Exhibit to Agenda Item #1c

Workforce Enterprises 2021 Proposed Budget

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
2021 Proposed Budget
November 12, 2020, scheduled to begin at 5:30 p.m.
Virtual Meeting (online)
Workforce Services
2021 Proposed Budget & Initiatives

Gary King
Chief Workforce Officer
## Business Segments & Functions

### Business Segments

<table>
<thead>
<tr>
<th>Facilities, IPPS &amp; Security Operations</th>
<th>Human Resources, Diversity &amp; Inclusion</th>
<th>Environmental, Safety &amp; Real Estate Services</th>
<th>Procurement, Warehouse &amp; Fleet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities Planning, Projects and Maintenance</td>
<td>Learning, Development &amp; Culture</td>
<td>Employee Health &amp; Safety</td>
<td>Supply Chain</td>
</tr>
<tr>
<td>Physical Security</td>
<td>Talent Management</td>
<td>Environmental Services</td>
<td>Warehouse Operations</td>
</tr>
<tr>
<td>Enterprise Continuity Management &amp; Emergency Preparedness</td>
<td>Total Rewards</td>
<td>Real Estate Services</td>
<td>Fleet Operations</td>
</tr>
<tr>
<td>Image Production &amp; Postal Services</td>
<td>Employee Relations</td>
<td></td>
<td></td>
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</tbody>
</table>

November 12, 2020

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting – 2021 Proposed Budget
2021 Proposed Budget by Theme

Keeping the Lights On: $75.8
Optimization/Operational Excellence: $20.2
Risk Mitigation: $15.3
Embracing the Future: $7.2
Allocated Costs: $(10)

2021 Proposed

Board Strategic Directions
Keeping the Lights On

- Deliver Core Work Processes
  - Procurement, Warehouse and Fleet (Supply Chain)
  - Facilities, IPPS and Security Operations
  - Human Resources, Diversity and Inclusion
  - Environmental, Safety and Real Estate Services

SD-4, 5, 6, 7
Optimization & Operational Excellence

- **Supply Chain Technology Investment**
  - Improve supplier and contract management experience
  - Enable supplier performance and risk management
  - Implement best practice for supplier payment strategy

- **Talent Technology Transformation**
  - Create framework for an enhanced applicant and employee experience and future state of human resources technology ecosystem
  - Resolve inefficiencies and enable SMUD’s competitive edge for talent
  - Lead development of inclusive regional talent pipeline via an advanced regional workforce development plan and sharing of best practices

SD-2, 13

SD-8
Optimization & Operational Excellence

- Safety Management System
  - Enable/improve data capture, data trending, data analytics and real-time visibility of key safety measures

**Action Tracking System**

*Log findings, assign responsibility, suggest corrective actions and track closure*

**Key Capabilities**

- Drive employee involvement, ownership, and accountability
- Manage action item responsibility assignments and completion tracking
- Easily define corrective actions and set closure targets
- Communicate action item details via automated / scheduled email notification
- Link with other Gensuite applications to ensure actions within those applications are tracked to closure
- Data mine compliance status with advanced charting and reporting features enabling users to trend for systemic problems

120 Subscribing Companies

- Findings tracked at ~40,000 sites
- 8.2 million findings tracked to date
Facilities, IPPS and Security Operations
- Launch SMUD Workplace Reimagined Post-Pandemic Strategic Space Plan
- Complete efficiency and roles and responsibilities assessment of Image Production and Postal Service unit

High Critical Equipment Condition by Year (End of Life)

Customer Satisfaction - Ops Services

YTD 96%
Risk Mitigation

- Safety for Life Roadmap
  - Integrate SMUD’s zero injury culture to outside the workplace
  - Implement Human Performance Engineering
  - Train management and employees on understanding human performance engineering systems and its use in reducing human errors in critical and high-risk operations.
Risk Mitigation

- Enterprise Continuity Management Program (ECMP)
  - Train on Emergency Operations Center (EOC) roles and test EOC procedures
  - Develop department Emergency Plan template
  - Implement ECMP solution

- Supply Chain Risk Management
  - Compliance with Critical Infrastructure Protection (CIP) standard CIP-013
  - Collaboration between supply chain, information and cyber security, risk, and legal to manage third party risk

SD-17

SD-16, 17
Embracing the Future

- SMUD Fleet Electrification
  - Increase proportion of electric vehicles in fleet to 18%
  - Improve fuel economy, reduce Green House Gas (GHG) emissions, and establish engine idle reduction campaign

Zeus Medium Duty Truck

SD-7, 9

JEMS Hybrid Bucket Truck Charging
Sustainable Communities
- Develop regional talent base through enhanced workforce development programming and the sharing of best practices
- Leverage Sustainable Communities Initiatives (SCI) Resource Priorities Map to guide and prioritize equitable regional workforce development opportunities and efforts
Embracing the Future

- Develop next 5-year Environmental Sustainability roadmap
- Update SMUD’s internal environmental sustainability strategy with emphasis on environmental procurement, GHG reduction, recycling and vehicle electrification.
Embracing the Future

- Deepen and Accelerate Diversity, Equity and Inclusion across SMUD
  - Strategy to integrate diversity, equity and inclusion into existing culture, systems, and processes while implementing new components

- Child Care Center
  - Sustain multi-party agreement between SMUD, UC Davis Health and Sacramento State (University Enterprises, Inc.)
  - Complete design and construction of 207-child capacity, 17,000 square foot state-of-the-art, National Association for the Education of Young Children (NAEYC) accredited child development center
Embracing the Future

- 59th Street Redevelopment
  - Complete remediation and demolition of identified infrastructure
  - Relocate storage to offsite location (Depot Park)
  - Relocate all employees and materials from 59th Street campus to HQ Campus

59th Street Demo

59th Street Demo

Depot Park
Embracing the Future

- Rancho Seco Master Plan
  - Develop a master plan for Rancho Seco footprint, including the generation site and recreation area, to determine best uses for the 2,200 acres site and disposition of structures, facilities, grounds, and utilities

SD-7, 13

November 12, 2020

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting – 2021 Proposed Budget
2021 Proposed Budget

<table>
<thead>
<tr>
<th></th>
<th>2020 Forecast</th>
<th>2020 Budget</th>
<th>2021 Proposed</th>
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</thead>
<tbody>
<tr>
<td>O&amp;M</td>
<td>$20.9</td>
<td>$15.2</td>
<td>$16.4</td>
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<tr>
<td>Capital</td>
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<tr>
<td>2020 Forecast</td>
<td>$26.3</td>
<td>$27.5</td>
<td>$33.9</td>
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<tr>
<td>2020 Budget</td>
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<tr>
<td>2021 Proposed</td>
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<tr>
<td>Allocated</td>
<td>$64.3</td>
<td>$70.4</td>
<td>$68.9</td>
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- Keeping the Lights On
- Optimization/Operational Excellence
- Risk Mitigation
- Embracing the Future
- Allocated Costs
## Benefits Summary

<table>
<thead>
<tr>
<th>Summary ($)M</th>
<th>2020 Forecast</th>
<th>2020 Budget</th>
<th>2021 Proposed</th>
<th>$ Change vs Budget</th>
<th>% Change vs Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement Contribution</td>
<td>$84</td>
<td>$85</td>
<td>$71</td>
<td>($13)</td>
<td>-16%</td>
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<tr>
<td>FICA Contribution</td>
<td>$21</td>
<td>$23</td>
<td>$22</td>
<td>($0)</td>
<td>-1%</td>
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<tr>
<td>Health &amp; Welfare Benefits</td>
<td>$42</td>
<td>$49</td>
<td>$49</td>
<td>$0</td>
<td>1%</td>
</tr>
<tr>
<td>Administer Benefits</td>
<td>$2</td>
<td>$3</td>
<td>$3</td>
<td>($0)</td>
<td>-2%</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$150</strong></td>
<td><strong>$159</strong></td>
<td><strong>$145</strong></td>
<td><strong>($13)</strong></td>
<td><strong>-9%</strong></td>
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<td>OPEB – Current Year Contribution</td>
<td>$9</td>
<td>$10</td>
<td>$10</td>
<td>$0</td>
<td>1%</td>
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<tr>
<td>OPEB – Unfunded Liability Contribution</td>
<td>($5)</td>
<td>$28</td>
<td>$29</td>
<td>$1</td>
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<td>Pension Adjustments</td>
<td>$14</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0%</td>
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<td><strong>Total Employee Benefits</strong></td>
<td><strong>$168</strong></td>
<td><strong>$196</strong></td>
<td><strong>$184</strong></td>
<td><strong>($12)</strong></td>
<td><strong>-6%</strong></td>
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