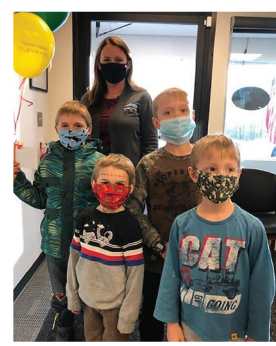


Copper Valley
ELECTRIC

A Touchstone Energy® Cooperative

2020 Annual Report



Message to the Membership 2021

Dear Co-op Membership,

It goes without saying that 2020 was a year unlike any other. It started off a “normal” year but quickly changed with a global pandemic, major wildfires in California and Australia, and the arrival of murder hornets in the US. It was definitely an interesting time to take over as CVEA’s newest Chief Executive Officer.

The COVID-19 pandemic provided unique and unexpected challenges to everyone in our communities, and CVEA was no exception. The Co-op closed the lobbies to the public, adjusted office staffing and work practices, adapted to working remotely and utilizing video technology for meetings, encouraged masking and social distancing, and canceled the annual meeting due to restrictions on large in-person gatherings. Through all of these challenges, and while keeping our team and community safe, we continued to provide high levels of customer service, electric reliability, and expanded the level of care for our community. As a member-owned electric cooperative, care for the communities we serve is one of our driving principles. The unfortunate events surrounding the COVID-19 pandemic provided an opportunity for CVEA to focus on this principle and help our members through this difficult time.

At the onset of the pandemic, \$100 grocery gift cards were sent to members immediately faced with negative financial impacts. CVEA also purchased and delivered meals to essential workers in our communities, as a way to thank them for their efforts to keep our communities open. Over 500 meals were sent to local police, fire, first responders, medical staff, postal workers, store employees, radio stations, and community support organizations. This action had the secondary, but equally important benefit of supporting local restaurants who were suffering.

As summer began, the Board of Directors tasked staff to develop a program that would provide direct benefit and support to members, while infusing some much needed positivity into the communities. There were several components to the CVEA Co-op Cares Community Support Program, which was developed utilizing money originally budgeted for the annual meeting, along with additional funds.

The first component of the program was a \$25 Community Cares Gift Certificate. The gift certificate was issued to all CVEA residential members and could be spent at most local businesses. The goal was to provide a small amount of financial support to members and a boost to local small businesses. 1,122 certificates were redeemed.

The second component was the CVEA Cares for Kids Summer Activity Program. This fun program, with financial incentives and prizes, was developed for kids age 2-18, to support their physical, social, and mental well-being. Kids completed activities in order to earn gift cards for local businesses and a chance to win \$500. There were 153 kids who participated. CVEA Lineman Walt Lynch donated \$2,000 to the program because he wanted to do something special for the local youth during this difficult year.

Finally, \$21,000 in incremental funding was given to various local nonprofit organizations that were providing additional help and support to the community during the pandemic. As these entities knew firsthand the needs of community members, CVEA partnered with them to ensure those needs could be addressed.

In addition to the Co-op Community Cares program put in place as a result of the pandemic, CVEA continued to support community organizations and programs through the CVEA Community Foundation contribution season. Roughly \$17,500 in funding was provided to local nonprofit organizations for educational, scientific,



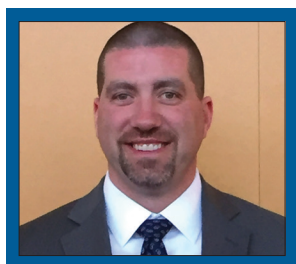
or charitable purposes, and over \$8,000 was awarded in educational scholarships and youth leadership programs. Finally, support was also provided to several local events and online auction fundraisers that support local nonprofits, and holiday gifts were distributed to local senior citizens.

While communications with the Membership is always important, it became increasingly critical as we navigated the changing effects of COVID-19. The CVEA team quickly adapted, posting daily updates on Facebook and creating a webpage where all information related to COVID was stored. The focus was on short, personal video messages to assist with important topics and make sure members knew we were still here working hard on their behalf even though the offices were closed.

Through COVID challenges, reliability also remained the highest of priorities. We continued to clear vegetation on rights of way and completed over 10 miles of the transmission line and over 50 line-miles of distribution. New equipment was installed on hard hit sections of the distribution line to more reliably detect and isolate outages, and smaller sections were established, allowing for more members to remain in power during a system disturbance. Two major overhauls of diesel generators were also performed in 2020, ensuring reliable primary and backup generation when needed.

CVEA was again recognized for safety achievements and was selected as one of the top performing electric utilities in the Pacific Northwest and Alaska for the third straight year.

In spite of everything that occurred in 2020, I am hopeful you are proud of CVEA and what your Cooperative was able to accomplish. We want to thank all the Membership for the calls, letters, cards, and comments supporting the work we do.



Travis Million
Chief Executive Officer



A Final Goodbye to Director Williams

In Memorium
1927 - 2021

Fred Williams served the members of
CVEA from 1971 to 2020.
We are grateful for his
49 years of service on the Board.



2020 Directors



Lon Rake
President



Yvette Delaquito
Vice President



Dan Stowe
Secretary



Will Stark
Treasurer



Paul Kildal
Director



Jan Maslen
Director



Jeff Saxe
Director



Mark Shorten
Director

Power Supply

- Created a video highlighting Solomon Gulch project features for use in Emergency Action Plan training, new employee orientation, and public education
- Completed Glennallen Diesel Unit 9 overhaul
- Upgraded deflector controls on Allison Creek to allow better response to system disturbances
- Installed a pavilion, picnic table, and bear-proof trash can for community use at Solomon Lake
- Modified the air inlet filter bank at Allison Creek
- Completed the Solomon Gulch penstock 5-year thickness measurements

Safety

- Continued to improve the safety program
- Seventh consecutive year under the industry average for incident rates
- Eighth consecutive year under the industry average for Workmans' Compensation mod factor
- Received the second place Safety Award for 2020, in our category, from the Northwest Public Power Association; this is the third consecutive year CVEA placed in the top two
- Completed arc-flash study for all power plants

Administration and Finance

- Successful audit – 2019 audit had no exceptions noted
- Moved majority of membership and accounting documentation to digital format
- Large mailing effort to locate members for old records
- Paid \$687,000 in patronage capital to members in November
- Aggressive computer maintenance and replacement program
- Migration to Office 365 and Teams platform
- Improved technology services
- Accounting process upgrades for increased efficiency

Communications and Community Foundation

- Successfully developed and implemented the Co-op Cares COVID Community Support Program
- Relaunched Co-op Connections; a member discount and business support program
- Held successful Co-op Month events; including the new Fall Into Fun Kids Activity Program
- CVEA Community Foundation awarded a record \$17,500 to 12 local nonprofit organizations

Operations and Engineering

- Cleared over 10 miles of transmission right of way and over 50 line-miles of distribution
- Completion of the Stuart Creek project
- Replaced aging insulators on the circuit between Meals Substation and the Valdez Diesel Plant, preventing potentially lengthy outages
- Production Network Evaluation to establish cause of previous failure and develop problem fix
- Replaced existing oil circuit reclosers north of Glennallen with electronic reclosers and sectionalizers

Commitment to Community



\$25 Copper Valley Electric Community Cares Gift Certificate

To: CVEA Residential Member

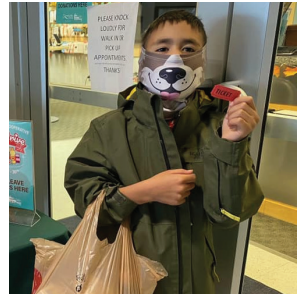
From: CVEA, in partnership with local businesses

- This certificate can be redeemed at participating local businesses within the CVEA service territory, Copper Basin and Valdez, that provide goods or services
- This certificate may be combined with other offers
- This certificate may not be redeemed for cash
- This certificate is valid through Saturday, August 8, 2020



Signature of CVEA CEO, Travis Millon:

Travis Millon

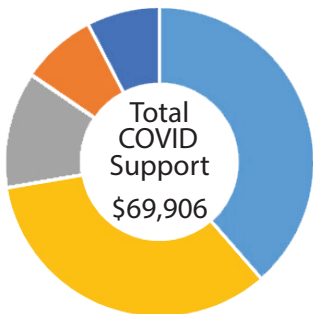


Balance Sheet

	2020	2019
Net Utility Plant	\$ 66,717,162	\$ 67,702,974
Investments	1,317,774	1,239,277
Current Assets	10,544,401	11,402,819
Total Assets	78,579,337	80,345,070
Member Equity	21,048,252	20,659,644
R&R Fund	4,505,707	5,023,339
Long-term Debt	39,705,454	41,119,294
Current Liabilities	13,273,710	13,490,803
Other Liabilities	46,214	51,990
Total Liabilities & Equity	\$ 78,579,337	\$ 80,345,070

Statement of Income

	2020	2019
Energy Revenue	\$ 6,262,771	\$ 5,688,058
Fuel / G&T/ Cost of Power Revenue	15,244,001	15,201,077
Heat Revenue	1,654,205	1,782,062
Fuel Credits	(1,323,364)	(1,573,387)
Non-Operating Margins	299,921	276,131
Total Revenues	22,137,534	21,373,941
Fuel	5,348,956	4,832,150
Power Generation & Transmission	5,968,873	5,687,261
Operations & Maintenance	2,299,814	1,796,372
Administrative, General & Customer Service	2,939,176	2,823,717
Depreciation	2,541,111	2,424,058
Interest	1,761,579	1,783,731
Taxes	41,646	44,140
Total Expenses	20,901,155	19,391,429
Margins	\$ 1,236,379	\$ 1,982,512



COVID Community Program

Community Gift Certificates	\$29,200
Community Relief	\$25,500
Advertising & Logistics	\$ 9,261
Essential Worker Meals	\$ 5,944
Kid's Activity Program	\$ 5,771

2021 Annual Meeting Notice to Members



A Touchstone Energy® Cooperative



Mission of CVEA: To provide exceptional customer service through safe, reliable, cost-effective electric service and programs

Copper Valley Electric Association, Inc., invites you to the 2021 Annual Meeting of Members. The annual meeting will be held virtually, via Zoom, on Tuesday, May 4, 2021, for the Valdez District and on Wednesday, May 5, 2021, for the Copper Basin District. The business meeting will begin at 6:30 p.m. Advanced registration will be required, and will end at 12 p.m. on the day of the meeting for each district. The first 75 members in each district who register between April 1 and April 20 will receive an early registration gift (one per membership). Registered members will be eligible for door prizes, but must be present online for the meeting to be eligible to win the grand prize.

The purpose of the meeting shall be to hear reports, ask questions about your electric cooperative, accept director election and Bylaws amendment results, and to transact any other business that may come before the membership.

- Caused to be published by Secretary Stowe

- | | |
|---|---|
| 1. Call to Order | President Rake |
| 2. Reports | |
| Report of Quorum | Secretary Stowe |
| Notice of Meeting | Secretary Stowe |
| Reading and Approval of 2019 & 2020 Minutes | Secretary Stowe |
| Financial Report | Treasurer Stark |
| Election Results | Credentials & Elections Committee Chair |
| Foundation Report | CEO Million |
| CEO Report | CEO Million |
| Questions on Reports | |
| 3. Acceptance of Reports | President Rake |
| 4. Old Business | President Rake |
| 5. New Business | President Rake |
| 6. Special Recognition | Recognition Video |
| 7. Door Prizes | |
| 8. Adjournment | President Rake |

Copper Valley Electric Association, Inc.
822-3211 in Glennallen
835-4301 in Valdez
www.cvea.org

Cover photos: 2020 kids activity program participants; thanks to their parents for sharing these images