



City Light Review Panel Meeting Meeting Minutes

Date of Meeting: September 10, 2019 | 11:00AM – 2:00PM | SMT3205 “Draft”

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
Gail Labanara	√	John Putz	√	Mikel Hansen	
Sara Patton	√	Patrick Jablonski		Leon Garnett	√
Thomas Buchanan	√	Chris Mefford	X	Mikhaila Gonzales	√
Staff and Others:					
Debra Smith		Jen Chan	√	Karen Reed (Consultant /RP Facilitator)	√
Kirsty Grainger	√	Carsten Croff	√	Leigh Barreca	√
Scott Thomsen	√	Calvin Chow		Maura Brueger	√
Gregory Shiring	√	Erin House		Kiersten Grove	√
Eric McConaghy	√	Angela Bertrand	√	Kathleen Wingers	√
Beth Looney (Consultant)	√	Joni Bosh	√		

Welcome, Introductions. Gail Labanara convened the meeting at 11:03am and led a round of introductions, including Angela Bertrand, who will be working with Leigh Barreca on performance metrics.

Public Comment. Joni Bosh from NWEAC said that she would like clarification that the rate pilots, specifically, whether funding is coming at the expense of current energy efficiency programs. She also asked for clarification on the time frame of the pilots—when do they expire and how will reporting to Council and Panel work? In response, Kirsty Grainger said that funding does not come at expense of the energy efficiency program, there is a timeframe for each pilot, and the Panel and Council will be briefed on the results of all pilots.

Strategic Plan Kick-off: Scenario Planning 101. Leigh introduced Beth Looney, a consultant who is working with the Utility to shape the update to the strategic plan. Beth took the group, including staff, through an hour-long exercise to discuss questions around: what are the long-term trends you observe that will impact the Utility going forward? What does the Utility do well now, and where is it challenged? Based on the input from the group, Beth is created a set of possible future scenarios and these scenarios will be used to guide development of the strategic plan update.

Meeting Summary of July 16, 2019. Upon reconvening, the Panel approved the minutes of July 16 approved as with one change to correct the spelling of Sara Patton’s first name.

Communications to Panel. Leigh reported there had been one citizen email; the person expressed an interest in attending Panel meetings.

General Manager’s Report. Jen Chan reported in Debra Smith’s absence. Jen said she is excited



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about the scenario planning exercise; the leadership team has just completed this same exercise. Jen shared that a lawsuit has been filed seeking class action status for City Light customers who had problems with their bill estimates over the last year or so. The City attorney is reviewing this. Jen also shared that the East Marginal Way pole collapse report is being finalized; it has taken longer to complete than expected, so it will be released in two parts: findings, and then, response plan. She does expect that there will be recommendations for new capital investments for pole replacement as a result of this work.

Strategic Plan Roadmap. Leigh spoke to the documents in the meeting packet. John Putz asked for more information about the Utility's long-term strategy to manage capital expenditures—what will be funded, and how. Panel members concurred that this is important to them. Kirsty and Leigh noted this will be a topic before the panel in November; the Utility is currently doing a deep dive on its capital improvement plan. Panel members thanked Leigh for having the future agendas mapped out in the packets each month.

Rate Pilot Projects Update. Kirsty shared that City Light is seeking general authority from the City Council to launch pilots under certain parameters, around low-income assistance and demand response. An ordinance to accomplish this will be forwarded to Council within the month.

Q2 2019 Financial and Strategic Plan Report. Leigh reviewed highlights of the strategic plan update. The dashboard metrics are being revised to be more helpful. Kirsty reviewed financial data from June of 2019. Retail and new wholesale revenue are lower than projected. The RSA surcharge is expected to remain in effect through 2019 and an additional 1.5% surcharge is anticipated in November to shore up the balance in the fund; however, this surcharge will be offset by lower costs from the Bonneville Power Administration. The Utility will need to borrow on a short-term basis from the general fund to maintain cash flow in Q3; this has been planned to accommodate a debt issuance and bond refunding this fall. Kirsty shared the Q2 capital spending variance report. City Light is anticipating a \$50-70M shortfall in 2019 capital improvement funding that will need to be addressed; she anticipates this will increase retail rates in 2020-2022 over earlier projections. Several projects have contributed to the funding shortfall, most notably the Denny Substation and Denny network build-out. The current projections do not yet include a response to the pole replacement report. Kirsty shared the rules of thumb on rate impacts: an \$80M increase in capital improvement expenditures raises rates about 1%; \$10M in operating expenses raises rates about 1%. The Review Panel emphasized their ongoing concern over lower revenue and higher capital expenditures. The Panel thanked Kirsty for sharing the budget information.

Adjourn. The meeting was adjourned at 2:00 PM.