

# Exhibit to Agenda Item #1

Board Finance & Audit Committee Meeting and Special SMUD  
Board of Directors Meeting

Tuesday, October 15, 2019 scheduled to begin at 5:30 p.m.

Customer Service Center, Rubicon Room

# Agenda

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- Outcomes Achieved through Negotiations with the PSOA
- Terms of Agreement Between SMUD and the PSOA
- Summary & Request for Approval of Establishing a Memorandum of Understanding (MOU) Between SMUD and the PSOA

# Outcomes Achieved

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- Represents a fair and financially prudent outcome that has reasonable risk and cost sharing for both parties:
  - Meets SMUD's financial targets
  - Maintains competitive pay and an engaged PSOA workforce with total compensation package in alignment with other employee groups
  - Manages health care costs while providing affordable, quality care
- Establishes positive relations with the PSOA

# SMUD/OSE Terms of Agreement

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- SMUD and the PSOA reached tentative agreement on September 26th
- PSOA members ratified the MOU on October 3rd
- Term of the new MOU:
  - Three year Contract
  - October 28, 2019 through December 31, 2021

# Wages for 2020

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- For Security Operations Supervisors, a wage increase of 3.25%
- For Security Operations Officers, a wage increase of 4.25%
- For Security Operations Dispatchers, in lieu of a wage increase, a lump sum payment equal to 6% of each employee's annual base pay

# Wages for 2021

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- For Security Operations Supervisors, a wage increase of 3.25%
- For Security Operations Officers, a wage increase of 4.25%
- For Security Operations Dispatchers, in lieu of a wage increase, a lump sum payment equal to 4% of each employee's annual base pay

# Wages for 2022

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- For Security Operations Supervisors, a wage increase of 3%
- For Security Operations Officers, a wage increase of 3.75%
- For Security Operations Dispatchers, a wage increase of 3%
- Starting in 2022, all Bargaining Unit 3 employees (Classic members) will increase their contribution from 5.25% to 7% of their pensionable wages as the employee share of the benefit cost to CalPERS

# Health Care

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- More flexibility with medical plan design options
- Increase in full-time employee medical insurance premium cost sharing for HMO plans over the life of the contract:
  - 2020: Same premium cost sharing as 2019 Confidential/Security
  - 2021: Increasing cost sharing by 1%
  - 2022: Increasing cost sharing by 1%



# Other Key MOU Terms

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- Security Operations Supervisors will now be treated consistently with other Bargaining Unit 3 employees as hourly employees
- Instructor/Training Officer Wage Premium: Qualified/Certified Bargaining Unit 3 employees will receive an 8% pay differential while performing relevant Instructor/Training Officer duties

# In Summary

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- Represents a total compensation package that has reasonable risk and costing sharing by both parties
- Successfully meets SMUD's financial targets and business priorities
- Maintains an engaged PSOA workforce with a total compensation package in alignment with other employee groups and market competitive
- Establishes positive relations with the PSOA