

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF UNITED POWER, INC.
WEDNESDAY, SEPTEMBER 23, 2020**

GENERAL

Chairman Ursula Morgan called the regular meeting of the United Power Board of Directors to order at 9:02 a.m. on September 23, 2020. The meeting was held at United Power's Carbon Valley Service Center in Longmont, CO and via Zoom teleconference. Present were Directors Keith Alquist, Ginny Buczek, Tim Erickson, Elizabeth Martin, Brian McCormick, Ursula Morgan, Susan Petrocco, Dave Rose and James Vigessaa. Directors Rick Newman and Tamra Waltemath joined the meeting via teleconference.

Acting Chief Executive Officer Bryant Robbins, Chief Financial Officer Laurie Burkhart, Government & Regulatory Relations Officer Troy Whitmore, Chief Energy Resource Officer Dean Hubbeck, Human Resources Director Erin Hane, Engineering Director Robert Maxwell, Risk & Compliance Director Ken McFadden, Marketing & Communications Manager Heidi Storz and Executive Administrative Assistant Cheri Simmons were also present at the Longmont location; all abided by the Colorado Department of Health's social distance guidelines.

INVOCATION/PLEDGE

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

SAFETY MINUTE

Risk & Compliance Director McFadden provided an update on United Power's safety activities.

CONSENT AGENDA

The following items were listed on the consent agenda

- Approval of Agenda
- Approve August 25, 2020 Special Board Meeting Minutes
- Approve August 26, 2020 Regular Board Meeting Minutes
- Approve September 14 – 15, 2020 Special SPS Meeting Minutes

Director Petrocco made a motion, which was seconded, and carried, to approve the consent agenda as presented. Director McCormick abstained from approving the September 14 – 15, 2020 Special SPS Meeting Minutes.

STAFF REPORTS

The following reports were discussed and updated by Acting CEO Robbins and Staff

- Chief Executive Officer
- Chief Financial Officer

A brief recess was called at 10:35 a.m., with the meeting reconvening at 10:52 a.m.

STAFF REPORTS CON'T.

- Chief Operating Officer
- Human Resources
- Governmental & Regulatory Relations Officer
- Chief Energy Resource Officer
- Risk & Safety

FIRE INSURANCE

Following discussion, **Director Buczek made a motion**, which was seconded and carried, to move forward with the \$45 million in fire insurance coverage already obtained.

ANNUAL MEETING DISCUSSION

Following discussion and review of Marketing & Communications Manager Heidi Storz's 2020 Annual Meeting presentation, **Director Martin made a motion**, which was seconded, and carried, to adopt a hybrid version of the 2021 Annual Meeting, planning for both a virtual town hall and an in-person meeting for the April 21, 2021 Annual Meeting of Members.

The Board recessed for lunch at 12:44 p.m., reconvening at 1:18 p.m.

ANNUAL MEETING DISCUSSION, CON'T. – VOTING BALLOTS

Following discussion, **Director Petrocco made a motion**, which was seconded, and carried, to accept and count only mailed ballots and ballots returned by hand would not be accepted for the 2021 Director elections. **Director Newman opposed the vote. Director Erickson abstained.**

DEFERRAL OF BUYOUT LEGAL EXPENSES

Following a brief discussion, **Director Erickson made a motion**, which was seconded, and carried, to adopt the following resolution:

AUTHORIZATION FOR DEFERRAL OF BUYOUT LEGAL EXPENSES AND SETTING OF RELATED AMORTIZATION PERIOD

WHEREAS, United Power, Inc. ("UP") has been and will continue to incur legal costs related to the potential buyout of UP's purchase power agreement with Tri-State ("TS"); and

WHEREAS, the recommended accounting treatment is to record the extraordinary costs as a Regulatory Asset; and

WHEREAS, upon completion of the buyout efforts, the Regulatory Assets should be amortized over future periods; and

WHEREAS, the recommended period of amortization would be five (5) years if UP does not exit TS and thirty (30) years (or the remaining term of the agreement) if UP exits TS.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors authorizes and directs the Chief Financial Officer to defer the legal costs related to the potential buyout of UP's purchase power agreement with TS into a Regulatory Asset with an amortization period of five (5) years or thirty (30) years, depending on the outcome.

CREA REPORT

Director Buczek updated the Board on CREA activities.

WUE REPORT

Director Alquist updated the Board on WUE activities.

TRI-STATE REPORTS

Director McCormick recapped his Tri-State report, which was followed by Chief Energy Resource Officer Hubbeck's update of Staff's Tri-State report.

A brief recess was called at 2:41 p.m., with the meeting reconvening at 2:55 p.m.

LITIGATION/EXECUTIVE SESSION

Director Martin made a motion, which was seconded, and carried, to enter Litigation/Executive Session at 2:55 p.m. to discuss contract issues. The entire Board was present, including Director McCormick. Risk & Compliance Director McFadden and Engineering Director Robert Maxwell left the meeting at this time.

Staff was excused at 3:58 p.m., except Human Resources Director Hane. HR Director Hane left the meeting at 4:00 p.m.

Director McCormick was excused from the meeting at 4:08 p.m. Acting CEO Robbins returned to the meeting at this time.

Director Alquist made a motion, which was seconded and carried, to end Litigation/Executive Session at 4:24 p.m., reconvening into regular session. At 4:25 p.m., Director McCormick and EEA Simmons returned to the regular session.

MEETING SCHEDULE

The next regular Board meeting is scheduled Wednesday, October 28, 2020 at 9:00 a.m. and will be held at United Power's Carbon Valley Service Center, 9586 E I-25 Frontage Road, Longmont, CO and via teleconference to observe the State's current health guidelines.

ADJOURNMENT

Chairman Morgan declared the meeting adjourned at 4:31 p.m.



Cheri Simmons, Recording Secretary