



SEATTLE CITY COUNCIL | POSITION 8

COUNCILMEMBER TERESA MOSQUEDA

September 5, 2018

Via Email Only

Debra Smith
c/o Deputy Mayor David Mosely
City of Seattle
Mayor's Office
600 Fourth Avenue
Seattle, WA 98104

Re: Seattle City Light General Manager Appointment

Dear Ms. Smith,

Congratulations on your nomination to be the next General Manager/CEO of Seattle City Light. I look forward to the confirmation process which, as you are aware, includes a hearing in the Housing, Health, Energy, and Workers' Rights Committee on Thursday, September 13, at 9:30 a.m.

Seattle City Light is the largest City department by budget, and second only to the Police Department in staffing. Heralded as the nation's "greenest utility," this publicly-owned entity rightfully prides itself on having a zero-carbon footprint for energy production since 2005, and has begun steps to reduce emissions from its vehicle fleet and maintenance operations.

The Utility has also faced challenges, particularly in recent years. If confirmed, you will be the fourth General Manager in as many years. During this time, light has been shed on concerns around workplace harassment, poor utility revenue forecasting, significant cost overruns for capital projects, and persistent customer service complaints around inflated and erroneous billing. In addition, concerns about delays in hooking up new units, and delays in transferring service for rental units, have repeatedly been raised.

Seattle is a rapidly growing city, and with 54% of residents being renters, ensuring that we not only meet their power needs, but also their customer service needs, is vital to appropriately serving this growing demographic. This extends to the cities that receive service from City Light – seven suburban cities and areas of unincorporated King County – all of which have similar challenges to and needs of this urban area.

With these in mind, the following initial questions are posed by the Seattle City Council in collaboration with community partners. Your prompt response is greatly appreciated. To move forward in a timely manner with the confirmation process, and in anticipation of the budget deliberations that will consume October and November, our hope is to receive your responses no later than close of business on **Tuesday, September 11, 2018.**

Background

1. Much of your prior experience is with managing smaller utilities with workforces and budgets of less than ten percent of Seattle City Light. Can you expand more on how you believe your experience would enable you to effectively transition between such smaller utilities and Seattle City Light?
2. What is the most publicly controversial issue you have dealt with in your career? What role did you have in the situation, and how did you contribute to its resolution? What lessons did you learn from the experience and what would you have done differently?
3. Seattle City Light has an essential advisory panel, the City Light Review Panel, that provides advice to the Utility, as well as to Council. This all-volunteer committee is vital to the democratic process that residents of Seattle enjoy. What is your experience working with community oversight committees, and what commitments about collaboration can you make to the Review Panel?
4. Seattle City Light not only distributes power to residential and commercial customers, but is also a major generator through a series of hydroelectric dams, and an active participant in wholesale energy markets. How has your experience prepared you for managing a utility that provides generation, transmission, and distribution, as well as selling energy in the market? What steps do you believe Seattle City Light could take to be more effectively engaged in the western energy market?
5. Seattle City Light is embarking on a mid-term rate design update for their Strategic Business Plan. What experience do you have guiding enterprise-wide business planning? What are the key elements to developing an authentic and disciplined business plan for the Utility?
6. What experience do you have working on large-scale, municipal technology projects? What strategies will you employ to maintain public trust and keep the Council informed of major shifts in project direction?

Philosophy and Vision

7. What do you view as the greatest challenges that public utilities currently face, and what do you see as the potential steps to address these challenges?
8. What immediate challenges do you anticipate in attempting to be successful in implementing that vision, and what are some steps you would take to overcome such challenges?
9. In 2014, President Obama declared that broadband access was so necessary as to justify treating broadband as a utility. Do you agree that broadband access should be treated as a utility? If so, what role do you see Seattle City Light having with implementing broadband as a utility?

10. Prior to Jorge Carrasco, the City Light CEO/General Manager position was referred to as the City Light Superintendent, ostensibly to reflect the utility being operated more like a municipal department than a business. What is your perspective on the value of public utilities, and how and whether that should be reflected in titles?
11. Having reviewed the Strategic Plan and the resolution adopting it, what initiatives are you most excited to take on? Are there some that you believe should be a lower priority at this time?
12. Stability in leadership remains a concern. What can the ratepayers expect as a commitment from you to staying with the Utility if confirmed?
13. What role or value can Seattle City Light provide in making Seattle an affordable city? What opportunities do you see to control the growth of utility expenses and minimize the financial burden on ratepayers?
14. What would you like to accomplish in your first year of office? What vision would you bring to the utility for the coming five, ten, and twenty years?

Workforce

15. City Light has multiple unions representing workers of various trades and skills. What is your experience working with organized Labor, particularly with a diverse group of unions and perspectives?
16. From front line workers and union leaders, we continue to hear concerns about safety in the workplace. Seattle City Light safety ratings are not the best in the nation. What will you do to change policy and practice so that norms and behavior change? What has your experience been with changing the culture of a workplace to address systemic issues around workplace safety? What is your philosophy on engaging with workers on implementation of workplace safety policies?
17. The City of Seattle has long expressed a commitment to race and social justice, and implementation of policies through a race and social justice lens. Over the last year, the impact of gender- and race-based harassment at City Light has become more and more apparent, suggesting that not all in the management chain share this value-set. How will you renew the commitment to race and social justice in Seattle City Light, and what can we expect from you with respect to how you will work with the entire management chain to not only make policies, but ensure they are being equitably enforced? What are some initial steps that you would take to change the culture that allows these issues to permeate, and ensure that the entire management chain is engaged in reforming norms in order to change inappropriate behavior?
18. What is your experience with implementing race, social justice, and equity practices at a workplace?

19. What is your approach to workforce development? What is your experience and approach to managing labor relations in an organization with as diverse group of worker classifications as Seattle City Light?
20. Employees want to know their CEO. How much time will you spend getting to know employees in all areas of the utility?
21. Unions have reported experiencing delays in receiving responses to grievances; how will you work with the unions and Seattle Department of Human Resources to ensure the utility meets the timeline in union contracts? Sometimes, issues that are addressed and seemingly resolved with settlements crop back up within weeks of resolution. How can you ensure that settlements are honored, and unions and the utility are not back discussing the exact same issue again and again?

Energy Production

22. How do you see Seattle City Light supporting increased green energy production, including wind, solar, and geothermal, among others? What role do you see City Light taking with neighboring utilities in the tri-County region and across the State?
23. The “green is the new gold” approach to energy posits that utilizing green energy investments can break down traditional political barriers while creating family-wage jobs. What do you believe Seattle City Light’s role to encourage local investment in green energy production should be?
24. Energy efficiency, via utility programs, appliance standards, and building codes, plus distributed solar, has Seattle City Light’s load flat and declining for some customer classes. In light of this, would you recommend any changes to the utility’s commitment to demand side management and distributed generation programs?

Energy and Environmental Conservation

25. Seattle City Light owns and operates large and small hydroelectric projects with very significant fish and wildlife protection obligations. What is your experience with hydropower operations, fish and wildlife restoration efforts, and working with Tribes and local communities on habitat and flow requirements? Would you commit to maintaining this priority on fish and wildlife protection, flow, and addressing any additional requirements or needs if necessary?
26. The City of Seattle and City Light have a long history of supporting salmon restoration in the region and particularly with the Bonneville Power Administration. In the spring of 2016, the federal agencies were ordered by the courts to conduct a National Environmental Policy Act (NEPA) process to prepare a new Environmental Impact Statement (EIS) for the Columbia and Lower Snake Rivers. Seattle City Light is on record supporting a full and open EIS process that includes evaluation of removal of the four Lower Snake River dams. You have supported a federal bill that would have weakened the Endangered Species Act and narrowed the scope of the EIS to exclude dam

removal from consideration. Would you advocate that the City change its position on Lower Snake River dam removal and will you support Seattle City Light's position that the NEPA process should fairly consider all alternatives including dam removal?

27. What efforts would you champion to support conservation "geotherapy" efforts, including reforestation? Are you familiar with current steps being taken by Seattle City Light? How do you believe these can best be coordinated with efforts from other government and private-sector entities? Do you believe that these efforts should continue to be the role of Seattle City Light? Why or why not?

Customer Service

28. In the past three years, Seattle City Light has worked hard to double the number of customers with low incomes utilizing the City Light 60% rate discount to over 34,000 customers. What is your experience with low-income customer programs such as weatherization, payment programs and bill assistance?
29. Customers continue to raise concerns about billing issues and wait times associated with Seattle City Light's customer service team. At the same time, workers report that City Light's customer service team has essentially remained the same size for nearly 20 years (not including the shared customer service center with SPU), despite significant growth in residential customers. What do you believe is an appropriate customer service representative-to-residential customer ratio, and what steps will you take to improve customer engagement with the utility for residential customers?

Governance and Public Engagement

30. Much of Seattle City Light's financial difficulties lie in capital projects, and ongoing fixed-costs associated with running the utility. The Review Panel has expressed major concerns with spending priorities, and the Mayor has requested significant cuts to the Capital Improvement Program, as well as routine maintenance and operations, to reduce rate increases for customers. After reviewing cost overrun issues, and fixed-costs that are impacting the utility, what do you believe can be done to better manage these costs? Considering the limitations from state law and current rate design, how do you believe these overruns should be paid for?
31. What experience do you have contacting and involving community stakeholders in infrastructure projects, public works, and policy development? What is your approach to identifying and managing community impacts and what strategies will you use to ensure input from underrepresented constituencies, and to center communities most impacted?
32. How do you plan to build public trust and how will you communicate with the City Council on major projects and decisions?
33. How will you cultivate partnerships with other City departments, such as the Department of Transportation and Seattle Public Utilities? What opportunities do you see to enhance

delivery of City projects in right-of-way?

34. Earlier this year the City Council adopted Resolution 31829, implementing SHB 2382 for Seattle City Light properties, allowing for below-market-value property transfers of surplus properties, or below-market-value leasing of underutilized properties, for affordable housing purposes and, where appropriate, interim housing/shelter purposes. What do you see Seattle City Light's role in addressing affordability and homelessness with surplus and underutilized properties, and how would you balance that with its role as a low-cost energy provider?

We look forward to receiving your responses, and will distribute them to Councilmembers, as well as post them to the City Council's CEO confirmation website to ensure that the public has full opportunity to learn more about you. Due to the timing of your nomination, the upcoming budget season for Council, and a shared desire to ensure a confirmed leader is in place at City Light as soon as possible, I am grateful for your prompt responses to these questions to help ensure we, as council, are conducting our due diligence in the confirmation proceedings.

To the extent you have any questions or request clarification of any of the above, please contact my Legislative Aide Michael Maddux, who is coordinating this process for my team in collaboration with Central Staff. I look forward to hearing from you soon.

Sincerely,

A handwritten signature in blue ink that reads "T. Mosqueda" followed by a horizontal line extending to the right.

Teresa Mosqueda
Seattle City Councilmember, Pos. 8
Chair – Housing, Health, Energy, and Workers' Rights Committee