

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
WEDNESDAY, MAY 23, 2018**

GENERAL

President James Vigesaa called the regular meeting of the United Power Board of Directors to order at 9:00 a.m. on May 23, 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 Hubuck, Jerry Marizza, Robert Maxwell, Bryant Robbins, Laurie Rydwell and Troy Whitmore.

INVOCATION/PLEDGE

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

ANNOUNCEMENTS

Director Rose announced his candidacy for State Representative, House District 56.

AGENDA APPROVED

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

NEW EMPLOYEES

The following new employees were introduced:

- Shaelyn Donaldson – IT End User Specialist I
- Julie Wilson – Contract Administrator
- Holly Woodings – System Operations Technician

ACTION ITEMS/SPECIAL REPORTS

The April 25, 2018 Regular Board meeting minutes and the 2018 Annual Meeting minutes were included in the Board packet for review. **A motion was made by Director Martin**, which was seconded and carried, to approve the April 25, 2018 Regular Board meeting minutes as presented. **A motion was made by Director Morgan**, which was seconded and carried, to approve the 2018 Annual Meeting minutes as corrected.

PATRONAGE CAPITAL RETIREMENT

CFO Laurie Rydwell discussed the proposed retirement of \$4.5 million in patronage capital for 2018, which was included in the board packet for review. CFO Rydwell recommended that all capital credits yet outstanding for the year 1993 be designated for FIFO retirement, and that a limit of \$300,000 be established once again for net special retirements for the year 2018. Following review and discussion, **a motion was made by Director Morgan**, which was seconded and carried, to approve a Patronage Capital Retirement for 2018 in the amount of \$4.5 million, plus authorizing up to \$300,000 special retirements in 2018.

QUARTERLY FINANCIAL REVIEW

Included in the packet for review, were the Q1 2018 financials. CFO Laurie Rydwell provided an in-depth review while answering questions from the Board.

AUTHORIZE VOTE OF SHARES/CSA DIRECTOR ELECTION

CEO John Parker discussed the Vote of Shares for Directors at the Consumer Services Association Annual Meeting of Shareholders to be held immediately following this Board meeting. Following review and discussion, **a motion was made by Director Morgan**, which was seconded and carried, to adopt the following Resolution Authorizing Vote of Shares in Election of Directors for CSA’s Annual Meeting of Shareholders.

RESOLUTION AUTHORIZING VOTE OF SHARES IN ELECTION OF DIRECTORS FOR CSA’S ANNUAL MEETING OF SHAREHOLDERS

WHEREAS, the annual meeting of shareholders of Consumer Services Association, Inc. will be held in the near future; and

WHEREAS, the principal purpose of said annual meeting is to elect directors, accept reports, and transact such other business as may properly come before the meeting; and

WHEREAS, United Power, Inc. is the sole shareholder of Consumer Services Association, Inc.

NOW, THEREFORE, BE IT RESOLVED, that United Power, Inc. vote all of its shares to elect the following directors to the Consumer Services Association Board:

Keith Alquist
Ginny Buczek
Tim Erickson
Elizabeth Martin
Brian A. McCormick
Ursula Morgan

Richard E. Newman
Susan Petrocco
Dave Rose
James Vigesaa
Tamra Waltemath

BE IT FURTHER RESOLVED, that the President and the Secretary of United Power, Inc. are authorized and directed to take all steps necessary to effectuate said vote, including the execution of any necessary documents on behalf of United Power, Inc.

2019 ANNUAL MEETING DATE & LOCATION

Public Affairs Officer Troy Whitmore discussed the proposed schedule and location for the 2019 United Power Annual Meeting. Mr. Whitmore stated they have tentatively reserved the Adams County Fairgrounds Waymire Dome and Exhibit Hall for the date of April 18, 2018. Following review and discussion, **a motion was made by Director Morgan**, which was seconded and carried, to adopt the following Resolution Approving 2019 Annual Meeting of Members.

RESOLUTION SETTING
2019 ANNUAL MEETING OF MEMBERS DATE

WHEREAS, Article 3.00 of United’s Bylaws provides the Annual Meeting of Members shall be held before May 1 each year on a date and place fixed by the Board within the Cooperative’s service territory; and

WHEREAS, Colorado statutes and United Power’s bylaws require at least a six-month notification of the Cooperative’s Annual Meeting to the membership; and

WHEREAS, United Power is desirous of holding a successful 80th Annual Meeting of Members.

NOW, THEREFORE, BE IT RESOLVED, that the 2019 Annual Meeting of Members of United Power, Inc., shall be held at 6:30 p.m. on Wednesday, April 17, 2019 at the Waymire Dome and Exhibit Hall at the Adams County Fairgrounds.

The Board recessed for a break at 10:22 a.m. and reconvened at 10:45 a.m.

POLICY REVIEWS

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

- C-13 – Information Security and Use of Technology
- C-18 – Patronage Capital

C-13 – Information Security and Use of Technology

Policy C-13 was included in the Board packet for review and proposed changes from staff were presented during the Board meeting.

Following review and discussion of the proposed changes, staff will work with legal counsel to incorporate the changes, and policy C-13 will be brought back to a future board meeting for review.

C-18 – Patronage Capital

Following review and discussion, **Director McCormick made a motion**, which was seconded and carried, to approve Policy C-18 as presented with recommended grammar changes.

TITLE AND BYLAW CHANGES

During the United Power Strategic Planning Session attended by the Board and senior staff in May, CEO John Parker proposed title changes to the President and Vice-President seats on the Board of Directors. This proposal would change the President title to Chairman and the Vice-President title to Vice-Chairman. Staff will work with legal counsel to incorporate these changes and once finalized, will be brought back to the Board for final review.

CEO REPORT

CEO John Parker reviewed his May 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
- Human Resources

The Board recessed for lunch at 12:25 p.m. and reconvened at 1:15 p.m. with the entire Board, John Parker, Michele Sack, Bryant Robbins, Laurie Rydwell, Troy Whitmore, Jerry Marizza and Ellen Judish present.

BOARD DISCUSSIONS

- Director Compensation Reporting
- Colorado Municipal League Hospitality Suite
- Strategic Plan 2019

The Board recessed for a break at 2:25 p.m. and reconvened at 2:45 p.m. continuing with Board Discussions. The entire Board, John Parker and Michele Sack were present.

- Board Decorum
- July Board Meeting Location

The Board was scheduled to hold the July 2018 Board meeting in the Mountain District, however, due to location restrictions, this Board meeting will be moved to the Brighton Headquarters for 2018. **Director Buczek made a motion**, which was seconded and carried, to adopt the following amended resolution, which notates the new location of the July meeting:

RESOLUTION ESTABLISHING BOARD MEETING DATES FOR 2018

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 2018 Board Meetings:

Friday, January 19, 2018, 9:00 a.m.	Brighton Headquarters
Wednesday, February 21, 2018, 9:00 a.m.	Brighton Headquarters
Wednesday, March 21, 2018, 9:00 a.m.	Brighton Headquarters
Wednesday, April 25, 2018, 9:00 a.m.	Brighton Headquarters
Wednesday, May 23, 2018, 9:00 a.m.	Brighton Headquarters
Wednesday, June 27, 2018 9:00 a.m.	Brighton Headquarters

Wednesday, July 25, 2018, 9:00 a.m.	Brighton Headquarters
Wednesday, August 22, 2018, 9:00 a.m.	Brighton Headquarters
Friday, September 21, 2018, 9:00 a.m.	Brighton Headquarters
Wednesday, October 24, 2018, 9:00 a.m.	Brighton Headquarters
Wednesday, November 28, 2018, 9:00 a.m.	Brighton Headquarters
Wednesday, December 19, 2018, 9:00 a.m.	Brighton Headquarters

NOW, THEREFORE, BE IT RESOLVED by motion adopting this resolution, that the Board Meeting dates, times, and places for 2018 are hereby established as set forth herein.

EXECUTIVE SESSION

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

The Board went into Executive session at 3:25 p.m. with the Board, CEO Parker and Executive Administrator Michele Sack present.

John Parker and Michele Sack left Executive Session at 4:15 p.m.

The Executive Session ended at 4:35 p.m. and following a short recess, the Board reconvened into regular session at 4:39 p.m. with the entire Board, John Parker and Michele Sack present.

ASSOCIATED ORGANIZATIONS

The following conferences will be held prior to the June Board meeting:

- June 10-13, 2018 – Cooperative Finance Corporation Conference, Indianapolis, IN
- June 19-22, 2018 – Colorado Municipal League Conference, Vail, CO

TRI-STATE REPORT

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

CREA REPORT

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

WUE REPORT

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

ROUND-UP FOUNDATION

The Round-Up Foundation April 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, June 27, 2018 at 9:00 a.m. at Brighton Headquarters, 500 Cooperative Way, Brighton, CO 80601.

ADJOURNMENT

President James Vigasaa declared the meeting adjourned at 5:04 p.m.



Michele Sack, Recording Secretary