

March 8, 2018

The City Council of the City of Idaho Falls met in Special Meeting (Idaho Falls Power Board), Thursday, March 8, 2018, at Idaho Falls Power Conference Room, 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
Councilmember Thomas Hally
Councilmember Shelly Smede (departed at 11:00 a.m.)
Councilmember Jim Francis
Councilmember Jim Freeman
Councilmember Michelle Ziel-Dingman (departed at 10:15 a.m.)
Councilmember John Radford

Also present:

Richard Malloy, Engineering & Compliance Manager
Randy Westergard, Transmission & Distribution Superintendent
Jim Watters, Substation Foreman
Brandon Lerwill, Crew Foreman
Jeff Trimble, Crew Foreman
Terry Bodily, Crew Foreman
Mark Reed, Generation Superintendent
Wid Ritchie, Energy Products and Services Manager
Joelyn Hansen, Customer Service Relations
Bobbi Wilhelm, Energy Analyst
Randy Fife, City Attorney
Kathy Hampton, City Clerk

Mayor Casper noted the Idaho Falls Power (IFP) leadership team is presenting the agenda items due to the absence of IFP Director Jackie Flowers and IFP Assistant Manager Bear Prairie. She reminded the Council of the Utah Associated Municipal Power Systems (UAMPS) Special Meeting to be held on March 29.

Mayor Casper stated she recently attended an American Public Power Association (APPA) Legislative Rally. She briefly reviewed cell pole attachment discussion as well as State officials' discussion. She also stated she recently attended a Nuclear Energy Conference regarding Small Modular Reactors (SMR) and policy issues. A conference in Idaho Falls regarding SMRs will be forthcoming.

Engineering Overview:

Mr. Malloy stated the Engineering staff includes two (2) electrical engineers and four (4) design technicians. He reviewed their major engineering functions. He also stated approximately 95% of engineering duties are performed in-house. Mr. Malloy noted that IFP can lose power to two (2) substations and still maintain adequate power to the City. He also noted the development of specifications for power equipment to be purchased by the City is now being handled in-house. Mr. Malloy briefly reviewed the Old Lower plant rehabilitation project stating the total project cost = \$7.2m, this amount was less than \$400k from the original budget. He indicated the 15th Street Substation is currently being rehabilitated, with a projected cost of \$1.276m. He also indicated the Templeview Substation is at end of life, it is anticipated to be decommissioned once the Paine substation is constructed. Mr. Malloy reviewed the 12.5kv one-line switches, a tool created for dispatchers. He also reviewed a sample process overview of new development performed by the engineering staff. He indicated IFP has received accolades for the timeframe of new development.

Mr. Malloy recognized the three (3) facility Services staff and reviewed their major functions. He noted additional bins have been purchased to manage the recycling program (scrap metals) amounting to >\$25k annually. Mr. Malloy reviewed a sample process overview of work order management performed by the facility services staff. He noted there is a very regimented process to ensure accuracy and requirements.

March 8, 2018

Mr. Malloy reviewed the future system open line within Capital Improvement Planning (CIP), stating there is a 5 year; 10 year; 20 year; and TBD (To Be Determined) plan. Inputs to capital planning include: studies; load growth; age of infrastructure; outage information; inspections and analyses (pole testing, oil sampling); regulatory inputs; emerging technologies; budget and priorities; and, large commercial projects. Capital projects are tracked by estimated cost, estimated labor, project manager, completion status, priority, date placed into CIP, and, revenue offset. Once the tracking is finalized, the project will be considered within the IFP budget.

Mr. Malloy reviewed the Service Policy Overview. Notable changes to the Service Policy include: primary and secondary conduit locations in the block out of a single phase pad mount transformer; and, residential service upgrades which must comport to City Code. Brief discussion followed. Mr. Malloy noted changes to the policy will not affect developers. Request for approval of the Service Policy changes will be included on the March 8, Council Meeting agenda.

Mr. Malloy reviewed Federal Energy Regulatory Commission (FERC) reliability standards overview:

- Mandated by the Federal Power Act of 2005 for protection of the Bulk Electric System (BEC), standards were enforceable in 2007
- Standards or operating rules that are applicable to utilities based upon registered category thresholds
- 28 standards with 208 requirements applicable to IFP requiring policies, prescriptive actions and reporting, periodic training, delegation agreements and an internal compliance program
- Audited for compliance every six (6) years (this may change)
- Violations can result in \$1m per day penalties

Mr. Malloy reviewed liability standards requirements indicating all requirements must be followed to the letter. The procedures to follow updated standards are included in the IFP Policy and Procedure Manual. Mr. Malloy indicated reliability standards is a dynamic environment:

- Most standards are in their multiple iteration
- Defines violation risk factors and severity levels
- Three (3) layers of regulatory commissions
- Defines compromises of the BES; risk-based registration
- Cyber and physical security

Mr. Malloy reviewed the regional entity and balancing authority maps.

Transmission and Distribution Overview:

Mr. Westergard stated Transmission and Distribution staff includes three (3) line crews (four (4) linemen per crew with one (1) floater), one (1) substation crew, and a contract with Davey Tree Surgery Company for line clearance projects. Customers include - 7 Industrial, 3,832 Commercial, and 23,684 Residential. Transmission includes - 14.64 miles of 161 kV conductor, 22.57 miles of 46 kV conductor, and 11 substations. Mr. Westergard briefly reviewed the substation locations. Distribution includes 36 circuits; 12.5 kV underground – 228.25 miles and 4,053 transformers; 12.5 kV overhead – 233.16 miles and 3,359 transformers; 11,264 power and street light poles; and 353 security lights. Mr. Westergard reviewed the distribution map noting the kV lines. He also noted the 4 kV substations are no longer in use.

Mr. Westergard reviewed recent system upgrades including changeout of streetlights, reconductoring of buried conductor, rebuild of overhead power distribution poles and conductor, and substantial upgrades to six (6) substations. Brief discussion followed regarding street lights and poles.

Mr. Westergard reviewed improvements planned for the upcoming year including two (2) new 12.5 kV circuits from Westside Substation, one (1) additional 12.5 kV circuit from the 15th Street Substation, dedicated circuit for the Idaho National Laboratory (INL), Milligan Substation relay and breaker upgrades, and extension of 12.5 kV circuit south of Sand Creek to Sandy Downs. Brief discussion followed regarding the archery range in close proximity to Sandy Downs.

Mr. Westergard reviewed equipment located in the geographic information system (GIS) and recent projects. It was noted projects are performed while power is active (hot). Brief discussion followed regarding lineman safety training. Mr. Westergard believes the recently approved Rubber Glove Certification training with Northwest Lineman College will be beneficial. He noted all trades personnel within IFP are included in the International Brotherhood of Electrical Workers (IBEW) Union Contract.

The Council expressed their appreciation to the linemen.

March 8, 2018

Generation Overview:

Mr. Reed stated Generation staff includes two (2) foreman, four (4) electricians, five (5) hydro mechanics, and two (2) apprentice hydro mechanics.

Mr. Reed stated there are three (3) bulb turbine plants including the Upper Plant, Lower Plant, and City Plant. He briefly reviewed the history of the bulb turbine project. He stated maintenance is performed on a regular basis and is intentionally scheduled to minimize any power outage. The combined output of the bulb turbine plants is equal to Gem State Power Plant.

Mr. Reed reviewed the history of Old Lower Plant stating the Teton Dam Flood in 1976 almost completely destroyed other generation owned by the City, but the Old Lower Plant site received little to no damage. Due to an electrical fault of the transformer in 2011, a complete overhaul was commenced and completed in 2016. Total cost of project was \$7.2m.

Mr. Reed reviewed the history of Gem State Hydroelectric. Construction began in 1985 and was completed in 1988. In 1985 IFP entered into a Power Sales Contract with Rocky Mountain Power (RMP) granting 39% of energy to RMP. RMP pays pro rata share of costs. This Power Sales Contract will be discussed in the near future. Mr. Reed stated Gem State rewind will be required in the future. He noted the Gem State Hydroelectric plant assists with water release from Palisades Dam.

Mr. Reed reviewed the Dam Safety, FERC Inspections (annual inspections and Gem State inspections); Emergency Action Plan (EAP) for Gem State (annual test and five-year table top/functional exercise); Potential Failure Modes Analysis; and the ten-year process for FERC relicensing.

Mr. Reed briefly reviewed solar energy stating the IFP Administration Building contains a roof top solar project. He also briefly reviewed the Horse Butte Wind Project (HBW), the first wind farm to be built by Utah Association Municipal Power Systems (UAMPS). IFP has a power purchase agreement with UAMPS to purchase output from HBW. Electricity generated at HBW goes directly to power providers in Utah, Idaho, Nevada, Wyoming, and California.

Mr. Reed reviewed traffic signalization stating IFP operates and maintains all 77 signalized traffic intersections. 50 of those intersections are City owned, 27 belong to the State/Idaho Transportation Department (ITD). This State contract is currently under review for update and revision. Engineering of traffic systems is performed by the Public Works Department. Brief discussion followed including the recent removal of several traffic signals and the warranted changes to signalization. Mr. Reed indicated all City intersections are connected to City fiber and are controlled from a centralized computer-based system located at IFP. Future discussion may need to occur regarding public safety emergencies at traffic signals.

Mr. Reed indicated discussion of the Generation budget will be forthcoming.

Energy Services Overview:

Mr. Ritchie stated the Energy Services Department includes Customer Service, Marketing, Communications, Energy Efficiency, and New Technology. Energy Services staff includes one (1) Energy Specialist, one (1) Energy Analyst, one (1) Customer Relations Supervisor, one (1) Energy Service Assistant, and four (4) Energy Service Representatives.

Mr. Ritchie reviewed customer services tasks: front desk service, 24/7 call center, energy consultations, power quality investigation, and power theft investigation.

Mr. Ritchie stated public relations include plant tours, education and outreach, community events, youth rally, sponsorships, and energy audits - commercial and residential. Customer communications include newsletters (quarterly and bi-monthly E newsletter), annual report, bill messages, social media, surveys, web portal, and tours. Advertising include traditional media, social media, energy efficiency programs, fiber, public safety awareness, and benefits of public power. Mr. Ritchie indicated the Energy Efficiency Program, which began as the Northwest Power Act of 1980, has operated continuously since 1982. This program began with Bonneville Power Administration (BPA) rebate programs and averages 2m kWh savings for customers each year. He briefly reviewed BPA flow of funding and resources for the program.

Mr. Ritchie reviewed past and present programs including weatherization (average cost for installed measures = \$3,500), Energy Star appliances (has moved to tier rating), ductless heat pumps (option for zonal heat customers), commercial and industrial (audits have been performed on City facilities), commercial lighting (20 City buildings have saved \$33,000/year, light-emitting diodes (LEDs) are additional cost savings), incentives (rebates for up 50%

March 8, 2018

of project cost) and loan program (including eligibility, procedures, terms and fund). Mr. Ritchie stated future programs include support of cutting edge technologies, customer and utility benefits, integrated services, rate incentives, home battery storage, and demand response.

Ms. Hansen reviewed customer relations goals/objectives. Mayor Casper indicated these goals/objectives were generated through the Strategic Planning process. Ms. Hansen stated the approach to customer relations includes customer communications, education, customer service, and marketing/advertising. She briefly reviewed each approach.

Ms. Wilhelm reviewed the Customer Satisfaction Survey stating the survey was conducted to understand overall satisfaction, community members' experience, and desired level of communications. She briefly reviewed past, current, and future survey categories including survey firm, questions/design, data acquisition, reporting method, benchmarking, and other interests. She also reviewed changes which will occur within each category for current and future surveys. Key projects members for the survey include Mr. Ritchie, Ms. Wilhelm, Shawn Bodmann, Samuel Harms, and Mimi Goldberg. Ms. Wilhelm briefly reviewed the low-income analysis including statistics of low income versus high income, space heat type of low income versus high income, low income census block statistics versus highest income census block, basic profile of customers who have a difficult time paying their bill, payment assistance (Low Income Home Energy Assistance Program (LIHEAP) and Project HELP), and changes based on data.

Ms. Hansen noted public events will be occurring in the near future to celebrate the 30th year of service of the Gem State Hydroelectric plant.

There being no further business, the meeting adjourned at 11:24 a.m.

s/ Kathy Hampton

CITY CLERK

s/ Rebecca L. Noah Casper

MAYOR