SOUTHEAST ALASKA POWER AGENCY

Special Board Meeting
AGENDA

Ketchikan Gateway Borough Building
Legislative Information Office | Ketchikan, Alaska

Wednesday, October 30, 2019 | 10:00 a.m. – 4:00 p.m. AKDT

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

1. Call to Order
   - A. Roll call

2. Approval of the Agenda

3. New Business:
   - A. Ratification of Two-Year Lease with Ketchikan Gateway Borough
   - B. Consideration and Approval of RR19334 (Heat Pump for Wrangell Office) and RR19335 (Swan Lake Unit 2 Stuffing Box Replacement)
   - C. Update/Discussion Re SEAPA Insurance Renewals
   - D. Update/Discussion Re SEAPA Submarine Cables
   - E. Update/Discussion Re Alaska Roadless Rule
   - F. Executive Session Re CEO Evaluation, Compensation and Contract

4. Adjourn

SOUTHEAST ALASKA POWER AGENCY

Date: October 21, 2019

To: SEAPA Board of Directors

From: Trey Acteson, Chief Executive Officer

Subject: Ratification of Amendment No. 2 to SEAPA Office Lease

The five-year term of SEAPA's lease for its offices (Suite Nos. 312, 318 and 319) at the Ketchikan Gateway Borough Building expires January 15, 2020. Unless the Agency provided notice at least 180 days prior to that date, the lease would have automatically renewed. On June 3, 2019, the Agency provided formal notice to the Borough (copy attached) that it is SEAPA's intent to renew the Lease Agreement ('Agreement') for a two-year lease term rather than another five years in anticipation of the building of a SEAPA office on its recently purchased lot space in Ketchikan. Since the inception of the Agreement the monthly base rent increased by .05/SF annually. As noted in the attached letter, the Agency proposed the same rent escalation for the two-year term.

The Borough responded to SEAPA's notice by preparing a second amendment to the Agreement incorporating the two-year period at SEAPA's proposed annual rent escalation for the monthly base rent. The Agency and the Borough signed the amendment as of September 3, 2019 and a copy is attached for Board review and ratification.

Please consider the following suggested motion:

SUGGESTED MOTION
I move to approve Amendment No. 2 to the Lease Agreement entered into on or about September 3, 2019 between SEAPA and the Ketchikan Gateway Borough ('KGB') for the lease of SEAPA's offices in the KGB Building, and to ratify and authorize the execution of the lease agreement that includes a two-year term from January 16, 2020 through January 15, 2022.

Attachments:
2019 0603 Ltr to KGB Re: Lease Renewal Term
Amendment No. 2 to Lease Agreement (Borough Document 11-043)

SOUTHEAST ALASKA POWER AGENCY

1900 First Avenue
Suite 318
Ketchikan, Alaska 99901

Phone: 907.228.2281
Fax: 907.225.2287
www.seapahydro.org

June 3, 2019

Via Hand Delivery to:

Ketchikan Gateway Borough
Attn: Ruben Duran, Borough Manager
1900 First Avenue, Suite 210
Ketchikan, Alaska 99901

Notice Re: Lease Renewal Term
Suite Nos. 312, 318 & 319, Ketchikan Gateway Borough Building

Dear Mr. Duran:

Section 3.3 (Renewal) of the Lease Agreement ('Agreement') dated February 28, 2012 between the Ketchikan Gateway Borough ('KGB' or 'Landlord') and the Southeast Alaska Power Agency ('SEAPA' or 'Tenant') provides that if Tenant is in good standing, it shall have the right to automatically renew the Agreement for two (2) consecutive five-year periods unless Tenant provides written notice to Landlord at least 180 days prior to the expiration of the term of the Agreement or any renewal thereof. The second term of the Agreement ends January 15, 2020 and the deadline for the 180-day notice is July 15, 2019. This is formal notice that it is SEAPA's intent to renew the Agreement for Suites 312, 318, and 319 for a two (2) year period from January 16, 2020 through January 15, 2022 at a base rent to be negotiated between the parties for the two-year term, with an option to renew for an additional term to be determined. Consistent with Section 3.3, SEAPA would provide 180 days' notice on or before the end of the two-year term (or July 15, 2021) of its intent to renew for an additional term or vacate the premises.

According to Lease Agreement – Amendment No. 1 to Borough Document 11-043, the current base rent which is effective through January 15, 2020 is as follows:

Year of Lease Term	Monthly Base Rent per SF	Annual Base Rent per SF	Total SF Subject to Rent		Annual Base Rent	Monthly Base Rent
Year Ending January 15, 2020	$1.76	$21.12	Suite 312	338 SF	$59,410.60	$4,950.88
			Suite 318	2,065 SF		
			Suite 319	410 SF		
			Total	**2,813 SF**		

Since the inception of the Agreement, the monthly base rent has increased by .05/SF. Utilizing the same rent escalation, we propose the following for the additional two-year term:

Year of Lease Term	Monthly Base Rent per SF	Annual Base Rent per SF	Total SF Subject to Rent		Annual Base Rent	Monthly Base Rent
Year Ending January 15, 2021	$1.81	$21.72	Suite 312	338 SF	$61,098.36	$5,091.53
			Suite 318	2,065 SF		
			Suite 319	410 SF		
			Total	**2,813 SF**		
Year Ending January 15, 2022	$1.86	$22.32	Suite 312	338 SF	$62,786.16	$5,232.18
			Suite 318	2,065 SF		
			Suite 319	410 SF		
			Total	**2,813 SF**		

We look forward to working with the Borough on the renegotiation of this two-year lease term and option to renew. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

Trey Acteson, CEO
Southeast Alaska Power Agency
P 907.228.2281 | C 907.617.0323 | tacteson@seapahydro.org

cc: Richard Harney, Director
Planning & Community Development Department
Ketchikan Gateway Borough
1900 First Avenue, Suite 126
Ketchikan, Alaska 99901
via Hand Delivery

KETCHIKAN GATEWAY BOROUGH

LEASE AGREEMENT – AMENDMENT NO. 2 to Borough Document 11-043

THIS AGREEMENT, to be known as Amendment No. 2 to the existing Lease Agreement, (Borough Document Number 11-043) made and entered into the 3rd day of September 2019, by and between the Ketchikan Gateway Borough, a general law municipality and a borough of the second class, 1900 First Avenue, Ketchikan, Alaska 99901, hereinafter referred to as the "Lessor," and the Southeast Alaska Power Agency (SEAPA), a Joint Action Agency, whose address is, 1900 First avenue, Suite 318, Ketchikan, AK 99901, hereinafter called the "Lessee".

On or about June 3, 2019, Lessee provided timely notice of its intent to not renew the Lease Agreement for an additional five (5) year period as provided for in Section 3.3, and has, an as alternative, indicated an interest in extending the Lease Agreement for a period of two (2) years beginning January 16, 2020. Therefore, as it is the intent of the parties to extend the Lease for the lesser interval indicated, the Lease Agreement for office space, Suite 312, 318, and 319 at the White Cliff Building, Borough Document 11-043, is hereby amended to read as follows:

1. Section 4.2 Base Rent, is hereby amended to read as follows:

Year of Lease Term	Monthly Base Rent per square foot	Annual Base Rent per square foot	Total square footage subject to rent	Annual Base Rent	Monthly Base Rent
2 Years ending January 15, 2017	$1.61	$19.32	2,475	$47,817	$3,984.75
Year ending	$1.66	$19.92	2,813	$56,035	$4,669.58

January 15, 2018					
Year ending January 15, 2019	$1.71	$20.52	Same	$57,722.80	$4,810.23
Year ending January 15, 2020	$1.76	$21.12	Same	$59,410.60	$4,950.88
Year ending January 15, 2021	$1.81	$21.72	Same	$61,098.36	$5,091.53
Year ending January 15, 2022	$1.86	22.32	Same	$62,786.20	$5,232.18

2. Section 3.2, Term, of the Lease shall be deleted in its entirety and is substituted as follows:

   3.2 Term: This Agreement shall extend for a period of two (2) years from January 16, 2020 and shall expire, unless a further extension or a new Lease is negotiated and executed by the parties, on January 15, 2022.

3. Section 3.3, Renewal, of the Lease is deleted in its entirety.

<<END OF AMENDMENTS>>

All remaining terms and conditions remain in effect. Except as specifically amended herein, all terms, conditions and provisions of said original agreement (Borough Document No. 11-043) shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this agreement.

KETCHIKAN GATEWAY BOROUGH

Ruben Duran
Borough Manager

ATTEST:

Kacie Paxton, MMC
Borough Clerk

APPROVED AS TO FORM:

Glenn Brown
Borough Attorney

SEAPA - LESSEE

By:

TREY ACTESON
Title: CEO

BOROUGH ACKNOWLEDGMENTS

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 3rd day of September, 2019, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Ruben Duran, to me known to be the Borough Manager of the Ketchikan Gateway Borough, a second class borough, the entity which executed the above and foregoing instrument; who on oath stated that he was duly authorized to execute said instrument on behalf of said entity; who acknowledged to me that he signed same freely and voluntarily on behalf of said entity for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in the certificate first above written.

(Seal)

OFFICIAL SEAL
Melissa C. Hanis
Notary Public State of Alaska
Commission Number 190614009
My Commission Expires 6/14/23

Melissa C. Hanis
NOTARY PUBLIC FOR ALASKA
My Commission Expires: 6/14/23

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 3rd day of September, 2019, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Kacie Paxton to me known to be the Borough Clerk of the Ketchikan Gateway Borough, a second class borough, the entity which executed the above and foregoing instrument; who on oath stated that she was duly authorized to execute said instrument on behalf of said entity; who acknowledged to me that she signed the same freely and voluntarily on behalf of said entity for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in the certificate first above written.

(Seal)

Official Seal
Peter Amylon
Notary Public-State of Alaska
My Comm. Expires
November 23, 2022

NOTARY PUBLIC FOR ALASKA
My Commission Expires: 11.23.2022

STATE OF ALASKA)
) **ss.**
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 29th day of August, 2019, before me, the undersigned, a notary public in and for the State of Alaska, duly commissioned and sworn, personally appeared Trey Ackeson, ^ CEO of the Southeast Alaska Power Agency to me known to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

WITNESS my hand and official seal the day and year in the certificate first above written.

Sharon E. Thompson
NOTARY PUBLIC FOR ALASKA
My Commission Expires: 08-08-2021

(Seal)

SOUTHEAST ALASKA POWER AGENCY
R&R Project Approval and Budget Amendment

Date: October 24, 2019 To: Trey Acteson Subject: **FY19 R&R Project Approval and Budget Amendment**

SUGGESTED MOTION
I move to increase the current R&R Budget by $7,500 for RR19334 (Heat Pump Wrangell) and by $108,900 for RR19335 (Swan Lake Unit 2 Stuffing Box Replacement) and further move to approve the addition of both projects. The combined projects will increase the current R&R Budget by $116,400, bringing the total current R&R Budget to $564,050.

RR19334 Heat Pump Wrangell

As an addition to an existing asset, this project is eligible to be capitalized even though it is expected to cost less than SEAPA's $10K capitalization threshold. A detailed description of the project is attached.

RR19335 Swan Lake Unit 2 Stuffing Box Replacement

Earlier this year Swan Lake's Unit 1 Stuffing Box was replaced at Swan Lake. At the time approval and funding for the Unit 1 replacement was considered by the Board, staff advised that the Unit 2 Stuffing Box would also need to be replaced and a request for approval and budget funds would be made at a later date.

Staff seeks the board's consideration and approval for the project at this time so parts can be ordered from Litostroj and be available for the project in FY2020. A detailed description of the project is attached.

Proposed RR19334
HEAT PUMP Wrangell

Project:	**Heat Pump**		
Description:	Installation of multi-zone heat pump in Wrangell office and warehouse.		
Cost Estimate:	**$7,500**	Sched. Complete: **12/31/2019**	Project Mgmt: **Hammer**

PROJECT DISCUSSION

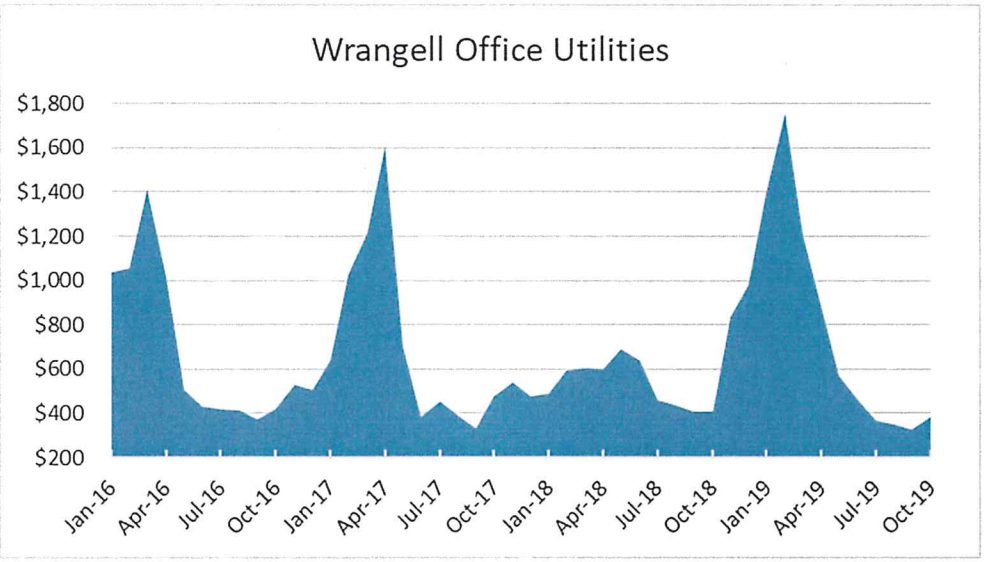
The Wrangell warehouse-admin office is currently heated with electric baseboard, electric forced air and a waste-oil burner in the shop area. Waste-oil is not always available and diesel fuel is often used to carry over. Heat pumps are 60/75% more efficient than baseboard or forced air electric heat and much more environmentally friendly than waste-oil burners. One multi-zone heat pump can cover both the warehouse area and the office space. This will save the agency thousands of dollars in the long term and contribute to the overall efficiency of the organization.

PROJECT COST ESTIMATE

BREAKDOWN	ESTIMATE	BUDGET REQUEST	
Equipment & installation	$7,500	FY2019 Six-Month Budget	$7,500
	0		
	0		
Total Estimate	$7,500	Budget Total	$7,500

Project Cost Estimate Discussion

The heating bill for the office and warehouse averages $8K per year with resistance-style electric heat. Installation of heat pump could reduce that cost by 60-75%. The budgeted amount is to cover both the purchase and installation of the multi-zone unit.



Proposed RR19335
Stuffing Box Unit 2 SWL

Project:	**STUFFING BOX UNIT 2 - SWAN LAKE**		
Description:	Unit 2 Stuffing Box Replacement / Swan Lake Hydroelectric Project		
Cost Estimate: **$108,900**	Sched. Complete: **July 2020**	Project Mgmt: **Schofield**	

PROJECT DISCUSSION

The stuffing box is a mechanical water seal located directly above the turbine runner head cover. The seal keeps draft tube water (Turbine Discharge Water) from entering the powerhouse. SWL Unit 2 has seal water leakage indicating the need for mechanical seal replacement. The following mechanical items will also be inspected or replaced and calibrated as part of the stuffing box seal replacement.

- Distributor Ring centering and guide bushings
- Lower Guide bearing and oil sump
- Wicket gate control arms and bushings
- Hydraulic Servo, and wick gate travel timing and clearances

This project is tentatively scheduled during the winter or early spring of 2020 depending on reservoir elevations and generation demands.

PROJECT COST ESTIMATE

BREAKDOWN	ESTIMATE	BUDGET REQUEST	
Litostroj Parts	35,000	FY2020	$108,900
Labor (Contracted)	36,700		
In-House Labor	7,200		
Travel & Tooling	20,000		
Miscellaneous	10,000		
Total	$108,900		$108,900

Project Cost Estimate Discussion

Replacement parts and labor to install SWL Unit 2 Stuffing Box Seals and related mechanical devices.

Agenda Item 3C

SEAPA 2019 – 2020 INSURANCE RENEWALS

[Consultant Gary Griffin to call in and Lay on the Table Items may be provided at Board Meeting]

After Action Report

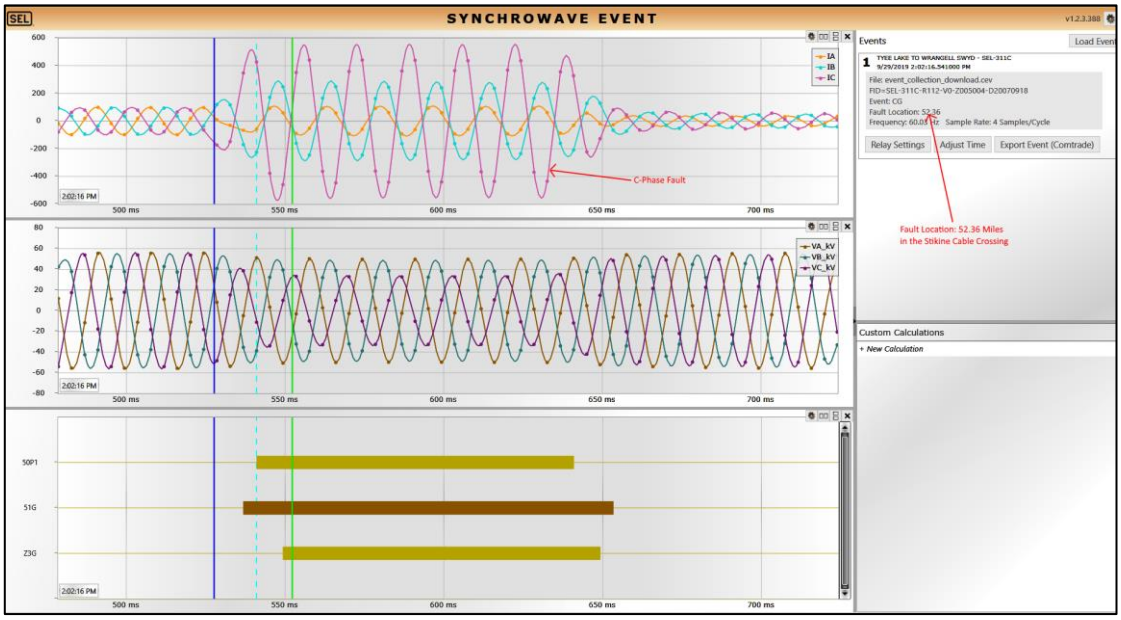
Incident: Stikine Cable 1 (C-Phase) Failure/Fault Event

Date Occurred: 9/29/2019

Robert Siedman, P.E.

Executive Summary

A fault occurred on the Stikine Cable crossing between the islands of Woronkofski and Vank on Sunday, September 29 at 2:02PM. The Schweitzer SEL-311C line protection and distance relay placed the fault location at 52.36 miles from the Tyee Switchyard. Petersburg immediately began diesel operation(s) until the transmission line between Wrangell and Petersburg could be visually inspected and/or the fault could be physically located. TEMSCO was not available on Sunday for line inspection and was subsequently scheduled for the following day. At 3:00AM on Monday, September 30, a low-pressure alarm on the C-Phase cable at the Vank marine terminal indicated that the fault was in the submarine cable.



Tyee-Wrangell Line SEL-331C Indication of Fault

At 8:00AM on Monday, September 30, SEAPA staff performed visual line inspections and prepared a safe work electrical clearance to reconfigure the Stikine cable crossing and perform a resistance measurement test on the C-Phase cable sheath. Test results (Megger) indicated a low impedance fault on the cable. In accordance with recommendations from SEAPA's submarine cable consultant (Jim Pachot), C-Phase oil tanks were isolated, and the cable was hydraulically locked to prevent oil leakage and/or water ingress.

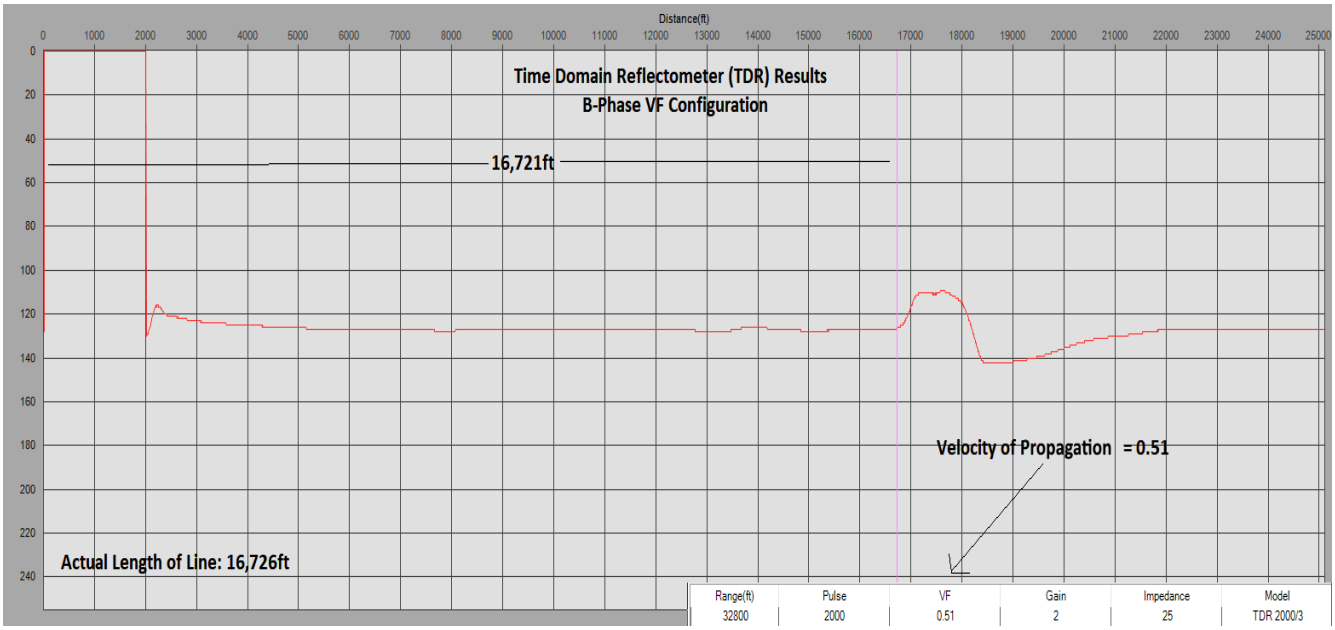
After procurement of specialized test equipment, SEAPA performed Time Domain Reflectometer (TDR) tests on October 9 to determine whether the fault was located offshore and not due to an electrical pothead or close-in fault such as a surge arrester, bushing or switch. Test results conclusively indicated that the fault was located approximately **2000 feet** from the Woronkofski marine terminal, in approximate **300-400 feet of water**.

The following sections of this report detail the TDR results, further action items taken to include multi-beam scans, magnetometer targeting and side scans. The final section of this report details SEAPA's path forward and possible options for cable repair and or replacement.

Pre-Location Time Domain Reflectometer (TDR) Results

After hydraulically locking the cable to prevent oil leakage and water ingress, the first step was to determine the location of the fault. A close-in fault such as a pothead, switch or nearshore cable fault can be repaired without costly mobilization of specialized submarine cable vessels. Utilizing a TDR can provide fault locations within a 1% accuracy help determine the failure mode and repair process.

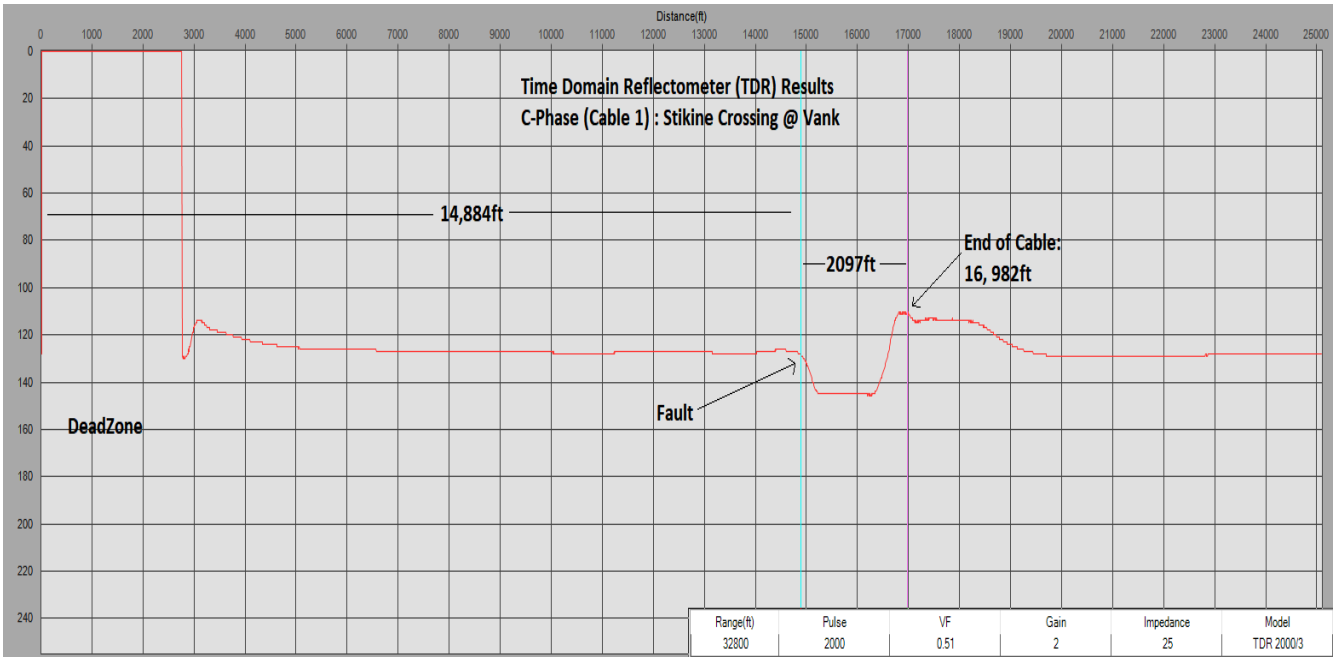
TDR's are similar in principal to radars. A step signal is injected onto the cable and any impedance changes in the cable such as faults, splices and open circuits are reflected back to the TDR and timing of the reflection is measured. The most important setting for using TDR's is determining the correct velocity of propagation. The velocity of propagation is the speed at which an injected step signal travels down a cable. All cable types have different insulative characteristics and therefore different velocities of propagation.



TDR: B-Phase Velocity of Propagation

The most effective way to determine the velocity of propagation is to inject a step signal onto a known length of cable from the same manufacturer with similar characteristics of the faulted cable. With a known cable length of 16,726 feet, B-Phase on the Stikine crossing was used. In the graphic shown above, the open end of the cable (open at the switches) was reflected back to indicate a decrease in impedance. Placing the cursor on the beginning of the reflected waveform and adjusting the velocity of propagation resulted in the TDR indicating a length of 16,721 feet. The TDR measurement of the B-Phase cable length was adequate and therefore 0.51 (51% the speed of light) was used as the velocity of propagation for all subsequent testing.

TDR measurements are more accurate when locating faults that are less than approximately 100 Ω of impedance. A Fluke multi-meter was used to measure the impedance of the C-Phase cable at the Vank marine terminal. The resultant measurement showed an impedance of 102.3 Ω. The TDR SEAPA acquired was a Megger CFL535G, which has an effective range of 20,000 meters (65,616 ft). Given the length of the C-Phase cable (16,928 ft), the measured 102.3 Ω was more than adequate for using the TDR as a fault pre-location tool.

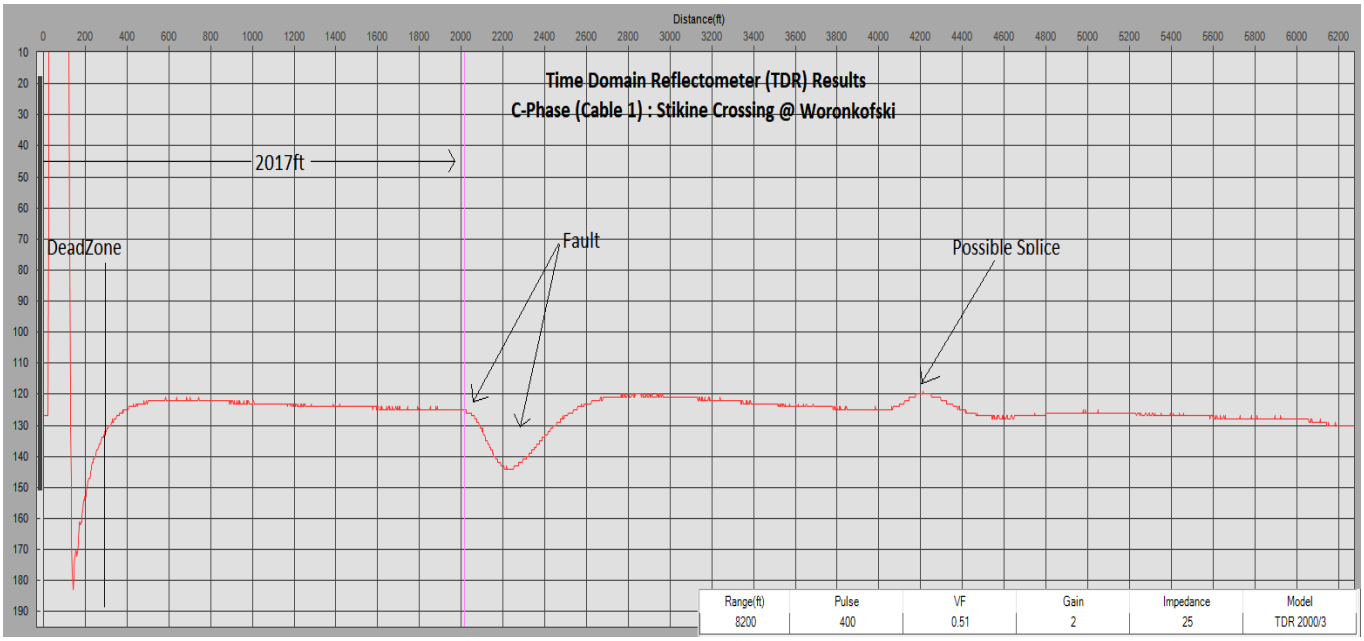


TDR: C-Phase @ Vank Island

In the above graphic, the C-Phase cable indicated a negative reflection at 14,884 feet. A negative reflection is indicative of a faulted cable due to the decrease in impedance. To reach the end of the cable, a range of 32,800 feet was required on the TDR. A range of this length required a pulse width of 2,000 nanoseconds. Due to the high pulse width required to locate a fault at over 10,000 feet, the TDR has a "dead zone" (blind spot). To ensure that a second fault was not within the dead zone, the TDR pulse width was lowered to 400 nanoseconds. No reflections were detected within the dead zone.

Multiple tests were performed at the Vank marine terminal using various pulse widths, gains, ranges and impedance settings. All tests demonstrated similar results.

The fault was evident to be around 2,000 feet from the Woronkofski marine terminal (14,884 feet from Vank). To reduce the pulse width and range of the TDR, testing at the Woronkofski marine terminal was required. The CFL535G is accurate to within +/- 1% of the range selected. For example, the range required to see the fault from the Vank marine terminal was 32,800 feet. Accuracy as a result was only +/- 328 feet. Considering the fault was located much closer to the Woronkofski marine terminal, a measurement at that terminal with a significantly lower range would result in significantly greater accuracy.



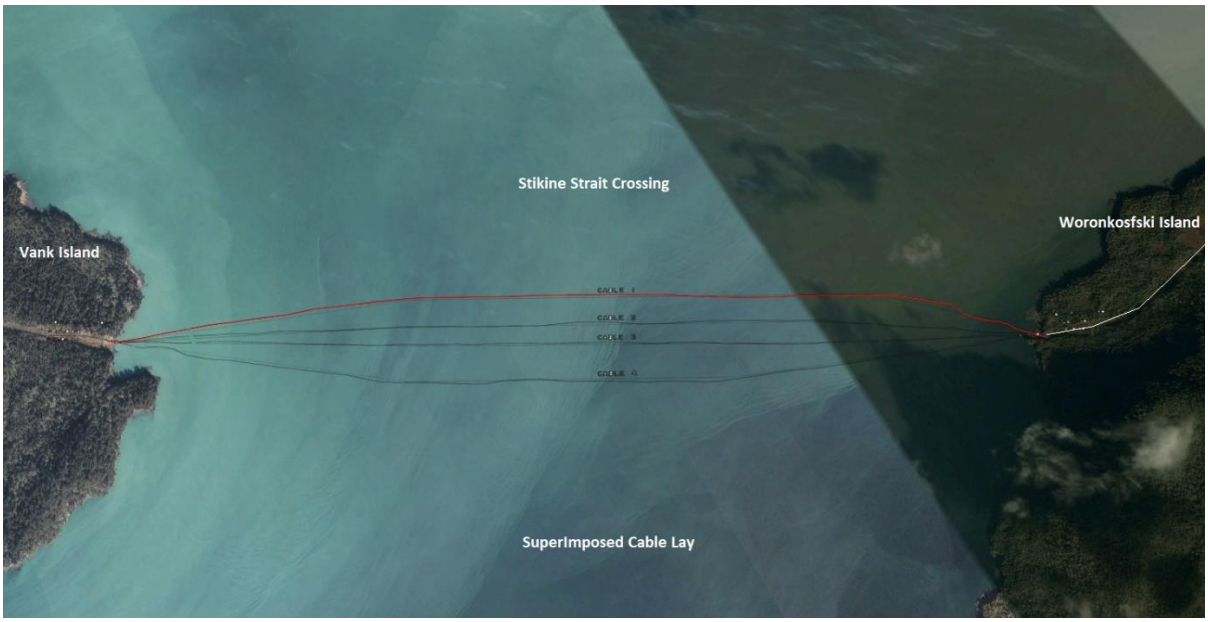
TDR: C-Phase @ Woronkofski Island

The above graphic illustrates results of TDR measurements taken from the Woronkofski marine terminal. A negative reflection was indicated at 2,017 feet. With a smaller pulse (smaller dead zone) and a lower range (8200 feet), the accuracy was greatly increased to +/- 82 feet. The resultant fault pre-location measurement from the Woronkofski marine terminal was consistent with the measurement from the Vank marine terminal, increasing the confidence of the results. There also appeared to be a positive reflection at 4,100 feet. The illustrated positive reflection indicates an increase in impedance and appears to be a factory cable splice, however, could be indication of water ingress.

The length of the test leads used for the TDR to reach the top of the pothead was approximately 20 feet. Subtracting the length of the leads from the fault location of 2,017 feet results in a fault located at 1997 feet. With an accuracy of +/- 82 feet, the fault on the C-Phase Stikine cable crossing has a high probability of being located at:

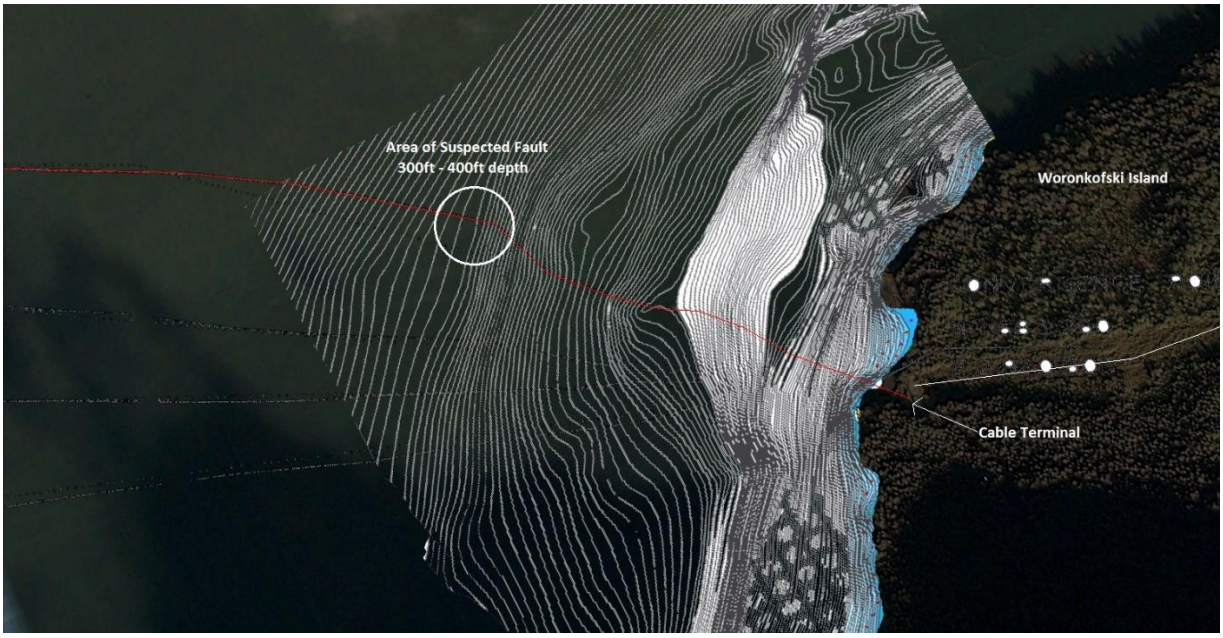
Stikine Crossing C-Phase Cable Fault location Measured from Woronkofski marine terminal	
Accuracy Range: +/- 82 feet	
Standard Deviation Near End Fault Location	1915 feet
Mean Fault Location	**1997 feet**
Standard Deviation Far End Fault Location	2079 feet

Pre-Location GPS Coordinates & Water Depth



Superimposed As-Built Cable Lay

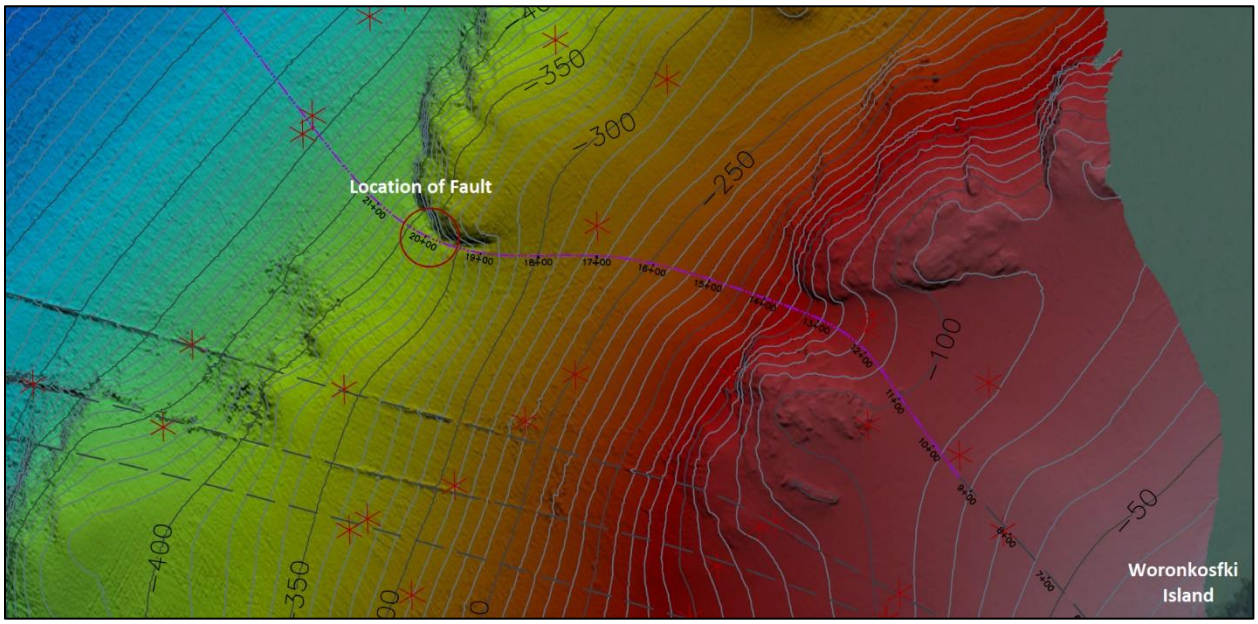
The Furukawa as built drawings from 1982 indicate where the cables were laid in across the Stikine strait. The graphic above illustrates a general routing of the cables, superimposed onto satellite imagery. Adding bathymetric data to the satellite imagery and cable as built overlay, the cable fault was identified in the graphic below to be located between 300-400 feet of water (between 1915ft and 2079ft from the Woronkofski marine terminal).



Superimposed As-Built Cable Lay w/ Bathymetric Overlay

Multibeam & Magnetometer Data

With the data acquired from the TDR, a known offshore fault and reasonable fault location information, SEAPA contracted Etrac to perform detailed mapping of the bottom of the Stikine Strait. The intent of the contract was to perform multibeam scans to look for evidence of recent underwater activity that may have contributed to the fault. Combined with side scan and magnetometer measurements, the as-found cable route(s) were further identified, and the risk of failure on the remaining cables was assessed.



Multibeam Scan of Stikine Crossing

The above graphic illustrates the multibeam scan of the Stikine cable crossing from the Woronkofski island (Attachment A). Cables 2, 3 & 4 routes (from bottom to top above) are evident in the multibeam scan however cable 1 (C-Phase on the far right) is not as apparent. C-Phase cable is buried for nearly the entire crossing. The routing of C-Phase appears to have been laid to go around a large rock bluff, between a valley. The purple line is the best fit interpolation of the cable 1 route using multibeam and magnetometer readings in October 2019.

Side Scan Data & Risk Assessment

After Action Report

Incident: Stikine Cable 1 (C-Phase) Failure/Fault Event

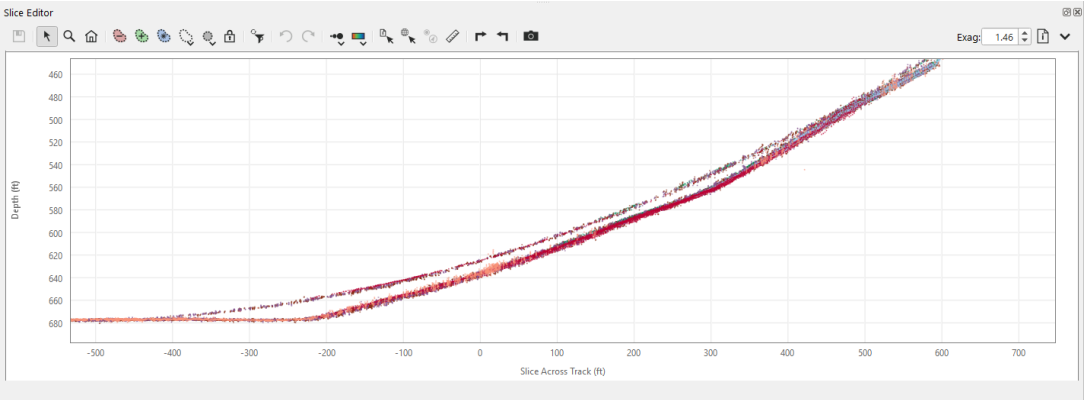
Date Occurred: 9/29/2019

Robert Siedman, P.E.

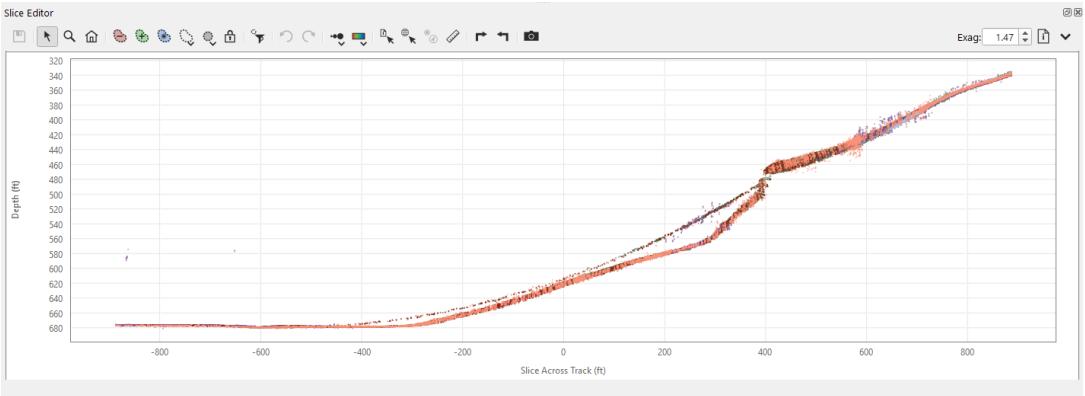
SEAPA contracted ITB Subsea in 2018 to perform Remote Operated Vehicle (ROV) inspections of all its submarine cables. ITB submitted a final ROV inspection report on June 17, 2019. In the report, ITB indicated that Cables #2 and #3 on the Stikine crossing near the Woronkofski shore were at the greatest risk of failure of all the cables surveyed due to long spans. The table below demonstrates the Stikine cable span geometry.

Stikine Strait Span Geometry (m)								
	Span	KP start	depth	Length	Max Height	KP end	depth	Bio Fouling
Cable 2 (W to E)	1	362	48	33	2+	395	60	some
	2	4238	207	* 337 *	10+	4575	113	heavy
	3	4631	93	146	10+	4777	48	significant
Cable 3 (W to E)	1	369	42	37	5+	406	60	some
	2	4194	207	* 339 *	10+	4533	113	heavy
	3	4564	134	97	5+	4661	123	significant
Cable 4 (W to E)	1	4442	177	76	10+	4518	138	heavy

ITB recommended that a side scan of the spans be performed to identify how far from the bottom and more accurately assess the span lengths. On October 12, 2019, Etrac performed side scans of the Stikine crossing. As seen in the graphics below, cables 2 and 3 have significant spans with heights over 30 feet in some instances. The significant height of the spans makes it extremely complicated and expensive to resolve using conventional methods.



Stikine: Cable 3 Span near Woronkofski



Stikine: Cable 2 Span near Woronkofski

In both ITB and Etrac's assessment of cable 1, spans were not identified. The cable is under silt for nearly the entire crossing. Cable 1 was initially not identified as a cable with elevated risk in the ITB report. Given the recent fault of cable 1, the recently discovered large spans of cable 2 & 3 and multibeam data for the Stikine crossing, SEAPA developed a risk assessment for the cables as follows:

Stikine Crossing Cable Crossing
Cable Risk Assessment

	Length of Largest Span	**Height of Largest Span**	**Risk of Fault**
Cable 1	0 ft	0 ft	Faulted
Cable 2	+ 1000 ft	+ 30ft	Elevated
Cable 3	+ 1000 ft	+ 30 ft	Elevated
Cable 4	~ 240 ft	~ 10 ft	Medium

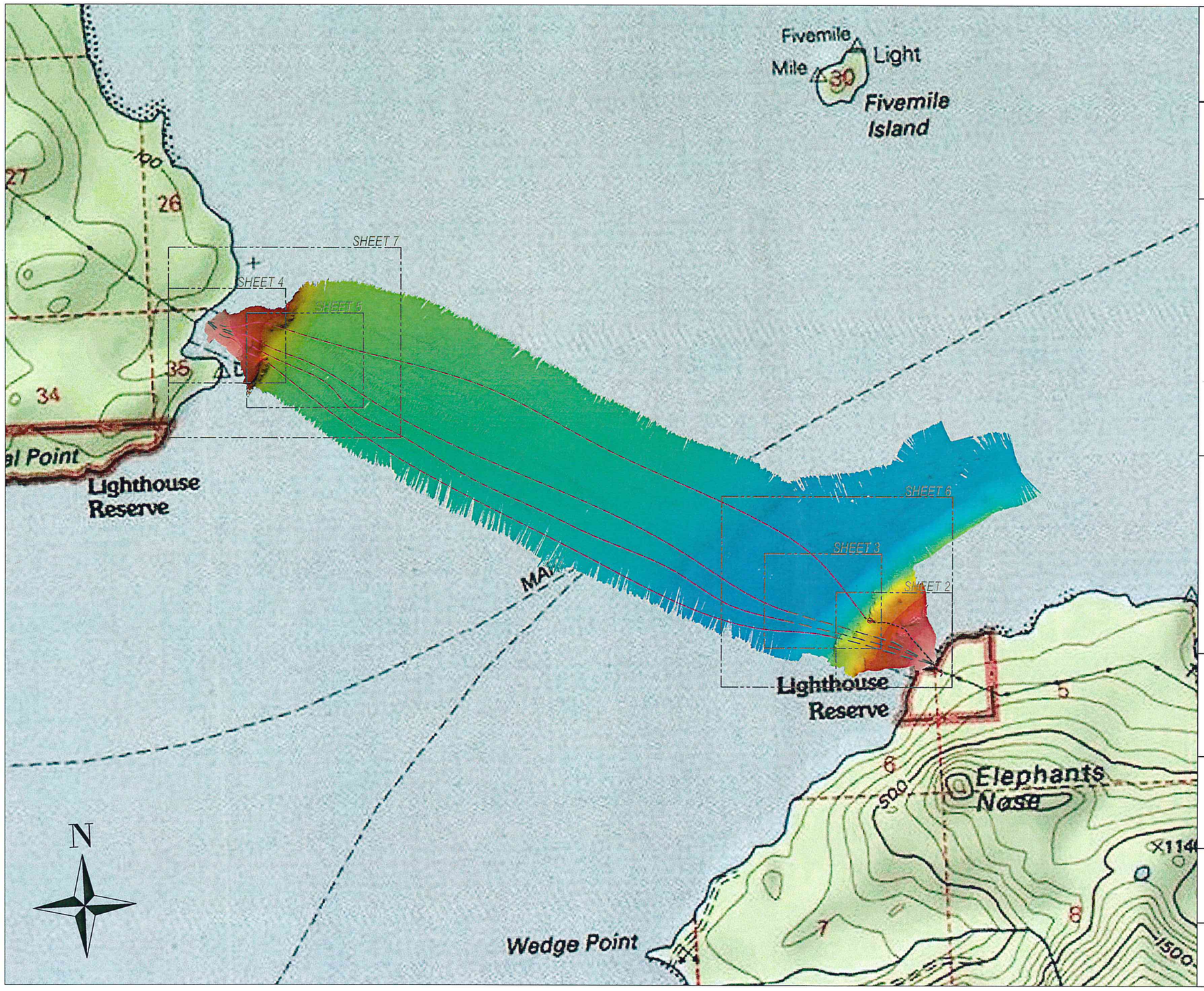
Path Forward

Due to recent events and information collected in the past 3 months regarding the condition assessment of the Stikine cable crossing, SEAPA is currently pursuing a cable consultant. The task of the cable consultant will be to provide SEAPA with the following:

1) Analyze all available datum to date and make recommendation on repair or replace
2) Develop cost estimate(s) for repair and/or replacement
3) Develop timeline for recommended repair and/or replacement
4) Develop repair/replace technical specifications
5) Perform duties during the repair/replace contract as SEAPA's cable expert and liaison to the contractor

Attachment A

SEAPA Bathymetric Study
Stikine Cable Crossing



SOUTHEAST ALASKA POWER AGENCY
MULTIBEAM BATHYMETRIC SURVEY
WRANGELL, ALASKA

SHEET SET:

SHEET 1: PROJECT INFORMATION
SHEET 2-5: SOUNDINGS & DEM
SHEET 6-7: CONTOURS & DEM

GENERAL NOTES:

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LEGEND:

XX.X SOUNDINGS
-XX- CONTOURS: 10FT INTERVAL
BEST FIT INTERPOLATION
AS-SURVEYED
MAGNETOMETER ANOMALIES
POSSIBLE FAULT LOCATION

eTrac Inc.
2501 SE Mile Hill Dr, Ste. 221
Port Orchard, WA 98366

SEAPA
1900 First Avenue, Suite 318
Ketchikan, AK 99901

SEAPA Southeast Alaska Power Agency
KETCHIKAN - PETERSBURG - WRANGELL
Your Low - Cost Wholesale Power Provider

SCALE: 1" = 1,000'

1,000 0 500 1,000 2,000

IF SHEET IS LESS THAN 34"X22"
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SCALE ACCORDINGLY

SURVEY DATE: OCTOBER 12-14, 2019
PLOT DATE: OCTOBER 20, 2019
FILE NAME: SEAPA_2019_Cable Route Survey

OVERVIEW

SHEET 1 OF 7

SOUTHEAST ALASKA POWER AGENCY
MULTIBEAM BATHYMETRIC SURVEY
WRANGELL, ALASKA

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- AS-SURVEYED
- MAGNETOMETER ANOMALIES
- POSSIBLE FAULT LOCATION

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100 0 50 100 200

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SOUNDINGS & DEM

SOUTHEAST ALASKA POWER AGENCY
MULTIBEAM BATHYMETRIC SURVEY
WRANGELL, ALASKA

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SOUNDINGS & DEM

SHEET 3 OF 7

SOUTHEAST ALASKA POWER AGENCY
MULTIBEAM BATHYMETRIC SURVEY
WRANGELL, ALASKA

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SOUNDINGS & DEM

SHEET 4 OF 7

SOUTHEAST ALASKA POWER AGENCY
MULTIBEAM BATHYMETRIC SURVEY
WRANGELL, ALASKA

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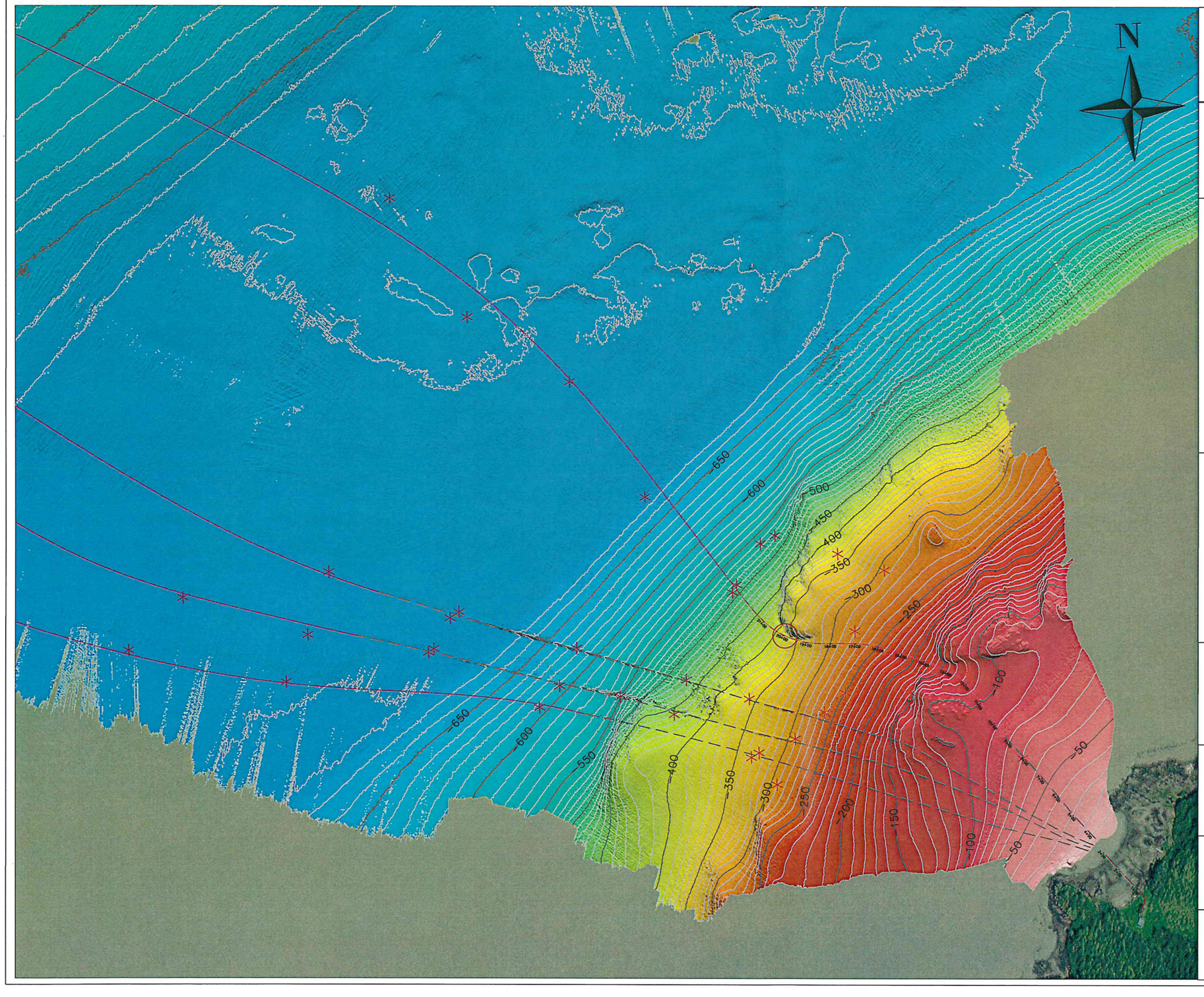
SOUNDINGS & DEM

SHEET 5 OF 7



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MULTIBEAM BATHYMETRIC SURVEY
WRANGELL, ALASKA

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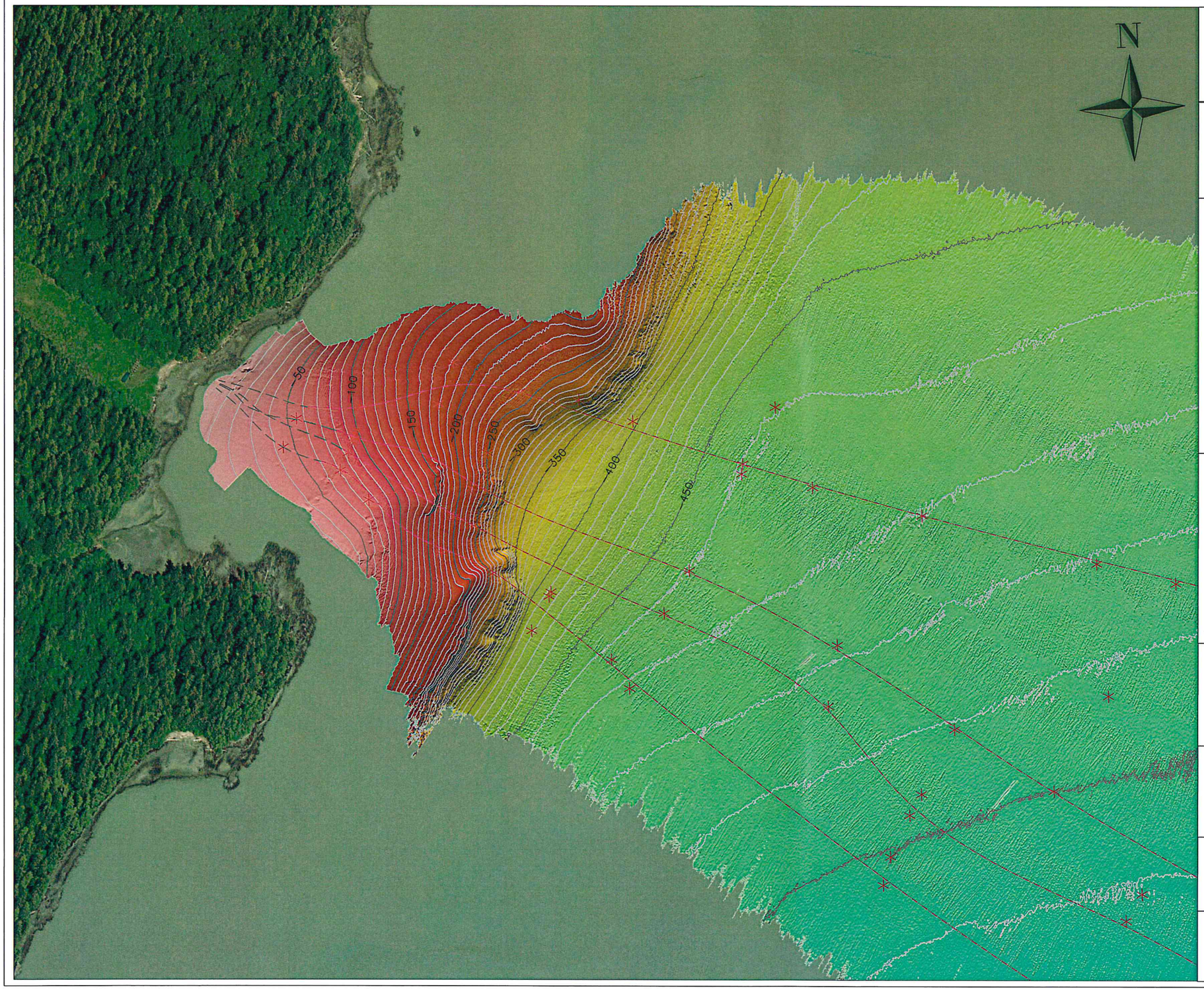
CONTOURS & DEM

SHEET 6 OF 7



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CONTOURS & DEM

SHEET 7 OF 7

SOUTHEAST ALASKA POWER AGENCY

Date: October 21, 2019

To: SEAPA Board of Directors

From: Trey Acteson, Chief Executive Officer

Subject: Alaska Roadless Rule

On October 15, 2019, I was informed that the U. S. Department of Agriculture (USDA) is recommending that the Tongass National Forest be exempt from the 2001 Roadless Rule. The State of Alaska petitioned for the exemption. As you know, I was appointed by the Governor to serve on the Alaska Roadless Rule Citizen Advisory Committee, which functioned to provide recommendations to the State for development of information to provide to the Forest Service for incorporation into an environmental impact statement (EIS) and public rulemaking process.

The USDA announced that they will publish six alternatives (see, Attachment 1) in a draft environmental impact statement (EIS). The following is the USDA preferred alternative out of the six to be published:

> Alternative 6 (preferred) would exempt the Tongass National Forest from the 2001 Roadless Rule and is fully responsive to the State of Alaska's petition. The alternative would remove all 9.2 million acres of inventoried roadless acres and would convert 165,000 old-growth acres and 20,000 young growth acres previously identified as unsuitable timber lands to suitable timber lands. Conservation of roadless values would be achieved through other means, including the Tongass Land Management Plan. This is specific to the Tongass National Forest. The Chugach National Forest would remain under the 2001 Roadless Rule.

The Roadless Rule's impact on hydropower development and the effect the Rule's regulatory requirements have on Southeast Alaska's electric consumers and electric utilities cannot be understated. The USDA published the draft Rule in the Federal Register on October 18th. In order to receive full consideration, comments on the draft EIS must be received by December 17, 2019. The Forest Service values public participation. I strongly recommend that SEAPA's member communities be proactive in submitting comments in favor of Alternative 6 and encourage their constituents to do likewise before the deadline. If you wish to submit a comment, please mail it to:

Alaska Roadless Rule Team
R10 – Alaska Region All Units
PO Box 21628, Juneau, Alaska 99802-1628
or Fax to 907.586.7852 or Email: akroadlessrule@fs.fed.us

I will be available during the board meeting for further discussion and to answer any questions you may have on this issue.

USDA Forest Service Seeks Public Comment on Draft Environmental Impact Statement, Alternatives to a Proposed Alaska Roadless Rule

Development of a proposed state-specific rule is in response to a petition from the State of Alaska

Press Release
Release No. 0154.19

Contact: USDA Press
Email: press@oc.usda.gov

JUNEAU, ALASKA, Oct. 15, 2019 – The U.S. Department of Agriculture is seeking public comment on a draft environmental impact statement offering a range of alternatives to roadless management and a proposed Alaska Roadless Rule. If adopted, the proposed rule would exempt the Tongass National Forest from the 2001 Roadless Rule.

The USDA Forest Service will publish the documents in the Federal Register this week. The publication will begin a 60-day public comment period on the proposed rule, and on each alternative outlined in the draft environmental impact statement.

The draft environmental impact statement, prepared under the National Environmental Policy Act, provides an analysis of six alternatives, which are options, choices, or courses of action related to roadless management in Alaska. The alternatives range from no action to the removal of the Tongass from the 2001 Roadless Rule. The Department has identified Alternative 6, which is a full exemption, as the preferred alternative at this time. The full range of options are:

- Alternative 1 takes no action and would leave all of Alaska under the 2001 Roadless Rule, including the Tongass National Forest.
- Alternative 2 provides regulatory protection for the majority (89%) of key watersheds inside roadless areas and would convert 18,000 old-growth acres and 10,000 young-growth acres previously identified as unsuitable timber lands to suitable timber lands.
- Alternative 3 provides regulatory protections for all key watersheds inside and outside roadless areas, creates a community priority roadless designation that allows for recreational development and timber sales under 1 million board feet, and would convert 76,000 old-growth acres and 14,000 young-growth acres previously identified as unsuitable timber lands to suitable timber lands.
- Alternative 4 restricts harvest and road-building activities in scenic viewsheds and most (88%) key watersheds inside roadless areas and would convert 158,000 old-growth acres and 15,000 young-growth acres previously identified as unsuitable timber lands to suitable timber lands.
- Alternative 5 would remove 2.3 million acres from roadless area designation, protects some (59%) key watersheds, and would convert 165,000 old-growth acres and 17,000 young-growth acres previously identified as unsuitable timber lands to suitable timber lands.
- Alternative 6 (preferred) would exempt the Tongass National Forest from the 2001 Roadless Rule and is fully responsive to the State of Alaska's petition. The alternative would remove all 9.2 million acres of inventoried roadless acres and would convert 165,000 old-growth acres and 20,000 young-growth acres previously identified as unsuitable timber lands to suitable timber lands. Conservation of roadless values would be achieved through other means, including the Tongass Land Management Plan. This is specific to the Tongass National Forest. The Chugach National Forest would remain under the 2001 Roadless Rule.

The Forest Service is scheduling a series of public meetings and subsistence hearings. A list of those meeting locations will be available on the Alaska Roadless Rule project website.

The public has until midnight Alaska time on Dec. 17, 2019, to submit comments on the documents. The documents are posted in the Federal Register and on the agency's Alaska Roadless Rule website.

These are the ways the public can submit written comments once the notice is published:

- Web: www.fs.usda.gov/project/?project=54511
- Email: akroadlessrule@fs.fed.us
- Mail: USDA Forest Service, Attn: Alaska Roadless Rule, P.O. Box 21628, Juneau, Alaska, 99802
- Fax: 907-586-7852
- In-person delivery to Forest Service, 709 W. 9th Street, Room 535B, Juneau, Alaska 99801

Written comments will help inform USDA as it moves toward a final decision about an Alaska-specific roadless rule. The Secretary of Agriculture is expected to make a final decision by June 2020.

The Tongass stretches over the 500-mile-long Southeast Alaska Panhandle and covers 80 percent of the land. It is rich in natural resources and cultural heritage. Developed areas cover about 8 percent of the land. There are 32 communities, including the state capitol of Juneau, in Southeast Alaska.

News media inquiries should be made to the Forest Service Press Desk at pressoffice@fs.fed.us or call 202-205-1134.

#

USDA is an equal opportunity provider, employer, and lender.

MEMORANDUM
ATTORNEY-CLIENT COMMUNICATIONS

TO: Chairman
Southeast Alaska Power Agency

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

DATE: October 21, 2019

RE: Suggested Motion for Executive Session

The Board of Directors will enter into an executive session during a Special Board Meeting to be held on October 30, 2019 to evaluate the Agency's CEO and discuss the CEO's Compensation and Contract.

I recommend the following motion be made:

> I move to recess into Executive Session to be conducted pursuant to SEAPA's Bylaws consistent with Alaska Statute 44.62.310 for an evaluation of the Agency's CEO and to discuss the CEO's compensation and contract, which discussions may involve subjects that tend to prejudice the reputation and character of a person.