

**SOUTHEAST ALASKA POWER AGENCY  
Regular Board Meeting**

Best Western Plus Landing Hotel  
Ketchikan, Alaska

**Agenda for Tuesday, August 27, 2013 | 9:00 a.m. – 5:00 p.m. AKDT**

Access No. 1-800-315-6338  
Access Code: 73272#

1. Call to Order
  - A. Roll Call
  - B. Communications/Lay on the Table
  - C. Disclosure of Conflicts of Interest

**COMMUNICATIONS**
  
2. Approval of the Agenda
  
3. Persons to be Heard
  
4. Review and Approve Minutes
  - A. June 25-26, 2013 Minutes of Regular Board Meeting
  - B. July 17, 2013 Minutes of Special Board Meeting

**MINUTES**
  
5. Financial Reports
  - A. CEO Cover Memo
  - B. Financial Statements – May 2013
  - C. Financial Statements - June 2013
  - D. Disbursement Approvals – June and July 2013

**FINANCE**  
**DISBURSEMENTS**
  
6. CEO Report
  - A. Legislative Affairs
  - B. Best Practices and Process Improvements
  - C. Public Relations
  - D. Recruitment
  - E. O&M Review
  - F. Kake-Petersburg Intertie
  - G. Metlakatla
  - H. Whitman True-Up
  - I. Financial

**CEO RPT**
  
7. Operations Manager/Director of Special Projects Reports
  - A. **Operations Manager’s Report (Henson)**
    - i. Regulatory
    - ii. Major Contracts
    - iii. Miscellaneous
    - iv. Conclusion

**OPS/DSP**

- B. **Director of Special Projects Report (Wolfe)**
  - i. SCADA Project Update
  - ii. Tyee Lake Stream Gage Installation
  - iii. Swan Lake Reservoir Expansion
  - iv. Swan Lake Spare Winding
  - v. Tyee Lake Gate Controls Replacement
  - vi. Swan Lake Maintenance Support Managed by SEAPA
  - vii. Tyee Lake Cooling Water Conversion
  - viii. Request for Offers of Power and Energy (RFO)
  - ix. Department of Commerce, Community & Economic Development (DCCED Grant)
  - x. Water Management

- 9. Project Reports **PROJECT REPORTS**
  - A. Swan Lake
  - B. Tyee Lake
  
- 10. Old Business **OLD**
  - A. Consideration and Approval of Motions Re: Rebates and Wholesale Power Rate
  
- 11. New Business **NEW**
  - A. Updating Policies and Procedures Manual
  - B. Review of Employee Benefits Plan FY 2014 Renewal Rates
  - C. Consideration and Approval of Resolution 2014-050 Re: Approval of Signatories to First National Bank Alaska Corporate Custody Account
  - D. Executive Session – Evaluation of SEAPA’s Chief Executive Officer
  - E. Next Meeting Dates
  - F. Future Agenda Items
  
- 12. Director Comments
  
- 13. Adjourn

# SOUTHEAST ALASKA POWER AGENCY

## Regular Meeting

June 25 & 26, 2013

### Sons of Norway Hall | Petersburg, Alaska

#### 1) Call to Order/Roll Call

Chairman Sivertsen called the meeting to order at 12:29 p.m. AKDT on June 25, 2013, held at the Sons of Norway Hall in Petersburg, Alaska.

##### A. Roll Call

The following directors and alternates were present, thus establishing a quorum of the Board:

| Director                  | Alternate       | Representing           |
|---------------------------|-----------------|------------------------|
| Bob Sivertsen             | Andy Donato     | Swan Lake – Ketchikan  |
| Dick Coose                | Jay Rhodes      | Swan Lake – Ketchikan  |
| Sam Bergeron              | Charles Freeman | Swan Lake - Ketchikan  |
| Joe Nelson                | John Jensen     | Tyee Lake – Petersburg |
| Brian Ashton (telephonic) |                 | Tyee Lake – Wrangell   |

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

|                 |                                     |
|-----------------|-------------------------------------|
| Trey Acteson    | Chief Executive Officer, SEAPA      |
| Eric Wolfe      | Director of Special Projects, SEAPA |
| Steve Henson    | Operations Manager, SEAPA           |
| Kay Key         | Controller, SEAPA                   |
| Sharon Thompson | Executive Assistant, SEAPA          |
| Joel Paisner    | Attorney, AterWynne                 |

##### B. Communications/Lay on the Table

Chairman Sivertsen reported that as a part of demand side management, the City of Ketchikan moved forward with an energy audit on facilities in Ketchikan. He advised the audit report provided a long list of recommendations for power conservation in the area and a packet was available for review.

##### C. Disclosure of Conflicts of Interest

None stated.

## **2) Approval of the Agenda**

**Mr. Coose moved to approve the agenda. Mr. Bergeron seconded the motion. The motion carried unanimously. (Action 13-217)**

## **3) Persons to be Heard**

Mick Nichols, Manager of Thomas Bay Power Authority (TBPA) reported that Steve Beers was hired as General Foreman at Tyee, and that since TBPA's Secretary would not be quitting as originally reported, funding would be needed for the position. He encouraged the Board to consider that if the position is unfunded, TBPA's ability to operate as an office would be compromised and work could not be contracted out under union contract provisions.

## **4) Review and Approve Minutes**

**Mr. Nelson moved to approve the minutes of the Regular Meeting of April 25, 2013. Mr. Coose seconded the motion. The motion carried unanimously. (Action 13-218)**

## **5) Financial Reports**

**Mr. Coose moved to approve Financial Statements for the months of March and April 2013. Mr. Bergeron seconded the motion.** Mr. Nelson requested a summary of the financial statements in memo form in future Board packets. **The motion carried unanimously. (Action 13-219)**

**Mr. Coose moved to approve disbursements for the months of April and May 2013 in the amount of \$997,136.04. Mr. Nelson seconded the motion. The motion carried unanimously. (Action 13-220)**

The meeting recessed at 1:02 p.m. and reconvened at 1:08 p.m.

## **6) CEO Report**

Mr. Acteson provided an update on SEAPA's continuing efforts toward best practices noting an electronic application process had been implemented for recruitment efforts, and discussed the continuing development of a structured compensation program. He recommended that SEAPA renew a contract with Ray Matiashowski for FY14 lobbying services and reported on public relations outreach efforts. He advised that an attorney familiar with SEAPA's organization, Mr. Greenough of Foster Pepper, had been retained as SEAPA's bond lawyer. Mr. Greenough had prepared a reimbursement resolution, which would allow Swan Lake expansion expenditures accrued prior to issuance of a bond in the bond total. It is anticipated Mr. Greenough will also be utilized to support bonding for the project.

Mr. Acteson discussed his recent meeting with key AEA staff and reported that the AEA shipped a meteorological tower to SEAPA to initiate a wind energy assessment program. Additional grant funding for the program will be pursued in Round 7 of the Renewable Energy Grant Fund Program, along with a request for funding Swan Lake's expansion project.

Mr. Acteson recommended that the diesel protocol initiative not move forward citing examples of unintended consequences that could occur and suggested other possible solutions. He also recommended that the Board direct SEAPA staff to meet with the TBPA Commission to pursue

negotiations and settlement of operations and maintenance contract issues for the Board's consideration. Several comments followed with the consensus that further discussion on both topics occur later on in the agenda under unfinished business.

Mr. Acteson provided a brief update on the Kake-Petersburg Intertie (KPI) noting SEAPA's attention to routing concerns verbalized by Petersburg's community and discussed a possible solution to address those concerns. He introduced Mark Schinman, the KPI Project Manager, for a more in-depth report on the progress of the project.

The meeting recessed at 2:13 p.m. and resumed at 2:30 p.m.

## **7) Mark Schinman Presentation**

Mr. Schinman presented a slide show on the KPI project. He provided an overview of the need for the intertie, funding, and progress-to-date noting a project management office had been established, an Environmental Impact Statement (EIS) was underway, and D.Hittle & Associates were updating a study they had prepared on the project in 2010. He discussed three different routing options offered in the EIS and the estimated construction costs for each option. He closed his report with a review of a schedule subject to U.S. Forest Service approval outlining the next steps to be taken for the project.

The meeting recessed at 3:01 p.m. and reconvened at 3:12 p.m.

## **8) Operations Manager/Director of Special Projects Reports**

### **A. Operations Manager Report (Steve Henson)**

Mr. Henson updated the Board on FERC activities, the Wrangell Reactor, Satellite Communications System, STI helipads, Argo use permit, annual maintenance, stabilization of the embankment at Tyee's Structure 76-1M, Tyee's dock replacement, and gatehouse generator projects. Mr. Henson presented a slideshow starting with a snow survey of the upper Tyee drainage that took place in May and reported there was significantly more snowpack this year than in 2010. He presented photos of the logjam at Tyee Lake the first week of May of this year showing that logs would have to be moved back at least 50 feet for the weir. He reported on the sole bid received after an RFP issued for the task, noting that because of the high cost it would not be considered. He explained that with little time left in this season's weather window to rebid the task, a local company proposed to take it on at a much lower cost and that Mr. Wolfe would provide more detail during his report.

Mr. Henson continued with slides on the helipads at Swan Lake, pole tops, broken structure brace bolts, deteriorating polymer insulators, an exposed cable in South Wrangell, failing dampers, a cracked insulator at North Vank, an issue with a guy wire, a failed guy anchor rod at Tower 252, and a broken guy rod stub, and discussed remedies for the various failures.

The meeting recessed at 4:03 p.m. and reconvened at 4:15 p.m.

### **B. Director of Special Projects Report (Eric Wolfe, P.E.)**

Mr. Wolfe opened with a slide show reporting on the proposal and vendor selection process for the Supervisory Control and Data Acquisition Project (SCADA), and reviewed the history leading up to a request for proposals to implement the project. He explained his request for the

Board's consideration of awarding a contract that excluded hardware, server redundancy, and no maintenance for five years for \$513,211 to Fiber Fusion Inc. and to Segrity, LLC for technical services, site project management, and installation oversight for \$116,000 for the project.

Mr. Wolfe advised that BAM, LLC presented a reasonable proposal for removal of the logjam at the Tyee Lake outlet and explained how they proposed to accomplish the project.

Mr. Wolfe reported that since filing of an Initial Consultation Document with FERC for the Swan Lake Expansion Project, that Tongass National Forest resource reports were needed for the draft environmental impact statement that would be submitted to the agencies for comment. He solicited the Board's consideration of a contract to Tetra Tech, Inc. to complete analysis work and site surveys for the project, and explained that an RFP would issue for a design-build contract for dam and intake modifications, and that a timber cruise of DNR lands and LiDAR flights to map vegetation around the reservoir would also be needed. He added that a portion of SEAPA's permitting and engineering costs, up to a maximum of \$578,000 would be reimbursed by grant funds.

Mr. Wolfe updated the Board on the Tyee Gate Controls Replacement Project and discussed Swan Lake maintenance. He noted that consultant, Morris Kepler, would need to conduct a final test and set of measurements to verify final dowel placement for the turbine guide bearing, described various issues needing resolution at the plant. He advised that a request for bids may issue in July-August for piping modification design and construction for the Tyee cooling water conversion and anticipated the best three proposals would be identified in early July for the hydrosite evaluation project for an award of a contract, with the goal to have engineers and technicians in the field by August or September. He reported that SEAPA intended to respond to those respondents who submitted letters of intent to SEAPA's request for offers of power and energy.

The meeting recessed at 5:12 p.m. on June 25, 2013.

### **JUNE 26, 2013**

Chairman Sivertsen called the meeting to order at 8:25 a.m. and requested a roll call. All directors were present with the exception of Joe Nelson and Clay Hammer. Mr. Ashton joined the meeting telephonically.

Chairman Sivertsen advised there would be changes to the Agenda under New Business noting Item J was already added for a discussion on the Tongass Land Management Plan, Item K regarding award of a contract to BAM, LLC for removal of the logjam at Tyee, and Item L for sole-sourcing the purchase of SCADA hardware.

Mr. Wolfe continued his report opening with a slide show reviewing water management and forecasting. He discussed how water had been managed this past winter and provided an overview of changes that may be suggested at SEAPA's August Board meeting to SEAPA's Operations Plan, explaining a diesel protocol may be introduced that is a different way to burn diesel, optimize water, and limit risk for Wrangell and Petersburg. In reviewing the process of a policy shift away from the culture that has been in place, he explained that if diesel is going to be minimized, then water needs to be optimized and that the purpose for changes that will be suggested are to make a difference in diesel consumption.

## 9) Project Reports

Mr. Donato distributed an update of activities at the Swan Lake plant highlighting safety training that occurred during May and June included MSDS, cranes, signaling, slings, rigging, lead and asbestos awareness, job hazard analysis and substation entry for non-qualified electrical workers and discussed outages, compliance, maintenance, new projects and procurement requests for the facility.

Mr. Nichols distributed a report on behalf of the Tye plant covering the budget, personnel, training, line clearing, and other miscellaneous items. He reported an additional employee completed CPR training and noted all Tye employees were now certified and trained in CPR. He would like to get two of the employees trained as first responders. He outlined activities of the line clearing crew and expressed appreciation for their work. He reported there were still no leads on who may have shot out the insulators on one of the main power delivery towers on Wrangell's backchannel.

## 10) Old Business

Although there was much discussion on diesel protocol, including consideration of a committee appointed by the Board to study the issue, a recommendation that the issue not move forward, and discussion of the differences between economic dispatch of diesel and diesel protocol to offset the cost of diesel to the member utilities, there was no overall consensus other than to get additional information for later discussions.

Discussions on SEAPA's operations and maintenance organization review culminated in a show of hands by Mr. Coose, Chairman Sivertsen, and Mr. Jensen directing Mr. Acteson to meet with the TBPA Commission to pursue negotiations and settlement of operations and maintenance contract issues for the Board's consideration.

No action was taken after Mr. Bergeron expressed his opinion that the motion on alternates making and seconding motions be rescinded, other than a consensus that discussion on the topic can be deferred until a later meeting and voted on at that time.

The meeting recessed at 10:07 a.m. and reconvened at 10:22 a.m.

## 11) New Business

**Mr. Bergeron moved to adopt Resolution 2013-49 declaring an official intent to reimburse capital expenditures made by SEAPA in connection with the Swan Lake Reservoir Expansion Project from the proceeds of future borrowing. Mr. Jensen seconded the motion. The motion carried unanimously. (Action 13-221)**

**Mr. Bergeron moved to authorize staff to enter into a contract with Futaris Inc. for an estimated amount not-to-exceed \$154,000.00 for the Satellite Communications Upgrade Project. Mr. Jensen seconded the motion. The motion carried unanimously. (Action 13-222)**

**Mr. Coose moved to authorize staff to enter into a contract with Tetra Tech, Inc. for an amount not-to-exceed \$89,453.00 for analysis work and limited site surveys for the Swan Lake Reservoir Expansion Project. Mr. Bergeron seconded the motion. The motion carried unanimously. (Action 13-223)**

**Mr. Bergeron moved to authorize staff to enter into a contract with Fiber Fusion, Inc. for an amount not-to-exceed \$513,211.00 for the SCADA Upgrade and Integration Project. Mr. Jensen seconded the motion. The motion carried unanimously. (Action 13-224)**

**Mr. Bergeron moved to authorize staff to enter into a contract with Segrity, LLC for an amount not-to-exceed \$116,000.00 for site project management and installation oversight for the SCADA Upgrade and Integration Project. Mr. Jensen seconded the motion. The motion carried unanimously. (Action 13-225)**

**Mr. Jensen moved 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 FY14 lobbying services. Mr. Coose seconded the motion. The motion carried unanimously. (Action 13-226)**

Mr. Coose discussed the Tongass Land Management Plan (TLMP) explaining that it is a five-year review that provides the U.S. Forest Service with guidance on how to manage the forest service for a period of time spanning 10 to 15 years. Every five years the Forest Service solicits public comment on the plan. He suggested some key changes from SEAPA's standpoint and recommended that SEAPA staff prepare a letter to the Forest Service with recommendations specifically addressing SEAPA's concerns. Mr. Bergeron, Mr. Coose, and Mr. Jensen raised their hands in support of giving staff direction to move forward with a letter.

**Chairman Sivertsen moved to authorize staff to enter into a contract with BAM, LLC for an amount not-to-exceed \$157,500.00 for the log removal for the Tyee Lake Stream Gage Installation Project. Mr. Coose seconded the motion. The motion carried unanimously. (Action 13-227)**

**Chairman Sivertsen moved to authorize staff to issue a purchase order for hardware for the SCADA Upgrade and Integration Project for an amount not-to-exceed \$140,000.00. Mr. Coose seconded the motion. The motion carried unanimously. (Action 13-228)**

#### **Next Meeting Date(s):**

The next Board meeting was set for August 27, 2013 in Ketchikan. Mr. Acteson advised the Board that a special Board meeting would also need to be held on July 17, 2013 for award of the insurance broker contract. There were no objections.

#### **Future Agenda Items:**

Mr. Donato requested that discussions relating to Ketchikan maintaining SCADA control at Swan be kept on the agenda. Mr. Acteson advised that it would be on the agenda in December to give Mr. Donato time to bring solutions to the Board so specific issues can be addressed more directly with backup data to provide the Board enough information to work toward a resolution.

Chairman Sivertsen requested that the Whitman true-up also remain on the agenda for future discussion pending agreement between SEAPA and the City of Ketchikan, how that will integrate into the system, and what the true-up will result in as it will require Board approval. It was the consensus that Joe Nelson, a northern community member, be a part of the Whitman true-up negotiations.



Mr. Acteson provided a summary of SEAPA's Fiscal Year 2014 budget.

**Mr. Jensen moved to approve the Southeast Alaska Power Agency Fiscal Year 2014 Budget in the amount of \$7,745,096. Mr. Coose seconded the motion.** Chairman Sivertsen directed the Board through the budget as presented in the Board packet. **Mr. Jensen, Chairman Sivertsen, Mr. Bergeron and Mr. Coose voted in favor of the motion. Mr. Ashton was not available to vote. The motion carried with four votes in favor.** (Action 13-229)

**Mr. Jensen moved to approve the Wind Energy Feasibility Project in the amount of \$75,000. Mr. Coose seconded the motion. Chairman Sivertsen, Mr. Bergeron, Mr. Coose and Mr. Jensen voted in favor of the motion. Mr. Ashton was not available to vote. The motion carried with four votes in favor.** (Action 13-230)

**Mr. Coose moved to approve the new FY14 R&R Projects numbered 14-1, 14-2, 14-3, 14-4, 14-5, 14-6, 14-7, 14-8, 14-9, 14-10, 14-11, 14-12 and 14-13 totaling \$1,642,400.00. Mr. Jensen seconded the motion. Mr. Bergeron, Chairman Sivertsen, Mr. Jensen, and Mr. Coose voted in favor of the motion. Mr. Ashton was not available to vote. The motion carried with four votes in favor.** (Action 13-231)

**Mr. Coose moved to approve FY14 expenditures in the amount of \$1,590,400 for the new FY14 approved R&R projects. Mr. Jensen seconded the motion. Mr. Coose, Mr. Jensen, Chairman Sivertsen, and Mr. Bergeron voted in favor of the motion. Mr. Ashton was not available to vote. The motion carried with four votes in favor.** (Action 13-232)

**Mr. Jensen moved to approve the FY14 expenditures in the amount of \$7,353,938 for previously-approved R&R projects. Mr. Coose seconded the motion. Mr. Coose, Mr. Jensen, Chairman Sivertsen, and Mr. Bergeron voted in favor of the motion. Mr. Ashton was not available to vote. The motion carried with four votes in favor.** (Action 13-233)

## **12) Director Comments**

Mr. Donato applauded SEAPA for its numerous initiatives and voiced KPU's availability to assist in those endeavors.

Chairman Sivertsen expressed his appreciation for an improvement in cooperation between the communities and SEAPA, and noted the cooperative effort it will take for funding SEAPA's larger projects.

## **13) Adjourn**

**Mr. Jensen moved to adjourn the meeting. Mr. Coose seconded the motion. There was no opposition to the motion.** The meeting adjourned at 12:45 p.m.

Signed:

Attest:

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Secretary/Treasurer

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Chairman

# SOUTHEAST ALASKA POWER AGENCY

## Special Meeting

July 17, 2013

### Southeast Alaska Power Agency Offices via Teleconference | Ketchikan, Alaska

#### 1) Call to Order/Roll Call

Bob Sivertsen, Chairman, called the meeting to order at 10:00 a.m. AKDT on July 17, 2013, held via teleconference at the offices of Southeast Alaska Power Agency in Ketchikan, Alaska.

#### Roll Call

The following directors and alternates were present, thus establishing a quorum of the Board:

| Director      | Alternate                        | Representing           |
|---------------|----------------------------------|------------------------|
| Bob Sivertsen | Andy Donato                      | Swan Lake – Ketchikan  |
| Dick Coose    |                                  | Swan Lake – Ketchikan  |
|               |                                  | Swan Lake - Ketchikan  |
|               | John Jensen (via teleconference) | Tyee Lake - Petersburg |
|               | Clay Hammer (via teleconference) | Tyee Lake – Wrangell   |

The following participants were present for all or part of the meeting:

|                         |   |
|-------------------------|---|
| Trey Acteson            | Chief Executive Officer, SEAPA                  |
| Eric Wolfe (telephonic) | Director of Special Projects, SEAPA             |
| Steve Henson            | Operations Manager, SEAPA                       |
| Sharon Thompson         | Executive Assistant, SEAPA                      |
| Kay Key                 | Controller, SEAPA                               |
| Gary Griffin            | Insurance Consultant, Warren, McVeigh & Griffin |

#### 2) Approval of the Agenda

Chairman Sivertsen requested approval of the agenda as presented.

**Mr. Jensen moved to approve the agenda. Mr. Coose seconded the motion. The motion carried unanimously. (Action 14-234)**

#### 3) New Business

Mr. Acteson introduced SEAPA's insurance consultant, Gary Griffin, of Warren, McVeigh & Griffin, and highlighted SEAPA's review process of its insurance broker contract and policies. He explained that the FY14 budget allocated \$588,000 for SEAPA's insurance broker services, and that the competitive process garnered a \$15,000 reduction in the current broker, Marsh's,

annual fee and that up to \$69,000 could be saved if SEAPA elected to reduce its limits from \$52 million to \$35 million for general liability insurance. General liability was at \$25 million prior to the STI being built and was upped to \$50 million during construction. He advised that SEAPA could work with Marsh to conduct a detailed risk assessment at the project sites.

Mr. Griffin provided a brief history of how SEAPA's insurance program developed and where it is today. He advised the initial \$25 million limit was established by an attorney's recommendation, then after it was upped to \$50 million during STI construction, it was never adjusted, and that an analysis should be done to more accurately define what the limits should be. He recommended that a broker's contract be renegotiated with Marsh to include a risk analysis.

**Mr. Sivertsen moved to authorize staff to enter into a contract with Marsh for insurance broker services in an amount not-to-exceed SEAPA's FY 2014 budget of \$588,000 for SEAPA's insurance program, and to change the liability limits from \$52 million dollars to \$35 million dollars for primary and excess insurance total limits. The motion carried unanimously. (Action 14-235)**

Mr. Acteson provided a general overview of SEAPA's request for approval of a contract for hydropower site evaluation and planning services. He explained the evaluation process that took place when reviewing the proposals received for the project that lead to the recommendation of awarding a contract to McMillen, LLC that would be funded by grant dollars. He explained further that although an award not-to-exceed \$1.7 million dollars was requested that individual tasks would be controlled through individual task orders such as \$165,000 for project management, \$150,000 for office based work and research, and \$300,000 for field work. Considerable discussion followed on what projects would be identified for study, with Mr. Acteson advising that a part of the task to be done is providing a list to identify potential projects. Mr. Wolfe advised that the State's goal in awarding the grant funds for the project was to build a technical library of the best hydrosites in Southeast Alaska.

**Mr. Coose moved to authorize staff to enter into a contract with McMillen, LLC for an amount not to exceed \$1,700,000.00 for the Hydropower Site Evaluation and Planning Services Project. Mr. Jensen seconded the motion. The motion carried unanimously. (Action 14-236)**

Mr. Acteson updated the board on the progress that had been made by BAM, LLC clearing logs at the Tye outlet and explained that because the BAM crew was already mobilized and water is rising at the site, it is important to move forward with the project to the next phases of log retention and civil construction before winter. Utilizing an RFP process for award of the next phases of the project would hinder the opportunity presented by the unusually dry season and cost savings to SEAPA if the current contractor is not utilized to continue the work.

**Mr. Coose moved to authorize staff to exercise the option of entering into a contingency task order with BAM, LLC for construction of a log boom or log retention structure with a not-to-exceed value of \$94,800 for the Tye Outlet Stream Gage Project. Mr. Jensen seconded the motion. The motion carried unanimously. (Action 14-237)**

Mr. Coose expressed concern that in considering an award for the civil construction phase of the Tye Stream Gage Project that the board is kept up to date on the progress so it is clear what will be accomplished. Mr. Acteson explained that the phases of the project needed to happen sequentially given the uncertainty of what parameters were available to work with prior

to the logs being removed. Final design of the weir could not be accomplished prior to completion of the log removal. Each completed phase of the project will afford the more detailed planning for the next phase. Mr. Acteson advised he would keep the board updated as the project moved forward.

**Mr. Coose moved to authorize staff to exercise the option of entering into a civil works construction contract with BAM, LLC, or another qualified contractor, for a not-to-exceed value of \$750,000 for the Tye Outlet Stream Gage Project. Mr. Jensen seconded the motion. (Action 14-238)**

Mr. Henson explained that the final agenda item concerned an oversight in not including \$60,000 in the FY2014 budget necessary for completion of the Tye Gatehouse Generator Replacement Project. He explained funds were initially approved in the FY13 budget for the project, but were not carried forward in FY2014.

**Mr. Sivertsen moved to increase SEAPA's FY20914 R&R budget by \$60,000 for the Tye Gatehouse Propane Generator Replacement Project. Mr. Jensen seconded the motion. The motion carried unanimously. (Action 14-239)**

Chairman Sivertsen requested final comments from the board. Mr. Donato reiterated that it would be helpful as a guide to the board to have a written summary showing how contractors are evaluated when considering awards of contracts.

#### **4) Adjourn**

**Mr. Coose moved to adjourn. Chairman Sivertsen adjourned the meeting at 11:12 a.m. (Action 14-240)**

Signed:

Attest:

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

\_\_\_\_\_  
Chairman

## Southeast Alaska Power Agency CEO Financial Cover Letter

**DATE:** August 21, 2013  
**TO:** SEAPA Board of Directors  
**FROM:** Trey Acteson, CEO

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The Southeast Alaska Power Agency continues to be financially strong. At the close of Fiscal Year 2013, Total Agency Funds were \$22,707,402. In July, we rebalanced our funds to reflect a \$2MM reduction in our Dedicated Self-Insured Risk Reserves, which is now set at \$8MM. These monies were reallocated to fully fund board approved, dedicated R&R Projects. I have attached a Fund Allocation Sheet as of July 31, 2013 behind this memo to illustrate these changes. The Board should anticipate Total Agency Funds will be drawn down over the next couple years as we complete approximately \$9MM in approved R&R projects.

Fiscal Year 2013 revenues were \$11,171,599 actual vs. \$11,775,832 budget. Year over year kWh sales were down slightly from 170,709,080 (FY12) vs. 164,288,220 (FY13). On average, sales appear to be relatively stable over the past few years, primarily influenced by weather variability. There is an opportunity to increase potential revenues if the Board votes to modify the Operations Plan to lower drafting restriction of the Tyee reservoir. However, this should be approached with caution and a written commitment from KPU to cover any resulting diesel generation to the North should be part of such any such change. We can also expect small incremental increases in sales as we implement the Tyee Cooling Water modification and the Tyee Weir installation.

Attachment:  
Fund Allocation Sheet

# SOUTHEAST ALASKA POWER AGENCY

## Fund Allocation

As of July 31, 2013

07/31/13

**ASSETS**

**Current Assets**

**Agency Funds**

**111000 · Ops/Capital/Insurance Funds**

|   |           |
|---|-----------|
| 111100 · Revenue Fund FB                | 2,151,698 |
| 111200 · Required R&R Fund FB           | 1,000,052 |
| 111210 · Dedicated R&R Projects Fund FB | 8,988,143 |
| 111300 · Commercial FB                  | 1,000     |
| 111400 · Subordinate Debt Fund FB       | 309       |
| 111500 · Self Insured Risk Fund FNBA    | 8,034,557 |

|   |            |
|---|------------|
| <b>Total 111000 · Ops/Capital/Insurance Funds</b> | 20,175,760 |
|---|------------|

**112000 · Trustee Funds**

|                                  |           |
|----------------------------------|-----------|
| 112100 · WF Trust Bond Interest  | 164,751   |
| 112200 · WF Trust Bond Principal | 175,035   |
| 112300 · WF Trust Bond Reserve   | 1,409,063 |
| 112400 · WF Refund 2004AB Escrow | 2         |

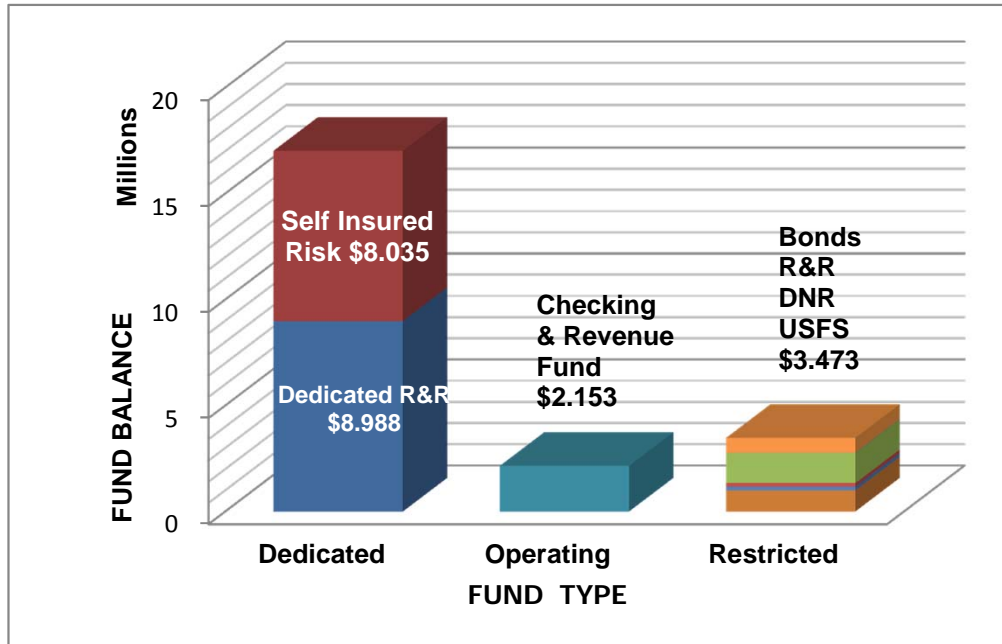
|                                     |           |
|-------------------------------------|-----------|
| <b>Total 112000 · Trustee Funds</b> | 1,748,850 |
|-------------------------------------|-----------|

**113000 · Restricted Funds**

|                                  |         |
|----------------------------------|---------|
| 113100 · STI - USFS CD WF        | 21,608  |
| 113500 · DNR Reclamation Fund WF | 702,249 |

|  |         |
|--|---------|
| <b>Total 113000 · Restricted Funds</b> | 723,856 |
|--|---------|

|                           |            |
|---------------------------|------------|
| <b>Total Agency Funds</b> | 22,648,467 |
|---------------------------|------------|



**Dedicated Funds**

Self-Insured Risk Fund = Coverage for uninsured transmission lines and submarine cables.  
 Dedicated R&R = Funding for FY14 Replacement & Repair projects approved by SEAPA Board.

**Operating Funds**

Checking & Revenue Fund

**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



DATE: August 16, 2013  
TO: Trey Acteson  
FROM: Kay Key  
SUBJECT: Financial Reports

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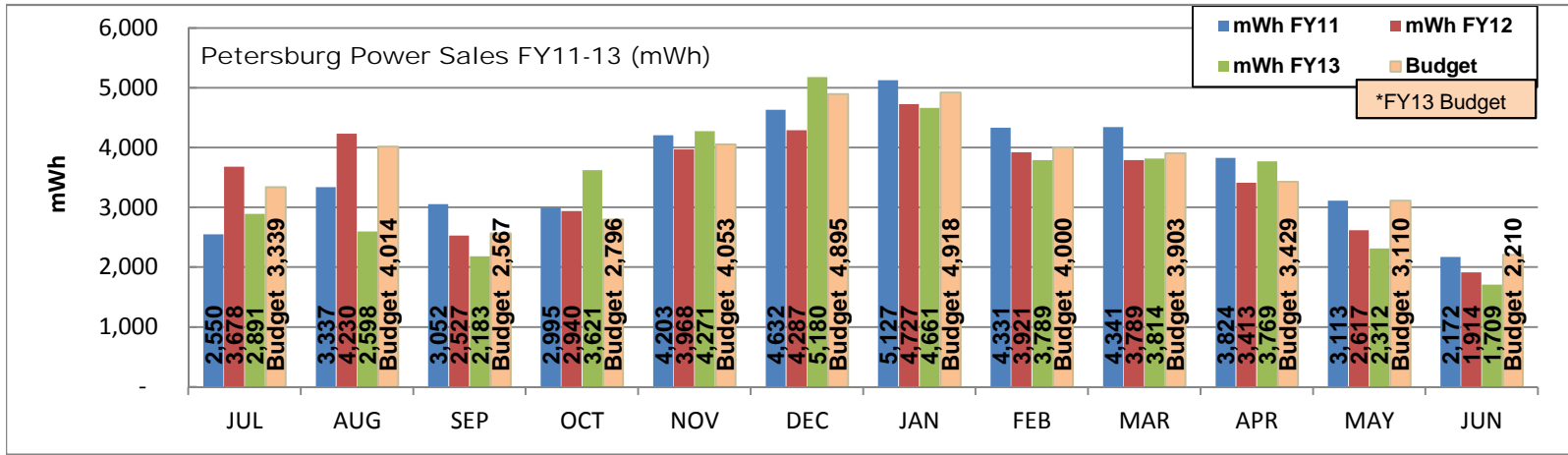
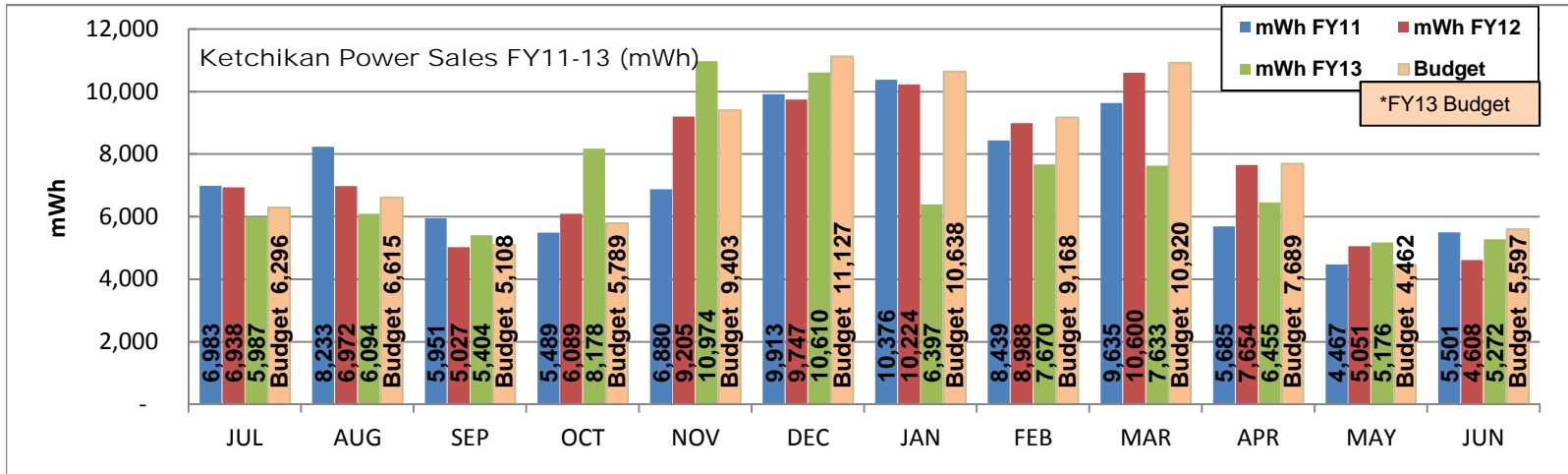
Financial reports included in the August 27 board packet are as follows:

- **kWh Graph - YTD** (through June, 2013)
- **Grant Summary** (through June, 2013)
- **Monthly Financial Reports for May and June, 2013:**
  - ✓ 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, 2013)
  - ✓ R&R Summary
  - ✓ R&R Detail
  - ✓ Closed R&Rs
- **Disbursement Summary – June, July**

| <b>SUGGESTED MOTION</b>  |
|--|
| I move to approve financial statements for the months of<br>May and June 2013. |

## SOUTHEAST ALASKA POWER AGENCY Power Sales - FY11 through FY13

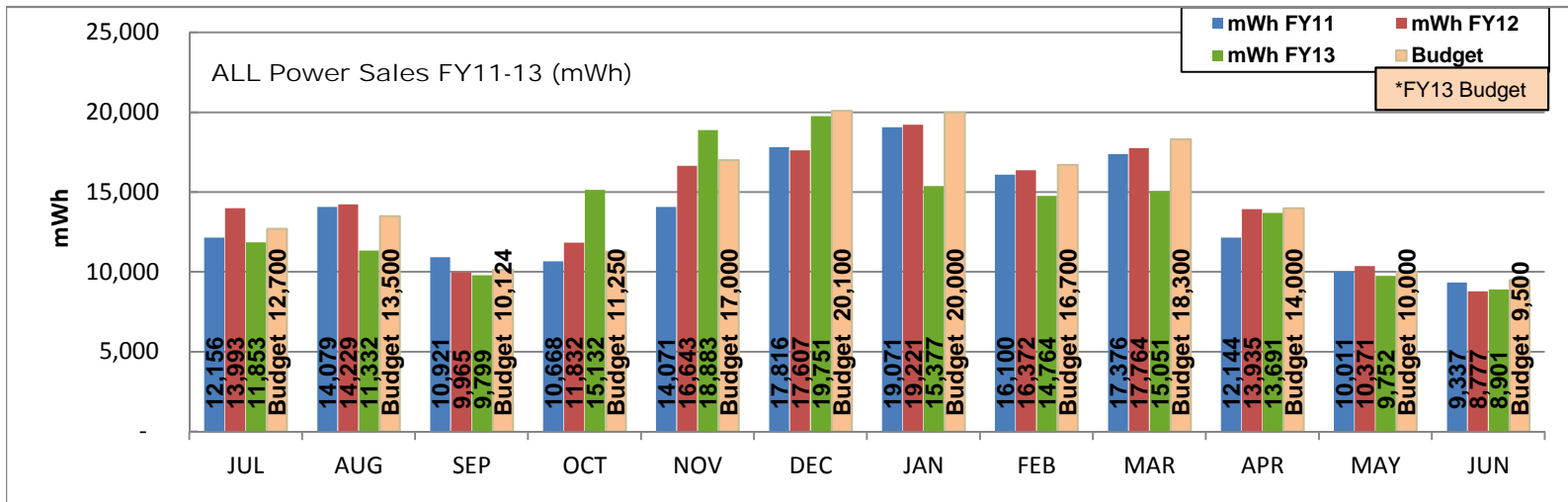
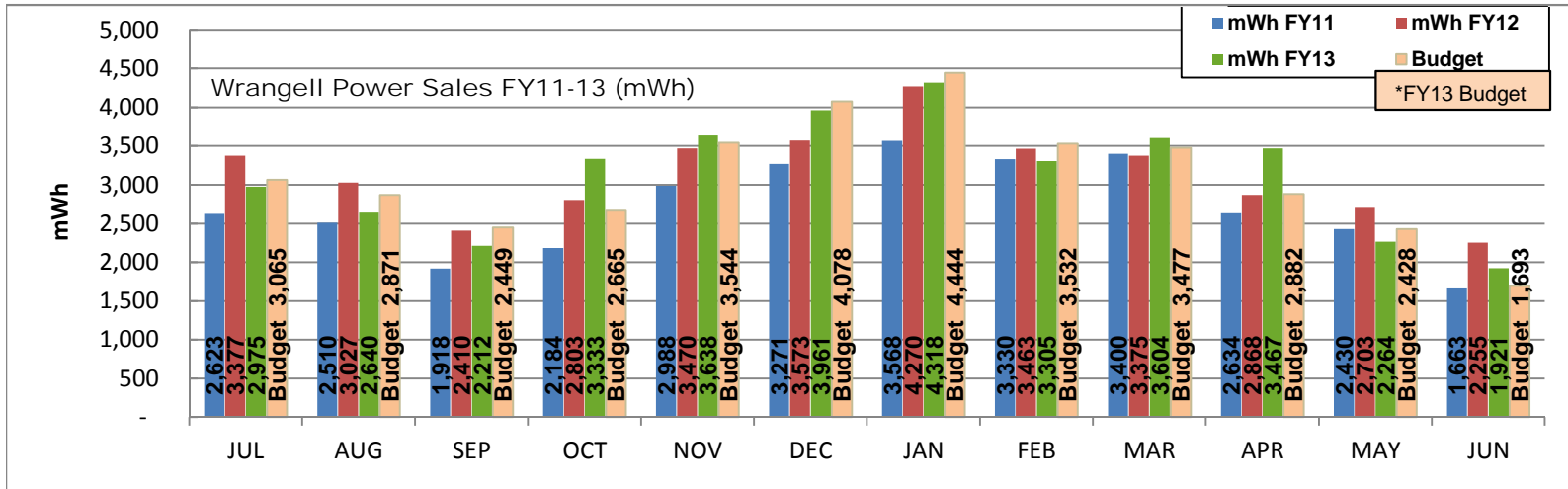
| JUNE<br>2013                      | FY13 kWh Hydropower Sales | Current Month                    |             | Year-To-Date |            |
|-----------------------------------|---------------------------|----------------------------------|-------------|--------------|------------|
|                                   |                           | Actual                           | Budget      | Actual       | Budget     |
|                                   |                           | <b>Ketchikan Power Purchases</b> | 5,272,000   | 5,597,000    | 85,850,000 |
| <b>Petersburg Power Purchases</b> | 1,708,540                 | 2,210,000                        | 40,798,210  | 43,234,000   |            |
| <b>Wrangell Power Purchases</b>   | 1,920,870                 | 1,693,000                        | 37,640,010  | 37,128,000   |            |
| <b>Total Power Purchases</b>      | 8,901,410                 | 9,500,000                        | 164,288,220 | 173,174,000  |            |





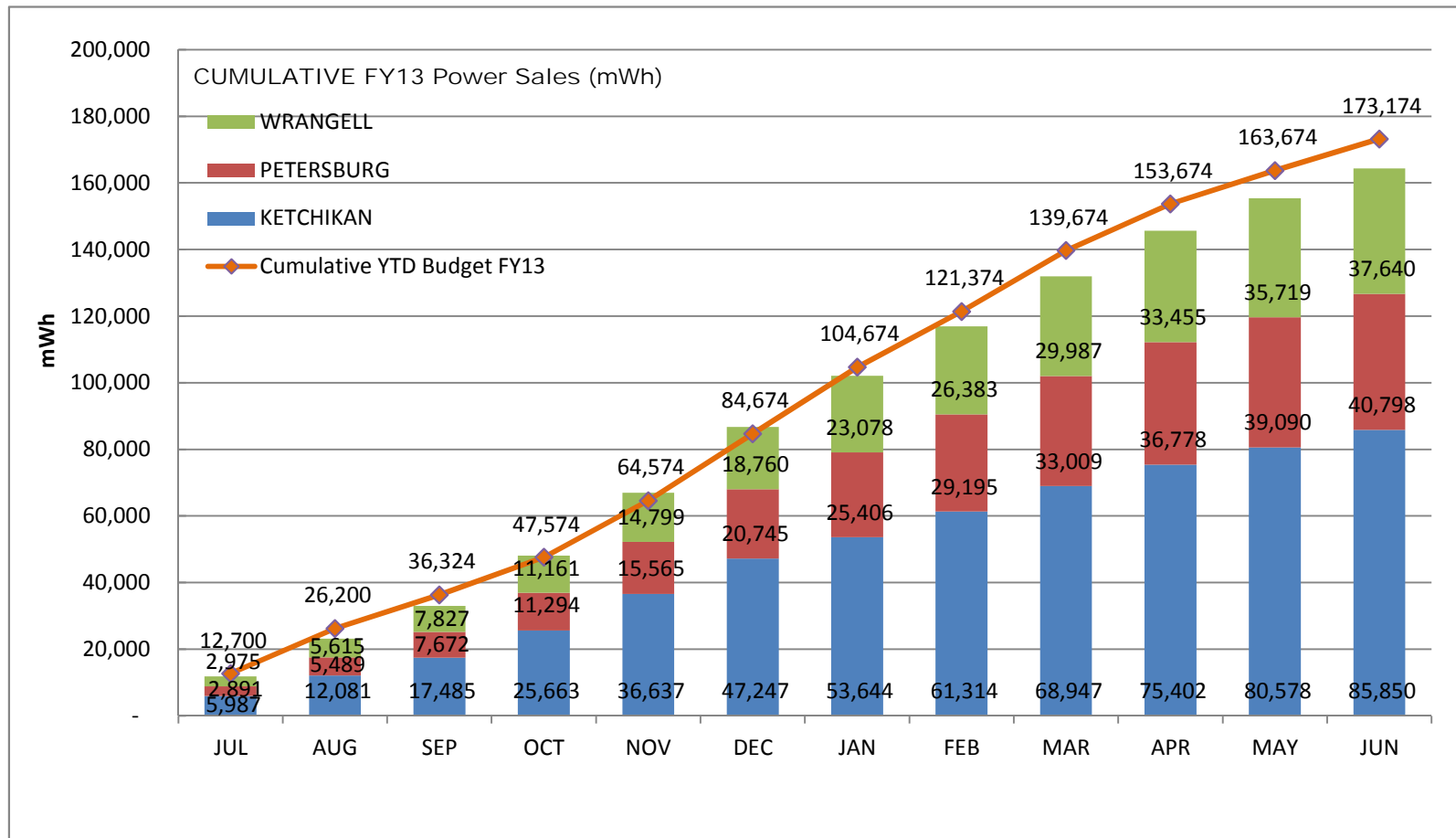
## SOUTHEAST ALASKA POWER AGENCY Power Sales - FY11 through FY13

| JUNE<br>2013                      | FY13 kWh Hydropower Sales | Current Month                    |             | Year-To-Date |            |
|-----------------------------------|---------------------------|----------------------------------|-------------|--------------|------------|
|                                   |                           | Actual                           | Budget      | Actual       | Budget     |
|                                   |                           | <b>Ketchikan Power Purchases</b> | 5,272,000   | 5,597,000    | 85,850,000 |
| <b>Petersburg Power Purchases</b> | 1,708,540                 | 2,210,000                        | 40,798,210  | 43,234,000   |            |
| <b>Wrangell Power Purchases</b>   | 1,920,870                 | 1,693,000                        | 37,640,010  | 37,128,000   |            |
| <b>Total Power Purchases</b>      | 8,901,410                 | 9,500,000                        | 164,288,220 | 173,174,000  |            |



## SOUTHEAST ALASKA POWER AGENCY Power Sales - FY11 through FY13

| JUNE<br>2013                      | FY13 kWh Hydropower Sales | Current Month                    |             | Year-To-Date |            |
|-----------------------------------|---------------------------|----------------------------------|-------------|--------------|------------|
|                                   |                           | Actual                           | Budget      | Actual       | Budget     |
|                                   |                           | <b>Ketchikan Power Purchases</b> | 5,272,000   | 5,597,000    | 85,850,000 |
| <b>Petersburg Power Purchases</b> | 1,708,540                 | 2,210,000                        | 40,798,210  | 43,234,000   |            |
| <b>Wrangell Power Purchases</b>   | 1,920,870                 | 1,693,000                        | 37,640,010  | 37,128,000   |            |
| <b>Total Power Purchases</b>      | 8,901,410                 | 9,500,000                        | 164,288,220 | 173,174,000  |            |



**SOUTHEAST ALASKA POWER AGENCY**  
**FY13 Grant Summary**  
Through June 30, 2013

|                                | <b>Grant</b>     | <b>Expenditures</b> | <b>Balance</b>   |
|--------------------------------|------------------|---------------------|------------------|
| <b>Grant Income</b>            |                  |                     |                  |
| <b>*FY13 AEA KPI#1</b>         |                  |                     |                  |
| 1 - Project Mgmt               | 320,000          | 82,453              | 237,547          |
| 2 - EIS                        | 1,030,000        | 598,889             | 431,111          |
| 3 - Engineering / Design       | 1,613,298        | 172,562             | 1,440,736        |
| 4 - SE Conference              | 26,702           | 26,702              | (0)              |
| <b>Total FY13 AEA KPI#1</b>    | <b>2,990,000</b> | <b>880,606</b>      | <b>2,109,394</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          | 6,392               | 571,608          |
| 2 - G&T Site Evaluation        | 1,705,000        | 175                 | 1,704,825        |
| 3 - Stability / Interconnectiv | 146,000          | 0                   | 146,000          |
| 4 - Load Balance Model         | 112,000          | 0                   | 112,000          |
| 5 - Project Mgmt               | 309,000          | 0                   | 309,000          |
| 6 - Business Analysis / PSA    | 150,000          | 33,680              | 116,320          |
| <b>Total FY13 AK DLG</b>       | <b>3,000,000</b> | <b>40,248</b>       | <b>2,959,752</b> |
| <b>TOTAL</b>                   | <b>7,990,000</b> | <b>920,853</b>      | <b>7,069,147</b> |

\*Kwaan Electric Transmission Intertie Coop. expended \$704,052 prior to assigning the grant to SEAPA



DATE: July 26, 2013  
TO: SEAPA Board of Directors  
FROM: Trey Acteson  
SUBJECT: Financial Reports – May, 2013

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Financial reports for May, 2013 follow this memo. The following are a few brief highlights:

- May, 2013 revenues from kWh sales were under budget:  
\$663,146 actual vs. \$680,000 budget.
  - Ketchikan - \$351,968 actual vs. \$303,416 budget
  - Petersburg - \$157,198 actual vs. \$211,480 budget
  - Wrangell - \$153,981 actual vs. \$165,104 budget
  
- Year-to-date (July – May) revenues from kWh sales were also lower than budget:  
\$10,566,303 actual vs. \$11,129,832 budget.
  - Ketchikan - \$5,479,304 actual vs. \$5,930,620 budget
  - Petersburg - \$2,658,098 actual vs. \$2,789,632 budget
  - Wrangell - \$2,428,901 actual vs. \$2,409,580 budget
  
- May, 2013 sales in kWh – 9,752,160 vs.  
May, 2012 sales in kWh – 10,370,570 and  
May, 2011 sales in kWh – 10,210,630
  
- Year-to-date (July – May, 2013) sales in kWh – 155,386,810 vs.  
Year-to-date (July – May, 2012) sales in kWh – 161,932,070 and  
Year-to-date (July – May, 2011) sales in kWh – 154,412,040
  
- Administrative and operating expenses for May, 2013 were under budget:  
\$463,164 actual vs. \$547,044 budget.
  
- Year-to-date administrative and operating expenses (July – May) were under budget:  
\$4,505,662 actual vs. \$6,073,286 budget.

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

# SOUTHEAST ALASKA POWER AGENCY

## Fund Allocation Graph

As of May 31, 2013

05/31/2013

**ASSETS**

**Current Assets**

**Agency Funds**

**111000 · Ops/Capital/Insurance Funds**

|   |                   |
|---|-------------------|
| 111100 · Revenue Fund FB                          | 4,274,221         |
| 111200 · Required R&R Fund FB                     | 1,000,562         |
| 111210 · Dedicated R&R Projects Fund FB           | 5,274,923         |
| 111300 · Commercial FB                            | 1,200             |
| 111400 · Subordinate Debt Fund FB                 | 309               |
| 111500 · Self Insured Risk Fund FNBA              | 10,231,541        |
| <b>Total 111000 · Ops/Capital/Insurance Funds</b> | <b>20,782,757</b> |

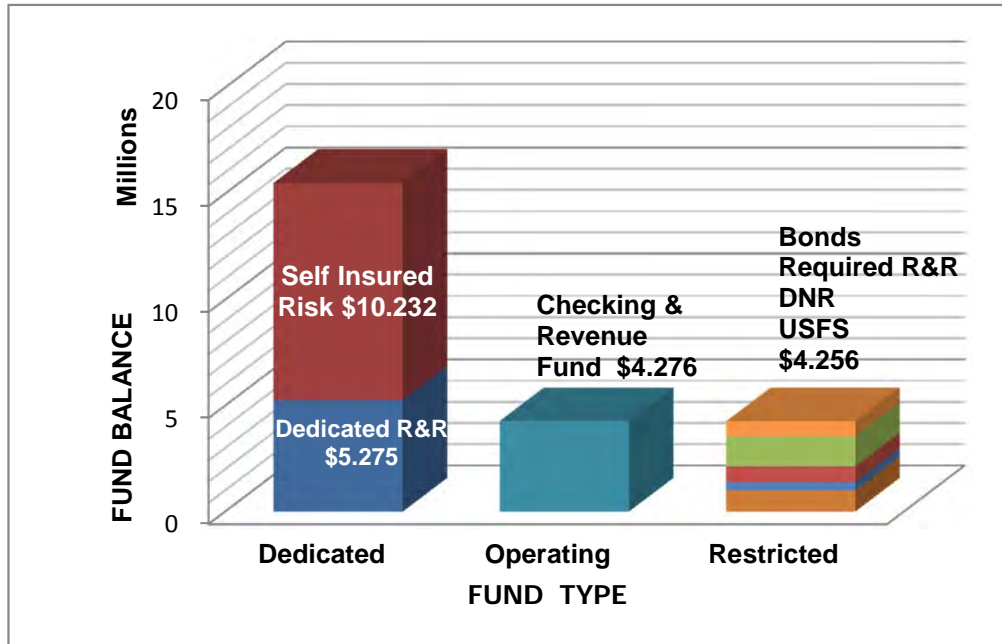
**112000 · Trustee Funds**

|                                     |                  |
|-------------------------------------|------------------|
| 112100 · WF Trust Bond Interest     | 395,361          |
| 112200 · WF Trust Bond Principal    | 733,368          |
| 112300 · WF Trust Bond Reserve      | 1,402,439        |
| 112400 · WF Refund 2004AB Escrow    | 2                |
| <b>Total 112000 · Trustee Funds</b> | <b>2,531,169</b> |

**113000 · Restricted Funds**

|  |                |
|--|----------------|
| 113100 · STI - USFS CD WF              | 21,608         |
| 113500 · DNR Reclamation Fund WF       | 702,249        |
| <b>Total 113000 · Restricted Funds</b> | <b>723,856</b> |

**Total Agency Funds** **24,037,782**



**Dedicated Funds**

Self-Insured Risk Fund = Coverage for uninsured transmission lines, submarine cables and insurance deductibles  
 Dedicated R&R = Funding for FY13 Replacement & Repair projects approved by Board

**Operating Funds**

Checking & Revenue Fund

**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 April 30, 2013

|  | <b>05/31/2013</b>  |
|--|--------------------|
| <b>ASSETS</b>                          |                    |
| <b>Current Assets</b>                  |                    |
| <b>Agency Funds</b>                    |                    |
| 111000 · Ops/Capital/Insurance Funds   | 20,782,757         |
| 112000 · Trustee Funds                 | 2,531,169          |
| 113000 · Restricted Funds              | 723,856            |
| <b>Total Agency Funds</b>              | 24,037,782         |
| <b>Accounts Receivable</b>             |                    |
| 110000 · Accounts Receivable           | 1,249,785          |
| <b>Total Accounts Receivable</b>       | 1,249,785          |
| <b>Other Current Assets</b>            |                    |
| 120000 · Other Current Assets          | 312,992            |
| <b>Total Other Current Assets</b>      | 312,992            |
| <b>Total Current Assets</b>            | 25,600,559         |
| <b>Fixed Assets</b>                    |                    |
| 130000 · Fixed Assets                  | 132,497,293        |
| <b>Total Fixed Assets</b>              | 132,497,293        |
| <b>Other Assets</b>                    |                    |
| 133000 · Other Assets                  | 265,672            |
| <b>Total Other Assets</b>              | 265,672            |
| <b>TOTAL ASSETS</b>                    | <b>158,363,523</b> |
| <b>LIABILITIES &amp; EQUITY</b>        |                    |
| <b>Liabilities</b>                     |                    |
| <b>Current Liabilities</b>             |                    |
| <b>Accounts Payable</b>                |                    |
| 210100 · Accounts Payable General      | 240,899            |
| <b>Total Accounts Payable</b>          | 240,889            |
| <b>Other Current Liabilities</b>       |                    |
| 210150 · Other Current Liabilities     | 247,500            |
| 210300 · Reserve Interest Payable      | 338,615            |
| 210400 · Wages Payable                 | 56,922             |
| 210500 · Payroll Liabilities           | 845                |
| <b>Total Other Current Liabilities</b> | 643,882            |
| <b>Total Current Liabilities</b>       | 884,771            |
| <b>Long Term Liabilities</b>           |                    |
| 220000 · Long Term Liabilities         | 14,658,414         |
| <b>Total Long Term Liabilities</b>     | 14,658,414         |
| <b>Total Liabilities</b>               | 15,543,186         |
| <b>Equity</b>                          |                    |
| 310000 · Equity                        | 133,661,640        |
| 32000 · Unrestricted Net Assets        | 7,404,056          |
| Net Income                             | 1,754,641          |
| <b>Total Equity</b>                    | 142,820,338        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>  | <b>158,363,523</b> |

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Summary**  
 May 2013

|  | <u>May 2013</u>         |
|--|-------------------------|
| <b>Ordinary Income/Expense</b>           |                         |
| <b>Income</b>                            |                         |
| 410000 · Hydro Facility Revenues         | 663,147                 |
| <b>Total Income</b>                      | <u>663,147</u>          |
| <b>Expense</b>                           |                         |
| 535000 · Hydro/Ops-Suprvision & Engineer | 29,660                  |
| 537000 · Hydraulic Expenses              | 3,863                   |
| 538000 · Electric Expenses               | 99                      |
| 539000 · Misc Power Generation Expense   | 27,137                  |
| 540000 · Rents                           | 15,184                  |
| 541000 · Hydro Power Station Maintenance | 2,238                   |
| 542000 · Hydro Structure Maintenance     | 17,951                  |
| 543000 · Dams, Reservoirs & Waterways    | 11,015                  |
| 544000 · Maintenance of Electric Plant   | 68,512                  |
| 545000 · Plant Miscellaneous Maintenance | 6,914                   |
| 560000 · Trans Sys Operation Sup & Eng   | 496                     |
| 561000 · Trans/SCADA Load Dispatch       | 0                       |
| 562000 · Trans/Operations Station Exp    | 19,067                  |
| 564000 · Trans/Submarine Cable Expense   | 0                       |
| 571000 · Trans/Maint - Overhead Lines    | 44,138                  |
| 920000 · Administrative Expenses         | 87,820                  |
| 921000 · Office Expenses                 | 6,437                   |
| 922000 · Legislative Affairs             | 4,000                   |
| 923000 · Contract Services               | 34,425                  |
| 924000 · Insurance                       | 61,031                  |
| 928000 · Regulatory Commission Expense   | 7,500                   |
| 930000 · General Expenses                | 10,016                  |
| 931000 · Admin Rent                      | 5,659                   |
| <b>Total Expense</b>                     | <u>463,164</u>          |
| <b>Net Ordinary Income</b>               | 199,983                 |
| <b>Other Income/Expense</b>              |                         |
| <b>Other Income</b>                      |                         |
| 941000 · Grant Income                    | 12,243                  |
| 942000 · Interest Income                 | (12,554)                |
| 944000 · Realized Gain/Loss              | (20,378)                |
| 945000 · Unrealized Gain/Loss            | 300                     |
| <b>Total Other Income</b>                | <u>(20,388)</u>         |
| <b>Other Expense</b>                     |                         |
| 951000 · Amortization Expense            | 3,518                   |
| 952000 · Bond Interest 2009 Series       | 57,340                  |
| 953000 · Depreciation Expense            | 324,908                 |
| 954000 · Grant Expenses                  | 27,696                  |
| 954100 · Contributed Capital             | (4,142)                 |
| 98000 · R&R Fund Expenses                | 638                     |
| <b>Total Other Expense</b>               | <u>409,959</u>          |
| <b>Net Other Income</b>                  | <u>(430,347)</u>        |
| <b>Net Income</b>                        | <u><u>(230,364)</u></u> |

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Detail**

As of May 31, 2013

|   | <b>May 31, 13</b> |
|---|-------------------|
| <b>ASSETS</b>                                     |                   |
| <b>Current Assets</b>                             |                   |
| <b>Agency Funds</b>                               |                   |
| <b>111000 · Ops/Capital/Insurance Funds</b>       |                   |
| 111100 · Revenue Fund FB                          | 4,274,221         |
| 111200 · Required R&R Fund FB                     | 1,000,562         |
| 111210 · Dedicated R&R Projects Fund FB           | 5,274,923         |
| 111300 · Commercial FB                            | 1,200             |
| 111400 · Subordinate Debt Fund FB                 | 309               |
| 111500 · Self Insured Risk Fund FNBA              | 10,231,541        |
| <b>Total 111000 · Ops/Capital/Insurance Funds</b> | <b>20,782,757</b> |
| <b>112000 · Trustee Funds</b>                     |                   |
| 112100 · WF Trust Bond Interest                   | 395,361           |
| 112200 · WF Trust Bond Principal                  | 733,368           |
| 112300 · WF Trust Bond Reserve                    | 1,402,439         |
| 112400 · WF Refund 2004AB Escrow                  | 2                 |
| <b>Total 112000 · Trustee Funds</b>               | <b>2,531,169</b>  |
| <b>113000 · Restricted Funds</b>                  |                   |
| 113100 · STI - USFS CD WF                         | 21,608            |
| 113500 · DNR Reclamation Fund WF                  | 702,249           |
| <b>Total 113000 · Restricted Funds</b>            | <b>723,856</b>    |
| <b>Total Agency Funds</b>                         | <b>24,037,782</b> |
| <b>Accounts Receivable</b>                        |                   |
| 110000 · Accounts Receivable                      | 1,249,785         |
| <b>Total Accounts Receivable</b>                  | <b>1,249,785</b>  |
| <b>Other Current Assets</b>                       |                   |
| <b>120000 · Other Current Assets</b>              |                   |
| 120200 · Other Receivables                        | 4,176             |
| 120300 · Accrued Interest Receivable              | 35,552            |
| <b>120500 · Prepaid Fees</b>                      |                   |
| 120510 · Prepaid FERC Fees                        | 30,671            |
| 120520 · Prepaid Insurance                        | 85,112            |
| 120540 · Prepaid USDA FS Land Use Fees            | 44,859            |
| 120550 · Prepaid Admin Expense                    | 104,479           |
| <b>Total 120500 · Prepaid Fees</b>                | <b>265,121</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>312,992</b>    |
| <b>Total Other Current Assets</b>                 | <b>312,992</b>    |
| <b>Total Current Assets</b>                       | <b>25,600,559</b> |



**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Detail**

As of May 31, 2013

|   | <b>May 31, 13</b>  |
|---|--------------------|
| <b>Fixed Assets</b>                                       |                    |
| <b>130000 · Fixed Assets</b>                              |                    |
| <b>130100 · Capital Assets</b>                            |                    |
| 130110 · Swan Lake  | 16,018,330         |
| 130120 · Tye Lake   | 25,960,484         |
| 130130 · SEAPA Office                                     | 629,330            |
| <b>Total 130100 · Capital Assets</b>                      | 42,608,145         |
| 132100 · Swan Tye Intertie in Operation                   | 111,381,868        |
| <b>132200 · R&amp;R Projects WIP Capital Improv</b>       |                    |
| <b>132210 · R&amp;R Projects - WIP Swan Lake</b>          |                    |
| 132211 · WIP SWL Agency Permits/Environm                  | 431,589            |
| 132213 · WIP SWL Equipment                                | 2,250              |
| 132214 · WIP SWL Engineering/Design                       | 3,640              |
| 132216 · WIP SWL Project Mgmt/Professnal                  | 115,607            |
| 132210 · R&R Projects - WIP Swan Lake - Other             | 1,032,875          |
| <b>Total 132210 · R&amp;R Projects - WIP Swan Lake</b>    | 1,585,961          |
| 132220 · R&R Projects - WIP Tye Lake                      | 252,643            |
| 132230 · R&R Projects - WIP STI-Transmsn                  | 154,886            |
| 132240 · R&R Projects - WIP SEAPA Office                  | 58,962             |
| <b>Total 132200 · R&amp;R Projects WIP Capital Improv</b> | 2,052,451          |
| 132900 · Accumulated Depreciation                         | (23,545,171)       |
| <b>Total 130000 · Fixed Assets</b>                        | 132,497,293        |
| <b>Total Fixed Assets</b>                                 | 132,497,293        |
| <b>Other Assets</b>                                       |                    |
| <b>133000 · Other Assets</b>                              |                    |
| <b>133100 · Accumulated Amortization</b>                  |                    |
| 133110 · Amortization                                     | (231,234)          |
| <b>Total 133100 · Accumulated Amortization</b>            | (231,234)          |
| <b>133200 · Bond Fees</b>                                 |                    |
| 133210 · Origination Fees                                 | 444,906            |
| 133220 · Cost of Issuance Fees                            | 52,000             |
| <b>Total 133200 · Bond Fees</b>                           | 496,906            |
| <b>Total 133000 · Other Assets</b>                        | 265,672            |
| <b>Total Other Assets</b>                                 | 265,672            |
| <b>TOTAL ASSETS</b>                                       | <b>158,363,523</b> |

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Detail**

As of May 31, 2013

|   | <b>May 31, 13</b> |
|---|-------------------|
| <b>LIABILITIES &amp; EQUITY</b>             |                   |
| <b>Liabilities</b>                          |                   |
| <b>Current Liabilities</b>                  |                   |
| <b>Accounts Payable</b>                     |                   |
| 210100 · Accounts Payable General           | 240,889           |
| <b>Total Accounts Payable</b>               | 240,889           |
|   |                   |
| <b>Other Current Liabilities</b>            |                   |
| 210150 · Other Current Liabilities          | 247,500           |
| 210300 · Reserve Interest Payable           | 338,615           |
| 210400 · Wages Payable                      | 56,922            |
| 210500 · Payroll Liabilities                |                   |
| 210530 · SUI Tax Payable                    | 845               |
| <b>Total 210500 · Payroll Liabilities</b>   | 845               |
| <b>Total Other Current Liabilities</b>      | 643,882           |
|   |                   |
| <b>Total Current Liabilities</b>            | 884,771           |
|   |                   |
| <b>Long Term Liabilities</b>                |                   |
| 220000 · Long Term Liabilities              |                   |
| 220100 · Series B Bonds 2009                | 14,775,000        |
| 220110 · Bond Issuance Premium              | 15,005            |
| 220120 · Bond Discount                      | (131,591)         |
| <b>Total 220000 · Long Term Liabilities</b> | 14,658,414        |
|   |                   |
| <b>Total Long Term Liabilities</b>          | 14,658,414        |
|   |                   |
| <b>Total Liabilities</b>                    | 15,543,186        |
|   |                   |
| <b>Equity</b>                               |                   |
| 310000 · Equity                             |                   |
| 310100 · STI Net Assets                     | 106,354,593       |
| 310300 · Retained Earnings                  | 27,307,048        |
| <b>Total 310000 · Equity</b>                | 133,661,640       |
|   |                   |
| 32000 · Unrestricted Net Assets             | 7,404,056         |
| Net Income                                  | 1,754,641         |
| <b>Total Equity</b>                         | 142,820,338       |
|   |                   |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>       | 158,363,523       |

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
 May 2013

|   | May 13         | Budget         | Jul '12 - May 13  | YTD Budget        | Annual Budget     |
|---|----------------|----------------|-------------------|-------------------|-------------------|
| <b>Ordinary Income/Expense</b>                            |                |                |                   |                   |                   |
| <b>Income</b>   |                |                |                   |                   |                   |
| <b>410000 · Hydro Facility Revenues</b>                   |                |                |                   |                   |                   |
| 410100 · Ketchikan Power Purchases                        | 351,968        | 303,416        | 5,479,304         | 5,930,620         | 6,311,216         |
| 410200 · Petersburg Power Purchases                       | 157,198        | 211,480        | 2,658,098         | 2,789,632         | 2,939,912         |
| 410300 · Wrangell Power Purchases                         | 153,981        | 165,104        | 2,428,902         | 2,409,580         | 2,524,704         |
| <b>Total 410000 · Hydro Facility Revenues</b>             | <b>663,147</b> | <b>680,000</b> | <b>10,566,303</b> | <b>11,129,832</b> | <b>11,775,832</b> |
| <b>Total Income</b>                                       | <b>663,147</b> | <b>680,000</b> | <b>10,566,303</b> | <b>11,129,832</b> | <b>11,775,832</b> |
| <b>Gross Profit</b>                                       | <b>663,147</b> | <b>680,000</b> | <b>10,566,303</b> | <b>11,129,832</b> | <b>11,775,832</b> |
| <b>Expense</b>  |                |                |                   |                   |                   |
| <b>535000 · Hydro/Ops-Suprvision &amp; Engineer</b>       |                |                |                   |                   |                   |
| 535100 · Hyd/Ops Sup & Eng - Swan Lake                    | 16,060         | 8,725          | 53,502            | 95,475            | 104,150           |
| 535200 · Hyd/Ops Sup & Eng - Tyee Lake                    | 12,567         | 12,700         | 116,574           | 132,700           | 144,700           |
| 535300 · Hyd/Op Sup & Eng - Admin                         | -              | 4,900          | 280               | 45,900            | 50,000            |
| 535400 · Hyd/Op Sup & Eng - Proj Drawing                  | -              | 20,000         | 1,617             | 180,000           | 200,000           |
| 535700 · Hyd/Op Sup & Eng - 4R Plan                       | 1,032          | -              | 65,820            | 50,000            | 50,000            |
| 535800 · Hyd/Op Sup & Eng-Operatn Review                  | -              | 18,500         | 49,004            | 183,500           | 200,000           |
| <b>Total 535000 · Hydro/Ops-Suprvision &amp; Engineer</b> | <b>29,660</b>  | <b>64,825</b>  | <b>286,796</b>    | <b>687,575</b>    | <b>748,850</b>    |
| <b>537000 · Hydraulic Expenses</b>                        |                |                |                   |                   |                   |
| 537100 · Hydraulic Expense - Swan Lake                    | -              | 480            | 582               | 5,270             | 5,750             |
| 537200 · Hydraulic Expense - Tyee Lake                    | 29             | 85             | 29                | 915               | 1,000             |
| 537300 · Hydraulic Expense - MAPCON Adm                   | -              | 800            | 4,390             | 9,200             | 10,000            |
| 537400 · Hydraulic Expense - Engineering                  | 3,834          | 600            | 10,502            | 4,600             | 5,000             |
| <b>Total 537000 · Hydraulic Expenses</b>                  | <b>3,863</b>   | <b>1,965</b>   | <b>15,503</b>     | <b>19,985</b>     | <b>21,750</b>     |
| <b>538000 · Electric Expenses</b>                         |                |                |                   |                   |                   |
| 538100 · Electric Expense - Swan Lake                     | 99             | 190            | 2,505             | 2,060             | 2,250             |
| 538200 · Electric Expense - Tyee Lake                     | -              | 270            | 10,747            | 2,980             | 3,250             |
| 538300 · Electric Exp - Engineer/Consult                  | -              | 2,000          | 98                | 23,000            | 25,000            |
| 538400 · Electric Exp - Governor Support                  | -              | 85             | -                 | 915               | 1,000             |
| <b>Total 538000 · Electric Expenses</b>                   | <b>99</b>      | <b>2,545</b>   | <b>13,350</b>     | <b>28,955</b>     | <b>31,500</b>     |
| <b>539000 · Misc Power Generation Expense</b>             |                |                |                   |                   |                   |
| 539100 · Misc Exp - Swan Lake                             | 6,983          | 7,020          | 37,596            | 72,020            | 78,520            |
| 539200 · Misc Expense - Tyee Lake                         | 6,547          | 20,230         | 196,922           | 221,930           | 242,100           |
| 539300 · Misc Expense - Annual Inspectns                  | -              | 1,800          | 20,599            | 18,800            | 20,500            |
| 539310 · Fuel & Delivery                                  | -              | -              | 7,638             | -                 | -                 |
| 539400 · Misc Expense - Permits & Maps                    | -              | -              | 1,050             | -                 | -                 |
| 539500 · Misc Expense - Communications                    | 13,607         | 12,120         | 143,277           | 133,380           | 145,500           |
| <b>Total 539000 · Misc Power Generation Expense</b>       | <b>27,137</b>  | <b>41,170</b>  | <b>407,081</b>    | <b>446,130</b>    | <b>486,620</b>    |
| <b>540000 · Rents</b>                                     |                |                |                   |                   |                   |
| 540300 · FERC Land Use Fee - Swan Lake                    | 3,846          | 3,660          | 35,803            | 40,340            | 44,000            |
| 540400 · FERC Land Use Fee - Tyee Lake                    | 3,822          | 3,300          | 34,963            | 36,700            | 40,000            |
| 540500 · USDA Land Use Fee - USFS ROW                     | 2,649          | 1,650          | 17,889            | 18,350            | 20,000            |
| 540600 · USDA Land Use Fee - STI                          | 4,720          | 5,000          | 51,396            | 55,000            | 60,000            |
| 540700 · USDA Tyee Passive Reflector                      | 103            | 110            | 1,127             | 1,240             | 1,350             |
| 540710 · USDA Etolin Burnett Radio                        | 44             | 50             | 475               | 600               | 650               |
| <b>Total 540000 · Rents</b>                               | <b>15,184</b>  | <b>13,770</b>  | <b>141,653</b>    | <b>152,230</b>    | <b>166,000</b>    |
| <b>541000 · Hydro Power Station Maintenance</b>           |                |                |                   |                   |                   |
| 541100 · Maint/Supervision - Swan Lake                    | -              | -              | (5)               | -                 | -                 |
| 541200 · Maint/Supervision - Tyee Lake                    | -              | -              | -                 | -                 | -                 |
| 541300 · Maint/Sup - Operator Training                    | -              | 2,500          | 1,654             | 27,500            | 30,000            |
| 541400 · Maint/Sup - Reliability Mgmt                     | -              | 6,000          | 2,875             | 66,000            | 72,000            |
| 541500 · Maint/Sup - Engineering Service                  | 2,238          | 5,800          | 51,826            | 64,200            | 70,000            |
| <b>Total 541000 · Hydro Power Station Maintenance</b>     | <b>2,238</b>   | <b>14,300</b>  | <b>56,349</b>     | <b>157,700</b>    | <b>172,000</b>    |

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
**May 2013**

|   | May 13 | Budget | Jul '12 - May 13 | YTD Budget | Annual Budget |
|---|--------|--------|------------------|------------|---------------|
| <b>542000 · Hydro Structure Maintenance</b>             |        |        |                  |            |               |
| 542100 · Hyd Structure Maint - Swan Lake                | 17,951 | 5,700  | 147,852          | 63,200     | 68,900        |
| <b>Total 542000 · Hydro Structure Maintenance</b>       | 17,951 | 5,700  | 147,852          | 63,200     | 68,900        |
| <b>543000 · Dams, Reservoirs &amp; Waterways</b>        |        |        |                  |            |               |
| 543100 · Dams Res & Waterwys - Swan Lake                | 7,594  | 2,300  | 56,787           | 17,300     | 18,800        |
| 543200 · Dams Res & Waterwys - Tyee Lake                | 86     | 850    | 5,434            | 7,350      | 8,000         |
| 543300 · Dams Res & Wtrwys - Dam Surveys                | 3,335  | 210    | 6,237            | 2,290      | 2,500         |
| 543410 · Dams Res & Waterwys-DSSMR-SL                   | -      | 830    | 5,968            | 9,170      | 10,000        |
| <b>Total 543000 · Dams, Reservoirs &amp; Waterways</b>  | 11,015 | 4,190  | 74,426           | 36,110     | 39,300        |
| <b>544000 · Maintenance of Electric Plant</b>           |        |        |                  |            |               |
| 544100 · Maint Electric Plant-Swan Lake                 | 20,733 | 23,250 | 150,097          | 254,250    | 277,350       |
| 544200 · Maint Electric Plant-Tyee Lake                 | 47,778 | 55,850 | 545,690          | 610,350    | 665,800       |
| 544300 · Maint Electric Plant-Engineerng                | -      | 4,150  | 2,881            | 45,850     | 50,000        |
| <b>Total 544000 · Maintenance of Electric Plant</b>     | 68,512 | 83,250 | 698,669          | 910,450    | 993,150       |
| <b>545000 · Plant Miscellaneous Maintenance</b>         |        |        |                  |            |               |
| 545100 · Plant Misc Maint - Swan Lake                   | 5,918  | 20,900 | 189,239          | 229,800    | 250,700       |
| 545200 · Plant Misc Maint - Tyee Lake                   | 577    | 1,250  | 3,992            | 12,750     | 13,900        |
| 545300 · Plant M/M - USGS Stream Gauging                | 420    | 1,000  | 20,474           | 54,000     | 55,000        |
| 545400 · Plant Misc Maint - ADF&G                       | -      | 1,650  | -                | 18,350     | 20,000        |
| <b>Total 545000 · Plant Miscellaneous Maintenance</b>   | 6,914  | 24,800 | 213,705          | 314,900    | 339,600       |
| <b>560000 · Trans Sys Operation Sup &amp; Eng</b>       |        |        |                  |            |               |
| 560200 · Sys Ops Sup & Eng - Tyee Lake                  | 496    | 1,400  | 6,358            | 13,400     | 14,600        |
| 560300 · Sys Ops Sup & Eng-Enginr/Const                 | -      | 7,900  | 19,649           | 87,100     | 95,000        |
| <b>Total 560000 · Trans Sys Operation Sup &amp; Eng</b> | 496    | 9,300  | 26,007           | 100,500    | 109,600       |
| <b>561000 · Trans/SCADA Load Dispatch</b>               |        |        |                  |            |               |
| 561200 · SCADA Load Dispatch - Tyee Lake                | -      | 620    | 10,686           | 6,420      | 7,000         |
| 561400 · SCADA Support- Engineer/Consult                | -      | -      | 2,164            | -          | -             |
| <b>Total 561000 · Trans/SCADA Load Dispatch</b>         | -      | 620    | 12,850           | 6,420      | 7,000         |
| <b>562000 · Trans/Operations Station Exp</b>            |        |        |                  |            |               |
| 562100 · Trans/Ops Station - Swan Lake                  | 1,363  | 1,250  | 2,315            | 13,750     | 15,000        |
| 562200 · Trans/Ops Station - Tyee Lake                  | 1,915  | 2,600  | 25,851           | 28,100     | 30,650        |
| 562300 · Trans/Ops - Contract Services                  | 15,789 | 10,600 | 40,502           | 114,600    | 125,000       |
| <b>Total 562000 · Trans/Operations Station Exp</b>      | 19,067 | 14,450 | 68,667           | 156,450    | 170,650       |
| <b>564000 · Trans/Submarine Cable Expense</b>           |        |        |                  |            |               |
| 564200 · Trans/Sub Cable Exp - Tyee Lake                | -      | 425    | 12,167           | 4,425      | 4,825         |
| 564300 · Trans/Sub Cable-Engineerng Serv                | -      | 2,500  | -                | 27,500     | 30,000        |
| <b>Total 564000 · Trans/Submarine Cable Expense</b>     | -      | 2,925  | 12,167           | 31,925     | 34,825        |
| <b>571000 · Trans/Maint Overhead Lines(OHL)</b>         |        |        |                  |            |               |
| 571100 · Trans/Maint OHL - Swan Lake                    | 827    | 1,500  | 829              | 13,500     | 14,700        |
| 571200 · Trans/Maint OHL - Tyee Lake                    | 25,141 | 19,500 | 174,615          | 210,500    | 229,600       |
| 571300 · Trans/Maint OHL STI Maintenance                | 18,170 | 37,500 | 125,497          | 412,500    | 450,000       |
| 571600 · Trans/Maint OHL Spare Mat Stor                 | -      | -      | 350              | 500        | 500           |
| 571700 · Trans/Maint OH STI Clearing                    | -      | 9,000  | -                | 91,000     | 100,000       |
| 571800 · Trans/Maint OHL System Events                  | -      | 15,000 | 30,498           | 135,000    | 150,000       |
| <b>Total 571000 · Trans/Maint Overhead Lines(OHL)</b>   | 44,138 | 82,500 | 331,789          | 863,000    | 944,800       |

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
 May 2013

|   | May 13  | Budget  | Jul '12 - May 13 | YTD Budget | Annual Budget |
|---|---------|---------|------------------|------------|---------------|
| <b>920000 - Administrative Expenses</b>             |         |         |                  |            |               |
| <b>920100 - Administrative</b>                      | 87,820  | 75,680  | 851,508          | 831,420    | 907,100       |
| <b>920200 - Contract Staff</b>                      | -       |         | 47,200           | 48,750     | 48,750        |
| <b>Total 920000 - Administrative Expenses</b>       | 87,820  | 75,680  | 898,708          | 880,170    | 955,850       |
| <b>921000 - Office Expenses</b>                     |         |         |                  |            |               |
| <b>921100 - Office Supplies</b>                     | 275     | 1,700   | 9,169            | 18,800     | 20,500        |
| <b>921200 - Office Equipment</b>                    | 2,688   | 1,000   | 24,654           | 14,000     | 15,000        |
| <b>921300 - Phone, Courier, Internet</b>            | 999     | 1,950   | 19,089           | 20,750     | 22,700        |
| <b>921400 - System Networking</b>                   | 2,350   | 2,950   | 26,611           | 32,400     | 35,350        |
| <b>921600 - Vehicle Expenses</b>                    | 125     | 300     | 911              | 2,300      | 2,500         |
| <b>Total 921000 - Office Expenses</b>               | 6,437   | 7,900   | 80,434           | 88,250     | 96,050        |
| <b>922000 - Legislative Affairs</b>                 | 4,000   | 5,900   | 44,391           | 64,100     | 70,000        |
| <b>923000 - Contract Services</b>                   |         |         |                  |            |               |
| <b>923200 - Annual Financial Audit</b>              | -       |         | 23,143           | 26,000     | 26,000        |
| <b>923300 - Bank &amp; Trustee Fees</b>             | 374     | 960     | 11,262           | 10,540     | 11,500        |
| <b>923400 - Insurance Consultant</b>                | 8,336   | 1,250   | 15,321           | 13,750     | 15,000        |
| <b>923500 - Investment Consultant</b>               | 2,117   | 2,210   | 23,261           | 24,290     | 26,500        |
| <b>923600 - Legal Fees</b>                          | 17,355  | 16,650  | 120,123          | 183,350    | 200,000       |
| <b>923700 - Recruitment</b>                         | -       |         | 23,954           | 30,000     | 30,000        |
| <b>923800 - Other Professional Services</b>         | 6,243   |         | 11,439           |            |               |
| <b>Total 923000 - Contract Services</b>             | 34,425  | 21,070  | 228,503          | 287,930    | 309,000       |
| <b>924000 - Insurance</b>                           | 61,031  | 47,650  | 467,725          | 524,150    | 571,800       |
| <b>928000 - Regulatory Commission Expense</b>       |         |         |                  |            |               |
| <b>928100 - Emergency Action Plan</b>               | -       | 200     | 20,873           | 2,300      | 2,500         |
| <b>928200 - FERC Filings</b>                        | -       | 84      | -                | 916        | 1,000         |
| <b>928300 - FERC Administrative Fees</b>            | 7,500   | 7,500   | 76,570           | 82,500     | 90,000        |
| <b>Total 928000 - Regulatory Commission Expense</b> | 7,500   | 7,784   | 97,443           | 85,716     | 93,500        |
| <b>930000 - General Expenses</b>                    |         |         |                  |            |               |
| <b>930100 - Advertising Expense</b>                 | 4,552   | 290     | 14,991           | 3,210      | 3,500         |
| <b>930200 - Annual Rpt/Signage Expense</b>          | -       | 20      | 54               | 220        | 250           |
| <b>930300 - Association Dues Expense</b>            | -       | 2,300   | 27,704           | 25,300     | 27,600        |
| <b>930400 - Board Meeting Expenses</b>              | 2,128   | 3,000   | 30,067           | 37,000     | 45,000        |
| <b>930500 - Training Expense</b>                    | -       | 750     | 9,732            | 8,250      | 9,000         |
| <b>930600 - Travel Expense</b>                      | 3,303   | 2,500   | 38,323           | 27,500     | 30,000        |
| <b>930700 - Non-Travel Incidental</b>               | 34      | 290     | 2,002            | 3,210      | 3,500         |
| <b>Total 930000 - General Expenses</b>              | 10,016  | 9,150   | 122,873          | 104,690    | 118,850       |
| <b>931000 - Admin Rent</b>                          |         |         |                  |            |               |
| <b>931100 - Apartment Rent - Ketchikan</b>          | 725     | 1,500   | 12,907           | 17,250     | 18,750        |
| <b>931000 - Admin Rent - Other</b>                  | 4,934   | 4,100   | 46,571           | 45,500     | 49,600        |
| <b>Total 931000 - Admin Rent</b>                    | 5,659   | 5,600   | 59,478           | 62,750     | 68,350        |
| <b>Total Expense</b>                                | 463,164 | 547,044 | 4,506,420        | 6,073,286  | 6,617,945     |
| <b>Net Ordinary Income</b>                          | 199,983 | 132,956 | 6,059,883        | 5,056,546  | 5,157,887     |

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
 May 2013

|  | May 13           | Budget         | Jul '12 - May 13   | YTD Budget       | Annual Budget    |
|--|------------------|----------------|--------------------|------------------|------------------|
| <b>Other Income/Expense</b>                    |                  |                |                    |                  |                  |
| <b>Other Income</b>                            |                  |                |                    |                  |                  |
| 941000 · Grant Income                          | -                |                | 106,685            |                  |                  |
| 942000 · Interest Income                       |                  |                |                    |                  |                  |
| 942100 · Misc Interest Income                  | 546              |                | 16,313             |                  |                  |
| 942200 · Investment Interest Income            | 11,697           |                | 144,713            |                  |                  |
| <b>Total 942000 · Interest Income</b>          | <b>12,243</b>    |                | <b>161,026</b>     |                  |                  |
| 944000 · Realized Gain/Loss                    |                  |                |                    |                  |                  |
| 944100 · Realized Gain/Loss Bonds              | -                |                | (2,349)            |                  |                  |
| 944200 · Realized Gain/Loss on Invest          | (12,554)         |                | (40,766)           |                  |                  |
| <b>Total 944000 · Realized Gain/Loss</b>       | <b>(12,554)</b>  |                | <b>(43,116)</b>    |                  |                  |
| 945000 · Unrealized Gain/Loss                  |                  |                |                    |                  |                  |
| 945100 · Unrealized Gain/Loss Bonds            | (1,339)          |                | (11,382)           |                  |                  |
| 945200 · Unrealized Gain/Loss Investment       | (19,039)         |                | 6,291              |                  |                  |
| <b>Total 945000 · Unrealized Gain/Loss</b>     | <b>(20,378)</b>  |                | <b>(5,091)</b>     |                  |                  |
| 946000 · Misc Nonoperating Income              |                  |                |                    |                  |                  |
| 946001 · Other Misc Income                     | 300              |                | 300                |                  |                  |
| 946002 · Gain/Loss on Property Dispositrn      | -                |                | 16,939             |                  |                  |
| <b>Total 946000 · Misc Nonoperating Income</b> | <b>300</b>       |                | <b>17,239</b>      |                  |                  |
| <b>Total Other Income</b>                      | <b>(20,388)</b>  |                | <b>236,743</b>     |                  |                  |
| <b>Other Expense</b>                           |                  |                |                    |                  |                  |
| 951000 · Amortization Expense                  | 3,518            |                | 38,698             |                  |                  |
| 952000 · Bond Interest 2009 Series             | 57,340           |                | 630,742            |                  |                  |
| 953000 · Depreciation Expense                  | 324,908          |                | 3,573,992          |                  |                  |
| 954000 · Grant Expenses                        |                  |                |                    |                  |                  |
| 954002 · Grant Contractual                     | 21,686           |                | 169,867            |                  |                  |
| 954004 · Grant Labor & Benefits                | 1,075            |                | 3,912              |                  |                  |
| 954005 · Grant Legal                           | 630              |                | 27,125             |                  |                  |
| 954006 · Grant Materials & Supplies            | -                |                | 2,498              |                  |                  |
| 954007 · Grant Other Expense                   | 1,182            |                | 5,102              |                  |                  |
| 954008 · Grant Travel                          | 3,123            |                | 8,297              |                  |                  |
| <b>Total 954000 · Grant Expenses</b>           | <b>27,696</b>    |                | <b>216,801</b>     |                  |                  |
| 954100 · Contributed Capital                   | (4,142)          |                | (6,392)            |                  |                  |
| 955000 · Interest Expense                      |                  |                |                    |                  |                  |
| 955200 · Investment Interest Expense           | -                |                | -                  |                  |                  |
| <b>Total 955000 · Interest Expense</b>         | <b>-</b>         |                | <b>-</b>           |                  |                  |
| 980000 · R&R Fund Expenses                     |                  |                |                    |                  |                  |
| 980100 · R&R Fund - Swan Lake                  | -                | 800            | 537                | 8,800            | 10,000           |
| 980200 · R&R Fund - Tye Lake                   | 638              | 800            | 80,409             | 68,300           | 69,500           |
| 980400 · R&R Fund - Solomon Gulch PFMA         | -                |                | 7,199              | 12,500           | 12,500           |
| <b>Total 980000 · R&amp;R Fund Expenses</b>    | <b>638</b>       | <b>1,600</b>   | <b>88,144</b>      | <b>89,600</b>    | <b>92,000</b>    |
| <b>Total Other Expense</b>                     | <b>409,959</b>   | <b>1,600</b>   | <b>4,541,985</b>   | <b>89,600</b>    | <b>92,000</b>    |
| <b>Net Other Income</b>                        | <b>(430,347)</b> | <b>(1,600)</b> | <b>(4,305,242)</b> | <b>(89,600)</b>  | <b>(92,000)</b>  |
| <b>Net Income</b>                              | <b>(230,364)</b> | <b>131,356</b> | <b>1,754,641</b>   | <b>4,966,946</b> | <b>5,065,887</b> |

DATE: August 16, 2013  
TO: SEAPA Board of Directors  
FROM: Trey Acteson  
SUBJECT: Financial Reports – June, 2013

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Financial reports for June, 2013 follow this memo. The following are a few brief highlights:

- June, 2013 revenues from kWh sales were under budget:  
\$605,296 actual vs. \$646,000 budget.
  - Ketchikan - \$358,496 actual vs. \$380,596 budget
  - Petersburg - \$116,180 actual vs. \$150,280 budget
  - Wrangell - \$130,619 actual vs. \$115,124 budget
- Year-to-date (July – June) revenues from kWh sales were also lower than budget:  
\$11,171,599 actual vs. \$11,775,832 budget.
  - Ketchikan - \$5,837,800 actual vs. \$6,311,216 budget
  - Petersburg - \$2,774,278 actual vs. \$2,939,912 budget
  - Wrangell - \$2,559,520 actual vs. \$2,524,704 budget
- June, 2013 sales in kWh – 8,901,410 vs.  
June, 2012 sales in kWh – 8,777,010 and  
June, 2011 sales in kWh – 9,336,690
- Year-to-date (July – June, 2013) sales in kWh – 164,288,220 vs.  
Year-to-date (July – June, 2012) sales in kWh – 170,709,080 and  
Year-to-date (July – June, 2011) sales in kWh – 163,748,730
- Administrative and operating expenses for June, 2013 were over budget, primarily  
due to overhead line maintenance expense:  
\$1,192,257 actual vs. \$544,659 budget.
- However, year-to-date administrative and operating expenses (July – June) were still  
under budget: \$5,698,677 actual vs. \$6,617,945 budget.

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

# SOUTHEAST ALASKA POWER AGENCY

## Fund Allocation Graph

As of June 30, 2013

06/30/2013

**ASSETS**

**Current Assets**

**Agency Funds**

**111000 · Ops/Capital/Insurance Funds**

|   |                   |
|---|-------------------|
| 111100 · Revenue Fund FB                          | 4,166,826         |
| 111200 · Required R&R Fund FB                     | 1,000,612         |
| 111210 · Dedicated R&R Projects Fund FB           | 4,979,426         |
| 111300 · Commercial FB                            | 1,420             |
| 111400 · Subordinate Debt Fund FB                 | 309               |
| 111500 · Self Insured Risk Fund FNBA              | 10,199,470        |
| <b>Total 111000 · Ops/Capital/Insurance Funds</b> | <b>20,348,063</b> |

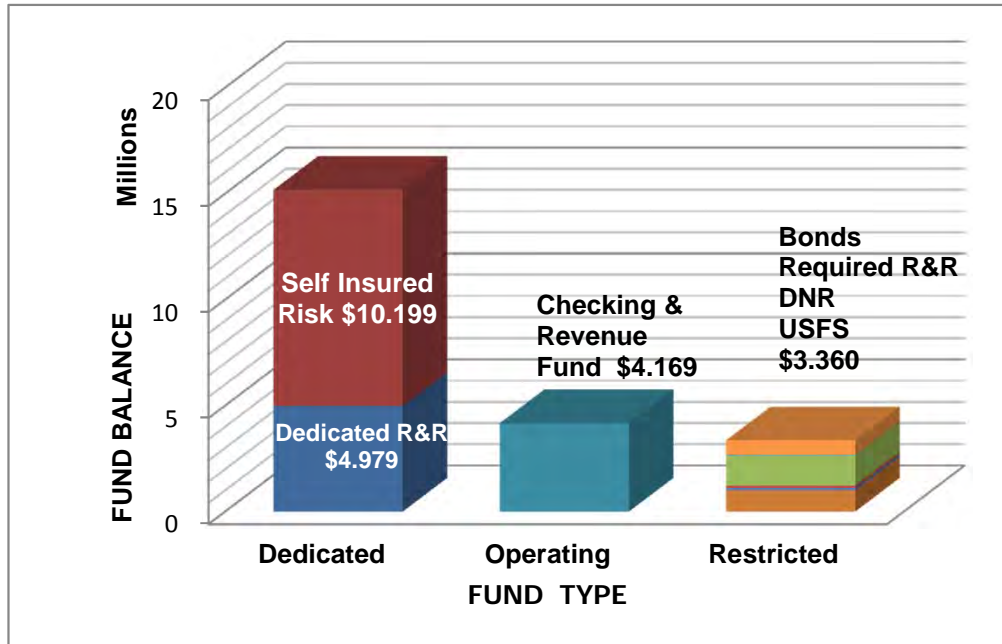
**112000 · Trustee Funds**

|                                     |                  |
|-------------------------------------|------------------|
| 112100 · WF Trust Bond Interest     | 109,841          |
| 112200 · WF Trust Bond Principal    | 116,704          |
| 112300 · WF Trust Bond Reserve      | 1,408,935        |
| 112400 · WF Refund 2004AB Escrow    | 2                |
| <b>Total 112000 · Trustee Funds</b> | <b>1,635,482</b> |

**113000 · Restricted Funds**

|  |                |
|--|----------------|
| 113100 · STI - USFS CD WF              | 21,608         |
| 113500 · DNR Reclamation Fund WF       | 702,249        |
| <b>Total 113000 · Restricted Funds</b> | <b>723,856</b> |

|                           |                   |
|---------------------------|-------------------|
| <b>Total Agency Funds</b> | <b>22,707,402</b> |
|---------------------------|-------------------|



**Dedicated Funds**

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

Dedicated R&R = Funding for Replacement & Repair projects approved by Board

**Operating Funds**

Checking & Revenue Fund

**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, 2013

|  | <b>06/30/2013</b>  |
|--|--------------------|
| <b>ASSETS</b>                          |                    |
| <b>Current Assets</b>                  |                    |
| <b>Agency Funds</b>                    |                    |
| 111000 · Ops/Capital/Insurance Funds   | 20,348,063         |
| 112000 · Trustee Funds                 | 1,635,482          |
| 113000 · Restricted Funds              | 723,856            |
| <b>Total Agency Funds</b>              | 22,707,402         |
| <b>Accounts Receivable</b>             |                    |
| 110000 · Accounts Receivable           | 787,521            |
| 110100 · Grants Receivable             | 110,116            |
| <b>Total Accounts Receivable</b>       | 897,638            |
| <b>Other Current Assets</b>            |                    |
| 120000 · Other Current Assets          | 256,837            |
| <b>Total Other Current Assets</b>      | 256,837            |
| <b>Total Current Assets</b>            | 23,861,876         |
| <b>Fixed Assets</b>                    |                    |
| 130000 · Fixed Assets                  | 132,489,110        |
| <b>Total Fixed Assets</b>              | 132,489,110        |
| <b>Other Assets</b>                    |                    |
| 133000 · Other Assets                  | 262,552            |
| <b>Total Other Assets</b>              | 262,552            |
| <b>TOTAL ASSETS</b>                    | <b>156,613,538</b> |
| <b>LIABILITIES &amp; EQUITY</b>        |                    |
| <b>Liabilities</b>                     |                    |
| <b>Current Liabilities</b>             |                    |
| <b>Accounts Payable</b>                |                    |
| 210100 · Accounts Payable General      | 357,303            |
| <b>Total Accounts Payable</b>          | 357,303            |
| <b>Other Current Liabilities</b>       |                    |
| 210150 · Other Current Liabilities     | 1,055,000          |
| 210300 · Reserve Interest Payable      | 54,909             |
| 210400 · Wages Payable                 | 61,531             |
| 210500 · Payroll Liabilities           | 1,104              |
| <b>Total Other Current Liabilities</b> | 1,172,544          |
| <b>Total Current Liabilities</b>       | 1,529,847          |
| <b>Long Term Liabilities</b>           |                    |
| 220000 · Long Term Liabilities         | 13,984,270         |
| <b>Total Long Term Liabilities</b>     | 13,984,270         |
| <b>Total Liabilities</b>               | 15,514,117         |
| <b>Equity</b>                          |                    |
| 310000 · Equity                        | 133,661,640        |
| 320000 · Unrestricted Net Assets       | 7,404,056          |
| Net Income                             | 33,724             |
| <b>Total Equity</b>                    | 141,099,421        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>  | <b>156,613,538</b> |

# SOUTHEAST ALASKA POWER AGENCY

## Statement of Activities - Summary

June 2013

|  | <u>June 2013</u>          |
|--|---------------------------|
| <b>Ordinary Income/Expense</b>           |                           |
| <b>Income</b>                            |                           |
| 410000 · Hydro Facility Revenues         | 605,296                   |
| 411000 · Rebate                          | (800,000)                 |
| <b>Total Income</b>                      | <u>(194,704)</u>          |
| <b>Expense</b>                           |                           |
| 535000 · Hydro/Ops-Suprvision & Engineer | 30,093                    |
| 537000 · Hydraulic Expenses              | 0                         |
| 538000 · Electric Expenses               | 787                       |
| 539000 · Misc Power Generation Expense   | 42,656                    |
| 540000 · Rents                           | 14,076                    |
| 541000 · Hydro Power Station Maintenance | 3,801                     |
| 542000 · Hydro Structure Maintenance     | 14,228                    |
| 543000 · Dams, Reservoirs & Waterways    | 2,336                     |
| 544000 · Maintenance of Electric Plant   | 41,813                    |
| 545000 · Plant Miscellaneous Maintenance | 24,787                    |
| 560000 · Trans Sys Operation Sup & Eng   | 1,002                     |
| 561000 · Trans/SCADA Load Dispatch       | 2,961                     |
| 562000 · Trans/Operations Station Exp    | 111,411                   |
| 564000 · Trans/Submarine Cable Expense   | 357                       |
| 571000 · Trans/Maint - Overhead Lines    | 720,769                   |
| 920000 · Administrative Expenses         | 82,959                    |
| 921000 · Office Expenses                 | 6,933                     |
| 922000 · Legislative Affairs             | 4,000                     |
| 923000 · Contract Services               | 17,716                    |
| 924000 · Insurance                       | 42,556                    |
| 928000 · Regulatory Commission Expense   | 7,500                     |
| 930000 · General Expenses                | 13,478                    |
| 931000 · Admin Rent                      | 6,039                     |
| <b>Total Expense</b>                     | <u>1,192,257</u>          |
| <b>Net Ordinary Income</b>               | (1,386,961)               |
| <b>Other Income/Expense</b>              |                           |
| <b>Other Income</b>                      |                           |
| 941000 · Grant Income                    | 110,116                   |
| 942000 · Interest Income                 | 18,636                    |
| 944000 · Realized Gain/Loss              | (24,767)                  |
| 945000 · Unrealized Gain/Loss            | (14,865)                  |
| <b>Total Other Income</b>                | <u>89,121</u>             |
| <b>Other Expense</b>                     |                           |
| 951000 · Amortization Expense            | 3,119                     |
| 952000 · Bond Interest 2009 Series       | 57,581                    |
| 953000 · Depreciation Expense            | 336,421                   |
| 954000 · Grant Expenses                  | 20,879                    |
| 98000 · R&R Fund Expenses                | 5,075                     |
| <b>Total Other Expense</b>               | <u>423,076</u>            |
| <b>Net Other Income</b>                  | <u>(333,955)</u>          |
| <b>Net Income</b>                        | <u><u>(1,720,917)</u></u> |

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Detail**

As of June 30, 2013

|   | <b>30-Jun-13</b> |
|---|------------------|
| <b>ASSETS</b>                                     |                  |
| <b>Current Assets</b>                             |                  |
| <b>Agency Funds</b>                               |                  |
| <b>111000 · Ops/Capital/Insurance Funds</b>       |                  |
| 111100 · Revenue Fund FB                          | 4,166,826        |
| 111200 · Required R&R Fund FB                     | 1,000,612        |
| 111210 · Dedicated R&R Projects Fund FB           | 4,979,426        |
| 111300 · Commercial FB                            | 1,420            |
| 111400 · Subordinate Debt Fund FB                 | 309              |
| 111500 · Self Insured Risk Fund FNBA              | 10,199,470       |
| <b>Total 111000 · Ops/Capital/Insurance Funds</b> | 20,348,063       |
| <b>112000 · Trustee Funds</b>                     |                  |
| 112100 · WF Trust Bond Interest                   | 109,841          |
| 112200 · WF Trust Bond Principal                  | 116,704          |
| 112300 · WF Trust Bond Reserve                    | 1,408,935        |
| 112400 · WF Refund 2004AB Escrow                  | 2                |
| <b>Total 112000 · Trustee Funds</b>               | 1,635,482        |
| <b>113000 · Restricted Funds</b>                  |                  |
| 113100 · STI - USFS CD WF                         | 21,608           |
| 113500 · DNR Reclamation Fund WF                  | 702,249          |
| <b>Total 113000 · Restricted Funds</b>            | 723,856          |
| <b>Total Agency Funds</b>                         | 22,707,402       |
| <b>Accounts Receivable</b>                        |                  |
| 110000 · Accounts Receivable                      | 787,521          |
| 110100 · Grants Receivable                        | 110,116          |
| <b>Total Accounts Receivable</b>                  | 897,638          |
| <b>Other Current Assets</b>                       |                  |
| <b>120000 · Other Current Assets</b>              |                  |
| 120200 · Other Receivables                        | 4,176            |
| 120300 · Accrued Interest Receivable              | 39,309           |
| 120500 · Prepaid Fees                             |                  |
| 120510 · Prepaid FERC Fees                        | 23,004           |
| 120520 · Prepaid Insurance                        | 42,556           |
| 120540 · Prepaid USDA FS Land Use Fees            | 38,450           |
| 120550 · Prepaid Admin Expense                    | 101,199          |
| <b>Total 120500 · Prepaid Fees</b>                | 205,209          |
| 120700 · Inventory Assets                         |                  |
| 120701 · Inventory - Wood Poles                   | 8,143            |
| <b>Total 120700 · Inventory Assets</b>            | 8,143            |
| <b>Total 120000 · Other Current Assets</b>        | 256,837          |
| <b>Total Other Current Assets</b>                 | 256,837          |
| <b>Total Current Assets</b>                       | 23,861,876       |

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Detail**

As of June 30, 2013

|   | <u>30-Jun-13</u>          |
|---|---------------------------|
| <b>Fixed Assets</b>                                       |                           |
| <b>130000 · Fixed Assets</b>                              |                           |
| <b>130100 · Capital Assets</b>                            |                           |
| 130110 · Swan Lake  | 16,231,708                |
| 130120 · Tye Lake   | 26,035,647                |
| 130130 · SEAPA Office                                     | <u>668,955</u>            |
| <b>Total 130100 · Capital Assets</b>                      | <u>42,936,310</u>         |
| 132100 · Swan Tye Intertie in Operation                   | 111,381,868               |
| <b>132200 · R&amp;R Projects WIP Capital Improv</b>       |                           |
| <b>132210 · R&amp;R Projects - WIP Swan Lake</b>          |                           |
| 132211 · WIP SWL Agency Permits/Environm                  | 450,355                   |
| 132213 · WIP SWL Equipment                                | 2,250                     |
| 132214 · WIP SWL Engineering/Design                       | 3,640                     |
| 132215 · WIP SWL Legal                                    | 1,260                     |
| 132216 · WIP SWL Project Mgmt/Professnal                  | 115,699                   |
| 132210 · R&R Projects - WIP Swan Lake - Other             | <u>1,014,048</u>          |
| <b>Total 132210 · R&amp;R Projects - WIP Swan Lake</b>    | <u>1,587,251</u>          |
| 132220 · R&R Projects - WIP Tye Lake                      | 284,253                   |
| 132230 · R&R Projects - WIP STI-Transmsn                  | 160,433                   |
| 132240 · R&R Projects - WIP SEAPA Office                  | <u>20,587</u>             |
| <b>Total 132200 · R&amp;R Projects WIP Capital Improv</b> | <u>2,052,525</u>          |
| 132900 · Accumulated Depreciation                         | <u>(23,881,593)</u>       |
| <b>Total 130000 · Fixed Assets</b>                        | <u>132,489,110</u>        |
| <b>Total Fixed Assets</b>                                 | 132,489,110               |
| <b>Other Assets</b>                                       |                           |
| <b>133000 · Other Assets</b>                              |                           |
| <b>133100 · Accumulated Amortization</b>                  |                           |
| 133110 · Amortization                                     | <u>(234,354)</u>          |
| <b>Total 133100 · Accumulated Amortization</b>            | <u>(234,354)</u>          |
| <b>133200 · Bond Fees</b>                                 |                           |
| 133210 · Origination Fees                                 | 444,906                   |
| 133220 · Cost of Issuance Fees                            | <u>52,000</u>             |
| <b>Total 133200 · Bond Fees</b>                           | <u>496,906</u>            |
| <b>Total 133000 · Other Assets</b>                        | <u>262,552</u>            |
| <b>Total Other Assets</b>                                 | <u>262,552</u>            |
| <b>TOTAL ASSETS</b>                                       | <u><u>156,613,538</u></u> |

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Detail**

As of June 30, 2013

|   | <u>30-Jun-13</u>          |
|---|---------------------------|
| <b>LIABILITIES &amp; EQUITY</b>             |                           |
| <b>Liabilities</b>                          |                           |
| <b>Current Liabilities</b>                  |                           |
| <b>Accounts Payable</b>                     |                           |
| 210100 · Accounts Payable General           | 357,303                   |
| <b>Total Accounts Payable</b>               | <u>357,303</u>            |
|   |                           |
| <b>Other Current Liabilities</b>            |                           |
| 210150 · Other Current Liabilities          | 1,055,000                 |
| 210300 · Reserve Interest Payable           | 54,909                    |
| 210400 · Wages Payable                      | 61,531                    |
| 210500 · Payroll Liabilities                |                           |
| 210530 · SUI Tax Payable                    | 1,104                     |
| <b>Total 210500 · Payroll Liabilities</b>   | <u>1,104</u>              |
| <b>Total Other Current Liabilities</b>      | <u>1,172,544</u>          |
|   |                           |
| <b>Total Current Liabilities</b>            | 1,529,847                 |
|   |                           |
| <b>Long Term Liabilities</b>                |                           |
| 220000 · Long Term Liabilities              |                           |
| 220100 · Series B Bonds 2009                | 14,100,000                |
| 220110 · Bond Issuance Premium              | 14,519                    |
| 220120 · Bond Discount                      | (130,249)                 |
| <b>Total 220000 · Long Term Liabilities</b> | <u>13,984,270</u>         |
|   |                           |
| <b>Total Long Term Liabilities</b>          | <u>13,984,270</u>         |
|   |                           |
| <b>Total Liabilities</b>                    | 15,514,117                |
|   |                           |
| <b>Equity</b>                               |                           |
| 310000 · Equity                             |                           |
| 310100 · STI Net Assets                     | 106,354,593               |
| 310300 · Retained Earnings                  | 27,307,048                |
| <b>Total 310000 · Equity</b>                | <u>133,661,640</u>        |
|   |                           |
| 32000 · Unrestricted Net Assets             | 7,404,056                 |
| Net Income                                  | 33,724                    |
| <b>Total Equity</b>                         | <u>141,099,421</u>        |
|   |                           |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>       | <u><u>156,613,538</u></u> |

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

June 2013

|   | Jun 13    | Budget  | Jul '12 - Jun 13 | YTD Budget | Annual Budget |
|---|-----------|---------|------------------|------------|---------------|
| <b>Ordinary Income/Expense</b>                            |           |         |                  |            |               |
| <b>Income</b>   |           |         |                  |            |               |
| <b>410000 · Hydro Facility Revenues</b>                   |           |         |                  |            |               |
| 410100 · Ketchikan Power Purchases                        | 358,496   | 380,596 | 5,837,800        | 6,311,216  | 6,311,216     |
| 410200 · Petersburg Power Purchases                       | 116,181   | 150,280 | 2,774,278        | 2,939,912  | 2,939,912     |
| 410300 · Wrangell Power Purchases                         | 130,619   | 115,124 | 2,559,521        | 2,524,704  | 2,524,704     |
| <b>Total 410000 · Hydro Facility Revenues</b>             | 605,296   | 646,000 | 11,171,599       | 11,775,832 | 11,775,832    |
| <b>411000 · Rebate</b>                                    |           |         |                  |            |               |
| 411100 · Ketchikan Rebate                                 | (425,942) |         | (425,942)        |            |               |
| 411200 · Petersburg Rebate                                | (200,538) |         | (200,538)        |            |               |
| 411300 · Wrangell Rebate                                  | (173,520) |         | (173,520)        |            |               |
| <b>Total 411000 · Rebate</b>                              | (800,000) |         | (800,000)        |            |               |
| <b>Total Income</b>                                       | (194,704) | 646,000 | 10,371,599       | 11,775,832 | 11,775,832    |
| <b>Gross Profit</b>                                       | (194,704) | 646,000 | 10,371,599       | 11,775,832 | 11,775,832    |
| <b>Expense</b>  |           |         |                  |            |               |
| <b>535000 · Hydro/Ops-Suprvision &amp; Engineer</b>       |           |         |                  |            |               |
| 535100 · Hyd/Ops Sup & Eng - Swan Lake                    | 18,418    | 8,675   | 71,920           | 104,150    | 104,150       |
| 535200 · Hyd/Ops Sup & Eng - Tye Lake                     | 11,510    | 12,000  | 128,084          | 144,700    | 144,700       |
| 535300 · Hyd/Op Sup & Eng - Admin                         | 0         | 4,100   | 280              | 50,000     | 50,000        |
| 535400 · Hyd/Op Sup & Eng - Proj Drawing                  | 0         | 20,000  | 1,617            | 200,000    | 200,000       |
| 535700 · Hyd/Op Sup & Eng - 4R Plan                       | 165       | 0       | 65,985           | 50,000     | 50,000        |
| 535800 · Hyd/Op Sup & Eng-Operatn Review                  | 0         | 16,500  | 49,004           | 200,000    | 200,000       |
| <b>Total 535000 · Hydro/Ops-Suprvision &amp; Engineer</b> | 30,093    | 61,275  | 316,889          | 748,850    | 748,850       |
| <b>537000 · Hydraulic Expenses</b>                        |           |         |                  |            |               |
| 537100 · Hydraulic Expense - Swan Lake                    | 0         | 480     | 582              | 5,750      | 5,750         |
| 537200 · Hydraulic Expense - Tye Lake                     | 0         | 85      | 29               | 1,000      | 1,000         |
| 537300 · Hydraulic Expense - MAPCON Adm                   | 0         | 800     | 4,390            | 10,000     | 10,000        |
| 537400 · Hydraulic Expense - Engineering                  | 0         | 400     | 10,502           | 5,000      | 5,000         |
| <b>Total 537000 · Hydraulic Expenses</b>                  | 0         | 1,765   | 15,503           | 21,750     | 21,750        |
| <b>538000 · Electric Expenses</b>                         |           |         |                  |            |               |
| 538100 · Electric Expense - Swan Lake                     | 787       | 190     | 3,291            | 2,250      | 2,250         |
| 538200 · Electric Expense - Tye Lake                      | 0         | 270     | 10,747           | 3,250      | 3,250         |
| 538300 · Electric Exp - Engineer/Consult                  | 0         | 2,000   | 98               | 25,000     | 25,000        |
| 538400 · Electric Exp - Governor Support                  | 0         | 85      | 0                | 1,000      | 1,000         |
| <b>Total 538000 · Electric Expenses</b>                   | 787       | 2,545   | 14,137           | 31,500     | 31,500        |
| <b>539000 · Misc Power Generation Expense</b>             |           |         |                  |            |               |
| 539100 · Misc Exp - Swan Lake                             | 4,763     | 6,500   | 42,358           | 78,520     | 78,520        |
| 539150 · Misc Expense - SWL SEAPA                         | 1,659     | 0       | 1,659            | 0          | 0             |
| 539200 · Misc Expense - Tye Lake                          | 22,058    | 20,170  | 218,980          | 242,100    | 242,100       |
| 539300 · Misc Expense - Annual Inspectns                  | 1,112     | 1,700   | 21,711           | 20,500     | 20,500        |
| 539310 · Fuel & Delivery                                  | 0         | 0       | 7,638            | 0          | 0             |
| 539400 · Misc Expense - Permits & Maps                    | 0         | 0       | 1,050            | 0          | 0             |
| 539500 · Misc Expense - Communications                    | 13,064    | 12,120  | 156,340          | 145,500    | 145,500       |
| <b>Total 539000 · Misc Power Generation Expense</b>       | 42,656    | 40,490  | 449,737          | 486,620    | 486,620       |
| <b>540000 · Rents</b>                                     |           |         |                  |            |               |
| 540300 · FERC Land Use Fee - Swan Lake                    | 3,846     | 3,660   | 39,649           | 44,000     | 44,000        |
| 540400 · FERC Land Use Fee - Tye Lake                     | 3,822     | 3,300   | 38,785           | 40,000     | 40,000        |
| 540500 · USDA Land Use Fee - USFS ROW                     | 1,541     | 1,650   | 19,430           | 20,000     | 20,000        |
| 540600 · USDA Land Use Fee - STI                          | 4,720     | 5,000   | 56,117           | 60,000     | 60,000        |
| 540700 · USDA Tye Passive Reflector                       | 103       | 110     | 1,230            | 1,350      | 1,350         |
| 540710 · USDA Etolin Burnett Radio                        | 44        | 50      | 519              | 650        | 650           |
| <b>Total 540000 · Rents</b>                               | 14,076    | 13,770  | 155,729          | 166,000    | 166,000       |

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

June 2013

|   | Jun 13         | Budget        | Jul '12 - Jun 13 | YTD Budget     | Annual Budget  |
|---|----------------|---------------|------------------|----------------|----------------|
| <b>541000 · Hydro Power Station Maintenance</b>         |                |               |                  |                |                |
| 541100 · Maint/Supervision - Swan Lake                  | 0              | 0             | (5)              | 0              | 0              |
| 541200 · Maint/Supervision - Tye Lake                   | 0              | 0             | 0                | 0              | 0              |
| 541300 · Maint/Sup - Operator Training                  | 0              | 2,500         | 1,654            | 30,000         | 30,000         |
| 541400 · Maint/Sup - Reliability Mgmt                   | 0              | 6,000         | 2,875            | 72,000         | 72,000         |
| 541500 · Maint/Sup - Engineering Service                | 3,801          | 5,800         | 55,627           | 70,000         | 70,000         |
| <b>Total 541000 · Hydro Power Station Maintenance</b>   | <b>3,801</b>   | <b>14,300</b> | <b>60,150</b>    | <b>172,000</b> | <b>172,000</b> |
| <b>542000 · Hydro Structure Maintenance</b>             |                |               |                  |                |                |
| 542100 · Hyd Structure Maint - Swan Lake                | 14,228         | 5,700         | 162,080          | 68,900         | 68,900         |
| <b>Total 542000 · Hydro Structure Maintenance</b>       | <b>14,228</b>  | <b>5,700</b>  | <b>162,080</b>   | <b>68,900</b>  | <b>68,900</b>  |
| <b>543000 · Dams, Reservoirs &amp; Waterways</b>        |                |               |                  |                |                |
| 543100 · Dams Res & Waterwys - Swan Lake                | 1,401          | 1,500         | 58,188           | 18,800         | 18,800         |
| 543200 · Dams Res & Waterwys - Tye Lake                 | 0              | 650           | 5,434            | 8,000          | 8,000          |
| 543300 · Dams Res & Wtrwys - Dam Surveys                | 935            | 210           | 7,172            | 2,500          | 2,500          |
| 543410 · Dams Res & Waterwys-DSSMR-SL                   | 0              | 830           | 5,968            | 10,000         | 10,000         |
| <b>Total 543000 · Dams, Reservoirs &amp; Waterways</b>  | <b>2,336</b>   | <b>3,190</b>  | <b>76,761</b>    | <b>39,300</b>  | <b>39,300</b>  |
| <b>544000 · Maintenance of Electric Plant</b>           |                |               |                  |                |                |
| 544100 · Maint Electric Plant-Swan Lake                 | 23,371         | 23,100        | 173,469          | 277,350        | 277,350        |
| 544200 · Maint Electric Plant-Tye Lake                  | 18,441         | 55,450        | 564,132          | 665,800        | 665,800        |
| 544300 · Maint Electric Plant-Engineerng                | 0              | 4,150         | 2,881            | 50,000         | 50,000         |
| <b>Total 544000 · Maintenance of Electric Plant</b>     | <b>41,813</b>  | <b>82,700</b> | <b>740,482</b>   | <b>993,150</b> | <b>993,150</b> |
| <b>545000 · Plant Miscellaneous Maintenance</b>         |                |               |                  |                |                |
| 545100 · Plant Misc Maint - Swan Lake                   | 24,650         | 20,900        | 213,889          | 250,700        | 250,700        |
| 545200 · Plant Misc Maint - Tye Lake                    | 137            | 1,150         | 4,129            | 13,900         | 13,900         |
| 545300 · Plant M/M - USGS Stream Gauging                | 0              | 1,000         | 20,474           | 55,000         | 55,000         |
| 545400 · Plant Misc Maint - ADF&G                       | 0              | 1,650         | 0                | 20,000         | 20,000         |
| <b>Total 545000 · Plant Miscellaneous Maintenance</b>   | <b>24,787</b>  | <b>24,700</b> | <b>238,492</b>   | <b>339,600</b> | <b>339,600</b> |
| <b>560000 · Trans Sys Operation Sup &amp; Eng</b>       |                |               |                  |                |                |
| 560200 · Sys Ops Sup & Eng - Tye Lake                   | 1,002          | 1,200         | 7,361            | 14,600         | 14,600         |
| 560300 · Sys Ops Sup & Eng-Enginr/Conslt                | 0              | 7,900         | 19,649           | 95,000         | 95,000         |
| <b>Total 560000 · Trans Sys Operation Sup &amp; Eng</b> | <b>1,002</b>   | <b>9,100</b>  | <b>27,009</b>    | <b>109,600</b> | <b>109,600</b> |
| <b>561000 · Trans/SCADA Load Dispatch</b>               |                |               |                  |                |                |
| 561200 · SCADA Load Dispatch - Tye Lake                 | 2,301          | 580           | 12,987           | 7,000          | 7,000          |
| 561400 · SCADA Support- Engineer/Consult                | 660            | 0             | 2,824            | 0              | 0              |
| <b>Total 561000 · Trans/SCADA Load Dispatch</b>         | <b>2,961</b>   | <b>580</b>    | <b>15,811</b>    | <b>7,000</b>   | <b>7,000</b>   |
| <b>562000 · Trans/Operations Station Exp</b>            |                |               |                  |                |                |
| 562100 · Trans/Ops Station - Swan Lake                  | 3,972          | 1,250         | 6,286            | 15,000         | 15,000         |
| 562200 · Trans/Ops Station - Tye Lake                   | 4,796          | 2,550         | 30,647           | 30,650         | 30,650         |
| 562300 · Trans/Ops - Contract Services                  | 102,643        | 10,400        | 143,145          | 125,000        | 125,000        |
| <b>Total 562000 · Trans/Operations Station Exp</b>      | <b>111,411</b> | <b>14,200</b> | <b>180,079</b>   | <b>170,650</b> | <b>170,650</b> |
| <b>564000 · Trans/Submarine Cable Expense</b>           |                |               |                  |                |                |
| 564200 · Trans/Sub Cable Exp - Tye Lake                 | 357            | 400           | 12,524           | 4,825          | 4,825          |
| 564300 · Trans/Sub Cable-Engineerng Serv                | 0              | 2,500         | 0                | 30,000         | 30,000         |
| <b>Total 564000 · Trans/Submarine Cable Expense</b>     | <b>357</b>     | <b>2,900</b>  | <b>12,524</b>    | <b>34,825</b>  | <b>34,825</b>  |

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

June 2013

|   | Jun 13             | Budget         | Jul '12 - Jun 13 | YTD Budget       | Annual Budget    |
|---|--------------------|----------------|------------------|------------------|------------------|
| <b>571000 · Trans/Maint Overhead Lines(OHL)</b>       |                    |                |                  |                  |                  |
| 571100 · Trans/Maint OHL - Swan Lake                  | 480                | 1,200          | 1,309            | 14,700           | 14,700           |
| 571200 · Trans/Maint OHL - Tyee Lake                  | 55,949             | 19,100         | 230,564          | 229,600          | 229,600          |
| 571300 · Trans/Maint OHL STI Maintenance              | 611,571            | 37,500         | 737,068          | 450,000          | 450,000          |
| 571600 · Trans/Maint OHL Spare Mat Stor               | 0                  | 0              | 350              | 500              | 500              |
| 571700 · Trans/Maint OH STI Clearing                  | 0                  | 9,000          | 0                | 100,000          | 100,000          |
| 571800 · Trans/Maint OHL System Events                | 52,768             | 15,000         | 83,266           | 150,000          | 150,000          |
| <b>Total 571000 · Trans/Maint Overhead Lines(OHL)</b> | <b>720,769</b>     | <b>81,800</b>  | <b>1,052,558</b> | <b>944,800</b>   | <b>944,800</b>   |
| <b>920000 · Administrative Expenses</b>               |                    |                |                  |                  |                  |
| 920100 · Administrative                               | 82,959             | 75,680         | 934,467          | 907,100          | 907,100          |
| 920200 · Contract Staff                               | 0                  | 0              | 47,200           | 48,750           | 48,750           |
| <b>Total 920000 · Administrative Expenses</b>         | <b>82,959</b>      | <b>75,680</b>  | <b>981,667</b>   | <b>955,850</b>   | <b>955,850</b>   |
| <b>921000 · Office Expenses</b>                       |                    |                |                  |                  |                  |
| 921100 · Office Supplies                              | 543                | 1,700          | 9,712            | 20,500           | 20,500           |
| 921200 · Office Equipment                             | 2,467              | 1,000          | 27,121           | 15,000           | 15,000           |
| 921300 · Phone, Courier, Internet                     | 884                | 1,950          | 19,973           | 22,700           | 22,700           |
| 921400 · System Networking                            | 3,039              | 2,950          | 29,650           | 35,350           | 35,350           |
| 921600 · Vehicle Expenses                             | 0                  | 200            | 911              | 2,500            | 2,500            |
| <b>Total 921000 · Office Expenses</b>                 | <b>6,933</b>       | <b>7,800</b>   | <b>87,366</b>    | <b>96,050</b>    | <b>96,050</b>    |
| <b>922000 · Legislative Affairs</b>                   | <b>4,000</b>       | <b>5,900</b>   | <b>48,391</b>    | <b>70,000</b>    | <b>70,000</b>    |
| <b>923000 · Contract Services</b>                     |                    |                |                  |                  |                  |
| 923200 · Annual Financial Audit                       | 0                  | 0              | 23,143           | 26,000           | 26,000           |
| 923300 · Bank & Trustee Fees                          | 298                | 960            | 11,560           | 11,500           | 11,500           |
| 923400 · Insurance Consultant                         | 0                  | 1,250          | 15,321           | 15,000           | 15,000           |
| 923500 · Investment Consultant                        | 2,113              | 2,210          | 25,374           | 26,500           | 26,500           |
| 923600 · Legal Fees                                   | 5,287              | 16,650         | 125,410          | 200,000          | 200,000          |
| 923700 · Recruitment                                  | 3,832              | 0              | 27,786           | 30,000           | 30,000           |
| 923800 · Other Professional Services                  | 6,186              | 0              | 17,625           | 0                | 0                |
| <b>Total 923000 · Contract Services</b>               | <b>17,716</b>      | <b>21,070</b>  | <b>246,219</b>   | <b>309,000</b>   | <b>309,000</b>   |
| <b>924000 · Insurance</b>                             | <b>42,556</b>      | <b>47,650</b>  | <b>510,282</b>   | <b>571,800</b>   | <b>571,800</b>   |
| <b>928000 · Regulatory Commission Expense</b>         |                    |                |                  |                  |                  |
| 928100 · Emergency Action Plan                        | 0                  | 200            | 20,873           | 2,500            | 2,500            |
| 928200 · FERC Filings                                 | 0                  | 84             | 0                | 1,000            | 1,000            |
| 928300 · FERC Administrative Fees                     | 7,500              | 7,500          | 84,070           | 90,000           | 90,000           |
| <b>Total 928000 · Regulatory Commission Expense</b>   | <b>7,500</b>       | <b>7,784</b>   | <b>104,943</b>   | <b>93,500</b>    | <b>93,500</b>    |
| <b>930000 · General Expenses</b>                      |                    |                |                  |                  |                  |
| 930100 · Advertising Expense                          | 3,206              | 290            | 18,197           | 3,500            | 3,500            |
| 930200 · Annual Rpt/Signage Expense                   | 0                  | 30             | 54               | 250              | 250              |
| 930300 · Association Dues Expense                     | 0                  | 2,300          | 27,704           | 27,600           | 27,600           |
| 930400 · Board Meeting Expenses                       | 4,454              | 8,000          | 34,521           | 45,000           | 45,000           |
| 930500 · Training Expense                             | 631                | 750            | 10,363           | 9,000            | 9,000            |
| 930600 · Travel Expense                               | 5,081              | 2,500          | 43,404           | 30,000           | 30,000           |
| 930700 · Non-Travel Incidental                        | 106                | 290            | 2,108            | 3,500            | 3,500            |
| <b>Total 930000 · General Expenses</b>                | <b>13,478</b>      | <b>14,160</b>  | <b>136,351</b>   | <b>118,850</b>   | <b>118,850</b>   |
| <b>931000 · Admin Rent</b>                            |                    |                |                  |                  |                  |
| 931100 · Apartment Rent - Ketchikan                   | 725                | 1,500          | 13,632           | 18,750           | 18,750           |
| 931000 · Admin Rent - Other                           | 5,314              | 4,100          | 51,885           | 49,600           | 49,600           |
| <b>Total 931000 · Admin Rent</b>                      | <b>6,039</b>       | <b>5,600</b>   | <b>65,517</b>    | <b>68,350</b>    | <b>68,350</b>    |
| <b>Total Expense</b>                                  | <b>1,192,257</b>   | <b>544,659</b> | <b>5,698,677</b> | <b>6,617,945</b> | <b>6,617,945</b> |
| <b>Net Ordinary Income</b>                            | <b>(1,386,961)</b> | <b>101,341</b> | <b>4,672,922</b> | <b>5,157,887</b> | <b>5,157,887</b> |



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

June 2013

|  | Jun 13             | Budget         | Jul '12 - Jun 13   | YTD Budget       | Annual Budget    |
|--|--------------------|----------------|--------------------|------------------|------------------|
| <b>a Other Income/Expense</b>                  |                    |                |                    |                  |                  |
| <b>Other Income</b>                            |                    |                |                    |                  |                  |
| 941000 · Grant Income                          | 110,116            |                | 216,801            |                  |                  |
| 942000 · Interest Income                       |                    |                |                    |                  |                  |
| 942100 · Misc Interest Income                  | 7,542              |                | 23,855             |                  |                  |
| 942200 · Investment Interest Income            | 11,094             |                | 155,807            |                  |                  |
| <b>Total 942000 · Interest Income</b>          | <b>18,636</b>      |                | <b>179,661</b>     |                  |                  |
| 944000 · Realized Gain/Loss                    |                    |                |                    |                  |                  |
| 944100 · Realized Gain/Loss Bonds              | (24,767)           |                | (27,116)           |                  |                  |
| 944200 · Realized Gain/Loss on Invest          | 0                  |                | (40,766)           |                  |                  |
| <b>Total 944000 · Realized Gain/Loss</b>       | <b>(24,767)</b>    |                | <b>(67,882)</b>    |                  |                  |
| 945000 · Unrealized Gain/Loss                  |                    |                |                    |                  |                  |
| 945100 · Unrealized Gain/Loss Bonds            | 24,245             |                | 12,863             |                  |                  |
| 945200 · Unrealized Gain/Loss Investment       | (39,110)           |                | (32,819)           |                  |                  |
| <b>Total 945000 · Unrealized Gain/Loss</b>     | <b>(14,865)</b>    |                | <b>(19,956)</b>    |                  |                  |
| 946000 · Misc Nonoperating Income              |                    |                |                    |                  |                  |
| 946001 · Other Misc Income                     | 0                  |                | 300                |                  |                  |
| 946002 · Gain/Loss on Property Dispositn       | 0                  |                | 16,939             |                  |                  |
| <b>Total 946000 · Misc Nonoperating Income</b> | <b>0</b>           |                | <b>17,239</b>      |                  |                  |
| <b>Total Other Income</b>                      | <b>89,121</b>      |                | <b>325,863</b>     |                  |                  |
| <b>Other Expense</b>                           |                    |                |                    |                  |                  |
| 951000 · Amortization Expense                  | 3,119              |                | 41,818             |                  |                  |
| 952000 · Bond Interest 2009 Series             | 57,581             |                | 688,323            |                  |                  |
| 953000 · Depreciation Expense                  | 336,421            |                | 3,910,413          |                  |                  |
| 954000 · Grant Expenses                        |                    |                |                    |                  |                  |
| 954002 · Grant Contractual                     | 19,406             |                | 189,272            |                  |                  |
| 954004 · Grant Labor & Benefits                | 0                  |                | 3,912              |                  |                  |
| 954005 · Grant Legal                           | 1,474              |                | 28,599             |                  |                  |
| 954006 · Grant Materials & Supplies            | 0                  |                | 2,498              |                  |                  |
| 954007 · Grant Other Expense                   | 0                  |                | 5,102              |                  |                  |
| 954008 · Grant Travel                          | 0                  |                | 8,297              |                  |                  |
| <b>Total 954000 · Grant Expenses</b>           | <b>20,879</b>      |                | <b>237,681</b>     |                  |                  |
| 954100 · Contributed Capital                   | 0                  |                | (6,392)            |                  |                  |
| 955000 · Interest Expense                      |                    |                |                    |                  |                  |
| 955200 · Investment Interest Expense           | 0                  |                | 0                  |                  |                  |
| <b>Total 955000 · Interest Expense</b>         | <b>0</b>           |                | <b>0</b>           |                  |                  |
| 980000 · R&R Fund Expenses                     |                    |                |                    |                  |                  |
| 980100 · R&R Fund - Swan Lake                  | 4,415              | 1,200          | 4,952              | 10,000           | 10,000           |
| 980200 · R&R Fund - Tye Lake                   | 660                | 1,200          | 81,069             | 69,500           | 69,500           |
| 980400 · R&R Fund - Solomon Gulch PFMA         | 0                  | 0              | 7,199              | 12,500           | 12,500           |
| <b>Total 980000 · R&amp;R Fund Expenses</b>    | <b>5,075</b>       | <b>2,400</b>   | <b>93,219</b>      | <b>92,000</b>    | <b>92,000</b>    |
| <b>Total Other Expense</b>                     | <b>423,076</b>     | <b>2,400</b>   | <b>4,965,061</b>   | <b>92,000</b>    | <b>92,000</b>    |
| <b>Net Other Income</b>                        | <b>(333,955)</b>   | <b>(2,400)</b> | <b>(4,639,197)</b> | <b>(92,000)</b>  | <b>(92,000)</b>  |
| <b>Net Income</b>                              | <b>(1,720,917)</b> | <b>98,941</b>  | <b>33,724</b>      | <b>5,065,887</b> | <b>5,065,887</b> |

**Southeast Alaska Power Agency  
R&R PROJECT SUMMARY  
June 30, 2013**

|  | FY13<br>Budget    | FY13<br>Expenditures |                                     | FY10          | EXPENDITURES   |                | FY13          | Total<br>Expenditures |
|--|-------------------|----------------------|-------------------------------------|---------------|----------------|----------------|---------------|-----------------------|
|  |                   |                      |                                     |               | FY11           | FY12           |               |                       |
| <b>R&amp;R EXPENSE JOB COSTS</b>       |                   |                      |                                     |               |                |                |               |                       |
| 213-12 Road Repair SWL - CLOSED FY12   | \$ 50,000         | \$0                  | Closed FY12                         | -             | -              | -              | -             | -                     |
| 214-12 Digital Relays (3) TYL          | \$ -              | \$2,311              | Closed FY12: Late invoice received. | -             | -              | -              | \$2,311       | 2,311                 |
| 215-12 Narrowband Radios               | \$ 35,000         | \$49,334             | Closed FY13                         | -             | -              | 4,010          | 49,334        | 53,344                |
| 222-13 Power Pole Replacements         | \$ 302,500        | \$0                  | O&M Expense in FY14                 | -             | -              | -              | -             | -                     |
| 223-13 Vehicle TYL - CLOSED FY13       | \$ 24,500         | \$24,918             | Closed FY13                         | -             | -              | -              | 24,918        | 24,918                |
| 224-13 Misc R&R SWL                    | \$ 10,000         | \$4,952              | Employee housing expense.           | -             | -              | -              | 4,952         | 4,952                 |
| 225-12 Misc R&R TYL                    | \$ 10,000         | \$4,505              | Housing renovations.                | -             | -              | -              | 4,505         | 4,505                 |
| SEAPA-02 Solomon PFMA - CLOSED         | \$ 12,500         | \$7,199              | Closed: Nov 2012                    | 12,317        | 172,318        | 454,931        | 7,199         | 646,764               |
| <b>Total R&amp;R Expense Job Costs</b> | <b>\$ 444,500</b> | <b>\$93,219</b>      |                                     | <b>12,317</b> | <b>172,318</b> | <b>458,941</b> | <b>93,219</b> | <b>\$736,795</b>      |

**Southeast Alaska Power Agency**  
**R&R PROJECT SUMMARY**  
 June 30, 2013

|   | FY13<br>Budget      | FY13<br>Expenditures |  | FY10             | EXPENDITURES     |                  |                    | Total<br>Expenditures |
|---|---------------------|----------------------|--|------------------|------------------|------------------|--------------------|-----------------------|
|   |                     |                      |  |                  | FY11             | FY12             | FY13               |                       |
| <b>WIP R&amp;R CAPITAL PROJECTS</b>       |                     |                      |  |                  |                  |                  |                    |                       |
| 002-10TRN Helicopter Pads                 | \$ -                | \$0                  | R&R will close when prototype is placed in the field. See R&R 231-13 | 155,131          | 11,156           | (63,600)         | -                  | 102,686               |
| 220-12 SCADA Upgrade                      | \$ 800,000          | \$156,453            | Tentative completion: Apr 2014                                       | -                | -                | 130,663          | 156,453            | 287,115               |
| 226-13 XFMR Junction Boxes Bailey         | \$ 90,000           | \$73,728             | Capitalized \$73,728   | -                | -                | -                | 73,728             | 73,728                |
| 227-13 Burnett Peak Battery               | \$ 34,300           | \$21,140             | Batteries purchased: Jan 2013  | -                | -                | -                | 21,140             | 21,140                |
| 228-13 Circuit Switcher WRG               | \$ 100,000          | \$0                  | Scheduled after RR236-13, FY14.                                      | -                | -                | -                | -                  | -                     |
| 229-13 Gate Control Refurbish TYL         | \$ 35,000           | \$9,160              | Coordinate install w/RR234-13  | -                | -                | -                | 9,160              | 9,160                 |
| 230-13 Boat Dock Replace TYL              | \$ 55,000           | \$75,163             | Capitalized \$75,163   | -                | -                | -                | 75,163             | 75,163                |
| 231-13 Helicopter Pads                    | \$ 1,135,000        | \$57,731             | Pending USFS permitting.   | -                | -                | -                | 57,731             | 57,731                |
| 232-13 Communications Upgrade             | \$ 2,150,000        | \$12,160             | RFP issued March 2013.   | -                | -                | -                | 12,160             | 12,160                |
| 233-13 Excavator SWL - CLOSED FY13        | \$ 220,000          | \$139,650            | Capitalized \$139,650  | -                | -                | -                | 139,650            | 139,650               |
| 234-13 Gatehs Generator TYL               | \$ 82,000           | \$114                | Generator delivery sched. for July                                   | -                | -                | -                | 114                | 114                   |
| 235-13 SEAPA Servers - CLOSED FY13        | \$ 43,000           | \$39,624             | Capitalized \$39,624   | -                | -                | -                | 39,624             | 39,624                |
| 236-13 Wrangell Reactor                   | \$ 3,615,000        | \$55,066             | Pending EPS studies.   | -                | -                | -                | 55,066             | 55,066                |
| 237-13 Remote Brkr Rack. Device           | \$ 70,000           | \$0                  | Bids to be requested.  | -                | -                | -                | -                  | -                     |
| 238-13 Replacement Winding SWL            | \$ 895,000          | \$872,559            | Delivered May 2013   | -                | -                | -                | 872,559            | 872,559               |
| 240-13 Cooling Water TYL                  | \$ 199,688          | \$26,600             | R&R project approved March 2013                                      | -                | -                | -                | 26,600             | 26,600                |
| 241-13 Stream Gauge TYL                   | \$ 1,467,758        | \$34,761             | In progress.   | -                | -                | -                | 34,761             | 34,761                |
| 242-13 SWL Reservoir Expansion            | \$ 575,000          |                      | Increased Storage  | -                | -                | 151,421          | 321,636            | 473,057               |
| AK DCCED Grant- SWL Reservoir             | \$ -                |                      | Grant covers \$578K of FY14 costs                                    | -                | -                | -                | -                  | -                     |
| <b>Total WIP R&amp;R Capital Projects</b> | <b>\$11,566,746</b> | <b>\$1,573,908</b>   |  | <b>\$155,131</b> | <b>\$11,156</b>  | <b>\$218,483</b> | <b>\$1,895,544</b> | <b>\$2,280,314</b>    |
| <b>TOTAL CURRENT R&amp;R PROJECTS</b>     | <b>\$12,011,246</b> | <b>\$1,667,127</b>   |  | <b>\$167,448</b> | <b>\$183,473</b> | <b>\$677,424</b> | <b>\$1,988,763</b> | <b>\$3,017,109</b>    |

**Southeast Alaska Power Agency**  
**R&R PROJECT DETAIL**  
**June 30, 2013**

| Date                                  | Num        | Vendor                      | FY13 BUDGET \$   | Amount           | Description  |
|---------------------------------------|------------|-----------------------------|------------------|------------------|--|
| <b>R&amp;R EXPENSE JOB COSTS</b>      |            |                             |                  |                  |  |
| <b>214-12 Digital Relays (3) TYL</b>  |            |                             | <b>\$0</b>       | -                | This project was closed in FY12, but a late invoice was received in November.  |
| 04/30/12                              | 14872      | Electric Power Systems Inc. |                  | 7,234            |  |
| 05/31/12                              | 14960      | Electric Power Systems Inc. |                  | 13,693           |  |
| 06/30/12                              | 15266      | Electric Power Systems Inc. |                  | 1,144            |  |
| 06/30/12                              | 242        |                             |                  | (22,071)         |  |
| 07/31/12                              | 15267      | Electric Power Systems Inc. |                  | 2,311            |  |
| <b>Total 213-12 Road Repair SWL</b>   |            |                             |                  | <u>2,311</u>     |  |
| <b>215-12 Narrowband Radios</b>       |            |                             | <b>\$35,000</b>  | -                | FCC Mandate that all VHF transmitters shall operate on narrowband (12.5 kHz or narrower) by January 1, 2013. Gillespie, Prudhon & Assoc. recommended changing these radios to compliant models. CLOSED FY13. |
| 02/16/12                              | 215        | Ketchikan City of 334       | \$               | 818              |  |
| 05/15/12                              | 1205170    | Action Communications       |                  | 3,192            |  |
| 10/20/12                              | 34336      | Northern Communications Co. |                  | 60               |  |
| 10/22/12                              | 25940      | Temco Helicopters, Inc.     |                  | 5,758            |  |
| 10/23/12                              | 25939      | Temco Helicopters, Inc.     |                  | 6,087            |  |
| 10/24/12                              | 42934      | Coastal Helicopters, Inc.   |                  | 5,817            |  |
| 10/25/12                              | 50869      | Sunrise Aviation Inc        |                  | 840              |  |
| 10/30/12                              | 34359      | Northern Communications Co. |                  | 42               |  |
| 10/30/12                              | 17599      | AP&T Wireless, Inc.         |                  | 2,427            |  |
| 10/31/12                              | 321383     | Alaska Airlines Inc         |                  | 57               |  |
| 10/31/12                              | TBPA201210 | Thomas Bay Power Authority  |                  | 706              |  |
| 11/14/12                              | 17757      | AP&T Wireless, Inc.         |                  | 25,576           |  |
| 11/28/12                              | 17799      | AP&T Wireless, Inc.         |                  | 909              |  |
| 11/30/12                              | TBPA201211 | Thomas Bay Power Authority  |                  | 101              |  |
| 12/19/12                              | 17924      | AP&T Wireless, Inc.         |                  | 816              |  |
| 12/31/12                              | TBPA201212 | Thomas Bay Power Authority  |                  | 73               |  |
| 01/31/13                              | TBPA201301 | Thomas Bay Power Authority  |                  | 65               |  |
| <b>Total 215-12 Narrowband Radios</b> |            |                             |                  | <u>\$ 53,344</u> |  |
| <b>222-13 Power Pole Replacemen</b>   |            |                             | <b>\$302,500</b> | -                | Included in FY2014 O&M Budget  |
| <b>Total Power Pole Replacements</b>  |            |                             |                  | <u>-</u>         |  |

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|--|------------|------------------------------------|-------------------|----------------|---|
| <b>223-13 Vehicle TYL - CLOSED F</b>   |            |                                    | <b>\$24,500</b>   | -              | Midsized SUV (Ford Explorer) purchased through state contract in July.  |
| 07/31/12                               | TBPA201207 | Thomas Bay Power Authority         |                   | 23,920         | CLOSED AUG 2012   |
| 08/31/12                               | TBPA201208 | Thomas Bay Power Authority         |                   | 998            |   |
| <b>Total 223-13 Vehicle TYL</b>        |            |                                    |                   | <u>24,918</u>  |   |
| <b>224-13 Misc R&amp;R SWL</b>         |            |                                    | <b>\$10,000</b>   | -              | Unscheduled renewal and replacement at Swan Lake. Employee housing.     |
| 12/31/12                               | KPU201212  | Ketchikan Public Utilities 334     |                   | 537            | CLOSED FY13   |
| 06/30/13                               | 99001      | Ketchikan Public Utilities 334     |                   | 4,415          |   |
| <b>Total 224-13 Misc R&amp;R SWL</b>   |            |                                    |                   | <u>4,952</u>   |   |
| <b>225-12 Misc R&amp;R TYL</b>         |            |                                    | <b>\$10,000</b>   | -              | Unscheduled renewal and replacement at Tye Lake.                        |
| 07/31/12                               | TBPA201207 | Thomas Bay Power Authority         |                   | 2,466          | Employee housing renovation expense. CLOSED FY13                        |
| 08/31/12                               | TBPA201208 | Thomas Bay Power Authority         |                   | 741            |   |
| 05/31/13                               | TBPA201305 | Thomas Bay Power Authority         |                   | 638            |   |
| 06/30/13                               | TBPA201306 | Thomas Bay Power Authority         |                   | 660            |   |
| <b>Total 225-12 Misc R&amp;R TYL</b>   |            |                                    |                   | <u>4,505</u>   |   |
| <b>SEAPA-02 Solomon PFMA - CL</b>      |            |                                    | <b>\$12,500</b>   | -              | Solomon Gulch PFMA Followup: Expenses to close out the PFMA             |
|  | \$         | 12,317                             | FY10 Expenditures |                | recommendations, including penstock anchor blocks and the dam low level |
|  |            | 172,318                            | FY11 Expenditures |                | outlet works. The installation of guard rail closed out this project in |
|  |            | 454,931                            | FY12 Expenditures |                | November 2012. (T.Acteson) CLOSED NOV 2012                              |
| 11/26/12                               | 4347       | Copper Valley Electric Association |                   | 20,542         |   |
| 11/30/12                               | 250        | Kodiak Electric Association        |                   | (2,131)        |   |
| 11/30/12                               | 250        | Kodiak Electric Association        |                   | (22,500)       |   |
| 11/30/12                               | 250        | Kodiak Electric Association        |                   | 15,373         |   |
| 11/30/12                               | 251        | Copper Valley Electric Assoc.      |                   | (2,131)        |   |
| 11/30/12                               | 251        | Copper Valley Electric Assoc.      |                   | (22,500)       |   |
| 11/30/12                               | 251        | Copper Valley Electric Assoc.      |                   | 20,545         |   |
| <b>Total SEAPA-02 Solomon PFMA</b>     |            |                                    |                   | <u>646,764</u> |   |
| <b>Total R&amp;R Expense Job Costs</b> |            |                                    | <b>\$444,500</b>  | <b>736,795</b> |   |

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|-------------------------------------|----------------|---------------------------------|------------------|----------------|---|
| <b>WIP R&amp;R CAPITAL PROJECTS</b> |                |                                 |                  |                |   |
| <b>002-10TRN Helicopter Pads</b>    |                |                                 | <b>\$0</b>       | -              | This project will be capitalized in FY14 when 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     | FY10 Expenditures               |                  |                |   |
|                                     | 11,156         | FY11 Expenditures               |                  |                |   |
|                                     | (63,600)       | FY12 Expenditures               |                  |                |   |
| <b>Total 002-10 Helicopter Pads</b> |                |                                 |                  | <u>102,686</u> |   |
| <b>220-12 SCADA Upgrade</b>         |                |                                 | <b>\$800,000</b> | -              | SEAPA System SCADA Consolidation Project. Continuation of SEAPA 001-09. (E.Wolfe)   |
|                                     | \$ 130,663     | FY12 Expenditures               |                  |                |   |
| 07/28/12                            | INV120729      | Segrity LLC                     |                  | 3,781          |   |
| 07/28/12                            | INV120729      | Segrity LLC                     |                  | 3,781          |   |
| 09/27/12                            | 24820          | Taquan Air                      |                  | 209            |   |
| 09/28/12                            | 191859         | Best Western Landing Hotel      |                  | 99             |   |
| 09/30/12                            | THO9358-201205 | "Bank of America                |                  | 1,081          |   |
| 10/12/12                            | 163968         | PR Electronics                  |                  | 5,876          |   |
| 10/17/12                            | E12101702      | Excel Automation                |                  | 2,633          |   |
| 10/17/12                            | INV0130018     | Industrial Networking Solutions |                  | 1,236          |   |
| 10/17/12                            | INV0130025     | Industrial Networking Solutions |                  | 1,722          |   |
| 10/25/12                            | INV0130065     | Industrial Networking Solutions |                  | 5,602          |   |
| 10/26/12                            | 81854          | MSI Tec Inc                     |                  | 12,488         |   |
| 10/26/12                            | 81855          | MSI Tec Inc                     |                  | 10,318         |   |
| 10/26/12                            | 81890          | MSI Tec Inc                     |                  | 15,360         |   |
| 10/26/12                            | 81891          | MSI Tec Inc                     |                  | 5,771          |   |
| 10/26/12                            | 81892          | MSI Tec Inc                     |                  | 20,334         |   |
| 10/31/12                            | THO9358-201210 | "Bank of America                |                  | 373            |   |
| 10/31/12                            | WOL9225-201211 | "Bank of America                |                  | 316            |   |
| 11/05/12                            | 24989          | Taquan Air                      |                  | 617            |   |
| 11/05/12                            | 2265           | Stikine Inn                     |                  | 57             |   |
| 11/05/12                            | 2265           | Stikine Inn                     |                  | 57             |   |
| 11/12/12                            | 50890          | Sunrise Aviation Inc            |                  | 210            |   |
| 11/12/12                            | 50890          | Sunrise Aviation Inc            |                  | 210            |   |
| 11/30/12                            | INV121205      | Segrity LLC                     |                  | 313            |   |
| 11/30/12                            | INV121205      | Segrity LLC                     |                  | 313            |   |
| 11/30/12                            | INV121205      | Segrity LLC                     |                  | 8,564          |   |
| 11/30/12                            | INV121205      | Segrity LLC                     |                  | 8,564          |   |
| 11/30/12                            | THO9358-201211 | "Bank of America                |                  | 142            |   |
| 11/30/12                            | THO9358-201211 | "Bank of America                |                  | 142            |   |
| 01/31/13                            | THO9358-201301 | "Bank of America                |                  | 86             |   |

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|-----------------------------------|----------------|----------------------|----------------|----------------|-------------|
| 01/31/13                          | THO9358-201301 | "Bank of America     |                | 86             |             |
| 02/01/13                          | 50959          | Sunrise Aviation Inc |                | 200            |             |
| 02/01/13                          | 50959          | Sunrise Aviation Inc |                | 200            |             |
| 02/10/13                          | 50973          | Sunrise Aviation Inc |                | 210            |             |
| 02/10/13                          | 50973          | Sunrise Aviation Inc |                | 210            |             |
| 02/15/13                          | EW201302       | .Wolfe, Eric         |                | 13             |             |
| 02/15/13                          | EW201302       | .Wolfe, Eric         |                | 13             |             |
| 02/28/13                          | THO9358-201302 | "Bank of America     |                | 158            |             |
| 02/28/13                          | THO9358-201302 | "Bank of America     |                | 158            |             |
| 02/28/13                          | WOL9225-201302 | "Bank of America     |                | 270            |             |
| 02/28/13                          | WOL9225-201302 | "Bank of America     |                | 270            |             |
| 03/10/13                          | INV130309      | Segrity LLC          |                | 5,563          |             |
| 03/10/13                          | INV130309      | Segrity LLC          |                | 5,563          |             |
| 03/10/13                          | INV130309      | Segrity LLC          |                | 6,403          |             |
| 03/10/13                          | INV130309      | Segrity LLC          |                | 6,403          |             |
| 03/11/13                          | TX195314       | Anchorage Daily News |                | 45             |             |
| 03/11/13                          | TX195314       | Anchorage Daily News |                | 45             |             |
| 03/21/13                          | 40448          | TekMate Incorporated |                | 142            |             |
| 03/21/13                          | 40448          | TekMate Incorporated |                | 142            |             |
| 03/28/13                          | 25404          | Taquan Air           |                | 176            |             |
| 03/28/13                          | 25404          | Taquan Air           |                | 176            |             |
| 03/31/13                          | THO9358-201303 | "Bank of America     |                | 253            |             |
| 03/31/13                          | THO9358-201303 | "Bank of America     |                | 253            |             |
| 04/27/13                          | 25479          | Taquan Air           |                | 234            |             |
| 04/27/13                          | 25479          | Taquan Air           |                | 234            |             |
| 04/30/13                          | WOL9225-201303 | "Bank of America     |                | 26             |             |
| 04/30/13                          | WOL9225-201303 | "Bank of America     |                | 26             |             |
| 05/31/13                          | INV130609      | Segrity LLC          |                | 1,969          |             |
| 05/31/13                          | INV130609      | Segrity LLC          |                | 1,969          |             |
| 05/31/13                          | INV130609      | Segrity LLC          |                | 3,340          |             |
| 05/31/13                          | INV130609      | Segrity LLC          |                | 3,340          |             |
| 05/31/13                          | THO9358-201304 | "Bank of America     |                | 428            |             |
| 05/31/13                          | THO9358-201304 | "Bank of America     |                | 428            |             |
| 05/31/13                          | WOL9225-201304 | "Bank of America     |                | 65             |             |
| 05/31/13                          | WOL9225-201304 | "Bank of America     |                | 65             |             |
| 06/30/13                          | INV130630      | Segrity LLC          |                | 3,563          |             |
| 06/30/13                          | INV130630      | Segrity LLC          |                | 3,563          |             |
| <b>Total 220-12 SCADA Upgrade</b> |                |                      |                | <u>287,115</u> |             |

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| <b>226-13 XFMR Junction Boxes B</b>            |            |                                | <b>\$65,000</b>  | -             | Replace SEAPA transformer junction boxes at Bailey substation. Budget increased from \$65K to \$90K during Jan 2013 special board meeting. Junction boxes; purchase order issued in January. Installation by Chatham Electric in May 2013. CLOSED FY13. (S.Henson) |
| 05/08/13                                       | IN000112   | Delta Star Inc                 |                  | 59,124        |  |
| 05/22/13                                       | 199382     | Best Western Landing Hotel     |                  | 667           |  |
| 05/23/13                                       | 199384     | Best Western Landing Hotel     |                  | 422           |  |
| 05/31/13                                       | 10345      | Chatham Electric, Inc.         |                  | 10,553        |  |
| 06/30/13                                       | 99003      | Ketchikan Public Utilities 334 |                  | 2,962         |  |
| 06/30/13                                       | 301        | <b>CAPITALIZED \$73,727.93</b> |                  | -             |  |
| <b>Total 226-13 XFMR Junction Boxes Bailey</b> |            |                                |                  | <u>73,728</u> |  |
| <b>227-13 Burnett Peak Battery</b>             |            |                                | <b>\$34,300</b>  | -             | Battery replacement at Burnett Peak communication center. Batteries stored at SEAPA warehouse in Wrangell pending installation by AP&T. Project completed in Aug 2013 (FY14). (S.Henson)   |
| 01/10/13                                       | 18040      | AP&T Wireless, Inc.            |                  | 21,140        |  |
| <b>Total 227-13 Burnett Peak Battery</b>       |            |                                |                  | <u>21,140</u> |  |
| <b>228-13 Circuit Switcher WRG</b>             |            |                                | <b>\$100,000</b> | -             | Replace manual 3-phase circuit switcher at the Wrangell switchyard. Scheduled after R&R236-13, FY14. (S.Henson)  |
| <b>Total 228-13 Circuit Switcher Wrg</b>       |            |                                |                  | <u>-</u>      |  |
| <b>229-13 Gate Control Refurbish</b>           |            |                                | <b>\$35,000</b>  | -             | Replace control panel and components, rebuild hand-hydraulic pump. Scheduled for fall 2013. (S.Henson)   |
| 08/02/12                                       | 961699521  | Graybar                        |                  | 1,448         |  |
| 08/03/12                                       | 558016     | Alaska Marine Lines            |                  | 48            |  |
| 08/06/12                                       | 961747265  | Graybar                        |                  | 116           |  |
| 08/09/12                                       | 961827809  | Graybar                        |                  | 60            |  |
| 08/10/12                                       | 561355     | Alaska Marine Lines            |                  | 48            |  |
| 08/23/12                                       | 962085477  | Graybar                        |                  | 111           |  |
| 08/28/12                                       | 962163192  | Graybar                        |                  | 4,662         |  |
| 08/29/12                                       | 571007     | Alaska Marine Lines            |                  | 57            |  |
| 09/30/12                                       | TBPA201209 | Thomas Bay Power Authority     |                  | 97            |  |
| 11/30/12                                       | TBPA201211 | Thomas Bay Power Authority     |                  | 61            |  |
| 02/12/13                                       | 563745     | Alaska Marine Lines            |                  | 48            |  |
| 04/30/13                                       | TBPA201304 | Thomas Bay Power Authority     |                  | 989           |  |
| 05/31/13                                       | TBPA201305 | Thomas Bay Power Authority     |                  | 1,417         |  |
| <b>Total 229-13 Gate Control Refurbish TYL</b> |            |                                |                  | <u>9,160</u>  |  |
| <b>230-13 Boat Dock Replace TYL</b>            |            |                                | <b>\$55,000</b>  | -             | Replace the boat dock at Tyee Lake. RFP issued April 2013. Installation June 2013. (M.Nicholls, S.Beers, S.Henson) CLOSED JUNE FY13.   |
| 03/29/13                                       | 27222      | Ketchikan Daily News           |                  | 59            |  |
| 04/06/13                                       | 53239      | Pilot Publishing, Inc.         |                  | 59            |  |
| 04/06/13                                       | 53246      | Wrangell Sentinel              |                  | 45            |  |
| 06/27/13                                       | 613290     | Seaborne Marine Services JV    |                  | 75,000        |  |
| <b>CAPITALIZED \$75,162.65</b>                 |            |                                |                  | -             |  |
| <b>Total 230-13 Boat Dock Replace TYL</b>      |            |                                |                  | <u>75,163</u> |  |



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| <b>231-13 Helicopter Pads</b>       |               |                          | <b>\$1,135,000</b> | -             | Helipad installation on the intertie and replacement of pads on Swan and Tyee lines. Includes design work. (S.Henson) |
| 07/05/12                            | 25192         | Temsco Helicopters, Inc. |                    | 2,571         |   |
| 09/06/12                            | 16490213      | R&M Consultants Inc      |                    | 2,280         |   |
| 10/03/12                            | 26406         | Ketchikan Daily News     |                    | 260           |   |
| 10/03/12                            | 16490214      | R&M Consultants Inc      |                    | 582           |   |
| 10/12/12                            | TX153273      | Anchorage Daily News     |                    | 232           |   |
| 10/12/12                            | 445430        | Juneau Empire            |                    | 195           |   |
| 10/22/12                            | 51669         | Pilot Publishing, Inc.   |                    | 33            |   |
| 10/22/12                            | 51675         | Wrangell Sentinel        |                    | 21            |   |
| 11/05/12                            | 50618016      | Tetra Tech Inc           |                    | 4,443         |   |
| 11/09/12                            | 16490215      | R&M Consultants Inc      |                    | 592           |   |
| 11/23/12                            | 50627783      | Tetra Tech Inc           |                    | 3,064         |   |
| 12/13/12                            | 26026         | Temsco Helicopters, Inc. |                    | 944           |   |
| 01/02/13                            | 16490216      | R&M Consultants Inc      |                    | 3,012         |   |
| 01/18/13                            | 50641315      | Tetra Tech Inc           |                    | 532           |   |
| 02/04/13                            | 132011        | Tongass Engineering      |                    | 5,066         |   |
| 02/04/13                            | 50646869      | Tetra Tech Inc           |                    | 491           |   |
| 02/05/13                            | 16490217      | R&M Consultants Inc      |                    | 4,749         |   |
| 02/28/13                            | 132012        | Tongass Engineering      |                    | 2,074         |   |
| 03/07/13                            | 50656302      | Tetra Tech Inc           |                    | 2,929         |   |
| 03/08/13                            | 16490218      | R&M Consultants Inc      |                    | 1,964         |   |
| 03/21/13                            | 39597         | Sherwin Williams         |                    | 2,288         |   |
| 03/29/13                            | 50667482      | Tetra Tech Inc           |                    | 1,707         |   |
| 04/01/13                            | 132013        | Tongass Engineering      |                    | 2,231         |   |
| 04/25/13                            | BF100522O0027 | USDA Forest Service      |                    | 1,108         |   |
| 04/30/13                            | 16490220      | R&M Consultants Inc      |                    | 871           |   |
| 05/02/13                            | 50673076      | Tetra Tech Inc           |                    | 801           |   |
| 05/06/13                            | 16409219      | R&M Consultants Inc      |                    | 1,388         |   |
| 05/12/13                            | 132014        | Tongass Engineering      |                    | 840           |   |
| 05/31/13                            | 50681814      | Tetra Tech Inc           |                    | 440           |   |
| 05/31/13                            | 132015        | Tongass Engineering      |                    | 3,203         |   |
| 05/31/13                            | 16490221      | R&M Consultants Inc      |                    | 194           |   |
| 06/11/13                            | 10290PB3      | Chatham Electric, Inc.   |                    | 681           |   |
| 06/21/13                            | 26020         | Taquan Air               |                    | 399           |   |
| 06/28/13                            | 50693659      | Tetra Tech Inc           |                    | 2,030         |   |
| 06/30/13                            | 132016        | Tongass Engineering      |                    | 3,518         |   |
| <b>Total 231-13 Helicopter Pads</b> |               |                          |                    | <u>57,731</u> |   |

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| <b>232-13 Communications Upgrar</b>        |           |                                | <b>\$2,150,000</b>           | -              | Preferred recommendation for SEAPA Communications upgrade.           |
| 10/04/12                                   | 26411     | Ketchikan Daily News           |                              | 258            | Continuation of Gillespie, Prudhon & Assoc. "Communication Network   |
| 10/12/12                                   | TX153349  | Anchorage Daily News           |                              | 256            | Evaluation & Recommendation" study. (S. Henson)                      |
| 10/12/12                                   | 445431    | Juneau Empire                  |                              | 205            | RFP for satellite-system upgrade issued in March 2013.               |
| 10/22/12                                   | 51669     | Pilot Publishing, Inc.         |                              | 33             |  |
| 10/22/12                                   | 51675     | Wrangell Sentinel              |                              | 21             |  |
| 11/30/12                                   | INV121205 | Segrity LLC                    |                              | 1,000          |  |
| 03/31/13                                   | 285       | Journal to remove Skywrap exp. |                              | (772)          |  |
| 04/04/13                                   | 27271     | Ketchikan Daily News           |                              | 49             |  |
| 05/05/13                                   | TX201026  | Anchorage Daily News           |                              | 43             |  |
| 05/10/13                                   | 51090     | Sunrise Aviation Inc           |                              | 260            |  |
| 05/10/13                                   | 51090     | Sunrise Aviation Inc           |                              | 260            |  |
| 05/10/13                                   | 51090     | Sunrise Aviation Inc           |                              | 260            |  |
| 05/13/13                                   | 51302     | Satellite & Sound Inc          |                              | 247            |  |
| 05/13/13                                   | 51302     | Satellite & Sound Inc          |                              | 247            |  |
| 05/13/13                                   | 51302     | Satellite & Sound Inc          |                              | 247            |  |
| 05/31/13                                   | INV130609 | Segrity LLC                    |                              | 2,750          |  |
| 05/31/13                                   | INV130609 | Segrity LLC                    |                              | 2,750          |  |
| 06/12/13                                   | 26521     | Temsco Helicopters, Inc.       |                              | 1,298          |  |
| 06/30/13                                   | INV130630 | Segrity LLC                    |                              | 1,250          |  |
| 06/30/13                                   | INV130630 | Segrity LLC                    |                              | 250            |  |
| 06/30/13                                   | INV130630 | Segrity LLC                    |                              | 1,250          |  |
| <b>Total 232-13 Communications Upgrade</b> |           |                                |                              | <u>12,160</u>  |  |
| <b>233-13 Excavator SWL - CLOSE</b>        |           |                                | <b>\$220,000</b>             | -              | New equipment to replace old boom truck and Grove crane. (S.Henson)  |
| 02/06/13                                   | EK00240   | Construction Machinery         |                              | 135,500        | Excavator purchase authorized during January 2013 Special Board Mtg. |
| 06/30/13                                   | 99002     | Ketchikan Public Utilities 334 |                              | 4,150          | Delivered March 2013. CLOSED MARCH 2013.                             |
|  |           |                                | <b>CAPITALIZED \$139,650</b> |                |  |
| <b>Total 233-13 Excavator SWL</b>          |           |                                |                              | <u>139,650</u> |  |
| <b>234-13 Gatehs Generator TYL</b>         |           |                                | <b>\$82,000</b>              | -              | Replacement of aging propane generator and two propane tanks at Tye  |
| 04/11/13                                   | 27314     | Ketchikan Daily News           |                              | 45             | Gatehouse. Propane tanks passed inspection July 2012 & will not be   |
| 04/13/13                                   | 53263     | Pilot Publishing, Inc.         |                              | 39             | replaced. Generator purchased July 2013. New budget estimate \$42K.  |
| 04/13/13                                   | 53265     | Wrangell Sentinel              |                              | 30             | (S.Henson)   |
| <b>Total 234-13 Gatehs Gen-Propane TYL</b> |           |                                |                              | <u>114</u>     |  |

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| <b>235-13 SEAPA Servers - CLOSE</b>          |                |                               | <b>\$43,000</b>    | -             | Replace computer-system servers in SEAPA office. New servers installed by TekMate in December 2012. (S.Thompson)                              |
| 10/19/12                                     | 8937           | TekMate Incorporate           |                    | 27,222        |   |
| 12/19/12                                     | 193623         | Best Western Landing Hotel    |                    | 594           | CLOSED DEC 2012   |
| 12/21/12                                     | 39082          | TekMate Incorporate           |                    | 11,666        |   |
| 03/21/13                                     | 40448          | TekMate Incorporated          |                    | 142           |   |
|  |                | <b>CAPITALIZED</b>            | <b>\$39,624</b>    |               |   |
| <b>Total SEAPA Servers</b>                   |                |                               |                    | <u>39,624</u> |   |
| <b>236-13 Wrangell Reactor</b>               |                |                               | <b>\$3,615,000</b> | -             | Replace aging reactor in Wrangell with switchable reactors and capacitors. Study contracts issued in January. EPS study performed. (S.Henson) |
| 09/10/12                                     | 26270          | Ketchikan Daily News          |                    | 246           |   |
| 09/17/12                                     | TX144551       | Anchorage Daily News          |                    | 249           |   |
| 09/28/12                                     | 51409          | Pilot Publishing, Inc.        |                    | 40            |   |
| 09/28/12                                     | 51430          | Wrangell Sentinel             |                    | 26            |   |
| 10/19/12                                     | 441854         | Juneau Empire                 |                    | 231           |   |
| 02/14/13                                     | 213160211A     | Scandia House Hotel           |                    | 173           |   |
| 02/22/13                                     | 34291          | Commonwealth Associates, Inc. |                    | 7,574         |   |
| 02/28/13                                     | THO9358-201302 | Bank of America               |                    | 371           |   |
| 03/10/13                                     | INV130309      | Segrity LLC                   |                    | 500           |   |
| 03/22/13                                     | 300572         | Northland Services            |                    | 48            |   |
| 03/25/13                                     | 75             | Electric Power Systems Inc.   |                    | 4,026         |   |
| 04/11/13                                     | 223            | Electric Power Systems Inc.   |                    | 7,280         |   |
| 04/12/13                                     | 34815          | Commonwealth Associates, Inc. |                    | 19,306        |   |
| 05/31/13                                     | INV130609      | Segrity LLC                   |                    | 3,500         |   |
| 06/30/13                                     | 899            | Electric Power Systems Inc.   |                    | 11,498        |   |
| <b>Total 236-13 Wrangell Reactors</b>        |                |                               |                    | <u>55,066</u> |   |
| <b>237-13 Remote Brkr Rack. Devit</b>        |                |                               | <b>\$70,000</b>    | -             | Safety measure to protect personnel while racking a breaker. (S.Henson)   |
| <b>Total 237-13 Remote Brkr Rack. Device</b> |                |                               |                    | <u>-</u>      | Carried over to FY14.   |

**Southeast Alaska Power Agency**  
**R&R PROJECT DETAIL**  
**June 30, 2013**

| Date                                 | Num            | Vendor                                | FY13 BUDGET \$   | Amount         | Description  |
|--------------------------------------|----------------|---------------------------------------|------------------|----------------|--|
| <b>238-13 Replacement Winding S'</b> |                |                                       | <b>\$895,000</b> | -              | Spare generator winding for Swan Lake. Constructed by Voith Hydro. Delivered to Swan Lake in June. Humidity-controlled storage built in August 2013. |
| 07/31/12                             | MK201207       | Morris Kepler Consulting              |                  | 3,327          |  |
| 08/31/12                             | MK201208       | Morris Kepler Consulting              |                  | 880            |  |
| 10/29/12                             | 26552          | Ketchikan Daily News                  |                  | 373            |  |
| 11/07/12                             | 448854         | Juneau Empire                         |                  | 291            |  |
| 11/25/12                             | TX164749       | Anchorage Daily News                  |                  | 325            |  |
| 12/15/12                             | 52161          | Pilot Publishing, Inc.                |                  | 45             |  |
| 12/15/12                             | 52169          | Wrangell Sentinel                     |                  | 30             |  |
| 01/04/13                             | 7004002934     | Voith Hydro, Inc                      |                  | 84,723         |  |
| 01/08/13                             | 22079          | Matsu Alaska Construction LLC         |                  | 697            |  |
| 01/08/13                             | 623672         | Alaska Marine Lines                   |                  | 935            |  |
| 01/21/13                             | 7004002960     | Voith Hydro, Inc                      |                  | 169,445        |  |
| 02/15/13                             | 217768750      | FedEx                                 |                  | 56             |  |
| 02/18/13                             | 115276398      | FedEx                                 |                  | 71             |  |
| 02/20/13                             | 7004003022     | Voith Hydro, Inc                      |                  | 127,084        |  |
| 02/28/13                             | MK201302       | Morris Kepler Consulting              |                  | 1,610          |  |
| 03/20/13                             | 7004003114     | Voith Hydro, Inc                      |                  | 169,445        |  |
| 04/22/13                             | 7004003168     | Voith Hydro, Inc                      |                  | 127,084        |  |
| 05/31/13                             | MK201305       | Morris Kepler Consulting              |                  | 5,889          |  |
| 06/04/13                             | 8010541        | Madison Lumber & Hardware Inc         |                  | 4,032          |  |
| 06/04/13                             | 51143          | Sunrise Aviation Inc                  |                  | 720            |  |
| 06/13/13                             | 7004003324     | Voith Hydro, Inc                      |                  | 169,445        |  |
| 06/18/13                             | 51178          | Sunrise Aviation Inc                  |                  | 830            |  |
| 06/18/13                             | T1529501       | Tyler Industrial Supply               |                  | 193            |  |
| 06/20/13                             | 13057          | Boyer Towing, Inc.                    |                  | 4,416          |  |
| 06/30/13                             | MK201306       | Morris Kepler Consulting              |                  | 575            |  |
| 06/30/13                             | ACT4655-20130€ | "Bank of America                      |                  | 36             |  |
| 06/30/13                             | HEN0453-20130€ | "Bank of America                      |                  | 49             |  |
| 06/30/13                             | 286            | Voith Hydro, Inc (freight reimburse.) |                  | (48)           |  |
| <b>Total Replacement Winding SWL</b> |                |                                       |                  | <u>872,559</u> |  |

**Southeast Alaska Power Agency**  
**R&R PROJECT DETAIL**  
**June 30, 2013**

| Date                                 | Num           | Vendor                     | FY13 BUDGET \$     | Amount        | Description                                       |
|--------------------------------------|---------------|----------------------------|--------------------|---------------|---|
| <b>240-13 Cooling Water TYL</b>      |               |                            | <b>\$199,688</b>   | -             |   |
| 08/31/12                             | MK201208      | Morris Kepler Consulting   |                    | 13,855        |   |
| 02/28/13                             | MK201302      | Morris Kepler Consulting   |                    | 1,150         |   |
| 05/26/13                             | 51119         | Sunrise Aviation Inc       |                    | 420           |   |
| 05/31/13                             | MK201305      | Morris Kepler Consulting   |                    | 6,980         |   |
| 06/30/13                             | MK201306      | Morris Kepler Consulting   |                    | 4,195         |   |
| <b>Total Project</b>                 |               |                            |                    | <u>26,600</u> |   |
| <b>241-13 Stream Gauge TYL</b>       |               |                            | <b>\$1,467,758</b> | -             | Logs cleared in July 2013. Design phase underway. |
| 02/28/13                             | 281           | Sunrise Aviation Inc       |                    | 585           |   |
| 02/28/13                             | 281           | Sunrise Aviation Inc       |                    | 685           |   |
| 02/28/13                             | 281           | "First Bankcard            |                    | 134           |   |
| 02/28/13                             | 281           | "First Bankcard            |                    | 1,675         |   |
| 02/28/13                             | 281           | "Bank of America           |                    | 1,088         |   |
| 02/28/13                             | 281           | McMillen, LLC              |                    | 3,735         |   |
| 02/28/13                             | 281           | "Bank of America           |                    | 478           |   |
| 02/28/13                             | 281           | Best Western Landing Hotel |                    | 110           |   |
| 02/28/13                             | 281           | Sunrise Aviation Inc       |                    | 293           |   |
| 02/28/13                             | 281           | Sunrise Aviation Inc       |                    | 360           |   |
| 02/28/13                             | 281           | "Bank of America           |                    | 899           |   |
| 02/28/13                             | 281           | Temsco Helicopters, Inc.   |                    | 1,996         |   |
| 04/10/13                             | 3029          | McMillen, LLC              |                    | 5,482         |   |
| 04/16/13                             | 27354         | Ketchikan Daily News       |                    | 45            |   |
| 04/20/13                             | 53316         | Wrangell Sentinel          |                    | 30            |   |
| 04/30/13                             | THO9358-20130 | "Bank of America           |                    | 514           |   |
| 05/08/13                             | 51085         | Sunrise Aviation Inc       |                    | 420           |   |
| 05/10/13                             | 3094          | McMillen, LLC              |                    | 1,230         |   |
| 05/31/13                             | 3162          | McMillen, LLC              |                    | 2,983         |   |
| 05/31/13                             | THO9358-20130 | "Bank of America           |                    | (18)          |   |
| 06/12/13                             | 26521         | Temsco Helicopters, Inc.   |                    | 1,298         |   |
| 06/30/13                             | 304           | McMillen, LLC              |                    | 10,740        |   |
| <b>Total 241-13 Stream Gauge TYL</b> |               |                            |                    | <u>34,761</u> |   |

**Southeast Alaska Power Agency  
R&R PROJECT DETAIL  
June 30, 2013**

| Date  | Num           | Vendor                            | FY13 BUDGET \$   | Amount         | Description  |
|---|---------------|-----------------------------------|------------------|----------------|--|
| <b>242-13 Reservoir Expansion SW</b>        |               |                                   | <b>\$575,000</b> |                | Refer to report from Director of Special Projects. |
| 05/31/12                                    | 292           | FY12 Expenditures                 |                  | 151,421        |  |
| 05/31/12                                    | 292           | FY13 Project Feasibility transfer |                  | 376,959        |  |
| 05/14/13                                    | 53523         | Pilot Publishing, Inc.            |                  | 351            |  |
| 05/14/13                                    | 53529         | Wrangell Sentinel                 |                  | 270            |  |
| 05/22/13                                    | 100666-766    | Best Western Landing Hotel        |                  | 1,122          |  |
| 05/22/13                                    | 25655         | Taquan Air                        |                  | 1,187          |  |
| 05/24/13                                    | 140           | Wolf Point Studios                |                  | 398            |  |
| 05/31/13                                    | 50681813      | Tetra Tech Inc                    |                  | 5,586          |  |
| 05/31/13                                    | 50681813      | Tetra Tech Inc                    |                  | 138            |  |
| 05/31/13                                    | THO9358-20130 | "Bank of America                  |                  | 342            |  |
| 05/31/13                                    | WOL9225-20130 | "Bank of America                  |                  | 470            |  |
| 05/31/13                                    | WOL201305     | .Wolfe, Eric                      |                  | 2              |  |
| 05/31/13                                    | 3163          | McMillen, LLC                     |                  | 14,840         |  |
| 06/19/13                                    | 26577         | Temsco Helicopters, Inc.          |                  | 1,331          |  |
| 06/21/13                                    | 26010         | Taquan Air                        |                  | 467            |  |
| 06/28/13                                    | 50693657      | Tetra Tech Inc                    |                  | 12,118         |  |
| 06/28/13                                    | 50693657      | Tetra Tech Inc                    |                  | 92             |  |
| 06/30/13                                    | 3219          | McMillen, LLC                     |                  | 4,850          |  |
| <b>Total 242-13 Reservoir Expansion SWL</b> |               |                                   |                  | <u>571,943</u> |  |

|                                   |    |                     |    |                  |
|-----------------------------------|----|---------------------|----|------------------|
| Total WIP R&R Capital Projects    | \$ | 11,541,746          | \$ | 2,379,200        |
| <b>TOTAL ALL R&amp;R PROJECTS</b> |    | <b>\$11,986,246</b> |    | <b>3,115,995</b> |

## R&R 230-13 Boat Dock: CLOSED FY13

Project Name: **Boat Dock Replacement at Tyee**

Project Number: **230-13**

Project Description: Replacement of floating dock system

Project Cost Estimate: \$55,000 / revised to \$75,000 **Final Project Cost: \$75,162.65**

Project Start Date: July 2012

**Project Completion Date: June 2013**

Project Discussion: The existing float system was custom-constructed in Wrangell in 1993 by Manny Ludwigson. It is treated wood framing and decking on log floatation. The current condition of the dock is poor. Floatation logs are becoming water-logged, causing the float to list laterally approximately 10-12" in its 8-foot width. Framing members are rotting and crumbling with rough treatment as they are hauled ashore for storage.

Proposed Project Scope: Contract for design/build HDPE floatation docks designed for attachment to existing piling and approach. Float sections will be decked by treated wood or an alternate galvanized steel grate. Lifting eyes will be installed in float sections.

Existing dock will be removed and new delivered as part of the project contract. Anticipate bid process for outside contractor supply and install.

- (2) 24'8" x 8'4" HDPE float sections
- (2) 19'11" x 8'4" HDPR float sections
- (1) 10'3" x 9'6" HDPE ramp landing float w/additional floatation
- (5) Pile hoop w/removable slide

Assorted required hardware and fasteners heavy galvanized or in alternate SS

| <b>Project Cost Estimate Summary</b> | <b>Item</b>            | <b>Cost</b>     |
|--------------------------------------|------------------------|-----------------|
|                                      | Labor                  | \$10,000        |
|                                      | Material               | \$40,000        |
|                                      | Design/Engineering     | \$3,500         |
|                                      | Project Mgt/Inspection | \$1,500         |
|                                      | <b>Total</b>           | <b>\$55,000</b> |

Project Cost Estimate Discussion: Recommended to purchase installed project through open bid process contract. Suggested that contractor be paid 50% bid amount when float sections are delivered to Wrangell. Final disbursement when new dock delivered to Tyee facility AND old dock removed from site.

Budget Amount Requested for FY2013: \$55,000

Project Responsibility:

Project Manager: TBPA General Manager/Steve Beers/Steve Henson

Design/Engineering: Contractor / TBPA Manager

Construction: Contractor

Construction Manager/Inspection: TBPA Gen Mgr/ Steve Beers / Steve Henson



**R&R 230-13 Boat Dock: CLOSED FY13**

**Photo of existing dock:**



| <b>R&amp;R Project / Budget Approval</b> |                      |          |                    |
|--|----------------------|----------|--------------------|
| Submitted By                             | Paul Southland       | 03/27/12 |                    |
| CEO Approval                             | D.Carlson, T.Acteson | May 2012 |                    |
| Project Approval                         | SEAPA Board          | 06/27/12 | Increased to \$75K |
| Budget Approval FY13                     | SEAPA Board          | 06/27/12 | April 25, 2013     |

Mr. Bergeron moved to authorize staff to amend the FY13 budget with an increase to R&R Project No. 230-13 from \$55,000 to \$75,000 and further authorize staff to enter into a contract with Seley Properties Ltd., d/b/a Seaborne Marine Services for an amount not to exceed \$75,000 for the Tye Dock Replacement Project. Mr. Ashton seconded the motion. The motion carried unanimously. (Action 13-213)

| <b>R&amp;R Project Contracts (Contract Description, number and award date)</b> |                 |                 |
|--|-----------------|-----------------|
| Seaborne Marine Services JV  | Build & Install | PO# SEABOR13-01 |



**R&R 230-13 Boat Dock: CLOSED FY13**



**R&R 230-13 Boat Dock: CLOSED FY13**



Mr. Steve Hansen

SEAPA

In accordance with the specifications prepared by SEAPA and provided to Wolseley Industrial Group by Seaborne Marine Service, your floats have been constructed to pick utilizing (2) equal length 3" web slings of sufficient capacity, placed through the space between the Bull Rail and deck planks at the 2<sup>nd</sup> corbel block in from each end of the float.

The Bull Rail is secured to the float by 1/2" galvanized bolts passing through HDPE corbel blocks, the deck plank and the outer 4x6 longitudinal stringers. The 4x6 stringers are bolted to the HDPE Pontoon Floats. In addition to maintaining the desired spacing between the deck and bull rail, the round HDPE corbel block minimizes potential sling chaffing as the slings shift inward toward the center pick point during the lift.

When picking in this fashion it is important to render the slings so that the distance from the point where the sling passes under the bull rail to the hook block or center lift shackle are equal to maintain the float in a level position and equalizing the sling pressure on all four lift points.

Cesar Gallardo – Wolseley Industrial Group, Industrial Plastics Division

# RR226-13 XFMR Boxes: Closed FY13

Project Name: **Transformer Junction Boxes at Bailey**

Project Number: **226-13**

Project Description: Replace Junction Boxes on SEAPA Transformers in Bailey Substation

Project Cost Estimate: \$65,000                      **Actual Cost: \$73,727.93**

Project Start Date: July 2012

Project Completion Date: June 2013                      **In Service: May 2013**

Project Discussion: The junction boxes on the SEAPA owned transformers at the Bailey substation have rusted and deteriorated to the point that they are no longer water proof and consequently the internal components are corroding to the point of being inoperable. Replacement of the boxes and components is necessary to insure the operation and reliability of the transformers.

| <b>Project Cost Estimate Summary</b> | <b>Item</b>  | <b>Cost</b>     |
|--------------------------------------|--------------|-----------------|
|                                      | Labor        | \$35,000        |
|                                      | Material     | \$55,000        |
|                                      | <b>Total</b> | <b>\$90,000</b> |

Project Cost Estimate Discussion: The project estimate was based on a quote received from one vendor to replace the boxes with stainless steel cabinets which is durable and long lasting but perhaps not necessary. Less costly options could be proposed when a RFP is released.

Budget Amount Requested for FY2013: \$90,000.00

Project Responsibility:

Project Manager: Steve Henson

Material: Delta Star

Installation: Chatham Electric

Include additional project-related information here: detailed cost estimates, pictures, drawings, etc.

January 17, 2013 - Southeast Alaska Power Agency Offices via Teleconference Minutes

Mr. Coose moved to authorize staff to contract with Delta Star, Inc. for a value not to exceed \$65,000 for the manufacture of four junction boxes for SEAPA's transformers located at the Bailey Substation. He further moved to increase the funding in SEAPA's R&R Account No. 226-13 by an additional \$20,000 to cover installation of the four junction boxes. Mr. Bergeron seconded the motion. Mr. Donato proposed an amendment to increase the funding in SEAPA's R&R Account No. 226-13 by an additional \$5,000 for a factory representative to do warranty work, for a total request of \$90,000 for the manufacture of the four junction boxes, installation, and for an inspection after installation. Mr. Coose acknowledged the amendment. There were no objections to the amendment. The motion and amendment passed unanimously. (Action 13-184)

## RR226-13 XFMR Boxes: Closed FY13

| <b>R&amp;R Project / Budget Approval</b> |                        |                    |
|--|------------------------|--------------------|
| Submitted By                             | Steve Henson           | April 2012         |
| CEO Approval                             | Dave Carlson/T.Acteson | May 2012           |
| Project Approval                         | SEAPA Board            | 06/27/12           |
| Budget Approval FY13                     | SEAPA Board            | 06/27/12, 01/17/13 |

| <b>R&amp;R Project Contracts (Contract Description, number and award date)</b> |                  |  |
|--|------------------|--|
| Material Contract  | Delta Star       |  |
| Installation   | Chatham Electric |  |

**Attach Project Close-Out Summary upon completion of project.**

Transformer purchased from Delta Star. Installation performed by two electricians from Chatham Electric during May 20-22, 2013. Additional parts were pulled from KPU warehouse during installation.

| <b>226-13 XFMR Junction Boxes</b>              |          |                                |               |
|--|----------|--------------------------------|---------------|
| <b>Bailey</b>                                  |          | <b>\$65,000</b>                | <b>-</b>      |
| 05/08/13                                       | IN000112 | Delta Star Inc                 | 59,124        |
| 05/22/13                                       | 199382   | Best Western Landing Hotel     | 667           |
| 05/23/13                                       | 199384   | Best Western Landing Hotel     | 422           |
| 05/31/13                                       | 10345    | Chatham Electric, Inc.         | 10,553        |
| 06/30/13                                       | 99003    | Ketchikan Public Utilities 334 | <u>2,962</u>  |
| <b>Total 226-13 XFMR Junction Boxes Bailey</b> |          |                                | <u>73,728</u> |

# SOUTHEAST ALASKA POWER AGENCY

## JUNE & JULY 2013 DISBURSEMENTS

| <u>ACCOUNTS</u> | <u>TOTAL</u>                  |
|-----------------|-------------------------------|
| Revenue Fund    | \$ 1,287,302.88               |
| R&R Fund        | \$ 456,958.98                 |
| <b>TOTAL</b>    | <b><u>\$ 1,744,261.86</u></b> |

| SUGGESTED MOTION   |
|--|
| I move to approve disbursements for the months of June & July 2013<br>in the amount of \$1,744,261.86. |

| Invoice No. | Company (vendor)              | Revenue Fund | R&R Fund  |
|-------------|-------------------------------|--------------|-----------|
| APCM201305  | Alaska Permanent Capital Inc  | 2,116.77     |           |
| APCM201306  | Alaska Permanent Capital Inc  | 2,112.84     |           |
| ATC201307   | Alaska Telephone Company      | 5,421.05     |           |
| ATC201308   | Alaska Telephone Company      | 5,475.21     |           |
| RROO        | American Legal Publishing     | 74.95        |           |
| TX210008    | Anchorage Daily News          | 51.46        |           |
| TX213695    | Anchorage Daily News          | 700.00       |           |
| TX214072    | Anchorage Daily News          | 338.00       |           |
| 18326       | AP&T Wireless, Inc.           | 1,311.65     |           |
| AP&T201306  | AP&T Wireless, Inc.           | 1,352.50     |           |
| 19027       | AP&T Wireless, Inc.           | 11,282.80    |           |
| AP&T201307  | AP&T Wireless, Inc.           | 1,352.50     |           |
| 2650561320  | AT&T Alascom 5019             | 305.34       |           |
| 2650688713  | AT&T Alascom 5019             | 305.34       |           |
| 1125699     | AterWynne LLP                 | 11,830.00    |           |
| 1125700     | AterWynne LLP                 | 5,455.00     |           |
| 1125701     | AterWynne LLP                 | 630.00       |           |
| 1125703     | AterWynne LLP                 | 70.00        |           |
| 1126453     | AterWynne LLP                 | 4,027.00     |           |
| 1126454     | AterWynne LLP                 | 490.00       |           |
| 1126456     | AterWynne LLP                 | 2,733.60     |           |
| 199382      | Best Western Landing Hotel    | -            | 666.84    |
| 100666-766  | Best Western Landing Hotel    | -            | 1,121.90  |
| 199384      | Best Western Landing Hotel    | -            | 421.99    |
| BLUE201307  | Blue Water Charter & Tackle   | 725.00       |           |
| BLUE201308  | Blue Water Charter & Tackle   | 725.00       |           |
| 2013387     | Box-It LLC                    | 220.00       |           |
| Box201307   | Box-It LLC                    | 110.00       |           |
| Deposit     | Box-It LLC                    | 110.00       |           |
| 13057       | Boyer Towing, Inc.            | -            | 4,416.00  |
| 10290001    | Chatham Electric, Inc.        | 16,565.00    |           |
| 10345       | Chatham Electric, Inc.        | -            | 10,553.39 |
| 10290       | Chatham Electric, Inc.        | 609,907.00   |           |
| 10290002    | Chatham Electric, Inc.        | 3,557.00     |           |
| 10290PB3    | Chatham Electric, Inc.        | -            | 681.30    |
| 10290PB4    | Chatham Electric, Inc.        | 23,775.15    |           |
| 5514502     | Cisco WebEx LLC               | 49.00        |           |
| 5559260     | Cisco WebEx LLC               | 49.00        |           |
| 35315       | Commonwealth Associates, Inc. | 1,216.80     |           |
| 22951       | Control Engineers             | 660.00       |           |



## SOUTHEAST ALASKA POWER AGENCY

| Invoice No. | Company (vendor)                        | Revenue Fund | R&R Fund  |
|-------------|---|--------------|-----------|
| 3275775     | Daily Journal of Commerce               | 52.50        |           |
| IN000112    | Delta Star Inc                          | -            | 59,124.00 |
| 9584        | DHittle & Associates, Inc.              | 1,032.35     |           |
| 9585        | DHittle & Associates, Inc.              | 3,587.65     |           |
| 9639        | DHittle & Associates, Inc.              | 165.00       |           |
| 9640        | DHittle & Associates, Inc.              | 6,270.00     |           |
| 201311      | Diversified Diving Service              | 2,400.00     |           |
| 2952        | ERM Alaska Inc.                         | 1,111.73     |           |
| AKKET4747   | Fastenal                                | 24.80        |           |
| 225999797   | FedEx                                   | 117.26       |           |
| 49452591    | GCI 99001                               | 483.78       |           |
| 50117368    | GCI 99001                               | 523.50       |           |
| 58945716    | GE Capital                              | 595.00       |           |
| 58948420    | GE Capital                              | 140.00       |           |
| 59089395    | GE Capital                              | 140.00       |           |
| 59091341    | GE Capital                              | 595.00       |           |
| 5282112164  | HSQ Technology                          | 4,800.00     |           |
| 3039        | I Even Do Windows                       | 300.00       |           |
| 3052        | I Even Do Windows                       | 300.00       |           |
| IMC1        | Idaho Machinery Company, LLC            | -            | 16,334.00 |
| IMA-FY14    | Institute of Management Accountants Inc | 230.00       |           |
| 97207       | Jud's Office Supply                     | 124.53       |           |
| 97283       | Jud's Office Supply                     | 21.12        |           |
| 97688       | Jud's Office Supply                     | 90.00        |           |
| 482093      | Juneau Empire                           | 768.00       |           |
| 27626       | Ketchikan Daily News                    | 59.15        |           |
| 27754       | Ketchikan Daily News                    | 46.80        |           |
| AdmAsst     | Ketchikan Daily News                    | 299.95       |           |
| 27882       | Ketchikan Daily News                    | 57.05        |           |
| KGB201307   | Ketchikan Gateway Borough               | 3,737.25     |           |
| KGB201308   | Ketchikan Gateway Borough               | 3,737.25     |           |
| 4thOfJuly   | Ketchikan Lions Club                    | 1,000.00     |           |
| KPUT201306  | Ketchikan Public Utilities 2417         | 828.74       |           |
| KPUT201307  | Ketchikan Public Utilities 2417         | 788.74       |           |
| 99001       | Ketchikan Public Utilities 334          | -            | 4,414.84  |
| 99002       | Ketchikan Public Utilities 334          | -            | 4,150.00  |
| 99003       | Ketchikan Public Utilities 334          | -            | 2,961.71  |
| 201306      | Liv & Heidi's Kjokken Catering          | 2,127.50     |           |
| LK201307    | LK Storage                              | 148.20       |           |
| LK201308    | LK Storage                              | 148.20       |           |
| 8010541     | Madison Lumber & Hardware Inc           | -            | 4,031.72  |
| 8129541     | Madison Lumber & Hardware Inc           | -            | 351.36    |
| 8129671     | Madison Lumber & Hardware Inc           | -            | 86.40     |
| 387761      | Marsh USA Inc.                          | 24,633.56    |           |
| 3156        | McMillen, LLC                           | 3,234.00     |           |
| 3162        | McMillen, LLC                           | -            | 2,982.75  |
| 3163        | McMillen, LLC                           | -            | 14,839.89 |
| 3219        | McMillen, LLC                           | -            | 4,849.80  |
| 3220        | McMillen, LLC                           | 1,449.48     |           |
| 3251        | McMillen, LLC                           | 3,160.00     |           |
| MK201305    | Morris Kepler Consulting                | -            | 12,869.09 |
| MK201306    | Morris Kepler Consulting                | -            | 4,999.56  |
| 314729      | Northland Services                      | 47.60        |           |
| 320306      | Northland Services                      | 47.60        |           |

## SOUTHEAST ALASKA POWER AGENCY

| Invoice No. | Company (vendor)                    | Revenue Fund | R&R Fund  |
|-------------|-------------------------------------|--------------|-----------|
| 325827      | Northland Services                  | 48.16        |           |
| 104756      | Northwest Public Power Assn         | 220.00       |           |
| 13068046    | NRECA 775670 RSP                    | 25,039.08    |           |
| 13078046    | NRECA 775670 RSP                    | 25,039.08    |           |
| 13068046A   | NRECA 798330 RSP Admin              | 428.15       |           |
| 13078046A   | NRECA 798330 RSP Admin              | 428.15       |           |
| 4thofJuly   | Petersburg Chamber of Commerce, Inc | 1,000.00     |           |
| 53523       | Pilot Publishing, Inc.              | -            | 351.00    |
| 53837       | Pilot Publishing, Inc.              | 43.88        |           |
| 53843       | Pilot Publishing, Inc.              | 35.75        |           |
| 54036       | Pilot Publishing, Inc.              | 587.25       |           |
| 16490220    | R&M Consultants Inc                 | -            | 870.98    |
| 16490221    | R&M Consultants Inc                 | -            | 194.04    |
| 132326001   | R&M Engineering-Ketchikan           | 2,847.50     |           |
| 492         | Ray Matiashowski & Assoc.           | 4,000.00     |           |
| 499         | Ray Matiashowski & Assoc.           | 4,000.00     |           |
| 611150      | Satellite & Sound Inc               | 1,659.00     |           |
| 618135      | Satellite & Sound Inc               | 6.37         |           |
| 712151      | Satellite & Sound Inc               | 1,659.00     |           |
| 714147      | Satellite & Sound Inc               | 60.76        |           |
| 520020202A  | Scandia House Hotel                 | 110.00       |           |
| 625010211A  | Scandia House Hotel                 | 120.00       |           |
| 625020202A  | Scandia House Hotel                 | 110.00       |           |
| 625020306a  | Scandia House Hotel                 | 100.00       |           |
| 625020312A  | Scandia House Hotel                 | 100.00       |           |
| 625020401A  | Scandia House Hotel                 | 100.00       |           |
| 625020404a  | Scandia House Hotel                 | 180.00       |           |
| 625030201a  | Scandia House Hotel                 | 110.00       |           |
| 625030205A  | Scandia House Hotel                 | 140.00       |           |
| 625030206A  | Scandia House Hotel                 | 100.00       |           |
| 625030207A  | Scandia House Hotel                 | 100.00       |           |
| 625030208A  | Scandia House Hotel                 | 120.00       |           |
| 625030314A  | Scandia House Hotel                 | 110.00       |           |
| c0005062614 | Scandia House Hotel                 | 120.00       |           |
| 314509      | SE Business Machines                | 10.00        |           |
| 344498      | SE Business Machines                | 10.00        |           |
| 344520      | SE Business Machines                | 17.70        |           |
| 314549      | SE Business Machines                | 1,595.00     |           |
| 613290      | Seaborne Marine Services JV         | -            | 75,000.00 |
| INV130609   | Segrity LLC                         | -            | 19,619.10 |
| 3538        | Southeast Conference                | 660.00       |           |
| 829         | Specialty Engineering               | 64,750.15    |           |
| 2487        | Stikine Inn                         | 102.00       |           |
| 51102       | Sunrise Aviation Inc                | 945.00       |           |
| 51119       | Sunrise Aviation Inc                | -            | 420.00    |
| 51123       | Sunrise Aviation Inc                | 430.00       |           |
| 51129       | Sunrise Aviation Inc                | 420.00       |           |
| 51143       | Sunrise Aviation Inc                | -            | 720.00    |
| 51178       | Sunrise Aviation Inc                | -            | 830.00    |
| 51186       | Sunrise Aviation Inc                | 830.00       |           |
| 51212       | Sunrise Aviation Inc                | -            | 420.00    |
| 51217       | Sunrise Aviation Inc                | -            | 720.00    |
| 51222       | Sunrise Aviation Inc                | -            | 915.00    |
| 25563       | Taquan Air                          | 1,097.45     |           |

## SOUTHEAST ALASKA POWER AGENCY

| Invoice No.                | Company (vendor)                 | Revenue Fund          | R&R Fund   |
|----------------------------|----------------------------------|-----------------------|------------|
| 25566                      | Taquan Air                       | 934.90                |            |
| 25641                      | Taquan Air                       | 467.45                |            |
| 25644                      | Taquan Air                       | 934.90                |            |
| 25655                      | Taquan Air                       | -                     | 1,187.45   |
| 25735                      | Taquan Air                       | 934.90                |            |
| 25934                      | Taquan Air                       | 1,043.45              |            |
| 26010                      | Taquan Air                       | -                     | 467.45     |
| 26020                      | Taquan Air                       | 398.73                | 398.72     |
| 26021                      | Taquan Air                       | 467.45                |            |
| 26073                      | Taquan Air                       | 934.90                |            |
| 41640                      | TekMate Incorporated             | 1,934.87              |            |
| 42169                      | TekMate Incorporated             | 73.27                 |            |
| 2013 Q3                    | TekMate Incorporated             | 154.15                |            |
| TEK201307                  | TekMate Incorporated             | 2,100.00              |            |
| TEK201308                  | TekMate Incorporated             | 2,100.00              |            |
| 26523                      | Temsco Helicopters, Inc.         | 3,328.90              |            |
| 26521                      | Temsco Helicopters, Inc.         | -                     | 2,595.50   |
| 26577                      | Temsco Helicopters, Inc.         | -                     | 1,330.80   |
| 26611                      | Temsco Helicopters, Inc.         | 20,863.75             |            |
| 26614                      | Temsco Helicopters, Inc.         | 6,066.05              |            |
| 26629                      | Temsco Helicopters, Inc.         | -                     | 2,069.60   |
| 26699                      | Temsco Helicopters, Inc.         | -                     | 2,368.30   |
| 50681813                   | Tetra Tech Inc                   | 5,724.00              |            |
| 50681814                   | Tetra Tech Inc                   | -                     | 440.10     |
| 50681815                   | Tetra Tech Inc                   | 8,006.97              |            |
| 50681816                   | Tetra Tech Inc                   | 3,008.95              |            |
| 50693657                   | Tetra Tech Inc                   | -                     | 12,209.22  |
| 50693659                   | Tetra Tech Inc                   | -                     | 2,029.80   |
| 50693660                   | Tetra Tech Inc                   | 7,963.75              |            |
| 50693661                   | Tetra Tech Inc                   | 964.60                |            |
| TBPA201304                 | Thomas Bay Power Authority       | -                     | 989.48     |
| TBPA201305                 | Thomas Bay Power Authority       | -                     | 2,055.30   |
| 132015                     | Tongass Engineering              | -                     | 3,202.50   |
| 132016                     | Tongass Engineering              | -                     | 3,517.50   |
| 132033                     | Tongass Engineering              | 420.00                |            |
| T1529501                   | Tyler Industrial Supply          | -                     | 193.20     |
| 90183363                   | US Geological Survey             | 16,735.00             |            |
| 7004003324                 | Voith Hydro, Inc                 | -                     | 169,445.40 |
| WF201306                   | Wells Fargo Bank-Corporate Trust | 113,238.87            |            |
| WF201307                   | Wells Fargo Bank-Corporate Trust | 113,238.87            |            |
| 714640413                  | Western Electrical Services      | 34,800.00             |            |
| 140                        | Wolf Point Studios               | -                     | 398.00     |
| 53529                      | Wrangell Sentinel                | -                     | 270.00     |
| 53843                      | Wrangell Sentinel                | 35.75                 |            |
| 54037                      | Wrangell Sentinel                | 478.50                |            |
| 4thOfJuly                  | Wrangell Volunteer Fire Dept     | 1,000.00              |            |
|                            | "Bank of America                 | 14,697.26             | 1,864.74   |
|                            | Board Reimbursement              | 19.96                 |            |
|                            | Employee Reimbursement           | 115.05                | 9.26       |
|                            |                                  | 1,287,302.88          | 456,958.98 |
| <b>Total Disbursements</b> |                                  | <b>\$1,744,261.86</b> |            |



# Southeast Alaska Power Agency CEO Report

**DATE:** August 21, 2013  
**TO:** SEAPA Board of Directors  
**FROM:** Trey Acteson, CEO

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## **LEGISLATIVE AFFAIRS**

**Swan Lake Reservoir Expansion:** One of my highest priorities has been to position SEAPA for the best possible chance to obtain funding support for the Swan Lake Reservoir Expansion. This is obviously a monumental task in the current fiscal environment and every indication is that the next year will be more difficult than the last. That said we are making every effort to ensure it is at the forefront for consideration.

In early July I attended the Alaska Power Association Manager's Forum in Fairbanks and had the opportunity to express our concerns and needs to Representative Doug Isaacson, Co-Chair of the Energy Special Committee and Rynnieva Moss, John Coghill's Chief of Staff. There was a resounding message to Representative Isaacson from the collective body of Utility Managers that our organizations do not have the ability to carry "major" new infrastructure on our books and the State must "recalibrate" their approach to distribution of State funds. Representative Isaacson and Ms. Moss fielded questions and voiced support for the power industry. Representative Isaacson also introduced a possible new approach to stabilizing rural economies by using the Power Cost Equalization (PCE) fund to levelize fuel costs across the state.

On August 15<sup>th</sup>, I addressed the Ketchikan City Council regarding the Community Priority List selections and urged them to bring Swan forward as their highest priority. The members of the Council and City Manager were very supportive and the project was moved forward as the City's #1 priority. On August 19<sup>th</sup>, I addressed the Ketchikan Borough Assembly and urged them to also bring Swan forward as their highest priority. Although there was strong support and recognition of the significant value of the project, in the end they shifted slightly and voted to recommend Swan as their second priority to the Lobbying Executive Committee. As follow-up to both these meetings, we have forwarded the letters of support received from the City of Ketchikan, Ketchikan Gateway Borough, City & Borough of Wrangell, City & Borough of Petersburg, and Heatherdale Resources (see, Attachments 1 through 5). This will demonstrate to the Lobbying Executive Committee that there is widespread support for the Swan project. We will be following the Lobbying Executive Committee process very closely and will continue to push for the important #1 ranking.

On August 26<sup>th</sup>, Governor Parnell is scheduled to meet with me at the SEAPA offices and I will seek his direct support for Swan funding. This is also an important opportunity for our organization to highlight our role as a Regional leader. Ray Matiashowski (SEAPA Lobbyist) was pivotal in making this happen.

On a parallel path, we will be putting together grant requests for consideration under Round VII of the Renewable Energy Fund process. This will include \$4MM for Swan and a lesser amount for wind feasibility. Please note that we will be requesting a “Special” Board Meeting prior to the September 24 deadline for approval/signatures of documents necessary for submission of the grants.

**Lake Grace:** I spoke with Senator Murkowski’s energy expert Chuck Kleeshulte in D.C. regarding a possible land swap that could open up Lake Grace for future development. Mr. Kleeshulte is very familiar with our area and noted that this issue has not formally been brought forward. I informed him that SEAPA will be investigating this site as part of our regional hydrosite analysis effort and will provide a white paper on the project to all three of our Federal Representatives after we have compiled the requisite data.

**Roadless Rule:** SEAPA filed a formal response to the U.S. Forest Service’s five-year review of the 2008 Tongass National Forest (TNF) Plan on June 28, 2013. Letters were distributed to Forrest Cole, TNF Supervisor, and to each of the mayors of our member communities (Attachment 6).

On August 6<sup>th</sup>, I travelled to Kake and spoke with Senator Lisa Murkowski regarding the negative impact of the Roadless Rule on power generation and transmission line development efforts in Southeast Alaska. She was responsive to our concerns and requested that SEAPA provide specifics that could be brought forward to the Chief of the United States Forest Service, Tom Tidwell. SEAPA Staff expedited a white paper highlighting the negative impacts of the Roadless Rule (Attachment 7). On August 8<sup>th</sup>, I attended a dinner hosted by Senator Murkowski for Chief Tidwell. I presented our white paper and verbalized the significant impact to the cost of developing new generation facilities, transmission lines, and conducting O&M of existing infrastructure as a result of the Roadless Rule. I also emphasized that the additional cost incurred due to the Roadless Rule may prevent the interconnection of isolated communities that are 100% dependent on diesel generation. There were about 40 other industry leaders that told very compelling stories of how their businesses and lives had been negatively impacted. Unfortunately, Chief Tidwell’s final comments suggested that he remains centered on working with the Roadless Rule as opposed to supporting an exemption. I compliment Senator Murkowski for at least getting him to visit the Tongass for the first time; providing an opportunity to see and hear first-hand what the issues are.

## **BEST PRACTICES AND PROCESS IMPROVEMENTS**

SEAPA’s policy and procedures handbook is a carry-over from the FDPPA and is in desperate need of an update. This document provides important guidance to Staff to conduct core functions and there will be numerous updates required. As part of our ongoing commitment to refine our business practices, I have included a request for a budget adjustment under new business for your consideration.

At our last regular Board meeting I reported that I have been working with Winston Tan of Intandem LLC to develop a structured compensation plan for the SEAPA organization. After reviewing this issue with the Chair, I believe it would be very beneficial to arrange for Mr. Tan to provide a presentation to the Board detailing the plan structure and findings. Staff will coordinate with Mr. Tan, with a goal of rolling this out prior to the end of the calendar year.

## **PUBLIC RELATIONS**

Staff has contacted Full Circle Media Arts and initiated implementation of the Media Plan included in your June Board packet. We are currently working on a schedule for roll-out of the Plan specifics and you should see momentum build over the coming months.

## **RECRUITMENT**

As of 8/20, we received 38 applications for the Administrative Assistant and 16 for the Engineer. We completed interviews for the first group of Administrative Assistant applicants and extended the recruitment period to 8/19 to expand the pool. We will be conducting the next wave of interviews over the next week or so. The engineering position applicant pool has been limited as expected. We have a couple of potential applicants in the queue to interview and will continue to keep the position open until filled.

## **O&M REVIEW**

As discussed during our June Board meeting, I initiated a dialog with the President of the Thomas Bay Power Authority to seek a mutually acceptable resolution to the Tye O&M Agreement. A meeting was scheduled in Petersburg and was unfortunately cancelled due to weather caused flight delays. I subsequently followed up with a memo outlining the key issues and offering potential solutions contingent upon SEAPA Board approval (Attachment 8). I believe there are several benefits that can emerge out of this process and look forward to working with the TBPA toward a positive solution. The next step is for the TBPA Commission to convene and consider a path forward. I have made myself available for follow-up questions and look forward to an open dialog on the issue.

## **KAKE – PETERSBURG INTERTIE PROJECT (KPI)**

I finally had an opportunity to visit Kake this month and gained a greater appreciation for what we are attempting to accomplish with this project. Although it will be very challenging to fund, our role in advancing it to construction ready status is an important first step. High oil prices are having a devastating effect on Alaska's rural communities, especially those like Kake who are 100% reliant on diesel generation. In my opinion, SEAPA is doing the right thing and should continue to support this worthy cause.

The primary purpose for my visit to Kake was to conduct a KPI Steering Committee Meeting and speak with the locals about the project. I have attached the latest update (Attachment 9). We also toured local critical infrastructure with several State agency representatives.

## **METLAKATLA**

SEAPA shares a mutual interest with Metlakatla Power & Light regarding hydrosite analysis on Annette Island. Although Mr. Wolfe will be covering this project in his presentation, I would like to emphasize this is a collaborative effort that benefits our neighbors and will help them advance their own hydro development. It is highly unlikely that they will be able to fund interconnection across the channel without marrying it with additional hydro production. I believe SEAPA's contribution will help accelerate this process and Metlakatla hydro has the potential to intersect load growth to help offset the need for future diesel generation. We will be meeting with community leaders in Metlakatla on August 26<sup>th</sup> to discuss field team deployment the first week

of September. SEAPA's hydrosite analysis efforts on Annette Island will be recovered through AEA grants.

### **WHITMAN TRUE-UP**

SEAPA Staff met with KPU on August 13<sup>th</sup> to review current revisions of the proposed Whitman True-up. Joe Nelson also teleconferenced in as a representative for the northern communities. Although we covered a broader range of topics than anticipated, I believe we gained a stronger understanding of the issues and are now better prepared to move forward. The biggest difference in our proposals is KPU would like to claim credit for water that is below the approved Ops Plan and above the FERC minimum. SEAPA believes this is unreasonable because we don't have the ability to draft below the approved Ops Plan. SEAPA recommended that the issue would be more appropriately addressed by amending the Board approved Ops Plan. Additionally, KPU has indicated they will provide a letter that memorializes their commitment to pay for any diesel that the northern communities use for generation that occurs as a result of lowering the Ops Plan draft minimum for Tyee.

As agreed during the meeting, SEAPA forwarded an editable MS Word version of our "Draft" True-up document to KPU to be used to as a "Master" and to track future edits. We also made recommendations regarding format that should help streamline the parent document. SEAPA supports KPU's efforts to integrate Whitman into the system and is confident that together we can successfully achieve an acceptable true-up arrangement.

### **FINANCIAL**

Financial matters will now be addressed in a separate cover letter under the "Financial" tab in the Board packets.

Attachments:

- Attachment 1: 02/06/2013 Heatherdale Resources Letter of Support
- Attachment 2: 02/21/2013 Ketchikan Resolution No. 13-2498
- Attachment 3: 02/25/2013 Ketchikan Gateway Borough Resolution No. 2464
- Attachment 4: 03/04/2013 Petersburg Resolution No. 3013-8
- Attachment 5: 03/26/2013 Wrangell Resolution No. 03-13-1272
- Attachment 6: 06/28/2013 Letter to Forrest Cole, TNF Supervisor
- Attachment 7: 08/2013 White Paper: Impact of 2001 Roadless Rule on Renewable Energy  
Development and Transmission Line Operations & Maintenance
- Attachment 8: 08/19/2013 Memo to John Jensen, President, TBPA
- Attachment 9: 08/2013 Kake-Petersburg Intertie Update

**ATTACHMENT 1  
TO  
CEO REPORT**



February 6, 2013

Alaska Energy Authority  
813 West Northern Lights Boulevard  
Anchorage, Alaska  
99503

ATTN: Sara Fisher-Goad – Director, Alaska Energy Authority

Ms. Fisher-Goad,

As you are likely aware, Heatherdale Resources Ltd. (Heatherdale) is currently advancing geological, engineering and environmental studies toward the future development of the Niblack Copper-Gold-Zinc-Silver Project (Niblack) on Prince of Wales Island. Part of these investigations includes studies of the suitability of an ore-processing facility separate from the mine location, yet still within the Ketchikan area.

It has recently come to our attention that the Southeast Alaska Power Agency (SEAPA) is requesting State funding for final design, construction engineering, project management and construction of the Swan Lake Reservoir Expansion Project. We understand that the proposed reservoir expansion would meaningfully increase regional hydro storage capacity, and will become an important long-term asset for meeting local residential, commercial and industrial energy needs.

As an anticipated user of industrial power in southeast Alaska, Heatherdale would like to express support for SEAPA in its efforts to secure funding for the Swan Lake Reservoir Expansion Project. It is our understanding that funding would go towards completion of final design, construction engineering, project management and construction. Ensuring a reliable, long-term supply of low-cost, renewable and clean power for the Ketchikan region is a critical foundation for future economic and community development, and we applaud SEAPA for its leadership in this realm.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Smith", is written over a faint, circular watermark or stamp.

Patrick Smith  
President & CEO





**ATTACHMENT 2  
TO  
CEO REPORT**

**CITY OF KETCHIKAN, ALASKA**

**RESOLUTION NO. 13-2498**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA ENDORSING AND URGING STATE FUNDING FOR THE SWAN LAKE RESERVOIR EXPANSION PROJECT; AND ESTABLISHING AN EFFECTIVE DATE**

WHEREAS, the Ketchikan Pulp Mill closed in 1997, resulting in significant losses of jobs, population, and school enrollment, from which the community has yet to recover; and

WHEREAS, the Ketchikan Gateway Borough presently suffers a higher rate of unemployment than the statewide average; and

WHEREAS, the Ketchikan Gateway Borough and City of Ketchikan are presently pursuing economic development opportunities such as the construction of a mill on Gravina Island for the processing of ore from the prospective Niblack Mine; and

WHEREAS, economic development opportunities such as the prospective Niblack mill require a reliable source of energy at reasonable cost; and

WHEREAS, the Southeast Alaska Integrated Resources Plan notes that there is a shortage of hydroelectric storage capacity in Southeast Alaska and that potential hydroelectric projects with storage capacity are more valuable than potential run-of-the-river hydroelectric projects; and

WHEREAS, Southeast Alaska Power Agency's (SEAPA) proposed expansion of the Swan Lake Reservoir (the Project) would directly contribute to increasing regional hydroelectric storage and maximizes the value of an existing hydroelectric project; and

WHEREAS, the Swan Lake Reservoir Expansion Project enhances the already funded Whitman Lake Hydroelectric Project; and

WHEREAS, the additional storage created by the project adds operational flexibility that benefits the entire region, and shifts summer spill from the new Whitman Lake Hydroelectric Project or the existing Lake Tyee Hydroelectric Project to much needed winter hydroelectric generation; and

WHEREAS, the Project would displace up to 12,000 MW hours of winter diesel generation, which equates to a reduction of 800,000 gallons of diesel fuel annually;

WHEREAS, another significant advantage of the Swan Lake Reservoir Expansion project is that it needs no additional infrastructure (e.g., transmission facilities) to bring the additional power to the existing power grid; the project adds capacity at an existing dam that is currently connected to an existing power distribution grid;



NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Ketchikan, Alaska as follows:

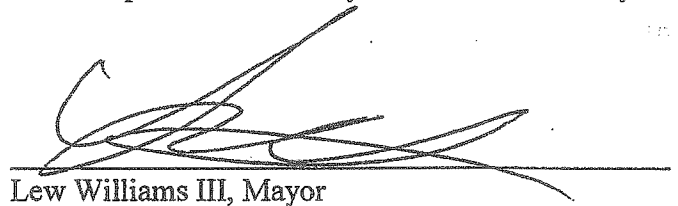
Section 1: The Ketchikan City Council endorses SEAPA's proposed expansion of the Swan Lake Reservoir.

Section 2: The Ketchikan City Council urges the State to provide \$12.3 funding for the Project in its FY 2014 Capital budget.

Section 3: A copy of this resolution shall be provided to Governor Parnell, Senator Stedman, Representative Peggy Wilson and Alaska Energy Authority Executive Director Sara Fisher-Goad.

Section 4: This resolution shall become effective immediately upon adoption.

PASSED AND APPROVED by a duly constituted quorum of the City Council for the City of Ketchikan on this 21st day of February, 2013.



Lew Williams III, Mayor

ATTEST:



Katherine M. Suiter, City Clerk MMC

**ATTACHMENT 3**  
**TO**  
**CEO REPORT**

## KETCHIKAN GATEWAY BOROUGH

### RESOLUTION NO. 2464

**A Resolution of the Assembly of the Ketchikan Gateway Borough Endorsing and Urging State Funding for the Swan Lake Reservoir Expansion Project; and Providing for an Effective Date.**

#### RECITALS

- A. **WHEREAS**, the Ketchikan pulp mill closed in 1997, resulting in significant losses of jobs, population, and school enrollment, from which the community has yet to recover; and
- B. **WHEREAS**, the Ketchikan Gateway Borough presently suffers a higher rate of unemployment than the statewide average; and
- C. **WHEREAS**, the Ketchikan Gateway Borough exercises areawide economic development powers (adopted on November 5, 1990, by Ordinance No. 772-Amended under the authority of AS 29.35.330(c)); and
- D. **WHEREAS**, the Ketchikan Gateway Borough and City of Ketchikan are presently pursuing economic development opportunities such as the construction of a mill on Gravina Island for the processing of ore from the prospective Niblack Mine; and
- E. **WHEREAS**, economic development opportunities such as the prospective Niblack mill require a reliable source of energy at reasonable cost; and
- F. **WHEREAS**, the Southeast Alaska Integrated Resources Plan notes that there is a shortage of hydro storage capacity in Southeast Alaska and that potential hydro projects with storage capacity are more valuable than potential run-of-the-river hydro projects; and
- G. **WHEREAS**, Southeast Alaska Power Agency's (SEAPA) proposed expansion of the Swan Lake Reservoir (the Project) would directly contribute to increasing regional hydro storage and maximizes the value of an existing hydro project; and
- H. **WHEREAS**, the Swan Lake Reservoir Expansion project enhances the already funded (in part by \$2.5 million grant from the Borough) Whitman Lake hydro project; and
- I. **WHEREAS**, the additional storage created by the Project adds operational

flexibility that benefits the entire region, and shifts summer spill from the new Whitman dam project or the existing Tyee facility to much needed winter hydro generation; and

- J. **WHEREAS**, the Project would displace up to 12,000 MWhrs of winter diesel generation, which equates to a reduction of 800,000 gallons of diesel fuel annually; and
- K. **WHEREAS**, another significant advantage of the Swan Lake Reservoir Expansion project is that it needs no additional infrastructure (e.g., transmission facilities) to bring the additional power to the existing power grid; the project adds capacity at an existing dam that is currently connected to an existing power distribution grid.

**NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE FACTS, IT IS RESOLVED BY THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH** as follows:

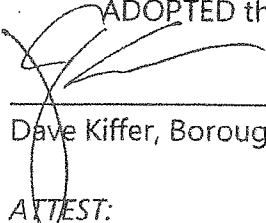
**Section 1.** The Ketchikan Gateway Borough endorses SEAPA's proposed expansion of the Swan Lake Reservoir.

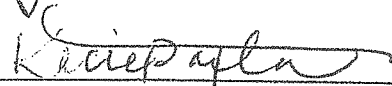
**Section 2.** The Assembly urges the State to provide \$12.3 funding for the Project in its FY 2014 Capital budget.

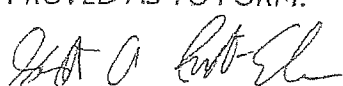
**Section 3.** A copy of this resolution shall be provided to Governor Parnell, Senator Stedman, Representative Peggy Wilson, and Alaska Energy Authority Executive Director Sara Fisher-Goad.

**Section 4.** This Resolution shall be effective upon adoption.

ADOPTED this 25<sup>th</sup> day of February, 2013.

  
 \_\_\_\_\_  
 Dave Kiffer, Borough Mayor

ATTEST:  
  
 \_\_\_\_\_  
 Kacie Paxton, Borough Clerk

APPROVED AS TO FORM:  
  
 \_\_\_\_\_  
 Scott A. Brandt-Erichsen, Borough Attorney

| EFFECTIVE DATE:                                 |     | FEBRUARY 25, 2013 |        |  |
|---|-----|-------------------|--------|--|
| ROLL CALL                                       | YES | NO                | ABSENT |  |
| Bailey  | ✓   |                   |        |  |
| Moran   | ✓   |                   |        |  |
| Painter   | ✓   |                   |        |  |
| Phillips  | ✓   |                   |        |  |
| Rotecki   | ✓   |                   |        |  |
| Thompson  | ✓   |                   |        |  |
| Van Horn  | ✓   |                   |        |  |
| Mayor (tie votes only)                          |     |                   |        |  |
| <b>4 AFFIRMATIVE VOTES REQUIRED FOR PASSAGE</b> |     |                   |        |  |

**ATTACHMENT 4  
TO  
CEO REPORT**

**Petersburg Borough, Petersburg, Alaska  
RESOLUTION #2013-8**

**A RESOLUTION ENDORSING THE PROPOSED EXPANSION OF THE SWAN LAKE  
RESERVOIR AND URGING STATE FUNDING FOR THE EXPANSION PROJECT**

**WHEREAS**, the Petersburg Borough presently anticipates new business development, including expansion of a seafood processing plant and relocation of a custom sawmill in the next year; and

**WHEREAS**, all local economic development opportunities require a reliable source of energy at reasonable cost; and

**WHEREAS**, the Southeast Alaska Integrated Resources Plan notes that there is a shortage of hydro storage capacity in Southeast Alaska and that potential hydro projects with storage capacity are more valuable than potential run-of-the-river hydro projects; and

**WHEREAS**, Southeast Alaska Power Agency's (SEAPA) proposed expansion of the Swan Lake Reservoir (the Project) would directly contribute to increasing regional hydro storage and maximizes the value of an existing hydro project; and

**WHEREAS**, the additional storage created by the Project adds operational flexibility that benefits the entire region, and shifts summer spill from the new Whitman dam project or the existing Tyee facility to much needed winter hydro generation; and

**WHEREAS**, the Project would displace up to 12,000 MWhrs of winter diesel generation, which equates to a reduction of 800,000 gallons of diesel fuel annually; and

**WHEREAS**, another significant advantage of the Swan Lake Reservoir Expansion project is that it needs no additional infrastructure (e.g., transmission facilities) to bring the additional power to the existing power grid; the Project adds capacity at an existing dam that is currently connected to an existing power distribution grid.

**THEREFORE BE IT RESOLVED** by the Borough Assembly of Petersburg, Alaska to endorse SEAPA's proposed expansion of the Swan Lake Reservoir.

**RESOLVED FURTHER**, the Petersburg Borough Assembly urges the State to provide \$12.3 million funding for the Project in its FY 2014 Capital budget.

**Passed and Approved by the Petersburg Borough Assembly on March 4, 2013.**

A copy of this Resolution shall be provided to Governor Sean Parnell, Senator Bert Stedman, Senator Dennis Egan, Representative Beth Kertulla, Representative Peggy Wilson, and Alaska Energy Authority Executive Director Sara Fisher-Goad.

Mark Jensen / DKJ  
Mark Jensen, Mayor

**ATTEST:**

Debra K. Thompson  
Debra K. Thompson, Deputy Clerk



**ATTACHMENT 5  
TO  
CEO REPORT**



CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 03-13-1272

A RESOLUTION OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ENDORSING AND URGING STATE FUNDING FOR THE SWAN LAKE RESERVOIR EXPANSION PROJECT; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City & Borough of Wrangell anticipates continued growth in the sea food, timber processing, marines service repair center and health care facilities; and

WHEREAS, the City & Borough of Wrangell continues to embrace electric heat as a practical alternative to non-renewable based fuel sources; and

WHEREAS, all local economic development opportunities require a reliable source of energy at reasonable cost; and

WHEREAS, the Southeast Alaska Integrated Resources Plan notes that there is a shortage of hydroelectric storage capacity in Southeast Alaska and that potential hydroelectric projects with storage capacity are more valuable than potential run-of-the-river hydroelectric projects; and

WHEREAS, Southeast Alaska Power Agency's (SEAPA) proposed expansion of the Swan Lake Reservoir (the Project) would directly contribute to increasing regional hydroelectric storage and maximizes the value of an existing hydroelectric project; and

WHEREAS, the Swan Lake Reservoir Expansion Project enhances the already funded Whitman Lake Hydroelectric Project; and

WHEREAS, the additional storage created by the project adds operational flexibility that benefits the entire region, and shifts summer spill from the new Whitman Lake Hydroelectric Project or the existing Lake Tyee Hydroelectric Project to much needed winter hydroelectric generation; and

WHEREAS, the Project would displace up to 12,000 MW hours of winter diesel generation, which equates to a reduction of 800,000 gallons of diesel fuel annually; and

WHEREAS, another significant advantage of the Swan Lake Reservoir Expansion project is that it needs no additional infrastructure (e.g., transmission facilities) to bring the additional power to the existing power grid; the project adds capacity at an existing dam that is currently connected to an existing power distribution grid.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

Section 1. That the City and Borough of Wrangell urges the State to provide \$12.3 million funding for the Project in its FY 2014 Capital Budget.


Section 2. A copy of this resolution shall be provided to Governor Parnell, Senator Stedman, Representative Peggy Wilson and Alaska Energy Authority Executive Director Sara Fisher-Goad.

Section 3. This resolution shall become effective immediately upon adoption.

ADOPTED: March 26, 2013



David L. Jack, Mayor

ATTEST:   
Kim Flores, Borough Clerk



**ATTACHMENT 6**  
**TO**  
**CEO REPORT**



1900 1<sup>st</sup> Avenue, Suite 318  
Ketchikan, Alaska 99901  
Ph: (907) 228-2281 • Fax: (907) 225-2287  
[www.seapahydro.org](http://www.seapahydro.org)

June 28, 2013

**Delivery Via Email to [fcole@fs.fed.us](mailto:fcole@fs.fed.us)**

Forrest Cole, Supervisor  
Tongass National Forest  
648 Mission Street  
Federal Building  
Ketchikan, Alaska 99901-6591

Re: Comments to the Five-Year Review of the 2008 Forest Plan by  
The Southeast Alaska Power Agency

Dear Mr. Cole:

The Southeast Alaska Power Agency (SEAPA) is made up of the local member utilities serving the city of Ketchikan, and the boroughs of Petersburg and Wrangell, all communities with a strong interest in the Tongass National Forest (TNF). SEAPA's facilities include two hydroelectric projects – Swan Lake and Tyee Lake, the Swan–Tyee Transmission Line (STI), and all associated facilities. SEAPA has provided renewable, carbon-free energy to its three member communities for over two decades.

SEAPA is a regional provider of power to Southeast Alaska. It has been involved in long-term energy resource planning for Southeast Alaska. In partnership with the communities throughout Southeast Alaska, it worked with the Alaska Energy Authority to prepare the Southeast Alaska Integrated Resource Plan ("IRP"). These planning efforts have helped SEAPA and its member communities identify both the short and long-term energy needs for the region. Without amending the 2008 Forest Plan, SEAPA and its member utilities will be prevented from pursuing development of the renewable energy resources necessary for the future needs of the residents and businesses in Southeast Alaska.

**A. THE 2008 PLAN DOES NOT INCORPORATE MAJOR POLICY CHANGES**

The 2008 Amended Tongass Land and Resource Management Plan (Forest Plan) must be amended because of the implementation of major federal government policy changes affecting the Forest Plan since it was promulgated in January 2008. Primary among these changes was the application of the 2001 Roadless Rule, covering 9.6 million acres, to the previously exempt TNF by Court Order in March 2011. Access to the TNF, further impacted by the extension of the 2001 Roadless Rule, impedes SEAPA's ability to access its facilities to



## THE SOUTHEAST ALASKA POWER AGENCY

provide core maintenance and also hinders the key work necessary to plan and develop future energy resources.

As a provider of low-cost, renewable energy, SEAPA has a strong interest in its ability to maintain its generation and transmission facilities, all of which are negatively impacted by the 2008 Plan. The restrictions on necessary access to the TNF by extension of the Roadless Rules must be recognized by the amendments to the Forest Plan, and addressed in the proposed amendments. Ongoing maintenance of transmission lines is a major concern of SEAPA. The 2008 Forest Plan, and the overarching [overreaching] regulations imposed on SEAPA facilities impacts the long-term operations of SEAPA's facilities.

### **B. THE 2008 FOREST PLAN LACKS A RENEWABLE ENERGY RESOURCE PLAN**

The 2008 Forest Plan failed to include a renewable energy resource plan. It also failed to recognize pre-existing power site classifications and other potential renewable energy resources such as hydropower, geothermal, wind, or other renewable energy sites. This omission is contrary to and inconsistent with national energy policy and national energy security policy. At the same time, because of concern about greenhouse gas emissions, the Administration is seeking to replace fossil fuel use with cleaner, renewable energy resources. Only one example of this policy is the aggressive goal of requiring federal facilities to include a 20% mix of renewable energy by 2020. To begin to meet this aggressive goal, it is imperative to include a renewable energy resource plan in the amendments to the 2008 Forest Plan that would allow streamlined, timely review and development of renewable energy in the TNF.

### **C. THE NEED FOR RENEWABLE ENERGY RESOURCES IS INCREASING**

As a one hundred percent renewable, hydroelectric generator, SEAPA works every day to reduce the use of diesel fuel. As referenced above, the Federal Administration continues to seek ways to increase the production of carbon free energy. With the increasing prices of diesel, renewable energy projects present an opportunity to provide lower cost energy to support the industries and economy in Southeast Alaska. Providing a clear path to Special Use Permits within the TNF, providing appropriate LUDs for renewable energy projects, and speeding review of applications, including preliminary permits for hydroelectric sites, will all aid in the long-term development of clean energy resources. SEAPA supports these changes to the 2008 Forest Plan.

### **D. AMENDMENTS ARE NECESSARY IN THE 2008 FOREST PLAN TO SUPPORT THE LONG-TERM DEVELOPMENT OF RENEWABLE ENERGY RESOURCES**

SEAPA supports amendments to the 2008 Forest Plan for streamlined, consistent development of renewable energy resources within the TNF. As a current Federal Energy Regulatory Commission licensee, with facilities that require ongoing maintenance within the TNF, the 2008 Forest Plan must address the overly burdensome impacts, and inconsistencies within the federal rules that apply in the TNF. By addressing the following proposed changes to the 2008 Forest Plan, the Forest Service will better be able to balance the competing needs of the constituencies in the TNF.

- A Renewable Energy Resource Plan, including a Renewable Energy Resource Development LUD must be added to the Forest Plan to support development of



## THE SOUTHEAST ALASKA POWER AGENCY

renewable energy resources, and related transmission lines within the TNF consistent with Public Laws and National Security and National Energy Policies.

- We propose that the Renewable Energy Development LUD take precedence over any underlying LUD (subject to applicable laws) regardless of whether the underlying LUD is an "Avoidance LUD."
- We support a timely (30-day review and turnaround) issuance of Forest Service Special Use Permits for those that hold a Federal Energy Regulatory Commission (FERC) preliminary permits and for those seeking a Special Use Permit for a Renewable Resource Energy project.
- Allow special uses and facilities associated with Renewable Energy Resources and their development. For application of the Renewable Energy Development LUD an "associated facility" must include any facility or corridor needed to access, develop, construct, and monitor Renewable Energy Resource projects. These facilities include roads, transmission corridors, associated clearing needs for line maintenance, communication equipment (including radio, microwave, fiber optic cables, and high-speed broadband), and all related access needs.
- Adopt rules consistent with the 2003 settlement with the State of Alaska to exempt the TNF from the Roadless Rules.
- Following construction of Renewable Energy Resource projects, lands that are permanently cleared for such projects will be considered unsuitable for timber production.

Thank you for the opportunity to comment on the proposed amendments to the 2008 Forest Plan. Please contact the undersigned should you have any questions regarding our comments and proposals.

Respectfully,



Trey Acteson, Chief Executive Officer  
The Southeast Alaska Power Agency

cc: The Honorable Lew Williams, III, Mayor of City of Ketchikan  
via email to [mayor@city.ketchikan.ak.us](mailto:mayor@city.ketchikan.ak.us)  
The Honorable Mark Jensen, Mayor of Petersburg Borough  
via email to [mayoriensen@petersburgak.gov](mailto:mayoriensen@petersburgak.gov)  
The Honorable David L. Jack, Mayor of City & Borough of Wrangell  
via email to [djack80@hotmail.com](mailto:djack80@hotmail.com)

**ATTACHMENT 7  
TO  
CEO REPORT**



**MISSION STATEMENT**

*SEAPA's mission is to provide the lowest wholesale power rate consistent with sound utility planning and business practices. We exist for the long-term benefit of our member utilities and the rate payers, providing unified regional leadership for project development and prudent management of our interconnected power system.*

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**Impact of 2001 Roadless Rule on  
Renewable Energy Project Development  
and Transmission Line  
Operations & Maintenance**

**Written by:  
Trey Acteson  
Chief Executive Officer**

**Southeast Alaska Power Agency  
August 2013**



## IMPACT OF 2001 ROADLESS RULE ON RENEWABLE ENERGY DEVELOPMENT AND TRANSMISSION LINE OPERATIONS & MAINTENANCE

The Southeast Alaska Power Agency (SEAPA) currently supplies wholesale power to Ketchikan, Wrangell, and Petersburg over its interconnected transmission system. Its three member utilities are located in remote areas of Southeast Alaska. With rare exceptions, Southeast communities are not connected by road. Communities generally operate their own, isolated electrical generation and distribution systems. Abundant water and steep terrain have made hydroelectric power the natural, affordable, choice for Southeast energy needs, and it is Alaska's largest source of renewable energy. Generation of electricity in Southeast is either by renewable hydro or by non-renewable and expensive, polluting diesel generation.

The watersheds surrounding SEAPA's hydroelectric projects lie within the Tongass National Forest (TNF), as do most of the transmission lines. The 2001 Roadless Rule directly impacts SEAPA's operations and its future capacity planning for the region it serves, as its hydro projects and transmission lines are mostly surrounded by 'inventoried roadless' areas. When roads are not available to access transmission lines for maintenance and unscheduled outages, the increased cost for access is significant. These costs are passed on to the ratepayers and maintenance/repairs take longer to perform, causing member utilities to generate more electricity with diesel.

The 2001 Roadless Rule's blanket prohibition on road construction adversely affects hydropower development in Southeast Alaska. SEAPA is currently following up on a region-wide planning effort through a State-sponsored Integrated Resource Plan (IRP). Among other things, the IRP is identifying potential hydro projects which can be constructed to provide future capacity to communities throughout Southeast Alaska. One of these communities is Kake. Kake is presently a 100% diesel generation community. The Kake-Petersburg Intertie (KPI) is being planned to move power from existing or new generation sources to Kake. Given the long-range planning, permitting, and construction for such projects, it is crucial that viable projects begin planning and development immediately. The 2001 Roadless Rule directly impacts this effort, which also stifles economic development in depressed communities and puts affordable power out of reach for Southeast communities already struggling to maintain viability.

Inventoried roadless areas cover 57% of the TNF in addition to the 35% currently set aside for National Monuments and Wilderness areas. Because of the Roadless Rule, 92% of the TNF prohibits development activities if road building or tree cutting are required severely limiting potential for adding additional hydro facilities to serve the region.

Without road access, the cost to work on hydroelectric power plants, transmission lines, and associated equipment which require regular maintenance is exorbitant. The work has to be helicopter supported, which is very expensive approaching \$1,000/hour to charter a small (Hughes 500) helicopter. In addition, transmission lines that do not have road access must have helicopter pads near the structures. There are over 100 helipads alone that are yet to be installed on SEAPA's Swan-Tyee transmission line at an estimated price of \$35,000/pad. This will cost approximately \$3.5 million dollars. These pads will have to be maintained and brushed every few years, which also has to be done by helicopter.

SEAPA faces the impact of the 2001 Roadless Rule on a daily basis as it continues to operate its projects and plan for future load and capacity. The Roadless Rule severely hinders these efforts. Additional information is attached on Inventoried Roadless Areas, the Kake-Petersburg Intertie, and a 2010 Map of Energy Projects currently located in roadless areas.

## Inventoried Roadless Areas

### Tongass National Forest Overview

**Q. How large is the Tongass National Forest?**

A. The Tongass National Forest encompasses 16.8 million acres and is larger than 10 states and the District of Columbia. The Tongass is about the same size as West Virginia.

**Q. What is a Roadless Area?**

A. The term Roadless Area is typically used to refer to Inventoried Roadless Areas. Inventoried Roadless Areas are undeveloped areas typically exceeding 5,000 acres in size that meet the minimum criteria for wilderness consideration under the Wilderness Act.

**Q. How many Inventoried Roadless Areas are there on the Tongass National Forest and how large are they?**

A. There are 109 Inventoried Roadless Areas on the Tongass, ranging in size from less than 1,000 acres to more than 1.1 million acres. Combined, the 109 Inventoried Roadless Areas on the Tongass encompass a total of 9.3 million acres, more than half (55 percent) of the 16.8-million-acre forest.

**Q. How much of the Tongass National Forest is Wilderness?**

A. The Tongass National Forest includes 19 separate designated Wildernesses, encompassing approximately 5.8 million acres, or just over one third of the Forest. The largest single Wilderness is Misty Fiords, at 2.1 million acres; the smallest is the Maurelle Islands, at 4,937 acres.

**Q. How much of the Tongass National Forest is managed in a roadless condition?**

A. Approximately 94 percent (15.8 million acres) of the Tongass is managed in a roadless condition. This total includes the 109 Inventoried Roadless Areas (9.3 million acres), the 19 designated Wilderness (5.8 million acres), and 0.7 million acres in Congressionally-designated Land Use Designations that do not allow development.

The [Roadless Area Inventory map](#) from the 2008 Tongass National Forest Plan shows the distribution of Inventoried Roadless Areas and Wilderness Forest-wide.

# Kake-Petersburg Intertie Project

## Background

The community of Kake is presently served by an isolated electric system that depends upon high-cost, diesel generation. In 2011, the full retail cost of power in Kake was 62 cents per kilowatt hour (kWh), more than five times the rate in the larger communities of Petersburg, Ketchikan, and Wrangell. This high cost is currently subsidized for residential customers and public facilities through the State of Alaska's Power Cost Equalization (PCE) program. There is no comparable program for commercial customers, who pay the full retail cost for power in Kake. Studies have indicated that these high rates significantly limit electrical consumption by existing commercial customers and also discourage new economic development in the community.

SEAPA proposes to construct the Kake-Petersburg Intertie (KPI Project), a new electric transmission line that would extend from Petersburg on Mitkof Island to Kake on Kupreanof Island. The proposed transmission line would provide a reliable and relatively low-cost source of power to Kake by connecting the community to SEAPA's interconnected network. The proposed transmission line would be built to transmit power at either 69 or 138 kV and would consist of single wood pole structures that would average 55 feet in height.

## Proposed Routes

The proposed intertie transmission line has been discussed for many years and has been the subject of a number of studies dating back to the 1970s. Over the years at least a dozen alternatives have been discussed and evaluated. The most recent of these studies identified two primary route corridors, a northern route generally located on the north end of Kupreanof Island (the "Northern" route), and a southern route that crosses the Wrangell Narrows near the Tonka log transfer facility and proceeds west across Duncan Canal (the "Center-South" route). These routes are both identified as Transportation and Utility System (TUS) Land Use Designation (LUD) corridors in the 2008 Tongass National Forest Plan. These corridors are shown on the [Forest Plan Land Use Designation map](#).

Three alternatives are being evaluated for the KPI Project as part of the EIS process. Two of these alternatives follow the Northern Route corridor (Alternatives 2 and 3); the other follows the Center-South Route corridor (Alternative 4). The alternatives range in total length (including water crossings) from 51.9 miles for Alternative 4 to 60.3 miles for Alternative 3. These alternatives are shown in the attached [Figures 2-1 and 2-2](#).

## Roadless Area Conservation Rule

In March 2011, the United States District Court, District of Alaska vacated the 2003 Tongass Exemption to the Roadless Area Conservation Rule and reinstated the 2001 Roadless Rule's application to the Tongass. This decision included the following language:

Nothing in this judgment shall be construed to prohibit otherwise lawful road construction, road reconstruction, or cutting or removal of timber if and when approved by the U.S. Forest Service to effectuate the following projects:

(2) The Kake-Petersburg Intertie, as described in the Notice of Intent to prepare an Environmental Impact Statement published in the Federal Register on May 7, 2010.

The KPI project may be interpreted as an exception; however, Forest Service staff have indicated that the project will likely need to be consistent with the roadless rule, which generally prohibits road construction in Inventoried Roadless Areas.

### Roadless Areas and KPI

The proposed transmission line originates on Mitkof Island, near Petersburg, but the majority of the proposed routes are located on Kupreanof Island. Most of Kupreanof Island is within the Tongass National Forest and much of the land managed by the Forest Service is either designated Wilderness or within an Inventoried Roadless Area. It is not possible to build a transmission line between Petersburg and Kake that does not cross land that is either designated Wilderness or within an Inventoried Roadless Area (see the attached [Inventoried Roadless Areas map](#)).

The identified route corridors avoid crossing the Petersburg Creek/Duncan Salt Chuck Wilderness. Table 1 identifies the length of the proposed alternatives that would cross Inventoried Roadless Areas by Inventoried Roadless Area.

**Table 1. Inventoried Roadless Areas Crossed by Alternative**

| IRA Name        | IRA ID | Alt. 2/3 in IRA (miles) | Alt. 4 in IRA (miles) |
|-----------------|--------|-------------------------|-----------------------|
| North Kupreanof | 211    | 11.4                    |                       |
| Missionary      | 212    | 0.3                     |                       |
| Five Mile       | 213    | 12.4                    |                       |
| South Kupreanof | 214    |                         | 14.8                  |
| <b>Total</b>    |        | <b>24.1</b>             | <b>14.8</b>           |

In areas where there are presently no roads, the project originally anticipated that construction would be facilitated by development of a “pioneer road” that could later be used for operation and maintenance, as needed.

SEAPA currently proposes to construct the transmission line using a combination of existing forest roads, temporary shovel trails, and helicopter. Shovel trails would meet the Forest Service’s definition of temporary road or trail, as specified in 36 CFR 212.1, and would be decommissioned following construction. The length of shovel trail that would be constructed in Inventoried Roadless Areas is identified by alternative and Inventoried Roadless Area in Table 2.

**Table 2. Shovel Trails in Inventoried Roadless Areas by Alternative**

| IRA Name        | IRA ID | Alt. 2/3 Common shovel trails (miles) | Alt. 4 shovel trails (miles) |
|-----------------|--------|---------------------------------------|------------------------------|
| North Kupreanof | 211    | 2.63                                  |                              |
| Missionary      | 212    | 0.01                                  |                              |
| Five Mile       | 213    | 1.41                                  |                              |
| South Kupreanof | 214    |                                       | 0.31                         |
| <b>Total</b>    |        | <b>4.1</b>                            | <b>0.3</b>                   |

The total acres within the four Inventoried Roadless Areas that would be crossed by one or more of the alternatives are identified in Table 3. These acres are from the 2001 Roadless Area Conservation Rule EIS.

**Table 3. Total Acres in the Inventoried Roadless Areas Crossed by the KPI Project**

| IRA Name        | IRA ID | Total Acres |
|-----------------|--------|-------------|
| North Kupreanof | 211    | 114,590     |
| Missionary      | 212    | 16,662      |
| Five Mile       | 213    | 19,433      |
| South Kupreanof | 214    | 216,645     |

## FIGURES



202

FREDERICK SOUND

211

Existing Substation  
Kake  
Proposed Substation

212

Porage Bay

213

Petersburg Creek/  
Duncan Salt Chuck  
Wilderness

Hamilton Bay

Keku Strait

Kupreanof

Lindenberg  
Peninsula

Petersburg

Existing SEAPA  
Substation

243

216

Proposed  
Tap/Switchyard

Kupreanof Island

Mitkof  
Island

242

214

DUNCAN CANAL

217

245

215

224

218

Inventoried Roadless Areas

Wilderness

Existing Road

Alternative 2

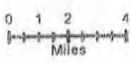
Alternative 3

Alternative 4

Common to Alternatives 2 and 3

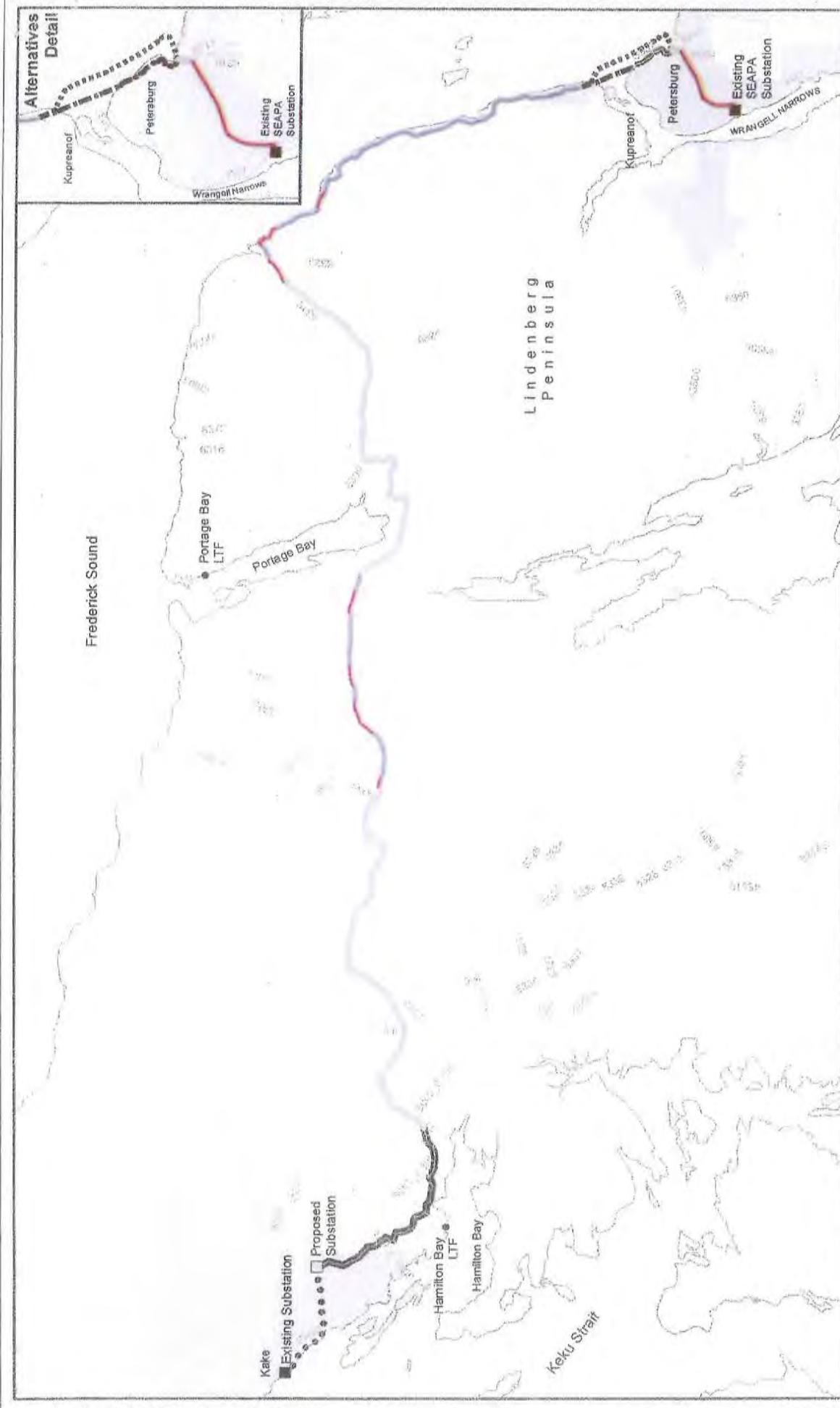
Common to All Alternatives

Proposed Distribution Line



**Inventoried Roadless Areas**

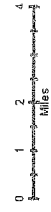
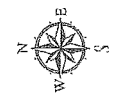
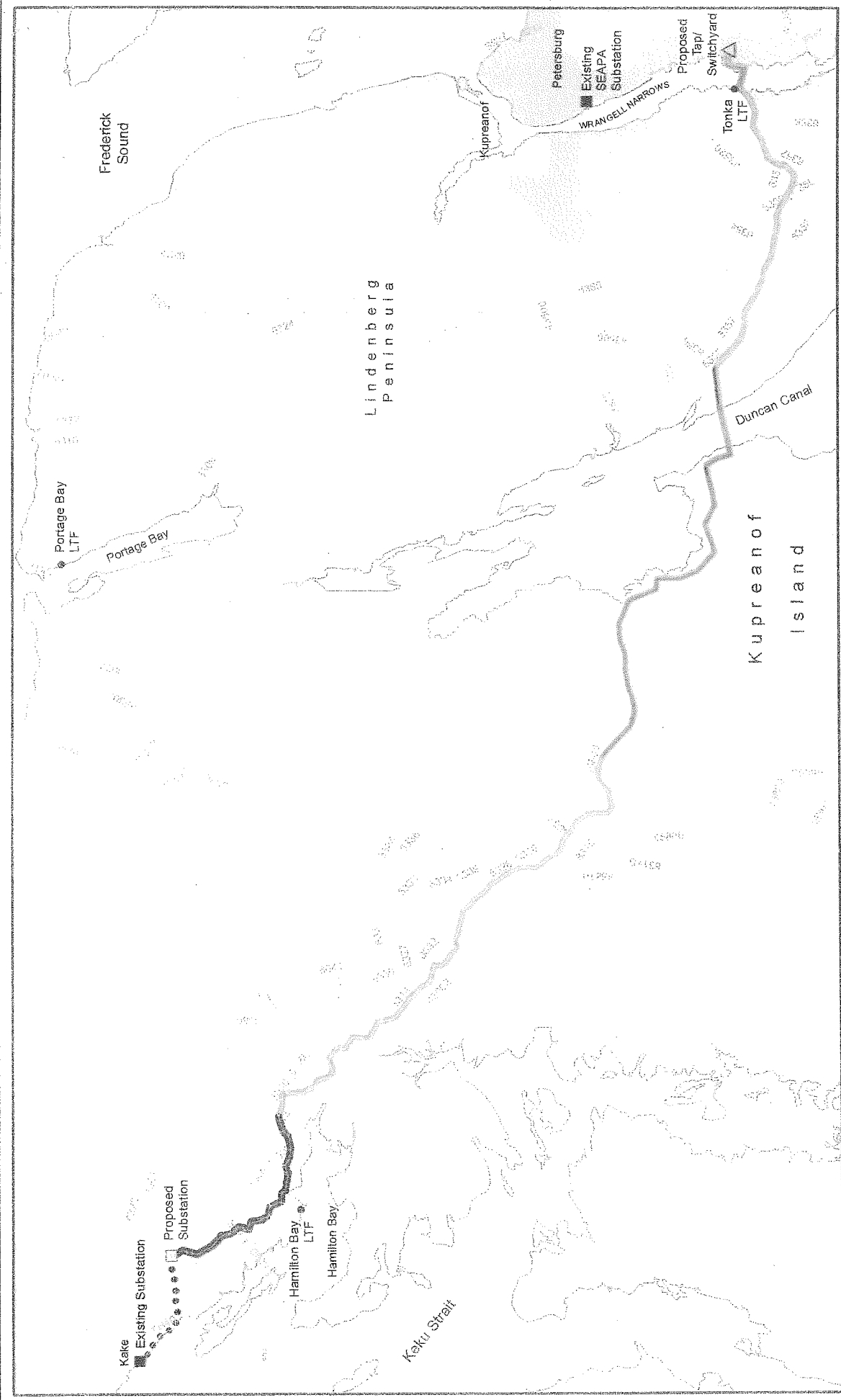
**Kake-Petersburg Intertie Transmission Line Project**



- Existing Road
- Alternative 2
- Alternative 3
- Common to Alternatives 2 and 3
- Common to All Alternatives
- Proposed Distribution Line
- Helicopter Placement
- Shovel Trail
- Non-NFS Lands



Figure 2-1. Alternatives 2 and 3  
Kake-Petersburg Inter-tie Transmission Line Project



- Existing Road
- Alternative 4
- Common to All Alternatives
- Proposed Distribution Line
- Helicopter Placement
- Shovel Trail

Figure 2.2. Alternative 4  
Kake-Petersburg Inter-tie Transmission Line Project

Source: 2019 Kake-Petersburg Inter-tie Transmission Line Project, Final Report



# Tongass National Forest Energy Projects

February 25, 2010



**Legend**

- Existing Power Projects
- Proposed Power Projects
- Constructed Transmission Line
- Legislated Transportation and Utility Corridor (Section 4407 of P.L. 109-59)
- Proposed Utility Corridors (Forest Plan)
- Existing Roads
- Inventoried Roadless Area (2001 Roadless Rule)
- Non-Wilderness National Monument
- National Monument Wilderness
- Wilderness
- Congressionally Designated LUD II
- Other NFS Lands
- Non-National Forest
- Water
- Legislated Transportation and Utility Corridor (Section 4407 of P.L. 109-59)
- Constructed Transmission Line
- Proposed Utility Corridors (Forest Plan)

**Constructed Transmission Lines**

- 1 Juneau to Grana Creek
- 2 Juneau to Shelikof
- 3 Petersburg - Wrangell - Tyee
- 4 Bark Bear to Thome Bay
- 5 Bark Bear to Craig to Hole to Hydaburg
- 6 Ketchikan to David/Beaver Falls
- 7 Seaw - Tyee
- 8 Seaw Lake to Ketchikan

**Legislated Transportation and Utility Corridors (Section 4407 of P.L. 109-59)**

- 1 Lynn Canal East
- 2 Lynn Canal West
- 3 Tana Valley - West
- 4 Tana Valley - East
- 5 Tenakee - Hoonah
- 6 Hoonah - Whitehorse Harbor
- 7 Fort Stice - Tenakee Inlet
- 8 Ooba - Noonan Bay
- 9 Ooba - Beaufort Lake
- 10 Kake - Petersburg
- 11 Kake - South Kuparuk
- 12 Wrangell - Foothills
- 13 Foothills - Eastern Passage
- 14 Tyee - Wrangell - State Channel - Eastern Passage
- 15 Beaufort to Grana
- 16 Hula Prince of Wales

**Proposed Utility Corridors (Forest Plan)**

- 1 Gool Lake to Conna
- 2 Grana Creek to Hoonah
- 3 Angoon-Bikah Bay-Hulkawaha
- 4 Baranof Lake to Kake
- 5 Kake to Shelikof
- 6 Kupreanof Island to Duncan Canal
- 7 Thome Bay to Petersburg
- 8 Wrangell to Coffman Cove
- 9 Cleveland Peninsula
- 10 Cleveland Pt. Higgins-Kassan Peninsula
- 11 Exmore to Metlakatla

**Existing Power Projects**

- 1 Gool Lake
- 2 Deany Lake
- 3 Ooba Lake
- 4 Shelikof Creek
- 5 Gool Creek
- 6 Annes Creek
- 7 Lake Baranof
- 8 Shelikof
- 9 Foothills
- 10 Foothills Dam
- 11 Blue Lake
- 12 Green Lake
- 13 Hoonah Falls Hydro
- 14 Jelly Lake
- 15 Betty Lake
- 16 Crystal Lake
- 17 Tyee
- 18 Burnah River Hydro
- 19 Bark Bear Lake
- 20 South Fork
- 21 Ketchikan Lakes
- 22 Beaver Falls
- 23 Gool Lake
- 24 Seaw Lake

**Proposed Power Projects**

- 1 Schluess Lake
- 2 Lake 3160 / Lake River
- 3 Gashuwa On-land Tidal
- 4 Beaufort Lake
- 5 Angoon Hydro / Thayer Lake
- 6 Angoon Dam
- 7 Bay Passage Tidal
- 8 Grana Creek
- 9 Fort Franklin Dam
- 10 Hula Dam/terminal
- 11 Upper Tenakee Inlet Dam/terminal
- 12 Tenakee Storage
- 13 Blue Lake Modification
- 14 Taylor Lake
- 15 Beaufort Lake
- 16 Little Port Walter
- 17 Cascade Creek
- 18 Hula Lake
- 19 Dumery Lake
- 20 Dumery Lake
- 21 Hula Lake
- 22 Reynolds Creek
- 23 Lake Shelikof
- 24 Gold Island Dam/terminal
- 25 Whitman Lake
- 26 Hoonah Lake
- 27 Gool River



United States Department of Agriculture  
Forest Service  
Alaska Region  
Tongass National Forest

DIXON ENTRANCE

**ATTACHMENT 8**  
**TO**  
**CEO REPORT**



August 19, 2013

To: John Jensen, President - Thomas Bay Power Authority (TBPA)

From: Trey Acteson, CEO - Southeast Alaska Power Agency (SEAPA)

RE: TBPA – Tyee Hydroelectric Project Operation & Maintenance (O&M) Agreement.

Dear President Jensen,

SEAPA is reaching out to the Thomas Bay Power Authority to explore opportunities that exist to remedy a number of important issues that revolve around the current Tyee O&M Agreement. We have provided specific solutions to each of the prominent topics below and believe that collectively they represent an enormous benefit to the TBPA, your employees, and the communities your organization represents. We offer these potential solutions for the Commission's consideration, contingent upon final approval by the SEAPA Board of Directors.

**PERS Unfunded Liability:** The four TBPA power plant employees working under the existing Tyee O&M agreement participate in the State PERS retirement program instead of their Union's (IBEW) pension plan. They are technically employees of the City & Borough of Wrangell and one of the positions has an unfunded liability of \$528,250.00 (\$155,920 termination fee + 18 years of annual payments equaling \$372,330). The other three positions are PERS Tier 4, and although there is no unfunded liability identified for them, the City & Borough of Wrangell currently pays a 10% PERS premium above the normal contribution rate.

The TBPA Secretary position has an unfunded liability of \$228,574.00 (\$3,520 termination fee + 18 years of annual payments equaling \$225,054). There is no unfunded liability identified for the TBPA General Manager's position.

Termination of the existing Tyee O&M contract would result in the TBPA (technically the City & Borough of Wrangell) being burdened with payments for positions that no longer exist, totaling \$756,824.00 (per Buck Consultants' Termination Study).

**Possible Solution:** SEAPA proposes absorbing existing TBPA employees and making a one-time lump sum payment to the City & Borough of Wrangell to cover the unfunded liability for those positions. The City & Borough of Wrangell have indicated that they would consider keeping one employee on their books who prefers to stay in PERS until such time that they retire. The remainder of the employees, with the exception of the Secretary, would have the opportunity to join the IBEW pension plan. The IBEW pension plan is far superior to the PERS Tier 4, which is basically a 401k plan. The IBEW has indicated that they will work with us during any transition and past years of service are typically acknowledged through a partial credit. The secretary position is an administrative position and would be transitioned to SEAPA's NRECA program to be consistent with our other administrative employees.

This solution is a win/win that relieves the Northern communities of a large unfunded liability. It provides a much better opportunity for newer employees to have a "livable" wage when they retire, and also addresses concerns of those approaching retirement.

**ARECA Insurance Rebate:** There is approximately \$259,798.00 available in rebates from ARECA Insurance Exchange. The original premiums were funded by SEAPA through the net billing process. These

rebate monies could be applied toward the PERS unfunded liability payoff to help reduce the collective impact to SEAPA's three member utilities.

**Clearing Crew:** The existing clearing crew is based in Wrangell and consists of one regular full-time position, supplemented by seasonal part-time employees. These individuals face uncertainty every year depending on workload and budgets.

**Possible Solution:** SEAPA proposes absorbing the clearing crew operations as part of a comprehensive package. The crew's home base would remain in Wrangell and SEAPA would commit to hiring one additional regular position. The crew's work scope would expand to cover other areas of the SEAPA transmission system, which would provide greater job stability and help meet line clearing objectives.

**Community Oversight of Tyee:** There is a strong sense of community pride and purpose for the Tyee hydroelectric project in Wrangell and Petersburg. Although the project is owned by SEAPA, it is the primary source of low-cost hydroelectric power for the area. Power from Tyee also now flows south to the interconnected community of Ketchikan to displace high cost diesel generation. Some people feel that if the extra layer of management provided by TBPA is removed, somehow they will lose local control.

**Possible Solution:** The SEAPA Board is comprised of community members appointed by their respective Mayors. They are a direct conduit to their communities and are in a strong position to provide oversight and affect change. It is important to acknowledge that half of the members of the TBPA Commission are already on the SEAPA Board. The misperception of loss of community oversight can be resolved through better outreach and communications. SEAPA would commit to providing quarterly project updates in written report form directly to the City/Borough Assemblies of Wrangell and Petersburg. Community members are always welcome to attend SEAPA Board meetings and significant information regarding budgets and ongoing activities is now readily available on the SEAPA website.

**Thomas Bay Power Authority's Role and Future:** The TBPA's initial mission was to perform hydrosite analysis and advance hydro development in the Thomas Bay Basin. They also assumed the role of O&M contractor for the Tyee project. Over the years TBPA's role has narrowed to just being an O&M contractor.

**Possible Solution:** The State of Alaska has provided funding for SEAPA to perform regional hydrosite analysis and that process will include potential projects in the Thomas Bay Basin. If the Commission desires to have SEAPA transition into the role of managing daily O&M of Tyee, the TBPA could still remain in the community charters and be available for immediate re-activation should a need arise.

**Transition to SEAPA:** There is a clause in the current O&M agreement that requires SEAPA to provide a minimum one year notice of contract termination by June 30, effective the following year. The TBPA currently has a funding gap for non-net billables and they would benefit from an expedited solution.

**Possible Solution:** There is nothing that prevents an early termination of the O&M contract if it is mutually agreed upon by both parties. If it is the desire of the TBPA Commission (and their respective communities), SEAPA is willing to relieve the TBPA of their contractual obligations as part of a more timely transition. Although not required upon termination of the O&M agreement, SEAPA is offering a package of favorable solutions at this time to help facilitate a seamless and positive transition for all parties.

**ATTACHMENT 9  
TO  
CEO REPORT**



This issue updates the information that was provided in March 2013.

Permitting and preliminary design work continues for a new electrical transmission line intertie that is proposed to extend west across the Tongass National Forest, from the Petersburg area to Kake on Kupreanof Island. The **Kake – Petersburg Intertie (KPI)** would transmit power to Kake at either 69 or 138 kilovolts (kV) and consist primarily of single wood pole structures.

The U.S. Forest Service is the lead agency for the Environmental Impact Statement (EIS). Chapter 1 – Purpose and Need and Chapter 2 – Alternatives were submitted to the Forest Service for review and comment. Taking the Forest Service’s and others’ comments into consideration, a new alternative route has been developed and identified as SEAPA’s Proposed Action. We are hopeful this new alternative addresses the concerns expressed.

The new route alternative starts at the existing substation south of Petersburg, and goes north-northeast to the Sandy Beach area. From the Sandy Beach area the new route alternative, Figure 1, continues north, but underground, as indicated by the red line east of the airport and along Sandy Beach Road to Outlook Park.

Any existing overhead distribution lines along this route (the red line) would be placed underground as a part of the project. From Outlook Park to Prolewy Point, directional bore technology would be used to

install a conduit under Wrangell Narrows. The conduit would contain the transmission line, a distribution line should it be needed, and a fiber optic cable for communications. From Prolewy Point north, the line would follow the previously identified northern route.

The draft EIS will also consider two other previously identified alternatives: the Submarine Cable route that is also depicted on Figure 1 and the Center South route. Routing alternatives will use existing roads for much of the line construction. However, there are significant undeveloped sections that may necessitate use of helicopters and low impact shovel trails.

The alternative that would cross Petersburg Creek and behind the community of Kupreanof has been dropped from detailed consideration at this point.

Cost estimates for the three routes being considered in the draft EIS, assuming construction in 2015-2016 and including the additional required helicopter construction, are:

| 69-kV Route Alternatives             |                                      |                          |  |
|--------------------------------------|--------------------------------------|--------------------------|--|
| (\$,000)                             |                                      |                          |  |
| Northern Route                       |                                      | Center South<br>(Opt. 3) |  |
| Prolewy Pt.<br>Dir. Bore<br>(Opt. 1) | Petersburg<br>Sub. Cable<br>(Opt. 2) |                          |  |
| \$ 65,850                            | \$ 72,008                            | \$ 58,955                |  |



Figure 1

We have redrafted chapters 1 and 2 of the EIS and resubmitted them to the Forest Service for review.

## Project Schedule

The current project schedule has been adjusted to:

**May 2010** - Notice of Intent to prepare an EIS published

**Apr/May 2010** - Public scoping meetings

**October 2013** - Draft EIS published

**November 2013** - Public meetings on draft EIS

**June 2014** - EIS complete with Record of Decision for routing

**Date:** August 20, 2013  
**To:** Trey Acteson  
**From:** Steve Henson, Operations Manager  
**Subject:** Operations Update for August 27, 2013 Board Meeting  
**Purpose:** To provide a status report on major operations activities.

## **REGULATORY**

### **FERC**

An RFP has been issued for the creation of a matrix for the reporting requirements and obligations subject to the FERC licenses of our systems. With the recent changes and programs put forth by FERC, it was thought prudent to have a professional review of our present reporting practices and to insure all new programs are properly addressed. A final draft of the matrix has been received and is under review.

A follow-up letter from the FERC Regional Engineer concerning the annual inspection of the Swan Lake project conducted by Glenn Koester of FERC's Portland office was received on July 29, 2013 stating: "All project structures were inspected and he did not observe any deficiencies that would require immediate remedial action. We have determined that the project structures currently meet Commission dam safety standards and criteria."

## **MAJOR CONTRACTS**

### **Wrangell Reactor**

The Wrangell Reactor replacement project management, engineering, and design have been awarded to Electric Power Systems, Inc. (EPS). Completion of the project has been tentatively set for December 2013.

Staff will provide a further update at the board meeting.

### **Satellite Communications System**

The Futaris satellite was the only one that could be seen from the Tyee project. A contract was awarded to Futaris accordingly. A breakdown of the initial and recurring costs was provided in the R&R request presented at the June 25-26, 2013 board meeting.

This project will provide a full mesh network (private) between the SEAPA office, Tyee Lake Plant, Petersburg Substation, Wrangell Substation, Wrangell Switchyard, and the Swan Lake Plant.

There will be a permitting effort involved with the installation of the satellite dish at the Tyee site.

A site evaluation took place on August 15<sup>th</sup> at Swan Lake and the SEAPA office and at Tyee Lake August 17<sup>th</sup>.

This mesh network will allow us to incorporate a radio channel for a direct voice link between all points in the system including the Bailey Plant or from portable radios within reach of the antennas. This will greatly enhance switching and emergency communication. It will allow contact with any operator in the system, as long as they carry a handheld radio, from any other point in the system.

### **STI Helipads**

A redesign of one of the previous footers has been offered by Brett Serlin of Tongass Engineering that could potentially save \$500,000 over the course of the project if approved by the U.S. Forest Service. This submittal will delay the permitting process by approximately 30 days but is well worth the wait.

The following is a tentative schedule for permitting/installation of the helipads:

2013 - USFS permitting complete September  
2013 - 3 prototypes installed September/October  
2014 - 55 to 70 installations from April to October  
2015 - The remaining pads from April to October

Final work, blasting, environmental, foundation and fire plans were submitted to the USFS for review and approval. We have received approval for everything except the new foundation footer, which we hope to have within a couple of weeks.

### **Argo Use Permit**

A permit application was submitted to the USFS for the use of the Argo all-terrain vehicle on the Tyee transmission line right-of-way. We were provided a list of the required analyses to be performed for the Argo permit process and Tetra Tech provided a quote for the work. Details of the quote were provided at the last board meeting. Although seemingly high, the benefit of the use of the Argo is still less than the cost of helicopters. We are currently assessing the permit process.

### **Annual Maintenance**

Due to the difficulties of substation outages this fall, the ground grid testing will be completed during next year's annual maintenance.

### **SEAPA Drawings and Documentation Project**

We have received a quote from May Engineering Services, LLC for a not-to-exceed value of \$22,100.00 to categorize all documents and drawings that are in SEAPA's Electronic Document Management System (EDMS) with respect to location, type of document, general description such as "substation" and equipment description prior to uploading to a new EDMS system. The EDMS system will have grantable access outside of the organization, more specifically engineering firms needing prints for various projects. This process will take an anticipated three months. The second phase of this project will be uploading all other prints currently on the server into the EDMS. The third phase will be the field work to bring prints in the field up-to-date.



### **Structure 76-1M**

Tongass Engineering was awarded a task order to provide engineering design and project management for the stabilization of the embankment at Tower 76-1M. After permitting issues were encountered with Mental Health land for cutting a trail to the tower, it was necessary to develop a plan utilizing helicopter support. Reid Brothers of Petersburg was awarded a task order for a lump-sum value of \$23,800 to perform this work. Completion of the project is expected by September 30, 2013.

### **Tyee Dock Replacement**

The Tyee dock floats were in place as of June 30<sup>th</sup>.

### **Tyee Gatehouse Generator**

The new propane generator for the Tyee Lake gate house has been delivered to the Tyee Plant facility.

Installation will be coordinated in early September with gate controls and work at the Tyee outlet, both of which require a heavy lift helicopter.

### **Tyee Equipment**

Requests for Proposals soliciting for a used excavator and soil compactor for the Tyee Lake Project issued this month. Proposals are due August 22. Results will be provided at the board meeting.

### **Vehicle – SEAPA Office**

Staff received three written proposals for a new Explorer. Titus-Will Ford of Tacoma, Washinton was the low bidder and awarded a purchase order for \$32,232.00 for a new 2014 Ford Explorer. The Explorer was received by staff in Ketchikan on August 20th.

### **Burnett Peak Radio Shack**

R&R 227-13 Burnett Peak Battery Replacement and the foundation/floor repair are complete.

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

A Request for Proposal is drafted and will be released in early September.

## **MISCELLANEOUS**

A slide show will be presented at the board meeting covering various topics.

## **CONCLUSION**

Staff is available to answer any questions or concerns.

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

Proposal Process and Vendor Selection

At our last Board meeting we selected Fiber Fusion as our SCADA replacement and integration Contractor. The June 25-26, 2013, board packet provides the scope, schedule, and budget of that contract. We are happy to report Fiber Fusion is progressing well; they are aggressively digging into drawings, asking questions, and researching. On a parallel path, James Volk of Segrity LLC and Sharon have purchased the major hardware components and we are still on schedule for the October factory acceptance test.

Process

The project was split into two phases to limit design/implementation and project management problems and reduce cash flow rates. This lengthens the project a month or so, but at the same time makes the project more manageable for both SEAPA and Fiber Fusion. Phase I is the replacement of the Northside SCADA (Tyee, Wrangell, and Petersburg); Phase II is the upgrade of Swan Lake SCADA and PLC components, and the implementation of data storage at the SEAPA office. We will implement a collaborative design process with Fiber Fusion, which emphasizes reviews and dialog during the initial stage, approval of the preliminary design, and a rigorous factory test before any installation efforts commence. This collaborative engineering process is a stipulation of the bid and contract documents.

| SCADA Task              | Tyee to<br>Petersburg | Swan to<br>Ketchikan |
|-------------------------|-----------------------|----------------------|
|                         | Phase I               | Phase II             |
| Site Visits             | 7/16 to 7/26          | during Phase I       |
| Preliminary Design      | 7/27 to 8/26          | 11/25 to 12/13       |
| Factory Acceptance Test | 10/1 to 10/18         | 1/6 to 1/10          |
| Installation            | 10/21 to 11/15        | 1/13 to 2/3          |
| Commissioning Complete  | 11/22                 | 2/3/2014             |
| Training/Manuals        | 2/4 to 2/14           | 2/4 to 2/15          |
| Project Close-out       |                       | 3/6/2014             |

A detailed schedule in pdf format can be e-mailed upon request.

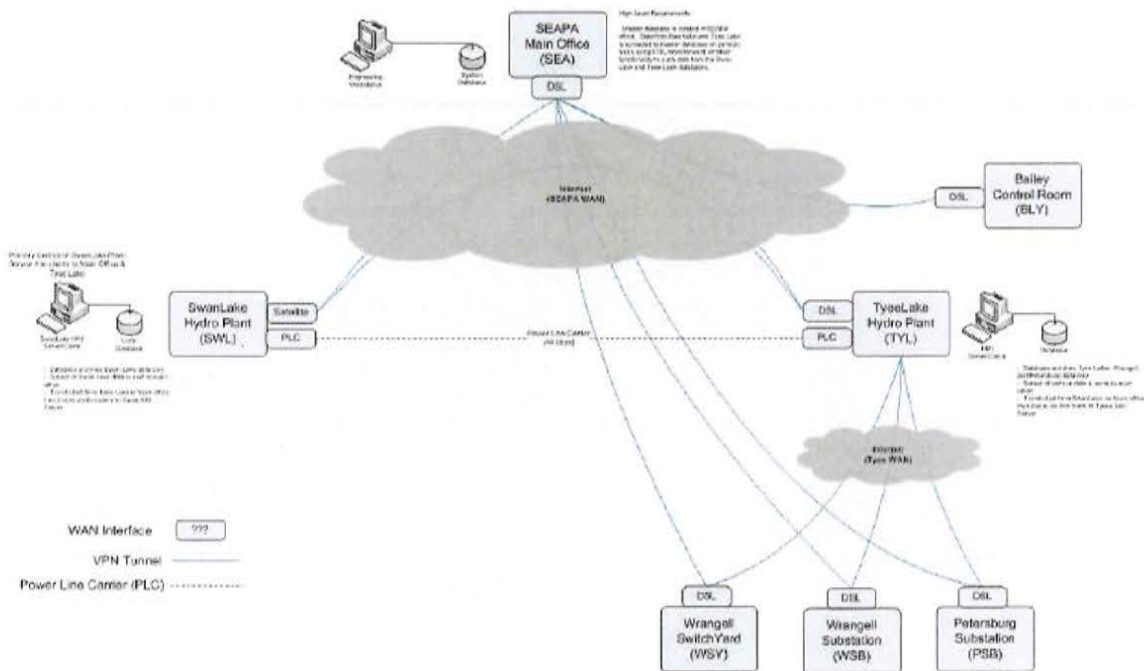
SCADA Budget

| SCADA Project<br>FY14                                | FY14 Budget \$790,093 |           |           |
|--|-----------------------|-----------|-----------|
|  | Approved              | Invoiced  | Remaining |
| Fiber Fusion Contract                                | \$543,211             | \$102,268 | \$440,943 |
| Segrity LLC<br>(Engineering & Project<br>Management) | \$116,010             | \$13,556  | \$102,454 |
| Hardware (Phase 1)                                   | \$117,295             |           |           |
| SEAPA & Segrity Flights                              | \$22,400              | \$2,340   | \$20,060  |
| Totals   | \$798,916             |           | \$563,457 |

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**SCADA Project Budget Summary**

|  |           |           |
|--|-----------|-----------|
| Fiber Fusion Contract w/o Server Redundancy or 5 yr. Service Agreement |           | \$513,211 |
| Change order for Substation memory (Not to Exceed)                     |           | \$30,000  |
| Total  | 8/16/2013 | \$543,211 |



This picture is to remind us that the SCADA upgrade project is a large project involving multiple organizations over a mix of communication paths, the mix being in route, ownership, and type (microwave, satellite, radio). We also want to stress that while we are not constrained by NERC security compliance regulations our system will have security measures in place that meet the intent of NERC criteria.



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### Tyee Lake Stream Gage Installation

The terms and conditions of our FERC License (No. 3015) state that we must measure stage and flow on the streams upon which the project is located. The present outfall discharge (spill) measuring methods once considered poor by USGS standards; have deteriorated due to the continued pile-up of logs at the outlet. Additionally, we need an accurate spill measurement for the Whitman true-up. *But most importantly*, the stream gage will allow us to better assess the basin as we evaluate expanding the Tyee project during the relicensing process. One last point, there is a small increase in storage even though we do not change the historic operating range of the lake (reservoir). This storage increase allows us to pay for this project in 6 years if the total cost is kept under \$1.5M at our WPR of \$68/MWh.

During the winter and spring of 2012-2013, we secured the necessary permits and approvals which allowed us to initiate construction as soon as snow levels receded. After no credible responses were received in response to our May log removal RFP, we requested, and the Board approved, contracting with BAM LLC of Ketchikan. BAM has performed Herculean efforts in removing the logjam located upstream of the outlet. At the time of this writing, BAM was busy excavating down to solid rock in the location of the channel invert, and they were also installing a cable system to anchor the remaining logjam to the channel bank. In parallel to the construction efforts by BAM, McMillen LLC is designing the concrete forming, reinforcing, and placing plan for the weir. Our construction plan has now changed to a weir entirely of concrete, anchored to each boulder abutment, and anchored and sealed to solid rock at the invert. The nature of this project requires us to keep moving; water will rise quickly at Tyee after September 1<sup>st</sup>; we will keep you up-to-date as work progresses. A construction drawing will be provided at the Board meeting. We will submit this construction drawing and the construction plan to FERC as soon as these documents are finalized.

In addition to the weir, we still plan to erect a helicopter pad and emergency shelter. Construction will be underway during our Board Meeting; the concrete placing must be timed with the high tides of early to mid-September. Construction will be complete in September, and assuming our mini-draught ends, the USGS will calibrate the weir during late fall spill events.



To understand the scope of the log removal effort, compare these two photos of the left abutment of the weir. This effort was accomplished with manual labor using chain saws and chain saw winches.



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Typee Lake Outlet Stream Gage Budget

| Typee Lake Stream Gage                                  | FY14 Budget<br>\$1,444,651 |                    |           |
|---|----------------------------|--------------------|-----------|
|   | Approved                   | FY 14 Invoices     | Remaining |
| BAM Contract  |                            |                    |           |
| Task 01- Remove Logs                                    | \$157,500                  | \$151,900          | \$5,600   |
| Task 02- Invert & Log Retention (Lump Sum Task Order)   | \$54,000                   |                    | \$54,000  |
| Task 03-Construction (not-to-exceed)                    | \$750,000                  |                    | \$750,000 |
| McMillen  |                            |                    |           |
| Permitting  | \$10,000                   | \$431              | \$8,120   |
| Preliminary Design                                      | \$27,000                   |                    | \$23,265  |
| Final Design  | \$12,500                   |                    | \$12,500  |
| Barging/Concrete (included in Construction total above) | TBD                        |                    |           |
| Air Fights & SEAPA Project Management                   |                            | \$15,355           |           |
| <b>Total Remaining</b>                                  |                            | <b>\$1,276,966</b> |           |
| TBD- to be determined during final weeks of August      |                            |                    |           |

**Swan Lake Reservoir Expansion**

2013 Milestones

1. Initial Consultation Document (ICD) filed with FERC on April 15, 2013: a voluminous read at 642 pages when the reports are included.

To view the ICD document for this Filing, click here:

[http://elibrary.FERC.gov/idmws/file\\_list.asp?accession\\_num=20130416-5183](http://elibrary.FERC.gov/idmws/file_list.asp?accession_num=20130416-5183)

2. Resolution 2013-046. This was a resolution adopted by the SEAPA Board at the June 25-26, 2013 board meeting, to continue with commitment to the project even though State funding would not be received this year, and future State funding may be, at best, in the form of a loan or loans, the terms of which are still undetermined.
3. Resource Reports submitted to the Agencies on August 4, 2013

We are in the process of preparing our preliminary, draft environmental assessment. This process will go more smoothly as we have accomplished most of the work with our previous filings. This document will be submitted to the agencies for comment, and the comments will be addressed, then the draft environmental assessment will be included in the license application. For the environmental assessment work to occur, we issued a board approved task order to Tetra Tech that will complete our environmental study/report efforts. We will continue to use McMillen LLC for license application project management services until we receive our amended license.

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As stated in our last board packet, SEAPA staff will issue an RFP for a design-build contract for dam and intake modifications. We will also assemble our Board of Consultants to assist us with passing our plan through FERC's Dam Safety review process. We have deferred plans for a timber cruise this year and will fold that work into our 2014 efforts. We still plan to conduct a LiDAR survey to measure biomass around the lake, but that will also probably have to wait until 2014. The license amendment application will contain the economic benefit report, the TNF resource reports, and the draft environmental assessment. Our amended license will then be contingent upon passing review of FERC's dam safety process.

**Swan Lake Reservoir Expansion -Total Project Cost Estimate:**

| Project Costs   | 2011 - 2012      | 2013             | 2014               | 2015 - 2016         | Total               |
|---|------------------|------------------|--------------------|---------------------|---------------------|
| Feasibility Study                                     |                  |                  |                    |                     |                     |
| License consulting                                    | \$389,000        | \$78,000         |                    |                     |                     |
| Environmental Studies                                 |                  | \$136,000        |                    |                     |                     |
| Amendment Costs (Timber Harvest, 4e constraints etc.) |                  |                  | \$557,000          |                     | \$557,000           |
| Construction & Engineering                            |                  | \$458,350        | \$739,611          | \$9,416,698         | \$10,614,659        |
| <b>Total</b>  | <b>\$389,000</b> | <b>\$672,350</b> | <b>\$1,296,611</b> | <b>\$9,416,698</b>  | <b>\$11,774,659</b> |
| Escalation  | \$0              | \$0              | \$132,903          | \$1,484,307         | \$1,617,210         |
| <b>Project Grand Total</b>                            | <b>\$389,000</b> | <b>\$672,350</b> | <b>\$1,429,514</b> | <b>\$10,901,005</b> | <b>\$13,391,869</b> |

**License Amendment and Engineering Costs Relative to Board Budgets**

| Swan Lake Reservoir Increase License Amendment and Engineering Costs | FY12      | FY13      | FY14      |
|--|-----------|-----------|-----------|
| Budgeted   | \$240,000 | \$615,000 | \$930,949 |
| Actual to Date   | \$151,421 | \$548,944 | \$4,197   |

A portion of our permitting and engineering costs, up to a maximum of \$578,000 will be reimbursed using the AIDEA grant funds; this reimbursement will occur during FY14 and/or FY15.

Tetra Tech Resource report costs incurred but not received yet for FY14 will be charged to Tetra Tech Task Order 14001 which had a value of \$89,453. The bulk of FY14 costs will be for engineering design.

**Swan Lake Spare Winding**

At the 06/25-26, 2013 Board Meeting

As part of a risk mitigation measure, the SEAPA board approved funds to train Swan Lake personnel on DC Hi Potential Testing (DC Hi Pot), purchase a spare set of coils, and then institute an aggressive pass/fail test every few years at Swan. If the winding fails, it is immediately rewound without design and procurement delays. Upon rewind another set of coils for the second machine is purchased and the cycle repeats. Voith was selected as



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the coil provider and the new coils are now at Swan Lake. The coils passed all our tests and the delivered coils did not suffer any transportation damage. All that remains is to construct the coil enclosure at Swan Lake which will be kept between 45 and 70 degrees with a low humidity environment.

Update

This project was completed during the second week of August. Construction of the coil enclosure designed by Kepler Consulting anticipated construction by the Swan Lake Crew; however, Kepler Consulting constructed the enclosure and the coils are now stored in a controlled temperature and humidity environment located in the Swan Lake Storage Building.

| <b>SWL Spare Coil Set</b>                       | Total Project Budget \$895,000 |           |           |
|---|--------------------------------|-----------|-----------|
|   | Approved                       | Invoiced  | Remaining |
| Voith Coil Purchase Contract                    | \$847,227                      | \$847,227 |           |
| Morris Kepler Project Management & Constr.      |                                |           |           |
| Task 01 Project Mgmt / Enclosure Design         | \$25,207                       | \$11,400  |           |
| Task 03- Construction of Enclosure              | \$18,000                       | \$34      |           |
| Misc. Project Costs (Materials, shipping, etc.) |                                | \$14,115  |           |
| Total   |                                | \$872,776 |           |
| Balance Remaining                               |                                |           | \$22,224  |

This project will be closed after August invoices are received from Kepler Construction for enclosure construction.

**Tyee Gate Controls Replacement**

We are very close to getting this project off our task list. Control retrofit/replacement will occur with the Intake Gate House generator replacement scheduled for September.

|                | FY14     |
|----------------|----------|
| Project Budget | \$35,000 |
| Actual to Date | \$9,160  |

**Swan Lake Maintenance Support Managed by SEAPA- a Reliability Assurance Program**

From the 06/25-26, 2013 Board Meeting

During FY13, Kepler Consulting provided oversight and training services for the repair of major turbine components. This spring, Kepler Consulting provided project management and in-plant oversight for the replacement of Unit #2 turbine guide bearing. With respect to the turbine guide bearing, one final test and set of measurements is required to verify final dowel placement. This work will occur during July-August 2013, and at the same time SEAPA staff will conduct a comprehensive vibration analysis of Unit #2.

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| <b>Swan Lake Maintenance Support<br/>and Reliability Assurance</b> | <b>FY 2013</b>  |                 | <b>FY14</b> | <b>FY14</b> |
|--|-----------------|-----------------|-------------|-------------|
|  | Budgeted        | Actual          | Budgeted    | Actual      |
| Unit Repair-Cavitation, DT, Gate Alignment                         | \$35,000        | \$60,600        | \$23,000    | \$0         |
| Unit 2 Wicket Gate Refurbishment                                   | \$28,000        |                 |             |             |
| Unit 2 TGB Replacement <sup>①</sup>                                | \$0             | \$11,850        |             |             |
| <b>Totals</b>  | <b>\$63,000</b> | <b>\$72,450</b> |             |             |
| <sup>①</sup> -Unbudgeted   |                 |                 |             |             |

Update

We completed alignment checks and final placement of the bearing on August 11<sup>th</sup>; this effort closes out Swan Lake's Unit #2 turbine guide bearing repair efforts. The first vibration test was conducted August 13<sup>th</sup>. Future vibration tests will be conducted by SEAPA staff in conjunction with the Swan Lake crew as the reservoir approaches the full level. There will be no cavitation repairs at Swan Lake this year as crew changes necessitate evaluation of welding skills. We'll use a portion of that budgeted amount for the final Unit #2 turbine guide bearing repair costs and for new, expected generator maintenance that we hope to complete this September-October during our low load period.

**Tyee Cooling Water Conversion**

Cooling water (CW) at Tyee is currently supplied off the penstock via a set of pressure-reducing valves. Currently the valves controlling cooling water are manually operated; typically the valves are left full open except during manual unit start/stop operation. Tests conducted during 2012 indicate throttling the CW and using the existing pumps is a far more efficient way to cool the units. The annual value of using the existing CW pumps combined with a simple control system is approximately 1,000 MWh of additional energy deliverable to our members.

We are nearly complete with our piping modification design and *will not issue* a request for bids. After talking over the project with the Tyee crew, we have decided to construct the piping modifications using TBPA labor. Tyee crews installed an isolation valve on the main header during the annual shut-down which allows us to modify cooling water piping one unit at a time while the other unit remains in service. We plan to begin cooling water piping changes this fall after electrical demand decreases. Electrical control work will be coordinated during the SCADA upgrade as CW control and alarm/trip settings are integral with SCADA function.

| <b>Tyee Lake CW</b>           | <b>Total Budget =\$199,688</b> |            |                  |
|-------------------------------|--------------------------------|------------|------------------|
| <b>FY 13 &amp; FY144</b>      | Budgeted                       | Invoiced   | Remaining        |
| Kepler Consulting TO<br>12-02 | \$45,500                       | \$26,600   | \$18,900         |
| Piping                        | \$65,000                       | \$0        | \$65,000         |
| Construction                  | \$40,000                       | \$0        | \$40,000         |
| Controls                      | \$25,000                       | \$0        | \$25,000         |
| <b>Totals</b>                 | <b>\$175,500</b>               | <b>\$0</b> | <b>\$175,500</b> |
|                               |                                |            | <b>\$173,088</b> |



**SOUTHEAST ALASKA POWER AGENCY  
DIRECTOR OF SPECIAL PROJECTS REPORT  
AUGUST 18, 2013**

**Request for Offers of Power and Energy (RFO)**

The RFO issued the week of January 2013 and a workshop was held on April 10, 2013. The deadline to submit letters of intent was April 15, 2013. Respondents have until September 30, 2014 to submit an offer for Options 1, 2, 3, and until November 29, 2013 to submit a business plan under option 4.

The RFO has developed interest from a variety of suppliers/manufacturers, utilities, and Independent Power Producers. We received letters of intent that totaled in excess of 70 MW of generating capacity.

Next Step

Either during the last week of August or first week of September, SEAPA staff will issue a follow-up letter to each party that submitted a letter of intent to offer.

Reference

Documents for review of the RFO History:

CEO Report: June and September 2012

Director of Special Projects Reports: December 2012, March 2013, April 2013

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

We received the grant last summer, and set up the accounts and project plan over the fall of 2012. Our controller, Kay Key, monitors the accounts and manages our submittals to the DCCED. We have five years from July 2012 to execute our grant, and have initiated three aspects of the grant.

- 1-Business Analysis Task (RFO)
- 2-Hydro Site analysis
- 3-Storage (Swan Lake)

To date, all three are within budget and on schedule! At the July 17, 2013 Special Board Meeting, McMillen LLC was awarded the site evaluation contract. We received proposals from Hatch, Mead & Hunt, HDR, and McMillen; however, the McMillen proposal was the best overall response to the RFP. A project management meeting was held on July 18 in Boise, and we are in the process of planning our first field work on Annette Island tentatively scheduled for the first week of September. Project management, site evaluation, and engineering invoices will start this August.

| DCCED Grant Tasks                                       | Schedule           |                | Budget             |
|---|--------------------|----------------|--------------------|
|   | Start (Month-Year) | Projected Stop | Approved           |
| Hydro Storage-Swan Lake Reservoir Expansion             | Oct-13             | Oct-14         | \$578,000          |
| Hydro Site Evaluation                                   | Jul-13             | Jun-15         | \$1,705,000        |
| Electrical Stability/Interconnection Studies            | Jun-14             | Nov-14         | \$146,000          |
| System Water & Load Balance Modeling                    | Jun-14             | Oct-14         | \$112,000          |
| Project Management/Meetings/PR/Analysis                 | Nov-13             | Dec-15         | \$309,000          |
| RFO-Business Analysis and Power Purchase/Sales/Exchange | Dec-12             | Apr-13         | \$150,000          |
| <b>DCCED Total</b>                                      |                    |                | <b>\$3,000,000</b> |

**SOUTHEAST ALASKA POWER AGENCY  
DIRECTOR OF SPECIAL PROJECTS REPORT  
AUGUST 18, 2013**

Remaining funds can be transferred to other tasks with approval by the DCCED.

This work is follow-up work that applies to SEAPA as a result of the SEIRP. If you have not read that document, please consider reading the executive summary of Section I at <http://www.akenergyauthority.org/southeastIRP.html>

**Water Management**

Our overall plan for summer generation is to meet load but we expect both Swan and Tyee Lakes to be just under full for the next winter heating season. This summer we have kept generation levels high at Tyee to prevent flooding of the weir construction area at the lake outlet. While this year's summer weather is great for tourism, prolonged unusually dry weather has reduced inflows to our reservoirs. The normal level at Tyee for September 1<sup>st</sup> is elevation 1396 ft. (spilling). The normal level for Swan Lake is approximately 315 ft. At the time of this writing, Tyee's lake elevation is 1370 ft, and Swan is 318 ft.

The questions to ask for this next winter:

Will Swan Lake and Tyee Lake be full for the winter heating season given normal conditions from September to December?

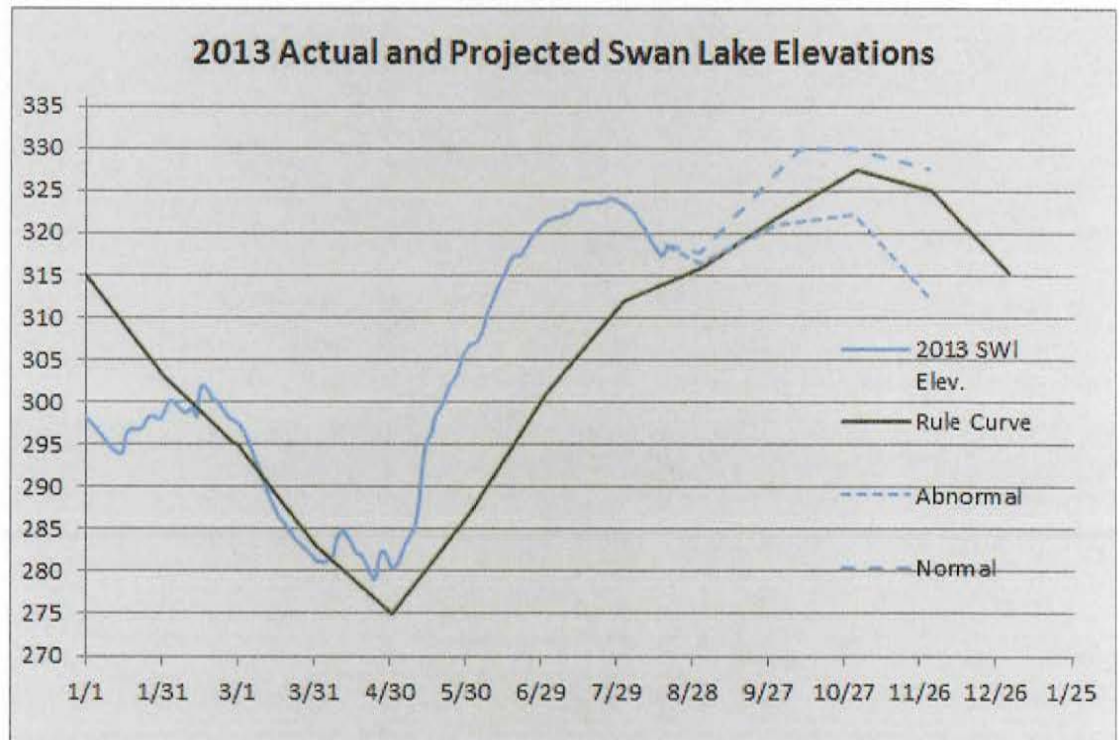
What will reservoir levels be if abnormal conditions similar to 2012 occur again?

The plots of Swan Lake and Tyee Lake shown below are the projected water levels given the two cases:

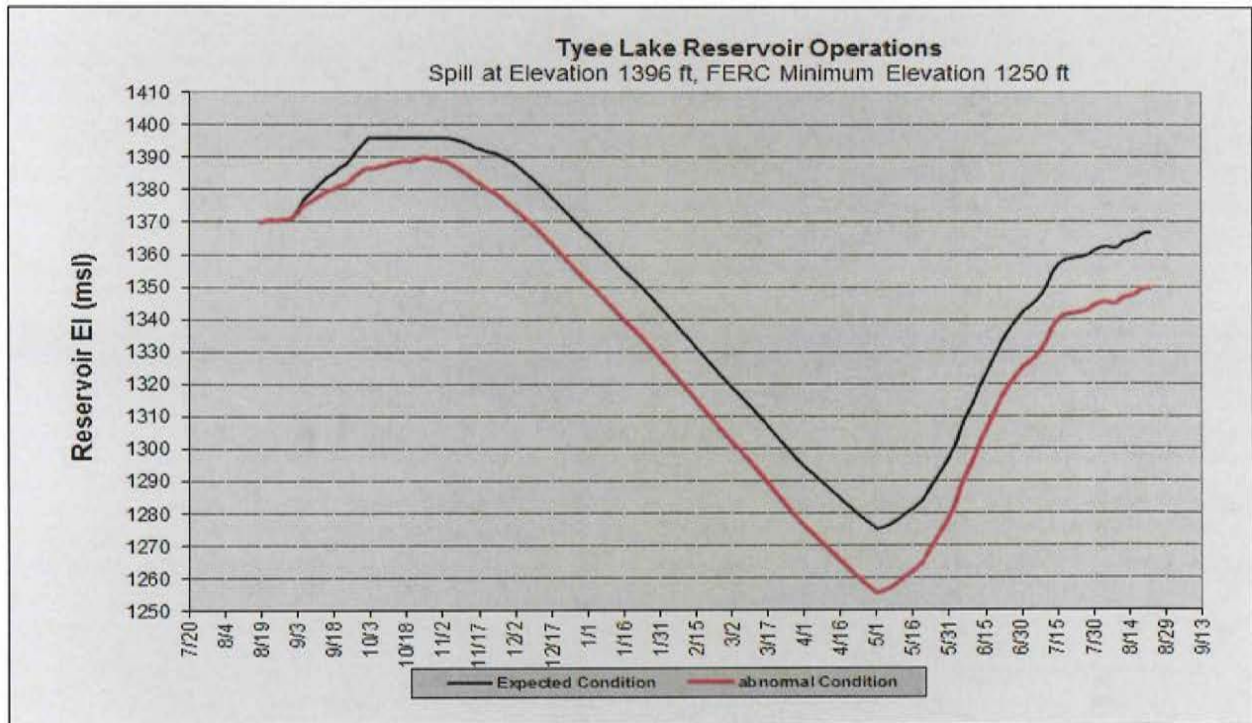
- Case 1    Normal conditions for loads and inflows meaning historical average for inflows and loads very similar to our expected case load forecast.
  
- Case 2    Abnormal meaning loads high and inflows low, this case very similar to the conditions of 2012



**SOUTHEAST ALASKA POWER AGENCY  
DIRECTOR OF SPECIAL PROJECTS REPORT  
AUGUST 18, 2013**



Swan Lake Reservoir Elevations for Abnormal and Normal conditions



Tyee Lake Reservoir Elevations for Normal and Abnormal Conditions

Input Data for the above plots (boxed) and outputs spill and ending period water levels shown

**SOUTHEAST ALASKA POWER AGENCY  
DIRECTOR OF SPECIAL PROJECTS REPORT  
AUGUST 18, 2013**

below. We will discuss this more fully during the Board meeting.

|                        | Avg Inflow, Expected Loads |        |        | 2012 Inflow, 2012 Loads |        |       |
|------------------------|----------------------------|--------|--------|-------------------------|--------|-------|
|                        | SWL                        | TYL    | Total  | SWL                     | TYL    | Total |
| Aug                    | 9                          | 16.5   | 25.5   | 9                       | 16.5   | 25.5  |
| Sept                   | 7                          | 7.5    | 14.5   | 7                       | 7.5    | 14.5  |
| Oct                    | 7                          | 10     | 17     | 9                       | 12     | 21    |
| Nov                    | 10                         | 14.5   | 24.5   | 11                      | 18     | 29    |
| December 1 Elevation   | 327.7                      | 1388.6 |        | 312.5                   | 1374.8 |       |
| Spill (dsf)            | 4,712                      | 5,283  | 9,995  | 0                       | 0      |       |
| spill MWh              | 2,600                      | 12,680 | 15,280 | 0                       | 0      |       |
| % of System Generation |                            |        | 5%     |                         |        |       |

# Southeast Alaska Power Agency

**DATE:** August 21, 2013  
**TO:** SEAPA Board of Directors  
**FROM:** Trey Acteson, CEO  
**RE** **FY14 Budget – Rebates | Wholesale Power Rate**

---

A couple of items inadvertently overlooked during FY 2014 budget discussions were formal motions approving the recommended rebate and setting the wholesale power rate.

The recommended rebate of \$800,000 approved in the FY14 budget to be shared between the member utilities is based upon the last three-year average of total firm power purchases, and is also contingent upon completion of the FY13 audit, successful compliance with bond covenants, and no significant system events. The rebate may be expected in December 2013, which allows time for completion of the audit and ensures the bond covenants have been met. The following table displays the rebate anticipated to be distributed between the member utilities and reflects a rebate of approximately 1/2-cent/kWh :

|            | <b>kWh 3-yr avg</b> | <b>% of firm sales</b> | <b>Rebate</b> |
|------------|---------------------|------------------------|---------------|
| Ketchikan  | 264,505,000         | 53.2428%               | \$425,942     |
| Petersburg | 124,531,250         | 25.0672%               | \$200,538     |
| Wrangell   | 107,753,780         | 21.6900%               | \$173,520     |
|            | Total               | 100.00%                | \$800,000     |

A suggested motion is as follows:

| <b>SUGGESTED MOTION</b>  |
|--|
| <b>I move to approve a rebate of \$800,000.00 to the member utilities.</b> |

The FY14 budget approved at the last board meeting was premised on retaining the current Wholesale Power Rate (WPR) of 6.8 cents/kWh. This rate has remained constant for the past 15 years.

A suggested motion for the wholesale power rate is as follows:

| <b>SUGGESTED MOTION</b>   |
|---|
| <b>I move to approve setting the wholesale power rate at 6.8 cents/kWh.</b> |

**DATE:** August 21, 2013  
**TO:** SEAPA Board of Directors  
**FROM:** Trey Acteson, CEO  
**RE** Update of June 2005 Policies and Procedures Handbook

---

The 2005 Policies and Procedures Handbook followed by SEAPA is out of date. It is a manual that was drafted by Ater Wynne after the refinancing that occurred in 2004 paying the State off for the original amount they loaned the FDPPA to divest of all the hydro projects. Some of it is completely out of date, and does not apply. References to the Project Management Committee (PMC) are no longer applicable. There is some discussion of the Renewal and Replacement Plan (previously 5R Plan) which has shifted somewhat. An update will provide consistency with SEAPA's current R&R program. The manual also references the FDPPA, which since restructuring changed its name to SEAPA, so all of those references need to be changed as well. In addition, it will help SEAPA establish a baseline for further refinement of our governing documents.

It is prudent to give consideration to an update of the manual for appropriate referencing and changing obligations. I recommend that the task be awarded to Ater Wynne as the original author of the manual for a not-to-exceed value of \$60,000.

| <b>SUGGESTED MOTION</b>   |
|---|
| <b>I move to authorize staff to enter into a contract with Ater Wynne LLP for an amount not to exceed \$60,000 to update the FDPPA/PMC 2005 Policies and Procedures Manual to correct referencing and conform to SEAPA's policies and procedures.</b> |





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

TO: TREY ACTESON  
FROM: KAY KEY  
DATE: AUGUST 19, 2013  
RE: **EMPLOYEE BENEFITS 2014**

Renewal rates for 2014 employee group benefits were issued earlier this month by NRECA. SEAPA's enrollment deadline for group benefits is September 27. NRECA partnered with United HealthCare as their PPO administrator this year and initiated some plan changes that have kept renewal rates relatively flat. The following documents outline SEAPA employee benefits and renewal rates:

- SEAPA 2014 Employee Benefits: This is a basic outline of employee benefits; items in red indicate changes implemented by NRECA this year.
- NRECA's 2014 Renewal Rates for benefit plans.  
SEAPA pays this premium as a lump-sum to earn a 3% discount
- Retirement Security Plan (defined benefit pension plan) billing history; 2014 rates are the same as 2013.

Additionally, NRECA, as our health plan sponsor, will be responsible for paying new annual fees starting at \$65 per insured individual to fund federal health care legislation's Reinsurance Fee (intended to stabilize premiums) and Patient-Centered Outcomes Research Institute (PCORI). We should expect this cost to be passed on to cooperatives.

#### SUGGESTED MOTION

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

## The Southeast Alaska Power Agency

### 2014 Employee Benefits - Red text indicates plan revisions for 2014.

SEAPA employee benefits are provided by National Rural Electric Cooperative Association (NRECA).

| NRECA Plan                   | Coverage: No waiting period<br>IN – In Network • OUT – Out of Network  | Employer<br>Contributn | Employee<br>Contributn |
|------------------------------|--|------------------------|------------------------|
| Medical PPO                  | IN Deductible: \$250/ <b>\$300</b> individual, \$500/ <b>\$600</b> family<br>OUT Deductible: \$250/ <b>\$600</b> individual, \$500/ <b>\$1200</b> family<br>Out-of-Pocket Maximums:<br>IN Coinsurance: \$0 individual, \$0 family<br>OUT Coinsurance: \$1000/ <b>\$1200</b> individual, \$2000/ <b>\$2400</b> fam. | 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%                    |
| 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<br>(a division of NRECA)                                 | Eligibility   | Employer<br>Contribution        | Employee<br>Contribution |
|---|---|---------------------------------|--------------------------|
| 457(b) Government Deferred Compensation Plan<br>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%<br>after employee<br>minimum | 1%<br>minimum            |

| Retirement Security Plan     | Eligibility   | Employer<br>Contribution | Employee<br>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%                     | ---                      |

| Payroll, PTO & Holidays | Description  |
|-------------------------|--|
| Payroll                 | Bimonthly pay periods. Pay dates are the 15th and the last work day 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. |
| Holidays                | 9 holidays + 2 Floating Holidays annually. No carryover of floating holidays.                                      |

## Benefit Plan Rating and Renewal: View My Co-op's Renewal Rates

Subgroup: 0102192001 - SOUTHEAST ALASKA POWER AGENCY - AK

Renewal Date: 1/1/2014

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                                     | \$56.12               | \$56.46               | 0.6%   |
| INDIVIDUAL + DEPENDENT                         | \$167.43              | \$170.78              | 2.0%   |
| <b>Life Insurance Plan</b>                     |                       |                       |        |
| basicLife1                                     | \$0.330/\$1,000       | \$0.314/\$1,000       | -4.8%  |
| <b>Long Term Disability Plan</b>               |                       |                       |        |
| ltd66Ss1                                       | \$0.0632/\$100        | \$0.0606/\$100        | -4.1%  |
| <b>Medical Plan</b>                            |                       |                       |        |
| <b>ppo1</b>                                    |                       |                       |        |
| INDIVIDUAL                                     | \$1,001.34            | \$997.87              | -0.3%  |
| INDIVIDUAL + DEPENDENT                         | \$2,339.36            | \$2,338.28            | 0.0%   |
| MEDICARE                                       | \$275.37              | \$274.41              | -0.3%  |
| <b>ppo2</b>                                    |                       |                       |        |
| INDIVIDUAL                                     | \$1,001.34            | \$997.87              | -0.3%  |
| INDIVIDUAL + DEPENDENT                         | \$2,339.36            | \$2,338.28            | 0.0%   |
| MEDICARE                                       | \$275.37              | \$274.41              | -0.3%  |
| <b>Prescription Drug Plan</b>                  |                       |                       |        |
| <b>rx3Tier1</b>                                |                       |                       |        |
| INDIVIDUAL                                     | \$76.52               | \$77.95               | 1.9%   |
| INDIVIDUAL + DEPENDENT                         | \$166.52              | \$169.64              | 1.9%   |
| <b>rx3Tier2</b>                                |                       |                       |        |
| INDIVIDUAL                                     | \$76.52               | \$77.95               | 1.9%   |
| INDIVIDUAL + DEPENDENT                         | \$166.52              | \$169.64              | 1.9%   |

## Benefit Plan Rating and Renewal: View My Co-op's Renewal Rates

### Medical Plan with Prescription Drugs

#### ppo1 & rx3Tier1

|                        |            |            |       |
|------------------------|------------|------------|-------|
| INDIVIDUAL             | \$1,077.86 | \$1,075.82 | -0.2% |
| INDIVIDUAL + DEPENDENT | \$2,505.88 | \$2,507.92 | 0.1%  |

#### ppo2 & rx3Tier2

|                        |            |            |       |
|------------------------|------------|------------|-------|
| INDIVIDUAL             | \$1,077.86 | \$1,075.82 | -0.2% |
| INDIVIDUAL + DEPENDENT | \$2,505.88 | \$2,507.92 | 0.1%  |

### Short Term Disability Plan

|      |                |                |       |
|------|----------------|----------------|-------|
| std1 | \$0.0597/\$100 | \$0.0590/\$100 | -1.2% |
|------|----------------|----------------|-------|

### Vision Plan

#### visPpoEnh1

|                        |         |         |      |
|------------------------|---------|---------|------|
| INDIVIDUAL             | \$13.18 | \$13.18 | 0.0% |
| INDIVIDUAL + DEPENDENT | \$36.38 | \$36.38 | 0.0% |

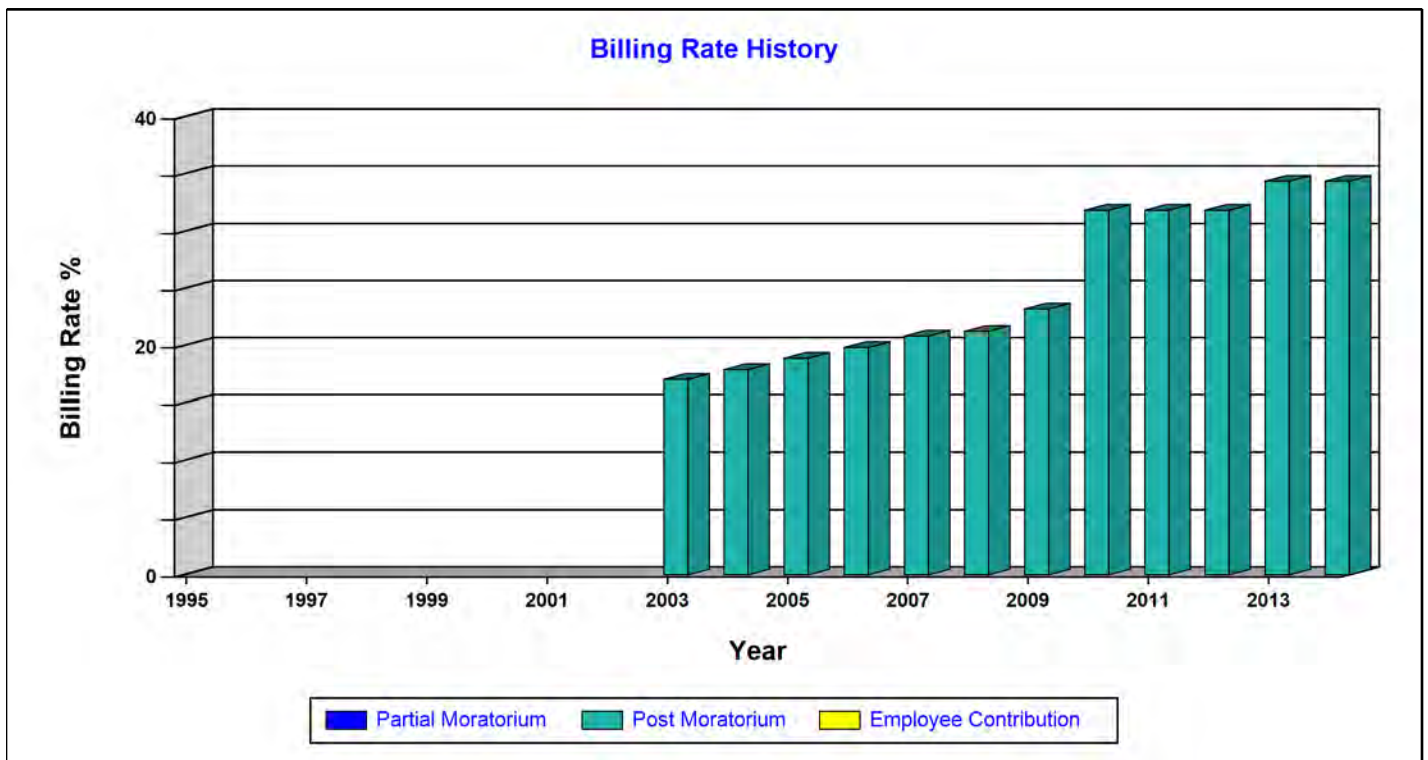


# NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

## Retirement Security Plan

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

| Year | Benefit Level | System Cost | Employee Contribution | Plan | COLA | Average Age | 100% Death Benefit | Salary Type |
|------|---------------|-------------|-----------------------|------|------|-------------|--------------------|-------------|
| 1995 |               |             |                       |      |      |             |                    |             |
| 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          |



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 is applied as a percentage of each participant's annualized base rate of pay in effect on November 15, 2013, which is that participant's effective salary for the 2014 plan year. Beginning with your January 2014 monthly statement, the estimated amount due will be based on this percentage. Rates noted are for the plan in effect as of January 1 for each year.

**DATE:** August 21, 2013  
**TO:** SEAPA Board of Directors  
**FROM:** Trey Acteson, CEO  
**RE** **Resolution 2014-050 Re: Approving Signature Authorities**

---

Attached for your consideration is Resolution 2014-050, which requests signature authority for SEAPA's First National Bank Alaska Corporate Custody Account. The bank's signature card had authorizations for employees/board members no longer affiliated with SEAPA and requires a formal resolution to update the signature card on file. I recommend that myself, Steve Henson, and Sharon Thompson be authorized as signers on the account.

A suggested motion is as follows:

| <b>SUGGESTED MOTION</b>  |
|--|
| <b>I move to adopt Resolution 2014-050 approving signatories to SEAPA's First National Bank Alaska Corporate Custody Account No. 56800000.</b> |



**Resolution 2013-050\*\***

**The Southeast Alaska Power Agency  
Approving Signatories to First National Bank Alaska  
Corporate Custody Account**

**WHEREAS**, on August 27, 2013, the Board of Directors of The Southeast Alaska Power Agency (“SEAPA”) authorized signers, namely, Albert E. Acteson, III, a/k/a ‘Trey Acteson’, Chief Executive Officer, Steven R. Henson, Operations Manager, and Sharon E. Thompson, Executive Assistant, of SEAPA, the authority to sign checks and/or any documents necessary to transact business for SEAPA’s First National Bank Alaska Corporate Custody Account No. 56800000; and,

**NOW THEREFORE, BE IT RESOLVED** that the Board of Directors of SEAPA authorizes Albert E. Acteson, III, a/k/a ‘Trey Acteson’, Chief Executive Officer, Steven R. Henson, Operations Manager, and Sharon E. Thompson, Executive Assistant, of SEAPA, the authority to sign checks and/or any documents necessary to transact business for SEAPA’s First National Bank Alaska Corporate Custody Account No. 56800000.

Approved this 27<sup>th</sup> day of August 2013.

SOUTHEAST ALASKA POWER AGENCY

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

ATTEST:

\_\_\_\_\_  
Sam Bergeron, Secretary/Treasurer

**MEMORANDUM  
ATTORNEY-CLIENT COMMUNICATIONS**

TO: Bob Sivertsen, Chair  
Southeast Alaska Power Agency

FROM: Joel R. Paisner, Ater Wynne LLP

DATE: August 21, 2013

RE: Suggested Motion for Executive Session

---

To the extent that the Board of Directors seeks to conduct an 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 evaluation of SEAPA's Chief Executive Officer. The Executive Session will be conducted pursuant to SEAPA's Bylaws and Alaska State Law as the discussions may include a person or subject that may tend to prejudice the reputation or character of a person.

## SEAPA 2013 BOARD MEETING SCHEDULE

|  |  |
|--|--|
| <b>September 16, 2013<br/>(Monday)</b>             | <b>Special telephonic Board Meeting at SEAPA office for wind feasibility and Swan Reservoir Expansion Project Grant authorizations (10-10:30 am)</b> |
| <b>October 15-16, 2013<br/>(Tuesday-Wednesday)</b> | <b>Board Meeting in Wrangell (split meeting 11 am-5 pm on Tues; 9 am-2 pm on Wed)</b>  |
| <b>December 17, 2013<br/>(Tuesday)</b>             | <b>Board Meeting in Ketchikan (9 am–5 pm with Christmas Dinner to follow)</b>  |