



DRAFT

UTILITIES ADVISORY COMMISSION MEETING MINUTES OF JANUARY 9, 2019 SPECIAL MEETING

CALL TO ORDER

Chair Danaher called the meeting of the Utilities Advisory Commission (UAC) to order at 7:00 p.m.

Present: Chair Danaher, Vice Chair Schwartz, Commissioners Forssell, Johnston, Segal, and Trumbull
Absent: Commissioner Ballantine

ORAL COMMUNICATIONS

None.

APPROVAL OF THE MINUTES

Commissioner Segal moved to approve the minutes from the December 5, 2018 meeting as presented. Commissioner Johnston seconded the motion. The motion carried 4-0 with Commissioners Forssell, Johnston, Segal, and Trumbull voting yes, Chair Danaher and Vice Chair Schwartz abstaining, and Commissioner Ballantine absent.

AGENDA REVIEW AND REVISIONS

None.

REPORTS FROM COMMISSIONER MEETINGS/EVENTS

Vice Chair Schwartz attended a meeting and webcasts of the Low-Income Community Solar Working and GridWise Alliance's annual GridConnex conference. The Low-Income Community Solar Working Group would be publishing a paper soon. She hoped to put information about this on the UAC agenda. She had talked to the ex-CEO of PepCo about undergrounding. He confirmed that pad-mounted transformers in newer underground areas are the standard. He said the standards documents for transformers in underground districts needed work. Commissioner Schwartz said the DOE should work on standards.

Chair Danaher attended the Consumer Electronics Show (CES) and learned about a device that allows an electric vehicle (EV) to power a home and act as backup power. It was only available in Japan at the moment but the intent was to bring it to the US.

GENERAL MANAGER OF UTILITIES REPORT

Dean Batchelor, Interim Utilities General Manager, delivered the General Manager's Report.

Natural Gas Prices Spiked in December, Normalized in January Natural gas prices spiked in the month of December, but have now decreased to what we would normally anticipate for this time of year. City of Palo Alto Utilities (CPAU) purchases natural gas for its customers from the market, and any monthly fluctuations in market pricing are passed along to our residents and businesses with natural gas service. Palo Alto is not unique; other utilities like PG&E that purchase natural gas from the market are also affected by rate changes. Staff proactively reached out to community members in December to inform people of the increased rates,

encouraging them to conserve gas where possible in order to avoid higher bills. However, customers may see higher than usual costs on their January utility bills for gas use in December. We have highlighted tips and links to other resources to improve energy efficiency, such as through a Home Efficiency Genie assessment, on our home webpage at cityofpaloalto.org/Utilities.

Upcoming PG&E Work in Palo Alto PG&E is planning to begin work later this month on one of their large gas transmission pipelines that runs through Palo Alto. This is to replace areas of pipe that are in need of maintenance to ensure safety and reliability. Over the next five to six months, there will be a number of sites throughout the City where PG&E will be trenching in streets to accommodate the work. The first major construction area will be on Loma Verde Avenue near the intersection of Kipling. Staff is working with PG&E to provide advance notification to all affected parties and ensure safe conditions for all who travel through the construction areas. Our Engineering and Operations teams will also be coordinating with PG&E throughout duration of the project to provide continuity of service and safety for customers. When additional project details are available, we will update our website at cityofpaloalto.org/UtilityProjects.

Palo Alto Turns 125 This year marks the 125th anniversary of the City of Palo Alto's founding. We will be celebrating this milestone throughout the year in our promotions and at special events. Stay tuned as we identify ways to highlight our many accomplishments over time and celebrate our great community.

Upcoming Events:

- On Saturday, April 13, the City is once again hosting the Great Race for Saving Water, a family-friendly fun run & walk at the Baylands, plus Earth Day Festival. Join us for a special time this year as the City is also celebrating its 125th anniversary. After the 5K, 10K or 1K kids fun run, enjoy a free festival with electric vehicle ride & drive, nature activities, live music, arts & crafts, raffle prizes, and community booths with activities and demonstrations, environmental and public safety resources. Visit cityofpaloalto.org/EarthDay to register and view the schedule of activities.

COMMISSIONER COMMENTS

Commissioner Trumbull hoped Mayor Filseth would continue to attend UAC meetings, even though the Mayor typically does not fill a Council liaison role. Mayor Filseth remarked that the Mayor could substitute for a designated Council liaison.

Vice Chair Schwartz said she had not been at the previous UAC meeting, but noted discussion of the resiliency workshop that night. The minutes had seemed to reflect a negative attitude toward having experts at meetings. She suggested that experts who have information that staff does not have should be invited to the upcoming resilience workshop, but the experts should be used effectively. Commissioner Trumbull remarked that experts should speak in terms that workshop participants can understand. Vice Chair Schwartz added that the experts at the first workshop were not given any guidance regarding their presentations. When inviting the experts to the August workshop, she posited to them that they would be answering questions. Chair Danaher noted there would be an opportunity to discuss the topic at a subsequent meeting.

UNFINISHED BUSINESS

None.

NEW BUSINESS

ITEM 1: DISCUSSION: Update on Activities to Facilitate Distributed Energy Resources Adoption and Next Steps.

Jonathan Abendschein, Assistant Director of Resource Management, reported staff has taken a number of actions discussed in the draft Distributed Energy Resources (DER) Plan. In preparing the staff report, staff realized many of the actions around DERs are actually encompassed in other plans and, rather than creating yet another plan, staff decided to present an overview of all the actions planned around DERs and the plans

in which those actions are memorialized. Not all actions are memorialized in plans that have been adopted. The UAC's feedback will be incorporated into the relevant plans.

Shiva Swaminathan, Senior Resource Planner, advised that in April 2018 the UAC discussed the Distribution System Assessment. The UAC approved the Advanced Metering Infrastructure (AMI) and Technology Plan in September 2018 and the Electric Integrated Resources Plan (EIRP) in October 2018. Also, in October 2018, the UAC reviewed the customer survey results. DER planning focuses on five areas: business strategic and operational planning; electric supply planning and operations; and distribution planning and operations including facilitating implementation of customer-owned microgrid projects. Staff is collaborating with VMware to explore a microgrid project. Abendschein added that VMware wants to implement a campus-wide microgrid project. The project is in the early conceptual stage, and staff will present the UAC with information when more details are known. Swaminathan continued with the fourth focus area of customer retail rate design. Staff is exploring many rates, two of which are an all-electric home retail rate and a discount for homes with EVs. Staff is also exploring ways that retail rates can facilitate DERs. The fifth focus area is customer program design. Staff has analyzed the customer survey results and is seeking input from commercial customers. Staff will return to the UAC in the spring with a customer program plan.

Vice Chair Schwartz remarked that a power strip is not considered a smart appliance. The terms carbon neutral, carbon free, and zero carbon are used incorrectly, which confuses people. Switching from a gas appliance to an electric appliance is not beneficial if gas-powered plants generate the electricity to operate those appliances. Terms need to be clear and used consistently. The City Council is making decisions based on misinformation.

Commissioner Forssell understood the Utility will explore customer retail rate design as part of the plan. The report mentions time-of-use rates, but it's unclear whether staff plans to explore time-of-use rates in the future. Abendschein explained that time-of-use rates are a part of long-term plans, but CPAU cannot fully implement them until the Smart Grid system is available. Commissioner Forssell remarked that if the goal is to lower carbon, cheaper nighttime rates appear to be directly at odds with the behavior CPAU is trying to encourage. In response to Commissioner Forssell's query regarding staff's thoughts about time-of-use rates, Abendschein indicated traditionally time-of-use rates have been a pure cost calculation. PG&E's time periods have been shifting because the peak period is shifting from the middle of the day to the evening. Time-of-use rates across the state are responding to those price shifts. If staff updates time-of-use rates or implements a targeted time-of-use rate program in the next few years, staff will update the time periods and ensure the time periods align with the prices of the wholesale market. In answer to Commissioner Forssell's question regarding including the cost of carbon that may or may not be reflected in the wholesale market at present in the calculation of time-of-use rates, Abendschein related that to some extent a carbon price signal is built into the prices because of cap-and-trade. That is not necessarily the carbon price that reflects the long-term impact of carbon on the environment. The one barrier is rates have to reflect the cost of service. If there is not a direct carbon cost to the Utility, staff has to consider carefully its ability to include a carbon price signal. Messaging about the most effective time of day to save carbon might be an effective alternative. Commissioner Forssell was pleased with CPAU policies that do not incentivize EVs for single-family homes but focus on multifamily homes and workplaces. She was not interested in providing extra incentives for a population that staff previously identified as well served by the current policies and discounts.

Vice Chair Schwartz commented that predictable rates are important for some people. People who care about carbon impact can choose a rate that meets their goals but is not necessarily the lowest rate. The UAC needs a more nuanced look at the use of price signals and the use of interval meters to allow people to choose a program appropriate for them.

In reply to Chair Danaher's question regarding whether staff summarized the topics listed in Exhibit A or whether staff will focus on the five areas over the next year, Swaminathan related that staff narrowed the broader scope of topics to five major work areas that interact with the public. Chair Danaher suggested including charging networks and the long-term strategy for them so that CPAU networks are future proof.

Providing discounts for all-electric homes or EVs will not necessarily change behavior. If the goal is to reduce the use of fossil fuels and increase the use of carbon-neutral resources, programs that facilitate the use of EVs will have more impact than giving discounts to people who already own EVs. Swaminathan explained that staff mentioned the discount because customers request a discount, because staff can utilize the program to learn the address of the EV, and the existing billing system can accommodate the discount. Staff struggled with the network aspect because smart chargers tend to be more expensive than dumb chargers. CPAU can provide incentives for installation of charging infrastructure in multifamily dwellings, but the property owner decides whether to install a smart or dumb charger. Chair Danaher also suggested staff study the type of incentives that would change behavior. Abendschein added that comments on EVs indicate a piece is missing from staff's overview. The Sustainability and Climate Action Plan (S/CAP) specifically focuses on EVs, and that information should be summarized in the overview. The primary focus of the work plan is to expand the public charging network and to reduce barriers to more installation of private chargers. Collecting UAC feedback on the priorities in the EV section of the S/CAP is going to be important going forward. Chair Danaher stated it would be nice if the statement of actions over the next few years is put in the context of the longer-term goal so that people understand the importance of them.

In answer to Commissioner Johnston's query regarding the purpose of a connection fee for residential customers who install electrical panels larger than 200 volts and who the customers might be, Swaminathan clarified that a 200-amp connection may not be sufficient for an all-electric home with one or two EVs. The standard fee covers panels up to 200 amps. If a property owner wants to install a panel with more than 200 amps, an engineering study has to be conducted, and the cost can vary between \$695 to \$15,000 depending on whether the incremental amperage requires CPAU to upgrade a transformer. That variation causes a lot of cost uncertainty for customers. An established connection fee could provide greater cost certainty. Commissioner Johnston reiterated that the connection fee could make it possible for more people to install an electrical panel with more than 200 amps at a specific cost. He was interested in learning more about the potential to integrate smart inverter capabilities into the City's distribution system and the advantages of that. Swaminathan reported the inverters currently have a power factor of one, which means the rest of the CPAU system tends to deteriorate. Staff is considering a requirement for inverters to inject some of the capacity power into the system as part of the permitting process. Commissioner Johnston understood that would mean changing the specifications required for installing solar systems.

Vice Chair Schwartz related that with a municipal utility everybody receives benefits, and everybody pays into the system. With DERs, entities other than the city make an investment and receive the benefits. It might be that somebody makes an investment, and other citizens enjoy the benefit or maybe it costs other citizens more. An exploration of who wins and who loses has been missing from the discussion. The way staff frames the problem and the discussion needs to include that. Who pays and who receives the benefits will vary. ATS has been working on managing inverters to support the wider community, which provides a community value. Abendschein indicated Vice Chair Schwartz is talking about a wide range of potential cost/benefit mismatches, and that is an important point. Vice Chair Schwartz added that cost/benefit mismatches come into play in the State context of cost of service. It may be a different way to look at demand charges so that they're proportional. Part of the rate design problem is demand charges. That has to be part of the context, so staff does not initiate cross-subsidies from lower income people to higher income people.

Commissioner Forssell stated storage systems offer enormous greenhouse gas (GHG) reduction potential, but at the current price points they are not feasible. The value of storage systems will be continually reevaluated until hopefully they are more feasible from a price standpoint. If cheap storage is available, heat pump water heaters will make a lot of sense. The right course of action for the time being is to continue to remove barriers and help people obtain heat pump water heaters, if they want them, but not to push them aggressively. Power strips and smart lights are not really DERs. They are energy efficient and a fine idea, and rebates are fine. A staff investigation of whether more nuanced messaging regarding customer awareness of CPAU's carbon-neutral electricity supply may be warranted. The City should consider whether the current carbon accounting system meets its goals or if it wants to redefine the meaning to be more of a real-time

balancing act, even if it means the City can no longer say its electric supply is 100 percent carbon neutral. Abendschein indicated the UAC will have those conversations within the next six months.

In answer to Commissioner Segal's question regarding the timing of VMware's smaller microgrid project and VMware's willingness to share information with other commercial customers, Swaminathan reported VMware hopes to complete the small project before the end of the year. VMware is motivated to share their story. Commissioner Segal commented that the UAC's Charter allows the UAC to take action if it believes something should be changed at a legislative level. The provisions of Proposition 26 prohibit CPAU from varying price incentives. Periodically, that comes up as a barrier to all kinds of innovative programs. With the State increasing its goals to decrease GHG emissions, maybe it is time to revisit the provisions of Proposition 26. AMI feedback may not be available until 2023 or 2024. It would be nice initiate creative programs in the interim without the benefit of AMI feedback to incentivize behavior.

Vice Chair Schwartz remarked that having solar resources visible in the community is more meaningful than solar resources hundreds of miles away. Depending upon where solar resources are placed, they can also increase resilience and utilize land that is considered unusable. The Marcus Garvey Village in Brooklyn is an example of a building where many DER technologies have been grouped together. The utility was willing to help fund this project because the utility avoided the cost of investing \$1.2 billion in another substation. The community may support a project in order to experiment with technologies because the project has a locational value. The Worcester Regional Transit Authority's is attempting attempts to use solar on a large building that will charge electric buses, which can have value for transit and other things. The purpose of the project is to generate some revenue to support programs for low-income consumers. Community solar becomes more logical when it provides some larger value. Setting up charging stations that allow people to charge during the day when excess solar power is available allows the utility to do some things that are locally based, which provides locational value and a value beyond simply having community solar. If staff can develop projects and programs that make sense and provide value, then people can buy a subscription and take over some of the cost of the projects and programs. This is an opportunity to be creative and to be leaders in the State of California about how to do projects effectively. Even though these projects are not the cheapest way to get solar, they have other values that are important.

ACTION: No action

ITEM 2: DISCUSSION: Staff Request for Feedback on Recommendations Regarding the City's Fiber-Optic, Wireless and Advanced Meter Infrastructure Planning.

David Weiss did not understand why the City does not have high-tech communications. Fiber optics is the future of communications. Chair Danaher indicated the City is working on plans for Fiber to the Node (FTTN), but more analysis is needed. Mr. Weiss' sentiment is shared by many people.

Jeff Hoel felt it was a mistake for staff to consider sunsetting the Citizens Advisory Committee (CAC) for Fiber to the Premises (FTTP) and Wireless. The CAC has a reasonable role in the process. Staff's memo emphasizes that the UAC has a role to play in the discussion. If the UAC is absent, the lack of oversight will be clear. The original Option 2 that the Council supported on August 21, 2017 included an option for designing an entire FTTP network. Changing the scope to eliminate that option would be a disaster. Apparently, Staff thinks none of the bids for the original Request for Proposals (RFP) were good enough and wants to rewrite the RFP. He expressed concern that the public may not learn why the bids are not satisfactory and may not see a rewritten RFP.

Herb Borock remarked that the UAC should exercise its appropriate role under the Municipal Code and make a recommendation to the Council as an action item. The present item has not been agendaized as an action item; therefore, the UAC should have an action item on the agenda for its February meeting. Staff has been holding the RFP responses since June 2018 and has recommended issuing a new RFP. Staff is not the awarding authority for a contract of this dollar amount; the City Council is the awarding authority. The City Council makes the decision whether to reject all bids or to award a bid. The City Council does so upon the UAC's

recommendation. When this is an action item, staff should present their proposal, and the UAC should make a recommendation to the Council. The project is being presented as FTTN with some future action, which is another reason the City Council should review the draft RFP. Staff is designing a project that will fail if everyone has to be connected for everything and is trying to have the standards and goals of a profit-making company. The City should consider fiber a service to residents and design the project on that basis and with that criteria.

Dean Batchelor, Chief Operating Officer, reported staff is considering reissuing the RFP to expedite the network planning and construction to better align with business cases and AMI implementation. Staff received only one qualified response to the RFP. That vendor may not be interested at the current time. CPAU, the City Attorney's Office, and the Purchasing Division have deliberated the recommendation to reissue the RFP. If the one qualified vendor decides to bid on the RFP, the vendor will not be able to issue a subsequent bid for new design work and construction management. From a legal standpoint, the vendor would have an advantage because they would be preparing the business plan and reviewing the proposed ordinances. The design included in the RFP was not detailed. Reissuing the RFP could cause a delay in the project, but it could also accelerate the engineering design and cost portion of the process. The UAC will provide a broader view than the CAC. AMI will get fiber to the node, and then fiber can be extended to collectors, which will be needed for AMI. Cellular or fiber can connect the collectors. In presenting the AMI concept to the Council in November, staff planned to use existing fiber, drop bigger bundles of fiber at the node, and then expand fiber to FTTP.

Chair Danaher reiterated that the reasons for reissuing the RFP are no qualified vendors submitted bids, expanding the scope for a detailed design will accelerate the timeframe, expanding the scope could cause more vendors to bid, and the expanded scope could include AMI. Chair Danaher requested staff explain why the scope does not include FTTP. Batchelor clarified that reissuing the RFP will allow staff to review nodes throughout neighborhoods and determine which nodes are the logical points to drop large amounts of fiber. Fiber could then move to more nodes within neighborhoods to serve residents. In response to Chair Danaher's query as to whether staff is asking for more detail on the FTTN but not necessarily enough to cover all neighborhoods and all houses, Batchelor replied that staff would ask for that detail. Perhaps 80-90 nodes could take care of the whole City. The proposed design would show the future of those 85-100 nodes throughout the City, and CPAU would not have to issue another RFP for another design. The idea is to get a full detail design for everything in the City, including the design to spur off to the collectors needed for AMI. Chair Danaher requested staff respond to Mr. Borock's question regarding connecting to the premises or doing a study on that. Batchelor advised that the new RFP would include funding plans, ordinances, and a business plan. Staff presented three options to the Council: seek funding for 100-percent build-out at a cost of \$50-\$75 million; build to the node; and phase it out and seek a third-party vendor. The UAC and Council decided to build to the node. If staff reissues the RFP with a full design, they will have a better understanding of the true costs. Chair Danaher reiterated that the RFP would essentially be for FTTN with some details for FTTP, such as options, cost, technology.

In reply to Commissioner Segal's request for additional clarification of the RFP and FTTP, Dave Yuan, Strategic Business Manager, indicated the near-term focus is FTTN, but part of the RFP will show the flexibility or scalability of the project for FTTP. Staff is still evaluating whether to include a detailed design for FTTP in the RFP.

Vice Chair Schwartz commented that a study of FTTN will provide a business case that is larger than FTTP only. The business case for the value of FTTN to AMI may provide greater value. Comparing the use of cellular or fiber to bring that last piece of data from the collector adds value to the project. Yuan added that the second RFP will provide a better cost estimate of the FTTP network.

Commissioner Segal stated in addition to including details about AMI, a second RFP will provide details for more nodes and information about the viability and economics of FTTP. In response to Commissioner Segal's inquiry regarding security tradeoffs between fiber and wireless to AMI and back to the collectors, Batchelor

advised that the City will own and operate the security portion if it is fiber to the collectors. To achieve FTTN, staff would drop large amounts of fiber at one node and then splice from that one node to reach the collectors. At that point, fiber can move further into the neighborhoods.

In reply to Chair Danaher's question about staff returning to the UAC with a redesigned RFP to seek the UAC's recommendation, Batchelor reported the next step would be obtaining Council's approval to reissue the RFP. Following Council approval, staff would return to the UAC with the second RFP. The Council approved a design to the node, and now staff wants to add the design phase and the AMI component. The Council may prefer to retain the existing RFP. Chair Danaher supported withdrawing the existing RFP and issuing a second RFP that would have more value.

Commissioner Johnston did not believe the UAC has a choice if no vendors are interested in the existing RFP and the RFP does not cover everything needed. In answer to Commissioner Johnston's query regarding staff's confidence that a second RFP will cover everything needed and attract more bidders, Batchelor related that staff has spoken to other cities in the same situation, and those cities have successfully received multiple bids to an RFP similar to the one staff is proposing.

In answer to Commissioner Forssell's inquiry of whether the bidder to the original RFP was supposed to prepare a business case or a high-level FTTN design, Yuan clarified that the vendor was supposed to prepare a business case and a conceptual design for FTTN. The second RFP will seek an engineering design. Commissioner Forssell supported an actual engineering design with the more detail the better, including fiber to the collectors. In reply to Commissioner Forssell's query regarding the reality of a private partner emerging that would help with the project, Yuan reported staff with an engineering design can set realistic expectations of what the City can provide in a public-private partnership. Staff should receive better responses from potential partners once the potential partners see the design of the network. In response to Commissioner Forssell's question about the vendors indicating their willingness to participate as a private partner or providing a business case and design and letting the City find a private partner, Batchelor reported that the existing RFP requested the vendor help staff review potential third parties who would build fiber from the node into the neighborhoods. The same language is in the new RFP. Yuan added that there have not been many successful public-private partnerships.

Batchelor reported the second recommendation is discussion of the UAC assuming the advisory role for AMI implementation and fiber and wireless planning and of sunsetting the CAC. Because the fiber piece is within the UAC's purview, staff feels the UAC should assume the advisory role and the CAC should be sunsetted.

In reply to Chair Danaher's queries regarding Jonathan Reichental, Chief Information Officer, running the CAC and staff receiving value from the CAC, Batchelor advised that Mr. Reichental was responsible for the CAC. The CAC provided valuable input regarding the FTTP Master Plan, the Wireless Network Plan, the potential co-build with Google Fiber, an FTTP public-private partnership, and the RFP for an FTTN business case. By adding the AMI component, FTTN becomes a Utility issue, and the UAC should fill the advisory role. Chair Danaher inquired whether the CAC is comprised of more individuals with technical credentials than the UAC. Yuan indicated the CAC has a mix of expertise.

In response to Commissioner Segal's request for the names of CAC members and their skills or experience, Yuan listed Bob Harrington, Jeff Hoel, Andrew Kau, Don Lee, Oliver Matthey, Christine Moe, Andy Poggio, and Loren Smith. He was not aware of the members' experience. Commissioner Segal next requested the frequency of CAC meetings and the number of times the CAC met in 2018. Yuan related that the CAC generally meets every other month. In 2018, a couple of meetings were canceled and a couple were rescheduled.

Commissioner Trumbull remarked that the UAC would need to weigh in no matter what. If the UAC is the only entity providing advice, it would need a lot more information than it has received.

Chair Danaher did not have any insight as to which option would be the most useful for staff and the Council. CPAU has been understaffed in so many activities that fiber has languished somewhat over the last three or four years. He was most interested in whatever structure would allow the UAC to help CPAU accelerate the pace of analysis and decision-making on fiber.

Commissioner Johnston wanted to ensure a second RFP would meet the needs of staff and the project. Staff needed to consider whether the CAC can provide useful input on the next iteration of the RFP. He did not know that any of the Commissioners would qualify as experts in the fiber area. Yuan reiterated that the CAC does offer valuable input, but involving the CAC could delay the RFP. Batchelor reported staff would utilize the components of the existing RFP but substitute a full design for the high-level design and add the construction management component. Staff will have to issue a separate RFP for construction. The City Attorney's Office advised against including all components in one RFP because knowing the design and construction costs provides the vendor with a distinct advantage. With a separate construction RFP, the selected vendor could hold a contractor to the tasks of the design the vendor created.

Chair Danaher suggested staff provide the UAC with a brief status report of the fiber project at each meeting, whether or not the CAC is retained. Yuan could encourage the CAC members to provide input during UAC meetings.

Commissioner Segal was confused by the recommendation to sunset the CAC if it has provided valuable input. Staff could set a schedule of meetings and proceed with them whether or not all members are present. She did not know if the CAC's value has been exhausted.

Commissioner Forssell suggested the UAC may not have the technical expertise that the CAC has. She expressed interest in hearing from the CAC. If the UAC is going to dive into FTTN and FTTP in the near term, perhaps the UAC should form a subcommittee and, if appropriate, the subcommittee could interact with the CAC.

Vice Chair Schwartz agreed that the CAC could form a fiber subcommittee. She questioned whether informing the CAC about AMI or informing the UAC about fiber would be more efficient. Batchelor explained that staff wants to move quickly with fiber and AMI. The Customer Information System (CIS) upgrade is scheduled to occur in the next three years, and building the fiber system will require another two years. The focus should be building to AMI, but the CAC has focused on FTTP.

Mayor Filseth suggested the CAC may or may not have fulfilled its mission. If the CAC has fulfilled its mission, then it should sunset. The crucial question is whether the CAC has fulfilled its mission or whether the CAC's mission is no longer needed. Yuan related that the initial mission of the CAC was to develop the FTTP Master Plan, which has been completed. Now, staff is focusing on FTTN, which is the basis for staff's recommendation for switching to the UAC. Mayor Filseth remarked that if the CAC's mission is critical to obtaining a correct answer and the CAC has not fulfilled its mission, sunsetting the CAC in order to move faster is not necessarily a good idea.

Vice Chair Schwartz suggested encouraging members of the CAC to apply for a seat on the UAC could be worthwhile.

ACTION: No action

ITEM 4. ACTION: Selection of Potential Topic(s) for Discussion at Future UAC Meeting.

Chair Danaher requested a presentation on the organizational structure of CPAU. Dean Batchelor, Chief Operating Officer, advised in February staff will present an item about the workforce, the organization's structure, the number of vacant positions, and the challenges of filling some of the vacant positions. Chair Danaher requested staff include an organizational chart with names.

Commissioner Johnston expressed interest in following up on the resiliency discussion.

Vice Chair Schwartz requested a discussion of subcommittees that could be useful to the UAC and a discussion of methods, that do not impact staff and that are transparent, through which Commissioners can share information and educate themselves on various topics. Perhaps the City Attorney's Office can attend the discussion to advise regarding the Brown Act.

Commissioner Segal requested an item regarding CPAU succession planning. Dave Yuan, Strategic Business Manager, reported staff is gathering information, but it may not be complete by the UAC's February meeting. Batchelor noted another 20 employees could retire from CPAU in the next few years. Staff may seek independent guidance to develop a short-term succession plan.

ACTION: No action

NEXT SCHEDULED MEETING: February 6, 2019

Meeting adjourned at 9:06 p.m.

Respectfully Submitted,
Rachel Chiu
City of Palo Alto Utilities