

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
WEDNESDAY, OCTOBER 24, 2018**

GENERAL

Chairman James Vigesaa called the regular meeting of the United Power Board of Directors to order at 9:00 a.m. on October 24, 2018. The meeting was held at United Power Headquarters in Brighton, Colorado. Present were Directors Keith Alquist, 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, Chief Operating Officer Bryant Robbins, 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 Alie Beauchamp, Erin Hane, Sarah Herman, Dean Hubbuck, Jerry Marizza, Robert Maxwell, and Ken McFadden.

INVOCATION/PLEDGE

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

NEW EMPLOYEES

The following new employees were introduced:

- Matt Bartlett – IT Infrastructure Manager
- Andrea Camacho – Member Services Quality Assurance Coordinator
- Andre Kaiser – Contracts Administrator
- Zachary Huseby – Journey Lineworker

SAFETY MINUTE

- Risk and Compliance Director, Ken McFadden, provided an update on safety activities throughout United Power. He also shared a preventable accidents seminar will be held during the next all employee safety meeting.

CONSENT AGENDA

The following items were listed on the consent agenda:

- Approval of Agenda
- Approve September 21, 2018 Regulatory Meeting Minutes
- Approve September 21, 2018 Regular Meeting Minutes

- Adopt Rules & Regulations of Annual Meeting Voting & Other Procedures
- Adopt Bylaw Revisions
- Authorize Employee Holiday Bonus

Director Newman requested the September 21, 2018 Regular Meeting Minutes be pulled from the consent agenda. **Director McCormick** requested the September 21, 2018 Regulatory Meeting Minutes and the Employee Christmas Bonus Resolution be pulled from the consent agenda. **Director Erickson made a motion**, which was seconded and carried, to approve the consent agenda as modified. **Director Martin abstained.**

RESOLUTION CONCERNING RULES, REGULATIONS AND OTHER PROCEDURES OF VOTING FOR THE 2019 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 2019 Annual Meeting of Members to be held April 17, 2019 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 2019 Annual Meeting of Members:

1. Introduction - These rules, regulations and procedures, to be followed in the 2019 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 2019 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 1, 2019. Any person who becomes a member between 12:02 a.m. March 1, 2019 and 12:00 p.m. (noon) April 12, 2019, and whose membership is valid as of 4:29 p.m. April 17, 2019, may vote in person at the Annual Meeting of Members. No person who becomes a member after 12:00 p.m. (noon) April 12, 2019 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 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 it is not permitted in the Bylaws of the corporation, 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 1, 2019. 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 15, 2019. 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 17, 2019, 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 1, 2019 and 12:00 p.m. (noon) April 12, 2019, and whose membership is valid as of 4:29 p.m. April 17, 2019 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 Mislaced Mail Ballots: Upon receiving notification from a member that his/her mail ballot was not received, was lost, or was mislaced, a replacement ballot may be issued in one of three ways:
1. If United Power is notified prior to April 12, 2019, 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 12, 2019 and April 17, 2019 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.

- i. Uncontested Race: In the event that we have uncontested races in all districts during any election cycle, the printing and mailing of ballots may be suspended upon a resolution of the Board of Directors of the Company. The cooperative shall conduct the election among those in attendance at the annual meeting, under the guidance of the Election Credentials committee and United Power's general counsel. The ballots will be counted on site during the meeting to certify the election.

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 17, 2019 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 15, 2019 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 17, 2019, 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 17, 2019. 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 17, 2019 and until May 17, 2019 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 United Power’s legal counsel.

RESOLUTION AUTHORIZING PROPOSED CHANGES TO THE BYLAWS, SECTION 4.12.01 – REMOVAL OF DIRECTORS BY BOARD, AND 4.12.02 - REMOVAL OF DIRECTORS BY MEMBERS AND APPROVING TITLE CHANGES

WHEREAS, the Bylaws of United Power, Inc. (United Power) set forth in section 4.12 the procedures for removal of a Board member.

WHEREAS, revisions to section 4.12.02 are needed for clarification purposes for the justification and removal of Board Members by the membership, and

WHEREAS, a new section, 4.12.01, has been added to justify and specify procedures for removal of Board Members by the Board of Directors, and

WHEREAS, it is appropriate to change the title of President to Chairman and Vice President to Vice Chairman to better reflect current titles at other contemporary organizations, and

WHEREAS, the Board of Directors of United Power, at a regularly scheduled meeting on Friday, July 25, 2018, proposed revisions to the United Power’s Bylaws, and

WHEREAS, written notice of such proposed amendments was noticed to each member in the September 2018 United Newline and on the United Power website and no member petitions objecting to the proposed bylaw revisions were received.

NOW THEREFORE BE IT RESOLVED, the Board of Directors of United Power, at a regularly scheduled meeting on Friday, October 24, 2018, approve the revisions to the United Power Bylaws.

Following review of the September 21, 2018 Regular Meeting Minutes, **Director Newman made a motion**, which was seconded and carried, to approve the minutes as amended.

Following review of the September 21, 2018 Regulatory Meeting Minutes, **Director McCormick made a motion**, which was seconded and carried, to approve the minutes as amended.

2nd REVIEW O & M CAPITAL BUDGETS/1ST REVIEW – CAPITAL BUDGETS

CFO Rydwell provided details on the proposed 2019 Operating and Capital Budgets which were included in the Board packet. Discussion was held regarding the 2019 Budget Key Assumptions, the Income and Revenue statements, as well as the expense budgets for the individual departments within United Power.

Director of Information Services, Alie Beauchamp, provided a detailed explanation for the 2019 Information Technology budget.

Following review of the sponsorship and contributions budget, **Director Buczek made a motion**, which was seconded and carried, to restore the funding for proposed contributions and sponsorships to the 2018 level. **Director Vigesaa and Director Erickson opposed this.**

The Board recessed for a break at 11:00 a.m. and reconvened at 11:15 a.m.

CHRISTMAS BONUS RESOLUTION

The Employee Christmas Bonus Resolution, which was removed from the consent agenda, was reviewed during the budget presentation. Following discussion, **Director McCormick made a motion**, which was seconded and carried, to adopt the Christmas Bonus Resolution as presented:

CHRISTMAS BONUS RESOLUTION

BE IT RESOLVED, that the Board of Directors of United Power, Inc. recognizes employees for their outstanding dedication and commitment to our mission over the past year;

BE IT RESOLVED, that the Board of Directors of United Power, Inc. recognizes the workforce on an annual basis in the form of an annual bonus;

BE IT RESOLVED, the Board of Directors hereby authorizes the Chief Executive Officer to render payment of a holiday/year-end bonus to United Power's employees in the manner that the CEO deem appropriate for each employee working at United Power in a full time or part time capacity;

BE IT RESOLVED, that the Board of Directors authorizes a bonus up to \$500 for all employees as determined by the Chief Executive Officer, of United Power;

AND BE IF FURTHER RESOLVED, that a letter of appreciation from the Board of Directors and the Chief Executive Officer be placed throughout the facilities of United Power so the employees of United Power will know of the Board's appreciation to the employees.

FREDERICK FRANCHISE

A requirement of United Power's purchase of the Frederick Power and Light system is the finalization of a new Franchise Agreement between the Town of Frederick and United Power. Our staff and legal counsel have been negotiating with Frederick officials for several months to craft an agreement suitable to both parties.

COO Bryant Robbins discussed the timeline of the proposed Franchise Agreement and the Resolution which were included in the Board packet, and he also addressed questions from the Board. The Franchise Agreement and Resolution will be brought back to the November Board meeting for a 2nd review.

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

Purchasing Director Curtis Subia joined the meeting at 1:10 p.m. and provided an update on the West building.

DIRECTOR CAMPAIGN FINANCE CONTRIBUTIONS/POLICY C-02

Included in the Board packet was a draft addition, prepared by staff, to Policy C-02 - Procedures for Director Election. Following discussion and review of the proposed changes, the Board will not act at this time and no changes will be made to Policy C-02.

APPROVE 2019 BOARD MEETING DATES

Executive Administrator Michele Sack provided an overview of the proposed 2019 dates for the monthly Board of Directors’ meetings which was included in the Board packet. **A motion was made by Director Martin**, which was seconded and carried, to adopt the following Resolution Establishing Board Meetings Dates for 2019, as presented during the Board meeting.

RESOLUTION ESTABLISHING BOARD MEETING DATES FOR 2019

WHEREAS, United Power’s Bylaws require that at least one Regular Board Meeting shall be held each month within the service area of the Cooperative at such time and place as the Board may provide by motion; and

WHEREAS, it has been customary for the Board to establish the Board Meeting dates annually in advance so that all Board Members can plan their schedules accordingly; and

WHEREAS, the Board wishes to set aside the following dates, times, and places for the 2019 Board Meetings:

Wednesday, January 23, 2019, 9:00 a.m.	Brighton Headquarters Office
Wednesday, February 27, 2019, 9:00 a.m.	Brighton Headquarters Office
Wednesday, March 27, 2019, 9:00 a.m.	Brighton Headquarters Office
Wednesday, April 24, 2019, 9:00 a.m.	Brighton Headquarters Office
Wednesday, May 22, 2019, 9:00 a.m.	Brighton Headquarters Office
Wednesday, June 26, 2019, 9:00 a.m.	Brighton Headquarters Office
Wednesday, July 24, 2019, 9:00 a.m.	Brighton Headquarters Office
Wednesday, August 24, 2019, 9:00 a.m.	Brighton Headquarters Office
Friday, September 20, 2019, 9:00 a.m.	Brighton Headquarters Office
Wednesday, October 23, 2019, 9:00 a.m.	Brighton Headquarters Office
Wednesday, November 27, 2019, 9:00 a.m.	Brighton Headquarters Office
Friday, December 20, 2019, 9:00 a.m.	Brighton Headquarters Office

NOW, THEREFORE, BE IT RESOLVED by motion adopting this resolution, that the Board Meeting dates, times, and places for 2019 are hereby established as set forth herein.

CEO REPORT

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

The following reports were discussed and updated by CEO Staff:

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

BOARD DISCUSSIONS

- Director Alquist and Director Waltemath - Credentialed Cooperative Director Certificate Presentation

The Board recessed for a break at 2:30 p.m. and reconvened at 2:40 p.m.

EXECUTIVE SESSION

Director Newman 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 2:40 p.m. with the entire Board present. Others present were John Parker, Bryant Robbins, Laurie Rydwell, Troy Whitmore, Robert Maxwell, Dean Hubbuck, Jerry Marizza and Michele Sack.

The Executive Session ended at 4:08 p.m. and reconvened into regular session.

TRI-STATE REPORT

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

CREA REPORT

There was no CREA Board meeting held since the last United Board meeting. Director Buczek addressed Board questions and discussed the upcoming CREA Innovations Summit which will be held in Denver the last week of October 2018.

WUE REPORT

There was no Western United Board meeting held since the last United Board meeting; Director McCormick addressed Board questions.

MEETING SCHEDULE

The next Regular Board Meeting is scheduled for Wednesday, November 28, 2018 at 9:00 a.m. at Brighton Headquarters, 500 Cooperative Way, Brighton, CO 80601.

ADJOURNMENT

President James Vigesaa declared the meeting adjourned at 4:30 p.m.



Michele Sack, Recording Secretary