



## **SOUTHEAST ALASKA POWER AGENCY**

### **Regular Board Meeting AGENDA**

Best Western Plus Landing Hotel | Ketchikan, Alaska

**Wednesday, September 3, 2014 | 9:00 a.m. to 5:00 p.m. AKDT**

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

1. Call to Order
  - A. Roll Call
  - B. Communications/Lay on the Table Items **COMMUNICATIONS**
    - i. 2014 0707 Memo to SEAPA Board of Directors from Chairman Re AK-BC Intertie
    - ii. 2014 0708 Email to Director Ashton from SEAPA CEO
    - iii. 2014 0721 Email from Sivertson & Associates
  - C. Disclosure of Conflicts of Interest
2. Approval of the Agenda
3. Persons to be Heard
4. Review and Approve Minutes **MINUTES**
  - A. June 25-26, 2014 Minutes of Regular Board Meeting
5. Financial Reports **FINANCE**
  - A. CEO Financial Cover Letter
  - B. Controller Financial Memo
  - C. kWh Graph
  - D. Grant Summary
  - E. Financial Statements – June 2014
  - F. Financial Statements – May 2014
  - G. R&R Reports
  - H. Disbursement Approvals – June 2014 and July 2014 **DISBURSEMENTS**
6. CEO Report **CEO RPT**
  - i. Legislative & Agency Affairs
  - ii. Best Practices and Process Improvements
  - iii. Recruitment
  - iv. Tyee Lake Transition to Owner/Operator
  - v. Whitman True-up
  - vi. Kake – Petersburg Intertie
  - vii. Request for Offers of Power and Energy
  - viii. Public Relations
  - ix. Other

7. Operations Manager/Director of Special Projects Reports **OPS/DSP**
- A. Operations Manager's Report (Henson)
    - i. Regulatory
    - ii. Major Contracts
    - iii. Conclusion
  - B. Director of Special Projects Report (Wolfe)
    - i. SCADA Capital Project Update
    - ii. Swan Lake Reservoir Expansion
    - iii. Tyee Lake Cooling Water Conversion
    - iv. Tyee Lake Turbine Shutoff Valve
    - v. Department of Commerce, Community & Economic Development
    - vi. Water Management
8. Project Reports
- A. Swan Lake
  - B. Tyee Lake
9. Old Business **OLD**
- A. Consideration and Approval of Deferred Motion Re  
FY15 Rebate to Member Communities
10. New Business **NEW**
- A. Consideration and Approval of Increase to FY15 Budget for  
an Arc Flash Study and to Proceed with Solicitation of  
Vendors and enter into a Contract for the work
  - B. Review of Employee Benefits Plan FY 2015 Renewal Rates
  - C. Consideration and Approval of Resolution 2015-55 Re AEA  
Round VIII Renewal Energy Grant Program Applications
  - D. Consideration and Approval of Whitman True-up Agreement
  - E. Executive Session Re CEO Annual Review
  - F. Set Next Meeting Date
11. Director Comments
12. Adjourn

MEMO        July 7, 2014

TO            SEAPA Board of Directors

FROM        Bob Sivertsen, Chair

RE            AK-BC Intertie Communications

This is a follow-up to board member Ashton's request that SEAPA respond to an email sent to him from Sivertson & Associates Consulting Ltd. of Victoria, BC.

I called Lorne Sivertson on July 7, 2014 and discussed the Bradfield Canal's potential for an intertie. The conversation was not detailed but it was clear that Mr. Sivertson had the information required for the firm he represents to evaluate such a project. He referred to the Black & Veatch report as well as the D. Hittle report. Mr. Sivertson also discussed the findings of AEA and the latest update and opinions on the AK-BC connection.

The bottom line: Is there enough need to invest in a \$200,000,000 transmission project (his number) or is there a strong enough business case for private investment? The discussion settled on the need for the State of Alaska to make a majority investment in the project to move it forward. The project was originally slated as a potential export project but now it is well understood that it would be considered an import of BC power. Mr. Sivertson also understood that today it would be related to diesel avoidance in southeast. Mr. Sivertson further stated that his understanding was the rare earth mine would start up using their own LNG fuel generators and that an additional \$50,000,000 would be needed to interconnect that facility to Tyee.

What the email to Mr. Ashton suggested was that a letter of support from SEAPA would help in convincing the state that it would be in the public interest to interconnect. At this time it does not appear feasible for SEAPA to support such an investment.

## Sharon Thompson

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**From:** Trey Acteson  
**Sent:** Tuesday, July 08, 2014 4:24 PM  
**To:** Brian Ashton; 'Bob Sivertsen'  
**Cc:** 'Andy Donato'; 'Charles Freeman @AKO'; 'Christie Jamieson'; 'Clay Hammer'; 'Don McConachie'; 'Joe Nelson'; 'John Jensen'; 'Lew Williams'; Sharon Thompson  
**Subject:** RE: Proposed Call- AK BC Intertie Project

Director Ashton,

Thank you for your interest in my interaction with Sivertson & Associates Consulting of Victoria, BC. This consulting firm was hired by an undisclosed client to perform an AK-BC interconnection feasibility study and I would like to add some clarity to the issue. The reason I didn't immediately recall a solitary email sent by Mr. Lorne Sivertson a couple of months ago is because my interaction regarding this matter was with his associate Mr. Ted Popely, who at the time indicated SEAPA had fully addressed their consulting firm's inquiry. Mr. Popely and I discussed SEAPA's load growth forecast and potential future industrial loads in our region. We also discussed SEAPA's on-going initiatives and the updated interconnection study commissioned by AEA (AEA's report location provided below). He appeared to be well informed on all of these issues and noted that the preliminary findings of their AK-BC interconnection economic analysis were essentially consistent with AEA's findings. The biggest factors being lack of interconnection to isolated loads, low anticipated load growth, and no new "large" industrial loads on the horizon. At the conclusion of our discussion I asked if their consulting firm required any further information and specifically referenced Mr. Sivertson's email inquiry. He said "**No**" and that their feasibility study was already essentially complete "**prior**" to them contacting us. He stated he was simply "**checking the box**" as part of their due diligence.

As follow-on to your comments below, I recently contacted Mr. Sivertson directly to see why there appeared to be some confusion as to SEAPA's responsiveness. I was informed that his associate Mr. Popely has since left the project and moved on to other things. Mr. Sivertson acknowledged that Mr. Popely failed to communicate SEAPA's input to him prior to his departure. Giving Mr. Popely the benefit of the doubt, it would appear that he found SEAPA's input provided no significant "new" information to prompt a change in their analysis. Mr. Sivertson and I went on to discuss SEAPA's load growth forecast, potential industrial loads, and the AK/BC interconnection at length. He stated that their independent analysis found neither import or export economics were supported at this time and modeling determined it would take an 80MW load forecast increase by 2040 to make interconnection feasible. This also assumed that no new local generation would be built in anticipation of such large load growth. He concluded the AK-BC interconnection through the Bradfield wouldn't likely get any traction at this time unless the State of Alaska made a significant capital investment in the line construction, which he estimated at \$200 million. Please note that this is a significant departure from his email where it was couched that his client would "permit, finance, build, own and operate the AK BC Intertie". I asked Mr. Sivertson when their study would be available for others to review and he said that it was delivered to their undisclosed client and only they would decide when, "if ever", it



would be released. At the end of our call, Mr. Sivertson expressed an apology for the miscommunication by his consulting firm regarding SEAPA's responsiveness. I reiterated SEAPA's continued willingness to work with them and extended an open invitation to call me anytime.

Regards,

Trey

AEA's updated AK-BC Report is available here:

[http://www.akenergyauthority.org/SEIRP/2014\\_AK-BC\\_Report\\_v5final.pdf](http://www.akenergyauthority.org/SEIRP/2014_AK-BC_Report_v5final.pdf)

**Trey Acteson**  
*Chief Executive Officer*

**Southeast Alaska Power Agency**  
1900 First Avenue, Suite 318 : Ketchikan, AK 99901  
P: 907.228.2281 F: 907.225.2287 C: 907.617.0323  
tacteson@seapahydro.org | www.seapahydro.org



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**From:** Brian Ashton [mailto:ashtonb@ared.net]

**Sent:** Monday, July 07, 2014 11:07 AM

**To:** 'Bob Sivertsen'

**Cc:** Trey Acteson; 'Andy Donato'; 'Brian Ashton'; 'Charles Freeman @AKO'; 'Christie Jamieson'; 'Clay Hammer'; 'Don McConachie'; 'Joe Nelson'; 'John Jensen'; 'Lew Williams'

**Subject:** FW: Proposed Call- AK BC Intertie Project

Bob,

Per our discussion at the last SEAPA meeting, below is the email that Mr. Lorne Sivertson emailed Trey on April 15th and did not get a response from, nor was the SEAPA board advised.

The final report from Sivertson and Associates Consulting Ltd. (100 pages) went to their customer on June 6th, with no SEAPA input, in spite of it being a study connecting to the SEAPA grid with 190 megawatts of surplus power for sale.

I would like this to be put on the agenda for our next meeting.

Thank you,

Brian Ashton

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**From:** Lorne Sivertson [mailto:lorne.sivertson@shaw.ca]

**Sent:** Thursday, July 03, 2014 7:39 AM

**To:** Brian Ashton

**Subject:** FW: Proposed Call- AK BC Intertie Project

Here is the note I sent to Trey on April 16. I received no response.

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Lorne Sivertson  
President  
Sivertson & Associates Consulting Ltd.  
985 Brighton Crescent  
Victoria, BC, Canada V8S 2G4  
Phone: 250 598 6656  
Cell: 250 888 1941  
Email: [lorne.sivertson@shaw.ca](mailto:lorne.sivertson@shaw.ca)  
Website: <http://www.sivertsonconsulting.com>

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**From:** Lorne Sivertson <[lorne.sivertson@shaw.ca](mailto:lorne.sivertson@shaw.ca)>  
**Date:** Wednesday, April 16, 2014 at 3:32 PM  
**To:** "Trey Acteson ([tacteson@seapahydro.org](mailto:tacteson@seapahydro.org))" <[tacteson@seapahydro.org](mailto:tacteson@seapahydro.org)>  
**Subject:** FW: Proposed Call- AK BC Intertie Project

Trey Acteson  
CEO  
Southeast Alaska Power Agency

When I was working for Partnerships BC and BC Hydro in 2006/07 on the Northwest Transmission Line (NTL) the Alaska Energy Authority (AEA) had just commissioned the Hatch Acres engineering firm to conduct a feasibility into the AK BC Intertie. I received a number of documents at that time from the AK BC Intertie Work Group when Jim Strandberg of the AEA was Project Manager.

The concept was to build a new 100 km 138 kV transmission line from Lake Tyee, Alaska to the yet to be built Forrest Kerr substation, which would be connected by a 187 kV transmission line to BC Hydro's new Bob Quinn substation at the terminus of the Northwest Transmission Line ( NTL). The AK BC Intertie would facilitate new hydropower developments in SE Alaska, power exports from Alaska to British Columbia and possibly the lower 48 and as well provide a means for hydropower imports from BC into SE Alaska.

While Hatch Acres concluded the project was feasible, the AK BC Intertie did not move ahead at that point. This was because of NTL and Forrest Kerr hydro project delays and other reasons. However with the NTL to be commissioned in 2014 and soon to be extended north as well as other energy developments in BC and Alaska, including transmission upgrades from Swan Lake to Lake Tyee in 2009, progress on the 600 MW Susitna-Watana hydro project and major potential industrial load growth in Northwest BC, some of the pieces missing in the past for the AK BC Intertie have been realized.

We are a British Columbia consulting firm. Our associates include an engineering firm active in BC Northwest infrastructure projects and a policy consulting firm that does work in Canada and the US. Our client is a large international energy company based in Canada co-listed on the New York and Toronto stock exchanges. Given the background and status of the NTL our client has engaged us to assist it in assessing the business case for it to permit, finance, build, own and operate the AK BC Intertie. The basic premise would be to provide the necessary infrastructure for the import of BC sourced clean, secure hydropower to SE Alaska, to reduce power costs and pollution from high cost diesel generators and to facilitate Alaska power exports when they become available.

We have already spoken with the government of British Columbia and with BC Hydro officials on this project and received good cooperation and interest in the project. We need also to speak with a number of important Alaska contacts, including yourself.

With this introduction I would like to request that we arrange a convenient time that we can call you to obtain certain information that is very important to our business case assessment. In advance of the call I will send you some additional information and our list of questions.

Thanks for your cooperation

Lorne

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Lorne Sivertson

President

Sivertson & Associates Consulting Ltd.

985 Brighton Crescent

Victoria, BC, Canada V8S 2G4

Phone: 250 598 6656

Cell: 250 888 1941

Email: [lorne.sivertson@shaw.ca](mailto:lorne.sivertson@shaw.ca)

Website: <http://www.sivertsonconsulting.com>

**From:** Lorne Sivertson [<mailto:lorne.sivertson@shaw.ca>]  
**Sent:** Monday, July 21, 2014 9:08 AM  
**To:** Trey Acteson  
**Subject:** FW: AK BC Intertie - Business Case Assessment

Trey

On July 17, 2014 Sivertson & Associates Consulting Ltd. submitted our final AK BC Intertie Business Case Assessment report to our client. The associates for this work were McElhanney Consulting Services Ltd. and Western Policy Consultants. Working with our team was Wilson Construction Co Ltd., who have previously built transmission lines in the SE Alaska region.

Our client was provided with a draft of the report on June 6 and reviewed it closely over the last month. With that review completed the client has said that they are pleased with the report but have decided not to take any further steps at this time to further investigate the AK BC Intertie.

We would like to thank you for providing information to us in preparing our report.

Lorne Sivertson  
President  
Sivertson & Associates Consulting Ltd.  
985 Brighton Crescent  
Victoria, BC, Canada V8S 2G4  
Phone: 250 598 6656  
Cell: 250 888 1941



## SOUTHEAST ALASKA POWER AGENCY

### Minutes of Regular Meeting

June 25-26, 2014

The Nolan Center | Wrangell, Alaska

(An audio recording of this meeting is available on SEAPA's website at [www.seapahydro.org](http://www.seapahydro.org))

#### 1) Call to Order

- A. *Roll Call.* Chairman Sivertsen called the meeting to order at 12:31 p.m. AKDT on June 25, 2014. The following directors and alternates were present, thus establishing a quorum of the board:

Director	Alternate	Representing	
Bob Sivertsen	Andy Donato	Swan Lake	Ketchikan
Lew Williams (telephonic)		Swan Lake	Ketchikan
	John Jensen	Tyee Lake	Petersburg
Brian Ashton	Clay Hammer	Tyee Lake	Wrangell
Christie Jamieson	Don McConachie	Tyee Lake	Wrangell

The following SEAPA staff/counsel were present for all or part of the meeting:

Trey Acteson, Chief Executive Officer	Eric Wolfe, Director of Special Projects
Steve Henson, Operations Manager	Kay Key, Controller
Sharon Thompson, Executive Assistant	Joel Paisner, Ater Wynne

- B. *Communications* – none.

- C. *Disclosure of Conflicts of Interest* – Mr. Williams reported a conflict of interest in his capacity as board member and his ownership interest in the Ketchikan Daily News as the Agency paid two invoices to the Ketchikan Daily News.

#### 2) Approval of the Agenda

➤ <b>Motion</b>	M/S (Jensen/Jamieson) to approve Agenda, as amended, to include a discussion under Item 8.A. of Project Reports on breaker issues, addition of Item B under Old Business for a discussion regarding an audit of the D. Hittle & Associates Report, and inclusion of a discussion under New Business as Item 10.I. regarding an email received from Sivertson & Associates Consulting Ltd. Item 10.I would become Item 10.J. accordingly. Motion approved unanimously by polled vote.	Action 14-324
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3) **Persons to be Heard** – Mr. McConachie thanked Mr. Donato for photographs provided at a previous board meeting.

4) **Review and Approve Minutes**

➤ <b>Motion</b>	M/S (Jenson/Ashton) to approve the Minutes of the Regular Meeting of April 24, 2014 and Minutes of the Special Meeting of May 20, 2014. Motion approved unanimously by polled vote.	Action 14-325
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5) **Financial Reports**

(A-H)Mr. Acteson provided an overview of his memo on finances provided in the board packet, and discussed a kWh graph, grant summary, April and March 2014 financial statements, and Statement of Activities.

➤ <b>Motion</b>	M/S (Jamieson/Jensen) to approve the Financial Reports for March 2014 and April 2014. Motion approved unanimously by polled vote.	Action 14-326
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Mr. Acteson discussed SEAPA's R&R projects.

(I) *Disbursement Approvals*

➤ <b>Motion</b>	M/S (McConachie/Jamieson) to approve Disbursements for the months of April 2014 and May 2014 in the amount of \$1,600,609.69. Motion approved unanimously by polled vote.	Action 14-327
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6) **CEO Report**

Mr. Acteson opened his report with a discussion on SEAPA's comments submitted to the U.S. Forest Service on the 2008 Tongass National Forest Plan and explained the negative impacts of the current plan to project development and operations and maintenance of SEAPA's facilities. He advised that distribution of a draft update to the Policies and Procedures Handbook will defer to the August Board meeting because of more pressing issues.

The meeting recessed at 1:09 p.m. and resumed at 1:14 p.m.

Mr. Acteson provided a demonstration of SEAPA's new website navigating to all of the pertinent links for the board's review. The board expressed favorable comments on the site. Mr. Acteson continued his report advising that SEAPA's insurance consultant, Gary Griffin, started his own independent consulting firm. He recommended that SEAPA continue to utilize Mr. Griffin's services in his new capacity. He provided an update of the current year's insurance renewal negotiations and the opportunity for an appraisal of SEAPA's insurable assets.

Mr. Acteson advised that a prospective candidate had been interviewed for the engineering position and that a counteroffer from the candidate was being reviewed. He provided an update on the Whitman true-up and the Kake-Petersburg Intertie, and reported on the National Hydro Association's conference held in Ketchikan on June 11 and 12. He noted SEAPA will also host the 2015 Alaska Power Association conference in Ketchikan.

The meeting recessed at 1:55 p.m. and resumed at 2:15 p.m.

**7) A. Operations Manager Report (Steve Henson)** – Mr. Henson presented a slide show and provided an update on matters involving the Federal Energy and Regulatory Commission (FERC) and gave updates on the Wrangell Reactor, Satellite Communication System, Swan-Tyee Intertie Helipads, and other projects. He reported that annual maintenance is complete providing photos on the maintenance that took place on the Tyee, Swan, and Swan-Tyee transmission lines.

The meeting recessed at 1:36 p.m. for projector set-up, and reconvened at 1:40 p.m.

**B. Director of Special Projects Report (Eric Wolfe, P.E.)** – Mr. Wolfe presented a slide show opening with updates on the SCADA and an overview of the Swan Lake Non-capacity Amendment process. He explained the next steps that need to take place on the Tyee Lake Cooling Water Conversion Project and reported on upcoming work planned under the Department of Commerce, Community and Economic Development Grant.

The meeting recessed at 4:27 p.m. and reconvened at 4:34 p.m.

**8) Project Reports** – Mr. Donato provided a report on behalf of Swan Lake. No report was provided on behalf of Tyee Lake.

## **9) Old Business**

- A. *Digital Communication Device Policy* – Mr. Acteson provided an overview of the Agency's current digital communication device policy. Mr. Ashton moved for an expansion of the policy to include a stipend of \$750 for directors to have the flexibility to choose their own device. There was no second to the motion.
- B. *Audit of D. Hittle Report* – Mr. Ashton requested that an audit be done on a report prepared by consultant, D. Hittle & Associates. Chairman Sivertsen asked Mr. Ashton what he was specifically looking for in the D. Hittle report. Mr. Ashton expressed concerns about SEAPA's transparency in the exchange of information during preparation of the report. Chairman Sivertsen explained that staff was given direction to manage the project and work with the consultant in preparation of the report and that the report provided was sufficient information. No motion was made or further action taken on the topic.

Several directors made brief comments on the day's meeting.

The meeting recessed at 5:30 p.m. on Wednesday, June 25, 2014. The meeting reconvened on June 26, 2014 at 9:04 a.m.

Chairman Sivertsen requested a roll call. The same directors and alternates present during the June 25, 2014 portion of the meeting were present for the June 26, 2014 meeting, thus establishing a quorum of the board:

## **10) New Business**

- A. *Review of SEAPA's New Website*. Chairman Sivertsen noted that Mr. Acteson had already presented SEAPA's new website to the board for review during his CEO Report. No further discussion or action was taken regarding the website.
- B. *SEAPA Representative on Alaska Power Association Board*.

➤ <b>Motion</b>	M/S (McConachie/Jensen) to appoint Trey Acteson to serve as SEAPA's representative on the Alaska Power Association's Board of Directors for a three-year term commencing September 11, 2014. Motion approved unanimously by polled vote.	Action 14-328
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C. *State Lobbyist for FY15.*

➤ <b>Motion</b>	M/S (Jensen/Hammer) to authorize staff to enter into a contract with Ray Matiashowski, d/b/a Ray Matiashowski and Associates for an amount not to exceed \$48,000 for SEAPA's Fiscal Year 2015 lobbying services. Motion approved unanimously by polled vote.	Action 14-329
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D. *Employee Benefits.* An outline of SEAPA's administrative employee benefits were presented for the board's review.

➤ <b>Motion</b>	M/S (Jensen/Jamieson) to approve the 2014 Administrative Employee Benefits as presented in the June 25-26, 2014 SEAPA board packet.	Action 14-330
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Ms. Jamieson requested that the motion be amended to include Veteran's Day to the list of holidays observed by SEAPA staff.

➤ <b>Motion</b>	M/S (Jamieson/McConachie) to amend the motion approving the 2014 Administrative Employee Benefits as presented in the June 25-26, 2014 SEAPA board packet by adding Veteran's Day to the list of holidays observed by SEAPA staff so the list of holidays would be New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day and the Friday after, Christmas Eve and Christmas Day. Motion approved unanimously by polled vote.	Action 14-331
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Following approval of the amendment, Chairman Sivertsen requested a vote on the main motion regarding approval of the 2014 Administrative Employee Benefits as presented in the June 25-26, 2014 SEAPA board packet. The motion was approved unanimously by polled vote.

[Remainder of page intentionally left blank.]



E. *Executive Session Re Future Operation's of Agency's Tyee Hydroelectric Project.*

<b>➤ Motion</b>	<p>M/S (McConachie/Jamieson) to recess into Executive Session for discussions relating to future operations of the Agency's Tyee Lake facility. The Executive Session will be conducted pursuant to SEAPA's Bylaws and Alaska State Law as the discussions may include matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the Agency, the Projects, or any of the Member Utilities represented on the board.</p> <p>Following Ms. Jamieson's second to the motion she requested that the motion include the language "and Alaska state law, Alaska Statute 42.40.170(b)(1)". Ms. Jamieson read the statute for the record noting Alaska Statute 42.40.170 is executive sessions; (b) is "Only the following subjects may be discussed in an executive session" and (1) is "matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the corporation" which Ms. Jamieson noted was already in the motion. There were no objections to the addition and the motion was approved unanimously by polled vote.</p>	<b>Action 14-332</b>
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The meeting recessed at 9:30 a.m. for an executive session. The meeting reconvened in regular session at 11:31 a.m.

Chairman Sivertsen reported that the board had discussions regarding the operations and maintenance of SEAPA's Tyee Lake Hydroelectric facility. The following action was taken:

<b>➤ Motion</b>	<p>M/S (Sivertsen/Jensen) to adopt SEAPA Resolution No. 2014-054 regarding termination of the operations and maintenance agreement for the Tyee Lake Hydroelectric Facility. Chairman Sivertsen read the resolution into the record. Motion approved unanimously by polled vote.</p>	<b>Action 14-333</b>
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[Remainder of page intentionally left blank.]

<p>➤ <b>Motion</b></p>	<p>M/S (Sivertsen/Jensen) to authorize the Chairman of the Board of SEAPA the authority to execute an agreement providing for SEAPA's assumption of the Operations and Maintenance obligation for the Tyee Lake Hydroelectric Facility from the Thomas Bay Power Authority, consistent with the following terms and conditions:</p> <ul style="list-style-type: none"> <li>• SEAPA will assume all obligations and duties for Operations and Maintenance of the Tyee Lake Hydroelectric Facility, and arrange for assignment of all necessary contracts needed to effect the transition of operations;</li> <li>• SEAPA will be responsible for the PERS payments that may become due as a result of the transfer;</li> <li>• SEAPA agrees to certain indemnification obligations;</li> <li>• SEAPA will continue to negotiate a Collective Bargaining Agreement with represented employees of Tyee Lake;</li> <li>• SEAPA will consider employment of the General Manager and Secretary at Thomas Bay Power Authority through May 3, 2015, the ending date of the General Manager's contract, and is authorized to take actions necessary in the best interests of SEAPA; and,</li> <li>• This is to be effective today, June 26, 2014,</li> </ul> <p>and, staff is authorized to take actions necessary to timely complete the transition process, including review of any existing contracts, agreements, warranties, and other related documents.</p> <p>Motion approved unanimously by polled vote.</p>	<p>Action 14-334</p>
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The meeting recessed at 11:37 a.m. for lunch. The meeting reconvened at 12:30 p.m.

*F. Presentation, consideration, and approval of FY15 SEAPA budget.*

Mr. Acteson presented and discussed SEAPA's Fiscal Year 2015 budget.

<p>➤ <b>Motion</b></p>	<p>M/S (McConachie/Jamieson) to approve the Southeast Alaska Power Agency Fiscal Year 2015 Budget in the amount of \$7,560,175. Motion approved unanimously by polled vote.</p>	<p>Action 14-335</p>
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Mr. Acteson reviewed SEAPA's FY14 and new FY15 R&R projects.

<p>➤ <b>Motion</b></p>	<p>M/S (McConachie/Jensen) to approve a FY15 budget of \$2,748,340 for new FY15 R&amp;R Projects numbered 15-01, 15-02, 15-03, 15-04 15-05 and 15-06. Motion approved unanimously by polled vote.</p>	<p>Action 14-336</p>
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➤ <b>Motion</b>	M/S (McConachie/Jensen) to approve the FY15 budget of \$5,967,010 for previously approved R&R projects. Motion approved unanimously by polled vote.	Action 14-337
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Mr. Acteson advised that the Alaska Energy authority provided SEAPA with a meteorological tower to assess potential wind resources in the region and that SEAPA's budget request for FY15 will include permitting, installation, and data collection. He noted that \$75,000 that was approved in FY14 for the project.

➤ <b>Motion</b>	M/S (Jensen/Jamieson) to approve the wind energy feasibility project in the amount of \$73,168.26. Motion approved unanimously by polled vote.	Action 14-338
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#### G. *Discussion of FY15 Rebate*

Mr. Williams commented that he would like to see the \$745,883 figure in the budget presented as a surplus rebated to the member municipalities. Ms. Key noted that although it would be paid in 2015, it would affect the FY14 budget.

➤ <b>Motion</b>	M/S (Williams/Ashton) to approve a rebate for SEAPA's three municipalities in the amount of \$745,883.	Action 14-339
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Much discussion followed, with Ms. Key noting that because she did not receive the Thomas Bay Power Authority net billing to close the May 2014 books, she could not close FY14 to provide an accurate rebate figure.

➤ <b>Motion</b>	M/S (Williams/McConachie) to defer the motion on approval of a rebate for SEAPA's three municipalities to the August board meeting. Motion approved unanimously by polled vote.	Action 14-340
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#### H. *Wholesale Power Rate for FY15*

Mr. Acteson noted that the FY15 budget is premised on retaining the current wholesale power rate of 6.8 cents/kWh and that the rate has remained constant for the past 16 years.

➤ <b>Motion</b>	M/S (Jamieson/Ashton) to approve setting SEAPA's wholesale power rate at 6.8 cents/kWh for Fiscal Year 2015. Motion approved unanimously by polled vote.	Action 14-341
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#### I. *Discussion Re Sivertson & Associates Consulting Ltd.*

Mr. Ashton reported that Sivertson & Associates attempted to contact SEAPA for information and expressed concern that there had been no follow-up. Chairman Sivertsen requested that Mr. Ashton forward the information to him for follow-up.

#### J. *Set Next Meeting Date*

There were no changes to the meeting date schedule included in the board packet which sets August 28, 2014 in Ketchikan as the next regular board meeting.

### 11) **Director Comments** – Directors provided brief comments.

12) Adjourn

➤ **Motion**

M/S (Jensen/Hammer) to adjourn the meeting. There were no objections to the motion.

Action  
14-342

The meeting adjourned on June 26, 2014 at 3:02 p.m. AKDT.

Signed:

Attest:

\_\_\_\_\_  
Secretary/Treasurer

\_\_\_\_\_  
Chairman

## **Southeast Alaska Power Agency CEO Financial Cover Letter**

**DATE:** August 27, 2014

**TO:** SEAPA Board of Directors

**FROM:** Trey Acteson, CEO

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FY14 concluded in-line with end-of-the-year projections detailed during our FY15 Budget discussions. SEAPA's financial position remains healthy. Financial highlights and details are provided behind this cover letter.

Starting off the new fiscal year, combined sales for July were lower than anticipated at 13,052,120 kWh (actual) vs. 14,370,000 kWh (budget). This is a good reminder that revenues, like the weather, will be volatile at times.

SEAPA has a number of audits approaching that will require preparation including our annual financial audit scheduled for the week of October 20<sup>th</sup>, a Workman's Comp compliance review, and an NRECA participant review. We'll be asking the Board to consider an alternative date for our next meeting as it overlaps with the financial audit dates.

The FDPPA 2004 A/B bonds escrow account has been paid out and the account has been closed. This escrow account was established in conjunction with the 2009 bond issuance to retire the 2004 A/B bonds upon maturity.

Staff has completed requisite paperwork with the State to facilitate drawing on the FY15 \$3.32M Swan Lake legislative appropriation. This grant will help carry us up to the start of construction scheduled for FY16.

I will be providing an example of SEAPA fund flows at the Board meeting to help better illustrate the movement of monies over the next two years. This should also provide perspective for the Board regarding financial preparation for construction of Swan and the impact of any rebates. I anticipate this will spur some good discussion and help steer our approach going forward.

DATE: August 25, 2014  
TO: Trey Acteson  
FROM: Kay Key  
SUBJECT: Financial Reports

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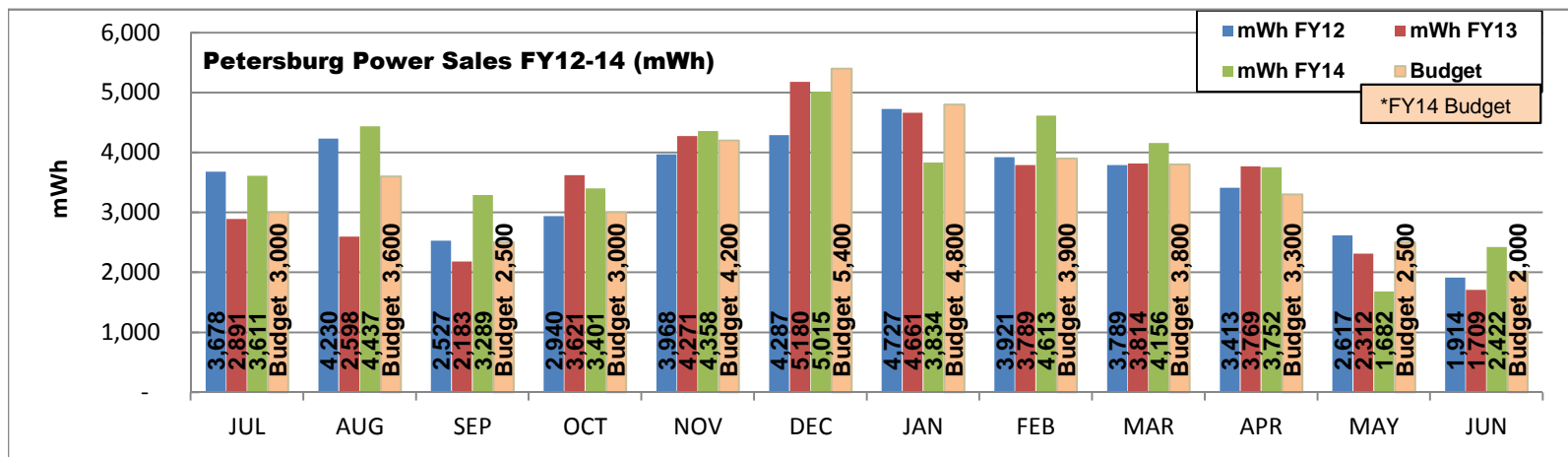
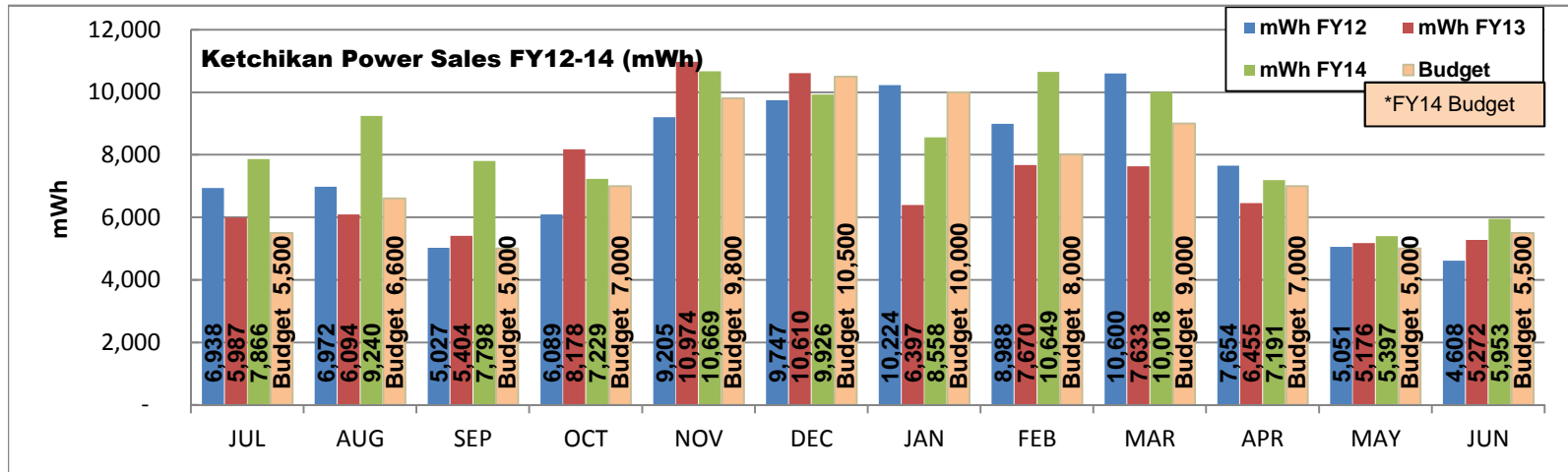
Financial reports included in the board packet for September 3 are as follows:

- **kWh Graph - YTD** (through June, 2014)
- **Grant Summary** (through June, 2014)
- **Monthly Financial Statements for May and June, 2014:**
  - ✓ Cover Memo
  - ✓ Fund Allocation Graph
  - ✓ Statement of Financial Position – Summary
  - ✓ Statement of Activities – Summary
  - ✓ Statement of Financial Position – Detail
  - ✓ Statement of Activities – Budget Comparison
- **R&R Reports** (through June, 2014)
  - ✓ R&R Summary
  - ✓ R&R Detail
- **Disbursement Summary – June, July**

<b>SUGGESTED MOTION</b>
I move to approve financial statements for the months of May and June 2014.

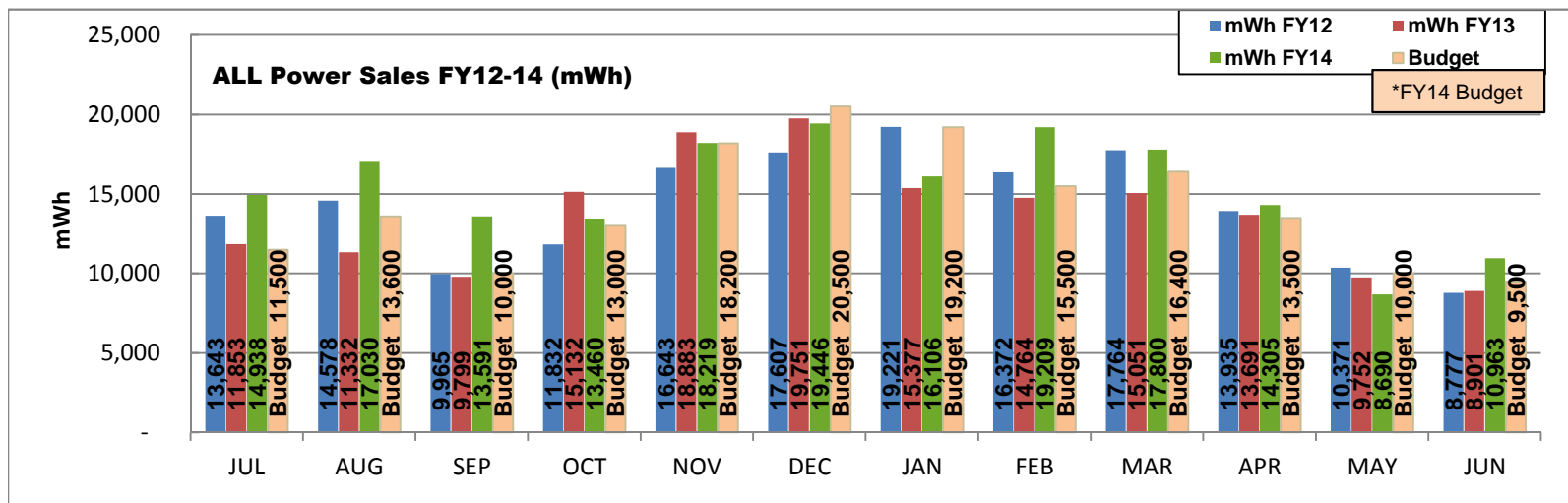
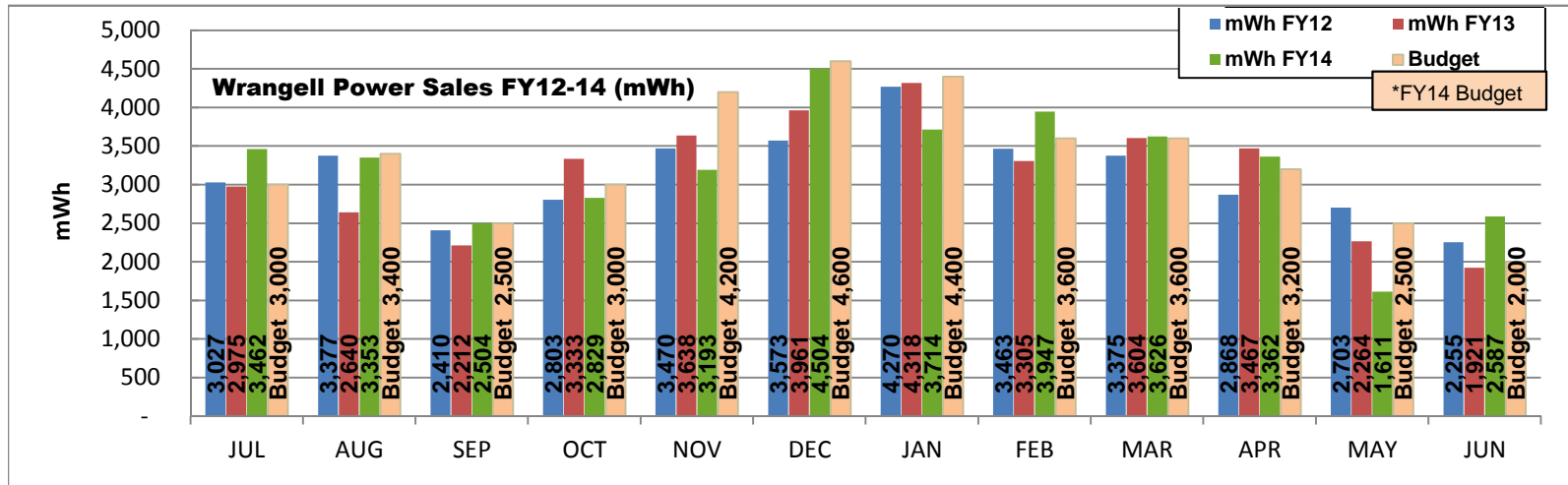
## SOUTHEAST ALASKA POWER AGENCY POWER SALES

JUNE 2014	FY14 kWh Hydropower Sales	Current Month		Year-To-Date	
		Actual	Budget	Actual	Budget
	Ketchikan Power Purchases	5,953,000	5,500,000	100,494,000	88,900,000
	Petersburg Power Purchases	2,422,450	2,000,000	44,570,360	42,000,000
	Wrangell Power Purchases	2,587,310	2,000,000	38,692,500	40,000,000
	Total Power Purchases	10,962,760	9,500,000	183,756,860	170,900,000



## SOUTHEAST ALASKA POWER AGENCY POWER SALES

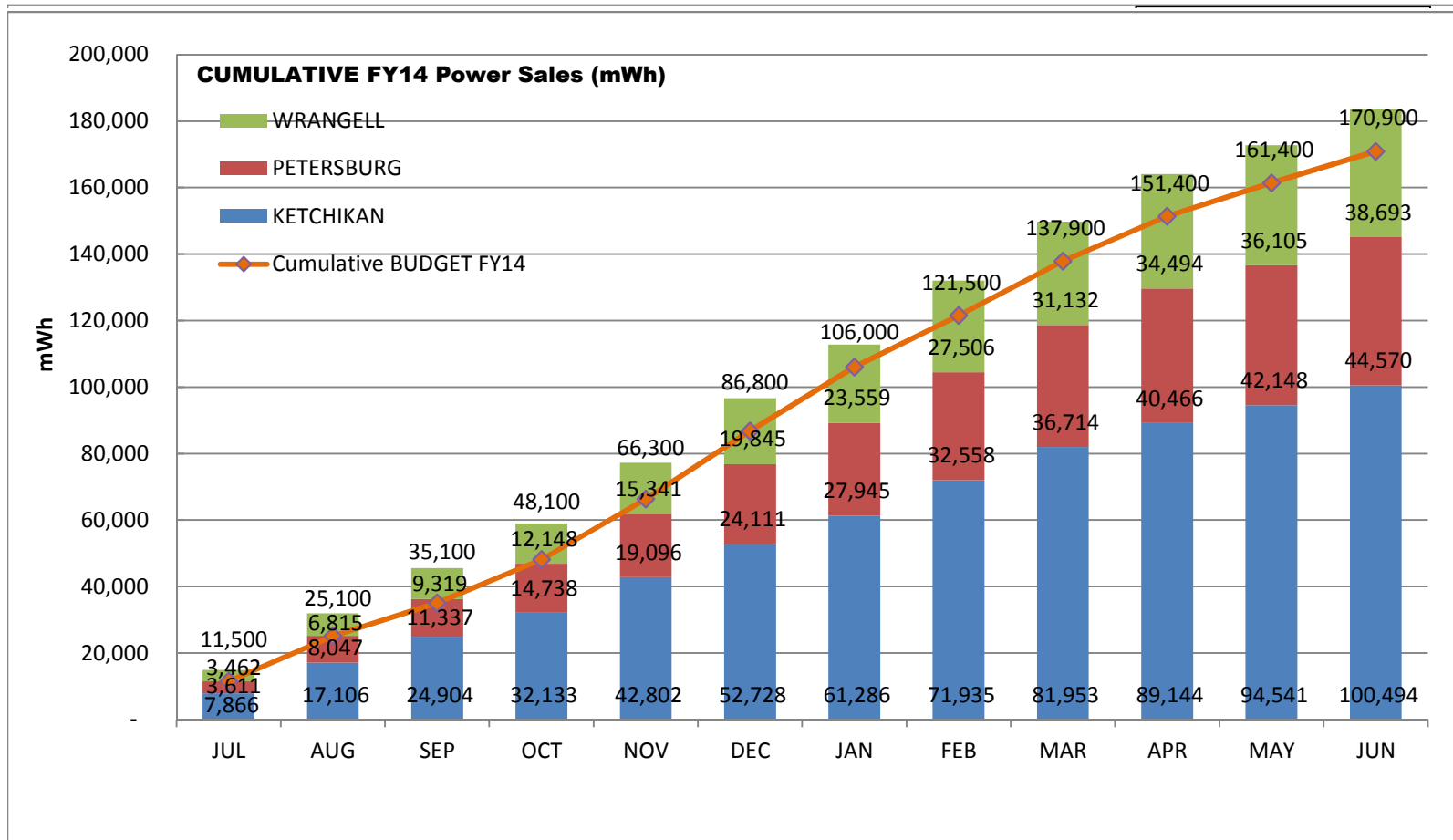
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# SOUTHEAST ALASKA POWER AGENCY POWER SALES

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	<b>Total Power Purchases</b>	<b>10,962,760</b>	<b>9,500,000</b>	<b>183,756,860</b>	<b>170,900,000</b>



# SOUTHEAST ALASKA POWER AGENCY

## FY14 Grant Summary

as of JUNE 30, 2014

	Grant	Expenditures	Balance
<b>Grant Income</b>			
<b>*FY13 AEA KPI#1</b>			
1 - Project Mgmt	320,000	165,626	154,374
2 - EIS	1,030,000	759,994	270,006
3 - Engineering / Design	1,613,298	172,562	1,440,736
5 - SE Conference	26,702	26,702	(0)
<b>Total FY13 AEA KPI#1</b>	<b>2,990,000</b>	<b>1,124,884</b>	<b>1,865,116</b>
<b>FY13 AEA KPI#2</b>			
1 - Unallocated	2,000,000	0	2,000,000
<b>Total FY13 AEA KPI#2</b>	<b>2,000,000</b>	<b>0</b>	<b>2,000,000</b>
<b>FY13 AK DLG</b>			
1 - Hydro Storage	578,000	251,653	326,347
2 - G&T Site Evaluation	1,705,000	245,359	1,459,641
3 - Stability / Interconnectiv	146,000	0	146,000
4 - Load Balance Model	112,000	0	112,000
5 - Project Mgmt	309,000	123,112	185,888
6 - Business Analysis / PSA	150,000	48,015	101,985
<b>Total FY13 AK DLG</b>	<b>3,000,000</b>	<b>668,139</b>	<b>2,331,861</b>
<b>TOTAL</b>	<b>7,990,000</b>	<b>1,793,023</b>	<b>6,196,977</b>

\*\$704,052.15 expended by Kwaan Electric Transmission Intertie Coop. prior to grant assignment to SEAPA

DATE: August 22, 2014  
TO: SEAPA Board of Directors  
FROM: Trey Acteson  
SUBJECT: **Financial Reports – JUNE, 2014**

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Financial reports for June, 2014 follow this memo. The following are a few brief highlights:

- June, 2014 revenues from kWh sales were over budget:  
\$745,468 actual vs. \$646,000 budget.
  - Ketchikan - \$404,804 actual vs. \$374,000 budget
  - Petersburg - \$164,727 actual vs. \$136,000 budget
  - Wrangell - \$175,937 actual vs. \$136,000 budget
- Year-to-date (July – June) revenues from kWh sales were above budget:  
\$12,459,090 actual vs. \$11,621,200 budget.
  - Ketchikan - \$6,813,897 actual vs. \$6,045,200 budget
  - Petersburg - \$3,022,047 actual vs. \$2,856,000 budget
  - Wrangell - \$2,623,146 actual vs. \$2,720,000 budget
- June, 2014 sales in kWh – 10,962,760  
June, 2013 sales in kWh – 8,901,410  
June, 2012 sales in kWh – 8,777,010
- Year-to-date (July – June, 2014) sales in kWh – 183,756,860  
Year-to-date (July – June, 2013) sales in kWh – 164,288,220  
Year-to-date (July – June, 2012) sales in kWh – 170,709,080
- Administrative and operating expenses for June, 2014 were under budget:  
\$820,387 actual vs. \$1,002,670 budget.
- Year-to-date administrative and operating expenses (July – June) were also under budget: \$5,832,752 actual vs. \$7,745,096 budget.

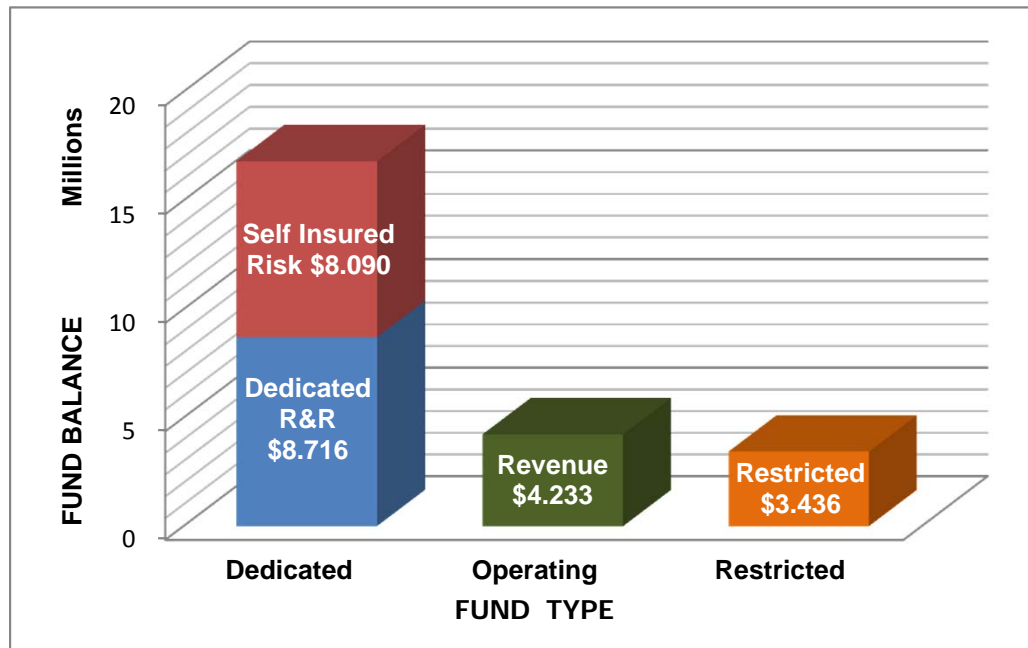
As always, feel free to ask any questions concerning the financials.

# Southeast Alaska Power Agency Fund Allocation Graph

JUNE 2014

## Agency Funds

111000 · Ops/Capital/Insurance Funds	
111100 · Revenue Fund FB	4,228,428 *
111200 · Required R&R Fund FB	1,000,610
111210 · Dedicated R&R Projects Fund FB	8,715,678 *
111300 · Commercial FB	4,520
111400 · Subordinate Debt Fund FB	310
111500 · Self Insured Risk Fund FNBA	8,089,831
Total 111000 · Ops/Capital/Insurance Funds	<u>22,039,377</u>
112000 · Trustee Funds	
112100 · WF Trust Bond Interest	105,758
112200 · WF Trust Bond Principal	120,872
112300 · WF Trust Bond Reserve	1,409,933
112400 · WF Refund 2004AB Escrow	1
Total 112000 · Trustee Funds	<u>1,636,564</u>
113000 · Other Restricted Funds	
113100 · STI - USFS CD WF	21,618
113500 · DNR Reclamation Fund WF	777,256
Total 113000 · Other Restricted Funds	<u>798,874</u>
Total Agency Funds	<u><u>24,474,815</u></u>



### Dedicated Funds

Self-Insured Risk = Coverage for uninsured transmission lines, submarine cables and insurance deductibles

Dedicated R&R = Funds Replacement & Repair projects approved by the SEAPA Board in the FY14 budget.

*\*Revenue Funds were transferred to Dedicated R&R prior to year-end to fund FY15 R&R projects.*

### Operating Funds

Revenue Fund & Commercial Checking

All SEAPA income is deposited to the Revenue Fund as required in the 2009 Bond Indenture.

### Restricted Funds (Legally or contractually restricted)

Bonds = All Trustee Funds: Bond Interest, Principal, Reserve and Escrow accounts

R&R = \$1,000,000 minimum balance required by bond indenture

DNR = Alaska DNR Reclamation Agreement

USFS = USFS Land Remediation Certificate of Deposit

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Summary**  
As of June 30, 2014

	<u>Jun 30, 14</u>
<b>ASSETS</b>	
Current Assets	
Agency Funds	
111000 · Ops/Capital/Insurance Funds	22,039,377
112000 · Trustee Funds	1,636,564
113000 · Restricted Funds	<u>798,874</u>
Total Agency Funds	24,474,815
Accounts Receivable	
110000 · Accounts Receivable	1,022,411
110100 · Grants Receivable	<u>83,906.39</u>
Total Accounts Receivable	1,106,317
Other Current Assets	
120000 · Other Current Assets	<u>204,826</u>
Total Other Current Assets	<u>204,826</u>
Total Current Assets	25,785,959
Fixed Assets	
130000 · Fixed Assets	<u>131,287,582</u>
Total Fixed Assets	131,287,582
Other Assets	
183000 · Deferred Assets	<u>1,832</u>
Total Other Assets	<u>1,832</u>
<b>TOTAL ASSETS</b>	<b><u>157,075,373</u></b>
<b>LIABILITIES &amp; NET POSITION</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
210100 · Accounts Payable General	<u>383,882</u>
Total Accounts Payable	383,882
Other Current Liabilities	
210150 · Other Current Liabilities	225,000
210300 · Reserve Interest Payable	50,804
210400 · Wages Payable	71,804
210500 · Payroll Liabilities	<u>972</u>
Total Other Current Liabilities	<u>348,581</u>
Total Current Liabilities	732,463
Long Term Liabilities	
220000 · Long Term Liabilities	<u>13,294,788</u>
Total Long Term Liabilities	<u>13,294,788</u>
Total Liabilities	14,027,251
Net Position	
310000 · Net Position	133,661,640
32000 · Unrestricted Net Assets	7,206,868
Net Income	<u>2,179,614</u>
Total Net Position	<u>143,048,122</u>
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<b><u>157,075,373</u></b>

# SOUTHEAST ALASKA POWER AGENCY

## Statement of Activities - Summary

June 2014

	<u>Jun 14</u>
Operating Revenue/Expense	
Operating Revenue	
410000 · Hydro Facility Revenues	745,468
Total Operating Revenue	<u>745,468</u>
 Gross Operating Revenue	 745,468
 Operating Expense	
535000 · Hydro/Ops-Suprvision & Engineer	41,186
538000 · Electric Expenses	11,292
539000 · Misc Power Generation Expense	26,099
540000 · Rents	10,602
541000 · Hydro Power Station Maintenance	10,342.00
543000 · Dams, Reservoirs & Waterways	18,004.85
544000 · Maintenance of Electric Plant	107,499
545000 · Plant Miscellaneous Maintenance	13,213
560000 · Trans Sys Operation Sup & Eng	1,243
561000 · Trans/SCADA Load Dispatch	2,127.45
562000 · Trans/Operations Station Exp	7,996
571000 · Trans/Maint Overhead Lines(OHL)	341,965
920000 · Administrative Expenses	96,608
921000 · Office Expenses	18,155
922000 · Legislative Affairs	4,000
923000 · Contract Services	32,022
924000 · Insurance	54,978
928000 · Regulatory Commission Expense	10,130
930000 · General Expenses	7,867
931000 · Admin Rent	5,059
Total Operating Expense	<u>820,387</u>
 Net Income	 (74,919)
 Non-Operating Revenue/Expense	
Non-Operating Revenue	
941000 · Grant Income	83,906
942000 · Interest Income	10,867
944000 · Realized Gain/Loss	(3,843.75)
945000 · Unrealized Gain/Loss	(6,500)
946000 · Misc Nonoperating Income	(10,890.55)
Total Non-Operating Revenue	<u>73,539</u>
 Non-Operating Expense	
952000 · Bond Interest 2009 Series	53,971
953000 · Depreciation Expense	418,341
954000 · Grant Expenses	232,032
954100 · Contributed Capital	(53,167.75)
954200 · Third Party Expense	12,014
Total Non-Operating Expense	<u>663,189</u>
 Net Non-Operating Revenue/Expense	 <u>(589,650)</u>
 Net Position	 <u><u>(664,569)</u></u>

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Detail**  
As of June 30, 2014

	Jun 30, 14
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Agency Funds</b>	
<b>111000 · Ops/Capital/Insurance Funds</b>	
111100 · Revenue Fund FB	4,228,428
111200 · Required R&R Fund FB	1,000,610
111210 · Dedicated R&R Projects Fund FB	8,715,678
111300 · Commercial FB	4,520
111400 · Subordinate Debt Fund FB	310
111500 · Self Insured Risk Fund FNBA	8,089,831
<b>Total 111000 · Ops/Capital/Insurance Funds</b>	<b>22,039,377</b>
<b>112000 · Trustee Funds</b>	
112100 · WF Trust Bond Interest	105,758
112200 · WF Trust Bond Principal	120,872
112300 · WF Trust Bond Reserve	1,409,933
112400 · WF Refund 2004AB Escrow	1
<b>Total 112000 · Trustee Funds</b>	<b>1,636,564</b>
<b>113000 · Restricted Funds</b>	
113100 · STI - USFS CD WF	21,618
113500 · DNR Reclamation Fund WF	777,256
<b>Total 113000 · Restricted Funds</b>	<b>798,874</b>
<b>Total Agency Funds</b>	<b>24,474,815</b>
<b>Accounts Receivable</b>	
110000 · Accounts Receivable	1,022,411
110100 · Grants Receivable	83,906.39
<b>Total Accounts Receivable</b>	<b>1,106,317</b>
<b>Other Current Assets</b>	
<b>120000 · Other Current Assets</b>	
120200 · Other Receivables	4,286
120300 · Accrued Interest Receivable	33,258
120500 · Prepaid Fees	
120510 · Prepaid FERC Fees	28,054
120520 · Prepaid Insurance	39,414
120540 · Prepaid USDA FS Land Use Fees	39,176
120550 · Prepaid Admin Expense	52,496
<b>Total 120500 · Prepaid Fees</b>	<b>159,140</b>
<b>120700 · Inventory Assets</b>	
120701 · Inventory - Wood Poles	8,143
<b>Total 120700 · Inventory Assets</b>	<b>8,143</b>
<b>Total 120000 · Other Current Assets</b>	<b>204,826</b>
<b>Total Other Current Assets</b>	<b>204,826</b>
<b>Total Current Assets</b>	<b>25,785,959</b>

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Detail**  
As of June 30, 2014

	<u>Jun 30, 14</u>
<b>Fixed Assets</b>	
130000 · Fixed Assets	
130100 · Capital Assets	
130110 · Swan Lake	16,390,545
130120 · Tyee Lake	27,650,797
130130 · SEAPA Office	733,897
132100 · Swan Tyee Intertie in Operation	<u>111,578,874.33</u>
Total 130100 · Capital Assets	156,354,113
132200 · R&R Projects WIP Capital Improv	
132210 · R&R Projects - WIP Swan Lake	
132211 · WIP SWL Agency Permits/Environm	684,483
132213 · WIP SWL Equipment	2,261
132214 · WIP SWL Engineering/Design	209,291
132215 · WIP SWL Legal	1,260
132216 · WIP SWL Project Mgmt/Professnal	129,392
132210 · R&R Projects - WIP Swan Lake - Other	<u>495,609</u>
Total 132210 · R&R Projects - WIP Swan Lake	1,522,296
132220 · R&R Projects - WIP Tyee Lake	384,699
132230 · R&R Projects - WIP STI-Transmsn	37,545
132240 · R&R Projects - WIP SEAPA Office	<u>28,940</u>
Total 132200 · R&R Projects WIP Capital Improv	1,973,480
1322100 · Capital Inventory SWL	
1322101 · Inventory-SWL Winding Replacmnt	<u>890,405.47</u>
Total 1322100 · Capital Inventory SWL	890,405.47
132900 · Accumulated Depreciation	<u>(27,930,417)</u>
Total 130000 · Fixed Assets	<u>131,287,582</u>
Total Fixed Assets	131,287,582
<b>Other Assets</b>	
183000 · Deferred Assets	
183300 · Meterological Tower	<u>1,832</u>
Total 183000 · Deferred Assets	<u>1,832</u>
Total Other Assets	<u>1,832</u>
<b>TOTAL ASSETS</b>	<u><u>157,075,373</u></u>



**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Detail**  
As of June 30, 2014

	<u>Jun 30, 14</u>
<b>LIABILITIES &amp; NET POSITION</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
210100 · Accounts Payable General	383,882
<b>Total Accounts Payable</b>	<u>383,882</u>
<b>Other Current Liabilities</b>	
210150 · Other Current Liabilities	225,000
210300 · Reserve Interest Payable	50,804
210400 · Wages Payable	71,804
210500 · Payroll Liabilities	
210530 · SUI Tax Payable	972
<b>Total 210500 · Payroll Liabilities</b>	<u>972</u>
<b>Total Other Current Liabilities</b>	<u>348,581</u>
<b>Total Current Liabilities</b>	732,463
<b>Long Term Liabilities</b>	
220000 · Long Term Liabilities	
220100 · Series B Bonds 2009	13,400,000
220110 · Bond Issuance Premium	8,940
220120 · Bond Discount	(114,151)
<b>Total 220000 · Long Term Liabilities</b>	<u>13,294,788</u>
<b>Total Long Term Liabilities</b>	<u>13,294,788</u>
<b>Total Liabilities</b>	14,027,251
<b>Net Position</b>	
310000 · Net Position	
310100 · STI Net Assets	106,354,593
310300 · Retained Earnings	27,307,048
<b>Total 310000 · Net Position</b>	<u>133,661,640</u>
32000 · Unrestricted Net Assets	7,206,868
Net Income	2,179,614
<b>Total Net Position</b>	<u>143,048,122</u>
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<u><u>157,075,373</u></u>

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
June 2014

	Jun 14	Budget	Jul '13 - Jun 14	YTD Budget	Annual Budget
<b>Operating Revenue</b>					
<b>410000 · Hydro Facility Revenues</b>					
410100 · Ketchikan Power Purchases	404,804	374,000	6,813,897	6,045,200	6,045,200
410200 · Petersburg Power Purchases	164,727	136,000	3,022,047	2,856,000	2,856,000
410300 · Wrangell Power Purchases	175,937	136,000	2,623,146	2,720,000	2,720,000
<b>Total 410000 · Hydro Facility Revenues</b>	<b>745,468</b>	<b>646,000</b>	<b>12,459,090</b>	<b>11,621,200</b>	<b>11,621,200</b>
<b>Total Operating Revenue</b>	<b>745,468</b>	<b>646,000</b>	<b>12,459,090</b>	<b>11,621,200</b>	<b>11,621,200</b>
<b>Gross Operating Revenue</b>	<b>745,468</b>	<b>646,000</b>	<b>12,459,090</b>	<b>11,621,200</b>	<b>11,621,200</b>
<b>Operating Expense</b>					
<b>535000 · Hydro/Ops-Suprvision &amp; Engineer</b>					
535100 · Hyd/Ops Sup & Eng - Swan Lake	8,931	9,500	64,147	113,000	113,000
535150 · Hyd/Ops Sup & Eng - SWL SEAPA	3,163	2,900	4,948	34,500	34,500
535200 · Hyd/Ops Sup & Eng - Tyee Lake	25,464	13,300	162,398	147,500	147,500
535250 · Hyd/Ops Sup & Eng -TYL SEAPA	3,154	1,000	3,170	10,000	10,000
535400 · Hyd/Op Sup & Eng - Proj Drawing	475	25,000	42,037	200,000	200,000
535600 · Hyd/Op Sup & Eng - Diesel Genrtn	-	-	6,294	-	-
535700 · Hyd/Op Sup & Eng - 4R Plan	-	-	1,892	-	-
<b>Total 535000 · Hydro/Ops-Suprvision &amp; Engineer</b>	<b>41,186</b>	<b>51,700</b>	<b>284,885</b>	<b>505,000</b>	<b>505,000</b>
<b>537000 · Hydraulic Expenses</b>					
537100 · Hydraulic Expense - Swan Lake	-	-	(1)	-	-
537150 · Hydraulic Expense - SWL SEAPA	-	250	6,366	13,000	13,000
537200 · Hydraulic Expense - Tyee Lake	0.00	-	0.00	-	-
537250 · Hydraulic Expense - TYL SEAPA	-	625	6,366	18,000	18,000
<b>Total 537000 · Hydraulic Expenses</b>	<b>-</b>	<b>875</b>	<b>12,730</b>	<b>31,000</b>	<b>31,000</b>
<b>538000 · Electric Expenses</b>					
538100 · Electric Expense - Swan Lake	1,464	400	21,833	3,250	3,250
538150 · Electric Expense - SWL SEAPA	9,828	1,500	25,373	12,500	12,500
538200 · Electric Expense - Tyee Lake	-	300	2,443	3,600	3,600
538250 · Electric Expense - TYL SEAPA	-	1,500	1,857	12,500	12,500
<b>Total 538000 · Electric Expenses</b>	<b>11,292</b>	<b>3,700</b>	<b>51,507</b>	<b>31,850</b>	<b>31,850</b>
<b>539000 · Misc Power Generation Expense</b>					
539100 · Misc Exp - Swan Lake	63	6,450	2,730	65,850	65,850
539150 · Misc Expense - SWL SEAPA	1,559	7,600	24,290	73,600	73,600
539200 · Misc Expense - Tyee Lake	16,689	14,000	216,384	227,640	227,640
539250 · Misc Expense - TYL SEAPA	7,789	10,850	111,490	155,850	155,850
539300 · Misc Expense - Annual Inspectns	-	-	-	1,500	1,500
539400 · Misc Expense - Permits & Maps	-	-	150	150	150
<b>Total 539000 · Misc Power Generation Expense</b>	<b>26,099</b>	<b>38,900</b>	<b>355,043</b>	<b>524,590</b>	<b>524,590</b>
<b>540000 · Rents</b>					
540300 · FERC Land Use Fee - Swan Lake	876	4,100	16,337	47,000	47,000
540400 · FERC Land Use Fee - Tyee Lake	3,196	4,000	29,301	46,000	46,000
540500 · USDA Land Use Fee - USFS ROW	1,570	2,000	18,668	20,000	20,000
540600 · USDA Land Use Fee - STI	4,810	5,000	57,180	60,000	60,000
540700 · USDA Tyee Passive Reflector	105	250	1,251	1,350	1,350
540710 · USDA Etolin Burnett Radio	44	100	528	650	650
<b>Total 540000 · Rents</b>	<b>10,602</b>	<b>15,450</b>	<b>123,264</b>	<b>175,000</b>	<b>175,000</b>
<b>541000 · Hydro Power Station Maintenance</b>					
541150 · Maintenance - SWL SEAPA	10,157	7,400	50,611	88,750	88,750
541250 · Maintenance - TYL SEAPA	185	6,750	12,414	78,250	78,250
<b>Total 541000 · Hydro Power Station Maintenance</b>	<b>10,342</b>	<b>14,150</b>	<b>63,025</b>	<b>167,000</b>	<b>167,000</b>

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
June 2014

	Jun 14	Budget	Jul '13 - Jun 14	YTD Budget	Annual Budget
<b>542000 · Hydro Structure Maintenance</b>					
542100 · Hyd Structure Maint - Swan Lake	-	500	7,415	3,500	3,500
<b>Total 542000 · Hydro Structure Maintenance</b>	-	500	7,415	3,500	3,500
<b>543000 · Dams, Reservoirs &amp; Waterways</b>					
543100 · Dams Res & Waterwys - Swan Lake	100	150	2,130	1,000	1,000
543150 · Dams Res & Waterwys - SWL SEAPA	17,905	-	31,548	-	-
543200 · Dams Res & Waterwys - Tyee Lake	-	600	4,456	7,200	7,200
543250 · Dams Res & Waterwys - TYL SEAPA	-	-	3,237	-	-
<b>Total 543000 · Dams, Reservoirs &amp; Waterways</b>	18,005	750	41,373	8,200	8,200
<b>544000 · Maintenance of Electric Plant</b>					
544100 · Maint Electric Plant-Swan Lake	47,076	48,000	611,276	576,500	576,500
544150 · Maint Electric Plant-SWL SEAPA	393	3,750	14,672	45,000	45,000
544200 · Maint Electric Plant-Tyee Lake	60,029	50,700	565,843	608,400	608,400
544250 · Maint Electric Plant-TYL SEAPA	-	3,000	-	25,000	25,000
<b>Total 544000 · Maintenance of Electric Plant</b>	107,499	105,450	1,191,791	1,254,900	1,254,900
<b>545000 · Plant Miscellaneous Maintenance</b>					
545100 · Plant Misc Maint - Swan Lake	8,008	2,250	29,333	27,000	27,000
545150 · Plant Misc Maint - SWL SEAPA	0.00	-	10,163.98	-	-
545200 · Plant Misc Maint - Tyee Lake	836	800	9,696	9,700	9,700
545250 · Plant Misc Maint - TYL SEAPA	4,370	5,200	21,105	58,000	58,000
<b>Total 545000 · Plant Miscellaneous Maintenance</b>	13,213	8,250	70,298	94,700	94,700
<b>560000 · Trans Sys Operation Sup &amp; Eng</b>					
560200 · Sys Ops Sup & Eng - Tyee Lake	1,243	900	8,560	10,300	10,300
<b>Total 560000 · Trans Sys Operation Sup &amp; Eng</b>	1,243	900	8,560	10,300	10,300
<b>561000 · Trans/SCADA Load Dispatch</b>					
561150 · Trans/Gen SCADA - SWL SEAPA	1,407.45	-	1,407.45	-	-
561250 · SCADA Load Dispatch - TYL SEAPA	720	3,000	6,798	25,000	25,000
<b>Total 561000 · Trans/SCADA Load Dispatch</b>	2,127	3,000	8,205	25,000	25,000
<b>562000 · Trans/Operations Station Exp</b>					
562100 · Trans/Ops Station - Swan Lake	1,200	2,000	2,555	15,000	15,000
562150 · Trans/Ops Station - SWL SEAPA	1,817	2,000	18,210	23,000	23,000
562200 · Trans/Ops Station - Tyee Lake	4,980	2,200	27,783	26,000	26,000
562250 · Trans/Ops Station-TYL SEAPA	-	3,000	6,729	25,000	25,000
<b>Total 562000 · Trans/Operations Station Exp</b>	7,996	9,200	55,277	89,000	89,000
<b>564000 · Trans/Submarine Cable Expense</b>					
564200 · Trans/Sub Cable Exp - Tyee Lake	-	500	5,651	12,825	12,825
564250 · Trans/Sub Cable Exp - TYL SEAPA	-	-	6,150	30,000	30,000
<b>Total 564000 · Trans/Submarine Cable Expense</b>	-	500	11,801	42,825	42,825
<b>571000 · Trans/Maint Overhead Lines(OHL)</b>					
571100 · Trans/Maint OHL - Swan Lake	-	2,000	4,363	15,000	15,000
571150 · Trans/Maint OHL - SWL SEAPA	-	25,000	258,331	448,000	448,000
571200 · Trans/Maint OHL - Tyee Lake	32,766	16,400	180,534	196,150	196,150
571250 · Trans/Maint OHL - TYL SEAPA	309,199	234,000	657,270	787,750	787,750
571300 · Trans/Maint OHL STI Maintenance	-	196,500	68,028	296,500	296,500
571500 · Trans/Maint OHL STI Therml Scan	-	-	-	10,000	10,000
571600 · Trans/Maint OHL Spare Mat Stor	-	-	350	500	500
571700 · Trans/Maint OH STI Clearing	-	25,000	-	100,000	100,000
571800 · Trans/Maint OHL System Events	-	12,500	5,640	150,000	150,000
<b>Total 571000 · Trans/Maint Overhead Lines(OHL)</b>	341,965	511,400	1,174,517	2,003,900	2,003,900

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
June 2014

	Jun 14	Budget	Jul '13 - Jun 14	YTD Budget	Annual Budget
<b>920000 • Administrative Expenses</b>					
<b>920100 • Administrative</b>	96,608	105,000	1,068,065	1,256,761	1,256,761
<b>Total 920000 • Administrative Expenses</b>	96,608	105,000	1,068,065	1,256,761	1,256,761
<b>921000 • Office Expenses</b>					
<b>921100 • Office Supplies</b>	2,107	1,000	15,860	13,000	13,000
<b>921200 • Office Equipment</b>	5,219	2,300	35,355	27,200	27,200
<b>921300 • Phone, Courier, Internet</b>	6,680	2,000	57,670	25,400	25,400
<b>921400 • System Networking</b>	4,011	3,400	53,306	41,000	41,000
<b>921600 • Vehicle Expenses</b>	138	300	3,628	3,000	3,000
<b>Total 921000 • Office Expenses</b>	18,155	9,000	165,819	109,600	109,600
<b>922000 • Legislative Affairs</b>	4,000	5,900	51,871	70,000	70,000
<b>923000 • Contract Services</b>					
<b>923200 • Annual Financial Audit</b>	-	-	23,616	28,000	28,000
<b>923300 • Bank &amp; Trustee Fees</b>	236	1,000	10,889	11,800	11,800
<b>923400 • Insurance Consultant</b>	1,901	1,000	20,382	10,000	10,000
<b>923500 • Investment Consultant</b>	1,692	3,000	38,148	25,000	25,000
<b>923600 • Legal Fees</b>	21,242	12,500	179,697	150,000	150,000
<b>923700 • Recruitment</b>	1,115	2,500	6,515	30,000	30,000
<b>923800 • Other Professional Services</b>	5,836	1,300	15,328	16,000	16,000
<b>Total 923000 • Contract Services</b>	32,022	21,300	294,576	270,800	270,800
<b>924000 • Insurance</b>	54,978	49,000	471,979	588,000	588,000
<b>928000 • Regulatory Commission Expense</b>					
<b>928150 • FERC SWL Admin Fees</b>	(2,212)	4,000	41,366	47,000	47,000
<b>928151 • FERC SWL Other Expenses</b>	14,358	15,000	33,774	104,000	104,000
<b>928250 • FERC TYL Admin Fees</b>	(2,016)	3,500	37,695	43,000	43,000
<b>928251 • FERC TYL Other Expenses</b>	-	-	9,662	-	-
<b>Total 928000 • Regulatory Commission Expense</b>	10,130	22,500	122,497	194,000	194,000
<b>930000 • General Expenses</b>					
<b>930100 • Advertising Expense</b>	263	400	4,585	5,000	5,000
<b>930110 • Public Relations</b>	889	3,195	19,712	60,000	60,000
<b>930111 • PR - SEAPA History Project</b>	-	4,000	2,577	15,000	15,000
<b>930300 • Association Dues Expense</b>	-	2,400	26,987	29,050	29,050
<b>930310 • Professional Assn Dues</b>	-	-	230	645	645
<b>930400 • Board Meeting Expenses</b>	3,276	3,750	33,417	45,000	45,000
<b>930500 • Training Expense</b>	45	2,175	21,205	23,575	23,575
<b>930600 • Travel Expense</b>	2,067	3,900	28,993	47,000	47,000
<b>930700 • Non-Travel Incidental</b>	1,327	200	892	3,500	3,500
<b>Total 930000 • General Expenses</b>	7,867	20,020	138,598	228,770	228,770
<b>931000 • Admin Rent</b>					
<b>931010 • Office Rent</b>	4,309	4,500	50,909	51,700	51,700
<b>931100 • Apartment Rent - Ketchikan</b>	750	725	8,750	8,700	8,700
<b>Total 931000 • Admin Rent</b>	5,059	5,225	59,659	60,400	60,400
<b>Total Operating Expense</b>	820,387	1,002,670	5,832,752	7,745,096	7,745,096
<b>Net Income</b>	(74,919)	(356,670)	6,626,338	3,876,104	3,876,104

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
June 2014

	Jun 14	Budget	Jul '13 - Jun 14	YTD Budget	Annual Budget
<b>Non-Operating Revenue</b>					
941000 • Grant Income	83,906		872,169		
941100 • Third Party Income	-		336,210		
942000 • Interest Income					
942100 • Misc Interest Income	737		8,793		
942200 • Investment Interest Income	10,131		124,124		
<b>Total 942000 • Interest Income</b>	<b>10,867</b>		<b>132,917</b>		
944000 • Realized Gain/Loss					
944100 • Realized Gain/Loss Bonds	-		183		
944200 • Realized Gain/Loss on Invest	(3,844)		(25,510)		
<b>Total 944000 • Realized Gain/Loss</b>	<b>(3,844)</b>		<b>(25,328)</b>		
945000 • Unrealized Gain/Loss					
945100 • Unrealized Gain/Loss Bonds	-		(394)		
945200 • Unrealized Gain/Loss Investment	(6,500)		(11,420)		
<b>Total 945000 • Unrealized Gain/Loss</b>	<b>(6,500)</b>		<b>(11,815)</b>		
946000 • Misc Nonoperating Income					
946001 • Other Misc Income	(10,891)		94,105		
946002 • Gain/Loss on Property Disposi	-		9,068		
<b>Total 946000 • Misc Nonoperating Income</b>	<b>(10,891)</b>		<b>103,173</b>		
<b>Total Non-Operating Revenue</b>	<b>73,539</b>		<b>1,407,328</b>		
<b>Non-Operating Expense</b>					
951000 • Amortization Expense	-		-		
952000 • Bond Interest 2009 Series	53,971		665,339		
953000 • Depreciation Expense	418,341		4,046,332		
954000 • Grant Expenses					
954002 • Grant Contractual	207,937		1,017,309		
954004 • Grant Labor & Benefits	3,095		4,053		
954005 • Grant Legal	-		14,525		
954006 • Grant Materials & Supplies	288.31		288.31		
954007 • Grant Other Expense	132		1,048		
954008 • Grant Travel	20,579		32,488		
954000 • Grant Expenses - Other	-		-		
<b>Total 954000 • Grant Expenses</b>	<b>232,032</b>		<b>1,069,712</b>		
954100 • Contributed Capital	(53,168)		(300,778)		
954200 • Third Party Expense					
954210 • Annette Island Hydro Site Eval					
954211 • Annette Island - Contractual	10,609		356,027		
954212 • Annette Island - Materials	-		232		
954213 • Annette Island - Direct Labor	-		9,486		
954214 • Annette Island - Travel	1,405		7,702		
<b>Total 954210 • Annette Island Hydro Site Eval</b>	<b>12,014</b>		<b>373,447</b>		
<b>Total 954200 • Third Party Expense</b>	<b>12,014</b>		<b>373,447</b>		
955000 • Interest Expense					
955100 • Interest Expense - Misc	-		1		
955200 • Investment Interest Expense	-		-		
<b>Total 955000 • Interest Expense</b>	<b>-</b>		<b>1</b>		
<b>Total Non-Operating Expense</b>	<b>663,189</b>		<b>5,854,052</b>		
<b>Net Non-Operating Revenue/Expense</b>	<b>(589,650)</b>		<b>(4,446,724)</b>		
<b>Net Position</b>	<b>(664,569)</b>	<b>(356,670)</b>	<b>2,179,614</b>	<b>3,876,104</b>	<b>3,876,104</b>

DATE: August 1, 2014  
TO: SEAPA Board of Directors  
FROM: Trey Acteson  
SUBJECT: Financial Reports – **MAY, 2014**

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Financial reports for May, 2014 follow this memo. The following are a few brief highlights:

- May, 2014 revenues from kWh sales were under budget:  
\$590,950 actual vs. \$680,000 budget.
  - Ketchikan - \$366,996 actual vs. \$340,000 budget
  - Petersburg - \$114,390 actual vs. \$170,000 budget
  - Wrangell - \$109,564 actual vs. \$170,000 budget
- Year-to-date (July – May) revenues from kWh sales were above budget:  
\$11,713,622 actual vs. \$10,975,200 budget.
  - Ketchikan - \$6,409,093 actual vs. \$5,671,200 budget
  - Petersburg - \$2,857,320 actual vs. \$2,720,000 budget
  - Wrangell - \$2,447,209 actual vs. \$2,584,000 budget
- May, 2014 sales in kWh – 8,690,440 vs.  
May, 2013 sales in kWh – 9,752,160 and  
May, 2012 sales in kWh – 10,370,570
- Year-to-date (July – May, 2014) sales in kWh – 172,794,100 vs.  
Year-to-date (July – May, 2013) sales in kWh – 155,386,810 and  
Year-to-date (July – May, 2012) sales in kWh – 161,932,070
- Administrative and operating expenses for May, 2014 were under budget:  
\$1,043,463 actual vs. \$1,160,720 budget.
- Year-to-date administrative and operating expenses (July – May) were also  
under budget: \$5,012,365 actual vs. \$6,742,426 budget.

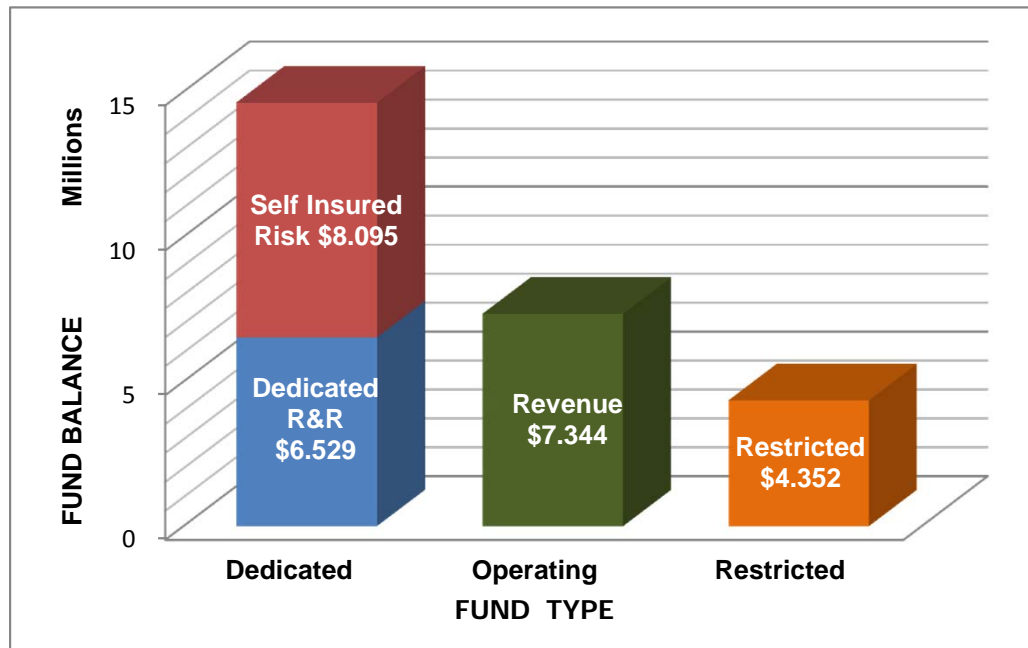
As always, feel free to ask any questions concerning the financials.

# Southeast Alaska Power Agency Fund Allocation Graph

MAY 2014

## Agency Funds

111000 · Ops/Capital/Insurance Funds	
111100 · Revenue Fund FB	7,339,606
111200 · Required R&R Fund FB	1,000,560
111210 · Dedicated R&R Projects Fund FB	6,529,496
111300 · Commercial FB	4,044
111400 · Subordinate Debt Fund FB	310
111500 · Self Insured Risk Fund FNBA	8,095,242
Total 111000 · Ops/Capital/Insurance Funds	<u>22,969,259</u>
112000 · Trustee Funds	
112100 · WF Trust Bond Interest	382,350
112200 · WF Trust Bond Principal	760,453
112300 · WF Trust Bond Reserve	1,409,921
112400 · WF Refund 2004AB Escrow	1
Total 112000 · Trustee Funds	<u>2,552,725</u>
113000 · Other Restricted Funds	
113100 · STI - USFS CD WF	21,618
113500 · DNR Reclamation Fund WF	777,256
Total 113000 · Other Restricted Funds	<u>798,874</u>
Total Agency Funds	<u><u>26,320,858</u></u>



### Dedicated Funds

Self-Insured Risk = Coverage for uninsured transmission lines, submarine cables and insurance deductibles  
Dedicated R&R = Funds Replacement & Repair projects approved by the SEAPA Board in the FY14 budget.

### Operating Funds

Revenue Fund & Commercial Checking  
All SEAPA income is deposited to the Revenue Fund as required in the 2009 Bond Indenture.

### Restricted Funds (Legally or contractually restricted)

Bonds = All Trustee Funds: Bond Interest, Principal, Reserve and Escrow accounts  
R&R = \$1,000,000 minimum balance required by bond indenture  
DNR = Alaska DNR Reclamation Agreement  
USFS = USFS Land Remediation Certificate of Deposit

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Summary**  
As of May 31, 2014

	<u>May 31, 14</u>
<b>ASSETS</b>	
Current Assets	
Agency Funds	
111000 · Ops/Capital/Insurance Funds	22,969,259
112000 · Trustee Funds	2,552,725
113000 · Restricted Funds	<u>798,874</u>
Total Agency Funds	26,320,858
Accounts Receivable	
110000 · Accounts Receivable	<u>1,293,962</u>
Total Accounts Receivable	1,293,962
Other Current Assets	
120000 · Other Current Assets	<u>234,747</u>
Total Other Current Assets	<u>234,747</u>
Total Current Assets	27,849,567
Fixed Assets	
130000 · Fixed Assets	<u>131,455,384</u>
Total Fixed Assets	131,455,384
Other Assets	
183000 · Deferred Assets	<u>1,676</u>
Total Other Assets	<u>1,676</u>
<b>TOTAL ASSETS</b>	<b><u>159,306,627</u></b>
<b>LIABILITIES &amp; NET POSITION</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
210100 · Accounts Payable General	<u>919,812</u>
Total Accounts Payable	919,812
Other Current Liabilities	
210150 · Other Current Liabilities	285,320
210300 · Reserve Interest Payable	327,400
210400 · Wages Payable	67,034
210500 · Payroll Liabilities	<u>686</u>
Total Other Current Liabilities	<u>680,440</u>
Total Current Liabilities	1,600,251
Long Term Liabilities	
220000 · Long Term Liabilities	<u>13,993,685</u>
Total Long Term Liabilities	<u>13,993,685</u>
Total Liabilities	15,593,936
Net Position	
310000 · Net Position	133,661,640
32000 · Unrestricted Net Assets	7,206,868
Net Income	<u>2,844,183</u>
Total Net Position	<u>143,712,691</u>
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<b><u>159,306,627</u></b>



# SOUTHEAST ALASKA POWER AGENCY

## Statement of Activities - Summary

May 2014

	<u>May 14</u>
Operating Revenue/Expense	
Operating Revenue	
410000 · Hydro Facility Revenues	590,950
Total Operating Revenue	<u>590,950</u>
 Gross Operating Revenue	 590,950
 Operating Expense	
535000 · Hydro/Ops-Suprvision & Engineer	26,085
538000 · Electric Expenses	8,714
539000 · Misc Power Generation Expense	15,250
540000 · Rents	10,602
541000 · Hydro Power Station Maintenance	10,228.76
542000 · Hydro Structure Maintenance	384.43
543000 · Dams, Reservoirs & Waterways	5,734.83
544000 · Maintenance of Electric Plant	106,073
545000 · Plant Miscellaneous Maintenance	14,470
560000 · Trans Sys Operation Sup & Eng	1,398
561000 · Trans/SCADA Load Dispatch	125.00
562000 · Trans/Operations Station Exp	25,475
564000 · Trans/Submarine Cable Expense	2,081
571000 · Trans/Maint Overhead Lines(OHL)	612,071
920000 · Administrative Expenses	93,066
921000 · Office Expenses	14,804
922000 · Legislative Affairs	4,000
923000 · Contract Services	29,370
924000 · Insurance	33,922
928000 · Regulatory Commission Expense	12,358
930000 · General Expenses	12,190
931000 · Admin Rent	5,059
Total Operating Expense	<u>1,043,463</u>
 Operating Income	 (452,513)
 Non-Operating Revenue/Expense	
Non-Operating Revenue	
941000 · Grant Income	-
942000 · Interest Income	11,294
945000 · Unrealized Gain/Loss	3,171
946000 · Misc Nonoperating Income	60,652.50
Total Non-Operating Revenue	<u>75,118</u>
 Non-Operating Expense	
952000 · Bond Interest 2009 Series	53,723
953000 · Depreciation Expense	329,817
954000 · Grant Expenses	36,411
954200 · Third Party Expense	23,874
Total Non-Operating Expense	<u>443,825</u>
 Net Non-Operating Revenue/Expense	 <u>(368,707)</u>
 Net Position	 <u><u>(821,220)</u></u>

# SOUTHEAST ALASKA POWER AGENCY

## Statement of Financial Position - Detail

As of May 31, 2014

	<u>May 31, 14</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Agency Funds</b>	
<b>111000 · Ops/Capital/Insurance Funds</b>	
111100 · Revenue Fund FB	7,339,606
111200 · Required R&R Fund FB	1,000,560
111210 · Dedicated R&R Projects Fund FB	6,529,496
111300 · Commercial FB	4,044
111400 · Subordinate Debt Fund FB	310
111500 · Self Insured Risk Fund FNBA	8,095,242
<b>Total 111000 · Ops/Capital/Insurance Funds</b>	<u>22,969,259</u>
<b>112000 · Trustee Funds</b>	
112100 · WF Trust Bond Interest	382,350
112200 · WF Trust Bond Principal	760,453
112300 · WF Trust Bond Reserve	1,409,921
112400 · WF Refund 2004AB Escrow	1
<b>Total 112000 · Trustee Funds</b>	<u>2,552,725</u>
<b>113000 · Restricted Funds</b>	
113100 · STI - USFS CD WF	21,618
113500 · DNR Reclamation Fund WF	777,256
<b>Total 113000 · Restricted Funds</b>	<u>798,874</u>
<b>Total Agency Funds</b>	26,320,858
<b>Accounts Receivable</b>	
110000 · Accounts Receivable	1,293,962
<b>Total Accounts Receivable</b>	<u>1,293,962</u>
<b>Other Current Assets</b>	
<b>120000 · Other Current Assets</b>	
120200 · Other Receivables	4,286
120300 · Accrued Interest Receivable	28,296
120500 · Prepaid Fees	
120510 · Prepaid FERC Fees	16,289
120520 · Prepaid Insurance	75,714
120540 · Prepaid USDA FS Land Use Fees	45,706
120550 · Prepaid Admin Expense	56,314
<b>Total 120500 · Prepaid Fees</b>	<u>194,023</u>
<b>120700 · Inventory Assets</b>	
120701 · Inventory - Wood Poles	8,143
<b>Total 120700 · Inventory Assets</b>	<u>8,143</u>
<b>Total 120000 · Other Current Assets</b>	<u>234,747</u>
<b>Total Other Current Assets</b>	<u>234,747</u>
<b>Total Current Assets</b>	27,849,567

# SOUTHEAST ALASKA POWER AGENCY

## Statement of Financial Position - Detail

As of May 31, 2014

	<u>May 31, 14</u>
<b>Fixed Assets</b>	
130000 • Fixed Assets	
130100 • Capital Assets	
130110 • Swan Lake	16,231,708
130120 • Tyee Lake	26,060,565
130130 • SEAPA Office	<u>668,955</u>
Total 130100 • Capital Assets	42,961,228
132100 • Swan Tyee Intertie in Operation	111,381,868
132200 • R&R Projects WIP Capital Improv	
132210 • R&R Projects - WIP Swan Lake	
132211 • WIP SWL Agency Permits/Environm	684,483
132213 • WIP SWL Equipment	2,261
132214 • WIP SWL Engineering/Design	150,717
132215 • WIP SWL Legal	1,260
132216 • WIP SWL Project Mgmt/Professnal	129,293
132210 • R&R Projects - WIP Swan Lake - Other	<u>1,515,842</u>
Total 132210 • R&R Projects - WIP Swan Lake	2,483,856
132220 • R&R Projects - WIP Tyee Lake	1,817,904
132230 • R&R Projects - WIP STI-Transmsn	228,722
132240 • R&R Projects - WIP SEAPA Office	<u>93,882</u>
Total 132200 • R&R Projects WIP Capital Improv	4,624,363
132900 • Accumulated Depreciation	<u>(27,512,075)</u>
Total 130000 • Fixed Assets	<u>131,455,384</u>
<b>Total Fixed Assets</b>	131,455,384
<b>Other Assets</b>	
183000 • Deferred Assets	
183300 • Meterological Tower	<u>1,676</u>
Total 183000 • Deferred Assets	<u>1,676</u>
<b>Total Other Assets</b>	<u>1,676</u>
<b>TOTAL ASSETS</b>	<u><u>159,306,627</u></u>

# SOUTHEAST ALASKA POWER AGENCY

## Statement of Financial Position - Detail

As of May 31, 2014

	<u>May 31, 14</u>
<b>LIABILITIES &amp; NET POSITION</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
210100 · Accounts Payable General	919,812
<b>Total Accounts Payable</b>	<u>919,812</u>
<b>Other Current Liabilities</b>	
210150 · Other Current Liabilities	285,320
210300 · Reserve Interest Payable	327,400
210400 · Wages Payable	67,034
210500 · Payroll Liabilities	
210530 · SUI Tax Payable	686
<b>Total 210500 · Payroll Liabilities</b>	<u>686</u>
<b>Total Other Current Liabilities</b>	<u>680,440</u>
<b>Total Current Liabilities</b>	1,600,251
<b>Long Term Liabilities</b>	
220000 · Long Term Liabilities	
220100 · Series B Bonds 2009	14,100,000
220110 · Bond Issuance Premium	9,178
220120 · Bond Discount	<u>(115,493)</u>
<b>Total 220000 · Long Term Liabilities</b>	<u>13,993,685</u>
<b>Total Long Term Liabilities</b>	<u>13,993,685</u>
<b>Total Liabilities</b>	15,593,936
<b>Net Position</b>	
310000 · Net Position	
310100 · STI Net Assets	106,354,593
310300 · Retained Earnings	<u>27,307,048</u>
<b>Total 310000 · Net Position</b>	<u>133,661,640</u>
32000 · Unrestricted Net Assets	7,206,868
Net Income	<u>2,844,183</u>
<b>Total Net Position</b>	<u>143,712,691</u>
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<u><u>159,306,627</u></u>

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
**May 2014**

	May 14	Budget	Jul '13 - May 14	YTD Budget	Annual Budget
<b>Operating Revenue</b>					
<b>410000 · Hydro Facility Revenues</b>					
410100 · Ketchikan Power Purchases	366,996	340,000	6,409,093	5,671,200	6,045,200
410200 · Petersburg Power Purchases	114,390	170,000	2,857,320	2,720,000	2,856,000
410300 · Wrangell Power Purchases	109,564	170,000	2,447,209	2,584,000	2,720,000
<b>Total 410000 · Hydro Facility Revenues</b>	<b>590,950</b>	<b>680,000</b>	<b>11,713,622</b>	<b>10,975,200</b>	<b>11,621,200</b>
<b>Total Operating Revenue</b>	<b>590,950</b>	<b>680,000</b>	<b>11,713,622</b>	<b>10,975,200</b>	<b>11,621,200</b>
<b>Gross Operating Revenue</b>	<b>590,950</b>	<b>680,000</b>	<b>11,713,622</b>	<b>10,975,200</b>	<b>11,621,200</b>
<b>Operating Expense</b>					
<b>535000 · Hydro/Ops-Suprvision &amp; Engineer</b>					
535100 · Hyd/Ops Sup & Eng - Swan Lake	10,706	9,500	55,216	103,500	113,000
535150 · Hyd/Ops Sup & Eng - SWL SEAPA	655	2,900	1,785	31,600	34,500
535200 · Hyd/Ops Sup & Eng - Tyee Lake	14,724	12,200	136,934	134,200	147,500
535250 · Hyd/Ops Sup & Eng -TYL SEAPA	-	1,000	16	9,000	10,000
535400 · Hyd/Op Sup & Eng - Proj Drawing	-	25,000	41,562	175,000	200,000
535600 · Hyd/Op Sup & Eng - Diesl Genrtn	-	-	6,294	-	-
535700 · Hyd/Op Sup & Eng - 4R Plan	-	-	1,892	-	-
<b>Total 535000 · Hydro/Ops-Suprvision &amp; Engineer</b>	<b>26,085</b>	<b>50,600</b>	<b>243,699</b>	<b>453,300</b>	<b>505,000</b>
<b>537000 · Hydraulic Expenses</b>					
537100 · Hydraulic Expense - Swan Lake	-	-	(1)	-	-
537150 · Hydraulic Expense - SWL SEAPA	-	250	6,366	12,750	13,000
537200 · Hydraulic Expense - Tyee Lake	0.00	-	0.00	-	-
537250 · Hydraulic Expense - TYL SEAPA	-	3,500	6,366	17,375	18,000
<b>Total 537000 · Hydraulic Expenses</b>	<b>-</b>	<b>3,750</b>	<b>12,730</b>	<b>30,125</b>	<b>31,000</b>
<b>538000 · Electric Expenses</b>					
538100 · Electric Expense - Swan Lake	3,305	250	20,369	2,850	3,250
538150 · Electric Expense - SWL SEAPA	3,551	1,000	15,545	11,000	12,500
538200 · Electric Expense - Tyee Lake	-	300	2,443	3,300	3,600
538250 · Electric Expense - TYL SEAPA	1,857	1,000	1,857	11,000	12,500
<b>Total 538000 · Electric Expenses</b>	<b>8,714</b>	<b>2,550</b>	<b>40,215</b>	<b>28,150</b>	<b>31,850</b>
<b>539000 · Misc Power Generation Expense</b>					
539100 · Misc Exp - Swan Lake	63	5,400	2,667	59,400	65,850
539150 · Misc Expense - SWL SEAPA	2,280	9,000	22,731	66,000	73,600
539200 · Misc Expense - Tyee Lake	5,149	14,000	199,695	213,640	227,640
539250 · Misc Expense - TYL SEAPA	7,758	10,700	103,701	145,000	155,850
539300 · Misc Expense - Annual Inspectns	-	1,500	-	1,500	1,500
539400 · Misc Expense - Permits & Maps	-	-	150	150	150
<b>Total 539000 · Misc Power Generation Expense</b>	<b>15,250</b>	<b>40,600</b>	<b>328,944</b>	<b>485,690</b>	<b>524,590</b>
<b>540000 · Rents</b>					
540300 · FERC Land Use Fee - Swan Lake	876	3,900	15,461	42,900	47,000
540400 · FERC Land Use Fee - Tyee Lake	3,196	4,000	26,104	42,000	46,000
540500 · USDA Land Use Fee - USFS ROW	1,570	2,000	17,098	18,000	20,000
540600 · USDA Land Use Fee - STI	4,810	5,000	52,370	55,000	60,000
540700 · USDA Tyee Passive Reflector	105	100	1,146	1,100	1,350
540710 · USDA Etolin Burnett Radio	44	50	483	550	650
<b>Total 540000 · Rents</b>	<b>10,602</b>	<b>15,050</b>	<b>112,663</b>	<b>159,550</b>	<b>175,000</b>

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
**May 2014**

	May 14	Budget	Jul '13 - May 14	YTD Budget	Annual Budget
<b>541000 · Hydro Power Station Maintenance</b>					
541150 · Maintenance - SWL SEAPA	9,655	7,400	40,454	81,350	88,750
541250 · Maintenance - TYL SEAPA	574	6,500	12,229	71,500	78,250
<b>Total 541000 · Hydro Power Station Maintenance</b>	<b>10,229</b>	<b>13,900</b>	<b>52,683</b>	<b>152,850</b>	<b>167,000</b>
<b>542000 · Hydro Structure Maintenance</b>					
542100 · Hyd Structure Maint - Swan Lake	384	500	7,415	3,000	3,500
<b>Total 542000 · Hydro Structure Maintenance</b>	<b>384</b>	<b>500</b>	<b>7,415</b>	<b>3,000</b>	<b>3,500</b>
<b>543000 · Dams, Reservoirs &amp; Waterways</b>					
543100 · Dams Res & Waterwys - Swan Lake	-	150	2,030	850	1,000
543150 · Dams Res & Waterwys - SWL SEAPA	2,925	-	13,643	-	-
543200 · Dams Res & Waterwys - Tyee Lake	435	600	4,456	6,600	7,200
543250 · Dams Res & Waterwys - TYL SEAPA	2,375		3,237		
<b>Total 543000 · Dams, Reservoirs &amp; Waterways</b>	<b>5,735</b>	<b>750</b>	<b>23,368</b>	<b>7,450</b>	<b>8,200</b>
<b>544000 · Maintenance of Electric Plant</b>					
544100 · Maint Electric Plant-Swan Lake	50,973	48,500	564,199	528,500	576,500
544150 · Maint Electric Plant-SWL SEAPA	1,115	3,750	14,279	41,250	45,000
544200 · Maint Electric Plant-Tyee Lake	53,984	50,700	505,813	557,700	608,400
544250 · Maint Electric Plant-TYL SEAPA	-	2,000	-	22,000	25,000
<b>Total 544000 · Maintenance of Electric Plant</b>	<b>106,073</b>	<b>104,950</b>	<b>1,084,292</b>	<b>1,149,450</b>	<b>1,254,900</b>
<b>545000 · Plant Miscellaneous Maintenance</b>					
545100 · Plant Misc Maint - Swan Lake	4,306	2,250	21,325	24,750	27,000
545150 · Plant Misc Maint - SWL SEAPA	10,163.98		10,163.98		
545200 · Plant Misc Maint - Tyee Lake	-	900	8,860	8,900	9,700
545250 · Plant Misc Maint - TYL SEAPA	-	4,800	16,735	52,800	58,000
<b>Total 545000 · Plant Miscellaneous Maintenance</b>	<b>14,470</b>	<b>7,950</b>	<b>57,085</b>	<b>86,450</b>	<b>94,700</b>
<b>560000 · Trans Sys Operation Sup &amp; Eng</b>					
560200 · Sys Ops Sup & Eng - Tyee Lake	1,398	900	7,316	9,400	10,300
<b>Total 560000 · Trans Sys Operation Sup &amp; Eng</b>	<b>1,398</b>	<b>900</b>	<b>7,316</b>	<b>9,400</b>	<b>10,300</b>
<b>561000 · Trans/SCADA Load Dispatch</b>					
561250 · SCADA Load Dispatch - TYL SEAPA	125	2,000	6,078	22,000	25,000
<b>Total 561000 · Trans/SCADA Load Dispatch</b>	<b>125</b>	<b>2,000</b>	<b>6,078</b>	<b>22,000</b>	<b>25,000</b>
<b>562000 · Trans/Operations Station Exp</b>					
562100 · Trans/Ops Station - Swan Lake	-	2,000	1,355	13,000	15,000
562150 · Trans/Ops Station - SWL SEAPA	16,350	2,000	16,393	21,000	23,000
562200 · Trans/Ops Station - Tyee Lake	2,439	2,200	22,804	23,800	26,000
562250 · Trans/Ops Station-TYL SEAPA	6,686	2,000	6,729	22,000	25,000
<b>Total 562000 · Trans/Operations Station Exp</b>	<b>25,475</b>	<b>8,200</b>	<b>47,281</b>	<b>79,800</b>	<b>89,000</b>
<b>564000 · Trans/Submarine Cable Expense</b>					
564200 · Trans/Sub Cable Exp - Tyee Lake	-	500	5,651	12,325	12,825
564250 · Trans/Sub Cable Exp - TYL SEAPA	2,081	-	6,150	30,000	30,000
<b>Total 564000 · Trans/Submarine Cable Expense</b>	<b>2,081</b>	<b>500</b>	<b>11,801</b>	<b>42,325</b>	<b>42,825</b>
<b>571000 · Trans/Maint Overhead Lines(OHL)</b>					
571100 · Trans/Maint OHL - Swan Lake	-	2,000	4,363	13,000	15,000
571150 · Trans/Maint OHL - SWL SEAPA	243,497	223,000	258,331	423,000	448,000
571200 · Trans/Maint OHL - Tyee Lake	22,151	16,400	147,768	179,750	196,150
571250 · Trans/Maint OHL - TYL SEAPA	308,723	292,750	348,071	553,750	787,750
571300 · Trans/Maint OHL STI Maintenance	37,700	100,000	68,028	100,000	296,500
571500 · Trans/Maint OHL STI Therml Scan	-	-	-	10,000	10,000
571600 · Trans/Maint OHL Spare Mat Stor	-	-	350	500	500
571700 · Trans/Maint OH STI Clearing	-	25,000	-	75,000	100,000
571800 · Trans/Maint OHL System Events	-	12,500	5,640	137,500	150,000
<b>Total 571000 · Trans/Maint Overhead Lines(OHL)</b>	<b>612,071</b>	<b>671,650</b>	<b>832,552</b>	<b>1,492,500</b>	<b>2,003,900</b>

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
**May 2014**

	May 14	Budget	Jul '13 - May 14	YTD Budget	Annual Budget
<b>920000 • Administrative Expenses</b>					
<b>920100 • Administrative</b>	93,066	105,000	971,457	1,151,761	1,256,761
<b>Total 920000 • Administrative Expenses</b>	93,066	105,000	971,457	1,151,761	1,256,761
<b>921000 • Office Expenses</b>					
<b>921100 • Office Supplies</b>	1,130	1,000	13,753	12,000	13,000
<b>921200 • Office Equipment</b>	1,020	2,300	30,136	24,900	27,200
<b>921300 • Phone, Courier, Internet</b>	12,439	2,000	50,990	23,400	25,400
<b>921400 • System Networking</b>	214	3,400	49,295	37,600	41,000
<b>921600 • Vehicle Expenses</b>	-	300	3,491	2,700	3,000
<b>Total 921000 • Office Expenses</b>	14,804	9,000	147,664	100,600	109,600
<b>922000 • Legislative Affairs</b>	4,000	5,900	47,871	64,100	70,000
<b>923000 • Contract Services</b>					
<b>923200 • Annual Financial Audit</b>	-	-	23,616	28,000	28,000
<b>923300 • Bank &amp; Trustee Fees</b>	286	1,000	10,653	10,800	11,800
<b>923400 • Insurance Consultant</b>	-	1,000	18,481	9,000	10,000
<b>923500 • Investment Consultant</b>	1,692	2,000	36,456	22,000	25,000
<b>923600 • Legal Fees</b>	26,287	12,500	158,455	137,500	150,000
<b>923700 • Recruitment</b>	895	2,500	5,400	27,500	30,000
<b>923800 • Other Professional Services</b>	210	1,300	9,492	14,700	16,000
<b>Total 923000 • Contract Services</b>	29,370	20,300	262,553	249,500	270,800
<b>924000 • Insurance</b>	33,922	49,000	417,001	539,000	588,000
<b>928000 • Regulatory Commission Expense</b>					
<b>928150 • FERC SWL Admin Fees</b>	3,945	4,000	43,578	43,000	47,000
<b>928151 • FERC SWL Other Expenses</b>	2,968	15,000	19,415	89,000	104,000
<b>928250 • FERC TYL Admin Fees</b>	3,595	3,500	39,712	39,500	43,000
<b>928251 • FERC TYL Other Expenses</b>	1,850		9,662		
<b>Total 928000 • Regulatory Commission Expense</b>	12,358	22,500	112,367	171,500	194,000
<b>930000 • General Expenses</b>					
<b>930100 • Advertising Expense</b>	-	400	4,322	4,600	5,000
<b>930110 • Public Relations</b>	4,981	3,195	18,823	56,805	60,000
<b>930111 • PR - SEAPA History Project</b>	-	4,000	2,577	11,000	15,000
<b>930300 • Association Dues Expense</b>	-	2,400	26,987	26,650	29,050
<b>930310 • Professional Assn Dues</b>	-	-	230	645	645
<b>930400 • Board Meeting Expenses</b>	1,080	3,750	30,141	41,250	45,000
<b>930500 • Training Expense</b>	2,258	2,000	21,160	21,400	23,575
<b>930600 • Travel Expense</b>	3,751	3,900	26,925	43,100	47,000
<b>930700 • Non-Travel Incidental</b>	120	300	(434)	3,300	3,500
<b>Total 930000 • General Expenses</b>	12,190	19,945	130,730	208,750	228,770
<b>931000 • Admin Rent</b>					
<b>931010 • Office Rent</b>	4,309	4,500	46,599	47,200	51,700
<b>931100 • Apartment Rent - Ketchikan</b>	750	725	8,000	7,975	8,700
<b>Total 931000 • Admin Rent</b>	5,059	5,225	54,599	55,175	60,400
<b>Total Operating Expense</b>	1,043,463	1,160,720	5,012,365	6,742,426	7,745,096
<b>Operating Income</b>	(452,513)	(480,720)	6,701,257	4,232,774	3,876,104

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
**May 2014**

	May 14	Budget	Jul '13 - May 14	YTD Budget	Annual Budget
<b>Non-Operating Revenue</b>					
941000 · Grant Income	-		788,263		
941100 · Third Party Income	-		336,210		
942000 · Interest Income					
942100 · Misc Interest Income	763		8,057		
942200 · Investment Interest Income	10,532		113,994		
Total 942000 · Interest Income	11,294		122,050		
944000 · Realized Gain/Loss					
944100 · Realized Gain/Loss Bonds	-		183		
944200 · Realized Gain/Loss on Invest	-		(21,666)		
Total 944000 · Realized Gain/Loss	-		(21,484)		
945000 · Unrealized Gain/Loss					
945100 · Unrealized Gain/Loss Bonds	-		(394)		
945200 · Unrealized Gain/Loss Investment	3,171		(4,920)		
Total 945000 · Unrealized Gain/Loss	3,171		(5,314)		
946000 · Misc Nonoperating Income					
946001 · Other Misc Income	60,653		104,995		
946002 · Gain/Loss on Property Dispositrn	-		9,068		
Total 946000 · Misc Nonoperating Income	60,653		114,064		
<b>Total Non-Operating Revenue</b>	75,118		1,333,788		
<b>Non-Operating Expense</b>					
951000 · Amortization Expense	-		-		
952000 · Bond Interest 2009 Series	53,723		611,368		
953000 · Depreciation Expense	329,817		3,627,991		
954000 · Grant Expenses					
954002 · Grant Contractual	36,114		809,372		
954004 · Grant Labor & Benefits	131		958		
954005 · Grant Legal	-		14,525		
954007 · Grant Other Expense	26		916		
954008 · Grant Travel	139		11,909		
954000 · Grant Expenses - Other	-		-		
Total 954000 · Grant Expenses	36,411		837,680		
954100 · Contributed Capital	-		(247,610)		
954200 · Third Party Expense					
954210 · Annette Island Hydro Site Eval					
954211 · Annette Island - Contractual	23,772		345,419		
954212 · Annette Island - Materials	-		232		
954213 · Annette Island - Direct Labor	-		9,486		
954214 · Annette Island - Travel	103		6,297		
Total 954210 · Annette Island Hydro Site Eval	23,874		361,434		
Total 954200 · Third Party Expense	23,874		361,434		
955000 · Interest Expense					
955100 · Interest Expense - Misc	-		1		
955200 · Investment Interest Expense	-		-		
Total 955000 · Interest Expense	-		1		
<b>Total Non-Operating Expense</b>	443,825		5,190,863		
<b>Net Non-Operating Revenue/Expense</b>	(368,707)		(3,857,074)		
<b>Net Position</b>	(821,220)	(480,720)	2,844,183	4,232,774	3,876,104



**Southeast Alaska Power Agency**  
**SUMMARY - WIP R&R CAPITAL PROJECTS**  
June 30, 2014

	FY14 Budget	FY14 Expenditures		FY10	EXPENDITURES		FY13	FY14	Total Expenditures
					FY11	FY12			
002-10TRN Helicopter Pads	\$ -	(\$20,600)	<b>Capitalized \$82K</b>	155,131	11,156	(63,600)	-	(20,600)	\$ 82,085
220-12 SCADA Upgrade	\$ 1,060,093	\$881,204	<b>TYL portion capitalized \$675K</b>	-	-	130,663	156,453	881,204	\$ 1,168,320
227-13 Burnett Peak Battery	\$ 13,160	\$6,452	<b>Capitalized \$28K</b>				21,140	6,452	\$ 27,592
228-13 Circuit Switcher WRG	\$ 98,000	\$0	Scheduled for Fall 2014				-	-	\$ -
229-13 Gate Control Refurbish TYL	\$ 28,246	\$26,624	<b>Capitalized \$36K</b>				9,160	26,624	\$ 35,784
231-13 Helicopter Pads	\$ 1,608,000	\$96,847	<b>Prototype capitalized \$115K</b>				57,731	96,847	\$ 154,578
232-13 Communications Upgrade	\$ 245,000	\$181,946	<b>SWL-SEAPA cap. \$177,163</b>				12,160	181,946	\$ 194,105
234-13 Gatehs Generator TYL	\$ 60,000	\$38,833	<b>Capitalized \$39K</b>				114	38,833	\$ 38,947
236-13 Wrangell Reactor	\$ 1,800,000	\$55,543	Manufacturing stage				55,066	55,543	\$ 110,610
237-13 Remote Brkr Rack. Device	\$ 70,000	\$31,121	<b>Capitalized \$31,121</b>				-	31,121	\$ 31,121
238-13 Replacement Winding SWL	\$ 28,492	\$17,846	<b>Capitalized \$890,405</b>				872,559	17,846	\$ 890,405
240-13 Cooling Water TYL	\$ 177,295	\$67,566	<b>Capitalized piping \$94,165</b>				26,600	67,566	\$ 94,165
241-13 Stream Gauge TYL	\$ 1,444,651	\$562,635	<b>Capitalized Weir &amp; Helipad \$598,332</b>				37,845	562,635	\$ 600,480
242-13 Reservoir Expansion SWL	\$ 1,626,750	\$395,950	Increased Storage			151,421	421,782	395,950	\$ 969,153
	\$ (575,750)		DCCED Grant Funds						
243-14 Compactor-Roller TYL	\$ 80,000	\$65,391	<b>Purchased Mar 2014</b>					65,391	\$ 65,391
244-14 Covered Storage TYL	\$ 25,000	\$4,370	<b>Expensed \$4,370</b>					4,370	\$ 4,370
245-14 Crew Boat SWL	\$ 130,000	\$357	Manufacturing stage					357	\$ 357
246-14 Excavator TYL	\$ 125,000	\$105,071	<b>Capitalized \$105,071</b>					105,071	\$ 105,071
247-14 Generator Controls SWL	\$ 60,000	\$0	Not in FY15 budget.					-	\$ -
248-14 Lathe TYL	\$ 42,000	\$16,593	Vendor nonresponsive.					16,593	\$ 16,823
249-14 Marine Term Gage/CommTYL	\$ 175,500	\$0	Scheduled for FY2015.					-	\$ -
250-14 Needle Valve AssemblyTYL	\$ 59,000	\$0	Monitoring, but not in FY2015.					-	\$ -
251-14 Powerhs Roof Repair SWL	\$ 399,900	\$1,788	Bid specs being developed					1,788	\$ 1,788
252-14 Submarine SpliceSpareTYL	\$ 288,000	\$0	Existing kits being evaluated					-	\$ -
253-14 Vehicle SEAPA Office	\$ 31,000	\$31,057	<b>Capitalized \$31,057</b>					31,057	\$ 31,057
254-14 Water Tank RemediatiN SWL	\$ 73,000	\$3,800	No response to bid invitation					3,800	\$ 3,800
255-14 Wood Helipad Repair SWL	\$ 102,000	\$875	Bid packet under development.					875	\$ 875
<b>Total WIP R&amp;R Capital Projects</b>	<b>\$9,274,337</b>	<b>\$2,571,267</b>		<b>\$155,131</b>	<b>\$11,156</b>	<b>\$218,483</b>	<b>\$1,670,609</b>	<b>\$2,571,267</b>	<b>\$4,626,876</b>

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**

June 30, 2014

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>002-10TRN Helicopter Pads</b>			<b>\$0</b>	-	This project will be capitalized in FY14 after the helipad prototype is placed in service. The FY12 credit represents helipad design and materials that were abandoned due to excessive liability. Project continued under R&R 231-13.
	\$ 155,131	<i>FY10 Expenditures</i>			
	\$ 11,156	<i>FY11 Expenditures</i>			
	\$ (63,600)	<i>FY12 Expenditures</i>			
07/31/13	307	Touchdown Enterprises		(20,600)	One helipad moved to RR241-13 Stream Gage project.
<b>Total 002-10 Helicopter Pads</b>				<b>82,085</b>	PrototypeS in place November 2013. <b>CAPITALIZED FY14</b>
<b>220-12 SCADA Upgrade</b>			<b>\$1,060,093</b>	-	SEAPA System SCADA Consolidation Project. Installation nearly complete. (E.Wolfe)
	\$ 130,663	<i>FY12 Expenditures</i>			<b>FY14 CAPITALIZED SWL-SEAPA Office \$674K</b>
	\$ 156,453	<i>FY13 Expenditures</i>			
07/08/13	WOL201307	.Wolfe, Eric		7	
07/10/13	51212	Sunrise Aviation Inc		420	
07/10/13	51217	Sunrise Aviation Inc		720	
07/11/13	51222	Sunrise Aviation Inc		915	
07/12/13	51225	Sunrise Aviation Inc		285	
07/30/13	INV130731	Segrity LLC		6,778	
07/30/13	INV130731	Segrity LLC		6,778	
07/31/13	WOL9225-20130	"Bank of America		318	
07/31/13	THO9358-20130	"Bank of America		205	
07/31/13	783	Fiber Fusion		102,268	
08/19/13	S1108456001	Technical Marketing Mfg., Inc.		48,444	
08/28/13	5566922511	Siemens Industry Inc		7,266	
08/28/13	5566922511	Siemens Industry Inc		1,177	
08/31/13	786	Fiber Fusion		27,769	
09/03/13	40478534116	Schweitzer Engineering Laboratorie		43,498	
09/04/13	40478534328	Schweitzer Engineering Laboratorie		864	
09/05/13	71623	Transduction		18,263	
09/09/13	40478535150	Schweitzer Engineering Laboratorie		2,832	
09/18/13	40478536833	Schweitzer Engineering Laboratorie		14,697	
09/24/13	10141	Bison ProFab		3,521	
09/25/13	51111839001	Technical Marketing Mfg., Inc.		2,397	
09/27/13	XJ7KR2MP8	DELL		3,803	
09/30/13	WOL9225-20130	"Bank of America		66	
09/30/13	792	Fiber Fusion		35,849	
10/03/13	11G005646	Anixter		1,427	
10/03/13	11G005688	Anixter		3,109	
10/03/13	11G005688	Anixter		400	
10/04/13	11G005665	Anixter		1,657	
10/04/13	11G005653	Anixter		152	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
June 30, 2014

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
10/04/13	55185	Standard Automation		1,820	
10/06/13	INV131004	Segrity LLC		18,065	
10/06/13	INV131004	Segrity LLC		5,763	
10/07/13	11G005666	Anixter		72	
10/07/13	110961	REVL Communications & Systems		4,122	
10/10/13	40478541024	Schweitzer Engineering Laboratorie		1,713	
10/11/13	11G005698	Anixter		12	
10/14/13	11G005746	Anixter		776	
10/14/13	11G005746	Anixter		284	
10/23/13	XJ83NC8X9	DELL		627	
10/28/13	40478543768	Schweitzer Engineering Laboratorie		865	
10/31/13	GUY8385-20131	"Bank of America		68	
10/31/13	THO9358-20131	"Bank of America		194	
10/31/13	THO9358-20131	"Bank of America		97	
10/31/13	THO9358-20131	"Bank of America		97	
10/31/13	WOL9225-20131	"Bank of America		162	
10/31/13	TBPA201310	Thomas Bay Power Authority		2,317	
10/31/13	WOL201310	.Wolfe, Eric		354	
10/31/13	795B	Fiber Fusion		53,432	
11/15/13	30101	Petro Marine Services		507	
11/17/13	51532	Sunrise Aviation Inc		435	
11/19/13	51538	Sunrise Aviation Inc		435	
11/22/13	51539	Sunrise Aviation Inc		435	
11/24/13	51541	Sunrise Aviation Inc		435	
11/27/13	11G005951	Anixter		592	
11/27/13	11G005951	Anixter		592	
11/30/13	INV131210	Segrity LLC		37,285	
11/30/13	798	Fiber Fusion		12,650	
11/30/13	798	Fiber Fusion		12,650	
11/30/13	800	Fiber Fusion		784	
11/30/13	TBPA201311	Thomas Bay Power Authority		12,658	
11/30/13	797	Fiber Fusion		44,831	
12/03/13	40478550304	Schweitzer Engineering Laboratorie		483	
12/19/13	23149	Control Engineers		120	
12/19/13	11G006060	Anixter		1,309	
12/22/13	51575	Sunrise Aviation Inc		20	
12/31/13	TBPA201312	Thomas Bay Power Authority		2,522	
01/07/14	51582	Sunrise Aviation Inc		285	
01/09/14	139383	Industrial Networking Solutions		758	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
June 30, 2014

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
01/10/14		;Alaska Airlines		158	
01/12/14	51586	Sunrise Aviation Inc		190	
01/13/14	57587	Sunrise Aviation Inc		1,155	
01/14/14	139466	Industrial Networking Solutions		937	
01/15/14	51589	Sunrise Aviation Inc		1,880	
01/16/14	27386	Taquan Air		467	
01/31/14	803	Fiber Fusion		53,497	
01/31/14	INV14002	Segrity LLC		(1,765)	
01/31/14	INV14002	Segrity LLC		23,960	
01/31/14	8983	Automation Control Products		4,610	
01/31/14	802	Fiber Fusion		14,557	
01/31/14	XJ9XD8RX2	Dell		3,138	
01/31/14	TBPA201401	Thomas Bay Power Authority		7,702	
01/31/14	WOL7811-20140	"Bank of America		84	
01/31/14	WOL7811-20140	"Bank of America		80	
02/05/14	XJCIPX232	Dell		3,707	
02/11/14	71933	Transduction		6,667	
02/12/14	56275	Standard Automation		2,049	
02/15/14	23182	Control Engineers		156	
02/20/14	40478563091	Schweitzer Engineering Laboratorie		25,024	
02/21/14	5567254954	Siemens Industry Inc		3,338	
02/26/14	WQGVZR	;Alaska Airlines		578	
02/28/14	805	Fiber Fusion		19,408	
02/28/14	WOL201402	.Wolfe, Eric		7	
02/28/14	5201660	Automation Direct		833	
02/28/14	TBPA201402	Thomas Bay Power Authority		2,304	
03/05/14	76424	Channel Electric		821	
03/10/14	76479	Channel Electric		(125)	
03/12/14	INV0140939	Industrial Networking Solutions		1,985	
03/13/14	S1116404001	Technical Marketing Mfg., Inc.		946	
03/14/14	K9460201	Tyler Rental, Inc.		63	
03/14/14	XJCN458M1	Dell		692	
03/25/14	76620	Channel Electric		138	
03/27/14	646317	MDS Power Inc		2,269	
03/28/14	23237	Control Engineers		406	
03/28/14	40478569711	Schweitzer Engineering Laboratorie		1,310	
03/31/14	GUY8385-20140	"Bank of America		105	
03/31/14	WOL7811-20140	"Bank of America		505	
03/31/14	808	Fiber Fusion		31,064	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
June 30, 2014

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
03/31/14	TBPA201403	Thomas Bay Power Authority		388	
04/01/14	210900	Best Western Landing Hotel		99	
04/01/14	27564	Taquan Air		467	
04/03/14	XJD2KPC65	Dell		300	
04/10/14	76804	Channel Electric		133	
04/12/14	INV14006	Segrity LLC		45,775	
04/12/14	27585	Taquan Air		467	
04/13/14	211479	Best Western Landing Hotel		99	
04/14/14	27588	Taquan Air		467	
04/17/14	WOL201404	.Wolfe, Eric		13	
04/30/14	809	Fiber Fusion		52,447	
04/30/14	809	Fiber Fusion		9,030	
04/30/14	TBPA201404	Thomas Bay Power Authority		780	
04/30/14	352	Moved to expense		(2,304)	
05/02/14	27677	Taquan Air		467	
05/10/14	51729	Sunrise Aviation Inc		360	
05/30/14	267006662	FedEx		46	
05/30/14	267006662	FedEx		46	
05/31/14	ALL9609-201405	"Bank of America		574	
05/31/14	WOL7811-20140	"Bank of America		95	
06/16/14	WOL201406	.Wolfe, Eric		44	
06/30/14	811	Fiber Fusion, \$5074.00		-	
06/30/14	812	Fiber Fusion, \$2144.00		-	
06/30/14	INV14012	Segrity LLC, \$14,809.76		-	
<b>Total 220-12 SCADA Upgrade</b>				<u>1,168,320</u>	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
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Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>227-13 Burnett Peak Battery</b>			<b>\$13,160</b>	-	Battery replacement at Burnett Peak communication center completed by
01/10/13	18040	AP&T Wireless, Inc.		21,140	AP&T. (S.Henson) <b>COMPLETE AUG 2013.</b>
08/29/13	8267401	Madison Lumber & Hardware Inc		18	<b>CAPITALIZED FY14</b>
09/20/13	19515	AP&T Wireless, Inc.		6,434	
<b>Total 227-13 Burnett Peak Battery</b>				<u>27,592</u>	
<b>228-13 Circuit Switcher WRG</b>			<b>\$98,000</b>	-	Replace manual 3-phase circuit switcher at the Wrangell switchyard.
				-	Currently scheduled for installation during fall 2014. (S.Henson)
<b>Total 228-13 Circuit Switcher Wrg</b>				<u>-</u>	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
June 30, 2014

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>229-13 Gate Control Refurbish</b>			<b>\$28,246</b>	-	Replace control panel and components, rebuild hand-hydraulic pump.
	\$9,160	<i>FY13 Expenditures</i>			(S.Henson) <b>COMPLETE APR 2014. CAPITALIZED FY14</b>
08/27/13	26937	Temsco Helicopters, Inc.		1,738	
09/05/13	27058	Temsco Helicopters, Inc.		2,738	
09/06/13	27002	Temsco Helicopters, Inc.		1,303	
09/30/13	TBPS201309	Thomas Bay Power Authority		532	
10/10/13	27131	Temsco Helicopters, Inc.		1,863	
10/11/13	27138	Temsco Helicopters, Inc.		3,699	
10/12/13	27140	Temsco Helicopters, Inc.		3,494	
10/13/13	51468	Sunrise Aviation Inc		435	
10/31/13	TBPA201310	Thomas Bay Power Authority		4,492	
11/06/13	11062013	Temsco Helicopters, Inc.		2,706	
11/12/13	K5632	Temsco Helicopters, Inc.		203	
11/30/13	TBPA201311	Thomas Bay Power Authority		1,185	
12/31/13	TBPA201312	Thomas Bay Power Authority		55	
04/30/14	TBPA201404	Thomas Bay Power Authority		2,182	
<b>Total 229-13 Gate Control Refurbish TYL</b>				<u>35,784</u>	

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**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**

June 30, 2014

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>231-13 Helicopter Pads</b>			<b>\$1,608,000</b>	-	Helipad installation on the intertie and replacement of pads on Swan and Tyee lines. Prototype installed on the STI in November 2013. Helipad design contract awarded to PND in April 2014. (S.Henson)
	\$ 57,731	<i>FY13 Expenditures</i>			
07/15/13	1575	PSSA LLC		1,062	
07/16/13	26298	Taquan Air		467	
07/26/13	50705567	Tetra Tech Inc		1,391	
07/31/13	132017	Tongass Engineering		4,369	
08/23/13	13483	Ketchikan Autobody & Glass		5,000	
08/23/13	50712997	Tetra Tech Inc		387	
08/28/13	26947	Temsco Helicopters, Inc.		5,962	
08/31/13	132018	Tongass Engineering		4,974	
09/27/13	50726766	Tetra Tech Inc		789	
09/30/13	132019	Tongass Engineering		1,234	
09/30/13	132101	Tongass Engineering		709	
09/30/13	28343	Ketchikan Daily News		59	
10/04/13	54805	Pilot Publishing, Inc.		57	
10/04/13	54803	Wrangell Sentinel		45	
10/07/13	27124	Temsco Helicopters, Inc.		3,279	
10/15/13	27141	Temsco Helicopters, Inc.		3,643	
10/15/13	27138	Taquan Air		467	
10/24/13	27173	Temsco Helicopters, Inc.		2,440	
10/24/13	27174	Temsco Helicopters, Inc.		555	
10/25/13	27176	Temsco Helicopters, Inc.		1,331	
10/27/13	27178	Temsco Helicopters, Inc.		1,664	
10/28/13	27185	Temsco Helicopters, Inc.		1,698	
10/29/13	27191	Temsco Helicopters, Inc.		1,220	
10/31/13	27194	Temsco Helicopters, Inc.		1,553	
10/31/13	50741540	Tetra Tech Inc		611	
11/01/13	27210	Temsco Helicopters, Inc.		1,885	
11/01/13	1320110	Tongass Engineering		4,851	
11/02/13	27205	Temsco Helicopters, Inc.		2,576	
11/21/13	4177	Alaska Clearing Inc		11,500	
11/21/13	M639	Vigor Alaska LLC		216	
11/22/13	50752487	Tetra Tech Inc		2,809	
12/16/13	16490222	R&M Consultants Inc		194	
12/31/13	50759947	Tetra Tech Inc		1,175	
01/11/14	1320112	Tongass Engineering		1,103	
01/11/14	1320111	Tongass Engineering		3,216	
01/20/14	14985	Ketchikan Daily News		71	
01/24/14	50767954	Tetra Tech Inc		479	
01/31/14	55504	Pilot Publishing, Inc.		68	



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**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
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Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
01/31/14	1320113	Tongass Engineering		2,678	
02/02/14	100869838	Anchorage Daily News		72	
02/03/14	55699	Wrangell Sentinel		55	
02/28/14	50772681	Tetra Tech Inc		723	
02/28/14	1320114	Tongass Engineering		1,313	
03/28/14	50786440	Tetra Tech Inc		473	
04/02/14	S021WRA01I	Samson Tug & Barge		700	
04/19/14	13201-15	Tongass Engineering		2,205	
04/25/14	50794139	Tetra Tech Inc		941	
05/08/14	14050054	PND Engineers		4,420	
05/31/14	1320116	Tetra Tech Inc		1,277	
05/31/14	1320116	Tongass Engineering		1,628	
05/31/14	14060064	PND Engineers		5,258	
<b>Total 231-13 Helicopter Pads</b>				<u>154,578</u>	

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Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>232-13 Communications Upgr</b>			<b>\$245,000</b>	-	Preferred recommendation for SEAPA Communications upgrade.
	\$12,160	<i>FY13 Expenditures</i>			Continuation of Gillespie, Prudhon & Assoc. "Communication Network Evaluation & Recommendation" study. (S. Henson)
08/15/13	26680	Taquan Air		935	
08/17/13	51319	Sunrise Aviation Inc		180	
08/18/13	51322	Sunrise Aviation Inc		1,220	Satellite dishes and telephone systems installed at Swan Lake and SEAPA
08/22/13	MK139744	Futaris		7,395	Office in December 2013. Permitting process for the Tyee Lake satellite
08/22/13	MK139744	Futaris		7,395	dish underway.
08/30/13	MK139757	Futaris		150	<b>CAPITALIZED SWL-SEAPA Office \$177,163</b>
08/30/13	MK139757	Futaris		150	
08/30/13	MK139756	Futaris		417	
08/30/13	MK139756	Futaris		417	
08/30/13	MK139756	Futaris		417	
09/03/13	TIE201309	Tek Indoor Environmental		1,948	
09/12/13	MK139764	Futaris		2,441	
09/12/13	MK139765	Futaris		2,324	
09/20/13	8326341	Madison Lumber & Hardware Inc		774	
09/20/13	8326351	Madison Lumber & Hardware Inc		66	
09/30/13	1600	PSSA LLC		798	
10/01/13	MK139771	Futaris		3,645	
10/01/13	MK139772	Futaris		6,956	
10/06/13	INV131004	Segrity LLC		608	
10/06/13	INV131004	Segrity LLC		608	
10/10/13	MK139796	Futaris		7,165	
10/28/13	MK139807	Futaris		9,914	
10/28/13	MK139809	Futaris		2,736	
10/29/13	27180	Taquan Air		467	
10/30/13	205508	Best Western Landing Hotel		133	
10/30/13	CM139796	Futaris		(7,165)	
11/02/13	27205	Temsco Helicopters, Inc.		1,288	
11/07/13	27240	Taquan Air		467	
11/08/13	206103	Best Western Landing Hotel		148	
11/13/13	CM139807	Futaris		(9,914)	
11/25/13	MK139829	Futaris		1,198	
11/27/13	1776	Millard Associates Architects		1,979	
11/30/13	INV121205	Segrity LLC		(1,000)	
11/30/13	INV121205	Segrity LLC		333	
11/30/13	INV121205	Segrity LLC		333	
11/30/13	INV121205	Segrity LLC		333	
11/30/13	TX201026	Anchorage Daily News		(43)	
11/30/13	TX201026	Anchorage Daily News		14	
11/30/13	TX201026	Anchorage Daily News		14	

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Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
11/30/13	TX201026	Anchorage Daily News		14	
12/14/13	206772	Best Western Landing Hotel		515	
12/31/13	MK139848	Futaris		13,271	
12/31/13	3686	McMillen LLC		123	
12/31/13	MK139849	Futaris		22,148	
12/31/13	CM139850B	Futaris		(3,000)	
12/31/13	MK139850	Futaris		76,163	
01/24/14	CM139850	Futaris		(17)	
01/31/14	INV14002	Segrity LLC		2,018	
01/31/14	INV14002	Segrity LLC		2,018	
01/31/14	MK139808	Futaris		9,784	
01/31/14	MK139814	Futaris		1,065	
02/03/14	20144	Ketchikan City of 334		678	
02/25/14	MK149883	Futaris		494	
04/19/14	128272	Promech Air		487	
04/21/14	51690	Sunrise Aviation Inc		435	
04/21/14	51694	Sunrise Aviation Inc		495	
04/21/14	51693	Sunrise Aviation Inc		435	
04/25/14	50794143	Tetra Tech Inc		2,482	
04/29/14	MK149915	Futaris		212	
04/29/14	MK149914	Futaris		2,695	
04/30/14	ALL9609-201404	"Bank of America		172	
04/30/14	HEN0453-201404	"Bank of America		86	
04/30/14	HEN0453-201404	"Bank of America		11	
05/10/14	51733	Sunrise Aviation Inc		870	
05/12/14	410211	Satellite & Sound Inc		1,050	
<b>Total 232-13 Communications Upgrade</b>				<u>194,105</u>	

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Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>234-13 Gatehs Generator TYL</b>			<b>\$60,000</b>	-	Replacement of aging propane generator and two propane tanks at Tyee Gatehouse. Propane tanks passed inspection July 2012 & will not be replaced. Generator installed & tanks filled Sep 2013. (S.Henson)
	\$	114	<i>FY13 Expenditures</i>		<b>CAPITALIZED \$39K</b>
07/30/13	72613	Arrowhead LP Gas WRG		13,880	
08/02/13	26858	Temsco Helicopters, Inc.		1,814	
08/27/13	26937	Temsco Helicopters, Inc.		1,738	
08/29/13	11410	Buness Electric LLC		488	
09/03/13	26999	Temsco Helicopters, Inc.		8,683	
09/03/13	26998	Temsco Helicopters, Inc.		3,769	
09/03/13	14259	Arrowhead LP Gas WRG		1,275	
09/03/13	17702	Service Auto Parts		66	
09/04/13	80237	Wrangell Oil Inc		499	
09/05/13	51365	Sunrise Aviation Inc		420	
09/05/13	95131	Arrowhead Transfer SIT		912	
09/06/13	27002	Temsco Helicopters, Inc.		1,303	
09/18/13	80364	Wrangell Oil Inc		527	
10/12/13	K9333001	Tyler Rental, Inc.		118	
10/25/13	51492	Sunrise Aviation Inc		870	
10/25/13	27176	Temsco Helicopters, Inc.		2,371	
10/31/13	HEN0453-20131	"Bank of America		101	
<b>Total 234-13 Gatehs Gen-Propane TYL</b>				<b>38,947</b>	
<b>236-13 Wrangell Reactor</b>			<b>\$1,800,000</b>	-	Replace aging reactor in Wrangell with switchable reactors and capacitors. Studies performed by EPS and Segrity. Design is complete. Bid for manufacture awarded to ABB in March 2014 with scheduled delivery in October. (S.Henson)
	\$55,066	<i>FY13 Expenditures</i>			
11/30/13	2147	Electric Power Systems Inc.		9,621	
01/23/14	2433	Electric Power Systems Inc.		18,104	
01/24/14	3284184	Daily Journal of Commerce		91	
01/31/14	2655	Electric Power Systems Inc.		8,402	
04/22/14	3031	Electric Power Systems Inc.		7,034	
05/15/14	3199	Electric Power Systems Inc.		12,292	
<b>Total 236-13 Wrangell Reactors</b>				<b>110,610</b>	
<b>237-13 Remote Brkr Rack. Devi</b>			<b>\$70,000</b>	-	Safety measure to protect personnel while racking a breaker. Two racking devices delivered to both Swan & Tyee complete in October. (S.Henson)
09/13/13	145693	Powell Electrical Systems		4,805	
09/13/13	145693	Powell Electrical Systems		4,805	<b>COMPLETE Oct 2013. CAPITALIZED \$31K</b>
09/27/13	10712	CBS ArcSafe, Inc		10,755	
09/27/13	10712	CBS ArcSafe, Inc		10,755	
<b>Total 237-13 Remote Brkr Rack. Device</b>				<b>31,121</b>	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
June 30, 2014

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>238-13 Replacement Winding S'</b>			<b>\$28,492</b>	-	Spare generator winding for Swan Lake. Constructed by Voith Hydro. Delivered to Swan Lake in June. Humidity-controlled storage built in August 2013. <b>COMPLETE Aug 2013.</b>
	\$ 872,559	<i>FY13 Expenditures</i>			<b>CAPITALIZED \$890,405</b>
07/15/13	8129541	Madison Lumber & Hardware Inc		351	
07/15/13	8129671	Madison Lumber & Hardware Inc		86	
07/15/13	330359	Northland Services		15	
07/19/13	331757	Northland Services		51	
07/29/13	26451	Taquan Air		234	
07/31/13	THO9358-20130	"Bank of America		489	
07/31/13	MKC201307	Morris Kepler Consulting		34	
08/07/13	8203771	Madison Lumber & Hardware Inc		71	
08/12/13	26669	Taquan Air		234	
08/31/13	THO9358-20130	"Bank of America		127	
08/31/13	MKC201308	Morris Kepler Consulting		16,790	
09/30/13	MKC201309	Morris Kepler Consulting		1,260	
11/30/13	8129541	Madison Lumber & Hardware Inc		(351)	
11/30/13	8129671	Madison Lumber & Hardware Inc		(86)	
11/30/13	8010541	Madison Lumber & Hardware Inc		(1,457)	
<b>Total Replacement Winding SWL</b>				<u>890,405</u>	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
June 30, 2014

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>240-13 Cooling Water TYL</b>			<b>\$177,295</b>	-	Piping installation complete. Valves and control work remain.
	\$ 26,600	<i>FY13 Expenditures</i>			<b>CAPITALIZED PIPE INSTALLATION \$94,165</b>
07/31/13	MKC201307	Morris Kepler Consulting		719	
08/31/13	THO9358-201308	"Bank of America		458	
08/31/13	MKC201308	Morris Kepler Consulting		1,220	
08/31/13	TBPA201308	Thomas Bay Power Authority		751	
09/10/13	K39322	Tyler Rental, Inc.		578	
09/10/13	K9291801	Tyler Rental, Inc.		945	
09/11/13	2714550	Ferguson Enterprises		4,487	
09/12/13	346056	Northland Services		300	
09/18/13	80371	Wrangell Oil Inc		697	
09/20/13	51405	Sunrise Aviation Inc		420	
09/25/13	94867	McCall Industrial		4,356	
09/25/13	94869	McCall Industrial		6,875	
09/26/13	51423	Sunrise Aviation Inc		720	
09/27/13	2264220895	FedEx		183	
09/30/13	MKC201309	Morris Kepler Consulting		11,780	
09/30/13	WOL9225-201309	"Bank of America		41	
09/30/13	TBPS201309	Thomas Bay Power Authority		7,171	
10/01/13	351224	Northland Services		72	
10/04/13	ACT4655201309	"Bank of America		18	
10/08/13	51455	Sunrise Aviation Inc		435	
10/11/13	353357	Northland Services		72	
10/16/13	353818	Northland Services		38	
10/25/13	K9291802	Tyler Rental, Inc.		378	
10/31/13	TBPA201310	Thomas Bay Power Authority		10,191	
11/05/13	51513	Sunrise Aviation Inc		720	
11/09/13	51518	Sunrise Aviation Inc		435	
11/30/13	HEN0453-201311	"Bank of America		66	
11/30/13	MKC201311	Morris Kepler Consulting		4,171	
11/30/13	TBPA201311	Thomas Bay Power Authority		4,238	
12/31/13	TBPA201312	Thomas Bay Power Authority		562	
01/31/14	MKC201312	Morris Kepler Consulting		4,539	
02/20/14	214525	Northland Services		(72)	
<b>Total Project</b>				<u>94,165</u>	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**

June 30, 2014

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>241-13 Stream Gauge TYL</b>			<b>\$1,444,651</b>	-	Logs cleared July 2013. Weir construction completed and helipad place at site in September 2013. Emergency shack to be constructed in spring/summer.
	\$ 37,845	<i>FY13 Expenditures</i>			
07/02/13	26629	Temsco Helicopters, Inc.		2,070	<b>CAPITALIZED WEIR &amp; HELIPAD \$598,332</b>
07/11/13	26699	Temsco Helicopters, Inc.		2,368	
07/11/13	127199	Promech Air		2,790	
07/14/13	129683	Promech Air		1,350	
07/15/13	1575	PSSA LLC		1,062	
07/19/13	8208	Alaska Clearing Inc		7,400	
07/19/13	76753	Pacific Airways Inc		1,000	
07/20/13	331933	Northland Services		833	
07/28/13	3291	McMillen, LLC		431	
07/29/13	129937	Promech Air		2,258	
07/30/13	201926	Best Western Landing Hotel		258	
07/31/13	2670-201307	Wrangell City of		12	
07/31/13	HEN0453-201307	"Bank of America		1,168	
07/31/13	BAM201307	BAM, LLC		151,900	
07/31/13	WOL9225-201307	"Bank of America		17	
07/31/13	307	Touchdown Enterprises		20,600	
08/01/13	26629	Taquan Air		1,233	
08/20/13	BAM201308	BAM, LLC		54,000	
08/22/13	51333	Sunrise Aviation Inc		1,724	
08/23/13	51338	Sunrise Aviation Inc		715	
08/29/13	11410	Buness Electric LLC		1,463	
08/31/13	26969	Temsco Helicopters, Inc.		3,810	
08/31/13	WOL201308	.Wolfe, Eric		2	
08/31/13	WOL9225-201308	"Bank of America		94	
08/31/13	THO9358-201308	"Bank of America		458	
09/05/13	51365	Sunrise Aviation Inc		420	
09/06/13	51371	Sunrise Aviation Inc		420	
09/06/13	51372	Sunrise Aviation Inc		420	
09/06/13	27002	Temsco Helicopters, Inc.		1,305	
09/06/13	27001	Temsco Helicopters, Inc.		14,082	
09/07/13	51373	Sunrise Aviation Inc		420	
09/13/13	51398	Sunrise Aviation Inc		720	
09/13/13	51397	Sunrise Aviation Inc		420	
09/13/13	27045	Temsco Helicopters, Inc.		8,106	
09/13/13	27046	Temsco Helicopters, Inc.		3,034	
09/17/13	1489	Stikine Transportation		23,146	
09/18/13	3388	McMillen, LLC		3,502	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
June 30, 2014

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
09/20/13	51405	Sunrise Aviation Inc		1,130	
09/25/13	BAM201309	BAM, LLC		10,000	
09/25/13	BAM201309	BAM, LLC		219,500	
09/27/13	350220	Northland Services		252	
09/30/13	TBPS201309	Thomas Bay Power Authority		5,588	
09/30/13	1600	PSSA LLC		798	
10/16/13	1772	Sign Pro		430	
10/31/13	WOL201310	.Wolfe, Eric		190	
11/06/13	11062013	Temsco Helicopters, Inc.		902	
11/12/13	K5632	Temsco Helicopters, Inc.		68	
11/21/13	4178	Alaska Clearing Inc		700	
11/30/13	3598	McMillen LLC		369	
11/30/13	8129541	Madison Lumber & Hardware Inc		351	
11/30/13	8129671	Madison Lumber & Hardware Inc		86	
11/30/13	8010541	Madison Lumber & Hardware Inc		1,457	
12/31/13	3686	McMillen LLC		123	
02/09/14	3761	McMillen LLC		1,456	
04/16/14	88941	Ketchikan Ready Mix		4,225	
<b>Total 241-13 Stream Gauge TYL</b>				<u>600,480</u>	
<b>242-13 Reservoir Expansion SW</b>			<b>\$1,626,750</b>		Refer to report from Director of Special Projects.
<b>AK DCCED Grant &gt;</b>			<b>(\$575,750)</b>		
06/30/12	\$ 151,421	<i>FY12 Expenditures</i>			
	\$ 421,782	<i>FY13 Expenditures</i>			
07/26/13	50705565	Tetra Tech Inc		2,619	
07/26/13	50705565	Tetra Tech Inc		293	
07/26/13	50705569	Tetra Tech Inc		5,699	
07/26/13	50705569	Tetra Tech Inc		28,200	
07/28/13	3290	McMillen LLC		4,196	
08/23/13	50712999	Tetra Tech Inc		1,938	
08/23/13	50712999	Tetra Tech Inc		493	
08/23/13	50712991	Tetra Tech Inc		321	
08/24/13	3349	McMillen LLC		2,660	
09/20/13	51405	Sunrise Aviation Inc		1,130	
10/10/13	50726769	Tetra Tech Inc		2,479	
10/10/13	50726769	Tetra Tech Inc		631	
10/14/13	3437	McMillen LLC		3,450	
10/31/13	50741551	Tetra Tech Inc		219	
10/31/13	50741551	Tetra Tech Inc		6,038	



**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
June 30, 2014

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
11/08/13	3281814	Daily Journal of Commerce		44	
11/13/13	3517	McMillen LLC		8,348	
11/15/13	27251	Taquan Air		935	
11/22/13	50752491	Tetra Tech Inc		183	
11/22/13	50752491	Tetra Tech Inc		10,767	
11/30/13	3596	McMillen LLC		5,820	
12/01/13	I00764125	Anchorage Daily News		57	
12/27/13	50759950	Tetra Tech Inc		3,015	
12/31/13	3584	McMillen LLC		930	
01/22/14		;Alaska Airlines		888	
01/24/14	50767956	Tetra Tech Inc		486	
01/24/14	50767956	Tetra Tech Inc		10,924	
01/31/14		;Alaska Airlines		563	
01/31/14		;Alaska Airlines		724	
01/31/14		;Southwest Airlines		299	
01/31/14	1401	Glenn Brewer Consulting Engineer		1,400	
01/31/14	316	AK DCCED:FY13 DCCED		-	
01/31/14	316	AK DCCED:FY13 DCCED		-	
01/31/14	WOL7811-20140	"Bank of America		589	
01/31/14	340	Journal Entry		17	
02/03/14	194786	Frontier Shipping & Copyworks		48	
02/04/14	194557	Frontier Shipping & Copyworks		415	
02/09/14	3752	McMillen LLC		74,452	
02/24/14	27472	Taquan Air		1,870	
02/24/14	209479	Best Western Landing Hotel		99	
02/24/14	208696	Best Western Landing Hotel		99	
02/25/14	208610	Best Western Landing Hotel		198	
02/25/14	STZFHZ	;Alaska Airlines		279	
02/25/14	208695	Best Western Landing Hotel		198	
02/26/14	1402	Glenn Brewer Consulting Engineer		8,754	
02/28/14	50772683	Tetra Tech Inc		814	
02/28/14	50772683	Tetra Tech Inc		484	
02/28/14	WOL7811-20140:	"Bank of America		11	
02/28/14	WOL7811-20140:	"Bank of America		689	
02/28/14	KDR201402	de Rubertis, Kim		5,514	
02/28/14	51490001	Jacobs Associates		58,998	
02/28/14	344	Journal Entry		17	
03/09/14	3852	McMillen LLC		15,349	
03/28/14	50786442	Tetra Tech Inc		1,163	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**

June 30, 2014

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
03/28/14	50786442	Tetra Tech Inc		15,395	
03/28/14	51490002	Jacobs Associates		35,278	
03/31/14	1	Kollgaard, Eric B.		7,437	
03/31/14	349	Journal Entry		167	
04/15/14	3919	McMillen LLC		18,196	
04/25/14	51490003	Jacobs Associates		30,118	
05/15/14	3978	McMillen LLC		6,722	
05/31/14	4064	McMillen LLC		6,834	
<b>Total 242-13 Reservoir Expansion SWL</b>				<u>969,153.20</u>	
<b>243-14 Compactor-Roller TYL</b>			<b>\$80,000</b>		<b>MAR 2014</b> Purchased and shipped to Wrangell in Mar 2014. Shipped to Tyee in FY2015.
08/08/13	28027	Ketchikan Daily News		47	
08/08/13	54324	Pilot Publishing, Inc.		44	
08/08/13	54314	Wrangell Sentinel		36	
03/14/14	K40247	Tyler Rental, Inc.		63,900	
03/17/14	S019WRA23N	Samson Tug & Barge		1,364	
<b>Total 243-14 Compactor-Roller TYL</b>				<u>65,391</u>	
<b>244-14 Covered Storage TYL</b>			<b>\$25,000</b>		Purchased two 40' containers that will act as side-walls and provide additional storage. Containers shipped to Tyee in FY2015. Scope of project reduced. <b>EXPENSED in FY14.</b>
12/27/13	25491	Alaska Marine Lines		4,000	
02/05/14	398859	Wrangell City & Borough		75	
02/28/14	WRG0314	Wrangell City & Borough		102	
03/31/14	WRG0314	Wrangell City & Borough		96	
04/30/14	WRG0414	Wrangell City & Borough		96	
<b>Total 244-14 Covered Storage TYL</b>				<u>4,370</u>	
<b>245-14 Crew Boat SWL</b>			<b>\$130,000</b>		Contract to manufacture awarded to Munson Boats in March 2014. Construction on schedule for completion in August.
09/19/13	3280081	Daily Journal of Commerce		42	
09/19/13	28290	Ketchikan Daily News		53	
09/28/13	54635	Wrangell Sentinel		39	
02/10/14	3284726	Daily Journal of Commerce		48	
02/11/14	15009	Ketchikan Daily News		65	
02/14/14	55767	Pilot Publishing, Inc.		61	
02/14/14	55776	Wrangell Sentinel		50	
<b>Total 245-14 Crew Boat SWL</b>				<u>357</u>	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**

June 30, 2014

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>246-14 Excavator TYL</b>			<b>\$125,000</b>		COMPLETE OCT 2013. <b>CAPITALIZED \$105,071</b>
08/08/13	28028	Ketchikan Daily News		53	
08/08/13	54324	Pilot Publishing, Inc.		47	
08/08/13	54314	Wrangell Sentinel		39	
10/04/13	351975	Northland Services		136	
10/15/13	K39536	Tyler Rental, Inc.		101,400	
02/28/14	TBPA201402	Thomas Bay Power Authority		3,396	
<b>Total 246-14 Excavator TYL</b>				<u>105,071</u>	
<b>247-14 Generator Controls SWL</b>			<b>\$60,000</b>		Replacement of the generator controls is a more extensive project than originally estimated. Not budgeted in FY2015. (S.Henson)
				-	
<b>Total 247-14 Generator Controls SWL</b>				<u>-</u>	
<b>248-14 Lathe TYL</b>			<b>\$42,000</b>		Vendor has been unresponsive; seeking delivery or refund. Working with legal.
06/30/13	MK201306	Morris Kepler Consulting		230.00	
07/09/13	IMC1	Idaho Machinery Company, LLC		16,334.00	
07/31/13	MKC201307	Morris Kepler Consulting		258.75	
<b>Total 248-14 Lathe TYL</b>				<u>16,823</u>	
<b>249-14 Marine Term Gage/Comr</b>			<b>\$175,500</b>		Scheduled for FY2015. (S.Henson)
				-	
<b>Total 249-14 Marine Term Gage/Co</b>				<u>-</u>	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**

June 30, 2014

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>250-14 Needle Valve Assembly</b>			<b>\$59,000</b>		Assembly being monitored. Not budgeted in FY2015. (E.Wolfe)
				-	<b>CLOSED.</b>
<b>Total 250-14 Needle Valve Assembly</b>				-	
<b>251-14 Powerhs Roof Repair SV</b>			<b>\$399,900</b>		Specifications for bid under development by May Engineering.
04/28/14	201	May Engineering Services LLC		913	
06/03/14	202	May Engineering Services LLC		875	
<b>Total 251-14 Powerhs Roof Repair</b>				1,788	
<b>252-14 Submarine SpliceSpare</b>			<b>\$288,000</b>		Existing spares being evaluated to determine portions that require replacement.
				-	
<b>Total 252-14 Submarine Splice SpareTYL</b>				-	
<b>253-14 Vehicle SEAPA Office</b>			<b>\$31,000</b>		Ford Explorer. <b>COMPLETE AUG 2013. CAPITALIZED \$31K</b>
08/09/13	1FM5K	Titus-Will Ford		30,232	
08/16/13	339139	Northland Services		825	
<b>Total 253-14 Vehicle SEAPA Office</b>				31,057	
<b>254-14 Water Tank Remediatn S</b>			<b>\$73,000</b>		Engineered. No response to bid invitation. Remediation costs being compared to replacement. Operations manager evaluating.
04/28/14	301	May Engineering Services LLC		875	
06/03/14	302	May Engineering Services LLC		2,925	
<b>Total Water Tank Remediatn SWL</b>				3,800	
<b>255-14 Wood Helipad Repair SV</b>			<b>\$102,000</b>		Bid packet being developed.
04/28/14	301	May Engineering Services LLC		875	
<b>Total 255-14 Wood Helipad Repair SWL</b>				875	
<b>Total WIP R&amp;R Capital Projects</b>			<b>\$ 9,274,337</b>	<b>\$ 4,626,876</b>	

# SOUTHEAST ALASKA POWER AGENCY

## JUNE & JULY 2014 DISBURSEMENTS

<u>ACCOUNTS</u>	<u>TOTAL</u>
Revenue Fund . . . . .	\$ 1,118,596.38
R&R Fund . . . . .	\$ 223,312.28
TOTAL	<u>\$ 1,341,908.66</u>

### RECOMMENDED MOTION

I move to approve disbursements for the months of June & July 2014  
in the amount of \$1,341,908.66.

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
3359614	4Imprint	2,202.36	
7102292678	ABB Inc.		159,600.00
MAU201407	AK DNR 111020 JNU	900.00	
ORC201407	AK DNR 111020 JNU	900.00	
ROW201407	AK DNR 111020 JNU	900.00	
SHE201407	AK DNR 111020 JNU	900.00	
VIR201407	AK DNR 111020 JNU	900.00	
APCM201405	Alaska Permanent Capital Inc	1,692.40	
APCM201406	Alaska Permanent Capital Inc	1,692.31	
876	Ascent Law Partners, LLP	7,740.00	
877	Ascent Law Partners, LLP	7,245.00	
878	Ascent Law Partners, LLP	1,155.00	
931	Ascent Law Partners, LLP	420.00	
932	Ascent Law Partners, LLP	525.00	
943	Ascent Law Partners, LLP	20,206.55	
2652040360	AT&T Alascom 5019	305.34	
2652159039	AT&T Alascom 5019	305.34	
47991	Bay Company Enterprises, LLC	3,749.84	
213055	Best Western Landing Hotel	237.47	
213551	Best Western Landing Hotel	320.00	
214711	Best Western Landing Hotel	160.00	
215034	Best Western Landing Hotel	160.00	
BLUE201407	Blue Water Charter & Tackle	750.00	
BLUE201408	Blue Water Charter & Tackle	750.00	
219978	Callister, Nebeker & McCullough	180.00	
10650PB2	Chatham Electric, Inc	1,900.00	
10296	Chatham Electric, Inc.	299,500.00	
38818	Commonwealth Associates, Inc.	370.30	
39161	Commonwealth Associates, Inc.	466.90	
23299	Control Engineers	125.00	
XJFKR72T7	Dell	194.99	
10170	DHittle & Associates, Inc.	1,032.00	
10204	DHittle & Associates, Inc.	1,032.00	
201437	Diversified Diving Service	1,265.00	
3495	Dryden & LaRue Inc.	210.00	
3744	Dryden & LaRue Inc.	315.00	
3609	Electric Power Systems Inc.		1,689.00
141601	Extreme Access, Inc	11,884.34	
267006662	FedEx	45.76	91.50
267715784	FedEx	393.17	

# SOUTHEAST ALASKA POWER AGENCY

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
811	Fiber Fusion		5,074.00
812	Fiber Fusion		2,144.00
202867	Frontier Shipping & Copyworks	31.75	
204802	Frontier Shipping & Copyworks	56.43	
59155916	Futaris	6,145.00	
57575758	Futaris	6,145.00	
CM149943	Futaris	(116.52)	
MK149943	Futaris	412.52	
SEAPA00114	G2Risk Consulting	1,901.25	
60814851	GE Capital	140.00	
60816543	GE Capital	595.00	
60976771	GE Capital	140.00	
60980623	GE Capital	595.00	
9452319362	Grainger	155.26	
90495970	Hatch Associates Consultants, Inc	12,405.00	5,505.36
3508	I Even Do Windows	300.00	
3605	I Even Do Windows	300.00	
3655	I Even Do Windows	300.00	
887	Ink It Up Designs	2,153.27	
896	Ink It Up Designs	563.18	
IMA-FY15	Institute of Management Accountants Inc	220.00	
15585	JobMatch LLC	795.00	
CITYPH201406	Ketchikan City of 334	47.26	
29535	Ketchikan Daily News	61.15	
80811-80840	Ketchikan Gateway Borough	40.00	
KGB201407	Ketchikan Gateway Borough	3,861.00	
KGB201408	Ketchikan Gateway Borough	3,861.00	
LK201407	LK Storage	304.20	
LK201408	LK Storage	304.20	
LOO201406	Looman, Mark	84.76	
288845893754	Marsh USA Inc.	18,676.93	
288846523458	Marsh USA Inc.	7,312.60	
288849155254	Marsh USA Inc.	3,577.95	
202	May Engineering Services LLC		875.00
203	May Engineering Services LLC		625.00
204	May Engineering Services LLC		737.50
302	May Engineering Services LLC		2,925.00
401	May Engineering Services LLC	475.00	
88807192	McMaster-Carr	1,484.48	
3769	McMillen LLC	418.25	
3770	McMillen LLC	76.00	
3771	McMillen LLC	3,539.00	
3860	McMillen LLC	240.00	
3861	McMillen LLC	202.00	
3862	McMillen LLC	2,820.25	
3914	McMillen LLC	294.50	
3915	McMillen LLC	1,342.50	
3916	McMillen LLC	3,379.25	
3997	McMillen LLC	68.00	
3998	McMillen LLC	2,561.50	
3999	McMillen LLC	1,087.00	
4064	McMillen LLC		6,833.55
4089	McMillen LLC	10,847.00	
4090	McMillen LLC	11,480.11	

# SOUTHEAST ALASKA POWER AGENCY

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
4091	McMillen LLC	43,005.91	
4180	McMillen LLC	6,289.75	
4181	McMillen LLC	35,181.73	
4648	Meridian Environmental	2,950.80	
4690	Meridian Environmental	5,428.75	
MKC201405	Morris Kepler Consulting	7,796.35	
MKC201406	Morris Kepler Consulting	7,705.07	
38776	Nolan Center	1,183.28	
14078046	NRECA 775670 RSP	26,247.87	
14070630	NRECA 798185 Group Ins	35,170.05	
14070630A	NRECA 798324 Group Ins Admin	3,105.24	
14078046A	NRECA 798330 RSP Admin	448.82	
35022	Petro Marine Services	347.03	
35209	Petro Marine Services	588.91	
56635	Pilot Publishing, Inc.	57.38	
56678	Pilot Publishing, Inc.	54.00	
14060064	PND Engineers		5,257.50
14070071	PND Engineers		1,170.00
142718	R&M Engineering-Ketchikan	550.00	
1227468	R&M Engineering-Ketchikan	650.00	
142718002	R&M Engineering-Ketchikan	75.00	
584	Ray Matiashowski and Associates	4,000.00	
592	Ray Matiashowski and Associates	4,000.00	
600	Ray Matiashowski and Associates	4,000.00	
S030KET20N	Samson Tug & Barge	62.54	
410250	Satellite & Sound Inc	550.00	
410348	Satellite & Sound Inc	300.00	
715030214	Scandia House Hotel	339.00	
315036	SE Business Machines	240.00	
30704	Sedor, Wendlandt, Evans & Filippi	7,950.00	
30909	Sedor, Wendlandt, Evans & Filippi	90.00	
INV14012	Segrity LLC	9,387.93	18,059.76
3710	Southeast Conference	660.00	
2953	Stikine Inn	114.00	
2966	Stikine Inn	950.00	
2995	Stikine Inn	936.00	
3011	Stikine Inn	183.00	
3012	Stikine Inn	260.65	
1772	Stikine Transportation	9,325.00	
51759	Sunrise Aviation Inc	830.00	
51761	Sunrise Aviation Inc	285.00	
51765	Sunrise Aviation Inc	1,090.00	
51767	Sunrise Aviation Inc	490.00	
51778	Sunrise Aviation Inc	665.00	
51784	Sunrise Aviation Inc	495.00	
51793	Sunrise Aviation Inc	1,207.50	
51795	Sunrise Aviation Inc	885.00	
51801	Sunrise Aviation Inc	940.00	
51806	Sunrise Aviation Inc	720.00	
51811	Sunrise Aviation Inc	615.00	
51814	Sunrise Aviation Inc	285.00	
51840	Sunrise Aviation Inc	990.00	
51855	Sunrise Aviation Inc	1,130.00	650.00
51859	Sunrise Aviation Inc	720.00	

# SOUTHEAST ALASKA POWER AGENCY

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
27700	Taquan Air	934.90	
27830	Taquan Air	467.45	
27895	Taquan Air	467.45	
27944	Taquan Air	467.45	
27967	Taquan Air	467.45	
27968	Taquan Air	1,405.00	
27991	Taquan Air	467.45	
28025	Taquan Air	1,115.45	
28049	Taquan Air	1,600.00	
28088	Taquan Air	467.45	
28330	Taquan Air	934.90	
28388	Taquan Air	467.45	
28414	Taquan Air	467.45	
142	Ted Ferry Civic Center	1,602.00	
27701	Temsco Helicopters, Inc.	5,657.85	
27715	Temsco Helicopters, Inc.	3,627.80	
27730	Temsco Helicopters, Inc.		1,022.35
27779	Temsco Helicopters, Inc.	2,346.00	
27852	Temsco Helicopters, Inc.	4,015.80	
50804474	Tetra Tech Inc		1,276.60
50804476	Tetra Tech Inc	11,818.50	
50804497	Tetra Tech Inc		2,605.90
50806409	Tetra Tech Inc	9,229.08	
50808245	Tetra Tech Inc	2,076.83	
50814457	Tetra Tech Inc		521.95
50814458	Tetra Tech Inc	26,306.10	
50814460	Tetra Tech Inc	456.95	
50814461	Tetra Tech Inc		998.90
15161	TexRus	11,487.01	
15314	TexRus	1,870.29	
TBPA201406	Thomas Bay Power Authority	3,279.95	
410680	Tongass Business Center	85.86	
410631	Tongass Business Center	210.48	
410632	Tongass Business Center	45.84	
427481	Tongass Business Center	1,395.00	
437050	Tongass Business Center	4.00	
438800	Tongass Business Center	50.40	
2004996	Tongass Business Center	167.96	
20049170	Tongass Business Center	205.65	
20051570	Tongass Business Center	914.88	
20052510	Tongass Business Center	193.32	
20052511	Tongass Business Center	7.46	
20054090	Tongass Business Center	16.78	
20054091	Tongass Business Center	40.68	
1320116	Tongass Engineering		1,627.50
1320117	Tongass Engineering		3,176.25
6B146482	Travelers	3,015.00	
T1808401	Tyler Industrial Supply	108.85	
WF201406	Wells Fargo Bank-Corporate Trust	113,280.43	
WF201407	Wells Fargo Bank-Corporate Trust	113,280.43	
625730714	Western Electrical Services	4,700.00	
21054-0614	Western Electrical Services	1,893.91	
62547-0514	Western Electrical Services	19,800.00	
62547-0614	Western Electrical Services	2,200.00	



# SOUTHEAST ALASKA POWER AGENCY

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
62566-0514	Western Electrical Services	6,543.25	
212	Woffinden, Jeimi	1,335.00	
56616	Wrangell Sentinel	46.75	
56688	Wrangell Sentinel	44.00	
9001001876	ZEP Sales & Service	331.30	
9001012132	ZEP Sales & Service	331.30	
	Bank of America VISA	38,294.18	801.47
	Employee Reimbursements	304.00	44.19
		1,118,596.38	223,312.28
<b>Total Disbursements</b>		<b>\$1,341,908.66</b>	

\* Bank of America charges include all travel, most telecom and some utility: AT&T Mobility, ACS, AP&T, GCI, Globalstar, KPU, Roadpost, PSG Borough.  
Telecom & utility charges are approximately \$10,000/month.

# Southeast Alaska Power Agency CEO Report

**DATE:** August 27, 2014

**TO:** SEAPA Board of Directors

**FROM:** Trey Acteson, CEO

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## **LEGISLATIVE & AGENCY AFFAIRS**

**Swan Funding Request:** It may seem like we just finished up the last legislative cycle, but we've already begun preparation for the next round of submittals. After serious consideration and consultation with our lobbyist, we have adjusted our "ask" to reflect 50% project support by the State for the Swan Lake Reservoir Expansion Project. We have successfully acquired \$3.898 million to date and will be seeking an additional \$2.76 million. This is a more realistic request in today's fiscal climate and will be better received in Juneau. SEAPA has requested updated letters of support from the City and Boroughs of Ketchikan, Petersburg, and Wrangell, which must be refreshed annually. I have also attended various public meetings regarding the Ketchikan community priority selection process. The Swan Lake Reservoir Expansion Project is currently positioned at #1 on the priority list. On a parallel path, we are also re-applying for a grant through AEA's renewable energy fund process. We will be seeking Board authorization for this grant application under new business.

**Alaska Energy Authority (AEA) and Alaska Industrial Development and Energy Authority Board Meetings (AIDEA):** I attended AEA and AIDEA Board meetings here in Ketchikan on July 31<sup>st</sup>. There were a variety of presentations on potential industrial loads and sidebar discussions on financing options. I continue to advocate for more flexible financing terms that will help reduce the risk of front loaded costs associated with new hydro development. In order to maintain rate stability, we must address this important issue prior to developing any new large hydro projects.

**Federal Outreach:** I met with Michael Johnson, US Senator Mark Begich's Washington, D.C. Legislative Assistant for Natural Resources and Energy, on August 27. We discussed SEAPA initiatives, needed changes in management of the Tongass National Forest Plan, and lack of programmatic funding available at the Federal level for our industry. Mr. Johnson mentioned there are DOE loan monies, but they are typically only available in quantities in excess of \$250M and that their office is considering ways to possibly disburse smaller levels through a centralized entity such as AEA. I also emphasized the need for new mechanisms to address front loaded project costs.

**FERC Visit to Swan:** Mr. Henson and I accompanied Mr. Steven Sachs to Swan Lake on August 5<sup>th</sup> for a first-hand look at the existing project and to discuss potential impacts of the proposed Swan Lake Reservoir Expansion Project. Mr. Sachs is an engineer with FERC and has been assigned as the lead contact regarding our Swan Lake non-capacity license amendment application. The tour went very well and should help expedite the application review process.

## **BEST PRACTICES AND PROCESS IMPROVEMENTS**

**Policies and Procedures Handbook Update:** Per the Board's request, the Policies and Procedures Handbook will be provided in a single consolidated document. Due to the Tyee transition, Sections 1 and 2 will need to be revisited and appropriate updates incorporated throughout the entire document. Distribution of the draft has been deferred to our next Board meeting.

**Valuation of Tyee and Swan Projects:** Site visits were conducted at both hydro projects and SEAPA substations to develop an updated valuation for assets. This will enable us to confirm current insurance coverages are appropriate and audited financials are up to date. The report is anticipated in September and I will provide an overview of the findings at our next Board meeting.

## **RECRUITMENT**

Due to the lack of interest in our recruitment for a licensed Engineer, we have re-tooled the position to a Power System Specialist. The position no longer requires an engineering degree, providing us with greater flexibility to consider a balance of education, knowledge, and experience to best fit the needs of the Agency. We have also closely reviewed the conduits for recruitment postings and have made adjustments to broaden our reach.

Per our stated commitment in the Tyee Lake transition, SEAPA created a new classification titled Brushing Technician and hired the temporary brushing person as a regular full-time position.

SEAPA will be posting for a Relief Operator/Electrician in anticipation of an existing Tyee employee's departure at the end of December. This classification has historically been difficult to fill so it is prudent to be proactive.

## **TYEE LAKE TRANSITION TO OWNER/OPERATOR**

The Tyee Lake transition is complete and marks a major milestone in the history of the project. SEAPA assumed daily O/M on August 16<sup>th</sup> and acquired six new employees through the process. There were a lot of details that had to be addressed to facilitate the transition and I am pleased to report that the final hand-off was very smooth. Staff and the IBEW representative travelled to Tyee on August 13<sup>th</sup> and performed orientation, including a pre-enrollment process. The collective bargaining agreement

was ratified by the employees prior the turnover date and SEAPA has received a fully executed copy. All job descriptions were updated. The final Assignment and Assumption Agreement was executed. Vendors in Wrangell and Petersburg were contacted and new accounts set-up. Payroll system accounts were modified to accommodate union employees. Overlapping insurance coverages were reviewed and modified as needed. Several other smaller items were also addressed. The cooperative effort by all parties down the homestretch was outstanding.

There are two open items remaining that we are working closely with the City and Borough of Wrangell to finalize. First, it will take a little time for the PERS settlement and annual payment to be firmed up through the State. The second item is the insurance rebate which we anticipated receiving in FY15. It now looks like it may take up to three years for the rebate to be issued.

### **WHITMAN TRUE-UP**

The development of the Whitman True-up process has been a multi-year effort and I am pleased to report that both sides have reached final agreement. It is currently moving through KPU's final approval process and I will be seeking Board authorization to sign under new business.

### **KAKE - PETERSBURG INTERTIE (KPI)**

A revised Preliminary Draft Environmental Impact Statement (PDEIS), based on changes to the construction approach, was submitted to the Forest Service on July 17<sup>th</sup> for their review. Various resource reports have also been updated to reflect the changes related to construction as well as updates to the alternative descriptions and analysis to match the PDEIS. Our environmental consultant, Tetra Tech, has worked with the Forest Service to revise and re-submit the Notice of Intent (NOI) to the Federal Register which was required due to changes and the length of time that had passed between the original NOI submitted in 2010. The updated NOI was published in the Federal Register on July 28, 2014. Tetra Tech received comments on the PDEIS back from the Forest Service Joint Review Team (JRT) and Petersburg Ranger District staff on August 25<sup>th</sup> and are in the process of responding to their comments. With regard to schedule, we believe the Draft EIS will likely go out to the public in mid-to-late October. This is a couple of weeks later than originally anticipated and will push the public meeting process out into November. Our target for submittal of the Final EIS is still May 2015.

### **REQUEST FOR OFFERS OF POWER AND ENERGY (RFO)**

The RFO was issued on January 31, 2013 and respondents have until **September 30, 2014** to submit offers under Options 1, 2, and/or 3. The deadline to submit under Option 4 passed on November 29, 2013 and offers were valid for six months. As a reminder, Option 4 provided an opportunity for an outside entity to bring forward a possible joint development opportunity and contemplated project ownership by SEAPA

as part of the deal. Option 4 proposals were reviewed by staff and follow-up engagement was conducted as needed to further assess each submittal. Some technologies were not a good fit, some had not matured far enough to clearly quantify risks, and others lacked necessary information to accurately determine the potential cost of power. None of the proposals were at a stage that merited bringing them forward for Board consideration. Letters have been sent to Option 4 respondents and some may be revisited again as new information becomes available.

## **PUBLIC RELATIONS**

**North to the Future, Volume V Invitation:** SEAPA has been invited by the Speaker of the House and Senate President to participate in a prestigious publication that showcases Alaska businesses, industry, and communities (Attachment 1). This is a great opportunity to further SEAPA's visibility as a regional leader in the power industry. There's a variable cost associated with participation depending on the number of pages purchased. We'll be able to fund a modest profile under our existing PR budget.

**SEAPA Historical Preservation Project:** We are working with Dave Carlson to facilitate continuation of work related to SEAPA's historical preservation. Individuals prominent in major milestones of the organization will be invited to participate in filmed interviews. Existing film has already been digitized to preserve content and eventually the collection will be incorporated into a final end product.

## **OTHER**

**AK/BC Follow-up:** At our September board Meeting, Director Ashton inquired into an email solicitation from the Canadian consulting firm Sivertson & Associates, representing an undisclosed client. I contacted Mr. Sivertson and have provided a copy of my response to Director Ashton (Agenda Item 1.B.ii in the board packet). In short, Mr. Sivertson acknowledged that he was misinformed regarding SEAPA's responsiveness and apologized for any confusion it may have caused. He also noted that their study results were similar to the Alaska Energy Authority's recently commissioned AK/BC interconnection review. Both found that electrical interconnection through the Bradfield corridor is not economically feasible at this time.

**AP&T Letter:** SEAPA received a request from AP&T regarding avoided cost of power (Attachment 2). A preliminary response has been prepared and we will develop a more comprehensive response after a thorough review is completed. Our member utilities were also referenced in the letter, so I have requested that SEAPA's legal counsel review the relevant applicability.

### **Attachments:**

Attachment 1: North to the Future Invitation  
Attachment 2: AP&T Letter

**Attachment 1**  
**to**  
**CEO Report**

**North to the Future Invitation**

SENATOR  
CHARLIE HUGGINS  
Senate President

(907) 465-3878  
Fax (907) 465-3265

INTERIM ADDRESS  
600 E. Railroad Avenue  
Wasilla, AK 99654  
(907) 376-4866  
Fax: (907) 373-4724

# Alaska State Legislature



REPRESENTATIVE  
MIKE CHENAULT  
Speaker of the House

(907) 465-3779  
Fax (907) 465-2833

INTERIM ADDRESS  
145 Main Street Loop, Rm. 223  
Kenai AK, 99611  
(907) 283-7223  
Fax: (907) 283-7184

State Capitol, Juneau, Alaska 99801-1182

July 30, 2014

Mr. Trey Acteson  
Chief Executive Officer  
Southeast Alaska Power Agency  
1900 First Avenue, Suite 318  
Ketchikan, Alaska 99901

Dear Mr. Acteson:

Those of us who are fortunate to live and work in the State of Alaska understand that the region is not only rich with natural beauty, but also brimming with opportunity. Alaska is dynamic and consistently on the forefront of positive change; it is the source for new ideas in business, science, the arts, and social policy. It is in our best interest to communicate our commitment to maintaining economic and creative leadership. We need to let the world know that Alaska businesses and other organizations are opening new doors of economic opportunity.

The State, in cooperation with Wyndham Publications, is embarking upon a very special project, fifth in a series, about Alaska. The limited, hardbound, first-edition, book features Alaska as an ideal place to live, work, and do business, and also highlights organizations that are considered to be leaders in their respective fields. Titled *Alaska: North to the Future, Volume V*, this beautiful publication will provide vivid color photography and up-to-date text, including profiles of leading organizations that have been invited and have elected to participate. It is the economic development book for Alaska. Since your organization is considered a leader in our State, we have suggested to Wyndham that they contact you to explain the project plans in detail so that you and your organization may consider supporting and being featured in this successful project. In so doing, your organization's profile would be distributed locally, nationally, and internationally.

The Alaska State Legislature is the sponsoring entity and fully supports the *North to the Future* project series. As delegates from the State travel to domestic and international destinations to promote trade and development in Alaska, this book will serve as an exceptional calling card and reminder for Alaska businesses and organizations.

We have asked Mr. Kim Halverson, Executive Vice President of Wyndham Publications, Inc., to call you for an appointment. We would encourage you to take the opportunity to meet with him. Mr. Halverson can be reached at 907.868.7994.

We think you will share our enthusiasm for this exciting new project.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "CH", with a stylized flourish extending from the end.

Senator Charlie Huggins  
Senate President

A handwritten signature in dark ink, appearing to read "Mike Chenault", with a stylized flourish extending from the end.

Representative Mike Chenault  
Speaker of the House

**Attachment 2**  
**to**  
**CEO Report**

**AP&T Letter**





RECEIVED

JUL 23 2014

SEAPA

From:  
Robert Grimm  
Alaska Power & Telephone Company  
193 Otto Street  
Port Townsend, WA 98368

To:  
Southeast Alaska Power Authority  
Attn: Trey Acteson, Robert Sivertsen  
1900 First Avenue, Suite 318  
Ketchikan, Alaska 99901

Re: Request For Avoided Cost Data Under 18 C.F.R. §292.302.

Dear Trey Acteson and Robert Sivertsen,

With this letter, Alaska Power & Telephone Company (AP&T) makes a formal request to the Southeast Alaska Power Agency (SEAPA) and each of its members to provide the data from which it derives avoided costs for purposes of implementation of the Public Utilities Regulatory Policies Act (PURPA) of 1978, 16 U.S.C. §824a-3 *et. seq.* This request is made pursuant to Section 302 of the Federal Energy Regulatory Commission (FERC) regulations, 18 C.F.R. §292.302 which requires that utility data on avoided costs be made publicly available.

Both SEAPA and its municipal members are subject to PURPA and FERC's regulations. PURPA applies to both regulated and unregulated electric utilities, which include "any person [defined as an individual or corporation], Federal or state agency engaged in sale of electric energy." *See* 16 U.S.C. §796(22), *also* 16 U.S.C. §824a-3(f)(directing unregulated utilities to adopt regulations to implement PURPA).

Accordingly, AP&T requests that SEAPA and each of its municipal members provide the following data for calculating avoided costs, as provided in Section 302(b) of FERC's regulations, 18 C.F.R. §292.302(b):

1. The estimated avoided cost on the electric utility's system, solely with respect to the energy component, for various levels of purchases from qualifying facilities. Such levels of purchases shall be stated in blocks of not more than 100 megawatts for systems with peak demand of 1000 megawatts or more, and in blocks equivalent to not more than 10 percent of the system peak demand for systems of less than 1000 megawatts. The avoided costs shall be stated on a cents per kilowatt-hour basis, during daily and seasonal peak and off-peak periods, by year, for the current calendar year and each of the next 5 years;



2. The electric utility's plan for the addition of capacity by amount and type, for purchases of firm energy and capacity, and for capacity retirements for each year during the succeeding 10 years; and
3. The estimated capacity costs at completion of the planned capacity additions and planned capacity firm purchases, on the basis of dollars per kilowatt, and the associated energy costs of each unit, expressed in cents per kilowatt hour. These costs shall be expressed in terms of individual generating units and of individual planned firm purchases.

Because SEAPA and its municipal members sell for resale less than 500 million kilowatt hours a year, comparable data of the same level of detail to that listed above is acceptable. In addition, those SEAPA members that are considered "full requirements customers," need only provide SEAPA's avoided cost data along with "the rates at which it currently purchases energy and capacity."

Given that FERC regulations impose an ongoing obligation to maintain this avoided cost data, we expect that it can be provided promptly upon receipt of this request.

If you have any additional questions, please contact Robert Grimm at 800-982-0136 or [bob.g@aptalaska.com](mailto:bob.g@aptalaska.com).

Robert S. Grimm

President & CEO, Alaska Power & Telephone Company

cc:

Lew Williams III, City of Ketchikan Mayor

Mark Jensen, Petersburg Borough Mayor

David L. Jack, Wrangell Borough Mayor

# **SOUTHEAST ALASKA POWER AGENCY**

**Date:** August 27, 2014  
**To:** Trey Acteson  
**From:** Steve Henson, Operations Manager  
**Subject:** Operations Update for September 3, 2014 Board Meeting  
**Purpose:** To provide a status report on major operations activities.

## **REGULATORY**

### **FERC**

There have been no new directives from FERC.

## **MAJOR CONTRACTS**

### **Wrangell Reactor**

The Wrangell Reactor replacement project management, engineering, and design were awarded to Electric Power Systems, Inc. (EPS). Bids were solicited for the supply of one 2.5MVAR reactor and one 5.0 MVAR reactor to replace the ailing 7.5 reactor. The bid was awarded to ABB. Engineering by EPS is ongoing for the construction and installation phase.

Tentative delivery of the reactors is now scheduled for January 2015.

### **Satellite Communications System**

Tetra Tech has been issued a task order to facilitate the permitting for the Tyee satellite dish. We have received the permit applications and are working to get those submitted.

Tongass Engineering is designing a platform for the Tyee dish. Design is 85% complete.

### **STI Helipad**







Final drawings for the helipad design have been received from PND Engineering of Juneau. Submittals for USFS approval are being compiled for the change in platform design, decking materials, color scheme and painting specifications. We anticipate review to be complete in four to six weeks, after which time we will bid the supply of the helipads.

The prototype that was installed at Tower 36 had issues with excessive side sway. We had a contractor revisit the site and added concrete footers to stabilize the legs on the lower side of the slope and added anchors and cables at a 45 degree angle set at right angles to the slope to solve the issue.

The following page is an excerpt from a Tongass Engineering inspection report.



**PHOTOGRAPH LOG**

	
<p><b>1A</b> IMG 9407</p>	<p><b>1B</b> P1010 146</p> <p>Tower 16 helipad. Foundation anchor nuts tightening to snug tight condition on support legs on downhill side of helipad. 8/13/14</p>
	
<p><b>1C</b> P1010 151</p>	<p><b>1D</b> P1010 173</p> <p>Tower 36 helipad. Aerial view of completed helipad installation. Looking towards east. 11/2/13</p> <p>Tower 36 helipad. Aerial view of completed helipad installation with additional stabilization maintenance complete. 8/13/14</p>
	

### **ATV Use on the Tyee Transmission System**

Meridian has been selected for the permitting effort required by the USFS for the use of the ARGO on select areas of the Tyee transmission line right-of-way.

Field work was completed by Meridian in early August.

### **Swan Lake Power House Roof and Water Tank Projects**

Task orders have been given to Joe May for developing the technical specifications for the water tank painting and power house roof replacement.

The water tank painting project was advertised for bids. Bids were due August 25. No bids were received.

### **Operator Training**

One operator from each plant will be sent to Anchorage for IR camera Level 1 training at the end of September.

### **Annual Maintenance**

The climbing inspections for the STI transmission line segment are tentatively scheduled for the end of September or as soon as the loads are low enough to open the STI for 3 days.

Also in the queue is the trash rack inspection at Tyee depending on when we can take Tyee down.

### **Swan Lake Bank Stabilization Project**

Engineers from Tetra Tech prepared an assessment of mitigation measures for the sloughing bank behind the storage building at Swan Lake.

Within this report, risk has been qualitatively assessed on a scale of 1 (low) to 9 (high) based on a simple matrix defined by a range of low to high consequence and low to high probability, as shown in the table below.

Risk Rating		Consequence		
		Low	Moderate	High
Probability	Low	1	2	3
	Moderate	2	4	6
	High	3	6	9

**Probability:**

This report details the current condition of the slopes based on observed rock characteristics and failure mechanisms. In estimating the probability of rock fall, the observed conditions were assessed in combination with the following factors; (i) freeze-thaw effects, (ii) fracturation of the rock, (iii) kinematic stability, and (iv) the documented rock fall history presented in Section 2.0.

The probability that a rock fall event occurs and reaches the facilities below are presented within this report for each of the identified hazards (rock fall source locations).

**Consequence:**

Consequence itself depends on various factors, including; (1) whether a rock fall event will reach the parking lot, residences below or the grass area on the east side of the property, (2) whether the elements at risk are present during rock fall event, (3) how vulnerable the 'elements at risk' are to the rock fall event, and (4) the value of the element at risk, or the number of people exposed.

The rock fall hazard has the potential to cause harm either in damaging property (vehicle, buildings, and fuel tanks) or through injury to people, these are the "elements at risk".

**Risk Assessment:**

For each of the locations within this report the risk assessment detailed above has been undertaken. A risk rating has been qualitatively assessed (Table 2).

Section 2.0 identified five natural hazards (rock fall potential sources). The present probability that a rock fall event occurs, and impacts an element at risk are qualitatively estimated below for each of the five hazards:

- Hazard 1 (East Slope Rock Cut – Behind maintenance building, Photo 3). Refer to Section 2.2.2. The probability is considered to be low for the block to fall / topple into the maintenance building, very low to hit a worker, and moderate to impact the fuel pipeline.
- Hazard 2 (East Slope Rock Cut – Behind fuel tank, Photo 1). Refer to Section 2.2.2. The probability is considered to be low for the block to fall impacting the Maintenance building, very low for hitting a worker walking behind the building medium for the building, and high for hitting the fuel pipeline.
- Hazard 3 (West Slope Rock Cut – Behind the incinerator room and the NE corner of the Storage building, Photo 12). Refer to Section 2.3.2. The probability is considered to be moderate for rock fall hitting the incinerator building, the northeast corner of the storage building, very low for hitting a worker walking behind the two buildings. The ditch below the rock face is considered adequate to catch small rock blocks (no larger than 30 square feet) that may fall from the rock face.
- Hazard 4 (West Slope Rock Cut – Between south east corner of the storage building and the green house shed, Photo 15). Refer to Section 2.3.2. The probability is considered to be low for rock fall hitting the storage building, moderate for hitting an excavator stationed in front of the slope, and low for hitting a worker walking behind the storage building. The ditch below the rock face is considered adequate to catch small rock blocks (no larger than 30 square feet) that may fall from the rock face.

- Hazard 5 (Rock slope – at start of road to upper dam, Photo 24). Refer to Section 2.3.2. The probability is considered to be low for rock fall hitting a car or worker below the rock face. The ditch below the rock face is considered adequate to catch small rock blocks (no larger than 30 square feet) may that fall from the rock face.

**Table 2: Summary of Risk Assessment for Rock Fall Hazard - Present Conditions**

Rock Fall Source Location	Probability	Consequences (To Persons, Building, fuel pipeline, Machinery/vehicle)		Risk Rating Score
Hazard 1	Low	Maint. Building	Moderate	2 ("LOW")
	Very Low	Persons	High	2 ("LOW")
	Moderate	Fuel Pipeline	High	6 ("HI")
Hazard 2	Low	Maint. Building	Moderate	2 ("LOW")
	Very Low	Persons	High	2 ("LOW")
	High	Fuel Pipeline	High	9 ("HI")
Hazard 3	Mod	Incinerator and Storage Buildings	High	6 ("HI")
	Very Low	Persons	High	2 ("LOW")
	Low	Machinery / Vehicle Stationary	Moderate	2 ("LOW")
Hazard 4	Moderate	SE corner of Storage Building	Moderate	4 ("MOD")
	Very Low	Persons	High	2 ("LOW")
	Moderate	Machinery / Vehicle Stationed	Moderate	4 ("MOD")
Hazard 5	Very Low	Persons	High	2 ("MOD")
	Low	Moving Machinery / Vehicle	High	3 ("MOD")

### **SEAPA Landing Craft for Swan Lake Project**

The 26' Packman Landing Craft for Swan Lake is completed. Attached are photos of the new boat and report taken during sea trials. We are told the performance and handling on the boat is exceptional, and that the upgrade to Yamaha 200's was money well spent. Munson boats is coordinating the shipping to Ketchikan and will advise us of its ETA shortly.

### **CONCLUSION**

Staff will be available to answer any questions or concerns.







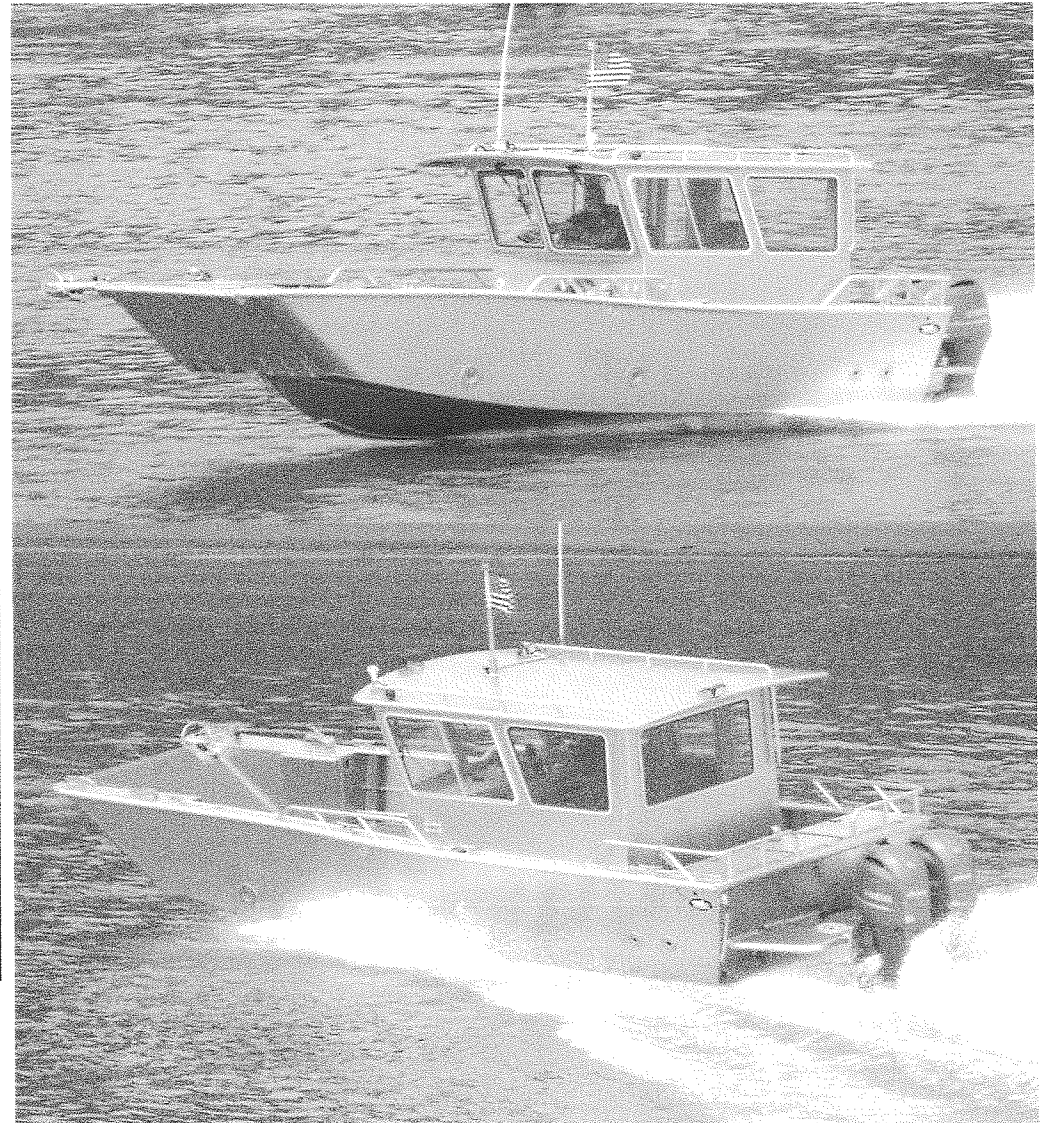






## Munson Boats Performance Report For 26' Packman w/ twin Yamaha 200's

HULL ID NUMBER	MUN715PKF414				
MODEL	Packman mono hull				
HULL LENGTH	26	feet			
BEAM	10	feet			
FUEL CAPACITY	150	US gallons			
WEIGHT	7,560	lbs dry			
HULL DRAFT	19 1/2	inches			
ENGINE#1 STBD.	Yamaha F200XB				
SERIAL NO.	6DAX1008816				
ENGINE#2 PORT	Yamaha LF200XB				
SERIAL NO.	6DBX1000848				
PROPELLERS	14 1/2 x 17 Enertia stainless				
BATTERIES	Group 27 AGM x 2				
PERFORMANCE DATA					
RPM	KTS	MPH	GPH	MPG	RANGE
1000	4.4	5.1	1.6	3.2	474.7
1500	6.3	7.3	2.7	2.7	402.8
2000	7.4	8.5	4.9	1.7	260.7
2500	9.1	10.5	7.3	1.4	215.2
3000	18.6	21.4	9.2	2.3	349.0
3500	24.6	28.3	10.9	2.6	389.6
4000	29.1	33.5	14.8	2.3	339.4
4500	33.3	38.3	19.0	2.0	302.6
5000	37.7	43.4	26.4	1.6	246.5
5500	40.9	47.1	34.8	1.4	202.9
6000	44.1	50.8	40.2	1.3	189.4



William E. Munson Company Phone: 360-707-2752

Web: [www.munsonboats.com](http://www.munsonboats.com)



# SOUTHEAST ALASKA POWER AGENCY

Director of Special Projects Report

September 3, 2014

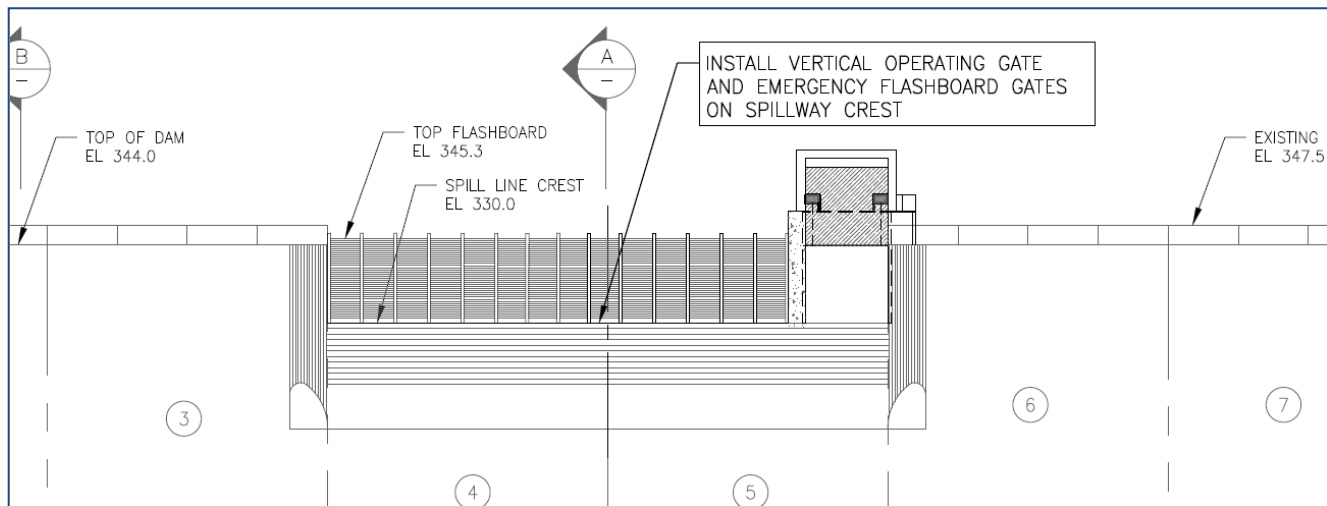
## Supervisory Control and Data Acquisition (SCADA) Capital Project Update

Staff accompanied Fiber Fusion's, Mike Bristol, and Segrity's, James Volk, to Swan Lake and Tyee Lake over an eight-day programming refinement effort. We corrected operational control problems, worked our way through operator "punch List" items, reprogrammed the new SEL annunciator panels, and thoroughly tested unit control at Swan Lake. We are nearly complete with the Fiber Fusion contract. Remaining items include the SEAPA Office data base connectivity, Excel report capability, revamping the trending application, and the Bailey connection. We continue to identify and correct weaknesses in the Futaris' satellite communication paths which of course affect SCADA performance. There will be more on this project at the Board meeting Q&A session.

## Swan Lake Reservoir Expansion

### Design Process

We continue with design enhancements in an effort to reduce construction complexity, simplify spill gate design, and reduce added weight. The latter is important for the seismic evaluation that must pass Board of Consultant (BOC) and FERC review. Last time, we reported a retaining wall replaces the previously planned addition of six feet of crest concrete, and now we are focusing on spill gate design. We have completely changed the spill gate arrangement from a line of Obermeyer gates to a fused flashboard panel and a single controllable vertical gate. This reduces weight, simplifies operational control, lowers O&M costs, and shortens construction time.



Elevation view of upstream face of Swan Lake Dam, proposed fuse panel and vertical gate shown in the existing ogee spillway slot (keyway)

Design criteria for the fuse panel have not been finalized. At this time, our suggestion to FERC is for the panel wall to fail when reservoir levels meet or exceed 345.5 ft with top-of-panel elevation currently set at 345.3 ft. Failure of the panel wall is to prevent overtopping of the dam during the probable maximum flood; this flood is the FERC maximum hydraulic load expected for our drainage (33,500 cfs peak Inflow). The

vertical gate which is designed to prevent overtopping under normal conditions is sized to pass flows up to 4,000 cfs; the maximum daily average inflow to date is 3,500 cfs, based on USGS data dating back to 1917. The panel wall would be constructed of steel columns and sealed wooden flashboards, and supported laterally by a bottom column hinge and a W5 kicker beam that slides out of a keeper recess by hydraulic action (spill).

Last June we reported our next BOC meeting for design review would take place in August. Due to scheduling conflicts, this meeting was rescheduled for September 8<sup>th</sup> in Portland, Oregon.

DESIGN TEAM:  
 Jacob Associates (Portland, Oregon Office)  
 Subcontractors: Quest Structures and  
 Northwest Hydraulic Consultants

BOC:  
 Mr. Glenn Brewer  
 Mr. Kim De Rubertis  
 Mr. Eric Kollgaard

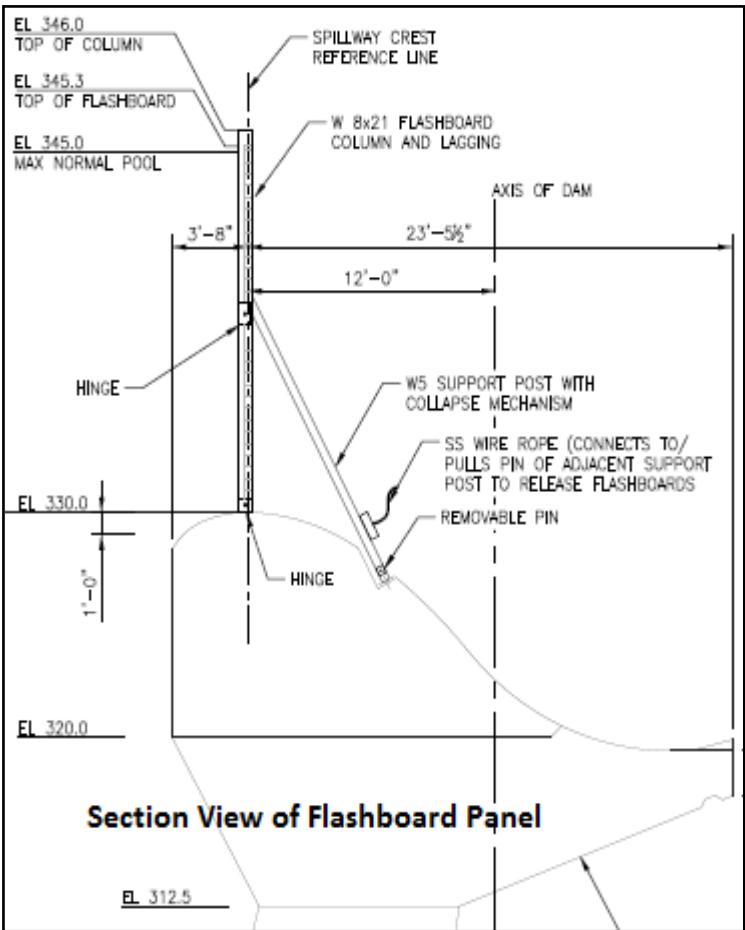
FERC (Portland Regional Office):  
 Mr. Glenn Koester  
 Mr. Walt Davis

Swan Lake Non-capacity Amendment Process

After two years of effort, the draft amendment was filed with FERC on April 11; the final amendment application was filed July 21<sup>st</sup>. We are now in the wait-and-see period until FERC garners Agency comments on the environmental assessment. Truly a large team effort as Sharon and Finlay Anderson of McMillen LLC pushed our documentation through the FERC grinder; also, Trey and Steve accompanied FERC’s Steven Sachs (Division of Hydropower Administration, Washington DC) out to Swan in early August.

Schedule:

Finalize 30% design concept and 30% design documents; define design criteria	November 2014
Write Engineering, Procurement, Construction (EPC) RFP	January-February 2015
Maintain correspondence with FERC (hoping to receive license amendment from FERC)	May 2015
Issue ECP RFP same week as FERC’s notice to proceed	TBD
RFP Process and Contractor Selection	3-4 months
Construction	8 months
Ready for Operation	December 2016
Logging	Post-construction



## **Tyee Lake Cooling Water (CW) Conversion**

Control design investigations took place the last week of August. We are working on the algorithm that will control the pumps and pressure reducing valve (PRV) in case of pump failure. Some minor piping modifications will be required at the PRV location, and we are planning to coordinate with the SEAPA plant crew to make these changes.

## **Tyee Lake Turbine Shutoff Valve (TSV) –Control Valve Retrofit (FY15 Project)**

During the SCADA reprogramming and PRV design review, we also started TSV control design investigations. This project may entail hiring a project manager in addition to the planned design engineering, fabrication, and installation tasks. We will keep you posted.

## **Department of Commerce, Community, and Economic Development Grant (DCCED Grant)**

### Brief History

We received the grant during the summer of 2012; Kay Key monitors the accounts and manages our submittals to the DCCED. McMillen LLC was selected as the site evaluation contractor in July 2013. We have five years from July 2012 to execute our grant, and have initiated the following three aspects to date.

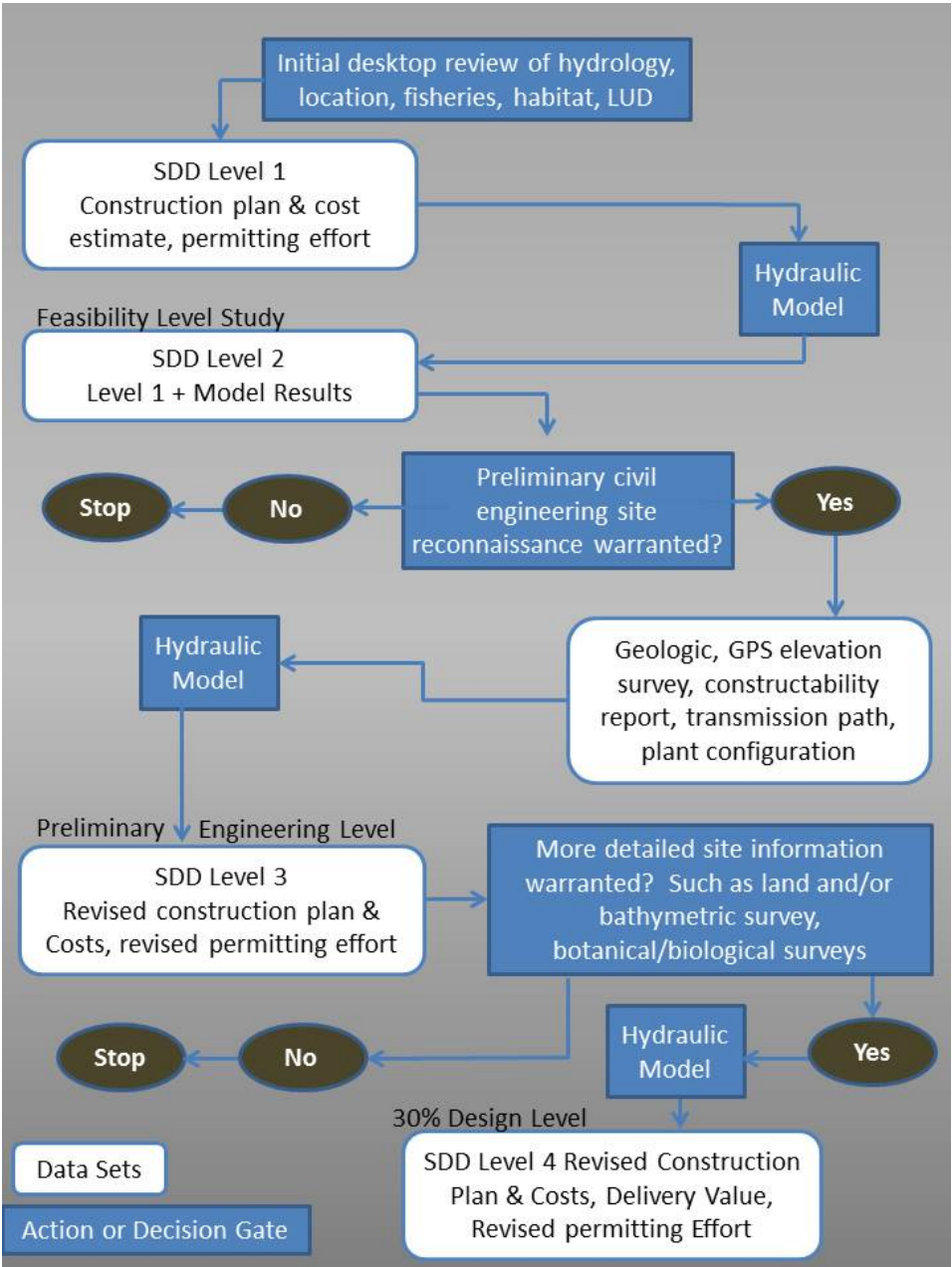
- 1 Business Analysis Task (RFO) - discussed above
- 2 Hydro Site Evaluation
- 3 Storage (Swan Lake) - a portion of the Swan Lake reservoir expansion project is covered by the storage initiative portion of the grant (\$578,000) of the estimated \$13.3M construction cost estimate.

### Hydro Site Analysis Accomplishments:

- We completed an in-depth review of Annette Island and are waiting for Metlakatla Power & Light comments before finalizing that document.
- We are building a database with Site Definition Documents that are compositions of history, geologic characteristic, delivery value, construction cost, environmental reviews, and hydrologic assessments.
- This June we completed preliminary civil engineering surveys of Spur Mountain, Eagle Lake, Sunrise Lake, Virginia Lake, Orchard Lake, Lake Shelokum, Connell Lake, Maude Lake, and Rowena Lake. We analyzed our June data and redeployed a small team of survey and environmental technicians to Orchard Lake and Lake Shelokum over a three-week period in August. This work was supported by SEAPA's Mark Looman and McMillen consultants have twice mentioned they greatly appreciated his work, patience, and logistical support. This September the same team will visit Virginia Lake.
- We submitted water rights applications for hydro generation at Virginia Lake, Lake Shelokum, and Orchard Lake.

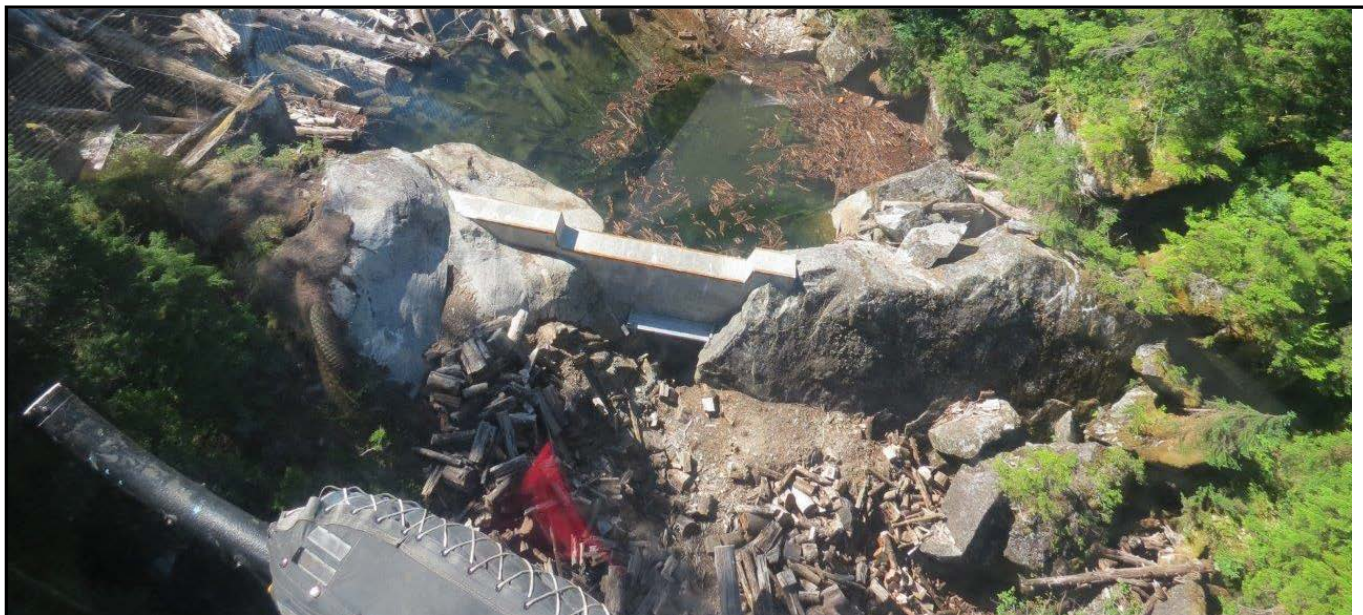
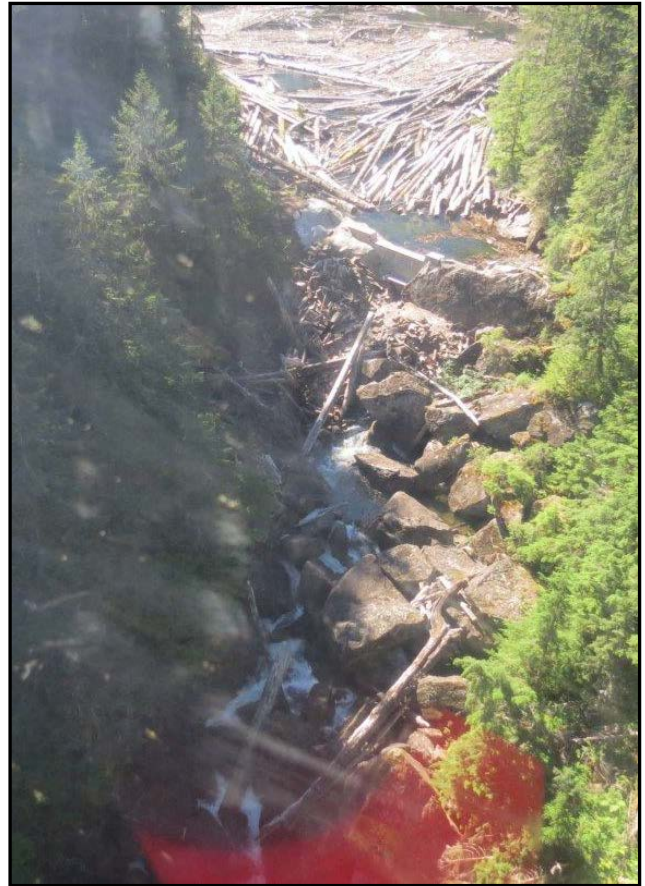
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Site Definition Document Process

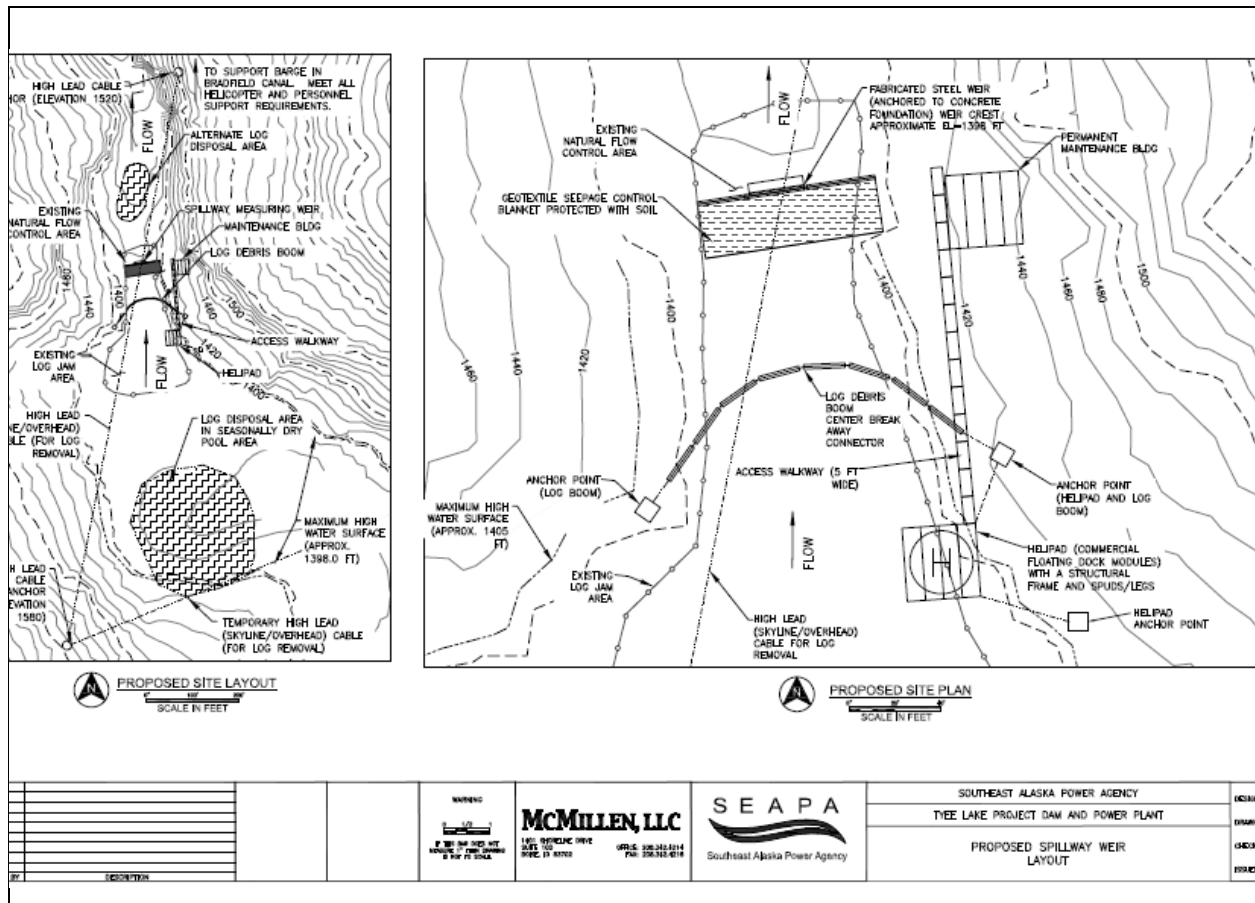




## Tyee Weir





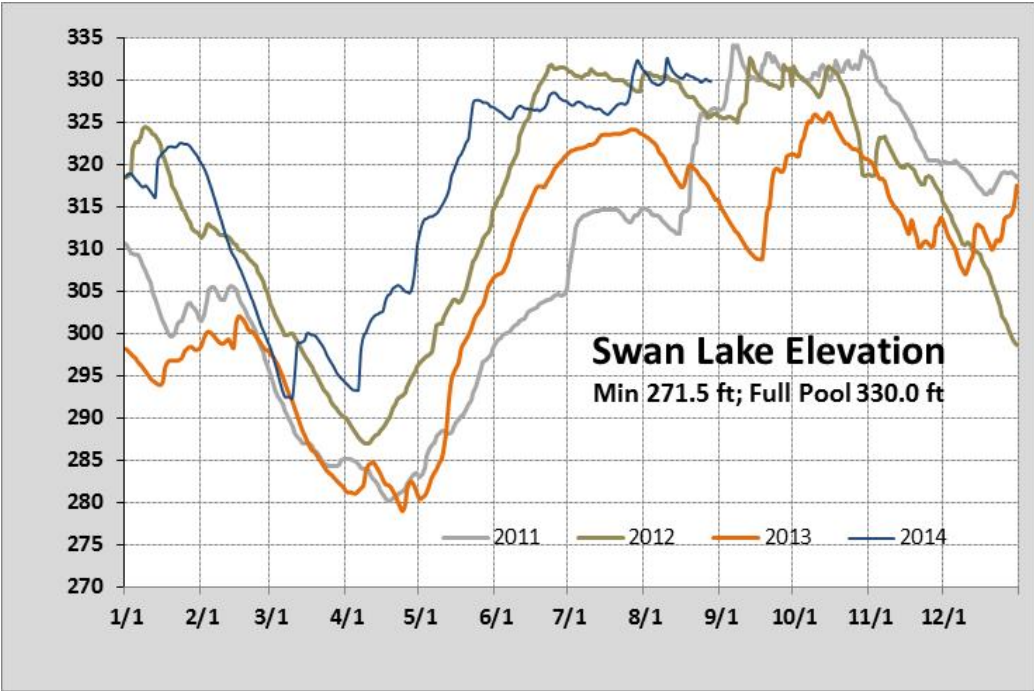
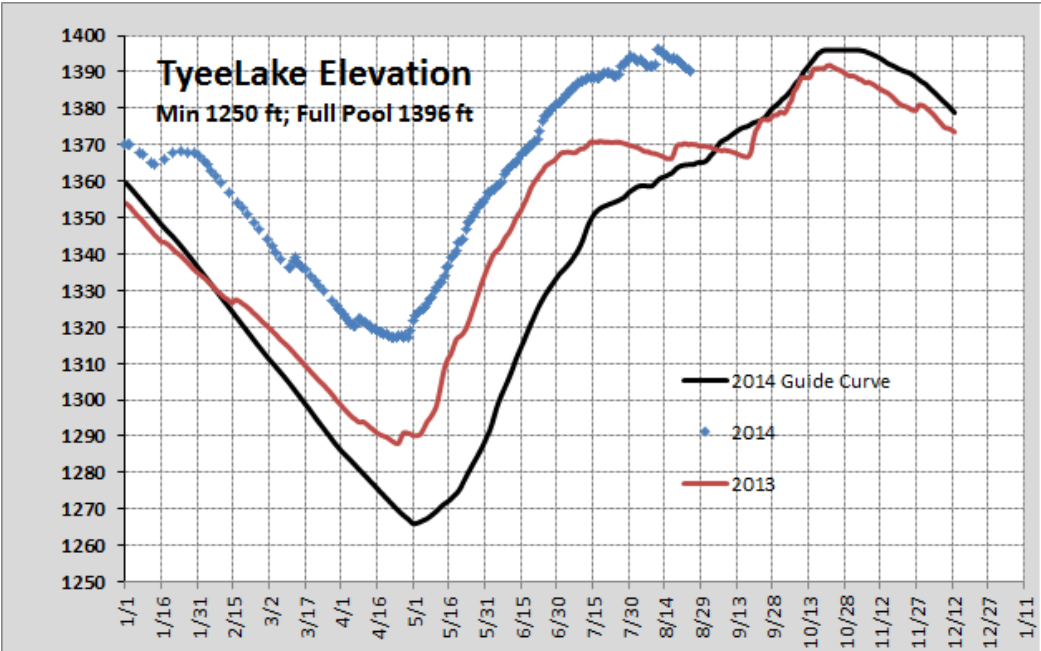


#### Options currently under consideration:

- Explore other options: we will not be working at Tyee in the wet, and we are nearly full going into the wet, low load season, any work will take place next spring and summer.
- Seepage control, *geotextile fabric* as shown above (we did not place this because we decided to wait and see). Why do it if you don't need to? This will require a doubling in effort to remove logs. A good question to ask: "What is this worth"? We'll talk about that and costs at the board meeting.
- Grouting; a lot of grout, helicopter flight after helicopter flight, thick near concrete grout with special additives; porosity is huge.
- Do nothing and let it go; over several hundred years it will fill in, there is very little chance anything is eroding, the cobbles are too large; there are very few fines.

Water Management

We're way fat for this time of year, expect continued spill at Swan and Tyee into October. We'll provide a more in-depth hydrology review at the Board meeting.



## SEAPA Project Update: Swan Lake Sept 2014

### Safety/Environmental/Security

- Hill side boulder/slough-off issue, Engineers from BC did survey . . .
- Safety Training for July-August: Arc Flash, FR, PPE, respirator tr., cranes chains and slings.
- Visitors for July/Aug include FERC inspector, Wally from Western Electric, Morris, James Volk, Del Stacy, Insurance Inspector, SCADA Mike Bristol, and several boat campers & fisherman at dock.
- Shipped nine (9) CO2 fire suppression bottles out for refill (18 in system)
- 4 x 1-1/2", 3 x 2-1/2" fire hoses needed testing, completed all but two 2 x 2-1/2", limited with test procedure

### Outages/Unit constraints/Reservoir Level

- Forced outages: Switchgear failure, Unit #1, May 2<sup>nd</sup>, unit remained out-of-service to July 11, 2014
- Planned station outages (coordinated with single unit operation)
  - Unit #2 periodic maintenance work started July 14, 2014 to Aug 4, 2014
  - SCADA interlock and alarm check-out (Eric Wolf & James Volk) in progress
- Reservoir level: (calibrated Aug 6<sup>th</sup>) 330 ft. and holding as of August 25<sup>th</sup>.
- Emergent work:
  - Unit #2 cooling water valve fouled, cleaned RTS
  - SCADA alarm issues & implementation ongoing
  - VHF Control Room radio repairs, need new antenna, but existing works
  - Log boom temporary repair on North side done, South side needs help ( attachment point underwater and need shackles and chain)
  - Roof leak repair, found 3 slits, patched
  - Fabricating generator cooler drip pans

### Maintenance (regular)

- Fuel tank cleaning and fuel polishing, 300 gallons of sludge removed
- Completed Forklift engine replacement
- Replaced block heaters on Emergency Genset-B
- Power washed & painted float docks, sheds
- Vegetation removal, burned, waiting on spray
- Boat engine repairs, starter switch, carb work
- Road maintenance in progress

### Compliance

- Dam deflection survey due in November (Quarterly ?)
- FERC Part 12d with Hatch consulting is in progress

### Periodic Maintenance (for July, Unit 2 work)

- Draft tube cavitation repaired by welding
- All mechanical clearances checked
- Replaced all copper cooling lines
- Inlet valve & Spiral case inspections
- Fins added to air admission pipes in draft tube for cavitation experiment
- Mechanical speed switches tested
- Wicket gate greasing verified
- Upper guide bearing felt seal (in doghouse) replaced
- Stator corona inspection and repaired with glyptol
- Stator polarization index testing
- Stator coolers removed, cleaned and RTS
- Thrust bearing coolers removed, cleaned and RTS
- SF6 Breaker gas testing, need results
- Transformer DGA tests – results attached

### New Projects

- Initiate a “conex” storage expansion
- Load of D1 gravel (open)
- Water tank remediation?
- Paint fuel tanks
- Boat Delivery soon
- Training scheduled . . . relief needed

# THE SOUTHEAST ALASKA POWER AGENCY

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## TYEE LAKE HYDROELECTRIC FACILITY PROJECT UPDATE

Submitted by Steve Beers, Foreman | August 26, 2014

### 1) SAFETY

We recently finished our system-wide 7-year fire extinguisher hydrostatic testing and factory refilling. This takes about a year due to shipping the fire extinguishers 3 at a time and involves replacement of all 10 lb. and smaller extinguishers (trucks, houses, and equipment), and all of the 35 larger Ansul and Co2 extinguishers including the 100 pounders.

### 2) BUDGET

a) R&R approved projects' status:

i. Gate Control Relocation. Still incomplete, the rebuild is completed but still not tested. The problem of course is the extreme inaccessibility of the work and the reluctance to have Tyee go black. We are hoping to complete testing while the trash rack inspection is going on.

ii. Cooling Water Piping. Awaiting control design so we can wrap up the project.

iii. New Equipment. We have taken delivery of two new pieces of equipment: an excavator with a brushing head and a compactor roller. The excavator will save many hours of bush-whacking and serve us well for equipment retrieval in the winter. The roller is used mainly to maintain the runway; we have used it once to date and received a compliment on the maintenance from pilots.

### 3) TRAINING

- a) Randy Rasler scheduled to attend a UV school in Anchorage in September.
- b) Teaching Rasler to operate the grader; he has a nice touch.

### 4) LINE CLEARING

a) Because of TBPA's implosion and the need for use of the project boat/pilot for SEAPA's lake studies, brush cutting has been put on the back burner. The manpower freed up has been used to paint the following:

- control building at Wrangell substation

# **SOUTHEAST ALASKA POWER AGENCY**

Tyee Lake Hydroelectric Facility | Project Update  
August 26, 2014  
Page 2

- half of the control building at the Wrangell Switchyard
- standby generator fuel tank, and the main camp gas and diesel tanks
- one of the housing units at the Tyee camp

Half of a control building at the Wrangell Switchyard, a control building at the Petersburg Substation, and three more houses at the Tyee Camp still need to be painted.

## **5) MISCELLANEOUS**

Due to the delivery of the above-mentioned equipment, and the chance to share barge costs with Temsco, we received our fall fuel barge the 1st of August.

SEAPA management came out to Tyee on August 12 to present job offers to the crew. All of the offers were accepted so we're all SEAPA employees now, and I think everybody is happy to have all of that behind us.

## **SOUTHEAST ALASKA POWER AGENCY**

**DATE:** August 25, 2014

**TO:** SEAPA Board of Directors

**FROM:** Trey Acteson, CEO

**SUBJECT:** Deferred Motion Re SEAPA Fiscal Year 2015 Rebates to Member Communities

During the June 25-26, 2014 regular board meeting held in Wrangell, a discussion commenced on the topic of a rebate to the member communities. A motion was made by Mr. Williams, and seconded by Mr. Ashton, to approve a rebate for SEAPA's three municipalities in the amount of \$745,883. Following further discussion and recognizing time was limited for the additional discussion required before voting on the motion, a motion was made to defer the motion on approval of a rebate until the next board meeting. I will elaborate further during the board meeting with a PowerPoint Presentation clarifying how funds flow, which may assist in discussions and decision-making on this important issue.

The board may consider voting down the motion currently on the table and reintroducing a different motion in its place pending further discussions.

## SOUTHEAST ALASKA POWER AGENCY

**Date:** August 26, 2014  
**To:** Trey Acteson  
**From:** Steve Henson, Operations Manager  
**Subject:** Arc Flash Study  
**Purpose:** Compliance with OSHA Regulations

OSHA finalized their Arc Flash regulations and made them a mandatory requirement. Due to this mandate, we will be required to perform an engineering analysis of our electrical system to identify hazards associated with working on or near hazardous voltages.

The study will identify not only hazards but mitigation measures to protect personnel and equipment from injury and damage in the event of a flash from faults. Personal Protective Equipment (PPE) will be identified along with the locations to be used. Signs and placards will be posted for warning personnel of the hazards and the equipment necessary to mitigate the risks involved.

We have taken some precautionary measures already with the purchase of the remote racking devices that are at the plants and substations.

We do not have funds currently budgeted for this study. We are requesting \$70,000 be added to the FY15 budget to perform this task.

The following is a suggested motion for consideration:

SUGGESTED MOTION
<b>I move to increase SEAPA's Fiscal Year 2015 budget by \$70,000 for an arc flash study in compliance with OSHA regulations and further move to authorize staff to solicit prospective qualified vendors and enter into a contract for the work.</b>





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TO: TREY ACTESON  
FROM: KAY KEY  
DATE: AUGUST 27, 2014  
RE: **EMPLOYEE BENEFITS 2015**

Renewal rates for calendar year 2015 employee group benefits were issued earlier this month by NRECA. SEAPA's enrollment deadline for group benefits is September 26.

**Health & Welfare** – Aggregate premiums are actually lower overall this year. Because SEAPA is such a small company, NRECA groups our claims with other "Non-Experienced Rated" companies when determining renewal rates. Total claims for non-experienced rated companies during the evaluation period were \$23M lower than the previous year.

The 2015 Renewal Rates attached to this memo display Current Rates (calendar year 2014), Renewal Rates (calendar 2015) and the percentage of change between the two.

**Retirement Security Plan** – The 2015 billing rate for SEAPA's defined benefit pension plan has not changed the past two years. A copy is attached.

**COBRA** - This year, NRECA is offering the option of having COBRA administered by UMR, a United Healthcare company, at no additional cost. COBRA offers continued insurance to employees who have terminated employment. We intend to take advantage of this administrative service.

For your reference, an outline of SEAPA employee benefits, as approved at the June board meeting, is also attached.

SUGGESTED MOTION
I move to direct staff to renew NRECA employee group benefit plans as presented.

## 2015 Renewal Rates

## Health & Welfare Premiums

Subgroup: 0102192001 - SOUTHEAST ALASKA PWR AGENCY - AK

Renewal Date: 1/1/2015

These are your co-op's renewal billing rates. Your plan design may have changed. Check your plan's renewal options for more information.

Coverages	Current Monthly Rates	Renewal Monthly Rates	Change
<b>Business Travel Accident Insurance Plan</b>			
bta1	\$21.75	\$21.75	0.0%
<b>Dental Plan</b>			
<b>ePDental1</b>			
INDIVIDUAL	\$56.46	\$57.59	2.0%
INDIVIDUAL + DEPENDENT	\$170.78	\$174.20	2.0%
<b>Life Insurance Plan</b>			
basicLife1	\$0.314/\$1,000	\$0.299/\$1,000	-4.8%
<b>Long Term Disability Plan</b>			
ltd66Ss1	\$0.0606/\$100	\$0.0618/\$100	2.0%
<b>Medical Plan</b>			
<b>ppo2</b>			
INDIVIDUAL	\$997.87	\$1,004.53	0.7%
INDIVIDUAL + DEPENDENT	\$2,338.28	\$2,299.53	-1.7%
MEDICARE	\$274.41	\$276.25	0.7%
<b>Prescription Drug Plan</b>			
<b>rx3Tier2</b>			
INDIVIDUAL	\$77.95	\$87.62	12.4%
INDIVIDUAL + DEPENDENT	\$169.64	\$193.86	14.3%
<b>Medical Plan with Prescription Drugs</b>			
<b>ppo2 &amp; rx3Tier2</b>			
INDIVIDUAL	\$1,075.82	\$1,092.15	1.5%
INDIVIDUAL + DEPENDENT	\$2,507.92	\$2,493.39	-0.6%
<b>Short Term Disability Plan</b>			
std1	\$0.0590/\$100	\$0.0582/\$100	-1.4%

## 2015 Renewal Rates

## Health & Welfare Premiums

### Vision Plan

#### visPpoEnh1

INDIVIDUAL	\$13.18	\$13.71	4.0%
INDIVIDUAL + DEPENDENT	\$36.38	\$37.84	4.0%

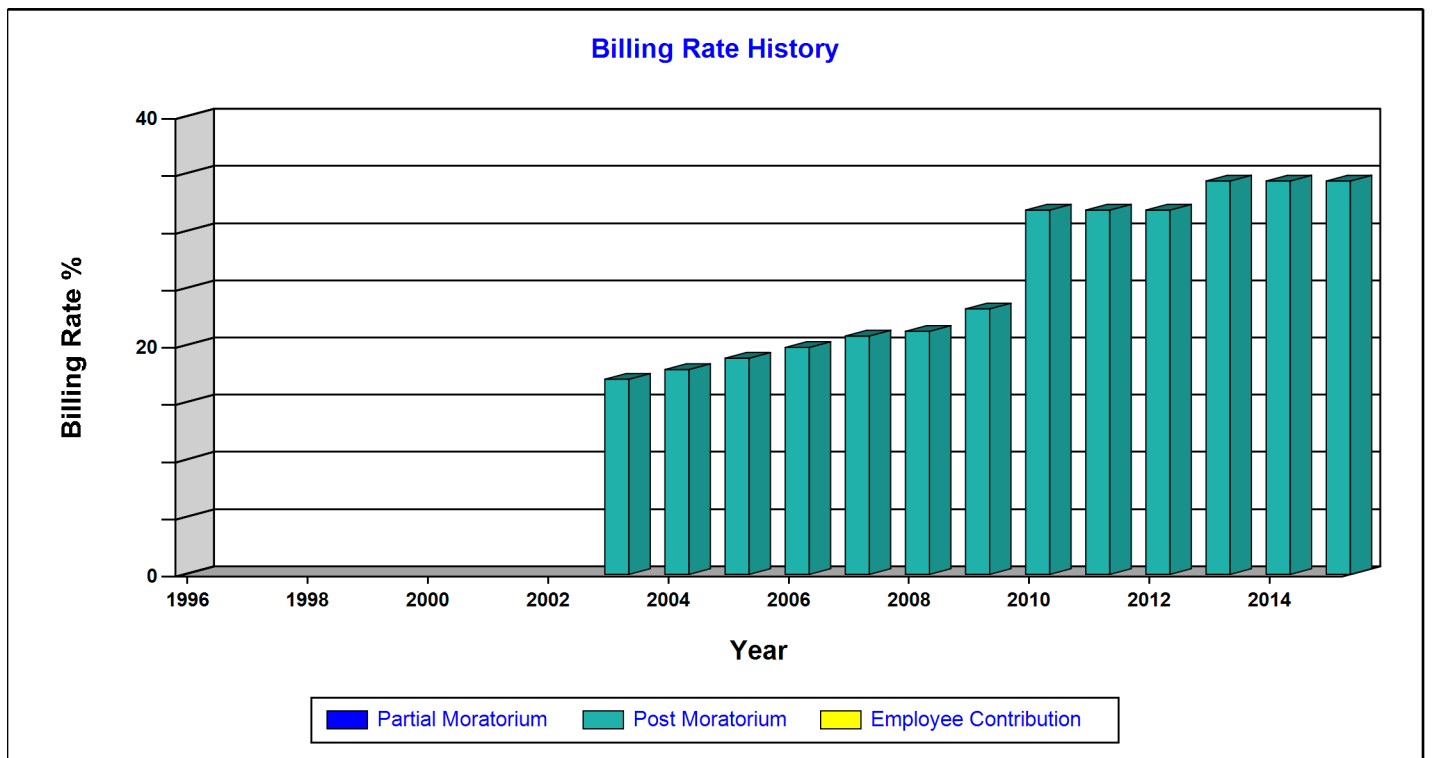


# NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

## Retirement Security Plan

**System #:** 01-02192-001 **Plan ID:** RNR01A  
**Name:** SOUTHEAST ALASKA PWR AGENCY

Year	Benefit Level	System Cost	Employee Contribution	Plan	COLA	Average Age	100% Death Benefit	Salary Type
1996								
1997								
1998								
1999								
2000								
2001								
2002								
2003	2.00	17.06	0.00	62	Yes	51	No	BS
2004	2.00	17.91	0.00	62	Yes	52	No	BS
2005	2.00	18.90	0.00	62	Yes	63	No	BS
2006	2.00	19.84	0.00	62	Yes	51	No	BS
2007	2.00	20.84	0.00	62	Yes	56	No	BS
2008	2.00	21.25	0.00	62	Yes	51	No	BS
2009	2.00	23.21	0.00	62	Yes	49	No	BS
2010	2.00	31.85	0.00	62	Yes	50	No	BS
2011	2.00	31.85	0.00	62	Yes	50	No	BS
2012	2.00	31.85	0.00	62	Yes	57	No	BS
2013	2.00	34.39	0.00	62	Yes	56	No	BS
2014	2.00	34.39	0.00	62	Yes	55	No	BS
2015	2.00	34.39	0.00	62	Yes	56	No	BS



**Note:** The System Cost is the total of the Trust Contribution and the Administrative Fee.

Your Retirement Security Plan's salary type is "base salary." As a result, your contribution cost (system cost plus employee contribution rate shown above) is applied as a percentage of each participant's annualized base rate of pay in effect on November 15, 2014, which is that participant's effective salary for the 2015 plan year. Beginning with your January 2015 monthly statement, the estimated amount due will be based on this percentage. Rates shown are for the plan in effect as of January 1 for each year.



## The Southeast Alaska Power Agency 2014 Administrative Employee Benefits

Non-represented employees are eligible for these benefits provided by National Rural Electric Cooperative Association (NRECA).

NRECA Plan	Coverage: No waiting period IN – In Network • OUT – Out of Network	Employer Contribution	Employee Contribution
Medical PPO	IN Deductible: \$300 individual, \$600 family OUT Deductible: \$600 individual, \$1200 family Out-of-Pocket Maximums: IN Coinsurance: \$0 individual, \$0 family OUT Coinsurance: \$1200 individual, \$2400 family	90%	10%
Prescription	Coinsurance Max: \$2000/individual, \$5000/family		
Dental	Deductible: Preventive - \$0 / Basic - \$50 per participant	90%	10%
Vision	Deductible: \$10 exam, \$20 glasses	90%	10%
Retirees -Medical coverage is available to retirees after completing 5 years of continuous service with the Agency.			
Basic Life & AD&D Insurance*	2x Base Salary	100%	---
Supplemental Life*	1x Base Salary	100%	---
Supplemental AD&D	Available	0	100%
Supplemental Family AD&D	Available	0	100%
Spouse Life*	\$10,000	100%	---
Child Life*	\$10,000	100%	---
Retired Life*	Available	0	100%
Business Travel Insurance	\$100,000	100%	---
Short-Term Disability	66-2/3% of weekly earnings, \$1500/wk maximum. Benefits begin on day 8 and are limited to 13 weeks.	100%	---
Long-Term Disability	66-2/3% of annual salary paid until age 65 if totally disabled. Benefits begin after 13 wks.	100%	---

\*Group term life insurance coverage in excess of \$50,000 is taxable income.

Homestead Plan (a division of NRECA)	Eligibility	Employer Contribution	Employee Contribution
457(b) Government Deferred Compensation Plan SEAPA Irrevocable Trust	Eligible on the first day of the month after one full month of completed service. Employee may contribute a total of 100% of base wages subject to NRECA and IRS limitations.	3% of base wage after employee minimum	1% of base wage minimum

Retirement Security Plan	Eligibility	Employer Contribution	Employee Contribution
Defined Benefit Pension Plan	Participation begins first of the month following the first full year of employment. 2% of participant's final average effective salary. 50% Spousal Annuity death benefit. Vesting schedule starts at 10% after one year and increases to 100% after five years or age 55.	100%	---



## The Southeast Alaska Power Agency 2014 Administrative Employee Benefits

Payroll, PTO & Holidays	Description
Payroll	Bimonthly pay periods are the 1st – 15th and 16th-last day of the month. Pay dates are the 7th and 22nd of the month.
Paid Time Off	Employee starts earning 6 hrs per pay period in first year and increases to 10 hours per pay period in year seven. (Maximum 60-day PTO cash-out upon termination.)
Holidays	10 holidays + 2 Floating Holidays annually. No carryover of floating holidays.

HOLIDAYS
New Year's Day Presidents Day Memorial Day Independence Day Labor Day Veterans Day Thanksgiving Day and the following Friday Christmas Eve and Christmas day

# THE SOUTHEAST ALASKA POWER AGENCY

1900 First Avenue  
Suite 318  
Ketchikan, Alaska 99901



Phone: 907.228.2281  
Fax: 907.225.2287

[www.seapahydro.org](http://www.seapahydro.org)

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September 3, 2014 | Regular Board Meeting

## REVIEW OF SEAPA GRANT APPLICATIONS TO AEA GRANT APPLICATION DESCRIPTIONS

**Overview of Alaska Energy Authority (AEA) Grant Phases I - IV:** The AEA classifies grants into four phases.

Phase I. Reconnaissance. A preliminary feasibility study designed to ascertain whether a feasibility study is warranted.

Phase II. Feasibility Analysis, Conceptual Design. A detailed evaluation intended to assess technical, economic, financial, and operational viability and to narrow focus of final design and construction. This category also includes resource assessment and monitoring.

Phase III. Final Design and Permitting. Project configuration and specifications that guide construction. Land use and resource permits and leases required for construction.

Phase IV. Construction, Commissioning, Operation, and Reporting. Completion of project construction and beginning of operations. It also includes follow-up O&M reporting requirements.

### **Wind Grant Application:**

Wind Grant Application. In July 2013, SEAPA accepted a 34-meter meteorological tower (Met Tower) and anemometers from the AEA to assess potential wind resources in the region. Based on receipt of that equipment, we pursued funding in Round VII of the AEA's Renewable Energy Fund Program for Phases I and II of the project. Funding was recommended but not received. The SEAPA region is defined as a low energy cost area (communities with a residential retail electric rate of below \$0.20 per kWh) so other areas of the State with high energy costs generally receive the bulk of the funding available. However, it is again prudent to pursue funding in Round VIII of the AEA's Renewable Energy Fund Program for the project.

Funds will be pursued to conduct a site assessment to determine the most suitable site for placement of the tower, where permitting can be obtained for data acquisition and eventual turbine installation, and a site that also makes sense from an operational perspective (transmission, environmental, airspace congestion, etc.). The funding requested for Phase I will cover the site assessment, which includes a preliminary analysis of the anticipated permitting and environmental concerns for prospective sites. Funding requested for Phase II will cover installation of the Met Tower, collection of raw wind data for a two-year period, analysis of the data collected, and a final report

assessing the feasibility of installation of a wind turbine. SEAPA's grant application will request the following funding for these two phases of the project:

<b>AEA Grant Request</b>	<b>\$ 88,741.50</b>
<b>SEAPA Match (50%)</b>	<b>\$ 78,385.50</b>
<b>In-kind match</b>	<b><u>\$ 3,456.00</u></b>
<b>Total Project Cost:</b>	<b>\$170,583.00</b>

In the Round VII grant application a cash match of 5% was proposed. In Round VIII we are proposing a 50% cash match which will result in a higher scoring for possible funding. In the FY15 budget, the board approved \$73,168.26 for wind energy feasibility, which will cover the bulk of the SEAPA match of 50%. Letters of support for the project were received from Ketchikan, Wrangell, Petersburg and the Ketchikan Gateway Borough in Round VII and those letters of support are still valid for submittal to the AEA as part of the grant application for Round VIII.

#### **Swan Lake Reservoir Expansion Project (SWL Project) Grant Application:**

Swan Lake (SWL) Grant Application. Staff has kept the board updated on the progress of the SWL Project and the board cemented its commitment to the project via adoption of Resolution 2013-046, formally supporting a commitment to proceed with development of the project and in parallel, continuing to seek funding support from the State. SEAPA requested \$12,330,519 from the State in its Fiscal Year 2015 legislative funding and received an appropriation of \$3,320,000. That appropriation is intended to cover Phase III (final design and permitting) and the beginning of Phase IV of the project (construction and commissioning).

The City of Ketchikan and Ketchikan Gateway Borough both ranked the project as a priority in their Community Priority Lists last year and are mirroring that ranking again this year. Resolutions supporting the project were adopted by each of our member communities and the Ketchikan Gateway Borough. Updated letters affirming that support are in process by each community and the Borough again this year for submittal to the AEA.

In parallel with seeking funding of \$2,797,935 from the State's FY16 budget for the project, staff is preparing a grant application to solicit funds under Phase IV (construction and commissioning) in the AEA's Round VIII Renewable Energy Fund Program. To date, SEAPA has expended \$717,500 out-of-pocket toward the project. **SEAPA will request \$2,797,935 for the project with a dollar-for-dollar match in Round VIII.**

A resolution is attached authorizing SEAPA to submit the two stated grants to the Alaska Energy Authority for Round VIII of its Renewable Energy Grant Program, granting the CEO signature authority and designation as the point of contact to represent SEAPA for purposes of the grants. A suggested motion is as follows:

<b>SUGGESTED MOTION</b>
<b>I move to adopt Resolution 2015-055 authorizing SEAPA staff to submit two renewable energy grants to the Alaska Energy Authority for Round VIII of the Alaska Energy Authority Renewable Energy Grant Program, authorizing Trey Acteson, CEO, to sign the grant applications, commit to the obligations under the grants, and to act as an established point of contact for the grants.</b>



**RESOLUTION 2015-055\*\***  
**THE SOUTHEAST ALASKA POWER AGENCY**

**Resolution Approving Alaska Energy Authority Round VIII  
Renewable Energy Grant Program Applications for SEAPA's Wind  
Resource Assessment and Swan Lake Reservoir Expansion Projects**

**WHEREAS**, the Southeast Alaska Power Agency is a Joint Action Agency organized pursuant to State Statute; and,

**WHEREAS**, the Southeast Alaska Power Agency owns the Tyee Lake and Swan Lake Hydroelectric Projects in Southeast Alaska, which provide renewable hydroelectric power to Ketchikan, Wrangell, and Petersburg; and,

**WHEREAS**, the Southeast Alaska Power Agency recognizes that additional renewable resources will be needed in the future to meet loads in Petersburg, Wrangell, and Ketchikan; and,

**WHEREAS**, the Southeast Alaska Power Agency recognizes that wind power is a renewable resource and desires to determine the feasibility of utilizing wind turbines to supplement existing hydro resources that provide power and energy to the communities of Ketchikan, Petersburg, and Wrangell; and,

**WHEREAS**, the Southeast Alaska Power Agency also recognizes that additional interties may be built to serve communities, including Kake and Metlakatla, and additional generation resources may also be required to serve those loads; and,

**WHEREAS**, the Southeast Alaska Power Agency's Swan Lake Reservoir Expansion Project is projected to add 25% additional active storage for winter hydro generation, displacing up to 12,000 MWhrs of diesel generation annually; and,

**WHEREAS**, the Alaska Department of Commerce, Community, and Economic Development appropriated \$3,320,000 to provide funding for use towards the Swan Lake Reservoir Expansion Project to complete Phase III of the project, final design and permitting, and to begin Phase IV, construction and commissioning.

**WHEREAS**, the Alaska Department of Commerce, Community & Economic Development appropriated \$3 million dollars for Hydroelectric Storage, Generation, Transmission & Business Analysis, of which funds of \$578,000 were allocated to the Swan Lake Reservoir Expansion Project; and,

**WHEREAS**, final amendment of the Federal Energy Regulatory Commission (FERC) license for the Swan Lake Reservoir Expansion Project was submitted to FERC on July 21, 2014; and,

**WHEREAS**, the Southeast Alaska Power Agency will request Fiscal Year 2016 State of Alaska Capital Project funding of \$2,797,935 for the Swan Lake Reservoir Expansion Project; and,

**WHEREAS**, the Southeast Alaska Power Agency is in compliance with all federal, state, and local laws including credit and federal tax obligations;

**NOW, THEREFORE, BE IT:**

**RESOLVED**, that the Southeast Alaska Power Agency Board of Directors approves the application for project funding from Round VIII of the Alaska Energy Authority Renewable Energy Grant Program in the amount of \$88,741.50 of which the Southeast Alaska Power Agency will propose a fifty percent (50%) match for a Wind Resource Analysis; and,

**RESOLVED**, that the Southeast Alaska Power Agency Board of Directors approves the application for project funding from Round VIII of the Alaska Energy Authority Renewable Energy Grant Program in the amount of \$2,797,935.00 for Phase IV, construction and commissioning, of the Swan Lake Reservoir Expansion Project; and,

**RESOLVED**, that the Southeast Alaska Power Agency Board of Directors authorizes Trey Acteson, its Chief Executive Officer, to sign the two stated grant applications, commit to the obligations under the grants, and to act as an established point of contact to represent the Southeast Alaska Power Agency for purposes of the stated grant applications.

Approved and signed this 3rd day of September 2014.

**SOUTHEAST ALASKA POWER AGENCY**

By \_\_\_\_\_  
**Bob Sivertsen, Chairman of the Board**

**ATTEST:**

\_\_\_\_\_  
**Andy Donato, Secretary/Treasurer**

## SOUTHEAST ALASKA POWER AGENCY

**DATE:** August 27, 2014

**TO:** SEAPA Board of Directors

**FROM:** Trey Acteson, CEO

**SUBJECT:** Whitman True-up Agreement

As the board has been made aware during the last several board meetings, SEAPA has been negotiating a true-up process with the City of Ketchikan, d/b/a Ketchikan Public Utilities regarding the Whitman Lake Hydroelectric Project. The final of the agreement has passed two readings at Ketchikan City Council meetings. I have attached the City's Ordinance No. 14-1762 approving the agreement. The Ordinance will be effective one month after its final passage date of August 21, 2014, if no referendum petitions are filed with the City of Ketchikan. A copy of the Whitman True-up Agreement is attached for your review.

Once the Ordinance becomes effective, signatures will be required. I need your authority to sign the agreement on behalf of SEAPA.

The following is a suggested motion:

SUGGESTED MOTION
<b>I move to authorize SEAPA's Chief Executive Officer to enter into the Whitman True-up Agreement between the City of Ketchikan, d/b/a Ketchikan Public Utilities and The Southeast Alaska Power Agency, a copy of which is included in SEAPA's September 3, 2014 board packet, regarding a true-up process for certain displaced sales resulting from the annual operation of the Whitman Lake Hydroelectric Project in Ketchikan, Alaska.</b>

Attachments:

City of Ketchikan Ordinance No. 14-1762  
Whitman True-up Agreement with Exhibit A attached

THE CITY OF KETCHIKAN, ALASKA

ORDINANCE NO. 14-1762

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA; APPROVING A WHITMAN TRUE-UP AGREEMENT BETWEEN CITY OF KETCHIKAN D/B/A KETCHIKAN PUBLIC UTILITIES AND SOUTHEAST ALASKA POWER AGENCY; PROVIDING FOR THE FILING OF REFERENDUM PETITIONS; AND ESTABLISHING AN EFFECTIVE DATE.


BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA, AS FOLLOWS:

**Section 1: Southeast Alaska Power Agency Whitman True-up Agreement Regarding the True-up Process For Certain Displaced Sales.** The Whitman True-up Agreement between City of Ketchikan d/b/a and Southeast Alaska Power Agency ("SEAPA") Regarding the True-up Process For Certain Displaced Sales, a copy of which was reviewed by the City Council at the August 7, 2014, City Council meeting, is hereby approved. A copy of said Whitman True-up Agreement is available for public inspection in the Office of the City Clerk, 334 Front Street, Ketchikan, Alaska.

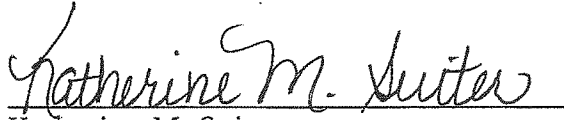
**Section 2: Effective Date.** If one or more referendum petitions with signatures are properly filed within one (1) month after passage and publication of this ordinance, this ordinance shall not go into effect until the petition or petitions are finally found to be illegal and/or insufficient, or, if any such petition is found legal and sufficient, until this ordinance is approved at an election by a majority of the qualified voters voting on the question. If no referendum petition with signatures is filed, this ordinance shall go into effect one (1) month after its passage and publication.

PASSED ON FIRST READING August 7, 2014.

FINAL PASSAGE August 21, 2014.

  
\_\_\_\_\_  
Lew Williams III, Mayor

ATTEST:

  
Katherine M. Suiter  
City Clerk

EFFECTIVE		DATE: September 23, 2014	
ROLL CALL	YEA	NAY	ABSENT
COOSE	X		
HARRIS	X		
KARLSON			X
OLSEN		X	
SIVERTSEN	X		
WEST	X		
ZENGE	X		
MAYOR			



## WHITMAN TRUE-UP AGREEMENT

Between

Ketchikan Public Utilities (KPU) and  
Southeast Alaska Power Agency (SEAPA) Regarding  
True-up Process For Certain Displaced Sales

### RECITALS

**WHEREAS**, The City of Ketchikan, Alaska, d/b/a Ketchikan Public Utilities (KPU) is completing construction of the Whitman Lake Hydroelectric Project in Ketchikan, Alaska, and this Whitman True-up Agreement ("Agreement") and Exhibit A (Whitman True-up Process) attached hereto provide a process to determine whether the annual operation of Whitman Lake results in certain displaced sales that would otherwise be made by SEAPA; and

**WHEREAS**, The Southeast Alaska Power Agency (SEAPA) is a Joint Action Agency organized pursuant to Title 42, Chapter 45, Article 5 of the Alaska Statutes, and is an agency of the State of Alaska, comprised of KPU, Petersburg, Alaska (Petersburg Municipal Power & Light) and Wrangell, Alaska (Wrangell Municipal Light & Power), collectively known as the "Member Utilities"; SEAPA and KPU may also be referred to as a "Party", or collectively as "Parties", in this Agreement; and

**WHEREAS**, SEAPA owns two hydroelectric facilities and an intertie connecting the Swan Lake and Tyee Lake Projects, with Swan Lake's energy and capacity being dedicated to Ketchikan, and Tyee Lake being dedicated jointly to the Petersburg Borough and the City and Borough of Wrangell, Alaska; and

**WHEREAS**, SEAPA and the Member Utilities are parties to a Long-Term Power Sales Agreement ("PSA"), where SEAPA has agreed to sell, and KPU has agreed to purchase, all available Dedicated and Additional Dedicated output from Swan Lake and Tyee Lake required to satisfy its Firm Power Requirements, as the case may be, consistent with the PSA; and

**WHEREAS**, the PSA also recognizes that KPU has two "Qualifying Existing Hydroelectric Resources" commonly referred to as Beaver Falls/Silvas and Ketchikan Lakes (FERC Project No. 1922 and FERC Project No. 420, respectively), as defined in the PSA; and

**WHEREAS** the PSA obligates SEAPA to sell, and KPU to purchase all available energy and capacity that exceeds its “Qualifying Existing Hydroelectric Resources”, as defined in the PSA; and

**WHEREAS**, SEAPA and its Member Utilities are parties to an Indenture of Trust, dated February 1, 2009, providing long-term financing to SEAPA, allowing the Member Utilities to satisfy debt obligations, maintenance and operating costs solely through purchases from SEAPA, among other things; and

**WHEREAS**, the PSA and the Indenture of Trust together mandate that the Full Requirements obligations of the PSA must not be altered unless bondholder approval is obtained, and require the obligation to satisfy all purchases of available energy and capacity from SEAPA facilities before purchases may be made from Whitman Lake generation; and

**WHEREAS**, the Parties agree that adopting the procedures set forth in this Agreement and Exhibit A hereto will allow SEAPA and its Member Utilities to cover the cost of any possible displaced sales resulting from Whitman Lake’s operations, and will fulfill each Party’s Full Requirements obligations in the PSA; and

**WHEREAS**, the Parties agree that the fundamental principles guiding this Agreement are that KPU should not be penalized for displacing diesel generation, and SEAPA should not incur displaced sales as a result of Whitman generation. This Agreement addresses these principles consistent with the obligations of the PSA and Indenture of Trust.

NOW, THEREFORE, the Parties agree as follows:

1. **Whitman True-up Process.** Attached to this Agreement, and incorporated herein by this reference, is **Exhibit A – the Whitman True-up Process**. Exhibit A provides the procedures the Parties will use to determine whether any True-up Payment is to be paid by KPU, after each annual Measurement Period. Exhibit A is supported by Appendices A1-A8 detailing the calculations used to determine whether a True-up Payment will be due. Exhibit A is also supported by the actual measured readings that are reflected in Cases 1 and 2 to Exhibit A. The attached Exhibit A and its supporting Appendices A1-A8, and Cases 1 and 2 to Exhibit A, provide the supporting data for the description of the Whitman True-up Process.

2. **Operation Plan.** SEAPA and the Member Utilities prepare an annual Operations plan pursuant to the PSA. The Operations Plan estimates the Firm Power Requirements of the Purchasing Utilities and identifies the Dedicated Output to be delivered to meet the Firm Power Requirements. It also identifies any Additional Dedicated Output to be delivered to meet a Purchasing Utility’s Firm Power Requirements. The Operations Plan, including but not limited to draft reservoir elevations, is mandated by the PSA and is developed by SEAPA in consultation with the Member Utilities using the best available information at the time. The Operations Plan, and any revisions thereto, shall be reasonable, timely, and determined in good faith between the Parties. The Operations Plan may be revised consistent with the PSA.

2. **Annual Measurement.** SEAPA agrees to measure spill daily throughout the calendar year, as provided in Exhibit A. SEAPA will provide quarterly reports containing all measurements detailed in Exhibit A to KPU. The Parties agree to work together should KPU or SEAPA need additional reports. Subject to both SEAPA and KPU daily measured values being verified, SEAPA will provide a final full annual accounting for the True-up no later than twenty-one (21) days after the end of the Measurement Period, and will submit an invoice for payment ("SEAPA Invoice").

3. **True-up Payment and Protest.** KPU shall pay the SEAPA Invoice no later than March 1 following the end of the Measurement Period. In the event KPU protests the final accounting of the True-up Payment, it shall provide, in writing, an explanation of the basis of its claim that the SEAPA Invoice is in error, no later than the March 1 due date for payment of the SEAPA Invoice. All payments are due, except for those subject to protest. The Parties, including their senior officials, shall meet to discuss any disputes within fifteen (15) business days of March 1. In the event such a meeting does not result in a final agreement to the protest regarding the SEAPA Invoice, the Parties agree to mediate the dispute. Any mediator used to resolve this dispute shall be a national expert experienced in electric generation matters and power agreements as well as the issues in dispute. Should the Parties be unable to mutually agree upon a mediator, then the dispute shall go to binding arbitration. Such mediation shall occur no later than sixty (60) days after March 1, as the Parties understand that a timely resolution of any such disputes is important for the continued operations of each Party's facilities. Should the Parties fail to resolve any dispute through a meeting of senior officials and mediation, a Party may bring a binding final arbitration action, consistent with the rules of the American Arbitration Association governing commercial disputes. The Parties shall agree to a single arbitrator, unless unable, and then each Party shall select an arbitrator, and the two arbitrators shall select a third arbitrator. Costs of the arbitration shall initially be paid for by each Party. The losing Party at the arbitration shall be responsible for all costs, and attorney fees for both Parties.

Unless otherwise stated, any other dispute between the Parties shall use the same process to resolve it as is described in this section of the Agreement.

4. **Definitions.** As may be utilized in this Agreement and Exhibit A hereto, the following terms shall have the definitions indicated:

***Combined Spill.*** Combined Spill is the water volume and energy as defined in Appendices A1 and A2 to Exhibit A where formulas for Daily Swan Lake and Daily Tyee Lake Spilled Water, and Daily Spilled Energy for each Facility are documented.

***Delivery Limit.*** A limit placed on SEAPA deliveries to KPU by a request from SEAPA. This in turn limits KPU imports from SEAPA. A delivery limit is any SEAPA requested restriction on exports to KPU that results in a power transfer level that is below the existing capacity of the delivery system.



**Displaced Sales.** Displaced Sales accrue on days without diesel generation, and are calculated as Whitman generation minus KPU diesel generation. Displaced Sales are not recorded if the Whitman generation minus KPU diesel generation value is negative, and do not occur if SEAPA transmission is out of service, and do not occur during times when SEAPA limits deliveries to KPU. See Appendix A4 in Exhibit A.

**Measurement Period.** Measurement cycle which starts January 1 and ends December 31.

**Operations Plan Storage Deduction Credit.** The Operations Plan Storage Deduction Credit is the measurement of spill caused by SEAPA operations that do not follow the annual SEAPA Board of Directors Operations Plan approved reservoir draft levels. See Appendix A5 in Exhibit A.

**Operations Plan Storage Deduction Limit.** The Operations Plan Storage Deduction Limit establishes a maximum possible Operations Plan Storage Deduction "Credit" by accounting for diesel generation affected by the Operations Plan, excluding maintenance diesel and diesel generation required to meet loads that exceed SEAPA capacity (22 MW). The reason being that these quantities are already accounted for in the displaced sales calculation and do not depend on SEAPA reservoir operation, thus total diesel, less maintenance diesel and less capacity diesel, is the basis for the Operations Plan Storage Deduction Limit.

**SEAPA Lost Revenue.** SEAPA Lost Revenue is measured as the lesser of displaced sales and spilled energy after deductions. SEAPA will not record any lost revenue if there is no spill recorded from Swan Lake and Tyee Lake in the Measurement Period.

**True Up Payment.** The True-up Payment is a payment from KPU to SEAPA resulting from Displaced Sales that account for SEAPA lost revenue due to the operation of Whitman.

This Agreement also relies upon definitions from the existing Long-Term Power Sales Agreement between SEAPA and KPU, as well as certain terms defined in Exhibit A. In the event of any conflict between these Definitions, Exhibit A, and the PSA, the PSA shall govern.

**5. Term and Renegotiation.** The Term of this Agreement shall commence on the Effective Date and end upon expiration or termination of the PSA.

Either Party may exercise options to renegotiate this Agreement, and propose different terms and conditions as amendments to this Agreement as set forth herein. The initial option to renegotiate shall commence three (3) years after the Effective Date. Either Party may provide written notice to the other of its request to renegotiate the terms of this Agreement ("Notice of

Renegotiation"). The first Notice of Renegotiation must be sent by the Party exercising this option prior to the end of the initial three (3) years of this Agreement. In addition, either party may exercise such an option prior to the end of each subsequent three year period during the term of this Agreement. If a Notice of Renegotiation is not timely sent, the terms and conditions of the Agreement shall continue until a subsequent Notice of Renegotiation is timely sent, only after three years from when the Notice of Renegotiation is due. The Notice of Renegotiation shall be sent ten (10) days prior to the end of the three (3) year period.

A Notice of Renegotiation shall be accompanied by a written proposal for any changes to this Agreement, and all necessary back up to allow the non-requesting Party to understand the proposal. Good faith negotiations shall occur regarding the Notice of the Renegotiation, and if necessary, the Parties shall meet and confer to discuss the Notice of Renegotiation. Should the Parties fail to reach agreement regarding renegotiation of this Agreement, the Party seeking the renegotiations may seek a final, non-binding mediation. The mediation period shall be for thirty (30) days following the selection of a mediator. The mediator shall be mutually agreed upon by the Parties, and be an expert in electric generation matters and power agreements. If the Parties fail to agree on a mediator, they shall each select an independent mediator, and the selected mediators shall select a mediator who is an expert in electric generation matters and power agreements to serve as the sole mediator.

Any changes agreed upon by the Parties shall be memorialized in a written amendment signed by the Parties. Until any agreed upon amendment is signed, the Parties shall follow the terms and conditions of the then existing Agreement.

**6. Severability.** If any section, paragraph, clause, or provision of this Agreement or any agreement referred to in this Agreement shall be found to be invalid or unenforceable by a court of law with jurisdiction over the Parties, the remainder of this Agreement shall be unaffected by such adjudication and all the remaining portions of this Agreement shall remain in full force and effect. If any section, paragraph, clause, or provision of this Agreement or any agreement referred to in this Agreement shall be found invalid or unenforceable by a court of law with jurisdiction over the Parties, then and in such event the Parties agree that they shall exercise their best efforts to correct such invalidation and substitute appropriate agreements and contractual arrangements to achieve the intent of this Agreement.

**7. Assignment.** This Agreement shall inure to the benefit of, and shall be binding upon the respective successors and assigns of the Parties to this Agreement; provided, however that neither this Agreement nor any interest herein shall be transferred or assigned by either Party to any other person without prior written consent of the non-assigning Party, and that the assignee or successor in interest complies with any statutory requirements and regulations governing the Parties.

**8. Indemnity.** Each Party agrees to indemnify, defend, and hold the other harmless, and its directors, officers, employees, agents and other representatives from all losses or damages arising from their breach of this Agreement, or any negligent or wrongful

acts or omissions in connection with this Agreement. Any damages resulting from the negligent or wrongful acts by either party shall be levied in proportion to the percentage of fault attributable to each Party, and each Party shall have the right to seek contribution from the other Party in proportion to the percentage of negligence or wrong doing attributable to the other Party.

**9. Waiver and Entire Agreement.** Any waiver at any time by any Party to this Agreement or its rights with respect to any default of any other Party hereto, or with respect to any other matter arising in connection with this Agreement, shall not be considered a waiver with respect to any subsequent default, right or matter. This Agreement and the attached Exhibit A with accompanying Appendices and all attachments, and other agreements and documents incorporated herein, constitute the entire agreement between the Parties, and supersede all other prior representations, understandings, negotiations and discussions, whether written or oral, of the Parties.

**10. Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska without giving effect to the conflicts of law principles thereof. Any controversy, claim, or dispute arising under or relating to this Agreement may be brought in an Alaska State court, in the venue of Ketchikan, Alaska.

**11. Incorporation.** This Agreement specifically incorporates Exhibit A – Whitman True-up Process, Cases 1 and 2 and Appendices A1-A8 to Exhibit A, and the existing Long-Term Power Sales Agreement.

**12. Effective Date.** The Effective Date of this Agreement shall be \_\_\_\_\_, 2014.

**IN WITNESS WHEREOF,** the Parties have caused this Agreement to be executed, each on the date written below.

**CITY OF KETCHIKAN, d/b/a  
KETCHIKAN PUBLIC UTILITIES**

**BY:** \_\_\_\_\_  
**Karl R. Amylon, Manager**

**DATE:** \_\_\_\_\_

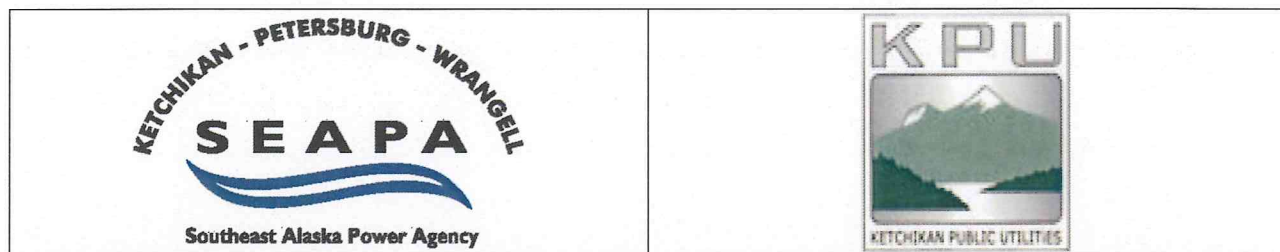
**ATTEST:**

\_\_\_\_\_  
**Katherine M. Suiter, City Clerk** [SEAL]

**SOUTHEAST ALASKA POWER AGENCY**

**BY:** \_\_\_\_\_  
Trey Acteson, CEO

**DATE:** \_\_\_\_\_



## **- EXHIBIT A - WHITMAN TRUE-UP PROCESS**

**July 30, 2014**

SEAPA Lost Revenue due to the operation of Whitman is the basis for a True-up Payment and will be accounted for by measuring spill volumes at Swan Lake and Tyee Lake. The logic being that any sales SEAPA could have made, but were displaced by Whitman generation, would accrue as water in the Swan Lake and Tyee Lake reservoirs. As long as this water is not wasted as spill, then no loss of revenue to SEAPA in the long term would occur. Short-term storage gains may occur, but this would not impact SEAPA as long as the water is used later for generation. Note: If another non-SEAPA source comes on-line after Whitman, then that source precedes Whitman in the True-up process.

### **Steps for Determining SEAPA Lost Revenue**

- Record Displaced Sales for the Measurement Period which starts January 1 and ends December 31
- If no spill occurred at Swan Lake and Tyee Lake, combined, during the Measurement Period, then SEAPA did not incur lost revenue due to the operation of Whitman and there is no True-up payment required
- If Spill occurred at Tyee Lake or Swan Lake during the measurement cycle then:
  - Calculate spill energy
  - Sum spill energy and displaced sales to annual totals
  - Apply applicable deductions, e.g. line loss and operations plan storage credit
  - Determine SEAPA Lost Revenue as the lesser of displaced sales and spilled energy after deductions

### **Document Exchange, Payment Term, and Required Measurements:**

During the Measurement Period, an exchange of the ongoing True-up measurements shall occur on a quarterly basis. Subject to both SEAPA and KPU daily measured values being verified, SEAPA will provide a final full annual accounting for the True-up no later than twenty-one (21) days after the end of the Measurement Period, and will submit a SEAPA Invoice. The annual payment is due on March 1<sup>st</sup> for the preceding year.

**Required Measurements** (on a daily basis):

- Measure spill at Tyee Lake using the existing USGS outlet streamflow gauge or a future replacement gauge
- Measure spill at Swan Lake using the existing headwater gage and spillway rating curve. If new spillway structures are constructed at Swan Lake, use the engineering discharge coefficients and the existing headwater gage to determine spill through the new structures
- Record daily generation (kWh) from Whitman Unit 1 and Whitman Unit 2 at the delivery point defined on page 8a
- Record daily KPU diesel generation (kWh)
- Keep track of the 115 kV Bailey breaker position and the times when SEAPA limits exports to KPU

Please see the attached pages, which provide the following:

1. Two Representational "Cases" which provide details for annual measurements: Case 1 (with supporting Case 1 Spreadsheet, page 3a) and Case 2 (with supporting Case 2 Spreadsheet, page 4a) showing tables demonstrating the True-up calculation methodology. These cases are based upon actual readings for Swan Lake and Tyee Lake.
2. Appendices A1 – A8, which provide detailed calculations for each step in the True-up determination process:

Appendix A1 – Swan Lake Spilled Water and Spilled Energy

Appendix A2 – Tyee Lake Spilled Water and Spilled Energy

Appendix A3 – Delivery Loss Basis

Appendix A4 – Method to Record Displaced Sales (with Whitman Generation  
Delivery Point Drawing attached, page 8a)

Appendix A5 – Calculating Operations Plan Storage Deduction

Appendix A6 – Calculation Period

Appendix A7 – Tyee Lake Kf (KW/cfs) (used in Appendix A2 – Tyee Lake)

Appendix A8 – Swan Lake Kf (KW/cfs) (used in Appendix A1 – Swan Lake)

**REPRESENTATIONAL CASES (CASE 1 and CASE 2)****CASE 1**

*Spill with No Storage Deduction (Table 1, below)*

Case 1 is a representation using 2012 operating data and assumes that Whitman was part of the generation mix for the whole year. Actual 2012 Swan Lake water levels were used; and Tyee Lake elevations and spill volumes were adjusted to account for the placement of the new outlet weir (summer 2013). Table 1, below, shows that Case 1 has a combined (Tyee + Swan) Spill Total in units of energy of 44,536 MWh; the 2012 Operations Plan draft elevations were exceeded so no Operations Plan Storage Deduction Credit is applied (unlike Case 2), and transmission losses that are noted as a Delivery Loss Deduction percentage from the SEAPA generators to the KPU delivery point have been subtracted (see Appendix A3, below). This results in spilled energy after deductions of 42,310 MWh. Since Displaced Sales are less than spilled energy, the Displaced Sales value represents SEAPA Lost Revenue and then becomes the basis for the True-up which, when multiplied by the Wholesale Power Rate (WPR) to KPU, becomes the True-up payment. Displaced Sales accrue on days without diesel generation, and are the result of Whitman less diesel generation unless that value is negative. Displaced Sales do not occur if SEAPA transmission is out of service, and do not occur during times when SEAPA limits deliveries to KPU.

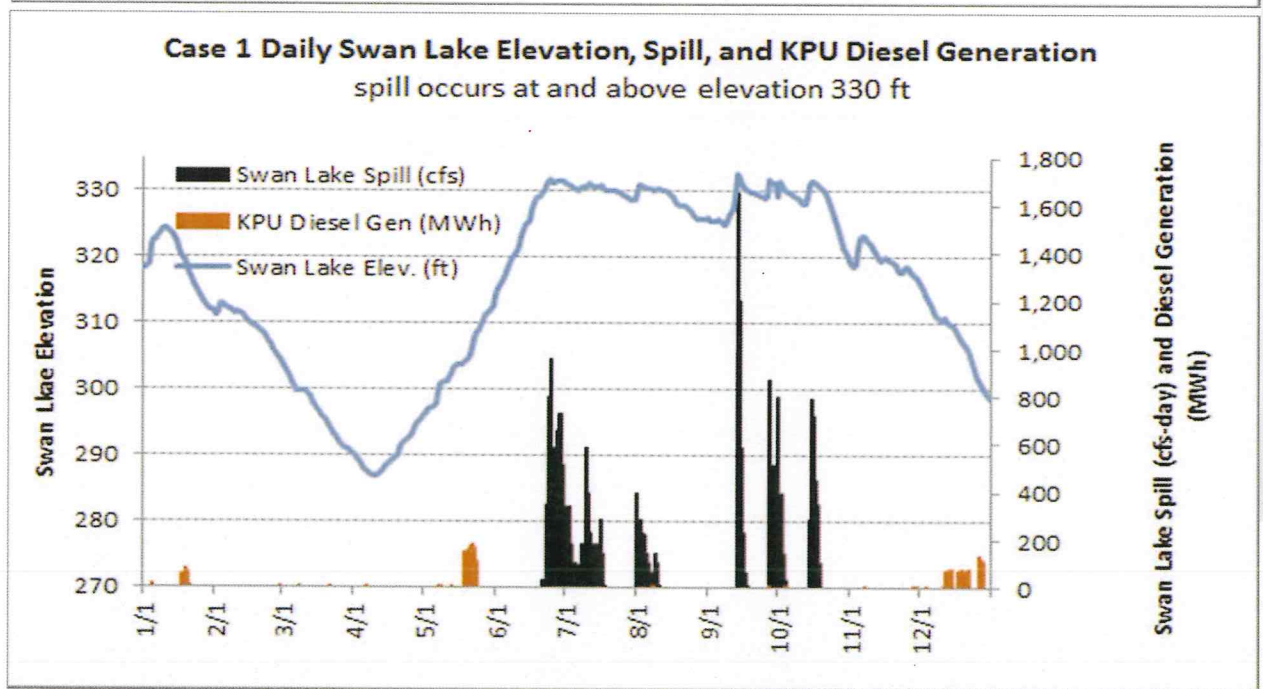
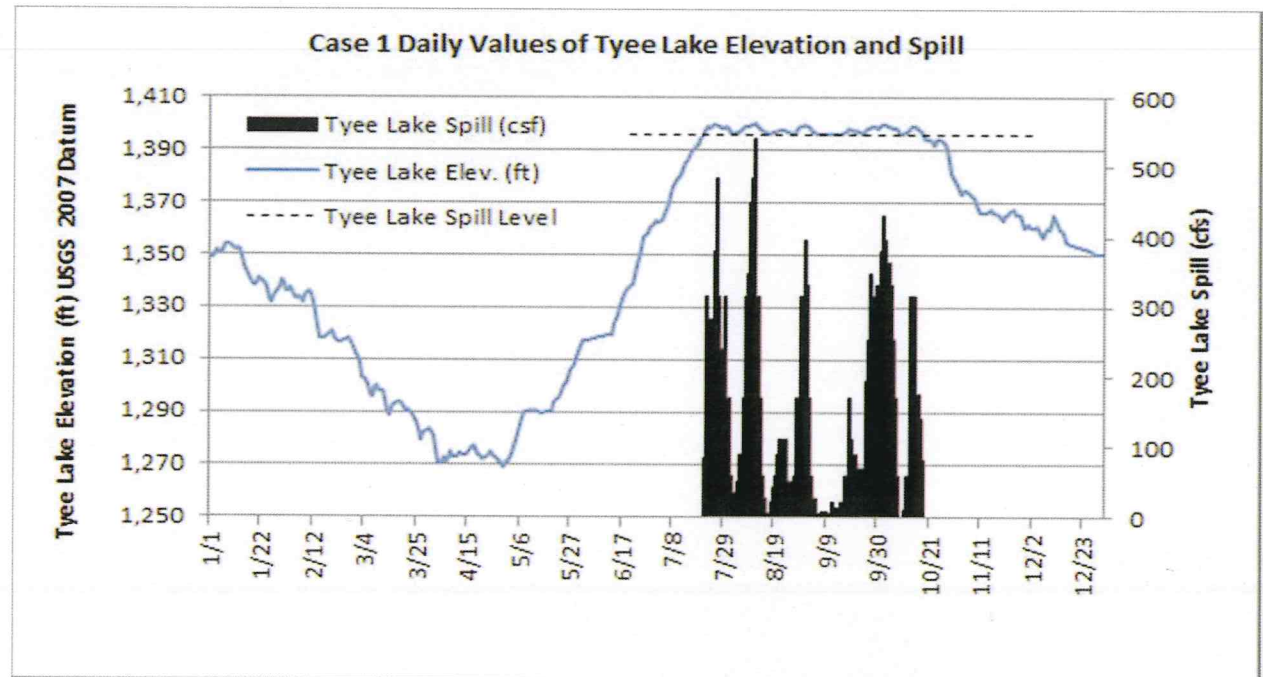
**Table 1**

<b>Annual Energy Totals (MWh)</b>	<b>Case 1</b>
Spill Total (Tyee Lake + Swan Lake)	44,536
Calculated Ops Plan Storage Deduction Credit	0
Ops Plan Storage Deduction Limit	N/A
Net Spill After Storage Deduction	44,536
Delivery Deduction (5%)	2,227
Spilled Energy after Deductions	42,310
Measured Displaced Sales	14,837
SEAPA Lost Revenue Energy	14,837
Wholesale Power Rate to KPU (\$/MWh)	\$68
<b>True-up Payment</b>	<b>\$1,008,916</b>

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Case 1	Breaker Open Flag	KPU Import Limit	KPU Whitman Gen (MWh)	KPU Diesel Gen (MWh)	Whitman less diesel	Swan Lake Elev. (ft)	Swan Lake Spill (cfs)	Swan Lake Spill MWh	Tye Lake Elev. (ft)	Tye Lake Spill (cfs)	Tye Spill MWh
1/1/2012		0.00	25.00	0.00	25.00	318.4	0	0.0	1,348.8	0	0.0
1/2/2012		0.00	25.00	0.00	25.00	318.7	0	0.0	1,348.7	0	0.0
1/3/2012		0.00	25.00	0.00	25.00	319.0	0	0.0	1,350.3	0	0.0
1/4/2012		0.00	25.00	13.27	11.73	321.7	0	0.0	1,351.4	0	0.0
1/5/2012		0.00	25.00	0.00	25.00	322.6	0	0.0	1,350.3	0	0.0
1/6/2012		0.00	25.00	0.00	25.00	322.7	0	0.0	1,351.4	0	0.0
1/7/2012		0.00	25.00	0.00	25.00	323.3	0	0.0	1,353.9	0	0.0
1/8/2012		0.00	25.00	0.00	25.00	324.2	0	0.0	1,353.7	0	0.0
1/9/2012		0.00	25.00	0.00	25.00	324.5	0	0.0	1,353.8	0	0.0
1/10/2012		0.00	25.00	0.00	25.00	324.3	0	0.0	1,353.0	0	0.0
1/11/2012		0.00	25.00	0.00	25.00	324.0	0	0.0	1,352.0	0	0.0
1/12/2012		0.00	25.00	0.00	25.00	323.7	0	0.0	1,352.2	0	0.0
1/13/2012		0.00	25.00	0.00	25.00	323.4	0	0.0	1,351.7	0	0.0
1/14/2012		0.00	25.00	0.00	25.00	323.0	0	0.0	1,349.0	0	0.0
1/15/2012		0.00	25.00	0.00	25.00	322.3	0	0.0	1,345.0	0	0.0
1/16/2012		0.00	25.00	0.00	25.00	321.3	0	0.0	1,343.5	0	0.0
1/17/2012		12.00	25.00	53.98	0.00	320.4	0	0.0	1,340.0	0	0.0
1/18/2012		12.00	25.00	77.00	0.00	319.4	0	0.0	1,338.5	0	0.0
1/19/2012		12.00	25.00	61.18	0.00	318.4	0	0.0	1,337.8	0	0.0
1/20/2012		0.00	25.00	12.42	12.58	317.5	0	0.0	1,339.1	0	0.0
1/21/2012		0.00	25.00	0.00	25.00	316.9	0	0.0	1,341.0	0	0.0
1/22/2012		0.00	25.00	0.00	25.00	316.2	0	0.0	1,340.3	0	0.0
1/23/2012		0.00	25.00	0.00	25.00	315.4	0	0.0	1,338.6	0	0.0
1/24/2012		0.00	25.00	0.00	25.00	314.8	0	0.0	1,336.3	0	0.0
1/25/2012		0.00	25.00	0.00	25.00	314.4	0	0.0	1,332.9	0	0.0
1/26/2012		0.00	25.00	0.00	25.00	313.7	0	0.0	1,331.5	0	0.0
1/27/2012		0.00	25.00	0.00	25.00	313.1	0	0.0	1,333.7	0	0.0
1/28/2012		0.00	25.00	0.00	25.00	312.5	0	0.0	1,335.5	0	0.0
1/29/2012		0.00	25.00	0.00	25.00	312.1	0	0.0	1,337.1	0	0.0
1/30/2012		0.00	25.00	0.00	25.00	312.0	0	0.0	1,340.0	0	0.0
1/31/2012		0.00	25.00	0.00	25.00	311.7	0	0.0	1,339.1	0	0.0
2/1/2012		0.00	29.21	0.00	29.21	311.3	0	0.0	1,336.2	0	0.0
2/2/2012		0.00	29.21	0.00	29.21	311.8	0	0.0	1,336.1	0	0.0
2/3/2012		0.00	29.21	0.00	29.21	312.8	0	0.0	1,337.2	0	0.0
2/4/2012		0.00	29.21	0.00	29.21	312.9	0	0.0	1,333.5	0	0.0
12/27/2012		0.00	32.16	116.16	0.00	301.0	0	0.0	1,351.1	0	0.0
12/28/2012		0.00	32.16	111.00	0.00	300.5	0	0.0	1,350.5	0	0.0
12/29/2012		0.00	32.16	0.00	32.16	299.7	0	0.0	1,350.4	0	0.0
12/30/2012		0.00	32.16	0.00	32.16	299.0	0	0.0	1,350.2	0	0.0
12/31/2012		0.00	32.16	0.00	32.16	298.7	0	0.0	1,350.0	0	0.0
Annual MWh Totals		16,000.0	2,277.1	14,837		21,073	10,797.8		14,981	33,738.6	
Reservoir Minimum Elevations =>				SWL	286.9	ft	TYL	1269.1	ft		



**Case 1 Description and Inputs:** Swan Lake Reservoir Level is based on actual 2012 operating data, Tye Lake reservoir elevations adjusted for the new outlet weir, spill starts at Elevation 1396, and has the following rating  $Q=C*L*H^{1.5}$ , where  $c=3.367$  cfs/ft<sup>2.5</sup>,  $L=18$  ft, and head is the water surface elevation above 1396. The Swan Lake spillway rating has  $C=3.98$ ,  $L=100$  ft, and head relative to 330 ft. Details for calculating spill volumes and spilled energy are listed later in the Appendix. Actual 2012 KPU diesel generation and the firm energy of Whitman (16,000 MWh) are used in this example. Displaced Sales for the day = (Whitman generation - KPU Diesel Generation). Annual Displaced Sales is the annual total of the calculation period (365 days on a non-leap year).



**CASE 2***Spill with Storage Deduction and Operations Plan Storage Deduction Limit (Table 2, below)*

Case 2 uses actual 2013 KPU diesel generation, and a hypothetical inflow representing less snowpack and less late season rain than Case 1 (2012), but more inflow than actual 2013 values. In this case, late spring SEAPA delivery limits are assumed and the effects of a deviation from the SEAPA Operations Plan are demonstrated. This case shows the effect on the True-up Payment if SEAPA contributes to spill from reservoir operations that drafted Tyee Lake to 5 feet above the SEAPA Board-approved Operations Plan level. No spill is recorded at Swan Lake in Case 2, but a total spill of 3,848 cfs-days (dsf) is recorded at Tyee Lake which translates to 8,666 MWh. The equivalent energy of the Operations Plan Storage Deduction Credit is calculated to be 1,917 MWh; see Appendix A5 (Calculating Operations Plan Storage Deduction Credit). Since the Operations Plan Storage Deduction Credit (1,917 MWh) is less than the Operations Plan Storage Deduction Limit (11,326 MWh), the Storage Deduction Credit applies. Spilled energy after the Storage Deduction and Delivery Loss Deduction becomes 6,411 MWh. Since this is the lesser of Displaced Sales and spilled energy after deductions this value (6,411 MWh) when multiplied by the KPU WPR becomes the True-up payment.

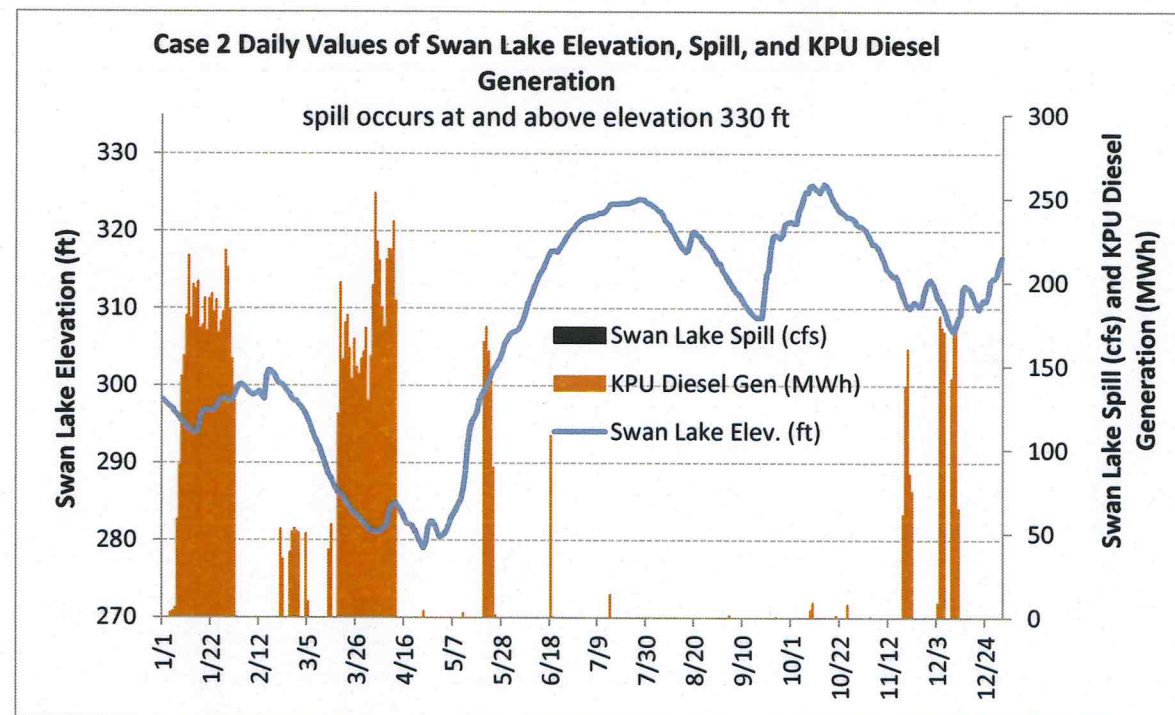
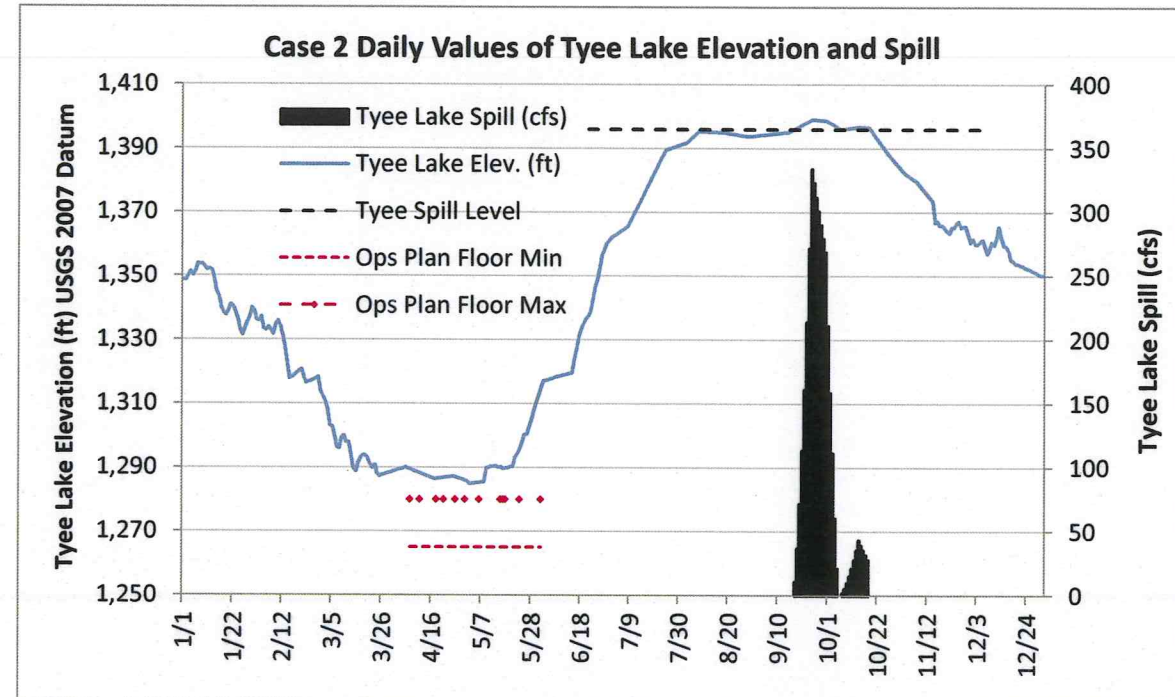
**Table 2**

<b>Annual Energy Totals (MWh)</b>	<b>Case 2</b>
Spill Total (Tyee Lake + Swan Lake)	8,666
Calculated Ops Plan Storage Deduction Credit	1,917
Ops Plan Storage Deduction Limit (N/A)	11,326
Net Spill After Storage Deduction	6,749
Delivery Deduction (5%)	337
Spilled Energy after Deductions	6,411
Measured Displaced Sales	13,183
SEAPA Lost Revenue Basis	6,411
SEAPA WPR	\$68
<b>True-up Payment</b>	<b>\$435,948</b>

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Case 2

Case 2	Breaker Open Flag	KPU Import Limit	KPU Whitman Gen (MWh)	KPU Diesel Gen (MWh)	Whitman less diesel	Swan Lake Elev. (ft)	Swan Lake Spill (cfs)	Swan Lake Spill MWh	Tyee Lake Elev. (ft)	Tyee Lake Spill (cfs)	Tyee Spill MWh
1/1/2013		0.00	25.00	0.00	25.00	298.2	0.0	0.0	1,348.8	0	0
1/2/2013		0.00	25.00	0.00	25.00	297.9	0.0	0.0	1,348.7	0	0
1/3/2013		0.00	25.00	0.00	25.00	297.6	0.0	0.0	1,350.3	0	0
1/4/2013		21.00	25.00	2.98	0.00	297.3	0.0	0.0	1,351.4	0	0
1/5/2013		21.00	25.00	3.93	0.00	297.1	0.0	0.0	1,350.3	0	0
1/6/2013		21.00	25.00	5.83	0.00	296.6	0.0	0.0	1,351.4	0	0
1/7/2013		21.00	25.00	58.53	0.00	296.3	0.0	0.0	1,353.9	0	0
1/8/2013		21.00	25.00	90.91	0.00	295.9	0.0	0.0	1,353.7	0	0
1/9/2013		21.00	25.00	144.03	0.00	295.5	0.0	0.0	1,353.8	0	0
1/10/2013		21.00	25.00	156.20	0.00	295.1	0.0	0.0	1,353.0	0	0
1/11/2013		21.00	25.00	180.20	0.00	294.7	0.0	0.0	1,352.0	0	0
1/12/2013		21.00	25.00	215.91	0.00	294.4	0.0	0.0	1,352.2	0	0
1/13/2013		21.00	25.00	178.60	0.00	294.2	0.0	0.0	1,351.7	0	0
1/14/2013		21.00	25.00	198.56	0.00	294.0	0.0	0.0	1,349.0	0	0
1/15/2013		21.00	25.00	196.14	0.00	293.9	0.0	0.0	1,345.0	0	0
1/16/2013		21.00	25.00	200.59	0.00	294.2	0.0	0.0	1,343.5	0	0
1/17/2013		21.00	25.00	172.86	0.00	296.0	0.0	0.0	1,340.0	0	0
1/18/2013		21.00	25.00	174.53	0.00	296.6	0.0	0.0	1,338.5	0	0
1/19/2013		21.00	25.00	190.66	0.00	296.8	0.0	0.0	1,337.8	0	0
1/20/2013		21.00	25.00	171.04	0.00	296.8	0.0	0.0	1,339.1	0	0
1/21/2013		21.00	25.00	190.41	0.00	296.8	0.0	0.0	1,341.0	0	0
1/22/2013		21.00	25.00	193.24	0.00	296.8	0.0	0.0	1,340.3	0	0
1/23/2013		21.00	25.00	182.66	0.00	296.9	0.0	0.0	1,338.6	0	0
1/24/2013		21.00	25.00	189.38	0.00	297.2	0.0	0.0	1,336.3	0	0
1/25/2013		21.00	25.00	169.89	0.00	297.9	0.0	0.0	1,332.9	0	0
1/26/2013		21.00	25.00	176.83	0.00	298.2	0.0	0.0	1,331.5	0	0
1/27/2013		21.00	25.00	182.74	0.00	298.4	0.0	0.0	1,333.7	0	0
1/28/2013		21.00	25.00	219.09	0.00	298.4	0.0	0.0	1,335.5	0	0
1/29/2013		21.00	25.00	208.87	0.00	298.1	0.0	0.0	1,337.1	0	0
1/30/2013		21.00	25.00	184.36	0.00	298.1	0.0	0.0	1,340.0	0	0
1/31/2013		21.00	25.00	154.45	0.00	298.2	0.0	0.0	1,339.1	0	0
2/1/2013		21.00	29.21	137.03	0.00	298.7	0.0	0.0	1,336.2	0	0
2/2/2013		21.00	29.21	0.41	0.00	299.5	0.0	0.0	1,336.1	0	0
2/3/2013		0.00	29.21	0.00	29.21	300.1	0.0	0.0	1,337.2	0	0
12/28/2013		0.00	32.16	0.00	32.16	313.90	0.0	0.0	1351.06	0	0
12/29/2013		0.00	32.16	0.00	32.16	314.31	0.0	0.0	1350.54	0	0
12/30/2013		0.00	32.16	0.00	32.16	315.76	0.0	0.0	1350.37	0	0
12/31/2013		0.00	32.16	0.00	32.16	316.50	0.0	0.0	1350.20	0	0
Annual Totals =>			16,000	12,213	13,183		0.0	0.0		3,848	8,666
Minimum Reservoir Elevations =>						279.0		1,285.0			
Total Diesel Generation				12,213 MWh							
Maintenance & Capacity Diesel				888 MWh							
Maximum Storage Deduction Credit				11,326 MWh							



**Case 2 Inputs:** Actual 2013 KPU diesel generation, Whitman Generation of 16,000 MWh, a hypothetical inflow representing less snowpack and late season rain than 2012, but more inflow than 2013. Operations plan draft elevations of 1265 + 15 ft - 0 ft at Tyee, and 275 ft + 5 ft - 0 ft at Swan Lake. As shown at the bottom of the sheet, minimum levels recorded for Swan and Tyee were 279 ft, 1285 ft at Tyee, thus a spilled energy deduction must be calculated for Tyee.



## APPENDIX A1 – Swan Lake Spilled Water and Spilled Energy

	A	B	C	D	E	F	G	H	I	J	K	L
1		Breaker Open Flag	KPU Import Limit	KPU Whitman Gen (MWh)	KPU Diesel Gen (MWh)	Whitman less diesel	Swan Lake Elev. (ft)	Swan Lake Spill (cfs)	Swan Lake Spill MWh	Tyee Lake Elev. (ft)	Tyee Lake Spill (cfs)	Tyee Spill MWh
203	7/20/2012		0.00	54.81	0.00	54.81	330.0	0	0.0	1,394.7	0	0.0
204	7/21/2012		0.00	54.81	0.00	54.81	330.0	0	0.0	1,397.2	83.7	188.5
205	7/22/2012		0.00	54.81	0.00	54.81	330.0	0	0.0	1,399.0	315	709.2
206	7/23/2012		0.00	54.81	0.00	54.81	329.9	0	0.0	1,398.5	240	539.5
207	7/24/2012		0.00	54.81	0.00	54.81	329.7	0	0.0	1,398.8	284	639.5
208	7/25/2012		0.00	54.81	0.00	54.81	329.5	0	0.0	1,399.4	380	855.7
209	7/26/2012		0.00	54.81	0.00	54.81	329.3	0	0.0	1,400.0	485	1,092.0
210	7/27/2012		0.00	54.81	0.00	54.81	329.1	0	0.0	1,399.0	315	709.2
211	7/28/2012		0.00	54.81	0.00	54.81	328.8	0	0.0	1,398.0	171	386.1
212	7/29/2012		0.00	54.81	0.00	54.81	328.6	0	0.0	1,398.5	240	539.5
213	7/30/2012		0.00	54.81	0.00	54.81	328.7	0	0.0	1,399.0	315	709.2
214	7/31/2012		0.00	54.81	0.00	54.81	329.9	0	0.0	1,398.0	171	386.1
215	8/1/2012		0.00	41.48	0.00	41.48	331.0	395	202.4	1,397.0	61	136.5
216	8/2/2012		0.00	41.48	0.00	41.48	330.8	286	146.5	1,396.5	21	48.3

In the above table, reservoir elevation is recorded and spilled water volumes and spilled energy are calculated as follows:

Daily Swan Lake Spilled Water

$$Q \text{ (cfs)} = C * L * H^{1.5}$$

C = 3.95	L = 100 ft
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(Source: R. W. Beck as-built documentation). Head is the elevation in ft of above-the-crest elevation (water surface above the spillway crest elevation of 330 ft).

$$\text{(For August 1st: } Q = 3.95 * 100 * (331.0 - 330.0)^{1.5} = 395 \text{ cfs)}$$

Daily Spilled Energy:

$$E \text{ (MWh)} = \left[ \frac{Kf}{1000 \text{ kW/MW}} \right] * 24 \frac{\text{hr}}{\text{day}} * Q$$

Kf - 21.35 kW/cfs, which is the average power coefficient
---

Kf is specific to location; both Swan Lake and Tyee Lake kf values are explained later in the Appendix, Sections A7 and A8.

Energy Spilled in one Day:

$$E = (21.35/1000) * 24 * 395 \text{ cfs} = 202.39 \text{ MWh for one day (8-1-2012)}$$

## APPENDIX A2 - Tyee Lake Spilled Water and Spilled Energy

	A	B	C	D	E	F	G	H	I	J	K	L
1		Breaker Open Flag	KPU Import Limit	KPU Whitman Gen (MWh)	KPU Diesel Gen (MWh)	Whitman less diesel	Swan Lake Elev. (ft)	Swan Lake Spill (cfs)	Swan Lake Spill MWh	Tyee Lake Elev. (ft)	Tyee Lake Spill (cfs)	Tyee Spill MWh
203	7/20/2012		0.00	54.81	0.00	54.81	330.0	0	0.0	1,394.7	0	0.0
204	7/21/2012		0.00	54.81	0.00	54.81	330.0	0	0.0	1,397.2	83.7	188.5
205	7/22/2012		0.00	54.81	0.00	54.81	330.0	0	0.0	1,399.0	315	709.2
206	7/23/2012		0.00	54.81	0.00	54.81	329.9	0	0.0	1,398.5	240	539.5
207	7/24/2012		0.00	54.81	0.00	54.81	329.7	0	0.0	1,398.8	284	639.5
208	7/25/2012		0.00	54.81	0.00	54.81	329.5	0	0.0	1,399.4	380	855.7
209	7/26/2012		0.00	54.81	0.00	54.81	329.3	0	0.0	1,400.0	485	1,092.0
210	7/27/2012		0.00	54.81	0.00	54.81	329.1	0	0.0	1,399.0	315	709.2
211	7/28/2012		0.00	54.81	0.00	54.81	328.8	0	0.0	1,398.0	171	386.1
212	7/29/2012		0.00	54.81	0.00	54.81	328.6	0	0.0	1,398.5	240	539.5
213	7/30/2012		0.00	54.81	0.00	54.81	328.7	0	0.0	1,399.0	315	709.2
214	7/31/2012		0.00	54.81	0.00	54.81	329.9	0	0.0	1,398.0	171	386.1
215	8/1/2012		0.00	41.48	0.00	41.48	331.0	395	202.4	1,397.0	61	136.5
216	8/2/2012		0.00	41.48	0.00	41.48	330.8	286	146.5	1,396.5	21	48.3

In the above table, reservoir elevation is recorded and spilled water volumes and spilled energy are calculated as follows:

Daily Tyee Lake Spilled Water

$$Q \text{ (cfs)} = C * L * H^{1.5}$$

C = 3.367	L = 18 ft
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Terms: Standard Cipolletti weir with 4:1 sides; 18 ft width as shown on the SEAPA Tyee weir as-built drawing (2013). Head is elevation in ft of the water surface above the weir invert elevation of 1396 ft.

$$\text{For 7-21-12: } Q = 3.367 * 18 * (1.240)^{1.5} = 83.68 \text{ cfs}$$

Daily Spilled Energy:

$$E \text{ (MWh)} = \left[ \frac{Kf}{1000 \text{ kW/MW}} \right] * 24 \frac{\text{hr}}{\text{day}} * Q$$

Kf- 93.84 kW/cfs which is the average power coefficient
---

kf values are hydrosite specific, both Tyee Lake and Swan Lake kf values are explained later in the Appendix.

Energy spilled in one day (7-12-2012)

$$E = (93.84/1000) * 24 * 83.68 \text{ cfs} = 188.46 \text{ MWh}$$

### APPENDIX A3 – Delivery Loss Basis

The Delivery Loss Deduction is based upon actual measured delivery losses that occurred from 2010 through 2013. Delivery losses are subtracted from the spill total so the lost revenue calculation is consistent with the delivery point. In this case, the delivery point is the KPU 34.5 kV buss in the Bailey Substation. Annual generation and deliveries were tabulated for calendar years 2010 through 2013 and the results are shown in the table below. An average of 5% loss was calculated for the period and that is the value used in the Whitman True-up Agreement.

Calendar YR	Generation & Load in MWh					Total Deliveries	Total Losses
	Tyee	Swan	WRG	PSG	KTN		
2010	92,117	74,345	29,429	39,702	89,101	158,232	4.9%
2011	109,493	67,874	35,685	44,540	88,081	168,306	5.1%
2012	100,228	81,667	37,694	41,126	94,372	173,192	4.8%
2013	113,353	70,583	38,725	44,165	91,331	174,221	5.3%
						Avg. Losses	5.0%
Swan Lake Losses from SWL 115 kV buss to Bailey 34.5 kV delivery point							
Tyee Lake losses from 13.8 kV buss to northside and south side delivery busses							

[Remainder of page intentionally left blank.]



### APPENDIX A4 - Method to Record Displaced Sales

Displaced Sales are defined as the difference between Whitman generation and KPU diesel generation in MWh for the day.

$$\text{Whitman Generation} - \text{KPU Diesel Generation} = \text{Displaced Sales}$$

As shown in the figures below, displaced sales are calculated every day for the calculation period. If a SEAPA delivery limit is in effect, or if the delivery point is open, then displaced sales do not occur. These examples are shown for 1/17/2012 and mid-May respectively.

Case 1	Breaker Open Flag	KPU Import Limit	KPU Whitman Gen (MWh)	KPU Diesel Gen (MWh)	Whitman less diesel
1/1/2012		0.00	25.00	0.00	25.00
1/2/2012		0.00	25.00	0.00	25.00
1/3/2012		0.00	25.00	0.00	25.00
1/4/2012		0.00	25.00	13.27	11.73
1/5/2012		0.00	25.00	0.00	25.00
1/6/2012		0.00	25.00	0.00	25.00
1/7/2012		0.00	25.00	0.00	25.00
1/8/2012		0.00	25.00	0.00	25.00
1/9/2012		0.00	25.00	0.00	25.00
1/10/2012		0.00	25.00	0.00	25.00
1/11/2012		0.00	25.00	0.00	25.00
1/12/2012		0.00	25.00	0.00	25.00
1/13/2012		0.00	25.00	0.00	25.00
1/14/2012		0.00	25.00	0.00	25.00
1/15/2012		0.00	25.00	0.00	25.00
1/16/2012		0.00	25.00	0.00	25.00
1/17/2012		12.00	25.00	53.98	0.00
1/18/2012		12.00	25.00	77.00	0.00

	A	B	C	D	E	F
	Case 1	Breaker Open Flag	KPU Import Limit	KPU Whitman Gen (MWh)	KPU Diesel Gen (MWh)	Whitman less diesel
135	5/13/2012		0.00	61.77	0.00	61.77
136	5/14/2012		0.00	61.77	0.00	61.77
137	5/15/2012		0.00	61.77	0.00	61.77
138	5/16/2012		0.00	61.77	0.00	61.77
139	5/17/2012	yes	0.00	61.77	0.00	0.00
140	5/18/2012	yes	0.00	61.77	153.21	0.00
141	5/19/2012	yes	0.00	61.77	162.83	0.00
142	5/20/2012	yes	0.00	61.77	174.21	0.00
143	5/21/2012	yes	0.00	61.77	182.11	0.00
144	5/22/2012	yes	0.00	61.77	169.31	0.00
145	5/23/2012	yes	0.00	61.77	112.02	0.00
146	5/24/2012	yes	0.00	61.77	0.00	0.00
147	5/25/2012	yes	0.00	61.77	0.00	0.00
148	5/26/2012		0.00	61.77	0.00	61.77
149	5/27/2012		0.00	61.77	0.00	61.77

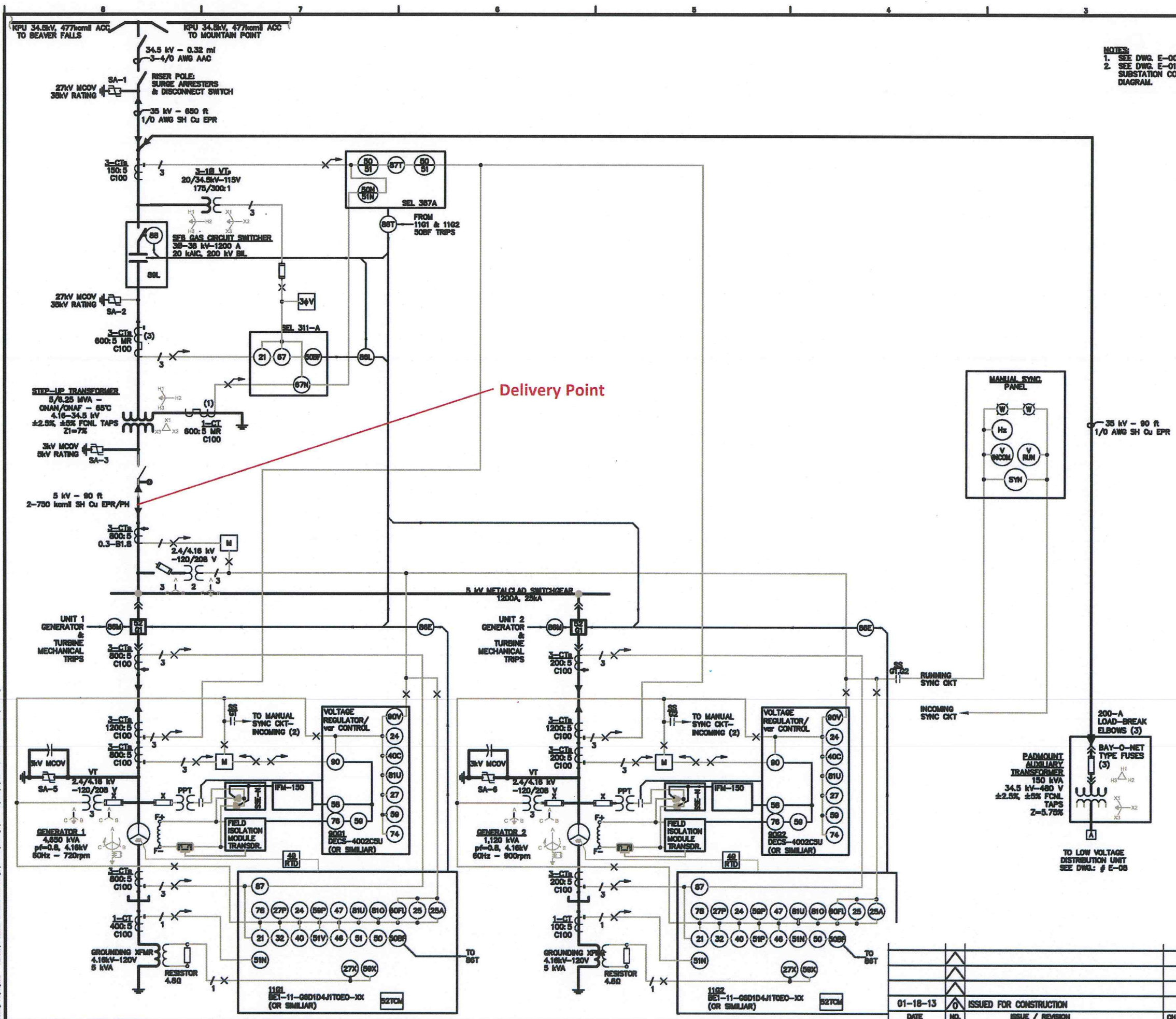
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WHITMAN GENERATION DELIVERY POINT

(Page 8a)

- NOTES:  
1. SEE DWG. E-00 FOR ELECTRICAL LEGEND  
2. SEE DWG. E-01 FOR PLANT AND SUBSTATION CONTROL SYSTEM BLOCK DIAGRAM.



<b>HATCH</b>		<b>KPU</b> KETCHIKAN PUBLIC UTILITIES 334 Front Street Ketchikan, AK 99901	
WHITMAN LAKE HYDROELECTRIC PROJECT FERC PROJECT NO. 11841			
<b>PLANT AND SUBSTATION SINGLE LINE DIAGRAM</b>			
DESIGN	EPH	DATE	03-15-2012
DRAWN	RMO	ISSUED FOR CONSTRUCTION	
CHECKED	ML/EPH	DATE	03-15-2012
APPROVED	EPH	DATE	03-15-2012
DRAWING NO. <b>E-02</b>		SHEET 1 OF 1	

Printed Jul 11, 2014 - 10:45am  
Drawing Path: C:\Users\j\Documents\Projects\Whitman Lake Hydroelectric Project\Drawings\Plant and Substation\Single Line Diagram\Single Line Diagram.dwg

## APPENDIX A5 - Calculating Operations Plan Storage Deduction Credit and Limit

Before assessing lost revenues, a credit will be applied that reduces spill volumes if SEAPA operational actions contributed to spill. Operational actions relate to spill that may occur later in the year if the reservoirs were not drafted low enough during the spring.

Case 2 of the Whitman True-up Agreement has the following values:

TABLE 1 – Credit Calculation

	Ops Plan Draft Elevation	Ops Plan Tolerance		Actual Draft Elevation	Elevation and Storage Difference			Energy Difference (Potential credit for shallow draft)	
	ft (msl)	"+" (ft)	"-" (ft)	ft msl	ft	ac-ft	day-sec-ft	kf	MWh
Swan Lake	275	5	0	279	-1	0	0.0	21.35	0.0
Tyee Lake	1265	15	0	1285	5	1,688	851.2	93.84	1,917.1
Operations Plan Storage Deduction Credit Total:									1,917

TABLE 2 – Limit Calculation

Total Diesel Generation	12,213	MWh
Total Maintenance Diesel Generation	888	MWh
Maximum Possible Storage Deduction Credit"	11,326	MWh

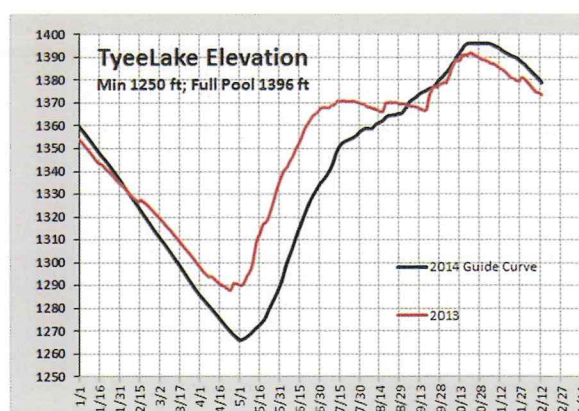
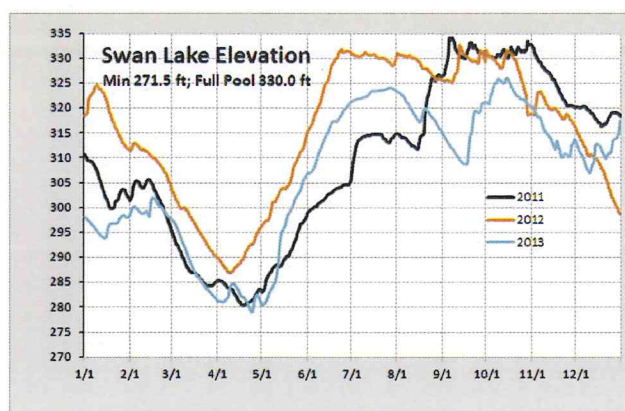
Please note the following for explanation of the storage credit:

- Standard R. W. Beck and IECo storage curves are the basis for storage volume versus reservoir elevation
- No deduction can be applied to Swan Lake spill in this case as shown since the Ops Plan draft level range was met
- If the Ops plan level was not attained but no spill occurred, as in the Swan Lake example of Case 2, the Ops Plan deduction for Swan Lake is not applicable and cannot be applied to Tyee
- The Operations Plan Storage Deduction Credit is applied using the tolerance level approved by the SEAPA Board of Directors, so drafting Tyee to elevation 1280.0 ft (1265 + 15 ft = 1280 ft) would have voided the deduction
- The limit for the deduction is the lesser of diesel generation (excluding maintenance and capacity diesel) and the calculated Operations Plan Storage Deduction Credit. In Table 2 above, the total diesel less maintenance and capacity diesel is 11,326 MWh. Since the Operations Plan Storage Deduction Credit of 1917 MWh shown in Table 1 is less, it would be used in the True-up calculation. If the Operations Plan Storage Deduction Credit exceeded the Operations Plan Storage Deduction Limit, the Limit would become the maximum allowable Operations Plan Storage Deduction.
- Maintenance diesel is not a function of water levels, and capacity diesel is the capacity of the dedicated resource; in this case Swan Lake (22 MW). Both of these diesel generation quantities are subtracted from Whitman generation in the Displaced Sales calculation so including them here would be a double deduction.



### APPENDIX A6 - Calculation Period

SEAPA's Operations Plan schedules power deliveries such that both Tye Lake and Swan Lake are full, or nearly full, by December 1<sup>st</sup>. This is done because system loads are greatest in the winter, and full reservoirs mean maximum energy content and operating capacity are available for winter demands. Also during this time period, inflows are significantly reduced, so the winter loads are easier to accommodate with storage maximized. Generation at Whitman during the January to November time frame may cause spill, but this spill would probably occur during a period from September to November. This means the calculation period for the True-up is best based on the calendar year and not on the fiscal year. If the fiscal year were chosen, then generation from a previous year would cause spill in a future year, making the True-up process more difficult to implement accurately. Since spill volumes are the basis for the True-up, it is better to base the True-up calculation period on the cycle of the reservoirs which is closely aligned to the calendar year.



As shown in the plots above, reservoir operations in winter mean spill is unlikely in December or January. Swan Lake Full Pool elevation is 330 ft; Tye Full Pool elevation is 1396 ft.

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**APPENDIX A7 – Tyee Lake Kf (KW/cfs)**

(used in Appendix A2 – Tyee Lake Spilled Water and Spilled Energy)

Input Power to Turbine				Machine Characteristics			Output
flow	Net Head	Sp. Wt	Power	Turb	Gen	Xfrmr	Power
cfs	ft	lbs/ft^3	MW	eff	Eff	eff	MW
110	1360	62.41	12.66	0.908	0.98	0.98	11.04
45	1200	62.41	4.57	0.914	0.97	0.97	3.93
Generation per cfs			Average				
flow (cfs)	Net head (ft)	Kfactor	kfactor, all conditions				
110	1360	100.35		93.84			
45	1200	87.32					

Inlet power to turbine, Pw (MW);

Q-cfs: Hn-net head (ft)

$$P_w = \frac{\gamma * Q * H_n}{550} * \frac{1 \text{ ft} - \frac{\text{lbs}}{\text{sec}}}{\text{hp}} \left( .7457 \frac{\text{kW}}{\text{hp}} \right) * \left( \frac{1 \text{ MW}}{1000 \text{ kW}} \right)$$

$$\gamma = 62.41 \frac{\text{lbs}}{\text{ft}^3} : \text{at } 50^\circ \text{F and varies little to } 32^\circ \text{F}$$

Po – Output Power (MW) at Plant buss (69 kV at Tyee, 115 kV at Swan)

$$P_o = P_w * \eta_t * \eta_g * \eta_{xfm}$$

$\eta_t$  – efficiency (eff) of turbine  
 $\eta_g$  – efficiency of generator  
 $\eta_{xfm}$  – efficiency of step – up transformer

Output production per cfs

$$\text{Kw/cfs } kfactor = 1000 * P_o / cfs$$

A good case (high head, high flow) is averaged with a bad case (low head-low flow) to estimate 1 value that represents the entire range of the plant.

$$\frac{100.35 + 87.32}{2} = 93.84 \text{ kW/cfs}$$

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**APPENDIX A8 - Swan Lake Kf (KW/cfs)**

(used in Appendix A1 - Swan Lake Spilled Water and Spilled Energy)

Input Power to Turbine				Machine Characteristics			Output
flow	Net Head	Sp. Wt	Power	Turb	Gen	Xfrmr	Power
cfs	ft	lbs/ft <sup>3</sup>	MW	eff	Eff	eff	MW
500	310	62.41	13.12	0.93	0.98	0.98	11.71
375	275	62.41	8.73	0.88	0.97	0.97	7.23
Generation per cfs			Average				
flow (cfs)	Net head (ft)	Kfactor	kfactor, all conditions				
500	310	23.43	21.35				
375	275	19.27					

**MEMORANDUM  
ATTORNEY-CLIENT COMMUNICATIONS**

TO: Bob Sivertsen, Chair  
Southeast Alaska Power Agency

FROM: Joel R. Paisner, Ascent Law Partners, LLP

DATE: August 25, 2014

RE: Suggested Motion for Executive Session Re Annual Evaluation of  
SEAPA's Chief Executive Officer

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To the extent that the Board of Directors seeks to conduct an annual evaluation of SEAPA's Chief Executive Officer in Executive Session, I recommend the following motion be made:

I move to recess into Executive Session to conduct an annual evaluation of SEAPA's Chief Executive Officer. The Executive Session will be conducted pursuant to SEAPA's Bylaws which are consistent with Alaska Statute 44.62.310 as the discussions may include a person or subject that may tend to prejudice the reputation or character of a person.



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## BOARD MEETING DATES

2014 Dates	Location	Comments
*November 5-6, 2014 (Wed-Thurs)  (*Note: October 22-23 was originally proposed; however, that is the week of the annual audit at the SEAPA office so we suggest the first week of November in order to provide enough time for preparation of the board packet the week before the meeting.)	Petersburg	Propose split meeting from 1 pm to 5 pm Wednesday and 9 am to 1 pm on Thursday
December 11 (Thurs)	Ketchikan	9 am to 5 pm

October 2014

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November 2014

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

December 2014

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			