

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

Date: Tuesday, June 17, 2025

Time: Scheduled to begin at 6:00 p.m.

Location: SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, CA

Powering forward. Together.



AGENDA

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

Tuesday, June 17, 2025
SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, California
Scheduled to begin at 6:00 p.m.

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 Finance & Audit Committee's recommendation on the following agenda item(s):

Virtual Viewing or Attendance:

Live video streams (view-only) and indexed archives of meetings are available at:
<https://www.smud.org/Corporate/About-us/Company-Information/Board-Meetings/Watch-or-Listen-online>

Zoom Webinar Link: [Join Board Finance & Audit Committee Meeting Here](#)
Webinar/Meeting ID: 160 757 3542
Passcode: 138144
Phone Dial-in Number: 1-669-254-5252 or 1-833-568-8864 (Toll Free)

Verbal Public Comment:

Members of the public may provide verbal public comment by:

- Completing a sign-up form at the table outside of the meeting room and giving it to SMUD Security.
- Using the "Raise Hand" feature in Zoom (or pressing *9 while dialed into the telephone/toll-free number) during the meeting at the time public comment is called. Microphones will be enabled for virtual or telephonic attendees when the commenter's name is announced.

Written Public Comment:

Members of the public may provide written public comment on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via email to PublicComment@smud.org or by mailing or bringing physical copies to the meeting. Email is not monitored during the meeting. Comments will not be read into the record but will be provided to the Board and placed into the record of the meeting if received within two hours after the meeting ends.

DISCUSSION ITEMS

1. Amber Connors Discuss approving Contract Change No. 4 to Contract No. 4500100166 with **Motorola Solutions, Inc.** for Next Generation Two-Way Radio System to increase the contract not-to-exceed amount by \$5,949,221, from \$13,724,750 to \$19,673,971.
Presentation: 5 minutes
Discussion: 1 minute
2. Eric Poff Discuss approving Contract Change No. 1 to Contract No. 4600001985 with **W.A. Chester America, LLC**, to increase the contract not-to-exceed amount by \$1 million, from \$2 million to \$3 million, to repair the 115kV Station E to Station G Line 1 Underground High-Pressure Oil Filled (HPOF) cable fault.
Presentation: 5 minutes
Discussion: 2 minutes
3. Josh Langdon Discuss authorizing the Chief Executive Officer and General Manager to negotiate and award contracts to **ARB, Inc., Michels Pacific Energy, Inc., and Snelson Companies, Inc.** (collectively, the **Contracts**) to provide Gas Pipeline Operations Construction Projects and Services Support for a five-year term from July 1, 2025, to July 1, 2030, for a total aggregate not-to-exceed amount of \$20 million across the three **Contracts**.
Presentation: 5 minutes
Discussion: 2 minutes
4. Casey Fallon Discuss authorizing the Chief Executive Officer and General Manager to negotiate and award contracts to **WBE Traffic Control LLC, Capitol Barricade, Inc., Statewide Traffic Safety & Signs dba AWP Safety, Traffic Management LLC, RoadSafe Traffic Systems, Inc., and Greentek Services, LLC** (collectively, the **Contracts**), for Traffic Control Services for a contract term of three years from July 1, 2025, to July 1, 2028, with two optional one-year extensions, for a total aggregate not-to-exceed amount of \$16 million across all the **Contracts**.
Presentation: 5 minutes
Discussion: 1 minute

5. Casey Fallon Discuss approving Contract Change No. 5 to Contract No. 4500137959 with **Wood Mackenzie dba Power Advocate, Inc.** for consulting services to extend the contract expiration date from March 31, 2026, to December 31, 2027, and to increase the contract amount by \$3 million, from \$4.95 million to \$7.95 million.
Presentation: 5 minutes
Discussion: 2 minutes
6. Jon Anderson Discuss authorizing the Chief Executive Officer and General Manager to negotiate and execute a three-year contract renewal with **Barclays Bank** for a **Letter of Credit** that supports \$150 million of the outstanding **Commercial Paper Series L**, with terms substantially similar to the attached term sheet, and any documents necessary to complete the transaction.
Presentation: 3 minutes
7. Lisa Limcaco Discuss authorizing the Chief Executive Officer and General Manager to negotiate and execute any and all contracts and documents necessary to effectuate the transfer to the **Sacramento Municipal Utility District (SMUD)** of assets and obligations of the **Sacramento Municipal Utility District Financing Authority (SFA)**, including the **Cosumnes Power Plant**, the **Carson Power Plant**, the **Procter & Gamble Power Plant**, the **Campbell Power Plant**, and the **McClellan Power Plant**.
Presentation: 4 minutes
Discussion: 1 minute

INFORMATIONAL ITEMS

8. Lisa Limcaco Provide the Board with SMUD's financial results from the four-month period ending April 30, 2025, and a summary of SMUD's current Power Supply Costs.
Presentation: 5 minutes
Discussion: 1 minute
9. Jillian Rich Provide the Board with the Enterprise Risk Management (ERM) Quarterly Update.
Presentation: 12 minutes
Discussion: 5 minutes
10. Public Comment.
11. Rob Kerth Summary of Committee Direction.
Discussion: 1 minute

Members of the public shall have up to three (3) minutes to provide public comment on items on the agenda or items not on the agenda, but within the jurisdiction of SMUD. The total time allotted to any individual speaker shall not exceed nine (9) minutes.

Members of the public wishing to inspect public documents related to agenda items may click on the Information Packet link for this meeting on the smud.org website or may call 1-916-732-7143 to arrange for inspection of the documents at the SMUD Headquarters Building, 6201 S Street, Sacramento, California.

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 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 1-916-732-7143, no later than 48 hours before this meeting.

SSS No. SCS 25-143

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 06/17/25
Board Meeting Date
June 19, 2025

TO				TO			
1.	Casey Fallon			6.	Jose Bodipo-Memba		
2.	Amber Connors			7.			
3.	Suresh Kotha			8.			
4.	Lora Anguay			9.	Legal		
5.	Scott Martin			10.	CEO & General Manager		
Consent Calendar	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<i>If no, schedule a dry run presentation.</i>		
Budgeted	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No <i>(If no, explain in Cost/Budgeted section.)</i>			
FROM (IPR) Doug Moore		DEPARTMENT Procurement		MAIL STOP EA404		EXT. 7069	
				DATE SENT 05/23/25			

NARRATIVE:

Requested Action: Approve Contract Change No. 4 to Contract No. 4500100166 with Motorola Solutions, Inc. (MSI) for Next Generation Two-Way Radio System to increase the contract not-to-exceed amount by \$5,949,221, from \$13,724,750 to \$19,673,971.

Summary: Sole source Contract No. 4500100166 with MSI was approved by the Board (Resolution No. 16-12-11) in December 2016 for \$7,585,160 to allow for the purchase and implementation of MSI's Next Generation Two-Way Radio System to replace the outdated analog system then in use. Contract Change 01 reduced the Award amount to reflect labor that was self-performed by SMUD. Contract Change 02 extended the contract term to reflect the actual implementation date. Contract Change 03 extended the contract term and increased the contract amount for the purchase of maintenance and SUA II (System Upgrade Agreement) from MSI. This Contract Change 04 will add scope and increase the contract amount to replace the existing analog radio system in the Upper American River Project (UARP).

Currently, the contract balance is approximately \$1,628,437.

Contract Actions	Amount	Cumulative Total	Description
Original Contract	\$7,585,160	\$7,585,160	
Change No. 01	-\$120,395	\$7,464,765	Reduce funding to reflect SMUD installation of equipment.
Change No. 02	\$0.00	\$7,464,765	Extend term to reflect implementation date.
Change No. 03	\$6,259,985	\$13,724,750	Extend term, add funding
Pending Change No. 04	\$5,949,221	\$19,673,971	Add scope and funding

Board Policy: Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement; Strategic Direction SD-4, Reliability; Strategic Direction SD-6, Safety Leadership

Benefits: Receiving an approximately 17.85% discount (\$1,288,755.) by buying direct from the manufacturer.

Cost/Budgeted: \$5,949,221; Budgeted for 2025 by Enterprise Systems, Information Technology (IT)

Alternatives: Posting a solicitation which has been determined to be an idle act.

Affected Parties: Enterprise Systems, Supply Chain Services, and Contractor

Coordination: Enterprise Systems and Supply Chain Services

Presenter: Amber Connors, Director, Customer & Grid Operations Tech Center

Additional Links:

SUBJECT	Contract Change – Motorola Solutions, Inc.	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. SCS 25-144

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

Finance & Audit – 06/17/25

Board Meeting Date

June 19, 2025

TO				TO						
1.	Casey Fallon			6.	Jose Bodipo-Memba					
2.	Eric Poff			7.						
3.	Frankie McDermott			8.						
4.	Lora Anguay			9.	Legal					
5.	Scott Martin			10.	CEO & General Manager					
Consent Calendar	X	Yes	No	If no, schedule a dry run presentation.	Budgeted	X	Yes	No	(If no, explain in Cost/Budgeted section.)	
FROM (IPR)				DEPARTMENT				MAIL STOP	EXT.	DATE SENT
Jesse Mays				Procurement				EA404	5744	05/23/25

NARRATIVE:

Requested Action:

Approve Contract Change No. 1 to Contract No. 4600001985 with W.A. Chester America, LLC, to increase the contract not-to-exceed amount by \$1 million, from \$2 million to \$3 million, to repair the 115kV Station E to Station G Line 1 Underground High-Pressure Oil Filled (HPOF) cable fault.

Summary:

This contract was awarded as an Emergency Direct Procurement to W.A. CHESTER AMERICA, LLC in May 2025 after a ground fault occurred on SMUD’s 115kV Station E to Station G Line 1 underground HPOF cable in late February 2025. The original contract was awarded for the period from May 8, 2025, to May 1, 2026, for a not-to-exceed \$2 million. Under this contract, W.A. CHESTER AMERICA, LLC will furnish all supervision, labor, materials (excluding transition joint and other major cable components), equipment, and incidentals necessary to repair the 115kV high-pressure oil filled (HPOF) to cross linked polyethylene (XLPE) cable transition joint of Station E to Station G Line 1 at Station G GIS Basement, correct the alignments between the transition joint and XLPE cable rack, install new XLPE cable from transition joint to GIS terminations. W.A. CHESTER AMERICA, LLC, is one of the handful of contractors in the world that have the skillset to repair and install HPOF cable and the associated components. SMUD and W.A. CHESTER AMERICA, LLC, have started planning and scheduling the work, and this contact change more fully outlines the necessary construction work. SMUD has worked with subject matter experts to analyze the fault, order replacement parts, and schedule the repair work. SMUD is requesting approval of an additional \$1 million to cover the estimated costs to repair the 115kV Station E to Station G Line 1 Underground HPOF cable fault.

Currently, the contract balance is approximately \$2,000,000.

Contract Actions	Amount	Cumulative Total	Description
Original Contract	\$2,000,000		
Pending Change No. 01	\$1,000,000	\$3,000,000	Increase Contract Amount

Board Policy:

Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement

(Number & Title)

Benefits:

SMUD’s 115kV Station E to Station G Line 1 Underground HPOF cable fault is repaired and the line is energized again.

Cost/Budgeted:

\$3,000,000; Budgeted for 2025 through 2026 by Energy Delivery & Operations, Transmission & Distribution Maintenance Planning.

Alternatives:

Solicit proposals through a competitive process and perform the repairs. This option would delay the repair work and the 115kV Station E to Station G Line 1 would remain down through the summer.

Affected Parties: Transmission & Distribution Maintenance Planning, Supply Chain Services, and Contractor

Coordination: Transmission & Distribution Maintenance Planning and Supply Chain Services

Presenter: Eric Poff, Director, Substations, Telecommunications & Metering Assets

Additional Links:

SUBJECT

Contract Change – W.A. Chester America, LLC

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. SCS 25-134

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

Finance & Audit – 06/17/25

Board Meeting Date

June 19, 2025

TO					TO						
1.	Casey Fallon				6.						
2.	Josh Langdon				7.						
3.	Lora Anguay				8.						
4.	Scott Martin				9.	Legal					
5.	Jose Bodipo-Memba				10.	CEO & General Manager					
Consent Calendar		X	Yes	No If no, schedule a dry run presentation.		Budgeted		X	Yes	No (If no, explain in Cost/Budgeted section.)	
FROM (IPR)				DEPARTMENT				MAIL STOP		EXT.	
Doug Moore				Procurement				EA404		7069	
										DATE SENT	
										05/14/25	

NARRATIVE:

Requested Action:

Authorize the Chief Executive Officer and General Manager to negotiate and award contracts to ARB, Inc., Michels Pacific Energy, Inc., and Snelson Companies, Inc. (collectively, the “Contracts”) to provide Gas Pipeline Operations Construction Projects and Services Support for a five-year term from July 1, 2025, to July 1, 2030, for a total aggregate not-to-exceed amount of \$20 million across the three Contracts.

Summary:

Request for Proposal No. Doc4976775832 (RFP) was issued in January 2025 to solicit qualified contractors to furnish all supervision, labor, materials, equipment, and incidentals necessary to perform Gas Pipeline Operations Construction Projects and Services. A pre-proposal conference was held on February 11, 2025, of which six vendors attended. On March 5, 2025, three responsive proposals were received and evaluated in accordance with the advertised criteria. SMUD negotiated fair and reasonable pricing with all three responsive Proposers. The results of the proposal’s evaluations and award recommendations can be seen on the table below.

Recommendation:

Authorize negotiation and award to the three highest rated responsive Proposers: ARB, Inc., Michels Pacific Energy, Inc., and Snelson Companies Inc.

Proposers Notified by Procurement:

8

Proposers Downloaded:

10

Pre-Proposal Conference Attendance:

6

Proposals Received:

3

Responsive Proposals Received	P/F	10 Points SEED	50 Points Technical	40 Points Pricing	Total Score	Overall Rank	Proposal Amount	Proposed Award Amount
Michels Pacific Energy, Inc.	P	0	47.45	40.00	87.45	1	\$24,133,747.50	Aggregate amount of all Task Authorizations not to exceed \$20 million
ARB, Inc.	P	0	45.03	38.92	83.95	2	\$24,802,739.50	
Snelson Companies, Inc.	P	0	45.38	37.03	80.39	3	\$26,072,433.80	

Comments:

No Supplier Education & Economic Development (SEED) contractors participated.

Board Policy:

Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement; Strategic Direction SD-4, Reliability; Strategic Direction SD-6, Safety Leadership

Benefits: Have multiple Awards in place to add resources for the completion of Gas Pipeline Operations Projects and Services

Cost/Budgeted: \$20,000,000; Budgeted for 2025 - 2030 by Power Generation, Zero Carbon Energy Solutions

Alternatives: Perform solicitations each time projects or services are needed which could result in delayed schedules and higher costs.

Affected Parties: Power Generation, Supply Chain Services, and Contractors

Coordination: Power Generation and Supply Chain Services

Presenter: Josh Langdon, Director, Power Generation

Additional Links:

SUBJECT

**Contract Award for Gas Pipeline Operations Construction Projects
and Services Support**

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. SCS 25-133

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

Finance & Audit – 06/17/25

Board Meeting Date

June 19, 2025

TO					TO						
1.	Casey Fallon				6.	Jose Bodipo-Memba					
2.	Lucas Raley				7.						
3.	Frankie McDermott				8.						
4.	Lora Anguay				9.	Legal					
5.	Scott Martin				10.	CEO & General Manager					
Consent Calendar		X	Yes	No If no, schedule a dry run presentation.		Budgeted		X	Yes	No (If no, explain in Cost/Budgeted section.)	
FROM (IPR)				DEPARTMENT				MAIL STOP		EXT.	
Greg Hovious				Procurement				EA404		4860	
										DATE SENT	
										05/14/25	

NARRATIVE:

Requested Action:

Authorize the Chief Executive Officer and General Manager to negotiate and award contracts with WBE Traffic Control LLC, Capitol Barricade, Inc., Statewide Traffic Safety & Signs dba AWP Safety, Traffic Management LLC, RoadSafe Traffic Systems, Inc., and Greentek Services, LLC (collectively, the “Contracts”), for Traffic Control Services for a contract term of three years from July 1, 2025, to July 1, 2028, with two optional one-year extensions, for a total aggregate not-to-exceed amount of \$16 million across all the Contracts.

Summary:

Request for Proposals No. Doc5124989046 (RFP) was issued in April 2025 to solicit qualified firms to provide traffic control services. A pre-proposal conference was held on May 1, 2025. On May 15, 2025, nine proposals were received and evaluated in accordance with the evaluation criteria advertised. Of the nine proposals received, six were responsive and three were deemed nonresponsive. All pricing from the responsive proposals has been reviewed and determined to be fair and reasonable. The result of the proposal evaluations can be found in the table below.

Recommendation:

Authorize negotiation and award to the six Highest Evaluated Responsive Proposers: WBE Traffic Control LLC, Capitol Barricade, Inc., Statewide Traffic Safety & Signs dba AWP Safety, Traffic Management LLC, RoadSafe Traffic Systems, Inc., and Greentek Services, LLC.

Proposers Notified by Procurement:

27

Proposers Downloaded:

19

Pre-Proposal Conference Attendance:

10

Proposals Received:

9

Responsive Proposals Received	P/F	Technical Points	Price Points	Total Score	Over all Rank	Proposal Amount	Proposed Award Amount
		60	40	100			
WBE Traffic Control LLC	P	54.33	40.00	94.33	1	\$12,603,687.59	Aggregate Not-to-Exceed Amount of \$16 Million across all six Contracts
Capitol Barricade, Inc.	P	48.00	37.90	85.90	2	\$13,288,728.95	
Statewide Traffic Safety & Signs dba AWP Safety	P	45.50	35.29	80.79	3	\$14,252,299.62	
Traffic Management LLC	P	45.25	35.00	80.25	4	\$14,367,078.96	

RoadSafe Traffic Systems, Inc.	P	48.00	31.28	79.28	5	\$16,046,034.76	
Greentek Services, LLC	P	47.67	29.11	76.78	6	\$17,224,200.55	

Non-Responsive Proposals Received	Proposal Amount
AP Traffic Services Inc..	\$16,794,238.96
Road Safety Inc.	\$13,999,305.89
Taylor Made Traffic Services	\$16,097,639.21

Comments: All responsive Proposers will be self-performing the work, no subcontractors designated.

Board Policy: Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement; Procurement
(Number & Title)

Benefits: Award will provide SMUD with six qualified contractors to execute traffic control services.

Cost/Budgeted: \$16,000,000; Budgeted for 2025 through 2030 by Grid Assets.

Alternatives: Negotiate current contracts with incumbent contractors for an extended term, and risk less competitive pricing.

Affected Parties: Grid Assets, Supply Chain Services, and Contractors

Coordination: Grid Assets, and Supply Chain Services

Presenter: Casey Fallon, Director, Procurement, Warehouse & Fleet

Additional Links:

SUBJECT

Award Traffic Control Services Contracts

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. SCS 25-145

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 06/17/25
Board Meeting Date
June 19, 2025

TO				TO					
1.	Casey Fallon			6.					
2.	Scott Martin			7.					
3.	Lora Anguay			8.					
4.	Jose Bodipo-Memba			9.	Legal				
5.				10.	CEO & General Manager				
Consent Calendar	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Austin Svien				DEPARTMENT Procurement (Supply Chain Services)			MAIL STOP EA404	EXT. 5159	DATE SENT 05/23/25

NARRATIVE:

Requested Action: Approve Contract Change No. 5 to Contract No. 4500137959 with Wood Mackenzie dba Power Advocate, Inc. for consulting services to extend the contract expiration date from March 31, 2026, to December 31, 2027, and to increase the contract amount by \$3 million, from \$4.95 million to \$7.95 million.

Summary: This contract was awarded as a sole source contract to Wood Mackenzie dba Power Advocate, Inc. (“Power Advocate”) in March 2023 for consulting services to support the Supply Chain team in priority areas of supply chain risk management, category sourcing opportunities, and the future of the supply chain procurement team with regard to renewable generation and distributed energy resources categories. The original contract was awarded for the period from March 6, 2023, to December 31, 2023, for a not-to-exceed value of \$1,000,000. Contract change 01 increased the contract value to \$1,500,000 and extended the term of the agreement through April 30, 2024. Contract change 02, which was approved via Board Resolution 23-10-04, increased the contract value to \$4,500,000 and extended the term through March 31, 2026. Contract change 03 amended the existing Non-Disclosure Agreement (NDA) by adding new confidential data elements to the list of protected data. Contract change 04 exercised the 10% Board contingency, adding \$450,000 to the contract value for a new not-to-exceed amount of \$4,950,000. SMUD’s Supply Chain Services department has a continued need for consulting services from Power Advocate for development, planning, and execution of contracting strategies for critical infrastructure, equipment, and services. These services are critical in helping SMUD successfully navigate challenging market conditions and support energy transition projects. Contract change 05 will increase the contract value by \$3,000,000, for a new not to exceed value of \$7,950,000, and extend the contract term through December 31, 2027. SMUD has negotiated a 4% discount on rates for Power Advocate’s professional services. The discounted rates will save SMUD approximately \$120,000 over the remaining term of the agreement, and the pricing is considered fair and reasonable.

Currently, the contract balance is approximately \$950,000.

Contract Actions	Amount	Cumulative Total	Description
Original Contract	\$1,000,000		Original contract
Change No. 01	\$500,000	\$1,500,000	Increase and extend contract
Change No. 02	\$3,000,000	\$4,500,000	Increase and extend contract
Change No. 03	\$0	\$4,500,000	Amend NDA data
Change No. 04	\$450,000	\$4,950,000	Exercise contingency
Pending Change No. 05	\$3,000,000	\$7,950,000	Increase and extend contract

Board Policy: Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement
(Number & Title)

Benefits: Ability to continue to engage Power Advocate in critical consulting and support services.

Cost/Budgeted: \$7,950,000; Budgeted for 2023-2026 by Supply Chain Services

Alternatives: Do not extend and increase existing contract and seek an alternate vendor who lacks the utility and SMUD-specific experience possessed by Contractor.

Affected Parties: Supply Chain Services and Contractor

Coordination: Supply Chain Services

Presenter: Casey Fallon, Director, Procurement, Warehouse & Fleet

Additional Links:

SUBJECT

POWER ADVOCATE PROFESSIONAL CONSULTING SERVICES

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. CFO 25-010

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 06/17/25
Board Meeting Date
June 19, 2025

TO					TO					
1.	Jennifer Restivo				6.					
2.	Scott Martin				7.					
3.	Lora Anguay				8.					
4.	Jose Bodipo-Memba				9.	Legal				
5.					10.	CEO & General Manager				
Consent Calendar		<input checked="" type="checkbox"/>	Yes	No <i>If no, schedule a dry run presentation.</i>		Budgeted	<input checked="" type="checkbox"/>	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>	
FROM (IPR) Jon Anderson				DEPARTMENT Treasury & Revenue Strategy				MAIL STOP B355	EXT. 6509	DATE SENT 05/30/25

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to negotiate and execute a three-year contract renewal with **Barclays Bank (Barclays)** for a **Letter of Credit (Barclays LOC)** that supports \$150 million of the outstanding **Commercial Paper Series L**, with terms substantially similar to the attached term sheet, and any documents necessary to complete the transaction.

Summary: SMUD currently has a \$400 million commercial paper program which provides a funding mechanism for SMUD's capital program, and a source of liquidity, without the long lead time needed for a bond issuance. The commercial paper program requires letters of credit necessary for the commercial paper program investors.

Supporting the commercial paper program is a \$150 million LOC with Barclays that will expire August 1, 2025. The remaining \$250 million is supported with a LOC from Bank of American which doesn't expire until February 1, 2027. Extending the Barclays LOC agreement will ensure SMUD's \$400 million commercial paper program is fully available without any disruptions.

Board Policy: Strategic Direction SD-3, Access to Credit Markets
(Number & Title)

Benefits: The line of credit and letters of credit provide liquidity and funding to support SMUD's capital program.

Cost/Budgeted: Fees and expenses are estimated to be \$1.3 million over the life of the contract and is included in budget forecasts.

Alternatives: Issue fixed rate debt/bonds at a higher borrowing cost and with a longer lead time.

Affected Parties: Treasury & Revenue Strategy, Legal

Coordination: Treasury & Revenue Strategy, Legal

Presenter: Jon Anderson, Manager, Finance & Strategy and Assistant Treasurer

Additional Links:

SUBJECT

Letter of Credit Extension with Barclays Bank

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

FEE LETTER AMENDMENT

June __, 2025

Sacramento Municipal Utility District
6201 S Street
Sacramento, California 95817-1899

Ladies and Gentlemen:

Reference is hereby made to that Third Amended and Restated Fee Letter, dated as of February 1, 2022 (the “Fee Letter”), between the Sacramento Municipal Utility District (“SMUD”) and Barclays Bank PLC (the “Bank”), relating to the Amended and Restated Reimbursement Agreement, dated as of February 1, 2022, between SMUD and the Bank (the “Agreement”), and the Irrevocable Letter of Credit No. SB-04183, dated February 23, 2022 (the “Letter of Credit”), issued pursuant to the Agreement, in favor of U.S. Bank National Association, as Paying Agent depositary and issuing and paying agent, securing the Sacramento Municipal Utility District, Commercial Paper Notes, Series L (the “Notes”). Any capitalized term used herein and not defined shall have its respective meaning as set forth in the Agreement or the Fee Letter.

SMUD has requested that the Stated Expiration Date of the Letter of Credit be extended to September 1, 2028 and that certain changes be made to the Fee Letter. The Bank has agreed to the changes set forth in the Notice of Extension of Stated Expiration Date dated June __, 2025 and certain changes to the Fee Letter. The undersigned, a duly authorized officer of the Bank hereby advises you that:

1. We hereby agree that,

(a) commencing on and including [August 1, 2025], the table contained in Section 1.1(ii) of the Fee Letter is hereby amended in its entirety to read as follows:

<u>“LEVEL</u>	<u>MOODY’S RATING</u>	<u>S&P RATING</u>	<u>FITCH RATING</u>	<u>LETTER OF CREDIT FEE RATE</u>
Level 1	Aa3 or above	AA- or above	AA- or above	0.29%
Level 2	A1	A+	A+	0.39%
Level 3	A2	A	A	0.49%
Level 4	A3	A-	A-	0.59%
Level 5	Baa1	BBB+	BBB+	0.69%
Level 6	Baa2	BBB	BBB	0.79%
Level 7	Baa3 or below	BBB- or below	BBB- or below	0.89%”

(b) the second sentence of the paragraph after the table in clause (ii) of Section 1.1 of the Fee Letter is hereby amended to read as follows:

“In the event of a split rating (*i.e.*, one of the Rating Agencies’ Rating is different than the Rating of either of the other Rating Agencies), the Letter of Credit Fee Rate shall be based upon the Level in which the lowest Rating appears.”

(c) Section 1.5 of the Fee Letter is hereby amended in its entirety to read as follows:

“Section 1.5 Termination Fee; Reduction Fee. (a) SMUD hereby agrees to pay to the Bank a termination fee in connection with any termination or replacement of the Letter of Credit by SMUD prior to August 1, 2026, in an amount equal to the product of (1) the Letter of Credit Fee Rate in effect on the date of such termination or replacement, (2) the Stated Amount in effect as of the date of termination and (3) a fraction, the numerator of which is equal to the number of days from and including the date of such termination or replacement to and including August 1, 2026, and the denominator of which is 360 (the “*Termination Fee*”), payable on the date of such termination or replacement. Notwithstanding the foregoing or any provision in the Agreement to the contrary, SMUD may terminate or replace the Letter of Credit in accordance with the Note Resolution at any time without payment of the Termination Fee if such termination or replacement is as a result of (i) Moody’s having lowered the short-term debt rating of the Bank below “*P-1*” (or its equivalent), Fitch having lowered its short-term debt rating of the Bank below “*F1*” (or its equivalent) or S&P having lowered its short-term debt rating of the Bank below “*A-1*” (or its equivalent), (ii) the Bank imposing increased costs on SMUD in accordance with Section 2.14 of the Agreement, or (iii) the ability of SMUD to issue Notes being terminated or SMUD’s commercial paper program being permanently retired and so long as no portion of the source of funds for such termination of the ability of SMUD to issue Notes or the permanent retirement of the commercial paper program represents proceeds of commercial paper or similar short-term indebtedness supported by a letter of credit, liquidity facility or another form of liquidity support or credit enhancement or directly purchased by a bank or other financial institution; *provided, however*, that all amounts payable hereunder and under the Agreement shall be paid to the Bank on or prior to the date of such termination.

(b) Notwithstanding the foregoing and anything set forth herein or in the Agreement to the contrary, SMUD agrees not to permanently reduce the Stated Amount below the Stated Amount in effect as of the date hereof prior to August 1, 2026, without the payment by SMUD to the Bank of a reduction fee in connection with each and every permanent reduction of the Stated Amount in an amount equal to the product of (A) the Letter of Credit Fee Rate in effect on the date of such reduction, (B) the difference between the Stated Amount (without regard to any reduction of the Stated Amount subject to reinstatement) prior to such reduction and the Stated Amount (without regard to any reduction of the Stated Amount subject to reinstatement) after such reduction, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such reduction to and including August 1, 2026, and the denominator of which is

360 (the “*Reduction Fee*”). Notwithstanding the foregoing or any provision in the Agreement to the contrary, SMUD may reduce the Stated Amount without payment of the Reduction Fee if such reduction is a result of a permanent reduction in SMUD’s ability to issue Notes and so long as no portion of the source of funds for such reduction represents proceeds of commercial paper notes or similar short-term indebtedness supported by a letter of credit, liquidity facility or another form of liquidity support or credit enhancement or directly purchased by a bank or other financial institution.”

2. Representations. SMUD hereby represents and warrants to the Bank that:

(a) it is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, is in good standing;

(b) it has the power to execute and deliver this Fee Letter Amendment and to perform its obligations under the Agreement and Fee Letter, as amended by this Fee Letter Amendment, and has taken all necessary action to authorize such execution, delivery and performance;

(c) it is entering into this Fee Letter Amendment as principal;

(d) the person signing this Fee Letter Amendment on its behalf is duly authorized to do so;

(e) it has obtained all governmental and other consents and authorizations that it is required to obtain in connection with its execution and delivery of this Fee Letter Amendment, all such consents and authorizations are in full force and effect and all conditions of any such consents and authorizations have been complied with;

(f) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its articles and by-laws, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets; and

(g) its obligations under the Agreement and the Fee Letter, as amended by this Fee Letter Amendment, constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors’ rights generally and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or in law).

3. SMUD agrees to pay the fees of counsel for the Bank, in the amount of \$_____, incurred in connection with the preparation, negotiation, execution and delivery of this Fee Letter Amendment.

4. Except as specifically provided in paragraph (1) hereof, all of the terms and conditions of the Fee Letter are in all respects ratified and confirmed and the terms, provisions and conditions thereof are and shall remain in full force and effect. From and after the date hereof all references to the Fee Letter shall mean such letter as amended by the terms of this Fee Letter Amendment.

5. This Fee Letter Amendment is an integral part of the Agreement and the Fee Letter and shall be governed by and be subject to the terms and provisions of the Fee Letter and the Agreement, all of which are hereby incorporated by reference.

IN WITNESS WHEREOF, the undersigned, on behalf of the Bank, has executed and delivered this Fee Letter Amendment as of the ____ day of June, 2025.

BARCLAYS BANK PLC

By _____
Hiran Cantu
Authorized Signatory for and on behalf of Barclays
Bank PLC

Accepted and agreed to as of the date
first written above:

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: _____
Name:
Title:

SSS No. ACC 25-017

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 06/17/25
Board Meeting Date
June 19, 2025

TO				TO				
1.	Jennifer Restivo			6.	Jose Bodipo-Memba			
2.	Josh Langdon			7.				
3.	Emily Bacchini			8.				
4.	Scott Martin			9.	Legal			
5.	Lora Anguay			10.	CEO & General Manager			
Consent Calendar	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<i>If no, schedule a dry run presentation.</i>			
Budgeted	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No <i>(If no, explain in Cost/Budgeted section.)</i>				
FROM (IPR) Lisa Limcaco				DEPARTMENT Accounting		MAIL STOP B352	EXT. 7045	DATE SENT 05/28/25

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to negotiate and execute any and all contracts and documents necessary to effectuate the transfer to the Sacramento Municipal Utility District (SMUD) of assets and obligations of the Sacramento Municipal Utility District Financing Authority (SFA), including the Cosumnes Power Plant, the Carson Power Plant, the Procter & Gamble Power Plant, the Campbell Power Plant, and the McClellan Power Plant.

Summary: SMUD contracts with SFA for generation, interconnection, land leasing, and other agreements. In May 2025, SFA legally defeased the bonds for the Cosumnes Power Plant which provides them greater latitude to transfer the assets to SMUD because bond investors are no longer involved. Staff proposes transferring the plants to SMUD to recognize administrative efficiencies through consolidation of activities, primarily in the Accounting and Budget areas due to reduced financial reporting and budget activities.

Board Policy: Strategic Direction SD-2, Competitive Rates
(Number & Title)

Benefits: SMUD would benefit from lower SFA administrative costs through reduced contractual payment obligations to the joint powers agency (JPA), elimination of annual audit fees required for audited SFA financial statements and elimination of a separate annual budget book for SFA.

Cost/Budgeted: Nominal internal administrative costs to SMUD.

Alternatives: Status quo

Affected Parties: Power Generation, Accounting, Budget, Environmental & Real Estate Services, and Treasury

Coordination: Accounting, Treasury, Power Generation, and Legal

Presenter: Lisa Limcaco, Director of Accounting & Controller

Additional Links:

SUBJECT

SFA Transfer of Assets

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. ACC 25-018

SFA COMMISSION AGENDA ITEM

SACRAMENTO MUNICIPAL UTILITY DISTRICT FINANCING AUTHORITY STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 06/17/25
Commission Meeting Date
June 19, 2025

TO					TO							
1.	Jennifer Restivo				6.	Jose Bodipo-Memba						
2.	Josh Langdon				7.							
3.	Emily Bacchini				8.							
4.	Scott Martin				9.	Legal						
5.	Lora Anguay				10.	CEO & General Manager						
Consent Calendar		<input checked="" type="checkbox"/>	Yes	No <i>If no, schedule a dry run presentation.</i>		Budgeted		<input checked="" type="checkbox"/>	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Lisa Limcaco					DEPARTMENT Accounting					MAIL STOP B352	EXT. 7045	DATE SENT 05/28/25
NARRATIVE:												
Requested Action:		Authorize the Chief Executive Officer and General Manager to prepare, negotiate and execute any and all contracts and documents necessary to effectuate the transfer to the Sacramento Municipal Utility District (SMUD) of assets and obligations of the Sacramento Municipal Utility District Financing Authority (SFA), including the Cosumnes Power Plant, the Carson Power Plant, the Procter & Gamble Power Plant, the Campbell Power Plant, and the McClellan Power Plant.										
Summary:		In May 2025, SFA legally defeased the bonds for the above referenced plants which provides SFA greater latitude to transfer the plants to SMUD because bond investor interests are no longer involved. Staff propose transferring the plant to SMUD to recognize administrative efficiencies through consolidation of activities, primarily in the Accounting and Budget areas due to reduced financial reporting and budget activities. It will also reduce the time required by the SFA Commission because annual budgets will be merged into SMUD.										
Board Policy: <i>(Number & Title)</i>		Strategic Direction SD-2, Competitive Rates										
Benefits:		Administrative labor efficiencies, reduced outside service administrative costs, elimination of annual audit fees required for audited SFA financial statements and elimination of separate annual budget book for SFA.										
Cost/Budgeted:		Minimal costs for transferring assets to SMUD.										
Alternatives:		Maintain assets with SFA and forgo cost savings.										
Affected Parties:		Power Generation, Accounting, Budget, Environmental & Real Estate Services, and Treasury										
Coordination:		Accounting, Treasury, Power Generation, and Legal										
Presenter:		Lisa Limcaco, Director of Accounting & Controller										

Additional Links:

SUBJECT

SFA Transfer of Assets

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. CFO 24-020

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

FINANCE & AUDIT - 2025

Board Meeting Date

N/A

TO				TO			
1.	Jose Bodipo-Memba			6.			
2.	Lora Anguay			7.			
3.	Scott Martin			8.			
4.				9.	Legal		
5.				10.	CEO & General Manager		
Consent Calendar		Yes	X	No		If no, schedule a dry run presentation.	
Budgeted		X	Yes	No (If no, explain in Cost/Budgeted section.)			
FROM (IPR) Lisa Limcaco				DEPARTMENT Accounting		MAIL STOP B352	EXT. 7045
						DATE SENT 12/18/23	

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: Governance Process 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: Included in budget for internal labor.

Alternatives: Provide information via written memo/report to the Board.

Affected Parties: Accounting

Coordination: Accounting

Presenter: Lisa Limcaco, Director of Accounting & Controller

Additional Links:

SUBJECT

SMUD's Financial Results & Power Supply Costs

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
OFFICE MEMORANDUM

TO: Distribution

DATE: May 21, 2025
ACC 25-016

FROM: Michael Wilson / Lisa Limcaco

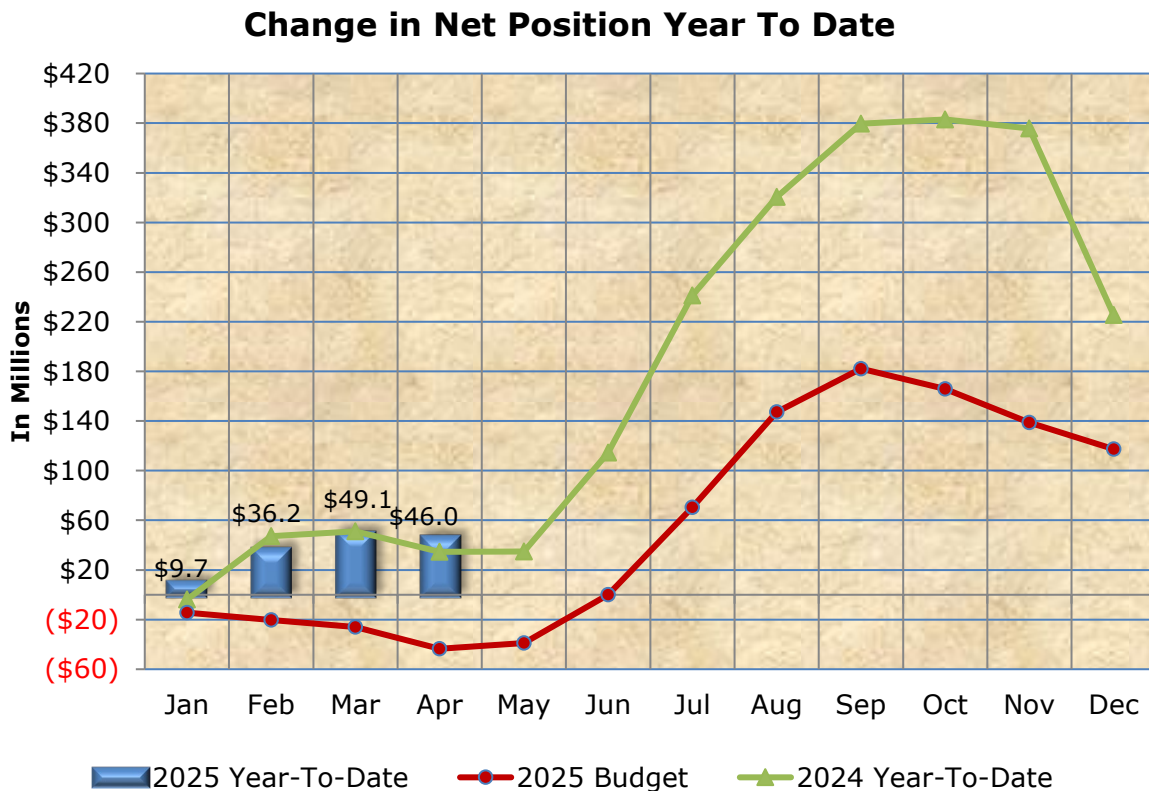
SUBJECT: APRIL 2025 FINANCIAL RESULTS AND OPERATIONS DATA

We are attaching the financial and operating reports for the four months of 2025. They include sales and generation statistics and other selected data.

The change in net position is an increase of \$46.0 million compared to a budgeted decrease of \$43.5 million, resulting in a favorable variance of \$89.5 million.

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

- 1) Budgeted electric revenues are based on the Forecast of Revenues by the Pricing Department, adjusted for unbilled revenues; and
- 2) Budgeted operating expenses reflect the 2025 Budget approved by the Board of Directors on December 12, 2024.



SACRAMENTO MUNICIPAL UTILITY DISTRICT
EXECUTIVE SUMMARY
For the Four Months Ended April 30, 2025

Net Position

- The change in net position is an increase of \$46.0 million compared to a budgeted decrease of \$43.5 million, resulting in a favorable variance of \$89.5 million.

Revenues

- Revenues from sales to customers were \$483.3 million, which was \$23.3 million higher than planned. The increase is primarily due to:
 - Higher commercial sales of \$14.6 million primarily due to a shift in customer load shape.
 - Higher residential sales of \$7.7 million primarily due to a shift in customer load shape.
 - Lower provision for uncollectible accounts of \$0.9 million. The current balance of the accumulated provision is sufficient to cover write-offs of arrears.
- Revenues under the California Global Warming Solutions Act (Assembly Bill [AB] – 32) were \$5.9 million. This is due to carbon allowances sold through the state sanctioned quarterly auctions.
- Low Carbon Fuel Standard (LCFS) revenues were \$3.5 million due to LCFS credit sales.
- Non-cash revenues transferred to the stabilization fund were \$12.8 million, of which \$5.9 million was for AB-32, \$3.5 million was for the annual WAPA Hydro Generation Adjustment and \$3.5 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 \$20.5 million, which is \$13.7 million higher than plan. The increase is primarily due to \$8.9 million of revenue recognized for AB-32 and \$7.2 million was for revenue recognized for the annual Hydro Generation Adjustment.

Commodities, Purchased Power, and Production

- SMUD's generation was lower by 138 GWh (5.6 percent); JPA and other generation was lower by 94 GWh (5.3 percent); and Hydro generation was lower by 44 GWh (6.5 percent).
- Purchased power expense of \$90.6 million, less surplus power sales of \$30.8 million was \$59.8 million, which was \$0.1 million higher than planned. This increase is due to lower thermal generation that led to increased market purchases at favorable market prices.
- Production operations cost of \$99.3 million less surplus gas sales of \$21.1 million, was \$78.2 million, which was \$14.0 million lower than planned.
 - Fuel costs of \$53.8 million less surplus gas sales of \$21.1 million, was \$32.7 million, which was \$7.3 million lower than planned. This is primarily due to the reduction of thermal generation because it was more economical to procure power at favorable market prices.
- The "power margin", or sales to customers less cost of purchased power, production operations costs and gas hedges included in investment revenue was \$344.9 million, which was \$36.5 million higher than planned. The power margin as a percentage of sales to customers was 71.4 percent, which was 4.3 percent higher than planned. This is due to higher sales to customers and lower production costs due to lower fuel costs.

Other Operating Expenses

- All other operating expenses were \$326.6 million, which was \$29.0 million lower than planned.
 - Transmission and distribution operations expenses were down \$10.8 million primarily due to lower cost of transmission fees than planned.
 - Customer service and information expenses were down \$3.6 million due to lower participation in My Energy Optimizer Partner program.
 - Administrative & General expenses were down \$14.0 million primarily due to a slower start to projects such as Agile product teams, SAP S4HANA, and Extended Day Ahead Market projects.
 - Public Good expenses were higher by \$2.7 million primarily due to higher than planned rebate volume and project completions in Advanced Homes Solutions program.
 - Transmission and distribution maintenance expenses were \$4.1 million lower than planned. This is primarily due to the operational changes in the vegetation maintenance of transmission and distribution lines.

Non-operating Revenues and Expenses

- Other revenue, net, was \$9.1 million higher than planned primarily due to higher interest income of \$5.1 million and a payment of \$5.0 million related to the Rancho Seco Solar power purchase agreement.
- Interest charges were \$2.8 million lower than planned primarily due to lower interest on long term debt and lower commercial paper interest expenses.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Month Ended April 30, 2025
(thousands of dollars)

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>	<u>Percent of Increase (Decrease)</u>
OPERATING REVENUES				
Sales to customers	\$ 116,056	\$ 109,656	\$ 6,400	5.8 %
Sales of surplus power	5,256	5,348	(92)	(1.7)
Sales of surplus gas	5,069	-	5,069	*
SB-1 revenue (deferral)/recognition, net	150	-	150	*
LCFS revenue	1,937	-	1,937	*
Other electric revenue	3,563	3,156	407	12.9
Revenue to rate stabilization fund	(5,458)	-	(5,458)	*
Revenue from rate stabilization fund	9,320	1,899	7,421	390.8
Total operating revenues	135,893	120,059	15,834	13.2
OPERATING EXPENSES				
Operations				
Purchased power	30,960	24,360	6,600	27.1
Production	21,364	16,025	5,339	33.3
Transmission and distribution	7,489	10,679	(3,190)	(29.9)
Customer accounts	5,110	4,838	272	5.6
Customer service and information	8,690	7,819	871	11.1
Administrative and general	16,456	18,543	(2,087)	(11.3)
Public good	6,065	4,863	1,202	24.7
Total operations	96,134	87,127	9,007	10.3
Maintenance				
Production	9,383	7,008	2,375	33.9
Transmission and distribution	9,879	10,489	(610)	(5.8)
Total maintenance	19,262	17,497	1,765	10.1
Depreciation and amortization				
Depreciation and amortization	23,174	24,761	(1,587)	(6.4)
Amortization of regulatory asset	4,065	3,883	182	4.7
Total depreciation and amortization	27,239	28,644	(1,405)	(4.9)
Total operating expenses	142,635	133,268	9,367	7.0
OPERATING INCOME (LOSS)	(6,742)	(13,209)	6,467	49.0
NON-OPERATING REVENUES AND EXPENSES				
Other revenues/(expenses)				
Interest income	3,892	2,531	1,361	53.8
Investment revenue	597	-	597	*
Other income (expense) - net	5,269	363	4,906	*
Unrealized holding gains	322	-	322	*
Revenue - CIAC	1,780	1,815	(35)	(1.9)
Total other revenues	11,860	4,709	7,151	151.9
Interest charges				
Interest on long-term debt	8,163	8,462	(299)	(3.5)
Interest on commercial paper and other	61	646	(585)	(90.6)
Total interest charges	8,224	9,108	(884)	(9.7)
CHANGE IN NET POSITION	\$ (3,106)	\$ (17,608)	\$ 14,502	82.4 %

* Equals 1000% or greater.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Four Months Ended April 30, 2025
(thousands of dollars)

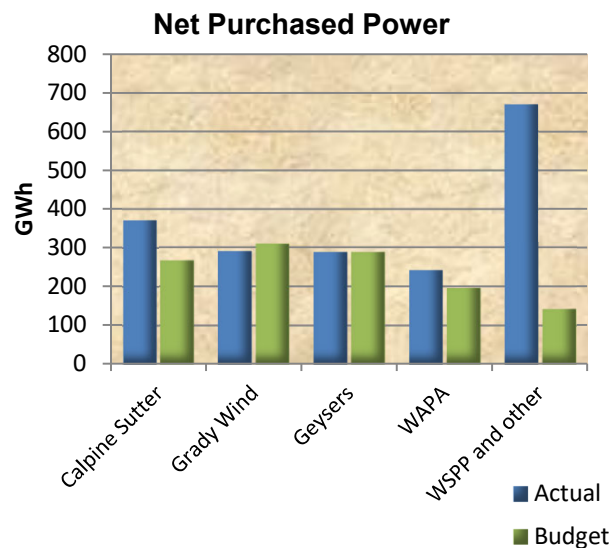
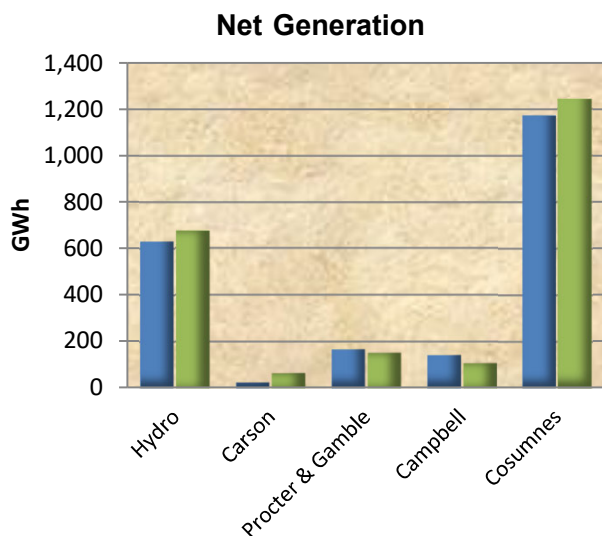
	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>	<u>Percent of Increase (Decrease)</u>
OPERATING REVENUES				
Sales to customers	\$ 483,304	\$ 459,957	\$ 23,347	5.1 %
Sales of surplus power	30,832	39,982	(9,150)	(22.9)
Sales of surplus gas	21,053	-	21,053	*
SB-1 revenue (deferral)/recognition, net	190	-	190	*
AB32 revenue	5,854	-	5,854	*
LCFS revenue	3,457	-	3,457	*
Other electric revenue	14,975	13,508	1,467	10.9
Revenue to rate stabilization fund	(12,832)	-	(12,832)	*
Revenue from rate stabilization fund	20,543	6,864	13,679	199.3
Total operating revenues	567,376	520,311	47,065	9.0
OPERATING EXPENSES				
Operations				
Purchased power	90,631	99,226	(8,595)	(8.7)
Production	99,301	92,257	7,044	7.6
Transmission and distribution	29,248	40,052	(10,804)	(27.0)
Customer accounts	19,188	18,607	581	3.1
Customer service and information	28,601	32,201	(3,600)	(11.2)
Administrative and general	61,756	75,750	(13,994)	(18.5)
Public good	20,696	17,983	2,713	15.1
Total operations	349,421	376,076	(26,655)	(7.1)
Maintenance				
Production	21,550	21,287	263	1.2
Transmission and distribution	36,396	40,521	(4,125)	(10.2)
Total maintenance	57,946	61,808	(3,862)	(6.2)
Depreciation and amortization				
Depreciation and amortization	93,220	93,736	(516)	(0.6)
Amortization of regulatory asset	15,978	15,531	447	2.9
Total depreciation and amortization	109,198	109,267	(69)	(0.1)
Total operating expenses	516,565	547,151	(30,586)	(5.6)
OPERATING INCOME (LOSS)	50,811	(26,840)	77,651	289.3
NON-OPERATING REVENUES AND EXPENSES				
Other revenues (expenses)				
Interest income	15,261	10,091	5,170	51.2
Investment revenue (expense)	(330)	-	(330)	*
Other income (expense) - net	5,167	1,667	3,500	210.0
Unrealized holding gains	894	-	894	*
Revenue - CIAC	7,105	7,247	(142)	(2.0)
Total other revenues	28,097	19,005	9,092	47.8
Interest charges				
Interest on long-term debt	32,283	33,847	(1,564)	(4.6)
Interest on commercial paper and other	630	1,836	(1,206)	(65.7)
Total interest charges	32,913	35,683	(2,770)	(7.8)
CHANGE IN NET POSITION	\$ 45,995	\$ (43,518)	\$ 89,513	205.7 %

* Equals 1000% or greater.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT
SOURCES AND USES OF ENERGY - COMPARED TO BUDGET
For the Period Ended April 30, 2025**

Sources of Energy (GWh)	Month		Increase (Decrease)	Year to Date		Increase (Decrease)
	Actual	Budget	Percentage	Actual	Budget	Percentage
Net Generated						
Hydro	197	201	(2.0)	631	675	(6.5)
Carson Power Plant	9	7	28.6	24	65	(63.1)
Procter & Gamble Power Plant	39	39	0.0	167	151	10.6
Campbell Power Plant	20	-	*	142	107	32.7
Cosumnes Power Plant	81	134	(39.6)	1,174	1,244	(5.6)
Other	67	93	(28.0)	181	215	(15.8)
Total net generation	413	474	(12.9)	2,319	2,457	(5.6)
Purchased Power less transmission losses:						
CalEnergy	19	18	5.6	51	73	(30.1)
Calpine Sutter	116	7	*	371	266	39.5
Drew Solar	32	29	10.3	97	91	6.6
Feed in Tariff	20	21	(4.8)	57	60	(5.0)
Geysers	72	72	0.0	288	288	0.0
Grady Wind	72	88	(18.2)	290	309	(6.1)
Rancho Seco PV II	31	33	(6.1)	88	93	(5.4)
WAPA	58	95	(38.9)	241	196	23.0
WSPP and other	229	56	308.9	670	142	371.8
Other long term power	40	51	(21.6)	142	173	(17.9)
Total net purchases	689	470	46.6	2,295	1,691	35.7
Total sources of energy	1,102	944	16.7	4,614	4,148	11.2
Uses of energy:						
SMUD electric sales and usage	736	711	3.5	3,144	3,085	1.9
Surplus power sales	354	203	74.4	1,388	933	48.8
System losses	12	30	(60.0)	82	130	(36.9)
Total uses of energy	1,102	944	16.7 %	4,614	4,148	11.2 %

* Change equals 1000% or more.



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

- Hydro generation is lower than planned (6.5 percent).
- JPA generation is lower than planned (3.8 percent).

Purchased power, less surplus power sales, is higher than plan (19.7 percent).

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
April 30, 2025 and 2024
(thousands of dollars)

	<u>Total</u>						
	SMUD	SFA	NCEA	NCGA #1	Intercompany Eliminations	2025	2024
ELECTRIC UTILITY PLANT							
Plant in service, original cost	\$ 6,893,911	\$ 984,647	\$ -	\$ -	\$ (4,578)	\$ 7,873,980	\$ 7,372,382
Less accumulated depreciation	3,159,487	740,424	-	-	(1,168)	3,898,743	3,703,114
Plant in service - net	3,734,424	244,223	-	-	(3,410)	3,975,237	3,669,268
Construction work in progress	575,690	19,449	-	-	-	595,139	668,330
Investment in Joint Power Agencies	324,543	-	-	-	(283,596)	40,947	38,471
Total electric utility plant - net	4,634,657	263,672	-	-	(287,006)	4,611,323	4,376,069
RESTRICTED ASSETS							
Revenue bond reserves	-	-	-	-	-	-	414,417
Restricted for payment of debt service	93,938	-	-	-	-	93,938	84,490
JPA funds	-	15,214	24,404	26,169	-	65,787	50,407
Nuclear decommissioning trust fund	10,049	-	-	-	-	10,049	9,582
Rate stabilization fund	339,235	-	-	-	-	339,235	204,183
Other funds	67,492	-	4,194	15	-	71,701	45,466
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	(146,667)	(15,214)	(28,598)	(26,184)	-	(216,663)	(572,139)
Total restricted assets	364,047	-	-	-	-	364,047	236,406
CURRENT ASSETS							
Cash, cash equivalents and investments							
Unrestricted	479,204	50,344	-	-	-	529,548	644,683
Restricted	146,667	15,214	28,598	26,184	-	216,663	572,139
Accounts receivable - net	282,286	49,345	980	2,843	(79,352)	256,102	219,949
Lease receivable	778	-	-	-	(225)	553	735
Energy efficiency loans due within one year	139	-	-	-	-	139	139
Interest receivable	6,255	167	-	21	-	6,443	5,315
Lease interest receivable	39	-	-	-	(15)	24	69
Regulatory costs to be recovered within one year	93,691	104	-	105	-	93,900	77,353
Derivative financial instruments maturing within in one year	18,394	-	-	-	-	18,394	23,398
Inventories	170,850	17,098	-	-	-	187,948	158,310
Prepaid gas to be delivered within one year	-	-	9,542	33,165	-	42,707	39,291
Prepayments and other	35,131	14,022	-	16	-	49,169	33,445
Total current assets	1,233,434	146,294	39,120	62,334	(79,592)	1,401,590	1,774,826
NONCURRENT ASSETS							
Regulatory costs for future recovery							
Decommissioning	95,526	-	-	-	-	95,526	98,794
Pension	622,370	-	-	-	-	622,370	538,196
OPEB	308,827	-	-	-	-	308,827	305,061
Bond Issues	-	435	-	123	-	558	766
Derivative financial instruments	263	-	-	-	-	263	880
Derivative financial instruments	32,894	-	-	-	-	32,894	43,964
Prepaid gas	-	-	684,791	40,478	-	725,269	767,976
Lease receivable	19,727	-	-	-	(3,300)	16,427	17,059
Energy efficiency loans - net	134	-	-	-	-	134	311
Other	92,124	9	-	18	-	92,151	83,498
Total noncurrent assets	1,171,865	444	684,791	40,619	(3,300)	1,894,419	1,856,505
TOTAL ASSETS	\$ 7,404,003	\$ 410,410	\$ 723,911	\$ 102,953	\$ (369,898)	\$ 8,271,379	\$ 8,243,806
DEFERRED OUTFLOWS OF RESOURCES							
Accumulated decrease in fair value of hedging derivatives	24,903	-	-	-	-	24,903	47,825
Deferred pension outflows	143,317	-	-	-	-	143,317	140,837
Deferred OPEB outflows	50,990	-	-	-	-	50,990	56,729
Deferred ARO outflows	-	797	-	-	-	797	1,490
Unamortized bond losses - other	27,931	574	-	-	-	28,505	32,659
TOTAL DEFERRED OUTFLOWS OF RESOURCES	247,141	1,371	-	-	-	248,512	279,540
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 7,651,144	\$ 411,781	\$ 723,911	\$ 102,953	\$ (369,898)	\$ 8,519,891	\$ 8,523,346

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
April 30, 2025 and 2024
(thousands of dollars)

LIABILITIES AND NET ASSETS

	<u>Total</u>						
	SMUD	SFA	NCEA	NCGA #1	Intercompany Eliminations	2025	2024
LONG-TERM DEBT - NET	\$ 2,385,612	\$ 64,127	\$ 719,905	\$ 66,245	\$ -	\$ 3,235,889	3,670,926
CURRENT LIABILITIES							
Commercial paper notes	50,000	-	-	-	-	50,000	150,000
Accounts payable	142,311	12,224	-	42	-	154,577	126,160
Purchased power payable	76,020	28,352	-	1,741	(79,353)	26,760	34,327
Credit support collateral obligation	8,314	-	-	-	-	8,314	13,370
Long-term debt due within one year	90,045	14,270	5,455	28,295	-	138,065	123,235
Accrued decommissioning	7,471	-	-	-	-	7,471	7,140
Interest payable	30,294	1,246	8,621	297	-	40,458	30,894
Accrued interest liability	428	21	-	-	(15)	434	273
Accrued salaries and compensated absences	65,016	-	-	-	-	65,016	51,027
Derivative financial instruments maturing within one year	18,776	-	-	-	-	18,776	36,620
Customer deposits	2,456	-	-	-	-	2,456	2,068
Lease and subscription software liability	36,855	306	-	-	(225)	36,936	31,990
Other	98,269	-	-	-	-	98,269	53,663
Total current liabilities	626,255	56,419	14,076	30,375	(79,593)	647,532	660,767
NONCURRENT LIABILITIES							
Accrued decommissioning - net	98,891	10,467	-	-	-	109,358	111,859
Derivative financial instruments	6,807	-	-	-	-	6,807	14,676
Net pension liability	308,407	-	-	-	-	308,407	259,010
Net OPEB liability	24,135	-	-	-	-	24,135	25,334
Lease liability	35,741	4,567	-	-	(3,300)	37,008	63,564
Other	86,909	-	62	-	-	86,971	89,190
Total noncurrent liabilities	560,890	15,034	62	-	(3,300)	572,686	563,633
TOTAL LIABILITIES	3,572,757	135,580	734,043	96,620	(82,893)	4,456,107	4,895,326
DEFERRED INFLOWS OF RESOURCES							
Accumulated increase in fair value of hedging derivatives	51,209	-	-	-	-	51,209	67,118
Deferred pension inflows	765	-	-	-	-	765	8,416
Deferred OPEB inflows	15,238	-	-	-	-	15,238	30,616
Deferred lease inflows	19,569	-	-	-	(3,410)	16,159	17,108
Regulatory credits	1,084,460	-	-	-	-	1,084,460	842,354
Unamortized bond gains - other	31,760	-	2,413	-	-	34,173	37,175
Unearned revenue	3,621	45	-	-	-	3,666	3,874
TOTAL DEFERRED INFLOWS OF RESOURCES	1,206,622	45	2,413	-	(3,410)	1,205,670	1,006,661
NET POSITION							
Balance at beginning of year	2,840,490	261,626	(13,147)	6,646	(283,496)	2,812,119	2,586,699
Net increase (decrease) for the year	31,275	14,530	545	(355)	-	45,995	34,660
Member contributions (distributions) - net	-	-	57	42	(99)	-	-
TOTAL NET POSITION	2,871,765	276,156	(12,545)	6,333	(283,595)	2,858,114	2,621,359
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 7,651,144	\$ 411,781	\$ 723,911	\$ 102,953	\$ (369,898)	\$ 8,519,891	\$ 8,523,346

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF CASH FLOWS
For the Period Ended April 30, 2025
(thousands of dollars)

	Month	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 132,756	\$ 537,410
Receipts from surplus power and gas sales	11,002	51,329
Other receipts	2,586	8,943
Payments to employees - payroll and other	(30,849)	(134,850)
Payments for wholesale power and gas purchases	(36,733)	(136,376)
Payments to vendors/others	(14,389)	(183,727)
Net cash provided by operating activities	64,373	142,729
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interest on debt	(1,017)	(19,277)
Net cash used in noncapital financing activities	(1,017)	(19,277)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction expenditures	(40,271)	(132,426)
Contributions in aid of construction	3,309	8,076
Issuance of commercial paper	25,000	50,000
Interest on debt	(249)	(38,081)
Lease and other receipts/payments - net	(2,303)	(10,791)
Net cash used in capital and related financing activities	(14,514)	(123,222)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales and maturities of securities	89,454	293,751
Purchases of securities	(149,942)	(280,953)
Interest and dividends received	4,212	16,348
Investment revenue/expenses - net	601	(319)
Net cash (used in) provided by investing activities	(55,675)	28,827
Net (decrease) increase in cash and cash equivalents	(6,833)	29,057
Cash and cash equivalents at the beginning of the month and year	452,721	416,831
Cash and cash equivalents at April 30, 2025	\$ 445,888	\$ 445,888
Cash and cash equivalents included in:		
Unrestricted cash and cash equivalents	\$ 348,430	\$ 348,430
Restricted and designated cash and cash equivalents	80,956	80,956
Restricted and designated assets (a component of the total of \$364,047 at April 30, 2025)	16,502	16,502
Cash and cash equivalents at April 30, 2025	\$ 445,888	\$ 445,888

SSS No. CFO 25-002	<h1 style="text-align: center;">BOARD AGENDA ITEM</h1> <h2 style="text-align: center;">STAFFING SUMMARY SHEET</h2>	Committee Meeting & Date Finance & Audit – 06/17/25
		Board Meeting Date N/A

TO				TO				
1.	Jillian Rich			6.				
2.	Scott Martin			7.				
3.	Lora Anguay			8.				
4.	Jose Bodipo-Memba			9.	Legal			
5.				10.	CEO & General Manager			
Consent Calendar		Yes	X	No (If no, schedule a dry run presentation.)	Budgeted	X	Yes	No (If no, explain in Cost/Budgeted section.)
FROM (IPR) Melissa Azevedo				DEPARTMENT Enterprise Strategy & Risk		MAIL STOP B205	EXT. 6508	DATE SENT 05/23/25
NARRATIVE:								
<p>Requested Action: Provide the Board the Enterprise Risk Management (ERM) quarterly update.</p> <p>Summary: In 2024, staff proposed changes to transition ERM Board reporting from annual to quarterly. This second quarterly report includes recent changes to SMUD’s risk levels and a summary of corresponding action. It also includes the commodity risk reporting for period ending March 31, 2025 as required by the Energy Risk Management and Energy Trading Standards under Board-Staff Linkage BL-12, Delegation to the CEO with Respect to Transactions Involving Transmission and Wholesale Energy, Fuel, and Environmental Attributes.</p> <p>Board Policy: Strategic Direction SD-17, Enterprise Risk Management; Board-Staff Linkage BL-12, Delegation to the CEO with Respect to Transactions Involving Transmission and Wholesale Energy, Fuel, and Environmental Attributes</p> <p>Benefits: Provides Board members with information regarding SMUD’s Enterprise Risk.</p> <p>Cost/Budgeted: There is no budgetary impact for this informational briefing.</p> <p>Alternatives: Provide information via written report through the Chief Executive Officer & General Manager.</p> <p>Affected Parties: Board of Directors, SMUD, Customers</p> <p>Coordination: All SMUD Departments</p> <p>Presenter: Jillian Rich, Manager, Enterprise Strategy & Risk</p>								

Additional Links:

SUBJECT	Enterprise Risk Management (ERM) Quarterly Update	ITEM NO. (FOR LEGAL USE ONLY)
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Commodity & Enterprise Risk Management Report

Second quarter 2025



The details provided in this report include:

- Supporting detail on the first phase of SMUD's refreshed Enterprise Risk Management (ERM) framework.
- Pursuant to resolution 24-09-05, a commodity risk update including:
 - Current year commodity budget update and a current and next year commodity financial exposure update.
 - Any new multi-year contracts entered into under the Delegation of Authority for wholesale energy, fuel and environmental attribute transactions and contracts.

Enterprise Risk Management (ERM) Refresh

As part of the Strategic Direction SD-17 Enterprise Risk Management Annual Report in November 2024, staff committed to refresh SMUD's Enterprise Risk Management (ERM) program in response to a 2024 maturity assessment conducted by KPMG, a global consulting firm.

The goal of the refresh is to provide a cross-functional, top-down view of risk to SMUD with connections to current, bottom-up risks. This new framework will increase alignment to SMUD's Strategic Direction and allow staff, executives, and the Board to view and discuss risk more holistically before examining more detailed risk drivers.

The new Strategic Risks are:

1. Safety & Security
2. Reliability
3. Environmental
4. Customer & Community
5. Financial
6. Process & Technology
7. Our People

Staff will introduce the Strategic Risk profiles using a phased approach with the goal of having the 2025 SD-17 Annual Report entirely in context of the new risk framework.

In the new framework, Board updates will focus on the 7 Strategic and approximately 25 sub-risks, which we refer to as Enterprise Risks. Lower-level business area risks will not be individually reported unless the risk escalates to a level of concern. Audits are another way the Board may receive updates on risk in general. Internal and external audits provide assurance that SMUD is managing risk at every level when they review processes, test controls, and report findings. The ERM team has increased

collaboration with Internal Audit Services, Compliance, and Business Continuity this year to align control and risk frameworks.

Staff will present the first 2 of the 7 Strategic Risks for Q2 2025 as an introduction to the new reporting format. Provided below are supporting details for the 2 refreshed risks – Customer & Community and Financial – including definitions of sub-risks and alignment of the current risk framework for reference during the Finance & Audit Committee presentation on June 17, 2025.

Customer & Community Risk

Strategic Risk definition: SMUD may lose customer trust and not be able to strengthen all communities equitably.

Strategic Direction alignment:

- SD-5 (Customer relations)
- SD-12 (Ethics)
- SD-13 (Economic development)
- SD-15 (Outreach & communications)

Sub-Risks (Enterprise Risks):

- **Customer Experience:** SMUD may not be able to meet customer expectations resulting in low customer satisfaction and operational challenges.
- **Reputational:** SMUD may lose credibility with our community, industry, board and/or government agencies impacting the ability to achieve our strategic goals and objectives.
- **Equitable Energy Transition:** Under-resourced populations may bear an undue burden of the zero-carbon transition.
- **Inclusive Economic Development:** Sacramento's regional economy may not thrive or may not benefit all communities equally.
- **Customer Bill Burden:** Customers may be unable to reduce their energy bill burden which could cause a negative impact for their livelihood.

Alignment to Current Risk Framework

- Changing Customer Expectations
- Customer Service Operations: Business Disruption
- New Services & Local Agency Projects
- Media & Community Relations
- Revenue Collection Operations & Maintenance
- Local Government Affairs
- Corporate Governance: Board Driven
- Corporate Governance: General Manager Driven
- Underserved Community Engagement
- Ethics/Integrity
- Illegal Acts/Fraud

Sample mitigations and controls:

- Customer experience & market research
- Customer assistance programs including bill payment and rate options
- Community Impact Plan initiatives
- SMUD.org re-design

Financial Risk

Strategic Risk definition: SMUD may not be able to afford its critical investments while keeping rates below inflation.

Strategic Direction alignment:

- SD-2 (Competitive rates)
- SD-3 (Access to credit markets)
- SD-11 (Public Power Business Model)
- SD-19 (Diversified business)

Sub-Risks (Enterprise Risks):

- **Financial Management:** SMUD may not be able to prudently manage finances, reduce costs, or withstand economic fluctuations, which could cause an emergency rate increase, or a rate increase above inflation.
- **Commodity management:** SMUD may not be able to manage the financial fluctuations associated with commodity prices or supply resulting in substantial unforeseen costs.

Alignment to Current Risk Framework

- Budget Planning & Rate Setting
- Financing: Accounting/Financial Report
- Financing: Capital Availability
- Liquidity
- Price Volatility: Interest Rate
- Price Volatility: Hydro Generation
- Price Volatility: Energy Commodity
- Load Variation: Retail Load
- Wholesale Credit Default

Sample mitigations and controls:

- Rate stabilization funds
- Insurance captives
- Hedging
- Operational excellence

Commodity Risk Quarterly Report – Second Quarter 2025

Commodity Budget

The current commodity budget forecast for 2025 is \$547 million, which is below budget by \$63 million. The primary cause is power and fuel prices being lower than what was budgeted, which led to a shift towards market purchases to serve load at lower costs. SMUD owned thermal, hydroelectric, and wind generation have been slightly less than budget, which has been offset with above budget generation from the Western Area Power Administration (WAPA) hydroelectric generation.

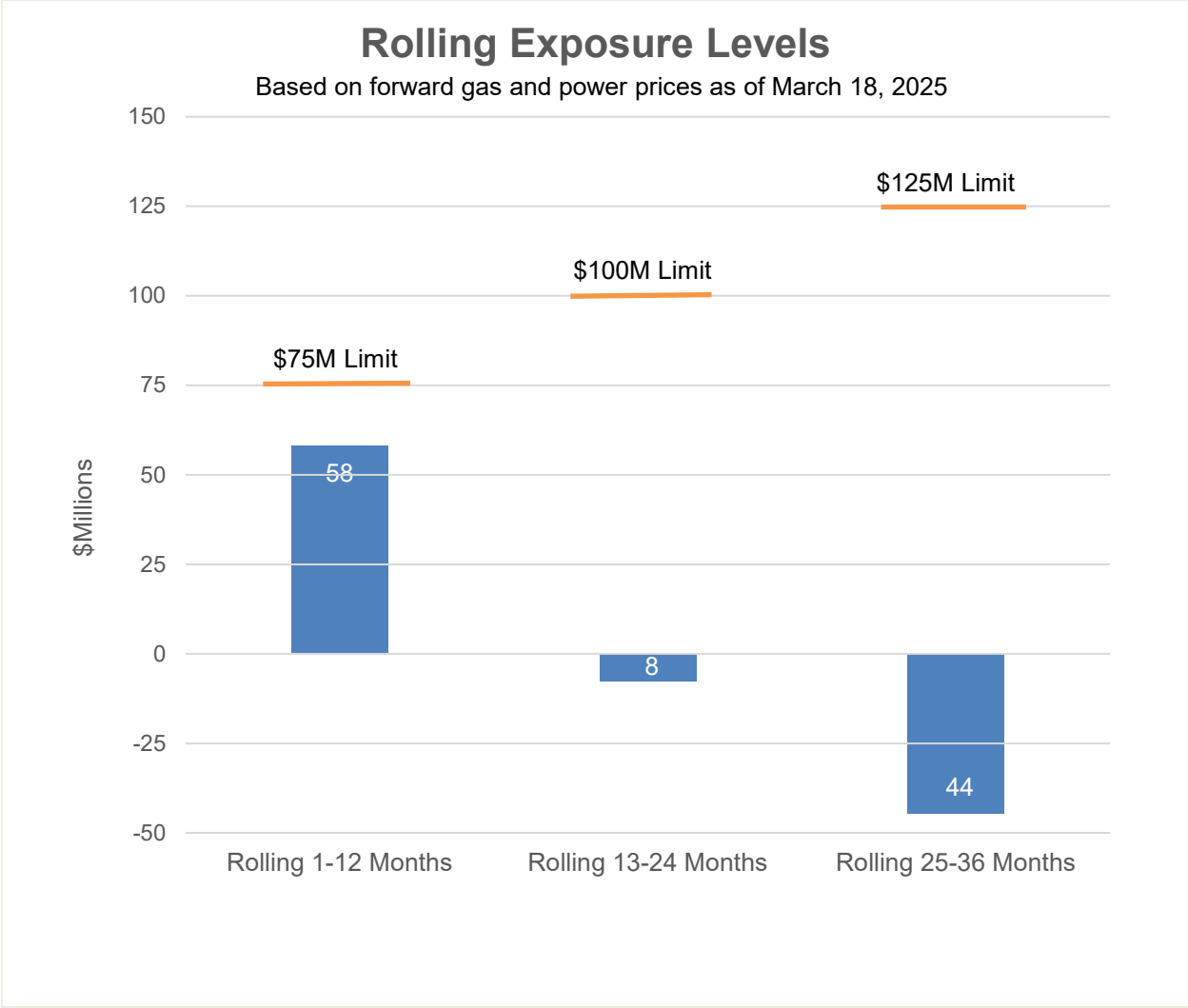
Commodity Risk Update

SMUD's commodity risk level is currently medium and is trending steadily. The chart below shows SMUD's commodity exposure, which is the net of:

- Forecasted value of power and fuel SMUD expects to purchase but hasn't hedged¹ the price yet (expense).
- Forecasted value of excess power and fuel SMUD expects to sell but hasn't hedged the price yet (revenue).

Forecasted costs and values are only considered commodity exposure if the price hasn't been locked in through a purchase or sale. Staff sometimes delays locking in prices due to variations in SMUD's supply and demand on an hourly basis, or for several other reasons such as market liquidity for certain products, short duration, changes in load due to weather, or to leave flexibility to optimize for load on that day. In short, some level of exposure is expected and strategic. SMUD sets limits per forecast period as shown on the chart below to ensure exposure levels are constructive and within SMUD's financial risk tolerance. SMUD is currently within limits of our targeted exposure.

¹ Hedging is a financial strategy used by many industries like the utility sector to manage risk associated with fuel price fluctuations. They do this by establishing contracts that secure prices for a future period.



The expected purchases and sales offset each other in the exposure calculation and as a result have a positive or negative total value, given the direction of the cash flow. Due to the timing of hedging purchases or sales, SMUD’s exposure can increase or decrease until staff programmatically locks in pricing for the purchase or sale.

Factors that would change exposure include changes in the forecasted prices for power and fuel, changes in precipitation, a power plant or renewable resource outage, additional power or fuel hedges, or a change in the volume of power or fuel that needs to be purchased. For instance, if an unexpected outage occurred, reliance on purchased power would increase for that period (expense) and natural gas fuel not needed could be sold (revenue).

Below is an update on other related factors in the commodity portfolio and the corresponding actions taken by staff.

Driver of Risk	Description of change this quarter	Further action needed
Market conditions	Power prices are down 37% compared to budget and fuel prices are down 19% compared to budget.	No action at this time. Typical price variation.
Precipitation and Reservoir Levels (as of May 9, 2025)	UARP precipitation is 94% of normal, and reservoir levels are at 87% of capacity, which is 107% of the average level of reservoirs for this time of year. The water year total is on track to be slightly under plan.	Inflow and reservoir levels are updated monthly for budget outlook. A \$7.1 million withdrawal was made to cover the shortfall in generation from April 2024 – March 2025. The Hydro Rate Stabilization Fund balance is \$80.9 million, or nearly fully funded. No further action needed.
Commodity Rate Stabilization Fund	Commodity Rate Stabilization Fund balance is \$60 million.	No action needed.
Gas storage	Regional West Coast storage is at the highest levels seen in 5 years.	No action needed.
Power and Gas Hedging	Hedges are in place for fuel purchases and power sales for 2025. Positions are reviewed monthly, and adjustments are made as needed.	No action needed.
Resource Adequacy	The current forecast does not indicate the need to purchase additional resource adequacy capacity until July 2025.	No action needed. Given market conditions, we expect to be able to purchase additional resources in a cost-effective manner closer to the month of need.

Long-term Commodity Contracts

There were no contracts entered into under the Delegation of Authority for Wholesale Electricity and Natural Gas Related Transactions and Contracts. These are contracts that are one to three years in length.

SSS No.
BOD 2025-004

BOARD AGENDA ITEM STAFFING SUMMARY SHEET

Committee Meeting & Date
FINANCE & AUDIT - 2025
Board Meeting Date
N/A

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

Consent Calendar		Yes	x	No If no, schedule a dry run presentation.	Budgeted	x	Yes	No (If no, explain in Cost/Budgeted section.)
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FROM (IPR) Rob Kerth / Crystal Henderson	DEPARTMENT Board Office	MAIL STOP B307	EXT. 5424	DATE SENT 12/29/24
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NARRATIVE:

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

Summary: The Board requested an ongoing 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 to make clear the will of the Board. The Finance & Audit Committee Chair will summarize Board member requests that come out of the committee presentations for this meeting.

Board Policy: Governance Process GP-4, Board/Committee Work Plan and 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 the will of the Board.

Cost/Budgeted: Included in budget for internal labor.

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

Affected Parties: Board of Directors, Board Office and Executive Office

Coordination: Crystal Henderson, Special Assistant to the Board

Presenter: Rob Kerth, Finance & Audit Committee Chair

Additional Links:

SUBJECT

Summary of Committee Direction – Finance & Audit Committee

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.