

**MINUTES OF THE REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF  
UNITED POWER, INC.  
TUESDAY, JULY 23, 2019**

**GENERAL**

Chairman James Vigesaa called the regular meeting of the United Power Board of Directors to order at 9:00 a.m. on July 23, 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 (via tele-conference), Ursula Morgan, Rick Newman, Dave Rose, 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 and Executive Administrator Michele Sack were also present. Director Susan Petrocco was absent.

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

**INVOCATION/PLEDGE**

Director Martin 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 the importance of heat stress and heat related illnesses during the hot summer months. He also shared that as of today, United Power has 822 days without a lost time injury.

**CARBON VALLEY SERVICE CENTER UPDATE**

Director of Purchasing, Curtis Subia, provided an update on the new Carbon Valley Service Center. United Power is on schedule to receive the Temporary Certificate of Occupancy by the end of this week. The Board of Directors are invited for a tour of the new facility on June 30, 2019. Following his update, Curtis left the meeting at 9:10 a.m.

**CONSENT AGENDA**

The following items were listed on the consent agenda:

- Approval of Agenda
- Approve June 26, 2019 Annual Meeting Minutes

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

## **POLICY C-15 FIRE MITIGATION**

Due to the fires that have occurred across the country this past year, United Power created Policy C-15, Fire Mitigation, which was included in the Board packet for their review. The result of this policy is the development of a Fire Mitigation Plan that will be reviewed by the Board annually for changes / enhancements as technology and governmental requirements are implemented.

Following review, **Director Martin made a motion**, which was seconded and carried, to approve Policy C-15, Fire Mitigation, as amended by the Board of Directors.

## **STAFF REPORTS**

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

- Chief Executive Officer
- Chief Financial Officer
  - 2020 Key Drivers/Key Assumptions
  - Financial Goals Wrap Up

Included in the Financial Goals Wrap Up presentation was Policy C-28 - Financial Goals. The revisions included the recommendations made by the Board and staff at the Board of Directors Strategic Planning Session held in May of 2019. Following discussion, **Director Martin made a motion**, which was seconded and carried, to approve Policy C-28 - Financial Goals, as amended by the Board of Directors.

- 2018 Write-Offs

Following the presentation of the 2018 Write-Offs report, **Director Buczek made a motion**, which was seconded and carried, to approve the uncollectible balances in the amount of \$642,100 as presented by CFO Rydwell.

The Board recessed for a break at 10:20 am and reconvened with staff reports at 10:30 am.

- Chief Operating Officer
- Government and Regulatory Relations Officer
- Power Supply & Rates
- New Business
- Risk and Safety
- Human Resources

Following staff reports, the Board recessed for lunch at noon and reconvened into regular session at 12:45 pm.

## **EXECUTIVE SESSION**

**Director Martin made a motion** that the Board go into Executive Session to discuss contract issues. The Board went into Executive session at 12:45 p.m. with the entire Board and select staff present.

Executive session ended at 2:50 pm and following a break, the Board went back into regular session at 3:00 pm.

Upon returning to regular session, **Director Newman made a motion**, which was seconded and carried, to adopt the following Resolution:

### **AUTHORIZING UNITED POWER, INC. TO PROVIDE TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC. WITH NOTICE OF INTENTION TO BECOME A PARTIAL REQUIREMENTS MEMBER**

**WHEREAS**, Union Rural Electric, the predecessor corporate entity to United Power, Inc. (“United Power” or “Cooperative”), joined with twenty-four (24) other cooperatives to form Tri-State Generation and Transmission Association, Inc. (“Tri-State”) in 1952; and

**WHEREAS**, United Power has been a member of Tri-State since its founding and has purchased substantially all of its members’ requirements for electric power from Tri-State pursuant to a wholesale power contract; and

**WHEREAS**, since its founding, Tri-State has only offered one class of membership; and

**WHEREAS**, Tri-State adopted Amended and Restated Bylaws on April 3, 2019, which permit Tri-State to form different classes of membership, including a partial requirements membership classification; and

**WHEREAS**, United Power has reviewed its future needs for electric power and has determined that it is in the best interests of its member-consumers to explore whether it should convert its current membership in Tri-State to a partial requirements membership; and

**WHEREAS**, pursuant to the Amended and Restated Bylaws, United Power is providing Tri-State with its “Notice of Intention to Become a Partial Requirements Member” (the “Notice”) which will facilitate United Power’s exploration of the wholesale power markets and its conduct of due diligence so that it can make a decision whether or not to convert its membership in Tri-State from an all requirements membership to a partial requirements membership; and

**WHEREAS**, pursuant with its provision of the Notice, United Power will seek a Market Access Letter from Tri-State which will facilitate United Power’s evaluation of the wholesale power markets; and

**WHEREAS**, if United Power subsequently determines to convert its Tri-State membership to a partial requirements membership, it will assume responsibility for independently arranging for power supply resources needed to meet the native load requirements of its member-consumers that exceed purchases of electric power from Tri-State; and

**WHEREAS**, the Chief Executive Officer has recommended to the Board of Directors that United Power provide Tri-State with the Notice in form attached hereto as Exhibit “A”; and

**WHEREAS**, the Board of Directors has determined that authorizing the provision of such written notice to Tri-State is in the best interest of United Power and its member-consumers.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors hereby authorizes and approves the Notice of Intention to Become a Partial Requirements Member as presented to the Board of Directors by its Chief Executive Officer.

**RESOLVED, FURTHER**, that the Chairman of the Board of Directors is hereby authorized, empowered and directed, for and on behalf of United Power, to execute and to deliver the Notice to Tri-State.

**RESOLVED, FURTHER**, the Chief Executive Officer is hereby authorized, empowered and directed, for and on behalf of Cooperative, to obtain a Market Access Letter from Tri-State.

**RESOLVED FURTHER**, that the Chief Executive Officer and at his direction, the officers, employees and representatives of United Power are hereby authorized, empowered, and directed, for and on behalf of the Cooperative, to engage in due diligence, including but not limited to, the issuance of a request for information to potential third party power suppliers and the negotiation of a partial requirements power supply contract with Tri-State, which will lead to the development of a recommendation to the Board of Directors regarding whether or not to convert its Tri-State membership to a partial requirements membership.

## **BOARD DISCUSSIONS**

- Upcoming Events
- Strategic Issues
- Committee Updates

## **CREA REPORT**

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

## **WUE REPORT**

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

## **MEETING SCHEDULE**

The next Regular Board Meeting is scheduled for Wednesday, August 28, 2019 at 9:00 a.m. at Brighton Headquarters, 500 Cooperative Way, Brighton, CO 80601.

## **ADJOURNMENT**

Chairman James Vigesaa declared the meeting adjourned at 3:40 p.m.



Michele Sack, Recording Secretary