

# Board of Directors

# Meeting

# Agenda

Date: May 16, 2024

Time: 6:00 p.m.

Location: SMUD Headquarters Building, Auditorium

6201 S Street, Sacramento, California



Powering forward. Together.





## **AGENDA**

### **SACRAMENTO MUNICIPAL UTILITY DISTRICT BOARD OF DIRECTORS MEETING SMUD HEADQUARTERS BUILDING AUDITORIUM – 6201 S STREET SACRAMENTO, CALIFORNIA**

**Remote Telephonic Location:**

**Sheraton New Orleans  
500 Canal Street  
New Orleans, LA 70130**

***May 16, 2024 – 6:00 p.m.***

**Virtual Viewing or Attendance:**

Live video streams (view-only) and indexed archives of meetings are available at:  
[http://smud.granicus.com/ViewPublisher.php?view\\_id=16](http://smud.granicus.com/ViewPublisher.php?view_id=16)

**Zoom Webinar Link: [Join SMUD Board of Directors Meeting Here](#)**

**Webinar/Meeting ID:** 161 693 6018

**Passcode:** 030828

**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](mailto: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.

Call to Order.

a. Roll Call.

1. Approval of the Agenda.

2. Committee Chair Reports.
  - a. Committee Chair report of May 7, 2024, Strategic Development Committee
  - b. Committee Chair report of May 8, 2024, Policy Committee
  - c. Committee Chair report of May 14, 2024, Finance & Audit Committee
  - d. Committee Chair report of May 14, 2024, Energy Resources & Customer Services Committee

**Items 6 through 8 were reviewed by the May 8, 2024, Policy Committee. Items 9 and 10 were reviewed by the May 14, 2024, Finance and Audit Committee.**

*Comments from the public are welcome when these agenda items are called.*

**Consent Calendar:**

3. Approve revised Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period of March 16, 2024, through April 15, 2024.
4. Approve Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period of April 16, 2024, through May 15, 2024.
5. Approval of the minutes of the meeting of April 18, 2024.
6. Accept the monitoring report for **Strategic Direction SD-8, Employee Relations. Policy Committee 5/8.** (Jose Bodipo-Memba)
7. Accept the monitoring report for **Strategic Direction SD-12, Ethics.** **Policy Committee 5/8.** (Jose Bodipo-Memba)
8. Approve proposed revisions to **Board-Staff Linkage BL-10, Delegation to the CEO with Respect to Real and Personal Property.** **Policy Committee 5/8.** (Frankie McDermott)
9. Adopt the **2024 Update to SMUD's 2023-2025 Wildfire Mitigation Plan.** **Finance and Audit Committee 5/14.** (Frankie McDermott)
10. Adopt resolution calling election for Directors for Wards 1, 2, and 5 and request Sacramento County and Placer County to consolidate that election with the November 5, 2024, general election. **Finance and Audit Committee 5/14.** (Laura Lewis)

\* \* \* \* \*

**Public Comment:**

11. Items not on the agenda.

**Board and CEO Reports:**

12. Directors' Reports.

13. President's Report.

14. CEO's Report.  
a. Board Video

### **Summary of Board Direction**

\* \* \* \* \*

**Board Committee Meetings and Special Meetings of the Board of Directors are held at the SMUD Headquarters Building, 6201 S Street, Sacramento**

May 14, 2024	Finance and Audit Committee and Special SMUD Board of Directors Meeting	Auditorium*	6:00 p.m.
May 14, 2024	Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting	Auditorium	Immediately following the Finance and Audit Committee and Special SMUD Board of Directors Meeting scheduled to begin at 6:00 p.m.
June 11, 2024	Strategic Development Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.
June 12, 2024	Policy Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.
June 18, 2024	Finance and Audit Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.
June 19, 2024	Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.

\* \* \* \* \*

**Regular Meetings of the Board of Directors are held at the SMUD Headquarters Building,  
6201 S Street, Sacramento**

June 20, 2024

Auditorium\*

6:00 p.m.

*\*The Auditorium is located in the lobby of the SMUD Headquarters Building, 6201 S Street, Sacramento, California.*

*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](http://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](mailto:Toni.Stelling@smud.org), or contact by phone at 1-916-732-7143, no later than 48 hours before this meeting.





**DRAFT**

**RESOLUTION NO. \_\_\_\_\_**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board hereby approves revised Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period of March 16, 2024, through April 15, 2024.



**DRAFT**

**RESOLUTION NO. \_\_\_\_\_**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board hereby approves Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period of April 16, 2024, through May 15, 2024.



# DRAFT

Sacramento, California

April 18, 2024

The Board of Directors of the Sacramento Municipal Utility District met in regular session simultaneously in the Auditorium of the SMUD Headquarters Building at 6201 S Street, Sacramento, and via virtual meeting (online) at 6:01 p.m.

Roll Call:

Presiding: President Herber

Present: Directors Rose, Fishman, Kerth, Tamayo, and Sanborn

Absent: Director Bui-Thompson

Present also were Frankie McDermott, acting Chief Executive Officer and General Manager; Laura Lewis, Chief Legal & Government Affairs Officer and General Counsel and Secretary, other members of SMUD's executive management; and SMUD employees and visitors.

Director Rose shared the 2030 Climate Action Tip.

President Herber called for approval of the agenda. Director Kerth moved for approval of the agenda, Director Tamayo seconded, and the agenda was approved by a vote of 6-0, with Director Bui-Thompson absent.

President Herber than announced that she would give a portion of the President's Report in order to recognize Michael Sestak of Sestak Lighting Design for his award-winning lighting design for Station G Substation.

Mr. Sestak thanked the Board and President Herber for inviting him to speak about the awards. He stated that it was a team effort, and he had been brought in by Alicia Moniz of Moniz Architecture to work on a plan to beautify the building in coordination with Roebbelin Construction and McGrath Electric. He stated that the Association of Outdoor Lighting Professionals (AOLP) awarded Sestak Lighting Design a merit award for the building itself and an award of excellence in the Splash of Color category.

President Herber and Directors Sanborn, Tamayo, Kerth, Fishman and Rose extended their congratulations to Mr. Sestak.

Vice President Fishman, Vice Chair, presented the report on the Strategic Development Committee meeting held on April 9, 2024.

Director Tamayo, Chair, presented the report on the Policy Committee meeting held on April 10, 2024.

President Herber then called for public comment for items on the agenda, but none was forthcoming.

President Herber then addressed the consent calendar consisting of Items 3 and 4. Vice President Fishman moved for approval of the consent calendar, Director Sanborn seconded, and Resolution No. 24-04-01 was approved by a vote of 6-0, with Director Bui-Thompson being absent.

**RESOLUTION NO. 24-04-01**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board hereby approves Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period of March 16, 2024, through April 15, 2024.

Approved: April 18, 2024

INTRODUCED: DIRECTOR FISHMAN				
SECONDED: DIRECTOR SANBORN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON				X
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

President Herber then turned to Discussion Calendar Item 5, to approve the appointment of Joel Ledesma as a Retired Annuitant without applying the 180-day waiting period.

Laurie Rodriguez, Director, People Services & Strategies gave a presentation on Item 5. A copy of the slides used in her presentation is attached to these minutes.

No public comment was forthcoming on Discussion Calendar Item 5.

There being no discussion, Director Sanborn moved for approval of Discussion Calendar Item 5, Vice President Fishman seconded, and Resolution No. 24-04-02 was approved by a vote of 6-0, with Director Bui-Thompson being absent.

**Resolution No. 24-04-02**

**April 18, 2024**

**RESOLUTION FOR EXCEPTION TO THE 180-DAY WAIT PERIOD  
(Gov. Code Section 7522.56)**

**WHEREAS**, in compliance with Government Code section 7522.56, the Sacramento Municipal Utility District (SMUD) must provide CalPERS this certification resolution when hiring a retiree before 180 days has passed since his or her retirement date; and

**WHEREAS**, Joel Ledesma will separate from SMUD in the position of Director, Power Generation, effective May 3, 2024; and

**WHEREAS**, section 7522.56 typically requires that post-retirement employment commence no earlier than 180 days after the retirement date, but grants an exception to that rule if the Board of Directors certifies (a) that the specific retired annuitant has the skills needed to perform work of limited duration and (b) the appointment is necessary to fill a critically needed position before the 180 days have passed; and

**WHEREAS**, Joel Ledesma is separating on May 3, 2024, from his two years of employment with SMUD—all of which he has been serving as SMUD's Director, Power Generation; and

**WHEREAS**, Joel Ledesma certifies that he has not, nor will he, receive unemployment dating back one year prior to him being employed as a retired annuitant to SMUD; and

**WHEREAS**, Joel Ledesma's knowledge and experience is needed in the short term to provide knowledge transfer to SMUD's new Director, Power Generation, to ongoing projects of significant impact to SMUD such as ensuring continuity of the Power Generation function and the ongoing implementation of SMUD's 2030 Zero Carbon Plan, all of which Joel has been involved with; and

**WHEREAS**, SMUD's highest level of leadership needs Joel Ledesma's services and cannot wait 180 days to receive the services that only he can uniquely provide; and

**WHEREAS**, this Resolution was adopted at a properly noticed public meeting and was not placed on the consent calendar, in compliance with Government Code section 7522.56(f)(1).

**THEREFORE, BE IT RESOLVED THAT** the Board of Directors hereby certifies the nature of the appointment of Joel Ledesma as described herein and that this appointment is necessary to fill the critically needed position of financial consultant that cannot wait until 180 days after Joel Ledesma's retirement. The Board of Directors further certifies that, per SMUD's discretion, Joel Ledesma will be permitted to work up to 960 hours in the CalPERS 2024 fiscal year at his regular hourly rate of pay

(\$139.67/hr.) receiving no other compensation and no other benefits except those that are provided to retired employees.

BY

Rosanna J. Herber.  
Rosanna Herber

President of the  
SMUD Board of Directors

Approved: April 18, 2024

INTRODUCED: DIRECTOR SANBORN				
SECONDED: DIRECTOR FISHMAN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON				X
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

President Herber then turned to Discussion Calendar Item 6, by two-thirds vote, approve a Resolution of Necessity authorizing General Counsel to commence condemnation proceedings and to take all other actions necessary to acquire by eminent domain the parcel located at 604 W. Elverta Rd., Elverta, California, in support of the El Rio Substation Project.

At 6:31 p.m., President Herber opened the public hearing on Discussion Calendar Item 6 and announced that a presentation would be given by staff followed by any public comment on the item.

Ellias van Ekelenburg, Director, Environmental, Safety & Real Estate Services, gave a presentation on Item 6. A copy of the slides used in his presentation is attached to these minutes.

Rogelio Sanchez, the owner of the parcel, was accompanied by his son-in-law Erik Castellanos, who translated for Mr. Sanchez. Mr. Castellanos translated that Mr. Sanchez felt as though SMUD's real estate negotiator was working in favor of SMUD and requested the Board vote No on the item in order to give him more time to mitigate the issues with the property. He stated that the family understood SMUD's need for the property, and Mr. Sanchez was not interested in money but rather wanted to find a piece of property that was similarly situated to the current property. He stated Mr. Sanchez had been told he must find a property with a house, and if he could find a property without a house that could house his existing animals, he would rent until a house could be built; however, the SMUD negotiator had told him he would need to get a loan to build the house. He stated Mr. Sanchez had been offered a property in another part of Sacramento, but that was not suitable because it was too far away. He stated Mr. Sanchez would like a property in the same general area as his current property.

Director Sanborn stated that she would look to counsel to determine whether she could ask some questions and asked if the offer could be discussed.

President Herber said no.

Albany Castellanos, Mr. Sanchez's daughter, stated that Mr. Sanchez had put a lot of work into the property to improve it and build his business, and it was intended to be the family's generational wealth. She stated that Mr. Sanchez was not trying to be selfish and that he wanted to continue on the plan that he had already set in place. She thanked the Board for their time.

Vice President Fishman asked if all other options had really been exhausted and whether we could avoid the need for El Rio by keeping Elverta Substation in service while rebuilding it or by doing construction in stages.

Mr. van Ekelenburg stated that Elverta could not be rebuilt while remaining in service and due to the length of the construction time, having the substation down during construction would significantly impact SMUD in that territory.

Vice President Fishman then asked if Western Area Power Administration (WAPA) might allow SMUD to do something temporary on their land.

Mr. van Ekelenburg stated that SMUD had multiple negotiations with WAPA, and that was not an option.

President Herber stated that the issue was a difficult decision, and staff had looked into all alternatives, but the item needed to move forward. She asked if Mr. Sanchez might have assistance with someone in the real estate industry who speaks Spanish.

Mr. van Ekelenburg stated that the landowner had been encouraged to engage their own counsel and to date had declined to do so, but that SMUD had used its Spanish-speaking agent to offer the package.

President Herber stated that it appeared SMUD and the landowner had reached an impasse, and although it was very difficult, she would vote in favor of moving forward. She stated that she hoped the parties would continue to negotiate and the item did not have to be something that would go to court in order to be resolved.

At 7:01 p.m., President Herber closed the public hearing on Discussion Calendar Item 6.

There being no further discussion, Vice President Fishman moved for approval of Discussion Calendar Item 6, Director Tamayo seconded, and Resolution No. 24-04-03 was approved by a vote of 6-0, with Director Bui-Thompson being absent.

**RESOLUTION NO. 24-04-03**

**OWNER: Rogelio Sanchez**

**ASSESSOR'S PARCEL NUMBERS: 202-0090-024-0000**

**WHEREAS**, the person(s) whose property interests to be acquired by eminent domain and whose name and address appeared on the last equalized County Assessment Roll has been given notice and a reasonable opportunity to appear and be heard this date on the matters referred to in California Code of Civil Procedure section 1240.030 in accordance with California Code of Civil Procedure section 1245.235; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** That SMUD intends to acquire through the exercise of the power of eminent domain the property described below.

**Section 2.** That the public use for which the property is to be taken is for construction, operation, and maintenance of the new **El Rio Substation**, which will provide reliability to serve existing and future loads, enable planned future renewable resource interconnections, and add operational flexibility to SMUD's bulk electric system to serve, among others, UC Davis Aggie Square, up to five new data centers, Electrical Vehicle (EV) charging at/near the Sacramento International Airport, and development in the Natomas/Metro Air Park and McClellan Business Park areas.

**Section 3.** That the Board of Directors certified and adopted the Initial Study, Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the **El Rio Substation Project** on November 16, 2023, by approving Resolution No. 23-11-10.

**Section 4.** That SMUD is authorized to acquire property by eminent domain for said purpose under California Municipal Utility District (MUD) Act sections 12703 and 12771.

**Section 5.** That the property interest to be acquired is property owned by Rogelio Sanchez and located in Sacramento County, California, and contained within Assessor's Parcel No. 202-0090-024-0000, and is more

particularly described and depicted in **Exhibit A** and **Exhibit B** attached hereto and incorporated by reference as though full set forth therein.

**Section 6.** That the Board of Directors, after due deliberation, finds and determines each and all of the following:

- a. The public interest and necessity require the SMUD **EI Rio Substation Project** to transmit power from said Project to the interconnected grid;
- b. The **EI Rio Substation Project** is planned and located in the manner that will be most compatible with the greatest public good and least private injury;
- c. The property interests described in this Resolution are necessary for the **EI Rio Substation Project**; and
- d. The offer required by California Government Code section 7267.2 has been made to the owner of record listed in Section 5. above.

**Section 7.** That the appropriate officers, employees, attorneys, and agents for SMUD are hereby authorized and directed:

- a. To acquire in SMUD's name the property by condemnation in accordance with the Eminent Domain Laws of the State of California;
- b. To prepare, file and prosecute in the appropriate court, such proceedings in eminent domain as are necessary for the acquisition of the property interests described herein;
- c. To deposit the probable amount of compensation with the appropriate authority; and
- d. To make application to a court of competent jurisdiction for an order permitting SMUD to take immediate possession and use of the property.

**Section 8.** This Resolution is passed and adopted by affirmative vote of at least two-thirds (2/3) of all seven (7) members of the Board of Directors of SMUD.

Approved: April 18, 2024

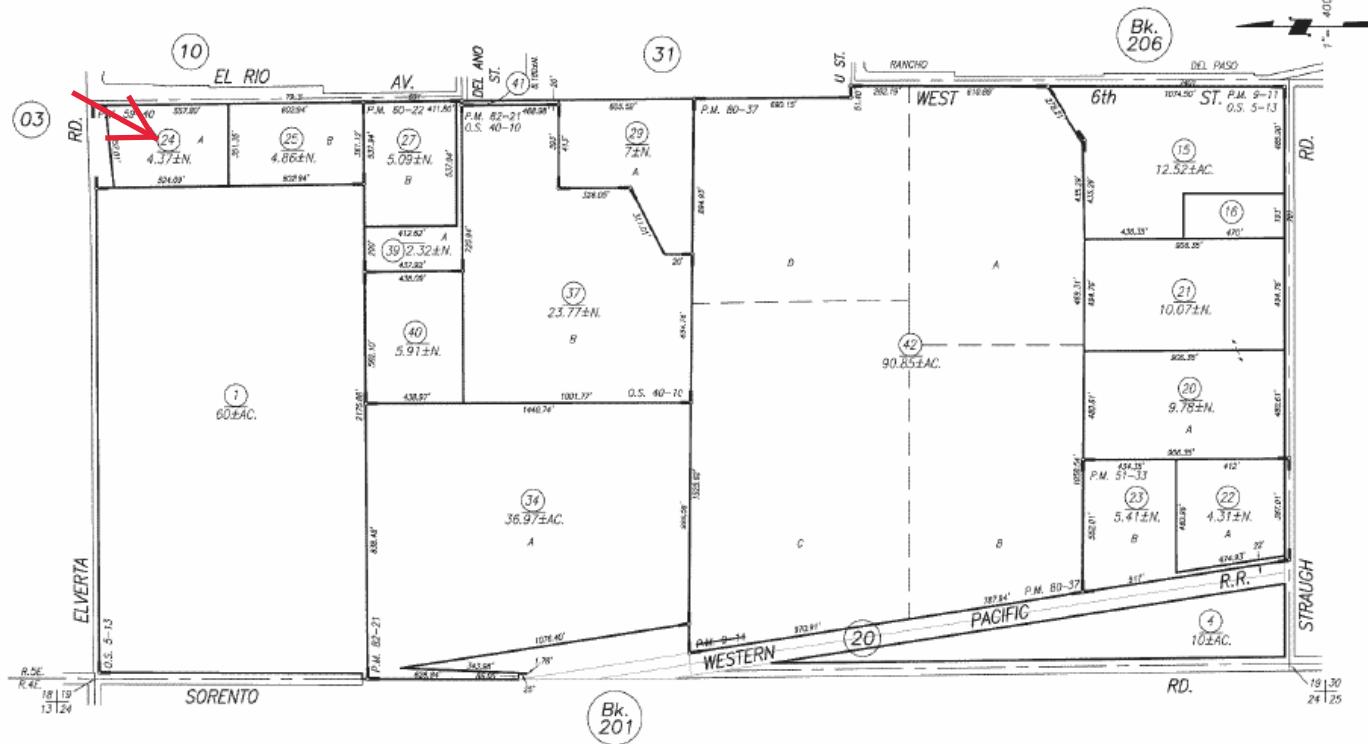
INTRODUCED: DIRECTOR FISHMAN				
SECONDED: DIRECTOR TAMAYO				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON				X
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

## EXHIBIT A

DISCLAIMER: ASSESSORS PARCELS ARE FOR TAX ASSESSMENT PURPOSES ONLY AND DO NOT INDICATE EXACT PARCEL LEGALITY OR A VALID BUILDING SITE. THE COUNTY OF SACRAMENTO ASSUMES NO RESPONSIBILITY ARISING FROM USE OF THIS INFORMATION.

POR. SEC 19, T.10N., R.5E., M.D.B.& M.

**202-009**



*Parcel Map P.M. Bk.82 Pg.21 (9-1984)  
 Parcel Map P.M. Bk.59 Pg.40 (8-26-1980)  
 Parcel Map P.M. Bk.60 Pg.22 (9-26-1980)  
 Parcel Map P.M. Bk.80 Pg.37 (5-8-1984)  
 Parcel Map P.M. Bk.9 Pg.11 (11-22-1972)  
 Parcel Map P.M. Bk.51 Pg.33 (9-12-1979)*

*Record of Survey O.S. Bk.40 Pg.10 (8-22-1985)  
 Record of Survey O.S. Bk.05 Pg.13 (1-1946)*

*Assessor's Map Bk. 202 Pg. 009  
 County of Sacramento, Calif.  
 MAY 15TH., 2020*

**EXHIBIT B**

**LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA, IN THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A AS SHOWN ON THAT CERTAIN MAP ENTITLED "A PORTION OF THE NORTH 70 ACRES OF THE NORTHWEST ¼ OF SECTION 19 T 10 N, R 5 E, M.D.B.M., AS SHOWN IN BOOK 5 OF PARCEL MAP NO. 13 COUNTY OF SACRAMENTO, CALIFORNIA", FILED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, BOOK 59 OF PARCEL MAPS, MAP NO. 40.

President Herber then turned to Informational Items 7 and 8 and noted any public comment on the items could be provided during the general public comment period.

Jennifer Restivo, Director of Planning & Performance, gave a presentation on agenda item 7, regarding SMUD's financial results from the two-month period ended February 29, 2024, and a summary of SMUD's current Power Supply Costs. A copy of the slides used in her presentation is attached hereto.

With regard to agenda item 8, the Internal Audit Services Report regarding Q1 2024 Status of Recommendations, no clarifying questions were forthcoming.

Public comment on Agenda Item 9, copies of which are attached to these minutes, was received from the following members of the public:

- Bill Magavern (Coalition for Clean Air)
- J. Caldwell

President Herber then turned to Directors' Reports.

Director Sanborn reported on her participation at the Climate Reality Project as well as her attendance at the California Climate Policy Summit. She then reported on her Fireside Chat with Girls in STEM (Science, Technology, Engineering and Math) as well as her attendance at the graduation of the American Leadership Forum current cohort, which included SMUD's Chief Customer Officer Brandy Bolden. She concluded by reporting on her attendance at the Sacramento Metro Chamber's Capitol-to-Capitol (Cap to Cap) trip to Washington, DC, where she participated on the Wildfire Policy Team and advocated for specific changes to Federal Emergency Management Agency (FEMA) rules and to acquire federal grants to help with resiliency to forest fires.

Director Tamayo reported on his attendance at the Stockton Boulevard Partnership meeting where he was able to provide some opening remarks and staff gave a presentation regarding SMUD's business district electrification program and how it aligns with the 2030 Zero Carbon Plan. He then reported on his attendance at the Shine Awards Reception as well as the Nehemiah Emerging Leadership Program awards where Chief Customer Officer

Brandy Bolden had won an award. He concluded by reporting on the Dia de la Tierra event held at La Familia in South Sacramento organized by United Latinos.

Director Kerth reported on his attendance at the CivicWell Policymakers Conference at Yosemite as well as the Shine Awards Reception, the Downtown Sacramento Partnership's State of Downtown Event, the "Envisioning Our Transit-oriented Future: Del Paso Boulevard" event hosted by Sacramento Metro Advocates for Rail & Transit (SMART) and the Environmental Council of Sacramento (ECOS), and the Urban Land Institute's (ULI's) Vision Honors event where Sotiris Kolokotronis was honored for local housing development. He then reported on his participation in a meeting with leaders from Chelan County Public Utility District where they discussed SMUD's form of policy governance. He concluded by reporting on his attendance at Cap to Cap in Washington, DC, where he participated on the Civic Amenities Policy Team and discussed the reuse of urban areas that had been abandoned or forgotten.

Vice President Fishman reported on his attendance at the CivicWell Policymakers Conference at Yosemite as well as Cap to Cap in Washington, DC. He thanked the SMUD Government Affairs team for the preparatory work for the meeting.

Director Rose reported on his attendance, along with Director Bui-Thompson, at the SMUD Employee Association's crab feed. He then reported on his attendance at the Shine Awards Reception and announced an upcoming event hosted by the Folsom History Museum where they would highlight arts and craftworks created with traditional zero emission tools. He reported on his attendance at the Downtown Sacramento Partnership's State of Downtown Event and concluded with reporting on his attendance at Cap to Cap, where he co-led the Air Quality Policy Team. He thanked staff for their support of the team.

President Herber reported on her attendance at the Lineworkers Rodeo and thanked Chief Operating Officer Frankie McDermott and Interim Director of Line Assets Lucas Raley for hosting her. She reported on her attendance at Cap to Cap where she was on the Transportation Policy Team.

She then reported on her attendance at the CivicWell Policymakers Conference as well as the Downtown Sacramento Partnership's State of Downtown Event. She reported on her participation in local Capitol visits with state legislators and also thanked the Board Office for their assistance in coordinating her travel and keeping her informed of deadlines. She concluded by thanking Rhonda Staley-Brooks, Director of Community Relations Outreach & Support, for her work in keeping customers engaged in what SMUD is doing in the community.

Director Tamayo stated he wanted to acknowledge Chief Operating Officer Frankie McDermott for chairing the American Heart Association Gala, which was a very successful event attended by several Board members.

Frankie McDermott, acting Chief Executive Officer and General Manager, thanked the Board for their participation at the American Heart Association Gala. He then reported on the following items:

**1) Earth Month.** I would like to start tonight's report by recognizing Earth Month in April! Earth Month is a great opportunity to raise awareness and advocate for change around the issues most impacting our planet. Teams across SMUD are coordinating dozens of events, activities, and outreach over the course of Earth Month. We are partnering with community organizations to demonstrate our commitment to a greener, cleaner planet and encouraging our customers and community to Join the Charge with us for a clean energy future. Thank you to all the Board members who are out there, talking with our customers and community about what SMUD is doing, what customers can do, and how together we can improve our environment not just this month, but all year long. On Wednesday, April 24th, we are hosting an Earth Month event at our Headquarters campus for SMUD employees. We will have a tree planting, free bike repairs, E-bike test rides, and all kinds of environmentally focused organizations that employees can learn from.

**2) Trout Derby.** Our annual Trout Derby was another great success this year. Each April, we host this two-day event that attracts hundreds of experienced and novice anglers of all ages to Rancho Seco for fishing fun and great prizes! To prepare for the event, thousands of catchable trout were stocked in the lake. Thank you to Director Bui-Thompson for attending and connecting with the participants on both days.

**3) Habitat for Humanity's Women Build Program.** Fifty SMUD volunteers recently braved the rain to be a part of Habitat for Humanity's Women Build program. It was SMUD's third year participating in this event. The build took place at Habitat's Cornerstone development, which will provide more than 400 people with affordable housing. SMUD volunteers rolled up their sleeves and pitched in, despite the rain and cold temperatures. They moved dirt and rocks and built fences and playhouses for the future residents' children. SMUD is proud to be a long-time supporter of Habitat for Humanity and a sponsor for these new all-electric, electrical vehicle (EV) ready homes in the Cornerstone development. Thank you to all who participated.

**4) Awards.** There are some nice wins to report tonight. Our CEO Paul Lau has previously stated on many occasions that he would give up a lot of awards to win a safety award, and SMUD just did that. SMUD was recognized with the American Public Power Association's (APPA's) 2023 Safety Award of Excellence, achieving Diamond Status for our safe operating practices in 2023. The Diamond designation is the highest status awarded by APPA to utilities who demonstrate a strong commitment to its employees, customers, and the community. This award is really a testament to our safety-first mindset and affirms our world-class Safety for Life program. This is a cross-

company award for everybody that has been involved in safety, and our goal is that our employees go home safely every day and that members of the public that interact with us are safe when we are doing our work in public. Thank you to Ellias van Ekelenburg and his team that runs the safety department, really great work by them and everybody at SMUD. Also this week, SMUD was named "Reciprocity Partner of the Year" at the California Department of General Services' (DGS's) annual State Agency Recognition Awards for our Supplier Education & Economic Development (SEED) Program. This is the third time SMUD's SEED Program has received this award in the five years since this award category was introduced. It recognizes SEED's work promoting and growing business in the region. Congratulations to everyone involved with these recognitions!

**5) Board Video.** Tonight's video is about how SMUD is making great strides in building more sustainable practices into our operations as part of our commitment to zero carbon emissions by 2030. Converting our hand-held equipment and tools from gas to electric is one important way to help us get there. We are on track to achieve our goal to convert 100% of our gas-powered handheld tools to electric by the end of this year.

President Herber stated that she, Vice President Fishman, and Director Sanborn had been involved in a small group called Mow Better which was advocating for neighborhoods and large public entities to go electric with their handheld tools, and she excited to see SMUD make the transition.

Ms. Lewis stated that Casey Fallon, Director of Procurement, Warehouse & Fleet, Josh Williams, Manager of Warehouse Operations, and Chad Smith, Lead Tool Repairer, had been instrumental in getting the tools and electrified and thanked them for their work.

Director Sanborn thanked the Mow Better group, Kim Alexander, and Bill Magavern of the Coalition for Clean Air, for their support. She noted that

handheld gas-powered tools were surpassing cars as the most polluting devices in the valley, and she challenged her colleagues in the region to adopt electrified handheld tools.

Director Tamayo thanked Mr. Magavern for his letter of support and noted the adoption of electric handheld tools fits SMUD's safety-first mindset.

Vice President Fishman acknowledged that range anxiety is a real thing with electric vehicles and similarly is so with electric tools. He stated it was great for SMUD to lead the way and demonstrate to other institutions and large companies that do landscape maintenance that it is doable.

President Herber requested the Summary of Board Direction, but there were no items.

No further business appearing, President Herber adjourned the meeting at 7:40 p.m.

Approved:

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President

---

Secretary

# Exhibit to Agenda Item #5

Approve the appointment of Joel Ledesma as a Retired Annuitant without applying the 180-day waiting period.

Board of Directors Meeting

Thursday, April 18, 2024, scheduled to begin at 6:00pm

SMUD Headquarters Building, Auditorium

# Retiree & Reason for Exception Request

## Joel Ledesma

- Currently Director, Power Generation.
- Plans to retire from SMUD on May 3, 2024.
- As the department director, Joel is the most knowledgeable about SMUD's Power Generation systems and protocols.
- No other employee would be able to advise SMUD leaders and the Board to the degree needed before the expiration of the 180-day waiting period.
- Ensures continuity of Power Generation through knowledge capture and consultation services for ongoing implementation of SMUD's Zero Carbon Plan.

Joel's availability as an annuitant to provide expert guidance and understanding of the Power Generation function within the Zero Carbon Solutions area is imperative to SMUD operations.

# Action Request

Approve resolution creating an exception for Joel Ledesma to begin as a retired annuitant without completing the 180-day wait period (Government Code §§ 7522.56 & 21224)

# Exhibit to Agenda Item #6

By two-thirds vote, approve a **Resolution of Necessity** authorizing General Counsel to commence condemnation proceedings and to take all other actions necessary to acquire by eminent domain the parcel located at 604 W. Elverta Rd., Elverta, California, in support of the **El Rio Substation Project**.

Board of Directors Meeting

Thursday, April 18, 2024, scheduled to begin at 6:00 p.m.

Auditorium, SMUD Headquarters Building

# El Rio Substation Acquisition

Approve a Resolution of Necessity authorizing General Counsel to commence condemnation proceedings and to take all other actions necessary to acquire by eminent domain the parcel located at 604 W. Elverta Rd. Elverta CA, in support of the El Rio Substation Project.

# Proposed El Rio Substation Acquisition

Elverta Substation is nearing the end of its life and SMUD needs to expand capacity to support renewable assets and load growth.

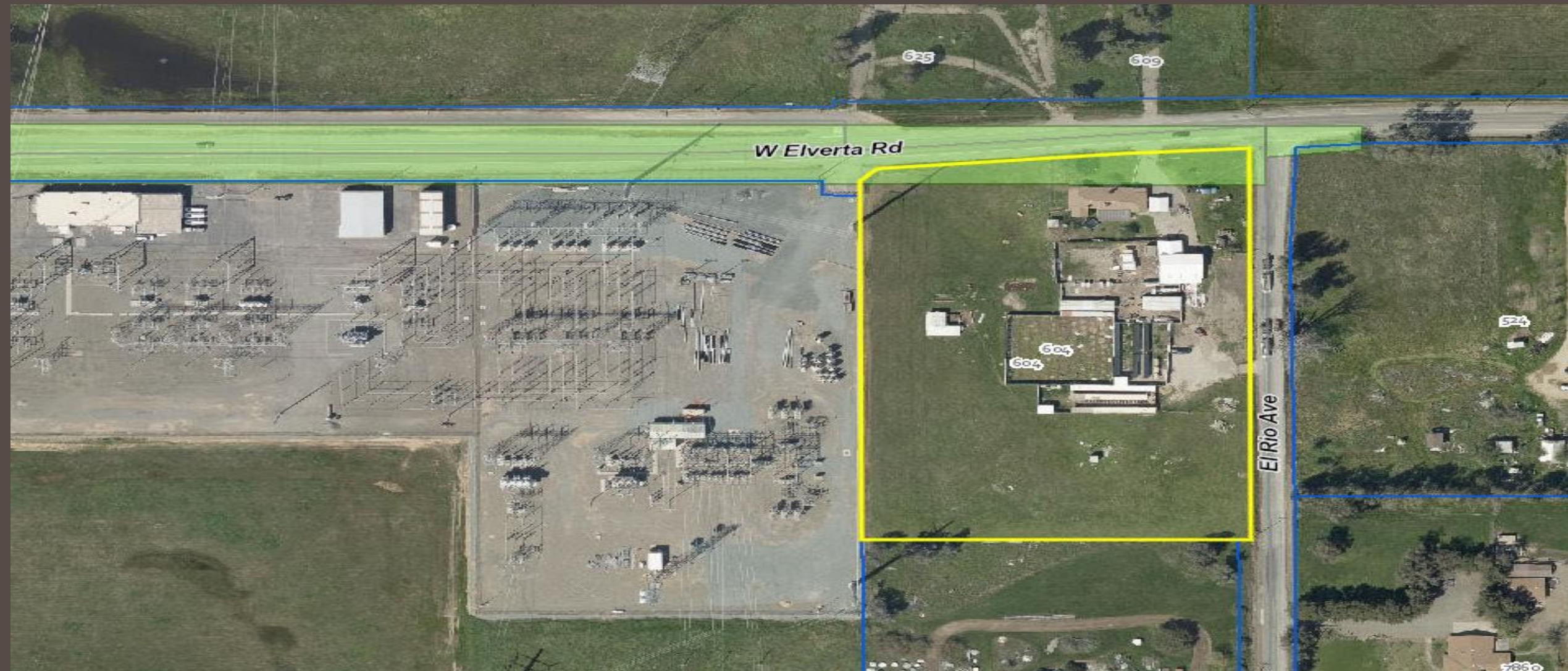
El Rio Substation will be a new 230 kV substation to the east of the existing Elverta Substation.

Much of current Elverta substation will be decommissioned: some assets will remain.

The only feasible location for El Rio is to the east of Elverta substation, as there is public road and wetlands to north. WAPA owns the remaining property to west and south.



# Property Location 604 W Elverta Rd., Elverta, CA



# Eminent Domain Authority

SMUD is authorized to acquire property by eminent domain for public purposes under California Municipal Utility District Act sections 12703 and 12771.

## To condemn property, SMUD must make these findings:

- (1) The public interest and necessity require the proposed project
- (2) The proposed project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury
- (3) The property described in the resolution is necessary for the proposed project
- (4) The offer required by Section 7267.2 of the Government Code has been made

# Support for Required Findings

## The public interest and necessity require the proposed project:

This project gives SMUD the ability to reliably serve existing and future loads, plan accordingly for future renewable resource interconnections, and add operational flexibility to the SMUD Bulk electric system, including:

- UC Davis Aggie Square
- Up to five Data Centers (potential for up to 100MW in coming years)
- EV charging at/near Sacramento International Airport
- Development in the Natomas / Metro Air Park and McClellan Business Park areas
- County Acres Solar and Storage

### This project includes:

1. Upgrading to SMUD's standard Breaker-and-a-Half (BAAH) bus configuration
2. Installing the second 224 MVA, 230/69kV transformer (TX3) at Elverta Bulk substation and a 69kV line. In addition, completing the 69kV breaker replacement project, which includes expanding the control building and relocating the 69kV bus.
3. Replacing the existing 230/115 kV transformer (TX2) at Elverta with a larger transformer bank with a 250 MVA rating to, (a) mitigate emergency overloads following transmission outages post adoption of the 2030 Zero Carbon Plan and, (b) serve the UC Davis Medical Center after requested load growth to 40 MW by summer of 2028.

# Support for Required Findings

**The substation is planned and located in a manner that will be the most compatible with the greatest public good and the least private injury:**

- Staff studied 4 alternatives:
  1. No Project
  2. Rebuild existing Elverta Substation. The Substation would be non-operational for an extended amount of time.
  3. North side of Elverta-Site would require extensive wetland mitigation and relocation of transmission line and renegotiations of Western Area Power Administration (WAPA) agreements that would jeopardize the construction schedule and would be at the discretion of the United States (WAPA).
  4. South side of the existing Elverta Substation- WAPA is holding that land for their future use.

Since no alternative is feasible, the proposed acquisition is necessarily for the greatest public good with the least private injury.

**The property described in the Resolution of Necessity is necessary for the El Rio Substation Project.**

- There is no feasible alternative, so acquisition of this property is necessary for the Project.

**The offer required by Government Code section 7267.2 was made in January 2024 to the owner of record.**

- SMUD established just compensation based on an independent professional appraisal and a corresponding offer was presented to the owner of record.

# Requested Board Action

Staff is requesting that the Board take the following two actions:

- 1) Make the following findings:
  - The public interest and necessity require the SMUD El Rio substation to transmit power.
  - The El Rio Substation is planned and located in a manner that will be the most compatible with the greatest public good and the least private injury.
  - The property described in the Resolution is necessary for the SMUD El Rio Substation.
  - The offer required by Government Code section 7267.2 has been made to the owner of record.
- 2) Approve the Resolution of Necessity by at least a two-thirds vote for the acquisition of the property located at 604 W. Elverta Rd., Elverta, CA.

# Exhibit to Agenda Item #7

Provide the Board with the financial results from the two-month period ended February 29, 2024, and a summary of SMUD's current Power Supply Costs.

Board of Directors Meeting

Thursday, April 18, 2024, scheduled to begin at 6:00 p.m.

Auditorium, SMUD Headquarters Building

# February 2024 Financial Highlights

<p><b>\$47</b> Million</p> <p><b>"Net income"</b> Net position YTD • <i>Favorable compared to budget</i></p>	<p><b>\$227</b> Million</p> <p><b>Customer Revenue</b> \$3M or 1.4% lower customer revenues than budgeted (unfavorable) • Customer revenue is below target primarily due to lower customer usage from our residential customers</p>
	<p><b>\$92</b> Million</p> <p><b>Commodity</b> \$16M or 14.5% lower commodity expenditures than budgeted (favorable) • Production costs were under target due to lower fuels costs from the reduction in thermal generation and an increase in hydro generation.</p>
	<p><b>\$159</b> Million</p> <p><b>Other Operating Expenses</b> \$4M or 2.6% higher expenditures than budgeted (unfavorable) • Public good expenses \$2.6M higher due to higher than planned rebate volume in Advanced Home Solutions and building electrification programs. • Transmission and distribution expenses higher due to costs related to storm response</p>
	<p><b>\$68</b> Million</p> <p><b>Other Non-Operating Revenues</b> \$58M or 620.1% higher than budgeted (favorable) • Primarily due to insurance recovery payment on Cosumnes power plant business interruption insurance claim, Rancho Seco settlement payment and interest income</p>

\* There are \$3M other net revenues not included in the highlights above

# February 2024 Energy Sources



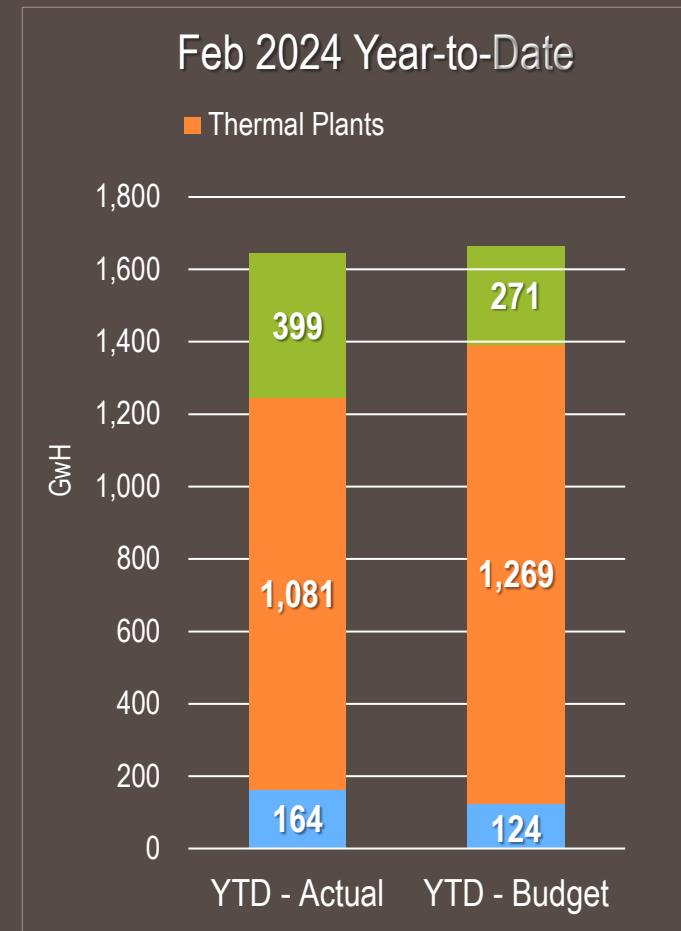
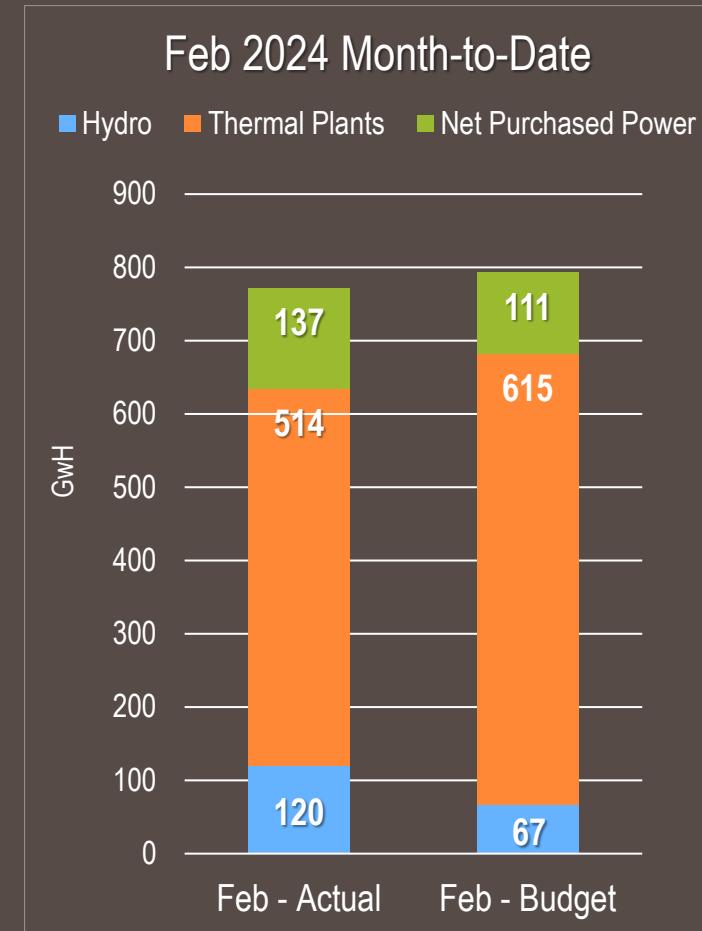
Hydro generation was 79% higher than budget in February due to higher precipitation, and 32% higher than budget year-to-date.



Thermal plants generation was 14% lower than budget in February, and 15% lower year-to-date due to unplanned plant outage and higher hydro generation.

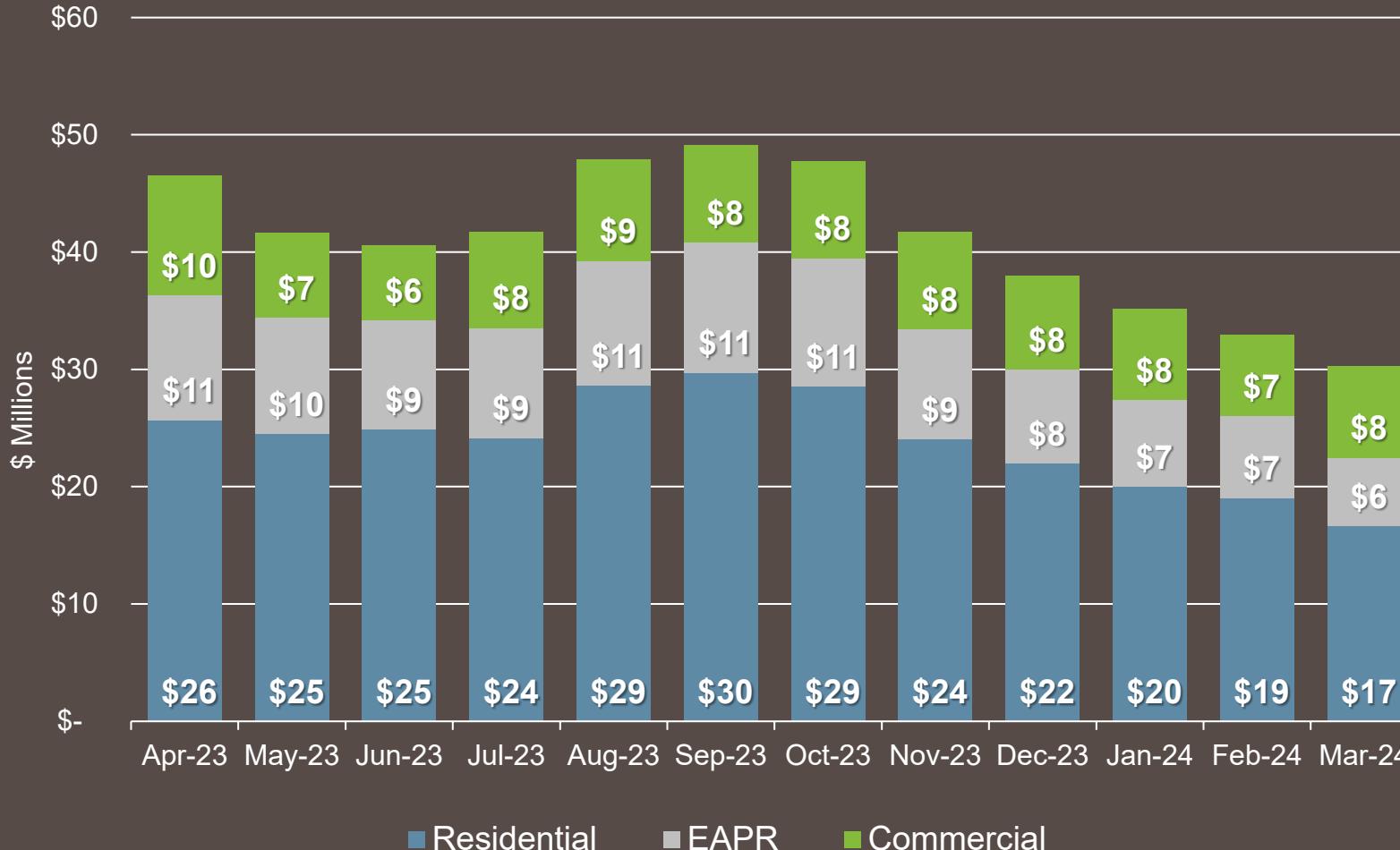


Net purchased power was 23% higher than budget in February, and 47% higher year-to-date due to decreased thermal generation than planned.



# Delinquency by Account Type

As of March 31, 2024

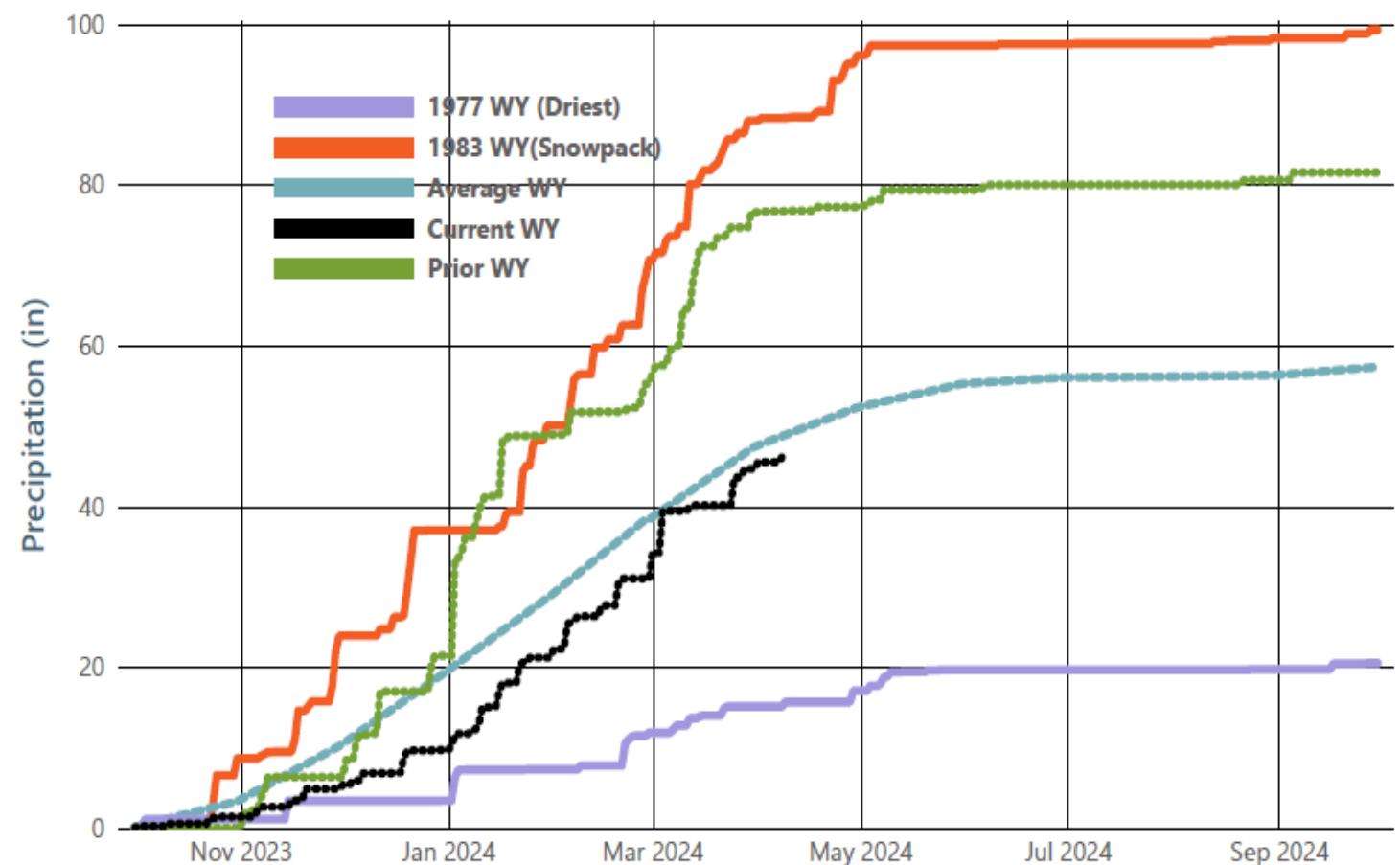


Delinquency Summary as of 3/31/2024		
	Delinquency (millions)	Number of Customers
Residential	\$16.7	115,420
Energy Assistance Program Rate (EAPR)	\$ 5.8	27,232
Commercial	\$ 7.8	8,476
All other (St. Lighting, Night Light, Agriculture)	\$ 0.2	1,417
<b>Totals</b>	<b>\$30.4</b>	<b>152,545</b>

# Precipitation Levels

through April 8, 2024

## Precipitation (Fresh Pond)



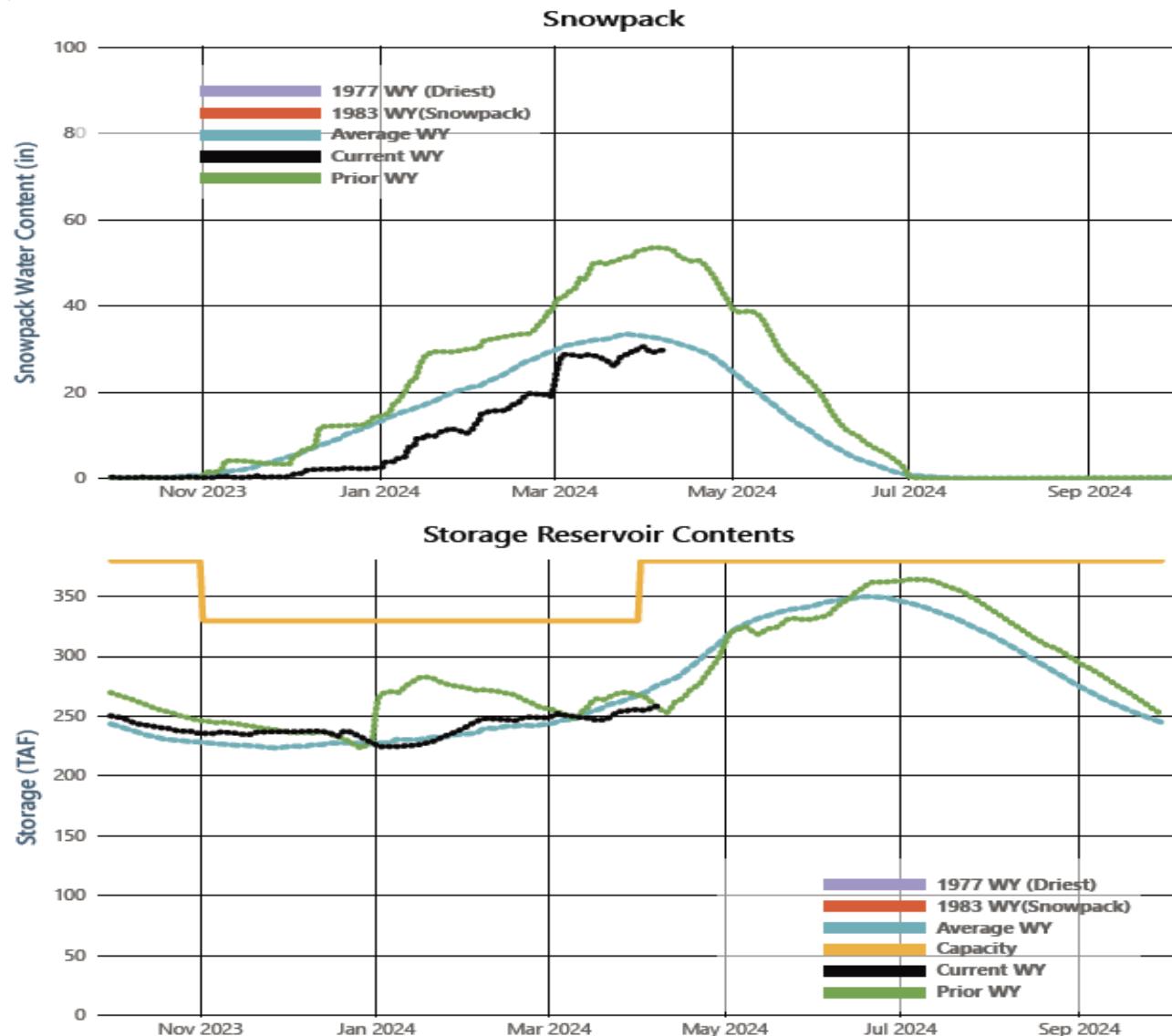
# Precipitation Levels

The cumulative precipitation for the area is 46.06", which is 95% of average to date (48.71"), and 80% of the entire water year average of 57.32".

*Water year is the 12-month period October 1st through September 30th, of the following year*

# Snowpack Water Content & SMUD Storage Reservoir Contents

through April 8, 2024



## Snowpack & Storage Reservoir

- The snowpack is 93% of average at selected snow sensors.
- The SMUD storage reservoirs are at 68% of full capacity.

# Commodity Budget: Mitigations & Forecast



SMUD has in place financial mitigation tools that hedge against hydroelectric uncertainty

\$96.4 Million	HRSF balance
-\$17.0 Million	HRSF forecasted withdrawal for Water Year April 2023 to March 2024
\$79.4 Million	HRSF forecasted balance as of April 1, 2024
\$ 4.8 Million	WRSF balance
\$ 8.2 Million	WRSF forecasted deposit for Water Year April 2023 to March 2024
\$13.0 Million	WRSF forecasted balance as of April 1, 2024

2024 Commodity Annual Costs as of February 29, 2024	
Forecast	\$540 Million
2024 Budget	\$572 Million
Difference	-\$32 Million

Hydro Performance Annual Forecast as of February 29, 2024			
	UARP	WAPA	UARP + WAPA
Forecast	1,612 GWh	774 GWh	2,386 GWh
2024 Budget	1,581 GWh	511 GWh	2,092 GWh
Variance	31 GWh	263 GWh	294 GWh

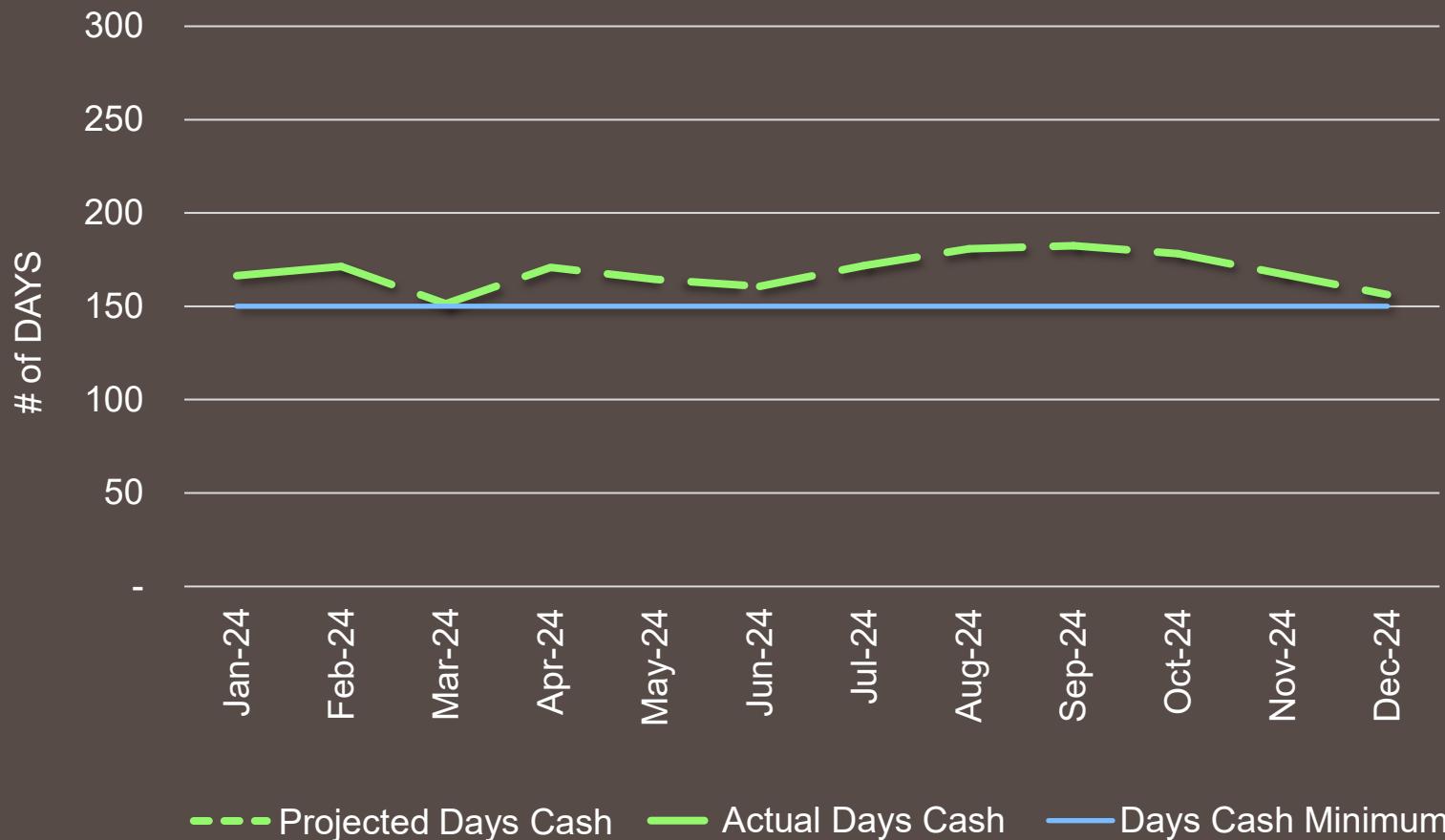
**HRSF:** Hydro Rate Stabilization Fund

**WRSF:** Western Area Power Administration (WAPA) Rate Stabilization Fund

**UARP:** Upper American River Project

# Days Cash on Hand

As of February 29, 2024



Days Cash on Hand		
As of February 29, 2024		
Date	Type	Value
Feb. 29, 2024	Budget	161 days
Feb. 29, 2024	Actual	171 days
Dec. 31, 2024	Budget	151 days
Dec. 31, 2024	Projected	156 days

**From:** [Bill Magavern](#)  
**To:** [Public Comment](#)  
**Subject:** [EXTERNAL] Support for SMUD Moving Hand-held Equipment to All-electric by the End of 2024  
**Date:** Monday, April 15, 2024 4:25:35 PM  
**Attachments:** [image001.png](#)  
[CCA Comment to SMUD on All-Electric Hand-Held Equipment .pdf](#)

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**CAUTION:** This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

April 15, 2024

SACRAMENTO MUNICIPAL UTILITY DISTRICT BOARD OF DIRECTORS  
SMUD HEADQUARTERS BUILDING  
621 S Street  
Sacramento, CA

**Re: Support for SMUD Moving Hand-held Equipment to All-electric by the End of 2024**

To the SMUD Board of Directors:

The Coalition for Clean Air (CCA) supports SMUD's ambitious plan to complete the transition of your hand-held equipment to all-electric by the end of 2024 – an excellent extension of SMUD's admirable record of pioneering clean-energy innovation.

The Sacramento region continues to suffer from smog that violates state and national air quality standards. The California Air Resources Board has concluded that emissions of smog-forming pollution from small off-road engines (SORE), a category that includes landscaping equipment, exceed the emissions from all the cars in the state. For this reason, CCA has been advocating for many years for all Californians to phase out polluting gasoline SORE and replace them with zero-emission substitutes, and we have seen recently a proliferation of all-electric models of landscaping equipment.

SMUD's making this transition to zero-emission hand-held equipment by the end of this year makes you a leader in protecting our communities from these significant sources of lung-searing smog, and a model for other utilities.

Respectfully Submitted,



Bill Magavern  
Policy Director  
Coalition for Clean Air

[bill@ccair.org](mailto:bill@ccair.org)

Bill Magavern  
Policy Director  
Coalition for Clean Air  
[bill@ccair.org](mailto:bill@ccair.org)



April 15, 2024

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SMUD's making this transition to zero-emission hand-held equipment by the end of this year makes you a leader in protecting our communities from these significant sources of lung-searing smog, and a model for other utilities.

Respectfully Submitted,

A handwritten signature in black ink that reads "Bill Magavern".

Bill Magavern  
Policy Director  
Coalition for Clean Air  
[bill@ccair.org](mailto:bill@ccair.org)

**From:** [Jennifer](#)  
**To:** [Public Comment](#)  
**Cc:** [Heidi Sanborn](#)  
**Subject:** [EXTERNAL] hand-held tools from gas to zero emissions  
**Date:** Wednesday, April 17, 2024 4:09:25 AM

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CAUTION: This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Great job SMUD! thank you for this program and could you please send the two minute video clip?

J. Caldwell

SMUD is in the process of transitioning 100% of the utility's hand-held tools from gas to zero emissions, or all-electric, by the end of 2024! And they have put together an awesome, 2-minute video showcasing how this ambition program furthers SMUD's 2030 Sustainable Operations Plan.



SSS No. PSS 24-002

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting Date  
Policy – 05/08/24Board Meeting Date  
May 16, 2024

TO				TO							
1.	Claire Rogers			6.							
2.	Jose Bodipo-Memba			7.							
3.	Suresh Kotha			8.							
4.	Brandy Bolden			9.	<b>Legal</b>						
5.	Farres Everly			10.	<b>CEO &amp; General Manager</b>						
<b>Consent Calendar</b>	<input checked="" type="checkbox"/>	<b>Yes</b>		<b>No</b> <i>If no, schedule a dry run presentation.</i>		<b>Budgeted</b>	<input checked="" type="checkbox"/>	<b>Yes</b>		<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>	
FROM (IPR) Laurie Rodriguez				DEPARTMENT People Services & Strategies					MAIL STOP B251	EXT. 5628	DATE SENT 4/10/24
<b>NARRATIVE:</b>											
<p><b>Requested Action:</b> Accept the monitoring report for Strategic Direction SD-8, Employee Relations.</p> <p><b>Summary:</b> 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.</p> <p><b>Board Policy:</b> Strategic Direction SD-8, Employee Relations <i>(Number &amp; Title)</i></p> <p><b>Benefits:</b> 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.</p> <p><b>Cost/Budgeted:</b> Costs contained in internal labor budget.</p> <p><b>Alternatives:</b> Provide via written report through the Chief Executive Officer and General Manager.</p> <p><b>Affected Parties:</b> All SMUD employees</p> <p><b>Coordination:</b> People Services &amp; Strategies; Diversity, Equity, Inclusion &amp; Belonging (DEIB), Learning, &amp; Sustainable Communities</p> <p><b>Presenter:</b> Laurie Rodriguez, Director, People Services &amp; Strategies Dr. Markisha Webster, Director, DEIB, Learning, &amp; Sustainable Communities</p>											

**Additional Links:**

SUBJECT	SD-8, Employee Relations Board Monitoring Report	ITEM NO. (FOR LEGAL USE ONLY)
		<b>6</b>

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

# SACRAMENTO MUNICIPAL UTILITY DISTRICT

## OFFICE MEMORANDUM

**TO:** Board of Directors

**DATE:** April 25, 2023

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

**SUBJECT:** Audit Report No. 28007743  
Board Monitoring Report; SD-8: Employee Relations

Internal Audit Services (IAS) received the SD-8 *Employee Relations* 2023 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 2023 SD-8, Employee Relations**



## **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 rapid pace of change in today's energy industry and economy requires that employer workforce strategies shift in kind. 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 2023 outcomes in this report will illustrate early signs of the building momentum we're experiencing within our programs.

<b>SD Support</b> (Program, Policy, Procedure or Initiative)	<b>SD Requirement(s)</b>	<b>Purpose</b>	<b>Outcome</b>	<b>Notes</b>
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 13,201 students in learning about SMUD's Zero Carbon effort and related energy industry careers	Up from less than 13,000 students in 2022
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 11,378 students and community members at 128 Career Ambassador outreach events (103 in-person, 25 virtual).	While we reached fewer community members compared to 2022, total 2023 events increased by 64%. Our strategy prioritized attendance at smaller events to provide 1:1 instruction & learning for the most underserved communities.  (2022 stats: 17,495 community members reached, 78 events - 53 in-person and 25 virtual)
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	3,146 college intern applicants, 58 college interns hired  303 high school intern applicants, 11 high school interns hired	Up from 1,659 applicants in 2022, up from 55 interns hired  Up from 80 high school applicants, down from 17 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 48 community organizations to deploy workforce development and training, reaching over 1,905 youth & adults and training more than 750 in work-readiness and technical skills. Placed 856 trainees into new careers	High emphasis on bringing opportunities to under-resourced communities

Sacramento Power Academy Programs	a) Attract and retain qualified, diverse workforce b) Promote and engage employees in inclusion, diversity e) Broad mix of recruiting communication and outreach	Provide communities with knowledge and exposure needed to compete in a high wage and complex skilled trades career in the growing utility industry	682 Lineworker Training Scholarship applicants, 35 awarded to learn pole climbing, industry tools, equipment installation, and groundwork; 25 participants graduated from the program  205 Powering Careers program applicants, 16 program graduates - 6 hired as limited-term Utility Assistants - 3 went on to obtain full-time employment with SMUD	512 applicants were in SMUD service territory. Interested grads have applied for SMUD linework apprenticeships and are competing for positions.  Assistants completed 6-month rotations in workgroups including Line Equipment Operators, High Voltage Electricians, Cable Splicers, Gas Control Techs, and Meter Techs to learn new skills and develop
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 75 apprentices, 28 of which were new in 2023 - 12 Lineworkers - 1 Network cable splicer - 2 Hydro high voltage electricians - 13 High voltage electricians	Each apprentice completes approximately 2,000 on-the-job hours each year
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 70 hours of training throughout 2023 - 25 hours of mandatory training - 45 hours of non-mandatory training	Up from 29 hours in 2022; includes mandatory training, LinkedIn Learning, Safety, and Learning@SMUD
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	24 employees completed or graduated from nine different local and regional leadership development programs	Up from 21 employees in 2022; currently adding a 10 <sup>th</sup> opportunity: Western Energy Institute's Utility Business Essentials

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	136 employees used the Education Assistance Tuition Reimbursement (EATR) program	Up from 102 employees; successfully curbed participation decline noted in 2021 and 2022
Inclusive Culture Implementation Plan	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 <i>(Note: Next survey scheduled for Fall 2024)</i>	Prioritized employee growth and development by establishing Enterprise Performance goal to increase non-mandatory training participation by 5%	Exceeded goal; - Learning@SMUD (32% increase) - LinkedIn Learning (18% increase) - Mentoring Program (81% increase) - Field employee learning (46% increase)
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	Hosted 72 ERG events to increase cultural awareness, foster a sense of support and belonging, and promote employee engagement	Up from 45 ERG events in 2022; including: ERG Leader Retreat, Toastmasters ERG Leader Cohort, Young Professionals Book Club, Parents ERG Mental Health Awareness and more
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 code of ethics and conduct	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**

As we continue to enhance our programs, we must consider impacts to bandwidth, program service level, and resource allocation so as not to impair employee engagement, customer experience, or our robust organizational culture. We're mitigating these risks with an increased focus on cross-functional collaboration, improving the awareness of neighboring projects and appropriately committing resources.

While improved data, tools, and planning are enhancing the line of sight into our changing workforce composition and we are beginning to note shifts, changes to our workforce make-up and future skill requirements will require a significant investment of time. We suspect tomorrow's workforce won't look entirely different from today's. According to the [U.S. Bureau of Labor Statistics](#), the labor force is growing more slowly than in previous decades and remaining in the workforce longer.

These trends, SMUD's historically low employee turnover, and the realities of a fast-changing energy industry and economy indicate the need for a careful investment in both current and future priorities. As we continue to adapt, our goal is sustainable progress.

### **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.

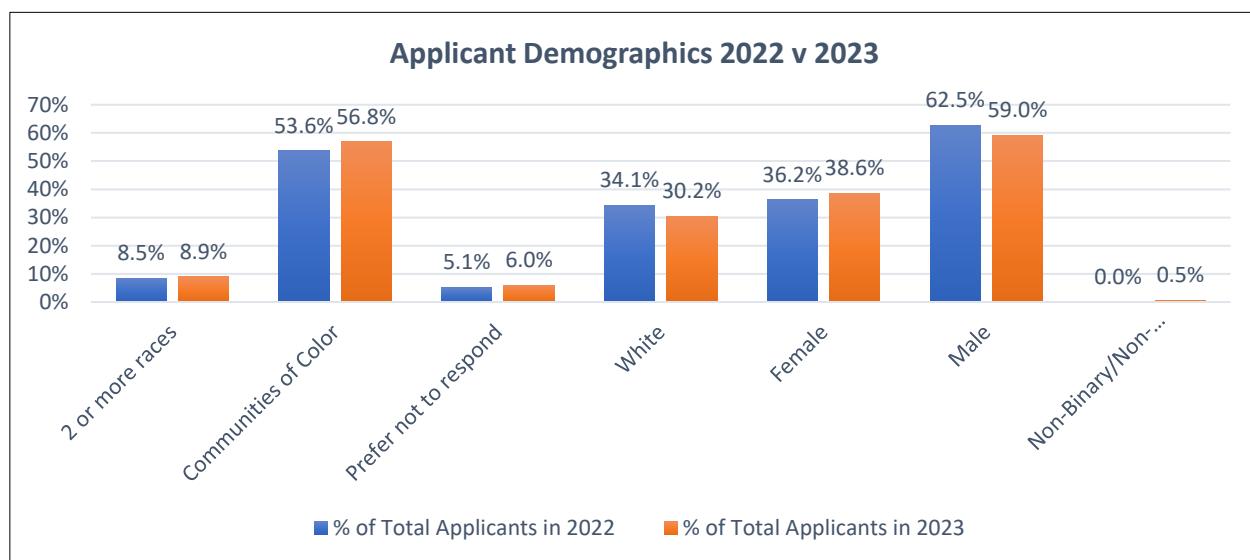
*It is recommended the Board accept the monitoring report for Strategic Direction 8.*

## Appendix

### Recruitment

The Talent Acquisition team tackled an unprecedented workload in 2023, managing 801 hiring requisitions and screening almost 30,000 applications. External applications more than doubled from just under 12,500 applicants in 2022 to just over 25,000 in 2023! While this increase can be attributed to several multi-year efforts across SMUD and the region, we suspect a large portion of this success is due to our recruiters' smart use of Circa - the third-party software solution we acquired in 2022.

In addition to traditional email blasts, job board postings, social media ads, and internal employee communication channels; we can now affordably and efficiently advertise jobs to partners, schools, and community organizations within a 150-mile radius via the Circa platform. We're already noticing impacts to the diversity of our applicant pools thanks to this strategic technological investment. A marked increase in communities of color and females can be seen in the chart below.



Recruiters conducted more than 400 consultations with SMUD's hiring managers last year to ensure a shared understanding of candidate qualifications. These interactions facilitated education to support transparency and consistency across the organization, mitigating potential for bias within the selection process.

Additionally, the Talent Acquisition team completed a series of efforts in 2023 to improve equitable access to job opportunities. These included:

- A "Brass Tacks" workshop to support internal career mobility at SMUD where employees learned about the gears that keep the hiring process moving (eligibility lists, job descriptions, the selection process, and more).
- A series of resume workshops to educate employees about screening requirements and stand-out application materials.
- Enhanced candidate support for job classifications that historically receive a high volume of applicants. Recruiters ensured improved access to these opportunities via timely and succinct social media announcements about resources, important dates, and capped application requirements.

- A collaboration with the Diversity, Equity, Inclusion, and Belonging (DEIB) Council and Subcommittees to establish Diverse Hiring Panel guidelines. These guidelines ensure interview panels at SMUD are both representative of, and educated in, the diversity of our organization and community.

## **Early Talent Programs**

Alongside Toyota, Paramount, Fox Corporation, and Intuit, SMUD was recognized by Interns2Pros in 2023 as a top 5 finalist for Internship Program of the Year. Here's a sampling of the accomplishments that made this possible:

- We touched 34 college and university events reaching nearly 3,000 students.
- We increased face-to-face interactions with diverse college populations like career centers, clubs, and student groups.
- We redesigned existing internship workshops and events to better meet the needs of our university partners. One example: the Talent Acquisition team designed and delivered a workshop titled "Through the Eyes of a Recruiter" to UC Davis, Sac State, Chico, Los Rios College District, UOP, and Sierra College to educate students on SMUD's selection processes. To complement the training, they also provided student coaching on resume building and behavior-based interviewing.
- We experienced a 50% increase in college applicants for the summer intern program. More than 1,400 students from diverse backgrounds competed for 25 coveted spots.
- Those accepted tackled a variety of important initiatives, including contributions to biological field surveys for endangered species in SMUD's Upper American River Project; cybersecurity tasks and help desk tickets; and support for SMUD Cares.
- We also increased our on-site programming for interns, hosting numerous financial wellness workshops, coffee with executives, two Habitat for Humanity volunteer events, and a tour of the Sacramento Power Academy.

The Early Talent Programs team also administers two annual community scholarships:

- Powering Futures  
21 scholarships were awarded in 2023, ranging from \$2,000 for community college students to \$4,000 for 4-year university students. Those with a demonstrated financial need pursuing majors related to careers at SMUD received preference.
- Powering Aggies and Powering Hornets  
These scholarship programs were established in 2018 to benefit 1 student each from UC Davis and Sac State. Eligible students who majored in a SMUD-related career field at UC Davis or electrical engineering at Sac State were selected by their respective universities. In 2023, the Powering Aggies winner was awarded \$1,800 and the Powering Hornets winner \$2,500.

## **Employee Onboarding**

New Employee Orientation (NEO) is SMUD's first opportunity to engage its employees. We refreshed this program in 2023 by returning to an in-person format and switching from a weekly to a bi-weekly cadence for improved class sizes and labor efficiencies. The money and time saved was reallocated to support additional program enhancements like sponsored cohort lunches, campus tours, and post-NEO check-ins. We recognize that continued communication with these employees is critical to making sure they feel supported and seen as newcomers to our workforce.

## Diversity, Equity, Inclusion & Belonging (DEIB)

The DEIB team drove improved structure and accountability in 2023, bolstering important work supporting trust, respect, and inclusion at SMUD. In January, they launched an official handbook to support the organization in creating, growing, and sustainably managing Employee Resource Groups (ERGs). The book includes templates and guidance on everything from budget and governance structures to cross-collaboration and metrics. ERGs are currently working to establish baseline data on topics such as representation, allyship, and participation. We're looking forward to gleaning additional insight about our workforce with the help of these measures.

SMUD's 8 ERGs include:

- 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

Established in 2022, the DEIB Council is comprised of a group employees across the enterprise acting on behalf of the SMUD to support DEIB initiatives. The Council advises, advocates for, informs, assesses and/or monitors the DEIB strategic plan, as well as provides recommendations to the DEIB Department on behalf of SMUD.

Additional structural enhancements were made to SMUD's DEIB Council, whose role is to advise, advocate for, inform, assess and/or monitor the DEIB strategic process. Through the establishment of its four subcommittees in 2023, (Diverse Workforce, Inclusive Culture, Community Impact, and Equity), the council is now equipped to provide resources and recommendations to the Workforce, Diversity & Enterprise Partnerships group and DEIB team.

## Workforce Culture

SMUD's most recent organizational commitments to a culture of inclusion were documented in our 2023 Inclusive Culture Implementation Plan. The first of two goals was to foster the norms and values of an inclusive culture within our core competencies. Last updated in 2017, we worked with executives and senior leaders to identify refreshed competencies reflecting the skills and behaviors needed to execute on our 2030 Clean Energy Vision. We added the competencies Values Differences and Instills Trust—both key components of inclusion.



The second goal in the 2023 Inclusive Culture Implementation Plan was to prioritize employee growth and development. We focused on a 5% increase in utilization of four key learning programs last year, and the numbers in the table on Page 4 of this report show the extent to which we exceeded this goal for all programs.

Our 2021 engagement results showed “My work gives me opportunities to learn and grow” is one of four questions that are strong drivers of engagement based on statistical analysis. While our last survey indicated that 73% of employees agree with this question, that score is 7% below the global average for our vendor. We look forward to revisiting this question with our workforce when we next survey them in fall of 2024.

### **Corporate Learning**

There are several indicators that SMUD employees are deepening their relationship to learning.

- Employee mandatory training accounted for an average of 25 hours per person in 2023, but employees also averaged 45 hours of *non-mandatory* training.
- 1,044 employees leveraged the LinkedIn Learning platform and completed courses totaling more than 2,917 hours. Unique users increased by 39%!
- We also saw increased participation across several learning and development programs:

Program	2022	2023	% Increase
<b>Learning at SMUD</b> Annual program of employee-led learning	2,458 participants	3,236 participants	32%
<b>Mentoring Program</b> Relationship building for continued career success	32 mentor/mentee pairs	58 mentor/mentee pairs	81%
<b>Field Employee Learning</b> In-person training offered by Sacramento Power Academy	100 participants	146 participants	46%

### **Leadership Development**

To provide experiential learning opportunities that develop leadership, and support collaboration and philanthropy in the community, SMUD currently supports 9 different leadership programs: Nehemiah Emerging Leaders, WEI Business Acumen for Emerging Leaders, 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**

Our goal at SMUD is to create an environment where wellness is seamlessly integrated into our corporate culture, contributing to the overall success of our organization and the satisfaction of our employees. Health and wellness program participation increased by 4%, with 365 participants in 2023 compared to 351 in 2022. We continue to enhance our strategy with flexible programs supporting several aspects of social, mental, physical, and financial wellness.

- We implemented One SMUD Stroll – a scheduled walking event with SMUD's Chief Diversity Officer where colleagues can casually convene, connect and converse with peers and members of SMUD's leadership team at Headquarters and the East Campus Operations Center.
- ERGs sponsored 7 health and wellness-themed events throughout the year, including:
  - o "Mental Health Awareness: Take care of you first so you can help take care of others", a workshop hosted by the Parents ERG; and
  - o "Stress Management through Bhagavad-Gita", a South Asian Heritage Month event sponsored by the GRAIN ERG to share how spiritual teachings can help reduce stress.
- We re-introduced the employee vanpool program and on-site fitness centers, which were both suspended post-pandemic. Championing the needs of our hybrid workforce and commitment to financial prudence, we updated the operating models for both:
  - o For \$130/month via pre-tax payroll deduction, employees can join SMUD's new vanpool program in partnership with Enterprise, which provides transportation to and from designated stops; participation in the Commute with Enterprise Guaranteed Ride Home Program; insurance through Commute with Enterprise; and roadside assistance.
  - o Fitness Centers at both the Customer Service Center and East Campus Operations Center are now open with non-supervised, full access to equipment. Employees were previously charged a membership fee to offset the cost of staffing, but centers are now free for all full-time, part-time, limited-term and casual employees to use after completing a 10-minute orientation video and a release of liability waiver.

## **Benefits**

Our transition to a post-pandemic hybrid work culture ramped up in 2023 with enhanced policy and decision making. The Enterprise Culture & Change team conducted extensive research on remote work best practices, analysis of employee location data, outreach to over 40 Western Energy Institute members, and focus groups with SMUD's directors to understand how remote work was functioning. SMUD executive leadership ultimately arrived at the decision that all employees would spend a minimum of 1 day per pay period onsite beginning in Q1 of 2024.

To make this possible, we updated SMUD's remote work policy, planned for the space needs of approximately 400 previously fully remote employees, and sponsored brown bag lunches and training to communicate changes and expectations about the remote work benefit. As a hybrid organization, our goal is to intentionally promote in-person connections that build relationships and trust while continuing to enable employees to work remotely for part of their schedule. This hybrid approach provides flexibility that can be an important part of work-life balance.

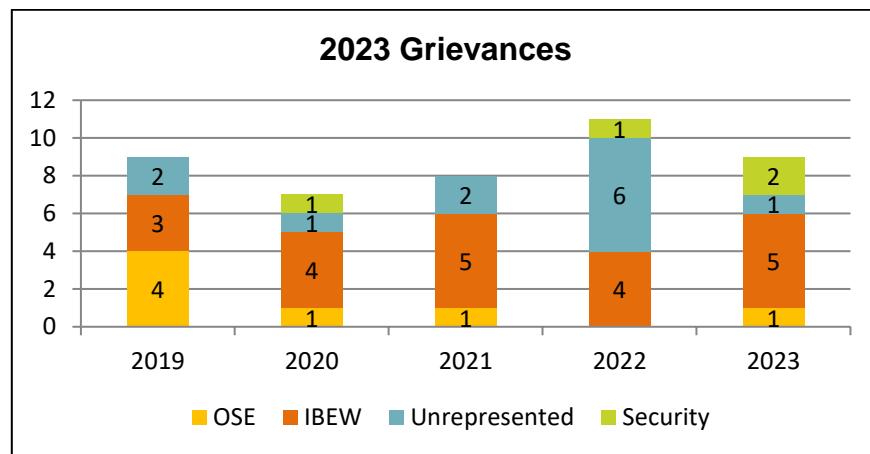
Other post-pandemic considerations in 2023 included a full return to office for in-person open enrollment – the first since the COVID-19 pandemic in 2020. Employees and retirees had the option to meet with the Benefits teams in-person or virtually, or to continue using the Virtual Benefit Fair platform featuring guidebooks, plan summary documents, and the ability to send questions to our benefit providers. Staff also arranged for vendors to present on coverage options for each of their plans.

Two additional noteworthy accomplishments:

- We conducted 2 pre-retirement seminars to packed rooms in 2023. Pre-COVID attendance hovered around 30-40 people. We saw close to 90 attendees at both pre-retirement seminars last year, helping to reengage those who were previously unable to leverage technology.
- For another consecutive year, we negotiated an impressive medical renewal under 5% compared to the industry standard of 7%. Our staff remains committed to addressing the rising cost of health care.

## 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 9 grievances in 2023, down from 11 in 2022.

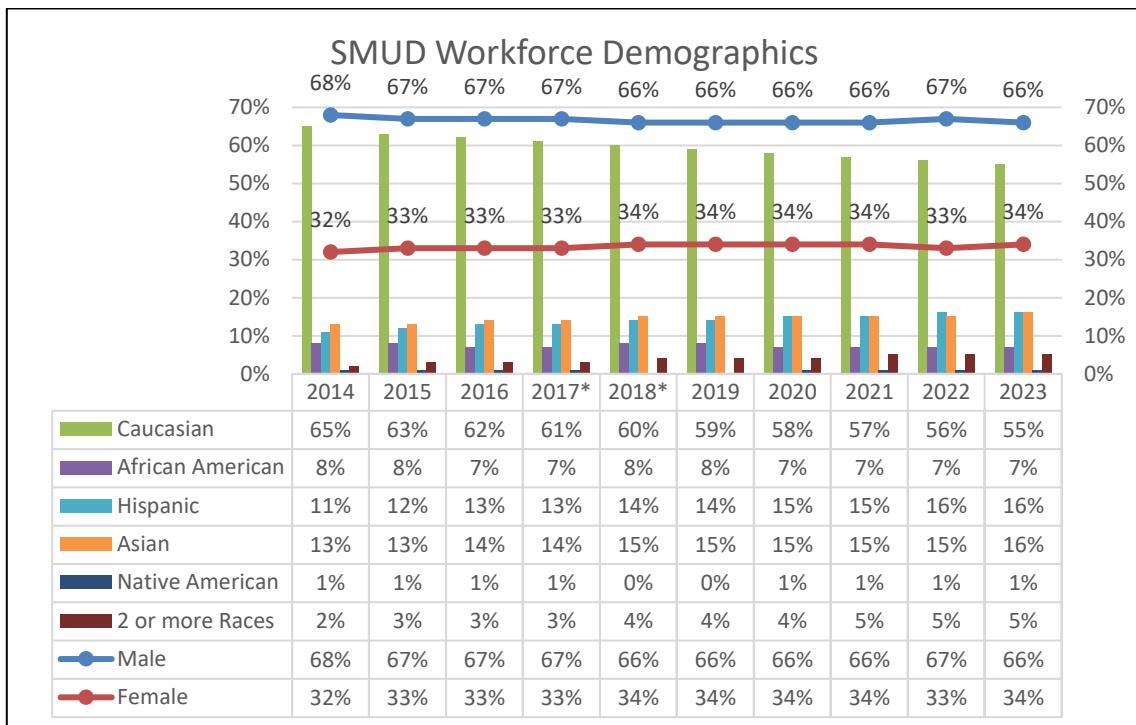


## SMUD Workforce Demographics

The following chart provides demographic information about SMUD's workforce (excluding "casual" positions and members of the Board of Directors). A thorough analysis of this data resulted in the following findings for 2023:

- A 0.6% increase in Hispanic employees
- A 0.4% increase in Asian employees
- A continued downward trend in the percentage of Caucasian employees

The cumulative impact of enhancements to our employee programs and organic turnover are the likely drivers for this change as SMUD continues to develop its talent pipeline and build a workforce that reflects the diversity of the communities we serve.



*Percentages may not add up to 100% due to rounding.*

## Regional Workforce Demographics

The “Civilian” labor force referenced in the following chart represents residents aged 16 and older. These numbers exclude houseworkers, unpaid volunteers, institutionalized individuals, and U.S. Armed Forces Active Duty.

	Sacramento, El Dorado & Placer Co. (Civilian) *	Sacramento Co. (Civilian) *	Sacramento Co. (Total Population)**
<b>Caucasian</b>	55%	48%	41%
<b>African American</b>	7%	9%	9%
<b>Hispanic</b>	20%	22%	24%
<b>Asian</b>	14%	17%	19%
<b>Native American</b>	0%	0%	0%
<b>2 or more Races</b>	4%	4%	7%
<b>Male</b>	52%	52%	49%
<b>Female</b>	48%	48%	51%

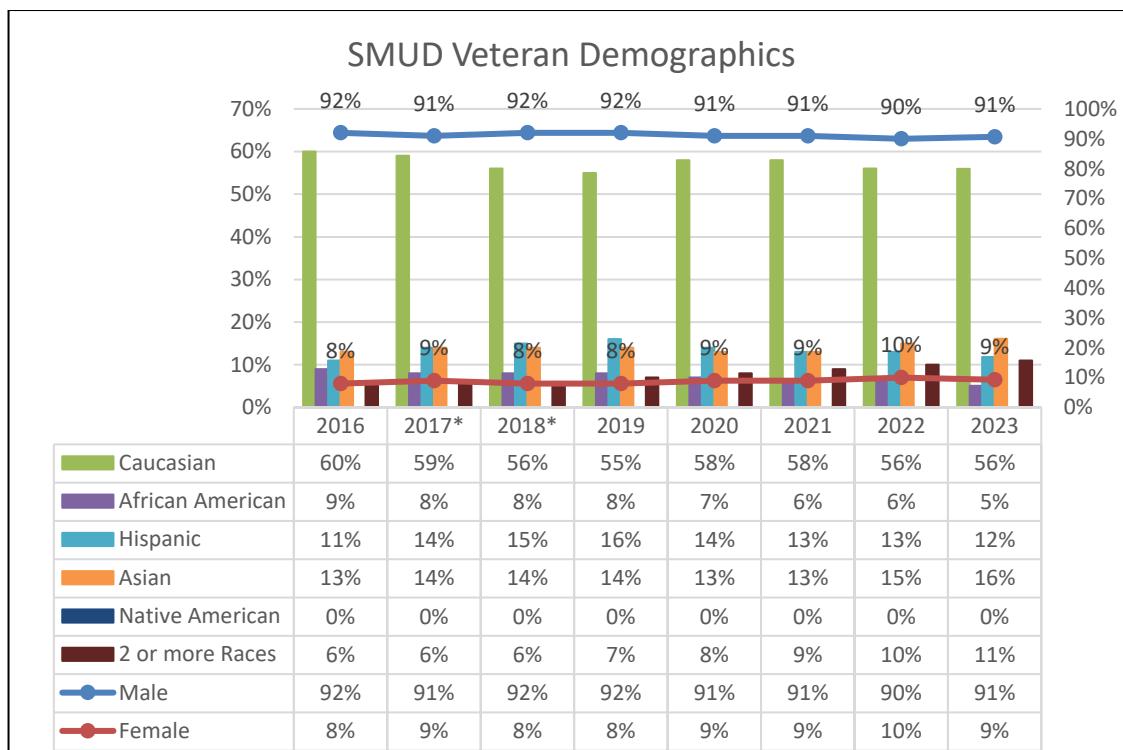
\*2018 American Community Survey, 5-Year Estimates EEO

\*\*2020 United States Census (April 1, 2020)

## SMUD’s Veteran Workforce

Veterans are a small but important part of SMUD’s workforce, and in 2023, we attended 11 vet-specific events to help with tools to enter civilian careers. This included California Employment Development Department’s VetNet Series, Sacramento Veteran Employee Resource Groups, and Volunteers of America, 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 563 veteran organizations last year, sending more than 6,000 email announcements about SMUD jobs, and saw a 20% increase in veteran applicants (540 in 2023 compared to 434 in 2022). We ultimately hired 12 veterans, and SMUD's vet population increased from 4.5% in 2022 to 5.2% in 2023. Per the Biddle Consulting Group, 6.7% is the national percentage of veterans in the civilian labor force.



\*Percentages may not add up to 100% due to rounding

Source: [va.gov/vetdata](http://va.gov/vetdata)(09/30/23)

## SMUD Workforce Demographics by Employee Level

When compared to 2022 data, we saw an increase in female directors, supervisors, and staff at SMUD last year. This trend, combined with the increase in female applicants reported on page 6, indicate our targeted efforts to improve female representation are working.

Employee Level	Male		Female	
	2022	2023	2022	2023
Executives	60%	60%	40%	40%
Directors	59%	57%	41%	43%
Managers	62%	64%	38%	36%
Supervisors	66%	62%	34%	38%
Staff	67%	66%	33%	34%

Additional shifts in demographics by employee level for 2023 include increases in:

- African American executives, directors, managers, and supervisors
- Hispanic directors, managers, and supervisors
- Asian directors and supervisors
- Directors and supervisors of two or more races

As a note, this reporting remains dynamic in the sense that all demographics are self-reported and, while uncommon, employees can change their gender identity or ethnicity at any time.

Employee Level	Caucasian		African American		Hispanic		Asian		Native American		2 or more Races	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
<b>Executives</b>	50%	50%	10%	20%	0%	0%	30%	30%	0%	0%	10%	0%
<b>Directors*</b>	69%	67%	9%	10%	6%	7%	9%	10%	0%	0%	6%	7%
<b>Managers*</b>	69%	70%	3%	4%	7%	8%	13%	13%	1%	1%	6%	5%
<b>Supervisors</b>	62%	56%	7%	8%	10%	12%	16%	18%	0%	0%	5%	6%
<b>Staff*</b>	54%	54%	7%	7%	17%	17%	15%	15%	1%	1%	5%	5%

\* Percentages may not add up to 100% due to rounding.

## Workforce Turnover

SMUD's turnover decreased in 2023 from 7.0% in 2022 to 6.4%, which we believe to be in large part due to fewer retirements. Retirements decreased from 78 in 2022 to 63 retirements last year. Our turnover continues to rank below the industry benchmark of 11.1%. While SMUD's Baby Boomer workforce is entering retirement eligibility, economic influences are also extending the average length of time a person may choose to stay in the workforce.

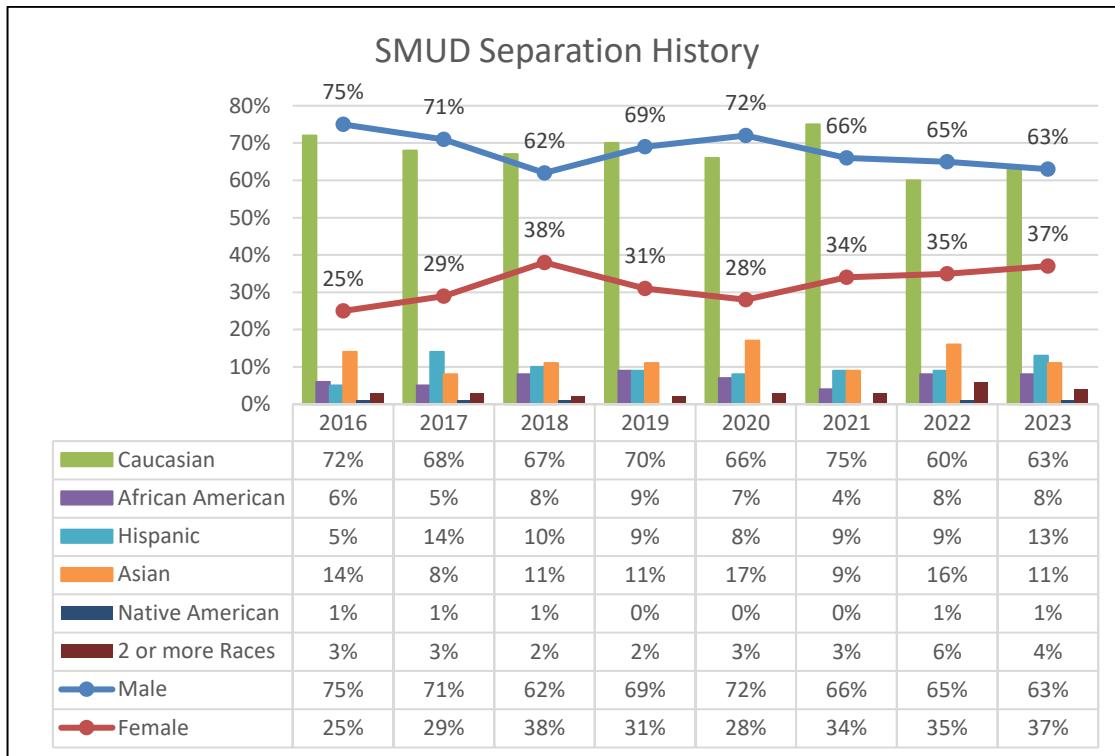
## Completing the Employee Lifecycle

To help identify strengths and opportunities across the organization, we introduced voluntary voice-to-voice exit interviews for departing employees in 2023. In the first year of the program, 88 employees elected to share feedback on their experiences at SMUD.

- 94% of all exiting employees would recommend SMUD to a friend or colleague.
- 90% 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 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.

There is a strong correlation with the information discovered through the exit interview process and SMUD's engagement survey data, which senior leaders have been actively addressing since developing engagement action plans in 2022.

The 2023 separation data tells us that Caucasian employees represented 63% of departing employees, up from 60% in 2022. This shift was offset by an increase of 4% for Hispanic employees, a 5% decrease for Asian employees, and a 2% decrease for employees of two or more races. While we did see fewer employees leave SMUD in 2023 overall, we're continuing to conduct a deeper analysis of this data to learn if correlations exist between specific populations and exit interview feedback.



**DRAFT**

**RESOLUTION NO. \_\_\_\_\_**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-8, Employee Relations**, substantially in the form set forth in **Attachment \_\_\_\_** hereto and made a part hereof.



SSS No. PSS 24-003

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting Date  
Policy – 05/08/24Board Meeting Date  
May 16, 2024

TO				TO							
1.	Claire Rogers			6.							
2.	Jose Bodipo-Memba			7.							
3.	Suresh Kotha			8.							
4.	Brandy Bolden			9.	<b>Legal</b>						
5.	Farres Everly			10.	<b>CEO &amp; General Manager</b>						
<b>Consent Calendar</b>	<input checked="" type="checkbox"/>	<b>Yes</b>		<b>No</b> <i>If no, schedule a dry run presentation.</i>		<b>Budgeted</b>	<input checked="" type="checkbox"/>	<b>Yes</b>		<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>	
FROM (IPR) Laurie Rodriguez				DEPARTMENT People Services & Strategies					MAIL STOP B251	EXT. 5628	DATE SENT 04/10/24
<b>NARRATIVE:</b>											
<p><b>Requested Action:</b> Accept the monitoring report for Strategic Direction SD-12, Ethics.</p> <p><b>Summary:</b> 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.</p> <p><b>Board Policy:</b> Strategic Direction SD-12, Ethics <i>(Number &amp; Title)</i></p> <p><b>Benefits:</b> 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.</p> <p><b>Cost/Budgeted:</b> Costs contained in internal labor budget.</p> <p><b>Alternatives:</b> Provide via written report through the Chief Executive Officer and General Manager.</p> <p><b>Affected Parties:</b> All SMUD employees and Contractors</p> <p><b>Coordination:</b> People Services &amp; Strategies</p> <p><b>Presenter:</b> Laurie Rodriguez, Director, People Services &amp; Strategies</p>											

**Additional Links:**

SUBJECT	<b>SD-12, Ethics Board Monitoring Report</b>	ITEM NO. (FOR LEGAL USE ONLY)
		<b>7</b>

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

# SACRAMENTO MUNICIPAL UTILITY DISTRICT

## OFFICE MEMORANDUM

**TO:** Board of Directors

**DATE:** April 24, 2024

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

**SUBJECT:** Audit Report No. 28007744  
Board Monitoring Report; SD-12: Ethics

Internal Audit Services (IAS) received the SD-12 *Ethics* 2023 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 2023

## SD-12, Ethics



### 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 January 2021. 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 January and through March. 97.7% 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 2014. 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 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 within 30 days of orientation. In addition, all contractors with unescorted access receive a copy of the Code when their background check is conducted. PS&S verifies Code acknowledgements on a quarterly basis to ensure signed acknowledgments are received from all new employees and contractors.

## **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 2023 completion rate for employees with 2023 due dates is 99.61%.

## **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. PS&S sent financial disclosure materials electronically to designated employees as early as January and through March to successfully meet the FPPC filing deadline of April 2. At the time of this report, 97.7% percent of the annual Conflict of Interest Statements from SMUD officials and designated employees were received. PS&S 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. This has occurred only two times in the last decade.

## **Process for Reporting and Investigating Suspected Violations**

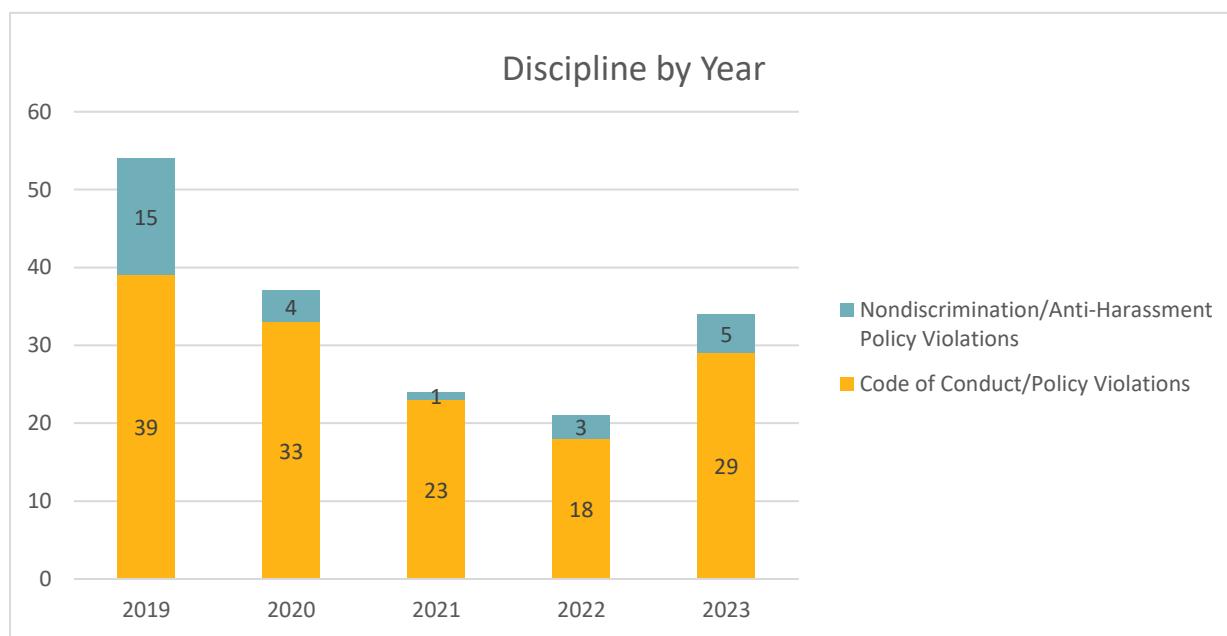
SMUD holds its employees to a higher standard than that required by law and is committed to providing a work environment in which all individuals are treated with dignity and respect. SMUD encourages employees to bring concerns about potential legal violations or violations of SMUD policies to the attention 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 our Fair Employment Office and Labor Relations team.

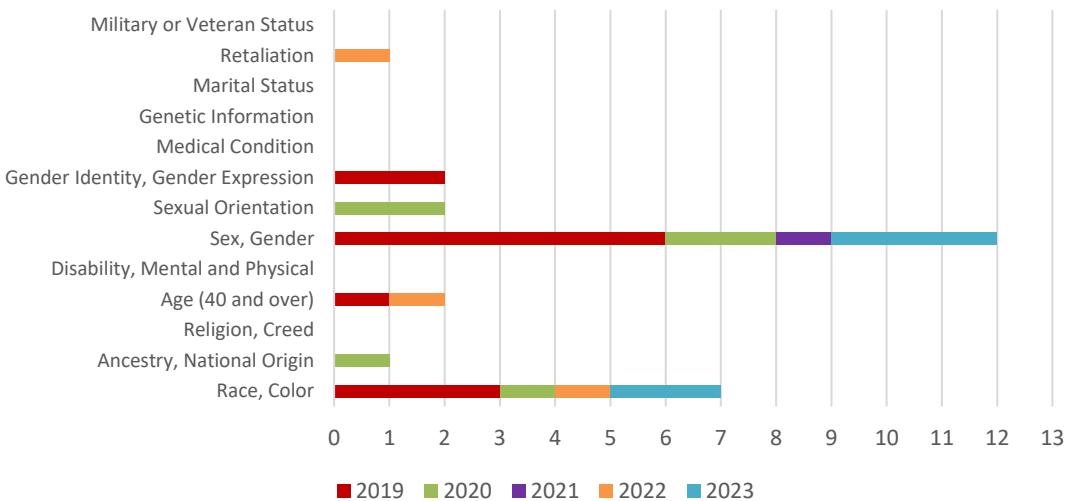
In addition to investigating potential violations of SMUD's Nondiscrimination, Anti-Harassment and Non-Retaliation Policy (AP 05.01.01) and Code of Ethics, Labor Relations and Fair Employment analysts also advise, consult with and support leaders on recommended action and coaching to address problematic 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 2019-2023. Summarized below are the disciplines 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



### **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

**DRAFT**

**RESOLUTION NO. \_\_\_\_\_**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-12, Ethics**, substantially in the form set forth in **Attachment \_\_\_\_** hereto and made a part hereof.



SSS No. LEG 2024-0068

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Policy – 05/08/24
Board Meeting Date May 16, 2024

TO				TO						
1.	Ellias van Ekelenburg			6.						
2.	Frankie McDermott			7.						
3.	Farres Everly			8.						
4.	Brandy Bolden			9.	<b>Legal</b>					
5.	Suresh Kotha			10.	<b>CEO &amp; General Manager</b>					
Consent Calendar		<input checked="" type="checkbox"/>	Yes	<b>No</b> <i>If no, schedule a dry run presentation.</i>		<b>Budgeted</b>	<input checked="" type="checkbox"/>	Yes	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>	
FROM (IPR) Joe Schofield			DEPARTMENT Office of the General Counsel/Legal					MAIL STOP B406	EXT. 5446	DATE SENT 04/24/24
<b>NARRATIVE:</b>										
<p><b>Requested Action:</b> Approve proposed revisions to <b>Board-Staff Linkage BL-10, Delegation to the CEO with Respect to Real and Personal Property.</b></p> <p><b>Summary:</b> Board members will be provided with an overview of staff recommendations to revise Board-Staff Linkage BL-10, Delegation to the CEO with Respect to Real and Personal Property (BL-10) to grant staff authority to purchase real property when the purchase price is no more than \$150,000 over 115% of the appraised value of the real property and to grant SMUD staff the ability to execute options agreements for the purchase of real property with the per-acre option price not to exceed \$1,000 as long as options are exercised only with Board approval or consistent with Section b)ii) of BL-10.</p> <p>Redlined and clean (redlines accepted) copies of the proposed revisions are attached.</p> <p><b>Board Policy:</b> Board Job Description GP-3(a) – Produce and maintain written policies that ensure high quality of governance and clear roles in decision-making between Board and staff.</p> <p><b>Benefits:</b> Enables Board members to review policy in light of present-day factors and update delegation limits to reflect increased costs due to inflation and to enable business efficiency.</p> <p><b>Cost/Budgeted:</b> No costs are associated with this action.</p> <p><b>Alternatives:</b> Do not make the proposed revisions or make other changes.</p> <p><b>Affected Parties:</b> Board Office, Executive Office, Real Estate Services, Legal</p> <p><b>Coordination:</b> Board Office, Executive Office, Real Estate Services, Legal</p> <p><b>Presenter:</b> Ellias van Ekelenburg, Director, Environmental, Safety &amp; Real Estate Services</p>										

**Additional Links:**

SUBJECT  <b>Proposed Revisions to Board-Staff Linkage BL-10, Delegation to the CEO with Respect to Real and Personal Property</b>	ITEM NO. (FOR LEGAL USE ONLY)  <b>8</b>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

# SMUD BOARD POLICY



**Category:** Board-Staff Linkage

**Policy No.:** BL-10

**Title:** Delegation to the CEO with Respect to Real and Personal Property

Normal business operations require SMUD to engage in: (i) the acquisition, disposition, and lease of interests in real property; and (ii) the disposition and lease of surplus personal property.

a) **Delegation of Authority:** The Chief Executive Officer and General Manager (CEO) is delegated decision making and approval authority within the parameters that follow.

b) **Real Property:**

i) Purchase, Sale or Exchange of Real Property. The purchase price does not exceed \$5 million and is within no more than \$150,000 over 115% of the appraised value of the property. The sale of real property shall be at fair market value and offered in accordance with California Government Code section 54220 et seq. and other applicable law. In an exchange of real property, SMUD shall remain financially whole or benefit from the transaction.

ii) Lease of SMUD Real Property. Leases shall be for fair market value and shall not adversely impact SMUD's current or anticipated future operations.

iii) Option for Purchase of Real Property. The option price shall be commercially reasonable and not to exceed \$1,000/acre, with the option to be exercised only by the Board or consistent with Section b)i) of this policy.

iv) Easements, Rights of Way, Licenses or Quitclaim Deeds. Easements, rights of way, licenses and quitclaim deeds may be granted to third parties where SMUD's current or anticipated future operations are not adversely impacted. Lease, easements, licenses and rights-of-way from third parties may be obtained within 125% of fair market value.

v) Special Assessments, Governmental Fees and Property Taxes. Cast all ballots, negotiate, pay taxes, assessments, fees, levies or charges arising from or related to SMUD's ownership or other interests in real property.

c) **Personal Property:**

i) Disposal of Surplus, Scrap or Obsolete Personal Property. The disposal of surplus, scrap, or obsolete personal property shall be done in accordance with applicable law.

- ii) [Lease of SMUD Personal Property](#). Leases shall be for fair market value and shall not adversely impact SMUD's current or anticipated future operations.

**Monitoring Method: CEO Report**

**Frequency: Annual**

**Versioning:**

September 21, 2006	Resolution No. 06-09-11	Date of Adoption.
December 7, 2006	Resolution No. 06-12-03	Date of Revision.
December 18, 2008	Resolution No. 08-12-11	Date of Revision.
August 4, 2011	Resolution No. 11-08-04	Date of Revision.
August 21, 2014	Resolution No. 14-08-03	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision. <span style="color: red;">[Current Policy]</span>
<u>May 16, 2024</u>	<u>Resolution No. 24-##-##</u>	<u>Date of Revision. [Current Policy]</u>

# SMUD BOARD POLICY



**Category:** Board-Staff Linkage

**Policy No.:** BL-10

**Title:** Delegation to the CEO with Respect to Real and Personal Property

Normal business operations require SMUD to engage in: (i) the acquisition, disposition, and lease of interests in real property; and (ii) the disposition and lease of surplus personal property.

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b) **Real Property:**

- i) **Purchase, Sale or Exchange of Real Property.** The purchase price does not exceed \$5 million and is no more than \$150,000 over 115% of the appraised value of the property. The sale of real property shall be at fair market value and offered in accordance with California Government Code section 54220 et seq. and other applicable law. In an exchange of real property, SMUD shall remain financially whole or benefit from the transaction.
- ii) **Lease of SMUD Real Property.** Leases shall be for fair market value and shall not adversely impact SMUD's current or anticipated future operations.
- iii) **Option for Purchase of Real Property.** The option price shall be commercially reasonable and not to exceed \$1,000/acre, with the option to be exercised only by the Board or consistent with Section b)i) of this policy.
- iv) **Easements, Rights of Way, Licenses or Quitclaim Deeds.** Easements, rights of way, licenses and quitclaim deeds may be granted to third parties where SMUD's current or anticipated future operations are not adversely impacted. Lease, easements, licenses and rights-of-way from third parties may be obtained within 125% of fair market value.
- v) **Special Assessments, Governmental Fees and Property Taxes.** Cast all ballots, negotiate, pay taxes, assessments, fees, levies or charges arising from or related to SMUD's ownership or other interests in real property.

c) **Personal Property:**

- i) **Disposal of Surplus, Scrap or Obsolete Personal Property.** The disposal of surplus, scrap, or obsolete personal property shall be done in accordance with applicable law.

- ii) Lease of SMUD Personal Property. Leases shall be for fair market value and shall not adversely impact SMUD's current or anticipated future operations.

**Monitoring Method: CEO Report**

**Frequency: Annual**

**Versioning:**

September 21, 2006	Resolution No. 06-09-11	Date of Adoption.
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August 21, 2014	Resolution No. 14-08-03	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision.
May 16, 2024	Resolution No. 24-##-##	Date of Revision. [Current Policy]

**DRAFT**

**RESOLUTION NO. \_\_\_\_\_**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board approves the revisions to **Board-Staff Linkage BL-10,**

**Delegation to the CEO with Respect to Real and Personal Property**, substantially in  
the form as set forth in **Attachment \_\_\_\_.**



SSS No.
DP&O 24-001

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit - 05/14/24
Board Meeting Date May 16, 2024

TO				TO			
1.	Frankie McDermott	6.					
2.	Jose Bodipo-Memba	7.					
3.	Lora Anguay	8.					
4.	Scott Martin	9.	Legal				
5.		10.	CEO & General Manager				
<b>Consent Calendar</b>	X	Yes		<b>Budgeted</b>	X	Yes	
FROM (IPR)	Katarina Miletijev	DEPARTMENT	Distribution Planning & Operations	MAIL STOP	EA502	EXT.	DATE SENT

**NARRATIVE:**

**Requested Action:** Adopt the 2024 Update to SMUD's 2023-2025 Wildfire Mitigation Plan.

**Summary:** Senate Bill 901 (2018) and Assembly Bill 1054 (2019) revised Public Utilities Code section 8387 to require that before January 1, 2020, and annually thereafter, every publicly owned electric utility prepare a wildfire mitigation plan (WMP), present it 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. The evaluator shall issue a report and present the report at a public meeting. On or before July 1 of each year publicly owned electric utilities must submit their approved WMPs to the California Wildfire Safety Advisory Board (WSAB) for review, comment, and advisory opinion. At least once every three years, the submission shall be 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 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.

In accordance with Section 8387, SMUD staff has completed its annual review and update of SMUD's WMP. The 2024 update to SMUD's 2023-2025 WMP provides an update on SMUD's wildfire prevention and mitigation programs and efforts. The draft 2024 WMP update was offered for public comment for thirty days, following normal process. The 2024 update does not include any significant updates, and an update to the independent evaluation was deemed not necessary.

**Board Policy:** 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  
(Number & Title)

**Benefits:** The WMP Update is in alignment with SD-4, Reliability, that SMUD will maintain the electric system in good repair, and SD-6, Safety Leadership, that SMUD will implement measures to protect the public from injuries related to SMUD operations or facilities. Additionally, this item is consistent with 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.

<b>Affected Parties:</b>	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
<b>Coordination:</b>	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
<b>Presenter:</b>	Katarina Miletijev, Director Distribution Planning and Operations

**Additional Links:**

SUBJECT	ITEM NO. (FOR LEGAL USE ONLY)
<b>2024 Wildfire Mitigation Plan Update</b>	<b>9</b>

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**DRAFT**

2024 Update

# 2023 – 2025 Wildfire Mitigation Plan

PUBLIC REVIEW DRAFT



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## 1 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 2024 update to the 2023-2025 WMP outlines progress made on several multi-year projects and provides other minor updates to reported initiatives.

**Projects.** The multi-year projects outlined in SMUD's 2023 comprehensive update are complete or on-track with one exception. Although SMUD's service territory is outside the CPUC's High Fire Threat District (HFTD), SMUD has been installing Cal FIRE exempt arrestors, connectors, and fuses in the Pole Clearing Area (PCA). In late 2023, a manufacturer of a particular fuse holder halted production and shipments to utilities. This has caused a slight disruption in the overall project. SMUD staff and vendors are exploring alternatives in addition to working with the vendor to see if production will be resumed with a design change. SMUD staff have adjusted the plan to continue installing other hardware that have not been impacted. Overall project completion target remains the same, however, this target may be adjusted if hardware remains unavailable.

**Risk management.** The bulk of SMUD's efforts continue to be reducing fuel around our facilities to reduce ignition risk. Winter season arrived late in 2022. 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 2022, enabling us to get ahead of the scheduled 2023 work. As a result of this accelerated work, 2023 vegetation removal activities in the UARP concluded much earlier than planned. Earlier completion allowed SMUD to lower its wildfire risk in the UARP prior to the hot-dry months of August and September.

Northern CA has benefited from atmospheric rivers and snowpacks that have delivered above average rain and water totals in 2023 and 2024. The late wet winter/spring resulted in a shortened and mild wildfire season for Northern CA in 2023. The outlook for wildland fire potential in Northern California looks similar for 2024<sup>1</sup>.

The various programs and projects described in the 2023-2025 WMP continue to provide a comprehensive and innovative approach to SMUD's wildfire risk reduction.

### 1.1 Document Introduction

The numbered sections in this 2024 WMP update are intended to replace the respective numbered sections within the 2023 – 2025 WMP published in July 2023.

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<sup>1</sup> [https://www.nifc.gov/nicc-files/predictive/outlooks/monthly\\_seasonal\\_outlook.pdf](https://www.nifc.gov/nicc-files/predictive/outlooks/monthly_seasonal_outlook.pdf). Accessed April 2nd, 2024. (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>)

## 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
	Manager, Enterprise Strategy and Risk
Fire threat assessment in service area and UARP	Director, Distribution Planning & Operations
<b>Wildfire prevention strategy and programs</b>	
- 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
<b>Fire mitigation construction</b>	
- Natural Ester-based fluid - Cal FIRE exempt equipment in PCA	Director, Distribution Planning & Operations
- Weather stations	Director, Transmission Planning & Operations
<b>Enhancement projects</b>	
<b>Pilot projects</b>	
- Light Detection and Ranging and Ortho Imagery	Director, Line Assets
<b>Emergency preparedness</b>	
- 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

## 5.1 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)<sup>6</sup> map for many years to inform and plan maintenance activities. CAL FIRE published new FHSZ map in April 2024. The new map depicts slight changes in fire hazard severity in the PCA. SMUD staff have begun the process of importing the map data. SMUD staff will analyze the impacts of the new map and adjust SMUD's mitigation programs as needed. However, CAL FIRE has not published a new map depicting FHSZ for Local Responsibility Area (LRA)<sup>7</sup> and Federal Responsibility Area (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<sup>8</sup>.

## 6.2 Transmission grid operational practices

### 6.2.1 Disabling reclosing

All Valley 115 kV, 230 kV and UARP 69 kV, 230 kV transmission auto reclosers are disabled and will remain disabled to mitigate wildfire risks. The disabling of reclosing follows fire season described in 6.1.1

### 6.2.2 Planned de-energization during fire season

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:

<sup>6</sup> <https://osfm.fire.ca.gov/what-we-do/community-wildfire-preparedness-and-mitigation/fire-hazard-severity-zones>

<sup>7</sup> <https://osfm.fire.ca.gov/what-we-do/community-wildfire-preparedness-and-mitigation/fire-hazard-severity-zones/fire-hazard-severity-zones-maps>

<sup>8</sup> <https://www.cpuc.ca.gov/industries-and-topics/wildfires/fire-threat-maps-and-fire-safety-rulemaking>

- 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
- 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.predictiveservices.nifc.gov/outlooks/outlooks.htm>
- Wildfire Forecast & Threat Intelligence Integration Center (WFTIIC), <https://hub.wftiic.ca.gov/>

## 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.

### 6.6.2 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.

### 6.6.4 UARP Fuels Reduction

**Status:** Completed 2023

**Start Date:** 2019

**Expected Completion:** 2023

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 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 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 while establishing conditions that allow for safe and efficient fire suppression, especially around private inholdings of Sierra foothill communities.

### 6.6.5 *Install SCADA reclosers in PCA*

**Status: Deferred 2025 to 2027 due to unforeseen design and 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 serve 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.

## 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 13,000 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 90,000 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](http://Smud.org/wildfiresafety) for more information.

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

- Wildfire mitigation plan
- Information on how SMUD mitigates fire risk
- Emergency preparedness tips 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](http://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 ( six different languages) 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.

## 9.1 Effectiveness of the WMP

In the initial WMP, SMUD staff identified metrics that met the criteria of PUC 8387. These identified metrics were general in nature. Since those initial metric criteria were identified, the wildfire planning process has continued to develop, and SMUD has received independent evaluation of its WMP. In response to the industry's maturing understanding of wildfire metrics and recommendations received, SMUD undertook a multi-step effort to identify new metrics that can better gauge the success of its many programs and mitigation activities outlined in the WMP.

The first step in this multi-step effort was to assess, identify and establish useful metrics that best measure the activities related to minimizing the probability that SMUD's transmission and distribution system may be the origin or contributing source for the ignition of a wildfire. Metrics identified in this section are measures of quantitative assessment that will be used for assessing, comparing, and tracking performance of the programs and efforts identified in this WMP. This step was completed and reflected in the metrics identified in this WMP.

The second step is to define the benchmarks associated with the metrics. The purpose of these benchmarks is to establish criteria to measure performance of the various activities. Some activities can be measured with specific units of work that are forecasted at the beginning of a year, such as quantities of inspected units etc. Progress towards these forecasted units would indicate on- or off-track completion cadence, which can be adjusted as needed during the year. Other metrics are identified to count uncontrollable units that indicate performance of the grid, such as outage event counts or number of corrective action findings. Development of these benchmarks will require several years of data to determine trendlines and averages. Data collection for the new metrics began in 2021. Following existing practices, SMUD anticipates five years of data will be required to establish the benchmarks, with a target period in 2026.

The third and final step is to determine or define the percentage reduction targets against the benchmarks. Percent reductions against benchmarks would need to be realistic, and not easily achievable. SMUD anticipates the initial benchmarks would require fine adjustments periodically to ensure continued effort towards risk reduction activities. These benchmarks and adjustments will be reflected in SMUD's annual WMP updates.

### 9.1.1 Metrics and assumptions for measuring WMP performance

SMUD will track the following metrics to measure the performance of this WMP, and its effectiveness in reducing catastrophic wildfire. These new set of metrics are more granular and targeted towards specific maintenance activities that can more closely be tied to performance of the WMP.

Work is identified in annual work plans authorized on an executive level, and work that remains incomplete will be flagged in future work plans. Work may be field-verified and open work notifications are regularly reviewed to allow management to prioritize work in accordance with current risks. SMUD's target is always to complete 100 percent of the work within the initially scheduled time frame. However, emergencies or other unforeseen contingencies can occur that require material and labor resources to be otherwise assigned. In this instance delayed work will be prioritized in following time periods. All work is completed within time periods to allow for the safe and reliable operation of the electric system in accordance with applicable requirements and industry standards.

The Inspection Program Performance metrics shown in Table 88 are based on inspection activities for targeted areas. These are key performance indicators (KPI) based metrics, with specific targets for completion within a year.

**Table 8 Inspection Program Performance**

Inspection Program Performance (KPI)	Target
Number of poles inspected from DLI, Distribution, PCA	>=95%
Number of structures inspected from Patrol, Transmission, PCA	>=95%
Number of structures inspected from Patrol, Transmission, HFTD Tier 3	>=95%
Percentage of circuit miles inspected for vegetation compliance, Distribution, HFTD Tier 2	>=95%
Percentage of circuit miles inspected for vegetation compliance, Transmission, PCA	>=95%
Percentage of circuit miles inspected for vegetation compliance, Transmission, HFTD Tier 3	>=95%
Number of aerial Flight Patrols, Visual, UARP	2
Number of aerial Flight Patrols, Infrared, UARP	1
Number of aerial Flight Patrols, 69kV, Infrared, Valley	
Number of aerial Flight Patrols, 12kV, Infrared, PCA	1
VM Quality Control for Transmission, Sacramento County	
VM Quality Control for Transmission, UARP	>=95%
Number of trees trimmed or removed, normal activities, PCA	
Number of trees trimmed or removed, normal activities, UARP	>=95%
Number of poles cleared/treated before start of fire season, PCA	



### 9.1.2 Outcome Metrics

Two sets of outcome metrics were identified that measure performance of the grid. These metrics replace the more general “ignition events” identified in previous WMPs, which couldn’t directly be tied to risk categories. The outcome metrics shown in Table 9 are consistent with GO95 Rule 18<sup>11</sup> repair priority levels.

**Table 9 Grid Condition Findings**

Grid Condition Findings (Non KPI)
Number of GO95 Rule 18 Level 1 findings, Distribution, PCA
Number of GO95 Rule 18 Level 1 findings, Transmission, PCA
Number of GO95 Rule 18 Level 1 findings, Transmission, HFTD Tier 2
Number of GO95 Rule 18 Level 1 findings, Transmission, HFTD Tier 3
Number of GO95 Rule 18 Level 2 findings, Distribution, PCA
Number of GO95 Rule 18 Level 2 findings, Distribution, HFTD Tier 2
Number of GO95 Rule 18 Level 2 findings, Distribution, HFTD Tier 3
Number of GO95 Rule 18 Level 2 findings, Transmission, PCA
Number of GO95 Rule 18 Level 2 findings, Transmission, HFTD Tier 2
Number of GO95 Rule 18 Level 2 findings, Transmission, HFTD Tier 3
Number of GO95 Rule 18 Level 3 findings, Distribution, PCA
Number of GO95 Rule 18 Level 3 findings, Distribution, HFTD Tier 2
Number of GO95 Rule 18 Level 3 findings, Distribution, HFTD Tier 3
Number of GO95 Rule 18 Level 3 findings, Transmission, PCA
Number of GO95 Rule 18 Level 3 findings, Transmission, HFTD Tier 2
Number of GO95 Rule 18 Level 3 findings, Transmission, HFTD Tier 3

The second set of outcome metrics are a measure of the ignition drivers during fire season, shown in Table 1010.

**Table 10 Drivers of Ignitions**

Drivers of Ignitions, fire season only (Non KPI)
Number of Overhead Outage Events caused by animals, inside PCA
Number of Overhead Outage Events caused by foreign material, inside PCA
Number of Overhead Outage Events caused by Vegetation - Tree Preventable, inside PCA
Number of Overhead Outage Events caused by Vegetation - Tree Non-Preventable, inside PCA

<sup>11</sup> <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M338/K730/338730245.pdf>

### 9.1.3 Enhancement Projects

Once a project or program is approved, it is planned for execution based on the upcoming year's work schedule. The targets listed here for the approved projects are monitored via milestone achievements.

**Table 11 System enhancement capital project performance**

Project (KPI)	Target
Circuit feet completed, PCA, #6CU Reconstructor (Completed in 2023)	>=95%
Units of trees pruned or removed, Wildfire Mitigation Vegetation Management work, UARP (Completed in 2023)	
Number of SCADA reclosers installed, PCA (Scheduled Start 2025)	>=95%

### 9.1.4 Community Outreach Measures

SMUD reaches out to customers, local communities, and government agencies for multiple programs. Metrics were developed specific to wildfire mitigation efforts and communication. The various type of community outreach measures is shown in Table 12.

**Table 12 Community Outreach Programs**

Community Outreach Programs (non KPI)
Number of contacts with Federal, State and Local Govt offices, specific to wildfire or de-energization related contacts
Number of mailers sent to customers related to Wildfire Mitigation Activities, Email, MED rate
Number of mailers sent to customers related to Wildfire Mitigation Activities, Email, Senior ID
Number of mailers sent to customers related to Wildfire Mitigation Activities, Direct Mail, MED rate
Number of mailers sent to customers related to Wildfire Mitigation Activities, Direct Mail, Customer Connection

# DRAFT

## RESOLUTION NO. \_\_\_\_\_

**WHEREAS**, Senate Bill 901 (2018) and Assembly Bill 1054 (2019) revised the California Public Utilities Code section 8387 (PUC § 8387) to require that before January 1, 2020, and annually thereafter, every publicly owned electric utility (POU) prepare a **Wildfire Mitigation Plan (WMP)**, present it in a noticed public meeting, and accept comments; and

**WHEREAS**, PUC § 8387 also requires that each POU update its plan annually and submit the update to the **California Wildfire Safety Advisory Board (WSAB)** by July 1 of each year; and

**WHEREAS**, PUC § 8387 also requires that at least once every three years, the plan submitted to the **WSAB** shall be a comprehensive revision of the plan; and

**WHEREAS**, PUC § 8387 states that the POU shall contract with a qualified independent evaluator experienced in assessing the safe operation of electrical infrastructure to review and assess the comprehensiveness of the POU's **WMP**, who shall issue a report and present the report at a public meeting; and

**WHEREAS**, by Resolution No. 23-06-05, adopted on June 15, 2023, following opportunity for public input and presentation of the qualified independent evaluator's report, this Board adopted SMUD's 2023-2025 **WMP** and authorized the Chief Executive Officer and General Manager to make future changes to SMUD's 2023-2025 **WMP** that further the primary purpose of SMUD's 2023-2025 **WMP** and provide a net benefit to SMUD; and

**WHEREAS**, in accordance with PUC § 8387, staff completed the draft **2024 Update** of SMUD's 2023-2025 **WMP (2024 Update)**, conducted public outreach to solicit comments on the draft **2024 Update**; and

**WHEREAS**, the draft **2024 Update** was posted on smud.org/wildfiresafety and made available for public review and comment for thirty days ending May 13, 2024; and

**WHEREAS**, SMUD received no public comment on the draft **2024 Update**; and

**WHEREAS**, the draft **2024 Update** was presented to the SMUD Board of Directors Finance & Audit Committee at a duly noticed public meeting on May 14, 2024, at which meeting opportunity for public comment was provided; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** This Board adopts the **2024 Update** to SMUD's 2023-2025 **Wildfire Mitigation Plan (WMP)** substantially in the form set forth in **Attachment** \_\_\_\_\_ hereto and made a part hereof.

**Section 2.** The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to SMUD's 2023-2025 **WMP** that, in his prudent judgment: (a) further the primary purpose of SMUD's 2023-2025 **WMP**; and (b) are intended to provide a net benefit to SMUD.



# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 05/14/24
Board Meeting Date May 16, 2024

TO				TO			
1.	Jose Bodipo-Memba			6.			
2.	Lora Anguay			7.			
3.	Scott Martin			8.			
4.				9.	<b>Legal</b>		
5.				10.	<b>CEO &amp; General Manager</b>		
<b>Consent Calendar</b>		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No <i>(If no, explain in Cost/Budgeted section.)</i>	
FROM (IPR) Laura Lewis			DEPARTMENT Executive Office			MAIL STOP B308	EXT. 6123
<b>NARRATIVE:</b>							
<p><b>Requested Action:</b> Adopt resolution calling election for Directors for Wards 1, 2, and 5 and request Sacramento County and Placer County to consolidate that election with the November 5, 2024, general election.</p> <p><b>Summary:</b> The members of SMUD's Board of Directors are elected to staggered four-year terms from the Wards they represent. The terms of the Directors for Ward 1 (Brandon D. Rose), Ward 2 (Nancy Bui-Thompson), and Ward 5 (Rob Kerth) will expire on December 31, 2024. Section 11829 of the Municipal Utility District (MUD) Act, in the Public Utilities Code, provides that the resolution calling the election shall also provide for the consolidation of the election with the general election to be held at the same time, in the counties in which SMUD is located and to authorize the counties to canvass the returns and certify the results of the election to the Board. In addition, the resolution shall state the date and purpose of the election, request the counties to reestablish the boundaries of election precincts to coincide with the ward boundaries, specify the length of a candidate statement of qualifications, manner of payment by the candidate, determine the method for breaking a tie vote, and designate the boundaries of the subject SMUD Wards. As part of the resolution, staff is recommending that the Board adopt the following:</p> <ul style="list-style-type: none"> <li>a) In the event of a tie vote, determine the election by lot; and</li> <li>b) Require candidates to pay at the Sacramento County Voter Registration and Elections and/or the Placer County Elections Office for costs associated with the statement of qualifications; and</li> <li>c) Set the statement of qualifications at 200 words or less.</li> </ul> <p>Sacramento and Placer Counties Registrar of Voters' Offices have informed SMUD that the resolution calling and consolidating the election must be received by their offices no later than June 5, 2024. The attached resolution sets forth all of the information necessary to call the election for Wards 1, 2, and 5 and consolidates the election with the general election to be held on November 5, 2024.</p> <p><b>Board Policy:</b> Board Job Description GP-3(j) – Take such other actions as may be required by law.  <i>(Number &amp; Title)</i></p> <p><b>Benefits:</b> Provides for election of Directors in compliance with law.</p> <p><b>Cost/Budgeted:</b> Sacramento and Placer Counties will bill SMUD for the actual cost of conducting the election when completed. \$375,000 was budgeted based on the cost of previous elections.</p> <p><b>Alternatives:</b> None. This action is legally required.</p> <p><b>Affected Parties:</b> Board Members, Board Office, Executive Office, Legal</p> <p><b>Coordination:</b> Board Office, Executive Office, Legal</p> <p><b>Presenter:</b> Laura Lewis, Chief Legal &amp; Government Affairs Officer</p>							

**Additional Links:**

SUBJECT	<b>Call Election of Directors for Wards 1, 2, and 5</b>	ITEM NO. (FOR LEGAL USE ONLY)
		<b>10</b>

**DRAFT**

RESOLUTION NO. \_\_\_\_\_

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** That an election is called to be held on the 5th day of November, 2024, for the purpose of electing three (3) directors of the Sacramento Municipal Utility District ("SMUD"), one of whom shall be a resident and voter of each of Wards 1, 2, and 5. The boundaries of said wards are hereby fixed and established as shown on the sheets appended hereto. Each director shall be elected for a full four-year term from the ward in which he or she resides and the election shall be held and conducted in all respects as required by law.

<u>Ward</u>	<u>Incumbent</u>	<u>Expiration of Term</u>
1	Brandon D. Rose	2024
2	Nancy Bui-Thompson	2024
5	Rob Kerth	2024

**Section 2.** That the Boards of Supervisors of the Counties of Sacramento and Placer are requested to consolidate said election of directors of SMUD with the general election to be held on the 5th day of November, 2024.

**Section 3.** That the Boards of Supervisors of the Counties of Sacramento and Placer are requested to reestablish the boundaries of such election precincts as are divided by the boundaries of Wards 1, 2, and 5 of SMUD to provide that the boundaries of the election precincts coincide with the boundaries of said wards.

# **DRAFT**

**Section 4.** That the Boards of Supervisors of the Counties of Sacramento and Placer are authorized to canvass the returns of the election of directors and to certify the election results to this Board.

**Section 5.** That in the event of a tie vote between candidates, the election shall be determined by lot.

**Section 6.** That any candidate for the Board of Directors of SMUD who files a statement of qualifications for printing and distributing pursuant to Section 13307 of the Elections Code shall pay at the Sacramento County Voter Registration and Elections and/or the Placer County Elections Office, in advance, for the publication of the candidate's statement, pursuant to Elections Code Section 13307, in the amount estimated by the Sacramento County Registrar of Voters, and that any such statement shall contain 200 words or less.

**Section 7.** That SMUD agrees to reimburse the Registrar of Voters for actual costs incurred, such costs to be calculated by the method set forth in the County's current Election Fee Schedule, pursuant to Elections Code section 10520.

**Section 8.** That the Secretary of SMUD is directed to transmit certified copies of this resolution to the Clerk of the Boards of Supervisors of the Counties of Sacramento and Placer, to the County Clerks of the Counties of Sacramento and Placer, and to the Registrars of Voters of the Counties of Sacramento and Placer.