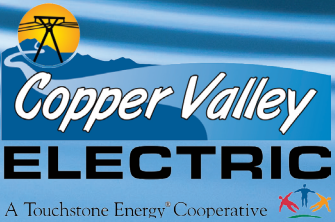


# Breaking Records #Hydro



# Annual Report 2019

Dear Co-op Membership,

2019 was an exceptional year for your cooperative and definitely worth bragging about. Nothing is more flattering than being recognized by experts in your industry. CVEA received awards 5 times over the last 12 months from outside agencies. Comments like “best of the best” and “cream of the crop” or just plain “outstanding at what they do”, have all been used to describe the people working hard for you at CVEA.

The following awards range from statewide Alaska, US Regional to even a National Award:

### **Communication Excellence from Northwest Public Power Association**

CVEA was recognized for our member communications by the power industry in the northwest region of the country. This was earned by our member tour program, website redesign, [Behind the Switch](#) informational video, and how we communicate with you in general.

### **Pamela E. Klatt Award from the Northwest Hydroelectric Association**

Given to an individual that promotes the northwest region of the US in waterpower renewable energy. It also recognizes a strong commitment to resource protection, dedication to quality work and promotes professional development.

### **Excellence in Safety from the Northwest Public Power Association**

Given to the best safety program for a utility our size in the northwest region of the US. The safety culture at CVEA has produced the best safety record over the last three years than any time in CVEA's recorded history. This has reduced our Workers' Compensation Modifier and has significantly reduced our insurance premiums.

### **Mason Lazelle Award from the Alaska Power Association**

Given to an individual that has made outstanding contributions to electrification efforts in Alaska. This award is a statewide award and the highest honor conferred by the Alaska Power Association.

### **American Council of Engineering Companies Award**

Given to CVEA for Excellence in Design and Building of the Allison Creek Hydroelectric Project. This is a National Award that is only given to engineering and construction projects that are the best in the entire country.





Our list of accomplishments does not stop at these awards, we also had many other successes. Most noteworthy was our hydropower production. Hydropower is easily the cheapest power that we produce so the more hydro generated, the more savings to you, the Membership.

Ten years ago, CVEA's average hydro generation was around 45 million kWhs. Five years ago that average went up to 55 million kWhs. In 2018, we had the highest hydropower production in CVEA history at 66 million kWhs. In 2019, we produced a whopping 72 million kWhs. This record breaking achievement amounted to 74 percent of CVEA's entire production needs. In 2010, hydropower was only meeting about 50 percent of the Membership's needs. Additionally, more efficient production meant an extended hydro season. In 2018 and 2019, CVEA continued 100 percent hydropower production through mid-December, compared to mid-October five years ago.

In other news, I announced my retirement from CVEA so that I can concentrate my efforts on very important things, like fishing! My retirement is definitely bitter sweet. I have enjoyed no job more than my job at CVEA. The Staff is amazing and the Board of Directors is the most dedicated board I have witnessed.

I'm turning the reins over to Travis Million. Travis is a hardworking leader that has impressed me and the Board over the many years that he has worked for CVEA. Your Cooperative is in good hands and will undoubtedly advance the current successful trajectory. By the time you read this, Travis will already be at the helm, and I will already be catching fish.

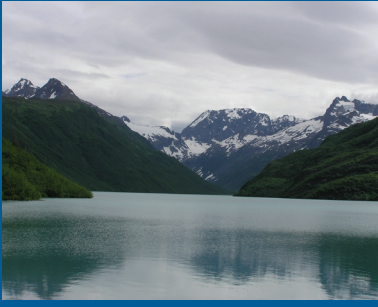
It has been an honor to serve you.



John Duhamel  
Chief Executive Officer



# A Record 74% Hydro in 2019



# 2019 Directors



**Paul Kildal**  
President



**Will Stark**  
Vice President



**Dan Stowe**  
Secretary



**Yvette Delaquito**  
Treasurer



**Lon Rake**  
Director



**Jeff Saxe**  
Director



**Mark Shorten**  
Director



**Fred Williams**  
Director

## Power Supply

- Allison Creek Hydroelectric Project operated reliably for the third season; generating until January 6
- Successful FERC inspections of both Solomon Gulch and Allison Creek hydroelectric projects
- Highest hydro output in history of CVEA (again), with 72,618,700 kWhs of energy produced, accounting for 74 percent of CVEA's energy needs

## Safety

- Continued to improve the safety program
- Sixth consecutive year under the industry average for incident rates
- Seventh consecutive year under the industry average for Workmans' Compensation mod factor
- Completed installation of the fire mist system in the Valdez Diesel Plant
- Received the first place Safety Award for 2018, in our category, from the Northwest Public Power Association for the second continuous year

## Administration and Finance

- Completed the 2018 Rate Study
- Continued improvement on banking fraud detection programs
- Successful audit - 2018 audit had no exceptions noted
- Paid \$605,000 in patronage capital to members in December
- Purchased 283,000 fewer gallons of fuel for generating power than 2018
- Improved efficiency with contracted technology services
- Updated employee handbook and board policies
- Digitized all work orders
- Improved risk management program
- Conducted employee training in human resources and cyber security

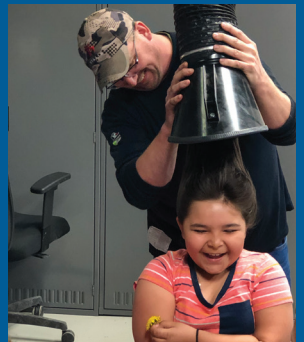
## Communications and Community Foundation

- Successfully hosted the 60 Year Anniversary Celebration and Fall Member Asset Tour
- Won NWPPA Excellence in Communications Award for *Behind the Switch* video
- Record numbers attended the Co-op Month Halloween Spooktacular
- CVEA Community Foundation awarded a record \$16,182 to 11 local non-profit organizations

## Operations

- Completed deployment of Advanced Metering Infrastructure (AMI)
- Cleared over 40 miles of distribution right of way and over 11 miles of transmission right of way
- Performed multiple upgrades to strengthen the line and improve reliability south of Kenny Lake
- Replaced over 2 miles of overhead distribution along Dayville Road
- Installed over 21 miles of new underground distribution between Mile 46 Richardson Hwy and the DOT station in Thompson Pass; providing new service for Alyeska, Tsaina Lodge, and the community of Serendipity
- Completed distribution upgrades and voltage conversion to South Harbor Drive; to include replacing over a mile of overhead distribution along the Richardson Highway near the Valdez Glacier Stream

# Supporting Our Communities



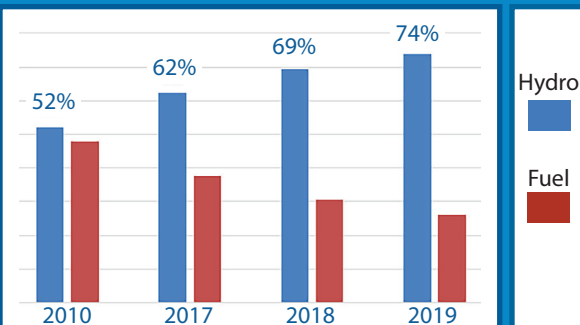
# 2019 Audited Financial Statement

## Balance Sheet

	2019	2018
Net Utility Plant	\$ 67,702,974	\$ 66,122,794
Investments	1,239,277	1,158,535
Current Assets	11,402,819	12,326,032
<b>Total Assets</b>	<b>80,345,070</b>	<b>79,607,361</b>
Member Equity	20,659,644	19,280,050
R&R Fund	5,023,339	5,650,417
Long-term Debt	41,119,294	40,984,479
Current Liabilities	13,490,803	13,634,648
Other Liabilities	51,990	57,767
<b>Total Liabilities &amp; Equity</b>	<b>\$ 80,345,070</b>	<b>\$ 79,607,361</b>

## Statement of Income

	2019	2018
Energy Revenue	\$ 5,688,058	\$ 6,042,771
Fuel / G&T/ Cost of Power Revenue	15,201,077	15,477,666
Heat Revenue	1,782,062	1,687,226
Fuel Credits	(1,573,387)	(1,518,503)
Non-Operating Margins	276,131	626,225
<b>Total Revenues</b>	<b>21,373,941</b>	<b>22,315,385</b>
Fuel	4,832,150	5,900,648
Power Generation & Transmission	5,687,261	6,384,506
Operations & Maintenance	1,796,372	1,653,446
Administrative, General & Customer Service	2,823,717	2,545,943
Depreciation	2,424,058	2,373,341
Interest	1,783,731	1,775,525
Taxes	44,140	41,531
<b>Total Expenses</b>	<b>19,391,429</b>	<b>20,674,940</b>
<b>Margins</b>	<b>\$ 1,982,512</b>	<b>\$ 1,640,445</b>



Increased hydro generation of roughly 7 million kWhs shattered previous production records and eliminated \$1.2 million in fuel costs from members' bills in 2019.

# 2020 Annual Meeting Notice to Members



A Touchstone Energy® Cooperative



Copper Valley Electric Association, Inc., invites you to the 2020 Annual Meeting of Members. The annual meeting will be held on Tuesday, May 5, 2020, in the Valdez District at the Valdez Civic Center and on Thursday, May 7, 2020, in the Copper Basin District at the Alaska Bible College Murdock Campus Center. Registration and food service begins at 5:30 p.m. and the business meeting begins at 6 p.m. Register by 6 p.m. to be eligible for attendance gifts and door prizes.

The purpose of the meeting shall be to hear reports, ask questions about your electric cooperative, accept director election 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 Kildal                        |
| 2. Reports                           |   |
| Report of Quorum                     | Secretary Stowe                         |
| Notice of Meeting                    | Secretary Stowe                         |
| Reading and Approval of 2019 Minutes | Secretary Stowe                         |
| Financial Report                     | Treasurer Delaquito                     |
| Election Results                     | Credentials & Elections Committee Chair |
| Foundation Report                    | CEO Million                             |
| CEO Report                           | CEO Million                             |
| Questions on Reports                 |   |
| 4. Acceptance of Reports             | President Kildal                        |
| 5. Old Business                      | President Kildal                        |
| 6. New Business                      | President Kildal                        |
| 7. Special Recognition               | CEO Million and President Kildal        |
| 8. Drawing of Door Prizes            |   |
| 9. Adjournment                       | President Kildal                        |

Copper Valley Electric Association, Inc.  
822-3211 in Glennallen and  
835-4301 in Valdez  
[www.cvea.org](http://www.cvea.org)