



**City Light Review Panel Meeting  
Meeting Minutes**

**Date of Meeting: April 14, 2020 | 11:00AM – 1:00PM | Meeting held via Skype “Final”**

<b>MEETING ATTENDANCE</b>					
<b>Panel Members:</b>					
<b>Names</b>		<b>Name</b>		<b>Name</b>	
Gail Labanara	√	John Putz	√	Mikel Hansen	√
Sara Patton	√	Patrick Jablonski	√	Leon Garnett	√
Thomas Buchanan	√	Chris Mefford	√		
<b>Staff and Others:</b>					
Debra Smith	√	Jen Chan	√	Karen Reed (Consultant /RP Facilitator)	√
Kirsty Grainger	√	Mike Haynes		Emeka Anyanwu	
Jim Baggs		DaVonna Johnson		Tom DeBoer	√
Julie Moore	√	Chris Ruffini	√	Maura Brueger	√
Saroja Reddy		Carsten Croff		Leigh Barreca	√
Eric McConaghy	√	Alex Pedersen		Kathryn Aisenberg	
Craig Smith		Toby Thaler	√	Angela Bertrand	√
Kathleen Wingers		Vanessa Lund	√	Chris Tantoco	√

**Welcome\Introductions.** Karen Reed, Panel facilitator, convened the meeting at 11:08 AM with a roll call to confirm Panel member participation. Karen welcomed new Panel Member nominee Scott Haskin, who has been nominated for the Financial Analyst position. We are hoping that he will be formally approved by Council next month.

**Public Comment.** There was no public comment.

**Standing Items:**

**GM Update.** Debra Smith spoke about the recent editorial in the Seattle Times, City Light and the City of Seattle’s COVID-19 response efforts, and the completion of the strategic plan. Debra has drafted a blog post in response to the editorial for SCL’s PowerLines publication and is considering submitting the post as an opinion piece to the Times; she is waiting for approval from the Mayor’s office.

Gail Labanara expressed concern that the Panel heard about the audit from the Seattle Times, not from the Utility, and that the audit was finished in February. Debra responded that the City’s Internal Auditor released the report just two weeks ago and City Light is working on its response and approach. The Times OpEd did not include information the utility had provided multiple times to them.

Gail asked that the Panel be provided updates on this more regularly, perhaps every other month. Debra affirmed that this would be possible but noted that the utility’s ability to make a lot of progress on this has been limited during the COVID response. Chris Mefford commented that



## City Light Review Panel Meeting Meeting Minutes

Debra should let us know if and how the Panel can be helpful here.

Debra continued her comments. SCL has been actively working on multiple improvements to its customer operations before the audit report was completed. For example, SCL is standing up a customer advocacy team to proactively work with customers on issues they may be having. In addition, SCL has made improvements to the UDP enrollment process. She will share the blog post that identifies some of our early efforts after our meeting today.

Debra spoke to SCL's ongoing COVID-19 response. Last week, the utility reached a point where the operational cadence had stabilized. The goal is to keep a sufficient level of staff working at any given time to keep lights on and provide usual service levels. Some staff are on call and some are teleworking. Staff who are high risk are staying home and taking care of their health. Debra has been working with the City on operationalizing the Continuity of Operations Plan (COOP) into priorities 1-4. Currently COOP priority levels 1 & 2 work is considered most critical and is being resourced to the degree necessary. Employees whose work falls in lower priority levels are getting reallocated to higher priority work. Two resource hubs (one for City Light and another for all City departments) have been developed to facilitate matching resources with requests for assistance on priority projects.

Next week (April 20) the Central Budget Office will announce how dire the City's finances are. SCL loads are still down seven to ten percent since onset of COVID. The shift is more to residential load. Some larger customers are cutting back and many more customers are simply not paying their bills. Debra says she thinks the Utility is looking at 18 months disruption. Citywide, there will be planning for three scenarios—best, likely, and worst. They are expecting a longer time before turnaround in the economy. SCL has offered \$12M in cuts to assist in the budget challenge this year. In this uncertainty, it is not possible to bring rate actions forward in good faith. We don't know what we will be looking at in five years; we simply do not know enough to complete the Strategic Plan at this point. Both SCL and SPU are recommending delaying the completion and transmission of the strategic business plans.

- **Question:** Are you considering using the debt market for funding? **A:** We do have a bond issue scheduled for this summer (was June, pushed to July) and we are planning on going forward with this. We may downsize the issue, especially if we're scaling down our capital program to keep our debt service coverage down.

Debra continued speaking about the Strategic Plan and upcoming rates. The plan now is for City Light to forego any rate increases on January 2021. In the absence of proposed rate changes, the Utility is not required to submit a Strategic Plan. Her recommendation, and what SCL would like the Panel's approval on, is that we complete the Strategic Plan as a draft at this time, and hold onto it until we have more clarity of how COVID-19 and recovery planning will impact SCL's strategy and financial outlook moving forward. Debra said she believes the draft plan is good and she appreciates the time the Panel has put into developing it with staff. She is confident that the Utility will use it when it is appropriate to resume that work.



## City Light Review Panel Meeting Meeting Minutes

- **Q:** Does the Panel need to write a letter commenting on the draft plan? **A:** If the plan is held, the Panel doesn't need to draft a letter now. When we revisit this work, the Panel will be asked to craft a letter. Right now, SCL wants the Panel's support on making this pivot, and to have you work on recovery planning with us. It is important to get through the plan quickly to put it on the shelf so staff can shift focus to recovery planning. Some aspects of plan will be a part of the recovery, including Cyber Security.
- **Q:** Are the rate pilots still happening? **A:** They're not all on hold. Some of the large-scale deployments of rate redesign will likely be on hold. Small-scale rate pilots are still happening, and with a shorter delay. SCL will likely do a slower ramp up from small-scale to large-scale.
- **Comment:** Glad you are still able to contemplate a bond issue.

**Approval of Meeting Minutes of March 31<sup>st</sup>.** The meeting minutes were approved as submitted.

**Chair's Report.** There was no report.

**Communications to Panel.** Leigh Barreca reported there were no communications to the Panel. A member of the public did request Skype information for this call which was provided to them.

### **2021- 2026 Strategic Plan**

The discussion began with a review of the initiatives not discussed at the last meeting, to gather any additional comments or concerns from Panel members.

City Light is moving forward on the Cyber Security initiative. Performance Measures for this initiative, and all other initiatives, are being developed and will be shared with the Panel as soon as that information is available.

- **Comment:** Thank you for the candor and the work of the team. Let us get through the Plan and put it on the shelf. The world will look very different when we are past this crisis. Cyber security remains a priority—we should keep focus on that. **Reply:** Despite the City hiring freeze, Cyber Security has moved forward through an exemption process to hire additional cyber staff. SCL has had multiple conversations with Seattle IT to move some key systems back to SCL's control, including the Outage Management System and Asset Management system, but the utility isn't going to proceed with this right now due to the budget gap at SCL.
- **Comment:** I am impressed with the extent of operational challenges faced as well as financial and service level impacts. I would be interested in seeing the CIP decision framework/criteria. **Reply:** Debra responded that SCL is a stronger organization now, doing a lot while working remotely. Many big changes have been made quickly, for example, the Accounts Payable staff is now working entirely from home and is paperless.



## City Light Review Panel Meeting Meeting Minutes

Debra does not expect to go back to having all employees on-site all the time, having proven that SCL can be efficient with teleworking. Leigh Barreca has been tasked with recovery work moving ahead. Cyber Security and Right-Sizing capital program will be a big piece of the recovery. Customer Program Options will be a part of recovery effort, as well as how we help customers in the wake of COVID. Rate design and grid modernization will slow down.

- **Comment:** Let's use Microsoft Team for the next meeting. **Reply:** Chris Tantoco will investigate the feasibility of using Microsoft Teams for future meetings.
- **Comment:** I would like to see the scenarios and how we will adapt the plan to the new reality.
- **Comment:** In terms of the initiatives, there are no red flags, just questions about cost rollout schedules and measures.

Noted that the Panel will go through all the Initiatives when we resume work on the Plan in the fall, and the Panel will then have an opportunity to provide further input before anything is finalized. Finishing the initiative templates with performance measures will be tabled a bit because of the pivot to COVID response. Panel comments on the other initiatives from prior meetings are included in meeting summaries.

Vanessa Lund led a review of the draft Plan section by section. Substantive changes that were made after receiving Panel comments include:

- Added a transitional paragraph about scenario planning
- Note: The outreach summary will be updated pending new efforts, such as a customer satisfaction survey that we plan on launching when we resume work on the plan.
- Added "promote energy efficiency" to various sections.
- Added "attract workforce that reflects our community" as a goal for Keep the Lights On.
- Added content around factors that drive rates

The Financial Forecast will be updated when we have more information.

Panel motion was made, seconded and approved to hold the Strategic Plan until City Light is able to revisit long-term strategy.

### Next Steps

Moving forward, City Light is committed to staying involved with the Panel. The April 28 meeting will be cancelled, and we will move to monthly meetings again starting in May, for two (rather than three) hours. A Panel member requested that the meetings not be held over lunch. ***SCL will explore scheduling options for future meetings.***

Panel was asked about other topics the Panel would like to hear about in the next four – five months. Responses included:

- Revenue recovery/financials
- CIP program planning
- City Light audit response



## City Light Review Panel Meeting Meeting Minutes

- UDP Enrollment, based on COVID and impact of increased UDP enrollment on City Light revenue
- Impact on SCL employees-- ensure they are being paid, and that there are no layoffs.
- Changes in consumption and impacts on energy efficiency
- Bond issuance information
- Rate impact resulting from lower demand moving forward: how will the Utility manage this?
- Interest in seeing consumption reports
- Creative path for finding a balance between firing people and increasing rates. Is there a role for debt financing?
- Recovery plan and impacts to staff, finances, rates
- Financial policies in light of current circumstances.

Shoutout to Nucor – thanks for stepping up to develop PPEs. Leigh thanked the Panel for their support.

The meeting adjourned at 1:02 P.M.