

REVISED

Utilities Strategic Plan

Utilities Advisory Commission

February 1, 2017

Agenda

- Background
- 2011 Utilities Strategic Plan
- Preliminary Approach to 2017 Utilities Strategic Plan

Background

2011 Utilities Strategic Plan

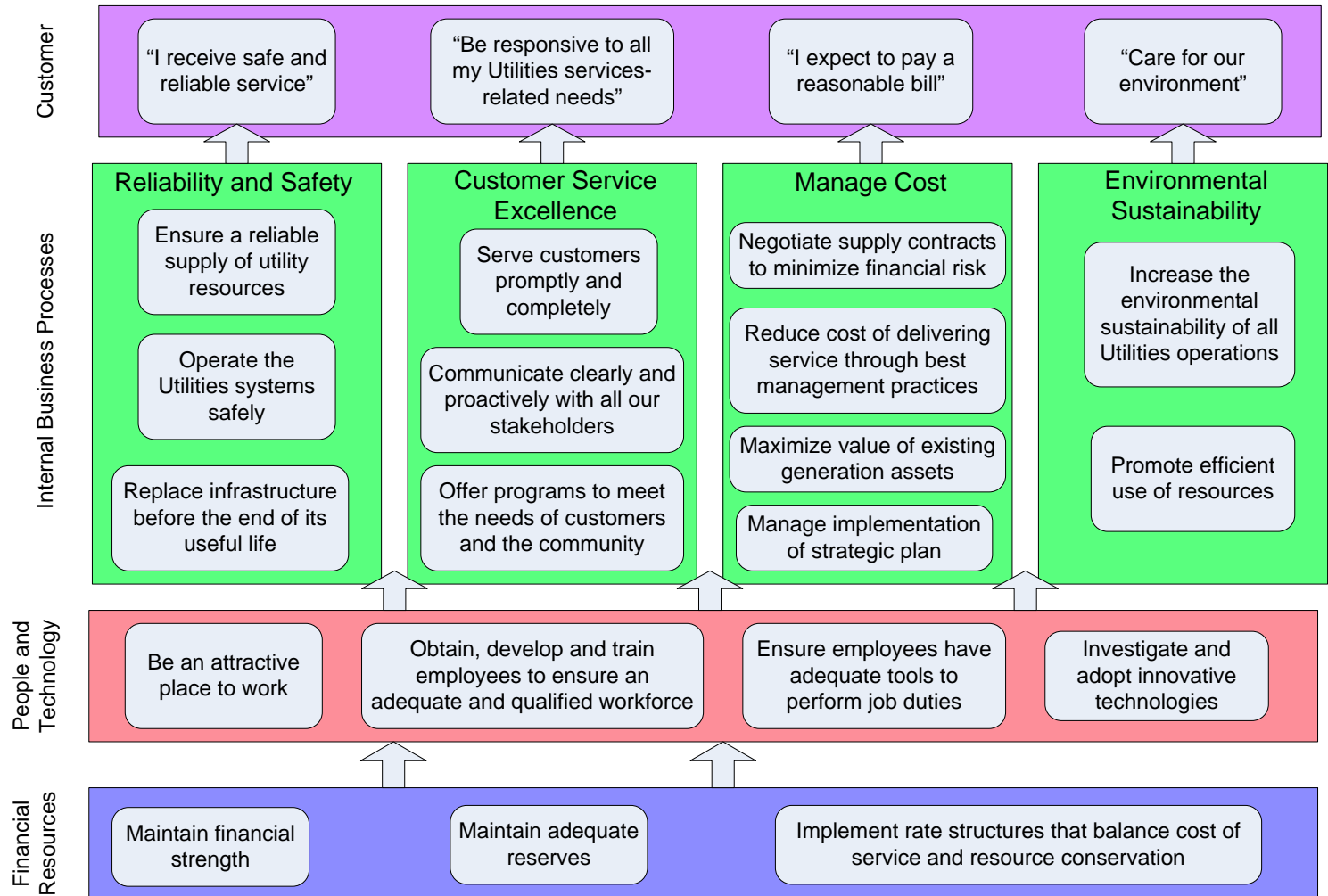
- Vision: Deliver extraordinary value to our customers.
- Mission: The City of Palo Alto Utilities provides safe, reliable, environmentally sustainable and cost-effective services.
- Objectives:
 - Safety and Reliability
 - Customer Service Excellence
 - Cost Management
 - Environmental Sustainability

2011 Utilities Strategic Plan Balanced Scorecard

- Four Key Perspectives:
 - Customer
 - Internal Business Process
 - People and Technology
 - Financial Resources
- Each Strategic Objective has a Performance Measure and Target
- Strategic Initiatives – key new action programs required to achieve the plan’s objectives
- Ongoing reporting and evaluation

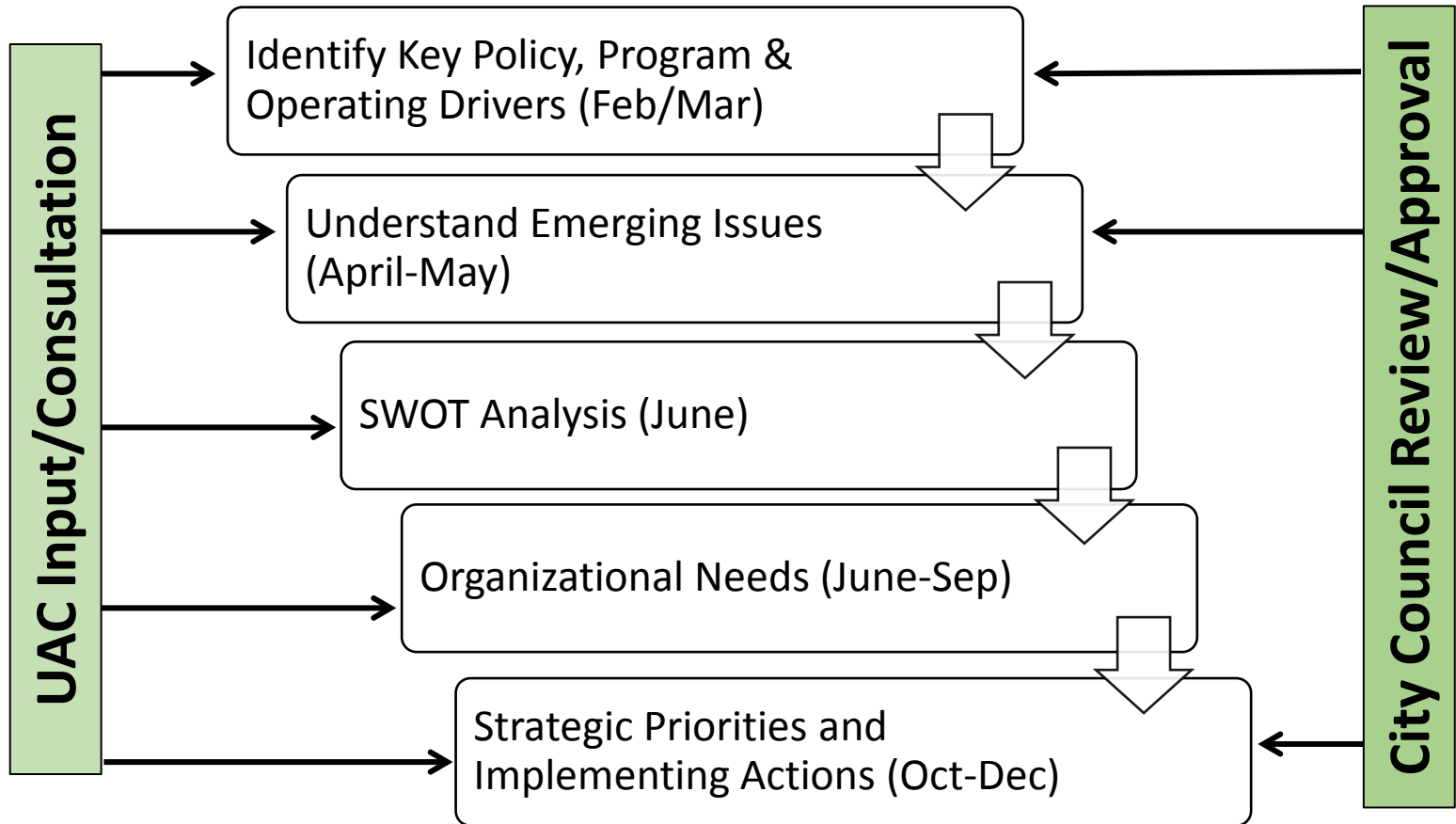
Vision: We Deliver Extraordinary Value to Our Customers

Strategic Destination: We will earn the high satisfaction of our customers with our cost-competitive provision of safe, reliable and environmentally sustainable utility services



Values: Honesty and Integrity Teamwork Accountability Quality of Service

2017 Utilities Strategic Planning Preliminary Approach



Staff engagement throughout via “Focus Team” and larger workshops

Sampling of Potential Questions to Explore through Strategic Planning

1. Do we have an effective governance structure for managing customer rates and operating costs?
2. How should growth in customer-side energy generation and storage assets affect investments in CPAU's distribution system? How could this affect reliability and resilience?
3. How should electrification affect investments in the gas utility? Should we plan for downscaling gas, and if so, how?
4. How should CPAU engage in behavior-informed (aka "behavior modification") energy conservation programs?
5. Should all new purple pipe be put on hold until completion of a recycled water master plan?
6. What are distinguishing characteristics of the workforce needed to meet stakeholder and customer expectations?
7. What are our benchmarks for managing safety, reliability and precision, and are they effective?

Utilities Strategic Plan

Utilities Advisory Commission
February 1, 2017