



Estes Park • Fort Collins • Longmont • Loveland

Regular Meeting Minutes of the Board of Directors  
2000 E. Horsetooth Road, Fort Collins, CO 80525  
Thursday, September 27, 2018

## **ATTENDANCE**

### **Board Members**

Representing Estes Park: Mayor Todd Jirsa and Reuben Bergsten  
Representing Fort Collins: Mayor Wade Troxell<sup>1</sup> and Mayor Pro Tem Gerry Horak  
Representing Longmont: Mayor Brian Bagley 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 Clemsen 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)  
Heather Banks (Fuels and Water Manager)  
Shelley Nywall (Controller)  
Andy Cofas (Plant Manager)  
Mindy Pfeiger (Senior Accounting Analyst)  
Caroline Schmiedt (Deputy General Counsel)  
Paul Crosby (Manager of Operations Technology and CIP)

### **Guests**

Tim McCollough (City of Fort Collins)  
Kevin Gertig (City of Fort Collins)  
Susan Wisecup (Longmont Power and Communications)  
Kevin Jones (Fort Collins Chamber of Commerce)  
Sam Kornfeld (Longmont Resident)  
Ken Reggelson (Boulder Resident)  
Carrie Bellamy (Geronimo Energy)

## **CALL TO ORDER**

Chairman Roiniotis called the meeting to order at 9:01 a.m. A quorum of board members was present and the meeting, having been duly convened, was ready to proceed with business. Chairman Roiniotis introduced Susan Wisecup as the interim General Manager for Longmont Power and Communications.

---

<sup>1</sup> Arrived at 11:05

Jason Frisbie, general manager/ceo, noted to the board that Platte River lost a member of the family on Monday and shared his condolences to the family of Jeff Miller. Chairman Roiniotis also shared condolences from the board and thanked him for his 35 years of service.

Mr. Frisbie also introduced the handouts that were on the table: a corrected agenda, the complete BKD post audit letter, corrected first two pages to the operating report, and the Rate Trends document reflecting rate history at Platte River.

## **ACTION ITEMS**

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

#### **a. Approval of the Regular Meeting Minutes of August 30, 2018**

Director Jirsa moved to approve the Consent Agenda as presented. Director Bergsten seconded, and the motion carried 7-0.

## **PUBLIC COMMENT**

One member of the public addressed the board regarding roof top solar.

## **COMMITTEE REPORTS**

### **(2) Retirement Committee Report**

**(presenter: Gerry Horak)**

Committee Chairman Gerry Horak provided a summary to the board on the August 30 Retirement Committee meeting.

#### **a. Acceptance of the Audited Annual Defined Benefit Pension Plan Report**

Director Bagley moved to accept the Audited Annual Defined Benefit Pension Plan Report as presented. Director Horak seconded, and the motion carried 7-0.

## **BOARD ACTION ITEMS**

### **(3) Local Fiber Optic Loop Transfer of Ownership**

**(presenter: Joe Wilson)**

Joe Wilson, general counsel, provided a brief history of the installation of Platte River fiber for operating the electric system and the additional local loop fiber for the use of the four municipalities. With the onset of local broadband initiatives, the municipalities are requesting the transfer of ownership of the excess fibers in the local loops to the municipalities. Mr. Wilson stated that the four resolutions presented accomplish the transfer of the excess fiber to the Owner Communities, reserving twelve (12) strands for the continued use of Platte River. Mr. Wilson noted that an intergovernmental agreement associated with the resolutions will be brought to the board at the October board meeting for approval. Staff recommends approval of all four resolutions.

#### **a. Approval of Estes Park transfer of ownership**

Director Bagley moved to approve Resolution 14-18: Estes Park transfer of ownership as presented. Director Bergsten seconded, and the motion carried 7-0.

**b. Approval of Fort Collins transfer of ownership**

Director Bagley moved to approve Resolution 15-18: Fort Collins transfer of ownership as presented. Director Bergsten seconded, and the motion carried 7-0.

**c. Approval of Longmont transfer of ownership**

Director Bagley moved to approve Resolution 16-18: Longmont transfer of ownership as presented. Director Bergsten seconded, and the motion carried 7-0.

**d. Approval of Loveland transfer of ownership**

Director Bagley moved to approve Resolution 17-18: Loveland transfer of ownership as presented. Director Bernosky seconded, and the motion carried 7-0.

Mr. Frisbie thanked Paul Crosby, manager of operations technology and CIP, and Caroline Schmiedt, deputy general counsel, for their continued work on the fiber optic system and their work with owner community staffs.

**MANAGEMENT PRESENTATIONS**

**(4) Executive Session**

Director Bergsten moved that the Board of Directors go into Executive Session for the purposes of determining positions relative to matters subject to negotiation, developing strategy for negotiations, and instructing negotiators concerning Platte River participation in western wholesale power market developments. The general counsel advised that an Executive Session is authorized in this instance pursuant to Colorado Revised Statutes, Section 24-6-402, subsection (4)(e); provided that no formal action is taken during the Executive Session.

Director Bernosky seconded, and the motion carried 7-0.

**Reconvened Regular Session**

**10:03 – 10:11: Break**

**(5) 2019 Proposed Annual Budget Work Session (presenter: Shelley Nywall)**

Shelley Nywall, controller, presented the 2019 proposed annual budget highlighting the comparison from 2018 to the 2019 budget, overviews of variances, anticipated expenditures and revenues, and the remaining schedule prior to board approval in December. Director Horak complimented the staff for the budget document changes.

Director Horak asked about the surplus sales revenue difference from the 2018 budget. Staff responded that there is an outage in 2018 and no outage in 2019, which accounts for the variance.

Director Bagley asked if revenues and expenses are accounted for in cash, and capital purchased with cash is reflected as an expense. Ms. Nywall responded that the slide presented included total operating expenses, capital expense and debt expense compared to total projected revenue for the 2019 budget year, representing cash and debt financing.

Director Bagley asked about the Windy Gap project lawsuit and projected increase of costs. He noted the possibility of local push back and concerns from participants as cost increases impact the budget for 2019 or 2020. Dave Smalley, chief financial officer/deputy general manager, responded that it would eventually affect the size of debt financing and debt servicing within future budgets. Director Bergsten asked if there is any concern that current participants will pull out if expenses get too high. Heather Banks, fuels and water manager, responded that there isn't any concern yet and there's a large list of other municipalities that are interested in joining in on the project. Discussion ensued among directors and staff about Windy Gap participation, internal analysis and assistance to city councils.

Director Horak requested adding verbiage to the capital additions slide describing the need for a new headquarters campus so the public would know why the campus costs are required. Staff will incorporate the suggestion to future budget presentations that include the new campus.

Ms. Nywall also previewed the capital 5-year forecast. On the summary slide of the overall budget results, Director Horak suggested differentiating expenses to more clearly understand the impacts and changes to the budget.

Director Horak referred to the mission, vision, and values statement and suggested adding contractors within safety and a word change in sustainability.

**(6) 75 MW Wind Option Update**

**(presenter: Pat Connors)**

Pat Connors, vice president of power supply, provided an update on staffs' work evaluating the additional 75 MW option with the Roundhouse Energy wind project and determining how much of 75 MW Platte River can add to the system.

Director Bagley inquired about timing of analysis and signing onto more of the 75 MW option and what risks are associated with purchasing too much wind for the system to handle. Mr. Connors responded that it wouldn't be good to buy more than we believe the system can handle and noted further testing on backing down Rawhide Unit 1 in the spring timeframe is scheduled. Director Marsh asked if there is a way to push the response date past the December 31, 2018 deadline. Mr. Connors responded that staff has discussed that with the new owner of the project, NextEra, and it may be an option if a partial amount is committed to first. Director Bergsten asked if there are negative impacts on Rawhide if it was consistently backed down. Mr. Connors responded that staff is evaluating that as well. Mr. Frisbie responded that there will be reliability and cost impacts to Rawhide to continually cycle the unit.

Director Bergsten asked about the possibility of selling the extra wind power. Mr. Frisbie referred to a graph in the presentation. Discussion ensued among directors and staff regarding costs of adding more wind power than the current system has availability for and the options staff are considering with offloading the extra energy. Director Troxell asked if the 75 MW option included storage. Mr. Butcher responded that it did not incorporate storage.

Director Bagley asked if there was something the cities could do to utilize the extra power. Mr. Butcher responded that there are options for the long term but not within the short term.

**(7) Rawhide Planned Major Outage Preview**

**(presenter: Andy Cofas)**

Andy Cofas, plant manager, provided an overview for the 2018 scheduled major outage for Rawhide Unit 1.

Director Troxell asked about the disposal of rotor materials. Mr. Cofas responded that the copper won't be removed from the rotor, but the copper windings from the stator will be recycled and the old rotor will be retained as a backup spare for any future needs.

Mr. Frisbie reminded the board that the October board meeting will be held at Rawhide and will include a tour for the board members to see the work during the outage.

## **MANAGEMENT REPORTS**

### **(8) Demand Response Pilot Update (presenter: Paul Davis)**

Paul Davis, customer services manager, previewed the demand response pilot whitepaper provided in the board packet. Mr. Davis will return in October for a presentation. Director Troxell asked if the pilot is strategic or routine, and if it considers options such as the additional 75 MW wind possibility. Mr. Davis responded that the program was designed to be strategic and includes options like storage possibilities and evaluates how demand response can provide value to the system. Discussion ensued regarding capacity and programs to utilize the system to capture other opportunities beyond a pilot.

### **(9) Staffing Plan Update (presenter: Karin Hollohan)**

Karin Hollohan, chief administrative services officer, provided additional context to the staffing memo included in the board materials highlighting annual evaluation for staffing requirements.

Director Horak appreciated looking at other options when evaluating positions and position reallocations and suggested adding that verbiage into the budget document, and suggested a word change from business to another term that better reflects Platte River's role as a governmental organization providing electricity.

## **MONTHLY INFORMATIONAL REPORTS**

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

Mr. Wilson offered to answer any questions the board may have. No questions were raised.

### **(11) August Operating Report (presenter: Andy Butcher)**

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

### **(12) August Financial Report (presenter: Dave Smalley)**

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

### **(13) General Management Report (presenter: Jason Frisbie)**

Mr. Frisbie took the opportunity to recognize Chairman Tom Roiniotis for his service and contributions while on the Platte River Board of Directors and presented him with commemorative gifts.

Director Bergsten moved to approve Resolution 18-18: Commemorating Tom Roiniotis on his retirement as presented. All directors seconded, and the motion carried 8-0.

Mr. Frisbie highlighted a few items from the general management report including the community solar project, community outreach/engagement opportunities within the cities, the resource diversification policy draft language surrounding the date of 2030, and a meeting with Northern Water for a potential pumped hydro project. Mr. Frisbie also highlighted the attached documents to the general management report that are rates related and asked Wade Hancock, financial planning manager, to summarize the two documents provided; a high-level summary speaking points for the rate redesign and rate trends speaking to the history to Platte River's rates. Director Horak appreciated the additional information to use when talking to people in the community.

Director Horak complimented the language on page 239 regarding contractor safety and clarified the purpose of the meeting between Platte River staff and Northern Water.

## **BOARD ACTION ITEMS CONTINUED**

### **(14) Election of Board Chair**

Chairman Roiniotis opened the floor for nominations for Board Chair. Director Bagley nominated Director Todd Jirsa. Director Marsh nominated Director Wade Troxell. Chair called a vote. Director Todd Jirsa was selected.

Director Bernosky moved to approve Resolution 19-18: Electing the new Board Chair as presented. Director Bernosky seconded, and the motion carried 8-0.

### **(15) Retirement Committee Member Appointment**

Chairman Roiniotis noted his departure leaves a vacancy on the retirement committee and noted that Director Brian Bagley has agreed to represent Longmont on the committee. No further nominations were offered.

Director Troxell moved to approve Resolution 20-18: Retirement Committee Member Appointment of Brian Bagley as presented. Director Bernosky seconded, and the motion carried 8-0.

## **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 12:11 p.m. The next regular board meeting is scheduled for Thursday, October 25, at 9:00 a.m. at the Rawhide Energy Station in Wellington, Colorado.

AS WITNESS, I have executed my name as Secretary and have affixed the corporate seal of the Platte River Power Authority this 25 day of October, 2018.

*Angela Webb*  
Secretary

