

Exhibit to Agenda Item #2

Board Policy Committee and Special SMUD Board of Directors Meeting
Tuesday, July 16, 2019 immediately following the Finance and Audit Committee
meeting scheduled to begin at 5:30 p.m.
Customer Service Center, Rubicon Room

GP-11 Board Review of Internal Records

6 Board Members responded to the survey

Board members may review any record of SMUD at any time, so long as confidentiality requirements are followed.

Compliance Scores:

High 5

Med 1

Low

- a) Board member requests to inspect SMUD records shall be forwarded to the General Manager, who will provide the requested files for review on SMUD premises.
- b) No confidential or original documents shall be taken from SMUD premises except with the authorization of the General Manager.
- c) Board members shall follow the same confidentiality requirements applicable to SMUD employees dealing with such files. SMUD employee personnel files will not be subject to Board review except as permitted by law.

Compliance Scores:

High 6

Med

Low

- d) The Board Office shall maintain a log of all copies of documents requested by Board members. The log will be available for inspection by members of the public during working hours.

Compliance Scores:

High 6

Med

Low

Comment: ? - BR

GP-14 External Auditor Relationship

6 Board Members responded to the survey

The Board is responsible for hiring SMUD's external auditor to perform the annual independent audit.

Specifically:

- a) The Board will make the choice of external auditor, based on input from staff and others it deems necessary to exercise prudent, independent judgment.

- b) After consulting with Board members, the Board President shall appoint one or more Board members each year to meet with the external auditor after the audit is complete. The meeting will be independent of staff. The Board member(s) will report their findings to the Board on a timely basis.

Compliance Scores:

High 6

Med

Low

BL-5 Unity of Control

6 Board Members responded to the survey

Only decisions of the Board acting as a body are binding on the General Manager, the General Counsel, and the Internal Auditor.

Specifically, in or out of the Board meeting:

a) Decisions or instructions of individual Board members, officers, or committees are not binding on the General Manager, General Counsel or Internal Auditor except in instances when the Board has specifically authorized such exercise of authority.

b) In the case of Board members or committees requesting information or assistance without Board authorization, the General Manager, General Counsel or Internal Auditor must refuse such requests that require, in their opinion, a material amount of staff time, or funds, or are disruptive.

Compliance Scores:

High 6

Med

Low

c) Board members may communicate directly with SMUD employees or contractors. However, the Board as a body and the Board members will never give direction to persons who report directly or indirectly to the General Manager, with the exception of the General Counsel, Internal Auditor and Special Assistant. If individual Board members are dissatisfied with the response they receive, they may seek a resolution by the Board.

Compliance Scores:

High 5

Med 1

Low

Comment:

I would prefer that staff responds directly to a Board member that requests a clarification, needs a question answered or if event information is needed by a Board Member. – NBT

d) Board Members will refrain from evaluating, either formally or informally, any staff. The Board as a body will refrain from evaluating, either formally or informally, any staff other than the General Manager, the General Counsel, the Internal Auditor, and the Special Assistant.

Compliance Scores:

High 5

Med 1

Low

Comment:

I think we're backsliding here a bit. – RK

As written, seems this precludes informally praising staff for jobs well done either to the staff, their supervisors, or CEO-- which I occasionally do. Not sure we really intend to prevent us from doing that. - DT