

April 22, 2021

The Idaho Falls Power Board of the City of Idaho Falls met Thursday, April 22, 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  
Board Member Thomas Hally  
Board Member Jim Francis  
Board Member Jim Freeman  
Board Member John Radford  
Board Member Lisa Burtenshaw

Also present:

Bear Prairie, Idaho Falls Power (IFP) General Manager  
Stephen Boorman, IFP Assistant General Manager  
Randy Fife, City Attorney  
Mark Hagedorn, City Controller  
Will Hart, Idaho Consumer-Owned Utilities Association (ICUA) Executive Director (via Zoom)  
William Matthews, IFP Business Analyst  
Julie Combe, Human Resources Manager  
Linda Lundquist, IFP Board Secretary

Mayor Casper called the meeting to order at 7:03 a.m. and announced that President Biden held a virtual Leaders Summit on Climate where he pledged to drastically cut emissions by 2035, targeting the transportation sector. Mayor Casper added that the utility is headed in the right direction with several electric vehicles (EV) and charging stations already in use. She mentioned several upcoming meetings where nuclear is the main topic.

Board Member Updates and Announcements

Board Member Radford explained how the American Rescue Plan is not only poised to help people pay their rent, utility bills, sick leave, etc., but also pay for a large-scale buildout of EV charging stations, as well as pay for retrofitting, rehabbing and removing hydro dams. General Manager (GM) Prairie stated that Representative Simpson's proposed bill has been revived by Minority Leader McCarthy and a discussion followed about the bill and its evolving conversation. Mayor Casper stated that she cares more about rate payers and the city's energy future and less about political positions. Board Member Freeman asked how much is spent on fish mitigation and GM Prairie said that roughly 13 cents (\$.13) of every dollar paid to the utility by the Idaho Falls community goes into fish and wildlife mitigation for Bonneville Power Administration (BPA); which equates to about \$2.3 million every year to pay for hatcheries, ground for wildlife, district and court costs, etc. He talked about the Small Modular Reactor (SMR) build out schedule and noted how expensive operating and maintenance costs for nuclear at between \$30-\$40 per megawatt hour (MWh) and pointed out that unless better technology becomes available for dispatchable power resources, power costs could double over time. GM Prairie gave an update on the phase I remodel in the power administration building and announced several summer organizational membership meetings.

Moss Adams Audit Report

GM Prairie reviewed the audit's findings and best practices and noted two deficiency items; the processes for depreciating the utility's assets and closing out workorders. He said the utility wasn't getting workorders

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closed out in a timely manner and that the accounting software systems weren't being utilized to their fullest extent even though they are older software systems, as staff was creating workarounds and duplicating efforts. He suggested hiring a consultant to look into the utility's processes and software needs. Mayor Casper agreed that after meeting with the municipal services manager, hiring a consultant would be a good idea to help the city move forward and added that the city needs reliable software in order to do more with less. Board Member Hally asked about asset statements and Mr. Smith explained how depreciated assets are shown on the balance sheets and also how open and closed workorders impact a depreciated asset. GM Prairie reiterated that the utility needs to get more efficient on closing out workorders and Mr. Smith said there are steps being taken to help remedy the issue like obtaining more training from the software vendor. Board Member Burtenshaw asked if the entire city uses workorders and Assistant General Manager (AGM) Boorman said that many city departments use workorders, but pointed out that IFP uses capital workorders, which are more complex and harder to close out. He added that public works uses a lot of third-party contractors to complete their work, compared with the utility conducting most of the work inhouse and using their own materials. Mr. Smith added that taking physical inventory is a manpower issue citywide and pointed out that IFP treats items over \$2,500 as assets while the rest of the city starts at \$10,000. GM Prairie said that other city departments provide common tangible services, while IFP tends to build infrastructure, which becomes assets. AGM Boorman reiterated that enterprise funds operate a little differently. Mr. Hagedorn reiterated that electric is the only city department that uses capital workorders and added that other city departments are moving toward unitized assets through expanded use of the Geographic Information System (GIS) system. Board Member Freeman asked what the lifespan was on a power pole and GM Prairie said between 25 and 60 years, depending on soil conditions and treatment on the pole from the factory. AGM Boorman added that some items are capitalized when installed, while others when they arrive at the utility. Mr. Hagedorn stated that the practice of using three different systems to track assets is not efficient or effective overall. GM Prairie said he's planning to give the process and software consultants some workorder tasks before looking into the larger system.

#### State Legislative Update

Mr. Hart stated that the State Legislature is late this year on adjourning its session, and still has a long list of appropriations that need to get decided. He explained what each bill represents and where they are in the House and Senate. He explained how complicated legislation like Representative Simpson's Proposal is and the replacement of power if the dams are ever removed. He added that Rep. Simpson doesn't have a lot of support among his colleagues and added that the Blue Sky Initiative may be looking at a compromise.

#### Board Policy No. 5

GM Prairie explained that the multi-colored redlined policy represents updates that were made at different times from different computers. He added that page 13 of the policy identifies an electric light fund and added that if the fund name changes, that the paragraph referring to the fund may need to be updated in the policy.

It was moved by Board Member Freeman and seconded by Board Member Radford to approve Board Policy No. 5. The motion passed with unanimous approval.

#### Tableau and Clickup – Data Use Update

GM Prairie introduced Mr. Matthews and explained the need for data analytics and how using software to preform work can modernize systems and practices. Mr. Matthews demonstrated a practical use of the Clickup software, a process and project management tool, which enhances collaboration and efficiency. GM Prairie shared how he can now track the progress of capital projects and fund appropriately in a timely manner. Mayor Casper asked if the software collaborates with Microsoft Teams. GM Prairie said that the

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software integrates with many software products and Mr. Matthews demonstrated the Outlook Clickup addon. Board Member Burtenshaw asked if emails can be read from Clickup and Mr. Matthews said that tasks are created from emails with the Clickup addon. Mr. Matthews gave an overview of Tableau, which is a visual data analytics tool. He demonstrated how the software can ingest documents, including expansive spreadsheets and transform the data into reports that can predict future outcomes to a ninety-seven percent (97%) accuracy. He gave an example of preparing a report for the Federal Energy Regulatory Commission (FERC), and pointed out that the process before the software took five days, and with Tableau is now a five-minute process. Board Member Freeman added that the outcome is likely without human error. Mr. Matthews showed an enhanced GIS model. Mayor Casper asked about EVs and GM Prairie said the software is all about predicting and one practical example would be to design rates, systems and process to predict time, demand and use rates for EVs. There was a discussion on other entities that have recently adopted the software and Mr. Matthews explained more about workflow and automation to make the end user's job easier.

#### 2021/22 IBEW Agreement Review and Board Policy No. 4 – Utility-Wide Market Based Compensation

GM Prairie reviewed the union negotiation process and emphasized IFP's good relationship with the union. Board Member Burtenshaw asked if everyone in the utility is a union member and GM Prairie said utility's craftsmen and tradesmen traditionally are union members, which comprise about fifty percent (50%) of the utility. He said the utility is one hundred percent (100%) aligned with the union on worker safety. GM Prairie gave some backstory on how wages used to get negotiated and explained the Milliman survey methodology that was adopted by the union two-years ago, three-years ago for the non-union employees. He explained that salaries are derived by using the Salary Structure column in the survey, but that he recently discovered that the salary structure doesn't contain all actual salaries paid, nor is it a complete data set. He pointed out that if the position doesn't have a range (which are most of the craftsmen) then those salaries aren't even included in the salary structure column of the survey. He explained how he'd been working with the union stewards to address the issue and it was determined that the Simple Mean column of the survey would ensure the most accurate mid-market compensation value utility-wide. Board Member Freeman asked if the union does their own salary market analysis and GM Prairie answered, yes. Mr. Fife advised to not tie the contract and policy together and to have separate actions on each item. There was more discussion on the policy.

It was moved by Board Member Freeman and seconded by Board Member Radford to approve Board Policy No. 4 with changes as discussed. The motioned passed with unanimous approval.

GM Prairie continued to review and provide clarity in the *2021 Negotiations Summary*. He compared the city insurance with the union insurance.

It was moved by Board Member Radford and seconded by Board Member Burtenshaw to approve the 2021/22 IBEW Agreement and give authorization for appropriate signatures. The motion passed with unanimous approval.

Due to time, the Strategic Planning Review item will be tabled until the May meeting.

#### Utility Reports

*Utility* – GM Prairie reviewed the Lost Time Injury Report and pointed out that in 2020 and so far in 2021, there was no lost time reported. Board Member Burtenshaw asked if we'd made any safety policy changes over the year and GM Prairie stated that the focus is on utility safety and operating from a standard policy if there is an accident. He reviewed the increases in the proposed Hydro Insurance Policy that will go to

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City Council for ratification. He noted that the utility has far less than normal delinquency bills going out and could be attributed to new policies and perhaps customer's access to federal money. Board Member Francis asked if there will be an energy training class in the coming months and GM Prairie said he would schedule a special training session in the next month. AGM Boorman reported that black start testing had gone quite well at the lower plant the past week, producing eight megawatts of stable generation. After the testing results in 2017, he pointed out that since then, INL researchers suggested new testing that would utilize a super-capacitor, a larger load bank and a third generator to help stabilize the system. He stated that the overall grid generation matched the load.

Organizational Membership Reports

*Bonneville Power Administration (BPA)* – GM Prairie talked about a BPA rate case testimony letter (included in the packet) that he and a subgroup of utilities along with Pacific Northwest Generating Cooperative (PNGC) signed onto and noted that it was a break from Public Power Council's (PPC) position.

There being no further business, the meeting adjourned at 10:56 a.m.

s/ Linda Lundquist \_\_\_\_\_

Linda Lundquist, BOARD SECRETARY

s/ Rebecca L. Noah Casper \_\_\_\_\_

Rebecca L. Noah Casper, MAYOR