



Regular Meeting Minutes of the Board of Directors
2000 E. Horsetooth Road, Fort Collins, CO 80525
Thursday, August 30, 2018

ATTENDANCE

Board Members

Representing Estes Park: Mayor Todd Jirsa and Reuben Bergsten
Representing Fort Collins: Mayor Wade Troxell¹ and Mayor Pro Tem Gerry Horak²
Representing Longmont: Mayor Brian Bagley³ and Tom Roiniotis
Representing Loveland: Mayor Jacki Marsh and Joe Bernosky

Platte River Staff

Jason Frisbie (General Manager/CEO)
Joe Wilson (General Counsel)
Dave Smalley (Chief Financial Officer and Deputy GM)
Karin Hollohan (Chief Administrative Services Officer)
Andy Butcher (Chief Operating Officer)
Alyssa Clemens Roberts (Chief Strategy Officer)
Angela Walsh (Executive Assistant/Board Secretary)
Steve Roalstad (Communications and Marketing Manager)
Craig Johnson (Deputy General Counsel)
Wade Hancock (Financial Planning Manager)
Paul Davis (Customer Services Manager)
Pat Connors (Vice President of Power Supply)
Rob Morse (IT & Cyber Security Manager)
Heather Banks (Fuels and Water Manager)
Shelley Nywall (Controller)
Matt Lee (Information Security Analyst)
Adam Perry (Customer Services Supervisor)
Andy Cofas (Plant Manager)

Guests

Tim McCollough (City of Fort Collins Electric Director)
Kevin Jones (Fort Collins Chamber of Commerce)
Karen Dyke (Longmont Resident)
Gordon MacAlpine (Estes Park Resident)
Dick Mallot (Loveland Resident)
Nick Francis (Fort Collins Resident)
Marsha Martin (Longmont Resident)
Judith Blackburn (Longmont Resident)
Sam Kornfeld (Longmont Resident)
Steve Szabo (Estes Park Resident)
Ken Regelson (Boulder Resident)
Doug Henderson (Fort Collins Resident)
David May (Fort Collins Chamber)

¹ Arrived at 9:04

² Arrived at 9:04

³ Arrived at 9:05

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. Karin Hollohan, chief administrative services officer, introduced Matt Lee, information security analyst, to the board.

ACTION ITEMS

(1) Consent Agenda

a. Approval of the Regular Meeting Minutes of July 26, 2018

Director Horak moved to approve the Consent Agenda as presented. Director Bergsten seconded, and the motion carried 5-0.

PUBLIC COMMENT

Seven members of the public addressed the board regarding the resource diversification policy.

BOARD ACTION ITEMS

(2) Rate Setting Policy

(presenter: Wade Hancock)

Wade Hancock, financial planning manager, provided a summary of the Rate Setting Policy including what the supporting documents address and the results of phase one of the new rate design. Mr. Hancock clarified that this agenda item is separate from the later agenda item regarding wholesale rates. Staff recommends adoption of the policy unless there are any questions or proposed changes. Director Bagley moved to approve Resolution 13-18; the Rate Setting Policy as presented. Director Bernosky seconded and added comments to the documentation and complimented staff on their outreach to the owner communities. Director Horak requested the addition of the three pillars within the policy/reference document.

Discussion ensued regarding adding the three pillars within the support document. A question was raised about the policies and associated documents being placed on the website. The board acknowledged adoption of the resolution constituted continuing approval of the policy and affirmed that the board would be informed of any substantial changes made to the supporting reference documents.

The motion carried 8-0.

(3) 2018 Strategic Plan

(presenter: Alyssa Clemens Roberts)

Alyssa Clemens Roberts, chief strategy officer, summarized progress on the strategic plan over the past several months. She noted that, based on board discussion from the July meeting, verbiage referencing approval of the Resource Diversification Policy was removed and will only reference work on the policy. Ms. Clemens Roberts acknowledged the policy is still a work in progress and did not want to hold up the strategic plan any longer.

Director Horak moved to approve the 2018 Strategic Plan as presented. Director Troxell seconded, and the motion carried 8-0.

MANAGEMENT PRESENTATIONS

(4) Resource Diversification Policy - DRAFT (presenter: Alyssa Clemesen Roberts)

Mr. Clemesen Roberts introduced the new version of the policy reflecting suggested changes during the discussion at the July meeting. Director Horak complimented staff on the policy and suggested moving the three pillars to the beginning of the first paragraph. Director Bagley noted comments made by the public and agreed that setting a goal is key to moving forward and supported adopting the policy. Director Horak commented about Georgetown Texas (mentioned during the public comments) that they are not completely 100 percent renewable, they use carbon resources for balancing to maintain reliability. Director Bernosky was concerned with stating a goal without knowing exactly how to get there, however, he wanted to take the policy to Loveland's city council for consideration. Chairman Roiniotis commented that he was impressed with the quality of the policy and expressed that the discussion hasn't provided any concerns for him because while the goal is aggressive it does provide direction for Platte River to continue to move forward as technology evolves. Director Jirsa asked which provisos mentioned within the policy are concerning Platte River staff. Mr. Frisbie commented that the policy has no ability to be accomplished solely dependent on Platte River and there are others that need to be involved within the community and the industry to accomplish a 100 percent goal by 2030. Director Troxell suggested that the goal is doable as technology evolves – current regulatory structures make things more difficult and there is opportunity for improvement in the regulatory process. He further expressed that the current system was overbuilt to meet peak demand. Opportunities exist with new system architectures to increase reliability and help with costs. Director Troxell is supportive of digging into definitions for the three pillars and moving the language regarding the three pillars to the beginning of the policy. Director Horak requested that staff work with the four communities and large customers. Ms. Clemesen Roberts agreed to incorporating city staff into the other public outreach objectives, but this may take a few months. Director Horak commented on providing community education. Director Bagley commented on setting a date and creating an urgency to begin, the deadline will stimulate progress, and there's value of having industry experts on the board to provide leadership and information to the Mayors. Director Marsh supports the policy as stated. Mr. Frisbie clarified the board's action will have no impact on staffs' actions because Platte River has continued to move forward taking advantages of diversifying the portfolio and it will be business as usual no matter when the policy gets approved. Director Bernosky suggested adding language regarding the fossil fuel assets and what it means when resources are shut down. Discussion ensued regarding evaluating assets and other options to consider, not just shutting them down. Director Bergsten commented on using language regarding financially sustainable versus competitively priced as stated on the website.

Mr. Frisbie summarized the discussion regarding the policy and requested time to follow up on suggestions that have been made and staff will bring back the policy to the board at a later date for board approval.

10:27 – 10:42: Break

(5) Wholesale Rate Projections (presenter: Wade Hancock)

Mr. Hancock presented the wholesale rate projections for 2019 and long-term projections that are separate from the current work with the rate redesign that is scheduled to be brought for board consideration prior to 2020. Approval for 2019 rates will be requested at the October board meeting.

Mr. Hancock mentioned that the Rates at a Glance document will be provided at the September board meeting. He also mentioned that staff is working on a document providing the rate history for Platte River per Director Horak's request during the July meeting. Director Horak added that most people don't know why rates were not raised for a long period of time and how that sets Platte River up for a favorable rate differential from the next lowest provider. Director Troxell asked if there was a way to represent Tariffs in a more customer focused way to better communicate pricing structures. Discussion ensued among staff and Directors regarding tariff names and transparency of what is included in the rates.

(6) Cyber Security Review

(presenter: Rob Morse)

Rob Morse, IT and cyber security manager, provided a summary of Platte River's cyber security strategy and execution development.

Director Bagley asked for an example of an actionable response that needs staff action. Mr. Morse provided an example of a vendor connecting to the guest network at Rawhide. The vendor device was infected with a Trojan virus and the program detected it, notified staff and staff was able to remove the device immediately.

Director Troxell asked for a break down for an operations center control (SCADA systems) threat versus general Platte River organization security efforts for other staff. Mr. Morse responded that there are multiple shelf protections and firewalls within the network and the operations systems are behind several levels of protection. Discussion ensued regarding future planning and preparedness as the system technologies involve a distributed generation system and demand side management.

(7) Energy Efficiency Programs Update

(presenter: Paul Davis)

Paul Davis, customer services manager, provided a summary for the Energy Efficiency programs' alignment with the Strategic Plan, the program delivery and past results, and planning efforts for a demand side management (DSM) study.

Director Troxell commented about the Fort Collins work session regarding Energy Star and asked how Platte River staff is working with Fort Collins staff on the Energy Star program. Discussion ensued regarding integration of Energy Efficiency programs with the Energy Star program.

Director Troxell asked what "cost-effective" means. Mr. Davis responded that cost effective is meant to express the total costs of energy efficiency compared to the total cost of serving the same amount of energy with existing or new resources.

(8) EXECUTIVE SESSION – Markets Whitepaper

Mr. Frisbie asked for the board to consider postponing the executive session until the September meeting due to the time constraint and the retirement committee meeting following the board meeting. Director Bagley moved to postpone the executive session topic to the September board meeting, Director Bergsten seconded. The motion carried 8-0.

MONTHLY INFORMATIONAL REPORTS

(9) Legal & Governmental Affairs Report

(presenter: Joe Wilson)

Mr. Wilson summarized the recently released Affordable Clean Energy (ACE) rule from the Environmental Protection Agency (EPA), which replaces the Clean Power Plan. Mr. Wilson also pointed out Mr. Frisbie's participation as a panelist at the Transportation Legislative Review Committee hearing regarding organized market advancements.

(10) July Operating Report (presenter: Andy Butcher)

Mr. Butcher reviewed the July operating report and summarized the general trends for the year to date for 2018.

(11) July Financial Report (presenter: Dave Smalley)

Mr. Smalley reviewed the July financial report and summarized the general trends for the year to date for 2018. Director Bagley asked about the series KK financing. Mr. Smalley responded that Series KK would likely include Windy Gap Firing Project expenditures and possibly headquarters campus expenditures.

(12) General Management Report (presenter: Jason Frisbie)

Mr. Frisbie highlighted the one million hours worked without a lost time accident and noted that an invitation will be sent out to the board members for a celebration lunch. He also mentioned moving the planned board meeting at Rawhide from September to October. Mr. Frisbie also recognized all the good work Pat Connors and his team accomplished to move forward with the Silver Sage contract. Mr. Frisbie reminded the board that the materials for the executive session will need to remain confidential and kept for the September board meeting.

Roundtable and Strategic Discussion Topics

Board members shared the latest news from the municipalities and discussion topics for future meetings. Chairman Roiniotis announced to the board that he will be retiring at the end of September and the September board meeting will be his last. Director Bergsten requested a vote to elect a new chairman and vice chair at the end of the September board meeting.

ADJOURNMENT

With no further business, the meeting adjourned at 12:11 p.m. The next regular board meeting is scheduled for Thursday, September 27, 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 27 day of September, 2018.


Secretary

