

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
FRIDAY, FEBRUARY 17, 2017**

GENERAL

President Brian McCormick called the regular meeting of the United Power Board of Directors to order at 9:00 a.m. on February 17, 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, Dave Rose and James Vigesaa. Chief Executive Officer Darryl Schriver, Executive Administrator Michele Sack and Mark Williams representing Sherman and Howard, LLC were also present. Director Pryce was absent.

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

INVOCATION/PLEDGE

CEO Schriver gave the invocation and led in the Pledge of Allegiance.

AGENDA APPROVED

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

INTRODUCTION OF GUEST

Paul Echternacht, a United Power member who resides in the East District, was introduced and joined the meeting at 9:09 a.m. Following discussion with Mr. Echternacht regarding United Power Tariffs, he left the meeting at 9:15 a.m.

ACTION ITEMS/SPECIAL REPORTS

The January 20, 2017 Regular Board meeting minutes were included in the Board packet for review. **A motion was made by Director Grant**, which was seconded and carried, to approve the January 20, 2017 Regular Board Meeting Minutes, as presented.

APPOINT ELECTION CREDENTIALS COMMITTEE

Director of External Affairs Troy Whitmore discussed the appointment of an Election/Credentials Committee for the upcoming Annual Meeting. The committee oversees the registration process and ballot tabulation procedures at United Power’s Annual Meeting. Following discussion, **a motion was made by Director Morgan**, which was seconded and carried, to adopt the following Resolution Appointing Election and Credentials Committee.

RESOLUTION APPOINTING ELECTION AND CREDENTIALS COMMITTEE

WHEREAS, the Annual Meeting of Members will be held Tuesday, April 18, 2017; and

WHEREAS, it is important that our Election and Credentials Committee be assembled to supervise registration procedures and to resolve any dispute regarding said registration; and

WHEREAS, the Election and Credentials Committee is also charged with overseeing the ballot counting process and settling related disputes.

NOW, THEREFORE, BE IT RESOLVED, that the following members of United Power, upon their acceptance, are hereby appointed to serve on the Election and Credentials Committee with the duties and authority set forth above.

<u>Name</u>	<u>Address</u>	<u>District</u>	
Carol Criswell	195 Valle Drive, Fort Lupton, 80621		East
Manuel Esquibel	885 Rose Court, Brighton, 80601		South
Frank Howell	204 South 5 th Street, Brighton, 80601		South
Michael Jenet	16891 E. 107 th Avenue, Commerce City, 80022		East
Dale McCall	11274 County Road 17, Longmont, 80504		West
Troy Norby	251 Donna Street, Fort Lupton, 80621		East
Dennis Reid	6227 Saddleback Avenue, Firestone, 80504		West
Gina Rowsam	5517 Triple Crown Drive, Frederick, 80504		West
Connie Sasse’-Price	P.O. Box 326, Rollinsville, 80474		Mtn.
Stephen Whiteside	31399 Highway 72, Golden, 80403		Mtn.
Mary Zink	160 South 17 th Avenue Drive, Brighton, 80601		South

BUDGET REVISION

CEO Schriver and Manager of Engineering and Rates Dean Hubbuck discussed future load growth which is occurring in our service corridors. This includes residential, commercial/industrial and oil and gas loads. With this growth, United Power has begun planning for the projected load. A summary of the increase to the Capital Budget was reviewed. After further discussion, **a motion was made by Director Martin**, which was seconded and carried, to adopt the following Resolution Revising 2017 Capital Budget.

RESOLUTION REVISING 2017 CAPITAL BUDGET

WHEREAS, the Chief Executive Officer and the Chief Financial Officer have revised the Capital Budget for calendar year 2017; and

WHEREAS, the Board of Directors has reviewed said 2017 Capital Budget revision and has determined that it is an appropriate revision, and

WHEREAS, the proposed Capital Budget revision will require a net increase of \$2,500,000, and

NOW, THEREFORE, BE IT RESOLVED that said 2017 Capital Budget revision is hereby approved by the Board of Directors, and the Chief Executive Officer and his staff are authorized to carry out said revised Budget within the budgetary guidelines contained therein.

The Board recessed for break at 9:58 a.m. and reconvened at 10:10 a.m. Director Martin excused herself from the Building Purchase discussion at 10:10 a.m.

BUILDING PURCHASE DISCUSSION

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. During the February Board meeting, CFO John Parker discussed the business case for a West District location. Additional discussion continued during the March Board meeting and CFO Parker addressed questions and concerns. During discussion, President McCormick turned the gavel over to Vice President Susan Petrocco at 11:48 a.m. for the purpose of making comments. President McCormick resumed the chair at 11:55 a.m. after his comments.

At 11:55 a.m. the Board recessed for lunch which was provided by Mark Williams and staff from Sherman and Howard, LLC, legal counsel for United Power. The Board reconvened at 1:11 p.m. with the entire Board, CEO Schriver, Legal Counsel Mark Williams and Executive Administrator Michele Sack returning to the meeting.

ATTORNEY/CONTRACT REVIEW

United Power does not have legal counsel on staff and therefore has had a longstanding relationship with the firm of Sherman and Howard, L.L.C. to provide legal services to United Power. The current legal services contract was executed in 1997 between United Power and the law firm of Berryhill, Cage & North, P.C., which was subsequently acquired by the law firm of

Sherman & Howard, L.L.C. The contract with Sherman and Howard, LLC was extended in 2016 for a term of 5 years.

Following discussion with the Board of Directors regarding the contract between United Power and Sherman and Howard, LLC, Mark Williams left the meeting at 2:00 p.m.

Staff consisting of Bryant Robbins, Dean Hubbeck, Delaine Orendorff, John Parker, Mitzi Rea, Antelia Salazar-Ball, and Troy Whitmore returned to the meeting at 2:00 p.m.

POLICY REVIEW

The Board reviewed the plan and schedule for updating United Power's Corporate Policies. Currently, the Corporate Policies are scheduled for review on a biennial basis. Policy C-01 – Policy Origin and Approval and Policy C-13 – Information Security & Use of Technology were reviewed by the Board of Directors on May 20, 2015. A draft of Policy C-01 and Policy C-13 were included in the Board packet for the Board for the biennial review.

Policy C-01 – Policy Origin and Approval

Director Grant made a motion, which was seconded and carried, to approve Policy C-01 with the following change: the wording of “Senior Management Team” will be changed to read “Executive Leadership Team” throughout the policy.

Policy C-13 – Information Security & Use of Technology

Director Grant made a motion, which was seconded and carried, to approve Policy C-13 as presented.

CEO REPORT

CEO Schriver reviewed his February 10, 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:

- 2016 Strategic Plan
- Engineering and Rates
- External Affairs and Key Accounts
- Financial and Safety
- Human Resources
- Information Services – Physical Security
- Member Services
- Operations

The Board recessed for break at 2:46 p.m. and reconvened at 3:00 p.m. with the entire Board, CEO Schriver, CFO Parker and Executive Administrator Michele Sack in attendance.

EXECUTIVE SESSION

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

The Board went into Executive session at 3:00 p.m. The entire Board, CEO Schriver, CFO Parker and Executive Administrator Michele Sack were in attendance.

CEO Schriver, CFO Parker and Executive Administrator Michele Sack left the Executive Session at 3:15 p.m.

The Executive Session ended at 3:27 p.m. and reconvened into regular session with CEO Schriver and Executive Administrator Michele Sack returning to the meeting.

ASSOCIATED ORGANIZATIONS

President McCormick discussed the upcoming National Rural Electrical Association Annual Meeting which will be held February 26 – March 1, 2017 in San Diego, Colorado.

TRI-STATE REPORT

Director Newman reviewed his written Tri-State Board Report for February 2017 and also discussed the Tri-State Rate Committee. Director Buczek discussed the Tri-State Contract Committee.

CREA REPORT

Director Buczek reviewed the CREA report from January 2017 and addressed Board questions.

WUE REPORT

Director Rose reviewed the Western United Electric report for January 2017 and addressed Board questions.

The Board recessed for break at 4:20 p.m. and reconvened at 4:40 p.m. Director Petrocco was absent for the remainder of the meeting.

BOARD DISCUSSIONS

- Member Concern
- Tri-State Generation and Transmission

Director Newman left the meeting at 5:00 p.m. following the member concern discussion.

Director Rose left the meeting at 5:20 p.m.

During Board Discussions, President McCormick turned the gavel over to Secretary/Treasurer Beth Martin at 5:28 p.m. for the purpose of making comments. President McCormick resumed the chair at 5:36 p.m. after his comments.

ROUND-UP FOUNDATION

The Round-Up Foundation January 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, March 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 5:54 p.m.



Michele Sack, Recording Secretary