



Estes Park • Fort Collins • Longmont • Loveland

Regular Meeting Minutes of the Board of Directors

2000 E. Horsetooth Road, Fort Collins, CO

Thursday, September 26, 2019

ATTENDANCE

Board members

Representing Estes Park: Mayor Todd Jirsa and Reuben Bergsten

Representing Fort Collins: Mayor Wade Troxell¹ and Ross Cunniff

Representing Longmont: Mayor Brian Bagley² and David Hornbacher³

Representing Loveland: Mayor Jacki Marsh and Joe Bernosky⁴

Platte River staff

Jason Frisbie (General Manager/CEO)

Sarah Leonard (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)

Wade Hancock (Financial Planning and Rates Manager)

Pat Connors (Vice President of Power Supply)

Paul Davis (Energy Solutions Manager)

Shelley Nywall (Director of Finance)

Craig Johnson (Senior Deputy General Counsel)

Heather Banks (Fuels and Water Manager)

Joel Danforth (Distributed Energy Resources Manager)

Libby Clark (Director of Human Resources and Safety)

Julie Ackerman (Controller)

Mindy Pfeiger (Senior Accounting Analyst)

Caroline Schmiedt (Deputy General Counsel)

Guests

Tim McCollough (City of Fort Collins)

Ethan Garrett (Fort Collins Chamber of Commerce)

Marcia Marten (City of Longmont)

Karen Dike (Longmont resident)

Eric Sutherland (Fort Collins 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, proceeded with the business on the agenda.

¹ Arrived at 9:13 a.m.

² Arrived at 9:01 a.m.

³ Arrived at 9:09 a.m.

⁴ Excused self at 10:32 a.m.

ACTION ITEMS

(1) Consent agenda

a. Approval of the regular meeting minutes of August 29, 2019

Director Bernosky moved to approve the consent agenda as presented. Director Bergsten seconded, and the motion carried 6-0.

PUBLIC COMMENT

Eric Sutherland commented on the proposed rate structure.

COMMITTEE REPORTS

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

Chair Bernosky provided a summary of the last retirement committee meeting held on August 29 highlighting the plan's investment consultant, Innovest, reporting on the plan's performance through June 2019. The next committee meeting is scheduled for Nov. 15, 2019.

BOARD ACTION ITEMS

(3) Board appointment resolution (presenter: Craig Johnson)

Craig Johnson, senior deputy general counsel, provided a summary of previous conversations related to the board's desire to have a guiding document or policy to pass on to their town and city councils to provide support when appointing members to the board.

Director Bergsten moved to approve Resolution 07-19: Board Appointment resolution as presented. Director Hornbacher seconded. Director Cunniff commented on resolution reflecting the balance of the board's preferences and retains the charter authority of the four communities. The motion carried 7-0.

MANAGEMENT PRESENTATIONS

(4) Mission, vision and values (presenter: Alyssa Clemesen Roberts)

Alyssa Clemesen Roberts, chief strategy officer, introduced the proposed revisions to the vision, mission and values statements and discussed them one by one requesting board member feedback.

Director Cunniff commented on starting vision statements with "to be" vs. "is". Ms. Clemesen Roberts responded that "to be" is less presumptuous.

Director Bergsten preferred using competitively priced vs. financially sustainable benefit commercial customers. Director Bernosky agreed with using competitively priced. Director Troxell commented on using financially sustainable is broader than pricing and more of an organizational sustainability within business operations. Director Cunniff suggested adding efficient to the financially sustainability statement. Jason Frisbie, general manager and CEO, explained the high level logic behind the financially sustainable language. Director Cunniff

returned to his previous comment and reworded it as fiscally efficient and financially sustainable. Director Bagley commented on wordsmithing the mission, vision and value statements is not ultimately important. Discussion ensued among directors and staff regarding the phrases used to reflect the 3 pillars. Ms. Clemens Roberts reminded the board of the language that was used for the resource diversification policy. Mr. Frisbie read the language from the resource diversification policy. Director Bergsten requested to change the language in the resource diversification policy to reflect the competitively priced verbiage. Director Hornbacher commented on keeping the environmentally responsible language in the mission statement.

Further discussion ensued among directors and staff regarding suggested language within the value statements.

Ms. Clemens Roberts reiterated the feedback received and staff will bring the revisions back to the board at the October board meeting.

(5) 2020 rate tariff schedules - draft (presenter: Wade Hancock)

Wade Hancock, financial planning and rates manager, highlighted the revisions made to the proposed rates since the August board meeting and outlined the rate structure that will go into effect Jan. 1, 2020 pending board approval.

Director Troxell asked how rates cover the energy purchases when Rawhide is down for maintenance. Mr. Hancock responded that the rate recovery for purchases is covered by the variable costs. Mr. Frisbie commented on forced outage costs blended together for the dispatchable resources in the modeling assumptions. Mr. Smalley commented on making assumptions for resource downtime and purchases, that the rate structure does not reflect real time rate adjustments. Director Troxell asked if the rate structure can be used in a market-based system. Mr. Hancock responded that the rate structure can transition into a market. Mr. Smalley clarified that the rate structure could work in a market, but it might not be the structure Platte River would want and a re-evaluation would occur. Mr. Hancock responded that if the tariffs don't serve the purpose, the tariffs can change. Discussion ensued among directors and staff on rate structure flexibility and managing intermittent resources.

Staff will return in October for approval of the proposed 2020 rate structure. Director Bernosky thanked Mr. Hancock for working with city staffs on the rate restructuring project.

(6) Efficiency Works and DER strategy (presenter: Paul Davis)

Paul Davis, energy solutions manager, provided an overview of the Efficiency Works programs with the four owner communities and Platte River, savings captured by the EW programs and strategy development.

Director Troxell asked if Platte River is directly involved to the electric vehicle rebate program. Mr. Davis responded that it is another joint action through Efficiency Works and relates to the EV pilot study. Joel Danforth, distributed energy resources manager, added that a rebate provided by group buy is a city only program and the charging infrastructure separate from the vehicle is a Platte River program. Director Troxell commented on getting greater participation in the programs. Ms. Clemens Roberts responded to Director Troxell that Platte River is moving forward with the distributed energy resources (DER) strategy program, experimenting with ways to market along with owner community staffs to grow the programs. Discussion ensued among

directors and staff on consumer behaviors to help save costs and lessen the impact on the environment during the high peak hours of the day. Mr. Frisbie reflected on the importance of the resource diversification policy and the thoughtfulness in the policy will serve us greater in the long run and its in the consumers' best interest to help integrate the system.

Mr. Davis provided an overview for the DER strategy committee goals and areas of focus. Director Troxell commented on systems talking to other systems and having an architecture to accomplish the goals for DER and reciprocal benefits for the owner communities. Director Cunniff commented on having an architecture that knows device cycles and hoped that would be included in the conversation. Ms. Clemens Roberts noted the committee is currently looking at it from a 10,000-foot evaluation to create the strategy and next steps include hiring a consultant to help facilitate goal creation, to turn the strategy into a framework, and then turning it over to the larger group that can implement the plan. Discussion ensued among directors and staff regarding considerations for the DER strategy committee.

Mr. Davis provided the next steps for the DER strategy committee.

Break: 10:32-10:44

(7) 2020 proposed strategic budget work session (presenter: Shelley Nywall)

Shelley Nywall, director of finance, presented the 2020 proposed strategic budget for the annual work session mentioning that any changes to the budget will be presented at the October board meeting during the public hearing and then staff will ask for approval at the December board meeting.

Director Troxell asked what the decrease in energy requirements is attributed to and how it relates to per-capita growth. Mr. Frisbie responded that it is a combination of energy efficiency and building standards. Mr. Butcher added that rooftop solar has added to the lower load growth and the long-term forecasts still reflect a small year to year growth. Discussion ensued among directors and staff regarding weather projections included in the IRP modeling.

Director Bergsten asked if the community reimbursable expenses included engineering services. Staff responded that it does include engineering services.

Chair Jirsa commented on the budget document being transparent and referred to it as an asset for the board members to provide to the public when answering questions about Platte River. Director Hornbacher complimented staff on the easy to follow presentation. Mr. Frisbie complimented staff on their continued work to refine the budget document in alignment with the strategic plan.

MANAGEMENT REPORTS

(8) Electric vehicle charging pilot (presenter: Joel Danforth)

Mr. Danforth introduced the electric vehicle charging pilot whitepaper with preliminary results and will return to present the results at the October board meeting. Director Troxell asked if the results reflect the time of day use rate. Mr. Danforth referred to a graph within the whitepaper showing no use during the time of use period. Mr. Butcher reiterated that the results within the report are very preliminary and staff will have better results to present in October. Discussion ensued among directors and staff regarding the electrification coalition and various charging

areas to evaluate.

(9) Staffing update (presenter: Alyssa Clemesen Roberts)

Ms. Clemesen Roberts referred to the memo provided within the board packet and highlighted the process staff uses to evaluate each open position and any new positions requested; four new positions are recommended to add to the IT and the communications and marketing departments.

Director Bergsten appreciated planning for future community support.

MONTHLY INFORMATIONAL REPORTS

(10) Legal, environmental and compliance report (presenter: Sarah Leonard)

Sarah Leonard, general counsel, provided highlights from the legal, environmental and compliance report including the update to the mineral ownership of Platte River at the Rawhide Energy Station property and handed out a map showing the percentages of ownership to the mineral rights. Director Cunniff asked what options Platte River has to regulate surface access and maintain security. Director Troxell asked if staff received the energy by design report from the City of Fort Collins. Ms. Leonard responded that the report was received and further collaboration efforts between Platte River and the City of Fort Collins was offered. Director Bergsten requested to know what the risks are. Discussion ensued among directors and staff regarding the potential risks to the resources at the Rawhide Energy Station, property owned and not owned by Platte River and keeping oil and gas extraction conversations at the state and federal level. To date, no permits have been pulled by any company for oil or gas extraction at the Rawhide Energy Station.

Caroline Schmiedt, deputy general counsel, outlined the recent adopted Senate Bill 181 giving local governments authority to regulate oil and gas extraction activities and how it relates to Platte River. Discussion ensued among directors and staff regarding general requirements of the oil and gas extraction companies and having an executive session at the October board meeting. Ms. Leonard informed the board that Platte River is contracting with an attorney that specializes in oil and gas rights whom will be present at the executive session in October.

(11) August operating report (presenter: Andy Butcher)

Mr. Butcher highlighted the operating results for the month of August including a lack of wind generation impacting the surplus sales market and the dispatch cost higher in August driven by a catch up in maintenance costs from previous months.

(12) August financial report (presenter: Dave Smalley)

Mr. Smalley offered to answer any questions or comments from the board regarding the August financial report contained within the board materials. No questions or comments were raised.

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

Mr. Frisbie provided a few highlights from the general management report including the HQ campus project cost increasing due to adding doors to the outbuildings and changes made to the board room after construction had commenced. He also explained that the Engagement

Center costs will be higher as a result of audio-visual equipment bids coming in significantly higher than planned. Mr. Frisbie also reminded the board of the recent press release regarding an RFP for up to 150MW of new solar. Mr. Butcher referred to the resource planning section of the report and noted that staff is eliminating one study regarding ramping down Rawhide due to completing successful testing. Ms. Clemens Roberts offered to draft communication for Mayors to send to middle schools for the solar and battery car race asking for more participation in this year's event.

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 12:04 p.m. The next regular board meeting is scheduled for Thursday, October 31, 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 31 day of October, 2019.

Angelabell
Secretary

