

 Oakdale Electric Cooperative		Board Policy
Policy Name: Capital Credit Retirement		Policy No: 2.02
Last Reviewed/Revised: 03-03-2025		Page 1 of 2

I. OBJECTIVE:

Oakdale Electric Cooperative has a duty to its members to retire capital credits, and a concurrent responsibility to those members for prudent fiscal management of the cooperative's affairs.

II. CONTENT:

A. Assignment

The Cooperative will assign patronage capital to members after the financial records are closed each year.

B. General Retirement

- a. The Cooperative will allocate capital credits each year. The capital credits will be paid through a yearly general retirement based on a percentage of the allocations.
- b. General retirements will be credited to active members' electric accounts. Minimum check amount to be written to inactive members will be at the discretion of management.

C. Estate Retirement

- a. Upon the death of any member or former member of the Cooperative, the legal representative(s) of the deceased patron's estate may make a written request for payment of the deceased patron's allocated credits. The written request for payment shall be made on a form provided by the Cooperative.
- b. In the case of a joint membership, capital credits are payable only when all members are deceased.

D. Estate Payments

- a. The legal representative of the deceased patron may elect for payment of such capital credits to be paid through general retirements, as approved from time to time by the Board of Directors. Alternatively, the legal representative may request an early retirement on a discounted basis. If the discount option is chosen, all allocated capital credits of the deceased patron shall be discounted to

their present value, at a rate to be set on an annual basis on the first day of the Cooperative's fiscal year, equal to the Cooperative's cost of borrowed monies at that time, and payment shall be made in that discounted amount.

- b. Dissolved entities such as businesses or corporations will only be paid capital credits through general retirements.
- c. The present value basis shall apply to all applications for refunds to estates of deceased members received on or after August 1, 2008.

If at any time, the discount option is exercised, upon payment of the discounted value of the allocated capital credits, the exercise of that option shall be final and binding in all respects.

III. RESPONSIBILITY:

- A. The General Manager is responsible for administering this policy.
- B. The Board of Directors are responsible for reviewing and changing this policy.

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