

# Exhibit to Agenda Item #4

Discuss authorizing the Chief Executive Officer and General Manager to negotiate and award a sole source contract to the **Sacramento Tree Foundation** to provide shade trees to SMUD customers during the period of January 1, 2026, to December 31, 2028, for a not-to-exceed amount of \$6,034,461.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting  
Tuesday, October 14, 2025, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

# Aligning to SMUD's 2030 Zero Carbon Plan

- Focuses on carbon reduction by increasing available tree species choices
  - Add trees that store more carbon
  - Include native trees for better survivability
- Responds to needs of customer and community
- Mitigates heat island impacts
- Creates new planting scenarios, maximize planting potential
- Contributes to neighborhood beautification



	2019	2020	2021	2022	2023	2024
Carbon Storage (Metric Tons)	17,570	19,315	26,085	31,715	32,598	32,912
Carbon Avoided (energy not used)	5,365	5,650	6,495	7,055	9,531	9,828



# Under-Canopied Neighborhoods

- Offer every customer their very own “best urban forest”
- Continue to work with communities to plant trees and shrubs in neighborhood parks, schools and streets
- Continue to grow NeighborWoods program by developing community partnerships in under-canopied neighborhoods throughout SMUD’s territory
- Mitigate heat island impacts

	2019	2020	2021	2022	2023	2024
Number of trees planted in under canopied neighborhoods	4007	3134	3454	2802	2986	4134



# Key Features of the Contract

- Align contract period with calendar year
- Align program goals with environmental benefits of trees—measuring stored and avoided carbon
- Modify available tree species, including addition of fruit trees and shrubs
- Improve tree survivability through continuous stewardship, monitoring, community partnerships and site readiness support work for irrigation



	Year 1: 2026	Year 2: 2027	Year 3: 2028
Shade Trees Delivery Target	10,000	11,500	12,250
Fruit Trees Delivery Target	1,000	1,500	2,000
Shrub Delivery Target	2,500	2,500	2,500
<b>Total Plantings:</b>	<b>13,500</b>	<b>15,500</b>	<b>16,750</b>
Total delivery to under canopied neighborhoods	8,300	9,450	13,900





# Increasing Tree Survivability

- **Tree Survivability Goal:**
  - 80% survivability rate by 2028
  - Current survivability rate 77% through 2025
- **Actions To Increase Tree Survivability:**
  - Increase Partner and Customer Stewardship
  - Increase Customer Education
  - Plant more native tree species that are more resilient to climate change
  - Measure survivability annually and implement best practices

Hanami Line Park Planting



# Action Request

Authorize the Chief Executive Officer and General Manager to negotiate and award a sole source contract to the Sacramento Tree Foundation to provide shade trees to SMUD customers during the period of January 1, 2026, to December 31, 2028, for a not-to-exceed amount of \$6,034,461.

