

Exhibit to Agenda Item #1

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, May 16, 2018, scheduled to begin at 5:30 p.m.
Customer Service Center, Rubicon Room

Strategic Directive (SD)-6 Safety

Creating a safe environment for employees and the public is a core value of SMUD. Through continuous improvement, SMUD will be recognized as a leader in employee safety while also assuring the safety of the public related to SMUD operations and facilities. This includes a comprehensive approach to monitoring organizational and public safety performance. Therefore, SMUD will continue to improve safety results to:

Workplace Safety

- a) Reduce SMUD's injury severity rate to 1.4 by 2020, as measured by OSHA's Days Away Restricted Time (DART), a rate that demonstrates strong safety performance.
- b) Provide timely, quality health care for injured employees that aids their recovery while maintaining positive financial performance of the workers' compensation program.

Public Safety

- a) Track and report injuries to the public related to SMUD operations or facilities.
- b) Implement measures to protect the public from injuries related to SMUD operations or facilities.

Key Measure Performance Results for 2017

Workplace Safety Performance

- Through 2017, we had thirty three (33) DART injuries. Eleven (11) lost times and twenty-two (22) restricted duties. This resulted in a DART rate of 1.6.
- Quality care of injured employees is measured through the Workers' Compensation program's performance, which is assessed annually by an independent actuary. In summary, the report highlighted the following:
 - SMUD's developed rate per \$100 payroll for 2017 (\$0.74) is 40.3% less than projected (\$1.24)
 - Total claims increased by 24.4% (112 vs. 90), however 30 claims (26.8%) involved no payments
 - Total paid losses decreased by 18.3%

Key Measure Performance Results for 2017

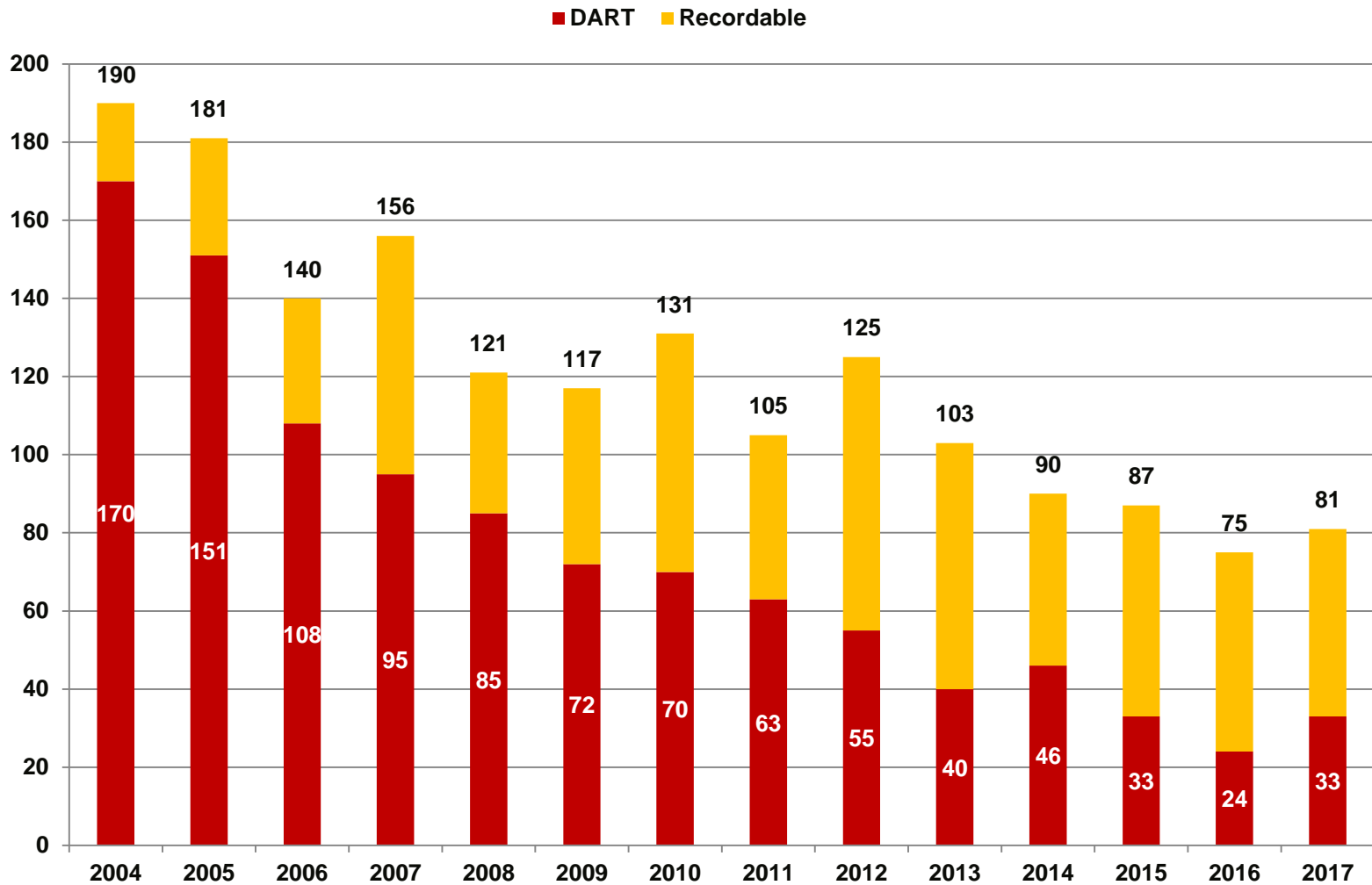
Public Safety

Through the end of 2017, there were 37 reported public/community safety-related incidents.

Of these, nineteen (19) were categorized as electrical contact. Seven (7) involved water meter installation, two (2) were digging related, four (4) resulted from contact with non-SMUD equipment, three (3) were related to tree trimming work, with one involving an unauthorized entrance into a substation, one (1) was cable work, one (1) downed line, and one was not classified.

In 12 of these 19 incidents, no injury was reported.

Days Away Restricted Time (DART) Rate Trending



2017 Contractor & Public Safety



- Safety Pre-Qualification of Contractors Trial Program
- Investigation of Dig-Ins and Electrical Contacts
- Education and Training
- Improved EMF and RF Meters and Response Programs
- Gas Pipeline Training Exercise

2017 Safety Programs



- Safety for Life Expansion
- Truck Rodeo – Driving Skill Competition
- SCORCH – Expansion + Mini Conference
- FMS Beta-test
- Corrective Action Follow-up
- Supervisor-Employee Interactions

2017 Safety Compliance



- Title 8 – Revision of High Voltage Work Practices
- Near Miss Reports
- Accident/Incident Investigation Training
- Job Hazard Analysis
- HQ Industrial Hygiene & PCB Support for HQ, Franklin, & Station E



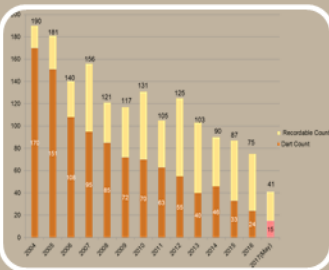
2018 Safety Leadership Changes

- Safety Manager
- Gap Analysis – Safety Culture and Mindset Focus
- 5-year Safety Road Map to Zero Injuries
- Staffing Organization
- Communication Planning
- Improved Standards/Procedures Development



Safety Program Changes

- E-learning, Onboarding, & Safety Leadership Training Update
- Expanded Truck Rodeo – 3 for 2018
- Office & Field Ergonomic Evaluation (Strength & Flexibility)
- Serious Incident or Fatality Potential Reduction Program
- Contractor Safety – Prequalification Testing & Contract Review
- Safety for Life Expansion



Safety Metrics and Communication

Leading Indicators for New Programs

Use of Data Analytics for Corrective Actions

Improved Document Controls for Safety Standards

Risk Assessment Criteria for Safety Programs

Safety Challenges

- Field and Office Soft Tissue Injuries.
- Zero Accidents and Zero Accident Culture.
- Data Management and Governance.

Requested Action:

- Accept the Q4 monitoring report for SD-6 Safety.
- Place item on the Board consent calendar for approval.