

SMUD BOARD POLICY



Category: Board-Staff Linkage
Policy No.: BL-11
Title: Delegation to the CEO with Respect to the Settlement of Claims and Litigation

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 Chief Executive Officer and General Manager (CEO), 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>
Tort Claims/Other Claims Under Workers’ Compensation Laws	Up to SMUD’s self-insured retention levels ¹
Condemnations Filed by SMUD:	
Up to 115% of Appraised Value	\$5 million
Greater than 115% of Appraised Value	\$500k
Condemnations Filed Against SMUD:	
85% or greater of Appraised Value	\$5 million
Less than 85% of Appraised Value	\$500k
All Other Disputes	\$500k

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

Monitoring Method: CEO Report

Frequency: Annual

Versioning:

October 19, 2006	Resolution No. 06-10-04	Date of Adoption.
December 7, 2006	Resolution No. 06-12-04	Date of Revision.
January 24, 2008	Resolution No. 08-01-06	Date of Revision.
October 16, 2008	Resolution No. 08-10-09	Date of Revision.
August 4, 2011	Resolution No. 11-08-04	Date of Revision.
August 21, 2014	Resolution No. 14-08-03	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision. [Current Policy]

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