PLATTE RIVER POWER AUTHORITY

Minutes

Regular Meeting of the Board of Directors

Thursday, December 09, 2010

The Platte River Power Authority Board of Directors' meeting convened at 9:02 a.m. on Thursday, December 9, 2010, in the Platte River Power Authority boardroom.

BOARD MEMBERS:

Present: Jacqueline Halburnt representing Estes Park; Mayor Cecil Gutierrez (Secretary) and Ralph Mullinix (Chairman) representing Loveland; Mayor Bryan Baum and Tom Roiniotis representing Longmont; Mayor Doug Hutchinson (Vice Chairman) and Brian Janonis representing Fort Collins.
Absent: Mayor Bill Pinkham
Quorum present? Yes

PRESENT FROM PLATTE RIVER'S MANAGEMENT STAFF:

General Manager, Brian Moeck; and General Counsel, Joe Wilson. Division Managers: John Bleem, Customer & Environmental Services; Mike Dahl, Electric Operations; Jason Frisbie, Power Production; and Dave Smalley, Financial Services.

OTHER PLATTE RIVER STAFF IN ATTENDANCE:

Executive Assistant, Esther Velasquez; Controller, Ed Doherty; Treasury Manager, Julie Depperman; Senior Accounting Analyst, Shelley Nywall; and Energy Services Manager, Paul Davis.

GUESTS AND MEMBERS OF THE PUBLIC:

Fort Collins resident Eric Sutherland. From the City of Loveland: Loveland Water and Power Accounting Manager, Jim Lees; and Administrative Specialist, Lindsey Bashline. From the City of Fort Collins: Fort Collins Light & Power Operations Manager, Steve Catanach; Utilities Financial Operations Manager, Ellen Switzer; Rate Analyst, Bill Switzer; and Customer and Employee Relations Manager, Patty Bigner. Colorado State Representative, District 52, John Kefalas.

ACTIONS:

(1) Call to Order. Chairman Mullinix convened the meeting at 9:02 a.m., and welcomed new Board member Jacqueline Halburnt, Town Administrator for the Town of Estes Park.

(2) Approval of the Regular Meeting Minutes of October 28, 2010.

Chairman Mullinix asked for a motion to approve the meeting minutes of October 28, 2010. Director Gutierrez moved to approve; Director Roiniotis seconded the motion. Motion passed 7-0.

(3) Public Comment. Mr. Eric Sutherland of Fort Collins thanked staff for providing a public viewing copy of the Board of Directors materials. Mr. Sutherland stated that he had reviewed the Risk Management Plan and felt an element was missing. Since Platte River is a tax-exempt public power entity, it does not pass along that extra cost in the rate and can therefore sell power at a lower cost than investor-owned utilities. In the event tax initiatives similar to Amendments 60 and 61 arise again, it might be prudent to include this as a risk in the Risk Management Plan. Secondly, Platte River should consider the tax benefit it has and aggressively consider diverse power generation opportunities for the future.

(4) Consent Agenda. There were three items for approval on the Consent Agenda.

- Audit Committee Assignment to the Board of Directors 17-10
- 2011 Proposed Board of Directors' Regular Meeting Schedule 18-10
- 2010 Contingency Appropriation—Transmission Capital Additions 19-10

Chairman Mullinix asked if any member wished to have any item pulled from the consent agenda.

Hearing none, Director Hutchinson moved to approve the consent agenda; Director Gutierrez seconded the motion. Motion passed 7-0.

(5) Items Pulled from the Consent Agenda. None.

(6) 2011 Proposed Annual Budget (Second Public Hearing). Chairman Mullinix asked Ed Doherty to present changes to the 2011 Proposed Annual Budget prior to the opening of the public hearing.

Mr. Doherty noted that there have been no changes to the budget since the minor load adjustment at the last Board meeting. Platte River follows the budget schedule set by the State of Colorado. A public hearing and budget discussion was held in October, with a second public hearing and Board adoption in December prior to filing the final budget with the state before December 31, 2010.

The 2011 budget includes an increase in Municipal revenues, and decreases in surplus sales and interest earnings. The decreases are due primarily to the step down in the Tri-State contract capacity level, lower short-term surplus sales prices, continued low interest rates, and lower cash reserves.

Also included are expenditures for the Craig Unit 1 major maintenance outage including the turbine upgrade project. The Rawhide mercury removal system, which was placed in service on November 1, 2010, will operate during 2011. The transmission capital projects will continue to wind down with the completion of two of the three major projects in 2011.

Total revenues are anticipated to be $187.4 million, up from $184.8 million in 2010. Total expenditures are predicted to be $198.7 million, down from $232.2 million in 2010. The reduction is due to lower capital expenditures. A Board contingency of $20 million is the same as 2010. Net Income is expected to be $6.3 million, down slightly ($200,000) from 2010. Debt service coverage is projected to be the same at 1.65.

The Chair stated that the 2011 Proposed Annual Budget for Platte River Power Authority has been delivered to the Board of Directors in accordance with applicable law.

Legal notices were published announcing that the Proposed Budget has been made available to the public for inspection and that in addition to the public hearing held on October 28, a second public hearing on December 9, today, would be held 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.

At this time, the Chairman declared the Public Hearing on the 2011 Proposed Annual Budget for Platte River Power Authority—open.

The Chair asked if any members of the public wished to comment on the 2011 Annual Budget. With no members of the public commenting, the Chairman closed the public hearing.

The public hearing opened at 9:11 a.m. and closed at 9:12 a.m.

Director Hutchinson moved to approve Resolution No. 20-10—2011 Annual Budget; Director Gutierrez seconded the motion. Motion passed 7-0.

(7) Retirement Committee Report. In Committee Chair Pinkham's absence, General Manager Brian Moeck and Chief Financial Officer Dave Smalley provided an update of the November Retirement Committee meeting.

At the last Retirement Committee meeting on November 19, 2010, Watershed Investment Consultants, Inc. provided a review of the third quarter investment performance. As of September 30, 2010, Plan assets increased from $53.6 million to $60.9 million. Year-to-date through October the Plan has earned 8.4 percent, slightly above the target of 8 percent.

The Retirement Committee has continued to monitor volatile earnings over the past couple of years and discussed the reasonableness of a continued 8 percent earnings target. Dave Smalley worked with the actuarial consultant and presented an analysis to the Retirement Committee. Towers Watson conducted an initial study of the return assumption based on the asset allocation. Under various scenarios, they determined a mean estimated return of around 7.9, which is very close to the current target of 8 percent. The Committee may consider a more conservative target of around 7.5 percent. Towers Watson is currently analyzing projected returns between 7 and 7.5 over a future period of 15 years to determine what the funding implications would be. The analysis should be complete by the end of the year and those results presented to the Retirement Committee at its February meeting.

Included in the Board packets are Committee recommended modifications to the Defined Contribution (DC) Plan and Defined Benefit (DB) Plan.

Recommended changes to the Defined Contribution (DC) Plan include:

- A standardized definition of base pay
- Adding clarifying language on procedures for handling Qualified Domestic Relations Orders (QDROs)
- Indemnification of Defined Contribution Plan Committee members

Recommended changes to the Defined Benefit Plan include:

- Modifying the language to allow for in-service distribution in limited situations

Director Gutierrez inquired about the responsibility of funding the Defined Benefit (DB) Plan falling on the Board of Directors and not falling under the authority of the public employees' retirement association. He noted that the federal government is reviewing estimated returns for these types of plans and considering if it should have more control over the plans. Director Gutierrez was concerned about the possibility that the Platte River Plan could fall under the same category and incur direct review from the federal government.

Dave Smalley stated that the Platte River Plan is outside the Employee Retirement Income Security Act of 1974 (ERISA).

Director Hutchinson mentioned that the Retirement Committee carefully considers various scenarios and continues to monitor a variety of concerns similar to those noted by Director Gutierrez. Additionally, the Committee established a Defined Contribution Plan for all new-hires to help alleviate future cost increases.

Director Roiniotis moved to approve Resolution No. 21-10—Defined Contribution Plan Amendments; Director Hutchinson seconded the motion. Motion passed 7-0.

Director Baum moved to approve Resolution No. 22-10—Defined Benefit Plan Amendments; Director Janonis seconded the motion. Motion passed 7-0.

(8) Legal Counsel Report. The General Counsel stated the Legal Counsel Report contains updates on various issues and that no new matters of significance have arisen since the last board meeting.

(9) Legislative and Regulatory Report. The General Manager reported on recent developments at the national level.

As a result of the November election, it appears that initiatives from the new Congress will differ significantly from those of the current Congress. Currently, it is unlikely a cap-and-trade style bill will emerge in the immediate future. There is speculation of a possible national renewable energy standard.

However, the Environmental Protection Agency (EPA) is progressing with multiple proposals for lowering criteria pollutants and greenhouse gases from stationary sources. Various public power entities have submitted comments for handling coal ash; a regulatory response from EPA is likely in the summer of 2011. Public power entities and trade associations, including Platte River, continue to monitor the actions of the EPA and comment as appropriate. Recently, the EPA issued its best available control technology (BACT) guidance regarding greenhouse gases. Discretion is left to the states to determine on a case-by-case basis how the BACT criteria for greenhouse gases for new electric generating units (EGUs) and major modifications to existing units should apply, beginning January 2, 2011.

At a recent APPA conference, analysts reviewed what is "in" and "out" for the 112th Congress. Cap-and-trade, green energy, clean energy funding, an unchallenged EPA and a comprehensive energy policy were all referred to as "out." While manufacturing/jobs/economy, nuclear/domestic fossil fuel resources, fiscal spending, more oversight of EPA and bit-by-bit policy changes are all "in." The current focus in Washington seems to be on taxes and spending, so a lot remains to be seen.

Last week the General Manager and General Counsel held a teleconference with Jerry Braden, state lobbyist for the Colorado Association of Municipal Utilities, which focuses primarily on state issues. According to Mr. Braden, Governor-elect Hickenlooper has been well received and the impression is that he is business-minded. Some believe the Governor will want his own Chair on the Public Utilities Commission (PUC). The state legislature will likely focus on the budget and re-districting. The state will also have to pass new health care legislation in order to comply with federal laws. Energy is likely to be a lower priority in the new legislature.

(10) Financial Reports, October and November 2010. The Chief Financial Officer reported on the October and November financial results.

Net income for the month of October reflects a loss of $54,000. This was slightly below the $20,000 loss budgeted for the month. Below-budget operating revenues were offset by below-budget operating expenses. Net income for the year is $3.6 million, or $1.0 million below budget. For the month of November, net income was $1.3 million, which is $0.4 million above budget. This variance is a result of below-budget operating expenses partially offset by below-budget operating revenues. Net income for the year has increased to $4.9 million but continues to lag budget by $0.6 million.

Operating revenues totaled $13.9 million during October and were $0.9 million behind budget. Municipal sales lagged budget by $0.2 million with energy deliveries below budget by 2.0 percent and billing demand below budget by 0.2 percent. Short-term surplus sales were $0.7 million below budget due to a lower-than-projected average selling price. Contract sales were right at budget. Operating revenues totaled $14.5 million during November and were $0.5

million behind budget. Municipal sales were above budget by $0.4 million with energy deliveries above budget by 2.2 percent and billing demand above budget 3.6 percent. Short-term surplus sales were $0.9 million below budget due to a 28 percent lower-than-projected average selling price. Contract sales were right at budget.

Interest and other income was $0.1 million below budget with lower-than-budgeted interest earnings during October and November. The variance is due to the continuation of low interest rates and lower cash reserves.

Operating expenses excluding depreciation in October totaled $10.8 million and were $0.7 million below budget. Above-budget fuel expense resulting from higher generation from the peaking units was more than offset by below-budget variances in all other categories. Purchased power was $0.3 million below budget due to supplying exchange power to Tri-State for Craig Unit 3 forced outages per the shaft-sharing agreement. Production expenses were $0.3 million below budget due to lower operations and maintenance costs at Rawhide. Transmission was $0.2 million below budget due to lower contracted services and a larger portion of the personal services being charged to capital additions, and administrative and general was $0.1 million below budget due to lower labor costs resulting from vacant positions. In November, operating expenses excluding depreciation totaled $9.9 million and were $0.9 million below budget. All expense categories ended the month below budget; purchased power was $0.1 million below budget due to lower-than-budget reserve purchases; fuel expense was $0.2 million below budget as the result of a credit adjustment from Trapper Mine; production expenses were $0.2 million below budget due to lower operation and maintenance expenses at Rawhide; transmission expenses were $0.2 million below budget due to lower maintenance expenses; and administrative and general expenses were $0.2 million below budget mainly due to lower energy efficiency expenses.

Debt expense of $2.3 million was slightly below budget for the month. Debt service coverage was 1.41 times versus the budget of 1.49 times for October. In November, debt expense of $2.4 million was right at budget for the month. Debt service coverage was 2.00 times versus the budget of 1.88 times for November and year-to-date is 1.57 times versus the budget of 1.62 times.

Capital additions totaled $3.2 million in October and were $2.0 million below budget. Year-to-date capital additions total $56.7 million and are $0.4 million behind budget with below-budget production additions offsetting above-budget transmission additions. Capital additions totaled $6.9 million in November and were $2.2 million above budget. Year-to-date capital additions total $63.6 million and are $1.8 million above budget. Above-budget transmission additions were partially offset by below-budget production additions.

Resource output from the thermal units during October was 1.3 percent above budget. Rawhide Unit 1 reported excellent performance with a net capacity factor of 97.1 percent. The Craig units reported a net capacity factor of 85.7 percent with both units down for three days with a ruptured raw water supply in addition to scrubber problems on Craig Unit 2. Wind generation for the month totaled 5,295 MWh and the peaking units generated 2,701 MWh. In November, resource output from the thermal units was 4.3 percent above budget. Rawhide Unit 1 reported excellent performance with a net capacity factor of 97.7 percent. The Craig units reported a net capacity factor of 92.3 percent with Unit 2 down for several days with multiple maintenance issues. Wind generation for the month totaled 5,550 MWh and the peaking units were not run.

Director Janonis stated that NOAA's climate forecast for 2011 projects a warmer than average year and inquired how Platte River would be impacted if that transpires.

Platte River projects surplus peaking capacity for several years and can serve higher summer peaks. In general, changes in Municipal sales are somewhat offset by changes in surplus sales; however, if surplus sales prices continue to be deflated in 2011 due to depressed natural gas prices, rate pressure will likely increase.

(11) Yampa Participation Agreement Amendment. The General Manager provided an update.

The 1992 Yampa Project Participation Agreement identifies the relationship among the partners of Craig Units 1 and 2; however, the agreement includes a provision allowing participants to unilaterally withdraw by written notice on or before June 1, 2011. As June 2011 draws near, the provision has caused increased concern among participants because the remaining participants are required to purchase the withdrawing participant(s) interest. Therefore, participants are seeking amendatory language to eliminate the withdrawal option from the agreement. With the exception of Salt River Project, all participants have reviewed the proposed changes and are set to ratify the amendment. Consequently, staff recommends execution of the amendment by the General Manager once Salt River Project provides its consent.

Director Janonis moved to approve Resolution No. 23-10—Yampa Project Participation Agreement; Director Roiniotis seconded the motion. Motion passed 7-0.

(12) Wholesale Rate Structure Update. John Bleem reported on the most recent developments. Details of the rate study were also outlined in a memo to the Board as part of the packet this month.

This study began in the fall of 2009 through staff review and preliminary discussions with the Board of Directors. In February of 2010, Mark Beauchamp of Utility Financial Services (UFS) was retained to assist staff in developing viable rate structure alternatives for the Board to consider. Throughout the summer and fall of 2010, staff has continued to update cost allocation methodology, build financial modeling capability, and develop alternative rate options.

With the integration of suggestions from the Board of Directors, Municipal staffs, and UFS, an in-house rate model is now complete. The model allows for costs from each major category to be allocated to demand and energy charges on an hourly basis. Better aligning the wholesale rate with supply costs will position Platte River for evolving technology, reduce cross-subsidies, align with the regional wholesale market, and reduce revenue volatility due to weather.

Board and Municipal staff input to date has focused on cost allocation details, embedded and marginal cost considerations, concern regarding individual rate changes at the Municipal and retail level, balancing simplicity with accuracy, providing long-term rate stability, and implementation issues (metering, billing, etc.).

Working with UFS, staff has developed four possible new wholesale rate options:

(1) Single demand and single energy charge
(2) Single demand charge with on-peak and off-peak energy charges
(3) Two peak demand charges—one for summer and one for the other months, with on-peak and off-peak energy charges
(4) An "energy only" rate—including seasonal and time-of-use energy charges with no demand charge

At this point, staff recommends option (3) as a starting point for further consideration. This option reflects seasonal and time-of-day cost differences, balances simplicity with accuracy, and has the lowest rate impact for Estes Park and large retail customers with high load factors.

If the Board is supportive of this general approach, the proposed schedule is to have Platte River staff meet again with UFS and the Municipal rate staffs in January to look at possible ways of implementing a new rate, bring a recommendation on structure before the Board in February, further discuss structure and actual pricing by May, and bring a recommended rate for approval in October. Implementation at the wholesale level is anticipated beginning in January 2012.

Director Janonis asked how peaking costs were assigned to demand charges. Also, if option 3 is the best option, has implementation been considered and have Municipal staffs determined how this option would impact large customers. [Director Janonis asked his staff member to respond].

Mr. Bill Switzer, rates analyst for the City of Fort Collins, stated that they have analyzed options that increase energy charges and decrease demand charges with the same structure as the current rates, and estimate that large customers would see a significant rate increase. However, the proposed time-of-use option 3 has not been analyzed at this time.

John Bleem said that fuel costs for peaking are assigned directly to the energy rate; on-peak energy rates include the gas price. If the price of gas rises and more is consumed, the difference between on- and off-peak prices would increase. Fixed costs are allocated based on peak load and outage assistance provided by the peaking generation.

Brian Moeck stated that if option 3 seems favorable to the Board, Platte River staff would work with Municipal staff and the consultant to analyze the impacts of implementing this option. Staff will work throughout 2011 to continue to develop the most feasible option for all concerned. Implementation could begin at the wholesale level and be phased in on the retail side in a manner that best works for the Municipalities.

Chairman Mullinix said that he would like more time to consider the various options and the possibility of perhaps a hybrid of the structures already considered, or even something entirely new. Perhaps even a different wholesale rate for each Municipality. It would be beneficial for Municipal staff members to meet with UFS and discuss implementation details further before a new final rate structure is selected.

Mayor Gutierrez is concerned how changing the rates would impact economic development efforts.

Mayor Hutchinson suggested considering two options to have a contextual comparison.

The General Counsel stated that the Power Supply Agreements contemplate that rate adjustments will apply equally to all Municipalities unless agreed otherwise. Having more than one wholesale rate would have to be examined in light of contractual language.

Director Roiniotis believes this is a move in the right direction. The wholesale rate should reflect the cost drivers. The wholesale rate could be changed without implementing changes on a retail level. Retail rates are designed and controlled at the Municipal level. It is not a draconian change, but it is significant and the time is right to make a change to meet newer technological advances. A rate structure adjustment now would allow customers to have better control of their costs and would send a better signal to those customers. Option 3 may not be the ideal option, but it reflects a better understanding of what the cost drivers are. Director Roiniotis appreciates all the staff time and focus on this effort.

Chairman Mullinix directed staff to proceed with the outline presented and incorporate the items mentioned.

(13) Integrated Resource Plan. John Bleem reported on the most recent developments.

Platte River has done resource planning since its inception; however, the Energy Policy Act of 1992 requires that an Integrated Resource Plan (IRP) be submitted to Western Area Power Administration (WAPA) every five years. Plans were submitted for 1997, 2002, and 2007. The current plan expires in 2011, so staff has begun preliminary work on the next IRP, covering the period 2012 to 2016. This IRP will include a load forecast, evaluation of future load and resource balance, criteria for timing of new resources, demand side management, and renewable energy.

In September, an overview was given on the IRP process. In October, a load forecast was presented to the Board. Today, draft demand side management and public process plans were outlined. The Integrated Resource Plan development process will continue into the first and second quarters of 2011, including a public information process. Final approval of the IRP by the Board of Directors is anticipated in May. The public information will include the following components:

- Close coordination with Municipality staffs
- Posting of the Draft Integrated Resource Plan—with electronic copy on Platte River and Municipality web sites and hard copy at Municipal libraries and Platte River office building
- Sending of draft IRP to selected groups—including Board members, City and Town managers, other municipal staff and other groups
- Presentations to utility boards, commissions and committees in all the Municipalities
- Public hearing on the draft Integrated Resource Plan—anticipated in April, held during the regular Board meeting, with public notice in local newspapers and the Platte River web site
- Final Board review and anticipated approval at the May Board meeting

The Integrated Resource Plan will include plans for demand side management (DSM) programs. "Common" programs are programs provided within all Municipalities and operated by Platte River. City-by-city programs are programs operated by the individual Municipalities. In 2002, Platte River began work on Common Programs throughout the owner municipalities and with regional entities such as Xcel Energy.

Approximately seventeen percent of residential customers and six percent of businesses have participated in the Common Programs. The results of the programs have met or exceeded Integrated Resource Plan goals. Peak demand was reduced enough to delay the next generation resource by about one year and if the programs continue at the current level, the next resource may be delayed approximately two years. An estimated 79,000 tons of greenhouse gases could be reduced due to energy savings of about 74,000 MWh per year. Approximately $8 million has been invested in Common Programs to date, and the current rate of investment is about $1.9 million annually. The average retail rate impact associated with Platte River funding of Common Programs is about 0.9 percent.

As interest in Common Programs grows, the Municipalities have provided additional funding for these programs given that Platte River's funding level is fixed. The trend of increased customer interest in these programs is expected to continue into next year, and it is anticipated that funding will not be adequate to meet all customer requests. The short-term strategy is to target rebate cuts and end some programs early. The full details for 2011 will have to be worked out among the Municipalities and Platte River.

For the longer-term, the Municipalities and Platte River need to work together to evaluate cost effectiveness of all DSM programs, considering changes in surplus sales prices, fuel prices, wholesale market purchase prices and rates. It will also be important to integrate updated estimates regarding timing of carbon legislation/regulation and associated potential carbon costs. As new demand side management programs are considered, these need to be compared with the existing programs to determine the best programs going forward. Determination of "best programs" needs to consider multiple perspectives for cost effectiveness and other program selection criteria.

Staff recommends continuing the Common Programs, given the strong customer response in all the Municipalities and the positive results to date. Coordination will be needed to determine future funding levels for both Common and City-by-City Programs. Platte River will maintain equity among the Municipalities for the Platte River portion of funds, but staff recommends that equity be maintained on a rolling three-year cumulative basis, to enhance flexibility. Staff also recommends an evaluation of the Common Programs during 2012, to optimize program results going forward. Finally, it is recommended that measurable demand side management savings be integrated into the load forecast.

At the next Board meeting, staff will provide an update on renewable energy and resource addition criteria.

Chairman Mullinix suggested that capping funding on the Common Programs allows the Municipalities more latitude to bring these programs before municipal boards and councils to scrutinize the costs and benefits and determine if additional funding on a municipal level has support even in light of potentially higher retail rates. In addition, the programs should be evaluated annually for enduring value.

Director Hutchinson agreed that the Common Programs are cogent and it is beneficial to tailor the programs to meet individual Municipal interests.

(14) Management Report. The General Manager reported on current activities.

After thirty-six years of service, Mike Dahl will be retiring on January 14, 2011. In honor of Mr. Dahl's service, staff drafted a resolution recognizing Mike. Mike has been with Platte River from the early years, was involved in the construction of the Rawhide Energy Station, and for the last sixteen years has overseen engineering, operations, and maintenance. Mike is an asset to the organization and will be greatly missed.

The Chairman read aloud the resolution prepared and the General Manager presented Mike with a framed copy.

Director Roiniotis moved to approve Resolution No. 24-10—Recognition of Mike Dahl; Director Baum seconded the motion. Motion passed 7-0.

Mike thanked everyone and said it has been a distinct honor to work for Platte River. He has enjoyed his tenure but is ready to retire. Mike noted that Platte River's peak load was 105 megawatts and peak occurred in the winter months when he began his employment. Now peak load is over 600 megawatts, a significant amount of growth in thirty-six years.

Chairman Mullinix introduced former Board Chair Mr. Bob Dekker of Estes Park. Mr. Dekker was one of the founding Board members. He was the electric director and Mayor of Estes Park and served on the Platte River Board in both roles.

Mr. Dekker said it is good to see Platte River doing well and that Mike has been with the organization for such a long time. Rates are still a topic of discussion after all these years, but it is great to see the Board and staff have continued in the manner that established this organization. He congratulated Mr. Dahl and said that his golf game should have been mentioned in the resolution.

The General Manager noted that the Operating and Risk Management Plans were included in the Board packets and stated that these are provided to the Board of Directors every December for informational purposes.

(15) Executive Session. Director Roiniotis moved to go into executive session for purposes of considering personnel matters related to the annual review of the performance of the General Manager and the General Counsel.

The General Counsel has advised that an Executive Session is authorized in this instance pursuant to Colorado Revised Statutes, Section 24-6-402, subsection (4)(f); provided that, no formal action will be taken during the Executive Session. Director Baum seconded the motion. Motion passed 7-0.

[The Chair called a five-minute break before resuming the Executive Session.]

The Board went into Executive Session at 11:05 a.m.

Regular Session reconvened at 12:34 p.m.

Board Member Comments. Mayor Gutierrez said that the Loveland City Council and City Manager came to a tour of operations and power production. He highly recommends a tour and thanked staff.

Mayor Bryan Baum wished everyone a Merry Christmas and happy holidays. Mayor Hutchinson and Jacqueline Halburnt expressed their best wishes as well.

Adjournment. With no further business, the meeting adjourned at 12:36 p.m. The next regular Board meeting is scheduled for Thursday, February 24, 2011, at 9:00 a.m. in the Platte River Power Authority boardroom, 2000 East Horsetooth Road, Fort Collins, Colorado.

AS WITNESS, I have executed my name as Assistant Secretary and have affixed the corporate seal of the Platte River Power Authority this 25 day of February, 2011.

/s/ Esther Velasquez
Assistant Secretary