



CITY OF
**PALO
ALTO**

Utilities Advisory Commission Staff Report

From: Ed Shikada, City Manager
Lead Department: Human Resources

Meeting Date: October 9, 2024
Report #: 2410-3569

TITLE

Utilities Advisory Committee (UAC) Discussion for Director of Utilities Department Recruitment and Input of Candidate's Key Characteristics

RECOMMENDATION

This item is for the UAC discussion and feedback, no action necessary.

BACKGROUND

The Director of Utilities position will become vacant when the incumbent Dean Batchelor retires at the end of the calendar year after serving as the Director for 6 years. Staff is preparing to launch this executive recruitment and receiving the UAC feedback on key challenges facing the department and leadership characteristics required to help guide in the identification of potential candidates.

Human Resources is executing a contract with Executive Recruiter Teri Black & Company. Teri Black will lead the recruitment and use this feedback to conduct outreach and recruit a new Director.

ANALYSIS

A recruitment process lead by the City Manager as the hiring manager will be facilitated by the Human Resources Department and the executive recruiter. Input and feedback gathered from the Utilities Advisory Commission, members of the public, the City Council (via the Finance Committee), and City staff will assist Teri Black & Company to develop the recruitment brochure as well as to screen potential candidates. The goal is to open the recruitment in November. Upon selection of a recommended candidate, this position is submitted to the City Council for confirmation of the City Manager's hire.

This position is responsible for a number of policies and procedures internally including rate setting for the five utilities, and Outage Communication to the community. It coordinates department activities with those of other departments and outside agencies (Northern

California Power Agency, California Municipal Utilities Association, and Bay Area Water Supply & Conservation Agency), provides staff assistance to the City Manager and the City Council; prepares and presends staff reports and other necessary correspondence. A key factor in this position is to establish work plans, key performance indicators, assign work activities, monitor workflows and evaluate work products. The Department is on the forefront of key investments such as partnering on the City's ambitious Sustainability & Climate Action Plan, increase electric grid reliability and modernization for electrification, and a pilot project establishing fiber-to-the-premises. The number one goal for the department is making sure every staff member goes home safe at the end of the day.

For reference, staff have included relevant documents to this role including the job description (Attachment A) and relevant sections in the City's annual operating and capital budget (Attachment B and C respectively). The Utilities Director role is specified in the City's Municipal Code. Palo Alto Municipal Code (section 2.08.200) includes the following responsibilities for the department of utilities under the direction of the director of utilities who shall be accountable to the City Manager:

- (1) To plan, direct and coordinate the operations of the city's utilities department;*
- (2) To coordinate the forecasting of the city's long-range utility needs and develop financial plans to ensure that the city's utilities rate, reserve and revenue levels will be able to meet customer service, operating and financial requirements;*
- (3) To provide administrative support to the utilities advisory commission on matters relating to the department;*
- (4) To generate appropriate reports as may be required by county, state and federal agencies or by law;*
- (5) To operate a responsive customer service center, to manage customer service utilities billing, inquiries and complaints and to provide a fast and courteous response to each customer's request for utility service;*
- (6) To establish rates to offset operating costs of all city utility operations designated as utilities enterprise funds and to provide a fair and reasonable rate of return on the city's capital improvement investment in those utilities designated as utilities enterprise funds;*
- (7) To provide technical or other efficiency services to enable residential, commercial and industrial utilities customers to reduce their operating costs, improve the quality of the environment and maintain a high level of customer satisfaction;*
- (8) To forecast and plan the acquisition and disposition of sufficient least-cost resource supplies to meet existing and future supply requirements in an environmentally acceptable manner;*
- (9) To negotiate for the purchase and sale of water, gas and electricity and contract with water, gas and electric power producers, suppliers and marketers for resource supply at the best available price or cost;*

- (10) *To recommend capital construction and improvements of all utility systems, and to administer such programs when approved;*
- (11) *To inspect all construction work done by or for the utilities and require compliance with all contracts made in connection therewith;*
- (12) *To prepare or cause to be prepared all utility maps of the utilities, and to keep and to maintain such records as are necessary for the fulfillment of this function;*
- (13) *To provide operations, maintenance, and construction necessary to ensure the safe, efficient and reliable delivery of electric, water, gas and wastewater collection services to all customers;*
- (14) *To provide operations, maintenance, and construction necessary to ensure the proper operation of the city's traffic signal, street lighting and communication systems;*
- (15) *To perform or cause to be performed all duties required by this code or other law of the director of utilities and the department of utilities; and*
- (16) *To perform such other duties as may be required.*
- (b) *For organizational purposes, the department of utilities shall consist of the following divisions: administration; customer support services; resource management; engineering; and operations.*

FISCAL/RESOURCE IMPACT

An executive recruitment for this role is within existing contract authority and salary savings from the position while vacant will be sufficient to provide the funding necessary.

Utilities is a highly competitive industry and more so when recruiting for oversight of five utilities; consideration of amendment to the compensation range may be necessary to attract qualified candidates to this role.

STAKEHOLDER ENGAGEMENT

Both this Utilities Advisory Commission and the City's Finance Committee will host discussions in which stakeholders may engage and provide feedback for consideration as part of this recruitment process.

ENVIRONMENTAL REVIEW

This is not a project.

ATTACHMENTS

Attachment A: Utilities Director Job Description

Attachment B: FY 2025 Adopted Operating Budget Utilities Excerpts

Attachment C: FY 2025 Adopted Capital Budget Utilities Excerpts

AUTHOR/TITLE:

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