

CORDOVA ELECTRIC COOPERATIVE, INC.  
BOARD MEETING  
February 24, 2021

The Regular Meeting of the Board of Directors of Cordova Electric Cooperative, Inc. was called to order at 6:10 p.m. by Chairman Pegau. Due to the COVID-19 pandemic Directors and staff have the option of participating via gotomeeting. Directors Pegau, Cook, Cooper, Ranney, Phillips, and Campbell participated via gotomeeting. CEO Koplin, Manager of Generation and Distribution Newlun, Manager of Administration and Finance Merritt, Executive Assistant/HR Bailer (Recorder), and Technology Manager Kudrna participated via gotomeeting.

MEMBERSHIP PARTICIPATION

Kristy Andrew, M. Robbe Gilmour, Steven Namitz, and Sarah Kathrein, all Board candidates for the 2021 election, we present virtually for the meeting.

APPROVAL OF AGENDA

Campbell moved to approve the Agenda as presented, seconded by Phillips. Roll call vote: Unanimous. Motion passes.

CONSENT AGENDA

Ranney moved to approve the consent agenda that includes the following:

- a) Minutes of Meeting of January 27, 2021

seconded by Campbell. Roll call vote: Unanimous. Motion passes.

Pegau mentioned Robert Beedle resigned from the Board last week and pulled his name from the 2021 Board Candidate ballot.

MANAGEMENT REPORTS

CEO REPORT

CEO Written Report

Customer Surveys LBNL: The RADIANCE (GMLC/explain) has a component of customer surveys to help understand the cost and value of surveys to our customer that will start soon, probably March. CEC will get the generic data back from the surveys for staff and board insights. Mostly around the cost and value of power outages. This may satisfy the board's "customer survey" goal.

MHK Grant Application Update: The marine hydro kinetic grant application, which had a deadline of December 2020, was extended to February 2021. The final grant application requires a final modification to \$311,625 match on CEC's part, mostly in-kind and in years 2 and 3 (2023 and 2024). To refresh this project for the Board, this is from the August 21, 2020 CEO Report (there were updates in October and December): Hydro Kinetic Grant Application: After reviewing the match requirements and revising the budget several times, it will not be possible to meet the 50%

match requirement without a CEC contribution. An action item is included in this agenda for a not-to-exceed amount of \$300,000 which includes CEC labor and materials mostly in years 2 and 3 of the project. A final budget and work plan will be prepared if the grant is awarded, and that would come back to the CEC Board for approval before we proceed. In addition, there is a go/no-go decision after the year 1 feasibility work which will allow CEC to opt out if the project does not look favorable. The grant deadline has been extended to September 30<sup>th</sup>. I do not recommend a modification of PO currently. If the grant is selected there will be an opportunity for the Board to negotiate down to the \$300,000, to offer the \$311,625 match, or decline the grant altogether. At a high level, CEC would get a 250kW tidal generator added to our grid for \$311,625 of mostly CEC staff time and some equipment match.

CEC Kayle-N-Thyme Solar Partnership: After looking at creative ways to support a customer solar installation with CEC match, CEC policies do not support a sole-source agreement not available to other members, it could pose a conflict of interest for a prospective Board member, and the CoBank Sharing Success project is particularly suited to that type of project and will be advertised soon. CEC workload and project priorities will make it difficult to get our solar pilot completed this spring, but we will work toward that goal.

CEC Work Order Process: As an engineer and the original architect of the line crew construction and maintenance work order process I have been working with staff to update and clarify the process. Over time the process has degraded by not keeping up with new technologies and changing staff and is a significant source of inefficiency and customer service breakdowns. The process isn't broken and we have been taking care of our customers, but it can be significantly improved and has to prepare for new meters and new employees coming into the organization.

Employee Training and Development: One challenge of the pandemic has been reduced employee training and development, and new employees entering the organization has resulted in a cultural drift. I have been working with Foraker Group to host communications and team-building training in early summer to onboard new employees, help us understand our differences, weaknesses, and strengths, and support timely, open, and constructive feedback to continuously improve CEC for our customers. This training was invaluable a few years ago and it is time for a refresher.

Board Plan Overviews (update): The Board requested longer-term and more comprehensive overviews of four primary items for 2021:

- Diesel plant aging mitigation plan
- Headquarters building plan.
- Distribution aging/replacement plan
- Communications plan.

This month I continued working on the diesel plant aging mitigation and met with NVE tribal Chairman to discuss several items including headquarters. I focused this meeting's efforts on the facilities overview (attached) and BESS operations summary (attached) that the Board requested at the January meeting. Note that BESS diesel savings are very hard to measure due to the many variables of weather, hydro availability, diesel use, and battery efficiency.

CEC Staffing: We are currently very short-staffed given the early year projects of diesel renovation, hydro 5 refurbishing, audit, virtual annual meeting, rate analysis, work order process

refinement, advertising and interviewing for new positions, advanced metering, and RADIANCE projects. The FAA line extension contract is also being developed and the MHK grant application required some work this month. These items are keeping me and staff very busy which reflects in work priorities and timelines. Some Board reports or requests might not be as timely, detailed, or prioritized as the Board expects and I encourage feedback.

Cat Diesel Renovation Project: We continued to make excellent progress over the past few weeks and I am cautiously optimistic that we can stay within the \$750,000 budget without compromising or deferring any of the work. We have draft switchgear designs almost ready for bid, and electrical/mechanical designs are nearly complete after several team reviews. We hope to have bids ready for award by the March meeting.

Power Creek Hydro 5 Refurbishing: Most of the work this month was on turbine inlet valve (TIV) repairs. CEC staff worked with a local contractor to bring the valves into warm shop space and test several adhesives. It turns out that none of the specified or recommended epoxies or glues are adhering to the rubber, while 3M brand 5200 marine sealer is. We are getting final input from the valve experts for clearing this approach and we are hopeful that we can complete a successful repair here in Cordova at very little cost and finally resolve the leaky valve issues. We are awaiting quotes for rods, spears, u-seals, and other maintenance items from Gilkes and are hopeful that this project will come in substantially under budget.

AMI Project Update: A partial order was placed for advanced meters and the mesh radio network equipment, and we are working through the selection and specifications options so that they are in the cue for manufacture. I have been collaborating with other Eaton and Professional Computer Systems (PCS) customers at other Cooperatives to help guide option choices.

CBA – Negotiations: Our five-year Collective Bargaining Agreement will expire this May. We have had preliminary consultations with attorney Andy Leman and will soon be exchanging the letter of interest regarding which items in the contract (if any) we want to negotiate to modify. I did not make any progress this month and will be touching base with Andy next week.

BESS Funding Summary: A billing was submitted to PNNL for a \$10,000 task, and I have moved on to a \$50,000 task that is nearly complete for billing. I should be getting feedback over the next few weeks on the proposed \$400,000 follow up project with Department of Energy to consider the use of the Battery Energy Storage System (BESS) for system power factor balancing.

FAA Johnstone Point Extension: The FAA is drafting contract documents for CEC to perform an assessment this spring and summer to extend power to the Johnstone Point facility. I met with Eyak Corporation and Native Village of Eyak on this opportunity over the past 2 weeks.

Rate Study: I have been focusing on audit and other items and do not have an update this month.

2021 Budget: So far, all budget items are tracking very close or below budgeted numbers as scopes and estimates are refined and bids received.

Dragos Cybersecurity Scanning Offer: A colleague on the Electricity Advisory Committee who is very supportive of small electric cooperatives and interested in selling into that market has offered to implement a full Dragos company products and services installation at no cost (\$50,000 -

\$75,000 value and waived \$20,000 renewal fees) to CEC. Trever and I participated in a presentation and follow-up discussions and a presentation from a competing technology to assure that it would be a good and valuable fit for CEC and would not pose significant administrative and operational overheads that would require additional resources on our part. We will be converging on a decision over the next few weeks.

#### Technology Management Report (Jan-Feb):

- New Scada Network Addressable Storage (NAS/data backups) now in place and all virtual machines on Supervisory, Control, And Data Acquisition (SCADA or “Automation”) network are backed up.
- Owl device and cellular modem for Sandia Labs battery data interface is installed (RADIANCE project)
- Firewall users that no longer work for CEC have been removed.
- Gen3 & Gen7 relay setting changes identified last November have been implemented.
- Test to see if battery can be used to provide vars was done (BESS power factor correction).
- Battery related comm links have been added to comm screen
- Network diagrams, and fuel diagrams have been created.

#### Operations Management Report (Jan-Feb):

- Blind flanged unit 5 hydro Power Creek brought valves to town, tested adhesives.
- Performed Battery Energy Storage System (BESS) tests and maintenance.
- Participated in diesel plant upgrade data collection and design reviews/specs.
- Hired line apprentice August Jewell.
- Vehicle maintenance and repairs, line crew flatbed.
- Closed out work orders and multiple meetings to update work order process
- Responded to two faulted underground services and made temporary arrangements.
- Received new construction work order requests for spring.
- Worked on federal regulatory report filings and Eyak Remediation plan.
- We have been installing new network hardware (RADIANCE project)
- Running diesel plant due to low flow on the hydro plants
- We are advertising for a new Maintenance/Operator apprentice.
- Ben has finished his last round of lineman apprentice school and will have his hours in this year to become a journeyman lineman.
- The new dam at PC is functioning well.

#### CEO Verbal Report

Battery Energy Storage System Update – included in packet. Ranney appreciates the report and format.

Description of facilities – Koplin said he’s about 60% done with this document.

Koplin mentioned he attended the Cordova Chamber Annual Meeting last night and CEC received an Honorable Mention award. Upon question Koplin reviewed the Kayle-N-Thyme solar partnership request. Koplin explained the Cat diesel renovation project and Power Creek Hydro 5 refurbishing project. Upon question Koplin explained more about the Dragos Cybersecurity Scanning offer.

Administrative Reports

Merritt reviewed and answered questions on the following reports:

- Financial Reports for December 2020
- Revenue Report for January
- Cash Flow Report for January
- Cash Disbursements for January
- Purchase Order Report
- Generation & Sales Statistics

NEW BUSINESS

Resolution 21-02 – A Resolution of Authorization to Retire Estate Capital Credits – Ranney mentioned it is actually CEC Bylaws Article VII, Section 2, not Article VI as the memo indicates. Merritt explained estate retirements and receiving Board approval before conducting an early estate retirement. Resolution 21-02 gives the Board authority to approve an annual dollar value, allowing Management to pay estate retirements as they come in. Discussion on early estate retirements.

RESOLUTION 21-02

A RESOLUTION OF AUTHORIZATION TO RETIRE ESTATE CAPITAL CREDITS

WHEREAS, the Cordova Electric Cooperative, Inc., Board of Directors, has determined that the financial condition of the Association will not be impaired by retiring the capital credited to deceased patrons in accordance with the CEC Bylaws;

THEREFORE, BE IT RESOLVED, the Cordova Electric Cooperative, Inc., Board of Directors, approves the special retirement of capital credits allocated to deceased natural persons whose representatives request a special retirement during the year 2021; and

BE IT FURTHER RESOLVED, that the total of the above retirements shall not exceed Forty Thousand Dollars (\$40,000.00); and

BE IT FURTHER RESOLVED, that such special retirements, up to the overall dollar limit provided above, will be made to the estates of deceased patrons on a first-come, first-served basis.

Phillips moved to approve Resolution 21-02, A Resolution of Authorization to Retire Estate Capital Credits, seconded by Ranney. Roll call vote: Unanimous. Motion passes.

Policy 3D – Board of Director Travel - Phillips moved to approve Policy 3D as presented, seconded by Ranney. Roll call vote: Unanimous. Motion passes.

UNFINISHED BUSINESS

Capital Credits Distribution Policy – Board discussed the Equity Management Plan and Capital Credits Policy in regard to capital credit distributions.

Board Evaluation - Board edited their evaluation form.

#### INFORMATION ITEMS

Board Attendance at Regular Meetings – noted

Electricity Advisory Committee thank you letter to Koplín dated February 5, 2021 - noted

#### OTHER ITEMS

2021 Virtual Annual Meeting Discussion – Bailer mentioned with the Annual Meeting being virtual there will be some changes. Discussion ensued regarding meeting preparations and order of business.

#### Policy Review.

- Policy #6C – Services of Consultants – Move to March agenda
- Policy #7C – Operational Policy – Move to March agenda.

EXECUTIVE SESSION – CEO Evaluation – Pegau asked if there was any objection to moving the Executive Session to after the Summary of Board Direction to CEO. Hearing non this item was moved to later in the meeting.

#### PENDING AGENDA

- Review Board Evaluation Quarterly (January/April/July/October)
- Communication Strategy
- 2021 Virtual Annual Meeting – March 22 (Monday)
- Description of Facilities update

#### BOARD PENDING EVENTS CALENDAR

Noted

#### SUMMARY OF BOARD DIRECTION TO CEO

- Complete description of facility report for March meeting

Koplín thanked staff for all their hard work.

Pegau asked the Board Candidates if they had and questions/comments for the Board.

Sarah Kathrein thanked CEC for the opportunity to call into the meeting and see the Board in action and see how a meeting is run.

Robbe asked who is management and who is Board and Pegau explained. He said it is interesting to see the Board interaction and he looks forward to hearing and seeing more. Thank you for the opportunity.

Kristy thanked the Board for the opportunity to attend tonight. She likes how active and involved the Board is and looks forward to joining more.

Cooper thanked the candidates for attending the meeting tonight and thanked them for volunteering to run for the Board.

Executive Session – Phillips moved to go into executive session at 7:30 p.m. to discuss a personnel matter involving the CEO evaluation, seconded by Cook.

Board came out of executive session at 7:49 p.m. where they met to discuss the CEO evaluation . No action was taken.

BOARD COMMENTS

Campbell – Hoping for good things for the New Year and thanked Koplín for his work saying it’s been a challenging year.

Ranney – Thanked Koplín saying his CEO Report and the Battery Energy Storage System was thorough and the best one yet.

Phillips – Thanked Koplín for a good year and for fulfilling his Mayoral duties along with CEO duties. Thanked Robert Beedle for his time on the Board. Phillips thanked the Board for the volunteerism and said this was a good meeting.

Cooper – thanked Koplín saying it was a long, hard year. She thanked the Board and thanked Koplín for the BESS update. Good meeting.

Cook – Agreed that this packet was one of the best he’s read in a long time and thanked Koplín, Bailer and the rest of the crew saying its been a tough year.

Pegau – Echoed the comments of others. Appreciates Koplín’s hard work and his presentation at the meeting tonight. He mentioned Bailer’s upcoming retirement saying she will be missed.

There being no further business the meeting adjourned at 7:55 p.m.

3/24/21

Date Approved



Secretary/Treasurer