

Exhibit to Agenda Item #14

Approve a **Memorandum of Understanding** between **Sacramento Municipal Utility District** and the **Organization of SMUD Employees (OSE)** for the period January 1, 2022, through December 31, 2025.

Board of Directors Meeting

Thursday, December 9, 2021, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Agenda

- Outcomes Achieved through Negotiations with the OSE
- Key Terms of the Proposed Memorandum of Understanding (MOU) between SMUD and the OSE
- Summary & Request for Approval of OSE Successor MOU

Outcomes Achieved

- Represents a fair and financially responsible outcome for SMUD, our customers, and the OSE employees:
 - Meets SMUD's financial targets
 - Maintains competitive pay with a total compensation package to attract and retain an engaged OSE workforce
 - Provides a pool of well-qualified internal applicants for positions throughout the organization
- Preserves positive relations with the OSE

Proposed OSE MOU

- Ratified by the OSE on Nov. 30, 2021:
 - 238 votes were counted (52% of membership cast ballots)
 - Overwhelming support of those who voted: 97% voted YES
- Term of the new MOU:
 - 4-year contract
 - January 1, 2022 – December 31, 2025

Wages

General Wage Increase:

- 2022: 3.5%
- 2023: 3%
- 2024: 3%
- 2025: 3.25%

All OSE bargaining unit employees will be eligible for the general wage increase each year.

Health Care Benefits

Medical Premium Employee Cost Sharing for HMO Plans for 2022-2025:

- 12.5% for Full Time OSE Employees
- 17.5% for Part Time & Limited Term OSE Employees

Deferred Compensation Benefits

- SMUD will match an eligible OSE employee's contributions to their 401(k) deferred compensation account up to \$400 per calendar year for 2022-2025.

Deferred Compensation Benefits

- SMUD will provide monthly direct contributions into the 401(k) accounts of eligible OSE employees as follows:

Years of Service	2021	2022	2023	2024	2025
1-5 years	\$75	\$75	\$100	\$125	\$150
6-10 years	\$100	\$100	\$125	\$150	\$175
11-15 years	\$125	\$125	\$150	\$175	\$200
16+ years	\$150	\$150	\$175	\$200	\$225

In Summary

This successor MOU between SMUD and the OSE:

- Represents a fair and financially responsible outcome for SMUD, our customers, and the OSE employees:
 - Meets SMUD's financial targets
 - Maintains competitive pay with a total compensation package to attract and retain a well-qualified and engaged OSE workforce
- Preserves positive relations with the OSE