

Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO
Thursday, Dec. 9, 2021

Attendance

Board members

Representing Estes Park: Mayor Wendy Koenig and Reuben Bergsten
Representing Fort Collins: Mayor Arndt¹ and Julie Pignataro¹
Representing Longmont: Mayor Joan Peck and David Hornbacher
Representing Loveland: Mayor Jacki Marsh and Kevin Gertig

Platte River staff

Jason Frisbie (general manager/CEO)
Sarah Leonard (general counsel)
Jennifer Hammitt (director of legal affairs)
Dave Smalley (chief financial officer and deputy general manager)
Melie Vincent (chief operating officer)
Angela Walsh (executive assistant/board secretary)
Kaitlyn McCarty (executive assistant – finance and IT)
Trista Fugate (director of community and government affairs)
Pat Connors (vice president of power supply)
Darren Buck (director of power delivery)
Libby Clark (director of human resources and safety)
Shelley Nywall (director of finance)
Jason Harris (controller)

Guests

Keith Kaderly (Inside Information)

Call to order

Chair Hornbacher called the meeting to order at 9:01 a.m. A quorum of board members was present via roll call. The meeting, having been duly convened, proceeded with the business on the agenda. Chair Hornbacher announced that the Platte River staff decided to hold a hybrid meeting having support staff and the public attend via Zoom Webinar. Chair Hornbacher introduced Joan Peck, Mayor of Longmont and Kevin Gertig, Utilities Director at Loveland Water and Power.

¹ Arrived at 9:02 am

Action items

1. Consent agenda

- a. Approval of the regular meeting minutes of Oct. 28, 2021
- b. Resolution 12-21: Proposed 2022 board of directors regular meeting schedule

Director Bergsten moved to approve the consent agenda as presented. Director Koenig seconded. The motion carried 8-0 via roll call vote.

Public comment

Chair Hornbacher opened the public comment section by reading instructions, noting that time to accommodate each speaker would be divided equitably by the number of callers wishing to speak at the start of public comment. No members of the public asked to address the board.

Committee reports

2. Retirement committee report

Dave Smalley, chief financial officer and deputy general manager, provided a summary of the Nov. 12, 2021 meeting. Mr. Smalley noted that the plan's investment consultant, Northern Trust, reported on the plan's performance and provided a summary of their firm's five-year market outlook. The committee also approved a revised investment policy as well as the 2022 meeting schedule.

No board action was required, and the next committee meeting is scheduled for Feb. 24, 2022.

Board action items

3. Resolution to appoint a new retirement committee member

Jason Frisbie, chief executive officer and general manager, provided background information on the Defined Benefit Plan retirement committee for board members. Mr. Frisbie noted that we prefer to have representation from each of the owner communities and Chair Hornbacher with Longmont expressed interest in serving on the committee. Director Bergsten nominated Chair Hornbacher.

Director Bergsten moved to approve Resolution 13-21: Resolution to appoint a new committee member, as presented. Director Marsh seconded, and the motion carried 8-0 via roll call vote.

4. 2021 budget contingency appropriation transfer

Shelley Nywall, director of finance, reviewed the contingency transfer request and the purpose for using a budget contingency for unplanned events that cannot be absorbed or for any

beneficial business opportunities that may arise throughout the year. Ms. Nywall referred to the historical contingency data provided in the memorandum. As mentioned in the October management report, staff has noted a need to move contingency funds to cover above-budget operating expenses and capital project work in 2021. Staff requested approval of the 2021 budget contingency appropriation transfer, not to exceed \$5.8 million, for the additional operating and capital expenses incurred during 2021. The actual amount of the contingency transfer will be noted in the general manager's report presented at the February 2022 board meeting.

Director Bergsten moved to approve Resolution 14-21: 2021 budget contingency appropriation transfer, as presented. Director Koenig seconded, and the motion carried 8-0 via roll call vote.

5. 2022 Strategic Budget review and adoption

Ms. Nywall summarized the changes made to the 2022 Strategic Budget since the October 2021 board meeting, including updates to fuel and purchased power, additional consulting expenses for an organized energy market, revised Craig Generating Station decommissioning costs and updates to capital projects. Ms. Nywall provided the highlights within the budget geared toward supporting Platte River's three core pillars and strategic initiatives. Staff requested approval of the 2022 Strategic Budget for final submission to the state.

Chair Hornbacher thanked the team for their hard work and dedication in developing this document.

Director Bergsten moved to approve Resolution 15-21: 2022 Strategic Budget and Appropriation as presented. Director Marsh seconded, and the motion carried 8-0 via roll call vote.

Management presentations

6. Inside Information community survey (presenters: Trista Fugate and Keith Kaderly)

Trista Fugate, director of community & government affairs, explained that Platte River contracted with Inside Information, an industry respected market research organization, to measure public opinions about Platte River, its three core pillars and its progress since adopting the Resource Diversification Policy and 2020 integrated resource plan. Results from the 2021 survey will help inform Platte River leaders as they develop the 2022 strategic plan.

Keith Kaderly, a principal of Inside Information, presented the survey and its results. Inside Information surveyed commercial and residential customers in Estes Park, Longmont, Loveland and Fort Collins.

Mr. Frisbie asked how the average residential customer bill would be affected. Mr. Kaderly responded that the survey reflected an affluent group of citizens and the majority of people in the survey are on the higher end of the income scale, and they would see a \$20-\$30 increase to their monthly power bills.

Discussion ensued among directors and staff regarding the community survey methodology, results and how this information impacts future decisions.

7. Power market analysis update (presenter: Melie Vincent)

Melie Vincent, chief operating officer, provided an update on prospects for participating in an energy imbalance market and a full regional transmission organization. The presentation also summarized market development activity across the west.

Director Bergsten noted Platte River has been conservative about growing staff and has seen more challenges put on staff. He questioned whether Platte River needs a staffing plan to cover upcoming challenges. Mr. Frisbie responded that maintaining a full staff has been a recent issue and human resources is planning to do a comprehensive staff pay survey in 2022 to ensure we are competitive in the current market. Chair Hornbacher commented that there is full support from the board for re-organization of Platte River staff as needed.

10-minute break at 11:05

8. Preview of board work session (presenter: Trista Fugate)

Ms. Fugate previewed the all-day strategic planning work session. The work session, which will be facilitated by Moss Adams, will take place in late January or early February, subject to directors' availability. Initial conversations will center on how each owner community, in collaboration with Platte River, can support the Resource Diversification Policy. The strategy session will seek to address this topic from legal, operations and financial perspectives.

Director Marsh said she hoped to have a good idea what her city and community need to do following the board work session. Her concern is Loveland is behind Fort Collins as Loveland does not have Advanced Metering Infrastructure. Director Peck agreed.

Management reports

9. Benefits update (presenter: Libby Clark)

Libby Clark, director of human resources & safety, provided some historical benefits information for the new board members. Ms. Clark highlighted the renewal process for obtaining 2022 employee benefits, including a 7% increase in our benefit plan costs and the removal of the stop loss laser provision.

Monthly informational reports

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

Sarah Leonard, general counsel, offered to answer any questions on the information provided in the board packet. There were no questions from the board.

11. October operating report

(presenter: Melie Vincent)

Ms. Vincent provided the October operating report, highlighting that sales and owner community demand remain above budget for the year. In addition

- Baseload generation was twice what Platte River expected for the month,
- Wind and solar generation were below budget,
- CT generation was above budget,
- Surplus sales were above budget and purchased power was below budget,
- Dispatch costs were above budget due to the CTs' operation and elevated gas prices, and
- Year-to-date results are consistent with October results.

There were no questions from the board.

12. October financial report

(presenter: Dave Smalley)

Mr. Smalley highlighted the October financial report showing below budget results for the month. However, year-to-date results remain favorable with net income \$18 million above budget, primarily due to revenues from surplus sales and owner community demand. There were no questions from the board.

13. General management report

(presenter: Jason Frisbie)

Mr. Frisbie asked Ms. Fugate to give a live presentation of Platte River's updated website. The website was updated with new styling for a modern and clean look. Ms. Fugate thanked all staff who helped to make the website refresh successful.

Director Gertig commended the staff for a great job and the pride it instills in the board members and Platte River. He noted the graphics on the new website are going to be helpful for the communities to understand who we are and what we do. Chair Hornbacher agreed.

Mr. Frisbie highlighted the following items: notification of moderate wildfire risk that will impact insurance costs, planning for a working discussion of interim goals with the board during the February board meeting and year-in-review highlights. Mr. Frisbie thanked the board for being engaged and supportive.

Roundtable and strategic discussion topics

- Discussion regarding support for system integration

Director Bergsten noted that the subject of integration has been fought for decades. There have been many initiatives, and has maintained some of the lowest rates in Colorado, so it been a lower priority. Now Platte River is looking at non-carbon resources and needs to be leaner and faster. How to succeed without system integration is unclear. Director Marsh, Director Gertig,



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Director Arndt and Chair Hornbacher agreed and discussion ensued regarding system integration.

Adjournment

With no further business, the meeting adjourned at 12:19 p.m. The next regular board meeting is scheduled for Thursday, Feb. 24, 2022 at 9:00 a.m. either virtually or at 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 24 day of Feb., 2022.


Secretary

