



**SOUTHEAST ALASKA POWER AGENCY**

**Minutes of Regular Meeting**

September 28, 2017

The Landing Hotel  
Ketchikan, 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 Lew Williams called the meeting to order at 9:00 a.m. AKDT on September 28, 2017. The following directors and alternates were present, thus establishing a quorum of the board:

<b>Director</b>	<b>Alternate</b>	<b>Representing</b>	
Lew Williams	Andy Donato	Swan Lake	Ketchikan
Judy Zenge <sup>1</sup>		Swan Lake	Ketchikan
Karl Amylon	Bob Sivertsen	Swan Lake	Ketchikan
John Jensen		Tyee Lake	Petersburg
	Clay Hammer	Tyee Lake	Wrangell

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

Trey Acteson, Chief Executive Officer	Steve Henson, Operations Manager
Ed Schofield, Power System Specialist	Robert Siedman, Dir. of Eng. & Tech Svc.
Kay Key, Controller	Sharon Thompson, Ex. Asst./Cont. Adm.
Lisa Maddocks, Administrative Asst.	Joel Paisner, Ascent Law Partners, LLC

B. *Communications/Lay on the Table Item(s):*

None.

C. *Disclosure of Conflicts of Interest:*

Mr. Williams reported a conflict of interest in his capacity as a board member and ownership interest in the Ketchikan Daily News as the Agency had paid Ketchikan Daily News invoices.

**2) Approval of the Agenda**

➤ <b>Motion</b>	M/S (Jensen/Hammer) to approve the agenda as presented. There were no objections to the motion.	<b>Action 18-613</b>
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<sup>1</sup> Ms. Zenge joined the meeting at 10:25 a.m.

**3) Persons to be Heard**

None.

**4) Review and Approve Minutes**

<b>➤ Motion</b>	M/S (Jensen/Hammer) to approve the Minutes of the Regular Meeting of June 20, 2017 and Special Meeting of August 30, 2017. Motion approved unanimously by polled vote.	Action 18-614
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**5) Financial Reports**

(A)-(G) Mr. Acteson affirmed the stability of the Agency's financial position, reviewed revenues and expenses, and highlighted staff's outstanding progress on Renewal and Replacement projects. He reported on the status of the Agency's remaining two grants noting that close-out has been initiated by the Alaska Energy Authority of the KPI#2 grant although efforts were being made to retain the funding for the SEAPA region.

<b>➤ Motion</b>	M/S (Jensen/Hammer) to approve SEAPA's financial statements for the months of July, June & May 2017. Motion approved unanimously by polled vote.	Action 18-615
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<b>➤ Motion</b>	M/S (Jensen/Hammer) to approve disbursements for the months of June, July, August and September 2017 in the amount of \$2,729,684.86. Motion approved unanimously by polled vote.	Action 18-616
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**6) New Business**

A. *Consideration and Approval of Resolution No. 2018-066 Re Amendment and Reinstatement of Retirement Security Plan for SEAPA, REA#: 02192-001*

<b>➤ Motion</b>	M/S (Jensen/Hammer) to adopt Resolution 2018-066, authorizing amendment and restatement of the Retirement Security Plan for the Southeast Alaska Power Agency. Motion approved unanimously by polled vote.	Action 18-617
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B. *Consideration and Approval of FY2018 Budget Amendments*

Mr. Acteson explained the necessity of amending the FY2018 Budget for two Renewal and Replacement Projects and an Operations and Maintenance project due to June work delays in Wrangell.

<b>➤ Motion</b>	M/S (Jensen/Hammer) to amend the FY2018 R&R Budget for projects RR263 CTS & Relay – Circuit Switcher Wrangell and RR270 Dampeners Overhead Lines Tye to the amounts of \$102,465 and \$67,681, respectively. Motion approved unanimously by polled vote.	Action 18-618
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➤ <b>Motion</b>	M/S (Amylon/Jensen) to increase SEAPA's FY2018 O&M Budget for overhead line maintenance (FERC Code 571) by \$247,872. Motion approved unanimously by polled vote.	Action 18-619
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C. *Consideration and Approval of Sole Source Contract to Tex R Us, LLC*

Mr. Acteson explained the necessity of authorizing its Information Technology provider, Tex R US, LLC, as a sole source provider for the Agency's network, phone, and maintenance operations at Swan Lake and Ketchikan.

➤ <b>Motion</b>	M/S (Jensen/Hammer) to authorize Tex R Us, LLC as SEAPA's sole source provider for ongoing network, phone, and maintenance support at Swan Lake and phone support and maintenance at SEAPA's Ketchikan offices and further authorize staff to enter into an amendment to Tex R Us, LLC's contract for such services to increase the not-to-exceed value from \$44,550 to \$75,000. Motion approved unanimously by polled vote.	Action 18-620
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D. *Consideration and Approval of Pre-Authorization Re SEAPA's Property Insurance and Related Broker Services*

➤ <b>Motion</b>	M/S (Jensen/Hammer) to pre-authorize staff to review cost and coverage proposals for SEAPA's property insurance and related broker services for the coverage period of November 1, 2017 through October 31, 2018, and to enter into a contract in the best interest of SEAPA for the most comparable coverage to SEAPA's existing program at the most competitive prices for an amount within the FY2018 operating budget. Motion approved unanimously by polled vote.	Action 18-621
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E. *Consideration and Approval of CY2018 Administrative Employee Benefits*

Mr. Acteson explained the highlights of the detailed presentation of the Agency's CY2018 Administrative Employee Benefits provided in the board packet.

➤ <b>Motion</b>	M/S (Jensen/Hammer) to renew NRECA employee group benefit plans as presented. Motion approved unanimously by polled vote.	Action 18-622
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7) **Old Business**

A. *Resolution No. 2018-068 Re SEAPA Record Access*

Mr. Paisner reviewed the resolution provided in the board packet regarding adoption of a policy to provide the public and its ratepayers access to certain documents, materials, and information. He noted the resolution directs staff to prepare its own processes and enact them as of January 1, 2018.

**8) CEO Report**

Mr. Acteson reported that he may need to travel to Washington, D.C. to testify before the House of Representatives regarding the survey error that did not correctly convey approximately 26 acres of National Forest lands to the State of Alaska at Swan Lake. He provided an update on the challenge of FERC's 71% increase in annual land use fees, explaining that FERC broadened the area land values are based on resulting in the increase being lowered by 25% and that the ruling should also serve to stabilize future increases. Mr. Acteson reported that during his attendance at the APA's annual meeting in Kodiak, Deputy Commissioner Fred Parady summarized the State's dismal budget situation. Mr. Acteson advised that SEAPA should not anticipate State or Federal financial participation in future development of energy projects. He also provided updates on SEAPA's hydrosite investigation, insurance renewals, response to the RCA's letter order on an application to close out the TBPA certificate of public convenience, the survey plan approach for the STI right-of-way, Whitman True-up, best practices, personnel retirements, and public relations.

The meeting recessed at 10:00 a.m. and reconvened at 10:15 a.m.

**9) Staff Reports****A. Operations Manager Report**

Mr. Henson announced that the US Army Corps of Engineers is currently assessing several options for Tyee's harbor entrance and provided updates on permitting for ATV use on Tyee's Transmission System and the satellite communications system. He reported that the Current Transformer and Relay Installation at Wrangell, Tyee Lake Turbine Shutoff Valve Controls, Needle Feedback Position Assembly, Governor Manifold and Transformer Bushing Replacements, Schweitzer RTAC Upgrades, Marker Ball Project on the Tyee line, repowering of the SEAPA Landing Craft, and annual maintenance on the Tyee transmission line projects were all complete. Mr. Henson showed a video of the marker ball project for a further understanding of what it takes to replace the marker balls. He advised there had been a lot of visitors at Swan Lake and that Mr. Donato's Swan Lake Report had a lot of good photographs available in the board packet for an update of activities at Swan Lake.

**B. Power System Specialist Report**

Mr. Schofield reported that hydraulic warranty repairs to the Swan Lake Fixed Wheel Gate were complete and provided an update on the rare and invasive plant assessments at Swan Lake. He reported that Swan Lake's Emergency Action and Public Safety Plans, and annual Dam Safety Surveillance and Monitoring Report had all been submitted to FERC for approval and that in compliance with FERC's security and safety requirements, that the new Swan Lake Dam Access Security Gate was completed and now in service. Mr. Schofield advised that the Dam Safety Surveillance and Monitoring Plan at Swan Lake needs to be rewritten to reflect monitoring requirements following completion of the Swan Lake Reservoir Expansion Project. He closed his report with an update on the Swan Lake Reservoir Miscellaneous Metals Project.

C. *Director of Engineering & Technical Services*

Mr. Siedman opened with a discussion on a Bailey Substation Surge Arrester failure and explained the process for determining origination of the fault. Once the fault was identified, the B-phase arrester was removed, and the line successfully energized pending arrival of replacement surge arresters. He reported a bus failure occurred on September 3<sup>rd</sup> in Swan Lake's Unit 1 switchgear and explained the process for repairs, and that SEAPA and KPU worked together to get the switchgear back on line. Mr. Siedman incorporated a successful learn-at-lunch training event into his report. The event centered around SEAPA's actions to prevent/mitigate arc flashes, arc flash characteristics, dangers, temperatures, and the causes of electrical arcs.

**10) Next Meeting Date(s)**

There were no objections to the next board meeting date of December 13-14, 2017 in Petersburg, Alaska.

**11) Director Comments**

Directors provided brief comments.

**12) Adjourn**

Chairman Williams adjourned the meeting at 11:14 a.m.