

Board Policy Committee Meeting and Special SMUD Board of Directors Meeting

Date: Wednesday, August 12, 2026

Time: Scheduled to begin at 6:00 p.m.

Location: SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, CA

Powering forward. Together.



AGENDA BOARD POLICY COMMITTEE MEETING AND SPECIAL SMUD BOARD OF DIRECTORS MEETING

**Wednesday, August 12, 2026
SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, California
scheduled to begin at 6:00 p.m.**

This Committee meeting is noticed as a joint meeting with the Board of Directors for the purpose of compliance with the Brown Act. In order to preserve the function of the Committee as advisory to the Board, members of the Board may attend and participate in the discussions, but no Board action will be taken. The Policy Committee will review, discuss and provide the Policy Committee's recommendation on the below agendized item(s):

Virtual Viewing or Attendance:

Live video streams (view-only) and indexed archives of meetings are available at:
<https://www.smud.org/Corporate/About-us/Company-Information/Board-Meetings/Watch-or-Listen-online>

Zoom Webinar Link: [Join Board Policy Committee Meeting Here](#)

Webinar/Meeting ID: 165 319 3791

Passcode: 364081

Phone Dial-in Number: 1-669-254-5252 or 1-833-568-8864 (Toll Free)

Verbal Public Comment:

Members of the public may provide verbal public comment by:

- Completing a sign-up form at the table outside of the meeting room and giving it to SMUD Security.
- Using the "Raise Hand" feature in Zoom (or pressing *9 while dialed into the telephone/toll-free number) during the meeting at the time public comment is called. Microphones will be enabled for virtual or telephonic attendees when the commenter's name is announced.

Written Public Comment:

Members of the public may provide written public comment on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via email to PublicComment@smud.org or by mailing or bringing physical copies to the meeting. Email is not monitored during the meeting. Comments will not be read into the record but will be provided to the Board and placed into the record of the meeting if received within two hours after the meeting ends.

DISCUSSION ITEMS

1. Dr. Markisha Webster Discuss the monitoring report for **Strategic Direction SD-13, Economic Development.**
Presentation: 15 minutes
Discussion: 5 minutes
2. Amandeep Singh Discuss the monitoring report for **Strategic Direction SD-14, System Enhancement.**
Presentation: 6 minutes
Discussion: 5 minutes
3. Rosanna Herber Board Monitoring: **Board-Staff Linkage BL-9, Delegation to the CEO with Respect to Local, State, and Federal Legislation and Regulation; Board-Staff Linkage BL-10, Delegation to the CEO with Respect to Real and Personal Property; and Board-Staff Linkage BL-11, Delegation to the CEO with Respect to the Settlement of Claims and Litigation.**
Presentation: 5 minutes
Discussion: 5 minutes

INFORMATIONAL ITEMS

4. Dave Tamayo Board Work Plan.
Discussion: 10 minutes
5. Public Comment
6. Rosanna Herber Summary of Committee Direction.
Discussion: 1 minute

ANNOUNCEMENT OF CLOSED SESSION AGENDA

1. Conference with Real Property Negotiators.

Pursuant to Section 54956.8 of the Government Code:

Property:

Assessor's Parcel Number (APN) 007-0144-020; 007-0144-021
in Sacramento County

SMUD Negotiator:

Emily Bacchini, Director, Safety, Environmental & Real Estate Services

Negotiating Parties:

Tim Regan, Voit Oceanside Partners LLC (property owner)

Under Negotiation:

Price and terms.

Members of the public shall have up to three (3) minutes to provide public comment on items on the agenda or items not on the agenda, but within the jurisdiction of SMUD. The total time allotted to any individual speaker shall not exceed nine (9) minutes.

Members of the public wishing to inspect public documents related to agenda items may click on the Information Packet link for this meeting on the smud.org website or may call 1-916-732-6155 to arrange for inspection of the documents at the SMUD Headquarters Building, 6201 S Street, Sacramento, California.

ADA Accessibility Procedures: Upon request, SMUD will generally provide appropriate aids and services leading to effective communication for qualified persons with disabilities so that they can participate equally in this meeting. If you need a reasonable auxiliary aid or service for effective communication to participate, please email Nicole.Looney@smud.org, or contact by phone at 1-916-732-6055, no later than 48 hours before this meeting.

SSS No. DLSC 26-007

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Policy - 08/12/26
Board Meeting Date August 20, 2026

TO				TO			
1.	Dr. Markisha Webster			6.	Suresh Kotha		
2.	Claire Rogers			7.			
3.	Jose Bodipo-Memba			8.			
4.	Brandy Bolden			9.	Legal		
5.	Cara Chatfield			10.	CEO & General Manager		
Consent Calendar		☒	Yes	☐		No <i>If no, schedule a dry run presentation.</i>	
Budgeted		☒	Yes	☐		No <i>(If no, explain in Cost/Budgeted section.)</i>	
FROM (IPR) Dr. Markisha Webster				DEPARTMENT DEIB, Learning & Sustainable Communities		MAIL STOP B260	EXT. 7055
						DATE SENT 07/15/26	

NARRATIVE:

Requested Action: Accept the monitoring report for Strategic Direction SD-13, Economic Development.

Summary: The annual Economic Development Report summarizes accomplishments and status of SD-13 performance by SMUD for the period of January 1 – December 31, 2025.

Board Policy: *(Number & Title)* Strategic Direction SD-13, Economic Development policy states: “Promoting the economic vitality of our region and the growth of our customer base is a key value of SMUD. Therefore, SMUD shall exercise strategic leadership and actively participate in regional economic development.”

Benefits: This report and presentation provide the Board of Directors and Executive Team information demonstrating SMUD’s overall compliance with the Economic Development Strategic Direction and compliance with specific Board Policy.

Cost/Budgeted: N/A

Alternatives: Provide the Board with written reports and communication through the CEO & General Manager.

Affected Parties: Board of Directors, Executive Office, Sustainable Communities, New Business Development, Commercial Development, Community Energy Services (CES), Complete Energy Solutions, Pricing and Commercial Delivery

Coordination: Economic Development develops the report with information from Supplier Education & Economic Development (SEED), Sustainable Communities, New Business Development, Commercial Development, Community Energy Services (CES), Complete Energy Solutions, Pricing and Commercial Delivery

Presenter: Dr. Markisha Webster, Director, DEIB, Learning & Sustainable Communities

Additional Links:

SUBJECT Annual Monitoring Report for SD-13, Economic Development	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: July 30, 2026

FROM: Claire Rogers *CR 7/30/26*

**SUBJECT: Audit Report No. 28008028
Board Monitoring Report; SD-13: Economic Development**

Internal Audit Services (IAS) received the SD-13 *Economic Development* 2025 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Compared sample to the corresponding supporting documentation to identify potential discrepancies.

All items sampled within the SD Report aligns with the supporting documentation provided at the time of review.

CC:

Paul Lau

1) Background

Strategic Direction (SD-13) Economic Development states that:

Promoting the economic vitality of our region and the growth of our customer base is a key value of SMUD. Therefore, SMUD shall exercise strategic leadership and actively participate in regional economic development.

Specifically:

- a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.
- b) SMUD shall align its economic development activities with regional economic development initiatives.
- c) SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.
- d) SMUD shall offer economic development rates and program incentives.
- e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers.

2) Executive summary

SMUD continues as a leader in efforts to strengthen the economic health of the greater Sacramento region. Our comprehensive Economic Development & Partnerships (EDP) strategy includes promoting SMUD's 2030 Zero Carbon Plan within regional initiatives, leveraging CIP funds to build partnerships in underserved commercial corridors, promoting and supporting innovation, offering diverse business development resources, and collaborating to secure funding to uplift communities and create living-wage jobs.

Key 2025 achievements include:

- A primary leadership role in the Sacramento Metro Chamber Cap-to-Cap regional advocacy program in Washington, DC, elevating the region's priorities on a national platform
- Collaborations to secure state funding aimed at creating living-wage jobs
- In-kind support and expertise to expand access to resources for entrepreneurs and businesses

We also increased accessibility to the Supplier Education and Economic Development (SEED) contracting program for small businesses, provided energy efficiency and electrification incentives, and strengthened partnerships with local agencies and nonprofits to foster community development. Additionally, we deployed resources to support sustainability plans that are measurable and replicable, ensured our service connection costs remain competitive with other West Coast utilities and provided expertise and facilitation for developer projects.

In 2025, we worked closely with over 50 local economic development organizations. These collaborations enabled us to attract, retain, and expand companies within our service territory, and foster a stronger, more equitable, and sustainable regional economy.

As this report demonstrates, in 2025, SMUD was in compliance with each of the goals for the year established in SD-13.

3) Additional Supporting Information

A. Promoting innovation while maintaining rate affordability & balancing other strategic directions

At SMUD, we know a strong entrepreneurial ecosystem fuels innovation, local job growth, and inclusive economic opportunity across Sacramento. While we don't invest directly in startups, we partner with and support nonprofit organizations that provide resources, mentorship, focused accelerators and networks to help entrepreneurs succeed and scale. SMUD's investment, subject matter expertise, and business community collaboration supported the work of these innovation and entrepreneurship partners, drawing over 11,833 attendees across 404 events, serving 2,645 startups, fostering 1,523 mentor matches and supporting 29 partnerships. See Appendix A for more information on a selection of these partnerships.

SMUD continues to effectively balance our goal of fostering innovation with our commitment to keeping rates low. SMUD's average rates remained competitive even after the adopted rate increases for 2025. In 2025, SMUD's average rate was 50.3% below PG&E, which includes their 3 rate changes in January, March, and September. For additional details on SMUD's competitiveness, see Appendix B.

SMUD aligned its grant funding activities with regional economic development activities by pursuing awards to fund planned work, research and development initiatives, and potential new business partnerships. This funding will directly help SMUD keep its rates low while also moving crucial projects forward with potential to economically benefit both SMUD and the larger region. In 2025, SMUD won, or brought under contract, a total of \$28 million in grant awards for projects totaling \$69.2 million and an average grant match of 63%. Additionally, SMUD wrote 23 letters of support or commitment for regional organizations and businesses, impacting approximately \$17 million in potential awards.

B. Aligning economic development activity with regional economic development initiatives

In 2025, SMUD continued its strong tradition of leadership in regional economic development serving as a convenor, holding visible leadership roles, and driving the priorities of SMUD through these collaborations and alignment with our partners.

SMUD as a Convenor

- **Cap-to-Cap:** Sacramento Metro Chamber's Cap-to-Cap program is the largest and longest running advocacy program of its kind in the nation. It brings together business, civic, and elected leaders with the goal of advancing policies that strengthen our communities. In 2025, SMUD was the program chair, leading a 450-member delegation of elected, business and non-profit leaders from across the Sacramento six-county region (the largest delegation in the 53-year history of the program). Key initiatives under SMUD's leadership included work to realign regional policy priorities to best position our community to access federal funding under the Trump Administration and work to identify opportunities to incorporate SMUD priorities into policy team issue papers, including Workforce, Education, Economic Development as well as a stand-alone, energy issue paper under the Air Quality Team.
- **Business Advisory Council (BAC) & Economic Development Summit:** EDP continued to lead the BAC, hosting four quarterly meetings and a special networking event that connected business organization leaders with each other and with information on the SEED program, the 2030 Zero Carbon Plan, best practices, sponsored events, incentives, and commercial contracting opportunities.
- **Internal and External Study Missions:** As program chair of the regional Internal Study Mission, and steering committee member of the 2025 Metro Chamber Study Mission to Boston, Massachusetts, SMUD helped set the agenda and drive the dialogue with community leaders around key business issues promoting awareness of SMUD's 2030 Zero Carbon Plan and inclusive economic development priorities.

Visible Leadership Roles

- **California Jobs First:** SMUD continued to play a key role in Sacramento's regional implementation of the California Jobs First program by serving on its Leadership Council and through partnership and representation in its multi-pronged community outreach work. Branded locally as *We Prosper Together* and administered through Valley Vision, the inclusive economic development initiative's goal is to uplift communities, encourage investment in the region and create living-wage jobs. In 2025, *We Prosper Together* allocated its second tranche of Catalyst funding in the amount of \$4 million to 11 projects across the eight-county region, a combined total of \$9 million in total funding from 2024 - 2025. SMUD was also a recipient of a Catalyst Round I grant of \$508,978 to host a regional technical advisory committee. For more information on SMUD's role and the grant received, see Appendix D.
- **Greater Sacramento Economic Council (GSEC):** SMUD's partnership with GSEC is critical to the community contributing to regional prosperity by growing the economic base and serving a key role in the region's recruitment capability due to our affordability and reliability. SMUD was a central partner in improving regional readiness through the joint creation of and response to the economic development readiness report with GSEC and Valley Vision. In addition to Paul Lau's participation on the GSEC Board, SMUD's commercial development staff responds to Request for Information (RFI) proposals from the organization, and Commercial Development and Economic development staff participate in GSEC's Economic Development Directors' Task Force.
- **Regional Leadership:** Throughout 2025, SMUD staff held visible leadership roles in regional economic development initiatives and organizations, helping ensure regional stakeholders are working in concert on business development, attraction, retention and expansion efforts and that our efforts are aligned with regional priorities. For a list of these leadership roles, see Appendix D.

Partnering with and Investing in our Community

- **Small and Mid-size Business (SMB) Support:** SMUD's SMB team of Strategic Account Advisors continued to assist our customers by directing them to appropriate SMUD programs and services and educating them on SMUD's 2030 Zero Carbon Plan to ensure no business or community is left behind. For more details, see Appendix B.
- **Sustainable Business Certifications:** SMUD's partnership with the County of Sacramento Business Environmental Resource Center (BERC) resulted in the successful certification of 96 businesses in SMUD service area, of which 54 businesses (56%) were in underserved neighborhoods.
- **Property and Business Improvement District (PBID) Outreach:** In 2025, SMUD partnered with 14 PBIDs and participated in 69 outreach events with them. Through these collaborations, EDP conducted 14 of its 25 targeted business walks within these districts. EDP's outreach within these districts resulted in the approval of 13 business district electrification projects and 25 measures.
- **Sustainable Communities Program:** In 2025, SMUD's Sustainable Communities program invested \$4.6 million in nonprofit partnerships to support economic development, regional workforce development, clean energy and STEM education, and customer resiliency in under-resourced communities.

C. Retaining, recruiting, & growing commercial & industrial rate-paying customers

Business Attraction

Business attraction is a key economic development focus, and SMUD has played an increasingly important role in business attraction, retention, expansion and in helping brand the region as an attractive place to do business. In 2025, SMUD participated in or supported:

- 28 business attraction, retention, and expansion projects within our service territory
- Attraction/expansion of 16 companies
- Creation of an estimated 987 local jobs in multiple sectors including advanced manufacturing, clean-technology, agriculture, and mobility

In 2025 global supply chain delays continued to impact SMUD's ability to purchase equipment, including some types of transformers, resulting in longer lead times. SMUD's Commercial Development team dedicated significant time and resources to managing a transformer issuance policy to ensure customers were electrically ready to receive their equipment. This impacted our work significantly on development projects throughout the service territory. Despite these challenges, SMUD actively engaged in 152 commercial, industrial, mixed-use and residential projects throughout our service territory. For more information, see Appendix E.

Regional Workforce Development

In 2025, SMUD continued working through the Regional Workforce Development Strategic Plan, training 4,041 people to position them for clean energy and other economic opportunities and facilitating the employment of 785 members of our community. This regional strategy has worked to galvanize and prepare the region with an inclusive, diverse, skilled, and empowered future workforce. Through the Regional Workforce Development Strategic Plan initiatives, SMUD supported 48 community partners to rapidly deploy workforce development and training throughout the Sacramento Region, with a high emphasis on bringing opportunities to under-resourced communities. By fostering a responsive career ecosystem, SMUD continued to close economic equity gaps, build the requisite workforce to meet SMUD's regional zero carbon goals, and attract new business investments to the region by supporting a skilled and work-ready workforce. For information on SMUD's Energy Career Pathways, see Appendix D.

Engaging Local Businesses

In 2025, SMUD's SMB team of Strategic Account Advisors (SAAs) made significant strides in engaging local businesses. SAAs served as trusted advisors, providing education on SMUD's programs, services, rates, and long-term vision while also offering technical assistance on topics such as infrastructure capacity, solar and storage, EVSE installation, and the benefits of electrification. The team collectively attended over two hundred community events including community gatherings, chamber of commerce meetings, and PBID-hosted events that resulted in 67 customer leads submitted by SAAs to SMUD's Complete Energy Solutions Program alone. Of the 67 leads, 35 have resulted in completed Go Electric HVAC and water heating projects. For more information, see Appendix D.

D. Economic development rates & program incentives

SMUD offers economic incentives to help attract new businesses and expand existing ones to grow the regional economy. Incentives range from helping design new construction to offering energy-efficient upgrades for equipment to proposing our Economic Development Rate (EDR), see Table 1.

Customers that exceed 299kW for three consecutive months may qualify for the EDR, which has multiple options for our customers, including a front-loaded discount to help reduce initial operating costs, or a fixed discount over the ten-year period. Customers located in a disadvantaged community have the same options, but with a larger discount.

Commercial incentives and technical support help customers implement new energy-saving equipment and make electrification modifications to their buildings. In 2025, SMUD invested \$13 million in commercial incentives including heat pump space heating and cooling, domestic hot water, kitchen electrification, and vehicle electrification. Overall, 456 commercial projects received incentives for a combined total program energy savings of 17.84 GWh equivalent to 2,074 all-electric homes.

Table 1. Economic Development Rate

Size	Term	Industry Requirements	Job Requirements	Full Service Requirement	Discount
300 kW+	10 Years	No limitations	No minimum requirements	No	Two options for customers to choose: Standard EDR <u>Opt A</u>: 6% for years 1-5; declining 1% per year for years 6-10 <u>Opt B</u>: 4.5% for 10 years Rate for Disadvantaged Communities <u>Opt A</u>: 8% for years 1-5; declining 1.5% per year for years 6-10 <u>Opt B</u>: 6% for 10 years

E. Contracting program for certified small businesses who are rate-paying customers

SMUD's EDP team teaches local small businesses how to contract with SMUD through the SEED program. SEED offers incentives to local small businesses that participate in SMUD's competitive bid process, and helps prime contractors find local subcontractors, giving them a competitive edge when developing bids or proposals.

With focused outreach, engagement and by leveraging business partnerships, the SEED-qualified vendor base grew by over 4%, with registered SEED vendors representing 54% of all DGS-certified small businesses in the Sacramento region by the end of 2025. With SMUD's adoption of PlanetBids, prime vendors now have direct access to the SEED vendor portal, enhancing collaboration between large and small businesses on SMUD contracts. This eliminates the need for the EDP team to manually provide SEED vendor lists, streamlining the subcontractor search process and improving the overall experience for prime contractors.

Table 2. 2025 SEED Program Contracts

Award Type	Total Award (\$)	Award Count	Percent of Program
SEED Prime	\$ 67,867,142.25	28	69%
SEED Sub-Contractors	\$ 29,952,986.21	81	31%
Total	\$ 97,820,128.46	109	100%

In 2025, SMUD awarded 31.6% of its contracts to SEED-certified small businesses, surpassing the Board-established goal of 20%. SEED program participation grew by 36 new SEED vendors, with 109 SEED contracts awarded in 2025, totaling more than \$97 million; see Table 2. For more information on SEED, see Appendix F.

4) Challenges

California's business climate, cooling economy and market instability, cost of doing business, decarbonization goals and regulatory standards present challenges to development. Permitting costs and delays pose barriers when market-leading companies seek to relocate from other states. SMUD continues to work with regional and state partners, such as GSEC, The Governor's office of Business and Economic Development (GO-Biz) and the California Association of Local Economic Development (CALED), to address the state and local regulatory challenges that limit our ability to attract or develop new businesses.

5) Recommendation

It is recommended that the Board accept the Monitoring Report for SD-13, Economic Development.

Appendix A– Promoting Innovation

Startup businesses & innovative new technologies are vital to creating an inclusive zero carbon economy. SMUD is an active supporter of this entrepreneurship ecosystem, collaborating with local non-profit organizations that offer training, maker spaces, networking, and mentorship to startups at no cost and connecting our internal expertise with partner organizations that support education and awareness. 2025 partnerships supporting the entrepreneurship ecosystem include but are not limited to:

- **CleanStart Inc.:** Building and supporting the clean technology ecosystem in the Sacramento region, CleanStart Inc. supports early-stage companies through education, access to capital, and connections to the networks they need to make their innovations commercially successful. In 2025, CleanStart directly supported 40+ early-stage companies through over 150 one-on-one coaching sessions and their Deep Dive Accelerator programs. A total of seven startups graduated, advancing their commercialization and capital readiness efforts and, with SMUD support, companies secured nearly \$50 Million from Grants, Licensing Deals, Purchase Orders in 2025.
- **Made Here (Hacker Lab EDU):** Providing multifaceted entrepreneurship support, Made Here serves as a Sacramento inclusive makerspace, coworking hub, and workforce development incubator. In 2025, Made Here successfully hosted 11 First Friday Maker Markets, featuring over 200 unique vendors and welcoming an average of more than 150 attendees per market. The majority of participating vendors are women and women of color, including graduates and current participants from MAKEHERS¹. These markets directly support local entrepreneurship and contribute to economic stability for many low-income households.
- **InnoGrove:** Offering networking and educational workshops focused on startup and small business development, InnoGrove hosted 10 events reaching approximately 255 attendees. 2025 events included Women-in-Tech Workshops, Innogrove Startup Resource Directory, Startup Founder Workshops, and practice sessions for the Pitch Elk Grove Competition. A longer-term role for InnoGrove is to support startup businesses as they develop their products.
- **StartupSac:** Accelerating Sacramento's startup and innovation ecosystem, StartupSac educates, empowers, and connects startups to founders and innovators. 2025 efforts included three 12-week FastTrac cohorts serving 29 entrepreneurs and 24 in-person and 8 online events engaging over 1,600 participants. Approximately 110 individual startups were engaged across programming, with an estimated 85 receiving one-on-one mentoring support. StartupSac also co-hosted two Startup Challenge weekends with over 150 participants. Programming included cohort-based education, pitch events, mentoring sprints, and community convenings that support business formation and growth in Sacramento.
- **Startup Folsom:** Working to build Folsom's entrepreneurial and innovation community, in 2025, Startup Folsom held 22 events serving 575 attendees. Events included AI Meetups, Pitch Coaching sessions and workshops, and networking events for entrepreneurs. 29 Founders received mentoring support.
- **Growth Factory Nonprofit (GFN):** An entrepreneurial development organization, GFN is dedicated to fostering innovation, accelerating high-growth startups, and preparing youth for workforce readiness. In 2025, GFN directly supported over 110 startups and small businesses and over 80 high school and community college students through intensive cohort-based programs focused on founder development and investment

¹ MAKEHERS is a SMUD-supported, women-led small business incubator that directly supported 12 women through a cohort intensive business training that included mentorship, and access to space and tools. MAKEHERS helped women turn creative skills into thriving businesses

readiness. GFN has begun scaling its youth entrepreneurship programs, including the launch of Project Atlas, a practitioner-led program hosted at Connect Labs Aggie Square in the Oak Park neighborhood of Sacramento.

- **Carlsen Center for Innovation & Entrepreneurship at Sacramento State:** Serving as a regional hub and platform for providing approachable and accessible entrepreneurial education, community and support, in 2025, the Carlsen Center for Innovation & Entrepreneurship hosted two Startup Challenges and Global Entrepreneurship Week (GEW). At the Startup Challenges, over 100 participants were supported in growing their ventures – 33 final pitches, \$1 million in funding generated post sessions. GEW 2025 featured 20 discussions/panels, 2 pitch events, and 1 speed mentoring event, with approximately 700 attendees and an additional 150 reached through LinkedIn live and other virtual formats.
- **Sacramento Entrepreneurial Growth Alliance (SEGA):** SMUD is a member of SEGA, a collaborative entrepreneurial ecosystem committed to growing entrepreneurial opportunity in the region. Key 2025 efforts include:
 - The NorCal Entrepreneur Hub, an online tool/platform connecting entrepreneurs to organizations, resources, and events, now highlights over 480 users, 340 organizations, and 500 resources.
 - The Inclusive Innovation Hub by the California Office of the Small Business Advocate (led by SEGA) – in 2025, its partnered programs supported over 152 businesses, saw \$12.25M in equity financing raised, saw \$1.05 million in non-dilutive capital raised, and activated \$80K in equity investment through NorCal AngelCon.
- **Mike and Renee Child Institute for Innovation and Entrepreneurship (UC Davis):** Developing impactful programs, expertise, and networks for community members interested in innovation and entrepreneurship, in 2025, the Mike and Renee Child Institute for Innovation and Entrepreneurship organized the 25th annual Big Bang! Business Competition, which awarded over \$100,000 in grants to the winning teams from 75 participants. They hosted 13 events with 1,250 participants, providing 200 mentor matches. SMUD presents the Energy and Sustainability Award annually at the Big Bang Awards Celebration.
- **FourthWave:** An accelerator for women-led technology companies, FourthWave partnered with the Carlsen Center for Innovation & Entrepreneurship at Sacramento State to support 12 startups and 16 founders through targeted mentorship, curriculum, and investor access. In 2025, FourthWave strengthened the regional innovation ecosystem by hosting a community dinner, an investor pitch showcase, and four Community Forums designed to connect entrepreneurs with mentors, investors and peer learning. In collaboration with Aggie Square Connect Labs, FourthWave also co-produced the inaugural Women's Health Innovation Summit, spotlighting Sacramento's leadership in health innovation and public policy; the event exceeded expectations with more than 200 attendees. Collectively, companies from the 2024 and 2025 cohorts have secured more than \$9 million in funding since completing the program, demonstrating FourthWave's effectiveness in accelerating high-growth ventures and strengthening the region's innovation economy.
- **Sacramento Entrepreneurship Academy (SEA):** Supporting students and early startups from the Sacramento Region, in 2025, SEA supported 17 fellows through a rigorous, cohort-based entrepreneurship experience focused on venture development, mentorship, and real-world execution. Fellows formed six startup teams and were paired with a dedicated mentor who provided hands-on guidance throughout the program. Through structured workshops, expert-led sessions, and ongoing mentor engagement, teams refined their value propositions, tested market assumptions, and strengthened their go-to-market and growth strategies. The most successful team, *Low Prop Tax*, used the program to successfully pivot its business model. As a result, the company

secured a \$500,000 grant and is thriving today. Another standout team, *Frontal Lobe*, has since raised \$3.2 million in funding to support the growth of its social club concept.

- **EveryDay Creative Program:** Co-produced by CLTRE and Creative Startups, with support from The City of Sacramento's Office of Arts and Culture and SMUD, the EveryDay Creative Program empowers entrepreneurs within the creative economy through mentorship, tailored training, a storefront residency, and financial support transforming creative projects into impactful ventures. The Program hosted two Accelerators serving 36 Founder's, with 40 meetings and 700 attendees to foster innovation, entrepreneurship and business skills.
- **1 Million Cups Sacramento:** Part of the national initiative of the Ewing Marion Kauffman Foundation, 1 Million Cups Sacramento is operated entirely by local volunteers. The program provides a consistent, no-cost platform for entrepreneurial growth. Each week, two founders present their businesses to the community, receive strategic feedback, and build connections with mentors, peers, and potential partners. Prior to their presentation, they receive one-on-one mentoring. In 2025, 1 Million Cups Sacramento hosted 47 weekly programs — including 11 in-person/hybrid and 36 virtual sessions — engaging 891 attendees and supporting 67 early-stage founders.
- **Sacramento Valley Small Business Development Center (SBDC):** Supporting local entrepreneurs and small businesses with the tools and insights to start, grow, and pivot their businesses, in 2025, SBDC served 1,106 entrepreneurs in Sacramento County. They also helped 79 entrepreneurs embark on their entrepreneurial journeys and supported 2,361 jobs. Last year, they hosted 64 training events, including a DGS SB/SMUD SEED workshop on August 6, 2026, with 14 small businesses in attendance.
- **Regional Small Business Utilization Center (RSBUC):** Operating under the Sacramento Asian Pacific Chamber of Commerce, the RSBUC helps businesses connect with contract opportunities supporting and strengthening small businesses throughout Sacramento County. In 2025, RSBUC delivered 19 hybrid events—offered both in person and virtually—serving 1,150 businesses across the region and provided one-on-one coaching to 130 new small businesses to advance capacity, procurement readiness, and growth strategies. Among the seven in-person engagements hosted this year were Connect & Construct at the Kaiser Railyards jobsite; the Small/Underutilized Business (SUB) Summit; the SUB Basics Academy, which included two in-person sessions and a graduation; the Sierra College Construction Expo; and the Taking it to the Streets Career Fair in partnership with the Sacramento-Sierra Building and Construction Trades Council.
- **California Energy, Power, and Innovation Collaborative (CalEPIC):** An accelerator for new technology that addresses energy and power needs, SMUD works with CalEPIC on a variety of workforce development and training programs that benefit the community and the region. Over the last three years, Cal EPIC has trained over 700 people in the Sacramento region with outreach conducted in partnership with SMUD and local community-based organizations serving under-resourced communities. More than half of those participants came to the programs with a high-school level educational attainment and a majority of trainees identified as a minority population.
 - SMUD provided a letter of support for the *Capital Charge Yard*, which was chosen by the California Energy Commission to be the first-of-its-kind EV Charger Testing Lab in California. Charge Yard will create an interoperability and conformance testing space that is publicly available to EVSE and EV manufacturers as well as researchers. It is expected to help with universal standard creation and study opportunities for bidirectional power (V2X). In addition to testing and research inside the Charge Yard, Cal EPIC will host five events a year (two testing events and three policy and non-testing events) to support EVSE advancements and operations.

- CalEPIC's Rivian Technical Trades Program is the first Rivian workforce development program for EV technicians that is not associated with a community college. It is one of five technical trades programs for Rivian in the country and the only program in California. This 15-week program selects people from the Sacramento community to become paid interns for Rivian while they learn skills for electric vehicle support. During this time, participants are paid \$24 per hour and offered a job for Rivian if they meet all requirements of the program. Through 2025, the Cal EPIC and Rivian partnership trained over 30 people and had participants provided job offers in Sacramento, the greater Bay Area, Fresno, San Diego, Phoenix, Tempe, and Salt Lake City.

Appendix B - Commitment to Low Rates

SMUD continues to maintain rates that are below PG&E's, both at a system level and by rate class. Table 3 provides a detailed picture of the difference between SMUD's and PG&E's projected average rates by class in 2025 as well as the difference between rates in 2024. The competitive rate by class varies for the different customer classes and is at least 42.7% below comparable PG&E class average rates. Since the creation of the annual rate monitoring report in 2007, SMUD has consistently maintained rates that were more than 18% below PG&E.

Table 3. Comparison of SMUD's and PG&E's Projected Average Rates by Class

Customer		Rate Categories		Average Annual Rate		Difference below PG&E*	
				PG&E	SMUD		
Class	Description	PG&E	SMUD	2025	2025	2025	2024
Residential	Standard	E-1	TOD	\$0.4218	\$0.1975	-53.2%	-55.5%
	Low Income	CARE***	EAPR & EAPRMED**	\$0.2466	\$0.1321	-46.4%	-50.9%
ALL RESIDENTIAL				\$0.3566	\$0.1888	-47.1%	-50.1%
Small Commercial****	<= 20 kW	B-1	GFN, CITS-0	\$0.4326	\$0.1931	-55.4%	-57.0%
	21 - 299 kW	B-6	CITS-1	\$0.4287	\$0.1782	-58.4%	-59.8%
Medium Commercial****	300 - 499 kW	B-10	CITS-2, CIP-2	\$0.3827	\$0.1674	-56.3%	-58.3%
	500 - 999 kW	B-19	CITS-3, CIP-3, CITT-3	\$0.3359	\$0.1551	-53.8%	-54.6%
Large Commercial****	>= 1 MW	B-20	CITS-4, CIP-4, CITT-4	\$0.2226	\$0.1275	-42.7%	-43.4%
Lighting	Traffic Signals	TC-1	TS	\$0.4300	\$0.1519	-64.7%	-65.8%
	Street Lighting	Various	SLS, NLGT	\$0.4631	\$0.1783	-61.5%	-66.1%
Agriculture	Ag & Pumping	AG	ASN/D, AON/D	\$0.3892	\$0.1683	-56.8%	-58.2%
SYSTEM AVERAGE				\$0.3478	\$0.1728	-50.3%	-52.2%

* 2025 average prices for SMUD with the rate increases effective 1-1-25 and 5-1-25. PG&E average prices in 2025 reflect rates effective 9-1-25, per Advice Letter 7684-E. The rate difference in year 2024 reflects PG&E average rates as of 10-1-24, per Advice Letter 7382-E dated 9-30-24, and SMUD rates effective 5-1-24.

** CARE vs EAPR includes EAPR & EAPRMED customers

*** There is no indication from PG&E that their CARE rates include customers who have a medical allowance only.

**** Commercial rates include WAPA credits.

Appendix C - Grants and External Funding Sources

SMUD actively pursues grant funding to expand SMUD's programming & investment reach while maintaining our low rates. Grants awarded & contracted in 2025 include:

- **California Energy Resilience and Reliability Infrastructure (CERRI) Grant:** \$25.5 million award funded by the Federal Department of Energy and administered via the State California Energy Commission. The CERRI grant will pay for 192-230 network protectors as well as 210,000-280,000 circuit feet of underground cable. All work will be executed between 2026-2032 and supports economic development with reliable energy at reasonable rates.
- **Catalyst Fund - Capitol Region Skilled Trades Workforce Pipeline Grant:** \$508,978 to host a regional technical advisory committee (TAC) gathered to develop utility-specific skills training curriculum. Further planning efforts include multi-agency joint utility-skills trainings and access to wrap-around services. Funding provided by the California Department of Industrial Relations was awarded to local economic development non-profit Valley Vision as prime, who then provided Catalyst Fund sub-grants to SMUD and others.
- **Golden Mussels Prevention Grant:** \$91,161 Boating and Waterways grant provided by the California Department of Fish & Wildlife to prevent the spread of quagga and golden mussels at Rancho Seco Lake through the installation of a solar-powered boat washing and inspection station.
- **Gardenland Neighborhood Commercial Electrification Project:** \$1.3M of residual ARPA funds awarded to the City of Sacramento as prime and the Sacramento Hispanic Chamber of Commerce (SHCC) as subrecipient. SHCC subsequently partnered with SMUD to deploy commercial electrification efforts in the Gardenland Neighborhood District.

Appendix D - Alignment with Regional Economic Development Initiatives

Leadership Roles

SMUD's leadership roles in regional economic development organizations included:

- 50 Corridor Transportation Management Authority, Board of Directors
- Business Environmental Resource Center, Advisory Committee
- CAAPS, Board of Directors
- California Jobs First / We Prosper Together
- California Foundation on Environment and the Economy, Board of Directors
- Capitol Area Development Authority, Board of Directors
- Capitol Black Chamber of Commerce
- Carmichael Chamber of Commerce, Board of Directors
- Citrus Heights Chamber of Commerce, Board of Directors
- Cleaner Air Partnership, Executive Committee
- Downtown Sacramento Partnership, Board of Directors
- El Dorado Chamber of Commerce
- Florin Square Community Development Corporation, Board of Directors
- Folsom Tourism and Economic Development Corporation, Board of Directors
- Greater Sacramento Economic Council, Board of Directors
- Greater Sacramento Economic Council, Economic Development Directors Task Force
- Greater Sacramento Urban League, Board of Directors
- Midtown Business Association, Board of Directors
- North Sacramento Chamber of Commerce, Board of Directors
- Northern California World Trade Center, Board of Directors
- Power Inn Alliance, Board of Directors
- Placer County Economic Development Board
- Rancho Cordova Chamber of Commerce, Board of Directors
- River District (Sacramento), Board of Directors

- Roseville Chamber of Commerce, Board of Directors
- Sacramento Asian Pacific Chamber of Commerce, Board of Directors
- Sacramento Asian Pacific Chamber of Commerce, Internal Study Mission Chair Capital Black Chamber of Commerce, Board of Directors
- Sacramento Employment and Training Agency, Board of Directors
- Sacramento Hispanic Chamber of Commerce, Board of Directors
- Sacramento Hispanic Chamber of Commerce Foundation, Board of Directors
- Sacramento Metro Chamber of Commerce, Executive Committee
- Sacramento Metro Chamber Foundation, Board of Directors
- Sacramento Metro Chamber Study Mission, Steering Committee
- Sacramento State University, College of Business, Alumni Association Board of Directors
- Sacramento Works, Board of Directors
- Stockton Blvd. Partnership, Board of Directors
- Urban Land Institute, Executive Committee
- Valley Vision, Executive Committee

SMUD Leadership Impact Highlight: California Job's First – We Prosper Together

Through continued stakeholder engagement and coalition building, *We Prosper Together* laid the groundwork for sustainable progress, fostering alignment, shared vision, and measurable outcomes across the region's economic ecosystem. Key accomplishments in 2025 included,

- Launching the region's first Prosperity Index, which provided in-depth, actionable data on economic opportunity, workforce trends, and barriers to prosperity, serving as a foundation for evidence-based regional decision-making.
- A series of Regional Action Forums that brought together diverse stakeholders from business, education, government, and community organizations to develop targeted solutions around workforce development, small business recovery, and inclusive growth.
- An expanded small business support network, increasing access to technical assistance and capital for local entrepreneurs, particularly those from historically marginalized communities.
- New partnerships between educational institutions and employers, leading to pilot workforce training programs tailored to high-demand sectors such as clean energy and health care.

Partnering With and Investing in our Community

- **Energy Career Pathways:** In 2025, SMUD recruited and trained individuals from under-resourced communities in solar, battery, EV, and electrification technologies. Our 2025 training partners, Grid Alternatives, Northern California Construction and Training Inc., and Cosumnes River College, supported graduates with finding employment in the energy industry by connecting job seekers with employers, resume help, and career coaching. Our efforts closed the year with 202 individuals graduating and 61 being placed in relatively high-paying jobs and career paths.
- **Shine Program:** Now in its ninth year, the Shine program invests in nonprofit partners that deliver projects through collaborations that support historically under-resourced communities. Since its inception, the program has funded \$4.8 million in projects. Each project requires a matching contribution from the partner organization, extending the overall impact in the community. In 2025, 22 nonprofit organizations received \$534,000 in funding through the annual program. These projects aim to increase access to zero carbon workforce development, enhance energy and STEM education, implement energy efficiency improvements, and support affordability and community resiliency. In addition to the 22 funded organizations, 393 individuals participated in 14 informational and technical assistance sessions to learn about eligible projects and the application

process. A total of 104 organizations submitted applications, requesting more than \$4.6 million in funding for competitive and high-impact projects.

- **Small and Mid-Size Business (SMB) Support:** Together, EDP and the Strategic Account Advisors (SAAs) worked to bring SMUD's Community Impact Plan funding to members of the Gardenland Northgate Neighborhood Association (GNNA), the Arden & Howe Business Alliance, and the River District. Staff presented and shared electrification information with hundreds of business owners and community members at several business walks, community workshops, and onsite meetings. The work resulted in the initiation of 79 CIP-funded business-electrification projects.
- **Electrification and Energy Efficiency:** Our Custom Retrofit, Complete Energy Solutions (CES), and Integrated Design Solutions (IDS) programs were well-positioned to lead electrification and energy efficiency projects for commercial customers in 2025. Commercial customers continued to take advantage of technical support along with a comprehensive list of incentive opportunities available through the commercial programs' suite of offerings catered by business type. Many commercial customers were able to install both energy efficiency and Go Electric measures where they received incentives for multiple types of projects and saved money while reducing their carbon footprint. Commercial program managers contributed and participated in quarterly Business Go Electric campaigns and community engagement events. Overall, the commercial programs completed 38 CIP projects with a combined total of 433 commercial projects.

Appendix E – Commercial Customer Growth and Attraction

The Commercial Development team partners with external stakeholders and local agencies to support the growth of commercial and industrial customers. Projects announced in 2025 included 16 companies and the creation/retention of 987 new jobs:

- **ALLDATA** – technology retention project based in Elk Grove (400 jobs).
- **BayoTech** – Clean technology company located in Sacramento County (10 jobs.)
- **Ample Electric, Inc.** – Clean tech retention project in the City of Sacramento (25 jobs).
- **Elior North America** – specializing in food & agriculture expanded its operations in Sacramento County (54 jobs).
- **Kagome GARBiC USA** – a food & agriculture company located to the City of Sacramento (3 jobs).
- **Kora Power** - CleanTech company located Rancho Cordova (75 jobs).
- **Kratos Unmanned Aerial Systems** – the manufacturing company expanded their operations in Sacramento and County of Sacramento (167 jobs).
- **Mackenzie, Inc.** – an advanced business services company located in the City of Sacramento (5 jobs).
- **MednRX** – a bio-life science company expanded in Rancho Cordova (3 jobs).
- **MesoTech International** – an advanced manufacturing company expanded in Rancho Cordova. (42 jobs).
- **Premier Packaging Products** – a manufacturing company located in the City of Sacramento (15 jobs).
- **Prime Data Centers** – the data center expanded their business in Sacramento County (30 jobs).
- **Polarity** – an advanced manufacturing company expanded their business in Rancho Cordova (30 jobs).
- **Project Golden** – a mobility company located in Sacramento County (83 jobs).
- **Qnetic** – a battery manufacturing company located to Sacramento County (15 jobs).
- **Shenzhen LP Display Technology Company** – a technology company located to Sacramento County (30 jobs).

Commercial Development: In 2025, our Commercial Development team actively engaged with approximately 152 commercial, mixed-use, and residential project developers throughout our service area. Highlights for the year include:

- Outreach to builders and developers on 2030 Zero Carbon program opportunities
- High-profile and critical projects include transitional and low-income projects, and transformational and major developments projects across our service territory (Aggie Square, UC Davis Folsom South Medical Clinic, Amazon's Rancho Cordova Distribution Center, Nivagen's expansion in Natomas, and St. Clare at Capital Park.
- Commercial development received a significant increase in prospective large load inquires, predominantly from data centers due to artificial intelligence (AI), as it requires significant power delivered from large data centers.

Appendix F – SMUD's SEED Program

Economic Development and Partnerships (EDP's) increased engagement by 28% through:

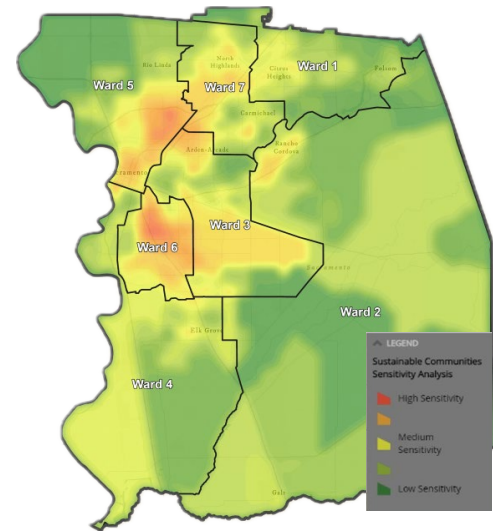
- 31 informational workshops
- Conducted SMUD outreach through 6 orientations or panel discussions
- Coordinating participation in 387 outreach events including 16 "How to do Business with SMUD," 9 "Proposal Writing 101" and 5 collaborative small business certification and SEED enrollment educational workshops
- Completing 25 business walks
- Transitioning to PlanetBids Vendor Portal, which vetted, refined and consolidated SEED vendor profiles and procurement solicitations within a single platform, creating a user-friendly platform, and reducing time spent on profile maintenance for SEED vendors. The new portal has streamlined processes, improved efficiency, and enhanced vendor participation and experience

As a result of these efforts, EDP educated more than 820 local vendors through our free educational workshops. The SEED team focused its efforts on the following key outreach initiatives:

- **Business Walks:** Economic Development and Partnerships conducted 25 business walks throughout the region with an emphasis on high-priority areas identified on the Sustainable Communities Resource Priorities Map. These business walks helped SMUD build trust through repeated customer outreach to more than 1,300 businesses, identify language barriers, promote Business District Electrification and increase SEED participation.
- **Expanded Education & Certification Support:** 2025 was the first full year EDP extended its three-part education series (How to do Business with SMUD, Proposal Writing 101 and DGS small business certification & SEED enrollment workshops) to local vendors and to members of our formal partnerships. As a result, EDP successfully introduced this free education to more than 800 local vendors.
- **Business Advisory Council (BAC):** SMUD's BAC helps champion a positive and strong relationship between SMUD and local small businesses, commercial and industrial customers. The BAC helps foster supplier diversity as well as a strong regional economy and improved quality of life. In 2025, approximately 149 SMUD contracts were awarded to members and affiliates of BAC member organizations, a 172% increase from the year prior and representing an estimated \$207,678,020.05 in awarded contracts (including SEED and non-SEED recipients).
- **Economic Development Summit:** To further support regional business development, EDP facilitated its second annual Economic Development Summit, featuring partners who are key business leaders and offering insights into the region's economic health and strengthening collaboration among key stakeholders. Presenters included economic

development leaders from each jurisdiction within SMUD service area, GSEC and Aggie Square.

- **Meet the Buyers Conference:** SMUD's 14th Annual Meet the Buyers Conference returned in a hybrid format, attracting 328 attendees (259 in-person and 69 virtual attendees). The event featured a greeting by SMUD Board President, Gregg Fishman, two panel discussions and an expo of SMUD procurement and external business partner exhibitors. The event was well-reviewed by attendees and resulted in seven new SEED vendors registered and a 26% average increase in SMUD solicitation views.
- **SEED Marketing & Language Accessibility:** EDP added Pashto, Dari and Farsi to the growing list of in-language SEED materials. Now up to 13 languages, SEED material translations enhance accessibility and engagement and expand outreach to a broader audience.
- **Sustainable Communities Resource Priorities Map & Data-Driven Outreach:** SMUD's Sustainable Communities Resource Priorities Map helps inform resource allocation, reduce growing economic disparity in Sacramento County and ensures that all our customers are empowered and able to partner with SMUD on our journey to zero carbon. To support SMUD's commitment to an equitable clean energy transition, EDP integrated SEED awards and enrollment data into the Sustainable Communities Resource Priorities Map. The addition of SEED data helps SMUD identify enrollment and contract award trends by ward, enabling targeted outreach in areas with lower SEED participation.
- **SEED Quarterly Newsletter:** Economic Development & Partnerships relaunched the SEED newsletter in an updated format for SMUD employees to access through SharePoint. Content included SEED supplier success stories, recent contract awards, volunteer opportunities for SEED Ambassadors to promote the program at SMUD-sponsored event, and robust SEED program outcomes.



SSS No. DPO 26-003

BOARD AGENDA ITEM STAFFING SUMMARY SHEET

Committee Meeting & Date
Policy – 08/12/26Board Meeting Date
August 20, 2026

TO					TO						
1.	Claire Rogers				6.						
2.	Frankie McDermott				7.						
3.	Brandy Bolden				8.						
4.	Cara Chatfield				9.	Legal					
5.	Suresh Kotha				10.	CEO & General Manager					
Consent Calendar		☒	Yes			Budgeted		☒	Yes		
				No <i>If no, schedule a dry run presentation.</i>						No <i>(If no, explain in Cost/Budgeted section.)</i>	
FROM (IPR) Amandeep Singh				DEPARTMENT Distribution Planning & Operations				MAIL STOP EA.403		EXT. DATE SENT 5631 07/17/26	
NARRATIVE:											
Requested Action: Accept the monitoring report for Strategic Direction SD-14, System Enhancement. Summary: The purpose is to provide the Board with the annual update on SD-14, System Enhancement, for the year 2025. The information in the monitoring report could be used by the Board to determine if the policy needs to be revised or further developed. If so, those items could be scheduled for subsequent meetings. Board Policy: Strategic Direction SD-14, System Enhancement. <i>(Number & Title)</i> Benefits: Allows the Board of Directors a better understanding of Board Policies and gives them an opportunity to make revisions if necessary. Cost/Budgeted: For 2025, the policy threshold was approximately \$9.2 million, of which \$2.0 million was budgeted for four specific projects. The 2025 actual spending was approximately \$2.8 million. Alternatives: Provide the Board written reports and communications through the CEO & General Manager. Affected Parties: Energy Delivery & Operations Coordination: Line Assets, Local Government Affairs Presenter: Amandeep Singh, Director, Distribution Planning and Operations											

Additional Links:

SUBJECT

Strategic Direction SD-14, System Enhancement Board Monitoring Report

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: July 30, 2026

FROM: Claire Rogers *CR 7/30/26*

**SUBJECT: Audit Report No. 28008029
Board Monitoring Report; SD-14: System Enhancement**

Internal Audit Services (IAS) received the SD-14 System Enhancement 2025 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Compared sample to the corresponding supporting documentation to identify potential discrepancies.

All items sampled within the SD Report aligns with the supporting documentation provided at the time of review.

CC:

Paul Lau

Board Monitoring Report 2025 Strategic Direction SD-14, System Enhancement



1. Background

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.

- a) SMUD will, at its expense and where technically feasible, permanently relocate or underground existing overhead distribution facilities provided the governing body of the city or county in which the electric facilities are and will be located has:
 - i) Identified, after consultation with SMUD, a specific system enhancement project;
 - ii) Determined the project is in the public interest;
 - iii) Ensured all existing overhead communication facilities related to the project will also be permanently relocated or placed underground;
 - iv) Obtained and provided SMUD with all easements necessary for the project.
- b) After achievement of core financial targets, SMUD will annually commit up to one-half of one percent of its annual gross electric sales revenue to system enhancements. The proposed projects will be subject to SMUD's annual budget approval process, and uncommitted funds from any given year will not be carried over to future years. Funding will be assigned to projects brought forward by local cities or counties based on applying the following criteria (not in order of preference):
 - i) Project scale and/or cost when measured against available SMUD resources.
 - ii) Requesting entity has developed full scope, obtained all necessary easements, and development plan for customer service conversion from overhead to underground, as required.
 - iii) Extent to which the costs are borne by others.

2. Executive summary

The policy states that SMUD “*will annually commit up to one-half of one percent of its annual gross electric sales revenue to system enhancements.*” For 2025, this threshold was approximately \$9.2 million.

SMUD is in compliance with SD-14, System Enhancement.

The planning and execution of SD-14 projects is typically a multi-year process that starts with a preliminary work scope that is used to determine a ballpark cost estimate, to the finalization of the work scope that includes a detailed design and detailed cost estimate. After necessary permits and easements are obtained, the project is released for execution/construction. Table 1 and 2 below show the committed projects, their status in 2025, and their design and construction schedules. The budget for these four multi-year projects were included in the approved operational plans and budgets.

Table 1: Committed Projects Completed in 2025

Local Jurisdiction	Project Title	Total Cost Estimate	2025 Project Budget	2025 Project Spend	Project Status
City of Citrus Heights	Auburn Blvd. Rusch Park to I-80 (0.75 miles)	\$2,900K	\$1,401K	\$2,804K	Completed in Q3 2025

Table 2: Committed Projects in Progress

Local Jurisdiction	Project Title	Total Cost Estimate	2025 Project Budget	2025 Project Spend	Project Status
Sacramento County	Greenback Lane Road Improvements (0.8 miles)	\$1,000K	\$0K ^(a)	\$13.5K	Design in 2026; Construction in 2028
City of Elk Grove	Elk Grove Blvd. Waterman to School St. (0.5 miles)	\$1,500K	\$643K ^(a)	\$1.6K	Design in 2026; Construction in 2027
City of Sacramento	Arden Way Hesket Way to Morse Ave. (0.5 miles)	\$750K	\$0K ^(b)	\$3.8K	Design in 2026; Construction in 2028

(a) The original schedule called for the project construction to start in 2022 but the

local agency deferred construction to later years.

(b) New project approved in August 2024 for the City of Sacramento.

3. Additional supporting information

Since the adoption of the SD-14 policy, twelve projects have been funded through the policy for a total of \$14.98 million. Table 3 below lists the projects completed by year.

Table 3: Completed Projects Since Policy Adoption

Local Jurisdiction	Project Description	SMUD Construction Completion	SMUD Project Cost
Citrus Heights	Auburn Blvd. Rusch Park to I-80 (0.75 miles)	2025	\$2.92 M
Sacramento County	Fair Oaks Blvd Landis to Angelina (0.3 miles)	2021	\$0.25 M
Sacramento County	Hazel Avenue Phase 3 Sunset to Madison (0.7 miles)	2021	\$1.22 M
City of Sacramento	Sutter Village (~200 feet)	2019	\$0.12 M
City of Sacramento	Ice Blocks Project R Street b/w 16th & 18th Streets (1,000 ft.)	2017	\$0.47 M
Sacramento County	Hazel Avenue Phase 2 b/w Curragh Downs & Sunset Ave. (1 mile)	2017	\$2.3 M
Sacramento County	Fair Oaks Blvd. b/w Landis Ave. & Engle Rd. (0.5 miles)	2016	\$1.2 M
City of Sacramento	16th and O Streets (1,000 ft.)	2013	\$0.3 M
Citrus Heights	Auburn Blvd. b/w Sylvan Corners & Rusch Park (1 mile)	2013	\$2.6 M
Sacramento County	North Highlands Town Ctr. at Watt Ave. & Freedom Park Dr. (0.5 mile)	2012	\$1.1 M
City of Sacramento	7th St. b/w North B & Richards Blvd. (1,500 ft.)	2012	\$1.3 M
City of Sacramento	Richards Blvd. b/w North 5th & North 7th Streets (1,000 ft.)	2012	\$1.2 M

4. Challenges

There were no challenges encountered with the implementation of the Board policy in 2025.

5. Recommendation

It is recommended that the Board accept the 2025 Monitoring Report for SD-14, System Enhancement.

6. Appendices

N/A

SSS No.
BOD 2026-012

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Policy – 08/12/26
Board Meeting Date N/A

TO					TO							
1.	Cara Chatfield				6.							
2.	Suresh Kotha				7.							
3.	Brandy Bolden				8.							
4.					9.	Legal						
5.					10.	CEO & General Manager						
Consent Calendar			Yes	☒	No <i>If no, schedule a dry run presentation.</i>		Budgeted	☒	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Bryanna Schaefer / Crystal Henderson					DEPARTMENT Board Office					MAIL STOP B304	EXT. 6154	DATE SENT 7/15/26
NARRATIVE:												
Requested Action:		Allow the Board of Directors and Executive staff an opportunity to discuss and evaluate existing policies: Board-Staff Linkage BL-9, Delegation to the CEO with Respect to Local, State and Federal Legislation and Regulation; Board-Staff Linkage BL-10, Delegation to the CEO with Respect to Real and Personal Property; and Board-Staff Linkage BL-11, Delegation to the CEO with Respect to the Settlement of Claims and Litigation.										
Summary:		The Board agreed to monitor established policies on a yearly basis to create a framework to better understand the policies and give the Board an opportunity to make improvements, additions, or changes as desired.										
Board Policy: <i>(Number & Title)</i>		This monitoring supports Governance Process GP-2 Governance Focus, which states, in part, that, “[t]he Board will direct, evaluate, and inspire the organization through the establishment of written policies reflecting the Board’s values.”										
Benefits:		Monitoring policies helps ensure the policies are current and in keeping with the current will of the Board.										
Cost/Budgeted:		Included in budget										
Alternatives:		Monitor these policies at a later date.										
Affected Parties:		Board of Directors										
Coordination:		Board Office										
Presenter:		Rosanna Herber, Policy Committee Chair										

Additional Links:

SUBJECT	Board Monitoring of BL-9, BL-10, and BL-11	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SMUD BOARD POLICY



Category: Board-Staff Linkage
Policy No.: BL-9
Title: Delegation to the CEO with Respect to Local, State and Federal Legislation and Regulation

This Board supports development of legislative and regulatory policies that further the Board's policies.

- a) The Chief Executive Officer and General Manager (CEO) is authorized to develop local, state and federal legislative, regulatory and budget positions consistent with Board policies, and communicate them to the Congress, the Legislature, regulatory agencies, local agencies and relevant stakeholders.
- b) When communicating a new position on local, state or federal legislation or budget proposals, the CEO will provide advance notice to the Board when feasible.

Monitoring Method: CEO Report

Frequency: Semi-Annual

Versioning:

October 21, 2004	Resolution No. 04-10-07	Date of Adoption.
December 18, 2008	Resolution No. 08-12-17	Date of Revision.
August 4, 2011	Resolution No. 11-08-04	Date of Revision.
October 6, 2011	Resolution No. 11-10-01	Date of Revision.
August 21, 2014	Resolution No. 14-08-03	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision. [Current Policy]

Category: Board-Staff Linkage
Policy No.: BL-10
Title: Delegation to the CEO with Respect to Real and Personal Property

Normal business operations require SMUD to engage in: (i) the acquisition, disposition, and lease of interests in real property; and (ii) the disposition and lease of surplus personal property.

- a) **Delegation of Authority:** The Chief Executive Officer and General Manager (CEO) is delegated decision making and approval authority within the parameters that follow.
- b) **Real Property:**
 - i) Purchase, Sale or Exchange of Real Property. The purchase price does not exceed \$5 million and is no more than 115% of the appraised value of the property. The sale of real property shall be at fair market value and offered in accordance with California Government Code section 54220 et seq. and other applicable law. In an exchange of real property, SMUD shall remain financially whole or benefit from the transaction.
 - ii) Lease of SMUD Real Property. Leases shall be for fair market value and shall not adversely impact SMUD's current or anticipated future operations.
 - iii) Option for Purchase of Real Property. The option price shall be commercially reasonable and not to exceed \$1,000/acre, with the option to be exercised only by the Board or consistent with Section b)i) of this policy.
 - iv) Easements, Rights of Way, Licenses or Quitclaim Deeds. Easements, rights of way, licenses and quitclaim deeds may be granted to third parties where SMUD's current or anticipated future operations are not adversely impacted. Lease, easements, licenses and rights-of-way from third parties may be obtained within 125% of fair market value.
 - v) Special Assessments, Governmental Fees and Property Taxes. Cast all ballots, negotiate, pay taxes, assessments, fees, levies or charges arising from or related to SMUD's ownership or other interests in real property.
- c) **Personal Property:**
 - i) Disposal of Surplus, Scrap or Obsolete Personal Property. The disposal of surplus, scrap, or obsolete personal property shall be done in accordance with applicable law.

- ii) Lease of SMUD Personal Property. Leases shall be for fair market value and shall not adversely impact SMUD's current or anticipated future operations.

Monitoring Method: CEO Report

Frequency: Annual

Versioning:

September 21, 2006	Resolution No. 06-09-11	Date of Adoption.
December 7, 2006	Resolution No. 06-12-03	Date of Revision.
December 18, 2008	Resolution No. 08-12-11	Date of Revision.
August 4, 2011	Resolution No. 11-08-04	Date of Revision.
August 21, 2014	Resolution No. 14-08-03	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision.
May 16, 2024	Resolution No. 24-05-05	Date of Revision. [Current Policy]

SMUD BOARD POLICY



Category: Board-Staff Linkage
Policy No.: BL-11
Title: Delegation to the CEO with Respect to the Settlement of Claims and Litigation

Normal business operations require SMUD to enter into settlements of: (i) claims and lawsuits filed against it and brought by SMUD against third parties; (ii) regulatory matters to which SMUD is a party; and (iii) other disputes with third parties ("Dispute" or "Disputes").

- a) **Delegation of Authority:** The Chief Executive Officer and General Manager (CEO), upon the advice of the General Counsel, is delegated authority to enter into settlement agreements to resolve Disputes and is authorized to execute all necessary documents to finally resolve such matters in accordance with Board policy and within the parameters of the matrix below.

<u>Category</u>	<u>Amount</u>
Tort Claims/Other Claims Under Workers' Compensation Laws	Up to SMUD's self-insured retention levels ¹
Condemnations Filed by SMUD:	
Up to 115% of Appraised Value	\$5 million
Greater than 115% of Appraised Value	\$500k
Condemnations Filed Against SMUD:	
85% or greater of Appraised Value	\$5 million
Less than 85% of Appraised Value	\$500k
All Other Disputes	\$500k

- b) **Reporting:** The CEO shall timely provide the Board with a summary of any significant settlement of a Dispute.

Monitoring Method: CEO Report

Frequency: Annual

Versioning:

October 19, 2006	Resolution No. 06-10-04	Date of Adoption.
December 7, 2006	Resolution No. 06-12-04	Date of Revision.
January 24, 2008	Resolution No. 08-01-06	Date of Revision.
October 16, 2008	Resolution No. 08-10-09	Date of Revision.
August 4, 2011	Resolution No. 11-08-04	Date of Revision.
August 21, 2014	Resolution No. 14-08-03	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision. [Current Policy]

¹ Amounts in excess of the self-insured retention levels are paid under insurance policies.

SSS No. BOD 2026-004

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
POLICY - 2026Board Meeting Date
N/A

TO					TO							
1.	Brandy Bolden				6.							
2.	Cara Chatfield				7.							
3.	Suresh Kotha				8.							
4.					9.	Legal						
5.					10.	CEO & General Manager						
Consent Calendar			Yes	X	No <i>If no, schedule a dry run presentation.</i>		Budgeted	X	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Bryanna Schaefer / Crystal Henderson					DEPARTMENT Board Office					MAIL STOP B307	EXT. 5424	DATE SENT 12/18/25
NARRATIVE:												
Requested Action:		Enable the Board of Directors and Executive Staff an opportunity to review the Board Work Plan.										
Summary:		The Board President reviews the Board Work Plan at the Policy Committee meeting to ensure agenda items support the work of the Board.										
Board Policy: <i>(Number & Title)</i>		This review of the Work Plan supports Governance Process GP-4, Board/Committee Work Plan and Agenda Planning (GP-4), which states that the Board will develop each year a list of topics and issues that it wishes to explore in the coming years and maintain a work plan that will be regularly reviewed by the Board or a standing committee. GP-4 and Governance Process GP-6, Role of the Board President, states that the [Board] President shall ensure that the Board's agendas meet the goals of the annual work plan.										
Benefits:		Reviewing the Work Plan allows the Board members and Executive staff to make changes to the Work Plan and Parking Lot items as necessary.										
Cost/Budgeted:		Included in budget.										
Alternatives:		Not review the Work Plan at this time.										
Affected Parties:		Board of Directors and Executive Office										
Coordination:		Board Office										
Presenter:		Dave Tamayo, Board President										

Additional Links:

SUBJECT

Board Work Plan

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. BOD 2026-005

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
POLICY - 2026Board Meeting Date
N/A

TO					TO							
1.	Brandy Bolden				6.							
2.	Cara Chatfield				7.							
3.	Suresh Kotha				8.							
4.					9.	Legal						
5.					10.	CEO & General Manager						
Consent Calendar			Yes	X	No <i>If no, schedule a dry run presentation.</i>		Budgeted	X	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Bryanna Schaefer / Crystal Henderson					DEPARTMENT Board Office					MAIL STOP B304	EXT. 5424	DATE SENT 12/18/25
NARRATIVE:												
Requested Action: A summary of directives is provided to staff during the committee meeting. Summary: The Board requested an ongoing opportunity to do a wrap up period at the end of each committee meeting to summarize various Board member suggestions and requests that were made at the meeting to make clear the will of the Board. The Policy Committee Chair will summarize Board member requests that come out of the committee presentations for this meeting. Board Policy: <i>(Number & Title)</i> Governance Process GP-4, Board/Committee Work Plan and Agenda Planning states the Board will focus on the results the Board wants the organization to achieve. Benefits: Having an agenized opportunity to summarize the Board's requests and suggestions that arise during the committee meeting will help clarify what the will of the Board. Cost/Budgeted: Included in budget. Alternatives: Not to summarize the Board's requests at this meeting. Affected Parties: Board of Directors and Executive Office Coordination: Board Office Presenter: Rosanna Herber, Policy Committee Chair												

Additional Links:

SUBJECT

Summary of Committee Direction – Policy Committee

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.