



**City Light Review Panel Special Meeting
Meeting Minutes DRAFT**

Date of Meeting: June 26, 2018

MEETING ATTENDANCE					
Panel Members:					
Names			Name		Name
Gail Labanara	√	David Allen	√	John Putz	√
Sara Patton		Patrick Jablonski	√	Calvin Shirley	√
Thomas Buchanan	√	Leon Garnett	√		
Staff and Others:					
Jim Baggs	√	Tony Kilduff	√	Karen Reed (Consultant <i>Contractor/PP</i>)	√
Robert Cromwell	√	Calvin Chow	√	Joanie Bosh	√
Leigh Barreca	√	Gregory Shiring	√	Richard Cuthbert	√
Kirsty Grainger	√	Caylyn Rolph-Tate	√		
Kathleen Wingers	√	Michael Maddux	√		

Introduction: Gail Labanara welcomed the group and convened the meeting at 11:02 AM.

Panel Discussion: None

Review of Agenda: Karen Reed reviewed the agenda.

Meeting Minutes: Approved April 24, 2018 and May 3, 2018.

Public Comment: Joni Bosh from NVEC said that she is excited to begin working on rate design with the Panel. She hopes the work will include a look at underlying revenue assumptions, the cost of various power sources, and multipliers among other issues.

Chair's Report: Gail mentioned that there is an appreciation reception in honor of City Board and Commissions volunteers on July 19 to which all Panel members are invited.

Communications to Panel: There were no communications.

SCL in the news and other updates: Jim Baggs described the work the Utility has done in partnership with the Seattle Fire Department to develop a new protocol for putting out network vault fires. It involves use of carbon dioxide to smother the flames.

Other communications: Cal Shirley shared that the SCL General Manager job description/recruitment has been posted. Interviews will take place in August.

Economist Panel Vacancy: Karen and Robert Cromwell encouraged Panel members to help the City identify potential candidates for the economist position on the Panel.



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Debrief on Strategic Plan Deliberations. Jim Baggs shared that the Utility worked with the Mayor's office to develop the targeted cuts that she requested to operations and capital spending in the Strategic Plan. The Utility had input into how the proposed cuts will be implemented. Cuts of this level will be difficult for the Utility to absorb but Jim is confident that they can be accomplished with minimal risk to service to customers. The Utility submitted the 6-year Capital Plan to the City Budget Office and received favorable feedback.

Jim noted that the first Council Select Committee discussion on the Strategic Plan was held without the Plan yet being transmitted to the Council. The topics covered at that (May 31st) meeting included an overview of the outreach efforts as well as a discussion of industry trends. The June 14th meeting involved a presentation of the 2019 – 2024 plan. Michael Maddux, staff member for Councilmember Mosqueda noted that a fourth Select Committee meeting has been scheduled for July 9th in case it is needed. Mr. Baggs noted that Councilmember Mosqueda is interested in rate design, and the Utility has been encouraging to keep the Panel's role central in that effort. Discussion points included:

- How did the Utility decide what to cut or how much to cut?
A: We aimed at a rate path that equated to inflation plus what we needed to add to make up for the new lower forecast.
- How many people will be cut?
A: There will be no layoffs but there will be higher vacancy rates and less reliance on temporary employees.
- How many unfilled positions?
A: Some vacancies will never be filled. We may reduce temporary employees by a fair amount, probably less than half.

Gail Labanara noted that she feels we do not need a separate task force on rate design so long as that remains a big part of the Panel's job by ordinance.

Michael Maddux said that the proposed Council resolution on the strategic plan will likely require that the Panel consult with various constituencies on rate design but will be flexible. He noted that the Panel may also want to look at debt service levels and policies. There is a hard deadline from Council to have a rate design proposal presented to them by the end of the first calendar quarter in 2019. In response to a question, he shared that the council will expect that this group will seek to find a balance among residential concerns, business owners, renters, and energy conservation. The work should include consideration of Councilmember Sawant's idea for a single rate class for electricity.

After a break, the Panel considered the proposed letter in response to questions from Council at the June 14th Select Committee meeting. After discussion, it was agreed that the letter should be sent with two additional points added:



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- Express the Panel's hope that the Utility's work plan and funding will be prioritized to include the 7 work items identified in the Panel's May 7th letter to Mayor Durkan.
- Add reference to the larger need to continue to look at what needs to be done to preserve the Utility's financial health in light of declining retail demand.

Karen will make changes to the letter and work with Gail and Patrick to finalize it and get it to the Council tomorrow.

Election of new Review Panel Chair and Vice Chair. Following a nomination process, the Panel selected Patrick Jablonski as Chair for the next year, and Gail Labanara as Vice-Chair, with thanks for their willingness to continue in these leadership positions.

Panel Discussion: Review Panel 2018-2020 Work Plan. The Panel offered the following ideas for inclusion in their 2018-2020 work plan:

Substance/Topics:

- Business model in the new world of declining demand
 - Trade-offs illustrated
 - Impacts on system reliability
 - Utility of the Future
 - Utility Discount Program
 - More detail on future plan
 - What does expansion mean? Financial ramifications
 - Structure options?
 - Rate Design
 - Dept and Capital Planning and Policies
 - Tracking issues:
 - Financial health
 - Major projects
 - Customer service metrics
 - Succession Planning
 - Employee Retention
 - Workplace culture
 - Response to issues such as sexual harassment, racial discrimination
 - Customer Experience
 - Bill estimate issues
 - Equity impacts
 - Progress on renewable energy and energy efficiency
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Process Items:

- Provide more insight on the past as context to consider new issues: how is this discussion building towards accomplishing a strategic plan goal?
- Spread Strategic Plan work out more to avoid a rush of work at the end.
- Panel needs to be more specific in our information requests to the Utility.
- Communicate data request responses from any Panel member to the full Panel
- Clarify the desired outcome from discussion items brought forth.
- Budget presentations: goal is to understand the budget sufficiently to inform the Panel's view on the revenue requirement going forward.
 - What was money spent on, was it well spent? (discussion point: what does this mean? How do you measure this?)
 - Identify areas of big under- or over-expenditure.
 - Panel doesn't want to micromanage specific projects.
- Financial data should be made available before meetings. A week in advance, if at all possible. Staff noted this very difficult when the meetings are twice per month.

Next steps

- *The steering committee will take this input and develop a work plan proposal for Panel review and discussion at the July 24th meeting.*
- *Karen will work with Cal Shirley to develop a matrix to clarify the type of information he is looking for.*
- *A July meeting will be scheduled for the steering committee.*

The meeting was adjourned at 2:02PM.