



### City Light Review Panel Meeting Meeting Minutes

**Date of Meeting: September 23, 2011**

MEETING ATTENDANCE					
Panel Members:					
Name		Name		Name	
David Allen	x	Matt Lyons	✓	Debbie Tarry	✓
Sylvester Cann IV	✓	Stan Price	✓	Eugene Wasserman	✓
Tom Lienesch	✓	Julie Ryan	✓	Sue Selman	✓
Staff and Others:					
Phil Leiber	✓	Tony Kilduff	✓	DaVonna Johnson	✓
Maura Brueger	✓	Calvin Chow	✓	Mike Haynes	✓
Kim Kinney	✓	Michael Jerrett	x		
Suzanne Hartman	x	Phil West	✓		
Jorge Carrasco	✓	Steve Kern	x	Rollin Fatland	✓
Karen Reed	✓	Jim Baggs	✓	Charles Broches	✓

#### **Call To Order**

The meeting was called to order at 11:00 a.m.

#### **Welcome & Introductions**

Karen Reed welcomed everyone to the meeting and began with a review and approval of the agenda. The agenda was approved.

#### **Approval of Minutes**

Karen asked the meeting participants to review the draft meeting minutes of August 5, 2011. The minutes were approved as submitted.

#### **Presentations / Information**

Panel Co-Chair Eugene Wasserman reported that he and Stan Price met recently with Mayor McGinn, Ethan Raup, and Calvin Chow. Their objective was to keep in touch with the Mayor periodically to check in and ensure he's apprised of what's going on with the Review Panel. He reported that it was a very positive meeting; the Mayor is engaged and he looks forward to staying connected on the Strategic Plan. The Co-Chairs have also met with the Superintendent a few times to review the Strategic Plan schedule. Eugene also commented that he met with Councilmembers Licata and Clark.



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Karen Reed summarized the upcoming Review Panel meeting schedule and agenda topics. By the end of October, the schedule is to circulate a draft strategic plan outline and then spend most of November following up on the Panel's feedback.

Karen reported that the City Light Review Panel general mailbox recently received a copy of a letter from Energy Strategies on behalf of Manufacturing Industrial Council (MIC). The letter was sent directly to Councilmember Bruce Harrell's office. Phil Leiber advised that the Utility will assist CM Harrell's office as necessary in preparing a response to the letter.

Karen reviewed two handouts with the group representing the summary of the employee outreach and online survey results. She noted that the themes heard in the public outreach were repeated in the employee surveys. She referred to Attachment D which showed how both the public and employees responses to the online survey.

Karen introduced the discussion on matters related to the Workforce Initiatives. She recounted that in August, the Review Panel asked if the HR initiatives could be recast to show the key strategic action items. Karen explained that Attachment E illustrated the key strategies and underneath each were the specific tactical efforts to support them.

DaVonna Johnson presented an overview of the City's collective bargaining process describing the roles of various City officials, the Council, and staff. DaVonna noted that some issues need to be formally negotiated with the unions, including items such as changes in wages, hours, or working conditions (which could include changes in reporting relationship(s) and changes in work rules). Other items can be resolved by informal agreement with the unions and do not require formal contract changes.

The group discussed the workforce initiatives and how it was not advantageous to have so many restrictions within a job classification. In order to improve efficiencies, job classifications would need to be broadened. Job satisfaction and employee retention also can suffer because of the current rules in place.

Karen Reed and Phil Leiber next spoke on the core themes, ranking, and tiering documents. The meeting participants discussed the contents and Karen explained how the criteria reviewed previously by the Panel translated to sorting the various initiatives into three different tiers. Phil Leiber noted that the Executive Team has not yet defined the details of the preferred path, and that the Team intends to describe the rate impacts of both the preferred path and some selected options or alternatives to the preferred path.

Karen reviewed the one page roll-up (attachment K) showing the core theme areas and how they relate to the 4 priority areas and 12 objectives identified earlier this year. She noted that the outreach feedback focused primarily on reliability, investing in infrastructure, and workforce challenges and this feedback led the Executive Team to develop the proposed four core theme areas. Phil stated that we will move towards getting more quantitative customer feedback in our next outreach effort.



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Mike Haynes gave a presentation on the Gorge 2<sup>nd</sup> Tunnel project. This project would increase the Gorge Dam power plant efficiency and contribute to the goal of meeting load growth with conservation and renewables. He advised that the utility took a further hard look at the economics for the project and did a sensitivity analysis. They concluded that they should suspend project development until economics improve and/or City Light's need for physical power is required. The Panel expressed support for the idea of deferring this project.

Phil West gave a presentation on the UMS Benchmarking report. He explained that the Utility has been working with UMS to do some comparative analysis with other like utilities on our operations in the areas of transmission, distribution and generation. Phil noted that he gave a summary presentation to Council about a month ago and it is part of the public report. He also informed the group that City Light received a public disclosure request (PDR) for a copy of the full UMS Benchmarking report. In responding to the request, City Light learned that UMS believed that their report contained some proprietary information for which they wanted elements redacted. Jorge Carrasco impressed upon the group that City Light was trying to be very responsive to the PDR and it was UMS who felt that we could only share a redacted version of the report. Jorge further noted that we have encouraged UMS to be as cooperative as they can in sharing the full UMS benchmarking information. *[Note: subsequent to this meeting, UMS consented to the release of the full report, and City Light provided it to the requesting parties and the Review Panel.]*

Phil explained that the UMS study looks at utility practices and provides recommendations on opportunities for improvement. The study observed various aspects of City Light operations including things such as maintenance of our systems, crew sizing, scheduling and management, wood pole replacements, rubber gloving versus hot sticking, overtime statistics, and generation maintenance practices.

Phil West noted that the utility wants to be more efficient and that the UMS report has helped identify work practices that can be modified to improve efficiency. Overall, City Light scored well as compared to other peer utilities in the area of power generation. On the distribution side, there are opportunities to save as much as \$15 million annually during the next six years. To achieve this, the utility will need to change some work rules and practices through working with unions, however, some efficiencies can be secured by changing management practices. Jorge noted that we want to apply best practices to perform the work, increasing efficiency, enhancing reliability and saving money.

After hearing information on the UMS study, the Panel offered suggestions that the utility look into the existing software programs that could help in improving or right sizing crews and work, and exploring whether there can be savings through reducing inventory. Phil West responded that they will be looking at these things. Karen encouraged the Panel to read the report and to email Phil or her with any other questions or suggestions.



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The meeting participants discussed the scheduling for the upcoming Review Panel Meetings. They concluded that it would be best to try to have just one meeting in October. On that note, the October 4<sup>th</sup> meeting would be cancelled and the October 19<sup>th</sup> meeting would be extended to run from 2:00 – 5:00 p.m. There is already a meeting on the calendars for November 4<sup>th</sup>. Kim Kinney will solicit feedback for scheduling one Review Panel meeting in the month of December.

Karen asked the Review Panel to email her with any suggestions in the drafting of the plan. One suggestion that came immediately was to have lots of white space in the draft for the Panel Members.

Phil Leiber advised the group that the Executive Team is continuing to refine the financial baseline. He noted there is also some time pressure in terms of the Panel's chartered responsibility to review and comment on rate design and cost allocation prior to next summer; he and the staff are considering how to address this challenge.

### **Issues/Action Items**

Kim will connect with the Panel Members for their calendar availability for a meeting in December.

### **Adjournment**

There being no further business, the meeting was adjourned at 1:45 p.m.