

MORGAN COUNTY REA RETURNS \$2.75 MILLION TO CONSUMER-MEMBERS

It's time for you to get the credit — capital credits, that is — for helping build, sustain and grow your local electric cooperative. This year, the Morgan County Rural Electric Association Board of Directors approved a patronage capital retirement of \$2.75 million to those who were members of the cooperative in the years 2001, 2002, 2005, 2006, 2007 and 2008. This is the largest capital retirement in the history of Morgan County REA.

When you signed up to receive electric service from Morgan County REA, you became a member of an electric utility. While investor-owned utilities return a portion of any profits back to their shareholders, electric co-ops operate on an at-cost basis. So instead of returning leftover funds, known as margins, to folks who might not live in the same region or even the same state as the co-op, MCREA allocates and periodically retires capital credits (also called patronage capital) based on how much electricity you purchased during a year.

At its regular meeting on October 21, 2019, the Morgan County REA Board of Directors authorized patronage capital retirements totaling \$2.75 million for a complete retirement of 2005, 2006 and 2007 and partial retirement of 2008 MCREA allocations, along with a complete retirement of 2001 and partial retirement of 2002 generation and transmission margin allocations. This year's retirement is \$250,000 more than the 2018 patronage capital retirements, which came in at \$2.5 million last year. That is an increase of \$750,000 more than the patronage capital retirements in 2016 and 2017, which came in at \$2 million each year. The patronage capital retirements for this decade are more than the previous two decades combined.

This means members from those years will be sent a capital credits check in the mail this month, reflecting their contribution of capital to, and ownership of, the cooperative during those years. That may seem like a long time ago. However, those funds helped us manage rates; reduced the amount of money we needed to borrow from outside lenders to build, maintain and expand a reliable electric distribution system; and covered emergency expenses.

Here are a few commonly asked questions about capital credits and their answers:

What are capital credits (patronage capital)?

MCREA annually “allocates” to each member, based on the member's purchase of electricity, operating revenue remaining at the end of the year; later, as financial conditions permit, these allocated amounts — capital credits — are retired. Since a cooperative's members are also the people the co-op serves, capital credits reflect each member's ownership in, and contribution of capital to, the cooperative.

Where does the money come from?

Member-owned, not-for-profit electric co-ops set rates to generate enough money to pay operating costs, make payments on any loans and provide an emergency reserve. At the end of each year, we subtract operating expenses from the operating revenue collected during the year. The balance is called an operating “margin.”

How are margins allocated?

Margins are allocated to members as capital credits based on their purchases from the cooperative — how much power the member used. Member purchases may also be called patronage.

I didn't receive electric service from Morgan County REA in those years. Will I get any retirement?

No. Capital credit retirements will only be made to members who purchased electricity in the years listed earlier.

What if I move or don't receive a capital credits check?

If you move or no longer have electric service with Morgan County REA, it is important that you keep the cooperative informed of your current address, so that retirements can be properly mailed to you. If you purchased electricity during the years being retired, then you are entitled to a capital credit retirement, even if you move out of MCREA's service area. Members can update their contact information on our website — www.mcrea.org — or by calling the MCREA billing department at 970-867-5688 to make sure your capital credits check makes its way to you.



December 2019

Energy Efficiency

Tip of the Month

Laundry Tip:

Dry towels and heavier cottons separately from lighter clothing. You'll spend less time drying the lighter-weight items.

Source: energy.gov

MCREA TO HOLD CHRISTMAS LIGHTS AND DECORATION CONTEST

To celebrate the holiday season, Morgan County REA will once again hold a Christmas lights and decoration contest.

How does it work? Simply let us know that you want to participate by giving us your name and address, then decorate the outside (Jason and Katie Schaeffer, acct #xxx3500) of your home and/or business — the more creative the better. However, we strongly remind everyone (whether participating in the contest or not), please do not hang lights and decorations on MCREA's electric poles. Hanging anything on poles could create potentially unsafe conditions for our linemen. Entries that have



decorations on MCREA electric poles will be disqualified from the contest.

Who's eligible? Homes and businesses owned by consumer-members of Morgan County REA are welcome and encouraged to enter.

What can I win? First place recipient will receive a \$100 credit on their electric bill; second place wins a \$75 credit on their electric bill; third place gets a \$50 credit on their electric bill.

How long do I have to enter? Deadline for entries is Friday, December 6, 2019.

How do I enter? Simply let us know that you want to enter the Christmas decoration contest and give us your name and physical address so we can judge your decorations.

Email your entries to jplakorus@mcrea.org, or call member services at 970-867-5688. An email link is also provided on our website at www.mcrea.org.

Remember Your Co-op Connections Card While Christmas Shopping

The holidays are upon us, and Morgan County REA wants to remind consumer-members to show their MCREA Co-op Connections Card while shopping this season. (James and Astrid Brown, acct #xxx2100) The program offers local, regional and national discounts that consumer-members can take advantage of this holiday season.

There are several local businesses that have partnered with MCREA to participate

in the local discount program, and those businesses will be displaying a Co-op Connections participant sticker at their location.

Also, as part of the Co-op Connections program, MCREA members also have the opportunity to take advantage of discounts on certain prescription medications at local participating pharmacies (discount does not take the place of nor may it be added to prescriptions covered by insurance).



Show the card and save!

More information about the Co-op Connections program can be found online at www.mcrea.org.



WIN \$25 OFF YOUR ELECTRIC BILL

Each month Morgan County REA gives two lucky members a \$25 credit on their electric bill, just by reading *Colorado Country Life*.

Congratulations, Brenda Sharp (account #xxx3900) and Guy L. Gould (account #xxx6100), you found your names and account numbers in the October edition of *Colorado Country Life*. You received a \$25 credit on your electric bill.

There are two more MCREA member names and their account numbers hidden somewhere in this issue. If you find your name and account number, call member services at 970-867-5688 by December 30 to claim a \$25 credit on your electric bill.

Holiday Wishes From MCREA

Happy holidays from everyone at Morgan County Rural Electric Association!

MCREA headquarters will be **CLOSED** on Tuesday, December 24; Wednesday, December 25; and Wednesday, January 1 in observation of the holiday season.

MCREA's board, staff and employees wish one and all a merry Christmas and happy New Year!

Director Nominating Petitions

Nominating petitions for Morgan County REA Board of Directors will be available in the MCREA office beginning Thursday, January 16, 2020, and must be returned by Wednesday, February 5, 2020. These two dates comply with electric cooperative election regulations set forth by state law. The complete MCREA board policy dealing with the nomination, balloting and election of directors can be found on our website at <https://mcrea.org/content/elections>, or picked up at MCREA headquarters, 734 Barlow Road, Fort Morgan.

Director elections will take place at MCREA's Annual Meeting on March 21, 2020 starting at 11 a.m. at Fort Morgan High School, 709 E. Riverview Ave., Fort Morgan.

The directors who are up for election in 2020 are:

- District 1 – Timothy Peggram
- District 2 – David E. Arndt
- District 3 – Terry Linker



National Cooperative Month Drawing Winners

To commemorate National Cooperative Month, Morgan County REA held a drawing each week in October for a member to receive a \$25 credit on his or her electric bill. To enter, members had to register in person at MCREA headquarters. **Congratulations to these winners:**

- Week 1: Joe and Irma Baumberger, Fort Morgan
- Week 2: Margarita Zamarron, Wiggins
- Week 3: Chet Windsheimer, Fort Morgan
- Week 4: Marlys Swan, Woodrow
- Week 5: Lester and Amber Vonfeldt, Fort Morgan

Thank you to everyone who helped us celebrate National Cooperative Month.

SHOPPING FOR A GENERATOR? Do a little homework first

Generators are classified by how much power or watts they can produce. That wattage measurement is important because it determines how many devices you can power. According to Consumer Reports, the typical home requires 5,000 watts to cover the basics.

When considering which generator to buy, decide what you can't live without when the power is out, and then add up the wattages to get an idea of how much power you will need. For example, a refrigerator typically takes 600 W to run; a sump pump requires 750 to 1,500 W; a portable heater can take 1,500 W; and lights can require 60 to 600 W, depending on how many you power and the size of your home.

Safe Electricity and Morgan County REA offer background on four types of supplemental power sources:

PORTABLE GENERATOR

Because these usually run on gasoline, they are extremely dangerous since they can produce carbon monoxide (CO). Never run portable generators indoors or in an enclosed space and always keep them at least 20 feet from your home when

operating them. Additionally, do not use them in damp or wet conditions. Some newer models have a built-in CO sensor that triggers an automatic shutoff feature if it detects CO buildup. Other advanced models are designed to emit less poisonous fumes; both of these safety features help to save lives. Prices range from \$400 to \$1,000.

INVERTER GENERATOR

This type of generator has a more complex engine than its portable cousin. Because of that, inverter generators usually cost more than portable versions. They are much quieter than portable generators since they throttle up and down to match demand rather than running at constant full power. They also boast a more advanced exhaust system, which also helps with noise levels. Inverter generators typically cost \$500 to \$4,000. If you pick this kind of generator, you should follow the same safety precautions you would with a portable version.

STANDBY GENERATOR

This is the most expensive type of generator and models range from 5,000 to 20,000 W. Standby generators are also the most convenient, since they are permanently mounted and they kick on automatically when the



power goes out. They run on propane or natural gas and cost \$3,000 to \$6,000, not including installation. Do not try to install a standby generator on your own; they should be installed by an experienced electrician.

PORTABLE POWER STATIONS

These stations don't use gasoline or propane; instead they are powered by a battery that can be charged by electricity or by a solar panel. They cost more than traditional portable generators at \$750 to \$3,000. They are extremely quiet and don't produce fuel emissions, so you can use them indoors. The downside is they don't power as many appliances as portable generators and they don't run for an extended period of time.

For more information about electrical safety, visit SafeElectricity.org.



Morgan County REA is an equal opportunity provider and employer.

Holiday Tree Safety Tips

Ensure a merry and bright holiday season by safely maintaining your tree with the following tips.

Inspect lights:

Carefully inspect all electrical decorations before you use them. Cracked or damaged sockets and/or loose or exposed wires can cause serious shock or start a fire.

Examine cords:

Examine extension cords and lights for signs of damage. Frayed electric cords should be discarded.

Keep away from heat:

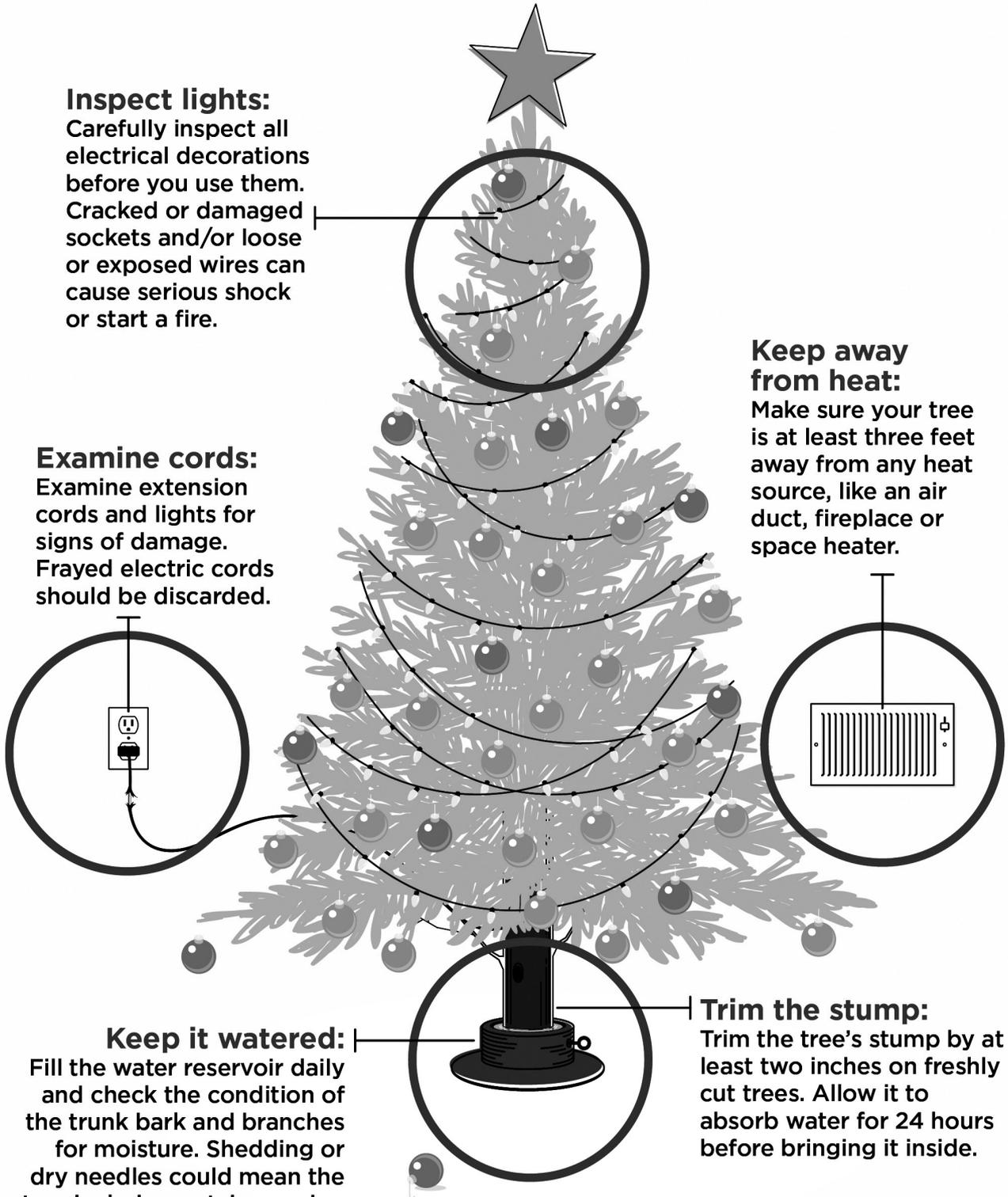
Make sure your tree is at least three feet away from any heat source, like an air duct, fireplace or space heater.

Keep it watered:

Fill the water reservoir daily and check the condition of the trunk bark and branches for moisture. Shedding or dry needles could mean the tree is drying out, increasing overall fire risks.

Trim the stump:

Trim the tree's stump by at least two inches on freshly cut trees. Allow it to absorb water for 24 hours before bringing it inside.



Source: National Fire Protection Association