



Estes Park • Fort Collins • Longmont • Loveland

Regular Meeting Minutes of the Board of Directors

2000 E. Horsetooth Road, Fort Collins, CO

Thursday, July 25, 2019

ATTENDANCE

Board members

Representing Estes Park: Mayor Todd Jirsa and Reuben Bergsten

Representing Fort Collins: Mayor Wade Troxell and Ross Cunniff

Representing Longmont: Susan Wisecup

Representing Loveland: Mayor Jacki Marsh and Joe Bernosky

Absent

Mayor Brian Bagley

Platte River staff

Jason Frisbie (General Manager/CEO)

Craig Johnson (Senior Deputy General Counsel)

Dave Smalley (Chief Financial Officer and Deputy GM)

Andy Butcher (Chief Operating Officer)

Alyssa Clemsen Roberts (Chief Strategy Officer)

Angela Walsh (Executive Assistant/Board Secretary)

Steve Roalstad (Communications and Marketing Manager)

Pat Connors (Vice President of Power Supply)

Shelley Nywall (Director of Finance)

Libby Clark (Director of HR)

Carol Ballantine (Director of Power Supply)

Heather Banks (Fuels and Water Manager)

Chris Fields (Fuels and Water Resources Engineer)

Guests

Kevin Gertig (City of Fort Collins)

Tim McCollough (City of Fort Collins)

David Hornbacher (City of Longmont)

Sarah Leonard (Fort Collins resident)

Kevin Jones (Fort Collins Chamber of Commerce)

Marsha Marten (City of Longmont)

Karen Dyke (Longmont resident)

Alan Braslau (Fort Collins Energy Board)

Ken Reggelson (Boulder resident)

Jane Cleavenger (Loveland resident)

Christian Dykson (Director Marsh guest)

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, proceeded with the business on the agenda. Director Wisecup introduced David Hornbacher as the new electric director for

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Longmont Power and Communications and newly appointed Platte River board member by Longmont's city council. Jason Frisbie, general manager and CEO, introduced Sarah Leonard as the new general counsel for Platte River.

ACTION ITEMS

(1) Consent agenda

a. Approval of the regular meeting minutes of May 30, 2019

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

PUBLIC COMMENT

None.

COMMITTEE REPORTS

(2) Retirement committee report (presenter: Committee Chair Joe Bernosky)

Committee Chair Joe Bernosky provided a summary report from the May 30 retirement committee meeting. No board action was required. The next retirement committee meeting will be held on August 29 following the board meeting.

BOARD ACTION ITEMS

(3) Executive Session

Chair Jirsa introduced next item on the agenda as staff requested an executive session specifically relating to a potential legal claim that Platte River may have against one of its contractor vendors. Director Bergsten moved that the board of directors go into executive session for the purposes of (1) a conference with the senior deputy general counsel for the purpose of receiving legal advice on specific legal questions and (2) to determine positions relative to a matter that may be subject to negotiations, developing strategy for negotiations and instructing negotiators pursuant to Sections 24-6-402(4)(b) and (e)(l) of the Colorado Revised Statutes. For the record, the subject matter of the discussion will be a potential legal claim that Platte River may have against one of its contractor vendors.

The general counsel has advised that an executive session is authorized in this instance pursuant to Colorado Revised Statutes, provided that no formal action will be taken during the executive session.

Director Bernosky seconded. Motion carried 7-0.

(4) Reconvene Regular Session

Chair Jirsa reconvened the regular session. No further discussion or direction was provided by the board as a result of the executive session.

MANAGEMENT PRESENTATIONS

(5) Windy Gap unit sales update

(presenter: Heather Banks)

Heather Banks, fuels and water manager, provided a history to the water resources for Platte River, the participation within the Windy Gap Firing Project and the Windy Gap unit sales transactions completed to date for the benefit of newer board members. Ms. Banks reminded the board that the board authorized increased participation within the project and the sale of Windy Gap units in 2016.

Director Bergsten thanked Ms. Banks for the presentation and the work in helping various entities with future water resources.

(6) Roundhouse wind option

(presenter: Carol Ballantine)

Carol Ballantine, director of power supply, announced that Platte River was able to exercise purchasing the entire 225 MW option with Roundhouse Energy. Ms. Ballantine outlined the accomplishments to accommodate the full 225 MW of wind by selling current wind energy from Silver Sage until contract expiration and Spring Canyon wind farm until 2030, and contracting to sell the minimum generation from the Craig Units 1 and 2. Ms. Ballantine listed the advantages that the wind and Craig sales provide by facilitating the integration of more renewable energy into the Platte River system.

Director Cunniff asked about the Craig coal stock pile and what percentage will be used within the sale of the energy. Ms. Ballantine responded that the coal stockpile at Craig is at 193 days and staff is working to reduce that to a more manageable level and referred to Ms. Banks for further detail. Ms. Banks noted that staff is working through contract requirements and building a strategy to meet the retirement dates of the two units at Craig. Mr. Frisbie explained the history behind the Trapper Mine contract, the operating agent of Craig decisions made, and two 3-month unplanned outages totaling 6 months of lost generation. Mr. Frisbie assured the board that staff is working their way through various agreements as well as changing the agreement with the Trapper mine as the current contract expires at the end of 2020 allowing an opportunity to adjust the coal requirements and noted that there is an executive committee evaluating Trapper mine life and determining Craig Unit 2's retirement. Director Cunniff commented on carbon trade off and managing inventory.

(7) Potential solar project

(presenter: Pat Connors)

Pat Connors, vice president of power supply, provided a presentation on staff's considerations for the next potential solar project including timing on current tariffs and potential tax credit implications. Mr. Connors outlined the benefits of wind and solar balancing each other out now that Platte River has signed on to the full 225 MW Roundhouse wind project.

Director Bergsten inquired about the safe harboring provisions and the impacts on the price and when the power purchase agreement would need to go into effect. Mr. Connors responded that if staff completes the RFP process in 2019/2020 that the current tax credits would still apply to projects that are built in 2022/2023. Discussion ensued among directors and staff regarding pricing, panel design, integration onto the system and modeling for integrating the energy onto the system. Alyssa Clemsen Roberts, chief strategy officer, discussed the distributed energy resources (DER) working committee with the four owner communities and Platte River is meeting in August to discuss how to move into a more integrated system for future system benefits.

Mr. Connors outlined the assumptions used in analysis that will be provided within the RFP process, the benefits and risks to adding additional solar and further staff recommendations. Mr. Frisbie noted that other CEO's within Colorado are interested in participating in joint solar projects to benefit the state of Colorado. Director Troxell noted the listed risks could be managed and mitigated within the local communities. Director Bernosky noted the importance of understanding how adding additional intermittent resources and the impacts to the system in reliability and rates by urging caution to jumping ahead and the most important aspect is reliability. Director Bergsten committed to adding money to Estes Park's budget for a consultant to work jointly and to work towards system integration. Director Cunniff endorses moving forward with staff doing an RFP, and geographically dispersing renewable generation throughout the communities.

Break: 10:59-11:11

(8) Board appointment policy discussion (presenter: Craig Johnson)

Mr. Johnson discussed the direction provided by the board to staff at the May board meeting to create a board appointment policy and referred to the memo containing the history of board appointments mentioned within the Organic Contract and relative revisions. Mr. Johnson noted that the presentation is geared towards facilitating discussion and for the board to provide further direction to staff on verbiage for the board appointment policy.

The following bullet points represent board suggestions during discussion:

- Director Cunniff indicated that technical experience, strategic experience, and strategic management should be listed as desirable attributes.
- Director Troxell reiterated that the Platte River board is a policy setting board and they should continue to function at that level with the goal of transforming Platte River and the owner municipalities to a more integrated system as a whole.
- Director Bergsten wants balance and diversity – a municipal staffer with relevant electric utility experience that are trusted to run the distribution utility and an elected official to provide balance.
- Director Marsh stated that mayors serve as the voice of the people and believes the second municipal director should have a technical background with a forward focus.
- Mr. Frisbie asked whether the board felt continuity was important on the board and several board members stated that they agreed with board continuity.
- Director Cunniff agrees the continuity is important but disagrees with having to have a staff member from the municipality.
- Director Wisecup asked for balance and the request for system DER is helpful for a mix of staff and elected officials.
- Director Troxell asked why city managers weren't listed in the bullet points on the presentation – mayor and city manager or designee to serve – who runs the organization.
- Director Bergsten reiterated his previous comment on having a check and balance saying elected official and staff.
- Chair Jirsa asked for simpler is better and it gets too complicated by defining it.

Mr. Johnson reiterated the themes pulled out from the discussion to add to the policy. Director Cunniff clarified his request that the appointed director be limited to a staff member or elected official.

MANAGEMENT REPORTS

(9) Water Resources Reference document (presenter: Jason Frisbie)

Mr. Frisbie reviewed the document and the information provided within document mentioning the memo outlines the additions made since the last edition. Mr. Frisbie added that this is reviewed and updated on a yearly basis. Directors complimented staff on the document.

MONTHLY INFORMATIONAL REPORTS

(10) Legal, environmental and compliance report (presenter: Craig Johnson)

Mr. Johnson provided an update on the El Paso Electric case and the western markets commitment deadline extension. Mr. Johnson stated that this is his last board meeting as the interim general counsel as Sarah Leonard will be taking the seat at the August board meeting. Director Bernosky added an update regarding the Windy Gap Firing Project/Chimney Hollow response to the petition.

(11) May and June operating report (presenter: Andy Butcher)

Mr. Butcher highlighted the operating results for the month of May and June reflecting the cooler weather than normal, a soft surplus sales market reflecting an increased hydropower capacity and reduced wind and solar generation.

(12) May and June financial report (presenter: Dave Smalley)

Mr. Smalley provided financial highlights for the months of May and June reflecting below budget revenues being offset by below budget operating costs.

(13) General management report (presenter: Jason Frisbie)

Mr. Frisbie highlighted a few updates mentioned within the general management report including the Rawhide Prairie Solar project, approvals received for the Roundhouse wind project, the storm damage from the major hail storm, and a recap of attending the APPA National Conference with Director Marsh.

Ms. Clemesen Roberts introduced the project and gave some background to the idea to partner with Platte River to show where electricity comes from and the subsequent addition of all four owner communities doing their own video. The Fort Collins Source to Switch video was shown to the board.

Mr. Frisbie thanked Director Wisecup for her service to the board and provided parting gifts for her departure.

Roundtable and strategic discussion topics

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

ADJOURNMENT

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With no further business, the meeting adjourned at 12:29 p.m. The next regular board meeting is scheduled for Thursday, August 29, 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 29 day of August, 2019.


Secretary

