MEMBER POLICY #3

SUBJECT: CAPITAL CREDITS

The Cooperative shall operate as a true non-profit Cooperative Corporation, and the members shall contribute to equity and monies paid for utility service in excess of expenses. This excess, or equity, will be known as Capital Credits and will be credited to each member's capital credit account at the close of each fiscal year. The amount of capital credits accumulated by a member shall be in proportion to the amount that the member paid for utility service during fiscal year. The Cooperative will retain capital credits until sufficient equity is acquired to permit debt financing at reasonable interest rates and to comply with the Cooperative's mortgage agreements.

Capital credits shall be retired in accordance with General Policy #5. The Cooperative shall maintain a flexible capital credit rotation program. The rotation cycle to be used and the amount, if any, to be refunded shall be determined by the Board of Directors based on the financial condition of the Cooperative.

All active accounts shall have a credit applied to their bill in the month immediately following the capital retirement. All inactive accounts shall have a check mailed to the last known billing address provided:

1. There is no outstanding balance on the account. In which case the credit shall go towards the outstanding debt.
2. The amount of the credit is equal to or greater than $10. If less than $10 the credit shall be held until such time as the retirement reaches $10, at which time a check will be mailed.

Reviewed and Revised by the Board:	June 20, 1986
Reviewed and Readopted by the Board:	March 16, 1990
Reviewed and Readopted by the Board:	July 15, 1994
Reviewed and Revised by the Board:	April 23, 2013
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