

**SOUTHEAST ALASKA POWER AGENCY
Regular Board Meeting**

Sons of Norway Hall
Petersburg, Alaska

**Agenda for Tuesday, June 25, 2013 | 12:30 p.m. – 5:30 p.m. AKDT
and Wednesday, June 26, 2013 | 9:00 a.m. – 2:00 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 **COMMUNICATIONS**
 - i. Discussion Re: Results of CLEAResult Energy Audit
 - C. Disclosure of Conflicts of Interest
2. Approval of the Agenda
3. Persons to be Heard
4. Review and Approve Minutes **MINUTES**
 - A. April 25, 2013 Minutes of Regular Board Meeting
5. Financial Reports **FINANCE**
 - A. Financial Statements – March 2013
 - B. Financial Statements - April 2013
 - C. Disbursement Approvals – April and May 2013 **DISBURSEMENTS**
6. CEO Report **CEO RPT**
 - A. Best Practices
 - B. Lobbying Contract
 - C. Public Relations/Outreach
 - D. Financial
 - E. Recruitment
 - F. Grant Pursuit
 - G. Diesel Protocol
 - H. O&M Review
 - I. Kake-Petersburg Intertie Project (KPI)
7. Mark Schinman Presentation (Kake-Petersburg Intertie Update)
8. Operations Manager/Director of Special Projects Reports **OPS/DSP**
 - A. **Operations Manager's Report (Henson)**
 - i. Regulatory
 - ii. Major Contracts
 - iii. Miscellaneous
 - iv. Conclusion
 - B. **Director of Special Projects Report (Wolfe)**
 - i. SCADA Project Update

- ii. Tyee Stream Gage Installation
- iii. Swan Lake Reservoir Expansion
- iv. Swan Lake Spare Winding
- v. Tyee Gate Controls Replacement
- vi. Swan Lake Maintenance Support Managed by SEAPA
- vii. Tyee Cooling Water Conversion
- viii. Request for Offers of Power and Energy
- ix. Department of Commerce, Community & Economic Development (DCCED Grant)
- x. Water Management and Power Scheduling

- 9. Project Reports **PROJECT REPORTS**
 - A. Swan Lake
 - B. Tyee Lake

- 10. Old Business **OLD**
 - A. Diesel Protocol
 - i. Consideration of Diesel Protocol Committee
 - B. SEAPA O&M Organizational Review
 - C. Discussion Re: Motion to Rescind Motion Re: Alternates Making and Seconding Motions

- 11. New Business **NEW**
 - A. Consideration of Resolution No. 2013-049 Re: Declaring an Official Intent to Reimburse Capital Expenditures
 - B. Consideration and Approval of Award of Contract to Futaris Inc. for Satellite Communications System Project
 - C. Consideration and Approval of Award of Contract to Tetra Tech for Swan Lake License Amendment Tasks
 - D. Consideration and Approval of Award of Contract to Fiber Fusion, for an amount not to exceed \$513,211 for the SCADA Upgrade and Integration Project
 - E. Consideration and Approval of Award of Contract to Segrity, LLC for the SCADA Upgrade and Integration Project
 - F. Consideration and Approval of State Lobbyist for FY14
 - G. Presentation, consideration and approval of FY14 SEAPA Budget (This will be discussed on Day 2 [June 26, 2013] of the Meeting)
 - H. Review 2013 Board Meeting Schedule and discuss date for Special Board Meeting to award Insurance Broker Contract (suggested date is July 17, 2013 based on RFP Schedule)
 - I. Future Agenda Items

- 12. Director Comments

- 13. Adjourn

SOUTHEAST ALASKA POWER AGENCY

Regular Meeting

April 25, 2013

The Best Western Landing Hotel | Ketchikan, Alaska

1) Call to Order/Roll Call

Chairman Sivertsen called the meeting to order at 9:04 a.m. AKDT on April 25, 2013, which was held at The Best Western Landing Hotel 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	Jay Rhodes (telephonic) ¹	Swan Lake – Ketchikan
Sam Bergeron	Charles Freeman	Swan Lake - Ketchikan
Joe Nelson	John Jensen	Tyee Lake – Petersburg
Brian Ashton	Clay Hammer	Tyee Lake – Wrangell

The following SEAPA staff/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

Chairman Sivertsen requested disclosure of any conflicts of interest from the board. None were stated.

2) Approval of the Agenda

Mr. Nelson moved to approve the agenda. Mr. Coose seconded the motion. There were no objections to the motion. (Action 13-205)

3) Persons to be Heard

Lew Williams, Mayor of the City of Ketchikan, discussed communication concerns between SEAPA and the member utilities. He encouraged the entities to work together to address those concerns and noted several items on the agenda to be discussed were a step in the right direction. He encouraged

¹ Mr. Rhodes joined the meeting telephonically at approximately 9:30 a.m. and remained on the line for a portion of the meeting.

everyone that had any questions or concerns to address the board. He requested information on SEAPA's revenues and net income and offered suggestions for utilization of funds.

Chairman Sivertsen introduced visitors present at the meeting from other communities that had participated in the Swan Lake Tour the previous day, and other interested visitors also in attendance.

4) Review and Approve Minutes

Mr. Nelson moved to approve the minutes of the Regular Meeting of March 5-6, 2013. Mr. Bergeron seconded the motion. Mr. Donato reintroduced the topic of whether alternates could make and second motions based on an interpretation of Section 6A of the Joint Action Agency Agreement and his followup discussions with the City of Ketchikan counsel, Mitch Seaver. After considerable discussion it was the consensus that the topic be reintroduced at a later board meeting pending further research. **The motion carried unanimously.** (Action 13-206)

5) Financial Reports

Mr. Sivertsen commented on the amount of detail available in the financial statements covering individual checks issued and what may or may not be necessary for review. Mr. Coose concurred and commented that copies of vendor billings are voluminous so could be left out of the board packets as they can be obtained from the SEAPA office.

Mr. Acteson provided an overview of the financial statements and commented that the R&R projects were picking up momentum. Discussion followed on the SkyWrap project, which will not be going forward this year. Mr. Ashton apprised the board of a newer satellite getting launched to service the west coast, noting also that he deferred to other dealers for resolutions to communication issues as he may have a conflict of interest. Mr. Bergeron encouraged the board to look for ways to economize so funds are not held in the R&R account for projects that may not move forward, which would then free up the funds for either rebates or a reduction in the wholesale power rate, while at the same time fulfilling the needs of SEAPA's projects.

Mr. Coose moved to approve Financial Statements for the months of October, November, and December 2012. Mr. Sivertsen seconded the motion. The motion carried unanimously. (Action 13-207)

Mr. Coose moved to approve disbursements for the months of December 2012, January 2013, and February 2013 in the amount of \$2,205,262.64. Mr. Nelson seconded the motion. The motion carried unanimously. (Action 13-208)

6) CEO Report

Mr. Acteson updated the board on his continuing efforts to implement best practices including reformatting of documents to make them easier to read. He cited efforts underway to provide a report similar to a capital improvement plan that would show SEAPA's R&R projects levelized over several years rather than just the current fiscal year. He also noted that insurance broker services, which had remained with the same broker the past five years, would be competitively bid to assure due diligence. He highlighted public relations efforts that had been taken by SEAPA directing attention to the messaging on banners on display during the meeting, and advised that SEAPA would have a booth at the First City Expo for outreach to the community. He encouraged anyone with questions about SEAPA to stop by the SEAPA office.

Mr. Acteson recapped the site visit to Swan Lake that took place the day before the board meeting noting the opportunities for interaction between the communities and learning more about the Swan

Lake expansion project during the event. He explained that although state funding is limited, SEAPA would be applying for a 50% match under the renewable energy fund and also lobby for a direct appropriation for the project. He directed the board to a recommended resolution in the board packet soliciting their support of the project by allowing SEAPA to move forward despite the funding environment.

Mr. Acteson assured the board that in spite of the challenges of getting the KPI project to a construction ready status, that there has been no negative impact to SEAPA finances resulting from SEAPA's commitment to the project. Mr. Nelson expressed concern that the AEA should fund the next energy project as a part of their commitment to the KPI under the MOU. Mr. Acteson advised he would arrange for the KPI Project Manager, Mark Schinman, to come to the next board meeting for a full update on the KPI.

Mr. Acteson requested direction from the board on proceeding with recruitment of an Administrative Assistant and Engineer for SEAPA.

Mr. Nelson moved to authorize staff to recruit for an Engineer I and Administrative Assistant for the SEAPA office. Mr. Coose seconded the motion. Several comments followed on salary ranges, location of the positions, peer review, and the loss of micro-economics to Wrangell and Petersburg if the positions are in Ketchikan, with the general consensus that the positions would be in Ketchikan. **The motion carried unanimously.** (Action 13-209)

Mr. Acteson introduced speakers available at the meeting to present various topics including Joel Paisner, SEAPA's counsel for a discussion on the history of SEAPA, John Heberling of D. Hittle & Associates to discuss the R&R Plan, Alan Dashen, SEAPA's financial consultant, for a discussion on the bond indenture, potential financing for the Swan Lake Expansion Project, and other issues, and Robert Venables, Southeast Conference Energy Coordinator, to provide an update on regional planning.

The meeting recessed at 10:08 a.m. and reconvened at 10:30 a.m.

7) Joel Paisner Presentation - History

Mr. Paisner provided a history of the Agency from its inception when there were four hydroelectric projects combined into one unit called the Four Dam Pool², all of which were developed in the early 1980's. He commented that the State failed to get power sales agreements from all of the communities before they expended significant funds to complete the projects. With no agreements in place on the purchase of output, maintenance, and base rates, respective legal counsel were retained by the communities to negotiate rates and other terms with the State. After a lengthy negotiation process, a 45-year Long-Term Power Sales Agreement (PSA) was agreed upon in 1985 signed by the AEA and the purchasing utilities.³ He noted that each community represented was concerned that if the State did not maintain the facilities, they wanted the opportunity to do the work and charge it back to the State, which was an important risk mitigation factor. In 1998 a wholesale power rate of

² Originally the Alaska Energy Authority (AEA) was established by the State of Alaska to construct, acquire, finance, and operate power projects to provide long-term electrical power to the urban areas of the State, among other duties. During the early 1980's four of the State's projects, including Swan Lake and Tyee Lake were combined into one unit called the Four Dam Pool.

³ The Four Dam Pool was managed by the AEA and the purchasing utilities under provisions of the PSA. The PSA created the project management committee (PMC) as the supervising body, whose six members represent each of the purchasing utilities and the AEA. In 1995, the member utilities began discussions with the State to purchase the projects. This effort culminated successfully on January 31, 2002. As a result of this sale, The Four Dam Pool Power Agency (FDPPA) was created. In 2006, the member utilities of the FDPPA began discussions to restructure the Agency whereby one or more projects could be sold back to the member utilities. This effort was also successful and on February 24, 2009, the FDPPA sold the two northern projects and changed its name to SEAPA to better reflect the geographic location of its two projects (Swan and Tyee) in Southeast Alaska.

6.8 cents was established (often called a 'postage stamp rate' because everyone is charged the same rate no matter where they are in the system).

Mr. Paisner continued his report explaining that risk to the Agency, as discussed in the PSA, shall be mitigated by an insurance plan, provision of sufficient reserves for unmitigated risks, and establishment of a renewal, replacement, and risk fund for maintenance of the facilities. Discussion followed on the reasons for the State wanting to get out from under the maintenance costs and future repairs for the facilities, which at the time was \$30 million dollars, and that when divestiture from the State started in approximately 1995 it took seven years to complete and legal fees were in excess of a million dollars.

8) John Heberling (D. Hittle & Associates) SEAPA R&R Plan Review

Mr. Heberling presented a background on renewal and replacement funding that had been in place since the FDPPA, the methodology for the analysis and summary of renewal and replacement expenses, and covered the projected expenses. He discussed the estimated payments to the R&R fund in order to fund the payments and the self-insured risk plan.

The meeting recessed at 11:27 a.m. and reconvened at 11:37 a.m.

9) Allen Dashen – Financial Advisor for SEAPA Bond Sale (2009)

Mr. Dashen presented a slide covering two agreements entered into as a part of restructuring from the FDPPA to SEAPA, including the PSA and an Indenture of Trust. He explained that both agreements secure long-term debt issued by SEAPA, establish SEAPA's structure, address development of new resources, and cannot be significantly modified until the outstanding debt is repaid. He advised there is \$14,775,000 currently outstanding in SEAPA's issued debt that could be repaid with certain restrictions. He provided information on SEAPA's 2009 tax-exempt bonds and explained the process involved for paying off the bonds before the call date. He commented that the Indenture of Trust requires enforcement of the PSA, and changes to the indenture require consent by the owners of a majority of the bonds outstanding, and also requires the establishment of revenue and R&R funds.

Mr. Dashen provided information on new resources, one of which was the Whitman Hydroelectric project. He advised the options for ownership include a transfer of obligations and benefits and that if SEAPA elected to own it, SEAPA would likely either refinance it or pay debt service on KPU debt. If the project were retained by KPU there may be restrictions on operations or compensation to SEAPA for displaced power. He also provided three funding options for SEAPA to fund the Swan Lake Reservoir Expansion Project.

The meeting recessed for lunch at 12:09 p.m. and resumed at 1:01 p.m.

10) Robert Venables (Southeast Conference)

Mr. Venables provided an update on regional planning noting his recognition of the State's confidence in SEAPA because of the way it operates in the region. He explained that followup discussions to the IRP took place in Petersburg which highlighted the need for communications between all of the utilities. He discussed funding challenges, demand side management, energy efficiencies, and described energy struggles in other communities, and the efforts to address those struggles.

11) CEO – Overview of Bundled Services

Mr. Acteson presented a slideshow and provided a very thorough discussion on the services that are bundled into the wholesale 6.8 cent/kWh power rate noting the stability of the rate, which had not

changed in the past 15 years. He described the services provided by SEAPA, which are covered by the rate, including debt service, intertie operation and maintenance, risk management, insurance premiums and self-insured reserves, voltage stability, power scheduling, facility operations, renewal and replacement, regional planning/feasibility studies, load growth analysis and forecasting, regional hydroengineering expertise, water management, weather and water monitoring to maximize resource value, compliance with federal regulations, and rebates to member utilities.

12) Project Reports

Mr. Donato reported there were no safety or environmental issues at Swan and reviewed the safety training that had taken place commenting that training would be needed for the crew on the new excavator. He noted that Swan's reservoir level was currently at 278.9 feet, the lowest level it has been in years, and that it would be drafted down even further until the May outage, which will be the lowest they've ever had it, and then allow it to fill in an effort to capture the most amount of water to prevent spill. Mr. Donato requested consideration of the purchase of a copier/scanner and welder for the facility and advised that new air monitors were on order. He reported that he worked in collaboration with SEAPA staff on Swan Lake's FY14 budget and that there was \$2,000 less in the budget than the previous year. Mr. Acteson stated his approval for the purchase of the copier/scanner and welder.

John Jensen distributed a handout on Tyee's Project Update prepared by Mick Nichols and Paul Southland. He noted that TBPA was in the process of seeking a manager and discussed the options available. Mr. Jensen directed the board to review the activities outlined in the handout for a further update on the Tyee project.

13) A. Operations Manager Report (Steve Henson)

Mr. Henson reported that an RFP was issued to create a matrix for FERC reporting requirements, that the Wrangell Reactor Replacement Project had been awarded to Electric Power Systems and tentatively scheduled for completion in December 2013. He also reported that the Wrangell Reactor Switching Study was complete and determined that we could operate without the reactor but during light load conditions it would be on the edge of system capabilities and that while it would be difficult to energize from Wrangell to Petersburg, it would be feasible. He advised that two bids were received for the Satellite Communications System Project and that recommendations for an award of the contract would be brought to the June board meeting. He provided an update on the STI helipads noting that the change analysis was submitted to the U.S. Forest Service and provided a tentative schedule for installation of the pads, and that staff is waiting on instructions from the USFS on what environmental impact studies needed to be done for the Argo Use Permit that had been submitted for use of the Argo on the Tyee transmission line right-of-way.

Mr. Henson reported that Specialty Engineering was the only contractor that submitted a bid for the substation maintenance and that award of a contract to them would be requested. He noted that they have been the only bidder for the maintenance for about the past 15 years, and that they have done a good job. Mr. Henson provided an annual maintenance update describing the maintenance that will be required beyond the normal line and tower inspections, and provided a shutdown schedule. He reported a task order had issued to Tongass Engineering for design and project management for stabilization of the embankment at Tower 76-1M with completion expected by June 30, 2013, and that based on the two bids received for the Tyee Dock Replacement Project, he would be requesting an increase in the budget and award of the contract for the project. He closed his report with an update on the Tyee Gatehouse Generator Project, noting two bids were received on that project as well and a request would be made for an award under New Business.

The meeting recessed at 2:37 p.m. and reconvened at 2:47 p.m.

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

Mr. Wolfe presented a slide show reporting that seven bidders offered proposals ranging from \$830,000 to \$2.1 million dollars for the SCADA project, and that approval of a contract would be requested at the June board meeting. Mr. Donato expressed concern that the SCADA system already in place remain and co-exist with the new SCADA system as a contingency so KPU has a 'force majeure' button that can control the system from the Bailey Substation in the event of a failure opening the STI line or other unforeseen event. Considerable discussion followed with Mr. Wolfe explaining that any preservation of KPU's SCADA system should be at KPU's expense and explained further that there are four different systems to be replaced and that the system Mr. Donato refers to was before the STI interconnected the utilities. He explained that if you change a setting at Swan, you also change a setting at Tyee, and that a large machine cannot be moved without another machine compensating so although Mr. Donato clarified he did not want to control Tyee, if Bailey controlled Swan then it would also affect Tyee. Mr. Wolfe suggested the issue be decided by the board because it is a policy decision. Mr. Donato requested a review of the proposals received with Mr. Wolfe concurring that Mr. Donato would have the opportunity to review the top three proposals.

Mr. Wolfe provided updates of the Tyee Stream Gage Installation Project noting an RFP was issued for the logjam removal, and showed slides of an accelerated schedule for the Swan Lake Reservoir Increase project. He advised that manufacture of the Swan Lake coils was on schedule with Morris Kepler scheduled to go to Ontario for high potential tests the second week of May. He briefly discussed Swan Lake vibration testing and the Tyee Cooling Water Project. He advised the next step in the RFO process was to issue a hydro site development RFP. Mr. Wolfe continued his report with a discussion on water management and query on whether more diesel would be required in the spring explaining the equasion of system loads (Petersburg, Wrangell and Ketchikan load forecasts) less hydro generation subject to volatile inflows to Swan, Beaver Falls, and Ketchikan Lakes generally mean diesel has to be burned when differing business objectives enter into the operations plan. He reported that SEAPA stayed within the terms of the Power Sales Agreement and board approved operations plan for the month. Discussion followed on the draft limits at the projects.

14) Old Business

The ongoing issue of diesel protocol was discussed with no action taken other than Mr. Acteson's recommendation that the issue be discussed in the June meeting when the budget is discussed to see if a portion of the monies should be dedicated to a diesel protocol fund. He also suggested the board review the existing documents and draft resolution already prepared on the issue to determine whether a committee should be formed come back with recommendations so the issue can move forward.

Chairman Sivertsen requested a motion on a resolution memorializing the conflict of interest policy adopted by motion in the previous board meeting.

Mr. Bergeron moved to adopt Resolution 2013-48 adopting SEAPA's Conflict of Interest Policy. Mr. Nelson seconded the motion. The motion carried unanimously. (Action 13-210)

Chairman Sivertsen requested a motion for a revision to SEAPA's iPad policy.

Mr. Bergeron moved to adopt Resolution 2013-47 adopting a Revised Digital Communication Device Policy. Mr. Coose seconded the motion. The motion carried unanimously. (Action 13-211)

15) New Business

Chairman Sivertsen discussed a request brought forward by Mr. Ashton whether SEAPA would consider paying travel and housing for the project managers to each of SEAPA's board meetings. Mr. Acteson suggested SEAPA pay if there was something of significant relevance requiring the project manager's attendance so would be at SEAPA's discretion and offered a reminder that the managers have access to dialog of the meeting by telephone. There was also comment that project reports could be prepared by the managers and distributed in the board packet so it wouldn't be necessary for the manager to give the report in person. After additional discussion, the consensus was that it is a budgetary consideration and further discussion should be taken up during budget discussions at the June board meeting

Chairman Sivertsen requested a motion for consideration of approval of Resolution 2013-046 in support of the Swan Lake Reservoir Expansion Project.

Mr. Bergeron moved to adopt Resolution 2013-046 formally supporting a commitment to proceed with development of the Swan Lake Reservoir Expansion Project and in parallel continue to seek funding support from the State of Alaska. Mr. Coose seconded the motion. The motion carried unanimously. (Action 13-212)

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 Tyee Dock Replacement Project. Mr. Ashton seconded the motion. The motion carried unanimously. (Action 13-213)

Mr. Henson advised that the low bidder for the Tyee Gatehouse Generator Project was Arrowhead LP Gas for \$13,880.

Mr. Bergeron moved to authorize staff to enter into a contract with Arrowhead LP Gas for an amount not to exceed \$13,880 for the Tyee Gatehouse Propane Generator Replacement Project. Mr. Ashton seconded the motion. The motion carried unanimously. (Action 13-214)

Mr. Henson reported that the sole bidder for the Annual Substation/Switchyard Equipment Maintenance Contract was Speciality Engineering, Inc., that the bid was advertised from Anchorage to Seattle, and that the RFP was sent to several firms however only the one bid was received for \$61,148. Chairman Sivertsen requested a motion.

Mr. Bergeron moved to authorize staff to enter into a contract with Specialty Engineering, Inc. for an amount not to exceed \$61,148 for the 2013 Annual Substation/Switchyard Equipment Maintenance Contract for the Swan Lake Plant, Tyee Lake Plant, Wrangell Substation/Switchyard, Petersburg Substation, and Bailey Substation. Mr. Ashton seconded the motion. The motion carried unanimously. (Action 13-215)

The SEAPA board meeting schedule was reviewed and there were no changes to the suggested date of June 25-26, 2013 for the next meeting to be held in Petersburg.

16) Director Comments

Mr. Freeman commented that after visiting the Swan Lake facility the day before and reflecting on the length of time he has invested in the Agency and the Swan and Tyee projects, he would not be silent on Wrangell and Ketchikan's endeavors to divest SEAPA. Mr. Coose complimented the Swan Lake crew for maintenance of the Swan project and, along with several others, expressed thanks for the

tour to Swan Lake. Mr. Nelson appreciated hearing from Mr. Dashen that SEAPA was an economically solvent organization that has managed its business well, which has afforded the Agency the ability to move forward as a regional player and forward fund its projects, and that he was pleased to be a part of such an economically sound organization. Mr. Jensen concurred with Mr. Nelson. Mr. Ashton mirrored Mr. Nelson's comments. Mr. Donato complimented staff on the banners and the amount of work done and expressed appreciation for being a part of the organization. Mr. Bergeron commented that the SEAPA organization does a good job, is understaffed, and was glad to be a part of it and be able to help move forward. Chairman Sivertsen thanked everyone noting that the strength of SEAPA was at the table with diverse ideas and discussions keeping things on track and whether everyone agrees or disagrees on issues, he noted the bottom line is that SEAPA is still providing cheap power to the communities.

Visitors from other communities, Pam McCloskey from Wrangell, and Sue Flint from Petersburg, also thanked the organization for the opportunity to attend the Swan Lake Tour and SEAPA board meeting, and expressed their appreciation for the effort and work involved.

Mr. Bergeron requested that a motion to rescind the motion not allowing alternates to make or second motions be placed on the agenda for the next board meeting.

17) Adjourn

Mr. Bergeron moved to adjourn the meeting. Mr. Coose seconded the motion. There was no opposition to the motion. (Action 13-216)

The meeting adjourned at 4:24 p.m.

Signed:

Attest:

Secretary/Treasurer

Chairman

DATE: June 17, 2013
TO: Trey Acteson
FROM: Kay Key
SUBJECT: Financial Reports

Financial reports included in the June 25-26 board packet are as follows:

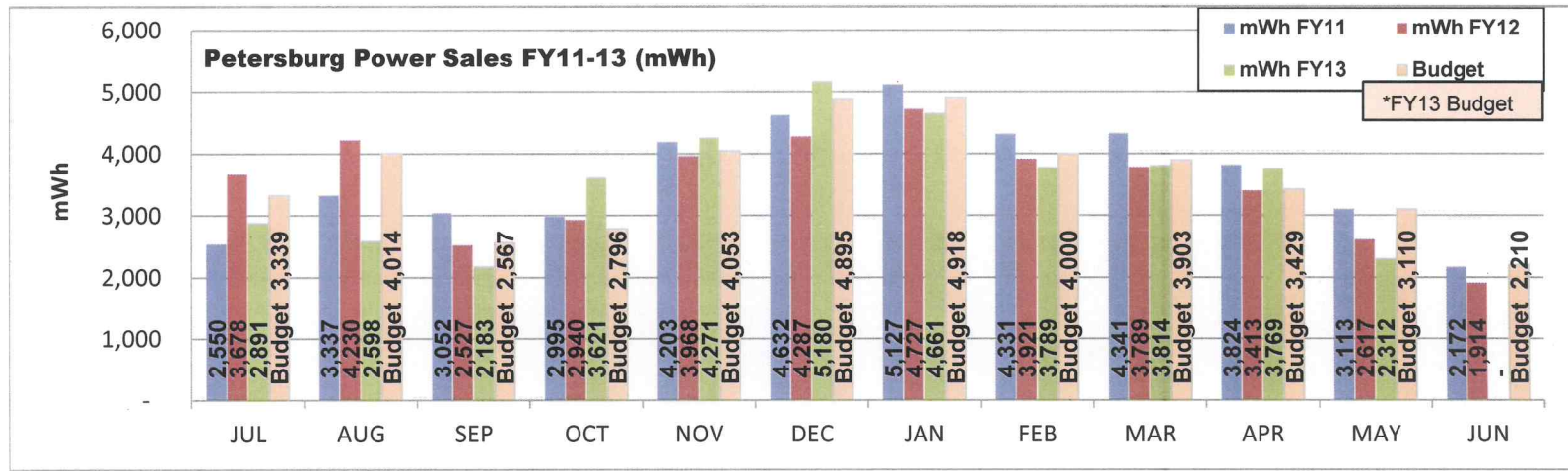
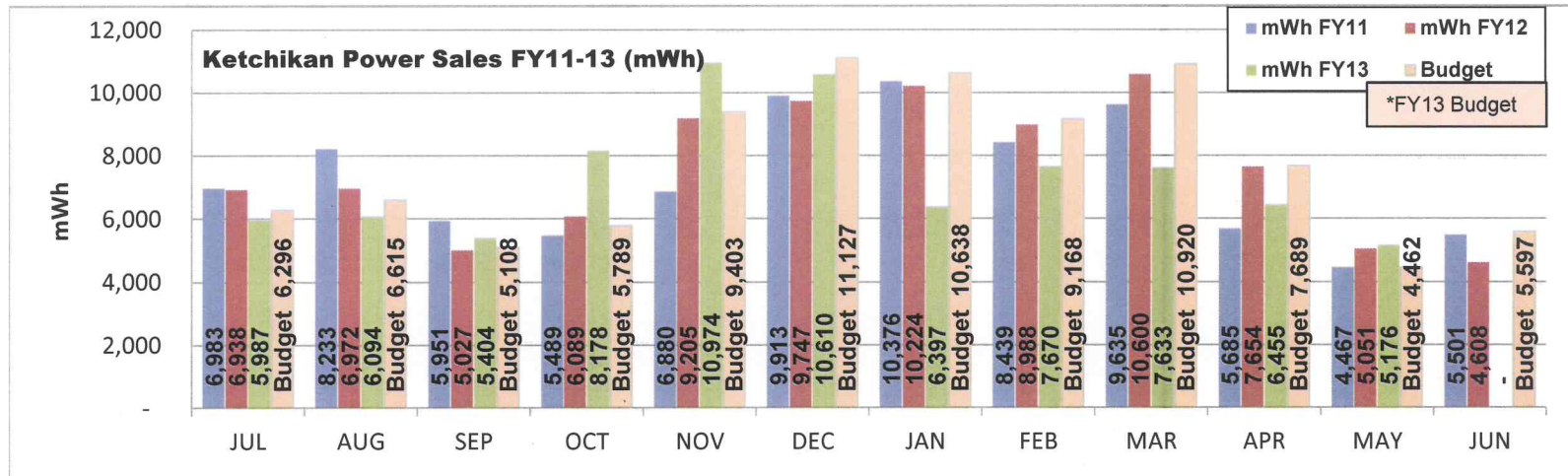
- **kWh Graph - YTD** (through May, 2013)
- **Monthly Financial Reports for March and April, 2013:**
 - ✓ Cover Memo
 - ✓ Fund Allocation Graph
 - ✓ Statement of Financial Position – Summary
 - ✓ Statement of Activities – Summary
 - ✓ Statement of Financial Position – Detail
 - ✓ Statement of Activities – Budget Comparison
- **Grant Summary** (through April, 2013)
- **Project Feasibility** (through April, 2013)
- **R&R Reports** (through April, 2013)
 - ✓ R&R Summary
 - ✓ R&R Detail
 - ✓ Closed R&Rs
- **Disbursement Summary – April, May**

RECOMMENDED MOTION
I move to approve financial statements for the months of March and April 2013.

SOUTHEAST ALASKA POWER AGENCY

Power Sales - FY11 through FY13

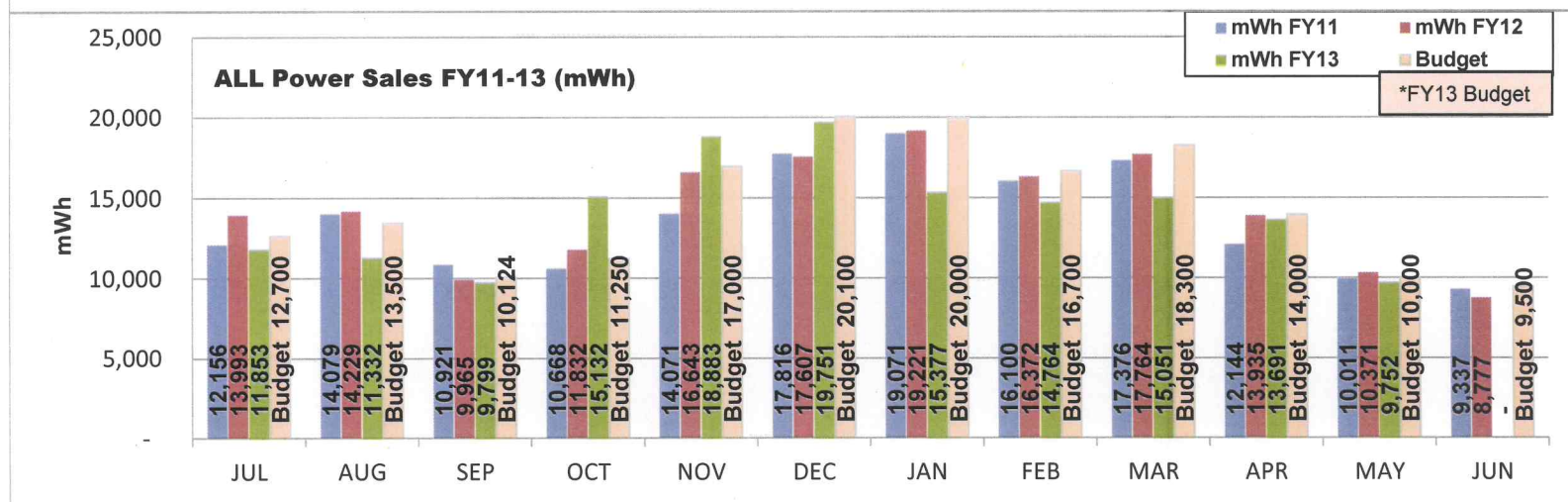
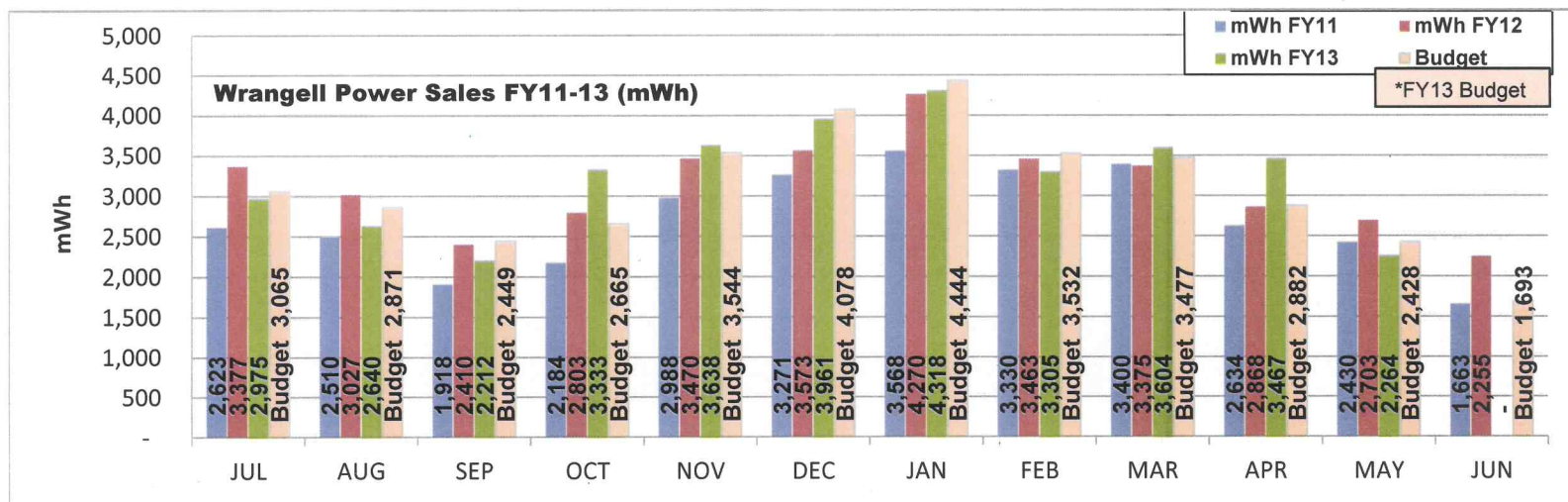
MAY 2013	FY13 kWh Hydropower Sales	Current Month		Year-To-Date	
		Actual	Budget	Actual	Budget
	Ketchikan Power Purchases	5,176,000	4,462,000	80,578,000	87,215,000
	Petersburg Power Purchases	2,311,740	3,110,000	39,089,670	41,024,000
	Wrangell Power Purchases	2,264,420	2,428,000	35,719,140	35,435,000
	Total Power Purchases	9,752,160	10,000,000	155,386,810	163,674,000



SOUTHEAST ALASKA POWER AGENCY

Power Sales - FY11 through FY13

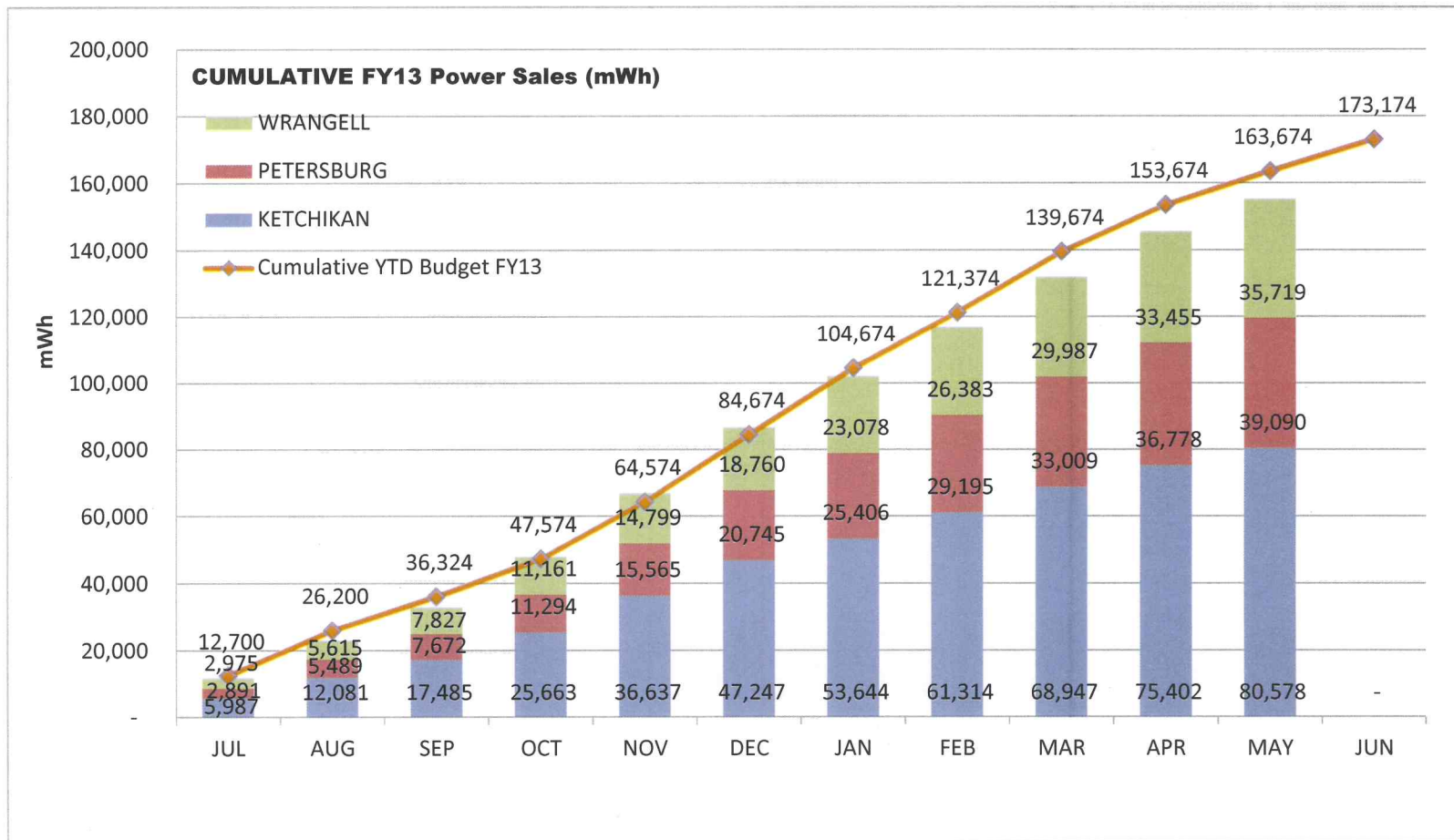
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SOUTHEAST ALASKA POWER AGENCY

Power Sales - FY11 through FY13

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	Total Power Purchases	9,752,160	10,000,000	155,386,810	163,674,000





DATE: May 20, 2013
TO: SEAPA Board of Directors
FROM: Trey Acteson
SUBJECT: Financial Reports – March, 2013

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

- March, 2013 revenues from kWh sales were under budget:
\$1,023,497 actual vs. \$1,244,400 budget.
 - Ketchikan - \$519,044 actual vs. \$742,560 budget
 - Petersburg - \$259,357 actual vs. \$265,404 budget
 - Wrangell - \$245,096 actual vs. \$236,436 budget
- Year-to-date (July – March) revenues from kWh sales were also lower than budget:
\$8,972,145 actual vs. \$9,497,832 budget.
 - Ketchikan - \$4,688,396 actual vs. \$5,104,352 budget
 - Petersburg - \$2,244,609 actual vs. \$2,344,980 budget
 - Wrangell - \$2,039,140 actual vs. \$2,048,500 budget
- March, 2013 sales in kWh – 15,051,420 vs.
March, 2012 sales in kWh – 17,764,090 and
March, 2011 sales in kWh – 17,375,650
- Year-to-date (July – March, 2013) sales in kWh – 131,943,310 vs.
Year-to-date (July – March, 2012) sales in kWh – 137,626,060 and
Year-to-date (July – March, 2011) sales in kWh – 132,257,910
- Administrative and operating expenses for March, 2013 were under budget:
\$383,207 actual vs. \$537,649 budget.
- Year-to-date administrative and operating expenses (July – March) were under budget:
\$3,628,731 actual vs. \$4,988,133 budget.

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

SOUTHEAST ALASKA POWER AGENCY

Fund Allocation Graph

As of March 31, 2013

03/31/2013

ASSETS

Current Assets

Agency Funds

111000 · Ops/Capital/Insurance Funds

111100 · Revenue Fund FB	3,359,529
111200 · Required R&R Fund FB	1,000,460
111210 · Dedicated R&R Projects Fund FB	5,622,650
111300 · Commercial FB	1,000
111400 · Subordinate Debt Fund FB	309
111500 · Self Insured Risk Fund FNBA	10,236,059
Total 111000 · Ops/Capital/Insurance Funds	20,220,008

112000 · Trustee Funds

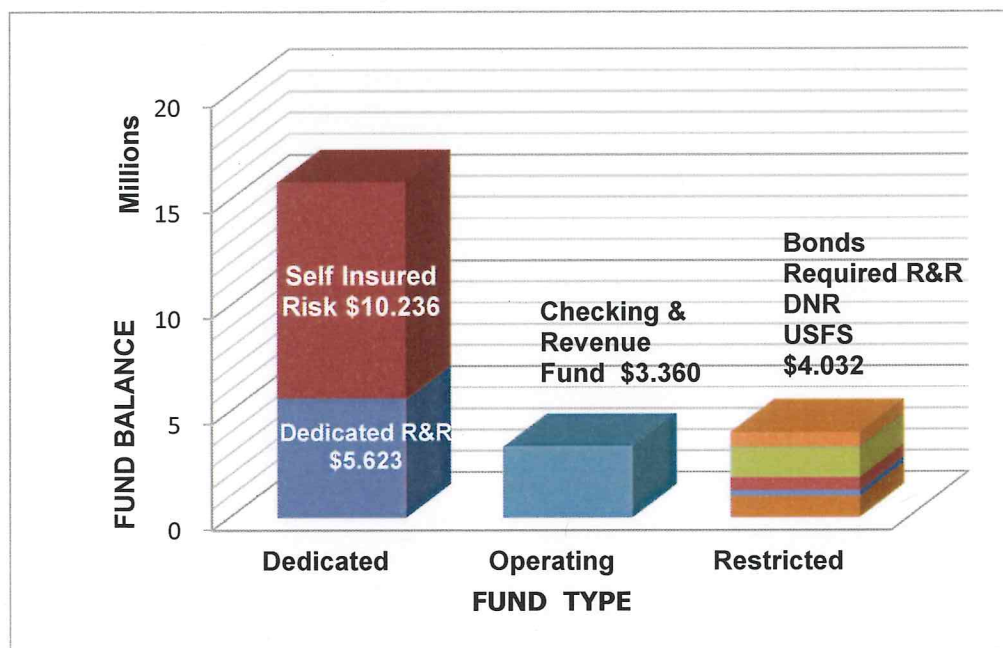
112100 · WF Trust Bond Interest	283,711
112200 · WF Trust Bond Principal	618,780
112300 · WF Trust Bond Reserve	1,404,904
112400 · WF Refund 2004AB Escrow	2
Total 112000 · Trustee Funds	2,307,398

113000 · Restricted Funds

113100 · STI - USFS CD WF	21,602
113500 · DNR Reclamation Fund WF	702,238
Total 113000 · Restricted Funds	723,841

Tot Total Agency Funds

23,251,246



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 March 31, 2013

	<u>Mar 31, 2013</u>
ASSETS	
Current Assets	
Agency Funds	
111000 · Ops/Capital/Insurance Funds	20,220,008
112000 · Trustee Funds	2,307,398
113000 · Restricted Funds	<u>723,841</u>
Total Agency Funds	23,251,246
Accounts Receivable	
110000 · Accounts Receivable	1,596,818
110100 · Grants Receivable	<u>79,189</u>
Total Accounts Receivable	1,676,007
Other Current Assets	
120000 · Other Current Assets	<u>412,572</u>
Total Other Current Assets	<u>412,572</u>
Total Current Assets	25,339,825
Fixed Assets	
130000 · Fixed Assets	<u>132,312,440</u>
Total Fixed Assets	132,312,440
Other Assets	
133000 · Other Assets	<u>757,960</u>
Total Other Assets	<u>757,960</u>
TOTAL Total Agency Funds	<u>158,410,225</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
210100 · Accounts Payable General	<u>345,055</u>
Total Accounts Payable	345,055
Other Current Liabilities	
210150 · Other Current Liabilities	225,000
210300 · Reserve Interest Payable	225,141
210400 · Wages Payable	45,427
210500 · Payroll Liabilities	<u>3,857</u>
Total Other Current Liabilities	<u>499,424</u>
Total Current Liabilities	844,479
Long Term Liabilities	
220000 · Long Term Liabilities	<u>14,657,208</u>
Total Long Term Liabilities	<u>14,657,208</u>
Total Liabilities	15,501,687
Equity	
310000 · Equity	133,661,640
32000 · Unrestricted Net Assets	7,404,056
Net Income	<u>1,842,842</u>
Total Equity	<u>142,908,538</u>
TOTAL LIABILITIES & EQUITY	<u>158,410,225</u>

SOUTHEAST ALASKA POWER AGENCY
Statement of Activities - Summary
March 2013

	<u>Mar 2013</u>
Ordinary Income/Expense	
Income	
410000 · Hydro Facility Revenues	1,023,497
Total Income	<u>1,023,497</u>
Expense	
535000 · Hydro/Ops-Suprvision & Engineer	32,263
537000 · Hydraulic Expenses	6,707
538000 · Electric Expenses	1,436
539000 · Misc Power Generation Expense	10,744
540000 · Rents	17,410
541000 · Hydro Power Station Maintenance	9,349
542000 · Hydro Structure Maintenance	1,391
543000 · Dams, Reservoirs & Waterways	12,945
544000 · Maintenance of Electric Plant	57,330
545000 · Plant Miscellaneous Maintenance	28,464
560000 · Trans Sys Operation Sup & Eng	536
561000 · Trans/SCADA Load Dispatch	1,294
562000 · Trans/Operations Station Exp	1,116
571000 · Trans/Maint - Overhead Lines	21,832
920000 · Administrative Expenses	82,668
921000 · Office Expenses	5,844
922000 · Legislative Affairs	4,100
923000 · Contract Services	20,134
924000 · Insurance	43,420
928000 · Regulatory Commission Expense	7,500
930000 · General Expenses	12,101
931000 · Office Rent	3,898
931100 · Apartment Rent - Ketchikan	725
Total Expense	<u>383,208</u>
Net Ordinary Income	640,289
Other Income/Expense	
Other Income	
941000 · Grant Income	66,859
942000 · Interest Income	12,744
944000 · Realized Gain/Loss	(5,706)
945000 · Unrealized Gain/Loss	(2,089)
Total Other Income	<u>71,808</u>
Other Expense	
951000 · Amortization Expense	3,518
952000 · Bond Interest 2009 Series	57,340
953000 · Depreciation Expense	324,908
954000 · Grant Expenses	82,063
Total Other Expense	<u>467,830</u>
Net Other Income	<u>(396,021)</u>
Net Income	<u><u>244,267</u></u>

SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
As of March 31, 2013

	<u>Mar 31, 2013</u>
ASSETS	
Current Assets	
Agency Funds	
111000 · Ops/Capital/Insurance Funds	
111100 · Revenue Fund FB	3,359,529
111200 · Required R&R Fund FB	1,000,460
111210 · Dedicated R&R Projects Fund FB	5,622,650
111300 · Commercial FB	1,000
111400 · Subordinate Debt Fund FB	309
111500 · Self Insured Risk Fund FNBA	10,236,059
Total 111000 · Ops/Capital/Insurance Funds	<u>20,220,008</u>
112000 · Trustee Funds	
112100 · WF Trust Bond Interest	283,711
112200 · WF Trust Bond Principal	618,780
112300 · WF Trust Bond Reserve	1,404,904
112400 · WF Refund 2004AB Escrow	2
Total 112000 · Trustee Funds	<u>2,307,398</u>
113000 · Restricted Funds	
113100 · STI - USFS CD WF	21,602
113500 · DNR Reclamation Fund WF	702,238
Total 113000 · Restricted Funds	<u>723,841</u>
Total Agency Funds	23,251,246
Accounts Receivable	
110000 · Accounts Receivable	1,596,818
110100 · Grants Receivable	79,189
Total Accounts Receivable	<u>1,676,007</u>
Other Current Assets	
120000 · Other Current Assets	
120200 · Other Receivables	4,176
120300 · Accrued Interest Receivable	36,343
120500 · Prepaid Fees	
120510 · Prepaid FERC Fees	38,507
120520 · Prepaid Insurance	162,013
120540 · Prepaid USDA FS Land Use Fees	57,676
120550 · Prepaid Admin Expense	105,714
Total 120500 · Prepaid Fees	<u>363,910</u>
120700 · Inventory Assets	
120701 · Inventory - Wood Poles	8,143
Total 120700 · Inventory Assets	<u>8,143</u>
Total 120000 · Other Current Assets	<u>412,572</u>
Total Other Current Assets	<u>412,572</u>
Total Current Assets	<u>25,339,825</u>

SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
As of March 31, 2013

	<u>Mar 31, 2013</u>
Fixed Assets	
130000 · Fixed Assets	
130100 · Capital Assets	
130110 · Swan Lake	16,018,330
130120 · Tyee Lake	25,960,484
130130 · SEAPA Office	<u>629,330</u>
Total 130100 · Capital Assets	42,608,145
132100 · Swan Tyee Intertie in Operation	111,381,868
132200 · R&R Projects WIP Capital Improv	
132210 · R&R Projects - WIP Swan Lake	820,461.22
132220 · R&R Projects - WIP Tyee Lake	189,497.00
132230 · R&R Projects - WIP STI-Transmsn	149,053.11
132240 · R&R Projects - WIP SEAPA Office	<u>58,771.00</u>
Total 132200 · R&R Projects WIP Capital Improv	1,217,782
132900 · Accumulated Depreciation	<u>(22,895,355)</u>
Total 130000 · Fixed Assets	<u>132,312,440</u>
Total Fixed Assets	132,312,440
Other Assets	
133000 · Other Assets	
133100 · Accumulated Amortization	
133110 · Amortization	<u>(224,198)</u>
Total 133100 · Accumulated Amortization	(224,198)
133200 · Bond Fees	
133210 · Origination Fees	444,906
133220 · Cost of Issuance Fees	<u>52,000</u>
Total 133200 · Bond Fees	496,906
183000 · Deferred Assets	
183100 · Swan Lake Increased Storage	<u>485,252</u>
Total 183000 · Deferred Assets	485,252
Total 133000 · Other Assets	<u>757,960</u>
Total Other Assets	<u>757,960</u>
TOTAL ASSETS	<u><u>158,410,225</u></u>

SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
As of March 31, 2013

Mar 31, 2013

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

210100 · Accounts Payable General

345,055

Total Accounts Payable

345,055

Other Current Liabilities

210150 · Other Current Liabilities

225,000

210300 · Reserve Interest Payable

225,141

210400 · Wages Payable

45,427

210500 · Payroll Liabilities

210530 · SUI Tax Payable

3,857

Total 210500 · Payroll Liabilities

3,857

Total Other Current Liabilities

499,424

Total Current Liabilities

844,479

Long Term Liabilities

220000 · Long Term Liabilities

220100 · Series B Bonds 2009

14,775,000

220110 · Bond Issuance Premium

16,481

220120 · Bond Discount

(134,273)

Total 220000 · Long Term Liabilities

14,657,208

Total Long Term Liabilities

14,657,208

Total Liabilities

15,501,687

Equity

310000 · Equity

310100 · STI Net Assets

106,354,593

310300 · Retained Earnings

27,307,048

Total 310000 · Equity

133,661,640

32000 · Unrestricted Net Assets

7,404,056

Net Income

1,842,842

Total Equity

142,908,538

TOTAL LIABILITIES & EQUITY

158,410,225

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

	Mar 13	Budget	Jul 12 - Mar 13	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
410000 · Hydro Facility Revenues					
410100 · Ketchikan Power Purchases	519,044	742,560	4,688,396	5,104,352	6,311,216
410200 · Petersburg Power Purchases	259,357	265,404	2,244,609	2,344,980	2,939,912
410300 · Wrangell Power Purchases	245,096	236,436	2,039,140	2,048,500	2,524,704
Total 410000 · Hydro Facility Revenues	1,023,497	1,244,400	8,972,145	9,497,832	11,775,832
Total Income	1,023,497	1,244,400	8,972,145	9,497,832	11,775,832
Expense					
535000 · Hyd/Op-Sup & Engineering					
535100 · Hyd/Op Sup & Eng - Swan Lake	4,205	8,675	37,195	78,075	104,150
535200 · Hyd/Op Sup & Eng - Tyee Lake	10,850	12,000	90,259	108,000	144,700
535300 · Hyd/Op Sup & Eng - Admin	0	4,100	280	36,900	50,000
535400 · Hyd/Op Sup & Eng - Proj Drawing	0	20,000	1,617	140,000	200,000
535700 · Hyd/Op Sup & Eng - 4R Plan	17,208		55,025	50,000	50,000
535800 · Hyd/Op Sup & Eng-Operatn Review	0	16,500	46,004	148,500	200,000
Total 535000 · Hyd/Op-Sup & Engineering	32,263	61,275	230,380	561,475	748,850
537000 · Hydraulic Expenses					
537100 · Hydraulic Expense - Swan Lake	39	480	582	4,310	5,750
537200 · Hydraulic Expense - Tyee Lake	0	85	0	745	1,000
537300 · Hydraulic Expense - MAPCON Adm	0	800	4,390	7,200	10,000
537400 · Hydraulic Expense - Engineering	6,668	400	6,668	3,600	5,000
Total 537000 · Hydraulic Expenses	6,707	1,765	11,640	15,855	21,750
538000 · Electric Expenses					
538100 · Electric Expense - Swan Lake	1,436	190	2,412	1,680	2,250
538200 · Electric Expense - Tyee Lake	0	270	10,747	2,440	3,250
538300 · Electric Exp - Engineer/Consult	0	2,000	98	19,000	25,000
538400 · Electric Exp - Governor Support	0	85	0	745	1,000
Total 538000 · Electric Expenses	1,436	2,545	13,257	23,865	31,500
539000 · Misc Power Generation Expense					
539100 · Misc Exp - Swan Lake	673	6,500	28,584	58,500	78,520
539200 · Misc Expense - Tyee Lake	1,114	20,170	181,832	181,530	242,100
539300 · Misc Expense - Annual Inspectns	0	1,700	20,599	15,300	20,500
539310 · Fuel & Delivery	0		7,638		
539400 · Misc Expense - Permits & Maps	150		1,050		
539500 · Misc Expense - Communications	8,808	12,120	120,898	109,080	145,500
Total 539000 · Misc Power Generation Expense	10,744	40,490	360,601	364,410	486,620

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

	Mar 13	Budget	Jul 12 - Mar 13	YTD Budget	Annual Budget
540000 · Rents					
540300 · FERC Land Use Fee - Swan Lake	4,741	3,660	28,111	33,020	44,000
540400 · FERC Land Use Fee - Tyee Lake	6,261	3,300	27,319	30,100	40,000
540500 · USDA Land Use Fee - USFS ROW	1,541	1,650	13,698	15,050	20,000
540600 · USDA Land Use Fee - STI	4,720	5,000	41,955	45,000	60,000
540700 · USDA Tyee Passive Reflector	103	110	920	1,020	1,350
540710 · USDA Etolin Burnett Radio	44	50	388	500	650
Total 540000 · Rents	17,410	13,770	112,393	124,690	166,000
541000 · Hydro Power Station Maintenance					
541100 · Maint/Supervision - Swan Lake	0		(5)		
541300 · Maint/Sup - Operator Training	0	2,500	1,654	22,500	30,000
541400 · Maint/Sup - Reliability Mgmt	0	6,000	153	54,000	72,000
541500 · Maint/Sup - Engineering Service	9,349	5,800	48,161	52,600	70,000
Total 541000 · Hydro Power Station Maintenance	9,349	14,300	49,963	129,100	172,000
542000 · Hydro Structure Maintenance					
542100 · Hyd Structure Maint - Swan Lake	1,391	5,700	105,005	51,800	68,900
Total 542000 · Hydro Structure Maintenance	1,391	5,700	105,005	51,800	68,900
543000 · Dams, Reservoirs & Waterways					
543100 · Dams Res & Waterwys - Swan Lake	6,977	1,500	47,054	13,500	18,800
543200 · Dams Res & Waterwys - Tyee Lake	0	650	5,348	5,850	8,000
543300 · Dams Res & Wtrwys - Dam Surveys	0	210	2,902	1,870	2,500
543410 · Dams Res & Waterwys-DSSMR-SL	5,968	830	5,968	7,510	10,000
Total 543000 · Dams, Reservoirs & Waterways	12,945	3,190	61,272	28,730	39,300
544000 · Maintenance of Electric Plant					
544100 · Maint Electric Plant-Swan Lake	10,620	23,100	118,174	207,900	277,350
544200 · Maint Electric Plant-Tyee Lake	46,711	55,450	428,378	499,050	665,800
544300 · Maint Electric Plant-Engineerng	0	4,150	2,881	37,550	50,000
Total 544000 · Maintenance of Electric Plant	57,330	82,700	549,434	744,500	993,150
545000 · Plant Miscellaneous Maintenance					
545100 · Plant Misc Maint - Swan Lake	28,464	20,900	169,476	188,000	250,700
545200 · Plant Misc Maint - Tyee Lake	0	1,150	2,356	10,350	13,900
545300 · Plant M/M - USGS Stream Gauging	0	1,000	20,054	52,000	55,000
545400 · Plant Misc Maint - ADF&G	0	1,650	0	15,050	20,000
Total 545000 · Plant Miscellaneous Maintenance	28,464	24,700	191,886	265,400	339,600
560000 · Trans Sys Operation Sup & Eng					

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

	Mar 13	Budget	Jul 12 - Mar 13	YTD Budget	Annual Budget
561000 · Trans/SCADA Load Dispatch					
561200 · SCADA Load Dispatch - Tyee Lake	0	580	6,859	5,220	7,000
561400 · SCADA Support- Engineer/Consult	1,294		2,164		
Total 561000 · Trans/SCADA Load Dispatch	1,294	580	9,023	5,220	7,000
562000 · Trans/Operations Station Exp					
562100 · Trans/Op Station Ex - Swan Lake	0	1,250	952	11,250	15,000
562200 · Trans/Op Station Ex - Tyee Lake	1,116	2,550	18,887	22,950	30,650
562300 · Trans/Op - Contract Services	0	10,400	24,713	93,600	125,000
Total 562000 · Trans/Operations Station Exp	1,116	14,200	44,551	127,800	170,650
564000 · Trans/Submarine Cable Expense					
564200 · Trans/Sub Cable Exp - Tyee Lake	0	400	10,985	3,600	4,825
564300 · Trans/Sub Cable-Engineerng Serv	0	2,500	0	22,500	30,000
Total 564000 · Trans/Submarine Cable Expense	0	2,900	10,985	26,100	34,825
571000 · Trans/Maint - Overhead Lines					
571100 · Trans/Maint-OH Lines- Swan Lake	0	1,200	3	10,800	14,700
571200 · Trans/Maint-OH Lines-Tyee Lake	11,790	19,100	131,812	171,900	229,600
571300 · Trans/Maint - T-Line Maint Cont	10,042	37,500	91,314	337,500	450,000
571600 · Trans/Maint OH-Spare Mat Stor	0	0	350	500	500
571700 · Trans/Maint OH STI Clearing	0	9,000	0	73,000	100,000
571800 · Trans/Maint OHL System Events	0	15,000	30,498	105,000	150,000
Total 571000 · Trans/Maint - Overhead Lines	21,832	81,800	253,976	698,700	944,800
920000 · Administrative Expenses					
920100 · Administrative	82,668	75,680	679,273	680,060	907,100
920200 · Contract Staff	0		47,200	48,750	48,750
Total 920000 · Administrative Expenses	82,668	75,680	726,473	728,810	955,850
921000 · Office Expenses					
921100 · Office Supplies	1,045	1,700	7,775	15,400	20,500
921200 · Office Equipment	765	1,000	21,211	12,000	15,000
921300 · Phone, Courier, Internet	1,860	1,950	16,534	16,850	22,700
921400 · System Networking	2,174	2,950	22,161	26,500	35,350
921600 · Vehicle Expenses	0	200	786	1,800	2,500
Total 921000 · Office Expenses	5,844	7,800	68,468	72,550	96,050
922000 · Legislative Affairs	4,100	5,900	36,243	52,300	70,000

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

	Mar 13	Budget	Jul 12 - Mar 13	YTD Budget	Annual Budget
923000 · Contract Services					
923200 · Annual Financial Audit	0		23,143	26,000	26,000
923300 · Bank & Trustee Fees	49	960	10,089	8,620	11,500
923400 · Insurance Consultant	0	1,250	6,985	11,250	15,000
923500 · Investment Consultant	2,117	2,210	19,025	19,870	26,500
923600 · Legal Fees	16,095	16,650	87,841	150,050	200,000
923700 · Recruitment	0		23,954	30,000	30,000
923800 · Other Professional Services	1,873		2,873		
Total 923000 · Contract Services	20,134	21,070	173,910	245,790	309,000
924000 · Insurance	43,420	47,650	366,191	428,850	571,800
928000 · Regulatory Commission Expense					
928100 · Emergency Action Plan	0	200	20,873	1,900	2,500
928200 · FERC Filings	0	84	0	748	1,000
928300 · FERC Administrative Fees	7,500	7,500	61,570	67,500	90,000
Total 928000 · Regulatory Commission Expense	7,500	7,784	82,443	70,148	93,500
930000 · General Expenses					
930100 · Advertising Expense	1,017	290	5,715	2,630	3,500
930200 · Annual Rpt/Signage Expense	0	20	54	180	250
930300 · Association Dues Expense	380	2,300	26,904	20,700	27,600
930400 · Board Meeting Expenses	6,756	1,000	21,309	33,000	45,000
930500 · Training Expense	0	750	9,253	6,750	9,000
930600 · Travel Expense	3,796	2,500	32,626	22,500	30,000
930700 · Non-Travel Incidental	152	290	1,265	2,630	3,500
Total 930000 · General Expenses	12,101	7,150	97,125	88,390	118,850
931000 · Office Rent	3,898	4,100	37,451	37,300	49,600
931100 · Apartment Rent - Ketchikan	725	1,500	11,457	14,250	18,750
Total Expense	383,208	537,649	3,628,731	4,988,133	6,545,945
Net Ordinary Income	640,289	706,751	5,343,414	4,509,699	5,229,887
Other Income/Expense					
Other Income					
941000 · Grant Income	66,859		91,136		
942000 · Interest Income					
942100 · Misc Interest Income	516		15,239		
942200 · Investment Interest Income	12,228		121,142		
Total 942000 · Interest Income	12,744		136,382		

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

	Mar 13	Budget	Jul 12 - Mar 13	YTD Budget	Annual Budget
944000 · Realized Gain/Loss					
944100 · Realized Gain/Loss Bonds	0		(2,349)		
944200 · Realized Gain/Loss on Invest	(5,706)		(29,010)		
Total 944000 · Realized Gain/Loss	(5,706)		(31,359)		
945000 · Unrealized Gain/Loss					
945100 · Unrealized Gain/Loss Bonds	(985)		(8,904)		
945200 · Unrealized Gain/Loss Investment	(1,104)		22,817		
Total 945000 · Unrealized Gain/Loss	(2,089)		13,912		
946000 · Misc Nonoperating Income					
946002 · Gain/Loss on Property Disposith	0		16,939		
Total 946000 · Misc Nonoperating Income	0		16,939		
Total Other Income	71,808		227,010		
Other Expense					
951000 · Amortization Expense	3,518		31,662		
952000 · Bond Interest 2009 Series	57,340		516,061		
953000 · Depreciation Expense	324,908		2,924,175		
954000 · Grant Expenses					
954002 · Grant Contractual	77,883		132,877		
954004 · Grant Labor & Benefits	163		2,370		
954005 · Grant Legal	1,260		26,495		
954006 · Grant Materials & Supplies	0		2,498		
954007 · Grant Other Expense	2,156		3,518		
954008 · Grant Travel	601		5,174		
Total 954000 · Grant Expenses	82,063		172,932		
954100 · Contributed Capital	0		(2,250)		
955000 · Interest Expense					
955200 · Investment Interest Expense	0		0		
Total 955000 · Interest Expense	0		0		
980000 · R&R Fund Expenses					
980100 · R&R Fund - Swan Lake	0	800	537	6,400	10,000
980200 · R&R Fund - Tyee Lake	0	800	77,266	65,900	69,500
980400 · R&R Fund - Solomon Gulch PFMA	0		7,199	12,500	12,500
Total 980000 · R&R Fund Expenses	0	1,600	85,002	84,800	92,000
Total Other Expense	467,830	1,600	3,727,582	84,800	92,000
Net Other Income	(396,021)	(1,600)	(3,500,573)	(84,800)	(92,000)
Net Income	244,267	705,151	1,842,842	4,424,899	5,137,887



DATE: June 17, 2013
TO: SEAPA Board of Directors
FROM: Trey Acteson
SUBJECT: Financial Reports – April, 2013

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

- April, 2013 revenues from kWh sales were under budget:
\$931,011 actual vs. \$952,000 budget.
 - Ketchikan - \$438,940 actual vs. \$522,852 budget
 - Petersburg - \$256,291 actual vs. \$233,172 budget
 - Wrangell - \$235,780 actual vs. \$195,976 budget
- Year-to-date (July – April) revenues from kWh sales were also lower than budget:
\$9,903,156 actual vs. \$10,449,832 budget.
 - Ketchikan - \$5,127,336 actual vs. \$5,627,204 budget
 - Petersburg - \$2,500,899 actual vs. \$2,578,152 budget
 - Wrangell - \$2,274,921 actual vs. \$2,244,476 budget
- April, 2013 sales in kWh – 13,691,340 vs.
April, 2012 sales in kWh – 13,935,440 and
April, 2011 sales in kWh – 12,143,500
- Year-to-date (July – April, 2013) sales in kWh – 145,634,650 vs.
Year-to-date (July – April, 2012) sales in kWh – 151,561,500 and
Year-to-date (July – April, 2011) sales in kWh – 144,401,410
- Administrative and operating expenses for April, 2013 were under budget:
\$406,909 actual vs. \$538,109 budget.
- Year-to-date administrative and operating expenses (July – April) were under budget:
\$4,035,640 actual vs. \$5,526,242 budget.

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

SOUTHEAST ALASKA POWER AGENCY

Fund Allocation Graph

As of April 30, 2013

04/30/2013

ASSETS

Current Assets

Agency Funds

111000 · Ops/Capital/Insurance Funds

111100 · Revenue Fund FB	3,458,226
111200 · Required R&R Fund FB	1,000,510
111210 · Dedicated R&R Projects Fund FB	5,409,484
111300 · Commercial FB	1,000
111400 · Subordinate Debt Fund FB	309
111500 · Self Insured Risk Fund FNBA	10,254,349

Total 111000 · Ops/Capital/Insurance Funds 20,123,878

112000 · Trustee Funds

112100 · WF Trust Bond Interest	340,450
112200 · WF Trust Bond Principal	675,032
112300 · WF Trust Bond Reserve	1,403,771
112400 · WF Refund 2004AB Escrow	2

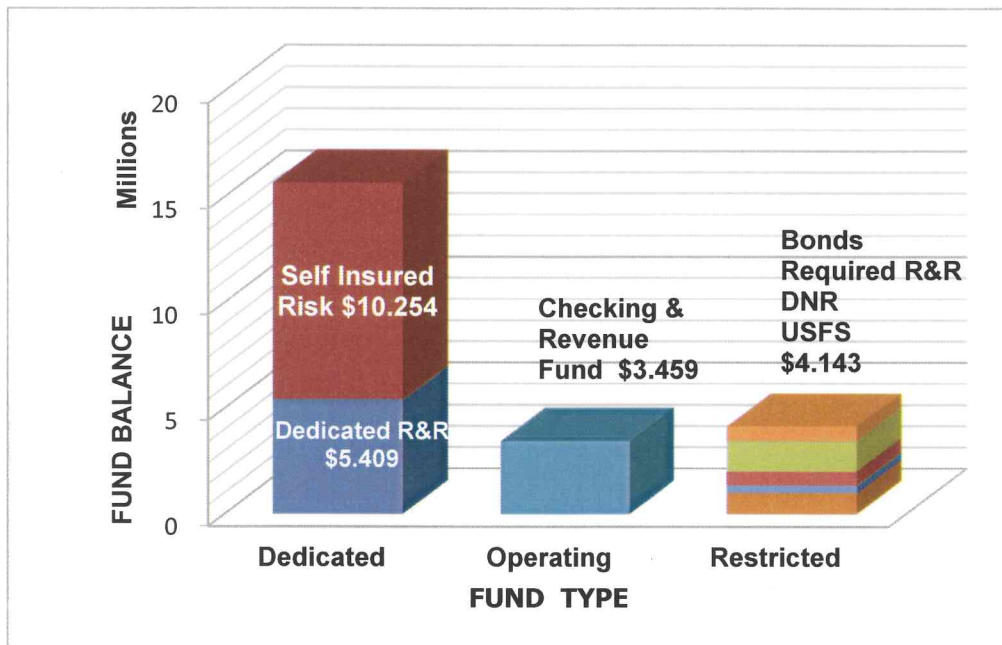
Total 112000 · Trustee Funds 2,419,255

113000 · Restricted Funds

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

Total 113000 · Restricted Funds 723,856

Tot Total Agency Funds 23,266,990



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

	<u>Mar 31, 2013</u>
ASSETS	
Current Assets	
Agency Funds	
111000 · Ops/Capital/Insurance Funds	20,123,878
112000 · Trustee Funds	2,419,255
113000 · Restricted Funds	<u>723,856</u>
Total Agency Funds	23,266,990
Accounts Receivable	
110000 · Accounts Receivable	1,840,738
110100 · Grants Receivable	<u>83,248</u>
Total Accounts Receivable	1,923,986
Other Current Assets	
120000 · Other Current Assets	<u>346,471</u>
Total Other Current Assets	<u>346,471</u>
Total Current Assets	25,537,447
Fixed Assets	
130000 · Fixed Assets	<u>132,153,257</u>
Total Fixed Assets	132,153,257
Other Assets	
133000 · Other Assets	<u>772,043</u>
Total Other Assets	<u>772,043</u>
TOTAL Total Agency Funds	<u>158,462,747</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
210100 · Accounts Payable General	<u>194,484</u>
Total Accounts Payable	194,484
Other Current Liabilities	
210150 · Other Current Liabilities	225,000
210300 · Reserve Interest Payable	281,878
210400 · Wages Payable	42,381
210500 · Payroll Liabilities	<u>519</u>
Total Other Current Liabilities	<u>549,778</u>
Total Current Liabilities	744,263
Long Term Liabilities	
220000 · Long Term Liabilities	<u>14,657,811</u>
Total Long Term Liabilities	<u>14,657,811</u>
Total Liabilities	15,402,074
Equity	
310000 · Equity	133,661,640
320000 · Unrestricted Net Assets	7,404,056
Net Income	<u>1,994,977</u>
Total Equity	<u>143,060,674</u>
TOTAL LIABILITIES & EQUITY	<u>158,462,747</u>

SOUTHEAST ALASKA POWER AGENCY
Statement of Activities - Summary
April 2013

	<u>Apr 2013</u>
Ordinary Income/Expense	
Income	
410000 · Hydro Facility Revenues	931,011
Total Income	<u>931,011</u>
Expense	
535000 · Hydro/Ops-Suprvision & Engineer	26,757
537000 · Hydraulic Expenses	0
538000 · Electric Expenses	(6)
539000 · Misc Power Generation Expense	19,342
540000 · Rents	14,076
541000 · Hydro Power Station Maintenance	3,390
542000 · Hydro Structure Maintenance	24,895
543000 · Dams, Reservoirs & Waterways	2,139
544000 · Maintenance of Electric Plant	80,723
545000 · Plant Miscellaneous Maintenance	14,904
560000 · Trans Sys Operation Sup & Eng	909
561000 · Trans/SCADA Load Dispatch	3,827
562000 · Trans/Operations Station Exp	5,049
564000 · Trans/Submarine Cable Expense	1,182
571000 · Trans/Maint - Overhead Lines	33,675
920000 · Administrative Expenses	77,557
921000 · Office Expenses	5,528
922000 · Legislative Affairs	4,048
923000 · Contract Services	20,168
924000 · Insurance	40,503
928000 · Regulatory Commission Expense	7,500
930000 · General Expenses	15,831
931000 · Office Rent	4,185
931100 · Apartment Rent - Ketchikan	725
Total Expense	<u>406,909</u>
Net Ordinary Income	524,102
Other Income/Expense	
Other Income	
941000 · Grant Income	4,059
942000 · Interest Income	12,400
944000 · Realized Gain/Loss	797
945000 · Unrealized Gain/Loss	1,375
Total Other Income	<u>18,630</u>
Other Expense	
951000 · Amortization Expense	3,518
952000 · Bond Interest 2009 Series	57,340
953000 · Depreciation Expense	324,908
954000 · Grant Expenses	4,831
Total Other Expense	<u>390,597</u>
Net Other Income	<u>(371,967)</u>
Net Income	<u><u>152,135</u></u>

SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
As of April 30, 2013

	<u>04/30/2013</u>
ASSETS	
Current Assets	
Agency Funds	
111000 · Ops/Capital/Insurance Funds	
111100 · Revenue Fund FB	3,458,226
111200 · Required R&R Fund FB	1,000,510
111210 · Dedicated R&R Projects Fund FB	5,409,484
111300 · Commercial FB	1,000
111400 · Subordinate Debt Fund FB	309
111500 · Self Insured Risk Fund FNBA	<u>10,254,349</u>
Total 111000 · Ops/Capital/Insurance Funds	20,123,878
112000 · Trustee Funds	
112100 · WF Trust Bond Interest	340,450
112200 · WF Trust Bond Principal	675,032
112300 · WF Trust Bond Reserve	1,403,771
112400 · WF Refund 2004AB Escrow	<u>2</u>
Total 112000 · Trustee Funds	2,419,255
113000 · Restricted Funds	
113100 · STI - USFS CD WF	21,608
113500 · DNR Reclamation Fund WF	<u>702,249</u>
Total 113000 · Restricted Funds	723,856
Total Agency Funds	23,266,990
Accounts Receivable	
110000 · Accounts Receivable	1,840,738
110100 · Grants Receivable	<u>83,248</u>
Total Accounts Receivable	1,923,986
Other Current Assets	
120000 · Other Current Assets	
120200 · Other Receivables	4,176
120300 · Accrued Interest Receivable	32,939
120500 · Prepaid Fees	
120510 · Prepaid FERC Fees	23,339
120520 · Prepaid Insurance	121,510
120540 · Prepaid USDA FS Land Use Fees	51,267
120550 · Prepaid Admin Expense	<u>105,097</u>
Total 120500 · Prepaid Fees	301,213
120700 · Inventory Assets	
120701 · Inventory - Wood Poles	<u>8,143</u>
Total 120700 · Inventory Assets	8,143
Total 120000 · Other Current Assets	346,471
Total Other Current Assets	346,471
Total Current Assets	25,537,447

SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
As of April 30, 2013

	<u>04/30/2013</u>
Fixed Assets	
130000 · Fixed Assets	
130100 · Capital Assets	
130110 · Swan Lake	16,018,330
130120 · Tyee Lake	25,960,484
130130 · SEAPA Office	629,330
Total 130100 · Capital Assets	<u>42,608,145</u>
132100 · Swan Tyee Intertie in Operation	111,381,868
132200 · R&R Projects WIP Capital Improv	
132210 · R&R Projects - WIP Swan Lake	947,603.40
132220 · R&R Projects - WIP Tyee Lake	204,563.50
132230 · R&R Projects - WIP STI-Transmsn	172,569.34
132240 · R&R Projects - WIP SEAPA Office	58,771.00
Total 132200 · R&R Projects WIP Capital Improv	<u>1,383,507</u>
132900 · Accumulated Depreciation	<u>(23,220,263)</u>
Total 130000 · Fixed Assets	<u>132,153,257</u>
Total Fixed Assets	132,153,257
Other Assets	
133000 · Other Assets	
133100 · Accumulated Amortization	
133110 · Amortization	<u>(227,716)</u>
Total 133100 · Accumulated Amortization	<u>(227,716)</u>
133200 · Bond Fees	
133210 · Origination Fees	444,906
133220 · Cost of Issuance Fees	52,000
Total 133200 · Bond Fees	<u>496,906</u>
183000 · Deferred Assets	
183100 · Swan Lake Increased Storage	502,853
Total 183000 · Deferred Assets	<u>502,853</u>
Total 133000 · Other Assets	<u>772,043</u>
Total Other Assets	<u>772,043</u>
TOTAL ASSETS	<u><u>158,462,747</u></u>

SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
As of April 30, 2013

04/30/2013

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

210100 · Accounts Payable General

194,484

Total Accounts Payable

194,484

Other Current Liabilities

210150 · Other Current Liabilities

225,000

210300 · Reserve Interest Payable

281,878

210400 · Wages Payable

42,381

210500 · Payroll Liabilities

210530 · SUI Tax Payable

519

Total 210500 · Payroll Liabilities

519

Total Other Current Liabilities

549,778

Total Current Liabilities

744,263

Long Term Liabilities

220000 · Long Term Liabilities

220100 · Series B Bonds 2009

14,775,000

220110 · Bond Issuance Premium

15,743

220120 · Bond Discount

(132,932)

Total 220000 · Long Term Liabilities

14,657,811

Total Long Term Liabilities

14,657,811

Total Liabilities

15,402,074

Equity

310000 · Equity

310100 · STI Net Assets

106,354,593

310300 · Retained Earnings

27,307,048

Total 310000 · Equity

133,661,640

32000 · Unrestricted Net Assets

7,404,056

Net Income

1,994,977

Total Equity

143,060,674

TOTAL LIABILITIES & EQUITY

158,462,747

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

	Apr 13	Budget	Jul 12 - Apr 13	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
410000 · Hydro Facility Revenues					
410100 · Ketchikan Power Purchases	438,940	522,852	5,127,336	5,627,204	6,311,216
410200 · Petersburg Power Purchases	256,291	233,172	2,500,899	2,578,152	2,939,912
410300 · Wrangell Power Purchases	235,780	195,976	2,274,921	2,244,476	2,524,704
Total 410000 · Hydro Facility Revenues	931,011	952,000	9,903,156	10,449,832	11,775,832
Total Income	931,011	952,000	9,903,156	10,449,832	11,775,832
Expense					
535000 · Hydro/Ops-Suprvision & Engineer					
535100 · Hyd/Ops Sup & Eng - Swan Lake	247	8,675	37,442	86,750	104,150
535200 · Hyd/Ops Sup & Eng - Tyee Lake	13,747	12,000	104,006	120,000	144,700
535300 · Hyd/Op Sup & Eng - Admin	-	4,100	280	41,000	50,000
535400 · Hyd/Op Sup & Eng - Proj Drawing	-	20,000	1,617	160,000	200,000
535700 · Hyd/Op Sup & Eng - 4R Plan	9,762		64,787	50,000	50,000
535800 · Hyd/Op Sup & Eng-Operatn Review	3,000	16,500	49,004	165,000	200,000
Total 535000 · Hydro/Ops-Suprvision & Engineer	26,757	61,275	257,137	622,750	748,850
537000 · Hydraulic Expenses					
537100 · Hydraulic Expense - Swan Lake	-	480	582	4,790	5,750
537200 · Hydraulic Expense - Tyee Lake	-	85	-	830	1,000
537300 · Hydraulic Expense - MAPCON Adm	-	1,200	4,390	8,400	10,000
537400 · Hydraulic Expense - Engineering	-	400	6,668	4,000	5,000
Total 537000 · Hydraulic Expenses	-	2,165	11,640	18,020	21,750
538000 · Electric Expenses					
538100 · Electric Expense - Swan Lake	(6)	190	2,406	1,870	2,250
538200 · Electric Expense - Tyee Lake	-	270	10,747	2,710	3,250
538300 · Electric Exp - Engineer/Consult	-	2,000	98	21,000	25,000
538400 · Electric Exp - Governor Support	-	85	-	830	1,000
Total 538000 · Electric Expenses	(6)	2,545	13,252	26,410	31,500
539000 · Misc Power Generation Expense					
539100 · Misc Exp - Swan Lake	2,028	6,500	30,612	65,000	78,520
539200 · Misc Expense - Tyee Lake	8,542	20,170	190,375	201,700	242,100
539300 · Misc Expense - Annual Inspectns	-	1,700	20,599	17,000	20,500
539310 · Fuel & Delivery	-		7,638		
539400 · Misc Expense - Permits & Maps	-		1,050		
539500 · Misc Expense - Communications	8,772	12,180	129,670	121,260	145,500
Total 539000 · Misc Power Generation Expense	19,342	40,550	379,944	404,960	486,620

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

	Apr 13	Budget	Jul 12 - Apr 13	YTD Budget	Annual Budget
540000 · Rents					
540300 · FERC Land Use Fee - Swan Lake	3,846	3,660	31,957	36,680	44,000
540400 · FERC Land Use Fee - Tyee Lake	3,822	3,300	31,141	33,400	40,000
540500 · USDA Land Use Fee - USFS ROW	1,541	1,650	15,239	16,700	20,000
540600 · USDA Land Use Fee - STI	4,720	5,000	46,676	50,000	60,000
540700 · USDA Tyee Passive Reflector	103	110	1,024	1,130	1,350
540710 · USDA Etolin Burnett Radio	44	50	432	550	650
Total 540000 · Rents	14,076	13,770	126,469	138,460	166,000
541000 · Hydro Power Station Maintenance					
541100 · Maint/Supervision - Swan Lake	-		(5)		
541300 · Maint/Sup - Operator Training	-	2,500	1,654	25,000	30,000
541400 · Maint/Sup - Reliability Mgmt	2,722	6,000	2,875	60,000	72,000
541500 · Maint/Sup - Engineering Service	668	5,800	48,829	58,400	70,000
Total 541000 · Hydro Power Station Maintenance	3,390	14,300	53,353	143,400	172,000
542000 · Hydro Structure Maintenance					
542100 · Hyd Structure Maint - Swan Lake	24,895	5,700	129,901	57,500	68,900
Total 542000 · Hydro Structure Maintenance	24,895	5,700	129,901	57,500	68,900
543000 · Dams, Reservoirs & Waterways					
543100 · Dams Res & Waterwys - Swan Lake	2,139	1,500	49,193	15,000	18,800
543200 · Dams Res & Waterwys - Tyee Lake	-	650	5,348	6,500	8,000
543300 · Dams Res & Wtrwys - Dam Surveys	-	210	2,902	2,080	2,500
543410 · Dams Res & Waterwys-DSSMR-SL	-	830	5,968	8,340	10,000
Total 543000 · Dams, Reservoirs & Waterways	2,139	3,190	63,411	31,920	39,300
544000 · Maintenance of Electric Plant					
544100 · Maint Electric Plant-Swan Lake	11,189	23,100	129,364	231,000	277,350
544200 · Maint Electric Plant-Tyee Lake	69,534	55,450	497,912	554,500	665,800
544300 · Maint Electric Plant-Engineerng	-	4,150	2,881	41,700	50,000
Total 544000 · Maintenance of Electric Plant	80,723	82,700	630,157	827,200	993,150
545000 · Plant Miscellaneous Maintenance					
545100 · Plant Misc Maint - Swan Lake	13,845	20,900	183,321	208,900	250,700
545200 · Plant Misc Maint - Tyee Lake	1,059	1,150	3,415	11,500	13,900
545300 · Plant M/M - USGS Stream Gauging	-	1,000	20,054	53,000	55,000
545400 · Plant Misc Maint - ADF&G	-	1,650	-	16,700	20,000
Total 545000 · Plant Miscellaneous Maintenance	14,904	24,700	206,791	290,100	339,600
560000 · Trans Sys Operation Sup & Eng					
560200 · Sys Ops Sup & Eng - Tyee Lake	909	1,200	5,862	12,000	14,600
560300 · Sys Ops Sup & Eng-Enginr/Conslt	-	7,900	19,649	79,200	95,000
Total 560000 · Trans Sys Operation Sup & Eng	909	9,100	25,511	91,200	109,600

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

	Apr 13	Budget	Jul 12 - Apr 13	YTD Budget	Annual Budget
561000 · Trans/SCADA Load Dispatch					
561200 · SCADA Load Dispatch - Tyee Lake	3,827	580	10,686	5,800	7,000
561400 · SCADA Support- Engineer/Consult	-		2,164		
Total 561000 · Trans/SCADA Load Dispatch	3,827	580	12,850	5,800	7,000
562000 · Trans/Operations Station Exp					
562100 · Trans/Ops Station - Swan Lake	-	1,250	952	12,500	15,000
562200 · Trans/Ops Station - Tyee Lake	5,049	2,550	23,936	25,500	30,650
562300 · Trans/Ops - Contract Services	-	10,400	24,713	104,000	125,000
Total 562000 · Trans/Operations Station Exp	5,049	14,200	49,600	142,000	170,650
564000 · Trans/Submarine Cable Expense					
564200 · Trans/Sub Cable Exp - Tyee Lake	1,182	400	12,167	4,000	4,825
564300 · Trans/Sub Cable-Engineering Serv	-	2,500	-	25,000	30,000
Total 564000 · Trans/Submarine Cable Expense	1,182	2,900	12,167	29,000	34,825
571000 · Trans/Maint Overhead Lines(OHL)					
571100 · Trans/Maint OHL - Swan Lake	-	1,200	3	12,000	14,700
571200 · Trans/Maint OHL - Tyee Lake	17,662	19,100	149,475	191,000	229,600
571300 · Trans/Maint OHL STI Maintenance	16,013	37,500	107,326	375,000	450,000
571600 · Trans/Maint OHL Spare Mat Stor	-	-	350	500	500
571700 · Trans/Maint OH STI Clearing	-	9,000	-	82,000	100,000
571800 · Trans/Maint OHL System Events	-	15,000	30,498	120,000	150,000
Total 571000 · Trans/Maint Overhead Lines(OHL)	33,675	81,800	287,651	780,500	944,800
920000 · Administrative Expenses					
920100 · Administrative	77,557	75,680	756,830	755,740	907,100
920200 · Contract Staff	-		47,200	48,750	48,750
Total 920000 · Administrative Expenses	77,557	75,680	804,030	804,490	955,850
921000 · Office Expenses					
921100 · Office Supplies	1,118	1,700	8,893	17,100	20,500
921200 · Office Equipment	755	1,000	21,966	13,000	15,000
921300 · Phone, Courier, Internet	1,555	1,950	18,089	18,800	22,700
921400 · System Networking	2,100	2,950	24,261	29,450	35,350
921600 · Vehicle Expenses	-	200	786	2,000	2,500
Total 921000 · Office Expenses	5,528	7,800	73,996	80,350	96,050
922000 · Legislative Affairs	4,048	5,900	40,291	58,200	70,000

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

	Apr 13	Budget	Jul 12 - Apr 13	YTD Budget	Annual Budget
923000 · Contract Services					
923200 · Annual Financial Audit	-		23,143	26,000	26,000
923300 · Bank & Trustee Fees	799	960	10,888	9,580	11,500
923400 · Insurance Consultant	-	1,250	6,985	12,500	15,000
923500 · Investment Consultant	2,119	2,210	21,144	22,080	26,500
923600 · Legal Fees	14,927	16,650	102,768	166,700	200,000
923700 · Recruitment	-		23,954	30,000	30,000
923800 · Other Professional Services	2,323		5,196		
Total 923000 · Contract Services	20,168	21,070	194,078	266,860	309,000
924000 · Insurance	40,503	47,650	406,694	476,500	571,800
928000 · Regulatory Commission Expense					
928100 · Emergency Action Plan	-	200	20,873	2,100	2,500
928200 · FERC Filings	-	84	-	832	1,000
928300 · FERC Administrative Fees	7,500	7,500	69,070	75,000	90,000
Total 928000 · Regulatory Commission Expense	7,500	7,784	89,943	77,932	93,500
930000 · General Expenses					
930100 · Advertising Expense	4,724	290	10,439	2,920	3,500
930200 · Annual Rpt/Signage Expense	-	20	54	200	250
930300 · Association Dues Expense	800	2,300	27,704	23,000	27,600
930400 · Board Meeting Expenses	6,730	1,000	28,039	34,000	45,000
930500 · Training Expense	479	750	9,732	7,500	9,000
930600 · Travel Expense	2,394	2,500	35,020	25,000	30,000
930700 · Non-Travel Incidental	703	290	1,969	2,920	3,500
Total 930000 · General Expenses	15,831	7,150	112,957	95,540	118,850
931000 · Admin Rent	4,185	4,100	41,637	41,400	49,600
931100 · Apartment Rent - Ketchikan	725	1,500	12,182	15,750	18,750
Total Expense	406,909	538,109	4,035,640	5,526,242	6,617,945
Net Ordinary Income	524,102	413,891	5,867,516	4,923,590	5,157,887
Other Income/Expense					
Other Income					
941000 · Grant Income	4,059		95,194		
942000 · Interest Income					
942100 · Misc Interest Income	527		15,766		
942200 · Investment Interest Income	11,874		133,016		
Total 942000 · Interest Income	12,400		148,782		

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

	Apr 13	Budget	Jul 12 - Apr 13	YTD Budget	Annual Budget
944000 · Realized Gain/Loss					
944100 · Realized Gain/Loss Bonds	-		(2,349)		
944200 · Realized Gain/Loss on Invest	797		(28,213)		
Total 944000 · Realized Gain/Loss	797		(30,562)		
945000 · Unrealized Gain/Loss					
945100 · Unrealized Gain/Loss Bonds	(1,139)		(10,044)		
945200 · Unrealized Gain/Loss Investment	2,514		25,330		
Total 945000 · Unrealized Gain/Loss	1,375		15,287		
946000 · Misc Nonoperating Income					
946002 · Gain/Loss on Property Disposith	-		16,939		
Total 946000 · Misc Nonoperating Income	-		16,939		
Total Other Income	18,630		245,640		
Other Expense					
951000 · Amortization Expense	3,518		35,180		
952000 · Bond Interest 2009 Series	57,340		573,402		
953000 · Depreciation Expense	324,908		3,249,083		
954000 · Grant Expenses					
954002 · Grant Contractual	3,813		136,690		
954004 · Grant Labor & Benefits	616		2,986		
954005 · Grant Legal	-		26,495		
954006 · Grant Materials & Supplies	-		2,498		
954007 · Grant Other Expense	402		3,920		
954008 · Grant Travel	-		5,174		
Total 954000 · Grant Expenses	4,831		177,763		
954100 · Contributed Capital	-		(2,250)		
955000 · Interest Expense					
955200 · Investment Interest Expense	-		-		
Total 955000 · Interest Expense	-		-		
980000 · R&R Fund Expenses					
980100 · R&R Fund - Swan Lake	-	800	537	8,000	10,000
980200 · R&R Fund - Tyee Lake	-	800	77,266	67,500	69,500
980400 · R&R Fund - Solomon Gulch PFMA	-		7,199	12,500	12,500
Total 980000 · R&R Fund Expenses	-	1,600	85,002	88,000	92,000
Total Other Expense	390,597	1,600	4,118,180	88,000	92,000
Net Other Income	(371,967)	(1,600)	(3,872,540)	(88,000)	(92,000)
Net Income	152,135	412,291	1,994,977	4,835,590	5,065,887

SOUTHEAST ALASKA POWER AGENCY
FY13 Grant Summary
Through April 2013

	Grant	Expenditures	Balance
Grant Income			
*FY13 AEA KPI#1			
1 - Project Mgmt	500,000.00	41,803.75	458,196.25
2 - EIS	932,940.00	522,878.63	410,061.37
3 - Engineering / Design	296,165.00	172,561.61	123,603.39
4 - Engineering / Geotechnical	150,000.00	0.00	150,000.00
5 - SE Conference	50,000.00	26,702.14	23,297.86
6 - Unallocated	1,060,895.00	0.00	1,060,895.00
Total FY13 AEA KPI#1	2,990,000.00	763,946.13	2,226,053.87
FY13 AEA KPI#2			
1 - Unallocated	2,000,000.00	0.00	2,000,000.00
Total FY13 AEA KPI#2	2,000,000.00	0.00	2,000,000.00
FY13 AK DLG			
1 - Hydro Storage	578,000.00	2,250.20	575,749.80
2 - G&T Site Evaluation	1,705,000.00	0.00	1,705,000.00
3 - Stability / Interconnectiv	146,000.00	0.00	146,000.00
4 - Load Balance Model	112,000.00	0.00	112,000.00
5 - Project Mgmt	309,000.00	0.00	309,000.00
6 - Business Analysis / PSA	150,000.00	33,050.11	116,949.89
Total FY13 AK DLG	3,000,000.00	35,300.31	2,964,699.69
TOTAL	7,990,000.00	799,246.44	7,190,753.56

*\$704,052.15 expended by Kwaan Electric Transmission Intertie Coop. prior to grant assignment to SEAPA

SOUTHEAST ALASKA POWER AGENCY
Project Feasibility : Swan Lake Increased Storage
Through April 2013

Date	Num	Name	Amount
183100 - Swan Lake Increased Storage			
06/30/12		FY2012 Expenses	151,421.25
07/13/12	24094	Taquan Air	1,233.00
07/19/12	25275	Temsco Helicopters, Inc.	1,964.25
07/31/12	9504EW201207	"First Bankcard	25.17
07/31/12	9358ST201207	"Bank of America	11.70
07/31/12	122737002	R&M Engineering	27,776.53
07/31/12	50585615	Tetra Tech Inc	3,585.55
07/31/12	1009	Long View Associates	8,045.33
08/10/12	24355	Taquan Air	834.00
08/13/12	11G002962	Anixter	2,250.20
08/22/12	24476	Taquan Air	625.50
08/24/12	50594973	Tetra Tech Inc	40,453.15
08/31/12	9504EW201208	"First Bankcard	603.00
08/31/12	245	Ketchikan, City of (AR)	417.00
08/31/12	5312012	CDDHoward Consulting Ltd.	2,100.00
08/31/12	1001	Long View Associates	7,505.69
09/04/12	24632	Taquan Air	417.00
09/04/12	24633	Taquan Air	417.00
09/10/12	INV1571519	Radwell Intl	917.80
09/14/12	24743	Taquan Air	417.00
09/30/12	9504EW201209	"First Bankcard	243.96
09/30/12	1002	Long View Associates	5,712.30
09/30/12	122737-3	R&M Engineering	2,667.31
10/05/12	203945924	FedEx	406.30
10/10/12	50606188	Tetra Tech Inc	87,814.96
10/16/12	192501	Best Western Landing Hotel	154.47
10/16/12	192502	Best Western Landing Hotel	133.76
10/31/12	THO9358-201210	"Bank of America	423.60
10/31/12	WOL9225-201210	"Bank of America	39.59
10/31/12	1003	Long View Associates	6,047.12
11/05/12	50618015	Tetra Tech Inc	23,549.08
11/23/12	50627782	Tetra Tech Inc	9,502.14
11/30/12	INV121205	Segrity LLC	3,639.93
12/03/12	25099	Taquan Air	417.00
12/18/12	1004	Long View Associates	3,194.40
12/31/12	1005	Long View Associates	3,782.16
01/18/13	50641314	Tetra Tech Inc	18,159.72
01/27/13	2890	McMillen, LLC	9,476.99
01/31/13	3411	Federal Energy Regulatory Commission 88	54.00
01/31/13	3497	Federal Energy Regulatory Commission 88	55.80
01/31/13	BF10052200024	USDA Forest Service	200.00
02/04/13	50646868	Tetra Tech Inc	22,774.85
02/24/13	2990	McMillen, LLC	13,333.03
02/28/13	196653	Best Western Landing Hotel	116.49
02/28/13	3516	Federal Energy Regulatory Commission 88	40.50
02/28/13	40996	Refiner's Roast Coffees, LLC	666.70
02/28/13	THO9358-201302	"Bank of America	1,004.88
02/28/13	WOL9225-201302	"Bank of America	396.22
03/07/13	50656301	Tetra Tech Inc	8,030.10
03/29/13	50667481	Tetra Tech Inc	12,194.46
04/11/13	3033	McMillen, LLC	17,414.54
04/30/13	THO9358-201304	"Bank of America	187.00
TOTAL			<u>502,853.48</u>

183100 - Swan Lake Increased Storage will move to R&R with May financials.
183200 - Tyee Lake Stream Gage moved to R&R

Southeast Alaska Power Agency
R&R PROJECT SUMMARY
 April 30, 2013

	FY13 Budget	FY13 Expenditures		FY10	EXPENDITURES			FY13	Total Expenditures
					FY11	FY12			
R&R EXPENSE JOB COSTS									
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	2,311
215-12 Narrowband Radios	\$ 35,000	\$49,334	Closed FY12	-	-	4,010	49,334	53,344	53,344
222-13 Power Pole Replacements	\$ 302,500	\$0	July 2013	-	-	-	-	-	-
223-13 Vehicle TYL - CLOSED FY13	\$ 24,500	\$24,918	Closed FY12	-	-	-	24,918	24,918	24,918
224-13 Misc R&R SWL	\$ 10,000	\$537	Employee housing expense.	-	-	-	537	537	537
225-12 Misc R&R TYL	\$ 10,000	\$3,207	Housing renovations.	-	-	-	3,207	3,207	3,207
SEAPA-02 Solomon PFMA - CLOSED	\$ 12,500	\$7,199	Closed: Nov 2012	12,317	172,318	454,931	7,199	646,764	646,764
Total R&R Expense Job Costs	\$ 444,500	\$87,506		12,317	172,318	458,941	87,506	\$731,082	
WIP R&R CAPITAL PROJECTS									
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	102,686
220-12 SCADA Upgrade	\$ 800,000	\$137,407	Tentative completion: Apr 2014	-	-	130,663	137,407	268,069	268,069
226-13 XFMR Junction Boxes Bailey	\$ 90,000	\$0	Closed FY13	-	-	-	-	-	-
227-13 Burnett Peak Battery	\$ 34,300	\$21,140	Batteries purchased: Jan 2013	-	-	-	21,140	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	\$7,743	Coordinate install w/RR234-13	-	-	-	7,743	7,743	7,743
230-13 Boat Dock Replace TYL	\$ 55,000	\$163	RFP issued April 2013.	-	-	-	163	163	163
231-13 Helicopter Pads	\$ 1,135,000	\$44,238	Pending USFS permitting.	-	-	-	44,238	44,238	44,238
232-13 Communications Upgrade	\$ 2,150,000	\$1,049	RFP issued March 2013.	-	-	-	1,049	1,049	1,049
233-13 Excavator SWL	\$ 220,000	\$135,500	Delivered March 2013; under budget.	-	-	-	135,500	135,500	135,500
234-13 Gatehs Generator TYL	\$ 82,000	\$114	Generator delivery sched. for July	-	-	-	114	114	114
235-13 SEAPA Servers - CLOSED FY13	\$ 43,000	\$39,624	Closed: Dec 2012	-	-	-	39,624	39,624	39,624
236-13 Wrangell Reactor	\$ 3,615,000	\$40,068	Pending EPS studies.	-	-	-	40,068	40,068	40,068
237-13 Remote Brkr Rack. Device	\$ 70,000	\$0	Bids to be requested.	-	-	-	-	-	-
238-13 Replacement Winding SWL	\$ 895,000	\$686,422	Delivered May 2013	-	-	-	686,422	686,422	686,422
240-13 Cooling Water TYL	\$ 199,688	\$15,005	R&R project approved March 2013	-	-	-	15,005	15,005	15,005
241-13 Stream Gauge TYL	\$ 1,467,758	\$18,107	In progress.	-	-	-	18,107	18,107	18,107
Total WIP R&R Capital Projects	\$11,566,746	\$1,146,580		\$155,131	\$11,156	\$67,062	\$1,146,580	\$1,379,928	
TOTAL CURRENT R&R PROJECTS	\$12,011,246	\$1,234,086		\$167,448	\$183,473	\$526,003	\$1,234,086	\$2,111,010	

Southeast Alaska Power Agency
R&R PROJECT DETAIL
April 30, 2013

Date	Num	Vendor	FY13 BUDGET \$	Amount	Description
R&R EXPENSE JOB COSTS					
213-12 Road Repair SWL - CLO			\$50,000	-	This project was budgeted for FY13, but a June invoice was paid in the amount of \$49,050. Project closed in FY12.
Total 213-12 Road Repair SWL				-	
214-12 Digital Relays (3) TYL			\$0	-	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	
Total 213-12 Road Repair SWL				2,311	
215-12 Narrowband Radios			\$35,000	-	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 FY12.
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	Temsco Helicopters, Inc.		5,758	
10/23/12	25939	Temsco 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	
Total 215-12 Narrowband Radios			\$	53,344	FY13 - Reclassed as R&R expense (appears as R&R Capital in budget.)
222-13 Power Pole Replacemen			\$302,500	-	This R&R renews annually to cover costs of transmission line power pole replacement. (S.Henson) Reclassified as R&R expense (appears as R&R Capital in budget.)
Total Power Pole Replacements				-	

Southeast Alaska Power Agency
R&R PROJECT DETAIL
April 30, 2013

Date	Num	Vendor	FY13 BUDGET \$	Amount	Description
223-13 Vehicle TYL - CLOSED F			\$24,500	-	Midsize 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	
Total 223-13 Vehicle TYL				<u>24,918</u>	
224-13 Misc R&R SWL			\$10,000	-	Unscheduled renewal and replacement at Swan Lake. Employee housing.
12/31/12	KPU201212	Ketchikan Public Utilities 334		537	
Total 224-13 Misc R&R SWL				<u>537</u>	
225-12 Misc R&R TYL			\$10,000	-	Unscheduled renewal and replacement at Tyee Lake.
07/31/12	TBPA201207	Thomas Bay Power Authority		2,466	Employee housing renovation expense.
08/31/12	TBPA201208	Thomas Bay Power Authority		741	
Total 225-12 Misc R&R TYL				<u>3,207</u>	
SEAPA-02 Solomon PFMA - CLI			\$12,500	-	Solomon Gulch PFMA Followup: Expenses to close out the PFMA recommendations, including penstock anchor blocks and the dam low level outlet works. The installation of guard rail closed out this project in November 2012. (T.Acteson) CLOSED NOV 2012
	\$ 12,317	FY10 Expenditures			
	172,318	FY11 Expenditures			
	454,931	FY12 Expenditures			
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	
Total SEAPA-02 Solomon PFMA				<u>646,764</u>	
Total R&R Expense Job Costs			\$444,500	731,082	

Southeast Alaska Power Agency
R&R PROJECT DETAIL
April 30, 2013

Date	Num	Vendor	FY13 BUDGET \$	Amount	Description
WIP R&R CAPITAL PROJECTS					
002-10TRN Helicopter Pads			\$0	-	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			
Total 002-10 Helicopter Pads				<u>102,686</u>	
220-12 SCADA Upgrade			\$800,000	-	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	THO9358-201209	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	
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	
01/31/13	THO9358-201301	Bank of America		86	

Southeast Alaska Power Agency
R&R PROJECT DETAIL
April 30, 2013

Date	Num	Vendor	FY13 BUDGET \$	Amount	Description
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	
Total 220-12 SCADA Upgrade				<u>268,069</u>	
226-13 XFMR Junction Boxes B			\$90,000	-	Replace SEAPA transformer junction boxes at Bailey substation. Budget increased from \$65K to \$90K during Jan 2013 special board meeting.
Total 226-13 XFMR Junction Boxes Bailey				<u>-</u>	Junction boxes; purchase order issued in January. (S.Henson)
227-13 Burnett Peak Battery			\$34,300	-	Battery replacement at Burnett Peak communication center. Batteries stored at SEAPA warehouse in Wrangell pending installation by AP&T in FY14. (S.Henson)
01/10/13	18040	AP&T Wireless, Inc.		21,140	
Total 227-13 Burnett Peak Battery				<u>21,140</u>	
228-13 Circuit Switcher WRG			\$100,000	-	Replace manual 3-phase circuit switcher at the Wrangell switchyard.
Total 228-13 Circuit Switcher Wrg				<u>-</u>	Scheduled after R&R236-13, FY14. (S.Henson)

Southeast Alaska Power Agency
R&R PROJECT DETAIL
April 30, 2013

Date	Num	Vendor	FY13 BUDGET \$	Amount	Description
229-13 Gate Control Refurbish			\$35,000	-	Replace control panel and components, rebuild hand-hydraulic pump. Scheduled for May 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	
Total 229-13 Gate Control Refurbish TYL				<u>7,743</u>	
230-13 Boat Dock Replace TYL			\$55,000	-	Replace the boat dock at Tyee Lake. Contracted to Seaborne Marines Services, JV. Scheduled for Jun 2013 completion. (M.Nicholls, S.Beers, S.Henson)
03/29/13	27222	Ketchikan Daily News		59	
04/06/13	53239	Pilot Publishing, Inc.		59	
04/06/13	53246	Wrangell Sentinel		45	
Total 230-13 Boat Dock Replace TYL				<u>163</u>	

Southeast Alaska Power Agency
R&R PROJECT DETAIL
April 30, 2013

Date	Num	Vendor	FY13 BUDGET \$	Amount	Description
231-13 Helicopter Pads			\$1,135,000	-	Helipad installation on the intertie and replacement of pads on Swan and Tyee lines. Includes design work. Pending USFS permitting. (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	
Total 231-13 Helicopter Pads				44,238	
232-13 Communications Upgrade			\$2,150,000	-	Originally approved as Skywrap communications project. Currently pending approval of satellite system contract
10/04/12	26411	Ketchikan Daily News		258	
10/12/12	TX153349	Anchorage Daily News		256	
10/12/12	445431	Juneau Empire		205	
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	
Total 232-13 Communications Upgrade				1,049	

Southeast Alaska Power Agency
R&R PROJECT DETAIL
April 30, 2013

Date	Num	Vendor	FY13 BUDGET \$	Amount	Description
233-13 Excavator SWL			\$220,000	-	New equipment to replace old boom truck and Grove crane. (S.Henson)
02/06/13	EK00240	Construction Machinery		135,500	Excavator delivered to Swan Lake in March.
Total 233-13 Excavator SWL				<u>135,500</u>	
234-13 Gatehs Generator TYL			\$82,000	-	Replacement of aging propane generator and two propane tanks at Tyee Gatehouse. Propane tanks passed inspection July 2012 & will not be replaced. New budget estimate \$42K. (S.Henson)
04/11/13	27314	Ketchikan Daily News		45	
04/13/13	53263	Pilot Publishing, Inc.		39	
04/13/13	53265	Wrangell Sentinel		30	
Total 234-13 Gatehs Gen-Propane TYL				<u>114</u>	
235-13 SEAPA Servers - CLOSE			\$43,000	-	Replace computer-system servers in SEAPA office. New servers installed by TekMate in December 2012. (S.Thompson) CLOSED DEC 2012
10/19/12	8937	TekMate Incorporate		27,222	
12/19/12	193623	Best Western Landing Hotel		594	
12/21/12	39082	TekMate Incorporate		11,666	
03/21/13	40448	TekMate Incorporated		142	
Total SEAPA Servers				<u>39,624</u>	
236-13 Wrangell Reactor			\$3,615,000	-	Replace aging reactor in Wrangell with switchable reactors and capacitors. Studies performed by Commonwealth & Segrity; design, engineering and project management awrded to EPS. (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	
Total 236-13 Wrangell Reactors				<u>40,068</u>	

Southeast Alaska Power Agency
R&R PROJECT DETAIL
April 30, 2013

Date	Num	Vendor	FY13 BUDGET \$	Amount	Description
237-13 Remote Brkr Rack. Devi			\$70,000	-	Safety measure to protect personnel while racking a breaker. (S.Henson)
Total 237-13 Remote Brkr Rack. Device				-	
238-13 Replacement Winding S'			\$895,000	-	Spare generator winding delivered to Swan Lake in June 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	
Total Replacement Winding SWL				<u>686,422</u>	

Southeast Alaska Power Agency
R&R PROJECT DETAIL
April 30, 2013

Date	Num	Vendor	FY13 BUDGET \$	Amount	Description
240-13 Cooling Water TYL			\$199,688	-	Scheduled for completion by October 2013.
08/31/12	MK201208	Morris Kepler Consulting		13,855	
02/28/13	MK201302	Morris Kepler Consulting		1,150	
Total Project				<u>15,005</u>	
241-13 Stream Gauge TYL			\$1,467,758	-	Installation of stream gage (and necessary log removal) to comply with FERC license requirements.
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	THO9358-201304	"Bank of America		514	
Total 241-13 Stream Gauge TYL				<u>18,107</u>	
Total WIP R&R Capital Projects			\$10,991,746	1,379,928	
TOTAL ALL R&R PROJECTS			\$11,436,246	2,111,010	

Southeast Alaska Power Agency

APRIL & MAY 2013 DISBURSEMENTS

<u>ACCOUNTS</u>	<u>TOTAL</u>
Revenue Fund	\$ 648,854.15
R&R Fund	\$ 348,281.89
TOTAL	<u>\$ 997,136.04</u>

RECOMMENDED MOTION

I move to approve disbursements for the months of April & May 2013
in the amount of \$997,136.04.

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
ADL100113	AK DNR 550	50.00	
ADL100887	AK DNR 550	50.00	
LAS27405	AK DNR 550	50.00	
APCM201303	Alaska Permanent Capital Inc	2,117.41	
APCM201304	Alaska Permanent Capital Inc	2,119.22	
ATC201305	Alaska Telephone Company	5,410.37	
ATC201306	Alaska Telephone Company	5,414.30	
13424	Allen Marine Tours	800.00	
13424B	Allen Marine Tours	573.80	
TX195314	Anchorage Daily News	-	89.64
TX197540	Anchorage Daily News	313.74	
TX199409	Anchorage Daily News	23.24	
TX201026	Anchorage Daily News	-	43.16
18692	AP&T Wireless, Inc.	1,260.00	
AP&T201304	AP&T Wireless, Inc.	1,352.50	
AP&T201305	AP&T Wireless, Inc.	1,352.50	
2650303324	AT&T Alascom 5019	305.34	
2650432859	AT&T Alascom 5019	305.34	
1124106	AterWynne LLP	980.00	
1124107	AterWynne LLP	1,505.00	
1124108	AterWynne LLP	1,260.00	
1124111	AterWynne LLP	12,512.50	
1124964	AterWynne LLP	420.00	
1124965	AterWynne LLP	3,045.00	
1125025	AterWynne LLP	10,013.13	
100666-750	Best Western Landing Hotel	1,589.21	
100666-751	Best Western Landing Hotel	976.35	
197062	Best Western Landing Hotel	432.00	
197063	Best Western Landing Hotel	444.14	
197064	Best Western Landing Hotel	292.61	
197065	Best Western Landing Hotel	307.94	
197066	Best Western Landing Hotel	297.00	
197687	Best Western Landing Hotel	309.98	
197699	Best Western Landing Hotel	198.00	
197700	Best Western Landing Hotel	198.00	
197900	Best Western Landing Hotel	99.00	
198307	Best Western Landing Hotel	198.00	
Blue201305	Blue Water Charter & Tackle	725.00	
BLUE201306	Blue Water Charter & Tackle	725.00	

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Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
9855PB3	Chatham Electric, Inc.	10,908.13	
5420119	Cisco WebEx LLC	49.00	
5469098	Cisco WebEx LLC	49.00	
34424	Commonwealth Associates, Inc.	9,584.82	
34573	Commonwealth Associates, Inc.	889.20	
34815	Commonwealth Associates, Inc.	-	19,306.00
22843	Control Engineers	1,294.00	
3273247	Daily Journal of Commerce	267.90	
9462	DHittle & Associates, Inc.	3,960.00	
9463	DHittle & Associates, Inc.	20,659.65	
9512	DHittle & Associates, Inc.	2,924.00	
9525	DHittle & Associates, Inc.	9,762.47	
96	Dryden & LaRue Inc.	1,428.00	
223	Electric Power Systems Inc.	-	7,280.00
75	Electric Power Systems Inc.	-	4,025.50
AKKET4115	Fastenal	10.00	
AKKET4238	Fastenal	112.04	
AKKET4246	Fastenal	18.39	
225286517	FedEx	261.05	
170280	Frontier Shipping & Copyworks	60.00	
FC201304	Full Circle Media	1,577.19	
48131706	GCI 99001	584.60	
48801300	GCI 99001	724.11	
58651434	GE Capital	140.00	
58653400	GE Capital	595.00	
58797478	GE Capital	140.00	
58801675	GE Capital	595.00	
2987	I Even Do Windows	300.00	
3025	I Even Do Windows	300.00	
96029	Jud's Office Supply	29.36	
96194	Jud's Office Supply	56.07	
96342	Jud's Office Supply	13.27	
96397	Jud's Office Supply	63.19	
96411	Jud's Office Supply	(36.78)	
96431	Jud's Office Supply	28.14	
96480	Jud's Office Supply	461.90	
96650	Jud's Office Supply	86.00	
96701	Jud's Office Supply	3.18	
460349	Juneau Empire	146.34	
465124	Juneau Empire	642.18	
653190	Ketchikan City of 334	12.50	
27176	Ketchikan Daily News	374.25	
27222	Ketchikan Daily News	-	59.15
27271	Ketchikan Daily News	-	48.90
27307	Ketchikan Daily News	42.75	
27314	Ketchikan Daily News		44.80
27352	Ketchikan Daily News	46.85	
27354	Ketchikan Daily News	-	44.80
27484	Ketchikan Daily News	165.75	
KGB201305	Ketchikan Gateway Borough	3,737.25	
KGB201306	Ketchikan Gateway Borough	3,737.25	
KPUT201304	Ketchikan Public Utilities 2417	748.71	
KPUT201305	Ketchikan Public Utilities 2417	748.74	
LK201305	LK Storage	148.20	

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Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
LK201306	LK Storage	148.20	
386645	Marsh USA Inc.	5,000.00	
3029	McMillen, LLC	-	5,481.50
3033	McMillen, LLC	17,414.54	
3093	McMillen, LLC	15,503.14	
3094	McMillen, LLC	-	1,230.00
MK201303	Morris Kepler Consulting	5,931.54	
300572	Northland Services	-	47.60
2013-14	Northwest Hydroelectric Association	800.00	
985717	NRECA 758777 Deferred	445.00	
13048046	NRECA 775670 RSP	25,039.08	
13058046	NRECA 775670 RSP	25,039.08	
13048046A	NRECA 798330 RSP Admin	428.15	
13058046A	NRECA 798330 RSP Admin	428.15	
75U0022961	Osmose Utilities Services Inc	5,104.42	
1684	Pacific Wings Inc.	285.00	
1686	Pacific Wings Inc.	285.00	
52996	Pilot Publishing, Inc.	117.00	
53239	Pilot Publishing, Inc.	-	58.50
53263	Pilot Publishing, Inc.	39.00	39.00
53312	Pilot Publishing, Inc.	45.50	
20131A	Poseidon Engineering LLC	13,248.20	
434454	Promech Air	12.00	
16409219	R&M Consultants Inc	-	1,387.68
478	Ray Matiashowski & Assoc.	4,000.00	
485	Ray Matiashowski & Assoc.	4,000.00	
40997	Refiner's Roast	390.00	
322134	Satellite & Sound Inc	41.72	
418148	Satellite & Sound Inc	1,659.00	
51302	Satellite & Sound Inc	-	740.00
5151320	Satellite & Sound Inc	1,659.00	
5151325	Satellite & Sound Inc	63.49	
314407	SE Business Machines	30.20	
39597	Sherwin Williams	-	2,288.00
Deposit201306	Sons of Norway	200.00	
Rent201306	Sons of Norway	500.00	
2388	Stikine Inn	99.00	
2389	Stikine Inn	99.00	
2390	Stikine Inn	99.00	
2391	Stikine Inn	99.00	
2392	Stikine Inn	99.00	
2393	Stikine Inn	99.00	
2394	Stikine Inn	99.00	
2395	Stikine Inn	99.00	
2396	Stikine Inn	99.00	
2397	Stikine Inn	99.00	
51085	Sunrise Aviation Inc	420.00	420.00
51090	Sunrise Aviation Inc	-	780.00
25404	Taquan Air	-	352.50
25479	Taquan Air	-	467.45
40448	TekMate Incorporated	-	427.39
Tek201305	TekMate Incorporated	2,100.00	
TEK201306	TekMate Incorporated	2,100.00	
26172	Temsco Helicopters, Inc.	1,109.00	

Southeast Alaska Power Agency

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
26204	Temsco Helicopters, Inc.	3,777.40	
26215	Temsco Helicopters, Inc.	2,890.70	
26334	Temsco Helicopters, Inc.	3,607.90	
26342	Temsco Helicopters, Inc.	3,834.25	
50673075	Tetra Tech Inc	9,857.45	
50673076	Tetra Tech Inc	-	801.35
50673077	Tetra Tech Inc	8,874.90	
50673078	Tetra Tech Inc	2,323.05	
50667481	Tetra Tech, Inc.	12,194.46	
50667482	Tetra Tech, Inc.	-	1,706.68
50667486	Tetra Tech, Inc.	47,638.29	
TBPA201302	Thomas Bay Power Authority	5,177.53	
132013	Tongass Engineering	-	2,231.25
132014	Tongass Engineering	-	840.00
132032	Tongass Engineering	78.75	
BF100522O0027	USDA Forest Service	-	1,108.00
BF100522O0030	USDA Forest Service	1,108.00	
102595	Van Ness Feldman, PC	275.44	
102596	Van Ness Feldman, PC	623.69	
103288	Van Ness Feldman, PC	1,152.23	
7004003114	Voith Hydro, Inc	-	169,445.40
7004003168	Voith Hydro, Inc	-	127,084.05
001	Ware, Joe	45.31	
12431	Warren, McVeigh & Griffin, Inc.	8,336.25	
951396	Wells Fargo Bank MN	500.00	
WF201304	Wells Fargo Bank-Corporate Trust	112,983.98	
WF201305	Wells Fargo Bank-Corporate Trust	113,238.87	
2144780	Wrangell City of	3,000.00	
312239	Wrangell Elks Lodge	621.00	
77794	Wrangell Oil, Inc.	14,843.95	
53001	Wrangell Sentinel	92.50	
53246	Wrangell Sentinel	-	45.00
53265	Wrangell Sentinel	30.00	30.00
53316	Wrangell Sentinel	35.00	30.00
VISA	Bank of America	19,793.38	1,070.76
	Employee Reimbursement	98.02	
Total Disbursements		648,854.15	348,281.89
		\$997,136.04	

Southeast Alaska Power Agency

CEO Report

DATE: June 20, 2013
TO: SEAPA Board of Directors
FROM: Trey Acteson, CEO

Best Practices: We have implemented an electronic online employment application process. This standardizes how we collect sensitive EEO information. It also provides tracking of visitors and applicants. The information requested on the electronic application form will better assist us in vetting applicants and will be stored electronically. An added feature is automated distribution of job listing opportunities to the most popular websites. This process enhancement also reduces staff time required to process applications.

I have been working with Winston Tan of Intandem LLC to develop a structured compensation plan for the SEAPA organization. Intandem are experts in this field and have relevant experience in Alaska. This is a broad based assessment firmly supported by industry datasets including; NRECA G&T Survey; Northwest Utilities Salary, Wage & Benefits Survey; Alaska Cross Industry Survey; and Economic Research Institute Salary Assessor Database. Our positions have been evaluated and benchmarked against the closest comparable titles. They have also been evaluated relative to each other. Our location and the hi-bred nature of actual functions being performed by SEAPA Staff have also been taken into consideration. Through this process, pay grades and corresponding salary ranges have been established. Our modeling is flexible and can easily be modified to accommodate new positions. It also lends itself to periodic updates as market conditions change. I believe this is a very important process improvement that will provide necessary structure to help guide compensation decisions in the future.

Lobbying Contract

Ray Matiashowski's lobbying contract is due to expire at the end of this month. Considering the lobbying efforts already underway, I strongly recommend that we award a lobbying contract to him for FY14. He has done a good job this past year and is already up-to-speed on knowledge of the Agency and the Swan Lake Reservoir Expansion Project. A suggested motion for your consideration is included under new business in the agenda.

Public Relations/Outreach: I travelled to Petersburg at the end of May and provided an overview of SEAPA's bundled services to the Borough Assembly. I met and discussed Tyee related issues with the Borough Mayor, Borough Manager, PP&L Manager, and the President of TBPA Commission. Mayor Jensen and I also toured proposed Kake Intertie routing options near the town of Petersburg. This was a great exercise and has led to a favorable routing alternative that I will discuss a little later. From Petersburg, I travelled to Wrangell and met with the WP&L Manager, Borough Manager, and rounded out the visit with the TBPA GM. Wrangell did not have a public meeting that coincided with my visit.

Staff has worked with Full Circle Media Arts to develop a draft public relations plan for FY14 (Attachment 1). We are still investigating additional opportunities in the northern communities, but have clearly identified a variety of media conduits that will give us broad exposure within our

Southeast Alaska Power Agency

proposed budget. Additionally, we recently made a \$1000 donation to each of the three member communities for their Fourth of July fireworks displays, which can be enjoyed by all ratepayers in the member communities.

Financial: Staff is to be commended for their outstanding effort behind development of the FY14 budget. I have provided a separate cover memo highlighting the budget details.

As discussed at our last meeting, I worked with Mr. Paisner to select and retain a Bond lawyer. Mr. Greenough is from the firm of Foster Pepper and is very familiar with the SEAPA organization. He has provided a reimbursement resolution which we have included under new business for your consideration and approval. This will allow us to legally include Swan Lake Expansion Project expenditures accrued prior to issuance of a bond in the bond total. I anticipate using Mr. Greenough in the future to support bonding for the Swan Lake Reservoir Expansion.

I met with Alaska Permanent Capital Management earlier this week and reviewed our investment portfolio performance and liquidity (Attachment 2). I was initially concerned about changes in the bond market. After reviewing our account with Senior VP Bert Wagnon and VP-portfolio Manager Bill Lierman, I am satisfied with our holdings and investment strategy. Our investment policy is ultra conservative (Attachment 3) and returns continue to exceed our established benchmark. With regard to liquidity, our investments can be moved as needed without risk of significant penalty. This was an important clarification should the Board vote to reduce our Self-Insured Risk Fund.

Recruitment: We have developed detailed job descriptions for the two new Board approved positions and they are currently on the street. Advertising includes newspaper in Alaska and Seattle, and a number of electronic job boards including NWPPA. The Administrative Assistant position closes on June 30th and the Engineering position is open until filled.

Grant Pursuit: I have met with several key people at AEA since our last Board meeting. My discussions with Executive Director Sara Fisher-Goad foreshadow a very challenging environment for future State energy project funding. The trend is toward low interest loans in lieu of grants. I emphasized that part of the agreement regarding SEAPA's role in the Kake-Petersburg Intertie development was that the State would contribute to additional resources to - serve that load. Although this issue remains to be resolved, I do not recommend drawing a hard line in the sand while we are still actively working to acquire grant funds.

I attended a meeting of the Renewable Energy Fund Advisory Committee on 6/17 and learned that they have re-weighted their project analysis model so an applicant's cost of power is factored in as 35% of the evaluation criteria. It was previously in the 20's. This puts us at a distinct disadvantage over other applicants with high cost power. Additionally, applicants for renewable energy funds that have power costs below 20 cents/kWh are only eligible for 4MM instead of 8MM. We will still apply under this program, but it is clear that direct legislative appropriation is our most likely conduit for Swan Lake Reservoir Expansion funding. With this knowledge, we have already begun reaching out to engage community leaders to get them thinking about the importance of including Swan Lake's Reservoir Expansion into next year's community priority list.

AEA has shipped SEAPA a Meteorological tower to initiate a wind energy assessment program in our region. I reminded them that we applied for two grants for this specific purpose, but were denied. I have budgeted initial feasibility seed money to kick-start this process and we will

Southeast Alaska Power Agency

reapply for our grants under Round 7 of the Renewable Energy Grant Fund Program. AEA should be more receptive to our request considering that they have made an investment in equipment and our region is now an area of focus for wind resource analysis.

Diesel Protocol: I have reviewed the issue of diesel protocol in detail and do not recommend moving the initiative forward at this time. I originally considered employing a limited approach to test the waters, but after further assessment, the concept has fatal flaws and several possible unintended consequences. For example, there will likely be disproportionate diesel consumption which will create unnecessary stress among the member utilities due to inequitable distribution of reimbursement funds. Member utilities that are aggressive with demand side management may reconsider curtailing interruptible loads because others do not equally share in the effort. It may disincentivize efficient maintenance execution if someone else shoulders the cost of diesel generation. Member utilities will be less inclined to maximize diesel engine operation efficiency if they are being reimbursed. All of these things could potentially result in “more” diesel being consumed. The current mechanism of returning unallocated revenues through rebates is much easier to administer and allows individual members utilities to spend their money where they think it is most needed. As an example, a member utility could create their own diesel reserve account or dedicate their rebates to advancing demand side management efforts.

O&M Review: The O&M review is up for discussion again and in light of recent TBPA developments, I think progress can be made that mutually benefits the effected parties. I would like to recommend that the Board instruct SEAPA Staff to meet with the TBPA Commission and enter into negotiations to see if a draft settlement can be reached for subsequent Board consideration. There appears to be a growing recognition that TBPA is in essence an extension of the SEAPA Board, comprised of many of the same people. Additionally, there are issues with lack of funding for non-net billables and a significant outstanding PERS liability for the northern member utilities. There are also attrition considerations that enter into the array of issues. I recommend deferring any formal O&M Review action until a settlement can be explored with TBPA.

Kake-Petersburg Intertie Project (KPI): The KPI project is moving forward as described in the Memorandum of Understanding (MOU) between AEA, IPEC, and SEAPA. KPI routing options have been controversial, with concerns being voiced by both the City of Kupreanof and the Petersburg Borough. SEAPA has listened closely to these concerns and has come up with a “New” preferred route that is potentially a win-win solution for everyone. In short, this includes a directional bore across the entrance to the channel, underground routing along the waterfront utility corridor, and overhead along the back side of the town. This route addresses many concerns including avoidance of the City of Kupreanof and the sensitive Petersburg Creek recreational area. The proposed underground routing along the waterfront includes moving existing overhead to underground, thus improving viewsapes. This new routing option will be thoroughly investigated, but appears to be a favorable solution that addresses community concerns.

As discussed at our April meeting, I have arranged for Mark Schinman to attend this board meeting to provide a detailed update on the Kake-Petersburg Intertie Project.

Attachments:

- Attachment 1: Public Relations Plan
- Attachment 2: Alaska Permanent Capital Management – March Quarterly Statement
- Attachment 3: SEAPA Investment Policy



FULL CIRCLE MEDIA ARTS

advertising / public relations / web site design
graphic arts / image editing / illustration
publication design / writing / editing
audio production

to Trey Acteson, CEO, Southeast Alaska Power Agency
fr Gregg Poppen
re FY 2014 public relations
dt June 11, 2013

Trey, the media options outlined and priced on the following pages provide the broadest reach in paid media. They're conventional, yes, but they get you in just about everybody's head and sustain that contact. You have control of the messages and can alter them over time, bringing forward the unseen or misunderstood positive aspects of SEAPA.

It's all *a la carte*: If you don't want to dip into TV, you can drop the CBS and KPU options. If you want to bump up the commercial radio presence, we'll get new quotes based on more spots per day.

I'm not listing elective options such as mailed cards, newspaper inserts and so on. I think those work better for event-related promotion (an election, a limited-time special offer and the like) than for image-building—and postage and insert fees are expensive.

A couple of items not shown on the following pages: making strong efforts to get SEAPA into the free media: point of view columns in KDN, First City Forum on KTKN, Sitnews, etc. Sometimes you'll have a legitimate news item and need an hour's help with a press release, or you'll make your own call to KTKN to bust into their 11 a.m. chat show for an update, or you'll want my help crafting letters to the editor to be signed by board members or even just plain folks who are willing to stand up for SEAPA.

Please call at your convenience and we can talk through the sketch on the next pages. If there's anything that doesn't help you with the board, get in touch ASAP and I'll make changes accordingly.

GREGG POPPEN

P.O. Box 8996 Ketchikan AK 99901 / 907-225-8864 ofc 907-617-6035 cell / fullcirclemedia@gci.net



SEAPA media plan f.y. 2014

KETCHIKAN

Ketchikan Daily News display ad in every edition, one-year contract. Ad content changes monthly to feature various aspects of SEAPA operations, personnel, planning.

Ad contract (2 col. [4.667 in.] by 5 inches "little giant")		\$5,184.00
Design/pre-press production	12 @ 2 hours	1,320.00

The Local Paper display ad, one-year contract. Adapted for size from KDN ad, changes monthly to feature various aspects of SEAPA.

Ad contract (2 col. [3.81 in.] by 5 inches quarter-page)		4,930.00
Design/production (estimated)	12 @ 0.75 hours	495.00

KFMJ-FM radio ad, one-year contract. One spot per day 6 a.m.-7 p.m., Mon-Fri.

One 30-sec spot per day	@ \$8	2,080.00
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KTKN-AM and KGTW-FM radio ad, one-year contract. One spot per station per day in prime time plus one bonus spot per station per day.

One 30-sec spot per day on two stations	@ \$20	5,200.00
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KPU CommVision television spot on channel 611 (local content) plus weather channel

10-15 plays per day	@ \$50 per month	600.00
Video production		500.00

Banner for Ketchikan High School gym (8 ft. by 4 ft.)

KHS donation	One-time	250.00
Design	@ 1 hour	55.00
Banner printing		285.00

Banner for Esther Shea Field at Fawn Mountain (5 ft. by 3 ft.)

Girls soccer donation and printing		350.00
Design	@ 1 hour	55.00

KETCHIKAN TOTAL \$20,809.00

FULL CIRCLE MEDIA ARTS



SEAPA media plan f.y. 2014

PETERSBURG

Petersburg Pilot display ad, one-year contract. Dimensions and content identical to TLP ad. Changes monthly to feature various aspects of SEAPA.

Ad contract (2 col. [3.8125 in.] by 5 inches)	\$5,746.00
Design/production (estimated)	—

WRANGELL

Wrangell Sentinel display ad, one-year contract. Dimensions and content identical to TLP ad. Changes monthly to feature various aspects of SEAPA.

Ad contract (2 col. [3.8125 in.] by 5 inches)	\$3,952.00
Design/pre-press production	—

REGIONAL

EPSAs (30-sec enhanced public service announcements) on public radio stations KRBD-FM, KSTK-FM, KFSK-FM, one-year contract. One EPSA per weekday in prime time network news on KRBD, one per weekday run of station (ROS) on KFSK, KSTK.

5 EPSAs per week in prime time on KRBD @ \$20	\$5,200.00
3 EPSAs per week bonus ROS on KRBD	—
5 EPSAs per week run of station on KFSK @ \$15	3,900.00
5 EPSAs per week run of station on KSTK @ \$12	3,120.00
Copywriting/audio production for 15-20 unique UW messages	1,100.00

CBS Southeast (plays regionally incl. KTN, WRG, PBG, SIT, JNU)

1 30-sec spot per day Mon-Fri, 6 a.m.-12 a.m. @ \$60 (Production is included)	15,600.00
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PETERSBURG, WRANGELL & REGIONAL TOTAL	\$34,718.00
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FULL CIRCLE MEDIA ARTS



Southeast Alaska Power Agency

Account Statement - Quarter Ending March 31, 2013



ACCOUNT ACTIVITY

Portfolio Value on 12-31-12	10,253,637
Contributions	0
Withdrawals	-895
Change in Market Value	-16,836
Interest	36,712
Dividends	0

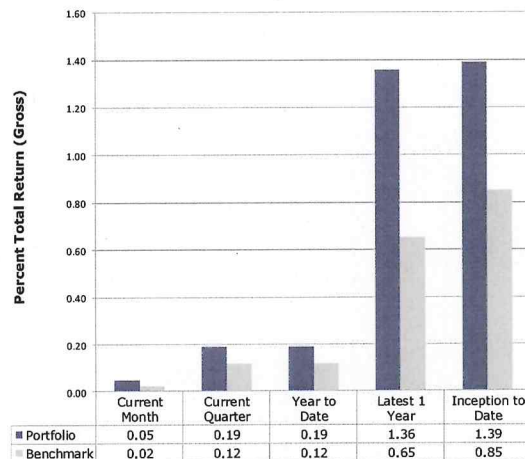
Portfolio Value on 03-31-13 10,272,619

MANAGEMENT TEAM

Director of Client Relations:	Laura Bruce, CFP®, ChFC Laura@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA Bert Wagnon
Contact Phone Number:	(907) 272-7575

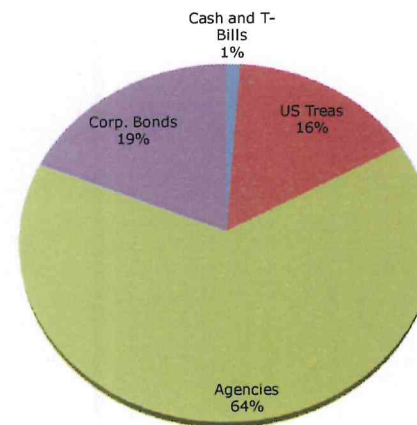
INVESTMENT PERFORMANCE

Current Account Benchmark:
Barclays 1-3 Gov't



Performance for Periods One Year and Greater are Annualized

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: Aa1 Yield to Maturity: 0.44% Average Maturity: 2.15 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
Southeast Alaska Power Agency
March 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
1,100,000	US TREASURY NOTES 0.250% Due 09-15-14	99.76	1,097,320	100.05	1,100,516	10.71	2,750	127	0.22
500,000	US TREASURY NOTES 1.750% Due 07-31-15	104.22	521,113	103.40	516,990	5.03	8,750	1,450	0.29
	Accrued Interest				1,577	0.02			
			1,618,434		1,619,083	15.76		1,577	
AGENCIES									
750,000	FHLMC 2.500% Due 04-23-14	103.84	778,813	102.48	768,627	7.48	18,750	8,229	0.16
500,000	FHLMC 1.000% Due 07-30-14	100.39	501,964	101.03	505,164	4.92	5,000	847	0.22
800,000	FNMA 0.750% Due 12-19-14	100.16	801,282	100.82	806,542	7.85	6,000	1,700	0.27
750,000	FNMA 0.375% Due 03-16-15	100.12	750,874	100.13	751,012	7.31	2,812	117	0.31
750,000	FNMA 2.375% Due 07-28-15	105.67	792,505	104.64	784,804	7.64	17,812	3,117	0.37
750,000	FNMA 1.625% Due 10-26-15	103.17	773,787	103.12	773,385	7.53	12,187	5,247	0.40
1,000,000	FNMA 0.375% Due 12-21-15	99.75	997,460	99.88	998,818	9.72	3,750	1,042	0.42
700,000	FREDDIE MAC 1.060% Due 01-06-16	100.77	705,425	100.53	703,732	6.85	7,420	1,752	0.86
500,000	FHLMC 0.850% Due 02-24-16	99.80	499,000	100.51	502,568	4.89	4,250	437	0.67
	Accrued Interest				22,489	0.22			
			6,601,110		6,617,142	64.42		22,489	
CORPORATE BONDS									
200,000	JPMORGAN CHASE 3.700% Due 01-20-15	106.12	212,244	104.99	209,974	2.04	7,400	1,459	0.90
250,000	TOYOTA MOTOR CREDIT CORP 1.000% Due 02-17-15	100.85	252,117	100.84	252,110	2.45	2,500	306	0.55
250,000	CITIGROUP INC 4.750% Due 05-19-15	105.58	263,942	107.27	268,170	2.61	11,875	4,354	1.28
250,000	GOLDMAN SACHS GROUP INC 3.700% Due 08-01-15	101.83	254,580	105.68	264,207	2.57	9,250	1,542	1.22
250,000	AT&T INC 2.500% Due 08-15-15	104.24	260,597	103.87	259,667	2.53	6,250	799	0.85
250,000	GENERAL ELECTRIC CAP CORP 2.250% Due 11-09-15	100.74	251,855	103.42	258,548	2.52	5,625	2,219	0.92

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
Southeast Alaska Power Agency
March 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
125,000	WELLS FARGO & COMPANY 3.676% Due 06-15-16	108.57	135,711	108.02	135,023	1.31	4,595	204	1.12
250,000	BANK OF NEW YORK MELLON 1.969% Due 06-20-17	102.60	256,507	103.13	257,822	2.51	4,922	1,381	1.21
	Accrued Interest				12,263	0.12			
			1,887,555		1,917,786	18.67		12,263	
CASH AND EQUIVALENTS									
	FEDERATED TREASURY OBLIGATION		118,608		118,608	1.15			
TOTAL PORTFOLIO			10,225,706		10,272,619	100	141,900	36,329	

Southeast Alaska Power Agency

Statement of Investment Policy

This Investment Policy applies to all funds held in the Repair and Replacement Account.

The Agency investment portfolio shall be managed so that the portfolio, as a whole, meets the objectives set forth below. All persons selecting investments for the Agency shall adhere to these objectives, which are listed in order of relative importance.

1. Safety of principal;
2. Maintaining sufficient liquidity to meet the Agency's cash flow requirements;
and
3. Achieving a competitive market rate of return.

All persons having responsibility for making decisions regarding the investment of Agency funds shall utilize the same judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of capital as well as the probable income to be derived in accordance with the stated objectives.

1. Obligations of, or obligations insured or guaranteed by, the United States.
2. Obligations of United States agencies or instrumentalities.
3. Corporate debt securities with a minimum rating of "A" or the equivalent by a nationally recognized rating organization.
4. United States Agency mortgage backed securities issued by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or Government National Mortgage Association.
5. Uncollateralized deposits at banks, to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC).
6. Prime commercial paper bearing the highest rating of a nationally recognized rating organization.
7. Money market mutual funds whose portfolios consist entirely of instruments specified in 1 and 2 above, and who meet the definition of a SEC 2(a) 7 money-market fund.

Investments shall be diversified to minimize the risk of loss resulting from over concentration of investments in a specific issuer, maturity, or class of security. At the time of purchase, corporate securities may not exceed 25% of the market value of the total portfolio. With the exception of US Agency backed mortgage securities, no security may have a final maturity greater than five years. To further control interest rate risk, the overall duration of the portfolio may not exceed 120% of the Barclays 1-3 Year Governmental Index.

Should any security be downgraded below Investment Grade (BAA or equivalent), by a nationally recognized rating organization, the security will be sold in an orderly matter within 90 days of such downgrade.

SOUTHEAST ALASKA POWER AGENCY

Date: June 19, 2013
To: Trey Acteson
From: Steve Henson, Operations Manager
Subject: Operations Update for June 25-26, 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 is prudent to have a professional review of our present reporting practices and to insure all new programs are properly addressed.

A letter from FERC was received on May 13, 2013 requiring a further enhanced EAP evaluation of the "current operations plan during high flow events and to ensure that such plans include improved coordination with emergency management agencies and adjacent communities."

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.

An update will be provided at the board meeting during the OPS report.

Satellite Communications System

An RFP was issued for a satellite communication system that would encompass the Swan and Tyee systems with a link to the SEAPA office. Proposals were received from Spacenet and Futaris. After an evaluation and a field verification visit for specific satellite signal trajectory, a signal from Futaris was the only one that could be seen from the Tyee project. Staff will request award of the project to Futaris under New Business in the Agenda. A breakdown of the initial and reoccurring costs are provided in the R&R request provided in the proposed FY14 budget.

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

There will be a permitting effort involved with the installation of the satellite dish at the Tyee site. Unfortunately, a TV satellite could not be seen from the Tyee facility.

STI Helipads

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

The following is a tentative schedule for installation of helipads.

2013 - 3 prototypes installed July/August
2013 - 20 installs from August to October
2014 - 55 to 70 installs from April to October
2015 - remaining 30 to 40 installs from April to August

Argo Use Permit

A permit application has been submitted to the USFS for the use of the Argo all-terrain vehicle on the Tyee transmission line right-of-way.

We were given a list of the required analyses to be performed for this permit process. A budgetary quote was received from Tetrattech for the process. Details of the quote are included in the R&R requests accompanying the FY14 proposed budget. Upon board approval, a formal RFP will be issued for this project. Although the cost appears high, use of the Argo is still more cost effective than helicopters.

Annual Maintenance

Maintenance performed by Chatham Electric beyond the normal line and tower inspections were pole top caps, flurod treatment spikes on the Swan line, marine terminal disconnect switches, disconnect switches in the Wrangell switchyard, and vibration dampers on the Tyee line.

Major contract maintenance, power transformer testing and maintenance at the Wrangell substation, load tap changer maintenance at the Wrangell and Petersburg substations, air blast circuit breaker testing and maintenance at the Wrangell substation, Schweitzer relay testing and maintenance at both plants and all substations, installation of replacement junction boxes at the Bailey substation were accomplished with concentrated efforts by all involved. At the time of the installation of the Bailey junction boxes, it was discovered that KPU had new temperature devices in stock. They were installed by the KPU crew. Check out and function testing of the gages and junction boxes were also performed by the KPU crew.

A special thanks to Andy and the KPU crew, Mick and the Tyee crew, Hugh and the Chatham crew, and Specialty Engineering for their help in pulling off this shutdown a week ahead of the overall schedule.

During the line inspection by Chatham, a broken guy anchor rod was discovered and is scheduled for repair on 6/20/2013.

Structure 76-1M

A task order was issued to Tongass Engineering to provide engineering design and project management for the stabilization of the embankment. Completion of the project is expected by June 30, 2013.

Tyee Dock Replacement

Seaborne Marine Services who was awarded the contract for the Tyee dock replacement, advise the floats have been manufactured and are in route with installation to occur shortly.

Tyee Gatehouse Generator

Arrowhead Gas who was awarded the contract for the Tyee Gatehouse Propane Generator Replacement Project, advises that delivery of the generator is expected by late July. We will arrange installation of the generator with the Tyee crew and will concurrently complete the Gate House hydraulic control move.

Miscellaneous

A slide presentation will be given at the June Board meeting on various O&M topics.

CONCLUSION

Staff will be available to answer any questions or concerns.

SOUTHEAST ALASKA POWER AGENCY

Director of Special Projects Report

June 18, 2013

Supervisory Control and Data Acquisition (SCADA) Capital Project Update

Proposal Process and Vendor Selection

Seven proposals were received for the SCADA Upgrade Project. SEAPA staff, in conjunction with consultant, Segrity LLC, has determined that the overall best choice for our system is Fiber Fusion, Inc., which offered a GE based solution that presents the overall lowest life cycle cost of all of the proposals. Life cycle cost is the summation of all costs and risks of the project and includes: design, installation and commissioning costs, annual maintenance cost (5 yrs.), warranty cost, reliability, and licensing. A stipulation of the specification was for open code and that it be owner licensed so SEAPA can either absorb the maintenance and IT function in the future, or have the ability to switch vendors for maintenance and IT support.

Before we discuss scope, schedule, and budget, and request award of the contract, a review of how we got to this point may be helpful. This project is both the replacement of the north side (Tyee to Petersburg) SCADA which has been in place since 1984; and the integration of GE based south side SCADA at Swan Lake. As we have discussed and subsequently implemented, an upgrade of our computer data network system, mostly internal at the plants was required; we called this project LAN/WAN for local area network and wide area network improvements. Following the LAN/WAN upgrade, we asked Segrity to write a detailed specification as the last SCADA project used a time and materials design-build approach, which led to cost overruns. Our new specification had the following attributes:

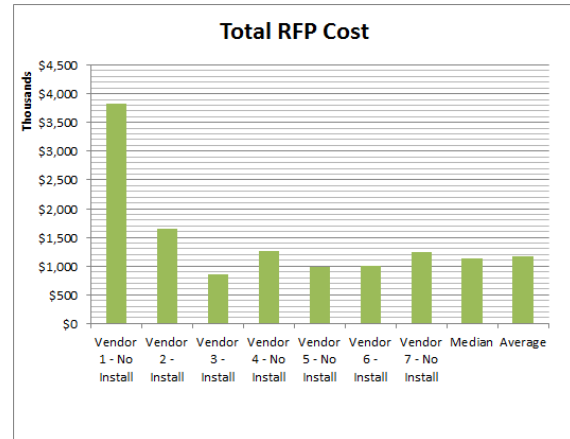
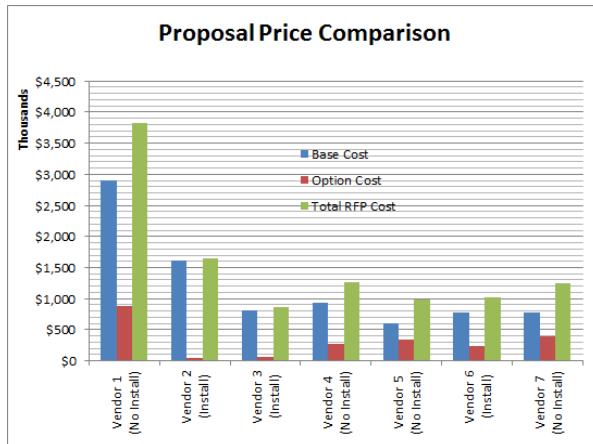
- We reviewed our specification with manufacturers prior to release to ensure our design was feasible
- We reviewed our specification with vendors prior to release to ensure our requirements were not excessively onerous and would lead to a system that bridges traditional input/output & operator interface capability with newer IT based database flexibility and newer IT security constraints
- Made sure the specification was flexible to allow for multiple manufacturer response; Allen Bradley, SEL, HSQ, GE, OSII. This point allowed us to review our overall approach to the project to verify which hardware platform would become the system standard for determination of lowest life cycle cost.

We next contacted Industry providers to make sure the following SCADA vendors/software applications were applicable to our specification: Wonderware; iFix; iPower; Siemens; HSQ; OSII; and, Inductive Automation.

Twenty six implementation companies requested our RFP and several companies were contacted directly. Seven proposals were received with varying aspects of our options and installation requirements fulfilled. Once these options and installation costs were parceled together, the total proposal price was determined to range from \$830k to over \$3.5M.

<u>ICSA</u>	<u>BW Design Group</u>	Q.com	CB-Pacific
Concept Systems Inc	Control Concepts LLC	Control Engineers	Evergreen Control
GE M&C	<u>Harris Group</u>	<u>HSQ</u>	Inductive Automation
MW Resource	OSII	Power Secure	RCK Controls
TSI Controls	<u>Samuel Engineering</u>	Systems Interface	Willbros
<u>Fiber Fusion</u>	<u>HPI LLC</u>	CB Engineering LLC	Black and Veatch
Wunderlich-Malec Eng.	Siemens	EPS Inc.	Control Systems Inc.

Note: Bold identifies companies which were notified directly (targeted) when RFP was released. Italics / underlined identifies companies that submitted proposals. Targeted companies were identified to have experience with similar systems.



Fiber Fusion, Inc. submitted the lowest cost proposal and this was thoroughly vetted to: 1) ensure their proposal was realistic, 2) determine if a contract would lead to implementation claims, and 3) verify that previous implementations were successful and met their client's expectations.

During our client review we also contacted GE, and it turns out Fiber Fusion has in the past, and continues today to design and install GE systems for GE. As a final measure, since this project is difficult and has in the past suffered from delays, both myself and James Volk traveled to Fiber Fusion offices in Las Vegas to verify the meaning and understanding of each bid item as proposed, to discuss implementation schedule and project management plans, and to verify SEAPA intent with proposal options. Our conclusion is to recommend award of the contract to Fiber Fusion, Inc., which also is the lowest cost proposal and presents the lowest life cycle cost option! A request to award the contract will be addressed under New Business at the board meeting.

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 the Vendor. Phase I is the replacement of the North Side SCADA (Tyee, WRG, and PSG), 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 as opposed to the traditional process of design, which is to submit drawings, review, revise, and then re-submit. Our process 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.

Schedule

SCADA Task	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

Budget

The base proposal price (comparison price) of the project was \$865,489. This price included a five-year maintenance contract that started after the two-year warranty expired. The warranty covers all hardware, maintenance, virus protection, and IT functions associated with multiple database and multiple Human/Machine Interface (HMI)–server thin-client system support. Table 1, below, lists a summary of Fiber Fusion’s proposal prices. Since long-term maintenance is really an O&M budget issue, and since redundant servers, which do provide greater SCADA reliability, but don’t impact delivery directly, did not fit in the budget, both of these items were removed. This resulted in a contract price of \$513,211 which is entered into the budget summary of Table 2, below. The budget summary has three cases: low, expected, and high, meaning costs are either low, expected, or high. As Shown in Table 2, the expected case nearly makes our FY14 budget; the low case has a bit of margin (7%); and, the high case falls short by \$111,152.

SEAPA - Fiber Fusion SCADA Contract	Hardware Provided by SEAPA	Hardware Cost	Hardware Provided by Contractor
Contract Totals - No Server Redundancy	\$513,211	\$156,393	\$669,604
Optional TYL&SWL Server Redundancy	\$3,369	\$5,200	\$8,569
Optional Redundant Server License	\$38,566		\$38,566
Optional Redundant Server 2 yr. Warranty	\$18,486		\$18,486
Optional TYL&SWL Server Redundancy Total	\$60,421	\$5,200	\$65,621
Contract Total with Server Redundancy	\$573,632	\$161,593	\$735,225
Life Cycle Comparison Value (includes 5yr. Maint. Cost)	\$720,681		\$877,074
FF Proposal Amount (no purchasing overhead)	\$513,211		\$865,489

Table 1 - Fiber Fusion Proposal Prices

FY14 Budget	\$790,093		
Project Costs	Low	Expected	High
Fiber Fusion Contract w/o Hardware, Excluding Server Redundancy, No 5 yr. Maintenance	\$513,211	\$513,211	\$590,193
Hardware (Low cost is with Segrity 50% on GE & no mark-up, High cost is FF quote +OH)	\$117,295	\$136,844	\$156,393
Consultant Support for PM & Tech assistance (\$90k to \$129k)	\$90,230	\$116,010	\$128,900
Volk Travel Expenses	\$15,680	\$22,400	\$25,760
Balance of Budget less Costs	\$53,678	\$1,628	-\$111,152
Redundant Servers Added to Scope-non Hardware	60,421	60,421	69,484
Redundant Servers Added to Scope-Hardware	4,576	4,888	5,200
Balance of Budget less Costs when Redundant Server Option included in Contract	\$11,319	\$63,681	\$185,837
Notes:			
FF- Fiber Fusion Inc. OH- Overhead FAT-Factory Acceptance Test IED- Device with processing			
High Case FF Contract includes a 15% contingency for installation, weather, IED Integration			
High Case Hardware uses Fiber Fusion cost estimate			
Flight expenses based on 1 trip per month to sites or to Fiber Fusion Offices			
Low case Flight Cost-Only Volk			
High Case Flight, Wolfe and Volk in Alaska, 1 Wolfe to FF for FAT			

Table 2 - Project Budget Summary

The Bailey Control Question

At our last board meeting, the question of control of Swan Lake units from Bailey was raised. Would the new SCADA system allow “coexistence” of the existing KPU control system? Any of the proposals received could have this provision added; this provision is independent of which vendor we select. The following points summarize the issue.

- There is no reasonable case where control of Swan from Bailey is more reliable than control of Swan units from the Swan Lake control room. We have never, and *would never* remove local (from the plant) control. We are unaware of any utility anywhere removing local control.
- According to our Operations Plan, the hierarchy of control is the following:
 - Auto Control of Swan Units using STCs Schedule mode
 - Auto Control of Swan Units using STCS auto mode
 - Manual Control of Swan Units using STCS manual mode
 - Manual Control of Swan Units from Swan Lake
 - Manual Control of Swan Units from Bailey

How much control redundancy do we want to preserve?

- The new SCADA system will add even more redundancy as manual control will come from two independent locations (Swan Lake and Tyee Lake), using two independent systems over new, improved communication path(s) (satellite or fiber + powerline carrier). If we haven't needed this function with less-than-optimal communications for three years, why would we need it with improved communications?
- If control of Swan units from Bailey were free we would add it but this option is not free. Multiple points of control add layers of IT security issues. Multiple points of control add two layers of maintenance contracts, two layers of training and electrical drawing upkeep, two layers of organizational communication - two layers of everything.

While it seems clear from a cost and dispatch perspective to avoid this additional redundant control capability, the SEAPA board may still decide control of Swan units from Bailey should be preserved. SEAPA staff will follow that directive, but we offer the following methodology to provide a better basis for the board's decision.

- Approve the project under the expected case, which is our budgeted amount:
 - Award a contract to Fiber Fusion, Inc. for a not-to-exceed amount of \$513,211.00
 - Award a task order to Segrity, LLC for technical services, site project management and installation oversight with a not-to-exceed value of \$116,000.00
 - During the preliminary design task, ask Fiber Fusion and Segrity (this in itself is a change order) to find control options that leverage our new SCADA design rather than hinder it. SEAPA staff will present the alternatives to KPU and the board at the completion of Phase I during the December Board Meeting.

Staff will ask the board's consideration of these options under New Business at the board meeting.

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 Tyee 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. Long term, the stream gage will allow us to better assess the basin as we evaluate expanding the Tyee project during the relicensing process. And finally, 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 and rates stay at \$68/MWh.



Tyee Outlet Lake Level 1400 ft, August 2012.

We have secured all of the necessary permits and approvals including historical artifacts. Since our board meeting last April we issued an RFP for log removal. The response to that RFP was dismal; we received one proposal from Northern Management Services that estimated a probable cost of \$574,256 but also included a not-to-exceed value of \$874,256. The proposal utilized a heavy lift helicopter from Columbia Helicopters. We notified Northern Management that we would decline the offer. Time is short however; SEAPA staff is working on two options that will be discussed in further detail at the board meeting.

Please note that FY13 expenditures do not include approximately \$5,000 in engineering costs for development of a design-build RFP by McMillen, LLC (Dan Axness) that will be charged in late June or early July.

Swan Lake Reservoir Expansion

From last board meeting:

1. An Initial Consultation Document (ICD) was filed with FERC on 4-15-18 (a voluminous read at 642 pages when the reports are included).

To view the ICD document, navigate to:

http://elibrary.FERC.gov/idmws/file_list.asp?accession_num=20130416-5183

2. Resolution 2013-046. This resolution of the SEAPA Board continues its commitment to the Swan Lake Reservoir Expansion Project even though State funding would not be received this year, and future State funding may at best be in the form of a loan or loans, terms of said loans as yet undetermined.

This board meeting:

Our next step is to complete Tongass National Forest (TNF) resource reports that will form the basis of our preliminary draft environmental assessment document. This document will be submitted to the agencies for comment, comments will be addressed, then the draft environmental assessment will be included in the license application. For this work to occur, we need a task order approved for Tetra Tech, Inc., our environmental consultant, to complete analysis work and limited site surveys, for a not-to-exceed value of \$89,453. A request to award the task order to Tetra Tech will be addressed under New Business at the board meeting.

On a parallel path, SEAPA staff will issue an RFP for a design-build contract for dam and intake modifications. We will also assemble our Board of Consultants. This board will assist us with passing our plan through FERC's Dam Safety review process. We may also organize a timber cruise of DNR lands and there is an outside chance we will order LIDAR flights to map the vegetation around the reservoir in more detail. The license amendment application will contain the approved civil engineering plan, the Board of Consultant's summary, FERC's dam safety review, the economic benefit report, the TNF resource reports, and the environmental assessment. We have a busy July and August to get that all organized and issued.

Swan Lake Reservoir Expansion -Total Project Cost Estimate:

Project Costs	2011 - 2012	2013	2014	2015 - 2016	Total
Feasibility Study	\$389,000				
License consulting		\$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
Total	\$389,000	\$672,350	\$1,296,611	\$9,416,698	\$11,774,659
Escalation	\$0	\$0	\$132,903	\$1,484,307	\$1,617,210
Project Grand Total	\$389,000	\$672,350	\$1,429,514	\$10,901,005	\$13,391,869

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	\$551,102	

A portion of our permitting and engineering costs, up to a maximum of \$578,000 will be reimbursed using the AIDEA grant funds.

Swan Lake Spare Winding

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 Lake. 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 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. The enclosure will be designed by Morris Kepler; design check by SEAPA, and constructed by the Swan Lake crew.

Swan Lake Spare Winding	FY13	FY14
Budgeted	\$895,000	\$
Actual to Date	\$856,000	

Tyee Gate Controls Replacement

(No change from our last board meeting)

We have ordered and received the controls and electrical fittings. This job was delayed again from the previous May-June time period for two reasons:

- 1) scheduling conflicts with plant employees
- 2) timing of replacement of the propane generator

	FY13
Budgeted	\$35,000
Actual to Date	\$ 6,500

The generator is scheduled for delivery this July, and to save helicopter expenses, we have delayed control refurbishment to coincide with the generator replacement.

Swan Lake Maintenance Support Managed by SEAPA (a Reliability Assurance Program)

During FY13, our consultant, Morris Kepler, provided oversight and training services for the repair of major turbine components. This spring, he provided project management and in-plant oversight for replacement of the 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. Cavitation welding and draft tube repair will continue, and may require additional oversight as the make-up of the Swan crew is changing.

Kepler task orders for FY2013 have either expired or been consumed and we still have a few issues to overcome in addition to those mentioned above. The additional issues are:

- Problematic cooling water passage and RTD well in Unit #1
- Both units have developed packing leaks but Unit #1 packing should be replaced
- RTD measurement for determining winding temperature is incorrect

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

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 by far a 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 construction RFP, and will issue a request for bids this July-August, hopefully with local firms. Tyee crews installed an isolation valve on the main header during the annual shutdown 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. Previous budget summaries reported a project cost of \$154,187. We have increased this amount to include new metering. The project is now budgeted at \$199,700 and is included in the FY14 R&R budget.

Request for Offers of Power and Energy (RFO)

Please see the following Board packets for a history of the RFO:

June 2012 and September 2012 (CEO Report)
December 2012, March 2013, April 2013 (Director of Special Projects Report)

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

The RFO has developed interest and responses 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. Our next step is to prepare for the review of Option 4 offers due this November.

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. 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 the Business Analysis Task (RFO) which is well under budget and on schedule. We issued an RFP for Hydro Site Evaluation during the third week of May; responses are due June 19th, and we expect to have the best three proposals identified by July 3rd, conform a contract by the end of July, and have engineers and technicians in the field this August or September. The project management task will see expenses during the latter half of this fiscal year. Electrical and hydraulic modeling will start during the second half of FY15.

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
DCCED Total			\$3,000,000

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 and Power Scheduling

June and December SEAPA Board of Director's meetings are a good time to review the Operations Plan. The Operations Plan is not part and parcel or separate from the day-to-day delivery process; it is integral to our day-to-day and weekly power flow decisions. The simplest way to think of the long-term operations plan is to pretend it's your job and the date is mid-January. It is Monday morning -- tomorrow morning you will suggest generation levels to our member utilities. What level of generation should you select for tomorrow, constant for the week, such that we don't run out of water at Tyee next April or May? It's not just that Tyee is the dedicated resource of Petersburg and Wrangell, although from the PSA perspective that is quite important, but on a minute-to-minute basis Tyee is also the entire area's load following work horse, provides the majority of our voltage support, and is the go-to frequency response plant. In the power delivery business this is called ancillary services. There is only one way to replace these functions -- call Mr. Diesel. Running diesel for ancillary service is a really bad deal. That is what we mean by integral to our minute-to-minute power flow decisions; the long-term water plan can't starve Tyee *unless there is adequate water storage at Swan Lake acting as a reserve*. Swan Lake can also provide ancillary services in a large proportional degree relative to our utility member machines, but the reservoir level (Head) must be greater than 295

ft when the intertie is closed and Tyee is off-line. Therefore if Swan Lake has been drafted to supply energy, the entire control area ancillary trump card is at Tyee.

Now back to the longer range aspects of the Operations Plan. How does SEAPA staff determine how much water to release this week so that later in the spring, with all the uncertainty of weather forecasting associated with coastal Alaska, there will be adequate water at Tyee?

A - We guess! Steve and I have an Ouija board; Kay poses questions while Trey and Sharon place bets. The next week the bets are cleared and we do it over. I am quite broke; a portion of my check stays in Kay's cubicle.

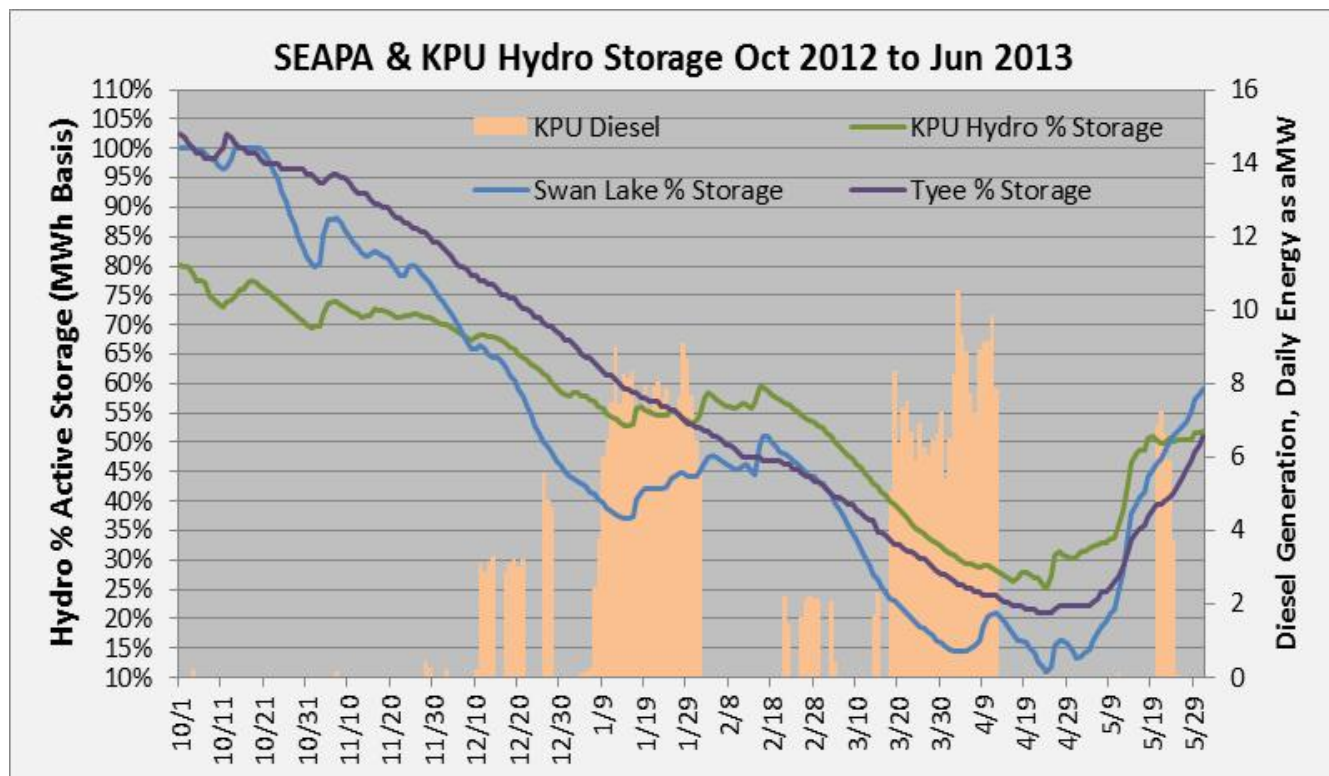
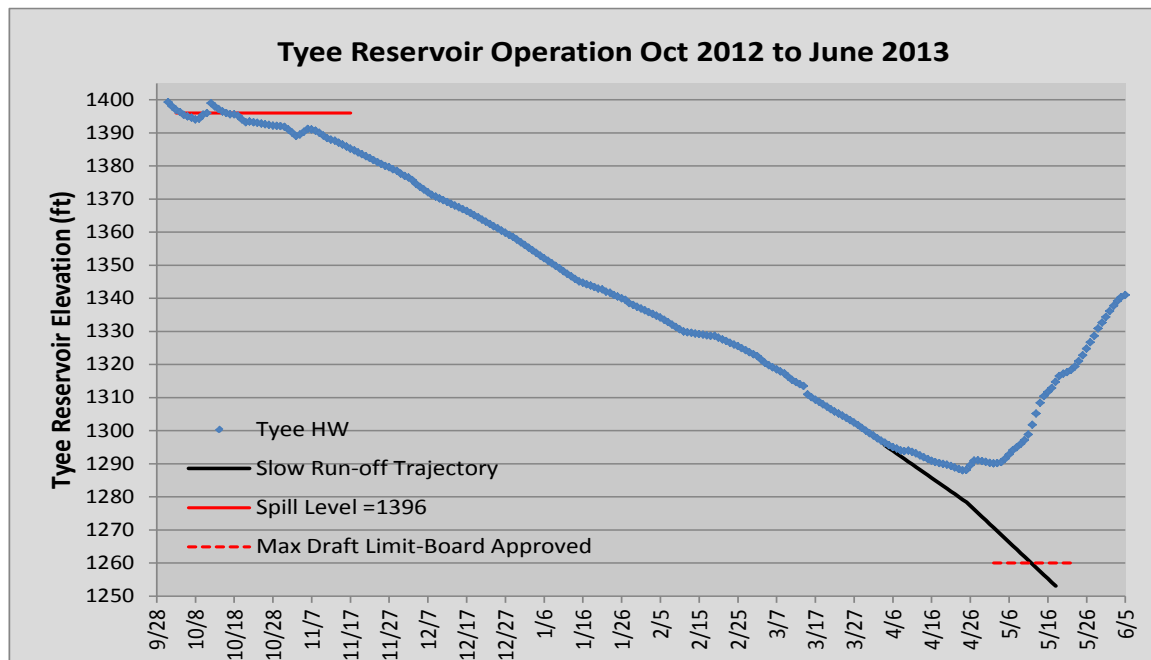
B - We run a hydraulic-power model that has as inputs: load forecasts, and inflow forecasts, and availability of machines, and KPU and PMPL generation forecasts, and we run it, then we run it again with more or less water, and again with more or less load. We plot the water levels and send out a schedule, preliminary for review, every Tuesday at 8:30 am. Our inputs are relatively good in the short term, but then each week the future is more cloudy until we're using plain old average. We then plot to see if we'll have enough water at Tyee in the spring. We literally take a stab in January when we think the run-off will start. Swan Lake has a similar model, but if KPU wants to drain Swan Lake against our (better?) judgment, well they can (PSA). For the most part KPU has a similar view to our view of when to draft (drain) and when to fill Swan Lake.

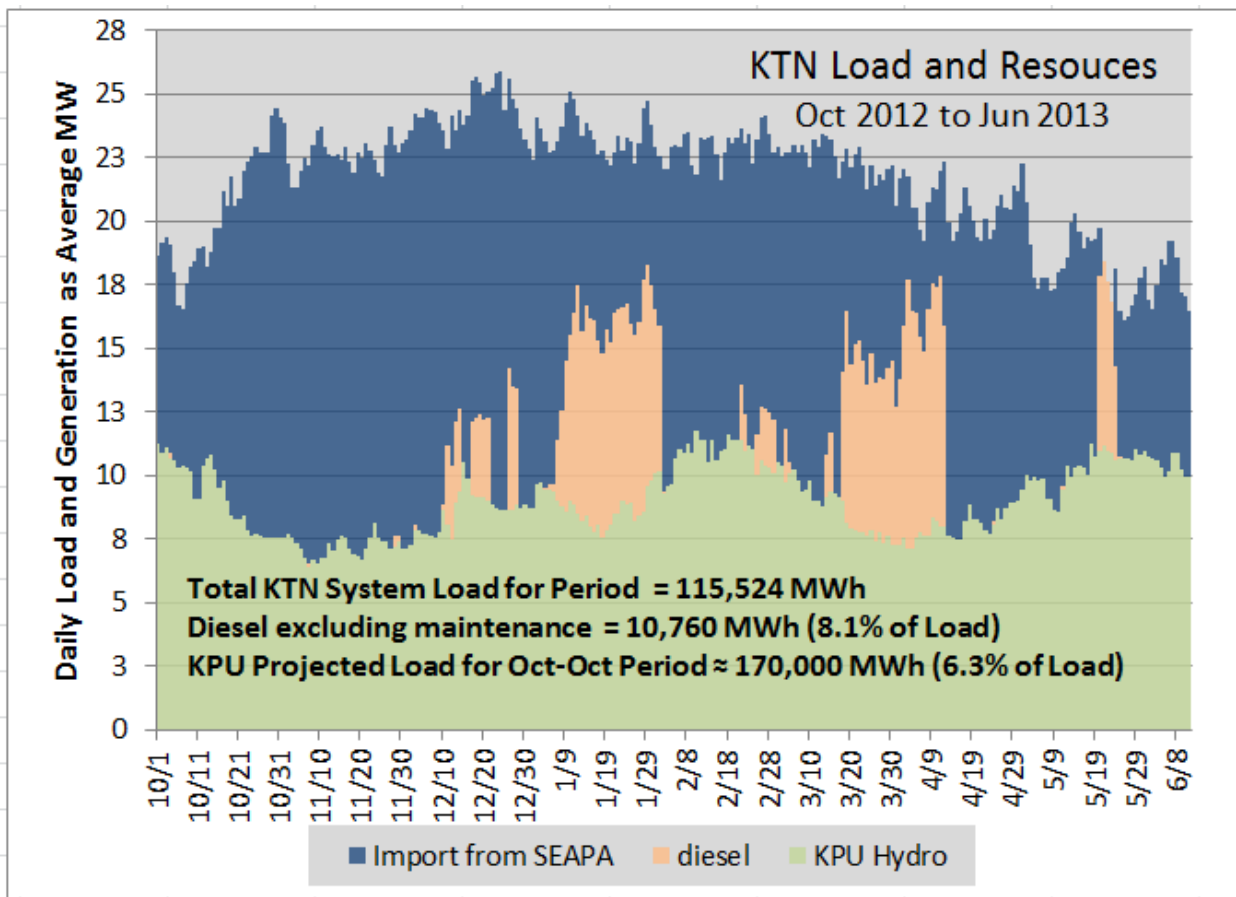
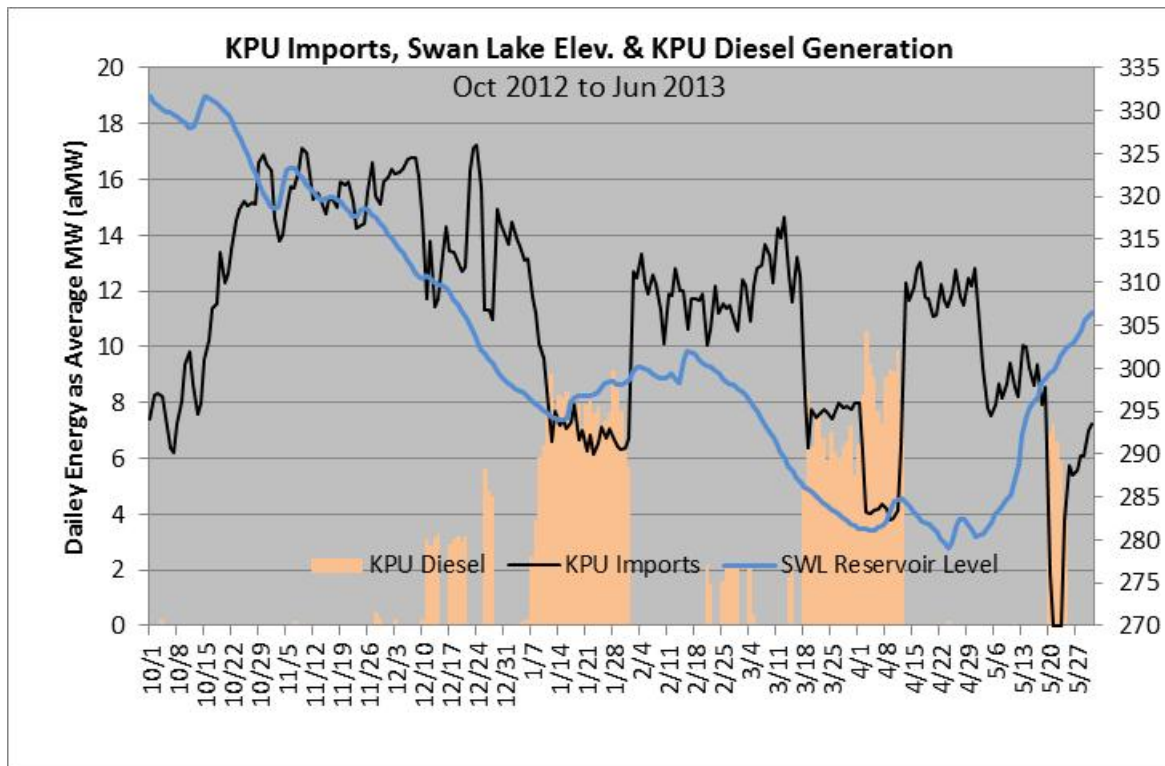
So let's review:

- the hydraulic model is only as good as the inputs, and all utilities live with this uncertainty
- Hydraulic power models are common in the utility industry; it is also common not to follow the answer because your gut-feel, or your business plan, or your business culture, does not agree with the output. This gets worse with optimization models - what is the optimization goal? Maybe it's ratepayer exposure to diesel generation; maybe it's utility net income.
- We don't have a market, so if a member doesn't accept 8 MW when they said that's what they thought they wanted, well so what, the water piles up either at Swan or Tyee. The converse is true; if they take 10 MW when they said they wanted 7 MW, well now we're a little lower somewhere. But there is a very important distinction. It is not just the water. If you cannot schedule accurately, it is very difficult to operate efficiently! That's why there are penalties down south for breaking schedules; **We are not advocating penalties!** We are just pointing out why scheduling is important; costs are involved and these costs are not obvious to our member utilities.
- Our long-term water plan is tied to the minute-to-minute operation because we are predominately hydro (100% on a load following basis; 97% on an energy basis). This means SEAPA cannot just take a unit offline. In fact, we poured millions into Tyee because we knew it would never be offline. The same goes for Swan, while it is rare for two machines to operate at Swan, this is the primary ready reserve location for our system. It's true we have a pot-load of diesel, but do you really want to start it?

Now it's time to schedule. We will go over a schedule at the meeting, then review the two graphs on the next page. We think this will be a very valuable exercise as it's time to modify our Operations Plan. This is truly a team effort. We really are tied at the hip, and as a board member in charge of long-range policy, your high level understanding of the reasons behind our decisions is very important. We're ready for a bit of critical review, and we have suggestions for improvement. Our Operations Plan was never thought of as cast in concrete. (I know what you're thinking - please save it for the dinner party).

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DIESEL PROTOCOL MEMOS

Southeast Alaska Power Agency

DATE: February 1, 2012
TO: SEAPA Board of Directors
FROM: Dave Carlson
SUBJECT: Diesel Protocol

Joe Nelson requested that this topic be placed on the agenda for this meeting. For the benefit of new members, the board has spent portions of several meetings over the past couple years discussing the development of a Diesel Protocol. Simply stated, there may be specific situations and conditions where it would be equally beneficial to all members and ratepayers for SEAPA to authorize and pay for one or more of the utilities to generate with diesel.

Behind this memo, you will find the following documents which will help frame the discussions that took place. Almost a year ago, the board considered a Resolution, which would have been the 'first step' in establishing a Diesel Protocol. There were concerns raised by some board members and no further action was taken.

This may be a good opportunity to resurrect this issue. I do not expect any action will be taken at this meeting but this agenda item will provide an opportunity for you to give direction to staff on how (or if) you would like to proceed on the development of a Diesel Protocol.

The attached documents include the following:

1. Memo from Dave Carlson dated October 27, 2010
2. Memo from Joel Paisner dated October 31, 2010
3. Memo from Dave Carlson dated February 9, 2011
4. Draft Resolution 2011-035

Southeast Alaska Power Agency

DATE: October 27, 2010
TO: SEAPA Board of Directors
FROM: Dave Carlson
SUBJECT: Diesel Protocol

The purpose of this memo is to provide background and discussion points for the development of an agreed-upon Diesel Protocol or policy. As you are aware, diesels are used to generate power due to a number of circumstances. Even though all of the member utilities have diesel generation in place to provide back-up when local or Agency hydro power is unavailable, this generation is costly and has public relations concerns. It is fair to say that everyone is working on the same goal of reducing diesel generation to the maximum extent possible. Nonetheless, diesel generation is required and is an integral component of the overall generation mix. This memo will attempt to define the sets of conditions when diesel generation is required and also provide discussion points to be used in the development of a Diesel Protocol.

I expect this document to spawn some extensive discussions before an agreed-upon Protocol is developed. Any protocol or policy that is developed and agreed to by the Board would be in the form of a resolution.

It is important to remember that the member utilities share in the benefits and risks associated with the Agency's operations. Benefits can flow to the utilities via the wholesale power rate, rebates, meeting reserve requirements, etc. Benefits could also be delivered to the member utilities in other ways including the offset of diesel generation costs in agreed-upon circumstances.

Background: With the completion of the Swan-Tyee Intertie, as well as capital projects that are currently underway or recently completed at both the Swan Lake and Tyee Lake projects, there have been several occasions when the member utilities have had to run diesels because the Agency-owned hydro projects or transmission lines were taken out of service and thereby SEAPA hydro power was unavailable for delivery. Additionally, there could be occasions when it may be advantageous to run diesels for the overall benefit of a more efficient, long-term water management schedule.

The Long-Term Power Sales Agreement ("LTPSA") recognizes that interruptions or restrictions of deliveries (of power) will occur to allow the Agency or a Purchasing Utility to inspect, maintain, repair, test, or otherwise service its facilities or equipment. There is no obligation or requirement that the Agency pay for the diesel generated by a member utility to replace the power unavailable from an Agency-owned hydro project.

While the Agency is under no obligation to pay for diesel generation costs incurred by the member utilities, there may be instances when it could be in everyone's interest to have the

Agency pay for specific and agreed-upon diesel generation costs. This could include cases when sharing of risk seems appropriate. These and other circumstances when diesel generation occurs are addressed in this memo.

Discussion: The following is a summary of the issues and situations that may require diesel generation. There is also the need to develop a policy for how these diesel generation costs are invoiced. The issues and situations are summarized below:

1. Diesel generation required due for a planned capital project or planned maintenance at Agency-owned hydro projects or transmission lines.
2. Diesel generation required due to an unplanned event or outage resulting in the unavailability of power deliveries from Agency-owned facilities.
3. Diesel generation 'recommended' by the Agency due to Operations Plan/Water Management.
4. Diesel generation 'necessary' to support reserve requirements.
5. Diesel generation dispatch from one utility to other interconnected utilities when Agency power is not available.
6. Billing procedures for approved diesel generation by a utility.

There are, no doubt, additional issues and subsets to the above that will be identified as each of these issues are evaluated. The following is a brief discussion regarding each of the issues:

1. **Diesel Generation Required for a Planned Capital Project or Planned Maintenance at Agency-Owned Hydro Projects or Transmission Lines:** The Agency has recently completed, or is in the process of completing, several projects at the hydro facilities that required the hydro project to be offline resulting in the unavailability of power deliveries to a member utility.

With the new substation construction at Swan Lake and Tyee Lake, incentives were placed in the contract to reduce the number of outage hours thereby reducing the amount of diesel generation by the local utilities. We have also had occurrences when the contractor for a specific capital project agreed to pay for diesel generation costs and the local utility (in this case, Ketchikan) was reimbursed for diesel generation. (Discussion regarding billing procedures is discussed below.)

Under the LTPSA, the Agency has no obligation to pay for a utility's diesel generation costs if power from an Agency-owned facility is unavailable. However, there are cases when a budget for a planned capital project, upon approval of the Board, could contain an allowance for expected diesel generation costs that a utility is expected to incur as a result of the capital project.

If the Board agrees that it is acceptable and reasonable that diesel generation costs should be paid by the Agency for planned capital projects, I recommend this be conditioned as follows:

- a. The budget for a specific capital or R&R project that will result in the need for a member utility to generate power with diesel should include a line item for 'expected' diesel generation costs.
- b. The budget for the capital or R&R project with the diesel generation component must be approved by the Board.

- c. Invoices for diesel generation submitted to the Agency for payment are approved by the CEO providing they meet the requirements in 'a' and 'b' above.
- d. Diesel generation costs for capital or R&R projects that do not include a budget for diesel generation costs will require Board approval prior to payment. This could be for projects where there was not expected to be an interruption of power from an Agency facility but events occur that result in the need for diesel generation by a member utility. If the Board deems it reasonable that a member utility should be reimbursed for unanticipated diesel generation costs, a line item should be added to the Agency's annual budget to cover these costs.

With respect to the planned & scheduled annual maintenance outages (usually in May and June), I recommend that we continue to work to keep these outages as short as possible with the member utilities continuing to pay for diesel generation costs during these outages. However, with that said, this is certainly a topic that deserves board input and discussion. Would it be appropriate for the Agency to budget and pay for some level of diesel generation during these types of planned outages?

2. **Diesel Generation Required Due to an Unplanned Event or Outage Resulting in the Unavailability of Power Deliveries from Agency-Owned Facilities:** In this situation, these are unplanned events that occur from time to time that require utilities to turn on their diesels to meet load and also restore the system. Generally, these are short outages but do require a member utility, or utilities, to incur costs for diesel generation. There is no obligation that the Agency is required to reimburse the utilities for these diesel generation expenses.

Before providing any recommendations, we need to conduct some research to determine the magnitude of diesel generation costs that have been incurred over the past several years. My impression is that this has not been a huge expense, and I would appreciate input from the member utilities regarding these past costs.

3. **Diesel Generation 'Recommended' by the Agency Due to Operations Plan/Water Management:** In this situation, the Agency could recommend that a member utility should burn diesel in order to maintain or keep water levels at a project from declining below levels agreed to in the Operations Plan. Admittedly, this is a very sensitive issue for the Agency and perhaps even more importantly for the member utilities. There is a significant political hurdle to overcome with the perception that burning diesel should only occur as a last resort. This coupled with the highly unpredictable weather and precipitation forecasts exacerbate this even further. However, it is imprudent to operate projects and manage water reservoirs in a manner that increases the overall cost of power to the ratepayer.

This subject has already received a good deal of discussion and will require much more but it is important that an agreed-upon framework is developed regarding when diesel generation should be initiated in order to prudently execute water management plans within the interconnected system. Because of the dedicated output provisions in the LTPSA, this will initially affect Ketchikan. Ketchikan is understandably nervous about running diesel and charging their ratepayers a surcharge when there is still water in the reservoirs. However, there will be (and has been) times during the year when our water management model shows that it would be prudent to burn diesel. Consequently, there

will need to be some good discussion and an approach developed to address the allocation of risk to both the Agency and the member utilities with respect to these diesel runs. The question of who should pay for the diesel if it turns out the Agency is wrong in its diesel-burn request (i.e., an unexpected rain or series of rain events occur such as the events in late September and October of this year) needs discussion and agreement. Conversely, should Ketchikan be required to pay for the loss of generating efficiency should the Agency turn out to be correct (the rain events do not occur as hoped)?

An example of a diesel request follows: During January 2009 high loads and low inflows caused the rate of draft at Swan Lake to exceed the guide curve draft rate for several weeks. To preserve head, and to re-establish a rate of draft on the guide curve, SEAPA suggested to KPU that they generate with diesel to the extent that Swan generation would be limited to one unit. KPU did not want to burn diesel early in the winter season because the public would not understand a diesel surcharge when Swan Lake and Tyee Lake were not drafted, and rate payers were in the process of paying previous surcharges. This case was a peculiar event as Tyee would not be able to supplement Swan as much as usual later in the winter due to the rewind project. In the end, a strong storm increased inflows and loads decreased. What if the weather pattern had remained cold and dry? KPU absorbed the risk that weather would turn warm and wet in sufficient time that the rewind constraint would not cause an extended period of diesel generation. The risk trade-off was a greater diesel generation level in the future if diesel is not used now to a limited degree. This example is typical of water management issues and also shows that each case is specific in nature, and that a supplemental diesel reimbursement for water management issues needs to be judged on a case-by-case basis.

4. Diesel Generation 'Necessary' to Support Reserve Requirements:

- a. Spin Reserve: With the increase of conversions to electric heating, there will be occasions in the very near future when there is not enough installed hydro capacity within the interconnected system to meet these loads and provide spinning reserve. SEAPA has presently been providing this spin reserve for the member utilities. The member utilities that have their own hydro (Ketchikan & Petersburg) generally do not supply this reserve themselves and rely on SEAPA's capacity to provide this spin. SEAPA is currently under a spin reserve rule to continuously provide 4 MW of on-line reserve capacity. Our installed full reservoir capacity is 50 MW. After deductions for voltage support this capacity drops to 46 MW. In mid-winter this capacity drops to 44 MW because of reduced head in the reservoirs. If the net load to SEAPA exceeds 40 MW in mid-winter, SEAPA can meet this load, but the 4 MW spin reserve criteria will not be met. Should we waive the spin reserve rule during very high loads, which is the most critical time to provide reserves, or should diesel supplement the generation mix such that spin reserve is provided?
- b. Contingency Reserve Storage: There is currently a draft limit imposed at Swan Lake that when at or near elevation 280, diesel generation should be initiated to preserve water in Swan Lake for emergencies. If there is sufficient storage in Tyee to refill Swan after the Swan elevation drops below Elevation 280, then why burn the diesel up front? The attenuated risk is now a failure of the Tyee equipment or the Tyee to Bailey transmission path. If Tyee fails and KPU diesel fails, there is still adequate diesel capacity spread across the system to recharge the reservoirs. This example could be one where the option of shared resources reduces diesel generation costs.

5. **Diesel Generation Dispatch from One Utility to Other Interconnected Utilities when Agency Power is Not Available:** This is a discussion that needs to take place primarily between the utilities. In situations when an event occurs resulting in an unplanned outage affecting the entire system, there could be good reason and justification to have one utility run diesels to support all the interconnected utilities. Operational issues and system reliability issues need to be addressed, of course, to determine if this is even feasible. Assuming it is, however, the utilities would need to agree and develop a protocol on the dispatch and billing for this power.
6. **Billing Procedures for Approved Diesel Generation by a Utility:** An agreed-upon procedure for invoicing the costs of diesel generation should be developed. The obvious components that could be included in these billing charges include:
 - Cost of diesel
 - Cost of lube oils
 - Cost of labor
 - Amortized capital costs
 - Administration and Overhead

My recommendation with respect to billing is to keep it simple and include only the cost of diesel with an associated credit for the energy that would have been purchased at the current wholesale power rate (6.8 cents/kWh).

I look forward to some good discussion at the meeting. We are breaking new ground here and are in the first steps in the development of a Diesel Protocol policy. As policy makers, I would appreciate your initial thoughts regarding whether SEAPA should consider including diesel expenses within its budgets in certain agreed-upon situations. There are obvious operational discussions that will have to take place among the utilities at the Reliability Committee meetings. I believe we should strive for solutions that benefit and make sense for the ratepayers and our member utilities.

MEMORANDUM

TO: Dave Carlson, CEO, Southeast Alaska Power Agency
FROM: Joel Paisner, Ater Wynne LLP
DATE: October 31, 2010
RE: Payment of Diesel Generation Costs

I. QUESTIONS

1. In connection with the Southeast Alaska Power Agency's ("SEAPA" or the "Agency") obligations to provide continuous electrical service to its Purchasing Utilities under the Long Term Power Sales Agreement ("PSA"), is the Agency required to pay for diesel generation run by the Purchasing Utilities?
2. In connection with SEAPA's obligations to provide continuous electrical service to its Purchasing Utilities under the PSA, is the Agency prohibited from paying for diesel generation costs, in certain board-determined circumstances?

II. DISCUSSION AND ANSWER

Electric Power is to be continuously available by the Agency to its Purchasing Utilities at the agreed upon Delivery Point for each particular system. PSA, Section 4. However, this obligation is limited by the following exceptions:

(a) Interruptions or restrictions of deliveries caused by the reasonable need of the Agency or its Purchasing Utilities to "inspect, maintain, repair, test or otherwise service its facilities or equipment in accordance with Prudent Utility Practice and standards." Id. Such interruptions shall excuse the Agency from its obligations under the Operations Plan.

(b) When a cause or event is *not in the control* of the Agency. (emphasis added)

PSA Section 4(a). Each party to the PSA is obligated to reasonably limit any planned interruptions or restrictions in service, provide reasonable notice of planned outages, and to plan such known outages during light load periods.

The PSA limits the Agency's legal obligation regarding continuity of service to the Purchasing Utilities, and it is not obligated to pay for the outages and restrictions outlined above. Additionally, the PSA states that it "shall not create on the part of the Purchasing Utilities and the Agency any legal duty to maintain continuity of electric power service to any Purchaser's retail customers." Id at Section 4(a)(iii). In other words, if delivery of electric power to the Purchasing Utilities is interrupted, either through planning or causes beyond the control of the

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Agency, the Agency is not responsible to pay for any outages for these excused circumstances. There is no obligation under the PSA to pay either the Purchasing Utilities for the cost impacts from such outages or pay the customers of the Purchasing Utilities for such outages.

The Purchasing Utilities remedy for system disturbances is to refuse to accept power from the Agency until reliability is restored. See PSA, Section 4(c). It is not refusal to pay for impacts from excused interruptions as defined in the PSA.

The question related to this is whether the Agency, in certain defined circumstances *may* pay for system outages, interruptions and restrictions. The PSA itself does not address this question, as it simply defines the core obligations between the Agency and its Purchasing Utilities. It is the Agency bylaws that govern this question. The bylaws define which decisions require unanimous approval of the Board of Directors, which require a super majority (4 of 5) and which require a simple majority vote (3 of 5).

For example, unanimous decisions are those that alter the bylaws, or release of a party from its obligation to take Firm Power. Supermajority decisions are those that relate to the addition of hydroelectricity or transmission, approval of the Operations Plan, the sale of surplus power, or entering into long term service or operations contracts.

The proposal reviewed by this memorandum relates to an overall diesel generation plan and protocol. In it, the proposal is that under certain circumstances – Agency proposed water management, or Agency proposed repair and facility replacement, or others yet to be discussed, that the Agency budget for the cost of each Purchasing Utility's diesel generation costs due to the agreed upon Agency action. To the extent these payments are included in a budget adopted by the Board, the bylaws do not prohibit such payments. However, in the event such payments are made pursuant to, and part of the Operations Plan, a supermajority must approve such plan, as is required in the Bylaws. See Bylaws, Section 2.11(e).

III. CONCLUSION

The PSA establishes the overall obligations between the Agency and its Purchasing Utilities regarding the sale of electric power. The Agency sells its electric power on a continuous basis, however the PSA recognizes that events occur outside the direct control of the Agency, and excuses delivery of electric power in those circumstances. An example of such excused circumstances was the recent storm that impacted the Swan – Tyee Intertie and the operations at Swan Lake. Clearly those circumstances are beyond any party's control, and any impacts are to be born by each of the parties. Thus, generally, if any Purchasing Utility is required to use diesel generation to supply its customers, under the PSA, it is obligated to pay for such costs. This has been a historical practice of the Agency and its Purchasing Utilities as well.

The PSA does not address the question regarding whether the Agency, in certain defined and approved circumstance may pay for the diesel generation at a Purchasing Utility. Referring to the Agency bylaws, as part of the budgeting process, the Agency may include the costs of

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November 1, 2010

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diesel generation that may occur. As proposed, the practice of including diesel generation costs at a Purchasing Utility impacted due to an approved repair, replacement or restoration project is well within the authority of the Board to consider. It is important to note that in the event such plans to contribute to diesel generation costs are part of the annual Operations Plan, the approval of such policies must be pursuant to a supermajority of the Board.

If you have any questions or further concerns, do not hesitate to let me know.

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Southeast Alaska Power Agency

DATE: February 9, 2011
TO: SEAPA Board of Directors
FROM: Dave Carlson, CEO
SUBJECT: Diesel Protocol Resolution

Over the past year or so, the Board has discussed the development of a Diesel Protocol policy. I am attaching my memo to you dated October 27, 2010 that described the various circumstances when diesel generation by the member utilities may be required. Also attached is a memo from Joel Paisner dated October 31, 2011 that addresses this subject from a legal perspective. The Power Sales Agreement does not require SEAPA to pay for any costs Member Utilities have related to planned or unplanned outages, including any diesel costs. Except in a few special circumstances in the past, these diesel costs were paid by the member utility without any reimbursement. However, there may be situations where it may be advantageous for SEAPA to reimburse certain diesel generation costs. The attached resolution before you includes those circumstances and situations where I believe there was a consensus among board members where SEAPA could reimburse utilities for diesel costs. These are as follows:

- A. A planned and budgeted capital or R&R project that includes a line item within the budget for anticipated diesel generation resulting from the construction or implementation of the project.
- B. A capital or R&R project that was not anticipated or budgeted but arises during the fiscal year resulting in the need for a member utility to generate power with diesel. This type of project would require board approval through a budget amendment and the project would require a specific line item for the anticipated diesel generation.
- C. Annual Maintenance: Each year the projects and transmission lines are taken out of service to conduct annual maintenance. The member utilities have paid for these diesel generation expenses in the past. Under these circumstances, the specific amount of diesel generation to be reimbursed to the member utilities must be included as a separate line item in the board approved budget.

There are, of course, other circumstances when diesel generation could be required but the circumstances listed above were the ones that appeared to have board consensus. This resolution is a starting point and not the stopping point. This policy can always be amended in the future.

Regarding the reimbursement to the member utilities for diesel generation, the resolution specifies that the following policy will apply:

- A. Reimbursement will only cover fuel costs. No labor, capital, lubricants, mark-up, or other expenses will be reimbursed. Upon request from SEAPA, the member utilities will provide verification of the fuel cost.
- B. The member utilities will pay SEAPA, at the prevailing Wholesale Power Rate, for the amount of kWh generated. This payment will be shown as a credit on the fuel invoice.

Attachments:

10-27-10 Memo from Carlson to Board
10-31-10 Memo from Palsner to Carlson
Resolution No. 2011-35

**RESOLUTION OF THE SOUTHEAST ALASKA POWER AGENCY REGARDING DIESEL
PROTOCOL, AGENCY USE OF DIESEL FOR PLANNED EVENTS AND PAYMENTS TO
MEMBER UTILITIES**

Recitals

WHEREAS, the Member Utilities of the Southeast Alaska Power Agency (or "Agency") all have the capability to provide diesel generation to provide electric service to their customers when local or Southeast Alaska Power Agency hydro power is unavailable; and

WHEREAS, the Member Utilities and the Southeast Alaska Power Agency have entered into a Long Term Power Sales Agreement whereby the Agency has agreed to sell and the Member Utilities have agreed to buy the Electric Energy from its two Projects (Tyee Lake and Swan Lake); and

WHEREAS, the Southeast Alaska Power Agency as part of its obligations as owner of the two Projects and the Swan-Tyee Intertie, must plan, schedule and complete ongoing capital improvement projects, and repair and replacement projects, that may result in certain planned outages of some or all of the two Projects and the Swan-Tyee Intertie; and

WHEREAS, due to unplanned events, storms, outages, and other force majeure events, may result in the unavailability of power from the Agency-owned facilities requiring Member Utilities to resort to diesel generation to serve customer loads; and

WHEREAS, consistent with the Operations Plan, and with the system wide requirements to support necessary reserves, and consistent with prudent utility practices, the Southeast Alaska Power Agency hereby approves and authorizes the following procedures to address the impacts to its Member Utilities for use of diesel generation in specific circumstances.

NOW THEREFORE BE IT RESOLVED, the Southeast Alaska Power Agency, shall in certain circumstances, pay for and defray the costs of a Member Utility's diesel generation.

1. The Long Term Power Sales Agreement between the Agency and the Member Utilities governs all sales, purchases and delivery of Electric Energy and capacity from the Agency Facilities. All parties to the Long Term Power Sales Agreement acknowledge that, consistent with Section 4, power from the Agency Facilities may be interrupted due to events beyond the control of the Agency, and for maintenance, repair, testing or other similar circumstances of Agency facilities.

2. Consistent with the Long Term Power Sales Agreement, and Prudent Utility Practices, the Southeast Alaska Power Agency agrees to provide certain payments for its Member Utilities diesel generation, but the following conditions must be met before any such payments will be made:

- (a) Any planned capital project, repair & replacement project or scheduled annual maintenance for SEAPA facilities including transmission lines must include a specific budget line item for planned outages requiring diesel generation directly caused by the capital

project, repair & replacement project or scheduled annual maintenance.

(b) The budget for the planned capital project, repair & replacement project or scheduled annual maintenance is approved by the Agency Board of Directors, consistent with Agency Bylaws and the Long Term Power Sales Agreement.

(c) In the event a repair and replacement project arises during the fiscal year that was not approved for that year's budget, the Agency Board of Directors shall specifically approve any proposed payments for diesel generation directly related to the repair and replacement project.

3. Payments made shall only be for the direct actual cost of diesel to be purchased. No labor, capital costs, materials, overhead or other extra costs will be reimbursed by the Agency pursuant to this diesel reimbursement resolution. Each Member Utility will provide the Agency with an invoice detailing both the direct fuel costs authorized herein, as well as a credit back to the Agency for energy generated during the outage period. The energy credit to the Agency shall be at the then current Wholesale Power Rate annually established by the Agency.

4. Any other payments from the Agency to the Member Utilities must be approved by the Board of Directors of the Agency, consistent with its Bylaws and the Long Term Power Sales Agreement between the Agency and its Member Utilities.

5. In the event there is a conflict between the policies established by this resolution, and the Long Term Power Sales Agreement, the Long Term Power Sales Agreement shall govern.

THE SOUTHEAST ALASKA POWER AGENCY,

DATED _____

By: _____

Its: President

ATTEST: _____

SOUTHEAST ALASKA POWER AGENCY

Date: June 19, 2013
To: Board of Directors
From: Trey Acteson, CEO
Subject: Resolution 2013-049 Re: Reimbursement of Capital Expenditures

Attached for your consideration is Resolution 2013-049, which is a declaration of intent for SEAPA to be reimbursed from the proceeds of any future borrowing for any capital expenditures we make for the Swan Lake Reservoir Expansion Project. I will elaborate more at the board meeting.

SUGGESTED MOTION
I move 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.

Resolution 2013-049

**The Southeast Alaska Power Agency
Resolution of the Board of Directors
Declaring an Official Intent to Reimburse Capital Expenditures made in Connection
with the Swan Lake Reservoir Expansion from Proceeds of Future Borrowing**

WHEREAS, The Southeast Alaska Power Agency (“SEAPA”) intends to make capital expenditures in connection with the Swan Lake Reservoir Expansion (the “Project”) from funds that are available but that are not (and are not reasonably expected to be) reserved, allocated on a long-term basis, or otherwise set aside for those expenditures, and reasonably expects to be reimbursed for those expenditures from proceeds of bonds or other obligations (“bonds”) issued to finance those expenditures; and

WHEREAS, certain federal regulations relating to the use of proceeds of tax-exempt bonds to reimburse the issuer of the bonds for certain expenditures made before the issue date of the bonds require, among other things, that not later than 60 days after payment of the original expenditure SEAPA (or any person designated by SEAPA to do so on its behalf) declare a reasonable official intent to reimburse those expenditures from proceeds of bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Southeast Alaska Power Agency as follows:

Section 1. Description of Expenditures to be Made. SEAPA intends to make (and/or, not more than 60 days before the date of this declaration, has made) expenditures, and reasonably expects to reimburse itself for those expenditures from proceeds of bonds, for the Project.

Section 2. Maximum Principal Amount of Bonds Expected to be Issued for the Project. SEAPA expects that the maximum principal amount of bonds that will be issued to finance the Project will be \$13,500,000.

Section 3. Declaration Reasonable. The Board of Directors of SEAPA has reviewed its existing and reasonably foreseeable budgetary and financial circumstances and has determined that SEAPA reasonably expects to reimburse itself for expenditures for the Project from proceeds of bonds because SEAPA has no funds available that already are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by SEAPA for those expenditures on the Project.

Section 4. Limitations on Uses of Reimbursement Amounts. SEAPA will not, within one year after the expected reimbursement, use amounts corresponding to proceeds received from bonds issued in the future to reimburse SEAPA for previously paid expenditures for the Project in any manner that results in those amounts being treated as replacement proceeds of any tax-exempt bonds, i.e., as a result of being deposited in a reserve fund, pledged fund, sinking fund or similar fund (other than a bona fide debt service fund) that is expected to be used to pay principal of or interest on tax-exempt bonds, nor will SEAPA use those amounts in any manner that employs an abusive arbitrage device to avoid arbitrage restrictions.

Section 5. Date of Declaration. This declaration of official intent shall be dated as of the date of adoption of this resolution.

Section 6. Ratification and Confirmation. Any actions of SEAPA or its officers or directors prior to the date thereof and consistent with the terms of this resolution are hereby ratified and confirmed.

Section 7. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved this _____ day of June 2013.

THE SOUTHEAST ALASKA POWER AGENCY

By _____
Bob Sivertsen, Chairman of the Board

ATTEST:

Sam Bergeron, Secretary/Treasurer

SOUTHEAST ALASKA POWER AGENCY

DATE: June 19, 2013

TO: Trey Acteson, CEO

FROM: Steve Henson, Operations Manager

SUBJECT: Satellite Communications System Project

Staff elaborated in the Operations Manager's report on the reasons for requesting an award of the Satellite Communications System Project to Futaris Inc. Based on the information provided to date, it is requested the contract for the Satellite Communications Upgrade Project be awarded to Futaris Inc. for an estimated not-to-exceed value of \$154,000 for hardware, installation, site surveys, and freight for the following SEAPA WAN locations: Swan Lake Powerhouse, Tyee Lake Hydroplant, and SEAPA's main office in Ketchikan. A copy of the Communications Upgrade R&R #232-13 with project cost estimates is included in the FY14 budget for the board's consideration and is also attached for your review.

SUGGESTED MOTION
I move to authorize staff to enter into a contract with Futaris Inc. for an estimated amount not to exceed \$154,000 for the Satellite Communications System Project.

Project Name	COMMUNICATIONS UPGRADE		
Project Description	Satellite Mesh (Private-Channel Connection) Network		
Cost Estimate	\$256,000	Project Responsibility:	Steve Henson
Start Date:	JUL, 2012	Project Management:	Segrity Inc
Completion Date:	JUN, 2014	Design/Engineering:	Futaris
Submitted By:	Steve Henson	Installation:	Futaris
Project Discussion			
<p>This R&R project was originally approved by the board in June 2012 under the original name of "Skywrap." During FY13, the Skywrap product and alternative systems were evaluated further. After reviewing the initial expense and replacement costs associated with the Skywrap product, the decision was made to deploy a lower-cost option. An RFP for a satellite communication system was issued, and the successful proposal was submitted by Futaris since they were the only entity whose satellite could be seen from the Tyee Lake project. Installation of all satellite dishes and communication equipment are scheduled to take place this summer (pending permitting at Tyee Lake).</p> <p>This satellite system will provide enhanced internet and phone at the plants and improve communications between Swan Lake, Tyee Lake, the SEAPA office, switchyards and substations. It will increase security across the entire SEAPA system and is compatible with the enhanced security mandates for communication control of power systems being rolled out by the North American Electric Reliability Corporation (NERC) and are currently required in the lower 48, but not yet in Alaska.</p> <p>Segrity LLC has provided technical analysis during the evaluation of this project and will oversee installation and startup. Monthly service fees of approximately \$8200, based on a two-year contract, are included in the O&M budget.</p>			

Project Cost Estimate			
Item	Cost	Budget Request	
Equipment & Installation at SWL/TYL	\$41,738	Approved FY13	\$2,150,000
Equipment & Installation PSG/WRG	\$59,007	---	---
Phone system infrastructure	\$18,000		
Tyee building & cabling	\$34,000	FY14 Budget	\$256,000
SEAPA Office Equip. & Install	\$14,519	Spent FY13	(\$11,000)
Tyee Lake permitting	\$25,000		
Project Management	\$34,000		
Installation Contingency/RFP/Travel	\$29,000		
Total	\$255,264	FY14 Total	\$245,000
Project Cost Estimate Discussion			
Costs are based on Futaris proposal.			

SOUTHEAST ALASKA POWER AGENCY

DATE: June 18, 2013

TO: Trey Acteson, CEO

FROM: Eric Wolfe, Director of Special Projects

SUBJECT: Swan Lake Reservoir Expansion Project | Award of Contract to Tetra Tech, Inc.

Staff elaborated in the Director of Special Project's report on the reasons for requesting the sole sourcing of a contract to Tetra Tech, Inc. to complete analysis work and limited site surveys in an effort to complete Tongass National Forest Resource Reports for a not-to-exceed value of \$89,453 for the Swan Lake Reservoir Expansion Project.

Based on the information provided, it is recommended a contract be awarded to Tetra Tech, Inc. for a not-to-exceed value of \$89,453. Funds of \$1,051,000, which will be offset by \$575,750 from the DCCED Grant, are requested for this R&R Project No. 242-13 in the FY14 budget.

A suggested motion for the recommendation is as follows:

SUGGESTED MOTION
I move 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.

SOUTHEAST ALASKA POWER AGENCY

DATE: June 18, 2013

TO: Trey Acteson, CEO

FROM: Eric Wolfe, Director of Special Projects

SUBJECT: Supervisory Control and Data Acquisition (SCADA)
Upgrade and Integration Project

Staff elaborated in the Director of Special Project's report on the reasons for requesting an award of the SCADA Upgrade Project to Fiber Fusion, Inc. and sole-sourcing a contract to Segrity, LLC for site project management and installation oversight for a not-to-exceed value of \$116,000.

Based on the information provided, it is recommended the contract for the project be awarded to Fiber Fusion, Inc. for a not-to-exceed value of \$513,211 and a contract be awarded to Segrity, LLC for a not-to-exceed value of \$116,000 for site project management and installation oversight. Funds for the SCADA Upgrade R&R Project No. 220-12 were approved in the FY13 budget and will be carried over into FY14, subject to board approval. Suggested motions are as follows:

SUGGESTED MOTION
I move 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.
SUGGESTED MOTION
I move to authorize staff to enter into a contract with Segrity, LLC. for an amount not to exceed \$116,000 for site project management and installation oversight for the SCADA Upgrade and Integration Project.

SOUTHEAST ALASKA POWER AGENCY

DATE: June 18, 2013

TO: SEAPA Board of Directors

FROM: Trey Acteson, CEO

SUBJECT: Award of Contract for State Lobbyist for FY14

As already elaborated in my CEO Report, I recommend that a contract be awarded to Ray Matiashowski, d/b/a Ray Matiashowski and Associates for a not-to-exceed value of \$48,000. Funds for the lobbyist contract are included in the FY14 budget (#922000). A suggested motion is as follows:

SUGGESTED MOTION
I move 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.

SEAPA 2013 BOARD MEETING SCHEDULE

June 25-26 (Tuesday-Wednesday)	Board Meeting in Petersburg (split meeting 12:30 to 5:30 pm on Tues; 9:00 am to 2:00 pm on Wed)
August 27, 2013 (Tuesday)	Board Meeting in Ketchikan
October 15-16, 2013 (Tuesday-Wednesday)	Board Meeting in Wrangell (split meeting 11 am-5 pm on Tues; 9 am-2 pm on Wed)
December 17, 2013 (Tuesday)	Board Meeting in Ketchikan