

Board Policy Committee Meeting and Special SMUD Board of Directors Meeting

Date: Thursday, August 14, 2025

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

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

Powering forward. Together.



•**AMENDED AGENDA**

- **Remote Telephonic Location added.**

BOARD POLICY COMMITTEE MEETING AND SPECIAL SMUD BOARD OF DIRECTORS MEETING

**Thursday, August 14, 2025
SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, California
Scheduled to begin at 6:00 p.m.**

- **Remote Telephonic Location:**

**154 E Barnett Road
Medford, OR 97504**

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: 161 992 2648

Passcode: 930262

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.

ANNOUNCEMENT OF CLOSED SESSION AGENDA

1. Conference with Legal Counsel – Anticipated Litigation.

Pursuant to Section 54956.9(d)(2) of the Government Code:

One case.

OPEN SESSION AGENDA (cont.)

DISCUSSION ITEMS

1. Dr. Markisha Webster Discuss the monitoring report for **Strategic Direction SD-13, Economic Development.**
Presentation: 16 minutes
Discussion: 5 minutes
2. Amandeep Singh Discuss the monitoring report for **Strategic Direction SD-14, System Enhancement.**
Presentation: 5 minutes
Discussion: 5 minutes
3. Heidi Sanborn 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: 10 minutes
Discussion: 5 minutes

INFORMATIONAL ITEMS

4. Gregg Fishman Board Work Plan.
Discussion: 5 minutes
5. Public Comment
6. Heidi Sanborn Summary of Committee Direction.
Discussion: 1 minute

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 1-916-732-7143 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 Toni.Stelling@smud.org, or contact by phone at 1-916-732-7143, no later than 48 hours before this meeting.

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Policy – 08/14/25Board Meeting Date
August 21, 2025

TO				TO			
1.	Claire Rogers			6.			
2.	Jose Bodipo-Memba			7.			
3.	Farres Everly			8.			
4.	Brandy Bolden			9.	Legal		
5.	Suresh Kotha			10.	CEO & General Manager		
Consent Calendar	X	Yes	No If no, schedule a dry run presentation.	Budgeted	X	Yes	No (If no, explain in Cost/Budgeted section.)
FROM (IPR)		DEPARTMENT		MAIL STOP		EXT.	DATE SENT
Dr. Markisha Webster		DEIB, Learning & Sustainable Communities		B260		7055	07/18/25

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, 2024.

Board Policy: 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: Provides information on SMUD’s overall compliance with Economic Development to the Board of Directors and Executive Team so they can evaluate compliance with specific Board Policy.

Cost/Budgeted: Contained in budget for internal labor.

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

Affected Parties: Board of Directors, Executive Team & Staff

Coordination: Economic Development develops the report with information from Supplier Education & Economic Development (SEED), Sustainable Communities, New Business Development, Commercial Development, 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. (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 29, 2025

FROM: Claire Rogers *CR 7/29/25*

**SUBJECT: Audit Report No. 28007866
Board Monitoring Report; SD-13: Economic Development**

Internal Audit Services (IAS) received the SD-13 *Economic Development* 2024 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 2024

Strategic Direction

SD-13, Economic Development



1. Purpose & Background

Strategic Direction 13 (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 is compliant with SD-13, Economic Development.

SMUD continues to be a nationally recognized leader for our longstanding commitment to the economic health of the greater Sacramento region. In 2024, we built on successes, worked to accelerate growth and support the health and vitality of the local economy, including businesses (which account for over 50% of SMUD's revenue), the entrepreneurship ecosystem, and regional economic development leadership, collaboration, and advocacy. Through SMUD investment, Community Impact Plan (CIP) resources, in-kind support and subject matter expertise, we worked to enhance the opportunities and access to these resources while mitigating and addressing challenges in the path to regional success and economic prosperity for all. We expanded and deepened our partnership base to further raise awareness and adoption of the 2030 Zero Carbon Plan for all SMUD's service area. We collaborated through key partnerships in support of our shared vision of economic recovery, greater collective impact and advancement of an inclusive and equitable economy. Additionally, we aligned our economic development efforts with SMUD's vision to be a trusted and impactful partner in achieving an inclusive, zero carbon economy. We reinforced key partnerships using CIP funding to continue Business District Electrification opportunities to under-resourced business communities. We leveraged our relationships to accelerate innovation, ensure energy affordability and reliability, protect the environment, eliminate greenhouse gas emissions, catalyze economic and workforce development, promote environmental justice, and enhance community vitality for all.

Our strategy to enhance the economic vitality of the Sacramento region is comprehensive. Key tactics to engage, inform and support the regional business community include:

- Advancing SMUD's 2030 Zero Carbon Goal in inclusive, regional economic development efforts

- Leveraging Community Impact Plan funding to establish key business partnerships in mostly under-resourced business corridors
- Broadening support of the region's innovation ecosystem, including through the Sacramento Economic Growth Alliance (SEGA) and the California Energy, Power, and Innovation Collaborative (CalEPIC)
- Providing a spectrum of business development resources for entrepreneurs
- Strategically collaborating to draw down and allocate funding that uplifts communities, encourages regional investment, and creates living wage jobs
- Enhancing accessibility to the Supplier Education and Economic Development (SEED) contracting program for local small businesses
- Providing energy efficiency programs and electrification incentives and rebates
- Expanding local agency and nonprofit partnerships to support community development
- Deploying significant resources to support a Diversity, Equity, Inclusion and Accessibility and Sustainable Communities plan that can be replicated and measured for effectiveness and impact
- Ensuring our commercial and industrial service connection costs are in line with other West Coast electric utilities
- Providing subject matter expertise and facilitating (power supply) for the developer community projects

SMUD works with over 50 local economic development organizations to enhance regional economic vitality. Our leadership roles in the Greater Sacramento Economic Council (GSEC), Valley Vision, Sacramento Metro Chamber, Urban Land Institute, Downtown Sacramento Partnership, Sacramento Black Chamber, Sacramento Hispanic Chamber, Sacramento Asian Pacific Chamber, Business Environmental Resource Center (BERC), Sacramento Public Agency Consortium (SacPAC) and many others, help to ensure that our activities support the region's efforts to attract, retain and expand companies in our service territory.

Through outreach and education, SMUD's Economic Development & Partnerships team teaches local small businesses how to contract with SMUD through the Supplier Education and Economic Development (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.

In 2024, the Economic Development and Partnerships team collaborated with Supply Chain Services and external partners, coordinating or participating in 299 outreach events. This included facilitating 22 "How to Do Business with SMUD" educational workshops and introducing two new workshops: Proposal Writing 101 and a collaborative small business certification and SEED enrollment workshop with the Department of General Services. These additions resulted in nine additional proposal writing workshops and two collaborative workshops with the CA Department of General Services.

Additionally, SMUD awarded 30.1% of its contracts to SEED-certified small businesses, surpassing the Board-established goal of 20%. SEED program participation grew by 164 new SEED vendors, with 142 SEED contracts awarded in 2024, totaling more than \$200 million.

Business attraction was a key economic development focus in 2024. We participated in 28 business attraction, retention and expansion projects within our service territory. SMUD directly supported the attraction/expansion of 11 companies and the creation of an estimated 775 local jobs in multiple sectors including corporate headquarters, advanced manufacturing, clean-technology, agriculture, and Artificial Intelligence (AI).

3. Information about our 2024 efforts to achieve the specific elements outlined in SD-13 is provided in the following section.

a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.

SMUD is an active supporter of the entrepreneurship ecosystem, where startup businesses and innovative new technologies are vital to creating an inclusive, zero-carbon economy. SMUD collaborates with local non-profit organizations that offer training, “maker spaces”, networking and mentorship to startups at no cost. We connect our internal expertise with partner organizations that support education and awareness

The California Mobility Center began a strategic rebrand of its organization, now known as CalEPIC. SMUD has been a partner with CalEPIC since its inception, and it has experienced significant changes in its management and staff since 2023. The new CEO, hired in November 2023, shifted the organizational strategy towards workforce development training, local and regional community organization collaboration, federal and City government grants, and partnered with private-sector energy and transportation companies to accelerate commercialization of zero-carbon technology. The organization’s activities are now geared towards maintaining and strengthening existing relationships in the local and regional workforce development community. It has established new partnerships with more than a dozen partners by leveraging SMUD’s existing relationships in the region to collaborate on workforce development training and job placements. Additional information on CalEPIC can be found in Appendix A.

SMUD continues to effectively balance our goal of fostering innovation with our commitment to keeping rates low. SMUD’s average rates will remain competitive even after the adopted rate increases for 2024. In 2024, SMUD’s average rate was 52.2% below PG&E, which includes their 6 rate changes in January, March, April, July, September, and October. SMUD’s competitiveness rate is provided in detailed summary in Appendix A.

b) SMUD shall align its economic development activities with regional economic development initiatives.

SMUD played a leadership role in regional economic development initiatives in 2024.

Grant Funding: In 2024, SMUD won, or brought under contract, a total of \$102.6 million in grant awards for projects totaling \$265.25 million and an average grant match of 61%. Additionally, SMUD wrote 32 letters of support for regional organizations and businesses for a total of \$169 million in potential awards. SMUD also contributed 19 Letters of Commitment, contributing approximately \$193 million in financial support to non-SMUD projects.

California Jobs First: SMUD played a key role in Sacramento’s regional implementation of the California Jobs First program. 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. Valley Vision released the Request for Proposal (RFP) for Catalyst Pre-Development funding in late 2024, and SMUD’s Skilled Trades Workforce Pipeline Project was one of 11 projects selected to receive \$508,978. SMUD continued to hold a seat on the Leadership Council overseeing the initiative’s implementation.

Cap-to-Cap: SMUD sent a 14-member delegation to the Sacramento Metro Chamber's 52nd Annual Cap-to-Cap program in Washington D.C. to advocate issues of regional significance to SMUD and our community partners and to further cultivate relationships with influential elected, business and non-profit leaders from the six-county Sacramento region. SMUD subject matter experts reviewed and contributed content to issue papers related to future mobility, air quality, wildfire and forest management, CalEPIC, and workforce development. Also, SMUD staff served in a leadership capacity as a member of the Steering Committee and incoming chair for the overall program.

Property and Business Improvement District (PBID) Outreach: In 2024, SMUD increased engagement with businesses within 15 PBID districts by 58%, participating in 81 outreach events, compared to 52 in 2023. In collaboration with SMUD's formal PBID partners, EDP conducted 19 of its 24 targeted business walks within these districts, promoting Business District Electrification (BDE), sharing SEED and 2030 Zero Carbon Plan information in English and other translated languages. EDP's outreach within these districts resulted in the successful approval of 48 BDE projects and 90 BDE measures.

Internal and External Study Missions: As a member of the steering committees for both the Metro Chamber Study Mission to St. Louis, Missouri, and the Sacramento Asian Pacific Chamber of Commerce Internal Study Mission, 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.

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.

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 on the efforts of the SMUD Small & Mid-size Business Team of Strategic Account Advisors, please see Appendix B.

Greater Sacramento Economic Council (GSEC): SMUD's partnership with GSEC is critical to the community as it contributes to regional prosperity by growing the economic base. In addition to Paul Lau's participation on the GSEC Board, SMUD's commercial development staff regularly respond to Request for Information (RFI) proposals from the organization and economic development staff participate in GSEC's Economic Development Directors' Task Force. 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.

Sustainable Communities Program: SMUD continues targeting inclusive economic development, community/environmental health, and neighborhood engagement activities in under-resourced communities through its Sustainable Communities program, promoting regional workforce and equitable community development. SMUD has invested \$36.7 million in this effort since 2018, leveraging partnerships to increase impact in these areas of need. Additional information regarding Sustainable Communities can be found in Appendix B.

c) SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.

Business Attraction: SMUD provided support with the attraction of 11 new companies that will create 755 jobs in SMUD's service territory.

Commercial Development: SMUD actively engaged in 141 commercial, industrial, mixed-use and residential projects throughout our service territory. The team partners with community organizations and municipalities to create economic opportunities and growth. Detailed information about SMUD's role in business attraction and commercial development is provided in Appendix C.

d) SMUD shall offer economic development rates and program incentives.

In 2024, SMUD offered an Economic Development Rate (EDR) to incentivize the attraction, retention, and expansion of businesses within our service territory. A description of the current EDR can be found in Appendix D.

e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers.

SMUD's SEED program provided incentives to DGS-certified small businesses within its service area to participate in competitive bid processes. As a result of focused outreach, engagement and leveraging of business partnerships, the SEED-qualified vendor base grew by over 24%, with registered SEED vendors representing 48% of all DGS-certified small businesses in the Sacramento region by the end of 2024. The program also assisted prime contractors in finding local subcontractors to enhance their bids or proposals. This work resulted in 1,791 SEED lists provided to contractors in specific categories, representing a 358% increase from the previous year.

Economic Development and Partnerships increased engagement by 25% through

- Hosting 38 informational workshops
- Coordinating SMUD outreach through 9 orientations or panel discussions
- Coordinating participation in 299 outreach events
- Completing 24 business walks

These efforts expanded SMUD's reach by 13% from the previous year, reaching approximately 31,959 individuals. In 2024, SMUD exceeded its annual goal to award 20% of all contracts to certified small businesses and awarded 30.1% of contracts to SEED-qualified vendors, totaling more than \$200 million.

For more details on our 2024 SEED program efforts and achievements, see Appendix E.

4. **Challenges:** California's business climate, cost of doing business, decarbonization goals and regulatory standards present challenges to development. Permitting costs and delays pose barriers to market leading companies 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

SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.

SMUD's approach to innovation includes investments in regional startup business accelerators, incubators, curriculum delivery, and mentorship, supporting business development and entrepreneurship focusing on an inclusive economy. Benefits to the community include job creation, increased revenue, innovation, community involvement, and greater economic opportunity. SMUD's investment, subject matter expertise, and business community collaboration supported the work of these innovation and entrepreneurship partners, drawing 6,398 attendees through 215 events, serving 611 startups, fostering 160 mentor matches, and supporting 11 partnerships, which are highlighted below:

CleanStart Inc. works to build and support the clean technology ecosystem in the Sacramento region by supporting early-stage companies through education, access to capital, and connections to the networks they need to make their innovations commercially successful. CleanStart coached 66 companies in 82 sessions to develop their ideas and prepare them to pitch to investors and granting agencies for funding. CleanStart held the third cohort of its CEO Crash Course where graduates went on to secure more than \$300,000 in funding and prizes.

Hacker Lab EDU provides multifaceted entrepreneurship support, serving as Sacramento's inclusive makerspace, coworking hub, and workforce development incubator. MADE Studio serves as a dynamic studio-style makerspace offering 40+ hands-on monthly classes, serving over 1,100 creatives and entrepreneurs with training in digital fabrication, design, manufacturing, and multimedia. MAKER EDU Pathways is a workforce development program providing an 8-week hands-on technical and career training experience to 20 system-impacted and low-income youth, helping them build lifelong creative and technical skills. MAKEHERS, a women-led small business incubator, directly supported 30 women through an intensive training cohort providing mentorship, access to space, and tools helping women turn creative skills into thriving businesses. Hacker Lab supports over 375 small businesses directly through space, training, events, and promotional support.

InnoGrove continued to offer networking and educational workshops focused on startup and small business development, hosting 8 events reaching approximately 145 attendees, including Women-in-Tech Workshops, Innogrove Startup Resource Directory, Startup Founder Workshops, and by hosting practice sessions for the Pitch Elk Grove Competition (Round of 16). A longer-term role for InnoGrove is to support startup businesses as they develop their products.

StartupSac fueled Sacramento's innovation economy in 2024 by educating, empowering, and connecting entrepreneurs through impactful programs and events. StartupSac hosted 30+ events, engaging more than 1,500 participants. These included three cohorts each of the Founder Mastermind and Warm-Up Pitch programs, supporting 45 founders across 42 startups with mentorship, peer learning, and investor pitch refinement. StartupSac also co-hosted two Startup Challenge weekends with over 150 participants, organized 12 Startup Happy Hours attended by 367 people, and produced 26 podcast episodes spotlighting regional innovators. Additionally, Capital Region Small Business Week Resource Expo connected 250+ attendees with 30 entrepreneurial support organizations.

Startup Folsom was added as a partnership in 2024, holding 36 events serving 523 attendees. The events included AI Meetups, Pitch Coaching sessions and workshops, and networking events for entrepreneurs.

Momentum ASCEND Accelerator had 16 participants who met multiple times focused on cleantech and sustainability with a bent towards public or grant funding traction. SMUD presented on our 2030 Zero Carbon Clean Energy Plan and traction pilots with local startups.

The **Growth Factory** is a nonprofit entrepreneurial development organization with an accompanying venture fund dedicated to fostering innovation, accelerating high-growth startups, and strengthening regional talent pipelines. Growth Factory directly supported 60+ startups and small businesses and 85 students through intensive cohort-based programs focused on founder development and business growth. In addition, Growth Factory produced the 3rd Annual Venture Summit & Startup Showcase GFX2024 sponsored by SMUD. The event attracted 1,500+ attendees and included sector-based innovation tours, panels, and startup pitches. SMUD was the featured sponsor of the Transportation & Climate track. The Summit hosted 40+ regional startups pitches, 102 companies showcased in the Expo Hall which included a Transportation & Climate neighborhood sponsored by SMUD and “The Backyard Awards” party celebrated regional innovators with the early-stage startup awarded to OnSight Technologies of Folsom presented by SMUD Director Rose.

Carlsen Center for Innovation & Entrepreneurship at CSU Sacramento hosted the Startup Challenge and Global Entrepreneurship Week (GEW). At the two Startup Challenges, over 90 participants were supported in growing their ventures (33 final pitches, \$1 million in funding generated post sessions). GEW 2024 featured 20 discussions/panels, pitch events, and a speed mentoring event, with approximately 600 attendees, reaching an additional 150 attendees through LinkedIn live. During the Sacramento Entrepreneurial State of the Union, SMUD Board President Rosanna Herber was featured and moderated a panel on the future of CleanTech/ZEV in the Greater Sacramento region.

As a member of the **Sacramento Entrepreneurial Growth Alliance (SEGA)**, SMUD meets quarterly to discuss areas to collaborate and grow entrepreneurship in the region. The NorCal Entrepreneur Hub, an online tool/platform connecting entrepreneurs to organizations, resources, and events, now highlights over 433 users, 325 organizations, and 488 resources. The Inclusive Innovation Hub, as part of the California Office of the Small Business Advocate, led by SEGA and partnering programs, were able to support over 280 businesses, raised \$32.2 million in equity financing, \$1.15 million in non-dilutive capital raise, and activated \$115,000 in equity investment through NorCal AngelCon.

FourthWave, an accelerator for women-led technology ventures, partnered with the Carlsen Center for Innovation & Entrepreneurship to support 12 startups and 17 founders in 2024, meeting 17 times, and hosted a Funder and Founder panel, and an Investor Salon involving over 25 mentors and coaches. To date, FourthWave alumni have collectively raised over \$100 million in funding and created more than 200 jobs, driving innovation and economic growth.

Sacramento Entrepreneurship Academy (SEA) had 11 entrepreneurs in five cohorts, meeting 15 times, and met with mentors over the course of 11 weeks to support their startups.

CalEPIC developed new organizational policies and procedures required under the grant agreements, while it continued to refine its workforce development and training delivery models. They successfully met all grant reporting deadlines in 2024 with an emphasis on optimizing the recruiting and training strategies under the Federal and City grants. Strong partnerships were continued with community-based organizations serving underrepresented communities. These

partners include, but are not limited to, Women's Empowerment, Saint John's, Greater Sacramento Urban League, Asian Resources Incorporated, CA Asian Chamber of Commerce, La Familia, and Community Resource Project. Partnerships with other leading organizations for trainings were also strengthened by including ChargerHelp!, Rivian, Center for Manufacturing a Green Economy (nonprofit arm of the United Auto Workers), partnership with the California Masonic Foundation and the Sacramento City Unified School District in workforce development programs. For the 2024 calendar year, CalEPIC trained approximately 355 people. The organization is currently working on two grants (one state and one federal) for a battery pilot line for manufacturing and testing and a National Science Foundation grant for accelerating the development of electrochemical technologies to help utilities, and other partners, adopt new technology for grid resilience and reliability in partnership with UC Berkeley, Lawrence Berkeley National Lab, New Energy Nexus, Battery Innovation Center, UC Davis, Sacramento State University, and Southern California Edison, among others.

Commitment to Low Rates: SMUD continues to maintain rates that are below PG&E's, both at a system level and by rate class.

				Average Annual Rate		Difference	Difference
Customer		Rate Categories		PG&E	SMUD	Below PG&E*	Below PG&E*
Class	Description	PG&E	SMUD	2024	2024	2024	2023
Residential	Standard	E-1	TOD	\$0.4269	\$0.1898	-55.5%	-53.0%
	Low Income	CARE***	EAPR & EAPRMED**	\$0.2702	\$0.1328	-50.9%	-48.6%
All Residential				\$0.3610	\$0.1800	-50.1%	-46.8%
Small Commercial	<= 20 kW	B-1	GFN, CITS-0	\$0.4262	\$0.1833	-57.0%	-52.2%
	21 - 299 kW	B-6	CITS-1	\$0.4227	\$0.1698	-59.8%	-55.0%
Medium Commercial	300 - 499 kW	B-10	CITS-2, CITP-2	\$0.3822	\$0.1594	-58.3%	-55.7%
	500 - 999 kW	B-19	CITS-3, CITP-3, CITT-3	\$0.3286	\$0.1493	-54.6%	-51.9%
Large Commercial	=> 1 MW	B-20	CITS-4, CITP-4, CITT-4	\$0.2351	\$0.1330	-43.4%	-47.8%
Lighting	Traffic Signals	TC-1	TS	\$0.4224	\$0.1445	-65.8%	-61.5%
	Street Lighting	various	SLS,NLGT	\$0.4635	\$0.1573	-66.1%	-67.6%
Agriculture	Ag & Pumping	AG	ASN/D,AON/D	\$0.3803	\$0.1591	-58.2%	-53.9%
System Average				\$0.3493	\$0.1670	-52.2%	-50.1%

Notes:

* Projected 2024 average prices for SMUD with the rate increases effective 1-1-24 and 5-1-24. PG&E average prices in 2024 reflect rates effective 10-1-24, per Advice Letter 7382-E. The rate difference in year 2023 reflects PG&E average rates as of 9-1-23, per Advice Letter 7009-E dated 8-25-23, and SMUD rates effective 1-1-23.

** 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.

Figure 1: Provides a detailed picture of the difference between SMUD's and PG&E's projected average rates by class in 2024 as well as the difference between rates in 2023. The competitive rate by class varies for the different customer classes and is at least 43.4% 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.

APPENDIX B

SMUD shall align its economic development activities with regional economic development initiatives.

Leadership Roles: Throughout 2024, 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. SMUD's leadership roles in regional economic development organizations included:

- California Jobs First / We Prosper Together
- 50 Corridor Transportation Management Authority, Board of Directors
- Business Environmental Resource Center, Advisory Committee
- CAAPS, Board of Directors
- Capitol Area Development Authority, Board of Directors
- Cap-to-Cap, Steering Committee Member
- California Foundation on Environment and the Economy, Board of Directors
- Cal EPIC, Board of Directors
- 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 Urban League, Board of Directors
- Internal Study Mission, Steering Committee
- Metro EDGE, Leadership Council
- 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
- R Street Sacramento Partnership, Board of Directors
- 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
- 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 Metro Chamber of Commerce, Executive Committee
- Sacramento Metro Chamber Foundation, Board of Directors
- Sacramento Metro Chamber Study Mission, Steering Committee
- Sacramento Transportation Management Authority, Board of Directors
- Sacramento Works, Board of Directors
- Stockton Blvd. Partnership, Board of Directors
- Urban Land Institute, Executive Committee
- Valley Vision, Executive Committee

Grant Funding: 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.

- Grants awarded in 2024: **California Energy Resilience and Reliability Infrastructure (CERRI) Grant:** \$25.5 million awards funded by the Federal Department of Energy and administered via the State California Energy Commission. The CERRI grant will pay for 192 and 148 network transformers and protectors as well as 350,000-400,000 circuit feet

of underground cable. All work will be executed between 2026-2030 and supports economic development with reliable energy at reasonable rates.

- **Reliable, Equitable, and Accessible Charging for Multi-Family Housing-(REACH 2.0):** \$2.2 million award funded by the California Energy Commission to install over 400 charging handles at multifamily housing throughout SMUD territory 2025-2028.
- **Extreme Heat & Community Resilience Grant:** \$750,000 award funded by the Office of Planning & Research out of the California State Governor's Office. Project is in partnership with the Sacramento City Unified School District to plan, design, and engineer a micro-grid resilience center installing solar and batteries at Hiram Johnson High School. To be executed in 2025-2026.
- **ESS Tech Inc.- Direct Award:** \$10 million Award given by the California Energy Commission to develop the non-lithium-ion battery bank at the Hedge Training Facility.

Into contract in 2024:

- **Connected Clean Power City (CCPC):** \$50 million award via the Federal Department of Energy. Integration of Distributed Intelligence (DI) at the Grid Edge, an enhanced Distributed Energy Resource Management System (DERMS), and an advanced Outage Management System (OMS) to maintain and improve grid resiliency. Installation of 200,000 residential meters. Expended through 2028.
- **Fast and Available Charging for All Californians (FAST) Grant:** \$5 million award by the California Energy Commission to fund 15 DC "fast chargers" at SFO, Amtrak and Sacramento State to support ride share drivers and nearby disadvantaged communities. Executed through 2027.
- **Reliable, Equitable, and Accessible Charging for Multi-Family Housing (REACH 1.0):** \$5.3 million award by the California Energy Commission to fund over 200 EV charging handles in disadvantaged community multifamily housing locations. Executed through 2027.
- **Pole Clearing Area Fire Hardening Grant:** \$5 million Award by the Federal Emergency Management Agency (FEMA) to replace outdated electrical components in select SMUD-owned transmission locations. Executed through 2025.

Regional Workforce Development Strategic Plan Update: In 2024, SMUD continued working through the Regional Workforce Development Strategic Plan, training 4,478 people to position them for clean energy and other economic opportunities and facilitating the employment of 825 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 49 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.

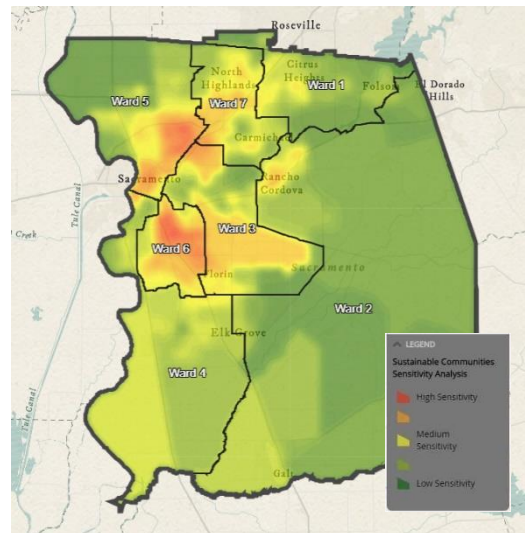
Energy Career Pathways: SMUD's 2024 Energy Career Pathways recruited and trained individuals from SMUD's Sustainable Communities target neighborhoods in solar, battery, EV, and electrification technologies. Our 2024 training partners, Grid Alternatives, Northern California Construction and Training Inc., and Cosumnes River College, supported graduates with employment services, such as connecting with employers, resume help, and career coaching. Our efforts closed the year with 177 individuals graduating and 64 being placed in relatively high-paying jobs and career paths.

Sustainable Communities Program: SMUD's Sustainable Communities promotes environmental equity and economic vitality, focusing on historically under-resourced

neighborhoods. Through partnerships with private industry, government agencies, and local community-based organizations, we invest in initiatives that ensure equitable access to clean energy, STEM education, regional workforce development, and inclusive economic opportunities. As part of our 2030 Zero Carbon Plan, we are committed to partnering with all communities, especially those lacking access to essential resources, such as affordable housing, livable wages, education, and a healthy environment. We work with community organizations and small businesses to address disparities, foster inclusion, and support long-term economic development opportunities. By collaborating with policymakers, transit providers, technology companies, and healthcare organizations, we aim to enhance workforce training, clean energy, and economic development in under-resourced communities.

SMUD's Sustainable Communities Priority Map:

Answering the call for an equitable clean energy transition, SMUD revised its Sustainable Communities Resource Priorities Map in 2024 to include the California Climate Investments Priority Populations 4.0 and Mapping Inequality: Redlining in New Deal America. The Sustainable Communities Resource Priorities Map helps inform resource allocation, reduce growing economic disparity in Sacramento County and ensures the benefits of SMUD's 2030 Zero Carbon Plan are equitably shared among all communities. SMUD and its partners will better understand where clean energy infrastructure, customer programs, facility improvements, economic development investment and workforce development opportunities need to occur to achieve our decarbonization goals in an equitable manner.



Shine Program: Now in its eighth year, the Shine program invests in community nonprofit partners that deliver inclusive and equitable projects through collaborations and partnerships supporting historically under-resourced communities. In 2024, 98 organizations submitted applications with compelling and competitive projects, requesting more than \$4.4 million in funding. These projects aim to increase access to zero carbon workforce development training and placement, promote inclusive economic development, enhance clean energy and STEM education, implement energy efficiency projects, and advance environmental justice and equity. For the 2024 – 2025 cohort, Shine will fund 22 projects totaling over \$530,000. The diverse portfolio of partners will support under-resourced and under-represented communities by developing the next generation of the zero-carbon workforce through skills training and work placement. Additionally, the Shine program will aim to increase clean energy and STEM education, update energy-efficient equipment, and improve natural habitats through environmental justice and equity projects. We will support inclusive economic development with a project from 80 Watt PBID, where we will identify three businesses to provide clean energy upgrades. We will increase access to zero carbon workforce skills programs for 240 under-represented and under-resourced community members in the region. Also, we will increase our clean energy, STEM education and careers, and environmental justice activities to over 4,050 under-represented youth.

2024 Small and Mid-size Business (SMB) Support: In 2024, SMUD's Small and Mid-size Business (SMB) team of Strategic Account Advisors (SAAs) made significant strides in engaging local businesses. To meet customers "where they are", the team collectively attended almost 200 community events. These included community gatherings, chambers of commerce meetings, and PBID-hosted events. The 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.

Finally, to bring SMUD's Community Impact Plan (CIP) funding to underserved business members of the Stockton Boulevard Partnership, The Tower District, Rancho Cordova Chamber of Commerce, and the Citrus Heights Chamber of Commerce, SAAs 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 80 CIP-funded business-electrification projects. The success of our 2024 outreach will continue in 2025 as we partner with five more community organizations to bring electrification to their member businesses.

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 2024. 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. Additionally, SMB customers utilized the ease of the CES program, implementing turnkey solutions for them to complete energy projects. Many commercial customers were able to participate in both energy efficiency and Go Electric measures where they received incentives for multiple measures and saved money while reducing their carbon footprint. In 2024 we were able to increase the number of projects that took on multiple measures, and there was a 700% increase in projects that took on electrification as a measure as a direct result of equitable commercial heat pump incentives. Commercial program managers contributed and participated in quarterly Business Go Electric campaigns and community engagement events. Overall, the commercial programs completed 13 CIP projects with a combined total of 258 commercial projects completed in 2024.

APPENDIX C

SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.

One of the more significant barriers to customer growth in 2024 was persisting supply chain issues. 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 residential housing and commercial development projects throughout the service territory.

Projects announced in 2024 included 11 companies and the creation/retention of 775 new jobs:

- **AMD** – a semiconductor company located a branch in Folsom with (120 jobs).
- **Arcadian** – Technology company located a branch in Sacramento (5 jobs.)
- **Bekonix** – the startup technology company opened its headquarters in Folsom (14 jobs).
- **Bequall** – specializing in ADUs and services located its headquarters in Sacramento County (6 jobs).
- **California Safe Soil** – renewable products within food and agriculture located its headquarters in Sacramento (50 jobs).
- **NZT** – opened its headquarters focusing on clean technology (20 jobs).

- **Onsight Technologies** – established new headquarters as they pioneer hardware-based AI and robotic with clean technology (60 jobs).
- **Rhombus Systems** – moved their headquarters to Sacramento specializing in technology (300 jobs).
- **Samsung** – opened a R&D branch in Folsom where they produce semiconductor (50 jobs).
- **Sparkz** – selected Sacramento to open a manufacturing site producing clean technology (141 jobs).
- **Tiami** – a headquarters technology company opened headquarters in Elk Grove (9 jobs).

Commercial Development: In 2024, our Commercial Development team actively engaged with approximately 143 commercial, mixed-use, and residential project developers throughout our service area. Highlights for the year include:

- Outreach to builders and developers on 2030 Clean Energy Vision program opportunities
- High-profile and critical projects include transitional and low-income projects, and transformational and major developments projects across our service territory
- Commercial development received a significant increase in prospective large load requests, predominantly from data centers due to artificial intelligence (AI), as it requires significant power delivered from large data centers.

APPENDIX D

SMUD shall offer economic development rates and 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).

Economic Development Rate: Customers that exceed 299kW for three consecutive months may qualify for the EDR. This rate has multiple options for our customers, including a front-loaded rate 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. Additionally, the Greater Sacramento Economic Council verifies the economic impact of the project. This ensures the customer is aware of other economic development programs and incentives.

Economic Development Rate:

Size	Term	Industry Requirements	Job Requirements	Full Service Requirement	Discount
300kW+	10 years	No limitations	No minimum requirement	No	<p>Two options for customers to choose:</p> <p>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</p> <p>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</p>

Program Incentives: SMUD offered electrification and energy efficiency incentives to help meet the financial responsibility goals and sustainability needs of all our commercial customers. Commercial incentives and technical support help customers implement new energy-saving equipment and make electrification modifications to their buildings as part of SMUD's goal to

achieve 100% net-zero-carbon by 2030. Incentives offered include, but are not limited, to heat pump space heating and cooling, domestic hot water, kitchen electrification, and vehicle electrification. Overall, we provided incentives for improvements to 258 commercial projects for a combined total program energy savings of 21.8 GWh and over 1,895 all-electric equivalent homes of building electrification. SMUD contributed \$5.37 million dollars to commercial customers in 2024 to influence our commercial community to partner with us in our carbon reducing efforts.

APPENDIX E

SMUD shall offer a contracting program for certified small businesses who are rate-paying customers. In 2024, we exceeded our SEED Program goal of awarding at least 20% of all contracts to certified small businesses. Specifically, we awarded 30.1% through 142 SEED contracts totaling approximately \$204 million to local small businesses within SMUD service area.

Award Type	2024		
	Total Award \$	Award Count	Program %
SEED Prime	\$142,942,523.15	66	46%
SEED Sub-Contractors	\$61,190,540.86	75	53%
Sheltered Market	\$260,000	1	1%
Grand Total	\$204,888,362.29	142	100%

The SEED team focused its efforts on the following key outreach initiatives:

- **Business Walks:** Economic Development and Partnerships conducted 24 business walks throughout the region with an emphasis on high priority areas identified on the Sustainable Communities Priorities Map. These business walks helped SMUD build trust through repeated customer outreach to more than 1,500 businesses, identifying language barriers, promoting Business District Electrification and increasing SEED participation.
- **Expanded Education & Certification Support:** EDP launched Proposal Writing 101 and a collaborative SEED enrollment workshop with the Department of General Services (DGS). Proposal Writing 101 builds on the "How to Do Business with SMUD" workshop, while the DGS workshop helps businesses obtain certification to qualify for and enroll in the SEED program.
- **Business Advisory Committee (BAC) & Economic Development Summit:** EDP continued to lead the Business Advisory Council (BAC), hosting four quarterly meetings 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. In 2024, approximately 55 SMUD contracts were awarded to members and affiliates of BAC members organization, representing an estimated \$181,107,287 in awarded contracts (including SEED and non-SEED recipients). To further support regional business development, EDP facilitated its inaugural 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.
- **"Meet the Buyers" Conference:** Economic Development & Partnership's 13th Annual Meet the Buyers Conference returned in a hybrid format, attracting 309 attendees total (241 in-person and 68 online attendees). The event featured a greeting by Board President Herber, two panel discussions and an Expo of SMUD procurement and external business partner exhibitors. The

event was well-reviewed by attendees and resulted in 5 new SEED vendors registered and a 13% average increase in SMUD solicitation views.

- **SEED Marketing & Language Accessibility:** Economic Development & Partnerships added Tagalog to the growing list of SEED material languages translations to enhance accessibility and engagement, including translating SEED and Meet the Buyers materials and expanding outreach to a broader audience.
- **Sheltered Market Initiatives:** The SEED team continually explores innovative ways to foster small business participation in solicitations and worked closely with Supply Chain to identify a sheltered market contracting opportunity in professional services. The contracts are specific only to verified SEED vendors and resulted in 13 suppliers being awarded a total of \$3,198,000 in potential awards.
- **SEED Priorities Map & Data-Driven Outreach:** To support SMUD's commitment to an equitable clean energy transition, Economic Development & Partnerships integrated SEED awards and enrollment data into the Sustainable Communities Resource Priorities Map. This addition 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 SEED program successes including winning the Department of General Services State Agency Recognition Award for Reciprocity Partner of the Year. The EDP team also led an internal "Think SEED First" campaign, which included the creation of the "Find a SEED Vendor" intranet link, in-person canvassing across multiple business units, communication in SEED Ambassador presentations and newsletters, and the incorporation of live testimonials from 3 community partners to highlight the positive impact of buying from SEED vendors during the 2024 Learn@SMUD presentation.
- **Reciprocity Partner of the Year Award:** The SEED program again was recognized by the California Department of General Services as the "Reciprocity Partner of the Year" at their State Agency Recognition Awards (SARA) as a successful contracting incentive program that uses DGS's certification designation for SEED vendors. This is the third time the SEED program has received the award in 5 years since its inception.

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

Policy – 08/14/25

Board Meeting Date

August 21, 2025

TO				TO			
1.	Claire Rogers			6.			
2.	Frankie McDermott			7.			
3.	Suresh Kotha			8.			
4.	Brandy Bolden			9.	Legal		
5.	Farres Everly			10.	CEO & General Manager		
Consent Calendar	X	Yes	No If no, schedule a dry run presentation.	Budgeted	X	Yes	No (If no, explain in Cost/Budgeted section.)
FROM (IPR)		DEPARTMENT		MAIL STOP		EXT.	DATE SENT
Amandeep Singh		Distribution Planning and Operations		EA403		5631	07/18/25
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 2024. 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 (Number & Title)							
Benefits: Allows the Board of Directors a better understanding of Board Policies and gives them an opportunity to make revisions if necessary.							
Cost/Budgeted: In June 2020, the Board approved suspension of funding new projects under SD-14 for 2020, 2021 and 2022 (Resolution 20-06-23). Previously committed projects, a total of three, under the Policy would continue to be funded during these years. The total 2024 budget for these three projects was \$4 million, and the actual spending was approximately \$140,000. The large variance between plan and actuals is due to local agency schedule adjustments.							
Alternatives: Provide the Board written reports and communications through the CEO & General Manager.							
Affected Parties: N/A							
Coordination: Line Assets and Regional & Local Government Affairs							
Presenter: Amandeep Singh, Director, Distribution Planning & Operations							

Additional Links:

SUBJECT

Strategic Direction SD-14, System Enhancement 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 29, 2025

FROM: Claire Rogers *CR 7/29/25*

**SUBJECT: Audit Report No. 28007867
Board Monitoring Report; SD-14: System Enhancement**

Internal Audit Services (IAS) received the SD-14 *System Enhancement* 2024 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 2024

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 2024, this threshold was approximately \$8.91 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 below shows the committed projects 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 in Progress

Local Jurisdiction	Project Title	Total Cost Estimate	2024 Project Budget	2024 Project Spend	Project Status
Sacramento County	Greenback Lane Road Improvements (0.8 miles)	\$1,000K	\$0K ^(a)	\$10K	Design in 2025; Construction in 2026
City of Citrus Heights	Auburn Blvd. Rusch Park to I-80 (0.75 miles)	\$2,900K	\$2,808K ^(a)	\$129K	Under Construction 2025
City of Elk Grove	Elk Grove Blvd. Waterman to School St. (0.5 miles)	\$1,500K	\$1,194K ^(a)	\$1.2K	Design in 2025; Construction in 2026
City of Sacramento	Arden Way Heskett Way to Morse Ave. (0.5 miles)	\$750K	\$0K ^(b)	\$0K	Design in 2025; Construction in 2027

(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, eleven projects have been funded through the policy for a total of \$12.06 million. Table 2 below lists the projects completed by year.

Table 2: Completed Projects Since Policy Adoption

Local Jurisdiction	Project Description	SMUD Construction Completion	SMUD Project Cost
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 2024.

5. Recommendation

It is recommended that the Board accept the 2024 Monitoring Report for SD-14, System Enhancement.

6. Appendices

N/A

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Policy – 08/14/25Board Meeting Date
N/A

TO					TO							
1.	Farres Everly				6.							
2.	Suresh Kotha				7.							
3.	Brandy Bolden				8.							
4.					9.	Legal						
5.					10.	CEO & General Manager						
Consent Calendar			Yes	X	No (If no, schedule a dry run presentation.)		Budgeted	X	Yes	No (If no, explain in Cost/Budgeted section.)		
FROM (IPR) Heidi Sanborn/Crystal Henderson					DEPARTMENT Board Office					MAIL STOP B307	EXT. 6155	DATE SENT 07/17/25
NARRATIVE:												
<p>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.</p> <p>Summary: A schedule to monitor Board policies was agreed upon by the Policy Monitoring Ad Hoc Committee. Monitoring established policies creates a better understanding of the policies and gives the Board an opportunity to make corrections, additions, or changes, if necessary.</p> <p>Board Policy: This monitoring supports Governance Process GP-2, Governance Focus, which states in part that, “The Board will direct, evaluate, and inspire the organization through the establishment of written policies reflecting the Board’s values....”</p> <p>Benefits: Monitoring policies helps ensure the policies are current and in keeping with the current will of the Board.</p> <p>Cost/Budgeted: Included in budget.</p> <p>Alternatives: Not review policies at this time.</p> <p>Affected Parties: Board of Directors</p> <p>Coordination: Crystal Henderson, Special Assistant to the Board</p> <p>Presenter: Heidi Sanborn, Chair, Policy Committee</p>												

Additional Links:

SUBJECT

Board Monitoring of BL-9, BL-10, and BL-11

ITEM NO. (FOR LEGAL USE ONLY)

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 \$150,000 over 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 2025-001

BOARD AGENDA ITEM
STAFFING SUMMARY SHEET

Committee Meeting & Date
POLICY - 2025
Board Meeting Date
N/A

TO					TO							
1.	Suresh Kotha				6.							
2.	Brandy Bolden				7.							
3.	Farres Everly				8.							
4.					9.	Legal						
5.					10.	CEO & General Manager						
Consent Calendar			Yes	X	No (If no, schedule a dry run presentation.)		Budgeted	X	Yes	No (If no, explain in Cost/Budgeted section.)		
FROM (IPR) Gregg Fishman / Crystal Henderson					DEPARTMENT Board Office					MAIL STOP B307	EXT. 5424	DATE SENT 12/20/24
NARRATIVE:												
<p>Requested Action: Enable the Board of Directors an opportunity to review the Board Work Plan.</p> <p>Summary: The Board President reviews the Board Work Plan to ensure agenda items support the work of the Board.</p> <p>Board Policy: This review of the Work Plan supports Governance Process GP-4, Board/Committee Work Plan and Agenda Planning, 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. 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.</p> <p>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.</p> <p>Cost/Budgeted: Included in the budget for internal labor.</p> <p>Alternatives: Not review the Work Plan at this time.</p> <p>Affected Parties: Board of Directors and Executive Office</p> <p>Coordination: Crystal Henderson, Special Assistant to the Board</p> <p>Presenter: Gregg Fishman, Board President</p>												

Additional Links:

SUBJECT	Board Work Plan	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No.

BOD 2025-002

BOARD AGENDA ITEM
STAFFING SUMMARY SHEET

Committee Meeting & Date
POLICY - 2025
Board Meeting Date
N/A

TO					TO							
1.	Brandy Bolden				6.							
2.	Farres Everly				7.							
3.	Suresh Kotha				8.							
4.					9.	Legal						
5.					10.	CEO & General Manager						
Consent Calendar			Yes	X	No (If no, schedule a dry run presentation.)		Budgeted	X	Yes	No (If no, explain in Cost/Budgeted section.)		
FROM (IPR) Heidi Sanborn / Crystal Henderson					DEPARTMENT Board Office					MAIL STOP B307	EXT. 5424	DATE SENT 12/20/24

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:

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 agendized opportunity to summarize the Board’s requests and suggestions that arise during the committee meeting will help clarify the will of the Board.

Cost/Budgeted:

Included in budget for internal labor.

Alternatives:

Not to summarize the Board’s request at this meeting.

Affected Parties:

Board of Directors, Board Office and Executive Office

Coordination:

Crystal Henderson, Special Assistant to the Board

Presenter:

Heidi Sanborn, 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.