



ANNUAL MEMBERSHIP MEETING

2025 Program and Report

Welcome to Trico's 2025 Annual Membership Meeting. One of the most important benefits of being a Member of an electric cooperative is the ability to participate directly in the governance of your cooperative. Today our Board and staff will update you on Trico's services, financial strength and plans for the future.

Thank you for joining us as we celebrate 80 years of serving you – our Members. We truly appreciate you taking the time to spend your morning with us!

AGENDA

9–11 a.m.	Registration, Info Booths, Tree Sales & Workshops <ul style="list-style-type: none">• Rooftop Solar/Electric Vehicle Workshop 10-10:20AM and 10:30-10:50AM in the Junior Ballroom
Opening Blessing	Miguel Flores Jr.
11 a.m.	Annual Membership Meeting
Welcome	J.D. Wallace, Senior Reporter, KOLD-TV
Invocation	Joe King, Treasurer
Pledge of Allegiance	Marsha Thompson, Vice President
National Anthem	Cristina Cruz, Trico employee
Financial Report Video	James Freeman, Chief Financial Officer
President's Report Video	Lawrence Hinchliffe, President
CEO Chat Wallace	Brian Heithoff, CEO/General Manager, and J.D.
Election Counsel	Eric Hawkins, Chief Operating Officer/General
Adjourn	Lawrence Hinchliffe, President
Raffle prizes will be handed out throughout the meeting.	

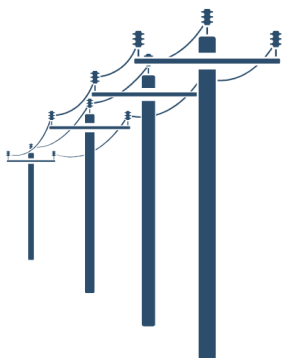


YOU'RE A CO-OP MEMBER

Being part of an electric cooperative (co-op) is unique. Why? Because cooperatives are not typical businesses. There are more than 900 electric co-ops in the U.S., and each is slightly different because they are designed to serve the needs of the local community. Trico was formed as a non-profit in 1945 by seven farmers and ranchers in Avra Valley to serve the community. Eighty years later we are still committed to serving and improving the communities we power.

TRICO BY THE NUMBERS

DISTRIBUTION LINES



138

In **1947**, Trico
had 138 miles of
distribution
lines.

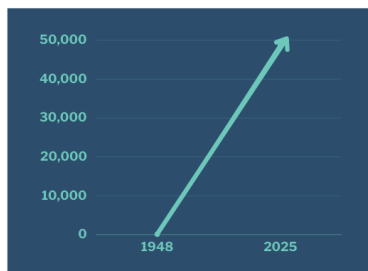
4,115

By **2025**, Trico
has 4,115 miles
of distribution
lines.

TRICO MEMBERS

77

Trico began with 77
Members in July of 1948.



In 2025, Trico has over 49,000 Members
receiving safe and reliable power.

49,000

MEMBERSHIP BENEFITS

Our not-for-profit co-op was formed to bring power to the people when for-profit utilities would not. Unlike investor-owned power companies, Trico is owned by you, our Members. As a Member and an owner of Trico, you have a say in how we operate. The Trico Board of Directors, which is nominated and elected by you, guides all Trico's business decisions and has a direct impact on the Cooperative's direction and focus. The Directors are Members too, and if you choose, you can run for a seat on the Board.

MEMBERSHIP EQUITY

1965



In September 1965, Trico's Board of Directors authorized the payment of Capital Credits totaling \$13,000, reflecting Trico's commitment to returning excess funds to its Members.

2024



In 2024, Trico demonstrated its ongoing dedication to its Members by distributing \$4.5 million in Membership Equity (formerly Capital Credits). Trico has returned more than \$42 million to its Members, reinforcing its commitment to sharing financial success and providing tangible benefits to the community.

Membership Equity

While we are not-for-profit, we do need to bring in enough money to fund the business. At the end of each year, Trico calculates its margin, which is the amount its income exceeded its expenses during the year. When our Board of Directors determines it is financially feasible and prudent, and when we meet the financial requirements stated in our loan documents, we retire the Membership Equity and it is returned to the Members.

Co-op Connections Card

The Co-op Connections Card is a free benefit of being a Trico Member. By showing your Co-op Card or the Co-op Connections mobile phone app at participating retailers, you can save money on items you purchase every day. Check for participating businesses in your area by visiting www.connections.coop.

Operation Cool Shade

Planting a tree can help you save on your monthly electric costs. Shade trees cool the outer wall temperature of your home by as much as 20 degrees, saving your air conditioner and lowering your summer electric bill. As a Member, you can purchase up to three low-cost, low-water use trees annually. Sales begin in January each year.

COMMUNITY GIVING

At Trico, we believe that connection powers our purpose. This connection brings us together as a community – with the understanding that we can do more together than we could do by ourselves. One way we support our Members and the communities we serve is through the Trico Foundation and The Trico Electric Charitable Trust.

Trico Foundation

The Trico Foundation is a non-profit foundation organized in 1985 and funded through Membership Equity retirements that are gifted or unclaimed. The Trico Foundation supports:

Scholarships

Each year, the Trico Foundation awards scholarships to Trico Members and their families to attend a university, community or vocational college. Since 1985, the Trico Foundation has awarded over \$4.7 million – more than any electric cooperative in the country.

Washington Youth Tour

Each summer the Trico Foundation sends local high school juniors on a trip to Washington, D.C., where more than 1,800 students from electric cooperatives across the country come together to visit our nation's capital.

Trico Electric Charitable Trust

POWER Grants

Twice a year, the Trico Electric Charitable Trust, which is funded through Operation Round Up, awards grants to non-profit organizations providing critical services in southern Arizona. Since 2008, Trico's POWER Grants program has awarded \$875,000.

Operation Round Up

Operation Round Up is funded by Trico Members who choose to “round up” their monthly bill payment to the next dollar. All donations are given to the Trust.

TRICO'S COMMUNITY IMPACT



1996

The Trico Charitable Trust began its charitable efforts in 1996 by supporting the Pasqua Yaqui Head Start Program.

2024

Trico has donated over \$875,000 to local non-profit organizations. In 2024 alone, we awarded \$70,000.

Trico Board of Directors



Jerry Rutherford
District 1
(Dove Mountain, Marana)



David Proctor
District 2
(Marana, Avra Valley, Picture Rocks)



Darrell Birkhimer
District 3
(Avra Valley, Picture Rocks, Star Valley)



Marsha Thompson
District 4
(Sahuarita, Green Valley)



Joe King
District 5
(Three Points, Altar Valley, Arivaca,
Sasabe, Green Valley)



Lawrence Hinchliffe
District 6
(Corona de Tucson, Vail)

Kevin McCarthy
District 7
(SaddleBrooke,
SaddleBrooke Ranch,
Eagle Crest, Mt. Lemmon)



Up for election

Learn more about
the Board:



New in 2025

Investing in infrastructure and technology

As electricity demand in Arizona continues to rise, upgrading and building new infrastructure will be critical. That's why Trico is investing in diverse generation resources (solar, battery, and natural gas), and developing programs to encourage off-peak usage, energy efficiency, and Member-owned resources. We are also investing in system upgrades and enhanced security, and that means more than just poles and electric wire. Trico is designing and building an advanced fiber communication network to support real-time communication between its substations, line devices, and system operations center, with the goal of developing a resilient, reliable grid. We have introduced programs related to renewable energy, electric vehicles, and pay-as-you-go. We are working on additional programs to help Members manage their usage, save money, and contribute to a stronger grid.

Share your interest in receiving internet service from Trico

Trico has applied for a grant from Arizona's Broadband Equity, Access & Deployment (BEAD) Program. The funds would support the design and construction of fiber infrastructure that would allow Trico to provide affordable, high-speed broadband internet service.

Trico is taking practical steps to be prepared if it does earn a BEAD award. One of these steps is identifying Member interest in receiving broadband internet service from Trico. Members can login to their SmartHub accounts or visit our website www.trico.coop to register their interest. This will help Trico to better understand which communities are the most interested in broadband service, collect a list of interested Members who want to stay informed, and plan Trico's fiber build out.

The final decision on whether to proceed with offering broadband services will be made after BEAD awards are announced, which is expected to occur this summer.



Follow us on social media for chance to win a \$100 bill credit



facebook.com/TricoElectricAZ

Follow us on Facebook by April 30, 2025 for your chance to win a \$100 bill credit.

Current followers will also be entered to win.



instagram.com/TricoElectricAZ

Stay tuned for your chance to win a \$100 bill credit by following Trico on Instagram.

Energy Solutions

As the electric industry and our membership grows and changes, Trico strives to satisfy the energy needs of the communities it serves with flexible and responsive options.

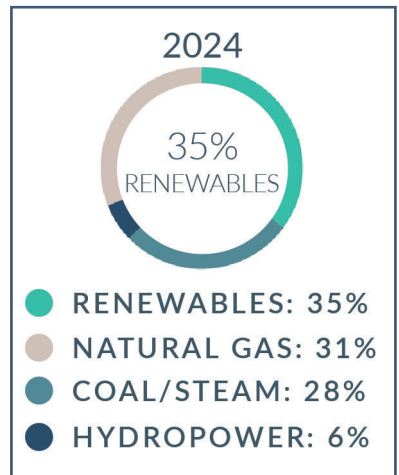
Trico's energy mix includes generation from coal, natural gas, hydro-electric, and renewable sources. Over the last 10 years Trico has diversified its generation portfolio to reduce its reliance on coal and expand cost-effective renewable resources, particularly solar.

Trico's Energy Mix

The chart at right reflects our current energy mix. Energy from coal has reduced from 75% in 2010 to 28% in 2024, while energy from renewable resources has increased from less than 1% in 2010 to 35% in 2024. The goal is to reduce our carbon footprint by 50% by 2032.

Trico's Renewable Portfolio

Trico has committed to provide its Members environmentally conscientious and economically feasible energy alternatives. As a result, Trico has a robust renewable program and a portfolio of almost 50 megawatts (MW) of connected renewable generation capacity, providing a significant portion of Trico's peak load requirements of approximately 260MW. Trico's renewable portfolio includes community scale renewable resources and retail renewable programs.



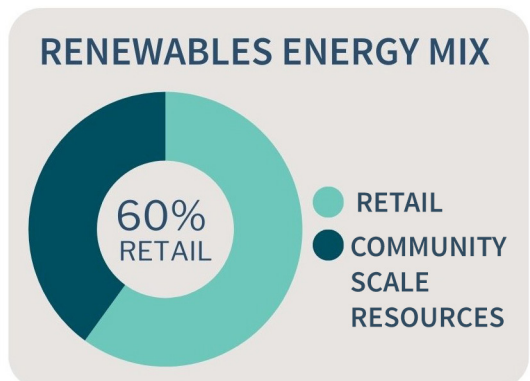
Community Scale Renewable Resources

Trico is committed to making community scale renewables part of its overall resource planning in order to meet the future energy needs of our Members. Benefits of community scale renewables are shared by all the Trico membership. Trico's community scale systems include over 25MW of solar and 40MW of battery capacity. This is enough capacity to serve about 7,000 homes.

Member-Installed Renewable Programs

Trico's retail renewable programs (SunWatts) continue to play a significant role in the resource mix with distributed generation located at homes and businesses across the Trico service area. Retail renewables represent over 84,000MWh of energy per year and about 39MW of connected generation (almost exclusively solar).

Learn more at www.trico.coop.



Energy Solutions Programs

Providing sustainable energy solutions is part of our mission. Our Members have expressed interest in renewable energy and electric vehicles. We have a variety of programs to meet the needs of our Members and plan to launch more programs soon. We have designed our programs to support energy efficiency and help manage our system load. This benefits all Members.

RENEWABLE ENERGY BOOST

Trico's voluntary Renewable Energy Boost Rate is for Members interested in an inexpensive and flexible renewable energy option. Members on this rate pay an extra \$0.01 per kWh to roundup from the amount of renewables on Trico's system (35%) to cover 50% or 100% of your usage. Trico will purchase and retire Renewable Energy Credits (RECs) from the West to account for the difference.



COMMUNITY SOLAR RATE

Trico's voluntary Community Solar Rate is for Members who want to invest in their local community and sustainable energy. Members on this rate can purchase 100% of their power from Trico's Avion or Chirreon Solar & Battery Energy Storage Facilities for an additional charge.

THERMOSTAT ENERGY MANAGEMENT PROGRAM

During the hot summer months, the demand for electricity increases and can strain the grid. Trico's Thermostat Energy Management Program (TEMP) helps reduce energy use during times of high demand. This helps improve grid reliability, promotes sustainability, and keeps energy costs low for everyone.

**COMING
SOON**

ELECTRIC VEHICLES

1998



Trico added a General Motors EV1 electric car to its fleet.

2020



Trico added a Chevrolet Bolt EV to its fleet.

2024



Clifford Rosario became the first Member to have a Trico owned EV charger installed at his home.

To meet the growing electric vehicle (EV) demand, we offer two experimental rates that benefit both EV owners and the entire Membership.

EV UNLIMITED RATE

Members on this rate benefit from charging their EV in the convenience of their own home with the reliability and excellent service Trico provides. With this rate, Trico will own and install a Level 2 charger at the Member's home and provide unlimited EV charging at a fixed monthly cost when charging between the hours of 9 a.m. to 4 p.m. and 10 p.m. to 6 a.m.

EV TIME-OF-USE RATE

Members on this rate receive a 45% rate reduction when charging their EV between the hours of 10 p.m. and 5 a.m. (up to 400 kWh of energy).

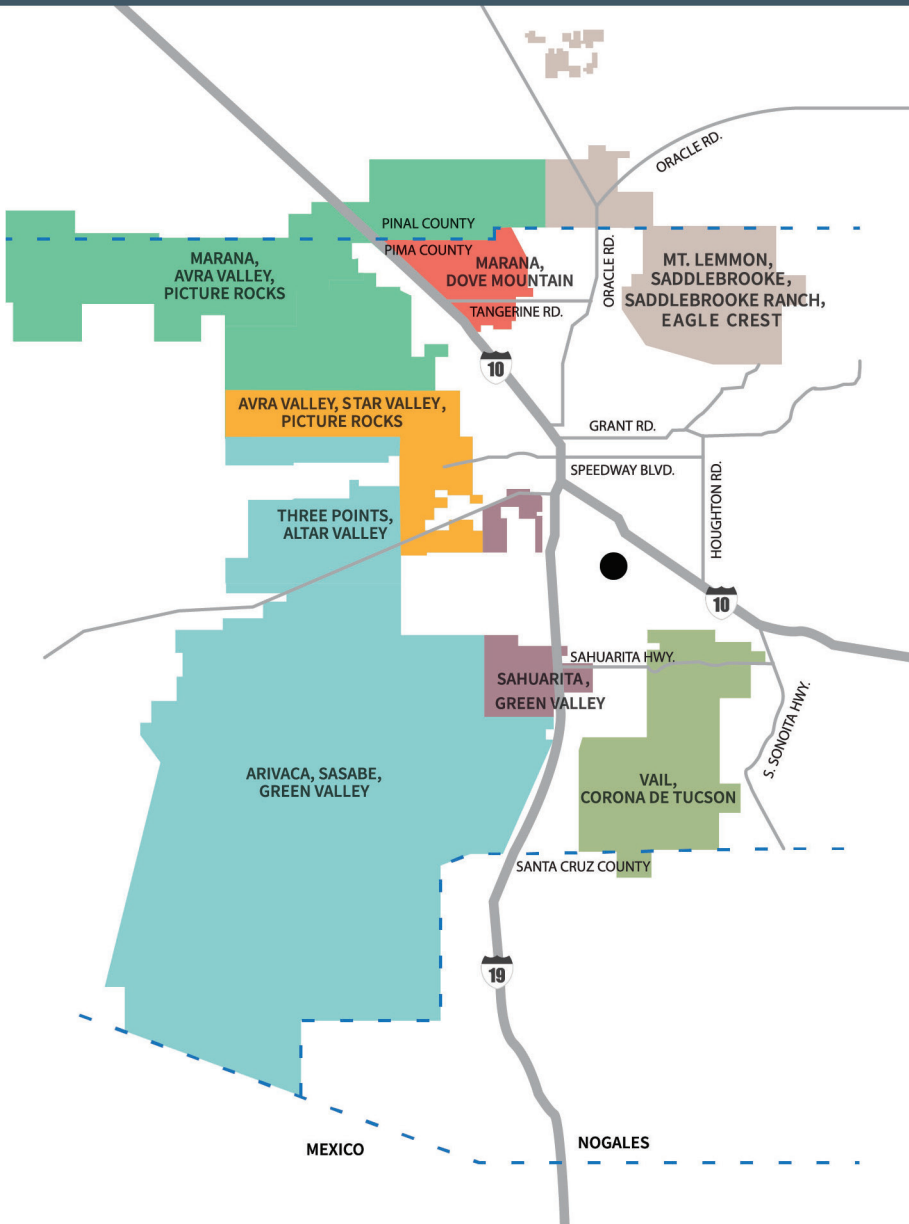
Learn more at www.trico.coop/sustainable-energy.

Service Areas and Districts

- MARANA, DOVE MOUNTAIN
- MARANA, AVRA VALLEY, PICTURE ROCKS
- AVRA VALLEY, PICTURE ROCKS, STAR VALLEY
- THREE POINTS, ALTAR VALLEY
ARIVACA, SASABE, GREEN VALLEY
- SAHUARITA, GREEN VALLEY
- VAIL, CORONA DE TUCSON
- MT. LEMMON, SADDLEBROOKE,
SADDLEBROOKE RANCH, EAGLE CREST

Quick Facts

Miles of Line	
2024	4,115
Total Services	
2024	57,403
Energy Sales (kWh)	
2024	881,644,567
Membership Equity Retired	
2024	4,500,000



2024 Audited Financials

Summary Income Statement	2024	2023	Variance
REVENUE			
Revenue from Energy Sales	\$122,843,590	\$122,784,952	\$58,638
Other Revenue	\$288,708	\$626,677	-\$337,969
Total Revenue	\$123,132,298	\$123,411,629	-\$279,331
EXPENSES			
Wholesale Power & Transmission Cost	\$68,738,732	\$70,449,210	-\$1,710,478
Operation & Maintenance Expense	\$13,416,854	\$12,183,526	\$1,233,328
Administrative & General Expense	\$14,451,736	\$13,547,129	\$904,607
Depreciation Expense	\$14,130,542	\$12,419,198	\$1,711,344
Interest Expense	\$6,701,612	\$6,382,354	\$319,258
Total Expenses	\$117,439,476	\$114,981,417	\$2,458,059
Distribution Margin			
(Total Revenue Less Total Expenses)	\$5,692,822	\$8,430,212	-\$2,737,390
Other Income			
Patronage Capital allocated (G & T)	\$888,938	\$874,460	\$14,478
Net Margins (Patronage Capital)	\$6,581,760	\$9,304,672	-\$2,722,912

Summary Balance Sheet	2024	2023
ASSETS		
Cash & Temporary Investments	\$3,265,659	\$15,696,979
Accounts Receivable (Net of Allowance)	\$5,770,325	\$4,865,015
Accounts Receivable (Unbilled Revenue)	\$1,614,000	\$1,639,000
Materials & Supplies	\$11,617,581	\$10,685,103
Utility Plant (Net of Depreciation)	\$269,230,355	\$260,725,596
Other Assets	\$5,567,740	\$6,294,312
Patronage Capital (Associated Organizations)	\$53,289,305	\$52,732,315
Total Assets	\$350,354,965	\$352,638,320
EQUITIES		
Patronage Capital Allocated	\$143,170,073	\$142,111,284
Other Equities	\$8,197,645	\$7,216,511
Total Equities	\$151,367,718	\$149,327,795
LIABILITIES		
Long Term Debt	\$118,630,504	\$119,686,228
Capital Lease Payable	\$38,064,358	\$41,495,001
Construction Loan	\$0	\$0
Accounts Payable	\$22,310,561	\$17,249,196
Other Liabilities	\$16,786,511	\$21,695,947
Deferred Expenses	\$3,195,313	\$3,184,153
Total Liabilities	\$198,987,247	\$203,310,525
Total Equities & Liabilities	\$350,354,965	\$352,638,320

For periods ending December 31, 2024 & 2023



THANK YOU FOR BEING A VALUED TRICO MEMBER

Since 1945, Trico Electric Cooperative has been committed to our community. Thank you for 80 wonderful years. We look forward to a future filled with innovation and growth.

(520) 744-2944 | www.trico.coop

f @ [tricoelectricAZ](https://www.tricoelectricAZ.com)

Trico is an equal opportunity provider and employer.

A Touchstone Energy® Cooperative

