

# 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  
Thursday, August 14, 2025, 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 2024 Projects and Key Activities

- Four committed projects in progress; Total budget \$4M; total spend = \$140K

| Local Jurisdiction     | Ward # | Project Title and Scope   | SMUD Estimate | 2024 Project Budget | 2024 Project Spend | Project Status                       |
|------------------------|--------|---|---------------|---------------------|--------------------|--------------------------------------|
| Sacramento County      | 1      | Greenback Lane Improvements from Chestnut to Folsom City Limit (0.8 mile) | \$1,000K      | \$0K                | \$10K              | Design in 2025; Construction in 2026 |
| City of Citrus Heights | 1      | Auburn Blvd. from Rush Park to I-80 (0.75 mile)                           | \$2,900K      | \$2,808K            | \$129K             | Under Construction 2025              |
| City of Elk Grove      | 2 & 4  | Elk Grove Blvd. from Waterman to School St. (0.5 mile)                    | \$1,500K      | \$1,194K            | \$1.2K             | Design in 2025; Construction in 2026 |
| City of Sacramento     | 3      | Arden Way Heskett Way to Morse Ave. (0.5 mile)                            | \$750K        | \$0K                | \$0K               | Design in 2025; Construction in 2027 |

# Conclusion and Requested Action

- In 2024, SMUD was in full compliance with SD-14, System Enhancement
- Request that the Board accept the 2024 monitoring report