SMUD Board of Directors 2022 Survey Results

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February 9, 2022

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Survey Background

A survey was administered in January of 2022 to assess the practices of SMUD's Board of Directors.

The same survey questions were used in seven prior Board assessments, starting in 2002.

Response rate among the 7 Board members and 10 Executive Team members was 100%.

Survey Background

There were 43 questions in 8 categories.

1. Strategic vision
2. Analysis and judgment
3. Productive communication
4. Decisiveness
5. Governance
6. Roles and responsibilities
7. Effective meetings
8. Building and maintaining relationships

Scale was 1 to 4.
1 = disagree, 4 = agree.

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Strategic Vision

	Strategic Vision	Board	Executive Team
1	Our board regularly talks about strategies to create long-term value for our owners/shareholders.	3.86	3.70
2	Our board has a clear vision for the organization.	3.86	3.70
3	Our board establishes clear strategic goals for the organization.	4.00	3.70
4	Our board is guided by the financial implications of the actions it takes.	3.57	3.30
5	Our board measures staff's performance in achieving the goals.	4.00	3.40
	Total Mean:	**3.86**	**3.56**

Analysis and Judgment

	Analysis and Judgment	Board	Executive Team
6	Our board anticipates problems and responds accordingly.	3.43	3.30
7	Our board seeks relevant information and data for solving problems.	3.57	3.70
8	Our board draws accurate, logical, objective inferences from information available.	3.71	3.50
9	Board members challenge each other's assumptions.	3.57	3.60
10	Our board solves problems effectively.	3.00	3.50
	Total Mean:	**3.46**	**3.52**

Productive Communication

	Productive Communication	Board	Executive Team
11	Board members communicate in a positive manner to one another.	2.86	3.50
12	Board members raise difficult issues with each other.	3.14	3.40
13	Board members listen carefully to each other.	3.43	3.70
14	Board members work well with different communication styles.	2.71	3.70
15	Board members are honest with each other.	3.57	3.70
16	Board members admit what they don't know and ask for help.	3.43	3.80
	Total Mean:	**3.19**	**3.63**

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Decisiveness

	Decisiveness	Board	Executive Team
17	Our board focuses on getting to the heart of an issue.	3.43	3.70
18	Our board solves problems in a timely manner.	3.29	3.50
19	Our board is willing to make tough decisions.	3.57	3.40
20	Our board sets clear priorities.	3.43	3.60
21	Our board holds itself accountable for its actions.	3.43	3.50
22	Our board makes sound decisions based on full understanding of the issues involved.	3.29	3.50
23	Board decisions are well understood by all members.	3.71	3.70
	Total Mean:	**3.45**	**3.56**

Governance

	Governance	Board	Executive Team
24	Our board has the right committees in place.	3.71	3.80
25	Our board has the right balance of committee work and full board work.	3.86	3.60
26	Our board has sound policies for its own governance.	4.00	3.80
27	Our board has sound policies for working with staff.	3.86	3.70
28	Our board coordinates its decisions well with staff.	3.57	3.60
29	Our board reviews its own performance and makes improvements as needed.	2.86	3.40
	Total Mean:	**3.64**	**3.65**

Roles and Responsibilities

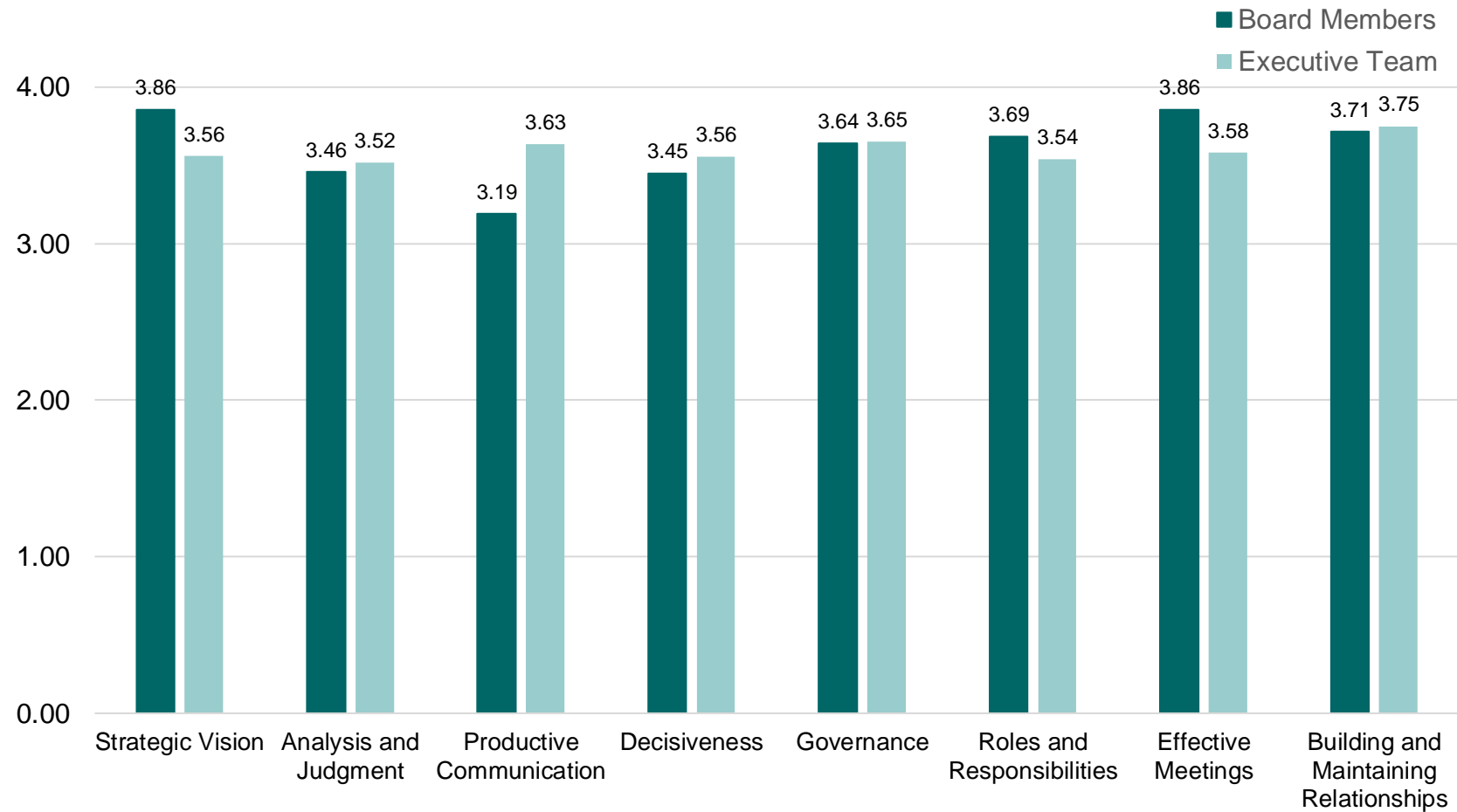|	Roles and Responsibilities	Board	Executive Team
30	Board members are clear about their role in the organization.	3.29	3.40
31	Board members are clear about the staff's role in the organization.	3.57	3.50
32	Board members are clear about their individual decision-making authority.	3.71	3.60
33	Staff is clear about the board's decision-making role.	3.86	3.50
34	Board and staff have a productive working relationship.	4.00	3.70
	Total Mean:	**3.69**	**3.54**

Effective Meetings

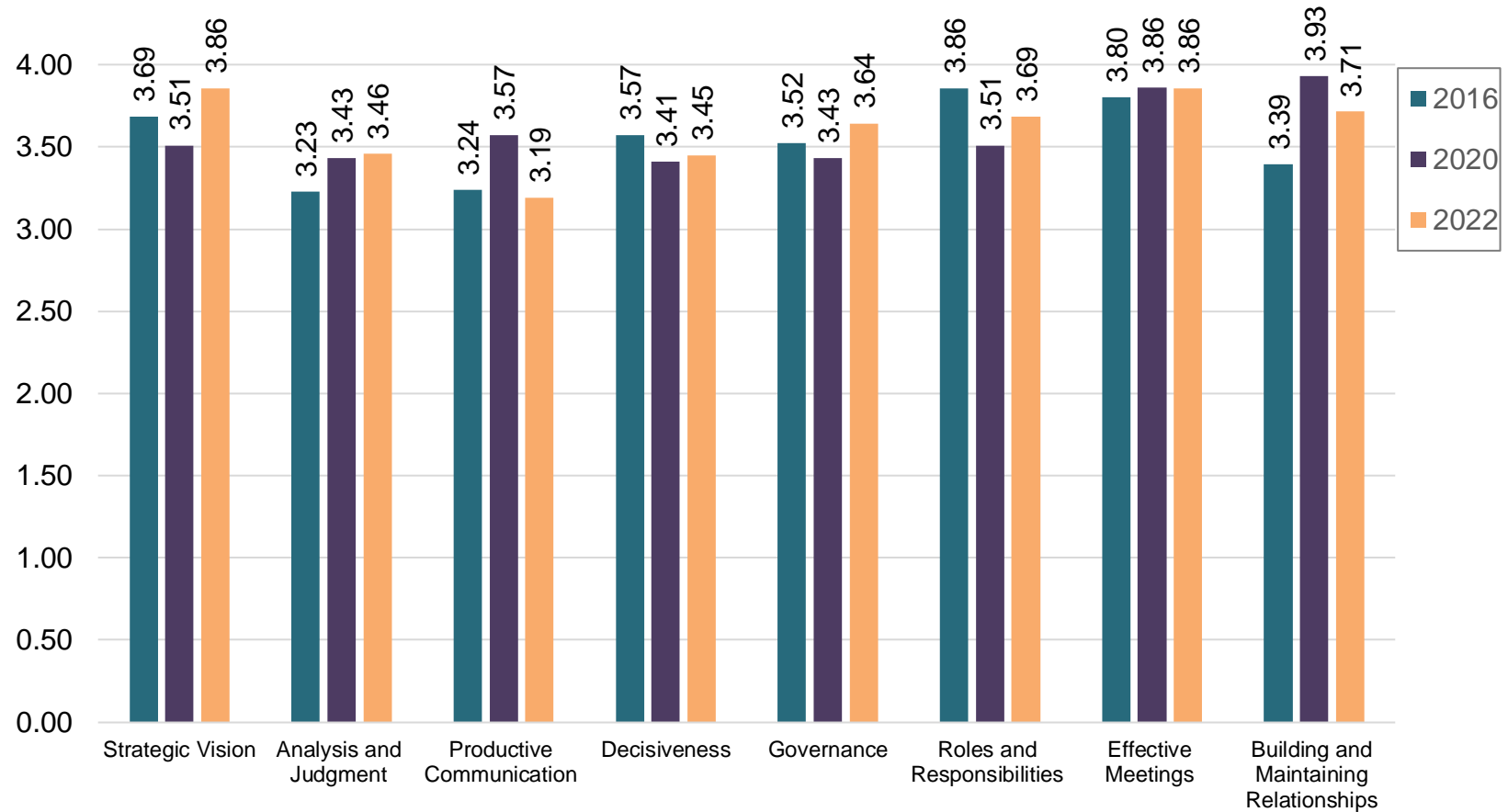|	Effective Meetings	Board	Executive Team
35	Our board meetings have a clear purpose to them.	3.86	3.50
36	Our board meetings have a clear agenda.	4.00	3.70
37	Our board gets things done at our meetings.	4.00	3.70
38	Our board meetings have the right blend of board and staff input.	3.71	3.70
39	Our board meetings are managed well.	3.71	3.30
	Total Mean:	**3.86**	**3.58**

Building and Maintaining Relationships

	Building and Maintaining Relationships	Board	Executive Team
40	Board members seek out opportunities for informal communication with each other.	3.71	3.70
41	Board members trust one another.	3.57	3.60
42	I can count on the other members of the board to help me when I need it.	3.86	3.90
43	I trust my fellow board members.	3.71	3.80
	Total Mean:	**3.71**	**3.75**

2022 Survey Results for
Board Members and Executive Team

Chart legend:
- Board Members
- Executive Team

Category	Board Members	Executive Team
Strategic Vision	3.86	3.56
Analysis and Judgment	3.46	3.52
Productive Communication	3.19	3.63
Decisiveness	3.45	3.56
Governance	3.64	3.65
Roles and Responsibilities	3.69	3.54
Effective Meetings	3.86	3.58
Building and Maintaining Relationships	3.71	3.75

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Board of Directors
2016-2022 Survey Results

	2016	2020	2022
Strategic Vision	3.69	3.51	3.86
Analysis and Judgment	3.23	3.43	3.46
Productive Communication	3.24	3.57	3.19
Decisiveness	3.57	3.41	3.45
Governance	3.52	3.43	3.64
Roles and Responsibilities	3.86	3.51	3.69
Effective Meetings	3.80	3.86	3.86
Building and Maintaining Relationships	3.39	3.93	3.71

Board Members
Highest-Scoring Questions in 2022

		2002	2004	2006	2009	2012	2016	2020	2022	Change since 2020	
3	Our board establishes clear strategic goals for the organization.	2.29	3.57	3.83	3.86	3.86	3.86	3.57	4.00	↑	0.43
5	Our board measures staff's performance in achieving the goals.	2.57	3.00	3.67	3.29	3.86	3.43	3.71	4.00	↑	0.29
26	Our board has sound policies for its own governance.	2.43	3.57	3.67	3.86	4.00	3.86	3.57	4.00	↑	0.43
34	Board and staff have a productive working relationship.	2.86	3.57	3.83	3.67	4.00	4.00	3.71	4.00	↑	0.29
36	Our board meetings have a clear agenda.	3.86	3.86	4.00	3.86	4.00	4.00	4.00	4.00	-	0.00
37	Our board gets things done at our meetings.	3.29	3.43	3.83	3.29	3.86	3.71	3.86	4.00	↑	0.14
1	Our board regularly talks about strategies to create long-term value for our owners/shareholders.	2.43	3.14	3.83	3.43	4.00	4.00	3.71	3.86	↑	0.15
2	Our board has a clear vision for the organization.	2.43	3.29	3.67	3.57	3.86	3.57	3.29	3.86	↑	0.57
25	Our board has the right balance of committee work and full board work.	3.00	3.14	3.83	3.14	3.14	3.43	3.71	3.86	↑	0.15
27	Our board has sound policies for working with staff.	2.29	3.86	3.83	3.71	4.00	3.86	3.43	3.86	↑	0.43

Key	
Green	Reflects a statistically significant increase from 2020
Red	Reflects a statistically significant decrease from 2020

Board Members
Lowest-Scoring Questions in 2022

		2002	2004	2006	2009	2012	2016	2020	2022	Change since 2020	
14	Board members work well with different communication styles.	2.86	2.43	2.83	3.29	3.14	3.14	3.57	2.71	↓	-0.86
11	Board members communicate in a positive manner to one another.	3.00	3.14	2.83	3.57	3.57	3.29	3.71	2.86	↓	-0.85
29	Our board reviews its own performance and makes improvements as needed.	2.00	2.71	3.33	2.86	3.43	3.00	2.86	2.86	-	0.00
10	Our board solves problems effectively.	2.86	2.71	3.33	2.83	3.71	3.43	3.14	3.00	↓	-0.14
12	Board members raise difficult issues with each other.	2.86	2.71	3.17	2.80	3.00	3.00	3.29	3.14	↓	-0.15
18	Our board solves problems in a timely manner.	3.00	3.00	3.17	3.17	3.57	3.57	2.86	3.29	↑	0.43
22	Our board makes sound decisions based on full understanding of the issues involved.	3.00	3.00	3.17	3.29	3.86	3.71	3.71	3.29	↓	-0.42
30	Board members are clear about their role in the organization.	2.57	3.43	3.67	3.29	3.71	3.71	3.14	3.29	↑	0.15
6	Our board anticipates problems and responds accordingly.	2.43	2.86	3.00	2.83	3.71	2.86	2.86	3.43	↑	0.57
13	Board members listen carefully to each other.	3.14	3.14	3.17	3.29	3.14	3.14	3.57	3.43	↓	**-0.14**

Key	
Green	Reflects a statistically significant increase from 2020
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SMUD Board of Directors
Interview Findings

Background

Interviews were conducted with six of the seven Board members and ten Executive Team members in December 2021 and January 2022.

Major Accomplishments

Board members and executives cited similar highlights from 2021:

1. Important updates to Board policies: Purpose, vision, rates, employee relations
2. Major decisions: zero carbon plan, updated solar rate, union negotiations, new child-care center, Solano 4 wind project
3. SMUD's national leadership
4. Community & customer engagement
5. Virtual meetings effective in increasing community participation.
6. Board's system of governance continued to serve SMUD well.

Areas of Focus for 2022

What should the Board focus on in 2022?

1. Monitor implementation of zero carbon plan.
2. Continue to focus on the Board's goals (e.g. reliability, affordable rates, customer satisfaction, DEI, safety) while implementing the plan.
3. Communicate progress to customers and stakeholders.
4. Work in coordination with CEO to engage and influence key partners.
5. Reaffirm the value of its governance system.
6. Stay on top of key industry trends.

Communication and Governance

How would you characterize the clarity of governance and quality of communication between the Board and CEO? Between the Board and executive team?

1. Board members feel that with Paul's leadership, Board and executive team have very healthy, open communication.
2. Both Board and executive team emphasized the importance of adhering to Board's governance system.

Interview Findings

"The one thing that really distinguishes SMUD is the policy governance stance of the Board. It's one of the key factors of success to SMUD. I sometimes hear us championing it, but not as often as with prior Boards."

Unity of Control

Both Board and executives emphasized the need for greater discipline in adhering to unity of control.

- "We need to be better disciplined to say that we don't expect staff to respond. Or if we do expect a response, to say why and check with our CEO on whether that's reasonable."

- It's important that Board members understand the influence they have on staff. They can give suggestions, but they need to appreciate the limits. The line between policy and implementation can be blurred."

Policy Monitoring

How would the Board like to monitor its Governance Process and Board-Staff Linkage policies?

1. Board members supported idea of clustering the policies in logical ways.
2. Board office to send out surveys for members to assess compliance.
3. Board to discuss the results of those surveys at Policy Committee.

Policies To Revisit in 2022

Clear consensus among Board members and executives:

1. System Enhancement Policy (SD-14)
2. Unity of Control Policy (BL-5)

Policies To Revisit in 2022

Other policies that received multiple mentions among Board members and executives:

1. Innovation Policy (SD-19)
2. Outreach and Communications Policy (SD-15)

Policies To Revisit in 2022

Other policies mentioned by Board members and executives:

1. Reliability Policy (SD-4)
2. Customer Relations Policy (SD-5)
3. Employee Relations Policy (SD-8)
4. Public Power Business Model Policy (SD-11)
5. Information Management and Security Policy (SD16)

Consultant Recommendations

1. Decide which policies the Board wants to focus on this year. Clear candidates:
    - System Enhancement Policy (SD-14)
    - Unity of Control Policy (BL-5)

2. Discuss public outreach strategy and how the Board can be effective in building support for SMUD's zero carbon plan.

3. Schedule a Board offsite to discuss survey and interview findings.