

UTILITY UPDATE

RIVERSIDE PUBLIC UTILITIES



Board Strategic Planning Meeting Summary | Monday July 13, 2015

This summary may not include all agenda items and is not considered minutes of the meeting. For complete meeting agenda, click [here](#).

The Board of Public Utilities convened to continue the 2015 Strategic Planning process on behalf of the community to provide input and feedback on the direction of the Utility. The discussion today was a presentation to explain the Electric Infrastructure, Water Infrastructure and Workforce Development roadmaps which will guide us through the next 10 year planning cycle. The four hour meeting provided detailed information that will be part of a dialog for months to come as the decision making process for infrastructure and workforce improvements happen in order to move the department toward Utility 2.0.

General Manager Comments:

General Manager Girish Balachandran outlined the achievements from past meetings and gave a brief overview of what meetings are coming up. He gave a framework for the workshop process and shared the dates and time frames for other related issues that will inform the planning process.

Electric Infrastructure Roadmap Presentation/Board Comments:

Assistant General Manager Pat Hohl, provided a 45 minute presentation outlining the current state of our electric infrastructure. He explained the correlation between population growth in Riverside and infrastructure age. The infrastructure is now aging with many overhead and underground cables, poles and substation transformers approaching or over 50 years old. He stated that our investment rate will need to increase in order for us to stay ahead of the needed replacement rate of critical infrastructure, with emphasis on substation transformers and utility poles. He provided investment options in broad ranges to illustrate the costs of performing varying degrees of infrastructure improvement. The board provided feedback and input as listed below:

Electric Infrastructure Comments:

Member	What did you like?	What's missing?
Cash	<ul style="list-style-type: none"> • Very clear! • Good analogies: Lightbulb/hospital 	<ul style="list-style-type: none"> • What is underlying reason that RPU has good reliability? 1) workforce; 2) technology; 3) equipment? How does the weighting of those areas change over 10 years? • Because of the good record – how will RPU convince that there is a need? • What role does 2 way energy storage etc. play in this plan & does the need to move technology supersede some basic equipment needs? • How does weighting of emphasis change as technology speeds up? • What is role of solar in plan for electric car needs? If solar is on your roof how does that factor? • Significant emphasis on poles and cables, but will definitely change in 10-20 years?
Austin	<ul style="list-style-type: none"> • Retirement - Need to start knowledge transfer 	<ul style="list-style-type: none"> • Infrastructure is too old; 50 years is not good. • Recommendations vs options 1-4
Ferguson	<ul style="list-style-type: none"> • Good overview 	<ul style="list-style-type: none"> • Need specification on needed improvements & time to implement them (ramping up as well as implementation). • What is impact on rate payer?

WATER | ENERGY | LIFE



PUBLIC UTILITIES

Electric Infrastructure Comments: (cont'd)

Member	What did you like?	What's missing?
O'Farrell	<ul style="list-style-type: none"> • Clear • Directive • Honest • Future Minded 	<ul style="list-style-type: none"> • How do we transition population that want "high tech" (phone apps) to call center? • PD has explorers what about young journeymen? • Breakdown does it include staff training? 311 affects? • Battery disposal: how are we and PW for sale disposal? • Where do we publicize internships? • Pipeline programs Academy w/n HS
Scott-Coe	<ul style="list-style-type: none"> • Excellent framing of options 	<ul style="list-style-type: none"> • Need to better understand option 2 vs option 3. • How did we increase infrastructure investments w/o rate increases? • Is the public aware of RPU's critical power infrastructure? • How have we maintained 1st class reliability with our aging infrastructure? • How is reliability valued?

Member	What should we accelerate?	What should we slow down?
Cash	<ul style="list-style-type: none"> • How will RPU not only prepare for workforce needs, but also prepare for new skill sets? • Technology 2-way Advanced Metering, energy storage 	No comment
Austin	<ul style="list-style-type: none"> • LED streetlights – Less maintenance. • Need to look at option 3 and how we can do it! • Option 2 is min. • Need cable replacement program. • Need second connection to Grid!!! RTRP • Need transformer replacement program. • Need pole replacement program. 	No comment
Ferguson	No comment	No comment
O'Farrell	<ul style="list-style-type: none"> • Proactive please 	No comment
Scott-Coe	<ul style="list-style-type: none"> • Do we need to update our inspection processes? • What is our optimal replacement rate? • I want a proactive utility. • Which option will create a sustainable utility? A resilient utility? 	<ul style="list-style-type: none"> • Can we afford our underground program? • Are cost equally distributed?

Member	Other Comment?
Cash	<ul style="list-style-type: none"> • How does RPU communicate need in climate of complacency? "It takes a disaster to get attention."
Austin	No comment
Ferguson	<ul style="list-style-type: none"> • Put RPU presentation on a video to save time CA picture is worth 1000 words. • Need cost of infrastructure, technology & workforce issue.
O'Farrell	<ul style="list-style-type: none"> • With utility 2.0 does this reduce the call center staff or other departments? • What do our high tech industry need (i.e. Fiber) Are they willing for rate increases? • Marketing "I'm 67 years old" signs on poles. • Does the city of arts and innovation understand the investment to be innovative & support innovative businesses & rate payer services? • Budget • Is tech training to current staff incorporated in budget? • Does technology line item include customer connection to utility? • Can we see the enhancement options from Pat in scale to our operating budget?
Scott-Coe (grey)	<ul style="list-style-type: none"> • Do we have a 50's mentality that goes with our 50's infrastructure? • Is our projected load different from other utilities? • How does population industrial/ commercial growth interrelate?

Water Infrastructure Roadmap Presentation/Board Comments:

Interim Assistant General Manager Todd Jorgenson, provided a 45 minute presentation outlining the current state of our water infrastructure. He explained the correlation between population growth in Riverside and infrastructure age. The infrastructure is now aging with much of our water system approaching or over 50 years old. He explained that due to the SAFE Water Plan and

subsequent rate increases that took place in the years after 2006 that much good work was done, but more was needed to keep up with the declining infrastructure health versus current investment rate. He provided investment options in broad ranges to illustrate the costs of performing varying degrees of infrastructure improvement. The board provided feedback and input as listed below:

Water Infrastructure:

Member	What did you like?	What's missing?
Cash	No comment	What is the role of technology? Seems like mom & pop operation. Need data back before safe water plan to show cost & actions? What about natural disasters? What is planning? Can other connections fulfill city needs? Recycled water: where is it? What is plan for the multiple water companies that function at less than desirable capacity where RPU major shareholder?
Austin	No comment	Need to improve communication system. Identify and improve size pipelines when possible. Need standards to develop main replacement – Type, size, age, failure rate. Correlate what was not done in safe water to today's needs.
Ferguson	Good overview.	Need timelines for ramping up of implementation. Impact on taxpayers? How do we respond in disaster i.e. field switching?
O'Farrell	AMI please.	When will I know my usage affects the tier that I am in? Who pays or should pay for energy costs to boost locations? When will text/ apps be available for seeing my water usage? Does O-Power or another company provide usage comparisons for customers?
Scott-Coe	Excellent presentation realizable options.	Where does hybrid AMF/ AMI fit in? Has the drought increased customer interest in AMI capabilities? Where would we be without investment?

Member	What should we accelerate?	What should we slow down?
Cash	(AMI) Advanced meters! Needed for: Communication Conservation Billing Emergency	Don't slow down
Austin	Smart meter program. Need to focus on mains & pipelines. Need to focus on option 3!! Need to start information transfer to younger employees.	No Comment
Ferguson	Go to \$ 15M/ yr. for 20 years on distribution mains. Use high reserves level to implement option 3 or 4.	No Comment
O'Farrell	Without all the \$ #'s it seems to make sense to replace piping and increase size.	No Comment
Scott-Coe	What is sustainable rate of pipeline replacement? What is industry standard?	No Comment

Member	Other Comment?
Cash	Why present Option 1 – less of an investment than now? -- remove from presentation. Too much good news why would city want to invest? What are urgent needs?
Austin	North Waterman plume???
Ferguson	Use video presentation for city council.
O'Farrell	Are new residential developments working w/ land use on having a "heavily encouraged" water wise yard?
Scott-Coe	Who pays or should pay for boosting costs & pipe replacement? How do these projections compare with those which supported the S.A.F.E. water plan?

Workforce Development Roadmap Presentation/Board Comments:

Deputy General Manager Milligan, provided a 30 minute presentation outlining the workforce challenges created as a result of an aging workforce and new skill sets needed to implement Utility 2.0. He explained the actions needed to attract, develop and retain the current workforce and the one that will be needed to implement Utility 2.0. He provided detailed heatmaps that interpret the aging workforce issue, as well as skill gaps present and lack of training data for assessing current employees. The board provided feedback and input as listed below.

Workforce Development:

Member	What did you like?	What's missing?
Cash	Excellent presenter.	Define a timeline of how RPU will be affected if process not changed. Knowledge transfer: will the skills and knowledge of retiring employees really be relevant to RPU 2.0?
Austin	No comment	Need formal training programs. Need to perform better in the job market. Timing...
Ferguson	Great to see HR supporting workforce development. Good overview. Like: individual talent plan.	No comment
O'Farrell	No comment	What is the financial increase to salaries needed for "x" experience needed? What perks are given to retain talent if we cannot compensate in salary? Millennials stay on avg. 3 years at a work place what is the plan for retention? Would a discount off tuition to CBU or UCR be attractive for staff to further education? What is the process to expedite recruitment, hire & training process to retain future employees?
Scott-Coe	No comment	How do we connect the public to our workforce needs? Paint a picture of what happens if we don't make needed workforce investments. What is the rate of internal upper mobility? What are the new management skills needed for utility 2.0? Do we currently have the executive management infrastructure for our workforce needs? Do we need to update our departmental policies & procedures? How will succession plans change Utility 2.0? Different career paths?

Member	What should we accelerate?	What should we slow down?
Cash	No comment	No comment
Austin	Update education reimbursement. Work with HR on improvement process. Need roadmap to promotions. Need information transfer.	No comment
Ament		
Ferguson	Option 2 must be started (innovate).	No comment
O'Farrell	No comment	No comment
Scott-Coe	We need a recruitment Tsunami! Utility 2.0 competencies so needed! Knowledge transfer – must move quickly. We should be hiring at a premium to ensure optimal workforce (e.g market + x%).	No comment

Workforce Development(cont'd):

Member	Other Comment?
Cash	Process map hiring procedures & streamline unnecessary approvals as it affects RPU. Once position approved could RPU handle hiring process to expedite?
Austin	Need our own workforce
Ferguson	Use video for city council. Will city IT department "decentralize" to be part of other divisions like RPU Has our training program kept staff ready with new equipment, programs, technology, etc?
O'Farrell	In succession planning is there current talent inside. Do they want it? What internal culture is being created to retain work/life balance for millennials? Good articles: "Maximizing millennials in the workplace"
Scott-Coe	Is the 7th floor resistant to RPU's workforce needs?

Meeting Summary

Plus – What went well with the meeting?	Delta – What can we improve?
Comments from Board members & feedback/ responsiveness	More time to consider detail in the options.... This must just be a limitation of time.
Good presentations	Simplify some of the detailed examples by identifying a simple example & walking through the story.
Process calendar	Identify impacts on each division.
Continue to provide detailed info to board	Provide hard copy of presentation so notes can be taken.
Good overviews. Pleased with linkage with HR department.	"Options" need more clarity. The outcomes of providing this information should be: <ul style="list-style-type: none"> • competency • urgency
Feedback format	Technology report assessment
Good summary of complex landscape	Link service outages to business impacts
Good background material/reading material.	Link each option to the service metric we hope to achieve
	Continue to provide detailed information to the Board.
	How do you point out the positives of our past investment without being self-serving?
	Answer the question: "If we are behind in infrastructure and technology, how are we doing so well?"

Next Roadmap meeting: July 29, 2015 - from 7:30am – 1:00pm in the Mayor's Ceremonial Room at City Hall.