

SMUD BOARD POLICY

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| Category: Governance Process | Title: Purpose of Board |
| | Policy Number: GP-1 |
| Date of Adoption: December 19, 2002 | Resolution No. 02-12-14 |
| Revision Date: October 16, 2003 | Resolution No. 03-10-14 |
| Revision Date: November 3, 2005 | Resolution No. 05-11-04 |

The Board is the legislative body of the Sacramento Municipal Utility District. It 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.

The purpose of the Board of Directors is to:

- a) Identify and define the purpose, values and vision of SMUD, along with the quantitative and qualitative results that SMUD is to achieve, and communicate them in the form of policy.
- b) 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.
- c) Monitor the organization's performance against the results that the Board has established for SMUD.
- d) Make certain operational decisions as designated by law.
- e) Hire, evaluate and, when necessary, discharge the General Manager.

Monitoring Method: Board Report
Frequency: Annual