

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
FRIDAY, SEPTEMBER 20, 2019**

GENERAL

Chairman James Vigesaa called the regular meeting of the United Power Board of Directors to order at 9:00 a.m. on September 20, 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, Rick Newman (tele-conference), Dave Rose, Susan Petrocco, James Vigesaa and Tamra Waltemath. Chief Executive Officer John D. Parker, Chief Financial Officer Laurie Rydwell, Chief Operating Officer Bryant Robbins, Governmental & Regulatory Relations Officer Troy Whitmore, Member Engagement Officer Meghan Dewey and Executive Administrator Michele Sack were also present. Director Ursula Morgan was absent.

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

INVOCATION/PLEDGE

Director Alquist 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 including discussions with employees regarding cold weather preparations, particularly for those that work outside.

NEW EMPLOYEES

Director of Human Resources, Erin Hane, introduced the following new employee:

- Nia Matsumoto – GIS Technician I

CONSENT AGENDA

The following items were listed on the consent agenda:

- Approval of Agenda
- Approve August 28, 2019 Annual Meeting Minutes

Director Buczek made a motion, which was seconded and carried, to approve the consent agenda as presented.

RESOLUTION APPROVING LONG TERM FINANCING

United Power has been experiencing a high growth rate and finds it necessary to increase its mortgage debt limit to accommodate the growth. During the August Board meeting, staff requested the mortgage debt limit and authorized borrowing from CFC to be increased from \$250,000,000 to \$350,000,000. Included in the September Board book were the loan documents from CFC for the Boards approval. Following discussion, **Director Martin made a motion**, which was seconded and carried, to adopt the following resolution authorizing an increase to the mortgage debt limit:

CERTIFICATE OF RESOLUTIONS AND INCUMBENCY

I, Elizabeth Martin, do hereby certify that (i) I am the Secretary of UNITED POWER, INC., A COLORADO COOPERATIVE ASSOCIATION (hereinafter called the "Cooperative"); (ii) the following are true and correct copies of resolutions duly adopted by the board of directors of the Cooperative at a meeting held on the 20th day of September 2019; (iii) the meeting was duly and regularly called and held in accordance with the articles and bylaws of the Cooperative; (iv) the Cooperative is duly incorporated, validly existing and in good standing under the laws of the state of its incorporation and there is no pending or contemplated proceeding for the merger, consolidation, sale of assets or business or dissolution of the Cooperative; (v) forms of the loan documents were submitted to the meeting and were authorized by the board of directors to be executed; (vi) none of the following resolutions has been rescinded or modified as of this date; and (vii) the persons authorized below have been duly elected or appointed to their respective positions and occupied such positions on the date of actual execution of the loan documents:

RESOLVED, that the Cooperative borrow from National Rural Utilities Cooperative Finance Corporation (CFC), from time to time as determined by the officers or proper persons designated by the board of directors of the Cooperative, an aggregate amount not to exceed \$100,000,000.00, as set forth in the loan agreement with CFC governing such loan, substantially in the form of the loan agreement presented to this meeting (the "Loan Agreement"); and

RESOLVED, that the proceeds of this loan be used for the purpose set forth in the Loan Agreement; and

RESOLVED, that the individuals listed below are hereby authorized to execute and to deliver to CFC the following documents (including as many counterparts as may be required):

- a) the Loan Agreement;
- b) one or more secured promissory notes payable to the order of CFC, which in the aggregate shall not exceed the principal amount of \$100,000,000.00, substantially in the form of the notes presented to this meeting; and

- c) a mortgage and security agreement with CFC as mortgagee, for purposes of securing the loan provided for herein, substantially in the form of the mortgage and security agreement presented to this meeting.
- d) RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the Cooperative to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to said Loan Agreement as such individual may deem appropriate within the amount of the promissory notes so authorized herein 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>
Chairman of the Board	James Vigesaa
Chief Executive Officer	John D. Parker
Chief Financial Officer	Laurie Rydwell

CARBON VALLEY SERVICE CENTER UPDATE

Director of Purchasing, Curtis Subia, provided an update on the new Carbon Valley Service Center (CVSC) which is nearing the end of construction. Staff has identified areas which require supplemental budget requests, which were included in the Board packet. Following discussion and questions from the Board, **Director Buczek made a motion**, which was seconded and carried, to approve the supplemental budget requests.

Curtis Subia also discussed the 1.1-acre piece of land, at the CVSC, which is currently not being utilized by United Power. An adjoining business has shown interest in leasing this piece of land; therefore, the lease contract is moving forward and will start October 1, 2019.

Following his updates, Curtis left the meeting at 9:40 a.m.

STAFF REPORTS

The following reports were discussed and updated by CEO Parker and staff:

- Chief Financial Officer
 - 1st Review O&M and Capital Budgets

CFO Laurie Rydwell and Controller Sarah Herman left the Board meeting following the CFO and budget presentations.

The Board recessed for lunch at 11:30 am and reconvened with staff reports at 12:45 pm.

- Chief Executive Officer
- Chief Operating Officer
- Government and Regulatory Relations Officer
- Member Engagement Officer
- Power Supply and Rates
- New Business
- Human Resources

EXECUTIVE SESSION

Director Alquist made a motion that the Board go into Executive Session to discuss contract issues. The Board went into Executive session at 1:50 p.m. with the Board and staff present.

The Board recessed for a break at 2:15 pm and reconvened into Executive Session at 2:30 pm with the Board and select staff present.

Executive session ended at 4:15 pm and went back into regular session.

BOARD DISCUSSIONS

- Strategic Issues
- Committee Updates

CREA REPORT

Director Buczek reviewed the August 2019 CREA Board reports and addressed Board questions.

WUE REPORT

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

The Board recessed for a break at 4:15 pm and reconvened 4:25 pm

EXECUTIVE SESSION

Director Erickson made a motion that the Board go into Executive Session to discuss the CEO evaluation. The Board went into Executive session at 4:25 p.m. with the Board present. Directors Morgan and Newman were absent.

Executive session ended at 5:52 pm and went back into regular session with CEO Parker returning to the meeting.

Director Petrocco made a motion, which was seconded and carried, approving the CEO compensation package. Director Martin abstained.

MEETING SCHEDULE

The next Regular Board Meeting is scheduled for Wednesday, October 23, 2019 at 9:00 a.m. at Brighton Headquarters, 500 Cooperative Way, Brighton, CO 80601.

ADJOURNMENT

Chairman James Vigesaa declared the meeting adjourned at 5:54 pm.



Michele Sack, Recording Secretary