

**MINUTES OF THE SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
FRIDAY, APRIL 13, 2018**

GENERAL

President James Vigesaa called the Special Board meeting of the United Power Board of Directors to order at 10:00 a.m. on April 13, 2018. The meeting was held at United Power Headquarters in Brighton, Colorado. Present were Directors Keith Alquist, Ginny Buczek, Tim Erickson, Elizabeth Martin, Ursula Morgan, Brian McCormick, Susan Petrocco, Dave Rose and James Vigesaa. Director Rick Newman and Director Tamra Waltemath joined by tele-conference. Chief Executive Officer John D. Parker and Executive Administrator Michele Sack were also present.

Others present for the meeting were staff members Dean Hubbuck, Jerry Marizza, Laurie Rydwell and Troy Whitmore along with United Power legal counsel Mark Williams and William Reed from Sherman and Howard.

INVOCATION/PLEDGE

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

AGENDA APPROVED

Director Buczek asked the agenda be amended to include a discussion on the request from the audit committee for an internal controls audit. **A motion was made by Director McCormick**, which was seconded and carried, to approve the agenda as amended.

EXECUTIVE SESSION

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

The Board went into Executive session at 10:02 a.m. with the Board, CEO Parker, Michele Sack, Dean Hubbuck, Jerry Marizza, Bryant Robbins, Laurie Rydwell and Troy Whitmore present. Legal Counsel Mark Williams and William Reed were also present for Executive Session.

Director Petrocco left the meeting at 10:49 a.m. and joined by tele-conference.

Director Newman left the meeting at 11:00 a.m.

Director Waltemath left the meeting 11:30 a.m.

The Executive Session ended at 11:38 a.m. and the Board reconvened into regular session.

Following discussion in Executive Session, **Director Martin made a motion**, which was seconded and carried, to approve the following Resolution. **Director Erickson and Director Morgan voted against this Resolution.**

AUTHORIZATION TO SETTLE LAWSUIT WITH TOWN OF FREDERICK AND TO PURCHASE FREDERICK POWER AND LIGHT ELECTRICAL SYSTEM

WHEREAS, a dispute arose between United Power, Inc. (“UP”) and the Town of Frederick, Colorado (“Frederick”) regarding the just compensation for inverse condemnation of certain service rights which resulted in the commencement of case No. 17CV107 in Adams County District Court, Colorado (“Action”);

WHEREAS, the Board of Directors has discussed the settlement of this case in Executive Session and approves the Confidential Settlement Memorandum of Understanding (“MOU”) between UP and Frederick. The Board of Directors has discussed the general terms and conditions outlined in the MOU.

RESOLVED, that, as referred to in §40-9.5-206, C.R.S., a municipality and a cooperative electric association may buy, sell, or exchange electric distribution facilities, services rights, and other rights, property and assets by mutual agreement;

RESOLVED, that the Board of Directors authorize and direct each of the Chief Executive Officer and the Chief Financial Officer to negotiate and enter into an asset purchase agreement, along with other necessary agreements and documents, and to negotiate and execute and deliver any documents and any other items necessary or convenient to consummate and complete the matters discussed in the MOU.

RESOLVED, that the Board of Directors ratifies and confirms all such actions.

Legal Counsel Mark Williams and William Reed left the meeting at 12:04 p.m.

CFO Laurie Rydwell discussed the status of the internal controls audit and the newly created anti-fraud policy. Following discussion, it was decided these would be sent to the Audit Committee for review.

ADJOURNMENT

President James Vigasaa declared the meeting adjourned at 12:20 p.m.



Michele Sack, Recording Secretary