

**MINUTES OF THE 77th ANNUAL MEETING OF MEMBERS
OF UNITED POWER, INC.
WEDNESDAY, APRIL 13, 2016**

GENERAL

The 77th Annual Meeting of Members of United Power, Inc. was held Wednesday, April 13, 2016 in the Waymire Dome at the Adams County Fairgrounds. Registration began at 4:30 p.m. and the meeting began at 6:30 p.m.

INVOCATION/NATIONAL ANTHEM

External Affairs Director Troy Whitmore introduced Irene Pfannenstiel, retired United Power employee who gave the invocation, and then Troy introduced Lauren Rocha to sing the National Anthem.

PRESENTATION OF THE COLORS AND THE PLEDGE OF ALLEGIANCE

The Brighton Fire Department Honor Guard did a Presentation of the Colors and the Pledge of Allegiance was recited.

OPENING REMARKS AND ANNOUNCEMENTS

Mr. Whitmore welcomed everyone to the meeting and stated that the theme of the meeting was "Making Life Better the Cooperative Way". He briefly reviewed the agenda for the meeting and pointed out that registration had closed at 6:30 p.m. He announced that question and comment cards were available at the back of dome and at the VIP table in the Exhibit Hall, and should be submitted to United Power if members have any specific comments or questions. He also noted that there will be an open member forum following the meeting.

INTRODUCTION OF PRESIDENT

Board President Brian McCormick was next introduced by Mr. Whitmore.

PRESIDENT'S WELCOME

Board President McCormick shared that United Power relies on the members to provide an active voice regarding our operations and that their attendance tonight is appreciated.

INTRODUCTION OF DIRECTORS & MANAGEMENT

President McCormick introduced the following Board Members who were present at the meeting: Vice President James Vigesaa, Secretary-Treasurer Beth Martin, Assistant Secretary-Treasurer Bob Grant, and Directors Ginny Buczek, Tim Erickson, Ursula Morgan, Richard Newman, Susan Petrocco, Doug Pryce, and Dave Rose. President McCormick then introduced Chief Executive Officer Ron Asche, Legal Counsel Mark Williams, Parliamentarian Gayla Stone, and Executive Administrator Michele Sack. President McCormick also introduced the rest of the Senior Management Team Members.

INTRODUCTION OF SPECIAL GUESTS

President McCormick introduced Vice President James Vigesaa who recognized special guests in attendance at the meeting, including legislators, representatives from other cooperatives and associated organizations including Tri-State G & T and the Colorado Rural Electric Association, city and county officials, past directors, and Round-Up Foundation Board Members.

SPECIAL MEMORIAL PRESENTATIONS

President McCormick introduced Assistant Secretary-Treasurer Bob Grant for a special memorial presentation for Bill Berens. Bill held a seat on the United Power Board of Directors from 2009 until his passing on September 7, 2015.

President McCormick introduced Director Doug Pryce for a special memorial presentation for Jim Boyd. Jim held a seat on the United Power Board of Directors from 1983-2004. Jim Boyd passed on October of 2015.

CALL TO ORDER

The 77th United Power Annual Business Meeting was called to order at 7:07 p.m. President Brian McCormick announced that the current edition of *Robert's Rules of Order Newly Revised* shall govern the meeting unless it is inconsistent with United Power's bylaws, Articles of Incorporation, or federal or state laws.

CALL OF THE ROLL

President McCormick introduced the Election/Credentials Committee members who are responsible for determination of a proper quorum and supervision of the election. Al Shivley, Election and Credentials Committee Chair, reported that 419 members had officially registered their meeting attendance. He then moved that the call of the roll be waived and that the roll of members as registered be the official roll of the voting members of this meeting. The motion carried.

QUORUM FOR TRANSACTION OF BUSINESS

President McCormick declared a quorum present, in accordance with United Power bylaws (Section 3.06) which provide that the lesser of five percent (5%) or 50 members be present in person for the transaction of business.

APPROVAL OF AGENDA

There being no objection, the agenda was accepted as presented.

NOTICE REQUIREMENTS

President McCormick announced that a notice of the annual meeting appeared in the March issue of United Newswire which was mailed to all members of record. He also noted that notices were published in the Brighton Standard Blade, Ft. Lupton Press, Carbon Valley Farmer & Miner, Commerce City Sentinel Express and the Longmont Daily Times Call on March 30, 2016. Since there were no objections, the reading of the notice was waived.

MINUTES OF LAST MEETING

President McCormick noted that the minutes of the 76th Annual Meeting of Members held Wednesday, April 15, 2015 were accepted by the Board and a copy of the minutes are included with your Annual Report. He stated that, if there is no objection, the same procedure will be followed this year. There was no objection.

ELECTION PROCEEDINGS

President McCormick announced that Article 4, Section 6 of United Power's bylaws provide that nominations may be made by petition signed by 15 or more members. This year four petitions were received resulting in nomination of the following director candidates.

East District	Elizabeth "Beth" Martin
South District	Robert "Bob" Grant
West District	Ursula J. Morgan Fred E. Depenbrock

YOUTH REPORT

Troy Whitmore discussed how United Power strives to invest in our leaders of tomorrow by sponsoring attendance to the national Youth Tour, the statewide Youth Camp and through funding of several scholarships. This year United Power was pleased to have one of our Youth Tour attendees, Sarah Conklin, in attendance. Sarah was selected as the State of Colorado representative for the NRECA Youth Leadership Council in which she had the opportunity to attend NRECA's Annual Meeting earlier this year in New Orleans. Sarah then eloquently shared her experience with the members and guests.

PRESIDENT'S REPORT

President McCormick reported on the changes and challenges United Power has addressed over the past 10 years and what we see into the next 10 years. He shared the significant growth of over 15,000 new meters or a 26% increase over the past 10 years, and the required construction, operation and maintenance of significant new infrastructure to support this growth. He also shared the "big picture plan" of United Power, which despite the tremendous growth that has occurred, is simply continuing to keep you, our members, at the center of all we do. We will also continue to communicate and engage our members, our community and our government at all levels to help craft policies, laws and regulation which are reasonable, achievable and affordable. He reminded the members that the Board is always here to listen to suggestions and answer any concerns.

SECRETARY-TREASURER'S REPORT

Secretary-Treasurer Elizabeth Martin reported that operating revenues in 2015 were \$208.6 million dollars, an increase of more than \$28 million from 2014. Most of this increase was from higher kWh sales.

Operating expenses totaled \$197.2 million in 2015, an increase of \$26.5 million, mostly due to higher purchased power costs, which represent over 75% of our operating costs.

Net margins in 2015 were \$19.7 million dollars, reflecting strong operating results. The margins included \$8.3 million of capital credit allocations from Tri-State Generation and Transmission Association and other cooperatives. In 2015, United Power retired over \$5.2 million of capital credits to our members.

At year-end, assets totaled more than \$383 million dollars. Outstanding debt at year-end totaled \$189 million and patronage capital and other equities totaled over \$165 million.

UNITED POWER AND THE COMMUNITY

External Affairs Director Troy Whitmore shared a short video sharing how technology is helping United Power provide members better tools to manage energy use, providing enhanced tools to monitor our power system, and helping United Power is more efficient in many of our day-to-day tasks.

CEO REPORT

Chief Executive Officer Ron Asche reported on a number of projects and initiatives that helps United Power safely provide reliable, affordable power and excellent service to our members. A part of the Advanced Metering Infrastructure (AMI), which will be introduced this year, is a web-based portal that will allow individual members to view their electric consumption throughout the month. Another new technology being implemented at United Power is Distribution Automation. This allows communication on a real time basis between our equipment in the field and our central office system operations and engineering groups that monitor our electric system. This technology can be used to quickly find the source of outages and other potential problems. He also discussed rates and how important it is to keep rates stable for our members. We have made stable, affordable rates a priority, and most of our members have seen no increase in their rates for the past two years and this will continue into 2016.

In closing, Mr. Asche commented this is an exciting time to be in the electric power industry. While there is a lot of change in our industry, there is one thing that has remained unchanged in the 77 years that United Power has been in existence, it is our goal to make life better, the cooperative way, for our members.

President McCormick then invited Ron and his wife Ruth to join him at the podium. Ron is retiring on May 31st and the Board of Directors thanked him for his 5 years of service at United Power.

NEW CEO

With the retirement of CEO Ron Asche, recruitment of a new CEO, with the help of the firm of Mycoff, Fry and Prouse, was completed by the Board of Directors. President McCormick was pleased to announce Mr. Darryl W. Schriver as United Power's next Chief Executive Officer. Prior to accepting the offer to become the next CEO of United Power, Darryl served as President/CEO at Taylor Electric Cooperative in Abilene, Texas. Darryl will begin work at United Power the week of May 9th.

ACCEPTANCE OF REPORTS

President McCormick announced that the minutes will reflect the acceptance of the following reports: President, Secretary-Treasurer, CEO and Youth Reports.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

MEMBER FORUM

During the registration process, members were given the opportunity to leave questions for the CEO and Board President to be addressed during the Member Forum portion of the meeting. Collected questions of general interest were asked by the Board of Directors on behalf of the members.

ELECTION RESULTS

Election-Credentials Committee Chair, Al Shivley, announced the following election results:

East District	Elizabeth "Beth" Martin	5,339
South District	Robert "Bob" Grant	5,291
West District	Ursula J. Morgan	3,411
	Fred E. Depenbrock	2,191

Elizabeth "Beth" Martin, Robert "Bob" Grant and Ursula J. Morgan were declared the winners in their respective districts.

COMMENTS AND QUESTIONS

President McCormick announced an opportunity to provide comments and ask additional questions is planned after the adjournment of this meeting. He invited those members who would like to share a concern or question to remain after the door prize selections.

ADJOURNMENT

The meeting was declared adjourned at 8:23 p.m.

DOOR PRIZE GIVEAWAYS

A drawing was held for door prizes donated by suppliers and business friends of United Power.



Brian A. McCormick, President



Michele Sack, Recording Secretary