



Legislation Details (With Text)

File #:	18-1559	Version:	1	Name:	
Type:	Public Hearing/General Business	Status:		Agenda Ready	
File created:	11/15/2018	In control:		Council and Authorities Concurrent Meeting	
On agenda:	12/4/2018	Final action:			
Title:	Action to Add Two Assistant Directors of Electric Utility and Revise Assistant Director of Electric Utility Job Description to Align with the Strategic Plan Implementation				
Sponsors:					
Indexes:	CC				
Code sections:					
Attachments:	1. Silicon Valley Power Existing Organization, 2. Silicon Valley Power Proposed Organization, 3. Job Description for Assistant Director of Electric Utility, 4. POST MEETING MATERIAL				

Date	Ver.	Action By	Action	Result
12/4/2018	1	Council and Authorities Concurrent Meeting	Approved	Pass

REPORT TO COUNCIL

SUBJECT

Action to Add Two Assistant Directors of Electric Utility and Revise Assistant Director of Electric Utility Job Description to Align with the Strategic Plan Implementation

BACKGROUND

During the development of the City's 2018 Silicon Valley Power (SVP) Strategic Plan (Strategic Plan), a key initiative was to review the Department's organizational design to ensure it aligns with a high level of service delivery, resource optimization, and staff development. In addition to the organizational structure requirements to successfully implement the SVP Strategic Plan, the upcoming retirement of the long-tenured Chief Electric Utility Officer (CEUO) surfaced the need to reevaluate the organizational structure. This provides an opportunity to move the process forward toward a more sustainable structure which improves organizational efficiency and transparency, and supports better succession planning. The Department will continue to leverage the historical knowledge and experience of individuals while making certain top level organizational adjustments to aid in the transition to a new CEUO and support a more complete SVP organizational review and assessment. The electric utility industry is rapidly changing both by regulation and innovation and SVP must have the resources in place to keep up with its customer needs.

City Council approves all salary schedules and job descriptions pursuant to the City's Personnel & Salary Resolution, Sections 4, 6, and 9.

DISCUSSION

The current organizational structure, Attachment 1, includes the key leadership positions of the Electric Utility Chief Operating Officer and two Assistant Directors. The Assistant Director of Distribution is in charge of the engineering, operation, and maintenance of the utility as well as connection of new load and system infrastructure projects. The Assistant Director of Planning and

Strategic Services manages resource planning, acquisition and delivery, debt management and budget, customer engagement, departmental IT, fiber optic services, accounts payable, and contract administration. This structure embeds the administrative and business related functions in the two operating groups resulting in unwieldy and overlapping span of functional control.

In order to achieve maximum performance, ensure excellent cross-divisional coordination, and sound succession planning, an organizational restructure is recommended. The level of ongoing customer load growth and capital projects driven and funded by development requires significant departmental resources. The commitment of these resources on meeting the customer growth distracts from the focus and efforts on the operation and maintenance of the existing system and customer service. By separating customer development from operations and maintenance, the Electric Utility will increase operational performance and improve our customer experience. The addition of the Business Services Division will centralize administrative functions and will allow for increased oversight, transparency, and accountability of departmental functions.

The proposed structure, Attachment 2, includes two additional Assistant Directors of Electric Utility (ADEU) and distributes key services and operations among the four functional divisions. The four divisions are as follows:

- **Resource Planning and Customer Engagement**
This division provides resource acquisition and delivery, customer relations and sustainability, forecasting and resource planning, and external relations.
- **Customer Development and Project Management**
This division manages SVP's review and connection of new customer development, and major system infrastructure projects including additions required to serve new load.
- **Electric Utility Operations**
This division provides safe, efficient operations and maintenance of SVP's generation, transmission, and distribution infrastructure.
- **Business Services**
This division provides administrative services including budget and debt management, City Council agenda coordination, contract administration, HR coordination, staff development and training, and state and federal regulatory compliance.

The proposed changes separate duties that were held as collateral assignments either by the CEUO or management staff. This structure formalizes the need for dedicated focus on risk and regulatory compliance within each of these divisions and structures the operational divisions to be nimble for emerging innovation in each electric utility discipline. This structure improves accountability, division assignments, and positions the organization to implement the Strategic Plan with role alignment.

A new job description for the Assistant Director of Electric Utility is outlined in Attachment 3. The job description combines the two existing descriptions, identifies the four functional divisions, and expands the qualifications and duties to encompass the four divisions.

Salaries and Compaction

Recruitment and retention is challenging in this industry, which is largely influenced by quasi- or private sector businesses that are able to compensate their employees much higher. It is not uncommon for staff to begin their work at SVP and be recruited into other agencies where compensation is higher. The City has been studying and researching the compensation of SVP as part of the Strategic Plan and pending retirement of the CEUO to better understand the

organizational needs to recruit and retain talent in one of the nation's toughest labor markets. Market pressures from investor and publicly owned utilities and consumer choice aggregators have led to compensation adjustments for certain bargaining units, which have created compaction of salaries of classified positions and unclassified management positions. Adjusting salary ranges to provide for adequate separation of salaries is required for the successful recruitment and retention of qualified staff. For example, in some cases, the difference between SVP management salaries and the positions they supervise, excluding overtime, is as low as 1.2%. In these cases, there is no incentive to promote into the management position and given the scarcity of talent, SVP is focusing on growing talent from within. The classifications affected by the compaction are the Electric Program Manager, Principal Electric Utility Engineer, Electric Division Manager, Senior Electric Division Manager, Assistant Director of Electric Utility, and the Electric Utility Chief Operating Officer. The salary adjustments will require meeting and conferring with the unclassified bargaining Unit 9 which represents these positions prior to City Council action modifying salary schedules.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

There is no fiscal impact from approving the new job description. The two new ADEU positions may increase salary and benefit costs up to approximately \$300,000 for the remainder of the fiscal year. Salary and benefit costs from the salary compaction correction may result in an increase of up to approximately \$200,000 for the remainder of the fiscal year. Salary and benefit expenditures are currently running under budget due to departmental vacancies. No additional FY 2018/19 budget amendments are expected and additional costs will be incorporated in the development of future budgets.

COORDINATION

This report has been coordinated by the Finance Department and City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

ALTERNATIVES

1. Approve the addition of two new Assistant Director of Electric Utility positions.
2. Approve the revised job description for Assistant Director of Electric Utility.
3. Authorize the City Manager to study salary compaction, meet and confer with Unit 9, and return to Council with an adjusted salary schedule for Unit 9, as necessary.
4. Any other action the Council deems appropriate.

RECOMMENDATION

Alternatives 1, 2, and 3:

1. Approve the addition of two new Assistant Director of Electric Utility positions;
2. Approve the revised job description for Assistant Director of Electric Utility; and
3. Authorize the City Manager to study salary compaction, meet and confer with Unit 9, and return to Council with an adjusted salary schedule for Unit 9, as necessary.

Reviewed by: John C. Roukema, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Silicon Valley Power Existing Organization
2. Silicon Valley Power Proposed Organization
3. Job Description for Assistant Director of Electric Utility