ORDINANCE NO. 15-1

WHEREAS, the Board-appointed citizens' Rate Advisory Committee conducted a thorough review of the Sacramento Municipal Utility District's rates and, on September 27, 1991, submitted its Report and Recommendation to the Board of Directors concerning General Policy Frameworks for Rate-setting; and

WHEREAS, on December 19, 1991 the Board adopted Ordinance No. 91-1 to establish certain procedures that govern its rate-making process; and

WHEREAS, this Board has thoroughly reviewed its rate-making process and hereby determines it to be necessary and appropriate to amend the provisions of Ordinance No. 91-1 to clarify and update its rate-making process; NOW, THEREFORE:

BE IT ENACTED BY THE BOARD OF DIRECTORS OF SACRAMENTO MUNICIPAL UTILITY DISTRICT:

Section 1. The following definitions are applicable for this Ordinance:

(a) "Board" means the Sacramento Municipal Utility District Board of Directors.

(b) "Business Day" means any day except Saturday, Sunday, or a legal holiday observed by SMUD.

(c) "Code" means the California Public Utilities Code.

(d) "Report" means the proposals in the General Manager's Report and Recommendation on Rates and Services, including any addenda or errata.

Section 2. The following procedures are hereby adopted for considering rate changes and conducting hearings thereon:

(a) These procedures shall be in addition to the procedures outlined in Sections 14401 through 14403.5 of the Code; provided, that in the event of any inconsistency between the procedures adopted herein and the Code, the Code shall govern.

(b) After the General Manager has released the Report, the public may have access, upon reasonable notice, to SMUD staff's supporting information and documents (excluding confidential information and other information protected from disclosure by law).

(c) For any change to SMUD rates and charges that intends to increase or decrease revenue, the following requirements shall apply:

i. Public Workshops. No sooner than twenty (20) calendar days following release of the Report, the General Manager or his/her designees shall conduct at least two (2) public workshops.

ii. Public Hearings. No sooner than fourteen (14) calendar days following completion of the first two (2) public workshops, the Board shall conduct one or more public hearings on the proposed change in accordance with the requirements of the Code.

(d) For any change to SMUD rates and charges that does not intend to increase or decrease revenues, the following requirements apply:

i. Public Workshops. No sooner than ten (10) calendar days following release of the Report, the General Manager or his/her designees shall conduct at least two (2) public workshops.

ii. Public Hearings. No sooner than ten (10) calendar days following completion of the first two (2) public workshops, the Board shall conduct one or more public hearings on the proposed change in accordance with the requirements of the Code.

(e) Notwithstanding paragraphs (c) and (d), when unanticipated events cause a sudden and significant change in SMUD's financial condition requiring an immediate response to make changes to rates and charges, the Board shall conduct at least one public hearing on the proposed change no sooner than ten (10) calendar days following release of the Report in accordance with the requirements of the Code.

(f) Public Workshop Procedures. The public workshops shall serve as a forum for the public to question staff as to the recommended rate or rate structure, prior to the public hearing. During the public workshops, members of the public may ask questions and/or provide non-duplicative comments directly relevant to the Report. All workshops shall be recorded and transcribed. The General Manager or his/her designees may, in his/her discretion, set time limits for individual speakers, establish a time limit for particular issues, set a cumulative time limit, or otherwise regulate public comment.

(g) Public Hearing Procedures. During a public hearing, members of the public may provide non-duplicative testimony for up to three (3) minutes and shall have a full and fair opportunity to present comments, recommendations and alternatives for the Board's consideration. Speaking times may be extended at the discretion of the Board President. The Board President may, in his/her discretion, and based upon factors such as the number of public comment speaker cards submitted, depart from the above referenced time limit for individual speakers, set a cumulative time limit, or otherwise regulate public comment.

i. Members of the public that wish to address the Board with alternatives to the rate changes proposed in the Report and that desire additional time for public comment shall notify SMUD in writing at least ten (10) calendar days prior to the public hearing(s). Such notice shall include the amount of time requested. The Board President may, in his/her discretion, grant additional time up to, but no more than, a total of twenty (20) minutes.

ii. Members of the public desiring to submit written materials are requested to do so at least five (5) business days prior to the public hearing(s).

iii. Notwithstanding any provision in this paragraph (g), the public hearing(s) shall be conducted in accordance with the Board's Meeting Procedures.

iv. The public hearing(s) shall be recorded and transcribed.

(h) Members of the public may submit questions related to the Report in writing at any time after release of the Report up until five (5) business days prior to the public hearing. To the extent practicable, SMUD staff shall respond to such questions in writing within five (5) business days of receipt. Questions received after 5:00 p.m. shall be deemed to have been received on the next business day. SMUD staff will provide notice in the event that complex questions require additional time.

(i) Written documents, including alternative rate proposals, made by members of the public that are directly relevant to the Report and submitted to SMUD shall be made available to the public on SMUD's web site.

(j) Once the public hearing(s) have concluded, the Board shall make available for public review and comment for a period of at least ten (10) calendar days a draft resolution containing its proposed rate decision and the basis for the decision. However, if the Report proposes changes to rates due to circumstances in paragraph (e), the public review and comment period is at least five (5) calendar days.

(k) Following completion of the public comment period, the Board may approve the proposed resolution. However, if the Board proposes any material modifications (i.e., modifications which change customer rates or billings) in the proposed resolution, such resolution as modified shall be made available for public review and comment for a period of at least ten (10) calendar days in normal circumstances; and at least five (5) calendar days if a change to rates is proposed due to circumstances in paragraph (e). The Board shall permit public testimony on the modified resolution prior to any Board action thereon. The final approved resolution shall contain the rate decision and basis for the decision.

(I) Written notices, questions, comments, and other materials submitted by members of the public to SMUD shall be delivered in person, by mail, by facsimile, or by electronic mail.

Section 3. This Ordinance, to the extent it is inconsistent with any prior SMUD resolutions or ordinances, supersedes and repeals such inconsistent resolutions and ordinances.

Section 4. Board rate decisions are promulgated pursuant to Code Sections 11883 and 11885 and such decisions are only reviewable pursuant to Section 14402 of the Code. Nothing contained herein is intended to change, modify, or provide any additional remedies at law or inequity to persons seeking to challenge a rate decision.

Section 5. This Ordinance supersedes Ordinance No. 91-1 and shall take effect upon completion of publication as required by Section 11910 of the Code.

I hereby certify that the foregoing Ordinance was introduced at a regular meeting of the Sacramento Municipal Utility District's Board of Directors on the 5th day of March 2015, and was duly adopted on the 19th of March 2015 at a regular meeting of the Sacramento Municipal Utility District's Board of Directors.

Adopted: March 19, 2015 by the SMUD Board of Directors

| ECONDED: DIREC | TOR TAYLO | R | | |
|----------------|-----------|----|---------|--------|
| DIRECTOR | AYE | NO | ABSTAIN | ABSENT |
| KERTH | x | | | |
| BUI-THOMPSON | x | | | |
| TAYLOR | x | 1 | | |
| FISHMAN | x | | | |
| SHIROMA | x | | | |
| TAMAYO | x | | | |
| SLATON | × | | | |

Rob Kerth

President Board of Directors Sacramento Municipal Utility District

Attested:

Kenin

Laura Lewis Secretary