MEMORANDUM

TO: UTILITIES ADVISORY COMMISSION
FROM: UTILITIES DEPARTMENT
DATE: DECEMBER 4, 2019
SUBJECT: Utilities Strategic Plan Update - Continued from October 2019 UAC Meeting

Over the past year and a half, staff has been actively engaged in implementing the Utilities 2018 Strategic Plan (Staff Report #9022). The four high priority focus areas identified were related to workforce, internal and external stakeholder collaboration, technology, and management of finances and resources. These four priorities reflect the needs of the organization and customers and transformation of the utilities industry. Multiple strategies and tactical actions were developed to effectively meet each priority. Key performance indicators (KPIs) were also developed in the 2018 Utilities Strategic Plan. Utilities is not able to report on the KPIs at this time because the KPIs identified are dependent on new strategic initiatives in the future. They may require refinement, updates or removal as strategic initiatives are changed or completed.

Attached is a list of accomplishments and initiatives in progress for each priority.

Attachments:
  • Attachment A: Presentation Strategic Plan Update
Implementation

• Updating Strategic Plan internal and external websites
• Meeting regularly with leadership and priority teams
• Reporting quarterly and semi-annually
• Showcasing CPAU’s priorities and values with employees through posters and logo giveaways
• Referencing strategic priorities in Council reports
• Recognizing employees at All Hands meeting
Priority 1: Workforce

We must create a vibrant and competitive environment that attracts, retains, and invests in a skilled and engaged workforce.

Strategies and First Year Actions:
S1: Establish CPAU as an organization where employees are proud to work and recruit other strong performers.
   A1: Develop individual development plans (IDP)
   A2: Review and expand training/education and certificate programs
S2: Improve retention and recruitment efforts
   A1: Finalize bargaining agreements
   A2: Reduce hiring/processing time
S3: Pursue alternative work and workforce solutions
   A1: Promote work-life balance solutions
Priority: Workforce

Accomplishments:

- Rolled out the Individual Development Plan
- Developed new Employee Recognition Program
- Contributed to new SEIU and UMPAPA contracts
- Participated in 11 Career Job Fairs at local colleges, trade schools and high schools

Initiatives in Progress:

- Developing new Training Programs
- Conducting Employee Satisfaction Survey
- Adding HR staff for Utilities Recruitments

Key Performance Indicator Goals:

- Employee turnover rate < 10% by 2020 (3-yr average)
- 90% of all positions filled annually; 100% of critical positions filled within 90 days
- 100% of employees implementing individual development plans
Workforce Statistics

Vacancies by Division

<table>
<thead>
<tr>
<th>Division</th>
<th>Feb 2019</th>
<th>Sep 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>3</td>
<td>1</td>
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<tr>
<td>Customer Support</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Engineering</td>
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<td>4</td>
</tr>
<tr>
<td>Electric Operations</td>
<td>18</td>
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</tr>
<tr>
<td>WGW Operations</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Resource Management</td>
<td>2.5</td>
<td>2</td>
</tr>
</tbody>
</table>

Past 12 Months of Recruitments
- 19 New Hires
- 19 Promotions
- 2 Hourly Conversions
- 2 Re-hires

Retirement Eligibility by Division

<table>
<thead>
<tr>
<th>Division</th>
<th>Eligible</th>
<th>Not Eligible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
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<td>13</td>
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<tr>
<td>Customer Support</td>
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<td>58</td>
</tr>
<tr>
<td>Resource Management</td>
<td>5</td>
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</tr>
</tbody>
</table>
Priority: Collaboration

We must collaborate with internal teams and external stakeholders to achieve our shared objectives of enhanced communication, coordination, education and delivery of services.

Strategies and First Year Actions:
S1: Enhance community communication
   A3: Targeted engagement/communication for distributed energy resources
S2: Strengthen coordination and interaction within City
   A2: Improve City processing time to facilitate DER implementation
S3: Foster cooperative culture within the department
   A2: Communicate Strategic Plan and key initiatives to all employees
   A3: Coordinate AMI outreach plan
S4: Collaborate with outside agencies
Priority: Collaboration

Accomplishments:
• Hosted and co-sponsored community Electric Vehicle Ride and Drive events
• Received 2019 National Energy Innovator Award from American Public Power Association for the Home Efficiency Genie Program
• Conducted a residential Distributed Energy Resource (DER) interest and Key Account and Small/Medium Business satisfaction surveys
• Organized a community appreciation event for University Downtown
• Co-hosted ribbon-cutting with HP for largest solar project-to-date
• Partnered with other agencies to host the Bay Area Electrification Expo

Initiatives in Progress:
• Partnering with departments and community to develop Green Building Energy REACH codes
• Partnering with VMware to develop a community Microgrid proof-of-concept
• Expanding participation in interdepartmental construction projects

Key Performance Indicator Goals:
• 85% or higher “excellent/good” rating in annual customer satisfaction survey
• 50% or higher customer awareness for customers affected by CPAU’s key programs/initiatives
• 60% or higher employees agree they contributed/involved with decisions directly affecting their work
Priority: Technology

We must invest in and utilize technology to enhance the customer experience and maximize operational efficiency.

Strategies and First Year Actions:
S1: Complete technology roadmap
   A1: Engage customers and establish priorities
   A2: Begin implementation of technology roadmap
S2: Deploy advanced metering infrastructure (AMI)
   A1: Finalize business case
S3: Enhance customer engagement tools
   A1: Upgrade My Utilities Account (MUA 2.0)
S4: Improve system operational efficiency
   A1: Deploy mobile/field technologies
   A3: Supervisory Control and Data Acquisition (SCADA) system
S5: Empower employees with technology
   A1: Streamline priority business processes
Priority: Technology

Accomplishments:
• Developed a five year Technology Roadmap
• Completed the Business Case for Advanced Metering Infrastructure (AMI)
• Deployed Smart Mobile Workforce application for field staff
• Partnered with I.T. in RFP issuance and selection for ERP, CIS and GIS systems

Initiatives in Progress:
• Launching new customer engagement website (MyCPAU)
• Commencing Phase 2 of the AMI Project to identify system requirements
• Conducting a citywide meter field survey
• Upgrading ERP and GIS systems

Key Performance Indicator Goals:
• Increase My Utilities Account (MUA) users 10% utilization by 5% each year
• Paperless tools for field support staff: 50% by December 2018 / 90% by December 2019
• 100% of staff trained on applicable new or upgraded technology
Technology Roadmap

2019
New Utilities
Customer Portal

2020 - 2023
Advanced Metering Infrastructure
Enterprise Resource Planning System

2023 - 2025
Customer Information System
Geographical Information System
Outage Management System

CIS, GIS, OMS

AMI, ERP

MyCPAU
We must manage our finances optimally and use resources efficiently to meet our customers’ service priorities.

Strategies and First Year Actions:
S1: Review and update (as needed) Water/Gas/Wastewater infrastructure maintenance and replacement program
   A1: Review maintenance and replacement plans for water utility (priority)
S2: Stabilize CIP funding
S3: Review and update (as needed) Electric infrastructure maintenance and replacement program
   A1-A3: Review and update replacement plans for electric assets, establish reporting, establish staffing, tracking, and other resources needed for capital plan
   A4: Develop and monitor proactive maintenance programs and identify any data gaps.
S4: Achieve sustainable and resilient energy and water supplies
   A1: Assist with achieving the City’s carbon reduction and water management goals
   A2: Establish and implement a Distributed Energy Resources plan
   A3: Evaluate recycled water, groundwater, and other non-potable water sources
S5: Build community resiliency
   A1: Assess community’s resiliency needs and develop resiliency work plan
Priority: Finances and Resources

Accomplishments:
• Developed a Distributed Energy Resources work plan
• Reviewed and Updated the Water, Gas and Wastewater Collection CIP replacement schedule
• Hosted Community Resilience Workshops
• Established Capital Reserves for individual utility funds

Initiatives in Progress:
• Developing an inventory for poles, transformers and underground cables
• Improving internal management reporting for infrastructure maintenance and replacement
• Evaluating recycled water reuse opportunities
• Implementing the Sustainability and Climate Action Plan
• Conducting a new water benchmark study
• Establishing management practices for capital reserves to reduce year to year rate variability

Key Performance Indicator Goals:
• 90% of critical assets in asset management system by 2022
• 80% of critical component replacement; 90% maintenance annually (KPI under review)
• Median or below residential/commercial bills vs. surrounding communities
Mission: To provide safe, reliable, environmentally sustainable and cost effective services

Strategic Direction:
At CPAU, our people empower tomorrow’s ambitions while caring for today’s needs!
We make this possible with our outstanding professional workforce, leading through collaboration and optimizing resources to ensure a sustainable and resilient Palo Alto.

1. Workforce
   S1.1. Establish CPAU as an employee-oriented organization.
   S1.2. Attract and retain skilled employees.
   S1.3. Evaluate and develop alternative workforce solutions.

2. Collaboration
   S2.1. Enhance communication with the community.
   S2.2. Foster a culture of cooperative work.
   S2.3. Strengthen coordination and integration across City departments.
   S2.4. Increase partner collaboration.

3. Technology
   S3.1. Execute technology roadmap.
   S3.2. Deploy Advanced Metering Infrastructure.
   S3.3. Invest in customer technology infrastructure.
   S3.4. Implement utility operations technologies.
   S3.5. Empower employees with current technologies.

4. Financial & Resource Optimization
   S4.1. Promote a replacement before failure policy.
   S4.2. Balance customer rates and service with infrastructure improvements and maintenance.
   S4.3. Enhance utility-wide planned maintenance.
   S4.4. Create a sustainable and resilient energy and water supply.
   S4.5. Support community’s resiliency goals.