



Regular Meeting Minutes of the Board of Directors  
2000 E. Horsetooth Road, Fort Collins, CO 80525  
Thursday, October 26, 2017

## **ATTENDANCE**

### **Board Members**

Representing Estes Park: Mayor Todd Jirsa<sup>1</sup> and Reuben Bergsten<sup>2</sup>

Representing Fort Collins: Mayor Pro Tem Gerry Horak

Representing Longmont: Mayor Dennis Coombs and Tom Roiniotis

Representing Loveland: Mayor Cecil Gutierrez and Steve Adams

**Absent:** Mayor Wade Troxell

### **Platte River Staff**

Jason Frisbie (General Manager/CEO)

Joe Wilson (General Counsel)

Dave Smalley (Deputy GM and Chief Financial Officer)

Karin Hollohan (Chief Administrative Services Officer)

Andy Butcher (Chief Operating Officer)

Alyssa Clemsen Roberts (Chief Strategy Officer)

John Bleem (Chief Communications and Marketing Officer-Interim)

Angela Walsh (Executive Assistant)

Paul Davis (Customer Services Manager)

Shelley Nywall (Controller)

Justin Allar (Security Program Supervisor)

Steve Roalstad (Communications and Marketing Manager)

Paul Crosby (Manager of Operations Technology and CIP)

John Collins (Director of Power Delivery)

Wade Hancock (Financial Planning Manager)

Kerry Fields (Manager of Internal Audit)

Jeff Menard (Facilities and Fleet Supervisor)

Pat Connors (Vice President of Power Supply)

Tracy Thompson (Executive Administrative Assistant)

### **Guests**

Tim McCollough (Fort Collins Utilities)

Kevin Gertig (Fort Collins Utilities)

Will Welch (Wm T. Welch Company LLC)

Stuart Lumsden (Gleeds)

Joe Bernosky (Loveland Water and Power)

Alan Braslau (Fort Collins Energy Board)

Jodie Cates and Anna Thigpen (BKD)

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<sup>1</sup> Attended via Skype

<sup>2</sup> Attended via Skype

## **CALL TO ORDER**

Chairman Roiniotis called the meeting to order at 9:00 a.m. A quorum of Board members was present and the meeting, having been duly convened, was ready to proceed with business. Dave Smalley, deputy gm and chief financial officer, introduced Jodie Cates and Anna Thigpen with BKD. Jason Frisbie, general manager and ceo, thanked John Bleem, chief communications and marketing officer-interim, for his service to Platte River. Director Adams introduced Joe Bernosky from Loveland Water and Power.

## **ACTION ITEMS**

### **(1) Consent Agenda**

#### **a. Approval of the Regular Meeting Minutes of September 28, 2017**

Director Coombs moved to approve the Consent Agenda as presented. Director Gutierrez seconded, and the motion carried 6-0. Director Horak abstained due to absence during the September Board meeting.

## **PUBLIC COMMENT**

None.

## **BOARD ACTION ITEMS**

### **(2) BKD 2017 Audit Plan (presenter: Dave Smalley, BKD)**

#### **a. Financial and Pension Engagement Letters**

Mr. Smalley introduced Jodie Cates and Anna Thigpen from BKD to discuss the engagement letters for the 2017 financial and pension audits.

Director Gutierrez moved to authorize the execution of the Financial and Pension Engagement Letters as presented. Director Coombs seconded, and the motion carried 7-0.

### **(3) 2018 Proposed Rate Tariff(s) (presenter: Dave Smalley)**

Mr. Smalley provided a few highlights for the 2018 proposed rate tariffs mentioned within the memo starting on page 41 of the Board packet. Mr. Smalley reiterated the two percent rate increase for TARIFF – SCHEDULE 1; Firm Resale Power Service. Mr. Smalley also noted that Platte River is holding the TARIFF – SCHEDULE 7: Renewable Energy Service rate flat to encourage continued use by current customers and language was added to the tariff to incorporate community solar projects. Further language additions were made to clarify the community solar language after the Board packets were posted and were incorporated and provided at the meeting.

Director Coombs moved to approve Resolution 08-17: 2018 Rate Tariff(s) as presented. Director Adams seconded, and the motion carried 7-0.

Mr. Frisbie complimented the utility directors for their work with the rate tariffs.

## **MANAGEMENT PRESENTATIONS**

### **(4) 2018 Proposed Annual Budget – Public Hearing (presenter: Shelley Nywall)**

Shelley Nywall, controller, presented the changes that have occurred to the budget since the September Board meeting.

Director Coombs complimented the collaboration efforts among Platte River and the four municipalities.

Chairman Roiniotis asked if there were any additional comments or questions regarding the proposed budget from the Board. Hearing none, he stated the 2018 Proposed Annual Budget for Platte River Power Authority had been delivered to the Board of Directors in accordance with applicable law. Legal notices have been published announcing that the Proposed Budget was made available to the public for inspection and that the public hearing will be held today, October 26, in order for the Board to receive public comment on the Proposed Budget prior to final adoption of the Budget by the end of the year.

Chairman Roiniotis declared the public hearing on the 2018 Proposed Annual Budget for Platte River Power Authority to be open.

With no members of the public present, the Chair closed the public hearing.

### **(5) Fiber Asset Ownership Discussion (presenter: Paul Crosby)**

Paul Crosby, manager of operations technology and CIP, presented a summary of the Fiber Asset Ownership whitepaper that was included in the September Board meeting packet, and presented the proposal for the fiber asset ownership goals for both the municipal fiber loops and the long-haul fiber. Director Bergsten questioned if the scenario under which a regional or separate entity would own the long-haul fibers would also include ownership of some fibers within city loops. Mr. Crosby agreed that the suggestion by Director Bergsten to maintain spare fiber in each city loop will be considered. Director Bergsten questioned if the separate entity would also own fiber within the cities to leverage the overall distribution of the fiber. Mr. Crosby suggested that this should be a consideration as we move forward in the evaluation of how to best utilize and manage the long haul going forward. Mr. Frisbie asked the Chairman if Longmont has spare fiber to accommodate the entity's use. The Chairman responded that Longmont has spare fiber.

Mr. Crosby presented the proposed accounting treatment of fiber assets for the proposed ownership goals. Mr. Frisbie mentioned that transferring the title of the fiber was accounted for in each city separately when it was put into service, clarifying that no additional accounting action is necessary for individual cities to take title of fiber on their city loops. Mr. Frisbie further stated that staff is suggesting that in the future any replacement of fiber around a city should be considered a Platte River expense since the majority of the cost is in the installation of the fiber not the quantity of the fiber. He provided a recent example of the complete replacement of the entire city loop around Estes Park due to damage caused by squirrels. Mr. Frisbie also suggested it should be the financial responsibility of each city to pay for any expenses associated with their connection to the loops. Chairman Roiniotis commented on the accounting and incremental costs. Mr. Frisbie offered that a formal vote on the accounting portion will occur at the December Board meeting. Director Coombs asked about terms of ownership within option 2 and how it will affect Longmont's expenses. Mr. Frisbie commented that pending a Board vote in December the question could not be answered, but assuming the Board votes for option 2 there would be no additional cost incurred

by Longmont. Director Adams asked if the modeling and accounting efforts were consistent with legal considerations associated with transferring title to the assets and ability for Platte River to create another entity. Joe Wilson, general counsel, mentioned the accounting treatment will not pose any issues for Platte River, however, the asset owning entity is something staff is evaluating. Mr. Frisbie mentioned the utility directors are supportive of the separate entity.

**(6) Zero Net Carbon Model Communications Plan(presenter: Alyssa Clemesen Roberts)**

Alyssa Clemesen Roberts, chief strategy officer, presented the communications plan outline for the zero-net carbon (ZNC) modeling results announcements including public outreach and the communication timeline for the Board to receive results, noting that the handout provided to the Board is a working draft only and Platte River has not yet received the modeling results.

Chairman Roiniotis asked about additional non-carbon energy being considered. Staff answered that will be discussed in the executive session later in the meeting. Mr. Frisbie requested assistance from the Board to engage the appropriate staff members to help facilitate the public outreach, and invited people to attend the public outreach presentation on December 7, if the Board supported the external presentation. Director Horak reiterated that the utility directors should help get the correct staff in other departments, not just the electric utilities, to be involved in reaching out to other organizations that will want to attend. Ms. Clemesen Roberts confirmed reaching out to the communications staff at each municipality. Director Horak requested a comprehensive history showing Platte River's initial (hydro) generation portfolio and the timing of resource additions leading up to Platte River's current resource mix.

Ms. Clemesen Roberts walked the Board through the draft communications plan. Director Horak commented on the importance of new carbon neutral messaging and use of new resources to reduce carbon versus just relying on the existing market to reduce carbon. Ms. Clemesen Roberts clarified that the communications plan excludes any assumptions for what the results will provide, and the communications plan is flexible to adjust to planning moving forward. Discussion ensued among staff and Directors on the complexity of balancing additional renewable resources. Director Gutierrez commented on the mention of supporting the capacity with gas fired generation outlined in the plan, and questioned replacing coal with gas. Mr. Frisbie thanked the Board for their feedback.

Ms. Clemesen Roberts verified that the Board is supportive of staff having an off-site presentation for community outreach on December 7 following the Board meeting. Mr. Frisbie clarified that the Board is not required to attend the off-site presentation because the same information presented to the Board that morning will be presented again that afternoon. All Directors supported.

Director Bergsten, clarified that further modeling will occur after receiving the results from the ZNC modeling. Mr. Frisbie assured the Board that further system-level modeling will continue and the customized resource portfolio (CRP) modeling will be reengaged at the appropriate time. Director Horak stressed the importance of illustrating the whole working timeline on the modeling efforts including the work behind the results and the timeline of what has happened before receiving the results, and the future timeline for adding zero carbon resources. Director Coombs noted that the cost sensitivity should be included in the messaging showing the difference between costs and various levels of non-carbon percentages. Mr. Frisbie commented on recent public power presentations he had attended at the Large Public Power Council (LPPC) meetings and how all large public power companies are trying to find the "knee in the curve" to reduce the most carbon in a financially sustainable manner. Mr. Frisbie further commented that Platte River will continue modeling carbon reduction at a system level because it is the most economical way to move the

needle. Individual cities can then decide if they want customized portfolios to further reduce carbon.

Director Adams requested a discussion on the public attendance during the December Board meeting, and staff planning for additional public attendance. Mr. Frisbie noted that staff have discussed options for space to accommodate, but hopes that messaging on the public open house will include more engagement opportunities. Director Gutierrez requested considerations towards social economic impact based on per capita income and requested that discussions include impacts on the low-income population. Mr. Frisbie reassured that Platte River will be reaching out to diverse groups of people to attend the public outreach sessions. Director Gutierrez clarified that the groups of people who can't afford increases to their electricity bills won't be the ones attending the public sessions. Mr. Frisbie mentioned participating in a recent interview and the topic of financial responsibility came up, and that staff evaluated all factors that need to be considered in order to move forward any other planning efforts. Director Horak commented on the importance of the Energy Efficiency program geared towards multi-unit building structures also help those that rate increases would affect, and overall economic and environmental impacts are part of all considerations. Director Bergsten echoed Director Gutierrez' request for socio-economic considerations and requested a study for community outreach to engage the lower income residents in each municipality. Director Coombs commented that city councils pushing for lowest utility costs but also pushing for 100 percent renewable energy is sending mixed messages on needs.

Director Adams asked if staff is seeking feedback from the communities and asked what the timeline is for finalizing the communication plan for public sessions. Ms. Clemens Roberts responded that until Platte River receives the results, the communications plan will continue to evolve. She welcomed any feedback that the Directors will provide, and staff will continue working with city staff. Mr. Frisbie assured the Board there will be more public engagement opportunities with the December 7 session as a starting point.

**(7) HQ Campus**

**(presenter: Karin Hollohan)**

Karin Hollohan, chief administrative services officer, provided introductory comments before turning the presentation over to the owner's representatives. Ms. Hollohan mentioned staff planning included holding an open house on October 24 for neighbors, city planning staff hosting the city development meeting November 2 at Platte River, and employee meetings for internal communications. Ms. Hollohan stated that further work on the cost model revisions will continue through November. The construction phase timeline has accelerated with the most recent adjustments resulting in cost shifts between the 2018 and 2019 budgets. Mr. Frisbie suggested that the Board may want to look at the floor plan model and renderings set up outside the Board room.

Will Welch and Stuart Lumsden provided an activity update including the cost model summary, the revised schematic design budget, site development and construction phasing changes, renderings and the conceptual project schedule to date. Mr. Lumsden presented the \$6.5 million in identified cost reduction opportunities including a more efficient site development and construction plan. Mr. Welch gave credit to FCI Contractors for phasing assistance cutting three months off the schedule for adjusting the site plan. Mr. Frisbie commented that the EO building will be the last building to be demolished in order to give operations sufficient time to test their systems before transferring into the new building.

Director Adams asked about the pond evaluation and planning. Discussion ensued regarding the

pond, groundwater evaluations, planning for the new location, and the pond depth change to accommodate the geothermal systems for the new building.

Steve Roalstad, communications and marketing manager, provided a preview of the microsite established for the public and internal staff to explore as the new facility evolves.

Director Horak suggested adding the campus to a community website to further communicate the project.

**10:33 - 15 Minute Break**

**(8) Mountain West Transmission Group/SPP Discussion (presenter: Andy Butcher)**

Andy Butcher, chief operations officer, provided an update about Mountain West Transmission Group (MWTG) efforts to join the Southwest Power Pool (SPP) and associated organized market. He recited the advantages and risks associated with joining a market and provided the upcoming decision-making timeline.

Chairman Roiniotis asked if the Western Area Power Administration (WAPA) had any potential benefit from moving into a market. Mr. Butcher responded that in his opinion WAPA will benefit as all Mountain West members will from joining SPP. Mr. Butcher further stated that WAPA does not want to harm other CRSP members in the transition into SPP and has requested mitigation from MWTG members for up to seven years as a remedy. Mr. Butcher stated that negotiations are continuing to accommodate this goal and he will keep the Board updated on further developments.

Mr. Butcher noted that at the December Board meeting staff will ask the Board to provide authorization to the general manager to sign agreements to move into the market.

**MANAGEMENT REPORTS – none for the October meeting.**

**EXECUTIVE SESSION – 11:12-12:00**

Director Gutierrez moved, and Director Coombs seconded a motion to convene in executive session to discuss negotiation positions relative to the bids received from the recent wind generation RFP. The motion passed unanimously.

**MONTHLY INFORMATIONAL REPORTS**

**(9) Legal & Governmental Affairs Report (presenter: Joe Wilson)**

Mr. Wilson shared breaking news regarding a legal action filed by Wild Earth Guardians against the Windy Gap Firing Project. Board Chairman Roiniotis asked the Board if there were any questions or comments regarding the September legal report contained within the Board materials. No questions or comments were raised.

**(10) September Operating Report (presenter: Andy Butcher)**

Board Chairman Roiniotis asked the Board if there were any questions or comments regarding the September operating report contained within the Board materials. No questions or comments were raised.

**(11) September Financial Report**

**(presenter: Dave Smalley)**

Board Chairman Roiniotis asked the Board if there were any questions or comments regarding the September financial report contained within the Board materials. No questions or comments were raised.

**(12) General Management Report**

**(presenter: Jason Frisbie)**

Mr. Frisbie complimented staff on hosting the open house for the HQ campus, pointed out the Windy Gap storage acquisition and sale results, the ZNC special session correction, and provided a status of moving forward with a community solar PPA project.

The last order of business, staff commemorated Director Dennis Coombs and Director Cecil Gutierrez for the dedication and service to the Platte River Power Authority Board of Directors. The October Board meeting was their last meeting to attend as Mayors of their respective communities. Director Adams moved, and Director Horak seconded, Resolution Nos. 09-17 and 10-17. Both passed unanimously, and gifts were presented to both departing Directors.

**Roundtable and Strategic Discussion Topics**

Board members shared the latest news from the municipalities and discussion topics for future meetings.

**ADJOURNMENT**

With no further business, the meeting adjourned at 12:20 p.m. The next regular Board meeting is scheduled for Thursday, December 7, at 9:00 a.m. in the Platte River Power Authority Board Room, 2000 East Horsetooth Road, Fort Collins, Colorado.

AS WITNESS, I have executed my name as Secretary and have affixed the corporate seal of the Platte River Power Authority this 7 day of December, 2017.

  
Secretary

