



Legislation Details (With Text)

File #: 2017-409 **Version:** 1 **Name:**
Type: Action Item/Other Items **Status:** Passed
File created: 9/25/2017 **In control:** Board of Directors
On agenda: 10/16/2017 **Final action:** 10/16/2017
Title: Resolution - Approval of Capital Credits Distribution and Payment - T Golden

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2017-10-16 Capital Credit Distribution and Payment - BOD Meeting 10-16-2017

Date	Ver.	Action By	Action	Result
10/16/2017	1	Board of Directors	adopted	Pass

Resolution - Approval of Capital Credits Distribution and Payment - T Golden

Submitted By: Tracy Golden

Department: Financial Services

Financial Impact and Cost/Benefit Considerations: Expenditure of Cooperative funds estimated in the approximate amount of \$8,600,000.00 that are currently included in the Cooperative's 2017 operating budget; expenditures of staff time estimated at no other than ordinary processing requirements.

This is an annual review and discussion of the Capital Credit Distribution by the Board of Directors.

The Cooperative adopted a Capital Credits Policy in December 2010 with an implementation date of April 2011, and as last amended in September 2014, outlining the process for payment of capital credits to its members and deceased members' estates, and also, permitting the discounting of capital credits.

The Capital Credits Policy further requires the Board of Directors to review, discuss, and evaluate the Capital Credits Policy every year.

The Board may now consider the distribution and payment of an amount not to exceed \$8,600,000.00 to its members as credits on electric bills, and to any former members who are entitled to a distribution of at least \$10 by check. The Board must also determine that the capital credit retirements will not result in any adverse impact to the Cooperative.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Board of Directors after its review, discussion and evaluation of the Capital Credits Policy, with input from the Cooperative's Chief Financial Officer, has determined that capital credit retirements will not result in any adverse impact to the Cooperative; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative distribute and pay out an amount not to exceed \$8,600,000.00 on or prior to December 31, 2017 to its eligible members as credits on electric bills, and to any former members who are entitled to a distribution of at least \$10 by check, as may be most effective and in the best interest of the Cooperative; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the

retirements and distribution and payment of capital credits to eligible members and to former members be in accordance with the Cooperative's Articles of Incorporation and Bylaws, state and federal law, any lender requirements, and the Cooperative's Capital Credits Policy, which includes the order and manner of retirements, distribution and payments of capital credits and permits the discounting of such capital credits, which the Board hereby directs; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Chief Financial Officer of the Cooperative, or any person designated by him for such purpose, is authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to take actions necessary or appropriate in the best interests of the Cooperative to implement these resolutions.