

**GEC Annual Meeting
April 30th, 2016
Browning High School Auditorium
Tentative Agenda**

Registration 10:00 a.m.

Lunch 11:00 a.m.

Business meeting 12:00 p.m.

Meeting Called to Order

Welcome

Invocation

Quorum Report

Reading of Annual Meeting Notice & Affidavit of Mailing

Reading & Approval of Prior Year Annual Meeting Minutes

Introduction of Board of Trustees & Guests

Introduction of Board Candidates & Election Judges

Auditor's Report-Randy Boysun

Manager's Report-Matt Hudson

President's Report-Zita Bremner

Announcement of Youth Tour Winners

Announcement of MECA Scholarship Winner

Announcement of Energy for Tomorrow Scholarship Winners

Guest Speaker-Mike Normandeau, BPA Customer Account Executive

Announcement of Election Results

Unfinished Business

New Business

Door Prize Drawings

Adjournment of Meeting



Glacier Electric Cooperative

Annual Report 2015

Board of Directors

Zita Bremner
Jim Newman
Willard Hjartarson
Darrol Berkram
Brian Elliott
Miles Lewis
Dave Losing
Bruce Bradley
Jim Taylor

Board President
Board Vice President
Board Secretary/Treasurer
Trustee
Trustee
Trustee
Trustee
Trustee
Trustee

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P.O. Box 609
Browning, MT 59417
(406)338-5400

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· Touchstone Energy® Cooperative 

2015 MANAGER'S REPORT

Glacier Electric Cooperative's Board of Directors and Employees are committed to providing safe, reliable, affordable electricity to the communities in which we serve. We also pledge to accomplish this while caring for the welfare of the people that live within these communities. This is the mission of the Employees, Management, and Board of Directors of Glacier Electric Cooperative. We will strive every day to adhere to this pledge.

As I sit here typing this report, I take it for granted that the lights are going to stay on, my computer is going to stay on, and the heat is going to stay on. Simply put, the electricity will flow uninterrupted and allow me to complete this task. It is a remarkable feat that should not be taken for granted. It takes an exceptional amount of coordination among people, and organizations to bring us this service: electricity in a safe, reliable, and affordable manner.

The electron that illuminates our light bulbs was generated by a hydro-electric facility in the Pacific Northwest. It was then shipped safely across great distances via transmission powerlines to our system. It was then brought to a useable voltage through our sub-stations and then put on to our distribution system. It was brought to our members houses and stepped down to a household voltage by a transformer, where it is used by you-the Glacier Electric Cooperative Member. This was accomplished safely and reliably. This was all accomplished at a cost of about \$5 per day or less for an average household. So the electricity was brought to you for the same price as a high priced coffee, or your favorite burger at the local fast food restaurant. When I think about this, it becomes overwhelmingly evident, what a bargain we are getting when we purchase electricity.

In 2015 Glacier Electric Cooperative added some new faces to their workforce. Michael Fugle was added as an Apprentice Lineman, and Bobbi Boomgarden was hired as a Customer Service Representative. Along with these we had several people change roles from within our organization. Keelie Montalban was hired as our Assistant Manager of Finance and Jonnalea Tatsey replaced Keelie as the Manager of Member Services. Jonnalea was formerly a Customer Service Representative. It is great to hire such talented and committed people to add to an already talented workforce.

The Glacier Electric Cooperative Board has pledged to upgrade our aging electric system infrastructure. This would include updating some of our equipment, and substations that feed the members of Glacier Electric Cooperative. This is a much needed process, due to the infrastructure dating back to the early 1960s. It will add greatly to the reliability of our system for many years to come.

Glacier Electric Cooperative's board and management have held member forums in several communities over the past year. We have had these meetings in Browning, Cut Bank, Babb, and Heart Butte. These meetings are designed for the members of these individual communities to be informed on upcoming issues that are affecting the cooperative. All members are encouraged to attend these meetings and be a part of your cooperative.

Glacier Electric Cooperative is committed to providing a great service to its members. With your economic participation, Glacier Electric Cooperative will continue to provide Safe, Reliable, and Affordable electricity. I would like to thank the Board of Directors, staff, and employees for being committed to this purpose, and I would like to thank the members of Glacier Electric Cooperative for allowing me and the Glacier Electric Cooperative team to mold and adapt Glacier Electric to meet the needs of our members in the future.

Matt Hudson
General Manager

2015 Operations Report

2015 Operations Highlights

Total Members.....	4,724
Total Prepay System Members.....	1,397
New Services	65
Miles of Distribution Line.....	1,531
Miles of Underground Line	54
Meters Per Mile	4.27
New Poles Set.....	274
Poles Changed Out.....	256
Poles Tested	1,456
Failure Rate of Poles	9.5%
Total Active Meters.....	7,637
kWh Sold.....	167,234,368

2015 was a busy year for operations at GEC. Aside from the day to day operations our crew spent many hours upgrading our service area. Some of those upgrades included replacing the underground wiring at Cut Bank High School and the Voight addition due to age of the wiring. Time was also spent updating the underground in some areas of Cut Bank and the Park Service.

The IHS lagoons were upgraded for the Indian Health Service and lines in East Glacier, Browning, and Cut Bank all had repairs done throughout the year. Major maintenance was done to the lines from Browning substation to Babb substation to increase reliability. Projects completed for 2015 included the new EMS facility and the installation of four osprey poles. Glacier Electric Co-op maintained between 50-60 oil circuit reclosers (OCR's) to protect the lines and for safety reasons.

NEW

Glacier Electric Cooperative is always looking for new ways to serve our members. Smart Hub is GEC's new app and online payment system. Not only can you pay your bill using Smart Hub you can also check your usage and set up text or email alerts. You can download the app using your smart phone, tablet, or access it online at www.glacierelectric.com!



NEW

Due to new Payment Card Industry (PCI) guidelines, GEC is no longer able to accept payments over the phone. If you wish to make a payment by phone you will need to call our pay-by-phone system by dialing **1-844-834-4457**. The automated system allows you to check your account balance and make payments using a credit/debit card or check. The system works for both monthly billing and prepay accounts.



2015 Safety Report

Glacier Electric cooperative is committed to providing the membership with Safe, Reliable, and Affordable electricity. To make sure GEC employees, staff, and crews are up to standard our safety department did numerous safety spot checks on our Glacier Electric Co-op crews and contractors. Glacier Electric is proud to say that in 2015 there were no time lost accidents or personal injuries on the job.

Glacier Electric remains committed to safety in all aspects of the utility by having monthly safety education and training sessions. Our office staff and board also attend safety trainings that cover everything from CPR & First Aid to workplace violence.

Aside from in house training GEC employees also do community and school safety demonstrations. These safety demonstrations showcase the importance of being safe around electricity.



GEC's Staking Clerk Jill Huschka practices fire safety



Lineman Casper Rutherford presenting to volunteer firefighters.

Safety Demonstration by Lineman Jordan Running Wolf & Warehouse Supervisor Dean Berkram



Member Services

Energy Efficiency 2015

One of the aspects of GEC's Member Service is energy efficiency and rebates. Below is a breakdown of the rebates given back to our members for 2015:

Energy Star Appliance Rebates	\$850.00
Ground Source Heat Pump Rebates	\$3500.00
NEEM Manufactured Home Rebates	\$2900.00
Home Weatherization Rebates	\$19,888.68
Ductless Heat Pump Rebates	\$800.00
Commercial Lighting Rebates	\$89,967.83
Custom Commercial Projects	\$20,491.46

Total \$138,397.97

Alongside the rebates GEC also gave away 1,000 LED light bulbs, over 6,000 CFL light bulbs, 700 Energy Efficient Power Strips, and over 200 Energy Efficient Shower Heads to our members.



Manager of Member Services Jonnalea Tatsey at the Annual NAID Youth Day

Community Involvement

Glacier Electric Cooperative is committed to empowering our community. GEC gives to local communities in the form of donations, time, service, and participation. GEC holds member forums in different communities to discuss and talk with our members on a different platform. We give to local organizations through donations, sponsorships, and loan programs.

Glacier Electric Co-op is proud to support our local students with three different scholarships one of which is a full tuition for a pre-engineering student enrolled at Blackfeet Community College. Each year GEC also sponsors two local high school students to attend an all-expense paid trip to Washington, D.C.

Your cooperative donates to numerous foundations, charities, schools, and community functions throughout our service territory. GEC has donated to 4-H programs, Missoula Children's Theatre productions, youth days, and various other programs through the year. In fact GEC has donated to over 40 different programs in 2015.



Lineman Andy Anderson and Manager of Safety Doug Ray at CB library.

Comparative Financial Statements

Comparative Balance Sheet

As of December 31, 2015

Assets	2015	2014
Utility Plant		
Electric plant in service	60,929,576	59,721,117
Construction in progress	(10,416)	647,304
	60,919,160	60,368,421
Less accumulated depreciation	(26,591,117)	(25,719,923)
	34,328,043	34,648,498
Other Property and Investments		
Associated organizations	1,623,523	1,575,700
Other investments	510,774	883,289
Current Assets		
Temporary cash investments	1,013,101	420,629
Accounts receivable	1,806,537	1,845,854
Materials and supplies	823,634	766,441
Other current assets	1,110,242	1,493,768
	4,753,514	4,526,692
Total Assets	41,215,854	41,634,179

Liabilities and Equity

Equity and Margins

	2015	2014
Memberships	119,350	116,980
Patronage capital	17,327,287	17,247,988
Other equities	1,127,570	1,105,346
	18,574,207	18,470,314

Long Term Debt

NRUCFC mortgage notes/other	18,949,896	19,630,078
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Current Liabilities

Accounts payable	1,481,346	1,406,136
Customer deposits	260,641	280,855
Deferred credits	1,169,963	1,085,817
Other current liabilities	779,801	760,979
	3,691,751	3,533,787

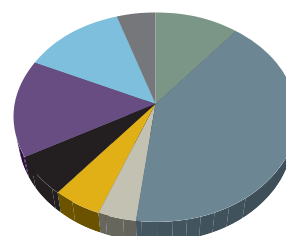
Total Liabilities and Equity	41,215,854	41,634,179
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Total Capital Credits Retired in 2015	\$710,436
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Comparative Statement of Revenue & Expenses

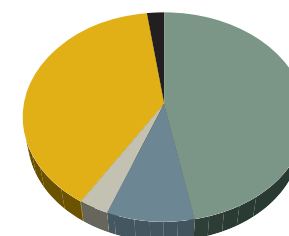
	2015	2014
Operating Revenues	15,537,365	15,992,254
Operating Expenses		
Cost of power	6,405,330	6,563,858
Transmission	39,859	77,758
Distribution-operation	1,363,698	1,467,913
Distribution-maintenance	910,100	810,209
Consumer accounts	558,496	527,633
Sales and consumer expenses	114,663	185,147
Administrative and general	1,984,299	2,145,192
Depreciation	1,732,295	1,720,218
Taxes	755,680	790,091
Interest on long-term debt	862,737	885,436
Total cost-electric service	14,727,157	15,173,455
Operating margins	810,208	818,799
Non-operating margins	219,666	222,165
Net margins for period	1,029,874	1,040,964
Payroll as a % of total expense	21%	20%

2015 Expenses



Depreciation - 11%
Purchased Power - 41%
Consumer Expense - 4%
Margins - 5%
Interest Expense - 6%
Maintenance - 15%
Administration - 13%
Taxes - 5%

2015 Revenue



Residential - 46%
Large Commercial - 10%
Oil wells - 4%
Small Commercial - 38%
Irrigation - 2%