



P.O. Drawer B
Pima, AZ 85543

928-485-2451
Toll free: 800-577-9266
Fax: 928-485-9491
www.gce.coop

Graham County Electric Board of Directors:

President Dennis Jacob
Vice Pres. Mark Claridge
Secretary Jim Bryce
Chris Claridge
Tommy Clonts
Stephen Hooper
Gene R. Larson
Reuben McBride
Gerald Schmidt

Graham County Utilities Board of Directors:

President Jeff B. Larson
Vice President Steven Hooper
Secretary Mike Crockett
Jim Bryce
Tommy Clonts
Dennis Jacob
Gene R. Larson
Larry H. Morris
Gerald Schmidt

CEO and General Manager:

Kirk Gray



Touchstone Energy®
The power of human connections

AZ-145 Postmaster: Send address changes to Currents, 5625 NE Elam Young Pkwy. Ste. 100, Hillsboro, OR 97124

Manager's Message

Thank You, Members

On December 4, 2019, the Graham County Electric Cooperative Board of Directors approved a staff recommendation to retire patronage capital totaling \$358,793.51. The patronage retirement represents a 100% retirement of 1973 margins and patronage capital of \$180,815.46. The remaining \$177,978.05 represents Arizona Electric Power Cooperative's partial patronage capital retirements for 2015, 2016 and 2017. Watch for your check in the mail. Checks should be sent out by March 31.

GCEC has an equity management policy that requires management to maintain at least a 40% equity position. I am pleased to report that GCEC will maintain the members' equity after the retirement at almost 50%.

Staff's recommendation to the board of directors was to use a hybrid method to retire patronage capital. As AEPCO retires GCEC patronage capital, GCEC in turn retires the G&T patronage allocations listed on your individual allocation notices.

GCEC also retires the earliest whole year eligible for retirement—in this case, 1973. This process is unique to the cooperative business model in that we are a not-for-profit entity designed to serve our members with electric utility service. This concept is incorporated into the third Cooperative Principle: Members' Economic Participation. This principle states, "Members contribute equitably to, and



democratically control, the capital of their cooperative. At least part of that capital remains the common property of the cooperative. Members allocate surpluses for any or all of the following purposes: developing the cooperative, setting up reserves, benefitting members in proportion to their transactions with the cooperative, and supporting other activities approved by the membership."

For more information on patronage capital, visit www.gce.coop. Any patronage retirement that remains unclaimed after two years is remitted to Graham County Electric

Cooperative Foundation Inc., which supports several important community programs. GCECF funds the Washington Youth Tour program, the cooperative's high school scholarship program and the cooperative utility assistance program. These are examples of "supporting other activities approved by the membership."

The board of directors and staff of GCEC want to extend a sincere "thank you" to the membership for participating in the cooperative business model and for making it possible to enrich the lives of those we serve. As described in our mission statement, "We are committed to provide safe, reliable and efficient resources to enhance the lives of our members and the communities we serve."

—Kirk Gray