



# 2020 STRATEGIC PLAN

## Annual Business Plan

Approved by City Council, January 20, 2015



Redding Electric Utility



# 2020 STRATEGIC PLAN Annual Business Plan

**REDDING ELECTRIC UTILITY**  
**2020 STRATEGIC PLAN**

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**TABLE OF CONTENTS**

Introduction ..... 1

Organization and History ..... 2

Strategic and Business Planning Process ..... 3

Terminology ..... 6

Vision, Mission, and Values ..... 7

REU’s Mission/Strategic Destination ..... 9

Strategic Issues ..... 10

Key Performance Indicators ..... 16

**ISSUES, GOALS & STRATEGIES**

Issue 1 ..... 17

Issue 2 ..... 18

Issue 3 ..... 19

Issue 4 ..... 20

Issue 5 ..... 21

Summary of Issues, Goals & Strategies ..... 22

Implementation and Annual Update ..... 25

The following individuals participated in the preparation of the Strategic and Business Plan. Special thanks to all Redding Electric Utility (REU) employees for providing valuable feedback throughout the planning process.

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Plan facilitated by Patty Cruz and Steve Rupp – Leidos, Inc.  
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## REDDING ELECTRIC UTILITY

### 2020 STRATEGIC PLAN

## INTRODUCTION

Redding Electric Utility's (REU) 2020 Strategic Plan was developed with input from employees, customers, and other key stakeholders in the industrial and governmental arena. Many internal and external forces impact how REU does business, how it functions as an organization, and how it interfaces with its stakeholders. A clearly stated strategic destination for REU and an outline for achieving it are the highlights of this Plan.

A Core Planning Team (CPT) comprised of employees from across the organization and REU's Executive Management Team developed the Strategic Plan.

Building from these various sources of inputs, the CPT engaged in the hard work of detailed Plan development. Input from these various sources led to REU's Mission, which is endorsed by the utility as a whole: **By 2020, REU will have established flexible, creative, innovative, and sustainable business practices while continuing to deliver valuable, safe, and reliable services for its customers.**

Accomplishing the Strategic Destination will require great effort and dedication from all employees on a continual basis. The Strategic Plan is not static; it will be revisited every year and updated as needed. The strategic planning effort will continually help REU identify organizational priorities and be fully integrated into the budgeting process, resulting in protocols and budget decisions that are **consistent, sustainable, and defensible.**



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*By 2020, Redding Electric Utility will have established flexible, creative, innovative, and sustainable business practices while continuing to deliver valuable, safe, and reliable services for its customers*

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The key Issues and Strategies identified in the Strategic Plan support REU's goal of becoming more attuned and responsive to the needs of customers and employees. While REU has met customer and employee needs in the past, there is no guarantee that applying past practices will meet the changing needs of customers, employees, and new business demands in the future. Increased communication is required to convey REU's strategic destination, goals, initiatives, and successes to employees, the community at large, and to other key stakeholders.

## ORGANIZATION AND HISTORY

In 1921, Redding community leaders acquired the local electric distribution system from Pacific Gas & Electric (PG&E). Initially, REU relied on purchases of wholesale power from PG&E and other utilities and in 1961 began buying power from the U.S. Bureau of Reclamation and its successor agency, Western Area Power Administration (Western). In 1976, the City of Redding commenced a program to ensure REU could meet its future power requirements through a diverse mix of resources including owning generation and transmission, participating in a joint action power agency, and through power purchase agreements. This program was consolidated in the early 1980's into what essentially became REU's first resource plan.

During the 1980's and 1990's, growth in electric load and increases in the cost of power from REU's major supplier, Western, set the stage for REU's acquisition of diverse power resources including coal-fired, hydroelectric, co-generation, and natural gas generation.

In 1997, faced with impending deregulation of the electric utility industry in California (State Assembly Bill 1890), REU instituted a 23 percent interim rate surcharge with the goal of reducing its outstanding debt by approximately \$200 million. This surcharge was lifted by the City Council in 2002. That same year, due to resource decisions made 10 years prior, Redding avoided service disruptions (rolling blackouts) that impacted much of California.

REU has been successful in diversifying its energy resource portfolio to achieve both economic and reliability goals, and more recently to meet environmental and renewable objectives. REU has transitioned its resource mix to include renewable generation including wind generation, and has enhanced its capability in demand-side management through an energy efficiency rebate program and a thermal energy storage program. Today, REU serves

approximately 44,000 residential and commercial customers within the City of Redding, with 800,000 megawatt hours of electricity provided annually and a peak load of over 250 megawatts.

REU is facing unprecedented challenges to its core mission of delivering safe, reliable, and affordable electricity to the community as the City of Redding continues to struggle with a protracted economic downturn and shifting of economic activity that has resulted in essentially no growth in power sales in the past 15 years. REU has focused on improving its operational efficiency and reducing costs in the face of declining revenues, but it must also contend with upward operating cost pressures due to increasing regulatory and legislative complexity, increasing labor, retirement, healthcare, and power supply costs. This strategic planning effort addresses the challenges and provides direction in managing an uncertain future while ensuring the long-term sustainability of locally-owned public power.

## **STRATEGIC AND BUSINESS PLANNING PROCESS**

Strategic planning is a structured process designed to identify, prioritize, and address concerns and challenges critical to REU's long-term success. REU's Strategic Plan covers a five-year planning horizon and provides the necessary framework for REU to implement its Strategic Destination.

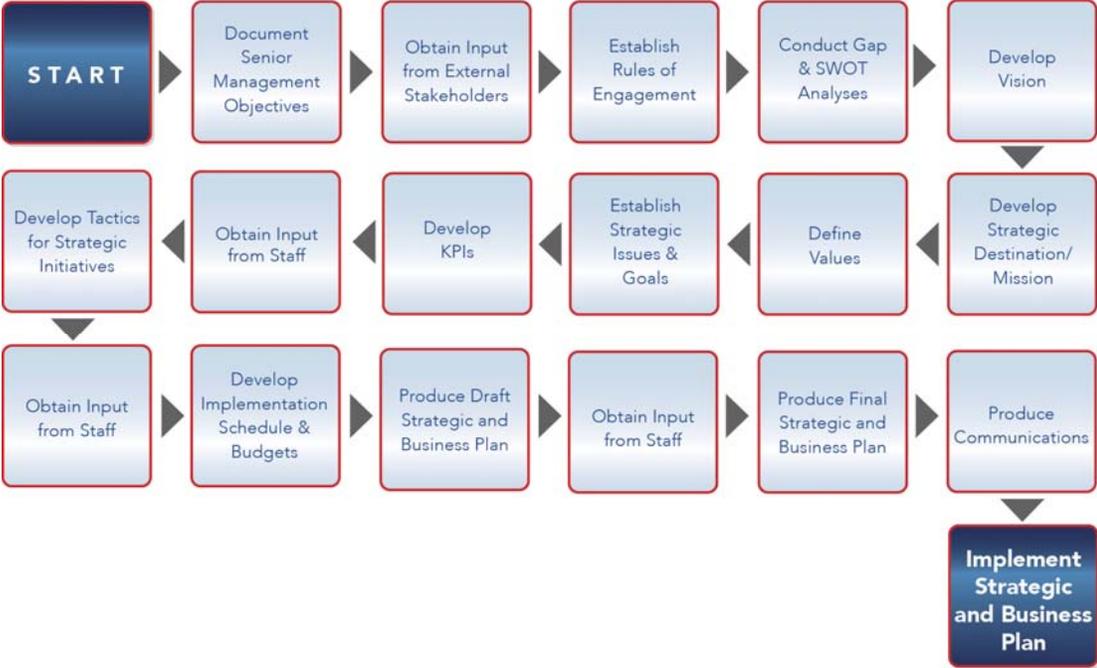
The Strategic Plan was developed using a joint process involving a CPT composed of a cross-section of employees and management. Also, regular briefings of all employees were held to solicit their input and participation in the Strategic Plan. The result is a collaborative effort among all levels of the organization that includes an exchange of information and produces full endorsement.

The CPT actively participated in three two-day workshops and various conference calls over a period of five months to define the strategic issues.

### **Planning Process Diagram**

The diagram below illustrates the process that was used to develop REU's Strategic and Business Plan. Note that the process was not conducted in the precise sequence that is shown for illustrative purposes.

REDDING ELECTRIC UTILITY



## Business Plan

The Business Plan that accompanies this five-year Strategic Plan is a work plan that defines the steps required to implement those activities identified in the Strategic Plan as priorities for next year. It includes tactical activities that will resolve REU’s key Issues, along with the individual staff members who will be accountable for completing the tactics on schedule and within budget. Those activities that can be accomplished within the first six to nine months after initial implementation have been identified, as have longer term tasks. This Business Plan also includes a budget for various Issues in order to support sound financial decisions.

During the initial implementation period, it is suggested that an Implementation Review Team check for consistency in the Strategic and Business Plan and make recommendations for adjustments as necessary.

## Strategic and Business Plan Updates

To remain effective, the Strategic and Business Plan should be reviewed and updated on an annual basis. It is not necessary to follow all of the steps that were used to develop the initial Strategic and Business Plan; however, the CPT is responsible for updating the Strategic and Business Plan. An annual meeting where CPT members share accomplishments and challenges with each Issue should be conducted. The objective of this annual workshop is to update/revise the Strategic and Business Plan per input from the organization and progress achieved to date. The abbreviated process illustrated below is recommended for future Plan updates.



## TERMINOLOGY

The following key terms are defined to facilitate understanding of Strategic and Business Plan terminology.

<b>VISION</b>	What an organization seeks to achieve overall from a high level perspective
<b>MISSION / STRATEGIC DESTINATION</b>	Where REU wants to be in five years
<b>CORE VALUES</b>	Those attributes that are fundamental to the way an organization operates both internally and externally
<b>ISSUE</b>	A concern or challenge
<b>GOAL</b>	How REU will know when an Issue has been resolved
<b>STRATEGY</b>	How an Issue will be resolved
<b>TACTIC</b>	Specific work activity to accomplish a Strategy
<b>KPI</b>	Key Performance Indicator – How REU will measure progress
<b>SPONSOR</b>	A “project manager” responsible for managing budgets and schedules for REU’s strategic Issues
<b>CHAMPION</b>	A person with passion to drive a Strategy forward
<b>GAP ANALYSIS</b>	A comparison of where REU is now versus where it wants to be in the future
<b>SWOT ANALYSIS</b>	A comparison of REU’s strengths, weaknesses, opportunities, and threats
<b>STRATEGIC PLAN</b>	A five-year plan to identify and drive REU to achieve its Strategic Destination
<b>BUSINESS PLAN</b>	A one-year work plan describing how the work will get done (tasks, budget, schedule, and accountability)
<b>IMPLEMENTATION TEAM</b>	A team responsible for ensuring consistency in the Strategic and Business Plan during its initial implementation

## VISION, MISSION, AND VALUES

REU's Vision, Mission, and Values are stated below.

### VISION

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REU, as Redding's community-owned electric utility, creates value and delivers exceptional services through the strength of its employees.

### MISSION/STRATEGIC DESTINATION

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By 2020, Redding Electric Utility will have established flexible, creative, innovative, and sustainable business practices while continuing to deliver valuable, safe, and reliable services for its customers.

### VALUES

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Our Core Values are Integrity, Customer Focus, Teamwork, Communication, and Safety.

#### SAFETY

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We are committed to the safety of our employees, customers, community and environment.

#### INTEGRITY

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We are accountable, ethical, honest, and transparent in everything we do.

#### CUSTOMER FOCUS

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We strive to provide excellent service in a courteous, professional manner and align our business practices to our customers' needs.

#### TEAMWORK

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We work together to achieve common goals in an environment that fosters trust, collaboration, mutual respect, and professionalism.

#### COMMUNICATION

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We have open, honest, and constructive communication with our customers, community, employees, business partners, council, and commission.

## VISION – BACKGROUND

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*In order to develop a clear picture of the future, the CPT participated in a facilitated exercise in which they were asked to envision what REU and the Redding community might look like in five years' time. The description below is intended to provide more detailed background of the Vision statement above – a deeper understanding of what stands behind the words: “REU, as Redding’s community-owned electric utility, creates value and delivers exceptional services through the strength of its employees.”*

The exercise resulted in three primary focus areas: customers, employees, and value.

### Customers

- Customers are the economic engine of the utility and value reliable electric service as well as choice in products and services
- Local control through consumer ownership is the core of the utility’s business model
- Programs and services offered by the utility reflect the community’s values
- Providing value to customers is more important than offering the lowest rates

### Employees

- Employees are respected as an important asset of REU and are the foundation of the success of the utility
- Employees are good stewards of resources and support REU’s culture of safety
- REU is seen as a desirable employer and retains its intellectual capital through succession planning
- REU employs an adaptable workforce to address uncertainty

### Value

- Customers appreciate the value provided by REU

- Customer costs are predictable
- REU's rate structure is sustainable and flexible to address uncertainty
- REU's rates are competitive, transparent, aligned with customers' interests, and cost-based

## REU'S MISSION/STRATEGIC DESTINATION

REU's Mission/Strategic Destination states:

**By 2020, REU will develop flexible, creative, innovative, and sustainable business practices to deliver economic, safe, and reliable customer services.**

This Mission is based on the intersection of three circles illustrated below. It represents REU's assessment of where the organization is going and what REU will become.

**PASSION** – “What REU is deeply passionate about.”

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**Enhancing the quality of life in our community**

**UNDERSTANDING** – “What REU can be the best in the world at.”

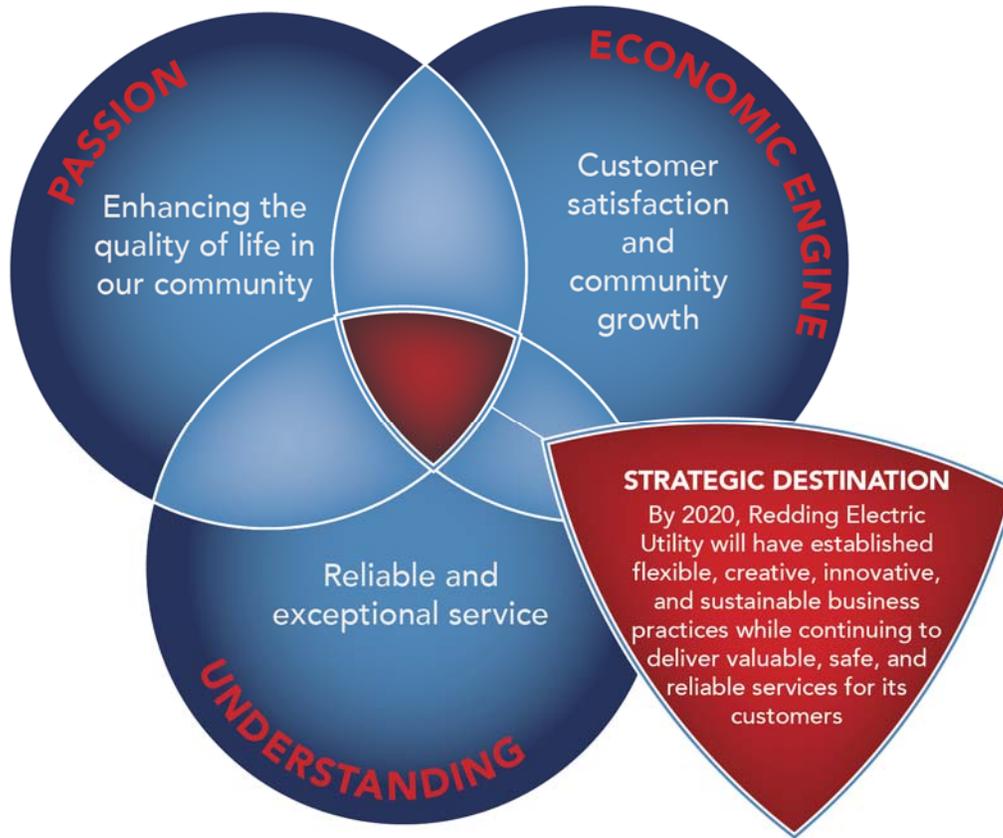
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**Reliable and exceptional service**

**ECONOMIC ENGINE** – “What drives REU's economic engine.”

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**Customer satisfaction and community growth**



## STRATEGIC ISSUES

Through a series of work sessions beginning in June 2014, the most pressing current and future Issues facing REU were identified. A Gap Analysis compared REU’s view of its current condition against its desired future condition. An analysis of REU’s strengths, weaknesses, opportunities, and threats (SWOT Analysis) was also used to help identify strategic areas where the organization should focus its energy and resources. In an Issues-based approach to planning, framing, and prioritizing, the Issues are pivotal steps. The CPT engaged in significant thought and discussion – including validation with broader staff – to arrive at these five clear statements.

Also noteworthy is that there is a prioritization process built into each step of the planning process. This forces focus and attention on those items that create the most effective leverage points for organizational progress. This forced prioritization begins with Issues identification. Although more than five Issues were initially discussed, the CPT evaluated the

relative importance of each to limit the scope of the Plan to create higher likelihood of successful implementation.

The following tables describe the top five Strategic Issues identified as priorities for REU.

ISSUE 1	<b>Our financial and business model must be enhanced to build a sustainable utility organization</b>
	REU's current business models are stressed by many factors. Among the top concerns are environmental pressure on economic sustainability, managing and planning for uncertainty, taking good care of our aging infrastructure, and providing value to our customers.
	Environmental regulations and policies aimed at reducing greenhouse gas emissions are focused on conservation, energy efficiency, renewable resources, and distributed generation. However, when customers use less energy, the utility collects less of the revenue needed to operate and maintain the distribution system because our current rate structures do not ensure recovery of our fixed operating costs. We want rates and business models that reduce greenhouse gas emissions, help customers save money all while providing just enough revenue to maintain safety and reliability.
	In times of great uncertainty, we need to change our approach to planning. We used to make investments with 20 and 30 year horizons in mind but because of uncertain market forces, volatile fuel and energy prices, a fragile local economy and other forces, we have to make decisions with more flexibility so our planning horizons are moving nearer. Accordingly, we must update our plans and forecasts much more frequently and we must explore more options and scenarios to ensure we make the best decisions.
	As our infrastructure continues to age, we need to look to new business practices to maintain reliability, operate safely, and manage our costs responsibly. Using better data collection and analytics, we can better predict future maintenance and replacement costs, prioritize the expenditures to get the best impact on safety and reliability, and look for creative and innovate ways to manage our operating costs and reliability.
And finally, we never lose sight of the fact that even when faced with changing energy policies, upward cost pressures, shortened planning horizons, and aging infrastructure, ensuring that we satisfy our customers remains a high priority. Public power is a special privilege that only a fraction of the nation enjoys. Working for you, our customers, is the most important thing we can do to ensure that the community continues to enjoy safe, reliable, and affordable electricity.	

**We must have an effective and healthy organization**

**ISSUE 2**

REU is a complex enterprise responsible for buying and selling power in dynamic financial markets; operating and maintaining a large power generating facility, 12 substations, and over 700 miles of overhead and underground power lines; monitoring and managing endless regulatory and legislative issues; developing and delivering programs and services to help our customers use energy efficiently; and a myriad of other efforts needed to deliver safe, reliable, and affordable electricity to the community. As our business is complex, so is our organization of over 160 professionals, from line-crews to engineers, to accountants, and dozens of other professions all dedicated to providing value to our customers. As part of our strategic planning effort, we will look closely at our organization to ensure we have effective leadership, efficient business processes, the right structure, the best people empowered and positioned to grow - open communication and other characteristics of a successful business.

To quantify the effectiveness of the current organization, we will review our key business processes and procedures, succession plans, departmental business progress reports, and our performance measures. We plan to compare our performance with that of similar utilities through a benchmarking and best practices review. Based on our analysis, we will establish goals and timelines for future performance levels, as well as identify any structural changes that are necessary to help us meet our goals.

A core value of REU is ensuring the safety of our employees and our customers. One of our initiatives is to strengthen our commitment to safety by implementing a comprehensive safety program.

Looking ahead to the changes in the utility industry and the challenges of operating a modern electric utility, we need innovative solutions delivered by a flexible and responsive organization that will deliver value to our customers. Ensuring that REU is an effective and healthy organization is an important component of our Strategic Plan.

**Issue 3**

**We must improve our technology to deliver increased value to our customers**

REU depends on technology in every facet of our business – from the desktop computers we use, to the engineering and planning models we rely on, to the advanced control systems that we use to operate our power plant and power delivery system. Technology has become so essential to electric utility operations that it has become part of the infrastructure we must maintain – just like poles and wires and transformers. REU is dedicated to providing cost-effective services to our customers through the use of proven technologies. With the dramatic changes in renewable energy, energy control systems, and customer interaction, a thorough review of our technical systems is needed to analyze potential technical opportunities.

Our strategy for addressing technology begins with the development of a thorough technology road map in which we will identify our future business needs, evaluate our business processes and current technologies, and examine industry trends and best practices. We will assess which of our existing technologies should be enhanced, what technologies could be outsourced, and what new technologies should be implemented. New technologies will help us improve operations by automating business processes, improve electric service reliability by reducing the time it takes to locate and restore outages and conduct better planning and engineering analysis using improved mapping and modeling tools.

The technology assessment will allow REU to evaluate the costs and benefits of various technologies, understand the priority and pace of implementation, and evaluate the changes we will have to implement, all of which will provide a logical road map for putting technology to work to deliver value to our customers.

**We must improve our communications**

**ISSUE 4**

Information, both useful and not, both good news and bad, is available around the clock, at our finger tips. Television, radio, print, and social media provide a never-ending stream of messages and more than ever, REU is in that stream. Mostly, we are in the information stream as a consumer of news, information, and data. Sometimes we are the topic of the information stream, especially when the news is not good. Looking forward, we think our most vital role in the increasing information stream is communicating with our customers.

We need effective methods to communicate the value of public power to the community we serve. Too many customers do not understand that REU is owned and governed by its customers, do not generate profits to the benefit of a shareholder, and provides community-focused programs and services based on what the community wants. Establishing successful two-way communications with our customers allows us to raise awareness, provide education, address customer concerns, and encourage customer participation in the electric system. It helps customers understand the programs and services we offer, the options and choices available to reduce utility costs, and the changes and uncertainties we are facing in the energy industry.

Social media, for example, has become an important voice of the customer and a venue for real-time interactions with them. While the electric utility industry as a whole, including REU, has been slower to adopt this type of media than some other sectors of the economy, we plan to increase our efforts in this area to further engage our customers using the communications methods that are most important to them. We will have to become more creative, more flexible, and more accommodating of all kinds of communication methods.

Finally, REU looked internally at how we communicate with each other; we looked at the quality of our internal communications and we discovered we need to improve. By understanding how all forms of internal communications ultimately impact our customers' experience with the Utility, as well as the health of our organization, we will be better equipped to foster a culture of improved internal communications that focuses on customer needs and creates a healthier organization.

<p>ISSUE 5</p>	<p><b>We must attract, develop, and retain a qualified workforce</b></p>
	<p>Across the nation, and specifically within the electric utility industry, attracting, developing, and retaining a qualified workforce are significant challenges. Experienced managers, engineers, and skilled electrical workers are among the most difficult positions to fill in public power. Supporting Science, Technology, Engineering, and Math (STEM) programs from elementary school to higher education is one strategy that utilities are turning to. While this holds promise for future generations, over the next ten years the issue of finding qualified people to staff these types of positions in public power is expected to worsen. Competitive forces are making the problem even harder as our employees, especially those with five to fifteen years of experience, are attracted to higher paying jobs at bigger utilities or to positions outside the utility sector in more innovative and progressive industries.</p> <p>Recruiting and training new workers is an essential function for public power utilities and taking steps to handle this challenge will allow REU to continue to reliably serve our customers. REU is looking at strategies that will help us become an employer of choice -- looking beyond economic features to culture, training, and innovation as factors important to attracting a qualified workforce. We will focus on keeping our valuable employees through career development plans, training, mentoring, and employee recognition programs. Finally to address expected retirements of highly experienced employees, we are developing a succession plan that will allow us to capture valuable institutional knowledge before long-term workers depart the utility.</p>

## KEY PERFORMANCE INDICATORS

Establishing metrics to track and report progress is a critical work activity within all successful organizations and is an important aspect of implementing REU’s Strategic and Business Plan. REU’s CPT is responsible for defining Key Performance Indicators (KPIs) to establish quantifiable criteria for measuring and monitoring progress related to each Strategic Issue. Note that some of the actual performance numbers are not yet defined for the KPIs, and gathering and tracking this data will be one of the first implementation tasks.

The KPIs will serve as the primary mechanism for tracking and reporting implementation progress. REU’s progress in meeting KPI targets will be regularly measured and reported to the City Council and Senior Management, helping to drive accountability and progress toward the Mission/Strategic Destination.

## ISSUES, GOALS & STRATEGIES

The strategies developed to address REU’s top Issues and to move REU toward its Strategic Destination provide tangible guidance to the organization. As the Strategic Plan is revisited on a regular basis, these Strategies are expected to evolve and change, as necessary, in order to resolve each Issue. In subsequent planning years, new Issues will be brought to the forefront as old Issues are resolved.

The following table summarizes each of REU’s five Strategic Issues and includes recommended Strategies to address them. Successfully implementing these Strategies will help REU achieve the desired “future state” conditions identified in the REU Gap Analysis. Goals pertaining to each Issue define when the Issue has been resolved while KPIs detail specific metrics to be used for purposes of tracking progress to plan.

ISSUE 1	<p><b>Our financial and business model must be enhanced to build a sustainable utility organization</b></p>
GOALS	<p>REU will know its financial and business models have been enhanced to build a sustainable utility organization when:</p> <ul style="list-style-type: none"> <li>• Fixed costs are significantly covered by fixed revenues regardless of the level of energy efficiency and other load reducing initiatives.</li> <li>• REU is indifferent to distributed generation and there is no cost shift from net metered customers.</li> <li>• REU maintains a competitive advantage to PG&amp;E's average system rate.</li> <li>• REU maintains healthy cash reserves.</li> <li>• Customers are highly satisfied with the products and services offered by REU.</li> <li>• Excellence in reliability is achieved.</li> </ul>
KPIs	<p>REU will measure progress on this Issue using the following KPIs:</p> <ul style="list-style-type: none"> <li>• By 2020, 60% of fixed costs are recovered through fixed revenues.</li> <li>• Distributed generation customers pay at least 95% of the cost of service.</li> <li>• REU maintains a 20% competitive advantage to PG&amp;E's average system rate.</li> <li>• REU maintains 150 days of cash on hand.</li> <li>• Customer satisfaction surveys are conducted biennially and results indicate a 90% satisfaction with REU.</li> <li>• The System Average Interruption Duration Index (SAIDI) for REU is above industry standards for the year (Industry standard in 2014 – 90 minutes).</li> <li>• The System Average Interruption Frequency Index (SAIFI) for REU is above industry standards for the year (Industry standard in 2014 – 1.0 outage per customer).</li> </ul>
STRATEGY 1	<p>Responsible financial management practices ensure economic sustainability.</p>
STRATEGY 2	<p>A planning culture improves opportunities for success.</p>
STRATEGY 3	<p>Asset management reduces capital costs and improves reliability.</p>
STRATEGY 4	<p>Satisfied customers improve our community.</p>

<b>ISSUE 2</b>	<b>We must have an effective and healthy organization</b>
<b>GOALS</b>	<p>REU will know it is an effective and healthy organization when:</p> <ul style="list-style-type: none"> <li>• Employees are highly satisfied with the REU organization.</li> <li>• Customers are highly satisfied with the products and services offered by REU.</li> <li>• Staffing levels are adequate to efficiently run operations, respond to new mandates, and provide excellent service to customers.</li> <li>• REU has maintained a dynamic Strategic Plan.</li> </ul>
<b>KPIs</b>	<p>REU will measure progress on this Issue using the following KPIs:</p> <ul style="list-style-type: none"> <li>• Employee satisfaction levels are 90% based on annual survey.</li> <li>• 90% of employees participate in REU events.</li> <li>• Customer satisfaction surveys are conducted biennially and results indicate a 90% satisfaction with REU.</li> <li>• Customer satisfaction levels with REU among Large customers is 95% or higher.</li> <li>• Feedback from policy makers is obtained annually.</li> <li>• The Tactical Action Plans within the Strategic Plan are successfully implemented per defined schedules, budgets, and priorities.</li> <li>• The Strategic Plan is updated on an annual basis.</li> <li>• Safety metrics are defined by December 2014 and monitored on a monthly basis.</li> </ul>
<b>STRATEGY 1</b>	An effective organizational structure achieves our Mission and Vision.
<b>STRATEGY 2</b>	Collaboration improves organizational health.
<b>STRATEGY 3</b>	A core-values driven organization facilitates a healthy and effective work environment.
<b>STRATEGY 4</b>	A successfully implemented Strategic Plan is fundamental for organizational health and effectiveness.

ISSUE 3	We must improve our technology to deliver increased value to our customers
GOALS	<p>REU will know it has improved technology and is delivering increased value to customers when:</p> <ul style="list-style-type: none"> <li>• A technology roadmap reflecting organizational needs is successfully implemented.</li> <li>• Excellent operational efficiency and reliability is achieved.</li> <li>• Customer and system information is available via interface suite.</li> <li>• Data is effectively and efficiently managed and secured for internal use.</li> </ul>
KPIs	<p>REU will measure progress on this Issue using the following KPIs:</p> <ul style="list-style-type: none"> <li>• Organizational technology needs and capabilities are identified by July 2015.</li> <li>• Gap analysis is completed by August 2015.</li> <li>• Technology roadmap developed and approved by December 2015.</li> <li>• Core systems installed and users are trained by December 2018.</li> <li>• User-specific systems installed and users are trained by December 2019.</li> <li>• Stakeholder's efficiency and capabilities are noticeably improved per internal survey results.</li> </ul>
STRATEGY 1	Enhanced operational awareness improves efficiency and reliability.
STRATEGY 2	Enhanced customer experience improves customer satisfaction.
STRATEGY 3	Managing data and information enhances communication and decision-making.
STRATEGY 4	Deploying and supporting technology promotes an effective organization.

ISSUE 4	We must improve our communications
GOALS	<p>REU will know communications have improved when:</p> <ul style="list-style-type: none"> <li>• Perception of REU is positive throughout the community.</li> <li>• Internal and external stakeholders are aware of the value REU provides to the community.</li> <li>• Internal stakeholders obtain timely and accurate communication and information necessary to effectively do their jobs.</li> <li>• REU is named in the local media/press more frequently for things done well.</li> <li>• REU has an effective social media presence that engages customers and the community.</li> <li>• REU's marketing/external communication programs are recognized in the community.</li> <li>• REU's educational/outreach program is recognized and valued in the community.</li> <li>• Management provides timely and accurate communications to all REU staff across all Divisions.</li> <li>• Staff is proud to wear REU logo apparel (where appropriate) during working hours.</li> </ul>
KPIs	<p>REU will measure progress on this Issue using the following KPIs:</p> <ul style="list-style-type: none"> <li>• By Quarter 2 of 2015 a Communications Officer/Public Information Officer will be hired/assigned to lead public relations efforts and improve community perception of REU.</li> <li>• Customer satisfaction surveys are conducted biennially and results indicate a 90% satisfaction with REU.</li> <li>• Internal communications across all Divisions and communication levels improves by 3% each year as measured in employee surveys (i.e. Survey Monkey).</li> <li>• Quarterly meetings with members of the press/media are conducted.</li> <li>• At least once every six month the press covers a positive REU story.</li> <li>• Social media is updated on a daily basis.</li> <li>• 90% of teachers and administrators surveyed value REU's educational/outreach programs.</li> <li>• Employee satisfaction levels are 90% based on annual survey.</li> <li>• Management communications to all staff improves by 3% each year as measured in employee surveys (i.e. Survey Monkey).</li> </ul>
STRATEGY 1	Communicating the value of REU enhances community perception and the sustainability of our business.
STRATEGY 2	Enhanced external communications improve stakeholder relationships.
STRATEGY 3	Enhanced internal communications improve the health of the organization.

ISSUE 5	We must attract, develop, and retain a qualified workforce
GOALS	<p>REU will know it is attracting, developing, and retaining a qualified workforce when:</p> <ul style="list-style-type: none"> <li>• Vacant positions are kept to a minimum.</li> <li>• The hiring process is streamlined.</li> <li>• Employees do not leave to work for other electric utilities due to pay/benefits or advancement opportunities.</li> <li>• Recruitment efforts result in attraction of qualified employees and professional staff.</li> <li>• Employee excellence is maintained.</li> <li>• Each employee has a clear path of progression and training opportunities for upward mobility.</li> </ul>
KPIs	<p>REU will measure progress on this Issue using the following KPIs:</p> <ul style="list-style-type: none"> <li>• The number of vacant positions is less than 5% of the workforce annually.</li> <li>• From job requisition to Personnel Action Form (PAF), the total time to hire is less than 45 days.</li> <li>• Exit interviews are performed with every employee to determine reason for departure.</li> <li>• Recruitment statistic forms are reviewed quarterly for patterns or areas of improvement.</li> <li>• All employees receive performance and career development evaluations on an annual basis regardless of position and wage range.</li> <li>• Excellence is measured by successful regulatory audits; projects are completed on time and within budget.</li> <li>• Customer satisfaction surveys are conducted biennially and results indicate a 90% satisfaction with REU.</li> <li>• Employee satisfaction levels are 90% based on annual survey.</li> </ul>
STRATEGY 1	Effective recruitment builds for the future and promotes diversity.
STRATEGY 2	Succession planning retains organizational knowledge and provides career development opportunities.
STRATEGY 3	Retaining qualified employees is essential to long-term workforce stability.

## SUMMARY – ISSUES, GOALS & STRATEGIES

The following table summarizes each of the five priority Issues, Goals, and Strategies.

ISSUE	GOALS	STRATEGIES
<p>1. <b>Our financial and business model must be enhanced to build a sustainable utility organization</b></p>	<p>REU will know its financial and business models have been enhanced to build a sustainable utility organization when:</p> <ul style="list-style-type: none"> <li>• Fixed costs are significantly covered by fixed revenues regardless of the level of energy efficiency and other load reducing initiatives.</li> <li>• REU is indifferent to distributed generation and there is no cost shift from net metered customers.</li> <li>• REU maintains a competitive advantage to PG&amp;E’s average system rate.</li> <li>• REU maintains healthy cash reserves.</li> <li>• Customers are highly satisfied with the products and services offered by REU.</li> <li>• Excellence in reliability is achieved.</li> </ul>	<ol style="list-style-type: none"> <li>1. <i>Responsible financial management practices ensure economic sustainability.</i></li> <li>2. <i>A planning culture improves opportunities for success.</i></li> <li>3. <i>Asset management reduces capital costs and improves reliability.</i></li> <li>4. <i>Satisfied customers improve our community.</i></li> </ol>
<p>2. <b>We must have an effective and healthy organization</b></p>	<p>REU will know it is an effective and healthy organization when:</p> <ul style="list-style-type: none"> <li>• Employees are highly satisfied with the REU organization.</li> <li>• Customers are highly satisfied with the products and services offered by REU.</li> <li>• Staffing levels are adequate to efficiently run operations, respond to new mandates, and provide excellent service to customers.</li> <li>• REU has maintained a dynamic Strategic Plan.</li> </ul>	<ol style="list-style-type: none"> <li>1. <i>An effective organizational structure achieves our Mission and Vision.</i></li> <li>2. <i>Collaboration improves organizational health.</i></li> <li>3. <i>A core-values driven organization facilitates a healthy and effective work environment.</i></li> <li>4. <i>A successfully implemented Strategic Plan is fundamental for organizational health and effectiveness.</i></li> </ol>

3. **We must improve our technology to deliver increased value to our customers**

REU will know it has improved technology and is delivering increased value to customers when:

- A technology roadmap reflecting organizational needs is successfully implemented.
- Excellent operational efficiency and reliability is achieved.
- Customer and system information is available via interface suite.
- Data is effectively and efficiently managed and secured for internal use.

1. *Enhanced operational awareness improves efficiency and reliability.*
2. *Enhanced customer experience improves customer satisfaction.*
3. *Managing data and information enhances communication and decision-making.*
4. *Deploying and supporting technology promotes an effective organization.*

4. **We must improve our communications**

REU will know communications have improved when:

- Perception of REU is positive throughout the community.
- Internal and external stakeholders are aware of the value REU provides to the community.
- Internal stakeholders obtain timely and accurate communication and information necessary to effectively do their jobs.
- REU is named in the local media/press more frequently for things done well.
- REU has an effective social media presence that engages customers and the community.
- REU's marketing/external communication programs are recognized in the community.
- REU's educational/outreach program is recognized and valued in the community.
- Management provides timely and accurate communications to all REU staff across all Divisions.
- Staff is proud to wear REU logo apparel (where appropriate) during working hours.

1. *Communicating the value of REU enhances community perception and the sustainability of our business.*
2. *Enhanced external communications improve stakeholder relationships.*
3. *Enhanced internal communications improve the health of the organization.*

5. **We must attract, develop and retain a qualified workforce**

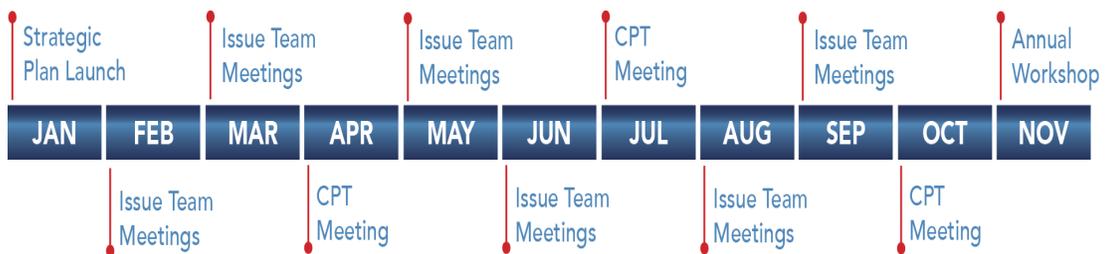
REU will know it is attracting, developing, and retaining a qualified workforce when:

- Vacant positions are kept to a minimum.
- The hiring process is streamlined.
- Employees do not leave to work for other electric utilities due to pay/benefits or advancement opportunities.
- Recruitment efforts result in attraction of qualified employees and professional staff.
- Employee excellence is maintained.
- Each employee has a clear path of progression and training opportunities for upward mobility.

1. *Effective recruitment builds for the future and promotes diversity.*
2. *Succession planning retains organizational knowledge and provides career development opportunities.*
3. *Retaining qualified employees is essential to long-term workforce stability.*

## IMPLEMENTATION AND ANNUAL UPDATE

Achieving the direction outlined in the Strategic and Business Plan requires consistent attention and monitoring of progress to the Plan. In an ideal world, strategic direction and Plan implementation is front and center in all organizational activities. Reality, however, is that day-to-day activities often disrupt this intent. In order to ensure that a strategic focus is maintained, REU must examine its direction, evaluate and prioritize its Issues, update its Strategies and Tactics, and prepare for the biennial budget cycle. The figure below presents activities to be scheduled for successful implementation of the Plan launched in January 2015.

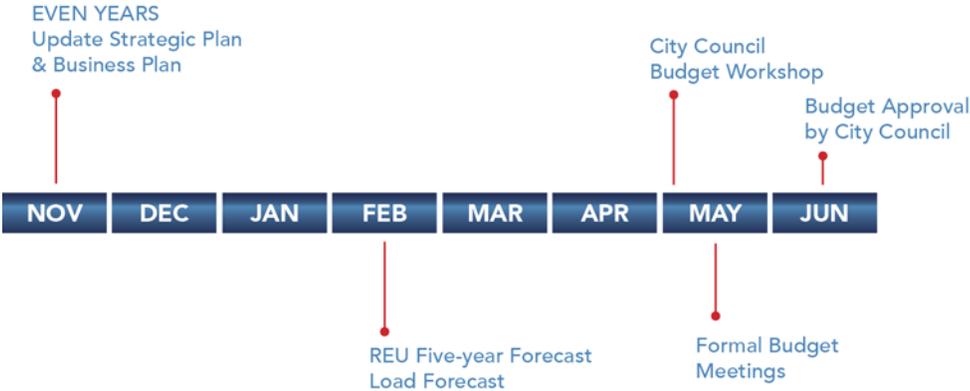


The list below provides a description of the activities to be developed to effectively conduct Plan implementation:

- 2020 Strategic Plan Launch – During January 2015, REU will launch the Strategic Plan and present it to all employees.
- Issue Teams – On a regular basis, each Issue Team will meet to evaluate progress against the tasks and schedule defined for their Issue. Initially meetings may occur on a weekly or bi-weekly manner, and as the Issue Team achieves milestones, meetings will most likely start to occur on a monthly basis. During these meetings, the Champions for each Strategy will update the Issue Team on activities accomplished, obstacles, and next steps. The discussions and analysis conducted during these meetings will serve to evaluate whether any aspect of the Issue (Strategy, Tasks, Tactics, Schedule, or Budget) needs to be revised.
- CPT – On a quarterly basis, the members of the CPT will meet in order to update the Team on progress related to each Issue. Feedback obtained during this meeting may also be used to revise an Issue.

- CPT Annual Update - After the thorough effort captured in this Plan for the 2020 horizon, the process to update the Plan is more streamlined in following years. Typically, the planning team meets for two days to revise and update the Plan, then drafts, reviews, and communicates the Plan for final adoption. Note: Since the 2020 Plan will be launched in January 2015, the next update will be conducted in the October/November 2015 time period.

The timeline below was developed as a schedule of activities to also support Plan Implementation and lead into the biennial budget process. The timeline follows a logical progression so that all elements feeding into budget development are addressed in the months prior to actual budget preparation and adoption.





# 2020 STRATEGIC PLAN Annual Business Plan

**REDDING ELECTRIC UTILITY**  
**ANNUAL BUSINESS PLAN/2015**

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**TABLE OF CONTENTS**

Introduction..... 1  
Summary of Issues, Goals & Strategies.....2  
Key Performance Indicators .....5

**TACTICAL ACTION PLANS with GOALS  
and KEY PERFORMANCE INDICATORS**

**Issue 1:** Our financial and business model must be enhanced to build a sustainable utility organization

**Issue 2:** We must have an effective and healthy organization

**Issue 3:** We must improve our technology to deliver increased value to our customers

**Issue 4:** We must improve our communications

**Issue 5:** We must attract, develop, and retain a qualified workforce

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## REDDING ELECTRIC UTILITY

### ANNUAL BUSINESS PLAN / 2015

## INTRODUCTION

During June through October 2014, Redding Electric Utility (REU) developed a 2020 Strategic Plan identifying Issues and Strategies that must be addressed in order to reach defined goals and move the organization toward its Mission/Strategic Destination: **By 2020, REU will have established flexible, creative, innovative, and sustainable business practices while continuing to deliver valuable, safe, and reliable services for its customers.** This 2015 Annual Business Plan is a companion document to the five-year Strategic Plan and identifies the specific activities, or Tactics, that will be performed over the course of the next 12 to 18 months and beyond.

Calendar year 2015 will be the first year of implementing REU's five-year Strategic Plan, and it will continue to be a year of learning and change. REU employees face a variety of challenges during this initial year, including setting up monitoring and reporting systems and balancing strategic initiatives with day-to-day work functions. Recognizing these challenges, REU has set realistic expectations for making progress and accomplishments during the first year of implementing the Strategic Plan.

The following table summarizes each of REU's five priority Issues, Goals, and Strategies as identified in the Strategic Plan for implementation during 2015. Tactical activities for each Strategy and their respective budgets, schedules, and staff responsibilities are included in the Tactical Action Plans that make up the remainder of the Business Plan.



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*By 2020, Redding Electric Utility will have established flexible, creative, innovative, and sustainable business practices while continuing to deliver valuable, safe, and reliable services for its customers*

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## SUMMARY – ISSUES, GOALS & STRATEGIES

ISSUE	GOALS	STRATEGIES
<p>1. <b>Our financial and business model must be enhanced to build a sustainable utility organization</b></p>	<p>REU will know its financial and business models have been enhanced to build a sustainable utility organization when:</p> <ul style="list-style-type: none"> <li>• Fixed costs are significantly covered by fixed revenues regardless of the level of energy efficiency and other load reducing initiatives.</li> <li>• REU is indifferent to distributed generation and there is no cost shift from net metered customers.</li> <li>• REU maintains a competitive advantage to PG&amp;E's average system rate.</li> <li>• REU maintains healthy cash reserves.</li> <li>• Customers are highly satisfied with the products and services offered by REU.</li> <li>• Excellence in reliability is achieved.</li> </ul>	<ol style="list-style-type: none"> <li>1. <i>Responsible financial management practices ensure economic sustainability.</i></li> <li>2. <i>A planning culture improves opportunities for success.</i></li> <li>3. <i>Asset management reduces capital costs and improves reliability.</i></li> <li>4. <i>Satisfied customers improve our community.</i></li> </ol>
<p>2. <b>We must have an effective and healthy organization</b></p>	<p>REU will know it is an effective and healthy organization when:</p> <ul style="list-style-type: none"> <li>• Employees are highly satisfied with the REU organization.</li> <li>• Customers are highly satisfied with the products and services offered by REU.</li> <li>• Staffing levels are adequate to efficiently run operations, respond to new mandates, and provide excellent service to customers.</li> <li>• REU has maintained a dynamic Strategic Plan.</li> </ul>	<ol style="list-style-type: none"> <li>1. <i>An effective organizational structure achieves our Mission and Vision.</i></li> <li>2. <i>Collaboration improves organizational health.</i></li> <li>3. <i>A core-values driven organization facilitates a healthy and effective work environment.</i></li> <li>4. <i>A successfully implemented Strategic Plan is fundamental for organizational health and effectiveness.</i></li> </ol>

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- Employees do not leave to work for other electric utilities due to pay/benefits or advancement opportunities.
- Recruitment efforts result in attraction of qualified employees and professional staff.
- Employee excellence is maintained.
- Each employee has a clear path of progression and training opportunities for upward mobility.

1. *Effective recruitment builds for the future and promotes diversity.*
2. *Succession planning retains organizational knowledge and provides career development opportunities.*
3. *Retaining qualified employees is essential to long-term workforce stability.*

## KEY PERFORMANCE INDICATORS

Key Performance Indicators (KPIs) establish quantifiable criteria for measuring each Strategic Issue and will serve as the primary mechanism for tracking and reporting implementation progress. REU's progress in meeting KPI targets will be regularly measured and reported to the City Council, the Electric Utility Commission, and Executive Management helping to drive both accountability and REU's achievement of its Strategic Vision.

Over the Strategic and Business Plan roll-out period, these KPIs will be revisited by the Issue Champions and their working teams for refinement and use in the monitoring and reporting process.

## Redding Electric Utility Tactical Action Plan

### ISSUE 1 – Our financial and business model must be enhanced to build a sustainable utility organization

*SPONSORS – BERNIE FARGEN & MARK HADDAD*

STRATEGY	CHAMPION	TACTIC	PRIORITY
<p>1. Responsible financial management practices ensure economic sustainability</p> <p>Priority: High</p>	Mark Haddad	1. Develop rate structure and rates that equitably recover costs	High
		2. Update utility financial management policy/update policies and procedures to ensure the best financial practices are followed. (This is broader than just a cash reserve policy)	High
		3. Complete and implement updated Service Policy	Medium
		4. Develop strategic five-year Department budget	Medium
		5. Maintain a competitive differential from PG&E 's average system rates	Medium
<p>2. A planning culture improves opportunities for success</p> <p>Priority: Medium</p>	Dan Beans	1. Implement expanded and re-chartered Risk Management Committee for the Department	Medium
		2. Develop and implement an Integrated Resource Plan (IRP)	High
<p>3. Asset management reduces capital costs and improves reliability</p> <p>Priority: Medium</p>	Jack Latiolais	1. Develop distribution facilities maintenance and replacement program per local and industry standards for care of service	Medium
		2. Develop generation facilities maintenance and replacement program per local and industry standards for care of service	Medium
<p>4. Satisfied customers improve our community</p> <p>Priority: High</p>	Bernie Fargen	1. Develop Self-Service Suite	High
		2. Develop scalable community solar projects	High
		3. Increase residential service options to enhance customer choice	Medium

# Redding Electric Utility Tactical Action Plan

<b>ISSUE 1</b>	Our financial and business model must be enhanced to build a sustainable utility organization
<b>GOALS</b>	<p>REU will know its financial and business models have been enhanced to build a sustainable utility organization when:</p> <ul style="list-style-type: none"> <li>• Fixed costs are significantly covered by fixed revenues regardless of the level of energy efficiency and other load reducing initiatives.</li> <li>• REU is indifferent to distributed generation and there is no cost shift from net metered customers.</li> <li>• REU maintains a competitive advantage to PG&amp;E’s average system rate.</li> <li>• REU maintains healthy cash reserves.</li> <li>• Customers are highly satisfied with the products and services offered by REU.</li> <li>• Excellence in reliability is achieved.</li> </ul>
<b>KPIs</b>	<p>REU will measure progress on this Issue using the following KPIs:</p> <ul style="list-style-type: none"> <li>• By 2020, 60% of fixed costs are recovered through fixed revenues.</li> <li>• Distributed generation customers pay at least 95% of the cost of service.</li> <li>• REU maintains a 20% competitive advantage to PG&amp;E’s average system rate.</li> <li>• REU maintains 150 days of cash on hand.</li> <li>• Customer satisfaction surveys are conducted biennially and results indicate a 90% satisfaction with REU.</li> <li>• The System Average Interruption Duration Index (SAIDI) for REU is above industry standards for the year (Industry standard in 2014 – 90 minutes).</li> <li>• The System Average Interruption Frequency Index (SAIFI) for REU is above industry standards for the year (Industry standard in 2014 – 1.0 outage per customer).</li> </ul>

# Redding Electric Utility Tactical Action Plan

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## Issue 1 / Strategy 1 / Tactic 1

**Sponsors:** Bernie Fargen  
Mark Haddad

**Champion:** Mark Haddad

**Priority:** Strategy –High  
Tactic – High

<b>Issue</b>	Our financial and business model must be enhanced to build a sustainable utility organization
<b>Strategy</b>	Responsible financial management practices ensure economic sustainability
<b>Tactic</b>	Develop rate structure and rates that equitably recover costs

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Review RFP results for cost of service study</li> <li>2. Select proposal</li> <li>3. Key goals             <ol style="list-style-type: none"> <li>A. Indifference to Efficiency and Conservation</li> <li>B. Indifference to Distributed Generation</li> <li>C. Variable revenue versus Fixed Cost realignment</li> </ol> </li> <li>4. Recovery of costs and equitability may be different</li> <li>5. Follow RFP tasks and timeline</li> <li>6. Implement new rates</li> </ol>
<b>Key Decision Points</b>	Commission and City Council
<b>Dependencies</b>	Council approval of Contract and City Council approval of rate design
<b>Resources</b>	Cross Functional Team including Engineering, Power Operations, Resources and Finance

Schedule	Milestones
October 2014	RFP Awarded
January 2015	Complete Cost of Service Study
June 2015	New Rate Structure approved
Sept 2015	Implementation of new rates (May be phased in)

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
\$120-\$140K						Money identified in 2015 budget

# Redding Electric Utility Tactical Action Plan

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## Issue 1 / Strategy 1 / Tactic 2

**Sponsor:** Bernie Fargen  
Mark Haddad

**Champion:** Mark Haddad

**Priority:** Strategy –High  
Tactic – High

<b>Issue</b>	Our financial and business model must be enhanced to build a sustainable utility organization
<b>Strategy</b>	Responsible financial management practices ensure economic sustainability
<b>Tactic</b>	Update utility financial management policy/update policies and procedures to ensure the best financial practices are followed. (This is broader than just a cash reserve policy)

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Reserve Policy presentation to the EUC</li> <li>2. Approval by City Council</li> </ol>
<b>Key Decision Points</b>	Commission and City Council
<b>Dependencies</b>	Approval by Commission and City Council
<b>Resources</b>	Kelly Dunbar, Financial Advisors (PFM)

Schedule	Milestones
October 2014	Approval by Commission
November 2014	Approval by City Council
January 2015	Incorporate new policy in 5-year financial forecast and Monthly Financial Report

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
\$35,000					\$35,000	Already budgeted in 2015

# Redding Electric Utility Tactical Action Plan

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## Issue 1 / Strategy 1 / Tactic 3

Sponsor: Bernie Fargen  
Mark Haddad

Champion: Mark Haddad

Priority: Strategy – High  
Tactic – Medium

<b>Issue</b>	Our financial and business model must be enhanced to build a sustainable utility organization
<b>Strategy</b>	Responsible financial management practices ensure economic responsibility
<b>Tactic</b>	Complete and implement updated Service Policy

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Draft updated Service Policy</li> <li>2. Utility management will plan for implementation of updated Service Policy</li> <li>3. Be sure Service Policy supports Strategic Plan</li> <li>4. Present to Commission</li> <li>5. Approval by Commission</li> </ol>
<b>Key Decision Points</b>	Executive Management, Commission and City Council
<b>Dependencies</b>	Approval by Commission and City Council
<b>Resources</b>	Brian King, Bernie Fargen, Jack Latiolais, Kelly Dunbar, Mike Adams, Bob Sandoval

Schedule	Milestones
December 2015	Complete draft Service Policy
February 2016	Approval of Service Policy by Commission and City Council

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments

# Redding Electric Utility Tactical Action Plan

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## Issue 1 / Strategy 1 / Tactic 4

**Sponsor:** Bernie Fargen  
Mark Haddad

**Champion:** Mark Haddad

**Priority:** Strategy – High  
Tactic – Medium

<b>Issue</b>	Our financial and business model must be enhanced to build a sustainable utility organization
<b>Strategy</b>	Responsible financial management practices ensure economic sustainability
<b>Tactic</b>	Develop strategic five-year Department budget

<b>Tasks</b>	<ol style="list-style-type: none"> <li>Review new priority items identified in the Strategic Planning process</li> <li>Incorporate Strategic Planning initiatives into five-year budget</li> </ol>
<b>Key Decision Points</b>	Executive Management, Commission and City Council
<b>Dependencies</b>	Approval of budget by City Council
<b>Resources</b>	Kelly Dunbar, Wendy Hulbert, Angela Gross, Brian Schinstock

Schedule	Milestones
Feb 2015	Complete five-year strategic 2020 "budget" forecast
April 2015	Complete two-year budget

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments

# Redding Electric Utility Tactical Action Plan

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## Issue 1 / Strategy 1 / Tactic 5

**Sponsor:** Bernie Fargen  
Mark Haddad

**Champion:** Mark Haddad

**Priority:** Strategy – High  
Tactic – Medium

<b>Issue</b>	Our financial and business model must be enhanced to build a sustainable utility organization
<b>Strategy</b>	Responsible financial management practices ensure economic sustainability
<b>Tactic</b>	Maintain a competitive differential from PG&E's average system rates

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Review current rates differential</li> <li>2. Review proposed rates in comparison with PG&amp;E's rate forecast to ensure competitive advantage for our customers</li> </ol>
<b>Key Decision Points</b>	Executive Management, Commission and City Council
<b>Dependencies</b>	Budget approval, Rate Hearings, politics, regulatory mandates
<b>Resources</b>	Kelly Dunbar, Dan Beans

Schedule	Milestones
June 2015	Rate hearing-proposed rates lower than PG&E's proposed rates
January 2017	Rate hearing-proposed rates lower than PG&E's proposed rates

Budget	Man-hours	Labor (\$/hr)	Direct Materials	Other	Total	Comments

# Redding Electric Utility Tactical Action Plan

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## Issue 1 / Strategy 2 / Tactic 1

**Sponsor:** Bernie Fargen  
Mark Haddad

**Champion:** Dan Beans

**Priority:** Strategy – Medium  
Tactic – Medium

<b>Issue</b>	Our financial and business model must be enhanced to build a sustainable utility organization
<b>Strategy</b>	A planning culture improves opportunities for success
<b>Tactic</b>	Implement expanded and re-chartered Risk Management Committee for the Department

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Identify potential risk areas including financial, regulatory, environmental, and as appropriate enterprise-wide risk issues</li> <li>2. Propose updated Charter</li> <li>3. Approve updated Charter</li> <li>4. Update and revise policies to be in line with new Charter</li> <li>5. Get approval of new policies</li> <li>6. Communicate and educate staff on new policies</li> </ol>
<b>Key Decision Points</b>	Executive Management, Commission and City Council
<b>Dependencies</b>	Approval by Commission and City Council
<b>Resources</b>	Mark Haddad, Angela Gross, Lowell Watros, Bill Hughes, Barry Tippin

<b>Schedule</b>	<b>Milestones</b>
July 2015	Charter approved
July 2016	Updated policies and procedures developed
December 2016	New policies approved and Implemented

<b>Budget</b>	<b>Man-hours</b>	<b>Labor (\$_/hr)</b>	<b>Direct Materials</b>	<b>Other</b>	<b>Total</b>	<b>Comments</b>

# Redding Electric Utility Tactical Action Plan

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## Issue 1 / Strategy 2/ Tactic 2

**Sponsor:** Bernie Fargen  
Mark Haddad

**Champion:** Dan Beans

**Priority:** Strategy – Medium  
Tactic – High

<b>Issue</b>	Our financial and business model must be enhanced to build a sustainable utility organization
<b>Strategy</b>	A planning culture improves opportunities for success
<b>Tactic</b>	Develop and implement an Integrated Resource Plan (IRP)

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Resources Group to design scope and processes required to develop IRP</li> <li>2. Assess needs</li> <li>3. Develop IRP</li> <li>4. Approval by Commission and City Council</li> <li>5. Build into budget forecast</li> </ol>
<b>Key Decision Points</b>	Executive, Commission and City Council
<b>Dependencies</b>	Approval by Commission and City Council
<b>Resources</b>	Brian Schinstock, Steven Handy, Marvin Briggs

Schedule	Milestones
July 2015	IRP draft for Strategic Planning purposes
Oct 2015	IRP approved by Commission and City Council

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments

# Redding Electric Utility Tactical Action Plan

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## Issue 1 / Strategy 3 / Tactic 1

**Sponsor:** Bernie Fargen  
Mark Haddad

**Champion:** Jack Latiolais

**Priority:** Strategy – Medium  
Tactic – Medium

<b>Issue</b>	Our financial and business model must be enhanced to build a sustainable utility organization
<b>Strategy</b>	Asset management reduces capital costs and improves reliability
<b>Tactic</b>	Develop distribution facilities maintenance and replacement program per local and industry standards for care of service

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Evaluate distribution infrastructure for useful life and replacement alternatives</li> <li>2. Determine resources needed for various levels of maintenance and replacement frequency</li> <li>3. Determine utility best practices for level of maintenance and replacement frequency</li> <li>4. Choose replacement frequency for Redding</li> </ol>
<b>Key Decision Points</b>	Executive Management, Commission and City Council
<b>Dependencies</b>	Personnel Budget and Regulatory Mandates
<b>Resources</b>	Brian King, Ron Hofer, Jeremy Ross and Scott Cox

Schedule	Milestones
Dec 2015	Complete evaluation and make recommendations to Executive Management
Mid-2017	Proposed maintenance and replacement schedule ready for Commission and City Council review
Dec 2018	Approved replacement schedule ready to incorporate into rates

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments

# Redding Electric Utility Tactical Action Plan

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## Issue 1 / Strategy 3/ Tactic 2

**Sponsor:** Bernie Fargen  
Mark Haddad

**Champion:** Jack Latiolais

**Priority:** Strategy – Medium  
Tactic – Medium

<b>Issue</b>	Our financial and business model must be enhanced to build a sustainable utility organization
<b>Strategy</b>	Asset management reduces capital costs and improves reliability
<b>Tactic</b>	Develop generation facilities maintenance and replacement program per local and industry standards for care of service

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Evaluate infrastructure for useful life, maintenance and replacement alternatives</li> <li>2. Determine resources needed for various levels of maintenance and replacement frequency</li> <li>3. Determine utility best practices for level of maintenance and replacement frequency</li> <li>4. Choose replacement frequency for Redding</li> </ol>
<b>Key Decision Points</b>	Executive Management, Commission and City Council
<b>Dependencies</b>	Personnel, Budgets and Regulatory Mandates
<b>Resources</b>	Paul Cummings, Greg Deedon, Steve Olson

Schedule	Milestones
Dec 2015	Complete evaluation and make recommendations to Executive Management
Mid-2017	Proposed maintenance and replacement schedule ready for Commission and City Council review
Dec 2018	Approved replacement schedule ready to incorporate into rates

Budget	Man-hours	Labor (\$/hr)	Direct Materials	Other	Total	Comments

# Redding Electric Utility Tactical Action Plan

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## Issue 1 / Strategy 4 / Tactic 1

**Sponsor:** Bernie Fargen  
Mark Haddad

**Champion:** Bernie Fargen

**Priority:** Strategy – High  
Tactic – High

<b>Issue</b>	Our financial and business model must be enhanced to build a sustainable utility organization
<b>Strategy</b>	Satisfied customers improve our community
<b>Tactic</b>	Develop Self-Service Suite

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Research available products and vendors</li> <li>2. Research CIS integration</li> <li>3. Determine Treasurer requirements</li> <li>4. Assess feasibility</li> <li>5. Assess Customer Demand</li> <li>6. Develop RFP</li> <li>7. Implement</li> </ol>
<b>Key Decision Points</b>	Executive Management
<b>Dependencies</b>	CIS integration, Treasurer Cooperation
<b>Resources</b>	Vince Karlson and Lisa Bryan, Kirtis Vanderbeck, Angela Gross

Schedule	Milestones
April 2015	Complete Feasibility Study
August 2015	Complete RFP
January 2016	Implement Self Service Suite

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments

# Redding Electric Utility Tactical Action Plan

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## Issue 1 / Strategy 4/ Tactic 2

**Sponsor:** Bernie Fargen  
Mark Haddad

**Champion:** Bernie Fargen

**Priority:** Strategy – High  
Tactic – High

<b>Issue</b>	Our financial and business model must be enhanced to build a sustainable utility organization
<b>Strategy</b>	Satisfied customers improve our community
<b>Tactic</b>	Develop scalable community solar projects

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Identify suitable land</li> <li>2. Assess suitability for grid stability</li> <li>3. Develop customer outreach materials</li> <li>4. Decide on material vendor or turn-key outsourcing</li> <li>5. Launch project outreach</li> <li>6. Build project to customer demand</li> </ol>
<b>Key Decision Points</b>	Executive Management, Commission and City Council
<b>Dependencies</b>	Completion of solar strategic plan (under IRP), Availability of suitable land and grid integration
<b>Resources</b>	Dan Beans, Mike Roberts, GIS personnel, Ted Miller

Schedule	Milestones
January 2016	Complete Solar Strategic Plan
January 2017	Launch project
July 2017	Project comes on-line

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments

# Redding Electric Utility Tactical Action Plan

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## Issue 1 / Strategy 4/ Tactic 3

**Sponsor:** Bernie Fargen  
Mark Haddad

**Champion:** Bernie Fargen

**Priority:** Strategy – High  
Tactic – Medium

<b>Issue</b>	Our financial and business model must be enhanced to build a sustainable utility organization
<b>Strategy</b>	Satisfied customers improve our community
<b>Tactic</b>	Increase residential service options to enhance customer choice

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Assess customer demand for alternative service options               <ol style="list-style-type: none"> <li>A. Time-of-use</li> <li>B. Critical peak pricing</li> <li>C. Electric vehicle</li> <li>D. Other special services as requested</li> </ol> </li> <li>2. Assess revenue neutrality/equitability</li> <li>3. Develop the service policies to address these options</li> <li>4. Develop the individual policy for each service option</li> <li>5. Approval by City Council</li> <li>6. Roll out new service options to the public</li> </ol>
	Executive Management, Commission and City Council
<b>Dependencies</b>	Commission Approval, City Council Approval
<b>Resources</b>	Brian Schinstock, Brian King, Ron Hoffer, Ted Miller, Bob Sandoval, Kelly Dunbar, Gary Hahn, Lowell Watros, Mike Adams

Schedule	Milestones
April 2016	Complete community assessment of customer demand for various service options
Sept 2016	Complete service and individual policies for each requested service option
February 2017	City Council approval of new service options

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments

## Redding Electric Utility Tactical Action Plan

<b>ISSUE 2 – We must have an effective and healthy organization</b>			
<i>SPONSOR – DAN BEANS</i>			
STRATEGY	CHAMPION	TACTIC	PRIORITY
<p>1. An effective organizational structure achieves our Mission and Vision</p> <p>Priority: High</p>	Dan Beans	<p>1. Conduct functional review of current and post-strategic plan organization including work flow and process improvements</p>	High
<p>2. Collaboration improves organizational health</p> <p>Priority: High</p>	Matt Madison	<p>1. Create a cross-exposure program</p>	High
		<p>2. Provide utility-wide functions</p>	Medium
<p>3. A core-values driven organization facilitates a healthy and effective work environment</p> <p>Priority: High</p>	Jack Latiolais Kim Hein	<p>1. Develop a comprehensive utility-wide safety program</p>	High
<p>4. A successfully implemented strategic plan is fundamental for organizational health and effectiveness</p> <p>Priority: High</p>	Dan Beans	<p>1. Develop implementation process for strategic plan</p>	High

# Redding Electric Utility Tactical Action Plan

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ISSUE 2	We must have an effective and healthy organization
GOALS	REU will know it is an effective and healthy organization when: <ul style="list-style-type: none"><li>• Employees are highly satisfied with the REU organization.</li><li>• Customers are highly satisfied with the products and services offered by REU.</li><li>• Staffing levels are adequate to efficiently run operations, respond to new mandates, and provide excellent service to customers.</li><li>• REU has maintained a dynamic Strategic Plan.</li></ul>
KPIs	REU will measure progress on this Issue using the following KPIs: <ul style="list-style-type: none"><li>• Employee satisfaction levels are 90% based on annual survey.</li><li>• 90% of employees participate in REU events.</li><li>• Customer satisfaction surveys are conducted biennially and results indicate a 90% satisfaction with REU.</li><li>• Customer satisfaction levels with REU among Large Customers is 95% or higher.</li><li>• Feedback from policy makers is obtained annually.</li><li>• The Tactical Action Plans within the Strategic Plan are successfully implemented per defined schedules, budgets, and priorities.</li><li>• The Strategic Plan is updated on an annual basis.</li><li>• Safety metrics are defined by December 2014 and monitored on a monthly basis.</li></ul>

# Redding Electric Utility Tactical Action Plan

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## Issue 2 / Strategy 1 / Tactic 1

Sponsors: Dan Beans

Champion: Dan Beans

Priority: Strategy –High  
Tactic – High

<b>Issue</b>	We must have an effective and healthy organization
<b>Strategy</b>	An effective organizational structure achieves our Mission and Vision
<b>Tactic</b>	Conduct functional review of current and post-strategic plan organization including work flow and process improvements

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Third-party review of REU             <ol style="list-style-type: none"> <li>A. Determine best methodology to retain consultant</li> <li>B. Write an RFP and Scope of Work</li> <li>C. Route through Purchasing as needed</li> <li>D. Conduct Bid and Award process</li> </ol> </li> <li>2. Executive meetings to review/modify consultant recommendations             <ol style="list-style-type: none"> <li>A. Address work flow and process improvements</li> </ol> </li> <li>3. Develop supporting budget documents</li> <li>4. Develop City Council reports</li> <li>5. Implement reorganization</li> <li>6. Continuously monitor organizational structure and work flow by using employee and public surveys</li> </ol>
<b>Key Decision Points</b>	City Manager, Director, Senior Management Endorsement
<b>Dependencies</b>	Completion of Strategic Plan, Technology Roadmap, Approval by Director and City Manager, Budget approval by City Council
<b>Resources</b>	Administrative assistance, Purchasing, Project Manager, Director, Senior Management, Survey Monkey

# Redding Electric Utility Tactical Action Plan

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Schedule	Milestones
November 2014	Develop RFP and Scope
January 2015	Award RFP
March 1, 2015	Final Report Due
March 2015	Develop reorganization plan
April 2015	Develop budget and Council documents
May-June 2015	Council approval and begin reorganization
July 1, 2015	Reorganization complete
Semiannual	Employee survey of organizational effectiveness
Annual	Public survey of organizational effectiveness
TBD	Build/modify infrastructure as needed to accommodate organizational structure

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
\$50,000 - \$80,000						Contract with vendor
none	40					Project Manager
	40					Director
	80					Others

# Redding Electric Utility Tactical Action Plan

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## Issue 2 / Strategy 2 / Tactic 1

Sponsor: Dan Beans

Champion: Matt Madison

Priority: Strategy – High  
Tactic – High

<b>Issue</b>	We must have an effective and healthy organization
<b>Strategy</b>	Collaboration improves organizational health
<b>Tactic</b>	Create a cross-exposure program

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Assign personnel from key groups to develop program including:             <ol style="list-style-type: none"> <li>A. Providing input from individual preference</li> <li>B. Developing choices for program exposure and topics</li> <li>C. Create standard “typical day” scenarios</li> <li>D. Consider every two weeks, “Flipping Friday”, so 4-5 people participate allowing each employee to experience 1-day per year in another functional area</li> <li>E. Provide lunch and small group feedback each week hosted by a different supervisor or manager</li> </ol> </li> <li>2. Develop spreadsheet to manage assignments</li> <li>3. Create a new employee 1-day utility-wide orientation (visit each major site and be introduced to dozens of employees as well as a brief tour of the city)</li> </ol>
<b>Key Decision Points</b>	
<b>Dependencies</b>	Director and Management approval
<b>Resources</b>	Administrative assistance, bargaining group representatives

Schedule	Milestones
December 2014	Initial meeting to develop program(s)
July 2015	Begin implementation of “Flipping Fridays”
July 2015	Create new employee orientation program

Budget	Man-hours	Labor (\$/hr)	Direct Materials	Other	Total	Comments
\$3,000						Food

# Redding Electric Utility Tactical Action Plan

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## Issue 2 / Strategy 2/ Tactic 2

Sponsor: Dan Beans

Champion: Matt Madison

Priority: Strategy – High  
Tactic – Medium

<b>Issue</b>	We must have an effective and healthy organization
<b>Strategy</b>	Collaboration improves organizational health
<b>Tactic</b>	Provide utility-wide functions

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Semi-Annual Utility Bar-B-Q             <ol style="list-style-type: none"> <li>A. Director give “state of the utility”</li> <li>B. Safety awards</li> <li>C. Longevity awards</li> <li>D. Appreciation awards</li> </ol> </li> <li>2. All-hands meetings for larger issues or accomplishments</li> <li>3. Conduct employee surveys annually             <ol style="list-style-type: none"> <li>A. Define options to address issues</li> </ol> </li> </ol>
<b>Key Decision Points</b>	Coordinate with Issue 5, Strategy 3, tactics 1 & 2 (Employee recognition and Safety Awards) Coordinate with Issue 4, Strategy 2, Tactic 1 (Internal communication)
<b>Dependencies</b>	CM approval Director approval
<b>Resources</b>	Funds for food and awards, gift cards, etc.

Schedule	Milestones
February 2015	Avtech open house/Bar-B-Q
August 2015	Summer B-B-Q
January 2015	Conduct first employee survey

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
\$10,000						Annual food, awards

# Redding Electric Utility Tactical Action Plan

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## Issue 2 / Strategy 3/ Tactic 1

Sponsor: Dan Beans

Champion: Jack Latiolais/Kim Hein

Priority: Strategy – High  
Tactic – High

<b>Issue</b>	We must have an effective and healthy organization
<b>Strategy</b>	A core-values driven organization facilitates a healthy and effective work environment
<b>Tactic</b>	Develop a comprehensive utility-wide safety program

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Perform current safety programs assessment</li> <li>2. Develop roles and responsibilities</li> <li>3. Create organization-wide safety awareness program</li> <li>4. Conduct safety lunches led by senior management or safety coordinator</li> </ol>
<b>Key Decision Points</b>	Issue 2 – Strategy 1 – Tactic 1 – Tasks 2 & 3 (Organizational functional review)
<b>Dependencies</b>	City Manager/Director approval, funding
<b>Resources</b>	Existing committee(s), Safety liaison's from each functional area, Director

Schedule	Milestones
2015 Q1	Discuss at labor-management meeting
2015 Q1- Q2	Complete current safety program assessment
2015 Q2	Designate safety coordinator or otherwise provide utility-wide coordination

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
\$150,000						Budget depends on if a new position is needed

# Redding Electric Utility Tactical Action Plan

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## Issue 2 / Strategy 4/ Tactic 1

Sponsor: Dan Beans

Champion: Dan Beans

Priority: Strategy – High  
Tactic – High

<b>Issue</b>	We must have an effective and healthy organization
<b>Strategy</b>	A successfully implemented strategic plan is fundamental for organizational health and effectiveness
<b>Tactic</b>	Develop implementation process for strategic plan

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Develop spreadsheet to track progress and document KPIs</li> <li>2. Strategic Plan Launch Event (Coordinate with Issue 2, Strategy 2, Tactic 2)</li> <li>3. Monthly meetings with sponsors/champions and Director at one of the three REU sites (each site hosts quarterly meetings)</li> <li>4. Accountability             <ol style="list-style-type: none"> <li>A. Senior management must be held accountable for upholding and promoting organizational core values</li> <li>B. Continue investigating the current culture (the strategic planning effort began the process) and identify where the core values are or are not embedded in the utility. Make corrections as needed</li> <li>C. Monthly Director report (see Task 3)</li> </ol> </li> <li>5. Leadership engagement</li> <li>6. Semi-Annual review and Annual update of Strategic Plan</li> </ol>
<b>Key Decision Points</b>	Endorsement of Strategic Plan by the CPT
<b>Dependencies</b>	Final Plan City Manager approval Commission Review, City Council approval
<b>Resources</b>	REU Department

Schedule	Milestones
2015 Q1	Launch
December 2014	Begin monthly Sponsor meetings
November 2015	Annual Strategic Plan update with input from CPT

# Redding Electric Utility Tactical Action Plan

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Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
n/a	480					2 hrs x 20 people per month

## Redding Electric Utility Tactical Action Plan

### ISSUE 3 – We must improve our technology to deliver increased value to our customers

*SPONSORS – PAUL CUMMINGS & BRIAN KING*

STRATEGY	CHAMPION	TACTIC	PRIORITY
1. Enhanced operational awareness improves efficiency and reliability  Priority: Medium	Ron Hofer	1. Enhance real-time operational awareness	Medium
		2. Implement enhanced modeling and planning tools	High
2. Enhanced customer experience improves customer satisfaction  Priority: High	Vince Karlson	1. Implement customer interface tools	High
		2. Implement electric system information tools	Low
		3. Implement tools for enterprise communications	Medium
3. Managing data and information enhances communication and decision making  Priority: Low	Mary Downey	1. Implement internal data management processes	Low
		2. Develop internal data sharing plan	Medium
4. Deploying and supporting technology promotes an effective organization  Priority: High	Bill Hughes	1. Develop a technology roadmap	High
		2. Develop and implement a technology O&M plan	Low

# Redding Electric Utility Tactical Action Plan

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ISSUE 3	We must improve our technology to deliver increased value to our customers
GOALS	REU will know it has improved technology and is delivering increased value to customers when: <ul style="list-style-type: none"><li>• A technology roadmap reflecting organizational needs is successfully implemented.</li><li>• Excellent operational efficiency and reliability is achieved.</li><li>• Customer and system information is available via interface suite.</li><li>• Data is effectively and efficiently managed and secured for internal use.</li></ul>
KPIs	REU will measure progress on this Issue using the following KPIs: <ul style="list-style-type: none"><li>• Organizational technology needs and capabilities are identified by July 2015.</li><li>• Gap analysis complete is complete by August 2015.</li><li>• Technology roadmap developed and approved by December 2015.</li><li>• Core systems installed and users are trained by December 2018.</li><li>• User-specific systems installed and users are trained by December 2019.</li><li>• Stakeholder's efficiency and capabilities are noticeably improved per internal survey results.</li></ul>

# Redding Electric Utility Tactical Action Plan

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## Issue 3 / Strategy 1 / Tactic 1

**Sponsors:** Paul Cummings  
Brian King

**Champion:** Ron Hofer

**Priority:** Strategy – Medium  
Tactic – Medium

<b>Issue</b>	We must improve our technology to deliver increased value to our customers
<b>Strategy</b>	Enhanced operational awareness improves efficiency and reliability
<b>Tactic</b>	Enhance real-time operational awareness

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Conduct needs assessment - OMS, GIS, SCADA, AVL, AMI, DSM, DG monitoring</li> <li>2. Identify present technologies</li> <li>3. Investigate available solutions</li> <li>4. Conduct a cost-benefit analysis</li> <li>5. Develop an implementation plan</li> <li>6. Present to management for endorsement</li> </ol>
<b>Key Decision Points</b>	Stakeholder consensus Management approval Governing board approval (if applicable)
<b>Dependencies</b>	Budget Staffing Priority
<b>Resources</b>	Stakeholder input Project lead IT staff Consultants (if necessary)

Schedule	Milestones
Jul-2016	Begin Assessment
Feb-2017	Present to management for endorsement
July-2017	Implementation of Plan
Jan-2019	Tactic complete

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments

## Redding Electric Utility Tactical Action Plan

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### Issue 3 / Strategy 1 / Tactic 2

Sponsor: Paul Cummings  
Brian King

Champion: Ron Hofer

Priority: Strategy – Medium  
Tactic – High

<b>Issue</b>	We must improve our technology to deliver increased value to our customers
<b>Strategy</b>	Enhanced operational awareness improves efficiency and reliability
<b>Tactic</b>	Implement enhanced modeling and planning tools

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Conduct needs assessment</li> <li>2. Identify present technologies</li> <li>3. Investigate available solutions</li> <li>4. Conduct a cost-benefit analysis</li> <li>5. Develop an implementation plan</li> <li>6. Present to management for endorsement</li> <li>7. Implement</li> </ol>
<b>Key Decision Points</b>	Stakeholder consensus Management approval Governing board approval (if applicable)
<b>Dependencies</b>	Budget Staffing Priority
<b>Resources</b>	Stakeholder input Project lead IT staff Consultants (if necessary)

Schedule	Milestones
Jan-2015	Begin Assessment
Mar-2015	Present to management for endorsement
July-2015	Implementation of plan
Jan-2016	Tactic complete

**Redding Electric Utility  
Tactical Action Plan**

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Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments

# Redding Electric Utility Tactical Action Plan

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## Issue 3 / Strategy 2 / Tactic 1

**Sponsor:** Paul Cummings  
Brian King

**Champion:** Vince Karlson

**Priority:** Strategy – High  
Tactic – High

<b>Issue</b>	We must improve our technology to deliver increased value to our customers
<b>Strategy</b>	Enhanced customer experience improves customer satisfaction
<b>Tactic</b>	Implement customer interface tools

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Conduct needs assessment</li> <li>2. Identify present technologies</li> <li>3. Investigate available solutions</li> <li>4. Conduct a cost-benefit analysis</li> <li>5. Develop an implementation plan</li> <li>6. Present to management for endorsement</li> <li>7. Implement</li> </ol>
<b>Key Decision Points</b>	Stakeholder consensus Management approval Governing board approval (if applicable)
<b>Dependencies</b>	Budget Staffing Priority
<b>Resources</b>	Stakeholder input Project lead IT staff Consultants (if necessary)

Schedule	Milestones
Jan-2015	Work begins
Jan-2016	Present to management for endorsement
Mar-2016	Tactic and budget approved
July-2016	Implementation of Plan
Jul-2017	Tactic complete

**Redding Electric Utility  
Tactical Action Plan**

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Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments

# Redding Electric Utility Tactical Action Plan

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## Issue 3 / Strategy 2/ Tactic 2

**Sponsor:** Paul Cummings  
Brian King

**Champion:** Vince Karlson

**Priority:** Strategy – High  
Tactic – Low

<b>Issue</b>	We must improve our technology to deliver increased value to our customers
<b>Strategy</b>	Enhanced customer experience improves customer satisfaction
<b>Tactic</b>	Implement electric system information tools

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Conduct needs assessment</li> <li>2. Identify present technologies</li> <li>3. Investigate available solutions</li> <li>4. Conduct a cost-benefit analysis</li> <li>5. Develop an implementation plan</li> <li>6. Present to management for endorsement</li> <li>7. Implement</li> </ol>
<b>Key Decision Points</b>	Stakeholder consensus Management approval Governing board approval (if applicable)
<b>Dependencies</b>	Budget Staffing Priority
<b>Resources</b>	Stakeholder input Project lead IT staff Consultants (if necessary)

Schedule	Milestones
Jan-2016	Work begins
Feb-2017	Present to management for endorsement
Mar-2017	Tactic and budget approved
Jul-2017	Implementation of Plan
Mar-2018	Systems purchased and scheduled for installation
Jan-2019	Tactic complete

**Redding Electric Utility  
Tactical Action Plan**

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Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments

# Redding Electric Utility Tactical Action Plan

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## Issue 3 / Strategy 2/ Tactic 3

**Sponsor:** Paul Cummings  
Brian King

**Champion:** Vince Karlson

**Priority:** Strategy – High  
Tactic – Medium

<b>Issue</b>	We must improve our technology to deliver increased value to our customers
<b>Strategy</b>	Enhanced customer experience improves customer satisfaction
<b>Tactic</b>	Implement tools for enterprise communications

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Conduct needs assessment</li> <li>2. Identify present technologies</li> <li>3. Investigate available solutions</li> <li>4. Conduct a cost-benefit analysis</li> <li>5. Develop an implementation plan</li> <li>6. Present to management for endorsement</li> <li>7. Implement</li> </ol>
<b>Key Decision Points</b>	Stakeholder consensus Management approval Governing board approval (if applicable)
<b>Dependencies</b>	Budget Staffing Priority
<b>Resources</b>	Stakeholder input Project lead IT staff Consultants (if necessary)

<b>Schedule</b>	<b>Milestones</b>
Jan-2015	Work begins
Jan-2016	Present to management for endorsement
Mar-2016	Tactic and budget approved
Jul-2016	Implementation of plan
Jul-2017	Tactic complete

**Redding Electric Utility  
Tactical Action Plan**

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Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments

# Redding Electric Utility Tactical Action Plan

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## Issue 3 / Strategy 3 / Tactic 1

**Sponsor:** Paul Cummings  
Brian King

**Champion:** Mary Downey

**Priority:** Strategy – Low  
Tactic – Low

<b>Issue</b>	We must improve our technology to deliver increased value to our customers
<b>Strategy</b>	Managing data and information enhances communication and decision making
<b>Tactic</b>	Implement internal data management processes

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Conduct needs assessment</li> <li>2. Identify present technologies</li> <li>3. Investigate available solutions</li> <li>4. Conduct a cost-benefit analysis</li> <li>5. Develop an implementation plan</li> <li>6. Present to management for endorsement</li> <li>7. Implement</li> </ol>
<b>Key Decision Points</b>	Stakeholder consensus Management approval Governing board approval (if applicable)
<b>Dependencies</b>	Budget Staffing Priority
<b>Resources</b>	Stakeholder input Project lead IT staff Consultants (if necessary)

Schedule	Milestones
Jul-2016	Begin work
Mar-2017	Present implementation plan to stakeholders
Jul-2017	Stakeholder endorsement and approval
Aug-2017	Implementation of plan
Dec-2018	Tactic complete

**Redding Electric Utility  
Tactical Action Plan**

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Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments

# Redding Electric Utility Tactical Action Plan

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## Issue 3 / Strategy 3 / Tactic 2

**Sponsor:** Paul Cummings  
Brian King

**Champion:** Mary Downey

**Priority:** Strategy – Low  
Tactic – Medium

<b>Issue</b>	We must improve our technology to deliver increased value to our customers
<b>Strategy</b>	Managing data and information enhances communication and decision making
<b>Tactic</b>	Develop internal data sharing plan

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Conduct needs assessment</li> <li>2. Identify present technologies</li> <li>3. Investigate available solutions</li> <li>4. Conduct a cost-benefit analysis</li> <li>5. Develop an implementation plan</li> <li>6. Present to management for endorsement</li> <li>7. Implement</li> </ol>
<b>Key Decision Points</b>	Stakeholder consensus Management approval Governing board approval (if applicable)
<b>Dependencies</b>	Budget Staffing Priority
<b>Resources</b>	Stakeholder input Project lead IT staff Consultants (if necessary)

<b>Schedule</b>	<b>Milestones</b>
Jan-2016	Begin work
Jan-2017	Present to management for endorsement
Feb-2017	Budget approval (if necessary)
Jul-2017	Implementation of plan
Dec-2018	Tactic complete

# Redding Electric Utility Tactical Action Plan

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Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments

# Redding Electric Utility Tactical Action Plan

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## Issue 3 / Strategy 4/ Tactic 1

**Sponsor:** Paul Cummings  
Brian King

**Champion:** Bill Hughes

**Priority:** Strategy – High  
Tactic – High

<b>Issue</b>	We must improve our technology to deliver increased value to our customers
<b>Strategy</b>	Deploying and supporting technology promotes an effective organization
<b>Tactic</b>	Develop a technology roadmap

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Conduct needs assessment</li> <li>2. Identify present technologies</li> <li>3. Investigate available solutions</li> <li>4. Conduct a cost-benefit analysis</li> <li>5. Develop roadmap plan</li> <li>6. Present roadmap to management for endorsement</li> <li>7. Implement</li> </ol>
<b>Key Decision Points</b>	Stakeholder consensus Management approval Governing board approval (if applicable)
<b>Dependencies</b>	Budget Staffing
<b>Resources</b>	Stakeholder input Project lead Consultants (if necessary)

Schedule	Milestones
Jan-2015	Begin work
Sept-2015	Final draft of roadmap complete
Dec-2015	Present to management for endorsement

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments

## Redding Electric Utility Tactical Action Plan

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### Issue 3 / Strategy 4/ Tactic 2

**Sponsor:** Paul Cummings  
Brian King

**Champion:** Bill Hughes

**Priority:** Strategy – High  
Tactic – Low

<b>Issue</b>	We must improve our technology to deliver increased value to our customers
<b>Strategy</b>	Deploying and supporting technology promotes an effective organization
<b>Tactic</b>	Develop and implement a technology O&M plan

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Assess resources and support structure</li> <li>2. Identify staffing needs</li> <li>3. Identify funding requirements</li> <li>4. Conduct a cost-benefit analysis</li> <li>5. Develop an implementation plan</li> <li>6. Present to management for endorsement</li> <li>7. Implement</li> </ol>
<b>Key Decision Points</b>	Stakeholder consensus Management approval Governing board approval (if applicable)
<b>Dependencies</b>	Budget Staffing
<b>Resources</b>	Stakeholder input Project lead Consultants (if necessary)

Schedule	Milestones					
Sept-2015	Begin work					
Feb-2017	Present to management for endorsement					
Mar-2017	Budget approval					
Jul-2017	Implement plan					
Dec-2018	Tactic complete					
Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments

## Redding Electric Utility Tactical Action Plan

### ISSUE 4 – We must improve our communications

*SPONSORS – PAT KEENER*

STRATEGY	CHAMPION	TACTIC	PRIORITY
<p>1. Communicating the value of REU enhances community perception and the sustainability of our business</p> <p>Priority: Very High</p>	Pat Keener	<p>1. Evaluate the need for a new Communications Officer / Public Information Officer professional</p>	Extremely High
<p>2. Enhanced external communications improve stakeholder relationships.</p> <p>Priority: Very High</p>	Pat Keener CO/PIO	1. Implement REU Strategic Media Relations Plan	Extremely High
	Matt Madison	2. Implement REU Social Media Program/Plan	High
		3. Implement Strategic External Communications and Marketing Plan	High
		4. Implement Strategic Advertising Plan	High
<p>3. Enhanced internal communications improve the health of the organization</p> <p>Priority: High</p>	Dave Jackson	1. Implement Strategic Internal Communications and Marketing Plan	High
	Barry Tippin	2. Improve management communication with staff	High

# Redding Electric Utility Tactical Action Plan

<b>ISSUE 4</b>	We must improve our communications
<b>GOALS</b>	<p>REU will know communications have improved when:</p> <ul style="list-style-type: none"> <li>• Perception of REU is positive throughout the community.</li> <li>• Internal and external stakeholders are aware of the value REU provides to the community.</li> <li>• Internal stakeholders obtain timely and accurate communication and information necessary to effectively do their jobs.</li> <li>• REU is named in the local media/press more frequently for things done well.</li> <li>• REU has an effective social media presence that engages customers and the community.</li> <li>• REU's marketing/external communication programs are recognized in the community.</li> <li>• REU's educational/outreach program is recognized and valued in the community.</li> <li>• Management provides timely and accurate communications to all REU staff across all Divisions.</li> <li>• Staff is proud to wear REU logo apparel (where appropriate) during working hours.</li> </ul>
<b>KPIs</b>	<p>REU will measure progress on this Issue using the following KPIs:</p> <ul style="list-style-type: none"> <li>• By Quarter 2 of 2015 a Communications Officer/Public Information Officer will be hired/assigned to lead public relations efforts and improve community perception of REU.</li> <li>• Customer satisfaction surveys are conducted biennially and results indicate a 90% satisfaction with REU.</li> <li>• Internal communications across all Divisions and communication levels improves by 3% each year as measured in employee surveys (i.e. Survey Monkey).</li> <li>• Quarterly meetings with members of the press/media are conducted.</li> <li>• At least once every six month the press covers a positive REU story.</li> <li>• Social media is updated on a daily basis.</li> <li>• 90% of teachers and administrators surveyed value REU's educational/outreach programs.</li> <li>• Employee satisfaction levels are 90% based on annual survey.</li> <li>• Management communications to all staff improves by 3% each year as measured in employee surveys (i.e. Survey Monkey).</li> </ul>

# Redding Electric Utility Tactical Action Plan

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## Issue 4 / Strategy 1 / Tactic 1

Sponsor: Pat Keener

Champion: Pat Keener

Priority: Strategy – Very High  
Tactic – Extremely High

<b>Issue</b>	We must improve our communications
<b>Strategy</b>	Communicating the value of REU enhances community perception and the sustainability of our business
<b>Tactic</b>	Evaluate the need for a new Communications Officer / Public Information Officer professional

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Assess the need of a Communications Officer (CO) / Public Information Officer (PIO) dedicated to telling the “REU Story” <ol style="list-style-type: none"> <li>A. Define roles of CO/PIO professional</li> <li>B. Task communications professional with cultivating media relations</li> <li>C. Identify and prioritize external markets – who is our audience?: Media, customers/community, policy makers, stake holders, community events, non-profits, schools, Key Accts etc</li> <li>D. Define messaging to our respective audiences</li> <li>E. Design appropriate messaging for respective groups</li> <li>F. Take control to shape REU’s public branding efforts and perception</li> <li>G. Generate favorable story ideas</li> <li>H. Maintain consistent proactive contact with media outlets</li> </ol> </li> <li>2. Finalize Needs Assessment</li> <li>3. Develop job title/description</li> <li>4. Develop budget</li> <li>5. Recruit/Promote/Reprioritize Staffing</li> </ol>
<b>Key Decision Points</b>	Support and recommendation from REU Director and City Manager for final City Council adoption of new title/job description
<b>Dependencies</b>	Determining whether or not the CO/PIO would be new recruit or existing staff person; Management and staff “buy-in”; budget requirements; determine funding availability; staff availability to support
<b>Resources</b>	Energy Services, CPT, Communications Committee

# Redding Electric Utility Tactical Action Plan

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Schedule	Milestones
Q1 '15	Conduct Needs Assessment /Define roles of CO/PIO Professional
Q1 '15	Finalize Needs Assessment
Q2 '15	Develop job title/description
Q2 '15	Gain Approval to Hire/Promote CO/PIO
Q2 - Q3 '15	Hire/Promote CO/PIO

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
FY15	1040	\$67,500			\$67,500	
FY16	2080	\$140,000			\$140,000	

# Redding Electric Utility Tactical Action Plan

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## Issue 4 / Strategy 2 / Tactic 1

Sponsor: Pat Keener

Champion: Pat Keener

Priority: Strategy – Very High  
Tactic – Extremely High

<b>Issue</b>	We must improve our communications
<b>Strategy</b>	Enhanced external communications improve stakeholder relationships
<b>Tactic</b>	Implement REU Strategic Media Relations Plan

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Outline/Draft Strategic Media Relations Plan             <ol style="list-style-type: none"> <li>A. Identify and prioritize external markets                 <ol style="list-style-type: none"> <li>i. Media, customers, policy makers, stake holders, community, community events, non-profits, schools, Key Accts etc</li> </ol> </li> <li>B. Define messaging to our respective audiences</li> <li>C. Design appropriate messaging for respective groups</li> <li>D. REU Annual Report</li> </ol> </li> <li>2. Define the role of proposed CO/PIO as it relates to media coordination</li> <li>3. Task communications professional (CO/PIO) with cultivating media relations</li> <li>4. Shape REU's public branding efforts and perception</li> <li>5. Generate favorable story ideas</li> <li>6. Maintain consistent proactive contact with media outlets</li> <li>7. Develop budget</li> <li>8. Develop and finalize plan</li> <li>9. Develop implementation plan</li> </ol>
<b>Key Decision Points</b>	Approval from REU Director
<b>Dependencies</b>	Management and staff "buy-in"; budget requirements; determine funding availability; staff availability to support
<b>Resources</b>	Energy Services, CPT, Communications Committee

# Redding Electric Utility Tactical Action Plan

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Schedule	Milestones
Immediately	Begin fostering improved relations with media
Q1 - Q2 '15	Outline/Draft Media Relations Plan
Q2 – Q3 '15	Gain Approval of Media Relations Plan
Q3 - Q4 '15	Launch Media Relations Plan

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
FY15	520	\$21,000		\$45,000	\$66,000	
FY16	1040	\$42,000		\$90,000	\$132,000	

# Redding Electric Utility Tactical Action Plan

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## Issue 4 / Strategy 2 / Tactic 2

Sponsor: Pat Keener

Champion: CO/PIO

Priority: Strategy – Very High  
Tactic – High

<b>Issue</b>	We must improve our communications
<b>Strategy</b>	Enhanced external communications improve stakeholder relationships
<b>Tactic</b>	Implement REU Social Media Program/Plan

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Outline/Draft Social Media Program/Plan             <ol style="list-style-type: none"> <li>A. Assign appropriate staff to manage Social Media Program/Plan (CO/PIO)</li> <li>B. Support evaluation of tools to improve outage notification to import to social media outlets</li> <li>C. Manage continuous real time social media presence &amp; information                 <ol style="list-style-type: none"> <li>i. Twitter account</li> <li>ii. Facebook</li> <li>iii. Blog page</li> <li>iv. LinkedIn</li> <li>v. Youtube</li> <li>vi. Others</li> </ol> </li> </ol> </li> <li>2. Develop budget</li> <li>3. Define technology needed to meet goals</li> <li>4. Develop and finalize plan</li> <li>5. Obtain approval</li> <li>6. Develop implementation plan</li> <li>7. Update periodically</li> </ol>
<b>Key Decision Points</b>	Approval from REU Director
<b>Dependencies</b>	Management and staff “buy-in”; budget requirements; determine funding availability; staff availability to support
<b>Resources</b>	Energy Services, CPT, Communications Committee

# Redding Electric Utility Tactical Action Plan

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Schedule	Milestones
Q2 – Q3 '15	Draft Social Media Program/Plan
Q4 '15	Gain Approval of Social Media Program/Plan
Q1 '16	Launch External Social Media Program

Budget	Man- hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
FY16	520	\$21,000		\$10,000	\$31,000	
FY17	1040	\$42,000		\$15,000	\$57,000	

# Redding Electric Utility Tactical Action Plan

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## Issue 4 / Strategy 2 / Tactic 3

Sponsor: Pat Keener

Champion: Matt Madison

Priority: Strategy – Very High  
Tactic – High

<b>Issue</b>	We must improve our communications
<b>Strategy</b>	Enhanced external communications improve stakeholder relationships
<b>Tactic</b>	Implement Strategic External Communications and Marketing Plan

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Outline/Draft Strategic External Communications and Marketing Plan             <ol style="list-style-type: none"> <li>A. Assess stakeholders with whom REU wants to align most visibly                 <ol style="list-style-type: none"> <li>i. Business community leaders, business owners, Key Customers, Chamber of Commerce, Builder/Developer groups, business community, non-profits, schools, etc</li> <li>ii. Include influential “publics” that are critical to favorable REU perception</li> </ol> </li> <li>B. Establish criteria for community events, sponsorship opportunities and partners that best represent REU interests</li> <li>C. Broaden education program to improve public perception/ information related to REU</li> <li>D. Increase presence at high traffic events/ target rich environments</li> <li>E. Educate REU staff through CS training or importance of upholding positive public perception</li> <li>F. REU Annual Report</li> </ol> </li> <li>2. Assign Personnel</li> <li>3. Develop budget</li> <li>4. Assess whether elements of the Strategic External Marketing Communications Plan can be implemented and conducted with internal staff or if consultant(s) are needed                 <ol style="list-style-type: none"> <li>A. Hire consultant if needed for various elements of the Plan</li> </ol> </li> <li>5. Define technology needed to meet goals</li> <li>6. Develop and finalize plan</li> <li>7. Develop implementation plan</li> </ol>
<b>Key Decision Points</b>	Identify and potentially hire communications professional
<b>Dependencies</b>	Approval from REU Director
<b>Resources</b>	Full-time salary commensurate with experience and qualifications

# Redding Electric Utility Tactical Action Plan

Schedule	Milestones
Q2 – Q3 '15	Outline/Draft Strategic External Communications and Marketing Plan
End of Q4 '15	Gain approval of External Communications and Marketing Plan
Q1 '16	Launch External Communications and Marketing Plan

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
FY '15	1040	\$65,000			\$65,000	
FY '16	2080	\$130,000			\$130,000	

# Redding Electric Utility Tactical Action Plan

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## Issue 4 / Strategy 2 / Tactic 4

Sponsor: Pat Keener

Champion: Co - Matt Madison  
Jeff Granberry

Priority: Strategy – Very High  
Tactic -High

<b>Issue</b>	We must improve our communications
<b>Strategy</b>	Enhanced external communications improve stakeholder relationships
<b>Tactic</b>	Implement Strategic Advertising Plan

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Outline/Draft Strategic Advertising Plan             <ol style="list-style-type: none"> <li>A. Identify and prioritize external markets                 <ol style="list-style-type: none"> <li>i. Media, customers, policy makers, stake holders, community leaders, community events, non-profits, schools, Key Accts etc</li> </ol> </li> <li>B. Define messaging to our respective audiences</li> <li>C. Define advertising mediums</li> <li>D. Design appropriate messaging for respective groups</li> <li>E. Create annual advertising calendar</li> <li>F. Place advertising based on REU priorities, timing and communication needs.</li> </ol> </li> <li>2. Assign Personnel</li> <li>3. Develop budget</li> <li>4. Assess whether elements of the strategic external advertising plan can be implemented and conducted with internal staff or if consultant(s) are needed                 <ol style="list-style-type: none"> <li>A. Hire consultant if needed for various elements of the Plan</li> </ol> </li> <li>5. Define technology needed to meet goals</li> <li>6. Develop and finalize plan</li> <li>7. Develop implementation plan</li> </ol>
<b>Key Decision Points</b>	Marketing requires utility-wide commitment to demonstrating value/ currying community favor
<b>Dependencies</b>	Elections - Favorable perception begins at City Council level; management and staff "buy-in"; budget requirements; determine funding availability; staff availability to support
<b>Resources</b>	All hands are responsible

# Redding Electric Utility Tactical Action Plan

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Schedule	Milestones
Q2 – Q3 '15	Outline/draft of Strategic Advertising Plan
End of Q4 '15	Gain Approval of Strategic Advertising Plan
Q1 '16	Launch Strategic Advertising Plan

Budget	Man- hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
FY15	540	\$25,000		\$80,000	\$105,000	
FY 16	1080	\$50,000		\$100,000	\$150,000	

# Redding Electric Utility Tactical Action Plan

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## Issue 4 / Strategy 3 / Tactic 1

Sponsor: Pat Keener

Champion: Dave Jackson

Priority: Strategy – High  
Tactic – High

<b>Issue</b>	We must improve our communications
<b>Strategy</b>	Enhanced internal communications improve the health of the organization
<b>Tactic</b>	Implement Strategic Internal Communications and Marketing Plan

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Outline/Draft Internal Strategic Communications Plan;             <ol style="list-style-type: none"> <li>A. Form an Internal Communication Committee</li> <li>B. Quarterly Employee Newsletters</li> <li>C. Regular email blasts to REU employees recognizing employees/projects/utility happenings</li> <li>D. REU Internal Blog page (bi-directional)</li> <li>E. Promote/encourage internal job shadowing program</li> <li>F. Employee recognition</li> <li>G. Photograph employees doing their jobs</li> </ol> </li> <li>2. Assign Personnel</li> <li>3. Develop budget</li> <li>4. Assess whether elements of the internal strategic communications plan can be implemented and conducted with internal staff or if consultant(s) are needed             <ol style="list-style-type: none"> <li>A. Hire consultant if needed for various elements of the Plan (beyond the communications training)</li> </ol> </li> <li>5. Define technology needed to meet goals</li> <li>6. Develop and finalize plan</li> <li>7. Develop implementation plan</li> </ol>
<b>Key Decision Points</b>	Approval from REU Director; possibly EUC
<b>Dependencies</b>	Management and staff “buy-in”; budget requirements; determine funding availability; staff availability to support
<b>Resources</b>	Matt Madison, Jeff Granberry, Jack Latiolais, Darrell Christensen, Mike Springer, Bob Sandoval, Jim Calhoun, Kelly Dunbar, Heather Rovenstine, Greg Deedon, Chris Holdren, Kim Hein, Andi Jeffers, Brad Panike, Brian Schinstock, Margie Walker, Kevin Burke, Pam Dahl Elizabeth Hadley and potentially consultants

# Redding Electric Utility Tactical Action Plan

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Schedule	Milestones
Q1 – Q2 '15	Draft Internal Strategic Communications Plan
Q2 '15	Assign personnel/develop budget
Q2 '15	Consultant assessment complete
Q3 – '15	Technology needs determined
Q3 – '15	Develop/final draft plan
Q4 – '15	Approval to implement
Q1 – '16	Full implementation

Budget	Man-hours	Labor (\$/hr)	Direct Materials	Other	Total	Comments
FY15	520	\$21,000		\$30,000	\$51,000	
FY 16	1040	\$42,000		\$50,000	\$92,000	

# Redding Electric Utility Tactical Action Plan

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## Issue 4 / Strategy 3 / Tactic 2

Sponsor: Pat Keener

Champion: Barry Tippin

Priority: Strategy – High  
Tactic – High

<b>Issue</b>	We must improve our communications
<b>Strategy</b>	Enhanced internal communications improve the health of the organization
<b>Tactic</b>	Improve management communication with staff

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Conduct Annual Management/Staff Communications Training (coordination with Issue 5)             <ol style="list-style-type: none"> <li>A. Proper/appropriate email communications</li> <li>B. Director emphasizes the importance of managers sharing utility/business related information with staff – this has been an issue in multiple divisions within REU</li> <li>C. More frequent, positive communications from Director/Managers to staff                 <ol style="list-style-type: none"> <li>i. Regular email blasts to REU employees recognizing employees/projects/utility happenings</li> <li>ii. Employee recognition</li> </ol> </li> </ol> </li> <li>2. Develop budget</li> <li>3. Develop and finalize plan</li> <li>4. Develop implementation plan</li> </ol>
<b>Key Decision Points</b>	Approval from REU Director; possibly EUC
<b>Dependencies</b>	Management and staff “buy-in”; budget requirements; determine funding availability; staff availability to support
<b>Resources</b>	All Hands on Deck

<b>Schedule</b>	TBD following City Council approval/ sponsor meeting to reconcile resource conflicts/ Milestones
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## Redding Electric Utility Tactical Action Plan

### ISSUE 5 – We must attract, develop, and retain a qualified workforce

*SPONSORS – BARRY TIPPIN*

STRATEGY	CHAMPION	TACTIC	PRIORITY
1. Effective recruitment builds for the future and promotes diversity  Priority: High	Nick Zettel	1. Enhance and streamline the recruiting process	High
		2. Perform a biennial review of job specifications	Low
		3. Conduct biennial reviews of public and private sector employment compensation packages to ensure marketability	Low
2. Succession planning retains organizational knowledge and provides career development opportunities  Priority: Medium	Mike Adams	1. Develop a succession plan	Medium
		2. Establish career development plans	High
		3. Develop a mentorship program and new employee orientation program	Low
3. Retaining qualified employees is essential to long-term workforce stability  Priority: Medium	Kim Hein	1. Develop training programs utility-wide	Medium
		2. Develop employee recognition program	Medium
		3. Develop safety recognition program	High
		4. Develop Director’s supervisor advisory committee	Low

# Redding Electric Utility Tactical Action Plan

ISSUE 5	We must attract, develop, and retain a qualified workforce
GOALS	<p>REU will know it is attracting, developing and retaining a qualified workforce when:</p> <ul style="list-style-type: none"><li>• Vacant positions are kept to a minimum.</li><li>• The hiring process is streamlined.</li><li>• Employees do not leave to work for other electric utilities due to pay/benefits or advancement opportunities.</li><li>• Recruitment efforts result in attraction of qualified employees and professional staff.</li><li>• Employee excellence is maintained.</li><li>• Each employee has a clear path of progression and training opportunities for upward mobility.</li></ul>
KPIs	<p>REU will measure progress on this Issue using the following KPIs:</p> <ul style="list-style-type: none"><li>• The number of vacant positions is less than 5% of the workforce annually.</li><li>• From job requisition to PAF, the total time to hire is less than 45 days.</li><li>• Exit interviews are performed with every employee to determine reason for departure.</li><li>• Recruitment statistic forms are reviewed quarterly for patterns or areas of improvement.</li><li>• All employees receive regular performance and career development evaluations regardless of position and wage range on an annual basis.</li><li>• Excellence is measured by successful regulatory audits; projects are completed on time and within budget.</li><li>• Customer satisfaction surveys are conducted biennially and results indicate a 90% satisfaction with REU.</li><li>• Employee satisfaction levels are 90% based on annual survey.</li></ul>

# Redding Electric Utility Tactical Action Plan

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## Issue 5 / Strategy 1 / Tactic 1

Sponsors: Barry Tippin

Champion: Nick Zettel

Priority: Strategy - High  
Tactic - High

<b>Issue</b>	We must attract, develop and retain a qualified workforce
<b>Strategy</b>	Effective recruitment builds for the future and promotes diversity
<b>Tactic</b>	Enhance and streamline the recruiting process

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Develop or acquire from Personnel a Hiring Process Guidebook to outline the existing required steps for recruitment (REQ-PAF)</li> <li>2. Identify new processes to enhance and streamline recruitment</li> <li>3. Create a recruitment toolbox document to consolidate existing recruitment options and develop new programs into a single source of information</li> </ol>
<b>Key Decision Points</b>	CM approval of new authorities, Council approval of new authorities for hiring, Personnel Director
<b>Dependencies</b>	Dependent on key labor laws and existing MOU allowances, CM policy
<b>Resources</b>	Personnel Director, Personnel Analyst, REU and other City Management

Schedule	Milestones
January 2015	Completion of hiring guidebook of existing process
May 2015	Complete outline of toolbox elements including recruitment streamlining elements for presentation to CM
August 2015	Complete draft toolbox document and revised hiring guidebook
October 2015	Seek Council approval of toolbox document and hiring guidebook as required

Budget	Man-hours	Labor (\$/hr)	Direct Materials	Other	Total	Comments
	120	100	\$500		\$12,500	

# Redding Electric Utility Tactical Action Plan

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## Issue 5 / Strategy 1 / Tactic 2

Sponsor: Barry Tippin

Champion: Nick Zettel

Priority: Strategy - High  
Tactic - Low

<b>Issue</b>	We must attract, develop and retain a qualified workforce
<b>Strategy</b>	Effective recruitment builds for the future and promotes diversity
<b>Tactic</b>	Perform a biennial review of job specifications

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Analyze job tasks and compare to specifications for applicability</li> <li>2. Review changing legislative and regulatory requirements and determine if the job specifications cover needed changes in work tasks and flows</li> <li>3. Annually identify required certifications and/or licenses</li> <li>4. Develop Director Policy</li> </ol>
<b>Key Decision Points</b>	Personnel Director; Bargaining Units, Managers and Supervisors
<b>Dependencies</b>	Personnel approval of changes; Bargaining Unit approval of changes
<b>Resources</b>	Personnel Director; Managers and Supervisors

Schedule	Milestones
January 2015	Develop Director Policy
March 2015	Complete first review of all job specs (UPEC first priority followed by Unrep)
Ongoing	Supervisor's review job specs when each position evaluated

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
	2	100			\$200	

# Redding Electric Utility Tactical Action Plan

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## Issue 5 / Strategy 1 / Tactic 3

Sponsor: Barry Tippin

Champion: Nick Zettel

Priority: Strategy - High  
Tactic - Low

<b>Issue</b>	We must attract, develop and retain a qualified workforce
<b>Strategy</b>	Effective recruitment builds for the future and promotes diversity
<b>Tactic</b>	Conduct biennial reviews of public and private sector employment compensation packages to ensure marketability

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Create central location and assign document control authority for all information to place data gathered including studies by others</li> <li>2. Compare with at least five comparable entities bi-annually</li> <li>3. Develop model to track dependencies with REU position and for use in market based comparisons</li> </ol>
<b>Key Decision Points</b>	City Council Policy, CM, Bargaining Units, Personnel Director
<b>Dependencies</b>	Personnel staff to conduct review, Council/CM/Bargaining Units approval, Mark
<b>Resources</b>	Personnel director, Electric Director and Assistant Directors, REU Finance staff member

Schedule	Milestones
February 2015	Create central location and assign document control authority for all information to place data gathered including studies by others
March 2016	Develop Model
March 2016	Initiate compensation package review
May 2016	Complete plan and seek CM consideration
June 2016	Bring package to Council for consideration if adjustments are needed

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
	80	100			\$8,000	Ongoing costs will be there

# Redding Electric Utility Tactical Action Plan

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## Issue 5 / Strategy 2 / Tactic 1

Sponsor: Barry Tippin

Champion: Mike Adams

Priority: Strategy - Medium  
Tactic – Medium

<b>Issue</b>	We must attract, develop and retain a qualified workforce
<b>Strategy</b>	Succession planning retains organizational knowledge and provides career development opportunities
<b>Tactic</b>	Develop a succession plan

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Form Succession Planning Team</li> <li>2. Create "heat map" and develop immediate strategies</li> <li>3. Research and identify other plans to use as a template</li> <li>4. Create central filing systems and identify responsible party(s) for data management</li> <li>5. Draft a Succession Plan document to be used as a guide for REU management</li> </ol>
<b>Key Decision Points</b>	Managers and Supervisors, Personnel Director, Bargaining Units
<b>Dependencies</b>	Staff time, subject matter experts, Form of Plan (common use format, individual by position, etc), Plan depth, data management process, timeframes
<b>Resources</b>	External references/program material, staff, possible consultant

Schedule	Milestones
January 2015	Form Succession Planning Team
June 2015	Create document management system/structure (utility/Division wide) and guidelines
January 2017	Create final Succession Plan
May 2017	Implementation

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
	250	100	\$1000		\$26,000	
Consultant?				\$40,000	\$40,000	

# Redding Electric Utility Tactical Action Plan

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## Issue 5 / Strategy 2 / Tactic 2

Sponsor: Barry Tippin

Champion: Mike Adams

Priority: Strategy - Medium  
Tactic – High

<b>Issue</b>	We must attract, develop and retain a qualified workforce
<b>Strategy</b>	Succession planning retains organizational knowledge and provides career development opportunities
<b>Tactic</b>	Establish career development plans

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Create career ladder for each position in REU</li> <li>2. Identify gaps in career ladder(s)</li> <li>3. Identify any new job titles or incentives needed to enhance/improve career development</li> <li>4. Coordinate with S3T1 training programs and Issue 2</li> </ol>
<b>Key Decision Points</b>	Position by position review P.D., CM & Council approval, Bargaining process
<b>Dependencies</b>	Director/Assistant Directors/Managers, Personnel, CM, Council
<b>Resources</b>	Representative for each division, staff time for mapping/developing ladder, research for incentives, work with Personnel to update performance evaluations

Schedule	Milestones
May 2015	Map career ladders and identify gaps
Ongoing	Draft new job specs as part of Strategy 1, Tactic 2 process
January 2016	Provide a recommendation to the CM for REU career ladders by position
As needed	Seek Council consideration for approval of plan elements

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
	80	100		\$8,000	\$8,000	

# Redding Electric Utility Tactical Action Plan

---

## Issue 5 / Strategy 2 / Tactic 3

Sponsor: Barry Tippin

Champion: Mike Adams

Priority: Strategy – Medium  
Tactic – Low

<b>Issue</b>	We must attract, develop and retain a qualified workforce
<b>Strategy</b>	Succession planning retains organizational knowledge and provides career development opportunities
<b>Tactic</b>	Develop a mentorship program and new employee orientation program

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Develop mentorship program</li> <li>2. Identify mentors for new and existing staff members</li> <li>3. Develop incentives for mentorship opportunities. For example, recognition program</li> <li>4. Develop new employee orientation program (core values included)</li> </ol>
<b>Key Decision Points</b>	Managers and Supervisors, Personnel Director, City Manager
<b>Dependencies</b>	Depth of orientation process (beyond current process w/Personnel), level of formality for mentoring, Staff's willingness to participate in mentorship program, Personnel collaboration with orientation process
<b>Resources</b>	Mentorship guides/recommendations, incentive items, staff time for development

Schedule	Milestones
September 2015	Develop mentorship program
October 2015	Communication with REU staff seeking mentors and mentees (possible "recruitments")
March 2016	Begin development of organized employee orientation program with assistance from Personnel analyst
September 2016	Provide employee orientation program manual to REU management

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
	200	10			\$20,000	Cost of program will be ongoing

# Redding Electric Utility Tactical Action Plan

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## Issue 5 / Strategy 3/ Tactic 1

Sponsor: Barry Tippin

Champion: Kim Hein

Priority: Strategy – Medium  
Tactic – Medium

<b>Issue</b>	We must attract, develop and retain a qualified workforce
<b>Strategy</b>	Retaining qualified employees is essential to long-term workforce stability
<b>Tactic</b>	Develop training programs utility-wide

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Establish training steering committee to review effectiveness of training</li> <li>2. Identify types of training – safety, technical, leadership, communications, technology, technical, customer service, team building, quality control, career development, etc. manages/division for training</li> <li>3. Develop manager/supervisor (leadership) training program</li> <li>4. Develop program and implementation plan</li> </ol>
<b>Key Decision Points</b>	Personnel Director, Management
<b>Dependencies</b>	Budget, staff
<b>Resources</b>	Staff/Consultant, training modules, software tracking system

Schedule	Milestones
February 2015	Form steering committee with guidelines
February 2016	Development of training program
September 2016	Implementation of training program

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
	300	100	\$5,000		\$35,000	

# Redding Electric Utility Tactical Action Plan

---

## Issue 5 / Strategy 3 / Tactic 2

Sponsor: Barry Tippin

Champion: Kim Hein

Priority: Strategy – Medium  
Tactic – Medium

<b>Issue</b>	We must attract, develop and retain a qualified workforce
<b>Strategy</b>	Retaining qualified employees is essential to long-term workforce stability
<b>Tactic</b>	Develop employee recognition program

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Develop new and identify and consolidate all existing COR recognition programs</li> <li>2. Work with the communications group to recognize employees through internal/external newsletters, emails, website</li> <li>3. Create Nomination Committee</li> </ol>
<b>Key Decision Points</b>	CM, Council, REU director, personnel
<b>Dependencies</b>	Budget, staff
<b>Resources</b>	Communication team, funding for rewards

Schedule	Milestones
May 2015	Approval of recognition program from CM
August 2015	Create nominating committee
November 2015	Implement recognition program

Budget	Man-hours	Labor (\$/hr)	Direct Materials	Other	Total	Comments
	80	100			\$8,000	

# Redding Electric Utility Tactical Action Plan

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## Issue 5 / Strategy 3 / Tactic 3

Sponsor: Barry Tippin

Champion: Kim Hein

Priority: Strategy – Medium  
Tactic – High

<b>Issue</b>	We must attract, develop and retain a qualified workforce
<b>Strategy</b>	Retaining qualified employees is essential to long-term workforce stability
<b>Tactic</b>	Develop safety recognition program

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Develop a program that rewards employees or departments for specific milestones. For example, no lost time accidents in specific time frame</li> <li>2. Work with the communications group to have a safety corner in the internal/external newsletters</li> <li>3. Develop a utility wide safety recognition committee</li> </ol>
<b>Key Decision Points</b>	CM, Council, REU director, personnel
<b>Dependencies</b>	Budget, staff
<b>Resources</b>	Communication Team, funding for awards

Schedule	Milestones
February 2015	Form safety recognition committee with guidelines
May 2015	Develop program
August 2015	Approval of recognition program from CM & implement recognition program

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
	80	100			\$8,000	

# Redding Electric Utility Tactical Action Plan

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## Issue 5 / Strategy 3/ Tactic 4

Sponsor: Barry Tippin

Champion: Kim Hein

Priority: Strategy – Medium  
Tactic – Low

<b>Issue</b>	We must attract, develop and retain a qualified workforce
<b>Strategy</b>	Retaining qualified employees is essential to long-term workforce stability
<b>Tactic</b>	Develop Director's supervisor advisory committee

<b>Tasks</b>	<ol style="list-style-type: none"> <li>1. Develop committee charter</li> <li>2. Form committee</li> <li>3. Determine avenues for information sharing</li> </ol>
<b>Key Decision Points</b>	Director
<b>Dependencies</b>	Staff willingness to participate and time availability
<b>Resources</b>	Director, various supervisory level staff

Schedule	Milestones
March 2015	Charter formed
May 2015	Committee formed
June 2015	First meeting and chapter adoption

Budget	Man-hours	Labor (\$_/hr)	Direct Materials	Other	Total	Comments
	20	100			\$2,000	



# 2020 STRATEGIC PLAN Annual Business Plan

**REDDING ELECTRIC UTILITY**  
**STAKEHOLDER ENGAGEMENT/2015**

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**TABLE OF CONTENTS**

Introduction..... 1  
Summary of Stakeholder Feedback ..... 1

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## REDDING ELECTRIC UTILITY

### STAKEHOLDER ENGAGEMENT/2015



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*By 2020, Redding Electric Utility will have established flexible, creative, innovative, and sustainable business practices while continuing to deliver valuable, safe, and reliable services for its customers*

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## INTRODUCTION

Stakeholder engagement is key to the strategic planning process. It ensures REU obtains input and feedback from employees, management, customers, governance entities, and the community in general, regarding the challenges, services, and future of their electric utility.

The Strategic Plan was developed using a joint process involving a CPT composed of a cross-section of employees and management. Input from commercial and industrial customers, City management, and members of REU's governance bodies was obtained and considered in the development of the Plan.

REU also conducted an Open House to present the Strategic Plan to customers and the community. The Open House was well attended and the feedback received was generally positive and supportive of the utility and the Strategic Plan. Attendees were interested in how the Strategic Plan was developed and how REU is going to implement it.

## SUMMARY OF STAKEHOLDER FEEDBACK

Examples of feedback/input obtained in alignment with the Strategic Issues are listed below:

- **Financial** – Concern about increasing rates was expressed and information about future costs and potential changes to rates is desired. Other

comments received related to: interest in time-of-use and tiered rates to encourage conservation; additional suggestions to encourage energy conservation.

- **Organization** – Attendees recognized the collaboration of employees organizing the event and “keeping the lights” on. Other comments received related to: understand that all employees represent the REU organization; the need for goals and metrics to measure progress.
- **Technology** – Customers and other attendees expressed interest in new technologies (smart meters), renewable options (solar programs), and customer service enhancements (access to REU 24 x 7 and charging stations for electric vehicles).
- **Communication** – The value and effort of organizing the Open House was acknowledged and interest in additional events such as this one was expressed. Other comments received related to: desire for REU to publish a newsletter to help share information related to REU’s activities, projects, and progress on the Strategic Plan.
- **Workforce** – Attendees expressed interest in REU’s efforts related to offering competitive salaries for employees, while not impacting rates. Additional comments included: conversations about how REU is going to “live its Core Values;” and a request to bring the call center back to Redding to provide local jobs and increase the personal connection.

The materials and documentation created for the November 2014 Open House are included in the Appendix.

REU is committed to conducting stakeholder engagement activities throughout the implementation of the Strategic Plan and intends to continue obtaining input from employees, commercial and industrial customers, City management, members of REU’s governance, and the community in general. The following lists additional examples of feedback/input obtained related to various aspects of the Strategic Plan after the Open House was conducted in November 2014:

- **Core Values** – Stakeholders have expressed enthusiasm related to REU’s core values and suggested activities to support the core value of Integrity and Accountability.
- **Financial** – Concern about increasing rates continues to be expressed.

- **Technology** – Stakeholders expressed interest in REU’s efforts to develop a technology roadmap. There is interest in what aspects and new technologies will be considered and the impact these would have on customers, the community, employees and rates. Additionally, an objection to the use of smart meter technology was communicated from one party through oral testimony and email.



# 2020 STRATEGIC PLAN Annual Business Plan

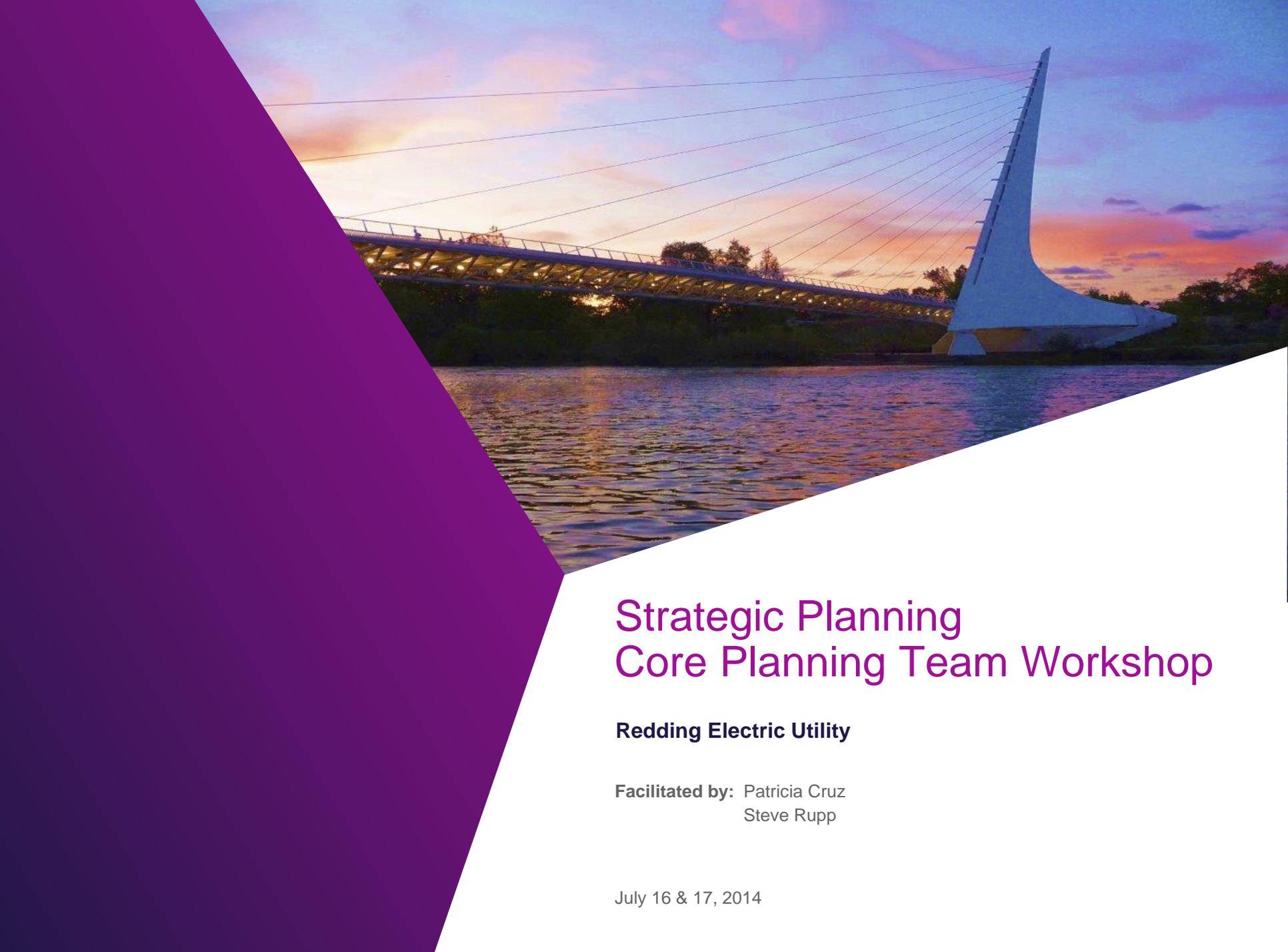
**REDDING ELECTRIC UTILITY**  
**ANNUAL BUSINESS PLAN/2015**

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**TABLE OF CONTENTS**

Appendix A: Working Papers for Planning Process

Appendix B: Stakeholder Engagement – Open House  
Materials



# Strategic Planning Core Planning Team Workshop

**Redding Electric Utility**

**Facilitated by:** Patricia Cruz  
Steve Rupp

July 16 & 17, 2014

# Leidos: Our Engineering Legacy

**SAIC**

**1969**

Founded in 1969, SAIC has a history of transforming science to solutions with systems integration, energy, and environmental expertise.

**R·W·BECK**

**2009**

SAIC acquired R.W. Beck Group, Inc., a 67-year-old engineering, energy, and infrastructure consultancy, comprised of 550 technical and business consultants.

**PATRICK**  
**ENERGYSERVICES**

**2011**

SAIC acquired Patrick Energy Services, a 45-year-old leader in power system solutions, comprised of 200 transmission and distribution specialists.

**2007**

SAIC acquired Benham Investment Holdings, LLC., a 98-year-old architecture, engineering, and DesignBuild<sup>SM</sup> firm, comprised of 900 technical professionals.

**BENHAM**

**2010**

SAIC Energy, Environment & Infrastructure, LLC was established.

**SAIC**

**2013**

SAIC separates into two independent, publicly traded companies, launching Leidos. Leidos' engineering business focuses on making 'What If' possible for commercial and industrial, government, lenders and developers, oil and gas, and utility clients.

 **leidos**

# Agenda

Day 1	Day 2
<ul style="list-style-type: none"><li>› Introductions &amp; Purpose</li></ul>	<ul style="list-style-type: none"><li>› Day 1 Highlights</li></ul>
<ul style="list-style-type: none"><li>› Ground Rules &amp; Expectations</li></ul>	<ul style="list-style-type: none"><li>› SWOT Exercise<ul style="list-style-type: none"><li>› Strengths/Weaknesses</li><li>› Opportunities/Threats</li></ul></li></ul>
<ul style="list-style-type: none"><li>› Strategic Planning Process</li></ul>	<ul style="list-style-type: none"><li>› Issue Development</li></ul>
<ul style="list-style-type: none"><li>› Current Situation<ul style="list-style-type: none"><li>› Industry challenges &amp; trends</li><li>› Summary stakeholder feedback</li></ul></li></ul>	<ul style="list-style-type: none"><li>› Issue Prioritization</li></ul>
<ul style="list-style-type: none"><li>› Visioning Exercise<ul style="list-style-type: none"><li>› Vision</li><li>› Mission</li><li>› Core values</li></ul></li></ul>	<ul style="list-style-type: none"><li>› Next Steps<ul style="list-style-type: none"><li>› Summary</li><li>› Communication</li><li>› Next workshop</li></ul></li></ul>

## Ground Rules

- > Arrive on time, well rested and prepared to engage with the group for the full time.
- > Give us your undivided attention. Please limit the use of cell phones for email and such to the breaks that are provided approximately every ninety minutes.
- > Please bring your smart phones, tablets and laptops as you will need them to participate in the exercises.
- > Be respectful of your colleagues and provide your input, honestly, candidly and professionally.
- > Feel free to ask questions, seek clarification and challenge the process constructively.

# Participating with Poll Everywhere

## Browse to [www.pollev.com/leidos](http://www.pollev.com/leidos)

The screenshot shows a mobile browser interface for a Poll Everywhere poll. At the top, the browser status bar displays 'AT&T', signal strength, time '3:32 PM', and battery level '88%'. The address bar shows 'pollev.com'. The poll title is 'What are your expectations of the strategic planning process?'. The Poll Everywhere logo and a 'Log in' button are visible in the top navigation bar. The main content area features a text input field with the placeholder 'Submit a response', a 'Submit' button, and a list of responses. The first response is 'New plan' with a count of '1' and a diamond icon.

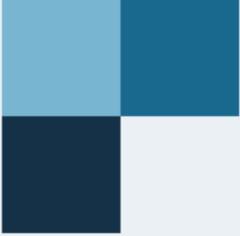
What are your expectations of the strategic planning process?

Submit a response

Submit

Top New

1 New plan



# Your poll will show here

**1**

Install the app from  
[pollev.com/app](https://pollev.com/app)

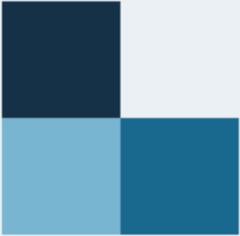
**2**

Make sure you are in  
Slide Show mode

Still not working? Get help at [pollev.com/app/help](https://pollev.com/app/help)

*or*

[Open poll in your web browser](#)



# Strategic Planning Process

## What is Strategic?

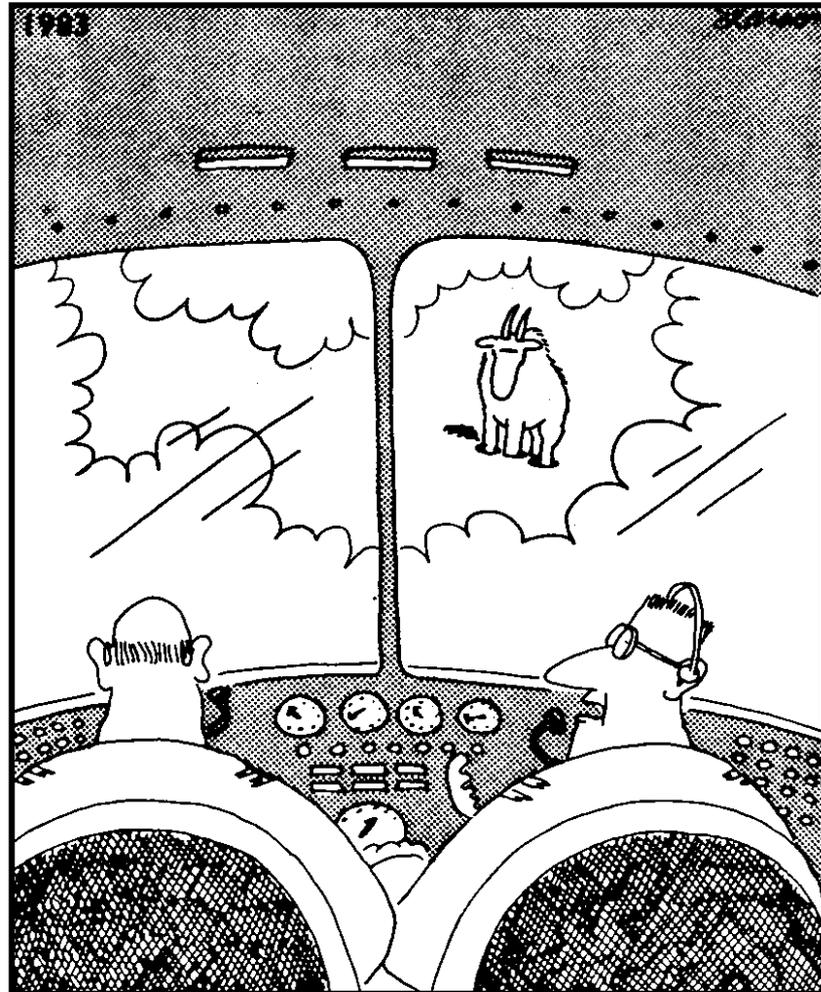
*“Strategic thinking begins with exploration of the environment, an intuitive, visual, creative process that results in a synthesis of emerging issues patterns, connections and opportunities.*

*It has two major components: insight about the present and foresight about the future.”*

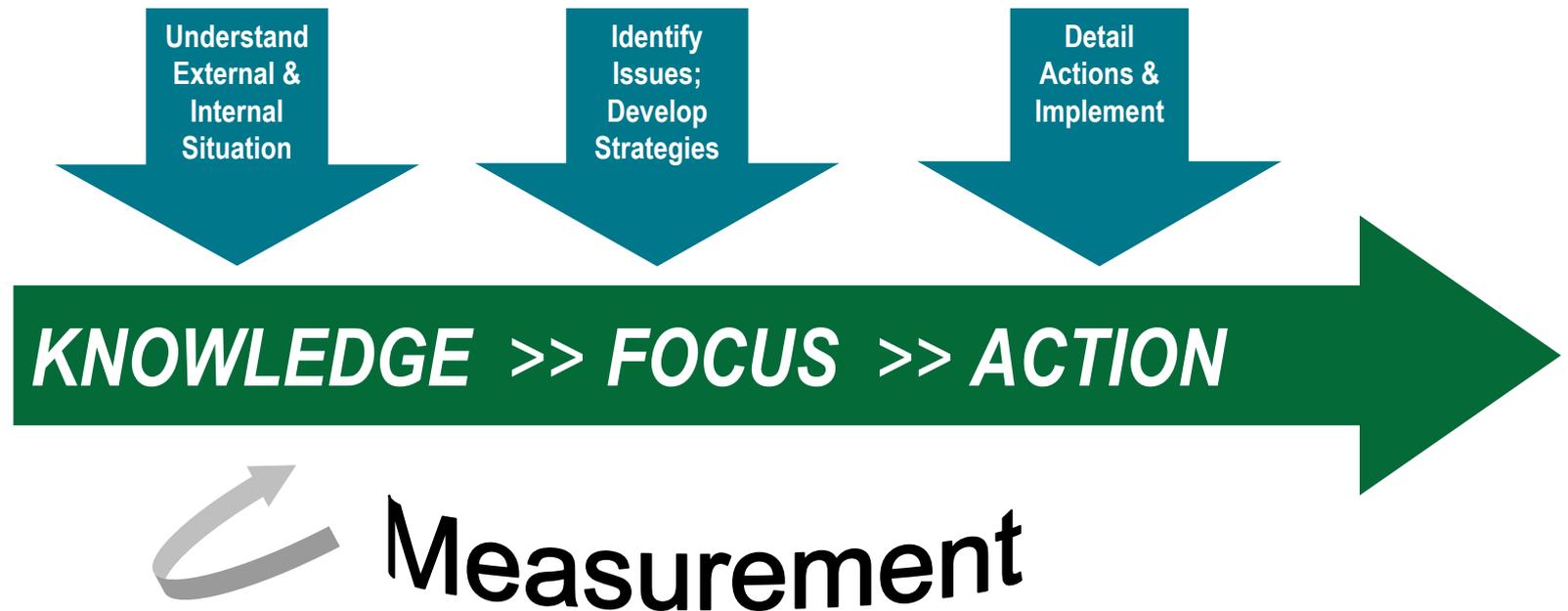
T. Irene Sanders, Strategic Thinking and the New Environment

## Where are you now?

*“Say... what’s a mountain goat doing way up here in this cloud bank?”*



# Issue Based Planning



## Elements of a Strategic Plan

Term	Definition
<b>Strategic Plan</b>	A specific, actionable 3 to 5-year plan that drives REU toward achieving its Strategic Direction
<b>Vision</b>	What REU seeks to achieve overall from a high-level perspective
<b>Mission</b>	Where REU wants to be in five years
<b>Endorsement</b>	Balances need for buy-in with REU realities
<b>Core Values</b>	Attributes that are fundamental to the way we conduct business
<b>SWOT Analysis</b>	Discussion of an organization's strengths, weaknesses, opportunities and threats

## Elements of a Strategic Plan (cont.)

Term	Definition
<b>Issue</b>	A problem, concern or challenge that your organization must address
<b>Sponsor</b>	Project Manager” responsible for Issue management (budget/schedule)
<b>Goal</b>	How your organization will know when an Issue has been resolved
<b>Strategy</b>	How an Issue will be resolved
<b>Champion</b>	Person with a passion to drive a Strategy forward
<b>Tactic</b>	Specific work activity to accomplish a Strategy
<b>Key Performance Indicators (KPI)</b>	How progress will be measured

# Issue 1 / Strategy 1 / Tactic 1

Sponsor: J. Smith

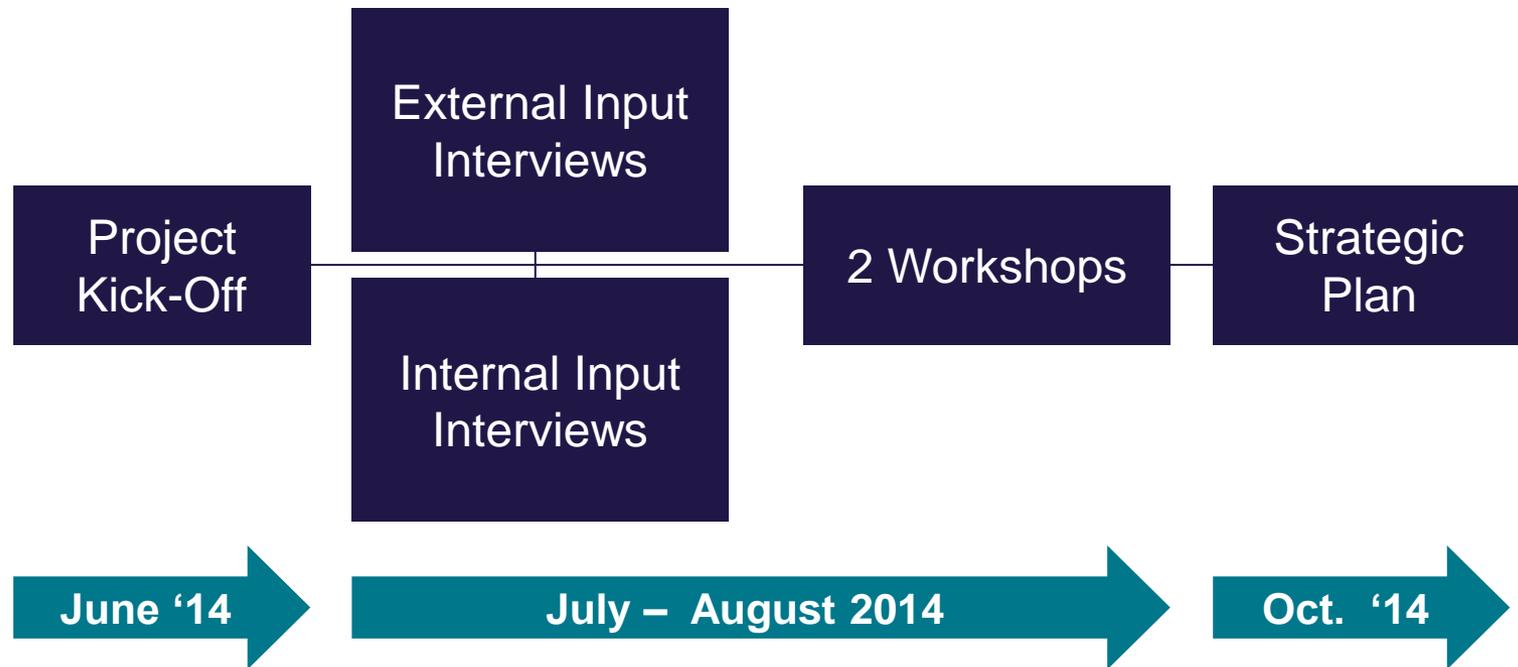
Champion: S. Doe

Priority: Strategy – High  
Tactic – High

<b>Issue</b>	We must address our growing infrastructure and business demands
<b>Strategy</b>	Optimizing and integrating the use of technology increases efficiency
<b>Tactic</b>	Develop and implement an IT Plan for upgrades and new technology efforts

<b>Tasks</b>	<ol style="list-style-type: none"><li>1. Hire a consultant to develop an IT Plan</li><li>2. Meet with each Division to identify IT requirements.</li><li>3. Use input from staff and IT Team to focus on issues to be addressed (input from strategy 3)</li><li>4. Research issues</li><li>5. Prioritize issues</li><li>6. Develop an IT Plan</li><li>7. Present to Management and Board for approval</li></ol>
<b>Key Decision Points</b>	Executive management endorsement and approval from appropriate personnel. Employee buy-in.
<b>Dependencies</b>	Workload, funding
<b>Resources</b>	End user input and ownership from internal customer, availability of IT resources or Consultants.

# Overview of REU's Strategic Planning Process



## Strategic Planning Process

- > Engage planning participants in meaningful dialogue about REU's future
- > Develop new understandings about REU's current situation (external & internal), present capabilities and future challenges
- > Guide REU in developing a consistent strategic point of view to thrive in a constantly changing business environment

# Roles & Responsibilities

## Policy Making Bodies

- › Overarching direction
- › Support
- › Policy alignment with plan
- › Adoption & funding
- › Accountability

## Executive & Management Team

- › Process & thought leadership
- › Active participation
- › Resource allocation
- › Focus on implementation
- › Accountability

## External Stakeholders

- › Critical role
- › Engagement varies

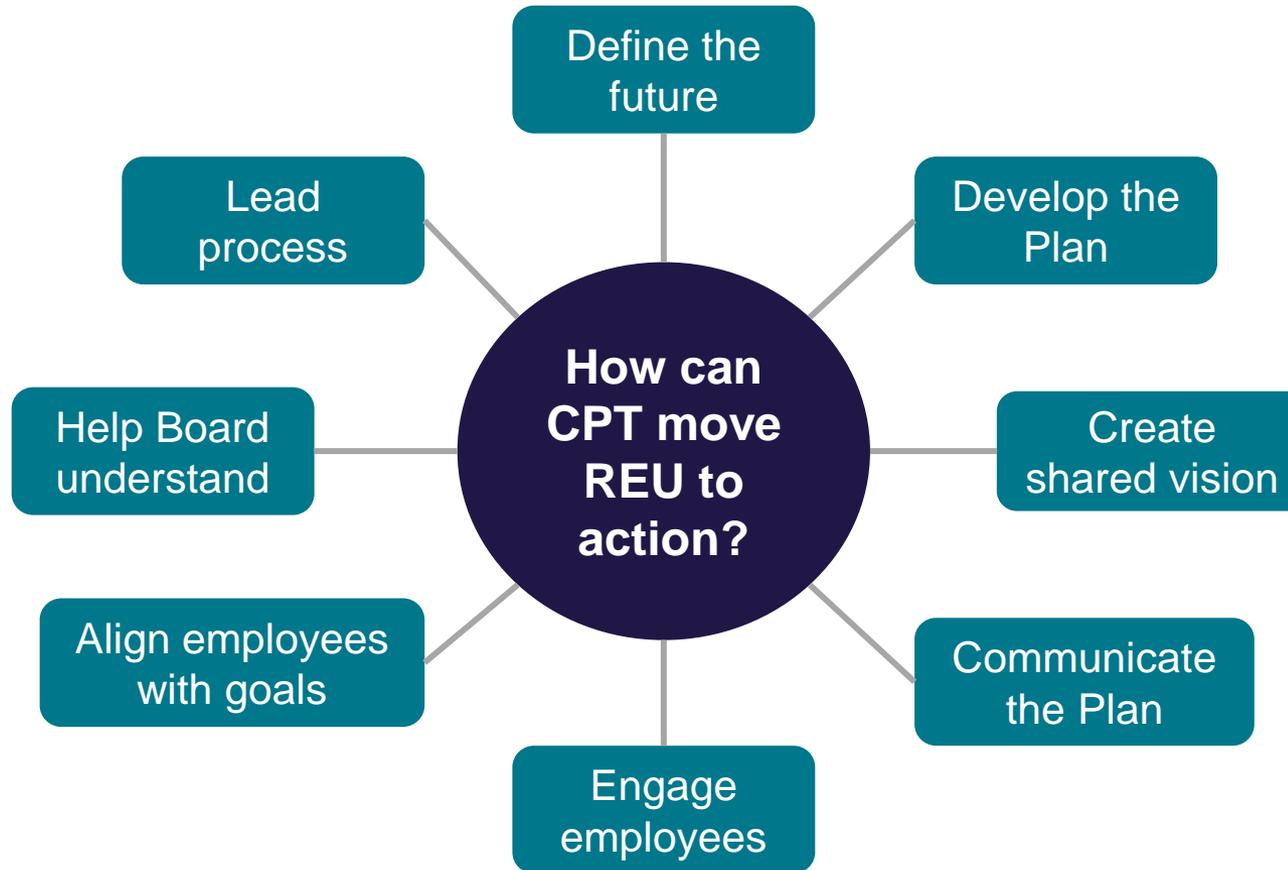
## Core Planning Team

- › Active process participation
- › Thought leadership
- › Communication
- › Implementation
- › Accountability

## Staff

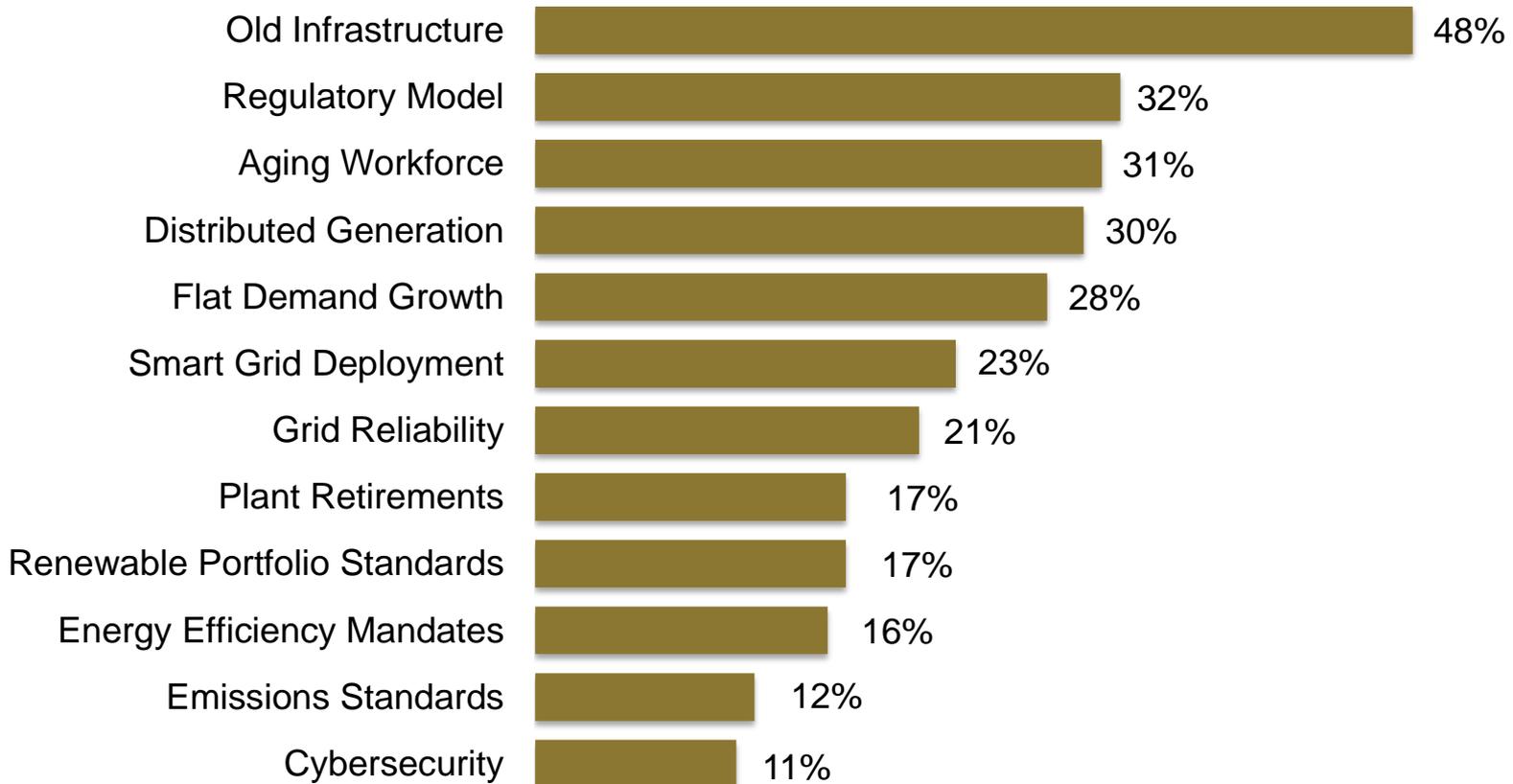
- › Participation
- › Engagement throughout process
- › Implementation
- › Accountability

# CPT Purpose Statement



# Current Situation

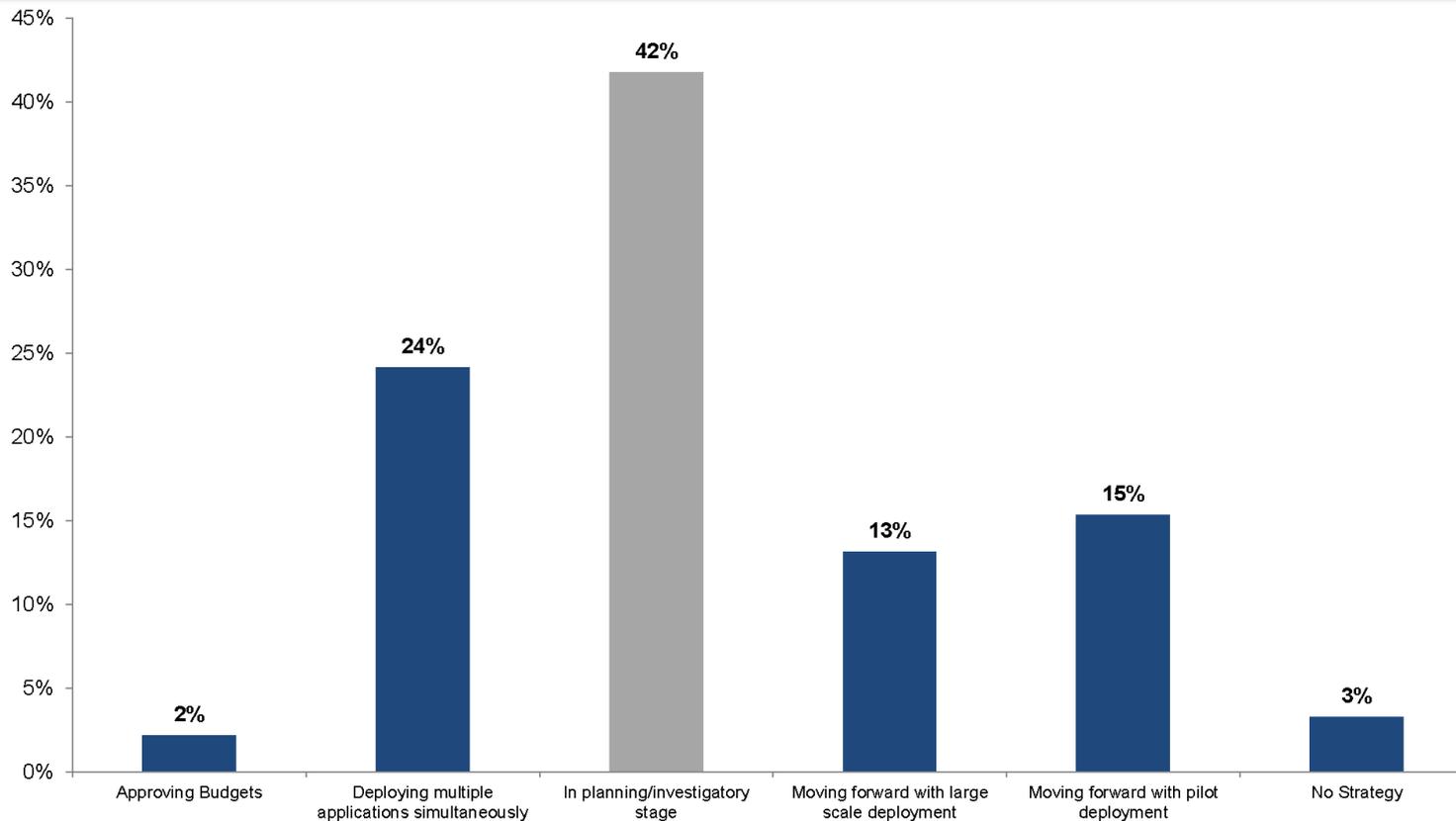
# According to a recent utility survey, the most pressing challenges are...



# Public Power Industry Trends & Challenges

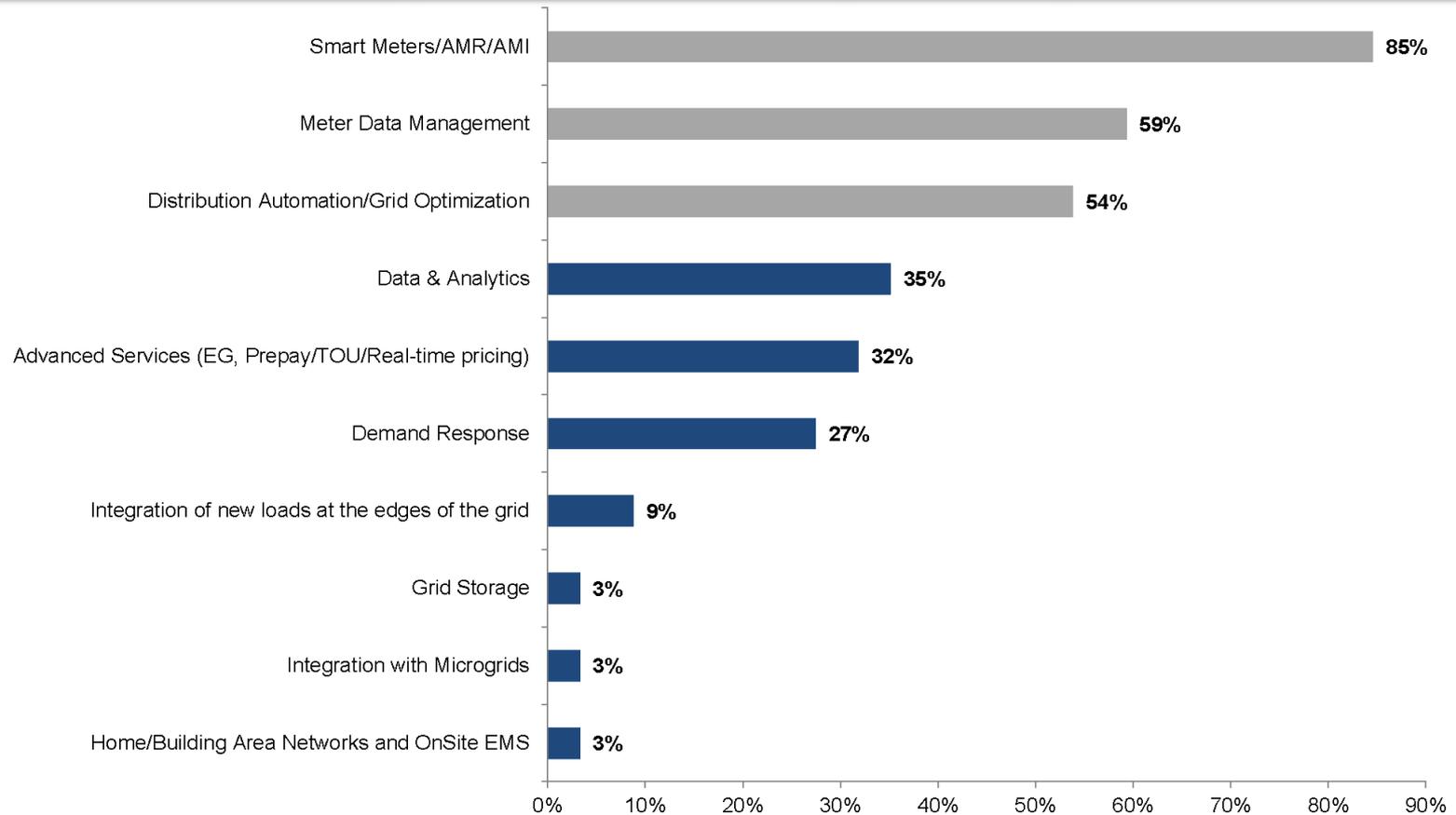
- > Sustainability of the Public Power Business Model
  - > Revenue neutrality
  - > Workforce development
  - > Managing uncertainty
- > Managing Operational Complexity
  - > Compliance
  - > Market
  - > Technology and automation
- > Engaging and Educating Customers
  - > More choices
  - > More interaction

## How would you describe your current smart grid deployment status?



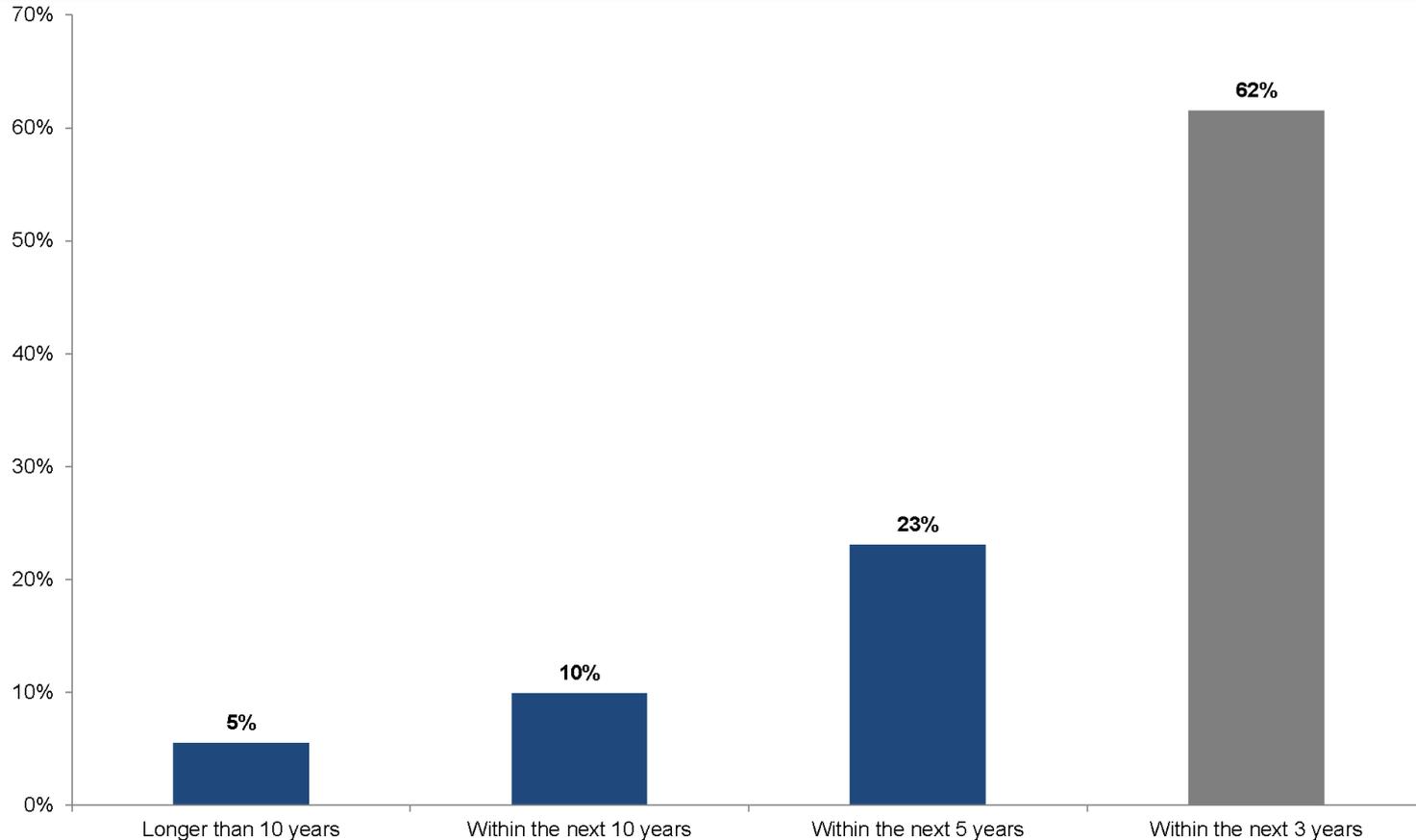
The utilities' current smart grid deployment status most often was in the planning/investigatory stage (42%), with fewer saying deploying multiple applications simultaneously (24%), moving forward with pilot deployment (15%), moving forward with large scale deployment (13%), having no strategy (3%), or approving budgets (2%).

## What are the top three most important smart grid application areas for your utility?



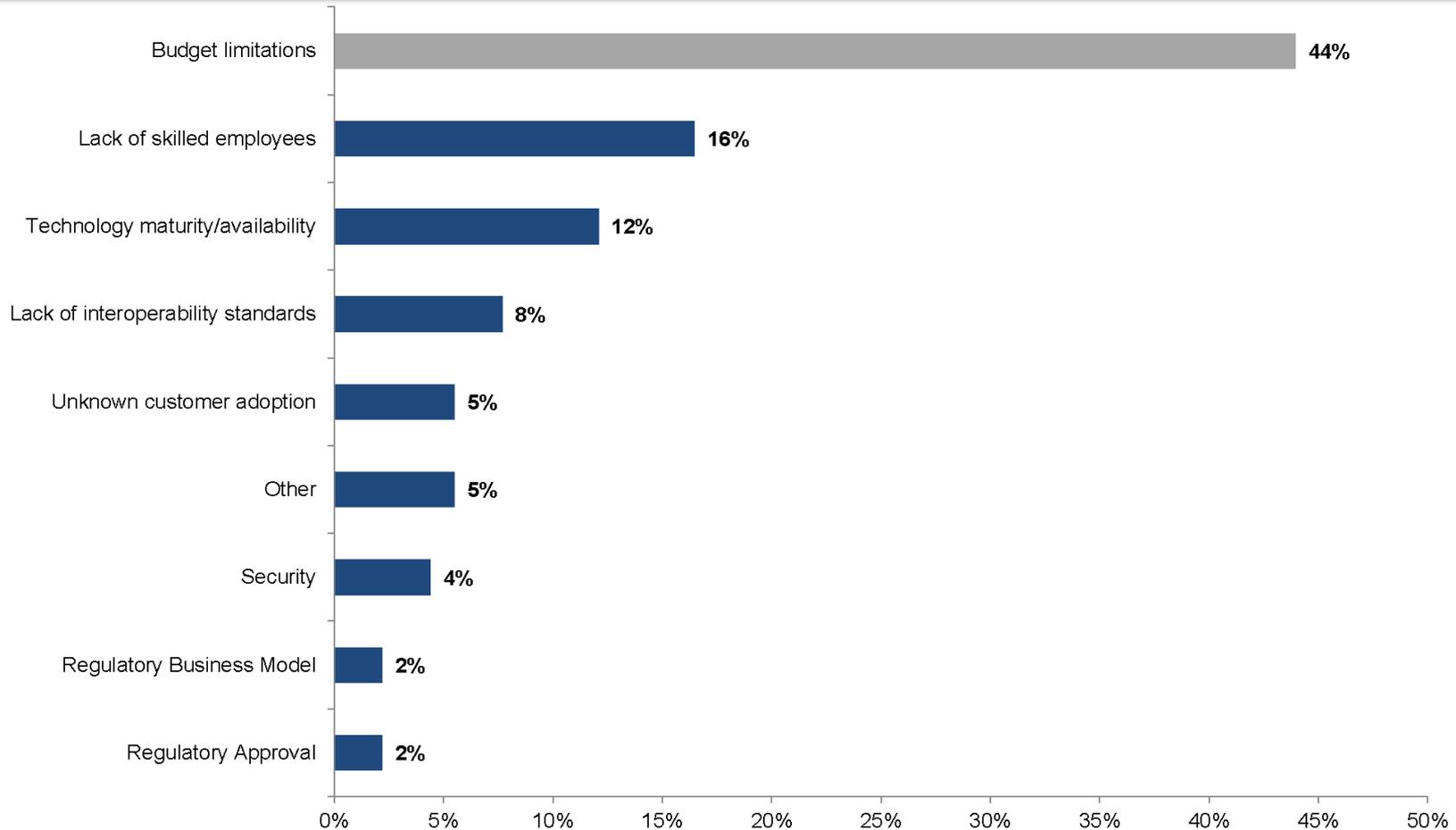
The top three most important smart grid application areas were: smart meters/AMR/AMI (85%), meter data management (59%), and distribution automation/grid optimization (54%).

## When will smart meters reach the majority of your customers?



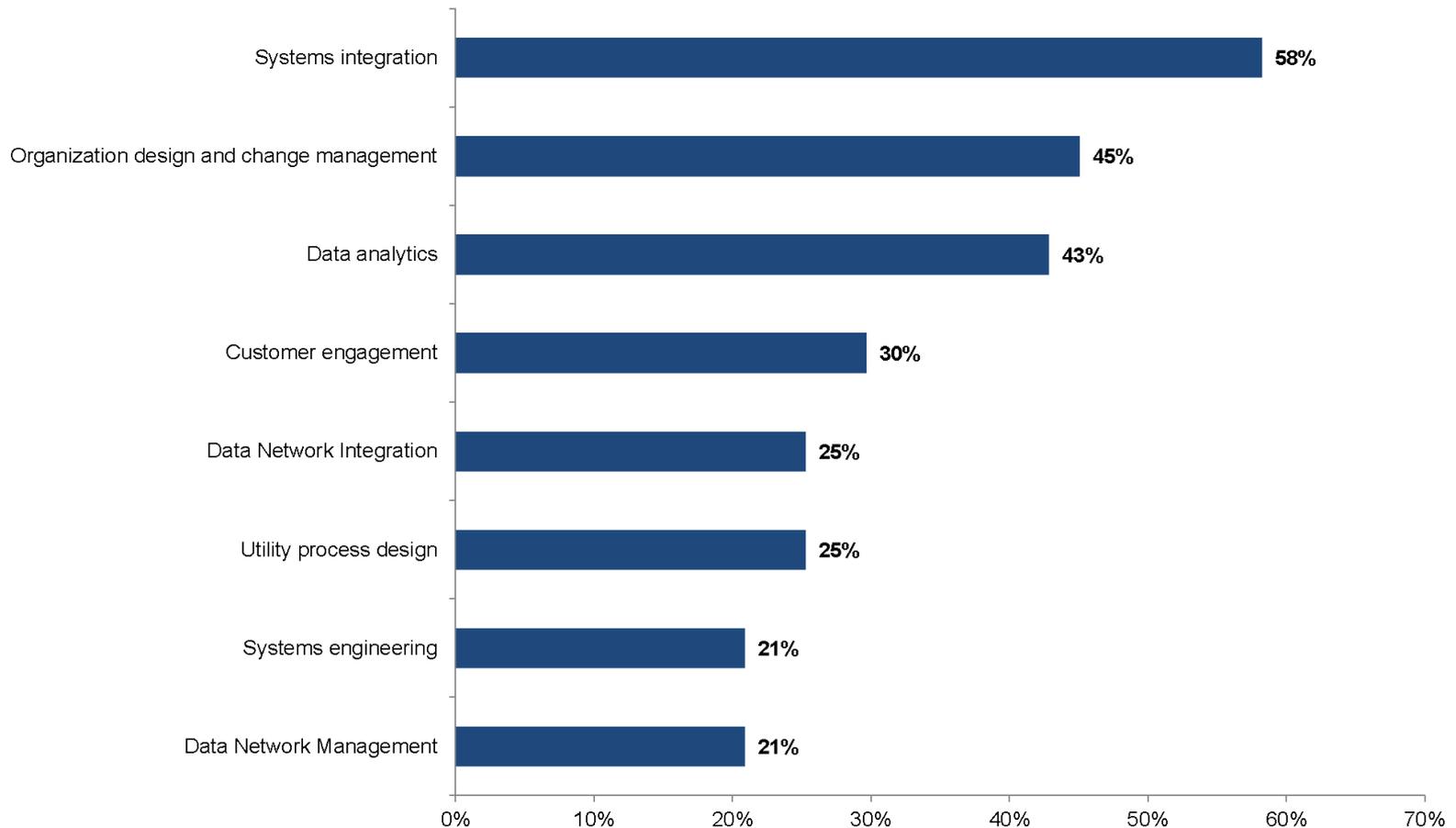
Over six of ten utilities (62%) reported that smart meters will reach the majority of their customers within the next three years. Others reported with the next five years (23%), the next ten years (10%), and longer than ten years (5%).

## The primary challenge related to a successful smart grid deployment is:



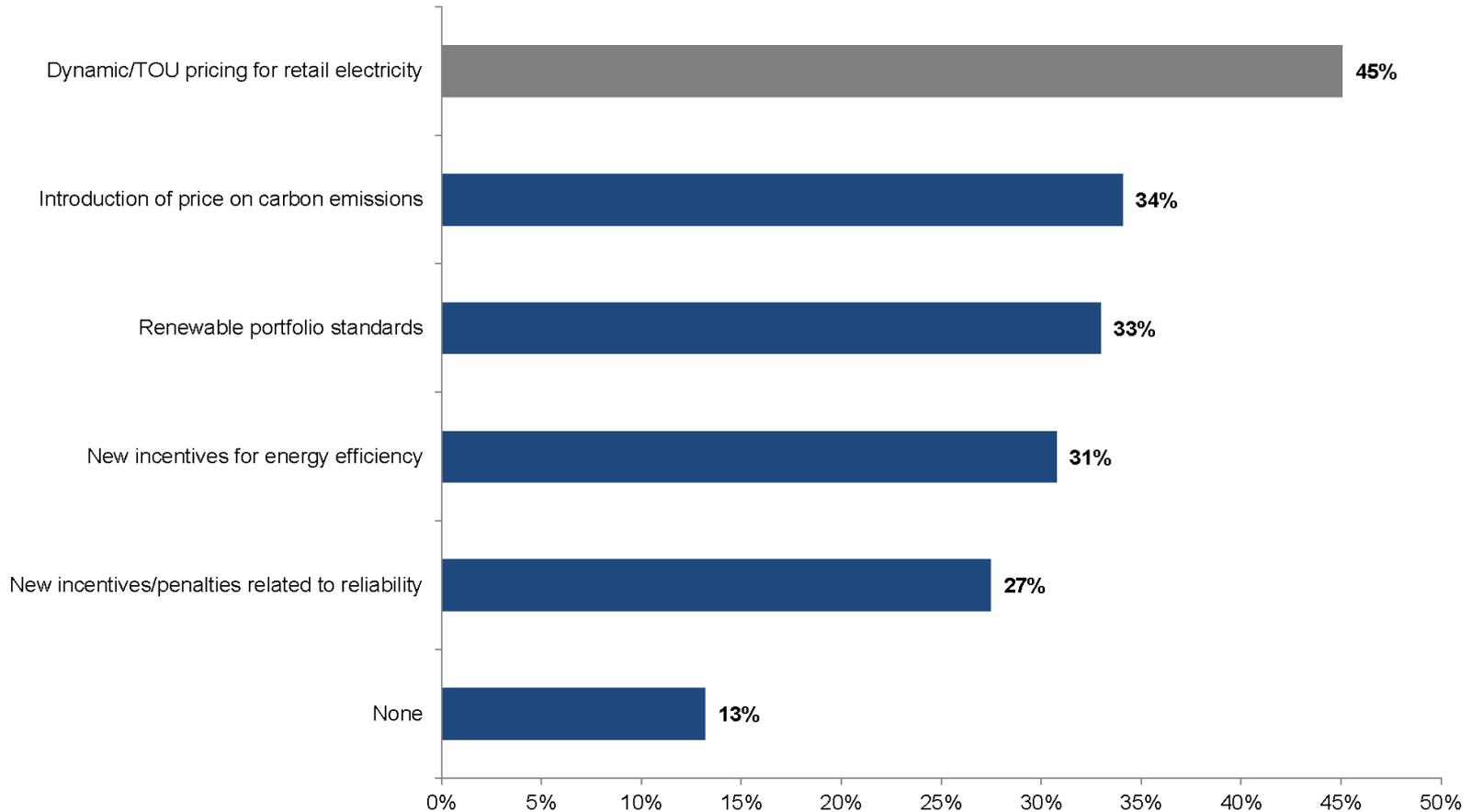
The reported major challenge to a successful smart grid deployment was budget limitations (44%) by a wide margin. The next two lesser challenges were a lack of skilled employees (16%) and technology maturity/availability (12%).

# What skill gaps are arising from your smart grid program within your existing workforce?



When examining their own workforce, utilities said more skill gaps existed in systems integration (58%), organization design/change management (45%), and data analytics (43%).

# Which areas of regulation/legislation will pose challenges for your utility over the next five years?



The areas of regulation/legislation that will pose the most challenges over the next five years were more often dynamic/TOU pricing for retail electricity (45%), followed by three other areas: carbon emissions pricing (34%), renewable portfolio standards (33%), and new incentives for energy efficiency (31%).

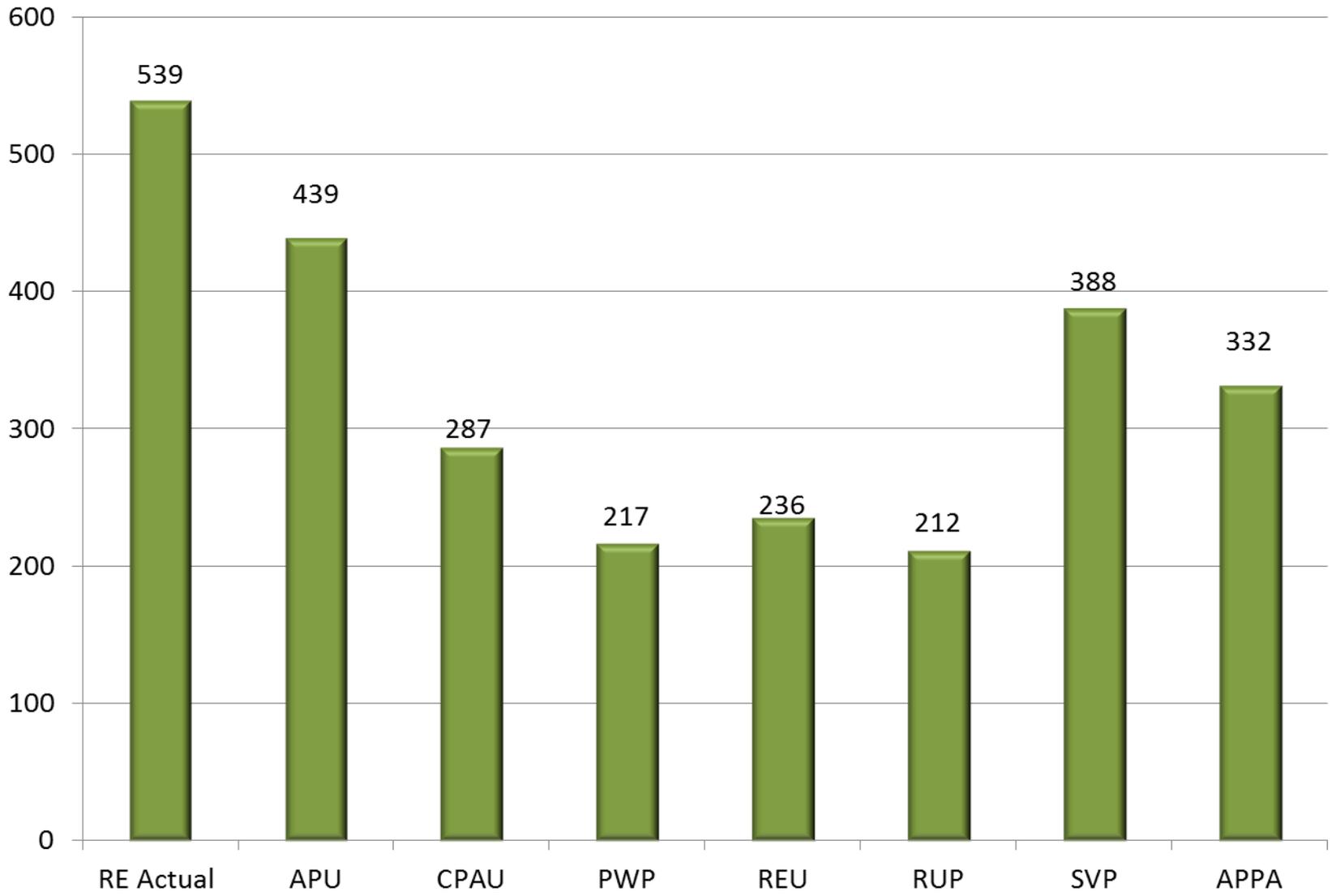
# Performance Snapshot

<b>RES. Customers (2012)</b>	<b>REU</b>	<b>CA Muni</b>	<b>RES. Customers (2012)</b>	<b>REU</b>	<b>CA Muni</b>
<b>OVERALL SATISFACTION</b>	7.4	7.8	<b>CUSTOMER CONTACT</b>		
Economically More Difficult	61%	44%	No Contact with REU	79%	72%
Active Relationships	49%	54%	Call Length of Time	6.7	7.4
Value of Service	7.3	7.4	Answer Questions in 1 call	8.0	7.8
Effective Communications	7.0	7.1	Overall Sat. with Contact	8.0	7.0
<b>IMAGE</b>			<b>PRICE/VALUE</b>		
Overall Trust	8.0	8.0	Satisfaction with Price	6.1	6.7
Environmental Concern	7.8	7.6	Effort keep elect. affordable	6.6	6.5
Practical conservation information	6.7	6.9	Bills easy to understand	7.4	7.7
Benefit of Community Owned	7.9	7.5	Who Owns REU? (NOT SURE)	34%	35%
Prefer Community Owned Utility	79%	66%	<b>ENERGY EFFICIENCY</b>		
<b>POWER DELIVERY</b>			Committed & Working hard	28%	39%
Reliable Electricity	9.2	8.6	EE Program participation	39%	53%
Power Restoration	8.8	7.7	Concern W/Climate Change	5.4	6.9

# Performance Snapshot

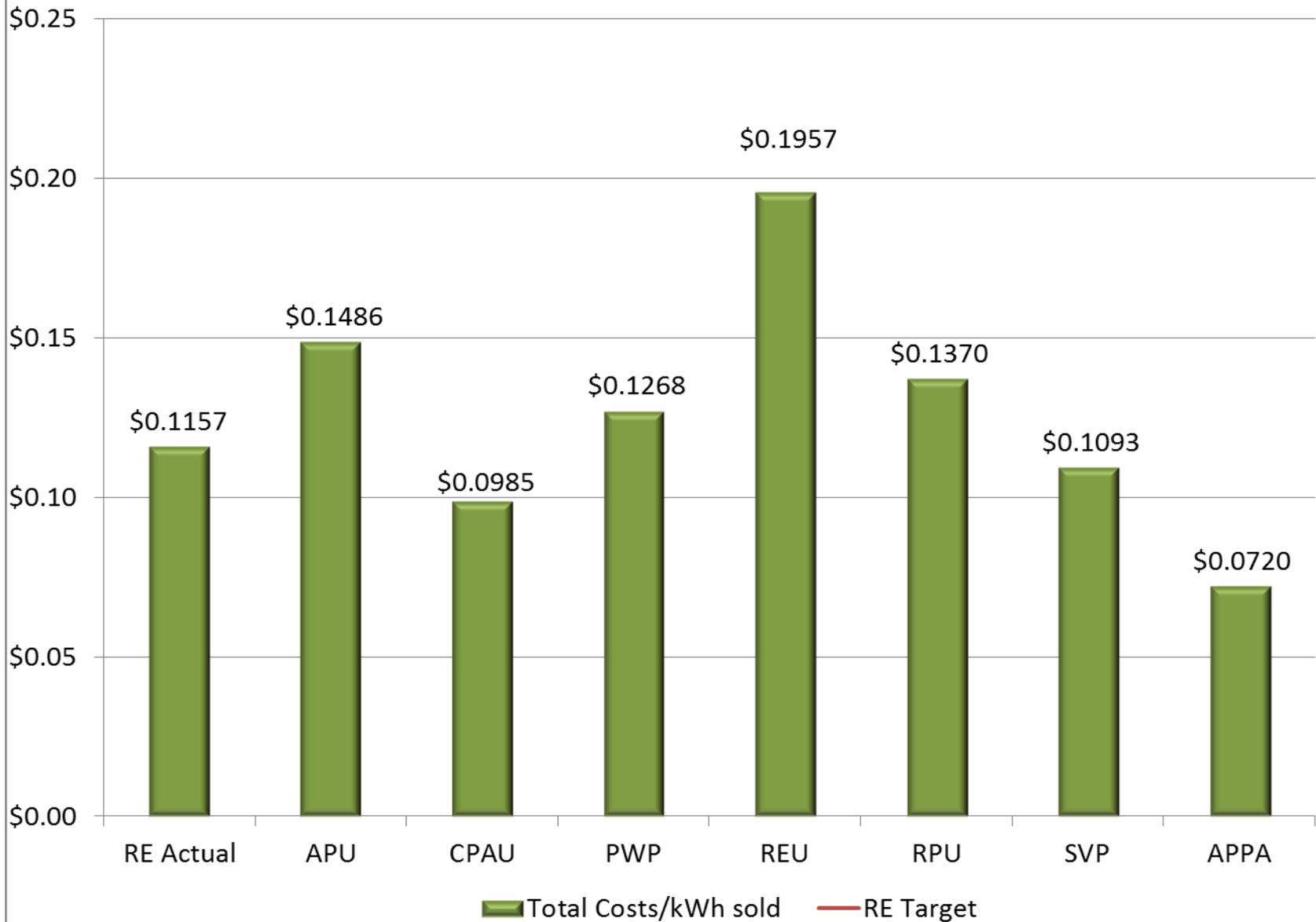
Residential Customers	REU '12	REU '06	Residential Customers	REU '12	REU '06
<b>OVERALL SATISFACTION</b>	7.4	8.5	<b>CUSTOMER CONTACT</b>		
Economically More Difficult	61%	N/A	No Contact with REU	79%	82%
Active Relationships	49%	N/A	Call Length of Time	6.7	N/A
Value of Service	7.3	8.0	Answer Questions in 1 call	8.0	N/A
Effective Communications	7.0	8.2	Overall Sat. with Contact	8.0	7.6
<b>IMAGE</b>			<b>PRICE/VALUE</b>		
Overall Trust	8.0	8.5	Satisfaction with Price	6.1	N/A
Environmental Concern	7.8	8.4	Effort keep elect. affordable	6.6	7.6
Practical conservation information	6.7	N/A	Bills easy to understand	7.4	N/A
Community involvement	7.5	8.5	Who Owns REU? (NOT SURE)	34%	N/A
Prefer Community Owned Utility	79%	76%	<b>ENERGY EFFICIENCY</b>		
<b>POWER DELIVERY</b>			Committed & Working hard	28%	N/A
Reliable Electricity	9.2	N/A	EE Program participation	39%	N/A
Power Restoration	8.8	8.6	Concern W/Climate Change	5.4	N/A

# Retail Customer per Non-generation FTE

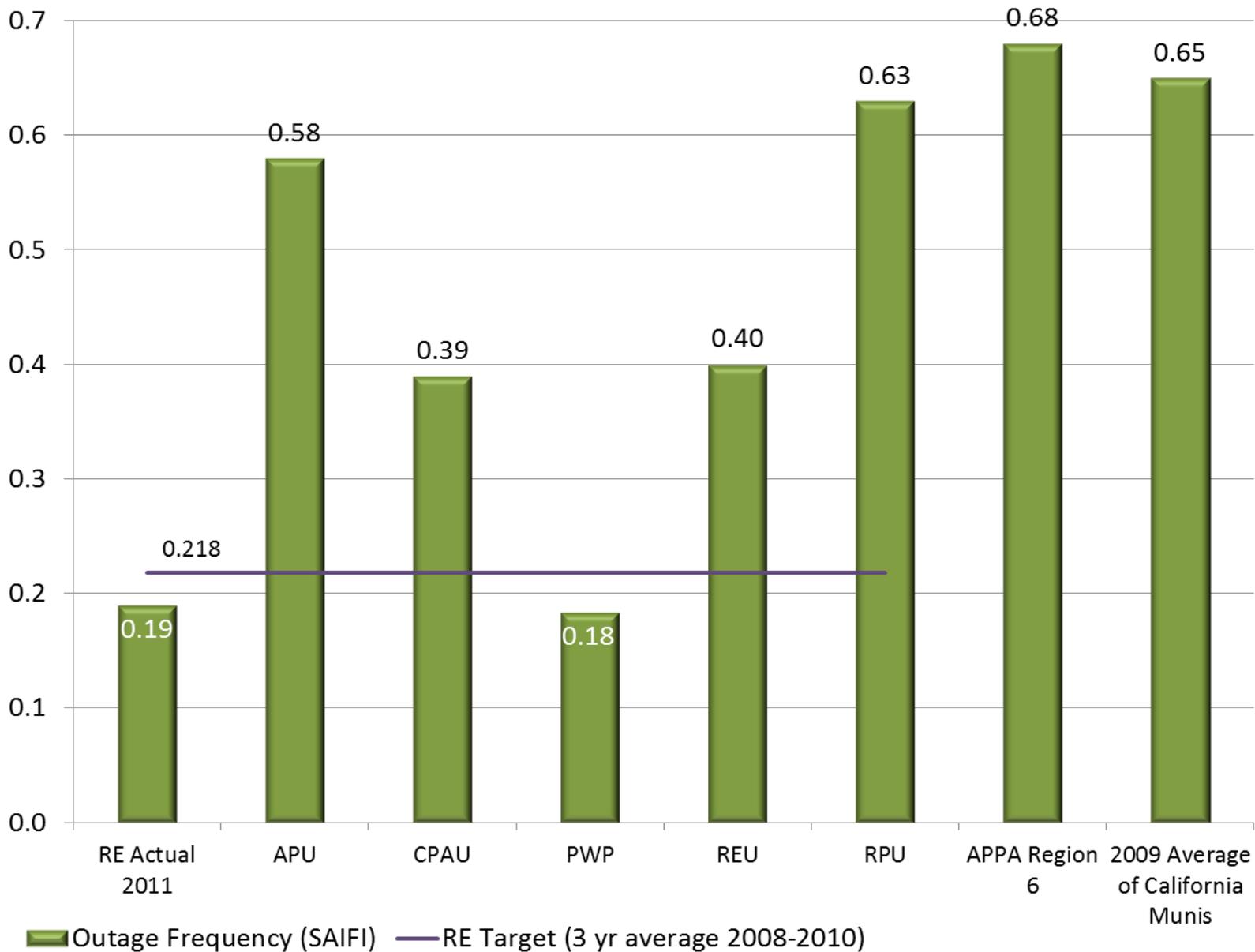


■ Retail customer per non-power generation employee

# Operations Expense per KWH

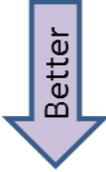
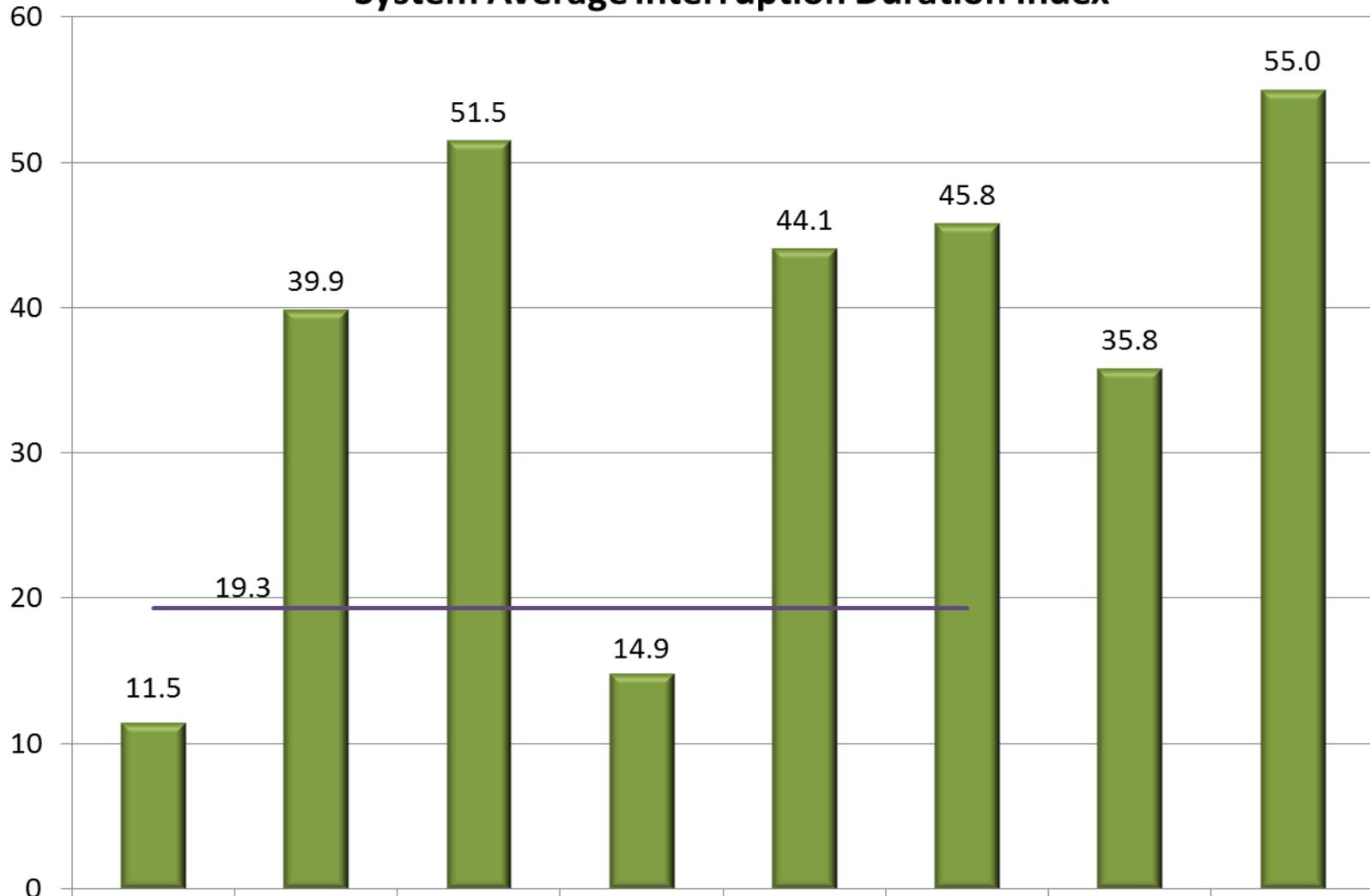


# System Average Interruption Frequency Index



Minutes

## System Average Interruption Duration Index



■ Outage Duration (SAIDI)

— RE Target (3 yr average 2008-2010)

# Summary of Stakeholder Feedback

- > External Stakeholders
  - > City Manager
  - > EUC Chair & Liaison
  - > Chamber of Commerce
  - > Key Accounts

# External Feedback

Doing Well	Improvements/Challenges
<p>Account Managers</p> <ul style="list-style-type: none"> <li>Relationship</li> <li>Great service</li> </ul>	<p>Opportunity to explore alternative power options</p> <ul style="list-style-type: none"> <li>While keeping costs down</li> <li>Solar</li> <li>CA regulations</li> </ul>
<p>Communication</p> <ul style="list-style-type: none"> <li>Keep them informed of what is going on</li> <li>Meetings</li> </ul>	<p>Education</p> <ul style="list-style-type: none"> <li>Promote REU</li> <li>Public does not always understand/perception</li> </ul>
<p>Reliability</p> <ul style="list-style-type: none"> <li>Always good</li> </ul>	<p>REU is part of the City</p> <ul style="list-style-type: none"> <li>Limiting/hands tied</li> <li>Strategic plan for the City is unknown</li> </ul>
<p>Price</p> <ul style="list-style-type: none"> <li>Lower rates than PG&amp;E</li> </ul>	<p>Communication &amp; Collaboration</p> <ul style="list-style-type: none"> <li>Turf or silos</li> </ul>
<p>Programs to manage load &amp; keep costs down</p> <ul style="list-style-type: none"> <li>Forward thinking</li> </ul>	<p>Programs to manage load &amp; keep costs down</p> <ul style="list-style-type: none"> <li>Always interested in more options</li> <li>Provides detail about usage</li> <li>Identify savings</li> </ul>
<p>Community</p> <ul style="list-style-type: none"> <li>Working with Economic Development</li> <li>Energy Fair</li> </ul>	<p>Identify ways to support growth of Redding</p>

# Internal Feedback

Doing Well	Challenges
<p>Employees</p> <ul style="list-style-type: none"> <li>• Great employees</li> </ul>	<p>Previous strategic plans unsuccessful</p> <ul style="list-style-type: none"> <li>• Need for vision</li> <li>• Shared purpose</li> <li>• Metrics</li> </ul>
<p>Service</p> <ul style="list-style-type: none"> <li>• Cost</li> <li>• Reliability</li> </ul>	<p>Utility is dysfunctional</p> <ul style="list-style-type: none"> <li>• Very departmentalized</li> <li>• Lack of collaboration</li> <li>• Leadership</li> <li>• Inadequate organizational structure</li> <li>• Core functions</li> </ul>
<p>Committed to supporting Redding's development</p>	<p>Limiting for REU to be part of the City</p> <ul style="list-style-type: none"> <li>• Political pressures</li> <li>• REU is a City dept.</li> <li>• Enterprise fund – general fund</li> </ul>
	<p>Workforce issues</p> <ul style="list-style-type: none"> <li>• Attracting &amp; retaining personnel</li> <li>• Succession planning</li> </ul>

## Internal Feedback (cont.)

### Improvements/Challenges

#### Regulatory pressures

- CA
- Pressure on operating costs

#### Need for Integrated Resource Plan

- Address regulations
- Market implications
- Integration of renewable energy

#### Need for capital & operations planning

#### Community and customer engagement

- Promote REU's story

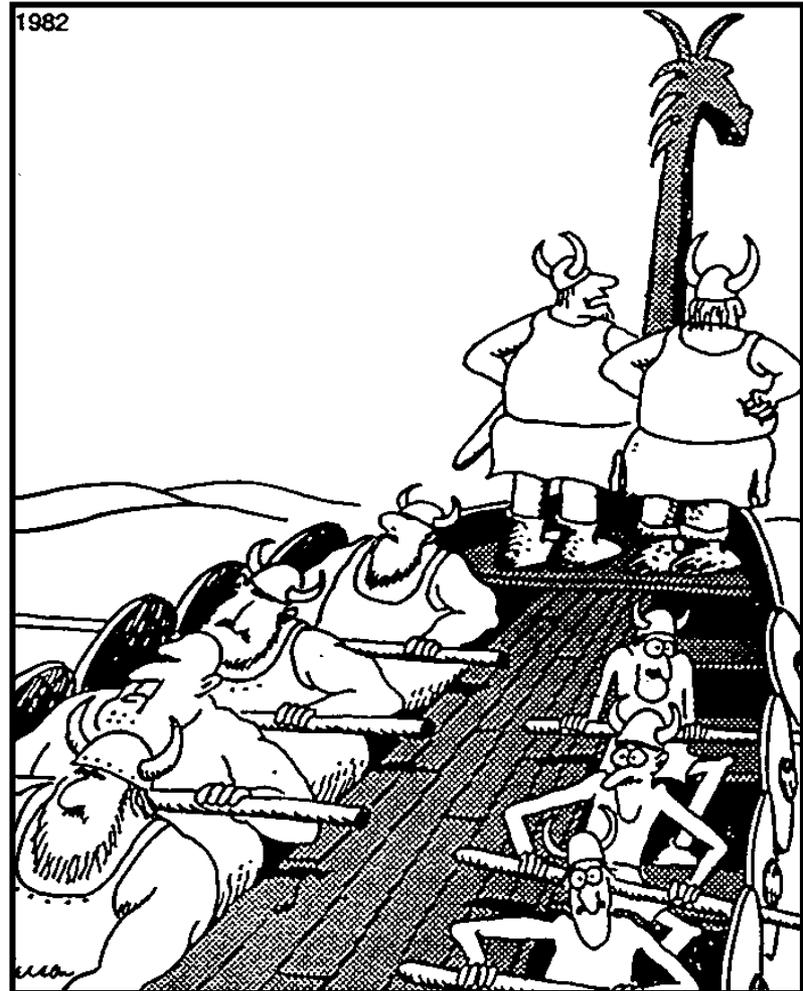
#### Need for technology

- GIS
- AMI
- Distributed generation

# Visioning Exercise

## Strategic Plan Element - *Vision*

*“I’ve got it too Omar...a strange feeling like we’re just going around in circles.”*



# Vision

- > What REU would like to be in its expected operating environment?
- > Shapes the direction of REU's efforts towards organizational change to achieve vision

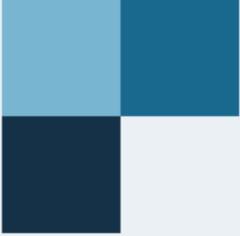
## Vision Examples

- > Be a leaders in science and technology
- > The Utility is a community-owned leader providing exceptional service
- > The Utility will be recognized as a community treasure with a national reputation for excellence.

## Visioning Exercise

### **Vision 2019**

It is July 2019. You are returning to Redding after a five-year around the world dream vacation. (You came into an unexpected inheritance, won the Power Ball Lottery or hit it big in the stock market...whatever works for you). You travel around the community and you talk to your friends and your colleagues at REU about the current situation (in 2014). What are the most important things that you see and hear about?



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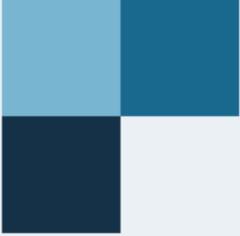
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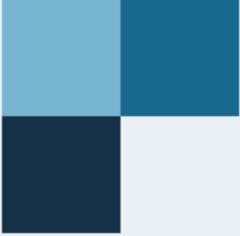
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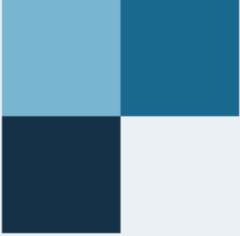
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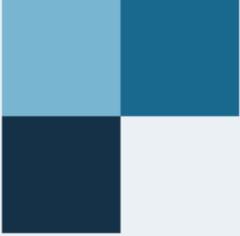
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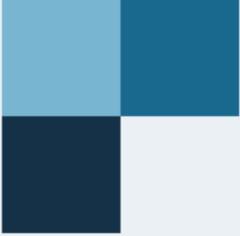
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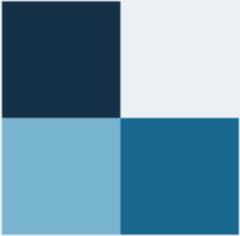
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# Mission: How Your Organization Will Achieve Its Vision

## > Value

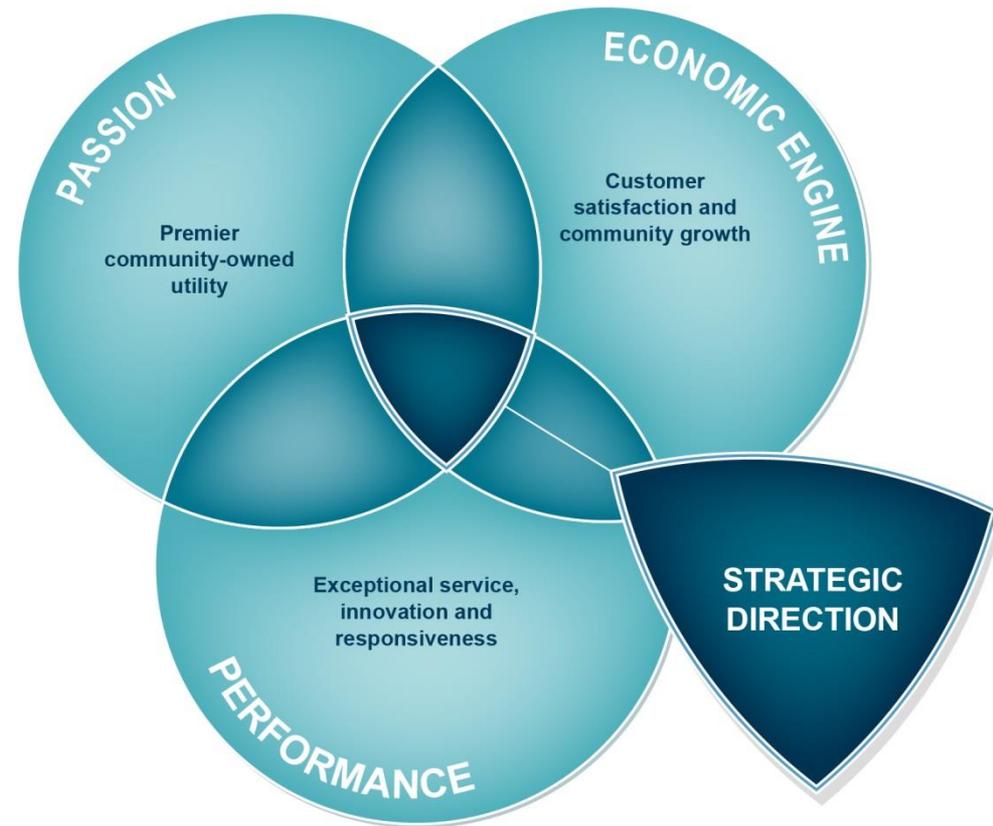
- > What is your economic engine?
- > What do your customers value?

## > Passion

- > What will inspire people to really believe in the mission?
- > What inspires the community and the utility?

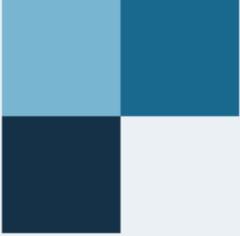
## > Performance

- > Plausibility – Can you really do it?
- > Specificity -- How, what and when?



## Mission Examples

- > By 2018, the Utility will be the foundation for our community's future by providing reliable infrastructure, competitive rates, & exceptional customer service
- > The Utility meets the electric and energy service needs of our customers safely, economically and in an environmentally responsible manner, while providing value to the community.
- > The Utility is committed to the highest quality water and electric services at the lowest possible rates to benefit the community
- > The Utilities' mission is to add value to the community through a customer-focused approach to providing reliable, high-quality water and power at competitive rates.



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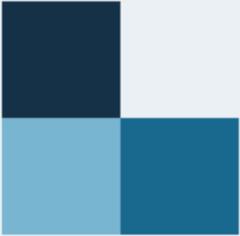
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## Core Values

- > A set of essential and enduring guiding principles
- > Principles with an intrinsic value to BPUB
- > Fundamental and deeply held practices that Board members, managers and employees exhibit themselves and expect of each other
- > Aspects of the organization that Board members, managers and employees believe in so strongly that they would retain them whether or not they were rewarded
- > Expressed in Value – Behavior – Action sets

# Core Values Example

<u>Core Value</u>	<u>Related Behavior</u>	<u>Actions or Results</u>
Integrity	Honesty	Practice full disclosure (even about failures); clear communication Do not practice back stabbing
	Trustworthiness & Consistency	Keep commitments; follow through
	Clear Standards	Clearly state behaviors (positive and negative) and consequences
	Responsibility & Dependability	Use information to address, not manipulate, issues Step up to the plate and own issues Show up at work; be engaged
	Fairness & Equality	Encourage trust among employees, management and public Treat all employees fairly and equitably

# Core Value Example

- **Employee Respect, Accountability & Teamwork**
  - We support and acknowledge our workforce for taking responsibility for their actions in providing quality service and exceeding customer expectations through teamwork.
- **Safety**
  - We are committed to providing a safe work environment for our employees and to the safe delivery of quality services to our customers.
- **Continuous Improvement**
  - We continuously challenge the status quo and embrace innovation to improve and strengthen our performance.
- **Open Communication**
  - We share information and thoughts timely with one another to promote an honest and cohesive working environment.
- **Satisfaction & Collaboration**
  - We listen to you (our stakeholders) to understand your needs and expectations and are committed to delivering safe, reliable, and high quality utility services.

# Utility Example

## **EMPLOYEE DEVELOPMENT & ACCOUNTABILITY**

We support employee development and we respect our workforce for taking responsibility for their actions in providing quality service and exceeding customer expectations.

## **OPEN COMMUNICATION**

We share appropriate information and thoughts timely with one another and with our stakeholders.

## **CUSTOMER SATISFACTION**

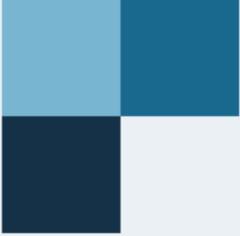
We listen to our customers and understand their needs and expectations and are committed to delivering safe, reliable and high quality utility services.

## **GOOD CORPORATE CITIZENSHIP**

We strive to be a responsible corporate citizen in supporting social and economic development in a safe and environmentally responsible manner.

## **CONTINUOUS IMPROVEMENT**

We continuously challenge the status quo and embrace innovation to improve and strengthen our performance.



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# Strategic Planning Workshop Day 2

# Agenda – Day 2

## Day 2

- › Day 1 Highlights
- › SWOT Exercise
  - › Strengths/Weaknesses
  - › Opportunities/Threats
- › Issue Development
- › Issue Prioritization
- › Next Steps
  - › Summary
  - › Communication
  - › Next workshop

## Day 1 Highlights

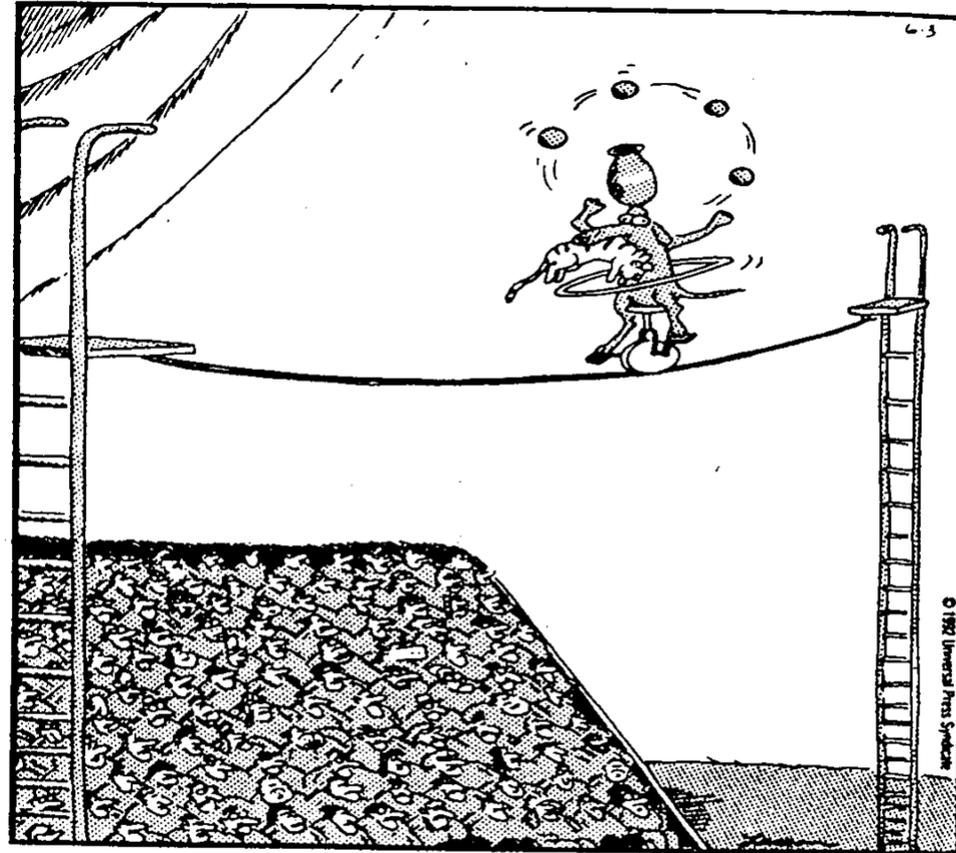
- > Ground Rules
- > Strategic Planning Process
- > Current Situation
- > Visioning Exercise

# Strengths, Weaknesses, Opportunities & Threats (SWOT)

	Helpful	Harmful
Internal	<b>S</b> trengths	<b>W</b> eaknesses
External	<b>O</b> pportunities	<b>T</b> hreats

# SWOT – Internal View

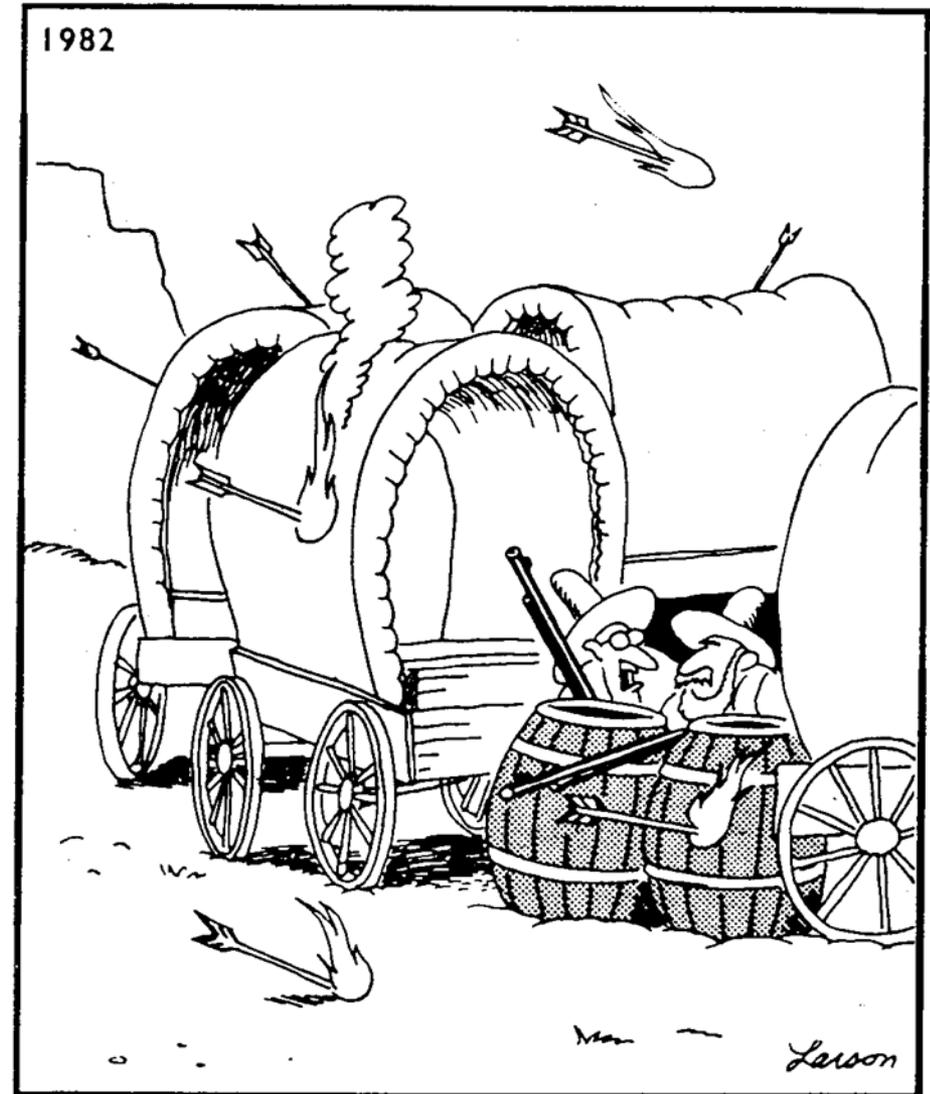
- > Strengths & Opportunities
  - > Internal factors that can affect performance
  - > Strengths point to areas that enable the organization to achieve goals
  - > Weaknesses are factors that inhibit the achievement of goals



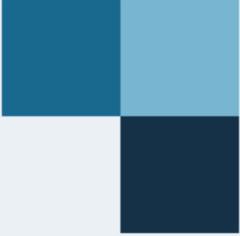
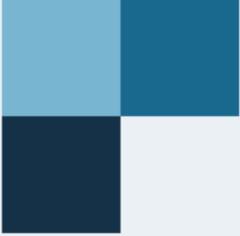
High above the hushed crowd, Rex tried to remain focused. Still, he couldn't shake one nagging thought: He was an old dog and this was a new trick.

# SWOT – External View

- > Weaknesses & Threats
  - > External factors that can affect the organization's future
  - > Generally not controllable
  - > Often referred to collectively as issues
  - > Can be represented as scenarios



“Hey! They’re lighting their arrows! ...  
Can they do that?”



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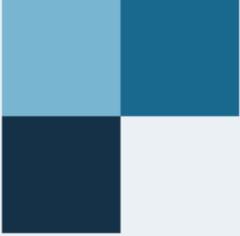
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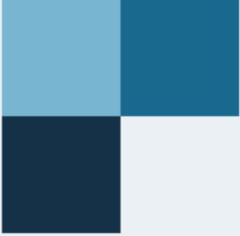
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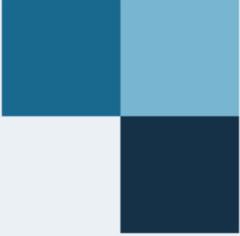
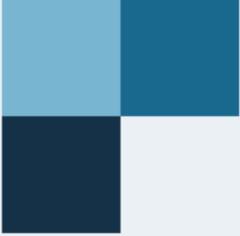
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# Issue Development

# Issues

**Issue:** A problem, concern or challenge that REU must address.

- > Structure: Must, needs, should statement creates sense of urgency and builds in prioritization.
- > Example: Stakeholder relationships must improve.

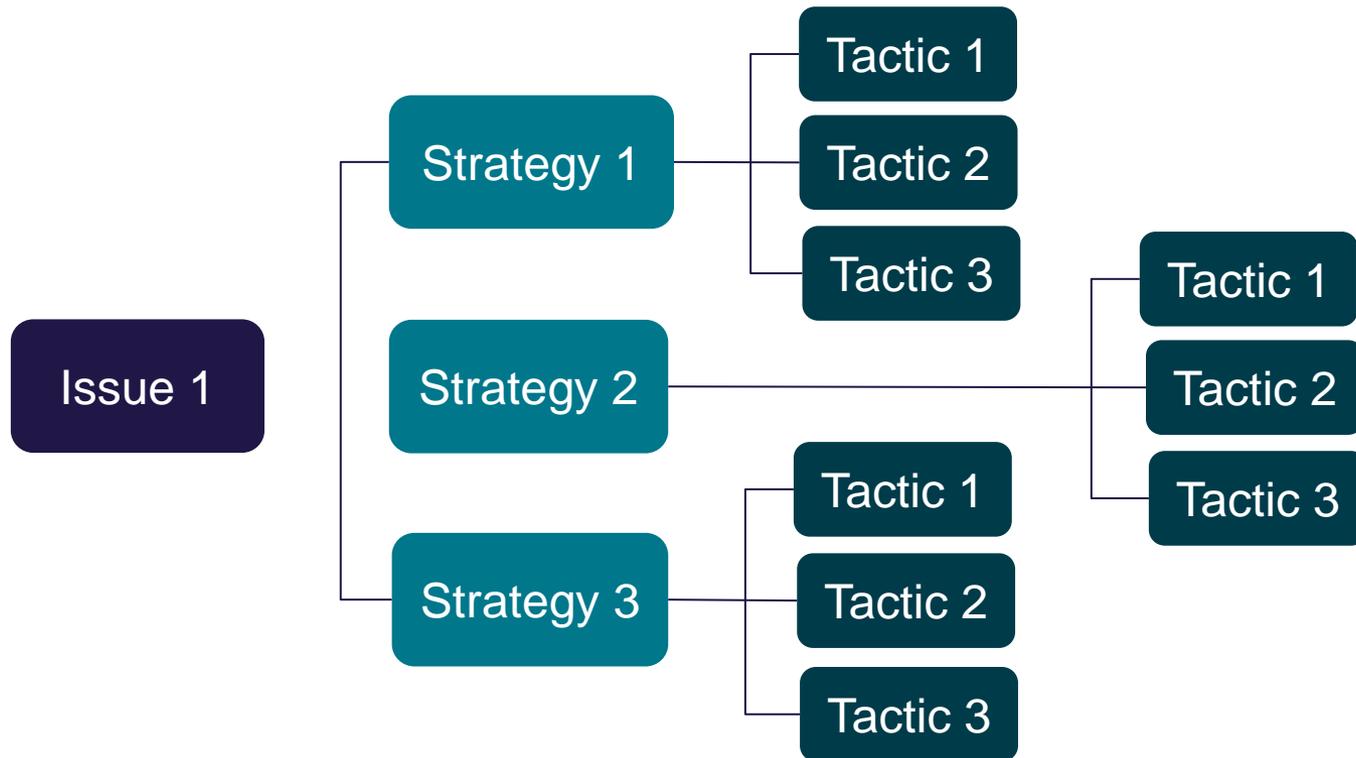
**Strategy:** How an Issue will be resolved.

- > Structure: Feature + Verb + Benefit
- > Example: Proactive communication improves stakeholder relationships.

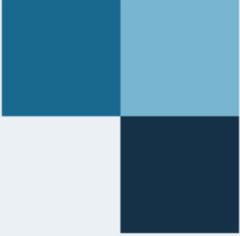
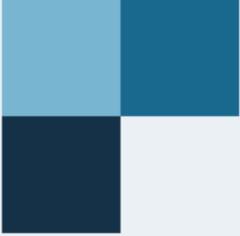
**Goal:** How REU will know an Issue has been resolved.

- > Example: Utility will be recognized as a world class organization in terms of customer satisfaction ratings.

# Strategic Process Planning



Builds clear prioritization and implementation steps into Plan development; addresses/manages the multiplying effect of a creative process.



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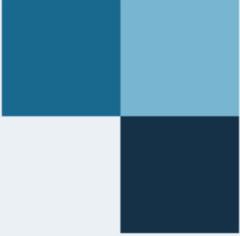
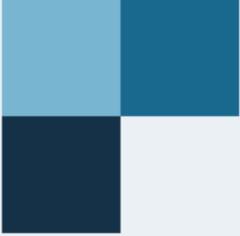
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# Next Steps

## Next Steps

- > Leidos will Summarize this Meeting
  - > Draft Vision, Mission and Values
  - > Draft of prioritized strategic issues (+/- 5)
  - > Agenda and talking points for REU internal communications
- > Communication
  - > REU communicates draft vision, mission, values and strategic issues internally
  - > *CPT discusses draft with their respective teams, collects feedback and provides to Leidos prior to next workshop.*
- > Next Workshop (August 13-14)
  - > Develop strategies and assign champions
  - > Identify progress metrics and establish accountability

# Thank you!

**Patricia Cruz**

**PROJECT MANAGER**

512.651.6416

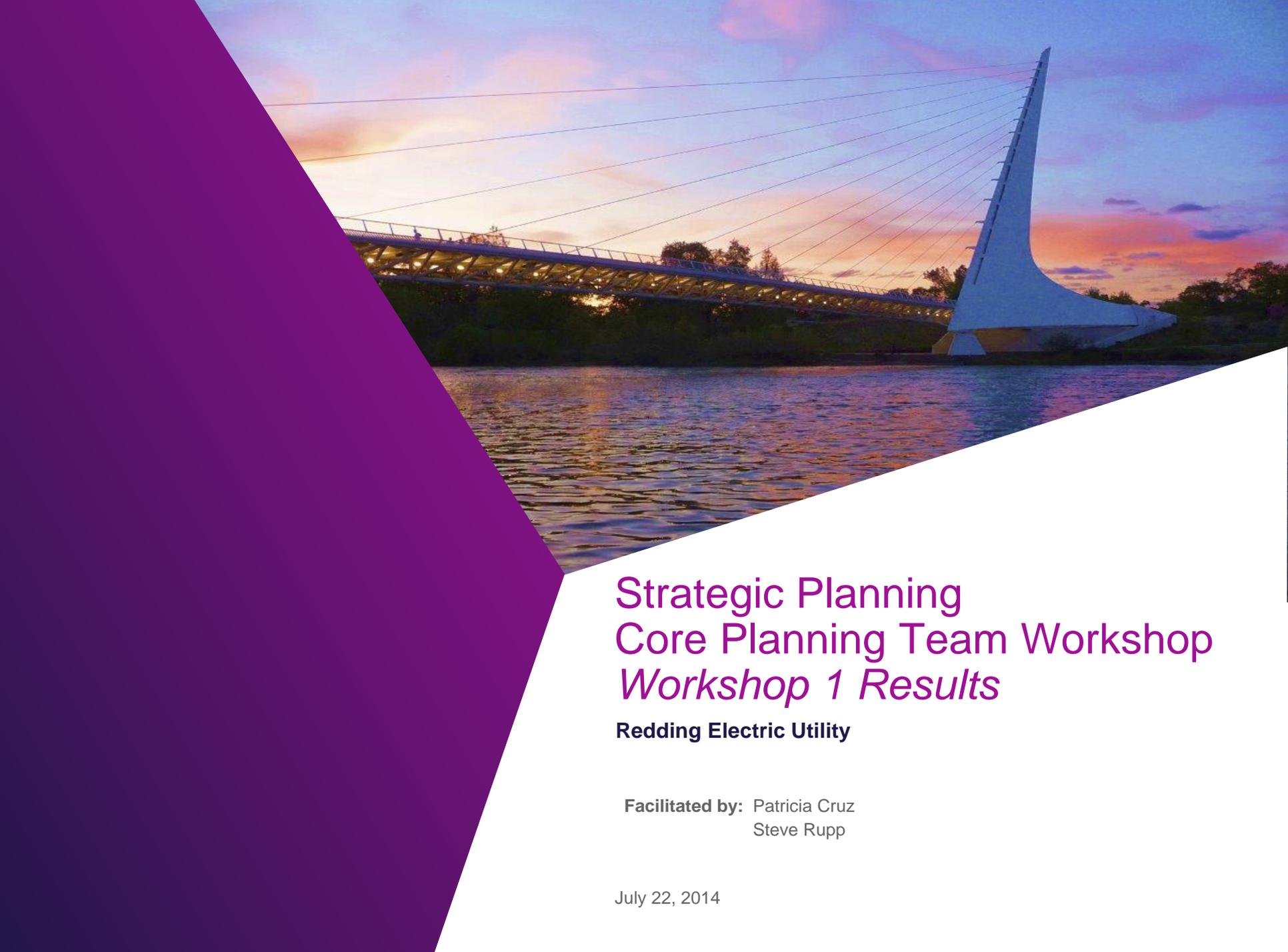
[Patricia.Cruz@leidos.com](mailto:Patricia.Cruz@leidos.com)

**Steve Rupp**

**CLIENT LIAISON**

916.390.0432

[Steven.S.Rupp@leidos.com](mailto:Steven.S.Rupp@leidos.com)



# Strategic Planning Core Planning Team Workshop *Workshop 1 Results*

**Redding Electric Utility**

**Facilitated by:** Patricia Cruz  
Steve Rupp

July 22, 2014

## Strategic Planning Workshop 1 Draft Results

- > Expectations of the Strategic Planning Process
- > Provide Feedback from Initial Stakeholder Interviews
- > Establish Vision of the Future, Core Values and Mission
- > Identify Strengths, Weaknesses, Opportunities and Threats
- > Identify Strategic Issues

# Core Planning Team

Core Planning Team				
Barry Tippin	Mark Haddad	Matt Madison	Lowell Watros	Dave Gamble
Paul Cummings	Pat Keener	Jack Latiolais	Mike Adams	Margie Walker
Dan Beans	Nick Zettel	Bill Hughes	Kim Hein	
Brian King	Jeremy Ross	Marvin Briggs	Ben Goehring	
Bernie Fargen	Dave Jackson	Greg Deedon	Chris Holdren	

## Definitions: Key Takeaways and Results

- > **Key Takeaways** are our assessment and analysis of the information provided during interviews, discussions, polls and surveys conducted during the prep process and workshop
- > **Results** are the edited results of polls and services
  - > Items with less than 1 supporting vote are omitted
  - > Duplicated and very similar responses are omitted

## What Are Your Expectations of the Strategic Planning Process? – **Key Takeaways**

- > The plan should focus on employees and value to customers and the community
- > The plan should promote communication within the utility and between the utility and its stakeholders, especially customers.
- > The plan should promote unity, teamwork and focus on the future of the utility

# What Are Your Expectations of the Strategic Planning Process? -- Results

Response	Net Votes
To create a clear unified plan for the utility.	7
Open communication lines between all departments to better serve our customers.	6
A common framework, context, and tools by which we can operate in the best interest of our customers and the city as a whole.	6
Development of a general strategic plan based upon key consensus items from the utility and public.	6
Define strategic programs and services that will make REU viable for our community.	6
A focused goal/direction of the Utility incorporating ALL the individual divisions. Basically to get the Utility on a single plane moving forward.	6
Better coordination and communication within utility	5
Updated vision and mission, and direction on how to deal with the influx of renewable energy and technology.	5
A plan that is beneficial for the community and the employees.	4
Better inform public	4
Improve utility & remain relevant in customers' freedom of choice provider.	4
Develop an unified vision and direction.	4
A vision.	3
Remove bias.	2
Customer education.	2
Utility unity.	2
Construct a strong future for the utility to emerge as a leader in the industry.	1
I am hopeful we can get a united vision for the future that will give us direction for the next few years.	1

*Note: Results with a net score of zero or less are omitted.  
Duplicate and very similar results are omitted.*

# Summary of Feedback

# Summary of Stakeholder Feedback

- > External Stakeholders
  - > City Manager
  - > EUC Chair & Liaison
  - > Chamber of Commerce
  - > Key Accounts
- > Internal Stakeholders
  - > Various staff

# External Feedback Summary

Doing Well	Improvements/Challenges
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<p>Price</p> <ul style="list-style-type: none"> <li>Lower rates than PG&amp;E</li> </ul>	<p>Communication &amp; Collaboration</p> <ul style="list-style-type: none"> <li>Turf or silos</li> </ul>
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Doing Well	Improvements/Challenges	
<p>Employees</p> <ul style="list-style-type: none"> <li>• Great employees</li> </ul>	<p>Previous strategic plans unsuccessful</p> <ul style="list-style-type: none"> <li>• Need for vision</li> <li>• Shared purpose</li> <li>• Metrics</li> </ul>	<p>Regulatory pressures</p> <ul style="list-style-type: none"> <li>• CA</li> <li>• Pressure on operating costs</li> </ul>
<p>Service</p> <ul style="list-style-type: none"> <li>• Cost</li> <li>• Reliability</li> </ul>	<p>Utility is dysfunctional</p> <ul style="list-style-type: none"> <li>• Very departmentalized</li> <li>• Lack of collaboration</li> <li>• Leadership</li> <li>• Inadequate organizational structure</li> <li>• Core functions</li> </ul>	<p>Need for Integrated Resource Plan</p> <ul style="list-style-type: none"> <li>• Address regulations</li> <li>• Market implications</li> <li>• Integration of renewable energy</li> </ul>
<p>Committed to supporting Redding's development</p>	<p>Limiting for REU to be part of the City</p> <ul style="list-style-type: none"> <li>• Political pressures</li> <li>• REU is a City dept.</li> <li>• Enterprise fund – general fund</li> </ul>	<p>Need for capital &amp; operations planning</p>
	<p>Workforce issues</p> <ul style="list-style-type: none"> <li>• Attracting &amp; retaining personnel</li> <li>• Succession planning</li> </ul>	<p>Community and customer engagement</p> <ul style="list-style-type: none"> <li>• Promote REU's story</li> </ul>
	<p>Need for technology: GIS, AMI, Distributed generation</p>	

# Vision, Mission & Core Values

# Defining REU's Vision

<b>Vision</b>	<b><i>What REU seeks to achieve overall from a high-level perspective</i></b>
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## > Exercise: Vision 2019

- > It is July 2019. You are returning to Redding after a five-year around the world dream vacation. (You came into an unexpected inheritance, won the Power Ball Lottery or hit it big in the stock market...whatever works for you). You travel around the community and you talk to your friends and your colleagues at REU about the current situation (in 2014). What are the most important things that you see and hear about:
  - > REU customers?
  - > The community?
  - > REU's competitors?
  - > REU's infrastructure & operations?
  - > REU's management practices and culture?

## Vision 2019 – *What are the most important things you see and hear about REU customers?:* **Key Takeaways**

- > The Utility is a vital asset to the community
- > Competitive rates and excellent reliability are very important
- > Customers appreciate a variety of programs, services and rate options
- > Customer value the integration of distributed renewable resources

## Vision 2019 – *What are the most important things you see and hear about REU customers?: Results*

Response	Net Votes
Valued community asset.	10
The customers value and respect REU as an excellent service provider. They also view them as an ally for the community.	7
REU is a vital part of Redding.	6
REU is still a tremendous value to this community!	6
I wish I would have known your new rate structure was coming down the line when I installed my 12kW PV system. I thought it would have paid for itself by now but now it looks like I have another 10 years.	5
They have a lot of renewable energy, and different rate choices. I learned that they do a pretty good job for their customers, and they are still cheaper than PG&E!	5
They are so active in the community, doing so many great things! And their rates are so much lower than PG&E. My power almost never goes off. Wow! REU is the best!	3
Have created exceptional value.	3
REU IS A FOUNDATION FOR OUR COMMUNITY. PROVIDE EXCEPTIONAL RELIABILITY very competitive pricing.	3
REU is the foundation of our community and its future. They have excelled in providing competitive pricing.	2
We are served by Redding?	1
What can I do to save energy & save cost?	1
They are excited about providing input to and seeing our Integrated Resource Plan get implemented.	1
Rates... Has REU aligned its revenue stream with its costs?	1

*Note: Results with a net score of zero or less are omitted.  
Duplicate and very similar results are omitted.*

## Vision 2019 - What are the most important things you see and hear about the community?: **Key Takeaways**

- > The team is divided between the optimism of a strong economic recovery and the experience of a community struggling with low income, crime and other challenges.
- > Increased on-line customer participation, penetration of electric vehicles and increasing distributed generation are expected.

# Vision 2019 - What are the most important things you see and hear about the community?: **Results**

Response	Net Votes
The REU Avtech Complex is awesome.	6
Vibrant business community with a state of the art airports services.	4
Business is booming, there are new construction projects going on all over the city.	4
Not sure what a Wartsilla is but we sure are glad we have them.	3
The 1/2 cent sales tax solved the ab109 issue.	3
The recreational amenities have expanded beyond any of my expectations.	3
It's nice to see more cops and less crime.	2
Everything is on-line.	1
its nice to see the river front developing.	1
Look at all the PEVs!!	1
Same ole same ole!!	1
I can't believe Jones Fort closed their doors. I guess Gun-Mart ran them out of business.	1
The citizens of Redding are all thriving.	1
Have become very tech centered.	1
The transients have reliable power.	1
Crime is a serious problem.	1
Stillwater Business Park changed the face of this community.	1

## Vision 2019 - What are the most important things you see and hear about REU's competitors?: **Key Takeaways**

- > More solar power, especially utility scale and community scale solar – this is a threat to the utility unless the resources are developed and owned by REU
- > Increased reliance on renewable energy will continue to increase rates
- > Traditional power supplies, especially WAPA, will be less attractive in the future due to increasing costs and decreasing dependable capacity
- > Privately owned charging stations, battery energy storage are competitive threats
- > There will be competitive threats and opportunities in many forms that will require the utility's attention

# Vision 2019 - What are the most important things you see and hear about REU's competitors?: **Results**

Response	Net Votes
REU's Solar Farm has all but eliminated the roof top installations!	8
Open markets have caused REU to be a distribution utility only.	5
PG&E has significantly increased rates due to renewables integration.	5
Western power is not the "best deal" going forward.	4
I'm glad I didn't get solar. My neighbors company went belly up and her system is dying.	4
They steal REU employees.	3
REU rates are much less expensive than solar.	3
Economies of scale are hard for REU to keep up with.	3
Look at that - there are many privately owned charging stations.	2
DG with battery storage is taking customers.	2
They provide better green power value and assess.	1
The City of Shasta Lake is a department of the City of Redding.	1
We are unable to compare rates with PG&E due to TOU Pricing.	1
Higher rates and not as reliable.	1
We are an internship for the utility industry.	1
REU viewed as the institutional provider. New and exciting options available from others.	1
Solar on so many roof tops! Is this an REU thing?	1
WAPA was forced into the CAISO!	1
Wow solar and other DG is every where.	1

## What are the most important things you see and hear about REU's infrastructure and operations?: **Key Takeaways**

- > Technology has improved customer service and satisfaction
- > The organization is functioning well as a result of effective leadership, communication and teamwork
- > With fully staffed-operations, infrastructure replacement backlogs have been eliminated
- > Effective customer and community relationships demonstrate the utilities value
- > Reliability and safety continue to be very good

# Vision 2019 - What are the most important things you see and hear about REU's infrastructure and operations?: Results

Response	Net Votes
REU has enhanced its on line presence, bill pay service, outage information, and energy usage	8
Positive full time leadership	8
The core staff is highly proactive and extremely competent.	7
We are partners with our customers.	5
Becoming an employer of choice has helped REU overcome staffing challenges.	5
REU is a strong united utility delivering exceptional products and services	4
Integrated dispatch and line operations.	4
REU has had no lost time due to injuries or accidents.	4
They take and "own it approach" only satisfied when the customer is satisfied	4
Employees that care and take pride in where we work.	4
REU is a utility district.	3
The EUC was eliminated, and nobody noticed.	3
What a reliable system that REU operates like a well oiled machine. They all deserve to get PARS back.	3
The partnership with Shasta college electric and line school is a big success	2
REU continues to do more with less....lean but knowledgeable and extremely efficient	2
Line crews are fully staffed and doing all recommended replacements on time.	2
REU is great, I hope they keep up the good work	1
Operators can locate the crews with GPS.	1
We'll maintained - reliable delivery.	1
Respond to customers immediately	1

## Vision 2019 - What are the most important things you see and hear about REU's management practices and culture?: **Key Takeaways**

- > REU must develop employee recruitment, develop and retention programs that recognize the value of employees to the utility
- > REU must increase its attention to customers through enhanced engagement, education and communication
- > REU's internal culture must change to remove departmental silos, improve internal communications and emphasize teamwork
- > REU's leadership and management teams must address organizational issues and concerns

# Vision 2019 - What are the most important things you see and hear about REU's management practices and culture?: Results

Response	Net Votes
Have successfully created a program that will retain the interests of the best employees.	9
The culture in management has evolved to the point that REU is looked upon favorably by all in the community achieving this through educating the public.	6
Management that supports and stand strong behind their employees.	6
Full time leadership.	5
Management doesn't view the Unions as the enemy.	5
Management sees customer information/feedback as a very valuable tool that makes an impact on the business decisions.	5
Different viewpoints are encouraged.	5
Positive and supportive leadership from top down.	5
Current management values experience and knowledge of the electric industry higher than just education and information processing skills.	4
It's refreshing to see silos & pedestals knocked down.	3
Customer-centric focus is imperative.	3
REU is such a safe place to work.	3
Everyone is pulling in the same direction.	3
A purpose driven and united management team.	3
Management and Unions engage in Interest Based Bargaining.	2
Pay for performance.	2
Increased accountability.	2
Management is willing to do hard things including terminations and promotions.	2
Nice to see REU management in the news explaining issues they an we are facing.	2
Consistent message throughout the Utility.	2
Fairly compensated full-time Director.	2
The management culture is capable of taking on new challenges and industry changes.	1
The excellent Vision and Strategy that was implemented in 2014 has created a great management culture.	1
The culture is much better, I've heard REU is one of the most desired places to work in Redding.	1
Has morphed into a Utility District and has expanded into PG&E through the ACID system.	1
Unified message.	1



## Vision 2019 Elements

Customers	Employees	Value
Customers are the “economic engine” of the utility	Important, highly valued assets Employees are valued and respected	Customers experience value instead of seeing rates
Having local control because we are consumer owned is at the core of our business model	Foundation for success of the utility Employees are good stewards	Customer costs are and predictable
Providing the best bundled/overall value for our customers is more important than having the lowest rates	Reflection of the community	Rate designs are sustainable (e.g., fixed cost recovery) Rate designs are flexible to address an uncertain future
Our programs, services & everything we do as a utility reflects the values of our community	Attract and retain a high-quality workforce Retain intellectual capital through succession planning	Customer electric bills are competitive, cost-based, not-for-profit
Our customers value a variety of programs and choices	Culture of safety	Commensurate with service (value v. cost)
Our customers value highly reliable service	Seen as a desirable employer	Fair and equitable
	Flexible and adaptable workforce to address uncertainty	Transparent & aligned with customer’s interests

# REU's Vision...



## Strategic Mission Elements: **Key Takeaways**

- > Customers are the *Economic Engine* of the utility.
  - > Customer service, satisfaction and value are key indicators
- > REU should be proactive, adaptable and flexible in the way it plans and operates the utility
- > Safety and reliability are core to the way REU conducts its business
- > REU should attract, develop, motivate and retain its employees

# What Are the Key Elements of REU's Mission?: Results

Response	Net Votes
Proactive.	7
Adaptable and responsive.	7
Satisfied customers.	7
Prepared for challenges.	6
Admired employer.	6
Community partner.	6
Trusted by customers.	6
Customer-focused.	6
Capable staff.	5
Transparency and trust.	5
REU is passionate about providing the absolute best value for the community and its employees as we move forward into the future together.	4
Bringing comfort to our customers while safely providing reliable electricity and related service.	4
Safe and reliable.	4
Competitively priced.	4
Employees doing their best for customers.	3
Highly motivated and skilled staff.	3
Responsible stewardship of assets and employees.	2
Educating the customers to help them understand how their usage habits affect their bill.	2
Make decisions with a Value focus, exploit strengths such as reliability and adaptability, perform at a level that will meet or exceed customer expectations.	2
Asset optimization.	2
Motivated skilled and expert employees.	2
Customer choice.	1

# REU's Mission



# REU's Core Values

# SWOT Analysis

# Strengths, Weaknesses, Opportunities & Threats (SWOT): Key Takeaways

	Helpful	Harmful
Internal	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Dedicated, capable, knowledgeable and passionate work force</li> <li>• System reliability &amp; resiliency</li> <li>• Local control &amp; control over electric rates</li> <li>• Robust distribution and resource portfolio</li> <li>• Culture of safety and training</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Inefficient processes via the City (purchasing, personnel, legal)</li> <li>• Attracting and keeping qualified top level employees</li> <li>• Divided leadership</li> <li>• Age of workforce</li> <li>• Connection with General Fund issues</li> </ul>
External	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• REU solar power plant</li> <li>• Training opportunities</li> <li>• Public education on value of REU</li> <li>• Leveraging technology to increase efficiency and improve customer care</li> <li>• Other forms of consumer-owned utilities (e.g., becoming a Utility District)</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Lack of load growth and possible declining load</li> <li>• Lack of support from the "new" City Council</li> <li>• Loss of kWh sales and decreasing load factor</li> <li>• Distributed generation, especially rooftop solar</li> <li>• Public perception</li> </ul>

# REU Internal Strengths: Results

Response	Net Votes
Dedicated, capable, knowledgeable and passionate work force.	10
Reliability.	9
Local control.	8
Robust distribution and resource portfolio	7
Safety.	7
Training culture.	5
Proactive programs.	5
Resiliency.	5
Good community relationships.	5
Control over electric rates.	5
Size-small but powerful, able to respond nimbly and yet operate in a very complex industry with larger players.	4
Ability to adapt.	4
Flexibility.	4
Interaction with our customers.	3
Competitive rates.	3
Community asset.	3
Supportive leadership.	2
Outside CAISO.	2
Low carbon footprint.	2
Flat rate structure.	2
Vertical integration.	2
Aggressive energy saving programs.	1
Respected.	1
Western base resource allocation.	1
Diversified asset base.	1
Access to hydro.	1

# REU Internal Weaknesses: Results

Response	Net Votes
Inefficient processes via the City (purchasing, personnel, legal).	10
Attracting and keeping qualified top level employees.	10
Divided leadership.	8
Age of workforce.	7
Lack of load growth.	7
Constant shift of Council makeup.	7
Load factor.	7
Connection with General Fund issues.	7
Compensation structure.	7
California business and regulatory environment.	6
Local demographics.	6
Lack of full time leadership.	6
Staff shortages.	6
Time it takes for staffing.	4
Succession planning.	4
City Council.	4
Silos.	4
Lack of experience in newer employees.	3
Risk management.	3
Antiquated rate structure.	3
Employee moral.	3
Inexperienced upper management.	2
Geographic location.	2
Communication.	1
REU staffing structure.	1

# REU External Opportunities: Results

Response	Net Votes
REU solar power plant.	8
Training opportunities for employees for retaining employees	7
Public education on value of REU.	7
Smart meters.	6
Becoming a Utility District?	5
Leveraging technology to increase efficiency and improve customer care.	5
Telecommunication (Fiber Internet) service.	4
New load at Stillwater.	4
Education of Council through the EUC.	4
Annexations.	4
Flexibility with customer service.	4
Further enhancement of economic development opportunities.	3
Enhancing community perception. Knowledge. Opportunity for advocacy.	3
Embrace solar and sell to customers.	3
Friendlier customer payment options.	3
Demand side management.	3
Distributed generation requirements.	3
PG&E rate increases.	2
Joint power Arrangements.	1
Shovel ready commercial property.	1
Changes in the wholesale market.	1
Economic expansion.	1

# REU External Threats: Results

Response	Net Votes
Lack of load growth and possible declining load. Not having a plan to deal with these real possibilities.	7
Lack of support from the "new" City Council.	6
Not having an educated council on the complexity of operating an electric utility.	6
Loss of kWh sales and decreasing load factor.	5
Distributed generation, especially rooftop solar.	5
Public perception.	4
New regulations.	4
Lack of qualified employee candidates.	4
Sustained drought.	3
Ongoing cost pressures.	3
Economic and regulatory influences.	2
Customer's lack of understanding our challenges.	2
Increased NERC requirements.	1

# Strategic Issues

## Strategic Issues: Key Takeaways

- REU must deliver value to its customers
  - REU must implement technologies that improve customer service, increase operating effectiveness and reduce operating costs
  - REU must have a reliable, diverse and cost-effective resource portfolio
  - REU must offer its customers competitive rates, flexible choices, and program options...
- REU must be an effective workforce
  - REU must attract, develop and retain a qualified workforce
- REU must have an effective, healthy organization
- REU must have a sustainable business model
  - REU must design rates to recover fixed operating costs
  - REU must address regulatory and legislative uncertainty
- REU must improve communications

# What Are REU's Most Significant Internal Strategic Issues?: Results

Response	Net Votes
Human resources shortages, lack of planning (and lack of a plan) and survival mode operations are a roadblock to benefiting from the implementation of industry-proven technologies including GIS, AMI, Customer Web Interaction, Prepay, Outage Management and Distribution Automation.	16
The City and the Utility lack a contemporary mission, vision, values and strategy that address short and long term planning horizons, leading both entities to operate in survival mode with limited ability to address long-term strategic issues and make essential decisions about rates and resource investments aligned with future energy strategies.	15
Customer billing class inequities, demand charge structure, and lack of revenue neutrality in current rate structures put the utility business model at risk in light of emerging demands for distributed resources and rates to incentivize development.	15
Lack of staff recruitment, retention, development and succession plans along with the potential for retirements of significant portion of utility management and staff positions temper management confidence in the long term effectiveness of the Utility.	14
A robust, long-term integrated resource plan is needed to fully understand the implications of reductions in dependable hydroelectric capacity, market operations model (e.g., BANC), divestiture of assets and the integration of distributed generation and energy storage on long term power supply and operating costs.	11
Long lasting organizational silos discourage managers and staff from working together effectively and contribute to a general cultural malaise (e.g., Distribution and Power Operations; Customer Service and Distribution; and Energy Services and Customer Services.)	10
The current organizational structure is not supported by the Utility Director or any of the Assistant Directors each envisioning a different organizational structure.	7
Market inequities (e.g., wages and benefits) combined with adversarial relationship between the City and IBEW make it very difficult to recruit and retain qualified electrical workers, especially electrical line workers.	4
Utility Director has too many direct reports and direct reports do not share equal responsibility and authority (e.g., Manager of Energy Services, Manager of Regulatory and Legislative Affairs, and one other Manager do not report to one of the three AUDs.)	1

# What Are REU's Most Significant External Strategic Issues?

## Response

Continued upward pressure on operating costs due to regulatory, legislative and environmental mandates will cause rates to increase further in the future.

Conservative perspectives and political agendas that permeate the community and the City Council combined with negative perceptions associated with employee compensation, rate increases, public exposure to personnel issues, outsourcing of utility functions and perceived mistreatment of low-income ratepayers all contribute to a challenging relationship between the City Council and REU.

Increased operating transparency, consumer and community education of strategic issues and support for a long term strategy are all necessary to improve relationships between REU, the EUC, the City Council and the community.

*Note: Since there were only three external strategic issues, we did not vote.*

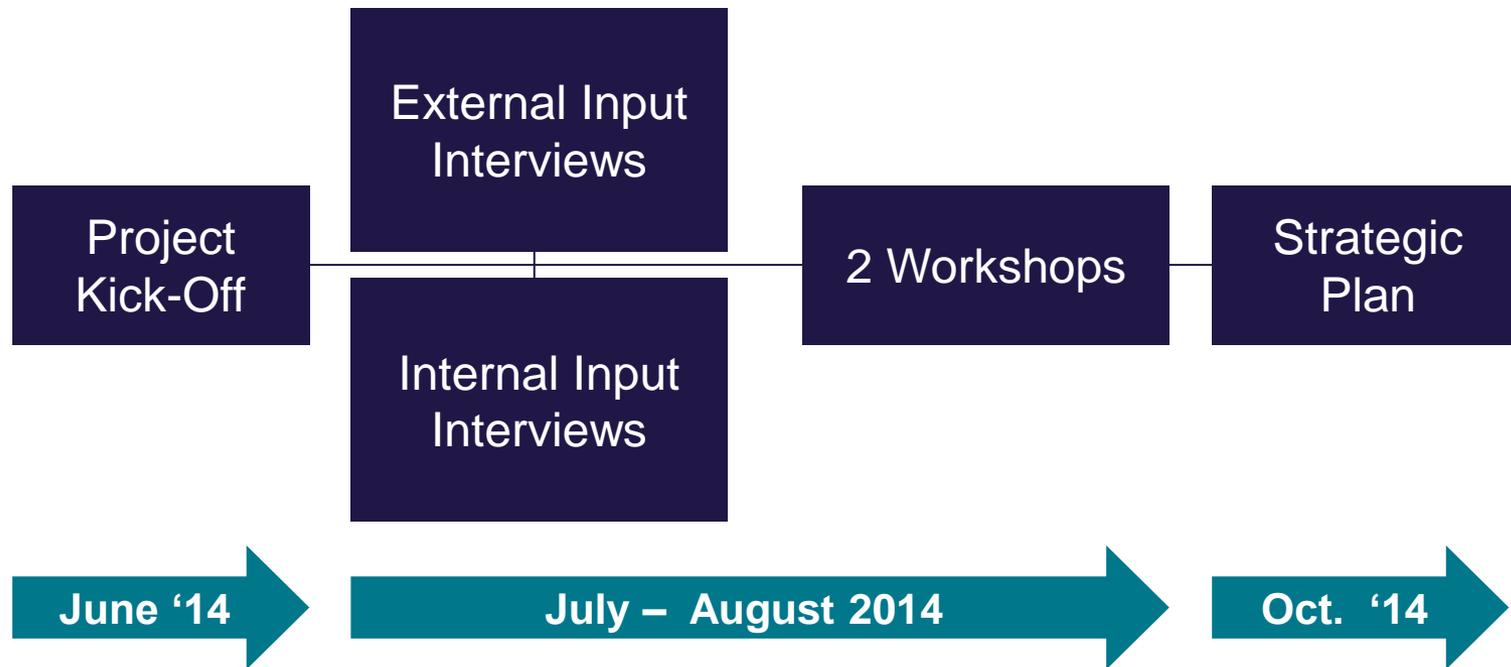
# Draft of Strategic Issues

# CPT in Action

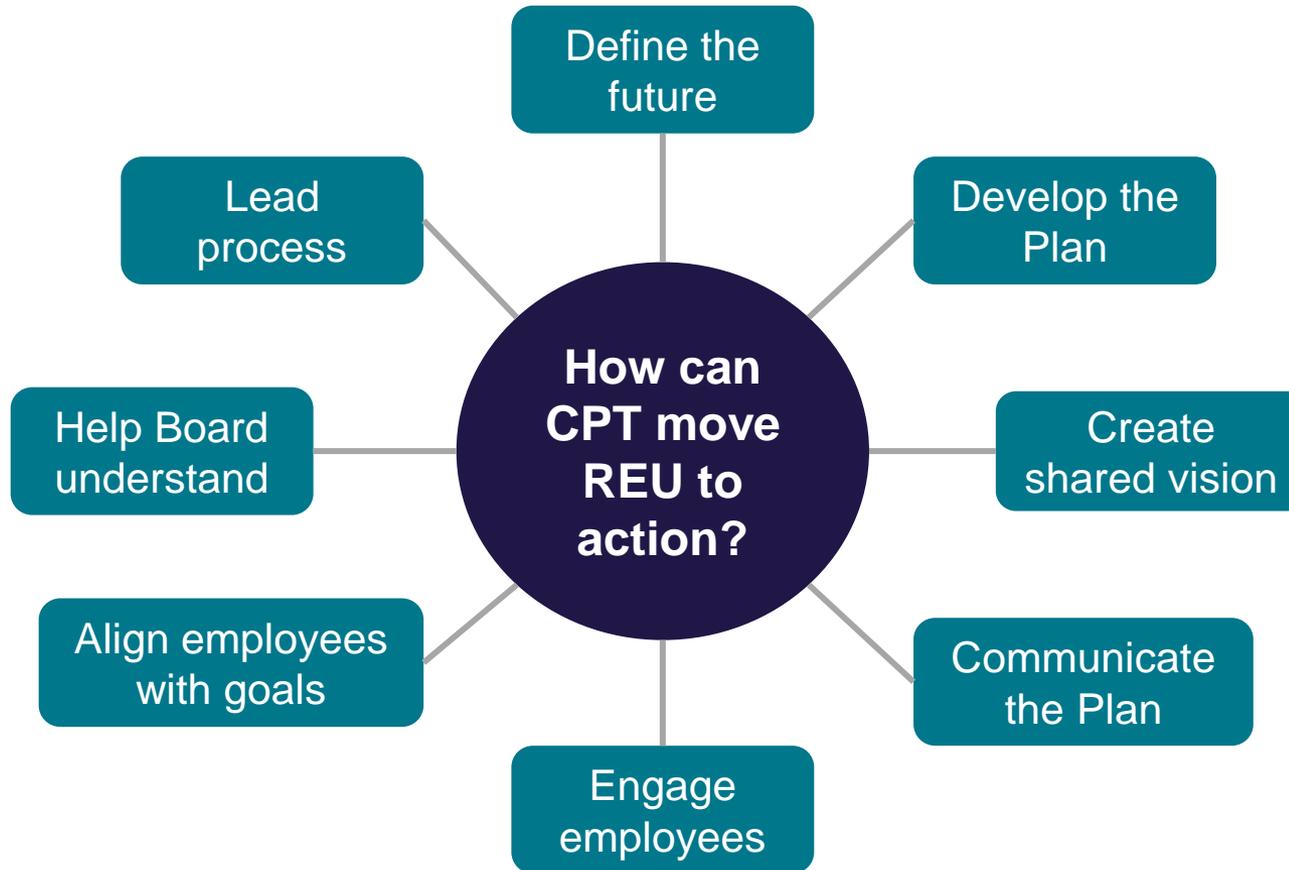
# Agenda for Internal Meetings Facilitated by CPT

- > Introduction
  - > Strategic Planning Process
  - > Role of CPT
  - > Feedback
- > Elements of Strategic Direction
  - > Vision
  - > Mission
  - > Core Values
- > Strategic Issues
- > Input & Feedback

# Overview of REU's Strategic Planning Process



# CPT Purpose



# Summary of Stakeholder Feedback

- > External Stakeholders
  - > City Manager
  - > EUC Chair & Liaison
  - > Chamber of Commerce
  - > Key Accounts
- > Internal Stakeholders
  - > Various staff

## Core Planning Team

Core Planning Team				
Barry Tippin	Mark Haddad	Matt Madison	Lowell Watros	Dave Gamble
Paul Cummins	Pat Keener	Jack Latiolais	Mike Adams	Margie Walker
Dan Beans	Nick Zettel	Bill Hughes	Kim Hein	
Brian King	Jeremy Ross	Marvin Briggs	Ben Goehring	
Bernie Fargen	Dave Jackson	Greg Deedon	Chris Holden	

# External Feedback Summary

Doing Well	Improvements/Challenges
<p>Account Managers</p> <ul style="list-style-type: none"> <li>Relationship</li> <li>Great service</li> </ul>	<p>Opportunity to explore alternative power options</p> <ul style="list-style-type: none"> <li>While keeping costs down</li> <li>Solar</li> <li>CA regulations</li> </ul>
<p>Communication</p> <ul style="list-style-type: none"> <li>Keep them informed of what is going on</li> <li>Meetings</li> </ul>	<p>Education</p> <ul style="list-style-type: none"> <li>Promote REU</li> <li>Public does not always understand/perception</li> </ul>
<p>Reliability</p> <ul style="list-style-type: none"> <li>Always good</li> </ul>	<p>REU is part of the City</p> <ul style="list-style-type: none"> <li>Limiting/hands tied</li> <li>Strategic plan for the City is unknown</li> </ul>
<p>Price</p> <ul style="list-style-type: none"> <li>Lower rates than PG&amp;E</li> </ul>	<p>Communication &amp; Collaboration</p> <ul style="list-style-type: none"> <li>Turf or silos</li> </ul>
<p>Programs to manage load &amp; keep costs down</p> <ul style="list-style-type: none"> <li>Forward thinking</li> </ul>	<p>Programs to manage load &amp; keep costs down</p> <ul style="list-style-type: none"> <li>Always interested in more options</li> <li>Provides detail about usage</li> <li>Identify savings</li> </ul>
<p>Community</p> <ul style="list-style-type: none"> <li>Working with Economic Development</li> <li>Energy Fair</li> </ul>	<p>Identify ways to support growth of Redding</p>

# Internal Feedback Summary

Doing Well	Improvements/Challenges	
<b>Employees</b> <ul style="list-style-type: none"> <li>• Great employees</li> </ul>	Previous strategic plans unsuccessful <ul style="list-style-type: none"> <li>• Need for vision</li> <li>• Shared purpose</li> <li>• Metrics</li> </ul>	Regulatory pressures <ul style="list-style-type: none"> <li>• CA</li> <li>• Pressure on operating costs</li> </ul>
<b>Service</b> <ul style="list-style-type: none"> <li>• Cost</li> <li>• Reliability</li> </ul>	Utility is dysfunctional <ul style="list-style-type: none"> <li>• Very departmentalized</li> <li>• Lack of collaboration</li> <li>• Leadership</li> <li>• Inadequate organizational structure</li> <li>• Core functions</li> </ul>	Need for Integrated Resource Plan <ul style="list-style-type: none"> <li>• Address regulations</li> <li>• Market implications</li> <li>• Integration of renewable energy</li> </ul>
Committed to supporting Redding's development	Limiting for REU to be part of the City <ul style="list-style-type: none"> <li>• Political pressures</li> <li>• REU is a City dept.</li> <li>• Enterprise fund – general fund</li> </ul>	Need for capital & operations planning
	Workforce issues <ul style="list-style-type: none"> <li>• Attracting &amp; retaining personnel</li> <li>• Succession planning</li> </ul>	Community and customer engagement <ul style="list-style-type: none"> <li>• Promote REU's story</li> </ul>
	Need for technology: GIS, AMI, Distributed generation	



## Vision 2019 Elements

Customers	Employees	Value
Customers are the “economic engine” of the utility	Important, highly valued assets Employees are valued and respected	Customers experience value instead of seeing rates
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Our customers value highly reliable service	Seen as a desirable employer	Fair and equitable
	Flexible and adaptable workforce to address uncertainty	Transparent & aligned with customer’s interests

# Defining REU's Mission: Where REU wants to be in five years

## Key Elements:

- > Passionate about our purpose
  - > Delivering energy, value, comfort, and quality of life
- > Partners (Supporters) with the Community
  - > Money stays in the City because we are less expensive than PG&E
  - > We support community development, modernization and beautification
- > Performance
  - > Flexible, adaptable, proactive and responsive
  - > Leveraging local control to solve local issues



# Defining REU's Core Values: Attributes that are fundamental to the way we conduct business

Core Value Elements:

- > Integrity
- > Teamwork
- > Communication
- > Safety
- > Operational Reliability
- > Innovation



## Strategic Issues: Key Takeaways

- REU must deliver value to its customers
  - REU must implement technologies that improve customer service, increase operating effectiveness and reduce operating costs
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- REU must have an effective, healthy organization
- REU must have a sustainable business model
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  - REU must address regulatory and legislative uncertainty
- REU must improve communications

# Your Feedback & Input

- > About:

- > Vision

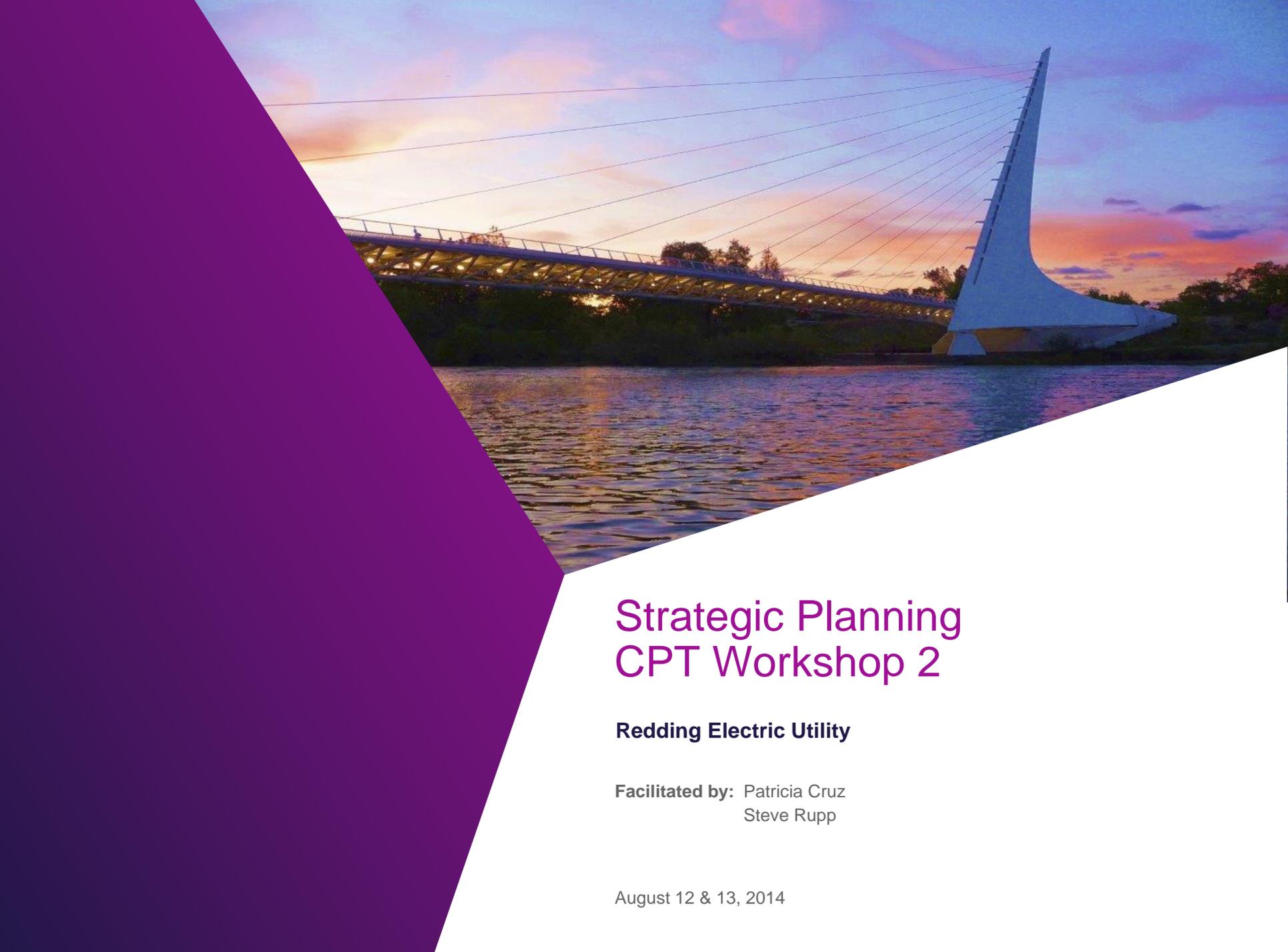
- > Mission

- > Core Values

- > Strategic Issues

## Next Steps

- > Core Planning Team Collects Info
- > Next Workshop: August 12&13
- > Finalize elements of the Strategic Plan



# Strategic Planning CPT Workshop 2

**Redding Electric Utility**

**Facilitated by:** Patricia Cruz  
Steve Rupp

August 12 & 13, 2014

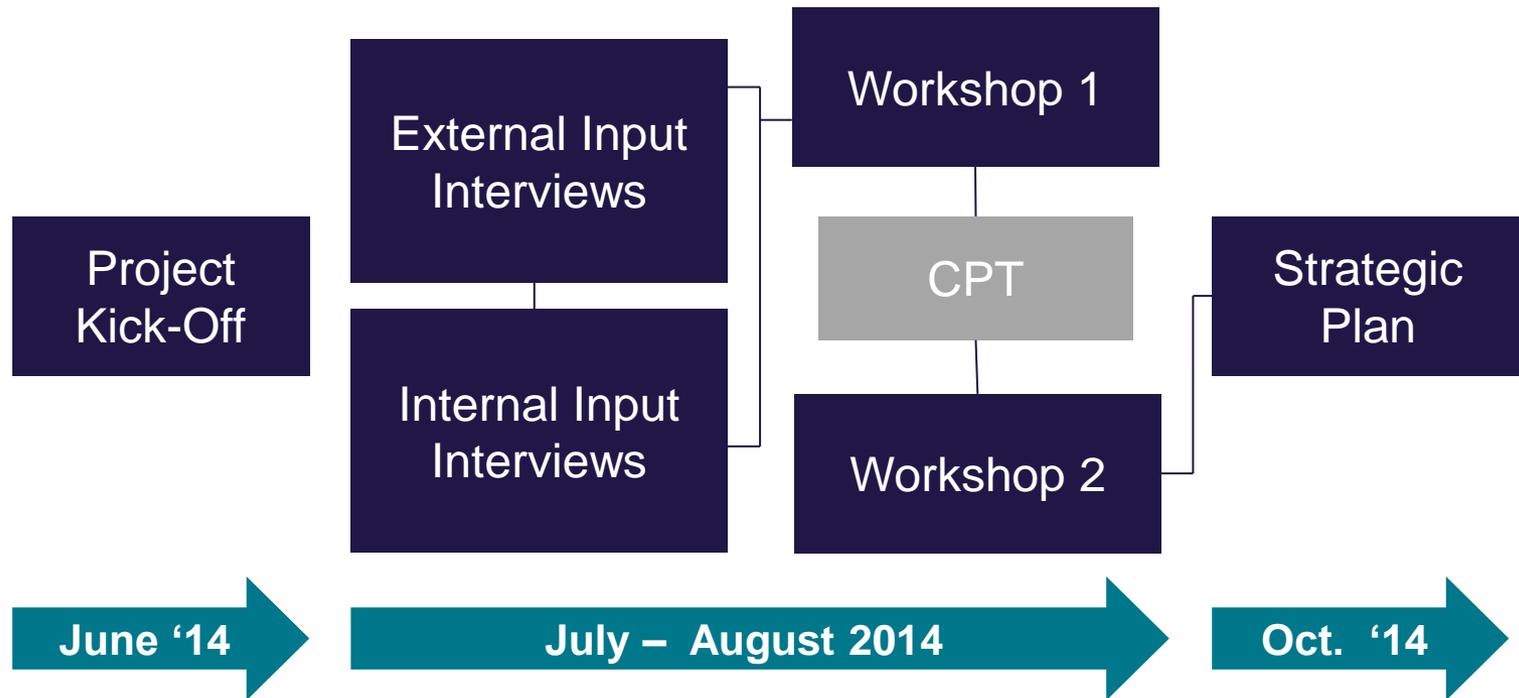
# Agenda

Day 1	Day 2
<ul style="list-style-type: none"><li>› Introductions &amp; Purpose</li></ul>	<ul style="list-style-type: none"><li>› Day 1 Highlights</li></ul>
<ul style="list-style-type: none"><li>› Ground Rules</li></ul>	<ul style="list-style-type: none"><li>› Strategy Statements<ul style="list-style-type: none"><li>› Defining Strategies &amp; Tactics</li><li>› Champions</li></ul></li></ul>
<ul style="list-style-type: none"><li>› Strategic Planning Process Review</li></ul>	<ul style="list-style-type: none"><li>› Key Performance Indicators</li></ul>
<ul style="list-style-type: none"><li>› Core Planning Team Update</li></ul>	<ul style="list-style-type: none"><li>› Goals</li></ul>
<ul style="list-style-type: none"><li>› Drafts for Discussion<ul style="list-style-type: none"><li>› Vision</li><li>› Mission</li><li>› Core Values</li></ul></li></ul>	<ul style="list-style-type: none"><li>› Next Steps<ul style="list-style-type: none"><li>› Summary</li><li>› Communication</li></ul></li></ul>
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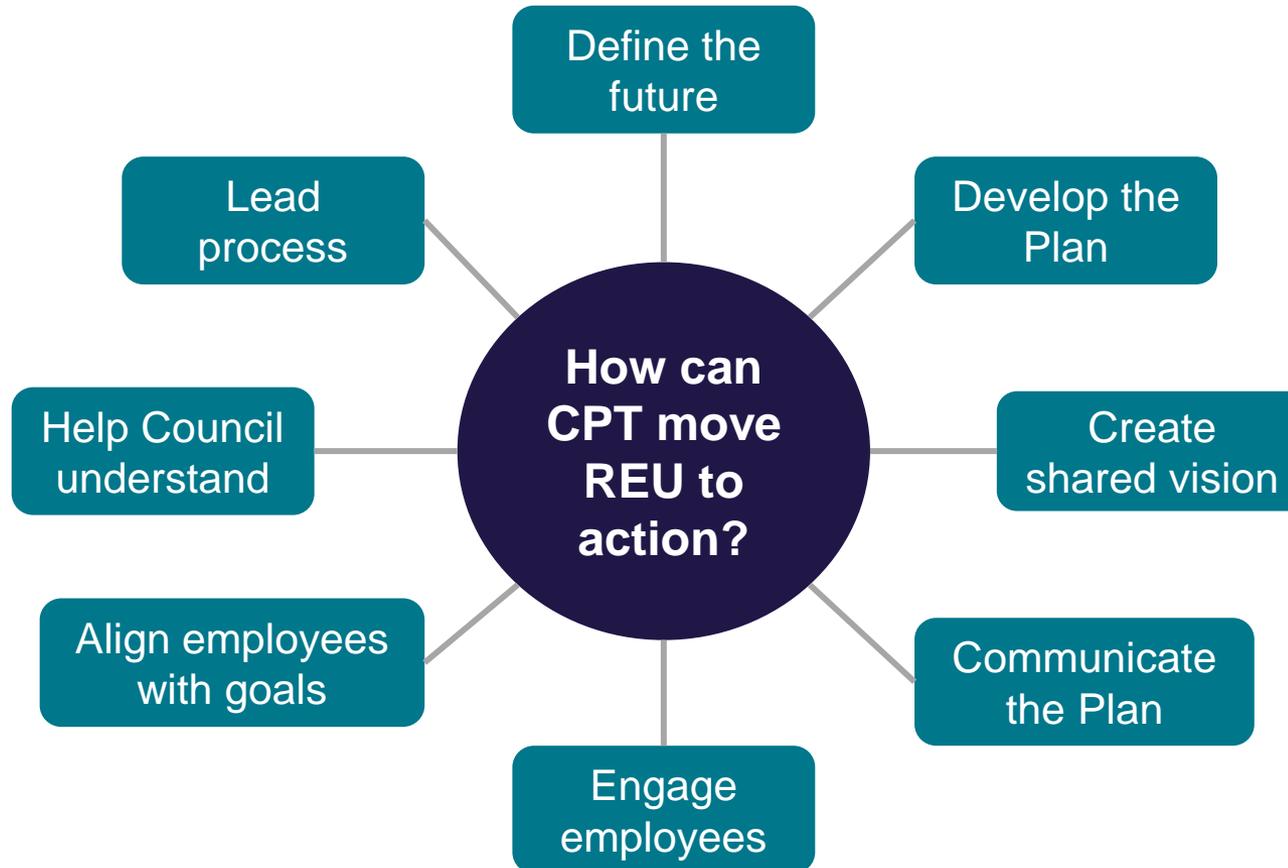
## Ground Rules

- > Arrive on time, well rested and prepared to engage with the group for the full time.
- > Give us your undivided attention. Please limit the use of cell phones for email and such to the breaks that are provided approximately every 90 minutes.
- > Please bring your smart phones, tablets and laptops as you will need them to participate in the exercises.
- > Be respectful of your colleagues and provide your input, honestly, candidly and professionally.
- > Feel free to ask questions, seek clarification and challenge the process constructively.

# Overview of REU's Strategic Planning Process



# CPT Purpose Statement



## CPT – Internal Feedback

- > When discussions were held with other staff, most were excited and hopeful about the idea of a strategic plan – others are curious, skeptical (a great deal in some instances) and concerned about prior planning failures
- > Some had ideas for improvement and shared their perspective on important issues
- > Some expressed a sense of fear of isolation / exclusion from the process due to remote location
- > Staff are interested in the metrics that will be used
- > There are different perspectives about priority and significance of issues
- > Some appreciated the level of honesty exposed in the issues we identified
- > Some are interested in using this process at other levels in the organization
- > Business plan aspect will be key
- > Safety, compensation “show me the money”, latent anger over poor public perception, lack of community respect, lack of council support, adequate tools and equipment, external pressures on rates and community perception surfaced as issues staff are thinking about
- > Need to learn as an organization how to lead and act strategically
- > How will the REU strategic plan align with the City when it doesn't have a strategic plan?
- > Barriers to communicating the plan to staff include: operational logistics (late shift); labor negotiations; “wait and see” attitudes; long-term interest in light of pending retirements;
- > City manager is supportive; Council is distracted by public safety and election issues; Commission is eager to get involved in the planning process.

# Strategic Planning Elements & Drafts for Discussion

## Elements of a Strategic Plan

Term	Definition
<b>Strategic Plan</b>	A specific, actionable 3 to 5-year plan that drives REU toward achieving its Strategic Direction
<b>Vision</b>	What REU seeks to achieve overall from a high-level perspective
<b>Mission</b>	Where REU wants to be in five years
<b>Endorsement</b>	Balances need for buy-in with REU realities
<b>Core Values</b>	Attributes that are fundamental to the way we conduct business

# Defining REU's Vision

## > Exercise: Vision 2019

- > It is July 2019. You are returning to Redding after a five-year around the world dream vacation. (You came into an unexpected inheritance, won the Power Ball Lottery or hit it big in the stock market...whatever works for you). You travel around the community and you talk to your friends and your colleagues at REU about the current situation (in 2014). What are the most important things that you see and hear about:
  - > REU customers?
  - > The community?
  - > REU's competitors?
  - > REU's infrastructure & operations?
  - > REU's management practices and culture?

## Vision 2019 Elements

### Customers

### Employees

### Value

Customers are the “economic engine” of the utility	Important, highly valued assets. Employees are valued and respected	Customers experience value instead of seeing rates
Having local control because we are consumer owned is at the core of our business model	Foundation for success of the utility. Employees are good stewards	Customer costs are predictable
Providing the best bundled/overall value for our customers is more important than having the lowest rates	Reflection of the community	Rate designs are sustainable (e.g., fixed cost recovery). Rate designs are flexible to address an uncertain future
Our programs, services & everything we do as a utility reflects the values of our community	Attract and retain a high-quality workforce Retain intellectual capital through succession planning	Customer electric bills are competitive, cost-based, not-for-profit
Our customers value a variety of programs and choices	Culture of safety	Commensurate with service (value v. cost)
Our customers value highly reliable service	Seen as a desirable employer	Fair and equitable
	Flexible and adaptable workforce to address uncertainty	Transparent & aligned with customer’s interests

## REU's Vision – DRAFT for discussion

- > Vision: What REU seeks to achieve overall from a high-level perspective.

*REU creates value and delivers exceptional services to our community through the strength of its employees*

# Vision Discussion

# Defining REU's Mission: Where REU wants to be in five years

## Key Elements:

- > Passionate about our purpose
  - > Delivering energy, value, comfort, and quality of life
- > Partners (Supporters) with the Community
  - > More money stays in the City because we are less expensive than PG&E
  - > We support community development, modernization and beautification
- > Performance
  - > Flexible, adaptable, proactive and responsive
  - > Leveraging local control to solve local issues



## REU's Mission: Draft for Discussion

- > Mission: Where REU wants to be in five years

*By 2020 REU will develop flexible, creative, innovative, and sustainable business practices to deliver economic, safe, and reliable customer services*

# Mission Discussion



## REU's Core Values – DRAFT for discussion

- > **Public Service:** *We are accountable, ethical, honest, and transparent in everything we do for our customers, employees and community.*
- > **Customer Focus:** *Excellent customer service, customer value, attentive to customer satisfaction, aligned to customer needs, courteous, professional, fair and equitable.*
- > **Teamwork:** *We work together to achieve common goals in an environment that fosters trust, collaboration, and continuous improvement*
- > **Communication:** *Honest, open and constructive communication with our customers, community, employees, business partners, council and commission.*
- > **Safety:** *We are committed to the safety our employees, customers, community and environment.*

# Core Values Discussion

# Issue Development

# Issues, Strategies & Tactics

**Issue:** A problem, concern or challenge that REU must address

- > Structure: Must, needs, should statement creates sense of urgency and builds in prioritization
- > Example: Stakeholder relationships must improve

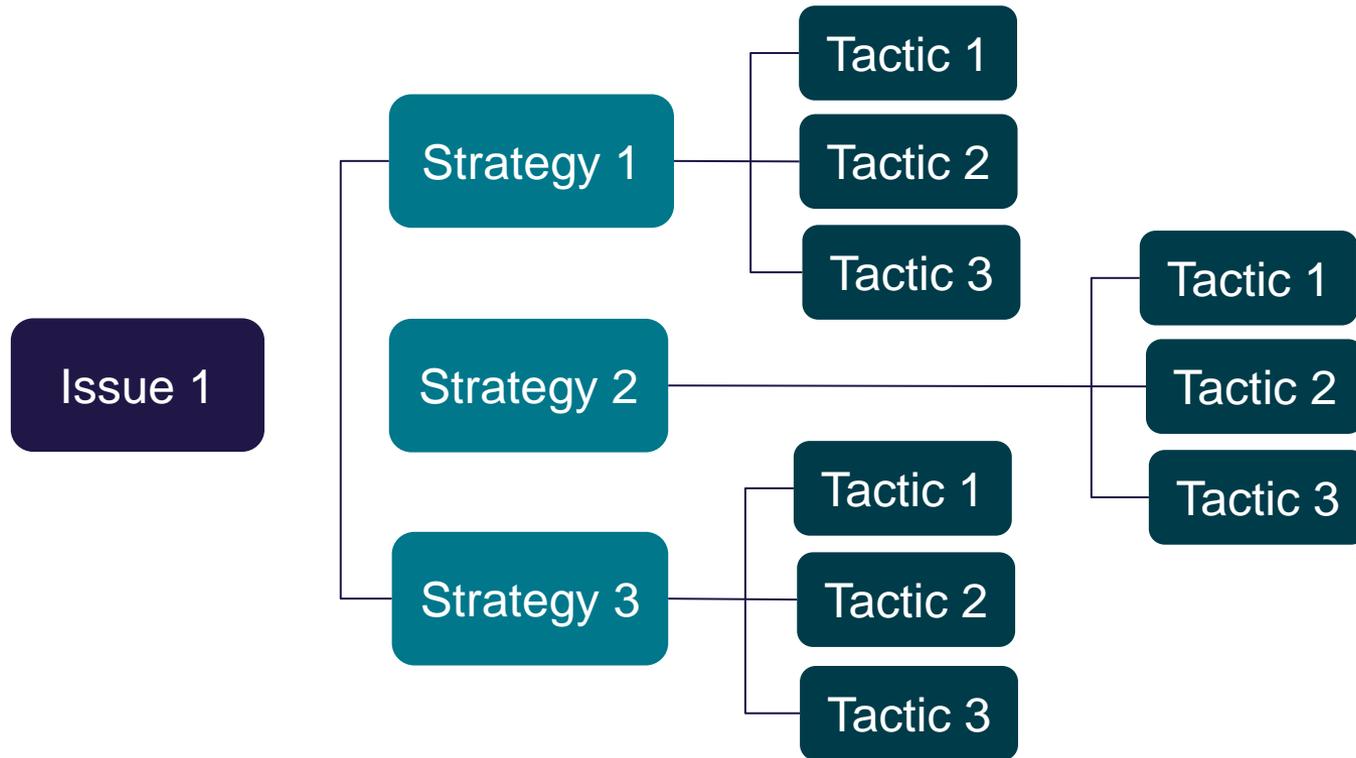
**Strategy:** How an Issue will be resolved

- > Structure: Feature + Verb + Benefit
- > Example: Proactive communication improves stakeholder relationships

**Tactic:** Specific work activities to accomplish a Strategy

- > Example: Develop a Marketing Plan

# Strategic Process Planning



Builds clear prioritization and implementation steps into Plan development; addresses/manages the multiplying effect of a creative process.

# Sample

## Issue 4 / Strategy 1 / Tactic 1

Sponsor: J. Smith

Champion: A. Miller

Priority Strategy - Medium  
Tactic - Medium

<b>Issue</b>	We must improve our communications
<b>Strategy</b>	Identifying our external audiences, methods and messages will establish effective communications
<b>Tactic</b>	Conduct market research to define action plans to improve external communications

<b>Key Performance Indicators</b>	<ol style="list-style-type: none"><li>1. Annual customer satisfaction survey results improve 3% per year</li><li>2. Annual employee satisfaction survey results improve 3% per year</li><li>3. By 2016, 20% of staff is involved in utility's community and outreach programs</li><li>4. Ten monthly manager meetings are conducted every year</li><li>5. 100% of employees undergo training in customer interaction program by December 2015</li></ol>
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# Issue Statement Discussion

- > Finalize Issue Statements
- > Define Issue Teams
  - > **Sponsor:** “Project Manager” responsible for Issue management (budget/schedule)
  - > **Champion:** Person with passion and commitment to drive Strategy forward

## Issues: DRAFT for Discussion

Issue: A problem, concern or challenge that REU must address

- (Paul and Brian) We must improve our technology to deliver increased value to our customers
- (Barry) We must attract, develop and retain a qualified workforce
- (Dan) We must have an effective, healthy organization
- (Mark and Bernie) Our financial and business model must be enhanced to build a sustainable utility organization
- (Pat) We must improve our communications with the City, the community, our customers and employees

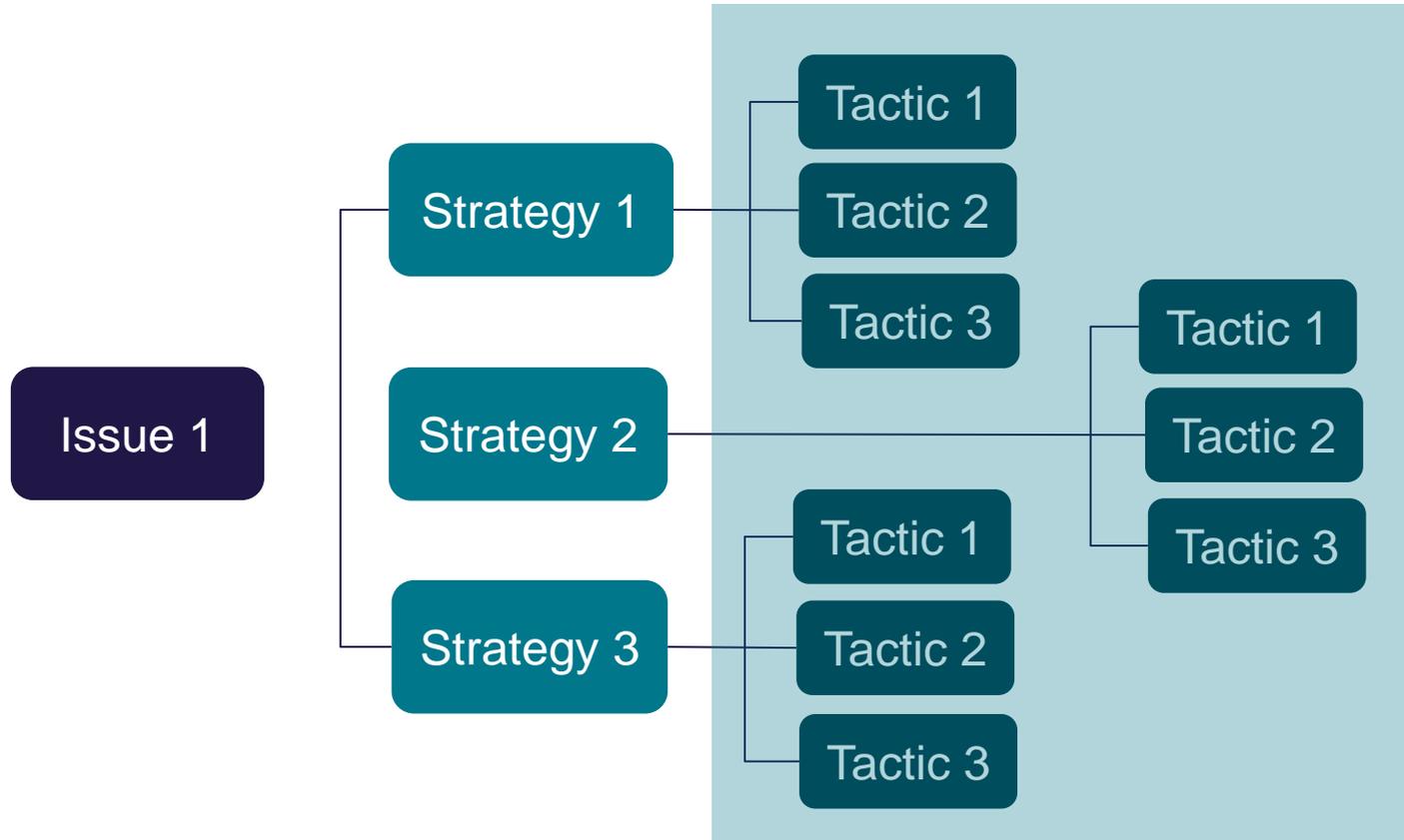
# Strategic Planning Workshop Day 2

# Agenda – Day 2

## Day 2

- › Day 1 Highlights
- › Strategy Statements
  - › Defining Strategies & Tactics
  - › Champions
- › Key Performance Indicators
- › Goals
- › Next Steps
  - › Summary
  - › Communication

# Strategic Process Planning



Builds clear prioritization and implementation steps into Plan development; addresses/manages the multiplying effect of a creative process.

## Strategy Discussion

- > Divide into Issue Teams to develop:
  - > Up to five Strategies for each Issue
  - > Key Performance Indicators
  - > Goal
  - > Champions
  - > Tactics
- > Use paper template to collect final team input
- > Sponsor will present to CPT

## Strategy Development

- > **Strategies:** How an Issue will be resolved
- > **Champion:** Person with a passion to drive a Strategy forward
- > **Key Performance Indicators (KPI):** How progress will be measured
- > **Goals:** How your organization will know when an Issue has been resolved

If time permits...

- > **Tactic:** Specific work activity to accomplish a Strategy

## Strategies: DRAFT for discussion

- We must improve our technology to deliver increased value to our customers
  - Innovative technologies enable REU to improve customer service, increase operating effectiveness and reduce operating costs
  - Developing a reliable and diverse resource portfolio allows us to provide cost-effective solutions to our customers
- We must attract, develop and retain a qualified workforce
  - Succession planning retains organizational knowledge and provides employee career development opportunities
- We must have an effective, healthy organization

## Strategies: DRAFT for discussion (cont.)

- Our financial and business models must be enhanced to build a sustainable utility organization
  - Flexible programs and product provide customers with options to better address their needs
  - A new and updated rate structure provides viable options to recover fixed operating costs and offer competitively-priced services
  - Identify ways to address regulatory and legislative uncertainty to create solutions
- We must improve communications
  - Educating the City Council and Electric Utility Commission about the value of REU enhances their decision-making process
  - Expanded internal communications improves employee relations, morale and productivity

# Issue Team Presentations

# Next Steps

## Next Steps

- > Leidos will Summarize this Meeting
- > Draft of Strategic Plan
  - > Vision, Mission and Values
  - > Issue Statements
  - > Strategies, Tactics & KPIs
- > Communication
  - > Launch of Strategic Plan
  - > *CPT discusses draft with their respective teams, collects feedback and provides to Leidos prior to next workshop*

# Thank you!

**Patricia Cruz**

**PROJECT MANAGER**

512.651.6416

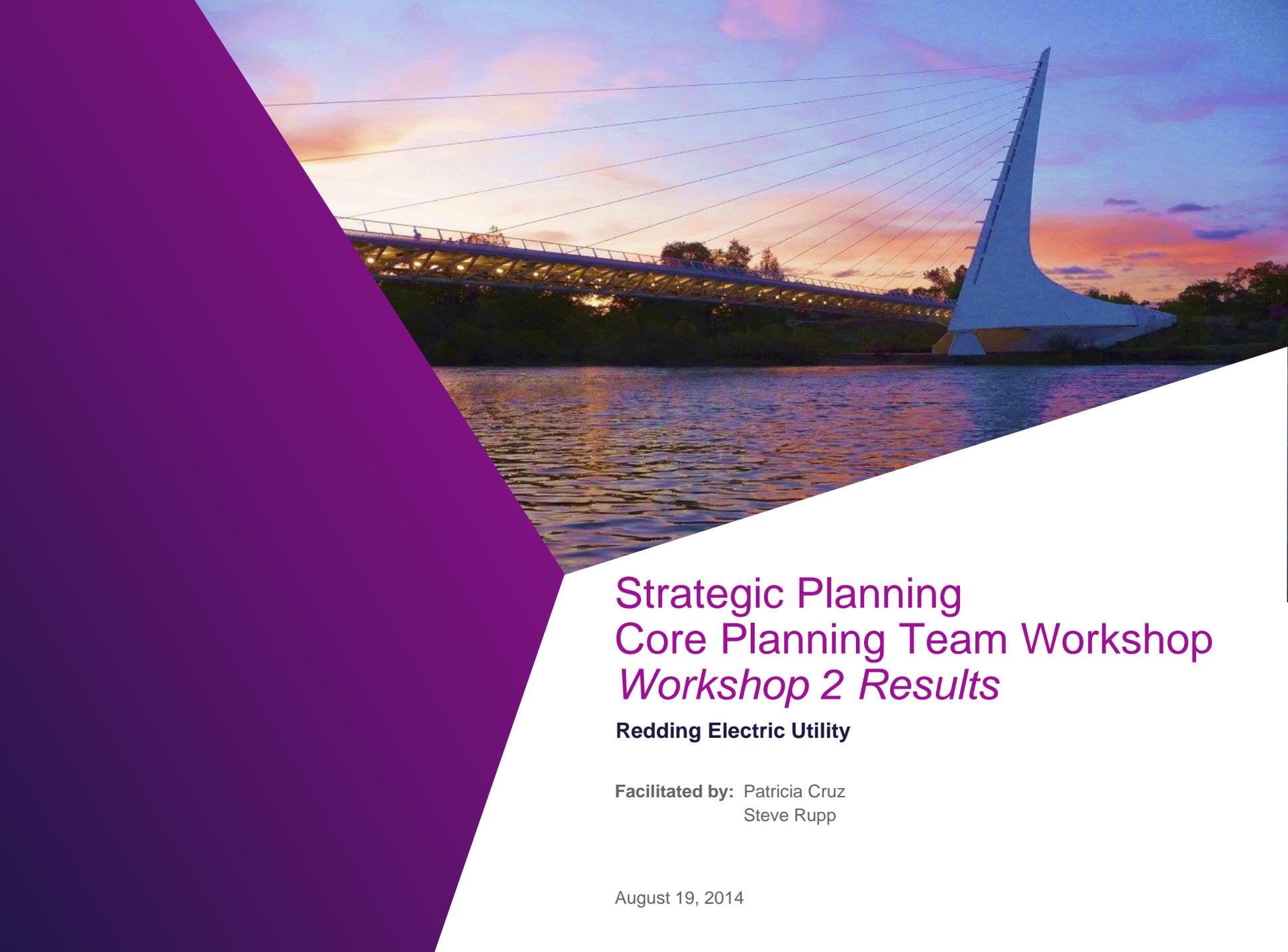
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# Strategic Planning Core Planning Team Workshop *Workshop 2 Results*

**Redding Electric Utility**

**Facilitated by:** Patricia Cruz  
Steve Rupp

August 19, 2014

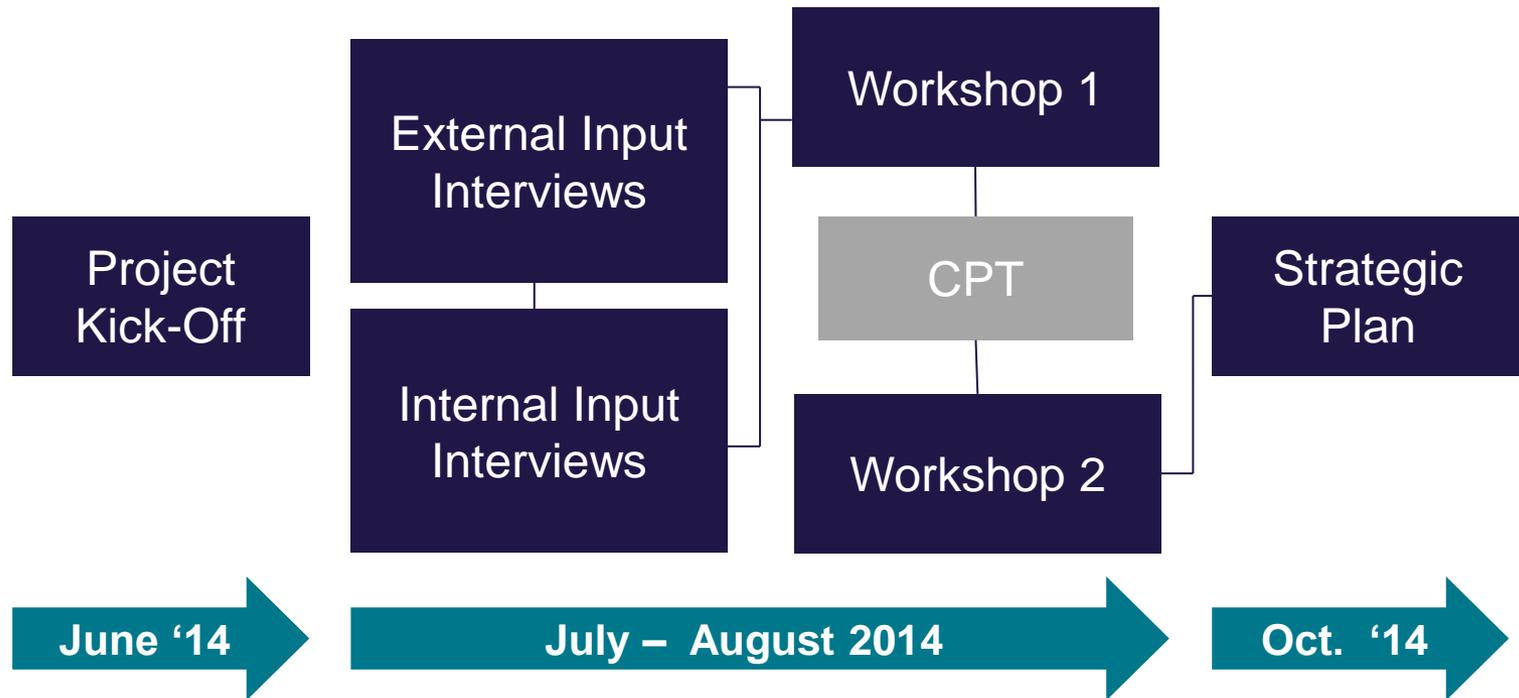
## Strategic Planning Workshop 2 Draft Results

- > Review of Strategic Planning Process
- > Feedback collected from REU employees
- > Draft Vision of the Future, Core Values and Mission
- > Draft Issues
  - > Define Sponsors
  - > Define Team
  - > Draft Strategies

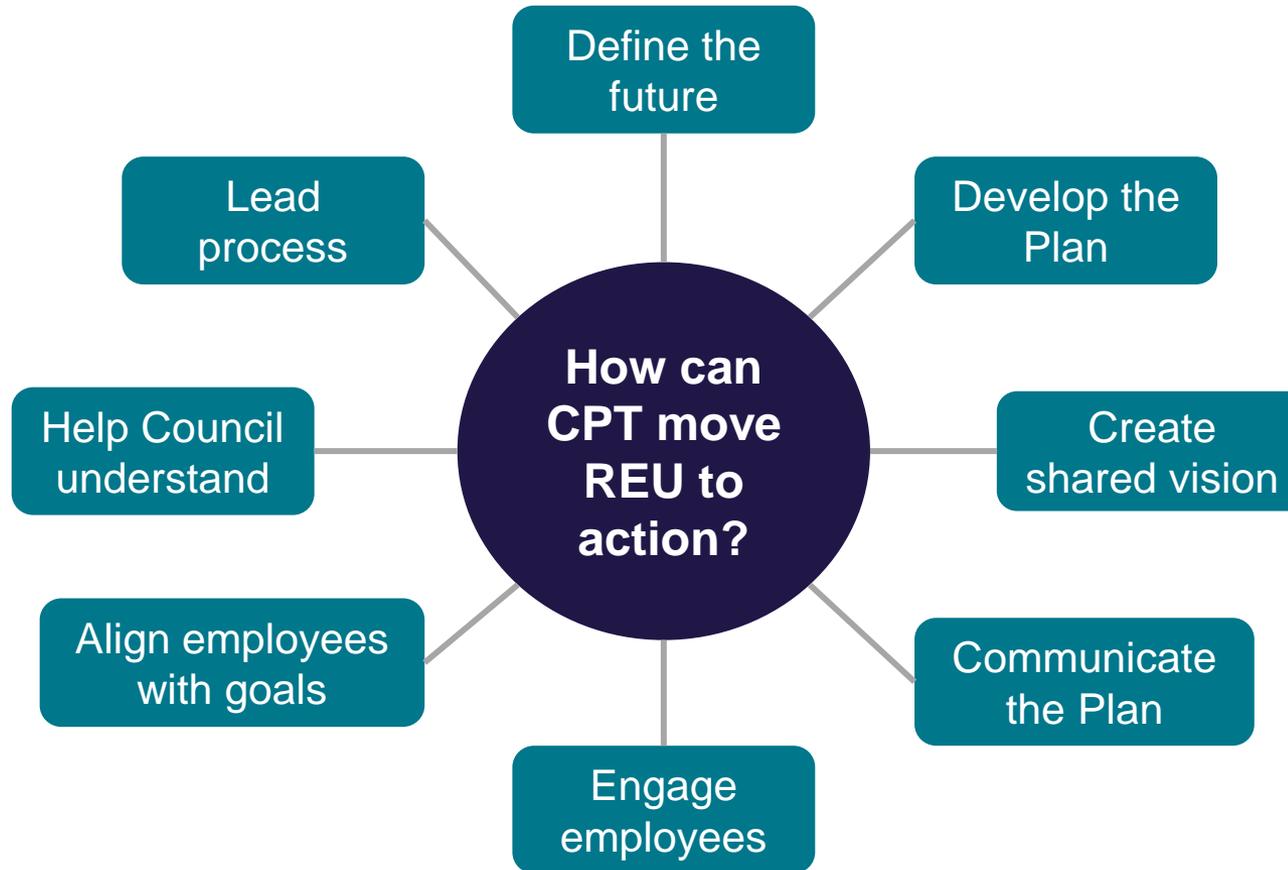
# Core Planning Team

Core Planning Team				
Barry Tippin	Mark Haddad	Matt Madison	Lowell Watros	Dave Gamble
Paul Cummings	Pat Keener	Jack Latiolais	Mike Adams	Margie Walker
Dan Beans	Nick Zettel	Bill Hughes	Kim Hein	Brad Panike
Brian King	Jeremy Ross	Marvin Briggs	Ben Goehring	
Bernie Fargen	Dave Jackson	Greg Deedon	Chris Holdren	

# Overview of REU's Strategic Planning Process



# CPT Purpose Statement



## CPT – Internal Feedback

- > When discussions were held with other staff, most were excited and hopeful about the idea of a strategic plan – others are curious, skeptical (a great deal in some instances) and concerned about prior planning failures
- > Some had ideas for improvement and shared their perspective on important issues
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- > City manager is supportive; Council is distracted by public safety and election issues; Commission is eager to get involved in the planning process.

## CPT – Internal Feedback (cont.)

- > Need to break away from the past
- > Value third party facilitating the process
- > Interested in what metrics will be developed to measure progress & success
- > Impact of rate increases & public perception
- > Workforce issues: retirements, need for succession plan, opinions around wage survey, desire for training & development
- > REU is key to quality of life in Redding, related to economic development
- > Would like answer to “how will this impact me?”

# Strategic Planning Elements

## Elements of a Strategic Plan

Term	Definition
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<b>Endorsement</b>	Balances need for buy-in with REU realities
<b>Core Values</b>	Attributes that are fundamental to the way we conduct business

## REU's Vision

- > Vision: What REU seeks to achieve overall from a high-level perspective.

*REU creates value and delivers exceptional services to our community through the strength of its employees*

## REU's Mission

- > Mission: Where REU wants to be in five years

*By 2020, REU will develop flexible, creative, innovative, and sustainable business practices to deliver economic, safe, and reliable customer services*

## REU's Core Values

- > **Public Service:** *We are accountable, ethical, honest, and transparent in everything we do for our customers, employees and community.*
- > **Customer Focus:** *We strive to provide excellent service in a courteous, professional manner and align our business practices to our customers' needs.*
- > **Teamwork:** *We work together to achieve common goals in an environment that fosters trust, collaboration, and continuous improvement.*
- > **Communication:** *We have honest, open and constructive communication with our employees, customers, community, business partners, council and commission.*
- > **Safety:** *We are committed to the safety our of employees, customers, community and environment.*

# Issue Development

# Issues, Strategies & Tactics

**Issue:** A problem, concern or challenge that REU must address

- > Structure: Must, needs, should statement creates sense of urgency and builds in prioritization
- > Example: Stakeholder relationships must improve

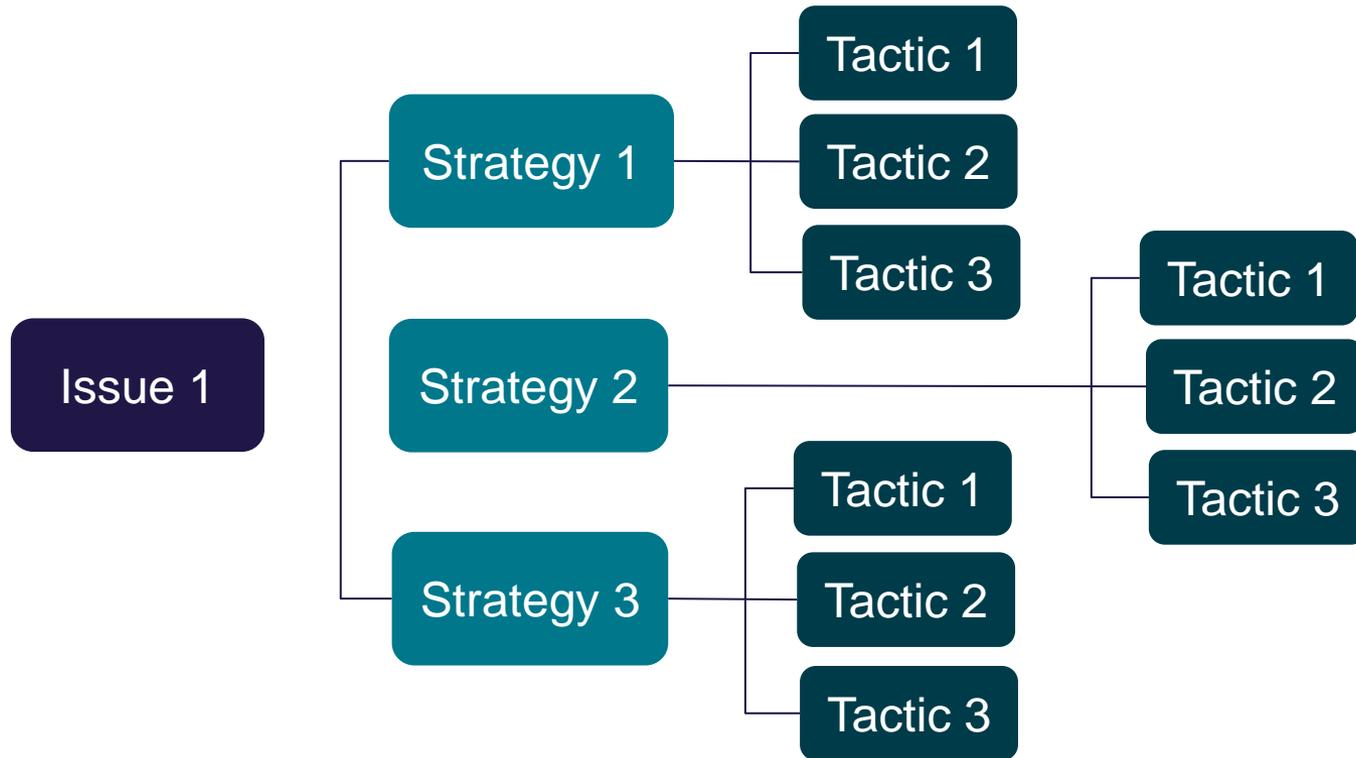
**Strategy:** How an Issue will be resolved

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**Tactic:** Specific work activities to accomplish a Strategy

- > Example: Develop a Marketing Plan

# Strategic Process Planning



Builds clear prioritization and implementation steps into Plan development; addresses/manages the multiplying effect of a creative process.

# Issue Statements

Issue: A problem, concern or challenge that REU must address

- We must improve our technology to deliver increased value to our customers
- We must attract, develop and retain a qualified workforce
- We must have an effective, healthy organization
- Our financial and business model must be enhanced to build a sustainable utility organization
- We must improve our communications with the City, the community, our customers and employees

# Issue 1: Our financial and business model must be enhanced to build a sustainable utility organization

- > Team Sponsors:

- > Bernie Fargen

- > Mark Haddad

- > Team:

- > Jack Latiolais

- > Margie Walker

- > Lowell Watros

# Issue 1: Our financial and business model must be enhanced to build a sustainable utility organization

- > Flexible and new programs and products for customers
- > Rate structure – flexible, stranded costs
- > Responsive to threats
- > Service policy
- > Stability
- > Scenario planning
- > Continuous improvement
- > Competitive
- > Tools for employees
- > Underground
- > Community asset – supports growth & economic vitality of the community
- > Protect customers

## Issue 2: We must have an effective and healthy organization

- > Team Sponsor:
  - > Dan Beans
- > Team:
  - > Marvin Briggs
  - > Ben Goehring
  - > Matt Madison

## Issue 2: We must have an effective and healthy organization

- > Opposite of dysfunctional
- > Training
- > Meet standard of care of the industry
- > Reliability
- > Fun place to work, employer of choice
- > Safety
- > Functional, tangible results provide Council opportunities to brag about REU
- > Customer service
- > Professionalism
- > Respect, trust, ethics, accountability, continuous improvement, teamwork, communication, stewardship

## Issue 3: We must improve our technology to deliver increased value to our customers

- > Team Sponsors:
  - > Paul Cummings
  - > Brian King
- > Team:
  - > Bill Hughes
  - > Jeremy Ross

## Issue 3: We must improve our technology to deliver increased value to our customers

- > Outdated equipment impacts efficiency of operations
- > Technology leads to customer benefits:
  - > Outage management
  - > Social media & communication
  - > Safety
  - > Customer information systems
  - > Distribution automation
    - > Distributed generation – reliability
  - > Mobile apps for employees & customers

## Issue 4: We must improve our communications

- > Team Sponsor:
  - > Pat Keener
- > Team:
  - > Greg Deedon
  - > Chris Holdren
  - > Dave Jackson
  - > Brad Panike

## Issue 4: We must improve our communications

- > Focused on developing marketing and communication efforts:
  - > Internal – for employees to have information to do their jobs and about what is happening at REU (newsletter, message board, intranet)
  - > External – includes customers, key accounts, community, developing efforts to improve these relationships, develop knowledge of the utility & create support
  - > Media – develop media relations
- > Community outreach
  - > School program, Leadership Redding
- > Consistent message from leadership team
- > Promote what REU does well

## Issue 5: We must attract, develop and retain a qualified workforce

- > Team Sponsor:
  - > Barry Tippin
- > Team:
  - > Mike Adams
  - > Kim Hein
  - > Nick Zettel

## Issue 5: We must attract, develop and retain a qualified workforce

- > Key aspect to the stability and sustainability of REU

## Next Steps

- > Core Planning Team continues to collect feedback
- > Issue Teams meet to continue Issue Development
  - > Strategies & Champions
  - > Tactics
- > Next Workshop:
  - > October 1 & 2, 2014
  - > Purpose: Finalize elements of REU's Strategic Plan

# Thank you!

**Patricia Cruz**

**PROJECT MANAGER**

512.651.6416

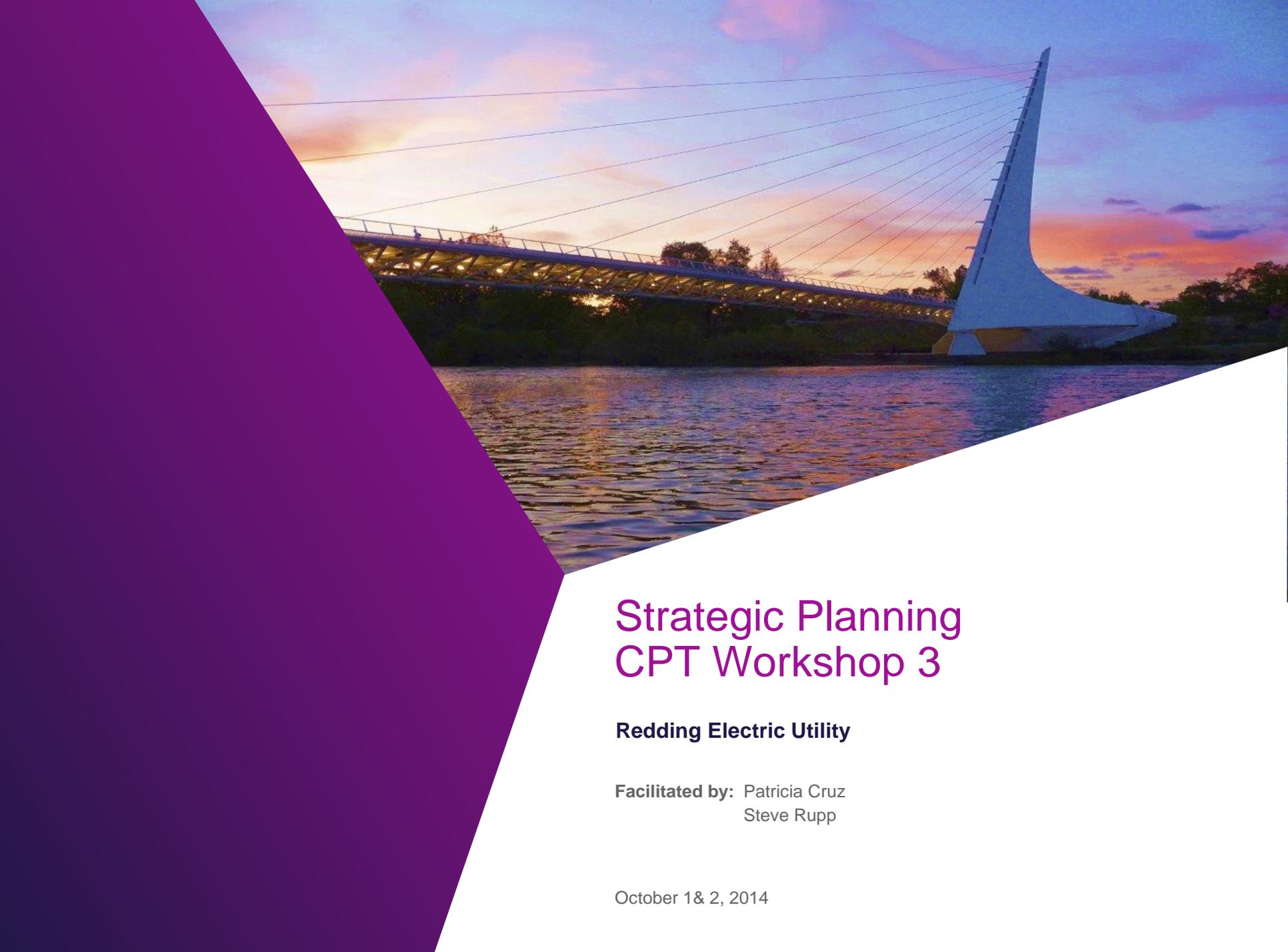
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# Strategic Planning CPT Workshop 3

**Redding Electric Utility**

**Facilitated by:** Patricia Cruz  
Steve Rupp

October 1 & 2, 2014

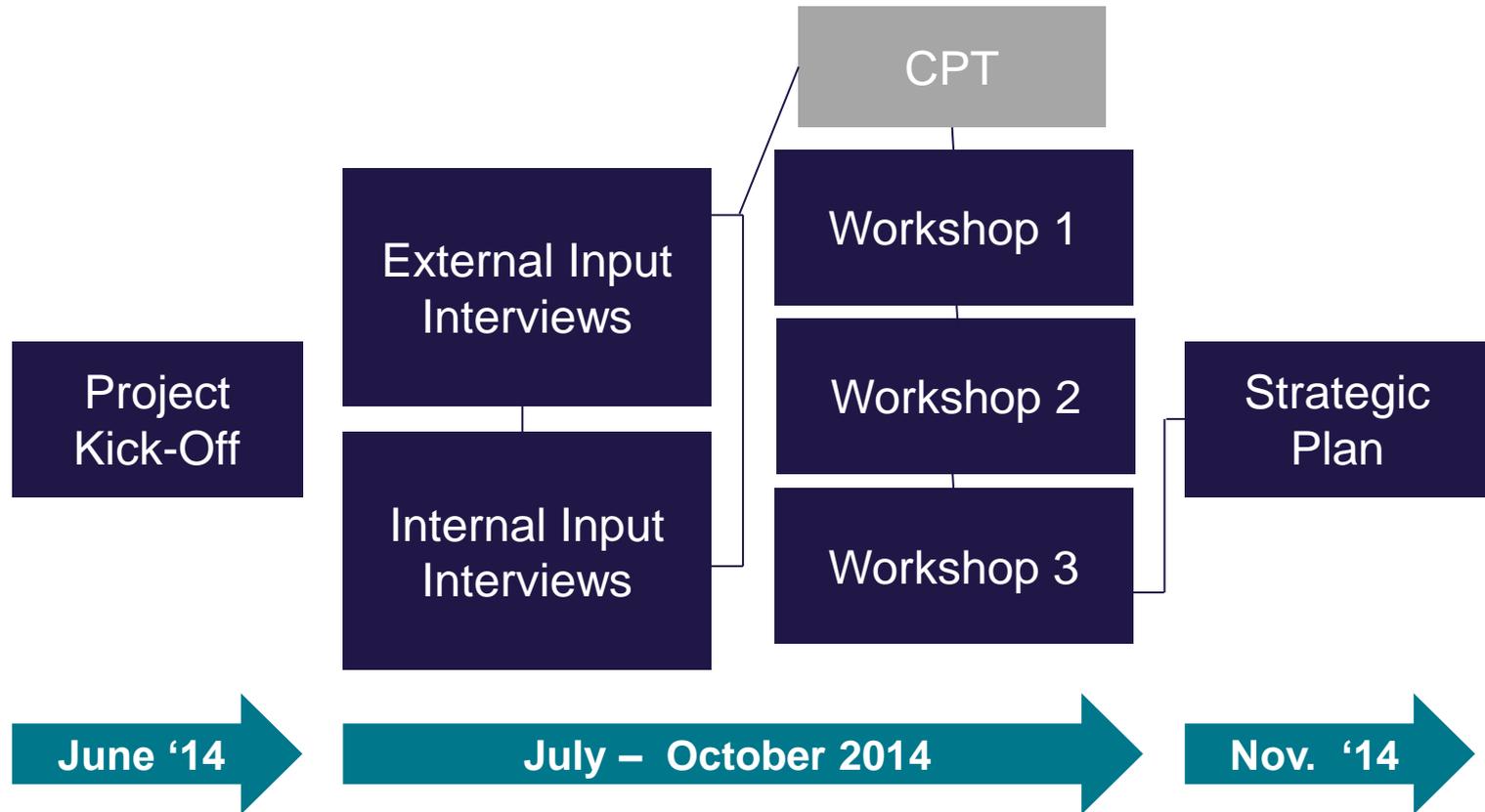
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<ul style="list-style-type: none"><li>› Strategic Planning Process Review</li></ul>	<ul style="list-style-type: none"><li>› Key Performance Indicators</li></ul>
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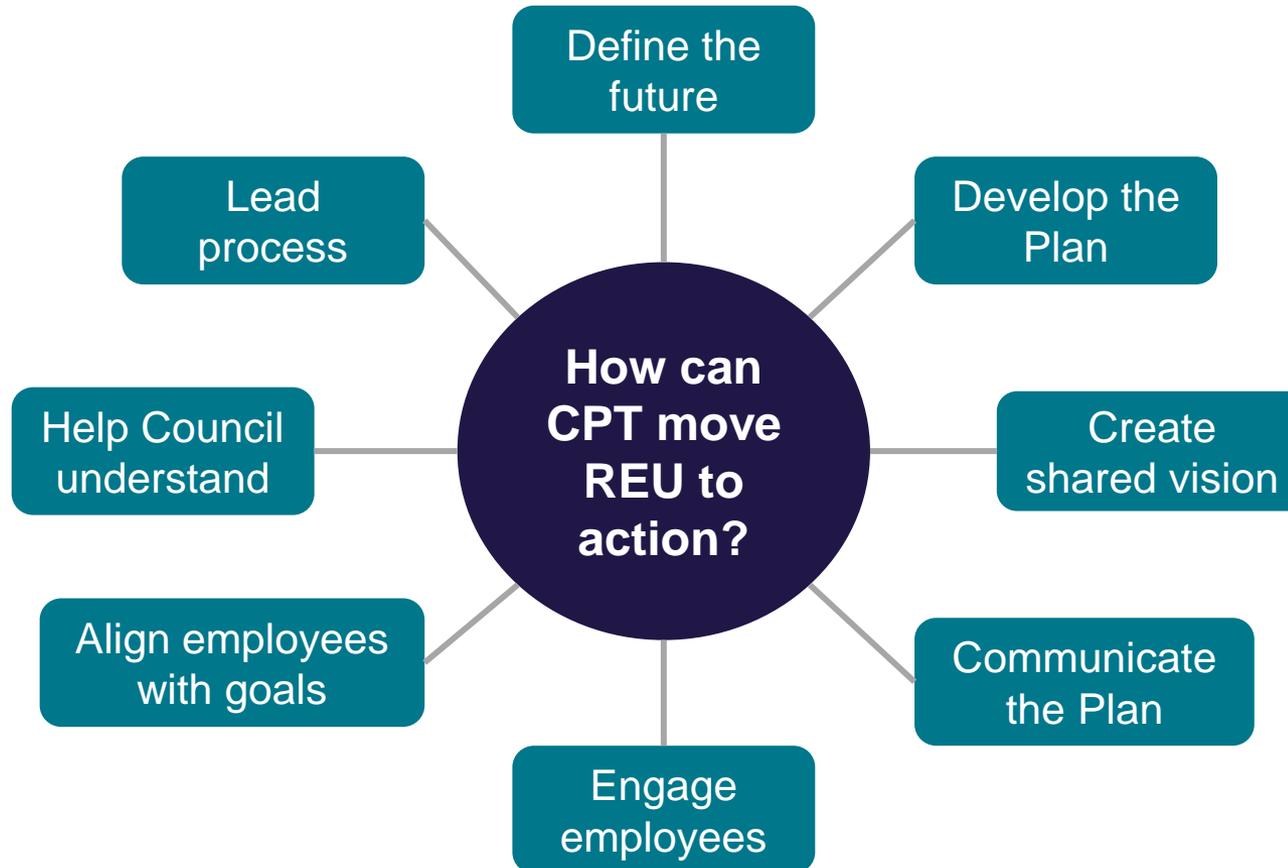
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- > Arrive on time, well rested and prepared to engage with the group for the full time.
- > Give us your undivided attention. Please limit the use of cell phones for email and such to the breaks that are provided approximately every 90 minutes.
- > Be respectful of your colleagues and provide your input, honestly, candidly and professionally.
- > Feel free to ask questions, seek clarification and challenge the process constructively.

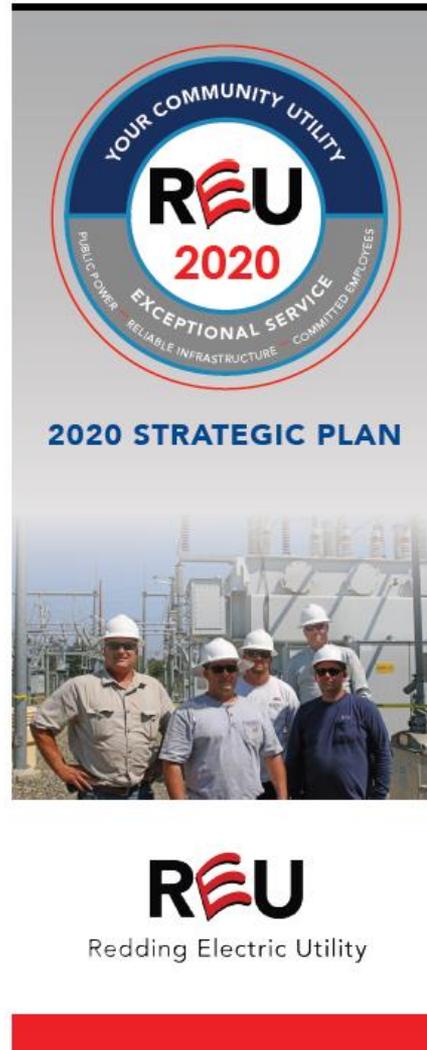
# Overview of REU's Strategic Planning Process



# CPT Purpose Statement



# DRAFT Brochure



## Elevator Speech

- > To support communication about the Strategic Plan, share with us your “Elevator Speech”
  - > What will you tell your co-workers, customers, neighbors, community about REU’s Strategic Plan?

## CPT – Internal Feedback

- > What actions have you taken to communicate/inform others within the REU organization about the Strategic Planning process?
- > What input or feedback have you obtained from others within the REU organization since we last met?

# Discussion: Strategic Planning Elements

## REU's Vision

- > Vision: What REU seeks to achieve overall from a high-level perspective.

*REU creates value and delivers exceptional services to our community through the strength of its employees*

## Vision 2019 Elements

### Customers

### Employees

### Value

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Our customers value a variety of programs and choices	Culture of safety	Commensurate with service (value v. cost)
Our customers value highly reliable service	Seen as a desirable employer	Fair and equitable
	Flexible and adaptable workforce to address uncertainty	Transparent & aligned with customer’s interests

## REU's Mission

- > Mission: Where REU wants to be in five years

*By 2020 REU will develop flexible, creative, innovative, and sustainable business practices to deliver economic, safe, and reliable customer services*

# Defining REU's Mission: Where REU wants to be in five years

## Key Elements:

- > Passionate about our purpose
  - > Delivering energy, value, comfort, and quality of life
- > Partners (Supporters) with the Community
  - > More money stays in the City because we are less expensive than PG&E
  - > We support community development, modernization and beautification
- > Performance
  - > Flexible, adaptable, proactive and responsive
  - > Leveraging local control to solve local issues



## Finalize Vision & Mission

- > Break-out into two groups: Vision and Mission
- > Finalize statements (30 minutes)
- > Present revised statements

# REU's Core Values: Attributes that are fundamental to the way we conduct business

- > **Public Service:** *We are accountable, ethical, honest, and transparent in everything we do for our customers, employees and community.*
- > **Customer Focus:** *Excellent customer service, customer value, attentive to customer satisfaction, aligned to customer needs, courteous, professional, fair and equitable.*
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- > **Safety:** *We are committed to the safety of our employees, customers, community and environment.*

## Finalize Core Values

- > Confirm whether these are the right core values
- > If descriptions are not acceptable
  - > Break out into five groups to finalize (30 minutes)
  - > Each group come back with what core value is missing, if any
- > Presentations

# Issue Development

# Issues, Strategies & Tactics

**Issue:** A problem, concern or challenge that REU must address

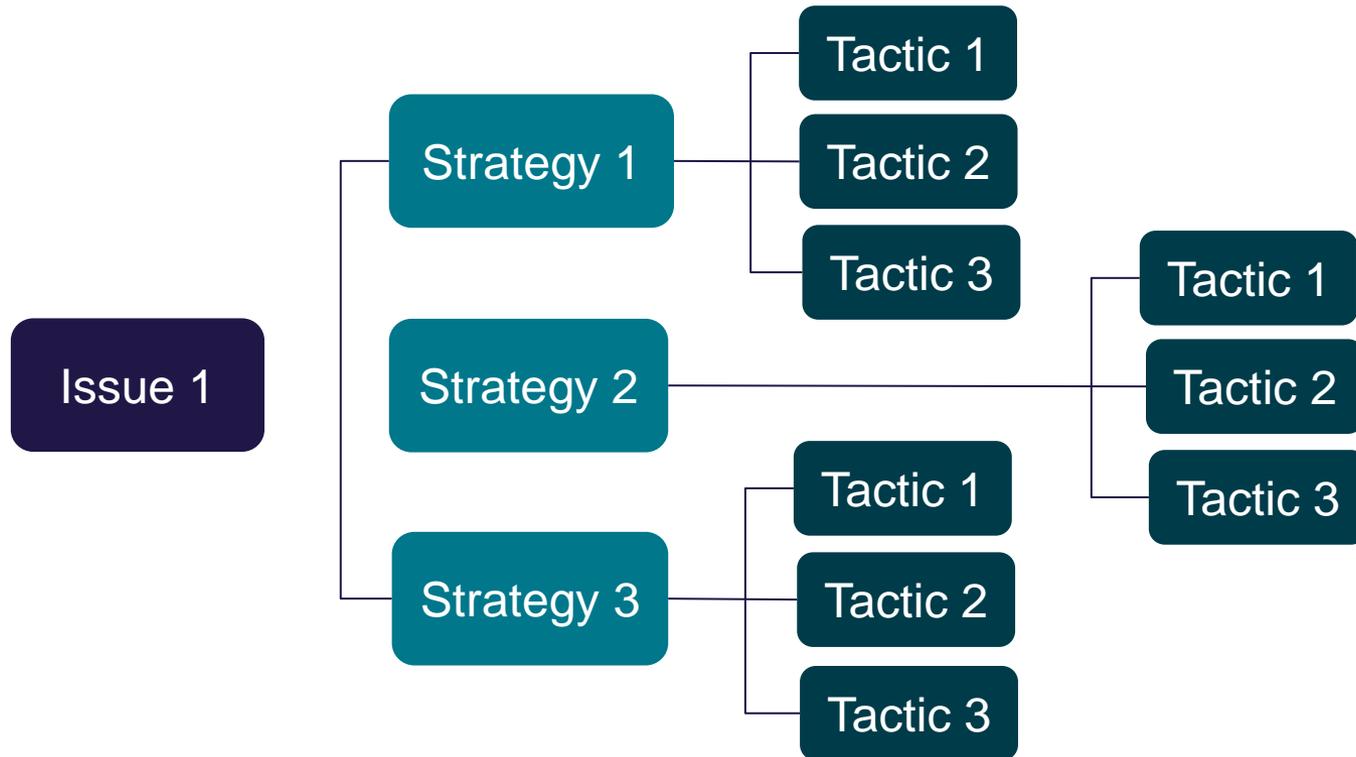
- > Structure: Must, needs, should statement creates sense of urgency and builds in prioritization

**Strategy:** How an Issue will be resolved

- > Structure: Feature + Verb + Benefit

**Tactic:** Specific work activities to accomplish a Strategy

# Strategic Process Planning



Builds clear prioritization and implementation steps into Plan development; addresses/manages the multiplying effect of a creative process.

# Feedback

- > Teams at various levels of completion
  - > Champions?
  - > Roadmap to guide actions to resolve Issue
  - > Additional Strategies?
  - > Suggestion: More than one tactic per strategy 3-5 tends to be more effective

# REU's Strategic Issue Statements

Issue	Sponsors	Team Members
Issue 1: Our financial and business model must be enhanced to build a sustainable utility organization	Bernie Fargen Mark Haddad	Jack Latiolais Margie Walker Lowell Watros
Issue 2: We must have an effective, healthy organization	Dan Beans	Marvin Briggs Ben Goehring Matt Madison
Issue 3: We must improve our technology to deliver increased value to our customers	Paul Cummings Brian King	Bill Hughes Jeremy Ross
Issue 4: We must improve our communications with the City, the community, our customers and employees	Pat Keener	Greg Deedon Chris Holdren Dave Jackson Brad Panike
Issue 5: We must attract, develop and retain a qualified workforce	Barry Tippin	Mike Adams Kim Hein Nick Zettel

# Issue 1: Our financial and business model must be enhanced to build a sustainable utility organization

Strategy	Champion	Tactics
Strategy 1: Responsible financial management practices ensure economic sustainability	Mark Haddad	T1: Develop rate structure/rates that equitably recover costs T2: Update utility reserve policy/update policies and procedures to ensure the best financial practices are followed This is broader than just a cash reserve policy T3: Complete and implement updated Service Policy T4: Develop strategic five-year Department budget T5: Maintain at least 20% avg. differential from PG&E rates
Strategy 2: A planning culture improves opportunities for success	Mark Haddad Lowell Watros	T1: Implement expanded and re-chartered Risk Management Committee for the Department T2: Develop and implement an IRP
Strategy 3: Asset mgt. reduces capital costs and improves reliability	Jack Latiolais	T1: Develop Department-wide facilities replacement program per local and industry standards for care of service
Strategy 4: Satisfied customers improve our community	Mark Haddad Mark Haddad Dan Beans Mark Haddad  Mark Haddad	T1: Develop prepaid electricity payment option T2: Install payment kiosks to improve customer convenience T3: Develop Solar Shares for scalable community projects T4: Increase residential rate options to enhance customer choice T5: Provide customers the ability to set up auto payment online and allow auto pay by credit card

## Issue 2: We must have an effective, healthy organization

Strategy	Champion	Tactics
Strategy 1: An effective organizational structure achieves our mission and vision	Barry Tippin Barry Tippin	T1: Conduct functional review of current and post-strategic plan organization T2: Implement results and recommendations of functional review
Strategy 2: Collaboration improves organizational health	Matt Madison Ben Goehring	T1: Create a cross-exposure program T2: Expand labor management group to include all functional areas in REU T3: Provide utility-wide functions
Strategy 3: A core-values driven organization facilitates a healthy and effective work environment	Jeff Granberry Dan Beans Barry Tippin	T1: Develop a comprehensive utility-wide safety program T2: Develop training program for new and existing employees to communicate the core values T3: Engaging leadership leads to sustainable organizational change
Strategy 4: A successfully implemented strategic plan is fundamental for organizational health and effectiveness	Barry Tippin	T1: Develop implementation process for strategic plan

## Issue 3: We must improve our technology to deliver increased value to our customers

Strategy	Champion	Tactics
Strategy 1: Enhanced operational awareness improves efficiency and reliability		T1: Develop a plan for real-time operational awareness T2: Implement enhanced modeling and planning tools T3: Develop AMI plan
Strategy 2: Enhanced customer experience improves customer satisfaction		T1: Implement customer information tools T2: Implement electric system information tools T3: Implement tools for enterprise communications
Strategy 3: Managing data and information enhances communication and decision making		T1: Implement internal data management processes T2: Develop internal data sharing plan
Strategy 4: Deploying and supporting technology promotes an effective organization		T1: Develop a technology O&M plan

## Issue 4: We must improve our communications

Strategy	Champion	Tactics
Strategy 1: Communicating the value of REU enhances community perception	Jeff Granberry Matt Madison Greg Deedon	T1: Develop a Strategic External Advertising Communications Plan T2: Develop a Strategic Media Relations Communications Plan T3: Develop a Strategic External Marketing Communications Plan
Strategy 2: Enhanced internal communications improves the health of the organization	Matt Madison	T1: Develop an Internal Strategic Communications Plan

## Issue 5: We must attract, develop and retain a qualified workforce

Strategy	Champion	Tactics
Strategy 1: Effective recruitment builds for the future and promotes diversity	Barry Tippin	T1: Enhance the recruiting process T2: Perform a biennial review of job specifications T3: Conduct biennial reviews of public and private sector employment compensation packages to ensure marketability
Strategy 2: Succession planning retains organizational knowledge and provides career development opportunities	Barry Tippin	T1: Develop a succession plan T2: Establish career development plans T3: Develop utility-wide training program
Strategy 3: Retaining qualified employees is essential to long-term workforce stability		T1: Develop employee recognition program T2: Develop safety recognition program T3: Develop an informal mentorship program T4: Develop supervisor advisory committee

# Strategic Planning Workshop Day 2

# Agenda – Day 2

## Day 2

- › Day 1 Highlights
- › Strategy Statements
  - › Finalizing Issue Worksheets
- › Key Performance Indicators
- › Goals
- › Next Steps
  - › Summary of meeting
  - › Draft of Strategic Plan
  - › Communication
    - › Brochure

## Strategy Discussion

- > Divide into Issue Teams to Finalize Tactical Action Plan Sheets (electronic copies):
  - > Tasks
  - > Key Decision Points
  - > Dependencies
  - > Resources
  - > Schedule & Milestones
  - > Champions
  - > Prioritization

## Monitoring Progress

- > **Key Performance Indicators (KPI):** How progress will be measured
- > **Goals:** How your organization will know when an Issue has been resolved

# Issue Team Presentations

# Next Steps

## Next Steps

- > Leidos will Summarize this Meeting
- > Draft of Strategic Plan
  - > Including Tactical Action Plan Worksheets
- > Communication
  - > Launch of Strategic Plan
  - > Brochure

# Thank you!

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## Financial

Our financial and business model must be enhanced to build a sustainable utility organization



Our current business models are stressed by many factors. Among the top concerns are environmental pressure on economic sustainability, managing and planning for uncertainty, taking good care of our aging infrastructure, and providing value to our customers.

Environmental regulations and policies aimed at reducing greenhouse gas emissions are focused on conservation, energy efficiency, renewable resources, and distributed generation. However, when customers use less energy, the utility collects less of the revenue needed to operate and maintain the distribution system because our current rate structures don't ensure recovery of our fixed operating costs. We want rates and business models that reduce greenhouse gas emissions, help customers save money all while providing just enough revenue to maintain safety and reliability.

In times of great uncertainty, we need to change our approach to planning. We used to make investments with 20 and 30 year horizons in mind but because of uncertain market forces, volatile fuel and energy prices, a fragile local economy and other forces, we have to make decisions with more flexibility so our planning horizons are moving nearer. Accordingly, we must update our plans and forecasts much more frequently and we must explore more options and scenarios to ensure we make the best decisions.

As our infrastructure continues to age, we need to look to new business practices to maintain reliability, operate safely, and manage our costs responsibly. Using better data collection and analytics, we can better predict future maintenance and replacement costs, prioritize the expenditures to get the best impact on safety and reliability, and look for creative and innovative ways to manage our operating costs and reliability.

And finally, we never lose sight of the fact that even when faced with changing energy policies, upward cost pressures, shortened planning horizons, and aging infrastructure, ensuring that we satisfy our customers remains a high priority. Public power is a special privilege that only a fraction of the nation enjoys. Working for you, our customers, is the most important thing we can do to ensure that the community continues to enjoy safe, reliable, and affordable electricity.



# Financial

## STRATEGY 1

**Responsible financial management practices ensure economic sustainability.**

### Tactics

- Develop rate structure/rates that equitably recover costs
- Update utility reserve policy/update policies and procedures to ensure the best financial practices are followed
- Complete and implement updated Service Policy
- Develop strategic five-year Department budget
- Maintain a competitive differential from PG&E's average system rate

## STRATEGY 2

**A planning culture improves opportunities for success.**

### Tactics

- Implement expanded and re-chartered Risk Management Committee for the Department
- Develop and implement an Integrated Resource Plan (IRP)

## STRATEGY 3

**Asset management reduces capital costs and improves reliability.**

### Tactics

- Develop distribution facilities replacement program per local and industry standards for care of service
- Develop generation facilities maintenance and replacement program per local and industry standards for care of service

## STRATEGY 4

**Satisfied customers improve our community.**

### Tactics

- Develop Self-Service Suite
- Develop scalable community solar projects
- Increase residential service options to enhance customer choice





## Organization

We must have an effective and healthy organization



REU is a complex enterprise responsible for buying and selling power in dynamic financial markets; operating and maintaining a large power generating facility, 12 substations, and over 700 miles of overhead and underground power lines; monitoring and managing endless regulatory and legislative issues; developing and delivering programs and services to help our customers use energy efficiently; and a myriad of other efforts needed to deliver safe, reliable, and affordable electricity to the community. As our business is complex, so is our organization of over 160 professionals, from line-crews to engineers, to accountants, and dozens of other professions all dedicated to providing value to our customers. As part of our strategic planning effort, we will look closely at our organization to ensure we have effective leadership, efficient business processes, the right structure, the best people empowered and positioned to grow - open communication and other characteristics of a successful business.

To quantify the effectiveness of the current organization, we will review our key business processes and procedures, succession plans, departmental business progress reports, and our performance measures. We plan to compare our performance with that of similar utilities through a benchmarking and best practices review. Based on our analysis, we will establish goals and timelines for future performance levels, as well as identify any structural changes that are necessary to help us meet our goals.

A core value of REU is ensuring the safety of our employees and our customers. One of our initiatives is to strengthen our commitment to safety by implementing a comprehensive safety program.

Looking ahead to the changes in the utility industry and the challenges of operating a modern electric utility, we need innovative solutions delivered by a flexible and responsive organization that will deliver value to our customers. Ensuring that REU is an effective and healthy organization is an important component of our Strategic Plan.



# Organization

## STRATEGY 1

**An effective organizational structure achieves our Mission and Vision.**

### Tactics

- Conduct functional review of current and post-strategic plan organization including work flow and process improvements

## STRATEGY 2

**Collaboration improves organizational health.**

### Tactics

- Create a cross-exposure program
- Provide utility-wide functions

## STRATEGY 3

**A core-values driven organization facilitates a healthy and effective work environment.**

### Tactics

- Develop a comprehensive utility-wide safety program

## STRATEGY 4

**A successfully implemented Strategic Plan is fundamental for organizational health and effectiveness.**

### Tactics

- Develop implementation process for Strategic Plan

DRAFT



## Technology

We must improve our technology to deliver increased value to our customers



REU depends on technology in every facet of our business – from the desktop computers we use, to the engineering and planning models we rely on, to the advanced control systems that we use to operate our power plant and power delivery system. Technology has become so essential to electric utility operations that it has become part of the infrastructure we must maintain – just like poles and wires and transformers. REU is dedicated to providing cost-effective services to our customers through the use of proven technologies. With the dramatic changes in renewable energy, energy control systems, and customer interaction, a thorough review of our technical systems is needed to analyze potential technical opportunities.

Our strategy for addressing technology begins with the development of a thorough technology road map in which we will identify our future business needs, evaluate our business processes and current technologies, and examine industry trends and best practices. We will assess which of our existing technologies should be enhanced, what technologies could be outsourced, and what new technologies should be implemented. New technologies will help us improve operations by automating business processes, improve electric service reliability by reducing the time it takes to locate and restore outages and conduct better planning and engineering analysis using improved mapping and modeling tools.

The technology assessment will allow REU to evaluate the costs and benefits of various technologies, understand the priority and pace of implementation, and evaluate the changes we will have to implement, all of which will provide a logical road map for putting technology to work to deliver value to our customers.



# Technology

## STRATEGY 1

**Enhanced operational awareness improves efficiency and reliability.**

### Tactics

- Enhance real-time operational awareness
- Implement enhanced modeling and planning tools

## STRATEGY 2

**Enhanced customer experience improves customer satisfaction.**

### Tactics

- Implement customer interface tools
- Implement electric system information tools
- Implement tools for enterprise communications

## STRATEGY 3

**Managing data and information enhances communication and decision-making.**

### Tactics

- Implement internal data management processes
- Develop internal data sharing plan

## STRATEGY 4

**Deploying and supporting technology promotes an effective organization.**

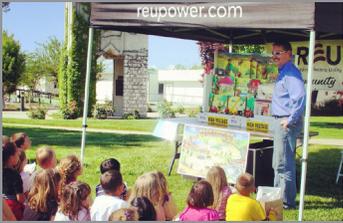
### Tactics

- Develop a technology road map
- Develop a technology Operations and Management Plan



## Communications

We must improve our communications



Information, both useful and not, both good news and bad, is available around the clock, at our finger tips. Television, radio, print, and social media provide a never-ending stream of messages and more than ever, REU is in that stream. Mostly, we are in the information stream as a consumer of news, information, and data. Sometimes we are the topic of the information stream, especially when the news is not good. Looking forward, we think our most vital role in the increasing information stream is communicating with our customers.

We need effective methods to communicate the value of public power to the community we serve. Too many customers do not understand that REU is owned and governed by its customers, do not generate profits to the benefit of a shareholder, and provides community-focused programs and services based on what the community wants. Establishing successful two-way communications with our customers allows us to raise awareness, provide education, address customer concerns, and encourage customer participation in the electric system. It helps customers understand the programs and services we offer, the options and choices available to reduce utility costs, and the changes and uncertainties we are facing in the energy industry.

Social media, for example, has become an important voice of the customer and a venue for real-time interactions with them. While the electric utility industry as a whole, including REU, has been slower to adopt this type of media than some other sectors of the economy, we plan to increase our efforts in this area to further engage our customers using the communications methods that are most important to them. We will have to become more creative, more flexible, and more accommodating of all kinds of communication methods.

Finally, REU looked internally at how we communicate with each other; we looked at the quality of our internal communications and we discovered we need to improve. By understanding how all forms of internal communications ultimately impact our customers' experience with the Utility, as well as the health of our organization, we will be better equipped to foster a culture of improved internal communications that focuses on customer needs and creates a healthier organization.



# Communications

## STRATEGY 1

**Communicating the value of REU enhances community perception and the sustainability of our business.**

### Tactics

- Evaluate the need for a new Communications Officer / Public Information Officer professional

## STRATEGY 2

**Enhanced external communications improve stakeholder relationships.**

### Tactics

- Implement REU Strategic Media Relations Plan
- Implement REU Social Media Program/Plan
- Implement Strategic External Communications and Marketing Plan
- Implement Strategic Advertising Plan

## STRATEGY 3

**Enhanced internal communications improve the health of the organization.**

### Tactics

- Implement Strategic Internal Communications and Marketing Plan
- Improve management communication with staff

DRAFT





## Workforce

We must attract, develop, and retain a qualified workforce



Across the nation, and specifically within the electric utility industry, attracting, developing, and retaining a qualified workforce are significant challenges. Experienced managers, engineers, and skilled electrical workers are among the most difficult positions to fill in public power. Supporting Science, Technology, Engineering, and Math (STEM) programs from elementary school to higher education is one strategy that utilities are turning to. While this holds promise for future generations, over the next ten years the issue of finding qualified people to staff these types of positions in public power is expected to worsen. Competitive forces are making the problem even harder as our employees, especially those with five to fifteen years of experience, are attracted to higher paying jobs at bigger utilities or to positions outside the utility sector in more innovative and progressive industries.

Recruiting and training new workers is an essential function for public power utilities and taking steps to handle this challenge will allow REU to continue to reliably serve our customers. REU is looking at strategies that will help us become an employer of choice -- looking beyond economic features to culture, training, and innovation as factors important to attracting a qualified workforce. We will focus on keeping our valuable employees through career development plans, training, mentoring, and employee recognition programs. Finally to address expected retirements of highly experienced employees, we are developing a succession plan that will allow us to capture valuable institutional knowledge before long-term workers depart the utility.



# Workforce

## STRATEGY 1

**Effective recruitment builds for the future and promotes diversity.**

### Tactics

- Enhance and streamline the recruiting process
- Perform a biennial review of job specifications
- Conduct biennial reviews of public and private sector employment compensation packages to ensure marketability

## STRATEGY 2

**Succession planning retains organizational knowledge and provides career development opportunities.**

### Tactics

- Develop a succession plan
- Establish career development plans
- Develop a mentorship program and new employee orientation program

## STRATEGY 3

**Retaining qualified employees is essential to long-term workforce stability.**

### Tactics

- Develop utility-wide training program
- Develop employee recognition program
- Develop safety recognition program
- Develop Director's supervisor advisory committee

# 2020 STRATEGIC PLAN



## REU'S VISION

REU, as Redding's community-owned electric utility, creates value and delivers exceptional services through the strength of its employees.

## REU'S MISSION

By 2020, Redding Electric Utility will have established flexible, creative, innovative, and sustainable business practices while continuing to deliver valuable, safe, and reliable services for its customers.



Redding Electric Utility



# Financial

Our financial and business model must be enhanced to build a sustainable utility organization

1. Responsible financial management practices ensure economic sustainability.
2. A planning culture improves opportunities for success.
3. Asset management reduces capital costs and improves reliability.
4. Satisfied customers improve our community.



## 2020 STRATEGIC PLAN

*By 2020, Redding Electric Utility will have established flexible, creative, innovative, and sustainable business practices while continuing to deliver valuable, safe, and reliable services for its customers.*





# Organization

We must have an effective and healthy organization

1. An effective organizational structure achieves our Mission and Vision.
2. Collaboration improves organizational health.
3. A core-values driven organization facilitates a healthy and effective work environment.
4. A successfully implemented Strategic Plan is fundamental for organizational health and effectiveness.



## 2020 STRATEGIC PLAN

*By 2020, Redding Electric Utility will have established flexible, creative, innovative, and sustainable business practices while continuing to deliver valuable, safe, and reliable services for its customers.*





# Technology

We must improve our technology to deliver increased value to our customers

1. Enhanced operational awareness improves efficiency and reliability.
2. Enhanced customer experience improves customer satisfaction.
3. Managing data and information enhances communication and decision-making.
4. Deploying and supporting technology promotes an effective organization.



## 2020 STRATEGIC PLAN

*By 2020, Redding Electric Utility will have established flexible, creative, innovative, and sustainable business practices while continuing to deliver valuable, safe, and reliable services for its customers.*





# Communications

We must improve our communications

1. Communicating the value of REU enhances community perception and the sustainability of our business.
2. Enhanced external communications improve stakeholder relationships.
3. Enhanced internal communications improve the health of the organization.



## 2020 STRATEGIC PLAN

*By 2020, Redding Electric Utility will have established flexible, creative, innovative, and sustainable business practices while continuing to deliver valuable, safe, and reliable services for its customers.*





# Workforce

We must attract, develop, and retain a qualified workforce

1. **Effective recruitment builds for the future and promotes diversity.**
2. **Succession planning retains organizational knowledge and provides career development opportunities.**
3. **Retaining qualified employees is essential to long-term workforce stability.**



## 2020 STRATEGIC PLAN

*By 2020, Redding Electric Utility will have established flexible, creative, innovative, and sustainable business practices while continuing to deliver valuable, safe, and reliable services for its customers.*



## 2020 STRATEGIC PLAN

# Your Input Matters



*Visit each station to get a stamp  
in each box on the back of this card.  
Provide your completed comment card to  
an REU host to receive a complimentary gift.*

REU



*We value your opinion and welcome suggestions. Please provide comments and your contact information and leave this card in the comment box. We will make every effort to respond.*

**COMMENTS:**

**NAME:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

**PHONE:** \_\_\_\_\_

**EMAIL:** \_\_\_\_\_