



Estes Park • Fort Collins • Longmont • Loveland

Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO

Thursday, Mar. 26, 2020

ATTENDANCE

Board members

Representing Estes Park: Mayor Todd Jirsa

Representing Fort Collins: Mayor Wade Troxell

Board members via Skype

Representing Estes Park: Reuben Bergsten

Representing Fort Collins: Ross Cunniff

Representing Longmont: Mayor Brian Bagley¹ and David Hornbacher

Representing Loveland: Mayor Jacki Marsh and Joe Bernosky²

Platte River staff

Jason Frisbie (General Manager/CEO)

Sarah Leonard (General Counsel)

Angela Walsh (Executive Assistant/Board Secretary)

Platte River staff via Skype

Dave Smalley (Chief Financial Officer and Deputy GM)

Andy Butcher (Chief Operating Officer)

Alyssa Clemsen Roberts (Chief Strategy Officer)

Libby Clark (Director of Human Resources and Safety)

Jeff Menard (Facilities Services Manager)

Guests

Public call in line – guests unknown

CALL TO ORDER

Chairman Jirsa called the meeting to order at 9:02 a.m. A quorum of board members was present in person and by Skype for Business. The meeting, having been duly convened, proceeded with the business on the agenda.

Chair Jirsa made an announcement that the Platte River staff decided to keep the board, staff and public safe by hosting a virtual meeting, and a call line had been opened for the public to call in on and listen to the meeting. He stated that all presentations had been postponed until the April board meeting and staff offered the public to send in public comments via email to the board secretary to be dispersed to the board in lieu of in-person comments. Chair Jirsa also stated that the public line would be disconnected once the board moved into executive session and the public line would be rejoined once the board reconvened regular session.

Retirement committee chairman Joe Bernosky asked to modify the meeting agenda to include

¹ Joined at 9:15 a.m.

² Dismissed self at 10:57 a.m.

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an action item, Resolution 05-20, under the retirement committee report.

Director Cunniff moved to accept the proposed modification to the agenda as presented. Director Bergsten seconded. The motion carried 7-0 via roll call vote.

ACTION ITEMS

(1) Consent agenda

a. Approval of the regular meeting minutes of Feb. 27, 2020

Director Hornbacher moved to approve the consent agenda as presented. Director Bergsten seconded. The motion carried 7-0 via roll call vote.

PUBLIC COMMENT

Seven comments were submitted prior to the start of the meeting and were sent to the board for public comment.

COMMITTEE REPORTS

(2) Retirement committee report

(presenter: Joe Bernosky)

Chair Bernosky reported that the retirement committee met on Feb. 27, 2020. The Plan's investment consultant, Northern Trust, reported on the Plan's performance for 2019; the assets increased by \$6.1 million, the portfolio return was 12.8% which was below the custom index return of 13.4% but well above the Plan's target return of 7.5%. Northern Trust also presented their firm's long-term outlook for the economy and capital markets. The committee reviewed and approved the revised investment policy statement (IPS) and the IPS was updated to reflect slight adjustments to the allocation ranges for infrastructure, global real estate and inflation protection assets.

Northern Trust provided an update on the process of converting the Plan's current investment portfolio to the revised portfolio included in the IPS. The conversion happened the week of Nov. 18, 2019. Trades were mapped so that the funds were not out of the market for any period of time. The Plan currently holds a couple of illiquid funds, the majority of which Northern expects to be sold and reinvested by the end of January. The Plan's investment in reinsurance will take additional time to liquidate due to liquidity gates and quarterly restrictions imposed by the fund manager.

The next committee meeting will be held May 28, 2020.

As it relates to the earlier agenda modification, committee chair Bernosky explained that the financial markets have experienced extreme volatility due to the pandemic the past couple of months significantly reducing Plan assets with the return on the pension portfolio down 18.2% through Mar. 18, 2020. Therefore, the committee recommended the board approve Resolution 05-20; Platte River's defined benefit plan amendment 3, which will:

- Modify Platte River's defined benefit plan to allow the board, or a committee appointed by the board, to suspend and reinstate participants' option to receive lump sum distributions at retirement,

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- Form a subcommittee of the retirement committee (consisting of the chair, the Plan administrator and the CFO) with the power to amend the Plan and to suspend and reinstate the lump sum option,
- Require the subcommittee to report back to the full board whenever it takes action, and
- Suspend, as of today, the Plan's lump sum distribution option until the board or the subcommittee reinstates it.

He noted that the board is expressly authorized to create this subcommittee by Section 7.4 of the plan.

Director Bergsten moved to approve Resolution 05-20; Platte River's defined benefit plan amendment 3 as presented. Director Cunniff seconded. The motion carried 7-0 via roll call vote.

BOARD ACTION ITEMS

Annual review for general manager/general counsel

(3) Executive session

Chair Jirsa noted the agenda involves the annual performance review of the general manager and the general counsel, and to discuss Platte River's legal authority and associated personnel matters. Under separate cover board members received the review materials and compensation information pertinent to each position. Director Troxell moved that the board of directors go into executive session for the purposes of receiving legal advice on specific legal questions and considering personnel matters related to the annual review of the performance and compensation of the general manager and the general counsel.

The general counsel advised that an executive session is authorized in this instance pursuant to Colorado Revised Statutes, Section 24-6-402, subsection (4)(b) and (4)(f)(I); provided that no formal action will be taken during the executive session.

Director Marsh seconded, and the motion carried 7-0 via roll call vote.

(4) Reconvene regular session

The chair reconvened the regular session and asked if there was further discussion or action as a result of the executive session.

Vice chair Troxell moved for the general counsel's compensation reflect a 1.1 ratio to be paid retroactive starting Jan. 1, 2020 and delay any bonus discussion for 90 days. Director Hornbacher seconded. Director Bagley noted for the public that the general manager and general counsel are essential to navigating through uncertainties during COVID-19. Motion carried 8-0 via roll call vote.

Vice chair Troxell moved for the general manager's compensation reflect a 1.1 ratio in line with the industry standard, to be paid retroactive starting Jan. 1, 2020, and to delay a bonus for 90 days. Director Bergsten seconded. Motion carried 8-0 via roll call vote.

Directors took the opportunity to thank both Mr. Frisbie and Ms. Leonard for their dedication, loyalty and commitment to Platte River Power Authority, to the board of directors and the importance of their leadership through the COVID-19 situation.

Chair Jirsa asked the board if they agreed on delaying the IRP discussions until in person meetings were able to be held. All concurred.

(5) Election of chair and vice chair

Chair Jirsa noted that he announced during the February board meeting that March was his last meeting as chairman and an election for a new chair was required. He noted that if the current vice chair is selected to be chair, the board will conduct the same process for electing a vice chair. He opened the floor for nominations for chairman.

Director Bergsten nominated vice chairman Wade Troxell for chair. Director Cunniff seconded the nomination. No further nominations were received.

Director Bernosky moved to approve Resolution 03-20; election of board chairman Wade Troxell as presented. Director Hornbacher seconded. The motion carried 8-0 via roll call vote.

Director Bergsten nominated Director Hornbacher for vice chair. Director Bagley seconded. No further nominations were received.

Director Bergsten moved to approve Resolution 04-20; election of board vice chairman David Hornbacher as presented. Director Bagley seconded. The motion carried 8-0 via roll call vote.

MANAGEMENT REPORTS (were for informational purposes only)

(6) Pandemic planning

(presenter: Jason Frisbie)

Mr. Frisbie provided an update on actions taken since submitting the pandemic planning memo to the board:

- Focused 100% on safety of employees and the public while maintaining reliability of the electric system
- 80% of employees working remotely
- 14-day shift rotations for Rawhide operation crews, strict access control for all three control rooms
- Created staff login page on website so everyone can stay updated
- Updated medical plan for COVID-19 testing
- Created contingency plans for chain of command
- Enhanced vendor procedures for projects currently active
- Provided critical employees with authorization letters
- All capital plans under review
- Conducting financial stress tests
- Delayed construction on the Energy Engagement Center
- Delayed spring outage at Rawhide Energy Station
- Reversed power purchase agreements (coverage during outage)
- Weekly contact meetings with owner community utility directors
- Following CDC guidelines
- Attending weekly calls with LPPC CEO's across the United States sharing lessons learned and solutions to issues they already experienced.

MONTHLY INFORMATIONAL REPORTS (were for informational purposes only)

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

No questions received from the board.

(8) February operating report (presenter: Andy Butcher)

No questions received from the board.

(9) February financial report (presenter: Dave Smalley)

No questions received from the board.

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

No questions received from the board.

Mr. Frisbie thanked Estes Park Mayor, Todd Jirsa, for his commitment, support and leadership as board chairman. The board of directors individually took time to thank Todd Jirsa for his leadership and commitment to the board.

ADJOURNMENT

With no further business, the meeting adjourned at 11:07 a.m. The next regular board meeting is scheduled for Thursday, April 30, 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 30 day of April, 2020.


Secretary

