

**STATE BOARD OF EQUALIZATION  
OPEN MEETING  
MINUTES OF MEETING HELD AUGUST 16, 2024**

In attendance: Commissioners Paul Woods, Jeff McCray, Janet Moyle, and Jared Zwygart. Elisa Magnuson and Nathan Nielson, Deputies Attorney General. This meeting was open to the public and many guests attended online.

Commissioner Woods, Chairman for the State Board of Equalization, reconvened the State Board of Equalization for 2024 (Board) at 9:00 a.m. August 16, 2024.

Before beginning with the posted agenda, Commissioner Woods asked the Board to consider modifying the agenda and not convene on August 19, 2024, nor on August 20, 2024. There is no business to consider. **Commissioner Moyle motioned to remove the two stated dates from the Board's agenda. Commissioner McCray seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, aye; Commissioner Moyle, aye; Commissioner Zwygart, aye. Commissioner Woods stated the agenda has been modified and the Board will not convene on August 19 or 20, 2024.**

The Board discussed, deliberated, and recommended to staff the decisions that will be voted upon on Monday, August 26, 2024.

The first is **Docket No. 0-286-057-472: Idaho Power**. Idaho Power has requested an adjustment off the value that's derived through Idaho Code section 63-205B and opposed the adjustment that was taken off the non-63-205B value. Since the time of that appeal, and this Board convened, there's been a ruling from the district court on the motion for summary judgement by Idaho Power that ruled in favor of the motion for summary judgement. There's not been a final judgement and there's a status conference scheduled for September 6, 2024, after which point there'll be a final judgement. The state will then have 30 days to decide whether to appeal that final judgement. There are two options before the Board. One is to grant, right now, and direct staff to make the final value per the adjustment that was in the memo provided by Alan Dornfest on August 1, 2024 which included a 9.62% reduction in value, as arrived by 63-205B, or to just use the value that was derived by 63-205B without the adjustment. The Board could direct staff to write two decisions and take it up finally on August 26, 2024. He sees there are two options before the Board.

Commissioner Zwygart suggested Idaho Power should receive the 63-205B adjustment. Commissioner Moyle said she believes true market value can be arrived at with 63-205B. It allows the use of applicable appraisal principles. Commissioner Woods clarified that they seem to be saying the same thing: the final decision should show the adjustment taken off of the 63-205B-derived value by the calculated value of 9.62%.

**Commissioner McCray motioned that in the case of Idaho Power, staff are directed to draft a decision that follows the direction of the court and make the 4-R adjustment off the 63-205B value that was established by staff. Commissioner Zwygart seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes. Commissioner Woods said the staff have received direction and the Board will take action on August 26, 2024.**

**Docket No. 1-869-276-160: Avista Corporation – Gas.** In this matter, staff arrived at a value not using 63-205B, because it is the gas portion of the company. There is a stipulation, but the computation for the 4-R shows no adjustment. Matt Shriver, Deputy Attorney General assigned to the Tax Commission, offered that Rick Smith, Attorney representing Idaho Power, and Avista – Gas and Electric, is in the room and may correct him if necessary. Avista – Gas lodged an appeal because Mr. Dornfest’s memo wasn’t available yet. Out of an abundance of caution, they appealed. Commissioner Woods asked for a recommendation for staff to prepare a decision. There is no adjustment, per the prepared computation.

**Commissioner Zwygart motioned that for Avista Corporation – Gas they direct the staff to prepare a decision with the existing valuation. Commissioner Moyle seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, aye; Commissioner Moyle, aye; Commissioner Zwygart, aye.**

**Docket No. 1-600-840-704: Avista Corporation – Electric.** The same thing applies here with the calculations done by staff and there is no adjustment for 4-R. This property is eligible for the 4-R adjustment, but the computation in this case shows no need for an adjustment. Commissioner Moyle asked if this property has a non-63-205B assessment. Staff replied there was no need.

**Commissioner Moyle motioned that for Avista Corporation – Electric they direct the staff to prepare a decision with the 63-205B value. Commissioner McCray seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes. Commissioner Woods said staff are directed to prepare a final decision for action on August 26, 2024, with the 63-205B value.**

**Docket No. 0-792-519-680: PacifiCorp.** This was the subject of a hearing earlier this week. Commissioner Woods said he appreciates the challenges PacifiCorp is facing with managing wildfire liability. He summarized Wednesday’s hearing. Commissioner Moyle reviewed the arguments and said she believes the value staff presented are in line with where the value needs to be. They are very similar. Commissioner McCray said this case was complex and summarized his thoughts on the arguments. Commissioner Zwygart reviewed his thoughts on the arguments. Commissioner Woods noted that if the Board needs more information in the operator statement next year for a clearer understanding of expenses, staff can do that.

**Commissioner McCray motioned to uphold staff’s value of \$655,935,132 and apply the 4-R adjustment accordingly. Commissioner Zwygart seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.** Nathan Nielson, Deputy Attorney General representing the Board of Equalization, asked for clarification on the motion saying the Board should clearly identify whether the 63-205B value is being adjusted. George Brown, Property Tax Division Administrator, suggested the Board pose the motion as to “uphold the staff’s valuation, and apply the 4-R adjustment to that number. Staff recommended the 63-205B values to the Board.

**Commissioner McCray modified the motion to uphold staff’s value that follows the statute, 63-205B, and apply the 4-R adjustment as recommended by Alan Dornfest’s memo as the final value in their decision. Commissioner Zwygart seconded the motion. Commissioner Woods clarified that this is a substitute motion for the previous motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.**

Commissioner Woods said the next items on the agenda are the non-utility generators (NUG).

**Docket No. 1-187-046-400: Bell Mountain Hydro.** This appeal was heard Wednesday of this week. Arguments did not include the yield rate. There was discussion about the modified mid-year convention. The methodology is directed by the court and staff followed that methodology individually to each property and some values changed substantially because of the court's direction. Commissioner Moyle reviewed some of the arguments. Commissioner Zwygart also commented on the numbers presented by the appealing properties. They had difficulty reconciling the operating properties' numbers and the state's numbers. Commissioner Woods said the values for last year were the product of a settlement. The duty of the Board this year is to determine market value for this year. Commissioner McCray said the spreadsheet was helpful; he asked for 2024 staff values compared to 2024 appellant values. The settlement agreement in the middle of this whole process muddied the waters. He reviewed his thoughts on the presentations.

**Commissioner McCray motioned to uphold staff's value of the Bell Mountain project, and if the 4-R adjustment applies, apply it. He asked that the decision be written in that manner. Commissioner Zwygart seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.**

**Docket No. 0-650-175-488: Birch Power Company DBA: Birch Creek Hydro.** Commissioner Zwygart motioned to accept the valuation and apply any adjustments that need to be made. Commissioner Woods clarified the motion to accept the valuation of staff and apply the 4-R adjustment. Commissioner McCray seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.

**Docket No. 1-723-917-312 American Falls Reservoir DBA: Black Canyon Hydro.** This is one of the three presented on Wednesday and involves the matter of the intermittent revenue and application of the cost approach versus the income approach. Commissioner Moyle commented on the presentations. Commissioner McCray also commented on the presentation and the court guidance and whether that was followed. Commissioner Woods added that the court's direction was for the income method. He doesn't want staff to speculate about whether a plant is viable or not. Commissioner Zwygart agreed with Commissioner McCray that they must follow the process. Commissioner Moyle said the judge isn't an appraiser and she believes he only intended that the state be logical and reasonable within the methods. Commissioner Woods said the judge said that when using the income method to "do these things" so they did.

**Commissioner McCray motioned to uphold the staff's value and if applicable, apply the 4-R adjustment. Commissioner Zwygart seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.**

**Docket No. 0-395-633-664: Bypass Limited.** There was no further discussion or deliberation. Commissioner Zwygart motioned to uphold the staff's value and apply the 4-R adjustments as needed. Commissioner McCray seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.

**Docket No. 0-524-084-224: Dry Creek, LLC. Commissioner McCray motioned to uphold staff's value, applying any adjustments required by the 4-R Act. Commissioner Zwygart seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.**

**Docket No. 1-597-826-048 Marysville Hydro Partners DBA: Falls River Hydro Project. Commissioner McCray motioned to uphold the value established by staff and apply any adjustments required by the 4-R Act. Commissioner Zwygart seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.**

**Docket No. 1-492-968-448 SE Hazelton A LP DBA: Hazelton A Hydroelectric. Commissioner Zwygart motioned to uphold staff's value and apply any adjustments required by the 4-R act. Commissioner McCray seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.**

**Docket No. 0-237-822-976 Arkoosh Hydro, Inc. DBA: Little Wood River Ranch I – Arkoosh Hydro. Commissioner Zwygart motioned to uphold staff's value and apply any adjustments required by the 4-R Act. Commissioner McCray seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.**

**Docket No. 1-311-564-800 AJMS, LLC DBA: Little Wood River Ranch II – AJMS. Commissioner Zwygart motioned to uphold staff's value and apply any adjustments required by the 4-R Act. Commissioner McCray seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.**

**Docket No. 0-956-097-536 South Forks Joint Venture DBA: Lowline Hydro Project. Commissioner McCray motioned to uphold staff's value, applying any adjustments required by the 4-R Act. Commissioner Zwygart seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.**

**Docket No. 2-029-839-360 Magic Reservoir Hydro, Inc. Commissioner McCray noted this project was called out separately during the hearings on Wednesday. He discussed that hearing. Commissioner Zwygart motioned to uphold staff's value and apply any 4-R adjustments. Commissioner McCray seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.**

**Docket No. 0-083-682-304 MC6 Hydro. Commissioner McCray motioned to uphold the value established by staff and apply any adjustments required by the 4-R Act. Commissioner Zwygart seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.**

**Docket No. 0-195-617-792 Mile 28 Water Power Project, LLC. Commissioner McCray said he found the arguments interesting during the hearing on Wednesday. Commissioner Zwygart motioned to uphold staff's value and apply any adjustments required by the 4-R Act.**

**Commissioner McCray seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.**

**Docket No. 1-848-435-712 North Side Canal Company, LTD. Commissioner McCray motioned to uphold staff's value, applying any adjustments required by the 4-R Act. Commissioner Zwygart seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.**

**Docket No. 1-157-424-128 Rock Creek Joint Venture. Commissioner Zwygart motioned to uphold staff's value and apply any adjustments required by the 4-R Act. Commissioner McCray seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.**

**Docket No. 1-436-214-272 Saint Anthony Hydro, LLC. Commissioner McCray motioned to uphold staff's value, applying any adjustments required by the 4-R Act. Commissioner Zwygart seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.**

**Docket No. 0-102-556-672 Shoshone Hydro LP DBA: Shoshone Hydro Project. Commissioner Zwygart motioned to uphold staff's value and apply any adjustments required by the 4-R Act. Commissioner McCray seconded the motion. Commissioner Woods conducted a roll call vote. Commissioner McCray, yes; Commissioner Moyle, yes; Commissioner Zwygart, yes.**

Mr. Nielson requested a 10-minute break before the meeting is recessed. Commissioner Woods granted the recess.

The Board reconvened.

Mr. Nielson and Elisa Magnuson, Lead Deputy Attorney General representing the Board of Equalization, were recognized to address the Board. Mr. Nielson clarified that during deliberation today, there were a couple of statements made by Commissioner Moyle and Commissioner Zwygart that need clarification. He has no questions, but Commissioner Zwygart said that Commissioner McCray "kept texting me" while he was opening documents. That is an approximate quote, and he wants clarification from Commissioner Zwygart on what that phrase meant. Commissioner Zwygart said that for some reason, when Commissioner McCray went into a document, he received an email that a change was made to the spreadsheet to which they all had access. He doesn't know why that would happen because he wasn't using the spreadsheet Commissioner McCray was using. Commissioner McCray clarified that, in point of fact, there was no change made. As a function of Share Point, when anyone opens a document, an email is sent to the "team" that the document has been opened and that's what was happening. Commissioner Woods noted that as he's looking at the same document, it shows their names as they move around through the spreadsheet. He appreciates the consideration of the potential meeting violation and assures the attorneys that no violation occurred.

Mr. Nielson further commented that Commissioner Moyle made a statement that she went back to the office and reviewed the spreadsheet, and he's paraphrasing, but she said she "thought Commissioner Zwygart felt the same way" about something. He wants clarification on that statement, as well. Commissioner Moyle said when they went back to the office, they were having trouble

figuring out the numbers, what was going on within that spreadsheet, so they needed clarification on how to read the spreadsheet. When they were in the room together, legal was there with them and there was never a quorum, and they never discussed anything other than how to read the spreadsheet. They didn't discuss values or anything they'd be voting on today.

Mr. Nielson thanked them for clarifying the record.

There being no further business, Commissioner Woods recessed the Board until 9:00 a.m. on Monday, August 26, 2024.

Maria Young  
Secretary

Paul Woods  
Chairman of the Idaho State Board of Equalization