

# Exhibit to Agenda Item #1

Discuss proposed revisions to **Governance Process GP-12, Board Compensation and Benefits.**

Board Policy Committee and Special SMUD Board of Directors Meeting  
Wednesday, May 10, 2023, scheduled to begin at 6:00 p.m.  
Auditorium, SMUD Headquarters Building

# GP-12: Board Compensation & Benefits

GP -12 Sets forth Board's policy for Board member compensation and benefits

- Compensation
- Board last updated per day compensation in December 2018
- Ability to increase amount no greater than \$334.27 (not to exceed 10 days of service per month)
  - Based on MUD Act section 11908.1 "...annual adjustment of not more than five percent for each calendar year following the operative date of the last adjustment."
  - Prohibited from automatically adjusting compensation every year

# Review of Board Compensation and Benefits

Staff asked to review Board Member compensation and benefit offerings

- Staff researched and benchmarked against other Districts on the following items:
  - Compensation and Benefits for Active Board Members
  - Retirement Benefits for Retired Board Members

# Discussion on Proposed Changes to Board Compensation & Benefits

## Compensation

- Increase per meeting amount from \$275 to \$317 to align with neighboring agencies
- Brings compensation to mid-range of benchmark

## Retirement Benefits

- In lieu of creating a pension plan similar to East Bay Municipal Utility District/Modesto Irrigation District (EBMUD/MID), propose providing a direct (SMUD) contributions to 457b plan
  - Equal to 30 percent of base pay
  - SMUD plus Board member contributions not to exceed 457b limit

## Health Benefits

- \$500 deposited into a Flexible Spending Account (FSA) annually

# GP-12: Process Recommendation

In lieu of reviewing Board member compensation and benefits on an ad hoc basis, the Board should annually review Board member compensation and benefits. There is no expectation that the Board will adjust its compensation and benefits annually, just review them.