

# Human Resources Report

***2016 Year-in-Review and 2017 Forecast***

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## Introduction

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In 2016, the primary focus of Human Resources’ attention was on three areas: recruitment, benefits, and critical skills gaps. Some of the highlights from the year include:

- Enhancements to the Benefits Program that will be effective January 1, 2017;
- Increased headcount due to recruitment efforts, despite a high turnover year; and
- Results from the Critical Skills Gap Analysis that identified four gaps WECC will need to fill within the next five years.

## Employee Benefits

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As part of our ongoing effort to provide competitive benefits for our employees, WECC HR completed a review of our current benefits programs to determine if the benefits we offer are competitive compared to the companies we compete with for talent. During the review process, HR:

- surveyed our employees for their feedback,
- compared our benefits with the results of various reputable surveys in the country,
- contracted with Mercer to complete a specific comparison to companies similar to WECC; and
- solicited benefits data from the other seven Regional Entities in the country.

Early in the review process, the HR Department developed an employee benefits survey. The feedback we requested included the department where the employee works, their coverage elections under WECC plans, and how the employees rank our benefits by importance. Additionally, we asked employees to rank, in order of importance, potential new programs that we may add in the future.

- 87.2 percent of employees participated in the Survey.
- 90.8 percent of respondents have some combination of coverage (medical, dental, vision).

**Employee ranking of the top five Benefits for Satisfaction and Importance**

| Benefit Satisfaction                  | Benefit Importance   |
|---------------------------------------|----------------------|
| 1: Health Reimbursement Account (HRA) | 1: Paid Time Off     |
| 2: Medical Insurance                  | 2: Medical Insurance |
| 3: 401(k) Plan                        | 3: 401(k) Plan       |
| 4: Paid Time Off                      | 4: Paid Holidays     |
| 5: Paid Holidays                      | 5: Dental Insurance  |

As part of the review process, WECC contracted with Mercer to complete a benefits review and assessment for the major benefits categories that we offer. We also surveyed some of the Regional Entities as well as NERC for information for the project and gathered additional information from Mountain States Employers Council and Towers Watson.

Based on our review of the survey data reported, we believe WECC is well positioned with regard to our employee benefits package. However, there are small changes we can make that would further enhance our benefits, aiding in the recruitment and retention of our staff. These are based on the result of the survey data and feedback from our employees, both through the survey and individual requests. Changes will occur over a period of time, thus minimizing the financial impact on the organization. WECC has made the following enhancements to its benefits program (effective in 2017):

- **Medical Plan Rates:** WECC will pay 80 percent of total medical premium; previously this was paid at 78 percent. This change increased WECC's cost by \$34,060; however, it remains within the budgeted forecast of \$1,389,360 for 2017.
- **Commuter Benefit Program:** In addition to the electronic FAREPAY card (roll over balances) employees can purchase, pre-tax through WECC, the lower-priced unlimited UTA monthly pass, which is issued at the beginning of each month.
- **WECC Wellness Program:** New additions have been included in the Program for reimbursement to the employee (up to a maximum of \$200 each calendar year). These new items include fitness equipment and footwear (based on an approved list), weight loss classes and smoking cessation programs. Currently WECC has a budget of \$7,200 dollars and we have reimbursed approximately \$3,000 (42 percent) for fitness reimbursements. By adding these additional enhancements, we anticipate that our participation could increase from 25 to 50 employees, which would still be within the budgeted amount.
- **Volunteerism Program:** This is a new addition to the benefits program. This new program includes four WECC-sponsored volunteer events per year. Employees can choose to participate, subject to business needs and manager approval. Participating employees will be paid up to a maximum of eight hours per year. While there is no additional cost to WECC, if all employees participate, the lost work time would cost approximately \$52,000 per year.

## Employee Appreciation

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In 2016, WECC made casual dress attire permanent via a new initiative called "Dress for Your Day." In response to employee requests, the approved attire for summer months (between Memorial and Labor Days) is now the norm. Employees dress for the day they are expecting, which allows for more comfort and flexibility for the employee.

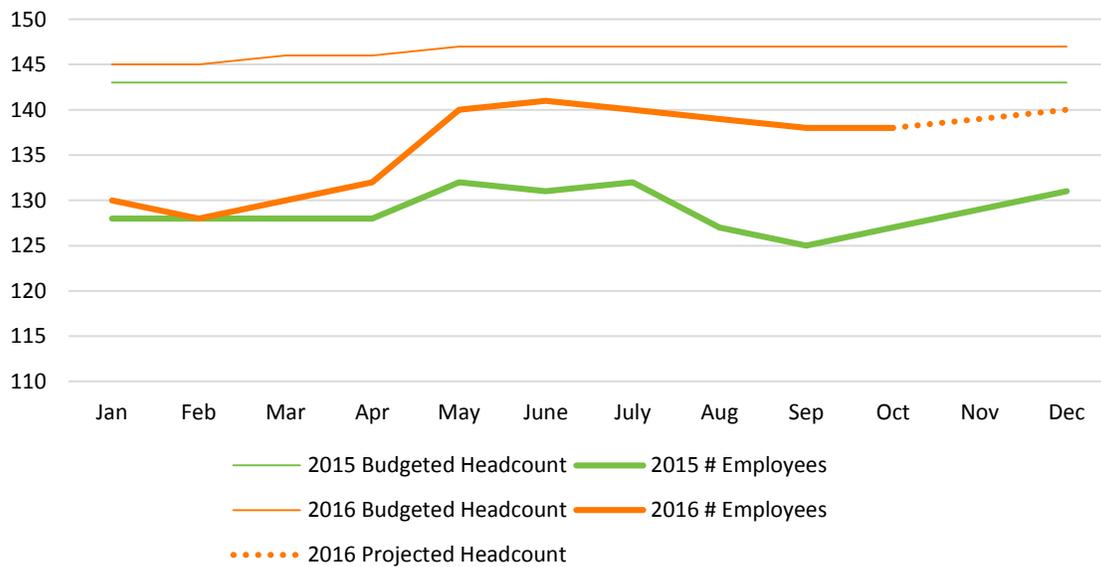
Throughout the year, employees enjoyed "treats" from the Executive Team (e.g., green pancakes on St. Patrick's Day). In June, WECC hosted its most exciting and well-attended (and talked about) Employee Appreciation Event at Top Golf in Salt Lake City. In November, we held our annual Harvest

Lunch event—always a success and a tradition employees look forward to participating in. In December WECC will once again host its Holiday Lunch for employees with a plated meal and entertainment.

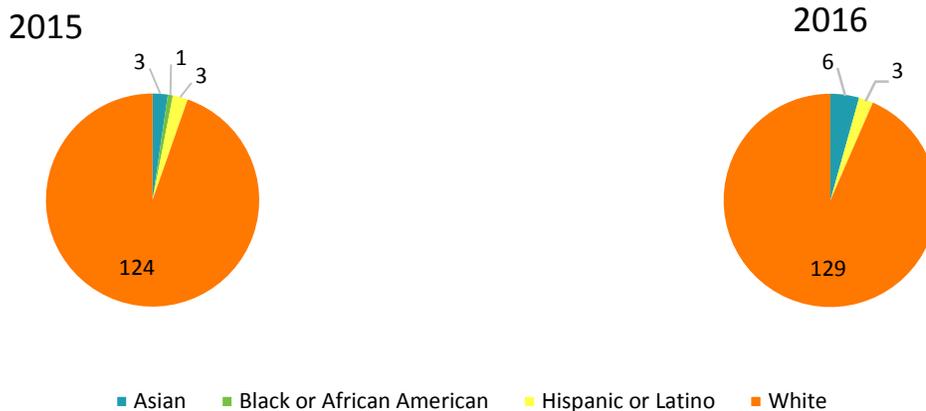
### Staffing

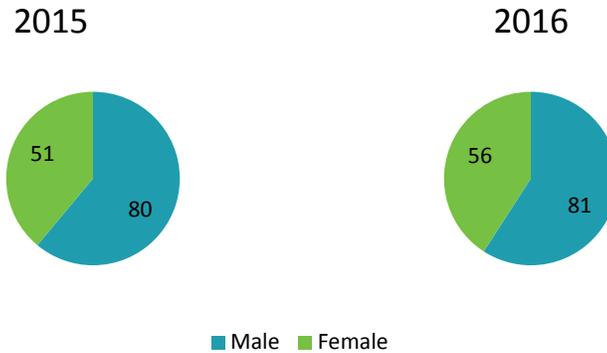
WECC experienced a 5.5 percent increase in headcount in 2016, from 131 employees as of December 31, 2015 to 137 as of October 31, 2016.

Headcount Comparison



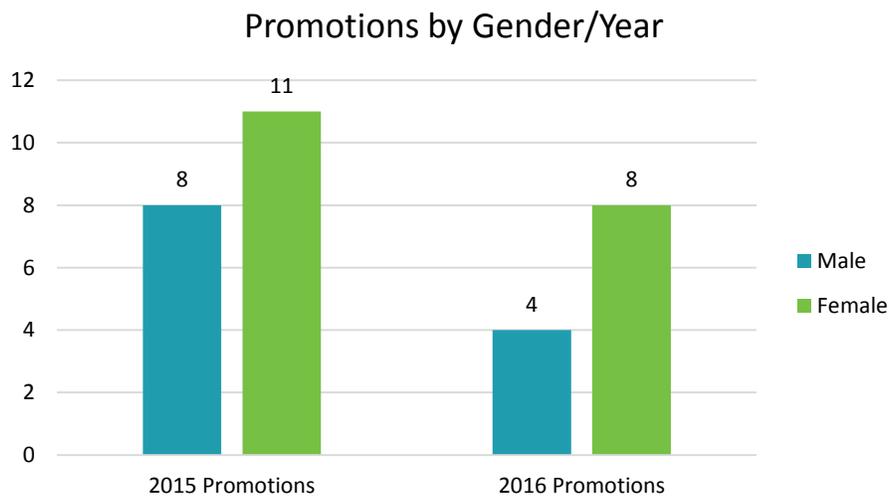
A comparison from 2015 to 2016 WECC’s diversity mix is displayed in the charts below.



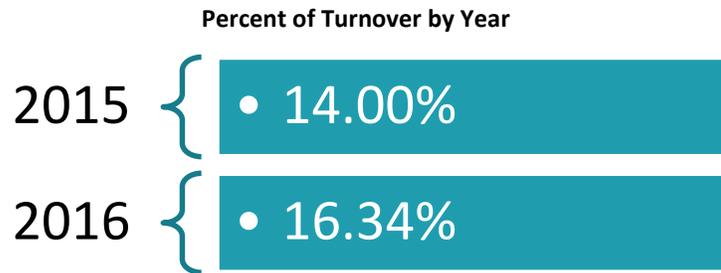


As of the date of this report, WECC has filled 35 vacancies this year—27 external hires and eight internal promotions. Despite the high turnover rate for 2016, WECC is closer to meeting the budgeted headcount than it was at the end of 2015. This increase in headcount is due to the recruitment efforts made early in 2016, including career fair participation across the state of Utah and two WECC open houses for engineers.

Promotions in 2016 have included four career path and eight from open positions.



The following graph compares turnover from 2015 to 2016. The majority of 2016 turnover occurred in the first quarter of 2016.



## Training and Development

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WECC's focus on continuous learning is apparent in its continuing efforts as well as a few new initiatives:

- **Communications:** The Decker Communications course, "Communicate to Influence," was held June 1–2, 2016. This two-day intensive, high-impact course features hands-on coaching to help employees (12) build stronger presentation and speaking skills.
- **Business/Technical Writing:** This course is taught by a University of Utah instructor over a 10-week period (once per week for two hours) in our Salt Lake City office. Previously taught once per year, this course was taught from February through April, and again from October through December. Fourteen employees participated in each course.
- **Manager/Supervisory Skills:** In addition to new managers attending a five-day manager training course at Mountain States Employers Council, managers also receive in-house bi-monthly training on employment-related topics.
- **Individual Development:** WECC continues to encourage employees to improve their skillsets and further develop as professionals. In 2016, WECC funded \$187,000 toward these efforts (e.g., conference attendance, webinars, formal education). As of the date of this report, there are four WECC employees enrolled in degree programs for which WECC contributes up to \$5,250.00 per year, per IRS guidelines.

## Critical Skills Gap Analysis

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In 2016, the HR department met with the WECC managers and asked them to conduct a critical skills assessment for their departments. This assessment included:

- 1) identifying the critical skills for the team,
- 2) identifying any gaps that currently exist,
- 3) identifying future gaps,
- 4) proposing potential solutions and/or training,
- 5) cost, and
- 6) timeline to fill the gap(s).

While some gaps were identified, many of the items identified by the managers were training opportunities, not necessarily gaps. Four critical skills gaps were identified as needed now or within the next five years: Data Scientist, Fuel Engineer (renewable, gas fuel), Smart Grid/Micro Grid Specialist, and Protection System/Short Circuit Engineer. The information from the analysis will be incorporated into a training plan in 2017.

## Compensation

Human Resources has continued to educate managers of WECC's compensation philosophy. This philosophy was refined in 2015 after the completion of a comprehensive review of WECC's compensation program to ensure WECC was competitive in the markets for talent. Adjustments to compensation were made where needed in 2015 and, in 2016, HR met with new and existing managers to ensure the new philosophy is understood and followed.

## 2017 Human Resource Initiatives

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- **Focus on Recruitment:** Diversification of the employee mix through recruitment efforts will remain one of HR's priorities in 2017. This includes maintaining current contacts and building new connections with key diversity associations such as the Society of Women Engineers and American Association of Blacks in Energy. In addition, HR will recruit students with diverse cultures and backgrounds for internships and the Engineer Development Program.
- **Training and Development:** In addition to the ongoing training and development opportunities that WECC provides employees, HR will invest time and consideration into developing more in-house training for soft and technical skills beyond those identified as part of the Critical Skills Gap Analysis.
- **Benefits:** HR will further analyze the cost/risk/benefit of enhancing existing elements of the benefits program.
- **Critical Skills Gap Analysis:** HR will work with management to determine when we will recruit for the four critical skills identified, which are; Data Scientist, Fuel Engineer, Smart Grid/Micro Grid Specialist and Protection System/Short Circuit Engineer.
- **Compensation:** Since it has been three years since our last compensation analysis, we will conduct a review of our current compensation structure to ensure it aligns with market rates and we are competitive with the industry to attract and retain talent.
- **WECC Culture:** Review current HR programs, processes and tools to ensure the desired WECC culture is embedded in programs such as recruitment, performance management, hiring processes and training.