

Exhibit to Agenda Item #5

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, May 16, 2018, scheduled to begin at 5:30 p.m.
Customer Service Center, Rubicon Room

GP-7 Guidelines For Board Member Behavior

6 Board Members responded to the survey

The Board and its members should act in an ethical, businesslike, productive, and lawful manner. Board members should avoid even the appearance of impropriety to ensure and maintain public confidence in SMUD.

Specifically: a) Board members shall conduct themselves in accordance with all laws. b) Board members should conduct themselves with civility and respect at all times with one another, with staff, and with members of the public. c) Board members are expected to demonstrate loyalty to the interests of SMUD owners and ratepayers. This supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of the organization's activities.

Compliance Scores:

High 6

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d) Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies. i) Board members must recognize the lack of authority vested in them as individuals in their interactions with the General Manager or with staff, except where explicitly Board authorized. ii) In their interactions with the public, press or other entities, Board members should recognize the same limitation and the inability of any Board member to speak for the Board or for other Board members except to repeat explicitly stated Board decisions.

e) Board members shall at all times endeavor to express their individual opinions in a responsible manner, without causing harm to SMUD, to SMUD's owners and customers, or to other Board members and staff. i) Each member of the Board is expected to support the legitimacy and authority of the decisions of the Board concerning any matter, irrespective of the member's personal position. ii) Board members retain the right to criticize the decisions of SMUD, but in doing so should make it clear that it is their opinion, and not the opinion of the Board or other Board members, and so long as it complies with the limitations set forth in these policies. Board members are encouraged to notify the General Manager in advance when they plan to speak publicly in opposition to SMUD decisions and policies.

f) Members should prepare themselves for Board deliberations. g) Board members shall discourage former Board members from attempting to influence the Board, individual Board members or staff, on behalf of any third party (other than a governmental entity) from whom the former Board member is receiving compensation, on any matter that the former Board member substantially participated in during his or her tenure with the Board. This provision shall not apply to: (i) communications by a former Board member acting in his or her capacity as an individual or ratepayer and for which the Board member receives no compensation; or (ii) communications with a former Board member who has not been a Board member for more than two years.

Compliance Scores:

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GP-12 Board Compensation and Benefits

6 Board Members responded to the survey

In keeping with the MUD Act, members of the Board of Directors are entitled to compensation for their service. Specifically: a) Each Board member shall receive for each attendance at the meetings of the full Board, Board committee meetings, ad hoc committee meetings, publicly noticed SMUD workshops or meetings, other publicly noticed meetings where the Board member is representing the Board, state or federal legislative briefings or meetings where the Board member is representing the Board, meetings with SMUD customers or staff relating to SMUD business, community meetings or events where the Board member is representing SMUD, events where SMUD is being recognized, conferences and organized educational activities, the sum of \$150.00 per day of service. No director shall receive compensation for more than ten (10) days in any one calendar month. Campaign and political meetings, events, and fundraisers are not compensable under this policy.

Compliance Scores:

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b) Each Board member shall also be reimbursed for expenses related to travel, meals, lodging and other actual and necessary expenses incurred in the performance of his or her official duties as described in subsection (a). Reimbursement shall be in accordance with Internal Revenue Service regulations as established in Publication 463, or any successor publication.

c) Compensation forms shall be completed by a Director and distributed by the Board office for review and approval prior to a Board meeting. The Board shall review and approve compensation at each regular Board meeting. Board member compensation shall be placed on the consent calendar at each regular Board meeting, unless a Board member requests that it be placed on the discussion calendar. Expense reimbursement forms and requests for expenditures for travel and training shall be completed by a Director and submitted to the Board President or Vice President for approval as appropriate.

Compliance Scores:

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d) SMUD shall provide and contribute payment for health care benefits, equivalent to the contribution made to SMUD employees in the PAS employee group, to any Board member who elects such benefit.

Compliance Scores:

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