

THE COOPERATIVE *Advantage* 2022 Annual Report to Members



A Message from the Board President & CEO



Joseph D. Martin
Board President



Ruth Marks
Chief Executive Officer

On behalf of the Mountain View Electric Association Board of Directors, Executive Leadership Team, and dedicated employees, we invite you to join us as we recap MVEA's accomplishments and business growth during the co-op's 82nd Annual Meeting of Members on Thursday, June 8, at Falcon High School. We can only fit so much information in these four pages, but we have so much more to share. If you have not attended the Annual Meeting in the past, or if it has been a few years, we encourage you to join us – this event is a terrific way to learn more about your electric cooperative.

The 2022 Annual Meeting was the first time that the membership was introduced to MVEA's CEO, Ruth Marks, following Jim Herron's retirement after serving the co-op for 26 years. What happened in the weeks and months after that initial introduction may best be described as a mission-driven commitment to the membership to create a multi-year strategic plan to provide a clear vision for MVEA's future during an era of rising costs and industry changes. Going into the planning process, we knew that the plan needed to be deeply rooted in MVEA's mission to provide safe, reliable, responsible, and affordable electricity to our growing co-op membership.

Working together, the MVEA Board of Directors and Executive Leadership Team prioritized initiatives that play an important role in advancing MVEA's focus on infrastructure and process improvement. The improvements will help absorb rate pressures by ensuring we are working as safely and efficiently as possible to continue to keep the value of electricity high and our operating costs low. The 2023 strategic plan focus areas are: safety; reliability and resiliency; affordability; member engagement; employee relations; and technology and innovation. To learn more about the 2023 Strategy Map that supports these initiatives, visit www.mvea.coop/about-us.

Another milestone in 2022 was the connection of MVEA's first members in September to the co-op's fiber network through Connect, powered by Mountain View Electric Association. This project is currently one

of the largest fiber broadband expansions in Colorado. While there have been construction delays in Phase One of the project, by the end of 2022 we identified the challenges and brought in additional crews and resources. Currently, over 550 MVEA members in the Falcon and Limon communities have been connected to high-speed fiber internet through Connect.

We are happy to report that 2022 marked the fifth year in a row without a residential rate adjustment (and, none planned for 2023). Fiscal stewardship by MVEA's Board allows the co-op to be resilient in balancing power costs with rate stability during an era of large-scale energy generation changes and increased operating costs due to inflation and supply chain challenges.

With that said, we do anticipate rate adjustments going into 2024, as our wholesale power supplier, Tri-State G&T, has indicated that it will be adjusting rates next year. Changes to Tri-State's rate structure directly impact the rates that MVEA pays for wholesale power, as well as the electric rates of our co-op members, because purchased power accounts for 65% of our overall operating costs. We do not know the specifics at this time, but will share those details when they become available later in the year.

What we do know is that MVEA remains one of the fastest growing electric cooperatives in Colorado, adding between 1,500 and 2,000 new accounts a year. MVEA's growth over the last five years has exceeded our historical growth trends, and we expect it to continue over the next couple of years. Last year, over 2,000 new MVEA members were welcomed to the co-op – growing our membership to more than 54,000. As expected with the growth, our kilowatt hour sales grew by 2% from 930,243,699 kWh in 2021 to 947,482,023 kWh in 2022.

We hope you will connect with us and share your perspective as MVEA continues to grow to meet the unique needs of our co-op membership. It's one aspect of membership that makes electric co-ops special: our desire to serve our members, the owners of the co-op.



Capital Credits: Your Piece of the Pie

In 2022, MVEA's Board of Directors retired over \$3 million in capital credits, and more than 41,500 MVEA co-op members were issued retirement distribution checks. Dedication to fiscally responsible planning and business practices has enabled MVEA to retire more than \$78 million in total capital credits back to members since MVEA's first retirement.



Energy Efficiency Rebates

In 2022, MVEA processed 3,975 rebates and issued over \$207,000 back to MVEA members. The rebate program, made possible through a partnership with our power supplier, Tri-State G&T, offers rebates to promote the smart use of fuels and conservation of resources. From heat pumps and smart thermostats, to electric mowers and electric vehicle charging equipment, there is a rebate to fit the needs of nearly every member who wants to save money and energy.

The purpose of this Annual Report is not only to provide a financial statement of accountability to our members, but to provide answers to questions about co-op growth, rates, infrastructure, and reliability. **Please take a moment to review the information in the following pages to learn more about MVEA and for a more detailed 2022 financial report.**

Fiber Broadband Expansion Closing the Digital Divide

Bringing high-speed internet access to the underserved areas in MVEA's service territory had been a goal for many years. The challenge was finding the right partner, at the right time, with the right business plan. That all came together in 2021 through a partnership with Conexon Connect. With the cooperative building and owning the fiber infrastructure (encompassing nearly 5,800 miles of fiber), and Conexon Connect serving as the internet service provider, the project is currently one of the largest rural fiber deployments in Colorado!

Currently, more than 65 miles of the fiber network has been built and 650 MVEA members have signed up for fiber broadband services through Connect, powered by Mountain View Electric Association (over 550 of them are already connected to the network and enjoying fiber-fast internet). While construction and connections continue in Phase One, planning and pre-construction audits have started in areas that will be included in future phases. To learn more, visit www.mvea.coop/broadband.



Patricia Borish, an MVEA member for more than 20 years, was one of the first members connected to MVEA's fiber network.



System Infrastructure & Reliability

MVEA's system, including more than 6,200 miles of energized line and 25 substations, regularly receives scheduled upgrades and maintenance to continue to improve service quality and reliability as the electric co-op continues to grow. Significant growth continues within El Paso County, and electric infrastructure is being built to accommodate the growth. A snapshot of system infrastructure and reliability efforts includes:

- Completed construction on the new Vollmer substation in July 2022. Construction on a new Simla substation to replace the existing one started in October. Design for a substation to replace the existing one began in the Monument area last spring.
- Processed more than 2,700 applications for new services that range from single-family homes to large commercial projects.
- Upgraded 22 miles of overhead line. Completed construction on nine miles of underground main feeder lines.
- Patrolled 996 miles of line within MVEA's service territory.
- Inspected and trimmed over 70 miles of land within MVEA's easement for tree trimming and brush removal efforts to increase system safety and reliability.
- MVEA ranks in the top 25% of surveyed utility providers across the country who report their System Average Interruption Duration Index (SAIDI). SAIDI shows how long an average customer goes without power during a year. The Colorado average is 147.49 minutes without power. MVEA's average is 49.58 minutes.

Interconnection Program

Going Solar? We're Here to Help!

In 2022, MVEA assisted more than 525 members transition to solar power in their homes or businesses. MVEA regularly works with co-op members and contractors to make the switch to solar or wind power through our interconnection program. In fact, we currently have more than 2,800 (and counting) accounts throughout our service territory. If you have questions about going solar, give us a call or visit www.mvea.coop/interconnection.

Operation Round Up®

Neighbors Helping Neighbors

Pennies add up to great things at MVEA! Through the generosity of members who round up their electric bill to the nearest dollar, Operation Round Up® was able to distribute more than \$150,000 in 2022. In total, the program has distributed over \$3 million back into the community since its inception in 1999. Operation Round Up® was formed to assist the co-op members and communities that we serve. To learn more, visit www.mvea.coop/round-up.

The Seven Cooperative Principles

Cooperatives are special because we are owned by the members we serve and are guided by a set of principles that reflect the best interests of our members.

1. Voluntary and Open Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation Among Cooperatives
7. Concern for Community



MVEA employees serve lunch at the 2022 Member Appreciation Day event in Limon.

Local Governance: The MVEA Board of Directors

MVEA is governed by a Board of Directors elected by its co-op members. Directors are your neighbors and fellow co-op members elected at-large to serve three-year terms. The Board establishes MVEA's policies and monitors the financial position and management of the cooperative to assure that its plans and programs are in keeping with accepted industry standards of sound business practices. In these matters, and other business of the organization, each Director represents the interests of the electric co-op membership. To learn more about the MVEA Board of Directors, visit www.mvea.coop/board-of-directors.



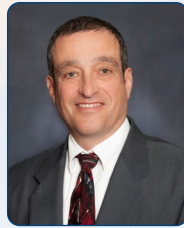
Joseph D. Martin
President
District 1



Barry R. Springer
Vice President
District 6



Kevin L. Paddock
Secretary/Treasurer
District 5



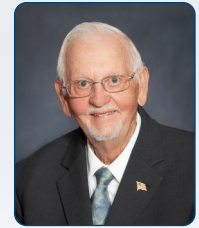
Jim Riggins
Assistant Secretary
District 7



Rick L. Gordon
District 2



Errol Hertneky
District 3



Milton L. Mathis
District 4



2023 Annual Meeting of Members

Over 80 years ago, Mountain View Electric Association's first members formed an electric co-op, bringing life-changing electric power to the rural areas, farms, and ranches other utilities refused to serve. Mile by mile, the co-op was proudly built through partnerships with property owners and a growing co-op community working together to power possibilities for generations to follow.

Today, MVEA is proud to provide member-first electric service to more than 54,000 members in a 5,000 square mile territory that spans eight counties with over 6,200 miles of energized lines. While a lot has changed since incorporation in 1941, dedication to open communication and sound business practices has remained a strong foundation of MVEA's mission, vision, and values. At MVEA, our roots run deep in the communities we serve — we are your home team electric cooperative, and members like YOU are the real MVPs!

Please join us on June 8 as we gather to celebrate the cooperative advantage of membership, look back on the accomplishments of 2022, and provide a forecast for 2023 and beyond.

For more information, visit www.mvea.coop/annual-meeting.

Notice of the 2023 Annual Meeting

A meeting of the membership will be held annually for the purpose of electing Directors, reporting on the previous fiscal year, and transacting such other business as may properly come before the meeting or any adjournment or adjournments thereof. The Mountain View Electric Association, Inc. 2023 Annual Meeting of Members will be held at Falcon High School, 10255 Lambert Road, Falcon, CO, 80831, on Thursday, June 8, 2023, commencing at 6:30 p.m.

Giveaways! Dinner! Door Prizes!

Save the Date!

Thursday, June 8, 2023

Falcon High School

10255 Lambert Road • Falcon, CO 80831

5:00 p.m. Registration & Dinner

6:30 p.m. Co-op Business Meeting

Board of Directors Election

Door Prizes!



2022 MVEA Financial Report

STATEMENT OF OPERATIONS	2022 (unaudited)	2021 (audited)	+/-	Percent
Total Revenue	\$126,046,072	\$126,941,242		-0.71%
Less Operating Deductions of:				
Cost of Purchased Power	\$78,467,539	\$77,735,594		+0.94%
Operating Expenses	\$26,271,510	\$23,963,690		+9.63%
Depreciation Expense	\$9,347,521	\$11,820,064		-20.92%
Interest & Other Expenses	\$7,184,345	\$6,440,397		+11.55%
Electric Operating Margins	\$4,775,157	\$6,981,497		-31.60%
Nonelectric Operating Margins				
and G&T Capital Credits Allocation	\$1,994,881	\$3,105,529		-35.76%
TOTAL MARGINS	\$6,770,038	\$10,087,026		-32.88%

Balance Sheet as of December 31, 2022

ASSETS (WHAT WE OWN)	2022 (unaudited)	2021 (audited)	+/-	Percent
Net Utility Plant	\$293,154,846	\$256,430,477		+14.32%
Investments in Associated Organizations	\$72,071,623	\$71,804,400		+0.37%
Cash & Temporary Investments	\$9,303,517	\$37,308,512		-75.06%
Notes & Accounts Receivable	\$6,305,447	\$6,307,050		-0.03%
Inventory, Supplies, Accruals, Other Assets	\$30,542,429	\$16,398,521		+86.25%
Deferred Debits	\$1,795,913	\$2,634,641		-31.83%
TOTAL ASSETS	\$413,173,775	\$390,883,601		+5.70%

Balance Sheet as of December 31, 2022

LIABILITIES (WHAT WE OWE)	2022 (unaudited)	2021 (audited)	+/-	Percent
Total Margins & Equities	\$146,222,310	\$142,767,716		+2.42%
Long-Term Debt	\$225,418,704	\$218,724,181		+3.06%
Accumulated Operating Provisions	\$646,478	\$926,091		-30.19%
Notes & Accounts Payable	\$18,623,345	\$7,875,863		+136.46%
Consumer Deposits	\$3,447,054	\$3,591,379		-4.02%
Other Current & Accrued Liabilities	\$12,786,785	\$12,012,373		+6.45%
Deferred Credits	\$6,029,099	\$4,985,998		+20.92%
TOTAL LIABILITIES	\$413,173,775	\$390,883,601		+5.70%



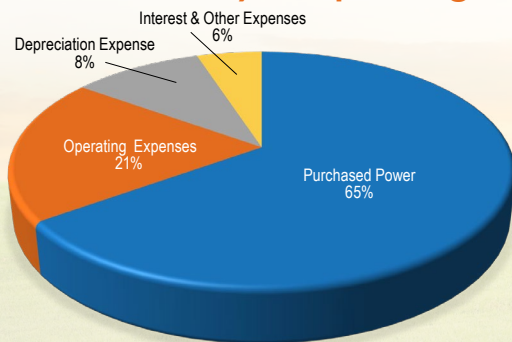
Mission: To provide our members safe, reliable, responsible, and affordable electric service and access to broadband service consistent with sound business and engineering practices.

Vision: To be conscientious stewards of our resources and adopters of beneficial new ideas and technologies, with clear and open communications, meeting competitive, political, and technological challenges of our industry.

- **Counties Served:** Arapahoe, Crowley, Douglas, Elbert, El Paso, Lincoln, Pueblo and Washington
- **Service Territory:** 5,000 square miles
- **# of Services:** 63,991
- **# of Members:** 54,057
- **# of Employees:** 164
- **Meters Per Mile:** 10.26
- **Energized Line:** 6,238
- **Power Source:** Tri-State Generation & Transmission Association
- **Year Incorporated:** 1941

View our service territory map with Board Districts at www.mvea.coop/territory-map.

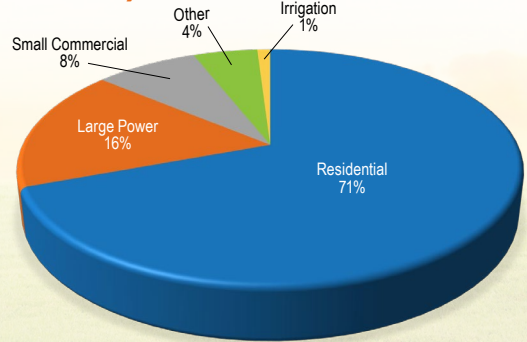
2022 Summary of Operating Costs



Summary of Operating Costs

Purchased Power	\$78,467,539	65%
Operating Expenses	\$26,271,510	21%
Depreciation Expense	\$9,347,521	8%
Interest & Other Expenses	\$7,184,345	6%
Total	\$121,270,915	100%

2022 Summary of Electric Revenue Sources



Summary of Electric Revenue Sources

Residential	\$88,750,805	71%
Large Power	\$20,067,282	16%
Small Commercial	\$10,006,457	8%
Other	\$5,256,779	4%
Irrigation	\$696,885	1%
Total	\$124,778,208	100%