



Estes Park • Fort Collins • Longmont • Loveland

## Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO

Thursday, July 30, 2020

### ATTENDANCE

#### Board members via Zoom Webinar

Representing Estes Park: Mayor Wendy Koenig and Reuben Bergsten

Representing Fort Collins: Mayor Wade Troxell and Ross Cunniff

Representing Longmont: David Hornbacher

Representing Loveland: Mayor Jacki Marsh and Joe Bernosky

#### Absent

Mayor Brian Bagley

#### Platte River staff via Zoom Webinar

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)

Trista Fugate (Director of Community and Government Affairs)

Heather Banks (Fuels and Water Manager)

Julie Depperman (Director of Treasury Services)

Libby Clark (Director of Human Resources and Safety)

Pat Connors (Vice President of Power Supply)

Paul Davis (Energy Solutions Manager)

Steve Roalstad (Communications and Marketing Manager)

Kaitlyn McCarty (Executive Assistant – Finance and IT)

#### Guests

Keith Kaderly (Inside Information)

Dr. Martin Carcasson (Center for Public Deliberation)

### CALL TO ORDER

Chair Troxell called the meeting to order at 9:03 a.m. A quorum of board members was present via Zoom Webinar. The meeting, having been duly convened, proceeded with the business on the agenda. Chair Troxell announced that the Platte River staff decided to keep the board, staff and public safe by hosting a virtual meeting.

### ACTION ITEMS

#### (1) Consent agenda

##### a. Approval of the regular meeting minutes of May. 28, 2020

Director Marsh moved to approve the consent agenda as presented. Director Bergsten

seconded. The motion carried 7-0 via roll call vote.

## **PUBLIC COMMENT**

Five members of the public provided comments and the board received two emails all related to the integrated resource plan (IRP).

### **Committee report**

#### **(2) Retirement committee report (presenter: Committee chairman Joe Bernosky)**

Committee chair Joe Bernosky provided a summary of the May 28, 2020 meeting. Chair Bernosky reported the actuary from Towers Watson provided a review of the plan's actuarial valuation report which contains the required funding contribution for 2021; funding decreasing from \$7.6 million in 2020 to \$4.6 million in 2021 due to positive market returns for the plan's investments during 2019; if actuarial assumptions are met, Towers Watson projects funding to decline through 2041, with funding falling below \$1 million beginning in 2031; the number of active participants in the plan declined from 119 to 102 during 2019 and the total number of participants in the defined benefit plan is 316, including retirees.

The investment consultant, Northern Trust, reported on the plan's performance for the March 2020 quarter; assets decreased \$16.2 million; the portfolio return was down 14%, equal to the benchmark return – the plan's target return is 7.5%. Northern Trust presented their firm's asset/liability study; Northern Trust reaffirmed that the current asset allocation provides a reasonable balance to manage the asset volatility while earning sufficient returns to improve the funded ratio over time; Platte River's disciplined contribution strategy continues to be key; the plan is 85% funded as of December 31, 2019; if the funded status improves above 90% after five years, implementing a dynamic asset allocation strategy to de-risk the plan could result in lower portfolio volatility and lower long-term costs. Northern Trust also provided education on low volatility strategies.

The retirement committee report was for informational purposes only and no board action was requested. The next committee meeting is scheduled for August 27, 2020.

## **BOARD ACTION ITEMS**

### **(3) Executive session**

Chair Troxell noted that staff requested the board of directors go into executive session for the purposes of further consideration of the general manager's and general counsel's compensation (which are non-public personnel matters), to discuss pending matters that may be subject to negotiations and to receive legal advice concerning Platte River's governance structure.

Director Bernosky made a motion to go into executive session. Director Marsh seconded.

Director Hornbacher moved that the board of directors go into executive session for the purposes of further consideration of the general manager's and general counsel's compensation (which are non-public personnel matters), to discuss pending matters that may be subject to negotiations and to receive legal advice concerning Platte River's governance structure. The general counsel has advised that an executive session is authorized in this instance pursuant to Colorado Revised Statutes, sections 24-6-402(4)(b), 24-6-402(4)(e)(I) and 24-6-402(4)(f)(I) of

the Colorado Revised Statutes; provided that no formal action will be taken during the executive session.

The motion carried 7-0 via roll call vote.

The board and Platte River staff removed themselves from the Zoom Webinar and joined a separate meeting. Once the meeting reconvened the board and staff rejoined the Zoom Webinar and proceeded with business.

**(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.

Director Hornbacher summarized the discussions among the board of directors had during the executive session regarding the general counsel's compensation. Director Bergsten offered additional comments regarding the general counsel position.

Chair Troxell provided a summary as to why the total compensation discussions were paused in March until the pandemic impacts were known.

Director Hornbacher made a motion to adjust General Counsel, Sarah Leonard's salary to \$294,063 paid retroactively from the first pay period of 2020 with an additional \$10,000 bonus. Director Marsh seconded. Directors offered additional comments to the general counsel's performance. The motion carried 7-0 via roll call vote.

Chair Troxell repeated the summary as to why the total compensation discussions were paused for the general manager's total compensation decisions. Director Hornbacher complimented the actions taken by the general manager and the senior leadership team of Platte River in managing the effects of the COVID-19 pandemic on expenses and rate projections.

Director Hornbacher made a motion to pay General Manager, Jason Frisbie a bonus of \$15,000 for the year 2019. Director Marsh seconded. Directors provided additional comments regarding the general manager's performance. The motion carried 7-0 via roll call vote.

**(5) Responsible transition plan for Rawhide employees (presenter: Jason Frisbie)**

Jason Frisbie, general manager and CEO, noted that it was important to document the board of directors' and Platte River's commitment to the Rawhide employees following the closure announcement of Rawhide Unit 1, adding that the resolution speaks to transparency, workforce planning, workforce opportunities, training, retention strategies and transition support if necessary.

Director Koenig moved to approve Resolution 08-20: responsible transition plan for Rawhide employees as presented. Director Hornbacher seconded. Chair Troxell offered additional appreciation to leadership recognizing the commitment to the employees of Platte River. The motion carried 7-0 via roll call vote.

## **MANAGEMENT PRESENTATIONS**

### **(6) Center for Public Deliberation and Inside Information survey results (presenter: Alyssa Clemesen Roberts)**

Alyssa Clemesen Roberts, chief strategy officer, provided the context behind holding public engagement sessions associated with the IRP and engaging the Center of Public Deliberation in the final round of public listening sessions as well as contracting Inside Information to conduct a scientific survey in the same way it was conducted in 2018.

Dr. Martin Carcasson with the Center of Public Deliberation presented the summary results of their key findings in all four owner communities during the final round of the public listening sessions, noting that Fort Collins was facilitated virtually due to COVID-19.

Keith Kaderly with Inside Information presented the scientific survey results that were conducted in all four owner communities by a random sample of residential and commercial residents.

Ms. Clemesen Roberts noted that both survey reports are available on the IRP microsite on [prpa.org](http://prpa.org).

Chair Troxell thanked Dr. Carcasson and Mr. Kaderly for the work both organizations did for Platte River and asked where industrial fits within the framework of the scientific survey. Mr. Kaderly responded that they received the same survey and were included in the commercial statistics.

Director Bergsten asked about the promise of 100% non-carbon by 2030 and where the narrative for that promise came from. Ms. Clemesen Roberts responded that after the board unanimously approved the Resource Diversification Policy, some interpreted it as a promise that Platte River would meet the stated goal. Platte River always viewed it as working towards that goal while maintaining the three pillars equally. Director Bergsten followed up by stating his continued support of the Resource Diversification Policy because it provided the staff flexibility to take advantage of opportunities as they come up.

Discussion ensued among directors and staff about achieving 100% non-carbon electricity and the survey results.

### **(7) Windy Gap Firing Project update (presenter: Dave Smalley and Sarah Leonard)**

Dave Smalley, chief financial officer and deputy general manager, and Sarah Leonard, general counsel, provided an update to the financing and participant allotment contracting for the Windy Gap Firing Project (WGFP) to date.

Directors supported moving forward with the financing options and the allotment contract. Director Cunniff asked if the allotment contract limited our ability to sell units in the future. Mr. Frisbie responded that the allotment contract does not limit us, and modeling is required to determine future water needs as we move forward. Ms. Leonard further elaborated that there are general restrictions to transferring water rights, but the firming project doesn't change the underlining framework of the project. Director Marsh expressed her concerns for maintaining the amount of water given the announced closure of Rawhide Unit 1. Mr. Frisbie commented on the work staff has done thus far on negotiations and significant progress on the financing options and the allotment contract details.

## **MANAGEMENT REPORTS**

**(8) Formal response to state goals (presenter: Alyssa Clemesen Roberts)**

Ms. Clemesen Roberts summarized the actions taken with state legislation since the information was presented during the May board meeting, including Platte River's announcement of Rawhide Unit 1 closure by 2030. The memo and letter in the packet outline the formal response to Colorado Department of Public Health and Environment from Platte River and planned to be sent after board review and approval. All board members approved.

**(9) Energy Efficiency programs update (presenter: Alyssa Clemesen Roberts)**

Ms. Clemesen Roberts noted that typically the board receives updates in the monthly general management report and this month includes a more extensive writeup that will be followed up by a presentation at the August board meeting.

Director Troxell noted that Efficiency Works showed a decline in awareness on the latest survey conducted on behalf of the IRP. Ms. Clemesen Roberts responded that the survey results were within the margin of error, however, a staff member has been added to focus on promotional marketing through social media channels.

## **MONTHLY INFORMATIONAL REPORTS**

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

Ms. Leonard noted a couple of litigation matters that have evolved since the last update on pages 97 and 98 of the board packet. No questions were received from the board.

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

Andy Butcher, chief operating officer, pointed out the wind and solar numbers have large variances due to the Roundhouse project coming online sooner than previously budgeted for and the 22 MW solar project at the Rawhide Energy Station is behind schedule. Mr. Butcher also noted a significant milestone for the 407 days of continuous operations from Rawhide Unit 1 at the time of the meeting. No questions were received from the board.

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

Mr. Smalley pointed out favorable financial results year to date due to unrealized gains on investments with interest rates coming down, the deferred spring outage expenses that will show later in the year and less interest expense as the WGFP is further delayed. Mr. Smalley also notified the board that at the August board meeting staff will present on the Series II bond debt refinancing. No questions were received from the board.

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

Mr. Frisbie noted that staff is planning on moving forward with a September 8 return to work for employees pending the status of current COVID-19 statistics. No questions were received from the board.

## Roundtable and strategic discussion topics

- IRP moving forward
- Response to public requests for additional modeling

Mr. Frisbie summarized the actions taken since the start of COVID-19 and the inability for the public to attend board meetings. With the result of a meeting platform that allows the public to be engaged, staff recommends restarting the IRP discussions with the board at the August board meeting, ultimately resulting in an approval for submitting the formal IRP to WAPA by end of year. Mr. Frisbie also noted that staff recommends the board allow staff to complete the current IRP work in order to submit the IRP on time and to hold off on the public requests for additional modeling.

Director Cunniff stated his interest in getting information out to the public including the Siemens data to try to replicate results for a better understanding of Platte River's results, and in adopting interim goals between now and 2030 that include NOX reduction analysis to be completed. Director Cunniff supported restarting the IRP discussions in August. Director Bernosky commented on the number of reports staff has provided board members and cautioned cutting analysis too thin preventing completion of the current IRP, reminding the board and public that the analysis doesn't end as soon as the IRP is submitted. Director Bernosky supported resuming the discussions in August. Director Marsh also supports resuming discussion in August and asked if Siemens is doing the modeling. Mr. Butcher responded that Siemens provides the data set to Platte River along with other third-party vendors' data and the modeling using all the data sets are completed inhouse. Director Marsh had further questions about vendors who supply gas resources for generation. Mr. Frisbie responded that Siemens does not provide Platte River with any gas or turbine resources, but they do provide future cost estimates on coal and natural gas prices.

Director Hornbacher commended staff for taking a pause on the IRP process during the COVID-19 response and supports moving forward with discussions regarding the IRP at the August board meeting. Director Bergsten discussed the importance of the scientific survey results and how those results reflect the greater community needs than the special interest groups that attend the public listening sessions and asked if another scientific survey will be completed this year. Ms. Clemens Roberts responded that another one won't be completed for this IRP report but mentioned having the results from the 2018 scientific survey from Inside Information to compare to this year's and envisions Platte River completing the same survey either once a year or every other year. Director Bergsten asked about the board voting on previous IRP options. Mr. Frisbie responded that staff is seeking the boards concurrence so that it's consistent with the Resource Diversification Policy. Director Bergsten expressed concerns on reacting to public requests that leads to potential loss of focus on the Resource Diversification Policy caveats and recommends staff staying focused on current modeling to complete this IRP process. Director Koenig echoed Director Bergsten comments, also confirming that staff will be providing future IRP updates and this current IRP process isn't the last one that will be completed.

Chair Troxell supports the resumption, completion and submission of the current IRP and offered additional comments regarding continuing the community conversations focusing on community integration and focusing on the 2030 goal.

Discussion continued among directors and staff regarding the current IRP process, future IRP modeling, interim goals and community engagement. Mr. Frisbie confirmed staff

resuming the IRP discussion at the August board meeting and mentioned the progress made since the zero net carbon study conducted in 2018.

**ADJOURNMENT**

With no further business, the meeting adjourned at 1:28 p.m. The next regular board meeting is scheduled for Thursday, August 27, at 9:00 a.m. either virtually or 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 27 day of August, 2020.

*Ameliah*  
Secretary

