

DRAFT Meeting Minutes of the Golden Valley Electric Association's May 6, 2021 Annual Members' Meeting - Subject to Membership Approval (As Recorded by the Recording Secretary)

Due to the on-going concerns related to COVID-19, the 2021 annual meeting was virtual, attendees were able to call into the meeting, or view it on Facebook and YouTube.

Welcome/Annual Meeting Theme: John Burns, President & CEO, welcomed members to GVEA's 2021 Annual Members' Meeting. Mr. Burns announced that GVEA is honored to be celebrating its 75th anniversary and that the theme for the 2021 Annual Members' Meeting is: "75 years of Members Serving Members." He invited members to join him and GVEA's Board of Directors in celebrating GVEA's past, reflecting on the present and pondering the future. Viewers were encouraged to submit their member comments electronically.

Call to Order and Introductions/Recognition: Chairman DeLong, District 2, called the meeting to order at 6:33 p.m. He introduced David Messier, Treasurer, District 1; Rick Solie, District 3; Gary Newman, Secretary, District 4; Chris Bunch, District 5; John Sloan, Vice Chair, District 6 and Brad Benson, District 7. Chairman DeLong recognized the Member Advisory Committee (MAC). He reported that the MAC members meet monthly and provided feedback to the board. He thanked the MAC for their service and encouraged members to consider serving on the committee. Chairman DeLong introduced Susan Redlin, Executive Administrative Assistant, and Meadow Bailey and Grace Wilson from GVEA's Public Relations Section. Chairman DeLong also recognized former GVEA board member Bill Nordmark who retired in 2020 after serving on the board representing District 7 for 25 years, including 11 years as chairman of the board.

Notice of Mailing and Proof of Mailing and Publication: Secretary Newman reported that on April 1, 2021, copies of the Ruralite magazine were mailed to all GVEA members. The Ruralite contained the notice of the annual meeting, including the date and time for the meeting. In addition, he reported that notices were inserted in members' billing statements, published in the Fairbanks Daily News-Miner, aired on radio and TV, and posted on social media. He said that as such, GVEA complied with noticing requirements. Secretary Newman said that because the Centers for Disease Control and Prevention (CDC) and the Alaska Department of Health and Social Services recommend against large in-person gatherings, GVEA decided that, in the interest of our members' safety, the 2021 annual meeting would be held virtually.

Report of the Quorum: Secretary Newman reported that while there were about 170 virtual attendees, enough members to meet the 100-member quorum requirement, GVEA's bylaws require in-person voting by members at the annual meeting. He said it was with regret that members would therefore not be able to approve the minutes from the 2019 and 2020 annual meetings. He said that over the next year, GVEA will work on a change to the bylaws that will permit electronic voting at future annual meetings.

Safety Moment: Chairman DeLong stated that safety is GVEA's number one priority and explained that every meeting at GVEA begins with a Safety Moment. He introduced GVEA Lineman, Joe Waggoner. Mr. Waggoner said that one of the best parts of his job is going into schools and sharing safety training with kids. He shared a presentation entitled "Safety City". A video clip of the presentation was shown that explained how to be safe around downed power lines near vehicles.

REPORTS BY PRESIDENT & CEO AND BOARD OF DIRECTORS

Board of Director Elections for Districts 4 and 7: Director Bunch reported that the April 2021 *Ruralite* magazine introduced members to candidates for the director elections. Candidates from District 4 are Derek Miller and incumbent Gary Newman. Candidates for District 7 are Todd Adams, incumbent Brad Benson, Katherine Hennigan and Julie Morris. One minute candidate videos were shown. Director Bunch reported that election results will be announced on the evening of June 10, 2021.

GVEA's Past: Mr. Burns stated that in January 1946, nine pioneers approved the Articles of Incorporation for a new electric cooperative (co-op). They gathered 129 signatures on a petition asking the Rural Electrification Administration for federal assistance. Mr. Burns said that the pioneers recognized that electricity was key to the quality of life, creating jobs, fueling growth and powering lives and economies. The pioneers named the co-op Golden Valley Electric Association (GVEA).

Mr. Burns explained that GVEA had no power plants so it purchased excess electricity from mining companies. The power in those days was intermittent and very expensive. In 1952, GVEA purchased the F.E. Power Plant, with a capacity of 9.5 megawatts. During the 1960s, GVEA built its first power plant, Healy Unit 1. In the 1970s, oil fired units in North Pole were built. In the late 1990s, GVEA acquired the electrical operations of the Fairbanks Municipal Utility Services. In the 2000s, GVEA built the biggest battery project in the world, the Battery Energy Storage System (BESS) to stabilize GVEA's system and eliminate nuisance outages; a new plant was commissioned in North Pole that converted waste to heat to produce electricity; GVEA brought Alaska's largest wind farm online and in 2018 GVEA built what was then Alaska's largest solar project.

Mr. Burns said that GVEA has seen a lot of changes since 1946, but over the past 75 years, GVEA was always looking forward to the future. And the same is true now. In the next few years, GVEA will make decisions that will affect not only Golden Valley's future, but the future of the Interior of Alaska.

Mr. Burns said that GVEA's mission has remained essentially the same: the safe delivery of reliable electricity to our members at fair and reasonable prices. He said that central to GVEA's mission are three core principles that are non-negotiable:

1. Safety – The safety of our employees and our members.
2. Mission Focus – Ensuring that every decision GVEA makes is made in furtherance of our mission and consistent with the 7 Cooperative Principles.
3. Fiscal Responsibility – We understand that it's not our money—it's our members' money. For that reason we are focused on ensuring that we use that money prudently, efficiently and effectively in furthering our mission.

GVEA's Present: Vice Chairman Sloan reported that today GVEA owns and operates five oil fired plants, two coal-fired plants, the Eva Creek Wind Farm and a solar array. GVEA also owns a 16.9 percent share of the Bradley Lake Hydroelectric Project and purchases power from the Anchorage area, Aurora Energy and Alaska Environment Power. He spoke about the importance of fuel diversity

and dispatching the least expensive power available. He talked about how GVEA's Outage Management System has improved reliability and saved time and money to locate outages. He also reported that GVEA's BESS will be 18 years old this year and like all batteries, they have a finite life. As the BESS ages, the question GVEA faces is what to do next. Do we update, expand or replace it? A video was shown on the BESS.

GVEA's Commitment to Community: Director Solie stated that GVEA was founded on the 7 Cooperative Principles, one of which is concern for community. He said that commitment and concern for the communities GVEA serves is demonstrated in many ways, but most recently when COVID hit. While Governor Dunleavy issued an eight-month moratorium on electric disconnects and the assessment of late fees for residential members experiencing financial hardship due to COVID, Golden Valley voluntarily extended the moratorium for an extra five months. GVEA established the Benevolent Fund with the goal of helping members who are struggling to pay their electric bills. Director Solie also reported that for the past two years, GVEA has been designated a top workplace supporter for the United Way of the Tanana Valley and that GVEA employees are frequent volunteers in the community. He thanked members who contribute to the Goodcents Program. Since the program began in 2011, the Goodcents board has distributed more than \$1.2 million to meet needs in the Interior. A video was shown on the North Star Imagination Library, a recent grant recipient of the Goodcents Program.

Scholarship Awards: Director Solie reported that every year, GVEA awards scholarships to eight worthy local students. The scholarships are funded through unclaimed capital credits. He then announced and congratulated the 2021 scholarship award winners:

- \$3,000 Continuing Education Scholarships: Vaughn Simpson, Aaron Partnow and David Ebel.
- \$3,500 Academic Scholarships: Thea Millam, Klara Kondrak, and Gage Tilly.
- \$16,000 Academic Scholarship: Benjamin Brown.

Mr. Solie reported that GVEA's Career & Technical Education Scholarship will be awarded in August 2021. The 2020 recipient was Haakon Dulian.

Financial Update: Treasurer Messier gave an update on GVEA's finances. He reported that GVEA's financial position remains strong. In 2020, GVEA's total operating margins were just under \$14 million and non-operating margins just under \$4 million, bringing total margins to just over \$17.8 million for the year. Despite the pandemic, GVEA was able to achieve an equity ratio of 30.96 percent, which remains within the target range of 25-35 percent. Additionally, GVEA's management took aggressive measures to keep operating costs in check during the pandemic. This helped avoid any base rate increases in 2020. Base rates have remained steady for two years. He said he was proud to say this is the first time in his tenure on the board that GVEA accomplished this feat. He applauded staff for their diligent work during a challenging time.

Treasurer Messier said that one of the many advantages of GVEA being a cooperative is that capital credits are returned to members. In 2020, GVEA's board authorized the repayment of \$5 million dollars in capital credits to members of record from 1995. Over the years, Golden Valley has refunded more than \$97 million dollars in capital credits.

GVEA's Commitment to the Environment: Chairman DeLong reported on GVEA's renewable efforts. He recounted that it was 1991 when energy from the Bradley Lake Hydro Project first flowed-up the Intertie, energizing Interior homes and businesses. He said that projects like Bradley Lake Hydro, Eva Creek Wind and partnerships with independent power producers such as Alaska Environmental Power have made GVEA a Railbelt leader in renewable energy. He reported that no other utility in the Railbelt dispatches a higher percentage of variable renewable resources than GVEA.

Chairman DeLong reported that in January of 2019, GVEA's board of directors adopted a Carbon Reduction Goal committing GVEA to reduce its total carbon output by 26 percent by the year 2030, as compared to 2012 emission levels. He explained that GVEA will strive to meet this goal without adversely affecting long-term rates or reliability. He noted that as a cooperative, GVEA works to represent the best interest of all members. Like electric utilities around the world, GVEA is looking for ways to add renewable generation into the system while recognizing the need to balance cost, reliability, and environmental concerns. He said that as the board and staff contemplates GVEA's future generation this will be very challenging. Chairman DeLong reported that a 2020 Member Survey showed there was support for renewables by many members, but there was an equal concern from members about costs.

Chairman DeLong reported that in January 2021, GVEA issued a Renewable Energy Request for Information seeking ideas from independent power producers. The request was very open-ended because GVEA is looking for innovative projects that make environmental and financial sense without adversely impacting reliability or rates. GVEA is hoping that independent power producers will provide creative ideas.

Chairman DeLong reported that 2020 was the second full year of operation for GVEA's solar project and the highest production from the project occurred in May 2020 when the system produced over 80 megawatt hours. He reported that small-scale renewable power producers are not standing still and that the SNAP Program is growing by leaps and bounds, thanks in part to a campaign sponsored by Solarize Fairbanks. A video was shown on Solarize Fairbanks.

Chairman DeLong reported that GVEA is undertaking electric vehicle (EV) chargers and that GVEA provided a grant to ReCharge Alaska to help with the installation of an EV charger on the Parks Highway in Cantwell. He also said that GVEA will also be installing an EV fast charging station at the Fairbanks campus.

GVEA's Future: Chairman DeLong concluded that Golden Valley will continue to be a leader in innovation into the future. But as we all know, saving energy and reducing carbon is not just about solar panels and EV chargers, we all play a role, regardless of our age.

Chairman DeLong reported that the March 2021 issue of Ruralite Magazine featured Mr. O'Regan's fourth grade class from Pearl Creek Elementary and their seriousness about energy efficiency. A video was shown entitled "Pearl Creek 4th Graders are Energy Efficient."

Mr. Burns reported that GVEA will be facing some legacy decisions that will affect us for years to come and that GVEA is actively planning for the next 75 years. He said that Healy 1, built in the 1960s still produces reliable and inexpensive power. A consent decree with the Environmental Protection Agency requires GVEA to either retire the plant by the end of 2024 or add additional

environmental controls. This is just one of the many decision we face regarding our generation. Most of GVEA's power plants were installed in the 1970s and as we look to the future, we must balance many variables, including safety, reliability, cost and environmental impact.

Mr. Burns said that strategic partnerships are crucial to GVEA's future. GVEA is working closely with the university, the military, the other Railbelt utilities and independent power producers to achieve our mutual goals. He reported that recently, GVEA entered into a power purchase agreement with the University of Alaska Fairbanks to buy the excess electricity that they produce at their new on-campus co-generation plant. The agreement enables the university to run its plant at full capacity, which is more energy efficient and provides a cost benefit to our members. Additionally, he reported that GVEA is also interconnected with Fort Wainwright, and GVEA provides back-up energy to the military. He also said that as the Army is looking for ways to reduce emissions and is considering upgrades, or a possible replacement for their 1955 plant, GVEA is collaborating with them.

Mr. Burns reported that in 2020, the legislature passed and the governor signed Senate Bill 123, authorizing the formation of the Railbelt Reliability Council. By working together, utilities, independent power producers and others are able to promote mutually beneficial projects, such as upgrading the Seward to Quartz Lake power line to transport more hydropower from Bradley Lake and an integrated resource plan that will help coordinate future decisions regarding power plants and renewables along the Railbelt. He also reported that GVEA is also supportive of a new Roadbelt intertie that would run along the Richardson Highway. A second intertie would provide a redundant path for electricity to and from Southcentral Alaska.

President & CEO Closing Comments: Mr. Burns concluded his comments saying the pioneers who gathered in 1946 to form GVEA could not have imagined what their little co-op would become. Tonight, we stand on their shoulders, grateful for their foresight, their vision and their commitment to the future. Now it is our turn to carry this vision forward – to ensure that Golden Valley, your co-op, is sustainable, reliable and responsible in powering the future of the Interior for the next 75 years. He said it is an honor to serve the membership and that on behalf of GVEA's 280 employees and himself, he thanked everyone for attend the virtual 2021 Annual Members' Meeting.

Member Comments

1. Scott Bell, District 2, thanked GVEA for continuing to diversify generation sources, said that integrated renewable sources, combined with energy storage, can reduce carbon emissions and asked that GVEA not invest in fossil fuel generation sources.
2. Allen Carpenter, District 4, commented on GVEA's 2019 annual meeting and the vast number of member comments regarding reducing carbon emissions. He said he does not support reducing carbon and that the purpose of GVEA should be to provide reliable power to members as economically and efficiently as possible.
3. Kasey Casort, District 2, expressed appreciation for GVEA's efforts to invest in renewable energy, shared her support for On-Bill Financing and said GVEA should work towards decommissioning Healy 1 and developing more renewable energy projects.

4. Terry Chapin, District 1, shared his appreciation for GVEA's actions to promote and support renewable energy, and encouraged GVEA to seize opportunities to shift to more renewable sources and decommission diesel and coal-fired generation facilities to reduce climate change.
5. Tyler and Erin Dynes, District 7, said the new bill paying kiosk at Three Bears Grocery in Healy is rad and to keep up the good work.
6. Steve Estes, District 1, encouraged GVEA to consider installing electric vehicle (EV) charges in the Delta Junction area.
7. Jane Gibson, District 4, thanked GVEA for providing consistent and dependable power throughout severe cold and inclement weather episodes, and for keeping rates reasonable and affordable.
8. Tristan Glowa, District 1, thanked GVEA for the virtual annual meeting and the work of the cooperative to educate and engage members. He voiced his support for GVEA's efforts to increase renewables and implement an On-Bill Financing Program. He encouraged GVEA to increase the board's carbon reduction goal, increase large scale renewables, and retire Healy Unit 1 in conjunction with collaboration and unification of a Railbelt energy system.
9. Don Gray, District 4, complimented GVEA on a great virtual meeting, commented on the recent installation of solar panels at his home and thanked GVEA and Solarize Fairbanks for their assistance with the new system.
10. Thomas Hartnell, District 1, noted that the Pledge of Allegiance was absent from the beginning of the meeting. He inquired how GVEA plans to update infrastructure to accommodate the increased load from EV chargers. Mr. Hartnell also suggested GVEA upgrade the control system on the Battery Energy Storage System (BESS), commented on the 7 Cooperative Principles, and thanked GVEA for the hard work and diligence in staying safe while keeping the lights on.
11. Terry Hinman, District 7, thanked GVEA employees for adapting in these unusual times and continuing to provide reliable electricity.
12. Joshua Knicely, District 5, said fossil fuels are antiquated and damaging the environment. He also said GVEA should switch over to renewables and green energy.
13. Tammy George, District 7, asked if the public has a right to camp or travel with four wheelers down the Intertie Right-of-Ways, specifically in the Cantwell area.
14. Patrice Lee, District 4, thanked GVEA for efforts to move ahead with improved energy efficiency, more renewable energy, and a greater percentage of renewable energy into the electrical mix.
15. Dianne Marshall, District 1, encouraged GVEA to continue to support the installation of EV chargers along the Parks and Richardson Highways. She also suggested GVEA support updated regulations addressing the installation of charging stations for businesses.

16. Philip Martin, District 2, thanked the GVEA board for steps taken to move toward a renewable energy future. He asked the board to consider pumped hydro, tide and river turbine power generation and other strategies to expand battery capacity to regulate renewables. He also asked that the board develop a wish-list of renewable energy projects to submit for federal grants. He asked that the SNAP Program be modified to be more generous to attract new contributors, and for the inclusion of renewable energy projects as part of On-Bill Financing options.
17. Diane Preston, District 2, thanked the board for establishing a carbon reduction goal, but said it's time to increase the goal both in terms of the percentage and carbon emissions. She said the Healy Unit 1 power plant needs to be decommissioned. She thanked GVEA for its work on the Railbelt Reliability Council and the prospects of an On-Bill Financing Program. She asked that GVEA increase its efforts on energy efficiency for both homes and businesses, and that time of day metering be considered.
18. Martha Reynolds, District 1, said she appreciated GVEA's proactive RFI for renewable projects and hopes that Healy 1 can be retired to reduce carbon emissions. She said if GVEA has some shovel-ready renewable energy projects that GVEA may qualify for future federal infrastructure money.
19. James Rogan and Mary Leahy, District 2, asked what GVEA is doing to help members with solar installations.
20. Jim Schwarber, District 4, commented on the cooperative principle of concern for community. He said GVEA has a responsibility to reduce its carbon footprint to zero and asked the board to revisit GVEA's carbon reduction goal and increase the goal to 50 percent by 2030, and 100 percent by 2045. He said he supports GVEA adopting a robust tariffed On-Bill Financing Program and asked GVEA to provide direct support for electric vehicles and EV Chargers.
21. Sue Sherif, District 4, asked that the GVEA board continue to explore and adopt a diversity of energy options. She said GVEA's goals involving alternative energy sources should be pursued aggressively. She wished GVEA a Happy 75th Anniversary.
22. Betsy Smith, District 2, thanked GVEA for several notices regarding the annual meeting and the excellent service during the past winter and the very challenging weather conditions. She said she is proud to be a member of Golden Valley.
23. Diana Sparacino, District 2, suggested GVEA consider future virtual platforms for hosting annual meetings. She asked that future energy projects be the newest and cleanest technologies. She requested that Healy 1 and 2 be retired, and that the BESS be upgraded with new battery technology.
24. Toby Stoeber, District 1, expressed his concerns with Healy 2 and suggested investing in the Intertie upgrades instead of replacing the BESS.
25. Joshua Verhagen, District 7, asked that GVEA consider keeping the Nenana office open. He commented on the City of Nenana's efforts to build a large solar farm and contributing energy into GVEA's system.

26. Cathy Walling, District 2, commented on the recent RFI for renewable energy projects and is curious what the next steps will be. She said she supports the decommissioning of Healy 1 and that keeping this plant online defeats GVEA's carbon reduction goal. She applauded GVEA's efforts to pilot a tariffed On-Bill Financing Program.
27. Davis Watts, District 1, wished GVEA a Happy 75th Anniversary. He commented on the poor air quality in Fairbanks, echoed other member comments regarding increasing the carbon reduction goal and said he supports On-Bill Financing for renewable energy projects. He asked that GVEA develop programs to allow renters to buy into renewable energy sources that may contribute to the reduction of carbon.
28. Walter Whited, District 5, asked to opt-out receiving a hard copy of the Ruralite magazine.
29. Philip Wight, District 2, thanked GVEA for being an engine of economic development for our community for the last 75 years. He also thanked GVEA for investing in our community with On-Bill Financing, energy efficiency and new energy technologies like EV chargers. He encouraged GVEA to invest in low-cost, clean energy.

Adjournment

At 7:56 p.m., Chairman DeLong, without objection, adjourned the meeting.

Winners of Electric Certificates

- \$250 Electric Credit: Jackie Galarza; Mike Seevers; Timothy Shorey and Chance Wigger.
- \$500 Electric Credit: David Dillard, Robert Heinbuch, Kristin Scott and David Snarski.