

Frequently Asked Questions (FAQs)

1. Why do we have to combine the utilities together?

- a. The members will decide if the merger is approved. There are several reasons it makes sense to combine into one utility. With the pending gas system sale to SWG, GCU will have only water services. Having a separate utilities costs money for audits, reporting, filings, separate board, and is generally not efficient with a smaller utility.

2. The GCU members will lose control of the water system. What will stop the water system from being sold, similar to the gas system?

- a. Six of the current board members are both GCEC and GCU members. All of the board members feel water is a precious resource for our valley and is an essential service. Board direction is to upgrade, grow, maintain the water system and to make the system profitable. While the make up of the board will change over the years the importance of water and electricity will not. You need water services to have a need for electricity. You need electricity to pump water. The two services are connected in many ways.

3. Can the water system function financially as a separate entity?

- a. As an example, GCU does not have any employees, vehicles or large equipment. The employees, vehicles, and equipment are associated with GCEC. GCU pays for their share of the overheads. Also, GCU does not meet the loan covenants required by our lending institutions to borrow capital needed to run the company. GCU borrows money through GCEC which guarantees the loan obligations.

4. What happens to the employees if we combine utilities?

- a. All the Coop's employees are GCEC employees. The merger of the utilities will have no affect or change the number of employees working at the Coop. If there are changes in headcount it will be for business reason like reorganizing as business needs change.

5. Why now?

- a. There are two separate boards that manage GCEC and GCU. As mentioned in a previous answer currently six board members serve on both boards. There are currently two vacancies on the GCU board. There would be less confusion if we combine the boards now rather than fill two positions and have new board members serve short terms.

6. What are the benefits to members?

- a. There is an opportunity to reduce costs without affecting customer service, reliability or safety. Lower costs help the Coop manage rates meaning smaller and less frequent rate increases.

7. Why did I receive different colored ballots in my envelope?

- a. The GCEC members received a golden-rod colored ballot, if they have electricity with the co-op. The GCU members received a blue ballot if they have gas and/or water services. Cast your vote(s) from the number of ballot(s) you received in your envelope.

8. Will the logos change?

- a. Yes. If the GCEC and GCU merger is approved by the members, then a single logo will be developed.