

Exhibit to Agenda Item #1

Discuss approving a **Memorandum of Understanding (MOU)** between the **Sacramento Municipal Utility District** and the **International Brotherhood of Electrical Workers Local Union 1245 (IBEW)** for the period January 1, 2026, through December 31, 2028.

Board Energy Resources & Customer Services and Special SMUD Board of Directors Meeting

Tuesday, March 17, 2026, immediately following the Finance & Audit Committee and Special SMUD Board of Directors meeting scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

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 and request for approval of a successor MOU between SMUD and the IBEW.

Outcome Achieved

- Represents a fair and reasonable 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 qualified and engaged IBEW workforce
 - Provides a pool of well-qualified internal and external applicants for positions throughout the organization

Proposed Agreement

- The IBEW ratified the tentative agreement on March 3, 2026:
 - 488 votes were counted (86% of membership cast ballots)
 - Overwhelming support of those who voted: 82% voted YES
- Term of the new MOU:
 - Three-year contract
 - January 1, 2026 – December 31, 2028

Wages

- **General Wage Increase (GWI):**

2026	2027	2028
4.00%	3.85%	3.85%

- All IBEW bargaining unit employees will be eligible for the GWI each year
- **Two-Tier Job Classes – Open to Closed Class (1/) Wages**
 - IBEW employees in the following classifications, hired on or after 1/1/2013 at the Open Class wage, will be collapsed to the closed class wage:
 - Line Equipment Operator Assistant – 19%
 - Maintenance Carpenter Series – 18%
 - Revenue Protection Representative – 13%
 - Vehicle Mechanic Series – 12%

Wages (cont.)

- **Equity Adjustments**

Classification	Equity Increase
Cable Locator Series	4.25%
Cable Splicer Series	15%
Crafts Helper	4.50%
Distribution System Operator Series	9.70%
Electrical Technician Series	9.70%
Gas Control Technician Series	5.00%
Gas Pipeline Fieldperson	2.50%
Hazardous Waste Technician Series	3.25%
Heavy Duty/Line Equipment Operator	2.50%
High Voltage Electrician Series	9.70%

Classification	Equity Increase
Hydro Operator Series	7.75%
Line Series	9.70%
Material Specialist II	2.00%
Meter Technician Series	7.80%
Plant Mechanic Series	6.60%
Telecommunication Technician Series	2.00%
Utility Compliance Specialist	5.00%
Vehicle Attendant	6.25%
Vehicle Maintenance Aide	9.25%
Vehicle Mechanic Series	1.25%

Benefits

- **Benefit Cost Sharing Unchanged**
- **Deferred Compensation Benefits**
 - SMUD will match eligible IBEW PEPRA* employees' contributions to their 401(k) account up to an additional \$600 (\$1800 total) per calendar year.
- **Direct Contributions:**
 - SMUD will increase *monthly direct contributions* into eligible IBEW PEPRA employees' 401(k) accounts by \$50 as follows:

Years of Service	2026 - 2028
1-5 Years	\$375
6-10 Years	\$400
11-15 Years	\$425
16+ Years	\$450

*PEPRA – California Public Employees' Pension Reform Act

Action Request

Ratify the proposed MOU from 1/1/2026-12/31/2028 as tentatively agreed to by the IBEW and SMUD.