



Legislation Details (With Text)

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Date	Ver.	Action By	Action	Result
12/16/2022	1	Board of Directors	approved	Pass

Resolution - Approval of Capital Credits Distribution and Payments during Calendar Year 2023 - J Smith

Submitted By: Janelle Smith

Department: Financial Services

Financial Impact and Cost/Benefit Considerations: Expenditure of Cooperative funds estimated in the approximate amount of \$6,200,000. Expenditures of staff time limited to ordinary processing requirements.

The Cooperative's Capital Credits Policy outlines the process for both General Capital Credits Retirements and Special Capital Credits Retirements including the payment of capital credits to members, former members and deceased members' estates, and permits the discounting of capital credits.

This is an annual review and discussion of the Capital Credits distribution and payment by the Board of Directors. Pursuant to its Policy, the Cooperative will retire capital credits in a manner that permits the Cooperative to comply with all applicable laws, all restrictions imposed by its debt financing covenants, the Cooperative Articles of Incorporation and Bylaws, is fair to the Cooperative's members and former members, and is reasonable to maintain a healthy financial state.

The Policy also requires the Cooperative to implement its retirement strategy with certain principles considering retirements to deceased estates, special retirements, and distributions and payments to the oldest outstanding year(s) for which allocations have been made and distributions and payments to the most recent year(s) with discounting for which allocations have been made.

The Board may consider General Capital Credits Retirements (distribution and payments) and Special Capital Credits Retirements under the Policy in an amount not to exceed \$6,200,000.

The Retirements (distribution and payment) of capital credits in an aggregate amount not to exceed \$6,200,000 would consist of approximately 18% to the oldest outstanding year(s) with discounting and approximately 79% to the most recent year(s) with discounting as General Capital Credit Retirements; and approximately 3% of such amount towards deceased members' estates through Special Capital Credits Retirements. The Retirements would consist of credits on electric bills for its current members, and to any

former members and deceased members' estates who are entitled to at least \$10.00 by check in 2023.

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 and the financial state of the Cooperative and fairness to its members and former members, with input from the Cooperative's Chief Financial Officer, has determined that capital credit retirements as described herein will not result in any adverse impact to the Cooperative;

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative distribute and pay out General Capital Credit Retirements and Special Capital Credits Retirements in an amount not to exceed \$6,200,000 on or prior to January 31, 2023 as described herein to its eligible members as credits on electric bills, and to any former members or deceased estates who are entitled to a distribution of at least \$10.00 by check.

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 the CFO 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.