



Empire Electric Association, Inc.

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www.eea.coop

September 08, 2017

Gary Widerburg, Commission Secretary
Public Service Commission of Utah
Heber M. Wells Building
160 East 300 South, Fourth Floor
P. O. Box 45585
Salt Lake City, Utah 84145

RE: Loan Refinance and New Loan Funds

Dear Mr. Widerburg:

This letter is to notify you that Empire Electric Association (Empire) is in the process of prepaying the outstanding principal balances of loans made to Empire from the United States Rural Utilities Service (RUS). Empire will secure approximately \$30,800,000 of loan funds from the National Rural Utilities Cooperative Finance Corporation (CFC) in order to pay off its outstanding RUS debt. Empire will secure the funds through a new loan agreement with CFC. Once this transaction is complete, Empire will no longer have any RUS debt.

Additionally, Empire will secure access to approximately \$16,000,000 of new construction loan funds from CFC. These funds will be used for new construction over the next five years. Empire will have access to the full amount, but will only draw out funds as needed.

I have attached the resolutions adopted by our board at its September 8th, 2017 board meeting pertaining to these actions.

If you have any questions or need any additional information, feel free to contact me.

Respectfully,

Josh Dellinger
General Manager
Empire Electric Association

Enclosures (3)

Board Resolution Requesting RUS Discounted Prepayment

I, Jerry Fetterman, do hereby certify that: (i) I am the Secretary of Empire Electric Association, Inc. (hereinafter called the "Cooperative"); (ii) the following is a true and correct copy of excerpts from the minutes of a meeting of the Cooperative's board of directors held on September 8, 2017, including the resolution duly adopted thereat; (iii) the meeting was duly and regularly held in accordance with the bylaws of the Cooperative; and (iv) said resolution has not been rescinded or modified:

RESOLUTION 2 – 2017

WHEREAS, the board of directors of the Cooperative has caused to be conducted a thorough review of the feasibility of prepayment of all its RUS Guaranteed Federal Financing Bank (FFB) notes currently outstanding with the Rural Utilities Service (RUS), and

WHEREAS, the board of directors have, after full study and consideration, determined that it is in the best interest of the Cooperative and its membership, that it prepay all its RUS Guaranteed FFB notes, as set forth on the Schedule attached to this resolution, at a discounted present value at the earliest practicable date, as authorized in 7 CFR Part 1786.

WHEREAS, the board of directors have determined that it will seek to prepay, at a discount, its existing RUS debt, and National Rural Utilities Cooperative Finance Corporation ("CFC") financing is needed for the prepayment in the approximate amount of \$32,040,816.08.

NOW THEREFORE BE IT RESOLVED, that the board of directors hereby requests that RUS enter into a prepayment agreement with the Cooperative providing for the prepayment of all its RUS Guaranteed FFB notes.

BE IT FURTHER RESOLVED, that the Cooperative make application to CFC for a commitment in the approximate amount of \$32,040,816.08 to be used to prepay RUS debt.

BE IT FURTHER RESOLVED, that the CFC financing requested herein include several different loan amounts, each loan having a maturity no longer than 35 years, as determined by the General Manager and provided to CFC in writing prior to the preparation of CFC loan and security documentation. The loans, which in the aggregate total the financing commitment request of \$ 32,040,816.08, will have separate CFC interest rate options which will be selected at the time of the advance by the General Manager.

BE IT ALSO RESOLVED, that the Cooperative hereby authorizes the release of information from RUS to CFC in connection with the system as it relates to this application.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Cooperative, this 8th day of September 2017.



Jerry Fetterman, Secretary/Treasurer

(Corporate Seal)

CERTIFICATE OF RESOLUTIONS AND INCUMBENCY
Board Resolution to borrow \$30,800,000.00 from CFC

I, Jerry Fetterman, do hereby certify that: (i) I am the Secretary of Empire Electric Association, Inc. (hereinafter called the "Cooperative"); (ii) the following is a true and correct copy of a resolution duly adopted by the board of directors of the Cooperative at a meeting held on September 8, 2017; (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:

RESOLUTION 3 – 2017

RESOLVED, that the Cooperative borrow from National Rural Utilities Cooperative Finance Corporation ("CFC"), from time to time as determined by the persons designated by the board of directors of the Cooperative, an aggregate amount not to exceed \$30,800,000.00 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");

RESOLVED, that the proceeds of this loan be used to refinance certain of the Cooperative's existing indebtedness with its other lenders;

RESOLVED, that the individuals listed below are hereby authorized to execute and deliver to CFC the following documents:

- (a) As many counterparts as shall be deemed advisable of 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 \$30,800,000.00 substantially in the form of the note presented to this meeting; and
- (c) If required by CFC, an amended, restated or supplemental mortgage, security agreement, and financing statement with CFC and the United States of America as mortgagees for purposes of securing the loan provided for herein, substantially in the form of the mortgage presented to this meeting,

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>Title or Office</u>	<u>Name</u>
President	William C. Bauer
Secretary	Jerry Fetterman
General Manager	Josh Dellinger
Corporate Operations Officer	Mary Thiesing

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Cooperative, this 8th day of September 2017.


Jerry Fetterman, Secretary/Treasurer

(Corporate Seal)

CERTIFICATE OF RESOLUTIONS AND INCUMBENCY
Board Resolution to borrow \$16,000,000.00 from CFC

I, Jerry Fetterman, do hereby certify that: (i) I am the Secretary of Empire Electric Association, Inc. (hereinafter called the "Cooperative"); (ii) the following is a true and correct copy of a resolution duly adopted by the board of directors of the Cooperative at a meeting held on September 8, 2017; (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:

RESOLUTION 4 – 2017

RESOLVED, that the Cooperative borrow from National Rural Utilities Cooperative Finance Corporation ("CFC"), from time to time as determined by the persons designated by the board of directors of the Cooperative, an aggregate amount not to exceed \$16,000,000.00 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");

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

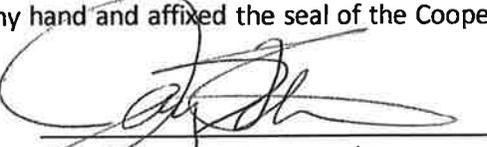
RESOLVED, that the individuals listed below are hereby authorized to execute and deliver to CFC the following documents (including as many counterparts as may be required):

- (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 \$16,000,000.00 substantially in the form of the note presented to this meeting; and
- (c) If required by CFC, as many counterparts as shall be deemed advisable of a mortgage and security agreement with CFC and the United States of America as mortgagee, for purposes of securing the loan provided for herein, substantially in the form of the mortgage presented to this meeting,

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>Title or Office</u>	<u>Name</u>
President	William C. Bauer
Secretary	Jerry Fetterman
General Manager	Josh Dellinger
Corporate Operations Officer	Mary Thiesing

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Jerry Fetterman, Secretary/Treasurer

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