

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
FRIDAY, MARCH 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 March 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, Doug 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 and Troy Whitmore. Also present was Mike DeCoria representing DeCoria, Maichel and Teague, P.S., and Director Candidate Keith Alquist (South District).

INVOCATION/PLEDGE

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

AGENDA APPROVED

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

INTRODUCTION OF DIRECTOR CANDIDATE

Director Candidate Keith Alquist (South District) introduced himself.

ACTION ITEMS/SPECIAL REPORTS

The February 17, 2017 Regular Board meeting minutes were included in the Board packet for review. **A motion was made by Director Vigesaa**, which was seconded and carried, to approve the February 17, 2017 Regular Board Meeting Minutes, as presented. **Director Pryce abstained from this vote.**

AUDIT PRESENTATION

President McCormick introduced Mike DeCoria, representing the auditing firm of DeCoria, Maichel and Teague, P.S. Mr. DeCoria indicated that he met with the Audit Committee on Thursday March 16, 2017 to review the audit that was performed on the Consolidated Financial Statements of United Power, Inc. for the period of January 1, 2016 through December 31, 2016. Following discussion of the audit report, **Director Pryce made a motion** that the Board go into Executive Session for further discussion of the audit report. The motion was seconded and carried. The Board went into Executive session at 9:23 a.m. The entire Board and Mike DeCoria, representing the auditing firm of DeCoria, Maichel and Teague, P.S. were present. The Executive Session ended at 9:48 a.m. and reconvened into regular session with CEO Schriver and Executive Administrator Michele Sack returning to the meeting. **Director Vigesaa made a motion**, which was seconded and carried, to adopt the Resolution to accept the Annual Consolidated Financial Statements Audit Report for 2016 as presented.

RESOLUTION ACCEPTING THE ANNUAL AUDIT

WHEREAS, an examination of the books of United Power Inc. and its wholly owned subsidiary, Consumer Services Association, was completed by DeCoria, Maichel and Teague, P.S., as of December 31, 2016; and

WHEREAS, DeCoria, Maichel and Teague, P.S. has issued an unqualified opinion dated March 3, 2017 on the Consolidated Financial Statements of United Power, Inc., for the year then ended December 31, 2016; and

WHEREAS, the duly appointed Audit Committee of United Power’s Board of Directors has reviewed the Audit Report and recommends acceptance.

NOW THEREFORE, BE IT RESOLVED that said examination report for the period January 1, 2016 through December 31, 2016, prepared by DeCoria, Maichel and Teague, P.S., is hereby accepted.

Director Martin excused herself from the Building Purchase discussion at 9:48 a.m.

PURCHASE OF OFFICE BUILDING

United Power Headquarters, located in Brighton, was built 10 years ago. 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 and March Board meetings, CEO Schriver and CFO Parker discussed the progress being made on the purchase of this building.

Following discussion and answering questions from the Board, **Director Vigesaa made a motion**, which was seconded and carried, to grant the CEO authority to close on the property at 9586 East I-25 Frontage Road, Longmont, CO 80246 for the agreed upon price with adjustments for negotiation and providing for resolutions of open items in Legal Counsel letter and the issuance of a clean Phase 2 Environmental study. **Director Grant voted against the motion** on the purchase of the building at 9586 East I-25 Frontage Road, Longmont, CO however agrees a presence in the West District is needed.

The Board recessed for break at 10:50 a.m. and reconvened at 11:05 a.m. with all Directors present.

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-15 – Board of Directors Life and Long Term Care Insurance Program and C-30 – Identity Theft Red Flags Rule were reviewed by the Board of Directors on May 20, 2015. A draft of Policy C-15 and Policy C-30 were included in the Board packet for the Board for the biennial review.

Policy C-15 – Board of Directors Life and Long Term Care Insurance Program

Director Buczek made a motion, which was seconded and carried, to eliminate Policy C-15, Board of Directors Life and Long Term Care Insurance Program.

Policy C-30 – Identity Theft Red Flags Rule

Director Grant made a motion, which was seconded and carried, to approve Policy C-30 – Identity Theft Red Flags Rule, subject to research to correct the citation in first paragraph “This program shall comply with the requirements set forth in the Federal Trade Commission (“FTC”) regulations at 16 C.R.R. § 681.2 *et seq*”.

CEO REPORT

CEO Schriver reviewed his March 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
- Financial and Safety
- Human Resources
- Information Services – Network Internal Security
- Operations

At 12:08 p.m. the Board recessed for lunch and reconvened at 1:02 p.m.

EXECUTIVE SESSION

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

The Board went into Executive session at 1:03 p.m. with the entire Board present.

CEO Schriver joined Executive session at 1:30 p.m.

The Executive Session ended at 3:00 p.m. and reconvened into regular session with Executive Administrator Michele Sack returning to the meeting.

ASSOCIATED ORGANIZATIONS

President McCormick discussed the upcoming Tri-State Annual Meeting which will be held April 4-6, 2017 in Broomfield, Colorado.

TRI-STATE REPORT

Director Newman reviewed his written Tri-State Board Report for March 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 February 2017 and addressed Board questions.

WUE REPORT

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

BOARD DISCUSSIONS

- Internet Business
- Compensation Committee
- Update on Member Matter

The Board recessed for break at 4:08 p.m. and reconvened at 4:15 p.m.

ROUND-UP FOUNDATION

The Round-Up Foundation February 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

Board meeting dates are scheduled in advance in November of the prior year. Due to scheduling conflicts, the April Board meeting date was moved to April 21, 2017. **Director Buczek made a motion**, which was seconded and carried, to adopt the following Resolution Establishing Board Meeting Dates for 2017.

RESOLUTION ESTABLISHING BOARD MEETING DATES FOR 2017

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 2017 Board Meetings:

Friday, January 20, 2017, 9:00 a.m.	Brighton Headquarters Office
Friday, February 17, 2017, 9:00 a.m.	Brighton Headquarters Office
Friday, March 17, 2017, 9:00 a.m.	Brighton Headquarters Office
Friday, April 21, 2017 9:00 a.m.	Brighton Headquarters Office
Wednesday, May 24, 2017, 9:00 a.m.	Brighton Headquarters Office
Friday, June 30, 2017, 9:00 a.m.	Brighton Headquarters Office
Wednesday, July 26, 2017, 9:00 a.m.	Mountain District
Wednesday, August 23, 2017, 9:00 a.m.	Brighton Headquarters Office
Wednesday, September 27, 2017, 9:00 a.m.	Brighton Headquarters Office

Wednesday, October 25, 2017, 9:00 a.m.
Wednesday, November 29, 2017, 9:00 a.m.
Wednesday, December 20, 2017, 9:00 a.m.

Brighton Headquarters Office
Brighton Headquarters Office
Brighton Headquarters Office

NOW, THEREFORE, BE IT RESOLVED by motion adopting this resolution, that the Board Meeting dates, times, and places for 2017 are hereby established as set forth herein.

ADJOURNMENT

President Brian McCormick declared the meeting adjourned at 5:20 p.m.



Michele Sack, Recording Secretary