

Board Policy Committee Meeting and Special SMUD Board of Directors Meeting

Date: Wednesday, March 10, 2021

Time: Scheduled to begin at 5:30 p.m.

Location: Virtual Meeting (online)

AGENDA BOARD POLICY COMMITTEE MEETING AND SPECIAL SMUD BOARD OF DIRECTORS MEETING

Wednesday, March 10, 2021

Scheduled to begin at 5:30 p.m.

Zoom Webinar Link: [Join SMUD Policy Committee Meeting Here](#)

Webinar ID: 161 146 2556

Password: 615630

Phone Dial-in Number: 1-669-254-5252

In accordance with the Governor's Executive Order N-29-20 and the Emergency Board Meeting Procedures adopted by the SMUD Board of Directors, the regular Board meeting and other public meetings are closed to the public to align with state, local, and federal guidelines and social distancing recommendations for the containment of the coronavirus.

Live video streams and indexed archives of meetings are available at:

http://smud.granicus.com/ViewPublisher.php?view_id=16

Members of the public may register to provide verbal comments at an upcoming Board or Committee meeting by emailing a request to speak to PublicComment@smud.org. Please include the date of the meeting, name, and topic or agenda item the requestor wishes to speak on. The request may also be submitted while the meeting is in progress during the standard time for the agenda item or topic. **Pre-registration is strongly encouraged by no later than 3:00 p.m. on the day of the meeting.**

Members of the public may provide written public comments on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via e-mail. Comments may be submitted to PublicComment@smud.org and will be placed into the record of the meeting.

Members of the public that are listening to or watching the live stream of a Committee meeting and wish to comment on a specific agenda item as it is being heard may submit their comments, limited to 250 words or less, to PublicComment@smud.org, noting the agenda item number in the subject line. The Committee Chair may read comments for items on the agenda into the record, in her discretion, based upon such factors as the length of the agenda or the number of e-mail comments received. General public comment for items not on the agenda will not be read into the record but will be provided to the Board and placed into the record of the Board meeting if it is received within two hours after the meeting ends.

This Committee meeting is noticed as a joint meeting with the Board of Directors for compliance with the Brown Act. In order to preserve the function of the Committee as advisory to the Board, members of the Board may attend and participate in the discussions, but no Board action will be taken. The Policy Committee will review, discuss and provide the Committee's recommendation on the following:

DISCUSSION ITEMS

1. Mark Rawson Accept the monitoring report for **Strategic Direction SD-19, Diversified Business.**
Presentation: 10 minutes
Discussion: 10 minutes
2. Patrick Durham Accept the monitoring report for **Strategic Direction SD-6, Safety.**
Presentation: 10 minutes
Discussion: 10 minutes
3. Patrick Durham Discuss, with possible amendment, **Strategic Direction SD-6, Safety.**
Presentation: 5 minutes
Discussion: 15 minutes
4. Casey Fallon Discuss proposed revisions to **Emergency Procurement** provision of **Board-Staff Linkage BL-8, Delegation to the Chief Executive Officer and General Manager with Respect to Procurement.**
Presentation: 5 minutes
Discussion: 15 minutes

INFORMATIONAL ITEMS

5. Nancy Bui-Thompson Board Work Plan.
Discussion: 5 minutes
6. Public Comment
7. Heidi Sanborn Summary of Committee Direction.
Discussion: 1 minute

Pursuant to Resolution No. 20-06-08 adopted on June 18, 2020, Emergency Board Meeting Procedures are in effect:

Members of the public may make either a general public comment or comment on a specific agenda item by submitting comments via email. Comments may be submitted to PublicComment@smud.org. Comments will be provided to the Board and placed into the record of the Committee meeting if it is received within two hours after the meeting ends.

Members of the public that are listening or watching the live stream of a Board meeting and wish to comment on a specific agenda item as it is being heard, may submit their comments, limited to 250 words or less, to

PublicComment@smud.org. The Board Chair may read the comments into the record, in her discretion, based upon such factors as the length of the agenda or the number of email comments received.

Comments will be provided to the Board and placed into the record of the Committee meeting if it is received within two hours after the meeting ends.

Members of the public may register to provide verbal comments at an upcoming Board or Committee meeting by emailing a request to speak to PublicComment@smud.org. Please include the date of the meeting, name, and topic or agenda item the requestor wishes to speak on. The request may also be

*submitted while the meeting is in progress during the standard time for the agenda item or topic. **Pre-registration is strongly encouraged by no later than 3:00 p.m. on the day of the meeting.***

ADA Accessibility Procedures: Upon request, SMUD will generally provide appropriate aids and services leading to effective communication for qualified persons with disabilities so that they can participate equally in this virtual meeting. If you need a reasonable auxiliary aid or service for effective communication to participate, please email Toni.Stelling@smud.org, or contact by phone at (916) 732-7143, no later than 48 hours before this virtual meeting.

SSS No. RNBS-21-002

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Policy Committee, 3/10/2021
Board Meeting Date
3/18/2021

TO				TO							
1.	Bryan Swann			6.							
2.	Claire Rogers			7.							
3.	Jennifer Davidson			8.							
4.	Stephen Clemons			9.	Legal						
5.	Scott Martin			10.	CEO & General Manager						
Consent Calendar		x	Yes	No If no, schedule a dry run presentation.		Budgeted		x	Yes	No (If no, explain in Cost/Budgeted section.)	
FROM (IPR) Mark Rawson				DEPARTMENT Resource and New Business Strategy				MAIL STOP 6364		EXT. 2/18/21	

NARRATIVE:

Requested Action: Accept the monitoring report for Strategic Direction SD-19, Diversified Business.

Summary: The purpose is to provide the Board with an update on SD-19, Diversified Business, for 2020. SMUD has three revenue portfolios that are delivering revenues from sources other than traditional electricity sales to customers. They are comprised of a diverse mix of projects that leverage SMUD's brand, intellectual property and assets to create new revenues for SMUD.

For 2020, the three portfolios generated \$13.8M in revenues.

Board Policy: SD-19, Diversified Business
(Number & Title)

Benefits: These portfolios support the goals and objectives of SD-19 in that they: a) generate new revenues that contribute to SMUD's long-term financial health; b) spur the creation of innovative products and services; c) capture the value of SMUD's brand and intellectual property; and d) better leverage and optimize SMUD's assets.

Cost/Budgeted: Budgeted

Alternatives: Provide the Board written reports and communications through the General Manager & CEO.

Affected Parties: N/A

Coordination: Budget Office, Audit Quality Services

Presenter: Mark Rawson, Manager, New Business Development

Additional Links:

SUBJECT

SD-19 Diversified Business 2020 Monitoring Report

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: March 2, 2021

FROM: Claire Rogers *CR 3/2/21*

**SUBJECT: Audit Report No. 28007401
Board Monitoring Report; SD-19: Diversified Business**

Audit and Quality Services (AQS) received the SD-19 *Diversified Business* 2020 Annual Board Monitoring Report and performed the following:

- A review of the information presented in the report to determine the possible existence of material misstatements;
- Interviews with report contributors and verification of the methodology used to prepare the monitoring report; and
- Validation of the reasonableness of a selection of the report's statements and assertions.

During the review, nothing came to AQS' attention that would suggest the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

CC:

Paul Lau

Board Monitoring Report FY 2020 SD-19 Diversified Business



1) Background

Strategic Direction SD-19 states that:

Broadening and diversifying the products and services that SMUD offers is a key value. The desired results are to: a) generate new revenues that contribute to SMUD's long-term financial health; b) spur the creation of innovative products and services; c) capture the value of SMUD's brand and intellectual property; d) better leverage and optimize SMUD's assets; and e) enable SMUD to continue to attract and retain a talented workforce.

Therefore:

- a) SMUD shall broaden and diversify its lines of business, which may include:
 - i) Being an external service provider;
 - ii) Expanding wholesale energy market opportunities;
 - iii) Capitalizing on intellectual property and assets to develop products and services either solely or through strategic partnerships;
 - iv) Selling products and services aligned with SMUD's purpose and Strategic Directions.
- b) SMUD shall ensure any new lines of business:
 - i) Benefit SMUD's customers and our community;
 - ii) Achieve a balanced, diversified portfolio of rewards and risks;
 - iii) Create economic value without compromising SMUD's financial health;
 - iv) Do not pose unreasonable risk to SMUD's reputation;
 - v) Align with, leverage, and optimize SMUD's strengths, assets and expertise;
 - vi) Position SMUD for the future.

2) Executive Summary

- a) Staff is tracking and reporting on three separate revenue portfolios. These revenue programs are deriving revenues that are not traditional electricity sales to customers. The three portfolios are a diverse mix of projects that leverage SMUD's brand, intellectual property (IP) and assets to create new revenues for SMUD.
- b) SMUD is in compliance with SD-19 Diversified Business.**
- c) There are three portfolios that generate revenue for SMUD. Prior to development of SD-19, tracking costs and revenues separately for each revenue program was

aligned with operational efforts, and not specifically configured in a manner to measure net revenue per project. Therefore, only revenues are reported for Legacy Revenue and Innovation Generator Programs. However for the New Revenue Program portfolio, both costs and revenues are reported.

The founding objective of the Legacy Revenue Programs was to improve customer satisfaction by offering products and services requested by customers. Revenue generation was secondary. A requirement was that such programs must be self-sustaining after 5 years. Because many of the operational costs are shared across many programs, it is difficult to calculate net revenues even though revenues are tracked separately.

For fiscal year 2020, the actual costs and revenues for each portfolio are as follows:

Portfolio	Total Expenses	Total Revenues	Total Net Revenues
New Revenue Program	(\$8,326,910)	\$10,387,025	\$2,060,115
Legacy Revenue Programs		\$ 3,442,440	
Innovation Generator Program		\$903	
Total		\$13,830,368	

3) Additional Supporting Information

a) Financial Summary

A total of 16 programs/projects are included in the three portfolios. Descriptions of each deal within each portfolio are listed in Appendix A.

For the Legacy Revenue Programs, actual revenues of \$3,442,440 were \$644,533 above planned revenues of \$2,797,907. The Innovation Generator Program actual revenues were negligible; again, there is no plan tracked for this program. Within the Legacy Revenue Programs, Cell Site Revenue and Home Power contributed most of the increased revenue out of the portfolio.

The New Revenue Program generated \$10,387,025 in revenue which was \$1,194,945 above the planned revenue of \$9,192,080. The actual expenses of \$8,326,910 were \$5,039,938 lower than the planned expenses of \$13,366,848. This resulted in positive net revenue of \$2,060,115 compared to a planned negative net revenue of \$ \$4,174,768 – a variance of \$6,234,883. The biggest driver of this improvement above plan is due to the Community Energy Services Program generating more revenue than planned while also considerably reducing expenses compared to plan.

In Fiscal Year 2020, the New Revenue Program crossed an important threshold generating positive net revenue for the first time since its inception in 2018. In 2018, the program had a net negative revenue of \$4,538,322; in 2019 a negative net revenue of \$664,924; and in 2020 a positive net revenue of \$2,060,115.

The New Business Development Program is centrally responsible for developing, assessing, negotiating, overseeing implementation and tracking performance of existing and new business opportunities for all of SMUD. However, for all of 2020, this team was dedicated full time to planning and launching the California Mobility Center. This team did not actively track the current portfolios or pursue any new opportunities for SMUD.

b) Risk Summary

Risk is reported here only for the New Revenue Program and the methodology is derived from SMUD's Enterprise Risk business practices. Risk is generally defined as the ability to successfully recoup SMUD's investment over a reasonable timeframe, without damaging SMUD's reputation, causing financial hardship, or resulting in regulatory or policy violations.

Risk is evaluated on five impact areas - Financial; Legal, Regulatory and Legislative; Operational; Strategic; and Reputational. See Appendix B for definitions.

The overall risk ratings of the New Revenue Program portfolio were not modified from the 2018 and 2019 assessments as no new opportunities were added. The previous overall portfolio risk was rated low. For 2020, the portfolio risk was not reevaluated or changed as it is still deemed low.

c) Compliance with Desired SD-19 Outcomes

Two of the three portfolios are meeting the desired results stated in the policy as follows:

New Revenue – The New Revenue Program is generating new revenue – position net revenue for the first time.

Spurs Innovative Product and Services – The New Revenue Program is delivering innovative products and services to existing SMUD customers and new customers.

Capture Value From Brand and IP – Intrinsically, brand and IP value are considered and included in the associated revenue models for many of the projects included in the portfolios.

Asset Leverage and Optimization –Transmission Sales is a prime example of how SMUD is extracting additional value from an existing asset by selling surplus transmission capacity more competitively. For 2020, SMUD generated 130% more in excess transmission sales than was planned.

4) Future Steps

Staff is working diligently to maximize the revenue generation that is possible from all three portfolios. Business processes are in place to ensure costs and revenues are tracked so that net revenues can be determined and the cost-benefit analysis of different endeavors can be evaluated.

In Q1 2021, the California Mobility Center will enter commercial operations providing a unique opportunity for SMUD to realize potential benefits from helping mobility companies commercialize new products and services. This new innovation channel for SMUD will be added to the New Revenue Program portfolio for tracking purposes.

5) Challenges

Going forward, regimented cost and revenue tracking will be paramount to assessment of performance under SD-19. As SMUD embarks on attaining new goals relative to zero carbon emissions, a robust innovation pipeline, greater reliance on strategic partnerships and business diversification will all play vital roles.

As part of this evolution as it relates to new revenue opportunities, SMUD needs to learn how to be comfortable with trying new business models for revenue generation, fail quickly and move on to other ideas. The innovation process must be quicker.

6) Recommendation

It is recommended that the Board accept the Fiscal Year 2020 Monitoring Report for SD-19 Diversified Business.

Appendix A
PORTFOLIO PROJECT LIST AND DESCRIPTIONS

New Revenue Program:

1. **Community Choice Aggregator Services:** SMUD provides back office support services such as data management, call center, whole energy, marketing, communications and customer care for Community Choice Aggregators.
2. **NEC/STI:** Partnership with NEC Corporation (NEC) to collaborate on energy solutions for Japanese electric power providers and others in the Asia Pacific region.
3. **Sacramento Power Academy (SPA):** Program to train future utility workers in hundreds of utilities throughout the Western United States.
4. **Smart Grid Billing:** Smart Grid Billing enables real-time device monitoring and control to lower energy consumption and provide predictive maintenance for equipment. Our current pilot is with Embassy Suite and Hyatt Regency in Sacramento. This pilot offers an installation of a storage battery in the Hyatt in midtown that will be connected with the energy management system (EMS).
5. **OSI/DERMS Co-Development:** Open System International, Inc. (OSI) and SMUD strategic technology partnership to implement and deploy an industry-leading Distributed Energy Resource Management System (DERMS). SMUD will receive royalties from future sales of the enhanced product suite for DERMS.
6. **GridX:** Program will generate pro forma bills for all SMUD residential customers under various tariffs as part of RTOU planning efforts.

Legacy Revenue Programs:

1. **Cell Site Construction:** Revenues derived from SMUD review of cell site modifications or new construction.
2. **Energy Profiler:** Energy Profiler Online (EPO) lets customers to see their load profiles, energy consumption by time period, and other information on their facilities from any computer with Internet access.
3. **Home Power:** Program that covers customer's homes against unforeseen electrical repairs to outlets, switches, circuit breakers, fuses and accessible internal wiring. All repairs are performed by a SMUD approved electrical contractor.
4. **Moving Connections:** Program designed to enhance a customer's overall move experience. Residential customers can sign up for phone, internet, and other services, after transferring or starting electric service with a SMUD Customer Service Representative (CSR).
5. **Power Protection:** Residential program that prevents harmful voltage surges from entering a home via a whole house surge suppressor attached to the meter.

Appendix A

The program includes a manufacturer's warranty covering surge damage to appliances and electronic equipment.

Innovation Generator Projects

1. **Advanced Power Strips:** Partnership with cable TV service providers to direct-install free advanced power strips in customer homes. The pilot model will explore leveraging third-parties to enable direct-install of EE and other measures that will benefit SMUD customers.
2. **DER Planning Software:** DER Planning Tool software will forecast adoption scenarios (rate of adoption and geographic location) of DERs like electric vehicles, solar PV, storage, etc.
3. **GridPoint:** Energy management as a service (EMaaS) provides real-time data collection, data analytics, and cloud computing to maximize energy savings and operational efficiencies. This pilot is focused on small and medium business customers.
4. **Intelligent Energy Solutions:** Software that minimizes certain electrical end uses in the customer's home (e.g. pool pumps).
5. **Kandela:** Is a move concierge service for commercial customers, helping them manage their move, in exchange for referral revenue and licensing revenue if the program is adopted by other utilities.

Appendix B

RISK

Risk is tracked only for the New Revenue Program using best practices derived from SMUD's Enterprise Risk business practices. Risk is generally defined as the ability to successfully recoup SMUD's investment over a reasonable timeframe, without damaging SMUD's reputation, causing financial hardship, or resulting in regulatory or policy violations.

A **risk** is the possibility that an event will occur and adversely affect the achievement of objectives. To help understand the nature of risk and to determine the level of risk, the risk assessment process is used. Risk Assessment requires calculations of three components of risk: impact, likelihood and velocity.

Impact is the magnitude of the potential risk based on six impact areas defined below.

Likelihood is the chance that the event (risk) will occur and velocity is the speed at which the risk will occur, if it occurs. For the purposes of this rubric, the **risk score** is calculated as follow: **Impact x [(likelihood+velocity)/2]**

The following five impact areas are considered for the New Revenue Program Portfolio.

Financial – This category focuses on how much SMUD's financial commitment is including both cash and non-cash resources. Labor is considered here as well.

Legal, Regulatory and Legislative – This category considers whether the project has the potential to violate the law, cause significant fines, or a loss of confidential data. It considers whether the project exposes SMUD to higher levels of risks or new risks from a legal, regulatory or legislative perspective.

Operational – This category considers whether the project aligns with, leverages and/or optimizes SMUD's strengths, assets and expertise. It also considers whether the project poses unreasonable risks to existing projects or operations.

Strategic – This category considers whether the project or the failure of the project will impact SMUD's ability to achieve its strategy. It also considers whether the project poses unreasonable risk to SMUD's goals and objectives.

Reputational – This category considers how the project could impact the perception of SMUD by its customers and the community. It considers whether the project poses unreasonable risk to SMUD's reputation.

The following tables define the rubric for ratings of risk impacts.

Appendix B

Impact Areas						
Score	Name	Financial	Legal, Regulatory & Compliance	Operational	Strategic	Reputational (Customer, Community, and Board Relations)
1	Insignificant	<\$2M, no FTE	No legal/compliance violations. No confidential data involved.	Direct alignment with SMUD's strengths, assets, and expertise. No impact to existing projects or operations.	No impact to achievement of goals and objectives.	No impact to metrics and surveys. No public criticism on media platform. No impact to SMUD's reputation.
2	Minor	\$2M<\$5M, 1 FTE	Minor legal/compliance violations. (regulatory fines >\$5K and torts)	Project may be a minor deviation from SMUD's strengths, assets, and expertise. Minor delays or modifications to a few existing projects or operations.	Minor delays or modifications to goals and objectives.	Slight change in customer metrics and surveys. Limited public criticism from a few media platforms.
3	Moderate	\$5M<\$10M, 2 FTEs	Moderate violations lead to increased scrutiny and some fines. (regulatory fines >\$100K) Introduces new risks to SMUD that can be mitigated with effort, confidential data involved.	The project may align with, leverage and optimize only a portion of SMUD's strengths, assets and expertise. Moderate delays or modifications to project portfolio or operations.	Moderate delays or modifications to goals and objectives.	Modest decline in customer metrics and surveys. SMUD is subject to criticism from several opinion leaders/customers, media sources and the Board.
4	Major	\$10<\$20M, 3-4 FTEs or team to support	Significant violations of law or potential loss of confidential data. Significant fines (regulatory fines >\$250K) Introduces new risks to SMUD that are difficult or costly to mitigate.	The project may be a major deviation from SMUD's strengths, assets, and expertise. Significant delays or modifications to existing project portfolio or operations.	Significant delays or reductions in scope of goals and objectives.	Significant deterioration in customer metrics and surveys. Negative media reaches headlines of several publications. Significant erosion of trust from the Board.
5	Critical	>\$20M, >4 FTEs or an entire team or department to support	Violations result in widespread data loss, loss of qualifications for licenses. (regulatory fines >\$1M) Introduces new risks to SMUD that are too difficult or costly to mitigate.	New line of business with significant disruptions to SMUD's strengths, assets and expertise. Cancellation of multiple projects and significant impacts of operations.	Failure to meet SMUD's goals and objectives.	Major deterioration in customer metrics and surveys. Irreparable negative media coverage and damage to SMUD's reputation and credibility with the media and the Board.

SSS No.

E,S,RES 21-02

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

Policy, March 10, 2021

Board Meeting Date

March 18, 2021

TO					TO						
1.	Claire Rogers				6.						
2.	Jennifer Davidson				7.						
3.	Stephen Clemons				8.						
4.					9.	Legal					
5.					10.	CEO & General Manager					
Consent Calendar		X	Yes	No If no, schedule a dry run presentation.		Budgeted		X	Yes	No (If no, explain in Cost/Budgeted section.)	
FROM (IPR)					DEPARTMENT					MAIL STOP	
Patrick Durham					Workforce Enterprise Services					EXT. DATE SENT	
					B203					6327 02/22/2021	

NARRATIVE:

Requested Action: Accept the monitoring report for **Strategic Direction SD-6, Safety.**

Summary: Report on the status of Strategic Direction 6 (SD-6) Safety, for safety performance from July through December of 2020.

Board Policy: This report supports the SD-6 Core Value of Safety by providing a safety performance status.
(Number & Title)

Benefits: Provide the scheduled bi-annual monitoring report as requested by the Board of Directors and Executive Staff. The report provides an opportunity to make recommendations or policy revisions, as necessary.

Cost/Budgeted: None

Alternatives: Provide the Board monitoring report without a presentation.

Affected Parties: Board of Directors, Executive Staff

Coordination: Organization-wide

Presenter: Patrick Durham, Director of Environmental and Real Estate Services

Additional Links:

SUBJECT

Monitoring Report for Strategic Direction SD-6, Safety

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: March 2, 2021

FROM: Claire Rogers *CR 3/2/21*

**SUBJECT: Audit Report No. 28007400
Board Monitoring Report; SD-6: Safety**

Audit and Quality Services (AQS) received the SD-6 *Safety* second-half 2020 Biannual Board Monitoring Report and performed the following:

- A review of the information presented in the report to determine the possible existence of material misstatements;
- Interviews with report contributors and verification of the methodology used to prepare the monitoring report; and
- Validation of the reasonableness of a selection of the report's statements and assertions.

During the review, nothing came to AQS' attention that would suggest the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

CC:

Paul Lau

Board Monitoring Report Third & Fourth Quarters, 2020 Strategic Direction SD-6, Safety



1. Background

Creating a safe environment for employees and the public is a core value of SMUD.

Through continuous improvement, SMUD will be recognized as a leader in employee safety while also assuring the safety of the public related to SMUD operations and facilities. This includes a comprehensive approach to monitoring organizational and public safety performance.

Therefore, SMUD will continue to improve safety results to:

Workplace Safety

- a) Reduce SMUD's injury severity rate to 1.4 by 2020, as measured by OSHA's Days Away Restricted Time (DART), a rate that demonstrates strong safety performance.
- b) Provide timely, quality health care for injured employees that aids their recovery while maintaining positive financial performance of the workers' compensation program.

Public Safety

- a) Track and report injuries to the public related to SMUD operations or facilities.
- b) Implement measures to protect the public from injuries related to SMUD operations or facilities.

2. Executive Summary

SMUD is in compliance with the SD-6 direction and is in alignment with SMUD's 5-year strategy of working toward a zero-incident culture. In the second half of 2020, SMUD met its safety performance targets related to SD-6.

Workplace Safety

SMUD recorded a total of 57 Occupational Safety and Health Administration (OSHA) Recordables injuries in 2020, which is a 19% increase over the previous year (2019 = 48 OSHA Recordables). Of the 57 OSHA Recordable injuries reported in 2020, 26 met the DART criteria (7 Lost Time & 19 Modified Duty), resulting in a DART rate of 1.24. The majority (92%) of the DART cases occurred in the field environment. Only 9 of the 26 DART cases were soft tissue related.

Although there was an increase in OSHA Recordables injuries compared to 2019, the 2020 injury count remained 50% lower than the average of the years 2004–2019. (See Appendix A). In addition, SMUD did not have a COVID-19 OSHA recordable in 2020.

Quality care of injured employees is measured through the Workers' Compensation program's performance, which is assessed annually by an independent actuary. SMUD continues to have a reduction in claims over the past three years, a reduction in injury frequency rates, and a reduction in indemnity benefits as presented below as of September 2020:

	2018	2019	2020
No. of Claims (Medical & Indemnity)	120	85	88
Incident rate per 100 employees	5.07	3.60	2.3
Reduction in indemnity benefits	32%	21%	8.2%
Rates per \$100 payroll	.58	.50	.59

To better support the health and wellness of employees at work, Workers Compensation contracted with a new onsite medical services provider, Sacramento-OMC to provide non-emergency on-site medical care for our employees who have suffered injuries or illness (caused by work) as well as employee/pre-employment related evaluations and testing. Sacramento OMC has been on site for over a year.

Public and Community Safety

SMUD tracks public and community incidents in the Safety Incident Tracking System (SITS) involving car-pole, electrical contact, dig-in incidents and injuries to the public that are related to SMUD's operations or facilities.

For 2020, there were 280 incidents where the public vehicles hit SMUD equipment. Of those incidents, there were zero fatalities or hospitalizations caused by the SMUD equipment. Six electrical contacts were reported resulting in one minor shock and one fatality, as well as one claim filed against SMUD. Forty-three dig-ins were reported with zero injuries.

3. Additional Supporting Information

The new SD-6 Safety Direction became effective August 21, 2014. Our goal is to achieve the desired performance objectives by year-end 2020. This report summarizes safety performance in 2020.

Safety Leadership. Continuing in 2020, the new Safety Manager continues with his integration efforts to support Executive Leadership's 5-year plan that emphasized zero incidents and injuries and a focus on a zero-accident safety culture. SMUD's Chief

Executive Officer (CEO) Paul Lau re-emphasized the need to improve safety at SMUD with a greater focus of developing a "Safety for Life" culture, reducing the risk of serious injuries and fatalities, implementing a safety management system, and improving the analysis of injury and incident trends. These goals are outlined in SMUD's new Safety Road Map.

Safety Road Map. SMUD completed its Safety Road Map in December of 2020 with a planned roll-out in early 2021. The Road Map emphasizes a safety for life culture where we support safety leadership, encourage employees to model safety, partner with our contractors, and care for our community.

Safety Management System. SMUD's new Safety Manager is partnering with IT to finalize the SMUD selection process for the safety software vendor selection. Enhancement areas that the Safety team are working to elevate within core safety competencies include: leadership and staff roles and responsibilities, updating safety standards, field training, change management, human performance engineering, field observations, SCORCH, safe driving, ergonomics, job hazard analyses, contractor safety and public safety improvements.

Safety Standards Development. During 2020, Safety continued the efforts to develop new standards and update existing standards to assist in the improved safety of SMUD operations. Standards ready for Director review include: Bloodborne Pathogens; Confined Space Entry; Excavation, Trenching & Shoring; Fall Protection; General Safety Rules; Heat Illness; and Personal Protective Equipment, to name a few. The completed standards include the New Injury and Illness Prevention Program COVID-19 Appendix; 2020 Wildfire Smoke Update; and Special Motorized Equipment.

Supervisor-Employee Interactions. Safety staff updated and strengthened its supervisor-employee interaction quality program. Improvements included data governance definitions for Supervisor-Employee Interactions, Safety Contacts, Field and Office visits. Emphasis is placed on field visits for work with the highest hazard potential. For office personnel, an emphasis is placed on observing personnel pertaining to ergonomic risk, and slip/trip/fall hazards in walking areas, etc. During 2020, a total of 17,539 Supervisor-Employee interactions were complete that resulted in a percentage observed 167%.

Near Miss Reporting. Leadership continues to support and encourage near miss reporting. The process improvements that were initiated in SMUD's Safety Incident Tracking System (SITS), provide a method to more effectively track and implement near miss reporting and public incident tracking. The goal of this process is to identify opportunities for learning before injuries and accidents occur. During 2020, SMUD Grid Assets and Power Generation, reported and investigated 50 Near Misses through SITS.

Community and Public Safety. Community and Public Safety efforts have focused on providing awareness messaging to customers and contractors in the Sacramento area.

Partnering with the Marketing Department, SMUD Public Safety messaging campaign has reached audiences on billboards, visual media, and print regarding car pole, excavating, and electrical safety. This messaging was tailored to educate and make aware the public on how to safely avoid interaction with SMUD infrastructure.

Through 2020, SMUD held one public safety outreach session in collaboration with Grid Assets and Sacramento Power Academy (SPA) for Cal Fire that included a technical presentation on how the electrical distribution and transmission system function and a tour of the electrical equipment used for training at SPA. Public safety outreach opportunities have been challenged by COVID-19, with more than 20 training sessions with local emergency personnel, local contractors, local companies, and Sacramento community members being cancelled. SMUD has continued to collaborate with local emergency personnel through development of electrical safety fact sheets for Fire Department Captains to use during fire incident report outs with their respective Fire Departments. Additionally, SMUD Safety and SPA have partnered to develop an electrical safety awareness video for First Responders, which is planned for distribution in early 2021.

Contractor Safety. SMUD's contractor safety program, is continuing to use ISN, as our online contractor pre-qualification and management program that is used in the evaluation of our contractor's safety record and safety program. at heights, vegetation management, confined spaces, excavations, etc.

SMUD currently has 65 contractors in the ISN program. We continue to network and benchmark with the other utilities, who are using ISN as part of their contractor safety program to further enhance SMUD's process. As part of the growth we have expanded our site safety evaluations performed on our high-risk contractors, a tool to aid SMUD in validating their safety performance on the jobsites. Last year 61 site safety evaluations were completed, and we are on track to complete 140 for the year of 2020. We are continuing to validate our prequalification criteria and selection processes. SMUD's prequalification criteria focuses on Contractor Fatality History, OSHA Citation History, DART and Total Recordable Incident Rates (TRIR), Insurance Experience Modification Rate, Safety Culture Questions, and Safety Program Review, to aid in the evaluation of on the safety performance of our contractors.

Procurement and Safety have partnered together working on enhancing SMUD's contract language as it relates to contractor safety requirements, RFP templates for high risk work, and incorporating contractor safety as part of the onboarding process.

Safely Conducted Observations Reduce Common Hazards (SCORCH). For 2020, SCORCH team members conducted 3,583 Office and Professional interactions whereas the SCORCH Field groups employee interactions were 1,546. These interactions resulted in the removal of 3 barriers to safety. The immediate

implementation of remote work called for a quick pivot of our process to allow observation engagement to take place in our traditional peer to peer and an enhanced virtual self-observation format. An updated digital observation sheet was created to elevate the user experience and enhance our ability to timely capture the work behaviors associated with the large numbers of employees now in a work environment. Valuable best practices and trending analysis data was shared with Safety, Facilities, IT and leadership. This was done to aid departments in aligning and prioritizing business practices in ways that best meet the ergonomic challenges of a remote work environment, with data to support the steps.

4. Challenges

Pandemic. The challenge for Safety this year is COVID-19. SMUD safety, HRD&I, Emergency Planning, Facilities and Communications worked to develop new COVID-19 guidance and testing programs to protect employees, contractors, and the public. These efforts resulted in no work-related COVID-19 exposures and limited absenteeism to our employees. During the second half of 2020, SMUD focused on planning for the safe re-entry of employees, and the development of new safety controls and programs for remote workers. Lastly, Safety and our Emergency Planning teams continue to work pre-plan for employee vaccinations. Communication efforts are underway to encourage employees to voluntarily get the vaccine.

Data Management. Improving the quality, automation, and use of safety data is an ongoing challenge. Efforts are underway with SMUD's IT staff to select a Safety Management System to automate the generation of data and so that Safety can trend recorded incidents using data analytics. In addition, Safety expanded its dashboard reporting and real-time DART, OSHA Recordable, and Preventable Vehicle Accident (PVA) reporting. The new SMS will also allow improved data management of employee suggestions, correction action closure rates, and tailboard status.

Zero Accident Culture. As presented in this report, SMUD continues to work toward a reduction in all incidents. During the past 12 months, SMUD leadership and employees have worked together to build trust and create effective JLMSC Teams, SCORCH (behavior-based) Committees, Safety for Life efforts, contractor safety field visits, and standards/programs. In addition, SMUD has worked closely with contractors conducting high risk work to support the reduction of injuries and incidents to their employees and subcontractors.

5. Recommendation

SMUD is committed to becoming a recognized leader in safety. Both SMUD's leadership team and employees recognize that to achieve success we must integrate safety into all that we do. SMUD is in compliance with SD-6 and recommends that the Board accept the Monitoring Report for SD-6.

6. Appendices - Business Segment Safety Program Improvement Initiatives

Grid Assets (GA). Grid Assets Leadership is continuing to encourage field staff's input and participation on work group specific Joint Labor Management Safety Committees (JLMSC), with representatives from Field, Supervision, Union and Safety in attendance. The Quarterly Business Segment JLMSC has been expanded to an "All Energy Delivery" Joint Labor Management Safety Committee, to include Power Generation, which allows sharing of ideas and mitigation controls, for similar risks. The first meeting was held on Wednesday, April 29th, 2020, via Skype, due to COVID-19 impacts. The second meeting was held on Thursday, August 13, 2020, (also via Skype). Response from participants has been positive and the value is being recognized.

The Safety Team continues to use TapRoot® to identify causal factors, root causes of Serious Injury/Illness Incidents; and reduce workplace hazards and the potential for repeat incidents.

Safety has continued to work with the SMUD Power Academy, through the COVID Pandemic to review internal and external safety training programs, to ensure consistency and quality. An example of collaboration, teamwork, and a process improvement is recording Safety Meetings and uploading them into LMS, for review by employees who missed their originally scheduled Monthly Safety Meeting. Safety has also worked with the Learning and Development Team on the COVID-19 e-learning courses and updates to provide this important training topic to employees online.

The Safety Team has also assisted various work groups for onsite crew trainings, which have been minimized, due to the COVID-19 social distancing requirements. The Safety Team has worked to create social distancing floor plans for these trainings, provided signage, temperature stations, sanitization, PPE, and other support, as needed.

Energy Supply/Power Generation (ES).

Since the beginning of the COVID-19 Pandemic, Power Generation has been flexible in their response to be able to prioritize employee safety while also ensuring that the work is completed. The UARP increased work planning efforts to isolate crews and document work routes in case contact tracing is needed. Gas Pipeline began reporting directly to the field to limit employee to employee contact. Safety meetings including Joint Labor Management Safety Committee, Tailboards, Safety Meetings and Safety Training, including annual crew training, have continued with appropriate modifications to occur virtually, or when an in-person meeting is required social distancing and facial coverings are utilized.

COVID-19 also halted the continuation of the Functional Movement Screens (FMS); however, Power Generation employees continued with their Savvy FIT Daily Dozen for soft tissue injury reduction. As a result, soft tissue injuries continue to trend down. In

addition to the COVID-19 Pandemic, Power Generation has also responded to extreme high heat and wildfire smoke events. Work was planned to ensure that employees were able to reduce or eliminate potential exposures.

Although Cal/OSHA's Voluntary Protection Program (VPP) program has been limited in its scope and participation due to the COVID-19 pandemic, both the UARP and Gas Pipeline Operations (GPO) continue to pursue best in class improvements. The UARP continues to implement the 2017 arc-flash study recommendations, and has fully implemented the pre-startup-safety review (PSSR) as part of their management of change. UARP has ongoing continuous improvement processes through various avenues, including JLMSC, facilities inspections and new processes to eliminate or reduce hazards. GPO continues to meet in VPP and JLMSC meeting to prepare for the Cal/OSHA audit that will likely be scheduled in 2021 or 2022 due to COVID-19 restrictions.

Customer & Community Services (CCS). The Customer Operations Leadership Team safety efforts have continued to emphasize leadership involvement, and employee engagement. Leadership has demonstrated visible involvement through written and verbal communications, as well as through regular supervisory inspections and observations to identify and reinforce the importance of smart set-up of workstations, as well as safe ergonomic behaviors. Employees are taking COVID-19 training and practice their situational awareness training while social distancing, remote work SCORCH observations, and using COVID-19 safe work practices while on SMUD campuses.

Workforce Enterprise Services (WES). Workforce Enterprise Services continued efforts to identify and update procedures, and/or work practices for areas of high-risk work. These efforts have been consistently applied through the fleet, warehouse, and facility operations. Other injury prevention efforts have included updating of ergonomic training to address methodologies for self-help for employees to maintain strength, mobility, and conditioning. In addition, the Environmental Services team is also participating in the beta testing of the contractor safety pre-qualification program.

Driver Safety. In 2020 the approach to Driver Safety was significantly adjusted due to the impacts of COVID-19. In-cab and in-person instruction and ride along activities such as Driving RODEO's and Supervisor Ride-a-longs were halted to prevent possible COVID-19 exposure. The van pool program was also suspended for the same reason. Additional adjustments for 2020 include the development and implementation of "virtual" defensive driving refresher training that covers Smith System techniques as well as SMUD related information. Drivers will be offered the opportunity to take the behind the wheel portion of the training when it can be performed safely. Revised refresher training is available through LMS now. Additional educational information in the form of brief PowerPoint Presentations covering various vehicle related topics have been made available on the Health and Safety SharePoint site for the use of business unit supervisors when conducting safety meetings

Safety for Life. The Safety for Life events scheduled for 2020 were postponed due to COVID-19. To ensure the Safety for Life culture continues to evolve during this time of social distancing and remote work, more emphasis will be placed on Safety for Life communications and testimonials. Safety at a Glance and formal safety meetings will be the primary methods of communication utilized.

Safety Support. As the construction of the HQ project finished up, SMUD Safety conducted a Polychlorinated biphenyls (PCBs) and Volatile Organic Compound air sampling, worked with Environmental Services in completing a PCB risk assessment, and is supporting and reviewing a PCB Close Out report that will be sent to the U.S. Environmental Protection Agency, and is conducting joint safety assessments with RC to ensure that work practices are being performed properly. Safety Services has developed specific work practices; created a work permitting process and develop a Health and Safety Standard for work involving PCBs. In addition, Safety is working Environmental and Substation staff in the construction and sampling of soil at Station G.

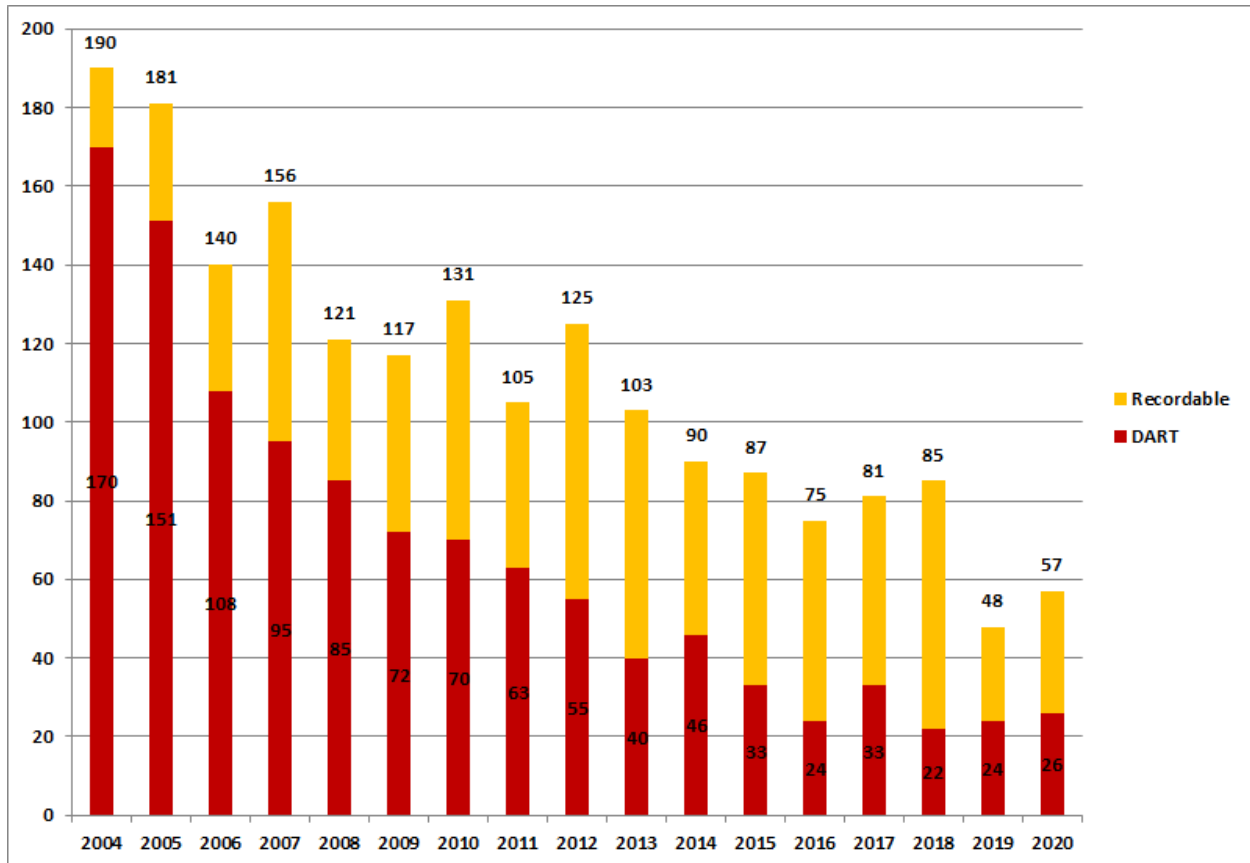
Wellness. Employee health and wellness continues to be a priority for SMUD. Wellness is a state of being, evolving from a way of living, that helps individuals achieve their highest potential through the integration of all components of their lives. SMUD promotes wellness through a holistic approach that recognizes all areas of employee health and well-being including physical, financial, emotional, spiritual and social wellness. During 2020, Wellness activities were modified to support employees working remotely through remote wellness programs and activities. These activities focused on improving and supporting physical and mental health, healthy eating, stress, and coping with changes in lifestyle.

In the fall of this year, Safety teamed with HR to support a flu shot campaign for onsite and remote workers. Kaiser provided flu shots at the EC-OC, CSC, and Fresh Pond campuses. In addition, SMUD identified health care facilities and pharmacies that would provide the flu vaccinations.

Health & Wellness realizes the environments in which we live and work, impacts our well-being. SMUD efforts includes employees and their families by empowering individuals to promote and model positive attitudes and behaviors through a lifelong commitment to wellness.

Appendix A

DART Count and OSHA Recordable 2004-2020



SSS No.

E,S,RES 21-03

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

Policy, March 10, 2021

Board Meeting Date

March 18, 2021

TO					TO						
1.	Claire Rogers				6.						
2.	Jennifer Davidson				7.						
3.	Stephen Clemons				8.						
4.					9.	Legal					
5.					10.	CEO & General Manager					
Consent Calendar		X	Yes	No If no, schedule a dry run presentation.		Budgeted		X	Yes	No (If no, explain in Cost/Budgeted section.)	
FROM (IPR)					DEPARTMENT					MAIL STOP	
Patrick Durham					ES&RES					EXT. DATE SENT	
					B203					6327 02/22/2021	

NARRATIVE:

Requested Action: Discuss, with possible amendment, **Strategic Direction SD-6, Safety.**

Summary: Discuss any proposed changes to the language to Strategic Direction 6 (SD-6) Safety. The last update of SD-6 was in 2014.

Board Policy: SD-6 is Core Value of Safety.
(Number & Title)

Benefits: Provide the Board of Directors with an opportunity to review and update the SD, and make any policy revisions, as necessary.

Cost/Budgeted: None

Alternatives: Keep existing SD-6 language with no changes.

Affected Parties: Board of Directors, Executive Staff

Coordination: Organization-wide

Presenter: Patrick Durham, Director of Environmental and Real Estate Services

Additional Links:

SUBJECT

Possible amendment to Strategic Direction SD-6, Safety

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

<u>SMUD BOARD POLICY</u>	
Category: Strategic Direction	Title: Safety <u>Leadership</u>
	Policy Number: SD-6
Date of Adoption: August 21, 2003	Resolution No. 03-08-12
Revision Date: October 16, 2003	Resolution No. 03-10-14
Revision Date: February 3, 2005	Resolution No. 05-02-06
Revision Date: November 15, 2007	Resolution No. 07-11-12
Revision Date: December 20, 2012	Resolution No. 12-12-11
Revision Date: August 21, 2014	Resolution No. 14-08-05
<u>Revision Date:</u> <u>March 18, 2021</u>	<u>Resolution No. 21-##-##</u>

Creating a safe environment for employees and the public is a core value of SMUD.

Through **best practice methods and** continuous improvement, SMUD will be recognized as a leader in employee safety while also assuring the safety of the public related to SMUD operations and facilities. **This requires a proactive approach, including the active involvement of SMUD leadership, employees, contractors, and our community, as well as** comprehensive ~~approach to~~ monitoring of organizational and public safety performance.

Therefore, SMUD will continue to improve safety results to:

Workplace Safety

- a) Reduce SMUD's injury severity **incidents to 13 or less than by 2025 rate to 1.4 by 2020**, as measured by OSHA's Days Away Restricted Time (DART), a rate that demonstrates **top quartile strong** safety performance.
- b) Provide timely, quality health care for injured employees that aids their recovery while maintaining positive financial performance of the workers' compensation program.

Contractor Safety

- a) **Support contractors to reduce and eliminate potential hazards for Serious Injuries and/or Fatality (SIF) when conducting high risk work.**

Public Safety

- a) Track and report injuries to the public **directly** related to SMUD operations or facilities.
- b) Implement measures to protect the public from injuries related to SMUD operations or facilities.

Monitoring Method: GM Report
Frequency: Semi-Annual

<u>SMUD BOARD POLICY</u>	
Category: Strategic Direction	Title: Safety Leadership
	Policy Number: SD-6
Date of Adoption: August 21, 2003	Resolution No. 03-08-12
Revision Date: October 16, 2003	Resolution No. 03-10-14
Revision Date: February 3, 2005	Resolution No. 05-02-06
Revision Date: November 15, 2007	Resolution No. 07-11-12
Revision Date: December 20, 2012	Resolution No. 12-12-11
Revision Date: August 21, 2014	Resolution No. 14-08-05
Revision Date: March 18, 2021	Resolution No. 21-##-##

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- a) Support contractors to reduce and eliminate potential hazards for Serious Injuries and/or Fatality (SIF) when conducting high risk work.

Public Safety

- a) Track and report injuries to the public directly related to SMUD operations or facilities.
- b) Implement measures to protect the public from injuries related to SMUD operations or facilities.

Monitoring Method: GM Report
Frequency: Semi-Annual

SSS No. SCS 21-035

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Policy Committee, 3/10/2021Board Meeting Date
3/18/2021

TO				TO					
1.	Casey Fallon			6.					
2.	Gary King			7.					
3.	Jennifer Davidson			8.					
4.	Stephen Clemons			9.	Legal				
5.				10.	CEO/GM				
Consent Calendar		Yes	X	No <i>If no, schedule a dry run presentation.</i>		Budgeted	Yes	No - informational item	
FROM (IPR) Denise Reyes				DEPARTMENT Procurement, Warehouse & Fleet			MAIL STOP EA404	EXT. 7141	DATE SENT 2/25/2021
NARRATIVE:									
<p>Requested Action: Discuss proposed revisions to Emergency Procurement provision of Board-Staff Linkage BL-8, Delegation to the Chief Executive Officer and General Manager with Respect to Procurement.</p> <p>Summary: BL-8 authorizes the CEO to enter into an emergency procurement in an amount not to exceed \$1 million. Based on current and foreseeable economic conditions going forward, staff will recommend the Board adopt an amendment to the policy to increase the emergency delegation for the CEO from \$1 million to \$2 million.</p> <p>Board Policy: BL-8, Emergency Procurement Delegation (Number & Title)</p> <p>Benefits: To maintain a minimum level of production through expanded emergency procurement delegation as needed going forward to support safety and reliability for the community.</p> <p>Cost/Budgeted: No cost associated with this action.</p> <p>Alternatives: Leave the current emergency delegation at \$1 million unchanged.</p> <p>Affected Parties: Procurement, Legal and Board</p> <p>Coordination: Procurement, Board Office</p> <p>Presenter: Casey Fallon, Director Procurement, Warehouse & Fleet</p>									

SUBJECT

BL-8, Emergency Procurement Review

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SMUD BOARD POLICY	
Category: Board-Staff Linkage	Title: Delegation to the Chief Executive Officer and General Manager With <u>with</u> Respect to Procurement
	Policy Number: BL-8
Date of Adoption: August 21, 2003	Resolution No. 03-08-07
Revision: October 16, 2003	Resolution No. 03-10-14
Revision: June 3, 2004	Resolution No. 04-06-04
Revision: October 16, 2008	Resolution No. 08-10-09
Revision: October 1, 2009	Resolution No. 09-10-05
Revision: August 4, 2011	Resolution No. 11-08-04
Revision: November 17, 2011	Resolution No. 11-11-06
Revision: March 15, 2012	Resolution No. 12-03-13
Revision: August 21, 2014	Resolution No. 14-08-03
Revision: December 15, 2016	Resolution No. 16-12-18
Revision: July 16, 2020	Resolution No. 20-07-05
<u>Revision:</u> <u>March 18, 2021</u>	<u>Resolution No.</u> <u>21-03-XX</u>

The procurement of goods and services is an integral part of SMUD operations. SMUD's procurement activities shall take place in accordance with the following principles:

- a) **Competition:** SMUD's procurement activities shall be competitive whenever practical.
- b) **Direct Procurement:** Direct procurement may be utilized when it is in SMUD's best interest. Direct procurement is the purchase of goods or services without competition when multiple sources of supply are available.

- c) **Sole Source Procurement:** Sole source procurement shall be performed only in the case of emergency or when a competitive process would be an idle act.
- d) **Inclusiveness:** SMUD's procurement practices shall promote inclusiveness of the entire supplier community in its contracting opportunities.
- e) **Economic Development:** SMUD's procurement practices shall promote the economic development of the community we serve.
- f) **Environmental Procurement:** SMUD shall minimize the impact on the environment through its procurement practices. In making procurement decisions, staff shall consider the environmental impacts in assessing total cost and benefits.
- g) **Responsible Bidder:** SMUD shall only do business with reputable and responsible suppliers. A Responsible Bidder demonstrates trustworthiness, quality, capacity, financial capability, fair labor practices, and experience to satisfactorily perform SMUD work through the bidding and evaluation process. In addition, SMUD will determine Responsible Bidders by considering a supplier's social, environmental ethical, and safety accountability where applicable.
- h) **Best Value Procurement:** SMUD may procure goods and services by the best value at the lowest cost methodology where cost and other factors are used to obtain the maximum value while ensuring a fair and equitable process.
- i) **Strategic Alliances:** SMUD may enter into strategic alliance contracts for the procurement of goods or services. A Strategic Alliance is a competitively bid multi-year contract for goods and/or services in which the Supplier and SMUD work collaboratively over the life of the contract to improve quality, and to explore design and process improvements to reduce the cost of production, service delivery, and the total cost of ownership. These benefits are shared both by SMUD and the Supplier.
- j) **Supply Chain Risk:** SMUD's procurement activities shall identify, manage, and mitigate supply chain risks through a coordinated effort across the enterprise.
- k) **Protest Policy:** SMUD shall ensure that suppliers are afforded the opportunity to have their grievances heard through a fair protest process.
- l) **Delegation of Authority to the Chief Executive Officer and General Manager:** The Chief Executive Officer and General Manager is delegated authority to perform and approve the procurement activities in accordance with the below matrix. This delegation includes the authority to amend contracts for time extensions or other changes that create no additional cost to SMUD.

<u>Category</u>	<u>Amount</u>
Competitive Awards:	
Operational Inventory	\$8 million
Non-inventory Materials	\$8 million
Construction and Maintenance Services	\$8 million
Information Technology	\$8 million
Professional and Consulting Services	\$2 million
Rents and Leases	\$1 million
Sole Source:	
All types except Maintenance/Licensing Fees	\$1 million
Maintenance/Licensing Fees approved amount	\$3 million or original
Direct Procurement:	
Materials/Supplies/Services	\$50k
Government Entities	\$1 million
Nonprofit Entities (services/goods)	\$1 million
Emergency Procurements:	
All types	\$4 <u>2</u> million
Nonprofit Entities:	
Memberships/Project Participation Agreement	\$3 million
Contingencies:	
Board Awarded Contracts	Up to 10% of contract award

Monitoring Method: GM Report
Frequency: Quarterly

SMUD BOARD POLICY	
Category: Board-Staff Linkage	Title: Delegation to the Chief Executive Officer and General Manager with Respect to Procurement
	Policy Number: BL-8
Date of Adoption: August 21, 2003	Resolution No. 03-08-07
Revision: October 16, 2003	Resolution No. 03-10-14
Revision: June 3, 2004	Resolution No. 04-06-04
Revision: October 16, 2008	Resolution No. 08-10-09
Revision: October 1, 2009	Resolution No. 09-10-05
Revision: August 4, 2011	Resolution No. 11-08-04
Revision: November 17, 2011	Resolution No. 11-11-06
Revision: March 15, 2012	Resolution No. 12-03-13
Revision: August 21, 2014	Resolution No. 14-08-03
Revision: December 15, 2016	Resolution No. 16-12-18
Revision: July 16, 2020	Resolution No. 20-07-05
Revision: March 18, 2021	Resolution No. 21-03-XX

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<u>Category</u>	<u>Amount</u>
Competitive Awards:	
Operational Inventory	\$8 million
Non-inventory Materials	\$8 million
Construction and Maintenance Services	\$8 million
Information Technology	\$8 million
Professional and Consulting Services	\$2 million
Rents and Leases	\$1 million
Sole Source:	
All types except Maintenance/Licensing Fees	\$1 million
Maintenance/Licensing Fees approved amount	\$3 million or original
Direct Procurement:	
Materials/Supplies/Services	\$50k
Government Entities	\$1 million
Nonprofit Entities (services/goods)	\$1 million
Emergency Procurements:	
All types	\$2 million
Nonprofit Entities:	
Memberships/Project Participation Agreement	\$3 million
Contingencies:	
Board Awarded Contracts	Up to 10% of contract award

Monitoring Method: GM Report
Frequency: Quarterly

SSS No.
BOD 2021-001

BOARD AGENDA ITEM STAFFING SUMMARY SHEET

Committee Meeting & Date Policy 2021
Board Meeting Date 2021

TO					TO					
1.	Jennifer Davidson				6.					
2.	Stephen Clemons				7.					
3.					8.					
4.					9.	Legal				
5.					10.	CEO & General Manager				
Consent Calendar		<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No	Budgeted		<input type="checkbox"/>	Yes	No (If no, explain in Cost/Budgeted section.)	
FROM (IPR) Nancy Bui-Thompson / Donna Lofton					DEPARTMENT Board Office			MAIL STOP B307	EXT. 5079	DATE SENT 12/22/2020
NARRATIVE:										
<p>Requested Action: Enable the Board of Directors and Executive Staff an opportunity to review the Board Work Plan.</p> <p>Summary: The Board President reviews the Board Work Plan at the Policy Committee meeting to ensure agenda items support the work of the Board.</p> <p>Board Policy: This review of the work plan supports GP-6 Role of the Board President which states that the Board President shall give progress reports on the Board's work plan. (Number & Title)</p> <p>Benefits: Reviewing the Work Plan allows the Board members and Executive staff to make changes to the Work Plan and Parking Lot items as necessary.</p> <p>Cost/Budgeted: N/A</p> <p>Alternatives: Not review the Work Plan at this time</p> <p>Affected Parties: Board and Executive staff</p> <p>Coordination: Donna Lofton</p> <p>Presenter: Nancy Bui-Thompson, Board President</p>										

Additional Links:

SUBJECT Board Work Plan	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No.

BOD 2021-004

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

Policy 2021

Board Meeting Date

N/A

TO					TO				
1.	Stephen Clemons				6.				
2.	Jennifer Davidson				7.				
3.					8.				
4.					9.	Legal			
5.					10.	CEO & General Manager			

Consent Calendar	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>	Budgeted	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Heidi Sanborn / Donna Lofton					DEPARTMENT Board Office			MAIL STOP B307	EXT. 5079
								DATE SENT 12/22/20	

NARRATIVE:

Requested Action: Provide a summary of committee direction from the Board to Staff.

Summary: During a Board discussion at the January 2017 Policy Committee, the Board requested having an on-going opportunity to do a wrap up period at the end of each committee meeting to summarize various Board member suggestions and requests that were made at the meeting in an effort to make clear the will of the Board. The Committee Chair will summarize Board member requests that come out of the committee presentations for this meeting.

Board Policy: GP-4 Agenda Planning states the Board will focus on the results the Board wants the organization to achieve.
(Number & Title)

Benefits: Having an agendaized opportunity to summarize the Board's requests and suggestions that arise during the committee meeting will help clarify what the will of the Board.

Cost/Budgeted: N/A

Alternatives: Not summarize the Board's requests at this meeting.

Affected Parties: Board of Directors and Executive Staff

Coordination: Donna Lofton, Special Assistant to the Board

Presenter: Heidi Sanborn, Policy Committee Chair

Additional Links:

SUBJECT

Summary of Committee Direction

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.