

January 28, 2021

The Idaho Falls Power Board of the City of Idaho Falls met Thursday, January 28, 2021, at the Idaho Falls Power Energy Center, 140 S. Capital, Idaho Falls, Idaho at 7:00 a.m.

Call to Order, Roll Call, and Announcements:

There were present:

Mayor Rebecca L. Noah Casper
Board Member Michelle Ziel-Dingman (via Zoom)
Board Member Thomas Hally
Board Member Jim Francis
Board Member Jim Freeman (via Zoom)
Board Member John Radford (via Zoom)
Board Member Shelly Smede (via Zoom, left at 8:15 a.m.)

Also present:

Bear Prairie, Idaho Falls Power (IFP) General Manager
Stephen Boorman, IFP Assistant General Manager
Randy Fife, City Attorney
Will Hart, Idaho Consumer-Owned Utilities Association (ICUA) Executive Director (via Zoom)
Pam Alexander, Director of Municipal Services (via Zoom)
Josh Roos, Treasurer (via Zoom)
Linda Lundquist, IFP Board Secretary (via Zoom)

Mayor Casper called the meeting to order at 7:04 a.m. and made various brief announcements including the recent Line Commission meeting.

Board Member Updates and Announcements

Board Member Radford invited the Board to attend the American Public Power Association's (APPA) Policy Makers Council meetings since they are easily attended virtually and pointed out that it is good to hear from the power community about things that could affect the utility such as the United States Administration's transition or cyber security breaches.

Board Member Freeman mentioned President Biden's push for an all-electric fleet in the federal government and suggested that we as a city should align with similar goals. Mayor Casper stated that it may be time to revisit the electric vehicle (EV) studies and conversation. General Manager (GM) Prairie reminded the Board of the current polices and EV charger program the utility developed a few years ago which has not yet gained much interest in the city, likely due to low EV penetration. Board Member Hally added that Hunter Biden pledged in a recent interview that there would be no combustible engines by 2035.

Board Self-Evaluation

The Board reviewed results from the recent self-evaluation survey. The discussion focused on comments made in the survey where Board Members may have had a difference of opinion or experience. Mayor Casper reminded the Board to keep close to the central purpose of a Board. The practice of reviewing board packet materials before meetings and making policy decisions during meetings was discussed. Board Member Freeman commented that most citizens do not realize that City Council members also serve as IFP Board Members and therefore might not necessarily provide utility related feedback. GM Prairie offered that the utility spends a large amount of time and money on conducting robust community surveys and suggested that in addition, the utility can hold more educational events to provide additional opportunities for direct community feedback. He continued to say that there is some community awareness, but more is

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helpful about the benefits of public power and mentioned that the APPA produces educational public power programs for communities. IFP uses a lot of these materials in our media/community outreach. Mayor Casper and Board Member Radford agreed that the APPA has done a great job advocating for public power. There was some discussion about Board communication and community advocacy. Board Member Hally stated how informational some of the Utah Associated Municipal Power Systems' (UAMPS) utility conference breakout sessions can be, especially about power and other current utility related issues. Board Member Ziel-Dingman, while agreeing that these sessions can be beneficial, expressed her frustration with public power representatives not including or engaging her in their conversations. She continued to state that this was a very negative experience for her. For these and various other reasons, she added that it may not be a good use of rate payer's money to encourage the entire Board's attendance at utility conferences. Board Member Radford agreed with the time constraint, as he also has a full-time job. He continued to say that if Board Members were compensated enough that someone like him could quit his job and focus a lot more time on Board activities and management. Mayor Casper reminded the Board that IFP already pays a substantial portion, which is the largest of any city department to their current salary for serving on the Council which includes their work on the IFP Board. Board Member Ziel-Dingman offered that each Board Member brings individual values and contributions to the Board and shared how rewarding and equally beneficial marketing conversations have been with the GM. GM Prairie stated that moving forward, he will advocate for more online options to attend events and conferences for those unable to travel. Mayor Casper suggested continuing this conversation in the March meeting due to a lack of time. GM Prairie noted that there is a difference in his mind of how the Board functions relative to the normal liaison structure for other city departments. There was general discussion around the differences between the Board structure and liaisons. The consensus of the Board was that GM Prairie should email the entire Board as he feels appropriate in order to provide education and training items between regular Board meetings. Discussion continued around other differences of which it was agreed upon that in a Board setting Mayor Casper acts as the Chair of the Board, which is more of a policy role and less of a staff role like perhaps in normal city structure. Mayor Casper agreed there is a difference in her Board role from traditional City Council and Mayor role.

Legislative Update

Idaho Consumer-Owned Utilities Association (ICUA) Executive Director Will Hart, who serves as the utility's Idaho legislative advisor, began by thanking Mayor Casper, GM Prairie, the Board and ICUA Youth Rally organizers like Mr. Roos for being important members of ICUA and their participation in meetings and conferences. He pointed out that the country's new president and majorities may change things for the power industry and create challenges as well as opportunities. He mentioned that the Senate may be reverting back to a power sharing agreement where the minority/majority committees receive the same funding. He continued to say the U.S. House and Senate are working on budget resolutions including COVID-19 relief, an impeachment trial, cabinet confirmations and executive orders. He added that many orders that were put in place in the prior administration and beneficial to the industry are being delayed or put on hold, like the Keystone Pipeline. He said that climate change has been a big conversation. Mr. Hart added that the Idaho Legislature wants to go for a balance of power realignment to limit the governor's authority. He continued to say that the State of Idaho has a budget surplus and is considering tax cuts and property tax relief, as well as providing funding for infrastructure, education and broadband. He said he is working to get public power and investor-owned utility workers moved higher up on the essential frontline workers list for vaccine prioritization. Mr. Hart presented Congressman Simpson's proposed Energy and Salmon Concept, which is designed to bring an end to the conflicts over salmon and energy in the Northwest region. GM Prairie explained the facts of the proposal and reiterated his position and mentioned that he too has been working with Congressman Simpson's Chief of Staff.

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Utility Billing and Collections Update

Municipal Services Direct Alexander reiterated the customer service enhancements that were put in place in 2019, which included installing new kiosks, paperless billing and offering multiple payment options. In 2020, Mr. Roos the City Treasurer worked to add additional payment options as well as an online signup option for new service agreements with Spanish Interactive Voice Response (IVR) and website upgrades. She commented how positively impacting the new kiosks have been and Treasurer Roos added that there have been close to 5000 kiosk transactions in 2020 that included credit card payments, checks and cash. He continued to say that outsourcing the utility billing was implemented in December 2020, which should solve the problems with aging city machinery, save time and money and allow for multiple bills in one envelope. Mr. Roos added that future enhancements will include the addition of a third kiosk.

Board Policy No. 2 – Council Acting as IFP Board

GM Prairie reviewed the policy with the Board and added some clarifications to the Board Member's responsibilities and expectations. The changes will be reviewed at the March meeting. There was reiteration around the role of Mayor as Board Chair.

Board Policy No. 3 – IFP Board Training Plan

GM Prairie reviewed policy No. 3 with the Board. There was discussion on making the policy more pointed towards having requirements or at least strong language about the expectations of City Council members taking their Board role seriously which includes the large volume of training and education needed for new members. There was general discussion around having more outside of Board meeting training opportunities, especially for newly elected members of City Council. Board Member Smede offered that it would be good for people considering Council to have time commitment information and what it takes to be a responsible and informed member of the IFP Board. GM Prairie stated that he thinks he has the general gist of the Board's wishes in the policy update and will provide a redline for review and further edits from the Board between now and the next Board meeting.

Event Center Naming Rights

GM Prairie presented a naming rights sponsorship proposal for the Mountain America Event Center. He explained the costs and benefits of the proposal and added that it had been reviewed by the city's legal department. He reminded the Board about how competitive the fiber optic industry is and that this is could be an affordable opportunity to not only educate the community, but to acquire more fiber customers which benefits the existing network customers. Attorney Fife pointed out that if the outcomes aren't what is expected, that the opt out clause could be exercised at any time. Board Member Ziel-Dingman said that after reviewing the proposal, she agreed that the cost of the marketing seemed a little undervalued and could be a good return on investment and she could support the Board moving forward with the proposal. Board Member Radford expressed his concerns about the optics of municipalities supporting arena deals and thinks there are better ways to market, including social media. He acknowledged that the proposal is not municipal support but a business transaction for services but felt like a lot of the public might not understand the difference and think this is tax dollars. Board Member Francis had concerns to whether the event center's customers were expected to be local or regional. Board Member Hally said he resonates with the idea of branding the city and appreciates the opt out clause. Mayor Casper agreed that the ubiquitous of hearing and seeing fiber constantly in the arena, will likely be a good branding opportunity. She pointed out that the advertising dollars are the same this year as they will be 20 years from now and that there are not many centers in the region like this one. She added that with the slow down of COVID-19, that the event center has obtained some very good construction bids and will likely move to construction soon. Mayor Casper said that a potential alternate option to invest in the community could be to secure future naming rights at the city-owned baseball field. Board Member Freeman agrees the proposal seems to be a ground floor

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bargain, but has concerns about the optics of marketing in a sports arena. Board Member Radford said he cannot support this type of deal and thinks there are better opportunities in working with local schools to do marketing and advertising of the fiber network to gain customers. GM Prairie offered that since there is not general consensus support for this idea that perhaps there are other opportunities at the arena to leverage its existing assets and offer public WIFI access at the arena, ball field and airport, in exchange for securing a fiber landing page and possibly parking the fiber ambulance at events in these locations. He continued to say that he would report back to the Events Center Executive Director and explain that we cannot move forward with the proposed sponsorship as pitched, but would work with him to find other potential opportunities that serve both interests that doesn't have the issues and concerns voiced by some Board Members.

Utility Reports

Organizational Membership Reports – GM Prairie reviewed a potential Phase 2 expansion at the Horse Butte wind farm. He stated that UAMPS is soliciting interest from its members and he thinks IFP can obtain a 2.3 megawatts (MW) share up to a 5MW share. He explained that because the base development site is already complete, the risk is much lower to where the cost will likely be under \$40 megawatt hours (MWh). He said that phase 1 is operating currently at \$70MWh. He added that this investment would further diversify IFP's portfolio and leverage the currently underutilized substation and transmission rights. Mayor Casper compared the optics of scaling down the SMR and scaling up Horse Butte and GM Prairie reiterated the low risk of wind investment in this situation. Board Member Radford said he generally liked the concept and asked about battery storage and GM Prairie said that as battery storage prices continue to drop, the battery concept will add another piece to a diversified portfolio. He continued to reiterate his recommended strategy of a diverse energy portfolio with limited price risk so the utility is not exposed to un-expected cost overruns from development of cutting edge projects. Battery technology continues to mature with prices coming down and operational risks also lowering with many new installations planned around the west over the next few years. He said an ideal portfolio might include; new nuclear, wind, solar, battery, pump hydro storage and natural gas simple cycle peaking plants (if for only a small percent for certain times of the year). GM Prairie stated that a small group of UAMPS members is looking to research natural gas simple cycle peaking plants with the possibility of locating the plant in Idaho Falls and he would like the authority to enter into conversations that are currently at a conceptual level. He explained how a plant like this could solve local grid reliability issues, serve as a backup insurance plan for when low priced renewables or intermittent generation does show up, provide jobs as well as diversifying existing utility generation portfolio. Board Member Radford said he approves the GM's participation as long as they are broad conversations about the intermit use of such a plant. He voiced concerns with using natural gas as baseload generation and not as a peaking plant or at times energy shortages which causes high prices and reliability concerns. GM Prairie reiterated that his intent is to pursue a peaking plant which runs a very low percentage of the time during the summer and winter peak hours of the day, which is less than ten percent (10%) of the year for sure. He continued to say that hopefully it would never run if low priced intermittent resources are producing and continue to drag down the wholesale market price, but it would serve the utility well from a resource adequacy stand point to have a backstop resource to call upon when needed. The Board gave a head nod for the GM to enter into conversations about natural gas peaking plants.

General Administration – GM Prairie announced an upcoming City Council agenda item with Shell Energy and explained that it is an amendment to the Shell Trading Agreement about credit quality and would provide for longer-term trading capabilities.

Announcements

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GM Prairie reminded the Board to read through the rest of the packet, as some of the material may be part of the March discussion. He said there will continue to be more dialog on Representative Simpson's proposal and to expect more information to come.

There being no further business, the meeting adjourned at 11:15 a.m.

s/ Linda Lundquist

s/ Rebecca L. Noah Casper

Linda Lundquist, BOARD SECRETARY

Rebecca L. Noah Casper, MAYOR