

COPPER VALLEY ELECTRIC ASSOCIATION, INC.
VALDEZ DISTRICT MEETING
Valdez Civic Center
May 2, 2019

1. Call to Order

President Lon Rake reported that the Copper Valley Electric Association 2019 Annual Meeting was called to order at 6:01 p.m. on Tuesday, April 30, 2019, in Glennallen, Alaska, and recessed at 7:50 p.m. He called the meeting back in session at 6:02 p.m., in Valdez, Alaska, on Thursday, May 2, 2019. He thanked everyone for attending the annual meeting of the 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 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 Valdez District had 1,543 active members. A minimum of 50 registered members are required for a quorum. As of 6 p.m., 130 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. Michelle Evans moved to dispense with the reading of the 2018 minutes and to accept the minutes as presented; Mr. Tom Arts 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 Valdez Credentials & Election Committee members were: Mrs. Anita Fannin, Chair; Mrs. Mary Ellen Murphy, Secretary; Ms. Rebecca Jeffries, Mr. Bobby Gibbs, and Mrs. Shiloh Marshall.

Mrs. Fannin said the Valdez Credentials and Election Committee reported that in the Valdez District 1,543 ballot packages were mailed to active members. There were 232 envelopes returned; 214 were validated and counted. The results were as follows:

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

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

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.

Mrs. Fannin announced the winner of the Valez 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 Valdez Scholarship Committee: Ms. Dalon Gage, Chair; Mrs. Anne Branshaw, and Mrs. Angela Reese.

Ms. Gage announced and congratulated the Valdez scholarship winners as follows: two \$500 general scholarships each to Miss Destiny Gray and Miss Kendall Wesenberg; one \$1,000 general scholarship to Miss Cassandra Howard; and the Youth Rally scholarship to Miss Sophia Palomar.

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 a recent outage and why the diesel plant was running.

4. Acceptance of Reports

MOTION Mrs. Rowena Palomar moved to accept the reports as presented; Mr. Bob Hardy seconded the motion; the motion carried 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 Valdez members Ms. Kathryn Holford-Sapp, Mr. Michael Gutbrod, and Ms. Sue Ellen Montes were drawn for appointment to the Board of Adjustment in the Valdez District. 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 Valdez District:

10 Years
Michael Haley
Plant Operator

15 Years
Todd Stahley
Line Forman

Anthony Martin
Plant Operator

The following Copper Basin District employees were recognized on April 30.

5 Years
Dave Coon
Communications & Controls
Engineer

10 Years
Alexander Gearhart
Plant Operator

15 Years
Ryan Cook
Lineman

Mark Kirkpatrick
Line Foreman

Michael Rego
Chief Plant Operator-Diesel Plants

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 adjourn immediately following the grand prize giveaway.

Foundation Vice President Rake reported that the Split-the-Pot fundraiser generated a total of \$598 for the Foundation. He said \$299 would be awarded to the winning ticketholder and \$299 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 adjourned at 7:40 p.m.

Secretary

(seal)

DRAFT