



**City Light Review Panel Meeting
Meeting Minutes**

Date of Meeting: June 23, 2020 | 11:00AM – 12:00PM | Meeting held via Microsoft Team "Final"

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
Gail Labanara	√	John Putz	√	Mikel Hansen	√
Sara Patton	√	Chris Mefford	√	Leon Garnett	√
Thomas Buchanan	√	Scott Haskins	√		
Staff and Others:					
Debra Smith	√	Jen Chan	√	Karen Reed (Consultant /RP Facilitator)	√
Kirsty Grainger	√	Mike Haynes		Emeka Anyanwu	
Jim Baggs		DaVonna Johnson		Tom DeBoer	√
Julie Moore	√	Chris Ruffini	√	Maura Brueger	√
Greg Shiring	√	Carsten Croff	√	Leigh Barreca	√
Eric McConaghy	√	Alex Pedersen		Angela Bertrand	√
Craig Smith		Toby Thaler		Chris Tantoco	√
Kathryn Aisenberg	√				

Welcome\Introductions. Gail Labanara kicked off the meeting at 11:03.

Public Comment. None. Two members of the public were in attendance to listen to the meeting.

Standing Items:

Review Agenda. No comments.

Approval of June 3rd Meeting Minutes. The meeting minutes were approved as submitted.

Chair’s Report. No report.

Communications to Panel. There were no communications to panel. Maura Brueger gave an update on panel vacancies and expired positions. Transportation & Utility Committee meetings are pushed off until August, at which point the appointments are expected to be on their agenda and acted on. Three appointments are council nominees and one is a Mayoral appointment. Will include an update on this as an agenda item for the July 21st Panel meeting.

Election of Panel Chair & Vice Chair.

Nominations for President: Leon Garnett. All in favor. None opposed. Elected.

Nominations for Vice Chair: Mikel Hansen. All in favor. None opposed. Elected.

2021- 2026 Strategic Plan. Corrected Rates & Bill Impacts

The corrected rates and bill impact for the strategic plan are included in Panel packets. Thank you for catching the error in the last meeting.



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- **Q:** This is in the strategic plan, but the strategic plan is going on the shelf? **A:** Correct; the plan is not considered to be final. It is not being published or sent to the City Council or Mayor at this time.
- **Q:** How are these different than what were in the draft plan? **A:** The out years, 2024, showed 0% increase. We are striving for rate increases that track inflation.

GM Update. Debra Smith presented; her comments are summarized below.

All SCL crews are working again. We resumed planned outages June 8th. We resumed small-cell deployment as well as accelerated pole replacements and other customer work. We still have many employees on the Line side who have self-declared as high-risk who are not currently working. Many are chronologically older (60+ or underlying health condition = high risk.) Many of these are crew chiefs. This effects how we put together nearly 1/3 of our crews. We have to bargain (mandatory subject of bargaining) how to work with at risk employees. If you do self-declare, the City requires you look on the City employment hub for telework options. Staffing limitations impacts our timeliness for service.

SCL received Council and Mayor's Office approval to move forward with Transportation & Electrification Strategic Investment Plan. The request for this plan came out of the 2019 Legislative session. Following approval of the plan in August we will begin to develop the plan's programs.

We are also moving forward with Rate Pilot projects. The Equity Pilot is moving forward in partnership with Byrd Barr Place. It has been hard to recruit participants in the current situation. As we move into Phase two, we anticipate increased enrollment. In August we hope start both the Time of Day Residential Electrical Vehicle pilot, as well as the Public Charging demand rate pilots. These were already approved by Council.

Kelly Enright, our former Director of Customer Transformation, has taken a new job outside the City of Seattle. Her last day is in early July. Kelly has done a great job for City Light; moving on was her decision and she did that very collaboratively. Kelly stepped up to support the City's Human Resources Department as Chief of Staff to launch policies related to COVID-19 for the past three months.

We are in week seven of the Grid Enhancement/Modernization Project and it is close to wrapping up. This project is intended to identify a suite of technical projects that could allow the City to do projects such as microgrids and smart city apps. The goal of was to identify and document projects that SCL could put forward for possible stimulus funds. Many of these require matching funds, so the City would need to put up sizable budget dollars as well to access the stimulus funds.

We are finalizing the memo on AMI that includes a staffing plan for meter readers going forward. We will likely share this with you in your packets in July. We have declared the project phase of AMI over and have moved to business as usual for the Technical Metering Office.

In order to consider resuming customer collections we have established a customer advocacy/advisory



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team. They will be focused on working with customers who have struggled with bill payments.

There has been issues in serving Nucor in the past few weeks caused by substation breaker and transformer issues. Nucor has had to manage their load to respond to the reduced capacity. We worked with our Systems Operations Center to get them back up and running last Thursday and they have been up since. A switch will be replaced on June 26th which will provide them with unlimited capacity.

- **Q:** Is Nucor's load still down? **A:** They have been running different schedules lately--- not running 7 days a week. The cause of the decline is likely due to supply chain issues as well as reduction in demand for their products.

We will have a status update for City audit of City Light billing processes at the next Review Panel meeting. We have not been able to do as much as we hoped by this time as we have had to shift to remote work and increased focus on COVID response needs. We have a new manager in Customer Service to lead this project.

July 24th is mediation date for the lawsuit that was filed on behalf of one customer as a class-action lawsuit. City Light has hired a forensic accounting firm to see how big the class is and how they have been affected. City Light entered the lawsuit with the intent to settle. We have no specific information on what the recommendations will be, but on the 24th we will be talking through options.

In response to a question, Debra provided some history on the class-action lawsuit:

The customer filing the suit was back billed. When City Light upgraded our billing systems and implemented AMI, a number of billing issues occurred. For example, if customer consumption appeared to be incorrect when the new meter was installed, the bill was suppressed so customers may not have received bills for some time. Some customers received incorrect bills. Also, there was a batch billing impact. There are two possible financial impacts: 1) The bill was incorrect, and customer paid too much. We will make that right. 2) Customers were charged and paid the right amount, but it caused hardship because of the higher bill amounts that were stressful. We expect to pay out some money, but it will be up to the terms of the settlement of the case to determine how the funds will be distributed.

Recovery has taken on a new meaning. The effort around reopening/recovery is happening both city-wide and inside City Light. City Light is leading the creation of the plan for internal City operations. There was an effort before civil unrest to restore functions to be better than we were before and to work through known issues of systemic racism. We are now thinking of recovery with a greater focus on the race and social justice landscape. The Mayor's cabinet has been spending a lot of time together working on this. There are three things are happening concurrently: COVID, Economy/Recession, Community Unrest.

The City is looking at how to do the budget differently, in a more collaborative manner. As a non-General Fund department, we are in a different position from a budgeting perspective, but we want to work with the City to develop strategies and "quick wins". We will also have to take cuts in each of our



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Business Units.

Tom DeBoer is leading internal SCL recovery efforts. We expect that most employees will likely telework from home until the end of the year at a minimum. Financial and Administrative Services is working towards a 25% reduction in City office space footprint, assuming more people will want to work from home permanently. We may reconfigure office space with launchpads so people can come in when needed, without the need for as many individual office stations.

Q&A.

- **Q:** What the status of the load? **A:** It is coming back a little bit. It's hard to tell because we're going into summer and we are a winter peaking utility. We are building the budget assuming a 3.4% reduction in load plus an additional 1% of assumed decline. We are getting ready to issue bonds and have been working with a rating agency. We are thinking we may need to shave another 1% on our load projections, which would result in something closer to a 5.5% load reduction forecast.

Kirsty: The bond agency appreciated that we've put a lot of thought into it and are keeping ahead of the forecast projections during this unprecedented time.

- **Q:** How many people are working from home? **A:** Of our non-field staff, 90-95%.
- **Q:** With decreased load are you planning to sell in the wholesale market? **A:** We do and will continue to sell unused electricity. However, wholesale rates have been very low, i.e. \$0.01/kWh and negative at times. Retail rates are \$0.11/kWh. We expect to see an increase in wholesale revenue in the late summer/Q3 when wholesale prices increase due to reduced supply. We ended 2019 with \$14.7M in wholesale revenue sales.
- **Q:** What are your major milestones for the budget? **A:** City departments are submitting 2021 budgets right now. Most of the general fund departments were asked to cut 5-10% of their budgets. For us we are expected to participate in things like furlough days, hiring freezes, layoffs, contracting freezes, etc. Other than that, we are expected to solve our own problem. We are cutting more from our business units than some would like. Kirsty's team is working to align and identify budgets as close to what we actually need as possible. For example: we know that we need to operate with 300 fewer FTE. We always plan for a 6% vacancy rate and we are currently at 10% right now. We can also continue to not fill vacancies resulting from retirements. We are planning to manage towards this 300 FTE target through attrition where possible. It gives us less control, but means people keep their jobs. Tomorrow Central Budget Office is submitting the 2020 rebalancing plan. The City is in pretty good shape for 2020 because of recovery and stimulus funds. 2021 will be more problematic.
- **Q:** Is the Customer Energy Solutions group still not meeting energy efficiency goals? Are there any updates? **A:** No. Nothing has changed.
- **Q:** Do you have more information about state or federal stimulus funds? **A:** We hear they're "close". We do not know for sure but expect funding programs to be available in July or August.

Meeting Adjourn at 12:03pm.



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Next meeting on July 21st will be a two-hour meeting.
A round of applause for Gail for serving her term as Chair.