

# **Board Policy Committee Meeting and Special SMUD Board of Directors Meeting**

Date: Wednesday, November 16, 2022

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

Location: Virtual Meeting (online)

Powering forward. Together.



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

**Wednesday, November 16, 2022**

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

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

**Webinar/Meeting ID: 161 587 0105**

**Passcode: 374503**

**Phone Dial-in Number: 1-669-254-5252 or 1-833-568-8864 (Toll Free)**

Pursuant to Government Code section 54953(e) and the Emergency Board Meeting Procedures adopted by the SMUD Board of Directors, the regular Board meeting and other public meetings are currently conducted solely via virtual (online/teleconference) meeting to align with state, local, and federal guidelines 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](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](mailto: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](mailto: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](mailto: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 his 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 discussions, but no Board action will be taken. The purpose of the meeting will be to review, discuss and provide the Committee's recommendation on the following items:

## ***ANNOUNCEMENT OF CLOSED SESSION AGENDA***

### **1. Threats to Public Buildings, Services and Facilities.**

Pursuant to Section 54957 of the Government Code:

Consultation with: Laura Lewis, Chief Legal & Government Affairs Officer; Suresh Kotha, Chief Information Officer; and Antiwon Jacobs, Director, Cybersecurity and Federal Bureau of Investigation Sacramento Officers Assistant Special Agent in Charge Crosby Bracket; Supervisory Special Agent Nate Le; and Special Agent Nicholas Phirippidis.

### **DISCUSSION ITEMS**

1. Antiwon Jacobs  
Kelsey McFadyen  
Rob Lechner  
Accept the monitoring report for **Strategic Direction SD-16, Information Management and Security.**  
Presentation: 15 minutes  
Discussion: 15 minutes
2. Russell Mills  
Accept the monitoring report for **Strategic Direction SD-17, Enterprise Risk Management.**  
Presentation: 15 minutes  
Discussion: 20 minutes
3. Lisa Limcaco  
Authorize SMUD's Accountant to:
  - a. Utilize \$41 million of deferred operating revenues in order to offset future Community Impact Plan expenditures from 2022 through 2025 in order to match such expenditures in the appropriate accounting period for rate-making purposes; and
  - b. Defer recognition of commodity expenditures for the year ending December 31, 2022, for an amount in that net income equals to at least \$1 million, as a regulatory asset in order to match such expenditures in the appropriate accounting period for rate-making purposes.Presentation: 5 minutes  
Discussion: 1 minute
4. Lisa Limcaco  
Authorize SMUD's Accountant to defer recognition of certain expenses related to the net Pension and net other post-employment benefits (OPEB) liability in order to match such costs in the appropriate accounting period for rate-making purposes.  
Presentation: 10 minutes  
Discussion: 5 minutes

5. Brandon Rose Discuss **Election of Officers for 2023** (President and Vice President) for the SMUD Board of Directors.  
Discussion: 5 minutes

### **INFORMATIONAL ITEMS**

6. Brandon Rose Board Work Plan.  
Discussion: 5 minutes
7. Public Comment
8. Dave Tamayo 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](mailto: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](mailto:PublicComment@smud.org). The Board Chair may read the comments into the record, in his 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](mailto: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](mailto:Toni.Stelling@smud.org), or contact by phone at (916) 732-7143, no later than 48 hours before this virtual meeting.*



SSS No.  
GM 22-149

## BOARD AGENDA ITEM STAFFING SUMMARY SHEET

Committee Meeting & Date  
Policy – 11/16/22  
Board Meeting Date  
November 17, 2022

TO				TO			
1.	Antiwon Jacobs			6.	Claire Rogers		
2.	Jennifer Davidson			7.			
3.	Suresh Kotha			8.			
4.	Brandy Bolden			9.	Legal		
5.	Farres Everly			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) David Bitter		DEPARTMENT Cybersecurity		MAIL STOP K112		EXT. 6901	DATE SENT 10/26/2022

**NARRATIVE:**

**Requested Action:** Accept the monitoring report for **Strategic Direction SD-16, Information Management and Security.**

**Summary:** Present the 2021-2022 Board Monitoring Report for SD-16, Information Management and Security.

**Board Policy:** Strategic Direction SD-16, Information Management and Security.  
(Number & Title)

**Benefits:** Provides an update to the Board of Directors on the progress and status of the Information Security, Privacy and Records Management programs.

**Cost/Budgeted:** Costs contained in internal labor budget.

**Alternatives:** Receive information via memo or written report.

**Affected Parties:** All SMUD Departments

**Coordination:** Cybersecurity, Records Information Management, Legal, Facilities, Security Operations

**Presenter:** Antiwon Jacobs, Director, Cybersecurity  
Kelsey McFadyen, Enterprise Records Program Manager  
Rob Lechner, Director, Facilities & Security Operations

**Additional Links:**

SUBJECT	<b>Strategic Direction SD-16, Information Management and Security Monitoring Report</b>	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

# SACRAMENTO MUNICIPAL UTILITY DISTRICT

## OFFICE MEMORANDUM

**TO:** Board of Directors

**DATE:** November 2, 2022

**FROM:** Claire Rogers *CR 11/2/22*

**SUBJECT: Audit Report No. 28007435  
Board Monitoring Report; SD-16: Information Management and Security**

Audit and Quality Services (AQS) received the SD-16 *Information Management and Security* 2022 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 2022

## SD-16 Information Management and Security



### 1) Background

Strategic Direction Information Management and Security policy states that:

Proper management of cyber and physical information, as well as physical security, is a core value. Robust information management and physical security practices are critical to effective risk management and to ensure regulatory compliance, business resiliency and customer satisfaction. SMUD shall take prudent and reasonable measures to accomplish the following:

- a) **Information Security:** SMUD will protect customer, employee and third-party information, and SMUD information systems are protected from unauthorized access, use, disclosure, disruption, modification, or destruction.
- b) **Physical Security:** SMUD will safeguard its employees while at work as well as customers and visitors at SMUD facilities. SMUD will also protect its facilities and functions that support the reliability of the electric system and overall operation of the organization from unauthorized access or disruption of business operations.
- c) **Customer Privacy:** SMUD will annually notify customers about the collection, use and dissemination of sensitive and confidential customer information. Except as provided by law or for a business purpose, SMUD will not disseminate sensitive and confidential customer information to a third party for non-SMUD business purposes unless the customer first consents to the release of the information. Where sensitive and confidential information is disseminated for a business purpose, SMUD will ensure: (i) the third party has robust information practices to protect the sensitive and confidential customer information, and (ii) use of the information by the third party is limited to SMUD's business purpose. SMUD will maintain a process that identifies the business purposes for which SMUD will collect, use and disseminate sensitive and confidential customer information.
- d) **Records and Information Management:** SMUD will maintain the efficient and systematic control of the creation, capture, identification, receipt, maintenance, use, disposition, and destruction of SMUD records, in accordance with legal requirements and Board policies.

### 2) Executive summary

- a) The Information Security, Physical Security, Privacy, and Records and Information Management programs and initiatives align directly to our 2030 goal of providing world



class safety & reliability. These programs work towards ensuring that SMUD continues to be a good steward over customer information, physical security, privacy, and records in accordance with our customers' high expectations.

**b) SMUD is substantially in compliance with SD-16 Information Management and Security Policy.**

c) Summary:

<b>SD Requirement</b>	<b>Program/initiative/policy</b>	<b>Purpose</b>	<b>Outcome</b>	<b>Notes</b>
Information Security: protect systems and information from unauthorized access	Information security program; AP 07.03.01 Information Security Concepts and Roles	Protect systems and information; provide policy supporting the Cybersecurity program	Security controls and processes are in place to protect people, processes and technology	
Customer Privacy: Annually notify customers about use of information	Annual notice of privacy practices	Notify customers of our privacy practices	Notice sent in the May bill package	Minor changes (how we protect data and change address to PO Box)
Customer Privacy: Ensure security where data is shared	System Security Plans and SOC 2 audit reports requirement	Evaluate the information practices and security controls of third parties	High confidence that vendors are using best practices to protect SMUD sensitive and confidential information	
Customer Privacy: Maintain a process that identifies purposes for information collection and dissemination	Data Sharing Policy, Data Sharing Request/Approval Process	Track NDAs, the data being shared, and the business justification for sharing	Data Sharing process is being observed and maintained	
Records & Information Management: Identify and manage records and information	Records Evaluations	Evaluate and classify records and ensure retrieval, disposal and protection.	On-track to meet 5-year plan of completing evaluations for entire enterprise	Content subject to evaluations to be migrated beginning in 2023
Records & Information Management: Ensure all information systems are	Information System Evaluations	Review of software tools housing SMUD data and information.	Evaluate software tools for RIM compliance	RIM being added to software purchase process

compliant with RIM requirements and best practices.				
Records & Information Management: Education	Ongoing Enterprise training and Records Custodian Forums	Provide training to all of SMUD, with focused efforts on the Records Custodians	Annual training provided to all employees, with supplemental support, as needed. Also quarterly focused support for Records Custodians	
Physical Security: safeguard employees, customers, and visitors	AP 06.03.01 Increase interoperability with local law enforcement agencies during critical incidents	Protect SMUD employees and those who visit SMUD facilities	Completing operational component of project to facilitate direct radio contact with local law enforcement agencies	SMUD Security Operations Supervisors and Dispatchers communicate in the field and via dispatch 24/7
Physical Security: protect SMUD facilities	AP 06.03.01 Physical Security Assessment(s) of SMUD physical properties and assets	Protect SMUD campuses and grid facilities through assessment and implementation of security-industry best practices	Security Operations personnel continue to provide security evaluations for SMUD real properties	Third-party Risk, Threat, and Vulnerability Analysis tentatively scheduled to begin Q1 2023

### 3) Additional supporting information

#### **Information Security**

**SMUD, customer, employee and third-party information and SMUD information systems are protected from unauthorized access, use, disclosure, disruption, modification, or destruction.**

The Chief Information Officer's (CIO) Cybersecurity group, under the direction of the Chief Information Security Officer, continues adoption of the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) to establish prudent and reasonable measures intended to protect SMUD's operations from a cyber-attack, disruption and other threats to enterprise technologies, processes and information. The CSF has five core functions (Identify, Protect, Detect, Respond, and Recover) which comprise both administrative and technical controls to effectively manage information and cybersecurity risk. Cybersecurity is actively working to implement the CSF measures to enhance information management and security risk management practices and processes in support of SD-16. Cybersecurity will highlight the cybersecurity capabilities provided in an update to the board for SD-16 during an upcoming closed session.

#### **Physical Security**

**SMUD will safeguard its employees while at work as well as customers and visitors at SMUD facilities.**

As a continuation of the project that successfully allows SMUD to utilize the Sacramento Regional Radio Communications system through an agreement with the Sacramento County Sheriff's Department, training was facilitated to SMUD Security Operations personnel to ensure our obligations were fulfilled. The modification of appropriate policy and procedure documents, as well as installation of the radios in our two Security Operations Centers, and to our personnel, will finalize the implementation of this effort. This last operational component will ensure that SMUD can communicate directly with local law enforcement during critical incidents so they can provide the most expeditious and effective support to our personnel.

**SMUD will also protect its facilities and functions that support the reliability of the electric system and overall operation of the organization from unauthorized access or disruption of business operations.**

Physical Security was able to work with a cross-departmental group of stakeholders to successfully down-select and procure a replacement Physical Access Control System, which is the first line of defense for protecting the Bulk Electrical System. This effort continues to progress and will result in a greater level of protection and awareness. Physical Security is concurrently working on a project to provide all SMUD campuses with a Risk, Threat, and Vulnerability Assessment (RTVA) conducted by a third party to examine the overall security posture and protection measures as they currently exist and make recommendations for mitigation of identified risks. This RTVA will prove to be an invaluable tool to allow for the identification and mitigation of security-centric issues.

### **Customer Privacy**

**SMUD will annually notify customers about the collection, use and dissemination of sensitive and confidential customer information.**

SMUD sent out our annual privacy notice via email and as a bill insert to customers during the May bill cycle. The notice was updated this year to add a brief overview of how SMUD protects customer personal information and to change our address to our PO Box. The notice is otherwise very similar to previous years and continues to include plain language regarding SMUD's collection, use, and release of customer sensitive and confidential information, the business purposes for which customer information is used, as well as a reaffirmation of SMUD's commitment to customer privacy.

**Except as provided by law or for a business purpose, SMUD will not disseminate sensitive and confidential customer information to a third party for non-SMUD business purposes unless the customer first consents to the release of the information.**

No sensitive and confidential customer information has been sent to a third party for non-SMUD business purposes this year.

**Where sensitive and confidential information is disseminated for a business purpose, SMUD will ensure: (i) the third party has robust information practices to protect the sensitive and confidential customer information, and (ii) use of the information by the third party is limited to SMUD's business purpose.**

Cybersecurity and Procurement continue to follow a formalized supply chain risk management process, in compliance with NERC CIP requirements. The process is aligned to the NIST Cybersecurity Framework (CSF) and is reviewed on at least an annual basis to ensure it is functioning as designed and incorporates lessons learned as new procurements follow the process. The process includes a mandatory procurement requirement for vendors to allow the Cybersecurity team to evaluate the security posture of a proposed vendor solution. The American Institute of CPAs (AICPA) Service Organization Control 2 (SOC 2) Type 2 continues to be our procurement standard as it is an independent assessment focused on a solution's security controls which includes tests of the security controls' efficacy. SOC 2 Type 2 reports provide staff confidence that vendor security controls are robust and sufficient to protect SMUD information. Contract and non-disclosure agreement language is used to provide assurance that SMUD provided sensitive and confidential information will not be used for any unapproved purposes. Additionally, our data sharing policy and process (discussed below) align to this requirement.

**SMUD will maintain a process that identifies the business purposes for which SMUD will collect, use and disseminate sensitive and confidential customer information.**

MP 07.03.01.122 - Data Sharing requires an approved data sharing request prior to sharing information with a third party for SMUD business purposes. The policy and process were this year subjected to an audit by SMUD's Audit and Quality Services department. Although no high-risk observations were made, the audit discovered ways to improve both the data sharing policy and the associated process. Responses to the audit observations are on schedule to be completed by the end of October 2022.

### **Records and Information Management**

**The efficient and systematic control of the creation, capture, identification, receipt, maintenance, use, disposition, and destruction of SMUD records, in accordance with legal requirements and Board policies.**

The Records and Information Management (RIM) Program is making continued progress toward our 5-year plan of completing record evaluations for all business areas; we are currently in year 4, and projecting completion by year 5. We have streamlined our evaluation processes to make

the identification of gaps, and implementation of compliant solutions, easier and faster. These changes provide us with a high level of confidence that SMUD records will be identified and managed appropriately once this effort is complete.

The RIM Program in collaboration with the Enterprise Content Management (ECM) team formulated a plan to launch a two-year mass content migration project beginning in 2023. Using completed RIM records evaluations, the effort will identify, organize and migrate content from non-approved records repositories into approved record repositories. This will allow this content to be managed in accordance with SD-16.

The RIM program is continuing to partner with IT to review and support new software integrations to ensure they meet records policies and information management requirements. This is imperative as new software often produces and stores records outside of official repositories. RIM is being added to the purchase approval process to support this effort.

The RIM Program continues to collaborate with the Microsoft 365 Governance Oversight team, Cybersecurity, the CIP Program, Data Governance, and other business partners to ensure compliance with records policies and information management requirements.

#### **4) Challenges**

##### **Information Security**

This year saw a significant change to the cybersecurity threat landscape in the form of heightened geopolitical tension and nation state cyber actors targeting critical infrastructure (including energy), leading to a “Shields Up” declaration from the Department of Homeland Security’s Cybersecurity and Infrastructure Security Agency (CISA). Cybersecurity requested the focus and assistance of numerous IT teams to follow this guidance to help manage the cyber risk. An associated awareness campaign has also been helpful in educating all staff of the risks we’re facing and the role they play in keeping our systems and data protected. In addition to the technical controls put in place, cybersecurity also partnered with other departments to ensure our continued cyber insurance coverage.

SMUD’s Payment Card Industry (PCI) card payment transaction volume increased slightly; however, we remain a Level 2 Merchant. SMUD is again compliant with the PCI Data Security Standard (PCI DSS) this year as determined by an independent third-party PCI Qualified Security Assessor. Our required assessment documents were submitted to Chase Paymentech in June. This year we also performed a gap assessment between our current posture and the upcoming PCI DSS v4, where we found that our mature cybersecurity practices have us well prepared for the updated standard’s requirements. Although a small technology investment may be needed, the team is confident that SMUD will be compliant well before the new standard takes effect in March of 2024.

The Cybersecurity team continues to ensure compliance with updated Critical Infrastructure Protection (CIP) standards as well. In Q3 of 2022, for the second audit cycle in a row, our

compliance program experienced an audit by WECC with no findings. Speaking to the strength of our compliance program, SMUD received five positive observations.

In addition to the compliance related work that results from the breaches in the news, SMUD Cybersecurity has also continued to mature our Cybersecurity Emergency Operations Program (CEOP). Under the CEOP program the team conducted an incident response exercise for our CIP sub-plan. The exercise met all test objectives and validated capabilities in place to respond to a cyber incident. Plans are in place for an additional tabletop exercise in November 2022.

### **Physical Security**

Physical Security is the first line of defense to safeguard SMUD's employees and visitors, as well as SMUD's assets, facilities, and infrastructure. Due to our 'open campus' construct, Physical Security will continue to experience challenges in preventing unauthorized persons from entering SMUD property and buildings. Physical Security continues working to limit unauthorized physical access to SMUD. SMUD assets throughout the region are also subject to challenges in preventing persons from damaging or accessing them, and work continues to try to deter and prevent those occurrences.

Security's role of 'First Responder' to cyber incidents is reinforced through training, mentorship on the job by senior officers, and a thorough understanding of the processes and procedures that provide understanding of SMUD's needs during a possible cyber incident. Security Operations has worked with several other stakeholder business units to begin the implementation of the replacement of the system that is used to monitor, detect, and report physical security events and alarms throughout the SMUD enterprise. This will allow better compliance and provide for greater levels of awareness. The system that is used by Security Operations to record calls for service, document their outcome, and provide for constant awareness of the status of ongoing events is also in the process of being replaced to better allow SMUD to capture metrics to increase operational efficiency and decrease unnecessary activities. Physical Security also worked over the past year with several other stakeholders to revise and refine all the security-related policies and procedures. In addition, new standard operating procedures were created that provide Security Operations personnel with clear and concise direction for situations requiring a response to issues associated with our physical security compliance program.

### **Customer Privacy**

SMUD continues to see requests for SMUD customer data to be used and shared for additional purposes and programs, including customer personally identifiable information (PII). Requests for such data have come from internal programs, state agencies and vendors. SMUD's Data Sharing Policy and process are in place to provide request tracking and approval to ensure that all sharing of PII is authorized and performed using a secure transfer mechanism.

### **RIM**

The RIM program continues to mature and integrate information management best practices into SMUD's daily operations. Business areas are actively collaborating with RIM in the creation

of recordkeeping policies and procedures specific to their day-to-day operational needs. SMUD's continued development of the RIM program further reduces the risk of potential multi-million-dollar fines and reputational damage associated with lack of records management controls.

Recently RIM launched an initiative to turn on minor (draft) versions in SharePoint Online information repositories. Most organizations use minor versions when files are under development, and only create major versions when certain milestones are reached in document creation or when the document is ready access or review by a wide audience. Many organizations also use minor versions as a means of securing draft documents to ensure only necessary individuals' access to the document. That means that minor versions cannot be seen by anyone else until a major version is published. This initiative will align SMUD with information management best practices that many of our organizational peers are already doing. This will reduce the risk of SMUD documents being exposed to an audience before they are finalized, and possibility of that audience taking non-approved action.

#### **5) Recommendation**

It is recommended that the Board accept the Monitoring Report for SD-16 Information Management Policy Monitoring Report.

## 6) **Appendices**

### Definitions and acronyms:

NIST – National Institute of Standards and Technology

CSF – Cybersecurity Framework

RTVA – Risk, Threat, and Vulnerability Assessment

LLEA – Local Law Enforcement Agency

SRRCS – Sacramento Regional Radio Communications System

CISA – Cybersecurity and Infrastructure Security Agency

PCI – Payment Card Industry

PCI DSS – Payment Card Industry Data Security Standard

CEOP – Cybersecurity Emergency Operations Program

CIRP – Cybersecurity Incident Response Plan





SSS No.
CFO 22-013

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Policy – 11/16/22
Board Meeting Date November 17, 2022

TO					TO						
1.	Russell Mills				6.	Suresh Kotha					
2.	Claire Rogers				7.						
3.	Jennifer Davidson				8.						
4.	Brandy Bolden				9.	<b>Legal</b>					
5.	Farres Everly				10.	<b>CEO &amp; General Manager</b>					
<b>Consent Calendar</b>		<input checked="" type="checkbox"/>	<b>Yes</b>	<b>No</b> <i>If no, schedule a dry run presentation.</i>		<b>Budgeted</b>		<input checked="" type="checkbox"/>	<b>Yes</b>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>	
FROM (IPR) Toni Hoang				DEPARTMENT Treasury & Risk Management				MAIL STOP B355		EXT. 6532	
								DATE SENT 10/26/2022			

**NARRATIVE:**

**Requested Action:** Accept the monitoring report for **Strategic Direction SD-17, Enterprise Risk Management**.

**Summary:** The Enterprise Risk Management Report summarizes the activities that have occurred since the December 2021 annual report. The report includes historical risk profiles of enterprise risks which are not currently within management's risk objectives, the 2023 mitigation strategies, and a current residual risk exposure status of all identified enterprise risks.

Effectively balancing and managing risk to further SMUD's policy and business goals is a core value of SMUD. SMUD will implement and maintain an integrated enterprise risk management process that identifies, assesses, prudently manages, and mitigates a variety of risks facing SMUD, including financial, supply, operational, physical and cyber security, climate change, legal, legislative and regulatory, and reputational risk.

**Board Policy:** Strategic Direction SD-17, Enterprise Risk Management.  
*(Number & Title)*

**Benefits:** Provides Board members information regarding SMUD's Enterprise Risk.

**Cost/Budgeted:** Costs contained in internal labor budget.

**Alternatives:** Provide a written report to the Board.

**Affected Parties:** Board of Directors, Customers, Employees, SMUD Operations

**Coordination:** Enterprise Risk Management activities are closely coordinated enterprise-wide throughout SMUD.

**Presenter:** Russell Mills, Director of Risk Management & Treasurer

<b>Additional Links:</b>
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SUBJECT <b>SD-17, Enterprise Risk Management Board Monitoring Report</b>	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

# SACRAMENTO MUNICIPAL UTILITY DISTRICT

## OFFICE MEMORANDUM

**TO:** Board of Directors

**DATE:** November 2, 2022

**FROM:** Claire Rogers *CR 11/2/22*

**SUBJECT: Audit Report No. 28007436  
Board Monitoring Report; SD-17: Enterprise Risk Management**

Audit and Quality Services (AQS) received the SD-17 *Enterprise Risk Management* 2022 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 2022

## SD-17 Enterprise Risk Management



### 1. Background

Strategic Direction 17 states that:

Effectively balancing and managing risk to further SMUD's policies and business goals is a core value of SMUD.

Therefore:

SMUD will implement and maintain an integrated enterprise risk management process that identifies, assesses, prudently manages, and mitigates a variety of risks facing SMUD, including financial, supply, operational, physical, and cyber security, climate change, legal, legislative, and regulatory, and reputational risk.

### 2. Executive summary

- a) SMUD strategically manages risk to proactively reduce the chance of loss, identify and take advantage of opportunities to create greater financial stability and protect our resources to support SMUD's mission and create value for our customers.
- b) **SMUD is in compliance with the Board's Strategic Direction 17 (SD-17) Enterprise Risk Management.**
- c) SMUD continues to maintain an integrated Enterprise Risk Management (ERM) Program.

SMUD's ERM program continues to integrate risk management best practices to support decision making in key business processes. This year we have expanded the reliance on the risk framework for prioritization, planning, and budgeting.

Since the 2021 Annual Monitoring Report, staff continues to review SMUD's portfolio of risks. The Year-on-Year Residual Risk Exposure results are summarized as follows:

			Dec. 2020	Nov. 2021	Nov. 2022
✓	"Red":	Extremely High Residual Exposure	(0)	(0)	(0)
✓	"Orange":	High Residual Exposure	(4)	(5)	(6)
✓	"Yellow":	Medium Residual Exposure	(36)	(40)	(39)
✓	"Green":	Low Residual Exposure	(38)	(38)	(38)
✓	"Blue":	Extremely Low Residual Exposure	(0)	(0)	(0)
			<b>(78)</b>	<b>(83)</b>	<b>(83)</b>

Since the 2021 Board Monitoring Report, the Enterprise Risk Management Program has made changes to the risk scoring rubric by adding a new impact category, environmental impact, to the existing 6 impact categories (financial, legislative/regulatory/compliance, operational, strategic, reputational, and workforce). Adding environmental impact as a

scoring category allows SMUD to monitor potentially adverse outcomes or events due to pressures or changes in environmental conditions resulting from SMUD activities. Staff continues to implement risk mitigation strategies to balance residual risk exposures. Some risks, while medium or “yellow” are within the risk management goal. There are currently 45 risks, shown in the last two lines of the table, which are within the risk management goal.

Attachment A outlines the actions that will be taken to address risks that are not at target.

Current Residual Risk Exposure	Risk Management Goal	Number of Risks
Orange “high”	Yellow “medium”	6
Yellow “medium”	Green “low”	32
Yellow “medium”	Yellow “medium”	7
Green “low”	Green “low”	38

SMUD’s enterprise-wide risk exposure is a medium/high. The ongoing challenges of the pandemic continue to unfold, with it, comes a bigger landscape of ever-changing risks that must be managed. SMUD’s ambitious 2030 Zero Carbon goal, the rapid pace of disruptive innovation and technology developments in an advancing digital world, availability of skilled workforce, global supply chain pressure and inflationary conditions related to economic and geo-political instability, increasing legislative/regulatory requirements, the need for resiliency, and ability to pivot when the unexpected occurs is at an all-time high. Managing these risks well are key to SMUD’s performance in the upcoming years. Staff continues identify risks and implement initiatives to mitigate and manage the risks appropriately.

### 3. Additional Supporting information:

#### a) Summary of 2022 activities

In 2022, ERM continued to support the organization with facilitating risk conversations and providing a risk framework for uniformed risk assessments across the organization. The overarching goal is to encourage the integration of risk-based thinking into decision-making at all levels, effectively balancing risks with opportunities.

ERM continues to utilize four existing committees to enhance cross-functional discussion and thorough understanding of major risk issues at the executive and operational leadership team level. One of these is an executive level oversight committee, the Enterprise Risk Oversight Committee (ERO) which includes multiple executives. The other three are the Trading Operations Risk Committee (TORC), Zero Carbon Plan Implementation Team, and the Three Lines Working Team.

2022 continues to bring changes and challenges. Despite the many challenges, staff continues to leverage the enterprise risk management framework to support enterprise-wide risk management/mitigation activities integrated within our enterprise strategy and prioritization processes, bringing positive outcomes for SMUD, our customers, and the community. Some samples of these activities include:

#### **North American Electric Reliability Corporation (NERC) Compliance Audit**

The Western Electricity Coordinating Council (WECC) conducted a required comprehensive triennial audit of SMUD’s compliance with NERC reliability and security standards. The audit scope included NERC’s Critical Infrastructure Protection (CIP) and Operations and Planning (O&P) standards that apply to Bulk Electric System (BES) operations.

Representatives of the Federal Energy Regulatory Commission (FERC) and NERC participated as audit observers. The WECC audit included both a review of SMUD's historical compliance performance over the last three years (2019 to 2022) as well as reviewing how SMUD manages forward-looking reliability risks in areas governed by these standards.

WECC determined SMUD was compliant with all of the NERC standards reviewed based on a thorough inspection of evidence, interviews with subject matter experts, and inspections of SMUD facilities. Significantly, WECC noted five specific positive examples of SMUD performing exemplary practices that support reliability objectives and reduce future reliability risks. The many positive outcomes from the audit include WECC's increased confidence in SMUD's ability to identify and mitigate risks to the reliability and security of the BES. These outcomes reinforce the success of SMUD implementing risk-based approaches to achieve reliability and regulatory compliance objectives.

### **Tabletop Exercises**

Staff continues to conduct emergency exercises and coordinate emergency response to actual events at SMUD by coordinating cross-functionally with leaders and team members from across SMUD. Since the last SD-17 report, staff has conducted emergency exercises and coordinated responses to more than a dozen events. Some notable exercises include the annual wildfire mitigation tabletop exercise and gas pipeline operations response exercise. These exercises are conducted with both internal and external participants with the goal to test SMUD's response and communications plans, both internally and externally. The outcome of these exercises is that SMUD has well documented and coordinated response when it comes to wildfire events and gas pipeline operations.

### **Supply Chain Risk Management**

Staff has implemented a formal Supply Chain Risk Management (SCRM) process. The process is a robust approach to supply chain risk management including detailed annual enterprise risk management assessment addressing: demand planning, supplier base, internal logistics, market dynamics, supplier performance/relationships, natural disasters, government regulation, attracting/retaining/training skilled employees, and technology applications (these criteria were based on best practice from ISO 31000 standards). SCRM was expanded to include a risk register with quarterly assessments in detailed categories of construction, materials/equipment, and services/technology to measure and better predict the changing levels of risk of certain material from quarter to quarter. In 2022 staff implemented a cross functional team that included SMUD executive leaders to manage the industry-wide shortage of distribution transformers and mitigate impact to SMUD customers. SCRM allows staff to anticipate operational needs earlier, therefore, reduce wait time; SMUD was not as impacted as other organizations by worldwide supply chain impacts we were able to identify and get materials when others aren't able allowing SMUD to better serve new customers and keep up with maintenance requirements and outage response as a result.

### **Protection Against Rising Interest Rates**

Staff continually monitors the effects from a rising interest rate environment. These efforts provide opportunities to proactively mitigate exposure to higher capital funding costs and provide for opportunities to lower debt service costs through refunding outstanding bonds. In 2019 and 2020, staff entered a series of three interest rate hedges (swaps) to lock in refunding rates for 2021, 2022 and 2023, that provide savings to SMUD and protect against rising interest rates that could eliminate the opportunity to refund bonds for those savings.

In 2022, the proactive risk mitigation proved to be timely and necessary, after the Federal Reserve Bank (FED) began raising its rates to reign in inflationary pressures. Even with rates rising swiftly from historical lows, SMUD's 2022 bond refunding transaction was successful due to the interest rate hedge and will provide for \$31 million of cash flow savings over the next decade. Staff expects additional benefits from another interest rate hedge for a 2023 refunding next year. Staff will continue to look for opportunities to mitigate risk to SMUD from rising interest rates and provide for the lowest cost of capital funding possible.

### **Enterprise Prioritization**

Staff continues to leverage the enterprise risk management framework to optimize resource allocation and help build grid resiliency and future capacity for SMUD's zero carbon goal. In 2022, staff launched a new executive prioritization process to help align our 2023 resource plan to areas of high risk and strategic value. New work proposals were evaluated in part to identify the associated enterprise risk and to determine the risk management benefits of adding these items to our enterprise work plan. Staff continues to refine and further expand upon the first-year implementation of the new prioritization process.

### **2030 Zero Carbon Plan**

Climate change is a pressing issue facing our region and the world. On April 28, 2021, SMUD's Board solidified SMUD's commitment to leading the way to a clean energy future with the approval of our 2030 Zero Carbon Plan (Plan). The Plan is a flexible pathway to eliminate carbon emissions from our power supply by 2030, the most ambitious goal of any large utility in the country. The Plan demonstrates our commitment to finding innovative ways to reach our zero-carbon goal without impacting reliability, or rates, which are among the lowest in California. To pay for new technologies and make them available to customers in an equitable manner, we'll aggressively pursue partnerships, investors, and grant funding, while keeping our rate increases at or below inflation. In 2022, staff continues to conduct and review reliability studies to ensure that reliability levels are maintained, develop utility scale proven clean technology projects, launch customer pilot programs, research the viability of new technologies to pilot, and look for ways to limit rate increases through cost offsets from operational efficiencies and grants/partnerships.

**Risk exposure monitoring and continuous updates:** Staff continues to monitor and update any changes to existing and emerging risks and their impacts to residual risk. In addition, audit results and management responses are considered in the ERM assessment plan and reporting process. The audit plans are linked with the enterprise risk assessments to provide assurance that mitigation measures for critical risks are being implemented effectively and in a timely manner.

- In 2022, 12 audit reports were reviewed by the ERM Office, and none resulted in a change to the risk profile.

Noteworthy enterprise risk profile changes are included in regular Board reporting.

- Attachment A summarizes the "Year-on-Year Profile Changes," and identified mitigations for enterprise risks currently not within risk management goal. The attachment includes year-on-year changes, current "risk trend," and actions staff is taking to reach the "target"; which could be either low "green" or medium "yellow."

- b) **Benchmarking:** Staff reviews available enterprise risk related information and incorporates new risk issues and/or expands existing risk issues where appropriate. North Carolina State University's (NCSU) Enterprise Risk Management Initiative and Protiviti continue to jointly publish benchmark information. The joint study, 2022 & 2031 Executive Perspectives on Top Risks, provides insight for short-term and long-term risks from 1,453 global board members and executives from across several industries. The study found that for 2022, the scope of global top risks was more expansive than previous years. People and culture are top of mind for many leaders as it becomes increasingly challenging to attract and retain talent to address needs across organizations. Economic uncertainties as well as massive disruptions in the global supply chain and innovative disruptions continue to impact strategic initiatives for many organizations. Overall, the top ten identified enterprise risk issues across the surveyed organizations and those specific to the Energy and Utility Industry (Utility Industry) and its trend analysis is consistent with SMUD's identified enterprise risks.

An analysis of SMUD's enterprise risks as compared to the top 10 enterprise risks identified by the study is outlined in Attachment B.

- c) **Looking forward**

In 2023, ERM's goal is to build a more risk aware culture through the development and implementation of a Risk Champion Network and frequent risk communications and learning modules. Staff will continue to implement programmatic changes and fine tune risk management practices within business processes. The following initiatives have been planned:

- Develop risk awareness trainings
- Continue to fine-tune risks in enterprise prioritization and strategy process
- Update SMUD's 5-year Local Hazard Mitigation Plan
- Continue to support SMUD's wildfire safety program
- Positively influence state and federal legislative/regulatory issues
- Attract and retain a skilled and innovative workforce
- Provide programs and services which reflect the customer's changing expectations
- Support SMUD's Environmental and Safety initiatives
- Enhance data categorization and availability to support business and customer decisions
- Continue cyber security and privacy awareness and compliance activities
- Improve upon current physical security and public safety practices
- Increase alignment between costs and revenue collection in SMUD's rate design
















- 4. Challenges:** The recovery after Covid-19 along with inflation have disrupted the job market and continues to put strain on business operations and critical resources. Workforce evolution is creating uncertainty around how to operate and sustain culture while also pursuing ambitious goals. There continues to be a growing focus on climate change policies, regulations, as well as Environmental, Social, and Governance (ESG). The risk environment continues to challenge staff to be vigilant at making measured risk informed decisions to achieve business objectives. SMUD's ERM framework allows staff to better manage risks as a portfolio, rather than in silos. The result is increased awareness of SMUD's risks, level-setting of risk tolerance across the enterprise, efficiencies in mitigation efforts as well as potential cost savings.

- 5. Recommendation:** It is recommended that the Board accept the Monitoring Report for SD-17 Enterprise Risk Management.













# Enterprise Risk Mitigations for Risks Currently not within Target

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Financial	Project execution						The Project Portfolio Management tool was used for capturing all new project requests for one time work for the 2023 budget. This streamlined the level of effort for executive decision making and discussion, and the inputs were streamlined to work for the new prioritization process, and the data was pulled into the prioritization dashboards. Work is continuing on building reports for the tool and incorporating the data so that it can be used with PowerBI for other reporting. With the centralization of PMO's (IT & Non-IT) and the soon to be created 2030 Zero Carbon Plan PMO, staff continues to work with the Project Management Office's to create standards and expectations and clarification of roles as we move forward, especially based on the changes created by the prioritization process, and monthly prioritization meetings.
Operational: People	Strategic workforce agility						The work completed on both Succession Planning and Strategic Workforce Planning in 2022 was foundational for 2023. In Succession Planning, the focus will be on supporting leaders' development plans to ensure wherever possible that we have the internal talent for senior leader roles. In Strategic Workforce Planning, the focus will be on the actions plans to close talent gaps on key roles. Depending on the role, actions plans may include strategies like training and development, workforce outreach, or other efforts to programs to ensure SMUD has the talent it needs. With both programs, we employ a Diversity Equity Inclusion and Belonging (DEIB) lens to ensure these programs and strategies are consistent with SMUD's overall DEIB strategy.
	Diversity, equity, inclusion, and belonging (DEIB)						In 2023, DEIB team will continue to focus and prioritize the connection of DEIB to our ZCP

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Risk Category	Risk	Risk Trend	Target				2023 Risk Mitigation
		2020	2021	2022	Trend	Target	
	Employee Safety						SMUD operations continue to develop numerous business unit specific safety work instruction documents to provide details of job hazards and work steps to prevent an incident. In addition, the SMUD CAL OSHA Injury Illness Prevention Program (IIPP) has been updated and is being followed. Key areas of risk mitigation measures that SMUD performs include safety responsibility awareness, OSHA regulatory compliance, safety communications, hazard assessments, accident/exposure investigations, hazard correction, safety training and instruction, and recordkeeping. In addition, SMUD continues to maintain an effective contractor safety oversight program and SCORCH behavior-based safety. SMUD operations is also making significant upgrades and improvements to the safety software systems that are used throughout the company.
<b>Operational: Systems and IT</b>	Cyber security						"Since 2019, SMUD's IT Cybersecurity Department has strategically planned and implemented foundational measures to manage cyber risk to business operations from a cyber-attack, disruption, and from other threats to its people, processes, and technology. Accordingly, the Director of Cybersecurity established a cybersecurity program plan aligned to the National Institutes of Standards and Technology (NIST) Cybersecurity Framework. Organized the department by two core functions Cybersecurity Operations & Cybersecurity Governance, Risk, and Compliance (GRC). Introduced the following program capabilities under these two departments to effectively manage cyber risk: Governance (Policy and Control Frameworks), Risk Assessment and Management, Compliance, Awareness & Training, Audit & Assessment, Privacy, Incident Management & Response, and Operational Technology (OT) and Information Technology (IT) Engineering & Asset Security. Matured the Integrated Security Operations Center and NERC CIP Program Compliance & Standards Enforcement, which in 2022 SMUD's WECC CIP audit results yielded 100 percent compliant for the second time in a row. The cybersecurity program has continued to mature year-after-year and staff to appropriately manage SMUD's

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cyber, privacy, and compliance risk. In 2022, Cybersecurity has been focused on maturing and automating the department's cyber risk reduction capabilities, processes, and technologies:

- ServiceNow Platform Integration Maturity (Security Operations - SecOps Module & Integrated Risk Management -IRM):

- 2022 the Cyber & IT department is now successfully leveraging the ServiceNow Vulnerability Response Module (Goal: Visibility – Establish and Improve response and patch metrics / Information protection processes and procedures / Security continuous monitoring)

- 2022 the Cyber department is successfully leveraging ServiceNow for Cyber Vendor Risk Management (2023 Goal: Dashboard, Asset Management, Governance - IT & Business Environment, Risk Assessments, and Compliance. Dependencies on IT Departments Asset Management efforts and enrichment efforts for Configuration Management Database - CMDB)

- Cybersecurity Policy - Publish New Cybersecurity Policies (Goal: Aligned to the NIST 800-53 Families / Governance / enforcement). Supports Cybersecurity's governance structure and formalizes organizational-wide risk-based approach to drive accountability to the program.


























- 2022 Policies (19 Management Procedures – MP) have been drafted and are in the SMUD's policy review process for publishing and are expected to be published by end of year). 22 Supporting Standards will be reviewed by the Chief Information Officer (CIO) and published by end of year.

- 2022 Operational Technology (OT) Security (Goal: IT & OT Convergence) - Continued to move current OT Technology visibility Initiatives forward and process improvement.

- 2022 continued to adopt Zero Trust Model and Principles to reduce cyber risk of attack and impacts across business operations. (Goal - Embrace and gain Information Technology's commitment to further

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						adopt its system design principles to eliminate implicit trust and require continuous verification to determine access). Example of a Zero Trust principle is IT's implementation of Multi-factor Authentication (MFA) Strategic Goal added to IT Strategic Plan for adoption - Continuous evolution."
	Privacy					 SMUD continues to see demand for SMUD customer data to be used and shared for additional purposes and programs, including customer personally identifiable information (PII). Requests for such data have come from internal programs, state agencies and vendors. SMUD's Data Sharing Policy and Process are in place to provide request tracking and approval to ensure that all sharing of PII is authorized and performed using a secure transfer mechanism.
	Enterprise-wide documentation					 Records and Information Management will work with IT and the Business Units to address and implement solutions for the findings identified in completed records evaluations. The group will also continue to perform records evaluations across the remainder of business units, as well as continue refining and simplifying the evaluation process itself.
	Technology systems infrastructure					 Mechanical System (Chilled Water Loop) - Lack of redundancy remains a single point of failure.
<b>Operational: Process</b>	Gas & gas pipeline assets					 SMUD Gas Pipeline Operations (GPO) and Power Generations Engineering staff conduct annual programs that are designed to provide overlapping risk mitigation measures. The overall program for risk mitigation is the SMUD Gas Pipeline Integrity Management Program. Additionally, SMUD has a Public Awareness Program which targets segments of the public that are identified as having the potential to affect the SMUD gas pipeline such as Agricultural Operators, Excavation companies, engineering firms, and various public entities and utilities.
	Enterprise continuity management					 In 2022, staff will work to implement Enterprise Continuity Management Software (ECMS) solution to support efficient access


























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Risk Category	Risk	Risk Trend	Target		2023 Risk Mitigation		
		2020	2021	2022	Trend	Target	
							to real-time business continuity plan information and requirements during events that pose a threat to SMUD's continuity.
	Internal communications and alignment						The emphasis this year on senior leaders holding live sessions with their employees is designed to help mitigate the risk of misalignment and to engage in trust building through transparency and strong communications. This activity must be ongoing and sustained, particularly in times of rapid change, in order to mitigate this risk.
	Energy management center (EMC)						Facilities has continued to implement key projects that reduce the risk to electrical infrastructure.
	Physical asset security						Low-Impact Security requirements have been implemented and Security Operations continues to monitor sites and works to align the security plan to the One SMUD vision. The conversion to digital security cameras at substations is currently scheduled to be completed in Q4 2023. SMUD has updated its Physical Security policies and procedures in preparation for the 2022 Western Electricity Coordinating Council (WECC) audit, which was successful. Staff is developing a risk-based assessment program to demonstrate active and ongoing protection of defined assets to ensure that adequate protection measures are implemented.
	Transmission and distribution substation assets						The 2023 Capital Portfolio includes continuation and/or initiation of multi-year projects to replace circuit breakers, transformers, and switchgear.
	Secondary Networks						SMUD's Network Team has implemented key projects that reduce the risk to Network outages downtown. These projects include taking oil samples for all the 400 transformers in the downtown Network to assess the health of the transformers. SMUD's Network Team is also partnering with Supply Chain to begin pre-ordering long lead time transformers and network protectors ahead of a significant maintenance effort to replace transformers and network protectors in 2024 that are showing signs of end of life.











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Risk Category	Risk	Risk Trend	Target	2023 Risk Mitigation			
		2020	2021	2022	Trend	Target	
	Operational excellence						Ongoing execution of Operational Excellence Initiatives that focus on cost reduction, cost avoidance, increased revenue, and/or increased efficiency & productivity. Additional focus on building organizational competencies in continuous improvement will ramp up in 2023.
	Pricing and rate design implementation						The successor Net Energy Metering (NEM) rate or Solar and Storage Rate (SSR), along with other key rate implementation items went live by the deadline. No associated risk on implementation at this point.
	Labor: Business Disruption						In 2022, SMUD successfully reached agreement for successor 4-year labor contracts with the International Brotherhood of Electrical Workers (IBEW) Local 1245 and the Organization of SMUD Employees (OSE); both Memorandums of Understanding (MOUs) will be in place through December 31, 2025. Additionally, SMUD is currently in negotiations with the Public Safety Officers' Association (PSOA) for a successor MOU due to the current contract set to expire on December 31, 2022.
	NERC/FERC Standards						Staff continues to ensure compliance with the Federal Energy Regulatory Commission (FERC) mandated North American Electric Reliability Corporation (NERC) and Western Electricity Coordinating Council (WECC) Reliability Standards through internal coordination. SMEs review upcoming and approved Reliability Standards and update associated procedures, processes, and tools to ensure compliance. In addition, staff continues to execute the Internal Controls Evaluation (ICE) Program for both Operating & Planning and CIP Reliability Standards.
	Meter to cash						The current 2023 project proposals include significant system work including, Itron IEE upgrade, continued deployment of 2023 rate work, and ongoing ZCP program deliverables. IT, CCS, Strategy, and 2030 Zero Carbon leadership and staff have partnered to build robust planning, implementation, and QA/QC teams to ensure











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Risk Category	Risk	Risk Trend	Target	2023 Risk Mitigation			
		2020	2021	2022	Trend	Target	
							successful deployments of all changes. While the “Yellow” risk rating accurately reflects the level of change and effort to manage the change, advanced testing gives staff the opportunity to identify areas of concern before the customer experience is impacted. Should an error be identified after a customer’s bill has been impacted, SMUD Rate, Rules, and Regulations provide the latitude to rebill as needed to resolve the concern.
	Supply chain						Supply chain risk management (SCRM) efforts have become more sophisticated in 2022 including an internal coordination that has been escalated to include the Chief Operating Officer (COO) and Chief Financial Officer (CFO) to drive progress in demand planning, risk (of supply disruption) mitigation, and supplier performance management. Key accomplishments in 2022 include completing annual risk assessments for all SCRM categories (materials/equipment, services/technology, and construction), creating, and maintaining quarterly risk register documents, a cadence for internal SCRM meetings and senior leadership engagement. In 2023 these efforts will continue, the focus will be to stabilize the reporting, data, and cadence of meetings/process to keep the regular focus and continue to mitigate supply chain risks across all categories. New in 2023, a goal to establish more senior leadership involvement in managing critical third-party relationships - those top 10 to 20 suppliers that are 60 to 80% of SMUD’s spend and provide mission critical material, equipment, services, and technology - for example, meters, transformers, cable, wood/steel poles, veg management, underground and overhead line construction, substation construction, benefits, ERP, and other areas.
	59 <sup>th</sup> Street reuse						Risk reduction efforts underway include the following: 1) Lobbying efforts with the state, local agencies, and development organizations to support an agency developed attenuation factor that balances science and health risk to support risk-based cleanup level; 2) Development of a due diligence agreement with SKK/BlackPine to support off-ramps and land reuse options should SMUD be unable

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Risk Category	Risk	Risk Trend	Target		2023 Risk Mitigation	
		2020	2021	2022	Trend	Target
						to remediate PCE in soil to residential cleanup standards; 3) Purchase of an insurance document to reduce liability and risk from future offsite and onsite health exposure/liability claims; 4) Ongoing research and investigation to delineate the solvent plume and evaluate remedial action technologies for use at the site; and 5) Planned soil removal of the "hot spot" area and continued soil vapor extraction at 59th Street.
	New Services & Local Agency Projects					 Inadequate levels of resources may compromise our ability to maintain existing levels of service reliability, increase new load and hinder objectives within the 2030 plan. A work group was established to identify and mitigate challenges, find solutions, and establish a transformer issuance criterion. The team provides recommendations priorities ensuring that we maintain appropriate safety to regular stock of inventory. Some examples of solutions include reallocation of underutilized transformers, right-sizing of projects, and electrical alternatives.
	Innovation					 In partnership with EPRI's Global Innovation Effectiveness Network SMUD will conduct an Innovation Effectiveness Framework and Maturity Assessment to assist utilities in evaluating the effectiveness of their innovation activities and capabilities in order to pursue targeted improvements.  EPRI's Innovation Effectiveness Assessment covers several areas of innovation management, including strategy, organization, culture, operating models, metrics, governance, and more. The framework used in the assessment is informed by leading utilities as well as academic literature and industry experience outside the electric utility sector to help ensure applicability to a broad set of innovation strategies and approaches.  This project seeks to leverage benefits from the assessment application to organize a collaborative network of utility staff who are pursuing common methods to improve the performance and outcomes of their innovation initiatives. The project objectives are:


















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Risk Category	Risk	Risk Trend	Target	2023 Risk Mitigation			
		2020	2021	2022	Trend	Target	
							<ul style="list-style-type: none"> <li>Assess the current state of the participant utility's innovation activities using EPRI's Innovation Effectiveness Assessment in order to create a baseline to help clarify gaps and areas for further growth.</li> <li>Evaluate future innovation growth and improvement options for the participant company using current state inputs and an industry knowledge base of results.</li> <li>Collect and exchange best practices across multiple participant utilities and companies to inform strategies for improvement.</li> <li>Summarize aggregate findings across multiple assessments to provide industry insights on innovation capabilities.</li> <li>Explore specific aspects of the practice of innovation in-depth (i.e., metrics, incentives, structures, etc.) to provide an applicable "toolkit" to utility innovation professionals.</li> </ul> <p>Utilities participating in the Global Innovation Effectiveness Network have access to EPRI's assessment findings for their own organization as well as aggregate benchmarking data from other utilities who have completed the assessment. Additionally, the network is created as a means to collaborate with other participating utilities on innovation topics of interest.</p>
Strategic	Changing customer expectations						<p>In 2022, the restart of collections has gone relatively smoothly considering the significant number of accounts in arrears. Our successful application for California Arrearage Payment Program (CAPP) funds brought in \$41M that were applied to customers' accounts. Although value for what you pay is down for 2022 compared to 2021, the drop has not been as significant as originally expected. The Customer Strategy team continues to work closely with teams across SMUD to identify the ideal customer experience as we launch new products and services to our customers, as well as improve our current processes that impact the customer. Due to challenges with resource availability and responsiveness with our partner, SEW, we have not been successful in implementing the commercial portal as anticipated. The project is currently in a holding pattern while SMUD awaits SOC2 (security) certification.</p>

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						Further delays of this project and a continued reliance on SEW could create significant risks for the "customer platform" project planned for 2022. Operational teams across SMUD continue to provide solid customer service with SMUD's customer satisfaction scores remaining at or above targets.
	Competitive workforce total rewards					 We continue to leverage the 2022 activities in the strategy with Procurement and Benefits Team to build the healthcare cost containment roadmap using the GOST framework. Six Strategies with associated tactics were identified. Several of the strategies have been implemented and proven successful in recent renewal including building stronger relationships with carriers and more heavily leveraging AON along with assertive negotiations. The roadmap and associated actions were used to result in very favorable medical premium renewal. Premiums generally increase by 8%. After negotiations, United HealthCare presented SMUD with a renewal increase for the 2023 plan year of 4.9% for our active employee, pre-65 retiree and Medicare Advantage medical plans. Based on these rates and current enrollment, the total cost for 2023 medical benefit plans is projected at \$37.4 million. Kaiser Permanente presented SMUD with renewal increases for the 2023 plan year of -5.1% for our active employee, pre-65 retiree and Medicare Advantage medical plans.
	Renewable portfolio standards (RPS)					 SMUD achieved the 2020 RPS requirements for Compliance Period 3 2017-2020, achieving a 33% RPS in 2020. SMUD also filed its annual RPS compliance filing to be completed by end of year. The next compliance period is being planned for Compliance Period 4, 2021-2024, the next RPS target statute is a 44% RPS in 2024. Project delays and increased demand require careful planning and procurement of RPS eligible renewables to meet CP4 requirements. Market Strategy team has developed the RPS Strategy to provide a plan to compliance.
	Enterprise grant integration,					 Current projected resources needed to support the grant strategy and associated control measures and processes necessary have not





















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Risk Category	Risk	Risk Trend	Target				2023 Risk Mitigation
		2020	2021	2022	Trend	Target	
	execution and alignment						been fully identified or approved for 2023. Further alignment and organizational changes are anticipated to take place in early 2023 for this purpose.
	2030 Zero Carbon Plan						In 2023, staff continues to conduct and review reliability studies to ensure that reliability levels are maintained, develop utility scale proven clean technology projects, launch customer pilot programs, research the viability of new technologies to pilot, and look for ways to limit rate increases through cost offsets from operational efficiencies and grants/partnerships.
	Economy: business agility						In the 2022 Rate process, staff introduced a 2% rate increase for 2023. The CEO and CFO have shown fiscal prudence and have kept the budget within financial limits, which is an improvement. SMUD's hiring process has been streamlined in order to have clarity around what hiring needs Executive review. Staff incorporated the new prioritization framework into the planning process and were able to finalize the 2023 budget within revised financial limits. As we get further insight into the programs and items included in the 2030 Zero Carbon Plan, we are getting a better insight into the cost and financial concerns. Our models continue to be synced up and that work will continue. We're starting to see the benefits of Operational Excellence in our forecasts and 2023 plan. Given the financial implications of the prolonged CPP outage & heat storm in September 2022, financial knowledge & transparency will need to have increased focus in 2022 and beyond as a mechanism to help SMUD adjust to changes in financial status. Additionally, the monthly prioritization meetings will help re-allocate budget funds in 2023. Increased focus on forecasts from the CEO will help drive better financial forecasts & visibility.
	CEC: Integrated resource planning (IRP)						SMUD's IRP filing was completed in 2022 pending CEC review for consistency with IRP reporting guidelines. Assuming compliance is met, SMUD will not have to file another IRP with the CEC for another 5 years.

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External	Post 2020 carbon markets						SMUD continues to be engaged in the stakeholder process with the California Air Resources Board (CARB) as they look to reallocate carbon allowances based on the new 60% RPS (SB100). Staff has been providing analysis and comment to CARB and with the Joint Utilities Group to achieve greatest value for SMUD customers.
	Wildfire						In 2022, the work to underground the 4kV lines at the UARP was completed. The 2023 Capital and O&M budget include funds to continue implementation of SMUD's Wildfire Mitigation Plan.
	Climate Change						SMUD has issued a task order to assess heat vulnerability of SMUD transformers and integrate EV and BE adoption projections into new transformer standards. Enterprise-wide vulnerability and residual risk assessment or targeted assessment of Zero Carbon Plan technologies pending funding and management prioritization.
	Pandemic						During 2022, SMUD Safety, Emergency Planning (EP), and Workforce, Diversity, and Inclusion (WDI), herein referred to as the COVID response team, continued to provide COVID-19 prevention guidance to its employees and contractors. In addition, staff continued to track COVID-19 regulatory changes with the Centers for Disease Control (CDC), California Department of Public Health, and Cal-OSHA, as well as participation in utility roundtables that discussed COVID-19 controls and remote work re-entry planning. Regulatory and roundtable information was used to update COVID-19 prevention guidance, facility openings, community event planning, customer service support, and travel/training protocols. SMUD continues to be able to provide COVID-19 antigen testing at its onsite medical service center with confirmation molecular testing at a third-party test laboratory. SMUD hired a 3rd party COVID support specialty company named Axiom to assist in supporting contact tracing and employee notification requirements. SMUD continues to maintain contractor COVID-19 prevention guidance, remote work support, and wellness/exposure requirements on the SMUD COVID homepage. These have assisted SMUD in providing



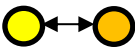
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Risk Category	Risk	Risk Trend	Target	2023 Risk Mitigation		
		2020	2021	2022	Trend	Target
						reliable power and quality customer service while protecting our employees and the public during the pandemic. The SMUD's COVID response team will continue to track regulatory changes and update guidance as needed. In addition, the team continues to work with IT and Facilities to support the re-entry plan of its remote work employees. The re-entry plan has been followed and provided a phased employee return throughout 2022. Re-entry controls to ensure the safety of our employees include mandatory on-line re-entry training; frequent sanitation of work areas; conference room scheduling/cleaning; adoption of a hybrid work schedules; Personal Protective Equipment usage at lobby entries and vending machines. Facilities and Safety has installed an air ionization filtration in a few operational areas to support returning personnel. Lastly, Safety continues to work with hybrid remote working staff to ensure that they have ergonomic workstations at home and work.

**TOP 10 ENTERPRISE RISKS COMPARED TO SMUD'S ENTERPRISE RISK CATEGORIES**  
**Specific to Energy and Utilities Industry**



Benchmarking Information indicates that SMUD's risks are consistent with other energy and utilities; one indicator that we are aligned in our understanding of risks facing our industry.

North Carolina State ERM Initiative and Protiviti Top 10 Enterprise Risks		SMUD's Corresponding Risks	SMUD's Current Residual Risk Exposure
Specific to Energy and Utilities Industry			
1	Succession challenges, ability to attract and retain top talent	<b>Operational risk:</b> Strategic workforce agility Competitive workforce total rewards Diversity, Equity, Inclusion and Belonging Change Management	
2	Uncertainties in supply chain including the viability of key suppliers, scarcity of supplies, volatile shipping and delivery options, or stable prices in the supply chain ecosystem may make it difficult to deliver services	<b>Operational risk:</b> Supply Chain	
3	Regulatory changes and scrutiny heightened, impacting how processes are designed and how products or services are produced and delivered	<b>Operational risk:</b> Regulatory compliance <b>Strategic risk:</b> 2030 Zero Carbon Plan Carbon emissions Renewable Portfolio Standards CEC: Integrated Resource Planning <b>External risk:</b> Legislative & regulatory Natural hazards	The current residual risk exposure ranges from medium to high 
4	Growing focus on climate change policies, regulations and expanding disclosure requirements as well as stakeholder expectations on climate change, supply chain transparency, reward systems, and other governance and sustainability issues may require us to significantly alter strategy and business model in ways that	<b>Operational risk:</b> Regulatory compliance <b>Strategic risk:</b> 2030 Zero Carbon Plan Carbon emissions Renewable Portfolio Standards CEC: Integrated Resource Planning Innovation	The current residual risk exposure ranges from

**TOP 10 ENTERPRISE RISKS COMPARED TO SMUD'S ENTERPRISE RISK CATEGORIES**  
**Specific to Energy and Utilities Industry**

North Carolina State ERM Initiative and Protiviti Top 10 Enterprise Risks		SMUD's Corresponding Risks	SMUD's Current Residual Risk Exposure
Specific to Energy and Utilities Industry			
	may be difficult to implement on a timely basis.	<b>External risk:</b> Legislative & regulatory Economic business agility Natural hazards Climate Change	medium to high 
5	Resistance to change in our culture may restrict our organization from making necessary adjustments to the business model and core operations	<b>Operational risk:</b> Strategic workforce agility Operational excellence Diversity, Equity, Inclusion and Belonging Change Management <b>Strategic risk:</b> Innovation 2030 Zero Carbon Plan	
6	Our organization's culture may not sufficiently encourage the timely identification and escalation of risk issues and market opportunities that have the potential to significantly affect our core operations and achievement of strategic objectives	<b>Operational risk:</b> Strategic workforce agility Operational excellence Diversity, Equity, Inclusion and Belonging Change Management <b>Strategic risk:</b> Innovation 2030 Zero Carbon Plan	
7	Third-party risks arising from our reliance on outsourcing and strategic sourcing arrangements, IT vendor contracts, and other partnerships/joint ventures to achieve operational goals may prevent us from meeting organizational targets or impact our brand image	<b>Operational risk:</b> Supply chain Technology Systems Infrastructure <b>Strategic risk:</b> Innovation 2030 Zero Carbon Plan	
8	Shifts in perspectives and expectations about social issues and priorities surrounding diversity, equity and inclusion are occurring faster than the pace at which our organization is motivated and able to manage effectively (e.g., recruiting, retention, career advancement, reward systems, behavioral incentives, shared values, and culture), which may	<b>Operational risk:</b> Strategic workforce agility Operational excellence Diversity, Equity, Inclusion and Belonging Change Management Workforce Total Rewards <b>Strategic risk:</b> Innovation	

**TOP 10 ENTERPRISE RISKS COMPARED TO SMUD'S ENTERPRISE RISK CATEGORIES**  
**Specific to Energy and Utilities Industry**

North Carolina State ERM Initiative and Protiviti Top 10 Enterprise Risks		SMUD's Corresponding Risks	SMUD's Current Residual Risk Exposure
Specific to Energy and Utilities Industry			
	significantly impact our ability to attract/retain talent and compete in the marketplace		
9	Privacy/identity management and information security protection Our organization may not be sufficiently prepared to manage cyber threats such as ransomware and other attacks that have the potential to significantly disrupt core operations and/or damage our brand	<b>Operational risk:</b> Cyber security Privacy	
10	Opportunities for organic growth through customer acquisition and/or enhancement may be significantly limited for our organization	<b>Strategic risk:</b> Innovation 2030 Zero Carbon Plan Changing Customer Expectations <b>External risk:</b> Business agility	





SSS No.

CFO 22-015

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
Policy – 11/16/22Board Meeting Date  
November 17, 2022

TO					TO				
1.	Jennifer Davidson				6.				
2.	Brandy Bolden				7.				
3.	Farres Everly				8.				
4.	Suresh Kotha				9.	Legal			
5.					10.	CEO & General Manager			
Consent Calendar		x	Yes	No If no, schedule a dry run presentation.		Budgeted		x	Yes
FROM (IPR)		DEPARTMENT		MAIL STOP		EXT.		DATE SENT	
Lisa Limcaco		Accounting		B351		7045		10/28/2022	

**NARRATIVE:****Requested Action:** Authorize SMUD's Accountant to:

- a. Utilize \$41 million of deferred operating revenues in order to offset future Community Impact Plan expenditures from 2022 through 2025 in order to match such expenditures in the appropriate accounting period for rate-making purposes; and
- b. Defer recognition of commodity expenditures for the year ending December 31, 2022, for an amount in that net income equals to at least \$1 million, as a regulatory asset in order to match such expenditures in the appropriate accounting period for rate-making purposes.

**Summary:** Pursuant to Governmental Accounting Standards Board (GASB) codification section Re10 Regulated Operations, staff is recommending that the Board authorize the utilization of \$41.0 million of deferred operating revenues in order to offset future Community Impact Plan expenditures from 2022 through 2025. This utilization of deferred revenues is in line with the plan to offset additional 2030 Zero Carbon Plan spending for pilots and programs. This deferral will allow for appropriate matching of revenue with expense recognition for rate making purposes.

Due to the prolonged outage of the Cosumnes Power Plant and the heat storm in September 2022, commodities costs have increased significantly leading to augmentation of the commodity budget by \$309.3 million in October 2022. Due to the negative financial impact to the financial statements and uncertainty of SMUD financial position at December 31, 2022, staff is recommending that the Board authorize deferring commodity expenses for the year ending December 31, 2022, for an amount in that net income equals to at least \$1 million, as a regulatory asset in order to match such costs in the appropriate accounting period for rate-making purposes. It is expected that the regulatory asset will be recognized in the future when insurance proceeds are received for the business interruption insurance claim for Cosumnes Power Plant.

**Board Policy:** Strategic Direction SD-2, Competitive Rates - allows SMUD to limit or level the impact of increases in rates.  
(Number & Title)

**Benefits:** This accounting treatment will offset any negative significant financial impacts of unforeseen or one-time events which could have an impact on rate payers.

**Cost/Budgeted:** N/A

**Alternatives:** Recognize as expenditures when incurred. The additional costs could lead to increases to SMUD rate payers.

**Affected Parties:** Accounting, Budget, Treasury

**Coordination:** Accounting, Budget, Treasury

**Presenter:** Lisa Limcaco, Director of Accounting and Controller

**Additional Links:**

SUBJECT

Utilization of Regulatory Accounting for Expenditures

ITEM NO. (*FOR LEGAL USE ONLY*)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.



SSS No.

CFO 22-016

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
Policy – 11/16/22Board Meeting Date  
November 17, 2022

TO						TO					
1.	Jennifer Davidson					6.					
2.	Brandy Bolden					7.					
3.	Farres Everly					8.					
4.	Suresh Kotha					9.	Legal				
5.						10.	CEO & General Manager				
Consent Calendar		x	Yes	No <i>If no, schedule a dry run presentation.</i>		Budgeted		x	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>	
FROM (IPR) Lisa Limcaco				DEPARTMENT Accounting				MAIL STOP B351		EXT. 7045	DATE SENT 10/28/2022

**NARRATIVE:**

**Requested Action:** Authorize SMUD's Accountant to defer recognition of certain expenses related to the net Pension and net other post-employment benefits (OPEB) liability in order to match such costs in the appropriate accounting period for rate-making purposes.

**Summary:** Governmental Accounting Standards Board (GASB) 68 regarding Pension accounting and GASB 75 regarding OPEB accounting required SMUD to record non-cash accounting journal entries for certain annual changes in the actuarial valuation in the net Pension and OPEB liabilities. These changes may have significant negative financial impacts to SMUD's financial statements. In order to minimize these financial impacts in the future and match revenue requirements with Pension and OPEB expenses, staff is recommending that the Board authorize deferring expenses related to the net Pension and OPEB liability as a regulatory asset in order to match such costs in the appropriate accounting period for rate-making purposes. It is expected that amortization of the regulatory asset will begin in 2022 with the receipt of the annual actuarial report for GASB 68 and GASB 75.

**Board Policy:** Access to credit markets SD-3. Allows SMUD to match revenues and expenses for ratemaking purposes.  
(Number & Title)

**Benefits:** This accounting treatment will offset any negative significant financial impacts in the future which could have an impact on rate payers.

**Cost/Budgeted:** N/A

**Alternatives:** Record non-cash accounting journal entries for changes in Pension and OPEB liabilities as required by GASB 68 and GASB 75. When negative significant financial impacts occur in the future that leads to a net loss, this could lead to increases to SMUD ratepayers.

**Affected Parties:** Accounting, Budget, Treasury

**Coordination:** Accounting, Budget, Treasury

**Presenter:** Lisa Limcaco, Director of Accounting and Controller

**Additional Links:**

SUBJECT

Regulatory Accounting for Pension and Other Postemployment Benefits

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.



SSS No.
BOD 2022 - 007

# BOARD AGENDA ITEM STAFFING SUMMARY SHEET

Committee Meeting & Date Policy - November 16, 2022
Board Meeting Date November 17, 2022

TO				TO				
1.	Jennifer Davidson			6.				
2.	Suresh Kotha			7.				
3.	Brandy Bolden			8.				
4.	Farres Everly			9.	Legal			
5.				10.	CEO & General Manager			
Consent Calendar	x	Yes		No	If no, schedule a dry run presentation.			
Budgeted		Yes		No	If no, explain in Cost/Budgeted section.			
FROM (IPR) Dave Tamayo / Donna Lofton				DEPARTMENT Board Office		MAIL STOP B307	EXT. 5079	DATE SENT 10/10/22

**NARRATIVE:**

**Requested Action:** Allow the Board of Directors an opportunity to discuss Board Officer positions for 2023.

**Summary:** The directors will discuss and make recommendations for Board President and Vice President for January through December of the upcoming year.

**Benefits:** Having this discussion will allow the directors a forum to voice their choices for President and Vice President for the upcoming year.

**Board Policy:** GP-5 Election of the Board President and Vice President states that the Board shall select a President and Vice President each year to preside over it. This discussion supports the governance process.  
(Number & Title)

**Cost/Budgeted:** N/A

**Alternatives:** Not select Board Officers at this time.

**Affected Parties:** Board of Directors

**Coordination:** Donna Lofton

**Presenter:** Brandon Rose, Board President

<b>Additional Links:</b>

SUBJECT	Board Officers for 2023	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.





SSS No.

BOD 2021-021

# BOARD AGENDA ITEM STAFFING SUMMARY SHEET

Committee Meeting & Date  
Policy November 16, 2022  
Board Meeting Date

TO					TO				
1.	Jennifer Davidson				6.				
2.	Suresh Kotha				7.				
3.	Brandy Bolden				8.				
4.	Farres Everly				9.	Legal			
5.					10.	CEO & General Manager			

Consent Calendar	Yes	x	No If no, schedule a dry run presentation.	Budgeted	Yes	No (If no, explain in Cost/Budgeted section.)		
FROM (IPR) Brandon Rose / Donna Lofton				DEPARTMENT Board Office		MAIL STOP B307	EXT. 5079	DATE SENT 12/21/2021

**NARRATIVE:**

<b>Requested Action:</b>	Enable the Board of Directors and Executive Staff an opportunity to review the Board Work Plan.							
<b>Summary:</b>	The Board President reviews the Board Work Plan at the Policy Committee meeting to ensure agenda items support the work of the Board.							
<b>Board Policy:</b> <i>(Number &amp; Title)</i>	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.							
<b>Benefits:</b>	Reviewing the Work Plan allows the Board members and Executive staff to make changes to the Work Plan and Parking Lot items as necessary.							
<b>Cost/Budgeted:</b>	N/A							
<b>Alternatives:</b>	Not review the Work Plan at this time							
<b>Affected Parties:</b>	Board and Executive staff							
<b>Coordination:</b>	Donna Lofton							
<b>Presenter:</b>	Brandon Rose, Board President							

**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 2021-022

## BOARD AGENDA ITEM STAFFING SUMMARY SHEET

Committee Meeting & Date  
Policy November 16, 2022  
Board Meeting Date  
N/A

TO				TO						
1.	Jennifer Davidson			6.						
2.	Suresh Kotha			7.						
3.	Brandy Bolden			8.						
4.	Farres Everly			9.	Legal					
5.				10.	CEO & General Manager					
Consent Calendar		Yes	x	No If no, schedule a dry run presentation.		Budgeted	Yes	No (If no, explain in Cost/Budgeted section.)		
FROM (IPR) Dave Tamayo / Donna Lofton				DEPARTMENT Board Office				MAIL STOP B307	EXT. 5079	DATE SENT 12/21/2021
<b>NARRATIVE:</b>										
<b>Requested Action:</b> A summary of directives provided to staff during the committee meeting.										
<b>Summary:</b> The Board requested 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 Policy Committee Chair will summarize Board member requests that come out of the committee presentations for this meeting.										
<b>Board Policy:</b> GP-4 Agenda Planning states the Board will focus on the results the Board wants the organization to achieve. (Number & Title)										
<b>Benefits:</b> 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.										
<b>Cost/Budgeted:</b> N/A										
<b>Alternatives:</b> Not summarize the Board's requests at this meeting.										
<b>Affected Parties:</b> Board of Directors and Executive Staff										
<b>Coordination:</b> Donna Lofton, Special Assistant to the Board										
<b>Presenter:</b> Dave Tamayo, 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.