Exhibit to Agenda Item #1b

Board Finance & Audit Committee Meeting and Special SMUD Board of Directors Meeting – Budget 2020
Thursday, November 7, 2019, scheduled to begin at 5:00 p.m.
Customer Service Center, Rubicon Room
Technology
2020 Proposed Budget & Initiatives

Stephen Clemons
Chief Technology Officer
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<th>Strategy, Planning &amp; Governance</th>
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<th>Information Technology Security</th>
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2020 Proposed Budget by Theme

Keeping the Lights On
Optimization & Operational Excellence
Risk Mitigation
Embracing the Future

Allocated Costs

Keeping the Lights On
$142.1
Optimization/Operational Excellence
$27.3
Risk Mitigation
$19.6
Embracing the Future
$23.2
Allocated Costs
$62.8

$- $20 $40 $60 $80 $100 $120 $140

2020 Proposed
$M

November 7, 2019
Keeping the Lights On

- Ensure SMUD’s applications and technology infrastructure are available, secure and in compliance (SD-2, 4, 8, 16, 17)
- Deliver key upgrades to Meter To Cash systems to improve reliability and mitigate risk, in collaboration with partner business units (SD-2, 4, 17)
- Implement lifecycle improvements to support increased collaboration, mobile workforce and communications network reliability (SD-4, 8, 17)
- Key projects to upgrade meter communications network, microwave network, and technology infrastructure for the Meter Data Management System (SD-4)

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Optimization and Operational Excellence

- Improve efficiency and reliability of technology applications and infrastructure
  (SD-2, 4, 8, 17)

- Enhance monitoring of key operational systems to increase reliability
  (SD-4, 6, 17)

- Mature a strategic view of technology and human resources
  (SD-4, 8, 17)

- Key projects to plan for replacement of Enterprise Resource Planning system, to deliver analytical tools to SMUD staff and for technology to improve human resources processes
  (SD-2, 8)

In 2020, $13.5M in Savings is built into the Proposed Budget

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Risk Mitigation

- Cybersecurity: Mitigate risk through audit remediation, monitoring, training and education  
  (SD-8, 16, 17)

- Build on 2019 Critical Infrastructure Protection audit results to ensure reliability and security of the Bulk Electric System  
  (SD-16, 17)

- Cyber-attacks on utilities from nation-states and other threats  
  (SD-16, 17)

- Anticipate and respond to rapid changes in technology  
  (SD-10, 16, 17)

- Evolve security risk management practices for information and data  
  (SD-16)

- Implement outreach and retention strategies to ensure IT’s workforce is dynamic and diverse  
  (SD-8, 10, 17)
Embracing the Future

- Modernize our power grid to integrate Distributed Energy Resources and to evolve communications technologies (SD-4, 16)
- Continue to add functionality to enhance the Customer Experience (SD-5)
- Enable a flexible workforce using applications on multiple devices (SD-8, 16)
- Embed the delivery of innovative technology into IT’s mission (SD-2, 10, 16)
- Key projects include Workforce Optimization, Advanced Distribution Management System, Frame Relay Transformation and Enterprise Application Integration (SD-2, 4, 5, 8, 10, 16)