

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
WEDNESDAY, JULY 25, 2018**

GENERAL

President James Vigesaa called the regular meeting of the United Power Board of Directors to order at 9:00 a.m. on July 25, 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, Rick Newman, Susan Petrocco, Dave Rose, James Vigesaa and Tamra Waltemath. Director Brian McCormick joined by tele-conference. Chief Executive Officer John D. Parker, Chief Financial Officer Laurie Rydwell, Chief Operating Officer Bryant Robbins, Public Affairs Officer Troy Whitmore and Executive Administrator Michele Sack were also present.

Others present for the meeting were staff members Erin Hane, Jerry Marizza, Robert Maxwell and Ken McFadden.

INVOCATION/PLEDGE

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

SAFETY MINUTE

Risk and Compliance Director, Ken McFadden, provided an update on safety activities throughout United Power and the Safety Perception Survey sent to all employees. He also shared that as of July 25, 2018, United Power has had 457 days without a time loss injury.

CONSENT AGENDA

The following items were listed on the consent agenda:

- Approval of July 25, 2018 Agenda
- Approval of June 27, 2018 Regular Meeting Minutes
- Policy Review C-03 Debt Service Reserve

Director Morgan made a motion, which was seconded and carried, to approve the consent agenda as presented.

2019 BUDGET: FINANCIAL GOALS/KEY DRIVERS/KEY ASSUMPTIONS

Included in the Board packet was the 2019 Budget Key Drivers presentation. CFO Rydwell gave a high level overview of various factors and assumptions that will be key drivers in the development of the 2019 operating and capital budgets. She addressed Board questions.

REMOVAL OF DIRECTORS BYLAW REVISION

The Bylaws of United Power were last revised April 17, 2013. Proposed changes to the Bylaws, section 4.12.01 – Removal of Directors by Board, and 4.12.02 - Removal of Directors by Members, were included in the Board packet for review. CEO Parker also requested two title changes on the Board – President to Chairman and Vice President to Vice Chairman. These title changes were also modified in the Bylaws. Following review, **a motion was made by Director Morgan**, which was seconded and carried, approving the bylaw language revisions and authorizes staff to notice the members pursuant to section 10.02 and following section 11.08. Provided in the notice will be the petition process for members opposing the changes. The Bylaws will have a final approval, by resolution, at a future meeting. **Director Erickson and Director Rose voted against the motion.**

POLICY C-14 DISCLOSURE OF CAMPAIGN CONTRIBUTIONS

The disclosure of campaign contributions for Directors has been a recent topic among cooperatives. Directors seated on a cooperative board are not subject to state campaign laws however for full disclosure, select co-ops are considering a change in the reporting of contributions. Policy C-14 addressing this was included in the Board packet. After further review, staff will look at incorporating this into Policy C-02 – Procedures for Director Election. This topic will be on a future board agenda.

POLICY C-13 INFORMATION SYSTEMS, CYBERSECURITY AND USE OF TECHNOLOGY

Policy C-13 was included in the Board packet for review with proposed changes from staff.

Following review and discussion, **Director Morgan made a motion**, which was seconded and carried, to adopt policy C-13 as presented. This policy will be reviewed again in three years.

The Board recessed for a break at 10:15 a.m. and reconvened at 10:25 a.m.

CEO REPORT

CEO John Parker reviewed his July 2018 CEO written report which was included in the Board packet.

The following topics were discussed and updated by CEO Staff:

- Chief Financial Officer
 - 2017 Write Offs
- Chief Operating Officer
- Public Affairs Officer
- Power Supply & Rates
- New Business
- Risk and Safety
- Human Resources

Following staff reports, **Director Buczek made a motion**, which was seconded and carried, to approve the uncollectible balances in the amount of \$399,844 as presented by CFO Rydwell in the 2017 write off report.

BOARD DISCUSSIONS

- Agenda Modifications
- Board Purview of Company E Level Policies
- Director/Vendor Discussions
- TS Contract Update

EXECUTIVE SESSION

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

The Board went into Executive session at 11:26 a.m. with the entire Board (Director McCormick via teleconference), John Parker, Laurie Rydwell and Michele Sack present.

The Executive Session ended at 12:00 p.m. with the Board breaking for lunch and reconvened at 1:00 p.m.

EXECUTIVE SESSION (cont.)

Director Martin 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 1:00 p.m. with the entire Board (Director McCormick via teleconference), John Parker, Bryant Robbins, Laurie Rydwell, Troy Whitmore, Robert Maxwell, Jerry Marizza and Michele Sack present.

Director Newman left Executive Session at 1:50 p.m. and returned at 2:10 p.m.

CEO Parker and Michele Sack left Executive Session at 2:10 p.m.

The Board recessed for a break at 3:08 p.m. and reconvened, back to Executive Session, at 3:25 p.m.

CEO Parker returned to Executive Session at 4:00 p.m.

The Executive Session ended at 4:05 p.m. and reconvened into regular session.

Following Executive Session, **Director Buczek made a motion**, which was seconded and carried, approving the CEO compensation package as of July 25, 2018.

ASSOCIATED ORGANIZATIONS

In April of each year, the Board designates Directors to represent United Power on various associated organizations. The Touchstone Energy Association did not have a representative from United Power, therefore, Director Buczek agreed to be the representative and Director Morgan agreed to be the alternate. An amended resolution naming representatives to these associated organizations will be on the August board meeting agenda.

TRI-STATE REPORT

Director Newman reviewed his written Tri-State Board report for July 2018 and addressed Board questions.

CREA REPORT

Director Buczek reviewed the CREA Board report for June 2018 and addressed Board questions.

WUE REPORT

Director McCormick reviewed the WUE Board report for June 2018 addressed Board questions.

MEETING SCHEDULE

The next Regular Board Meeting is scheduled for Wednesday, August 22, 2018 at 9:00 a.m. at Brighton Headquarters, 500 Cooperative Way, Brighton, CO 80601.

ADJOURNMENT

President James Vigesaa declared the meeting adjourned at 4:20 p.m.



Michele Sack, Recording Secretary