

Exhibit to Agenda Item #2

Discuss the monitoring report for **Strategic Direction SD-14, System Enhancement.**

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, August 12, 2026 scheduled to begin at 6:00 p.m.
SMUD Headquarters Building, Auditorium

SD-14, System Enhancement Policy

Key Elements

- Strategic Direction 14, the System Enhancement Board policy states that:
As a community-owned utility, SMUD recognizes that the relocation or underground placement of primary voltage power lines may be desirable to local jurisdictions to improve aesthetics, economic vitality, safety and disabled access. Therefore, it is a key value of SMUD to make selected distribution system enhancements, such as permanent relocation or underground placement of primary power lines below 69 kV.
- 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 2025 Projects and Key Activities

One project completed

Local Jurisdiction	Ward #	Project Title and Scope	Total Project Budget	Total Project Spend	2025 Project Budget	2025 Project Spend	Construction Completion Date
City of Citrus Heights	1	Auburn Blvd. from Rusch Park to I-80 (0.75 mile)	\$2,900K	\$2,921K	\$1,401K	\$2,803K	Q3 2025

SD-14, System Enhancement Policy 2025 Projects and Key Activities

Before



Auburn Blvd and Whyte Ave

After

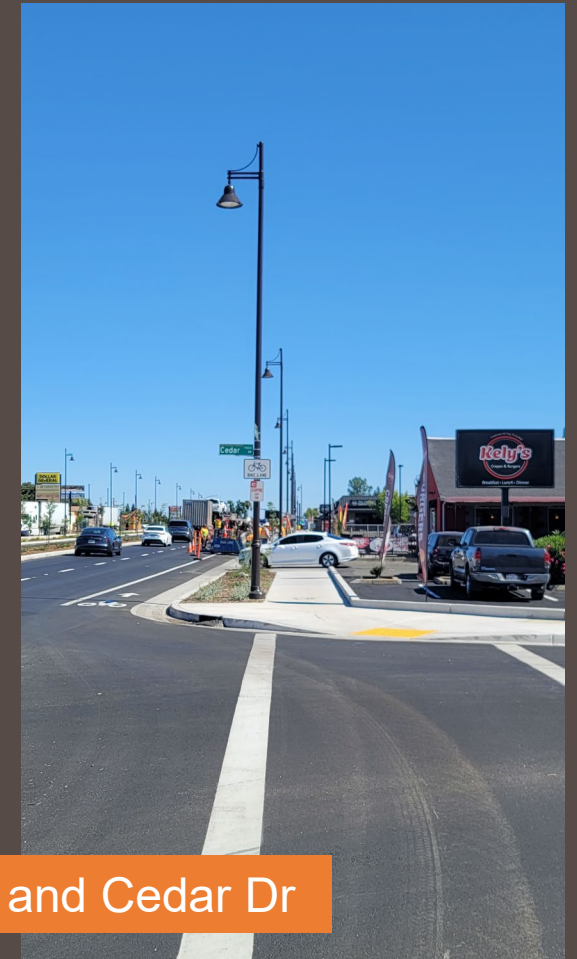


Before



Auburn Blvd and Cedar Dr

After



SD-14, System Enhancement 2025 Projects and Key Activities

- Three committed projects in progress; Total budget \$643K; total spend = \$18.9K

Local Jurisdiction	Ward #	Project Title and Scope	SMUD Estimate	2025 Project Budget	2025 Project Spend	Project Status
Sacramento County	1	Greenback Lane Improvements from Chestnut to Folsom City Limit (0.8 mile)	\$1,000K	\$0K	\$13.5K	Design in 2026; Construction in 2028
City of Elk Grove	2 & 4	Elk Grove Blvd. from Waterman to School St. (0.5 mile)	\$1,500K	\$643K	\$1.6K	Design in 2026; Construction in 2027
City of Sacramento	3	Arden Way Hesket Way to Morse Ave. (0.5 mile)	\$750K	\$0K	\$3.8K	Design in 2026; Construction in 2028

Conclusion and Requested Action

- In 2025, SMUD was in full compliance with SD-14, System Enhancement
- Request that the Board accept the 2025 monitoring report