

Exhibit to Agenda Item #1

Discuss authorizing the Chief Executive Officer and General Manager to negotiate and execute a **Custom Special Facilities Agreement** with **The Regents of the University of California on behalf of the University of California Davis Health (UCDH)**, substantially in form attached, for a new 40MVA feeder extension project in the estimated amount of \$60.4 million.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, February 18, 2025, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

East City Dedicated Feeder

UC Davis Health has requested a new dedicated 40 MVA service from SMUD's East City substation to:

- Support increased campus electrical load
- Electrification of the Central Plant
- Transition from Gas Fired Cogeneration Plant to SMUD as primary service
- Ensure redundancy for UC Davis Health electrical needs

UC Davis Health Project



- 1 **40MVA Substation Bank at SMUD's East City**
 - \$11.6 million cost to SMUD
 - Standard Contract – Special Facilities Rule 2
 - monthly payments to SMUD in perpetuity
 - Begin 2028, complete 2029
 - Doesn't require Board Approval

- 2 **Feeder Extension from SMUD East City to UC Davis Health Campus**
 - \$60.4 million construction cost to SMUD and UC Davis Health to pay
 - Special Contract - Special Facilities Rule 2
 - Monthly payments to SMUD in perpetuity for the electric infrastructure portion
 - Milestone payments for the \$60.4 million
 - Begin 2025, complete 2029
 - Requires Board Approval
 - Tonight's Topic

Terms of Contract

- SMUD will be completing the work for UC Davis Health
- Need Board Approval due to the payment structure of the contract
 - UC Davis Health to pay installment payments in advance of work completion
 - No risk to SMUD customers
 - Will be trued up based on actual costs – UC Davis Health to pay full actual cost
- Ongoing special facilities payments in perpetuity to SMUD for O&M of non-civil work
- Will generate new electric sales once project is complete

UC Davis Health leading Community Outreach

- This is UC Davis Health's project.
- SMUD is completing the work for UC Davis Health.
- UC Davis Health conducted a comprehensive California Environmental Quality Act (CEQA) and Environmental Impact Report (EIR) process for the Central Utility Plant Expansion project.
- The process involved a public comment period and hearing that generated minimal feedback.
- UCDH maintains community engagement by holding regular town hall meetings with local residents to provide updates on the Campus.

