Exhibit to Agenda Item #2
Discuss the policy and process for **Strategic Direction SD-14, System Enhancement (SD-14)** and accept the monitoring report for **SD-14**.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, October 18, 2022, scheduled to begin at 5:30 p.m.
Virtual Meeting (online)
SD-14, System Enhancement
Policy 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
• 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
### 2021 Projects and Key Activities

- Two projects completed

<table>
<thead>
<tr>
<th>Local Jurisdiction</th>
<th>Project Details</th>
<th>Total Project Budget</th>
<th>Total Project Spend</th>
<th>2021 Project Budget</th>
<th>2021 Project Spend</th>
<th>Construction Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sacramento County (Ward 7)</td>
<td>Fair Oaks Blvd Landis to Angelina (0.3 mile)</td>
<td>$361.4K</td>
<td>$250K</td>
<td>$0K</td>
<td>$82K</td>
<td>Q1 2021</td>
</tr>
<tr>
<td>Sacramento County (Ward 1)</td>
<td>Hazel Avenue Phase 3 Sunset to Madison (0.7 mile)</td>
<td>$1,443K</td>
<td>$1,200K</td>
<td>$1,153K</td>
<td>$1,138K</td>
<td>2021</td>
</tr>
</tbody>
</table>

(a) The original schedule called for the project to be completed by the end of 2020. Some work carried over to Q1 2021.
Two committed projects in progress

2021 budget = $81K; 2021 total spend = $4K

<table>
<thead>
<tr>
<th>Local Jurisdiction</th>
<th>Ward #</th>
<th>Project Title and Scope</th>
<th>SMUD Ballpark Estimate</th>
<th>2021 Project Budget</th>
<th>2021 Project Spend</th>
<th>Planned Construction Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citrus Heights</td>
<td>1</td>
<td>Auburn Blvd. Rush Park to I-80 (0.75 mile)</td>
<td>$2,500K</td>
<td>$0</td>
<td>$3.3K</td>
<td>2024</td>
</tr>
<tr>
<td>Elk Grove</td>
<td>2</td>
<td>Elk Grove Blvd b/w Waterman &amp; School Streets (~0.5 mile)</td>
<td>$1,000K</td>
<td>$81K</td>
<td>$0.7K</td>
<td>2024</td>
</tr>
</tbody>
</table>
Key Activities (con’td.)
Mitigation of Poles Located on Sidewalks

• Researched options to help local agencies mitigate the impact of poles that are located on sidewalks
  ➢ Reviewed existing intake processes for local agency-initiated projects
  ➢ Met with local agencies to elicit thoughts on how SD-14 could be made more usable
Key Activities (con’td.)
Mitigation of Poles Located on Sidewalks

**Process**

- Customer inquiries/concerns will continue to be referred to and handled by local agencies
  - Responsible entities and subject matter experts for sidewalk design, maintenance, and condition evaluation
- SMUD will prepare maps of commercial corridors with overhead lines annually and share with local agencies
  - Help local agency staff identify and prioritize locations for potential sidewalk maintenance or streetscape improvement projects
  - Provide information to help improve maintenance/project planning and coordination
Key Activities (con’td.)
Mitigation of Poles Located on Sidewalks (con’td.)

Process

• Educate local agencies about SMUD’s SD-14 program and how they can leverage SD-14 to mitigate impacts of poles and sidewalks

• Continue exploring custom agreements with local agencies that govern future financial obligations for relocations when SMUD’s facilities remain in the road right-of-way
  - Addresses challenges in project areas that have insufficient space for required easements
  - Ensures SMUD has the necessary right to safely perform maintenance
  - Protects SMUD from future financial risks
Conclusion and Requested Action

- In 2021, SMUD was in full compliance with SD-14, System Enhancement

- Request that the Board accept the 2021 monitoring report
Questions?
Supporting slide follows
Completed Projects Funded Through SD-14

- Eleven projects completed since policy adoption
- Approximately $12 million total spending
- Approximately 5 miles of overhead lines placed underground

<table>
<thead>
<tr>
<th>Local Jurisdiction</th>
<th># of Projects</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sacramento County</td>
<td>5</td>
<td>$6.1M</td>
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<tr>
<td>City of Sacramento</td>
<td>5</td>
<td>$3.4M</td>
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<tr>
<td>Citrus Heights</td>
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<td>$2.6M</td>
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