

# BOARD WORKSHOP: UTILITY 2.0 STRATEGIC PLAN

Public Utilities Department

Board of Public Utilities  
April 8, 2019

[RiversidePublicUtilities.com](http://RiversidePublicUtilities.com)



1

## RECOMMENDATION

That the Board of Public Utilities conduct a workshop to review the current status of the Utility 2.0 Strategic Plan 2017-2021.

[RiversidePublicUtilities.com](http://RiversidePublicUtilities.com)



2

## BACKGROUND AND WORKSHOP OVERVIEW

**1. January 14, 2019:** Board Request for workshop on current status of Utility 2.0

**2. Proposed Workshop Outline:**

- a. Utility 2.0 Strategic Plan Development
- b. Changes Since Adoption
- c. Staff Overview of Strategic Plan Objectives
- d. Proposed Next Steps

**3. Interactive Workshop – Please Ask Questions!**

RiversidePublicUtilities.com



3

## UTILITY 2.0 STRATEGIC PLAN DEVELOPMENT

**1. Strategic Planning (2015)**

- a. Four Board Special Meetings
- b. Two Council/Board Workshops

**2. Option 3 Conceptual Approval**

- a. 10-Year infrastructure, technology and workforce requirements
- b. Authorization to conduct financial planning, determine revenue needs, complete plan



RiversidePublicUtilities.com



4

# UTILITY 2.0 STRATEGIC PLAN

## Six Focus Areas



Reliability & Resiliency



Customer Experience



Operational Excellence



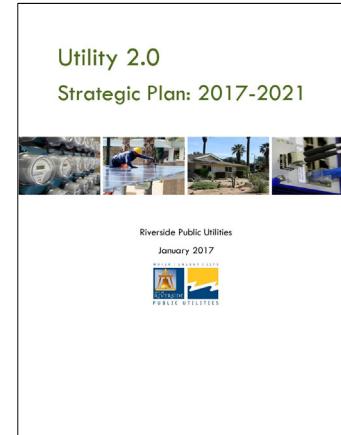
Affordability



Strong Workforce



Sustainability



RiversidePublicUtilities.com



5

# RATE-SETTING PROCESS

## 1. Financial Planning (2016)

- a. 10-Year Financial Pro Formas
- b. Cost of Service Studies

## 2. Rate Setting Process (2017-2018)

- a. Option 3 → Modified Option 1
- b. Enhanced Low/Fixed Income Assistance Programs
- c. Agricultural Water Rates Task Force
- d. Annual Rate Reviews

RiversidePublicUtilities.com

## Five-Year Rate Plan

(system-wide average rate increases)

<b>Electric</b>	January 2019	2.95%
	January 2020	3.0%
	January 2021	3.0%
	January 2022	3.0%
	January 2023	3.0%
<b>Water</b>	July 2018	4.50%
	July 2019	5.75%
	July 2020	5.75%
	July 2021	5.75%
	July 2022	6.50%



6

## LEADERSHIP & ORGANIZATIONAL CHANGES

### 1. City & Utility Management

- a. New City Manager
- b. New General Manager

### 2. Operational Efficiencies

- a. From 7 → 4 Executive Managers
- b. Division Redistribution
- c. City Department Integration
  - i. Communications
  - ii. Human Resources



RiversidePublicUtilities.com



7

## PLANNING & POLICY CHANGES

### 1. Organizational Review

- a. Performance Assessment and Financial Expenditure Audit – Baker Tilly
- b. Organizational Assessment – Hometown Connections
- c. Proposed Financial Audit of Rate Plan

### 2. Planning Efforts

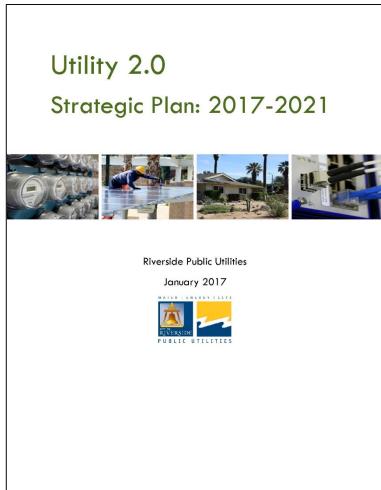
- a. Capital Projects
  - i. Reprioritization due to five-year rate plan
- b. 2018 Integrated Resource Plan



8

RiversidePublicUtilities.com

# COMPONENTS OF THE UTILITY 2.0 STRATEGIC PLAN



## Setting the Path

Mission | Vision | Core Values

## Six Goals

Strategic Initiatives  
Key Performance Indicators (KPIs) and Targets

## Organization

RPU Organization and Roles of Divisions  
Vision Statements

RiversidePublicUtilities.com



9

# SIX STRATEGIC PLAN GOALS

**Reliability & Resiliency** Renew, replace, upgrade, modernize and extend the water and electric system infrastructure to ensure reliability is maintained or improved and that resilience to extreme events is maintained or improved.

**Affordability** Keep water and electricity prices affordable and comply with Fiscal Policy.

**Sustainability** Meet all city goals and state and federal compliance targets related to efficient use of water and electricity, renewable resources, greenhouse gas emissions.

**Customer Experience** Provide world-class customer-centered service in every encounter, every day.

**Operational Excellence** Instill, maintain and grow a culture of learning, innovation and continuous improvement in all internal processes achieving excellence in all our operations.

**Strong Workforce** Attract, retain, train, educate and promote employees ensuring that a high level of employee performance, productivity and engagement is achieved



10

RiversidePublicUtilities.com

## REVIEWING THE OBJECTIVES – READY TO UPDATE

### Objective Status



	Completed or On Track	In Process	Delayed	Eliminated
1 - Reliability & Resiliency	14	19	4	4
2 - Affordability	11	3	6	1
3 - Sustainability	8	5	7	0
4 - Customer Experience	12	7	1	1
5 - Operational Excellence	16	5	3	6
6 - Strong Workforce	3	7	2	11
Total Objectives by Status	64	46	23	23

RiversidePublicUtilities.com



11

## OBJECTIVES COMPLETED AND ON TRACK



**COMPLETED  
OR  
ON TRACK**

**40%**

### NEXT STEPS:

1. Ready for the next stage of the project
2. Ongoing implementation
3. Transition ongoing efforts to performance indicators

RiversidePublicUtilities.com



12

## OBJECTIVES IN PROCESS

**30%**



IN  
PROCESS

### NEXT STEPS:

1. These projects are underway
2. Rewording to reflect current project awareness/knowledge
3. Deadlines should be updated

RiversidePublicUtilities.com



13

## OBJECTIVES DELAYED

**15%**



DELAYED

### NEXT STEPS:

1. Projects are still on the books but are delayed for an unknown time
2. Reviewing to align with current funding, goals and staffing

RiversidePublicUtilities.com



14

## OBJECTIVES ELIMINATED

**15%**



**ELIMINATED**

### NEXT STEPS:

1. Projects were not included in the adopted rate plan, transferred to other departments in the City, or technology/direction changes
2. Review to determine if the same purpose can be accomplished in a different way

RiversidePublicUtilities.com



15

## PROPOSED NEXT STEPS

### 1. Staff Detailed Review of Objectives/KPIs

- a. Reflect current status and funding
- b. Incorporate goals/recommendations from audits

### 2. Schedule Half-Day Workshop in Six Months

- a. Comprehensive review of strategies/objectives
- b. KPIs from all divisions
- c. Invite participation of city department directors

RiversidePublicUtilities.com



16

# Questions & Discussion

RiversidePublicUtilities.com



17

# Supplemental Slides

## Utility 2.0 Strategic Plan Strategies

RiversidePublicUtilities.com



18



## RELIABILITY & RESILIENCY

Renew, replace, upgrade, modernize and extend the water and electric system infrastructure to ensure reliability is maintained or improved and that resilience to extreme events is maintained or improved.

- Strategy 1.1 Develop and maintain electric and water supply facilities to fully implement our integrated resource plans.
- Strategy 1.2 Develop and maintain electric and water transmission facilities to fully implement our infrastructure master plans.
- Strategy 1.3 Develop and maintain electric distribution and grid edge and water distribution and network edge facilities to fully implement our infrastructure master plans.
- Strategy 1.4 Develop and maintain an active Emergency Preparedness Program to plan for and manage Utility functions during extreme events and allow for efficient and effective recovery following extreme events.



19

[RiversidePublicUtilities.com](http://RiversidePublicUtilities.com)



## AFFORDABILITY

Keep water and electricity prices affordable and comply with Fiscal Policy.

- Strategy 2.1 Develop and implement revenues, rates, and rate structure to meet Utility 2.0 objectives through 2025.
- Strategy 2.2 Maintain financial reserves and debt obligations in accordance with Fiscal Policy and 10-year financial pro-forma.
- Strategy 2.3 Actively manage expenditures and exercise cash control to maintain targets in Fiscal and Reserve Policies and adopted biennial budget and capital improvement program.
- Strategy 2.4 Competitiveness – Manage all aspects of our financial operations to maintain competitive rates across all classes of water and electric service.
- Strategy 2.5 Additional Revenues - Monetize passive assets to continue existing revenue streams and add new revenue streams to make up for losses from lower commodity use and other financial impacts.



20

[RiversidePublicUtilities.com](http://RiversidePublicUtilities.com)



## SUSTAINABILITY

Meet all city goals and state and federal compliance targets related to efficient use of water and electricity, renewable resources, greenhouse gas (GHG) emissions.

- Strategy 3.1 Manage utility operations to meet compliance targets and City goals.
- Strategy 3.2 Develop and implement resource conservation and efficiency programs to meet compliance targets.
- Strategy 3.3 Develop and maintain renewable water and power resources to meet compliance targets and fully implement our integrated resource plans.

[RiversidePublicUtilities.com](http://RiversidePublicUtilities.com)



21



## CUSTOMER EXPERIENCE

Provide world-class customer-centered service in every encounter, every day.

- Strategy 4.1 Consistently deliver exceptional customer transaction experiences to maintain results to meet or surpass applicable objectives and KPI measures.
- Strategy 4.2 Non-Transactional contacts – Implement and maintain customer contact strategies to meet or surpass applicable objectives and KPI measures.
- Strategy 4.3 Maintain quality service in all aspects of service operations that meets or surpasses our customers' expectations.

[RiversidePublicUtilities.com](http://RiversidePublicUtilities.com)



22



## OPERATIONAL EXCELLENCE

Instill, maintain and grow a culture of learning, innovation and continuous improvement in all internal processes achieving excellence in all our operations.

- Strategy 5.1 Implement legislative and regulatory advocacy and intervention actions to positively impact legislation and regulations at all levels of government.
- Strategy 5.2 Maximize the use of technology to improve utility operations across the enterprise.
- Strategy 5.3 Develop and implement process improvements to enhance effective and efficient operations across the enterprise.
- Strategy 5.4 Develop and maintain regulatory and risk management programs to maintain compliance targets and internal policy requirements.
- Strategy 5.5 Implement and maintain meter-to-cash activities to meet or surpass our customers' expectations.
- Strategy 5.6 Implement leading practices in system operations and maintenance to deliver excellence in all aspects of utility operations.

[RiversidePublicUtilities.com](http://RiversidePublicUtilities.com)



23



## STRONG WORKFORCE

Attract, retain, train, educate and promote employees ensuring that a high level of employee safety, performance, productivity and engagement is achieved.

- Strategy 6.1 Safety – Provide tools, training and programs to ensure our employees have the necessary knowledge, skills and support to work safely.
- Strategy 6.2 Training - Provide training and educational opportunities that promote continuous learning within the organization.
- Strategy 6.3 Organization – Develop and implement programs and practices that promote a culture of employee engagement, performance and productivity.

[RiversidePublicUtilities.com](http://RiversidePublicUtilities.com)



24