



## **SOUTHEAST ALASKA POWER AGENCY**

### **Special Board Meeting AGENDA**

SEAPA Offices | Ketchikan, Alaska

**Friday, December 12, 2014 | 12:30 p.m. AKST**

**For Telephonic Participation: Dial 1-800-315-6338 (Access Code: 73272#)**

1. Call to Order
  - A. Roll call
  
2. Approval of the Agenda
  
3. New Business
  - A. Consideration and approval of award of contract to A. Dashen & Associates
  
4. Adjourn

## Southeast Alaska Power Agency

**DATE:** December 9, 2014  
**TO:** SEAPA Board of Directors  
**FROM:** Trey Acteson, CEO  
**RE:** A. Dashen & Associates Contract

---

SEAPA currently has an opportunity to refinance a portion of its outstanding 2009 bonds at a significant savings. Wrapped into refinancing is the opportunity to borrow a portion of the funds required to complete the Swan Lake Reservoir Expansion Project. Allen Dashen of A. Dashen & Associates of Bellevue, Washington, has served as SEAPA's financial advisor related to bonds and long-term financial planning and analysis of options, since SEAPA's inception. Mr. Dashen has submitted a proposal to SEAPA to provide the following financial advisory services:

- develop and implement any financing undertaken by SEAPA in coordination with SEAPA's legal counsel and CEO
- assist SEAPA in the selection of a bond underwriter if it is determined that the best financing for SEAPA is a bond issue
- make recommendations on the timing, sizing, maturity structure, call provisions, and other details of bond issues
- coordinate SEAPA's bond rating and bond insurance applications and presentations
- analyze alternatives and make recommendations relative to interim financing when appropriate, and assist with interim financing as requested
- provide comments to SEAPA's bond counsel related to the bond resolution and other financing documents, and review/provide comments to the official statement for the bonds
- In the event a bond sale is negotiated, represent SEAPA during the bond pricing by the underwriter, and assist in negotiating the terms of the financing, including interest rates, yields, call provisions, fees and chares, and other parameters related to the sale of the bonds, and provide recommendations whether or not to accept the offer of the underwriter to purchase the bonds
- provide other services typically expected of a full service financial advisor on a bond sale

In addition to serving as SEAPA's financial advisor, Mr. Dashen will provide ongoing financial advisory services, including preliminary planning, analysis of alternatives, and other services as requested by the Agency.

Given the short window of time available for consideration of the refinancing, we need to have Mr. Dashen's services secured at the soonest opportunity to commence a review of the Agency's pertinent governing documents related to a possible refinance, and facilitate a schedule to effect the events that will be necessary preliminary to closing refunding of the bonds if the option of refinancing is exercised.

Mr. Dashen's services are currently estimated at the not-to-exceed value of \$25,000. We currently have \$5,000 allocated in the FY2015 budget for his services. We will need additional funds to secure a contract for his services. SEAPA's procurement policy provides that contracts for professional services between \$25,000 to \$50,000 must receive three oral price quotations from at least three qualified persons or vendors; however, Paragraph 7.4 of the policy provides that soliciting quotes is unnecessary for contractual services of a professional nature. A. Dashen & Associates' services are of a professional nature and it is in SEAPA's best interest to secure those services

## Southeast Alaska Power Agency

given their familiarity with the Agency's financing and since time is of the essence in consideration of the refinancing.

Based on the above, please consider an increase to SEAPA's Fiscal Year 2015 budget to accommodate the additional \$20,000 that will be needed to contract with A. Dashen & Associates, and authorize staff to enter into a contract with them for their services.

The following are suggested motions:

| <b>SUGGESTED MOTION</b>  |
|--|
| <b>I authorize staff to enter into a contract with A. Dashen &amp; Associates for financial advisory services for bond issues and other financings by SEAPA for the not-to-exceed value of \$25,000.</b> |

| <b>SUGGESTED MOTION</b>  |
|--|
| <b>I authorize an increase of \$20,000 to SEAPA's Fiscal Year 2015 budget for financial advisory services for bond issues and other financings by SEAPA.</b> |