

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
WEDNESDAY, AUGUST 23, 2017**

GENERAL

President James Vigesaa called the regular meeting of the United Power Board of Directors to order at 9:03 a.m. on August 23, 2017. The meeting was held at United Power Headquarters in Brighton, Colorado. Present were Directors 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 and Executive Administrator Michele Sack were also present.

Others present for the meeting were staff members Bryant Robbins, Carmen Castillo, Curtis Subia, Dean Hubbeck, Ellen Judish, Jerry Marizza, Ken McFadden, Delaine Orendorff and Troy Whitmore. Eric Anderson, Cooperative Finance Corporation Regional Vice President, was also present.

INVOCATION/PLEDGE

Troy Whitmore gave the invocation and led in the Pledge of Allegiance.

AGENDA APPROVED

Board President Vigesaa advised that Executive Session be moved and discussed following the Director Forum portion of the agenda. **A motion was made by Director Martin**, which was seconded and carried, to approve the agenda as amended.

INTRODUCTION OF NEW EMPLOYEE

Information Services Senior GIS Analyst Curtis Swarts introduced Jameson Schryer, a new employee working in the Information Services Department as a GIS Technician II.

ACTION ITEMS/SPECIAL REPORTS

The July 26, 2017, Regular Board meeting minutes was included in the Board packet for review. **A motion was made by Director Petrocco**, which was seconded and carried, to approve the July 26, 2017, Regular Board meeting minutes as corrected.

2018 BUDGET: SALES FORECAST

CEO Parker provided details on the 2018 Budget Sales Forecast which was included in the Board packet. Discussion was held regarding residential and small commercial load growth in our service territory. CEO Parker and staff addressed Board questions.

KRTA OVERVIEW

CEO John Parker welcomed Eric Anderson, Cooperative Finance Corporation Regional Vice President, to discuss the KRTA (Key Ratio Trend Analysis) for the last five years ending December 31, 2016 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. He addressed Board questions.

Carmen Castillo left the meeting following the KRTA Overview.

The Board recessed for a break at 10:40 a.m. and reconvened at 10:57 a.m.

WESTERN UNITED OVERVIEW

Purchasing Agent, Curtis Subia, discussed the current contract and the proposed new contract between United Power and Western United Electric Supply (WUE) which were in the Board packet for review. WUE is our primary supplier of material for line construction and maintenance. The current contract between United Power and Western United is an Evergreen Contract dated March 31, 2003. The new contract has a proposed term of three years with a possibility to extend through 2022. This new contract is structured to be easier to amend and respond to changes needed by United Power along with a clarified pricing structure. **Director Buczek made a motion**, which was seconded and carried, to approve the new agreement between United Power and Western United Electric Supply. **Director Vigesaa voted against this motion.**

Curtis Subia left the meeting following the Western United Overview.

NRECA – RESTATEMENT OF PENSION

Delaine Orendorff, Director of Human Resources, discussed the requirement to adopt a restatement of United Powers Retirement Security Pension Plan through the National Rural Electrical Cooperative Association (NRECA). This five year timeframe is determined by the IRS and enforced by NRECA. **Director McCormick made a motion**, which was seconded and carried, to adopt the following Resolution:

**AMENDMENT and RESTATEMENT of
THE RETIREMENT SECURITY and/or 401(K) PENSION PLAN**
For United Power, Inc.
REA 06022

WHEREAS United Power, Inc., is a participating employer in the NRECA-sponsored:

- Retirement Security (RS) Plan
- 401(k) Pension (401(k)) Plan

WHEREAS the Board of Directors of United Power, Inc. is aware that the Plan(s) must periodically be amended to comply with new or changed regulations, rulings, legislation and plan operations, and that this restatement will be effective July 1, 2017.

THEREFORE BE IT RESOLVED that this Board authorizes the July 1, 2017 amendment, restatement and continuance of the Plan(s) to conform in its (their) entirety with all the provisions of the governing plan document(s) of the Plan(s), through the execution of the Adoption Agreement(s), which includes all of the provisions of the Cooperative’s most recently executed Adoption Agreement(s) and any compliance clarifications needed to conform with plan operations; and

BE IT FURTHER RESOLVED, in the event that the timing of the restatement does not correspond with regularly scheduled meetings of the Board of Directors, the Board does hereby authorize and direct John Parker, CEO, execute all necessary documents and to take any and all further actions necessary to carry out the July 1, 2017 amendment and restatement of the Plan(s).

SIGNATURE OF THE SECRETARY: I, Elizabeth Martin, certify that I am the Secretary of the United Power, Inc. Board of Directors. I further certify that the above is a true excerpt from the minutes of a board meeting of this Board of Directors on the 23rd day of August, 2017, at which a quorum was present and that the above portion of the minutes has not been modified or rescinded.

Heidi Storz, Communications Manager, joined the meeting at 11:27 a.m. for the discussion of Round-up Directors and left the meeting at 11:31 a.m.

APPOINT ROUND-UP DIRECTORS

Public Affairs Officer, Troy Whitmore, discussed the two open seats on the United Power Round-Up Foundation Board, and the two open seats in the West District and in the East Districts have received one nominee for each District. Per the Round-Up Bylaws, Directors are seated by the United Power Board of Directors. United Power recommends that Wendee Dietrich serve on the Round-Up Foundation Board for the East District and James Long for the West District. Following discussion, **a motion was made by Director Buczek**, seconded and carried, to adopt the following Resolution Authorizing the Election of Wendee Dietrich and James Long to fill the open United Power Round-Up Foundation Board Seats in the East and West Districts respectively.

RESOLUTION AUTHORIZING THE ELECTION OF DIRECTORS TO CURRENTLY VACANT SEATS FOR THE ROUNDUP FOUNDATION

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

WHEREAS, the Foundation Board currently has two open director seats; and

WHEREAS, James Long in United’s West District, and Wendee Dietrich in United’s East District have indicated interest in serving as Directors.

NOW, THEREFORE, BE IT RESOLVED, that United Power, Inc. has selected the following directors to serve the remainder of these open terms on the Roundup Foundation Board:

District E:	Wendee Dietrich	(January, 2018)
District W:	James Long	(January, 2018)

ITEMS FOR FUTURE BOARD MEETINGS

During the 2017 Strategic Planning Session, the Board discussed several topics for discussion over the next 12 months. These discussion items were placed in terms of importance to the Board and will be incorporated into future Board meetings.

The Board, staff and Eric Anderson recessed for lunch at Noon and reconvened at 1:00 p.m. with the Board and staff present.

CEO REPORT

CEO John Parker reviewed his July 2017 CEO/CFO written report which was included in the Board packet. The following topics were discussed and updated by CEO Parker and CEO Staff:

- Engineering and Rates
- New Business
- External Affairs
- Risk and Safety
- Human Resources
- Operations
- Member Services

The Board recessed for a break at 2:25 p.m. and reconvened at 2:36 p.m. with the entire Board CEO Parker, Michele Sack, Troy Whitmore and Heidi Storz present.

BOARD DISCUSSIONS

- Director Appointment Process
- Policy C-19 – Directors’ Per Diem and Expenses

Following Board Discussions, Troy Whitmore and Heidi Storz left the meeting at 2:52 p.m.

ASSOCIATED ORGANIZATIONS

No Associated Organization meetings are scheduled before the September Board meeting.

TRI-STATE REPORT

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

CREA REPORT

Director Buczek reviewed recent activity with the Colorado Rural Electric Association and addressed Board questions.

WUE REPORT

Director McCormick reviewed the Western United Electric report for July 2017 and addressed Board questions.

ROUND-UP FOUNDATION

The Round-Up Foundation July 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

EXECUTIVE SESSION

The Executive Session was called to order at 4:10 p.m. with the entire Board and CEO John Parker present to discuss personnel and contract issues. CEO Parker left Executive Session at 4:43 p.m. Board President James Vigessaa left the meeting at 5:40 p.m. with Vice-President Susan Petrocco taking over as chair. Director Martin left the meeting 5:48 p.m. and returned at 5:50 p.m. The Executive Session ended at 6:05 p.m. with CEO Parker and Executive Administrator Michele Sack returning to the meeting.

MEETING SCHEDULE

The next Regular Board Meeting is scheduled for Wednesday, September 27, 2017 at 9:00 a.m. at the Gilpin County Library, 15131 Hwy 119, Black Hawk, CO 80422

ADJOURNMENT

Vice President Susan Petrocco declared the meeting adjourned at 6:07 p.m.



Michele Sack, Recording Secretary