

Exhibit to Agenda Item #5

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, September 19, 2018, scheduled to begin at 5:30 p.m.
Customer Service Center, Rubicon Room

BL-9 Delegation to the GM/CEO for Local, State, and Federal Legislation and Regulation

6 Board Members responded to the survey

This Board supports development of legislative and regulatory policies that further the Board's policies.

a) The General Manager 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.

Compliance Scores:

High 6

Med

Low

b) When communicating a new position on local, state or federal legislation or budget proposals, the General Manager will provide advance notice to the Board when feasible.

Compliance Scores:

High 4

Med 2

Low

Comment:

(I'm) not sure we have a way to know whether or not this is done. - DT

BL-10 Delegation to the GM/CEO for Real and Personal Property

6 Board Members responded to the survey

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 General Manager 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 within 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) 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.**
- iv) 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.**

Compliance Scores:

High 6

Med

Low

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.**

Compliance Scores:

High 6

Med

Low

Comment:

Is this a common occurrence? - BR

BL-11 Delegation to the GM/CEO With Respect to the Settlement of Claims and Litigation

6 Board Members responded to the survey

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”).

Compliance Scores:

High 6

Med

Low

a) **Delegation of Authority:** The General Manager and CEO, upon the advice of the General Counsel and Chief Legal Officer, 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
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

Compliance Scores:

High 6
Med
Low

Comment:

Should there be a special category or delineation for worker's comp claims? Should these be correlated or otherwise reported with safety/injury reports? - GF

b) Reporting: The General Manager and CEO shall timely provide the Board with a summary of any significant settlement of a Dispute.

Compliance Scores:

High 6

Med

Low