Exhibit to Agenda Item #1

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, January 8, 2020, scheduled to begin at 5:30 p.m.
Customer Service Center, Rubicon Room
Purpose

• The SMUD Board wants to engage in deeper, facilitated discussions about specific Board policies, focusing on those where Board members have questions or want to explore potential changes.
Background

• At its offsite in September 2019, the Board agreed to separate the Board’s discussions about policy compliance from discussions about whether to make changes in Board policy.

• Subsequently, Board members identified policies they want to discuss in more depth and consider modifying.
Proposed Policies to Include:

Meeting 1: GP-2 and GP-3
  ▪ Board governance focus and job description

Meeting 2: GP-5, GP-6, GP-9
  ▪ Election of president, role of president, role of committee chairs

Meeting 3: GP-7 and BL-5
  ▪ Guidelines for Board behavior, unity of control

Meeting 4: BL-3, BL-7, BL-8, BL-9, BL-11
  ▪ Board-Internal Auditor relationship, delegations to the CEO
Proposed Policies to Include:

Meeting 5: SD-1B and SD-5
  - Vision, customer relations

Meeting 6: SD-7 and SD-9
  - Environmental leadership, resource planning

Meeting 7: SD-10, SD-11, SD-17
  - Innovation, public power business model, enterprise risk management
The Process

In reviewing each of these policies, we will:

- Start with an appreciation of the current policy
- Ask what questions Board members have
- Ask what changes Board members are contemplating and why
- Identify linkages to other policies
- Identify the pros and cons of various options
- Agree on next steps
The Process

Next steps could include:

- Make no changes
- Ask for additional information
- Form an ad hoc
- Ask members of the executive team or the Board consultant to draft potential changes