

SMUD BOARD POLICY



Category: Board-Staff Linkage
Policy No.: BL-1
Title: Board-CEO Relationship

The Board of Directors governs the Sacramento Municipal Utility District and is the policy-making body of SMUD. The Board operates under the provisions of the Municipal Utility District Act of the State of California (the MUD Act) and all other applicable statutes and laws.

- a) The Board of Directors is responsible for the following:
 - i) Identify and define the purpose, values and vision of SMUD, along with the results that are acceptable and not acceptable for SMUD to achieve, and communicate them in the form of policy.
 - ii) Make certain operational decisions as are designated by law.
 - iii) Hire, evaluate, and terminate the Chief Executive Officer and General Manager (CEO).

- b) The CEO is responsible for the following:
 - i) Manage all operations and business affairs of SMUD.
 - ii) Achieve the results established by the Board within the appropriate and ethical standards of business conduct set by the Board.
 - iii) Prepare and submit to the Board for approval each year a budget to achieve the Board's strategic directives.
 - iv) Enforce SMUD ordinances, administer the civil service system (including hiring and terminating of all officers and employees except the Chief Legal Officer and General Counsel and the Board Special Assistant), attend meetings of the Board and report on the general affairs of SMUD, and keep the Board advised as to the needs of SMUD.
 - v) Establish and enforce a code of ethics applicable to all employees, which provides clear guidelines for ethical standards and conduct.
 - vi) Implement and maintain an integrated enterprise risk management process that identifies, assesses, prudently manages and mitigates a variety of risks facing SMUD.
 - vii) Ensure the smooth continuous operation of SMUD in the event of the planned or unplanned absence of the CEO.

- viii) Interact with the public and other utilities and government agencies, pursuant to policies adopted by the Board. The CEO shall assure, in cooperation and consultation with the Board, that SMUD is appropriately represented in the community it serves.
- ix) Perform other responsibilities as may be delegated by the Board either by resolution or through the CEO's contract of employment.

Monitoring Method: Board Report

Frequency: Annual

Versioning:

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