

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
WEDNESDAY, MARCH 21, 2018**

GENERAL

President James Vigesaa called the regular meeting of the United Power Board of Directors to order at 9:00 a.m. on March 21, 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 and Executive Administrator Michele Sack were also present.

Others present for the meeting was Mike DeCoria from DeCoria, Maichel and Teague and staff members Dean Hubbuck, Jerry Marizza, Robert Maxwell, Ken McFadden, Bryant Robbins, Laurie Rydwell and Troy Whitmore.

INVOCATION/PLEDGE

Director Martin 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 presented.

NEW EMPLOYEES

The following new employee was introduced:

- Ana Pollack – Member Service Representative

ACTION ITEMS/SPECIAL REPORTS

The February 21, 2018 Regular Board meeting minutes was included in the Board packet for review. **A motion was made by Director Morgan**, which was seconded and carried, to approve the February 21, 2018 Regular Board meeting minutes as presented. **Director Erickson voted against this motion and Director Petrocco abstained.**

AUDIT PRESENTATION

President Vigesaa 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 Tuesday, March 20, 2018 to review the audit that was performed on the Consolidated Financial Statements of United Power, Inc. for the period of January 1, 2017 through December 31, 2017. Following discussion of the audit report. **Director Buczek made a motion**, which was seconded and carried, to adopt the Resolution to accept the Annual Consolidated Financial Statements Audit Report for 2017 as presented.

RESOLUTION ACCEPTING THE 2017 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, 2017; and

WHEREAS, DeCoria, Maichel and Teague, P.S. has issued an unqualified opinion dated March 21, 2018 on the Consolidated Financial Statements of United Power, Inc., for the year ending December 31, 2017; 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, 2017 through December 31, 2017, prepared by DeCoria, Maichel and Teague, P.S., is hereby accepted.

CFC SYNDICATED LINE OF CREDIT

CFO Laurie Rydwell discussed the proposed Fifth Amendment to the Cooperative Finance Corporation (CFC) Syndicated Line of Credit which was included in the board packet for review. This line of credit will be extended for a period of two years from the date the amendment is executed. Following review and discussion, **a motion was made by Director Morgan**, which was seconded and carried, to adopt the following Resolution Authorizing an Amendment and an Extension to the Syndicated Line of Credit Established in December 2012.

**RESOLUTION AUTHORIZING AN AMENDMENT AND AN EXTENSION TO THE
SYNDICATED LINE OF CREDIT ESTABLISHED DECEMBER 2012**

WHEREAS, the Board of Directors OF United Power (the “Borrower”) previously authorized the establishment of an unsecured syndicated revolving line of credit in an aggregate amount not to exceed \$40 million, subject to the provisions of the Credit Agreement, dated as of December 21, 2012 among the Borrower, the Lenders party thereto, and National Rural Utilities Cooperative Finance Corporation, in its capacity as Administrative Agent (“Administrative Agent”) (as amended or otherwise modified, the “Credit Agreement”); and

WHEREAS, the Board of Directors set an initial limit of the commitment amount of the Credit Agreement at \$30 million;

WHEREAS, the Borrower has requested that the Administrative Agent and the Lenders agree to, among other things, (i) decrease the margin on LIBOR from 150 basis points (or 1.50%) to 105 basis points or (1.05%) per annum, (ii) extend the maturity date of the Credit Agreement to June 30, 2020, and (iii) remove Commerce Bank and TBK Bank from the Credit Agreement;

NOW THEREFORE BE IT RESOLVED that the individuals listed below are hereby authorized to execute and to deliver the following documents:

- a) To amend the terms of the Credit Agreement to reduce the margin on LIBOR from 150 basis points (or 1.50%) to 105 basis points (or 1.05%)
- b) To extend the terms of the Credit Agreement to June 30, 2020
- c) To remove Commerce Bank and TBK Bank from the Credit Agreement.

BE IT FURTHER RESOLVED, that each of the following individuals are hereby authorized in the name and on behalf of the Borrower to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to make all payments, to execute any future amendments to said Credit Agreement as such individual may deem appropriate within the authorized amount of the Credit Agreement and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

<u>Office or Title</u>	<u>Name</u>
<u>President</u>	<u>James Vigesaa</u>
<u>Secretary</u>	<u>Elizabeth Martin</u>
<u>Chief Executive Officer</u>	<u>John D. Parker</u>
<u>Chief Financial Officer</u>	<u>Laurie Rydwell</u>

ROUNDUP DIRECTOR APPLICATION

Public Affairs Officer, Troy Whitmore, discussed the open seat on the United Power Round-Up Foundation Board in the South District and one nomination has been received. Per the Round-Up Bylaws, Directors are seated by the United Power Board of Directors. Donna Petrocco has been recommended by the United Power Board of Directors to serve on the Round-Up Foundation Board for the South District. Following discussion, **a motion was made by Director McCormick**, which was seconded and carried, to adopt the following Resolution Authorizing the Election of Donna Petrocco to fill the open United Power Round-Up Foundation Board Seat in the South District.

RESOLUTION AUTHORIZING THE ELECTION OF A DIRECTOR TO CURRENT VACANT SEAT FOR THE ROUNDUP FOUNDATION

WHEREAS, United Power, Inc. is the sole member of the United Power Roundup Foundation; and

WHEREAS, the Foundation Board currently has one open director seat; and

WHEREAS, Donna Petrocco located in United Powers South District, has indicated interest in serving as Director.

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

District S: Donna Petrocco (January, 2019)

- - - - -

POLICY REVIEWS

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-02 – Procedures for Conducting Director Election and Policy C-09 Corporate Attorney – Legal Counsel were reviewed by the Board of Directors on May 21, 2015 and October 21, 2016 respectively. A draft of Policy C-02 and Policy C-09 were included in the Board packet for the Board for the biennial review.

Policy C-02 – Procedures for Conducting Director Election

Director Martin made a motion, which was seconded and carried, to approve Policy C-02 as presented.

Policy C-09 – Corporate Attorney – Legal Counsel

Director Buczek made a motion, which was seconded and carried, to approve Policy C-09 as presented.

CEO REPORT

CEO John Parker reviewed his March 2018 CEO written report which was included in the Board packet. He also discussed running for the Financial Expert position on the Cooperative Finance Corporation Board.

The Board recessed for a break at 10:30 a.m. and reconvened at 10:49 a.m.

The following topics were discussed and updated by CEO Staff:

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

At 12:00 noon the Board recessed for lunch with Mark Williams and staff from Sherman and Howard, LLC, legal counsel for United Power. The Board reconvened at 1:00 p.m. with the entire Board, CEO Parker, and staff returning to the meeting.

BOARD DISCUSSIONS

Director of Information Services, Alie Beauchamp, joined the meeting at 1:00 p.m. to discuss the roll out of Microsoft 365 for the entire organization and the Board. Director Beauchamp left the meeting at 1:26 p.m.

EXECUTIVE SESSION

Director Martin 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 1:27 p.m. with the Board, CEO Parker, Michele Sack, Bryant Robbins, Laurie Rydwell, Troy Whitmore, and Dean Hubbuck present. Legal Counsel Mark Williams was also present for Executive Session.

The Board recessed for break at 3:23 p.m. and reconvened back into Executive Session at 3:35 p.m.

Director Petrocco left the meeting at 4:45 p.m.

Bryant Robbins, Laurie Rydwell, Troy Whitmore, and Dean Hubbuck left Executive Session at 5:20 p.m.

Legal Counsel Mark Williams left Executive Session at 5:25 p.m.

Director Newman left Executive Session at 5:27 p.m.

Director Vigesaa left at 5:39 p.m. handing over the meeting to Secretary/Treasurer Elizabeth Martin.

The Executive Session ended at 5:43 p.m. and the Board reconvened into regular session with Directors Keith Alquist, Ginny Buczek, Tim Erickson, Elizabeth Martin, Brian McCormick, Ursula Morgan, Rick Newman, Dave Rose, and Tamra Waltemath present. Also present were CEO John Parker and Executive Administrator Michele Sack.

ASSOCIATED ORGANIZATIONS

NRECA (National Rural Electric Cooperative Association) will be holding the following conferences:

- Directors Conference March 25-28, 2018 in Las Vegas, NV
- Legislative Conference April 8-11, 2018 in Washington D.C.

TRI-STATE REPORT

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

CREA REPORT

Director Buczek reviewed the CREA Board report for February 2018 and addressed Board questions.

WUE REPORT

Director McCormick reviewed the Western United Electric report from February 2018, the approved WUE Board minutes from December 2017, and addressed Board questions.

ROUND-UP FOUNDATION

The Round-Up Foundation February Update was 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 Wednesday, April 25, 2018 at 9:00 a.m. at Brighton Headquarters, 500 Cooperative Way, Brighton, CO 80601.

ADJOURNMENT

Secretary/Treasurer Elizabeth Martin declared the meeting adjourned at 6:35 p.m.



Michele Sack, Recording Secretary