



**City Light Review Panel Meeting  
Meeting Minutes  
DRAFT**

**Date of Meeting: February 28, 2017**

<b>MEETING ATTENDANCE</b>					
<b>Panel Members:</b>					
<b>Names</b>		<b>Name</b>		<b>Name</b>	
Tom Lienesch		David Allen	✓	Gail Labanara	✓
Julie Ryan		Patrick Jablonski		Sara Patton	✓
Thomas Buchanan		Leon Garnett	✓	John Putz	✓
<b>Staff and Others:</b>					
Larry Weis	✓	Leigh Barreca	✓	Tony Kilduff	✓
Mike Jones	✓	Kirsty Grainger	✓	Calvin Chow	✓
Sephir Hamilton	✓	Ellen Javines	✓	Gregory Shiring	
Paula Laschober	✓	Carol Butler	✓	Alan Matthews	✓
Lynn Best	✓	Tyler Ensley	✓	Ben Rushwald	✓
Karen Reed – Contractor/Facilitator	✓				
<b>Guest(s):</b>					

Call to Order: The meeting was convened at 11:00 a.m. Karen Reed reviewed the agenda.

Introduction: Introduction of Tyler Emsky from City Council Woman Juarez’ office.

Meeting Minutes: Minutes from 1/24/17 meeting were approved.

Public Comment: No public comments

Chair’s Report: None to report

Communications to Panel:

- An email was received for Leon Garnett from Habitat for Humanity and forwarded to him.



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**Strategic Plan Process (Mike Jones & Leigh Barreca) – [2016 Baseline Update v3.1.pdf](#)**

Mike Jones and Leigh Barreca gave an overview of the process the utility is undertaking to update the strategic plan. They are starting from the ground up this time, rather than simply revising the existing plan. An internal staff team has been created to lead the effort. The City Light Executive Team will serve as the advisory and approval body to this group. Work products will be shared with the Review Panel as they are completed.

**4<sup>th</sup> Quarter 2016 Strategic Plan Update (Mike Jones) - [4thQtr2016StrategicPlanUpdate.pdf](#)**

Mike reviewed the report at length, since this was the first such report for the new Panel members. The “themes” on page one are the current four “pillars” to the Strategic Plan - all the initiatives are sorted into these categories. A snapshot of the 2016 year-end Financial analysis is also included.

**Q:** Where does race and social justice (RSJI) work appear under these pillars? I would expect to see that more broadly highlighted.

**A:** RSJI is part of each initiative in the Strategic Plan. When initiatives are created, they are put through an RSJI analysis process by staff in the RSJI team in Corporate Performance. This process will continue with the new plan.

**Q:** What is the weather forecast assumption used in the budget?

**A:** 30-year average. The retail revenue short fall was largely weather related. City Light forecasts spending to be below baseline budget levels through the year in the areas of non-power O&M and CIP.

*Comment: The summary paragraphs on the status of the initiatives are very helpful.*

**Q:** What does a green status dot on Financial really mean if the project has had its budget increased (like Denny Substation) and the project isn't on time?

**A:** This metric is something the utility is also looking at internally to see if there's a better way to communicate the information.

**Q:** What is our take-away supposed to be on this report?

**A:** It's a status update.

**Q:** Can we get a legible version of the baseline assumption status document?

**A:** Yes



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*Comment: After further discussion, it was agreed that the Steering Committee will look at the current format for the report and see how it could be improved. Karen will forward the report to the Panel members for their ideas in this regards.*

***The group took a short break***

**Utility of the Future (Sephir Hamilton and Ben Rushwald) - [UtilityoftheFuture.pdf](#)**

Sephir Hamilton introduced Ben Rushwald who gave the presentation. He began the presentation by noting some trends in the national utility system and for SCL. He went on to describe a major focus of the Utility of the Future program: a pilot project on microgrids. Larry Weis noted that he became particularly interested in this when he realized the Utility has 24 vacant properties around the City; he has directed staff not to sell these parcels pending further work on this pilot.

**Q:** What is the business case for microgrids? Are you doing this because it's inevitable and you want a piece of the action, or does it help ratepayers, or?

**A:** It helps resiliency for those homes connected to the grid. There is not a business case at this point. It is an exploratory effort.

**Q:** Why focus on expanding the grid if our load is declining? Should we be driving our load to increase?

**A:** Customers want innovation, but not sure what type of innovation. Having a backup power that relieves the pressure on our lines by creating small communities with battery storage to supply energy to their section is one effort City Light is exploring. It's really thinking beyond the 6-year plan.

**Q:** Did you look at the Quileute Tribe / North West Seed project on outage proofing homes and what happened there?

**A:** We will look into it.

**Q:** Have you looked at the Community Choice Aggregation (CCA) experience in California?

**A:** That is a really different market.

*Comment: Tony encouraged the group to think about microgrids as a true exploration effort, not about the benefit to ratepayers at this point.*



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**Strategic Plan Baseline – General Expense and Administration (Finance, HR, IT)  
(Paula Laschober) - [StrategicPlanBaseline-GeneralExpenseandAdministration.pdf](#)**

Paula presented the next increment of detailed information about the Utility's baseline.

**Q:** What is the biggest piece of the Financial Services budget?

**A:** City Light will pay Seattle IT \$44.9 million in 2017

**Q:** How much is the Debt Service and is it long-term debt?

**A:** Debt Service is a long-term debt totaling about \$213.4 million. Taxes total \$94.4 million.

**Q:** What are City Cost allocations?

**A:** Expenses paid to fund other City Departments.

*Comment: Paula will conclude this review and will summarize all the components at the next meeting.*

**Benchmarking & Efficiencies (Paula Laschober and Mike Jones) -  
[BenchmarkingandEfficiencyStudies.pptx](#)**

Paula presented an overview of the various benchmarking efforts the Utility has completed in the past several years, as well as key findings from some of these studies. Recommendations in these studies, some internal, some external, are used to help identify potential efficiencies.

**Q:** What are the two types of benchmarking?

**A:** Baselining our costs and operations against other utilities and surveys conducted (or responded to) for specific lines of business

**Q:** How often are these done?

**A:** Finance/Corporate Performance tries to do about 3-4 studies each year. 24 have been conducted since 2011.

**Q:** What areas did UMS study in 2011?

**A:** The original UMS study covered:

- Generation:
- Transmission and Distribution
- Additional studies include:
  - Fleets - 2015
  - Facilities - 2015
  - Energy Conservation – 2015



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- Financial Planning and Budgeting – 2016
  - Efficiencies result from implementation of recommendations from benchmarking studies as well as studies conducted by the City Light Internal Audit group.

**Next meeting Agenda Items Include:**

- Survey-type benchmarking and efficiencies
- Major initiative discussion

**Adjournment:** The meeting was adjourned at 2:00 p.m.

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