

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
WEDNESDAY, OCTOBER 25, 2017**

GENERAL

President James Vigesaa called the regular meeting of the United Power Board of Directors to order at 9:00 a.m. on October 25, 2017. The meeting was held at United Power Headquarters in Brighton, Colorado. Present were Directors Ginny Buczek, Tim Erickson, Elizabeth Martin, Brian McCormick, Ursula Morgan, Rick Newman, Susan Petrocco, Dave Rose, James Vigesaa and Tamra Waltemath. Chief Executive Officer John D. Parker and Executive Administrator Michele Sack were also present.

Others present for the meeting were staff members Heather Bissell, Bryant Robbins, Dean Hubbuck, Ellen Judish, Jerry Marizza, Ken McFadden, Robert Maxwell, Delaine Orendorff, Curtis Subia 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 McCormick, which was seconded and carried, to approve the agenda as amended.

NEW EMPLOYEES

The following new employees were introduced:

- Robert Maxwell – Director of Engineering
- Heather Bissell – Director of Member Services
- Alie Beauchamp – Director of Information Services
- William Cheloha – Systems Operations Technician

PUBLIC COMMENT

Maxine Mager, Owner of Creative Acres, was present for public comment and left the Board meeting following her discussion with the Board.

APPOINTMENT OF DIRECTOR ALQUIST

Director Buczek made a motion, which was seconded and carried, to approve the Resolution Authorizing the Appointment of Keith E. Alquist II for the South District Director Seat for the United Power Board of Directors effective October 26, 2017.

RESOLUTION AUTHORIZING THE APPOINTMENT OF KEITH E. ALQUIST II FOR THE SOUTH DISTRICT DIRECTOR SEAT FOR THE UNITED POWER BOARD OF DIRECTORS

WHEREAS, Robert Grant, Director in the South District, resigned from the United Power Board of Directors on July 31, 2017; and

WHEREAS, per the By Laws dated April 17, 2013, Article 4.07 Vacancies “Except as hereafter provided, any vacancy occurring on the Board may be filled by a majority vote of the remaining Directors voting at a regularly called Board meeting at which a quorum is present”; and

WHEREAS, the notice of vacancy was posted to the United Power website on August 4, 2017 and August 25, 2017; tweeted on August 4, 2017, and August 26, 2017; on the cover of the September United Newline to all members; and appeared in the Brighton Area Daily Post, and that applications from Members residing in South District, which were interested in the Director Seat, were requested; and

WHEREAS, seven Members in the South District, have indicated they would like to be considered for the South Director Seat; and

WHEREAS, Keith E. Alquist II, Rex R. Bell, Bradley J. Case, Robert C. Gaiser, Richard E. Gonzales, Linda K. Newman and Janice E. Pawlowski are interested in serving as a Director for the United Power Board of Directors in the South District.

WHEREAS, the United Power Board Directors has 1 open Director Seat in the South District.

NOW, THEREFORE, BE IT RESOLVED, that United Power, Inc. has selected the following Director to serve the remainder of the open term, October 26, 2017 through April 17, 2019, on the United Power Board of Directors:

District S: Keith E. Alquist II

BE IT FURTHER RESOLVED, that United Power’s presiding officer is hereby authorized and directed to take all steps necessary to effectuate said vote on behalf of United Power, Inc.

ACTION ITEMS/SPECIAL REPORTS

The September 27, 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 September 27, 2017, Regular Board meeting minutes as amended.

WEST BUILDING UPDATE

Todd Gilmore, Tim Masa and Craig Wall, from Cooperative Building Solutions (CBS), were introduced. CBS has been retained by United Power to complete the build-out of the new west building location. They provided a high level overview of the proposed renovations, and staff will provide a detailed review of the renovations during the December Board meeting.

The Board recessed for a break at 10:33 a.m. and reconvened at 10:50 a.m. to complete the discussion of the west building update. Curtis Subia left the Board meeting at 11:13 a.m. following the CBS presentation.

RESOLUTION TO APPROVE HEADQUARTERS ENTRY LAND PURCHASE

Following review and discussion, **a motion was made by Director Morgan**, to approve the Resolution Authorizing Officer of United Power to Buy Real Estate located at 500 Cooperative Way, Brighton, Colorado. **Director Erickson voted against this Resolution.**

RESOLUTION AUTHORIZING OFFICER OF UNITED POWER TO BUY REAL ESTATE LOCATED AT 500 COOPERATIVE WAY, BRIGHTON, 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 0.582 acres, located at 500 Cooperative Way, Brighton, Colorado, described as Lot 1, Block 3, Bromley Park Filing No. 101, Second Amendment Subdivision Plat for a purchase price of \$51,000.00 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 John D. Parker, acting alone, is hereby authorized and directed to execute on behalf of the cooperative a Contract to Buy Real Estate to acquire the property and to take any action reasonably related thereto to perform such contract including engaging third party inspectors to investigate the condition of the property.

2nd REVIEW: O & M BUDGETS/1st REVIEW CAPITAL BUDGETS

Interim CFO Ellen Judish provided details on the proposed 2018 Operating and Capital Budgets which were included in the Board packet. Discussion was held regarding the 2018 Budget Key Assumptions, the Income and Revenue statements, as well as the expense budgets for the individual departments within United Power.

2018 ANNUAL MEETING UPDATE

Public Affairs Officer, Troy Whitmore provided an update on the 2018 Annual Meeting. The next Annual Meeting will be held April 18, 2018, at the Adams County Fairgrounds.

ADOPT RULES & REGULATIONS OF ANNUAL MEETING VOTING & OTHER PROCEDURES

Public Affairs Officer Troy Whitmore discussed the Rules and Regulations of Voting for the 2018 Annual Meeting which was included in the Board packet. After further discussion and questions from the Board, **Director Morgan made a motion**, which was seconded and carried, to adopt the Resolution Concerning Rules, Regulations and other Procedures of Voting for the 2018 Annual Business Meeting.

RESOLUTION CONCERNING RULES, REGULATIONS AND OTHER PROCEDURES OF VOTING FOR THE 2018 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 2018 Annual Meeting of Members to be held April 18, 2018 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 2018 Annual Meeting of Members:

1. Introduction - These rules, regulations and procedures, to be followed in the 2018 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 2018 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 4, 2018. Any person who becomes a member between 12:02 a.m. March 4, 2018 and 12:00 p.m. (noon) April 13, 2018, and whose membership is valid as of 4:29 p.m. April 18, 2018, may vote in person at the Annual Meeting of Members. No person who becomes a member after 12:00 p.m. (noon) April 13, 2018 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 4, 2018. 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 16, 2018. 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, 2018, 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 4, 2018 and 12:00 p.m. (noon) April 13, 2018, and whose membership is valid as of 4:29 p.m. April 18, 2018 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, 2018, 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, 2018 and April 18, 2018 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, 2018 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 16, 2018 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, 2018, 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, 2018. 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, 2018 and until May 18, 2018, 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.

The Board recessed for lunch at 12:00 p.m. and reconvened at 1:06 p.m. Former Brighton City Manager, Manuel Esquibel, was honored during lunch for his years of service to the City of Brighton.

REVIEW 2018 COST OF SERVICE STUDY/PROPOSED 2018 RATE CHANGES

CEO Parker introduced Joe Mancinelli, Principal Rate Consultant, and Max Bernt, Senior Consultant, from NewGen Strategies & Solutions who have been working with United Power on the Cost of Service Study and proposed retail electric service rate changes for 2018. Following review and discussion, a Special Board meeting has been scheduled for November 3, 2017 to finalize and approve the rates for 2018.

The Board and staff recessed for a break at 2:42 p.m. and reconvened at 2:56 p.m.

CEO REPORT

CEO John Parker reviewed his October 2017 CEO/CFO written report which was included in the Board packet. The following topics were discussed and updated by CEO Parker and CEO Staff:

- Chief Operations Officer
- Public Affairs Officer
- Engineering
- Power Supply & Rates
- New Business
- Risk and Safety
- Human Resources
- Member Services

BOARD DISCUSSIONS

- Employee Training
- Board Strategy Workshop

Bryant Robbins, Dean Hubuck, Ellen Judish, Jerry Marizza, Ken McFadden, Robert Maxwell, Delaine Orendorff and Troy Whitmore left the meeting following Board Discussions.

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 3:37 p.m. with the Board, CEO Parker, Executive Administrator Michele Sack and Director of Member Services Heather Bissell present.

Heather Bissell left Executive Session at 4:07 p.m.

The Executive Session ended at 4:26 p.m. and the Board reconvened into regular session.

ASSOCIATED ORGANIZATIONS

The Basin Electric Annual Meeting is scheduled for November 8-9, 2017, and it will be in held in Bismarck, North Dakota.

TRI-STATE REPORT

Director Newman reviewed his written Tri-State Board Report for October 2017 and also discussed the Tri-State Rate Committee. Director Buczek discussed the Tri-State Contract Committee.

CREA REPORT

There was no CREA Board meeting held since the last Board meeting.

WUE REPORT

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

ROUND-UP FOUNDATION

The Round-Up Foundation September 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, November 29, 2017 at 9:00 a.m. at Brighton Headquarters, 500 Cooperative Way, Brighton, CO 80601.

ADJOURNMENT

President James Vigesaa declared the meeting adjourned at 5:15 p.m.



Michele Sack, Recording Secretary