

Exhibit to Agenda Item #7

Approve an increase to the aggregate contract not-to-exceed amount for **Upper American River Project (UARP)** Reservoir Project Wildfire Risk Reduction services by \$5 million, from \$8 million to \$13 million, for Contract No. 4600001538 with **TSU-Tree Service Unlimited, Inc.**, Contract No. 4600001539 with **Mountain F. Enterprises, Inc.**, and Contract No. 4600001540 with **The Original Unlimited Tree Service Co.**

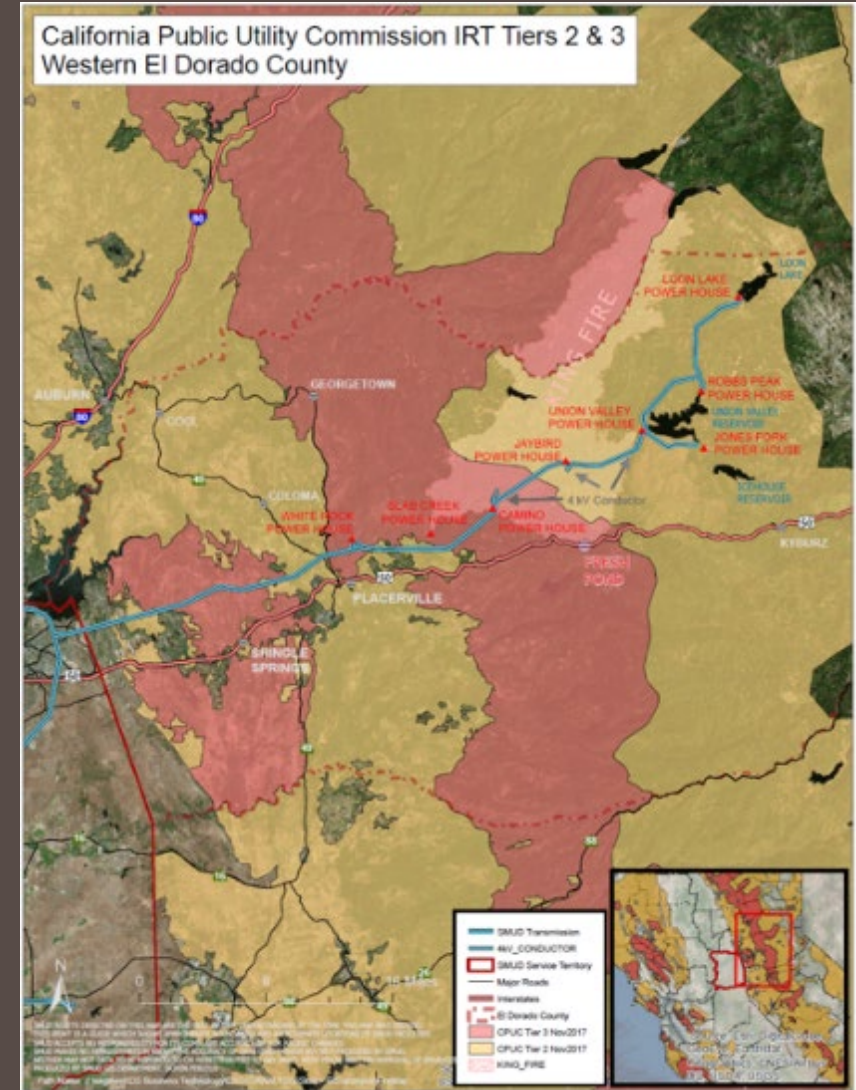
Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, October 18, 2022, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

UARP Wildfire Risk Mitigation - Tier 2/Tier 3

Project Scope

- UARP Transmission Easement
- High Fire Threat District
- Tier 2 Elevated Fire Risk (Yellow)
- Tier 3 Extreme Fire Risk (Red)



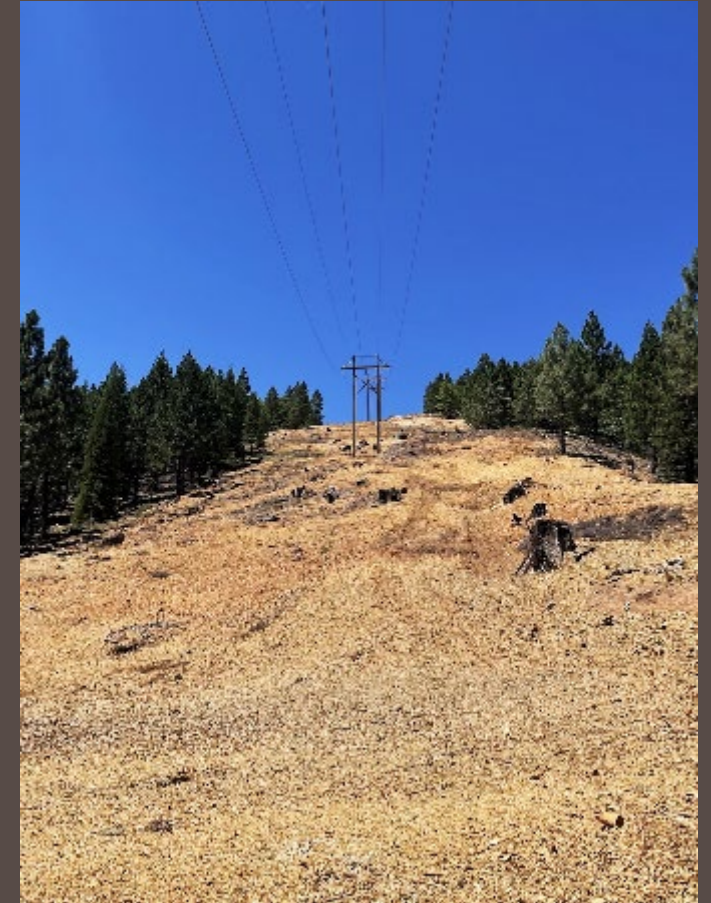
1442 to 1443 Looking West Jones Fork Union Valley 69kV



Before



During



After

1446 to 1445

Jones Fork Union Valley 69kV



Before



After

Landowner: USFS

Tower 178 - South Facing



Before

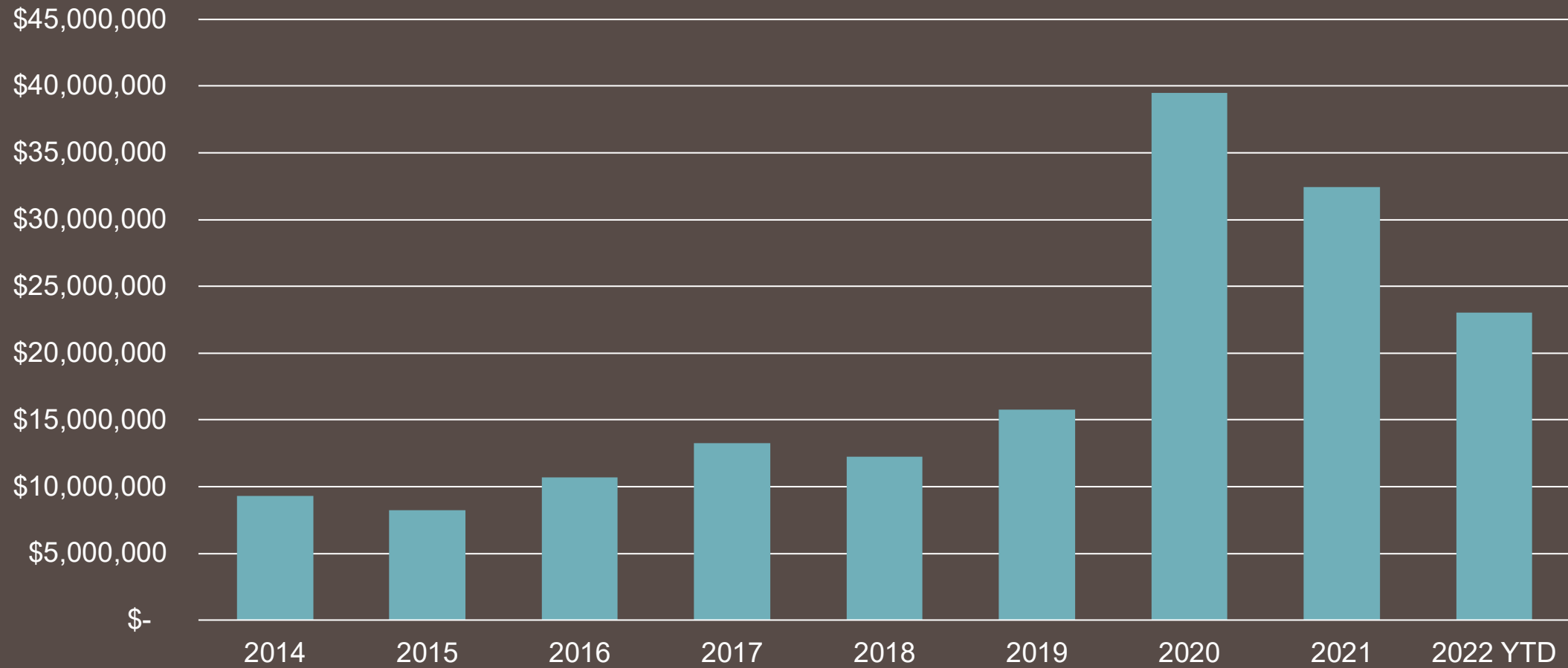


After

Benefits

- Multiple Contractors at lower rates compared to a single source Wildfire Mitigation Contract
- Cost savings of \$878K/11% to date for issued Wildfire Mitigation work
- Diversity of work ensures likelihood of qualified crew availability to perform SMUD work in a resource-constrained environment

Vegetation management spend



Procurement process

- Proposals were solicited by RFP and evaluated based on the following:
 - Experience, qualifications, technical approach, customer relations, safety, SEED participation, environmental sustainability, commercial terms (price), and compliance with SMUD's contractual terms
- Due to current contractor labor resource constraints, pricing, and quick turnaround needed to complete the project, it is in SMUD's best interest to increase the contract value through contract changes