

THE COOPERATIVE ADVANTAGE

Annual Capital Credits Overview

BY RUTH MARKS CEO | RUTH.M@MVEA.COOP

The capital credits allocation and retirement process is one of the most unique and rewarding aspects of being an electric co-op member. It is also a common topic for member questions because the business model is not common in our daily lives and the terminology may differ from co-op to co-op. Even though it is such an important aspect of co-op membership, it can be a bit confusing. This month, ahead of our annual capital credits retirement process in December, we will answer the most frequently asked questions about capital credits.

WHAT ARE CAPITAL CREDITS?

As a Mountain View Electric Association member, you are more than a customer: you are both a member and an owner of the cooperative. In fact, you invest in the cooperative each time you pay your monthly electric bill. 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. It really does pay to be a co-op member!

Electric cooperatives aren't like other utilities. We operate at cost — collecting enough revenue to run the co-op, without

the need to generate profits like investor-owned utilities. In fact, as a co-op, MVEA's rate of return is half of that of an investor-owned utility. The co-op'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 surplus revenue generated is reinvested to improve services or returned to members as capital credits.

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. Capital credits allocation notices are provided on your billing statement annually.

MVEA members share in the financial prosperity of the cooperative through the retirement of capital credits. 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 (which means "pay") capital credits back to MVEA members.

How are capital credits used to benefit the cooperative and its membership before retirement? They are put to work and used as operating capital for reliability improvements and maintenance over a period of years. Capital credits are a source of equity and help to fund the growth and maintenance of the system. This operating capital reduces the amount of money that MVEA needs to borrow through loans to meet the demands of our growing electric cooperative.

The amount of the capital credits retirement for 2023 will be available in the December issue, including details such as how payments will be made and the amount of the retirement. Depending on how long you have been an MVEA member, you may also receive a capital credits retirement payment in December.

Make sure to look at your November bill to review your 2022 capital credits allocation. If you have any questions about your capital credits allocation or retirement, please call 800-388-9881.



RUTH MARKS

How Do Capital Credits Work?

At the end of the year, after expenses have been paid, MVEA determines whether there are excess revenues, called net margins.

You get the credit as an electric co-op member! When MVEA's Board of Directors retire capital credits, payments are made to co-op members with a capital credits retirement balance over \$10 (amount is subject to change after yearly review).

MVEA allocates net margins as "capital credits" to members who belong to the co-op during the year in which a net margin is generated.

When MVEA's financial conditions permit, the Board of Directors may decide to retire (which means "pay") capital credits to members.

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

*As of November 1, 2023

IT PAYS TO BE A CO-OP MEMBER

Electric co-ops operate at cost. Any excess revenues (called net margins) that remain once all expenses have been paid are divided and returned to MVEA members as capital credits.

- While all electric co-ops allocate capital credits, not all co-ops retire 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 applies a hybrid first-in, first-out (FIFO) 80% with a last-in, first-out (LIFO) 20% capital credits retirement system to increase the number of checks issued to members.

Check your November bill for your 2022 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.

To learn more, visit www.mvea.coop/capital-credits.

Attention Sophomores and Juniors – Win a Free Trip to Washington, D.C., or Steamboat Springs!

Apply now to win big in Summer 2024

BY ERICA MEYER COMMUNITY RELATIONS SPECIALIST

Calling all high school sophomores and juniors — apply today to win a free trip of a lifetime! In summer 2024, MVEA will take four students on a thrilling journey into the world of leadership, friendship, and adventure. Two students will embark on a journey to Washington, D.C., for Youth Tour, and two students will attend Cooperative Youth Leadership Camp (CYLS) near Steamboat Springs. Get ready to discover the incredible stories of Trevor Hendrix and Braeden Turner, two high schoolers who embarked on these life-changing adventures courtesy of MVEA earlier this year. Their story could be yours next summer!

Youth Tour

For one week, 1,500 students representing electric cooperatives from across the nation travel to Washington D.C. for Youth Tour. While in our nation's capital, they visit historic sites and get to visit with their state U.S. representatives and senators.

Trevor shares his experience: “Who would have thought that a simple application and a few essay questions later could lead to a truly once in a lifetime experience. Words cannot describe the amazing opportunities Youth Tour gave me.” However, the real charm of Youth Tour, according to Trevor, lies in the friendships and the sense of belonging it creates. “I had a blast creating connections and building friendships with my fellow youth tour attendees!”

Cooperative Youth Leadership Camp (CYLS)

Picture this: Students from Colorado, Kansas, Oklahoma, and Wyoming gathered at a leadership wonderland to learn, grow, and make friendships that could last a lifetime. Along with Trevor, Braeden, another student from MVEA's service territory selected for the CYLS trip last year shares his experience.

This isn't your typical “boring” leadership camp. Braeden spills the beans: “I wasn't sure what to expect from CYLC, but the experience proved to exceed any expectations I had. The people, the activities,



▶ **Capturing the Spirit of Cooperation:** Students forge lasting friendships and hone lifelong leadership skills at Cooperative Youth Leadership Camp.

and the lessons I learned are things I won't forget. If you are skeptical about attending, please take that leap of faith; I promise you won't regret it.”

During his adventure, Braeden ventured into the innovative world of electric cooperatives. Alongside fellow campers, students also got a dose of wisdom in leadership, online reputation management, and even how to handle conflicts. Plus, they went on thrilling journeys to explore high-voltage electricity, encounter rescued raptors, and were tossed around the Colorado River while whitewater rafting.

So here's the deal: If you're a high school sophomore or junior with dreams of adventures, MVEA's got your back. This year's entries are due by November 9. Don't miss out on this chance to embark on your own epic journey. Grab your friends and head to www.mvea.coop/trip-contest for more information. The magic awaits!

◀ **Exploring American History:** Youth Tour students reflect on democracy at the Lincoln Memorial.

✔ **Educational Wings:** Campers embrace avian conservation and encounter the majestic American eagle at Cooperative Youth Leadership Camp.



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% 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. Applications are accepted from November 1 through April 30 and 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. Its programs include: bill payment assistance, heating system repair/replacement, energy efficiency upgrades, energy education, and 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.



Local. Trusted. Serving You.

BOARD OF DIRECTORS

Joseph D. Martin, District 1
President

Barry R. Springer, District 6
Vice President

Kevin L. Paddock, District 5
Secretary-Treasurer

Jim Riggins, District 7
Assistant Secretary

Rick L. Gordon, District 2, Director

Errol Hertneky, District 3, Director

Milton L. Mathis, District 4, Director

Telephone Numbers

Toll-Free: (800) 388-9881
(719) 495-2283

Credit Card Pay-By-Phone

(877) 999-3415

Falcon Office

11140 E. Woodmen Road
Falcon, CO 80831

Limon Office

1655 5th Street • P.O. Box 1600
Limon, CO 80828

Office Hours

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

Visit our website: www.mvea.coop

Stay Connected: Like. Follow. Share.

Make sure to connect with MVEA on social media for timely service and program updates.

 www.facebook.com/@MVEAInc

 www.linkedin.com/company/mveainc

 www.twitter.com/@MVEAInc

 www.youtube.com/@MVEAInc

MISSION STATEMENT

To provide our members safe, reliable, affordable, and responsible electric service and access to broadband services.

This Association is an equal opportunity provider and employer.

Holiday Season Program Spotlight

Give the Gift of Light this Holiday Season

Looking for the perfect gift this holiday season? It's easy to give a Gift of Light credit on a Mountain View Electric Association account for a friend or relative! You choose the amount of the credit and we help with the rest. For more information, call (800) 388-9881 or visit www.mvea.coop/gift-of-light.

Holiday Lighting Contest Sponsorship

MVEA is proud to light up the night with holiday cheer! Nonprofit organizations and homeowner organizations within MVEA's service territory can partner with MVEA to provide electric bill credits for the winners of residential home lighting contests held in November and December. For more information about organization eligibility and contest sponsorship, email communications@mvea.coop or call (719) 494-2657.



MVEA FIBER BROADBAND EXPANSION UPDATE

Members Connected & Construction Continues

BY SCOTT SIMMONS VICE PRESIDENT OF TECHNICAL SERVICES

It's been over two years since MVEA and Conexon Connect first announced plans to bring high-speed internet access to 100% of the co-op members in MVEA's service territory. I joined the team last year to serve as fiber project manager and can share that the most frequently asked question we receive about the project is "when is the service going to be available at my home?" followed by "can you provide an update on the progress of the project?" There is a lot of excitement around the project and a lot of members look forward to having better high-speed fiber internet options available to them.

I want to provide an update on the construction delays and the progress we are making as we move forward. This project is currently one of the largest fiber broadband expansions in Colorado — when complete, the network will include nearly 5,800 miles of fiber. As happens with projects of this scale and complexity, we have had some delays as we work with counties, private landowners, fiber construction specialists, contractors, Colorado's diverse terrain, and unpredictable weather.

While we are behind on the initial project schedule, we have learned valuable lessons through the first phase of the project, brought in additional crews and resources as we continue construction in parts of Falcon and Limon to get caught up, and recently adjusted the current project schedule to provide a more accurate service connection forecast to members. It is important to share that while we have had delays, we have also had milestones as project progress continues, including:

- Today, service is available, and a growing number of members are being connected to the Connect, powered by Mountain View Electric Association, network within the Falcon and Limon communities.
- Construction continues in Phase One of the project, which includes portions of Black Forest, Colorado Springs, Falcon, and



Microduct technology and contractor collaboration have enhanced the efficiency and progress of MVEA's fiber project.

Limon. Planning and pre-construction audits have started in areas that will be included in future phases.

- Fiber huts have been installed in the Falcon, Limon, Meridian Ranch, and Peyton substations. The huts are the secure housing for the network's fiber optic cable and connectivity components.
- Microduct technology has emerged as a game-changing asset in MVEA's fiber deployment efforts for underground work, offering both cost-efficiency and remarkable construction speed improvements — up to 500% faster, according to Benton Technical Services, one of the specialized contractors that is working on the project. Crews are able to deploy up to 16,000 feet of fiber optic conduit in two days.

For members who want to know when high-speed internet service through Connect will be available at their home, updated service availability timelines are now available at www.ConexonConnect.com or by calling the Conexon Connect customer care team at 1-844-542-6663. To learn more about the project, the partnership, and maps of areas included in Phase One, please visit www.mvea.coop/internet.

Connect with Loved Ones Near and Far!

No matter where you are this Thanksgiving, spend quality time with loved ones with the power of fiber internet.

With fiber internet, you'll be able to:

- Stream the big parade seamlessly.
- Video chat with friends and family both near and far.
- Utilize online recipes with no buffering or lags.
- Shop your favorite Black Friday deals from the comfort of your home.
- And more!

Check your availability at ConexonConnect.com, call us at 844-542-6663, or scan our QR code!

