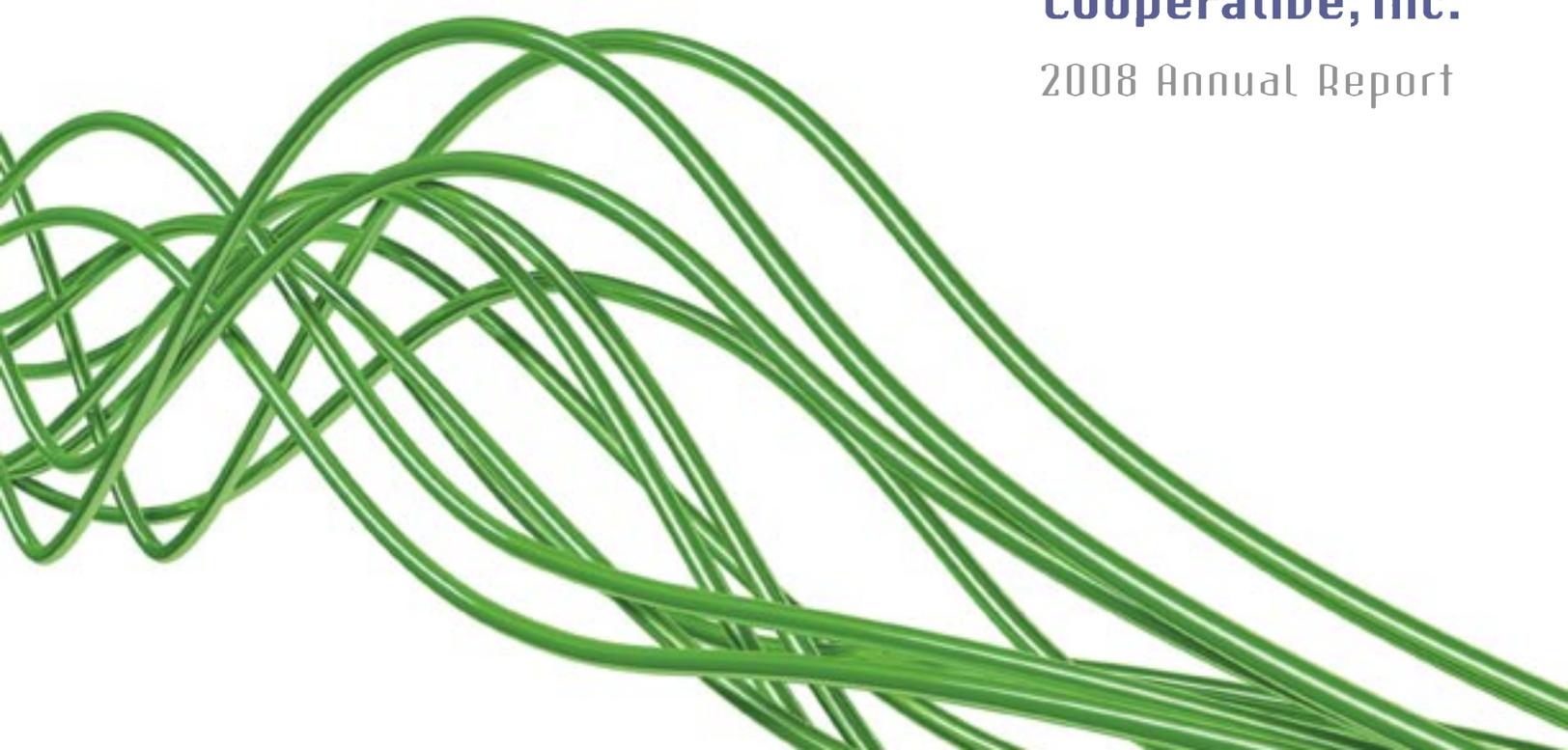


**Strengthening Ties,
Expanding Possibilities**

**OTZ Telephone
Cooperative, Inc.**

2008 Annual Report



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2008 in Review

Dear OTZ Members:

During 2008, we made some real progress towards upgrading our regional telecommunications network. Over the course of the year, we installed five new wireline switches in the villages of Noorvik, Selawik, Buckland, Deering and Kivalina.

On all fronts, 2009 is shaping up to be a much better year.

Along with the wireline switches, we installed a new cellular switch in Kotzebue. It was primarily the startup costs and unanticipated problems related to the installation of the new cellular switch in Kotzebue that caused the net loss for 2008. On all fronts, 2009 is shaping up to be a much better year.

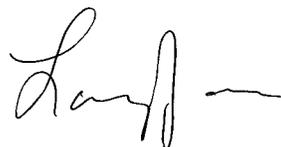
Regarding the buildout of our cellular network to the villages, we have a loan pending with the United States Department of Agriculture, Rural Utilities Service. Providing that the loan is approved, we will then have the necessary funds to install a couple of cellular switches in the villages later on this year.

In what is a new competitive environment for us, we will continue to do our very best to roll out new services and provide you with the telecommunications products and services that you want at prices that works for you and your family. We want to close this letter by thanking the OTZ staff for all of their dedication and hard work.

Sincerely,



Doug Neal
CEO



Larry Jones
President



Larry Jones,
President



Doug Neal,
CEO

Highlights

Major 2008 Achievements

- Rolled out the CDMA cell switch and migrated most all of the cell customers from the old analog switch.
- Created new, more affordable cellular plans for our cell customers
- Brought high-speed DSL Internet service to Selawik.



Selawik Customer Service Representative Cynthia Fields and OTZ.net customer Jonas Ramoth

On the Horizon for 2009

- Faster DSL Internet speeds for Kotzebue and beyond.
- Completing installation, testing and cutover of central office cellular switches in Kiana, Deering and Buckland.

Doing the Numbers

■ Access Lines	3,685
■ Cellular Phones	410
■ Kotzebue DSL	652
■ Village DSL	506
■ Village Wireless	25
■ Dial-Up	0
■ Out-of-State Long Distance	831
■ In-State Long Distance	845



Search and Rescue volunteers, Cheryl Jones and Kathy Elam

Sponsorships & Community Support Highlights

- Provided \$10,000 grant to KOTZ Radio, bringing total OTZ LD has underwritten KOTZ Radio to \$102,000 since the year 2000.
- Provided complimentary cell service to Maniilaq EMS, Search & Rescue, KOTZ Radio, Kotzebue Friends' Church, and Northwest Arctic Borough.
- Offered free local calls and donated cell phones to the drivers to communicate during the Northwest Arctic Regional Energy Summit.

2008 Zonna Lie-Ito OTZ Scholarships

Total: \$1,500 per year

- Mikki Diamond Sue Foster of Noorvik, attending University of Alaska-Fairbanks
- Elsa R. Johnson of Kotzebue, attending University of Alaska-Anchorage
- Reid J. Magdanz of Kotzebue, attending Yale University-New Haven, Connecticut
- Andrea L. Sampson of Noorvik, attending University of Alaska-Fairbanks



OTZ '08: Strengthening Ties, Expanding Possibilities



LeAnne Schaeffer,
Customer Service Representative

The people of Kotzebue have always been connected — to the land, to the sea, and to each other. With every connection comes the shared knowledge, confidence and freedom we need to do more and go farther in life.

This year OTZ is proud to have made those connections significantly stronger, with major investments and expansions that have taken our cellular network to a whole new level. With these stronger connections, the possibilities for our customers, and our company, continue to expand.

Expanded Cellular Capabilities

In 2008, our newly acquired Eligible Telecommunications Carrier (or “ETC”) designation enabled OTZ to offer advanced digital cell service to more villages, at more affordable rates, with more choices and better coverage throughout the region than ever before.

OTZ introduced five new cellular calling plan packages, starting at a very competitive \$12.95 a month. For customers using cell service more extensively, OTZ created an unlimited calling plan.

Today a growing number of cell users from other carriers take advantage of roaming service provided by OTZ. And with expanded coverage, customers will be able to connect to friends and family — whether they’re up the road, across the ice or traveling around the world.



Malinda Reich, Customer Service Representative



Jonas Ramoth (Elder)

Lucy “Momcy” Shroyer
and Calia Sieh



Faster Internet Connections

OTZ also strengthened our connection to the world through the Internet. We built the infrastructure that will bring even faster DSL Internet speeds to Kotzebue, and introduced DSL service in Selawik.

The Selawik project was a major investment. It involved replacing phone lines, building a new central office, installing new phone and Internet equipment, bringing a new phone switch online, installing DSL equipment and, finally, replacing old wireless equipment with new DSL gear at each customer location.



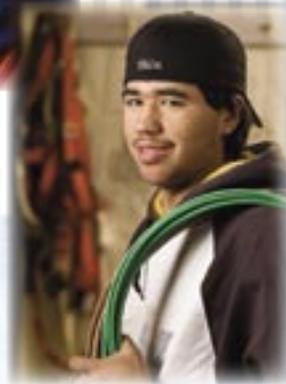
Dan Schultz,
COE Installation Technician



Margie Ubben,
Central Office Technician



Shaun Conwell, Install
Repairman/PBX Technician
(above) and Adam Greene,
Install Repairman (right)



Long-Term Investments for the Future

It took a great deal of work and significant investment to bring these advances to our customers. To help keep costs down, we relied on in-house expertise. OTZ workers did it all.

Every central office cellular switch change over is a large-scale, two- to three-month project. In 2008 alone, we cutover switches in Selawik, Kivalina, Noorvik — and started the process in Kiana, Deering and Buckland.

The cutover process involves moving equipment, supplies and crews to each village, installing the new switch with all the cabling and power requirements necessary, testing, and finally transferring or “cutting over” from the old to the new system.

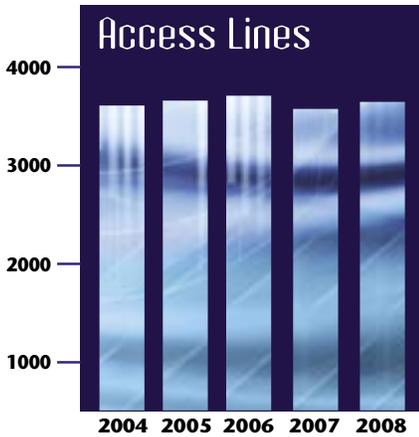
Being able to complete three sites and start three more is an incredible accomplishment — only made possible by hard working folks working closely together. It took loads of hours on the phone coordinating the many different projects (on top of normal daily operations) and of course the dedication of OTZ workers who had to spend a great deal of time away from home.



OTZ TELEPHONE COOPERATIVE, INC. and SUBSIDIARY
Consolidated Balance Sheets
Years Ended December 31, 2008 and 2007

Assets	2008	2007
Current assets:		
Cash	\$ 662,320	1,126,926
Accounts receivable, less allowance for doubtful accounts of zero	741,267	494,648
Materials and supplies	456,409	350,364
Prepaid expenses	22,544	119,684
Total current assets	1,882,540	2,091,622
Other assets and investments:		
Other investments	812,268	799,296
Restricted cash	178,004	224,971
Total other assets and investments	990,272	1,024,267
Property, plant, and equipment:		
In service	28,325,777	26,588,620
Under construction	564,289	267,719
	28,890,066	26,856,339
Less accumulated depreciation	15,409,195	14,775,825
Property, plant, and equipment, net	13,480,195	12,080,514
	\$ 16,353,007	15,196,403

Liabilities and Members' Equity	2008	2007
Current liabilities:		
Current portion of long-term debt	\$ 820,100	646,700
Lines of credit	670,000	320,000
Accounts payable and accrued expenses	952,009	589,823
Customer deposits	89,058	103,999
Advanced billing	79,839	77,521
Total current liabilities	2,611,006	1,738,043
Long-term debt, net of current portion	8,548,699	7,707,022
Deferred credits	178,004	224,971
Unclaimed capital credits	295,623	295,820
Members' equity:		
Memberships	19,326	19,301
Patronage capital	4,700,349	5,211,246
Total members' equity	4,719,675	5,230,547
	\$ 16,353,007	15,196,403



Strengthening Ties,
Expanding Possibilities

OTZ TELEPHONE COOPERATIVE, INC. and SUBSIDIARY
Consolidated Statements of Operations
Years Ended December 31, 2008 and 2007

	2008	2007
Operating revenues:		
Local network	\$ 1,184,729	1,125,155
Network access	5,026,248	4,906,572
Billing and collection, directory, and other	79,210	49,275
Equipment sales and leases	332,090	275,824
OTZ Telecommunications	1,437,630	1,393,162
Total operating revenues	8,059,907	7,749,988
Operating expenses:		
Plant specific	2,359,800	1,895,446
Plant nonspecific	429,075	409,823
Depreciation	1,262,704	1,116,828
Customer	410,244	480,854
Corporate	1,476,217	1,397,344
Operating taxes	106,969	108,628
Equipment sales and leases	525,749	355,706
OTZ Telecommunications	1,388,935	1,063,727
General and administrative	229,384	166,361
Total operating expenses	8,189,077	6,994,717
Operating margin (loss)	(129,170)	755,271
Other income (expense):		
Interest and dividend income	30,837	47,584
Other gains (losses), net	(13,745)	108,136
Total other income (expense)	17,092	155,720
Margin available for fixed charges	(112,078)	910,991
Fixed charges - interest on long-term debt	402,143	368,175
Net margin (loss)	\$ (514,221)	542,816

A complete copy of the Financial Statements audited by AKT LLP may be seen during regular office hours at: OTZ Telephone Cooperative, Inc., Kotzebue, Alaska.

ANNUAL MEETING MINUTES
OTZ TELEPHONE COOPERATIVE, INC.
May 12, 2008

I. Call to Order

The Annual Meeting of the OTZ Telephone Cooperative, Inc. was called to order at 7:04 p.m. on May 12, 2008 by Board Secretary/Treasurer Chester L. Ballot.

Chester greeted the members by welcoming them to our annual meeting on this beautiful spring day. He informed the membership that Chairman Larry Jones, not available, so he is currently stepping in for Larry who is attending a funeral in Noatak.

Chester also reminded the membership that we are live on the radio and confirmed it with Pierre.

II. Invocation

Chester requested that Jane Cleveland give the invocation.

III. Determination of Quorum

It was determined that a quorum was established with more than 50 members in attendance.

Chester informed the membership that he would normally read the notice of the meeting, but instead requested a motion from the membership to waive reading the notice of the meeting. Tom Bolen made a motion to waive the reading of the notice, seconded by Daisy Lambert. Motion passed unanimously.

IV. Early Bird Drawing

Chester, LeAnn and Ann administered the early bird drawing. Chester explained to the members how the raffle was going to be processed: the attendee would be called and that winner would pick out a prize and pick a ticket from the mail-in raffle, the winner of which would win the same picked prize. The first winner was attendee Carrie Armstrong, who chose a 6-quart slow cooker; mail-in winner was Damon Tabor of Kotzebue. Second drawing winner was attendee Melissa Ivanoff, who picked the 2-person tent; mail-in winner was Phyllis R. Booth of Kotzebue.

During the selection of door prizes, Chester wished a happy belated Mother's Day to all mothers, grandmas, aunts, and sisters.

V. Approval of Annual Meeting Minutes of May 2, 2007

George Conwell moved to waive the reading of the minutes of the Annual Meeting of May 2, 2007, seconded by Sandy Shroyer-Beaver. Motion passed unanimously.

Denny McConnell moved to approve the minutes of the Annual Meeting of May 2, 2007, seconded by Mary Ann Wilson. Motion passed unanimously.

OT2 Telephone Cooperative, Inc. Employees



Front Row (L-R): Donna McConnell, Wilbur Karmun Jr., Doug Neal, Grace Norton, Hadley Hess, and Margie Ubben. **Back Row (L-R):** Ann Sieh, Ben Phillips, Donnie Smith, Shaun Conwell, Malinda Reich, Carl Weisner, Arlene Moo, Pierre Lonewolf, Lucy Mae Lambert, Mark Iten, Sadie Ferguson-Wilson, Jason Nantelle, Phyllis Ferguson, Adam Greene, and LeAnn Schaeffer. **Not photographed:** Harry Baldwin, Melford Booth, Culum Campbell, Brian Cleveland, Verne Cleveland, Cindy Fields, Gary Jackson, Tom Jordan, Harold Lambert, David Lee, Brenda Schaeffer, Dan Schultz, Gary Swan, and Ricky Wells Sr.

OT2 Telephone Cooperative, Inc. Directors



Larry Jones,
President
Dist. 4: Kivalina,
Noatak



Eunice Hadley,
Vice President
Dist. 3: Buckland,
Deering, Candle



Chester L. Ballot,
Secretary/Treasurer
Dist. 6: Kotzebue



Marie N. Greene,
Director
Dist. 5: Kotzebue



Jane Cleveland,
Director
Dist. 1: Ambler,
Shungnak, Kobuk



Lucy Nelson,
Director
Dist. 7: Kotzebue



Gordon Newlin,
Director
Dist. 2: Noorvik,
Kiana, Selawik



VI. Election of Three Directors – from District 4 (Kivalina, Noatak, Red Dog); District 6 (Kotzebue); and District 7 (Kotzebue)

Chester took this time to thank the nominating committee that met on March 11, 2008; they were Noah Naylor, Siikauraq Martha Whiting, Theodore Booth Jr., and Bessie Adams.

Chester informed the membership of the election of three directors and then read the list of nominees from the ballot that was mailed to all the members. From district 4 (Kivalina, Noatak, Red Dog): Larry Jones-Incumbent from Noatak, Theodore Booth Jr. from Kivalina, Lowell Sage Jr. from Kivalina, Vicky Mitchell from Noatak, Alice A. Adams from Kivalina, Dolly E. Foster from Kivalina, Tanya M. Kirk from Noatak, and Bert Adams Jr. from Red Dog. From district 6 (Kotzebue): Chester Ballot-Incumbent, Denise Koutchak-Craggette, Charlie Gregg, Crystal Jessup, Leland Barger Sr., Ethel Katie Cruthers, and Allen Jessup Sr. From district 7 (Kotzebue): Lucy Nelson-Incumbent, Maurice Armstrong, Frank Lane, Nettie D. Allen, and Louise Conwell.

Chester notified the members that he had to wait for one minute to pass and asked if there were any more nominations from the floor; hearing none, he requested a motion to close the nominations. Daisy Lambert made a motion to close the nominations, seconded by Helen Bolen. Motion passed unanimously.

Chester requested 10 volunteers from the membership to help Ann count the ballots. Once again he thanked the nominating committee for nominating all those find folks. He also asked if there any more ballots for the staff to pick up.

VII. New Business

There was no new business.

VIII. Reports

A. Board

Larry then introduced the board members which includes: himself Larry D. Jones, President, District 4 (Kivalina, Noatak, Red Dog), who has been a board member for 11 years; Eunice Hadley, Vice-President, District 3 (Buckland, Deering), who has been a board member for 14 years; Chester L. Ballot, Secretary/Treasurer, District 6 (Kotzebue), who has been a board member for 8 years; Marie N. Greene, Director, District 5 (Kotzebue), who has been a board member for 30 years; Lucy Nelson, Director, District 7 (Kotzebue), who has been a board member for 2 years; Jane Cleveland, Director, District 1 (Ambler, Shungnak, Kobuk), who has been a board member for 10 years but was not able to be with us tonight; and Gordon Newlin, Director, District 2 (Noorvik, Kiana, Selawik), who has been a board member for 13 years but was not able to attend.

Chester then introduced Doug Neal, our chief executive officer, who has been with our company for 13 years.

B. Management

Doug greeted everyone and said, "it's nice to see everyone tonight, thank for making the time for coming out and spend some time with us on this beautiful evening and it's good to see everyone tonight." He thanked the board members for all the work they have done over this past year, and said they have worked really cohesively, really well together and that everyone has one goal in mind and that is to provide people in this region the best telecommunications services possible. He said with that as a goal, it makes it easier for everybody to get on the same page because we all want to do the same thing. He also thanked the staff at OTZ for doing a great job and always looking for ways to get things done and roll out new products and new services.

Doug recognized Carl Weisner and the super job he has done in putting some life into our power-point presentation. Doug pointed out that all the photographs and all the other things that were added to it, Carl did in the last several days.

One of the first things Doug talked about was a joint venture with Arctic Slope Telephone Cooperative Association. We currently have created a 50/50 joint venture to provide next generation and current

generation cell service to the people of this region and to the people of North Slope. What OTZ did was install a host switch in Anchorage and remote switches in Kotzebue and Barrow. This makes it much more efficient and affordable for us to roll out cell service in high cost areas like ours. Doug also discussed the fact that this March we had our Eligible Telecommunications Carrier status approved by the Regulatory Commission of Alaska and the FCC, and how with that OTZ Telecommunications can now go to the federal government to the universal service program to get the wireless funding we need to build out cellular service in the villages.

Doug said our goal this year (providing the funding stays in place and everything else looks good in the next month or two) is to provide cellular service to Noorvik and Selawik, and then bring on the other villages over the next couple of years. The Arctic Slope Telephone Cooperative will be doing the same thing up on the North Slope for their villages. Working with ASTAC has been a real benefit for both companies. We have been able to combine technical expertise and financial resources. They are also a lot like us, so it has been a really good fit.

Doug then informed the membership that looking ahead to this year, one of our projects we hope to get this done in the next couple of months is to install a roaming only GSM switch in Kotzebue; it will allow us to roam with AT&T, Cell One, Cingular, Alaska Digital, Team Mobile, Sprint and GCI. We are waiting for our quotes back and waiting to hear from our vendor and hope to get it done here in the next couple of months.

He talked about working with GCI, developing new rates and plans for faster internet speeds in Kotzebue. Over the summer we are going to be upgrading our internet speeds from 256k to 512k at \$50 a month for OTZ cellular, long distance and internet customers. Also over the summer, OTZ will be rolling out new DSL packages named, Over Drive Silver, Open Throttle Gold, and Full Blast Platinum.

Finally, Doug talked OTZ obtaining additional bandwidth out of Kotzebue, having installed our own earth station at the cell site and that we will be bringing that online this summer.

Doug introduced Ben Phillips, our outside plant manager for over 26 years. Ben greeted everyone and then introduced our crew. In the Central Office, we have Wilbur Karmun who has been with us for 27 years, Margie Ubben (13 years), Culum Campbell (6 years), Tom Jordan (7 months), and Dan Schultz (7 months). Our Outside Plant Crew includes Harry Baldwin (15 years), Ricky Wells (over 14 years), Harold Lambert (11 years), Shaun Conwell (1 year) and our new guy Adam Greene (6 months). The internet department consists of Mark Iten (5 years) and Jason Nantelle (1 year).

Ben then recognized our village representatives: Brian Cleveland, Ambler, who has been with us for 6 years, David Lee, Buckland (over 13 years), Bruce Barr, Deering (3 years), Gary Swan, Kivalina (4 years), Melford Booth, Noatak (17 years), Verne Cleveland, Noorvik (over 4 years), Gary Jackson, Selawik (3 years), and Bruce Coffin, Selawik (1 year).

In our purchasing department we have Donnie Smith, who has been with us for 8 years.

Ben summarized the highlights of 2007, during which we:

- Replaced facilities, cable plant infrastructure and switching equipment in Selawik.
- Converted Selawik wireless internet system to DSL.
- Replaced switching equipment in Kivalina.
- Made plans to replace switching equipment in Noorvik, Buckland, Deering and Kiana.

He noted 2008 major projects:

- Plan to replace switching equipment in Noorvik, Buckland, Deering and Kiana.

Ben then introduced Carl Weisner who begin as an intern in 1999 and in 2002 became our OTZ Telecommunications Operations Manager.

Carl thanked Ben and greeted everyone and stated it was good see all the brown faces.

Before Carl gave he report, he took a moment to recognize a former employee, friend, and really good person, Zonna Lie-Ito who has passed on. She worked for us for a several years at OTZ, she had made a tremendous impact on us in her short time she was there and touched people deeply. She showed up to work every day with a soft smile and a kind heart. We all miss her. Carl wanted to recognize Zonna for her impact on OTZ.

He then introduced Sadie Ferguson-Wilson, our billing super hero who has been with us for 3 years, and Malinda Reich who's been working for us just under 6 months.

He touched on the new cellular plans that Doug had introduced. He informed the membership of details each plan, including the Emergency plan, Morning Star plan, Little Dipper plan, Midnight Sun plan, Northern Lights plan and our Big Dipper plan. He gave additional information on features that comes with the plans or additional handsets that may be added. He informed the membership of the roaming partners that we have now, which are: MTA Wireless, ACS Wireless and our nationwide provider for roaming Verizon Wireless and that we are in our final testing. He announced that today we have a sale for you which is 50% off our handsets, and invited members to look at our plans, which we think rival those offered in urban markets.

He thanked Pierre for the photo "that you are currently looking at," noted that there is a listing our businesses who are currently our long distance customers and that we value each one of them. He also expressed the company's appreciation to all the folks that are signed up with OTZ Long Distance.

Carl then introduced Phyllis J. Ferguson, the front office supervisor/billing clerk to give the report on the front office.

Phyllis thanked Carl and then greeted the cooperative members. She then introduced her crew, including LeAnn Schaeffer who has been with us for over 4 years, Hadley Hess, who couldn't be with us (7 years), Cynthia Fields (13 years) and our receptionist Arlene Moo (1 year).

Phyllis then informed the membership about the Customer Proprietary Network Information. She shared that in order to protect your privacy, the FCC requires a unique password to access your account. This has been "challenging" for all of us. With hefty fines (\$100,000+) imposed for non-compliance. She reminded everyone to get their CPNI password form today.

Finally, Phyllis reminded the membership of the Inutek Internet Consortium which provides internet to the villages: GCI does the transport, OTZ does the billing and collecting and Maniilaq does the technical support.

Phyllis then introduced Ann Sieh, the community outreach coordinator.

Ann welcomed the membership to our annual meeting and reminded them of her title, that she does not supervise anyone because Doug is her supervisor.

She then informed our membership about the Lifeline/Linkup program, which members can have a home phone or a cellular phone. The home phone is \$1 per month with reduced installation fee and with unlimited local calls. She informed the members that you can not have both a home phone with Lifeline/Linkup and a cellular phone with Lifeline/Linkup; members have to decide on one or the other, you can not have both. The cellular phone is \$1 per month with 500 minutes a month and the installation fee is reduced. Ann pointed out that the program is based on certain criteria and that if you're not signed up you can fill out a form (which you can find on our website), or ask anyone of the office staff, who are all more than happy to help.

Ann then introduced Brenda Schaeffer, our accounting supervisor.

C. Finance

Brenda greeted our members. She informed the members that she would be presenting the financial report for OTZ. She then gave

an outline of the financials which will be for both companies — OTZ Telephone and OTZ Telecommunications, with transaction between the two companies eliminated. She informed the members that the financials were audited by an independent public accounting firm which issued a clean opinion of the cooperative's financial statements. She then went into the financial reports, informing the membership of OTZ's assets, liabilities, members' equity, statement of operations, operating revenues, total customers, total operating revenue, summary of significant cash transactions and summaries that were in this years annual report.

She then introduced the accounting staff: Grace Norton, customer service representative, who represents Kotzebue residents, who has been with us for 7 years. Lucy Mae Lambert, accounting payroll clerk (5 years). Donna McConnell, accounts payable clerk (5 years).

She then turned the meeting back to Chester Ballot, chair of the meeting.

Chester then asked Carl to go back to introduce our board members, now that you know who the staff members are, the working crew of OTZ Telephone and OTZ Telecommunications. He said he would like to introduce our board members, and did so. These included Eunice Hadley, Vice-President, District 3 (Buckland, Deering), who has been a board member for 15 years; Chester L. Ballot, Secretary/Treasurer, District 6 (Kotzebue), who has been a board member for 9 years; Jane Cleveland, Director, District 1 (Amler, Shungnak, Kobuk), who has been a board member for 11 years; Gordon Newlin, Director, District 2 (Noorvik, Kiana, Selawik), who has been a board member for 14 years; Marie N. Greene, Director, District 5 (Kotzebue), who has been a board member for 31 years; Lucy Nelson, Director, District 7 (Kotzebue), who has been a board member for 3 years; and Larry D. Jones, President, District 4 (Kivalina, Noatak, Red Dog), who has been a board member for 11 years. Chester asked Marie, who has served for over three decades, to stand when her name was announced.

Chester then gave the cooperative members the opportunity to state their questions or concerns for the staff members or board members.

Richard Erlich asked of they are really going to be the speeds as advertised. Doug replied that it is a really good question, and that when we are not getting the speeds that we are paying GCI for, we call them up and let them know that we are paying X amount of dollars to get the downloads and they are obligated to provide it to us. And that is one of the reasons we put up our own earth station is to provide another route to get faster DSL service and faster internet transport.

De'Anne Hamilton said she really applauds all the work OTZ does, we are dealing with a market solution and in the long run it will not provide the level of service that we need to move into the new economy. She urged OTZ to push particularly in our legislature and the US Congress for adequate bandwidth as we head into to the future; we have to be prepared for jobs of the future. She again said she applauds OTZ for their hard work. Chester then thanked her. Doug then thanked De'Anne and appreciated her for going back to DC and letting the congressman and Senator Stevens know in particular know how hard it is out here on the edge, when your basing all your internet on a satellite pipe. It is getting really, really tough; "so thanks De'Anne."

Elmer Armstrong Sr. asked if the telephone company can look into some more useful service that can reach out more than 5 miles. Carl replied that we have heard that before and that we want to answer that request. Chester said that like Doug mentioned earlier we are working on cell service in the villages and will start off with Selawik and Noorvik and continue to add on until the whole region has cell service. We know how important it is to have cell service for safety reasons or just keeping in touch with family, friends and search & rescue operations. "We all know how important that is." Chester reminded the membership of the days when we were only able to use the radio station one way for search and

rescue communications, then came the CBs which worked some of the time.

Alice Davis thanked OTZ for subsidizing her telephone services, saying, "it's always good to be able to have phone services."

Chester then informed the membership that earlier in Carl's presentation he talked about our former employee Zonna. What he didn't tell you is that OTZ Telephone Cooperative has a scholarship program; and we have renamed that it the "Zonna Lie-lto OTZ Scholarship." This past year we have gave four \$1,500.00 scholarships.

Chester shared with the membership that in the introduction of our staff, we neglected to add the amount of years, Doug Neal has been our CEO; it's been since March of 1994 or 14 years. "Thank you, Doug."

IX. Unfinished Business

There was no unfinished business.

Chester shared that we would have a little of bit of entertainment by the Go-Go Dolls. Good show.

Chester then gave the membership a 15-minute break.

X. Election Results

Chester asked Abraham Snyder to announce the election results. Abraham greeted the membership and thanked the ballot counters: Maija Lukin, Valerie Romane, Miranda Thomas, Ellen Booth, Iva Smith, Ann Sieh, Lucy Shroyer, Clara Walker, Pearl Greist, and Elaine Cleveland. Abraham gave the results as follows: District 4 (Kivalina, Noatak, Red Dog): Larry Jones-173, Alice Adams-35, Theodore Booth Jr.-33, Dolly E. Foster-13, Lowell Sage Jr.-79, Tanya M. Kirk-122, Vicky Mitchell-51, Bert A. Adams Jr.-30 and announced the winner to be Larry Jones, with 173. From District 6 (Kotzebue): Chester Ballot-202, Leland Barger Sr.-60,, Denise Koutchak-Craggette-52, Ethel Katie Cruthers-35, Charlie Gregg-113, Allen Jessup Sr.-52, Crystal Jessup-31; and the winner was Chester Ballot with 202. From District 7 (Kotzebue): Lucy Nelson-223, Nettie D. Allen-74, Maurice Armstrong-71, Louise Conwell-102, Frank Lane-54, and the winner was Lucy Nelson with 223.

Chester thanked the membership for electing the three members again; we really appreciate it and will continue to work hard for you.

Chester then thanked Mary with Alaska Trial Courts and also Judge Erlich for letting us use the facilities. He also thanked the entire staff for making the preparations, mailing out the notices, and getting the facilities ready. He thanked Ben and his crew for pumping out the water that was out in front of the parking lot and said they did a really good job. Ann Seih also thanked the radio station for airing our annual meeting live on KOTZ 720am; the staff for assisting with the door and the grand prizes, the entire staff for all their hard work preparing for the annual meeting of members, and those who help put together our annual report together for our members — Amanda Brannon, Cherissa Wieland, Katie Hickey and the printers at Pyramid Printing.

XI. Drawing of Door Prizes

Chester, Ann, LeAnn and Lucy Mae volunteered to help with the final drawing. The drawing of door prizes was held and the following winners announced: attendee Alvin Ivanoff picked the VTech phone and drew mail-in winner Mamie Jorgensen from Kotzebue (who will receive the same prize); attendee Kassie Driggs picked the Uniden phone and drew mail-in winner Cyrus & Viola Norton from Noatak; attendee Ernest Hyatt picked the Big Cot and drew mail-in winner KJ Sporting Goods Kenny Wells from Noorvik; attendee Otter Enterprise picked Camp fold-out table and drew mail-in winner Ben & Nettie Foxglove from Selawik; attendee Tom Bolen picked Binoculars and drew mail-in winner Ruby Foster from Selawik; attendee Louis Reich III picked the 6-piece towel set and

drew mail-in winner Abbie Jorgensen from Kotzebue; Morris Douglas picked the Thermos bottle and drew mail-in winner Mercy Foster from Noorvik; attendee Donene Stein picked the NANA pack set and drew mail-in winner Clyde Ramoth from Selawik; attendees Auggie & Gladys Nelson picked the blue cooler and drew mail-in winner Raymond & Wynona Hawley from Kivalina; attendee Karen Bandler picked the camp lantern and drew mail-in winner Edward Kootuk; attendee Alvin & Edna Smith picked the Dora dinner set and drew mail-in winners Donald & Cheryl Vanderpool; attendee Clement Richards picked Sport river tow tube and drew mail-in winner Johnson Black Sr. from Kiana; attendee Pearl Greist picked the fishing rod and drew mail-in winner Casey Kombol from Kotzebue; attendee Eda Williams picked \$50.00 cash and drew mail-in winner Kevin Moto from Deering; attendee Hiram Walker picked the first aid kit and drew mail-in winner William Thomas Cyrus of Kiana; attendee Joyce Karmun picked the \$50.00 cash and drew mail-in winners Ben & Melanie Foxglove of Red Dog; attendee Patrick Adams picked the Lounge chair and drew mail-in winners Robert & Aurora Sampson from Noorvik; attendee Ricky Nelson picked fillet knife and drew mail-in winner Ruth Zent & Adeline Kameroff from Kotzebue; attendee Darwin & Ruth Nelson picked \$25.00 cash and drew mail-in winner Larry Westlake from Kiana; attendee Beulah Ipalook picked the dish set and drew mail-in winner Grover and Lizzie Cleveland from Shungnak; attendee Valerie Romane picked the 20-piece flatware set and drew mail-in winner Billy & Linda Lee from Shungnak; attendee Lucy Shroyer picked the NANA pack set and drew mail-in winner Michelle Larkin from Selawik; attendee Noah Naylor picked the personal floatation device and drew mail-in winner Noah & Myra Downey from Noatak; attendee Delia Shuster picked the kid's personal floatation device and drew mail-in winner Kenny & Mildred Wells from Noorvik; attendee Della Reich picked the toy truck and drew mail-in winner Julia Mills from Kotzebue; attendee Stella Atoruk picked the Rock'em Sock'em set and drew mail-in winner Carrie Evak from Kotzebue; attendee Joanne Nelson picked the crayon set and drew mail-in winner Emma Miller from Kiana; attendee Zena Barr picked the super brush set and drew mail-in winner Russ Lavigne & Glee Boyan; attendee Mary Lu Stalker picked the super brush set and drew mail-in winner Josephine Swan from Kivalina; attendee George Conwell picked superman dish set and drew mail-in winner Chester Bundy from Kivalina; attendee Grace Downey picked the game "break the ice" and drew mail-in winner Alaska Yearly Meeting from Kotzebue; attendee Ricky Nelson picked the Grand prize VHF package and drew mail-in winner Jason & Antoinette Johnson from Kotzebue; attendee Pearl Greist picked the grand prize of 53 gallons of stove oil and drew mail-in winner estate of Elmer Gooden from Kiana; attendee Frank & Judy Stein picked the grand prize Frontier Alaska roundtrip ticket and drew mail-in winner Nathan Hadley Jr. from Buckland; attendee Frank Kameroff picked the grand prize 8X10 canvas tent and drew mail-in winner Boys & Girls Club from Kotzebue; attendee Melissa Ivanoff picked 53 gallons of gas donated by Crowley and drew mail-in winner Irene Farquhar from Kotzebue; attendee Alice Sheldon picked the Bering Air roundtrip ticket and drew mail-in winner John Ticket from Kotzebue; attendee the extra grand prize of a greenhouse donated by KIC went to Donene Stein. Chester informed the membership that concludes the door prize drawing and thank you all for coming.

XII. Adjournment

Sandy Shroyer-Beaver moved to adjourn, seconded by George Conwell. The meeting adjourned at 9:00 p.m.

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