

October 25, 2018

The City Council of the City of Idaho Falls met in Special Meeting (Idaho Falls Power Board), Thursday, October 25, 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 Jim Francis
Councilmember Jim Freeman
Councilmember John Radford
Councilmember Shelly Smede
Councilmember Michelle Ziel-Dingman

Also present:

Bear Prairie, Idaho Falls Power General Manager
Stephen Boorman, Idaho Falls Power Assistant General Manager
Randy Fife, City Attorney
Kathy Hampton, City Clerk

Mayor Casper called the meeting to order at 7:02 a.m. with the following items:

Calendar, Announcements, and Events Update:

Mayor Casper briefly reviewed highlights from the recent public meeting regarding fiber to homes. It was noted approximately 10% of potential residents were in attendance. Brief comments followed, including the cost of fiber infrastructure and services. Director Prairie stated the Idaho Consumer Owned Utilities Association (ICUA) legislative meeting will be held in January, 2019.

Updates from Board Members:

Councilmember Francis stated the Senior Citizen Center is in need of an energy audit.

Executive Assistant/Staffing Levels:

Director Prairie stated Idaho Falls Power (IFP) is needing additional administrative assistance due to the excessive workload of the current Administrative Assistant. He will be posting an Executive Assistant position. Mayor Casper indicated the current Administrative Assistant will be transitioning to a part-time position prior to possible retirement in the next 1-2 years. Director Prairie stated funding will be available due to an unfilled hydro mechanic apprentice position.

Updated Fee Waiver Resolution and Map:

Director Prairie reviewed the proposed changes to the Fee Waiver Resolution which will limit the IFP labor portion of fee waivers up to fifty percent (50%) for electric line extension. This update will allow consistency for all fee waiver requests. Director Prairie briefly reviewed the map for identifying locations. The map should be reviewed on an annual basis per the resolution. General discussion followed regarding greenfill, infill, incentivizing redevelopment, locations with current electrical services, economic development, and coordination with Community Development Services Department. This item will be included on the October 25 Council Meeting agenda.

Joint Powers Agreement (JPA) with City of Ammon for College of Eastern Idaho (CEI) Connection:

Director Prairie stated this connection will bring the high speed education network for all State colleges and will bring the Idaho Regional Optical Network (IRON) into CEI. This connection will also assist the Idaho National Laboratory (INL) and the Bonneville County Sheriff's Department. Mayor Casper stated conversation regarding Bonneville County fiber occurred several years ago including the concern of cost of service. She believes fiber is now being viewed broadly and having fiber connection is inevitable and desirable. She also believes the transition of CEI has been beneficial. Mr. Fife stated the JPA will allow the City of Ammon the right to cross into Idaho Falls in

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order to bring Ammon-owned fiber into points of presence that provide specific regional benefits. Director Prairie stated the JPA clarifies the specific locations. He also stated neither entity will use these connections to provide or enable another entity to provide retail services. This JPA is not being used to compete against each other. Brief comments followed regarding Dillon's Rule, County services, rural communities, and, State legislature and litigation. Councilmember Francis questioned the elements of the JPA. Mr. Fife stated the City can terminate the agreement with sufficient notice. The JPA will allow Idaho Falls to continue to control the right-of-ways. Mayor Casper questioned the difference of a Memorandum of Understanding (MOU) versus a JPA. Director Prairie stated a MOU could be requested by any entity. Mr. Fife indicated a MOU is not considered a contract. A JPA is specifically recognized by State legislature which allows cities (governments) to function and cooperate together. This item will be included on the October 25 Council Meeting agenda.

Federal Communications Commission (FCC) Rule-making and Small Cell Deployment:

Mr. Fife stated he recently attended a legal/regulatory conference for the American Public Power Association (APPA) which included a presentation regarding the regulation and additional location of power poles for cellular coverage. He indicated the FCC has created a one-touch make-ready rule that allows one person to perform work for other utilities in different spaces on a pole. The rule would also create a shot clock. It was questionable whether this rule would apply to public power utility poles and lights. Mr. Fife also indicated the FCC issued a declaratory rule regarding the removal of barriers to wireless deployments/infrastructure investment. Cities cannot establish a moratorium to look at their regulations to prevent developers from requesting the utilization of City infrastructure. This would include public power poles, street lights, and public structures within the right-of-way. Mr. Fife believes this discussion will occur for several years and will be ligated thoroughly. He stated this rule will establish one-time fees for placement of infrastructure and annual fees thereafter established by the Federal government. It preempts aesthetic requirements, does not grandfather any existing agreements, preempts inconsistent State laws unless more strict than the FCC ruling, and, extends the shot clock to grant, or consider granting, the application. This would include a variety of permits (building, electrical, road closure, architectural, engineering). The rule does not indicate if the shot clock applies to pole attachment and make-ready permits. Mr. Fife stated this rule would need to be worked out in the court system. This rule puts pressure on the utility and City staff to concentrate on applications that have a shot clock. It was noted this greatly affects the City as the City owns its infrastructure. Director Prairie stated this ruling relates to 5G services even though 5G is years away from actually going into service or being a reality. He also stated this infrastructure will be used for the current 4G networks in areas of high usage in cities. Mr. Fife stated the ruling applies to the locations. Mayor Casper believes additional staff will be needed if this ruling passes to ensure the shot clock is met. General discussion followed. Director Prairie expressed his concern for the larger telecommunications company selling point for the small antennas when electronic equipment is also required. Brief discussion followed regarding the current power poles in the downtown area relative to the small cell pole attachment.

Vegetation Management/Tree Trimming:

Mayor Casper stated several departments experience tree problems.

Assistant Director Boorman stated the majority of tree trimming for IFP occurs on homeowners' properties, with no charge to the homeowner. He presented the following with general discussion throughout:

Goals of tree trimming:

- Public safety – minimize places where children can climb trees and contact overhead power lines; minimize potential of branches becoming energized that can be reached by the public; and minimize fire hazards
- Optimize reliability – trees are one of leading causes of unscheduled outages; tree-related outages predominantly occur during bad weather
- Maximize return on investment – comprehensive programs are more efficient than reactive spot programs; comprehensive programs catch hidden spots; the more tree removed the longer between trimmings; and the more tree removed the greater the system reliability
- Minimize public impact – tree trimming is always controversial; some customers will not want any tree trimming while some customers will want tree trimming beyond what is necessary for utility operations; removal of more material has a greater visual impact
- Start a four-year proactive rotation

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Assistant Director Boorman reviewed several examples of trees within and/or surrounding power lines. Brief discussion followed regarding the availability of educational material for tree planting as well as the recently-approved contract with Davey Tree Company. It was noted the expense for removing private trees on the right-of-way is the homeowner responsibility.

Energy Imbalance Market (EIM) Uplift Charges and Bulb Billing Dispute with Bonneville Power Administration (BPA):

Director Prairie stated he is continuing to work with BPA regarding the billing dispute of transmission service for the bulb turbines. He has been disputing this issue since December 2016. He stated, per agreements and contracts, this issue went to a region public comment period. Comments received were favorable to IFP, therefore, the administrators ruled in Spring 2018 that BPA should be paying the costs. Since that time BPA has been in discussion with PacifiCorp how to get this included in the transmission agreement. In the meantime, IFP is continuing to pay the bill to Utah Associated Municipal Power Systems (UAMPS), ~\$80,000-\$90,000/month. Director Prairie believes IFP should be reimbursed for these costs and he is continuing to seek reimbursement, which in total since 2016 amounts to approximately \$1.5m. Director Prairie stated IFP is the only utility that has two (2) network transmission contracts (UAMPS and BPA). He stated BPA believes there should be direct charging for IFP for EIM charges. He is continuing to dispute the legal and contractual basis. He briefly reviewed monthly bulb and EIM expenses. EIM costs since September 2017 = \$250,044.

BPA Fish Accords and Integrated Program Review (IPR):

Director Prairie stated the IPR process has been attempting to reduce costs. IPR only covers a portion of BPA costs. The savings are primarily from the Fish and Wildlife program. However, additional costs include investments to strengthen BPA's financial health through two (2) financial health policies – the Financial Reserves Policy and the new Leverage Policy. Director Prairie expressed concern for financing versus paying in full. He reviewed the rate process with the final rate projected in spring. He believes a tremendous amount of money is being spent on Bureau of Reclamation projects. Brief comments followed. Director Prairie stated an agreement signed in 2008 provided states and tribes more than \$900m to implement projects for improvements at federal dams. A Fish Accord extension, running through September 2022, will set aside additional money for fish and wildlife mitigation and protection.

Billing and Past Due Accounts:

Director Prairie reviewed the number of total delinquent payments, total accounts disconnected, total utility payments, total account payments, and, % of total payments from delinquent accounts for the previous year. He noted all categories have increased since the revised utility policy has been in effect. Director Prairie believes the new policy has improved utility payments. He indicated non-remote disconnect meters are being replaced. This policy may need reviewed in Spring 2019. Following brief comments, there was consensus to review the utility payment data on a quarterly basis.

Standing Reports:

Generation – natural gas pipeline rupture in Canada, repair will be at 80% of capacity. This will affect power prices. Transmission & Distribution – continue to work on Sugar Mill to Paine 161 KV line, slightly behind schedule due to PacifiCorp. Conditional Use Permit (CUP) request for Bonneville County will potentially occur in January 2019.

Operations Technology – multiplier metering issue was discovered by the Water Division, \$345,000 was transferred from IFP to Public Works to cover the cost of error.

Engineering – Public Works staff member has been hired to replace Josh Roos, who has been appointed as City Treasurer.

Energy Services/Customer Service – in process of converting Prestwich Estates residents from Rocky Mountain Power (RMP) to IFP, this has been a 3-year process. Not all Prestwich Estates are in favor of converting to IFP.

Fiber – recent public open house occurred.

Federal and State Regulation/Litigation – Presidential directive regarding consideration of locally developed plans in hydroelectric projects licensing, and, streamlining regulatory processes and removing unnecessary burdens on the Columbia River Basin water infrastructure.

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Organizational Membership Reports:

Utah Associated Municipal Power Systems – continuing to work to keep costs down

Northwest River Partners – in process of hiring a new Executive Director

American Public Power Association – paperwork will be submitted to include Councilmember Radford on the Policy Makers Board

Brief discussion followed regarding the December 2018 and January 2019 IFP Board Meeting schedule as well as meeting discussion topics.

There being no further business, the meeting adjourned at 10:42 a.m.

s/ Kathy Hampton

CITY CLERK

s/ Rebecca L. Noah Casper

MAYOR