

## Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO  
Thursday, March 30, 2023

### Attendance

#### Board members

Representing Estes Park: Mayor Wendy Koenig and Reuben Bergsten  
Representing Fort Collins: Mayor Jeni Arndt and Kendall Minor  
Representing Longmont: Mayor Joan Peck<sup>1</sup> and David Hornbacher  
Representing Loveland: Mayor Jacki Marsh and Kevin Gertig

#### Platte River staff

Jason Frisbie (general manager/CEO)  
Sarah Leonard (general counsel)  
Dave Smalley (chief financial officer and deputy general manager)  
Melie Vincent (chief operating officer)  
Raj Singam Setti (chief transition and integration officer)  
Eddie Gutiérrez (chief strategy officer)  
Angela Walsh (executive assistant/board secretary)  
Kaitlyn McCarty (executive assistant – finance and IT)  
Josh Pinsky (IT service desk technician II)  
Libby Clark (director of human resources and safety)  
Javier Camacho (director of public and external affairs, strategic communications and social marketing)  
Staci Sears (human resource manager)  
Travis Hunter (director of power generation)  
Brodie Griffin (technical services manager)  
Tyler Michie (plant operations manager)  
Skip Akers (plant maintenance, fuels and facilities manager)

#### Guests

Carrie Hackenberger (Husch Blackwell Strategies)  
Kevin Jones (Fort Collins area chamber of commerce)  
Brian Blakely (former Platte River employee)

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<sup>1</sup> Arrived at 9:08 a.m.; dismissed self at 12:07 p.m.

## Call to order

Chair Bergsten called the meeting to order at 9:00 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. Melie Vincent, chief operating officer, introduced Rawhide Energy Station staff Travis Hunter, director of power generation, Brodie Griffin, technical services manager, Tyler Michie, plant operations manager and Skip Akers, plant maintenance, fuels and facilities manager.

## Action items

### 1. Consent Agenda

- a. Approval of the regular meeting minutes of Feb. 23, 2023

Director Koenig moved to approve the consent agenda as presented. Director Marsh seconded. The motion carried 7-0.

## Public comment

Chair Bergsten opened the public comment section by reading instructions, noting that time to accommodate each speaker would be divided equitably by the number of speakers wishing to address the board at the start of public comment. Past employee Brian Blakely spoke to the board about Platte River's history.

## Committee report

### 2. Defined Benefit Plan committee report

Committee chair Dave Hornbacher provided the retirement committee report from the February 23 meeting. The plan's investment consultant, Northern Trust reported on the plan's performance for 2022. Assets decreased \$16.4 million, which included investment losses of \$12.3 million and net distributions of \$4.1 million. The portfolio outperformed its benchmark and returned -11% while the custom index returned -14%. The portfolio outperformed the benchmark due to exposure to low volatility and high-quality equities; the plan's target return is 7.5%. Committee chair Hornbacher stated that because the plan significantly underperformed, the actuary recommended a substantial increase in Platte River's plan contribution for 2024, from \$3 million in 2023 to \$9 million in 2024.

The committee discussed the \$9 million recommended contribution and agreed it would be prudent to contribute approximately \$3 million of the 2024 contribution in 2023. Committee chair Hornbacher noted under board action items, Dave Smalley, chief financial officer and deputy general manager, will present the recommendation and request board approval for additional funding in 2023.

Committee chair Hornbacher also stated that 50 South Capital, the investment manager for the plan's private equity and private credit allocations, provided an update on the performance of the asset classes.

The retirement committee conducted its annual review of the investment consultant's performance based on criteria included in the scope of services in the agreement between Northern Trust and Platte River. The committee agreed the consultant is meeting expectations.

Committee chair Hornbacher noted the next committee meeting is scheduled for May 25, 2023.

## **Board action items**

### **3. Defined Benefit Plan – additional 2023 funding and formalization of 2003 retirement committee's funding guidelines**

Mr. Smalley introduced the memorandum, policy document and proposed resolution addressing the two items for approval; additional funding in 2023 and formalizing the retirement committee's funding guidelines that were established in 2003. He further explained the rationale related to additional funding in 2023 versus all funding being added into the plan in 2024. He noted the 2002 and 2003 retirement committee's funding guidelines were established the last time the retirement committee recommended board approval to accelerate retirement plan funding contributions.

Mr. Smalley added that the Defined Benefit plan was closed to new employees in 2010. Platte River must maintain and manage the plan for the benefit of retirees and existing employees hired before the plan closed.

Director Hornbacher moved to approve Resolution 03-23: Defined Benefit Plan – additional 2023 funding and formalization of 2003 retirement committee's funding guidelines as presented. Director Gertig seconded. The motion carried 8-0.

Jason Frisbie, general manager and chief executive officer, thanked the finance staff for their work on managing the plan proactively.

### **4. Executive session**

Chair Bergsten noted the next item on the agenda is the annual performance review of the general manager. Board members received the review materials and pertinent compensation information ahead of the meeting. Director Gertig moved that the board of directors go into executive session for the purpose of considering the personnel matter related to the annual review of the performance and compensation of the general manager.

The general counsel advised that an executive session was authorized in this instance by Colorado Revised Statutes, Section 24-6-402(4)(f)(I); provided that no formal action would be taken during the executive session. Director Hornbacher seconded, and the motion carried 8-0.

## **Reconvene regular session**

The chair reconvened the regular session, roll call confirmed all board members were present and asked if there was further discussion or action as a result of the executive session. Director Arndt moved to change Mr. Frisbie's compensation to 1.23 of the pay range midpoint, paid retroactively from Dec. 18, 2022, along with a one-time cash bonus of \$30,000. Director Marsh seconded. Directors thanked and complimented Mr. Frisbie for a successful year and the services Platte River provides. The motion carried 8-0.

## **5. Western Energy Imbalance Service (WEIS) transmission service**

### **a. General manager authority over terms and conditions**

Sarah Leonard, general counsel, summarized the two resolutions related to the joint dispatch transmission services supporting the WEIS market as Platte River enters into the market on April 1. The first resolution clarifies the general manager's authority over tariff terms and conditions, allowing the flexibility to adjust services and tariffs as needed. The second resolution sets the rate for WEIS joint dispatch service to zero.

Director Koenig moved to approve Resolution 04-23: General manager authority over WEIS transmission terms and conditions as presented. Director Peck seconded. The motion carried 8-0.

### **b. Setting the rate of zero**

Director Gertig moved to approve Resolution 05-23: WEIS transmission rate of zero as presented. Director Hornbacher seconded. The motion carried 8-0.

## **Management presentations**

### **6. Legislative preview (presenter: Javier Camacho)**

Javier Camacho, director of public and external affairs, strategic communications and social marketing, thanked the board for the opportunity to present during the board meeting and summarized his responsibilities at Platte River. He also introduced Carrie Hackenberger, state lobbyist with Husch Blackwell Strategies. Ms. Hackenberger discussed her role representing Platte River at this year's legislative session.

Mr. Camacho thanked the legal team staff for covering the 2022 legislative session before he joined Platte River and the actions they took to stop a bill in 2022 that resurfaced in a reintroduction of House Bill 1039. He highlighted the legislative delegation for the four owner communities, the 74<sup>th</sup> Colorado General Assembly, guiding principles of legislative advocacy and discussed the bills Platte River will monitor.

Mr. Camacho offered the board a copy of a reference book for this year's legislative session. Directors thanked Mr. Camacho for providing a summary of the bills that may affect Platte River and the four owner communities and commented on all the work staff does behind the scenes.

### **7. Strategic Plan update (presenter: Eddie Gutiérrez)**

Eddie Gutiérrez, chief strategy officer, walked through the development process of the 2023 Strategic Plan and reviewed the project timeline. He summarized the four strategic areas the plan will focus on and when the board will see the draft document for review, with formal approval scheduled for July.

Director Gertig commented on a news story on a national, independently owned utility's rate increases and noted how municipally owned utilities can focus on managing rates through resource diversification. He expressed the importance of educating consumers on services Platte River provides as the resource portfolio transitions to meet Platte River's 2030 goal. Mr. Gutiérrez agreed and commented on working with municipal staff to activate messaging on the value Platte River provides to the owner communities and how the evolution of the utility will be communicated. Director Marsh requested staff keep different demographics in mind when planning the communications. Director Arndt noted that the four owner communities are in a great position to be advocates for Platte River. Mr. Gutiérrez reiterated the value of public power in our communities and communicating those messages.

### **8. Organized market update (presenter: Melie Vincent)**

Due to time limitations, this presentation was postponed until the April board meeting.

## **Management reports**

### **9. Proposed general manager annual performance review policy update (presenter: Jason Frisbie)**

Mr. Frisbie noted past board conversations on modifying the general manager annual performance review policy to better align with current strategic plan initiatives, making it an evergreen document. A redline version was provided in the packet showing the suggested changes. Director Koenig asked that it is added to the consent agenda for the April board meeting.

### **10. Proposed employee total compensation policy update (presenter: Libby Clark)**

Libby Clark, director of human resources and safety, discussed the suggested changes to the employee total compensation policy to also make it a more evergreen document.

Chair Bergsten commented on the board directing staff to reach aggressive decarbonization goals and that having a document reflect flexible compensation strategies would better serve staff and the board. Director Marsh asked that staff consider bonuses as Platte River meets carbon reduction goals throughout the year to recognize staff for their focus on the 2030 goal. Mr. Frisbie referred to the

gainsharing program focused on Platte River's three core pillars and committed to the board to bring a presentation back in April. Director Minor suggested the four owner communities align compensation to reflect shared goals. Director Arndt encouraged being aware of compensation programs that could affect rates and to be mindful of the rate payers. Mr. Frisbie clarified that gainshare payouts to staff are not a net addition to the budget and do not affect the rates.

Chair Bergsten requested another discussion and presentation to review the compensation policy at the April board meeting. Mr. Frisbie confirmed presentations will be provided on the compensation policy and the gainsharing program at the April board meeting.

## **Monthly informational reports for February**

### **11. Legal, environmental and compliance report (presenter: Sarah Leonard)**

Ms. Leonard highlighted that the Colorado vs. Bureau of Reclamation case was taken to the court of appeals. There were no questions from the board.

### **12. Resource diversification report (presenter: Raj Singam Setti)**

Mr. Singam Setti highlighted the resource integration of Black Hollow Solar noting that construction will begin in 2023. He noted a trend when negotiating terms that developers are passing many risks to the buyer. Mr. Singam Setti also commented on modeling extreme weather events to provide staff with data to determine resource reserve margins for the integrated resource plan (IRP). The distributed energy resources (DER) committees plan to issue a request for proposals for DER management systems. Director Minor commented that the collaboration between Platte River staff and the owner communities' staff has been positive. Chair Bergsten discussed intermittent resources, the increase in reliability concerns and expressed appreciation to staff for keeping a focus on those areas. Director Minor asked about input Platte River receives during the IRP process. Mr. Singam Setti commented on entering the market and conducting locational marginal price studies for IRP planning.

### **13. Operating report (presenter: Melie Vincent)**

Ms. Vincent discussed the variance report for February. She highlighted the decrease in owner community demand and energy, increase in wind and solar generation and how the cost to serve load was affected by a decrease in Craig Unit generation. Director Minor asked how many megawatt hours were lost and what happened at the Craig Station. Ms. Vincent responded that an increase in moisture over the winter and the cold temperatures have impeded coal pile operations. Discussion continued among directors and staff about market variability and a no-coal energy portfolio.

### **14. Financial report (presenter: Dave Smalley)**

Mr. Smalley discussed the financial results for February. Similar to operations, financial results were about \$3 million below budget on surplus sales, partially offset by fuel and purchased power. He also

mentioned that interest rates increased, causing about \$1 million in unrealized losses and lower net income. Staff will continue to monitor the market and the ability to sell into the market. Year to date, net income is above budget. Chair Bergsten noted attending the American Public Power Association CEO Roundtable and conversations that revolved around other utilities increasing the amount of reserves to handle variability in weather and resources. He asked what the best practices are for financial reserves to stabilize rates. Mr. Smalley previewed work with Moss Adams on risk management, identifying the top risks for Platte River going into the market and how to adapt to market variability. He noted that Platte River is in a very strong position from a reserves standpoint. A remaining concern is assumptions of longer-term surplus sales pricing and the effect on rates going forward. There were no further questions from the board.

### 15. General management report (presenter: Jason Frisbie)

Mr. Frisbie highlighted the transition within the Energy Solutions group as they ramp up the DER side of the division and increase collaboration with owner community staff. He introduced the video of Mr. Hunter, Mr. Michie and Mr. Griffin presenting in February at the Coal User's Group following acceptance of the Plant of the Year award for Rawhide Unit One. Directors complimented staff at Rawhide for their hard work, leadership and commitment to serving the owner communities. There were no questions from the board.

### Roundtable and strategic discussion topics

Directors provided updates from their individual communities.

### Adjournment

With no further business, the meeting adjourned at 12:20 p.m. The next regular board meeting is scheduled for Thursday, April 27, 2023, 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 27 day of April, 2023.

  
Secretary

Adopted: April 27, 2023  
Vote: 8-0

