



SOUTHEAST ALASKA POWER AGENCY

**Minutes of Regular Meeting**

March 25-26, 2015

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 Jensen called the meeting to order at 12:31 p.m. AKDT on March 25, 2015. The following directors and alternates were present, thus establishing a quorum of the board:

Director	Alternate	Representing	
	Bill Rotecki	Swan Lake	Ketchikan
Judy Zenge	Andy Donato	Swan Lake	Ketchikan
Matt Olsen		Swan Lake	Ketchikan
Joe Nelson	John Jensen	Tyee Lake	Petersburg
Stephen Prysunka	Clay Hammer	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
Ed Schofield, Power System Specialist	Steve Henson, Operations Manager
Sharon Thompson, Executive Assistant	Kay Key, Controller
Joel Paisner, Ascent Law Partners, LLC	

- B. *Communications/Lay on the Table* – Mr. Acteson noted that several handouts would be distributed at various times throughout the meeting.
- C. *Disclosure of Conflicts of Interest* – None.

**2) Approval of the Agenda**

➤ <b>Motion</b>	M/S (Nelson/Rotecki) to approve the Agenda as presented. Motion approved unanimously by polled vote.	<b>Action</b> 15-398
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**3) Persons to be Heard – None.**

**4) Review and Approve Minutes**

➤ <b>Motion</b>	M/S (Prysunka/Rotecki) to approve the Minutes of the Regular Meeting of February 4-5, 2015. Motion approved unanimously by polled vote.	<b>Action</b> 15-399
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## 5) Financial Reports

- (A) Mr. Acteson reported that revenues through February 2015 were below budget, explained why only 10% of the FY15 R&R expenditures had occurred to date, and provided an update on bond activities since the previous board meeting.

<b>➤ Motion</b>	M/S (Prysunka/Rotecki) to approve the financial statements for the months of January 2015 and December 2014. Motion approved unanimously by polled vote.	<b>Action 15-400</b>
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- (B-H) Ms. Key provided a summary of the sales, administrative and operating expenses, grant activities, and overall financial position of the Agency.

<b>➤ Motion</b>	M/S (Prysunka/Zenge) to approve disbursements for the months of January and February 2015 in the amount of \$831,914.93. Motion approved unanimously by polled vote.	<b>Action 15-401</b>
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## 6) CEO Report

Mr. Acteson discussed legislative affairs and reported on the efforts made to secure additional funding for SEAPA's Swan Lake Reservoir Expansion Project despite the State's significant fiscal challenges and discussed efforts underway to access Alaska's Municipal Bond Bank. He advised that House Bill 78 will be closely watched and is a concern because of its attempt to force RCA regulatory oversight on SEAPA. Mr. Acteson encouraged board members to attend an upcoming Alaska Power Association Annual Meeting event to be held in Ketchikan the last week of August. He advised that SEAPA was still pursuing candidates for the Operator/Electrician position open at Tyee and that Mr. Henson's base of operations would be moved to SEAPA's Wrangell office. He solicited the board's perspective on opening up an intern opportunity to promote the next generation of skilled workers into the organization. The board expressed their strong support for such an opportunity.

The meeting recessed at 1:40 p.m. and resumed at 1:55 p.m.

**7) A. Operations Manager Report (Steve Henson)** – Mr. Henson updated the board on major projects noting that the new Wrangell reactors were scheduled for delivery to Wrangell during the week of April 20, that ten bids were received for fabrication of 105 helipads, and highlighted permitting efforts by Meridian Environmental on use of an ATV to access Tyee's transmission system. He reported that a two-day safety training and review had taken place at Tyee in late February and that work had begun on the annual shutdown maintenance schedule.

**B. Director of Special Projects Report (Eric Wolfe, P.E.)** – Mr. Wolfe introduced slides of snowpack that were taken in late March at Tyee. He discussed system improvements to effect efficiency in short-term resource planning, emphasized the importance of load forecasting, and provided an update on the Swan Lake Reservoir Expansion Project reviewing the design, benefits, schedule and funding for the project. Mr. Wolfe advised that staff had issued an RFP for geochemical analysis at Bell Island, that the successful bidder had been selected and would start field work in April. He outlined the stages of the project explaining that as part of the Stage 1 work, cost, scope, schedule, and budget would be developed for Stage 2 and 3 investigations. Mr. Wolfe presented several graphs updating the board on water management and reviewed SEAPA's operations plan. He discussed the warm, wet winter and low electrical loads for the January-to-March 2015 period and noted the significant increase in water over previous years.

The meeting recessed at 3:13 p.m. and reconvened at 3:30 p.m.

C. **Power System Specialist Report (Ed Schofield)** – Mr. Schofield reported on the various FERC related activities that had transpired since the last meeting noting suggested corrections requested by FERC for submittal of additional information on the Sixth Swan Lake FERC Part 12 Safety Inspection Independent Consultant’s report. He explained that every five years, FERC requires that a functional exercise of a mock emergency scenario take place as part of SEAPA’s Emergency Action Plan. He advised staff is preparing to implement the exercise since this is the 5th year of the rotation. Mr. Schofield provided further updates on the water storage tank coating repair, powerhouse roof replacement, and Swan Lake exciter and breaker replacement projects.

10) **Project Reports** – Mr. Donato provided a report on behalf of Swan Lake.

The meeting recessed at 4:15 p.m. and reconvened at 4:17 p.m.

Mr. Henson provided an overview of Foreman, Steve Beers’, report on behalf of Tye Lake.

The meeting recessed at 4:21 p.m. on March 25, 2015.

The meeting reconvened at 9:00 a.m. on March 26, 2015.

11) **Call to Order** - Chairman Jensen requested a roll call. The same directors and alternates present during the March 25, 2015 portion of the meeting were present for the March 26, 2015 portion of the meeting, thus establishing a quorum of the board.

12) **Old Business.**

A. *Amendment to Bylaws.* Mr. Paisner presented proposed changes to the Bylaws.

➤ <b>Motion</b>	M/S (Rotecki/Prysunka) for approval of changes to the Bylaws, as presented, to the Board at its March 25-26, 2015 board meeting in its entirety. Motion approved unanimously by polled vote.	Action 15-402
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➤ <b>Motion</b>	M/S (Rotecki/Nelson) to amend the motion adopting changes to the language of the Bylaws, as presented, to change Section 1.3 to reflect that a union representative representing Agency employees or contractors shall not serve as an alternate or director on the Board. Motion approved unanimously by polled vote.	Action 15-403
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➤ <b>Motion</b>	M/S (Olsen/Rotecki) for a second amendment to the motion adopting changes to the language of the Bylaws, as presented, to change Section 2.5.1 to change the notice of a regular meeting to state that notice shall be mailed and published at least seven (7) business days in advance of the date of the meeting. Following additional discussion, a friendly amendment to this motion was made changing the days for mailing and publication from seven (7) to five (5) business days in advance of the date of the meeting. The motion was approved four to one with Prysunka, Olsen, Zenge, and Rotecki voting in favor and Mr. Nelson voting against the motion.	Action 15-404
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The meeting recessed at 9:53 a.m. and reconvened at 10:15 a.m.

B. *SEAPA Policy Handbook.* Mr. Paisner discussed various sections of SEAPA's policy handbook.

<b>➤ Motion</b>	M/S (Prysunka/Rotecki) to amend the motion approving the SEAPA Policy Handbook dated January 2015 to incorporate changes requested during the February 5, 2015 board meeting. The SEAPA Policy Handbook dated March 2015 distributed to the board at its March 25-26, 2015 board meeting incorporates those changes and is approved in its entirety. Motion approved unanimously by polled vote.	Action 15-405
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11) **New Business.**

A. *Surplus 1976 24' Rhyan Craft.*

<b>➤ Motion</b>	M/S (Olsen/Prysunka) that the 1976 24 ft. Rhyan Craft, with 200 HP Mercury Outboard, 15 HP Honda Kicker, trim tabs, VHS Radio, Depth Finder, Garmin GPS, and 1983 EZ-Loader Boat Trailer located at Swan Lake be declared surplus equipment and sold to the highest bidder. Motion approved unanimously by polled vote.	Action 15-406
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B. *Contract Award Re Swan-Tyee Helipad Project.*

<b>➤ Motion</b>	M/S (Olsen/Nelson) to authorize staff to enter into a Purchase Order Contract with Touchdown Enterprises Ltd. for their proprietary helipad design for SEAPA's Swan-Tyee Intertie Helipad Project (Fabrication of Phase II Helipads) for the not-to-exceed value of \$582,750.00. Motion approved unanimously by polled vote.	Action 15-407
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C. *Contract Award Re Alarm-Controls-Protection-Integration Project*

<b>➤ Motion</b>	M/S (Olsen/Rotecki) to authorize SEAPA staff to enter into a contract with Segrity, LLC for engineering labor, which includes alarm, controls, protection improvements and integration of these operational components, travel, and a 5% contingency, for SEAPA's Alarm-Controls-Protection-Integration Project for the not-to-exceed value of \$332,500. Following a recess at 10:55 a.m., reconvening of the meeting at 11:05 a.m., and discussion on the project, the Motion was approved unanimously by polled vote.	Action 15-408
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Mr. Wolfe requested an opportunity out of order in the agenda to show a short film on a successful flashboard model test performed by Morris Kepler Consulting, which was a milestone task for the Swan Lake Hydroelectric Expansion project.

D. *Sole Source Contract to BAM LLC.*

<b>&gt; Motion</b>	M/S (Olsen/Zenge) to authorize staff to enter into a contract with BAM, LLC, as a sole-sourced provider, for the not-to-exceed value of \$240,000 for the Phase II work for the Tyee Lake Outlet Weir Abutment Repairs. Motion approved unanimously by polled vote.	<b>Action 15-409</b>
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*E. Resolution No. 2015-058 Re Bond Funding*

<b>&gt; Motion</b>	M/S (Prysunka/Rotecki) to adopt Resolution No. 2015-058 authorizing the issuance, sale, execution, and delivery of fixed rate electric revenue improvement and refunding bonds, Series 2015; approving the First Supplemental Indenture of Trust, First Amended and Restated Deed of Purchase Contract, Continuing Disclosure Agreement, and other documents to be executed, delivered or distributed in connection therewith and certain other matters related thereto. The motion passed 4 to 1 with Zenge, Rotecki, Prysunka, and Olsen voting in favor of the motion, and Nelson voting no.	<b>Action 15-410</b>
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Following additional discussion on the matter, the motion was amended:

<b>&gt; Motion</b>	M/S (Rotecki/Prysunka) to amend the motion adopting Resolution 2015-058 to state in Section 3 of the Resolution that the bond issuance not exceed \$11.365 million dollars. Motion approved unanimously by polled vote.	<b>Action 15-411</b>
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*F. Next Meeting Date*

After discussing various board members' schedules, the board reached a consensus on the following dates for regular meetings of the directors for the remainder of 2015:

June 10, 2015 (Ketchikan)  
September 23-24, 2015 (Petersburg)  
December 9-10, 2015 (Ketchikan)

- 12) **Director Comments** – Directors provided brief comments.
- 13) **Adjourn**

Chairman Jensen adjourned the meeting at 11:57 a.m. AKDT on March 26, 2015.