

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

Tuesday, August 6, 2024, immediately following the Strategic Development Committee meeting 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 2020 Board Decision

- On June 9, 2020, the Board approved Resolution No. 20-06-03
 - Suspend funding of new projects for 2020, 2021, and 2022
 - Continue to fund previously committed projects under the Policy

SD-14, System Enhancement 2023 Projects and Key Activities

- Three committed projects in progress
- Total budget \$2.6M; total spend = \$99K

Local Jurisdiction	Ward #	Project Title and Scope	SMUD Estimate	2023 Project Budget	2023 Project Spend	Project Status
Sacramento County	1	Greenback Lane Improvements from Chestnut to Folsom City Limit (0.8 mile)	\$1,000K	\$0K	\$18K	Design in 2024; Construction in 2026
City of Citrus Heights	1	Auburn Blvd. from Rush Park to I-80 (0.75 mile)	\$2,900K	\$2,670K ^(a)	\$49K	Design in 2023; Construction in 2025
City of Elk Grove	2 & 4	Elk Grove Blvd. from Waterman to School St. (0.5 mile)	\$1,500K	\$7K ^(a)	\$32K	Design in 2023; Construction in 2025

(a) The original schedule called for the project construction to start in 2022; however, the local jurisdiction deferred construction to later years.

Conclusion and Requested Action

- In 2023, SMUD was in full compliance with SD-14, System Enhancement
- Request that the Board accept the 2023 monitoring report