



UTILITIES ADVISORY COMMISSION MEETING MINUTES OF JUNE 2, 2021 SPECIAL MEETING

CALL TO ORDER

Vice Chair Segal called the meeting of the Utilities Advisory Commission (UAC) to order at 5:04 p.m.

Present: Vice Chair Segal, Commissioners Bowie, Johnston, Metz, Scharff and Smith
Absent: Chair Forssell

AGENDA REVIEW AND REVISIONS

None.

ORAL COMMUNICATIONS

John Kelley reiterated that he provided public comment to the UAC a few months ago regarding how the City of Palo Alto discriminates against folks who are building accessory dwelling units (ADU), junior accessory dwelling units (JADU), and folks living in associated primary dwellings. He summarized that there are certain problems with existing service restrictions, problems with capacity upgrades, insulation requirements, permitting procedures, and how all the above-listed problems relate to other utility services.

David Coale mentioned that he had sent an email to the UAC which included a PA Weekly article about permitting and public comment regarding the article. He mentioned that photovoltaic (PV) systems with storage are required to have monitoring on the whole house currently, but there are clips placed on the main lines saying no access. He stated this problem needs to be addressed for all utilities. The other issue he raised was there is an alternating current (AC) disconnect requirement that requires an extra 100-foot of wire. Though the Utility Department requirements the extra wire, the Planning and Community Development Department will deny the application with the extra wire.

[The UAC moved to Agenda Item One]

APPROVAL OF THE MINUTES

May 12, 2021 Draft Minutes will be set for Review on July 07, 2021

UNFINISHED BUSINESS

None.

UTILITIES DIRECTOR REPORT

Dean Batchelor, Utilities Director, delivered the Director's Report.

Scam Alert: The City has received recent reports of scam callers pretending to be from Palo Alto Utilities. If you suspect you are being contacted by scammers, please hang up and call the Palo Alto Police Department non-emergency 24-hour dispatch center at (650) 329-2413. Remember, you can always check your account

info online at cityofpaloalto.org/mycpau or call Utilities Customer Service at (650) 329-2161 to verify payment and account status.

Call Before You Dig: Summer is here and many people will be working on landscape or home improvement projects. Remember to always call Underground Service Alert (USA) at 811 at least 48 hours prior to digging in an area. Underground utility pipelines can be located anywhere, sometimes just inches below the surface. Hitting a pipeline while digging, planting or excavating can cause serious injury, property damage and loss of utility service. USA 811 is a free service. If a utility service is disturbed or damaged, call Utilities 24/7 Dispatch at (650) 329-2579, or 911 if there is an immediate threat to life or safety. The City will dispatch crews to fix the damaged services and make the area safe.

Public Safety Power Shutoff: Wildfires have intensified in California, and power utilities are taking action to reduce fire risks related to utility infrastructure. During extreme weather a utility may shut off power to electric lines in high threat areas to prevent wildfire. This is called a public safety power shutoff, or PSPS. The City has identified the Palo Alto Foothills as a geographic area at an elevated risk for weather-related wildfire during Red Flag Warning conditions. CPAU is reaching out to customers in the Foothills to ensure contact information is up to date in the event we need to notify them of a potential or imminent PSPS. Additional outreach will be going out to the broader community for their awareness about PSPS and what to expect from CPAU's local operations.

Business Advantage Program: Earlier this year, CPAU launched a new Business Advantage Program to help small and medium business customers save energy, money, and improve indoor air quality. The program provides business customers with a free Energy Management System, cloud-based energy management portal, and free MERV-13 air filters to improve indoor air quality. As of mid May, close to 30 customers have signed contracts to move forward with participation.

Water Supply Update: Last month we provided an update on California's drought situation and water supply conditions from our water supplier, the San Francisco Public Utilities Commission (SFPUC). There are no major changes since our last report, but we want to keep the UAC apprised of ongoing activities. The SFPUC is still asking its wholesale customers to try to keep summer water use to 2019 levels. The water supplier for the rest of Santa Clara County, Valley Water, is asking for a 25% reduction in water use compared to 2013 levels. Both of these calls for conservation are voluntary at this point. Palo Alto is coordinating messaging with the Bay Area Water Supply and Conservation Agency (BAWSCA) and Valley Water about Making Water Conservation a California Way of Life. Our agencies are promoting the many free services, education, rebates, and other programs for water use efficiency. A primary area of focus is outdoor irrigation and landscaping. Rebates are available for landscape and irrigation conversion projects, laundry to landscape graywater, rainwater catchment, and permeable paving. Visit cityofpaloalto.org/utilityprograms and watersavings.org for details on these programs.

Landscape Workshops: CPAU recently hosted three free virtual landscape workshops in collaboration with BAWSCA and the City's Public Works Department. Landscape professionals presented tips and practical applications for landscape design, landscape conversion and pervious pavement. Staff from CPAU and Public Works shared information with attendees about available water conservation and stormwater rebates. At all three webinars combined, there were more than 230 people in attendance.

In answer to Vice Chair Segal's question regarding the scams, Batchelor confirmed that customers are receiving phone calls and in one instance, the scammer used an electrician's phone number. He stated that Utility Department staff will always identify themselves when calling customers and provide City information such as phone numbers and emails.

NEW BUSINESS

ITEM 1: ACTION: Selection of Officers

ACTION: Commissioner Metz moved to approve Chair Forssell as Chair. Commissioner Johnston seconded the motion. The motion carried 6-0-1 with Vice Chair Segal, Commissioners Bowie, Johnston, Metz, Scharff and Smith voting yes, and Chair Forssell absent.

ACTION: Commissioner Smith moved to approve Vice Chair Segal as Vice Chair. Commissioner Johnston seconded the motion. The motion carried 6-0-1 with Vice Chair Segal, Commissioners Bowie, Johnston, Metz, Scharff and Smith voting yes, and Chair Forssell absent.

ITEM 2: DISCUSSION: Discussion and Update of the Wildfire Mitigation Plan

Dean Batchelor, Utilities Director, introduced Senior Electrical Engineer Jim Pachikara and Acting Assistant Director Debra Lloyd who presented the item to the Utilities Advisory Commission (UAC).

Jim Pachikara, Senior Electrical Engineer, mentioned that in the year 2018, California passed Senate Bill 901 that required electric utilities to prepare a Wildfire Mitigation Plan and that the plan be updated annually. The plan was required to be presented in a publicly noticed meeting and submitted to the California Wildfire Advisory Board by July 1st of each year. The plan was prepared and approved in January of 2020. Staff reviewed the plan and determined if there was a need for changes. One key suggested change was the rebuild of the overhead lines in the Foothills area. Staff solicited a Request for Proposal (RFP) for a contractor to rebuild, relocate and replace the overhead electric lines. However, after receiving several proposals, staff recommended that the project be designed in-house and contract as needed for construction. Two overhead lines were currently being converted to underground and plans continue to move forward on undergrounding the remaining electrical lines.

In answer to Commissioner Johnston's inquiry regarding the inconsistency in the staff report regarding the project, Pachikara confirmed that the City is proceeding with underground the lines as much as possible, but there may be challenging areas in the Foothills.

In response to Commissioner Smith's query regarding if the City is proactively pumping water into the Foothills reservoirs, Pachikara answered that if power is shut down to the Foothills, notification will be sent out before the shutdown that pumping of water to the stations is needed. Batchelor added that the City currently does pump water to the reservoirs.

In reply to Commissioner Metz's queries regarding undergrounding cost feasibility, is it cost-effective for the City to design the project and benchmarking, Pachikara agreed that using the inhouse design method may not be the most cost-effective approach, but it was the better choice. Undergrounding the electrical lines will provide the most benefit to the City in terms of reducing wildfire risks and reliability. Debra Lloyd, Acting Assistant Director, explained that the Foothills is designated as a high fire risk area. When the RFP proposals were submitted, the costs were very high and included only overhead reconstruction. The project completion date has been pushed out to the year 2025 and the project will be taken in steps instead of all at once.

Vice Chair Segal summarized that doing the project in-house is the same cost but will provide a better system. In answer to her question regarding saving money on construction costs, Pachikara agreed that the City will save money on construction costs by designing the project in-house.

In reply to Commissioner Bowie's inquiry regarding lifespans of underground equipment and poles, Pachikara answered that the life span of a pole ranged from 40- to 75-years depending on the environment it is in. For underground, the life span was up to 40-years. In answer to Commissioner Bowie's query

regarding the emergency generators for pumping water in the Foothills, Batchelor confirmed the generators are mobile generators and diesel-powered.

ACTION: None.

ITEM 3: DISCUSSION: Discussion and Update on the Utilities MyCPAU Customer Portal

Kevin Enderby, Principal Business Analyst, stated the objectives for the MyCPAU Customer Portal were to increase customer engagement; increase customer satisfaction, productivity, and convenience; reduce incoming phone calls by offering new services and information online; improve security features and encouraging energy efficiency and conservation by adding new online tools. Through a survey that was provided to, and filled out by customers, staff learned what improvements customers were looking for and implemented them in the new MyCPAU Customer Portal. The customer dashboard provided real-time account balance, bill due date, usage and notifications. It also provided other accesses to bill pay, the outage page, and other key features. The portal was piloted in December 2019 and fully launched in April 2020. The portal has 73 percent of all utility accounts enrolled, approximately 51 percent of all bill payments are done online through the portal, over 22,000 bill notifications have been sent out, approximately 6,200 accounts are signed up for paperless billing, and the portal facilitated 102 self move-outs per month. Over the next 12-months, staff plans to implement water analytics and comparison reports to the portal as well as include a solar and electric vehicle (EV) calculator and maximum monthly credit card payments. In the long-term, staff plans to include advanced meter infrastructure (AMI) hourly interval data and water leak notifications, notifications via text messaging, outage notification, and electronic bill presentment in financial institutions. Staff continued to monitor and explore ways to mitigate the monthly credit card fee that the City is charged annually for customers to use the online credit card payment option. Mitigation options included lowering the maximum payment amount from \$99,000 to \$3,000 for Option One. This option would decrease the credit card expenses to the City by 42.9 percent. Option Two was to lower the maximum payment amount to \$1,000 which would result in a decrease of 52 percent to the City's credit card expenses. Option Three was to lower the maximum payment to \$3,000 but to have a \$1 Flat Fee which would result in a 55.4 percent decrease in credit card expenses. Option Four was to have a maximum payment of \$3,000 but a 1 percent Fee which would result in a 78.6 percent decrease in the City's credit card expenses. One negative to Option Two is it could affect residential customers with monthly invoices over \$1,000 while Options Three and Four would impact all residential customers. Staff recommended using Option One and monitor the results before implementing the other options.

In answer to Commissioner Smith's questions does American Express have the most expensive rate and should the City move to a Visa and Master Card only policy, Enderby agreed that American Express is high. Visa also had high rates for commercial cards and the City could not pick and choose which Visa and Master Cards are accepted. Commissioner Smith loved the convenience of the portal. He shared that is it not fair to charge a convenience fee unless it is just as easy for consumers to pay their bill otherwise. In answer to his inquiries regarding personal check payments and incentives for doing the Automated Clearing House (ACH) program, Enderby confirmed that staff has not compared the impacts of processing a personal check payment versus the online portal. Enderby confirmed that staff can construct incentives for ACH and that can be done in conjunction with the other proposed mitigation options. Dave Yuan, Strategic Business Manager, offered that staff did reach out to key accounts and had encouraged them to pay with ACH, but that effort was not successful. Commissioner Smith expressed that due to the budget shortfalls, the City cannot pay for large credit card expenses if there are ways to lower them. He stated that it is fair to charge a fee to a point and that it made sense that there should be a reasonable max. In terms of Option Four, he preferred there being incentives for residential customers to go back to or use ACH.

Commissioner Johnston supported staff's work in pursuing ways to reduce credit card expenses. He suggested that the usage graph in the portal show last year's usage compared to current usage to raise awareness of usage.

Commissioner Metz encouraged staff to promote to customers to use bill pay because that would reduce the credit card fees. Also, he suggested there be a limit for payments made by credit card. He suggested offering terms or payment deferrals for very large bills.

Vice Chair Segal commented there are two elements to using a credit card. One was the deferral of the payment and the other was convenience. In answer to her inquiry about how customers were paying before using a credit card, Enderby answered prior to credit card payments the methods were ACH, mailed in checks, walk-ins, and bill pay. Vice Chair Segal stated that with so many more payment options, there should be a less expensive way to provide convenience to customers. She agreed that providing deferrals is a nice concept, but the Utilities Department should not let customers extend their accounts payable term. In answer to her query about how business customers were paying before credit cards, Enderby noted many did a wire transfer, used ACH, and also a corporate check. Vice Chair Segal expressed that she loves the portal, but one downfall was that the portal does not have the inserts that are included in paper bills. She supported the idea of having a banner across the customer dashboard that provided important information. Enderby noted that the inserts are included in the monthly bill notification as well as on the webpage under Billing. Vice Chair Segal commented that the rebate section is under the efficiency section and that was not a logical place for it to be housed. She recommended having a separate tab for rebates on the customer dashboard. In answer to her query regarding ways to show photovoltaic (PV) customers what their gross usage is, Jonathan Abendschein, Assistant Director of Utilities, explained that PV customers do not have a separate meter for their solar generation. The customers rely on their provider to provide reports related to their solar production. Vice Chair Segal recommended the customer portal include a graph of average household usage or usage by the size of a home. Abendschein confirmed that staff will be launching paper Home Water Reports and integrating those into the portal. He mentioned that Home Energy Reports are more complicated and staff will provide an update to the UAC when staff has more information. Vice Chair Segal suggested having the meter reading schedule be incorporated into MyCPAU.

Enderby summarized and raised the question if there is consensus among the UAC that staff will explore Option One as a mitigation measure for credit card expenses as well as explore incentives for customers to use ACH. Vice Chair Segal was not certain if there was consensus regarding Option One (max. \$3000) or Option Two (max. \$1,000) and also questioned if ACH is the payment method to encourage customers to use as an alternative to credit card. Vice Chair Segal recommended staff to explore other payment options or solutions.

Commissioner Bowie understood that there was additional outreach that happened to encourage large bill customers to move back to ACH. He suggested that information be folded into the discussion to figure out ways to reach each customer group. In answer to his question regarding assumptions for cost deferral, Yuan explained that the comments received from the commercial customers was that they were receiving benefits from their credit card and that was why they preferred to use that form of payment.

Commissioner Scharff advised the City not to use credit cards to encourage customers to use ACH. He recommended the City include Zelle, Venmo, and other payment methods as well.

ACTION: None

ITEM 4: DISCUSSION: Discussion and Overview of the 2021 City Survey

Dave Yuan, Strategic Business Manager, announced that the survey was sent out to 3,600 households and 768 of the surveys were completed. One question was what can the City do to make residents happier and the vast majority of the answers were related to housing as well as fiber to the home and broadband. In terms of alternative modes of transportation, 34 percent of residents have used public transportation in the past 12-months and there was a 9 percent increase of residents looking to purchase an electric vehicle (EV) compared to 2018. In terms of the utility ratings, customers gave positive marks for the reliability of all utility services, the customer portal, value received from City-owned utility services, ease of contacting the

Utility Department, speed of response, communications, and opportunities for energy and water conservation programs. In terms of benchmarks compared to other Cities, high ratings were received for drinking water, sewer service, utility payment options. The Gas and Electric Utility received lower ratings compared to the 2018 survey. The survey does not provide a lot of insight on why the ratings were lower. Based on open ended comments, there was mention of less outages, need to underground lines, new electric only rate and lower rates for gas and electric. For gas, there was a comment to provide incentives to get off natural gas. Staff uses the survey as key performance measures during the budget process as well as long-term planning, capital improvement planning, and the financial forecast.

Commissioner Smith was thrilled that the Council extend the contract with Magellan. Yuan noted that contract amendments were going to Council on June 21, 2021, for approval to begin the next two phases for fiber.

In answer to Chair Forssell's written comment if the City has any sense of whether the survey respondents own an EV already, Yuan answered that was not teased out in the survey but that question could be added to future surveys. Vice Chair Segal expressed that information would be helpful to know as well as if the owners already have a home charger.

Commissioner Bowie suggested having more detailed questions regarding which subsections of housing have EV chargers or not.

Vice Chair Segal suggested a question if respondents are interested in electrification. Yuan advised having the City provide further outreach and education to the public before asking that question.

ACTION: None

COMMISSIONER COMMENTS and REPORTS from MEETINGS/EVENTS

Commissioner Smith thanked City Staff for gathering all the information and providing a thorough report to the Council regarding the fiber to the home and broadband initiative.

FUTURE TOPICS FOR UPCOMING MEETINGS: July 7, 2021

Commissioner Johnston wanted an update regarding the walkout of the electrical system. Dean Batchelor, Utilities Director reported that it was included in the budget. Once approved by City Council, staff will send out a Request for Proposal (RFP).

Commissioner Smith requested a discussion regarding permitting for solar, electric vehicle chargers, and electrical upgrades. He was concerned that the topics were in the purview of the Building Department and that the UAC may not be able to weigh in. Batchelor clarified that there will be a quarterly presentation by the Planning and Community Development Director and himself. The next presentation will take place in August of 2021 and then in December of 2021. Commissioner Smith requested a discussion regarding contractor work hours who work for Public Works. Batchelor indicated there can be a discussion, but he cautioned that the UAC may not be able to change working hours.

Batchelor mentioned that Council directed the City's Boards, Commissions, and Committees to draft a work plan. A discussion regarding a UAC's work plan will be agendaized for a future meeting.

Commissioner Metz recommended a discussion on resiliency of the energy supply, emergency response at the neighborhood level, and local renewable energy and energy efficiency.

Vice Chair Segal thanked the staff for the quarterly report update. Batchelor disclosed that staff will be changing the quarterly report slightly.

NEXT SCHEDULED MEETING: July 7, 2021

Commissioner Johnston moved to adjourn. Commissioner Smith seconded the motion. The motion carried 6-0 with Vice Chair Segal, and Commissioners Bowie, Johnston, Metz, Scharff and Smith voting yes and Chair Forssell absent. Meeting adjourned at 6:58 p.m.

Respectfully Submitted
Tabatha Boatwright
City of Palo Alto Utilities
,