

COPPER VALLEY ELECTRIC ASSOCIATION, INC.
COPPER BASIN DISTRICT MEETING
Glennallen Community Center
May 4, 2023

1. Call to Order

President Lon Rake called the 2023 Meeting of the Copper Valley Electric Association Membership back to order at 6 p.m. on Thursday, May 4, 2023, in Glennallen, Alaska, which was recessed at 7:39 p.m., in Valdez, Alaska on Tuesday, May 2, 2023, at 6 p.m. He thanked everyone for attending the annual meeting of the members. He introduced the Board of Directors who were in attendance. CEO Travis Million and Executive Assistant Sara Horvath were introduced.

President Rake explained the process of drawing door prizes and reminded everyone they must be present to win any prize.

2. Reports

A. Report of Quorum

Secretary Stowe reported that the Copper Basin District had 1,213 active members. A minimum of 50 registered members are required for a quorum. As of 6 p.m., a quorum was established with 149 members registered.

B. Notice of Meeting

Secretary Stowe read the Notice of Meeting and reported that meeting notices and ballots were mailed to all 2,772 active members on Tuesday, March 28, 2023, in accordance with CVEA Bylaws.

C. Reading and Approval of Minutes

Secretary Stowe asked for a motion from the floor to dispense of reading the 2022 Annual Meeting minutes as they were available for review online prior to the meeting.

MOTION Mr. James Marchini moved to dispense with the reading of the 2022 minutes and to accept the minutes as presented

Mrs. Karen Hoeft seconded.

Motion passed.

D. Financial Report

Treasurer Stark said the financial report was included in the 2022 Annual Report and referred to the balance sheet. He reported the Cooperative ended the year financially sound with assets of \$81.1 million, which was \$1.9 million dollars higher than 2021 due to higher member equity.

In December CVEA paid out \$745,000 in capital credits. Member equity at yearend was \$23.9 million which equates to 29 percent of assets.

Moving to the income statement, Treasurer Stark said fuel costs were 35 percent of the total revenue collected for the year, which is approximately \$1.6 million higher than 2021. This was due to the average cost of north slope crude oil being \$29 per barrel higher in 2022 than the prior year.

Treasurer Stark reported that eighty percent of heat revenues from the Cogeneration Project are returned to members as a credit on the bill to help offset fuel costs. In 2022, a total of \$2.1 million dollars was given back to members.

CVEA received a total of \$823,907 in grant funding related to power generation assets. This helped contribute to CVEA ending 2022 with 1.5 million dollars in margins.

If you would like a more detailed explanation of CVEA's financial status, please contact Jaime Matthews. Thank you for attending this year's annual meeting.

E. Election Results

The Copper Basin Credentials & Election Committee members were Mrs. Karen Hoeft, Chair; Mrs. Jenna Buck, Secretary; Ms. Shannon Saavedra, Mrs. Ann Crow, and Mrs. Charlene Nollner.

Mrs. Hoeft reported that for the Copper Basin District, 1,213 ballot packages were mailed to active members. There were 257 envelopes returned; 250 were validated and counted. The results were as follows:

Jan Maslen 242

The Copper Basin District membership elected Jan Maslen to a three-year term.

Mrs. Hoeft reported that in the Valdez District 1,559 ballot packages were mailed to active members. There were 242 envelopes returned; 220 were validated and counted. The results were as follows:

Jeff Saxe 220

The Valdez District membership re-elected Mr. Saxe to a three-year term.

Mrs. Hoeft 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

CEO Million provided the CVEA Community Foundation report on Director Shorten's behalf. The 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 2022, the Foundation awarded approximately \$23,666 in contributions to 15 nonprofit organizations in the communities.

CEO Million said the Foundation was pleased to provide funding to the following organizations: Wrangell Institute for Science and the Environment, Copper Valley Community Library, Terminal Radio – KCHU, Kenny Lake Public Library, Valdez Museum and Historical Archive, Valdez Imagination Library, Valdez City Schools – Sixth Grade Life Skills, Valdez Youth Court, Recycling Our Areas Resources, Glenn-Rich Fire Department, CRSD – Passports Class, HHES 5th Grade Field Trip, Valdez Adventure Alliance, CRSD – High School Home Ec/Life Skills Class, and Valdez Food Bank.

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. CEO Million thanked the following members who volunteered to support the Foundation by serving on the Copper Basin Scholarship Committee: Mrs. Gina Hoke, Chair, Mrs. Sharon Ables, and Mrs. Wendy Caldwell.

Mrs. Hoke announced the Valdez scholarship winners as follows: one \$2,000 general scholarship to Ms. Ce'Anika Palacios; and one \$1,000 general scholarship to Ms. Brynna Gerlach.

G. Chief Executive Officer Report

CEO Million thanked the Members for attending the meeting. He provided the Members with an update on the progress of the long-term Strategic Plan which was developed and implemented in 2021. He said there were five main goals identified in the Plan: build financial strength, maintain, and improve system reliability, be the employer of choice, reduce dependence on diesel fuel, and be an advocate for the members. He expanded on what each goal entailed, and what CVEA is doing to make progress on the Plan.

CEO Million noted key components the co-op is working on to achieve the goal of maintaining and improving system reliability. The projects include the long-term Capital Work Plan, MMR Nuclear project, Solomon Gulch Substation relocation, Right-of-Way maintenance, and Dayville Road and Duck Flats projects.

CEO Million provided an update on the progress of the Strategic Goal of building financial strength. He noted the importance of the co-op collecting the right amount of revenue to maintain the co-op and its aging infrastructure. He noted the co-op completed the Cost-of-Service Study which has not been adjusted for the last five years. He updated the Members of the change in the base rate and energy charge, which comprises of 25 percent of a member's bill.

CEO Million updated the Members on the MMR Nuclear project, which focused on the goal of stabilizing and lowering the cost of electricity particularly with winter rates, reducing CVEA's consumption of diesel fuel in the winter months. It was determined that the cost of owning and operating a micro modular nuclear reactor would not be economical for the co-op. However, USNC is looking into the possibility of owning and operating an MMR with a Purchase Power Agreement with CVEA. Details of the study to be provided later in the summer.

CEO Million reviewed key components of the Valdez Marine Terminal intertie, which would help offset winter rates by reducing reliance on diesel fuels. He said contracts were finalized and progress is ongoing to complete the VMT tie by the end of 2023.

CEO Million updated the Members on the goal of Being the Employer of Choice. In January, CVEA had four long term employees retire. Those four employees contributed to over 110 years of experience at the co-op. To replace the vast experience, CVEA has promoted one position internally, with the remaining three positions hired outside with succession planning. He noted this allows the new hires several months, up to a year of overlap, to learn from their predecessors. CEO Million also noted the Power Plant Operator Trainee program and Linemen Apprenticeship program, which has been very successful for the co-op.

Other topics discussed were member engagement (pumpkin patch, middle school science programs, member tours), communications, Ruralite the APA Annual Meeting, construction calculator, and the FERC relicensing application process.

CEO Million responded to various questions on the VMT intertie, Ruralite, grant funding, a Roadbelt intertie, and rate changes.

3. Acceptance of Reports

MOTION Ms. Sharon Daniels moved to accept the reports as presented.

Mr. James Marchini seconded.

Motion passed.

4. Old Business

There was no old business to report.

5. 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 Ms. Marlene Macy and Ms. Marianne Williams were drawn for appointment to the Board of Adjustment in the Copper Basin 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.

6. Special Recognition

CEO Million invited all CVEA team members to stand and be recognized. He noted that last year the second video, *A Lineman Story*, in the *People Behind the Switch* series was released. CEO Million announced CVEA was recently notified that *A Lineman Story* won second place for Best Video in the National Rural Electric Cooperative Association Spotlight on Excellence Awards. He said that he was happy to share the next video in the series, *An Office Story*.

CEO Million recognized the following employees for their service to the Cooperative.

Copper Basin District	
<u>5 Years</u> Ben Carlton Lineman	<u>10 Years</u> Joshua Geldersma Plant Operator
Valdez District	
<u>10 Years</u> Kyle Anderson Plant Operator	<u>15 Years</u> Ryan Compehos Plant Operator

CEO Million recognized Board Director, Mark Shorten, for his four years of service and thanked him for his time and service to the membership of CVEA.

In addition to employee service awards, CEO Million noted several safety awards awarded to CVEA: Northwest Public Power Association (NWPPA) Safety Award Contest, first place, and the Rural Electric Safety Achievement Program (RESAP) certification.

CEO Million updated the Membership with an announcement regarding his departure from Copper Valley Electric, effective August 31. CEO Million will be taking a position with Golden Valley Electric, in Fairbanks, as their Chief Operating Officer.

7. Drawing of Door Prizes

President Rake said that if there was no further business to come before the Membership, the 2023 Annual Meeting of Members would adjourn following the grand prize giveaway.

Vice President Delaquito facilitated the SmartHub, Customer Service, and Split-the-Pot drawings. She reported that the Split-the-Pot fundraiser generated a total of \$608 for the Foundation and \$304 would be awarded to the winning ticketholder and \$304 would be deposited to the Foundation to help fund programs and initiatives in our communities.

Door prizes were presented to various members.

8. Adjournment

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

Secretary

(seal)

DRAFT