



City Light Review Panel Meeting Meeting Minutes

Date of Meeting: February 19, 2015

MEETING ATTENDANCE					
Panel Members:					
Name		Name		Name	
David Allen	✓	Julie Ryan	✓	Eugene Wasserman	✓
Tom Lienesch	✓	Sue Selman	x	Sara Patton	✓
Chris Roe	x	Eric Thomas	✓	Gail Labanara	✓
Staff and Others:					
Jorge Carrasco	✓	Greg Shiring	✓	Kim Kinney	✓
Sephir Hamilton	✓	Tony Kilduff	✓	Rollin Fatland	✓
Maura Brueger	x	Calvin Chow	✓		
Jeff Bishop	✓	CM Sawant	x		

Call To Order

The meeting was called to order at 9:00 a.m.

Eugene Wasserman welcomed everyone to the meeting. He advised that after today’s meeting, he would step down as Chair. Today’s agenda would include nominating a new Chair. He welcomed the two new Review Panel members appointed to the panel – Sara Patton (Energy Efficiency advocate position) and Gail Labanara (Franchise Cities representative). Each of the new Review Panel members introduced themselves and relayed short bios to the group revealing the experience they bring to the Panel. Sara Patton described her many years of work in energy efficiency and Gail summarized her work in public works and finance for the City of Tukwila.

Presentations / Information

Approval of Meeting Minutes:

The group reviewed the meeting summary from October 17, 2014. The meeting summary was approved and unanimously adopted.

Communications:

There were two emails received in to the general mailbox. One inquired on the next panel meeting and the other was from Mr. D. Fichtenberg regarding his concerns on an Electromagnetic Pulse (EMP) attack on the grid. The utility will get in touch with Mr. Fichtenberg to respond to his questions.

Chair’s Report:

Eugene Wasserman advised that since the last meeting, there have been some changes made by City Council on the Panel’s operating procedures. He recapped that the Panel is an advisory group to the Mayor, Council and the Utility. The Panel has the dual role to serve at an advisory



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level to the elected officials and the Utility. Its main focus is the development of the Strategic Plan every two years. It provides an independent review of the Utility's progress toward achieving the objectives set out in the Strategic Plan. Every three years, the Review Panel member appointments come up for renewal.

Tony Kilduff provided an overview regarding some of the changes for how the Review Panel should operate and the forthcoming ordinance revision:

- Last year as part of budget process, Council transferred the Review Panel's funding to the general fund. This change was done to give the Panel more say on how the budget was spent and to allow the Panel the prerogative to request experts brought in.
- The ordinance being brought to Council removes the prescriptive nature of the original ordinance. The legislation replaces several specified tasks with the requirement that the Panel work with the Mayor and Council to develop a biennial work program to guide their activities.
- The Council would like the Panel to explore new areas and think about some of the future challenges the utility might face over the next few years.
- There is additional language that members can serve in their positions until a replacement is found for that RP member position.

Tony informed the Panel that the legislation will come before Council on March 11th. He invited the Review Panel to attend the March 11th Energy Committee meeting if their time permits.

Eugene Wasserman asked if it could include a term limit on panel members (limit of 6 year terms)? Tony confirmed that he will recommend that to the Council.

Greg Shiring thanked all the members for their outstanding effort and work on the Panel. He said that the Mayor's Office is open to any feedback the Panel has. The expenditure authority is now available in the CBO budget and we are prepared to proceed with finding a moderator for the Review Panel to assist with agendas etc. He also added that he'll get the Review Panel face-time with the Mayor in the summer.

Calvin Chow also addressed the group. He endorsed the importance of putting forth a Work Plan from this member body and said they look forward to the Panels' comments. He promoted the strong advisory role and encouraged the Panel to bring attention to key issues and provide feedback on important matters.

The Panel raised the following questions:

Q: What is the Utility's input to the Work Plan?

A: Tony advised that it is both the Mayor's Office and the Utility. The Utility is part of the executive branch and is meant to act on behalf of the Mayor. The Mayor's Office will be very engaged. The Council and Mayor would like to see this member body broaden their scope (in consultation with Mayor and the Council). He said that the Panel should bring forward strategic



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long-term issues they think the utility should be focused on. Ideally, this puts issues on the planning horizon, so that the elected officials can consider these issues before a decision has to be made.

GM's Report:

Jorge Carrasco addressed the group and advised that the Utility can provide an update on the implementation of the strategic plan and some of the key initiatives (i.e. AMI, efficiencies, etc.). The water year is close to average but the precipitation has not resulted in much snowpack. There may be additional precipitation between now and April. Net Wholesale Revenue is down from the forecast.

AMI:

The Utility has received proposals from the RFP process. They're being evaluated and also working with City IT because of interest in broadband. The vendor will most likely be selected sometime in April. The Utility can give an update on the AMI technology and the opt-out option at a future panel meeting.

JD Power Survey:

The Utility was informed in January of the survey results of business customers. For mid-size utilities, SCL was ranked 1st in the West and 9th in the country. The residential survey will not be complete to show SCL's ranking until July later this year. We are doing well in our industry.

Review/Approval of Proposed Work Plan:

Eugene Wasserman advised the members that Council sent the Panel a letter in November about the Work Plan. He said that he has met with Council and the Utility. He reviewed the proposed draft of the 2015-2016 Work Plan to give the Panel an idea on some of the work program topics. The plan was laid out in consultation with City Light. He noted they are not in concrete and the items can be rearranged.

Q: There is the assumption that energy efficiency is an important part of the plan but why not an item in the Work Plan?

A: Energy efficiency is a key part of the base budget and will be discussed.

Q: Will the Panel go beyond the financial policies that are listed in the Work Plan?

A: Yes, there will be some discussion on exploring some other options. Tony said there might be an option to use some of the reserve against retail shortfall.

The Panel confirmed the significance of bringing in a facilitator to help the Review Panel keep a running list of different issues, requests for information and strategic plan topics. As the Panel talks about the utility of the future and industry trends, it would be helpful to have some experts also brought in to better inform the Panel. There's lots of change in the industry and they'd like information from others on what the various impacts might be.



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Q: Can the Panel get more information to lay more of the groundwork on cost allocation? They would like to make sure that they are in step with what Council is thinking about. Are there things that can be done to lighten the burden and what options can be explored further?

A: Tony advised that he recently made two presentations to the Energy Committee on cost allocation. He advised that it is available on the Seattle Channel for anyone who wishes to watch the actual meeting. He will send them a link to that website.

Q: Can you list some of the Council issues and bring it to the next panel meeting? Can the Panel be educated on what is happening more broadly and get some information in advance? Are there white papers on cost allocation that can be sent to the Review Panel so that they can get more background information?

A: Greg said yes, they plan to educate everyone to understand the details of cost allocation to include the “ifs” and “why” on any shifts in cost allocation and explore consequences of potential changes. Tony offered to be available to speak to the members offline if any of them wanted to get more information on the subject.

Eugene asked for the Panel’s vote on the Work Plan. All were in favor and it was unanimously agreed to adopt the Work Plan.

Selection of a New Chair:

Eugene will be stepping down as Chair after today’s meeting. He spoke on the proposed new Chair arrangement. Going forward (and to change from Co-Chair arrangement in past), he said that he would like to see a single Chair appointed and then a “vice-chair” to step in if the Chair is unable to attend a meeting. He envisioned that the new Chair would be elected for a one-year term. One of the Chair’s responsibilities is to go to Council meetings and also spend time visiting with the Mayor’s Office to keep them abreast of SCL matters.

Eugene then asked for nominations for a new Chair for the Review Panel.

A motion was made to nominate Julie Ryan for the Chair position. The motion was seconded and the appointment of Julie Ryan as Chair was unanimously approved. Another motion was made to appoint Tom Lienesch as the “vice-chair”. This was unanimously agreed to and approved.

David Allen offered to sponsor and host the July Review Panel Meeting at his McKinstry office. He asked that the Utility connect and arrange the date with his office when they are ready. Eugene suggested that the Utility invite some Councilmembers to the meeting at McKinstry too.

Greg Shiring summarized the action items from today’s meeting:

- Send out to the Review Panel (RP) a member contact list
- Send out AMI Whitepaper that City Light sent to Council (include some information on “opting out”)
- Send the RP articles on Cost of Service Allocation
- Send out 2014 Q3 Strategic Plan Report that was presented at Energy Committee



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- Send out Tony Kilduff's cost allocation presentations from the EC Meetings (or links to the video of his presentations at the EC Meeting via Seattle Channel)
- Send out Doodle poll for future meeting dates (March – May dates)
- Greg will work on the RFP for the RP moderator

Adjournment

There being no further business to discuss, the meeting was adjourned at 10:45 a.m.