

Dixie Escalante REA Inc  
Board of Directors' Meeting  
6/1/16

The Board of Directors of Dixie Escalante REA, Inc., held a regularly scheduled board meeting at the Beryl office on Wednesday, June 1, 2016. Mike Brown called the business meeting to order at 10:00 am.

Board members present: Mark Anderson, Mike Brown, DeLyle Carling, Robert Hansen, Rebecca Jensen, Rick Peetz, John Reyes, Scott Schill, and Robyn Serage.

Others present: LaDel Laub, Chery Hulet, Colin Jack, and Flowell General Manager, Durand Robison.

Mike welcomed the new director from Pine Valley, Rick Peetz, to the meeting.

A motion was duly made and seconded to approve the agenda, minutes, and new members. The Board voted and the motion passed.

Chery reported on the April 2016 financials along with the May 2016 cash flow report and check register. A motion was duly made and seconded to approve the financials presented along with the May check register. The Board voted and the motion passed.

Chery presented a certificate of resolutions and incumbency for the coop to apply for a letter of credit from CFC and authorize signers to execute the documents. This letter of credit is for the building contractor, PARIC, for the term of the building construction. A motion was duly made and seconded to approve the resolution and authorize LaDel and Chery to execute the Letter of Credit Reimbursement Agreement. The Board voted and the motion passed.

LaDel reviewed with the board of the need for a \$20 million power vision loan from CFC. Chery presented a certificate of resolutions and incumbency for the coop to apply for the new power vision loan from CFC and authorize signers to execute the documents. A motion was duly made and seconded to approve the resolution and authorize LaDel and Chery to execute the promissory note and loan agreement. The Board voted and the motion passed.

LaDel and Durand reported on the IPP Renewal process. No action will need to be taken until possibly the August board meeting.

Mike reported on the Deseret Power Contract Extension. No action is needed at this time because negotiations are still on going.

Mike reported that the Bonanza power plant should be back on line tonight after an extended maintenance outage including the over-fired air project. The cash position is looking good for Deseret for the year as well.

Robyn reported that a new director for UREA was seated from Mt Wheeler. They also had an Empire Electric director attend the meeting for the first time in few years. She talked about the

financial report and the PAC event. Next year's PAC event will be on April 20. The legislative conference is next April 23-26. She also had Colin talk about the panel he was on and how set up by Mike Peterson. They also talked about how to get the coops more involved in ACRE and legislative scheduling. Durand gave an update on Mike Peterson's condition.

Colin reported that no safety incidents had happened in May and we have gone 1281 days without a lost time accident. Hazards and near misses were discussed, and Jake taught out of the safety manual. Colin reviewed compliance, electricity information sharing, and the average reliability for May which was 99.98%. He discussed committee meeting schedules, work orders, safety accreditation, peak information, average new services, PLX installation at 9399 meters and renewable resource use on the system. He also gave an update on maintenance and transmission projects.

Chery reported that the employees had been trained on password protection in an employee meeting. She also had a draft copy of the 2015 IRS Form 990 for the board to review and get back with her if they saw any problems.

Durand had nothing to report from Flowell.

LaDel reported that the consultant was done with the rate study and preparations for filing the rate case with Arizona were underway. He also passed out a letter from one of our members.

The next meeting will be in Beryl at 10:00 am on July 6, 2016.

Other meetings were also scheduled for the rest of the year as follows: Board meetings on August 3, Sept 7, Oct 5, and Nov 2 with the Budget meeting on Nov 28 and December's Board meeting on Nov 30<sup>th</sup>.

Meeting adjourned at 1:30 pm.