Board Policy Committee Meeting and Special SMUD Board of Directors Meeting

Date: Wednesday, June 11, 2025

Time: Scheduled to begin at 6:00 p.m.

Location: SMUD Headquarters Building, Auditorium

6201 S Street, Sacramento, CA

Powering forward. Together.

SMUD®

AGENDA
BOARD POLICY COMMITTEE MEETING
AND SPECIAL SMUD BOARD OF DIRECTORS MEETING

Wednesday, June 11, 2025
SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, California
scheduled to begin at 6:00 p.m.

Remote Telephonic Locations:

2600 W Harmon Avenue	**900 René-Lévesque Blvd W**
Las Vegas, NV 89158	**Montréal, QC H3B 4A5**
	Canada

This Committee meeting is noticed as a joint meeting with the Board of Directors for the purpose of compliance with the Brown Act. In order to preserve the function of the Committee as advisory to the Board, members of the Board may attend and participate in the discussions, but no Board action will be taken. The Policy Committee will review, discuss and provide the Policy Committee's recommendation on the below agendized item(s):

Virtual Viewing or Attendance:
Live video streams (view-only) and indexed archives of meetings are available at:
https://www.smud.org/Corporate/About-us/Company-Information/Board-Meetings/Watch-or-Listen-online

Zoom Webinar Link: Join Board Policy Committee Meeting Here
Webinar/Meeting ID: 161 976 7105
Passcode: 377941
Phone Dial-in Number: 1-669-254-5252 or 1-833-568-8864 (Toll Free)

Verbal Public Comment:
Members of the public may provide verbal public comment by:
- Completing a sign-up form at the table outside of the meeting room and giving it to SMUD Security.

- Using the "Raise Hand" feature in Zoom (or pressing *9 while dialed into the telephone/toll-free number) during the meeting at the time public comment is called. Microphones will be enabled for virtual or telephonic attendees when the commenter's name is announced.

Written Public Comment:
Members of the public may provide written public comment on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via email to PublicComment@smud.org or by mailing or bringing physical copies to the meeting. Email is not monitored during the meeting. Comments will not be read into the record

but will be provided to the Board and placed into the record of the meeting if received within two hours after the meeting ends.

DISCUSSION ITEMS

1. Katarina Miletijev   Discuss the monitoring report for **Strategic Direction SD-4, Reliability**.
Presentation: 10 minutes
Discussion: 5 minutes

2. Katarina Miletijev   Discuss adoption of the **2025 Update** to SMUD's 2023-2025 **Wildfire Mitigation Plan**.
Presentation: 10 minutes
Discussion: 5 minutes

3. Laurie Rodriguez   Discuss the monitoring report for **Strategic Direction**
    Dr. Markisha Webster   **SD-8, Employee Relations**.
Presentation: 20 minutes
Discussion: 10 minutes

INFORMATIONAL ITEMS

4. Laurie Rodriguez   Brief the Board on the status of vacant positions in accordance with Assembly Bill (AB) 2561, i.e., Government Code section 3502.3.
Presentation: 5 minutes
Discussion: 2 minutes

DISCUSSION ITEMS (cont.)

5. Laurie Rodriguez   Discuss the monitoring report for **Strategic Direction SD-12, Ethics**.
Presentation: 10 minutes
Discussion: 5 minutes

6. Heidi Sanborn   Board Monitoring: **Board-Staff Linkage BL-6, Evaluating the CEO's Performance**; **Board-Staff Linkage BL-7, Delegation to the CEO**; and **Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement**.
Presentation: 4 minutes
Discussion: 1 minute

INFORMATIONAL ITEMS (cont.)

7.   Gregg Fishman   Board Work Plan.
                                      Presentation: 0 minutes
                                      Discussion: 5 minutes

8.   Public Comment

9.   Heidi Sanborn   Summary of Committee Direction.
                                      Discussion: 1 minute

Members of the public shall have up to three (3) minutes to provide public comment on items on the agenda or items not on the agenda, but within the jurisdiction of SMUD. The total time allotted to any individual speaker shall not exceed nine (9) minutes.

Members of the public wishing to inspect public documents related to agenda items may click on the Information Packet link for this meeting on the smud.org website or may call 1-916-732-7143 to arrange for inspection of the documents at the SMUD Headquarters Building, 6201 S Street, Sacramento, California.

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 meeting. If you need a reasonable auxiliary aid or service for effective communication to participate, please email Toni.Stelling@smud.org, or contact by phone at 1-916-732-7143, no later than 48 hours before this meeting.

BOARD AGENDA ITEM
STAFFING SUMMARY SHEET

Committee Meeting & Date
Policy – 06/11/25
Board Meeting Date
June 19, 2025

	TO			TO
1.	Claire Rogers	6.		
2.	Frankie McDermott	7.		
3.	Brandy Bolden	8.		
4.	Farres Everly	9.	**Legal**	
5.	Suresh Kotha	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)	DEPARTMENT	MAIL STOP	EXT.	DATE SENT
Katarina Miletijev	Distribution Planning & Operations	EA502	6235	05/16/25

NARRATIVE:

Requested Action:	Accept the monitoring report for **Strategic Direction SD-4, Reliability**.
Summary:	The purpose of this report is to provide the Board with an update on SD-4, Reliability for the year 2024. The information in the monitoring report can be used by the Board to determine if any policies or metrics need to be changed or further developed.
Board Policy: *(Number & Title)*	Strategic Direction SD-4, Reliability. The information in the monitoring report will provide a summary of system reliability, availability, and related activities for 2024.
Benefits:	Allows the Board of Directors and Executive staff a better understanding of the Board Policies and gives them an opportunity to make revisions if necessary.
Cost/Budgeted:	Contained in internal labor budget.
Alternatives:	Provide the Board written report and communications through the CEO & General Manager.
Affected Parties:	Power Generation, Transmission Planning & Operations
Coordination:	Power Generation, Transmission Planning & Operations
Presenter:	Katarina Miletijev, Manager, Distribution Operations Engineering

Additional Links:

SUBJECT	ITEM NO. *(FOR LEGAL USE ONLY)*
SD-4, Reliability Board Monitoring Report	

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors   **DATE:** May 27, 2025

FROM: Claire Rogers *CR 5/27/25*

SUBJECT: Audit Report No. 28007865
Board Monitoring Report; SD-04: Reliability

Internal Audit Services (IAS) received the SD-04 *Reliability* 2024 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Compared sample to the corresponding supporting documentation to identify potential discrepancies.

All items sampled within the SD Report aligns with the supporting documentation provided at the time of review.

CC:

Paul Lau

DRAFT

Board Monitoring Report 2024
SD-4 Reliability

1) **Background**

Strategic Direction SD-4 Reliability states that:

Meeting customer energy requirements is a core value of SMUD.

Therefore:

    a) SMUD will assure all customer energy requirements are met. This will be accomplished through the use of: (i) its generation resources and purchase power portfolio 100 percent of the time; and (ii) its transmission assets to assure an overall availability of at least 99.99 percent.

    b) SMUD will achieve distribution system reliability by:

        Limiting the average frequency of outage per customer per year to:

            With major event: 0.99 – 1.33
            Excluding major event: 0.85 – 1.14

        Limiting the average duration of outages per customer per year to:

            With major event: 67.5 – 93.3 minutes
            Excluding major event: 49.7 – 68.7 minutes

        Ensuring that no individual circuits exceed these targets for more than two consecutive years. For circuits that exceed these targets for two consecutive years, a remedial action plan will be issued and completed within eighteen months.

    c) SMUD will maintain the electric system in good repair and make the necessary upgrades to maintain load serving capability and meet regulatory standards.

2) **Executive summary**

Improving reliability is essential to meeting customer energy requirements and drives customer loyalty.

SMUD was in compliance for both generation and transmission availability. SMUD met all energy supply requirements 100% of the time through its generation resources and purchased power. At a peak load of 3,169 megawatts (MW) (which occurred on

July 11), 50% of the generation was provided by internal resources and 50% was provided by purchased power. The transmission availability was at 100% for the year.

SMUD was in compliance for both SAIDI and SAIFI (excluding major events). Reliability targets including major events were exceeded for both SAIDI (228.0 minutes) as well as SAIFI (1.43). The 2024 distribution system reliability performance is summarized in Table 1 below.

Table 1: 2024 Distribution System Reliability Performance

	Including Major Events		Excluding Major Events	
	SD-4 Limit	**2024 Results**	**SD-4 Limit**	**2024 Results**
SAIFI	1.33	1.43	1.14	0.75
SAIDI (minutes)	93.3	228.0	68.7	44.4

Major events are defined as events caused by earthquake, fire, or storms of sufficient intensity which result in a state of emergency being declared by the government. Absent the declaration of a state of emergency, any other natural disaster may be excluded only if it affects more than 15% of the system facilities or 10% of the customers, whichever is less.

Out of the total distribution circuits, 98.7 %, or 773 circuits, met the Board's reliability standards. Twenty-five projects aimed at improving reliability—encompassing cable replacement, avian mitigation, equipment repairs, tree-trimming and other tasks—were initiated, with thirteen already finished and twelve projects are in progress.

3) **Additional supporting information**

Generation

Hydro Generation Facilities

The availability rate for SMUD's hydro generation system in 2024 was 95.9% and for the June 1st through September 30th peak period, hydro generation availability was 99.9%. SMUD's Upper American River Project (UARP) hydro system generated 1,309 GWh. The budgeted generation was 1,581 GWh.

Gas Pipeline Operations

SMUD's gas pipeline had a 100% availability rating in 2024 and provided a constant flow of gas to SMUD's thermal generation facilities. All necessary maintenance activities were successfully completed in accordance with our operations and maintenance plans and procedures.

<u>Thermal Generation Facilities</u>

The overall availability rate for SMUD's thermal generation facilities in 2024 was 85.1% and for the June 1st through September 30th peak period, thermal plant availability was 97.7%. SMUD's thermal generation facilities generated a net total of 5,409 GWh against the budgeted generation of 6,322 GWh.

Transmission and Distribution

SMUD has approximately 488 miles of transmission lines and 10,988 miles of distribution lines including 69 kilovolt (kV). Approximately 36% of the distribution lines are installed overhead and 64% are installed underground. The transmission system is predominately overhead except for 19 miles of underground lines located in the Carmichael and downtown areas.

Staff monitors circuit reliability regularly to assess circuits that could potentially exceed the reliability limits. Outage causes, trends, and reliability impacts are analyzed to identify corrective actions that will bring the reliability of these circuits within the acceptable range.

4) **Challenges**

The Sacramento region was once again devastated by catastrophic atmospheric river storms in February of 2024. The most impactful of these storms caused significant damage to the grid, affecting approximately 453,000 customers, a SAIDI contribution of 183.6 minutes, and a SAIFI contribution of 0.69 on February 4th and February 5th combined. During these two days, the grid experienced 65 mile per hour (mph) wind gusts, with 48 mph sustained winds, coupled with almost two inches of rain. With the ground saturated by heavy rains combined with high winds, numerous trees fell onto SMUD's overhead lines. These types of tree related outages take longer to resolve since the trees must be removed from the tangled powerlines prior to the start of rebuilding the lines.

Drivers for Reliability Performance

The main drivers for the distribution system performance excluding major events, along with the mitigation measures for each, are summarized below.

<u>Equipment Failures</u>

Equipment failures are associated with a wide variety of distribution line components, such as fuses, poles, wire hardware, broken connectors, broken jumpers, failed transformers, broken cutouts and more. Outages due to failed equipment continue to be evaluated to locate and address any systemic deficiencies.

Failed equipment was the leading cause of outages in 2024. When compared to 2023, outages due to equipment failures decreased by 5%, SAIDI minutes decreased by 4% and SAIFI increased by 43%. This increase in SAIFI was caused primarily by the number of customers experiencing equipment-related outages at the 69 kV level. In 2023 18,254 customers were affected by seven 69 kV equipment related outages while in 2024 59,743 customers were affected by eight 69 kV equipment related outages.

Multiple inspection and maintenance programs are in place to identify and correct deficiencies before they result in failure. We have annual line patrols to detect obvious deficiencies. In addition, we perform detailed line inspections (DLI) every five years. During a DLI, the inspector examines every attachment on the pole and documents deficiencies found. The deficiencies are prioritized and repaired based upon pre-determined schedules.

<u>Underground Cable Failures</u>

In 2024, underground cable failures were the second highest contributor to the number of outage events. The number of outages caused by cable failures rose by 8 % compared to 2023. Additionally, SAIDI and SAIFI values increased by 10% and 20%, respectively.

In 2024, SMUD injected a 69kV line at a fraction of replacement cost, which is expected to postpone the need for replacement of this line for many years and would have a significant improvement to SAIDI/SAIFI.

<u>Vehicle Accidents</u>

Another leading driver impacting reliability in 2024 was vehicle accidents. Although the number of outages due to vehicle accidents increased by 18% compared to 2023, SAIDI and SAIFI values decreased by 24% and 45% respectively. The decrease in SAIDI and SAIFI while outage incidents increased was caused primarily by the reduction in 69 kV vehicle accidents in 2024 when compared to 2023, impacting 58,050 fewer customers than the prior year.

Visibility strips were installed on numerous poles as part of the Vehicle vs Asset program in 2024. Staff continues to monitor and analyze vehicle related outages for remediation as part of the Vehicle vs Asset program.

5) **Recommendation**

It is recommended that the Board accept the Monitoring Report for SD-4 Reliability.

6) **Appendices**

Appendix 1: Generation Supplementary Information

Hydro Generation Facilities

Major hydro generation maintenance and construction activities include:

- Union Valley T2 Transformer Replacement
- Union Valley 69kV Switchyard Upgrade
- Camino T1 Temporary Transformer Replacement
- Robb's Peak Penstock Cable Replacement
- Loon Lake 69kV Cable Assessment
- South Fork Controls Upgrade
- Brush Creek 480V Switchgear Upgrade
- Hydromet System Upgrade
- Robb's Peak Crane Controls Upgrade
- Robb's Peak Switchgear and Unit Breaker Upgrade

Gas Pipeline Operations (GPO)

Capital improvements and major maintenance activities include:

- Implemented Quantitative Risk Analysis model for Pipeline Integrity Management
- Performed scheduled 6-year In-line Inspection of all three pipeline segments
- 800C zinc ribbon rehabilitation and potential gradient mats
- Cambells station piping condition assessment
- Carson Blowdown relocation project
- Four ILI anomaly verification digs along UPRR r/w on 800C
- Franklin pipe anomaly cut-out on 800C
- Wireless gateway upgrades at several stations
- AC Mitigation at CPP and MLV-8

Thermal Generation Facilities

Major thermal generation maintenance and construction activities completed include:

Procter & Gamble Power Plant

- Combustion Turbine 1A - Engine Major Overhaul
- Circ Water Pump 1A Overhaul
- GSU Online Monitoring
- Steam Turbine Major Inspection
- CEMS System Upgrade PLCs
- Condensate Pump Replacement
- Peaker Control System Battery replacement
- Gas Compressor Isolation Valves

- Peaker Exciter Upgrade
- Thermal End of life Engineering Study

Campbell Power Plant

- 5-year NFPA emergency fire tank inspection
- 450 feet of blowdown piping and 8 valves replaced
- Anion resin cleaned (demineralization system)
- Thermal End of life Engineering Study

Consumnes Power Plant

- CPP ST Generator Minor Inspection
- CPP HRSG Penetration Seal Upgrades
- CPP HRSG Sump Pumps
- HRSG Hot Reheat Isolation Valve Overhauls
- CPP GSU Monitoring
- SFA DCS Controls
- SFA CT Rotor LTEs (CT3, CT2 with spare)

Carson Power Plant

- Circ Water Pump Overhaul Pump B
- Cooling Tower Fill Replacement
- GSU Online Monitoring
- Feed Water Pump Overhaul - Pump A
- CTG1 HMI Replacement
- CTG1 And CTG2 O2 Analyzer Upgrade
- Chiller X631 Condenser Retube (1100 ton)
- Chiller X630 Condenser Retube (1300 ton)
- Steam Turbine Failure Repair
- Steam Turbine Generator Protection Upgrade
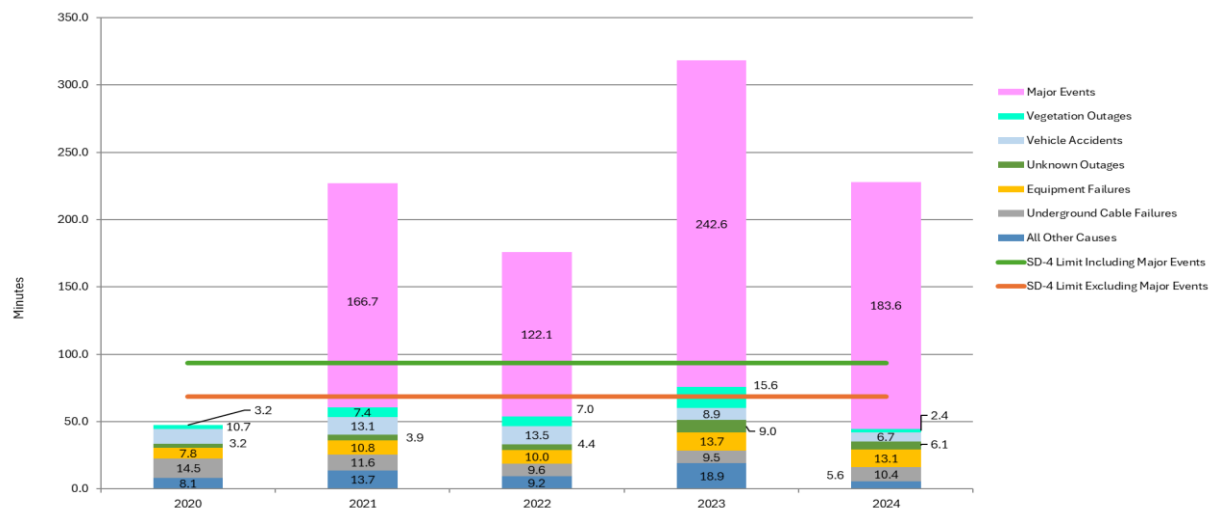- Thermal End of life Engineering Study

Appendix 2: Graphs

The graphs below provide a five-year comparison of the impacts of outage causes to the average frequency (SAIFI) and duration (SAIDI) of outages.

Graph 1: Multi-Year Comparison
System Average Frequency Index (SAIFI)
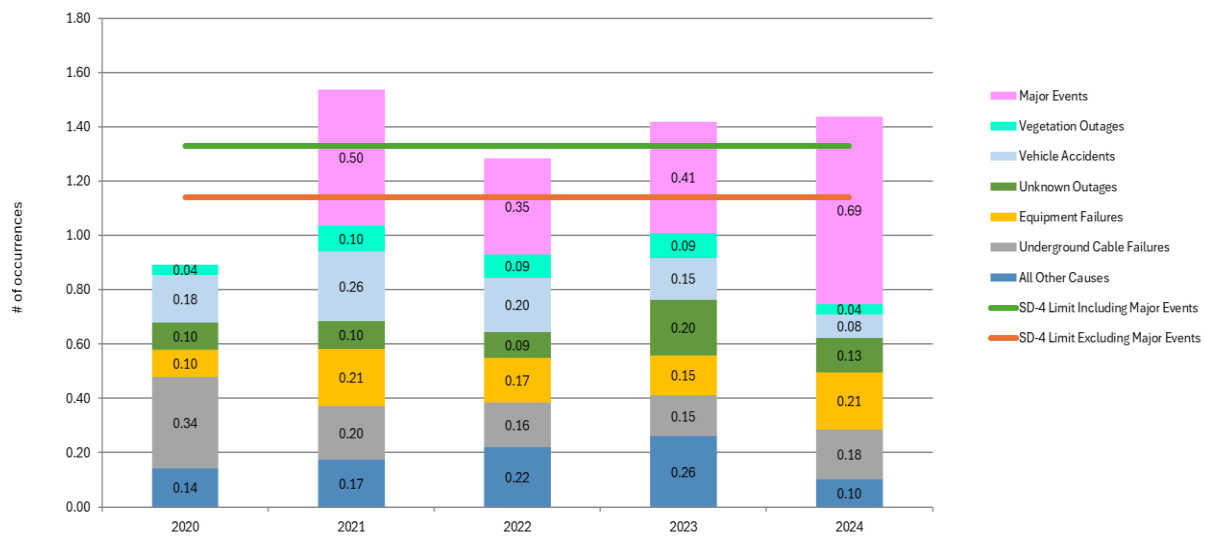
Graph 2: Multi-Year Comparison
System Average Duration Index (SAIDI)

BOARD AGENDA ITEM
STAFFING SUMMARY SHEET

	TO			TO
1.	Frankie McDermott	6.	Farres Everly	
2.	Jose Bodipo-Memba	7.	Suresh Kotha	
3.	Lora Anguay	8.		
4.	Scott Martin	9.	**Legal**	
5.	Brandy Bolden	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) Katarina Miletijev	DEPARTMENT Distribution Planning & Operations	MAIL STOP EA502	EXT. 6235	DATE SENT 05/16/25

NARRATIVE:

Requested Action: Adopt the 2025 Update to SMUD's 2023-2025 Wildfire Mitigation Plan.

Summary: Public Utilities Code section 8387 requires that every publicly owned electric utility annually prepare a wildfire mitigation plan (WMP), present it to the utility's governing body in a noticed public meeting, and accept comments. Section 8387 also requires that the utility contract with a qualified independent evaluator experienced in assessing the safe operation of electrical infrastructure to review and assess the comprehensiveness of the utility's WMP and the evaluator shall issue a report. On or before July 1 of each year the utility will submit the approved WMP to the California Wildfire Safety Advisory Board (WSAB) for review, comment, and advisory opinion. At least once every three years, the utility shall perform a comprehensive revision of the plan.

By Resolution 19-10-09, the Board adopted SMUD's initial Wildfire Mitigation Plan and authorized the Chief Executive Officer and General Manager to make future changes to the WMP that further the primary purpose of the WMP and provide a net benefit to SMUD. By Resolution each year following, the Board adopted SMUD's annual WMP update. In 2023 SMUD conducted a comprehensive review and revision of its WMP, which was adopted by Board Resolution 23-06-05 after an extensive public outreach effort. The 2023-2025 WMP was reviewed by a qualified independent evaluator, and their report was presented to the Board. The 2023-2025 WMP was duly submitted to the WSAB prior to July 1, 2023. The 2024 update to the 2023-2025 WMP was duly prepared, presented to and adopted by the Board, and submitted to the WSAB.

In accordance with Section 8387, SMUD staff has completed its 2025 annual review and update of SMUD's WMP. The 2025 update to SMUD's 2023-2025 WMP provides an update on SMUD's wildfire prevention and mitigation programs and efforts. The draft 2025 WMP update was offered for public comment for 30 days, following normal process. The 2025 update does not contain significant changes and an update to the independent evaluation was deemed not necessary

Board Policy:
(Number & Title) Strategic Direction SD-4, Reliability; Strategic Direction SD-6, Safety Leadership; Strategic Direction SD-15, Outreach and Communication; Strategic Direction SD-17, Enterprise Risk Management

Benefits: The WMP Update is in alignment with Strategic Direction SD-4, Reliability, that SMUD will maintain the electric system in good repair, and SD-6, that SMUD will implement measures to protect the public from injuries related to SMUD operations or facilities. Additionally, this item is consistent with Strategic Direction SD-15, Outreach and Communication, that SMUD will ensure all groups are aware of SMUD's major decisions and programs. This item is consistent with SD-17, Enterprise Risk Management, in maintaining an integrated enterprise risk management process.

Cost/Budgeted: The programs outlined in the WMP are budgeted in separate processes by the sponsoring departments.

Alternatives: California law requires the WMP to be presented to the Board in a noticed public meeting.

Affected Parties:	Transmission Planning & Operations, Distribution Planning & Operations, Line Assets, Power Generation, Customer Experience Delivery, Marketing and Corporate Communications, Customer Operations & Community Energy Services, Environmental and Real Estate Services, Facility and Security Operations, Information Technology, Procurement, Warehouse and Fleet, People Services & Strategies, Treasury and Risk Management, Legal and Government Affairs, Board Office
Coordination:	Transmission Planning & Operations, Distribution Planning & Operations, Line Assets, Power Generation, Customer Experience Delivery, Marketing and Corporate Communications, Customer Operations & Community Energy Services, Environmental and Real Estate Services, Facility and Security Operations, Information Technology, Procurement, Warehouse and Fleet, People Services & Strategies, Treasury, Government Affairs and Risk Management, Legal and Government Affairs, Board Office
Presenter:	Katarina Miletijev, Manager, Distribution Operations Engineering

Additional Links:

SUBJECT	**2025 Update to SMUD's 2023-2025 Wildfire Mitigation Plan**	ITEM NO. *(FOR LEGAL USE ONLY)*

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

2023 – 2025
Wildfire Mitigation Plan

Powering forward.
Together.

SMUD®

Table of Contents

1. 2025 Update Executive Summary

SMUD adopted a three-year Wildfire Mitigation Plan (WMP) in 2023. This 2023-2025 WMP was a comprehensive update of SMUD's WMP and included a risk assessment, analysis on the impact of climate change, descriptions of prevention and mitigation initiatives, discussion of project updates and outcomes, and metrics to evaluate the WMP performance. This 2025 update to the 2023-2025 WMP outlines progress made on several multi-year projects and provides other minor updates to reported initiatives.

The recent catastrophic wildfires in Southern California have underscored the importance of wildfire mitigation planning. While the cause of the fires hasn't yet been determined, SMUD has reviewed its WMP and assessed its wildfire prevention strategies with these recent events in mind. SMUD's geography, weather patterns and fuel types form a different and reduced risk profile from Southern California. SMUD continues to assess potential wildfire risk factors, and to maintain policies and implement strategies addressing those risks.

Projects. SMUD has completed two projects, which include the UARP 4kV UG conversion project in 2022 and replacement of #6 copper conductors in the PCA in 2023. The Aerial LIDAR, ortho and oblique imagery work is continuing to provide benefit. The installation of non-expulsion devices in PCA and the UARP fuels reduction project are both expected to be completed in 2025. Additionally, the installation of SCADA reclosers in the PCA is projected for completion in 2027.

SMUD is pro-actively continuing to research new technologies and plans to start an additional pilot project in 2025, which involves installing pole-mounted sensors on SMUDs poles and towers to enhance grid reliability and support wildfire mitigation. The sensors provide near real-time monitoring by detecting faults, voltage fluctuations, and hazardous conditions, with a three-year pilot monitoring period. The project will start in 2025 with target completion in 2028.

SMUD also continues to improve its awareness of fire risk factors. In 2024 Cal Fire and the California Office of Emergency Services stood up the Wildfire Forecast & Threat Intelligence Integration Center (WFTIIC)[1] to serve as California's integrated central organizing hub for wildfire forecasting, weather information, threat intelligence gathering, analysis and dissemination. WFTIIC also coordinates wildfire threat intelligence and data sharing among federal, state, local agencies, tribal governments, utilities, other service providers, academic institutions and nongovernmental organizations. SMUD acts as the publicly owned utility representative on the WFTIIC.

The various programs and projects described in the 2023-2025 WMP, as updated in 2024 and further for 2025, continue to provide a comprehensive and innovative approach to minimizing SMUD's wildfire risk.

Metrics. SMUD has established metrics, identified in Section 9 of the WMP, to measure the performance of its WMP. Initial data indicates SMUD's WMP is performing as intended. SMUD is on track to complete collecting a full five years of data on these metrics during calendar year 2025. SMUD will assess the data, identify any trends, and utilize the data to develop benchmarks and updates as part of its next comprehensive WMP revision in 2026.

Risk management. SMUD continuously assesses risk to the organization through an Enterprise Risk Management framework. Governance for Wildfire Mitigation Planning is provided through three oversight committees. First, Senior Leaders with management responsibilities for wildfire mitigation met as needed in the Wildfire Steering Committee. Second, the Risk Champion Network, made up of a cross-section of Directors meet quarterly to reassess all of the enterprise risks for emerging issues. Third, executive leadership meets quarterly in the Enterprise Risk Oversight Committee. Enterprise Risk Management has evaluated SMUD's risk environment and determined that several mitigations have been completed to mitigate and reduce the inherently high risk posed by potential wildfires.

In addition to SMUD's robust inspection and maintenance programs, the bulk of SMUD's efforts continue to be reducing fuel around our facilities to reduce ignition risk both of tree and ladder fuel inside and outside SMUD's easements and in some places 200' outside the easement to further improve forest health. The late winter season allowed vegetation contractors to continue working in our highest fire risk Upper American River Project (UARP) area late into the fall of 2024, enabling us to complete all planned work in 2024.

Northern CA has continued to benefit from atmospheric rivers and snowpacks that have delivered above average rain and water totals in 2024. The late wet winter/spring resulted in a shortened and mild wildfire season for Northern CA in 2024. The outlook for wildland fire potential in Northern California looks similar for 2025[2].

SMUD is currently assessing the impacts of climate change through a vulnerability climate adaption study and will incorporate the results into planning of its 2026 Wildfire Mitigation Plan revision.

---

[1] https://hub.wftiic.ca.gov/

[2] https://www.nifc.gov/nicc-files/predictive/outlooks/monthly_seasonal_outlook.pdf. Accessed March 5th, 2025. (The link will open the most current month. To view historical data, use this link to access the archived monthly reports: https://www.nifc.gov/nicc/predictive-services/outlooks)

1.1 Document Introduction

The numbered sections in this 2025 WMP update are intended to replace the respective numbered sections within the 2023 – 2025 WMP published in July 2023, as updated by the 2024 Update published in July 2024. The table below highlights the changes in the 2025 update to the 2023-2025 Wildfire Mitigation Plan.

Table of Changes 2025 Update to 2023-2025 WMP

Section	Change
1	A new Executive Summary is provided, including an analysis of the recent Southern California fires and a summary of the status of SMUD's wildfire projects and metrics.
2.5.1, Table 3	Added new Pole-Mounted Sensor installation project under the responsibility of the Director, Specialized Enterprise Initiatives
5.2, Figure 4	Updated percent or line circuit miles in the HFTD in description following the map.
5.4	Updated status of CAL FIRE FRAP FHSZ maps covering SMUD Service Area.
6	Included description of SMUD procedures that exceed minimum standards set forth in the CPUC's General Orders 95 and 165.
6.2	Updated list of situational awareness tools to include Watch Duty. Also clarified that SMUD has not initiated preventative de-energizations in response to wildfire conditions.
6.6	Updated status for enhancement and mitigation projects.
6.7	Added new pilot project for installation of pole mounted sensors that will provide near real-time power line monitoring.
7	Updated counts of MED Rate and EAPR customers.
Appendix	Provided updated webpage Links for footnote references.

SMUD will be formatting this document for PDF accessibility to ensure that individuals with disabilities can effectively access and engage with the content. This will be accomplished by following a variety of guidelines and techniques designed to create PDF documents that are compatible with assistive technologies, such as screen readers, and that cater to users with visual, auditory, motor, or cognitive disabilities.

2. Introduction

2.5   Accountability of the plan

SMUD's Chief Operating Officer has overall responsibility for the WMP. The Chief Operating Officer and Chief Customer Officer are responsible for executing the various components of the WMP.

2.5.1   *SMUD operating unit responsibility specific to each component of the plan*

Table 3 lists the Director with responsibility for the departments or workgroups that are accountable for the various components of SMUD's WMP. In each case the Director or the Director's designees will be responsible for the accuracy of, and for operations in accordance with, the specified component of the plan.

Table 3 Accountability for the WMP components.

Mitigation Activities	Responsible Department and Workgroup
Risk analysis	Manager, Enterprise Strategy and Risk
Fire threat assessment in service area and UARP	Director, Distribution Planning & Operations
Wildfire prevention strategy and programs	
- Disable automatic reclosing - Planned de-energizations	Director, Transmission Planning & Operations, Director, Distribution Planning & Operations
	Director, Line Assets
- Substation visual inspections	Director, Substation, Telecom & Metering Assets
- Vegetation management - Pole clearing program	Director, Line Assets
Fire mitigation construction	
- Natural Ester-based fluid - Cal FIRE exempt equipment in PCA	Director, Distribution Planning & Operations
- Weather stations	Director, Transmission Planning & Operations
Enhancement projects	
Pilot projects	
- Light Detection and Ranging and Ortho Imagery	Director, Line Assets
- Pole Mounted Sensor Installation	Director, Specialized Enterprise Initiatives
Emergency preparedness	
- SMUD Emergency Operations Centers	Director, Facilities, Security & IPPS
- Public and agency communications for wildfires	Director, Customer Operations & Community Energy Services, Director, Customer Experience Delivery, Director, Corporate Communications, Director, Commercial Development & Solutions

4. Risk analysis and risk drivers

4.6   Risk reduction efforts under the WMP

Since the adoption of its initial WMP, SMUD has initiated multiple projects to directly reduce the risk of ignitions from SMUD owned powerlines in the UARP and PCA. Two of those projects have been completed. The conclusion of these projects resulted in direct ignition risk reduction in Tier 2 and Tier 3 of HFTD areas. SMUD is making progress on the remaining projects and a new multi-year pilot program.

5. SMUD assets fire threat overview

5.2   Fire threat assessment in SMUD service area

SMUD has never experienced a catastrophic wildfire involving its facilities. SMUD's service area in Sacramento County has a much lower wildfire risk profile than other areas in the State that have suffered destructive wildfires in recent years. When ignition events occur, they have historically been limited in scope. This is largely due to SMUD's more urban environment, flatter accessible terrain, low grasslands and other fuel sources outside forested areas and fewer wind events.

The CPUC Fire-Threat map identifies Tier 3, extreme fire risk, Tier 2, elevated fire risk, and areas outside of the HFTD. Figure 4 depicts the CPUC Fire-Threat Map and SMUD's service area location within the map.

Figure 4 SMUD's service area within CPUC Fire-Threat Map
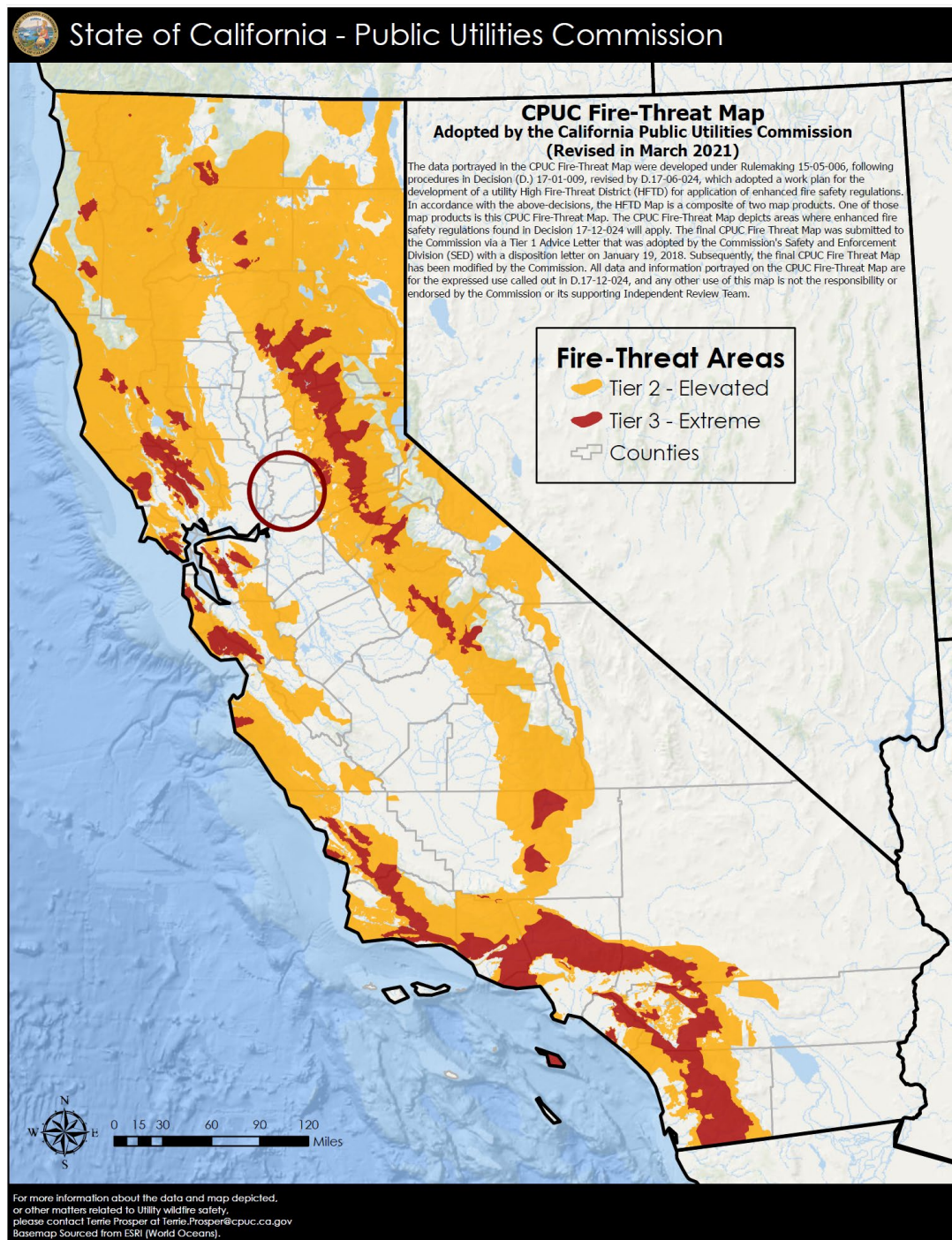
SMUD's assets are located both within CPUC HFTD areas (including Tier 2 and 3) and areas not deemed within the HFTD (referred to as CPUC non-tier or outside HFTD in this document). Approximately 31% of SMUD's overhead transmission and generation circuit-miles of wires are located within the CPUC HFTD, with approximately 12% located within Tier 3 ("Extreme Fire Threat"). None of SMUD's distribution substations are located within the HFTD.

5.4   CAL FIRE – Fire Resource and Assessment Program (FRAP)

CAL FIRE publishes multiple maps related to fire threat throughout the state. SMUD refers to the Fire Hazard Severity Zone (FHSZ)[3] map to inform and plan maintenance activities. CAL FIRE published a new State Responsibility (SRA) FHSZ map in March 2025. The new map depicts slight changes in fire hazard severity in the PCA. SMUD staff has completed importing and analyzing the map data as we continue to review and update our wildfire prevention and mitigation strategies. However, CAL FIRE has not published a new map depicting FHSZ for Local Responsibility Areas (LRA)[4] and Federal Responsibility Areas (FRA). The LRA and FRA depict fire hazard within Sacramento County areas, and portions of the UARP where SMUD has transmission lines respectively. SMUD staff will continue monitoring CAL FIRE's website for updates to these two maps.

Although SMUD takes CAL FIRE's FHSZ mapping into consideration as part of its wildfire mitigation planning, SMUD's Wildfire Mitigation Plan references the CPUC Fire Threat Map that focuses on the risk of utility associated wildfires.[5]

6. Wildfire prevention strategy and program

SMUD has a robust set of measures to address potential wildfire risks. The WMP incorporates existing efforts and identifies the process moving forward to supplement these efforts where a need is identified.

SMUD regularly coordinates with local fire agencies and other first response agencies. It also participates with emergency operations activities in its system areas.

SMUD has robust Vegetation Management (VM) programs with accelerated and targeted VM work (pruning & removal) risk and conditions approaches, including not to exceed 24-month inspection cycles in SMUD's service territory. Our VM programs are using enhanced technologies including LiDAR and Ortho Imagery (these technologies can help identify diseased trees and trees that are a risk to SMUD facilities).

SMUD also has robust inspection and maintenance programs that include traditional aerial patrols with helicopters, IR inspections using helicopters (which can detect heat from power equipment before an event occurs), inspections using unmanned aircraft systems (drones) to capture high-resolution photos, and regular ground inspections of all facilities (including core testing of the wood poles) with SMUD employees.

SMUD has implemented design standards and maintenance programs for its facilities that meet or exceed the relevant federal, state, or industry standard, including the minimum standards set forth in the CPUC's General Orders (GO) 95 165. SMUD recognizes these GOs reflect industry standard for design and construction of overhead electrical facilities, and specifically that GO 95 specifies a set of minimum design, inspection, and maintenance requirements for specific categories of electric supply facilities. In addition to these minimum requirements, GO 95, Rule 31.1 emphasizes that the design, construction and maintenance requirements should be implemented considering the local conditions under which the facilities are to be operated. Consistent with Rule 31.1, SMUD assesses best practices to protect the safety and reliability of its system by implementing design, construction, maintenance, or inspection protocols consistent with or exceeding the GO minimum standards. Two key examples of where SMUD has implemented standards exceeding the GO

---

[3] https://osfm.fire.ca.gov/what-we-do/community-wildfire-preparedness-and-mitigation/fire-hazard-severity-zones
[4] https://osfm.fire.ca.gov/what-we-do/community-wildfire-preparedness-and-mitigation/fire-hazard-severity-zones/fire-hazard-severity-zones-maps
[5] https://www.cpuc.ca.gov/industries-and-topics/wildfires/fire-threat-maps-and-fire-safety-rulemaking

minimums are (1) SMUD's intrusive wood pole testing interval is every 10 years which is more frequent than the minimum requirements of GO165 , and (2) SMUD has removed vegetation and potential hazard trees up to 200 feet from either side of the transmission lines in the UARP which exceeds the vegetation clearance requirements of GO 95. SMUD's pro-active strategies are intended to identify and resolve wood pole and tree concerns at an early stage to mitigate wildfire caused by a potential failure.

SMUD has explored potential system improvements in certain locations such as the use of non-sparking equipment in key areas (e.g., use of CAL FIRE exempt fuses), replacing wood poles with steel or ductile iron in certain cases and the use of covered conductor alternatives.

SMUD has protocols for disabling automatic reclosing and for de-energizing lines for public safety. Some conditions that factor into these protocols include: RFW, forecasted temperatures above 100°F, winds exceeding design standards and low humidity. It also has an Outage Communications Plan that addresses potential de-energization events. SMUD will include targeted messaging for affected areas that will set expectations and identify support resources. Table 7 describes activities that address SMUD's key wildfire risk factors.

Table 7 Activities that address wildfire risk factors

Risk factor	Activity
Fuel	Vegetation management Fuels reduction Use of LiDAR and Ortho Imagery
Equipment/facility failure	Routine maintenance Focused design and construction standards to reduce ignition sources (e.g., use of non-expulsion fuses and arrestors, replacement of wood poles, undergrounding and other options) Transmission and distribution line detailed inspections and annual patrol No reclosing during fire season Intrusive pole testing and pole replacement De-energization of lines during certain conditions
Contact from	Animal/bird guards Raptor construction (increased line spacing) Increased vegetation clearances (at time of work)
Wire to wire contact	Weather station and monitoring
Other	SMUD worker/contractor education on fire ignition sources from normal work activities Fire watch (daily 30 minutes after work completion in high-risk areas)

6.2   Transmission grid operational practices

6.2.2   Preventative De-energization Plans

SMUD's Power System Operators (PSO) have the authority to de-energize portions or all the Valley and UARP transmission line(s) for safety, reliability, conditions beyond design criteria, threat of wildfires and during emergency conditions when requested by local law enforcement or fire officials. Per existing protocols, planned de-energizations are coordinated with interconnected agencies.

During active fire season as declared by CAL FIRE the PSO is authorized to de-energize portions or all the Valley and UARP transmission line(s) when there is imminent fire danger, mandatory fire orders are in effect,

and/or the transmission system is experiencing conditions beyond design criteria. The PSO will take a combination of many factors into consideration when implementing de-energization procedures, which include the triggers listed below, as well as power system knowledge and potential community impacts. De-energization decisions require a balancing of all these factors as well as a knowledge of the area and operation of the power system. No single element is determinative.

- Extreme fire danger threat levels, as classified by the National Fire Danger Rating System
- A RFW declaration by the National Weather Service
- Low humidity levels lower than what is required for a RFW
- Sustained winds exceeding design standards
- Site-specific conditions such as temperature, terrain, and local climate
- Critically dry vegetation that could serve as fuel for a wildfire
- On-the-ground, real-time observation from SMUD or other agency field staff

The PSO utilizes various operational and situational awareness tools to determine when de-energization is appropriate. The tools are listed below:

- Weather data telemetered into SMUD's Energy Management System, such as wind speed, wind direction, air temperature, barometric pressure and relative humidity
- US Forest Service – Wildland Fire Assessment System, https://www.wfas.net/
- CAL FIRE Incidents Information, https://www.fire.ca.gov/incidents
- CAL FIRE California Statewide Fire Map: https://www.fire.ca.gov/incidents/
- National Weather Service: https://www.weather.gov/
- Indji Watch real time operational tool: https://www.indjiwatch.com/
- Geographic Information System (GIS) based tools
- ALERTWildfire: http://www.alertwildfire.org/tahoe/index.html
- NOAA/National Weather Service Storm Prediction Center: https://www.spc.noaa.gov/
- National Significant Wildland and Fire Potential Outlook, https://www.nifc.gov/nicc/predictive-services/outlooks
- Wildfire Forecast & Threat Intelligence Integration Center (WFTIIC), https://hub.wftiic.ca.gov/
- Watch Duty: Watch Duty - Wildfire Maps & Alerts

SMUD did not de-energization its lines due to wildfire conditions in 2023 or 2024. As a result, the disruption to power services associated with preventative de-energization events has not occurred during this period.

6.6 Enhancement and mitigation projects

SMUD forecasts and plans for upcoming work several years in advance. This planning process allows adequate level of staffing and funding for needed projects. This section identifies the specific upcoming projects that help reduce SMUD's wildfire risk.

6.6.1 Install non-expulsion devices in PCA

Status: On-track to be completed by the end of 2025 barring any ongoing supply chain constraints.
Start date: 2020
Expected completion: 2025

This project targets SMUD's PCA to reduce the risk of fire ignitions by installing non-expulsion equipment (CAL FIRE exempt equipment). Existing overhead fuses and fuse holders will continue to be replaced with non- expulsion type fuses. Existing arresters are being replaced with new arrestors that have arc protection. In addition, the connectors used to attach the devices to conductors are being replaced with Cal FIRE exempt wedge-type connectors.

6.6.2   Replace #6 Copper conductors in PCA

Status: Completed 2023
Start Date: 2021
Expected Completion: 2023

This project targets SMUD's PCA for removal of #6 copper conductors and replacement with heavier gauge aluminum. The project was proposed in conjunction with Eagle Take Permit mitigation work to reduce avian contacts issued in connection with the expansion of SMUD's Wind Farm in Solano County. The mitigation activity involves re-framing approximately 185 poles to increase overhead conductor spacing.

6.6.3   UARP 4kV UG conversion

Start Date: 2020
Completed: 2022

After performing a feasibility study of alternatives, SMUD decided to remove the 4kV bare wire lines in the UARP and install underground infrastructure. Two of the shorter lines were undergrounded in 2020 and 2021. Construction was completed on the longest of the three lines in summer of 2022.

6.6.4   UARP Fuels Reduction

Status: On-track to be completed in 2025
Start Date: 2019
Expected Completion: 2025

This project is designed to help protect the UARP transmission lines and strengthen the fire break value it provides. The project area includes the entire length of SMUD's UARP transmission line within the existing right-of-way corridor plus targeted work approximately 200 feet on each side. Project treatments are designed to increase the area of forest lands treated for fuels reduction and prescribed fire and contribute to the longer-term restoration of the Crystal Basin forested landscape. Implementation measures will reduce the density of surface and ladder fuels by mechanical thinning, mastication, and hand crew work as part of a larger suite of silvicultural prescriptions that restore mixed conifer composition, health, and vigor. The project seeks to establish conditions outside the easement where reasonable and practicable that allow for a mosaic of multiple age class forest stands, variation in tree size, density, and species composition through treatments that retain the largest trees where reasonable and without defects while establishing conditions that allow for safe and efficient fire suppression, especially around private inholdings of Sierra foothill communities. This project has finished 99% of the work in 2023, with the remaining tasks mainly hindered by challenging landowner situations. At present, SMUD has one remaining landowner to finalize work with.

6.6.5   Install SCADA reclosers in PCA

Status: Deferred 2025 to 2027 due to unforeseen supply chain constraints
Start Date: 2025
Expected Completion: 2027

The existing 12kV feeders serving PCA customers are non-SCADA. This project will install SCADA enabled reclosers on feeders that serves SMUD's PCA customers. The SCADA reclosers will provide distribution operators visibility to the circuits and ability to operate the recloser remotely, including remotely disabling the reclosing function. The SCADA enabled reclosers will have modern microprocessor-based controllers, which will provide SMUD engineers the flexibility of fast-trip settings during fire season, and normal settings for

improved reliability during storm season. Visibility to circuit's measured values will provide distribution operators the ability to remotely de-energize the circuit(s) when conditions warrant or when requested by emergency response personnel. This project is anticipated to be completed in 2027, provided there are no disruptions in the supply chain.

6.6.6   *VM Aerial LiDAR,10 ortho and oblique imagery*

Start Date: 2017 and annually as needed
Completed: Work Plan developed and completed annually as needed

SMUD contracts with an external vendor to utilize LiDAR and remote sensing to supplement or enhance traditional "boots on the ground" vegetation patrols. Both LiDAR and Ortho imagery is obtained from rotary and fixed wing aircraft. The technology measures vegetation clearance distances from the conductor in both "as flown" and modeled conditions. Modeling is taking all the engineering calculations for maximum load and wind ratings to calculate clearance distances in "full operating range of the respective facility." Ortho Imagery is used to provide a more accurate and pre-mature visibility of vegetation in decline that may not yet be visible to the human eye.

In 2023 and 2024 the vendor captured LiDAR data along the transmission corridors in the UARP, as well as the portions of Sacramento County designated as CAL FIRE's State Responsibility Area (SRA) for both T&D circuits. The LiDAR detections are categorized by priority. As soon as SMUD VM receives notification, SMUD VM field staff use the data to support patrols. Urgent and future potential conflicts are field checked and tree work is prescribed as needed (Transmission & SRA Distribution). These are reviewed by SMUD VM planners during annual patrols and tree work prescribed as required. Imagery work is budgeted for 2025.

6.7   Pilot *projects*

Pilot projects are initiated to explore technologies and practices that are new to SMUD. These projects are intended for SMUD staff to evaluate the effectiveness and benefits of the technologies or practices. The pilot must prove successful to implement the technology or practice. Some of the factors considered at the conclusion of a pilot are proven risk reductions, material and installation costs, ease and efficiency of installations and overall effectiveness of the technology. Based on the results of the pilots, SMUD may elect to integrate the technologies or practices into its various ongoing maintenance programs. Current pilot projects are described below.

6.7.1   *Pole-mounted Sensor* Pilot Program

Status: Installation of devices is planned to start in 2025
Start Date: 2025
Expected Completion: 2028

This project involves installing pole-mounted devices on hundreds of SMUD's poles and towers, including select locations within the UARP and PCA. Once deployed, the pilot program will consist of a three-year monitoring period. These pole-mounted sensors provide near real-time power line monitoring to improve grid reliability. These devices continuously assess grid conditions, detecting faults, voltage fluctuations, line sag, conductor damage, vegetation contact, and other anomalies. Utilizing machine learning, the system alerts key personnel to potential issues, enabling faster response times. Additionally, the sensors are expected to support SMUD's wildfire mitigation strategy by identifying hazardous conditions such as sparking conductors and other abnormal grid behaviors.

7. Response Guidelines

7.2 Public and agency communications for a potential wildfire

Public safety is a guiding principle at SMUD. While SMUD's WMP activities are designed to mitigate wildfire danger, in instances of high fire threat conditions, interruption of electrical service by de-energizing powerlines may be necessary as a last resort. De-energizing powerlines may be the safest approach and makes sense if the risk of a wildfire starting and spreading is severe. SMUD proactively communicates with customers and key stakeholders through multiple channels about preparing for potential power outages, and the power restoration process. SMUD recognizes that many entities and individuals are particularly vulnerable during extended power outages and makes every effort to provide up-to-date information to these populations prior to, during and after an event.

This proactive communication is utilized for:

1) A wildfire threat to localized circuits within the SMUD service territory that results in localized de-energization.
2) A wildfire threat to SMUD's UARP hydroelectric generation and transmission system that results in a de-energization event causing a capacity/energy shortage (rotating outages).
3) A wildfire threat to a major shared transmission line(s) that impacts the statewide grid or parts of it and creates a resource shortage for the utilities, including SMUD, that rely on the resources the line(s) provides.

SMUD has implemented an opt-in program on smud.org that allows for vulnerable populations to receive additional information or notifications in the unlikely event of a wildfire in SMUD service territory.

Among SMUD's most vulnerable customers are those enrolled in the Medical Equipment Discount Rate program (MED rate). These customers rely on specialized medical equipment that may require power. SMUD also has a Vulnerable Customer program which allows customers to self-identify as vulnerable for concerns not covered by our MED Rate, we include our Energy Assistance Program Rate (EAPR) and 3rd Party/Senior ID customers in this group. SMUD has more than 11,000 customers who rely on specialized medical equipment and who are enrolled in the MED rate program, 3rd Party/Senior ID program or enrolled in our Vulnerable Customer program. Additionally, SMUD has nearly 75,000 customers that participate in our EAPR program. SMUD will send these customers an email or letter each year to remind them of the risk of wildfire danger, to have an emergency back-up plan if an outage occurs, to update their contact information and refer them to Smud.org/wildfiresafety for more information.

All SMUD customers can visit the smud.org/wildfiresafety webpage where they'll be able to find:

- Wildfire mitigation plan
- Information on how SMUD mitigates fire risk
- Emergency preparedness planning guide (7 languages)
- Links to additional resources
- Video on wildfire mitigation efforts
- Rotating outage map and periodic event updates
- Frequently Asked Questions on the de-energization process

Smud.org/WildfireSafety provides access to information about SMUD's effort in wildfire planning and prevention (including an archive of this and prior WMPs), how to identify fire risk in areas where SMUD maintains electric facilities, a video on our wildfire mitigation efforts, emergency planning and preparation) and SMUD's de-energization protocols.

SMUD also proactively communicates before potential emergency events about our efforts to prepare for and reduce wildfire risk.

In advance of peak wildfire season, SMUD conducts ongoing communications about how to prepare for emergencies in the event of a wildfire, natural disaster or major outage. The communications include:

- Letters and emails to MED Rate, EAPR 3rd Party/Senior ID and self-identified vulnerable customers, with preparation checklists.
- Outdoor billboards
- Digital monitors in our customer lobby
- Bill inserts
- Reminders on SMUD.org homepage encouraging customers to update contact information
- Customer newsletters (print and email) on safety tips, preparation.

SMUD's public information specialists will provide ongoing updates on multiple platforms, including social media, to provide customers and the community with up-to-date information about an emergency or potential emergency.

SMUD's government affairs representatives will reach out to the executive staff of local governments, elected officials, SMUD's state delegation, federal and tribe representatives and appropriate agency staff to provide initial contact and ongoing communications by email and phone with messages for their constituents.

In the time leading up to a potential or imminent de-energization event or emergency, SMUD makes every effort to maintain contact with customers it believes may be impacted and keep the media, local agencies and the public aware of the number of customers affected, and SMUD's activities and restoration efforts.

Key stakeholders and public safety partners, including potentially impacted federal, state and local elected officials, City and County executive staff, tribe representatives and first responders are also contacted via a variety of channels. SMUD has specific personnel assigned to elected officials and agencies, and to critical customers including water and telecommunications utilities potentially affected by de-energized powerlines.

Appendix

The table below provides new links for existing links on the 2023-2025 full plan that are no longer working.

Table with updated links

Foot note	Page	Existing Link	New Link
2	8	https://www.fs.fed.us/nrs/pubs/rmap/rmap_nrs8.pdf	https://www.fs.usda.gov/nrs/pubs/rmap/rmap_nrs8.pdf
6	31	https://egis.fire.ca.gov/FHSZ/	https://osfm.fire.ca.gov/what-we-do/community-wildfire-preparedness-and-mitigation/fire-hazard-severity-zones
8	31	https://www.cafirefoundation.org/cms/assets/uploads/2020/05/CPUC_Fire-Threat_Map_final.pdf	https://files.cpuc.ca.gov/safety/fire-threat_map/2021/CPUC%20Fire%20Threat%20Map_v.3_08.19.2021.Letter%20Size.pdf
N/A	34	https://www.predictiveservices.nifc.gov/outlooks/outlooks.htm	https://www.nifc.gov/nicc/predictive-services/outlooks
9	39	https://osfm.fire.ca.gov/media/8482/fppguidepdf126.pdf	https://34c031f8-c9fd-4018-8c5a-4159cdff6b0d-cdn-endpoint.azureedge.net/-/media/osfm-website/what-we-do/community-wildfire-preparedness-and-mitigation/prevention-field-guides/fppguidepdf126.pdf?rev=842b1eb3375e430e9c58a69f9f39b633&hash=E94151A6AE6D329FEE4DFF82439DC5AF
12	55	http://www.fire.ca.gov/fire_protection/downloads/siege/2007/Overview_Glossary.pd	https://bof.fire.ca.gov/media/ttpi3n3m/full-14-b-vhfhsz-frequently-asked-questions.pdf
13	55	http://www.cpuc.ca.gov/FireThreatMaps/	https://www.cpuc.ca.gov/industries-and-topics/wildfires/fire-threat-maps-and-fire-safety-rulemaking
14	55	https://w1.weather.gov/glossary/index.php?word=red+flag+warning	https://www.weather.gov/gjt/firewxcriteria
N/A	56	https://www.cafirefoundation.org/cms/assets/uploads/2020/05/CPUC_Fire-Threat_Map_final.pdf	https://files.cpuc.ca.gov/safety/fire-threat_map/2021/CPUC%20Fire%20Threat%20Map_v.3_08.19.2021.Letter%20Size.pdf
N/A	56	https://osfm.fire.ca.gov/divisions/community-wildfire-preparedness-and-mitigation/wildland-hazards-building-codes/fire-hazard-severity-zones-maps/	https://osfm.fire.ca.gov/what-we-do/community-wildfire-preparedness-and-mitigation
N/A	56	https://osfm.fire.ca.gov/divisions/wildfire-planning-engineering/wildfire-prevention-engineering/prevention-field-guides/	https://osfm.fire.ca.gov/what-we-do/community-wildfire-preparedness-and-mitigation/prevention-field-guides
15	56	https://www.nwcg.gov/term/glossary/wildfire	https://www.nwcg.gov/publications/pms205/nwcg-glossary-of-wildland-fire-pms-205

BOARD AGENDA ITEM
STAFFING SUMMARY SHEET

Committee Meeting & Date	Policy – 06/11/25
Board Meeting Date	June 19, 2025

	TO			TO
1.	Claire Rogers	6.		
2.	Jose Bodipo-Memba	7.		
3.	Suresh Kotha	8.		
4.	Brandy Bolden	9.	**Legal**
5.	Farres Everly	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)	DEPARTMENT	MAIL STOP	EXT.	DATE SENT
Laurie Rodriguez	People Services & Strategies	B251	6123	

NARRATIVE:

Requested Action: Accept the monitoring report for Strategic Direction SD-8, Employee Relations.

Summary: This presentation provides the Board with the annual monitoring of SD-8, Employee Relations and confirms that SMUD is developing and maintaining a high quality, inclusive workplace that engages and inspires employees to commit to SMUD's purpose, vision, and values.

Board Policy: Strategic Direction SD-8, Employee Relations
(Number & Title)

Benefits: Provide the Directors and Executive Staff with an overview of the Board Policy and give them an opportunity to ask questions, make corrections, additions or changes, if necessary.

Cost/Budgeted: Costs contained in internal labor budget.

Alternatives: Provide via written report through the Chief Executive Officer and General Manager.

Affected Parties: All SMUD Employees

Coordination: People Services & Strategies; Diversity, Equity, Inclusion & Belonging (DEIB), Learning & Sustainable Communities

Presenter: Laurie Rodriguez, Director, People Services & Strategies
Dr. Markisha Webster, Director, DEIB, Learning & Sustainable Communities

Additional Links:

SUBJECT	ITEM NO. *(FOR LEGAL USE ONLY)*
SD-8, Employee Relations Board Monitoring Report	

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors   **DATE:** May 14, 2025

FROM: Claire Rogers *CR 5/14/25*

SUBJECT: Audit Report No. 28007863
               Board Monitoring Report; SD-08: Employee Relations

Internal Audit Services (IAS) received the SD-08 *Employee Relations* 2024 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Interviewed report contributors and verified the methodology used to prepare the statements in our sample.
- Validated the reasonableness of the statements in our sample based on the data or other support provided to us.

During the review, nothing came to IAS' attention that would suggest the items sampled within 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 2024
SD-8, Employee Relations**

DRAFT

1.   Background

Strategic Direction 8 (SD-8) states that:

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

SMUD is committed to diversity and inclusion and will foster and support a workplace that values employees representing a variety of backgrounds, including but not limited to, race, ethnicity, gender, gender identification and/or expression, sexual orientation and identification, national origin, age, physical abilities, veteran status, socio-economic status,   life experiences, talents, and thinking styles.

Therefore:

a)   SMUD shall attract and retain a highly qualified and diverse workforce.
b)   SMUD shall promote inclusion and diversity and engage its workforce in activities that demonstrate and support inclusion and diversity across the organization.
c)   SMUD shall engage its workforce in personal and professional development.
d)   SMUD's percentage of engaged employees as measured through the Engagement Index shall exceed 80%.
e)   SMUD shall use a broad mix of communication and outreach channels to ensure its recruitment activities reflect the diversity of the communities it serves.
f)   SMUD shall maintain and communicate written policies that define procedures and expectations for staff and provide for effective handling of grievances.
g)   Annually, and consistent with State and Federal law, the Board shall receive a report detailing the demographics and trends of the SMUD workforce, the available workforce, and the Sacramento region. The report shall also provide information on veterans as a part of SMUD's workforce.

2.   Executive Summary

SMUD is in full compliance with SD-8, Employee Relations.

The continued rapid pace of change in today's energy industry and economy requires that employer workforce strategies keep pace. SMUD has accordingly accelerated the rate at which we implement changes to how we attract, retain, engage, and develop our employees. After several years enhancing people strategies with better data and stronger partnerships, the 2024 outcomes in this report illustrate the ongoing momentum we're experiencing within our programs.

SD Support (Program, Policy, Procedure or Initiative)	SD Requirement(s)	Purpose	Outcome	Notes
Education Outreach	a) Attract and retain qualified, diverse workforce b) Promote and engage employees in inclusion, diversity e) Broad mix of recruiting communication and outreach	Train future energy leaders; increase STEM awareness and curiosity; engage the community in SMUD's 2030 Zero Carbon Plan; promote new tech/SMUD programs; increase customer engagement and value	Engaged 23,629 students in learning about SMUD's Zero Carbon effort and related energy industry careers	Up from 13,201 students in 2023. Reporting has been updated to reflect additional events that reached a large number of people with zero-carbon related career awareness and training.
Career Ambassador Program	a) Attract and retain qualified, diverse workforce b) Promote and engage employees in inclusion, diversity e) Broad mix of recruiting communication and outreach	Increase future workforce talent while simultaneously engaging employees through early outreach & connection with future pipeline (K-12, college, and community)	Reached 12,659 students and community members at 151 Career Ambassador outreach events (133 in-person, 18 virtual).	There was a clear preference for in-person engagement as event requests mirrored pre-COVID totals. Work is underway to enhance incentives for ambassadors and continue the trend of increased involvement from business units across SMUD.
Talent Acquisition	a) Attract and retain qualified, diverse workforce b) Promote and engage employees in inclusion, diversity e) Broad mix of recruiting communication and outreach	Attract, identify, secure, and retain talent that enables SMUD to deliver on its strategic directives	Managed 684 hiring requisitions, screening a total of 28,037 applications - 2,488 internal applications - 25,549 external applications	We saw a 50% decrease in internal applications as streamlined position management required less hiring requisitions in 2024. External applications increased by approx. 500.
Internships	a) Attract and retain qualified, diverse workforce b) Promote and engage employees in inclusion, diversity e) Broad mix of recruiting communication and outreach	Strengthen talent pipeline by immersing students of varied backgrounds in SMUD's culture and careers	5,526 college intern applicants, 76 college interns hired 200 high school intern applicants, 13 high school interns hired	Up from 3,146 applicants in 2023, up from 58 interns hired Down from 303 high school applicants, up from 11 interns hired

Regional Workforce Development	a) Attract and retain qualified, diverse workforce b) Promote and engage employees in inclusion, diversity e) Broad mix of recruiting communication and outreach	Develop workforce training and partnerships to support readiness and skills for a zero carbon economy; help close economic disparity gaps by creating equitable access to resulting economic growth	Partnered with 49 community organizations to deploy workforce development and training, reaching 9,041 youth & adults and training 4,698 in work-readiness and technical skills. Placed 981 trainees into new careers	High emphasis on bringing opportunities to under-resourced communities. Past reporting reflected only people trained in technical, hands-on skills programs. Numbers now reflect broader workforce training categories and support.
Skilled Trades Apprenticeship Programs	a) Attract and retain qualified, diverse workforce c) Workforce personal and professional development	Engage SMUD employees in personal and professional development through formal apprenticeship	Managed training plans, on-the-job training hours, and classroom instruction for 110 apprentices, 41 of which were new in 2024 - 28 Lineworkers - 2 Network cable splicers - 1 Engineering designer - 2 Hydro stationary engineers - 2 Hydro high voltage electricians - 6 High voltage electricians	Industry trends and successful workforce planning efforts have necessitated an increased number of apprenticeships, ensuring SMUD has the skills and people to meet current and future goals.
Corporate Learning & Development Curriculum	a) Attract and retain qualified, diverse workforce b) Promote and engage employees in inclusion, diversity c) Workforce personal and professional development d) Employee engagement	Develop skills and leadership competencies that will support SMUD's current and future business strategy	Employees averaged 76 hours of training throughout 2024 - 15 hours of mandatory training - 61 hours of non-mandatory training	SMUD's learning culture continues to thrive. We saw 123 new users leverage LinkedIn Learning in 2024, contributing to 1,000+ more hours on the platform.
Internal & External Leadership Programs	a) Attract and retain qualified, diverse workforce b) Promote and engage employees in inclusion, diversity c) Workforce personal and professional development d) Employee engagement	Provide experiential learning opportunities to develop leadership, and support collaboration and philanthropy in the community	25 employees completed or graduated from 10 different local and regional leadership development programs	Up from 24 employees in 2023. Western Energy Institute's Utility Business Essentials was added as a 10th leadership development opportunity in 2024.

Education Assistance	a) Attract and retain qualified, diverse workforce c) Workforce personal and professional development d) Employee engagement	Support employee continued education to attract & retain a highly qualified workforce	99 employees used the Education Assistance Tuition Reimbursement (EATR) program	Program enhancements have been made to better align areas of study with SMUD business needs
Employee Engagement	a) Attract and retain qualified, diverse workforce b) Promote and engage employees in inclusion, diversity d) Employee engagement	Create an environment where all employees feel psychologically safe and a sense of belonging	Employee Engagement Survey achieved 91% participation for the second time in a row Survey results reflected an overall engagement score of 87%, up 3 points from the last survey in 2021	Both achievements mark all-time highs for SMUD. Our engagement score is 9% higher than our survey vendor's global and utility benchmarks.
Employee Resource Groups (ERGs)	b) Promote and engage employees in inclusion, diversity c) Workforce personal and professional development d) Employee engagement	Contribute to an inclusive work culture by creating a sense of community and promoting education and awareness in alignment with SMUD's mission and values and our Inclusion Policy	47 ERG events attended by 985+ employees to increase cultural awareness, foster a sense of support and belonging, and promote employee engagement	Down from 65 events in 2023, but participation increased by 300+ employees. Engagement heightened with strategic focus on aligning with the interests and needs of employees.
Code of Business Ethics and Employee Conduct	a) Attract and retain qualified, diverse workforce d) Employee engagement f) Maintain and communicate policies re: staff expectations, grievances	Equip employees with an easy-to-read explanation of SMUD's values and expectations for employee behavior	100% of all employees received and acknowledged the code of ethics and conduct upon reporting to SMUD campuses	Code supplements SMUD's state law-mandated Conflict of Interest Code
Workforce Demographics Reporting	g) Reporting on demographics, SMUD and regional workforce trends, veterans	Provide informational update on workforce demographics	Identify and report on trends and ongoing efforts for a high quality, diverse and inclusive workforce	See SD-8 appendix for detailed reporting

3. **Additional Supporting Information**

Please see attached Appendix for additional information related to the SD-8 metrics.

4. **Challenges**

SMUD's workforce data plays a critical role in our efforts to attract, develop, and retain key talent. We've embraced data reporting that aligns with contemporary standards for a diverse and highly qualified workforce and surpasses the federal reporting requirements included in this report. Benchmarking for the contemporary demographics we're tracking is difficult as we outpace the constraints of regulatory guidelines that rely on older data reporting practices and labels. We're monitoring available benchmarks, prioritizing compliance with governing agencies, and continuing to nurture a culture of belonging at SMUD.

5. **Recommendations**

As reflected in this report, SMUD has achieved the goals set forth in SD-8 for ensuring SMUD develops and maintains a high quality, inclusive workplace that engages and inspires employees to commit to SMUD's purpose, vision, and values.
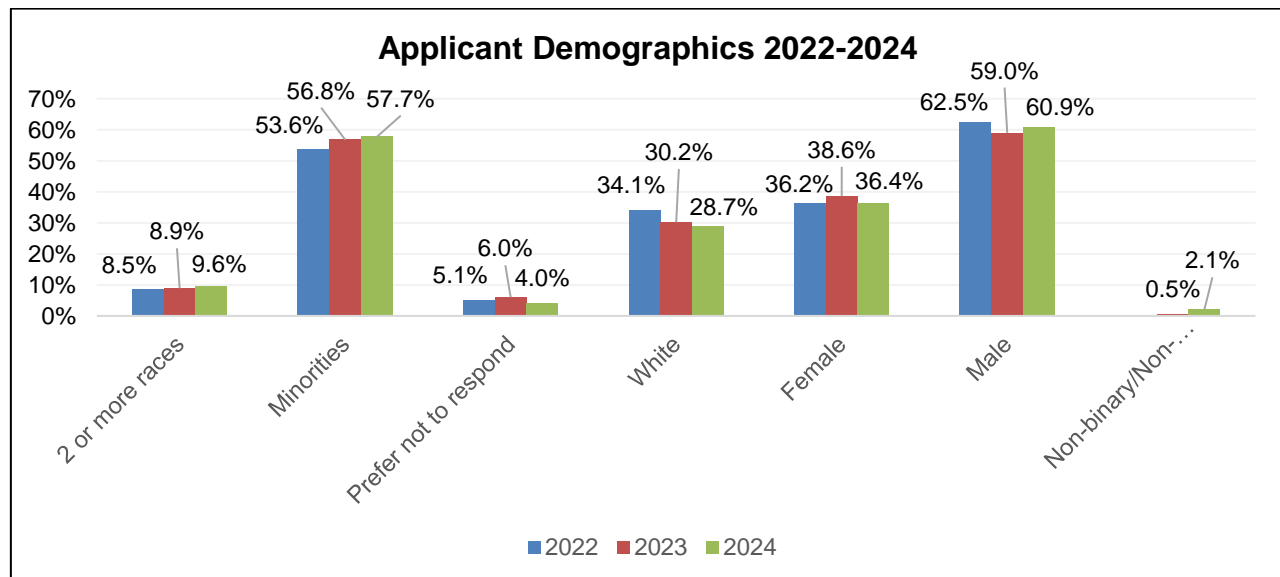
It is recommended the Board accept the monitoring report for Strategic Direction 8.

Appendix

Recruitment

The Talent Acquisition team partnered with hiring managers to conduct a total of 575 hiring consultations in 2024. The implementation of structured consultations for all processes and a clear recruitment process contributed to maintaining or even reducing hiring cycle times despite several senior leader recruitments throughout the year. These leadership recruitments include extensive consulting and collaborative planning to ensure a thorough search for the right talent.

In addition to traditional email blasts, job board postings, social media ads, and internal employee communication channels, we continued to leverage our third-party software solution Circa to efficiently advertise jobs and internships to partners, schools, and community organizations within a 150-mile radius of SMUD. In 2024, we saw a continued increase in applications from minorities, as defined by federal reporting guidelines.

Applicant Demographics 2022-2024

Category	2022	2023	2024
2 or more races	8.5%	8.9%	9.6%
Minorities	53.6%	56.8%	57.7%
Prefer not to respond	5.1%	6.0%	4.0%
White	34.1%	30.2%	28.7%
Female	36.2%	38.6%	36.4%
Male	62.5%	59.0%	60.9%
Non-binary/Non-…		0.5%	2.1%

Early Talent Programs

We continue to collaborate with local colleges and high schools to expand outreach and create clear pathways into the utility sector. After partnering with 29 colleges and universities to reach nearly 2,500 students in 2024, and with the help of Circa to supplement our outreach efforts, SMUD fielded 5,700+ college and high school intern applications for 89 coveted spots.

Senior leaders partnered with Early Talent Programs last year to educate teams across SMUD about the intern program. They shared examples of the substantive, hands-on learning experiences available to interns to help them develop practical skills and enhance employability. And as a result, we saw an increased interest in sponsorship and were able to successfully onboard 20 more interns than in 2023.

Examples of contributions made by the most recent cohort of interns include:
1. Building a website for the Sacramento Power Academy
2. Conducting research on Artificial Intelligence integration for SAP software
3. Creating a dashboard to synthesize data from the 2022-2024 California Municipal Energy Purchasing Joint Powers Authority report and the Balancing Authority of Northern California and SMUD compliance oversight plan
4. Assisting Field Arborists and Land Planners with recording observations during visits to yards/neighborhoods/lots; and
5. Inspecting materials such as elbows, switchgears, cable and steel poles in support of quality control

Diversity, Equity, Inclusion & Belonging (DEIB)
The structure and accountability the DEIB team implemented in 2023 laid an important foundation for the strides made in 2024. With the help of budget and governance oversight, collaboration guidelines, and enhanced measures of success, Employee Resource Groups (ERGs) and the DEIB team prioritized meaningful contributions to the employee experience with a series of impactful events. Among them were the 2nd annual ERG Leader Retreat, the first Diversity Day ERG Recruitment Fair, a Toastmasters Leader Cohort, a book club with the Emerging Professionals ERG, and mental health awareness education with the Parents ERG.

The ERG network expanded from eight to ten active groups in 2024:
- Black Employee Resource Group (BERG)
- Asian Pacific Islander (GRAIN ERG)
- Latinos Unity Network for Action (LUNA)
- Military Employee Resource Group (MERG)
- People Reaffirming Inclusion Diversity and Equality (PRIDE)
- Women's Employee Resource Group (WERG)
- Young Professionals Employee Resource Group (YP)
- Parents ERG
- NEW - Allies and Diverse Abilities Partnering Together (ADAPT): A space where employes with disabilities, and/or those who love someone with a disability, can connect to share resources, education and support
- NEW - Men's ERG: A group that promotes a more dynamic workplace environment for male employees at SMUD by acknowledging and addressing the distinctive obstacles they face

Comprised of representatives from all 10 ERGs and 12 business units across SMUD, the DEIB Council advocates for, informs, assesses and/or monitors the DEIB strategic plan. They also provide recommendations to the DEIB Department on behalf of SMUD. Throughout 2024, their insight supported a variety of efforts including Critical Infrastructure Protection, grants, community workshops, ERG programs, and SMUD's Employee Self-Identification (Self-ID) Campaign.

The Self-ID Campaign ran from September through December 2024 and was designed to inform, educate and engage employees. It was comprised of educational resources to accompany the new and expanded options for employees to self-identify within SMUD's Employee Central Portal, including Racial/Ethnic Group; Veteran Status; Protected Veteran Status; Pronouns; Gender Identity; and Disability Status. The campaign reached over 90% of the workforce with 2,070 employees participating.

Employee Engagement Survey

SMUD administered an Employee Engagement Survey in fall of 2024 and learned that 87% of employees are engaged and committed to their work. This is in stark contrast to national trends reporting a decline in workforce engagement. We also noted more consistency in engagement across business units, which tells us there is less variability among the employee experience.

Survey results show we made notable improvements in employee growth and development (+3 to 6 points) and employees experiencing trust and respect from their supervisors (+5 points). The diversity, equity, inclusion and belonging questions also improved in the areas of people treating each other with respect, dignity and civility (+5 points), creating an inclusive environment (+ 3 points) and whether employees felt they belonged (+2 points).

We noted two statistically significant declines around employees feeling cared about as a person (-4 points) and feeling like senior leaders care about the employee experience (-3 points). We anticipated some losses, recognizing that this year has been one of tremendous change for many employees, with seven internal reorganizations, new hybrid work policies starting in January, and continued focus on innovative 2030 Zero Carbon Plan work. While these scores showed a loss, employees also reported they like working at SMUD because the organization cares about employees and the community.

Continuous feedback loops and targeted action plans will help us sustain high engagement and address emerging challenges as the organization progresses. Leaders are building upon stable engagement levels and high participation to continue promoting a cohesive culture where employees feel like they belong.

Leadership Development

To provide experiential learning opportunities that develop leadership, and support collaboration and philanthropy in the community, SMUD currently supports 10 different leadership programs: Nehemiah Emerging Leaders, Western Energy Institute (WEI) Business Acumen for Emerging Leaders, WEI Utility Business Essentials, Asian Pacific Chamber Catalyst program, Leadership Rancho Cordova program, Leadership Elk Grove, Leadership Sacramento, Creciente Leadership Program (formerly Nueva Epoca), Leadership Folsom, and SMUD's Building Leadership Talent program. A selection process is conducted annually to match applicants with a program that effectively meets their development needs and SMUD's business objectives, and individuals that sit on selection panels are required to complete unconscious bias training.

Wellness & Benefits

Several initiatives targeted at improving employee health and work-life balance were launched in 2024. We extended on-site fitness center hours; implemented an interim Health and Wellness Program solution addressing a broader spectrum of employee wellness (physical, mental, social and financial); and most notably, SMUD announced an update to its Paid Family Leave and Long- and Short-term Disability benefits. We are proud to have launched fiscally responsible benefits that provide for the diverse needs of modern families and support SMUD's efforts to attract and retain highly qualified talent.

Conduct & Grievances

In addition to SMUD's Code of Business Ethics and Employee Conduct, the Employee and Labor Relations teams provide daily guidance and counsel to ensure all employees (represented and unrepresented) understand SMUD policies and procedures, and their responsibilities with respect to the Code of Ethics. The teams resolved a total of 8 grievances in 2024, down from 9 in 2023.

2020-2024 Grievances

Year	OSE	IBEW	Unrepresented	Security
2020	1	4	1	1
2021	1	5	2	
2022		4	6	1
2023	1	5	1	2
2024		3	4	1
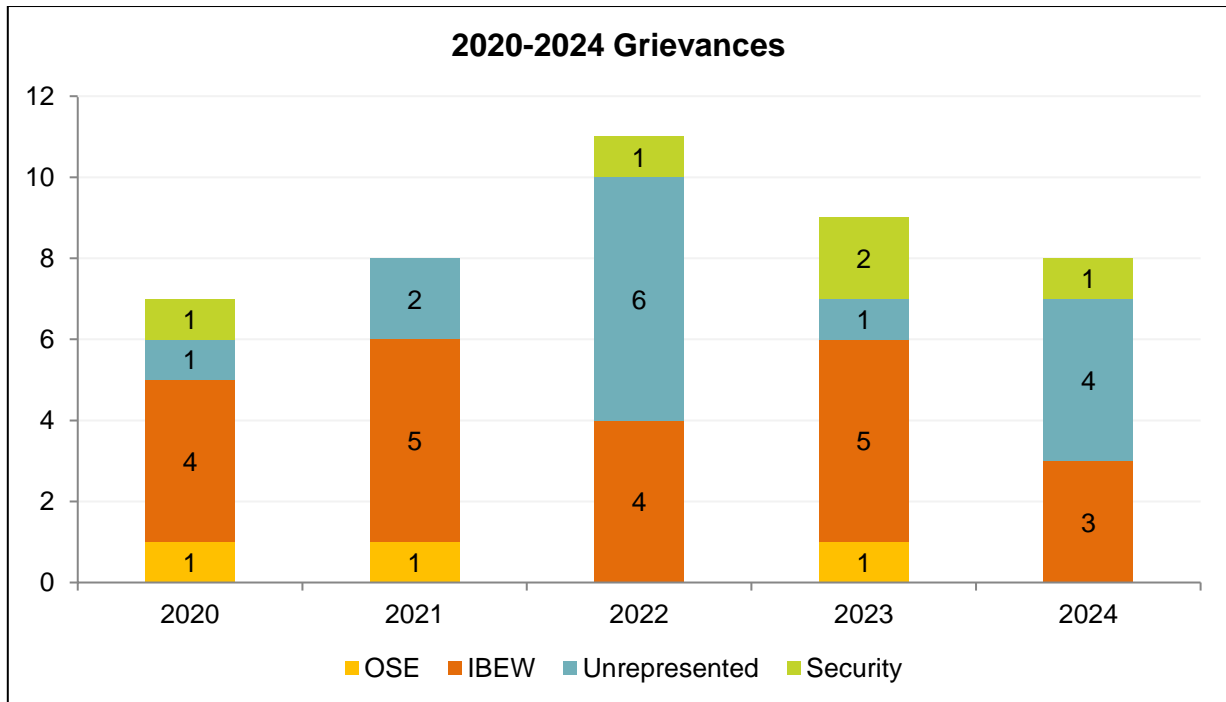
SMUD Workforce Demographics

The following *SD-8 Total Workforce Demographics* and *SD-8 Veteran Demographics* tables are consistent with federally mandated reporting and include benchmarks for Sacramento's available workforce and total population. Reporting excludes casual positions and members of the Board of Directors.

Reporting for 2024 includes the addition of *Native Hawaiian or Pacific Islander* to the Race/Ethnicity category. We've also added a decimal point to data to support increased visibility of smaller populations.

Historically, demographic shifts have been the cumulative result of several factors including new hires, separations, and retirements. Other factors impacting shifts in 2024 include changes to federal reporting, and increased awareness and utilization of SMUD's Employee Central Portal.

SD-8 Total Workforce Demographics 2020-2024

Calendar Year	Gender		Race/Ethnicity						
	Male	Female	White	Black or African American	Hispanic or Latino	Asian	Native Hawaiian or Pacific Islander	American Indian or Alaska Native	2 or more Races
2020	66%	34%	58%	7%	15%	15%		1%	4%
2021	66%	34%	57%	7%	15%	15%		1%	5%
2022	67%	33%	56%	7%	16%	15%		1%	5%
2023	66%	34%	55%	7%	16%	16%		1%	5%
2024	65.3%	34.7%	54.8%	6.9%	16.6%	14.8%	0.9%	0.6%	5.5%
Sac Pop. 2024*	49.2%	50.8%	39.7%	9%	24.5%	17.6%	1.2%	0.3%	7.7%
Sac Civ. 2024**	52.2%	50.0%	41.5%	8.6%	25.4%	18.4%	-	-	-

Total Sacramento County Population data derived from 2023 American Community Survey, 1-Year Estimate.
**Sacramento County Civilian labor force data derived from 2023 American Community Survey, 1-Year Estimate. Data represents residents aged 16 and older, and excludes houseworkers, unpaid volunteers, institutionalized individuals, and U.S. Armed Forces Active Duty.*
Benchmark data was derived from the 2023 American Community Survey which does not include Middle Eastern or North African. Additionally, there is not complete data available for Native Hawaiian or Pacific Islander; American Indian or Alaska Native; or 2 or More Races for the civilian labor force.

SMUD's Veteran Workforce

Veterans are a small but important part of SMUD's workforce. In 2024, we attended 14 vet-specific events to help them with tools to enter civilian careers. This included the California Employment Development Department's VetNet Series and Sacramento Veteran Employee Resource Groups, where we assisted with mock interviews, resume workshops, hiring process questions, and information about SMUD programs. We leveraged the Circa platform to complete outreach to 638 veteran organizations last year, sending more than 7,300 email announcements about SMUD jobs. We ultimately hired 24 veterans.

The Self-ID campaign conducted in 2024 provided employees with additional visibility into their reported veteran status. This may be a contributing factor to the increase in SMUD's veteran population, which increased from 5.2% in 2023 to 5.6%in 2024.

SD-8 Veteran Demographics 2020-2024

Calendar Year	Gender		Race/Ethnicity						
	Male	Female	White	Black or African American	Hispanic or Latino	Asian	Native Hawaiian or Pacific Islander	American Indian or Alaska Native	2 or more Races
2020	91%	9%	58%	7%	14%	13%		0%	8%
2021	91%	9%	58%	6%	13%	13%		0%	9%
2022	90%	10%	56%	6%	13%	15%		0%	10%
2023	91%	9%	56%	5%	12%	16%		0%	11%
2024	82.9%	17.1%	50.0%	7.0%	16.0%	14.0%	3.0%	0.0%	10.0%
CA Vets*	90.0%	10.0%	58.0%	10.0%	14.0%	8.0%	0.0%	1.0%	9.0%

CA Vets VetPop2023 State Race/Ethnicity Data, 8L does not include Middle Eastern or North African as a race/ethnicity category

Workforce Turnover

SMUD's turnover continues to trend downward, dropping from 6.4% in 2023 to 5.1% in 2024. Our turnover also continues to rank below the industry benchmark, which decreased of from 11.1% in 2023 to 8.8% in 2024. It's possible economic influences are extending the average length of time a person may choose to stay in the workforce.

Completing the Employee Lifecycle

To help identify strengths and opportunities across the organization, we continued the voluntary voice-to-voice exit interviews for departing employees. In 2024 we interviewed 83 employees who elected to share feedback on their experiences at SMUD.

- 94% of all exiting employees would recommend SMUD to a friend or colleague.
- 89% of exiting employees would consider returning to SMUD if the conditions were right.
- Less than half of employees specified that they were leaving because they were dissatisfied with some part of their job - either promotional opportunities, remote work limitations, or work/life balance in their specific job.

- Most employees view the workplace culture, the people they worked with at SMUD, as the best part of their job and listed a substantial number of positive descriptors for them.
- Employees felt recognized and appreciated for the contributions they made to SMUD. There were many more positive reactions when asked this question than critical commentary.

Supplemental Reporting for an Inclusive Culture

Thanks to the advanced reporting capabilities of our workforce software, SMUD is able to embrace practices that align with contemporary standards for a diverse and highly qualified workforce. This includes the additional monitoring and reporting of data for Non-binary/Non-conforming, Middle Eastern or North African, and for those who prefer not to respond to Gender or Race/Ethnicity questions. SMUD recognizes the importance of collecting data that reflects a wider range of identities and preferences. The following charts reflect a baseline 2024 reporting year that includes these additional categories.

Supplemental Total Workforce Demographics 2024

Calendar Year	Gender				Race/Ethnicity								
	Male	Female	Non-binary/ Non-conforming	Prefer Not to Respond	White	Black or African American	Hispanic or Latino	Asian	Native Hawaiian or Pacific Islander	American Indian or Alaska Native	Middle Eastern or North African	2 or more Races	Prefer Not to Respond
2024	65.2%	34.4%	0.1%	0.3%	52.8%	6.6%	16.0%	14.2%	0.9%	0.6%	0.1%	5.3%	3.6%
Sac Pop. 2024*	49.2%	50.8%	-	-	39.7%	9.0%	24.5%	17.6%	1.2%	0.3%	-	7.7%	-
Sac Civ. 2024**	52.2%	50.0%	-	-	41.5%	8.6%	25.4%	18.4%	-	-	-	-	-

Total Sacramento County Population data derived from 2023 American Community Survey, 1-Year Estimate.
**Sacramento County Civilian labor force data derived from 2023 American Community Survey, 1-Year Estimate. Data represents residents aged 16 and older, and excludes houseworkers, unpaid volunteers, institutionalized individuals, and U.S. Armed Forces Active Duty.
Benchmark data was derived from the 2023 American Community Survey which does not include fields for Non-binary/Non-conforming, Prefer Not to Respond, or Middle Eastern or North African. Additionally, there is not complete data available for Native Hawaiian or Pacific Islander; American Indian or Alaska Native; or 2 or More Races for the civilian labor force.

Supplemental Veteran Demographics 2024

Calendar Year	Gender				Race/Ethnicity								
	Male	Female	Non-binary/ Non-conforming	Prefer Not to Respond	White	Black or African American	Hispanic or Latino	Asian	Native Hawaiian or Pacific Islander	American Indian or Alaska Native	Middle Eastern or North African	2 or more Races	Prefer Not to Respond
2024	82.3%	16.9%	0.0%	0.8%	50.0%	6.9%	16.2%	13.8%	3.1%	0.0%	0.0%	10.0%	0.0%
CA Vets*	89.6%	10.4%	0.0%	0.0%	57.6%	9.9%	14.0%	7.8%	0.5%	1.0%	-	9.2%	0.0%

CA Vets VetPop2023 State Race/Ethnicity Data, 8L does not include Middle Eastern or North African as a race/ethnicity category

Supplemental Workforce Demographics by Employee Level 2024

Level	Gender				Race/Ethnicity								
	Male	Female	Non-binary/ Non-conforming	Prefer Not to Respond	White	Black or African American	Hispanic or Latino	Asian	Native Hawaiian or Pacific Islander	American Indian or Alaska Native	Middle Eastern or North African	2 or more Races	Prefer Not to Respond
Execs	66.7%	33.3%	0.0%	0.0%	44.4%	22.2%	0.0%	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Directors	61.8%	38.2%	0.0%	0.0%	58.8%	11.8%	2.9%	14.7%	2.9%	0.0%	0.0%	5.9%	2.9%
Managers	57.8%	41.3%	0.0%	0.9%	67.0%	1.8%	7.3%	13.8%	0.0%	0.9%	0.0%	7.3%	1.8%
Supervisors	63.2%	36.8%	0.0%	0.0%	57.6%	8.2%	11.3%	15.6%	0.9%	0.0%	0.0%	3.5%	3.0%
Staff	65.9%	33.7%	0.2%	0.3%	51.3%	6.5%	17.3%	14.0%	0.9%	0.7%	0.2%	5.4%	3.8%

	TO			TO
1.	Claire Rogers		6.	Jose Bodipo-Memba
2.	Laurie Rodriguez		7.	
3.	Brandy Bolden		8.	
4.	Suresh Kotha		9.	**Legal**
5.	Farres Everly		10.	**CEO & General Manager**

Consent Calendar		**Yes**	X	**No** *If no, schedule a dry run presentation.*	**Budgeted**	X	**Yes**		**No** *(If no, explain in Cost/Budgeted section.)*

FROM (IPR) Laurie Rodriguez	DEPARTMENT People Services & Strategies	MAIL STOP B251	EXT. 5628	DATE SENT 05/16/25

NARRATIVE:

Requested Action: Brief the Board on the status of vacant positions in accordance with Assembly Bill (AB) 2561, i.e., Government Code section 3502.3.

Summary: California Assembly Bill 2561 (AB 2561) was adopted on September 22, 2024, codified as California Government Code section 3502.3, and became effective January 1, 2025. Under AB 2561, public agencies are required to present the status of vacancies and recruitment and retention efforts during a public hearing before the governing board at least once per fiscal year prior to the adoption of a final budget. SMUD's budget presentations occur in November with a request for adoption in December.

SMUD has three bargaining units: International Brotherhood of Electrical Workers (IBEW), Organization of SMUD Employees (OSE), and Public Safety Officers Association (PSOA). If vacancies in a bargaining unit meet or exceed 20% of the total number of authorized full-time positions, and an affected union so requests, SMUD must include information during the public hearing about (1) the total vacancies in the bargaining unit, (2) the total applicants for those positions, (3) the average number or days to complete the hiring process, and (4) the opportunities to improve compensation and other working conditions. Additionally, any or all of the bargaining units may ask to present at the meeting.

Staff will present the status of vacancies and related recruitment and retention efforts.

Board Policy: Strategic Direction SD-8, Employee Relations
(Number & Title)

Benefits: Ensure compliance with the new requirements under AB 2561 related to vacancies status and recruitment / retention efforts that may impact SMUD.

Cost/Budgeted: There is no budgetary impact for this informational update.

Alternatives: Provide the update at another time prior to adoption of the budget.

Affected Parties: SMUD and represented organizations

Coordination: People Services & Strategies

Presenter: Laurie Rodriguez, Director, People Services & Strategies

Additional Links:

SUBJECT	**AB 2561 – Vacant Positions**	ITEM NO. *(FOR LEGAL USE ONLY)*

SSS No. PSS 25-004	**BOARD AGENDA ITEM** STAFFING SUMMARY SHEET	Policy Committee Meeting Date June 11, 2025
		Board Meeting Date June 19, 2025

TO			TO		
1.	Claire Rogers	6.			
2.	Jose Bodipo-Memba	7.			
3.	Suresh Kotha	8.			
4.	Brandy Bolden	9.	**Legal**		
5.	Farres Everly	10.	**CEO & General Manager**		

Consent Calendar		**Yes**	**No** *If no, schedule a dry run presentation.*	**Budgeted**	**Yes**	**No** *(If no, explain in Cost/Budgeted section.)*

FROM (IPR)	DEPARTMENT	MAIL STOP	EXT.	DATE SENT
Laurie Rodriguez	People Services & Strategies	B251	5628	05/20/25

NARRATIVE:

Requested Action: Accept the monitoring report for Strategic Direction SD-12, Ethics.

Summary: This presentation provides the Board with the annual monitoring of SD-12, Ethics and confirms that SMUD is maintaining the public trust and confidence in the integrity and ethical conduct of the Board and SMUD employees.

Board Policy: SD-12, Ethics
(Number & Title)

Benefits: Provide the Directors and Executive Staff with an overview of the Board Policy and give them an opportunity to ask questions, make corrections, additions or changes, if necessary.

Cost/Budgeted: N/A

Alternatives: N/A

Affected Parties: All SMUD employees and Contractors

Coordination: People Services & Strategies

Presenter: Laurie Rodriguez, Director, People Services & Strategies

Additional Links:

SUBJECT	SD-12, Ethics Board Monitoring Report	ITEM NO. *(FOR LEGAL USE ONLY)*

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors   **DATE:** April 24, 2025

FROM: Claire Rogers *CR 4/24/25*

SUBJECT: Audit Report No. 28007864
Board Monitoring Report; SD-12, Ethics

Internal Audit Services (IAS) received the SD-12 *Ethics* 2024 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Interviewed report contributors and verified the methodology used to prepare the statements in our sample.
- Validated the reasonableness of the statements in our sample based on the data or other support provided to us.

During the review, nothing came to IAS' attention that would suggest the items sampled within 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 2024
SD-12, Ethics

DRAFT
SMUD®

1. Background

Strategic Direction 12 states that:

Maintaining the public trust and confidence in the integrity and ethical conduct of the Board and SMUD employees is a core value. Therefore, to ensure the public interest is paramount in all official conduct, the Board shall adopt and update, as necessary: a Conflict of Interest Code as required by State law. SMUD shall also maintain and enforce a code of conduct applicable to all employees.

Among other things the code of conduct shall:

a) Require high ethical standards in all aspects of official conduct;

b) Establish clear guidelines for ethical standards and conduct by setting forth those acts that may be incompatible with the best interests of SMUD and the public;

c) Require disclosure and reporting of potential conflicts of interest; and

d) Provide a process for (i) reporting suspected violations of the code of conduct and policies through multiple channels, including an anonymous hotline, and (ii) investigating suspected violations.

2. Executive Summary

SMUD is in compliance with the requirements of SD-12.

Strategic Direction 12 requires SMUD to have a process to report potential conflicts of interest and a process for reporting and investigating suspected violations of the Code of Conduct. Compliance is foundational for acting in the best interests of our customers and community. Several SMUD policies and procedures support the requirement of high ethical standards in all aspects of official conduct.

SD Requirement	Supporting Process/Procedure
a) Require high ethical standards	SMUD's Ethics policy (AP 05.02.03) sets the requirements and expectations for ethical behavior, including communication, training and other resources.

b)	Establish clear guidelines for ethical standards and conduct	SMUD's Code of Business Ethics and Employee Conduct were updated and approved by the CEO & General Manager in 2020. SMUD's Ethics procedure (MP 05.02.03.100) was adopted in 2008 and updated in September 2024. SMUD's Conflict of Interest policy (AP 05.02.02) was adopted in 1998 and approved by the FPPC (Fair Political Practices Commission) in 2023.
c)	Require disclosure and reporting potential conflicts of interest statements	Notice of filing requirements were sent to employees as early as February and through March. 99% of the annual conflict of interest statements were received by the time this report was finalized.
d)	Provide a process for reporting and investigating suspected violations of the code of ethics	SMUD's Whistleblower Anti-Retaliation policy (AP 05.01.03) was approved in 2024. SMUD's Complaint Process Policy (AP 05.01.04) was adopted in 2006 and updated in August 2022. SMUD's Ethics and Compliance Hotline has been in place since 2008.

3. Additional Supporting Information

Ethics Policy

In accordance with Board Policy SD-12 Ethics, SMUD developed the Code of Business Ethics and Employee Conduct, approved by the CEO & General Manager in 2020. This document supplements SMUD's State-law mandated Conflict of Interest Code and provides an easy-to-read explanation of SMUD's values and expectations for employee behavior. It also identifies various staff resources to obtain further guidance, as well as alternative methods to report suspected violations of SMUD's Code of Business Ethics. The Code provides a framework for how employees should act toward customers, vendors and each other. It also emphasizes that as a publicly-owned utility, SMUD and its employees must adhere to the highest ethical standards.

All new employees reporting to a SMUD campus receive a copy of SMUD's Code of Business Ethics prior to or during new employee orientation and are required to review and submit a signed acknowledgement to People, Services & Strategies (PS&S) within 30 days of orientation.

Ethics Training

Ethics training is a mandatory requirement for all SMUD employees. They are required to complete the training every 2 years on a fixed rotating schedule. New and returning employees have one year for completion while newly promoted leaders are required to take Ethics training within 90 days of promotion into their role. Course completion is tracked using SMUD's Learning Management System (LMS) and reported as part of SMUD's mandatory training statistics. The 2024 completion rate for employees with 2024 due dates is 98.3%.

Disclosure and Reporting of Potential Conflicts of Interest

The Political Reform Act (Cal. Gov. Code §§ 81000, et seq.) requires certain government officials and employees to publicly disclose certain financial information relevant to the scope of decision-making for their positions with SMUD.

To maintain compliance, all employees in positions designated by the SMUD Board must complete and submit an annual Statement of Economic Interests, FPPC Form 700 (Conflict of Interest Statement). Incumbents of designated positions shall file an Assuming Office Statement within 30 days of starting their employment or beginning the new position. Employees in designated positions who leave SMUD shall file Leaving Office Statements within 30 days of their final dates of employment.

The annual Conflict of Interest Statements are public documents filed with Corporate Records or in the designated record repository. This process transitioned from PS&S to Legal in 2025. Legal sent financial disclosure materials electronically to designated employees as early as February and through March to meet the FPPC filing deadline of April 1. At the time of this report, 99% percent of the annual Conflict of Interest Statements from SMUD officials and designated employees were received. Staff follows up to ensure total compliance. In the rare event that full compliance is not achieved, SMUD is obligated to report violations to the FPPC for enforcement.

**Process for Reporting and Investigating Suspected Violations**

SMUD holds its employees to a higher standard than that required by law and is committed to providing a work environment in which all individuals are treated with dignity and respect. SMUD encourages employees to bring concerns about potential legal violations or violations of SMUD policies to the attention of a SMUD leader. All SMUD leaders are required to immediately report all complaints they receive regarding suspected policy violations to the Fair Employment Office. An employee who believes that they are unable to make a complaint through their management reporting line may report complaints directly to the Fair Employment Office, Labor Relations, Internal Auditor's or General Counsel's Office.

Additionally, SMUD has contracted with Navex Global Compliance since November 2008 to operate an anonymous Ethics and Compliance Hotline. This hotline can be used by employees to file complaints anonymously should they so choose, either online or by calling Navex Global Compliance directly.
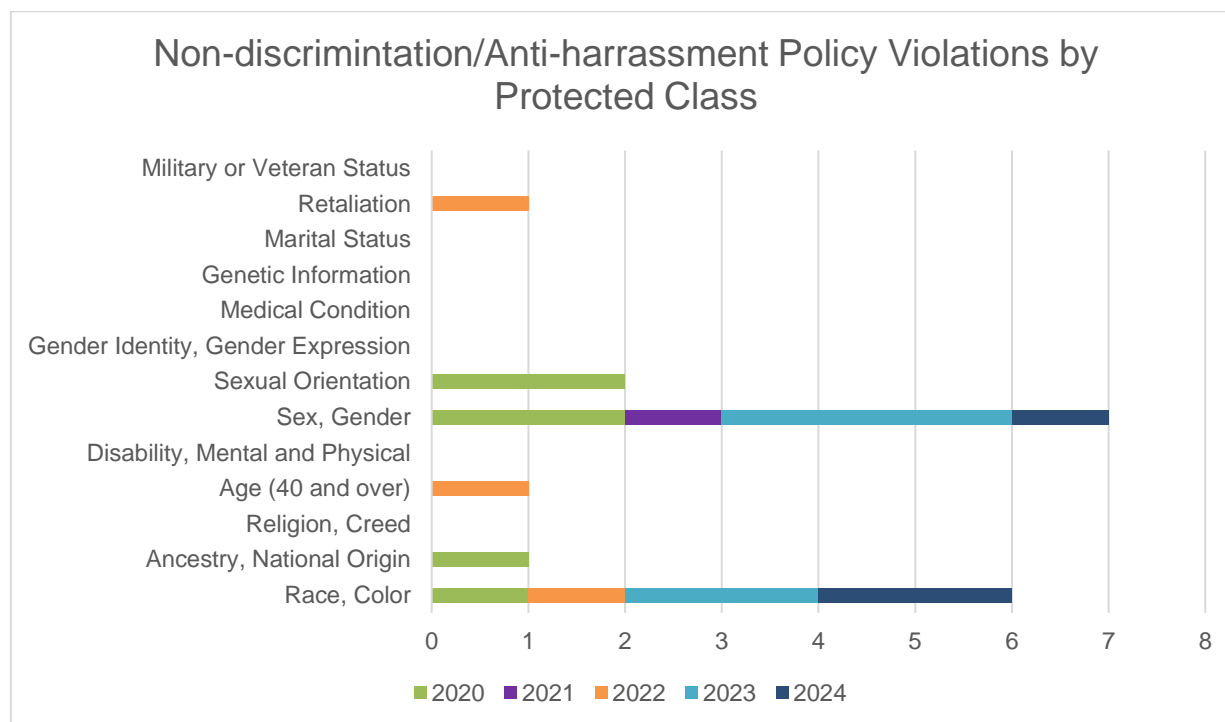
As part of SMUD's Complaint Process and Whistleblower Anti-Retaliation policies, a Whistleblower Committee was established to review and act, when appropriate, on hotline/whistleblower complaints. The committee is comprised of representatives from the General Counsel's office, Internal Audit Services and PS&S, including members of the Fair Employment Office and Labor Relations teams.

In addition to investigating potential violations of SMUD's Nondiscrimination, Anti-Harassment and Non-Retaliation Policy (AP 05.01.01) and Code of Ethics, Labor Relations and Fair Employment analysts also advise, consult with and support leaders on recommended action and coaching to address problematic behaviors and attitudes among the workforce that are not necessarily prohibited by law. This includes working with a leaders' leader or senior leadership when improved leadership skills would benefit relationships. These proactive measures play a critical role in a culture where all employees are respected and valued.

The following chart illustrates discipline issued to employees between 2020-2024. Summarized below are the disciplinary actions issued for violations of SMUD's Nondiscrimination, Anti-Harassment and Non-Retaliation Policy (AP 05.01.01) as well as discipline for misconduct/policy violations under SMUD's Positive Discipline Policy (AP 05.02.09) including dishonesty, bullying, discourteous behavior, unprofessional conduct, driving policy violations, insubordination, conflicts of interest and unethical behavior. The below reporting does *not* include discipline related to safety incidents (e.g. preventable vehicle accidents), attendance (tardiness and/or absences) or work performance unless there was a conduct component covered by SMUD's Code of Business Ethics & Employee Conduct, such as willful negligence or dishonesty.
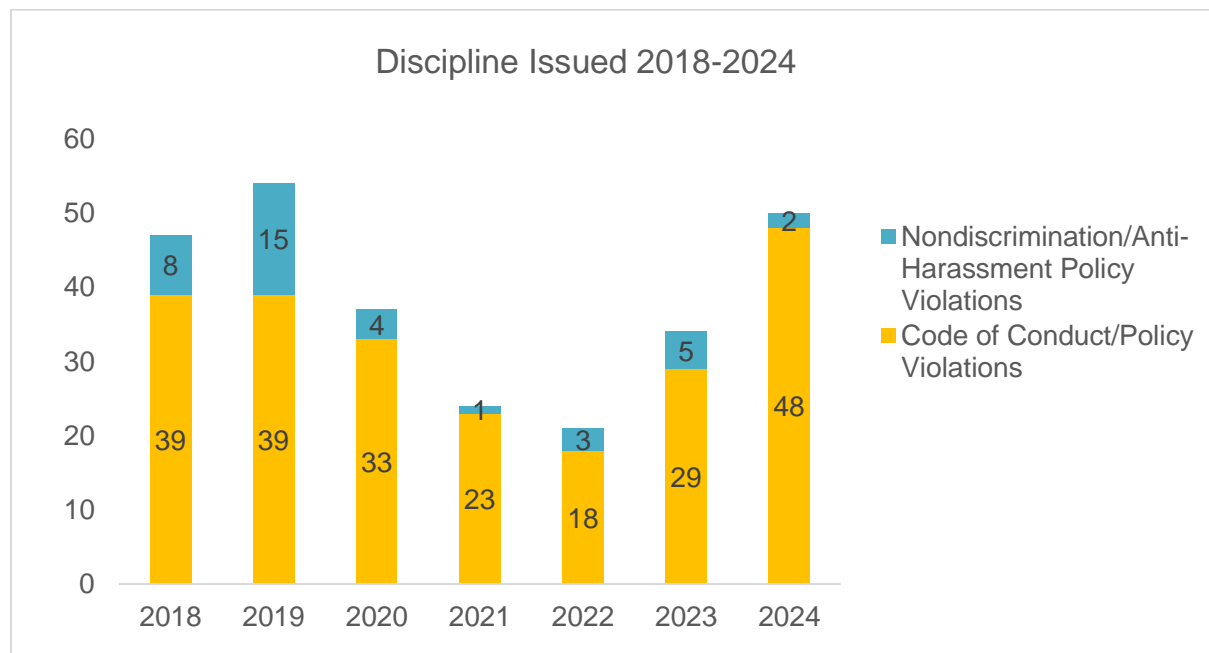
The chart shown next indicates violations of SMUD's Nondiscrimination, Anti-Harassment and Non-Retaliation Policy (AP 05.01.01) as they relate to protected categories for FEO investigations that occurred in the past five years.

Non-discrimintation/Anti-harrassment Policy Violations by Protected Class

Chart: Non-discrimination/Anti-harrassment Policy Violations by Protected Class, by year (2020–2024), horizontal bar chart.

Protected classes (top to bottom):
- Military or Veteran Status
- Retaliation
- Marital Status
- Genetic Information
- Medical Condition
- Gender Identity, Gender Expression
- Sexual Orientation
- Sex, Gender
- Disability, Mental and Physical
- Age (40 and over)
- Religion, Creed
- Ancestry, National Origin
- Race, Color

Legend: 2020, 2021, 2022, 2023, 2024

4. Challenges

Completing training and obtaining necessary documents can be a challenge for employees on any type of extended leave. Broad or anonymous complaints are sometimes filed without supporting and/or contact information to allow for follow-up and further investigation.

5. Recommendations

As reflected in this report, SMUD has achieved the goals set forth in SD-12 for maintaining the public trust and confidence in the integrity and ethical conduct of the Board and SMUD employees. The policies, guidelines, staff training and monitoring and reporting components have played a part in ensuring high ethical standards in all areas of conduct and in operations.

It is recommended the Board accept the monitoring report for Strategic Direction 12.

6. Appendices
N/A

	TO			TO
1.	Suresh Kotha	6.		
2.	Brandy Bolden	7.		
3.	Farres Everly	8.		
4.		9.		**Legal**
5.		10.		**CEO & General Manager**

Consent Calendar		**Yes**	x	**No** *If no, schedule a dry run presentation.*	**Budgeted**	x	**Yes**		**No** *(If no, explain in Cost/Budgeted section.)*

FROM (IPR) Heidi Sanborn / Crystal Henderson	DEPARTMENT Board Office	MAIL STOP B307	EXT. 6155	DATE SENT 05/14/25

NARRATIVE:

Requested Action: Allow the Board of Directors an opportunity to monitor existing policies: BL-6, Evaluation of the CEO's Performance; BL-7, Delegation to the CEO; and BL-8, Delegation to the CEO with Respect to Procurement.

Summary: A schedule to monitor Board policies was agreed upon by the Policy Monitoring Ad Hoc Committee. Monitoring established policies creates a better understanding of the policies and gives the Board an opportunity to make corrections, additions, or changes, if necessary.

Board Policy: *(Number & Title)* This monitoring supports GP-2 Governance Focus which states that the Board will direct, evaluate, and inspire the organization through the establishment of written policies which reflect the Board's values.

Benefits: Monitoring policies helps ensure the policies are current and in keeping with the current will of the Board.

Cost/Budgeted: Included in budget

Alternatives: Not review these policies at this time.

Affected Parties: Board of Directors

Coordination: Crystal Henderson, Special Assistant to the Board of Directors

Presenter: Heidi Sanborn, Policy Chair

Additional Links:

SUBJECT Board Monitoring of BL-6, BL-7, and BL-8	ITEM NO. *(FOR LEGAL USE ONLY)*

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SMUD BOARD POLICY

Category:	**Board-Staff Linkage**
Policy No.:	**BL-6**
Title:	**Evaluating the CEO's Performance**

The CEO's job performance shall be evaluated by comparing the organization's results, operations and their personal performance to the policies established by the Board.

Specifically:

a) The Board shall evaluate the CEO's performance on an annual basis in December.

b) The evaluation will be based on a review of the organization's performance and the CEO's performance against the Board's Strategic Direction policies and Board-Staff Linkage policies.

c) The Board will use data to determine the degree to which Board policies are being met.

d) In December, the CEO will propose performance criteria for the following year that represent their reasonable interpretation of achieving the results defined by the Board.

e) Additional performance discussions and check-ins with the CEO should occur at mid-year.

f) All policies that instruct the CEO shall be monitored at a frequency and by a method chosen by the Board.

Monitoring Method: Board Report
Frequency: Annual
Versioning:

December 19, 2002	Resolution No. 02-12-14	Date of Adoption.
October 16, 2003	Resolution No. 03-10-14	Date of Revision.
November 3, 2005	Resolution No. 05-11-03	Date of Revision.
December 18, 2008	Resolution No. 08-12-16	Date of Revision.
November 19, 2009	Resolution No. 09-11-07	Date of Revision.
December 10, 2020	Resolution No. 20-12-06	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision.
June 20, 2024	Resolution No. 24-06-07	Date of Revision. [Current Policy]

SMUD BOARD POLICY

SMUD®

Category: **Board-Staff Linkage**
Policy No.: **BL-7**
Title: **Delegation to the CEO**

The Board will instruct the Chief Executive Officer and General Manager (CEO) through written policies that define the results that the organization is to achieve, and which describe the delegation of authority to the CEO.

Specifically:

a)   The Board shall identify and define those results or conditions of SMUD that are acceptable and not acceptable to the Board and communicate them in the form of policy.

b)   The Board shall develop policies that define the delegation to the CEO with regard to the CEO's authority.

c)   The CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities related to the operations or business affairs of SMUD.

d)   The CEO shall use prudent judgment in the exercise of the delegations and in a manner that is operationally and economically sound, serves the best interests of SMUD's customers and the community, comports with prudent business practices, balances the risks and benefits of the actions, and does not expose SMUD to unreasonable risk. If the CEO reasonably determines that an activity related to the delegations presents, regardless of the size of the financial commitment: (i) a unique and significant operational risk to SMUD; (ii) a significant impact to customers; (iii) a significant impact to community relations; (iv) a significant impact to SMUD's reputation; or (v) materially compromises the policies and goals established by the Board, the CEO shall timely inform the Board and may request the Board to take appropriate actions.

e)   The Board may change its delegation to the CEO at any time, subject to the conditions of the Board's contract with the CEO, thereby expanding or limiting the authority of the CEO. But as long as any particular delegation is in place, the Board will abide by the CEO's decisions in those areas that are delegated to him or her.

Monitoring Method: Board Report
Frequency: Annual
Versioning:

December 19, 2002	Resolution No. 02-12-14	Date of Adoption.
October 16, 2003	Resolution No. 03-10-14	Date of Revision.
November 3, 2005	Resolution No. 05-11-02	Date of Revision.
December 6, 2007	Resolution No. 07-12-03	Date of Revision.
November 19, 2009	Resolution No. 09-11-06	Date of Revision.
August 21, 2014	Resolution No. 14-08-03	Date of Revision.
August 20, 2015	Resolution No. 15-08-06	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision. [Current Policy]

SMUD BOARD POLICY

⬤ SMUD®

Category: **Board-Staff Linkage**
Policy No.: **BL-8**
Title: **Delegation to the CEO with Respect to Procurement**

The procurement of goods and services is an integral part of SMUD operations. SMUD's procurement activities shall take place in accordance with the following principles:

a) **Competition:** SMUD's procurement activities shall be competitive whenever practical.

b) **Direct Procurement:** Direct procurement may be utilized when it is in SMUD's best interest. Direct procurement is the purchase of goods or services without competition when multiple sources of supply are available.

c) **Sole Source Procurement:** Sole source procurement shall be performed only in the case of emergency or when a competitive process would be an idle act.

d) **Inclusiveness:** SMUD's procurement practices shall promote inclusiveness of the entire contractor community in its contracting opportunities.

e) **Economic Development:** SMUD's procurement practices shall promote the economic development of the community we serve.

f) **Environmental Procurement:** SMUD shall minimize the impact on the environment through its procurement practices. In making procurement decisions, staff shall consider the environmental impacts in assessing total cost and benefits.

g) **Responsible Bidder:** SMUD shall only do business with reputable and responsible contractors. A Responsible Bidder demonstrates trustworthiness, quality, capacity, financial capability, fair labor practices, and experience to satisfactorily perform SMUD work through the bidding and evaluation process. In addition, SMUD will determine Responsible Bidders by considering a contractor's social, environmental ethical, and safety accountability where applicable.

h) **Contractor Code of Conduct:** SMUD shall set minimum expectations or standards for all contractors to follow in the course of doing business with SMUD (in some cases by submitting data and reporting annually) including but not limited to, labor and human rights, environmental, social, governance (ESG), health and safety accountability, ethics and compliance, and diversity, equity, inclusion, and belonging practices.

i) **Best Value Procurement:** SMUD may procure goods and services by the best value at the lowest cost methodology, where cost and other factors are used to obtain the maximum value while ensuring a fair and equitable process.

j) **Leveraged Procurement Agreement (LPA):** SMUD may procure goods and services where another lead public agency or organization competitively procures the same goods or services under applicable state and federal laws to streamline procurement processes and leverage collective buying power of multiple agencies to achieve cost savings and other benefits to SMUD. Leveraged procurement agreements are generally referred to by other public agencies as "Cooperative Purchasing Agreements."

k) **Strategic Alliances:** SMUD may enter into strategic alliance contracts for the procurement of goods or services. A Strategic Alliance is a competitively bid multi-year contract for goods and/or services in which the Contractor and SMUD work collaboratively over the life of the contract to improve quality, and to explore design and process improvements to reduce the cost of production, service delivery, and the total cost of ownership. These benefits are shared both by SMUD and the Contractor.

l) **Supply Chain Risk:** SMUD's procurement activities shall identify, manage, and mitigate supply chain risks through a coordinated effort across the enterprise.

m) **Protest Policy:** SMUD shall ensure that contractors are afforded the opportunity to have their grievances heard through a fair protest process.

n) **Delegation of Authority to the CEO:** The Chief Executive Officer and General Manager (CEO) is delegated authority to perform and approve the procurement activities in accordance with the below matrix. This delegation includes the authority to amend contracts for time extensions or other changes that create no additional cost to SMUD.

<u>Category</u>	<u>Amount*</u>
Competitive Awards:	
Operational Inventory	$11 million
Non-inventory Materials	$11 million
Construction and Maintenance Services	$11 million
Information Technology	$11 million
Professional and Consulting Services	$3 million
Rents and Leases	$1 million
Sole Source:	
All types except Maintenance/Licensing Fees	$1.5 million
Maintenance/Licensing Fees	$3 million or original approved amount
Direct Procurement:	
Materials/Supplies/Services	$50k**
Government Entities	$1 million
Nonprofit Entities (services/goods)	$1 million

Category	Amount*
Emergency Procurements:	
All types	$2 million
Nonprofit Entities:	
Memberships/Project Participation Agreement	$3 million
Contingencies:	
Board Awarded Contracts	Up to 10% of Contract Award

*The amounts for all categories except Direct Procurement Materials/Supplies/Services shall be adjusted automatically on an annual basis beginning Jan 1, 2024, consistent with the U.S. Bureau of Labor Statistics (BLS) published national consumer price index (CPI) per the Federal Reserve Bank of Minneapolis Average Annual CPI calculator.

**The amount shall be adjusted automatically on an annual basis pursuant to the implicit price deflator as set forth in California Public Utilities Code section 12751, using the base year of 1997.

Monitoring Method: CEO Report
Frequency: Quarterly
Versioning:

August 21, 2003	Resolution No. 03-08-07	Date of Adoption.
October 16, 2003	Resolution No. 03-10-14	Date of Revision.
June 3, 2004	Resolution No. 04-06-04	Date of Revision.
October 16, 2008	Resolution No. 08-10-09	Date of Revision.
October 1, 2009	Resolution No. 09-10-05	Date of Revision.
August 4, 2011	Resolution No. 11-08-04	Date of Revision.
November 17, 2011	Resolution No. 11-11-06	Date of Revision.
March 15, 2012	Resolution No. 12-03-13	Date of Revision.
August 21, 2014	Resolution No. 14-08-03	Date of Revision.
December 15, 2016	Resolution No. 16-12-18	Date of Revision.
July 16, 2020	Resolution No. 20-07-05	Date of Revision.
March 18, 2021	Resolution No. 21-03-04	Date of Revision.
June 15, 2023	Resolution No. 23-06-04	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision.
June 20, 2024	Resolution No. 24-06-03	Date of Revision. [Current Policy]

SSS No. BOD 2025-001	**BOARD AGENDA ITEM** STAFFING SUMMARY SHEET	Committee Meeting & Date POLICY - 2025
		Board Meeting Date N/A

	TO				TO
1.	Suresh Kotha		6.		
2.	Brandy Bolden		7.		
3.	Farres Everly		8.		
4.			9.	**Legal**	
5.			10.	**CEO & General Manager**	

Consent Calendar		Yes	X	**No** *If no, schedule a dry run presentation.*	Budgeted	X	Yes	**No** *(If no, explain in Cost/Budgeted section.)*

FROM (IPR) Gregg Fishman / Crystal Henderson	DEPARTMENT Board Office	MAIL STOP B307	EXT. 5424	DATE SENT 12/20/24

NARRATIVE:

Requested Action: Enable the Board of Directors an opportunity to review the Board Work Plan.

Summary: The Board President reviews the Board Work Plan to ensure agenda items support the work of the Board.

Board Policy:
(Number & Title) This review of the Work Plan supports Governance Process GP-4, Board/Committee Work Plan and Agenda Planning, which states that the Board will develop each year a list of topics and issues that it wishes to explore in the coming years and maintain a work plan that will be regularly reviewed by the Board or a standing committee. Governance Process GP-6, Role of the Board President, states that the Board President shall ensure that the Board's agendas meet the goals of the annual work plan.

Benefits: Reviewing the Work Plan allows the Board members and Executive staff to make changes to the Work Plan and Parking Lot items as necessary.

Cost/Budgeted: Included in the budget for internal labor.

Alternatives: Not review the Work Plan at this time.

Affected Parties: Board of Directors and Executive Office

Coordination: Crystal Henderson, Special Assistant to the Board

Presenter: Gregg Fishman, Board President

Additional Links:

SUBJECT	**Board Work Plan**	ITEM NO. *(FOR LEGAL USE ONLY)*

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

	TO			TO
1.	Brandy Bolden	6.		
2.	Farres Everly	7.		
3.	Suresh Kotha	8.		
4.		9.	**Legal**	
5.		10.	**CEO & General Manager**	

Consent Calendar		**Yes**	X	**No** *If no, schedule a dry run presentation.*	**Budgeted**	X	**Yes**		**No** *(If no, explain in Cost/Budgeted section.)*

FROM (IPR) Heidi Sanborn / Crystal Henderson	DEPARTMENT Board Office	MAIL STOP B307	EXT. 5424	DATE SENT 12/20/24

NARRATIVE:

Requested Action: A summary of directives is provided to staff during the committee meeting.

Summary: The Board requested an ongoing opportunity to do a wrap up period at the end of each committee meeting to summarize various Board member suggestions and requests that were made at the meeting to make clear the will of the Board. The Policy Committee Chair will summarize Board member requests that come out of the committee presentations for this meeting.

Board Policy: Governance Process GP-4, Board/Committee Work Plan and Agenda Planning states the Board will
(Number & Title) focus on the results the Board wants the organization to achieve.

Benefits: Having an agendized opportunity to summarize the Board's requests and suggestions that arise during the committee meeting will help clarify the will of the Board.

Cost/Budgeted: Included in budget for internal labor.

Alternatives: Not to summarize the Board's request at this meeting.

Affected Parties: Board of Directors, Board Office and Executive Office

Coordination: Crystal Henderson, Special Assistant to the Board

Presenter: Heidi Sanborn, Policy Committee Chair

Additional Links:

SUBJECT	**Summary of Committee Direction – Policy Committee**	ITEM NO. *(FOR LEGAL USE ONLY)*

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.