



**City Light Review Panel Meeting
Meeting Minutes**

**Date of Meeting: November 22, 2022 | 9:00 – 11:00 AM |
Meeting held in SMT 3517 and via Microsoft Teams “Final”**

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
Anne Ayre		Leo Lam	√	John Putz	√
Mikel Hansen	√	Kerry Meade	√	Tim Skeel	
Scott Haskins	√	Joel Paisner	√	Michelle Mitchell-Brannon	
Staff and Others:					
Debra Smith	√	Jen Chan	√	Karen Reed (Consultant /RP Facilitator)	√
Kirsty Grainger	√	Mike Haynes	√	Craig Smith	√
Jim Baggs		DaVonna Johnson		Michelle Vargo	√
Kalyana Kakani	√	Emeka Anyanwu	√	Maura Brueger	√
Julie Moore	√	Chris Ruffini	√	Chris Tantoco	√
Greg Shiring	√	Carsten Croff	√	Leigh Barreca	√
Eric McConaghy		Caia Caldwell	√	Angela Bertrand	√
Julie Ryan (Incoming Consultant /Facilitator)	√	Robert Shelley (Piper Sandler)	√	Brian Taubeneck	√
		Charlee Thompson (NVEC)	√	Tyson Titensor (Citizen)	√

Welcome and Introductions. The meeting was called to order at 9:02 a.m.

Public Comment. There was no public comment.

Standing Items:

Review Agenda. Karen Reed reviewed the agenda and offered some parting words of thanks to the Panel and SCL at this, her final meeting as Panel facilitator

Approval of Oct. 25, 2022, Meeting Minutes. Minutes were approved as presented.

Chair’s Report. Mikel Hansen introduced the newly selected Panel facilitator, Julie Ryan and thanked our current chair Karen Reed for her 12 years of service to the Panel. Julie will begin at the January 2023 meeting.

The panel expressed thanks to Karen.

Communications to Panel. Leigh Barreca reported that no emails were received. She also shared that the December meeting will be cancelled, and presentations scheduled for December will be



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covered in subsequent month. Julie Ryan will be in attendance (in-person) at the January meeting. We have scheduled a little extra time for socializing and meeting Julie. Refreshments will be provided. Finally, as was done last year, Leigh would like to schedule check ins with each panel member. Julie will also be present at these. Leigh asked Panel members to keep an eye out for an email about these meetings.

General Manager's update.

Debra Smith shared gratitude for hard work being done by the SCL team across the utility including around partnerships, emergency management, and grant opportunities.

1. Employee Culture Survey – The survey launched 11/9. This is an opportunity for employees to share ideas and constructive opinions, on what it's like to work for City Light, and offer suggestions for changes. SCL last completed this survey, facilitated by a third party, in fall 2019. It is intended to be conducted every other year but was delayed due to the pandemic. The data will be compiled, shared, and used to guide changes across the organization. The last survey was fielded in 2019 (paused the survey during the pandemic) and more than 70% of employees shared their feedback at that time.
2. COVID arrearage funds - SCL signed a contract with the Department of Commerce to receive \$8.8 million in one-time Washington State COVID arrears funds. A total of \$100 million was allocated statewide to utilities to help low-income customers and those on rate-payer assistance to pay past due balances accrued during COVID. Funds must be applied to eligible customer accounts by Dec. 31, 2022. SCL will prioritize applying funds to customers with eligible debt who have received LIHEAP or participated in the Utility Discount Program, Emergency Bill Assistance Program, and Project Share, followed by customers on payment plans. SCL is coordinating with SPU to ensure alignment on our allocation approach (SPU received a separate award).
3. JD Power Rating - Last week, Seattle City Light was recognized as the #1 West Midsize Utility in JD Power's Electric Utility Business Customer Satisfaction Survey for the 3rd year in a row. Overall satisfaction is examined across six factors (listed in order of importance): power quality and reliability; price; billing and payment; corporate citizenship; customer contact; and communications. City Light ranked the highest in power quality and reliability as well as price. Credit goes to our Business Customer Services team that provides concierge service to these key customers as well as staff across the utility who work hard to keep rates affordable, ensure reliable service, and when the unexpected power outage occurs, work diligently until power is restored
4. Partnerships for Renewables and Resiliency - City Light is partnering with experts at the National Renewable Energy Lab (NREL) on a project recently awarded a \$1 million grant by the US Department of Energy, part of a \$43 million initiative designed to support the clean energy transition in communities known as Renewables Advancing Community Energy Resilience (RACER). The team is comprised of SCL, Office of Sustainability & Environment, and Seattle Department of Construction & Inspections staff along with researchers from the National



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Renewable Energy Laboratory, the University of Washington, and the University of Buffalo. The team will use emerging planning approaches developed at national labs to create a first-of-its-kind equity-informed resilience tool to help determine the social benefits of renewable-based resilience investments in South Seattle. City Light and other City staff will also leverage the relationships and direct community engagement that has been at the heart of the City's efforts in the Duwamish Valley to ensure the partnership and perspective of these historically underserved communities.

5. Franchise Cities - On Nov. 3, SCL held its annual Franchise City Forum. The agenda included updates on the City Light Strategic Plan, rate increases and coming TOD rates, emergency management, and cyber security. We also followed up on action items from previous discussions:
 - a. To improve communication between SCL staff and franchise city inspectors, we have been holding monthly internal meetings focused on franchise cities to bring awareness and brainstorm solutions, plus meeting with franchise cities to resolve and overcome issues.
 - b. City Light was asked to expand plan review in franchise cities, so City Light does an initial review of building plans prior to issuance of city permits, not after. Following a 2022 pilot with the City of Burien in, we are preparing a proposal to ask for additional resources so we can expand to all cities.

Debra shared that SCL vacancy rate (currently slightly above 13%) and supply chain disruptions (18-24 months for transformers) are contributing to engineer assignments and work completion delays.

Strategic Plan. Leigh introduced the Strategic Plan status topic. The Q3 Status report and financial health presentation are in the meeting packet. Kirsty Grainger and Craig Smith presented a deeper dive into the Future Financial Health & Affordability.

Q: Does the accountability extend to performance of planned work, in addition to financial performance?

A: Yes, that is the intent-- we are starting with Org Managers (people managers) this year, and in 2023 we will be rolling out tools to improve accountability for project managers, who would be the ones leading execution of planned work.

Carsten Croff and Rob Shelley from Piper Sandler presented on City Light's debt strategy.

Q: I noticed there aren't any AAA rated utilities. Are there reasons for that? What is the ideal rating? Also, the 'cushion' you're creating relates not only to policy, but also money left in the rate payer's pocket. This tells a good story for City Light. How do you factor in having money that doesn't go to the ratepayer that you have financial policy constraining you?

A: For ratings it would be tough for utilities to get a AAA rating. One of the stronger rated utilities, San Antonio, has recently had their rating dropped to below SCL in part due to impacts from their winter storm. There are a bunch of different investments that utilities need to make to



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fixed assets. SCL's rating is very good and results in a very favorable borrowing cost.

The benefit to rate payers is the balance you're trying to strike. Favorable borrowing cost is a benefit to rate payers. The difference in borrowing cost for City Light bought us access to funds in a volatile market. Some entities would be shut out of the market in times of stress.

Q: I'm not clear on investments that are made to grow future revenues. You are not growing your future revenues and your fixed asset line going up and up. I'm wondering how you know you made the right amount of capital investment if revenue isn't growing.

A: One of the things Kirsty talked about is our increasing customer count. We need new assets to support a growing number of customers. We're also replacing older assets that are at the end of their life. Replacements costs are much more than the initial asset cost, which is also driving up the asset line on the chart. Our dense urban service territory leads to higher costs for our distribution infrastructure.

Due to time constraints, this conversation on debt strategy will be continued in January.

Adjourn: Meeting adjourned at 11:01 a.m.

Next meeting: Jan. 22, 2022, 9:00 – 11:00 a.m. with an optional social time from 11:00 – 12:00. There will be both virtual and In-person meeting options.