

COPPER VALLEY ELECTRIC ASSOCIATION, INC.
COPPER BASIN DISTRICT MEETING
Alaska Bible College Murdock Campus Center
April 30, 2019

1. Call to Order

President Lon Rake called the Copper Valley Electric Association 2019 Annual Meeting to order at 6:01 p.m. on Tuesday, April 30, 2019, in Glennallen, Alaska. He thanked everyone for attending the annual meeting of members.

President Rake introduced the Board of Directors. President Rake introduced Chief Operating Officer Travis Million and Executive Assistant Nancy Heidelberg, and thanked them for their continued work for the Cooperative and the Members. President Rake said that Chief Executive Officer John Duhamel was unable to attend the meeting due to a medication absence. COO facilitated the meeting.

2. 60 Year Celebration

COO Million welcomed everyone to the meeting and introduced guests Mrs. Crystal Enkvist, Executive Director, and Mr. Michael Rovito, Deputy Director, of the Alaska Power Association. He recognized the Employees in attendance. An interactive game of CVEA Trivia was conducted allowing the Membership to test their knowledge of CVEA's history. COO Million recognized 10 of the Cooperative's earliest residential members who continue to receive service at their homes.

3. Reports

A. Report of Quorum

Secretary Stowe reported that the Copper Basin District had 1,182 active members. A minimum of 50 registered members are required for a quorum. As of 6 p.m., 189 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 2,725 active members on April 2, 2019, in accordance with CVEA Bylaws.

C. Reading and Approval of 2018 Minutes

MOTION Ms. Karen Linnell moved to dispense with the reading of the 2018 minutes and to accept the minutes as presented; Ms. Sharon Daniel seconded; the motion carried unanimously.

D. Financial Report

Treasurer Stark said the financial report was included in the 2018 Annual Report, and referred to the balance sheet available on the overhead screen.

Treasurer Stark reported that in December 2018, CVEA paid \$540,000 to members in capital credits. At yearend, member equity was \$19.2 million which equated to 24 percent of assets.

The income statement reflected fuel costs were 26 percent of the total revenue collected in 2018, which is approximately \$175,000 lower than in 2017. Although the cost of Alaska North Slope Crude was approximately \$17 more per barrel, CVEA generated 8.5 million more kilowatt hours with hydro.

Heat revenues from the Cogeneration Plant provided for a 90 percent return to members as a credit on the bill to help offset fuel costs. In 2018, a total of \$1.5 million was returned to members through the heat credit.

Treasurer Stark said that CVEA ended 2018 with \$1,640,445 in margins. He encouraged any member who would like a more detailed explanation of CVEA's financial status to contact Mrs. Jaime Matthews, CVEA's Chief Financial Officer.

E. Election Results

The Copper Basin Credentials & Election Committee members were: Ms. Shannon Saavedra, Chair; Mrs. Janice Maslen, Secretary; Mrs. Anna Bell-Hand, Mr. Milt Peters, and Mrs. Sue Roscovius.

Ms. Saavedra reported that in the Copper Basin District 1,182 ballot packages were mailed to active members. There were 316 envelopes returned; 305 were validated and counted. The voting results were as follows:

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| Yvette Delaquito | 229 |
| George Gillman | 168 |
| Fred Williams | 181 |

The Copper Basin District membership re-elected Mr. Williams and elected Mrs. Delaquito each to a three year term.

Ms. Saavedra reported that for the Valdez District 232 ballot packages were mailed to active members. There were 214 envelopes returned; 214 were validated and counted. The results were as follows:

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| Dan Stowe | 214 |
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The Valdez District membership re-elected Mr. Stowe to a three-year term.

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

COO Million 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 2018 the Foundation awarded approximately \$8,000 in educational and leadership scholarships and \$13,800 in contributions to 15 nonprofit organizations in the communities.

COO Million said the Foundation was pleased to provide funding to the following organizations: Valdez Museum and Historical Archive, Wrangell Institute for Science and the Environment, Francis Kibble Kenny Lake Library, Copper Valley Community Library, Valdez Imagination Library, Copper River Emergency Medical Services, Valdez Senior Center, Copper River Watershed Project, Prince William Sound College, Stepping Stones Learning Center, Junior Achievement Alaska-Valdez, Valdez Food Bank, Copper River Hockey Club, Valdez Torpedos Swim Club, Valdez Adventure Alliance.

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. COO Million thanked the following members who volunteered to support the Foundation by serving on the Copper Basin Scholarship Committee: Ms. Michelle Eastty, Chair; Mrs. Ramona Henspeter, and Mr. Mark Somerville.

Ms. Eastty announced and congratulated the Copper Basin scholarship winners as follows: Two \$500 general scholarships to Mr. Caden Gerlach and Mr. Luke Weimer; one \$1,000 general scholarship to Miss Nicole Friendshuh; and the Youth Rally scholarship to Miss Jessica Hale.

G. Chief Executive Officer Report

COO Million presented the premiere of the Cooperative's video *Behind the Switch*, which was created with the intent to provide education about the cooperative and to remind members of the daily activities performed on their behalf.

COO Million provided a presentation on numerous topics that were addressed by the Cooperative in 2018. The key topics were the ongoing rate study, the advanced metering infrastructure project, successes of hydro generation, right-of-way clearing, increased sales, extension of the distribution line on Richardson Highway, a redesign of cvea.org, receiving the first place by the Northwest Public Power Association for safety program results, and being named as a recipient of the American Council of Engineering Companies Engineering Excellence national award for the Allison Creek Hydroelectric Project.

Questions from the Membership were responded to by COO Million on the topics of the cost for studies and permits required for construction of the Allison Creek Hydroelectric Project, the four day work week, facility aesthetics, an explanation of hydro generation, funding for the Richardson Highway distribution line extension, the cost of new line extensions, the availability of tree waste left behind after right-of-way clearing, the AMI system and outage reporting, and the Roadbelt Intertie. A member expressed appreciation for the efforts put forth to reduce and eliminate long-lasting outages and to improve reliability.

4. Acceptance of Reports

MOTION Mr. James Marchini moved to accept the reports as presented; Mrs. LaShonda Cook seconded the motion; the motion passed unanimously.

5. Old Business

There was no old business to report.

6. 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.

The names of Copper Basin members Mr. Anthony Jones and Mr. Al Sanders were drawn for appointment to the Board of Adjustment for two year terms in the Copper Basin District. A previously appointed member resigned due to relocating from the area and Mrs. Kathy Peters was drawn and appointed to fill that vacancy for a one year term. President Rake thanked those who submitted their names in the drawing.

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

7. Special Recognition

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

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| <u>5 Years</u> Dave Coon Communications & Controls Engineer | <u>10 Years</u> Alexander Gearhart Plant Operator | <u>15 Years</u> Ryan Cook Lineman |
| Mark Kirkpatrick Line Foreman | Michael Rego Chief Plant Operator-Diesel Plants | |
| Lindsay Malone Office Manager | | |

The following Valdez District employees would be recognized on May 2.

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| <u>10 Years</u> Michael Haley Plant Operator | <u>15 Years</u> Todd Stahley Line Foreman |
| Anthony Martin Plant Operator | |

8. Drawing of Door Prizes

President Rake said that if there was no further business or objection from the Membership, the 2019 Annual Meeting of Members would recess immediately following the grand prize giveaway, and would reconvene at 6 p.m., May 2, 2019, in the Valdez District.

Foundation Vice President Rake reported that the Split-the-Pot fundraiser generated a total of \$720 for the Foundation. He said \$360 would be awarded to the winning ticketholder and \$360 would be deposited to the Foundation to help fund programs and initiatives in our communities. Vice President Rake thanked the volunteers who sold tickets prior to the meeting.

Door prizes were presented to various members.

9. Adjournment

The meeting was recessed at 7:50 p.m.

Secretary

(seal)