

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
FRIDAY, SEPTEMBER 21, 2018**

GENERAL

President James Vigesaa called the regular meeting of the United Power Board of Directors to order at 9:30 a.m. on September 21, 2018. The meeting was held at United Power Headquarters in Brighton, Colorado. Present were Directors Keith Alquist, Ginny Buczek, Tim Erickson, Brian McCormick, Ursula Morgan, Rick Newman, Susan Petrocco, Dave Rose, James Vigesaa and Tamra Waltemath. Chief Executive Officer John D. Parker, Chief Operating Officer Bryant Robbins, Chief Financial Officer Laurie Rydwell, Public Affairs Officer Troy Whitmore and Executive Administrator Michele Sack were also present. Director Elizabeth Martin was absent.

Others present for the meeting were staff members Erin Hane, Sarah Herman, Dean Hubbuck, Jerry Marizza, Robert Maxwell, and Ken McFadden.

INVOCATION/PLEDGE

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

ADDITIONS TO AGENDA

Retired United Power Director, Doug Pryce, has requested time with the Board to discuss the Cooperative Leadership Network. **Director Buczek made a motion**, which was seconded and carried, to add this to Board discussions following lunch.

SAFETY MINUTE

Risk and Compliance Director, Ken McFadden, provided an update on safety activities throughout United Power. He also shared that United Power has had over 500 days without a lost time injury.

CONSENT AGENDA

The following items were listed on the consent agenda:

- Approval of Agenda
- Approve August 22, 2018 Regular Meeting Minutes
- Policy Review C-19 - Directors Per Diem
- Policy Review C-25 - Complaint Procedure

Following review of the consent agenda, Director Petrocco requested Policy Review C-19 be pulled from the consent agenda. **Director McCormick made a motion**, which was seconded and carried, to approve the consent agenda as modified.

POLICY REVIEW C-19 – DIRECTORS PER DIEM

Policy C-19 was included in the Board packet for review. Following discussion, this policy will be reviewed again at the beginning of 2019 when a full 12 months of spend is available. **Director Morgan made a motion**, which was seconded and carried, to approve Policy C-19 as presented. **Director Petrocco and Buczek opposed this motion.**

Carmen Castillo joined the Board Meeting at 9:40 a.m.

INTERNAL AUDIT PRESENTATION

Chairman of the Audit Committee, Ginny Buczek, introduced Rodrick B. Ballard representing the firm Jackson Thornton. Mr. Ballard indicated that he met with the Audit Committee on Thursday September 20, 2018 to review the internal control audit that was performed for United Power. Mr. Ballard and staff addressed Board questions.

Rodrick Ballard left the meeting following the Internal Audit review.

The Board recessed for a break at 10:15 a.m. and reconvened at 10:30 a.m.

1ST REVIEW – O & M BUDGETS

CFO Rydwell provided details on the proposed 2018 O & M and Capital Budgets which were included in the Board packet. Staff noted that certain budget line items will be modified to reflect more current estimates and the proposed budgets will be reviewed again at the October Board meeting. CFO Rydwell and staff addressed Board questions.

The Board recessed for lunch at 12:10 p.m. and reconvened at 1:05 p.m. by Vice-President Susan Petrocco. President Vigesaa, CEO John Parker and Director Newman joined the meeting at 1:18 p.m. with President Vigesaa presiding over the meeting.

INSURANCE SUMMARY

Risk and Compliance Director, Ken McFadden, discussed United Power's property and liability insurance coverages and expected insurance premium levels for the 2018-2019 periods. A handout of these insurance coverages was included in the Board packet. Director McFadden and CEO Parker answered Board questions.

CARE 527 CONTRIBUTION

The Colorado Advocates for Rural Electrification (CARE), our statewide political action committee, is once again asking Colorado's distribution cooperatives to consider corporate contributions to CARE's 527 membership account. A motion was made by **Director Buczek**, which was seconded and carried, to approve the donation of \$10,000, plus any applicable taxes, to the Colorado Advocates for Rural Electrification (CARE) for 2019. This money will go to the Independent Expenditure Committee.

CEO REPORT

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

The following reports 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

BOARD DISCUSSIONS

- Cooperative Leadership Network

EXECUTIVE SESSION

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

The Board went into Executive session at 2:31 p.m. with the entire Board present except for Rick Newman. Others present were John Parker, Bryant Robbins, Laurie Rydwell, Troy Whitmore, Robert Maxwell, Dean Hubbuck, Jerry Marizza and Michele Sack.

The Board recessed for a break at 3:50 p.m. and reconvened to Executive Session at 4:00 p.m. with the entire Board and John Parker present.

The Executive Session ended at 4:20 p.m. and reconvened into regular session with the entire Board present, Michele Sack and Dean Hubbuck returning to the meeting.

TRI-STATE REPORT

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

CREA REPORT

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

WUE REPORT

Director McCormick reviewed the WUE Board report for August 2018 addressed Board questions.

MEETING SCHEDULE

The next Regular Board Meeting is scheduled for Wednesday, October 24, 2018 at 9:00 a.m. at Brighton Headquarters, 500 Cooperative Way, Brighton, CO 80601.

ADJOURNMENT

President James Vigesaa declared the meeting adjourned at 5:15 p.m.



Michele Sack, Recording Secretary