

# Exhibit to Agenda Item #2

Discuss the policy and process for **Strategic Direction SD-14, System Enhancement (SD-14)** and accept the monitoring report for **SD-14**.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting  
Tuesday, October 18, 2022, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

# SD-14, System Enhancement Policy Key Elements

- Applies to power lines below 69kV
- SMUD commits up to ½ of 1% of annual gross electrical sales revenues pending meeting financial targets & annual budget approval process
- Funding is for the relocation or underground placement of SMUD facilities
- Uncommitted funds from any given year are not carried over to future years
- Communications facilities within project boundaries must also be relocated or placed underground
- Local agency obtains and provides SMUD all necessary easements

# SD-14, System Enhancement 2020 Board Decision

- On June 9, 2020, the Board approved Resolution No. 20-06-03
  - Suspend funding of new projects for 2020, 2021, and 2022
  - Continue to fund previously committed projects under the Policy

# SD-14, System Enhancement 2021 Projects and Key Activities

- Two projects completed

Local Jurisdiction	Project	Total Project Budget	Total Project Spend	2021 Project Budget	2021 Project Spend	Construction Completion Date
Sacramento County (Ward 7)	Fair Oaks Blvd Landis to Angelina (0.3 mile)	\$361.4K	\$250K	\$0K <sup>(a)</sup>	\$82K	Q1 2021
Sacramento County (Ward 1)	Hazel Avenue Phase 3 Sunset to Madison (0.7 mile)	\$1,443K	\$1,200K	\$1,153K	\$1,138K	2021

(a) The original schedule called for the project to be completed by the end of 2020. Some work carried over to Q1 2021.

# SD-14, System Enhancement 2021 Projects and Key Activities (cont'd.)

- Two committed projects in progress
- 2021 budget = \$81K; 2021 total spend = \$4K

Local Jurisdiction	Ward #	Project Title and Scope	SMUD Ballpark Estimate	2021 Project Budget	2021 Project Spend	Planned Construction Start Date
Citrus Heights	1	Auburn Blvd. Rush Park to I-80 (0.75 mile)	\$2,500K	\$0	\$3.3K	2024
Elk Grove	2	Elk Grove Blvd b/w Waterman & School Streets (~0.5 mile)	\$1,000K	\$81K	\$0.7K	2024

# Key Activities (con'td.)

## Mitigation of Poles Located on Sidewalks

- Researched options to help local agencies mitigate the impact of poles that are located on sidewalks
  - Reviewed existing intake processes for local agency-initiated projects
  - Met with local agencies to elicit thoughts on how SD-14 could be made more usable

# Key Activities (con'td.)

## Mitigation of Poles Located on Sidewalks

### Process

- Customer inquiries/concerns will continue to be referred to and handled by local agencies
  - Responsible entities and subject matter experts for sidewalk design, maintenance, and condition evaluation
- SMUD will prepare maps of commercial corridors with overhead lines annually and share with local agencies
  - Help local agency staff identify and prioritize locations for potential sidewalk maintenance or streetscape improvement projects
  - Provide information to help improve maintenance/project planning and coordination

# Key Activities (con'td.)

## Mitigation of Poles Located on Sidewalks (con'td.)

### Process

- Educate local agencies about SMUD's SD-14 program and how they can leverage SD-14 to mitigate impacts of poles and sidewalks
- Continue exploring custom agreements with local agencies that govern future financial obligations for relocations when SMUD's facilities remain in the road right-of-way
  - Addresses challenges in project areas that have insufficient space for required easements
  - Ensures SMUD has the necessary right to safely perform maintenance
  - Protects SMUD from future financial risks



# Conclusion and Requested Action

- In 2021, SMUD was in full compliance with SD-14, System Enhancement
- Request that the Board accept the 2021 monitoring report

# Questions?



# Supporting slide follows

# Completed Projects Funded Through SD-14

- Eleven projects completed since policy adoption
- Approximately \$12 million total spending
- Approximately 5 miles of overhead lines placed underground

Local Jurisdiction	# of Projects	Total Cost
Sacramento County	5	\$6.1M
City of Sacramento	5	\$3.4M
Citrus Heights	1	\$2.6M