



DRAFT

UTILITIES ADVISORY COMMISSION MEETING MINUTES OF OCTOBER 6, 2021 SPECIAL MEETING

CALL TO ORDER

Chair Forssell called the meeting of the Utilities Advisory Commission (UAC) to order at 5:01 p.m.

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

CLOSED SESSION

ITEM 1: Consultation With the City's IT Operations Manager Regarding Current Cyberthreat Environment and Utility Cybersecurity Programs. Authority: Government Code Section 54957(a).

Chair Forssell announced that the Commission will go into a closed session and return at approximately 6:10 p.m.

Chair Forssell reported that there were no reportable actions taken during the closed session.

AGENDA REVISIONS AND REVISIONS

None.

ORAL COMMUNICATIONS

David Coale spoke briefly to his letter he sent to the Utilities Advisory Commission (UAC) recently. He hoped that the UAC learned new information from his letter regarding solar installation and the permitting process. He hoped that the next update regarding the permitting process will be more fact-based and straightforward. He wanted to understand how the permitting process will handle the additional electrification projects needed as the City embarks on its decarbonization efforts to reach its Sustainability Climate Action Plan (S/CAP) goals.

John Kelley referenced a letter he sent to the UAC on September 1, 2021, that explained how the UAC should be addressing housing and global warming concerns. He recommended that the City explore more compact and infill housing. He agreed with the previous speaker that there is a huge problem with the current permitting process. He concluded by reciting key principles outlined in his letter regarding how the UAC can address housing and global warming.

Chuck Comey referenced a letter he sent to the UAC regarding a powerline upgrade that he is being required to upgrade pursuant to the City's requirement for his home remodeling project in the Greenacres neighborhood. He summarized that the City is requiring that he fund the excavation of a trench across the public street to lay new conduit lines. His home does not have a power box in his front yard due to a decision that was made by the City many years ago. He requested support from the UAC as well as Council Member Filseth and the Director of Utilities.

Chair Forssell mentioned that she did not receive Mr. Comey's letter. Mr. Comey confirmed he will resend it.

APPROVAL OF THE MINUTES

Chair Forssell mentioned that the vote for approving the minutes of July 07, 2021, should be 4-0 with Vice Chair Segal abstaining and "Vice Mayor" should be "Vice Chair".

Chair Forssell moved to approve the draft minutes of the September 1, 2021, special meeting as amended. Commissioner Scharff seconded the motion. The motion carried 7-0 with Chair Forssell, Vice Chair Segal, and Commissioners Bowie, Johnston, Metz, Scharff, and Smith voting yes.

UNFINISHED BUSINESS

None.

UTILITIES DIRECTOR REPORT

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

Public Power Week - This week we join public utilities across the nation to celebrate Public Power Week, which is hosted annually during the first full week in October. As your award-winning public power provider, we focus on serving Palo Altans with cost-effective, smart energy programs, local policy involvement, environmentally sustainable initiatives, and a more personalized customer experience. We will be raising awareness of the many benefits of public utilities this week across our communication and outreach platforms. Visit us on the Utilities website or follow us on social media to see our messages and help us spread the good word!

Energy Efficiency Day - Using energy more efficiently is one of the fastest, most cost-effective ways to save money, reduce greenhouse gas emissions, create jobs, and meet growing energy demand. While every day is Energy Efficiency Day for CPAU, we are sending out a special invitation for community members to pledge to save energy on the official Energy Efficiency Day, October 6 (today), and take simple actions listed at cityofpaloalto.org/efficiencytips. Not sure where to start? Contact the Home Efficiency Genie for a home consultation! Details at cityofpaloalto.org/efficiencygenie

National Drive Electric Week - Last week we commemorated National Drive Electric Week by promoting the many EV discounts and rebates available to Palo Altans and hosted an EV Charging 101 Webinar in partnership with Acterra. The presenter from Willow Glen Electric has installed over 5,000 EV charging stations in the Bay Area, including load-shifting SMART panels, which can help adjust time of day or night home electricity usage to more beneficial hours. The class was well attended by about 70 people, most of whom are Palo Alto residents, eager to learn more about EVs and installing EV chargers.

SunShares - For the sixth year in a row, the City of Palo Alto is an outreach partner for Bay Area SunShares, a solar and battery storage discount program administered by the Building Council for Climate Change (BC3). Residents can register by November 30 and sign installation contracts by December 31. CPAU is hosting a free educational workshop on Tuesday, October 26 from 6:30 to 7:30 pm. Find workshop details and links to program registration at cityofpaloalto.org/workshops

Refrigerator Recycling - Temporarily suspended while we worked out contract details, the refrigerator recycling rebate program is now available once again. Palo Alto residents who have an old refrigerator or freezer that is no longer used or needed can contact us to take it off your hands. We will even compensate you with a \$50 rebate! This is just one more way CPAU is trying to help our community save energy, reduce greenhouse gas emissions, and achieve our sustainability goals.

Gas Safety – CPAU is currently mailing out copies of gas safety awareness brochures to all postal patrons within the zip codes of Palo Alto, as well as non-customers living near a gas pipeline, public officials,

emergency responders, excavators, contractors, locators, and plumbers. This is part of our regulatory compliance for Public Awareness Plan communications per the Federal Department of Transportation. Within the next month or so, we will engage with a contractor to conduct phone and email surveys of customers to fulfill these regulatory obligations. If interested in additional details about gas safety or this outreach, please visit cityofpaloalto.org/safeutility

Other Upcoming Events:

Sustainability and Climate Action Plan Meeting - Thursday, October 14, 9 - 11:30 AM

Lawn Conversion, Native Trees and Plants - Wednesday, November 17, 6 - 7:30 PM

In answer to Commissioner Johnston's inquiry regarding if there has been any public reaction to the new power content label, Batchelor answered no.

NEW BUSINESS

ITEM 2: DISCUSSION: Discussion of the Fiber Backbone and Palo Alto Fiber Broadband Expansion

Dean Batchelor, Utilities Director, introduced John Honker with Magellan who has been working on the project with the City.

John Honker, Magellan, announced that the presentation is an update on the work that has been happened since the last update that was received in April 2021. He shared that current activities underway are Phase 3b components, components from Phase 2, and components from Phase 4. One of the key principles for the Fiber To The Home (FTTH) campaign is to develop community engagement and bring the community along the process. In order to reach a broad spectrum of the public, the community engagement plan included a website about fiber, frequently asked questions and content, an engagement portal, surveys, and branding. The next step in the community engagement process is to launch the residential and business surveys in November/December 2021. Those survey results will be presented to the UAC in January 2022.

Meghan Horrigan-Taylor, Chief Communications Officer, mentioned that the online platform is being piloted with the fiber initiative and will later be used for community engagement for the S/CAP. The goal of the engagement platform is to inform the community about different major initiatives and help encourage engagement around the initiatives. Also, as part of the process, Staff will be launching a robust communication plan.

Darren Numoto, IT Director, shared that the platform has been under construction for the past several years. The only cost associated with the platform is the development of the content and back-end features.

Jay Sivarajah, GIS Program Manager, shared that as part of the City's GIS modernization efforts, the platform was developed to transition the GIS system into the modern era.

Amanda De Jesus, Senior Communications and Community Engagement Strategist, walked through the components of the platform hub. The hub explains what fiber is, the benefits of fiber, how to get involved, resources that may be useful to the community, and how to contact the City for more information. Sivarajah noted that the platform contains a map where residents can input where they live in order to understand what their neighbors are doing and saying about Palo Alto fiber. De Jesus concluded that the Palo Alto Fiber webpage is located on the City's website and the hub will be linked to the website for folks to explore.

Commissioner Johnston recalled that at the April 2021 meeting, the UAC had emphasized that it is important to educate the community before the community surveys are sent out. In answer to his question regarding what other methods of communications is the City using, Horrigan-Taylor shared that the City will be embarking on a social media campaign, drafting a video series about fiber, and recruiting public ambassadors to host small group meetings to discuss fiber. De Jesus added that the City will be sharing information throughout the City's regular communication channels as well as connecting with local organizations to

promote the work. Commissioner Johnston appreciated that Staff is approaching community engagement so broadly. He predicted that the community surveys will be conducted through the website. Horrigan-Taylor confirmed that it will be shared through all communication channels and the surveys will contain links to the informational website. Honker added that the more quantitative survey questions will be sent through email distribution. Commissioner Johnston felt that the timeframe to send out the surveys and collect the answers is too short. Honker stated that has been discussed thoroughly. The more quantitative question results will be available within a week after distribution which is a typical turnaround timeframe. Staff believes that there is enough time to educate the community on the project before the surveys are sent out. Horrigan-Taylor noted that there is flexibility with the timeframe. Based on past communication campaigns, the 6- to 8-week timeframe has proven to be long enough to educate the community before sending out surveys. Commissioner Johnston hoped that the survey will build support for the project as well as gather information. He expressed that that there has to be adequate support from the community to make the project work. He appreciated that Staff continues to make sure there is thorough engagement and response before moving forward.

Commissioner Smith agreed with Commissioner Johnston's comments and his concerns. He appreciated Staff's work on the website, the logo, and the branding. He agreed with Commissioner Johnston that the UAC had an extensive discussion about the need to inform and educate the community. He commented that informing and education are not the same thing. He mentioned that he strongly supports having education first and then the survey. That approach was directly made in the statements that the UAC made at the April 2021 meeting. He agreed with Commissioner Johnston that the timeline between sending out the surveys and collecting the results is short. He encouraged Staff to reinvestigate the timeline of events and the timing associated with those events. He mentioned that the platform is fantastic and liked that there is a 50-meter buffer placed on the map to protect privacy. He wanted to see more details about when the website will launch and what criteria will be used when recruiting ambassadors. Horrigan-Taylor indicated that Staff wanted to have a discussion with the UAC before the platform was launched. In terms of the ambassadors, Staff is working on a tool kit to provide to the ambassadors to help them host community discussions. She invited Commissioners to provide comments to Staff on what should be included in the ambassador toolkit.

Honker continued with the presentation and talked about the engineering designs. The goal is to have the FTTH design completed by March 2022 and the fiber backbone design completed by the end of 2021. Engineering activities that have been completed thus far included 30 percent of the design for the fiber backbone, 30 percent of the design completed for FTTH, running lines and route optimization, a draft list of sites to connect, and identification of fiber hut sites. The next steps included onsite field and constructability surveys, customer notification plan, pole loading and make-ready engineering, and bill of materials and update cost estimates. He explained that Staff is seeking input from the UAC regarding the placement of the cabinets and huts for FTTH. He explained that a hut, or points of preference, is a prefabricated building designed for broadband. It centralizes all fiber for connections to neighbors and provides electronic and interconnection. It can serve between 10,000 to 15,000 customers and Staff recommends that the City have between two to three huts. A cabinet is a manufactured steel structure that houses fiber connections. A cabinet connects each neighbor back to the fiber hut. Each cabinet can serve between 250 to 500 customers, they can be mounted below or above ground, and Staff suggests that the City install approximately 130 cabinets throughout the City. The goal is to narrow down the locations of the hut and cabinets by Quarter 4 of 2021. Possible locations for the huts are at the Colorado Substation, the Palo Alto Animal Shelter, Fire Station #5, the water facility at 1955 Old Page Mill Road, the Hale Well at 998 Palo Alto Avenue and possibly integrating a hut inside City Hall. He emphasized that the placement of the huts is very important in order to minimize the amount of construction and the amount of fiber that comes into the hut.

Dave Yuan, Strategic Business Manager, agreed that the huts and cabinets have to go through the planning and architecture review process. Also, for the construction of the huts, the projects must go through the Building Department's review process.

In response to Commissioner Smith's query regarding what determines the number of huts, Honker clarified that the City can select three locations out of the five locations that have been identified. Once the locations have been determined, the fiber network can be modified to accommodate those locations. Yuan noted that if only two huts are used, more cabinets will be needed. In reply to Commissioner Smith's question regarding if there is power in a fiber cabinet, Honker confirmed that power is only required in the hut.

In answer to Vice Chair Segal's inquiry regarding more centralized hut locations, Yuan mentioned that the City does have a Park Ordinance and a residence vote is required for dedicated parkland. A hut can be located inside a City-owned facility and Staff continues to explore possible locations. In terms of locating a hut on school property, the City would have to negotiate with the school district. Vice Chair Segal commented that she would like to understand what the tradeoffs are and how much more would it be to have more centralized huts. Batchelor summarized that Staff is hoping to place a hut on the south side of city, one in the middle of the city, and one on the north side of the city. In response to Vice Chair Segal's query regarding if it is better to have customers surrounding the entire hut versus one side, Batchelor predicted that residences will not like having a cabinet located in front of their home. So, if the City decides to have fewer huts, that will result in more cabinets throughout the city. Honker agreed and announced that Staff will continue working with the UAC on the tradeoffs. Vice Chair Segal emphasized that the location of the cabinets will be a problem and Staff should begin discussing the locations of those cabinets now.

Commissioner Bowie commented that there have been significant allocations of state funds for the middle and last mile. In reply to his question regarding is there a distinction within the infrastructure that puts the City within that realm for funding, Honker mentioned that one of Palo Alto's challenges is that the City is well served from a telecommunications standpoint and that does not help the City in obtaining grant funds. Staff will be bringing forward possible funding mechanisms for the UAC to review at a later time.

Commissioner Johnston shared the concerns mentioned by the other Commissioners regarding the cabinets. In answer to his query regarding the cost difference between underground and above-ground cabinets, Honker commented that the cost difference is not significant in the overall scope of the project. The project will utilize any existing facilities that have available space, but there is a challenge when trying to co-locate fiber with other utilities. Yuan noted that there are 27 abandoned cabinets throughout the City and Staff will explore retrofitting those cabinets for fiber.

Commissioner Metz shared that residents are already receiving 1 gigabyte in internet speed. In response to his question regarding does a residence need FTTH, Honker clarified that fiber is the only technology that can truly provide 1 gigabyte symmetrically. Commissioner Metz shared that in terms of the business plan, there is an assumed take rate of 30- to 50-percent for residential. He expressed his concern that a 30 percent or higher market share for new customers against large competitors sounded challenging to achieve. Honker stated that most municipalities that provide a fiber service average a 40 percent take rate, even though they have other large companies servicing the area. In answer to Commissioner Metz's concern regarding large competitors lowering prices, Honker mentioned that municipality service provides higher speeds, symmetrical service, and higher reliability than competitors. He stated that with the implementation of a fiber network, there has been a small decrease in prices from competitors but it has not been significant. Commissioner Metz encouraged Staff to explain that in detail for a future discussion.

COMMISSIONER COMMENTS and REPORTS from MEETINGS/EVENTS

Commissioner Metz met with the Director of Office of Emergency Services (OES) and the Utilities Department to discuss emergency preparedness and response. He shared that utility Staff will be providing research that the Utilities Department has done regarding resiliency and emergency response. He shared that next steps will be to have the Utilities Department and OES meet to receive more input on topics such as what specific emergencies should the City be prepared for and what is the technical solution.

FUTURE TOPICS FOR UPCOMING MEETINGS: November 03, 2021

In terms of the Utilities Quarterly Financial update, Commissioner Smith requested an update on the sale of Renewable Energy Credits (REC) and if there has been any discussion about ending the current sale of Bucket 1 RECs. Dean Batchelor, Utilities Director, commented that there will be another report coming regarding electrical vehicle (EV) charger installations and Bucket 1 RECs.

Chair Forssell suggested a different name for the program updates that are not part of the quarterly report.

Commissioner Smith clarified that he wanted to understand if the City is still envisioning the sale of Bucket 1 RECs as a temporary stop-gap for the budget crisis. Chair Forssell recommended that the Commission place the topic on a future agenda for discussion. Jonathan Abendschein, Assistant Director of Utilities mentioned that there was an update at the September 2021 UAC meeting regarding EV chargers and the REC Exchange Program. He predicted the next update will be available at the December 2021 UAC meeting.

NEXT SCHEDULED MEETING: November 03, 2021

Vice Chair Segal moved to adjourn. Commissioner Johnston seconded the motion. The motion carried 7-0 with Chair Forssell, Vice Chair Segal, and Commissioners Danaher, Jackson, Johnston, Scharff, and Smith voting yes. Meeting adjourned at 8:05 p.m.

Respectfully Submitted
Tabatha Boatwright
City of Palo Alto Utilities