Exhibit to Agenda Item #14
Approve a Memorandum of Understanding between Sacramento Municipal Utility District and the Organization of SMUD Employees (OSE) for the period January 1, 2022, through December 31, 2025.

Board of Directors Meeting
Thursday, December 9, 2021, scheduled to begin at 5:30 p.m.
Virtual Meeting (online)
Agenda

• Outcomes Achieved through Negotiations with the OSE

• Key Terms of the Proposed Memorandum of Understanding (MOU) between SMUD and the OSE

• Summary & Request for Approval of OSE Successor MOU
Outcomes Achieved

• Represents a fair and financially responsible outcome for SMUD, our customers, and the OSE employees:
  ▪ Meets SMUD’s financial targets
  ▪ Maintains competitive pay with a total compensation package to attract and retain an engaged OSE workforce
  ▪ Provides a pool of well-qualified internal applicants for positions throughout the organization

• Preserves positive relations with the OSE
Proposed OSE MOU

• Ratified by the OSE on Nov. 30, 2021:
  ▪ 238 votes were counted (52% of membership cast ballots)
  ▪ Overwhelming support of those who voted: 97% voted YES

• Term of the new MOU:
  ▪ 4-year contract
  ▪ January 1, 2022 – December 31, 2025
Wages

General Wage Increase:

- 2022: 3.5%
- 2023: 3%
- 2024: 3%
- 2025: 3.25%

All OSE bargaining unit employees will be eligible for the general wage increase each year.
Health Care Benefits

Medical Premium Employee Cost Sharing for HMO Plans for 2022-2025:

- 12.5% for Full Time OSE Employees
- 17.5% for Part Time & Limited Term OSE Employees
Deferred Compensation Benefits

• SMUD will match an eligible OSE employee’s contributions to their 401(k) deferred compensation account up to $400 per calendar year for 2022-2025.
Deferred Compensation Benefits

• SMUD will provide monthly direct contributions into the 401(k) accounts of eligible OSE employees as follows:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5 years</td>
<td>$75</td>
<td>$75</td>
<td>$100</td>
<td>$125</td>
<td>$150</td>
</tr>
<tr>
<td>6-10 years</td>
<td>$100</td>
<td>$100</td>
<td>$125</td>
<td>$150</td>
<td>$175</td>
</tr>
<tr>
<td>11-15 years</td>
<td>$125</td>
<td>$125</td>
<td>$150</td>
<td>$175</td>
<td>$200</td>
</tr>
<tr>
<td>16+ years</td>
<td>$150</td>
<td>$150</td>
<td>$175</td>
<td>$200</td>
<td>$225</td>
</tr>
</tbody>
</table>
In Summary

This successor MOU between SMUD and the OSE:

• Represents a fair and financially responsible outcome for SMUD, our customers, and the OSE employees:
  ▪ Meets SMUD’s financial targets
  ▪ Maintains competitive pay with a total compensation package to attract and retain a well-qualified and engaged OSE workforce

• Preserves positive relations with the OSE