

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
FRIDAY, JANUARY 20, 2017**

GENERAL

President Brian McCormick called the regular meeting of the United Power Board of Directors to order at 9:00 a.m. on January 20, 2017. The meeting was held at United Power Headquarters in Brighton, Colorado. Present were Directors Ginny Buczek, Tim Erickson, Robert Grant, Beth Martin, Brian McCormick, Ursula Morgan, Rick Newman, Susan Petrocco, Douglas Pryce, Dave Rose and James Vigesaa. Chief Executive Officer Darryl Schriver and Executive Administrator Michele Sack were also present.

Others present for the meeting were staff members Bryant Robbins, Dean Hubuck, Delaine Orendorff, John Parker, Mitzi Rea, Antelia Salazar-Ball, and Troy Whitmore.

INVOCATION/PLEDGE

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

AGENDA APPROVED

A motion was made by Director Buczek, which was seconded and carried, to approve the agenda as presented.

INTRODUCTION OF GUEST

Paul Echternacht, a United Power member who resides in the East District, was introduced and joined the meeting at 9:18 a.m. Following discussion with Mr. Echternacht regarding United Power Tariffs, he left the meeting at 9:28 a.m.

ACTION ITEMS/SPECIAL REPORTS

The December 16, 2016 Regular Board meeting minutes were included in the Board packet for review. **A motion was made by Director Buczek**, which was seconded and carried, to approve the December 16, 2016 Regular Board Meeting Minutes, as presented.

ELECT TRI-STATE BOARD MEMBER

Annually an election is held to nominate a Board Member to represent United Power on the Tri-State Board of Directors. Following nominations and voting by secret ballot, **Director Buczek made a motion**, which was seconded and carried, to adopt by acclamation the following Resolution Electing Richard Newman to the Tri-State Board.

RESOLUTION ELECTING MEMBER TO THE TRI-STATE BOARD

WHEREAS, the bylaws of Tri-State Generation and Transmission Association, Inc., provide that, “Each Class A member shall elect one of its Directors or its Manager to serve on the Board of Directors of the (Tri-State) Association from that Class A member.”

NOW, THEREFORE, BE IT RESOLVED that United Power, Inc., hereby elects Richard Newman for the Board of Directors of Tri-State Generation and Transmission Association, Inc., effective as of Tri-State’s 2017 Annual Meeting, to serve until such time as a successor shall have been elected and certified in writing to Tri-State, or until his/her term is otherwise concluded in accordance with Tri-State’s bylaws.

CAST BALLOTS IN ROUND-UP DIRECTOR ELECTION

The Annual Meeting of the Round-Up Foundation will be held Friday, January 20, 2017 at 4:00 p.m. at United Power Headquarters. Per the Round-Up Bylaws, Directors are elected at the annual meeting to represent each United Power member district. Round-Up Directors from the East, West, Mountain and South Districts were up for election for three year terms. Additionally, three alternate directors at-large are elected for a one year term. After discussion, **Director Martin made a motion**, which was seconded and carried, to adopt the following Resolution Authorizing Vote in Election of Directors for the Round-Up Foundation’s Annual Meeting of Members.

**RESOLUTION AUTHORIZING VOTE IN ELECTION OF DIRECTORS
FOR THE ROUNDUP FOUNDATION’S ANNUAL MEETING OF MEMBERS**

WHEREAS, the annual meeting of members of the Roundup Foundation is scheduled January 20, 2017, at 4:00 p.m.; and

WHEREAS, the principal purpose of said annual meeting is to elect directors in Districts E, W, S, and Mountain Districts; and to elect three alternate at-large members to the Board; and

WHEREAS, United Power, Inc. (“United”) is the sole member of the United Power Roundup Foundation; and

WHEREAS, four incumbent Directors have indicated they would like to continue to serve on the Board; and

WHEREAS, Ken Fisher, Mary Zink, and Larry Trudell are interested in serving as Alternate Directors at large.

NOW, THEREFORE, BE IT RESOLVED, that United Power, Inc., cast a unanimous ballot for the following directors to the Roundup Foundation Board for three year terms:

District E:	Barb Rodgers
District W:	Dale McCall
District S:	Irene Pfannenstiel
District M:	Stephen Whiteside

Alternate Members at large:	Mary Zink (one-year term)
	Ken Fisher (one-year term)
	Larry Trudell (one-year term)

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.

The Board recessed for break at 9:38 a.m. and reconvened at 9:51 a.m.

BUILDING PURCHASE

United Power Headquarters, located in Brighton, was built 10 years ago and has served the cooperative well. Due to major growth over the last decade and particularly in our West District, United Power has been looking for an additional location to help ease the overcrowding at Brighton Headquarters. An additional location in the West District would provide a much needed presence there as well as providing better service to all members. CFO John Parker and Financial Analyst Josiah Bussing discussed the business case for a West District location. During discussion, President McCormick turned the gavel over to Vice President Susan Petrocco for the purpose of making comments. President McCormick resumed the chair after his comments.

At 11:30 a.m. the Board recessed for the L.E.A.D presentation by the Movers and Shakers group with lunch following. The Board reconvened at 1:05 p.m.

BUILDING PURCHASE (cont.)

Upon returning from lunch, discussion continued regarding the purchase of an additional location in the West District. Director Martin excused herself from further discussions. After Director Martin's departure, the Board further discussed the realtor which was obtained by CEO Schriver for this real estate matter. It was determined, by unanimous consent, that Director Martin, although she recused herself from this matter, did not have a conflict of interest of any nature with the cooperative real estate matter before the Board.

After review of the resolution and discussion with staff regarding the contract and steps necessary to move forward, **Director Vigesaa made a motion**, which was seconded and carried, to adopt the following Resolution Authorizing Officer of United Power to Buy and Sell Real Estate located at 9586 East I-25 Frontage Road in Longmont, Colorado.

RESOLUTION AUTHORIZING OFFICER OF UNITED POWER TO BUY AND SELL REAL ESTATE LOCATED AT 9586 EAST I-25 FRONTAGE ROAD, LONGMONT, CO

RESOLVED, that the Board of Directors reviewed the Letter of Intent and other information related to the proposed acquisition of the office building, consisting of approximately 130,117 square feet, located at 9586 E. I-25 Frontage Road, Longmont, Colorado, for a purchase price of \$9,200,000 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, acting alone, is hereby authorized and directed to execute on behalf of the cooperative a Contract to Buy and Sell Real Estate to acquire the property on terms consistent with the Letter of Intent and to take any action reasonably related thereto to perform such contract including engaging third party inspectors to investigate the condition of the property:

Darryl W. Schriver, Chief Executive Officer

The Board recessed for break at 2:13 p.m. and reconvened at 2:20 p.m. with Director Martin in attendance.

CEO REPORT

CEO Schriver reviewed his January 11, 2017 written report which was included in the Board packet. The following topics were discussed and updated by CEO Schriver and the Executive Leadership Team:

- Engineering and Rates
- External Affairs
- Financial and Safety
- Human Resources
- Information Services – Security
- Member Services
- Operations

Following the CEO report, staff consisting of Bryant Robbins, Dean Hubuck, Delaine Orendorff, John Parker, Mitzi Rea, Antelia Salazar-Ball, and Troy Whitmore left the meeting at 2:50 p.m.

MORGAN HONORED

Director Morgan was presented a certificate by President McCormick recognizing that she completed the NRECA Gold Leadership Director Program.

ASSOCIATED ORGANIZATIONS

Director Buczek discussed the upcoming Colorado Rural Electric Association Annual Meeting which will be held February 11-14, 2017 in Denver, Colorado. She addressed Board questions.

TRI-STATE REPORT

Director Newman reviewed his written Tri-State Board Report for December 2016 and also discussed the Tri-State Rate Committee. Director Buczek discussed the Tri-State Contract Committee.

CREA REPORT

The next CREA Board of Directors meeting will be held January 26-27, 2017.

WUE REPORT

Director Rose reviewed the Western United Electric report for December 2016 and addressed Board questions.

BOARD DISCUSSIONS

CEO Schriver discussed an alternative compensation plan for the Board of Directors. Each Director shared his or her thoughts on this alternative plan.

The Board recessed at 3:55 p.m. to attend the Operation Round-up Annual Meeting, which was held in the Civic Room of United Power Headquarters. The Board reconvened at 4:30 p.m.

BOARD DISCUSSIONS (cont.)

Following the Round-Up Annual meeting, discussions continued on an alternative compensation plan. Director Morgan recommended a committee be formed which will provide feedback to the full Board. The following Directors will make up the committee:

Directors Morgan, Rose, Pryce, Buczek, Martin and Petrocco.

ROUND-UP FOUNDATION

The Round-Up Foundation December 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 Friday, February 17, 2017 at 9:00 a.m. at Brighton Headquarters, 500 Cooperative Way, Brighton, CO 80601

ADJOURNMENT

President Brian McCormick declared the meeting adjourned at 4:40 p.m.



Michele Sack, Recording Secretary