OFFICIAL NOTICE

2014 MEA ANNUAL MEETING

Notice is hereby given pursuant to Article III, Sections 1 and 3, of the Bylaws of Matanuska Electric Association, Inc., that the annual membership meeting of the Association will be held on Tuesday, the 29th of April, 2014, at Raven Hall, Alaska State Fairgrounds. The doors will open and registration will begin at 5:30 p.m. Registration will close and the business meeting will be called to order at 6 p.m. There will be no elections this year due to a 2013 membership vote that allowed for 4-year terms of board members. In addition, no bylaw changes were submitted within the 60-day allowable period.

Register at the annual meeting and receive a $10 credit applied to your primary MEA account. All those who register will be eligible for door prizes. Winner must be present to win.

Dated at Palmer, Alaska this 5th Day of March 2014

Peter Burchell, Secretary-Treasurer
Matanuska Electric Association, Inc.
MEV GOALS

A viable and effective safety program.

Management emphasis on increased productivity in MEA operations, projects and activities.

An effective and efficient communications and marketing plan.

A vibrant “key accounts” program.

A secure and economical fuel supply.

Bring the EGS facility online and produce power at minimum cost.

Seek resolution of Railbelt transmission shortcomings.

Support efforts to create a Railbelt transmission single operator.

Participate in and support ARCTEC initiatives.

MEA VISION: ENSURE OUR MEMBERS HAVE SAFE, RELIABLE, SUSTAINABLE AND ECONOMICAL ELECTRICITY.
There will be no elections this year after comprehensive bylaw changes were approved by the MEA membership in 2013, including a bylaw that permits four year terms for board members. MEA bylaws require staggered terms that can only be achieved by skipping a board member election every fourth year. 2014 was identified as year four of the cycle and free of election requirements. Therefore, this meeting notice does not contain a ballot as it has in previous years.

This specific change was in response to an adjustment in Alaska state statute allowing four year board terms for cooperatives to acknowledge the value of board member experience and potential cost savings. Holding an annual election costs MEA over $250,000 per year so this adjustment will result in immediate and long term savings to the membership.
Dear MEA Member-Owners,

For the past 42 years I have lived in the MEA service area. I became a board member in 2000 because I wanted to make a difference and help my cooperative be a positive force for my community and neighbors. What I’ve seen over the years makes me proud of this organization and all the moving parts that bring power to our homes and businesses every day.

Your co-op is on the verge of new and exciting times in the power industry. As Matanuska Electric Association board president and fellow MEA member, I’d like to congratulate all of us on progress of the new Eklutna Generation Station scheduled to come online January 1, 2015.

MEA has come a long way since our board made the decision to become a vertically integrated utility and begin generating our own power. As we put the finishing touches on the power plant and prepare for commissioning and testing, it is exciting to contemplate this new facility providing reliable, affordable power to MEA customers for many years to come.

MEA worked hard in 2013 to achieve member satisfaction. We’ve prioritized infrastructure improvements and our response to outages to increase power reliability. We continue to empower and inform our members through several online tools including SmartHub, Facebook and Twitter. In addition, we’ve worked with other Railbelt utilities on key infrastructure projects and a plan to more economically manage power throughout the system.

Through it all, we’ve kept our focus on what is important and maintained an impressive safety record.

MEA staff and board members participated in several community events across our service area this past year. A BBQ we hosted in Talkeetna brought residents out on a sunny day, our float won the business division in the Colony Days Parade in Palmer, and we were slimed right along with friends in the Eagle River Bear Paw Festival’s Slippery Salmon Olympics. We are proud to be your neighbors and an integral part of your communities.

Most Sincerely and Humbly Yours,

Elsie E. “Lois” Lester
President, Board of Directors
Matanuska Electric Association, Inc.
2013-2014 Board of Directors

Elsie E. “Lois” Lester
President

Janet Kincaid
Vice President

Peter Burchell
Treasurer/Secretary

Catharine “Kit” Jones
Director At-Large

Bob Doyle
Susitna District

David Glines
Eagle River District

Marvin L. Yoder
Matanuska District
ME General Manager, Joe Griffith, supervises the daily operations and advises the Board of Directors on a broad range of issues.

He joined MEA as general manager in 2009. Joe has also been the CEO of the Alaska Railbelt Cooperative Transmission and Electric Company (ARCTEC) since 2011.

Joe has assembled a high caliber executive team to implement the mission of MEA and prepare the co-op to thrive in its new role as a vertically integrated utility. The team works tirelessly to uphold the high standards of the organization and our members.

EXECUTIVE TEAM

Dawn Baham  
Executive Assistant

Julie Estey  
Director of Public Relations

Stan Halfacre  
Chief Information Officer

Tony Izzo  
Fuel Supply Manager

Heidi Kelley  
Director of Human Resources

Gary Kuhn  
Director of Engineering

David Pease  
In-House Counsel

Matt Reisterer  
Chief Financial Officer

Eddie Taunton  
Director of Operations

Tony Zellers  
Director of Eklutna Generation Station Project
The Power to Make It Happen... FOR THOSE IN NEED - OPERATION ROUNDUP®

Small change that changes lives,” is the motto of Operation Roundup®, which rounds up participating members’ electric bills to the nearest dollar. That small change goes to the MEA Charitable Foundation, which then distributes the money back into our communities through Operation Roundup® Grants.

Grants are available to individuals and organizations for projects and needs that have limited sources of grant funding. Funding priorities include disability services, educational assistance, facility upgrades, and youth support.

Together MEA and our members are helping improve our community. A sample of 2013 grant awardees include:

4 Paws for Ability, Inc.
Alaska Center for the Blind and Visually Impaired
Alaska WildBird Rehabilitation Center
Alpine Historical Society
Benefe Equine Assisted Therapy Center
Blood Bank of Alaska
Food 4 Kids
Houston Fire Department
The Last Frontier Honor Flight
Love Inc.
Mat-Su Community Chorus
Mat-Su Miners Baseball
Mat-Su Youth Court
Mid Valley Recycling
MY House
Pillows for Kids Foundation
Set Free Alaska, Inc.
Radio Free Palmer
Special Olympics Mat-Su
Sunshine Community Health Center
Friends of Talkeetna Library
Valley Residential Services
Wasilla Soil and Water Conservation District

Contributions to Community Organizations: $119,895.00
Individuals/Families in need in Service Area: $25,044.08

Total amount given back to the community in 2013 thanks to your Roundup® donations: $144,969.08

Tell us where YOU think future grants should be awarded. Complete the Operation Roundup® Survey or download a grant application at www.mea.com.

Special thanks to the Charitable Foundation Board of Directors for their time, dedication and passion for helping those in need: David Dahms, Chair; Tom McGregor, Vice Chair; Sue Smith, Treasurer; Kelly Sidebottom, Secretary; Barb Gerard; Steve Lambert; Linda Menard.
In 2007, MEA members voted to become a vertically integrated power utility and build our own locally-owned power generation facility rather than continue buying power from Chugach Electric Association. The Eklutna Generation Station (EGS) will begin supplying power to our service area by January 1, 2015, marking a new era of self-reliance for MEA.

**2013 Progress Report**
Under the leadership of Project Manager Tony Zellers, the EGS team made significant progress in 2013 and is on track to have all construction, commissioning and testing complete by December 2014.

**February**

After site preparation, construction began on the main building, a 450 x 120 ft steel and concrete structure that houses the engines, generators and monitoring systems.

**July**

MEA signed a contract with Hilcorp to supply natural gas until March 2018.

**September**

The 10 dual-fuel Wärtsilä engines arrived at the Port of Anchorage. To move the 300 ton engines from Anchorage, the only rail car in the world large enough to transport them was imported to bring the engines to Eklutna via the Alaska Railroad. Once in Eklutna, a special bridge was constructed over the median and highway closures were required to bring the engines across the Glenn Highway.

**November**

The year wrapped up with construction of the other major structures on-site including fuel tanks, exhaust stacks, the storage warehouse and an administration building. Construction will continue through the summer with engine commissioning and testing to begin in the fall of 2014.
Make It Happen... OUR OWN GENERATION

EKULUTNA GENERATION STATION BY THE NUMBERS:

- **170** Number of megawatts EGS will produce at its peak.
- **148** Number of megawatts representing MEA’s peak load. EGS capacity plans for growth and redundancy to ensure reliable power well into the future.
- **17** Number of megawatts produced by each of the 10 Wärtsilä dual-fuel engines, allowing MEA to ramp up production when needed or shut down engines to save our members money.
- **100+** The millions of dollars EGS will bring to the local economy. Where possible, MEA has hired Alaska firms and Alaska labor.

EGS is built with 10 relatively smaller engines, instead of larger and fewer units in a traditional power plant. This provides MEA with the flexibility to operate more economically, running only the number of engines required to meet the power demand. This will result in significant savings for our members.

- **250** Number of jobs created at the peak of construction.
- **28** Number of full time, permanent MEA employees needed to operate the plant, including 16 technicians and operators.
- **23,000** Yards of concrete poured at EGS.
- **3,400** Gallons of lube oil needed to fill the reservoir of each engine at the onset of operation.
- **49,107** Total number of MEA members. All will benefit from this project.
Community involvement is an integral part of what we do at Matanuska Electric Association. What makes our service area remarkable is the fabric of our communities, both large and small.

MEA supports our local chambers of commerce and their events in Big Lake, Chugiak-Eagle River, Willow, Talkeetna, Wasilla, and Palmer. On an annual basis, we participate in over 15 community events, including parades, BBQs, sporting events and other celebrations. We educate youth through classroom presentations of our ‘Safety City’ electrical safety program and ‘Energy Hog’ energy efficiency assemblies.

Our Sponsorship and Donation Committee supported over 50 organizations in 2013. In addition, with the tireless assistance of our Scholarship Committee, MEA annually provides over $10,000 in scholarships to area students.
Make It Happen...

MEA IS COMMITTED TO BEING AN ACTIVE PARTICIPANT IN OUR COMMUNITIES.

Above: MEA’s two Slippery Salmon Olympics teams at the 2013 Bear Paw Festival.

Right: Our Clearing Crew showed students at Cottonwood Creek Elementary how to properly plant trees on National Arbor Day.

Left: Our Information Management team helped paint the Palmer Senior Center in coordination with United Way Mat-Su’s Day of Caring.

Right: 2013 Float “Electricity... So easy a caveman can use it” placed 1st in Business Category at Colony Days Parade.

Above: MEA Worked with Wasilla Water and Soil Conservation for their Arbor Day events.

Left: Throwing a BBQ for Talkeetna residents and visitors during one of their “Live at Five” concerts.
Located at the heart of the Railbelt grid, the MEA transmission and distribution area and our future EGS power plant play a critical role in the operation of the entire electric system from Fairbanks to Homer.

To ensure the vitality of the Railbelt system, in 2011 MEA became a founding member of the Alaska Railbelt Cooperative Transmission & Electric Company, a consortium of utilities dedicated to finding solutions to energy needs and challenges for the Railbelt grid. Since ARCTEC’s inception in 2011, MEA has been an active partner, with MEA General Manager Joe Griffith at the helm as CEO.

Never in the state’s history has ARCTEC’s mission been more important. MEA has worked tirelessly with this group of peers to advocate for essential infrastructure upgrades needed to stabilize the fragile transmission system.

ARCTEC is also pursuing the creation of a single operator for the dispatch of energy throughout the Railbelt system. A single operator would improve the distribution of energy in the Railbelt system, resulting in substantial savings for MEA members and other Alaska residents.
MEA uses a suite of online tools to provide our members with accurate, easy to access, and real-time information about their electricity.

SMART HUB:
In November 2013, MEA rolled out SmartHub, a secure web and mobile application that empowers our members with the ability to manage accounts with their computer or mobile device. A simple log-in allows members to review up-to-date usage information and make payments.

Security is a priority for MEA and one of the primary reasons we chose the SmartHub system. All critical information is encrypted in every transaction and no personal information is stored on the computer or mobile device, unless our members choose to allow information to be saved for future use.

All members can quickly access SmartHub through our website at www.mea.coop or find the “SmartHub” app in their mobile device’s app store. A user name and password are easy to set up. Many members are taking advantage of this system to set up convenient automatic payments.

SOCIAL MEDIA:
MEA continuously looks for ways to meet the needs of our members. Because a large portion of our membership relies on computers, tablets and smart phones, we use the world of social media as a tool to update members on important information.

In 2013, MEA grew our Facebook following to over 5,300 or 11% of our total membership. Many of these followers find our Facebook and Twitter pages during power outages when the communications team works with our dispatchers to provide up-to-the-minute updates, including insight from our field crews.

While we can’t always tell our members exactly when their lights will be turned on, when possible, we provide the reason behind the outage and how many other neighbors are experiencing the same issues.

MEA also uses our social media pages to announce job openings, special events and other items of interest.

www.mea.coop
The number one goal at MEA is to send every employee home safely each and every day. For us, safety is more than a buzzword - it is an integral part of how we do business. The true cost of an accident can’t be seen by looking at a safety record or the bottom line. It is borne by the employee themselves, because the results of an accident can be life changing for an entire family. That is why safety is a top priority at Matanuska Electric Association.

A good safety program starts at the top. One of our biggest safety champions is General Manager, Joe Griffith. Joe has tasked MEA’s Safety Manager, Steve Willis, with making sure safety is on every employee’s mind throughout the day.

Our tree clearing and line crews work under a rigid set of safety rules that are published in the MEA safety manual. Our goal is to meet or exceed any OSHA requirements. Our contractors are required to comply with the same safety standards that our own employees must meet.

But safety isn’t just for the crews in the field or staffing our construction projects - it permeates the culture for each and every employee. From ‘safety moments’ that start each meeting, to our daily 8:00 a.m. safety tip emails, MEA staff have constant reminders to stay focused as we carry out our duties. This, combined with training and incentives, positively reinforces good and safe behaviors.

In 2013, our employee-led Safety Advisory Board continued their dedication to safety, including the launch of our “Got Safety?” program. We look forward to continued safety success in 2014 and many years to come.
2013 FINANCIAL HIGHLIGHTS

Matanuska Electric Association, Inc.
Balance Sheet As Of December 31, 2013

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Utility Plant</td>
<td>$404,731,883</td>
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<tr>
<td>Other Property and Investments</td>
<td>17,936,573</td>
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<tr>
<td>Current Assets</td>
<td>24,565,254</td>
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<td>Deferred Charges</td>
<td>4,524,806</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>$451,758,516</td>
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</table>

<table>
<thead>
<tr>
<th>Equities and Liabilities</th>
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</thead>
<tbody>
<tr>
<td>Equities and Margins</td>
<td>$110,010,800</td>
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<tr>
<td>Long-Term Debt, Net</td>
<td>290,669,298</td>
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<tr>
<td>Current Liabilities</td>
<td>42,015,235</td>
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<td>Deferred Credits</td>
<td>9,063,183</td>
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<tr>
<td><strong>Total Equities and Liabilities</strong></td>
<td>$451,758,516</td>
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</table>

Statement of Revenue and Patronage Capital
Year Ended December 31, 2013

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$104,958,634</td>
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<tr>
<td>Less: Purchased Power Costs</td>
<td>61,709,285</td>
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<tr>
<td>Other Operating Expenses</td>
<td>38,594,724</td>
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<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>100,304,009</td>
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<tr>
<td>Operating Margins</td>
<td>4,654,625</td>
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<tr>
<td>Patronage Capital from Others</td>
<td>1,119,465</td>
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<tr>
<td>Non-Operating Margins, Net</td>
<td>491,112</td>
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<tr>
<td>Assignable Margins</td>
<td>6,265,202</td>
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<tr>
<td>Beginning Patronage Capital</td>
<td>99,952,131</td>
</tr>
<tr>
<td>Patronage Capital Returned</td>
<td>(440,555)</td>
</tr>
<tr>
<td><strong>Ending Patronage Capital</strong></td>
<td>$105,776,778</td>
</tr>
</tbody>
</table>

MEA’s audited financial statements will be available after March 14, 2014. MEA members may request a complete copy of the audited financial statements by calling 761-9212.