

ANNUAL CAPITAL CREDITS OVERVIEW

In a co-op, every member gets a piece of the pie

BY JIM HERRON CEO | HERRONJC@MVEA.ORG

As a Mountain View Electric Association member, you are more than a customer: you are both a member and an owner of the cooperative. Your investment in the cooperative helps to ensure the financial health and stability of the co-op and is returned to you through the allocation and retirement of capital credits. It's an aspect of being a co-op member that is unique: when financial conditions allow, every member of an electric co-op gets a piece of the pie.

While the allocation and retirement of capital credits is one of the most exciting aspects of electric co-op membership, it is also the topic of many member questions. This month, we will focus on answers to the most frequently asked capital credits questions.

What are capital credits?

Electric cooperatives aren't like other utilities. When MVEA's cost of doing business is accounted for, members share in the financial prosperity through the retirement of capital credits. We operate at cost — collecting enough revenue to run the co-op, without the demand to generate profits like investor-owned corporations. MVEA's rates and fees are set by an elected Board of Directors to

generate revenue to cover operating costs, pay debts on construction loans and provide an emergency financial reserve. Any excess revenues that remain once all expenses have been paid are divided among MVEA members as capital credits. Capital credits represent your investment in MVEA — your piece of the co-op pie.

Allocation vs. retirement

MVEA members receive a capital credits allocation every year after the cooperative's audit for the previous year is complete. Net margins, the difference between MVEA's income and its expenses, are "allocated" or assigned to members who belong to the cooperative during the year in which a net margin is generated. An allocation is your share of the net margins MVEA sets aside into a separate account with your name on it. These are used as operating capital for reliability improvements and maintenance over a period of years. Capital credits allocation notices are provided on your billing statement annually.

A retirement is the amount of cash you receive back from your capital credits allocation. The amount retired is decided annually by the MVEA Board of Directors. After a number of years, if financial

conditions permit, and MVEA's mortgage requirements and by-law provisions are met, the Board may decide to retire a set amount of capital credits to its members. Last year, they retired over \$3.8 million and issued more than 36,675 checks to active and inactive members with a balance over \$10. Dedication to fiscally responsible business practices and planning has enabled MVEA to retire more than \$71.5 million in capital credits back to members since MVEA's first retirement.

Should the MVEA Board of Directors retire capital credits this year, details will be available in the December issue (including how payments will be made and the amount of the retirement). If we don't have your current address, we cannot get your capital credits payment to you — where it belongs. Be sure to provide us with your new mailing address every time you move.

Make sure to look at your November bill to review your 2020 capital credits allocation. Depending on how long you have been an MVEA member, you may also receive a capital credits retirement payment in December. If you have any questions about your capital credits allocation or retirement, please call 800-388-9881.



JIM HERRON

How Do Capital Credits Work?

MVEA has retired \$71.5+ Million to members.*

IN A CO-OP, EVERY MEMBER GETS A PIECE OF THE PIE!

*As of November 1, 2021

Cooperative Membership Has Its Benefits

Because electric co-ops operate at cost, any excess revenues, called net margins, are returned to members in the form of capital credits.

- The allocation and retirement of capital credits is one of the most unique and rewarding benefits of being an electric co-op member.
- When financial conditions permit, MVEA's Board of Directors strives to use a hybrid first-in, first-out (FIFO) 80 percent with a last-in, first-out (LIFO) 20 percent capital credits retirement system to increase the number of checks issued to members.
- While all electric co-ops allocate capital credits, not all co-ops retire capital credits — and, not all co-ops retire capital credits in a way that benefits the most members. It's one aspect of co-op membership that is unique to MVEA.

Check your November bill for your 2020 capital credits allocation and make sure to read the December issue of *Colorado Country Life* for a capital credits retirement update. Please contact MVEA with any questions you may have about capital credits.

Tree Trimming & Brush Removal Improve Electric Service for All

Tree trimming and brush removal within electric utility easements may not sound like something to get excited about. But, when you see crews in your community creating tree and brush “no-grow zones” around electric infrastructure, it is proof positive that Mountain View Electric Association is taking proactive measures to maintain a safe and reliable electric distribution system.

Tree trimming and brush removal efforts occur within the electric utility easement — typically, along roadways that can also include front, back, and side lot lines of a property — where distribution poles are installed. Easements are an important factor in creating a reliable and resilient electric distribution system.

What is an easement? An electric utility easement is the land we use to construct, maintain, replace or repair underground and overhead power lines. Easements enable the co-op to provide clearance from trees and other obstructions that could hinder distribution line installation, maintenance or operation.

At MVEA, we strive to balance maintaining beautiful surroundings and ensuring a safe and reliable power supply by keeping distribution electric lines clear in the MVEA easement. Any tree or brush in the MVEA easement that poses a safety or reliability threat to electric infrastructure may be trimmed or removed. The overall goal of tree trimming and brush removal is to provide a reliable service to our co-op members while maintaining the beauty of our community.

Downed trees can create power outages for you and your neighbors. Let's work together to keep the lights on and be safe! Look for possible problem trees and contact MVEA. Visit www.mvea.coop/tree-trimming to learn more about MVEA's tree trimming services.



In addition to assisting reliability, tree trimming efforts serve as an important safety component by preventing downed lines and making it easier to safely restore power. Storms can blow trees and limbs onto power lines, ultimately causing power outages. Tree limbs or debris may hide an electrical hazard such as downed power lines that can energize objects around them. Establishing tree and brush “no-grow zones” prevents complicated and dangerous conditions for lineworkers and their efforts to restore power following an outage.

Cleared electric utility easements help prevent power outages and blinks, while playing an important role in wildfire mitigation efforts — all reasons to appreciate a clear path for electric lines.

• MVEA Trims Trees for Safety & Reliability •

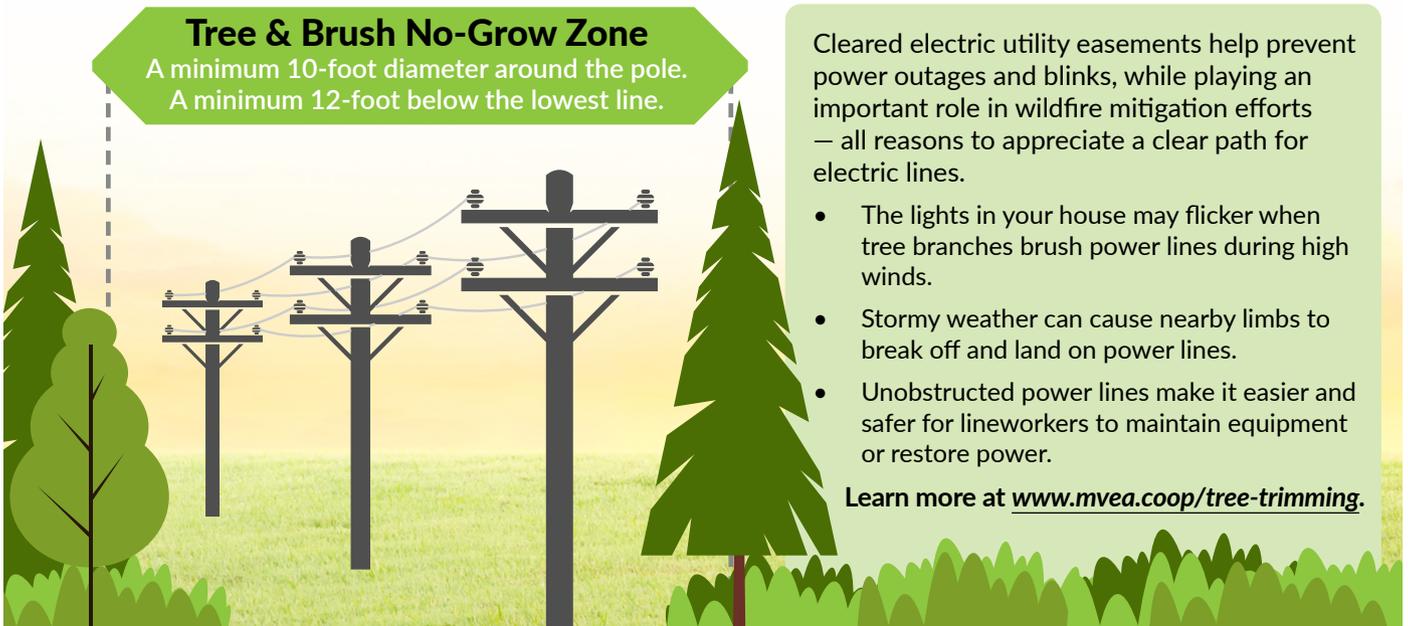
Tree & Brush No-Grow Zone

A minimum 10-foot diameter around the pole.
A minimum 12-foot below the lowest line.

Cleared electric utility easements help prevent power outages and blinks, while playing an important role in wildfire mitigation efforts — all reasons to appreciate a clear path for electric lines.

- The lights in your house may flicker when tree branches brush power lines during high winds.
- Stormy weather can cause nearby limbs to break off and land on power lines.
- Unobstructed power lines make it easier and safer for lineworkers to maintain equipment or restore power.

Learn more at www.mvea.coop/tree-trimming.

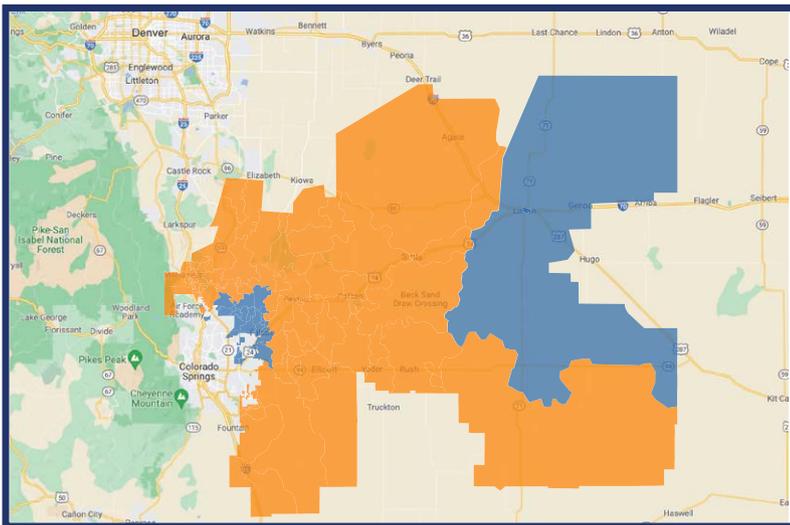


MVEA Fiber Broadband Project Under Way

Phase One Build Includes Areas in Black Forest, Colorado Springs, Falcon, Limon

The first phase of the high-speed fiber broadband project led by Mountain View Electric Association and fiber broadband partner Conexon Connect has begun. Phase One construction includes portions of Black Forest, Colorado Springs, Falcon, and Limon and is expected to be completed within 12 to 18 months.

MVEA expects the first members will have access to fiber broadband as early as the second quarter of 2022. Members will receive notification as the project nears their specific neighborhoods. MVEA and Conexon Connect are committed to deploying the nearly 5,800-mile fiber-to-the-home network to 100% of MVEA members upon completion.



 **MVEA PHASE ONE**  **MVEA FUTURE COVERAGE**

Make sure you're following the Connect, powered by Mountain View Electric Association, Facebook page for news and updates about the project. You can also check availability of your service address and pre-register for email updates at ConexonConnect.com/MVEA.



Scan  to learn more and pre-register!



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Limon Office

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Limon, CO 80828

Monument Office

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Monument, CO 80132

Office Hours

Monday - Thursday • 7 a.m. to 5:30 p.m.

COVID-19 + MVEA Service Updates

www.mvea.coop/covid-19-response

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This Association is an equal opportunity provider and employer.

We Don't Just Brighten Homes, We Brighten Futures.



High School Sophomores & Juniors Win a Summer Trip! MVEA Youth Leadership Trip Contest

High school sophomores and juniors are just a couple of short questions away from an opportunity to win a once-in-a-lifetime all-expenses paid trip. Deadline: Thursday, November 11, 2021. For contest qualifications and to complete an entry form, visit www.mvea.coop/leadershiptrip.

Need Cash For College? Win a Scholarship! \$26,000 In Scholarships Available

MVEA's scholarship program includes scholarships to accredited colleges, universities, junior or community colleges, as well as Vocational/Technical Scholarships. Additional scholarships include Power Lineworker Scholarships for students pursuing a career through a lineworker training program, as well as a Power Engineer Scholarship for current college students pursuing a power engineering career. Visit www.mvea.coop/scholarships to learn more. Deadline: Monday, January 17, 2022.

Questions? Contact Erica, (719) 494-2654, erica.m@mvea.coop.



www.mvea.coop • (800) 388-9881

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Give the Gift of Light



Give the gift that can be used and appreciated this holiday by everyone on your list—the gift of electricity.

It's easy to give a gift of credit on a Mountain View Electric Association account for a friend or relative! Simply fill out the form and return it to any MVEA office or drop box with your check. A gift of credit can be given anytime throughout the year. The recipient's electric account will be credited in the amount of your gift. For more information, call (800) 388-9881.

I would like to provide the following person(s) with a gift of credit of \$_____ on their MVEA electric account.

Recipient's Name: _____

Account Number (if available): _____

Property Address: _____

City, State, ZIP: _____

Your Name: _____

Phone Number: _____

Address: _____

City, State, ZIP: _____

- Enclosed is a check for \$_____.
(Please make gifts in \$5 increments, i.e. \$5, \$10, \$15, etc.)
- Please check the box if you wish to remain anonymous.

A Helping Hand To Those In Need

LEAP and Energy Outreach Colorado Bill Payment Assistance

Through a partnership with the State of Colorado Department of Human Services, Discover Goodwill administers the **Low-Income Energy Assistance Program or LEAP**, which provides home heating assistance to households with income up to 60 percent of the Colorado State Median Income. LEAP is a federally funded program that helps eligible hard working Colorado households pay a portion of their winter home heating costs.

To apply or for additional program information, visit the LEAP website at www.colorado.gov/cdhs/LEAP or call (866) 432-8435. The program begins November 1 and applications will be processed as long as funding is available.

Energy Outreach Colorado brings together a network of industry, state, and local partners to support, stabilize and sustain Coloradans to afford their energy needs. Their programs include: bill payment assistance, heating system repair/replacement, energy efficiency upgrades, energy education, access to state programs (such as LEAP) that work in partnership with their services.

Visit www.energyoutreach.org/programs to learn more about program qualifications, and how to apply for assistance. For bill payment assistance call (866) 432-8435 (LEAP), for heating system repair or replacement call (855) 469-4328, for general questions call (303) 825-8750.