

Exhibit to Agenda Item #1

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, May 1, 2019, scheduled to begin at 5:30 p.m.
Customer Service Center, Rubicon Room

Strategic Direction 8 (SD-8) Employee Relations 2018 Board Monitoring Report

PURPOSE: Developing and maintaining a high quality, inclusive workplace that engages and inspires employees to commit to SMUD's purpose, vision and values is a core value of SMUD.

Therefore:

- a) SMUD shall attract and retain a highly qualified workforce
- b) SMUD shall engage its workforce in personal and professional development
- c) SMUD shall maintain and communicate written policies that define procedures and expectations for staff and provide for effective handling of grievances
- d) SMUD's percentage of engaged employees as measured through the Engagement Index shall exceed 80%
- e) Annually, and consistent with State and Federal law, the Board shall receive a report detailing the demographics of the SMUD workforce, the available workforce, and the Sacramento region. The report shall also provide information on veterans as a part of SMUD's workforce

SMUD is in full compliance with Strategic Direction SD-8

Attract & Retain a Highly Qualified Workforce



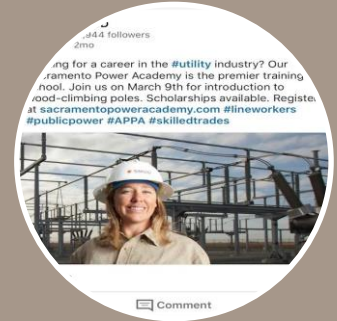
Career Ambassadors reached 52,000 students and community members (10,000+ than in 2017)



College Intern Program received 1,328 applications (300+ more than in 2017); hired 76 students



Employee turnover of 6.9% remained well below industry benchmark of 11.2%



Talent acquisition leveraged advancing technology to improve application process

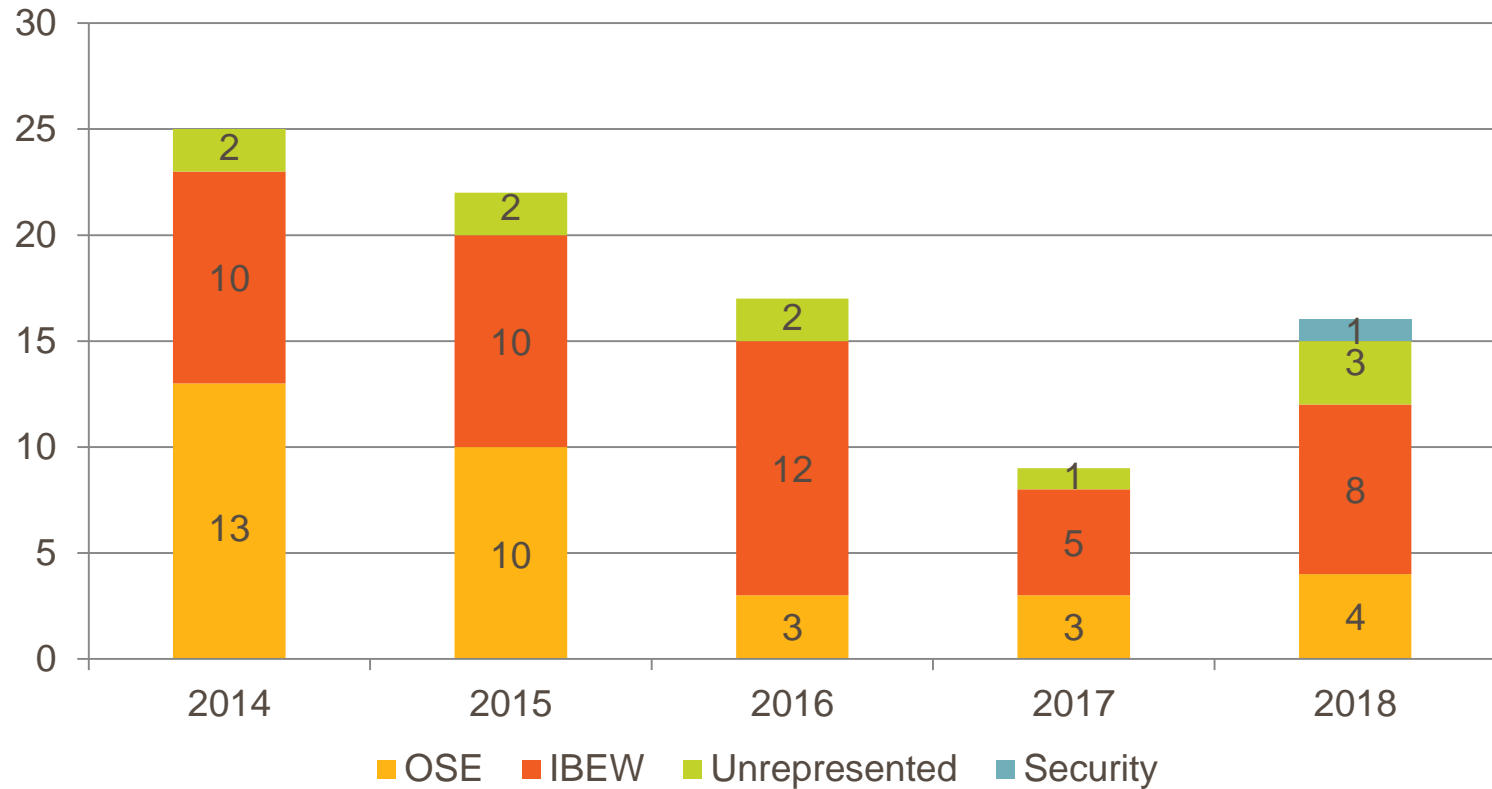
Workforce Personal & Professional Development

- ✓ **Increased training for SMUD employees**
 - 2,263 individuals, avg. 34 hours each (up from 29 hours each in 2017)
- ✓ **Increased Educational Assistance participation**
 - 136 employees in 2018 (108 in 2017; 79 in 2016)
- ✓ **19 leadership development program participants**
 - Nehemiah Emerging Leaders
 - WEI Business Acumen for Emerging Leaders
 - Asian Pacific Chamber Catalyst Program
 - Leadership Rancho Cordova
 - United Way Loaned Executive
 - Building Leadership Talent (SMUD)



Policies for Effective Handling of Grievances

2018 Grievances



Culture Assessment conducted in 2018

- 1,025 surveys complete; 9,000+ comments from employees

Positive Findings				
Commitment to community and customers is motivating	Connection between work and SMUD's strategies & vision is apparent	Family-like environment and fellowship is a positive, driving force	Culture is important	Employees are hopeful about the future
Areas of Opportunity				
Increase teamwork and collaboration	Improve communication across the org	Empower employees and reduce bureaucracy	Reduce resistance to change	Promote a culture of trust
Follow-on Action				
Implement recognition strategies	Facilitate employee discussion groups	Utilize "13 Behaviors to Build & Restore Trust"	Incorporate behaviors into SMUD 3.0 culture	

SMUD Workforce Demographics

Year	Male	Female	Caucasian	African American	Hispanic	Asian	Native American	2 or more Races
2018 SMUD Employees	66%	34%	60%	8%	14%	15%	0%	4%
2017 SMUD Employees	67%	33%	61%	7%	13%	14%	1%	3%
Sacramento, El Dorado & Placer Co.	52%	48%	59%	7%	17%	13%	1%	3%
U.S.	53%	47%	67%	11%	15%	15%	1%	1%
2018 SMUD Males	-	-	64%	6%	12%	13%	0%	4%
2018 SMUD Females	-	-	52%	11%	16%	17%	1%	4%
2018 SMUD Veterans	92%	8%	56%	8%	15%	14%	0%	6%
2017 SMUD Veterans	91%	9%	59%	8%	14%	14%	0%	6%
2017 CA Veterans	91%	9%	63%	9%	17%	7%	1%	3%

Percentages may not add up to 100% due to rounding

Diversity & Inclusion Successes



✓ Employee Resource Groups

- Sponsored more than 50 events at SMUD and in the community in 2018
- Focus on mentoring, professional development, diverse workforce recruiting and volunteerism strengthened ties to SMUD business strategy
- ERG refresh underway to provide additional structure, support, business integration

✓ Disability Hiring

- 4 successful placements in 2018
- 2 community awards from Northern Business Advisory Council
- “Model Employer Supporting Workplace Inclusion” award from Association of Regional Center Agencies



Recommend Acceptance of Monitoring Report for SD-8