



UTILITIES ADVISORY COMMISSION MEETING MINUTES OF May 4, 2022 SPECIAL MEETING

CALL TO ORDER

Chair Forssell called the meeting of the Utilities Advisory Commission (UAC) to order at 6:06 p.m.

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

AGENDA REVIEW AND REVISIONS

None.

ORAL COMMUNICATIONS

None.

APPROVAL OF THE MINUTES

Chair Forssell invited comments on the April 6, 2022 UAC draft meeting minutes.

Commissioner Smith remarked that due to a recent change to his office location, he has been biking to work and greatly appreciated the City of Palo Alto for being a bike-safe city.

Commissioner Johnston noted on pg. 4, 3rd paragraph reads Honk should be Honker. On pg. 5, 2nd paragraph reads *traditional board* should be *broadband*.

Council Member Cormack noted on pg. 9, 2nd paragraph reads encouraged the UAC to consider Council should be Staff.

Commissioner Scharff moved to approve the draft minutes of the April 6, 2022 meeting as amended.

Commissioner Johnston seconded the motion.

The motion carried 6-0 with Chair Forssell, and Commissioners Bowie, Johnston, Metz, Scharff, and Smith voting yes.

Vice Chair Segal abstain.

UNFINISHED BUSINESS

None.

UTILITIES DIRECTOR REPORT

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

Earth Day Events: On Friday April 22, Utilities shared a tent with Zero Waste at Stanford Healthcare’s Earth Day Event and interacted with doctors, nurses, and other Stanford employees who came by to play energy and conservation games. Mayor Pat Burt also stopped by the event and gave a talk about the City’s climate goals. Later that day, CPAU hosted a table at the “March and Rally for Earth” event in front of City Hall at King Plaza. Speakers included Congresswoman Anna Eshoo, Assembly Member Marc Berman, and Mayor Burt. Event attendees stopped by our table to ask about incentive programs and take home informational material and efficiency devices.

On Saturday April 23, CPAU partnered with local non-profit Acterra to host its first e-Bike test ride event and EV expo at Mitchell Park Community Center. Several local volunteers brought their e-Bikes to show and answer questions, including foldable lightweight bikes, larger cargo bikes, and an e-Bike with panniers filled with the morning’s farmers market haul. We also had three EV models on display such as the Kia EV6, Hyundai Ioniq and Lucid Air. More than 100 people attended the event and we provided over 50 test rides. Events hosted with Acterra have been well-attended by the community. If any of the Commissioners are involved in neighborhood groups or communities that may be interested in hosting a Neighborhood EV Expo please let us know! Block parties, places of worship, and schools are all possible candidates.

Upcoming Events: On May 12, from 7-8pm, discover how to maximize the convenience and effectiveness of EV charging. Learn about buying and installing a home charger, how to find and use public chargers, charging speeds and costs, rebates, and charging options for residents of apartments and condos. The Cities of Palo Alto and Sunnyvale are presenting sponsors. Details at cityofpaloalto.org/workshops

Hydroelectric Update: After a promising start, it’s now clear that the 2021-2022 water year will be the third straight very dry year for California. As of April 26th, precipitation totals in Northern and Central California are almost 20-30% below average for this time of year (after being above average through January). Reservoir levels remain very low too. Across Northern and Central California, most reservoirs are about 30- 50% below their average levels for this point in time. As a result, Palo Alto’s hydroelectric projections for FY 2022 and FY 2023 are now very low—they are projected to produce around 245 gigawatt hour this fiscal year, which is about 52% of the long-term average level of hydro output, and 285 gigawatts per hour in FY 2023, which is 60% of the long-term average level.

Water Supply Update: As of April 4, 2022, Regional Water System storage was 74% full (normal system storage for this time of year is 82%). The SFPUC declared a local water shortage emergency on November 23, calling for voluntary systemwide 10% water use reductions. For January through mid-April 2022, Palo Alto’s water usage exceeded its budget by about 18% cumulatively. Staff is planning more outreach to encourage residents and business to save water while still caring for the urban canopy and to remind them of current water waste restrictions. Staff expects the State Board to adopt emergency regulations in May that ban irrigation of ornamental turf in commercial, industrial, and institutional sectors, except to ensure the health of trees. Additionally, the emergency regulation will require Palo Alto to implement Stage 2 of the Water Shortage Contingency Plan which will require restaurants to serve water to customers only upon request and require hotels and motels to provide guests with the option of not having linens laundered daily.

Tree Line USA: CPAU has earned the recognition as a 2022 Tree Line USA member. Tree Line USA is a national program recognizing public and private utilities for best practices that protect and preserve America’s urban forests. This program is possible through a partnership with the Arbor Day Foundation and the National Association of State Foresters. Tree Line USA promotes the coexistence of delivering safe and reliable electricity while maintaining healthy community trees. Successfully achieving Tree Line USA standards through training employees in quality tree-care practices, educating the public about planting trees for energy conservation, and helping homeowners plant appropriate trees near utility lines, not only helps provide trees for a greener future, but also yields long-term savings for customers.

EV Charger Count Update: We currently have over 130 sites enrolled in the CPAU EV programs, including 86 multi-family properties representing over 3,400 units.

Bachelor commented Staff made an error and sent out 11,000 notices to customers stating that their accounts were delinquent. The notices should have been sent out to only 1,500 customers. Moving forward, the department has discussed more checks and balances regarding communications that are sent out to the public.

In answer to Chair Forssell's inquiry regarding the new process for community communications, Bachelor noted that several Staff members from customer service, Mr. Yuan and himself will review the communications before they are distributed. In response to Chair Forssell's question regarding the number of delinquent customers now versus pre-pandemic times, Bachelor stated typically 20 to 30 folks fall into the category of being 90-days late. For folks who are 90-days over, Staff has requested they contact the department and set up a payment plan. In reply to Chair Forssell's query regarding residential versus commercial customers, Dave Yuan, Strategic Business Manager, shared that 1,200 customers are 180-days past due on their payment and 1,041 were residential and 175 were commercial customers. Between 90-days and 180-days, an additional 238 customers had an outstanding bill.

Vice Chair Segal recommended Staff not only review the communications that go out but the list of folks who will receive the communications. In answer to her query regarding how many folks have signed up on the Fiber Hub since the last update, Batchelor answered 10 to 15 folks have signed up since the last update. As of today, there are 246 pins of interest.

NEW BUSINESS

ITEM 1: ACTION: Approval of UAC Chair and Vice Chair to Serve a Short Term From May 4, 2022 to March 31, 2023

Chair Forssell appreciated the Commission allowing her to Chair the Utilities Advisory Commission for the past 2-years.

Commissioner Scharff nominated Vice Chair Segal as Chair.

Vice Chair Segal accepted the nomination.

ACTION: Commissioner Scharff moved to approve Commissioner Segal as Chair.

Motion seconded by Commissioner Forssell

The motion carried 7-0 with Commissioners Bowie, Forssell, Johnston, Metz, Scharff, Segal and Smith voting to approve Commissioner Segal as Chair.

Commissioner Scharff nominated Commissioner Johnston as Vice Chair.

Commissioner Johnston accepted the nomination.

ACTION: Commissioner Scharff moved to approve Commissioner Johnston as Vice Chair.

Motion seconded by Commissioner Forssell.

The motion carried 7-0 with Chair Segal, Commissioners Bowie, Forssell, Johnston, Metz, Scharff, and Smith voting to approve Commissioner Johnston as Vice Chair

ITEM 2: ACTION: Approval of UAC Budget Subcommittee Members to Serve a Short Term of May 4, 2022 to March 31, 2023

Commissioner Scharff volunteered.

Commissioner Smith announced he would like to be on the subcommittee.

Commissioner Bowie stated he would also like to volunteer for the subcommittee.

ACTION: Commissioner Scharff, Commissioner Smith, and Commissioner Bowie volunteered to be on the Budget Subcommittee for a short term from May 04, 2022 to March 31, 2023.

ITEM 3: ACTION: Approval of UAC Fiber Subcommittee Members to Serve a Short Term From May 04, 2022 Through March 31, 2023

Vice Chair Johnston, Commissioner Smith and Commissioner Metz expressed interest in being on the subcommittee.

ACTION: Vice Chair Johnston, Commissioner Smith, and Commissioner Metz volunteered to be on the Fiber Subcommittee, for a 10-month term from May 4, 2022 through March 31, 2023.

ITEM 4: ACTION: Adoption of a Resolution Authoring the use of Teleconference for Utilities Advisory Commission Meetings During Covid-19 State of Emergency

ACTION: Commissioner Scharff moved Staff recommendation that the Utilities Advisory Commission (UAC) Adopt a Resolution (Attachment A) authorizing the use of teleconferencing under Government Code Section 54953(e) for meetings of the Utilities Advisory Commission (UAC) and its committees due to the Covid-19 declared state of emergency.

Seconded by Vice Chair Johnston

Motion carries 7-0 with Chair Segal, Vice Chair Johnston and Commissioners Bowie, Forssell, Metz, Scharff, and Smith voting yes.

ITEM 5: ACTION: Staff Recommendation That the Utilities Advisory Commission Recommend the City Council Adopt the Proposed Operating and Capital Budgets for the Utilities Department for Fiscal Year 2023

Dean Batchelor, Director of Utilities, reminded the UAC that rates have already been approved for the Operating and Capital Budgets.

Anna Vuong, Senior Business Analyst, reported the budget was a baseline budget that maintained current service levels. The majority of the proposals was for Staffing and one for building electrification. After the UAC makes its recommendation, the item will move to the Finance Committee and then to the full Council in June of 2022 for final approval. While no new Capital Projects were being proposed, several projects were underway or planned for Fiscal Year (FY) 2023. These included the Outage Management System, Fiber Management System and master plan studies for the Electric Distribution System as well as the Wastewater Collection System. The rates proposed for FY 2023 resulted in a \$15.48 increase on customers' monthly bill.

In reply to Commissioner Metz's query regarding the percentage of each bill being commodity versus non-commodity, Dave Yuan, Strategic Business Manager, answered that the 5-year Financial Forecast Plan should have the breakdowns for supply and distribution costs.

In answer to Vice Chair Johnston's query regarding the scope of work for the Electric Distribution System, Tomm Marshall, Assistant Director of Utilities Operations, remarked a consultant was currently identifying what upgrades that were needed for the electrical grid as well as determining how much load increase there will be. The study should be concluded by late summer into early fall of 2022. Vice Chair Johnston was very pleased to hear that the project was underway and looked forward to seeing the study.

In answer to Commissioner Bowie's query if hydro rate adjustments were included in the FY 2022 monthly bill, Yuan answered no. For FY 2023, it depends on the hydro conditions if the adjustment is needed and whether it will be carried forward in FY 2024.

In reply to Commissioner Forssell's understanding that the User Tax is paid to the City's General Fund, Yuan confirmed that is correct.

In response to Commissioner Scharff's inquiry regarding the increase in water rates, Yuan explained Palo Alto will see an 8.9 percent increase due to San Francisco Public Utility Commission (SFPUC) raising rates and distribution increases. He noted that distribution increases were driven by salaries and benefits, Capital Improvement Projects (CIP) improvements, escalating costs and replenishing the City's reserves. In answer to Commissioner Scharff's query regarding SFPUC's rate increases being driven by the water system rebuild, Yuan clarified the increase was mainly driven by the drought.

Vuong addressed Commissioner Metz's question regarding commodity charges versus supply. The commodity for the Electric Fund was 56 percent, the Gas Fund was 31 percent, Wastewater Fund was 53 percent and the Water Fund was 45 percent. Jonathan Abendschein, Assistant Director of Utilities Resource Management, understood Commissioner Metz's thinking was a certain overall percentage reflected a higher percentage in just the non-commodity part of the rates if the commodity stayed the same. That was correct and the ratios depended on the utility.

Alex Harris, Sr. Business Analyst, presented the Operating and Capital Budget for the Electric Fund. The top three expense categories included the utility purchase, CIP, and salary and benefits. For FY 2023, there were approximately \$211.7 million in the budget and \$120.82 million for full-time equivalent (FTE) positions. The year-over-year increase for salary and benefits was \$2.8 million due to staffing changes. Also, there was a city-wide 4 percent base increase and an additional contribution to the Pension Trust Fund. Another change was seen in contract services which had an increase of \$4.8 million and was due to contract alignments for tree line clearing and high voltage line construction and building electrification program support increases. Overall, the FY 2023 Budget for the Electric Fund was projected to be spending slightly below budget. The utility purchase was forecasted to exceed the budget by \$2 million due to costlier on-the-spot purchases as a result of low hydro output.

In answer to Vice Chair Johnston's queries regarding what timeframe did the FY 2022 Budget to Actuals cover and the definition of encumbrances, Harris answered the figures covered up to May 2, 2022 and encumbrances meant funds that were already dedicated to contracts.

Harris remarked concerning the Electric Fund 5-year CIP Plan, the FY 2022 CIP column was higher at \$35 million due to a carryover of \$8.5 million from the previous year. Staff projected FY 2022 will conclude with \$12 million in actuals. The City will commit roughly \$13 million to contracts for FY 2023 and then return the remaining balance of \$3 to \$6 million to the fund. Staff presented a table with the electric historical project actuals.

In answer to Commissioner Forssell's inquiries regarding the Foothills Rebuild Project, Harris explained the \$530,000 was an error made by Staff and represented labor and materials that should not have been included in the project cost. Yuan confirmed the project started in the year 2020 and included a total of 11 miles of lines that were being undergrounded. The 5-year CIP of \$11 million was to cover the remaining 9.5-miles of the project. The plan predicted the City can only do roughly \$2 million worth in one year.

In answer to Commissioner Metz's inquiry regarding the 5-year CIP not including work for the Sustainability and Climate Action Plan (S/CAP), Yuan confirmed that is correct but Staff had discussed including those projects for FY 2024.

In reply to Chair Segal's query regarding money spent on smart grid technology, Yuan answered approximately \$100,000 had been spent but the project was delayed due to a delay in delivery of the meters. Staff predicted 3,000 meters will be installed in FY 2023 with the remaining being installed in FY 2024. In answer to Chair Segal's inquiry regarding the rebuild of Underground 15 and discussion with the neighborhood, Batchelor confirmed Staff provided the neighborhood with several options. The neighborhood did not support the City installing transformers and so the City's Legal Department took over discussions.

Council Member Cormack reiterated the projections in the Electric 5-year CIP 2023-2027 chart did not include funding for the electrical grid modernizing project. She encouraged Staff to make that statement clear during the presentation to Finance Committee. She appreciated the electric historical project actuals chart.

Harris presented the Gas Fund and noted the top three expenses were the utility purchase, CIP and salary and benefits. For FY 2023, \$58.6 million was budgeted in the Gas Fund with 54.56 FTEs. The year-over-year comparison showed that salary and benefits had increased by \$0.9 million. The general expense and the contract service category increased due to the \$2.1 million for building electrification programs. The CIP showed a \$5.7 million increase due to FY 2023 being a gas main construction year for the fund. The Gas Operating Expenses FY 2022 Budget to Actuals showed the budget was trending on track. With respect to the Gas Fund 5-year CIP Forecast for FY 2023 through FY 2027, Staff anticipated that FY 2022 will end with \$7 million year-to-date actuals, \$2 million encumbrances and roughly \$2 million to be re-appropriated. Staff included in the report the gas historical project actuals which included many of the non-recurring one-time gas main replacement projects.

In answer to Chair Segal's query regarding the \$3.5 million for the first-year budget for Project 23, Yuan confirmed the \$3.5 million was the original cost estimate but Staff made an error and used outdated construction costs. Moving forward, any future main replacements will cost between \$7 and \$8 million.

In reply to Commissioner Forssell's request about where to find gas main replacements after the year 2016, Yuan noted the information was in the Gas 5-year CIP 2023-2027 on page 87 of the capital packet.

Yuan presented the Fiber Fund and remarked the total budget for the fund was \$4.6 million. The biggest change to the cost drivers in FY 2023 was the CIP. Approximately \$1.2 million was encumbered with Magellan, \$0.3 million was set aside for the undergrounding project in the Foothills and \$1 million was set aside for the rebuild of the fiber network. With respect to the Fiber Operating Expenses FY 2022 Budget to Actuals, many of the items were on target except for salary and benefits. Staff proposed to reclassify one vacant position in the Fiber Fund to the Electric Fund. Regarding the Palo Alto Fiber project, \$2.4 million was awarded to the Magellan contract and the year-to-date expenditure was \$1.2 million. With respect to the Fiber 5-year CIP 2023- 2027, the majority of the funds in FY 2022 were for the Magellan contract.

In reply to Chair Segal's query regarding residents on Page Mill receiving fiber to the premises (FTTP) with the Foothills Underground Project, Yuan explained while the lines are being undergrounded, extra fiber conduit will be installed.

Yuan presented the Wastewater Collection Fund and shared the budget total was \$23.5 million with 29 FTEs. The largest cost driver was the utility purchase or wastewater treatment charges at 51 percent of the total budget.

In answer to Chair Segal's query regarding the desalinization plant, Yuan confirmed that the plant was not under the utility but some of the cost was passed through via treatment charges.

Council Member Cormack clarified it was not technically a desalinization plant but rather a salt removal facility. Chair Segal acknowledged the comments that the level of salt was too high and wondered where that was reflected. Council Member Cormack believed that question was for Public Works.

Yuan continued to the Wastewater Operating Expenses FY 2022 Budget to Actuals and announced all budget categories were on track except salary and benefits and the CIP. The Wastewater 5-year CIP 2023-2027 Plan continued with alternating years for construction. FY 2022 included \$4 million that will be re-appropriated to FY 2023 for a construction project. Staff will be returning to the UAC to discuss accelerating the sewer replacement projects in the fall of 2022. Staff shared the wastewater historical project actuals chart with the UAC. He moved to the Water Fund and shared the total FY 2023 Proposed Budget was \$59 million with 48 FTEs. Year-over-year, purchase cost was increasing by 2 percent, but CIP was decreasing because FY 2023 was a non-construction year. Staff included one-time CIP projects for FY 2023, including security for the water tanks and purchasing emergency generators for wildfire mitigation. With respect to Water Operating Expenses FY 2022 Budget to Actuals, there was a decrease in rent and debt service due to \$1 million being set aside for emergency water generators. With respect to the Water 5-year CIP 2023-2027, the Park reservoir replacement or rehabilitation will begin in FY 2023 and FY 2022 included the completion of the Corte Madera reservoir. With respect to the water historical project actuals, Staff predicted the water tank upgrades will be completed at end of year 2028.

In reply to Commissioner Forssell's inquiry regarding the total actuals compared to the budget, Yuan confirmed Staff can include another column in the project actual table that compared the proposed budget to how much was spent. For the Electric Fund, every year the approved budget was approximately \$25 million and roughly \$10 million is spent. In answer to Chair Forssell's inquiry regarding why the budget for the Electric Fund did not match expenditures, Yuan explained the remaining amount was in encumbrances as well as projects that were planned for but never started. Also, approximately \$5 to \$7 million was rolled over from the prior year's budget. The Water, Wastewater and Gas Fund did not have such a significant delta between actuals and total budget. In answer to Chair Forssell's query regarding if the City was falling behind the pace of CIPs that needed to happen, Yuan explained Staff reviewed all the projects for the Electric Fund and disencumbered \$6 million and those were returned to the reserves. Marshall agreed the City was behind on electric projects but that was due to Staffing issues. Staff was working on hiring more consultants to move projects along at a quicker pace.

Vice Chair Johnston remarked he was struggling with the City approving a budget when the funds are not all spent for that specific year. In answer to his question regarding setting the rates based to cover the full amount of capital expenditures budgeted, Abendschein stated the rates are based on historical spend levels and are adjusted for one-time CIPs. In response to Vice Chair Johnston's understanding unspent funds are placed in the reserves, Abendschein confirmed that is correct and noted that rates are decreased if the reserve goes beyond the maximum guideline level.

Yuan noted the City awards the full amount for contracts, even if the contract spans over 2- to 3-years. Chair Forssell commented those funds were not the issue. The issue was funding projects that never come to fruition and that was the data she wanted to be quantified.

In response to Chair Segal's query regarding if the rates included inflationary increases, Batchelor confirmed inflationary increases are included in contract budgets.

Council Member Cormack commented the problem of having a higher budget that does not get fully spent was a problem across the entire City. She encouraged the UAC to focus on the question of does the work that is being done makes sense based on the longevity of the equipment. She assured the UAC that the Finance Committees spends a significant amount of time making sure the numbers match up.

Commissioner Forssell confirmed her comments were focused on making sure the infrastructure is maintained in a healthy state.

Commissioner Metz stated he was impressed with the level of detail in the Capital and Operating Budget. He highlighted that both budgets show how old the systems are and the UAC should focus on how to address that matter.

Chair Segal remarked she was sensitive to delaying projects because the more delayed a project is, the more the cost for that project increases and that impacted customer rates. She supported hiring more contract workers to make sure projects are completed promptly. She circled back to recycled water and referenced a sentence in the Staff report that landscape folks were concerned about using the water. In reply to her question regarding how the water was being used, Council Member Cormack remarked the quality of the City's recycled water was sufficient for many uses but was not sufficient for salt-sensitive species. Batchelor mentioned Staff will be presenting the Water One Plan to the UAC later in the year. Karla Dailey, Acting Assistant Director of Utilities Resource Management, confirmed that water quality was a larger problem for the City of Mountain View than Palo Alto. The recycled water system could not be expanded in Palo Alto without improving the quality.

Vuong presented current Staffing positions and noted there were 45 vacant positions within the department. There were 25 active recruitments and that included positions added at the mid-year budget. Batchelor noted recently the electric engineering manager left the City for a General Manager position in a different city and that impacted the electric engineering division. Vuong continued and confirmed that through natural attrition, the City was losing more employees than hiring. To address Staffing impacts, the department implemented recruitment and retainment strategies. One strategy was to reorganize the engineering and operations into two groups; Electric and Fiber; and Water, Gas, and Wastewater Collection. This effort had helped reach more qualified candidates. For the FY 2023 Budget, Staff requested a net add of 5.5 regular FTE and 2.6 hourly FTEs.

In answer to Commissioner Metz's inquiry regarding why the City was not able to retain Staff, Batchelor believed it was salary competition and the cost of living in Palo Alto.

In reply to Commissioner Forssell's query regarding requests for proposals (RFP), Yuan commented the market was very competitive and CIP projects usually receive two or three bids. If no bids are received, Staff has to rescope the RFP and/or contact construction firms and inquire why they did not bid on the project. In answer to Commissioner Forssell's question regarding how many companies can handle the City's larger projects, Batchelor answered three to four. Marshall noted it was a very competitive market for electric construction Staff and it was very difficult to find contractors. Also, Palo Alto has many constraints that cost construction companies more money and make it difficult to work in the city. In answer to Commissioner Forssell's assumption that Council was aware of the constraints, Council Member Cormack answered yes.

Commissioner Forssell invited the budget subcommittee to share their insights. Commissioner Scharff commented he had no additional thoughts other than he agreed with Council Member Cormack that the UAC should focus on does the work being done on infrastructure make sense based on the longevity of the equipment. Commissioner Smith believed the UAC never addressed construction hours and the permitting process because another City Committees manage it. He acknowledged it was a huge problem that many contracting companies did not want to work in the City. With respect to Staffing challenges, he agreed the three main changes to recruit Staff was the market was very competitive in terms of salary and the cost of living was very high.

Council Member Cormack believed the City was coming to a critical point regarding vacant Staff positions in the electrical engineering division. She wanted to better understand the strategy of employee and subsidized housing. Batchelor reiterated housing in the City was a real concern for many current and past Staff. In

answer to Council Member Cormack's question regarding if Staff wanted to relocate their families to Palo Alto, Batchelor predicted many would rather live in Palo Alto or live within 30-minutes of Palo Alto. He noted Pacific Gas and Electric (PG&E) did give a subsidy for folks living on the peninsula. Council Member Cormack was interested in understanding what the impacts to rates would be if the City hired more electrical engineering and operation Staff.

Commissioner Scharff believed the City should pay its Staff more than the City of Santa Clara. With respect to housing, he suggested the City buy an apartment complex for folks to rent as well as implement an equity sharing program. The main focus should be to evaluate the different impediments and address folks' needs. He stated part of the problem was how to address the vacancies in the Utility Department as part of the whole City but also somewhat separately.

Commissioner Smith echoed Commissioner Scharff's comment that Palo Alto should have higher salaries and that the problem was larger than just the Utilities Department. He found the apartment complex concept a great idea. He commented that while Design-Build, project delivery system, is expensive, it does incentivize contractors to participate. He believed the City could manage the risk by providing specific targets in terms of Design-Build opportunities. He suggested having a focus group made up of members from several City Commissions, Committees and Boards to discuss constraints such as working hours and the permitting process.

Commissioner Bowie echoed many of the points already stated. He believed an ad hoc committee that focused on recruitment and retainment of Staff would be beneficial and Chair Segal agreed.

ACTION: Staff recommends the Utilities Advisory Commission recommended the City Council adopt the Proposed Operating Budgets for the Utilities Department for Fiscal Year 2023. Staff recommends the Utilities Advisory Commission recommended the City Council adopt the Proposed Capital Budgets for the Utilities Department for Fiscal Year 2023.

Commissioner Scharff moved Staff recommendation

Commissioner Forssell seconded the motion

Motion carried 7-0 with Chair Segal, Vice Chair Johnston and Commissioners Bowie, Forssell, Metz, Scharff, and Smith voting yes

COMMISSIONER COMMENTS and REPORTS from MEETINGS/EVENTS

None.

FUTURE TOPICS FOR UPCOMING MEETINGS: June 01, 2022

Chair Segal requested an informational report on the Cross-Bore Project.

NEXT SCHEDULED MEETING: June 01, 2022

Commissioner Forssell moved to adjourn. Vice Chair Johnston seconded the motion. The motion carried 7-0 with Chair Segal, Vice Chair Johnston, and Commissioners Bowie, Forssell, Metz, Scharff, and Smith voting yes.

Meeting adjourned at 8:35 p.m.

Respectfully Submitted
Tabatha Boatwright
City of Palo Alto Utilities