

## THE CAPITAL CREDIT WORKFLOW

CVEA tracks how much electricity you use and how much you paid for it throughout the year.

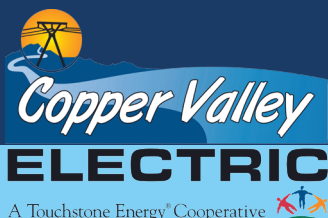


At the end of the year, CVEA determines if revenues have exceeded operating expenses, resulting in a margin.

Margins are “allocated” back to the membership in relation to how much each member has paid for service. These allocations are kept in a “holding-account” for a period of time.



CVEA’s Board of Directors reviews the Co-op’s financial strength and determines if a percentage of allocated funds can be refunded to the membership. This is actual cash-back to you!



# The Benefits of Ownership in Your Electric Co-op

## Capital Credits at CVEA

The difference between a cooperative, like CVEA, and an investor-owned utility, is that a cooperative is owned by the members it serves. As a member-owner, you share in the profits of the co-op.

CVEA is a nonprofit cooperative that provides electric service to members at cost. If revenues exceed the total cost to provide electric service, that is called a margin. At the close of each fiscal year, these margins (revenue in excess of costs) are allocated back to each individual member in proportion to the amount billed for electric usage during that year. These allocations are called capital credits.

Capital credits are either used by CVEA for operating capital or retired (paid back to Co-op members), when the financial position of the Cooperative permits and bylaws provisions are met.

### How do capital credits work?

There are two things you need to know about capital credits in order to understand how they work for you: allocations and retirements.

### Allocations

Each year, you are assigned your portion of the previous year’s profit (margin) based on the amount of electricity you purchased from CVEA in relation to the total amount of electricity purchased by all members during the year. This amount is put into a “holding account” for a number of years and used by CVEA to fund capital needs to continue providing reliable, safe, electric service to the members.

This is an underlying principle of the Cooperative Business Model and is one more way CVEA keeps your electric rates as low as possible. This “allocation” adds to your equity (ownership) in the Cooperative and is maintained in a separate account assigned to you. Allocations typically take place in the spring of each year, after financial statements are finalized.

### Retirements

A retirement is the process of refunding the previously allocated funds to the membership, in the form of cash-back. Once CVEA’s financial strength allows, the Board of Directors may vote to disburse a percentage or specific dollar amount of allocated capital credits back to the membership.

CVEA’s Board of Directors typically votes on capital credit retirements at the regular Board meeting in November each year.



### **How does a member know the amount of his or her capital credits?**

Each member has a separate capital credit account, which represents the member's ownership in the Cooperative. When capital credits are allocated at the end of a year, all members who received electric service during that year will receive an allocation notice showing their current year's allocation and the outstanding balance of all years' service.

For members who have active electric accounts, you will see this notice on your monthly electric bill. If you do not have an active account but were active in the previous year, you will receive an allocation notice to the most current mailing address on file. Allocation notices are typically sent in the spring of each year.

These amounts are NOT payable at allocation and do not represent cash, but rather your equity in CVEA.

You cannot apply these amounts to your electric bill.

### **What if I had service at more than one location at the same time?**

Members with multiple accounts receive a consolidated capital credit allocation statement and/or retirement whenever possible, grouped under a single membership number.

### **When are capital credits returned to members?**

Per Cooperative Bylaws, your locally elected Board of Directors determines the amount of retirement (cashback) each year, based on the financial position of the Cooperative and other considerations.

CVEA's financial position does not allow for retirement of capital credits every year. If there are large projects planned that need funding, it is in the best interest of the members to use this funding instead of borrowing money.

The review of capital credit retirements is generally done at the November Board meeting.

### **How are capital credits returned to members?**

All members with an active electric service at the time of retirement will receive a refund directly applied to their electric bill. It is typical that these retirements happen in November or December. The retirement will be listed as a line item under their service summary, titled "Capital Credit Refund."

Members who are not active at the time of retirement will receive a check, if the retirement amount or accumulated retirement amount is over fifty dollars, to the most current mailing address on file with CVEA.

### **How much has CVEA retired?**

The CVEA team works hard to pay back the members it serves. CVEA has retired a total of \$8,103,486. In November 2023, the Board of Directors voted to retire around \$775,000 of member equity or approximately 3%.

### **Are capital credits taxable?**

For individuals, capital credits are generally not taxable. CVEA suggests you seek the advice of a tax professional for any specific questions.

### **What happens in the case of a deceased member?**

The CVEA Bylaws provide for the option of an early retirement of the capital credits of a deceased member to his or her estate (no early retirement of capital credits is allowed in the case of dissolution of a corporation or partnership).

Representatives of a deceased member's estate can choose whether to receive the deceased member's capital credits in the form of a present valued lump sum payout, or to wait and receive the monies as they are retired as part of the normal, non-discounted retirement process of the Cooperative.

If the representative wishes to pursue early retirement of capital credits, they must contact the Cooperative to provide the necessary documentation.

### **What should a member do if he or she moves from our service area?**

Members should inform the CVEA office of any changes in his or her mailing address. It is a member's responsibility to make sure the Cooperative has up-to-date address information at all times.

All address updates must be made in writing. This can be completed by mail, fax, or email.

CVEA does not have a policy to retire and pay capital credits to members who are moving away from the CVEA service territory. Industry and legal guidance have advised the Cooperative against this as it improperly discriminates against current members.

Visit [www.cvea.org/member-services/capital-credits](http://www.cvea.org/member-services/capital-credits) for additional information. For specific questions or information regarding your individual account, please contact Holly Auble at (907) 822-3211. ■

# PREVENTION:

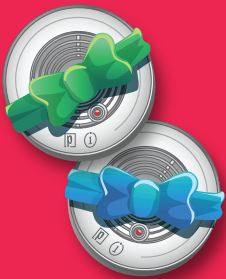
## It's the gift that keeps on giving

According to the National Fire Protection Association, Christmas trees and decorations are leading causes of home structure fires during the holidays.

**CO AND SMOKE ALARMS SAVE LIVES.**

Install CO and Smoke Alarms on every level of your home, in every bedroom, and outside each sleeping area.

Be sure to test the alarms once a month and change the batteries yearly.



*Happy Holidays from ESFI*

**PREVENTION IS...**

keeping decorations, or any other **flammable items** at least **3 ft** away from open flame and heat sources.



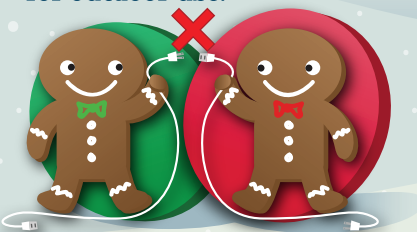
**PREVENTION IS...**

inspecting all decorations to ensure they do not have any **frayed or pinched wires** and discarding any **worn decorations**.



**PREVENTION IS...**

ensuring multiple **extension cords** are **never strung together** or run under rugs, carpets or furniture. And making sure those used **outdoors** are labeled "for outdoor use."



**PREVENTION IS...**

never leaving cooking equipment **unattended** and **turning off burners** if you have to leave the room.



**PREVENTION IS...**

never leaving a **space heater** unattended and **turning it off** when you're leaving a room or going to sleep, and not letting **pets or children** play too close to a space heater.



**PREVENTION IS...**

watering Christmas Trees daily and **discarding trees** when they are dry and begin **dropping needles**.



[www.facebook.com/ESFI.org](https://www.facebook.com/ESFI.org)

[www.twitter.com/ESFI.org](https://www.twitter.com/ESFI.org)

[www.youtube.com/user/ESFI.org](https://www.youtube.com/user/ESFI.org)





## CVEA's Commitment to Community

### Guided by a core cooperative principle

Publicly owned utilities were formed to bring affordable electricity to those who needed it. At the heart of their mission were neighbors coming together to better their communities. That same spirit continues at CVEA today. As a local business, staffed by your friends and neighbors, the Co-op look for ways to make a difference - big and small.

Cooperatives, including CVEA, are guided by the Seven Cooperative Principles: voluntary and open membership, democratic member control, members' economic participation, autonomy and independence, education, training, and information, cooperation among cooperatives, and concern for community. "Cooperatives are special," says Sharon Scheidt, CVEA Director of Communications. "We have an obligation to provide reliable, affordable, and safe electricity, but also believe we have a responsibility to support our members, enrich our schools, and be involved in and enhance our communities."

#### Community Support Programs

Your Cooperative supports a wide variety of community groups and events such as the Valdez Museum Roadhouse, Copper Valley Chamber of Commerce, Valdez Gold Rush Days parade, Frosty Fever, the Valdez Adventure Alliance, Copper Basin

Independence Day parade and Fun Run, and community Halloween events, to name a few.

Gifts, door prizes, and auction items are donated for various events and meetings throughout the year and each holiday CVEA throws a festive Christmas gathering for seniors in both districts and provides a holiday gift for Meals on Wheels deliveries.

Additionally, employees participate in community events, coach sports teams, and serve on many community work groups, task forces, boards, and committees. Through this involvement, they provide local community support and leadership.

CVEA has an annual member tour program, hosting several members for a full day each August. The tours are comprehensive and educational, and are considered an excellent opportunity by all who participate.

Finally, CVEA supports many educational and youth programs including classroom presentations on electricity and scholarships, and provides tours to students of all ages and various youth groups.

*Continues on page 28*

# COPPER VALLEY ELECTRIC

## 2023 Community

*Continues from page 25*



Working with the middle and home schools in both districts, CVEA has developed an annual school program providing classroom instruction about the Cooperative, CVEA's power plants, how electricity is made, and the various types of resources used for power generation.

Students see firsthand how hydroelectricity is generated by using water from the faucet and how to stay safe around electric equipment through a Powertown demonstration. The presentation is followed by a tour of one of the CVEA power plants.

### National Co-op Month

In October, CVEA joins cooperatives in Alaska and across America to celebrate National Co-op Month. Every October cooperatives are recognized for the qualities that make the business model unique.

CVEA embodied the cooperative spirit and celebrated their commitment to community this year at the Co-op Month Pick-Your-Own Pumpkin Patch events in both districts. Through this event, the Cooperative actively supported 16 local nonprofit organizations that work hard on worthwhile projects and programs within CVEA's service territory.

Conservatively, roughly 350 people attended in Glennallen and 700 in Valdez. According to CEO Jaime Matthews, "The Pumpkin Patch event is a fun, creative way to involve the com-

munity in Co-op Month. I enjoy interacting with members and am pleased to help local nonprofits raise awareness and funds for their important programs."

Both locations were transformed into huge pumpkin patches, complete with hay, corn stalks, and scarecrows, and all who entered and brought food or cash donations for local food banks were able to venture into the patch and pick their very own pumpkin. Many were pleased when selecting pumpkins with \$5 vendor coupons attached and grateful to be able to decorate their pumpkins and get a photo at the fun, fall-themed photo booth. Roughly 700 pumpkins were picked from the patches, combined.

There were food vendors on hand with tasty plates and sweet treats, and local nonprofit organizations put the fun in FUNdraisers with activities, games, cotton candy, s'mores, face-painting, mini hayrides, and more.

Several boxes of nonperishable food items and \$794 were donated to the Copper River Basin Resource Center food bank, and 923 pounds of food and \$2,176 to the Valdez Food Bank. Crystal Cyr, in the Copper Basin, and Jessica and Shawn Gibbons, of Valdez, won \$150 CVEA energy credits for their donations.

Alyeska Pipeline Service Company partnered on this year's event, matching all cash donations, raising food bank totals to \$1,588 in the Copper Basin and \$4,352 in Valdez.

When Copper Basin employees weren't minding the pumpkin patch, they spent their time volunteering their lunch hours each week throughout the month of October processing recyclables at the Recycling Our Areas Resources Recycling Center in downtown Glennallen. CVEA employees generously donate their time to this cause each October during Co-op Month.

### Annual Activity Program

What began during COVID as a way to keep members active and engaged in activities with their family and friends, is now something members look forward to each year.

In 2023, CVEA members were given two chances to participate and win. The first was an activity challenge to celebrate Earth Day in the spring, and soon, on December 12, the 12 Days of Holiday Adventure is set to begin. Don't miss your chance to have fun, experience adventure together, and win prizes!

Each morning, December 12-23, CVEA will post two daily adventure options on Facebook, [cvea.org](http://cvea.org), and at the office. Members should choose and complete one activity, take a photo, and email it to [activities@cvea.org](mailto:activities@cvea.org) for prizes - it is that easy!

There are BONUS prizes for sending daily adventure photos in by 6 p.m. each following day, otherwise, submit all photos by 6 p.m., December 24, for a chance to win \$50 and \$100 gift cards or a \$150 CVEA energy credit. One photo = one draw-





ing entry, so the more adventures completed, the more chances to win. Please review all 12 Days of Holiday Adventure rules at [cvea.org](http://cvea.org). Get ready, the adventure begins December 12.

If you would like more information related to CVEA community support and engagement activities, please email Sarah Jorgenson-Owen at [sjorgensonowen@cvea.org](mailto:sjorgensonowen@cvea.org). ■

**OPPOSITE:** Plant Operator, Alex Gearhart, guiding students on a tour of the Glennallen Diesel Plant.

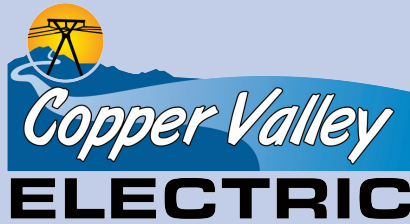
**CLOCKWISE FROM TOP LEFT:** Sara Horvath and family posing for a photo during the 2023 Glennallen Halloween Spooktacular. Community members picking pumpkins at the Pick-Your-Own Pumpkin Patch in Valdez.

The CVEA team in the Copper Basin volunteering at the ROAR recycling center in Glennallen throughout Co-op Month. Hydro Chief Plant Operator, Kyle Anderson, during the annual Member Tour.

Yosalyn Gheen and her kids during the Earth Day Challenge. CVEA and Alyeska representatives delivering donations from the Pumpkin Patch to the team at the Valdez Food Bank.







A Touchstone Energy® Cooperative 

#### Board of Directors

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Yvette Delaquito, Vice President  
Dan Stowe, Secretary  
Will Stark, Treasurer  
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Paul Kildal, Director  
Jan Maslen, Director  
Jeff Saxe, Director

P.O. Box 45  
Glennallen, AK 99588  
[www.cvea.org](http://www.cvea.org)

**Copper Basin District**  
907-822-3211

Mile 187 Glenn Hwy.

**Valdez District**

907-835-4301

367 Fairbanks Dr.

**After hours outage line**  
866-835-2832

#### Important Dates

##### December

**Holiday Adventure Activity:** Take part in CVEA's 12 Days of Holiday Adventure December 12-23, 2023; visit [cvea.org](http://cvea.org) for details

**CVEA Board Meeting:** The December meeting of the Board of Directors is 1 p.m. Thursday, December 21, 2023, in Glennallen

**CVEA Holiday Office Closures:** The CVEA offices will be closed Monday, December 25 and Tuesday, December 26, 2023, for the Christmas Holiday, and Monday, January 1 and Tuesday, January 2, 2024, for New Years

##### January

**CVEA Bylaws Amendment Petition Deadline:** Recommended Bylaws amendments must be submitted by petition no later than 6 p.m., Thursday, January 4, 2024

**CVEA Email Newsletter Launches:** Check your email January 2024, for the first 'Behind the Switch - A Newsletter Edition'

**CVEA Board Meeting:** The January meeting of the Board of Directors is 1 p.m., Thursday, January 18, 2024, in Valdez

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## December 2023 Will Be Members' Last Issue of *Ruralite Magazine*

CVEA is excited to announce that the Cooperative is embracing a new era of communication. In line with the Co-op's commitment to deliver more timely and relevant information, CVEA has decided to shift from distributing the traditional printed *Ruralite Magazine* each month to a more affordable, flexible, and sustainable digital newsletter format.

*Behind the Switch - A Newsletter Edition* will launch via email January 2024.

#### Why the Change?

The move from *Ruralite Magazine* to a digital format was contemplated after 2021 Member Survey results indicated only 30% of respondents agreed or strongly agreed that the magazine is a useful communication tool. Conversely, 66% agreed or strongly agreed that email is the most useful way to communicate non-outage information to members.

Through this new approach, CVEA hopes to foster stronger, more transparent communications, made easier and more accessible for CVEA members. Going digital will allow the Co-op to provide members with more timely and meaningful updates.

Finally, the change will provide efficiencies, cost savings, and less paper waste.

#### Stay Updated, Stay Connected

Each month, the digital newsletter will be emailed directly to the member inbox CVEA has on file. To ensure you don't miss the latest news and information, please make sure your email address is current in CVEA records.

To update information, members can call 907-822-3211 in the Copper Basin, 907-835-4301 in Valdez, or email [customerservice@cvea.org](mailto:customerservice@cvea.org). SmartHub users can update their information using their SmartHub account. Members will also find the monthly newsletter each month linked on CVEA's official Facebook page and at [cvea.org](http://cvea.org).

#### Your Feedback Matters

CVEA is dedicated to ensuring members are well informed and engaged. If you have questions or feedback regarding the new format or the reasons behind the change, please email Sharon Scheidt, Director of Communications, at [sscheidt@cvea.org](mailto:sscheidt@cvea.org).

The Co-op looks forward to strengthening connections with members through this exciting new communication effort.