

# **2017 Annual Membership Meeting of INN Electric Cooperative, Inc.**

## **2016 Annual Report & Meeting Packet**

### **OUR MISSION....**

**"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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2017 Annual Membership Meeting

INNEC Office Building/Shop

Newhalen, Alaska

Saturday May 13, 2017

Registration 11:00AM – 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 9, 2016 Annual Meeting
4. Board Presidents' Welcome
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 Manger's Report
11. Unfinished Business
12. New Business – Questions from the Membership
13. Third Drawing of Door Prizes – Grand Prize/Survey Prize
14. Adjournment



**INN ELECTRIC COOPERATIVE  
ANNUAL MEMBERSHIP MEETING MINUTES  
APRIL 9, 2016**

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**1. CALL TO ORDER AND VERIFICATION OF A QUORUM**

President Thomas Hedlund welcomed the members and called the 2016 INN Electric Cooperative (INNEC) Annual Membership Meeting to order at 12:00PM. The meeting was held at the INNEC Shop in Newhalen Alaska. President Hedlund stated that there are 208 members on record. A quorum of 21 was reached with 54 members signing in as of 12:00 NOON.

**2. READING OF THE NOTICE OF THE 2016 ANNUAL MEETING AND AFFIDAVIT OF MAILING**

President Hedlund stated that he had the Official Notice of the 2016 INNEC Annual Membership Meeting and Affidavit of Mailing mailed to the members of record on March 9, 2016. He asked for the motion to waive the reading of the notice and affidavit. IT WAS MOVED, SECONDED AND DULY PASSED to waive the reading of the meeting notice and the affidavit of mailing.

**3. READING AND APPROVAL OF THE April 11, 2015 ANNUAL MEETING MINUTES.**

President Hedlund stated that the 2015 INNEC Annual Membership Meeting Minutes were in the annual meeting packet and available at the registration desk. He asked for any corrections to the minutes, hearing none, 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 11, 2015 INNEC Annual Membership Meeting Minutes as presented in the annual meeting packet.

**4. BOARD PRESIDENT'S REPORT**

President Hedlund introduced the INNEC Board of Directors: Vice President John Baechler Sr., Secretary Evelyn Trefon, Director Bob Tracey, and Director Gary Marttila. He also introduced the INNEC employee's, General Manager George Hornberger, Financial Manager Terri Harper, CSR/Administrators Assistants Sara Hinkle and Ayla Rickteroff.

President Hedlund thanked the nominating committee: Shannon Johnson-Nanalook, Clara Trefon, Valerie Englebretson, Fedosia Balluta, and Diane John for working hard and 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 candidates, himself, Thomas Hedlund of Iliamna who is running against Harvey Anelon of Iliamna. Gary Marttila of Nondalton is running uncontested.

President Hedlund thanked everyone for coming to the 32<sup>nd</sup> Annual Membership Meeting and turned it over to Manager Hornberger.



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**5. GUEST SPEAKER CRYSTAL ENQVIST**

Manager Hornberger introduced himself and our guest speaker Crystal Enqvist. Crystal is a long-time Alaskan who was born and raised in Alaska. Crystal is the Executive Vice President of ARECA Insurance Management and the CEO of the Alaska Power Association, George also shared all of her accomplishments throughout her career.

Crystal introduced herself to the INNEC members and thanked everyone for having her here. Alaska Power Association represents power utilities all over Alaska. She would like to see more young people involved in her work force. She talked a little about the States' \$4 billion dollar deficit. Crystal explained that our co-op is used as an example to other utilities around Alaska of how a coop should be run.

**6. FIRST DOOR PRIZE DRAWING**

**7. GENERAL MANAGER'S REPORT**

Manager Hornberger thanked everyone for attending the annual meeting, all the employees of INNEC Terri, Rob, Scottie, Sara, and Ayla, and James who works for INN when Rob needs a helping hand and the Board of Directors. He also thanked Funa for making the steam bath bags, Don Henry for always being there for our coop whenever we need a lineman and Crystal for being our guest speaker.

For the year of 2015 we generated 3,781,000 kWhs and had margins of \$111,621.00 dollars, the numbers are down substantially from the previous year due to incredibly warm winters. The Tazimina Hydro Plant provided 99% or better of all electricity generated. We used 2,700 gallons of diesel fuel to supplement the other 1% generated. Manager Hornberger did a short summary of what the summer plans are going to be like this summer.

Manager Hornberger gave a brief description of the accomplishments INNEC has had over the 7 years that he has been the Manager.

Manager Hornberger thanked everyone for coming and opened the floor for anyone who wanted to ask questions. One of the women on the nominating committee said we are doing a great job and she really appreciates all our hard work.

**8. ELECTION OF DIRECTORS**

**9. RECESS FOR REFRESHMENTS**

President Hedlund recessed the meeting at 1:00PM for refreshments and the counting of ballots. We will reconvene at 1:30PM.



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**10. SECOND DOOR PRIZE DRAWING**

**11. RECONVENE MEETING AND REPORTING ELECTION RESULTS**

President Hedlund reconvened the meeting at 1:30PM.

**Election Result:**

**Seat B (Iliamna)**

President Hedlund received 88 votes

Harvey Anelon received 27 votes

Bill Cornell received 1 vote

**Seat C (Nondalton)**

Gary Marttila received 96 votes

Clyde Trefon received 2 votes

Valerie Englebretson received 2 votes

Gusty Wassillie received 1 vote

Marvin Trefon received 1 vote

President Hedlund congratulated Gary Marttila and thanked everyone for voting.

**12. UNFINISHED BUSINESS**

NONE

**13. NEW BUSINESS – QUESTIONS FROM THE MEMBERSHIP**

NONE

**14. FINAL DOOR PRIZE DRAWINGS**

**15. ADJOURNMENT AT 2:20**

President Hedlund thanked the members for attending the annual meeting.  
ADJOURNMENT WAS MOVED, SECONDED AND DULY PASSED AT 2:20 PM.

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Tinny Hedlund, President

Attest: \_\_\_\_\_

Evelynn Trefon, Secretary/Treasurer





**2017**

**INN Electric Cooperative, Inc.  
Director Candidates Running for Three Year Terms**

**Seat A: (to be held by a resident of Newhalen)**

***Evelynn Trefon***  
PO Box 38  
Newhalen, Alaska 99606

A six-year resident of Newhalen and Alaska resident for over 11 years. Evelynn is running for a second term because she truly cares about our communities, and wants to make sure that the costs of electricity is as low as possible for the three villages she serves.

**Seat D: (held at large)**

***Bob Tracey***  
PO Box 76  
Nondalton, Alaska 99640

A 40 year resident of Nondalton, Alaska, Bob Tracey is a self-employed pilot and guide who enjoys traveling throughout the Bristol Bay Region. As incumbent, Mr. Tracey would like to continue to see reasonable rates for co-op members and to be a part of the improvements that are giving our members reliable power and rates.

<u><b>INN ELECTRIC COOPERATIVE, INC.</b></u>	<u><b>BOARD OF DIRECTORS</b></u>	<u><b>STAFF</b></u>
P.O. Box 210 Iliamna, AK 99606 907-571-1259 (tel) 907-800-571-1259 (toll free) 907-571-1579 (fax)  <a href="http://www.innelectric.com">www.innelectric.com</a> <a href="mailto:innmanager@innelectric.com">innmanager@innelectric.com</a> or visit us on Facebook	Thomas Hedlund - President  John Baechler, Sr. – Vice President  Evelynn Trefon – Secretary/Treasurer  Gary Marttila – Director  Bob Tracey – Director	George Hornberger <b>General Manager</b>  Terri Earl <b>Finance Manager/CFO</b>  <u><b>ADMIN AND MEMBER SERVICES</b></u> Garrett Dibble – Finance Asst. Nikki Askoak – Office Manager Ramona Bachelder – CSR  <u><b>PLANT OPERATIONS</b></u> James Wassillie – Operator Scottie Mercurief – Operator

## LETTER TO THE INNEC MEMBERSHIP

Dear INNEC Members,

I am always amazed at how fast the year has gone by and I am writing another letter in preparation for our annual meeting.

We did not have any major jobs happening in 2016 but we are always busy maintain our system and trying to make it better.

Some of our projects during the summer of 2016 included; a system wide power pole inspection. This involved digging a 16 inch deep hole around all of our power poles. We then had a couple of fellows from INTEC Services helped by Rob and Scottie who drilled holes into the base of the poles, inspected for rot and then filled and plugged the holes. They also inspected all the hardware and connections on the power poles and made recommendations where applicable for fixing problems. This turned out to be a good thing as the only rotten power pole happened to be the one on the Nondalton side of Six Mile Lake where the power lines come out of the water. This is the most critical pole for the Nondalton system. This winter we were able to get a new pole across the lake and it is sitting there by the bad pole ready to be replaced this summer.

Other projects included doing a lot of brush mowing on the Tazimina road, installing 2 new sectionalizing switches in our underground power line going to Nondalton, installing a new shunt reactor at the Tazimina gate along with also installing a conex there as well. This spring we will also be installing a new switch at the Tazimina gate, a power pole with a street light and a cell phone booster which will hopefully allow GCI phones to work in the close vicinity.

I am sure by this time that everyone is aware of the power line replacement project and the upcoming rate hike. We are actively pursuing grant opportunities to help alleviate the costs of this project.

In 2016 your electric coop generated 3,618,643 kWhs of electricity. Of this, 3,539,570 was hydro power and 79,073 was diesel power. We burned 6,537 gallons of diesel fuel. The diesel power and fuel burn is up from 2015 due to the extended time we had to run engines during a line fault we had on January 22, 2016. We also had to run diesel power several times during work on the underground power lines the summer of 2016.

Our annual meeting is scheduled for Saturday, April 8, 2017 at the INNEC shop in Newhalen. Registration will start at 12:00 Noon and the meeting will start at 1:00. Lunch will be tacos and banana splits, cookies and brownies for dessert. There will also be lots of great door prizes.

We are looking forward to seeing lots of folks and having a great time.

Thank you for being a member of INN Electric Cooperative.

George Hornberger  
General Manager



Tinny Hedlund  
Board President





# INN Electric Cooperative, Inc.

## Audited Financial Statements

### BALANCE SHEET DECEMBER 31, 2016

#### Assets

Net Utility Plant	\$	8,106,486
Other Property, Investments and Receivables		400,229
Current Assets		4,191,419
<b>Total Assets</b>	<b>\$</b>	<b><u>12,698,134</u></b>

#### Equities and Liabilities

Patronage Capital & Other Equities		4,999,609
Net Long-Term Debt		3,398,949
Current Liabilities		1,649,576
Deferred Credits		2,650,000
<b>Total Equities and Liabilities</b>	<b>\$</b>	<b><u>12,698,134</u></b>

### STATEMENT OF OPERATIONS DECEMBER 31, 2016

<b>Operating Revenues</b>	<b>\$</b>	<b><u>1,251,167</u></b>
Less: Cost of Power	\$	240,755
Other Operating Expenses		924,426
<b>Total Operating Expenses</b>	<b>\$</b>	<b><u>1,165,181</u></b>
Less: Interest on Long-Term Debt	\$	181,703
<b>Operating (Loss)</b>	<b>\$</b>	<b><u>(95,717)</u></b>
Investment Income		47,221
Patronage Capital from Others		39,833
<b>Net (Loss)</b>	<b>\$</b>	<b><u>(8,663)</u></b>
Beginning Patronage Capital		5,000,274
Ending Patronage Capital	<b>\$</b>	<b><u>4,991,611</u></b>

