

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
WEDNESDAY, MAY 24, 2017**

GENERAL

President James Vigesaa called the regular meeting of the United Power Board of Directors to order at 9:00 a.m. on May 24, 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 and James Vigesaa. Director Tamra Waltemath was absent. Chief Executive Officer Darryl Schriver and Executive Administrator Michele Sack were also present.

Others present for the meeting were staff members Bryant Robbins, Dean Hubbuck, Delaine Orendorff, John Parker and Troy Whitmore.

INVOCATION/PLEDGE

Director McCormick 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 April 18, 2017 Annual Meeting Minutes and the April 21, 2017 Regular Board meeting minutes were included in the Board packet for review. **A motion was made by Director Grant**, which was seconded and carried, to approve the April 18, 2017 Annual Meeting Minutes as corrected. **Director Martin abstained from this vote.** **A motion was made by Director Morgan**, which was seconded and carried, to approve the April 21, 2017 Regular Board Meeting Minutes, as corrected.

CFC LOAN DOCUMENTS

As noted during the January and February Board meetings, United Power made application to NRCFC (National Rural Cooperative Finance Corporation) for a \$75 million long term financing facility. The loan documents were included in the Board packet for review. CFO Parker discussed the details of this loan and answered questions from the Board. Following discussion, **Director Petrocco made a motion**, which was seconded and carried, to adopt the Resolution Approving Execution of Long Term Financing in the Amount of \$75 Million.

**RESOLUTION APPROVING EXECUTION OF LONG TERM FINANCING IN THE
AMOUNT OF \$75 MILLION**

WHEREAS, United Power Inc. has obtained long term funding in the past from the National Rural Utilities Cooperative Finance Corporation (“CFC”) and the two entities have a long standing relationship, and

WHEREAS, United Power will have need to obtain an additional aggregate amount not to exceed \$75 million, and the proceeds of this loan are to be used for the purposes set forth in the Loan Agreement;

NOW THEREFORE BE IT RESOLVED, that United Power borrow from CFC, from time to time as determined by the officers or proper persons designated by the board of directors of United Power, an aggregate amount not to exceed \$75,000,000.00 as set forth in the loan agreement with CFC governing such loan, substantially in the form of the Loan Agreement presented to this meeting (the “Loan Agreement”); and

BE IT FURTHER RESOLVED, that the proceeds of this loan be used for the purpose set forth in the Loan Agreement; and

BE IT FURTHER RESOLVED, that the individuals listed below are hereby authorized to execute and deliver to CFC the following documents (including as many counterparts as may be required):

- a) The Loan Agreement;
- b) One or more secured promissory notes payable to the order of CFC, which in the aggregate shall not exceed the principal amount of \$75,000,000.00, substantially in the form of the note(s) presented to this meeting; and
- c) A mortgage and security agreement with CFC as mortgagee, for purposes of securing the loan provided for herein, substantially in the form of the mortgage and security agreement presented to this meeting; and

BE IT FURTHER RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of United Power to execute and deliver all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to said Loan Agreement as such individual may deem appropriate within the amount of the promissory notes so authorized herein and to do all such acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

<u>Office or Title</u>	<u>Name</u>
President	James Vigesaa
Chief Executive Officer	Darryl W. Schriver
Chief Financial Officer	John D. Parker

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Cooperative this 24th day of May, 2017.

United Power, Inc.
Secretary

PATRONAGE CAPITAL RETIREMENT

CFO John Parker discussed the proposed retirement of \$5 million in patronage capital for 2017, which was included in the board packet for review. CFO Parker recommended that all capital credits yet outstanding for the year 1992 be designated for FIFO retirement, and that a limit of \$300,000 be established once again for net special retirements for the year 2017. Following review and discussion, **a motion was made by Director McCormick**, which was seconded and carried, to approve a Patronage Capital Retirement for 2017 in the amount of \$5 million, including a \$300,000 FIFO retirement for 1992. **Director Grant opposed this motion** and recommends a \$4 million Patronage Capital Retirement for 2017.

OPT OUT FEES

United Power implemented the AMI (Advanced Metering Infrastructure) approximately 5 years ago. During the implementation, members had the option of opting out of this new metering system. At this time, 331 members have opted out of AMI. These opt outs require specific means of reading the meter thus causing increased costs. To capture these additional costs, an opt out fee will be proposed and investigated during the next Cost of Service Study.

2018 ANNUAL MEETING DATE & LOCATION

External Affairs Director Troy Whitmore discussed the proposed schedule and location for the 2018 United Power Annual Meeting. Mr. Whitmore stated they had tentatively reserved the Adams County Fairgrounds Waymire Dome and Exhibit Hall for the date of April 18, 2018. Following review and discussion, **a motion was made by Director Buczek**, which was seconded and carried, to adopt the following Resolution Approving 2018 Annual Meeting of Members.

RESOLUTION SETTING

2018 ANNUAL MEETING OF MEMBERS DATE

WHEREAS, Article 3.00 of United's Bylaws provides the Annual Meeting of Members shall be held before May 1 each year on a date and place fixed by the Board within the Cooperative's service territory; and

WHEREAS, Colorado statutes and United Power's bylaws require at least a six-month notification of the Cooperative's Annual Meeting to the membership; and

WHEREAS, United Power is desirous of holding a successful 79th Annual Meeting of Members.

NOW, THEREFORE, BE IT RESOLVED, that the 2018 Annual Meeting of Members of United Power, Inc., shall be held at 6:30 p.m. on Wednesday, April 18, 2018 at the Waymire Dome and Exhibit Hall at the Adams County Fairgrounds.

AUTHORIZE VOTE OF SHARES/CSA DIRECTOR ELECTION

CEO Darryl Schriver discussed the Vote of Shares for Directors at the Consumer Services Association Annual Meeting of Shareholders to be held immediately following this Board meeting. Following review and discussion, **a motion was made by Director Morgan**, which was seconded and carried, to adopt the following Resolution Authorizing Vote of Shares in Election of Directors for CSA’s Annual Meeting of Shareholders.

RESOLUTION AUTHORIZING VOTE OF SHARES IN ELECTION OF DIRECTORS FOR CSA’S ANNUAL MEETING OF SHAREHOLDERS

WHEREAS, the annual meeting of shareholders of Consumer Services Association, Inc. will be held in the near future; and

WHEREAS, the principal purpose of said annual meeting is to elect directors, accept reports, and transact such other business as may properly come before the meeting; and

WHEREAS, United Power, Inc. is the sole shareholder of Consumer Services Association, Inc.

NOW, THEREFORE, BE IT RESOLVED, that United Power, Inc. vote all of its shares to elect the following directors to the Consumer Services Association Board:

Ginny Buczek	Richard E. Newman
Tim Erickson	Susan Petrocco
Robert S. Grant	Dave Rose
Elizabeth Martin	James Vigesaa
Brian A. McCormick	Tamra Waltemath
Ursula J. Morgan	

BE IT FURTHER RESOLVED, that the President and the Secretary-Treasurer of United Power, Inc. are authorized and directed to take all steps necessary to effectuate said vote, including the execution of any necessary documents on behalf of United Power, Inc.

POLICY REVIEW

The Board reviewed the plan and schedule for updating United Power's Corporate Policies. Currently, the Corporate Policies are scheduled for review on a biennial basis. Policy C-10 – Approval and Execution of Contracts, Agreements, and Other Instruments was last reviewed by the Board of Directors on May 20, 2015. A draft of Policy C-10 was included in the Board packet for the Board for the biennial review. Following discussion, **Director Buczek made a motion**, which was seconded and carried, to approve Policy C-10 as presented.

The Board recessed for break at 10:18 a.m. and reconvened at 10:30 a.m.

CEO REPORT

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

- Engineering and Rates
- External Affairs – Key Accounts; 2017 Annual Meeting
- Financial and Safety – Review of the 2016 – 990 Form
- Human Resources - Strategic Plan Document
- Information Services – TOU Rate Pilot Project
- Operations
- Member Services

The Board recessed for lunch at 11:42 a.m. and reconvened at 12:45 p.m.

EXECUTIVE SESSION

Director Martin 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 12:49 p.m. with the Board, CEO Schriver and Executive Administrator Michele Sack present.

Michele Sack left Executive session at 1:26 p.m.

Director Rose left Executive Session and 2:02 p.m. and returned at 2:03 p.m.

The Executive Session recessed for a break at 2:30 p.m. and reconvened at 2:45 p.m. with the entire Board and CEO Schriver present.

CEO Schriver left Executive Session at 2:49 p.m.

The Executive Session ended at 3:10 p.m. and reconvened into regular session with the entire Board, CEO Schriver and Executive Administrator Michele Sack present.

ASSOCIATED ORGANIZATIONS

President Vigesaa discussed the upcoming National Rural Cooperative Finance Forum which will be held June 12-14, 2017 in San Antonio, Texas.

TRI-STATE REPORT

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

WUE REPORT

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

BOARD DISCUSSIONS

- Annual Meeting 2017 Review
- Strategic Planning 2017 Review

ROUND-UP FOUNDATION

The Round-Up Foundation April 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 Friday, June 30, 2017 at 9:00 a.m. at Brighton Headquarters, 500 Cooperative Way, Brighton, CO 80601

ADJOURNMENT

President James Vigesaa declared the meeting adjourned at 4:00 p.m.



Michele Sack, Recording Secretary