

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
FRIDAY, JUNE 30, 2017**

GENERAL

President James Vigesaa called the regular meeting of the United Power Board of Directors to order at 9:02 a.m. on June 30, 2017. The meeting was held at United Power Headquarters in Brighton, Colorado. Present were Directors Ginny Buczek, Tim Erickson, Robert Grant, Elizabeth Martin, Brian McCormick, Ursula Morgan, Rick Newman, Susan Petrocco, Dave Rose, James Vigesaa and Tamra Waltemath. Interim Chief Executive Officer John D. Parker and Executive Administrator Michele Sack were also present.

Others present for the meeting were staff members Bryant Robbins, Dean Hubuck, Jerry Marizza, Ken McFadden, Delaine Orendorff and Troy Whitmore.

INVOCATION/PLEDGE

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

AGENDA APPROVED

A motion was made by Director Buczek, which was seconded and carried, to approve the agenda as presented.

ACTION ITEMS/SPECIAL REPORTS

The May 24, 2017, Regular Board meeting minutes was included in the Board packet for review. **A motion was made by Director Morgan**, which was seconded and carried, to approve the May 24, 2017, Regular Board meeting minutes as presented. **Director Waltemath** abstained from this vote.

2018 BUDGET SCHEDULE

Interim CEO John Parker provided a proposed 2018 Budget Schedule. The budgeting process will begin in July with a review of our financial goals and key budget drivers. Various aspects of the 2018 budgets will be reviewed in August, September, and October with final budget recommendations to be presented to the Board in November.

Director Martin left the meeting at 9:09 a.m.

LAND PURCHASE APPROVAL

United Power Headquarters, located in Brighton, was built 10 years ago. Due to major growth over the last decade and particularly in our West District, United Power has been looking for an additional location to help ease the overcrowding at Brighton Headquarters. During the March 2017 Board meeting, the Board approved the purchase of an additional building in the West District located at 9586 East I-25 Frontage Road, Longmont, CO 80246. Following the purchase of this property, a 16 acre parcel of land became available for purchase located at 4120 Specialty Place, Longmont, Colorado. Following review and discussion, **Director Buczek made a motion**, which was seconded and carried, to adopt the following Resolution Authorizing Officer of United Power to Buy and Sell Real Estate located at 4120 Specialty Place, Longmont, Colorado.

RESOLUTION AUTHORIZING OFFICER OF UNITED POWER TO BUY AND SELL REAL ESTATE LOCATED AT 4120 SPECIALTY PLACE, LONGMONT, CO

RESOLVED, that the Board of Directors have been fully advised and provided with information related to the proposed acquisition of the land, consisting of approximately 16.97 acres, located at 4120 Specialty Place, Longmont, Colorado, described as Lots 3 and 4 of the Replat of Lot 2, Block 2 and Block 2A, Amendment to Del Camino Center P.U.D. for a purchase price of \$1,500,000 and has determined that it is in the best interests of the cooperative to proceed with the proposed transaction; and

RESOLVED, that the following officer, acting alone, is hereby authorized and directed to execute on behalf of the cooperative a Contract to Buy and Sell Real Estate to acquire the property on terms consistent with the Letter of Intent and to take any action reasonably related thereto to perform such contract including engaging third party inspectors to investigate the condition of the property:

John D. Parker, Interim Chief Executive Officer

Director Martin returned to the Board meeting at 9:17 a.m.

DIRECTOR COMPENSATION PLAN

Corporate Policy C-19, Directors' Per Diem and Expenses was last reviewed on May 20, 2015. Therefore a Compensation Committee, comprised of Directors on the Board, was formed to review this policy. Following review, the committee has proposed a revised policy, which was included in the Board packet for review. **Director Grant made a motion**, which was seconded and carried, to adopt the revised Corporate Policy C-19, Directors' Per Diem and Expenses, effective July 1, 2017, which was included in the Board packet. **Director Erickson abstained from the vote, and Director Martin voted against this motion.**

Director Grant made a motion, which was seconded and carried, to amend section E-2 on Policy C-19 to read: "Directors shall not be paid any stipend (per diem) by United Power for attendance at meetings or any other events, except that the Director designated to represent United Power on the CREA Board, or any other special national or statewide committee as approved by the Board, may be paid a fixed sum of \$250 per day for attendance at CREA regular and special meetings, unless a per diem is paid by CREA or any other organization". **Director McCormick and Director Waltemath opposed this motion.**

STANDBY GENERATION PROJECT

Director of Engineering and Rates, Dean Hubbuck, and Jerry Marizza, New Energy Programs Rep discussed the Emergency Response Project for the City of Brighton and Gilpin School District, which was included in the Board packet. This project will provide emergency standby service, for specific needs, to governmental or school district members of United Power. **Director Martin made a motion**, which was seconded and carried, to approve the Emergency Response Project for the City of Brighton and Gilpin School District as presented by staff.

Jerry Marizza left the Board meeting at 10:43 a.m. The Board recessed for break at 10:43 a.m. and reconvened at 10:56 a.m.

CEO REPORT

Interim CEO John Parker reviewed his June 2017 written report which was included in the Board packet. The following topics were discussed and updated by Interim CEO Parker and the Executive Leadership Team:

- Engineering and Rates
- External Affairs – Lobbyist Report
- Financial and Safety
- Human Resources
- Information Services
- Operations
- Member Services

ASSOCIATED ORGANIZATIONS

No Associated Organization meetings are scheduled before the July Board meeting.

TRI-STATE REPORT

Director Newman reviewed his written Tri-State Board Report for June 2017 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 May 2017 and addressed Board questions.

WUE REPORT

Director McCormick reviewed the Western United Electric report for May 2017 and addressed Board questions.

The Board recessed for lunch at 11:54 a.m. with the following guests attending: Legal Counsel Mark Williams and Former Manager of Thornton, Jack Ethredge. The Board reconvened at 1:11 p.m. with Legal Counsel Mark Williams joining the meeting.

BOARD DISCUSSIONS

- Mark Williams Annual Briefing of the Board
 - Policy C-07 Responsibilities and Standards of Conduct of the Board of Directors and Individual Directors – Accountability

EXECUTIVE SESSION

Director Morgan made a motion that the Board go into Executive Session to discuss personnel and contract issues. The motion was seconded and carried.

The Board went into Executive session at 1:45 p.m. with the Board, Interim CEO Parker and Legal Counsel Mark Williams present.

Director Morgan left the Executive session at 2:43 p.m. and returned at 2:47 p.m.

Interim CEO Parker left the Executive Session at 3:10 p.m.

The Board recessed for break at 3:34 p.m. and reconvened at 4:02 p.m.

Director Martin left the Executive session at 5:25 p.m. and returned at 5:26 p.m.

Director Rose left the Executive session at 5:26 p.m. and returned at 5:27 p.m.

The Executive Session ended at 6:31 p.m. and the Board recessed for break; Legal Counsel Mark Williams left the meeting at 6:32 p.m., and Director Grant left the meeting at 6:35 p.m.

The Board reconvened into regular session at 6:45 p.m. with the entire Board and Interim CEO Parker present.

ROUND-UP FOUNDATION

The Round-Up Foundation May 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

MEETING SCHEDULE

The next Regular Board Meeting is scheduled for Wednesday, July 26, 2017 at 9:00 a.m. at Brighton Headquarters, 500 Cooperative Way, Brighton, CO 80601

ADJOURNMENT

President James Vigesaa declared the meeting adjourned at 7:30 p.m.



Michele Sack, Recording Secretary