



SOUTHEAST ALASKA POWER AGENCY

Special Board Meeting AGENDA

SEAPA Offices | Ketchikan, Alaska

March 9, 2017 | 10:00 a.m. AKST

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

1. Call to Order
 - A. Roll call
2. Approval of the Agenda
3. Persons to be Heard
 - A. Ralph Kibby, Chatham Electric, Inc.
4. Old Business
 - A. Clarifications Re 2017-2019 Annual Transmission Line Maintenance Contract
5. New Business
 - A. Consideration and Approval of Swan Lake Debris Boom Assembly and Installation Contract
 - B. Consideration and Approval of Lease for Additional Office Space for SEAPA Offices
 - C. Executive Session Re Bid Bond Discussions
6. Adjourn



SOUTHEAST ALASKA POWER AGENCY

DATE: March 6, 2017
 TO: SEAPA Board of Directors
 FROM: Trey Acteson, CEO
 SUBJECT: Clarifications Re 2017-2019 Annual Transmission Line Maintenance Contract

During the February 8-9, 2017 board meeting in Petersburg, a motion was made and seconded to award the 2017-2019 Annual Transmission Line Maintenance contract to Electric Power Constructors, Inc. (EPC). After much discussion, Mr. Prysunka moved to amend the motion to award the contract to Chatham Electric instead, and although the motion was seconded by Ms. Zenge, possibly because of inaudibility and/or additional discussion that followed, the amended motion was inadvertently withdrawn by Mr. Prysunka, before a vote could be taken as it was believed the motion was not seconded, and the main motion awarding the contract to EPC was voted on and passed.

The voice recording of the meeting confirms that the amended motion was seconded by Ms. Zenge and to clarify the Board's final decision, staff recommends that the prior decision to award the contract to Electric Power Constructors, Inc. be ratified by the Board of Directors, and be brought back under old business for a vote:

SUGGESTED MOTION

I move to ratify the prior motion of the Board of Directors made during SEAPA's February 8, 2017 board meeting awarding a contract to Electric Power Constructors, Inc. for SEAPA's 2017-2019 Annual Transmission Line Maintenance Contract, its guy thimble installations and Bucket Truck Inspections, and adopt the not-to-exceed values approved in the prior motion of February 8, 2017.

Also, as another matter of clarification, the numbers presented in the memo distributed to the board showing the three (3) base price bids for the three bidders for the contract showed the following:

Bidder	City/State	Bid Amount
Electric Power Constructors, Inc.	Anchorage, Alaska	\$1,824,678.03
Chatham Electric, Inc.	Juneau, Alaska	\$2,146,440.00
Wilson Utility Construction Co.	Canby, Oregon	\$4,267,322.76

The \$1,824,678,03 shown for EPC did not include the optional amount they bid for the bucket truck inspections of \$112,447.53 whereas the bid amount for Chatham Electric in the table above does include Chatham's optional amount of \$93,600 for bucket truck inspections.

(Wilson declined the option.) The bid amounts in the original motion to award the contract to EPC were accurate. The following table reflects EPC's bid with the bucket truck option included:

Bidder	City/State	Bid Amount
Electric Power Constructors, Inc.	Anchorage, Alaska	\$1,937,125.56
Chatham Electric, Inc.	Juneau, Alaska	\$2,146,440.00
Wilson Utility Construction Co.	Canby, Oregon	\$4,267,322.76

Chatham's base and bucket truck bids are \$209,314 higher than EPC's and their bid for the guy thimbles is \$631,000 higher than EPC's. The table below reflects the difference between the bids with the price of the guy thimbles quoted by these two bidders:

Bidder	Bid Amount		Total
	Base Bid Amount + Bucket Truck Price	Guy Thimble Price	
Electric Power Constructors	\$1,937,125.56	\$202,106	\$2,139,231.56
Chatham Electric, Inc.	\$2,146,440.00	\$833,000	\$2,979,440.00
Difference Between EPC and Chatham Bids with Guy Thimble Price included			\$840,208.44

Any questions related to either of these housekeeping matters may be addressed with staff at the special board meeting.



SOUTHEAST ALASKA POWER AGENCY

Date: March 6, 2017
To: Trey Acteson, Chief Executive Officer
From: Ed Schofield, Power System Specialist
Subject: Swan Lake Debris Boom Assembly and Installation Project

A Request for Proposals for the Swan Lake Debris Boom Assembly and Installation Project was advertised on March 6, 2017. The following two (2) bids were received on February 24, 2017:

Bidder	City/State	Bid Amount
Marble Island LLC, d/b/a Marble Construction	Ketchikan, Alaska	\$227,000
BAM LLC	Ketchikan, Alaska	\$248,000

Independent reviews were conducted and each proposal was evaluated based on experience with Alaska generally and Southeast Alaska in particular in carrying out similar projects, workmanship warranty, bidder's ability to provide and deliver qualified personnel having the knowledge and skills required to effectively and efficiently execute the proposed services, appropriateness of the proposed general approach to the work, proposed time of delivery and/or completion of performance, timeliness of equipment delivery and satisfactory performance obtained by bidder's former clients, overall cost effectiveness and competitive pricing, completeness and quality of bid documents, and all other elements or factors affecting the final cost to and benefits to be derived by SEAPA.

Based on the evaluations of the bids presented, staff recommends award of the Swan Lake Debris Boom Assembly and Installation Project to Marble Island LLC, d/b/a Marble Construction. Both bids were well presented, responsive, and met the criteria required for the project, however, Marble Construction was the low bidder.

During the September 2016 board meeting, the board authorized \$284,000 funding for the Swan Lake Debris boom as a new Replacement and Renewal (R&R) Project (#RR277) in SEAPA's FY2017 R&R Budget; however, the Swan Lake boom installation costs will exceed the R&R estimate due to a more robust boom design. It was determined that the original anchors would not be adequate to support the new boom design resulting in additional costs for shoreline anchoring to assure adequate protection for the dam's new spillway gates, and meet potential maximum flood debris conditions. There is currently \$102,000 unencumbered for this budgeted item. As reflected in the following table, an additional \$125,000 needs to be authorized to cover the installation bid, plus an 11% contingency (\$25,000) to cover any unanticipated rock burden that will not be known until the project progresses:

Unencumbered Funds	\$102,000
Debris Boom Assembly and Installation Bid	<\$227,000>
11% Contingency	<\$25,000>
Budget Increase Requested	\$150,000

Please consider the following suggested motions:

SUGGESTED MOTION
<p>I move to authorize an additional \$150,000 for SEAPA's Swan Lake Debris Boom Project (#RR277) in SEAPA's FY2017 R&R Budget.</p>

SUGGESTED MOTION
<p>I move to authorize staff to enter into a Contract with Marble Island LLC, d/b/a Marble Construction for SEAPA's Swan Lake Debris Boom Assembly and Installation Project for the value of \$227,000, and further authorize an 11% contingency of \$25,000 for a total not-to-exceed value of \$252,000.</p>



SOUTHEAST ALASKA POWER AGENCY

DATE: March 6, 2017
 TO: SEAPA Board of Directors
 FROM: Trey Acteson, CEO
 SUBJECT: Additional SEAPA Office Space

SEAPA currently leases Suites 318 (office) and 319 (storage) in the Borough Office Building. Suite 312, which is 338 square feet in size, is located directly across the hall from SEAPA's current office and has recently become available for lease. Our current space is maxed out and there are good business reasons to consider leasing this additional space. After it came to our attention that there were several other tenants in the building that were also interested in Suite 312, we served the borough a notice of our interest in the space subject to Board approval (see, Attachment 1). The Borough responded to SEAPA's notice of interest on March 1st indicating it would lease the space to SEAPA at the same rate as SEAPA's existing lease (see, Attachment 2). We seek the Board's approval for the lease of Suite 312 for the following reasons:

1. My office is the only private space with a door to conduct sensitive business.
2. We have confidentiality requirements under HIPAA law and discussions are often done in an open office environment.
3. HR personnel matters are often conducted in an open office environment.
4. At times we have had to hold Special Meeting Executive Sessions in my office which does not accommodate adequate seating (for larger groups).
5. Our new engineer will be based in Ketchikan and we'll need a little extra space to adequately accommodate that change.
6. Teleconference meetings conducted at our tech table in the back are often disruptive to others that have cubicles co-located in that area.

The following is a table showing the existing and proposed new office space rent:

Year of Lease Term	Monthly Base Rent per Sq. Ft.	Total Square Footage Subject to Rent	Monthly Base Rent
Year ending Jan 15, 2018	\$1.66	2,475	\$4,108.50
Proposed New Office Space	\$1.66	338	\$561.08
Year ending Jan 15, 2019	\$1.71	2,475	\$4,232.25
Proposed New Office Space	\$1.71	338	\$577.98
Year ending Jan 15, 2020	\$1.76	2,475	\$4,356.00
Proposed New Office Space	\$1.76	338	\$594.88

Please consider the following suggested motion:

SUGGESTED MOTION

I move to authorize staff to enter into an amendment to the existing lease between the Southeast Alaska Power Agency (SEAPA) and the Ketchikan Gateway Borough (KGB) to lease the 338 square foot office space known as Suite 312 for the same rate as SEAPA's current lease of Suite 318, or \$1.66 per square foot, with the lease term and rent escalations in accordance with the existing lease between SEAPA and the KGB.

Attachments:

Attachment 1 2017 0216 Notice of Interest
Attachment 2 2017 0301 Letter from Borough

SOUTHEAST ALASKA POWER AGENCY

1900 First Avenue
Suite 318
Ketchikan, Alaska 99901



Phone: 907.228.2281
Fax: 907.225.2287
www.seapahydro.org

February 16, 2017

Via Hand Delivery

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

Re: Notice of Interest | Suite 312, Ketchikan Gateway Borough Building

Dear Mr. Duran:

Please be advised of the Southeast Alaska Power Agency's (SEAPA) interest in leasing the office space known as Suite 312 on the third floor of the Ketchikan Gateway Borough Building, subject to approval by SEAPA's Board of Directors. SEAPA seeks the Borough's consideration of its interest in Suite 312 as it has been a long-term tenant of its existing lease areas (Suites 318 and 319), the available suite is located directly across the hall from SEAPA's existing leased area, and provides an immediate solution to our administrative office needs. As an existing tenant, leasing this additional space to SEAPA would not increase building traffic or parking needs.

SEAPA's current lease rate effective January 16, 2017 is \$1.66/sq. ft., which is a monthly rate of \$4,108.50 or \$49,302 annually. Suite 312 is 338 sq. ft. and the current tenant is paying \$1.64 sq. ft. or \$554.53 monthly. SEAPA is interested in a comparable rate and would be willing to pay a month rent up front pending the Agency's Board of Directors' approval of the lease, which may be secured on or before March 10, 2017 at a special board meeting.

Please let me know if there is a date available to meet with you to discuss this further and whether SEAPA may make a non-refundable deposit to reserve Suite 312 until we have an opportunity to seek approval from our Board of Directors for a long-term lease. If you have any questions, please do not hesitate to let us know.

Sincerely,



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



KETCHIKAN GATEWAY BOROUGH

1900 First Avenue, Suite 210, Ketchikan, Alaska 99901

• telephone: (907) 228-6625 • fax (907) 228-6684

Office of the Borough Manager

March 1, 2017

Trey Acteson
Executive Director
Southeast Alaska Power Agency
1900 1st Avenue, Suite 318
Ketchikan, AK 99901

RE: Request to Lease Suite 312 White Cliff Building

Dear Trey:

Borough staff has reviewed your request submitted on February 16, 2017, to lease Suite 312 within the White Cliff Building. The rate for the lease of the space is \$1.66 per square feet that is the same rate as your current lease for Suite 318; Suite 312 is 338 square feet in size. Based on this rate the total monthly rent would be \$561.08.

If your organization wishes to pursue the lease at this rate staff's recommendation is to include Suite 312 as an addendum to the existing lease. To complete the lease addendum, please contact Chris French, the Director of the Planning and Community Development Department; his phone number is 228-6638. If you have any questions regarding this letter, please let me know.

Cordially,

Ruben Duran
Borough Manager

cc: Chris French, AICP

**MEMORANDUM
ATTORNEY-CLIENT COMMUNICATIONS**

TO: Lew Williams, Chair
Southeast Alaska Power Agency

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

DATE: March 6, 2017

RE: Suggested Motion for Executive Session

To the extent that the Board of Directors seeks to conduct further discussions relating to potential litigation involving the Swan Lake Reservoir Expansion Project, I recommend the following motion be made:

I move to recess into Executive Session to conduct further discussions relating to a bid bond. The Executive Session will be conducted pursuant to SEAPA's Bylaws which are consistent with Alaska Statute 44.62.310 and will include matters to be discussed with an attorney retained by the Board that the immediate knowledge of which could have an adverse effect upon the legal position of the Agency, the Projects, or any of the Member Utilities represented on the Board.