



Estes Park • Fort Collins • Longmont • Loveland

Regular Meeting Minutes of the Board of Directors  
2000 E. Horsetooth Road, Fort Collins, CO  
Thursday, February 28, 2019

## **ATTENDANCE**

### **Board Members**

Representing Estes Park: Mayor Todd Jirsa and Reuben Bergsten<sup>1</sup>  
Representing Fort Collins: Mayor Wade Troxell and Mayor Pro Tem Gerry Horak  
Representing Longmont: Susan Wisecup  
Representing Loveland: Mayor Jacki Marsh and Joe Bernosky

**Absent:** Mayor Brian Bagley

### **Platte River Staff**

Jason Frisbie (General Manager/CEO)  
Joe Wilson (General Counsel)  
Dave Smalley (Chief Financial Officer and Deputy GM)  
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 and Rates Manager)  
Pat Connors (Vice President of Power Supply)  
Heather Banks (Fuels and Water Manager)  
Shelley Nywall (Director of Finance)  
Libby Clark (Director of Human Resources)  
Jeff Menard (HQ Campus Project Manager)  
Paul Davis (Energy Solutions Manager)

### **Guests**

Kevin Gertig (City of Fort Collins)  
Tim McCollough (City of Fort Collins)  
Kevin Jones (Fort Collins Chamber of Commerce)  
Ken Reggelson (Boulder resident)  
Alan Braslau (Fort Collins resident)  
Karen Dike (Longmont resident)  
Marcia Martin (Longmont resident)  
Jane Clevenger (Loveland resident)

## **CALL TO ORDER**

Chairman Jirsa 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.

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<sup>1</sup> Attended via conference call. Dismissed self at 12:44 pm.

## **ACTION ITEMS**

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

- a. Approval of the regular meeting minutes of December 6, 2018**
- b. Approval of special meeting minutes of January 31, 2019**
- c. Incorporation into the record of resolution 22-18; 2019 board of directors regular meeting schedule**
- d. Transfer of 2018 capital budget carryover to 2019 budget**

Director Horak moved to approve the consent agenda as presented. Director Troxell seconded, and the motion carried 7-0.

## **PUBLIC COMMENT**

None.

## **ANNUAL MEETING**

### **(2) Platte River Power Authority Annual Meeting**

#### **a. Election of officers**

Chair Jirsa noted the present elected officers are:

- Todd Jirsa, Chair
- Reuben Bergsten, Vice Chair
- Angela Walsh, Secretary
- David Smalley, Treasurer
- Jason Frisbie, General Manager/CEO

Chairman Jirsa reminded the directors that officers serve for one year and are elected by resolution. If the board receives multiple nominations for any office a vote will be called for each office separately. The Chair also noted as set forth in the annual meeting memo, the Organic Contract requires that the Chair and Vice Chair be members of the board. These are the two positions for which nominations will be received. The officer positions filled by management staff are traditionally retained and reaffirmed for purposes of meeting the requirements of the Organic Contract. The floor was opened for nominations.

Nominations: Director Bergsten nominated the existing slate minus the Vice Chair and nominated Director Troxell for the Vice Chair position. No further nominations were received.

Chair Jirsa restated the elected officers for clarity; Todd Jirsa for Chair, Wade Troxell for Vice Chair, and the staff members Angela Walsh for Secretary, David Smalley for Treasurer and Jason Frisbie for General Manager/CEO. Director Bernosky moved to approve Resolution No. 01-19, Annual Election of Officers as presented. Director Wisecup seconded. Motion carried 7-0.

#### **b. Annual retirement committee appointments**

Chair Jirsa stated the present retirement committee consists of the following members:

- Directors: Todd Jirsa, Brian Bagley, Joe Bernosky and Gerry Horak
- Management: Jason Frisbie and David Smalley

For 2019, no changes are proposed for management members.

Chair Jirsa explained that the board needs to appoint four Directors and two management members to the committee and opened the floor for nominations. If there are more than four nominations a vote will be called for each of the individuals nominated.

Nominations: Director Bergsten nominating the existing slate of officers to the retirement committee. No further nominations were received.

Chair Jirsa restated the nominated Retirement Committee members will consist of the four directors: Todd Jirsa, Brian Bagley, Joe Bernosky, and Gerry Horak, the two management members: Jason Frisbie and David Smalley. Director Troxell moved to approve Resolution No. 02-19, Annual Retirement Committee Appointments as presented. Director Bernosky seconded, and the motion carried 7-0. Jason Frisbie, general manager and CEO, reminded the board that the retirement committee will come back to the board at the May meeting to appoint another member once Director Horak retires from the board.

c. 2018 Platte River Review

Angela Walsh, board secretary, introduced the review section for the annual meeting, stating that this year senior management would review their individual department highlights for 2018.

- a. Mr. Frisbie provided an overview of the internal structural changes that occurred in the fourth quarter of 2018 noting that these changes will be evident throughout the presentation and the general management reports.
- b. Andy Butcher, chief operating officer, provided highlights for the operation divisions specifically noting the improved surplus sales market, positive impact of joint dispatch, and highlighted events of significance for 2018. Director Bergsten asked who the companies are buying the surplus energy and where the points of delivery are located. Mr. Butcher responded that excess energy is typically easy to sell in the market and we have a large number of counter-parties, and the two points of delivery are at Craig and Ault substations. Mr. Butcher highlighted the cost savings recognized in 2018 following the switch to aluminum train cars and schedule changes. Director Horak asked why the train schedules weren't changed before 2018. Mr. Butcher responded noted switching to aluminum cars changed the count of cars and the fuel handling crew changes. Mr. Frisbie noted additional factors negotiated in the railroad contract. Director Troxell asked about backup energy for the disaster recovery center. Mr. Butcher noted that the disaster recovery center is the backup control center in case our control room at the headquarters location were to go down for any reason and the work accomplished in 2018 was at the backup center. Discussion ensued among directors and staff regarding distributed energy resources benefiting the end use customers and reliability across the system. Discussion then focused on capacity, reserves and reliability requirements.
- c. Dave Smalley, deputy GM and chief financial officer, provided highlights for the overall financial results, IT departments accomplishments and the HQ campus project for 2018. Director Horak asked about budget variance in the capital projects and personnel expenditures and if it is a normal practice. Mr. Smalley responded that after the budget was put together it was noticed that more labor should have been allocated towards capital and less towards O & M. Director Troxell asked about the ServiceNow program

implemented within the IT department and the ways Platte River is utilizing it. Mr. Smalley responded that the program has a suite of uses but currently the department is only utilizing the service tracking function. Director Horak asked about outstanding debt balances at the end of 2018 and the plans to pay them off. Mr. Smalley referred to the packet where it lists the debt outstanding and the bond payment schedule. Director Horak requested seeing a table for each bond issuance and schedule. Mr. Frisbie stated that information is already scheduled for the utility director meeting in March. Director Troxell complimented staff for results and asked if combining pension and operating reports is a strategy to increase bond rating. Mr. Smalley responded that it wasn't related to bond rating and in 2002 a new GASB statement required bringing pension liability onto the books and another new GASB statement issued recently is requiring all financial statements be combined into one report. Discussion ensued among directors and staff on the pension plan liabilities. Director Bergsten complimented Heather Banks, fuels and water manager, for developing the method for the Windy Gap unit sales.

- d. Alyssa Clemesen Roberts, chief strategy officer, presented a review for communications and marketing, safety statistics and the human resources division. Director Horak commented on retirements and the use of processes and procedures to continue knowledge within an organization. Discussion ensued among directors and staff on knowledge retention. Ms. Clemesen Roberts highlighted the accomplishment for reaching 1 million hours worked without a loss time injury. Mr. Frisbie added that Platte River will occasionally reject contractors based on financials and will also reject contractors that have poor safety protocols and records. Ms. Clemesen Roberts highlighted the Efficiency Works program. Director Horak requested an increase communicating Platte River's message for Efficiency Works to the four owner communities. Discussion ensued among directors and staff about messaging Efficiency Works and the programs offered through the owner communities. Directors Troxell and Horak complimented Ms. Clemesen Roberts on increasing Platte River's communication within the four owner communities.
- e. Joe Wilson, general counsel, presented the accomplishments for the legal department as well as the environmental and reliability compliance departments. Director Horak shared his appreciation for the work in resolutions and policy organization noting these actions are essential for knowledge transfer. Director Troxell complimented on the work in the Mountain West Transmission Group (MWTG) and participating in the learning process to entering a market.
- f. Mr. Frisbie presented overall, major accomplishments for 2018 and previewed the areas of focus for 2019. Noted highlights included the new Strategic Plan, the 1 million hours worked safely, the resource diversification policy, the IRP listening sessions, the Roundhouse energy project with transmission line and Windy Gap participation. Mr. Frisbie complimented the board for becoming a leader in the industry by adopting the resource diversification policy. Director Horak noted the 1041 permit approval for Larimer county on the Roundhouse transmission line and requested board members increase communication with commissioners in support of the line. Mr. Frisbie commented that Ms. Clemesen Roberts is currently working with the Mayors on a letter of support to send out. The board congratulated the team on the accomplishments, forward looking strategically in the industry and the overall work being done at Platte River.

Chair Jirsa closed the annual meeting portion of the agenda.

**10:31 – 10:43: Break**

## **MANAGEMENT PRESENTATIONS**

### **(3) Organic Contract/ Power Supply Agreement Renewal (presenter: Joe Wilson)**

Mr. Wilson provided a progress report on the extensions of the organic contract and the proposed changes for the power supply agreements (PSAs) among the four communities and Platte River. Director Wisecup noted that Longmont is working on a date for city council. Director Troxell commented on doing more as a whole and not just relying on Platte River to be the driver noting that he's not suggesting any changes to the organic contract and the PSA. Discussion ensued among the directors and staff on possible language additions to the PSAs but it was concluded that more general language is in the organic contract and any presentations or messaging within the owner communities and Platte River reflect specific language defining resources, programs or pilots. Mr. Wilson requested that the board supports the language within the organic contract and the PSAs and they continue to support them as the documents proceed for approvals.

### **(4) Rates Framework Update (presenter: Wade Hancock)**

Wade Hancock, financial planning and rates manager, provided an update to the ongoing work on the wholesale rate restructuring and presented the options for the board's consideration on how to handle Tariff 7 commitment allocations for 2020. Director Troxell asked if Tariff 7 includes all renewable energy resources within the distribution system specifically Fort Collins' community solar. Mr. Hancock responded that the community solar does not come into Platte River's system and doesn't count towards Tariff 7. Director Horak clarified that the utility directors are supportive of no changes for 2020 even though the rates are not in Fort Collins' favor. Mr. Smalley responded that the utility directors have agreed to maintain the Tariff 7 structure and allocations so that Fort Collins can continue to receive the higher level of renewable energy and not delaying the implementation of the rate restructure. Director Bernosky complimented staff on communications with rate staffs within the cities and commented on maintaining the Tariff 7 allocations to help mitigate the impacts of the new rate structure on the other owner communities and requested continued work to temper future rate increases. Mr. Hancock commented that staff will return in April with numbers showing average rate increases to review.

### **(5) HQ Campus Update (presenter: Dave Smalley/Alyssa Clemens Roberts)**

Ms. Clemens Roberts presented the construction status, changes proposed for the board room and the training room layouts and the new proposal for the energy innovation and learning center that would be an additional, not to exceed, \$5 million. Director Troxell asked about the function for the new addition of the learning center and the ancillary services supporting the functions. Ms. Clemens Roberts shared a list the senior leadership team put together for uses; community listening sessions, membership meetings, all company business meetings and trainings, Efficiency Works trainings and vendor work sessions, possible career days with local high schools and regional meetings. Staff recommendation is to build it now instead of later. Director Troxell commented on having previous learning center conversations for what it would be utilized for, used for community functions instead of day to day functions, suggested renaming it to the energy innovation and engagement center and suggested for staff to rethink the necessity of having a workout facility to utilize that space to build less. Mr. Frisbie commented on various areas of contemplation that staff is evaluating now, and noted that the \$5 million will be added to the 2020 budget, however, there is work stopped now until receiving approval from the board to move forward. Mr. Frisbie also discussed other options that were

evaluated such as utilizing the current E&O building which would have cost about \$10 million to remodel due to the elevation of the building and outlined what features the new building addition will offer.

Director Bergsten moved to approve moving forward with the proposed modifications not to exceed the \$5 million. Director Marsh seconded. Director Bernosky supports making a decision today, doesn't support taking time for value engineering and supports community engagement plans. Director Marsh supported maintaining the workout facility. Chair Jirsa asked how the addition would be paid for. Mr. Smalley responded that it would be paid for using cash reserves. Director Horak asked about other alternatives considered and change of design. Discussion ensued among directors and staff regarding the alternatives considered, challenges to design changes to the existing floorplan at this stage of construction and the function of the new addition. Director Horak suggested an annual meeting for all four city councils come together to interact with Platte River.

Director Wisecup inquired about the additional costs and if they will affect rates. Mr. Smalley responded that by using cash reserves it will not affect the trajectory of where rates are heading.

Chair Jirsa returned to the motion and second to approve the proposed modifications not to exceed \$5 million. Motion passed 7-0. Director Horak asked Platte River staff to put together a list of reasons for the new addition to provide the board and for the public.

## **MONTHLY INFORMATIONAL REPORTS**

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

Mr. Wilson pointed out a bill in the legislation Senate Bill 1996 – greenhouse gas emissions. Staff will continue to monitor the bill. No questions were raised from the board.

### **(7) January Operating Report (presenter: Andy Butcher)**

Mr. Butcher commented on results from the energy markets showing higher prices and higher volume and lower demand due to seasonable weather. Director Horak requested to see trends in energy produced from wind and solar resources.

### **(8) January Financial Report (presenter: Dave Smalley)**

Mr. Smalley commented that January reflected the results from positive surplus sales in operations and below budget expenses for the month. No questions or comments were raised.

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

Mr. Frisbie introduced Libby Clark, director of HR, and passed out a memo summarizing the annual review process for the general manager and general counsel during the March board meeting, summarized the process and what the board will expect to receive starting Friday, March 1.

Ms. Clark also addressed the handout on the table regarding the general counsel recruitment process and mentioned that the sub-committee will be kicking off their process following the meeting. Mr. Frisbie noted that complete packets will be provided to the entire board for all candidates up for consideration.

Director Horak asked about the safety update within the report and if the two employees were wearing safety glasses. Ms. Clark responded that both cases experienced dust in the eyes that got behind the safety glasses. Director Troxell requested an elevation view of the campus addition once that is prepared.

**Roundtable and Strategic Discussion Topics**

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

**ADJOURNMENT**

With no further business, the meeting adjourned at 12:51 p.m. The next regular board meeting is scheduled for Thursday, March 28, at 9:00 a.m. at the Platte River Power Authority, 2000 E. 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 28 day of March, 2019.

*Angela Watson*  
Secretary

