

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
WEDNESDAY, AUGUST 22, 2018**

GENERAL

President James Vigesaa called the regular meeting of the United Power Board of Directors to order at 9:00 a.m. on August 22, 2018. The meeting was held at United Power Headquarters in Brighton, Colorado. Present were Directors Keith Alquist, Tim Erickson, Elizabeth Martin, Brian McCormick, Ursula Morgan, Rick Newman, Susan Petrocco, Dave Rose, James Vigesaa and Tamra Waltemath. Director Ginny Buczek joined by tele-conference. Chief Executive Officer John D. Parker, Chief Financial Officer Laurie Rydwell, Public Affairs Officer Troy Whitmore and Executive Administrator Michele Sack were also present.

Others present for the meeting were staff members Erin Hane, Sarah Herman, Dean Hubbuck, Jerry Marizza, Robert Maxwell, Ken McFadden and Brent Sydow.

INVOCATION/PLEDGE

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

PUBLIC COMMENT

Member Mike Albi addressed the Board with his concerns on the new demand rate which will be reviewed again during the November Regulatory Board meeting.

NEW EMPLOYEES

The following new employees were introduced:

- Angelo Casias – Storekeeper
- Dan Swansinger – Utility Worker

SAFETY MINUTE

Risk and Compliance Director, Ken McFadden, provided an update on safety activities throughout United Power. He also discussed the new employee badges which were distributed to the Board of Directors.

CONSENT AGENDA

The following items were listed on the consent agenda:

- Approval of Agenda
- Approve July 25, 2018 Regular Meeting Minutes
- Policy Review C-17 – General Fund Control
- Resolution - Associated Organizations Resolution
- Resolution – 457b Plan

Following review of the consent agenda, Director McCormick requested the approval of the agenda be pulled from the consent agenda, and Director Petrocco requested Policy C-17 be pulled from the consent agenda. **Director Morgan made a motion**, which was seconded and carried, to approve the consent agenda as modified.

2019 BUDGET: SALES FORECAST

CFO Rydwell provided details on the 2019 Budget Sales Forecast which was included in the Board packet. Discussion was held on how the changes in the energy requirements of oil and gas loads are affecting our sales forecast for the future. CFO Rydwell and staff addressed Board questions.

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

KRTA OVERVIEW

CFO Rydwell discussed the KRTA (Key Ratio Trend Analysis) for the last five years ending December 31, 2017 which was included in the Board packet for review. Since 1975 CFC (Cooperative Finance Corporation) has provided rural electric distribution systems with a copy of its annual analysis. This report shows a range of key system operating, expense, growth and other performance indicators. She addressed Board questions.

POLICY C-17 - GENERAL FUND CONTROL

Policy C-17 was included in the Board packet for review. Following review and discussion, **Director McCormick made a motion**, which was seconded and carried, to approve Policy C-17 as presented. This policy will be reviewed again in three years.

CEO REPORT

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

The following topics were discussed and updated by CEO Staff:

- Chief Financial Officer
 - Quarterly Financial Review
- Chief Operating Officer
- Public Affairs Officer
- Power Supply & Rates
- New Business
- Risk and Safety
- Human Resources

The Board recessed for lunch at 12:10 p.m. and reconvened at 1:00 p.m.

BOARD DISCUSSIONS

- Regulatory Board Meetings
- Tri-State Survey Results
- Let's Go Colorado Grant

The Board recessed for a break at 2:33 p.m. and reconvened at 2:45 p.m.

EXECUTIVE SESSION

Director Alquist 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 2:45 p.m. with the entire Board (Director Buczek via teleconference), John Parker, Laurie Rydwell, Troy Whitmore, Robert Maxwell, Dean Hubbuck, Jerry Marizza and Michele Sack present.

Director Newman left Executive Session at 2:57 p.m.

CFO Rydwell left Executive Session at 4:20 p.m.

The Executive Session ended at 4:40 p.m. and reconvened into regular session with Director Newman returning to the meeting.

TRI-STATE REPORT

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

CREA REPORT

Director Buczek reviewed upcoming CREA events and addressed Board questions.

WUE REPORT

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

MEETING SCHEDULE

The next Regular Board Meeting is scheduled for Friday, September 21, 2018 at 9:00 a.m. at Brighton Headquarters, 500 Cooperative Way, Brighton, CO 80601.

ADJOURNMENT

President James Vigesaa declared the meeting adjourned at 5:00 p.m.



Michele Sack, Recording Secretary