

COPPER VALLEY ELECTRIC ASSOCIATION, INC.
COPPER BASIN DISTRICT MEETING
Virtual
May 5, 2021

1. Call to Order

President Lon Rake called the virtual 2021 Meeting of the Copper Valley Electric Association Membership to order at 6:30 p.m. on Tuesday, May 4, 2021, in Valdez, Alaska, and the meeting was recessed at 7:17 p.m. President Rake called the virtual meeting back in session at 6:30 p.m. on Wednesday, May 5, 2021. He thanked everyone for attending the virtual annual meeting of the members.

President Rake explained the process of drawing door prizes and the registration credit for the virtual meeting. He reviewed the process for voting and submitting questions for the virtual meeting.

The Board of Directors introduced themselves via a video presentation. A farewell video of long-time Copper Basin Director Fred Williams was shared. Mr. Williams served the Membership for 49 years prior to his retirement in 2020 and passed away in February 2021. Mr. Williams' dedication to the Membership and the Cooperative will be forever missed.

2. Reports

A. Report of Quorum

Secretary Stowe reported that the Copper Basin District had 1,196 active members. A minimum of 50 registered members are required for a quorum. As of 12 p.m., 208 members were registered.

B. Notice of Meeting

Secretary Stowe read the Notice of Meeting and reported that meeting notices and ballots were mailed to all 2,758 active members on April 1, 2021, in accordance with CVEA Bylaws.

C. Reading and Approval of Minutes

The 2020 Annual Meeting was canceled due to the COVID-19 pandemic restrictions. As such the 2019 Annual Meeting minutes and the 2020 Annual Meeting minutes were presented for approval.

MOTION A motion was made, and seconded, to dispense with the reading of the 2019 minutes and to accept the minutes as presented; the motion passed.

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D. Financial Report

Treasurer Stark said the financial report was included in the 2020 Annual Report and referred to the balance sheet. He reported the Cooperative ended the year financially sound with assets of \$78.6 million dollars, which was \$1.7 million dollars lower than 2019 due to additional investments in plant.

In December CVEA paid out \$687,000 in capital credits. Member equity at yearend was \$21 million which equates to 27 percent of assets.

Moving to the income statement, Treasurer Stark said fuel costs were 24 percent of the total revenue collected for the year; that is approximately \$516,000 higher than 2019. This was due to more kWhs being generated with fuel compared to the prior year.

Treasurer Stark reported that eighty percent of heat revenues from the Cogeneration Project are returned to members as a credit on the bill to help offset fuel costs. In 2020, a total of \$1.3 million dollars was given back to members.

CVEA ended 2020 with \$1,236,379 in margins.

If you would like a more detailed explanation of CVEA's financial status, please contact Jaime Matthews. Thank you for attending this year's annual meeting.

E. Election Results

The Copper Basin Credentials & Election Committee members were: Ms. Shannon Saavedra, Chair; Mr. Jason Williams, Secretary; Mrs. Anna Bell-Hand, Mrs. Karen Hoeft, and Mrs. Sue Roscovius.

Ms. Saavedra reported that in the Copper Basin District 1,196 ballot packages were mailed to active members. There were 300 envelopes returned; 290 were validated and counted. The voting results were as follows:

| | |
|-------------|-----|
| Paul Kildal | 253 |
| Jan Maslen | 235 |

The Copper Basin District membership re-elected Mr. Kildal to a three-year term and elected Mrs. Maslen to a one-year term.

Ms. Saavedra reported that for the Valdez District 1562 ballot packages were mailed to active members. There were 246 envelopes returned; 225 were validated and counted. The results were as follows:

| | |
|------------|-----|
| Lon Rake | 215 |
| Will Stark | 217 |

The Valdez District membership re-elected Mr. Rake and Mr. Stark each to a three-year term.

There were 2,758 ballot packaged mailed to active members for Bylaws Amendments. There were 546 ballots returned and of those received, 248 were validated and counted. The results are as follows:

| | |
|-----|-----|
| 357 | Yes |
| 141 | No |

The Bylaws amendments passed by a vote of the Cooperative Membership.

Ms. Saavedra announced the winner of the Copper Basin election ballot drawing for a \$50 energy credit to the winner's May electric bill.

F. Foundation Report

President Rake said the CVEA Community Foundation was established to allow Copper Valley Electric to provide educational scholarships to individuals and to make contributions to educational, scientific, and charitable organizations in our communities.

Funding of the Foundation comes from unclaimed capital credits that have reverted to the Cooperative, from members who have made one-time or recurring donations, and fundraisers. In 2020 the Foundation awarded approximately \$17,575 in contributions to 12 nonprofit organizations in the communities.

President Rake said the Foundation was pleased to provide funding to the following organizations: Wrangell Institute for Science and the Environment, Valdez Co-op Preschool, Copper River Watershed Project, Valdez Adventure Alliance, Copper Valley Community Library, Valdez Museum and Historical Archive, Valdez City Schools – Sixth Grade Science, Valdez City Schools – Sixth-Eighth Grade Skills, Copper River Basin Child Advocacy Center, Stepping Stones Learning Center, Copper River Hockey Club, and Valdez Torpedos Swim Club.

Community members are solicited to participate on the Scholarship Selection Committee in their district. These members volunteer their time to support the Foundation's Scholarship Program and the Cooperative. President Rake thanked the following members who volunteered to support the Foundation by serving on the Copper Basin Scholarship Committee: Mr. Mark Somerville, Chair; Ms. Michelle Easty, and Mrs. Ramona Henspeter.

A video was presented announcing the Copper Basin scholarship winners as follows: two \$500 general scholarships each to Mr. Taylor Dolge and Mr. William Matthews; two \$1,000 general scholarships to Ms. Kelsie Friendshuh and Ms. Jessica Hale; and a \$500 Youth Rally Future Education scholarship to Mr. Mathias Chmielowski.

G. Chief Executive Officer Report

CEO Million thanked the Members for joining the virtual meeting. He reviewed numerous challenges endured by the Membership and the Cooperative throughout 2020 and noted measures approved by the Board as CVEA adapted to many changes including the cancellation of the 2020 Annual Meeting, closures of both office lobbies, modifications and adaptations for employees who could do so to work from home, changing work practices to allow for social distancing and other mitigation protocols, and the overall uncertainty of what the future held.

CEO Million said the lack of tourism in the communities was devastating to many businesses in 2020. Many of community small businesses adapted and found ways to overcome while others were forced to remain closed for the season. In addition, a lackluster fishing season contributed to a reduction in energy sales and revenue compared to budget. The team at CVEA stepped up to the challenge and kept the Cooperative running smoothly.

According to CEO Million one of the greatest honors of working at an electric cooperative is actually one of the industry's guiding principles, 'care for community'. In addition to capital credit retirements, scholarships, and donations through the CVEA Community Foundation to local nonprofit organizations, CEO Million reported that CVEA contributed nearly \$70,000 through the COVID Community Support Program in 2020. Helping members and supporting local businesses through the gift certificate program, meal purchases from local restaurants for essential workers, contributions to those struggling, donations to nonprofits who partnered to take care of those in need, and hosting a Kids' Summer Activity Program, were the highlights for most of the team at CVEA. CEO Million said to be called 'a bright light during an otherwise dark time', by one member, made the entire Cooperative very proud and humbled. A Community Support video was presented which highlighted the numerous ways the communities were supported. CEO Million thanked the Board of Directors for their ongoing support to the communities and thanked the CVEA Team for developing and executing the programs.

CEO Million highlighted the relaunch of the Co-op Connections Program. He said Co-op Connections is part of the community support efforts and provides local, state, and even national discounts to members, while supporting local businesses by encouraging local shopping and providing free marketing exposure and programs. One great benefit was noted that the program is nationwide with over 500 other Co-ops across the country participating so those visiting CVEA's communities from other cooperatives can find your business information and take advantage of local discounts as can CVEA's members who are traveling. To promote this feature, CEO Million said a Spring into Summer campaign would be launched soon. A video highlighted important components of the program. CEO Million recognized Mrs. Cindy Unger, Cooperative Assistant, who was a driving force relaunching the program. He invited any member looking for discounts or a business wanting to participate, to contact Mrs. Unger.

CEO Million announced that CVEA plans to resume member tours in the fall. He said the tours are provide the opportunity for members to have a personal experience at CVEA's facilities in Valdez including the Valdez Diesel Plant, Cogen, the Solomon Gulch and Allison Creek Hydroelectric Plants, and weather dependent, a trip to the Solomon Lake dam and the diversion structure at Allison Lake. Information regarding the tour program would be provided on cvea.org and Facebook in the near future. Tours of Glennallen facilities can be arranged upon request but are not regularly scheduled due to low past participation.

While COVID was a challenge to day-to-day operations, providing safe, reliable, and economical electric service and programs to the Membership could not be compromised. CEO Million reported the line crews and contractors continued to clear vegetation on the distribution and transmission rights of way to continue to reduce the number of outages caused by trees. The crews also continued to replace aging material and equipment and install devices to better protect and isolate the lines in the event of a fault. He said CVEA's reliability continued to improve with fewer and shorter outage duration from years past.

CEO Million reported that the Cooperative received a clean audit, continuing the 35-year record, while making multiple efficiency improvements in the accounting department.

Major overhauls were completed on multiple of the large diesel generators as well as upgrades to the hydro and cogeneration plants to increase efficiencies and reliability. CEO Million said the procurement of parts and coordinating contractors took additional time in 2020, but CVEA's work did not slow down. Many necessary projects were completed in 2020 while maintaining an astonishing safety record.

CEO Million said CVEA's team is second to none with everyone dedicated to the Membership and proud of the essential service provided. He introduced the video, *An Operator Story*, which is the first in the new People Behind the Switch series and provides a sneak peek into what Power Plant Operators do to ensure CVEA's mission to the Membership is upheld. Mr. Kyle Anderson was recognized for volunteering to allow the camera crew to job shadow him to make the video.

For 2021, in addition to a multitude of maintenance projects and inspections throughout the power plants, CVEA equipment, crews, and contractors can be seen along the Glenn Highway west of Glennallen clearing vegetation on the right of way. CEO Million said several system improvement projects are planned in the Gakona area and in Valdez. He reminded everyone to be mindful of the crews when they are working along the road and asked that they slow down and keep the crews and themselves safe.

CEO Million invited the members to communicate with CVEA to provide input as to whether the organization is doing a good job and where you think CVEA could do better. He said a member survey would be launched in the third quarter and encouraged each member to participate.

CEO Million asked if there were any questions. He responded to questions regarding the proposed Roadbelt Intertie, electric vehicle engineering for new subdivisions, the Stuart Creek line extension, and matters related to right-of-way clearing.

4. Acceptance of Reports

MOTION A motion was made, and seconded, to accept the reports as presented; the motion passed.

4. Old Business

There was no old business to report.

5. New Business

A. Board of Adjustment

President Rake reviewed the purpose of the Board of Adjustment and the process of appointment of members by the drawing of names from Cooperative members who volunteer.

MOTION A motion was made, and seconded, to appoint Copper Basin members Ms. Carol Neely and Mr. Al Sanders to the Board of Adjustment in the Copper Basin District; the motion passed.

President Rake asked if there was any other new business to be brought forward from the Membership; there was none.

6. Special Recognition

President Rake and COO Million recognized the following employees for their service in the Copper Basin District.

Copper Basin District

5 Years
Toby Wahl
Journeyman Lineman

10 Years
Travis Million
Chief Executive Officer

30 Years
Mary Ellen Bedrick
Revenue Accountant

Valdez District

15 Years
Zena Disney
Generation Admin

20 Years
Cindy Butherus
Operations Admin

7. Drawing of Door Prizes

President Rake said that if there was no further business or objection from the Membership, the live grand prize drawing would proceed. He encouraged everyone to remain online to view the winners of all standard door prizes.

8. Adjournment

The meeting was adjourned at 7:30 p.m.




Secretary