

Exhibit to Agenda Item #1

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, January 8, 2020, scheduled to begin at 5:30 p.m.
Customer Service Center, Rubicon Room

Purpose

- The SMUD Board wants to engage in deeper, facilitated discussions about specific Board policies, focusing on those where Board members have questions or want to explore potential changes.

Background

- At its offsite in September 2019, the Board agreed to separate the Board's discussions about policy compliance from discussions about whether to make changes in Board policy.
- Subsequently, Board members identified policies they want to discuss in more depth and consider modifying.

Proposed Policies to Include:

Meeting 1: GP-2 and GP-3

- Board governance focus and job description

Meeting 2: GP-5, GP-6, GP-9

- Election of president, role of president, role of committee chairs

Meeting 3: GP-7 and BL-5

- Guidelines for Board behavior, unity of control

Meeting 4: BL-3, BL-7, BL-8, BL-9, BL-11

- Board-Internal Auditor relationship, delegations to the CEO

Proposed Policies to Include:

Meeting 5: SD-1B and SD-5

- Vision, customer relations

Meeting 6: SD-7 and SD-9

- Environmental leadership, resource planning

Meeting 7: SD-10, SD-11, SD-17

- Innovation, public power business model, enterprise risk management

The Process

In reviewing each of these policies, we will:

- Start with an appreciation of the current policy
- Ask what questions Board members have
- Ask what changes Board members are contemplating and why
- Identify linkages to other policies
- Identify the pros and cons of various options
- Agree on next steps

The Process

Next steps could include:

- Make no changes
- Ask for additional information
- Form an ad hoc
- Ask members of the executive team or the Board consultant to draft potential changes