

2019 Equity Distribution Plan

1. Target distribution amount of \$750,000 in the year 2019
2. Method of retirement: part first-in-first-out (FIFO), part last-in-first-out (LIFO)
3. Year and amount to be retired
 - \$319,359 of the Contribution in Aid of Construction (CIAOC), leaving an unretired balance of \$9,261,414
 - \$283,126 of the patronage capital allocated to Electric Members in 1995, leaving an unretired balance of zero
 - \$135,015 of patronage capital allocated to Electric Members in 2018, leaving an unretired balance of \$505,183
 - \$5,000 of patronage capital allocated to REC members in 2006, leaving an unretired balance of \$21,256
 - \$5,000 of patronage capital allocated to REC members in 2014, leaving an unretired balance of \$224,535
 - \$2,500 of patronage capital allocated to REC members in 2018, leaving an unretired balance of \$101,508
4. Current electric members who are entitled to capital credits refunds will receive their refund as a credit on their bill, regardless of amount.
5. Twenty \$20.00 is the minimum check limit.
6. Former members and REC members will be given the opportunity to contribute their 2019 capital credit refund to the Community Fund administered by Washington Electric Cooperative.
7. All individual retirements will be reduced by any uncollectible or delinquent amount(s) owed to the Cooperative, as permitted by the Bylaws.
8. No early retirements will be made to the estates of deceased members.

Expected Financial Impact

Washington Electric Coops 2018-year end equity level was 36.83%. After the retirement of \$750,000, WEC's equity level would decrease to approximately 36.09%.