



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JULY 29, 2015

ITEM NO: 3
File ID – 15-2485

SUBJECT: BOARD OF PUBLIC UTILITIES STRATEGIC PLANNING WORKSHOP – UTILITY 2.0; REVIEW INITIAL STAFF PRESENTATIONS ON ELECTRIC SUPPLY, WATER SUPPLY AND THRIVING FINANCIALLY ROADMAPS THAT OUTLINE CURRENT AND FUTURE ISSUES THAT RIVERSIDE PUBLIC UTILITIES WILL FACE AS IT PREPARES FOR AND RESPONDS TO THE TRANSFORMATIONAL CHANGE AFFECTING THE UTILITY INDUSTRY (BOARD WORKSHOP #4)

ISSUE:

The issue for Board of Public Utilities consideration is to conduct a workshop to receive initial staff presentations on Electric Supply, Water Supply and Thriving Financially Roadmaps and provide feedback for inclusion in the final documents.

RECOMMENDATION:

That the Board of Public Utilities conduct a workshop and provide feedback on the draft Electric Supply, Water Supply and Thriving Financially Roadmaps.

BACKGROUND:

On February 12, 2015 the Board of Public Utilities (Board) began a long range strategic planning process. Under the umbrella concept of Utility 2.0, staff has prepared a series of "roadmaps" that outline current and future issues that RPU will face as it prepares for, and responds to, the transformational changes affecting the utility industry. Each of the Roadmaps includes the following sections: Assessment, Findings, Options & Alternatives and Recommendations.

On July 13, 2015 the Board received presentations and provided feedback on the Electric Infrastructure, Water Infrastructure and Workforce Development Roadmaps. The Board's feedback is summarized in the attached tables and has been synthesized and incorporated in the Roadmaps. Staff will summarize those changes during the July 29, 2015 workshop.

Roadmap presentations on Electric Supply, Water Supply (including Recycled Water) and an introduction to Thriving Financially will be presented by staff and feedback from the Board will be requested in the same manner and format as the July 13, 2015 workshop (i.e., post-it notes).

An overview of the Board planning process is highlighted in the following table:

Board of Public Utilities Strategic Planning Process Calendar

2014	Board & City Council	Assessment of RPU by General Manager presentations to Board, Utility Services/Land Use/Energy Development Committee and each City Councilmember individually; presentations to numerous community groups (identified 10-year pro-forma and impact on reserves as an issue)
February 12, 2015	Board Workshop #1	Strategic Planning Workshop – Utility 2.0

Board of Public Utilities Strategic Planning Process Calendar

<i>February 27, 2015</i>	Board Workshop #2	Strategic Planning Workshop – Goals
<i>May 7, 2015</i>	City Council/ Board Workshop #1	Utility 2.0 introduction, Board and City Council feedback
<i>July 13, 2015</i>	Board Workshop #3	Roadmap presentations and feedback (Water Infrastructure, Electric Infrastructure, Workforce Development)
<i>July 29, 2015</i>	Board Workshop #4	Roadmap presentations and feedback (Water Supply, Electric Supply, Introduction to Thriving Financially)
<i>August 11, 2015</i>	City Council Meeting	Discussion of Department Performance Audit Scope
<i>August 28, 2015</i>	City Council/ Board Workshop #2	Governance and Utility 2.0 Roadmaps
<i>September 1, 2015</i>	City Council Workshop	RPU Finances 101
<i>Sept./Oct. 2015</i>	Board Meeting then City Council Meeting	<ul style="list-style-type: none"> • Fiber Optic Plan • Audit of Northside transactions
<i>Oct. – Dec. 2015</i>	Board & City Council	<ul style="list-style-type: none"> • Additional feedback on Roadmaps • Audit on Fiscal Policies • Audit on Organizational review (business effectiveness by Hometown Connections) • Thriving Financially Roadmap
<i>Q1 2016</i>	Board & City Council	<ul style="list-style-type: none"> • Draft financial plan to City Council – five year forecast, including rates, reserves and bond coverage ratios • Audit – Initiate next phase of performance audit • Audit – Initiate detailed financial audit

The workshop agenda for July 29, 2015 is as follows:

1. Introduction and opening remarks (*Balachandran*) – 5 minutes
2. Electric Infrastructure Roadmap Recap
 - Presentation (*Hohl*) – 20 minutes
 - Feedback (*Board members*) – 10 minutes
3. Water Infrastructure Roadmap Recap
 - Presentation (*Jorgenson*) – 20 minutes
 - Feedback (*Board members*) – 10 minutes
4. Workforce Development Roadmap Recap
 - Presentation (*Milligan*) – 10 minutes
 - Feedback (*Board members*) – 10 minutes
5. Break – 5 minutes
6. Electric Supply Roadmap
 - Presentation (*Kerr*) – 30 minutes
 - Feedback (*Board members*) – 10 minutes
 - Summary of Feedback (*Milligan*) – 5 minutes

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| 7. Water Supply Roadmap | |
| Presentation (<i>Jorgenson</i>) | – 30 minutes |
| Feedback (<i>Board members</i>) | – 10 minutes |
| Summary of Feedback (<i>Milligan</i>) | – 5 minutes |
| 8. Thriving Financially Roadmap | |
| Presentation (<i>Chavez-Nomura</i>) | – 30 minutes |
| Feedback (<i>Board members</i>) | – 10 minutes |
| Summary of Feedback (<i>Milligan</i>) | – 5 minutes |
| 9. Closing Comments/Next Steps (<i>Balachandran</i>) | – 10 minutes |
| 10. Board Feedback and Plus/Delta | – 10 minutes |

Staff will be available for 30 minutes prior to the start of the meeting for an informal period of “show and tell” related to supply and infrastructure.

Transcribed copies of the Board feedback are attached to this report in table format. Images of the original notes will be retained with the Board minutes. Copies of the prior Roadmap presentations are attached for reference.

FISCAL IMPACT:

There is no fiscal impact associated with the conduct of this workshop.

Prepared by:	Kevin S. Milligan, Public Utilities Deputy General Manager
Approved by:	Girish Balachandran, Public Utilities General Manager
Approved by:	John A. Russo, City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachments:

1. Transcribed notes of Board Feedback from July 13, 2015 Workshop
2. Electric Infrastructure Roadmap Presentation (from 7/13/2015 workshop)
3. Water Infrastructure Roadmap Presentation (from 7/13/2015 workshop)
4. Workforce Development Roadmap Presentation (from 7/13/2015 workshop)