



*Copper Valley*  
**ELECTRIC**

A Touchstone Energy® Cooperative 

# 2021 Annual Report



## Message to the Membership 2022

Dear Co-op Membership,

While challenges of the Covid-19 pandemic continued throughout 2021, CVEA continued to provide excellent service to our members with very little disruption. I'm very proud of how our team adapted and overcame these difficulties. CVEA successfully hosted a virtual annual meeting in May 2021, allowing the membership to interact and ask questions without exposing them to unnecessary COVID-19 risks. We look forward to an in-person meeting in 2022.

The Co-op had many accomplishments in 2021, which you will see on later pages of this report. However, for the long-term sustainability of the Cooperative I believe the biggest accomplishments were centered around long-term planning. In June, the Board of Directors spent two days with the executive team developing a strategic plan that will help guide the Cooperative for years to come. This is the first time in over 20 years that a formal plan had been developed and executed. In conjunction with the strategic plan the team spent a great deal of time developing a 10-Year Capital Work Plan and Financial Forecast. Long term projects and system improvements were identified as necessary to ensure long-term sustainability of the Cooperative's assets and ensure reliable service as well as determine a plan for funding these necessary projects.

CVEA conducted the first member satisfaction survey this fall, receiving excellent participation with 573 member responses returned. This survey provided the Cooperative a baseline of our performance, what areas are most important to the Membership, and an understanding of areas we can focus on to improve the services CVEA provides. Thank you to everyone who took the time to participate in the survey and provide your feedback.

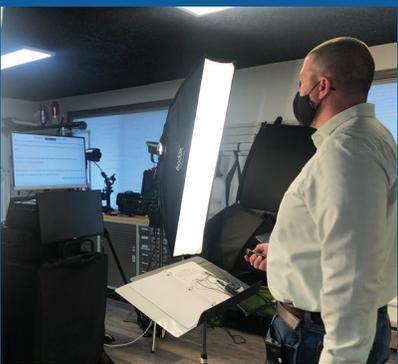
This winter proved very difficult to stabilize the cost of power for the members. Mother nature decided to start winter in early October, a few months earlier than recent years, freezing the water that supplies low cost hydroelectricity and requiring the use of higher cost diesel generation. Due to the fixed amount of water for utilization during winter months from the Solomon Gulch hydro plant, stretching the same amount of water over two extra winter months reduced the amount of hydro available from nearly 30-percent per month to less than 20-percent. In addition, the cost of fuel increased substantially throughout the winter, further increasing the cost of electricity.

CVEA spent the last couple decades researching and evaluating ways to stabilize and reduce winter electricity rates. There are a few projects that are currently being evaluated that could help achieve this goal. These will be discussed in detail at the upcoming annual meeting on May 3, in Valdez, and May 5, in Glennallen.

CVEA also managed to maintain high reliability even with the challenges the pandemic created. Over 11 miles of transmission line and over 20 line-miles of distribution on the rights of way were cleared of vegetation. New equipment continues to be installed on necessary sections of the distribution line, replacing aging lines and equipment to improve reliability. Multiple projects were completed in the power plants in 2021, ensuring reliable primary and backup generation when it is needed.

Finally, CVEA achieved another stellar year in safety achieving over 1,000 days since the last "lost time work accident". The Cooperative continues to have one of the highest safety performance records in the industry. Accomplishing these results truly takes a team effort.

It is an honor to lead such an amazing team and to serve you, the members of CVEA.



Travis Million  
Chief Executive Officer



**Copper Valley**  
**ELECTRIC**

A Touchstone Energy® Cooperative 

**WE HAVE WORKED**  
**1740 DAYS**  
**WITHOUT A LOST**  
**TIME INJURY**




**Copper Valley**  
**ELECTRIC**

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## 2021 Directors



**Lon Rake**  
President



**Will Stark**  
Vice President



**Dan Stowe**  
Secretary



**Yvette Delaquito**  
Treasurer



**Paul Kildal**  
Director



**Jan Maslen**  
Director



**Jeff Saxe**  
Director



**Mark Shorten**  
Director

## 2021 Accomplishments

### Power Supply

- Completed a Seismic Stability Analysis Report for the Solomon Gulch dam and dike
- Cleaned, recoated, and load tested the generator at the Cogen plant
- Installed and commissioned the RTU (Ride-Through-Unit) at the Cogen plant
- Initiated the relicensing process for the Solomon Gulch Hydroelectric Plant
- Replaced the glycol storage tank and associated exterior piping at the Valdez Diesel Plant
- Replaced the obsolete 480V station service switchgear at the Glennallen Diesel Plant
- Developed a Power Plant Operator Trainee training program

### Safety and Regulatory Compliance

- Updated Spill Prevention, Control, and Countermeasure plans for all five power plants and nine substations to meet current standards
- Continued improvement to the safety program
- Remained under the industry average for incident rates for the eighth year
- Remained under the industry average for Workers' Compensation modification factor for the ninth consecutive year
- Received the first Alaska Power Association Commitment to Continuous Safety Improvement Award for improvements having a positive impact on safety
- As of October 18, the Co-op celebrated 1000 days without a lost time injury, exceeding the previous record of 910 days in 2019

## Administration and Finance

- Successful audit – 2020 audit had no exceptions noted
- Paid \$690,000 in patronage capital to members in November
- Increased cyber security measures
- Implemented an investment policy for the Community Foundation
- Coordinated Supervisor Team training program
- Upgraded phone systems companywide
- Implementation of an Employee Engagement Committee
- Conducted a software review with vendor resulting in efficiencies
- Approval of a 10-Year Construction Work Plan and Financial Forecast

## Operations and Engineering

- Cleared over 11 miles of transmission right of way and over 20 line-miles of distribution
- Installed 75 new services in 2021, including service to Eureka Trailhead Estates
- Replaced the overhead system with underground in Gakona Subdivision
- Replaced poles on the West line in the Copper Basin
- Worked with Petro Star to install power for new dirt burner process
- Hired a Lineman Apprentice in Valdez
- Began working with members on installation of an electric vehicle charging station in the Copper Basin

## Communications and Community Foundation

- Successfully held first virtual annual meeting
  - Completed extensive Bylaws amendments
  - Implemented Spring into Summer Co-op Connections discount program
  - Developed and executed the new Co-op Month Pumpkin Patch Event in the Copper Basin District, in partnership with CVT
  - Executed the Happy for Holidays Kids' Activity Program
  - Developed and executed an inaugural Member Satisfaction Survey
  - Completed "A Lineman Story", a second in the "People Behind the Switch" video series
  - CVEA Community Foundation awarded a record \$19,276 to 16 nonprofit organizations and over \$8,000 in educational and leadership scholarships
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# Thanks For Your Service



**Mary Ellen Bedrick**  
Retiring 2023



**Terry DeLay**  
Retiring 2022



**Nancy Heidelberg**  
Retiring 2023

Between now and February 2023, CVEA will celebrate the retirement of three team members who, combined, have served the Cooperative for over 90 years.

We recognize Mary Ellen Bedrick who has served the cooperative for over 30 years as a customer service representative (CSR), CSR supervisor, and currently as the revenue accountant; Terry DeLay, has been a power plant operator in the Valdez District his entire 30 year career; and Nancy Heidelberg began her career at CVEA 28 years ago as a clerk/typist and advanced to the executive assistant.

These three amazing team members will soon retire, and will be missed. CVEA is a better co-op today because of all they brought to the organization throughout their lengthy careers. We are indebted to them and thank them for their service to the Cooperative and the members we serve. – **Travis Million, CEO**

# Community Support

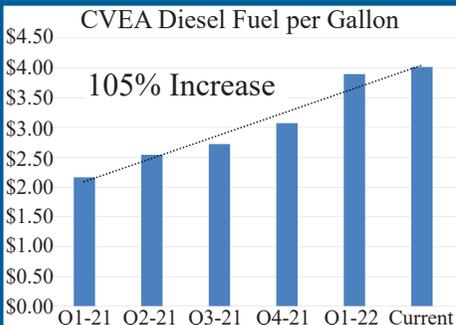


## Balance Sheet

	2021	2020
Net Utility Plant	\$ 65,315,486	\$ 66,717,162
Investments	1,392,376	1,317,774
Current Assets	12,460,492	10,544,401
<b>Total Assets</b>	<b>79,168,354</b>	<b>78,579,337</b>
Member Equity	23,225,214	21,048,252
R&R Fund	3,941,079	4,505,707
Long-term Debt	38,225,348	39,705,454
Current Liabilities	13,736,276	13,273,710
Other Liabilities	40,437	46,214
<b>Total Liabilities &amp; Equity</b>	<b>\$ 79,168,354</b>	<b>\$ 78,579,337</b>

## Statement of Income

	2021	2020
Energy Revenue	\$ 6,713,851	\$ 6,262,771
Fuel / G&T/ Cost of Power Revenue	18,665,855	15,244,001
Heat Revenue	2,617,371	1,654,205
Fuel Credits	(2,093,897)	(1,323,364)
Non-Operating Margins	246,615	299,921
<b>Total Revenues</b>	<b>26,149,795</b>	<b>22,137,534</b>
Fuel	8,194,611	5,348,956
Power Generation & Transmission	5,726,116	5,968,873
Operations & Maintenance	2,011,133	2,299,814
Administrative, General & Customer Service	3,124,098	2,939,176
Depreciation	2,586,915	2,541,111
Interest	1,704,682	1,761,579
Taxes	43,716	41,646
<b>Total Expenses</b>	<b>23,391,271</b>	<b>20,901,155</b>
<b>Margins</b>	<b>\$ 2,758,525</b>	<b>\$ 1,236,379</b>



CVEA has seen a 105 percent increase in the cost of diesel fuel since January 2021.

This significant increase, combined with extreme cold, a reduction in available hydropower, and an increase in the amount of fuel purchased, has made stabilizing the cost of power for the member difficult throughout the winter months.



A Touchstone Energy® Cooperative 

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

Copper Valley Electric Association, Inc., invites you to the 2022 Annual Meeting of Members. The annual meeting will be held on Tuesday, May 3, 2022, in the Valdez District at the Valdez Civic Center and on Thursday, May 5, 2022, in the Copper Basin District at the Glennallen Community Center (formerly Murdock Center). Registration 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

### **2022 Annual Meeting Agenda**

- |                                      |   |
|--------------------------------------|---|
| 1. Call to Order                     | President Rake                          |
| 2. Reports                           |   |
| Report of Quorum                     | Secretary Stowe                         |
| Notice of Meeting                    | Secretary Stowe                         |
| Reading and Approval of 2021 Minutes | Secretary Stowe                         |
| Financial Report                     | Treasurer Delaquito                     |
| 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               | CEO Million                             |
| 7. Door Prizes                       |   |
| 8. Adjournment                       | President Rake                          |

Copper Valley Electric Association, Inc.  
907-822-3211 in Glennallen  
907-835-4301 in Valdez  
[www.cvea.org](http://www.cvea.org)