



## City Light Review Panel Meeting Meeting Minutes

**Date of Meeting: April 14, 2021 | 9:00 AM – 11:00 AM**  
| Meeting held via Microsoft Teams “Final”

<b>MEETING ATTENDANCE</b>					
<b>Panel Members:</b>					
<b>Names</b>		<b>Name</b>		<b>Name</b>	
Scott Haskins	√	John Putz	√	Mikel Hansen	√
Sara Patton	√	Anne Ayre	√	Leon Garnett	√
<b>Staff and Others:</b>					
Debra Smith	√	Jen Chan		Karen Reed (Consultant /RP Facilitator)	√
Kirsty Grainger	√	Mike Haynes	√	Tom DeBoer	√
Jim Baggs		DaVonna Johnson		Craig Smith	√
Kalyana Kakani	√	Emeka Anyanwu	√	Michelle Vargo	√
Julie Moore	√	Chris Ruffini	√	Maura Brueger	√
Greg Shiring	√	Carsten Croff	√	Leigh Barreca	√
Eric McConaghy		Toby Thaler	√	Angela Bertrand	√
Kathryn Aisenberg		Chris Tantoco	√	Vanessa Lund	√
Tim Skeel		Rollin Fatland (guest)	√	Marc Sullivan (guest)	√

**Welcome\Introductions.** The meeting was called to order at 9:03.

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

**Standing Items:**

**Review Agenda.** Karen Reed reviewed the agenda.

**Approval of March 25, 2021 Meeting Minutes.** Minutes were approved as submitted.

**Chair’s Report.** No report.

**Communications to Panel** Leigh Barreca shared that there were two communiques to the Panel, both were customer service related.

**Panel Member Recruitment.** Maura Brueger provided an update on the 3 vacancies: Economist, Residential, and Franchise cities. We are making progress on recruiting all but the Franchise cities position.

**2022 – 2026 Strategic Plan.**

Review Panel letter - Karen Reed reviewed the process for writing the Review Panel letter that will accompany the strategic plan when it is transmitted to the Mayor’s office and City Council. Materials are in member packets.



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Strategic Plan Draft – Vanessa Lund presented. The draft is close to final wording but is not the final designed formatting.

**Q:** What about customer surveys?

**A:** (Debra Smith) We are planning to alternate employee surveys and customer surveys each year. We delayed launch due to the pandemic, and plan to do an employee survey in 2022, then a customer survey in 2023 and keep that cadence moving forward.

**C:** Given how 'hot' Skagit relicensing, we may want to highlight that here in the "demonstrate leadership and collaboration" section.

**Q:** I asked about the long-term debt strategy – are we sticking with 1.8?

**A:** Reviewing the long-term debt strategy is listed as a tactic.

**C:** It feels buried for something we have been talking about for years. I want a commitment to look at this on a specific date. It does not matter where this appears, it just needs to be addressed.

**C:** General agreement from the panel. Suggestion to plug into Debra's letter and call out in other areas.

**A:** (Kirsty Grainger) This is one of three things that is very targeted for the outcome of affordable rates. We are going to look at our long-term debt strategy. We need to figure out when it makes sense for the Review Panel to engage on this. When we looked at the 6-year financial forecast, we are already working this into our long-term strategy in out-years. This might be hard right now because we have a very big short-term issue limiting our capacity with 20% of our customers behind on their bills and other strategic issues that need to be staffed.

**Q:** On the rate increases, that incorporates inflation. Are they nominal and including inflation?

**A:** (Kirsty) Yes, this is what a person would see on their bill including inflation.

**Q:** Are the appendices attached to the Strategic Plan for all audiences?

**A:** Being a public utility, they will typically be all attached for all purposes.

Outreach Update – Jenny Levesque presented.

**Q:** Could you characterize what the stakeholder reaction was to your presentations---from wildly enthusiastic to concerned?

**A:** Overall, positive though not wildly enthusiastic. They agree with the general direction but have questions about customer programs. There have been questions about Skagit, with it being in the news. We did not encounter big objections or concerns.

**C:** BOMA has concerns about robust building electrification, but NWECC is enthusiastic. That is why we schedule numerous meetings to hear multiple voices.

**Q:** When you anticipate finalizing the outreach appendix?

**A:** The plan is to finalize by April 30.



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**Panel Letter:** Panel provided comments as to what they want to include in their letter. (full comments below)

**General Manager's update.** Debra Smith reported on the Skagit relicensing project. All the documents are available online. We changed out our team and revised our strategy. We doubled our investment in the study plan including studying fish passage at all three sites. We feel like our study plan addresses most concerns. We said we would not do a study on removing the Gorge Dam. I particularly want to draw your attention to the commitment letter. It discusses our commitment to rewatering the dry river bed below the Gorge Dam. We are starting on that right away. Another major commitment is to create an Environmental Restoration Fund funded \$2.5M with an additional \$500K each year of the license. These funds would be distributed by a select committee including Tribal and other representatives.

**Panel Communications.** Michelle Vargo provided an update one of the two communiques mentioned earlier in the meeting by Leigh Barreca. The communication involving a customer whose Wallingford home is across the street from two City Light properties. He feels that the level of noise is excessive. Michelle is talking with him and her crews to determine if any mitigation is possible.

**Adjourn:** Meeting adjourned at 11:05 a.m.

**Next meeting:** April 29, 2021

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Initial Letter Comments:

1. Statement of Overall Support
  - Overall supportive. It's thoughtful and the staff has put a lot of effort into creating something that is forward thinking.
  - I concur. There are still a lot of things that need to fall into place and it's an extended plan with reason to revisit. It strikes me as very internally focused, which is how it should be. Maybe more regional thinking and views of the future as we start to do more regional planning. The commercial aspect is pretty quiet throughout the plan and we're all going to need continuing economic development; electricity is a wonderful resource to provide jobs. When I say "regional future" what I mean is with electrification of transportation, where is King Co on this, where are the suburban cities? How do we intersect with PSE? We need to think regionally around infrastructure activities.
  - At the risk of irritating everyone I'll quote Eisenhower "plans are useless, but planning is everything." Forcing ourselves to think strategically is important and the plan is fine.
  - No additional comments. Generally, in support, concerns about long term debt strategy.
  - Generally, in support, I concur with what has already been said. I'm eagerly staying tuned to see the execution of the plan. Other comments: I feel like SCL has been very receptive to Panel feedback. With these plans, we cast a broad net. In a quickly changing landscape that SCL can stay true to ambitious goals. The goals are good.
  - I support the plan. It is thorough. I appreciate the wide net, but also the way that



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leadership and staff engagement has been a part of the plan. A lot of data and information is incorporated. I acknowledge the response to COVID with regard to revenues is a difficult situation. The customer outreach, we had some things to say, and we appreciate that it has been incorporated. We are all looking at future/current uncertainties, how will this be executed and how all the pieces will play out and be balanced.

- **DS Response:** We just finished the operational plan. Sara's quote about the plan vs planning is key. We now have an operational plan. It is very detailed and is not something the RP has been a part of in the past.

### 2. Comments on current context?

- You hit the nail on the head on equity concerns. Call out increase in UDP enrollment as a success with more work to be done as an opportunity for the utility to provide more support to the community.
- Most notable change/success is the leadership. It's the best it's been since I've been involved. I tip my hat to Debra. It's a tough operation you're overseeing that is evolving at warp speed. The labor and personnel issues are huge. That's the most impactful positive change. What is different is the revenue problem is still an unknown. Hopefully, electrification helps dramatically, and there's a lot of uncertainty. That will be a continual obstacle.
- I agree with prior comments. I would note that the changes due to COVID and the RSJI concerns will have big impacts on how to handle account arrears. It's going to be complicated and fall heavily on low-income customers. Climate change also brings in all of these things and balancing beneficial electrification.
- I would wholeheartedly agree with the second comment about the leadership being heads and shoulders above where it has been. I think the load forecast and having that as a realistic look ahead and planning to that is a big improvement. I appreciate the direction things have been going despite the challenges that have been mentioned. Questions remain about the long-term debt strategy – we need to be prepared. Generally, very positive since Debra has come onboard.
- Defer to other panel members. My view on major issues for SCL now and in the future is consistent with what has been said. Being prepared if revenues from increased electrification are not all we hope they will as well as RSJ/equity concerns. The fact that SCL is responding rapidly in a rapidly changing landscape bodes well.
- I think the effort put into this strategic plan is exceptional and the information we have received is detailed and exceptional. You've already identified the differences from 3 years ago. Change management is going to be vital in getting from where you are to where you want to be. We'll have more conversations about finances and I'm interested in looking at O&M & CIP relative to assets. Flat O&M raises some flags. In the out-years we may wind up seeing variation or necessary program changes and I look forward to those conversations. Flat O&M and rates down are nice goals however we don't want to ruin infrastructure with this goal. You need to consider how do asset management principles apply.



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### 3. Comments on financial condition

- I think it's good to mention the innovative thinking to keep rates low with the approach to the rate path. I'm in agreement about needing to mention debt management and what those strategies might be.
- I echo debt management, receivables, and declining load are all important
- I agree with comments, but also with the concern about being clear on how much the utility can cut costs and maintain a viable infrastructure.
- Fourth what others has said. I like the commitment to low, consistent rates. A fuller view of the implications would be good to see. I know there have been some capital projects pushed out. Just keep track of spending AND revenue.
- I remain consistent with what has been said.
- Nothing to add except the utility is in a strong, stable financial condition. We've maintained a high bond rating. Also, we haven't mentioned affordability. Not just keeping rates low, but affordable to underrepresented populations.