



CEO Wilkinson Says Goodbye After 28 Years

Robert Wilkinson leaves the helm at CVEA on June 1, 2015, after having served as the CEO for 18 of his 28 years with the Cooperative. Robert has seen and done a lot during his tenure, with many notable accomplishments, so we thought we'd ask him to answer a few questions.

Please see the questions and answers that follow, and join the entire CVEA Team in congratulating Robert on his successful career at your local electric cooperative.

Q. How did you come to work at CVEA and what was your role prior to becoming CEO?

A. My family moved to Alaska in 1959 not long after statehood. I grew up in Anchorage, went to college in Washington, and never knew I was a country boy until moving to Glennallen in 1986. I joined CVEA as the Finance and Administrative Manager.

Q. Why did you want to be CEO?

A. I wanted an opportunity to lead. I had been the #2 guy for many years, worked 10 years for two general managers at CVEA and did not really want to work for a third. My immediate predecessor left abruptly after a somewhat turbulent time and, frankly, left a number of issues behind that required immediate attention.

That list included Petro Star's plans to quit CVEA and generate their own power, three pending merger offers sat on the table, we had a Copper Valley Intertie Project that we had invested five years and \$1.5 million in that was politically and economically dead, and member and employee relations were not good to say the least.

I struggled with whether to apply for the top spot, uncertain whether I was up for the challenge, when an Old Timer from Ketchikan said to me "Bobby, when you run in the back of the team, the view never changes."

Since becoming CEO more than 18 years ago it has been one heck of a ride.

Q. What did you most hope to accomplish at CVEA when you became CEO?

A. Well, the immediate agenda was to address the issues mentioned in the previous paragraph. We designed and built the Cogen Project with Petro Star keeping them as a customer and



**Above, Wilkinson with Fred Williams, a long-time CVEA Director and friend
Inset next page, Wilkinson and Crystal Enkvist, Executive Director of the Alaska Power Association**

creating a new source of revenue, heat, which has returned \$31 million in benefits since the project began operation in 2000, we set the merger offers aside, and worked hard to rebuild member relations and employee morale with some success.

My grand plan to obtain state money, previously appropriated for the intertie, for the Cogen Project went down in flames at the hands of Ramona Barnes. I had fun trying.

Years later CVEA was successful in obtaining a \$10 million legislative authorization to reimburse us for debt service on the Cogen, and to date we have collected reimbursements of \$2,999,000 from that authorization.

Q. What was one thing you wish you had accomplished, but didn't, during your time at CVEA?

A. Find a reliable source of winter energy not tied to fuel prices. We tried hard to make the Allison resource into a lake storage project to maximize displacement of fuel oil (i.e. winter energy). The storage alternative would have required a massive earth-filled dam constructed on unstable soils right above the Valdez Marine Oil Terminal. The risks and economics posed significant challenges.

After careful evaluation the Board determined a run of river development scheme was the preferred alternative for turning Allison water into hydropower. Reconnaissance studies on

Silver Lake and Tiekel River, showed both have storage potential but also have considerable distance, terrain, environmental and economic challenges. In CVEA's continued search for cost-effective winter energy those projects may be revisited at some point.

Q. What is the thing you like most about working at CVEA?

A. That is an easy question to answer; the people. A smart person told me once "I love everything about personnel but the employees". If you have ever supervised people you might find some truth in that. That said, past and present employees at CVEA have been the source of my greatest challenge as well as my greatest inspiration. Fact is, it takes everyone from the person who mows the lawn to the President of the Board to make this operation successful.

Q. What do you consider to be your most important accomplishments at CVEA?

- A.**
- First year on the job-brought the Co-op back from a dark time
 - 1997 Rate Study-first rate decrease in history of company, saving members \$800,000 year, every year
 - Benefits of the 1998 Local Regulation Campaign
 - The Cogeneration Project
 - Divestiture 1 and 2, getting the keys to Solomon Gulch back and \$16.6 million cash
 - Moving the transmission line on Thompson Pass out of the avalanche zone; keeping employees out of harm's way, improving reliability, and saving the members money
 - Raising \$23 million in grant funding for the Allison Creek Hydroelectric Project, reducing the cost of power from the project for the members
 - Successful financial management, no audit adjustments for more than 20 years
 - Creating a climate of trust and respect in the boardroom
 - Turning CVEA into a highly regarded and well respected utility statewide
 - On behalf of the Board and the Employee Team, winning the Mason Lazelle Achievement Award at the Alaska Power Association Annual Meeting in Valdez in September 2014

Q. Would you care to expand on any of your accomplishments?

A. Local Regulation-Under Alaska Public Utilities statutes electric cooperatives have the option to be regulated as to economic matters (rates and service policies) by the public utilities commission or by their local governing boards.

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Wilkinson Wins the 2014 Mason Lazelle Achievement Award

CVEA's CEO Robert Wilkinson was awarded the Mason Lazelle Achievement Award, which is the highest award conferred by the Alaska Power Association membership. The LaZelle award honors the memory of a leader who understood the symbiotic relationship between rural and urban Alaska, and who was a key player in helping to keep electric power affordable for Alaskans.

Wilkinson was noted for recognizing and working to combat the high cost of energy in rural Alaska for nearly three decades, for acting as a mentor to many in the industry, for his commitment to the communities he serves, and for being someone who epitomizes what it means to be a positive contributor to the electric cooperative industry and to Alaskans as a whole.

Wilkinson's award was supported by Alaska's Federal Delegation, state legislators from the House and the Senate, and the people he works with every day.

According to Senator Lisa Murkowski, "Robert is a known leader in the Alaska electric industry and I have enjoyed working with him."

Alaska State Senator John Coghill recommended Robert for the award stating, "Robert has elevated discussion for an electric grid that would connect various isolated areas into a 'roadbelt' system and has long advocated the development of renewable energy opportunities throughout the State."

Alaska Senator Click Bishop said, "over his decades of service, Robert has been a huge asset to the Alaska Power Association and the industry it represents. He has been a bright light on his annual trek to Juneau to advocate for power projects to the State's elected leaders."

Robert has worked tirelessly for CVEA and the State of Alaska involving electric utility issues. There was no one more deserving than Robert for this utility industry recognition, and CVEA was filled with pride as he accepted this very prestigious award.

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Local Regulation (cont.)-This local regulation option is exercised through an election whereby members put the question to an up or down vote.

In 1998, members voted by a 2 to 1 margin to choose local regulation over regulation by the state commission. The wisdom of this decision has been proven many times through lower costs, more timely resolution of issues, local board members deciding questions instead of regulators in Anchorage, and the ability to create tariffs or service policies that make sense for our circumstances instead of a state commission's narrow view of the world.

Divestiture of the Four Dam Pool-The Solomon Gulch Hydroelectric Project was built by CVEA in the late 1970s. The project suffered major cost overruns and ultimately was sold to the State of Alaska and was included in a power pooling arrangement with three other projects involving five utilities that came to be called the Four Dam Pool.

In the mid 1990s the State determined to "divest" their ownership in these assets. Eventually the State sold the four hydro projects to a newly created entity made up of the five utilities called the Four Dam Pool Power Agency. Kodiak Electric, the operator of the largest project, pushed for breakup of the Agency and divestiture of the projects back to the communities they were built to serve.

These two transactions are known as Divestiture 1 and 2. From initial discussion of D1 until final completion of D2 took 14 years. I believe it was worth the effort when, in February 2009, CVEA once again became owner of Solomon Gulch and was given a settlement of \$16.6 million for releasing its rights under Four Dam Pool agreements. The initial FERC license for Solomon expires in 2028 and is expected to be renewed for another 50-year term.

Q. What do you think makes CVEA special?

A. The dedication of the Employee Team and the Board of Directors to the Vision and Mission of CVEA, the understanding that hard work and achieving excellence is important, and at the same time a willingness and a genuine interest in having fun on the job, and making the most of the opportunities given.

If you can't laugh at work, it is harder to get out of bed in the morning. Nobody is immune. My first year as CEO I was nominated for the coveted (NOT!) Iron Oosik Award for taking a job at a company that was FOR SALE! It cracked me up. PS: it wasn't my only nomination.

Q. What did you do to prepare the Co-op for your departure?

A. In a sense I have been preparing for my departure for many years. I consider myself to be a very good teacher. I am very interested in leadership.

A principal responsibility has been to train future leaders of CVEA. I do that by offering them involvement and participation in the boardroom, through coaching and mentoring and by creating opportunities for growth and development, here at home and in the industry, and it has paid off nicely for the Co-op. As to the specific question, I have been discussing succession planning with the Board of Directors for many years. Last October the Board determined to solicit applications from internal candidates. I created a process for the Board to facilitate the application, evaluation, interview and selection of the next CEO. Three very strong, very qualified candidates applied; all were interviewed and the Board selected John Duhamel to be the next CVEA CEO.

Q. What kind of legacy do you think you're leaving?

A. Not sure legacy is an appropriate word. I hope I have helped to create a high achieving organization that will continue to be competent at what it does, professional in the way it does it, and will continue to be well respected by the Members, the Industry, the Legislature, the Congressional Delegation, and everyone the Co-op does business with.

Q. What do you think is the Co-op's biggest challenge ahead?

A. The 80 year old model of central station service being the best strategy for providing electric service to customers is increasingly being called into question. Technology, innovation, entrepreneurial spirit, state and national politics, and regulatory change are causing a reassessment of the model Alaska has used for almost 75 years when MEA became Alaska's first electric cooperative. Rethinking the basic Co-op business model is a very significant challenge.

Q. What is the biggest difference from when you joined CVEA in 1986 and today?

A. Technology. In 1986 the company had two personal computers and neither worked very well. Today we have hundreds of devices tied together in an interconnected system that can do a lot of things including turn electrical generation off and on in four power plants from the dispatch center at Solomon Gulch.

Back in 1986 when you wanted a *color copy* you changed the spool of paper on the Xerox copier, your choice was pink or blue, paper.

Q. CVEA is run by a Board of Directors; what's it like working for a Board?

A. For a small nonprofit CVEA has a very well developed governance structure and the Board and the Management respect the boundaries and division of responsibilities between the two groups. I believe one measure of the success of our program is the length of time Directors are willing to remain a part of the organization. I have worked for 30 different Directors since

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I became CEO in 1996, the majority of which have served more than one three-year term. Directors that have served four terms include Jim Manning and Jeff Saxe, Directors serving five terms include Lye Von Bargen and Paul Kildal, and then there is our Director Emeritus, Fred Williams who has been on the Board since long before I joined the company.

Working for eight people can be both challenging and rewarding. The fact that I have survived more than 18 years in the CEO job is a reflection of how hard the Board(s) and I have worked at it.

Q. What will you miss most about working for CVEA?

A. I have to say it will be the people I have met and had the opportunity to work with. I am awestruck by how smart electrical engineers have to be to do this important work. I am honored to have worked with top notch people in their profession including Mike Easley, Ray DeStefano, Chris Botulinski and Steve Bushong.

The person I will miss most, without doubt, is Nancy Heidelberg. Nancy has watched my back, made me look good, run interference when necessary, and kept the train on the tracks for over 20 years all the while doing her work with professionalism, grace, respect and a positive attitude that is unsurpassed.



Above, Robert and Jean Wilkinson pose for a picture at the Gold Rush themed reception during the Alaska Power Association Annual Meeting in 2014

What do you plan to do now?

Jean, my Bride of over 40 years, retired last July after 25 years as the Magistrate Judge at the Glennallen District Court. We will retire in Bend, Oregon where we built a home in 2013. We plan to maintain an active lifestyle, enjoy all central Oregon has to offer and spend time with family.

Any final comments?

It has been a fun ride. I appreciate having been given the opportunity, and I wish the Co-op the best of luck and much success in the future.



John Duhamel Take The Reins

After a focused internal application and interview process, CVEA's Board of Directors named John Duhamel as the organization's next Chief Executive Officer.

John joined Copper Valley in 2010 and currently holds the position of Executive Engineer where he oversees cooperative environmental, regulatory, and project management responsibilities. He is most well known for his work on the Allison Creek Hydroelectric Project.

John brings more than 35 years of diverse professional experience in various leadership roles to CVEA. He is a retired United States Air Force Lieutenant Colonel, veteran of the Gulf War, and holds an Engineering degree from the Air Force Academy and Master's Degrees in Public and Business Administration. In 1999, John retired from the military and immediately launched into executive management in the Alaska business community.

John says he thinks CVEA's biggest concern is the volatility of fossil fuel prices and its affect on member costs. "My pursuit going forward is to reduce our dependence on fossil fuels and thus lower our members' rates."

According to Robert Wilkinson, "John is a proven leader as he has demonstrated throughout his military service, time in private industry, and for the last five years at CVEA. In his short time with the Co-op, John has gained the respect of every member of the Employee Team and Board of Directors, Industry Colleagues, Agency Personnel as well as Legislators and the Congressional Delegation. I am confident John will accomplish great things in his new role as CEO."

John had this to say about his predecessor, "Following in Robert's footsteps is an honor. His steadfast leadership over the last 18 years provides a strong foundation for CVEA, and my goal is to continue to safeguard CVEA's members and employees as we work together to provide safe, reliable, sustainable and affordable energy. I thank the Board of Directors for their vote of confidence and support."

John has been married to his wife Genia (pictured above) for 33 years. They have two grown children, Nikki and Ben. The family recognizes Alaska as their home despite their many stays in other states through John's military career. John enjoys hunting and fishing and spending time on the water in Valdez. ■