Strategic Direction 8 (SD-8) Employee Relations
2018 Board Monitoring Report

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

Therefore:

a) SMUD shall attract and retain a highly qualified workforce
b) SMUD shall engage its workforce in personal and professional development
c) SMUD shall maintain and communicate written policies that define procedures and expectations for staff and provide for effective handling of grievances
d) SMUD’s percentage of engaged employees as measured through the Engagement Index shall exceed 80%
e) Annually, and consistent with State and Federal law, the Board shall receive a report detailing the demographics 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

SMUD is in full compliance with Strategic Direction SD-8
Attract & Retain a Highly Qualified Workforce

Career Ambassadors reached 52,000 students and community members (10,000+ than in 2017)

College Intern Program received 1,328 applications (300+ more than in 2017); hired 76 students

Employee turnover of 6.9% remained well below industry benchmark of 11.2%

Talent acquisition leveraged advancing technology to improve application process
Workforce Personal & Professional Development

✓ Increased training for SMUD employees
  • 2,263 individuals, avg. 34 hours each (up from 29 hours each in 2017)

✓ Increased Educational Assistance participation
  • 136 employees in 2018 (108 in 2017; 79 in 2016)

✓ 19 leadership development program participants
  • Nehemiah Emerging Leaders
  • WEI Business Acumen for Emerging Leaders
  • Asian Pacific Chamber Catalyst Program
  • Leadership Rancho Cordova
  • United Way Loaned Executive
  • Building Leadership Talent (SMUD)
Policies for Effective Handling of Grievances

2018 Grievances

- **OSE**: 13
- **IBEW**: 10
- **Unrepresented**: 2
- **Security**: 3

*2014: 2 grievances*  
*2015: 2 grievances*  
*2016: 2 grievances*  
*2017: 1 grievance*  
*2018: 1 grievance*
Culture Assessment conducted in 2018

- 1,025 surveys complete; 9,000+ comments from employees

<table>
<thead>
<tr>
<th>Positive Findings</th>
<th>Areas of Opportunity</th>
<th>Follow-on Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment to community and customers is motivating</td>
<td>Connection between work and SMUD’s strategies &amp; vision is apparent</td>
<td>Implement recognition strategies</td>
</tr>
<tr>
<td>Family-like environment and fellowship is a positive, driving force</td>
<td>Culture is important</td>
<td>Facilitate employee discussion groups</td>
</tr>
<tr>
<td>Employees are hopeful about the future</td>
<td></td>
<td>Utilize “13 Behaviors to Build &amp; Restore Trust”</td>
</tr>
<tr>
<td>Increase teamwork and collaboration</td>
<td>Improve communication across the org</td>
<td></td>
</tr>
<tr>
<td>Empower employees and reduce bureaucracy</td>
<td>Reduce resistance to change</td>
<td></td>
</tr>
<tr>
<td>Promote a culture of trust</td>
<td></td>
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</tbody>
</table>
# SMUD Workforce Demographics

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
<th>Caucasian</th>
<th>African American</th>
<th>Hispanic</th>
<th>Asian</th>
<th>Native American</th>
<th>2 or more Races</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 SMUD Employees</td>
<td>66%</td>
<td>34%</td>
<td>60%</td>
<td>8%</td>
<td>14%</td>
<td>15%</td>
<td>0%</td>
<td>4%</td>
</tr>
<tr>
<td>2017 SMUD Employees</td>
<td>67%</td>
<td>33%</td>
<td>61%</td>
<td>7%</td>
<td>13%</td>
<td>14%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>Sacramento, El Dorado &amp; Placer Co.</td>
<td>52%</td>
<td>48%</td>
<td>59%</td>
<td>7%</td>
<td>17%</td>
<td>13%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>U.S.</td>
<td>53%</td>
<td>47%</td>
<td>67%</td>
<td>11%</td>
<td>15%</td>
<td>15%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>2018 SMUD Males</td>
<td>-</td>
<td>-</td>
<td>64%</td>
<td>6%</td>
<td>12%</td>
<td>13%</td>
<td>0%</td>
<td>4%</td>
</tr>
<tr>
<td>2018 SMUD Females</td>
<td>-</td>
<td>-</td>
<td>52%</td>
<td>11%</td>
<td>16%</td>
<td>17%</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>2018 SMUD Veterans</td>
<td>92%</td>
<td>8%</td>
<td>56%</td>
<td>8%</td>
<td>15%</td>
<td>14%</td>
<td>0%</td>
<td>6%</td>
</tr>
<tr>
<td>2017 SMUD Veterans</td>
<td>91%</td>
<td>9%</td>
<td>59%</td>
<td>8%</td>
<td>14%</td>
<td>14%</td>
<td>0%</td>
<td>6%</td>
</tr>
<tr>
<td>2017 CA Veterans</td>
<td>91%</td>
<td>9%</td>
<td>63%</td>
<td>9%</td>
<td>17%</td>
<td>7%</td>
<td>1%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Percentages may not add up to 100% due to rounding
Diversity & Inclusion Successes

✓ **Employee Resource Groups**
  - Sponsored more than 50 events at SMUD and in the community in 2018
  - Focus on mentoring, professional development, diverse workforce recruiting and volunteerism strengthened ties to SMUD business strategy
  - ERG refresh underway to provide additional structure, support, business integration

✓ **Disability Hiring**
  - 4 successful placements in 2018
  - 2 community awards from Northern Business Advisory Council
  - “Model Employer Supporting Workplace Inclusion” award from Association of Regional Center Agencies
Recommend Acceptance of Monitoring Report for SD-8