



**City Light Review Panel Meeting
Meeting Minutes**

Date of Meeting: January 21, 2020 | 11:00AM – 2:00PM | SMT3205 “Final”

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
Gail Labanara	√	John Putz	√	Mikel Hansen	Skype
Sara Patton	√	Patrick Jablonski	√	Leon Garnett	√
Thomas Buchanan	√	Chris Mefford	√	Mikhaila Gonzales	√
Staff and Others:					
Debra Smith	√	Jen Chan	√	Karen Reed (Consultant /RP Facilitator)	√
Kirsty Grainger	√	Mike Haynes	√	Tom DeBoer	√
Scott Thomsen	√	Chris Ruffini	√	Maura Brueger	√
Gregory Shiring	√	Carsten Croff	√	Leigh Barreca	
Eric McConaghy	√	Alex Pedersen	√	Kathleen Wingers	√
Angela Bertrand	√	Jenny Levesque	√		

Welcome. Gail Labanara, Panel Chair, convened the meeting convened at 11:03 a.m., and led a round of introductions.

Public Comment. There was no public comment.

Review and Approval of Meetings of December 10. Sara Patton submitted one amendment to the meeting summary; on page two, as follows: “Sara Patton said that she thinks it is great that Debra is working on this and bringing public power into effective dialogue with other parties on this issue. In terms of advancing public power’s interests.” As so amended, the meeting summary was approved.

Chairs Report. Gail noted that she would like to consider either moving or cancelling the Panel’s March 10 meeting since Karen Reed is unable to attend.

Communications to Panel. There were none. Staff gave Panel members a new edition of the “Fingertip Facts” publication on City Light.

SCL in the news. There was an article in the Sunday Seattle Times about transportation electrification that mentioned City Light.

Updates to the RoadMap. Carsten Croff described the status of the current pilot projects; they are progressing well and are on schedule. Debra Smith shared that she is concerned about the Utility’s ability to meet the current timeline on the Portal Project; she and staff are actively working with Seattle Public Utilities (SPU) and the Seattle Department of Information Technology (Seattle IT) on this project. There has been some significant re-scoping in an effort to incorporate more of the customer benefits implemented in the first phase of the project.



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General Manager's Report. Debra Smith noted that the Skagit Hydroelectric Project relicensing effort is under way. The formal application to the Federal Energy Regulatory Commission (FERC) for renewal will be submitted in 2023. Preliminary filings will occur sooner. SCL will be seeking a 40-year extension of its license. There are some 30 studies in process now, or will be soon, in support of this application.

Debra shared information on the new Deputy Mayor, Casey Sixkiller and the new City Council Committee structure. A new committee involving oversight of SCL, Seattle Public Utilities, Seattle IT and the Seattle Department of Transportation. New Councilmember Alex Pederson will chair this committee and will be joining the meeting shortly to speak to the Panel. Eric McConaghy noted several committee process rule changes that Council approved late last year intended to strengthen the Council Committee process.

Debra introduced some new staff, and noted transitions for others:

Tom DeBoer is the new Environmental Officer, succeeding Lynn Best who is retiring.

Chris Ruffini is the new Director of Finance, reporting to Kirsty Grainger, the Chief Financial Officer.

David Logsdon is the new as Director of Electrification, reporting to Emeka Anyanwu, the Energy Innovation & Resources Officer. This position was previously called Director of Innovation.

Kelly Enright will be moving to a new position, as yet undefined. Customer Energy Solutions and Customer Experience will be consolidated into one division reporting to Craig Smith, Director.

Mike Haynes, Chief Operating Officer (COO) has promoted Michelle Vargo to Deputy COO.

The City is doing work to improve cross-departmental permitting efforts. This is focused on affordable housing—seeking to speed up the City's ability to issue permits. Kelly Enright will be working on this effort.

At this point, Councilmember Alex Pederson, Chair of the new City Council Transportation and Utilities Committee, joined the meeting. He thanked the Panel for their work and noted his priorities are to keep rates down, promote electrification of transportation and review the new strategic plan. Panel members had an opportunity to ask questions of Councilmember Pederson. He noted that one of his staff people may attend a Panel meeting in the future.

The Panel took a short break. Upon reconvening, there was a brief discussion in response to a question from Chris Mefford about SCL's engagement with the current long-term plan for industrial lands, which is being conducted by the Office of Economic Development. Debra noted there isn't much interaction here, except through the Mayor's Capital Cabinet. Mr. Mefford noted the next three months would be important time to engage as an environmental impact statement is being scoped.



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GM Strategic Priorities: Overview of Employee Culture Engagement Survey. Debra spoke to preliminary results from the recently completed SCL employee survey. The plan is to complete a survey every two years; the questions in this survey matched the ones from the survey two years ago. In the alternate years, customers will be surveyed. Overall there are notable points of improvement, the responses generally closely track those of two years ago, but the comments submitted suggest a more optimistic, hopeful spirit among employees for the future. Discussion points included:

Question: Does the utility benchmark include both private and public utilities? **A:** Yes.

Question: Do you know how we compare to just public utilities? **A:** No.

Results of the survey will be segmented down to the Division level and work groups will be convened for each division to consider their specific results and create action plans in response. This work will be launched this spring.

Question: For employees open to leaving, is their primary concern around communication? **A:** Yes, that and agency culture.

Question: What is the average length of time SCL employees have worked here? **A:** Close to 20 years.

Question: Impact of this work on the Strategic Business Plan? **A:** You will not see additional funding associated with the work we are doing in response to the survey. SCL will share the outcomes from the work of divisional teams with the Panel.

2018 Review Panel Letter: GM Comments on Status of Issues Raised. Debra noted that her priorities going forward are to: address agency culture; focus on and finish the customer initiatives; create organizational stability for employees; promote transportation electrification; fix the business model (addressing declining demand); and bend the cost curve to be closer to the CPI. Relicensing Skagit is also a big priority. The new Strategic Plan will have some placeholders in it for some of the items raised by Panel that are not yet complete. Also, we will not have time for broad engagement of employees on the initiatives in this new plan. The actual 2019-2024 average increase was 4.5% in the 2019-2024 Strategic Plan. The next one won't be as low as the December briefing suggested, but she expects it to be at or below the current Plan average.

In terms of specific issues raised by the last Panel letter Debra shared her thoughts on each of the items in a summary list. She noted that cost control is absolutely a major focus for both capital and operations. Transportation electrification is the response to declining demand. She agrees we need to right size the capital expenditures and debt burden of the utility. The Denny Substation project taught the Utility a lot about major capital projects. Joining the Western Energy Imbalance Market has been an important initiative to address revenue risks from a changing energy market. The Electric Vehicle initiative must be engaged citywide to succeed. Rate redesign is happening. Affordability remains a focus that requires managing both costs and load. In terms of



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transparency, the Panel now receives the same information as does the Mayor and Council; staff are also working to update the dashboard. Panel has seen a revenue forecast and demand forecast much sooner in this update than in the last round. The Utility is working on better benchmarking and a renewed effort at retaining utility property for utility purposes. SCL does not intend to have savings targets in the next Plan but will focus on cost containment. Debra agreed it is important to track bill changes, not just revenue requirements.

2021-2026 Strategic Plan: Draft priorities, objectives and goals. Leigh Barreca presented. Materials presented the updated mission, vision and values for SLC and five proposed priority areas for the new plan:

1. Ensure future financial stability
2. Prepare for tomorrow's energy future today
3. Create a customer centric culture
4. Enable transformative change
5. Keep the lights on

For each priority area, an objective, preliminary goals and preliminary measures are presented. The next step will be to get Panel input on these, and to present a list of strategic initiatives in support of the priorities. Debra noted that customer experience and cultural change issues will probably be considered mission accomplished in the new plan. Grid and electrification will be the new capital focus, but pole replacements are consuming the financial space to invest heavily in other areas in the very new term.

Discussion points included:

- What does financial flexibility mean? A: Resilience. Moving away from maximum debt issuance every year.
- Electrification: would like to see SCL asserting leadership on this issue. It will be needed, internal to the City organization and externally for this to succeed.
- Transformative change reference to positioning asserts should move to priority 2 (Prepare for tomorrow's energy future today) How does this priority differ from priority 2?

2021-2026 Strategic Plan Outreach. Jenny Levesque presented. She shared work that had been completed in terms of outreach for the current plan, and what is planned and underway for the new plan. Discussion points included:

- Your customers and stakeholders are extremely diverse. It is hard to gauge efficacy of the proposals here without a more granular approach.
- Will there be a summary report on outreach as in past plans? A: Yes.

Karen noted that Mikhaila Gonzalez has resigned from the Panel. Maura Brueger noted that Councilmember Pederson has committed to quickly replace this financial analyst position. If Panel members have any recommendations for nominees, they should contact Maura.

The meeting adjourned at 2:04 p.m.