

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

Date: Tuesday, April 15, 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, April 15, 2025
SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, California
Scheduled to begin at 6:00 p.m.

Remote Telephonic Location:
2800 Opryland Drive
Nashville, Tennessee, 37214

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:

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: 161 617 6793

Passcode: 473395

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. Eric Poff
Discuss authorizing the Chief Executive Officer and General Manager to negotiate and execute a sole source contract with **Cooper Power Systems, LLC, a subsidiary of Eaton Corporation**, to provide network protectors for the five-year period from April 21, 2025, to April 20, 2030, in an amount not to exceed \$40 million.
Presentation: 5 minutes
Discussion: 2 minutes
2. Eric Poff
Discuss approving Contract Change No. 3 to Contract No. 4500147369 with **Utility Partners of America, LLC**, to add meter battery replacement scope of work and to increase the contract not-to-exceed amount by \$3.5 million, from \$22,442,000 to \$25,942,000.
Presentation: 5 minutes
Discussion: 2 minutes
3. Casey Fallon
Discuss authorizing the Chief Executive Officer and General Manager to negotiate and award contracts to **United Trs Electric, Inc., OneSource Supply Solutions, LLC, Hyundai, Eaton Corporation, PulseMac Solutions, LLC, PE Transformer Corp., and Klein Group America, Inc.** (collectively, the **Contracts**) for supply of distribution transformers for a five-year period from May 1, 2025, to April 30, 2030, with one optional two-year extension, for a total aggregate contract not-to-exceed amount of \$175 million.
Presentation: 10 minutes
Discussion: 5 minutes
4. Rhonda Staley-Brooks
Discuss authorizing the Chief Executive Officer and General Manager to enter into a contract with **Powerhouse Science Center** to extend SMUD's naming rights of the **SMUD Museum of Science & Curiosity (MOSAC)** for an additional two-year term through December 2039, in an amount not-to-exceed \$700,000 (\$350,000 per year).
Presentation: 10 minutes
Discussion: 10 minutes

INFORMATIONAL ITEMS

5. Lisa Limcaco Provide the Board with SMUD's financial results from the two-month period ended February 28, 2025, and a summary of SMUD's current Power Supply Costs.
Presentation: 5 minutes
Discussion: 2 minutes
6. Claire Rogers Internal Audit Services Reports: Status of Recommendations Report for Q1 2025, Community Impact Plan, Personal Protective Equipment, and Spill Prevention Control and Countermeasures.
Discussion: 1 minute
7. Gregg Fishman Board Work Plan.
Presentation: 5 minutes
Discussion: 2 minutes
8. Public Comment.
9. 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 25-094

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 04/15/25

Board Meeting Date
April 17, 2025

TO				TO				
1.	Eric Poff			6.				
2.	Casey Fallon			7.				
3.	Scott Martin			8.				
4.	Lora Anguay			9.	Legal			
5.	Jose Bodipo-Memba			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) Jesse Mays				DEPARTMENT Procurement		MAIL STOP EA404	EXT. 7417	DATE SENT 03/28/25

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to negotiate and execute a sole source contract with Cooper Power Systems, LLC, a subsidiary of Eaton Corporation (Eaton), to provide network protectors for a five-year period from April 21, 2025, to April 20, 2030, in an amount not to exceed \$40 million.

Summary: Prior to 2021, SMUD's standard network protectors were all live-front models. Live-front models have energized parts that are exposed and readily accessible. In 2021, SMUD transitioned from the live-front network protectors to dead-front network protectors which have energized parts that are not exposed or accessible, making them safer for SMUD personnel working on them. Eaton is the only SMUD approved manufacturer of this equipment that meets SMUD's minimum requirements and has been successfully providing network protectors with this design to SMUD since the transition to dead-front network protectors in 2021. In 2021, SMUD determined that Eaton's dead-front network protector pricing was fair and reasonable because the unit cost was an average of 23% less than the competitively bid cost of the live-front network protectors. Eaton's 2021 pricing was escalated by a relevant Bureau of Labor and Statistics Producer Price Index (PPI) data to arrive at the base price for this contract SMUD is requesting approval to award to Eaton. Although pricing has increased 67% since 2021, it is still determined to be fair and reasonable as it is in alignment with market conditions.

SMUD is requesting approval to award a sole source contract to Eaton upon successful negotiation of contract terms for a not-to-exceed amount of \$40 million.

Recommendation: Award Sole Source Contract

Award to:

Cooper Power Systems, LLC
1319 Lincoln Ave.
Waukesha, WI 53186

Comments: This is a non-standard inventory material contract. Non-standard contracts may contain unfavorable terms that disadvantage or pose additional risk to SMUD relative to SMUD's standard contract terms. Legal and Risk Management will review and advise the Business Unit of the risk to SMUD so the Business Unit can determine whether it is in SMUD's best interest to accept the terms "as-is" with no changes due to the critical nature of the services.

Supplier Diversity Program: Eaton is not a Supplier Education & Economic Development (SEED) vendor.

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

Benefits: Establishing a long-term contract pricing and terms will ensure future orders for this material can be made easily without separate approvals for each order.

Cost/Budgeted: \$40 Million; Budgeted for 2025 to 2030 by Warehouse

Alternatives: Change SMUD's standard back to live-front network protectors and source competitive contracts. This alternative increases the risk of injury to SMUD personnel working on them.

Affected Parties: Warehouse, Line Assets, Supply Chain Services, and Contractor

Coordination: Warehouse and Supply Chain Services

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

Additional Links:

SUBJECT

Sole Source Contract Award for Network Protectors

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No.SCS-25-091

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 04/15/25

Board Meeting Date
April 17, 2025

TO				TO						
1.	Casey Fallon			6.	Jose Bodipo-Memba					
2.	Eric Poff			7.	Scott Martin					
3.	Amber Connors			8.						
4.	Suresh Kotha			9.	Legal					
5.	Lora Anguay			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) Jesse Mays				DEPARTMENT Procurement				MAIL STOP EA404	EXT. 4860	DATE SENT 3/28/25

NARRATIVE:

Requested Action: Approve Contract Change No. 03 to Contract No. 4500147369 with UTILITY PARTNERS OF AMERICA LLC (UPA) to add meter battery replacement scope of work and to increase the contract not-to-exceed amount by \$3.5 million, from \$22,442,000 to \$25,942,000.

Summary: Contract No. 4500147369 was awarded on a competitive basis to UPA in June 2024 (Board Resolution No. 24-06-10) for the period from September 1, 2024, to January 31, 2026, for a not-to-exceed amount of \$21,442,000 to perform meter replacement services.

Contract Change No. 01 adding meter battery replacement scope of work and increased the contract in the not-to-exceed amount by \$1 million. The increased funding was a portion of the allowable GM Contingency.

Contract Change No. 02 incorporated required federal grant flow downs into the contract.

This Contract Change No. 03 requests approval to increase the contract not-to-exceed amount from \$22,442,000 to \$25,942,000 to fund the balance of the 15,272 Landis+Gyr (L+G) type=S4e meters needing battery replacement as well as additional field work as needed to extend the life expectancy of the meters for our customers. Unlike the meter replacement contract scope, this work is not part of SMUD’s Connected Clean PowerCity® Grid Resilience and Innovation Partnerships (GRIP) grant project. Although, the same labor rates will be used to perform the meter replacement, meter battery replacement, and field service work, the labor hours incurred under the battery replacement and field service scope of work will be tracked and paid for separately and distinctly from SMUD’s grant-related meter replacement scope of work. This change will further benefit SMUD by ensuring that our meters are functioning as designed.

Currently, the contract balance is approximately \$20,276,000

Contract Actions	Amount	Cumulative Total	Description
Original Contract	\$21,442,000	\$21,442,000	
Change No. 01	\$1,000,000	\$22,442,000	Add portion of GM Contingency funds for partial meter battery replacement scope
Change No. 02	\$0	\$22,442,000	Added Grant Flow Downs
Pending Change No. 03	\$3,500,000	\$25,942,000	Increase funding and add scope for battery replacements and field work

Comments: Due to the provisions of the grant, SMUD was unable to include Supplier Education & Economic Development (SEED) Program goals or incentives in this request for proposals (RFP) or contract.

Board Policy: Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement; Board-Staff Linkage BL-13, Delegation to the CEO with Respect to Grants
(Number & Title)

Benefits: Approval of this contract change will provide longer life cycle time for our meters. This change will further benefit SMUD by ensuring that our meters are functioning as designed.

Cost/Budgeted: \$25,942,000 Budgeted for 2025 and 2026 by Energy Delivery & Operations

Alternatives: Do not approve this contract change and source a separate contract to replace the battery on 15,272 existing Landis+Gyr meters. This alternative would likely cost more and delay validation that our meters are functioning correctly.

Affected Parties: Energy Delivery & Operations, Information Technology, Supply Chain Services, and Contractor

Coordination: Energy Delivery & Operations, Information Technology, and Supply Chain Services

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

Additional Links:

SUBJECT

Contract Change No. 3 – Utility Partners of America

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. SCS 25-094

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

Finance & Audit – 04/15/25

Board Meeting Date

April 17, 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	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	
Kimberly Bowman			Procurement			EA404		5937		03/28/25	
NARRATIVE:											
<p>Requested Action: Authorize the Chief Executive Officer and General Manager to negotiate and award contracts to United Trs Electric, Inc., OneSource Supply Solutions, LLC, Hyundai, Eaton Corporation, PulseMac Solutions, LLC, PE Transformer Corp., and Klein Group America, Inc. (collectively, the Contracts) for supply of distribution transformers for a five-year period from May 1, 2025, to April 30, 2030, with one optional two-year extension, for a total aggregate contract not-to-exceed amount of \$175 million.</p> <p>Summary: Request for Proposal No. Doc4738203345 (RFP) was issued in September 2024, to solicit qualified contractors to provide supply of distribution transformers for a period of five years. A pre-proposal meeting was held on September 26, 2024, which was attended by 18 Contractors. SMUD received a total of 22 proposals, of which only 11 proposals were responsive. The results of the evaluation are shown below.</p> <p>Recommendation: Award to the highest evaluated responsive proposers: United Trs Electric, Inc., OneSource Supply Solutions, LLC, Hyundai (Rep. Mader Supply), Eaton Corporation, PulseMac Solutions, LLC, PE Transformer Corp., and Klein Group America, Inc.</p> <div> <div>Proposers Notified by Procurement:</div> <div>463</div> </div> <div> <div>Proposers Downloaded:</div> <div>100</div> </div> <div> <div>Pre-Proposal Conference Attendance:</div> <div>18</div> </div> <div> <div>Proposals Received:</div> <div>22</div> </div>											
Responsive Proposals Received	P/F	10 Points SEED	47 Points Technical	43 Points Pricing	Total Score	Overall Rank	Proposal Amount	Evaluated Proposal Amount	Proposed Award Amount	Manufacturing Location	
United Trs, Electric, Inc.	P		43.00	43.00	86.00	1	\$31,199,811	\$31,199,811	Not to exceed \$175,000,000 aggregate for all tasks.	Mexico	
Hyundai (Rep. Mader Supply)	P	10	42.17	31.20	83.37	2	\$44,506,676	\$44,256,676		South Korea	
Eaton Corporation	P		46.00	37.34	83.34	3	\$35,313,603	\$35,313,603		USA	
PulseMAC Solutions, LLC	P		44.33	38.90	83.23	4	\$34,763,168	\$34,763,168		China	
OneSource Supply Solutions, LLC	P		46.67	36.31	82.97	5	\$37,471,161	\$37,471,161		South Korea	
Kllen Group America, Inc.	P		40.50	38.10	78.60	6	\$32,751,521	\$32,751,521		China	
PE Transformer Corp.	P		44.00	33.60	77.60	7	\$40,783,810	\$40,783,810		China	
Howard (Rep. Mader Supply)	P	10	40.67	25.44	76.11	8	\$54,647,186	\$54,397,186		USA	
KOC Electric Co. Ltd.	P		36.67	35.75	72.41	9	\$38,110,716	\$38,110,716		China	

Magnetron USA LLC	P		33.83	35.63	69.46	10	\$37,114,414	\$37,114,414		China
Dozer Electric LLC	P		31.17	18.90	50.07	11	\$78,492,293	\$78,492,293		China

Non-Responsive Proposals Received	Proposal Amount	Comments
Siemens Energy, Inc	\$36,344,300	Did not pass minimum technical point threshold & incomplete bid for both Pad & Pole Mounted bid schedules.
ULS Corporate	\$38,981,255	Did not pass minimum technical point threshold.
PE Transformer (HD Supply Power)	\$41,191,170	Did not pass minimum technical point threshold.
ERMCO (HD Supply Power Solutions/Anixter/WESCO	\$5,320,527	Failed P/F & incomplete bid.
Shirdi Sai Electricals	\$19,770,234	Failed P/F & incomplete bid.
KUKDONG Electric Co., Ltd	\$19,018,725	Failed P/F & incomplete bid.
Lekson Inc	\$	Did not submit section 6.9 responses
MVA Power Inc	\$	Did not submit section 6.9 responses
WEG Transformers USA LLC	\$	Did not submit section 6.9 responses
First Philec, Inc	\$26,633,584	Incomplete bid for both Pad & Pole Mounted bid schedules.
Hitachi Energy	\$28,857,758	Incomplete bid for Pole Mounted bid schedule.

Supplier Diversity Program: Hyundai, whose rep is Mader Supply is a Supplier Education & Economic Development (SEED) verified contractor.

Board Policy: Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement; Strategic Direction SD-13, (Number & Title) Economic Development; Strategic Direction SD-7, Environmental Leadership.

Benefits: Awarding multiple contracts will help to mitigate SMUD's risks of operational disruptions associated with Distribution Transformer supply.

Cost/Budgeted: \$175,000,000 Budgeted for 2025-2030 by Warehouse

Alternatives: Negotiate contract extension on current contract with Eaton. This would not be in SMUD's best interest as SMUD received improved pricing and terms as well as additional suppliers to mitigate SMUD risks of supply interruption.

Affected Parties: Warehouse, Line Assets, Supply Chain Services, and Suppliers.

Coordination: Warehouse, Supply Chain Services

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

Additional Links:

SUBJECT

Contract Award for Distribution Transformers

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. CMCO 25-004

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 04/15/25
Board Meeting Date April 17, 2025

TO				TO											
1.	Farres Everly			6.											
2.	Scott Martin			7.											
3.	Lora Anguay			8.											
4.	Jose Bodipo-Memba			9.	Legal										
5.				10.	CEO & General Manager										
Consent Calendar	X	Yes		No	If no, schedule a dry run presentation.			Budgeted		Yes	X	No	If no, explain in Cost/Budgeted section.)		
FROM (IPR) Rhonda Staley-Brooks				DEPARTMENT Communications, Marketing & Community Relations				MAIL STOP A127		EXT. 5415		DATE SENT 04/03/25			

NARRATIVE:	
Requested Action:	Authorize the Chief Executive Officer and General Manager to enter into a contract with Powerhouse Science Center to extend SMUD’s naming rights of the SMUD Museum of Science & Curiosity (MOSAC) for an additional two-year term through December 2039, in an amount not-to-exceed \$700,000 (\$350,000 per year).
Summary:	PSC has offered SMUD the opportunity to supplement the sponsorship rights of MOSAC for an additional two years through the end of the decade (2039) at the pricing agreed upon in the 2018 Exclusive Presenting Partnership Agreement. This opportunity will provide continued significant visibility to SMUD, as well as important economic development benefits to the entire region while promoting riverfront development. MOSAC and its mission directly align with SMUD’s science, technology, engineering and math (STEM) education and outreach objectives and our workforce development priorities. Additionally, MOSAC has rapidly established itself as an iconic cultural attraction unique to our region. UC Davis Health and the County of Sacramento have also recognized the benefit of continued partnership and have similarly taken the opportunity to expand their support.
Board Policy: (Number & Title)	Strategic Direction SD-7, Environmental Leadership; Strategic Direction SD-8, Employee Relations; Strategic Direction SD-10, Innovation; Strategic Direction SD-13, Economic Development; and Strategic Direction SD-15, Outreach and Communications
Benefits:	MOSAC has proven to be a regional asset that reaches approximately 250,000 visitors each year. Supplementing the sponsorship rights would continue to secure a wide range of benefits including, among other things, exclusive naming rights, prominent signage, tailored exhibit content focused on education about climate change, technology, innovation, and the electricity industry, outreach and education opportunities, marketing, media, and advertising.
Cost/Budgeted:	The new contract would add two years at \$350,000 per year (\$700,000) to SMUD’s previous commitments and will be funded within program budgets.
Alternatives:	Continue under the existing Exclusive Presenting Partnership Agreement and forgo the opportunity to maintain the naming rights through the end of the decade.
Affected Parties:	Community Relations, Outreach & Support, DEIB, Learning & Sustainable Communities, SMUD Customers and Community and the Greater Sacramento Region
Coordination:	Communications, Marketing & Community Relations
Presenter:	Rhonda Staley-Brooks, Director, Community Relations Outreach & Support

Additional Links:

SUBJECT	Extend MOSAC Naming Rights	ITEM NO. (FOR LEGAL USE ONLY)
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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 - 2025Board 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: March 25, 2025
ACC 25-007

FROM: Michael Wilson / Lisa Limcaco

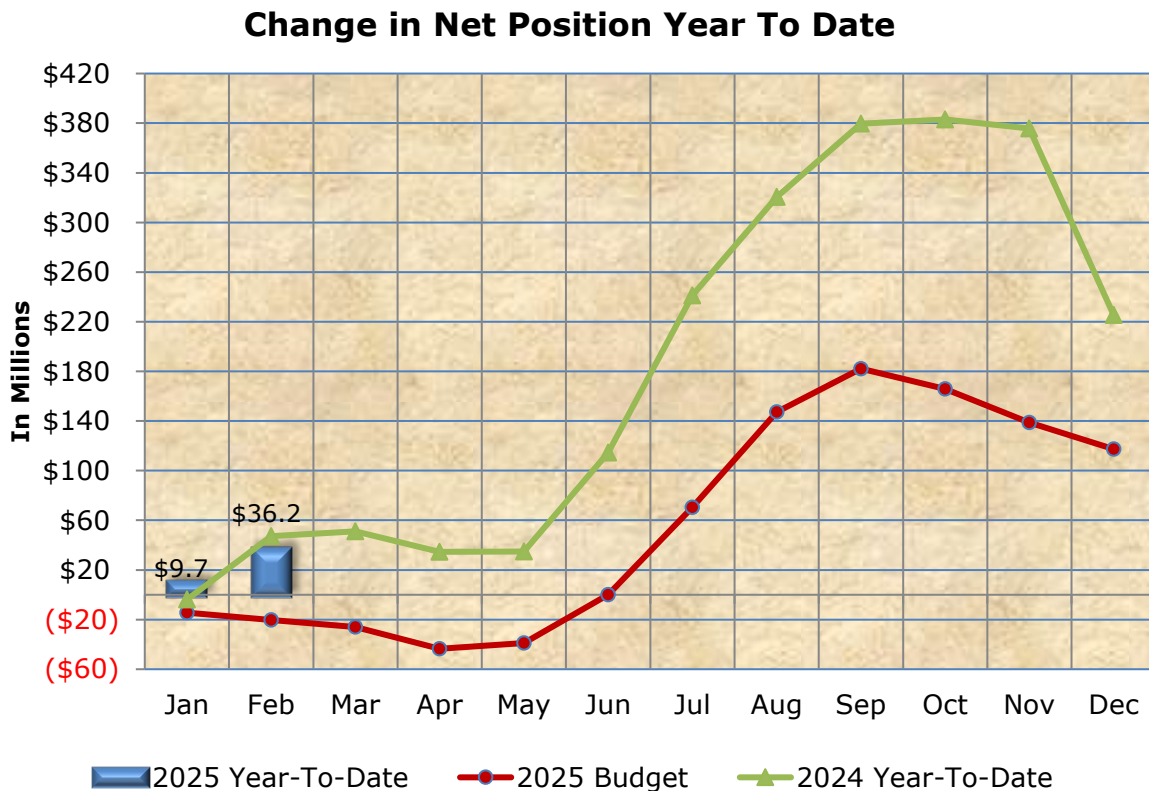
SUBJECT: FEBRUARY 2025 FINANCIAL RESULTS AND OPERATIONS DATA

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

The change in net position is an increase of \$36.2 million compared to a budgeted decrease of \$20.3 million, resulting in a favorable variance of \$56.5 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 Two Months Ended February 28, 2025**

Net Position

- The change in net position is an increase of \$36.2 million compared to a budgeted decrease of \$20.3 million, resulting in a favorable variance of \$56.5 million.

Revenues

- Revenues from sales to customers were \$244.7 million, which was \$12.4 million higher than planned. The increase is primarily due to:
 - Higher commercial sales of \$9.3 million primarily due to higher customer usage.
 - Higher residential sales of \$2.6 million primarily due to a shift in customer load shape.
 - No actual provision for uncollectible accounts compared to a budget of \$0.5 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 \$1.5 million due to LCFS credit sales.
- Non-cash revenues transferred to the rate stabilization fund were \$7.4 million for AB-32 and LCFS. AB-32 and 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 \$10.7 million, which is \$8.6 million higher than plan. The increase is primarily due to \$8.7 million of revenue recognized for AB-32.

Commodities, Purchased Power, and Production

- SMUD's generation was lower by 150 GWh (10.7 percent); JPA and other generation was lower by 106 GWh (9.4 percent); and Hydro generation was lower by 44 GWh (16.4 percent).
- Purchased power expense of \$40.0 million, less surplus power sales of \$20.5 million was \$19.5 million, which was \$5.3 million lower than planned. Purchased power expense decreased primarily due to favorable prices in the market.
- Production operations cost of \$55.1 million, less surplus gas sales of \$11.5 million, was \$43.6 million, which was \$16.4 million lower than planned.
 - Fuel costs of \$34.4 million less surplus gas sales of \$11.5 million, was \$22.9 million, which was \$9.1 million lower than planned. This is primarily due to the reduction of thermal generation because it was more economical to replace with hydro generation and 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 \$180.6 million, which was \$33.0 million higher than planned. The power margin as a percentage of sales to customers was 73.8 percent, which was 10.3 percent higher than planned. This is due to higher sales to customers, lower purchased power, and lower production costs.

Other Operating Expenses

- All other operating expenses were \$158.6 million, which was \$9.9 million lower than planned.
 - Transmission and distribution operations expenses were down \$4.2 million primarily due to lower cost of transmission fees than planned.
 - Administrative & General expenses were down \$6.7 million primarily due to a slower start to projects such as Agile product teams, SAP S4HANA, and Retrofit Hi-Profile Conference Rooms projects.
 - Public Good expenses were higher by \$1.8 million primarily due to higher than planned rebate volume in Advanced Homes Solutions program. Also, higher than planned project completions for the Smart Home program.
 - Non-cash depreciation and amortization is higher by \$2.2 million primarily due to certain projects were capitalized sooner than expected.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Month Ended February 28, 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	\$ 117,999	\$ 112,706	\$ 5,293	4.7 %
Sales of surplus power	9,129	10,332	(1,203)	(11.6)
Sales of surplus gas	4,973	-	4,973	*
SB-1 revenue (deferral)/recognition, net	(19)	-	(19)	*
AB32 revenue	5,854	-	5,854	*
Other electric revenue	4,182	3,369	813	24.1
Revenue to rate stabilization fund	(5,854)	-	(5,854)	*
Revenue from rate stabilization fund	4,719	1,266	3,453	272.7
Total operating revenues	140,983	127,673	13,310	10.4
OPERATING EXPENSES				
Operations				
Purchased power	10,454	23,655	(13,201)	(55.8)
Production	22,829	21,517	1,312	6.1
Transmission and distribution	7,361	9,333	(1,972)	(21.1)
Customer accounts	4,505	4,583	(78)	(1.7)
Customer service and information	7,010	7,598	(588)	(7.7)
Administrative and general	13,724	18,414	(4,690)	(25.5)
Public good	5,616	4,342	1,274	29.3
Total operations	71,499	89,442	(17,943)	(20.1)
Maintenance				
Production	3,420	4,142	(722)	(17.4)
Transmission and distribution	9,702	9,845	(143)	(1.5)
Total maintenance	13,122	13,987	(865)	(6.2)
Depreciation and amortization				
Depreciation and amortization	23,310	22,254	1,056	4.7
Amortization of regulatory asset	3,956	3,883	73	1.9
Total depreciation and amortization	27,266	26,137	1,129	4.3
Total operating expenses	111,887	129,566	(17,679)	(13.6)
OPERATING INCOME (LOSS)	29,096	(1,893)	30,989	*
NON-OPERATING REVENUES AND EXPENSES				
Other revenues/(expenses)				
Interest income	3,529	2,500	1,029	41.2
Investment revenue (expense)	(237)	-	(237)	*
Other income (expense) - net	(41)	539	(580)	(107.6)
Unrealized holding gains (losses)	380	-	380	*
Revenue - CIAC	1,790	1,814	(24)	(1.3)
Total other revenues	5,421	4,853	568	11.7
Interest charges				
Interest on long-term debt	8,036	8,461	(425)	(5.0)
Interest on commercial paper and other	22	379	(357)	(94.2)
Total interest charges	8,058	8,840	(782)	(8.8)
CHANGE IN NET POSITION	\$ 26,459	\$ (5,880)	\$ 32,339	550.0 %

* Equals 1000% or greater.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Two Months Ended February 28, 2025
(thousands of dollars)

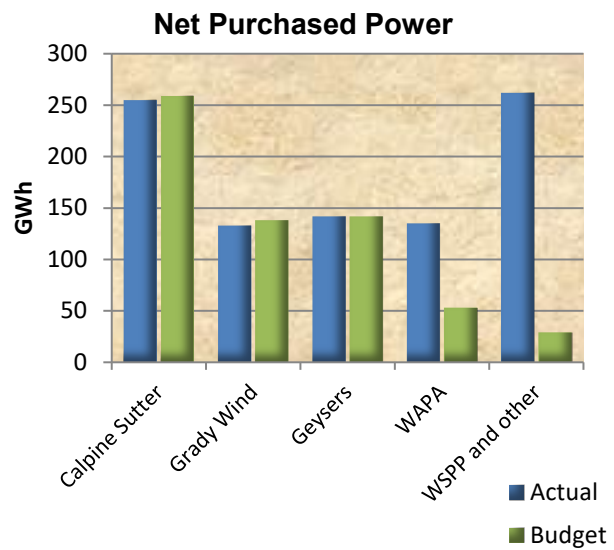
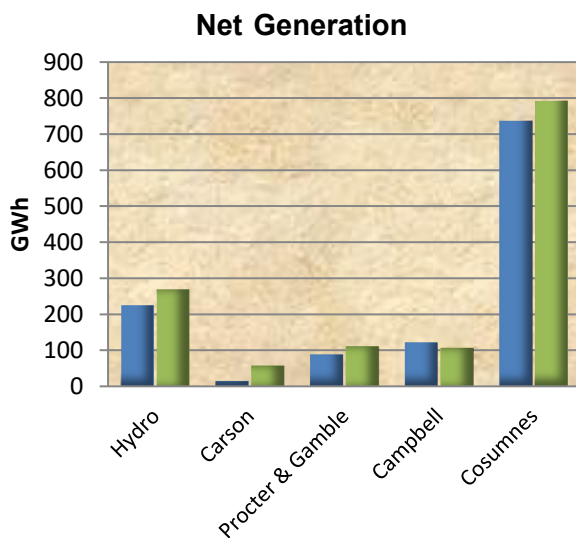
	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>	<u>Percent of Increase (Decrease)</u>
OPERATING REVENUES				
Sales to customers	\$ 244,744	\$ 232,381	\$ 12,363	5.3 %
Sales of surplus power	20,536	30,220	(9,684)	(32.0)
Sales of surplus gas	11,526	-	11,526	*
SB-1 revenue (deferral)/recognition, net	40	-	40	*
AB32 revenue	5,854	-	5,854	*
LCFS revenue	1,520	-	1,520	*
Other electric revenue	7,945	6,805	1,140	16.8
Revenue to rate stabilization fund	(7,374)	-	(7,374)	*
Revenue from rate stabilization fund	10,650	2,012	8,638	429.3
Total operating revenues	295,441	271,418	24,023	8.9
OPERATING EXPENSES				
Operations				
Purchased power	40,037	55,040	(15,003)	(27.3)
Production	55,115	59,947	(4,832)	(8.1)
Transmission and distribution	14,913	19,076	(4,163)	(21.8)
Customer accounts	9,419	9,345	74	0.8
Customer service and information	13,482	14,438	(956)	(6.6)
Administrative and general	30,573	37,276	(6,703)	(18.0)
Public good	10,145	8,360	1,785	21.4
Total operations	173,684	203,482	(29,798)	(14.6)
Maintenance				
Production	7,513	8,306	(793)	(9.5)
Transmission and distribution	17,833	19,488	(1,655)	(8.5)
Total maintenance	25,346	27,794	(2,448)	(8.8)
Depreciation and amortization				
Depreciation and amortization	46,654	44,407	2,247	5.1
Amortization of regulatory asset	8,024	7,766	258	3.3
Total depreciation and amortization	54,678	52,173	2,505	4.8
Total operating expenses	253,708	283,449	(29,741)	(10.5)
OPERATING INCOME (LOSS)	41,733	(12,031)	53,764	446.9
NON-OPERATING REVENUES AND EXPENSES				
Other revenues (expenses)				
Interest income	7,513	5,043	2,470	49.0
Investment revenue (expense)	(1,026)	-	(1,026)	*
Other income (expense) - net	(43)	613	(656)	(107.0)
Unrealized holding gains (losses)	483	-	483	*
Revenue - CIAC	3,553	3,623	(70)	(1.9)
Total other revenues	10,480	9,279	1,201	12.9
Interest charges				
Interest on long-term debt	15,985	16,922	(937)	(5.5)
Interest on commercial paper and other	42	644	(602)	(93.5)
Total interest charges	16,027	17,566	(1,539)	(8.8)
CHANGE IN NET POSITION	\$ 36,186	\$ (20,318)	\$ 56,504	278.1 %

* Equals 1000% or greater.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT
SOURCES AND USES OF ENERGY - COMPARED TO BUDGET
For the Period Ended February 28, 2025**

Sources of Energy (GWh)	Month		Increase (Decrease)	Year to Date		Increase (Decrease)
	Actual	Budget	Percentage	Actual	Budget	Percentage
Net Generated						
Hydro	176	156	12.8	225	269	(16.4)
Carson Power Plant	13	10	30.0	15	58	(74.1)
Procter & Gamble Power Plant	46	45	2.2	89	112	(20.5)
Campbell Power Plant	31	-	*	122	107	14.0
Cosumnes Power Plant	345	358	(3.6)	737	791	(6.8)
Other	31	46	(32.6)	64	65	(1.5)
Total net generation	642	615	4.4	1,252	1,402	(10.7)
Purchased Power less transmission losses:						
CalEnergy	11	17	(35.3)	23	36	(36.1)
Calpine Sutter	93	71	31.0	255	259	(1.5)
Drew Solar	20	18	11.1	39	35	11.4
Feed in Tariff	10	11	(9.1)	21	20	5.0
Geysers	67	67	0.0	142	142	0.0
Grady Wind	59	59	0.0	133	138	(3.6)
Rancho Seco PV II	16	18	(11.1)	33	32	3.1
WAPA	80	53	50.9	135	53	154.7
WSPP and other	115	26	342.3	262	29	803.4
Other long term power	33	39	(15.4)	64	76	(15.8)
Total net purchases	504	379	33.0	1,107	820	35.0
Total sources of energy	1,146	994	15.3	2,359	2,222	6.2
Uses of energy:						
SMUD electric sales and usage	772	732	5.5	1,623	1,600	1.4
Surplus power sales	369	232	59.1	687	555	23.8
System losses	5	30	(83.3)	49	67	(26.9)
Total uses of energy	1,146	994	15.3 %	2,359	2,222	6.2 %

* Change equals 1000% or more.



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

- Hydro generation is lower than planned (16.4 percent).
- JPA generation is lower than planned (9.8 percent).

Purchased power, less surplus power sales, is higher than plan (58.5 percent).

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
February 28, 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	\$ 6,857,979	\$ 984,666	\$ -	\$ -	\$ (4,578)	\$ 7,838,067	\$ 7,350,368
Less accumulated depreciation	3,124,521	733,818	-	-	(1,124)	3,857,215	3,679,433
Plant in service - net	3,733,458	250,848	-	-	(3,454)	3,980,852	3,670,935
Construction work in progress	543,610	17,539	-	-	-	561,149	633,625
Investment in Joint Power Agencies	324,560	-	-	-	(283,560)	41,000	38,523
Total electric utility plant - net	4,601,628	268,387	-	-	(287,014)	4,583,001	4,343,083
RESTRICTED ASSETS							
Revenue bond reserves	-	-	-	-	-	-	1,027
Restricted for payment of debt service	55,267	-	-	-	-	55,267	53,265
JPA funds	-	12,132	17,560	21,142	-	50,834	45,928
Nuclear decommissioning trust fund	9,981	-	-	-	-	9,981	9,501
Rate stabilization fund	342,775	-	-	-	-	342,775	213,563
Other funds	69,054	-	4,191	15	-	73,260	42,372
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	(108,289)	(12,132)	(21,751)	(21,157)	-	(163,329)	(122,612)
Total restricted assets	368,788	-	-	-	-	368,788	243,044
CURRENT ASSETS							
Cash, cash equivalents and investments							
Unrestricted	439,351	49,612	-	-	-	488,963	547,034
Restricted	108,289	12,132	21,751	21,157	-	163,329	122,612
Accounts receivable - net	323,074	46,334	4,118	2,776	(85,057)	291,245	248,287
Lease receivable	769	-	-	-	(225)	544	630
Energy efficiency loans due within one year	139	-	-	-	-	139	139
Interest receivable	4,876	259	-	12	-	5,147	4,467
Lease interest receivable	51	-	-	-	(8)	43	46
Regulatory costs to be recovered within one year	91,929	104	-	105	-	92,138	75,792
Derivative financial instruments maturing within in one year	34,521	-	-	-	-	34,521	7,936
Inventories	164,110	17,098	-	-	-	181,208	158,122
Prepaid gas to be delivered within one year	-	-	9,467	32,529	-	41,996	47,136
Prepayments and other	24,492	6,658	-	16	-	31,166	26,444
Total current assets	1,191,601	132,197	35,336	56,595	(85,290)	1,330,439	1,238,645
NONCURRENT ASSETS							
Regulatory costs for future recovery							
Decommissioning	96,552	-	-	-	-	96,552	99,733
Pension	632,508	-	-	-	-	632,508	546,177
OPEB	312,529	-	-	-	-	312,529	308,356
Bond Issues	-	452	-	140	-	592	801
Derivative financial instruments	462	-	-	-	-	462	220
Derivative financial instruments	29,893	-	-	-	-	29,893	34,875
Prepaid gas	-	-	685,732	46,343	-	732,075	583,990
Lease receivable	19,853	-	-	-	(3,300)	16,553	17,255
Energy efficiency loans - net	129	-	-	-	-	129	368
Other	91,264	12	-	21	-	91,297	87,328
Total noncurrent assets	1,183,190	464	685,732	46,504	(3,300)	1,912,590	1,679,103
TOTAL ASSETS	\$ 7,345,207	\$ 401,048	\$ 721,068	\$ 103,099	\$ (375,604)	\$ 8,194,818	\$ 7,503,875
DEFERRED OUTFLOWS OF RESOURCES							
Accumulated decrease in fair value of hedging derivatives	27,055	-	-	-	-	27,055	64,792
Deferred pension outflows	143,317	-	-	-	-	143,317	140,837
Deferred OPEB outflows	50,990	-	-	-	-	50,990	56,729
Deferred ARO outflows	-	996	-	-	-	996	1,638
Unamortized bond losses - other	28,540	613	-	-	-	29,153	5,982
TOTAL DEFERRED OUTFLOWS OF RESOURCES	249,902	1,609	-	-	-	251,511	269,978
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 7,595,109	\$ 402,657	\$ 721,068	\$ 103,099	\$ (375,604)	\$ 8,446,329	\$ 7,773,853

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF NET POSITION
February 28, 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	\$ 2,391,841	\$ 64,381	\$ 721,094	\$ 66,245	\$ -	\$ 3,243,561	2,914,733
CURRENT LIABILITIES							
Commercial paper notes	-	-	-	-	-	-	150,000
Accounts payable	122,721	4,268	-	89	-	127,078	105,940
Purchased power payable	70,054	34,442	-	1,391	(85,057)	20,830	24,731
Credit support collateral obligation	9,592	-	-	-	-	9,592	10,721
Long-term debt due within one year	90,045	14,270	5,455	28,295	-	138,065	137,740
Accrued decommissioning	7,471	-	-	-	-	7,471	7,140
Interest payable	12,866	623	2,874	590	-	16,953	17,515
Accrued interest liability	397	11	-	-	(8)	400	254
Accrued salaries and compensated absences	65,034	-	-	-	-	65,034	68,234
Derivative financial instruments maturing within one year	15,125	-	-	-	-	15,125	44,949
Customer deposits	2,325	-	-	-	-	2,325	1,997
Lease and subscription software liability	36,928	306	-	-	(225)	37,009	32,076
Other	95,259	-	-	-	-	95,259	57,370
Total current liabilities	527,817	53,920	8,329	30,365	(85,290)	535,141	658,667
NONCURRENT LIABILITIES							
Accrued decommissioning - net	99,849	10,467	-	-	-	110,316	112,717
Derivative financial instruments	12,641	-	-	-	-	12,641	20,963
Net pension liability	308,499	-	-	-	-	308,499	259,010
Net OPEB liability	30,290	-	-	-	-	30,290	25,334
Lease liability	41,107	4,567	-	-	(3,300)	42,374	68,118
Other	87,689	-	60	-	-	87,749	87,792
Total noncurrent liabilities	580,075	15,034	60	-	(3,300)	591,869	573,934
TOTAL LIABILITIES	3,499,733	133,335	729,483	96,610	(88,590)	4,370,571	4,147,334
DEFERRED INFLOWS OF RESOURCES							
Accumulated increase in fair value of hedging derivatives	62,743	-	-	-	-	62,743	42,695
Deferred pension inflows	765	-	-	-	-	765	8,416
Deferred OPEB inflows	15,238	-	-	-	-	15,238	30,616
Deferred lease inflows	19,732	-	-	-	(3,454)	16,278	17,245
Regulatory credits	1,093,650	-	-	-	-	1,093,650	853,574
Unamortized bond gains - other	32,647	-	2,491	-	-	35,138	36,089
Unearned revenue	3,641	-	-	-	-	3,641	3,851
TOTAL DEFERRED INFLOWS OF RESOURCES	1,228,416	-	2,491	-	(3,454)	1,227,453	992,486
NET POSITION							
Balance at beginning of year	2,840,490	261,626	(13,147)	6,646	(283,496)	2,812,119	2,586,698
Net increase (decrease) for the year	26,470	7,696	2,207	(187)	-	36,186	47,335
Member contributions (distributions) - net	-	-	34	30	(64)	-	-
TOTAL NET POSITION	2,866,960	269,322	(10,906)	6,489	(283,560)	2,848,305	2,634,033
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 7,595,109	\$ 402,657	\$ 721,068	\$ 103,099	\$ (375,604)	\$ 8,446,329	\$ 7,773,853

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENTS OF CASH FLOWS
For the Period Ended February 28, 2025
(thousands of dollars)

	Month	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 135,624	\$ 272,947
Receipts from surplus power and gas sales	8,006	22,676
Other receipts	1,813	3,170
Payments to employees - payroll and other	(30,360)	(71,709)
Payments for wholesale power and gas purchases	(26,712)	(75,855)
Payments to vendors/others	(48,981)	(114,262)
Net cash provided by operating activities	39,390	36,967
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interest on debt	(17,243)	(18,260)
Net cash used in noncapital financing activities	(17,243)	(18,260)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction expenditures	(30,246)	(60,264)
Contributions in aid of construction	1,369	3,091
Interest on debt	(35,512)	(37,673)
Lease and other receipts/payments - net	(2,449)	(5,314)
Net cash used in capital and related financing activities	(66,838)	(100,160)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales and maturities of securities	110,607	147,204
Purchases of securities	-	(77,499)
Interest and dividends received	6,133	9,942
Investment revenue/expenses - net	(222)	(1,002)
Net cash provided by investing activities	116,518	78,645
Net increase (decrease) in cash and cash equivalents	71,827	(2,808)
Cash and cash equivalents at the beginning of the month and year	342,196	416,831
Cash and cash equivalents at February 28, 2025	\$ 414,023	\$ 414,023
Cash and cash equivalents included in:		
Unrestricted cash and cash equivalents	\$ 325,012	\$ 325,012
Restricted and designated cash and cash equivalents	72,589	72,589
Restricted and designated assets (a component of the total of \$368,789 at February 28, 2025)	16,422	16,422
Cash and cash equivalents at February 28, 2025	\$ 414,023	\$ 414,023

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

 Committee Meeting & Date
 Finance & Audit – 04/15/25

 Board Meeting Date
 April 17, 2025

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		<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No	<i>If no, schedule a dry run presentation.</i>		Budgeted	<input checked="" type="checkbox"/>	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>											
FROM (IPR) Claire Rogers					DEPARTMENT Internal Audit Services					MAIL STOP B409	EXT. 7122	DATE SENT 03/28/25									
NARRATIVE:																					
Requested Action:		Informational agenda item to provide Board Members with the opportunity to ask questions and/or discuss recent reports issued by Internal Audit Services.																			
Summary:		Reports issued by Internal Audit Services:																			
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 10%;"><u>Title</u></th> <th style="text-align: right; width: 10%;"><u>Report Number</u></th> </tr> </thead> <tbody> <tr> <td>• Status of Recommendations Report for Q1 2025.....</td> <td style="text-align: right;">n/a</td> </tr> <tr> <td>• Community Impact Plan.....</td> <td style="text-align: right;">28007762</td> </tr> <tr> <td>• Personal Protective Equipment</td> <td style="text-align: right;">28007780</td> </tr> <tr> <td>• Spill Prevention Control and Countermeasures</td> <td style="text-align: right;">28007841</td> </tr> </tbody> </table>												<u>Title</u>	<u>Report Number</u>	• Status of Recommendations Report for Q1 2025.....	n/a	• Community Impact Plan.....	28007762	• Personal Protective Equipment	28007780	• Spill Prevention Control and Countermeasures	28007841
<u>Title</u>	<u>Report Number</u>																				
• Status of Recommendations Report for Q1 2025.....	n/a																				
• Community Impact Plan.....	28007762																				
• Personal Protective Equipment	28007780																				
• Spill Prevention Control and Countermeasures	28007841																				
Board Policy:		Board-Staff Linkage BL-3, Board-Internal Auditor Relationship																			
<i>(Number & Title)</i>																					
Benefits:		N/A																			
Cost/Budgeted:		N/A																			
Alternatives:		N/A																			
Affected Parties:		SMUD Board and Internal Auditor																			
Coordination:		Internal Audit Services																			
Presenter:		Claire Rogers, Director, Internal Audit Services																			

Additional Links:

SUBJECT

Internal Audit Services Reports

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

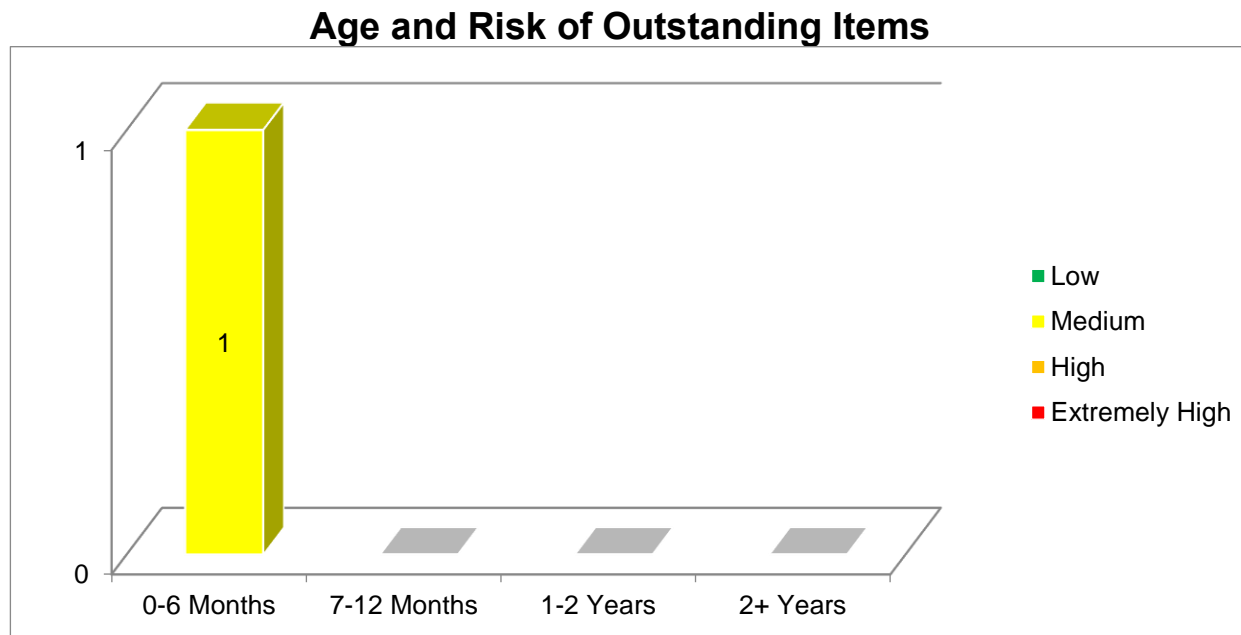
DATE: March 31, 2025

FROM: Claire Rogers

SUBJECT: QUARTERLY REPORT ON THE STATUS OF RECOMMENDATIONS AS OF MARCH 31, 2025

Attached for your review is the Status of Recommendations report for the First Quarter of 2025. Prior to this report being finalized, all outstanding recommendations were given to the responsible department Manager/Director for follow up.

The chart below is a breakdown by age and risk of the outstanding items regardless of their risk ranking:



If you need further information or wish to discuss any aspect of the report, please contact me at 732-7122, or Claire.Rogers@smud.org.

STATUS OF RECOMMENDATIONS AT 03/31/2025

RISK	RECOMMENDATION	RESPONSIBLE DEPARTMENT	STATUS / DATE	COMMENTS
Community Impact Plan 28007762-01 Medium Process Improvement	Customer Assistance should document its monitoring activities; documentation should indicate any updates or delays related to deliverables and agreed-upon timelines, as well as the reasons for any exceptions made to funding agreement requirements. Additionally, they should implement a process to confirm that work has been completed according to the terms of the funding agreement.	Customer Operations and Assistance	Date Issued 03/06/2025 Outstanding 05/15/2025	Customer assistance agrees with IAS's recommendation. Customer Assistance will continue monitoring progress for deliverables for our agreements. Additionally, we will include a process for documenting updates or delays to deliverables and adhere to the process including documenting the inspection/verification of the installation of any equipment when completed, which will be saved to SharePoint for future reference. The team has created the process documentation, and a tracking sheet to verify and document installation completions, the timeliness and quality of the work, and is currently refining the process to ensure everything is documented for verification when needed. It is anticipated that all corrective action(s) will be implemented by May 15, 2025.

Community Impact Plan

Executive Summary

Internal Audit Services (IAS) has completed a review of the Community Impact Plan (CIP). The purpose of this audit was to evaluate the processes in place to implement and monitor SMUD's Community Impact Plan. This audit was included in the 2025 IAS Audit Plan.

The CIP, developed in 2022 through collaboration among various SMUD teams, supports the 2030 Clean Energy Vision by focusing on affordability, equitable access, and community engagement. One of its key goals is to double the investment in under-resourced communities. The plan was designed to be implemented over three years, 2023 through 2025, but has recently been approved for funding through 2028.

We confirmed that the CIP includes clear and measurable goals that aligned with implementation plans. The CIP team has established focus areas and initiatives, identified supporting programs, and set quantifiable metrics to track progress. While most metrics were accurately reported, tracking the Neighborhood Electrification measures proved challenging. The CIP team has committed to improving the tracking and reporting of these metrics before the next annual report to the Board.

Additionally, the CIP team, in collaboration with SMUD's Finance Planning & Analytics group, effectively monitors budget adherence and resource allocation. We reviewed budget documents and tracking tools and confirmed that all programs are tracking their expenditures and adhering to their allocated budgets.

Finally, we determined Customer Assistance can improve their monitoring of funding agreements by documenting their monitoring activities. The funding agreements in our sample selection included clear requirements and deliverables, and recipients of CIP funds met applicable eligibility criteria; however, the team could not demonstrate that work related to two of the funding agreements adhered to established timelines, and the team did not verify that projects included in the funding agreements had been completed.

IAS commends the CIP team members for their commitment to SMUD's under-served communities, and we thank them for their cooperation and support during this audit. We would also like to thank the Finance Planning & Analytics team for the assistance they provided.

Internal Audit Services

Community Impact Plan

Audit Report 28007762

Community Impact Plan

Internal Audit Services Report

Background:

Internal Audit Services (IAS) has completed a review of the Community Impact Plan. The purpose of this audit was to evaluate the processes in place to implement and monitor SMUD's Community Impact Plan. This audit was included in the 2025 IAS Audit Plan.

In 2022 the Board authorized the use of \$41 million for Community Impact Plan (CIP) expenditures. The CIP is a three-year plan that was developed by teams across SMUD to be implemented between 2023 and 2025; these teams included Sustainable Communities, Advanced Energy Solutions, Customer Operations and Assistance, Customer & Grid Strategy; and Communications, Marketing and Community Relations. The CIP was created to support SMUD's commitment to ensuring all customers and communities benefit from the 2030 Clean Energy Vision by making meaningful investments in under-resourced communities. In November 2024, SMUD's Board of Directors voted to set aside an additional \$20 million for Community Impact Plan expenditures through 2028.

Scope:

The scope of this audit included all information related to the Community Impact Plan, including all strategy and planning documentation and presentations, all tracking and monitoring tools, and all associated funding agreements and invoices.

Objectives:

The objectives of this audit were to:

1. Confirm that the Community Impact Plan includes clear goals and that plans for its implementation have been developed.
2. Determine whether the Community Impact Plan's budget and resources are adequately monitored.
3. Evaluate the process for monitoring the implementation and progress of the Community Impact Plan and confirm that associated funding agreements are appropriately monitored.

Summary:

IAS interviewed members of the Community Impact Plan (CIP) team to understand the processes in place to implement and monitor the CIP's objectives. We obtained and reviewed CIP-related documents, including strategy and planning materials, Board presentations, and resource documents to assess the clarity and consistency of the CIP's goals and initiatives. Additionally, we conducted interviews with CIP team members and analyzed performance metrics to confirm the measurability of goals and the establishment of timelines. Our review also included an examination of budget documents and tracking tools to evaluate the monitoring of the CIP's budget and

resources. Lastly, we reviewed a sample of CIP partner funding agreements to ensure they included clear requirements and deliverables and were adequately monitored.

We confirmed that the CIP includes clear goals and that plans for its implementation have been developed. Specifically, CIP goals and initiatives are clearly and consistently documented, and reflect the program's purpose and focus. The CIP team has established focus areas and initiatives, identified programs that support these initiatives, and identified measurable goals to track progress. The goals are quantifiable, and the established metrics accurately reflect these goals. Additionally, a three-year timeline has been established for the CIP, with the flexibility to extend beyond this period if additional funding was secured. Although there are no specific milestones, the team aims to achieve its quantifiable metric goals within the three-year timeline.

We reviewed the methods used to track CIP funds and adhere to available budgets. SMUD's Finance Planning & Analytics group facilitates discussions with CIP teams to address budget variances and forecasts. Additionally, all programs can demonstrate that they are tracking their expenditures and adhering to their allocated budgets. We also confirmed that the CIP teams evaluate and monitor their resource needs. Although the CIP programs surveyed have not identified a need for additional resources and do not conduct recurring evaluations, the initial planning of the CIP included an assessment of resources based on proposed project offerings and requests for additional staffing to ensure that resources were sufficient for the duration of the three-year plan.

Additionally, we found that apart from one offering, the metrics in our sample were accurately tracked and verifiable and were accurately reported the Board. We noted that the number of Neighborhood Electrification measures is difficult to track on a monthly basis and the metric could not be verified for accuracy. The CIP team lead has committed to working with the team responsible for the Neighborhood Electrification offering to reassess and improve the tracking and reporting of this metric before the next annual report to the Board.

Finally, we found that the funding agreements in our sample selection included clear requirements and deliverables, and recipients of CIP funds met applicable eligibility criteria; however, two of the funding agreements in our selection were not adequately monitored. Specifically, the team did not document their monitoring activities and could not demonstrate that the funded partners adhered to established timelines. The team also did not verify that projects included in the funding agreements had been completed.

Conclusion:

The Community Impact Plan team has developed a plan with clear and measurable objectives that supports SMUD's 2030 Zero Carbon Plan by increasing offerings and incentives for under-resourced communities. The CIP team tracks progress through established quantifiable metrics, and, in collaboration with Finance Planning, & Analytics, effectively monitors budget adherence and resource allocation. While CIP-funded agreements included timelines and clear deliverables, the Customer Assistance team can improve their monitoring of their agreements by documenting their monitoring activities and verifying that CIP-funded projects are completed.

IAS commends the CIP team members for their commitment to SMUD's under-served communities, and we thank them for their cooperation and support during this audit. We would also like to thank the Finance Planning & Analytics team for the assistance they provided.



Community Impact Plan

Observations

Observation 1 – Monitoring of Funding Agreements			
Risk Ranking	Category	Department(s) Responsible	Planned Completion Date
Medium	Process Improvement	Customer Operations and Assistance	5/15/2025
Criteria: SMUD's Procurement Manual states that monitoring activities are proactive steps to remain informed about the contractor's status, activities and performance, and risks posed to SMUD. The contract manager is responsible for ensuring compliance with all contract provisions and monitoring the contractor's progress to ensure that services are performed according to the quality, quantity, objectives, timeframes, budget, and manner specified in the contract.			
Conditions: Our review of monitoring activities found that oversight of the deliverables and timelines associated with two of the funding agreements in our sample selection could be improved. Specifically, projects in these funding agreements were not completed within the timelines outlined in the agreements, and the Customer Assistance team did not verify their completion. Although the funding agreements require that recipients provide detailed reports about the funded projects, the team does not appear to have requested or received them. Additionally, we found that invoices for one of the agreements was paid after the due date indicated in the funding agreement, and before the project's completion date.			
Causes: Customer Assistance staff does not document their monitoring activities; although they were in contact with the funding partners, they did not document their meetings and conversations or track the progress and completion of the projects.			
Effects: Without effective contract monitoring, Customer Assistance staff cannot demonstrate that the partners completed the agreed-upon work within established timelines, or that they used Community Impact Plan funds as intended.			
Recommendations: Customer Assistance should document its monitoring activities; documentation should indicate any updates or delays related to deliverables and agreed-upon timelines, as well as the reasons for any exceptions made to funding agreement requirements. Additionally, they should implement a process to confirm that work has been completed according to the terms of the funding agreement.			

Management Responses:

Customer assistance agrees with IAS's recommendation. Customer Assistance will continue monitoring progress for deliverables for our agreements. Additionally, we will include a process for documenting updates or delays to deliverables and adhere to the process including documenting the inspection/verification of the installation of any equipment when completed, which will be saved to SharePoint for future reference. The team has created the process documentation, and a tracking sheet to verify and document installation completions, the timeliness and quality of the work, and is currently refining the process to ensure everything is documented for verification when needed. It is anticipated that all corrective action(s) will be implemented by May 15, 2025.

Appendix A - Observation Definitions

Observation: Audit observations are risk ranked using the guidance below and focused on policy, compliance and operational improvement opportunities of the audited area.

Risk Rankings:

Extremely High

- Material loss of assets or financial impact; or
- Severe legal, regulatory or compliance sanctions; or
- Cessation of business services for the foreseeable future; or
- Critical impact in achieving SMUD's goals and objectives; or
- Major deterioration in customer metrics and surveys. Irreparable negative media coverage and damage to SMUD's reputation; or
- Widespread loss of confidence from employees. Unable to fill critical positions for a long period of time

High

- Significant loss of assets or financial impact; or
- Significant legal, regulatory or compliance sanctions; or
- Widespread disruption of service levels and interruption of business functions; or
- Significant delays or modification of operational goals and objectives; or
- Significant deterioration in customer metrics and surveys; Significant negative media and erosion of trust; or
- Significant loss of confidence from employees. Significant increase in unanticipated employee separations. Slight impact to fill critical positions

Medium

- Moderate loss of assets or financial impact; or
- Moderate legal, regulatory or compliance sanctions; or
- Moderate operational impact to service levels or business disruption; or
- Moderate delays or modification to goals and objectives; or
- Moderate decline in customer metrics and surveys. Modest negative media; or
- Moderate loss of confidence from employees. Moderate increase in unanticipated employee separations. Little to no impact to critical positions

Low

- Minor loss of assets or financial impact; or
- Minor legal, regulatory or compliance sanctions; or
- Minor operational impact to service levels and business activity; or
- Minor delays or modifications to goals and objectives; or
- Slight decline in customer metrics and surveys. Limited public criticism; or
- Minor loss of confidence from employees. Slight increase in unanticipated employee separations. No impact to critical positions

Components:

Criteria – The standards, measures, or expectations used in making an evaluation and/or verification (the correct state)

Conditions – The situation that you found, supported by evidence and characterized by facts, measurements, examples, etc. (the current state)

Causes – The reasons for the difference between expected and actual conditions

Effects – The actual or potential risks or exposure the organization faces if the causes and the conditions continue.

Personal Protective Equipment

Executive Summary

Internal Audit Services (IAS) has completed a review of Personal Protective Equipment (PPE). The purpose of the audit was to evaluate compliance with regulatory requirements for PPE as well as SMUD's Health and Safety Standard 3-17, PPE, with a specific focus on head protection; foot protection; and life rings and personal flotation devices (PFD). This audit was included in the 2024 IAS audit plan.

PPE is worn or donned by an individual to reduce the likelihood of injury when hazards cannot be eliminated. Due to the nature and scope of work performed at SMUD, SMUD is required to meet a number of regulatory requirements associated with the usage of PPE. California Code of Regulations (CCR), Title 8 sets the PPE requirements used throughout the state. Health & Safety Standard 03-17, *Personal Protective Equipment*, supports compliance with CCR Title 8 PPE requirements and serves as SMUD's guiding standard for the PPE program by establishing requirements regarding the selection, availability, training, and proper use of PPE for all SMUD personnel.

IAS completed an evaluation of SMUD's Health & Safety Standard 03-17 and determined that it is consistent with applicable CCR Title 8 requirements for head protection, foot protection, and life rings and PFDs. In addition, hard hats, foot shields/guards, life rings, and PFDs purchased are consistent with Health & Safety Standard 03-17 and Title 8 requirements. Staff are assigned general PPE training annually as required by Health & Safety Standard 03-17 and the general PPE training content is consistent with Health & Safety Standard 03-17. Further, specialized training for boat safety is occurring that includes instruction on use of PFDs.

IAS would like to thank Environmental, Safety and Real Estate Services, Procurement, Warehouse & Fleet, and Power Generation for their cooperation and support in conducting this audit.

ERM Dashboard

Employee Safety

Internal Audit Services

Personal Protective Equipment

Audit Report 28007780

Personal Protective Equipment

Internal Audit Services Report

Background:

Internal Audit Services' (IAS) has completed a review of Personal Protective Equipment (PPE) program. The audit was included in the 2024 IAS audit plan.

PPE is worn or donned by an individual to reduce the likelihood of injury when hazards cannot be eliminated. Due to the nature and scope of work performed at SMUD, SMUD is required to meet a number of regulatory requirements associated with the usage of PPE. California Code of Regulations (CCR), Title 8 sets the PPE requirements used throughout the state. Health & Safety Standard 03-17, *Personal Protective Equipment*, supports compliance with Title 8 PPE requirements and serves as SMUD's guiding standard for the PPE program by establishing requirements regarding the selection, availability, training, and proper use of PPE for all SMUD personnel.

Safety Services within SMUD's Environmental, Safety and Real Estate Services aims to drive an enterprise-wide culture of safety for life and zero incidents and assists all departments in reaching this goal. Some of the many services that Safety Services provides is regulatory review, safety training, and enhancing safety standards for the organization. Safety Services identifies pertinent Title 8 PPE requirement standards for SMUD staff and maintains Health & Safety Standard 03-17. Tool Repair and Equipment Management (Tool Room) within Procurement, Warehouse & Fleet supplies SMUD staff with the tools and equipment needed to complete their work along with other services such as completing repairs, managing equipment calibrations, and inspecting PPE.

Scope:

The audit focused on evaluating compliance with internal safety standards for PPE for the following categories of PPE: head protection, foot protection, and life rings and personal flotation devices (PFD). The audit period was January 1, 2022 through October 31, 2024.

Objectives:

The objectives of the audit were to:

1. Evaluate if Health & Safety Standard 03-17, PPE, is consistent with current Title 8 requirements for head protection, foot protection, and life rings and personal flotation devices (PFD).
2. Evaluate if hard hats, foot protection, life rings and PFDs purchased are consistent with Health & Safety Standard 03-17 and CCR Title 8 requirements.
3. Evaluate if PPE training is provided to staff annually and includes instruction on proper use and maintenance of head protection, foot protection, and life rings and PFDs.

Summary:

IAS interviewed staff from Safety Services, the Tool Room, and Power Generation-Hydro Operations Maintenance to obtain an understanding of their involvement in SMUD's PPE efforts as it related to head protection, foot protection, and life rings and PFDs. We reviewed applicable CCR Title 8 requirements for head protection, foot protection, and life rings and PFDs and compared it to SMUD's Health & Safety Standard 03-17, PPE and determined that Health & Safety Standard 03-17 sufficiently met the requirements. IAS sampled in stock hard hats and foot shields/guards available to staff within the Tool Room and determined they met the requirements of Health & Safety Standard 03-17 and CCR Title 8. IAS also sampled life vests and PFDs located at the Tool Room, Fresh Pond Hydro Headquarters, Jaybird Power House, and Union Valley Power House and determined that the sampled equipment was in good condition and met the requirements of Health & Safety Standard 03-17 and CCR Title 8. In addition, we reviewed general PPE training course content and determined that it is consistent with Health & Safety Standard 03-17 as well as verified that staff are assigned annual PPE training in accordance with Health & Safety Standard 03-17 requirements. Further, we obtained training records for individuals that have taken training specific to boat safety and verified that the course content included instruction on use of PFDs.

Conclusion:

SMUD's Health & Safety Standard 03-17 is consistent with applicable CCR Title 8 requirements for head protection, foot protection, and life rings and PFDs. In addition, hard hats, foot shields/guards, life rings, and PFDs purchased are consistent with Health & Safety Standard 03-17 and CCR Title 8 requirements. Staff are assigned general PPE training annually as required by Health & Safety Standard 03-17 and the general PPE training content is consistent with Health & Safety Standard 03-17. Further, specialized training for boat safety is occurring that includes instruction on use of PFDs.

IAS would like to thank Environmental, Safety and Real Estate Services, Procurement, Warehouse & Fleet, and Power Generation for their cooperation and support in conducting this audit.

Spill Prevention Control and Countermeasures (SPCC)

Executive Summary

Internal Audit Services (IAS) has completed a review of SMUD's Spill Prevention Control and Countermeasures (SPCC). The purpose of this audit is to evaluate the compliance of SMUD's applicable facilities with the federal SPCC rule. This audit was included in the 2025 IAS Audit Plan.

Facilities storing over 1,320 gallons of oil in aboveground containers are subject to the Spill Prevention, Control, and Countermeasure (SPCC) rule, which requires the development and implementation of SPCC plans to prevent and manage oil spills. SMUD owns several facilities that require SPCC plans, which must be reviewed and certified by a Professional Engineer.

We reviewed two of SMUD's SPCC plans and confirmed that they comply with SPCC plan regulations. Additionally, annual environmental compliance training complies with the regulations' training requirements and is delivered to applicable field employees. Finally, the facilities we reviewed are performing inspections as required by their respective plans.

IAS commends Environmental Services staff for its dedication to environmental compliance, and we would like to thank them for their cooperation and support during this audit. We would also like to thank Sacramento Power Academy staff for the assistance they provided.

ERM Dashboard**Environmental Compliance**

Internal Audit Services

Spill Prevention Control and Countermeasures (SPCC)

Audit Report 28007841

Spill Prevention Control and Countermeasures (SPCC)

Internal Audit Services Report

Background:

Internal Audit Services (IAS) has completed a review of SMUD's Spill Prevention Control and Countermeasures (SPCC). The purpose of this audit was to evaluate the compliance of SMUD's applicable facilities with the federal SPCC rule. This audit was included in the 2025 IAS Audit Plan.

Facilities that store more than 1,320 gallons of oil in aboveground containers are covered by the SPCC rule, which helps facilities prevent a discharge of oil into navigable waters or adjoining shorelines. The SPCC rule requires facilities to develop, maintain, and implement an oil spill prevention plan, called an SPCC plan; these plans help facilities prevent oil spills, as well as to control a spill should one occur.

SMUD owns several facilities that require SPCC plans, including the East Campus Operations Center, Upper American River Project and Chili Bar, Rancho Seco Industrial Facility, and most distribution and transmission substations. Some SMUD-owned facilities are subject to SPCC plans that are developed and implemented by the third-party facility operator, including the Rancho Seco Solar facilities and all other power generation facilities. SPCC plans must be reviewed and certified by a professional engineer (PE).

SPCC plans implemented by SMUD are written, reviewed, certified, and updated by a PE in Environmental Services. Regulations require that plans are updated every five years, although the Environmental Services engineer performs an inspection of each facility every year and updates the plans if needed. SPCC-related training is developed by the Sacramento Power Academy (SPA) in collaboration with the Environmental Services team. Regular inspections of oil-filled tanks and equipment are performed by staff at the facilities.

Scope:

The scope of this audit is all Spill Prevention Control and Countermeasure plans for SMUD facilities, related inspection procedures and documentation, and all related trainings and applicable training records.

Objective:

The objective of this audit was to determine whether SMUD's Spill Prevention Control and Countermeasure (SPCC) plans comply with federal regulations.

Summary:

IAS interviewed Environmental Services staff to learn about the processes related to Spill Prevention Control and Countermeasures (SPCC) plans and to identify all of SMUD's SPCC plans. To evaluate SMUD's compliance with the SPCC rule, we

identified each federal requirement for SPCC plans. We then selected two of SMUD's SPCC plans to review—the East Campus Operations Center (EC-OC), and Upper American River Project (UARP) and Chili Bar. We then reviewed the SPCC plans and confirmed that each requirement was addressed.

We also identified SPCC training requirements and reviewed environmental protection training to confirm that all the required elements were included. We also selected a sample of potential oil-handling employees at the facilities we selected and confirmed that they received the required training in the last year.

Finally, for the two SPCC plans in our sample, we identified inspection requirements and verified that inspections are currently being performed as required by the plan. We noted that one of the required weekly inspection forms for tanks filled with new oil had not been completed by Fleet staff at EC-OC, although daily inspections of used-oil tanks in the area were being performed. Fleet staff implemented the weekly form as soon as they were notified about the oversight, and Environmental Services staff will work with them to determine the most efficient way to perform their inspections going forward.

Conclusion:

The Spill Prevention Control and Countermeasures (SPCC) plans we reviewed complied with SPCC plan regulations. Additionally, annual environmental compliance training complies with the regulations' training requirements and is delivered to applicable field employees. Finally, the facilities we reviewed are performing inspections as required by their respective plans.

IAS commends Environmental Services staff for its dedication to environmental compliance, and we would like to thank them for their cooperation and support during this audit. We would also like to thank Sacramento Power Academy staff for the assistance they provided.

SSS No. BOD 2025-008

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – April 15, 2025
Board Meeting Date N/A
<div></div>

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.)	
FROM (IPR)					DEPARTMENT					MAIL STOP		EXT.		DATE SENT				
Rob Kerth / Crystal Henderson					Board Office					B307		5424		4/4/25				
NARRATIVE:																		
Requested Action:		Enable the Board of Directors and Executive Staff an opportunity to review the Board Work Plan.																
Summary:		The Board President reviews the Board Work Plan at the Policy Committee meeting to ensure agenda items support the work of the Board.																
Board Policy: (Number & Title)		This review of the work plan supports GP-6 Role of the Board President which states that the Board President shall give progress reports on the Board’s work plan.																
Benefits:		Reviewing the Work Plan allows the Board members and Executive staff to make changes to the Work Plan and Parking Lot items as necessary.																
Cost/Budgeted:		Included in budget.																
Alternatives:		Not review the Work Plan at this time.																
Affected Parties:		Board of Directors and Executive staff.																
Coordination:		Crystal Henderson, Special Assistant to the Board.																
Presenter:		Gregg Fishman, Board President																

Additional Links:
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SUBJECT	Board Work Plan	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

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)	DEPARTMENT	MAIL STOP	EXT.	DATE SENT
Rob Kerth / Crystal Henderson	Board Office	B307	5424	12/29/24

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.