



UTAH PUBLIC SERVICE COMMISSION

July 25, 2013

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Utah Public Service Commission
Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84114

Docket No. 13-066-01

To Whom it May Concern:

Dixie-Escalante Rural Electric Association, Inc, now doing business as Dixie Power, has sought additional financing from CoBank, a competitor to our current lending institution in the rural electric cooperative financing sector.

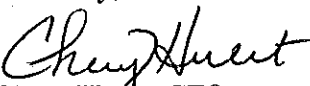
We believe that competition is good and we want to keep all options open to financing in the future. The Board of Directors signed a resolution to execute loan documents on July 10, 2013. A copy of that resolution, along with the minutes from the board meeting, is enclosed with this letter.

The type of financing is a Short-Term Revolving Credit Facility in the amount of \$3,000,000.00 for financing general operating needs and interim capital expenditures. The term is from June 26, 2013, to August 31, 2014, or such later date as CoBank may, in its sole discretion, authorize in writing. The commitment shall be renewed for an additional year, if CoBank provides written notice of renewal. The obligations of the Company are unsecured.

The interest rates are very much in line, if not lower, than our current financier, National Rural Utilities Cooperative Finance Corporation (NRUCFC).

Please let me know if you need any further information for a ruling on this request, so that our attorney can send his opinion letter to CoBank as soon as possible.

Sincerely,


Chery Hulet, CFO

RESOLUTION OF THE BOARD OF DIRECTORS

of

**DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
BERYL, UTAH**

WHEREAS, the above named borrower (the "Company"), under its articles of incorporation, bylaws, or other organizational documents has full power and authority to borrow money and to secure the same with its own property and property delivered to it for marketing or otherwise;

WHEREAS, all prerequisite acts and proceedings preliminary to the adoption of this Resolution have been taken and done in due and proper form, time and manner; and

WHEREAS, the Board of Directors of the Company find that it is in the best interest of the Company to become a member in CoBank, ACB ("CoBank");

NOW, THEREFORE, BE IT RESOLVED, that each of the following officers or positions (line out any not to be authorized under this Resolution) President, Vice President, Treasurer, Secretary, Assistant Secretary, General Manager and any others to be authorized under this Resolution (insert titles only) Chairman, Vice Chair
CEO, CFO ("Officers") of the Company are jointly and severally authorized and empowered to obtain for and on behalf of the Company from time to time, from CoBank, a loan or loans or other financial accommodations (including, without limitation, letters of credit, note purchase agreements and bankers acceptances) (collectively, a "Loan") under this Resolution; and for such purposes: (1) to execute such application or applications (including exhibits, amendments and/or supplements thereto) as may be required for all borrowings; (2) to obligate the Company to pay such rate or rates of interest as the Officers so acting shall deem proper, and in connection therewith to purchase such interest rate risk management products as may be offered from time to time by CoBank; (3) to obligate the Company to such other terms and conditions as the Officers so acting shall deem proper; (4) to obligate the Company to become a member in CoBank and to make such investments in CoBank as required by CoBank; (5) to execute and deliver to CoBank or its nominee all such written loan agreements, documents and instruments as may be required by CoBank in regard to or as evidence of any Loan made pursuant to the terms of this Resolution; (6) to pledge, grant a security interest or lien in, or assign property of the Company or property of others on which it is entitled to borrow, of any kind and in any amount as security for any or all obligations (past, present and/or future) of the Company to CoBank; (7) from time to time extend, amend, renew or refinance any such Loan; (8) to reborrow from time to time, subject to the provisions of this Resolution, all or any part of the amounts repaid to CoBank on any Loan made pursuant hereto (whether for the same or a different purpose); (9) to execute and deliver to CoBank an Electronic Commerce Master Service Agreement, a separate Service Agreement for each different service requested by the Company, and such other agreements, addenda, documents or instruments as may be required by CoBank in the event that the Company elects to use CoBank's electronic banking system (the "System"); (10) to execute and deliver to CoBank any agreements, addenda, authorization forms and other documents or instruments as may be required by CoBank in the event that the Company elects to use any services or products related to the Loan that are offered by CoBank now or in the future, including without limitation an automated clearing house (ACH) service; (11) to direct and delegate to designated employees of the Company the authority to direct, by written or telephonic instructions or electronically, if the Company has agreed to use the System for such purpose, the disposition of the proceeds of any Loan authorized herein or any property of the Company at any time held by CoBank; and (12) to delegate to designated employees of the Company the authority to request by telephonic or written means or electronically, if the Company has agreed to use the System for such purpose, loan advances and/or other financial accommodations, and in connection therewith, to fix rates and agree to pay fees. In the absence of any direction or delegation authorized in (11) or (12) above, all existing directions and/or delegations shall remain in full force and effect and shall be applicable to any Loan authorized herein.

RESOLVED FURTHER, That each of the Officers are hereby jointly and severally authorized to: (1) establish a Cash Investment Services Account at CoBank; (2) make such investments therein as any Officer shall deem proper; (3) direct by written or telephonic instructions or electronically, if the Company has agreed to use the System for such

purposes, the disposition of the proceeds therein; (4) delegate to designated employees of the Company the authority set forth in (1) and (3) above; and (5) execute and deliver all documents and agreements necessary to carry out this authority.

RESOLVED FURTHER, That each of the Officers are hereby jointly and severally authorized and directed to do and/or cause to be done, from time to time, all things which may be necessary and/or proper for the carrying out of the terms of these Resolutions.

RESOLVED FURTHER, That all prior acts by the Officers or other employees or agents of the Company to accomplish the purposes of these Resolutions are hereby approved and ratified.

RESOLVED FURTHER, That any Officer of the Company is hereby authorized and directed to cast the ballot of the Company in any and all proceedings in which the Company is entitled to vote for the selection of a member of CoBank's board of directors or for any other purpose.

RESOLVED FURTHER, That these Resolutions shall remain in full force and effect until a certified copy of a duly adopted resolution effecting a revocation or amendment, as the case may be, shall have been received by CoBank. The authority hereby granted shall apply with equal force and effect to the successors in office of the Officers herein named.

RESOLVED FURTHER, That effective on the date when the Loan under these Resolutions becomes available, the following listed Resolutions are hereby revoked:

N/A

No such revocation shall affect the validity of any action or actions made or taken in reliance on such resolution(s) prior to the effective date of revocation.

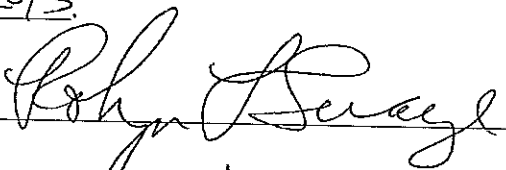
RESOLVED FURTHER, That the Secretary or any Assistant Secretary of the Company is hereby authorized and directed to certify to CoBank a copy of these Resolutions, the names and specimen signatures of the present Officers above referred to, and if and when any change is made in the personnel of any said Officers, the fact of such change and the name and specimen signatures of the new Officers. CoBank shall be entitled to rely on any such certification until a new certification is actually received by CoBank.

CERTIFICATE

The undersigned, a Secretary or Assistant Secretary of the Company, hereby certifies that the Board of Directors, at a meeting duly called, noticed, convened and held on the 10 day of July, 2013, at which a quorum was present, did unanimously adopt the foregoing resolutions and that said resolutions have not been revoked or amended in any way.

Dated this 10 day of July, 2013.

By:



Title:


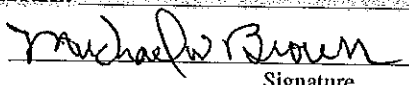
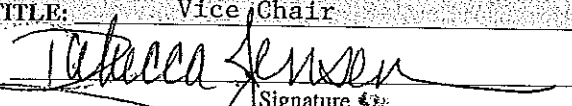
Secretary
 Secretary or Assistant Secretary

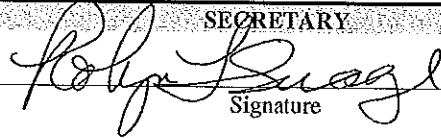
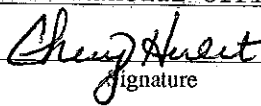
CoBANK, ACB
INCUMBENCY CERTIFICATE

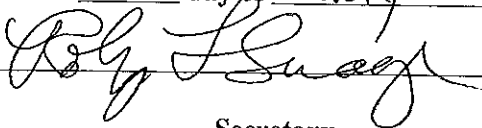
The undersigned, as Secretary of the Company named below, hereby certifies that the following persons are the current, duly elected or appointed Officers enumerated in applicable Resolutions of the Company's Board of Directors and that the following are the specimen signatures of those Officers:

OFFICERS

NOTE: INSERT THE NAMES AND OBTAIN THE SIGNATURES OF ONLY THOSE OFFICERS AUTHORIZED BY THE RESOLUTION REFERRED TO ABOVE.

<p align="center">PRESIDENT & CEO</p> <p align="center"></p> <p align="center">Signature</p> <p align="center">G LaDel Laub</p> <p align="center">TYPE or PRINT name</p>
<p align="center">TREASURER</p> <p align="center">_____ Signature</p> <p align="center">_____ TYPE or PRINT name</p>
<p align="center">SECRETARY</p> <p>TITLE: _____</p> <p align="center">_____ Signature</p> <p align="center">_____ TYPE or PRINT name</p>
<p>TITLE: Chairman</p> <p align="center"></p> <p align="center">Signature</p> <p align="center">Michael W Brown</p> <p align="center">TYPE or PRINT name</p>
<p>TITLE: Vice Chair</p> <p align="center"></p> <p align="center">Signature</p> <p align="center">Rebecca Jensen</p> <p align="center">TYPE or PRINT name</p>

<p align="center">VICE PRESIDENT</p> <p align="center">_____ Signature</p> <p align="center">_____ TYPE or PRINT name</p>
<p align="center">SECRETARY</p> <p align="center"></p> <p align="center">Signature</p> <p align="center">Robyn Serage</p> <p align="center">TYPE or PRINT name</p>
<p align="center">GENERAL MANAGER</p> <p>TITLE: _____</p> <p align="center">_____ Signature</p> <p align="center">_____ TYPE or PRINT name</p>
<p>TITLE: Chief Financial Officer (CFO)</p> <p align="center"></p> <p align="center">Signature</p> <p align="center">Chery Hulet</p> <p align="center">TYPE or PRINT name</p>
<p>TITLE: _____</p> <p align="center">_____ Signature</p> <p align="center">_____ TYPE or PRINT name</p>

Dated this 10 day of July, 2013.

Secretary

Change of address? Yes No

DIXIE-ESCALANTE RURAL
ELECTRIC ASSOCIATION, INC.
71 East Highway 56
Beryl, Utah 84714

Annual Meeting Month: April - June

Phone: (435) 439-5311
Fax No: (435) 439-5352

Dixie Escalante REA Inc
Board of Directors' Meeting
7/10/2013

The Board of Directors of Dixie Escalante REA, Inc., held a regularly scheduled board meeting at the Beryl office on Wednesday, July 10, 2013. Mike Brown called the business meeting to order at 10:15 am.

Board members present: Mark Anderson, Bruno Biasi, Mike Brown, DeLyle Carling, Rebecca Jensen, Ginger Mathis, and Robyn Serage. Robert Hansen was excused.

Others present: LaDel Laub and Chery Hulet.

LaDel added Voting Delegates for the Deseret annual meeting as Action Item 11. There was also a correction to the annual meeting minutes for the name change. A motion was duly made and seconded that the amended annual meeting minutes, agenda, regular meeting minutes, and new members be approved. The Board voted and the motion carried.

LaDel opened the floor for election of officers. A motion was duly made and seconded to suspend the rules and leave the current officers in as follows: Mike Brown as Chairman, Rebecca Jensen as Vice Chair, and Robyn Serage as Secretary. The Board voted and the motion passed.

Interviews were then held to fill Jack Moyle's vacant seat on the Board. A motion was duly made and seconded to appoint Scott Schill to fill the remaining term of Jack Moyle's seat on the Board. The Board voted and the motion passed.

Chery reported on the May 2013 financials and the June 2013 cash flow report along with some key ratios just received from CFC for 2012. A motion was duly made and seconded to approve the financials presented along with the check register and cash flow report. The Board voted and the motion passed.

LaDel reported on the Viracon contract settlement negotiations with a few changes in the payment schedule and that we are waiting for a response from Viracon.

Chery presented a resolution from CoBank allowing Dixie Power to become a member and authorize officers to obtain loans and do other necessary business with CoBank including who can access funds. The officers listed were Mike Brown, Rebecca Jensen, Robyn Serage, LaDel Laub, and Chery Hulet. A motion was duly made and seconded to adopt the resolution as stated. The Board voted and the motion passed.

Mike reported that Deseret will be discussing an IPP Proposal in a special meeting this month.

LaDel passed out a proposed bylaw change to the section regarding nominations for elected directors. The Board had discussion and asked LaDel to bring back a final proposed amended bylaw next month.

Mike asked for feedback on the strategic plan and stated that it would be an on-going process for the next few months. Items that have a high impact that are somewhat controllable included Education on what Dixie is doing in renewable energy, employee compensation versus member perception, the aging electric system, and future long-term contracts for wholesale power. Mike asked the Board to bring back more ideas, suggestions, and solutions next month.

A motion was duly made and seconded to appoint Mike as the delegate and LaDel as the alternate for the Deseret annual meeting. The Board voted and the motion passed.

Mike reported on the Deseret plant and mine operations which included a few small outages. Most of the meeting discussion was on the IPP Proposal. LaDel reported that two CFC representatives were in attendance at the meeting that will be over the G&T's.

There wasn't a UREA meeting in July.

LaDel reported that safety meeting was held on lock out/tag outs and switching procedures given by Russ Platt. Efrain also went over some metering issues and the coordination needed between crews and the safety features of the meters. He also reported on the Arizona rate hearing that he and Colin attended. The hearing was held in front of a judge with all parties agreeable to all stipulations of the rate filing. The judge requested a few more items and then will send her recommendation to the commission for final approval.

Chery reported that 622 coops have now deposited \$1.72 billion into the NRECA Pension Fund prepayment. Dixie Power members have had 36% savings on prescriptions with the connection card amounting to over \$12,000, this year. She reported on the PCS training last month and said that she and Leighann will be going to the NRECA Benefit Update in August. She had the Form 990 available for the boards' review. She also reported that she would have some sample employee policies that need to be discussed next month.

The Sexual Harassment training was postponed until next Board meeting when all directors would be in attendance.

DeLyle reported that Flowell was still working on their election process and discussed a power problem that caused significant damages.

There was nothing new on employee status to report.

The next board meeting was scheduled for August 7, at 10:00 in Beryl.

The regular meeting adjourned at 2:45 pm.