

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
WEDNESDAY, APRIL 25, 2018**

GENERAL

President James Vigesaa called the regular meeting of the United Power Board of Directors to order at 9:00 a.m. on April 25, 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 were staff members Erin Hane, Dean Hubbeck, Jerry Marizza, Robert Maxwell, Ken McFadden, Bryant Robbins, Laurie Rydwell and Troy Whitmore.

INVOCATION/PLEDGE

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

AGENDA APPROVED

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

NEW EMPLOYEES

The following new employees were introduced:

- Erin Hane – Director of Human Resources
- Brian Olivas – System Operations Technician

ACTION ITEMS/SPECIAL REPORTS

The March 21, 2018 Regular Board meeting minutes and the April 13, 2018 Special Board meeting minutes were included in the Board packet for review. **A motion was made by Director Buczek**, which was seconded and carried, to approve the March 21, 2018 Regular Board meeting minutes as presented. **A motion was made by Director Martin**, which was seconded and carried, to approve the April 13, 2018 Special Board meeting minutes as corrected.

ELECTION OF OFFICERS

Prior to election of officers, Director Martin recommended the position of Secretary/Treasurer and Assistant Secretary/Treasurer be changed to reflect Article 6.01 of the United Power Bylaws, “The officers of the Cooperative shall be a President, Vice-President, Secretary, and Treasurer”. **Director Buczek made a motion**, which was seconded and carried, that for the purpose of elections and following the bylaws the Board will elect to separate the Secretary/Treasurer roles.

Following completion of the nomination and election of officers by secret ballot, **a motion was made by Director McCormick**, which was seconded and carried, to adopt the following Resolution Designating Officers of United Power Inc.

RESOLUTION DESIGNATING OFFICERS OF UNITED POWER, INC.

WHEREAS, the bylaws of United Power, Inc., require that officers shall be elected by ballot annually by the Board of Directors at the first meeting of the Board held after each annual meeting of members, or as soon thereafter as convenient; and

WHEREAS, the United Power Board has met and elected officers by ballot according to the bylaws.

NOW, THEREFORE, BE IT RESOLVED, that the following officers shall serve United Power until a new slate of officers is elected or until such time as they are no longer eligible to serve in that capacity, whichever comes first:

President	James Vigesaa
Vice President	Susan Petrocco
Secretary	Elizabeth Martin
Treasurer	Ursula Morgan

CREA BOARD MEMBER ELECTION

The Board conducted nominations and election by secret ballot for the Colorado Rural Electric Association Board and Alternate Board positions. Following nomination and election by secret ballot for the CREA Board and Alternate Board positions, **a motion was made by Director McCormick**, which was seconded and carried, to adopt the following Resolution Designating Representatives to the Board of Colorado Rural Electric Association, Inc.

**RESOLUTION DESIGNATING REPRESENTATIVE TO
BOARD OF COLORADO RURAL ELECTRIC ASSOCIATION, INC.**

WHEREAS, United Power, Inc. is entitled to designate a representative to serve on the Board of Directors of the Colorado Rural Electric Association, Inc., in accordance with the bylaws of said organization.

NOW, THEREFORE, BE IT RESOLVED, that United Power, Inc. Brighton, Colorado, hereby designates Virginia “Ginny” Buczek to serve on the Board of Directors of Colorado Rural Electric Association, Inc. and Keith Alquist to serve as Alternative Director, effective immediately.

WESTERN UNITED BOARD MEMBER ELECTIONS

Following nomination and election by secret ballot for the Western United Electric Board and Alternate Board positions, **a motion was made by Director Morgan**, which was seconded and carried, to adopt the following Resolution Designating Representatives to the Board of Western United Electric Supply Corporation.

**RESOLUTION DESIGNATING REPRESENTATIVE TO
BOARD OF WESTERN UNITED ELECTRIC SUPPLY CORPORATION**

WHEREAS, United Power, Inc. is entitled to designate a representative to serve on the Board of Directors of the Western United Electric Supply Corporation, in accordance with the bylaws of said organization.

NOW, THEREFORE, BE IT RESOLVED, that United Power, Inc. Brighton, Colorado, hereby designates Brian McCormick to serve on the Board of Directors of Western United Electric Supply Corporation, and Tim Erickson to serve as Alternative Director, effective immediately.

DESIGNATE REPRESENTATIVES TO ASSOCIATED ORGANIZATIONS

Following review and discussion of Board member interest in serving as United Power’s representative or alternate to various association organizations, **a motion was made by Director Newman**, which was seconded and carried, to adopt the following Resolution Naming Representatives to Associated Organizations.

RESOLUTION NAMING REPRESENTATIVES TO ASSOCIATED ORGANIZATIONS

WHEREAS, United’s official representatives and alternates to associated organizations shall be selected by the Board of Directors at the first regular meeting of the Board following the annual meeting of members; and

WHEREAS, the PUC (Public Utilities Commission) representative and alternate seat will be filled by the CEO and/or his/her delegate; and

WHEREAS, other associated organizations require delegates to represent a region or district, and said delegates may in turn be authorized by United Power to serve.

NOW, THEREFORE, BE IT RESOLVED that the following persons are hereby designated to associated organizations as follows:

<u>Name of Organization</u>	<u>Representative</u>	<u>Alternate</u>
Basin Electric Power Cooperative	Elizabeth Martin	Tamra Waltemath
CFC - National Rural Utilities Cooperative Finance Corp	Brian McCormick	Keith Alquist
CRC – Cooperative Response Center, Inc.	Brian McCormick	Tim Erickson
CREA - Colorado Rural Electric Association	Tim Erickson	Tamra Waltemath
Federated Rural Electric Insurance Exchange	Ursula Morgan	Tamra Waltemath
Mid-West Electric Consumer Association	Rick Newman	Tim Erickson
NCSC – National Cooperative Services Corp.	Keith Alquist	Beth Martin
NISC – National Information Solutions Cooperative	Ursula Morgan	Keith Alquist
NRECA - National Rural Electric Cooperative Association	Elizabeth Martin	Susan Petrocco
NRTC - National Rural Telecommunications Council	Rick Newman	Ursula Morgan
SEDC – South Eastern Data Corporation	Ursula Morgan	Ginny Buczek
Tri-State G & T Association	Brian McCormick	Ginny Buczek
WUE - Western United Electric Supply Corporation	Dave Rose	Rick Newman

RESOLUTION TO APPOINT AUDIT COMMITTEE

Following review and discussion of Board member interest in serving as United Power’s Audit Committee, **a motion was made by Director Martin**, which was seconded and carried, to adopt the following Resolution for Constitution of Audit Committee:

BOARD RESOLUTION FOR CONSTITUTION OF AUDIT COMMITTEE

RESOLVED, the United Power Board of Directors appoints Directors to serve on the Audit Committee of United Power, Inc; and

FURTHER RESOLVED, any member of the Audit Committee may be removed or replaced at any time by the Board. Any member of the Audit Committee ceasing to be a Director shall cease to be a member of the Audit Committee; and

FURTHER RESOLVED, the members of the committee shall elect a Chairperson amongst themselves; and

NOW, THEREFORE, BE IT RESOLVED, the following constitute a Committee of the Board in name of ‘Audit Committee’:

- Keith Alquist – pending completion of CCD
- Ginny Buczek
- Tim Erickson
- Ursula Morgan
- Beth Martin
- Brian McCormick
- Susan Petrocco
- Dave Rose

AUTHORIZE SIGNATURES ON BANK ACCOUNTS FOR NEW OFFICERS

A motion was made by Director Newman, which was seconded and carried, to adopt the following Resolution Authorizing Signatures on the Citywide Banks and TBK Bank accounts:

**RESOLUTION REGARDING SIGNATURES
ON ACCOUNTS AT CITYWIDE BANKS AND TBK BANK**

WHEREAS, United Power, Inc., ("Company") wishes to affirm its banking relationships with Citywide Banks of Thornton, Colorado, and TBK Bank of Brighton, Colorado.

NOW THEREFORE BE IT RESOLVED, that Citywide Banks of Thornton, Colorado, and TBK Bank of Brighton, Colorado ("Banks") be and hereby is designated as depositories for the funds of the Company for the following accounts:

Citywide Banks
General Fund Account;
Accounts Payable Account;
AP Customer Refunds Account;
Payroll Account;
Finance EFT Account;
Capital Credits Account; and
CIS Electric Payments Account.

TBK Bank
General Fund

BE IT FURTHER RESOLVED that checks, drafts, or other orders for payment, transfer, or withdrawal of any of the Company's funds or property on deposit with the Banks in said account shall be binding upon the Company when signed, manually or by use of facsimile or mechanical signatures, regardless of by whom or by what means the actual or purported facsimiles or mechanical signatures may have been placed thereon, so long as they resemble the facsimile specimens from time-to-time filed with the Banks by the Secretary or other officer of the Company, by any two of the following officers of the Company:

PRESIDENT	James Vigesaa
VICE PRESIDENT	Susan Petrocco
SECRETARY	Elizabeth Martin
TREASURER	Ursula Morgan
CHIEF EXECUTIVE OFFICER	John D. Parker
CHIEF FINANCIAL OFFICER	Laurie Rydwell

BE IT FURTHER RESOLVED, that the Banks are authorized to accept and receive at any time for the Company's credit in such account, deposits made of funds, checks, and other evidence of indebtedness of monies payable to the order of the Company and other property in whatever form or manner transferred or endorsed and, if required by the Banks, to accept such deposits when endorsed and delivered on behalf of the Company by any one of the above officers of the Company; and

BE IT FURTHER RESOLVED, that all resolutions heretofore adopted by the Company with regard to said Banks which are inconsistent with this Resolution are void and of no further effect, provided, however, that all actions by the Banks pursuant to and in reliance upon said prior resolutions, before receipt of this Resolution, are hereby ratified and confirmed; and

BE IT FURTHER RESOLVED, that all of the powers conferred by the foregoing Resolution shall continue until notice in writing of change or termination of such authority shall be served upon the Banks with a copy of this Resolution; and

BE IT FURTHER RESOLVED, the Company's Finance and Forecasting Director will be the account administrator, but not an authorized signer on the account. The administrator's duties will include ability to access all account information including, but not limited to, checking balances, account transfers, wire transfer transactions and other normal operating activities.

The Board recessed for a break at 10:30 a.m. and reconvened at 10:45 a.m.

EDUCATION FUND FOR NEW DIRECTORS

After being elected to the United Power Board of Directors and per Board policy, Directors are required to begin obtaining their Credentialed Cooperative Director Certificate and Board Leadership Certificate through the National Rural Electrical Cooperative Association. They may also obtain the Director Gold Certificate if they choose. The Board discussed if the budget for new Directors was satisfactory for these requirements. After further review, there will be no change in the Directors expense allotment and the Board will handle any shortage on a case per case basis.

POLICY REVIEWS

The following policies were on the agenda for review during April Board meeting:

- C-05 – Attendance or Participation at Meetings of the Board of Directors
- C-07 – Responsibilities & Standards of Conduct of the Board of Directors & Individual Directors
- C-19 – Directors Per Diem and Expenses

Policy C-05 – Attendance or Participation at Meetings of the Board

Director Morgan made a motion, which was seconded and carried, to approve Policy C-05 as presented.

Policy C-07 – Responsibilities & Standards of Conduct of the Board of Directors & Individual Directors

Following review and discussion, **Director Martin made a motion**, which was seconded and carried, to approve Policy C-07 as amended. **Director McCormick voted against this motion.**

Policy C-019 – Directors Per Diem and Expenses

Director Martin made a motion, which was seconded and carried, to table the review of Policy C-19 for review at a later time in today’s agenda.

The Board recessed for lunch at 12:06 p.m. and reconvened at 12:40 p.m.

AUDIT COMMITTEE

Per the request of the Board, an internal controls audit RFP was created. Staff presented the RFP responses to the Audit Committee for review. Following the discussion of the proposals, **Director Buczek made a motion**, which was seconded and carried, to retain Jackson Thornton for this audit.

CFO Laurie Rydwell left the meeting at 1:08 p.m.

BOARD DISCUSSIONS

Mark Williams, legal counsel for United Power from Sherman and Howard, joined the meeting at 1:08 p.m. The following topics were discussed:

- Annual Review of Policy C-07 per Accountability section of said policy
- Bylaw Revisions – Section 4.12.01 - Removal by Board.
- New Corporate Policy – Legal Letter Addressed to the Board President or Board Director

Following review and discussion of the new corporate policy with legal counsel Mark Williams, Director Erickson made a motion, which was seconded and carried, to adopt the new Corporate Policy Legal Letter Addressed to the Board President or Board Director. **Director McCormick voted against this motion.**

The Board recessed for a break at 2:52 p.m. and reconvened at 3:00 p.m.

EXECUTIVE SESSION

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

The Board went into Executive session at 3:00 p.m. with the Board, CEO Parker, Executive Administrator Michele Sack and Legal Counsel Mark Williams present.

Legal Counsel Mark Williams left Executive Session at 3:21 p.m.

The Executive Session ended at 3:27 p.m. and the Board reconvened into regular session with the entire Board present. Also present were CEO John Parker, Michele Sack, Erin Hane, Dean Hubbuck, Jerry Marizza, Robert Maxwell, Ken McFadden, Bryant Robbins, Laurie Rydwell and Troy Whitmore.

CEO REPORT

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

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

Following the CEO and staff reports, Erin Hane, Dean Hubbuck, Jerry Marizza, Robert Maxwell, Ken McFadden, Bryant Robbins, Laurie Rydwell and Troy Whitmore left the meeting at 4:41 p.m.

Director Martin made a motion, which was seconded and carried, to remove from the table Policy C-19, Directors Per Diem and Expenses. Due to time restrictions, this policy will be addressed at the May Board meeting.

ASSOCIATED ORGANIZATIONS

There are no associated organization meetings before the next Board meeting in May.

TRI-STATE REPORT

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

CREA REPORT

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

WUE REPORT

Director McCormick reviewed the Western United Electric report from March 2018 and addressed Board questions.

ROUND-UP FOUNDATION

The Round-Up Foundation March 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, May 23, 2018 at 9:00 a.m. at Brighton Headquarters, 500 Cooperative Way, Brighton, CO 80601.

ADJOURNMENT

President James Vigesaa declared the meeting adjourned at 5:00 p.m.



Michele Sack, Recording Secretary