

**MINUTES OF THE REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF  
UNITED POWER, INC.  
FRIDAY, SEPTEMBER 16, 2016**

**GENERAL**

President Brian McCormick called the regular meeting of the United Power Board of Directors to order at 9:00 a.m. on September 16, 2016. The meeting was held at United Power Headquarters in Brighton, Colorado. Present were Directors Ginny Buczek, Tim Erickson, Robert Grant, Beth Martin, Brian McCormick, Ursula Morgan, Rick Newman, Susan Petrocco, Douglas Pryce, Dave Rose and James Vigesaa. Chief Executive Officer Darryl Schriver and Executive Administrator Michele Sack were also present.

Others present for the meeting were staff members Bryant Robbins, Dean Hubbeck, Delaine Orendorff, John Parker, Mitzi Rea, Antelia Salazar-Ball, Myke Weis and Troy Whitmore.

**INVOCATION/PLEDGE**

Director Rose gave the invocation and led in the Pledge of Allegiance.

**AGENDA APPROVED**

**A motion was made by Director Newman**, which was seconded and carried, to approve the agenda as presented by President McCormick.

**INTRODUCTION OF GUESTS**

Dale McCall, Operation Round-Up Foundation Board President, Connie Sassé-Price, Operation Round-Up Foundation Vice President, and Directors Bill Alsdorf, Irene Pfannenstiel, Connie Sassé-Price, Barb Rodgers and Bonita Welsh were introduced as guests.

Director McCall discussed the changes of the Operation Round-Up Foundation program and the restructuring of how funds are granted moving from “Neighbor Helping Neighbor” to “Neighbor Helping Community”. The Board of Directors thanked the Round-Up Foundation Board for all their work helping the community.

**STRATEGIC PLANNING SESSION**

Following review of Policy C-19, Directors Per Diem and Expenses, **Director Grant made a motion**, which was seconded and carried, that an exception be made to Policy C-19, paragraph B, the Board will be allowed per diem for the Strategic Planning Session held on September 7-9, 2016 at the level of a Board meeting of \$500.00 per day.

## **ACTION ITEMS/SPECIAL REPORTS**

A motion was made by Director Buczek, which was seconded and carried, to approve the August 19, 2016 Regular Meeting Minutes, as presented.

## **ADOPT RULES AND REGULATIONS OF ANNUAL MEETING VOTING AND PROCEDURES**

CEO Schriver and Mitzi Rea, Manager of Information Services, discussed the Rules and Regulations of Voting for the 2017 Annual Meeting which was included in the Board packet. After further discussion and questions from the Board, **Director Pryce made a motion**, which was seconded and carried, to adopt the Resolution Concerning Rules, Regulations and other Procedures of Voting for the 2017 Annual Business Meeting.

### **RESOLUTION CONCERNING RULES, REGULATIONS AND OTHER PROCEDURES OF VOTING FOR THE 2017 ANNUAL BUSINESS MEETING**

WHEREAS, it is necessary and in the best interests of UNITED POWER, INC. that the Board determine the procedures which United Power must follow for its 2017 Annual Meeting of Members to be held April 18, 2017 at 6:30 p.m. at the Adams County Fairgrounds, Brighton, Colorado, and in accordance with Colorado law and United Power's Bylaws.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby determines that, pursuant to United Power's Bylaws and the applicable statutes, the following rules, regulations and procedures must and will be followed in connection with United Power's 2017 Annual Meeting of Members:

1. Introduction - These rules, regulations and procedures, to be followed in the 2017 Annual Meeting of Members, take into account statutory requirements and United Power Bylaws. The subject matter is subdivided into general procedures, receipt and collection of ballots, the meeting, counting procedures, and close vote margins requiring a recount.
2. General Procedures - The following general procedures will apply:
  - a. Eligibility to Vote in the 2017 Annual Meeting of Members: In order to receive a mail ballot to vote, a person must be a member of United Power and such membership must be valid as of 12:01 a.m. March 6, 2017. Any person who becomes a member between 12:02 a.m. March 6, 2017 and 12:00 p.m. (noon) April 14, 2017, and whose membership is valid as of 4:29 p.m. April 18, 2017, may vote in person at the Annual Meeting of Members. No person who becomes a member after 12:00 p.m. (noon) April 14, 2017 will be entitled to vote. Pursuant to Section 40-9.5-110 (2), C.R.S. and Section 3.07 of the Bylaws, each eligible member of United Power will receive a ballot in order to vote in the director election or concerning any other lawful matter which is properly noticed and brought before the membership for vote at the meeting.

- b. Proxy and Cumulative Voting: Pursuant to Section 40-9.5-110 (3), C.R.S. and Section 3.08 of the Bylaws, no proxy (by spouse or any other person) or cumulative voting will be permitted. Neither votes by proxy nor power of attorney will be considered valid and, therefore, will not be accepted.
- c. Write-in Candidates: Because the Bylaws of the corporation do not permit, write-in candidates will not be accepted.
- d. Mail Ballots: To receive a mail ballot a person must be a member of United Power and such membership must be valid as of 12:01 a.m. March 6, 2017. No person who becomes a member thereafter will receive a mail ballot. United Power will mail ballots to its members at least twenty-three (23) days prior to the meeting. All eligible members will be mailed a ballot. A member who has voted by mail will not be entitled to vote at the meeting. Only one vote per member will be valid and counted.
- e. Voting by Mail: Members choosing to vote by return mail will use their mail ballot sent to them by United Power or a replacement ballot issued by United Power. The ballot will be voted by the member, placed in a secrecy envelope (optional), deposited in a separate return envelope which must be properly signed by the voting member, in accordance with the instructions thereon, and mailed to the independent third party United Power has retained: Survey and Ballot Systems (SBS), 7653 Anagram Drive, Eden Prairie, MN, 55344, to collect, store and count ballots.

To be valid, a ballot must be received at SBS's post office box in Eden Prairie, MN in a properly signed ballot envelope enclosing the ballot by 12:00 p.m. April 14, 2017. If a member has voted by mail, the member cannot vote again at the Annual Meeting of Members.

- f. Voting (In-Person) Prior to the Annual Meeting: Sealed ballot boxes will be available for member use at all three United Power office lobbies until 2:00 p.m. on April 18, 2017, and at the Annual Meeting location from 12:00 p.m. until 4:00 p.m. Members eligible to receive a mail ballot and choosing to vote in person at designated facilities will use their mail ballot sent to them by United Power or a replacement ballot issued by United Power. The ballot will be voted by the member, placed in a secrecy envelope (optional), enclosed in the separate return envelope, which must be properly signed by the voting member, in accordance with the instructions thereon, and deposited in the sealed ballot box. If a member has voted at a designated facility, the member cannot vote again at the Annual Meeting of Members.
- g. Voting (In-Person) at Annual Meeting of Members: Members eligible to receive a mail ballot and choosing to vote in person at the Annual Meeting of Members will present and use their mail ballot sent to them by United Power or a replacement ballot issued by United Power. Any person not eligible to receive a mail ballot, and who became a member between 12:02 a.m. March 6, 2017 and 12:00 p.m. (noon) April 14, 2017, and whose membership is valid as of 4:29 p.m. April 18, 2017 may vote in person at the Annual Meeting of Members using a ballot issued by United Power. Members wishing to vote at the Annual Meeting of Members must register. After registration, members are eligible to vote until the polls are declared closed. Members choosing to vote in

person at the meeting will vote their ballot, place it in a secrecy envelope (optional), and deposit it in the ballot box at the Annual Meeting of Members. The signed return envelope will be submitted as part of the registration process described above. Members attending the Annual Meeting of Members are urged to register so they can be counted toward the quorum whether or not they vote at the event.

- h. Lost or Misplaced Mail Ballots: Upon receiving notification from a member that his/her mail ballot was not received, was lost, or was misplaced, a replacement ballot may be issued in one of three ways:
  - 1. If United Power is notified prior to April 11, 2017, SBS will mail a replacement ballot to the requesting member at the direction of United Power staff.
  - 2. If United Power is notified between April 11, 2017 and April 18, 2017 at 2:00 p.m., the member must complete an affidavit, in person, at one of the three United Power offices, attesting that a replacement ballot is needed by the member. A replacement ballot will then be issued by United Power staff.
  - 3. If United Power is notified at the Annual Meeting registration, the requesting member will be issued a replacement ballot upon verification that a ballot has not already been received from that member.

SBS and United Power staff will thoroughly monitor the process to ensure that no duplicate ballots are counted. In the unlikely event that duplicate ballots are received, the first ballot received will be processed as a legitimate ballot. The duplicate ballot will be handled pursuant to section 5.c. of this document.

3. Receipt and Collection of Ballots:

- a. SBS is hereby appointed as the responsible entity for the receipt and collection of the mailed return envelopes and the secrecy envelopes containing the ballots as hereafter provided. SBS will ensure that all mail ballots received were continuously in its possession or control. A procedure for security will be established by SBS whereby all mailed envelopes and their contents received are maintained in a secure place, preferably under lock. No person, other than authorized SBS personnel, will be permitted access to the ballots.
- b. All returned ballot envelopes received at United Power offices will remain in sealed ballot boxes and will not be opened before the Annual Meeting of Members day. All three ballot boxes located at United Power offices will be removed from those facilities at 2:00 p.m. on April 18, 2017 and promptly delivered, unopened, to Election and Credentials Committee at the Annual Meeting of Members site. The ballot box located at the Annual Meeting site will be closed at 4:00 p.m.

- c. The last day and time to receive mail ballot returns by SBS will be 12:00 p.m. on April 14, 2017 at its post office box in Eden Prairie, MN. The last day and time to receive hand-delivered returns at United Power facilities will be 2:00 p.m. on April 18, 2017, or at the Annual Meeting site on the day of the meeting from 12:00 p.m. to 4:00 p.m.
- d. SBS must maintain control of all returns in its possession until they are delivered to United Power's Election and Credentials Committee on the day of the Annual Meeting of Members at the Annual Meeting of Members site.
- e. On the day of the meeting, SBS will sort the unopened return envelopes, with their contents, into three (3) separate categories for submission to the Election and Credentials Committee:
  - 1. Returns apparently valid and timely received.
  - 2. Any return which is questionable on its face.
  - 3. All late returns.

4. The Meeting:

- a. Registration will begin at 4:30 p.m. on April 18, 2017. Members of the Election and Credentials Committee and United Power employees who are working at the Annual Meeting of Members will be allowed to register prior to the opening to allow them to promptly and efficiently attend to their election duties.
- b. Balloting will be permitted any time after registration begins and until the polls are declared closed. All persons in line at the time the polls are declared closed will be permitted to register and vote.
- c. Registrants who have already voted will not be entitled to vote again at the meeting.
- d. All member registrants appearing in person at the Annual Meeting of Members will be counted toward the quorum regardless of whether they voted by mail, in person, or not at all.
- e. Pursuant to Section 3.06 of the Bylaws, the lesser of five percent (5%) or fifty (50) members present in person will constitute a quorum for the transaction of all business at the Annual Meeting of Members.

5. Counting Procedures:

- a. The Election and Credentials Committee, appointed by the Board, in advance of the meeting, will be responsible for opening the returns and counting all ballots, whether voted by mail, at the meeting, or delivered and placed in a secured ballot box. However, the Committee will be assisted by representatives of SBS and United Power, under the supervision and guidance of United Power's legal counsel.
- b. All valid return envelopes will be opened and to the extent reasonably practicable, the secrecy envelope and ballot removed and separated from the return envelope in such a manner as to avoid association of the vote on the ballot and the name on the return envelope.
- c. All questionable ballots and questionable return envelopes should be kept separated as counting progresses. The validity of questionable ballots or returns will be ruled upon by the Election and Credentials Committee, on advice of legal counsel. Possible invalidities could include, but are not limited to:
  1. Unsigned return envelope.
  2. Duplications.
  3. Apparently improper signature on the return envelope.
  4. Failure to provide title or representative capacity on the return envelope, if voting for a business organization, trust, or estate of a deceased person.
  5. Any condition noted on the ballot or other improper vote (e.g. vote for two (2) candidates in the same district; write in for individual not nominated).
- d. All return envelopes and ballots will be separately tabulated, sealed and stored by the following categories and maintained in a secure location for at least one year:
  1. Valid return envelopes for members voting by mail or at United Power facilities.
  2. Valid ballots.
  3. Invalid ballots.
  4. Invalid return envelopes together with their contents.
  5. Undeliverable return envelopes together with their contents.
  6. Late return envelopes together with their contents.

7. In-person return envelopes for members voting in-person at the Annual Meeting of Members.
- e. The Election and Credentials Committee will prepare a written report to include the following:
  1. Result of the elections by director district from the ballots determined to be valid.
  2. A tabulation of the return envelopes and ballots as follows:
    - a) Ballots received
      1. Invalid ballots
      2. Valid ballots
    - b) In-person return envelopes for members that voted in-person at the Annual Meeting of Members
  3. A tabulation of members registered for Annual Meeting of Members counting towards a quorum.
- f. SBS will continue to collect and secure late returns delivered after April 18, 2017 and until May 18, 2017, and make the late return count available upon request.
6. Close Vote Requiring a Recount – A recount of any election contest in a particular district or districts will be held if the difference between the highest number of votes cast in the election contest and the next highest number of votes cast in that contest is less than or equal to one-half of one percent of the highest vote cast in that election contest. The recount will commence within two business days of the election, and will be conducted under the supervision of the Election and Credentials Committee, with the advice of the Cooperative’s legal counsel.

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**POLICY C-07 - RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND INDIVIDUAL DIRECTORS**

Following review and discussion **Director Petrocco made a motion**, which was seconded and carried, to approve Policy C-07, Responsibilities of the Board of Directors and Individual Directors as proposed.

**FORT LUPTON OFFICE PROPERTY SALE**

CEO Schriver discussed the pending sale of the property located at 323 Denver Avenue in Fort Lupton, Colorado. United Power began serving the Ft. Lupton residents with an office in the City of Fort Lupton in 1990. Over the years, this building became inadequate to serve our needs. Following a review of replacement locations to house the Ft. Lupton office, it was determined that the Safeway Shopping Center location would best suit the needs of United Power and our members.

Following discussion, **Director Vigesaa made a motion**, which was seconded and carried, to approve the Resolution Authorizing Sale of the Fort Lupton Office Property as corrected.

**RESOLUTION AUTHORIZING SALE OF  
FORT LUPTON OFFICE PROPERTY**

WHEREAS, the office at 323 Denver Avenue in Fort Lupton, Colorado was no longer conducive to meeting the needs of United Power; and

WHEREAS, the CEO executed a Listing Contract with Hepp Realty-Metro Brokers, LLC for the sale of our office building on March 1, 2016; and

WHEREAS, United Power received and accepted an offer from Beacon Integrated Technologies, Inc. for the purchase of the property for \$245,000.

NOW, THEREFORE, BE IT RESOLVED, that Darryl W. Schriver, Chief Executive Officer of United Power, Inc. is hereby authorized to sign all documents necessary to complete the transaction for the sale of the Fort Lupton office property.

BE IT FURTHER RESOLVED that this resolution serve as written notice to be given to the purchaser that United Power's Board of Director has ratified and confirmed the execution, delivery and performance of the Sale Agreement.

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The closing of the property at 323 Denver Avenue is scheduled for September 26, 2016. A suggestion was made by staff that a portion of the proceeds be used as a donation to the Boys and Girls Club of Fort Lupton. Following discussion, **Director Martin made a motion**, which was seconded, to direct staff to gather further information on how the Boys and Girls Club will spend these funds, and to commit to donate up to \$25,000 from the proceeds of the sale of the property at 323 Denver Avenue in Fort Lupton, Colorado to the Boys and Girls Club of Fort Lupton, Colorado. **Director Pryce made a motion**, which was seconded and carried, to postpone the motion until the next Board meeting and the information requested from the Board could be presented.

At 10:32 a.m. the Board recessed for break. The Board reconvened at 10:45 a.m.

## **CEO REPORT**

CEO Schriver reviewed his September 14, 2016 written report which was included in the Board packet. The following topics were discussed and updated by CEO Schriver, CFO John Parker, the Executive Leadership Team and various staff:

- Golden Aluminum Proposal  
**Director Petrocco made a motion**, which was seconded and carried, to approve the recommendation by staff and to move forward with the Golden Aluminum Proposal as presented.
  
- Battery Storage  
**Director Newman made a motion**, which was seconded and carried, to approve the recommendation by staff and to move forward with the Battery Storage project as presented. **Director Pryce voted against this motion.**

The Board recessed for lunch at 12:00 p.m. and reconvened at 12:35 p.m.

## **EXECUTIVE SESSION**

**Director Newman made a motion** that the Board goes into Executive Session to discuss pending Legal & Regulatory Matters. The motion was seconded and carried.

The Board went into Executive session at 12:35 p.m. Attending were Directors Buczek, Erickson, Grant, Martin, McCormick, Morgan, Newman, Petrocco, Pryce, Rose and Vigesaa. Also in attendance were CEO Schriver, CFO John Parker, Engineering and Rates Manager Dean Hubbuck, Executive Administrator Michele Sack and Legal Counsel Mark Williams.

The Executive Session ended at 1:41 p.m. and the Board reconvened into regular session.

**Director Vigesaa made a motion**, which was seconded and carried, to authorize CEO Darryl Schriver, to take all actions necessary to preclude litigation.

**Director Buczek made a motion** that the Board go into Executive Session to discuss the CEO 90 Day check-in. The motion was seconded and carried.

The Board went into Executive session at 1:48 p.m. Attending were Directors Buczek, Erickson, Grant, Martin, McCormick, Morgan, Newman, Petrocco, Pryce, Rose and Vigesaa. Also in attendance was CEO Schriver.

CEO Schriver left the Executive Session at 2:35 p.m.

The Executive Session ended at 2:46 p.m. and the Board reconvened into regular session. **Director Vigesaa made a motion, which was seconded and carried, to direct** the Board President to undertake action for personnel consistent with the Executive Session discussion. **Director Pryce voted against this direction.**

The Board recessed for break at 2:48 p.m. and reconvened at 3:00 p.m.

### **CEO REPORT (cont.)**

CEO Schriver continued his review of his September 14, 2016 written report:

- Renewable Energy, Member Guide
- Safety
- CARE Contribution  
**Director Grant made a motion**, which was seconded and carried, to approve the donation of \$10,000 to the Colorado Advocates for Rural Electrification (CARE) for 2017. **Director Pryce voted against this motion.**
- Security Update: SCADA
- Town of Frederick Update
- Insurance Summary
- Financial Report
- 1<sup>st</sup> Review O&M Budgets
- Engineering & Rates Report
- Operations Report
- Battery Storage
- Residential Demand will be discussed at a future Board meeting

Director Rose left the meeting at 5:05 p.m. and the Board recessed for break. The Board reconvened at 5:15 p.m.

## **ASSOCIATED ORGANIZATIONS**

Board President McCormick discussed the upcoming National Rural Electric Association (NRECA) Regional meeting which will be held in Reno, Nevada October 3-6, 2016. This meeting will be attended by various Directors and staff.

## **TRI-STATE REPORT**

Director Newman reviewed his written Tri-State Board Report for September 2016 and also discussed the Tri-State Rate Committee. Director Buczek discussed the Tri-State Contract Committee.

## **CREA REPORT**

Director Buczek reviewed the CREA report from the August 25, 2016 meeting and addressed Board questions.

## **WUE REPORT**

In the absence of Director Rose, President McCormick reviewed the Western United Electric report and addressed Board questions.

## **BOARD DISCUSSIONS**

In August of 2015, a joint United Power and Intermountain Rural Electric Association (IREA) Board member event was held at Coors Field during the Colorado Rockies game for the purpose of getting better acquainted and to discuss current issues of common interest to both co-ops. The Board looked into holding this event again in 2016. After further discussion, the Board will look at holding an event in the Spring or Summer of 2017 with multiple co-ops.

## **ROUND-UP FOUNDATION**

The Round-Up Foundation August Update and Year-to-Date Summary by Director District were included in the Board packet for review and discussion.

## **WRITTEN REPORTS**

The following written reports were included in the Board packet for review and discussion.

Absences and Regular Hours Worked

New Memberships by District

Report on Collection Activities

## **FORT LUPTON OFFICE PROPERTY SALE (cont.)**

**Director Buczek made a motion**, which was seconded and carried, to reconsider the previous motion regarding the Boys and Girls Club donation following the sale of the property located at 323 Denver, Avenue in Fort Lupton, Colorado. Following discussion, **Director Grant made a motion**, which was seconded and carried, to amend the earlier motion of Director Martin, and allow CEO Schriver to donate \$25,000 from the sale of the Ft. Lupton Office if the CEO is presented with sufficient information on how funds will be used by the Boys and Girls Club of Ft. Lupton.

## **MEETING SCHEDULE**

The next Regular Board Meeting is scheduled for Friday, October 21, 2016 at 9:00 a.m. at Brighton Headquarters, 500 Cooperative Way, Brighton, CO 80601

## **ADJOURNMENT**

President Brian McCormick declared the meeting adjourned at 6:15 p.m.



Michele Sack, Recording Secretary