



Meera Kohler
President & CEO

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Chairman
Charlie Curtis, Kiana

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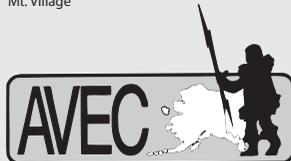
Robert L. Beans Sr.,
Mountain Village

Peter Demoski, Nulato

Fred Sagoonick, Shaktoolik

Communities Served

- | | |
|----------------|-----------------|
| Alakanuk | New Stuyahok |
| Ambler | Nightmute |
| Andreafsky | Noatak |
| Anvik | Noorvik |
| Brevig Mission | Nulato |
| Chevak | Nunapitchuk |
| Eek | Old Harbor |
| Ekwok | Pilot Station |
| Elim | Pitkas Point |
| Emmonak | Quinhagak |
| Gambell | Russian Mission |
| Goodnews Bay | St. Mary's |
| Grayling | St. Michael |
| Holy Cross | Savoonga |
| Hooper Bay | Scammon Bay |
| Huslia | Selawik |
| Kaltag | Shageluk |
| Kasigluk | Shaktoolik |
| Kiana | Shishmaref |
| Kivalina | Shungnak |
| Kobuk | Stebbins |
| Kotlik | Teller |
| Koyuk | Togiak |
| Lower Kalskag | Toksook Bay |
| Marshall | Tununak |
| Mekoryuk | Upper Kalskag |
| Minto | Wales |
| Mt. Village | |



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Chairman's Report at the Annual Meeting

A delegate asked that Chairman Charlie Curtis' report be shared with the membership, so here are the highlights:

Village-based extraordinary cost charge: There will be no surcharge in 2013. We did incur significant expenses due to vandalism in one of our communities, but because the local leadership cooperated with us to resolve the matter the board waived collection of expenses through this surcharge.

Joint membership: If any AVEC member wants another person to represent them at the village annual meeting, they can convert their membership to joint by signing a simple form. Joint members are each financially responsible for the electric bill.

Training for power plant operators: Several people received one-on-one and AVTEC operator training in Seward. Members interested in PPO training should contact the office.

Local linemen and/or electricians: It is not practical or affordable to have a full-time lineman, electrician or mechanic in each village. Scholarships are available for AVEC members interested in receiving this important training.

Fuel purchasing: AVEC's new fuel barges were in full operation last year and delivered more than 4.6 million gallons of our fuel. Fuel transportation costs were reduced by about 20 cents a gallon, although the wholesale cost of fuel is outside our control. We were pleased to help a number of communities who ran out of fuel last year, by making our fuel available for community heating use.

Home wiring: AVEC does not have an electrical administrator license and cannot provide electrician services in homes and businesses. We suggest you raise this issue with your regional corporations and CDQs. They have funding and an obligation to improve the lives of their constituents.

Bill collections: All villages have been converted to electronic meters and bill collectors

are no longer visiting the villages annually. Our delinquent list is smaller than it has ever been, and we thank our members for that.

PCE: PCE is fully funded for the current fiscal year and the state operating budget includes full funding through June 30, 2014.

Remove old tanks/power plants: Rural Alaska Fuel Services demolished more than 200 old tanks and two power plants in 2012. This was self-funded by multiple tank farm owners. We are pursuing funding assistance but will continue this project with operating funds, if necessary.

Denali Commission program: This excellent program has seen huge declines in its federal funding sources and, as a result, we have seen much lower project funding from them. They are still a critical partner of AVEC and have worked closely with us to advance our projects.

Alternative energy projects: We have had good results from wind projects in many of our communities. Six percent of our electricity was generated by wind in 2012.

LED street lights: We have a new tariff for LED street lights. We have converted street lights to LED in a few villages where they had grant funds to do the changeover. Local response has been positive.

The Energy Detective (TED) project: Many of our communities authorized AVEC, AVCP and ANTHC to apply for stimulus funds for energy efficiency on their behalf. As a result, 2,000-plus TEDs were installed in many AVEC villages. If your village was not part of this joint effort two years ago, we have some TEDs available to share with members to better understand and reduce energy use.

Meera Kohler
President and CEO