

Current Communicator



MEMBER NEWSLETTER
OF CENTRAL VIRGINIA
ELECTRIC COOPERATIVE

Annual Report 2020 VOL. 29, NUM. 3

Know Your Director Directors Nominated for Re-election

Hitting Our Stride: CVEC Picks up the Pace of the Fiber Build

Annual Meeting COVID-19 Precautions

A Letter from the President

While 2020 has been challenging for all of us, Central Virginia Electric Cooperative (CVEC) is weathering the storm. We have taken many steps to keep our employees and members safe, including postponing our Annual Meeting until September. **CVEC encourages members to make use of the mail-in option for participating in the meeting and electing the Directors.** We have increased the number of prizes to be drawn from proxy entries this year, and using the mail-in option assures your vote counts while keeping you safe. If you choose to attend the meeting in person, it will be held outside at our Colleen office and there will be no reception or prize giveaways. The program has been shortened and masks will be required. These are unusual steps to address the pandemic for this year; next year, we plan to return to a normal meeting location and format. Now, let's look back at 2019.

CVEC was quite busy making strides in many areas for its members in 2019. CVEC finished the year in sound financial condition and **members received capital credit refunds for the tenth straight year.**

Providing safe, reliable, and affordable electric service is our top priority and, last year, the positive trend continued. **CVEC recorded the second best year of reliability in its history.** Investment in vegetation management, equipment, and inspections are among the many strategies that are proving to be successful.

Every year, CVEC strives to offer outstanding customer service and options that allow you to manage your experience and tailor it to your lifestyle, including additional renewable energy options. CVEC's community solar program, Solar Share, provided an option for members to choose more renewables in their power supply mix, and to fix the cost of that solar energy until 2043. Solar Share was well-received by members and is 95% subscribed. **Plans for two more solar arrays that will generate an additional 13 megawatts of solar energy are underway for 2021.**

Construction of a high speed fiber-optic system continued, extending fiber-optic cables across our entire distribution grid that touches parts of 14 counties and includes 3,500 miles of electric lines. The new fiber made broadband internet service available to thousands of members by the end of 2019 and the construction pace has increased this year. So far, over half of eligible members have signed up. **The impact of COVID-19 has further increased the need for affordable, reliable internet which has become an essential utility similar to electricity.** CVEC is working to complete the fiber project as quickly as possible and well before the original late 2023 goal.

Last year, CVEC and Firefly continued to pursue grants and outside financial support for the project. Presently, **the total for grants and incentives is \$52 million**, which will come in over the first 10 years of the project to help assure the success of the \$120 million project.

We have been busy laying the groundwork for a strong, new decade and our commitment to making our service the best value remains at the forefront of our mission in 2020.

Gary Wood
President & CEO

Know Your Director:

Introducing the Directors of the CVEC Board who have been nominated for re-election in 2020:



West District: Representing the Counties of Augusta, Albemarle, Greene, and Nelson

Jace Goodling has served as a Director for CVEC since May 2003. He and his wife Louise have two grown sons, Atlee and Clarke, and live on a 25-acre farm in Afton. He is a lifelong resident of Albemarle and Nelson Counties, graduate of Washington and Lee University, and has been residing in Afton for the last 45 years. Working in the residential housing industry since 1987, he is the owner of Goodling Enterprises, LLC, providing general contracting and project management and oversight services for residential construction and renovation projects. Mr. Goodling also operates "Goat Busters"; a green, environmentally sensitive brush clearing business utilizing his herds of Kiko goats.

Mr. Goodling served as President of the Nelson County Home Builders #39 Association for many years, and has served as a Nelson County representative on the Board of Directors of the Thomas Jefferson Housing Improvement Corporation (now the Piedmont Housing Coalition). He has served as Chairman, Vice Chairman, Secretary and Treasurer of the CVEC Board. Mr. Goodling earned his certification as a Rural Electric Board Director from the National Rural Electric Cooperative Association (NRECA).



South District: Representing the Counties of Amherst, Appomattox, Buckingham, Campbell, Cumberland, Goochland, and Prince Edward

Kinckle Robinson has served as a Director for CVEC since March 2005. He is a lifelong resident of Appomattox County, living in Pamplin with his wife, LeeAnn, and their two children. He is President and Owner of Robinson Funeral Home, Inc., in Appomattox, a family owned and operated business since 1947. He also owns Laithreach Farms, a beef cattle/calf operation.

Mr. Robinson graduated from Hampden-Sydney College. He currently serves on the Board for The Farmers Bank of Appomattox. He and his family are members of Memorial United Methodist Church in Appomattox.

Mr. Robinson has served as Vice Chairman and Secretary and currently serves as Chairman of the CVEC Board. He earned his certificate as a Rural Electric Board Director from the National Rural Electric Cooperative Association (NRECA).



East District: Representing the Counties of Fluvanna, Louisa, and Orange

George Goin has served CVEC as a Director since 1993 and has been a CVEC member since 1972. He and his wife Claudia live outside Scottsville on Modesto Farms and Greenhouses. They have two sons and a granddaughter.

Mr. Goin is a Vietnam-era veteran serving in the US Air Force from 1966 to 1972. He retired from the Department of Game and Inland Fisheries and the US Postal Service, and has farmed Modesto Farms since 1974.

Mr. Goin has served as Treasurer and Chairman of the CVEC Board. He is currently the CVEC representative on the Virginia Maryland Delaware Association of Electric Cooperative Board of Directors and the Chairman of Firefly. Mr. Goin is active in his community, as well. Among his activities are Fluvanna Farm Bureau Board, USDA Farm Service Agency, Fluvanna County Fair Board, Ruritan, American Legion, and the Fluvanna Economic Development and Tourism Advisory Council (EDTAC).

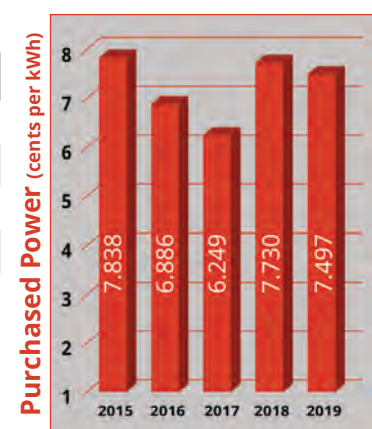
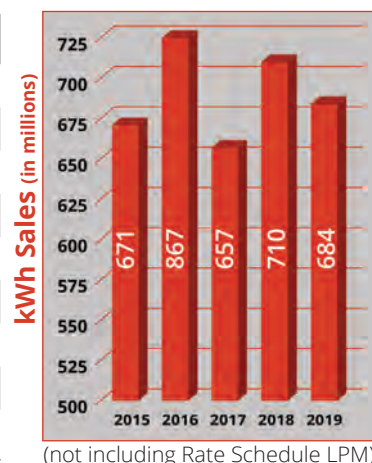
Mr. Goin earned his certification as a Rural Electric Board Director from the National Rural Electric Cooperative Association (NRECA) as well as Director Gold Certification.

Financial Statements: as of December 31, 2019 & 2018

Balance Sheet

ASSETS (What we own)	2019	2018
Total Value of Our Plant:	\$298,877,897	\$259,124,791
Accumulated Depreciation:	\$80,902,575	\$76,203,487
Net Value of Our Utility Plant:	\$217,975,322	\$182,921,304
Cash in the Bank:	\$1,181,294	\$972,728
Value of Our Investments:	\$2,764,945	\$5,071,070
Notes & Accounts Due Us:	\$12,129,238	\$13,096,557
Value of Materials Stock & Supplies:	\$4,501,796	\$4,236,643
Net Non-utility Property	\$14,602,909	\$1,215,209
Value of Prepayments & Miscellaneous Assets:	\$2,896,284	\$2,989,575
TOTAL ASSETS	\$256,051,788	\$210,503,086

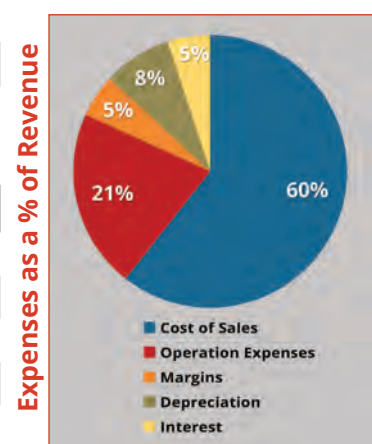
LIABILITIES (What we owe)	2019	2018
Owed to RUS & FFB:	\$124,341,479	\$85,484,146
Owed to CFC & Others:	\$35,248,554	\$38,116,266
Other Liabilities:	\$33,547,972	\$28,529,957
Members' Equity in Co-op:	\$62,913,783	\$58,372,717
TOTAL LIABILITIES & CAPITAL	\$256,051,788	\$210,503,086



Statement of Operations

OUR INCOME	2019	2018
Operations Revenue	\$99,155,552	\$94,144,740
Investment Income (net):	\$335,483	\$632,706
TOTAL INCOME	\$99,491,035	\$94,777,446

OUR EXPENSES	2019	2018
Cost of Sales:	\$59,933,811	\$59,790,709
Expense of Operating & Maintaining System:	\$21,149,956	\$19,904,445
Annual Depreciation of System:	\$7,804,187	\$7,130,493
Interest Expense:	\$5,305,898	\$5,009,758
TOTAL EXPENSES	\$94,193,852	\$91,835,405
MARGINS AND PATRONS' CAPITAL	\$5,297,183	\$2,942,041



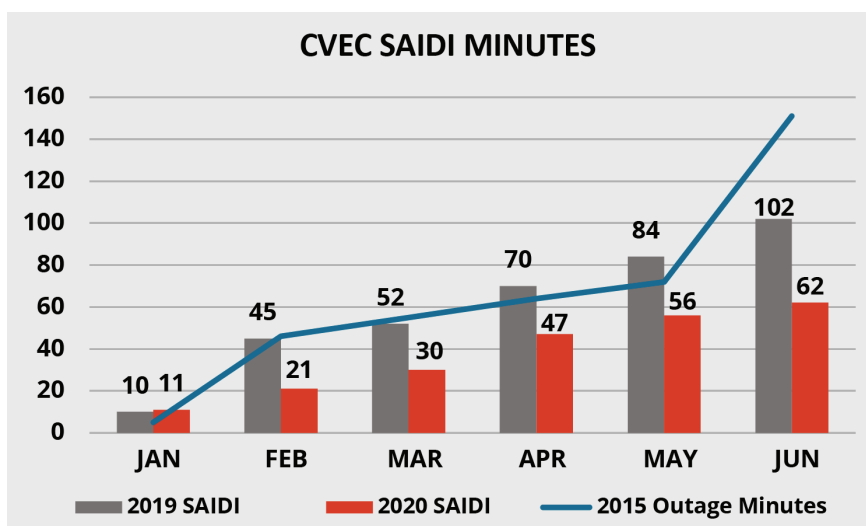
Financial statements are audited annually by an independent certified public accounting firm. Our financial statements present fairly, in all material respects, the Cooperative at December 31, 2019, and the results of the year conform with generally accepted accounting principles. Copies of our financial statements are available upon request.

Reliability: Continuing in the Right Direction

CVEC's commitment to improving service reliability over the last five years has resulted in a downward trend in minutes of outage time per year for our members.

The Cooperative invests in vegetation management to keep rights-of-way clear, construction work plans to upgrade and replace equipment as needed, and field inspections to be sure equipment in the field is in tip top shape. The chart here displays outage times for 2019 vs. 2020, illustrating that CVEC has lowered its outage times from last year and even in its most recent history.

Even with measurable, noticeable results, outages are inevitable. Please be prepared for outages and sign up for communication from CVEC. Update your contact information and receive notifications via Text, Mobile App, and/or email. Visit www.mycvec.com for more information and to sign up.



System Average Interruption Duration Index (SAIDI) is the average outage duration for each customer served.

4 COMMON CULPRITS OF ELECTRICAL FIRES

Outdated wiring and overloaded circuits are the most common causes of electrical fires. Check the following areas of your home to ensure your home's electrical safety is up to par.

- Electrical outlets:** Faulty electrical outlets are a leading cause in home fires. As outlets age, so do the wires behind them that you can't see. Any loose, damaged or warm-to-the-touch outlets should be repaired or replaced.
- Electrical wiring:** Outdated wiring is another common cause of electrical fires. Frequently tripped breakers, flickering lights and burning smells are clear warning signs. If your home is more than 20 years old, it may not be able to handle today's increased power load. If you suspect your home's wiring is outdated, leave this one to the pros and contact a qualified electrician.
- Overloaded cords and outlets:** Extension cords are not permanent solutions. If your big-screen TV, home theater system and other electronics are plugged into one extension cord, it's time to call an electrician and install additional outlets.
- Old appliances:** Older appliances are more likely to have loose or damaged wiring, which means they're more likely to catch fire. Check older appliances for damage and determine if it's time to upgrade or replace. Also check to ensure you're using appliance-grade outlets. A qualified electrician can help with installation.

Firefly Shines Bright!

CVEC's Communications Team walked the "virtual red carpet" again this year, taking home two *Spotlight on Excellence* Silver Awards for their submissions for the marketing campaign of the new internet subsidiary, Firefly Fiber BroadbandSM.

Awards are normally given at the annual communications conference, but the conference was canceled and the awards ceremony was revamped due to the coronavirus.

The winning entries were:

Best Wild Card

"Flash is Born – The Firefly Mascot"

Best Total Communication

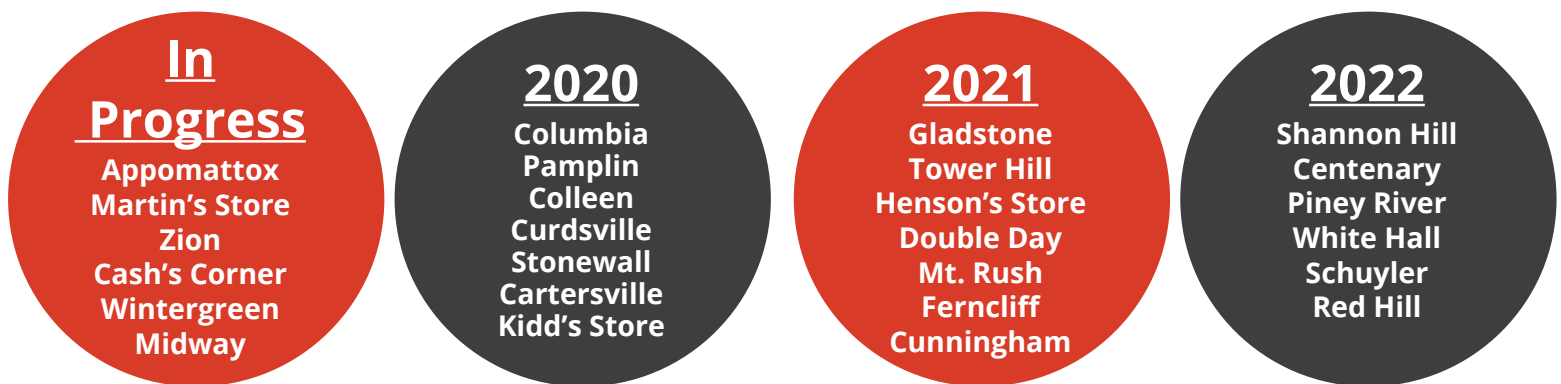
"Firefly Takes Flight"



Hitting Our Stride: CVEC Picks up the Pace of the Fiber Build

Building fiber is a 12-18 month process, but the technology is future proof!

Although CVEC is building fiber across its system at a rapid pace of 15-20 miles per week, it will still take two more years for the fiber build to be complete. CVEC is now working in every single substation for the fiber build – whether designing where the fiber will be built, staking it in the field, or installing fiber to your home! CVEC has made connections in large substations like Appomattox, Martin's Store, and Zion. Some areas within these first phases have been delayed due to the need for permits for road and river crossings that have been pushed even later due to the backlog caused by the pandemic. Make ready construction is underway in the Year 2021 areas so they are ready for fiber construction and, ultimately, fiber connection next year. The make ready engineering for the final stops of our fiber build in Year 2022 is taking place currently so that crews can get the poles and anchors in place for the fiber to be installed. Please follow the progress on our updated **Broadband** section webpage at: www.mycvec.com.



Please note the years indicated here are the year when fiber installation will begin in the named substation areas. Final connections for service can take up to six months after fiber installation is complete. CVEC reserves the right to adjust start dates or order of construction as necessary for project construction efficiency.

Bringing More Shine Into Your Life

Central Virginia Electric Cooperative announced its partnership with Sun Tribe and Sol Systems to increase the solar energy in their power portfolio, providing more clean, affordable energy for its members.

Plans are underway to develop two solar arrays that will generate an additional 13 megawatts (MW) of solar power with battery storage. CVEC will join the ranks of cutting edge cooperatives to deploy battery storage; capturing energy during the day so that it can be used during times when purchasing power is more expensive and the sun is not producing as much energy. A 5MW solar array is being developed on a 62-acre site served by the Cunningham electric substation in Fluvanna County. The larger 8MW solar array with battery storage is being developed in Albemarle County on a 132-acre site served by the Midway electric substation. All members will benefit from this cost-effective, green energy alternative being added to their power supply portfolio.



Installing a smart power strip is a quick and easy way to start saving money while making your home more energy efficient. Smart power strips can actually cut power off to save energy since they are able to detect when a device is in standby mode.

Source: energy.gov

COVID Precautions For Annual Meeting

This year's Annual Meeting will look a bit different!

Join us at CVEC's Headquarters building in Colleen on September 23, where we will hold the business portion of the meeting outside under shelter. We will not offer food and door prizes this year, but we will allow the voting member of the household to attend the business meeting and vote for the Director Election.

Due to strict social distancing requirements, please note the following guidelines for attendance:

- The meeting will begin at 7pm and will last approximately 15 minutes.
- Registration will open at 6pm. Early registration is not available this year. **Please do not arrive before 6pm to register for the Annual Meeting.**
- Bring the back panel of your newsletter with you for contactless registration.
- Only the account holder may attend as there is a limit on the number of attendees we can accommodate under cover at the event.
- Attendees will be required to maintain six feet distance between themselves and other guests, employees, and directors at all times.
- Attendees will be required to wear a face mask during the entire meeting. If attendee does not have a mask, one will be provided to them.
- The meeting will be held outdoors rain or shine.
- CVEC reserves the right to turn away attendees if the outdoor venue is full and participants cannot safely view the meeting while socially distancing.



NONDISCRIMINATION STATEMENT

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. This institution is an equal opportunity provider.

How To Vote:

If you do not attend the Annual Meeting in person, you may vote by proxy ballot. If you come to the meeting you are entitled to vote during the meeting. If you mail a proxy ballot but attend the meeting, your proxy ballot will be canceled.

Proxy:

If there is doubt that you can attend the Annual Meeting, please execute and return the proxy ballot promptly so a member may be designated as your proxy. The proxy will act on your behalf for business matters and will ensure a quorum for the business meeting. The named person should be someone you expect to attend the meeting. Only a fellow member or CVEC Director may be designated by you as your proxy.

You may also leave the space blank and the CVEC Board will appoint someone to act for you.

Please sign and date the proxy ballot.

Return it to CVEC by folding the ballot together, sealing, and mailing. By returning the proxy ballot, you are registered for proxy prizes.

ANNUAL MEETING LIVE STREAM

CVEC will simulcast and record the Annual Meeting for members who are unable to attend. Visit www.mycvec.com for a link to view the broadcast.

A brief Q&A will follow the presentation. Please email questions to information@mycvec.com no later than noon on September 21.



Tear at perforation, fold & seal

HOW TO WIN \$500

- » We will pick 61 proxy ballots from all received by 5 PM, Monday, September 21.
- » 50 winners will receive a \$25 credit toward their electric bill.
- » 10 winners will receive a \$100 credit toward their electric bill.
- » **ONE GRAND PRIZE WINNER WILL RECEIVE \$500 CASH!**
- » Your proxy will not be valid if you attend the meeting.

Fold here

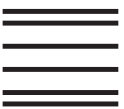


BUSINESS REPLY MAIL

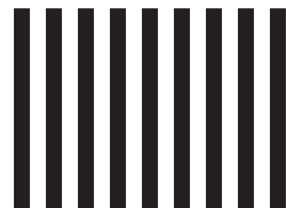
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Central Virginia Electric Cooperative

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(800) FOR-CVEC | www.mycvec.com

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**You are invited to CVEC's
83rd Annual Meeting!**

September 23, 2020

Registration begins at 6PM



OFFICIAL 2020 CVEC PROXY BALLOT

The Board of Directors of Central Virginia Electric Cooperative solicits your Voting Instructions for the Annual Meeting, 7PM, September 23, 2020.

1. Designate Your Proxy (Optional)

(A member attending the Meeting to vote on your behalf. This is optional. If left blank, the Board of Directors will appoint someone as your Proxy.)

PROXY NAME: _____

2. Voting Instructions: Check only one box in each district.

(If left blank, your Proxy will choose on your behalf.)

West District	Jace Goodling (3 yr. term)
	Abstain
South District	Kinckle Robinson (3 yr. term)
	Abstain
East District	George Goin (3 yr. term)
	Abstain

NOTE:
YOU MAY VOTE FOR ONE (1) IN EACH DISTRICT

This proxy ballot must be signed by the Member or by his attorney-in-fact, guardian or conservator. If the person signing is attorney-in-fact, guardian or conservator for the Member, or the Member is an organization such as a church, corporation, partnership, association, estate or trust, then the person signing on behalf of the Member must also list his or her title on the second line.

I acknowledge receipt of the Notice of Annual Meeting and Proxy Designation. In the event of my absence, I hereby designate a Proxy to vote on my behalf at the Annual Meeting.

This Proxy Ballot, when returned properly executed, will be voted as directed. If this Proxy Ballot is returned signed with no Voting Instructions, my Proxy will choose on my behalf. The Board of Directors will appoint my Proxy if I do not designate someone.

3. Sign here to validate Proxy Ballot

X _____, 2020
Member Signature Date

TITLE: _____

Required for the person signing on behalf of an organization such as a church, corporation, partnership, association, estate or trust, or as an attorney-in-fact, guardian or conservator.

E-MAIL ADDRESS: _____

PHONE #: _____

4. Mail Proxy Ballot: Must be received by 5 PM, September 21, 2020.