	-	-	-	-	6,684	6,684	
	(67,353)	(2,638)	(19,325)	(10,292)	-	(99,608)	(115,069)	
	312,567	7	-	-	-	312,574	181,613	
CURRENT ASSETS								
Cash, cash equivalents and investments								
Unrestricted	579,486	36,310	-	-	-	615,796	639,046	
Restricted	67,353	2,638	19,325	10,292	-	99,608	115,069	
Accounts receivable - net	284,088	57,607	4,011	2,376	(86,144)	261,938	251,682	
Energy efficiency loans due within one year	201	-	-	-	-	201	2,691	
Interest receivable	2,927	170	-	9	-	3,106	529	
Regulatory costs to be recovered within one year	36,283	104	-	105	-	36,492	38,404	
Derivative financial instruments maturing within in one year	109,466	-	-	-	-	109,466	42,280	
Inventories	97,629	19,570	-	-	-	117,199	109,175	
Prepaid gas to be delivered within one year	-	-	4,047	24,943	-	28,990	25,837	
Prepayments and other	22,192	4,790	-	16	-	26,998	25,021	
Total current assets	1,199,625	121,189	27,383	37,741	(86,144)	1,299,794	1,249,734	
NONCURRENT ASSETS								
Regulatory costs for future recovery								
Decommissioning	71,399	-	-	-	-	71,399	77,237	
Pension	338,892	-	-	-	-	338,892	341,963	
OPEB	274,035	-	-	-	-	274,035	282,074	
Bond Issues	-	687	-	376	-	1,063	1,272	
Derivative financial instruments	1,288	-	-	-	-	1,288	3,697	
Derivative financial instruments	103,332	-	-	-	-	103,332	49,544	
Prepaid gas	-	-	525,183	114,794	-	639,977	668,969	
Prepaid power and capacity	190	-	-	-	-	190	398	
Energy efficiency loans - net	671	-	-	-	-	671	(1,686)	
Other	66,793	4	-	56	-	66,853	49,756	
Total noncurrent assets	856,600	691	525,183	115,226	-	1,497,700	1,473,224	
TOTAL ASSETS	\$ 6,303,392	\$ 431,000	\$ 552,566	\$ 152,967	\$ (368,861)	\$ 7,071,063	\$ 6,727,818	
DEFERRED OUTFLOWS OF RESOURCES								
Accumulated decrease in fair value of hedging derivatives	13,328	-	-	-	-	13,329	25,072	
Deferred pension outflows	67,992	-	-	-	-	67,992	180,578	
Deferred OPEB outflows	20,900	-	-	-	-	20,900	23,483	
Deferred ARO outflows	-	1,368	-	-	-	1,368	1,416	
Unamortized bond losses - other	7,357	1,215	-	-	-	8,572	12,526	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	109,577	2,583	-	-	-	112,161	243,075	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 6,412,969	\$ 433,583	\$ 552,566	\$ 152,967	\$ (368,861)	\$ 7,183,224	\$ 6,970,893	

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

	<u>Total</u>						
	SMUD	Cosumnes	NCEA	NCGA #1	Intercompany Eliminations	2022	2021
LONG-TERM DEBT -NET	\$ 2,128,503	\$ 95,711	\$ 547,291	\$ 120,070	\$ -	\$ 2,891,575	3,085,221
CURRENT LIABILITIES							
Commercial paper notes	150,000	-	-	-	-	150,000	-
Accounts payable	110,605	27,233	1,485	250	-	139,573	119,798
Purchased power payable	116,243	24,658	-	-	(86,144)	54,757	28,273
Credit support collateral obligation	12,293	-	-	1	-	12,294	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	26,378	1,869	9,064	775	-	38,086	38,842
Accrued salaries and compensated absences	49,443	-	-	-	-	49,443	43,561
Derivative financial instruments maturing within one year	9,944	-	-	-	-	9,944	22,343
Customer deposits	1,757	-	-	-	-	1,757	1,442
Other	49,030	-	-	-	-	49,030	31,815
Total current liabilities	643,747	55,605	10,549	23,891	(86,144)	647,648	428,555
NONCURRENT LIABILITIES							
Accrued decommissioning - net	73,669	9,021	-	-	-	82,690	88,060
Derivative financial instruments	5,532	-	-	-	-	5,532	10,742
Net pension liability	-	-	-	-	-	-	368,557
Net OPEB liability	-	-	-	-	-	-	23,263
Other	78,628	-	161	-	-	78,789	93,160
Total noncurrent liabilities	157,829	9,021	161	-	-	167,011	583,782
TOTAL LIABILITIES	2,930,079	160,337	558,001	143,961	(86,144)	3,706,234	4,097,558
DEFERRED INFLOWS OF RESOURCES							
Accumulated increase in fair value of hedging derivatives	209,219	-	-	-	-	209,219	89,151
Deferred pension inflows	171,762	-	-	-	-	171,762	1,184
Deferred OPEB inflows	63,237	-	-	-	-	63,237	41,692
Regulatory credits	640,326	-	-	-	-	640,326	517,806
Unamortized bond gains - other	20,775	-	-	-	-	20,775	9,368
Unearned revenue	3,302	5	-	-	-	3,307	3,454
TOTAL DEFERRED INFLOWS OF RESOURCES	1,108,621	5	-	-	-	1,108,626	662,655
NET POSITION							
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	81,628	24,519	1,965	(314)	(36,531)	71,267	253,169
Member contributions (distributions) - net	-	(35,000)	(835)	(518)	36,353	-	-
Net increase	81,628	(10,471)	1,130	(832)	(0,178)	71,267	253,169
TOTAL NET POSITION	2,374,269	273,241	(5,435)	9,006	(282,717)	2,368,364	2,210,680
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 6,412,969	\$ 433,583	\$ 552,566	\$ 152,967	\$ (368,861)	\$ 7,183,224	\$ 6,970,893

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

	Month	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 138,029	\$ 1,550,925
Receipts from surplus power and gas sales	11,024	308,017
Other receipts	42,245	205,063
Payments to employees - payroll and other	(24,254)	(351,435)
Payments for wholesale power and gas purchases	(62,388)	(930,904)
Payments to vendors/others	(38,125)	(422,723)
Net cash provided by operating activities	66,531	358,943
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Repayment of debt	-	(20,550)
Interest on debt	-	(28,569)
Net cash used in noncapital financing activities	-	(49,119)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction expenditures	(38,126)	(325,181)
Contributions in aid of construction	2,804	22,657
Net proceeds from bond issues	-	150,711
Repayments and refundings of debt	-	(269,385)
Issuance of commercial paper	-	150,000
Other receipts	-	16,428
Interest on debt	(14,017)	(122,016)
Net cash used in capital and related financing activities	(49,339)	(376,786)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales and maturities of securities	104,135	501,523
Purchases of securities	(85,365)	(868,312)
Interest and dividends received	1,757	8,798
Investment revenue/expenses - net	25	24,980
Net cash provided by (used in) investing activities	20,552	(333,011)
Net increase (decrease) in cash and cash equivalents	37,744	(399,973)
Cash and cash equivalents at the beginning of the month and year	350,931	788,648
Cash and cash equivalents at November 30, 2022	\$ 388,675	\$ 388,675
Cash and cash equivalents included in:		
Unrestricted cash and cash equivalents	\$ 265,505	\$ 265,505
Restricted and designated cash and cash equivalents	20,277	20,277
Restricted and designated assets (a component of the total of \$312,574 at November 30, 2022)	102,893	102,893
Cash and cash equivalents at November 30, 2022	\$ 388,675	\$ 388,675

SSS No.
AQS 2023-1

BOARD AGENDA ITEM
STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit
January 17, 2023
Board Meeting Date
N/A

TO				TO						
1.	Jennifer Davidson			6.						
2.	Lora Anguay			7.						
3.	Scott Martin			8.						
4.	Jose Bodipo-Memba			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) Claire Rogers				DEPARTMENT Audit and Quality Services				MAIL STOP ME-2	EXT. 7122	DATE SENT 12/22/2022

NARRATIVE:

Requested Action: Provide the Board with an informational presentation on Internal Audit and the 2023 Annual Plan.

Summary: The presentation will review the purpose, authority and responsibilities of Audit and Quality Services. In addition, the organizational relationship and role in SMUD's overall risk management and control will be presented.

Audit and Quality Services takes multiple steps to create the proposed plan. The objective is to develop a plan that is risk based and focused to deliver value to SMUD. The following key steps are completed: understand SMUD's business environment, organization, and strategic goals; assess risk and exposure in achieving goals; understand controls/ strategies in place to mitigate risks; obtain input from executives, managers and key stakeholders; assess impact of prior audit work; availability and expertise of resources and best practices. This information is gathered, evaluated, and prioritized to develop the final plan. The audits selected reflect greater business risks, audits that are performed cyclically or areas that may not have as robust systems of internal controls to help ensure adequate business risk mitigation.

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: SMUD Board, Internal Auditor

Coordination: N/A

Presenter: Claire Rogers

Additional Links:

SUBJECT	Audit and Quality Services 2023 Annual Plan	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No.
AQS 2023-2

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit Committee January 17, 2023
Board Meeting Date N/A

TO		TO	
1.	Jennifer Davidson	6.	
2.	Lora Anguay	7.	
3.	Scott Martin	8.	
4.	Jose Bodipo-Memba	9.	Legal
5.		10.	CEO & General Manager

Consent Calendar	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) Claire Rogers	DEPARTMENT Audit and Quality Services		MAIL STOP ME-2	EXT. 7122	DATE SENT 12/22/22	

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 Q4 2022	n/a

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 Auditor

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

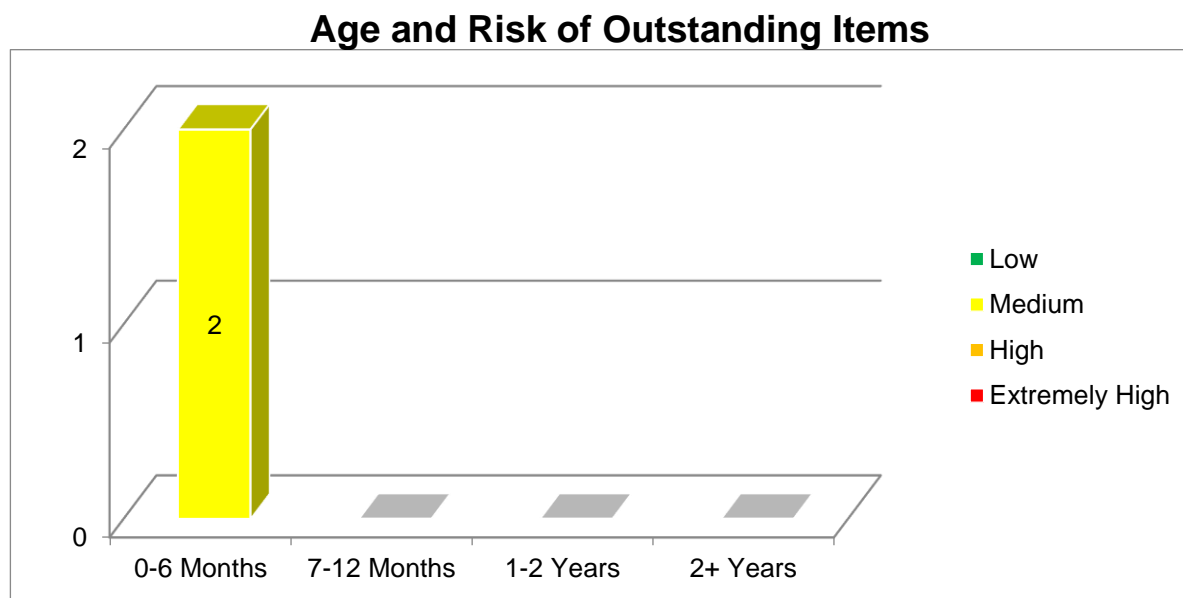
DATE: January 3, 2023

FROM: Claire Rogers

SUBJECT: QUARTERLY REPORT ON THE STATUS OF RECOMMENDATIONS AS OF DECEMBER 31, 2022

Attached for your review is the Status of Recommendations report for the Fourth Quarter of 2022. Prior to this report being finalized, all outstanding recommendations were given to the responsible department Manager/Director for follow up.

Five open items were closed during the reporting period and were reviewed to assure implementation in accordance with the management response. None of the remaining 2 items are currently overdue. The chart below is a breakdown by age and risk of the outstanding items regardless of their risk ranking:



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.

STATUS OF RECOMMENDATIONS AT 12/30/2022

RISK	RECOMMENDATION	RESPONSIBLE DEPARTMENT	STATUS / DATE	COMMENTS
Community Funding 28007323-01 Medium Process Improvement	Sustainable Communities should work with SMUD's Legal Counsel to revise the partnership agreement language to ensure that it more clearly describes the projects or programs being funded, when applicable, and so that it indicates the monetary value of the services being provided by the partner organization; additionally, any exceptions to the standard contract language should be reviewed by Legal. Sustainable Communities should also consider reviewing SMUD's Procurement Manual and working with Procurement staff to ensure all of the standard required elements of a valid contract are included in their partnership agreements.		Date Issued 09/01/2022 Outstanding 04/28/2023	Sustainable Communities supports the general findings of observation 1 and recognizes the opportunity for process improvement to better clarify and demonstrate that the community partners are able to demonstrate completion of MOU terms. Sustainable Communities supports the agreement language revisions and will continue to work with SMUD's Legal Counsel to update the partnership agreement language to ensure that all parties clearly understand the projects or programs being funded, and better identify the monetary value of the services being provided by the partner organization. It is important to note that when evaluating services using equity metrics that similar service types in different geographic regions may offer varying monetary values based on need and desired outcomes. We will work to make sure that is qualified to the degree feasible. The Sustainable Communities team also agrees with the idea of reviewing the procurement manual for standard alignment and updating the audit language with our audit team, while continuing the existing MOU process outside of the formal procurement process to ensure adequate resource capacity.
Community Funding 28007323-02 Medium Process Improvement	Sustainable Communities should update its tracking documentation process to include all the tasks or deliverables associated with each agreement and addendums and indicate when they have been completed. Sustainable Communities should also consider referring to SMUD's Procurement Manual for contract monitoring guidance.		Date Issued 09/01/2022 Outstanding 04/28/2023	The Sustainable Communities team manages over 135 multi-year partnerships with community organizations that are often understaffed. We agree that process improvements regarding the tracking and project management of the 135 partners would be of value to ensure that each partnership deliverable is being managed, tracked, and communicated. We support the recommendation and Sustainable Communities partnership specialists will update the Excel

STATUS OF RECOMMENDATIONS AT 12/30/2022

RISK	RECOMMENDATION	RESPONSIBLE DEPARTMENT	STATUS / DATE	COMMENTS
				spreadsheet to include all the tasks and/or deliverables associated with each agreement and addendum. Sustainable Communities will provide guidance to partners to ensure tasks and deliverables outlined in the agreement are reported out on in the quarterly reports. The Sustainable Communities team also agrees with the idea of reviewing the procurement manual for contract monitoring guidance. Again, technology (community portal) and aligned staffing resources (aligned skill sets for partner leads) will continue to help in the execution of this recommendation.

SSS No.

BOD 2022-020

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

2023

Board Meeting Date

N/A

TO				TO				
1.	Jennifer Davidson			6.				
2.	Jose Bodipo-Memba			7.				
3.	Scott Martin			8.				
4.	Lora Anguay			9.	Legal			
5.				10.	CEO & General Manager			
Consent Calendar		Yes	<input checked="" type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>		Budgeted	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Rob Kerth / Donna Lofton				DEPARTMENT Board Office				MAIL STOP B307
								EXT. 5079
								DATE SENT 12/27/22
NARRATIVE:								
Requested Action: A summary of directives provided to staff during the committee meeting.								
<p>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 Committee Chair will summarize Board member requests that come out of the committee presentations for this meeting.</p> <p>Board Policy: GP-4 Agenda Planning states the Board will focus on the results the Board wants the organization to achieve. <i>(Number & Title)</i></p> <p>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.</p> <p>Cost/Budgeted: Included in budget</p> <p>Alternatives: Not summarize the Board's requests at this meeting.</p> <p>Affected Parties: Board of Directors and Executive Staff</p> <p>Coordination: Donna Lofton, Special Assistant to the Board</p> <p>Presenter: Rob Kerth, Finance and Audit Chair</p>								

Additional Links:

SUBJECT

Summary Of Committee Direction – Finance and Audit

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.