

# Board of Directors Meeting Agenda

Date: November 18, 2021  
Time: 5:30 p.m.  
Location: Virtual Meeting (online)



# **AGENDA**

## **SACRAMENTO MUNICIPAL UTILITY DISTRICT BOARD OF DIRECTORS MEETING**

Pursuant to Government Code section 54953(e) and the Emergency Board Meeting Procedures adopted by the SMUD Board of Directors, the regular Board meeting and other public meetings are currently conducted solely via virtual (online/teleconference) meeting to align with state, local, and federal guidelines for the containment of the coronavirus.

Live video streams and indexed archives of meetings are available at:  
[http://smud.granicus.com/ViewPublisher.php?view\\_id=16](http://smud.granicus.com/ViewPublisher.php?view_id=16)

Members of the public may register to provide verbal comments at an upcoming Board or Committee meeting by e-mailing a request to speak to [PublicComment@smud.org](mailto:PublicComment@smud.org). Please include the date of the meeting, name, and topic or agenda item the requestor wishes to speak on. The request may also be submitted while the meeting is in progress during the standard time for the agenda item or topic. **Pre-registration is strongly encouraged by no later than 3:00 p.m. on the day of the meeting.**

Members of the public may provide written public comments on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via e-mail. Comments may be submitted to [PublicComment@smud.org](mailto:PublicComment@smud.org) and will be placed into the record of the meeting.

Members of the public that are listening to or watching the live stream of a Board meeting and wish to submit written comments on a specific agenda item as it is being heard may submit their comments, limited to 250 words or less, to [PublicComment@smud.org](mailto:PublicComment@smud.org), noting the agenda item number in the subject line. The Board President may read comments for items on the agenda into the record, in her discretion, based upon such factors as the length of the agenda or the number of e-mail comments received. General public comment for items not on the agenda will not be read into the record but will be provided to the Board and placed into the record of the Board meeting if it is received within two hours after the meeting ends.

***November 18, 2021 – 5:30 p.m.***

**Zoom Webinar Link: [Join SMUD Board of Directors Meeting Here](#)**

**Webinar/Meeting ID: 160 285 9124**

**Passcode: 847533**

**Phone Dial-in Number: 1-669-254-5252 or 1-833-568-8864 (Toll Free)**

Call to Order.

a. Roll Call.

1. Approval of the Agenda.

2. Committee Chair Reports.

- a. Committee Chair report of November 16, 2021, Finance and Audit Committee
- b. Committee Chair report of November 16, 2021, Energy Resources & Customer Services Committee
- c. Committee Chair report of November 17, 2021, Policy Committee

**Items 5 and 6 were reviewed by the November 16, 2021, Finance and Audit Committee. Items 7 through 9 were reviewed by the November 17, 2021, Policy Committee. Item 10 was reviewed by the November 16, 2021, Energy Resources & Customer Services Committee.**

***Comments from the public are welcome when these agenda items are called.***

**Consent Calendar:**

- 3. Approve Board member compensation for service rendered at the request of the Board (pursuant to Resolution 18-12-15) for the period of October 16, 2021, through November 15, 2021.
- 4. Approval of the minutes of the meeting of October 21, 2021.
- 5. Approve Contract Change No. 6 to Contract No. 4500057661 with **Leading Resources, Inc.** to extend the contract expiration date from December 31, 2021, to December 31, 2024, to allow for continuity of consulting support for the SMUD Board of Directors. **Finance and Audit Committee 11/16. (President Bui-Thompson)**
- 6. Select a preferred redistricting map adjusting SMUD's political ward boundaries for presentation at the December 15, 2021, Public Workshop. **Finance and Audit Committee 11/16. (Laura Lewis)**
- 7. Accept the monitoring report for **Strategic Direction SD-16, Information Management and Security.** **Policy Committee 11/17. (Stephen Clemons)**
- 8. Accept the monitoring report for **Strategic Direction SD-17, Enterprise Risk Management.** **Policy Committee 11/17. (Jennifer Davidson)**
- 9. Make findings pursuant to Government Code section 54953(e) to continue holding meetings virtually during proclaimed state of emergency (recurring item, every 30 days). **Policy Committee 11/17. (Laura Lewis)**

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**Discussion Calendar:**

- 10. Discuss, with possible action, **Election of Officers for 2022** (President and Vice President) for the SMUD Board of Directors. **Energy Resources & Customer Services Committee 11/16. (President Bui-Thompson)**

***Presenter: President Bui-Thompson***



### **Public Comment:**

11. Items not on the agenda.

### **Board and CEO Reports:**

12. Directors' Reports.
13. President's Report.
14. CEO's Report.
  - a. Board Video re: Hedge Battery Energy Storage

### **Summary of Board Direction**

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### **Board Committee Meetings and Special Meetings of the Board of Directors are held at the SMUD Headquarters Building, 6201 S Street, Sacramento**

***The SMUD Board of Directors is currently operating under Emergency Board Meeting Procedures. In accordance with findings made by the Board pursuant to Government Code section 54953(e), these meetings will be held virtually (online).***

November 16, 2021	Finance and Audit Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
November 16, 2021	Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	Immediately following the Finance and Audit Committee and Special SMUD Board of Directors Meeting scheduled to begin at 5:30 p.m.
November 17, 2021	Policy Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
November 30, 2021	Strategic Development Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
December 1, 2021	Policy Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.

December 7, 2021	Finance and Audit Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
December 8, 2021	Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.

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**Regular Meetings of the Board of Directors are held at the SMUD Headquarters Building, 6201 S Street, Sacramento**

***The SMUD Board of Directors is currently operating under Emergency Board Meeting Procedures. In accordance with findings made by the Board pursuant to Government Code section 54953(e), these meetings will be held virtually (online).***

December 9, 2021	Virtual Meeting (online)	5:30 p.m.
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***Pursuant to Resolution No. 20-06-08 adopted on June 18, 2020, Emergency Board Meeting Procedures are in effect:***

***Members of the public may make either a general public comment or comment on a specific agenda item by submitting comments via email. Comments may be submitted to [PublicComment@smud.org](mailto:PublicComment@smud.org). Comments will be provided to the Board and placed into the record of the Board meeting if it is received within two hours after the meeting ends.***

***Members of the public that are listening or watching the live stream of a Board meeting and wish to comment on a specific agenda item as it is being heard, may submit their comments, limited to 250 words or less, to [PublicComment@smud.org](mailto:PublicComment@smud.org). The Board President may read the comments into the record, in her discretion, based upon such factors as the length of the agenda, the number of email comments received, and whether the Board is in danger of losing a quorum. Comments will be provided to the Board and placed into the record of the Board meeting if it is received within two hours after the meeting ends.***

***Members of the public may register to provide verbal comments at an upcoming Board or Committee meeting by emailing a request to speak to [PublicComment@smud.org](mailto:PublicComment@smud.org). Please include the date of the meeting, name, and topic or agenda item the requestor wishes to speak on. The request may also be submitted while the meeting is in progress during the standard time for the agenda item or topic. Pre-registration is strongly encouraged by no later than 3:00 p.m. on the day of the meeting.***

***ADA Accessibility Procedures: Upon request, SMUD will generally provide appropriate aids and services leading to effective communication for qualified persons with disabilities so that they can participate equally in this virtual meeting. If you need a reasonable auxiliary aid or service for effective communication to participate, please email [Toni.Stelling@smud.org](mailto:Toni.Stelling@smud.org), or contact by phone at (916) 732-7143, no later than 48 hours before this virtual meeting.***





RESOLUTION NO. \_\_\_\_\_

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board hereby approves Board member compensation for service rendered at the request of the Board (pursuant to Resolution 18-12-15) for the period of October 16, 2021, through November 15, 2021.



Sacramento, California

October 21, 2021

The Board of Directors of the Sacramento Municipal Utility District met in regular session via virtual meeting (online) at 5:33 p.m.

Roll Call:

Presiding: Vice President Rose

Present: Directors Fishman, Herber, Kerth, Tamayo, and Sanborn

Absent: President Bui-Thompson

Present also were Paul Lau, Chief Executive Officer and General Manager; Laura Lewis, Chief Legal & Government Affairs Officer and General Counsel and Secretary, and members of SMUD's executive management; and SMUD employees and visitors.

Director Fishman shared the environmental tip.

Vice President Rose called for approval of the agenda. Director Kerth moved for approval of the agenda, Director Herber seconded, and the agenda was approved by a vote of 6-0, with President Bui-Thompson absent.

Director Fishman, Chair, presented the report on the Strategic Development Committee meeting held on October 12, 2021.

Director Sanborn, Chair, presented the report on the Policy Committee meeting held on October 13, 2021.

Director Herber, Chair, presented the report on the Finance and Audit Committee meeting held on October 19, 2021.

Vice President Rose, Chair, presented the report on the Energy Resources & Customer Services Committee meeting held on October 20, 2021.

Vice President Rose then called for public comment for items on the agenda, but none were forthcoming.

Vice President Rose then addressed the consent calendar consisting of Items 3 through 11. Director Sanborn moved for approval of the consent calendar, Director Herber seconded, and Resolution Nos. 21-10-02

through 21-10-09 were approved by a vote of 6-0, with President Bui-Thompson absent.



**RESOLUTION NO. 21-10-02**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board hereby approves Board member compensation for service rendered at the request of the Board (pursuant to Resolution 18-12-15) for the period of September 16, 2021, through October 15, 2021.

Approved: October 21, 2021

INTRODUCED: DIRECTOR SANBORN				
SECONDED: DIRECTOR HERBER				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
BUI-THOMPSON				X
ROSE	X			
FISHMAN	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

## **RESOLUTION NO. 21-10-03**

**WHEREAS**, SMUD is committed to preserving public access and participation in meetings of the Board of Directors and to the safety of meeting attendees; and

**WHEREAS**, all meetings of the Board of Directors are open and public, as required by the Ralph M. Brown Act (Gov't Code, §§ 54950-54963) ("Brown Act"), so that any member of the public may attend, participate in, and watch SMUD's governing body conduct its business; and

**WHEREAS**, the newly enacted Government Code section 54953(e) authorizes a local agency's governing body, during a proclaimed state of emergency, to participate in its public meetings using remote teleconferencing without compliance with the requirements of Government Code section 54953(b)(3), under specified conditions; and

**WHEREAS**, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

**WHEREAS**, another condition is that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body determines that meeting in person would present imminent risks to the health and safety of attendees; and

**WHEREAS**, on July 29, 2021, the Sacramento County Health Officer issued an order intended to help limit the spread of COVID-19, and among other things, required face coverings in indoor public spaces for vaccinated and unvaccinated people alike; and

**WHEREAS**, on September 28, 2021, the Sacramento County Health Officer issued a Teleconferencing Recommendation stating:

Public meetings bring together many individuals  
(both vaccinated and potentially unvaccinated), from  
multiple households, in a single indoor space for an

extended time. For those at increased risk for infection, or subject to an isolation or quarantine order, teleconferencing allows for full participation in public meetings, while protecting themselves and others from COVID-19.

Utilizing teleconferencing options for public meetings is an effective and recommended social distancing measure to facilitate participation in public affairs and encourage participants to protect themselves and others from COVID-19

; and

**WHEREAS**, under current state of emergency conditions it would be impractical for SMUD to take steps necessary to prevent imminent risks to the health and safety of attendees, such as by holding public meetings outdoors, ensuring public meeting attendees are vaccinated, have appropriate face coverings, and wear them consistent with public health guidance; and

**WHEREAS**, all meetings, agendas, meeting dates, times, and manner in which the public may participate in the public meetings of the SMUD Board and offer public comment by telephone or internet-based service options including video conference are posted on the SMUD website and physically outside of SMUD's Headquarters Building; and

**WHEREAS**, by Resolution No. 21-10-01 adopted on October 12, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** Risks to Health and Safety of Attendees. The Board has reconsidered the circumstances of the state of emergency and hereby finds that the state of emergency continues to directly impact the ability of the members to meet safely in person; the Sacramento County Health Officer has recommended teleconferencing as way to promote social distancing; and holding

SMUD Board meetings in person would present imminent risks to the health and safety of attendees.

**Section 2.** Remote Teleconference Meetings. SMUD staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including conducting open and public meetings in accordance with section 54953(e) and other applicable provisions of the Brown Act.

**Section 3.** Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) November 20, 2021, or (ii) such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the SMUD Board may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

Approved: October 21, 2021

INTRODUCED: DIRECTOR SANBORN				
SECONDED: DIRECTOR HERBER				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
BUI-THOMPSON				X
ROSE	X			
FISHMAN	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

**RESOLUTION NO. 21-10-04**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-6, Safety Leadership**, substantially in the form set forth in **Attachment A** hereto and made a part hereof.

Approved: October 21, 2021

INTRODUCED: DIRECTOR SANBORN				
SECONDED: DIRECTOR HERBER				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
BUI-THOMPSON				X
ROSE	X			
FISHMAN	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

## SACRAMENTO MUNICIPAL UTILITY DISTRICT

### OFFICE MEMORANDUM

**TO:** Board of Directors

**DATE:** October 5, 2021

**FROM:** Claire Rogers *CR 10/5/21*

**SUBJECT: Audit Report No. 28007345  
Board Monitoring Report; SD-6: Safety Leadership**

Audit and Quality Services (AQS) received the SD-6 *Safety Leadership* first-half 2021 Biannual Board Monitoring Report and performed the following:

- A review of the information presented in the report to determine the possible existence of material misstatements;
- Interviews with report contributors and verification of the methodology used to prepare the monitoring report; and
- Validation of the reasonableness of a selection of the report's statements and assertions.

During the review, nothing came to AQS' attention that would suggest the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

**CC:**

Paul Lau

# Board Monitoring Report 1<sup>st</sup> and 2<sup>nd</sup> Quarters, 2021 Strategic Direction SD-6, Safety



## 1. Background

Strategic Direction SD-6 states that:

Creating a safe environment for employees and the public is a core value of SMUD.

Through best practice methods and 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. SMUD commits to a proactive approach, including the active involvement of SMUD leadership, employees, contractors, and the community, as well as comprehensive monitoring of organizational and public safety performance.

Therefore, SMUD will continue to improve safety results to:

### Workplace Safety

- a) Reduce SMUD's injury severity incidents to 13 or less than by 2025, as measured by OSHA's Days Away Restricted Time (DART), a rate that demonstrates top quartile safety performance for similar size utilities using the Bureau of Labor Statistics (BLS) work-related safety data.
- b) Provide timely, quality health care for injured employees that aids their recovery while maintaining positive financial performance of the workers' compensation program.

### Contractor Safety

Support contractors to reduce and eliminate potential hazards for Serious Injuries and/or Fatality (SIF) when conducting high risk work.

### 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.

## 2. Executive Summary

**SMUD is in compliance with the SD-6 direction and is in alignment with SMUD's new 5-year strategy of working toward a zero-incident culture.** In the first half of 2021, SMUD met its safety performance targets related to SD-6.

## Workplace Safety

SMUD recorded 25 OSHA Recordables injuries in the first half of 2021. This is a 19% decrease from 2020 (31 OSHA Recordables). Of the 25 injuries, 6 (2 Lost Time & 4 Modified Duty injuries) resulted in a .58 DART rate. One of the 6 DART cases resulted in soft tissue related injuries and all occurred in a field environment. This represents a continued decrease in injuries which is trending downward to meet our 2025 Target (See Appendix A). As compared with the U.S. Bureau of Labor Statistics (BLS), SMUD was below the DART rate for Electrical Power Generation, Transmission and Distribution total DART rate of 0.9 by 0.32 points ([https://www.bls.gov/web/osh/summ1\\_00.htm](https://www.bls.gov/web/osh/summ1_00.htm)).

Quality care of injured employees is measured through the Workers' Compensation program's performance, which is assessed annually by an independent actuary. SMUD continues to have a reduction in claims over the past three years, a reduction in injury frequency rates, and a reduction in indemnity benefits as presented below.

	2018	2019	2020	2021*
<b>No. of Claims (Medical &amp; Indemnity)</b>	120	85	88	59
<b>Incident rate per 100 employees</b>	5.07	3.6	2.3	2.4
<b>Rates per \$100 payroll</b>	.98	.94	.85	.76

\*Preliminary results since the actuarial report will not be finalized until November 2021.

This year has continued to present challenges with COVID-19. COVID -19 hasn't only impacted the way SMUD is getting work done but has also resulted in new and emerging legislation surrounding paid leave and workers' compensation liabilities for COVID related injuries. Despite these challenges SMUD's program remains strong and continues to lead when compared with similarly situated organizations.

## Contractor Safety

Safety has completed 92 contractor site safety field visits through the second quarter. These visits focus on high hazard work performed on SMUD projects focusing on construction safety hazards, such as excavation, working at elevations, and in confined spaces to verify safe working practices by our contractor to reduce the potential for serious injuries or property damage. Contractor reported incidents require an investigation to be completed and typically will warrant additional site safety visits to verify corrective measures have been put into place to reduce further occurrences.



## Public and Community Safety

SMUD tracks public and community incidents in the Safety Incident Tracking System (SITS) involving car-pole, electrical contact, dig-in incidents, and injuries to the public that are related to SMUD's operations or facilities. For the first half of 2021, there have been 145 incidents where the public hit SMUD equipment, with two fatalities from such. Five electrical contacts were reported, resulting in zero fatalities. There have been 41 dig-ins reported with no reported injuries. Zero claims have been filed against SMUD.

### 3. Additional Supporting Information

The new SD-6 Safety Direction became effective February 2021. Our goal is to achieve the desired performance objectives by year-end 2025. This report summarizes the first half of 2021 safety performance.

**Safety Leadership.** The Safety Team continues with its integration efforts to support Executive Leadership's 5-year plan that emphasized zero incidents and injuries and a focus on a zero-accident safety culture. SMUD's Chief Executive Officer (CEO) Paul Lau, re-emphasized the need to improve safety at SMUD with a greater focus of developing a "Safety for Life" culture at SMUD, reducing the risk of serious injuries and fatalities, implementing a safety management system, and improving the analysis of injury and incident trends. These goals are outlined in SMUD's new Safety Road Map.

**Safety Management System.** Three applications within the Safety Management System have been activated this year. They include Inspection Tool, Safety Risk Assessment, and Compliance Calendar. Job aids and training are complete, and all three applications are now in use. Three additional applications are on schedule for activation during the 4<sup>th</sup> quarter of 2021. These include Concern Reporting, Safety Observations, and Ergonomics. Once activated and utilized, new safety dashboards and reports will be made available.

**Safety Standards Development.** During 2021, the Safety Team continued their efforts to improve the process to be used to route new or updated Health & Safety Standards to appropriate Directors for review. The recently obtained SMS "Doc Manager" application will be used for this process. Affected Directors will begin receiving requests in mid to late September 2021.

**Supervisor-Employee Interactions.** Safety staff updated and strengthened its supervisor-employee interaction quality program. Improvements included data governance definitions for Supervisor-Employee Interactions, Safety Contacts, Field and Office visits. Emphasis is placed on field visits for work with the highest hazard potential. For office personnel, an emphasis is placed on observing personnel pertaining to ergonomic risk, and slip/trip/fall hazards in walking areas. During the first half of 2021, a total of 8,663 Supervisor-Employee interactions were complete that resulted in a 166% percentage observed.

**Near Miss Reporting.** Leadership continues to support and encourage near miss reporting. The process improvements that were initiated in SMUD's Safety Incident Tracking System (SITS), provide a method to more effectively track and implement near miss reporting and public incident tracking. The goal of this process is to identify opportunities for learning before injuries and accidents occur. During the first six months of this year, SMUD reported and investigated 32 near misses through SITS.

**Contractor Safety.** SMUD continues to use the ISN system to evaluate our contractor's safety record and safety program. The Contractor Safety program initially focused on SMUD contractors in Power Generation and Environmental Services and has expanded to include Line, Substation, and Vegetation management contractors that perform high risk work, such as high voltage work, working at heights, vegetation management, confined spaces, excavations, etc.

SMUD currently has 70 contractors in the ISN system. We continue to network and benchmark with the other utilities, who are using ISN as part of their contractor safety program to further enhance SMUD's process. During the past year we have expended our site safety evaluations performed on our high-risk contractors validate safety performance on the jobsites. Through Q2 of 2021, 92 site safety evaluations were completed, and we are on track to hit the 125-evaluation end of year target. We are also continuing to validate our pre-qualification criteria for contractor selection. SMUD's pre-qualification criteria focuses on Contractor Fatality History, OSHA Citation History, DART and Total Recordable Incident Rates (TRIR), Insurance Experience Ratio, Safety Culture Questions, and Safety Program Review.

In addition, SMUD Procurement and Safety have partnered together working on enhancing contract language as it relates to contractor safety requirements, Request for Proposal (RFP) templates for high-risk work and incorporating contractor safety as part of the onboarding process.

**Safely Conducted Observations Reduce Common Hazards (SCORCH).** For the first half of 2021, SCORCH team members conducted 2,052 Office and Professional interactions and 1,308 Field employee interactions. These interactions resulted in the removal of 5 barriers to employee safety. The virtual self-observation format continues to be the most effective way of maintaining observation engagement among office employees that work remotely. Virtual self-observations elevated the employee/process partnership for leading indicator data being promptly communicated and shared with key stakeholders for improvements made to the remote worker environment.

A communication plan related to steps for minimizing "eye strain" was implemented to foster a positive change in behavior. Field employees were provided action plans for addressing the ergonomic behavior of "awkward posture" tied to employees performing PC/desk related tasks more commonly from the cab of their SMUD vehicle. A smart workstation setup, performing routine stretch breaks, combined with an awareness for frequency and duration of task or static posture, proved to move employee behavior in a

positive direction in minimizing risk. A new virtual self-observation data sheet is now being utilized by field employees and yielding encouraging feedback and results.

#### **4.0 Challenges**

**COVID-19 and Vaccination Guidance.** The challenge for Safety this year continues to be COVID-19. SMUD safety, People, Services, & Strategies, Emergency Planning, Facilities and Communications worked to develop new COVID-19 guidance and testing programs to protect employees, contractors, and the public. These efforts resulted in one work-related COVID-19 exposure and limited absenteeism to our employees.

**Data Management.** Improving the quality, automation, and use of safety data is an ongoing challenge. SMUD Safety and IT has selected the GenSuite Safety Management System (SMS) to automate the generation of data so that we can trend recorded incidents using data analytics. In addition, Safety expanded its dashboard reporting and real-time DART, OSHA Recordable, and Preventable Vehicle Accident (PVA) reporting. The new SMS will also allow improved data management of employee suggestions, correction action closure rates, and tailboard status.

**Chronic Muscular Injuries.** As presented in this report, SMUD continues to work toward a reduction in all incidents. During the past 6 months, SMUD leadership and employees have worked together to build trust and create a new JLMSC Team format, SCORCH (behavior-based) Committees, Safety for Life efforts, contractor safety field visits, and standards/programs. In addition, SMUD has worked closely with contractors conducting high risk work to support the reduction of injuries and incidents to their employees and subcontractors. During the second half of 2021, SMUD is focusing on its field ergonomic program with Line and Power Generation.

#### **5. Recommendation**

SMUD is committed to becoming a recognized leader in safety. Both SMUD's leadership team and employees recognize that to achieve success we must integrate safety into all that we do. It is recommended that the Board accept the Monitoring Report for SD-6.

#### **6. Appendices - Business Segment Safety Program Improvement Initiatives**

**Energy Delivery and Operations (EDO).** Grid Assets leadership is continuing its approach, to encourage field staff input and participation on work group specific Joint Labor Management Safety Committees (JLMSC), with representatives from Field, Supervision, Union, and Safety in attendance. The Quarterly Business Segment JLMSC has been expanded to an "All field teams' approach" at SMUD, which allows for the sharing of ideas and mitigation controls, for similar risks. The first meeting was held

on June 3, 2021, via Teams, due to COVID-19 impacts. The response from participants has been positive and the value is being recognized in improved communication of safety among all teams.

In 2021, SMUD had one Serious In Injury and/or Fatality (SIF) and one Potential Serious Injury and/or Fatality (PSIF), in the first 6 months of 2021. With these incidents, the Safety Team uses a root cause analysis to identify the causal factors for these types of incidents. This software has been synced with the SMS program, including the “Action Tracking System” (ATS) application, to record and track identified corrective actions, to reduce workplace hazards and the potential for repeat incidents.

Safety has continued working with the SMUD Power Academy, through the COVID pandemic, to review internal and external safety training programs, to ensure continued consistency and quality. An example of this collaboration and teamwork is the rollout of the updated Wildfire Smoke Training. The Safety Team has also augmented this program with additional Purple Air sensors; hand-held “real-time” sensors, to be used by field crews (when internet is inaccessible); vehicle air cleaners; updated Air Quality Index (AQI) response guidelines; and a fillable tailboard supplement.

The Safety Team has continued to provide required safety trainings to field employees, which have smaller maximum capacity limits, due to the COVID-19 social distancing requirements. This includes creating social distancing floor plans for these trainings, providing signage, temperature stations, sanitization, PPE, and other support, as needed.

The Safety for Life events scheduled for 2021 were again postponed due to COVID-19. To ensure the Safety for Life culture continues to evolve during this time of social distancing and remote work, more emphasis will be placed on Safety for Life communications and testimonials. In 2021, Safety re-branded its publications and content to emphasize our Safety for Life culture at SMUD. Safety will be partnering with Red Cross to offer virtual classes in quarter four to SMUD employees. The classes will consist of a Be Red Cross Ready emergency preparedness class and an educational compression only CPR class. In addition, Safety hosted two driving rodeos this year and conducts vehicle ergo inspections as needed. Safety for Life Sparky’s Crew for SMUD children has continued throughout the pandemic.

During 2021, Wellness activities are designed and modified to support all employees, including those working remotely, through virtual wellness programs and activities. These activities focused on improving overall health, by providing on-line stretch breaks, workouts, eating healthy seminars and cooking demos to support physical health. Educational and awareness webinars help supported mental and emotional health, by providing resources and coping mechanisms to address stress and changes in lifestyle.

Health & Wellness realizes the environments in which we live, work and play, impacts our well-being. SMUD efforts includes employees and their families by empowering

individuals to promote and model positive attitudes and behaviors through a lifelong commitment to wellness.

**Zero Carbon Energy Solutions (ZCES).** Since the beginning of the COVID-19 Pandemic, Power Generation has been flexible in their response to be able to prioritize employee safety while also ensuring that the work is completed. The UARP increased work planning efforts to isolate crews and document work routes in case contact tracing is needed. Gas Pipeline began reporting directly to the field to limit employee to employee contact. Safety meetings including Joint Labor Management Safety Committee, Tailboards, Safety Meetings and Safety Training, including annual crew training, have continued with appropriate modifications to occur virtually, or when an in-person meeting is required social distancing and facial coverings are utilized.

Power Generation employees continued with their Savvy FIT Daily Dozen for soft tissue injury reduction. As a result, soft tissue injuries continue to trend down.

In addition to the COVID-19 Pandemic, Power Generation has also responded to extreme high heat and wildfire smoke events. Work was planned to ensure that employees able to reduce or eliminate potential exposures. Then, on August 17, Hydro Operations at Fresh Pond came under mandatory evacuation orders due to the fast-spreading Caldor Fire. Crews quickly moved vehicles and other equipment to White Rock Powerhouse and moved snow removal equipment from Riverton Yard to the shores of Union Valley Reservoir. Those who could not work from home reported daily to White Rock Powerhouse. Air scrubbers were deployed in areas where employees were working as AQI levels were frequently above 500. Evacuation orders were lifted on September 7. Prior to repopulating the Fresh Pond campus, Power Generation leadership had the campus cleaned of ash and debris, and deployed air scrubbers in all areas to eliminate the smoke.

Although Cal/OSHA's Voluntary Protection Program (VPP) program has been limited in its scope and participation due to the COVID-19 pandemic, both the UARP and Gas Pipeline Operations (GPO) continue to pursue best in class improvements. The UARP continues to provide periodic updates to Cal/OSHA on their VPP Certified status and they are preparing for their annual audit. GPO continues to meet and prepare for the Cal/OSHA audit that is hopeful to be scheduled for early 2022 due to COVID-19 restrictions.

Power Generation also completed the purchase of Chili Bar Powerhouse from PG&E in June 2021. Safety inspections were completed by labor, management, engineering, and safety as soon as we took possession. There were 43 safety deficiencies noted, most of which have been resolved to bring the plant to SMUD's high standards.

**Customer & Community Services (CCS).** Safety worked with CCS and Security to safely re-open the CSC lobby and re-start selected programs by identifying and implementing appropriate COVID-19 controls to protect employees, contractors, and the public. Business processes were reviewed for potential risk and modified based on the COVID-19 guidance that Safety has provided to the enterprise.

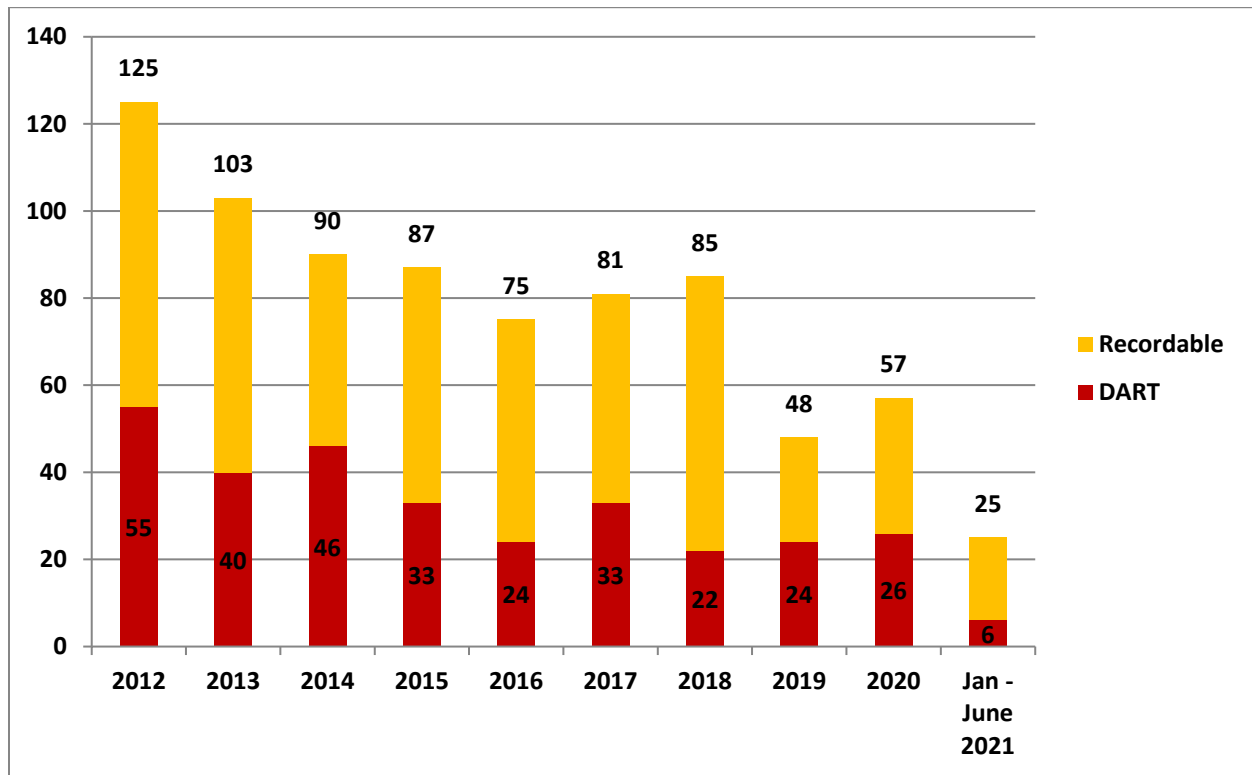
**Corporate Financial and Administrative Services (CFAS).** Facilities and Safety have partnered on the re-entry efforts to ensure current and future workspaces, signage, physical distancing, use of barriers, and cleaning and disinfecting controls are in place and operating affectively. Security Operations has taken an active role in the re-opening of the lobby by coordinating with both Safety and CCS.

Warehouse has implemented controls to limit COVID-19 exposures in the tool room by having their customers call-in for requests while remaining outside to support social distancing efforts. During days with hazardous air quality conditions, the warehouse provides readily available N95 respirators and vehicle air cleaners. Fleet has mitigated COVID-19 exposures by performing vehicle wipe-downs and disinfecting each vehicle before servicing. To address concerns of hazardous air quality in vehicles, Fleet provided an updated list of SMUD vehicles without in-cabin air filters to help determine the need of requesting a portable vehicle air cleaner from the Warehouse. The Safety Team has encouraged all field forces to integrate their Monthly Vehicle Inspections into SMS through the Inspection Tool application for easy access and documentation. The Procurement, Warehouse, and Fleet (PWF) team continues to focus on the health and safety of their team members, of their customers, and of their families in support of SMUD's North Star strategic plan—Be Safe. Always.

**Driver Safety.** In 2021 the approach to Driver Safety was significantly adjusted due to the impacts of COVID-19. In-cab and in-person instruction and ride along activities such as Supervisor Ride-a-longs were halted to prevent possible COVID-19 exposure. The van pool program was also suspended for the same reason. Additional adjustments for 2021 include the development and implementation of “virtual” defensive driving refresher training that covers Smith System techniques as well as SMUD related information. Drivers will be offered the opportunity to take the behind the wheel portion of the training when it can be performed safely. Revised refresher training is available through LMS now. Driving Rodeos have resumed with Covid-19 safety protocols in place. Additional educational information in the form of brief PowerPoint Presentations covering various vehicle related topics have been made available on the Health and Safety SharePoint site for the use of business unit supervisors when conducting safety meetings.

## Appendix A

### DART Count and OSHA Recordable 2012-2021





## **RESOLUTION NO. 21-10-05**

**WHEREAS**, in April 2021, SMUD issued Request for Proposal No. Doc2881578904 (RFP) to solicit qualified firms to provide commercial electric vehicle (EV) advisory services, electrical engineering/design services, and project management services, as well as EV Charger network and hardware and ongoing maintenance to support SMUD's new Charging as a Service (CaaS) Program; and

**WHEREAS**, a pre-proposal conference was held on April 13, 2021, with 15 vendors in attendance; and

**WHEREAS**, five proposals submitted in response to the RFP were evaluated; **NOW, THEREFORE**,

### **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** As a result of such examination, **AECOM Technical Services, Inc. (AECOM)** is hereby determined and declared to be the highest evaluated responsive proposer to provide commercial electric vehicle charging as a service over the next three years.

**Section 2.** The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of SMUD, to award a contract to **AECOM** to provide commercial electric vehicle charging as a service for a three-year term from October 25, 2021, to October 25, 2024, for a not-to-exceed amount \$3,600,000.

**Section 3.** The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the contract that, in his prudent judgment: (a) further the primary purpose of the



contract; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amount and applicable contingencies.

Approved: October 21, 2021

INTRODUCED: DIRECTOR SANBORN				
SECONDED: DIRECTOR HERBER				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
BUI-THOMPSON				X
ROSE	X			
FISHMAN	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

## **RESOLUTION NO. 21-10-06**

**WHEREAS**, by Resolution No. 18-07-03, adopted July 19, 2018, this Board authorized a contract with **United Health Care Insurance Company (United HealthCare)** to provide administration of SMUD's medical benefits for an initial three-year period from January 1, 2019, to December 31, 2021, to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 19-10-06, adopted October 17, 2019, this Board approved 2020 premiums through December 31, 2020; and

**WHEREAS**, by Resolution No. 20-09-05, adopted September 17, 2020, this Board approved 2021 premiums through December 31, 2021; and

**WHEREAS**, it would be in SMUD's best interest to extend the medical benefit contract with **United HealthCare** and approve the 2022 premiums through December 31, 2022, because of their distinctive services and relatively lower cost compared to other health plans; **NOW, THEREFORE,**

### **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of the SMUD, to approve 2022 medical insurance rates and extend Contract No. 4500110473 with **United Health Care Insurance Company** by one year, for the period January 1, 2022, through December 31, 2022; 2022 cost estimated at \$37.4 million pursuant to the premiums set forth in **Attachment B** hereto and made a part hereof.

**Section 2.** The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the contract that, in his prudent judgment: (a) further the primary purpose of the

contract; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.

Approved: October 21, 2021

INTRODUCED: DIRECTOR SANBORN				
SECONDED: DIRECTOR HERBER				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
BUI-THOMPSON				X
ROSE	X			
FISHMAN	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

**Attachment B  
to Resolution No. 21-10-06**

## 2022 Active Employees Medical Premium Rates

Active Employees	Basic (Per Month)		
Carrier	Employee Only	Employee + 1	Employee + Family
Kaiser HMO – High Plan	\$749.48	\$1,498.96	\$2,248.44
Kaiser HMO – Low Plan	\$710.03	\$1,420.06	\$2,130.09
United Healthcare Signature Value HMO – High Plan	\$1,128.54	\$2,381.22	\$3,408.19
United Healthcare Signature Value HMO – Low Plan	\$1,014.47	\$2,140.53	\$3,063.75
United Healthcare Signature Alliance HMO – High Plan	\$1,048.83	\$2,213.03	\$3,167.46
United Healthcare Signature Alliance HMO – Low Plan	\$942.82	\$1,989.34	\$2,847.35
United Healthcare High Deductible Health Plan	\$900.12	\$1,899.25	\$2,718.35
United Healthcare PPO Plan	\$1,740.22	\$3,671.87	\$5,255.47

## 2022 Retiree Medical Premium Rates

Retiree	Basic (Per Month)			Medicare (Per Month)	
Carrier	Retiree Only	Retiree + 1	Retiree + Family	Retiree	Retiree + 1
Kaiser HMO	\$747.58	\$1,495.16	\$2,242.74	\$265.46	\$530.92
Kaiser Medicare Unassigned*	N/A	N/A	N/A	\$1,834.82	\$3,669.64
Kaiser Medicare Part A only**	N/A	N/A	N/A	\$1,424.17	\$2,848.34
United Healthcare Signature Value HMO	\$1,128.54	\$2,381.22	\$3,408.19	N/A	N/A
United Healthcare Signature Alliance HMO	\$1,048.83	\$2,213.03	\$3,167.46	N/A	N/A
United Healthcare PPO – In CA	\$1,740.22	\$3,671.87	\$5,255.47	N/A	N/A
United Healthcare PPO – Out Of CA	\$1,740.22	\$3,671.87	\$5,255.47	N/A	N/A
United Healthcare Medicare Advantage	N/A	N/A	N/A	\$428.88	\$857.76

## **RESOLUTION NO. 21-10-07**

**WHEREAS**, by Resolution No. 11-09-03, adopted September 1, 2011, this Board authorized a contract with **Kaiser Permanente (Kaiser)** to provide medical benefits for the year 2012 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 12-09-03, adopted September 6, 2012, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2013 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 13-09-04, adopted September 5, 2013, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2014 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 14-08-09, adopted August 21, 2014, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2015 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 15-09-04, adopted September 3, 2015, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2016 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 16-10-03, adopted October 6, 2016, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2017 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 17-09-04, adopted September 21, 2017, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2018 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 18-07-04, adopted July 19, 2018, this Board authorized an extension of the **Kaiser** contract to provide medical

benefits for the year 2019 to SMUD employees, retirees and eligible dependents;  
and

**WHEREAS**, by Resolution No. 19-10-07, adopted October 17, 2019, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2020 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, by Resolution No. 20-09-06, adopted September 17, 2020, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2021 to SMUD employees, retirees and eligible dependents; and

**WHEREAS**, it would be in SMUD's best interest to extend the medical benefit contract with **Kaiser** and approve the 2022 premiums through December 31, 2022, because of their distinctive services and relatively lower cost compared to other health plans; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of the SMUD, to approve 2022 medical insurance rates and extend Contract No. 4500043215 with **Kaiser Permanente** by one year, for the period January 1, 2022, through December 31, 2022; 2022 cost estimated at \$29.3 million pursuant to the premiums set forth in **Attachment C** hereto and made a part hereof.

**Section 2.** The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the contract that, in his prudent judgment: (a) further the primary purpose of the

contract; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.

Approved: October 21, 2021

INTRODUCED: DIRECTOR SANBORN				
SECONDED: DIRECTOR HERBER				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
BUI-THOMPSON				X
ROSE	X			
FISHMAN	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

**Attachment C  
to Resolution No. 21-10-07**

## 2022 Active Employees Medical Premium Rates

Active Employees	Basic (Per Month)		
Carrier	Employee Only	Employee + 1	Employee + Family
Kaiser HMO – High Plan	\$749.48	\$1,498.96	\$2,248.44
Kaiser HMO – Low Plan	\$710.03	\$1,420.06	\$2,130.09
United Healthcare Signature Value HMO – High Plan	\$1,128.54	\$2,381.22	\$3,408.19
United Healthcare Signature Value HMO – Low Plan	\$1,014.47	\$2,140.53	\$3,063.75
United Healthcare Signature Alliance HMO – High Plan	\$1,048.83	\$2,213.03	\$3,167.46
United Healthcare Signature Alliance HMO – Low Plan	\$942.82	\$1,989.34	\$2,847.35
United Healthcare High Deductible Health Plan	\$900.12	\$1,899.25	\$2,718.35
United Healthcare PPO Plan	\$1,740.22	\$3,671.87	\$5,255.47

## 2022 Retiree Medical Premium Rates

Retiree	Basic (Per Month)			Medicare (Per Month)	
Carrier	Retiree Only	Retiree + 1	Retiree + Family	Retiree	Retiree + 1
Kaiser HMO	\$747.58	\$1,495.16	\$2,242.74	\$265.46	\$530.92
Kaiser Medicare Unassigned*	N/A	N/A	N/A	\$1,834.82	\$3,669.64
Kaiser Medicare Part A only**	N/A	N/A	N/A	\$1,424.17	\$2,848.34
United Healthcare Signature Value HMO	\$1,128.54	\$2,381.22	\$3,408.19	N/A	N/A
United Healthcare Signature Alliance HMO	\$1,048.83	\$2,213.03	\$3,167.46	N/A	N/A
United Healthcare PPO – In CA	\$1,740.22	\$3,671.87	\$5,255.47	N/A	N/A
United Healthcare PPO – Out Of CA	\$1,740.22	\$3,671.87	\$5,255.47	N/A	N/A
United Healthcare Medicare Advantage	N/A	N/A	N/A	\$428.88	\$857.76



## **RESOLUTION NO. 21-10-08**

**WHEREAS**, by Resolution No. 16-12-06, adopted December 1, 2016, this Board authorized the Chief Executive Officer and General Manager to award Contract No. 4500099793 to **Intercare Holdings Insurance Services, Inc. (Intercare)** for Workers' Compensation & Short Term / Long Term Disability Third Party Claims Administration Services for a five-year period beginning March 15, 2017, to March 14, 2022, in an amount not-to-exceed \$1,825,800; and

**WHEREAS**, there is currently a regular monthly spend of \$30,000 and such funds will cover services through August 2022; and

**WHEREAS**, SMUD will commence the Request for Proposal process for Workers' Compensation & Short Term / Long Term Disability Third Party Claims Administration Services in early 2022;

**WHEREAS**, extending the contract to December 31, 2022, and increasing the contract amount by \$294,200 is in SMUD's best interests to secure competitive pricing and to continue to support SMUD's diverse workforce until a new contract is in place; **NOW THEREFORE**,

### **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** That this Board approves Contract Change No. 1 to Contract No. 4500099793 with **Intercare Holdings Insurance Services, Inc. (Intercare)** for Workers' Compensation & Short Term / Long Term Disability Third Party Claims Administration Services to extend the contract expiration date to December 31, 2022, and increase the contract amount by \$294,200, from \$1,825,800 to \$2,120,000.

**Section 2.** The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the contract that, in his prudent judgment: (a) further the primary purpose of the

contract; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.

Approved: October 21, 2021

INTRODUCED: DIRECTOR SANBORN				
SECONDED: DIRECTOR HERBER				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
BUI-THOMPSON				X
ROSE	X			
FISHMAN	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

## **RESOLUTION NO. 21-10-09**

**WHEREAS**, the Municipal Utility District (MUD) Act and Elections Code require that the Board adjust SMUD's ward boundaries every 10 years following the release of data by the U. S. Census Bureau (as adjusted to meet State requirements); and

**WHEREAS**, SMUD is required to complete its redistricting effort no later than April 17, 2022; and

**WHEREAS**, federal judicial decisions and the Voting Rights Act of 1985 set forth federal requirements for redistricting, including direction to apportion wards with a maximum population deviation under 10 percent and a prohibition on redistricting in a manner which results in a denial or abridgement of the right to vote; and

**WHEREAS**, by Resolution No. 21-07-05, adopted on July 15, 2021, this Board adopted the following criteria (based on legal requirements) to develop new ward boundaries:

- Adjust wards so they are, as far as practicable, equal in population such that the population deviation between the largest and smallest wards does not exceed 10%;
- Consider geography and topography;
- Consider cohesiveness, contiguity, integrity, and compactness of territory;
- Consider communities of common interest: contiguous populations which share common social and economic interests that should be included within a single district for purposes of its effective and fair representation; and

**WHEREAS**, to ensure opportunities for public feedback on the development of new ward boundaries, staff has scheduled two public workshops to be held at SMUD or via virtual meeting in accordance with local, state, and federal guidelines and recommendations in place for containment of COVID-19 for the presentation of proposed boundary maps, with the first workshop to be held on November 4, 2021, and the second workshop to be held on December 15, 2021; and

**WHEREAS**, draft preliminary maps revising ward boundaries have been developed based on the Board-adopted criteria; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** That this Board approves release of draft redistricting preliminary maps in anticipation of the November 4, 2021, and December 15, 2021, public workshops on redistricting and the adoption of the new ward boundaries on January 20, 2022.

Approved: October 21, 2021

INTRODUCED: DIRECTOR SANBORN				
SECONDED: DIRECTOR HERBER				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
BUI-THOMPSON				X
ROSE	X			
FISHMAN	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

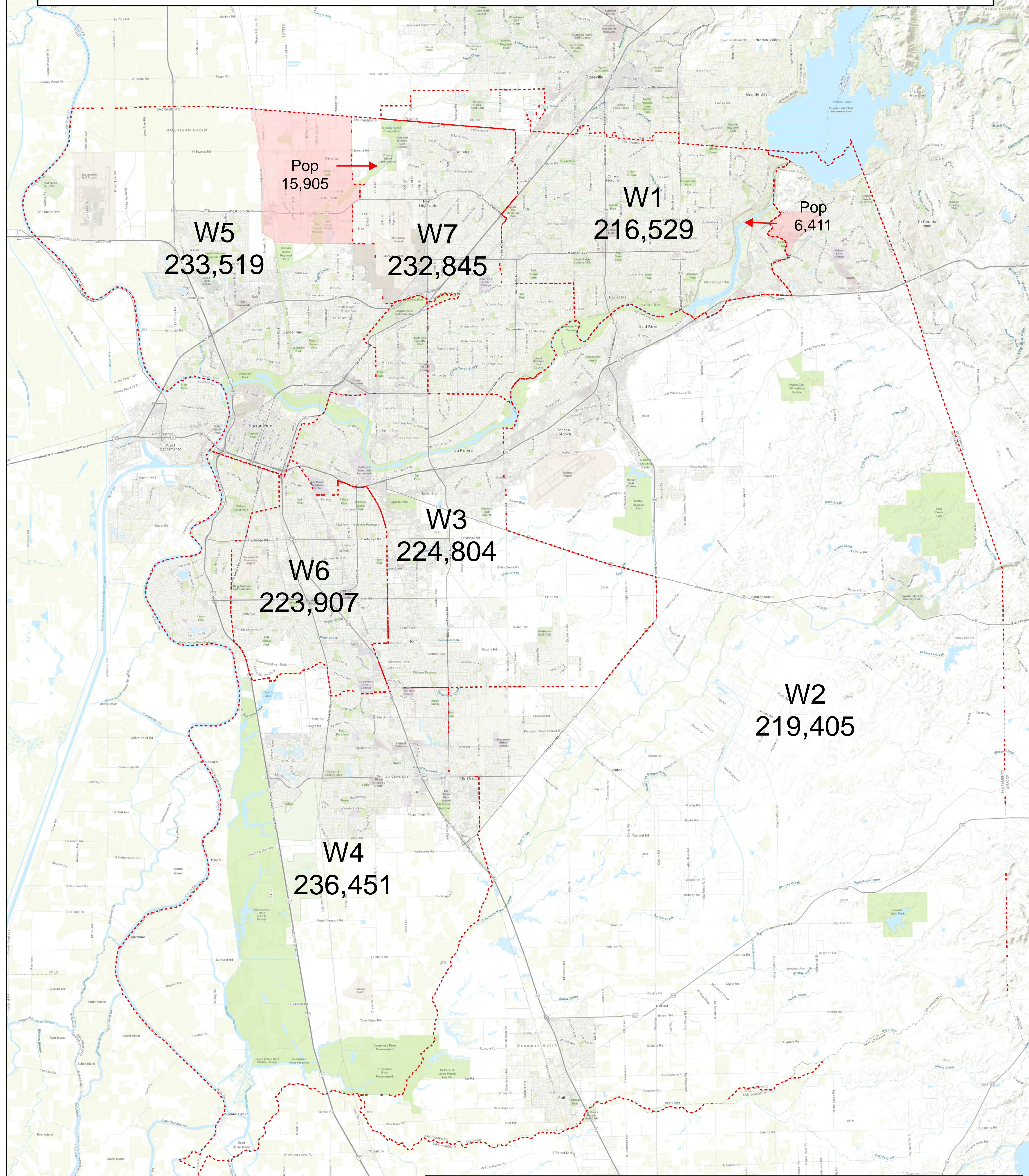




**SMUD®**

# 2020 Redistricting Option 1

**Attachment D  
to Resolution No. 21-10-09**



Census Data used to create this map is from the California Statewide Database. It has been corrected, adjusting incarcerated persons to last known address prior to incarceration.

THIS PRINT SHOWS APPROXIMATE BOUNDARIES WHICH DO NOT HAVE LEGAL STANDING. SMUD MAKES NO REPRESENTATION ABOUT THE ACCURACY OF DATA USED HEREIN BUT NOT PRODUCED BY SMUD. NEITHER MAP NOR DATA TO BE REPRODUCED OR REDISTRIBUTED TO ANY PARTY WITHOUT PRIOR WRITTEN APPROVAL OF SMUD/GIS. PRODUCED BY SMUD GIS DEPARTMENT. SKIRIN OCTOBER-2021.

WARD	2020 Census	Option 1 Totals
1	210,118	216,529
2	225,816	219,405
3	224,804	224,804
4	236,451	236,451
5	249,424	233,519
6	223,907	223,907
7	216,940	232,845
Total	1,587,460	1,587,460

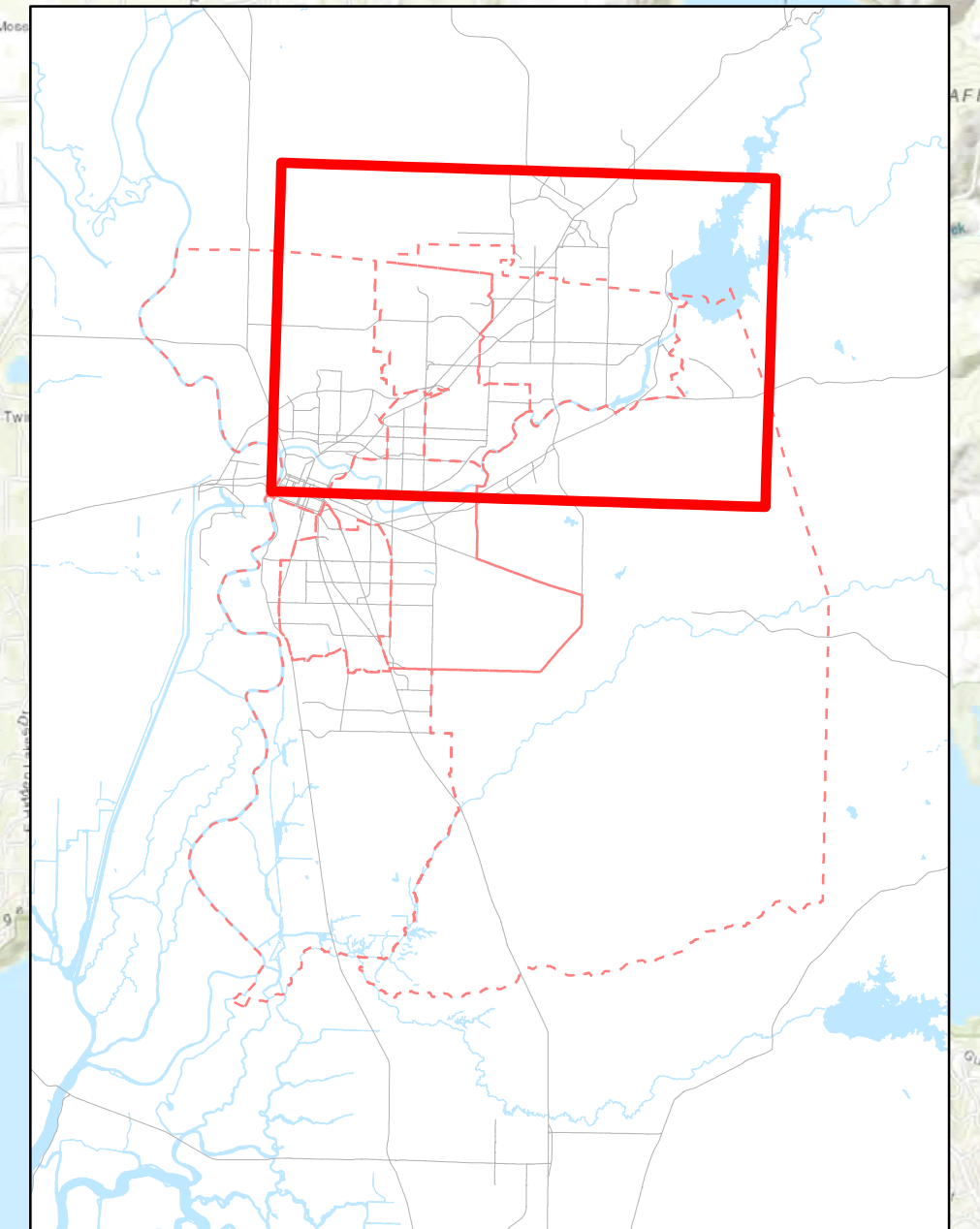
Maximum Allowable Population	237,579
Average	226,780
Minimum Allowable Population	215,981





**SMUD®**

# 2020 Redistricting Option 1 - Focus Map



Pop  
15,905

W5  
233,519

W7  
232,845

W1  
216,529

Pop  
6,411

THIS PRINT SHOWS APPROXIMATE BOUNDARIES WHICH DO NOT HAVE LEGAL STANDING. SMUD MAKES NO REPRESENTATION ABOUT THE ACCURACY OF DATA USED HEREIN BUT NOT PRODUCED BY SMUD. NEITHER MAP NOR DATA TO BE REPRODUCED OR REDISTRIBUTED TO ANY PARTY WITHOUT PRIOR WRITTEN APPROVAL OF SMUD/GIS. PRODUCED BY SMUD GIS DEPARTMENT. SKIRIN OCTOBER-2021.

Census Data used to create this map is from the California Statewide Database. It has been corrected, adjusting incarcerated persons to last known address prior to incarceration.

WARD	2020 Census	Option 1 Totals
1	210,118	216,529
2	225,816	219,405
3	224,804	224,804
4	236,451	236,451
5	249,424	233,519
6	223,907	223,907
7	216,940	232,845
Total	1,587,460	1,587,460

Maximum Allowable Population	237,579
Average	226,780
Minimum Allowable Population	215,981

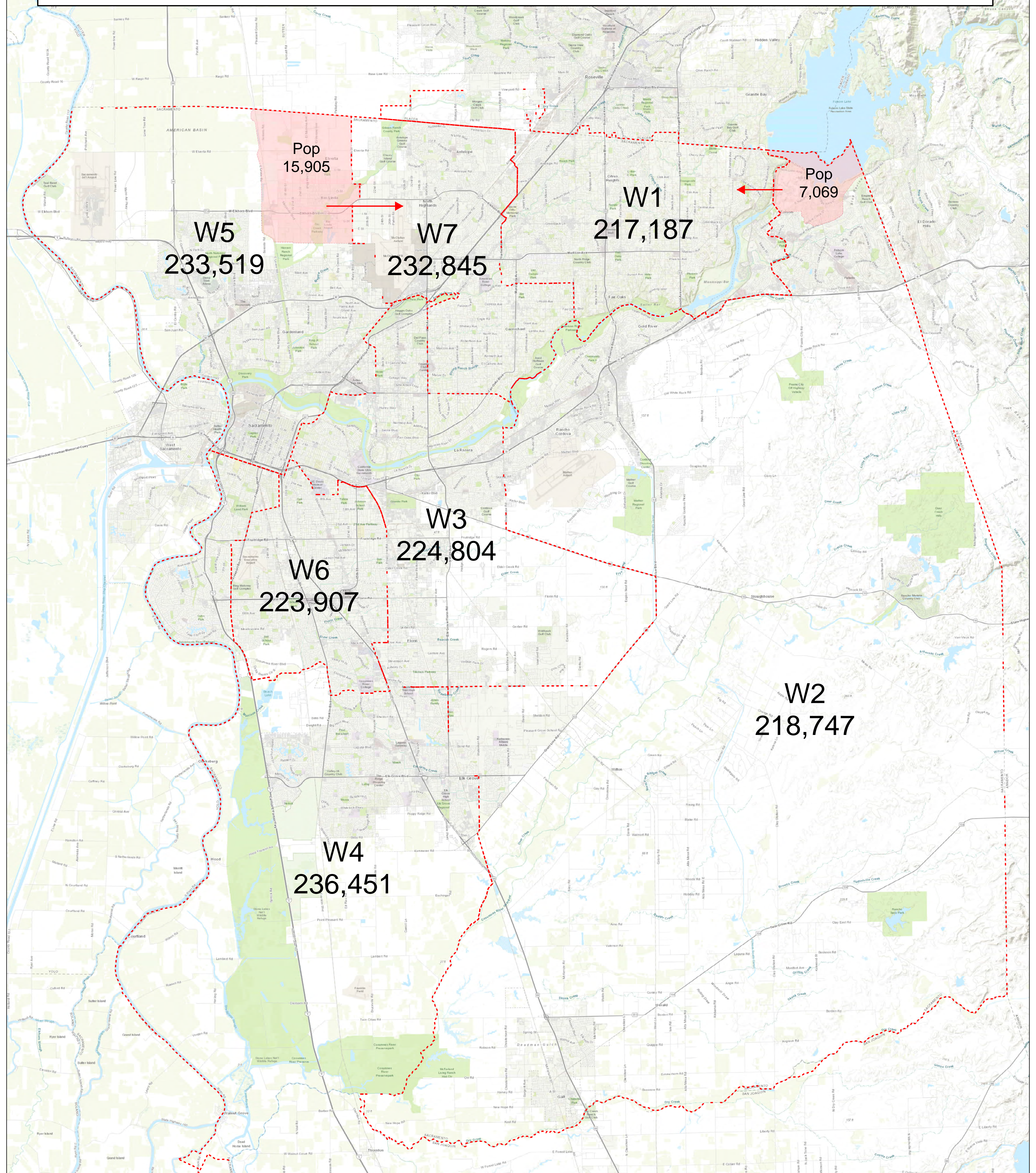




**SMUD®**

# 2020 Redistricting Option 2

**Attachment E  
to Resolution No. 21-10-09**



Census Data used to create this map is from the California Statewide Database. It has been corrected, adjusting incarcerated persons to last known address prior to incarceration.

THIS PRINT SHOWS APPROXIMATE BOUNDARIES WHICH DO NOT HAVE LEGAL STANDING. SMUD MAKES NO REPRESENTATION ABOUT THE ACCURACY OF DATA USED HEREIN BUT NOT PRODUCED BY SMUD. NEITHER MAP NOR DATA TO BE REPRODUCED OR REDISTRIBUTED TO ANY PARTY WITHOUT PRIOR WRITTEN APPROVAL OF SMUD/GIS. PRODUCED BY SMUD GIS DEPARTMENT. SKIRIN OCTOBER-2021.

WARD	2020 Census	Option 2 Totals
1	210,118	217,187
2	225,816	218,747
3	224,804	224,804
4	236,451	236,451
5	249,424	233,519
6	223,907	223,907
7	216,940	232,845
Total	1,587,460	1,587,460

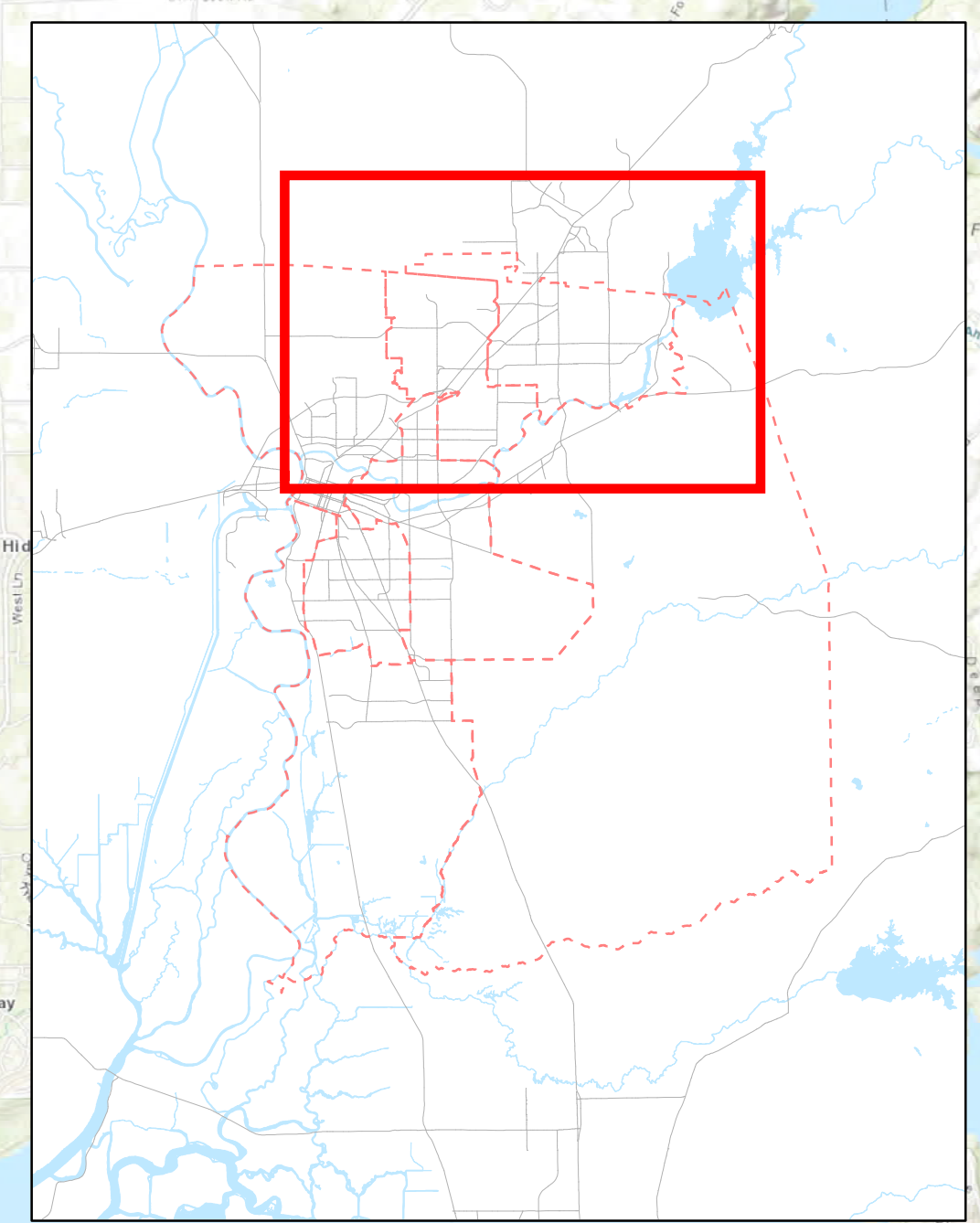
Maximum Allowable Population	237,579
Average	226,780
Minimum Allowable Population	215,981





**SMUD**

# 2020 Redistricting Option 2 - Focus Map



Pop  
15,905

Pop  
7,069

W1  
217,187

W7  
232,845

W5  
233,519

THIS PRINT SHOWS APPROXIMATE BOUNDARIES WHICH DO NOT HAVE LEGAL STANDING. SMUD MAKES NO REPRESENTATION ABOUT THE ACCURACY OF DATA USED HEREIN BUT NOT PRODUCED BY SMUD. NEITHER MAP NOR DATA TO BE REPRODUCED OR REDISTRIBUTED TO ANY PARTY WITHOUT PRIOR WRITTEN APPROVAL OF SMUD/GIS. PRODUCED BY SMUD GIS DEPARTMENT SKIRIN OCTOBER-2021.

Census Data used to create this map is from the California Statewide Database. It has been corrected, adjusting incarcerated persons to last known address prior to incarceration.

WARD	2020 Census	Option 2 Totals
1	210,118	217,187
2	225,816	218,747
3	224,804	224,804
4	236,451	236,451
5	249,424	233,519
6	223,907	223,907
7	216,940	232,845
Total	1,587,460	1,587,460

Maximum Allowable Population	237,579
Average	226,780
Minimum Allowable Population	215,981



Vice President Rose then turned to Discussion Calendar Item 12, to cast a vote on the Sacramento Local Agency Formation Commission (LAFCo) ballot regarding the election of a Special District Commissioner to LAFCo and an Alternate Special District Commissioner to LAFCo. He asked General Counsel Lewis to give a brief overview.

Ms. Lewis stated that the Board had received notice from LAFCo that they would be holding an election for the offices of Special District Commissioner and Alternate Special District Commissioner. She stated that the Board must select a candidate during a public meeting to the extent that the Board would like to submit a ballot, and the ballot must be returned to LAFCo no later than November 17, 2021. She stated the candidate information was in the information packet, and that the item had been set up for a single vote, but if the Board desired, they could vote separately on each office.

Director Herber moved to cast a vote for Gay Jones for Special District Commissioner and stated she would defer to Director Sanborn to make the motion for the Alternate Special District Commissioner.

Director Kerth seconded the motion. He then asked if the desire was to cast the vote for both offices with one motion.

Vice President Rose stated that was the intent.

Director Kerth withdrew his second.

Director Sanborn spoke in support of casting the vote for Charlea Moore for the Alternate Special District Commissioner.

Vice President asked Director Herber if she would accept an amendment to her motion to cast the vote for Gay Jones as Special District Commissioner and Charlea Moore as Alternate Special District Commissioner.

Director Herber accepted the amendment to her motion, Director Kerth seconded the amended motion, and Resolution No. 21-10-10 was approved by a vote of 6-0, with President Bui-Thompson absent.

**RESOLUTION NO. 21-10-10**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** This Board casts its vote for Gay Jones as Special District Commissioner to the **Sacramento Local Agency Formation Commission (LAFCo).**

**Section 2.** This Board casts its vote for Charlea Moore as Alternate Special District Commissioner to the **Sacramento Local Agency Formation Commission (LAFCo).**

Approved: October 21, 2021

INTRODUCED: DIRECTOR HERBER				
SECONDED: DIRECTOR KERTH				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
BUI-THOMPSON				X
ROSE	X			
FISHMAN	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			



Attachment F  
**Ballot** to Resolution No. 21-10-10

**LAFCo Special District Commissioner & Alternate**

Commissioner & Alternate Commissioner  
Please select one candidate from each COLUMN

**Ballot A**

Commissioner - Office No. 7  
Please select **ONE** candidate **BELOW**

<b>Edward J. "Ted" Costa</b> San Juan Water District	<input type="checkbox"/>
<b>Michael Hanson</b> Arcade Creek Recreation & Park District	<input type="checkbox"/>
<b>Gay Jones</b> (Incumbent) Sacramento Metropolitan Fire District	<input checked="" type="checkbox"/>

**Ballot B**

**Alternate** Commissioner - for Offices No. 6 & 7  
Please select **ONE** candidate **BELOW**

<b>Michael Hanson</b> Arcade Creek Recreation & Park District	<input type="checkbox"/>
<b>Charlea Moore</b> (Incumbent) Rio Linda Elverta Recreation & Park District	<input checked="" type="checkbox"/>

Ballot must be received by **4:00 pm on Wednesday November 17, 2021**

Special Districts must return the ballots to LAFCo by the date specified above. Any ballot received after the specified date shall not be valid. *The information below must be complete*

The candidate who receives the most votes will be determined the winner outright.

The LAFCo Executive Officer will announce the results of the election within seven days of the specified date.

Please mail completed ballot to LAFCo Commission Clerk at 1112 "I" Street, Suite 100; Sacramento CA 95814  
or send via e-mail to: [Diane.Thorpe@SacLAFCo.org](mailto:Diane.Thorpe@SacLAFCo.org)

contact Diane Thorpe at (916) 874-6458 if you have any questions.

Sacramento Municipal Utility District

Name of Special District

6201 S Street, Sacramento, CA 95817

Street Address

<https://www.smud.org>

District Website Address

October 21, 2021

Date of Meeting

1-888-742-7683

District Phone Number

916-732-6123

Phone Number

Signature of Secretary or Clerk of the Board

Laura Lewis

Print Name

[Laura.Lewis@smud.org](mailto:Laura.Lewis@smud.org)

E-mail Address

Vice President Rose then turned to Discussion Calendar Item 13, to approve a Memorandum of Understanding between Sacramento Municipal Utility District and the International Brotherhood of Electrical Workers Local Union 1245 for the period January 1, 2022, through December 31, 2025.

Cheryl Spector, Manager of Employee Relations, provided a presentation on Discussion Calendar Item 13. A copy of the slides used in her presentation is attached to these minutes.

Vice President Rose called for public comment on Discussion Calendar Item 13, but none were forthcoming.

After some discussion, Director Fishman moved for approval of Discussion Calendar Item 13, Director Sanborn seconded, and Resolution No. 21-10-11 was approved by a vote of 6-0, with President Bui-Thompson absent.

**RESOLUTION NO. 21-10-11**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board hereby approves a **Memorandum of Understanding** between the **Sacramento Municipal Utility District** and the **International Brotherhood of Electrical Workers (IBEW) Local Union 1245** for the period January 1, 2022, through December 31, 2025, substantially in the form set forth in **Attachment G** hereto and made a part hereof.

Approved: October 21, 2021

INTRODUCED: DIRECTOR FISHMAN				
SECONDED: DIRECTOR SANBORN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
BUI-THOMPSON				X
ROSE	X			
FISHMAN	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

**Sacramento Municipal Utility District**

**And**

**IBEW, Local Union 1245**

**MEMORANDUM**

**OF**

**UNDERSTANDING**

**2022 - 2025**

PREAMBLE	2
ARTICLE 1	DEFINITIONS .....4
ARTICLE 2	UNION SECURITY .....7
ARTICLE 3	WAGES AND CLASSIFICATION .....9
ARTICLE 4	WAGE PREMIUMS .....14
ARTICLE 5	BASIC AND ALTERNATIVE WORK SCHEDULES .....17
ARTICLE 6	ON-CALL PAY.....24
ARTICLE 7	OVERTIME.....31
ARTICLE 8	EMERGENCY DUTY .....39
ARTICLE 9	OVERTIME MEALS .....43
ARTICLE 10	PERSONAL LEAVE.....49
ARTICLE 11	HOLIDAYS.....53
ARTICLE 12	SICK LEAVE .....57
ARTICLE 13	LEAVES OF ABSENCE.....59
ARTICLE 14	EXPENSES.....67
ARTICLE 15	GRIEVANCES .....74
ARTICLE 16	DISCIPLINE.....78
ARTICLE 17	PERSONNEL FILES.....78
ARTICLE 18	PERFORMANCE EVALUATIONS.....79
ARTICLE 19	PROMOTIONS .....81
ARTICLE 20	TRANSFERS.....83
ARTICLE 21	AUTOMATIC RESIGNATION.....85
ARTICLE 22	LAYOFF PROCEDURE .....86
ARTICLE 23	SUBSTANCE ABUSE PROGRAM .....88
ARTICLE 24	DOT DRUG AND ALCOHOL.....88
ARTICLE 25	PERSONAL APPEARANCE .....89
ARTICLE 26	EMPLOYMENT OF RELATIVES.....89
ARTICLE 27	OUTSIDE EMPLOYMENT.....89
ARTICLE 28	EDUCATIONAL ASSISTANCE.....89
ARTICLE 29	INCLEMENT WEATHER.....90
ARTICLE 30	BENEFITS.....91
ARTICLE 31	MISCELLANEOUS .....103
APPENDIX A	WAGE RATES.....111
APPENDIX B	CLASSIFICATIONS REQUIRING COMMERCIAL LICENSES .....112
APPENDIX C	WORK AREA THRESHOLD LEVELS.....113
APPENDIX D	SUPPLEMENTAL LETTERS OF AGREEMENT.....114
APPENDIX E	RELOCATION EXPENSES MANAGEMENT PROCEDURE 5.03.03.100.....116

INDEX.....119



## PREAMBLE

Pursuant to the requirements of Government Code Section 3500, et seq, representatives of the Sacramento Municipal Utility District, hereinafter referred to as "SMUD", and the International Brotherhood of Electrical Workers Local Union 1245, hereinafter referred to as "the Union or IBEW", have met and conferred in good faith with the purpose of promoting harmonious labor relations and establishing and maintaining appropriate wages, hours, and other terms and conditions of employment. SMUD recognizes the Union as the representative of all employees of SMUD commonly referred to as "Hourly-Rated" employees, as defined in Board Resolution Number 6441. The provisions of this Agreement hereinafter set forth shall apply to those employees of SMUD for whom the Union is the established representative.



## ARTICLE 1

### DEFINITIONS

#### 1. **INTRODUCTION**

The following terms are defined here for use throughout this Agreement.

#### 2. **HEADQUARTERS DEFINITIONS**

The following reporting "To and From" work locations are headquarters: Sacramento (which includes Customer Service Center, and Headquarters Campus), East Campus Operations Center, Elk Grove Yard, and Fresh Pond.

#### 3. **EMPLOYEE DEFINITIONS**

##### **A. Regular Employee**

- 1) The term "regular employee" includes:
  - a) Permanent, full-time Civil Service employees.
  - b) The General Manager/CEO and full-time non-Civil Service employees appointed by the Board of Directors.
  - c) Non-Civil Service employees appointed to permanent positions with the expectation they will qualify and receive Civil Service appointments to their positions.
  - d) Permanent, part-time employees who are hired to work at least 20 hours per week on a fixed schedule.
  - e) Full-time Limited Term or Temporary Construction employees (reference Public Utility Code Section 12055) hired for more than 6 consecutive months.
- 2) The term "regular employee" excludes:
  - a) Limited Term or Temporary Construction employees (reference Public Utility Code Section 12055) hired to work less than 20 hours per week.
  - b) Employees who are on-call or work on an as-needed basis.
  - c) Employees who are on an unpaid leave of absence.
  - d) Full-time Limited Term or Temporary Construction employees (reference Public Utility Code Section 12055) hired for 6 months or less.

##### **B. Relief Shift Employee**

The employee performs the duties of emergency relief and must be available for working revolving shifts on any day of the week. The employee can be assigned for the relief of any shift without advance notice.

## Employee Definitions (Cont'd)

### **C. Rotating Shift Employee**

The employee's regular work schedule requires them to rotate between two or more shifts. This includes, but is not limited to, Troubleshooters (not resident Troubleshooters).

### **D. Service Employee**

Employees are assigned to perform work that is directly related to providing utility service, including work on the electric facilities. Service employees include Revenue Protection Representatives, Troubleshooters, etc.

### **E. Shift Employee**

The employee's regular work schedule is the second or third shift.

### **F. Special Shift Employee**

**The Special Shift Employees, including PSO, DSO, and Troubleshooters, are permitted to eat their meal on SMUD time during their regularly scheduled work hours.**  
*(Revised 1/1/2022)*

## **4. OVERTIME DEFINITIONS**

### **A. Change In Shift**

The employee is permanently or temporarily transferred to a new work schedule or shift that will last one workweek or more.

### **B. Early Call-In**

The employee is called to work early and works into their regular work hours.

### **C. Emergency Call-Out**

The employee is called to work on their regular workday to perform emergency work that does not extend into their regular work hours, or the employee is called to perform emergency work on their day off.

### **D. Emergency Work**

Overtime work which has not been prearranged.

### **E. Extended Work Schedule**

The employee is required to work beyond their regular work hours.

### **F. Prearranged Overtime**

The employee is notified before leaving work on a workday to work overtime, and they are given at least 12 hours off before the reporting time. *(Revised 1/1/2013)*

**5. SHIFT DEFINITIONS**

**A. First Shift**

Work periods regularly scheduled to begin between the hours of 4:00 a.m. and 11:55 a.m.

**B. Second Shift**

Work periods regularly scheduled to begin between the hours of 12:00 noon and 7:55 p.m.

**C. Third Shift**

Work periods regularly scheduled to begin between the hours of 8:00 p.m. and 3:55 a.m.

## ARTICLE 2

### UNION SECURITY

#### 1. **INTRODUCTION**

The following Agency Shop provisions shall apply to all employees represented by the Union.

#### 2. **DUES/FEES**

- A. Any employee of SMUD in a classification represented by the Union who is not on leave of absence shall, as a condition of continued employment and within ninety days of his/her date of hire, **(1) become a member of the Union and pay the membership fee, (2) pay the Union a service fee in an amount not to exceed periodic dues and general assessments of the Union, or (3) pay no fee. The Union shall obtain written authorization from any employee authorizing such fees and maintain such authorization until three years after the signing employee is no longer a member of a bargaining unit. The Union shall provide a list to SMUD of all the employees authorizing the fee deductions and SMUD shall deduct fees from the listed employees' paychecks each payday. The amount of any membership of service fees shall be determined by the Union and implemented by SMUD in the first payroll period which starts 30 days after written notice of the new amount is received by SMUD. Union fees will be split equally and deducted per pay period in the first two pay periods of the month. (Revised 1/1/2022)**

#### 3. **UNION RESPONSIBILITIES**

- A. The Union shall keep an adequate itemized record of its financial transactions and shall, by April 1 of each year, make available to SMUD, and to all bargaining unit employees, a detailed written financial report for the fiscal year ending the preceding December 31, in the form of a balance sheet and an operating statement, certified as to its accuracy by its president and the treasurer or corresponding principal officer, or by a certified public accountant.
- B. The Union certifies to SMUD that it has adopted, implemented, and will maintain procedures in accordance with applicable statutes, any decisions by a court of competent jurisdiction, and any other applicable legal authority.
- C. Hold Harmless: The Union agrees to indemnify and hold SMUD harmless against any and all liability including but not limited to such items as wages, damages, awards, fines, court costs, and attorney fees which may arise by reason of the result of the operation of this Article.

4. **CHANGE OF LAW**

In the event there is a change in the law whereby any provision hereof becomes invalid **by change in law or published court ruling, or the requirements set forth in SB 866 (2017) are changed**, the parties hereto shall meet-and-confer within thirty (30) days to negotiate a substitute provision which conforms to said law or court decision. *(Revised 1/1/2022)*

5. **IBEW ACCESS TO NEW EMPLOYEE ORIENTATIONS**

SMUD shall notify the IBEW of the time and location of all new employee orientation (NEO) meetings at least ten (10) working days prior to the meeting, unless an urgent and unforeseeable need for an orientation meeting precludes SMUD from providing such notice. If ten (10) working days advance notice cannot be provided, SMUD shall provide as much advance notice as possible. The IBEW shall be afforded thirty (30) minutes during the NEO to present information about the IBEW to new IBEW employees. *(Revised 1/1/2022)*

## ARTICLE 3

### WAGES AND CLASSIFICATION

#### 1. **PAYDAY**

Pay periods cover 2 weeks. They begin at 12:01 a.m. Saturday and end at midnight Friday. Employees will be paid on the Friday following the end of the pay period. Area personnel normally distribute paychecks the preceding day. If the distribution date (Thursday) is a holiday, employees' checks will be distributed on Wednesday, and dated Friday. If the payday (Friday) is a holiday, employees' checks will be dated and distributed on Thursday.

#### 2. **ENTRY RATES - NEW EMPLOYEES**

New employees normally receive the first step or entry rate for their classification. If an employee has exceptional qualifications, they may be considered for a starting rate above the first step. Approval of the Department Director, with the advice and concurrence of the Director, People Services & Strategies, is required.

Consideration in starting employees above the entry level will include:

- A. Quality and quantity of their experience relevant to the classification.
- B. **Wage Rate** level and qualification of other SMUD employees in the same classification. *(Revised 1/1/2022)*
- C. The employee's **Wage Rate** demands (considering pay, benefits, and future adjustments). *(Revised 1/1/2022)*
- D. The availability of other qualified applicants.

#### 3. **WAGE SCHEDULE PROGRESSION**

- A. When pay ranges are designated, movement to the next higher step is based on specified time in grade and satisfactory performance.
- B. Apprentices must demonstrate progressive skill and achievement toward journey level proficiency before advancement to the next step in an apprentice range.

#### 4. **MERIT INCREASES**

All current employees in a classification with an established pay range are eligible for merit increases at 6-month intervals until they reach the top of the range. Merit increases are granted for effective performance. *(Revised 1/1/2013)*

Effective 1/1/2013 all newly hired personnel in a classification with an established pay range are eligible for the first merit increase after 12 months and at six-month intervals thereafter until they reach the top of the range. Merit increases are granted for effective performance. This change does not affect current employees transferring into new classifications. *(Revised 1/1/2013)*

**All employees that are in an apprenticeship will be eligible to receive their merit increases at six-month intervals. *(Revised 1/1/2022)***



## Merit Increases (Cont'd)

### **A. Eligibility**

- 1) Current full-time employees in a classification with a wage range are considered for a merit increase at 6-month intervals.

Effective 1/1/2013, all newly hired full-time employees' first merit increase will be after 12 months and thereafter, at six-month intervals. This change will not affect current employees transferring into new classifications. *(Revised 1/1/2013)*

- 2) Current part-time employees are considered for a merit increase when they have worked the equivalent number of hours (1,044 hours) needed for a full-time employee to be eligible for a merit increase.

Effective 1/1/2013, all newly hired part-time employees are considered for a merit increase when they have worked the equivalent number of hours (2,080) needed for a full-time employee to be eligible for a merit increase. *(Revised 1/1/2013)*

- 3) Probationary Period -- Absences during the probationary period may extend the merit increase eligibility date. Probationary periods interrupted by absences exceeding 10 consecutive working days may be extended by 10 working days for each 10 days of absence. Time off charged to jury duty, holidays or military leave of less than four weeks will not be considered as absences when computing probationary period extensions.
- 4) Leave Without Pay - When employees are absent without pay (except military service) for more than 90 calendar days, the absence may result in merit increase eligibility dates being adjusted to reflect the time absent

### **B. Temporary Appointments**

Temporary appointments to a higher classification may affect merit increase eligibility.

- 1) When employees are temporarily appointed to a higher or different classification, they retain eligibility for merit increases in their original classification.
- 2) When employees are on a timecard upgrade, they do not accrue time toward a merit increase in the higher classification.
- 3) When temporarily appointed to a higher classification by an ESN, the employee will not accrue time for merit increase in the higher classification unless appointed for more than 6 consecutive months.

### **C. Effective Date**

Merit increases are effective on the first day of the pay period closest to the date of the original appointment, promotion, or transfer to a different classification.

The new supervisor shall determine merit increase dates for employees who retain their same classification but are permanently transferred to another work area.

## Merit Increases (Cont'd)

### **D. Granting Merit Increases**

- 1) The normal merit increase is one step for satisfactory performance. Merit increases of 2 or more steps (specials) may be given for exceptional performance.
- 2) Justification for granting or withholding a merit increase must accompany the authorizing Merit **Wage Rate** Review. (*Revised 1/1/2022*)

### **E. Withholding Merit Increases**

- 1) A merit increase may be withheld. A factual statement is required to document unsatisfactory progress or performance. It must be discussed with the employee at least 5 days prior to the effective date of the merit increase.
- 2) The decision to withhold a merit increase is subject to appeal in the same manner as other grievances.

### **F. Reinstating Withheld Merit Increases**

- 1) A withheld merit increase may be reinstated after the employee has corrected the deficiencies.
- 2) A withheld merit increase normally will not be considered for reinstatement for at least 6 months.
- 3) When a withheld merit increase is reinstated, the date of reinstatement establishes the next merit increase eligibility date.

## **5. TEMPORARY UPGRADES**

### **A. Pay Rates**

If employees are temporarily assigned to work in a higher classification, they are paid at the higher rate for the time worked.

If the ranges overlap, employees will be paid the rate that is a minimum of 5% above their current rate. If the ranges do not overlap, employees will be paid the entry rate of that class.

### **B. Minimum Time Worked**

The daily accumulated time at the higher classification must equal 2 hours or more. (Time may be accumulated in increments of not less than 1/2 hour.)

### **C. When an ESN is Required**

Assignments to higher classifications for a period in excess of 15 working days require an approved ESN.

## Apprentice Wage Rates (Cont.)

### **D. Certification Requirements for Upgrade**

Employees may not be upgraded to a journey level classification in which a SMUD apprenticeship is a prerequisite unless they have been certified by their department Director as having comparable training and experience. The Director, People Service & Strategies, will review the certification.

### **E. Temporary Vacancies**

- 1) Temporary vacancies may be filled by a temporary upgrade. An individual from the work area will be upgraded if the individual and at least 2 other people within the work area are on a current eligibility list. This may be done without certification. If less than 3 people from the work area are on the list, or if no eligible list exists, the vacancy may be filled from any source available. Temporary upgrades will not be made for more than 12 consecutive months.
- 2) SMUD agrees to upgrade a journey level to subforeman-woman if he/she is asked to supervise another journey level or someone in a lower classification for more than 2 hours. (Not applicable for journey level helper and trainer-trainee situations.)
- 3) Employees temporarily promoted or transferred to PAS or OSE represented classifications will retain the benefits and working conditions of hourly-rated employees.

## **6. WAGE RATE - ASSIGNED LOWER CLASSIFICATION**

When a position is reclassified to a lower pay rate, the incumbent shall be entitled to transfer to a vacant position in the same or a comparable class for which they are qualified. If the incumbent elects to remain in the reclassified position, the employee's **Wage Rate** will be protected for 2 years. An employee remaining in a reclassified position shall not be required to serve a probationary period. *(Revised 1/1/2022)*

## **7. APPRENTICE WAGE RATES**

When employees voluntarily move into an apprenticeship program or other similar training program, their starting **Wage Rate** in the new classification is individually determined. The employee's specific salary step is determined by the department Director with the review of the Director People Services & Strategies, after considering the following: *(Revised 1/1/2022)*

- A. The value of the employee's experience as it relates to the minimum and desirable qualifications of the new position.
- B. The experience and pay steps of other employees in the new classification.
- C. Pay Scales for apprenticeships will be as follows: *(Revised 1/1/2022)*
  1. The starting **Wage Rate** is equal to 65% of the Journey Level **Wage Rate** for the Classification, and

2. The Top Step **Wage Rate** is equal to 95% of the Journey Level **Wage Rate** for the Classification
3. **Wage Rates** for interim steps shall be set based on the number of steps established for the apprentice classification.

## 8. **PAYMENT FOR TIME NOT WORKED**

Payment for time not worked (i.e., personal leave, jury duty, sick leave, military leave, etc.) is made at the employee's regular rate of pay unless they are temporarily promoted by ESN. The fact that the employee was receiving a shift differential or had been temporarily upgraded before and/or after paid leave time, is not relevant.

## 9. **WAGES**

Effective the period that includes January 1, 2022, all wage increases shall be reflected in IBEW appendix A.

### A. Equity Adjustments

Effective the pay period that includes January 1, 2022, and prior to any general wage increase, employees in the following job classifications will be eligible for an equity adjustment as specified below. *(Revised 1/1/2022)*

<b><u>Job Class</u></b>	<b><u>2022 Equity Adjustment</u></b>
<u>Line Worker Series</u>	<b>11%</b>
<u>Electrical Technician Job Series</u>	<b>7%</b>
<u>Cable Splicer/Electrician Series</u>	<b>3%</b>
<u>Cable Splc/Elec Constr Frmn/Wm Classification</u>	<b>2.5%</b>
<u>Substation Construction Frmn/Wm Classification</u>	<b>2.5%</b>

If mutually agreeable to both SMUD and the Union, a wage re-opener may be requested by either party as needed (no more than once per calendar year) to meet and confer over any equity adjustments that may be needed due to a change in market conditions in an effort to address demonstrated issues with effectively attracting and/or retaining employees in these job classes. *(Revised 1/1/2022)*

### B. Two – Tier Classifications

Effective the pay period that includes January 1 of each year, employees hired after 1/1/2013 at the Open class wage for Hydro Operator Series, Distribution System Operator Series, Power System Operators Series, Material Specialist III and IV and Line Equipment Operator will be eligible for the annual wage increases up to the Closed Class (1/) wage by 2025 as follows: *(Revised 1/1/2022)*

Classification	2021 Wage Rate		Annual Wage Increases (including General Wage Increase)			
	Open Class	Closed Class (1/)	2022	2023	2024	2025
POWER SYS OPER (E)	\$57.54	\$70.17	8.50%	8.25%	8.50%	8.49%
POWER SYS OPER I	\$70.14	\$85.55	8.75%	8.25%	8.25%	8.51%
POWER SYS OPER II	\$73.65	\$89.80	8.75%	8.25%	8.25%	8.47%
SHIFT SR POWER SYS OPER	\$77.34	\$94.32	8.75%	8.25%	8.25%	8.50%
SR POWER SYS OPER	\$77.34	\$94.32	8.75%	8.25%	8.25%	8.50%
DISTRBUTN SYSTEM OPER I	\$62.12	\$72.57	7.25%	7.00%	7.00%	7.86%
DISTRBUTN SYSTEM OPER II	\$66.14	\$77.30	7.25%	7.00%	7.00%	7.91%
LEAD DIST SYS OPER	\$68.75	\$80.42	7.25%	7.00%	7.00%	8.00%
SR DISTRIBUTION SYSTEM OPERATOR	\$69.46	\$85.02	8.75%	8.50%	8.50%	8.39%
LINE EQUIP OPER	\$43.97	\$52.47	8.00%	7.50%	7.75%	8.15%
HYD OPER	\$55.98	\$60.96	5.50%	5.25%	5.25%	5.64%
HYD OPER APPR	\$53.18	\$57.90	5.50%	5.25%	5.25%	5.62%
HYD OPER FRMN/WN	\$66.96	\$72.88	5.50%	5.25%	5.25%	5.58%
SR HYD OPER	\$60.48	\$65.84	5.50%	5.25%	5.25%	5.61%
MATERIAL SPCLST III	\$41.31	\$49.37	8.00%	7.75%	7.75%	8.06%
MATERIAL SPCLST IV	\$43.90	\$52.47	8.00%	7.75%	7.75%	8.07%

### C. General Wage Increase

Effective the pay period that includes January 1, of each year, SMUD shall provide a general wage increase for all IBEW represented employees as follows:  
*(Revised 1/1/2022)*

<u>2022</u> 3.5%	<u>2023</u> 3.0%	<u>2024</u> 3.0%	<u>2025</u> 3.25%
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## ARTICLE 4

### WAGE PREMIUMS

#### 1. **INTRODUCTION**

SMUD pays wage premiums **and/or incentives** for commercial driver's license, shift differential, asbestos certification, **Class C driver's license with Hazmat endorsement, crane certification, automotive service excellence** and lead certification **as outlined below.** (*Revised 1/1/2022*)

#### 2. **SHIFT DIFFERENTIAL**

##### A. **Shift Differential Eligibility**

Shift premiums are not paid to part-time employees. Shift premiums are paid to full-time employees **based on which shift they start in** per the following: (*Revised 1/1/2022*)

1) **First Shift (4:00 a.m. and 11:55 a.m.)**

This shift does not carry a shift differential.

2) **Second Shift (12:00 noon and 7:55 p.m.)**

This shift carries a differential of 6 percent of the Journey Electrician wage.

3) **Third Shift (8:00 p.m. and 3:55 a.m.)**

This shift carries a differential of 8 percent of the Journey Electrician wage.

4) **12-Hour Shift**

No shift premium is paid for the 12-hour day shift. The night shift premium for employees on the 12-hour rotating shift schedule is the third shift differential.

##### B. **Shift Differential Pay**

- 1) Any shift differential payable for an employee's regularly scheduled hours of work is also paid for any time worked immediately before or following their regular hours of work.

**Example:** An employee's regularly scheduled work hours are 3:30 p.m. to 11:30 p.m. They are asked to work from 3:30 p.m. to 1:30 a.m. on a certain day. They are paid the second-shift differential for the entire work period.

- 2) When employees are required to work a shift that does not start just before or after their own regularly scheduled shift, they are paid the shift differential applicable to the shift in progress at the start of such work.

**Example:** An employee's regularly scheduled work hours are 3:30 p.m. to 11:30 p.m. With 24 hours' notice they are asked to change shifts for five days or more to the established 1:00 a.m. to 9:00 a.m. shift. They are paid the third shift differential for the entire work period.

## Shift Differential (Cont'd)

### C. **Overtime Rate**

The appropriate overtime rate is applied to the shift differential when working overtime on the second or third shift.

### D. **Non-Work Time**

- 1) Shift differentials are paid only for hours actually worked. They are not paid for non-work time such as holidays, sick leave, personal leave, etc.
- 2) Shift employees working on a non-workday (a day not scheduled as a workday) receive a shift differential only when working a full, regularly established shift. Working any other 8-hour period on a non-workday does not qualify for the shift differential.

**Example 1:** An employee is a shift employee regularly scheduled to work from Monday through Friday. They are asked to work on a Saturday from 4:30 p.m. to 12:30 a.m., which is not a regularly established shift. The time worked would not qualify for a shift differential.

**Example 2:** An employee is a shift employee regularly scheduled to work from Monday through Friday. They are asked to work Saturday on a regularly established shift (4:00 p.m. to 12 p.m.). The time worked would qualify for a shift differential.

## 3. **COMMERCIAL (CLASS A OR B) DRIVER'S LICENSE**

- A. The provisions of this section do not apply to employees whose job classifications require them to possess a Commercial Driver's License as a condition of employment. (See Appendix B for job classification applicability)
- B. Employees within designated classes who possess a valid Commercial license in order to meet threshold requirements shall be placed on a pay range which is **\$1.15**/hour higher than the regular straight time hourly rate of pay for their classification as full consideration for such licensure and willingness to operate SMUD vehicles requiring this license. Employees who are required to obtain a "Hazmat" endorsement shall be placed on a pay range which is **\$1.27**/hour higher than the regular straight time hourly rate of pay for their classification as full consideration for such licensure and willingness to operate SMUD vehicles requiring this license and endorsement. (*Revised 1/1/2022*)
- C. Area Heads, Directors or Supervisors will meet with representatives of the Union to develop a minimum threshold for each work area. Thresholds will be based on operational need and not just preference.
- D. Work area threshold levels as determined are added to this agreement as Appendix C.

#### Commercial (Class A or B) Driver's License (Cont'd)

- E. SMUD prefers to meet its need for drivers with a Commercial license on a voluntary basis. However, should the number of valid Commercial Driver's licenses fall below the threshold established for a work area; additional volunteers will be solicited among the work group. If sufficient volunteers are still not obtained, SMUD may require the least senior person in the class series at the work area to obtain and maintain a valid Commercial license (and endorsements where appropriate).
- F. Any employee who becomes ineligible for the Commercial license must immediately notify their supervisor in writing. The Commercial license wage premium will be suspended until proof of renewed eligibility is provided. The employee who becomes ineligible for the Commercial license will (where possible) be reassigned duties within the same classification, not requiring a Commercial license.
- G. Subject to the provisions of Section E above, any employee who desires to surrender their Commercial license voluntarily may do so provided they give SMUD at least 30 days written notice.
- H. It is the intention of SMUD and the Union to work together to resolve any unforeseen problems that may be encountered.

#### **4. CERTIFIED ASBESTOS WORKERS**

- A. Employees who are certified Asbestos Workers through SMUD provided (or authorized) training programs will receive a lump sum payment of \$150 upon successful completion of the training and certification/**recertification** and a wage premium of **\$1.00** per hour for the hours worked on permitted asbestos abatement or removal jobs. (*Revised 1/1/2022*)

#### **5. CLASS C DRIVER'S LICENSE WITH HAZMAT ENDORSEMENT**

Employees within designated classes who possess a valid Class C License with Hazmat Endorsement shall be placed on a pay range which is \$0.75/hour higher than the regular straight time hourly rate of pay for their classification as full consideration for such licensure and willingness to perform work requiring this licensure and endorsement.



## **6. CRANE CERTIFICATION**

All employees required to maintain a crane certification and be eligible to receive the crane premium will be at management's discretion. The pay range for employees who are certified crane operators shall be \$0.95/hour higher than the regular straight time hourly rate of pay for their classification. *(Revised 1/1/2022)*

- Employees who obtain a *Swing Cab Telescopic Crane* certification/recertification will receive a wage premium and lump sum payment of \$1,500\*. Employees must provide a certificate of completion in order to receive the lump sum payment.
- Employees who obtain an *Articulating Boom Crane* certification/recertification are *not* eligible for lump sum payment, only the wage premium.
- All employees with crane certification are required to maintain a Class A driver's license. The above crane premium will be paid in conjunction with the CDL premium listed in 3A and 3B to all employees that obtain a crane certification.

SMUD prefers to meet its need for crane operators on a voluntary basis. However, should the number of certified crane operators fall below operational needs, additional volunteers will be solicited among the work group. If sufficient volunteers are still not obtained, SMUD may require the least senior person in the class series at the work area to obtain and maintain a crane certificate (and endorsements where appropriate).

\* Will be paid out effective with implementation of MOU for existing employees based on their most recent and active certificate.

## **7. AUTOMOTIVE SERVICE EXCELLENCE (ASE) CERTIFICATIONS**

A. Fleet employees who have passed probation and obtain a certification, or re-certification, from one of the following certification series will be eligible for a lump sum payment of \$150 upon completion of the initial certification, or re-certification. Employees will be eligible to receive another \$150 per certification if all certifications in the series are completed for a Master Certified status. Employees must provide a certificate of completion for each certification and for the Master Certified status in order to receive the lump sum payments. All lump payments for initial and re-certifications listed below shall apply. *(Revised 1/1/2022)*

Certification Series eligible for the lump sum payments:

- **Automobile and Light Truck Certification (A1-A9 Series)**
  - \$150 lump sum payment for each A1-A9 certification examination
  - \$1,350 additional lump sum payment once A1-A9 series certification is completed for Master Certified status
- **Medium-Heavy Truck Certification (T1-T8 Series)**
  - \$150 lump sum payment for each T1-T8 certification examination
  - \$1,200 additional lump sum payment once T1-T8 series certification is completed for Master Certified status

Automotive Service Excellence (ASE) Certifications (Cont'd)

- **Collision Repair & Refinish Certification (B2-B5 Series)**
  - **\$150 lump sum payment for each B2-B5 certification examination**
  - **\$600 additional lump sum payment once B2-B5 series certification is completed for Master Certified status**
- **Advanced Engine Performance Specialist Certification (L1, L2, L3)**
  - **\$150 lump sum payment for each L1, L2, L3 certification examination**
  - **While this certification does not have a Master Certified status, SMUD recognizes the benefits of having employees obtain all three certifications and will still provide an additional \$450 lump sum payment if all three L certifications are obtained**

**Fleet employees will be reimbursed for the test fees they pay for tests they successfully pass in accordance with SMUD's Reimbursement Policy, Management Procedure 03.02.02.101.**

**Fleet employees are eligible for the Master Certified status lump sum upon completion then upon renewal.**

## ARTICLE 5

### BASIC AND ALTERNATIVE WORK SCHEDULES

#### 1. **INTRODUCTION**

The normal workweek for full-time employees is 40 hours. Part-time employees normally work less than 40 hours per week on a regular or services-as-needed schedule.

#### 2. **BASIC WORK SCHEDULES**

##### A. **Normal Work Schedule**

Employees' normal work schedule is an 8-hour workday, Monday through Friday, with a scheduled lunch period approximately midway through the regular workday.

##### B. **Established Work Schedule**

An employee's established work schedule is consistent with the normal operation of their division or department. An employee's schedule may be changed to:

- 1) Provide better service to customers or other work units.
- 2) Stagger working hours to alleviate traffic congestion.
- 3) Reflect seasonal changes in daylight hours or temperature conditions.
- 4) Provide extended coverage for maintenance, testing, and operating activities.
- 5) Reflect the desires of employees in a work unit (with supervisory approval).

Established work schedules will not be changed arbitrarily.

##### C. **Special Work Schedules**

Special work schedules are different from the normal work schedules. They include, but are not limited to, the following:

- 1) Tuesday through Saturday schedules (may be assigned to employees in rotation).
- 2) Schedules that require working one-half day on Saturday with an equivalent number of hours off during the same week.
- 3) Schedules of special shift employees to maintain a watch. This includes such employees as Power System Operators, Distribution System Operators, Troubleshooters.

Other special schedules may be established when employees are assigned work, which cannot be performed with a normal work schedule.

## Basic Work Schedules (Cont'd)

### **D. Emergency Relief Schedule**

If an employee is classified to perform the duties of emergency relief as Power System Operator, Distribution System Operator, Extra/Relief Troubleshooter, or other similar position, or if they are assigned as a relief operator, they will be available for duty in revolving shifts on any day of the week. They can be assigned for the relief of any shift without advance notice.

### **E. Change In Schedule**

Hours of work may be changed by mutual agreement of SMUD and the particular employees involved. When done for the convenience of the employees, overtime policies would not apply.

Nothing in SMUD policy prohibits an employee from being assigned to work outside of their work schedule or from being transferred from one schedule to another, provided they are paid in accordance with SMUD's applicable overtime policies.

## **3. ALTERNATIVE WORK SCHEDULES**

### **A. 9/80 Shifts**

#### **1) Work Schedule**

The bi-weekly work schedule will consist of 8 days at 9 hours per day and one day at 8 hours per day and will be paid at the straight-time rate.

Normal "off days" under the 9/80 schedule will be either Monday or Friday. A workweek that allows the day off to fall on a day other than a Monday or Friday may be arranged as an exception with the concurrence of the employee, the Union and the Department Director.

Employee requests for changes from one work schedule or pattern to another must be approved by the appropriate Department Director and can only be done during the semi-annual open enrollment period (either in the month of February to be effective the first pay period in April, or in July to be effective the first pay period in September). Open enrollment months may only be changed by mutual agreement between the Union and SMUD. Where special circumstances warrant an exception, an employee's schedule may be changed outside of the open enrollment period with the approval of the Department Director.

Shift changes are to be minimized. Shift changes for less than full workweeks are not considered an official change in shift, and the provisions of this Article regarding shift changes will apply.

#### **a) All IBEW represented employees (*Revised 1/1/2013*)**

Any weekday will be considered the employee's normal shift day (i.e., 9 or 10 hour). Saturday and Sunday will be considered an 8-hour shift day.

## Alternative Work Schedules (Cont'd)

### 2) **Lunch Period**

A minimum one-half hour unpaid lunch period will be scheduled approximately midway through the workday **and on an employee's split day, the unpaid lunch period shall be taken after at least halfway through the shift.** (*Revised 1/1/2022*)

### 3) **Participation**

- a) Eligibility for participation will be determined by the appropriate Department Director based on the operational requirements of the department.
- b) Participation in the 9/80 work schedule is voluntary.

### 4) **Continuation of 9/80 Schedule**

The 9/80 Schedule will only be continued with mutual agreement between SMUD and the Union. The 9/80 Schedule may be discontinued upon the request of either SMUD or the Union. After an official request has been made in writing to discontinue the 9/80 Schedule, a 30-day cooling-off period will be observed prior to the actual termination date of the schedule. It is the intention of SMUD and the Union to work together to resolve any unforeseen problems that may arise in administering the 9/80 Schedule. It is recognized that some departments have established unique guidelines for policy interpretation in crew situations. These guidelines must be reviewed and modified as appropriate jointly by the Union and Department Director.

## **B. 4/10 Shifts**

### 1) **Work Schedule**

The **work schedule** will consist of 4 days at 10 hours per day and will be paid at the straight-time rate. (*Revised 1/1/2022*)

The normal **work schedule** will be Monday through Thursday, or Tuesday through Friday, with either Mondays or Fridays as the off day. A workweek that allows the day off to fall on a day other than Monday or Friday may be arranged as an exception with the concurrence of the employee, the Union, and the Department Director.  
(*Revised 1/1/2022*)

Employee requests for changes from one work schedule or pattern to another must be approved by the appropriate Department Director and can only be done during the semi-annual open enrollment period (either in the month of February to be effective the first pay period in April, or in July to be effective the first pay period in September). Open enrollment months may only be changed by mutual agreement between the Union and SMUD. Where special circumstances warrant an exception, an employee's schedule may be changed outside of the open enrollment period with the approval of the Department Director.

Shift changes are to be minimized. Shift changes for less than full workweeks are not considered an official change in shift, and the provisions of this Article regarding shift changes will apply.

## Alternative Work Schedules (Cont'd)

### a) All IBEW Represented Employees *(Revised 1/1/2013)*

Any weekday will be considered the employee's normal shift day (i.e., 9 or 10 hour). Saturday and Sunday will be considered an 8-hour shift day.

### 2) **Lunch Period**

A minimum one-half hour unpaid lunch period will be scheduled approximately midway through the workday.

### 3) **Participation**

a) Eligibility for participation will be determined by the appropriate Department Director based on the operational requirements of the department.

b) Participation in the 4/10 work schedule is voluntary.

### 4) **Continuation of 4/10 Schedule**

The 4/10 Schedule will only be continued with mutual agreement between SMUD and the Union. The 4/10 Schedule may be discontinued upon the request of either SMUD or the Union. After an official request has been made in writing to discontinue the 4/10 Schedule, a 30-day cooling-off period will be observed prior to the actual termination date of the schedule. It is the intention of SMUD and the Union to work together to resolve any unforeseen problems that may arise in administering the 4/10 Schedule. It is recognized that some departments have established unique guidelines for policy interpretation in crew situations. These guidelines must be reviewed and modified as appropriate jointly by the Union and Department Director.

## **C. 12-Hour Shift**

- 1) Each group that has rotating 12-hour shift requirements will prepare and post in the work area an annual shift schedule. This schedule will be posted prior to January first of each year.
- 2) Shift schedules shall be designed such that no employee shall be regularly required to work more than 5 consecutive 12-hour days during any one workweek. When business circumstances dictate the need for additional consecutive days, SMUD will ask for volunteers prior to making the additional days mandatory.
- 3) "Workweek" shall be defined as a 7 consecutive day period **starting at midnight on Friday unless otherwise established in writing by the meet and confer process.** *(Revised 1/1/2022)*
- 4) During an outage, overhaul or when scheduled for training, an employee may be temporarily assigned to another schedule (e.g., 4/10, 9/80, 5/40) to meet that business requirement.

## Alternative Work Schedules (Cont'd)

- 5) Personnel on 12-hour shifts and relief shifts will not observe a lunch period but will eat their meal on SMUD time.

- a) Training shifts will observe a one-half hour unpaid lunch period.

- 6) **Shift Changes**

Shift changes are to be minimized. Shift changes for less than full workweeks are not considered an official change in shift, and the provisions of this Article regarding shift changes will apply.

- 7) **Benefits**

All benefits that are currently based on an employee's base rate of pay will continue to be based on a 40-hour workweek rate. Benefits that are currently based on an employee's actual earnings will be so determined.

- 8) **Relief Crew**

If scheduled to work as part of a relief crew, employees will be guaranteed 40 hours pay for that workweek.

Employees on the relief crew will be given a minimum of 12 hours off between shifts. If employees do not receive 12 hours off between shifts, they will be paid the applicable overtime pay rate for those hours worked that encroach upon the 12-hour shift requirements.

- 9) **Continuation of the 12-Hour Shift**

The 12-hour shift schedule will be reviewed on a regular basis. Either SMUD or the Union may request to return to an 8-hour shift schedule at any individual location or all work locations by giving 60 days written notice should, in the opinion of either party, the 12-hour shift program adversely affect the operation of SMUD or the employees. It is the intention of SMUD and the Union to work together to resolve any difficulties or problems that may be encountered on the 12-hour shift rotation.

## 4. **CHANGE IN SHIFT**

Work schedules and shifts may be changed based on SMUD requirements. An official change in shift occurs if employees are permanently or temporarily transferred to a new work schedule or shift for one workweek or more. **Exception: See Subsection B below.**

A change in shift does not occur if an employee's work hours are extended by an early call in, or they are asked to work beyond their regular work hours.

A change in shift does not occur if an employee's work hours are changed at the employee's request or for the employee's convenience.

## Change In Shift (Cont'd)

### **A. Shift Change For One Workweek Or More**

- 1) If employees are transferred to a new work schedule or shift for one workweek or more, they will:
  - a) Be given at least 24 hours' notice in advance of the new starting time, and
  - b) Have a minimum of 12 hours off between shifts, and
  - c) Be required to work no more than 40 hours at the straight-time rate of pay **in the calendar week.** (*Revised 1/1/2022*)
- 2) If employees do not receive 24 hours' notice or 12 hours off between shifts, they will receive the applicable overtime pay rate for those hours worked which encroach upon the 24-hour notice or the 12-hour shift requirements, whichever is greater.
- 3) Normal overtime, overtime meals, travel time, and rest period provisions will apply to the employee's newly scheduled shift as if it was their regular working hours.

### **B. Shift Change For Less Than One Workweek**

Shift changes for less than full workweeks are not considered an official change in shift. Employees will be compensated at the applicable overtime rate for all hours worked outside their regular work hours. Exception: Shift changes for less than full workweeks for static swing and night shift employees will be considered an official change in shift and will not be compensated at the applicable overtime rate for all hours worked outside their regular work hours if the following provisions are met:

1. Management provides at least two weeks' notice of the shift changes;
2. Management does not exceed three different shift changes for less than one workweek in a quarter.

For example, Fleet management can change their static night shift employees' shifts for less than one workweek on three different occasions within a quarter without compensating employees at the applicable overtime rate if the provisions noted above are met. This flexibility will assist management in scheduling SMUD and vendor training, and work group events. (*Revised 1/1/2018 per LOA*)

## **5. RETURN TO REGULAR WORK SCHEDULE**

When employees return to their regularly scheduled work hours, they will be compensated at their straight-time rate of pay for work performed during their regular work hours. Employees will also have a minimum of 12 hours off between shifts.

If employees do not receive 12 hours off between shifts, they will be paid the applicable overtime pay rate for those hours worked that encroach upon the 12-hour shift requirements.



## **6. LUNCH PERIODS**

### **A. Regular Lunch Period**

Unless employees are special shift employees, they have a scheduled lunch period approximately midway through their established work schedule.

Special shift employees are permitted to eat their meal on SMUD time during regularly scheduled work hours.

### **B. Change In Lunch Period**

- 1) An employee's regular lunch period may be advanced or delayed one hour or less, without the payment of overtime, for any of the following reasons:
  - a) When work on facilities serving a customer can most conveniently be performed during the employee's lunch period.
  - b) When work must be performed because of an interruption of utility service or other emergency.
  - c) When work must be performed to eliminate a hazard to life or property.
  - d) When the foreman/woman and the employees involved mutually establish a different lunch period or agree to a temporary change in the regular lunch period.
- 2) If an employee's lunch period is advanced or delayed more than one hour due to any of the first 3 reasons above, they will be paid at the applicable overtime rate for the time worked during their normal lunch period. The employee will be provided reasonable time to eat their lunch on SMUD time.

## ARTICLE 6

### ON-CALL PAY

#### 1. **INTRODUCTION**

Employees in classifications addressed in this article are required to be on-call for emergency response. Employees in classifications not addressed in this article are not required to be on-call.

#### 2. **GENERAL ON-CALL PROVISIONS**

The following provisions are applicable to all classifications that are required to be on-call. Classification specific provisions are addressed in separate sections or Side Letters of Agreement

- A. Normally on-call will span a period of 7 consecutive days.
- B. The appropriate supervisor is responsible for calling employees.
- C. Employees will be allowed to trade assignments at any time up until the on-call period has begun. Once the on-call period has begun, employees may have another employee cover a portion of the assignment with supervisory approval.
- D. Employees on-call will be compensated at the rate of two (2) hours of their regular, straight-time base rate of pay for each weekday on-call.

**Employees on-call will be compensated at the rate of four (4) hours of their regular, straight-time base rate of pay for each Saturday and Sunday. (Revised 1/1/2022)**

**Employees on-call will be compensated at the rate of six (6) hours of their regular, straight-time base rate of pay for SMUD paid holiday on-call. (Revised 1/1/2022)**

- E. Employees on-call are required to be fit for duty and available to report to work in a reasonable amount of time.
- F. All applicable overtime provisions will apply if the on-call employee is required to respond.
- G. Employees on-call will be provided with a cell phone, **at the request of the employees.** (Revised 1/1/2022)

#### 3. **DISTRIBUTION SYSTEM OPERATORS**

See Side Letter of Agreement LR 16-032

#### 4. **TELECOMMUNICATIONS TECHNICIANS**

- A. Employees in the following classifications in the Telecommunications Unit and the Telephone Services Unit may be subject to on-call:
  - Senior Telecommunications Technician
  - Telecommunications Technician
- B. On-call will span a period of 7 consecutive days, from 0730 hours Tuesday through 0730 hours the following Tuesday.

## Telecommunications Technicians (Cont'd)

- C. SMUD will seek volunteers for on-call assignments. Assignments will be made on the basis of employee preference.
- D. If there are insufficient volunteers for an on-call period, employees will be appointed. An employee who has been on-call without volunteering cannot be appointed again until all employees have served a required on-call period.
- E. Volunteers may be called to work alongside the on-call employee for on the job training purposes. In the event the on-call employee cannot solve a service call problem alone, other employees may be called to assist. Assisting employees will be sought from the volunteer list first unless specific expertise is required.
- F. In addition to being provided a cell phone and pager, employees in the Telephone Services Unit should be provided with a laptop computer furnished with a modem and appropriate software to access the supported systems.

## **5. LINE CONSTRUCTION CLASSIFICATIONS**

### **A. Foreman/woman, Fault Locator, and Line Equipment Operator Regular On-call**

Employees in the following classifications will be subject to the following regular on-call provisions:

- Line Construction Foreman-woman
  - Line Foreman-woman, Light
  - Line Sub foreman-woman
  - Fault Locator
  - Line Equipment Operator
- 1) An on-call schedule will be established that rotates assignments among employees in the above classifications.
    - a. At the end of each calendar year the schedule will be rotated so that the same crews don't have on-call on the same holidays every year.
    - b. For crew stability, the on-call crew will consist of the Foreman's regular assigned crew. *(Revised 1/1/2013)*
    - c. The start of the on-call assignment will be effective at the start of shift on Monday and end the start of shift on the following Monday.
  - 2) The two on-call line foremen/women will alternate trouble calls during their respective week starting with the first foreman/woman listed on the schedule. However, if the on-call supervisor determines that the crew already out can handle a subsequent trouble call, the foreman/woman and crew will not be called.

## Line Construction Classifications (Cont'd)

When additional personnel are needed when both the "A" and "B" crews are either already working and/or are on a rest period, the On-call Supervisor will call the next on-call foreman on the on-call rotation sheet. If the next foreman on the on-call rotation sheet is unable to respond, the supervisor will continue calling the next foreman in line.

*Example: "C" foreman unavailable, "D" foreman gets the next call and so forth.*

The foreman/woman informs supervisor of regular crew members called out. If additional line hands are needed due to the size of the job and/or not all regular crew members are able to respond, then the supervisor will check the emergency signup sheet to fill vacancies. If the supervisor is unable to fill the crew from the emergency signup sheet, then the supervisor will go to the emergency hours list and fill the crew starting with personnel in the classification required with the least amount of total overtime hours. *(Revised 1/1/2018 per LOA)*

When emergency work slows down, crews not on call will be released first.

- 3) In addition to being provided a cell phone, Foremen will be provided with a SMUD vehicle equipped with a radio. *(Revised 1/1/2013)*
- 4) When the on-call employee has made arrangements for another employee to take their calls, both the scheduled and the replacement employee are responsible for notifying the on-call Foreman about the substitution arrangements. The substitute foreman/woman will utilize the crew assigned to the scheduled on-call foreman/woman for all overtime work. The Foreman is responsible for notifying the on-call Supervisor of the change in employee" *(Revised 1/1/2013)*
- 5) The dispatcher is responsible for keeping the on-call supervisor informed of all after-hours activity including changes in location, and the need for additional tools, equipment, or personnel. The on-call supervisor is responsible for providing the necessary support personnel.
- 6) The on-call Supervisor shall call out the on-call Foreman(s) when emergency work is required. The on-call Foreman(s) shall call out their crew. *(Revised 1/1/2013)*
- 7) Employees who are on-call must notify the on-call supervisor if they are unable to meet their on-call responsibilities because of a personal emergency. Once notified, the on-call supervisor must decide if they need to fill behind the absent employee. If so, they will contact employees on the schedule (in appropriate order) seeking a volunteer to cover the remainder of the on-call assignment. The volunteer replacement will maintain their position on the schedule.
- 8) On-call crews are eligible for Prearranged Overtime work on their ADO and on Saturdays as a crew, as long as, customer service is not hindered or impacted.
- 9) Employees can volunteer to be placed on a weekly volunteer roster. This roster will be ranked from the ranked overtime list.

## Line Construction Classifications (Cont'd)

### **B. Lineman-woman, Apprentice and Pre-Apprentice Regular On-call**

Employees in the following classifications will be subject to the following regular on-call provisions:

- Lineman-woman
  - Apprentice Lineman-woman
  - Pre-Apprentice Lineman-woman
- 1) An on-call schedule will be established that rotates on-call assignments among employees in the above classifications. The crew assignments will be to the employees' normal on-call foreman/woman's assigned crew.
    - a. At the end of each calendar year the schedule will be rotated so that the same crews don't have on-call on the same holidays every year.
    - b. For Crew stability, the on-call crew will consist of the crew's core group of five (5).
    - c. The start of the on-call assignment will be effective at the start of shift on Monday and end the start of shift on the following Monday.
    - d. When additional personnel are needed when both the "A" and "B" crews are either already working and/or are on a rest period, the On-call Supervisor will call the next on-call foreman on the on-call rotation sheet. If the next foreman on the on-call rotation sheet is unable to respond, the supervisor will continue calling the next foreman in line.

*Example: "C" foreman unavailable, "D" foreman gets the next call and so forth.*

The foreman/woman informs supervisor of regular crew members called out.
    - e. If additional line hands are needed due to the size of the job and/or not all regular crew members are able to respond, then the supervisor will check the emergency signup sheet to fill vacancies. If the supervisor is unable to fill the crew from the emergency signup sheet, then the supervisor will go to the emergency hours list and fill the crew starting with personnel in the classification required with the least amount of total overtime hours. *(Revised 1/1/2018 per LOA)*
    - f. When emergency work slows down, crews not on call will be released first.
  - 2) Employees can volunteer to be placed on a weekly volunteer roster. This roster will be ranked from the ranked overtime list.
  - 3) Employees who volunteer and are not assigned to an on-call crew remain on the weekly volunteer roster, but the General On-call Provisions do not apply.
  - 4) Employees will be allowed to trade or arrange for a qualified, equivalent substitute to take their calls. Apprentices hired after May 31, 2005, will be required to serve their on-call during the regular rotation unless excused by their supervisor in coordination with the Training Coordinator. Both the scheduled and the replacement employee are responsible for notifying the on-call supervisor about the substitution arrangements. The on-call supervisor is responsible for notifying the on-call foreman/woman concerning the substitution.
  - 5) If the job requires staffing above the normal on-call crew, the on-call supervisor will call necessary employees from the weekly volunteer roster in appropriate order.

## Line Construction Classifications (Cont'd)

- 6) Additional crew members beyond the normal crew size will be assigned by the on-call supervisors from the appropriate list. After the voluntary list has been exhausted, the on-call supervisor may elect to call any qualified employee to respond. *(Revised 1/1/2013)*
- 7) On-call crews are eligible for Prearranged Overtime work on their ADO and on Saturdays as a crew, as long as, customer service is not hindered or impacted

### C. **Short Notice On-call**

During storms, earthquakes, and other emergency situations when management has determined that the regular on-call staffing is inadequate to meet the operational (power restoration) needs of SMUD, employees working in Distribution Services, Line, will be subject to the following short notice on-call provisions:

- 1) To this end, employees who have volunteered for short notice shall be offered on a crew basis to the next on-call crew in rotation. If a full crew is not available, the crew shall find their own replacements according to the rules for emergency on-call replacement. If the crew is not available to work, the next crew up in the rotation will be offered the short notice on-call. *(Revised 1/1/2013)*
- 2) Employees will be notified that they are being placed on short notice on-call as early as possible but no later than the end of the regular workday. Such assignments will be for one day unless otherwise indicated.
- 3) Employees assigned will be provided with a **cell phone, at the request of the employees.** *(Revised 1/1/2022)*
- 4) Short notice on-call employees are required to remain fit for duty, be reachable by phone, and be available to report to work in a reasonable amount of time.
- 5) Short notice on-call assignments are intended to meet a short-term staffing need, and as such, they are not expected to last for more than 6 consecutive days.
- 6) Employees on short notice on-call will receive two (2) hours of pay at the regular straight time rate for each weekday so assigned.

Employees on short notice on-call will receive **four (4) hours** of pay at the regular straight time rate for each Saturday **and** Sunday. *(Revised 1/1/2022)*

**Employees on short notice on-call will receive six (6) hours of pay at the regular straight time rate for each SMUD paid holiday so assigned.**  
*(Revised 1/1/2022)*

- 7) All applicable overtime provisions will apply if the on-call employee is required to respond.

## **6. GAS OPERATIONS CLASSIFICATIONS**

- A. Employees in the following classifications in Gas Operations will be subject to on-call:
- Gas Foreman/woman, Light
  - Gas Pipeline Fieldperson
  - Gas Control Technician (*Revised 1/1/2013*)
- B. On-call will be rotated among appropriate employees to assure equitableness. In the event a scheduled on-call employee is unable to perform his/her duties, the on-call assignment will first be assigned to an appropriate employee with the lowest overtime hours actually worked over the previous 12-month period. (*Revised 1/1/2013*)
- C. In addition to being provided a cell phone employees will be provided with a SMUD vehicle and radio. The SMUD vehicle will be provided for the on-call period only. (*Revised 1/1/2013*)
- D. Typically, employees who are on-call will be dispatched by the Power System Operator (PSO) or the GPO On-Call supervisor to report to the site of the indicated problem and assess the nature of the problem. After safely securing the site, the on-call employee will notify the PSO of the status of the situation. In the event that additional resources may be needed to resolve the situation, the on-call employee will make those recommendations to the PSO. (*Revised 1/1/2013*)

## **7. HAZARDOUS WASTE CREW**

- A. Employees in the following classifications may be subject to on-call:
- Hazardous Waste Foreman-woman, Light
  - Hazardous Waste Technician
- B. On-call assignments will be limited to one employee during any on-call period. During an on-call period, Hazardous Waste Technician employees will be temporarily upgraded to the Hazardous Waste Foreman-woman, Light classification for the duration of any call out response required. Additionally, the compensation paid for being on-call, will be paid at the Hazardous Waste Foreman-woman, Light rate.
- C. In addition to being provided a cell phone, employees will be provided with a SMUD vehicle equipped with a radio. SMUD vehicle will be provided for the on-call period only.

## **8. WAREHOUSE OPERATIONS**

- A. Employees in the classification of Material Specialist in Warehouse Operations assigned to East Campus Operations Center will be subject to on-call.
- B. On-call will be rotated among appropriate employees to assure equitableness.

## **9. CABLE LOCATORS**

- A. Employees in the following classifications are subject to on-call:

Cable Locators

- B. An on-call schedule has been established and will be updated using SMUD seniority.
- C. Scheduled on-call employees may offer their call to other qualified personnel on the schedule. The call shall be offered to each employee in the order that they are scheduled, until accepted. If no eligible employee accepts the call, then the scheduled Cable Locator must fulfill his or her on-call obligations.
- D. On-call personnel must report to the location of the emergency work within 2 hours of the call. The on-call Cable Locator will be assigned a SMUD vehicle to take home for the duration of the on-call assignment. *(Revised 1/1/2018 per LOA)*
- E. On-call overtime begins when the Cable Locator receives the call and ends when the locating work has been performed, and the Cable Locator returns directly home, and reports complete to the on-call Supervisor. *(Revised 1/1/2018 per LOA)*





## ARTICLE 7

### OVERTIME

#### 1. INTRODUCTION

Any employee may be requested to work overtime to meet the needs of SMUD. A willingness to work overtime when requested is a condition of employment. When permitted by the work situation, overtime is first allocated to qualified volunteers. It will be distributed among employees within each work group in the classification involved as equally as practicable.

SMUD makes every attempt to minimize the amount of overtime employees are required to work. This is to ensure minimal disruption of an employee's leisure time and to protect the employee's health. SMUD pays a premium to employees to recognize the inconvenience incurred for working hours outside of their regular work schedule. Overtime is computed to the nearest quarter hour.

#### 2. ELIGIBILITY

All hourly rated employees are eligible for cash compensation for overtime when they work more than 8 hours on a normal work schedule, work more than 40 hours in a workweek, work on a non-workday, work on a holiday, or work outside of regular work hours on a workday.

Employees who are in a light duty status are restricted from working overtime, unless specific medical documentation is provided outlining the number of days in the week the employee can work and the number of hours per day. (*Revised 1/1/2013*)

#### 3. ALTERNATIVE WORK SCHEDULES

##### A. 9/80 Shifts

Overtime will only be paid for hours worked in excess of 9 hours per day on regularly scheduled days of 9 hours, 8 hours per day on regularly scheduled days of 8 hours, or 40 hours per **work** week. All other overtime situations will be handled according to these Articles except that "regular work hours" or "regular work schedule" will be defined as a bi-weekly pattern of eight 9 hour shifts and one 8-hour shift according to a regular and pre-established schedule. **The workweek begins half-way through the scheduled 8-hour day and opposite the employee's ADO and continues for 7 consecutive 24-hour periods unless otherwise agreed to by SMUD.** The **double time** overtime rate will be paid for all hours worked outside an employee's regularly scheduled workweek. (*Revised 1/1/2022*)

##### B. 4/10 Shifts

Overtime will only be paid for hours worked in excess of 10 hours per day or 40 hours per **work** week. All other overtime situations will be handled according to these Articles except that "regular work hours" or "regular work schedule" will be a 10-hour shift rather than an 8-hour shift. **The workweek begins at midnight on Friday and continues for 7 consecutive 24-hour periods unless otherwise agreed to by SMUD.** The **double time** overtime rate will be paid for all hours worked outside an employee's regularly scheduled workweek. (*Revised 1/1/2022*)

### C. **12-Hour Shift**

Overtime will only be paid for hours in excess of 12 hours per day or 40 hours per **work** week. All other overtime situations will be handled according to these Articles except that "regular work hours" or "regular work schedule" will be a 12-hour shift rather than an 8-hour shift. **The workweek begins at midnight on Friday and continues for 7 consecutive 24-hour periods unless otherwise agreed to by SMUD.** The **double time** overtime rate will be paid for all hour worked outside an employee's regularly scheduled workweek.

*(Revised 1/1/2022)*

All hours worked will be compensated at the straight time hourly rate except as outlined below:

- 1) Overtime will be paid at the **double time** overtime rate for all hours worked outside of the normal work hours.
  - a) Extended hours on a normal workday are paid at the **double time** overtime rate.
  - b) Any regularly scheduled hours in excess of 40 hours in a workweek will be compensated at the **double time** overtime rate.
- 2) All other overtime situations will be handled according to these Articles except that "regular work hours" or "regular work schedule" will refer to a 12-hour shift rather than an 8-hour shift. When assigned to the training shift or to a less than 12-hour relief shift, the rules for the appropriate shift schedule will apply.

#### 4. **COMPUTATION OF PAY**

##### A. **Straight Time Pay**

Time worked during an employee's regular work hours is paid at the straight time rate of pay.

##### B. **Double Time Pay**

Except as provided herein; time worked outside an employee's regular work schedule is paid at 2 times the straight-time rate.

All hours incurred while a SMUD IBEW- represented employee works under the auspices of a SMUD Mutual Assistance Agreement with another utility are paid at 2 times the straight time rate. (*Revised 1/1/2022*)

**Revise Letter Agreement LR 17-025 Mutual Aid as follows:**

**Compensation- Mutual Aid: All hours worked are paid at the double time rate of pay.**

##### C. **Holiday Pay**

Holiday premium pay provisions are outlined in the Holidays Article.

##### D. **Maximum Overtime**

Employees will not work more than 16 consecutive hours or combination of hours that has the same effect of not providing the proper rest period. Exceptions to this would only occur in circumstances involving public safety or welfare. Supervisors authorizing work in excess of 16 consecutive hours will ensure the employee is capable of continuing work in a safe manner.

## **5. IBEW OVERTIME ASSIGNMENTS**

Overtime work shall be distributed among employees within each work group in a classification as equally as practicable. SMUD will post in each work location a ranked overtime list. This ranked list criteria will be developed within each work group by written agreement between SMUD and Union. This list will be updated every pay period and will be used when selecting employees to work overtime.

### **A. Overtime Assignments**

When the situation permits, SMUD will seek volunteers for required overtime. Work assignments will be made from volunteers in reverse order from the ranked overtime list. If there are insufficient volunteers for required overtime, employees will be appointed based on reverse order from the ranked overtime list.

### **B. Improper Overtime Assignments**

If employees on the ranked overtime list are improperly bypassed for overtime, appropriate overtime compensation will be paid to the employees who were bypassed.

### **C. Sign-up Procedures**

1. The sign-up list will be posted Wednesday and will remain posted until the end of the work shift on the following Tuesday for those employees desiring to work voluntary prearranged overtime for the following prearranged overtime period commencing on Friday.

Employees desiring voluntary overtime must sign-up or be asked prior to the end of the preceding work shift. (Phone contact is acceptable for employees not reporting to their normal work location that day).

Overtime timesheets submitted late or with errors may not be included in the next ranked voluntary overtime sheet.

A new employee will be given the average number of overtime hours worked by those on the list at that time and will then be placed on the list with those hours.

An employee who has been promoted or changes classification will be given the average number of overtime hours by those on the list at that time and will then be placed on the list with those hours.

## IBEW Overtime Assignments (Cont'd)

### 2. Posted Locations

Signup sheets for voluntary prearranged overtime will be posted in the designated area for each work group.

### 3. Prearranged Overtime Assignment and Administration

- If employees have scheduled prearranged work, they can maintain their own crew and get their own substitutes according to the rules for emergency on-call replacement. Each crew members' first obligation is to their own crew. If their own crew is not working, they are free to volunteer for another crew. *(Revised 1/1/2013)*
- The work period for this signup sheet is the beginning of shift on the Friday until the beginning of shift the next Friday.
- The accounting period for record purposes will be from January 1 through December 31 of each year. To start this procedure on January 1, SMUD seniority will be used.
- Volunteer employees must have all the qualifications required for the specific overtime assignment.
- Volunteer employees with the lowest number of recorded prearranged overtime hours will be offered overtime assignments.
- Employees that refuse an assignment will be credited with the maximum prearranged hours worked by employees used for that day a standard 8 hours, which will be recorded as turn down time.
- When multi-day jobs or jobs in progress are being assigned from the voluntary overtime sheet, preference will be given to employees that have volunteered for each of the days anticipated. This practice will by-pass employees with a lower number of overtime hours and will not be considered a by-pass.
- Overtime hours will be entered into SAP from the previous Friday. Additions, corrections, or adjustments to the ranked list will not be applied to the current posted prearranged overtime signup sheet.
- Errors or omissions on the volunteer signup sheet must be reported by the employee or their representative in order to be changed. Two full business days will be allowed to confirm or correct any reported errors.
- An Employee who is off duty on leave will not be asked or required for overtime until the employee returns to work on their next regular scheduled workday and the employee will not be credited with time worked.

## IBEW Overtime Assignments (Cont'd)

### 4. Mandatory Overtime

- Mandatory prearranged overtime will be assigned first to employees with the lowest recorded prearranged overtime hours actually worked.
- An Employee that does not have a specific skill or qualification required for the mandatory assignment may be passed for that specific assignment.
- Employees assigned under this section may find a qualified replacement but, will be charged the maximum prearranged with standard 8 hours turn down time.

### 5. Other Employees

- When the work group has a need for manpower in excess of volunteers it may go to other work groups within Grid Assets for qualified employees and reduce the number of mandatory assignments needed.
- From time-to-time SMUD may use employees from other work groups. When this practice occurs, SMUD agrees to use the employees in the immediate work group for relief purposes (up-grade) prior to going to other work groups.
- Employees from other work groups will use the prearranged overtime procedure established in their work group for assignments.

## 6. COMPENSATORY TIME OFF - TIME OFF IN LIEU OF OVERTIME

### A. Eligibility

Employees may **earn** compensatory time off (CTO) instead of overtime pay, **at the discretion of the employee. Management reserves the right to deny a request to earn CTO when an employee has documented attendance issues in accordance with the Positive Discipline Policy (AP 05.02.09). (Revised 1/1/2022)**

**Employees may take compensatory time off (CTO) with mutual agreement between the employee and their supervisor. (Revised 1/1/2022)**

### B. Earning and Using CTO

CTO will be earned at the **double time rate for each hour** of overtime. Accumulated CTO may not exceed 40 hours at any time. All CTO balances will be paid out to employees after the end of the CTO year. The CTO year shall begin with payroll period 22 and run through the end of payroll period 21 of the following year. All personal leave taken will be charged first to CTO and then to the employee's leave balance. **(Revised 1/1/2022)**

## 7. **TRAVEL TIME**

- 1) Employees will be compensated with straight-time compensatory time off (CTO) for the actual total number of hours of travel time not to exceed eight (8) hours per day for required training. Straight time pay may be authorized for travel in situations where it is impractical to give CTO. Travel time outside of working hours for regular apprentice classes and for optional training is not compensated (*Revised 1/1/2018*).

Note - The following example will be used to figure the amount of CTO.

On day off, employee gets CTO from home to airport, CTO for the amount of travel time while traveling by air or bus to destination, and then CTO for travel time from airport to place of training. The total amount of CTO granted will not exceed 8 hours per day. (*Revised 1/1/2013*)

## 8. **MINIMUM TIME**

- A. The minimum time is 2 hours for which overtime compensation is paid on emergency call-outs that do not extend into an employee's regular work hours. Work time will begin at the time of the phone call.
- B. Employees will be paid at the **double time** overtime rate for a minimum of 2 hours if they report for prearranged overtime and are not needed. This does not apply to relief employee assignments that are cancelled. If prearranged overtime on a regular workday is cancelled before employees leave home, they do not qualify for any compensation. If prearranged overtime on a non-workday is not cancelled prior to the end of an employee's immediately previous regular workday, they will be paid at the **double time** overtime rate for a minimum of 2 hours. (*Revised 1/1/2022*)
- C. If employees are called out early to work into or requested to stay beyond their regular work hours, they are paid at the **double time** overtime rate only for actual time worked. (*Revised 1/1/2022*)
- D. Overtime is computed to the nearest quarter hour.

## 9. **REST PERIODS**

### A. **8-Hour Shifts**

Employees are entitled to a rest period of 8.5 consecutive hours after working 8 hours or more overtime during the 16 hours immediately prior to their regularly scheduled hours of work on a workday or non-workday.



## Rest Periods (Cont'd)

### **B. 9/80 Shifts**

On 9-hour workdays employees are entitled to a rest period of 8.5 consecutive hours after working 6.5 hours or more overtime during the 14.5 hours immediately prior to the regularly scheduled hours of work on a workday or non-workday.

On 8-hour workdays employees are entitled to a rest period of 8.5 consecutive hours after working 8 hours or more overtime during the 16 hours immediately prior to the regularly scheduled hours of work on a workday or non-workday.

### **C. 4/10 Shifts**

Employees are entitled to a rest period of 8.5 consecutive hours after working 5.5 hours or more overtime during the 13.5 hours immediately prior to the regularly scheduled hours of work on a workday or non-workday.

### **D. 12-Hour Shift**

On 12-hour workdays employees are entitled to a rest period of 8.5 consecutive hours after working 4 hours or more overtime during the 12 hours immediately prior to the regularly scheduled hours of work on a workday or non-workday.

### **E. Compensation**

- 1) The rest period starts upon release from an employee's designated headquarters. This rest period excludes mealtime and any travel time to which employees are entitled at the end of the work period. If any part of the rest period falls within an employee's regular work hours, they will be paid for those hours at the straight time rate.
- 2) Employees will not be compensated for their regular lunch period even when it falls within the rest period.
- 3) If a rest period cannot be provided when due, double time is paid until the rest period is provided. Hours worked prior to an 8.5-hour rest period are not included in computing another period of overtime work.
- 4) If employees are required to report back to work prior to the end of their 8.5-hour rest period, they will be paid double time until a rest period can be provided.

### **F. Requirements at End of Rest Period**

- 1) If an employee's rest period ends during the first half of their workday, they may, if their supervisor approves, report to work at the beginning of the second half of the workday. The employee may elect to be placed on CTO, personal leave and/or leave without pay for the time between the expiration of their rest period and the end of the first half of the workday.

## Rest Periods (Cont'd)

**Example:** An employee's rest period ends at 8:30 a.m. The employee's regular work hours are 7:00 a.m. - 3:30 p.m. (lunch from 11:00 - 11:30 a.m.). If the employee's supervisor approves, the employee need not report back to work until 11:30 a.m.

The time between 8:30 a.m. and 11:30 a.m. may be charged to CTO, personal leave and/or leave without pay. (NOTE: Personal leave may be taken in hour increments only.)

- 2) If an employee's rest period ends during the second half of their workday, they may, if their supervisor approves, report to work the following workday. The employee may elect to be placed on leave without pay, CTO or personal leave for the time between the expiration of the rest period and their regular quitting time.

**Example:** An employee's rest period ends at 1:00 p.m. The employee's regular work hours are 7:30 a.m. - 4:00 p.m. If the employee's supervisor approves, the employee need not report back to work until 7:30 a.m. the next workday.

The time between 1:00 p.m. and 4:00 p.m. may be charged to CTO, personal leave or leave without pay.

### **G. Special Rest Period**

An employee's supervisor may excuse the employee from up to 4 hours of their regular shift if they worked 4 or more overtime hours in the 8 hours immediately preceding the beginning of the employee's regular shift.

Special rest period may be granted if the timing of an emergency call out prevents the employee from getting sufficient rest. The employee will receive straight time pay for any of the special rest period that falls within their regular shift.

## ARTICLE 8

### EMERGENCY DUTY

#### 1. **EMERGENCY CALL-OUTS**

- A. When employees are called out for an emergency, their work time will begin at the time of the phone call.
- B. If employees are called in advance to cover behind an employee who is unable to report to work for their shift, and they are directed to report at the specific shift starting time, they will be credited with an additional 45 minutes at the appropriate overtime rate and all other emergency call out provisions (meals, etc.) will apply.
- C. If employees are asked to come in immediately to cover the shift, their work time will begin at the time of the phone call.
- D. **Employees called back to work within 45 minutes of the end of their regular workday will treat the call as a continuation of their workday and will be compensated accordingly. (Revised 1/1/2022)**

#### 2. **MULTIPLE CALL-OUTS**

- A. If employees are called out for work more than once in the 24-hour period from midnight to midnight, the 2-hour minimum overtime compensation is paid **for all** calls outside of their regular work hours. (Revised 1/1/2022)
- B. For the purpose of this provision, concurrent calls or successive calls without a break in paid time are considered a single call.

#### 3. **GRID ASSETS LINE DIVISION EMERGENCY RESPONSE DURING REGULAR WORK HOURS**

- A. When response to an emergency is necessary during normal business hours, the needs of SMUD and our customer-owners may take precedence over responding with the recognized on-call crew. When notified of an emergency that requires response, the Distribution System Operator will notify the on-call supervisor. The on-call supervisor will decide whether the on-call crew will respond to calls between 1400 and the end of regular business hours. An emergency call-out will be defined as an assignment to the on-call crew by the on-call supervisor after 1400 hours and the assignment results in an earned meal.  
(Revised 1/1/2018 per LOA)

The nearest available crew, size and type of crew required, and the nature of the emergency will all be considered when responding.

## Grid Assets Line Division Emergency Response (Cont'd)

If the work continues beyond regular business hours; the responding crew will continue the work to completion or until relieved by the direction of the on-call supervisor.

The supervisor is responsible for assessing the approximate length of time necessary to make repairs. If in his/her judgment the work will extend past 2200 hours, the on-call crew will be utilized as the relief crew. Such relief shall be provided as soon as practicable when, in the opinion of the supervisor, SMUD operations would not be adversely affected.

### B. Sign-Up Procedures

- Sign up for emergency overtime work will be on a daily basis. Emergency overtime signup will be posted daily until close of business for the following day's emergency overtime. The overtime sheet posted on Friday will include Saturday, Sunday, and Monday. If an employee's ADO falls on Friday, a separate signup sheet will be available on Thursday for weekend work. If an employee is on rest period or continuation of shift, their Foreman may contact the supervisor to have the employee placed on the signup list. Employees desiring voluntary emergency overtime must sign- up at designated posted locations. (Phone contact is acceptable for employees not reporting to their normal work location that day). *(Revised 1/1/2013)*
- Employees will only be considered for voluntary emergency assignments on days they have indicated on the voluntary emergency overtime sheet.
- Overtime timesheets submitted late or with errors may not be included in the next ranked voluntary overtime sheet.
- A new employee will be given the average number of emergency overtime hours worked by those on the list at that time and will then be placed on the list with those hours.
- An employee who has been promoted or changes classification will be given the average number of emergency overtime hours worked by those on the list at that time and will then be placed on the list with those hours.

### C. Posted Locations

- Signup sheets for voluntary emergency overtime will be posted in the designated area for each work group.

### D. Voluntary Emergency Overtime Assignment and Administration

- The accounting period for record purposes will be from January 1 through December 31 of each year. To start this procedure on January 1, SMUD seniority will be used.
- Volunteer employees must have all the qualifications required for the specific overtime assignment.

## Grid Assets Line Division Emergency Response (Cont'd)

- Volunteer employees with the lowest number of recorded emergency overtime hours will be offered overtime assignments.
- When multi-day jobs are being assigned from the voluntary overtime sheet, preference may be given to employees that have volunteered for each of the days anticipated. This practice will by-pass employees with a lower number of overtime hours and will not be considered a by-pass.
- Overtime hours used will be entered into SAP from the previous Friday. Additions, corrections, or adjustments to the ranked list will not be applied to the current posted emergency overtime signup sheet.
- Errors or omissions on the volunteer signup sheet must be reported by the employee or their representative in order to be changed. Two full business days will be allowed to confirm or correct any reported errors.
- An employee who is off on leave will not be asked or required for overtime until the employee returns to work on their next regular scheduled workday and the employee will not be credited with time worked.

### E. Mandatory Overtime

- When there are insufficient volunteers available for duty, SMUD will assign employees to report for duty.
- Mandatory emergency overtime will be assigned first to employees with the lowest recorded emergency overtime hours actually worked.
- An Employee that does not have a specific skill or qualification required for the mandatory assignment may be by passed for that specific assignment.
- Employees assigned under this section may find a qualified replacement but will be charged with a standard 8 hours turn down time.

## **4. EMERGENCY RELIEF SCHEDULES**

- A. If employees are classified to perform the duties of emergency relief as Control Room Operator or other similar position, or if they are assigned as a relief operator, they will be available for duty in revolving shifts on any day of the week. These employees can be assigned for the relief of any shift without advance notice.
- B. Overtime compensation for emergency relief work performed during the regular work hours of a shift is not paid unless employees are required to report for work without having had 12 hours off following the end of their last work period. When this occurs, employees are paid the applicable overtime compensation for any time worked in the 12-hour period following the end of their last preceding work period.

## Grid Assets Line Division Emergency Response (Cont'd)

### **5. CALL OUT PROCEDURES**

Call-outs will begin with the on-call rotation list. If that list is exhausted, management will then go to the emergency sign up list and then the list of low overtime hours.

*(Revised 1/1/2018 per LOA)*

## ARTICLE 9

### OVERTIME MEALS

#### 1. **INTRODUCTION**

SMUD will provide meals or payment for meals under certain qualifying situations when employees are required to work overtime. The emphasis should be on the employee actually eating the meal. It is not desirable to have an employee miss a meal in order to become eligible for a missed meal payment.

#### 2. **ELIGIBILITY**

##### A. **Who Qualifies**

All hourly-rated employees required to work overtime are eligible to receive overtime meals or payment for meals under certain qualifying situations. For the purpose of this Article, work hours are defined as hours worked excluding travel time and the time taken to eat the meal.

##### B. **Emergency Call Outs**

If employees are called out, they will be told before coming in whether or not to eat a meal. (Normally if the call-out is at a mealtime, and the situation permits, employees will be asked to eat before reporting.) If the emergency call-out is within 90 minutes of the employee's end of regular work hours, and the situation does not permit the employee to eat before reporting, the employee will become eligible for a meal as if it were an extension of their regular work hours. In a crew situation, if any member of the crew is called out within 90 minutes of that employee's end of regular work hours, the entire crew will become eligible for a meal as if it were an extension of regular work hours. The time that the crew members become eligible for that meal will be at the earliest time at which any member of the crew becomes eligible for a meal based on that employee's regular work schedule.

##### C. **Non-workday Overtime**

When performing overtime, prearranged or not, on a non-workday, including 4 or more of an employee's regular work hours, the employee will be told to bring a lunch if they are given time to prepare a lunch.

Meals are provided for call-outs lasting 5 work hours or more. For every additional 5 work hours, employees are eligible for another meal.

##### D. **Prearranged or Not Prearranged**

The only difference in meal arrangements for prearranged overtime work and overtime work that is not prearranged is that when the prearranged overtime work is performed during regular work hours, employees observe the lunch arrangements that prevail on their regular workday (e.g., employees provide their own lunch and are not compensated for the lunch period).

## Eligibility (Cont'd)

Regular workday meal provisions are observed when emergency work is performed on a non-workday during what would be the employee's regular work hours, except that the employee is compensated for the lunch period and reimbursed for costs in accordance with Maximum Meal Allowances.

### **E. Meal Intervals**

Employees are eligible for a meal for every 5 hours worked. All work hours apply toward overtime meals eligibility. Normal practice is for employees to have meals at approximately 5-hour intervals. Therefore, employees will not normally be required to work more than 5 consecutive hours without a meal or meal payment.

### **F. Mealtime**

In determining time intervals for the purpose of providing meals, time allowed for previously consumed meals is not included. An employee's mealtime begins when the employee arrives at the meal location and ends when the employee leaves the meal location.

### **G. Determining if Employees Qualify**

Use the following table and these instructions to find out if employees qualify for an overtime meal.

**INSTRUCTIONS:** Find the conditions that apply to the employee's situation in the "IF" columns, (A and B). The "THEN" columns (C, D, and E) show employees what they are eligible for.

For example, an employee is required to work overtime as an extension of their regular hours. Go down column A to the condition statement: "If overtime work is.... an extension of your regular work hours," Rule 3. Follow Rule 3 to the right; column B shows that it does not apply. Columns C and D are "YES", meaning that the meal period is paid at the applicable overtime rate, and the cost of the meal is reimbursed. Column E tells the employee that they are eligible for a meal 1-1/2 hours after the end of their regular work hours. The employee is eligible for additional meals every 5 work hours.

## **DETERMINING OVERTIME MEAL ELIGIBILITY (Based on an 8-hour workday)**

### **IF:**

### **THEN:**

Rule Number	A Overtime work is	B And is Prearranged	C Then the meal period is paid at applicable rate	D And the cost of the meal is reimbursed up to the prescribed limit	E And the time needed to become eligible is
1	During employee regular work hours, but on non-workdays.	Yes	No	No	N/A
2		No	Yes	Yes	5 work hours.
3	An extension of employee regular work hours.	N/A	Yes	Yes	1-1/2 work hours after the end of employee regular work schedule, and every 5 work hours thereafter.



4	Wholly outside employee regular work hours.	Yes	Yes	Employee furnishes the first meal. Subsequent meals are reimbursed.	5 work hours after the first meal, and every 5 work hours thereafter.
5		No	Yes	Yes	Every 5 work hours. Also see Paragraph 2.B.
6	Early Call In 2 or more hours before employee regular start time.	Yes	Yes, only for meals earned during overtime hours.	Employee furnishes one meal. Other meals are reimbursed.	N/A
7		No	Yes, only for meals earned during overtime hours.	Yes	N/A
8	Less than 2 hours before employee regular start time.	Yes	No	No	N/A
9		No	Yes, only for meals earned during overtime hours.	Yes, in certain circumstances. See Para. 3.C.2)	N/A
10	Emergency Call Out	No	Yes	Yes	Every 5 work hours. Also see Paragraph 2.B.

Note: For purposes of this chart, work hours are defined as hours worked excluding travel time and the time taken to eat the meal.

### 3. **GUIDELINES**

#### A. **Maximum Meal Allowances**

Effective January 1, 2013, and beyond (*Revised 1/1/2013*)

The maximum reimbursement for overtime meals will increase yearly equal to the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (1982 – 1984 = 100) – US City Average for the 12-month period ending the prior October.

#### B. **Overtime Meal Eligibility**

Overtime meal eligibility is based on the employee's work hours. When working on a crew situation, the entire crew's overtime meal eligibility is based on the foreman/woman's work hours.

#### C. **Early Call-In**

##### 1) **Prearranged**

If SMUD requires an employee to perform work starting 2 hours or more before the employee's regular work hours (excluding travel time), and the employee continues to work into their regular work hours, the employee provides for one meal on the job, and SMUD provides reimbursement for other meals as required for the duration of the work period. If the work starts less than 2 hours before the employee's regular work hours, the usual meal arrangements prevail.

##### 2) **Emergency**

If, in an emergency call-in situation (not prearranged), SMUD does not give employees an opportunity to eat a breakfast and prepare a lunch before reporting for work, SMUD will provide meals for employees or reimburse the employees for these meals. The

## Guidelines (Cont'd)

meals are eaten at approximately the usual times and SMUD pays for the time taken to eat the meals, except that employees will not be paid for their lunch period on a regular workday.

### **D. Owed Meals at Completion of Assignment**

When employees are owed a missed meal(s) upon release from their work headquarters, they will be paid in accordance with Maximum Meal Allowances, and 30 minutes pay for each missed meal(s) at the applicable overtime rate. The time will be added to their end of shift work hours and will apply to the computation of total hours worked.

When employees are owed a meal, SMUD makes every effort to provide them the meals and the time to eat them. Occasionally a meal break is missed. A meal is considered missed when enough time has passed that a second meal is owed.

- 1) Employees qualify for a missed meal when:
  - a) An overtime meal could not be eaten because of work requirements; and
  - b) A minimum of 5 work hours has passed from the time the first overtime meal was owed: and
  - c) A second meal is earned.
- 2) For missing a meal, employees receive the Maximum Meal Allowance plus 30 minutes pay at the overtime rate that is applied at the time the meal should have been eaten. Additionally, thirty minutes will be added to the end of their work shift for each missed meal.

Example: An employee is released from duty at xxxx hours and has missed one meal during the course of their workday, 30 minutes would be added to their paid time and as a result, their rest period would start at xxxx hours plus 30 minutes. For each additional missed meal an additional 30 minutes would be added their paid time and their rest period would start 30 minutes later.

- 3) If a second overtime meal is earned, employees will be provided a meal up to the Maximum Meal Allowance and will be paid for the time to eat the meal.

Example: An employee is regularly assigned to work from 7:00 a.m. to 3:30 p.m. After eating lunch at the employee's regularly scheduled time, 11:30 a.m., they are notified that their shift is being extended beyond 3:30 p.m., so that they can complete the job underway. Since the employee's shift has been extended, they are eligible for a meal after 1-1/2 hours of overtime, at 5:00 p.m. However, the employee could not stop to eat until 10:00 p.m. Since the employee could not eat the meal owed them at 5:00 p.m., and 5 work hours have passed from the time the first overtime meal was owed, they now qualify for a second overtime meal. The employee will receive the Maximum Meal Allowance plus 30 minutes pay at the applicable overtime rate for the meal owed at 5:00 p.m. and will be provided a meal up to the Maximum Meal Allowance for the second meal, and payment for the meal period.

## Guidelines (Cont'd)

- 4) If employees receive an early call-in of 2 hours or more, excluding travel time, and they miss the first meal period and then observe their normal lunch period, they are compensated under the missed meal provision (30 minutes at the applicable overtime rate plus the Maximum Meal Allowance).

Example: An employee is regularly assigned to work from 7:00 a.m. to 3:30 p.m. They are called in to work at 4:00 a.m. (not prearranged). Because of the requirements of the work, the employee is not able to eat a meal until their normal lunch period, 11:00 a.m. Since more than 5 work hours have passed since the first meal was earned, and another meal is now due, the employee qualifies for a missed meal, and will receive the Maximum Meal Allowance plus 30 minutes pay at the applicable overtime rate.

Note: Special Shift Employees: Since these employees are permitted to eat their meal on SMUD time, time to eat a missed meal is not provided.

### **E. SMUD Provided Meals at Work Site**

When an overtime meal is earned and the appropriate supervisor determines that SMUD should provide a meal at the work site, the following guidelines shall apply:

- 1) Employees will be provided a meal that should be, but under certain conditions may not be, a comparable substitute for a meal that the employee would have eaten; and
- 2) Employees will be provided reasonable time to eat the meal on SMUD time; and
- 3) Employees will still be due the earned meal (i.e., the provided meal is not considered to be a meal payment, a meal provided, or a meal taken).

Note: The type of meal provided will depend on the average restaurant available in the general area, the time of day the meal is provided, the availability of restaurants that can provide a comparable substitute within a reasonable distance of the work site, and the breakfast, lunch or dinner menu at restaurants where comparable substitutes are available.

### **F. 9/80 Shifts**

The guidelines will apply except that "regular work hours" or "regular schedule of shift" will be defined as a bi-weekly pattern of eight 9 hour shifts and one 8 hour shift according to a regular and pre-established schedule; however, if an employee's regular work hours are extended, he/she will earn an overtime meal payment one hour after the end of the regular work schedule (e.g., at the 10th hour of work on a 9 hour shift day).

### **G. 4/10 Shifts**

The guidelines will apply except that "regular work hours" or "regular schedule of shift" will be a 10-hour shift rather than an 8 hour shift; however, if an employee's regular work hours are extended, he/she will earn an overtime meal payment one hour after the end of the regular work schedule (e.g., at the 11th hour of work).

## Guidelines (Cont'd)

### **H. 12-Hour Shift**

The guidelines will apply to overtime meals except that "regular work hours" or "regular schedule or shift" will be a 12-hour shift rather than an 8-hour shift.

Employees working scheduled 12-hour shifts for straight time will not be eligible for overtime meals unless they continue to work after their regular quitting time for one hour and at 4-hour intervals thereafter. The 12-hour rules apply when employees are scheduled to work the 12-hour shift rotation. If an employee is scheduled for 8-hour days, the 8-hour rules apply.

### **I. Reimbursements**

- 1) When employees earn an overtime meal, and the meal is not paid for by SMUD, they will be paid in accordance with Maximum Meal Allowances. This payment will be made through the payroll system and will be included on the employee's paycheck. No additional meal payment will be made if they are provided a SMUD-paid meal.
- 2) If employees work for an extended period of time, they may earn additional meals during their shift. No additional meal payment will be made if they are provided SMUD-paid meals.
- 3) Payments for overtime meals will be included in employee's gross income, and applicable Federal and State income taxes and FICA taxes will be withheld.
- 4) If second or third overtime meal expenses total \$50 or less, reimbursement may be made from petty cash funds.
- 5) Reimbursement may be made from petty cash funds up to \$100 to foremen/women who have paid for meals taken by their crews during periods of emergency work.
- 6) SMUD will make procurement cards available, as needed, to carry out the provisions of this article.

**ARTICLE 10**  
**PERSONAL LEAVE**

**1. INTRODUCTION**

Department Directors or supervisors must approve all requests for leave in advance. Absence not approved in advance will be charged as leave of absence without pay.

**2. EARNING PERSONAL LEAVE**

All regular employees begin accumulating personal leave credits upon employment.

**A. Full-Time Employees**

Full-time regular employees earn personal leave credits on the following schedule:

**1. First through Fourth Year of Service**

Employees earn 80 hours of personal leave per year (6 hours and 40 minutes per month).

**2. 5th through 14th Year of Service**

Employees earn 120 hours of personal leave per year (10 hours per month) from the beginning of their 5th year through their 14th year of service.

**3. 15th through 22nd Year of Service**

Employees earn 160 hours of personal leave per year (13 hours and 20 minutes per month) from the beginning of their 15th year through their 22nd year of service.

**4. 23rd through 29th Year of Service**

Employees earn 200 hours of personal leave per year (16 hours and 40 minutes per month) from the beginning of their 23rd year through their 29th year of service.

**5. 30 or More Years of Service**

Employees earn 240 hours of personal leave per year (20 hours per month) from the beginning of their 30th year of service.

**B. Part-Time Regular Employees**

Part-time employees scheduled to work 20 or more hours per week on a fixed schedule, earn personal leave credits based on the hours worked. (176 hours equal one month's service).

## Earning Personal Leave (Cont'd)

### **C. Personal Leave Bonus**

#### **1. Full-Time Employees**

Permanent, full-time employees will be credited with a 40-hour personal leave bonus on the 10th anniversary date of full-time continuous service.

#### **2. Part-Time Regular Employees**

Regular, part-time employees will be credited with a 40-hour personal leave bonus after working the equivalent number of hours required of full-time employees.

### **D. Accrual Limit**

Employees may carry up to 680 hours of personal leave into the New Year. Excess vacation accrual (beyond the 680-hour limit) as of the start of the New Year will be forfeited and the vacation time forfeited will be paid out at the employee's straight time rate of pay in the pay period including January 9th. *(Revised 1/1/2018)*

Exception: If an emergency arises or service requirements do not allow employees to use their personal leave credits, their department Director may recommend to the General Director that the employee be allowed to exceed the maximum hours that may be carried over into the next year.

### **E. Non-Accrual of Personal Leave Credits**

Employees will not earn personal leave for each cumulative total of 176 working hours of the preceding 12 months while they are absent on leave without pay.

### **F. Personal Leave Sell-Back**

- 1. Full time employees may elect to sell back up to one hundred-twenty (120) hours (up to 60 for part-time employees) of accumulated personal leave credits per year, provided they employee schedules and uses at least the equivalent of one (1) work week of personal leave in the same year.**
- 2. Personal Leave Sell-Back Agreements, which are irrevocable, must be submitted to the HRS Payroll unit no later than December 31 of the year prior to the year in which the personal leave will be accrued and paid out. An employee may elect to apportion the amount of sell back between paychecks for pay periods 13 and 25, limited to the amount of Personal Leave accrued in that year at the time of the payout.**
- 3. An employee may request a hardship withdrawal payment of accrued leave at any time when an unforeseen hardship arises, and payment is needed to cover such expenses. Hardship withdrawals are only allowed for the reasons specified in the hardship distribution rules for SMUD's 457(b) plan as well as other similar hardships approved by SMUD. *(Revised 1/1/2022)***

### **3. USING PERSONAL LEAVE CREDITS**

Employees are eligible to use their personal leave credits as soon as they show on their pay stub.

#### **A. 9/80 Shifts**

Employees who take paid time off on Personal Leave on a regularly scheduled workday will be charged the number of hours they were regularly scheduled to work (i.e., nine (9) hours, if regularly scheduled to work a 9-hour shift).

#### **B. 4/10 Shifts**

Employees who take paid time off on Personal Leave on a regularly scheduled workday will be charged 10 hours personal leave.

#### **C. 12-Hour Shift**

Personal leave may be taken on an hourly basis. When a full day's personal leave is taken, it will be charged according to the normal work shift of the individual. An individual working 12-hour shifts who takes a personal leave day will be charged 12 hours of personal leave.

#### **D. Scheduling Personal Leave**

Personal leave is normally taken each calendar year.

The time is scheduled and approved by the employee's department Director or supervisor after considering the preference and seniority of each employee in each classification. Seniority is determined by total years of continuous SMUD service.

#### **E. Normal Working Conditions**

##### **1. Scheduling for More Than One Week**

Leave periods of one, two, or three weeks will be given preference over split leave periods and leave periods of more than three weeks.

##### **2. Scheduling Entire Crews or Other Work Units**

If it is necessary to schedule time off for an entire crew or work unit, the leave period will be scheduled to meet SMUD's needs, and the dates selected by a majority of the crew or work unit.

##### **3. Scheduling for Less Than One Week**

When conditions of the work permit; employees may be granted one hour or more personal leave at a time.

**F. Emergency Conditions/Service Requirements**

In an emergency, employees may be asked to forego all or part of their scheduled leave period. If employees are already on personal leave, they may be requested to report for duty. SMUD recognizes that all employees are entitled to use their personal leave. It is also recognized that certain service requirements of SMUD may require personal leave to be kept to a minimum. SMUD supervisors will make every effort to provide personal leave to each employee annually.

**G. Part-Time Regular Employees**

Part-time employees regularly scheduled to work 20 or more hours per week may be granted personal leave up to 40 hours in a week.

**H. Effect of Holidays**

If a recognized SMUD holiday falls within an employee's personal leave period, it is not counted as a day of personal leave.

**4. PAYMENT FOR PERSONAL LEAVE**

**A. Regular Classification**

An employee's personal leave pay is computed at the straight-time rate of pay for their regular classification at the time the leave is taken.

**B. Dual Classification**

If employees are in a dual job classification, their personal leave pay is based on the classification in which they would be working if they were not on personal leave.

**C. Extended Military Leave**

If employees are on an extended military leave (over 180 calendar days), they must take a lump sum cash payment for their accumulated personal leave or save it for use later. A lump-sum cash payment will be calculated at the employee's rate of pay when their leave started.



## **5. PAYMENT FOR UNUSED PERSONAL LEAVE**

### **A. Termination of Employment**

#### **1. Regular Terminations**

If employees are eligible to accrue personal leave credits and they terminate from SMUD employment, they will be paid for any accumulated personal leave credits.

Employees may not use their accumulated personal leave credits immediately prior to the effective date of termination. Employees will receive cash compensation in a lump-sum payment.

#### **2. Dismissal for Cause**

Normally, if employees are dismissed for cause, they will be paid for any accumulated personal leave credits they might have at the time of termination. In extraordinary cases, before final payment is made to employees, General Manager approval will be required.

### **B. Retirement**

If employees are retiring, they may take a lump-sum payment for their personal leave. Employees may choose to take personal leave prior to the effective date of their retirement if: they have the equivalent of 5 years of full-time uninterrupted service with SMUD, and they have been a member of the Public Employees Retirement System (PERS) for at least 5 years, and they are at least 50 years of age.

## **ARTICLE 11**

### **HOLIDAYS**

#### **1. INTRODUCTION**

Eligible employees are granted paid time off for specified holidays and provided premium pay if required to work on a holiday.

#### **2. AUTHORIZED HOLIDAYS**

##### **A. SMUD-Observed Holidays**

SMUD guarantees regular employees the following 9 SMUD-observed holidays: New Year's Day; Martin Luther King, Jr. Day (celebrated on the third Monday in January); Presidents' Day (celebrated on the third Monday in February); Memorial Day (celebrated on the last Monday in May); Independence Day; Labor Day; Thanksgiving Day; Day After Thanksgiving; and Christmas Day.

##### **B. Floating Holidays**

In addition to SMUD-observed holidays, regular, permanent employees with 6 or more months of full-time service receive floating holidays according to the following: January 1, July 1, September 1 and November 1. These floating holidays are administered as 8 hours of personal leave. They may be carried over from year to year in the same manner and with the same limits as accumulated personal leave.

SMUD will approve the use of a floating holiday, or a day of personal leave for any regular SMUD employee, who has served in the armed forces of the United States, or their allies, and who wishes to observe the (November 11) Veterans Day Holiday.

##### **C. Special Holidays**

The General Manager/CEO may authorize regular employees, additional time off during the Christmas - New Year holiday season.

#### **3. HOLIDAY PAY**

##### **A. Eligibility for SMUD-Observed Holiday Pay**

##### **1) Full-time Employees**

To be eligible for holiday pay, an employee must be a regular employee. In addition:

- a) Employees must have worked the workday immediately prior to or immediately following the holiday, or
- b) Employees must have been on approved personal leave, sick, CTO, or leave with pay for the entire workday immediately prior to or immediately following the holiday.

## Holiday Pay (Cont'd)

### **2) Part-time Regular Employees**

To be eligible for holiday pay, part-time employees must be working 20 or more hours per week on a fixed schedule.

### **B. Eligibility for Floating Holiday Pay**

Eligibility is the same as that for SMUD-observed holidays for all employees working for more than 6 months.

### **C. Eligibility for Special Holiday Pay**

The General Manager/CEO may determine who is eligible for special holidays such as additional time off during the Christmas-New Year holiday season.

#### **1) Full-Time Permanent Employees**

To qualify for Special Holiday pay, employees must work or be on paid leave for the other work hours on the day that it is granted. If employees are required to be on duty for the Special Holiday, they should be given equivalent time off on New Year's Eve or other suitable time. If employees cannot be granted time off, they will be given the equivalent of straight time pay in addition to pay for working that day. If the day designated as a Special Holiday is a regularly scheduled day off for employees, then the first time that they request personal leave after that day, they will charge the equivalent number of hours to "Other Paid Leave." This will ensure that employees are given equivalent paid time off.

#### **2) Part-Time Regular Employees**

Part-time employees regularly scheduled to work 20 or more hours per week will be credited with half the paid time off granted to full-time employees for a Special Holiday, whether or not they were scheduled to work on that day.

### **D. Holiday Pay**

- 1) When a holiday falls on an employee's regularly scheduled workday, the employee will be given the day off and will be compensated for the number of hours the employee is regularly scheduled to work on that day. When a holiday is observed on an employee's regular day off, the employee is credited with 8 hours of personal leave. Part-time Regular employees will be credited with 4 hours pay for any authorized holiday whether or not scheduled to work on that day. Holiday pay is based on the classification in which the employee is scheduled to work when the holiday occurs.
- 2) For shift employees, if a holiday falls on a Saturday and employees are credited with an extra day of personal leave, shift employees receive the extra day of personal leave or 8 hours of straight time pay for working on the holiday at the employee's discretion.

## Holiday Pay (Cont'd)

### **3) 12-Hour Shift**

If an employee scheduled to work a 12-hour shift requests and is granted the day off on a holiday, the employee will be provided with 12 hours of straight time holiday pay. If an employee is scheduled to work, the employee will be allowed to work the holiday. Employees whose day off occurs on a holiday shall be paid for 8 hours at the straight time rate or be credited with 8 hours of personal leave at the employee's discretion.

## **4. OBSERVING HOLIDAYS**

- A. When a SMUD holiday falls on a Saturday, SMUD will observe the holiday on the preceding Friday. Sunday holidays will be observed on the following Monday.

### **B. 12-Hour Shift**

Holiday compensation will be paid to 12-Hour Shift Power System Operators ("PSO"), 12-Hour Shift Distribution System Operators ("DSO"), and 8-Hour Shift Troubleshooter employees who work the actual holiday, not to those who work the designated holiday. Employees working the day shift on the actual holiday and those working the night shift that starts on the actual holiday will be paid for the holiday. (*Revised 1/1/2013*)

## **5. PREMIUM HOLIDAY PAY**

### **A. Regular Full-Time Employees**

Employees eligible for holiday pay provisions will receive it if they must work on the designated holiday rather than the "actual" holiday, except 12-hour shift employees. *For example*, if the holiday falls on a Sunday, SMUD will observe that holiday on the following Monday. Employees required to work on the "actual" Sunday holiday would not receive the holiday pay provisions. However, employees required to work on the designated holiday (Monday) would receive the holiday pay provisions.

Employees are paid for all time worked on the holiday at the rate of double-time, plus straight-time pay for the holiday for a total of 3 times their straight-time pay.

### **B. Part-Time Employees**

Part-time employees are paid for all time worked on the holiday at the rate of double-time.

### **C. 12-Hour Shift**

Premium holiday pay will be paid to 12-Hour PSO, DSO, and Eight Hour Shift Troubleshooters, employees who work the actual holiday, not to those who work the designated holiday. Employees working the day shift on the actual holiday and those working the night shift that starts on the actual holiday will be paid for the holiday. (*Revised 1/1/2013*)

- 1) When PSO and DSO employees regularly scheduled workday falls on a holiday, the employee will be paid double-time for the hours worked and 12 hours straight

### Premium Holiday Pay (Cont'd)

time holiday pay. A Troubleshooter will be paid double-time for the hours worked and 8 hours straight time holiday pay. (*Revised 1/1/2013*)

- 2) If an employee is required to work a holiday on a normally scheduled day off, the employee will be paid double-time for the hours worked, and 8 hours at the straight time rate or be credited with 8 hours of personal leave at the employee's discretion.
- 3) If a PSO, DSO or troubleshooter is on a pre-determined rotating schedule for the year and are scheduled for a Holiday, they will be allowed to work the holiday.

If a holiday falls within a Troubleshooter's shift, employees scheduled shall have the 1<sup>st</sup> opportunity to work that holiday

If a Troubleshooter declines to work on the Holiday, shift coverage will be filled from a volunteer list of relief Troubleshooters with the least number of overtime hours. (*Revised 1/1/2013*)

## ARTICLE 12

### SICK LEAVE

#### 1. **INTRODUCTION**

Except as outlined in the Article below, sick leave provides salary protection in case of illness or injury in accordance with SMUD's Sick Leave Policy, AP 4.5.15. *(Revised 1/1/2018)*

#### 2. **GUIDELINES**

##### A. **General**

Payment for sick leave is calculated at the employee's rate of pay when the leave is taken except when under timecard upgrade.

##### B. **Use of Sick Leave**

Sick leave may be taken in 15-minute increments. When employees use sick leave, they must let their supervisor know in advance, if possible. If employees can't show up for work, they are expected to notify their supervisor each day, prior to the start time of their scheduled shift. If employees are off work for 5 or more consecutive days due to illness or injury, they may be required to provide a medical release for return to work, or other document satisfactory to their supervisor that indicates they may safely return to work. *(Revised 1/1/2013)*

If an employee's supervisor has cause to believe that the employee's absence is not for an authorized reason and the employee has already taken three days of sick leave that calendar year, the employee may be required to provide substantiating evidence. If the employee fails to provide adequate evidence, their request for sick leave will be denied and the absence will instead be charged to unauthorized leave without pay. Improper use of sick leave and/or unauthorized leave without pay is considered a work conduct and/or an attendance problem that will be addressed through the positive discipline process.

Sick leave may also be used for supplementing worker's compensation payments and when taking disability retirement.

##### C. **Sick Leave While On Personal Leave**

If employees become ill while on personal leave, they may request that their personal leave be changed to sick leave.

##### D. **Sick Leave On a Holiday**

If an employee is sick on a workday that is also a holiday, the employee will get holiday pay, and sick leave will not be charged.

##### E. **Sick Leave Incentive Plan**

SMUD encourages employees to maintain good health by providing a sick leave incentive plan. Employees can earn personal leave credits if they have low sick leave use. Eligible

employees are permanent full-time employees who work a full payroll year. The credit is granted after year's end according to the following schedule:

Guidelines for Administration of the Sick Leave Incentive Program							
Prior Year's Sick Leave Usage by Work Schedule				Personal Leave Granted by Work Schedule			
8 hr-5	9-80	4-10	12 hrs.	8 hr-5	9-80	4-10	12 hrs.
0 hrs.	0 hrs.	0 hrs.	0 hrs.	16 hrs.	18 hrs.	20 hrs.	24 hrs.
1-8 hrs.	1-9 hrs.	1-10 hrs.	1-12 hrs.	12 hrs.	13.5 hrs.	15 hrs.	18 hrs.
9-16 hrs.	10-18 hrs.	11-20 hrs.	13-24 hrs.	8 hrs.	9 hrs.	10 hrs.	12 hrs.
17-24 hrs.	19-27 hrs.	21-30 hrs.	25-36 hrs.	4 hrs.	4.5 hrs.	5 hrs.	6 hrs.

Employees who are granted 2 days personal leave credits may choose cash instead of time off.

Up to 4 prearranged medical or dental appointments will not count toward sick leave usage for the above schedule.

**F. Long-Term Disability**

An employee will be permitted to use his/her sick leave in those situations in which the illness meets the disabled definition of SMUD's Long-Term Disability Plan. If the employee is not precluded by his/her disability from performing other work and SMUD has made a limited duty assignment available to the employee, he/she shall not be permitted to use sick leave. *(Revised 1/1/2013)*

## ARTICLE 13

### LEAVES OF ABSENCE

#### 1. **GENERAL**

An authorized leave of absence is leave that is approved in advance. An unauthorized leave of absence is leave that is not approved in advance. An extended leave of absence is an unpaid leave that is more than six months.

#### 2. **LEAVE OF ABSENCE WITH PAY**

##### 1) **Death In Family**

If there is a death in an employee's family\* and the employee has been continuously employed for six months or more, they may be allowed up to three workdays leave of absence with pay. Employees who take paid time off on Bereavement Leave on a regularly scheduled workday will be credited with the number of hours they were regularly scheduled to work.

\*Family is defined as: spouse or registered domestic partner; child (includes stepchildren or adopted); parent (includes spouse or registered partner's parent); grandparent, grandchild or sibling; brother or sister (includes stepbrother or stepsister); daughter-in-law or son-in-law, or nieces, nephews, uncles or aunts. *(Revised 1/1/2018 per LOA)*

This leave is not granted automatically, and the employee's area head will consider the following types of factors prior to approving the employee's request: the relationship of the deceased; the employee's responsibility for arrangements; the date and place of the service.

##### 2) **Election Days**

The polls are normally open long enough to allow employees to vote either before or after work. However, should an emergency work situation make it unlikely the employee will be able to vote, their supervisor will grant them a maximum of two hours paid time off to vote in any statewide general election.

##### 3) **Court Appearance**

**Except as outlined in the section below, SMUD will allow regular employees to take time off with pay for authorized court appearances in accordance with SMUD's Jury Duty and Court Appearances Policy (AP 04.05.06). *(Revised 1/1/2022)***



## Court Appearance (Cont'd)

### **1) Jury Duty**

#### **a) Length of Jury Duty**

Since employees may be called for jury duty late in the morning or released early in the day, their supervisor may require employees to work the remaining fraction of the workday. If employees do not comply with this obligation, they will not be paid their SMUD salary for the time not at work. Employees may also be subject to disciplinary action.

#### **b) Time of Jury Duty**

Jury duty occurring at times other than an employee's regular work hours does not typically excuse them from working their normal shift. Employees may be excused only if the jury duty required their service for 8 hours during the 16 hours immediately preceding their regular shift. This does not, however, in any way authorize payment of overtime in the event employees actually decide to work.

#### **c) 12-Hour Shift**

Jury duty will result in the employee being rescheduled to an 8-hour day shift; Monday through Friday, while on jury duty with the employee guaranteed a 40-hour workweek. If released from jury duty prior to the end of the workweek, the employee will be returned to relief duty for the remainder of the week.

### **2) Duty as a Witness**

#### **a) Under Subpoena**

If employees are subpoenaed as a witness in a civil or criminal trial or hearing, they must give their supervisor a copy of the court order requiring them to appear. Employees may be given paid time off for this appearance.

#### **b) Expert Witness**

If employees are called as an expert witness, and SMUD has no interest in the trial, employees must use their personal leave credits for the time off.

### **3) Involvement as a Plaintiff or Defendant**

If employees are personally involved in a court case as the plaintiff or defendant, SMUD will not provide them with paid time off to appear in court or to transact business associated with their case. The employee's supervisor may, however, grant personal leave in such cases.

#### **D. Professional Leave**

Upon recommendation of an employee's Department Director and approval by the General Manager/CEO, SMUD may allow them to participate to a reasonable extent in the activities of a professional organization without loss of pay. However, SMUD will not reimburse the employee for travel or other expense unless SMUD receives a direct benefit from their activities, as determined by their Department Director.

If employees hold a major national office in a recognized professional association, they may be allowed absence with pay for travel required in the performance of their duties as an officer. Such absence with pay shall normally not exceed ten working days in a calendar year.

#### **E. Short-Term Union Business**

**SMUD will not unreasonably deny requests for leaves of absence for employees to serve as stewards or officers of the exclusive representative or of any statewide or national employee organization with which the exclusive representative is affiliated.** Employees who are granted leave-of-absence from SMUD to work for the Union remain on SMUD's payroll. Employees will continue to receive PERS contributions and service credit. SMUD in its sole discretion reserves the right to deny a requested leave-of-absence. **During the leave, SMUD shall fund the retirement contributions required of SMUD as an employer and as specified by the MOU. The employee shall earn full service credit during the leave of absence and shall pay their employees contributions. (Revised 1/1/2022)**

- 1) The Union shall reimburse SMUD for the employee's salary plus fringe benefit costs while the employee is on the leave-of-absence.
- 2) This provision will apply to leaves-of-absence for six months or less.
- 3) Requests shall be made at least two weeks in advance and directed to the Manager, Labor Relations unless otherwise agreed to between SMUD and the Union.
- 4) **At the conclusion or termination of leave, SMUD shall reinstate the employee to the same position and work location held prior to the leave, or, if not feasible, a substantially similar position without loss of seniority, rank, or classification. (Revised 1/1/2022)**
- 5) The Union agrees to indemnify and hold SMUD harmless against any and all liability for loss, damage, cost or expense which SMUD may incur by reason of bodily injury, including death, to any person or persons or by reason of damage to or destruction of property, including the loss of use thereof, arising out of or in any way connected with the herein described program, whether or not due in whole or in part to any act, omission or negligence of SMUD, active or passive, excepting only such injury, loss or liability as may result from the criminal or willful misconduct of SMUD, its agents or employees, other than employees participating in this program.

a) Workers' Compensation

Where payments are made to SMUD's employees under a workers' compensation or disability benefits law for bodily injury or death arising out of or in any way connected with the herein described program, the Union shall make full and complete reimbursement to SMUD to the extent such payment increases SMUD's workers' compensation or disability benefit costs, whether such increase in costs occurs in the form of an increase in premiums or contributions, reduction in dividends or premium refunds, or otherwise.

b) Notice and Defense of Claims

In the event any claim or demand is made, or suit or action is filed against SMUD alleging liability for which the Union shall indemnify and hold harmless SMUD under this Section, SMUD shall promptly notify the Union thereof, and the Union shall at its sole expense bear the cost and expense including legal fees to settle, compromise or defend the same in such manner as it, in its sole discretion, deems necessary or prudent.

c) Insurance Representation

The Union agrees to carry the amount of self-insurance or comprehensive liability insurance, including contractual liability coverage, covering the indemnification and defense obligations set forth herein, subject to such types and amounts of self-insurance, retentions, or deductibles as are consistent with good business practice in the industry.

### **3. LEAVE OF ABSENCE WITHOUT PAY**

#### **J. Leave For Personal Business**

Employees may be granted leave for urgent or substantial personal reasons such as caring for their newborn child, being appointed, or elected to an employee organization which requires their services in connection with SMUD activities and furthering the employee's education. Employees must use all of their personal leave before starting their unpaid leave or take a lump-sum cash payment for their accumulated personal leave.

#### **K. Medical Leave**

Employees may be granted a leave for illness if they are regular, permanent, or probationary employees. Employees must use all their sick leave and personal leave before going on a medical leave of absence. Employees may keep up to 80 hours of personal leave credits when they begin to use LTD benefits. The leave will be granted for a reasonable period of time for employees to recuperate from a disabling illness or injury. The General Manager/CEO must approve leaves of more than one year. (*Revised 1/1/2013*)

### **4. MATERNITY LEAVE**

#### **A. Pregnancy Disability Leave**

Pregnancy disability is defined as the time employees are temporarily disabled due to a pregnancy, childbirth, or related medical condition. The employee's supervisor may request a doctor's verification of their physical condition.

Employees may take up to four months of leave for pregnancy disability. SMUD requires employees to use their sick leave first. If employees have exhausted their sick leave credits and are still physically unable to return to work, they may choose to use their comp time and then personal leave (in that order) before taking unpaid leave. (*Revised 1/1/2013*) If an employee wishes to maintain 80 hours of personal leave before taking unpaid leave, s/he must be enrolled in Short Term Disability (STD). (*Revised 1/1/2018*)

#### **B. Nonmedical Parental Leave**

Employees may take up to 12 workweeks of leave in each calendar year as cited in the federal Family Medical Leave Act and the state California Family Rights Act. Employees must use their accrued comp time and personal leave (in that order) before taking the unpaid leave portion of the FMLA/CFRA leave. Sick leave may not be used for this purpose unless the child is ill. (*Revised 1/1/2018*)

## **5. EFFECTS OF LEAVE ON SMUD BENEFITS**

### **A. Leave of Absence with Pay**

There is no effect on employee benefits.

### **B. Leaves of Absence Without Pay**

#### **1) Personal Leave and Sick Leave**

While employees are on an unpaid leave of absence, they will not earn personal leave or sick leave credits. Employees in a leave without pay status and receiving Workers Compensation benefits ("WC"), will cease accruing leave credits unless they are supplementing their WC with personal or sick leave. Employees who are in a leave without pay status and receiving short- and long-term disability benefits do not accrue leave. (*Revised 1/1/2013*)

#### **2) Salary Increases**

Employees will not be eligible for salary increases or other benefits or considerations where service is a factor.

#### **3) Long-Term Disability (LTD)**

If employees are on an unpaid leave of absence and they become disabled, they may be eligible for LTD consistent with the plan eligibility.

#### **4) Health, Life, and Dental Coverage**

##### **a) Medical Leave**

If employees are regular employees on a leave of absence for illness or injury, they may continue participating in the group health, life, and dental plan. SMUD will pay its share of the premium under the provisions of the contract. The coverage in most cases will continue until employees are well enough to return.

##### **b) Personal, Education, and Non-medical Maternity Leave**

If employees are regular employees, they may continue participating in the group health, life, and dental plans. However, SMUD will only pay its share of the premium for the first three months of leave. Beyond that time, employees will be responsible for the entire premium.

**5) Holidays**

Employees are not eligible to be paid for holidays when they are on unpaid leave of absence the day before and the day after the holiday.

**6) PERS and Social Security**

No contributions are made by the employee or SMUD when the employee is on an unpaid leave of absence.

**6. EFFECTS OF LEAVE ON PAYROLL DEDUCTIONS**

**A. Less Than One Year**

If employees' leave was less than a year, their payroll deductions (Deferred Compensation, United Way, Credit Union, Union Dues, etc.) will be reestablished upon their return.

**B. One Year Or More**

If employees' leave was for one year or more, they must reestablish the deductions upon their return.

**7. ABUSE OF LEAVE**

**A. Expiration of Leave**

If employees fail to return to work upon the expiration of their leave of absence, their employment with SMUD may be terminated.

**B. Inappropriate Use of Leave**

If employees use their leave of absence for purposes other than for which it was granted, their leave of absence may be terminated, and their employment with SMUD may also be terminated.

**C. Unauthorized Leave of Absence**

Absence without approved leave, voluntary or involuntary, for five consecutive workdays constitutes resignation from SMUD service, as of the last day worked.

See the Automatic Resignation Article, for further details.

**8. MILITARY LEAVE OF ABSENCE**

SMUD provides time off and other benefits (collectively referred to as "Military Leave") to employees called to (a) active or inactive duty/training in the Armed Forces (Air Force, Army, Coast Guard, Marine Corps, Navy, and Space Force), Air National Guard, and Army National Guard, (b) active or inactive duty, training, encampment, navel cruises, special exercises, or like activity in the National Guard, Naval Militia, or Commissioned Corps of Public Health Services, or (c) an emergency operation of the Civil Air Patrol (a California Wing of the civilian auxiliary of the United States Air Force) (a) through (c) are collectively

referred to as “Military Service”). In accordance with federal and state laws, SMUD provides job protection for reemployment after Military Service without loss of seniority, status, and pay as set forth in this Article. *(Revised 1/1/2022)*

**A. Eligibility and Approval for Unpaid and Paid Military Leave**

- 1) Generally, there is no required minimum amount of employment with SMUD required for unpaid Military Leave. However, for those in the Civil Air Patrol, they must have been employed with SMUD continuously for 90 days prior to the requested unpaid Military Leave. *(Revised 1/1/2022)*
- 2) 30 days of paid Military Leave (no more than 240 hours) is available to employees providing Military Service who (1) have completed at least one year of continuous service with SMUD immediately before this Paid Military Leave that is sought, and (2) will return to SMUD will be within 180 days (including travel to and from) of the start of the Paid Military Leave. Payment for Military Leave is not available for times in which the employee would not be regularly scheduled to work at SMUD. *(Revised 1/1/2022)*
- 3) Up to 6 months of paid Military Leave per deployment is available to employees providing active Military Service and who (1) have completed at least one-year continuous service with SMUD immediately before this Paid Military Leave is sought, and (2) have not received the benefit in Section A.2 of this Article within the prior year. Leave pursuant to this paragraph will be paid in the amount of the difference between their military base pay and their regular salary and continue their existing health and welfare premium. After six months of active duty, such employees will be placed on unpaid Military Leave and will be required to pay all further benefits premiums. Employees who performed Military Service will receive a week’s personal leave on their return from a duty of more than 180 calendar days in recognition of their need for rest and recuperation. *(Revised 1/1/2022)*

## Military Leave of Absence (Cont'd)

### **B. Service Time Credit**

Employees' time on Military Leave counts as SMUD service for calculating benefits.  
(*Revised 1/1/2022*)

### **C. Benefits Determination**

#### **1) Leave Accruals**

When on **Military Leave** without pay, an employee's personal and sick leave accruals are suspended. (*Revised 1/1/2022*)

#### **2) Personal Leave Lump Sum Payout**

Employees called up for active **Military Service** may request a lump sum payout for their accrued personal leave. (*Revised 1/1/2022*)

#### **3) Holidays**

Employees on **paid Military Leave** are eligible for paid holidays. (*Revised 1/1/2022*)

#### **4) Deferred Compensation**

Employee's arrangement remains in effect unless they wish to change it.



## Military Leave of Absence (Cont'd)

### **D. Employee's Responsibility**

Employees are expected to request a **Military Leave and other** leaves of absence **from their manager** with as much advance notice as possible. Employees are expected to keep their manager advised of their leave situation and notify People Services & Strategies at least two weeks prior to expiration of their **Military Leave** to discuss their return to work. (*Revised 1/1/2022*)

### **E. Return from Military Leave**

When employees are ordered to active-duty **Military Service** and return within 5 years of call-up, they are entitled to return to their former position if it still exists. If it has ceased to exist, employees will be reinstated into a comparable position. If employees were ordered to active duty during war, national emergency, national conscription, or pursuant to **an** order of the United Nations, **or for other reasons specified by law**, the 5-year limitation is not applicable. In order to be eligible for such **an exception to the 5-year limitation**, employees must not have received a dishonorable discharge. Employees must **return from full time Military Service within 40 days of being released, and employees returning from service** or within twelve months of the date on which they could have terminated from active service, whichever is sooner. **Or, if they are returning from active duty for training, initial active duty for training, inactive duty training, or fulltime National Guard training, they must return within 14 days following the completion of service if their service was 31 to 180 days (within 90 days if their service was more than 180 days).**

For reserve training and other **inactive duty** activities, when the employee's service period is 30 days or less, they must report back to work on their next regularly scheduled work shift after a reasonable time to arrive home, rest, and travel to work. When the employee's service period is from 31 to 180 days, they must report to work no later than 14 days following completion of service. For service of more than 180 days, the employee must apply and return to work no later than 90 days after completion of military service. Exceptions are made for employees injured or disabled during service. Such employees should contact People Services & Strategies.

### **F. Additional Voluntary Service**

All requests for additional voluntary active duty must be submitted to the employee's manager for consideration and approval. The employee's manager may contact their commanding officer to determine the absolute necessity of the request. If the employee's request is approved, they will be paid leave within the limits set forth in this Article.

## ARTICLE 14

### EXPENSES

#### 1. **INTRODUCTION**

SMUD will pay for or reimburse employees for authorized expenses relating to SMUD business.

#### 2. **PERSONAL VEHICLE USE**

##### A. **Authorization**

Employees may be authorized by their Department Director, Area Head, or Program Director to use their own vehicle on SMUD business.

##### B. **Personal Liability**

Employees should have adequate limits of protection under their personal automobile liability policy. SMUD insurance does not cover an employee's own personal liability if they are in an accident.

##### C. **Mileage Reimbursement**

- 1) Mileage reimbursement rates are per IRS Guidelines up to the equivalent common carrier fare at the time of departure.
- 2) Incidental travel expenses (i.e., bridge tolls and parking) will be reimbursed at cost.
- 3) Mileage claims for trips to the Sacramento Airport are generally limited to the shortest round-trip distance between either:
  - a) Employee's work headquarters and the airport; or
  - b) Employee's home and the airport.

**Note:** Special circumstances (i.e., trips by spouses, loss of carpool privileges, or leaving on a weekend) may qualify for increased mileage allowances. Employees should discuss possible exceptions with their Department Director.

#### 3. **TEMPORARY CHANGE OF HEADQUARTERS**

##### A. **General**

If employees are temporarily assigned a change of work headquarters, SMUD will assure that they have appropriate lodging, meals, travel time, and transportation or mileage reimbursement to enable the employee to maintain their expected level of performance and to minimize any disruption to their customary standard of living.

## Temporary Change of Headquarters (Cont'd)

### **B. Reimbursement**

- 1) If employees are temporarily assigned to a work headquarters at such a distance from their permanent headquarters that it is not practical for them to commute daily, they shall be entitled to expense allowances as follows:

- a) Per Diem

Per diem per IRS guidelines is provided to cover such costs as meals, coffee breaks, snacks, newspapers, dry cleaning, laundry, personal phone calls, tips and taxes. The per diem rate covers all full days (midnight to midnight). Fifty percent (50%) of the rate will be paid for the first and last day, due to the reduced expenses.

- b) Lodging

SMUD will designate employees' lodging and pay for its cost. If employees choose to stay at another location, SMUD will pay the cost of that lodging up to the amount of the lodging originally selected by SMUD.

- c) Travel Time

Employees will be paid travel time each way for the actual commute required at the appropriate overtime rate from the designated lodging to the job site, up to a maximum of one hour each way. Travel time at the appropriate rate will be paid to employees on the first and last day of the job. Each 45 miles will equal one (1) hour of travel.

- d) Transportation

Transportation may be provided or arranged for by SMUD from the designated lodging to employees' temporary work headquarters. If a SMUD vehicle is not provided, employees will be authorized to use their own vehicle.

When employees use their own vehicle, they will be reimbursed for any mileage in excess of ten miles from the designated lodging to and from their temporary work headquarters under the private automobile reimbursement rates.

- 2) Employees will not be eligible for any of the above expense allowances if they live closer to the temporary headquarters than they do to their permanent headquarters.

### **C. Special Circumstances**

If special circumstances exist at the time a temporary change of work headquarters is to be made, and it is in the best interest of SMUD, SMUD will meet and confer and may agree upon reasonable alternatives to the above expense allowances for meals, lodging, travel time, and transportation in advance of the assignment.

## Temporary Change of Headquarters (Cont'd)

### **1) Temporarily Assigned to Work in The Back Country**

- a. The number of crew members assigned will be determined by the work required, plus one. Participation will be on a voluntary basis.
  - i. In the event not enough qualified volunteers are available, SMUD shall, at its sole discretion, hire contract employees, or contract the work out, in accordance with the provisions of MOU Article 31.12.
- b. Employees will be compensated as follows for each workday they are assigned to the back country:
  - i. An amount equivalent to two (2) hours of their regular, straight time base rate of pay. Note: This amount will be paid under timekeeping code WROC, and is not reportable to CalPERS as income for purposes of calculating retirement benefits.
  - ii. Payment for Meals and Incidentals established by SMUD for South Lake Tahoe, El Dorado County, California (currently \$54/day). Note: This rate is established and updated annually by SMUD, based on data provided by the U.S. General Services Administration.
  - iii. Because employees are expected to provide their own camping equipment and supplies for back country assignments, compensation provided under this section will be disbursed to employees at least two weeks in advance of the assignment, in order for employees to purchase equipment and supplies in advance of the trip. Exceptions, in which case disbursement will be made as much in advance as possible:
    1. The next back country assignment, which will likely take place in less than two weeks' time
    2. In the event of an emergency or last-minute substitution
- c. Back Country assignments will normally be continuous in nature. That is, they will not normally involve a day off during the assignment, unless such time off is required to meet minimum rest requirements prescribed by the MOU. All overtime work while on back country assignment must be approved by management in advance. Employees have the option to return to Fresh Pond every 6<sup>th</sup> day. Note: SMUD will not provide special transportation for this purpose.
- d. This agreement will remain in effect through the term of the current MOU, unless modified by the parties in writing. *(Revised 1/1/2013)*

### **D. Daily Commute**

- 1) If employees are temporarily assigned to a work headquarters and the distance is such that they can commute daily from their home, they will be paid travel time each way as follows:

	<b>Fresh Pond</b>	<b>Headquarters</b>	<b>Rancho Seco</b>	<b>Elk Grove</b>	<b>East</b>
Fresh Pond	-	1 hour	1½ hours	1½ hours	1 hour
Headquarters	1 hour	-	1 hour	½ hour	½ hour
Rancho Seco	1½ hours	1 hour	-	½ hour	1 hour
Elk Grove	1½ hours	½ hour	½ hour	-	½ hour
East Campus	1 hour	½ hour	1 hour	½ hour	-

- 2) If employees live closer to the temporary headquarters than their permanent headquarters, they will not be paid travel time since they are already benefiting from the reduction in their normal commute.
- 3) If employees are not provided with SMUD transportation for the temporary change of headquarters, they will be paid for any additional commute in mileage as a result of the headquarters change.

**E. Formal Training Purposes**

For formal training purposes, including apprentice training, employee's reporting headquarters may be temporarily changed (less than 12 months) without additional compensation if their round-trip commute distance is not increased by more than 10 miles.

**4. TRAVEL EXPENSES**

Employees may choose per diem reimbursement or provide receipts for reimbursement of actual expenses. Employees are expected to exercise sound judgment and common sense whenever they incur expenses.

**A. Per Diem Purpose**

Per diem is provided to cover such costs as meals, dry cleaning, laundry, personal phone calls, tips, and taxes.

**B. Per Diem Eligibility**

Employees will be paid per diem if they are traveling away from SMUD for an extended time (normally nine calendar days or longer).

**C. Per Diem Rates**

- 1) Per diem rates are per IRS Guidelines. Contact travel arrangers for individual meal breakdown.
- 2) The per diem rate covers all full days (midnight to midnight). Fifty percent (50%) of the rate will be paid for the first and last day, due to the reduced expenses.
- 3) The per diem rate does not include lodging expenses.

- 4) If the Department Director determines that the per diem rate is insufficient for the circumstances, he/she may authorize use of the meal allowance rates and actual costs for incidental expenses. This may result from an employee traveling to a number of different locations or to a high cost-of-living area.
- 5) Per Diem rates should be requested under the "Meals" area of the Travel Claim.
- 6) Contact department travel arrangers for further information.

## **5. MOVING EXPENSES**

Reasonable relocation expenses will be authorized for new employees, if it is necessary to recruit outside the Sacramento area. Employees will be reimbursed in accordance with SMUD DAP 4.5.2.101 dated February 17, 2011. (See Attachment E) (*Revised 1/1/2013*)

## **6. MISCELLANEOUS REIMBURSABLE EXPENSES**

### **A. Registration and Licensing Fees**

SMUD will pay 100% of registration or licensing fees and the cost of maintaining a registration or license when SMUD requires it for employees to perform their job. Regular driver's licenses are exempted. SMUD will pay all initial license fees and all but \$10 of the renewal fee on renewals for commercial drivers' licenses.

### **B. Organizational Membership Fees**

SMUD will pay organization membership fees when membership is held in SMUD's name and when SMUD requires the employee to be a member of an organization.

SMUD will pay 100% of the membership fee for any employee who wants to join SMUD's Toastmaster Chapter.

Professional organizations' membership fees are generally reimbursable. Service, social, and labor organizations' membership fees are not normally reimbursable.

### **C. Business Meeting Expenses**

Employees will be reimbursed for expenses associated with any meeting they are required to attend as a SMUD representative. Approval is required at the area head level or above. Employees are not normally eligible for reimbursement in other situations. The department Director level or above may approve exceptions.

### **D. Communications Expenses**

Employees may be reimbursed for the actual cost of telephone calls, faxes, telegrams, etc. when those costs are connected with official SMUD business. Approval is required at the area head level or above.

## **E. Miscellaneous Expenses**

Other miscellaneous expenses may be reimbursable when spent conducting SMUD business.

## **7. PERSONAL TOOLS**

Employees in certain job classifications are required to provide some or all tools that are needed to perform the duties of their job. These tools will be replaced by SMUD if they are worn, lost, or stolen under certain conditions. This policy does not apply to Rancho Seco employees. Procedures at this work location are established by the responsible department Directors.

### **A. Responsibility**

#### **1) Employee**

- a) To provide all tools listed on the tool list for the job classification.
- b) To provide tools of good quality and that meet SMUD's safety standards.
- c) To take all reasonable precautions to protect tools from theft, including locking them up when not in use. It is understood that some trucks may be unlocked for emergency use.
- d) To report in a timely manner tool lost or broken on a SMUD job or stolen as a result of a forcible entry on SMUD property.

#### **2) Department**

- a) To inspect the required tools employees, provide to ensure the tools meet SMUD standards.
- b) To maintain a current list of job classifications required to furnish tools.
- c) To maintain a current list of all tools that is required for each job classification.
- d) To inform tool room or office responsible for department tools of any additions or deletions to the list of job classifications or tools.
- e) To provide the employee who must furnish tools a listing of tools that is required.
- f) To provide a proper place to store tools under reasonably secure conditions to prevent loss due to theft.

#### **3) Tool Room or Office Responsible for Department Tools**

- a) To replace tools when requested and approved by the employee's immediate Supervisor and Area Head.
- b) To maintain a file of employees who have had tools replaced. This file should contain the employee's name, job classification, department, tool replaced, and its cost.

## Personal Tools (Cont'd)

### **B. Conditions For Tool Replacement**

- 1) A tool listed on the tool list for the employee's job classification is replaced at SMUD expense when it is:
  - a) Worn or broken by normal use on a SMUD job;
  - b) Lost in the course of performing SMUD work;
  - c) Stolen as a result of clearly identifiable forcible entry on SMUD property.
- 2) A tool will not be replaced by SMUD when it is:
  - a) Not listed for employee's job classification;
  - b) Worn or broken as a result of employee personal use or from other employment;
  - c) Lost or stolen because of employee negligence.

### **8. SMUD TOOLS**

- A. SMUD provides tools to certain employees in various classifications. The tools are purchased for SMUD business purposes and use. Each business unit will prepare guidelines to include:
  - 1) Determining tool needs for employees;
  - 2) Procedures for issuing and marking tools;
  - 3) Procedures for replacing broken or lost tools;
  - 4) Annual inventory of individual tool assignments;
  - 5) Procedures to follow in case of theft of tools;
  - 6) Procedures for personal use of SMUD tools.



## ARTICLE 15

### GRIEVANCES

#### 1. **INTRODUCTION**

It is the intent of both SMUD and the Union that grievances be resolved at the lowest possible level, in a timely manner to promote continuing cooperation between management, the Union and employees.

#### 2. **DEFINITIONS**

- A. A grievance is an employee objection to the application of a SMUD rule, policy, or approved memorandum of understanding on personnel practices or working conditions to the employee's particular situation. An objection to the terms and provisions of a rule, policy, or memorandum of understanding is not considered a grievance. However, an objection to the way a rule, policy, or memorandum of understanding is applied in a particular Grievant situation would be considered a grievance.
- B. Date of occurrence is the day the event that is the subject of the grievance occurred, or the date when the grievant reasonably should have been aware of the occurrence of the event that is the subject of the grievance.

#### 3. **APPLICATION**

Employees shall have the right to represent themselves individually in their employment relations with SMUD. Employees may choose to use either this grievance procedure (with Union representation), or to represent themselves in grievances as defined above. For removals, discharges, or suspensions, Grievant may choose to use either the grievance procedure or request a General Manager/CEO Hearing. (*Revised 1/1/2022*)

#### 4. **TIME LIMITS**

Time limits contained in this grievance procedure are mandatory. Failure to meet the time limits shall result in forfeiture by the party (SMUD or Union) not meeting the time limits.

The parties may, by mutual written agreement, extend time limits for up to 5 working days. SMUD and Union may also, by mutual written agreement, waive any step in the procedure. Doing so does not change the procedures to be followed in later grievances.

#### 5. **REPRESENTATION**

Employees who are Grievants, representatives, or witnesses will be given time off with pay to attend hearings and will be reimbursed for personal expenses (excluding legal fees) incurred in connection with the hearing.

If an employee is a grievant or witness in a formal grievance proceeding, they will be paid at the applicable overtime rate if they are requested to appear at such proceedings outside their regular work hours. Related overtime rules such as shift differential, travel time, minimum call-out time, and overtime meals do not apply.

## **6. INFORMAL RESOLUTION**

Prior to the filing of a formal grievance, the employee and/or the Union representative should attempt to resolve workplace disputes by meeting informally with the involved supervisor. If the workplace dispute cannot be resolved informally, the employee and/or the Union representative may use the following procedures to resolve the matter.

## **7. GRIEVANCE PROCEDURE**

### **A. Step 1 – Director (or equivalent)**

The initial formal step in the resolution of a grievance shall be a meeting requested by the grievant and/or the Union representative with the grievant's department director. This meeting shall be requested within 10 working days following the date of occurrence.

This meeting will be held within 5 working days from the date of request and will include the grievant, and/or the Union representative, the department director, the immediate supervisor, other involved supervision, and any witnesses. The Union representative shall submit grievance form (SMUD Form-1773) to the director in conjunction with this meeting. The representative will contact Labor Relations to secure an IBEW number for the grievance form.

Within 10 working days of this meeting, the director shall submit a written response to the grievant and/or the Union representative, setting forth the basis for the decision regarding the dispute, including all supporting documentation.

If the parties are unable to resolve the grievance, the Union may refer the grievance to the Investigating Committee (IC). The referral must be received within 15 working days following receipt of the director's response. (*Revised 1/1/2018 per LOA*)

### **B. Step 2 - Investigating Committee**

The IC will be comprised of a Senior Labor Relations Analyst and the Union Business Representative. This Committee shall meet as soon as possible, but no later than 5 working days after receipt of the written grievance.

The IC, after discussions with the grievant, may resolve the grievance, conduct an independent investigation, or at the request of either party, refer the matter to a Fact-Finding Team or to the Grievance Review Committee.

#### **1) Fact Finding Team**

a) The Fact-Finding Team (FFT) shall be comprised of one individual appointed by SMUD and one appointed by the Union. The FFT may be comprised of the same members as the IC.

b) The IC will give the case to the FFT with specific time frames for completing the investigation. If required for a complete investigation, these time frames may be adjusted by the FFT.

- c) The FFT, with input from the grievant, the involved supervisor, and the IC, may decide who will be interviewed.
- d) The FFT shall arrange meetings with the interviewees.
- e) The FFT shall prepare a non-partisan report of its findings and shall submit the report to the IC within 10 working days following completion of the investigation.

If the IC does not resolve the grievance, **the Union may refer the grievance** to the Grievance Review Committee (GRC) for consideration **within 10 working days of this decision.** *(Revised 1/1/2022)*

#### **C. Step 3 - Grievance Review Committee**

The GRC shall be comprised of 6 members; 3 appointed by SMUD, 3 appointed by the Union. At least one of the Union members shall be a full-time representative of the Union and at least one of SMUD members shall be an Executive Officer (or equivalent). The IC shall provide each member of the GRC all available information concerning the grievance.

Upon reaching a unanimous agreement, the GRC shall issue a written decision, signed by each member of the committee, to the involved parties and other individuals as determined by the Committee. The decision is final and binding.

If the grievance is not resolved by the GRC within 10 working days of the grievance discussion, either party may submit it to arbitration by serving written notice to the other party. The notice must be postmarked or received within 20 working days after the grievance was considered by the GRC. *(Revised 1/1/2018 per LOA)*

#### **D. Step 4 - Arbitration**

If the grievance is submitted to arbitration, SMUD and the Union will mutually agree to the selection of an arbitrator. The arbitrator shall be limited to resolving grievable matters as defined in this Article as raised in the formal grievance originally filed by the employee. The arbitrator shall examine the case to the extent and manner justified. The conclusions of the arbitrator will be final and binding. The arbitrator shall have no power to alter, change, detract from, or add to the provisions governing the labor relations of SMUD and its employees, including, but not limited to, the MUD Act, MMBA, and this Agreement.

The fees and expenses for arbitration shall be shared equally by the Union and SMUD.

The parties mutually agree that they may resolve a dispute at any step in the process; however, resolution at Step 3 or below is without prejudice to the position of either party, unless mutually agreed to otherwise.

### **8. GRIEVANCE SETTLEMENT**

SMUD will make every reasonable effort to effectuate remedies provided for in a grievance settlement within 30 calendar days of such settlement after receipt of all necessary information and/or documentation. SMUD shall pay the grievant within 30 calendar days after receipt of all necessary information and/or documentation, any monetary compensation provided for in the

## Grievance Settlement (Cont'd)

grievance settlement. If SMUD fails to effectuate the grievance remedy within 30 calendar days, the Union may file a grievance concerning that failure.

### **9. GENERAL MANAGER/CEO HEARING**

No provision of this MOU shall be construed to restrict an individual from presenting disputes involving removals, discharges, or suspensions to SMUD pursuant to Section 12161 et seq. of the California Public Utilities Code (outlined below) without the intervention of the Union. If an employee elects to proceed under this section, the procedures and grievance steps set forth in the foregoing sections of this Article, including arbitration, are not available to the employee.

What can be heard? Any grievance of a decision calling for removal, discharge or suspension.

Who can be heard? All SMUD employees having appropriate grievances may appeal to the General Manager/CEO.

How to appeal? Written request for an appeal hearing must be filed with the General Manager/CEO by the grievant within 5 days of receipt of mailed notice of removal, discharge or suspension or prior to the effective date of action, whichever is later.

Who will hear it? The General Manager/CEO, upon receiving written request, will immediately appoint a committee of 3 to hear the case. The committee will consist of SMUD officers, assistant officers (other than elected officials), department Directors, or area heads. The General Manager/CEO will mail notice of hearing time and place to the last known address of person being heard.

Hearing and ruling on the grievance. The committee will examine the case to the extent that it feels warranted. The committee may, among other things, order the employee discharged, suspended, or reinstated. The committee's order is final unless further appealed to the General Manager/CEO within 10 days after the date of the order.

### **10. Grievance Procedure – Discrimination/Harassment**

In all cases involving an employee represented by IBEW Local 1245 as a respondent in a **complaint** in violation of SMUD Administrative Policy **05.01.01**, the respondent will be permitted to have Union representation present during any interview(s) conducted with the respondent during the investigatory process. The investigator shall be instructed to explore all reasonable leads and, within reason, interview all persons identified as having information likely to influence the eventual outcome of the investigation. (*Revised 1/1/2022*)

The investigator shall submit a confidential report to SMUD. SMUD will review the report and determine whether or not discipline is appropriate. If no discipline is imposed, the case is closed, and the report is filed consistent with current practice. If the respondent is disciplined, a copy of the report will be sent to Local 1245's designated representative. The report will be held in the strictest confidence to ensure and protect the privacy of the individuals involved.

If any discipline is imposed and the employee chooses to appeal the discipline using the grievance procedure, the grievance shall be filed initially at Step 3.

## ARTICLE 16

### DISCIPLINE

#### 1. **INTRODUCTION**

Disciplinary action involving IBEW-represented employees will be handled in accordance with the SMUD's Positive Discipline Policy, AP **05.02.09**. (*Revised 1/1/2022*)

#### 2. **PROGRAM EXCLUSION**

SMUD's Substance Abuse Program, SMUD's **Non-Discrimination/Anti-Harassment Policy AP 05.01.01**, **SMUD's Whistleblower and Anti-Retaliation Policy AP 05.01.03** and the DOT Drug and Alcohol Program are "stand alone" programs/**policies** and violations of these programs/**policies** will not be subject to the provisions of this Article. (*Revised 1/1/2022*)

## ARTICLE 17

### PERSONNEL FILES

#### 1. **INTRODUCTION**

Documentation concerning work performance, absenteeism, and disciplinary action may be put in the employee's official personnel file.

#### 2. **GUIDELINES**

- A. The signature or initial of the employee should be obtained on these documents to confirm notification of such action.
- B. An employee is entitled to a copy of all such material upon request.
- C. An employee may have documents relating to work performance, absenteeism, and disciplinary actions removed if the documents are one year or older. However, documentation involving theft or insubordination may be retained for longer periods at management's option.

## ARTICLE 18

### PERFORMANCE EVALUATIONS

#### 1. **INTRODUCTION**

Employee performance will be periodically evaluated and documented on a thorough, systematic, and objective basis.

#### 2. **DURING PROBATION**

##### A. **Six-Month Probation**

Current employees will be evaluated at the end of their third and fifth month.

Effective 1/1/2013, all new hired IBEW represented employees will serve a twelve (12) month probationary period and will be evaluated consistent with the following paragraphs. *(Revised 1/1/2013)*

##### B. **Twelve-Month Probation**

Employees will be evaluated at the end of their fifth and eleventh months.

C. An employee's supervisor may formally evaluate their performance at more frequent intervals.

D. All employees hired after 1/1/13 that serve a twelve (12) month position probation in a classification with multiple steps in the pay scale group will, upon successful completion of probation, receive a two-step increase, not to exceed the top step. *(Revised 1/1/2018 per LOA)*

#### 3. **FOLLOWING PROBATION**

Employees will be evaluated at the time of their merit increase. If employees are at the top of their pay range, they will be evaluated annually.

#### 4. **UPON TERMINATION**

Any employee may be evaluated if they resign, are laid off, or terminated. Employees with less than satisfactory performance at the time of termination are normally not eligible for rehire.

#### 5. **UPON TRANSFER, PROMOTION, OR DEMOTION**

A position probation is required for every appointment to a new position. An employee who has previously passed probation in the classification into which they are reinstated, shall not be subject to the completion of a new probationary period; however, those returning to a comparable position in a different class must serve another probation, based on SMUD Civil Service Rules. Performance Evaluations will be completed consistent with 2, above. In addition, an employee's supervisor in their prior department is required to complete an exiting performance evaluation to accompany their ESN moving them to the new department. People Services & Strategies will not process the transfer ESN without the evaluation.

Performance Evaluations (Cont'd)

**6. WHEN APPROPRIATE**

Employees may be evaluated whenever their supervisor feels a written record of their performance is appropriate.

## ARTICLE 19

### PROMOTIONS

#### 1. **INTRODUCTION**

States SMUD's policy and guidelines regarding promotions.

#### 2. **PROMOTIONAL STARTING RATES**

##### A. **Promotion to an Hourly-Rated Classification**

When employees are promoted to an hourly-rated classification, their placement on the salary range will be based on the following considerations:

- 1) Quality and quantity of experience relevant to the classification.
- 2) Salary level and qualifications of other SMUD employees in the work group in the same class or class series.
- 3) Future opportunities for pay and benefits.
- 4) Availability of other qualified applicants.
- 5) Department labor budget.

Unless stated otherwise, if employees are promoted to an hourly-rated classification, they will start at the step that provides a minimum of a 2-1/2 percent salary increase.

This promotional increase is in addition to any scheduled merit increase that would have been received within 3 months from the date of promotion had the promotion not occurred.

The promotional increase will be applied to the employee's permanent classification salary rather than to any current or interim temporary promotional salary.

#### 3. **PROMOTIONAL STARTING DATES**

Promotions are effective at the beginning of a payroll period. The effective date of a promotion will be no later than the beginning of the first payroll period following the employee's 2 weeks of notice to their supervisor. The actual release date will be mutually agreed upon by the affected department Directors.

#### 4. **CHANGE WITHIN HOURLY-RATED CLASSIFICATIONS WITH IDENTICAL STARTING RATES BUT DIFFERENT MAXIMUMS**

If employees move within hourly-rated classifications with identical starting rates but different maximums (either higher or lower), the specific step that they would move to in the new salary range is individually determined.



## **5. ELIGIBILITY LISTS**

- A. Open eligibility lists shall continue to be certified for appointments for a period of 2 years from their inception, unless otherwise abolished through the normal Civil Service processes.
- B. Whenever eligibility lists are abolished, notification of the cancellation of the list should be sent to the Union representative. This is to assure that the Union is aware of the list cancellation and can answer or counsel employees as appropriate.
- C. Whenever there exists a current promotional eligibility list and an open eligibility list for the same position, for certification purposes, the promotional list takes precedence over the open list.

## **6. TRANSFER/PROMOTION PROCESS**

Permanent civil service vacancies that are to be filled through internal examination and only open to SMUD employees are listed as Transfer/Promotion opportunities. Civil Service Rules will establish which SMUD employees are eligible to apply for transfer/promotion opportunities (i.e., Rule 2). Hiring departments will be responsible for conducting a transfer/promotion selection process in consultation with Human Resource Services staff. These vacancies will be posted as a Transfer/Promotion job announcement for a *minimum* of 10 working days.

An eligibility list may or may not be established from a transfer/promotion examination process. If an eligibility list is established, it will be maintained by People Services & Strategies and governed by Civil Service Rule provisions pertaining to eligible lists, except that the list duration shall not exceed 12 months for classes represented by the IBEW (*Revised 1/1/2018 per LOA*).

SMUD at its discretion may post a notice to fill a vacancy using a 'Transfer/Eligible List' announcement unless the only candidates able to apply are the incumbents on an eligibility list. 'Transfer/Eligible List' announcements will be posted for a minimum of five (5) working days. When filling a vacancy identified by a 'Transfer/Eligible List' announcement, the hiring supervisor may choose a qualified candidate from an existing Civil Service Eligible List or transfer a qualified employee in the same classification who has applied for the job in response to the 'Transfer/Eligible List' announcement.

Applicants not on a previously established Civil Service List, applicants who are not eligible for transfer, or applicants who have not applied for the job in response to the 'Transfer/Eligible List' announcement will not be considered for positions posted in this manner.

## ARTICLE 20

### TRANSFERS

#### 1. **INTRODUCTION**

Qualified employees may move from one position to another, in either the same or in a different class through the transfer/promotion process or in some instances the reassignment or reallocation process.

#### 2. **TRANSFERS - ELIGIBILITY**

- A. Employees may request a transfer from one class to another within or between employee groups if they possess the qualifications required to perform the job.
- B. Employees may take a voluntary demotion.
- C. The supervisor in the new department may establish a salary level lower than the employee's current pay based on the employee's knowledge and experience as compared to others in the same class.
- D. The effective date of the transfer is arranged between the supervisors. Employees should be released from their supervision within four (4) weeks from the date of request.
- E. See Civil Service Rules for further details.

#### 3. **MEDICAL TRANSFERS - ELIGIBILITY**

SMUD may transfer employees from one class to another within or between employee groups if they have an illness or injury preventing them from continuing in their current position.

#### 4. **DEMOTIONS**

Employees may move to a position or class with a lower pay range or rate of pay.

A demotion may be voluntary or involuntary and is made to a position whose duties the employee is qualified to perform. When Federal, State, or local regulations require an employee to obtain and maintain special qualifications and the employee is unable to obtain or maintain them, the employee may be transferred or demoted.

A demoted employee does not have to serve another probationary period if the employee previously completed probation in that class; **however, those returning to a comparable position in a different class must serve position probation, based on SMUD Civil Service Rules.** An employee's salary may be reduced in order to be within the grade range of the new class.  
(Revised 1/1/2022)

#### 5. **ROTATION AND TRAINING ASSIGNMENTS - ELIGIBILITY**

- A. Rotation and training assignments are for cross-training purposes. They allow SMUD and employees to maximize employee potential without a class change.

### Rotation and Training Assignments - Eligibility (Cont'd)

- B. In order to be considered:
  - 1) Employees must have successfully completed their probationary period; and
  - 2) Employees must possess the qualifications to perform the assignment; and
  - 3) Employee assignment must be approved in advance by the appropriate Chief Officer or the General Manager/CEO, after a review by the Director, Human Resource Services.
- C. Employees retain their existing class and pay level. These temporary assignments are voluntary. They may be renewed when it is in the best interest of both the employee and SMUD.

## **ARTICLE 21**

### **AUTOMATIC RESIGNATION**

#### **1. INTRODUCTION**

Unauthorized leaves of absence can result in an employee forfeiting their SMUD employment.

#### **2. AUTOMATIC RESIGNATION**

Absence without authorized leave, whether voluntary or involuntary, for five consecutive days is an automatic resignation from SMUD service as of the last day worked.

#### **3. REHIRE**

An employee can request rehire from automatic resignation in writing to the department Director if submitted:

- A. Within ten days of department Director's mailing of acceptance of resignation to employee's last known address; or
- B. Within 90 days of the separation date if no notice of acceptance of resignation is mailed.

The employee must make a satisfactory explanation of the cause for the absence and reason for failure to obtain authorization.

The department Director may rescind the resignation and rehire the employee if satisfied that the reasons warrant rehire. The employee shall not be paid for any period of the unauthorized absence.

Authorized leave may be granted from the date of the department Director's decision to rehire if the employee is unable to resume duties immediately.

## **ARTICLE 22**

### **LAYOFF PROCEDURE**

#### **1. INTRODUCTION**

If a reduction in force becomes necessary, SMUD will prepare a program that addresses the particular situation and will communicate it to appropriate bargaining unit representatives and employees. Affected employees will be notified at least ten working days prior to layoff.

#### **2. SEQUENCE OF LAYOFFS**

Layoffs will be determined by classification. All non-Civil Service employees appointed to permanent positions, part-time employees, limited term employees, or temporary construction employees in the affected class will be laid off first. SMUD will determine the order. Civil Service employees will then be laid off in reverse order of SMUD seniority. Ties in seniority will be broken by management based on the business needs of SMUD. The names of those laid off will be automatically placed on a reinstatement list for a period of two years for their class and will remain on any other eligibility lists.

#### **3. BUMPING**

A Civil Service employee whose position is being eliminated may bump a person with less SMUD seniority in the employee's same or immediately prior held class. The employee may also bump into a comparable or lower class position within the employee's class series and bargaining unit if necessary to avoid being laid off. Employees who bump will be automatically placed on the reinstatement list for a period of two years and will remain on any other eligibility lists. The employee must meet the minimum qualifications for the job. The Director, People Services & Strategies and the appropriate bargaining unit representative will review a challenge to the employee's qualifications. Determination that an employee is not qualified must be unanimous. A bumping employee will not have to serve another probationary period.

Employees with bumping rights will be offered a position at the highest level possible consistent with these rules. Employees who decline the position offered will be laid off.

#### **4. REINSTATEMENT**

A reinstating employee will be offered a return to the class that the employee left. The employee's salary will be reinstated to the same relative position in the salary range. The employee's SMUD seniority will be restored as if the employee had not left. Sick leave balance and personal leave accrual rates will be restored. The employee will not accrue paid leave during the layoff period. The employee who passed probation in the class will not have to serve a new probationary period.

A person failing to respond within ten working days of notification or declining an offer to return will be removed from the reinstatement list.

#### **5. WORKSITE AGREEMENT**

When a permanent change of worksite becomes necessary due to a reduction-in-force at that worksite, the employees at the worksite with the least amount of SMUD seniority who are in the classification to be reduced will be impacted first; provided however, that a more senior

### Worksite Agreement (Cont'd)

employee at that worksite has not voluntarily accepted an offer to change worksites (any such offer would be extended for two workdays only). SMUD worksites are Sacramento (Customer Service Center, and Headquarters Campus), Elk Grove Yard, East Campus Operations Center, and Fresh Pond. *(Revised 1/1/2013)*

The impacted employee will have the opportunity to move to the least senior position in the same classification SMUD-wide; provided however, that his/her SMUD seniority is greater. For this purpose, vacancies shall be considered to be the least senior positions within the classification.

Where multiple positions are involved, impacted employees shall choose their placement from among the equivalent number of least senior positions in order of their seniority; i.e., the most senior impacted employee shall have first choice of placement. Where multiple placements are possible at a single worksite, SMUD shall determine the placements at that worksite.

In the event no placement is possible within the same classification, or the employee refuses a placement within the same classification, that employee shall be laid off unless the employee exercises his/her bumping rights under Civil Service Rule 6, Reductions In Force.

Should a vacancy occur in the same classification at a transferred employee's former worksite within 24 months of his/her displacement, the employee shall have a right of return to the former worksite in order of seniority.

## **ARTICLE 23**

### **SUBSTANCE ABUSE PROGRAM**

#### **1. INTRODUCTION**

Where there is evidence of drug or alcohol abuse or reasonable cause to believe such abuse exists, drug/alcohol screening may be performed in accordance with SMUDs' Substance Abuse Testing and Rehabilitation Program's Administrative Policy and Management Procedure.

#### **2. RELATION TO DISCIPLINE**

The Substance Abuse Testing and Rehabilitation Programs are "stand alone" programs and violations of these programs will not be subject to the provisions of Article 16, Discipline.

## **ARTICLE 24**

### **DOT DRUG AND ALCOHOL**

#### **1. INTRODUCTION**

Compliance with U.S. Department of Transportation drug and alcohol testing requirements shall be handled in accordance with SMUD's Substance Abuse Testing and Rehabilitation Programs AP 05.02.06.

#### **2. RELATION TO DISCIPLINE**

The Substance Abuse Testing and Rehabilitation Programs are "stand alone" programs and violations of these programs will not be subject to the provisions of Article 16, Discipline.

## **ARTICLE 25**

### **PERSONAL APPEARANCE**

#### **1. INTRODUCTION**

Personal appearance standards should be consistent with the nature of the work performed.

**Responsibility:** Supervisors are expected to apply standards of appearance and demeanor among employees.

#### **2. GUIDELINES**

Supervisors and employees should consider the following in determining personal appearance standards:

- A. The degree of public contact the employee's position involves.
- B. Whether the employee's personal appearance creates a health or safety hazard.
- C. Whether the employee's personal appearance interferes with the efficient performance of the job.

## **ARTICLE 26**

### **EMPLOYMENT OF RELATIVES**

#### **1. INTRODUCTION**

Issues involving the employment of relatives involving IBEW-represented employees will be handled in accordance with SMUD's Employment of Relatives policy, AP 05.03.04.  
ARTICLE 27

## **ARTICLE 27**

### **OUTSIDE EMPLOYMENT**

#### **1. INTRODUCTION**

Outside Employment will be handled in accordance with SMUD's Outside Employment Policy, AP 05.03.05.

## **ARTICLE 28**

### **EDUCATIONAL ASSISTANCE**

#### **1. INTRODUCTION**

Educational assistance will be handled in accordance with SMUD's Education Assistance & Tuition Reimbursement Policy and Procedures, AP 04.03.02 & MP 04.03.02.100.



## ARTICLE 29

### INCLEMENT WEATHER

#### 1. **GUIDELINES**

- A. When inclement weather prevents employees from performing routine energized work, climbing, or safely performing tasks in the field, they may be held pending emergency calls. The time can be used for performing safe tasks in the field, training, or miscellaneous work.
- B. Permanent Civil Service employees who report for work on their workday but are not required to work in the field because of inclement weather, are paid for the full day. Such employees who are not assigned other productive work (as provided above) may request to take the day as personal leave. If the request is approved, the employee will only be charged one-half hour for each full hour of leave taken.
- C. All non-regular employees may be released when inclement weather prevents them from working. They are paid only for the time worked, or the time they are held on SMUD premises. However, they will receive a minimum of two hours pay for reporting to work.
- D. **When SMUD management elects to limit routine work for reasons including, but not limited to, excessive heat and wildfire smoke events, SMUD management may offer personal leave and the employee will only be charged one-half hour for each full hour of leave. (*Revised 1/1/2022*)**

## **ARTICLE 30**

### **BENEFITS**

#### **1. INTRODUCTION**

SMUD's benefits program is designed to be a valuable component of employees' total compensation that maximizes the value of the benefits offered for the dollars spent.

The comprehensive benefit program is an umbrella of protection and security that includes health, dental and vision insurance, disability, retirement, and supplemental retirement plans. These programs are designed to provide an employee with sufficient income and other benefits to minimize the financial impact of a catastrophic accident or illness on employees and their families.

#### **2. ELIGIBILITY**

All permanent full-time, permanent part-time (working at least 20 hours per week), and limited term employees will be eligible to participate in the different health and welfare benefit plans. Each benefit plan offered by SMUD has its own requirements for dependent eligibility and participation.

To receive medical and dental benefits as a SMUD retiree, an employee must have served at least the equivalent of five years of continuous full-time SMUD service immediately prior to retirement in order to be eligible to enroll in the plans. (*Revised 1/1/2013*)

#### **3. BENEFITS OFFERED**

SMUD offers health and welfare benefits mandated by federal or state regulations such as Social Security, Unemployment Insurance, and Workers' Compensation. In addition to the mandated benefits, the following benefit options are offered:

- Medical
- Dental
- Vision
- Flexible Savings Account
- Short-Term Disability
- Long-Term Disability
- Employee Life Insurance
- Spouse Life Insurance
- Dependent Life Insurance
- Retirement through the Public Employees Retirement System
- Extended Compensation under Workers' Compensation
- Tax Deferred Plans – 457(b) and 401(k) deferred compensation plans

The IBEW Benefit Guidebook shall be printed and distributed to all IBEW employees no less than 2-weeks prior to Open Enrollment. The Benefit Guide will also be available on the SMUD iNet which summarizes the benefit options offered to IBEW employees each calendar year. Complete terms of these benefit plans are specified in the Evidence of Coverage documents available on the Benefits administration portal.

## Benefits Offered (Cont'd)

SMUD will provide the following medical plan options to all IBEW-represented employees regardless of zip code where they reside, **this is to ensure employees previously covered by the EPO medical plan and employees that reside in areas where HMO plans are not available, have the opportunity to utilize the EC-OC zip code as their primary work location to access HMO plans that they would not have access to based upon their zip codes: (Revised 1/1/2022)**

- High Premium HMO
- Low Premium HMO
- High Deductible Health Plan (HDHP) with Health Savings Account (HSA)

IBEW-represented employees may need to use the EC-OC (zip code 95827) as their primary place of work when enrolling in a SMUD HMO medical plan option.

**Effective January 1, 2022, High Premium HMO Plan co-pays not to exceed the following maximums for the term of this MOU: (Revised 1/1/2022)**

<u>Services</u>	<u>High Plan Maximums</u>
Visit to Physician's Office	Co-pay not to exceed \$45
Vision and Hearing Exams	Co-pay not to exceed \$45
Surgery Outpatient	Co-pay not to exceed \$45
Emergency Room Visits	Co-pay not to exceed \$155
Hospitalization	Co-pay not to exceed \$250
Chiropractic Services	Co-pay not to exceed \$45
Mandatory Generic	Co-pay not to exceed \$25
Brand Name	Co-pay not to exceed \$65
2 mail order co-payments for 100-day supply	

## **4. AGREEMENT TO MEET AND CONFER**

SMUD and the Union agree, upon a written request of SMUD, to meet and confer in good faith over any proposed changes to any of the provided health plans and related matters (for example: health plan coverage transferred to CalPERS health program). If an agreement is reached, this MOU will be modified accordingly. If the parties are unable to reach agreement, the impasse procedure set forth in Article 31, Section 16 will be used to resolve the impasse except that any ruling by an arbitrator will be advisory and not binding on the parties.

SMUD may re-open negotiations on the subject of the Affordable Care Act (ACA) or its impacts. If, during the term of the MOU, the legal requirements of the ACA have an impact on SMUD rights and obligations regarding health benefits for IBEW employees (e.g., the Cadillac Tax), SMUD and the Union agree to re-open Article 30 Benefits, in order to meet and confer over such impacts. (Revised 1/1/2018)

## **5. HEALTH & WELFARE BENEFITS ADVISORY COMMITTEE**

The Health & Welfare Advisory Committee will meet (by mutual consent) for the purpose of cooperatively discussing and exploring various insurance providers, insurance plans, and creative designs to maximize optimal use of healthcare resources. The Committee may participate in the Request for Proposal (“RFP”) processes involving healthcare. The Committee may also review current healthcare benefits and submit a recommendation regarding such benefits when a majority of the Committee membership agrees on a recommendation. The recommendation shall be presented directly to either the Director, **People Services & Strategies**, or the Chief **Diversity** Officer, as appropriate. *(Revised 1/1/2022)*

The Health & Welfare Advisory Committee membership shall consist of a minimum of 2 and a maximum of 4 representatives each from both SMUD and the IBEW.

Each party shall designate one representative to be its Chair. The respective chairs are responsible for the conduct and decorum of meetings. The respective Chairs shall jointly determine the date, time, anticipated duration and location of Health & Welfare Advisory Committee meetings. They will exchange and discuss prospective agenda items at least two weeks in advance of a committee meeting and set the order of the agenda topics at that time. Additional topics for discussion may be added to the agenda later by mutual consent of the Chairs. Meetings will follow the agenda developed in advance. The parties may also mutually agree upon additional meetings. In addition, the respective Chairs are responsible for maintaining open lines of communication between Committee meetings to exchange information on new or developing issues, discuss the progress of Committee business, and plan for forthcoming meetings.

The respective Chairs shall determine the method and person responsible for the recording of the minutes of the meeting. The minutes of meetings will summarize the discussion that occurred and any recommendations to which a majority of the committee members agree and be signed by the respective Chairs of the Health & Welfare Advisory Committee meetings. The minutes of the meetings will not be introduced into any grievance hearing.

The parties agree that when an issue is unresolvable or unable to be redirected to another forum, and that, after a minimum of three attempts, there is no purpose to be gained by further discussion, the parties will agree to disagree and cease discussion of the issue. *(Revised 1/1/2018)*

## **6. SMUD CONTRIBUTIONS**

### **A. Employee Medical Plan Premium Contributions**

1. Effective January 1, 2022, IBEW-represented employees enrolled in SMUD medical plans will contribute a medical premium cost share as follows:  
*(Revised 1/1/2022)*
  - HMO plans: **12.5%**
  - PPO plans (closed to new enrollees): **30%**
  - High Deductible Health Plan (HDHP) plans: **6%**

## SMUD Contributions (Cont'd)

These contributions shall not change during the life of the contract unless the parties mutually agree to do so in writing. SMUD shall contribute the difference between the employee contribution and the monthly premium cost on behalf of the employee.

2. SMUD shall take the necessary steps to enable IBEW-represented employee payroll deductions for medical premiums to be treated on a pretax basis.
3. SMUD will provide IBEW represented employees enrolled in the HDHP Health Savings Plan with an annual contribution on January 1 to a Health Savings Account (HSA):
  - For years **2022-2025**: \$1700 (employee only) or \$2900 (employee with covered dependents). Five hundred dollars (\$500) of this contribution to the HSA is in lieu of the \$500 annual SMUD contribution to an eligible IBEW employee's Flexible Spending Account (FSA). (***Revised 1/1/2022***)

SMUD will pay any administrative fees attributed to the HSA. The annual contribution amount to the HSA will be front loaded and employees will be allowed to contribute pre-tax dollars each year up to the IRS-allowed maximum for the term of this MOU.

IBEW represented employees enrolled in the HDHP Plan will also be automatically enrolled in Accident and Critical Illness Insurance Plans at no cost to the employee.

These contributions shall not change during the life of the contract unless the parties mutually agree to do so in writing. (*Revised 1/1/2018*)

## SMUD Contributions (Cont'd)

4. SMUD shall provide a monthly credit in the form of a cash payment of \$200 (reportable as taxable income) to an IBEW-represented employee who opts out of (waives) SMUD medical insurance coverage and can provide evidence of medical insurance outside of SMUD.
5. SMUD shall pay the administrative fees and contribute \$500 annually to each eligible IBEW-represented employee's Flexible Spending Account (FSA). Employees will be allowed to contribute pre-tax dollars up to the IRS-allowed maximum for the term of this MOU. Based on IRS guidelines, IBEW-represented employees who maintain an HSA will only be allowed to use monies in their FSA accounts for non-medical healthcare expenses (e.g., dental, vision).

Effective January 1, 2015, SMUD will establish procedures for all IBEW represented employees to be automatically enrolled in SMUD's offered FSA. Once enrolled, employees will be continuously enrolled unless they decide not to participate.

Those employees not wanting to participate in the FSA must inform SMUD's Benefits Unit during each Open Enrollment period of their intent not to participate. *(Revised 1/1/2018 per LOA)*

### **B. Retiree Medical Plan Contributions**

#### **TIER 1**

For employees hired prior to January 1, 1991, SMUD will contribute one hundred percent (100%) of the retiree only portion of the premium for all SMUD-sponsored medical insurance plans, 90% for dependents for the two lowest cost health insurance plans, and 85% for dependents for the higher cost plans.

## SMUD Contributions (Cont'd)

### **TIER 2**

All IBEW employees hired on or after January 1, 1991, and before January 1, 2007, with continuous SMUD service and who is eligible to retire from SMUD, will receive SMUD provided medical contributions according to the following schedule:

<b>Retiree's Years of Continuous SMUD Service</b>	<b>Percent (%) of SMUD Contribution for Retiree</b>	<b>Percent (%) of SMUD Contribution for Dependent(s) for 2 lowest cost plans</b>	<b>Percent (%) of SMUD Contribution for Dependent(s) for all other SMUD- sponsored plans</b>
Less than 10	0	0	0
10	50	45	42.5
11	55	49.5	46.75
12	60	54	51
13	65	58.5	55.25
14	70	63	59.5
15	75	67.5	63.75
16	80	72	68
17	85	76.5	72.25
18	90	81	76.5
19	95	85.5	80.75
20	100	90	85

SMUD will contribute up to one hundred percent (100%) of the retiree-only portion of the medical insurance premium for all SMUD-sponsored medical insurance plans according to the Tier 2 schedule.

Tier 2 employees with continuous SMUD service and who retire with 20 years of service after the age at which they reach Medicare eligibility or age 65, SMUD shall contribute 100% of the retiree-only portion of the monthly medical insurance premium for all SMUD-sponsored health plans.

For dependent(s) covered under the retiree's plan, SMUD shall contribute 90% of the percentage it contributes for the retiree's medical insurance premium (based on the Tier schedule) on the two (2) lowest cost health insurance plans or 85% of the percentage it contributes for the retiree's medical insurance premium (based on the Tier schedule) for all other SMUD-sponsored health plans.

SMUD percentage of contribution toward the medical insurance premium in effect at the time of retirement will remain constant throughout retirement. Every January 1, SMUD will recalculate the dollar amount of their contribution to reflect any changes in the medical premium rates. *(Revised 1/1/2018 to clarify intent)*

### **TIER 3**

For employees hired on or after January 1, 2007, and before January 1, 2018, with continuous SMUD service and who are eligible to retire from SMUD, and who retire prior to the age at which they are Medicare-eligible or age 65, SMUD shall provide medical insurance premium contributions according to the following schedule:

<b>Retiree's Years of Continuous SMUD Service</b>	<b>Percent (%) of SMUD Contribution for Retiree</b>	<b>Percent (%) of SMUD Contribution for Dependent(s) for 2 lowest cost plans</b>	<b>Percent (%) of SMUD Contribution for Dependent(s) for all other SMUD- sponsored plans</b>
Less than 10	0	0	0
10	25	22.5	21.25
11	27.5	24.75	23.38
12	30	27	25.5
13	32.5	29.25	27.63
14	35	31.5	29.75
15	37.5	33.75	31.88
16	40	36	34
17	42.5	38.25	36.13
18	45	40.5	38.25
19	47.5	42.75	40.38
20	50	45	42.5
21	55	49.5	46.75
22	60	54	51
23	65	58.5	55.25
24	70	63	59.5
25	75	67.5	63.75

SMUD will contribute up to seventy-five percent (75%) of the retiree-only portion of the medical insurance premium for all SMUD-sponsored medical insurance plans according to the Tier 3 schedule.

Tier 3 employees with continuous SMUD service and who retire with 25 years of service after the age at which they reach Medicare eligibility or age 65, SMUD shall contribute 100% of the retiree-only portion of the monthly medical insurance premium for all SMUD-sponsored health plans.

For dependent(s) covered under the retiree's plan, SMUD shall contribute 90% of the percentage it contributes for the retiree's medical insurance premium (based on the Tier schedule) on the two (2) lowest cost health insurance plans or 85% of the percentage it contributes for the retiree's medical insurance premium (based on the Tier schedule) for all other SMUD-sponsored health plans.

SMUD percentage of contribution toward the medical insurance premium in effect at the time of retirement will remain constant throughout retirement. Every January 1, SMUD will recalculate the dollar amount of their contribution to reflect any changes in the medical premium rates. *(Revised 1/1/2018 to clarify intent)*



## SMUD Contributions (Cont'd)

### **TIER 4**

For employees hired on or after January 1, 2018, with continuous SMUD service and who are eligible to retire from SMUD, SMUD shall provide medical insurance premium contributions on a prorated basis, according to the following schedule:

Retiree's Years of Continuous SMUD Service	Percent (%) of SMUD Contribution for Retiree	Percent (%) of SMUD Contribution for Dependent(s) for 2 lowest cost plans	Percent (%) of SMUD Contribution for Dependent(s) for all other SMUD- sponsored plans
Less than 15	0	0	0
15	25	22.5	21.25
16	27.5	24.75	23.38
17	30	27	25.5
18	32.5	29.25	27.63
19	35	31.5	29.75
20	37.5	33.75	31.88
21	40	36	34
22	42.5	38.25	36.13
23	45	40.5	38.25
24	47.5	42.75	40.38
25	50	45	42.5

SMUD will contribute up to fifty percent (50%) of the retiree-only portion of the medical insurance premium for all SMUD-sponsored medical insurance plans according to the Tier 4 schedule.

For dependent(s) covered under the retiree's plan, SMUD shall contribute 90% of the percentage it contributes for the retiree's medical insurance premium (based on the Tier schedule) on the two (2) lowest cost health insurance plans or 85% of the percentage it contributes for the retiree's medical insurance premium (based on the Tier schedule) for all other SMUD-sponsored health plans.

SMUD percentage of contribution toward the medical insurance premium in effect at the time of retirement will remain constant throughout retirement. Every January 1, SMUD will recalculate the dollar amount of their contribution to reflect any changes in the medical premium rates. (*Revised 1/1/2018*)

### **C. DENTAL CONTRIBUTIONS**

SMUD will pay one hundred percent (100%) of the employee/retiree and dependent coverage as set forth in the Traditional Plan including Sealant coverage. Eligible IBEW-represented employees have the ability to select a buy-up plan with the additional cost being borne by the IBEW-represented employee. (*Revised 1/1/2018*)

## SMUD Contributions (Cont'd)

Effective 1/1/2013, SMUD will provide orthodontia in the Traditional Plan to employees and eligible dependents with payments capped at \$1500 (lifetime).  
(Revised 1/1/2013)

### **D. VISION CONTRIBUTIONS**

SMUD will pay one hundred percent (100%) of the employee and dependent premium for the Traditional Plan. Eligible IBEW-represented employees have the ability to select a buy-up plan with the additional cost being borne by the IBEW-represented employee.  
(Revised 1/1/2018)

### **E. RETIREMENT - PERS**

All IBEW Classic Member employees within the CalPERS retirement system will continue to have retirement formula of 2%@55 and will contribute the full 7%-member contribution.

All IBEW New Member employees within the CalPERS retirement system will continue to have a retirement formula of 2%@62 as dictated by Public Employee's Pension Reform Act of 2013 (PEPRA) and will continue the normal cost of employee contributions as calculated by CalPERS.

Note: "Classic" vs. "New" members are defined by CalPERS. (Revised 1/1/2018)

For 12-Hour Shift employees, SMUD will make the appropriate PERS contribution for all regularly scheduled hours (including regularly scheduled hours at the overtime rate) up to the allowable maximum.

## **7. DEFERRED COMPENSATION ENHANCEMENT PROGRAM**

### **A. Deferred Compensation Matching Program**

**SMUD will match each eligible IBEW-represented employee's contributions to either their 401(k) or 457(b) account up to the annual amount as specified below:**  
(Revised 1/1/2022)

<u>Year</u>	<u>SMUD Matching Contribution</u>
<b>2022:</b>	<b>\$1200</b>
<b>2023:</b>	<b>\$1200</b>
<b>2024:</b>	<b>\$1200</b>
<b>2025:</b>	<b>\$1200</b>

Employee participation in the matching contribution program is voluntary. In order to be eligible to receive matching funds, an employee must have successfully completed SMUD probation (6 month or 12 months depending on classification) and must have made contributions into a 401(k) or 457(b) account during the calendar year **subject to the current IRS rules and limits**. SMUD will match contributions up to \$1200 per year into an active account as of the day of distribution to be eligible to receive matching funds. SMUD's contribution into an employee 401(k) or 457(b) Plan account will not be considered an employee contribution. (Revised 1/1/2022)

SMUD Contributions (Cont'd)

Deferred Compensation Enhancement Program (Cont'd)

**B. Direct Contributions**

SMUD shall make direct contributions to eligible IBEW-represented employees' 401(k) **or 457(b)** accounts according to the following schedule, **2022-2025:**

<b>Effective 1/1/2022</b>	<b>Monthly Contributions</b>	
<b>SMUD Years of Service</b>	<b>Classic Employees (CalPERS)</b>	<b>PEPRA Employees</b>
Upon completion of year one (1) through five (5)	\$225	<b>\$250</b>
Six (6) through 10	\$250	<b>\$275</b>
11 through 15	\$275	<b>\$300</b>
16 through retirement	\$300	<b>\$325</b>
<b>Effective 1/1/2023</b>	<b>Monthly Contributions</b>	
<b>SMUD Years of Service</b>	<b>Classic Employees (CalPERS)</b>	<b>PEPRA Employees</b>
Upon completion of year one (1) through five (5)	\$225	<b>\$275</b>
Six (6) through 10	\$250	<b>\$300</b>
11 through 15	\$275	<b>\$325</b>
16 through retirement	\$300	<b>\$350</b>
<b>Effective 1/1/2024</b>	<b>Monthly Contributions</b>	
<b>SMUD Years of Service</b>	<b>Classic Employees (CalPERS)</b>	<b>PEPRA Employees</b>
Upon completion of year one (1) through five (5)	\$225	<b>\$300</b>
Six (6) through 10	\$250	<b>\$325</b>
11 through 15	\$275	<b>\$350</b>
16 through retirement	\$300	<b>\$375</b>
<b>Effective 1/1/2025</b>	<b>Monthly Contributions</b>	
<b>SMUD Years of Service</b>	<b>Classic Employees (CalPERS)</b>	<b>PEPRA Employees</b>
Upon completion of year one (1) through five (5)	\$225	<b>\$325</b>
Six (6) through 10	\$250	<b>\$350</b>
11 through 15	\$275	<b>\$375</b>
16 through retirement	\$300	<b>\$400</b>

**(Revised 1/1/2022)**

## Deferred Compensation Enhancement Program (Cont'd)

### **8. TAX DEFERRED PLANS**

Election to participate in any plan other than the deferred compensation enhancement program described above is voluntary and compensation deferrals and program costs are paid by participants.

### **9. LONG-TERM DISABILITY**

SMUD will pay one hundred percent (100%) of the employee benefit coverage as set forth in the plan.

Employees returning from LTD will have a right of return to their former headquarters unless their classification is no longer used at their former headquarters, or they are precluded from that location or classification because of a medical condition.

If the classification is no longer used, the employee may voluntarily demote to any open position to which he/she is qualified at the former headquarters or transfer to another location where the classification is still used.

## **10. EMPLOYEE LIFE INSURANCE**

Employee life insurance coverage is based on the amount of an employee's annual base pay (rounded to the nearest \$5,000 worth of coverage) effective September 30 of the previous year. SMUD pays the full cost of life insurance premiums for coverage up to one time (1x) annual base pay. Employees can purchase additional coverage with the cost for this additional coverage entirely borne by the employee and this additional coverage is subject to the carrier's qualifications and restrictions. Employees can choose additional coverage of either one time (1x), two times (2x), or three times (3x) of their annual base pay for a total of four times (4x) their annual base pay up to the maximum coverage amount of \$500,000. *(Revised 1/1/2018 per LOA)*

## **11. SPOUSE AND DEPENDENT LIFE INSURANCE**

Employees can elect coverage for their spouse of **\$25,000 or up to 50% of the amount** they have chosen through the employee life insurance plan. Employees can elect coverage for **their eligible** dependent children in the amount of: \$2,500, \$5,000, \$7,500 or \$10,000.

**For clarification, there are two options an employee can choose from when selecting spousal life insurance:**

**Option 1: 50% of the total coverage amount elected by the employee (total coverage includes employer paid portion and employee buy-up portion). Any spousal election under this option (50% of employee coverage amount) will require an evidence of insurability (EOI) and the EOI must be approved by the life insurance carrier.**

**Option 2: Flat \$25,000 coverage amount. No EOI is required.**

*(Revised 1/1/2022)*

## **12. EXTENDED COMPENSATION**

SMUD may offer extended compensation to supplement temporary disability from an on-the-job accident. It is an advance against any permanent disability benefits employees may receive. Employees may be eligible for extended compensation benefits on the first workday of absence after the day of the job-related injury or illness. Additionally, any Extended Compensation paid over and above the amount of Permanent Disability awarded shall also be reimbursed to SMUD.

## **13. OTHER FRINGE BENEFITS**

SMUD currently offers other benefits such as Employee Assistance Program, Wellness programs, Personal Computer Purchase Program, Educational opportunities, Ride Share Program, Child Care Center and childcare tuition assistance. Some of these programs are fully sponsored by SMUD and others are supported and paid for by employees.

## **14. SHORT TERM DISABILITY INSURANCE**

Effective Plan Year 2007, all permanent full time and permanent part time IBEW-represented employees working at least 20 hours a week on a fixed schedule may purchase coverage under SMUD's Short-Term Disability Plan.

**15. WELLNESS CENTER PARTICIPATION**

IBEW employee membership in SMUD's Wellness Center will be \$5.00 per pay period. SMUD shall reimburse membership fees paid by those employees who use the facility an average of eight (8) times per month annually. Reimbursement shall be made through payroll within ninety (90) days following the end of the year. Only those employees still on SMUD's payroll at the time of reimbursement shall be eligible to receive such payment.

*(Revised 1/1/2018 per LOA)*

**16. HEALTH ASSESSMENT PROGRAM**

Employees who participate in SMUD's Health Assessment Program and fulfill program requirements will pay \$5 less per month for their health insurance. All employees will be granted time, while on duty, to participate in the health assessment portion of the program. This time must be scheduled in advance, with supervisory approval. Additional program requirements must be completed and will be done on the employee's own time.

## ARTICLE 31

### MISCELLANEOUS

#### 1. **SMUD PROPERTY ACCESS**

Official representatives of the Union will be permitted access to SMUD property to confer with SMUD employees on matters of employer/employee relations after receiving permission of the area supervisor so they will not interfere with work in progress.

#### 2. **SAFETY**

SMUD and the Union agree that Joint Labor Management Safety Committees are an important factor in maintaining safe and healthy work environment for SMUD employees.

It is further agreed, as soon as reasonably possible following ratification of this agreement, to establish Joint Labor/Management Safety Committees in departments employing IBEW-represented employees.

The committee shall consist of:

- One Representative appointed by the Union
- One Representative appointed by Management
- Work group representatives selected along geographic or functional lines  
(number to be decided by the Department)

In addition to the above members, the Grid Assets committee will also include a Department Safety Representative and a representative assigned by the Corporate Safety Office.

The committee shall meet at least once each quarter and more often if needed to review safety activities in the department, to consider safety complaints raised by employees, foremen or safety representatives, to discuss safety issues of mutual concern to the parties, and to recommend corrective measures to the Department Director.

The committee shall publish written minutes of each meeting, copies of which shall be distributed to other department safety committees, SMUD's Safety Office, and to department employees.

#### 3. **WORK GLOVES / PROTECTIVE CLOTHING**

- A. SMUD will provide for unlimited replacement of issued work gloves. When issued, gloves should be appropriately and permanently marked in a manner that identifies the employee receiving them. Upon certification by an employee's foreman/woman that a pair of issued gloves was lost without negligence by the employee, SMUD will sell the employee another pair of gloves at one-half its cost.
- B. SMUD will make available at an employee's request the use of protective clothing for other than hazardous substances. This clothing is to protect employee's garments from such things as oily or greasy substances **or burn holes from welding, grinding, etc. (Revised 1/1/2022)**



Work Gloves/Protective Clothing (Cont'd)

- C. IBEW represented employees shall be reimbursed a footwear allowance towards the purchase or repair of appropriate footwear designated by SMUD as follows.**  
*(Revised 1/1/2022)*

- **Lineworker Series up to \$400 annually**
- **All other classifications up to \$300 annually**
- **PSO and DSO classifications are excluded from footwear reimbursement**

All classifications will be required to purchase and wear the approved footwear appropriate for work being performed, except Linemen/women, who will purchase one pair of special footwear. Once footwear is purchased, all personnel will be required to wear the product.  
*(Revised 1/1/2013)*

Each Business Unit with personnel in classifications that require the wearing of appropriate footwear will establish procedures for the purchase of the footwear.  
*(Revised 1/1/2018 per LOA)*

4. **FLAME RESISTANT CLOTHING**

SMUD agrees to provide certain flame-resistant clothing to those employees who work on or near exposed electrical conductors or equipment energized at 50 volts (AC or DC) or greater. The clothing will be provided at no cost to the employees for purchase or maintenance.

A. **Affected Classifications**

Employees in the following classifications are required to wear flame-resistant clothing when exposed to the described hazardous conditions.

- Apprentice Cable Splicer/Electrician
- Apprentice Electrician
- Apprentice Electrical Technician
- **Apprentice Facilities Stationary Engineer**
- Apprentice Lineman-woman
- Apprentice Meter Technician
- **Apprentice Plant Mechanic**
- Cable Locator
- Cable Splicer/Electrician
- Cable Splicer/Electrician Foreman-woman, Light
- Combustion Turbine Technician
- Electrical Technician
- Electrician
- **Facilities Stationary Engineer**
- Fault Locator
- **High Voltage Technicians**
- Hydro Operator
- Line Construction Foreman-woman
- Line Equipment Operator
- **Line Equipment Operator Assistant**
- Line Foreman-woman, Light
- Line Subforeman-woman
- Lineman-woman
- **Maintenance Carpenter**
- Meter Technician
- Network Electrical Foreman-woman, Light
- **Plant Mechanic**
- **Plant Mechanic Foreman**
- Revenue Protection Representative
- Senior Meter Technician
- Senior Troubleshooter
- Substation Subforeman-woman
- Substation Foreman-woman, Light
- Telecom Technician
- Troubleshooter

## Flame Resistant Clothing (Cont'd)

The above classifications are subject to change in accordance with Hazard Assessment Analyses, as outlined in SMUD Safety Program Manual.

- B. Each Business Unit with personnel in classifications that require the wearing of the Flame-Resistant Clothing will establish the initial Flame-Resistant Clothing allotment and subsequent clothing requirements.

Additionally, each Business Unit will establish procedures for the purchase of the Flame-Resistant Clothing by assigned employees. *(Revised 1/1/2018 per LOA)*

## **5. APPRENTICE INSTRUCTORS**

Journey-level or Light Foreman/woman level employees who have volunteered to provide instruction for the after-hours (night school) apprentice training and are authorized and directed to provide instruction to Apprentices will be compensated in the following manner:

- A. An hourly rate of two times a Light Foreman/woman's regular straight time rate of pay or two times the employee's regular rate of pay (if higher).
- B. If a class session requires more than the normal two hours, the instructor will be compensated at the two times rate for each additional hour. The training coordinator or supervisor must approve additional hours in advance.
- C. An instructor may choose to take CTO in lieu of pay with advance approval of his/her supervisor.
- D. Based on the normal class session time requirements outlined above (2 hours of class contact and 1 additional hour), an employee would be credited with a total of 6 hours of CTO per class session.
- E. It is understood that either the flat rate method or the CTO method will constitute full compensation for a class session. Meal time, meal payments, and travel time will not be applicable.
- F. **Employees who provide instruction for the after-hours (night school) apprentice training shall not have those hours added to the ranked overtime list for their respective work groups. *(Revised 1/1/2022)***
- G. Course preparation time or instruction provided during normal working hours will be compensated at the employee's normal rate of pay.

## **6. SMUD/IBEW JOINT APPRENTICESHIP TRAINING COMMITTEE (JATC)**

It is the intent of the parties to support the establishment of apprenticeship programs for certain IBEW-represented classifications where such programs are deemed appropriate. The IBEW and SMUD agree that such programs will be administered in accordance with the following provisions:

- A. The classification of positions and the selection (hiring) process shall be managed in accordance with SMUD's Civil Service Rules.

## JATC (Cont'd)

- B. SMUD retains the right to hire, evaluate and discipline any employee participating in an apprenticeship program, taking into consideration the recommendations of the JATC.
- C. Apprenticeship programs shall operate in accordance with the Apprenticeship Standards of the SMUD/IBEW Joint Apprenticeship Training Committee.

## **7. JOINT LABOR-MANAGEMENT COUNCIL**

SMUD and the Union agree that it is essential to sound labor-management relations and to the economic progress of SMUD and its employees to make constant improvements in SMUD's operations in order to maintain efficiency and control costs. To accomplish this goal, it is essential that employees understand the basis for changes affecting their employment and working conditions.

It is also agreed that periodic discussions between Union and Management can promote good labor relations by preventing relaxation of standards with respect to training or the application of job specifications and other working conditions.

The parties to this agreement recognize that there are many issues outside of the collective bargaining agreement that are of mutual concern and interest to both labor and management and can best be handled through cooperative action. To this end, the parties agree to create a Joint Labor-Management Council.

### **A. Purpose**

- 1) To provide a forum to understand issues of a general concern to both labor and management.
- 2) To provide a forum to evaluate ideas to improve productivity, quality of services and innovations within SMUD or the industry.
- 3) To refer matters to appropriate forums (i.e., Safety and Standards Committee, grievance procedure, etc.) for resolution.
- 4) To make joint recommendations to Executive Management on issues not resolved by other appropriate forums.
- 5) To provide appropriate communications to fulfill the charter of the council.

### **B. Structure**

#### **1) Representatives**

The Council will be composed of a bi-lateral body of six (6) labor representatives appointed by the Union and an equal number of management representatives (one of which will be a member of the Executive Committee) appointed by SMUD.

#### **2) Meetings and Agenda**

The Council shall meet quarterly or as otherwise mutually agreed upon by the Council. The first meeting of the Council will be held within thirty (30) days of the ratification of this labor agreement.

## Joint Management Labor Council (Cont'd)

Matters for consideration by the Council shall be addressed to the Union Business Representative or Manager of Employee Relations. They will set the agenda for Council. Either party may bring persons to the Council meeting whose input would be appropriate to understand the issues scheduled for discussion.

### **3) Leadership**

The parties shall each select a representative to function as co-chairpersons of the Council.

### **4) Authority of Council**

The Council will act by consensus.

## **8. BULLETIN BOARDS**

SMUD will provide the Union adequate bulletin board space for the purpose of posting thereon matters relating to official Union business. The Union shall not post any matter derogatory to SMUD, its employees, or its customers.

Employees may advertise the sale or rent of their personal or real property on SMUD bulletin boards.

## **9. TOWER CLIMBING**

The Telecommunications Technicians agree to learn tower climbing techniques and the proper use of associated safety equipment. SMUD agrees to provide tower climbing training on an as needed basis. The Telecommunications Technicians agree to be available for tower climbing on a volunteer basis. If a sufficient number of volunteers cannot be found, technicians will be appointed in inverse order of SMUD seniority. Technicians shall be allowed to decline such appointment for medical reasons or other reasonable circumstances.

## **10. COFFEE BREAKS**

To provide consistency among all departments, employees will be allowed to consume coffee or other beverages at their workstations or work sites provided safe work practices are not compromised. It is recognized that in many work situations involving lengthy periods of high concentration, a brief pause to consume a beverage is reasonable so a quality work effort can be continued. However, it is the intent of this paragraph that these short intervals should have a minimum impact on productivity.

## **11. SUCCESSOR CLAUSE**

SMUD agrees to make every effort to keep the Union informed of any discussions SMUD is having concerning the transfer of a significant SMUD asset to another entity. SMUD's ability to do so will depend to some extent upon the nature of the negotiations and the parties with whom SMUD is negotiating. However, it is the intent of the parties that as soon as practical, the Union will be informed of any such discussions and will become involved in the implementation of any severance pay program.

## 12. CONTRACTING OUT

- A. SMUD shall not contract any work normally performed by the IBEW bargaining unit if such contracting is intended to reduce or has the effect of reducing the regular work force by attrition, demotion, displacement or lay off. Further, prior to any reduction in force of IBEW-represented employees, affected IBEW employees meeting the minimum qualifications of the job being contracted will be offered any bargaining unit work being performed by contractors. These assignments will be of a temporary nature. All current rules concerning bumping and selection shall apply.

For the purpose of this agreement, contracting occurs when temporary positions are being filled by non-IBEW employees; outside contractors are performing work in the IBEW bargaining unit; and cross-training is in effect. SMUD agrees to notify IBEW in each instance of its intent to contract IBEW bargaining unit work.

- B. **Prior to contracting out work normally performed by IBEW-represented employees, SMUD will provide volunteer IBEW-represented employees with the first right of refusal.** When contracting out work normally performed by IBEW represented employees, SMUD will have such work done by the optimum use of volunteer IBEW represented employees. Exceptions to the foregoing for Power Generation are contractors may be used for the following circumstances: (*Revised 1/1/2022*)

- OEM support;
- Capital funded projects; or
- Seasonal FERC/DSOD related work. (*Revised 1/1/2013*)

## 13. CONFLICT OF LAW

If any provision of this MOU or the application of such provision should be found invalid by any decree of a court of competent jurisdiction or by the reason of any existing or subsequently enacted legislation, the remaining parts or portions of this MOU shall remain in full force and effect.

## 14. TECHNOLOGICAL CHANGES

SMUD shall continue to provide the Union with as much notice as practicable of technological changes in its business that may have a significant effect on its work force. In such circumstances, SMUD and the Union shall then meet to study and endeavor to adopt appropriate solutions.

## 15. NO STRIKES. NO LOCKOUTS

During the term of this Agreement, SMUD agrees that there shall be no lockout, and the Union agrees on behalf of itself and the employees represented by it that there shall be no authorized, concerted failure to report to work, cessation or interruption of work, slowdown, strike, (**including, but not limited to, sympathy strikes**), boycott or any type of organized or concerted interference, express or implied, direct, indirect, coercive or otherwise, with SMUD's business. The Union further agrees that, should any such acts be committed by any employee or employees, it shall openly and publicly denounce and discourage said acts. (*Revised 1/1/2022*)

**16. CONTINUATION OF OTHER TERMS AND CONDITIONS - ENTIRE AGREEMENT**

This MOU sets forth the entire understanding of the parties regarding the matters contained herein and any other prior or existing understanding or MOU by the parties, whether formal or informal, regarding such matters are hereby superseded. Except as provided in this MOU, it is agreed and understood that all benefits and working conditions provided by this MOU shall remain unchanged during the term of this MOU, unless expressly modified by mutual agreement through the meet and confer process.

With regard to terms and conditions of employment not expressly covered by this MOU, the parties recognize that during the term of this MOU it may be necessary or desirable for SMUD to make changes on matters within the scope of representation. If and when SMUD finds it necessary to make such changes, it will notify the Union at least 30 days prior to the proposed implementation. At the request of the union, the parties shall meet and confer in a good faith effort to reach agreement over such matters that fall within the scope of representation.

If the parties are unable to reach agreement, the impasse shall be resolved through the use of MED (iation)-ARB (itration). Agreements or decisions resulting from this process shall be binding on the parties.

**17. UARP COLD WEATHER CLOTHING**

**Hydrography Field Technicians and Heavy-Duty Equipment Operator classifications that perform work in the Upper American River Project (UARP) shall be provided cold weather clothing including an insulated jacket and insulated bibs authorized by SMUD. Employees shall be allowed to replace the clothing every three (3) years. (*Revised 1/1/2022*)**

SIGNATURE PAGE



## **APPENDIX A**

### **WAGE RATES**

**The parties agree to place all wage schedules, including all premiums, for all IBEW represented employees in Appendix A of the current MOU. (*Revised 1/1/2022*)**

## **APPENDIX B**

### **CLASSIFICATIONS REQUIRING COMMERCIAL LICENSES**

#### **(Class A and B)**

Cable Splicer/Electrician  
Cable Splicer/Electrician Frmn/Wn, Light  
Crane Operator  
Electrician, Substation  
Electrician, Substation Apprentice  
Electrician, Substation Frmn/Wn, Light  
Equipment Operator  
Garage Attendant 1  
Hazardous Waste Foreman/woman, Light  
Hazardous Waste Technician  
Heavy Duty Equipment Operator  
Hydrography Field Technician  
Line Equipment Operator  
Lineman/woman  
Lineman/woman Apprentice  
Lineman/woman Frmn/wm, Light  
Mechanic  
Parts Clerk  
Service Writer  
Vehicle Mechanic, Lead  
Vehicle Mechanic, Senior  
Vehicle Attendant  
Vehicle Maintenance Aide  
Vehicle Mechanic  
Vehicle Mechanic Welder

Employees in apprentice positions for these classifications will also be required to possess the Commercial driver's license of the appropriate level.

Base wage rates for the above-listed classifications will be adjusted to include the appropriate Commercial driver's license premium as defined in Article 4, Section 3(B).

All employees in apprentice positions leading to status as a journey level employee in a classification that may require a Commercial driver's license must obtain and maintain a valid Commercial license throughout the period of their apprenticeship.

## APPENDIX C

### WORK AREA THRESHOLD LEVELS

#### **General Services**

##### Grounds Maintenance

##### Required #

Gardener / Utility Worker

3

#### **Fresh Pond**

##### Commercial

##### Total #

Building Maint Mech

1

Electricians

1

Heavy Duty Equip. Operator

3

Heavy Duty Equip. Op, Foreman

1

Hydro Field Tech

1

Hydro Field Tech Foreman

1

Hydro Op, Foreman

1

#### **Grid Assets**

The number of Class A license holders within Grid Assets will be determined by the number of vehicles directly assigned to each workgroup plus 25% of the pool vehicles used by the workgroup. The number of drivers required will not exceed 150% of the workgroup's vehicles by classification series. All apprentices are required to acquire and maintain a Class A license throughout their apprenticeship, and they will be included in the 150% requirement. The 150% does not include any positions that require a Class A license as part of the job classification or positions that are excluded by the work they perform.

Example:

<b>Work Area</b>	<b>Assigned Class A Vehicles</b>	<b>Pool Class A Vehicles (# x .25)</b>	<b>Total</b>	<b>Total Drivers (150% of Total)</b>
Line	35	15(4)	39	59
Electrical	9	8(2)	11	17
Network	3	7(2)	5	8
Total	56	32 (9)	65	99

## APPENDIX D

### SUPPLEMENTAL LETTERS OF AGREEMENT

**The parties agree that all current side letters be printed in their entirety and shall be included in Appendix D of the MOU. (*Revised 1/1/2022*)**

This list is the all-inclusive sum of recognized side letters of agreement up to the starting date of the current MOU

- Letter Agreement regarding Change of Titles for Lineworker Series (LR 01-91 dated December 18, 2001)
- Letter Agreement – Operational Boundaries For PSO/DSO (LR 02-047 dated March 22, 2002)
- Letter Agreement – Certify Meter Tech Apprentices to R/I 240 Volt and Below Meters (LR 03-203 dated October 29, 2003)
- Letter Agreement - Critical Classifications (LR 05-076 dated June 28, 2006)
- Letter Agreement - Mutual Aid Duty Assignments (LR 07-037 dated June 1, 2007)
- Letter Agreement - Administration of Sub-Station Electricians Overtime list (LR 07-040 dated July 26, 2007)
- Letter Agreement - Wage Premium for Helicopter Line Work (LR 09-035 dated August 4, 2009)
- Letter Agreement - Energy Supply Personnel 4/10 work Schedule (LR 10-007 dated January 29, 2010)
- Letter Agreement - Understanding of Meeting of January 13, 2011 (LR 11-004 dated January 18, 2011)
- Letter Agreement - Assignment of Overtime for Gardeners, Utility Workers, and Custodians (LR 11-006 dated March 24, 2011)
- Letter Agreement - Assignment of Overtime for Facilities Electricians (LR 11-007 dated February 4, 2011)
- Letter Agreement - Extension of 2009 Fire Retardant Clothing (LR 12-007 dated February 29, 2012)
- Letter Agreement - Revised Material Specialists On-Call Policy (LR 12-013 dated March 23, 2012)
- Letter Agreement - Reduce Custodian Staffing Level (LR 12-019 dated March 23, 2012)
- Letter Agreement - Power System Operators Overtime Procedures (LR 12-023 dated April 9, 2012)
- Letter Agreement - New Hire Employees Starting Pay Rates (LR 12-038 dated September 21, 2012)
- Letter Agreement - Headquarters Consolidation for Facilities IBEW Represented Employees (LR 13-012 dated April 4, 2013)
- Letter Agreement – Update to Article 30 Benefits (LR 13-033 dated September 11, 2013)
- Letter Agreement - Training Program for Telecommunications Technician Classification (LR 14-013 dated April 30, 2014)
- Letter Agreement - Grid Assets Electrical Technician On-call Policy (LR 14-021 dated June 27, 2014)
- Letter Agreement - Material Specialist On-call Policy (LR 15-014 dated April 29, 2015)
- Letter Agreement - Grid Assets Network Cable Splicer/Electricians On-call Policy (LR 15-027 dated August 13, 2015)
- Letter Agreement - Troubleshooter Residency Requirement (LR 16-002 dated March 1, 2016)
- Letter Agreement - Facilities Electrician On-call Policy (LR 16-014 dated July 6, 2016)

#### **APPENDIX D**

- Letter Agreement - Facilities Stationary Engineer On-call Policy (LR 16-015 dated July 6, 2016)
- Letter Agreement - Troubleshooter Work Area (LR 16-019 dated August 31, 2016)
- Letter Agreement - DSO Call Out Procedures (LR 16-032 dated December 16, 2016)
- Letter Agreement - Update to Lineworker Series LOA LR 01-91 (LR 17-006 dated March 20, 2017)
- Letter Agreement - Update to New Hire Employees Starting Pay Rates LOA LR 12-038 (LR 17-007 dated March 20, 2017)
- Letter Agreement - Clarification on Article 3 Wages for 2018-2021 MOU (LR 17-013 dated August 9, 2017)





## APPENDIX E

### Relocation Expenses Management Procedure 5.03.03.100

#### Relocation Agreements

As part of the hiring process, management may offer to reimburse reasonable relocation expenses for new employees in certain salaried or difficult-to-recruit positions in accordance with SMUD policy and the limitations set forth in this procedure.

Hiring Directors shall notify HR Services when they wish to make offers to reimburse potential candidates for relocation expenses. HR Services shall document the reasons for the recruitment incentives and the approving authority.

HR Services shall prepare and process all written employment offers, including offers to provide recruitment incentives. As part of the acceptance of an employment offer, the prospective employee must agree to repay SMUD in full for all incentives if he/she separates from SMUD employment, for any reason other than a SMUD-initiated reduction in force, within one year from the start date.

#### Payment Limitations

SMUD shall pay for air transportation at coach class rates only. All reimbursements for lodging, meals, and incidentals shall be limited to the maximum IRS per diem rate for the greater Sacramento area. IRS rates are available at [www.gsa.gov/perdiem](http://www.gsa.gov/perdiem).

SMUD shall not pay or reimburse for expenses above the specified limits or for expenses not specifically covered in this procedure unless approved by executive management as part of a signed employment agreement.

#### Payment Arrangements

Once SMUD receives the signed employment offer, the hiring department shall be responsible for arranging direct payments to vendors on behalf of the employee and for processing any reimbursements to the employee.

The hiring department shall ensure that candidates obtain pre-approval for all arrangements related to air and rail transportation and the movement and storage of personal property. SMUD shall pay vendors directly for such expenses.

SMUD shall reimburse the employee directly for other authorized travel and living expenses upon completion of the move and commencement of employment. SMUD does not provide any advance payment of relocation expenses.

#### Search For Housing

As part of a prospective employee's employment offer, management may authorize the payment for up to five days and four nights of travel for the prospective employee and legal spouse/domestic partner to search for new housing prior to relocating to the greater Sacramento area. Covered

expenses include one-time, round-trip transportation (mode determined by mutual agreement) to and from the greater Sacramento area, lodging, car rental (plus fuel, parking, etc.), and meals and incidentals while in the area. This allowance is not available once the prospective employee relocates temporarily or permanently to the greater Sacramento area.

### **Personal Property and Vehicles**

SMUD shall pay moving costs including packing, loading, and transporting up to a maximum of 15,000 pounds (excluding the weight of passenger vehicles) of household effects and personal property from the primary previous residence, and unloading and unpacking at the destination. SMUD shall pay for moving protection insurance to cover up to 15,000 pounds of household effects and personal property.

SMUD shall also pay the cost of transit insurance and commercial shipping for two passenger vehicles on moves of 500 or more miles or for one vehicle on moves of less than 500 miles. An employee who chooses to drive his/her own vehicle(s) shall be reimbursed for mileage by the most direct route for one vehicle and for 75% of total mileage rate for a second vehicle on moves of more than 500 miles.

SMUD shall pay for temporary storage of personal property in the greater Sacramento area for up to 30 days and for the one-time handling and delivery of personal property to the storage facility and the one-time handling and delivery out of storage.

### **Transportation and In-Transit Expenses**

SMUD shall pay the cost to transport by air or rail the employee, legal spouse/domestic partner, and legal dependents from the former residence to the new residence in the greater Sacramento area. Transportation reimbursement shall be limited to the most direct route of travel.

SMUD shall reimburse employees who choose to relocate themselves and their families by means of personal transportation in accordance with above provisions for the transport of personal vehicles.

SMUD shall reimburse the cost of lodging while in transit only for the employee. The employee shall be responsible for any additional lodging expenses incurred for members of his/her household.

SMUD shall reimburse per diem meals and incidentals for the employee, legal spouse/domestic partner, and legal dependents while in transit.

SMUD reimbursement for transit costs shall be limited to one day for travel by air or one day for every 350 miles for travel by personal vehicle.

### **Temporary Housing**

Upon relocation to the greater Sacramento area, SMUD shall reimburse the employee for temporary lodging for up to 30 days while the employee arranges permanent housing. Reimbursement shall be for lodging only and shall not include meals and incidentals.

**Taxation Issues**

The IRS considers the payment of some relocation expenses as employee compensation subject to taxation. SMUD may deduct federal and state withholding taxes from certain relocation expense reimbursements. SMUD shall include taxable amounts in the W2 for the employee in the year of reimbursement. The employee shall be responsible for obtaining tax advice about relocation expenses and maintaining receipts for tax purposes.

**Related References**

IBEW/OSE Memorandums of Understanding

# INDEX

12-Hour Shift - Benefits .....	21	Discipline Procedure .....	8
12-Hour Shift - Continuation Of Schedule .....	21	Distribution Services Emergency Response	
12-Hour Shift - Holiday Pay .....	55	During Regular Work Hours .....	39
12-Hour Shift - Jury Duty .....	60	District Tools .....	73
12-Hour Shift - Observing Holiday .....	55	DOT Drug & Alcohol .....	88
12-Hour Shift - Overtime .....	31	Double Time Pay .....	32
12-Hour Shift - Overtime Meals .....	48	Dues/Fees .....	7
12-Hour Shift - Personal Leave Credit .....	50	Duty As A Witness .....	60
12-Hour Shift - Premium Holiday Pay .....	55	Early Call-In - Definition .....	5
12-Hour Shift - Relief Crew .....	21	Educational Assistance .....	89
12-Hour Shift - Rest Period .....	37	Effective Date - Merit Increases .....	10
12-Hour Shift - Schedule .....	20	Election Days .....	59
12-Hour Shift - Shift Changes .....	21	Eligibility - Merit Increase .....	10
12-Hour Shift - Shift Differential .....	14	Emergency Call-Out .....	39
4/10 Shift - Continuation Of Schedule .....	20	Emergency Call-Out - Definition .....	5
4/10 Shift - Lunch Period .....	20	Emergency Duty .....	39
4/10 Shift - Overtime .....	31	Emergency Relief Schedule .....	18, 41
4/10 Shift - Overtime Meals .....	47	Emergency Work - Definition .....	5
4/10 Shift - Participation .....	20	Employee Definitions .....	4
4/10 Shift - Personal Leave Credit .....	50	Employee Life Insurance .....	101
4/10 Shift - Rest Period .....	37	Employment Of Relatives .....	89
4/10 Shift - Schedule .....	19	Entry Rates - New Employees .....	9
9/80 Shift - Continuation Of Schedule .....	19	ESN Requirements - Temporary Upgrades .....	11
9/80 Shift - Lunch Period .....	19	Established Work Schedule .....	17
9/80 Shift - Overtime .....	31	Expenses .....	67
9/80 Shift - Overtime Meals .....	47	Extended Compensation .....	101
9/80 Shift - Participation .....	19	Extended Work Schedule - Definition .....	5
9/80 Shift - Personal Leave Credit .....	50	First Shift - Definition .....	6
9/80 Shift - Rest Period .....	37	First Shift - Shift Differential .....	14
9/80 Shift - Schedule .....	18	Flame Resistant Clothing .....	104
Alternative Work Schedules .....	18	General Manager's Hearing .....	77
Alternative Work Schedules - Overtime .....	31	General On-Call Provisions .....	24
Apprentice Electrician Instructors .....	105	Granting Merit Increases .....	11
Apprentice Wage Rates .....	12	Grievance Procedure .....	75
Automatic Resignation .....	85	Grievance Settlement .....	76
Basic and Alternative Work Schedules .....	17	Grievances .....	74
Benefits .....	91	Grievances - Informal Resolution .....	75
Bulletin Boards .....	107	Grievances - Representation .....	74
Bumping .....	86	Grievances - Time Limits .....	74
Business Meeting Expenses .....	71	Headquarters Definitions .....	4
<b>Bypass Pay - Overtime .....</b>	<b>33</b>	Holiday - District Observed .....	53
Certification Requirements For Temporary Upgrade .....	12	Holiday - Floating .....	53
Change In Lunch Period .....	23	Holiday - Observing .....	55
Change In Schedule .....	18	Holiday - Special .....	53
Change In Shift .....	21	Holiday Pay .....	33, 54
Change In Shift - Definition .....	5	Holiday Pay - District Observed Eligibility .....	53
Change Of Law .....	8	Holiday Pay - Floating Eligibility .....	54
Coffee Breaks .....	107	Holiday Pay - Premium .....	55
<b>COLA - Wages .....</b>	<b>13</b>	Holiday Pay - Special Eligibility .....	54
Commercial (Class A or B) Driver's License .....	15	Holidays .....	53
Communications Expenses .....	71	Inclement Weather .....	90
Compensatory Time Off .....	35	JATC .....	105
Conflict Of Law .....	108	Joint Labor-Management Council .....	106
Contracting Out .....	108	Jury Duty .....	59
Court Appearance .....	59	Layoff Procedure .....	86
CTO - Distribution Services .....	36	Leave For Personal Business .....	62
CTO - Earning And Using .....	35	Leave Of Absence .....	59
CTO - Eligibility .....	35	Leave Of Absence - Abuse .....	64
Death In Family .....	59	Leave Of Absence - Court Appearance .....	59
Deferred Compensation Enhancement Program .....	99	Leave Of Absence - Death In Family .....	59
Definitions .....	4	Leave Of Absence - Effects On Benefits .....	63
Demotions .....	83	Leave Of Absence - Effects On Payroll Deductions .....	64
Dental Contributions .....	98	Leave Of Absence - Election Days .....	59
Discipline .....	78	Leave Of Absence With Pay .....	59

Leave Of Absence Without Pay .....	62
Long-Term Disability.....	100
Lunch Periods .....	23
Maternity Leave .....	62
Maternity Leave - Nonmedical.....	63
Maximum Overtime .....	33
<b>Medical - Employee Contributions .....</b>	<b>93</b>
Medical - Retiree Contributions .....	95
Medical Leave.....	62
Medical Transfers .....	83
Merit Increases .....	9
Mileage Reimbursement .....	67
Military Leave Of Absence .....	64
Minimum Time - Overtime .....	36
Minimum Time Worked - Temporary Upgrade .....	11
Miscellaneous Expenses.....	72
Miscellaneous Reimbursable Expenses.....	71
Moving Expenses.....	71
Multiple Call-Outs .....	39
No Strikes, No Lockouts.....	108
Normal Work Schedule.....	17
On-Call Pay.....	24
On-Call Pay - Distribution System Operators .....	24
On-Call Pay - Foreman/woman and Fault Locator Regular On-Call.....	25
On-Call Pay - Gas Operations Classifications.....	28
On-Call Pay - Hazardous Waste Crew .....	29
On-Call Pay - Line Construction Classifications.....	25
On-Call Pay - Lineman-woman, Apprentice and Pre-Apprentice Regular On-Call.....	27
On-Call Pay - Short Notice On-Call.....	28
On-Call Pay - Supply Chain Services .....	29
On-Call Pay - Telecommunications Technicians .....	24
Organizational Membership Fees.....	71
OT Meals - Completion Of Assignment.....	46
OT Meals - Determining Eligibility .....	44
OT Meals - District Provided Meals At Work Site .....	47
OT Meals - Early Call-In .....	45
OT Meals - Eligibility .....	43, 45
OT Meals - Emergency Call Outs .....	43
OT Meals - Emergency Early Call-In .....	45
OT Meals - Intervals .....	44
OT Meals - Maximum Allowance.....	45
OT Meals - Meal Time.....	44
OT Meals - Non-workday Overtime .....	43
OT Meals - Prearranged Early Call-In .....	45
OT Meals - Prearranged or Not Prearranged.....	43
OT Meals - Qualification .....	44
OT Meals - Reimbursements.....	48
Other Fringe Benefits.....	101
Outside Employment.....	89
Overtime .....	31
Overtime - Assignments.....	33
<b>Overtime - Bypass Pay .....</b>	<b>33</b>
Overtime - Computation Of Pay .....	32
Overtime - Definitions .....	5
Overtime - Eligibility .....	31
<b>Overtime - Improper Overtime Assignments .....</b>	<b>33</b>
Overtime - Maximum Allowed.....	33
Overtime - Meals .....	43
Overtime - Minimum Time .....	36
Overtime - Shift Differential .....	15
Pay Rates.....	111
Pay Rates - Temporary Upgrades.....	11
Payday.....	9
Payment For Time Not Worked .....	13
Performance Evaluations .....	79

Personal Appearance .....	89
Personal Leave .....	49
Personal Leave - Accrual Limit.....	50
Personal Leave - Bonus.....	50
Personal Leave - Credits.....	50
Personal Leave - Earning.....	49
Personal Leave - Effect Of Holidays .....	51
Personal Leave - Emergency Conditions.....	51
Personal Leave - Full-Time Employees.....	49
Personal Leave - Non-Accrual .....	50
Personal Leave - Normal Conditions.....	51
Personal Leave - Part-Time Regular Employees .....	49
Personal Leave - Payment .....	52
Personal Leave - Payment For Unused.....	52
Personal Leave - Scheduling .....	51
Personal Tools.....	72
Personal Tools - Replacement .....	73
Personal Tools - Responsibility.....	72
Personal Vehicle Use.....	67
Personnel Files .....	78
Prearranged Overtime - Definition .....	5
Pregnancy Disability Leave.....	62
Premium Holiday Pay - Part-Time Employees.....	55
Premium Holiday Pay - Regular Employee.....	55
Professional Leave .....	61
Promotions .....	81
Promotions - Eligibility Lists .....	82
Promotions - Starting Dates.....	81
Promotions - Starting Rates.....	81
Property Access.....	103
Registration And Licensing Fees.....	71
Regular Employee - Definition.....	4
Rehire.....	85
Reinstatement.....	86
Reinstating Withheld Merit Increases .....	11
Relief Shift Employee - Definition.....	4
Religious Objections .....	7
Resignation - Automatic.....	85
Rest Period .....	36
Rest Period - Compensation .....	37
Rest Period - Requirements At End.....	37
Rest Period - Special .....	38
Return To Regular Work Schedule.....	22
Rotating Shift Employee - Definition.....	5
Rotation And Training Assignments .....	83
Safety .....	103
Salary Schedule.....	111
Second Shift - Definition.....	6
Second Shift - Shift Differential .....	14
Service Employee - Definition .....	5
Shift Change For Less Than One Workweek .....	22
Shift Change For One Workweek Or More.....	22
Shift Definitions .....	6
Shift Differential .....	14
Shift Differential - Eligibility .....	14
Shift Differential - Non-Work Time.....	15
Shift Differential - Overtime .....	15
Shift Differential - Pay .....	14
Shift Employee - Definition .....	5
Sick Leave.....	57
Sick Leave - Guidelines .....	57
Sick Leave - Incentive Plan.....	57
Sick Leave - Long-Term Disability.....	58
Sick Leave - On A Holiday .....	57
Sick Leave - Use .....	57
Sick Leave - While On Personal Leave .....	57
Special Shift Employee - Definition.....	5

Special Work Schedules.....	17
Spouse And Dependent Life Insurance .....	101
Straight-Time Pay .....	32
Subpoena.....	60
Substance Abuse Program.....	88
Successor Clause.....	107
Tax Deferred Plans.....	100
Technological Changes .....	108
Temporary Appointments .....	10
Temporary Change Of Headquarters.....	67
Temporary Change Of Headquarters - Daily Commute .....	69
Temporary Change Of Headquarters - Reimbursement .....	68
Temporary Change Of Headquarters - Training.....	70
Temporary Upgrades.....	11
Temporary Vacancies.....	12
Terms And Conditions - Continuation .....	109
Third Shift - Definition .....	6
Third Shift - Shift Differential.....	14
Time And One-Half Pay .....	32

Tower Climbing .....	107
Transfer/Promotion Process .....	82
Transfers.....	83
Transfers - Demotions.....	83
Travel Expenses .....	70
Travel Time.....	36
Union Business - Short-Term.....	61
Union Responsibilities .....	7
Union Security .....	7
Wage Premiums .....	14
Wage Rate - Assigned Lower Classification .....	12
Wage Rates .....	111
Wage Schedule Progression .....	9
<b>Wages - COLA.....</b>	<b>13</b>
Wages And Classification .....	9
Withholding Merit Increases .....	11
Work Gloves / Protective Clothing.....	103
Worksite Agreement .....	86



Vice President Rose clarified that no public comment had been received on Discussion Calendar Item 12 before the vote was taken.

Vice President Rose then turned to agenda item 14, statements from the public regarding items not on the agenda. He stated that in accordance with the Emergency Board Meeting Procedures, public comment for items not on the agenda would be provided to the Board electronically and placed into the record if received within two hours after the meeting ended.

No public comment was received for agenda item 14.

Vice President Rose then turned to Directors' Reports.

Vice President Rose reported on his attendance at the Public Utilities Pathways to Zero Carbon webinar as well as a CALSTART meetup event focused on GridTech and operational technologies to support zero carbon. He then reported on his attendance at the Fair Oaks Chicken Festival as well as the SMUD Powering Futures Scholarship virtual reception.

Director Fishman reported on his attendance at the *Sacramento Business Journal's* Corporate Citizens Awards where SMUD had received an environmental leadership award as well as his attendance at the Solano Land Trust dinner, which tries to set aside land for agricultural purposes so that it will not be developed, and he noted that SMUD's wind farms allow for grazing land, so it was nice to be able to support them. He then reported on his speaking engagement with the Slavic Chamber of Commerce as well as his attendance at a webinar about fusion energy that he found fascinating and looked forward to learning more about the subject.

Director Herber reported on her attendance, along with Cosumnes Community Services District Board Member Jaclyn Moreno, at the Elk Grove Great Pumpkin Festival. She then reported on her attendance at the Stonewall Education Event where Sacramento State President Nelson had made a \$5,000 donation toward the scholarship fund for LGBTQ students. She also reported on her attendance at the National Transgender March in Crocker Park and noted that Sacramento was one of the five locations throughout the nation that was chosen for the event. She closed by reporting on her attendance at the Climate

Justice Festival in Oak Park as well as her lunch with the President of the Elk Grove Food Bank, Dr. Singha.

Director Kerth reported on his attendance at the remembrance ceremony and induction ceremony at the Sacramento Police and Sheriff's Memorial where a monument was added for Sacramento Police Officer Tara O'Sullivan who died in the line of duty during a domestic violence dispute. He noted that it was a sad and somber event, but that we cannot let it pass without notice that those inducted into the memorial have given everything to protect us and they deserve to be remembered.

Director Tamayo reported on his attendance at the Climate Justice Festival where he had a chance to speak. He then reported on his participation in the Solar Cookers International celebration of their 25<sup>th</sup> anniversary where they received Keeling Curve Prize for their efforts to reduce greenhouse gas emissions, and he noted it was an award he would like SMUD to pursue. He also reported on his attendance at the South Sacramento Festival organized by Sacramento City Councilmember Mai Vang as well as the American Leadership Forum awards dinner where former Chief Executive Officer and General Manager Arlen Orchard received an award.

Director Sanborn reported on her attendance at the Aerospace Museum of California's We Can Do It Together event that was designed to attract young women into the different science positions. She stated she was appreciative of the time SMUD staffmember Katarina Miletijev had devoted to share her experience as an electrical engineer. She then reported on her participation in a meeting with the Mow Better group, which focuses on electrifying landscaping equipment, and thanked staff for providing a pilot program where customers could turn in their gas-powered lawnmower for an electric lawnmower and receive an instant rebate. She noted more details were available at [smud.org/lawnmower](http://smud.org/lawnmower). She then reported on her participation in planting 12 trees on Clean Air Day, along with Supervisor Rich Desmond and the Kiwanis Club of Carmichael, and thanked the Sacramento Tree Foundation and staff for their assistance with the event. She also reported on her attendance at

the American Leadership Forum awards dinner. She closed by reporting on her tour of the Lion Electric Company electric bus facility at McClellan Business Park and noted it was exciting to have that kind of facility in our region.

Paul Lau, Chief Executive Officer and General Manager, reported on the following items:

- 1) **Patent.** I will begin my remarks by recognizing the SMUD employees who worked together to invent a computer software system that analyzes smart meter data. I do not use the word “invent” lightly - the tool they created was officially patented in August by the U.S. Patent and Trademark Office. This is just the fourth time in SMUD’s 75-year history that we have a received a patent for new innovations. The inventors have joined us virtually - Remington Clark and Sheikh Hassan, along with the plaques certifying U.S. Patent No. 11,092,629. Their patented invention helps SMUD, and potentially other utilities, save time and money and help prevent customer outages. For example, the software system can analyze the data from a smart meter to determine if the meter is connected to a site where power theft is occurring. Software allows data to be collected overnight and gives employees in several departments, including Revenue Protection and the Meter Shop, the information needed to do their work. The new tool performs so well that last year we were able to disconnect a power theft detection service we were paying for and use our homegrown solution instead. The patent also gives SMUD the opportunity to monetize a new product. Again, congratulations to these inventors. We are all proud of your work.
- 2) **Director of Diversity, Equity and Inclusion.** For my next item, I am pleased to report that we have extended an offer to fill our newly created Director of Diversity, Equity and Inclusion. Our rigorous nationwide search attracted more than 190 candidates

for the director's position, who will report to Chief Diversity Officer Gary King. Our recent realignment restructured SMUD to position our organization to support the 2030 Zero Clean Energy Plan and embed diversity, equity, inclusion and belonging in all we do. I know there is interest in the name and credentials of the person we have extended the offer to. We will have a formal announcement as soon as we have completed the pre-employment due diligence steps for the hiring process.

- 3) **Storms.** A series of storms hitting Northern California the next several days are expected to bring heavy precipitation to the Sacramento region and the Sierra Nevada. In fact, one report predicted that this will be one of the wettest Octobers on record. This is a welcome news for our parched state and for SMUD's hydroelectric outlook as 2021 has been California's driest year in a full century. The biggest part of the storm is expected to hit Saturday afternoon and continue into Tuesday. Wind gusts are not expected to be as strong as we have seen in recent wind-related events. As always, our field crews and other staff are ready and prepared to respond to any challenges that may arise.

- 4) **Corporate Champion for Environmental Preservation & Sustainability Award.** My last item concerns the Corporate Champion for Environmental Preservation & Sustainability Award SMUD recently received from the *Sacramento Business Journal*. The *Business Journal's* Corporate Citizenship Awards program honors local businesses and nonprofits who are dedicated to giving and volunteering in the community. We received the Environmental Preservation & Sustainability Award in large part for our 2030 Zero Carbon Plan, and our efforts to bring environmental equity to all our customers.

5) **Board Video.** Tonight's Board video looks at SMUD's commitment to ensure reliable and affordable electric service for our customers and community while working toward our 2030 Zero Carbon Plan.

Vice President Rose requested the Summary of Board Direction, but there were no items.

No further business appearing, Vice President Rose adjourned the meeting at 6:43 p.m.

Approved:

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Vice President

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Secretary

# Exhibit to Agenda Item #13

Approve a Memorandum of Understanding between the Sacramento Municipal Utility District and the International Brotherhood of Electrical Workers Local Union 1245 for the period January 1, 2022, through December 31, 2025.

Board of Directors Meeting

Thursday, October 21, 2021, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)



# Agenda

- Outcomes Achieved through Negotiations with the International Brotherhood of Electrical Workers (IBEW) Local 1245
- Key Terms of the Proposed Memorandum of Understanding (MOU) between SMUD and the IBEW
- Summary & Request for Approval of IBEW Successor MOU

# Outcomes Achieved

- Represents a fair and financially responsible outcome for SMUD, our customers, and the IBEW employees:
  - Meets SMUD's financial targets
  - Maintains competitive pay with a total compensation package to attract and retain a safe and engaged IBEW workforce
- Preserves positive relations with the IBEW Local 1245

# IBEW Proposed MOU

- Ratified by the IBEW on Oct. 8:
  - 400 voted were counted (77% of membership cast ballots)
  - Overwhelming support: 88% 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 IBEW bargaining unit employees will be eligible for the general wage increase each year.

# Wages (continued)

## Equity Adjustments in 2022:

- Lineworker Series: 11%
- Electrical Technician Series: 7%
- Cable Splicer/Electrician Series: 3%
- Cable Splic/Elec Construction Frmn/Wmn job class: 2.5%
- Substation Construction Frmn/Wmn job class: 2.5%

For IBEW bargaining unit employees in select job classifications, due to sharp increases in market rate and the associated tight labor market with these job classifications.

# Wages (continued)

## 2-Tier Job Classifications

IBEW employees in the following classifications, hired on or after 1/1/2013 at the Open Class wage, will be eligible for annual wage increases to reach the Closed Class wage by 2025:

- Power System Operator Series
- Distribution System Operator Series
- Hydro Operator Series
- Line Equipment Operator job class
- Materials Specialist III & IV job classes



# Wages (continued)

- Double time for all overtime, starting in 2022 in exchange for travel time no longer being paid on employee alternate day off (ADO) or Saturday.
- Pay increase for short notice on-call on Saturdays, Sundays, and SMUD-paid holidays
- Wage premium increases:
  - Commercial Class A or B
  - Certified Asbestos Workers
  - Crane Certification

# Health Care Benefits

- Medical Premium % Employee Cost Sharing will remain at 12.5% (the 2021 % cost sharing) for the HMO plans for the term of this successor MOU

# Deferred Compensation Benefits

SMUD's contributions to IBEW employee deferred compensation accounts will increase as follows:

- As of 2022, SMUD will match an eligible IBEW employee's contributions up to \$1200 each year.
- SMUD will make additional direct contributions to eligible PEPRA CalPERS employees (hired as of 1/1/13) starting in 2022, with a range of \$25 more per month up to \$100 per month (more than Classic CalPERS employees) by 2025, depending upon an employee's years of service.

## In Summary

This successor MOU between SMUD and the IBEW:

- Represents a fair and financially responsible outcome for SMUD, our customers, and the IBEW employees:
  - Meets SMUD's financial targets
  - Maintains competitive pay with a total compensation package to attract and retain a safe and engaged IBEW workforce
- Preserves positive relations with the IBEW Local 1245



# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
Finance & Audit – 11/16/21

Board Meeting Date  
November 18, 2021

TO					TO				
1.	Robert Adams				6.	Scott Martin			
2.	Casey Fallon				7.				
3.	Jennifer Davidson				8.				
4.	Gary King				9.	Legal			
5.	Lora Anguay				10.	CEO & General Manager			

<b>Consent Calendar</b>	<input checked="" type="checkbox"/>	<b>Yes</b>	<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	<input checked="" type="checkbox"/>	<b>Yes</b>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR)	DEPARTMENT			MAIL STOP	EXT.	DATE SENT	
Andrew McDermott	Procurement			B357	5862	11/01/21	

**NARRATIVE:**

**Requested Action:** Approve Contract Change No. 6 to Contract No. 4500057661 with Leading Resources, Inc. to extend the contract expiration date from December 31, 2021, to December 31, 2024, to allow for continuity of consulting support for the SMUD Board.

**Summary:** This contract was awarded on a competitive basis to Leading Resources, Inc. in January 2009 pursuant to Board Resolution No. 08-12-19. The original contract was awarded for the period from January 1, 2009, to December 31, 2011, for a not-to-exceed amount of \$200,000. Board Resolution No. 11-12-16 approved Contract Change No. 1 to extend the contract expiration date to December 31, 2012, and increased the contract amount by \$60,000, for a new not-to-exceed amount of \$260,000. Board Resolution No. 12-10-06 approved Contract Change No. 2 to extend the contract expiration date to December 31, 2013. Board Resolution No. 13-11-04 approved Contract Change No. 3 to extend the contract expiration date to December 31, 2015. Board Resolution No. 15-09-02 approved Contract Change No. 4 to extend the contract expiration date to December 31, 2018. Board Resolution No. 18-12-17 approved Contract Change No. 5 to extend the contract expiration date to December 31, 2021, and to increase the contract amount by \$400,00, for a new not-to-exceed amount of \$660,000, to allow for continuity of consulting support for Board Strategic Directives. Contract Change No. 6 is requested to extend the expiration date by three years from December 31, 2021, to December 31, 2024, to provide facilitation and consulting services to the SMUD Board of Directors.

Currently, the contract balance is approximately \$337,000.

Contract Actions	Amount	Cumulative Amount	Description
Original Contract	\$200,000	\$200,000	Original Award
Change No. 01	\$60,000	\$260,000	Extended and increased
Change No. 02	\$0	\$260,000	Extended
Change No. 03	\$0	\$260,000	Extended
Change No. 04	\$0	\$260,000	Extended
Change No. 05	\$400,000	\$660,000	Extended and increased
Pending Change No. 06	\$0	\$660,000	Extends
Total Revised Contract	\$660,000	\$660,000	

**Board Policy:**

(Number & Title)

**Benefits:** Allows the Board to continue to realize the benefits of Leading Resources, Inc.'s expertise which is also informed by previous consulting work on SMUD Strategic Directives.

**Cost/Budgeted:** No increase.

**Alternatives:** Release a new competitive solicitation; however, there is a risk of lapse in consulting services during the solicitation process.

**Affected Parties:** Board President and CEO/GM

**Coordination:** Board President and CEO/GM

**Presenter:** President Bui-Thompson



**Additional Links:**

SUBJECT	<b>Contract Change No. 6 for Leading Resources, Inc. (Board Consultant Services)</b>	ITEM NO. (FOR LEGAL USE ONLY) <b>5</b>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, by Resolution No. 08-12-19, adopted December 18, 2008, this Board authorized the General Manager and CEO to execute a contract with **Leading Resources, Inc. (Leading Resources)** to provide facilitation and consulting services to the SMUD Board, in an amount not to exceed \$200,000.00, for the two-year period from January 1, 2009, through December 31, 2011; and

**WHEREAS**, by Resolution No. 11-12-16, adopted December 15, 2011, this Board executed Change Order No. 1 to Contract No. 4500057661 extending the term of the contract through December 31, 2012, and increasing the contract amount by \$60,000.00 to a not to exceed amount of \$260,000.00; and

**WHEREAS**, by Resolution No. 12-10-06, adopted October 18, 2012, this Board executed Change Order No. 2 to Contract No. 4500057661 extending the term of the contract through December 31, 2013, with no increase in the contract amount; and

**WHEREAS**, by Resolution No. 13-11-04, adopted November 7, 2013, this Board executed Change Order No. 3 to Contract No. 4500057661 extending the term of the contract through December 31, 2015, with no increase in the contract amount; and

**WHEREAS**, by Resolution No. 15-09-02, adopted September 3, 2015, this Board executed Change Order No. 4 to Contract No. 4500057661 extending the term of the contract through December 31, 2018, with no increase in the contract amount; and

**WHEREAS**, by Resolution No. 18-12-17, adopted December 20, 2018, this Board executed Change Order No. 5 to Contract No. 4500057661 extending the term of the contract for three years from January 1, 2019, through December 31, 2021, and to

increase the contract amount by \$400,000 for a not-to-exceed amount of \$660,0000;  
and

**WHEREAS**, it is in the best interest of SMUD to extend the contract for an additional three-year period for continuity purposes; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board hereby authorizes the Board President, or her designee, to execute Change Order No. 6 to Contract No. 4500057661 with **Leading Resources, Inc.** to extend the term of the contract for three years from December 31, 2021, to December 31, 2024, to allow for continuity of consulting support for the SMUD Board.



SSS No. LEG 2021-0137

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
Finance & Audit – 11/16/21  
Board Meeting Date  
November 18, 2021

TO					TO						
1.	Gary King				6.						
2.	Jennifer Davidson				7.						
3.	Lora Anguay				8.						
4.	Scott Martin				9.	Legal					
5.					10.	CEO & General Manager					
Consent Calendar		X	Yes	No If no, schedule a dry run presentation.		Budgeted		X	Yes	No (If no, explain in Cost/Budgeted section.)	
FROM (IPR) Joe Schofield				DEPARTMENT Office of the General Counsel				MAIL STOP B406		EXT. DATE SENT 5446 09/28/21	
<b>NARRATIVE:</b>											
<p><b>Requested Action:</b> Select a preferred redistricting map adjusting SMUD's political ward boundaries for presentation at the December 15, 2021, Public Workshop.</p> <p><b>Summary:</b> The Municipal Utility District (MUD) Act and Elections Code require that the Board adjust SMUD's ward boundaries every 10 years following the release of data by the Census Bureau. SMUD is required to complete its redistricting effort no later than April 17, 2022 (recently adjusted by SB 594). Consistent with state and federal law, the SMUD Board adopted redistricting criteria at the July 15, 2021, Board meeting and identified public workshop schedules for late October/early November and late November/early December (November 4, 2021, and December 15, 2021).</p> <p>With input from the Board, staff developed two preliminary alternative maps for review by the public. SMUD notified all customers and more than 200 community organizations of the November 4, 2021, public workshop and created a webpage for the 2021 Redistricting process on smud.org which provides redistricting information, copies of the preliminary alternative maps, as well as other tools and information. The Board is expected to adopt a final redistricting map at the January 20, 2022, Board meeting.</p> <p><b>Board Policy:</b> Governance Process GP-3, Board Job Description – j) Take such other actions as may be required by law. (Number &amp; Title)</p> <p><b>Benefits:</b> Comply with state and federal requirements; assure equitable voting for Directors consistent with changes in population. Selection of a preferred map will focus the December 15<sup>th</sup> public workshop and allow staff to make refinements necessary to meet the January 20<sup>th</sup> deadline.</p> <p><b>Cost/Budgeted:</b> Contained in the Corporate/Legal Budget – most costs are for internal labor.</p> <p><b>Alternatives:</b> None – action must be taken to comply with the law.</p> <p><b>Affected Parties:</b> SMUD, Board of Directors, Public</p> <p><b>Coordination:</b> Executive Office, Board Office, Legal Department, Community Engagement, Sustainable Communities, Distribution Planning &amp; Operations, IT, and Marketing &amp; Corporate Communications</p> <p><b>Presenter:</b> Joe Schofield, Deputy General Counsel</p>											
<b>Additional Links:</b>											
SUBJECT Select Preferred Redistricting Map								ITEM NO. (FOR LEGAL USE ONLY) <b>6</b>			

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, the Municipal Utility District (MUD) Act and Elections Code require that the Board adjust SMUD's ward boundaries every 10 years following the release of data by the U.S. Census Bureau; and

**WHEREAS**, SMUD is required to complete its redistricting effort no later than April 17, 2022; and

**WHEREAS**, consistent with state and federal law, the SMUD Board adopted redistricting criteria at its July 15, 2021, Board meeting and identified public workshop schedules for late October/early November (November 4, 2021) and late November/early December (December 15, 2021); and

**WHEREAS**, with input from the Board, staff prepared two preliminary maps for review by the public; and

**WHEREAS**, SMUD notified all customers as well as more than 200 community organizations of the November 4, 2021, and December 15, 2021, public workshops, uploaded information about SMUD's redistricting process, including the proposed maps, to the SMUD website; and

**WHEREAS**, SMUD held the first public workshop and has received and considered comment from members of the Board and from the public; and

**WHEREAS**, Draft Preliminary Map – Option 1 would unite the Rio Linda area within a single Ward and would unite within a single Ward central areas of Folsom; and

**WHEREAS**, the Board is expecting to adopt final ward boundaries at the January 20, 2022, Board meeting; and



**WHEREAS**, selecting a preferred map would help focus public comment toward the refinement and approval of a final map; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** That this Board selects the SMUD ward boundary map set forth in **Attachment** \_\_\_\_ to present at the December 15, 2021, public workshop for public comment.



SSS No.

Cyber 21-001

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
Policy, November 17, 2021  
Board Meeting Date  
November 18, 2021

TO				TO			
1.	Antiwon Jacobs			6.	Farres Everly		
2.	Claire Rogers			7.			
3.	Jennifer Davidson			8.			
4.	Stephen Clemons			9.	Legal		
5.	Brandy Bolden			10.	CEO & General Manager		
Consent Calendar	X	Yes	No If no, schedule a dry run presentation.	Budgeted	Yes	X	No (If no, explain in Cost/Budgeted section.)
FROM (IPR)		DEPARTMENT		MAIL STOP		EXT.	
David Bitter		Cybersecurity		E114		6901	
						DATE SENT	
						11/5/2021	

### NARRATIVE:

**Requested Action:** Accept the monitoring report for Strategic Direction SD-16, Information Management and Security.

**Summary:** Present the 2020-2021 Board Monitoring Report for SD-16, Information Management and Security.

**Board Policy:** SD-16, Information Management and Security.  
(Number & Title)

**Benefits:** Provides an update to the Board of Directors on the progress and status of the Information Security, Privacy and Records Management programs.

**Cost/Budgeted:** N/A

**Alternatives:** N/A

**Affected Parties:** SMUD

**Coordination:** Cybersecurity

**Presenter:** Antiwon Jacobs, Jennifer Jackson, Rob Lechner

### Additional Links:

SUBJECT

Strategic Direction SD-16, Information Management and Security

ITEM NO. (FOR LEGAL USE ONLY)

7

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

# SACRAMENTO MUNICIPAL UTILITY DISTRICT

## OFFICE MEMORANDUM

**TO:** Board of Directors

**DATE:** November 9, 2021

**FROM:** Claire Rogers *CR 11/9/21*

**SUBJECT: Audit Report No. 28007346  
Board Monitoring Report; SD-16: Information Management and Security**

Audit and Quality Services (AQS) received the SD-16 *Information Management and Security* 2021 Annual Board Monitoring Report and performed the following:

- A review of the information presented in the report to determine the possible existence of material misstatements;
- Interviews with report contributors and verification of the methodology used to prepare the monitoring report; and
- Validation of the reasonableness of a selection of the report's statements and assertions.

During the review, nothing came to AQS' attention that would suggest the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

**CC:**

- Paul Lau

# Board Monitoring Report 2021

## SD-16, Information Management and Security



### 1) Background

Strategic Direction Information Management and Security Policy states that:

Proper management of cyber and physical information, as well as physical security, is a core value. Robust information management and physical security practices are critical to effective risk management and to ensure regulatory compliance, business resiliency and customer satisfaction. SMUD shall take prudent and reasonable measures to accomplish the following:

- a) **Information Security:** SMUD will protect customer, employee and third-party information, and SMUD information systems are protected from unauthorized access, use, disclosure, disruption, modification, or destruction.
- b) **Physical Security:** SMUD will safeguard its employees while at work as well as customers and visitors at SMUD facilities. SMUD will also protect its facilities and functions that support the reliability of the electric system and overall operation of the organization from unauthorized access or disruption of business operations.
- c) **Customer Privacy:** SMUD will annually notify customers about the collection, use and dissemination of sensitive and confidential customer information. Except as provided by law or for a business purpose, SMUD will not disseminate sensitive and confidential customer information to a third party for non-SMUD business purposes unless the customer first consents to the release of the information. Where sensitive and confidential information is disseminated for a business purpose, SMUD will ensure: (i) the third party has robust information practices to protect the sensitive and confidential customer information, and (ii) use of the information by the third party is limited to SMUD's business purpose. SMUD will maintain a process that identifies the business purposes for which SMUD will collect, use and disseminate sensitive and confidential customer information.
- d) **Records and Information Management:** SMUD will maintain the efficient and systematic control of the creation, capture, identification, receipt, maintenance, use, disposition, and destruction of SMUD records, in accordance with legal requirements and Board policies.

### 2) Executive summary

a) The Information Security, Physical Security, Privacy, and Records and Information Management programs and initiatives align directly with the “Value Our Customers and Community” and “Operational Excellence” points on SMUD’s North Star. These programs work towards ensuring that SMUD continues to be a good steward over customer information, physical security, privacy, and records in accordance with our customers’ high expectations.

**b) SMUD is substantially in compliance with SD-16 Information Management and Security Policy.**

c) Summary:

<b>SD Requirement</b>	<b>Program/initiative /policy</b>	<b>Purpose</b>	<b>Outcome</b>	<b>Notes</b>
Information Security: protect systems and information from unauthorized access	Information security program; AP 07.03.01 Information Security Concepts and Roles	Protect systems and information; provide policy supporting the Cybersecurity program	Closed door briefing to be held in November	Discuss security controls and processes in place to protect people, processes and technology
Customer Privacy: Annually notify customers about use of information	Annual notice of privacy practices	Notify customers of our privacy practices	Notice sent in the May bill package	Language updated to clarify when SMUD seeks customer consent
Customer Privacy: Ensure security where data is shared	System Security Plans and SOC 2 audit reports requirement	Evaluate the information practices and security controls of third parties	High confidence that vendors are using best practices to protect SMUD sensitive and confidential information	
Customer Privacy: Maintain a process that identifies purposes for information	Data Sharing Policy, Data Sharing Request/Approval Process	Track NDAs, the data being shared, and the business justification for sharing	Data Sharing process is being observed and maintained	



collection and dissemination				
Records & Information Management: Identify and manage records and information	Records Evaluations	Evaluate and classify records and ensure retrieval, disposal and protection.	On-track to meet 5-year plan of completing evaluations for entire enterprise.	
Records & Information Management: Ensure all information systems are compliant with RIM requirements and best practices.	Information System Evaluations	Review of software tools housing SMUD data and information.	Evaluate software tools for RIM compliance	RIM being added to software purchase process.
Records & Information Management: Education	Ongoing Enterprise training and Records Custodian Forums	Provide training to all of SMUD, with focused efforts on the Records Custodians	Annual training provided to all employees, with supplemental support, as needed. Also quarterly focused support for Records Custodians.	
Physical Security: safeguard employees, customers, and visitors	AP 06.03.01 Increase interoperability with local law enforcement agencies during critical incidents	Protect SMUD employees and those who visit SMUD facilities	Completing project to facilitate direct radio contact with local law enforcement agencies	SMUD Security Operations Supervisors and Dispatchers communicate in the field and via dispatch 24/7
Physical Security: protect SMUD facilities	AP 06.03.01 Physical Security Assessment(s) of SMUD physical properties and assets	Protect SMUD campuses and grid facilities through assessment and implementation of security-	Security Operations personnel continue to provide security evaluations for SMUD real properties.	Third-party Risk, Threat, and Vulnerability Analysis scheduled to begin Q1 2022

		industry best practices		
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### 3) Additional supporting information

#### **Information Security**

**SMUD, customer, employee and third-party information and SMUD information systems are protected from unauthorized access, use, disclosure, disruption, modification, or destruction.**

The Chief Innovation and Information Officer's (CIIO) Cybersecurity group, under the direction of the Chief Information Security Officer, continues adoption of the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) to establish prudent and reasonable measures intended to protect SMUD's operations from a cyber-attack, disruption and other threats to enterprise technologies, processes and information. The CSF has five core functions (Identify, Protect, Detect, Respond, and Recover) which comprise both administrative and technical controls to effectively manage information and cybersecurity risk. Cybersecurity is actively working to implement the CSF measures to enhance information management and security risk management practices and processes in support of SD-16. Cybersecurity will highlight the cybersecurity capabilities provided in an update to the board for SD-16 during an upcoming closed session.

#### **Physical Security**

**SMUD will safeguard its employees while at work as well as customers and visitors at SMUD facilities.**

Physical Security worked with the Sacramento County Sheriff's Department to obtain permission to utilize the Sacramento Regional Radio Communications System (SRRCS) in order to communicate directly with law enforcement agencies throughout SMUD's service territory in the valley. This addition of a communications system that links directly to local law enforcement will facilitate nearly instantaneous responses from the agencies in the area when a critical incident occurs. This project is part of an overarching effort to better integrate with Local Law Enforcement Agencies (LLEA's) who can provide the most effective support during critical incidents to ensure employee and visitor safety.

**SMUD will also protect its facilities and functions that support the reliability of the**

**electric system and overall operation of the organization from unauthorized access or disruption of business operations.**

Physical Security worked with a cross departmental group of stakeholders to put together a comprehensive risk report that outlined the existing vulnerabilities of the current Physical Access Control System, which is the first line of defense for protecting the bulk electrical system. This risk assessment was distributed to stakeholder directors and regulatory compliance. This document was authored to align with the NIST Cybersecurity Framework to assess the controls that are currently in place.

Physical Security is currently working on a project to provide the entire HQ Campus with a Risk, Threat, and Vulnerability Analysis (RTVA) conducted by a third party to examine the overall security posture as it currently exists. This RTVA will prove to be an invaluable tool to allow for the identification and mitigation of security-centric issues.

Security Operations personnel has also worked with the Substations team to formulate a process for continuously evaluating the security posture at substations throughout the valley. Security evaluations are conducted by Officers on patrol to ensure that the integrity of each inspected substation is maintained and then documented in a Security Operations repository.

**Customer Privacy**

**SMUD will annually notify customers about the collection, use and dissemination of sensitive and confidential customer information.**

SMUD sent out our annual privacy notice via email and as a bill insert to customers during the May bill cycle. The notice was updated this year to clarify we will ask for consent prior to using customer data for non-SMUD business purposes. The notice is otherwise very similar to previous years and continues to include plain language regarding SMUD's collection, use, and release of customer sensitive and confidential information, the business purposes for which customer information is used, as well as a reaffirmation of SMUD's commitment to customer privacy.

**Except as provided by law or for a business purpose, SMUD will not disseminate sensitive and confidential customer information to a third party for non-SMUD business purposes unless the customer first consents to the release of the information.**

No sensitive and confidential customer information has been sent to a third party for non-SMUD business purposes this year.

**Where sensitive and confidential information is disseminated for a business purpose, SMUD will ensure: (i) the third party has robust information practices to protect the sensitive and confidential customer information, and (ii) use of the information by the third party is limited to SMUD's business purpose.**

Cybersecurity and Procurement continue to follow a formalized supply chain risk management process, in compliance with NERC CIP requirements. The process is aligned to the NIST Cybersecurity Framework (CSF) and is reviewed on at least an annual basis to ensure it is functioning as designed and incorporates lessons learned as new procurements follow the process. The process includes a mandatory procurement requirement for vendors to allow the Cybersecurity team to evaluate the security posture of a proposed vendor solution. The American Institute of CPAs (AICPA) Service Organization Control 2 (SOC 2) Type 2 continues to be our procurement standard as it is an independent assessment focused on a solution's security controls which includes tests of the security controls' efficacy. SOC 2 Type 2 reports provide staff confidence that vendor security controls are robust and sufficient to protect SMUD information. Contract and non-disclosure agreement language is used to provide assurance that SMUD provided sensitive and confidential information will not be used for any unapproved purposes.

**SMUD will maintain a process that identifies the business purposes for which SMUD will collect, use and disseminate sensitive and confidential customer information.**

MP 07.03.01.122 - Data Sharing requires an approved data sharing request prior to sharing information with a third party for SMUD business purposes. The request form requires the identification of the data categories to be shared and the business justification that requires the sharing of data. This facilitates an approval process which includes the requester's management, Supply Chain, the Data Governance Program Manager, the data owner(s), and Cybersecurity. There were no significant changes to the process this year.

### **Records and Information Management**

**The efficient and systematic control of the creation, capture, identification, receipt, maintenance, use, disposition, and destruction of SMUD records, in accordance with legal requirements and Board policies.**

The Records and Information Management (RIM) Program is making continued progress toward our 5-year plan of completing record evaluations for all business areas; we are currently in year 3, and projecting completion by year 5. We have streamlined our evaluation processes to make the identification of gaps, and implementation of compliant solutions, easier and faster. These changes provide us with a high level of confidence that SMUD records will be identified and managed appropriately once this effort is complete.

The RIM Program successfully implemented MP 07.02.01.102, Electronic Communications Retention, around management of emails, chats and electronic recordings.

The RIM program is continuing to partner with IT to review and support new software integrations to ensure they meet records policies and information management requirements. This is imperative as new software often produces and stores records outside of official repositories. RIM is being added to the purchase approval process to support this effort.

The RIM Program continues to collaborate with the Microsoft 365 Governance Oversight team, Cybersecurity, the CIP Program, Data Governance, and other business partners to ensure compliance with records policies and information management requirements.

#### **4) Challenges**

##### **Information Security**

As the news continues to keep cybersecurity threats and data breaches at the top of mind for people, legislators and regulators continue to look at ways they can appease constituents by proposing new and revised compliance requirements. SMUD Cybersecurity is actively engaged in understanding and managing compliance activities related to these legal and regulatory requirements.

Our PCI compliance related transaction volumes continue to increase, although SMUD is still a Level 2 Merchant. SMUD is again compliant this year as determined by an independent third-party PCI Qualified Security Assessor. Our required assessment documents were submitted to Chase Paymentech in July.

The Cybersecurity team continues to ensure compliance with updated Critical Infrastructure Protection (CIP) standards as well. This year SMUD commissioned an independent assessment team to perform a mock audit of our compliance with the CIP standards. The team worked with internal and external stakeholders to ensure our

ability to demonstrate compliance to the standards to prepare for our official audit scheduled for Q3 2022.

In addition to the compliance related work that results from the breaches in the news, SMUD Cybersecurity has also continued to mature our Incident Response capabilities, now a part of a larger Cybersecurity Emergency Operations Program (CEOP). The CEOP published an Enterprise Cybersecurity Incident Response Plan (CIRP) in April 2021 and conducted SMUD's first enterprise-wide cybersecurity incident response exercise in August 2021. The program plan met all test objectives and validated capabilities in place to respond to a cyber incident. In the past, SMUD only tested cyber incident response capability for its North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection (CIP) regulated environment.

### **Physical Security**

Physical Security is the first line of defense to safeguard SMUD's employees and visitors, as well as SMUD's assets, facilities, and infrastructure. Due to our 'open campus' construct, Physical Security will continue to experience challenges in preventing unauthorized persons from entering SMUD property and buildings. Physical Security continues working to limit unauthorized physical access to SMUD.

Security's role of 'First Responder' to cyber incidents is reinforced through training, mentorship on the job by senior officers, and a thorough understanding of the processes and procedures that provide understanding of SMUD's needs during a possible cyber incident. Through a constant improvement process, the need to replace our current system that is used to monitor, detect, and respond to possible events occurring throughout the SMUD enterprise was identified. Via that same process, the current security-centric policies were identified as being in need of refinement and a better communication of those policies and procedures to all SMUD employees was highlighted.

### **Customer Privacy**

SMUD continues to see requests for SMUD customer data to be used and shared for additional purposes and programs, including customer personally identifiable information (PII). Requests for such data have come from internal programs, state agencies and vendors. SMUD's Data Sharing Policy and process are in place to provide request tracking and approval to ensure that all sharing of PII is authorized and performed using a secure transfer mechanism.



## 5) **Recommendation**

It is recommended that the Board accept the Monitoring Report for SD-16 Information Management Policy Monitoring Report.

## 6) **Appendices**

Definitions and acronyms:

NIST – National Institute of Standards and Technology

CSF – Cybersecurity Framework

RTVA – Risk, Threat, and Vulnerability Assessment

LLEA – Local Law Enforcement Agency

SRRCS – Sacramento Regional Radio Communications System

CEOP – Cybersecurity Emergency Operations Program

CIRP – Cybersecurity Incident Response Plan

RESOLUTION NO. \_\_\_\_\_

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-16,**  
**Information Management and Security**, substantially in the form set forth in  
**Attachment \_\_\_\_\_** hereto and made a part hereof.



SSS No. TR21-005	<h1 style="margin: 0;">BOARD AGENDA ITEM</h1> <h2 style="margin: 0;">STAFFING SUMMARY SHEET</h2>	Committee Meeting & Date Policy – 11/17/21 Board Meeting Date November 18, 2021

TO					TO				
1.	Russell Mills	6.							
2.	Brandy Bolden	7.							
3.	Farres Everly	8.							
4.	Jennifer Davidson	9.	<b>Legal</b>						
5.	Stephen Clemons	10.	<b>CEO &amp; General Manager</b>						
<b>Consent Calendar</b>		<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b> <i>If no, schedule a dry run presentation.</i>		<b>Budgeted</b>	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Toni Hoang			DEPARTMENT Treasury and Risk Management			MAIL STOP B355	EXT. 6532	DATE SENT 10/25/21	
<b>NARRATIVE:</b>									
<p><b>Requested Action:</b> Accept the monitoring report for Strategic Direction SD-17, Enterprise Risk Management.</p> <p><b>Summary:</b> The Enterprise Risk Management Report summarizes the activities that have occurred since the December 2020 annual report. The report includes historical risk profiles of enterprise risks which are not currently within management's risk objectives, the 2022 mitigation strategies and a current residual risk exposure status of all identified enterprise risks.</p> <p><b>Board Policy:</b> <i>(Number &amp; Title)</i> SD-17 Enterprise Risk Management. Effectively balancing and managing risk to further SMUD's policy and business goals is a core value of SMUD. SMUD will implement and maintain an integrated enterprise risk management process that identifies, assesses, prudently manages and mitigates a variety of risks facing SMUD, including financial, supply, operational, physical and cyber security, climate change, legal, legislative and regulatory, and reputational risk.</p> <p><b>Benefits:</b> SD-17 Enterprise Risk Management. Effectively balancing and managing risk to further SMUD's policy and business goals is a core value of SMUD. SMUD will implement and maintain an integrated enterprise risk management process that identifies, assesses, prudently manages and mitigates a variety of risks facing SMUD, including financial, supply, operational, physical and cyber security, climate change, legal, legislative and regulatory, and reputational risk.</p> <p><b>Cost/Budgeted:</b> N/A</p> <p><b>Alternatives:</b> N/A</p> <p><b>Affected Parties:</b> Board of Directors, Customers, Employees, SMUD Operations</p> <p><b>Coordination:</b> Enterprise Risk Management activities are closely coordinated enterprise-wide throughout SMUD.</p> <p><b>Presenter:</b> Toni Hoang</p>									
<b>Additional Links:</b>									

SUBJECT Strategic Direction SD-17, Enterprise Risk Management	ITEM NO. (FOR LEGAL USE ONLY) <span style="font-size: 24pt; color: blue;">8</span>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

# SACRAMENTO MUNICIPAL UTILITY DISTRICT

## OFFICE MEMORANDUM

**TO:** Board of Directors

**DATE:** November 9, 2021

**FROM:** Claire Rogers *CR 11/9/21*

**SUBJECT: Audit Report No. 28007347  
Board Monitoring Report; SD-17: Enterprise Risk Management**

Audit and Quality Services (AQS) received the SD-17 *Enterprise Risk Management* 2021 Annual Board Monitoring Report and performed the following:

- A review of the information presented in the report to determine the possible existence of material misstatements;
- Interviews with report contributors and verification of the methodology used to prepare the monitoring report; and
- Validation of the reasonableness of a selection of the report's statements and assertions.

During the review, nothing came to AQS' attention that would suggest the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

**CC:**

Paul Lau

# Board Monitoring Report 2021

## SD-17, Enterprise Risk Management



### 1. Background

Strategic Direction 17 states that:

Effectively balancing and managing risk to further SMUD's policies and business goals is a core value of SMUD.

Therefore:

SMUD will implement and maintain an integrated enterprise risk management process that identifies, assesses, prudently manages, and mitigates a variety of risks facing SMUD, including financial, supply, operational, physical, and cyber security, climate change, legal, legislative, and regulatory, and reputational risk.

### 2. Executive summary

- a) SMUD strategically manages risk to proactively reduce the chance of loss, identify and take advantage of opportunities to create greater financial stability and protect our resources to support SMUD's mission and create value for our customers.
- b) **SMUD is in compliance with the Board's Strategic Direction 17 (SD-17) Enterprise Risk Management.**
- c) SMUD continues to maintain an integrated Enterprise Risk Management (ERM) Program. The program was evaluated by a third party and a plan is being developed to implement recommendations to support the achievement of the Board's Strategic Directions.

SMUD's ERM program continues to integrate risk management best practices to support decision making in key business processes. This year we have expanded the reliance on the risk framework for prioritization, planning, and budgeting.

Since the 2020 Annual Monitoring Report, staff continues to review SMUD's portfolio of risks. The Year-on-Year Residual Risk Exposure results are summarized as follows:

			Nov. 2019	Dec. 2020	Nov. 2021
✓	"Red":	Extremely High Residual Exposure	(0)	(0)	(0)
✓	"Orange":	High Residual Exposure	(4)	(4)	(5)
✓	"Yellow":	Medium Residual Exposure	(33)	(36)	(40)
✓	"Green":	Low Residual Exposure	(40)	(38)	(38)
✓	"Blue":	Extremely Low Residual Exposure	(0)	(0)	(0)
			<b>(77)</b>	<b>(78)</b>	<b>(83)</b>

Since the 2020 Board Monitoring Report, there has been 5 new risks added to the enterprise risk portfolio. Staff continues to implement risk mitigation strategies to balance residual risk exposures. Some risks, while medium or "yellow" are within the risk management goal. There are currently 46 risks, shown in the last two lines of the table, which are within the risk management goal.

Attachment A outlines the actions that will be taken to address risks that are not at target.

Current Residual Risk Exposure	Risk Management Goal	Number of Risks
Orange “high”	Yellow “medium”	5
Yellow “medium”	Green “low”	32
Yellow “medium”	Yellow “medium”	8
Green “low”	Green “low”	38

SMUD’s enterprise-wide risk exposure is a medium/high. SMUD’s ambitious 2030 goal, evolving technologies, the increasing pace of change in the utility business environment, skilled workforce scarcity, and increased legislative/regulatory requirements are key components that could impact SMUD’s risk profile in the upcoming years. Staff continues identify risks and implement initiatives to mitigate and manage risks appropriately.

### 3. Additional Supporting information:

#### a) Summary of 2021 activities

In 2021, ERM continued to support the organization with facilitating risk conversations and providing a risk framework for uniformed risk assessments across the organization. The overarching goal is to encourage the integration of risk-based thinking into decision-making at all levels, effectively balancing risks with opportunities.

ERM continues to utilize four existing committees to enhance cross-functional discussion and thorough understanding of major risk issues at the executive and operational leadership team level. One of these is an executive level oversight committee, the Enterprise Risk Oversight Committee (EROC) which includes multiple executives. The other three are the Trading Operations Risk Committee (TORC), Zero Carbon Plan Implementation Team, and the Three Lines Working Team.

2021 continues to bring changes and challenges. Despite the many challenges, staff continues to leverage the enterprise risk management framework to support enterprise-wide risk management/mitigation activities bringing positive outcomes for SMUD, our customers and the community. Some samples of these activities include:

#### **ERM Program Evaluation**

In early 2021, a third party reviewed SMUD’s ERM Program. They identified some of the program’s strengths to include far-sighted risk management vision, good program oversight, risk ownership in key business areas, risk-based planning, and information classification. Areas of opportunities identified include having more risk reward trade-off discussion, deepen understanding of risk interdependencies and viewing risks as opportunities, not just “bad risk.” Staff is currently developing a plan to implement the recommendations and work collaboratively across all areas to improve risk culture.

#### **North American Electric Reliability Corporation (NERC) Compliance Mock Audit**

SMUD conducted a mock audit of our compliance with selected NERC reliability and security standards that pose high risks to Bulk Electric System operations. The mock audit scope included NERC’s Critical Infrastructure Protection (CIP) and Operations and Planning (O&P) standards.



The exercise focused largely on how SMUD performs activities that lead to compliance with regulatory obligations, as well as identifying whether we achieved compliance. The purpose of the NERC standards is to ensure reliable operations, as merely demonstrating historical compliance is sometimes not enough. SMUD recognizes that compliance and reliability objectives are not always aligned, as the former can at times be achieved through a “check the box” approach while the latter is achieved by a job consistently well done. This mock audit was successful in helping the organization identify areas to improve. The exercise increased our ability to communicate internally and to regulatory authorities how and why our collective performance can reduce operational risks while also meeting the reliability and security standards.

### **Budget Risk Prioritization**

Staff continues to leverage the enterprise risk management framework to optimize resource allocation to help build resiliency against future impacts and capacity for future activities in support of SMUD’s climate goals. In 2021 staff conducted a pilot effort to develop a process to facilitate decision making and prioritization at the executive level to ensure that the organization and resources are aligned to appropriately manage risks to the acceptable levels. Staff continues to refine these efforts and reinforces its importance with the hiring of an Enterprise Prioritization Manager. Staff has formed a core team to further expand upon the pilot efforts to be implemented for planning in 2022 and will continue to be refined in future years.

### **2030 Zero Carbon Plan**

Climate change is a pressing issue facing our region and the world. On April 28, 2021, SMUD’s Board solidified SMUD’s commitment to leading the way to a clean energy future with the approval of our 2030 Zero Carbon Plan (Plan). The Plan is a flexible pathway to eliminate carbon emissions from our power supply by 2030, the most ambitious goal of any large utility in the country. The Plan demonstrates our commitment to finding innovative ways to reach our zero-carbon goal without impacting reliability, or rates, which are among the lowest in California. To pay for new technologies and make them available to customers in an equitable manner, we’ll aggressively pursue partnerships, investors, and grant funding, while keeping our rate increases at or below inflation. In 2021, staff continues to conduct and review reliability studies to ensure that reliability levels are maintained and look for ways to limit rate increases through cost offsets from operational efficiencies and grants/partnerships.

### **Cybersecurity**

Since 2019, SMUD has strategically implemented measures to manage cyber risk to operations from a cyber-attack, disruption, and from other threats to its’ technology and information. The Enterprise Cybersecurity Emergency Operations Program was established to bolster SMUD’s ability to respond to cyber incidents. The Chief Information Security Officer appointed a dedicated Program Manager to oversee this crucial resilience capability. In May 2021, the Program Manager published an enterprise Cybersecurity Incident Response Plan and in August 2021, SMUD conducted its first enterprise-wide Cybersecurity Incident Response Exercise. In the past, SMUD only tested incident response capability for its NERC CIP regulated environment. Moving forward SMUD will conduct at least two exercises each year, one for the enterprise as a whole and one for our regulated assets to meet our NERC CIP compliance obligations.

The August 2021 exercise highlighted SMUD’s ability to utilize incident response plans and playbooks which outline specific actions to be taken during a real incident. Over 30

individuals participated in the exercise and an additional 70 observed, including multiple levels from individual contributors up to and including executives.

The Program Manager is responsible for cybersecurity incident management, including planning, coordination, communication, and oversight during an actual cyber incident. To further mitigate risk to the enterprise, this cybersecurity capability is integrated and collaborates with SMUD's enterprise Emergency Operations function.

**Risk exposure monitoring and continuous updates:** Staff continues to monitor and update any changes to existing and emerging risks and their impacts to residual risk. In addition, audit results and management responses are considered in the ERM assessment plan and reporting process. The audit plans are linked with the enterprise risk assessments to provide assurance that mitigation measures for critical risks are being implemented effectively and in a timely manner.

- In 2021, 6 audit reports were reviewed by the ERM Office, and none resulted in a change to the risk profile.

Noteworthy enterprise risk profile changes are included in regular Board reporting.

- Attachment A summarizes the “Year-on-Year Profile Changes,” for all enterprise risks currently not within risk management goal. The attachment includes year-on-year changes, current “risk trend,” and actions staff is taking to reach the “target”; which could be either low “green” or medium “yellow.”
- b) Benchmarking: Staff reviews available enterprise risk related information and incorporates new risk issues and/or expands existing risk issues where appropriate. North Carolina State University’s (NCSU) Enterprise Risk Management Initiative and Protiviti continue to jointly publish benchmark information. The joint study, 2021 & 2030 Executive Perspectives on Top Risks, provides insight for short-term and long-term risks from 1,081 global board members and executives from across several industries. The study found that for 2021, COVID-19 was the driver of most top risks’ organizations were concerned about the impact of the ongoing pandemic on government policies and regulations to their business model and operations. Overall, the top ten identified enterprise risk issues across the surveyed organizations and those specific to the Energy and Utility Industry (Utility Industry) and its trend analysis is consistent with SMUD’s identified enterprise risks.

An analysis of SMUD’s enterprise risks as compared to the top 10 enterprise risks identified by the study is outlined in Attachment B.

c) Looking forward

In 2022, staff will develop and implement recommended changes to the enterprise risk management program and further integrate risk management practices into business processes to build a more risk aware culture. The following initiatives have been planned:

- Begin implementing third party recommendations to further enhance the ERM program.
- Form the Risk Champion Network (RCN), a forum of Director level risk champions to sponsor risk initiatives across the organization.
- Integrate risk into enterprise prioritization process.
- Continue to:
















- Be vigilant in identifying and reporting on risks across the organization
- Leverage risk process to help build resiliency and future capacity in financial planning and prioritization; expanding upon approaches used for the 2021 budget plan
- Prioritize spending to be within limits needed to achieve no more than inflation level annual rate increases
- Support 2030 Zero Carbon Plan
- Support Enterprise Prioritization process
- Support initiatives for the management of cyber risk with vendors
- Support physical security risk assessments
- Test and strengthen SMUD's response to risk events
- Improve safety performance to meet SD-6 Safety DART goal
- Continue to improve upon wildfire mitigation activities/programs where appropriate
- Positively influence state and federal legislative/regulatory issues
- Attract and retain a skilled and innovative workforce
- Provide programs and services which reflect the customer's changing expectations
- Enhance data categorization and availability to support business and customer decisions
- Continue cyber security and privacy awareness and compliance activities
- Improve upon current physical security and public safety practices
- Increase alignment between costs and revenue collection in SMUD's rate design

**4. Challenges:** Global challenges posed by the ongoing COVID-19 pandemic, occurrences of wildfires throughout the region and market uncertainty continue to put strain on business operations and critical resources. The risk environment continues to challenge staff to be vigilant at making more measured risk informed decisions to achieve business objectives. By leveraging the ERM framework and existing data analytics tools, staff can better manage risks as a portfolio, rather than in silos. The result is increased awareness of SMUD's risks, the level-setting of risk tolerance across the enterprise, efficiencies in mitigation efforts as well as potential cost savings.

**5. Recommendation:** It is recommended that the Board accept the Monitoring Report for SD-17 Enterprise Risk Management.
















# Enterprise Risk Mitigations for Risks Currently not within Target

Attachment A

Risk Category	Risk	Year on Year Profile			Risk Trend	Target	2022 Risk Mitigation
		2019	2020	2021			
Financial	Load variation: customer owned generation						SMUD gained approval of the 2030 Zero Carbon Plan, which illustrated expected growth of behind the meter distributed generation and storage, with ranges of 500-750MW of behind the meter solar and 50-250MW of behind the meter storage. In addition, the Board approved the new solar & storage rate as a successor to NEM 1.0. The implementation of this new rate in March 2022, coupled with the launch of both a critical peak pricing offering for solar & storage as well as a virtual power plant option for solar & storage will help inform the reliability, cost-effectiveness, and resource characteristics of distributed solar & storage's contribution towards our 2030 ZCP goal.
	Project execution						The Project Portfolio Management tool, using the ServiceNow platform, went live in 2021 and was used for capturing all capital projects for the 2022 budget. This streamlined the level of effort for executive decision making and discussion, as the tool could be used to provide summary information rather than it having to be manually created. Work is continuing building reports for the tool and incorporating the data so that it can be used with PowerBI for other reporting. With the realignment, project changes need to be approved by the sponsor's executive. With the centralization of PMO's (IT & Non-IT) and the soon to be created 2030 Zero Carbon Plan PMO, staff is working with the Project Management Office's to create standards and expectations and clarification of roles as we move forward.
Operational: People	Employee safety						SMUD continues support a Safety for Life culture throughout the organization with an emphasis toward zero incidents and injuries. This year Safety updated Strategic Direction (SD)-6 to include a new metric for Days Away, Restricted Time or Job Transferred (DART) and a contractor safety emphasis. The new DART metric is a limit of 13 over the next 5 years. In addition, SMUD continues to develop and support COVID-19 standards and guidelines to protect employees, contractors, and the public. Safety is supporting Facilities for the safe re-entry of remote employees back in the building during first quarter of 2022. Safety continues to expand its contractor safety program by screening contractors providing high risk work, conducting improved onboarding, and increasing field visits. In 2022, Safety is expanding its pilot field ergonomics program;

## Enterprise Risk Mitigations for Risks Currently not within Target

Attachment A

						expanding its Safety Management System (SMS) modules; improving public safety training for Emergency Response Personnel; updating our Safety Road Map goals with Directors for 2022; working with HR to include an improved safety goal in PAS performance evaluations; and updating our Wildfire Smoke Health program. Lastly, Safety is continuing to update and assist business units with safety standards.
	Strategic workforce agility					  While some business units did conduct activities, due to pandemic, uncertain finances resulting in hiring constraints and the work required for a successful realignment, formal Strategic Workforce & Succession Planning work was paused. Q4 of 2021 work includes completion of a plan to reengage these needed programs with the organization in Q1 of 2022. Plan will include increased executive support and accountability measures.  2022 activities include the launch of Strategic Workforce Planning and Succession Planning programs with enhanced senior leadership support, accountability measures and specific to critical roles at SMUD.
	Diversity, equity, and inclusion					  Most significant outcome in 2021 was the realignment and establishment of Executive level diversity officer and formation of a separate Diversity, Equity, and Inclusion (DEI) function – separating it from the Human Resources department. It is anticipated a Director of DEI will be in place by the end of 2021. Other significant work included the creation of a new DEI Strategy with three focus areas: Diverse Workforce, Inclusive Culture and Community Impact. Each of these areas have strategies, tactics, and measures of success to create a detailed roadmap with finalization by end of 2021.  To mitigate this risk the implementation of the DEI Strategic Roadmap will occur throughout 2022.
<b>Operational: Systems and IT</b>	Cyber security					  In 2020, The Cybersecurity Department continued to strategically implement measures to manage cyber risk to operations from a cyber-attack, disruption, and other threats to SMUD's technology and information. Maturing our implementation of the National Institute of Standard and Technology (NIST) Cybersecurity Framework (CSF) is the cornerstone the departments risk reduction initiatives to protect SMUD's people, processes, and technology. Important to note, these risk measures are critical to SD-16 and encompasses Information Security and other

## Enterprise Risk Mitigations for Risks Currently not within Target

Attachment A

major components such as privacy, data security, supply chain security, and business applications and cloud security.

The department has successfully implemented planned 2020 cyber risk reduction initiatives and improved maturity across multiple CSF subcategories. In 2021 the department will:

Continue to mature its implementation of CSF in accordance with organizational policy (AP 07.03.01). Cybersecurity Operations red team/penetration test capability will improve on how they identify and manage asset vulnerabilities with the integration of ServiceNow (Security Operations) module. This capability is aligned to the framework's control set "Identify Risk Assessment - (ID.RA-1)".

The Program Manager for Enterprise Cybersecurity Emergency Operations Program in May 2021 published an enterprise Cybersecurity Incident Response Plan. August 2021, SMUD conducted its first enterprise-wide Cybersecurity Incident Response Exercise. In the past, SMUD only tested incident response capability for its NERC CIP regulated environment. In 2022 the PM will conduct at least two exercises each year, one for the enterprise as a whole and one for our regulated assets to meet our compliance obligations.

Staffing risk for 2021 (Recruitment, Retention, and Compensation not competitive with industry) has impacted and will continue to impact the ability to mature overarching Cybersecurity Program Maturity in 2022. In 2021, the department added two new staff and promoted 2 part-time staff to full-time assets (built talent from STEM Internship program). PS&S Compensation and Class has added a 5% non-PERS premium to help with retention of current staff. Recruiting actively for four positions to help protect all SMUD's technology and information assets; candidates have declined offer of employment due to compensation and has been a trend for the last 2 years.

Continued to collaborate with Technology and Innovation Infrastructure and Operations & Applications departments to further implement Microsoft (MS) 365 Multifactor Authentication (MFA) on premise and to increase capability for remote patching of SMUD's endpoints to better manage vulnerabilities and provide better protections as result of COVID-19 impacts.

# Enterprise Risk Mitigations for Risks Currently not within Target











Attachment A

						<p>2021 policy refresh effort to mature our program and assist with implementing critical security controls across our IT and OT environments will be completed by end of year. The refresh will result in an updated set of cybersecurity policies, procedures and standards that are aligned to the NIST CSF and the NIST 800-53 Security and Privacy Control families. In 2022, enforcement of these policies will begin leveraging ServiceNow Governance, Risk, and Compliance modules and other program processes such as audit and assessments.</p> <p>In 2022 the program will continue to conduct vendor risk assessments as part of procurement processes for enterprise supply chain risk management.</p> <p>In 2021, staff began documenting cybersecurity awareness, training, and education program to support managing cyber risk across the enterprise for all staff and those in privileged technology and information management positions.</p> <p>In 2021 collaborated with the Chief Financial Officer (CFO) organization and external consultancies determine the need and ultimately landed on the determination to increase Cyber insurance coverage limit for 2022. Increased from \$40M to \$60M.</p> <p>In 2021 staff continued working to finalize system integration of two new technical solutions to mature our cybersecurity governance, risk, and compliance program and security operations program. These technologies are on track to be integrated on time. These systems will enhance SMUD's technology project and engineering practices and ensure we are implementing effective cybersecurity policy and practices to protect our information confidentiality, integrity, and availability. The GRC technology will also begin to help with attesting SMUD's control implementation in support of CFO creditor requirements, Payment Card Industry Compliance, and other business partnerships SMUD will consider for 2030 Clear Carbon goals and objectives.</p> <p>In 2022 will continue to explore implementation of the NIST Risk Management Framework (RMF) from an organizational and system-level perspective to establish the context and priorities for managing cyber and privacy risk within SMUD's notional System Development Lifecycle (includes cloud solutions and applications). The RMF will introduce repeatable processes that will enhance risk mitigation and support the Enterprise Risk Management (ERM) Program, Data Governance,</p>
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## Enterprise Risk Mitigations for Risks Currently not within Target

Attachment A

						<p>Business Strategy and Requirements, IT Strategy and Governance, and Project and Procurement Lifecycles. In 2021, worked with a consultant to help design an RMF process and how it could be implemented on our GRC technology platform.</p> <p>In 2022, the cybersecurity department will continue to champion and advocate for cyber risk reduction activities to be integrated in technical and programmatic efforts needed to support critical business capabilities (to account for items such as business continuity, disaster recover, physical security, new business application developments) and requirements. The goal is to ensure cyber, and privacy are baked in early to avoid risk to business cost, schedule, and performance of SMUD's operational business requirements.</p> <p>IN 2022 North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection (CIP) Standard requirements compliance Audit conducted by the Western Electricity Coordinating Council (WECC). In 2021, the department collaborated with RC&amp;C to conduct a Mock Audit to reduce non-compliance risk for 2022 audit. The Mock Auditors observed risk to compliance and the CIP Program within the cybersecurity department has begun addressing with responsible requirement owners, e.g., Physical Security and OT Security)</p>
Privacy						<p>In 2021 SMUD continues to see demand for SMUD customer data to be used and shared for additional purposes and programs, including customer personally identifiable information (PII). Requests for such data have come from internal programs, state agencies and vendors. SMUD's Data Sharing Policy and Process are in place to provide request tracking and approval to ensure that all sharing of PII is authorized and performed using a secure transfer mechanism.</p>
Data governance						<p>In 2021 the Data Governance Program weathered a hit due to COVID and part-time resource allocation evidenced by a continuation of the expansion for data accountability. This was achieved with the identification of new data owners and data leads within multiple business units then incorporating them in decisions for issue resolution and data sharing agreements. In support of our Strategic Directions, Management Policies, Administrative Procedures, and other risk mitigation initiatives, the data sharing process was incorporated into well-established enterprise</p>











## Enterprise Risk Mitigations for Risks Currently not within Target

Attachment A

						<p>processes resulting in improvements in transparency for data shared with third parties and an uptick in the number and scope of requests received.</p> <p>In 2022 a full-time Data Governance Program Manager will be onboarded and leading the categorization of additional data sets, identification of owners and leads, establishing additional governance processes, and classifying data sets to be incorporated into the NIST Risk Management Framework.</p>
	Enterprise-wide documentation					 <p>Records and Information Management will work with IT and the Business Units to address and implement solutions for the findings identified in completed records evaluations. The group will also continue to perform records evaluations across the remainder of business units, as well as continue refining and simplifying the evaluation process itself.</p>
	Technology systems infrastructure					<p>Hybrid Workforce Experience: Continued efforts to provide an ideal technology experience for our workforce are underway as we look towards our goal of re-entry into our SMUD facilities and a continuation of hybrid work occurring remote and on-premises.</p> <p>Disaster Recovery: While key and critical systems at SMUD have multiple safeguards in place to remain available in the event of a disaster (backups replicated to alternate sites, application failover to alternate sites), we will continue to partner with business continuity to align business continuity plans which call for technology to align with the systems availability requirements in our data centers and cloud footprints. We also are looking to have a scheduled cadence of disaster recovery drills for key and critical systems identified.</p>
<b>Operational: Process</b>	Gas & gas pipeline assets					<p>Staff has completed the analysis of all results from 2018's full Internal Line Inspection (ILI) of the entire pipeline system. The next ILI is due in 2025 but will be planned for 2024 at the latest.</p> <p>In 2022, SMUD staff intends to continue our program of emergency response plan exercises with first responders and outside agencies in both Sacramento and Yolo Counties; continue to perform multiple community outreach events to reduce or eliminate the number of unplanned excavations within or near SMUD's gas pipeline easements; and continue to diligently inspect and patrol the SMUD gas pipeline and all easement areas, including leak and density surveys.</p>






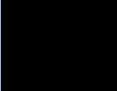
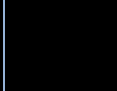


















## Enterprise Risk Mitigations for Risks Currently not within Target

Attachment A

Enterprise continuity management						In 2022, staff will work to implement Enterprise Continuity Management Software (ECMS) solution to support efficient access to real-time business continuity plan information and requirements during events that pose a threat to SMUD's continuity.
Internal communications and alignment						<p>Speed of Trust: 100% of Supervisors and Managers have completed Leading at the Speed of Trust (SoT) Key Concepts class by 7/31/21. All leaders have a goal to use the SoT concepts and Huddle Guide in their teams to develop trust behaviors by 12/31/2021. 100% of SMUD Leaders complete the actions in their inclusion goal by 12/31/2021 that demonstrate commitment to an inclusive culture, where employees have a sense of belonging and can contribute and thrive. 100% of SMUD leaders complete the actions in their inclusion goal by 12/31/2021 that demonstrate commitment to an inclusive culture, where employees have a sense of belonging and can contribute and thrive.</p> <p>Engagement Survey: SMUD's engagement survey will take place in Q4 of 2021. The survey is an opportunity for leaders to listen and understand employees' experiences and how it affects engagement, as well as inclusion and belonging. One new element in the survey this year is more robust organizational-level reporting on a set of questions that will help us understand where we have meaningful differences between populations on important aspects of inclusion at SMUD, specifically: voice, growth, belonging and commitment.</p> <p>To continue work on reducing risk the most important part of the 2021 employee engagement survey will take place in 2022 which is deciding what meaningful steps SMUD and SMUD leaders can and will take, in our teams and as an organization once we review employees' feedback. We expect all leaders will use survey results to set an engagement goal as part of their 2022 workplans, which they will complete in Q1 2022.</p> <p>Communication across the organization will continue surrounding the robust CEV, activities, outcomes with regular connection to the reasons for the vision.</p> <p>To continue work on reducing risk the most important part of the 2021 employee engagement survey will take place in 2022 which is deciding what meaningful steps SMUD and SMUD leaders can and will take, in our teams and as an organization once we review employees' feedback. We</p>





















## Enterprise Risk Mitigations for Risks Currently not within Target

Attachment A

						<p>expect all leaders will use survey results to set an engagement goal as part of their 2022 workplans, which they will complete in Q1 2022.</p> <p>Communication across the organization will continue surrounding the robust CEV, activities, outcomes with regular connection to the reasons for the vision.</p>
Energy management center (EMC)						Facilities is continuing to implement key projects within the EMC that help reduce the risks to day-to-day operations
Backup control center (BCC)						The Project, Implementation of the BCC Interim Response Plan is in execution and is scheduled to be completed by Q2 2022.
Headquarter building						Per the agreement with the City of Sacramento, the project was to be implemented in 3 phases. Phase One was completed in 2021 with Phase 2 and Phase 3 schedule for execution in 2022 and 2023 respectively.
Physical asset security						Low-Impact Security requirements have been implemented and Security continues to monitor sites and works to align the security plan to the One SMUD vision. The conversion to digital security cameras at campus locations is complete and the conversion at Substations is currently scheduled to be completed in Q4 2023. SMUD Security Operations will be conducting a Risk, Threat, and Vulnerability Assessment of the Headquarters Campus via a third-party vendor to commence Q1 2022 and end Q2-Q3 2022. Recommendations from the vendor will be available to SMUD in Q3 2022. SMUD currently does not have a comprehensive physical security/asset protection program or the documentation and policy/procedure guidance in place to articulate successful protection of physical assets. It is recommended that SMUD mitigate this by ensuring adequate protection measures are implemented under the guidance of a new risk-based assessment program to demonstrate active and ongoing protection of defined assets.
Transmission and distribution substation assets						Staff is on track with its multi-year replacement plan for T&D substation assets which include circuit breakers, transformers, and switchgears. Critical assets were identified and prioritized for replacement. The 2022 budget and capital portfolio include projects to replace two distribution transformers, three transmission circuit breakers and eight 69kV circuit breakers.











## Enterprise Risk Mitigations for Risks Currently not within Target

Attachment A

Operational excellence						<p>The expected OpEx Program outcomes will be used to mitigate financial risks. Staff will focus on:</p> <ul style="list-style-type: none"> <li>Identifying and execute cost savings to fund strategic investment areas;</li> <li>Increasing efficiency and productivity across the enterprise;</li> <li>Developing and managing an enterprise-wide portfolio of OpEx initiatives and results; and</li> <li>Building organizational competencies for continuous improvement</li> </ul>
Pricing rate design implementation						<p>The SMUD Board unanimously voted on Sept. 16, to approve the rate package which included rate increases for all customers in the amount of 1.5% effective March 1, 2022, and 2.0% effective January 1, 2023, a new solar and storage rate for new solar customers who generate energy on-site and/or store energy and an optional critical peak pricing rate for residential customers to help when the grid is most stressed. The rate package also included \$25M in supporting programs to accelerate the adoption of storage. Staff is also working on a new Virtual Solar Program (VNEM) for under-resourced multi-family dwelling communities effective June 1, 2022. As of the date of this update, the implementation work is on track with minimum risk to meet the adopted deadlines.</p>
CPUC General Orders						<p>A project to automate processes for time-based compliance work will go into production and be implemented in 2022.</p> <p>The SAP/GIS interface updates will continue. Once the necessary work is completed, we will take the necessary steps to transition to using SAP Maintenance Plans for time-based maintenance of line assets.</p>
NERC/FERC Standards						<p>Staff continues to ensure compliance with the Federal Energy Regulatory Commission (FERC) mandated North American Electric Reliability Corporation (NERC) and Western Electricity Coordinating Council (WECC) Reliability Standards through internal coordination. SMEs review upcoming and approved Reliability Standards and update associated procedures, processes, and tools to ensure compliance. In addition, staff continues to execute the Internal Controls Evaluation (ICE) Program for both Operating &amp; Planning and CIP Reliability Standards.</p>
















## Enterprise Risk Mitigations for Risks Currently not within Target

Attachment A

Meter to cash						<p>The current 2022-2023 rate proposals include significant system work including, Solar + Storage, VNEM, CPP, and multiple price changes per year. IT, CCS, Strategy, and 2030 Zero Carbon leadership and staff have partnered to build robust planning, implementation, and QA/QC teams to ensure successful deployments of all changes. While the “Yellow” risk rating accurately reflects the level of change and effort to manage the change, advanced testing gives staff the opportunity to identify areas of concern before the customer experience is impacted. Should an error be identified after a customer’s bill has been impacted, SMUD Rate, Rules, and Regulations provide the latitude to rebill as needed to resolve the concern.</p>
Supply chain						<p>In 2021, staff continues to focus on the acquisition of Personal Protective Equipment (PPE), sanitation, and other critical supplies to help manage SMUD’s response to COVID-19. The effects of prioritizing this response and implementing social distancing and other protocols for essential employees was an unexpected but unavoidable shift in focus on top of existing responsibilities to manage supply chain risk.</p> <p>Wildfire was another emergency event that impacted supply chain availability. With the nature and volume of the fires in 2021, there were regional impacts to material availability (delays in shipment and arrival) due to the impacts from transportation and logistics demands in the region. Staff managed these risks in the moment and have included it in our planning for the future.</p> <p>In addition to impacts of COVID-19 and the wildfire season, staff experienced an increase in construction demand along with material price increases which were somewhat related to COVID-19 responses, wildfire, and other natural disasters across the United States.</p> <p>In 2021, supply chain risk management continued to focus on strengthening SMUD’s material and equipment supply chain through partnering with critical suppliers, focusing on contract management, and working with key stakeholders on process improvements.</p> <p>In 2021 supply chain has an increased focus on material forecasting, managing supplier performance, and further implementing risk assessment reviews because of new risk element definitions completed in 2021. Staff continues this effort into 2022.</p>

# Enterprise Risk Mitigations for Risks Currently not within Target

Attachment A











	59 <sup>th</sup> Street reuse						Risk reduction efforts underway include the following: 1) Lobbying efforts with the state, local agencies, and development organizations to support an agency developed attenuation factor that balances science and health risk to support risk-based cleanup level; 2) Development of a due diligence agreement with SKK/BlackPine to support off-ramps and land reuse options should SMUD be unable to remediate PCE in soil to residential cleanup standards; 3) Purchase of an insurance document to reduce liability and risk from future offsite and onsite health exposure/liability claims; 4) Ongoing research and investigation to delineate the solvent plume and evaluate remedial action technologies for use at the site; and 5) Planned soil removal of the "hot spot" area and continued soil vapor extraction at 59th Street.
Strategic	Innovation						Our 2030 Zero Carbon Plan will rely heavily on being innovative, leveraging both business and technological innovations to meet our goal. It was determined a dedicated innovation team would be created during realignment, July 2021. The Innovation team will propel us towards our 2030 zero carbon goal by balancing diverse emerging technologies and ideas across the organization that drive operational efficiencies and competitive advantage with a centralized team that can champion breakthrough innovations. The Innovation team launched IDEAHub, September 30, 2021. The IDEAHub is designed to play a central role in supporting the 2030 Zero Carbon Plan, inspire a culture of innovation at SMUD, allow for increased organizational agility and offer an easy intake process that's inclusive and transparent.
	Energy efficiency						The 2030 Zero Carbon Plan includes energy efficiency (including building electrification) that supports meeting/exceeding the statewide goal of doubling of energy efficiency. Given COVID, the original 5-year glidepath to transition to a largely building electrification portfolio for energy efficiency was accelerated and we have largely reached our "maintain" level for traditional energy efficiency in lieu of building electrification. Moving forward, efficiency in support of decarbonization will be the key, aligned to our revised SD metric.
	Changing customer expectations						In 2021, staff continued to improve digital self-service tools for customers including launching a pilot of a new solution for commercial customers with our partner, SEW. As we prepare to launch new 2030 ZCP strategies and





## Enterprise Risk Mitigations for Risks Currently not within Target

Attachment A

						programs, we have been integrating customer insights and leveraging customer-focused design-thinking and journey mapping to ensure the optimum customer experience. Strategic Account representatives have been working closely with our commercial accounts to ensure they are aware of and prepared for upcoming structural changes to rates and the recently approved rate increases. Uncertainty around customer perceptions regarding the new rates expected to launch in 2022 (Critical Peak Pricing, Solar and Storage Rate, Virtual Net Energy Metering) could impact customer experience. In addition, the anticipated restart of collections and disconnections in early 2022 are expected to negatively impact customer VFP and create bleed-over to other areas of customer satisfaction.
Competitive workforce total rewards						<p>To mitigate this risk, 2021 activities included establishing a strategy with Procurement and Benefits Team to build the healthcare cost containment roadmap using the GOST framework. Six Strategies with associated tactics were identified. Several of the strategies have been implemented and proven successful in recent renewal including building stronger relationships with carriers and more heavily leveraging AON along with assertive negotiations. The roadmap is on schedule to be completed by Q4. The outcomes for 2021 are negotiating initial renewal of 10.5% from United Healthcare (UHC) recommending a 10.5% to 7.6% (CalPERS renewal with UHC was 8.26%). Our final renewal with Kaiser landed at 6.56% down from initial of 8.56%</p> <p>Additional work in 2021 includes beginning the assessment of SMUD's paid leave programs to evaluate both offerings (an ask from Parents ERG) and the financial components.</p> <p>Complete assessment of SMUD's paid leave programs, decide on any changes in 2022 and implement for 2023 Open Enrollment.</p> <p>In 2022 staff will execute on six strategies and associated tactics from finalized healthcare premium roadmap.</p> <p>Complete assessment of SMUD's paid leave programs, decide on any changes, and implement for 2023 Open Enrollment.</p>
Renewable portfolio standards (RPS)						SMUD achieved the 2020 RPS requirements for Compliance Period 3 2017-2020, achieving a 33% RPS in 2020. The next compliance period is being planned for Compliance Period 4, 2021-2024, the next RPS target

# Enterprise Risk Mitigations for Risks Currently not within Target

Attachment A

							statute is a 44% RPS in 2024. Low risk in achieving this goal as we have several renewable projects in the pipeline and some surplus REC's.
	Underserved Community Engagement			●	➔	●	In order to reduce this risk, SMUD is developing a collaborative low income/underserved community strategy document that will focus developing consist process to gain intake information regarding customer concerns in hard to reach demographics, provide avenues for diverse customer education on programs and implementation, identify alternate low-income/underserved community funding sources via grants and federal sources to address inclusive 2030 adoption alignment for underserved populations, and develop community pilots to catalyze equitable electrification onboarding.
	2030 Zero Carbon Plan			●	➔	●	Staff continues to conduct and review reliability studies to ensure that reliability levels are maintained and look for ways to limit rate increases through cost offsets from operational efficiencies and grants/partnerships.
External	Economic business agility	●	●	●	➔	●	In the 2022 Rate process, staff introduced a 1 1/2% rate increase for 2022, as well as start the Commercial Rate Restructure in Q4 2021 as well as implement the Solar & Storage Rate. This helps protect SMUD in the long term to ensure more stable revenue as well as encourage the adoption of batteries, which will improve reliability for the grid. The CEO and CFO have shown fiscal prudence and have kept the budget within financial limits, which is an improvement. Executive review of all hiring continues, and the exec team has spent a lot of time looking at vacant and limited term positions to give the organization better clarity around staffing. There will be continued work for 2023 and 2024. We have begun work to streamline our budget process and look at risks relative to priorities. The next step will be to incorporate the prioritization framework that is being developed into the planning process. As we get further insight into the programs and items included in the 2030 Zero Carbon Plan, we are getting a better insight into the cost and financial concerns. Our models continue to be synced up and that work will continue. As part of the realignment, an Operational Excellence team was created. They are partnering with areas in the business, and we're starting to see the benefits of that work.
	CEC: Integrated resource planning (IRP)						In 2021, SMUD staff delivered the 2030 Zero Carbon Plan (ZCP) to the Board and the Public. The Board adopted SMUD's Zero Carbon Plan in
		●	●	●	➔	●	
















# Enterprise Risk Mitigations for Risks Currently not within Target

Attachment A

						<p>late April 2021. Staff now is focused on day two work and analysis including:</p> <ul style="list-style-type: none"> <li>-In depth reliability assessment of McClellan and Campbells retirements which will identify additional investments needed to support these retirements.</li> <li>-Issue an RFP for new renewable resources to support Proven Clean Technology Growth supporting GHG reduction and the thermal transition plan.</li> <li>-NTUA 100 MW Solar online in 2021 and local Hedge Battery Storage 4 MW online in 2021.</li> <li>-Receive Board approval to execute power purchase agreements for the Sacramento Valley Energy Center and King's Country Solar+Battery projects.</li> <li>-Continued development of Country Acres project.</li> <li>-Continued development of Solano 4 wind project - received SMUD Board approval to proceed with the project. 91 MW of clean wind.</li> <li>-Development of DER pilots that will test various customer programs in VPP and Demand Response.</li> <li>-Continued exploration and study of Utility Scale Clean Energy options that address the remaining 10% of GHG in 2030, including but not limited to pumped hydro, long duration energy storage technologies, various alternative clean fuels that we could use at thermal sites, carbon capture and sequestration, and green hydrogen production.</li> <li>-Continue to identify future locations for local solar and battery storage projects in support of SMUD's renewable goals and green programs such as Neighborhood Solar Shares.</li> <li>-Continue work on grid modernization efforts including the Automated Distribution Management System (ADMS) and continuing work on the Distributed Energy Resource Management System (DERMS), both of which lay the foundation for integration of DERs such as solar, energy storage, flexible demand, and electric vehicles.</li> <li>-Revisit low income and underserved community offerings with 2030 ZCP lens.</li> </ul>
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# Enterprise Risk Mitigations for Risks Currently not within Target

Attachment A

						<p>-New local system upgrades to be completed in 2021, including the completion of a transmission line upgrade project (Hurley Proctor Reconductoring Project) that will increase SMUD's ability to serve customer demand.</p> <p>-Begin to track and report SMUD's progress towards achievement of our 2030 ZCP goal by incorporating carbon savings attributed to energy efficiency, and the electrification of buildings and transportation - develop ZCP Dashboard and project tracking report.</p>
Post 2020 carbon markets						<p>SMUD continues to be engaged in the stakeholder process with the California Air Resources Board (CARB) as they look to reallocate carbon allowances based on the new 60% RPS (SB100). Staff has been providing analysis and comment to CARB and with the Joint Utilities Group to achieve greatest value for SMUD customers. CARB is planning to open the rule making process in 2021 and will likely reallocate allowances based on the new 60% RPS (at a minimum - other adjustments may be made based on electrification projects which could mean more allowances for SMUD, but this topic may be addressed in later proceedings).</p>
Wildfire						<p>The 2022 budget includes projects to continue the implementation of SMUD's Wildfire Mitigation Plan. In 2021, staff continued the installation of non-expulsion equipment on distribution facilities in higher risk areas. Due to negative impact of labor resources, this work is expected to be completed by 2025. High resolution imagery of SMUD's transmission assets located in high fire threat district (HFTD) Tiers 2 and 3 were collected via drones and are being analyzed to identify deficiencies with these assets. The project identified previously unknown mechanical defects, and in one instance, avoided a potential wire down during fire season. The corrective maintenance activities resulting from the drone pilot will be prioritized based on severity. This project will be concluded by the end of 2021 and may lead to a new program in the future.</p>
Climate Change						<p>Climate readiness analysis completed in 2021 but given the development and adoption of the 2030 Zero Carbon Plan, need to look at the frame of the Climate readiness and adaptation work relative to the 2030 Zero Carbon Plan before developing an updated Action Plan. This work will be done with consideration of enterprise prioritization during 2022.</p>

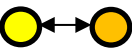


## Enterprise Risk Mitigations for Risks Currently not within Target

Attachment A

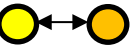


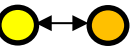


	Pandemic					 <p>During 2021, SMUD Safety, Emergency Planning (EP), and Workforce, Diversity, and Inclusion (WDI), herein referred to as the COVID response team, continued to provide COVID-19 prevention guidance to its employees and contractors. During the first half of the year, the team initiated a vaccination campaign for employees that included the coordination of vaccination schedules with the County and designated health care agencies. In addition, staff continued to track COVID-19 regulatory changes with the Centers for Disease Control (CDC), California Department of Public Health, and Cal-OSHA, as well as participation in utility roundtables that discussed COVID-19 controls and remote work re-entry planning. Regulatory and roundtable information was used to update COVID-19 prevention guidance, limited facility openings (e.g., lobby opening), community event planning, customer service support, and travel/training protocols. More recently, staff has been able to provide COVID-19 antigen testing at its onsite medical service center with confirmation molecular testing at a third-party test laboratory. Strong contact tracing, contractor COVID-19 prevention guidance, remote work, and wellness/exposure updates have assisted SMUD in providing reliable power and quality customer service while protecting our employees and the public during the pandemic.</p> <p>In 2022, the SMUD's COVID response team will continue to track regulatory changes and update guidance as needed. In addition, the team will be working with Facilities to support the re-entry plan of its remote work employees. The re-entry plan outlines a phased employee return over 4 to 5 months starting in January 2022. Re-entry controls to ensure the safety of our employees include mandatory on-line re-entry training; more frequent sanitation of work areas; conference room scheduling/cleaning; adoption of a hybrid work schedules; Personal Protective Equipment usage, and social distancing. Facilities and Safety is currently piloting an air ionization plan that may be installed in buildings prior to initiating the re-entry program. Lastly, Safety will continue to work with hybrid staff to ensure that they have ergonomic workstations at home and work.</p>
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**TOP 10 ENTERPRISE RISKS COMPARED TO SMUD'S ENTERPRISE RISK CATEGORIES**  
**Specific to Energy and Utilities Industry**

Benchmarking Information indicates that SMUD's risks are consistent with other energy and utilities; one indicator that we are aligned in our understanding of risks facing our industry.


North Carolina State ERM Initiative and Protiviti Top 10 Enterprise Risks		SMUD's Corresponding Risks	SMUD's Current Residual Risk Exposure
Specific to Energy and Utilities Industry			
1	Pandemic related policies and regulation impact business performance.	<b>Operational risk:</b> Regulatory compliance <b>Strategic risk:</b> Demand response Distributed energy Energy efficiency Electrification of the transportation sector Innovation Carbon emissions Renewable Portfolio Standards CEC: Integrated Resource Planning <b>External risk:</b> Legislative & regulatory Climate change Pandemic Wildfire	The current residual risk exposure ranges from medium to high 
2	Economic conditions constrain growth opportunities.	<b>Strategic risk:</b> 2030 Zero Carbon Plan Innovation <b>External risk:</b> Business agility	
3	Pandemic-related market conditions reduce customer demand	<b>Financial risk:</b> Budget planning and rate setting Capital availability/cashflow <b>Operational risk:</b> Meter to cash <b>Strategic risk:</b> 2030 Zero Carbon Plan Changing customer expectations <b>External risk:</b> Economic business agility Pandemic	

**TOP 10 ENTERPRISE RISKS COMPARED TO SMUD'S ENTERPRISE RISK CATEGORIES**  
**Specific to Energy and Utilities Industry**

4	Adoption of digital technologies may require new skills or significant efforts to upskill/reskill existing employees	<b>Operational risk:</b> Change Management Strategic Workforce Agility Data governance Data availability Cyber security Privacy	The current residual risk exposure ranges from medium to high 
5	Privacy/identity management and information security protection	<b>Operational risk:</b> Cyber security Privacy	
6	Cyber threats	<b>Operational risk:</b> Cyber security Privacy	
7	Impact of regulatory change and scrutiny on operational resilience, products, and services	<b>Operational risk:</b> Regulatory compliance <b>Strategic risk:</b> Demand response Distributed energy Energy efficiency Electrification of the transportation sector Innovation Carbon emissions Renewable Portfolio Standards CEC: Integrated Resource Planning <b>External risk:</b> Legislative & regulatory Climate change Pandemic Wildfire	The current residual risk exposure ranges from medium to high 
8	Succession challenges, ability to attract and retain top talent	<b>Operational risk:</b> Strategic workforce agility Competitive workforce total rewards Diversity, Equity, Inclusion and Belonging Change Management	
9	Resistance to change operations and business model	<b>Operational risk:</b> Strategic workforce agility Operational excellence Diversity, Equity, Inclusion and Belonging Change Management <b>Strategic risk:</b> Innovation 2030 Zero Carbon Plan	



**TOP 10 ENTERPRISE RISKS COMPARED TO SMUD'S ENTERPRISE RISK CATEGORIES**  
**Specific to Energy and Utilities Industry**

10	Ability to compete with “born digital” and other competitors	<b>Operational risk:</b> Technology system infrastructure Grid operational system & support <b>Strategic risk:</b> Innovation <b>External risk:</b> Business agility	
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RESOLUTION NO. \_\_\_\_\_

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-17, Enterprise Risk Management**, substantially in the form set forth in **Attachment \_\_\_\_\_** hereto and made a part hereof.



# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
Policy – 11/17/21  
Board Meeting Date  
November 18, 2021

TO				TO			
1.	Jennifer Davidson	6.					
2.	Stephen Clemons	7.					
3.	Brandy Bolden	8.					
4.	Farres Everly	9.	<b>Legal</b>				
5.		10.	<b>CEO &amp; General Manager</b>				
<b>Consent Calendar</b> <input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b> <i>If no, schedule a dry run presentation.</i>		<b>Budgeted</b> <input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>					
FROM (IPR) Laura Lewis		DEPARTMENT Executive Office					
		MAIL STOP B308	EXT. 6123				
		DATE SENT 11/11/21					

**NARRATIVE:**

**Requested Action:** Make determination pursuant to Assembly Bill 361 (AB 361) to continue meetings via virtual (online/teleconference) meeting for the next 30 days.

**Summary:** Pursuant to Executive Order N-29-20 issued on March 17, 2020, and Executive Order N-35-20 issued on March 21, 2020, as well as the Emergency Board Meeting Procedures adopted by this Board via Resolution No. 20-06-08 on June 18, 2020, this Board has conducted regular Board meetings and other public meetings via remote (online/teleconference) meetings.

Executive Order N-08-21 was issued on June 11, 2021, to phase out various Executive Orders issued in response to the COVID-19 (coronavirus) pandemic, including the temporary authority allowing local agency bodies to hold remote meetings under N-29-20. Under this Order, the temporary authority expired on September 30, 2021.

On September 16, 2021, Governor Newsom signed Assembly Bill 361 (AB 361), which became effective immediately upon signature, containing language similar to the Governor's previous Executive Orders that eased Brown Act requirements to allow local agencies to meet remotely. AB 361 allows meetings to continue to be conducted by teleconference, similar to the process used during the current COVID-19 pandemic, but only when there is a declared state of emergency that makes it unsafe to meet in person.

On July 29, 2021, the Sacramento County Public Health Officer issued an Order, effective July 30, 2021, finding the significantly more transmissible Delta variant of the SARS-CoV-2 virus has become the predominant strain in the County of Sacramento, and directing all individuals in the County to wear a face covering indoors in workplaces and public settings regardless of vaccination status. This Order is currently in effect.

On September 28, 2021, the Sacramento County Public Health Office issued a Teleconferencing Recommendation for public meetings stating it is an effective and recommended social distancing measure to facilitate participation in public affairs and encourage participants to protect themselves and others from COVID-19.

It would be impractical to ensure all public meeting attendees are vaccinated and have appropriate face coverings that are worn correctly.

Staff's recommendation is to continue to hold regular Board meetings and other public meetings via solely virtual (online/teleconference) meeting and continue to monitor developments related to the COVID-19 pandemic. Pursuant to Government Code section 54953(e), this Board must make findings every 30 days that conditions warrant continuing to meet virtually instead of in-person.

**Board Policy:** Governance Process GP-3, Board Job Description – j) Take such other actions as may be required by law.  
(Number & Title)

**Benefits:** Making the determination to continue remote meetings will allow for efficient conduct of SMUD business.

**Cost/Budgeted:** Contained in Business Unit budget for internal labor.

**Alternatives:** Take no action and comply with all original Brown Act requirements.

**Affected Parties:** SMUD, Board of Directors, Public

**Coordination:** Executive Office, Board Office, Legal Department, Information Technology, Communications

**Presenter:** Laura Lewis, Chief Legal & Government Affairs Officer

**Additional Links:**

SUBJECT

**Make Determination to Continue Online/Teleconference Meetings**

ITEM NO. (FOR LEGAL USE ONLY)

**9**

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, SMUD is committed to preserving public access and participation in meetings of the Board of Directors and to the safety of meeting attendees; and

**WHEREAS**, all meetings of the Board of Directors are open and public, as required by the Ralph M. Brown Act (Gov't Code, §§ 54950-54963) ("Brown Act"), so that any member of the public may attend, participate in, and watch SMUD's governing body conduct its business; and

**WHEREAS**, the newly enacted Government Code section 54953(e) authorizes a local agency's governing body, during a proclaimed state of emergency, to participate in its public meetings using remote teleconferencing without compliance with the requirements of Government Code section 54953(b)(3), under specified conditions; and

**WHEREAS**, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

**WHEREAS**, another condition is that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body determines that meeting in person would present imminent risks to the health and safety of attendees; and

**WHEREAS**, on July 29, 2021, the Sacramento County Health Officer issued an order intended to help limit the spread of COVID-19, and among other things,

required face coverings in indoor public spaces for vaccinated and unvaccinated people alike; and

**WHEREAS**, on September 28, 2021, the Sacramento County Health Officer issued a Teleconferencing Recommendation stating:

Public meetings bring together many individuals (both vaccinated and potentially unvaccinated), from multiple households, in a single indoor space for an extended time. For those at increased risk for infection, or subject to an isolation or quarantine order, teleconferencing allows for full participation in public meetings, while protecting themselves and others from COVID-19.

Utilizing teleconferencing options for public meetings is an effective and recommended social distancing measure to facilitate participation in public affairs and encourage participants to protect themselves and others from COVID-19

; and

**WHEREAS**, under current state of emergency conditions it would be impractical for SMUD to take steps necessary to prevent imminent risks to the health and safety of attendees, such as by holding public meetings outdoors, ensuring public meeting attendees are vaccinated, have appropriate face coverings, and wear them consistent with public health guidance; and

**WHEREAS**, all meetings, agendas, meeting dates, times, and manner in which the public may participate in the public meetings of the SMUD Board and offer public comment by telephone or internet-based service options including video conference are posted on the SMUD website and physically outside of SMUD's Headquarters Building; and

**WHEREAS**, by Resolution No. 21-10-01 adopted on October 12, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct



remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

**WHEREAS**, by Resolution No. 21-10-03 adopted on October 21, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1. Risks to Health and Safety of Attendees.** The Board has reconsidered the circumstances of the state of emergency and hereby finds that the state of emergency continues to directly impact the ability of the members to meet safely in person; the Sacramento County Health Officer has recommended teleconferencing as way to promote social distancing; and holding SMUD Board meetings in person would present imminent risks to the health and safety of attendees.

**Section 2. Remote Teleconference Meetings.** SMUD staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including conducting open and public meetings in accordance with section 54953(e) and other applicable provisions of the Brown Act.

**Section 3. Effective Date of Resolution.** This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) December 17, 2021, or (ii) such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the SMUD Board may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.



SSS No.

BOD 2021 -017

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date

ERCS Nov 16, 2021

Board Meeting Date

November 18, 2021

TO					TO				
1.	Frankie McDermott				6.				
2.	Stephen Clemons				7.				
3.	Brandy Bolden				8.				
4.	Lora Anguay				9.	Legal			
5.					10.	CEO & General Manager			

<b>Consent Calendar</b>		<input type="checkbox"/>	<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b>	<i>If no, schedule a dry run presentation.</i>		<b>Budgeted</b>	<input type="checkbox"/>	<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR)						DEPARTMENT						MAIL STOP	EXT.	DATE SENT
Brandon Rose / Donna Lofton						Board Office						B307	5079	11/2/2021

### NARRATIVE:

**Requested Action:** Allow the Board of Directors an opportunity to discuss Board Officer positions for 2022.

**Summary:** The directors will discuss and make recommendations for Board President and Vice President for January through December of the upcoming year.

**Board Policy:** Governance Process GP-5, Election of the Board President and Vice President, states that the Board shall select a President and Vice President each year to preside over it. This discussion supports the governance process.  
(Number & Title)

**Benefits:** Having this discussion will allow the directors a forum to voice their choices for President and Vice President for the upcoming year.

**Cost/Budgeted:** There is no budgetary impact for this item.

**Alternatives:** Not select Board Officers at this time.

**Affected Parties:** Board of Directors

**Coordination:** Board Office

**Presenter:** Nancy Bui-Thompson, Board President

### Additional Links:

SUBJECT

Board Officers for 2022

ITEM NO. (FOR LEGAL USE ONLY)

10

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, President Bui-Thompson called for the election of the President of the Board of Directors for the year 2022; and

**WHEREAS**, Director \_\_\_\_\_ nominated Director \_\_\_\_\_ for the position of President of the Board of Directors for 2022; and

**WHEREAS**, hearing no other nominations, the President closed the nominations and proceeded to a vote; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board hereby elects Director \_\_\_\_\_ to serve as President of the Board of Directors for the 2022 term commencing January 1, 2022, through December 31, 2022.

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, President Bui-Thompson called for the election of the Vice President of the Board of Directors for the year 2022; and

**WHEREAS**, Director \_\_\_\_\_ nominated Director \_\_\_\_\_ for the position of Vice President of the Board of Directors for 2022; and

**WHEREAS**, hearing no other nominations, the President closed the nominations and proceeded to a vote; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board hereby elects Director \_\_\_\_\_ to serve as Vice President of the Board of Directors for the 2022 term commencing January 1, 2022, through December 31, 2022.