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

Date: Tuesday, September 15, 2026

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

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

Powering forward. Together.

SMUD®

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

Tuesday, September 15, 2026
SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, California
Scheduled to begin at 6:00 p.m.

Remote Telephonic Location:
1 Rue des Carrières
Québec, QC G1R 5J5

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 agendized 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: 165 652 7534
Passcode: 583144
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.	Muguet Cochran	Discuss approving contract change to Contract No. 4500043215 with **Kaiser Permanente** approving 2027 medical insurance premium rates and extending the contract by one year for the period January 1, 2027, through December 31, 2027; 2027 cost estimated at $43 million. Presentation: 8 minutes Discussion: 10 minutes
2.	Muguet Cochran	Discuss approving contract change to Contract No. 4500147540 with **UnitedHealthcare Insurance Company** approving 2027 medical insurance premium rates; 2027 cost estimated at $48 million. Presentation: 8 minutes Discussion: 10 minutes

INFORMATIONAL ITEMS

3.	Joe Schofield	Quarterly Procurement Report for Second Quarter 2026. Presentation: 5 minutes Discussion: 5 minutes
4.	George Vaughn	Provide the Board with SMUD's financial results from the seven-month period ending July 31, 2026, and a summary of SMUD's current Power Supply Costs. Presentation: 6 minutes Discussion: 2 minutes
5.	Linda Wong	Internal Audit Services Report: Greenergy® Partner Plus Annual Verification. Discussion: 1 minute
6.	Public Comment.	
7.	Brandon D. Rose	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 1-916-732-6155 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 Nicole.Looney@smud.org, or contact by phone at 1-916-732-6055, no later than 48 hours before this meeting.

SSS No. PSS 26-009

BOARD AGENDA ITEM
STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 09/15/26
Board Meeting Date
September 17, 2026

TO		TO	
1.	Muguet Cochran	6.	
2.	Joe Schofield	7.	
3.	Jose Bodipo-Memba	8.	
4.	Jennifer Restivo	9.	**Legal**
5.	Rhonda Staley-Brooks	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
Muguet Cochran	People Services & Strategies	B251		08/21/26

NARRATIVE:

Requested Action: Approve contract change to Contract No. 4500043215 with Kaiser Permanente approving 2027 medical insurance premium rates and extending the contract by one year for the period January 1, 2027, through December 31, 2027; 2027 cost estimated at $43 million.

Summary: Kaiser Permanente presented SMUD with a renewal increase for the 2027 plan year of 11.2% for active employees, pre-65 retirees and Medicare Advantage medical plans. The percentage increase is determined by a 12-month utilization period where there were significant increases in utilization due to an increase in serious illnesses and associated pharmaceutical costs. The 11.2% increase is based on the difference in the aggregated total cost of premiums for active employees and retirees (and dependents) enrolled in the Kaiser Permanente plans from 2025 to 2026. Based on these rates and current enrollment, the total cost for 2027 medical benefit plans is projected at $43 million.

These actions will allow SMUD to provide medical benefit plans for the year 2027 to employees, retirees, and eligible dependents enrolled in SMUD's medical Kaiser plans in the most cost-effective manner. Kaiser remains the lower cost of the two medical insurance plans offered to employees.

Note: The estimated costs above will vary based on 2027 employee/retiree Open Enrollment selections and SMUD population.

Board Policy: *(Number & Title)* Strategic Direction SD-3, Access to Credit Markets. SMUD staff negotiated best price and terms with medical providers in consideration of the long-term revenue requirements, debt, and financial risk to SMUD.

Strategic Direction SD-8, Employee Relations. Providing medical benefits to employees supports SMUD's goal of an inclusive workplace that engages and inspires employees to commit to SMUD's purpose, vision, and values.

Benefits: Provide quality medical benefits to eligible SMUD employees, retirees, and eligible dependents.

Cost/Budgeted: Assuming current enrollment, SMUD's share of cost is projected at $37.7 million (after employee/retiree contributions).

Alternatives: Not accepting the proposed rate increases would jeopardize SMUD's ability to provide the required employee health benefits and impact employees' access to health care and out of compliance with current labor Memoranda of Understanding (MOUs).

Affected Parties: All eligible SMUD employees, retirees and eligible dependents participating in SMUD's Kaiser medical benefit plans.

Coordination: People Services & Strategies, Procurement and Alliant Insurance Services, Inc.

Presenter: Muguet Cochran, Director, People Services & Strategies

Additional Links:

SUBJECT	ITEM NO. *(FOR LEGAL USE ONLY)*
2027 Kaiser Permanente Contract Change	

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

DRAFT

2027 Kaiser Permanente
Active Employee & Retiree Monthly Medical Premium Rates

Active	**Basic**		
Carrier	**Employee Only/ Retiree Only**	**Employee + 1/ Retiree +1**	**Employee + Family/ Retiree + Family**
Kaiser HMO – High Plan	$1,096.04	$2,192.08	$3,288.12
Kaiser HMO – Low Plan	$1,039.33	$2,078.66	$3,117.99
Retiree Kaiser HMO Plan	$1,096.04	$2,192.08	$3,288.12

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SSS No. PSS 26-010

BOARD AGENDA ITEM
STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 09/15/26
Board Meeting Date
September 17, 2026

TO		TO	
1.	Muguet Cochran	6.	
2.	Joe Schofield	7.	
3.	Jose Bodipo-Memba	8.	
4.	Jennifer Restivo	9.	**Legal**
5.	Rhonda Staley-Brooks	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
Muguet Cochran	People Services & Strategies	B251	5371	08/21/2026

NARRATIVE:

Requested Action: Approve contract change to Contract No. 4500147540 with UnitedHealthcare Insurance Company ("UnitedHealthcare") approving 2027 medical insurance premium rates; 2027 cost estimated at $48 million.

Summary: UnitedHealthcare presented SMUD with a renewal increase for the 2027 plan year of 16.6% for our active employee, pre-65 retiree and Medicare Advantage medical plans. The percentage increase is determined by a 12-month utilization period where there were significant increases in utilization due to an increase in serious illnesses and associated pharmaceutical costs. The 16.6% increase is based on the difference in the aggregated total cost of premiums for active employees and retirees (and dependents) enrolled in the United Healthcare plans from 2025 to 2026. Based on these rates and current enrollment, the total cost for 2027 medical benefit plans is projected at $48 million.

These actions will allow SMUD to provide medical benefit plans for the year 2027 to employees, retirees, and eligible dependents enrolled in United HealthCare medical plans in the most cost-effective manner.

Note: The estimated costs above will vary based on 2027 employee/retiree Open Enrollment selections and SMUD population.

Board Policy: *(Number & Title)* Strategic Direction SD-3, Access to Credit Markets. SMUD staff negotiated best price and terms with medical providers in consideration of the long-term revenue requirements, debt, and financial risk to SMUD.

Strategic Direction SD-8, Employee Relations. Providing medical benefits to employees supports SMUD's goal of an inclusive workplace that engages and inspires employees to commit to SMUD's purpose, vision, and values.

Benefits: Provide quality medical benefits to eligible SMUD employees, retirees, and eligible dependents.

Cost/Budgeted: Assuming current enrollment, SMUD's share of cost is projected at $42.6 million (after employee/retiree contributions).

Alternatives: Not award, which would jeopardize SMUD's ability to provide the required employee health benefits and impact employee's access to health care and impact employees' access to health care and out of compliance with current labor Memoranda of Understanding (MOUs).

Affected Parties: All eligible SMUD employees, retirees and eligible dependents participating in SMUD's medical benefit plans.

Coordination: People Services & Strategies, Procurement and Alliant Insurance Services, Inc.

Presenter: Muguet Cochran, Director, People Services & Strategies

Additional Links:

SUBJECT	ITEM NO. *(FOR LEGAL USE ONLY)*
2027 UnitedHealthcare Contract Change	

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

DRAFT

2027 United HealthCare
Active Employee Monthly Medical Premium Rates

Active Employees	Basic		
Carrier	**Employee Only**	**Employee + 1**	**Employee + Family**
UnitedHealthcare Signature Value HMO – High Plan	$1,659.78	$3,502.12	$5,012.51
UnitedHealthcare Signature Value HMO – Low Plan	$1,492.02	$3,148.11	$4,505.92
UnitedHealthcare Signature Alliance HMO – High Plan	$1,257.70	$2,653.75	$3,798.25
UnitedHealthcare Signature Alliance HMO – Low Plan	$1,130.58	$2,385.50	$3,414.39
UnitedHealthcare High Deductible Health Plan	$1,193.41	$2,518.11	$3,604.11
UnitedHealthcare PPO Plan (plan closed to new participants based on high cost)	$2,307.14	$4,868.07	$6,967.55

2027 United HealthCare
Retiree Monthly Medical Premium Rates

Retiree	Basic		
Carrier	**Retiree Only**	**Retiree + 1**	**Retiree + Family**
UnitedHealthcare Signature Value HMO	$1,659.78	$3,502.12	$5,012.51
UnitedHealthcare Signature Alliance	$1,257.70	$2,653.75	$3,798.25
UnitedHealthcare PPO – in CA	$2,307.14	$4,868.07	$6,967.55
UnitedHealthcare PPO – out of CA	$2,307.14	$4,868.07	$6,967.55

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SSS No. SCS 26-167

BOARD AGENDA ITEM
STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 09/15/26
Board Meeting Date
N/A

TO		TO	
1.	Joe Schofield	6.	
2.	Rhonda Staley-Brooks	7.	
3.	Jose Bodipo-Memba	8.	
4.	Jennifer Restivo	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)	DEPARTMENT	MAIL STOP	EXT.	DATE SENT
Trish Davy	Legal Department	B406	6857	07/31/26

NARRATIVE:

Requested Action: Quarterly Procurement Report for Second Quarter 2026.

Summary: In August 2003, the Board of Directors approved the SMUD Procurement Policy which included a commitment for staff to report on the SMUD Procurement Activities on a quarterly basis.

Board Policy: *(Number & Title)* This report is provided to demonstrate compliance with SMUD Policy BL-8 and the following Policy Elements:

a) Competition
b) Direct Procurement
c) Sole Source Procurement
d) Inclusiveness (participation)
e) Economic Development
f) Environmental Procurement
g) Responsible Bidder
h) Contractor Code of Conduct
i) Best Value Procurement
j) Leveraged Procurement Agreement (LPA)
k) Strategic Alliances
l) Supply Chain Risk
m) Protest Policy
n) Delegation of Authority to the CEO

Benefits: Ensures compliance with public contracting and best value procurement principles.

Cost/Budgeted: Included in budget for internal labor.

Alternatives: Provide quarterly procurement report to Board members via written memo from the Chief Executive Officer & General Manager.

Affected Parties: SMUD

Coordination: Procurement Operations and Supply Chain Strategy & Fleet Operations

Presenter: Joe Schofield, Deputy General Counsel

Additional Links:

SUBJECT	ITEM NO. *(FOR LEGAL USE ONLY)*
2026 Second Quarter Procurement Report	

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. CFO 25-023

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
FINANCE & AUDIT - 2026
Board Meeting Date
N/A

TO		TO	
1.	Rhonda Staley-Brooks	6.	
2.	Jennifer Restivo	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.)*

FROM (IPR)	DEPARTMENT	MAIL STOP	EXT.	DATE SENT
Lisa Limcaco	Accounting	B352	7045	12/30/25

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: *(Number & Title)* Governance Process GP-3, Board Job Description

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: George Vaughn, Interim Director of Accounting and Controller

Additional Links:

SUBJECT	ITEM NO. *(FOR LEGAL USE ONLY)*
SMUD's Financial Results & Power Supply Costs	

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
OFFICE MEMORANDUM

TO: Distribution

DATE: August 26, 2026
ACC 26-012

FROM: Michael Wilson / George Vaughn

SUBJECT: **JULY 2026 FINANCIAL RESULTS AND OPERATIONS DATA**

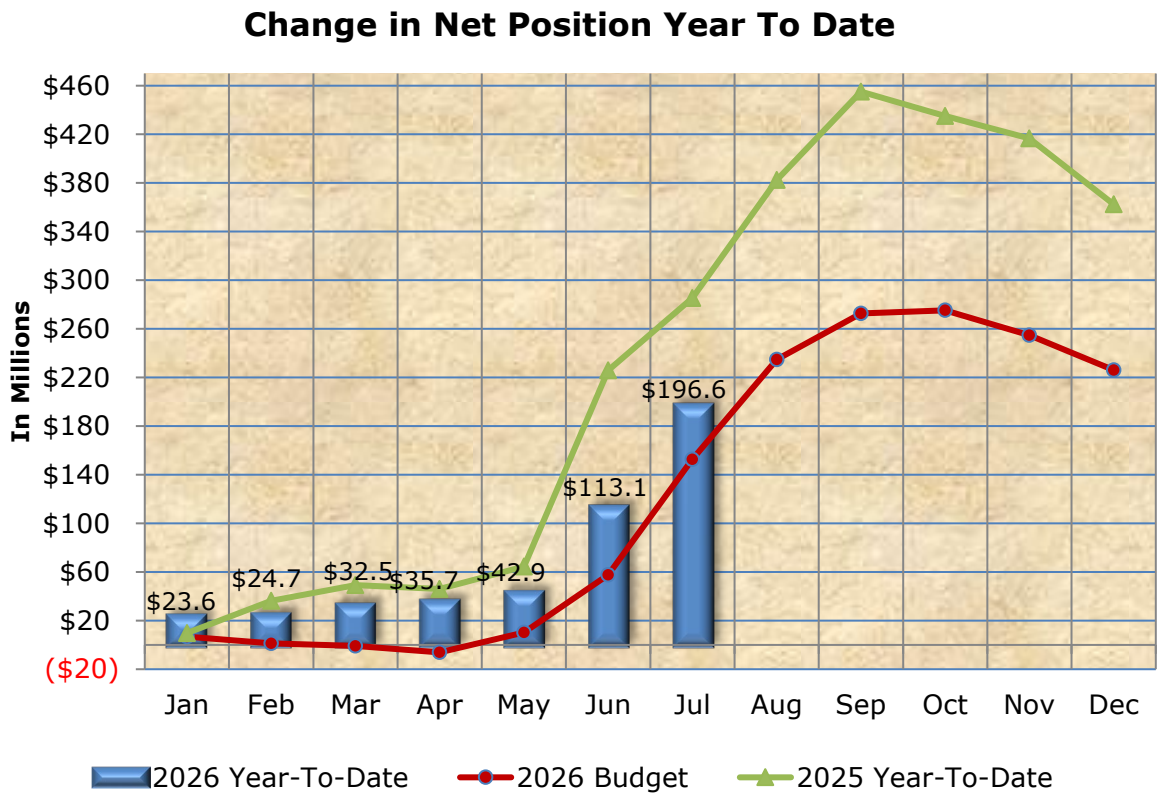
We are attaching the financial and operating reports for the seven months of 2026. They include sales and generation statistics and other selected data.

The change in net position is an increase of $196.6 million compared to a budgeted increase of $152.6 million, resulting in a favorable variance of $44.0 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 2026 Budget approved by the Board of Directors on December 11, 2025.



SACRAMENTO MUNICIPAL UTILITY DISTRICT
EXECUTIVE SUMMARY
For the Seven Months Ended July 31, 2026

Net Position

- The change in net position is an increase of $196.6 million compared to a budgeted increase of $152.6 million, resulting in a favorable variance of $44.0 million.

Revenues

- Customer sales revenues of $1,091.3 million were in line with the plan. Residential sales were $3.6 million higher than planned, offset by commercial and industrial sales of $4.3 million lower than planned due to lower customer usage as a result of cooler weather.
- Other revenues totaled $63.6 million, which was $29.0 million higher than planned. The increase is due to the following:
    - California Global Warming Solutions Act (Assembly Bill [AB-32]) were $11.4 million. This is due to carbon allowances sold through the state sanctioned quarterly actions.
    - Low Carbon Fuel Standards (LCFS) revenues were $5.6 million due to LCFS credit sales.
    - The remaining revenues increased by $12.1 million, primarily from billings related to eFuel projects, construction fees for customer work, increased transmission revenue, and unbudgeted interconnection fees.
- The net rate stabilization fund transfers were $3.2 million.
    - Non-cash revenues transferred to the fund totaled $19.8 million, including:
        - $11.4 million for AB-32
        - $5.5 million for LCFS
        - $2.9 million for the annual WAPA Hydro Generation Adjustment

      These funds are deferred until SMUD has qualified program expenses such as projects that reduce carbon emissions or electric vehicle programs.
    - Non-cash revenues transferred from the stabilization rate amounted to $23.0 million, including:
        - $9.0 million recognized for the annual WAPA Hydro Generation Adjustment
        - $8.6 million for Community Impact Plan and LCFS
        - $5.4 million recognized for AB-32

Commodities, Purchased Power, and Production

- SMUD's generation was lower by 1,133 GWh (23.8 percent); thermal and other generations were lower by 838 GWh (23.5 percent); and Hydro generation was lower by 295 GWh (24.8 percent).
- Purchased power expense of $223.2 million, less surplus power sales of $48.6 million included in wholesale revenues, was $174.6 million, which was $16.8 million higher than planned. Market prices remain low due to high supply of power from solar renewables in the CAISO market; consequently, it is more economical to reduce thermal plant generation and supplement with additional power purchases.
- Production operations costs of $194.3 million less surplus gas sales of $47.6 million included in wholesale revenues, was $146.7 million, which was $37.9 million lower than planned.
    - Fuel costs of $111.7 million less surplus gas sales of $47.6 million, were $64.1 million, which was $26.6 million lower than planned, primarily due to a decrease in thermal generation and lower fuel prices, as purchasing power proved to be more cost-effective.
    - Carbon allowances decreased by $6.5 million, primarily due to reduced thermal generation and reduced Calpine Sutter generation, resulting in a lower obligation for allowance usage.
    - Other power generation expenses decreased by $5.2 million, primarily due to lower operational costs at thermal plants.
- The "power margin", or sales to customers less cost of purchased power, production operations costs and gas hedges included in investment revenue was $771.7 million, which was $22.1 million higher than planned. The power margin as a percentage of sales to customers was 70.7 percent, which was 2.1 percent higher than planned. This is primarily due to lower production costs due to lower fuel costs and carbon allowances.

Other Operating Expenses

- All other operating expenses were $610.8 million, which was $15.4 million lower than planned.
  - Transmission and distribution operations and maintenance expenses were down $14.2 million primarily due to lower-than-expected transmission fees and efficiencies in vegetation management. These savings were driven by improved work methods, including LiDAR technology enabled planning, better tree cycle monitoring, contract rate negotiations, and digital field mapping.
  - Customer service and program expenses were down $6.8 million mainly due to pending CEQA approval for the REACH 2.0 Grant, and underspending in transportation electrification initiatives, including EV managed charging.
  - Public good expenses were $6.3 million lower than planned, mainly driven by less participation in Advanced Homes and Complete Energy solutions programs, Integrated Design project deferral, Smart Homes electrification program restructuring, and cost reductions in the building electrification portfolio.
  - Administrative and general expenses were $11.1 million higher than planned, primarily due to pension and other post-employment benefits (OPEB) expenses at mid-year.

Noncapital subsidies

- Grant revenues were down $4.9 million due to the cancellation of the REACH 1.0 Grant and delays in the REACH 2.0 Grant.

Non-operating Revenues and Expenses

- Total non-operating revenues, net, were $9.3 million higher than planned, mainly due to higher interest income of $10.9 million and lower interest charges of $6.3 million resulting from lower interest rates on existing long-term debt. The net increase was offset by higher other expenses of $5.0 million due to asset write-offs.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Month Ended July 31, 2026
(thousands of dollars)

	Actual	Budget	Over (Under)	Percent of Increase (Decrease)
OPERATING REVENUES				
Residential	$ 129,202	$ 139,060	$ (9,858)	(7.1) %
Commercial and industrial	108,772	114,140	(5,368)	(4.7)
Wholesale	23,343	19,032	4,311	22.7
Other revenue	9,308	4,903	4,405	89.8
Rate stabilization fund transfers - net	879	2,035	(1,156)	(56.8)
Total operating revenues	271,504	279,170	(7,666)	(2.7)
OPERATING EXPENSES				
Purchased power	43,434	50,871	(7,437)	(14.6)
Production operations and maintenance	36,332	40,406	(4,074)	(10.1)
Transmission and distribution operations and maintenance	20,287	20,896	(609)	(2.9)
Customer service and programs	16,328	15,809	519	3.3
Administrative and general	30,170	16,895	13,275	78.6
Public good	6,938	6,687	251	3.8
Depreciation and amortization	22,174	22,523	(349)	(1.5)
Regulatory amounts collected in rates	4,988	4,570	418	9.1
Total operating expenses	180,651	178,657	1,994	1.1
OPERATING INCOME	90,853	100,513	(9,660)	(9.6)
NONCAPITAL SUBSIDIES				
Grant revenues received	93	668	(575)	(86.1)
Total noncapital subsidies	93	668	(575)	(86)
OPERATING INCOME AND NONCAPITAL SUBSIDIES	90,946	101,181	(10,235)	(10.1)
NON-OPERATING REVENUES AND EXPENSES				
Interest income	4,014	2,442	1,572	64.4
Interest expense	(8,609)	(10,042)	1,433	14.3
Investment income (expense) - net	(874)	-	(874)	*
Other income (expense) - net	(1,978)	1,517	(3,495)	(230.4)
Total non-operating revenues (expenses)	(7,447)	(6,083)	(1,364)	(22.4)
CHANGE IN NET POSITION	$ 83,499	$ 95,098	$ (11,599)	(12.2) %

* Equals 1000% or greater.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Seven Months Ended July 31, 2026
(thousands of dollars)

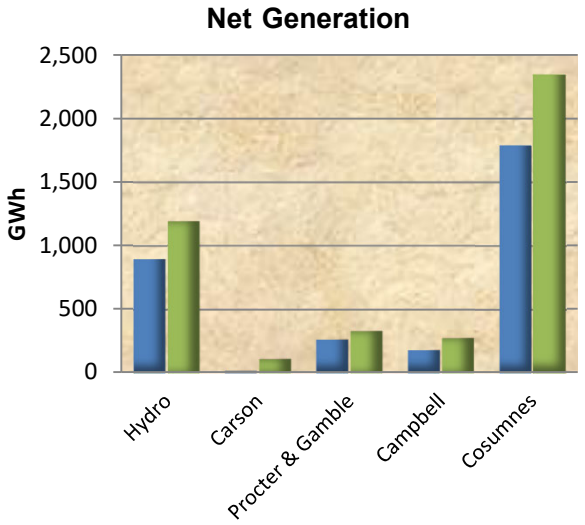
	Actual	Budget	Over (Under)	Percent of Increase (Decrease)
OPERATING REVENUES				
Residential	$ 538,990	$ 535,432	$ 3,558	0.7 %
Commercial and industrial	552,312	556,575	(4,263)	(0.8)
Wholesale	96,208	118,896	(22,688)	(19.1)
Other revenue	63,583	34,546	29,037	84.1
Rate stabilization fund transfers - net	3,243	28,355	(25,112)	(88.6)
Total operating revenues	1,254,336	1,273,804	(19,468)	(1.5)
OPERATING EXPENSES				
Purchased power	223,236	238,320	(15,084)	(6.3)
Production operations and maintenance	222,777	254,981	(32,204)	(12.6)
Transmission and distribution operations and maintenance	119,710	133,941	(14,231)	(10.6)
Customer service and programs	104,761	111,542	(6,781)	(6.1)
Administrative and general	130,645	119,592	11,053	9.2
Public good	33,856	40,106	(6,250)	(15.6)
Depreciation and amortization	159,111	157,058	2,053	1.3
Regulatory amounts collected in rates	34,280	31,989	2,291	7.2
Total operating expenses	1,028,376	1,087,529	(59,153)	(5.4)
OPERATING INCOME	225,960	186,275	39,685	21.3
NONCAPITAL SUBSIDIES				
Grant revenues received	720	5,649	(4,929)	(87.3)
Total noncapital subsidies	720	5,649	(4,929)	(87)
OPERATING INCOME AND NONCAPITAL SUBSIDIES	226,680	191,924	34,756	18.1
NON-OPERATING REVENUES AND EXPENSES				
Interest income	27,888	17,014	10,874	63.9
Interest expense	(60,528)	(66,844)	6,316	9.4
Investment income (expense) - net	(2,903)	-	(2,903)	*
Other income (expense) - net	5,465	10,500	(5,035)	(48.0)
Total non-operating revenues (expenses)	(30,078)	(39,330)	9,252	23.5
CHANGE IN NET POSITION	$ 196,602	$ 152,594	$ 44,008	28.8 %

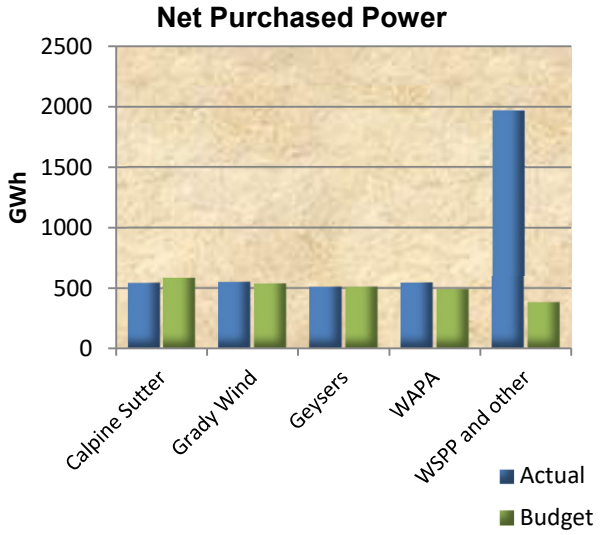
* Equals 1000% or greater.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
SOURCES AND USES OF ENERGY - COMPARED TO BUDGET
For the Period Ended July 31, 2026

Sources of Energy (GWh)	Month Actual	Month Budget	Increase (Decrease) Percentage	Year to Date Actual	Year to Date Budget	Increase (Decrease) Percentage
Net Generated						
Hydro	90	154	(41.6)	895	1,190	(24.8)
Carson Power Plant	6	41	(85.4)	17	110	(84.5)
Procter & Gamble Power Plant	49	76	(35.5)	265	329	(19.5)
Campbell Power Plant	68	94	(27.7)	181	274	(33.9)
Cosumnes Power Plant	356	400	(11.0)	1,790	2,348	(23.8)
Other	115	125	(8.0)	470	500	(6.0)
Total net generation	684	890	(23.1)	3,618	4,751	(23.8)
Purchased Power less transmission losses:						
CalEnergy	21	19	10.5	118	130	(9.2)
Calpine Sutter	119	149	(20.1)	545	583	(6.5)
Drew Solar	31	30	3.3	194	185	4.9
Feed in Tariff	22	25	(12.0)	116	133	(12.8)
Geysers	75	74	1.4	509	509	0.0
Grady Wind	63	62	1.6	548	536	2.2
Hatchet Ridge	17	16	6.3	151	159	(5.0)
Rancho Seco PV II	34	38	(10.5)	184	205	(10.2)
WAPA	126	128	(1.6)	544	487	11.7
WSPP and other	306	51	500.0	1,966	383	413.3
Other long term power	81	61	32.8	384	370	3.8
Total net purchases	895	653	37.1	5,259	3,680	42.9
Total sources of energy	1,579	1,543	2.3	8,877	8,431	5.3
Uses of energy:						
SMUD electric sales and usage	1,094	1,148	(4.7)	6,053	6,092	(0.6)
Surplus power sales	460	347	32.6	2,686	2,083	28.9
System losses	25	48	(47.9)	138	256	(46.1)
Total uses of energy	1,579	1,543	2.3 %	8,877	8,431	5.3 %

* Change equals 1000% or more.





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

- Hydro generation is lower than planned (24.8 percent).
- Thermal generation is lower than planned (26.4 percent).

Purchased power, less surplus power sales, is higher than plan (61.1 percent).

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION

	July 31, 2026	July 31, 2025
	(thousands of dollars)	
ASSETS		
ELECTRIC UTILITY PLANT		
Plant in service	$ 8,225,771	$ 7,915,543
Less accumulated depreciation and amortization	(4,232,976)	(3,982,961)
Plant in service - net	3,992,795	3,932,582
Construction work in progress	952,048	685,846
Total electric utility plant - net	4,944,843	4,618,428
RESTRICTED AND DESIGNATED ASSETS		
Revenue bond and debt service reserves	169,984	163,311
Nuclear decommissioning trust fund	10,542	10,155
Rate stabilization fund	346,930	341,841
Escrow fund	119,908	18,679
Collateral fund	7,998	10,222
Insurance captive fund	18,690	11,453
Other funds	13,106	11,399
Less current portion	(314,501)	(198,371)
Total restricted and designated assets	372,657	368,689
CURRENT ASSETS		
Unrestricted cash and cash equivalents	510,018	443,475
Unrestricted investments	246,011	220,859
Restricted and designated cash, cash equivalents, and investments	314,501	198,371
Receivables - net	378,389	421,070
Regulatory costs to be recovered within one year	114,055	93,509
Hedging derivative instruments maturing within one year	22,951	18,674
Inventories	217,265	196,321
Prepaid gas to be delivered within one year	41,444	43,811
Prepayments and other	71,205	75,368
Total current assets	1,915,839	1,711,458
NONCURRENT ASSETS		
Regulatory costs for future recovery	1,078,372	1,004,450
Prepaid gas	673,206	714,650
Hedging derivative instruments	31,341	32,360
Credit support collateral deposits	5,788	20,750
Due from affiliated entity	40,681	35,490
Investment in TANC	42,920	40,051
Prepayments and other	49,684	52,861
Total noncurrent assets	1,921,992	1,900,612
TOTAL ASSETS	9,155,331	8,599,187
DEFERRED OUTFLOWS OF RESOURCES		
Accumulated decrease in fair value of hedging derivative instruments	71,722	26,687
Deferred pension outflows	50,316	167,353
Deferred other postemployment benefits outflows	53,463	50,990
Deferred asset retirement obligations outflows	117	498
Unamortized bond losses	23,626	27,016
TOTAL DEFERRED OUTFLOWS OF RESOURCES	199,244	272,544
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 9,354,575	$ 8,871,731

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION

	July 31, 2026	July 31, 2025
	(thousands of dollars)	
LIABILITIES		
LONG-TERM DEBT - net	$ 3,467,193	$ 3,360,001
CURRENT LIABILITIES		
Commercial paper notes	100,000	-
Accounts payable	122,002	166,053
Purchased power payable	54,220	64,613
Long-term debt due within one year	134,230	126,920
Accrued decommissioning	8,661	7,471
Interest payable	60,230	56,373
Accrued salaries and compensated absences	62,194	72,849
Hedging derivative instruments maturing within one year	51,956	23,667
Advanced payments on construction	40,041	46,084
Lease liability	11,486	26,716
Customer deposits and other	31,841	20,650
Total current liabilities	676,861	611,396
NONCURRENT LIABILITIES		
Net pension liability	150,110	282,189
Net other postemployment benefits liability	56,827	44,299
Accrued decommissioning	120,888	107,854
Hedging derivative instruments	19,766	3,072
Advanced payments on construction	50,773	40,985
Self insurance and other	97,740	118,132
Total noncurrent liabilities	496,104	596,531
TOTAL LIABILITIES	4,640,158	4,567,928
DEFERRED INFLOWS OF RESOURCES		
Accumulated increase in fair value of hedging derivative instruments	54,292	51,034
Regulatory credits	1,156,798	1,086,339
Deferred pension inflows	62,114	765
Deferred other postemployment benefits inflows	24,080	15,238
Deferred lease inflows	15,301	15,981
Unamortized bond gains	27,316	33,356
Unearned revenue	3,373	3,619
TOTAL DEFERRED INFLOWS OF RESOURCES	1,343,274	1,206,332
NET POSITION		
Balance at beginning of year	3,174,541	2,812,120
Net increase for the year	196,602	285,351
TOTAL NET POSITION	3,371,143	3,097,471
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 9,354,575	$ 8,871,731

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF CASH FLOWS
For the Period Ended July 31, 2026
(thousands of dollars)

	Month	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 195,973	$ 1,043,228
Receipts from surplus power and gas sales	22,305	96,720
Other receipts	2,122	102,433
Payments to employees - payroll and other	(74,806)	(314,927)
Payments for wholesale power and gas purchases	(57,204)	(319,480)
Payments to vendors/others	(90,789)	(476,096)
Net cash (used in) provided by operating activities	(2,399)	131,878
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Repayment of debt	(31,420)	(31,420)
Receipts from federal and state grants	42	25,022
Interest on debt	(713)	(19,245)
Net cash used in noncapital financing activities	(32,091)	(25,643)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction expenditures	(48,659)	(312,990)
Contributions in aid of construction	8,233	27,448
Net proceeds from bond issues	284,520	284,520
Issuance of commercial paper	-	100,000
Other receipts/payments - net	1,011	32,370
Interest on debt	(217)	(53,207)
Lease receipts/payments - net	(2,888)	(20,807)
Net cash provided by capital and related financing activities	242,000	57,334
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales and maturities of securities	54,101	540,298
Purchases of securities	(176,692)	(571,962)
Interest and dividends received	4,256	28,142
Investment revenue/expenses - net	14	1,776
Net cash used in investing activities	(118,321)	(1,746)
Net increase in cash and cash equivalents	89,189	161,823
Cash and cash equivalents at the beginning of the month and year	574,013	501,379
Cash and cash equivalents at July 31, 2026	$ 663,202	$ 663,202
Cash and cash equivalents included in:		
Unrestricted cash and cash equivalents	$ 510,018	$ 510,018
Restricted and designated cash and cash equivalents	35,455	35,455
Restricted and designated assets (a component of the total of $372,657 at July 31, 2026)	117,729	117,729
Cash and cash equivalents at July 31, 2026	$ 663,202	$ 663,202

SSS No. IAS 2026-7

BOARD AGENDA ITEM
STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 9/15/26
Board Meeting Date
N/A

TO		TO	
1.	Jennifer Restivo	6.	
2.	Rhonda Staley-Brooks	7.	
3.	Jose Bodipo-Memba	8.	
4.		9.	**Legal**
5.		10.	**CEO & General Manager**

Consent Calendar		**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
Linda Wong	Internal Audit Services	B409	5790	9/3/26

NARRATIVE:

Requested Action: Internal Audit Services Report: Greenergy® Partner Plus Annual Verification.

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

Title	Report Number
• Greenergy® Partner Plus Annual Verification ……	28008081

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

Benefits: N/A

Cost/Budgeted: N/A

Alternatives: N/A

Affected Parties: SMUD Board and Internal Auditor

Coordination: Internal Audit Services

Presenter: Linda Wong, Director, Internal Audit Services

Additional Links:

SUBJECT	ITEM NO. ***(FOR LEGAL USE ONLY)***
Internal Audit Services Report	

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: August 20, 2026
Audit Report #28008081

FROM: Claire Rogers

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

Internal Audit Services (IAS) has performed the procedures enumerated below, which were agreed to by SMUD and the Center for Resource Solutions (CRS), to verify SMUD's compliance with annual reporting requirements of the CRS' Greenergy Partner Plus Program Verification for the year ended December 31, 2025. SMUD's management is responsible for compliance with the annual reporting requirements of the CRS' Greenergy Partner Plus Program Verification.

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

The procedures include, but are not limited to:

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

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

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

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SSS No. BOD 2026-002

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
FINANCE & AUDIT - 2026
Board Meeting Date
N/A

TO		TO	
1.	Rhonda Staley-Brooks	6.	
2.	Jose Bodipo-Memba	7.	
3.	Jennifer Restivo	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)	DEPARTMENT	MAIL STOP	EXT.	DATE SENT
Marythony Sohl / Crystal Henderson	Board Office	B304	5424	12/18/25

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: *(Number & Title)* 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.

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.

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

Affected Parties: Board of Directors and Executive Office

Coordination: Board Office

Presenter: Brandon Rose, Finance & Audit Committee Chair

Additional Links:

SUBJECT	ITEM NO. *(FOR LEGAL USE ONLY)*
Summary of Committee Direction – Finance & Audit Committee	

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.