

Exhibit to Agenda Item #1c

Board Finance & Audit Committee Meeting and Special SMUD Board of Directors Meeting – Budget 2019

Thursday, November 8, 2018 scheduled to begin at 5:00 p.m.

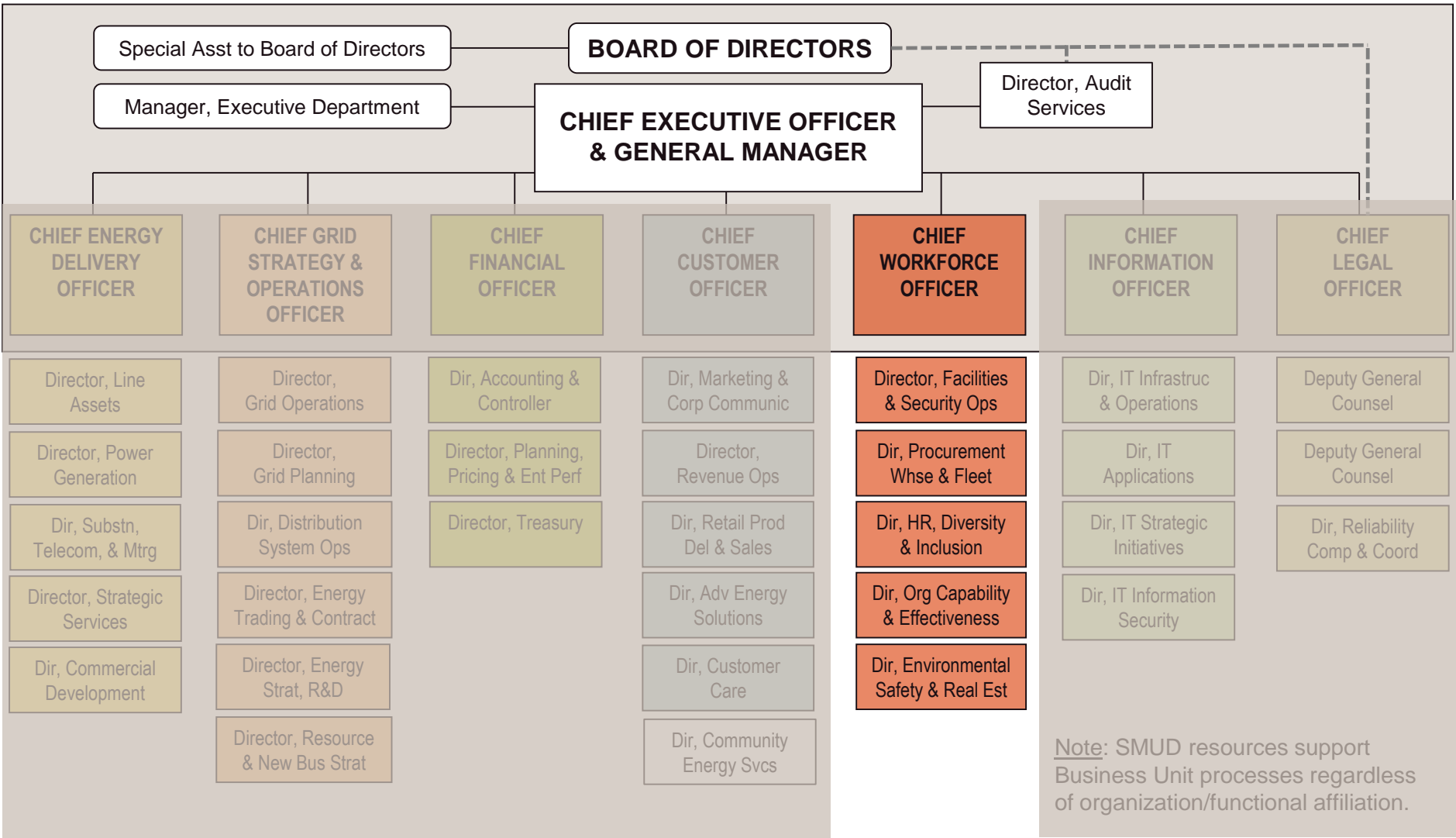
Customer Service Center, Rubicon Room

Internal Services 2019 Proposed Budget & Initiatives

Gary King
Chief Workforce Officer



Chief Workforce Officer Organization





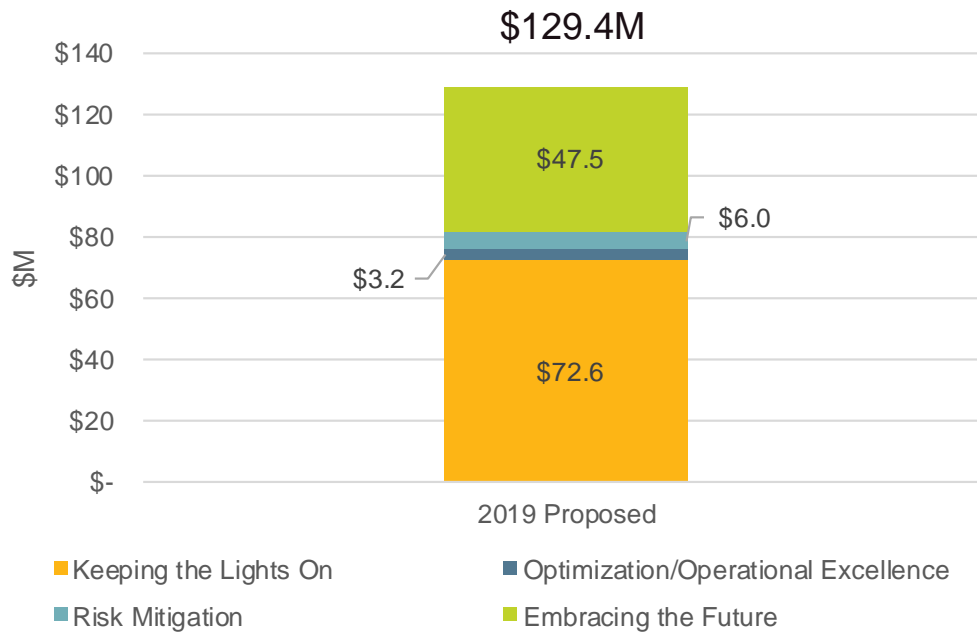
Internal Services

Business Segments and Functions

Operations	Planning	Services	Support
Facilities & Security Operations	Corporate Learning & Development	Environmental Services	Human Resource Services
Procurement, Warehouse & Fleet	Organization Effectiveness	Safety Services	Labor Relations
Emergency Preparedness		Real Estate Services	Inclusion
Fire Protection			Integrated Disability Management
Office Services			Education Relations



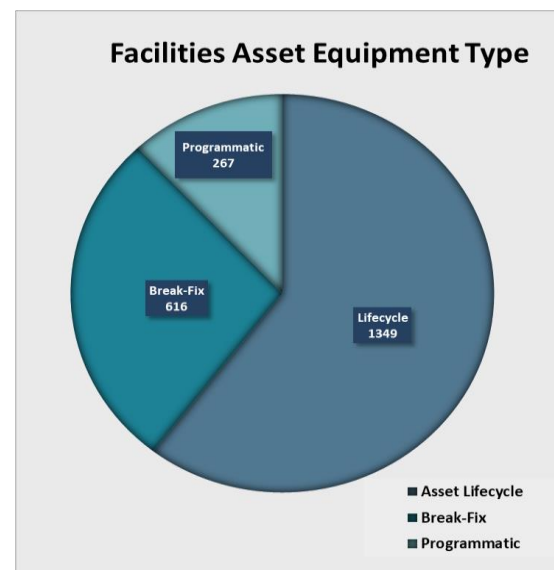
2019 Proposed Budget by Theme





Keeping the Lights On

- **Attract & Retain the right talent at the right time** – Ensure SMUD (SD-8) has the right people with the right skills in the right place at the right time. Create a culture that values employees’ ideas, fosters innovation, collaboration, inclusiveness and accountability - all to improve SMUD’s ability to recruit and retain high-performing employees.
- **Aging Facilities Assets** – Identify the condition of all Facilities assets (SD-2,6,8) and equipment for prioritized focus of SMUD’s resources and to best manage and maintain our Facilities Assets.



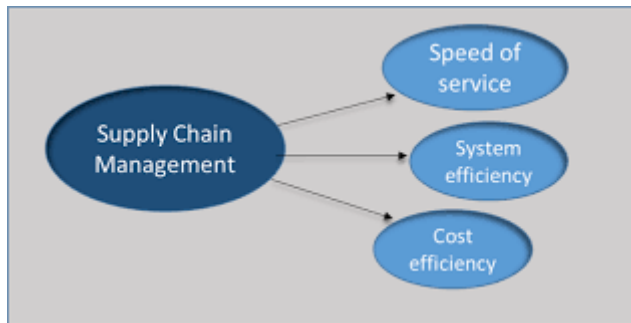


Optimization and Operational Excellence

Value Enhancements –

(SD-2,5)

- Supply Chain – Focus on efforts specific to purchasing decisions and restraint, spend management, supplier performance and Information security, cyber security and third party risk.
- Talent Sourcing & Management – Identify and implement operational efficiencies including technology tools to create cost containment and savings in talent sourcing and management.



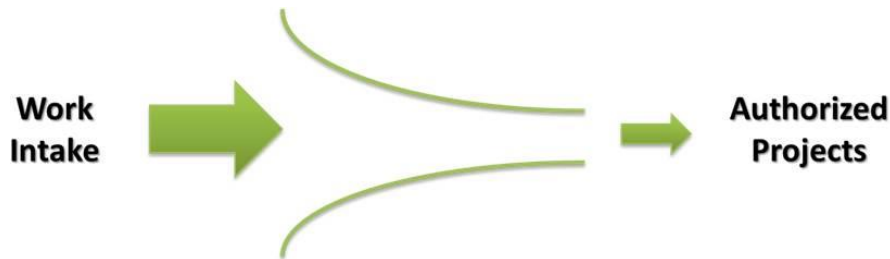


Optimization and Operational Excellence

▪ Value Enhancements –

(SD-2,5)

- Work Integration – Improve project planning and work intake efforts for Environmental, Safety and Real Estate to improve support for SMUD projects.
- Performance Alignment Framework – Identify and implement a simplified tool that supports setting measurable business goals reflective of both core work needs and improvement or project initiatives that sets a consistent standard across SMUD.





Risk Mitigation

- **Enterprise Continuity Management Program** – Integrate and test business continuity and crisis management plans on the path to develop a holistic Enterprise Continuity Management Program (will ultimately include disaster recovery and emergency management efforts). The program’s purpose is to develop planned processes to respond, manage and recover from disruptions to SMUD’s business operations. (SD-5,6,17)





Risk Mitigation

- **Five Year Safety Strategy** – Develop and implement a 5 year strategy in occupational health and safety that improves SMUD safety culture and leadership while achieving greater productivity, work quality and organizational goals of a zero accident culture. (SD-6,8)





Embracing the Future

- **Fleet Electrification & Emissions Reduction** – Focus investment and decision making to increase percentage of electric vehicles within SMUD’s Fleet. Future investments in Fleet electrification along with changes in behavior to drive continued reductions in Fleet emissions.

(SD-2,7)





Embracing the Future

■ Facilities Asset Planning

- 59th Street Reuse - Partner with a Developer to complete the design and prepare the site for sale; evaluate and remediate known environmental hazards.
- Headquarters Rehabilitation – Complete construction with energy efficiency and other design to achieve LEED gold certification and move employees back into the building.
- Power Control Center – Initiate planning on a new mission critical facility to replace the existing Emergency Management Center which will house data centers and a grid operations control room and achieve at least a Tier 3 level of reliability.





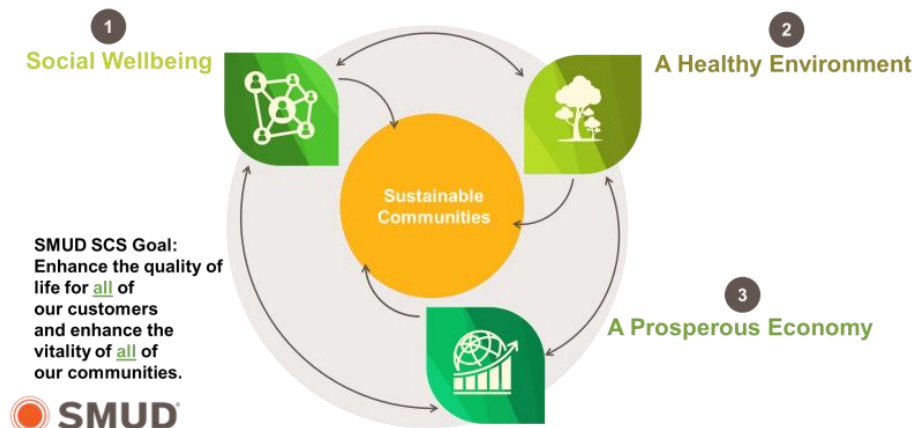
Embracing the Future

■ Sustainability

(SD-5,7,8,13)

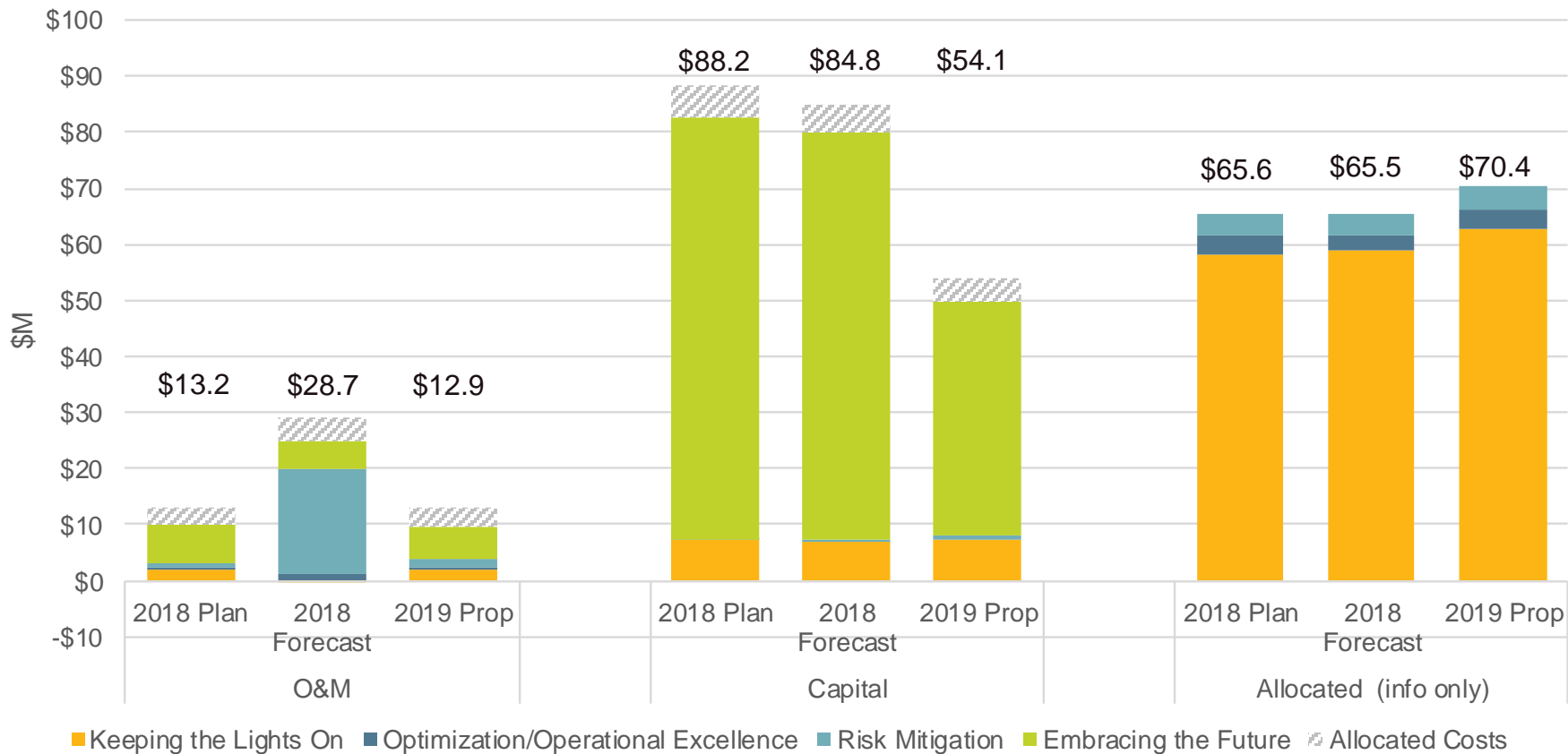
- Sustainable Communities Strategy - Develop a strategy to coordinate, align, communicate and bolster the impact of existing and new SMUD sustainable community efforts.
- Environmental Sustainability Plan - Establish sustainability target and action within SMUD's workforce and workplace to lower the environmental footprint of business practices.

SMUD Sustainable Communities Strategy





Internal Services 2019 Proposed Budget





Benefits Summary

Summary (\$000's)	2018 Budget	2018 Forecast	2019 Proposed	\$ Change vs Frcst	% Change vs Frcst
Retirement Contribution	\$56	\$118	\$78	(\$40)	-34%
FICA Contribution	\$20	\$20	\$21	\$1	7%
Health & Welfare Benefits	\$46	\$45	\$49	\$5	10%
Administer Benefits	\$2	\$2	\$2	\$0	1%
Subtotal	\$124	\$185	\$152	(\$34)	-18%
OPEB – Current Year Contribution	\$8	\$10	\$10	\$0	3%
OPEB – Unfunded Liability Contribution	\$26	\$22	\$27	\$5	25%
Total Employee Benefits	\$158	\$216	\$188	(\$28)	-13%