



SOUTHEAST ALASKA POWER AGENCY

Minutes of Special Meeting

Monday, March 28, 2019

Southeast Alaska Power Agency Offices
via Teleconference | Ketchikan, Alaska

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

1) Call to Order

A. Roll Call.

Chairman Sivertsen called the meeting to order at 3:00 p.m. AKDT on March 28, 2019. The following directors and alternates were present, thus establishing a quorum of the board:

Directors	Present Telephonic (T) In Person (IP)	Alternates	Present Telephonic (T) In Person (IP)	Representing
Karl Amylon	IP	Andy Donato	IP	Swan Lake Ketchikan
Bob Sivertsen	IP			Swan Lake Ketchikan
Dick Coose*	IP			Swan Lake Ketchikan
Bob Lynn	T	Robert Larson	T	Tyee Lake Petersburg
Steve Prysunka	T	Lisa Von Bargaen	T	Tyee Lake Wrangell

*Mr. Coose arrived shortly after roll call at 3:03 p.m.

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

Staff	Present Telephonic (T) In Person (IP)	Staff/Counsel	Present Telephonic (T) In Person (IP)
Trey Acteson, CEO	IP	Kay Key, Controller	IP
Clay Hammer, Operations Manager	T	Sharon Thompson, Ex. Asst./CA	IP
Ed Schofield, Power Sys. Specialist	IP	Joel Paisner, Counsel	T

2) Approval of the Agenda

> Motion	M/S (Prysunka/Lynn) to approve the agenda, as presented. Motion approved unanimously by polled vote.	Action 19-731
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3) New Business:

A. Consideration and Approval of Tyee Transmission Line Eagle Bay Crossing Marker Ball Replacement Project.

> Motion	M/S (Amylon/Lynn) to authorize staff to enter into a contract with Electric Power Constructors, Inc. for SEAPA's R&R Project 19309 for the Tyee Transmission Line Eagle River, a/k/a Eagle Bay Crossing Marker Ball Replacement Project for the lump-sum bid of \$133,807. Motion approved unanimously by polled vote.	Action 19-732
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B. Discussion Re Activity following June 19-20, 2019 Board Meeting in Wrangell.

Chairman Sivertsen canvassed the Board's interest in participating in jet boat tours that will be available in Wrangell during the time of the June board meeting noting it would be an out-of-pocket cost for those interested. Mr. Prysunka suggested tours could also be scheduled for those interested in visiting the Agency's Tyee Hydroelectric Project.

Following discussion, it was determined that those interested in either activity advise SEAPA staff so participant's schedules could be accommodated accordingly.

Although the next item in the Agenda was Item C for an Executive Session, the Board concurred that it would be prudent to advance the Agenda to Item 4 (Old Business) to accommodate the availability of Karl Hagerman, Petersburg's Utility Director's participation, and move Item 3C (New Business) forward accordingly.

4) Old Business

A. Reservoir Management Discussions

Mr. Acteson reported that Swan Lake's level is at 289.1, which is 11 feet over the approved draft limit of 278, and that Tyee is at 1264.5, approximately 7.5 feet above the current draft limit of 1257. He announced that when Tyee reached the 1265 level, the northern communities were no longer running diesels and that although snow melt inflow is currently consistent, strong snow melt has not yet occurred at either of the lakes. Mr. Amylon announced that Ketchikan is still on diesels and experiencing Title V permit issues and despite a petition to the EPA in December for relief, no response had been received. No action was taken to change the current status of the operations plan.

B. Review Supplemental Diesel Campaign

Mr. Amylon summarized the importance of having a fundamental discussion on SEAPA's purpose and how the reservoirs tie the communities together, noting that if SEAPA is perpetually obligated to pay for diesel runs for any of its member communities under these circumstances, the resources won't be available to fulfill the larger mission of developing additional hydro resources. Mr. Prysunka noted a loss of SEAPA funds was also due in part to the lack of water to sell. Mr. Acteson recommended that a special board meeting be called if it's necessary for the northern communities to run their diesels again and advised that SEAPA will contact the northern communities to move forward with calculations for the reimbursement process. Following further discussions, it was determined that it would be prudent for the Agency to present the amount of the reimbursement to the board for approval at the next board meeting.

(3. New Business continued)

C. Executive Session Re Possible Acquisition of Real Property

➤ <i>Motion</i>	M/S (Amylon/Lynn) to recess into an Executive Session to be conducted pursuant to SEAPA's Bylaws that are consistent with Alaska Statute 44.62.310 for discussions regarding the possible acquisition of real property and which could have an adverse effect on the finances of the Agency, the Projects, or any of the Member Utilities represented on the Board. Motion approved unanimously by polled vote.	Action 19-733
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The meeting recessed at 4:10 p.m. for the Executive Session. The meeting reconvened into regular session at 4:35 p.m.

Chairman Sivertsen announced that the board met in executive session, discussed a proposal to acquire real property, and requested a motion on the discussions.

➤ <i>Motion</i>	M/S (Coose/Amylon) to increase SEAPA's FY2019 R&R Budget by \$500,000 for R&R19325 to purchase real property known as Lots 1 and 2, Bamville Industrial Park Subdivision of Lot 3, per Plat No. 2019-9 of the Ketchikan Recording District, First Judicial District, State of Alaska, and further move to authorize the Agency's CEO to enter into an Offer to Purchase Real Estate contract with BAM, LLC and execute all other documents as may be necessary for the cash purchase of Lots 1 and 2. Motion approved unanimously by polled vote.	Action 19-734
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5) Next Special Board Meeting Date

There were no objections to the suggested date of April 15, 2019 at 3:00 p.m. for the next special board meeting.

6) Adjourn

Mr. Coose moved to adjourn the meeting. Chairman Sivertsen adjourned the meeting at 4:38 p.m.