

## SMUD BOARD POLICY

Category: <b>Board-Staff Linkage</b>	Title: <b>Delegation To The General Manager With Respect To The Settlement of Claims and Litigation</b>
	Policy Number: <b>BL-11</b>
Date of Adoption: <b>October 19, 2006</b>	Resolution No. <b>06-10-04</b>
Revision: <b>December 7, 2006</b>	Resolution No. <b>06-12-04</b>
Revision: <b>January 24, 2008</b>	Resolution No. <b>08-01-06</b>
Revision: <b>October 16, 2008</b>	Resolution No. <b>08-10-09</b>
Revision: <b>August 4, 2011</b>	Resolution No. <b>11-08-04</b>
Revision: <b>August 21, 2014</b>	Resolution No. <b>14-08-03</b>

Normal business operations require SMUD to enter into settlements of: (i) claims and lawsuits filed against it and brought by SMUD against third parties; (ii) regulatory matters to which SMUD is a party; and (iii) other disputes with third parties (“Dispute” or “Disputes”).

- a) **Delegation of Authority:** The General Manager, upon the advice of the General Counsel, is delegated authority to enter into settlement agreements to resolve Disputes and is authorized to execute all necessary documents to finally resolve such matters in accordance with Board policy and within the parameters of the matrix below.

<u>Category</u>	<u>Amount</u>
<b>Tort Claims/Other Claims Under Workers’ Compensation Laws</b>	<b>Up to SMUD’s self-insured retention levels<sup>1</sup></b>
<b>Condemnations Filed by SMUD</b>	

<sup>1</sup> Amounts in excess of the self-insured retention levels are paid under insurance policies.

<b>Up to 115% of Appraised Value</b>	<b>\$5 million</b>
<b>Greater than 115% of Appraised Value</b>	<b>\$500k</b>

<b>Condemnations Filed against SMUD</b>	
<b>85% or greater of Appraised Value</b>	<b>\$5 million</b>
<b>Less than 85% of Appraised Value</b>	<b>\$500k</b>

<b>All other Disputes</b>	<b>\$500k</b>
---------------------------	---------------

- b) **Reporting:** The General Manager shall timely provide the Board with a summary of any significant settlement of a Dispute.

**Monitoring Method: GM Report**  
**Frequency: Annual**