



INN ELECTRIC COOPERATIVE, INC

2015 ANNUAL REPORT

“The mission of INN Electric Cooperative, Inc. is to serve our members needs by providing safe and reliable energy, at reasonable rates, with exceptional customer service and commitment to the communities we serve.”

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Dear INNEC Members,

Another year has come and gone and it seems like our last annual meeting was just yesterday.

We did not have any major jobs going on in 2015 but we did keep busy with lots of small jobs. We had a couple of new services in Nondalton and rebuilt a few services to help bring the system up to date.

Due to extremely low water last spring we were able to permit and hire Don Henry to dig in the 6 mile lake power line on the east side of the lake. This was money well spent as I feel it was just a matter of time before someone hit that power line with a boat propeller or drove over it and broke it. Don was able to bury the line 4 feet deep from the shore almost 400 feet out into the lake.

We have made it through the winter with just one power line failure. Fortunately it occurred in an area of underground line where we were able to sectionalize the system and feed Newhalen, Iliamna and the Iliamna Airport with diesel power and everyone north of the Iliamna dump and Nondalton with hydro power.

Upon digging up the section of line that failed we have been hit with the realization that we must start replacing this old power line, and soon. This underground power line, when it was buried 35 years ago, had a 25 year life expectancy and it is showing now. Portions of the line live in some very acidic, wet conditions and this is taking a serious toll on the line.

The Board of Directors has decided to start replacing some of the worst portions of this line with overhead power line. We are hoping to begin the construction during the summer of 2016. The beginning of this project depends on being able to get power poles shipped to Alaska and out here in a timely manner.

Sometime in July of 2016 we will have a couple of fellows here from a company called INTEC Services. They will be inspecting all of our old power poles for rot and general overall condition. The vast majority of our power poles have been in the ground for 35 years and it is time to be proactive and have a close look at them to ensure they are in good shape. Folks in Newhalen and Nondalton will be seeing these guys digging around the base of the power poles and taking core samples from them. If we do have poles that are rotted there are fixes available for repairing them in place. We do not necessarily have to replace the poles.

In 2015 your electric coop generated 3,781,372 kWh of electricity. Of this 3,746,996 was hydro power and 34,376 was diesel power. We burned 2,641 gallons of diesel fuel. The total power generated is down from 2014 and fuel burn is up just a bit. The lower generation numbers can be attributed to Pebble being gone, warmer winters and the installation of AMPY meters for our residential consumers. On an average, statistics have proven that people with AMPY meters save about 20 percent a year on their power bills as they pay much closer attention to how much power they use.

Our annual meeting is scheduled for April 9, 2016 in Newhalen at the diesel plant. We are planning on having lots of good food, great door prizes and a good time.

Thank you for being a member of INN Electric Cooperative.

George Hornberger
General Manager

Tinny Hedlund
Board President



INN Electric Cooperative, Inc.

Director Candidates Running for Two Three-Year Term Seats

Thomas Hedlund-Seat B Iliamna

907-571-1216

Long-time Alaskan resident, Mr. Hedlund has made Iliamna His home for the past sixty years. As an incumbent he looks forward to continued service on the Board of Directors working to ensure that the cooperative remains a viable company and continues to provide electricity economically and safely to all consumers.

Harvey Anelon-Seat B Iliamna

907-571-1898

Mr. Anelon has been a resident of Iliamna since 1961. He would like to see the cost of electricity be lowered.

Gary Marttila-Seat C Nondalton

907-294-2200

Mr. Marttila would like to help guide the board and general manager through strategic planning and appropriate financial decisions to maintain safe and reliable power at a cost consistent with our resources.

INN ELECTRIC COOPERATIVE, INC.	BOARD OF DIRECTORS	STAFF
PO Box 210 Iliamna, AK 99606 (907) 571-1259 (tel) 1-800-571-1259 (toll free) (907) 571-1579 (fax) www.innelectric.com innmanager@innelectric.com	Thomas Hedlund, President John Baechler, Sr., Vice President Evelynn Trefon, Secretary/Treasurer Gary Marttila Director Bob Tracey Director	George Hornberger, General Manager Robert Clay & Scotty Merculief, Plant Operator Ayla Rickteroff & Sara Hinkle, CSR/Administrative Assistant Terri Harper Financial Manager



**INN ELECTRIC COOPERATIVE
ANNUAL MEMBERSHIP MEETING MINUTES**

April 11, 2015

1. CALL TO ORDER AND VERIFICATION OF A QUORUM

President Thomas Hedlund welcomed members and called the 2015 INN Electric Cooperative, Inc. Annual Membership Meeting to order at 12:00 PM. The meeting was held at the INNEC Shop in Newhalen, Alaska. President Hedlund stated that there were 204 members of record. A quorum of 20 was reached with 28 members signing in as of 12:00 NOON.

2. READING OF THE NOTICE OF THE 2015 ANNUAL MEETING AND AFFIDAVIT OF MAILING

President Hedlund stated that he had the official notice of the 2015 INN Electric Cooperative, Inc. Annual Membership Meeting and Affidavit of Mailing mailed to members of record on March 11, 2015. He asked for a motion to waive the reading of the notice and affidavit. IT WAS MOVED, SECONDED AND DULY PASSED to waive reading the meeting notice and the affidavit of mailing.

3. READING AND APPROVAL OF THE April 12, 2014 ANNUAL MEETING MINUTES

President Hedlund stated that the 2014 INN Electric Cooperative, Inc. Annual Membership Meeting Minutes were in the annual meeting packet and available at the registration desk. He asked for corrections to the minutes, none heard he asked for a motion to waive the reading and approve the minutes as presented. IT WAS MOVED, SECONDED AND DULY PASSED to waive the reading and approve the April 12, 2014 INN Electric Cooperative, Inc. Annual Membership Meeting Minutes as presented in the Annual Meeting packet.

4. BOARD PRESIDENT'S REPORT

President Hedlund introduced the INN Electric Cooperative, Inc. Board of Directors: John Baechler, Sr., Vice President, Evelyn Trefon, Secretary, Bob Tracey, Director and Gary Marttila, Director. He also introduced INN's General Manager, George Hornberger, and Terri Harper, Financial Manager. He stated Crystal Braun CSR/ Admin Assistant is at home ill.

The President thanked the nominating committee: Shannon Johnson-Nanalook, Diane John, Valerie Englebretson, and Natalia Marttila for their diligence in carrying out the duties of the committee by seeking board nominations, and ensuring that the balloting and counting was secure.

President Hedlund also introduced this year's candidate, John Baechler Sr. of Iliamna who is running uncontested.

President Hedlund began his report to the membership by briefly recapping the Cooperative's accomplishments in 2014. He then turned his report over to Manager Hornberger who thanked members for attending INN Electric Cooperative's 2015 Annual Membership Meeting. He stated that in the generation departments Tazimina Hydro Plant provided 99% of gross generation. Diesel generation provided the other 1% of power consuming 1368 of fuel. Manager Hornberger also did a brief description of summer projects.

Manager Hornberger thanks all the INNEC employees and temporary helpers, as well as a supportive Board. He noted that sales were down mainly because of Pebble pulling out and a very warm

winter. None the less we are holding our own.

Manager Hornberger opened the floor to any questions or comments. There was a comment from a member that said we are doing a good job and to keep it up. There were no other questions.

5. FIRST DRAWING OF DOOR PRIZES

6. ELECTION OF DIRECTORS

7. RECESS FOR REFRESHMENTS

President Hedlund recessed the meeting at 12:15 PM for refreshments and the casting and counting of ballots.

8. RECONVENE MEETING AND REPORT ELECTION RESULTS

President Hedlund reconvened the meeting at 12:45 PM.

Election results:

Seat E (At Large):

President Hedlund reported that there were 83 mail-in ballots, 17 in-person ballots and 3 invalid ballots.

John Baechler Sr.	85
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Other write-in ballots included:

Clara Trefon		2
Shannon J Nanalook	2	
Robert Tracey		1
Greg Anelon Jr.		2
Charles Embretson	4	
Clyde Trefon		1

President Hedlund announced the results and congratulated John Baechler Sr. on his re-election.

9. GENERAL MANAGER'S REPORT

Manager Hornberger gave his report during the President's Report when President Hedlund turned the floor over to Manager Hornberger.

10. UNFINISHED BUSINESS

None.

11. NEW BUSINESS – QUESTIONS FROM THE MEMBERSHIP

None

12. SECOND DRAWING OF DOOR PRIZES

13. THIRD DOOR PRIZE DRAWING

Newhalen Orthodox Church won \$200 the INNEC gift certificate and Maxine Wassillie won the \$250 Visa gift card. A good time was had by all.

14. ADJOURNMENT 2:00 PM

President Hedlund thanked the membership for attending and encouraged anymore questions, in which there were none. ADJOURNMENT WAS MOVED, SECONDED AND DULY PASSED at 2:00PM.

Audited Financial Statements

Audited Financial Statements of the INN Cooperative for fiscal year 2015 will be available at the annual meeting. If you would like a copy mailed to you please contact the coop office at (907) 571-1259

Rates

FUEL SURCHARGE:

All kWh / All Members .12

RESIDENTIAL:

Consumer Charge	\$25.00
0 - 400 kWh	.40
Over 400 kWh	.37

COMMERCIAL:

Consumer Charge	\$35.00
Consumer 3 Phase	\$65.00
First 1000 kWh	.40
Over 1000 kWh	.37



INN Electric Cooperative, Inc.

2015 Annual Membership Meeting

INNEC Office Building/Shop

Newhalen, Alaska

Saturday April 9, 2016

Registration 11:00 AM – Meeting 12:00 NOON

AGENDA

- 1. Call to Order**
- 2. Reading of Notice of Annual Meeting and Affidavit of Mailing**
- 3. Reading and Approval of the Minutes of the April 11, 2015 Annual Meeting**
- 4. Board President's Report**
- 5. First Drawing of Door Prizes**
- 6. Election of Directors**
- 7. Recess for Refreshments**
- 8. Reconvene Meeting and Report on Election Results**
- 9. Second Drawing of Door Prizes**
- 10. General Manager's Report**
- 11. Unfinished Business**
- 12. New Business – Questions from the Membership**
- 13. Third Drawing of Door Prizes**
- 14. Fourth Drawing of Door Prizes**
- 15. Adjournment**