

City Light Advisory Board Meeting
August 9, 2005, 8:30 – 11:30 a.m.
MEETING SUMMARY

Board members present: Carol Arnold, Jay Lapin, Sara Patton, Gary Swofford, Randy Hardy (By phone)

Also present: Jorge Carrasco, Bill Gaines, DaVonna Johnson (City Light), Carol Butler (Legislative), Thomas Dunlap (Department of Finance), Alec Fisker, Julie Tobin (Office of Policy & Management)

Superintendent's Update

- Weather.
- Wholesale Revenue.
- Skagit Forest Fire.
- Energy Bill. Superintendent will share effects of the Bill with the Advisory Board the week of August 15.
- Re-organization.
- Grid West and Transmission Issues Group. The key will be which approach BPA supports. The Superintendent will circulate a briefing paper to the Advisory Board, Executive and Legislative in the next 30 days.

Integrated Resource Plan Presentation

Bill Gaines and his staff gave a slide show presentation and update on City Light's 2005 Integrated Resource Plan (IRP). The Advisory Board recommended that given City Light's limited resources, the number of topics being addressed should be reduced and ranked in order of importance. They suggested reconfiguring the portfolio, BPA negotiations and 95 percent coverage as the top three priorities.

Randy Hardy recommended that City Light review how the third AC Intertie is used in the optimization category and look at better use of transmission sales to others. Other Board members described this as a near-term revenue issue rather than an IRP topic. City Light will prioritize the list of topics and complete an analysis of near-term transmission options.

Risk Management

Bill Gaines, Tony Kilduff and new consultant Laura Scott gave a slide show presentation and update on risk management. Again, the Advisory Board emphasized that City Light should focus on the short-term optimization issue.

The Advisory Board expressed concern that the risk management work to date had not yielded much result and perhaps there was an unrealistic expectation by the Advisory Board and others on the deliverables. It was felt by some that the goals and purpose of a risk management function have not been made clear and that the Council, Executive and policy makers might benefit if the risk management framework and objectives were presented with more clarity. City Light could achieve this by the development of a specific set of parameters i.e. "revenue for risk" and framing up the policy choices with more clarity of message. The Advisory Board commented that if their expectations were unrealistic, City Light should communicate that to them. City Light will develop a clear recommendation on how issues will be addressed and move forward.

Sara Patton expressed concern over City Light's policy on green tags.

Community Outreach

Advisory Board members reported back on their meetings with the Chamber of Commerce and Municipal League. City Light's industrial customers in attendance at the Chamber meeting were not in favor of a change in governance. Representatives of the Municipal League's Utility Committee thought that a change in governance and independent management oversight is still needed in the future. The Municipal League asked to be kept in the loop on management flexibility, and on comparison of salary information to other utilities.

The Advisory Board will meet with the Blue Ribbon Panel to close the loop in October. Julie will forward the Blue Ribbon Panel contact information to Carol Arnold and schedule the meeting once Carol gives the go ahead.

Strategy for Public Involvement

The Advisory Board discussed Sara Patton's draft strategy for public involvement. Sara Patton and Jay Lapin will edit the draft down to a shorter list and develop a more comprehensive outline of the input process. They will ask for input from Susan Hall and Lucy Steer, public involvement consultants. Jean Becker will be asked to help research public input processes at other utilities. (Colorado Springs was cited as an interesting model.) Sara and Jay will circulate the next draft to Board members, prior to the September meeting and at the appropriate point meet with the Executive and Council.

Management Flexibility

The next step is for the Advisory Board to work with the Superintendent, Legislative and the Executive on finalizing a proposal that can move forward.

September Advisory Board meeting

As some Board members have a conflict, Julie will reschedule the meeting date.

Agenda

Strategic Planning – City Light (1.5)

Re-Organization – City Light

Strategy for Public Involvement – Sara Patton & Jay Lapin

Management Flexibility – Randy Hardy