

Southeast Alaska Power Agency Meeting Minutes

Location: Held Telephonically¹

Date: September 30, 2020

Time: 9:00 a.m. AKDT

Agenda Items

1) Call to Order

A. Roll Call.

Chairperson Lynn called the regular meeting to order at 9:00 a.m. AKDT on September 30, 2020. The following directors and alternates were present, thus establishing a quorum of the board:

Directors	Present Telephonic (T) In Person (IP)	Alternates	Present Telephonic (T) In Person (IP)	Representing	
Karl Amylon	T ²	Jeremy Bynum	T	Swan Lake	Ketchikan
Bob Sivertsen	T	Cliff Skillings		Swan Lake	Ketchikan
Bob Lynn	T	Tor Benson	T	Tyee Lake	Petersburg
Robert Larson	T	Karl Hagerman	T	Tyee Lake	Petersburg
Stephen Prysunka	T ³	Lisa Von Bargaen	T	Tyee Lake	Wrangell

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

Staff	Present Telephonic (T) In Person (IP)	Staff/Counsel	Present Telephonic (T) In Person (IP)
Trey Acteson, CEO	T	Joel Paisner, SEAPA Counsel	T
Clay Hammer, Operations Mgr.	T	Kay Key, Controller	T
Ed Schofield, Power Sys. Sp.	T	Sharon Thompson, EA/CA	T
Robert Siedman, Dir. Eng & TS	T	Marcy Hornecker, Admin. Asst.	T

B. Communications/Lay on the Table Items - None

C. Disclosure of Conflicts of Interest - None

2) Approval of the Agenda

➤ Motion

M/S (Sivertsen/Von Bargaen) to approve the agenda as presented.
Motion approved unanimously by polled vote.

✓ Action
20-845

3) Persons to be Heard - None

¹ The meeting was held telephonically due to recommendations from the Center for Disease Control and its social distancing guidelines. An audio recording of this meeting is available on SEAPA's website at www.seapahydro.org

² Mr. Amylon departed the meeting at 11:40 a.m.

³ Mr. Prysunka joined the meeting at 9:34 a.m.

4) Review and Approve Minutes

➤ Motion	M/S (Von Bargen/Sivertsen) to approve the minutes of the regular meeting of June 30, 2020 and special meetings of August 17, 2020 and September 4, 2020. Motion approved unanimously by polled vote.	✓ Action 20-846
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5) Financial Reports

➤ Motion	M/S (Sivertsen/Larson) to accept year-to-date financial statements through August 2020 and disbursements for June, July, and August 2020 totaling \$1,651,556.19, as presented. Mr. Acteson discussed actions that will be necessary to service new submarine cable replacement debt and noted that although both reservoirs have been spilling at the plants, sales tend to trend lower because Ketchikan and Petersburg can rely on their own hydro resources to meet load. Following further review of revenues and expenses, R&R project expenditures, grants, financial statements and disbursements, the motion was approved unanimously by polled vote.	✓ Action 20-847
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6) Old Business

A. *Community Covid-19 Updates*

Mr. Acteson advised that the Agency has been following the Covid-19 Mitigation Plan filed with the State of Alaska which includes requirements for contractors to get tested prior to entry to any of SEAPA's facilities. Each of the board members spoke to their respective community Covid-19 protocols. Discussions evolved into a consensus that the next regular board meeting should still be held electronically.

B. *Capital Planning Review Process*

Mr. Bynum opened discussions voicing concerns that if there is going to be a potential rate increase in SEAPA's wholesale power rate then the utilities need time to plan and determine what impact it will have. He requested that if an increase is proposed that staff facilitate the process by developing talking points on the need for the increase, how it will be applied, how much the increase would be, and how it will impact future budgets, etc. Mr. Lynn concurred and questioned whether a rate study is prudent. Mr. Acteson advised that the 4R Plan included in the board packet is SEAPA's long-term planning document and that a rate increase would be needed if the Agency is unable to make payments into the R&R fund annually. He noted SEAPA has not raised its wholesale power rate to the communities for approximately 23 years. The Chair invited comments from the Board. Several comments acknowledged the need for additional revenue and the difficulty in balancing that with the financial impacts already being experienced by the member communities and burdens on the ratepayers due to Covid-19 shutdowns. There was no consensus on whether there will be a rate increase.

The meeting recessed at 10:39 a.m. and reconvened at 10:55 a.m.

7) New Business

A. *Consideration and Approval of R&R Project and Increase to FY2020 R&R Budget Re Submarine Cable - Woronkofski*

➤ Motion	M/S (Sivertsen/Larson) to approve R&R project, RR20349 Sub Cable Vank-Woronkofski, with an overall budget of \$13,370,352, as presented at the September 30, 2020 board meeting. The motion was approved unanimously by polled vote.	✓ Action 20-848
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B. *Consideration and Approval of Contract Award Re 2021-2023 Annual Transmission Line Maintenance Contract*

➤ Motion	M/S (Sivertsen/Larson) to authorize staff to enter into a Contract with Electric Power Constructors, Inc. for SEAPA's 2021-2023 Annual Transmission Line Maintenance Contract for the lump-sum bid of \$1,738,991, plus a 10% contingency for supplemental or emergency work of \$173,899 for the total not-to-exceed value of \$1,912,890. The motion was unanimously approved by polled vote.	✓ Action 20-849
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C. *Consideration and Approval of Recruitment and Hiring Re Hydro Communications/SCADA Networking Engineer.*

➤ Motion	M/S (Sivertsen/Prysunka) to authorize the Agency's CEO to recruit and hire a full-time Hydro Communications/SCADA Networking Engineer to provide support for all SEAPA facilities within the salary range of \$98,357 to \$133,071 annually based on the successful candidate's skills and experience. Mr. Acteson reviewed the need for the position and fielded various questions from the board. The motion was unanimously approved by polled vote.	✓ Action 20-850
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D. *Discussions Re CEO Annual Review*

The Directors expressed their consensus with use of the SEAPA CEO Evaluation Form and timeline presented in the board packet, noting that the timeline will establish continuity in a process for future evaluations of the CEO.

8) CEO Report

Mr. Acteson announced that formalization of the Agency's advocacy outreach strategy is a deliverable under SEAPA's 2020 Strategic Plan and that the framework for typical advocacy strategy and focus areas for 2020/2021 were attached to his CEO Report in the board packet. Following a brief discussion of the focus areas, he reported that SEAPA's consultant, McMillen Jacobs, will have their hydrosite investigation complete by the end of October for discussions in executive session at the next board meeting, significant increases are anticipated for the Agency's insurance premiums based on broad losses across the U.S., and that new administrative policies are being drafted with the assistance of the Agency's HR legal consultant.

9) Staff Reports

A-C. *Director of Engineering and Technical Services (Siedman), Operations Manager (Hammer) and Power System Specialist (Schofield)*

The Chair announced the assumption that board members have read the staff reports provided in the board packet and opened the meeting to any questions. No questions were presented. Mr. Acteson announced that Mr. Siedman had prepared a video demonstration of activities at the Swan Lake Plant and requested that he have an opportunity to display that on the Zoom screen. Mr. Siedman presented a three-dimensional tour of the Swan Lake facility and part of the Agency's Swan Lake Station Service Switchgear Construction Project. He illustrated the effectiveness of the 3D video demonstration for a more in-depth understanding of activities and projects at the Agency's plants when travel to the plants is challenging.

10) Next Meeting Date

➤ Motion	M/S (Sivertsen/Bynum) to hold the December 10, 2020 regular meeting of SEAPA's board of directors electronically. The motion was approved 4-1 by polled vote.	✓ Action 20-851
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11) Director Comments

Directors exchanged various comments.

12) Adjourn

➤ Motion	M/S (Sivertsen/Bynum) to adjourn the meeting. The Chair declared the meeting adjourned after hearing several ayes.	✓ Action 20-852
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The meeting adjourned at 12:37 p.m.

Signed:

Attest:

Cliff Skillings

Secretary/Treasurer

Robert Lynn

Chairperson