



Estes Park • Fort Collins • Longmont • Loveland

Regular Meeting Minutes of the Board of Directors

2000 E. Horsetooth Road, Fort Collins, CO

Thursday, October 31, 2019

ATTENDANCE

Board members

Representing Estes Park: Mayor Todd Jirsa and Reuben Bergsten

Representing Fort Collins: Mayor Wade Troxell¹ and Ross Cunniff

Representing Longmont: David Hornbacher

Representing Loveland: Mayor Jacki Marsh and Joe Bernosky

Absent

Mayor Brian Bagley

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 Clemsen Roberts (Chief Strategy Officer)

Angela Walsh (Executive Assistant/Board Secretary)

Pat Connors (Vice President of Power Supply)

Shelley Nywall (Director of Finance)

Craig Johnson (Senior Deputy General Counsel)

Joel Danforth (Distributed Energy Resources Manager)

Libby Clark (Director of Human Resources and Safety)

Caroline Schmiedt (Deputy General Counsel)

Bryce Brady (Energy Solutions Business Team Supervisor)

Chris Wood (Environmental Compliance Manager)

Guests

Kevin Gertig (City of Fort Collins)

Tim McCollough (City of Fort Collins)

James Godbold (Otis & Bedingfield, LLC)

Anna Thigpen (BKD)

Kevin Jones (Fort Collins Chamber of Commerce)

Marcia Martin (City of Longmont)

Jane Cleavenger (Loveland resident)

Karen Speed (Loveland resident)

Larry Roos (Fort Collins resident)

Ken Regelson (Boulder resident)

CALL TO ORDER

Chairman Jirsa called the meeting to order at 9:03 a.m. A quorum of board members was present and the meeting, having been duly convened, proceeded with the business on the

¹ Attended via phone; dismissed self at 9:48 a.m.; arrived in person at 10:47 a.m.

agenda. Alyssa Clemens Roberts, chief strategy officer, introduced Bryce Brady, energy solutions business team supervisor, to the board.

Staff requested an addition and a change to the agenda; adding the topic of safety and security of Platte River property and personnel to the executive session and moving the executive session to begin following the 2020 proposed strategic budget update and public hearing. Director Bernosky moved to approve the proposed agenda addition and change as presented. Director Hornbacher seconded, and the motion carried 6-0.

ACTION ITEMS

(1) Consent agenda

a. Approval of the regular meeting minutes of September 26, 2019

Director Cunniff moved to approve the consent agenda as presented. Director Hornbacher seconded. Director Hornbacher requested a correction to a misspelled name of guest, Marcia Martin. The motion carried 6-0.

PUBLIC COMMENT

Two members of the public offered comments regarding the oil wells and drilling near the Rawhide Energy Station. Marcia Martin commented on the DSM/DER IGA.

BOARD ACTION ITEMS

(2) Rate tariffs

(presenter: Shelley Nywall)

Shelley Nywall, director of finance, summarized the multi-year collaborative rate restructuring project led by Wade Hancock, financial planning and rates manager, to improve rates transparency, flexibility and system benefits. Ms. Nywall explained that the memo provided in the board packet has remained consistent for the last three board meetings with only minor changes, and the two resolutions; the PURPA policy resolution and the 2020 rate tariff schedules resolution. The PURPA policy is referenced within the standard offer energy purchase tariff as a requirement providing guidelines for Platte River's obligations on purchasing capacity and energy pricing for qualified facilities. Staff recommends adoption of both resolutions with the rates to become effective January 1, 2020.

Director Bernosky complimented staff for the rates restructuring process and the support Platte River staff provided to the city's rates staff was helpful. Director Cunniff commented on community members believing that the proposed rate structure is driven by renewable resources and asked for a clarification. Dave Smalley, chief financial officer and deputy general manager, responded that the tariffs are not entirely driven by renewable resources, however, large commercial customers requested for 100% renewable pricing to be made available and staff believes that the flexibility within the new structure allows the distribution utilities to develop a 100% renewable rate to satisfy those requests. Mr. Smalley continued to clarify that the demand rate was unbundled between generation and transmission and the bulk of those costs for the demand rate are from base load resources, not the renewable resources. Director Bergsten also complimented staff on the process and the process has set Platte River up to adjust to the changes in the industry.

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a. PURPA policy

Director Bergsten moved to approve Resolution 08-19: PURPA policy as presented. Director Bernosky seconded. The motion carried 7-0.

b. 2020 rate tariff schedules

Director Hornbacher moved to approve Resolution 09-19: 2020 rate tariff schedules as presented. Director Bernosky seconded. The motion carried 7-0.

(3) 2019 BKD Audit Plan and Engagement Letter (presenter: Dave Smalley)

Mr. Smalley introduced Senior Manager Anna Thigpin with BKD, to provide an overview of the 2019 BKD audit plan and the engagement letter. Ms. Thigpin highlighted two new standards provided within the engagement letter on page 4; GASB Statement No. 83, Certain Asset Retirement Obligations and GASB Statement No. 84, Fiduciary Activities. BKD will return to provide audit report results to the board at the April board meeting.

a. Approval of engagement letter

Director Bergsten moved to authorize execution of the 2019 BKD audit plan and engagement letter as presented. Director Cunniff seconded, and the motion carried 7-0.

(4) 2020 proposed strategic budget – public hearing (presenter: Shelley Nywall)

Ms. Nywall reviewed the changes to the budget since the work session, the financial results and the budget highlights.

Chairman Jirsa asked if there were any additional comments or questions regarding the proposed budget from the board. Hearing none, he stated the 2020 proposed strategic budget for Platte River Power Authority had been delivered to the board of directors in accordance with applicable law. Legal notices have been published announcing that the proposed strategic budget was made available to the public for inspection and that the public hearing will be held today, October 31, in order for the board to receive public comment on the proposed budget prior to final adoption of the budget by the end of the year.

Chairman Jirsa declared the public hearing on the 2020 proposed strategic budget for Platte River Power Authority open.

Ken Regelson, a Boulder resident, commented on surplus energy sales.

The Chair closed the public hearing.

(5) Executive Session

Chair Jirsa explained the next item on the agenda that staff requested an executive session to receive attorney-client privileged legal advice specifically relating to addressing third parties' potential development of their mineral rights under the Rawhide Energy Station property and matters related to the safety and security of Platte River property and personnel.

The general counsel 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 Bergsten moved that the board of directors go into executive session for the purposes of (1) conferring with legal counsel to receive legal advice on specific legal questions and (2) determining 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 discussion will cover two topics: (1) how to address third parties' potential development of their mineral rights under the Rawhide Energy Station property, and (2) matters related to the safety and security of Platte River property and personnel. Director Hornbacher seconded. Motion carried 7-0.

Break: 10:59-11:07

(6) Reconvene regular session

Director Troxell added to the record that he dismissed himself for the phone at the start of the executive session and then arrived in person during executive session at 10:47 a.m.

Director Cunniff requested staff prepare a memo outlining Platte River's position is in respect to oil and gas development issue. Ms. Clemesen Roberts reminded everyone that Platte River is not seeking to explore oil and gas at Rawhide Energy Station and the focus will remain on protecting the facility and vital services that are provided to the owner communities. Staff will prepare talking points to provide the board following the meeting.

MANAGEMENT PRESENTATIONS

(7) Vision, Mission and values (presenter: Alyssa Clemesen Roberts)

Ms. Clemesen Roberts outlined the changes made from the September meeting and offered options for the board to consider for the mission statement as it relates to one of the three pillars and adding fiscally efficient language. Staff recommends leaving the mission statement as provided alone. Ms. Clemesen Roberts added another option for the board to consider that was not provided within the board packet to be added to the third pillar definition for financially sustainable; "Platte River will continue to be fiscally efficient by offering competitive rates and services to provide value to our four owner communities." Ms. Clemesen Roberts recommended not adding a forth pillar. Director Bergsten agreed and like the new suggestion. Director Cunniff stated that he like adding fiscally efficient to the definition and supports the recommendation. The board supported the presented language change and agreed that the Resource Diversification Policy would not need to return to the board for approval for this change.

(8) Energy imbalance market update (presenter: Andy Butcher)

Due to the executive session running longer than planned, staff recommended to present on the energy imbalance market at the December board meeting.

(9) EV charging pilot (presenter: Joel Danforth)

Joel Danforth, distributed energy resources manager, presented the results of the pilot year to date previously provided in the whitepaper in the September board packet and outlined the next

steps to the overall pilot project.

Director Troxell commented on the study showing currently EV's as an offtake of energy and not as a storage element and active management. Mr. Danforth responded that there is limited information coming from the user at this point but agreed that ultimately active management would be the end goal. Director Troxell commented on enabling and engaging the end user with information to make decisions on the appropriate time to charge. Discussion ensued amongst directors and staff on the benefits of using EV batteries as future distributed energy supply. All agreed that shifting charging patterns to align with system benefits should be a goal of the program.

(10) DSM and DER IGA update (presenter: Bryce Brady)

Bryce Brady, energy solutions business team supervisor, provided an overview of the DSM and DER IGA purpose and function, the program history and the proposed changes to incorporate non-electric systems into the Efficiency Works program.

Director Troxell discussed the epic program on thermal efficiency and asked if it's incorporated into Efficiency Works. Mr. Brady responded that it could in the future but is only a Fort Collins program right now. Director Troxell commented from the customer standpoint that offering a package and not stand-alone programs would be preferable. Director Bernosky mentioned the IGA going in front of the Loveland city council on Dec. 19 and shared his appreciation towards expanding to include water efficiency. Director Bergsten also shared appreciation towards the program and collaboration of the four owner communities and Platte River.

MANAGEMENT REPORTS

(11) Benefits update (presenter: Alyssa Clemesen Roberts)

Ms. Clemesen Roberts noted that this is just a memo to inform the board that staff has been fully evaluating the entire benefits program, and recently hired a new benefit consultant, Alliant, to evaluate the current plans offered to employees. Staff will continue to evaluate options to keep costs in line and benefits competitive. Jason Frisbie, chief executive office and general manager, noted that this is a follow up to a previous executive session discussing company benefits and costs.

MONTHLY INFORMATIONAL REPORTS

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

Sarah Leonard, general counsel, provided highlights from the legal, environmental and compliance report including the cellular antenna agreement expiration notices, the Cloud Peak sale completion and a follow up regarding resolution 07-19, board appointments, to let the board know that copies had been distributed to the governing bodies for each owner community.

(13) September operating report (presenter: Andy Butcher)

Andy Butcher, chief operating officer, highlighted the operating results for the month of September including weather impacts on renewable energy production resulting in dispatching at lower costs than budgeted.

(14) September financial report

(presenter: Dave Smalley)

Mr. Smalley offered to answer any questions or comments from the board regarding the September financial report contained within the board materials. Mr. Smalley noted the work with Standard and Poor and Platte River has been affirmed with the AA credit rating. No questions or comments were raised.

(15) General management report

(presenter: Jason Frisbie)

Mr. Frisbie provided a few highlights from the general management report including the solar RFP press release, the gainsharing program, a contractor injury on the HQ campus new construction project, economic development payments, and forced outage assistance agreement. He thanked the utility directors' participation during the IRP listening sessions and introduced the recruiting videos made for the career page on the Platte River website. Two recruiting videos were shown to the board.

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 12:06 p.m. The next regular board meeting is scheduled for Thursday, December 5, 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 5 day of December, 2019.


Secretary

