

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
WEDNESDAY, MAY 22, 2019**

GENERAL

Chairman James Vigesaa called the regular meeting of the United Power Board of Directors to order at 9:00 a.m. on May 22, 2019. 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 Operating Officer Bryant Robbins, Chief Financial Officer Laurie Rydwell, Governmental & Regulatory Relations Officer Troy Whitmore and Executive Administrator Michele Sack were also present. Chief Executive Officer John D. Parker was absent.

Others present for the meeting were staff members Erin Hane, Dean Hubbuck, Jerry Marizza, Ken McFadden and Curtis Subia.

INVOCATION/PLEDGE

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

SAFETY MINUTE

Risk and Compliance Director, Ken McFadden, provided an update on safety activities throughout United Power. He also shared that as of today, United Power has 760 days without a lost time injury.

NEW EMPLOYEES

The following new employees were introduced:

- Brittany Cordova – Apprentice Lineworker
- Calvin Anderson – Apprentice Lineworker
- Tim McCreary – Journeyman Lineman
- Rex Webster – IT Infrastructure Engineer/Administrator II

CONSENT AGENDA

The following items were listed on the consent agenda:

- Approval of Agenda
- Approve April 17, 2019 Annual Meeting Minutes
- Approve April 24, 2019 Regular Meeting Minutes
- Authorize Vote of Shares/CSA Dir. Election
- 2020 Annual Meeting Date/Place

Director McCormick requested the April 24, 2019 Regular Meeting minutes and the 2020 Annual Meeting Date/Place be pulled from the consent agenda. **Director Erickson made a motion**, which was seconded and carried, to approve the consent agenda as amended.

Following review of the 2 items pulled from the consent agenda, **Director Martin made a motion**, which was seconded and carried, to approve the April 24, 2019 Regular Meeting minutes as amended.

Following discussion of the 2020 Annual Meeting Date, **Director Buczek made a motion**, which was seconded and carried, to adopt the 2020 Annual Meeting of Members Resolution as presented.

RESOLUTION SETTING **2020 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 81st Annual Meeting of Members.

NOW, THEREFORE, BE IT RESOLVED, that the 2020 Annual Meeting of Members of United Power, Inc., shall be held at 6:30 p.m. on Wednesday, April 15, 2020 at the Waymire Dome and Exhibit Hall at the Adams County Fairgrounds.

CAPITAL CREDIT RETIREMENT

CFO Laurie Rydwell discussed the proposed retirement of \$5.5 million in patronage capital for 2019, which was included in the board packet for review. CFO Rydwell recommended that all capital credits yet outstanding for the year 1994 be designated for FIFO retirement, and that a limit of \$300,000 be established once again for net special retirements for the year 2019. Following review and discussion, **a motion was made by Director McCormick**, which was seconded and carried, to adopt the Resolution Authorizing Retirement of Patronage Capital.

RESOLUTION AUTHORIZING RETIREMENT OF PATRONAGE CAPITAL

WHEREAS, it is the goal and stated policy of United Power, Inc., to make general retirements of patronage capital each year; and

WHEREAS, all lender and mortgage covenants were satisfied in 2018; and

WHEREAS, the Board of Directors has determined that the financial condition of United will not be impaired by a general retirement of patronage capital furnished by patrons.

NOW, THEREFORE, BE IT RESOLVED, that a FIFO retirement of \$899,766, representing the year of 1994, that a general retirement of \$4,600,234, and that total retirement authorized is \$5,500,000 to be distributed to all patrons by the retirement method as described in Policy C-18, Patronage Capital; and

BE IT FURTHER RESOLVED that special retirements to estate and other departed members be limited to a total of \$300,000 (after discounts).

SILICON RANCH SOLAR PROJECT

Director of New Business, Jerry Marizza shared background on the Silicon Ranch Platte Solar Project which was commissioned back in Nov 2017. At 16 MW, this solar project is the latest and largest project on the United Power system. At that time, this took United Power to its allowable 5% limit for self-generation projects with Tri-State. Since then, United Power retail sales have continued to grow, and the 5% limit associated with these types of projects continues to grow. Currently an additional 6 MW of solar generation could be commissioned to bring us up to our new, higher 5% level. Silicon Ranch already has the land and permit at this Platte location, and it can be easily interconnected to the United Power system. For United Power it represents the ideal location to serve our ever-increasing oil & gas load in this area. Following review and questions from the Board of Directors, **a motion was made by Director Martin**, which was seconded and carried, to move forward with the additional 6 MW solar field. A contract will be brought back for the Board approval at a future Board meeting

POLICY C-10 – APPROVAL AND EXECUTION OF CONTRACTS, AGREEMENTS AND OTHER INSTRUMENTS

CFO Rydwell and Director of Purchasing, Curtis Subia, discussed the revisions made to Policy C-10, and a red lined version of those revisions was included in the Board packet for review. Following review and questions from the Board of Directors, **Director Buczek made a motion**, which was seconded and carried, to approve Policy C-10 – Approval and Execution of Contracts, Agreements and other Instruments, as presented by staff.

Following the review of Policy C-10 Curtis Subia provided an update on the newly named Carbon Valley Service Center. Following his report, he left the meeting at 10:10 am.

RESOLUTION HONORING HEIDI STORZ FOR 25 YEARS OF SERVICE

A motion was made by Director McCormick, which was seconded and carried, to adopt the following Resolution honoring Heidi Storz for her 25 years of Dedicated Service to United Power.

WHEREAS, Heidi Storz will complete 25 years of service with United Power, Inc., as of the 23rd day of May 2019; and

WHEREAS, United Power's Board of Directors wishes to show its appreciation to Heidi for her many years of service.

NOW, THEREFORE, BE IT RESOLVED that Heidi Storz is hereby awarded a check equal to \$1,500.00 as an expression of United Power's gratitude for her many years of faithful service.

IN WITNESS WHEREOF, the said Corporation has caused this Resolution to be signed by its officers and members of the Board and to be sealed with the seal of the Corporation this 22nd day of May 2019.

STAFF REPORTS

The following reports were discussed and updated by COO Robbins and staff:

Joint Tri-State Report

Following the Joint TS report, the Board recessed for a break at 10:37 am and reconvened with staff reports at 10:55 am:

- Chief Executive Officer
- Chief Financial Officer
 - Quarterly Financial Report
- Chief Operating Officer
- Government and Regulatory Relations Officer

Communications Manager, Heidi Storz, joined the meeting and was presented with the signed Resolution, by the Board of Directors, honoring her 25 years of service to United Power. She then joined the Board and staff for lunch.

Following the presentation to Heidi Storz, the Board recessed for lunch at noon and reconvened with staff reports at 1:00 pm:

- Power Supply & Rates
- New Business
- Risk and Safety
- Human Resources

EXECUTIVE SESSION

Director Martin made a motion that the Board go into Executive Session to discuss legal and contract issues. The Board went into Executive session at 1:10 p.m. with the entire Board and select staff present.

The Executive Session ended at 2:30 and recessed for a break until 2:46 p.m. Following break the board reconvened into regular session with the full Board, COO Bryant Robbins, CFO Laurie Rydwell and Executive Administrator Michele Sack present.

BOARD DISCUSSIONS

- 2019 Strategic Plan Agenda
- Committee Updates

CREA REPORT

Director Buczek reviewed the April 2019 CREA Board of Directors minutes and addressed Board questions.

WUE REPORT

Director McCormick reviewed the April 2019 Western United financial reports and addressed Board questions.

MEETING SCHEDULE

The next Regular Board Meeting is scheduled for Wednesday, June 26, 2019 at 9:00 a.m. at Brighton Headquarters, 500 Cooperative Way, Brighton, CO 80601.

ADJOURNMENT

Chairman James Vigesaa declared the meeting adjourned at 3:25 p.m.



Michele Sack, Recording Secretary