

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

**Date:** Wednesday, June 10, 2026

**Time:** Scheduled to begin at 6:00 p.m.

**Location:** SMUD Headquarters Building, Auditorium  
6201 S Street, Sacramento, CA

Powering forward. Together.



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

**Wednesday, June 10, 2026  
SMUD Headquarters Building, Auditorium  
6201 S Street, Sacramento, California  
scheduled to begin at 6:00 p.m.**

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

*Virtual Viewing or Attendance:*

Live video streams (view-only) and indexed archives of meetings are available at: <https://www.smud.org/Corporate/About-us/Company-Information/Board-Meetings/Watch-or-Listen-online>

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

**Webinar/Meeting ID:** 165 376 2614

**Passcode:** 837126

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

*Verbal Public Comment:*

Members of the public may provide verbal public comment by:

- Completing a sign-up form at the table outside of the meeting room and giving it to SMUD Security.
- Using the "Raise Hand" feature in Zoom (or pressing \*9 while dialed into the telephone/toll-free number) during the meeting at the time public comment is called. Microphones will be enabled for virtual or telephonic attendees when the commenter's name is announced.

*Written Public Comment:*

Members of the public may provide written public comment on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via email to [PublicComment@smud.org](mailto:PublicComment@smud.org) or by mailing or bringing physical copies to the meeting. Email is not monitored during the meeting. Comments will not be read into the record but will be provided to the Board and placed into the record of the meeting if received within two hours after the meeting ends.

## **DISCUSSION ITEMS**

1. Amandeep Singh            Discuss the monitoring report for **Strategic Direction SD-4, Reliability**.  
Presentation: 10 minutes  
Discussion: 5 minutes
2. Amandeep Singh            Discuss approving proposed revisions to **Strategic Direction SD-4, Reliability**.  
Presentation: 7 minutes  
Discussion: 13 minutes
3. Rosanna Herber            Board Monitoring: **Board-Staff Linkage BL-6, Evaluation of the CEO's Performance, Board-Staff Linkage BL-7, Delegation to the CEO, and Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement**.  
Presentation: 5 minutes  
Discussion: 5 minutes

## **INFORMATIONAL ITEMS**

4. Dave Tamayo                Board Work Plan.  
Discussion: 5 minutes
5. Public Comment
6. Rosanna Herber            Summary of Committee Direction.  
Discussion: 1 minute

*Members of the public shall have up to three (3) minutes to provide public comment on items on the agenda or items not on the agenda, but within the jurisdiction of SMUD. The total time allotted to any individual speaker shall not exceed nine (9) minutes.*

*Members of the public wishing to inspect public documents related to agenda items may click on the Information Packet link for this meeting on the [smud.org](http://smud.org) website or may call 1-916-732-6155 to arrange for inspection of the documents at the SMUD Headquarters Building, 6201 S Street, Sacramento, California.*

*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 meeting. If you need a reasonable auxiliary aid or service for effective communication to participate, please email [Nicole.Looney@smud.org](mailto:Nicole.Looney@smud.org), or contact by phone at 1-916-732-6055, no later than 48 hours before this meeting.*



SSS No.  
DPO 26-002

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
Policy – 06/10/26  
Board Meeting Date  
June 18, 2026

TO				TO			
1.	Claire Rogers	6.					
2.	Brandy Bolden	7.					
3.	Farres Everly	8.					
4.	Suresh Kotha	9.	<b>Legal</b>				
5.		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) Amandeep Singh	DEPARTMENT Distribution Planning & Operations				MAIL STOP EA403	EXT. 5631	DATE SENT 05/11/26		

**NARRATIVE:**

**Requested Action:** Accept the monitoring report for Strategic Direction SD-4, Reliability.

**Summary:** The purpose of this report is to provide the Board with an update on Strategic Direction SD-4, Reliability (SD-4), for the year 2025. The information in the monitoring report can be used by the Board to determine if any policies or metrics need to be changed or further developed.

**Board Policy:** *(Number & Title)* Strategic Direction SD-4, Reliability. The information in the monitoring report will provide a summary of system reliability, availability, and related activities for 2025.

**Benefits:** Allows the Board of Directors and Executive staff a better understanding of the Board Policies and gives them an opportunity to make revisions if necessary.

**Cost/Budgeted:** Contained in internal labor budget.

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

**Affected Parties:** Power Generation, Transmission Planning & Operations and Internal Audit Services

**Coordination:** Power Generation, Transmission Planning & Operations and Internal Audit Services

**Presenter:** Amandeep Singh, Director, Distribution Planning & Operations

**Additional Links:**

SUBJECT <b>SD-4 Reliability 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:** May 26, 2026

**FROM:** Claire Rogers *CR 5/26/26*

**SUBJECT: Audit Report No. 28008027  
Board Monitoring Report; SD-04: Reliability**

Internal Audit Services (IAS) received the SD-04 *Reliability* 2025 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Compared sample to the corresponding supporting documentation to identify potential discrepancies.

All items sampled within the SD Report aligns with the supporting documentation provided at the time of review.

**CC:**

Paul Lau

# Board Monitoring Report 2025 SD-4 Reliability



## 1) Background

Strategic Direction 4 (SD-4) states that:

Meeting customer energy requirements is a core value of SMUD.

Therefore:

- a) SMUD will assure all customer energy requirements are met. This will be accomplished through the use of: (i) its generation resources and purchase power portfolio 100 percent of the time; and (ii) its transmission assets to assure an overall availability of at least 99.99 percent.

- b) SMUD will achieve distribution system reliability by:

Limiting the average frequency of outage per customer per year to:

- With major event: 0.99 – 1.33
- Excluding major event: 0.85 – 1.14

Limiting the average duration of outages per customer per year to:

- With major event: 67.5 – 93.3 minutes
- Excluding major event: 49.7 – 68.7 minutes

Ensuring that no individual circuits exceed these targets for more than two consecutive years. For circuits that exceed these targets for two consecutive years, a remedial action plan will be issued and completed within 18 months.

- c) SMUD will maintain the electric system in good repair and make the necessary upgrades to maintain load serving capability and meet regulatory standards.

## 2) Executive Summary

Improving reliability is essential to meeting customer energy requirements and drives customer loyalty.

**SMUD was in compliance for both generation and transmission availability.** SMUD met all energy supply requirements 100% of the time through its generation resources and purchased power. At a peak load of 2,838 megawatts (MW) (which occurred on July 11<sup>th</sup>),

48% of the generation was provided by internal resources and 52% was provided by purchased power. The transmission availability was at 100% for the year.

**SMUD was in compliance for both SAIDI and SAIFI.** The 2025 distribution system reliability performance is summarized in Table 1 below.

Table 1: 2025 Distribution System Reliability Performance

	Including Major Events		Excluding Major Events	
	SD-4 Limit	2025 Results	SD-4 Limit	2025 Results
<b>SAIFI</b>	1.33	0.87	1.14	0.87
<b>SAIDI (minutes)</b>	93.3	49.7	68.7	49.7

**Major Events** are defined as events caused by earthquake, fire, or storms of sufficient intensity which result in a state of emergency being declared by the government. Absent the declaration of a state of emergency, any other natural disaster may be excluded only if it affects more than 15% of the system facilities or 10% of the customers, whichever is less. **There were no events that occurred in 2025 that qualified as a Major Event.**

Of the 749 total distribution circuits within the SMUD service territory, 98.8%, or 740 circuits, met the Board’s SD-4 reliability standards at the individual circuit level. For the nine circuits that were not within compliance, twenty projects aimed at improving reliability—encompassing cable replacement, avian mitigation, equipment repairs, and other tasks—were initiated, with fourteen already completed and six projects are in progress.

### 3) Additional Supporting Information

#### Generation

##### Hydro Generation Facilities

The availability rate for SMUD’s hydro generation system in 2025 was 90.2% and for the June 1st through September 30th peak period, hydro generation availability was 98.9%. SMUD’s Upper American River Project (UARP) hydro system generated a net total of 1,462 GWh against the budgeted generation of 1,645 GWh.

##### Gas Pipeline Operations

SMUD’s gas pipeline had a 100% availability rating in 2025 and provided a constant flow of gas to SMUD’s thermal generation facilities. All necessary maintenance activities were successfully completed in accordance with our operations and maintenance plans and procedures.

## Thermal Generation Facilities

The overall availability rate for SMUD's thermal generation facilities in 2025 was 88.6% and for the June 1<sup>st</sup> through September 30<sup>th</sup> peak period, thermal plant availability was 99.2%. SMUD's thermal generation facilities generated a net total of 4,895 GWh against the budgeted generation of 5,315 GWh.

## **Transmission and Distribution**

SMUD has approximately 480 miles of transmission lines and 11,098 miles of distribution lines including 69 kilovolts (kV). Approximately 35% of the distribution lines are installed overhead and 65% are installed underground. The transmission system is predominately overhead except for 17 miles of underground lines located in the Carmichael and downtown areas.

Staff monitor circuit reliability regularly to assess circuits that could potentially exceed the reliability limits. Outage causes, trends, and reliability impacts are analyzed to identify corrective actions that will bring the reliability of these circuits within the acceptable range.

## **4) Challenges**

Reliability performance is shaped by several key factors, including environmental conditions, animal and bird interactions, severe storms, asset health, system loading, and operational practices. Each of these elements can affect outage frequency and duration in different, and sometimes unpredictable, ways. Continuous improvement is central to our approach. We leverage historical outage data to develop new and improved maintenance processes, invest in system hardening, and adapt field programs to address emerging issues, always striving to enhance reliability for our customers.

## **Major Events**

As previously defined above, a day will be categorized as a Major Event day by SMUD when either of the following occurs:

1. An event caused by earthquake, fire, or storm of sufficient intensity which results in a state of emergency being declared by the government.
2. Any event that impacts more than 15% of the SMUD facilities or 10% of the customers, whichever is less.

Major Events typically have the most pronounced impact on annual reliability performance, sometimes eclipsing all other causes combined. Historically, the Sacramento region has experienced Major Events due to atmospheric river storms and other extreme weather events, requiring intensive emergency response and restoration efforts.

For 2025, SMUD did not record any events meeting the Major Event threshold, although the December 24–25 storm presented significant operational challenges. While not

classified as a Major Event, the storm required coordinated emergency response from Operations and Engineering teams to minimize outage durations and mitigate impacts to customers. Our ongoing emergency planning and rapid deployment protocols have proven essential in limiting the reliability impacts of such significant incidents.

### Drivers for Reliability Performance

To sustain and improve electric reliability, SMUD annually identifies and reviews the top outage causes, which reflect the most frequent or highest-impact drivers of service interruptions in a given year. These causes can change over time due to shifts in weather patterns, equipment condition, and operational adjustments. Each primary cause is tracked, analyzed, and addressed through targeted mitigation actions and process improvements. In 2025, the main drivers for reduced reliability are summarized in Table 2 below.

Table 2: Top Outage Causes for 2025

Outage Cause	Including Major Events		Excluding Major Events	
	SAIDI (minutes)	SAIFI	SAIDI (minutes)	SAIFI
Vehicle Accidents	9.45	0.19	9.45	0.19
Underground Cable Failures	8.80	0.14	8.80	0.14
Equipment Failures	8.65	0.14	8.65	0.14
Wind	4.39	0.04	4.39	0.04
All Other Causes	18.42	0.36	18.42	0.36
<b>Total</b>	<b>49.70</b>	<b>0.87</b>	<b>49.70</b>	<b>0.87</b>

#### Vehicle Accidents

Vehicle accidents remain a notable cause of outages across SMUD’s service area. When vehicles collide with utility poles or other infrastructure, damage is often immediate and can result in significant service disruptions, especially when high-voltage lines are involved. Such incidents are unpredictable and often occur during adverse weather or periods of impaired visibility, compounding their risk.

SMUD has continued to expand the Vehicle vs Asset program, installing enhanced visibility strips on poles in high-risk areas to reduce collision rates. Data analytics help identify hotspots for targeted mitigation. Ongoing collaboration with traffic safety agencies also supports accident prevention at known trouble spots.

## Underground Cable Failures

Primary insulation failures occur when the material insulating energized components deteriorates or becomes compromised, often due to age, weathering, animal interference, or severe storm conditions. These failures can cause faults or arcing, leading to service interruptions that sometimes impact large numbers of customers.

To address this, SMUD continues its robust inspection and replacement schedule for aging insulation, particularly in older neighborhoods and on high-priority feeders. High-risk segments are prioritized for upgrades using improved insulation materials. Currently, SMUD is replacing 200,000 circuit feet of cable annually.

## Equipment Failures

Failures stemming from broken or malfunctioning equipment, including fuses, transformers, connectors, and cutouts, are an ongoing reliability challenge. These failures can be due to component aging, manufacturing defects, or stress from environmental exposure, and often result in sudden localized or widespread outages.

Proactive measures include annual line patrols to detect emergent issues and detailed line inspections (DLI) every five years, with findings addressed according to urgency. SMUD's ongoing asset management strategy uses analytics to prioritize replacements and optimize inventory of critical spare parts. Lessons learned from failure investigations are used to refine standards and selection criteria for new equipment.

## Wind

Wind events pose a significant risk to overhead electric infrastructure, particularly during severe weather. High winds can topple trees onto lines, introduce flying debris, and physically damage poles and wires, generating extended outages and complex restoration scenarios.

SMUD continues to harden at-risk portions of the grid, prioritizing vegetation management in wind-prone areas and reinforcing or undergrounding key circuits. We closely monitor weather forecasts and proactively stage crews when high-wind warnings are issued, shortening response times and minimizing impacts.

## **5) Recommendation**

It is recommended that the Board accept this year's Monitoring Report for SD-4 Reliability.

## 6) Appendices

### Appendix 1: Generation Supplementary Information

#### Hydro Generation Facilities

Major hydro generation maintenance and construction activities include:

- Camino Unit 1 Generator Step Up transformer (100 MVA) installed
- Robbs Forebay dredging and slide gate replacement
- Slab Creek powerhouse decommissioning
- Union Valley mud ring redesign and replacement
- Jaybird penstock cable replacement
- Camino crane controls upgrade
- Loon Lake station service switchgear and unit breaker replacement
- Union Valley sewage ejector replacement
- Riverton transformer storage pad and equipment yard
- UARP Culvert Upsizing
- (9) Hydromet sites
- Robbs Peak cooling water piping

#### Gas Pipeline Operations (GPO)

Capital improvements and major maintenance activities include:

- Implemented updates and improvements to Quantitative Risk Analysis Model for Pipeline Integrity Management
- Winters Intertie Station Upgrade Study
- Line 700A Girth Weld Verification Dig
- Yolo Bypass Right of Way (ROW) Clearing / Tree Removal
- Main Line Valve 3 Replacement Project
- Main Line Valve 3 Anode Bed Replacement CP upgrades
- Procter & Gamble Generating Station Pipe Inspection & Pipe Support Project
- Campbell Soup Generating Station Valve-300 Electric Actuator Replacement Project (emission reduction)
- Campbell Soup Generating Station Pipe Inspection
- Line 700B Materials Verification Dig
- Line 800C Flood Mitigation analysis
- Line 800C Main Line Valve Leak Test Verifications
- Line 800C Internal Line Inspections
- Line 800C Triple Coupon Test Station installations
- Installed wireless transmitters at Main Line Valve 10
- Implementation of Irth Solution modules for Fire, Methane, Weather, and Seismic monitoring

- Above Ground Station Coating Completed at Winters Station, Main Line Valve 1, Procter & Gamble Generating Station, and Carson Power Plant.

### Thermal Generation Facilities

Major thermal generation maintenance and construction activities completed include:

#### Procter & Gamble Power Plant

- Combustion Turbine Engine Package location Re-alignment (solved CT1A vibration issue).
- Steam Turbine and Steam Turbine Generator Controls upgraded to Mark VIe and General Electric EX2100e
- Combustion Turbine CT1B ESN 185-183 Hot Section Major Overhaul.
- Combustion Turbine 1 (Peaker) Generator Major Overhaul including Rotor high speed balance.
- Continuous Emissions Monitoring System Upgrade Programmable Logic Controller on Combustion Turbine 1A.
- Condensate Pump Replacement.
- Replaced Boiler Feedwater Heat Exchangers upgraded with new plate heat exchangers.
- Recertified hydrostatic tests on Carbon Dioxide fire suppression system compressed cylinders.
- Installed continuous online predictive maintenance system on critical equipment.
- Completed Circulation Pump HRC-1C motor major overhaul.
- Completed install of new Circulation Pump and motor overhaul motor on HRC-1A.
- Replaced Generator Step Up Unit 2 Transformer H1 bushing.
- Replaced Combustion Turbine 1A Heat Recovery Steam Generator exhaust expansion joint.
- Procured capital spare Boiler Feedwater pump.

#### Campbell Power Plant

- Steam Turbine Major.
- Steam Turbine Generator GAP-3 with High-Speed Balance.
- Steam Turbine condenser tubes Eddy Current Testing.
- Steam Turbine Generator Lube oil coolers, Eddy Current Testing.
- Steam Turbine Generator Protective Relays Testing.
- Steam Turbine Transformer and T-2 Transformer Relays & Current Transformers.
- Continuous Emissions Monitoring System Upgrade.
- Gas Turbine minor inspections.
- Fire water tank structural integrity inspection & liner installation.
- Replaced Uninterruptable Power Supply for Plant Distributed Control System.
- Heat Recovery Steam Generator ice blasting last two tube bundles.
- Duct Burner Weld Repairs.
- Ammonia Pump redundant power source.

- Ultrasonic Testing on Acid and Caustic Tanks

#### Consumnes Power Plant

- Combustion Turbine #2 & Combustion Turbine #3 Auxiliary Fuel System / Outer Bearing Bracket Upgrade.
- Combustion Turbine #2 & Combustion Turbine #3 Replaced all Lower Explosive Limit cabinets and instruments.
- Heat Recovery Steam Generator #2 & Heat Recovery Steam Generator #3 completed replacing Intermediate Pressure/Low Pressure drain bellows.
- Replaced Distributed Control System power supplies for the Zero Liquid Discharge/Cooling Tower.
- Heat Recovery Steam Generator #2 and Heat Recovery Steam Generator #3 Open/inspect High Pressure Bypass Pressure Control Valve-2013/3013.
- Replaced both primary and back-up fire pump controllers.
- Steam Turbine Generator Minor inspection.
- Steam Turbine Generator 1 Condenser- Replaced two 48" water box expansion joints.
- Cooling Tower acid tank replaced.
- Zero Liquid Discharge acid tank replaced.
- Combustion Turbine #2 and Combustion Turbine #3 Rebuilt Pressure Control Valve-2048A & 3048A fuel gas valves installed upgraded trim.
- Combustion Turbine #2 and Combustion Turbine #3 Rebuilt and replaced 120V solenoids for the FG chop valves.
- Heat Recovery Steam Generator #2 and Heat Recovery Steam Generator #3 Rebuilt High Pressure and Intermediate Pressure level control valves.
- Main Fire pump – Replaced four suction header expansion joints.
- Main Fuel Gas Full Bore Valve-0021 Rebuilt actuator.
- Heat Recovery Steam Generator #2 and Heat Recovery Steam Generator #3 Rebuilt Cold Reheat Flow Control Valve-2018, Flow Control Valve-3018 Actuators.
- Heat Recovery Steam Generator #2 and Heat Recovery Steam Generator #3 Rebuilt IP Back pressure control valve actuators Pressure Control Valve-2207, Flow Control Valve-3207.
- Heat Recovery Steam Generator #2 and Heat Recovery Steam Generator #3 Replaced Clean Water Sump pump, and motors.
- Combustion Turbine #2 Replaced Secondary Protection Relay (Beckwith).
- Steam Turbine Generator #1 Replaced failed detector wire.
- Combustion Turbine #2 and Combustion Turbine #3 Performed borescope inspections.
- Heat Recovery Steam Generator #3 Positive Material Identification replaced High Pressure/Intermediate Pressure economizer bellows.
- Cooling Tower Replaced cooling tower fan motor "G".
- Combustion Turbine #2 Removed/re-installed auxiliary oil pumps for overhaul.
- Replaced four cooling tower expansion joints Cooling tower riser valves.

- Replace Cold Reheat Pressure Relief Valves 1700 & 1701 with dual pilots and installed new Pressure Relief Valve-1702.
- Combustion Turbine #2 & Combustion Turbine #3 Replaced Air inlet filters.
- Cooling Tower fill replacement/wood structure for the remaining four cells.
- Combustion Turbine #2 and Combustion Turbine #3 Installed new platforms to the 89SS/ND.
- Combustion Turbine #2 and Combustion Turbine #3 Installed new platforms for the accessory modules.

**Carson Power Plant**

- Replaced H0 bushing on Transformer 2
- Combustion Turbine Generator 1 minor inspection
- Chiller X632 absorber and Condenser retube
- Closed loop Heat Exchangers
- Combustion Turbine #2 Peaker gas turbine controls Mark V to Mark Vie
- Building remodels; Control Room offices, kitchen, Shop offices, shop restroom
- Steam Turbine Generator Condenser Retube

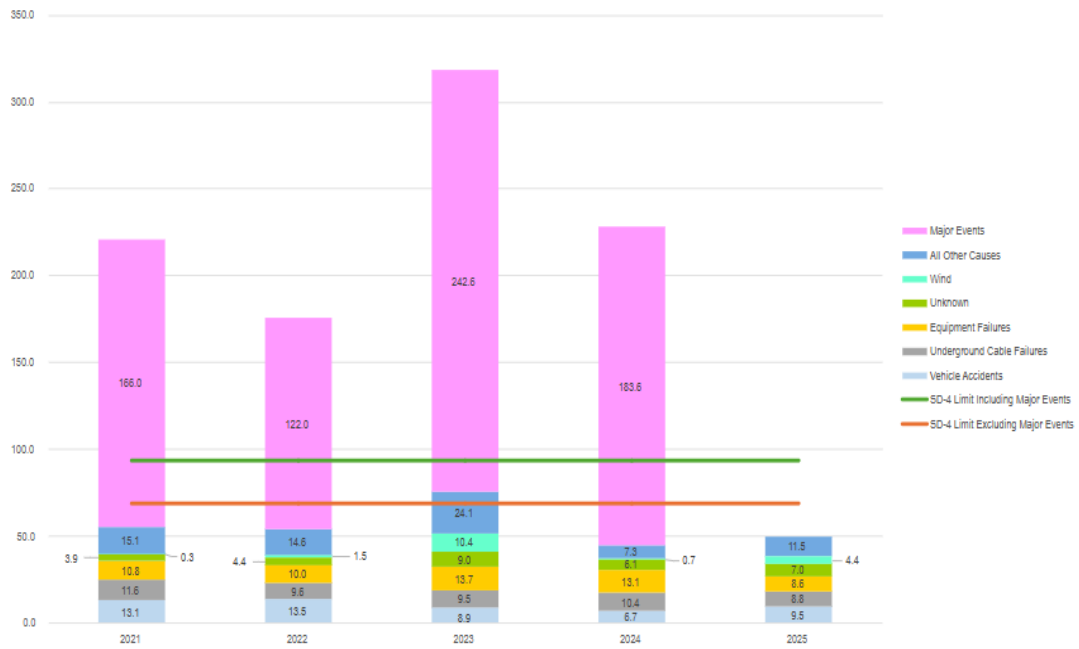
**Appendix 2: Five-Year Reliability Comparison**

The graphs below provide a five-year comparison of the impacts of outage causes to the average frequency (SAIFI) and duration (SAIDI) of outages.

**Graph 1: System Average Interruption Frequency Index (SAIFI)**



Graph 2: System Average Interruption Duration Index (SAIDI)





SSS No. DPO 26-003

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
Policy – 06/10/26Board Meeting Date  
June 18, 2026

TO				TO			
1.	Frankie McDermott	6.					
2.	Farres Everly	7.					
3.	Brandy Bolden	8.					
4.	Suresh Kotha	9.	<b>Legal</b>				
5.		10.	<b>CEO &amp; General Manager</b>				
<b>Consent Calendar</b>	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	<input type="checkbox"/> <b>Yes</b>	<input checked="" type="checkbox"/> <b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Amandeep Singh		DEPARTMENT		MAIL STOP	EXT.	DATE SENT 05/19/26	

**NARRATIVE:**

**Requested Action:** Approve proposed revisions to **Strategic Direction SD-4, Reliability**.

**Summary:** Strategic Direction SD-4, Reliability (SD-4) sets reliability standards for electric service, emphasizing system availability through sufficient generation, transmission, and distribution resources. Among other things, it sets measurable targets for average outage frequency (System Average Interruption Frequency Index or SAIFI) and average duration (System Average Interruption Duration Index or SAIDI). In 2009, SD-4 was modified to update targets to distinguish between periods including and excluding Major Events. Major Events are defined as events caused by earthquakes, fire, or storms of sufficient intensity which results in a state of emergency being declared by the government. Absent the declaration of a state of emergency, any other natural disaster may be excluded only if it affects more than 15% of the system facilities or 10% of the customers, whichever is less.

In light of challenges posed by climate change, staff undertook a comprehensive review of our reliability metrics and benchmarked such against peer utilities facing similar conditions. As such, staff proposes an update to the SAIDI target including Major Events based upon the 10-year historical average from 2016-2025. This revision allows us to set more realistic expectations while continuing to drive improvements in grid resilience and customer service. A redline and “clean” copy of the proposed revisions are attached.

**Board Policy:** Strategic Direction SD-4, Reliability  
*(Number & Title)*

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

**Cost/Budgeted:** N/A

**Alternatives:** Do not make revisions at this time; make other revisions; agendize for another date.

**Affected Parties:** Distribution Planning & Operations

**Coordination:** Executive Office, Board Office, and Distribution Planning & Operations

**Presenter:** Amandeep Singh, Director, Distribution Planning & Operations

**Additional Links:**

SUBJECT

Proposed Revisions to Strategic Direction SD-4, Reliability

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

# SMUD BOARD POLICY



**Category:** Strategic Direction  
**Policy No.:** SD-4  
**Title:** Reliability

Meeting customer energy requirements is a core value of SMUD.

Therefore:

a) SMUD will assure all customer energy requirements are met. This will be accomplished through the use of: (i) its generation resources and purchase power portfolio 100 percent of the time; and (ii) its transmission assets to assure an overall availability of at least 99.99 percent.

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Limiting the average duration of outages per customer per year to:

- With major event: ~~67.5~~114.5 – ~~93.3~~142.8 minutes
- Excluding major event: 49.7 – 68.7 minutes

Ensuring that no individual circuits exceed these targets for more than two consecutive years. For circuits that exceed these targets for two consecutive years, a remedial action plan will be issued and completed within 18 months.

c) SMUD will maintain the electric system in good repair and make the necessary upgrades to maintain load serving capability and meet regulatory standards.

**Monitoring Method:** CEO Report

**Frequency:** Annual

**Versioning:**

August 21, 2003	Resolution No. 03-08-10	Date of Adoption.
October 16, 2003	Resolution No. 03-10-14	Date of Revision.
May 6, 2004	Resolution No. 04-05-07	Date of Revision.
September 2, 2004	Resolution No. 04-09-08	Date of Revision.
December 18, 2008	Resolution No. 08-12-13	Date of Revision.
October 1, 2009	Resolution No. 09-10-13	Date of Revision.
June 4, 2015	Resolution No. 15-06-07	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision. <del>[Current Policy]</del>
<u>June 18, 2026</u>	<u>Resolution No. 26-06-XX</u>	<u>Date of Revision. [Current Policy]</u>

# SMUD BOARD POLICY



**Category:** Strategic Direction  
**Policy No.:** SD-4  
**Title:** Reliability

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- With major event: 114.5 – 142.8 minutes
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Ensuring that no individual circuits exceed these targets for more than two consecutive years. For circuits that exceed these targets for two consecutive years, a remedial action plan will be issued and completed within 18 months.

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December 18, 2008	Resolution No. 08-12-13	Date of Revision.
October 1, 2009	Resolution No. 09-10-13	Date of Revision.
June 4, 2015	Resolution No. 15-06-07	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision.
June 18, 2026	Resolution No. 26-06-XX	Date of Revision. [Current Policy]



SSS No. BOD 2026-011
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# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Policy – 06/10/26
Board Meeting Date N/A

TO				TO			
1.	Farres Everly	6.		7.		8.	
2.	Suresh Kotha	9.	<b>Legal</b>				
3.	Brandy Bolden	10.	<b>CEO &amp; General Manager</b>				
4.							
5.							

<b>Consent Calendar</b>	<input type="checkbox"/>	<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	<input type="checkbox"/>	<b>Yes</b>	<input type="checkbox"/>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Bryanna Schaefer/Crystal Henderson	DEPARTMENT Board Office			MAIL STOP B304	EXT. 6155	DATE SENT 05/15/26			

<b>NARRATIVE:</b>	
<b>Requested Action:</b>	Allow the Board of Directors and Executive staff an opportunity to discuss and evaluate existing policies: Board-Staff Linkage BL-6, Evaluating the CEO’s Performance; Board-Staff Linkage BL-7, Delegation to the CEO; and Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement.
<b>Summary:</b>	The Board agreed to monitor established policies on a yearly basis to create a framework to better understand the policies and give the Board an opportunity to make improvements, additions or changes as desired.
<b>Board Policy:</b> <i>(Number &amp; Title)</i>	This monitoring supports Governance Process GP-2, Governance Focus, which states in part, “[t]he Board will direct, evaluate and inspire the organization through the establishment of written reflecting the Board’s values.”
<b>Benefits:</b>	Monitoring policies helps ensure the policies are current and in keeping with the current will of the Board.
<b>Cost/Budgeted:</b>	Included in budget
<b>Alternatives:</b>	Monitor these policies at a later date.
<b>Affected Parties:</b>	Board of Directors
<b>Coordination:</b>	Board Office
<b>Presenter:</b>	Rosanna Herber, Policy Committee Chair

<b>Additional Links:</b>
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SUBJECT <b>Board Monitoring of BL-6, BL-7, and BL-8</b>	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

# SMUD BOARD POLICY



**Category:** Board-Staff Linkage  
**Policy No.:** BL-6  
**Title:** Evaluating the CEO's Performance

The CEO's job performance shall be evaluated by comparing the organization's results, operations and their personal performance to the policies established by the Board.

Specifically:

- a) The Board shall evaluate the CEO's performance on an annual basis in December.
- b) The evaluation will be based on a review of the organization's performance and the CEO's performance against the Board's Strategic Direction policies and Board-Staff Linkage policies.
- c) The Board will use data to determine the degree to which Board policies are being met.
- d) In December, the CEO will propose performance criteria for the following year that represent their reasonable interpretation of achieving the results defined by the Board.
- e) Additional performance discussions and check-ins with the CEO should occur at mid-year.
- f) All policies that instruct the CEO shall be monitored at a frequency and by a method chosen by the Board.

**Monitoring Method:** Board Report

**Frequency:** Annual

**Versioning:**

December 19, 2002	Resolution No. 02-12-14	Date of Adoption.
October 16, 2003	Resolution No. 03-10-14	Date of Revision.
November 3, 2005	Resolution No. 05-11-03	Date of Revision.
December 18, 2008	Resolution No. 08-12-16	Date of Revision.
November 19, 2009	Resolution No. 09-11-07	Date of Revision.
December 10, 2020	Resolution No. 20-12-06	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision.
June 20, 2024	Resolution No. 24-06-07	Date of Revision. [Current Policy]

# SMUD BOARD POLICY



**Category:** Board-Staff Linkage  
**Policy No.:** BL-7  
**Title:** Delegation to the CEO

The Board will instruct the Chief Executive Officer and General Manager (CEO) through written policies that define the results that the organization is to achieve, and which describe the delegation of authority to the CEO.

Specifically:

- a) The Board shall identify and define those results or conditions of SMUD that are acceptable and not acceptable to the Board and communicate them in the form of policy.
- b) The Board shall develop policies that define the delegation to the CEO with regard to the CEO's authority.
- c) The CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities related to the operations or business affairs of SMUD.
- d) The CEO shall use prudent judgment in the exercise of the delegations and in a manner that is operationally and economically sound, serves the best interests of SMUD's customers and the community, comports with prudent business practices, balances the risks and benefits of the actions, and does not expose SMUD to unreasonable risk. If the CEO reasonably determines that an activity related to the delegations presents, regardless of the size of the financial commitment: (i) a unique and significant operational risk to SMUD; (ii) a significant impact to customers; (iii) a significant impact to community relations; (iv) a significant impact to SMUD's reputation; or (v) materially compromises the policies and goals established by the Board, the CEO shall timely inform the Board and may request the Board to take appropriate actions.
- e) The Board may change its delegation to the CEO at any time, subject to the conditions of the Board's contract with the CEO, thereby expanding or limiting the authority of the CEO. But as long as any particular delegation is in place, the Board will abide by the CEO's decisions in those areas that are delegated to him or her.

**Monitoring Method:** Board Report

**Frequency:** Annual

**Versioning:**

December 19, 2002	Resolution No. 02-12-14	Date of Adoption.
October 16, 2003	Resolution No. 03-10-14	Date of Revision.
November 3, 2005	Resolution No. 05-11-02	Date of Revision.
December 6, 2007	Resolution No. 07-12-03	Date of Revision.
November 19, 2009	Resolution No. 09-11-06	Date of Revision.
August 21, 2014	Resolution No. 14-08-03	Date of Revision.
August 20, 2015	Resolution No. 15-08-06	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision. [Current Policy]

**Category:** Board-Staff Linkage  
**Policy No.:** BL-8  
**Title:** Delegation to the CEO with Respect to Procurement

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

- a) **Competition:** SMUD's procurement activities shall be competitive whenever practical.
- b) **Direct Procurement:** Direct procurement may be utilized when it is in SMUD's best interest. Direct procurement is the purchase of goods or services without competition when multiple sources of supply are available.
- c) **Sole Source Procurement:** Sole source procurement shall be performed only in the case of emergency or when a competitive process would be an idle act.
- d) **Inclusiveness:** SMUD's procurement practices shall promote inclusiveness of the entire contractor community in its contracting opportunities.
- e) **Economic Development:** SMUD's procurement practices shall promote the economic development of the community we serve.
- f) **Environmental Procurement:** SMUD shall minimize the impact on the environment through its procurement practices. In making procurement decisions, staff shall consider the environmental impacts in assessing total cost and benefits.
- g) **Responsible Bidder:** SMUD shall only do business with reputable and responsible contractors. A Responsible Bidder demonstrates trustworthiness, quality, capacity, financial capability, fair labor practices, and experience to satisfactorily perform SMUD work through the bidding and evaluation process. In addition, SMUD will determine Responsible Bidders by considering a contractor's social, environmental ethical, and safety accountability where applicable.
- h) **Contractor Code of Conduct:** SMUD shall set minimum expectations or standards for all contractors to follow in the course of doing business with SMUD (in some cases by submitting data and reporting annually) including but not limited to, labor and human rights, environmental, social, governance (ESG), health and safety accountability, ethics and compliance, and diversity, equity, inclusion, and belonging practices.
- i) **Best Value Procurement:** SMUD may procure goods and services by the best value at the lowest cost methodology, where cost and other factors are used to obtain the maximum value while ensuring a fair and equitable process.

- j) **Leveraged Procurement Agreement (LPA):** SMUD may procure goods and services where another lead public agency or organization competitively procures the same goods or services under applicable state and federal laws to streamline procurement processes and leverage collective buying power of multiple agencies to achieve cost savings and other benefits to SMUD. Leveraged procurement agreements are generally referred to by other public agencies as “Cooperative Purchasing Agreements.”
- k) **Strategic Alliances:** SMUD may enter into strategic alliance contracts for the procurement of goods or services. A Strategic Alliance is a competitively bid multi-year contract for goods and/or services in which the Contractor and SMUD work collaboratively over the life of the contract to improve quality, and to explore design and process improvements to reduce the cost of production, service delivery, and the total cost of ownership. These benefits are shared both by SMUD and the Contractor.
- l) **Supply Chain Risk:** SMUD’s procurement activities shall identify, manage, and mitigate supply chain risks through a coordinated effort across the enterprise.
- m) **Protest Policy:** SMUD shall ensure that contractors are afforded the opportunity to have their grievances heard through a fair protest process.
- n) **Delegation of Authority to the CEO:** The Chief Executive Officer and General Manager (CEO) is delegated authority to perform and approve the procurement activities in accordance with the below matrix. This delegation includes the authority to amend contracts for time extensions or other changes that create no additional cost to SMUD.

<u>Category</u>	<u>Amount*</u>
<b>Competitive Awards:</b>	
Operational Inventory	\$11 million
Non-inventory Materials	\$11 million
Construction and Maintenance Services	\$11 million
Information Technology	\$11 million
Professional and Consulting Services	\$3 million
Rents and Leases	\$1 million
<b>Sole Source:</b>	
All types except Maintenance/Licensing Fees	\$1.5 million
Maintenance/Licensing Fees	\$3 million or original approved amount
<b>Direct Procurement:</b>	
Materials/Supplies/Services	\$50k**
Government Entities	\$1 million
Nonprofit Entities (services/goods)	\$1 million

<b><u>Category</u></b>	<b><u>Amount*</u></b>
<b>Emergency Procurements:</b>	
All types	\$2 million
<b>Nonprofit Entities:</b>	
Memberships/Project Participation Agreement	\$3 million
<b>Contingencies:</b>	
Board Awarded Contracts	Up to 10% of Contract Award

**\*The amounts for all categories except Direct Procurement Materials/Supplies/Services shall be adjusted automatically on an annual basis beginning Jan 1, 2024, consistent with the U.S. Bureau of Labor Statistics (BLS) published national consumer price index (CPI) per the Federal Reserve Bank of Minneapolis Average Annual CPI calculator.**

**\*\*The amount shall be adjusted automatically on an annual basis pursuant to the implicit price deflator as set forth in California Public Utilities Code section 12751, using the base year of 1997.**

**Monitoring Method: CEO Report**

**Frequency: Quarterly**

**Versioning:**

August 21, 2003	Resolution No. 03-08-07	Date of Adoption.
October 16, 2003	Resolution No. 03-10-14	Date of Revision.
June 3, 2004	Resolution No. 04-06-04	Date of Revision.
October 16, 2008	Resolution No. 08-10-09	Date of Revision.
October 1, 2009	Resolution No. 09-10-05	Date of Revision.
August 4, 2011	Resolution No. 11-08-04	Date of Revision.
November 17, 2011	Resolution No. 11-11-06	Date of Revision.
March 15, 2012	Resolution No. 12-03-13	Date of Revision.
August 21, 2014	Resolution No. 14-08-03	Date of Revision.
December 15, 2016	Resolution No. 16-12-18	Date of Revision.
July 16, 2020	Resolution No. 20-07-05	Date of Revision.
March 18, 2021	Resolution No. 21-03-04	Date of Revision.
June 15, 2023	Resolution No. 23-06-04	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision.
June 20, 2024	Resolution No. 24-06-03	Date of Revision. [Current Policy]



SSS No. BOD 2026-004

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
POLICY - 2026

Board Meeting Date  
N/A

TO				TO								
1.	Brandy Bolden	6.										
2.	Farres Everly	7.										
3.	Suresh Kotha	8.										
4.		9.	<b>Legal</b>									
5.		10.	<b>CEO &amp; General Manager</b>									
<b>Consent Calendar</b>		<input type="checkbox"/>	<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b> <i>If no, schedule a dry run presentation.</i>	<input type="checkbox"/>	<b>Budgeted</b>	<input checked="" type="checkbox"/>	<b>Yes</b>	<input type="checkbox"/>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>	
FROM (IPR) Bryanna Schaefer / Crystal Henderson				DEPARTMENT Board Office				MAIL STOP B307	EXT. 5424	DATE SENT 12/18/25		

**NARRATIVE:**

**Requested Action:** Enable the Board of Directors and Executive Staff an opportunity to review the Board Work Plan.

**Summary:** The Board President reviews the Board Work Plan at the Policy Committee meeting to ensure agenda items support the work of the Board.

**Board Policy:** *(Number & Title)* This review of the Work Plan supports Governance Process GP-4, Board/Committee Work Plan and Agenda Planning (GP-4), which states that the Board will develop each year a list of topics and issues that it wishes to explore in the coming years and maintain a work plan that will be regularly reviewed by the Board or a standing committee. GP-4 and Governance Process GP-6, Role of the Board President, states that the [Board] President shall ensure that the Board’s agendas meet the goals of the annual work plan.

**Benefits:** Reviewing the Work Plan allows the Board members and Executive staff to make changes to the Work Plan and Parking Lot items as necessary.

**Cost/Budgeted:** Included in budget.

**Alternatives:** Not review the Work Plan at this time.

**Affected Parties:** Board of Directors and Executive Office

**Coordination:** Board Office

**Presenter:** Dave Tamayo, Board President

**Additional Links:**

SUBJECT

**Board Work Plan**

ITEM NO. *(FOR LEGAL USE ONLY)*

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.





SSS No. BOD 2026-005

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
POLICY - 2026

Board Meeting Date  
N/A

TO					TO						
1.	Brandy Bolden				6.						
2.	Farres Everly				7.						
3.	Suresh Kotha				8.						
4.					9.	<b>Legal</b>					
5.					10.	<b>CEO &amp; General Manager</b>					
<b>Consent Calendar</b>		<b>Yes</b>	<input checked="" type="checkbox"/>	<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) Bryanna Schaefer / Crystal Henderson				DEPARTMENT Board Office			MAIL STOP B304	EXT. 5424	DATE SENT 12/18/25		

**NARRATIVE:**

**Requested Action:** A summary of directives is provided to staff during the committee meeting.

**Summary:** The Board requested an ongoing 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 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.

**Board Policy:** *(Number & Title)* Governance Process GP-4, Board/Committee Work Plan and Agenda Planning states the Board will focus on the results the Board wants the organization to achieve.

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

**Cost/Budgeted:** Included in budget.

**Alternatives:** Not to summarize the Board’s requests at this meeting.

**Affected Parties:** Board of Directors and Executive Office

**Coordination:** Board Office

**Presenter:** Rosanna Herber, Policy Committee Chair

<b>Additional Links:</b>
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SUBJECT <b>Summary of Committee Direction – Policy Committee</b>	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.