



SOUTHEAST ALASKA POWER AGENCY

Regular Board Meeting AGENDA

(To be held Electronically¹)

June 30, 2020 SEAPA BOARD MEETING	
Time	Event
9 AM	Meeting Starts
10:30 AM	15-Minute Break
12 Noon	Lunch
1 PM	Meeting Resumes
2:30 PM	15-Minute Break
5 PM	Meeting Adjourns

For telephonic participation dial:
1.888.475.4499 or 1.877.853.5257
Meeting ID No. 984 6865 4065#

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

2. **Approval of the Agenda**

3. **Persons to be Heard**

4. **Review and Approve Minutes**
 - A. March 31, 2020 Minutes of Regular Board Meeting

5. **Financial Reports**
 - A. CEO Financial Memo
 - B. Controller Memo
 - C. kWh Graph
 - D. Fund Graph
 - E. Grant Summary
 - F. Financial Statements
 - G. Disbursements

6. **Old Business**
 - A. Update on SEAPA 2020 Operations Plan
 - B. Consideration and Approval of SEAPA Strategic Plan, New Mission Statement and Organizational Statements

7. **New Business**
 - A. Consideration and Approval of Audited Financial Statements for Six-Month Fiscal Year Period ending 12.31.2019.
 - B. Consideration and Approval of Contract and Increase to FY2020 R&R Budget for Swan Lake Station Service Switchgear Project

¹ Due to recommendations from the Center for Disease Control and its social distancing guidelines, this meeting of the Board of Directors of the Southeast Alaska Power Agency will be held electronically.

- C. Consideration and Approval of Sole Source Contract & Increase to FY2020 R&R Budget Re Carroll Inlet Marker Ball Tie Wrap Replacement Project
- D. Consideration and Approval of R&R Project and Increase to FY2020 R&R Budget Re Tyee Lake Cooling Water Pumps
- E. Executive Session Re Submarine Cable Replacement Project

8. CEO Report

9. Staff Reports

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

10. Next Meeting Dates

11. Director Comments

12. Adjourn

Southeast Alaska Power Agency Meeting Minutes

Location: Held Telephonically¹

Date: March 31, 2020

Time: 9:00 a.m. AKDT

Agenda Items

1) Call to Order

A. Roll Call.

Chairman Lynn called the regular meeting to order at 9:00 a.m. AKDT on March 31, 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 ²	T	Jeremy Bynum	T	Swan Lake	Ketchikan
Bob Sivertsen	T	Cliff Skillings	T	Swan Lake	Ketchikan
Bob Lynn	T	Tor Benson	T	Tyee Lake	Petersburg
Robert Larson	T			Tyee Lake	Petersburg
Stephen Prysunka	T	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

Mr. Acteson noted that the call-in number for the meeting had changed and is posted on the Agency's website to accommodate members of the public who would like to join the meeting.

C. Disclosure of Conflicts of Interest - None

2) Approval of the Agenda

➤ Motion	M/S (Sivertsen/Prysunka) to approve the agenda as presented. Motion approved unanimously by polled vote.	✓ Action 20-805
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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 joined the meeting at 9:46 a.m.



3) **Persons to be Heard - None**

4) **Review and Approve Minutes**

➤ Motion	M/S (Prysunka/Sivertsen) to approve the minutes of the regular meeting of December 12, 2019. Motion approved unanimously by polled vote.	✓ Action 20-806
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➤ Motion	M/S (Sivertsen/Larson) to approve the minutes of the special meeting of February 21-22, 2020. Motion approved unanimously by polled vote.	✓ Action 20-807
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➤ Motion	M/S (Prysunka/Bynum) to approve the minutes of the special meeting of March 10, 2020. Motion approved unanimously by polled vote.	✓ Action 20-808
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5) **Financial Reports**

➤ Motion	M/S (Sivertsen/Prysunka) to accept year-to-date financial statements for December 2019 and disbursements for December 2019, January and February 2020 totaling \$1,917,430.97, as presented. Following a review of the Agency's current financial position, revenue and expenses, R&R projects expenditures, grants, financial statements and disbursements by Mr. Acteson, the motion was approved unanimously by polled vote.	✓ Action 20-809
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6) **Old Business**

A. **Consideration and Approval of CEO Contract**

➤ Motion	M/S (Sivertsen/Prysunka) to authorize the Board Chair to execute the proposed contract between SEAPA and the Agency's CEO that is consistent with prior discussions and negotiations. Motion approved unanimously by polled vote.	✓ Action 20-810
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B. **March 2020 Operations Plan Update**

Mr. Siedman reported a 5% efficiency gain due to maximizing use of the Swan-Tyee Intertie to its fullest potential. He credited SEAPA and its member utilities' efforts in developing the 2020 Operations Plan for the result. Both lakes are drafting close to the 2019 guide curve models and based on current snow levels, it is anticipated both lakes will realize above curtailment levels equating to a robust season of hydropower production. Discussion migrated to the current situation with the COVID-19 Pandemic and importance of mitigating any diesel burn. Mr. Siedman expressed confidence that with the potential energy from snowpack, burning diesel could be mitigated in all three communities if consideration is given to lowering the draft limit. He suggested that if the 280 level was reached at Swan Lake, the draft limits could be dropped down by a couple of feet and at Tyee by 10 feet, so instead of 30 feet contingency at Tyee, there would be 20 feet. His recommendation considered that when snow begins to melt, and the lakes begin to fill (called "the turn") there is little-to-no risk and the efforts could buy 1200-1500 MWhrs at Swan Lake. Mr. Siedman fielded questions on factoring in various disruptions to demand, spill levels at both plants, and the differences between the Federal Energy Regulatory Commission (FERC) draft limits based on engineering of the plants and operational draft limits set by the SEAPA board. The consensus was that it is prudent to amend the agenda to discuss action on lowering the draft limits at this meeting to provide flexibility in operations when making the turn, rather than trying to call a special board meeting.

➤ Motion	M/S (Prysunka/Sivertsen) to amend the Agenda to add Item 7F under New Business to revisit SEAPA's 2020 Operations Plan draft limits. Motion approved unanimously by polled vote.	✓ Action 20-811
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7) **New Business**

A. **Consideration and Approval of 2020 Mitkof Island Brushing Contract**

➤ Motion	M/S (Sivertsen/Amylon) to authorize staff to enter into a Contract with Gage Tree Service, LLC for SEAPA's 2020 Mitkof Island Transmission Line Brushing Contract for the lump-sum price of \$167,500. A discussion followed on requiring contractors to provide an operations plan before entering a member community due to COVID-19. Mr. Acteson concurred and assured the board that the Agency will wait until some restrictions are lifted before assessing whether the work can move forward and will require a plan accordingly. The motion was approved unanimously by polled vote.	✓ Action 20-812
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B. **Consideration and Approval of 2020 Neets Bay Brushing Contract**

➤ Motion	M/S (Prysunka/Larson) to authorize staff to enter into a Contract with Gage Tree Service, LLC for SEAPA's 2020 Neets Bay Transmission Line Brushing Contract for the lump-sum price of \$86,500. Motion approved unanimously by polled vote.	✓ Action 20-813
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C. **Consideration and Approval of Budget Increase to FY2020 Operating Budget for Completion of Swan Lake Mapcon Review.**

➤ Motion	M/S (Sivertsen/Amylon) to increase SEAPA's FY2020 Operating Budget by \$37,500 for completion of the Mapcon review at Swan Lake. Motion approved unanimously by polled vote.	✓ Action 20-814
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D. **Consideration and Approval of Budget Increase to FY2020 Operating Budget for Transformer Testing**

➤ Motion	M/S (Prysunka/Sivertsen) to increase SEAPA's FY2020 Operating Budget by \$41,500 for testing of the three-phase transformers at the Petersburg, Wrangell, and Tye substation. Motion approved unanimously by polled vote.	✓ Action 20-815
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E. **Consideration and Approval of Swan Lake Fixed Wing Aircraft Services Contract**

➤ Motion	M/S (Sivertsen/Prysunka) to authorize staff to enter into a contract with Venture Travel, LLC, d/b/a Taquan Air, with additional terms at SEAPA's discretion, for SEAPA's 2020 Swan Lake Fixed Wing Aircraft Services for the value of \$49,920 annually, plus a 10% contingency for price adjustments related to increases in the price of aviation fuel for the total not-to-exceed value of \$54,912. Motion approved unanimously by polled vote.	✓ Action 20-816
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F. **Discussion and Consideration of Revisiting SEAPA 2020 Operations Plan Draft Limits**

➤ Motion	M/S (Sivertsen/Prysunka) to discuss on the Agency's draft limits.	✓ Action 20-817
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Mr. Siedman advised that Tye Lake's current draft limit is 1280, which is 30 feet above the FERC limit and 20 feet above the previous limits and that Swan Lake is currently at 280, which is consistent with what the Agency had in the past. He reiterated his earlier recommendation of a draft limit of 1270 for Tye and 277 for Swan Lake noting that 1270 at Tye provides a contingency of 20 feet before reaching the FERC limit and with the additional 3 ft at Swan Lake, there would still be 5.5 ft before reaching the FERC limit.

➤ **Motion**

M/S (Sivertsen/Prysunka) to accept SEAPA staff's recommendation to change Tyee's draft limit from 1280 to 1270 and Swan's draft limit from 280 to 277 to avoid diesel burn in SEAPA's member communities. Discussion following the motion included the following two clarifications: (i) adjusting the draft limit at Tyee will also adjust the curtailment curve, and (ii) that since the draft limit adjustments are made to get the Agency through the turn, then draft limits shall return to their original levels after the turn. Motion approved unanimously by polled vote.

✓ **Action
20-818**

It was noted that a roll call was not taken on the original motion to discuss the draft limits. A roll call was taken on that motion and it was approved unanimously.

8) CEO Report

Mr. Acteson announced that SEAPA exercised a very proactive response to COVID-19 to protect employees and the communities and would continue to keep the Board apprised of developments. He reported that the language the Agency advocated in SB123 to protect SEAPA from RCA regulation remained intact in the bill and is currently before the Governor for signature and that an amendment to SB193, a bill that included electric utility liability pertaining to vegetation management, removed the core exemption for utilities. The exemption eliminates protection for utilities from liability if there is contact between vegetation and a utility's facilities that results in a fire even if the vegetation was outside of the utility's legal right of way. He closed his report advising that under the circumstances with COVID-19, hiring for an IT engineer/communications individual and temporary brusher would be delayed until restrictions are lifted.

9) Staff Reports

Chairman Lynn invited comments and/or questions from the board on staff's written reports. Mr. Schofield fielded questions on the Agency's Mapcon Program and Tyee Lake Gatehouse Project. Mr. Sivertsen commended staff for saving the Agency \$70,000 by performing the Tyee Battery Bank Project in-house.

10) Next Meeting Dates

There were no objections to holding the next regular meeting on June 29-30, 2020 in Wrangell if COVID-19 restrictions are lifted.

11) Director Comments

Much appreciation was expressed for keeping the board informed on Agency business and developments and management's efforts to keep employees and communities safe amid COVID-19 concerns.

12) Adjourn

➤ **Motion**

M/S (Sivertsen/Larson) to adjourn the meeting. The Chair declared the meeting adjourned after hearing several ayes.

✓ **Action
20-819**

The meeting adjourned at 10:45 a.m.

Signed:

Attest:

Secretary/Treasurer

Chairman





SOUTHEAST ALASKA POWER AGENCY CEO FINANCIAL COVER MEMO

DATE: June 16, 2020
TO: SEAPA Board of Directors
FROM: Trey Acteson, Chief Executive Officer

SEAPA's financial position is currently stable. Drought conditions have subsided, and reservoirs have recharged in-line with historical trends. However, it is possible there will be slight downward pressure on sales throughout the remainder of the year due to reduced economic activity related to COVID-19, absence of cruise ships, lower shipyard employment levels, and declines in fish processing. This may be offset by cooler temperatures and an increase in heating loads.

BDO completed their financial audit of SEAPA's six-month fiscal period ending December 31, 2019. The results will be presented during the June 30, 2020 Board Meeting. This concludes the Agency's transition to the new calendar based fiscal year.

REVENUE & EXPENSES: Revenue from sales through the end of May was \$5,608,459 actual vs. \$4,989,630 budget. Contrasted to last year's sales of \$3,147,635 for the same period, it provides a clear illustration of the extreme revenue volatility that the Agency periodically experiences.

Expenses through the end of May were \$2,283,141 actual vs. \$2,549,848 budget.

RENEWAL & REPLACEMENT PROJECTS: Total R&R expenditures through the end of May were \$583,355 actual vs. \$3,574,333 total annual budget. Staff has made outstanding progress on queueing up several approved R&R projects and are actively working to coordinate contractors within the current framework of COVID-19 travel restrictions. R&R expenditures will accelerate during the second half of the year.

The Submarine Cable Replacement Project bids were due on June 15, 2020. Considerable resources were dedicated to drafting detailed specifications, addressing bidder questions during the RFP process, and analyzing proposals. Funding requirements for replacement of the failed submarine cable may be higher than originally anticipated. The Agency maintains \$5M in submarine cable insurance coverage (less \$250K retention) which may offset some of the overall replacement cost. SEAPA will most likely be required to cover the full interim cost of the cable replacement until such time that the damaged portion is retrieved, and a root cause can be ascertained. Existing SEAPA funding sources include \$8M in the Self-Insured Risk Fund and \$2M in the Rate Stabilization Fund. Additional monies could also be used from the Renewal and Replacement (R&R) Fund. Once the final cost is determined, the Board may want to consider bonding in lieu of depleting Agency reserves. I have engaged the State of Alaska Debt Manager to explore bonding opportunities through the Alaska Municipal Bond Bank. The market remains near all-time lows so additional debt may be favorable at this time. The Debt Manager indicated he anticipates a new bond package will occur within the next 6-12 months. There is also a "very"

remote chance that partial funding could become available through an infrastructure bill at the Federal level and I am actively engaging key contacts to explore that option.

The Swan Lake Station Service Switchgear Project cost will be higher than originally expected but those additional costs should not impact the 2020 R&R Budget as they are expected to occur in 2021. This item will be covered in greater detail under New Business.

We continue to make quarterly payments of \$562,500 (equal to 25% of the annual levelized R&R payment) from the Revenue Fund to the Dedicated R&R Fund and balances are currently sufficient to complete Board approved projects.

GRANTS: The Agency has one open grant, the FY13 DCCED, with an open balance at the end of March totaling \$373,384. The grant expires June 30, 2021.



SOUTHEAST ALASKA POWER AGENCY CONTROLLER MEMO

Date: June 19, 2020

From: Kay Key

To: Trey Acteson

Subject: **FINANCIAL STATEMENTS**

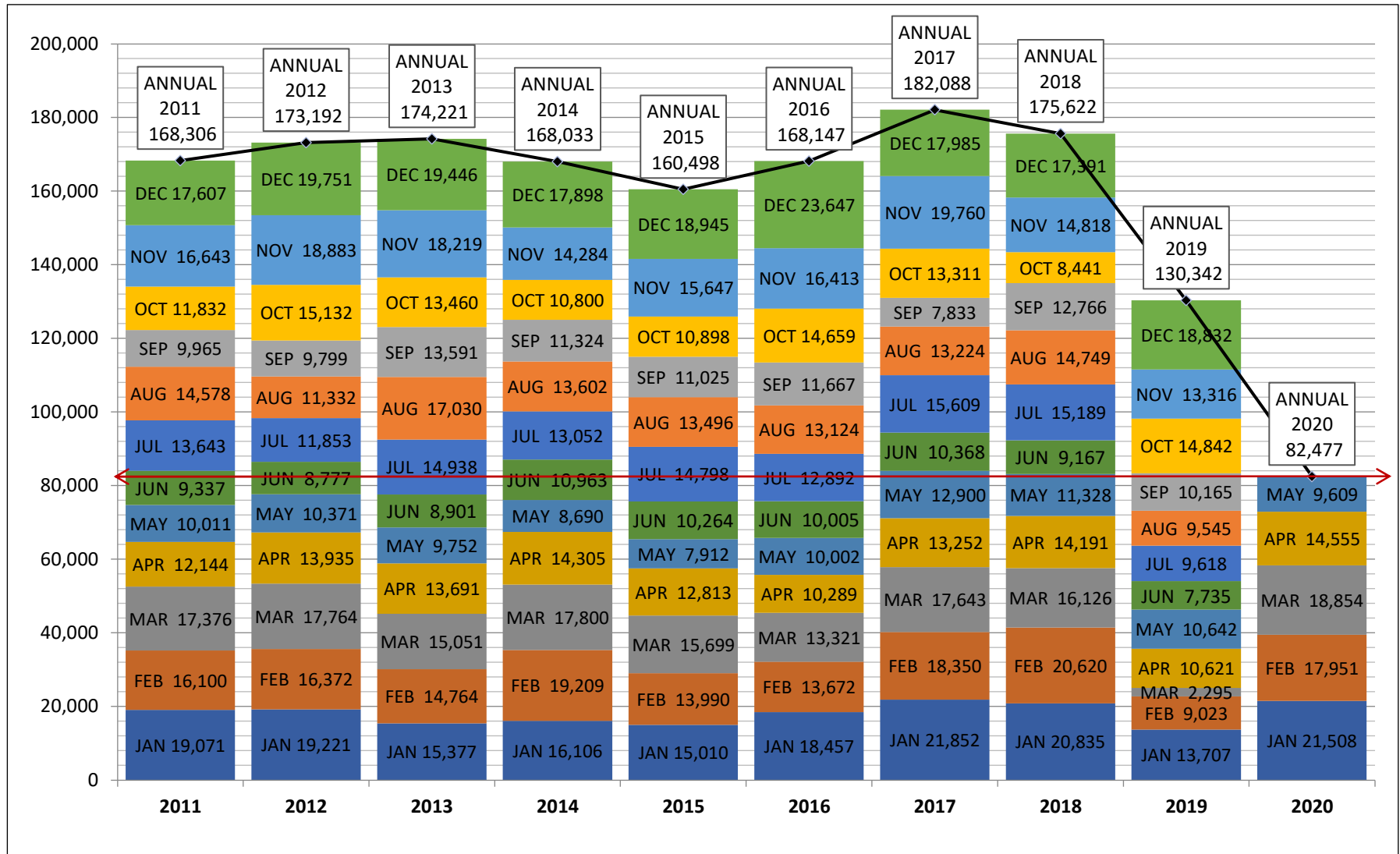
SUGGESTED MOTION

I move to accept year-to-date financial statements through May 2020 and disbursements for March, April, and May 2020 totaling \$1,492,054.80, as presented.

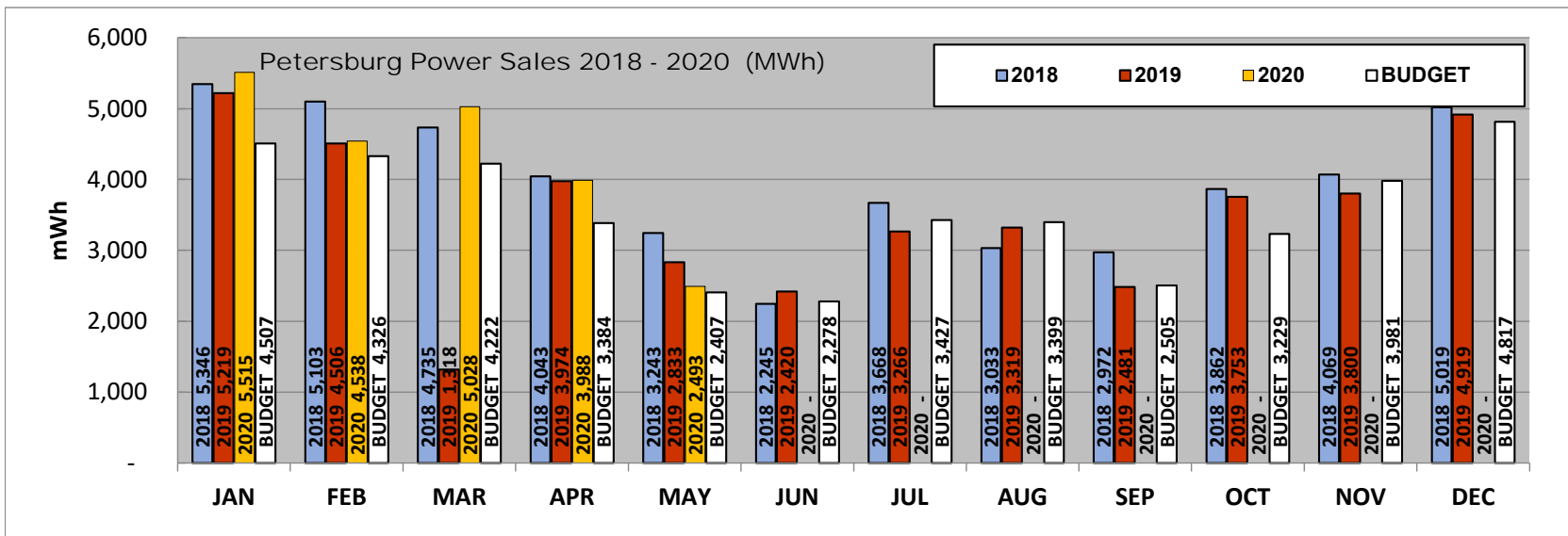
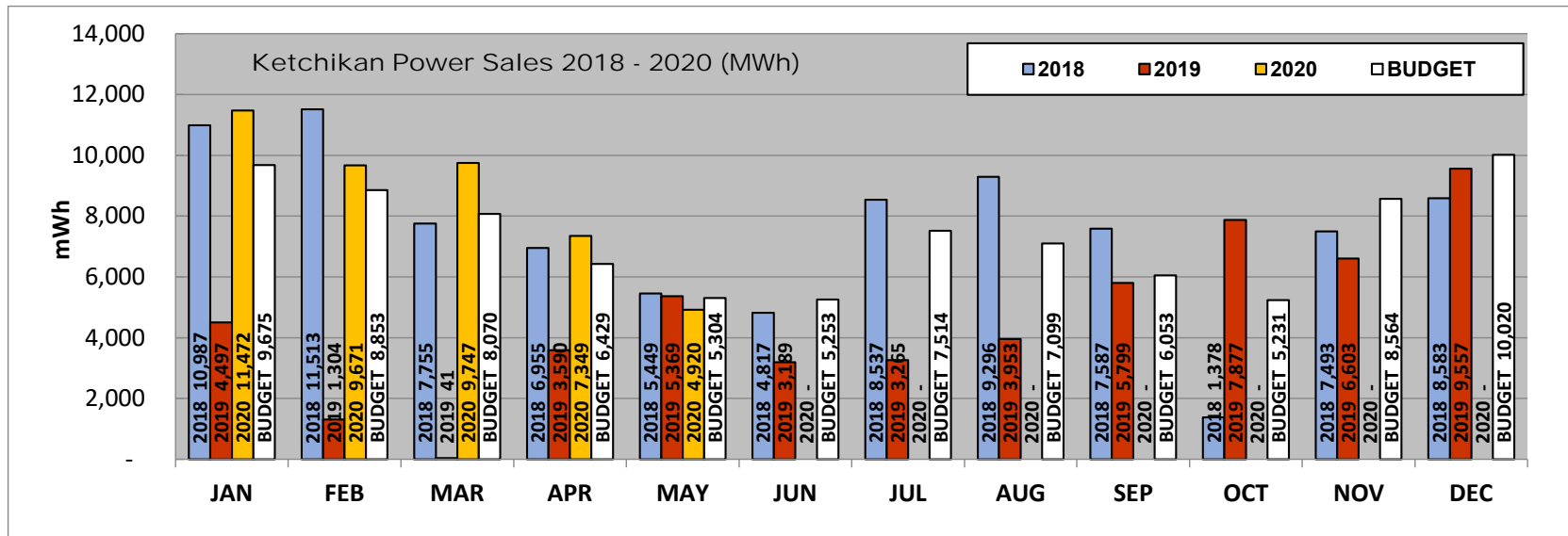
Financial Statements in this board packet include:

- **kWh Graphs** (May 2020)
- **Fund Allocation Graph** (May 2020)
- **Grant Summary** (Quarterly through March 2020)
- **Year-to-Date Financial Statements through May 2020**
 - ✓ Financial Overview
 - ✓ Statement of Financial Position – Year-to-date with prior year comparison
 - ✓ Statement of Activities – Summary of year-to-date expenses by FERC code, compared to budget and prior year
 - ✓ Statement of Activities – Line-item detail of actual expenses compared to budget by location
 - ✓ R&R Summary
- **Disbursements for March, April, and May 2020**

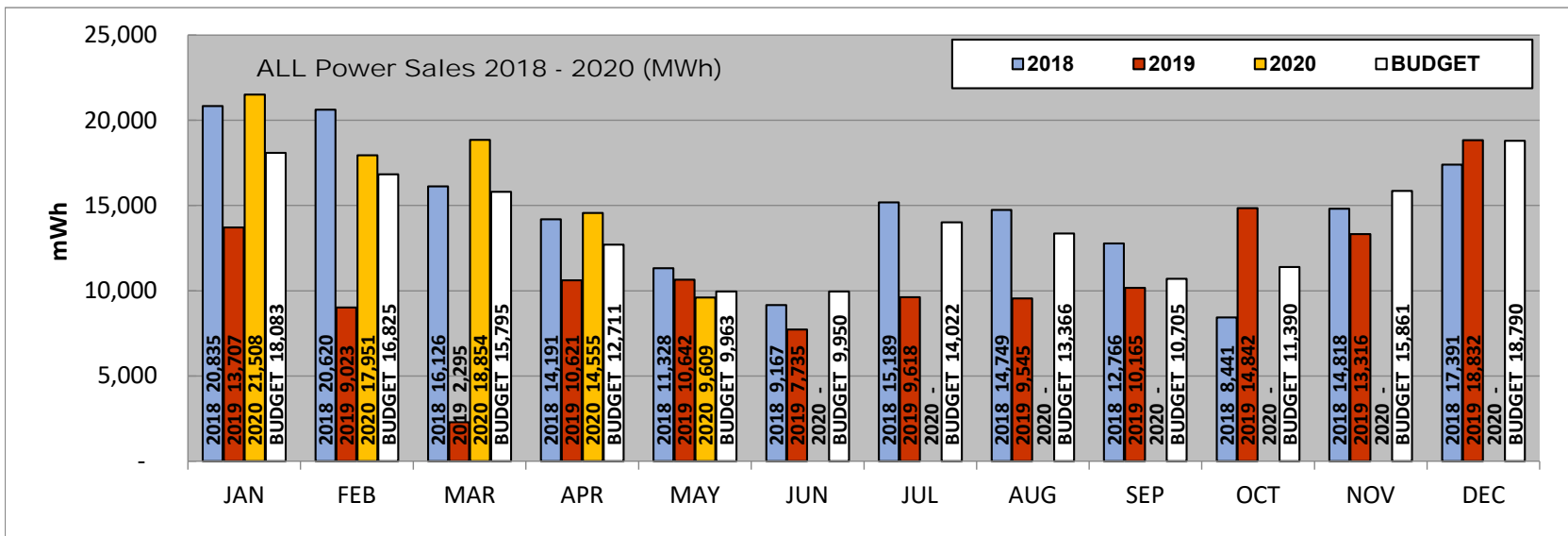
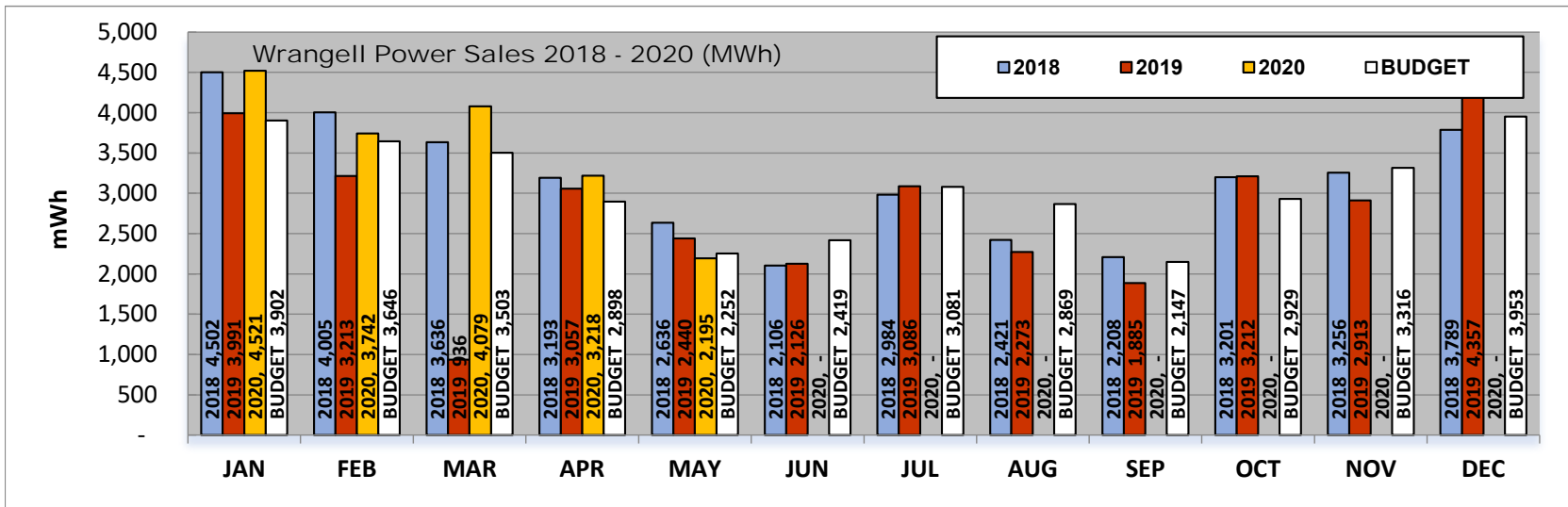
MWh Sales Year-to-Year Comparison



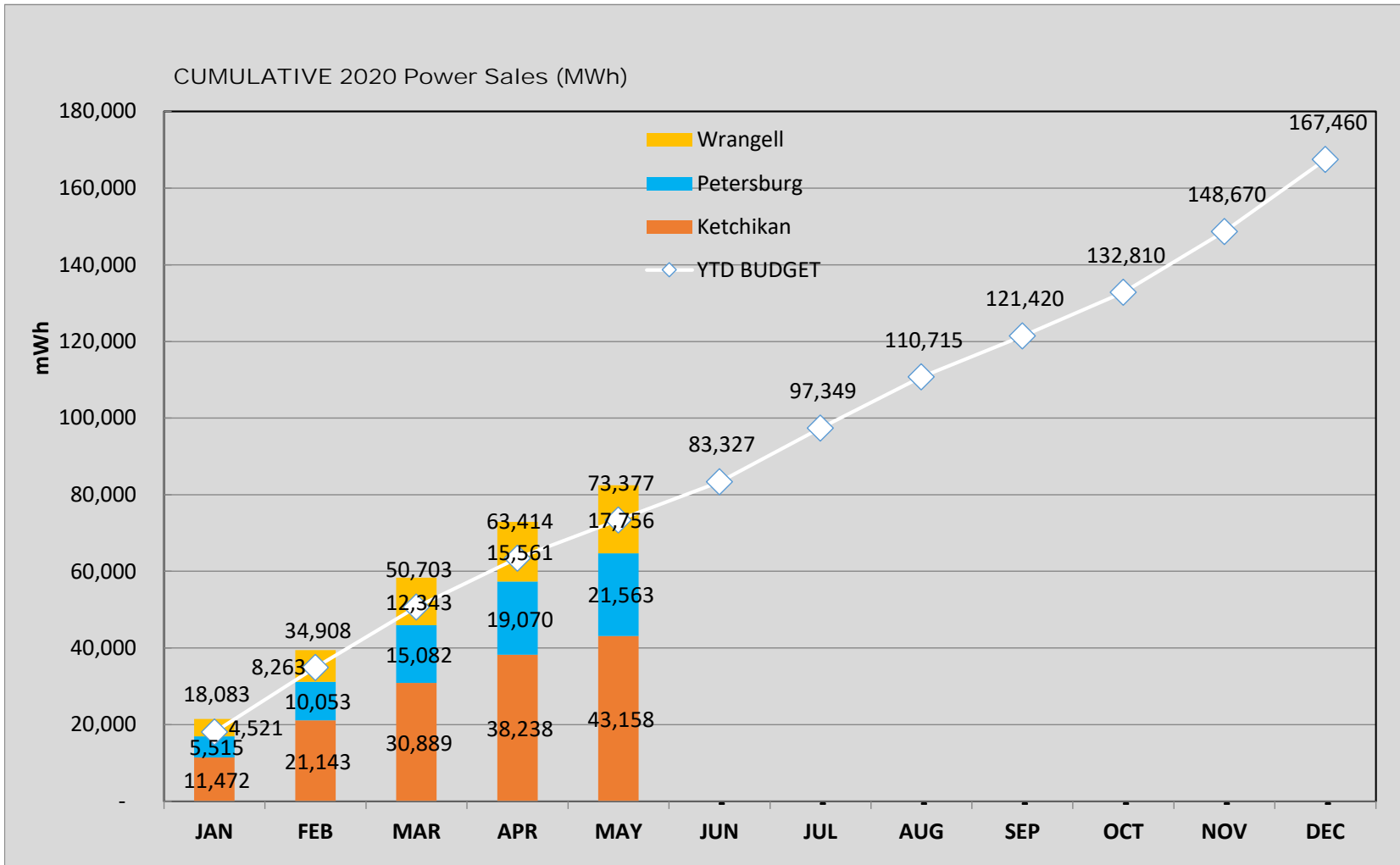
MAY 2020	2020 kWh HYDROPOWER SALES	CURRENT MONTH		YTD	
		Actual	Budget	Actual	Budget
	Ketchikan Power Purchases	4,920,128	5,303,963	43,158,191	38,329,865
Petersburg Power Purchases	2,493,427	2,407,367	21,563,180	18,846,311	
Wrangell Power Purchases	2,195,210	2,251,897	17,755,960	16,200,738	
Total Power Purchases	9,608,765	9,963,227	82,477,331	73,376,914	



MAY 2020	2020 kWh HYDROPOWER SALES	CURRENT MONTH		YTD	
		Actual	Budget	Actual	Budget
	Ketchikan Power Purchases	4,920,128	5,303,963	43,158,191	38,329,865
Petersburg Power Purchases	2,493,427	2,407,367	21,563,180	18,846,311	
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Total Power Purchases	9,608,765	9,963,227	82,477,331	73,376,914	



MAY 2020

Operations, Capital and Insurance Funds

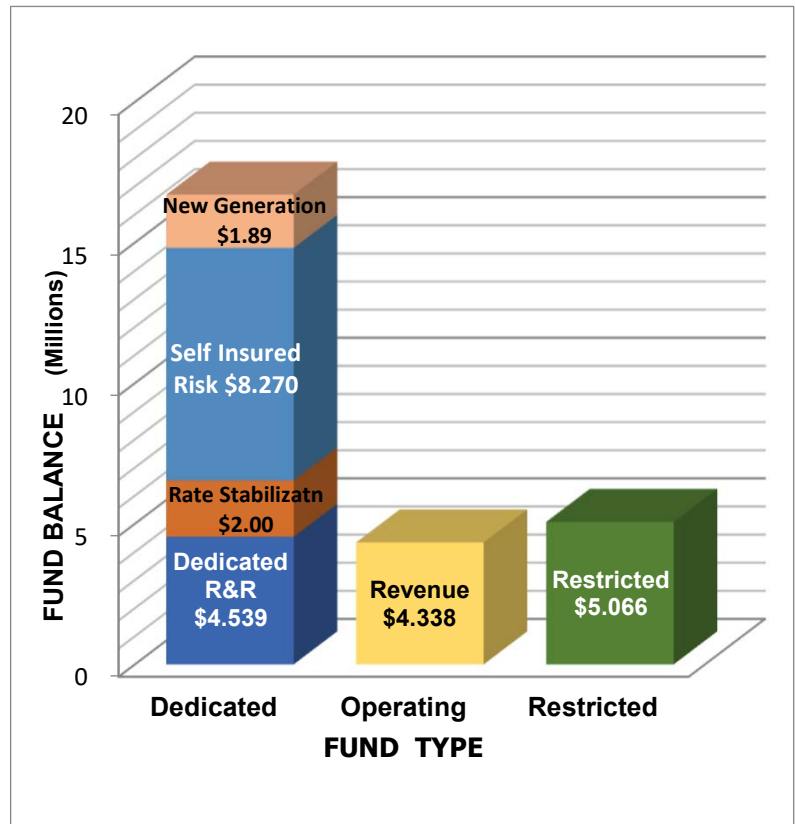
Revenue Fund	\$ 4,336,523
Checking	1,000
Dedicated R&R Projects Fund	4,538,875
New Generation Fund	1,890,126
Rate Stabilization Fund	2,002,245
Self Insured Risk Fund	<u>8,270,158</u>
Total Operations, Capital and Insurance Funds	21,038,928

Trustee Funds

2015 Series Bond Interest	\$ 243,975
2015 Series Bond Reserve	206,637
2019 Series Bond Interest	14,790
2019 Series Bond Principal	67,485
2019 Series Bond Reserve	<u>1,264,576</u>
Total Trustee Funds	1,797,463

Other Restricted Funds

STI - USFS CD	\$ 21,635
DNR Reclamation Fund	1,268,282
Required R&R Fund	<u>1,000,254</u>
Total Other Restricted Funds	<u>2,290,171</u>
Total Agency Funds	<u>\$ 25,126,561</u>



Dedicated Funds

- New Generation = Project feasibility funding (hydro, wind, geothermal)
- Self-Insured Risk = Coverage for uninsured transmission lines, submarine cables and insurance deductibles.
- Rate Stabilization Fund = Reserve Fund governed by the Rate Stabilization Fund Policy.
- Dedicated R&R = Funds Replacement & Repair projects approved by the SEAPA Board in the budget.

Operating Funds

Revenue Fund & Commercial Checking: All SEAPA income is deposited to the Revenue Fund as required by Bond Indentures and transferred to checking as needed to cover expenditures.

Restricted Funds (Legally or contractually restricted)

- 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
Grant Billing Summary**

AK DCCED GRANT 13-DC-553
through MARCH, 2020

QUARTERLY BILLING

FY20 Grant Billing	Grant Budget	Billing thru FY20	Open Balance
1 - Hydro Storage	578,000	578,000	-
2 - G&T Site Evaluation	2,109,092	1,735,708	373,384
3 - Stability / Interconnectiv	-	-	-
4 - Load Balance Model	9,181	9,181	-
5 - Project Mgmt	255,712	255,712	-
6 - Business Analysis / PSA	<u>48,015</u>	<u>48,015</u>	-
Total FY13 AK DCCED	3,000,000	2,626,616	373,384

Mar-20	Jun-20	Sep-20	Jun-19	Jan-Dec
-	-	-	-	-
14,867	-	-	-	14,867
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>14,867</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,867</u>

This grant is billed to the DCCED for reimbursement on a quarterly basis and has been extended to June 30, 2021.



MAY 2020
YTD FINANCIAL OVERVIEW

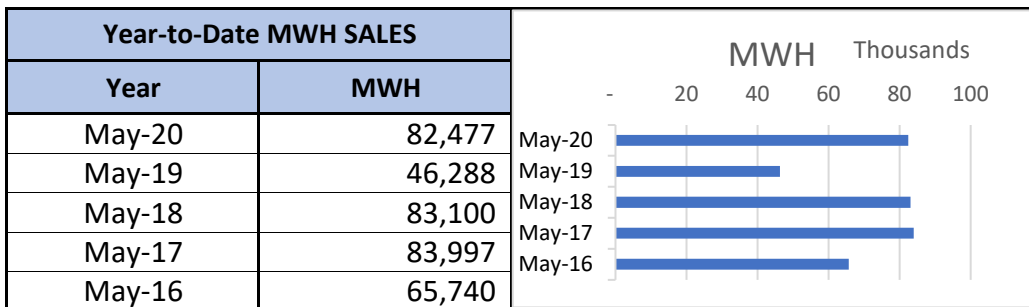
OPERATING REVENUE

FIRM kWh SALES	JAN-MAY 2020	Budget	Prior Year
Ketchikan	\$2,934,757	\$2,606,431	\$1,006,423
Petersburg	1,466,296	1,281,549	1,213,847
Wrangell	1,207,405	1,101,650	927,366
Total Revenue	\$5,608,459	\$4,989,630	\$3,147,635

OPERATING EXPENSES

FIRM kWh SALES	JAN-MAY 2020	Budget	Prior Year
Hydro Facilities	\$915,182	\$1,064,200	\$931,822
Transmission	197,930	259,810	722,692
G&A	1,170,029	1,225,838	1,120,928
Total Ops Exp	\$2,283,141	\$2,549,848	\$2,775,442

MWH TREND



Southeast Alaska Power Agency
Statement of Financial Position
as of **May 31, 2020**

	Current 31-May-20	Prior Year 31-May-19
Assets		
Current Assets		
Agency Funds		
Operating & Reserve Funds	21,038,928	20,969,893
1 Restricted Trustee Funds	1,797,190	7,533,037
Restricted Other Funds	2,290,172	2,202,090
Total Agency Funds	25,126,289	30,705,020
Accounts Receivable		
1100-001 - Accounts Receivable	1,153,110	459,444
1100-003 - Other Misc Receivable	5,800	5,800
Total Accounts Receivable	1,158,910	465,244
Other Current Assets		
Accrued Interest Receivable		
1200-102 - Accrued Interest Receivable	38,766	36,592
Total Accrued Interest Receivable	38,766	36,592
Prepaid Fees		
1200-201 - Prepaid FERC Fees	19,374	18,980
1200-202 - Prepaid Insurance	196,821	186,013
1200-203 - Prepaid Operating Expense	-	5,840
1200-204 - Prepaid USFS Land Use Fees	61,592	61,028
1200-206 - Prepaid Admin Group Ben	10,213	903
1200-207 - Prepaid Admin Retirement	64,110	57,817
Total Prepaid Fees	352,110	330,582
Inventory Assets		
1200-300 - Inventory Spares-Stores	209,332	201,929
1200-301 - Inventory SWL Winding Replace	890,405	890,405
1200-302 - Inventory Flashboard Kickers	439,456	439,456
Total Inventory Assets	1,539,193	1,531,790
Total Other Current Assets	1,930,069	1,898,964
Total Current Assets	28,215,267	33,069,227
Capital Assets		
1300-100 - Swan Lake Capital Assets	32,614,772	31,704,326
1300-200 - Tyee Lake Capital Assets	32,705,407	31,830,285
1300-300 - Swan-Tyee Intertie Capital Assets	114,974,970	114,885,537
1300-400 - Ketchikan Capital Assets	1,379,333	904,381
Total Capital Assets	181,674,482	179,324,529
R&R WIP Capital Projects		
1320-100 - WIP Swan Lake	630,283	333,431
1320-200 - WIP Tyee Lake	149,051	140,249
1320-300 - WIP Swan-Tyee Intertie	1,810	49
1320-400 - WIP Ketchikan	115,083	467,390
Total R&R WIP Capital Projects	896,226	941,120
Accumulated Depreciation	(54,303,152)	(49,557,079)
Total Capital Assets	128,267,557	130,708,570

Southeast Alaska Power Agency
Statement of Financial Position
as of **May 31, 2020**

Deferred Assets

1830-003 - 2009 Bond - Refunded Discount	-	93,386
1830-004 - Tyee Marine Access	6,975	2,925
1830-006 - New Generation Integration	4,505	4,104
1830-007 - 2019 Bond Gain on 2009 Refund	90,801	-
1830-008 - Vank-Woronkofski Sub Cable	109,318	-

Total Deferred Assets

Total Assets

Liabilities and Equity

Liabilities

Current Liabilities

Accounts Payable

² 2100-001 - Accounts Payable General

Total Accounts Payable

Other Current Liabilities

2100-301 - Other Current Liabilities	24,680	41,800
2100-304 - Reserve Interest Payable	227,798	393,832
2100-340 - Wages Payable	114,905	79,291
2100-341 - PTO Payable	212,430	174,804
2100-350 - Other Payroll Liabilities	44,491	39,883

Total Other Current Liabilities

Total Current Liabilities

Long Term Liabilities

2200-001 - PERS Unfunded Liability WRG	798,196	888,735
2200-002 - DNR Fund CVEA KEA Liability	634,141	580,971
2200-201 - Series 2009 Bonds	-	5,590,000
2200-202 - Series 2015 Bonds	10,295,000	10,295,000
2200-203 - Series 2019 Bonds	3,475,000	4,240,000
2200-301 - 2009 Bond Refunded Discount	-	(20,115)
2200-302 - 2015 Bond Issuance Premium	715,758	770,816
2200-303 - 2019 Bond Issuance Premium	375,103	393,871

Total Long Term Liabilities

Total Liabilities

Net Position

Change in Net Position

Total Net Position

Total Liabilities and Equity

	Current 31-May-20	Prior Year 31-May-19
Deferred Assets		
1830-003 - 2009 Bond - Refunded Discount	-	93,386
1830-004 - Tyee Marine Access	6,975	2,925
1830-006 - New Generation Integration	4,505	4,104
1830-007 - 2019 Bond Gain on 2009 Refund	90,801	-
1830-008 - Vank-Woronkofski Sub Cable	109,318	-
Total Deferred Assets	211,599	100,415
Total Assets	156,694,423	163,878,212
Liabilities and Equity		
Liabilities		
Current Liabilities		
Accounts Payable		
² 2100-001 - Accounts Payable General	(37,027)	902,809
Total Accounts Payable	(37,027)	902,809
Other Current Liabilities		
2100-301 - Other Current Liabilities	24,680	41,800
2100-304 - Reserve Interest Payable	227,798	393,832
2100-340 - Wages Payable	114,905	79,291
2100-341 - PTO Payable	212,430	174,804
2100-350 - Other Payroll Liabilities	44,491	39,883
Total Other Current Liabilities	624,304	729,610
Total Current Liabilities	587,278	1,632,420
Long Term Liabilities		
2200-001 - PERS Unfunded Liability WRG	798,196	888,735
2200-002 - DNR Fund CVEA KEA Liability	634,141	580,971
2200-201 - Series 2009 Bonds	-	5,590,000
2200-202 - Series 2015 Bonds	10,295,000	10,295,000
2200-203 - Series 2019 Bonds	3,475,000	4,240,000
2200-301 - 2009 Bond Refunded Discount	-	(20,115)
2200-302 - 2015 Bond Issuance Premium	715,758	770,816
2200-303 - 2019 Bond Issuance Premium	375,103	393,871
Total Long Term Liabilities	16,293,198	22,739,278
Total Liabilities	16,880,476	24,371,698
Net Position	138,507,454	140,294,576
Change in Net Position	1,306,493	(788,062)
Total Net Position	139,813,947	139,506,515
Total Liabilities and Equity	156,694,423	163,878,212

- ¹ Restricted Trustee Funds - Last May's balance was \$7.5M; SEAPA had just issued 2019 Series bonds, and the 2009 Series were not paid off until the following month. This year's balance of \$1.8M reflects that the 2019 Series principal and interest payments were issued in May and \$0 in 2009 Series bonds.
- ² Accounts Payable - FY20 shows a credit of \$37K because disbursements were issued on the last working day of the month and included prepaid (June) expenses. The FY19 figure included a \$523K invoice related to submarine cable inspections.

Southeast Alaska Power Agency
Statement of Activities - Budget YTD
Year To Date as of **May 31, 2020**

	YTD FY20	YTD BUDGET	%	YTD FY19	ANNUAL Budget
OPERATING REVENUE					
1 400 - Hydro Facility Revenues	5,608,459	4,989,630	12%	2,305,850	11,387,294
454 - Rent-Electric Property	4,896	-	100%	-	-
TOTAL OPERATING REVENUE	5,613,354	4,989,630	13%	2,305,850	11,387,294
OPERATING EXPENSE					
HYDRO FACILITY O&M					
535 - Operations Supervision	12,296	30,700	-60%	4,767	116,500
537 - Hydraulic Expense	-	10,000	-100%	7,541	10,000
538 - Electric Expenses	11,422	24,500	-53%	5,014	103,400
539 - Operations Misc Expense	131,341	215,145	-39%	137,759	529,000
540 - Rents	68,746	72,025	-5%	67,302	186,500
541 - Hydro Power Station Maintenance	12,614	20,750	-39%	32,585	51,000
543 - Dams Reservoirs Waterways	4,630	6,875	-33%	10,128	17,750
544 - Electric Plant Wages-Benefits	644,799	634,600	2%	601,388	1,600,000
545 - Nonproduction Plant Maintenance	13,109	15,355	-15%	42,600	55,700
561 - Control System Maintenance	16,227	34,250	-53%	22,739	82,000
Total Hydro Facility Expense	915,182	1,064,200	-14%	931,822	2,751,850
TRANSMISSION O&M					
562 - Substation Expense	14,163	26,180	-46%	12,951	97,050
2 564 - XMSN Submarine Cable Expense	71,500	72,850	-2%	526,187	119,600
571 - XMSN Overhead Lines Expense	112,267	160,780	-30%	183,554	1,453,750
Total Transmission Expense	197,930	259,810	-24%	722,692	1,670,400
GENERAL & ADMIN EXPENSE					
920 - Admin Wages-Benefits	664,291	659,310	1%	617,985	1,583,000
921 - Office Expenses	63,149	87,878	-28%	65,480	191,850
923 - Professional Services	116,952	129,475	-10%	117,892	316,700
924 - Insurance	190,347	197,500	-4%	185,753	475,000
928 - Regulatory Commission Expense	18,070	32,075	-44%	44,980	94,000
930 - General Expense	84,205	86,550	-3%	47,576	155,325
931 - Admin Rent	33,015	33,050	0%	41,264	79,600
Total G&A Expense	1,170,029	1,225,838	-5%	1,120,928	2,895,475
TOTAL OPERATING EXPENSE	2,283,141	2,549,848	-10%	2,775,442	7,317,725
NET OPERATING EXPENSE	3,330,213	2,439,783	23%	(469,592)	
NONOPERATING REVENUE/(EXPENSE)					
Nonoperating Income					
941 - Grant Income	14,867				
942 - Interest Income Misc	84,477				
944 - Gain/(Loss) Investments	174,685				
Total Nonoperating Income	274,029				
Nonoperating Expense					
952 - Bond Interest Expense	252,342				
953 - Depreciation Expense	2,008,860				
954 - Grant Expense	36,627				
Total Nonoperating Expense	2,297,829				
TOTAL NONOPERATING REVENUE/(EXPENSE)	2,023,800				
Change in Net Position	1,306,493				

1 400 - FY19 Sales \$3.1M less \$841K diesel reimbursement to PSG & WRG
2 564 - Submarine cable inspection in FY19.

Southeast Alaska Power Agency
Statement of Activities YTD Budget
as of **May 31, 2020**

OPERATING REVENUE

400 - Hydro Facility Revenues

4000-401 Hydropower Sales Ketchikan	2,934,757	2,606,431	-	-	-	-	-	-	2,934,757	2,606,431
4000-402 Hydropower Sales Petersburg	1,466,296	1,281,549	-	-	-	-	-	-	1,466,296	1,281,549
4000-403 Hydropower Sales Wrangell	1,207,405	1,101,650	-	-	-	-	-	-	1,207,405	1,101,650

Total 400 - Hydro Facility Revenues

454 - Rent-Electric Property

4540-451 Rent Electric Property	4,896	-	-	-	-	-	-	-	4,896	-
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Total 454 - Rent-Electric Property

TOTAL OPERATING REVENUE

OPERATING EXPENSE

535 - Operations Supervision

0310 Contractor	-	-	-	500	-	20,000	-	-	-	20,500
0610 Office Equipment	-	-	-	200	489	200	-	-	489	400
0730 Office Supplies	-	-	266	400	276	400	-	-	542	800
0750 Safety	-	-	-	-	28	-	-	-	28	-
0800 Materials-Minor Equip	-	-	9,236	8,000	-	1,000	-	-	9,236	9,000
0840 Furnishings	-	-	-	-	2,001	-	-	-	2,001	-

Total 535 - Operations Supervision

537 - Hydraulic Expense

0330 Helicopters	-	-	-	4,000	-	4,000	-	-	-	8,000
0800 Materials-Minor Equip	-	-	-	1,000	-	1,000	-	-	-	2,000

Total 537 - Hydraulic Expense

538 - Electric Expenses

0310 Contractor

0600 Phones, Radios, Video	-	-	2,595	5,000	-	5,000	-	-	2,595	10,000
0740 Operating Supplies	-	-	276	-	-	-	-	-	276	-
0750 Safety	-	-	4,088	3,125	95	3,125	-	-	4,184	6,250
0800 Materials-Minor Equip	-	-	459	-	-	-	-	-	459	-
0850 Tools	-	-	3,351	3,125	17	5,125	-	-	3,368	8,250
	-	-	540	-	-	-	-	-	540	-

Total 538 - Electric Expenses

No Location 05/31/20		Swan Lake 05/31/20		Tye Lake 05/31/20		STI 05/31/20		All Locations 05/31/20	
Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
OPERATING REVENUE									
400 - Hydro Facility Revenues									
4000-401 Hydropower Sales Ketchikan									
4000-402 Hydropower Sales Petersburg									
4000-403 Hydropower Sales Wrangell									
Total 400 - Hydro Facility Revenues									
454 - Rent-Electric Property									
4540-451 Rent Electric Property									
Total 454 - Rent-Electric Property									
TOTAL OPERATING REVENUE									
OPERATING EXPENSE									
535 - Operations Supervision									
0310 Contractor									
0610 Office Equipment									
0730 Office Supplies									
0750 Safety									
0800 Materials-Minor Equip									
0840 Furnishings									
Total 535 - Operations Supervision									
537 - Hydraulic Expense									
0330 Helicopters									
0800 Materials-Minor Equip									
Total 537 - Hydraulic Expense									
538 - Electric Expenses									
0310 Contractor									
0600 Phones, Radios, Video									
0740 Operating Supplies									
0750 Safety									
0800 Materials-Minor Equip									
0850 Tools									
Total 538 - Electric Expenses									

Southeast Alaska Power Agency
Statement of Activities YTD Budget
as of **May 31, 2020**

	No Location 05/31/20		Swan Lake 05/31/20		Tye Lake 05/31/20		STI 05/31/20		All Locations 05/31/20	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
539 - Operations Misc Expense										
0300 Communication Services	-	-	5,919	5,600	43,275	42,500	-	-	49,194	48,100
0310 Contractor	-	-	253	6,500	236	2,850	-	-	489	9,350
0320 Flights	-	-	7,305	25,000	16,995	25,000	-	-	24,300	50,000
0373 Rent-Other	-	-	759	900	-	-	-	-	759	900
0401 Training-Pro-Tech	-	-	7,264	13,300	9,238	13,300	-	-	16,502	26,600
0402 Training-Safety	-	-	10,338	14,700	4,163	17,200	-	-	14,500	31,900
0420 Utilities	-	-	459	375	-	-	-	-	459	375
0600 Phones, Radios, Video	-	-	-	-	116	3,000	-	-	116	3,000
0700 Clothing	-	-	978	-	75	-	-	-	1,053	-
0710 Food, Meals	-	-	-	750	43	1,400	-	-	43	2,150
0730 Office Supplies	-	-	41	-	408	-	-	-	449	-
0740 Operating Supplies	-	-	175	550	1,880	2,750	-	-	2,056	3,300
0750 Safety	-	-	3,880	7,100	3,775	7,100	-	-	7,655	14,200
0800 Materials-Minor Equip	-	-	-	420	30	250	-	-	30	670
0810 Rolling Stock Maint	-	-	2,699	2,500	3,386	1,100	-	-	6,085	3,600
0811 Marine Vessel Maint	-	-	850	750	53	-	-	-	903	750
0820 Fuels and Oils	-	-	934	10,500	2,413	1,500	-	-	3,347	12,000
0830 Fuels and Oils - Marine	-	-	2,218	2,500	1,179	5,750	-	-	3,398	8,250
0850 Tools	-	-	-	-	4	-	-	-	4	-
Total 539 - Operations Misc Expense	-	-	44,071	91,445	87,270	123,700	-	-	131,341	215,145
540 - Rents										
0010 Other Regulatory	-	-	-	-	-	-	334	2,500	334	2,500
0030 FERC Land Use	-	-	5,204	5,250	19,014	19,000	-	-	24,218	24,250
0050 USFS Land Use	-	-	-	-	11,648	12,775	32,547	32,500	44,194	45,275
Total 540 - Rents	-	-	5,204	5,250	30,662	31,775	32,880	35,000	68,746	72,025
541 - Hydro Power Station Maintenance										
0310 Contractor	-	-	-	2,000	-	2,000	-	-	-	4,000
0740 Operating Supplies	-	-	1,218	2,000	3,175	2,000	-	-	4,393	4,000
0800 Materials-Minor Equip	-	-	7,331	2,000	-	2,000	-	-	7,331	4,000
0850 Tools	-	-	-	2,500	890	6,250	-	-	890	8,750
Total 541 - Hydro Power Station Maintenance	-	-	8,549	8,500	4,065	12,250	-	-	12,614	20,750

Southeast Alaska Power Agency
Statement of Activities YTD Budget
as of **May 31, 2020**

	No Location 05/31/20		Swan Lake 05/31/20		Tye Lake 05/31/20		STI 05/31/20		All Locations 05/31/20	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
543 - Dams Reservoirs Waterways										
0330 Helicopters	-	-	-	-	-	2,000	-	-	-	2,000
0740 Operating Supplies	-	-	27	625	-	600	-	-	27	1,225
0800 Materials-Minor Equip	-	-	3,743	1,000	859	1,500	-	-	4,602	2,500
0820 Fuels and Oils	-	-	-	-	-	150	-	-	-	150
0850 Tools	-	-	-	-	-	1,000	-	-	-	1,000
Total 543 - Dams Reservoirs Waterways	-	-	3,770	1,625	859	5,250	-	-	4,630	6,875
544 - Electric Plant Wages-Benefits										
0110 Wages / PTO	-	-	231,861	201,500	190,144	199,000	-	-	422,005	400,500
* 0110-001 Wages C19 202003	-	-	3,449	-	3,449	-	-	-	6,898	-
* 0110-002 Wages C19 FFCRA Credits	-	-	(3,449)	-	(493)	-	-	-	(3,942)	-
0120 OT	-	-	19,518	32,900	29,158	27,800	-	-	48,676	60,700
0140 Taxes	-	-	20,259	43,600	17,152	36,200	-	-	37,410	79,800
0140-001 Mcr Tax Credit FFCRA	-	-	(38)	-	(20)	-	-	-	(57)	-
0150 H&W	-	-	44,155	29,700	35,941	24,900	-	-	80,096	54,600
0160 Retirement	-	-	30,032	20,000	25,166	19,000	-	-	55,198	39,000
0170 Capx-Grants	-	-	(336)	-	(1,249)	-	-	-	(1,585)	-
0300 Communication Services	-	-	-	-	100	-	-	-	100	-
Total 544 - Electric Plant Wages-Benefits	-	-	345,451	327,700	299,348	306,900	-	-	644,799	634,600
545 - Nonproduction Plant Maintenance										
0310 Contractor	-	-	65	125	383	-	-	-	448	125
0373 Rent-Other	-	-	1,605	1,605	-	-	-	-	1,605	1,605
0410 Transport-Other	-	-	-	-	-	7,500	-	-	-	7,500
0710 Food, Meals	-	-	143	-	-	-	-	-	143	-
0730 Office Supplies	-	-	-	-	5	-	-	-	5	-
0740 Operating Supplies	-	-	914	1,750	4,799	2,600	-	-	5,713	4,350
0800 Materials-Minor Equip	-	-	122	-	3,691	125	-	-	3,813	125
0810 Rolling Stock Maint	-	-	-	-	640	125	-	-	640	125
0820 Fuels and Oils	-	-	-	-	258	-	-	-	258	-
0840 Furnishings	-	-	-	625	-	175	-	-	-	800
0850 Tools	-	-	-	100	484	625	-	-	484	725
Total 545 - Nonproduction Plant Maintenance	-	-	2,849	4,205	10,260	11,150	-	-	13,109	15,355
561 - Control System Maintenance										
0310 Contractor	-	-	7,225	16,250	8,079	16,250	-	-	15,304	32,500
0350 Licenses-Permits	-	-	-	875	-	875	-	-	-	1,750
0610 Office Equipment	-	-	35	-	-	-	-	-	35	-
0800 Materials-Minor Equip	-	-	-	-	888	-	-	-	888	-
Total 561 - Control System Maintenance	-	-	7,260	17,125	8,967	17,125	-	-	16,227	34,250

Southeast Alaska Power Agency
Statement of Activities YTD Budget
as of **May 31, 2020**

	No Location 05/31/20		Swan Lake 05/31/20		Tye Lake 05/31/20		STI 05/31/20		All Locations 05/31/20	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
562 - Substation Expense										
0300 Communication Services	-	-	-	-	2,386	2,700	-	-	2,386	2,700
0310 Contractor	-	-	-	-	-	10,000	-	-	-	10,000
0320 Flights	-	-	-	-	671	2,050	-	-	671	2,050
0360 Lodging	-	-	-	-	-	200	-	-	-	200
0420 Utilities	-	-	-	-	6,646	5,000	-	-	6,646	5,000
0710 Food, Meals	-	-	-	-	-	125	-	-	-	125
0740 Operating Supplies	-	-	-	-	528	625	-	-	528	625
0800 Materials-Minor Equip	-	-	3,686	5,000	195	200	-	-	3,881	5,200
0820 Fuels and Oils	-	-	-	-	50	80	-	-	50	80
0850 Tools	-	-	-	-	-	200	-	-	-	200
Total 562 - Substation Expense	-	-	3,686	5,000	10,477	21,180	-	-	14,163	26,180
564 - XMSN Submarine Cable Expense										
0310 Contractor	-	-	-	-	71,500	70,000	-	-	71,500	70,000
0410 Transport-Other	-	-	-	-	-	1,000	-	-	-	1,000
0740 Operating Supplies	-	-	-	-	-	400	-	-	-	400
0800 Materials-Minor Equip	-	-	-	-	-	400	-	-	-	400
0830 Fuels and Oils - Marine	-	-	-	-	-	450	-	-	-	450
0850 Tools	-	-	-	-	-	600	-	-	-	600
Total 564 - XMSN Submarine Cable Expense	-	-	-	-	71,500	72,850	-	-	71,500	72,850
571 - XMSN Overhead Lines Expense										
0110 Wages / PTO	39,690	51,050	-	-	-	-	-	-	39,690	51,050
* 0110-001 Wages C19 202003	2,759	-	-	-	-	-	-	-	2,759	-
0120 OT	118	4,425	-	-	-	-	-	-	118	4,425
0140 Taxes	3,452	4,740	-	-	-	-	-	-	3,452	4,740
0150 H&W	8,900	9,400	-	-	-	-	-	-	8,900	9,400
0160 Retirement	5,691	6,700	-	-	-	-	-	-	5,691	6,700
0300 Communication Services	490	-	-	-	-	-	-	-	490	-
0310 Contractor	180	-	15,000	8,000	15,000	23,000	15,000	24,000	45,180	55,000
0320 Flights	-	2,000	-	-	-	-	-	-	-	2,000
0330 Helicopters	1,448	13,000	-	-	-	-	-	-	1,448	13,000
0360 Lodging	-	3,750	-	-	-	-	-	-	-	3,750
0373 Rent-Other	-	625	-	-	-	-	-	-	-	625
0410 Transport-Other	-	500	-	-	-	-	-	-	-	500
0420 Utilities	683	440	-	-	-	-	-	-	683	440
0710 Food, Meals	-	2,000	-	-	-	-	-	-	-	2,000
0740 Operating Supplies	254	3,000	-	-	-	-	-	-	254	3,000
0750 Safety	411	-	-	-	-	-	-	-	411	-

Southeast Alaska Power Agency
Statement of Activities YTD Budget
as of **May 31, 2020**

	No Location 05/31/20		Swan Lake 05/31/20		Tye Lake 05/31/20		STI 05/31/20		All Locations 05/31/20	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
0800 Materials-Minor Equip	869	750	-	-	-	-	-	-	869	750
0810 Rolling Stock Maint	33	-	-	-	-	-	-	-	33	-
0811 Marine Vessel Maint	1,425	1,150	-	-	55	-	-	-	1,480	1,150
0820 Fuels and Oils	61	650	-	-	-	-	-	-	61	650
0830 Fuels and Oils - Marine	-	1,600	-	-	-	-	-	-	-	1,600
0850 Tools	750	-	-	-	-	-	-	-	750	-
Total 571 - XMSN Overhead Lines Expense	67,212	105,780	15,000	8,000	15,055	23,000	15,000	24,000	112,267	160,780
920 - Admin Wages-Benefits										
0110 Wages / PTO	380,573	381,500	-	-	-	-	-	-	380,573	381,500
0120 OT	472	810	-	-	-	-	-	-	472	810
0140 Taxes	32,796	27,000	-	-	-	-	-	-	32,796	27,000
0150 H&W	92,725	92,500	-	-	-	-	-	-	92,725	92,500
0160 Retirement	157,324	157,500	-	-	-	-	-	-	157,324	157,500
0300 Communication Services	400	-	-	-	-	-	-	-	400	-
Total 920 - Admin Wages-Benefits	664,291	659,310	-	-	-	-	-	-	664,291	659,310
921 - Office Expenses										
0010 Other Regulatory	200	-	-	-	-	-	-	-	200	-
0300 Communication Services	9,058	9,400	-	-	-	-	-	-	9,058	9,400
0310 Contractor	25,026	40,500	-	-	-	-	-	-	25,026	40,500
0350 Licenses-Permits	-	63	-	-	-	-	-	-	-	63
0370 Rents	26	-	-	-	-	-	-	-	26	-
0373 Rent-Other	249	-	-	-	-	-	-	-	249	-
0390 Software	7,488	7,750	-	-	-	-	-	-	7,488	7,750
0420 Utilities	4,633	15,000	-	-	-	-	-	-	4,633	15,000
0610 Office Equipment	5,951	440	-	-	-	-	-	-	5,951	440
0700 Clothing	309	-	-	-	-	-	-	-	309	-
0710 Food, Meals	509	625	-	-	-	-	-	-	509	625
0730 Office Supplies	3,812	3,500	-	-	-	-	-	-	3,812	3,500
0750 Safety	4,465	4,600	-	-	-	-	-	-	4,465	4,600
0810 Rolling Stock Maint	872	1,500	-	-	-	-	-	-	872	1,500
0820 Fuels and Oils	444	500	-	-	-	-	-	-	444	500
0840 Furnishings	48	4,000	-	-	-	-	-	-	48	4,000
Operating Expense	60	-	-	-	-	-	-	-	60	-
Total 921 - Office Expenses	63,149	87,878	-	-	-	-	-	-	63,149	87,878

Southeast Alaska Power Agency
Statement of Activities YTD Budget
as of **May 31, 2020**

	No Location 05/31/20		Swan Lake 05/31/20		Tye Lake 05/31/20		STI 05/31/20		All Locations 05/31/20	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
923 - Professional Services										
0910 Audit-Accounting	22,000	3,000	-	-	-	-	-	-	22,000	3,000
0920 Banking-Trustee-Investment	22,448	12,100	-	-	-	-	-	-	22,448	12,100
0930 Legal	33,094	35,000	-	-	-	-	-	-	33,094	35,000
0940 Legislative	16,000	20,000	-	-	-	-	-	-	16,000	20,000
0950 Other Professional Services	23,410	59,375	-	-	-	-	-	-	23,410	59,375
Total 923 - Professional Services	116,952	129,475	-	-	-	-	-	-	116,952	129,475
924 - Insurance										
0960 Insurance	190,347	197,500	-	-	-	-	-	-	190,347	197,500
Total 924 - Insurance	190,347	197,500	-	-	-	-	-	-	190,347	197,500
928 - Regulatory Commission Expense										
0010 Other Regulatory	-	-	50	-	100	-	290	-	440	-
0020 FERC Admin	-	-	7,925	8,800	7,500	7,400	-	-	15,425	16,200
0040 FERC Other	-	-	2,105	15,875	-	-	-	-	2,105	15,875
0060 AK Agency	-	-	100	-	-	-	-	-	100	-
Total 928 - Regulatory Commission Expense	-	-	10,180	24,675	7,600	7,400	290	-	18,070	32,075
930 - General Expense										
0200 Advertising-Public Relations	16,618	12,500	-	-	-	-	-	-	16,618	12,500
0210 Association Dues	35,617	36,525	-	-	-	-	-	-	35,617	36,525
0220 Board Meeting Expense	26,926	13,500	-	-	-	-	-	-	26,926	13,500
0230 Professional Development	3,202	9,400	-	-	-	-	-	-	3,202	9,400
0240 Travel Expense (Admin)	1,329	14,000	-	-	-	-	-	-	1,329	14,000
0250 Non-Travel Incidental	462	625	-	-	-	-	-	-	462	625
0730 Office Supplies	16	-	-	-	-	-	-	-	16	-
0820 Fuels and Oils	37	-	-	-	-	-	-	-	37	-
Total 930 - General Expense	84,205	86,550	-	-	-	-	-	-	84,205	86,550
931 - Admin Rent										
0371 Rent-Office Space	25,390	25,400	-	-	-	-	-	-	25,390	25,400
0372 Rent-Apartment	7,625	7,650	-	-	-	-	-	-	7,625	7,650
Total 931 - Admin Rent	33,015	33,050	-	-	-	-	-	-	33,015	33,050
TOTAL OPERATING EXPENSE	1,219,171	1,299,543	466,830	518,875	548,970	672,430	48,170	59,000	2,283,141	2,549,848
NET NONOPERATING REVENUE/EXPENSE									3,330,213	2,439,783

Southeast Alaska Power Agency
Statement of Activities YTD Budget
as of **May 31, 2020**

NONOPERATING REVENUE/(EXPENSE)

Nonoperating Revenue/(Expense)

941 - Grant Income

5410 Grant Income

14,867

14,867

Total 941 - Grant Income

14,867

14,867

942 - Interest Income Misc

5010 Interest Earned Misc

12,620

12,620

5020 Interest DNR Liability

(1,406)

(1,406)

5030 Interest Investment Income

73,263

73,263

Total 942 - Interest Income Misc

84,477

84,477

944 - Gain/(Loss) Investments

5200 Realized Gain/(Loss) on Invest

27,605

27,605

5210 Unrealized Gain/(Loss) on Investmt

147,080

147,080

Total 944 - Gain/(Loss) Investments

174,685

174,685

952 - Bond Interest Expense

6120 Bond Interest Expense 2015 Series

139,525

-

139,525

-

6130 Bond Interest Expense 2019 Series

112,817

-

112,817

-

Total 952 - Bond Interest Expense

252,342

-

252,342

-

953 - Depreciation Expense

6300 Depreciation Expense

2,008,860

-

2,008,860

-

Total 953 - Depreciation Expense

2,008,860

-

2,008,860

-

954 - Grant Expense

6520 Grant Contractual

36,627

-

36,627

-

Total 954 - Grant Expense

36,627

-

36,627

-

NET NONOPERATING REVENUE/(EXPENSE)

(2,023,800)

(2,023,800)

Change in Net Position

1,306,493 2,439,783

* FFCRA Tax Credits - SEAPA qualified for federal payroll credits for employees who were unable to return to work because of state-mandated quarantine rules, but were still paid. These regulations went into effect on April 1 and extend through December 31, 2020. "C19 202003" refers to payroll prior to Apr 1 under a SEAPA-mandated quarantine.

Southeast Alaska Power Agency

R&R Summary - Capital Expenditures - Actual to Budget

as of **May 31, 2020**

	2020 EXPENDITURES	2020 BUDGET	PRIOR YRS EXPENDITURES	OVERALL EXPENDITURES	Overall Budget through 2020
RR19301 - Discon Switch-Surge	20,386	66,394	25,981	46,367	92,375
RR19305 - Governr PLC Mod TYL	-	93,302	-	-	93,302
RR19307 - Helipads Cleveland	-	-	18,626	18,626	18,626
RR19308 - HPU TYL Gatehs	1,672	205,980	-	1,672	210,140
RR19314 - Statn Service Switch	58,017	1,286,893	185,565	243,581	1,300,000
RR19326 - Don Finney Ln Design	-	20,000	4,120	4,120	25,000
RR19327 - Fire Protect Upgrade	48,845	54,500	-	48,845	54,500
RR19329 - Security Upgrades	-	39,847	5,154	5,154	45,000
RR19330 - Servers KTN	14	6,462	26,400	26,414	32,800
RR19331 - STCS-HMI-Historian	75,507	100,000	-	75,507	100,000
* RR19332 - Accounting Software	1,185	1,200	33,709	34,894	35,950
RR19333 - 125V Battery Bank	21,492	97,750	-	21,492	97,750
RR19335 - Stuffing Box Unit 2 SWL	13,202	125,000	-	13,202	125,000
* RR20336 - ATV-Snow Plow	28,688	30,000	-	28,688	30,000
RR20337 - Excitation Brush Vacuum SWL	-	50,100	-	-	50,100
RR20338 - Excitation Brush Vacuum TYL	-	59,700	-	-	59,700
RR20339 - Guy Thimbles STI Phase II	1,810	93,000	-	1,810	93,000
RR20340 - HewesNet Structure	9,446	40,000	-	9,446	40,000
RR20341 - Intake Gate Refurbish TYL	3,258	251,300	-	3,258	251,300
* RR20342 - Mower Attachment for Excavator SWL	34,034	29,700	-	34,034	29,700
RR20343 - Partial Discharge Monitors SWL	81,233	98,230	-	81,233	98,230
RR20344 - Spillway Recovery Davit	-	12,500	-	-	12,500
RR20345 - Stationary Winch SWL	-	10,000	-	-	10,000
RR20346 - XFMR Dif Relay Bailey	2,565	22,000	-	2,565	22,000
RR28618 - Housing SWL	182,000	780,475	13,318	195,318	793,800
Total All RR Projects	583,355	3,574,333	312,871	896,226	3,720,773

* Completed R&R projects

Overall budget is through December 2020 and does not include anticipated budget figures for 2021.

**SOUTHEAST ALASKA
POWER AGENCY**

Revenue Fund 1,225,519.92
 Dedicated R&R Fund 266,534.88
 Commercial Checking \$ **1,492,054.80**

**DISBURSEMENTS
MARCH - MAY 2020**

VENDOR		REVENUE FUND	R&R FUND
Advanced Communications		2,176.00	-
Aero Services - KTN		15.96	-
AK DNR 550-1410		150.00	-
Alaska Dispatch News		-	89.66
Alaska Marine Lines		133.93	-
Alaska Permanent Capital, Inc		5,145.57	-
Alaska Power Association		1,000.00	-
All Seasons Argo & Equipment, LLC		65.40	-
Alltek Network Solutions , Inc		27.95	-
Alltek Network Solutions Inc		19.95	-
Alpine Mini Mart		130.65	-
Amazon.com		3,024.88	105.29
American Seal & Packing		800.52	-
Angerman's Inc		3,015.00	-
Arrowhead LP Gas WRG		361.05	983.00
Ascent Law Partners LLP		28,349.17	-
Bank of America - February	Recurring utility & communications, travel	19,373.72	-
Bank of America - March	Recurring utility & communications, travel	14,494.79	-
Bank of America - April	Recurring utility & communications, travel	13,663.91	-
Bay Company		1,650.04	-
BDO USA LLP		22,000.00	-
Board Member Reimbursement	Board Meeting Expense	2,090.33	-
Brown & Kysar Inc		13,333.00	-
Bureau Veritas North America		333.60	-
Cambria Properties LLC		4,575.00	-
Center Marine Services Inc		23,550.00	-
Channel Electric , Inc		458.95	-
City Market Inc		509.49	-
CoastAlaska, Inc		2,184.00	-
Copper River Fleece		263.65	-
Daily Journal of Commerce		103.20	-
DC Auto Marine Repair and Detailing		661.00	-
Eisenhower Carlson PLLC		280.00	-
Electric Power Constructors Inc		45,000.00	-
Electric Power Systems Inc		816.00	2,565.00
eTrac Inc	Submarine cable surveys	87,500.00	-
Eurofins Testamerica		232.50	-
Federal Energy Regulatory Commissio	Land Use Fees	58,122.32	-
FedEx		-	2,323.09
First City Electric, Inc		1,732.21	-
Freeman & Sons Machine and Fabrication		54.00	-
Frontier Shipping & Copyworks		120.00	-
G2 Risk Consulting		2,643.75	-
Grainger		4,662.67	138.83
H.D. Fowler Company Inc		7,121.71	-
Hotel Interurban		16,504.31	-
I Even Do Windows		800.00	-

**SOUTHEAST ALASKA
POWER AGENCY**

Revenue Fund 1,225,519.92
 Dedicated R&R Fund 266,534.88
 Commercial Checking \$ **1,492,054.80**

**DISBURSEMENTS
MARCH - MAY 2020**

VENDOR	REVENUE FUND	R&R FUND
Inductive Automation	-	38,280.00
Iris Power LP	-	78,910.00
Johnson's Building Supply	70.50	-
Juneau Alaska Communications	2,565.30	-
Ketchikan City of 334	568.92	-
Ketchikan Daily News	1,953.18	-
Ketchikan Gateway Borough	15,274.59	-
LNM Services	377.60	-
Madison Lumber & Hardware , Inc	89.01	-
Madison Lumber & Hardware Inc	6.87	-
Marble Construction	963.00	824.38
McMaster-Carr Supply Company	-	165.12
McMillen Jacobs Associates	23,456.50	-
Mitchell Instrument Co	507.18	-
NRECA Group Ins	Admin Employee Benefits	63,921.06
NRECA RSP Trust Contrib	Admin Employee Benefits	87,529.75
Onlogic	RR19331 STCS-HMI-Historian	-
Ottesen's Inc	2,972.82	7,787.00
Pacific Airways Inc	-	840.00
Pacific Pride of Alaska, LLC	185.15	-
Petro Marine Services-KTN	916.83	-
Petro Marine Services-WRG	2,639.48	-
Pilot Publishing, Inc	1,375.00	-
Platt Electric Supply	122.22	-
PND Engineers	2,942.50	-
R&M Engineering-Ketchikan, Inc	398.50	-
Ray Matiasowski	12,000.00	-
Samson Tug & Barge	2,380.44	1,206.43
Satellite & Sound, Inc	1,600.00	-
Schmolck Mechanical KTN	45.70	-
Segrity LLC	13,755.48	27,900.00
Sentry Hardware & Marine	589.13	105.78
Service Auto Parts	2,448.26	-
Sign Pro	46.25	-
Sockeye Business Solutions Inc	3,000.00	-
Southeast Auto & Marine Parts, Inc	1,055.54	-
Southern States	-	20,385.70
Stikine Inn	500.20	-
Storage Battery Systems	-	20,599.40
Structural Diagnostic Testing Services	110.59	-
Sunrise Aviation Inc	10,623.75	-
Svendsen Marine LLC	99.10	-
Tamico Inc	528.35	-
Taquan Air	4,160.00	-
Temsco Helicopters, Inc	1,447.55	-
TexRus LLC	19,640.44	-
Timber & Marine Supply Inc	142.95	28,703.20

**SOUTHEAST ALASKA
POWER AGENCY**

Revenue Fund 1,225,519.92
 Dedicated R&R Fund 266,534.88
 Commercial Checking \$ **1,492,054.80**

**DISBURSEMENTS
MARCH - MAY 2020**

VENDOR	REVENUE FUND	R&R FUND
Tongass Business Center Inc	671.40	-
Tongass Trading Company Inc	847.97	-
TSS	8,541.00	-
Tyler Rental Inc	564.00	33,698.00
Uline, Inc	8,124.61	-
Varidesk, LLC	250.81	-
Ward Creek Industrial	-	925.00
Wells Fargo Bank MN	500.00	-
Wells Fargo Bank-Corporate Trust Bond Principal & Interest payments, trustee fees	427,569.00	-
Wells Fargo Corporate Trust DNR Reclamation Fund annual contribution	75,000.00	-
Wesco Distribution Incorporated	1,486.00	-
Woffinden, Jeimi	343.80	-
Workforce Go	350.00	-
Wrangell City & Borough	26,062.52	-
Wrangell IGA Inc	120.14	-
Wrangell Sentinel	1,182.00	-
X2nSat	4,281.00	-
TOTAL	1,225,519.92	266,534.88



Date: June 19, 2020

To: Trey Acteson, Chief Executive Officer

From: Robert Siedman, P.E., Director of Engineering & Technical Services

SEAPA 2020 Operations Plan Update

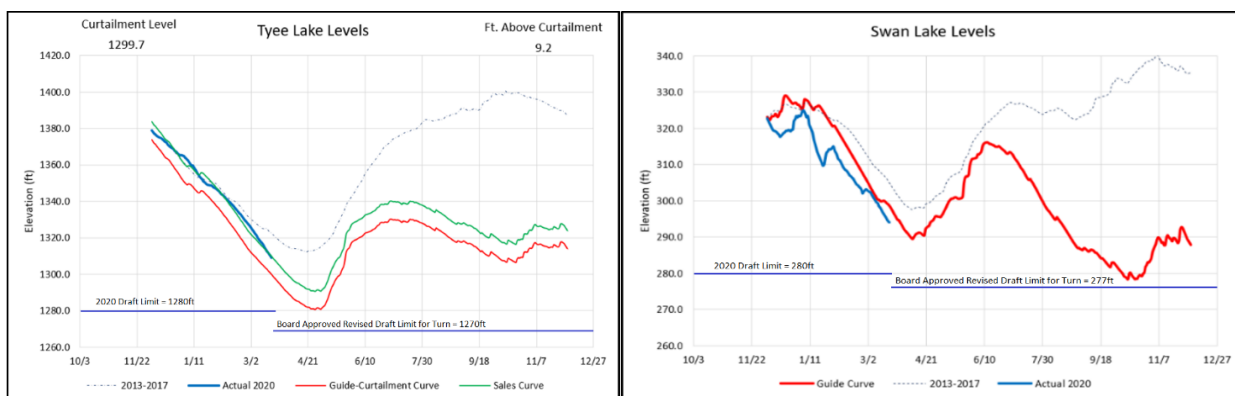
Every year SEAPA presents the Operations Plan (Ops Plan) for Board approval in accordance with Section 5 of the Power Sales Agreement¹ (PSA). The annual plan forecasts expected reservoir levels for Tye Lake and Swan Lake for the upcoming year by maximizing output from SEAPA facilities and optimizing water resources. Pursuant to the PSA, the Ops Plan gives first priority to the dedicated Firm Power Requirements of each Utility and optimizes Additional Dedicated Output as a second priority for additional power requirements.

Due to the drought of 2018-2019, the Operations Plan was significantly revised for 2020. In collaboration with Member Utilities, SEAPA addressed Communication, Dedicated Output, Additional Dedicated Output, Supplemental Diesel and Efficiency in the revised plan.

1.0 Draft Limits

At the March 31 Board Meeting, SEAPA provided an update on the Operations Plan and lake levels at that time. Draft Limits prior to the March 31 Board meeting for Swan and Tye Lake were 280ft and 1280ft, respectively. Although the lakes were trending very close to the 2020 Operations Plan models, the extended forecast at that time predicted lower than average inflows and colder than normal temperatures. To allow SEAPA flexibility and preclude a special Board meeting, a Motion was approved to lower Draft Limits from 1280ft to 1270ft at Tye and from 280ft to 277ft at Swan with two Caveats:

- i) Adjusting the draft limit at Tye would also adjust the curtailment curve
- ii) Considering Draft Limits were adjusted to give SEAPA flexibility to get thru the Turn, the Draft Limits would be restored to their original levels after the Turn was made.

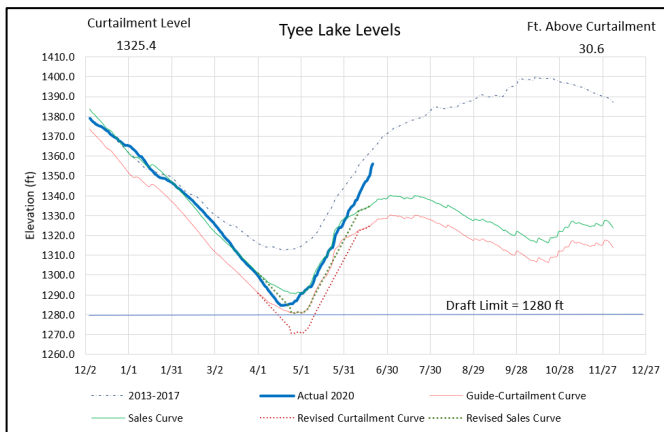


¹ Section 5 of the Power Sales Agreement states that SEAPA shall prepare annually an Operations Plan to estimate the Firm Power Requirements of the Purchasing Utilities and identify Dedicated output to maximize utilization and optimize output of each facility.

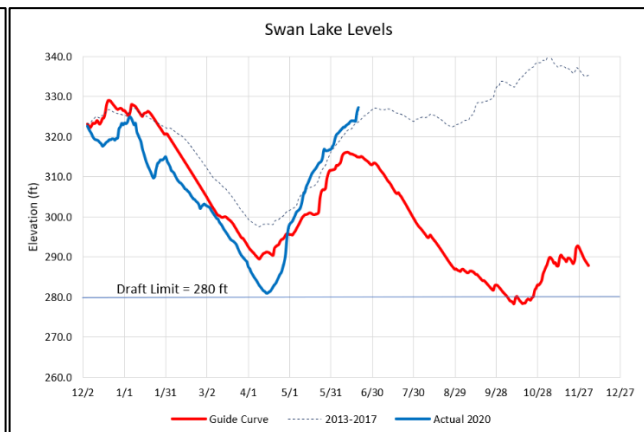
2.0 Current Lake Levels

The Turn (beginning of the snow runoff) occurred at Swan and Tyeelakes around April 17 and April 27 respectively. As a result, SEAPA did not require the additional lake water feet (lower Draft Limits) approved by the Board to mitigate water shortages. The lake level trends for the Spring of 2020 were very close to the Operations Plan model. SEAPA balanced lakes by utilizing the Swan-Tyee transmission line (STI), which maintained lake levels at Tyee and Swan above the original Draft Limits.

The Turn was complete in May and as a result, Draft Limits were returned to their original levels of 1280 and 277 feet for Tyee and Swan, respectively. Sales and Curtailment curves were also returned to their original levels. Draft Limits will remain at original 2020 Operations Plan levels throughout the remainder of the 2020 inflow season.



Tyee Lake Sales/Guide Curve: Elevation 1356 ft



Swan Lake Guide Curve: Elevation 327.3 ft

The charts illustrated above are the Sales/Guide curves for Tyee Lake and Swan Lake. For Tyee, the green line represents the sales curve and the red line represents the curtailment curve. As represented by the blue line (actual lake levels over time), SEAPA managed Tyee Lake very close to the Sales Curve until inflows from the Spring snow runoff exceeded generation requirements. Swan Lake, as a result of Tyee operations, has also trended close to the modeled Guide Curve (red line).

The Agency performed snow surveys in late May and early June for both Swan and Tyee Lake. As indicated in the snow survey reports, both Swan and Tyee drainage basins have a snowpack that is near an average year. The result of a healthy snowpack is a healthy hydro season. SEAPA anticipates the trend (slope) of lake level rise to continue with both lakes for the remainder of the 2020 inflow season.



SOUTHEAST ALASKA POWER AGENCY

Date: June 22, 2020
To: SEAPA Board of Directors
From: Trey Acteson, CEO
Subject: SEAPA Strategic Plan, New Mission Statement, and Organizational Statements

During the Special Board Meeting held on February 21-22, 2020, the Board held a workshop to develop a formal Strategic Plan for the Agency, which would include specific objectives and timelines to maximize value for the collective group of Member Utilities and the Rate Payers. Since that meeting, I have worked with the Plan facilitators, Brown & Kysar, Inc. and the Board to refine the Plan. A draft is attached for your consideration and approval, together with the Board’s Service History. Also developed in the Plan is a New Mission Statement and Organizational Statements.

Further elaboration will be presented during the Board meeting. Please consider the following suggested motions:

SUGGESTED MOTION RE STRATEGIC PLAN

I move to adopt the Southeast Alaska Power Agency 2020-2022 Strategic Plan presented at SEAPA’s June 30, 2020 Regular Board Meeting.

SUGGESTED MOTION RE NEW MISSION STATEMENT

I move to rescind the motion adopting the Agency’s existing Mission Statement approved at the Special Board Meeting held on January 17, 2013 which states: “SEAPA’s Mission is to provide the lowest wholesale power rate consistent with sound utility planning and business practices. We exist for the long-term benefit of our member utilities and the rate payers, providing unified regional leadership for project development and prudent management of our interconnected power system.”

I further move to adopt the following New Mission Statement: “SEAPA’s mission is to safely provide clean, reliable, low-cost wholesale power to the communities we serve.”

SUGGESTED MOTION RE ORGANIZATIONAL STATEMENTS	
I move to adopt the following Organizational Statements:	
ORGANIZATIONAL STATEMENTS	
Who We Are:	<i>A regional joint action agency established as an energy resource for our member communities in Southeast Alaska.</i>
What We Do:	<i>Manage and operate two hydroelectric projects (Tye Lake & Swan Lake) and the transmission assets that supply power to the communities of Ketchikan, Petersburg, and Wrangell.</i>
What We Value:	<i>Safely providing low-cost, dependable service with efficiency and integrity to our communities through the transparent collaboration of dedicated employees.</i>
What We Aspire to Become:	<i>The trusted provider for energy and energy-related services that our Members require.</i>



2020-2022 Strategic Plan

From the Southeast Alaska Power Agency Board of Directors and Staff
Strategic Planning Session – Interurban Conference Facility, Tukwila, WA
February 21 & 22, 2020

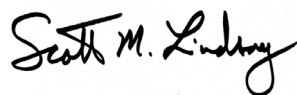
Facilitated and Prepared By:



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BKI is proud to have been able to facilitate the SEAPA strategic planning process. We trust that you will find value in the following documentation and we look forward to continuing to serve SEAPA through this process of continuous improvement. Should you need anything, please don't hesitate to reach out to us any time.



Scott M. Lindsay
CEO



Serving small to mid-sized public utilities in the west since 1985.

1315 SE Grace Ave., Ste 201
Battle Ground, WA 98604

360.687.3966

www.bki.cc

STRATEGIC PLAN OVERVIEW

Foreword

On February 21 & 22, 2020, Southeast Alaska Power Agency (SEAPA) Board members and select agency staff met at Hotel Interurban in Tukwila, WA to develop a strategic plan for the organization. Brown & Kysar, Inc. (BKI) facilitated the planning process.

Desired Outcomes or Goals for the session were to create a Strategic Plan that:

- Is clear, concise, meaningful, understandable and relatable months and up to two years after completion;
- Explores evolving external and internal environments facing the agency;
- Reviews existing plans where necessary and creates new plans based on the agency's assessment of its current situation, its challenges and opportunities;
- Addresses six (6) to ten (10) topics facing SEAPA (i.e., rates, capital budgets, CEO evaluation, safety, generation, new projects, board structure, etc.); and,
- Contains accountability... who at the agency is responsible for carrying out the plan's directives; during what time frame; and what kind of resources, estimates of both human and financial, will be required to carry out the plan.

Board Member Participants:

- Robert E. Lynn, Chairman & Voting Director
- Bob Sivertsen, Vice Chair & Voting Director
- Cliff Skillings, Secretary-Treasurer & Alternate Director
- Karl Amylon, Voting Director
- Jeremy Bynum, Alternate Director
- Tor Benson, Alternate Director
- Robert Larson, Voting Director
- Karl Hagerman, Alternate Director
- Steve Prysunka, Voting Director
- Lisa Von Bargaen, Alternate Director

Select Agency Staff:

- Trey Acteson, CEO
- Sharon Thompson, Executive Assistant/Contracts Administrator

SEAPA Counsels:

- Joel Paisner, Ascent Law Partners LLP
- Kirk Gibson, McDowell Rackner Gibson, PC

BKI Facilitators:

- Scott M. Lindsay, CEO
- Eddie Jackson, General Manager

Strategic Planning Process

The SEAPA Strategic Planning process consisted of:

- A pre-meeting on-line survey of SEAPA Board Members and Senior Staff
- A pre-meeting conference call with the Board Chair and CEO
- A Strategic Planning Meeting Agenda covering:
 - Participant Roles & Responsibilities
 - Board & Staff Survey Results
 - Accomplishments from 2019
 - Challenges & Opportunities
 - Values Exercise
 - Review of JAA Agreement, Vision/Mission & Bylaws
 - Futures Exercise (SEAPA 2030)
 - Confirmation of Key Performance Areas (KPAs) to be Discussed
 - Prioritization of KPAs by Department or Responsibility Area
 - STP+O Process
 - Situation - Analysis of current state by KPA
 - Target - Goals to be set
 - Proposal - Board recommended strategies to accomplish goals
 - Objective - Deliverable with accountability and allocation of resources

Interrelationship of Strategic Planning Elements

The strategic planning and implementation process is a cycle of interdependent planning and execution activities. We define the plan by evaluating and incorporating existing documentation such as the bylaws, board goals, JAA, etc.

Existing documentation is then evaluated and updated based on the direction of the updated strategic plan.

This iterative process ensures continuous improvement of the organization's activities.



Strategic Plan Insights

Board Policies were discussed by the Board during development of this strategic plan. Board terms, rotating seats and alignment of SEAPA goals with community needs were all identified as area of further investigation. No proposals were made to revise SEAPA's existing Board policies.

Joint Action Agency (JAA) Agreement & Bylaws were referenced by the facilitator during the strategic planning session. No proposals were made by the Board or staff to revise SEAPA's JAA Agreement or Bylaws.

Mission Statement was reviewed by the Board during the strategic planning session. The Board agreed to allow the facilitators to interpret their discussions and prepare the framework for an amended mission statement. They also asked staff to provide context for the mission statement by adding statements regarding: who the utility is; what the utility does; what the utility values; and what the utility aspires to become. Please see the section on mission statements below.

Flip Chart Notes captured the thoughts expressed by the SEAPA Board and Staff about: challenges and opportunities facing the electric utility industry and the agency; the agency's values; organization's future and goals. Notes on these items are provided in sections following this strategic plan document. These notes may provide additional insights to be followed-up on developing annual Work Plans for SEAPA.

Situation Analyses for each section of this strategic plan are presumptive... meaning that the ideas expressed by the Board and staff are generally thought to be true and accurate. Due diligence by the agency staff is recommended for any statement within the Situation Analyses that appears to be questionable and confirmation of said statement as fact is recommended before pursuit of stated goals.

Strategies or pathways for achieving the goals set by the Board are noted within the plan as "recommendations". They are described as recommendations because staff must have the latitude and flexibility to modify the means by which goals are achieved based on changes in the environment or situation the agency finds itself in. The SEAPA Board, during the strategic planning session, recognized this dynamic.

Strategic Plans Fail for lack of a "Work Plan" developed and executed by staff. It is strongly recommended that the SEAPA senior staff develop an annual work plan to implement the goals, objectives and strategies of this, 2020-2022 Strategic Plan.

Approved 2020-2022 Strategic Plan represents the first strategic plan for the agency. Ultimately the Board and SEAPA's CEO, upon review of their thoughts and aspirations for the agency, may determine their plan to be too ambitious, not ambitious enough, too costly, not relevant to circumstances beyond their control... or maybe the plan is "right on the money" in all respects and is worthy of adoption.

Regardless of the circumstance, a **final strategic plan for Board approval needs to incorporate the details of a Work Plan with specific projects, measurable objectives, deliverables, schedules, budgets and evaluation criteria; AND be "owned" by SEAPA's senior management team.** Without the details of a Work Plan, the management and Board will be unable to prioritize and make final decisions about allocations of the agency's resources.

Measuring SEAPA's Performance as discussed during the strategic planning meeting, is one of six core responsibilities of the Board of Directors. BKI believes this strategic plan:

- ✓ Lays out a path forward for the agency;
- ✓ Provides high level accountability;
- ✓ Allocates human/financial resources; and
- ✓ Establishes baselines from which the Board can measure and evaluate the performance of the organization.



Governance Review

SEAPA's Mission Statement:

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

PROPOSED: *SEAPA's mission is to safely provide clean, reliable, low-cost wholesale power to the communities we serve.*

DRAFT ORGANIZATIONAL STATEMENTS	
Who We Are:	<i>A regional joint action agency established as an energy resource for our member communities in Southeast Alaska.</i>
What We Do:	<i>Manage and operate two hydroelectric projects (Tyee Lake & Swan Lake) and the transmission assets that supply power to the communities of Ketchikan, Petersburg and Wrangell.</i>
What We Value:	<i>Safely providing low-cost, dependable service with efficiency and integrity to our communities through the transparent collaboration of dedicated employees.</i>
What We Aspire to Become:	<i>The trusted provider for energy and energy related services that our Members require.</i>

NOTE: It will require Board action to approve the proposed mission statement and statements above.

The above materials provide context for the strategic planning process. The following pages, until the addenda materials, contain the main elements of SEAPA's strategic plan. The addenda material was used to prepare for the facilitation and are included as reference material. These consolidated materials make up SEAPA's complete strategic plan.



STRATEGIC PLAN

Strategic Planning by Topics

The SEAPA Board and staff prioritized their strategic planning discussions and elected to provide objectives under each main topic as follows:

- I. **Board & Organizational Governance**
 - a. Board Terms
 - b. Board Rotating Seats/Chair Term & Selection
 - c. Alignment of SEAPA Goals with Community Needs

- II. **Power Supply**
 - a. New Generation to Support All Communities
 - b. Diesel Protocol

- III. **Marketing, Communications, Legislative & Regulatory**
 - a. Legislative & Regulatory Advocacy
 - b. Technology & Video Conferencing

- IV. **Administration**
 - a. Evaluation of CEO's Performance
 - b. Additional Staff Hires
 - c. Attract & Retain Local & Technical Talent

- V. **Engineering & Operations**
 - a. Safety

I. Board & Organizational Governance

A. Topic: Board Terms

Situation:

- Short Board terms lead to a lack of continuity and loss of knowledge/experience that hinders the ability to act quickly.
- It takes time to educate and on-board new Board members.
- There has been distrust among communities in the past (Good dynamic now).
- There is a need for new/fresh ideas that comes from Board turnover.
- Members can serve multiple terms on the board.

Board Goals:

- a. SEAPA wants to help educate its Board to close gaps in knowledge needed to effectively govern the agency and stabilize long-term direction and goals.

Recommended Board Strategies: Proposal to achieve the above goals is...

- a. Direct staff to present multiple Board term options for the Board to review and consider.

BOARD OBJECTIVES			
<u>Objectives</u> we will know this Goal/Strategy is achieved when...	<u>Who</u>	<u>When</u>	<u>Allocation of Resources</u>
The Board makes a decision and acts to change or retain Board terms	CEO/Board	Sept. 2020	Human - Same Budget - Same

B. Topic: Board Rotating Seats/Chair Selection & Term

Situation:

- Rotating leads to a lack of continuity and loss of knowledge/experience that hinders the ability to act quickly.
- It takes time to educate and on-board new Board members.
- There has been distrust among communities in the past (Good dynamic now).

Board Goals:

- SEAPA intends to help address Board gaps in knowledge/experience through opportunities to serve as Chair.

Recommended Board Strategies: Proposals to achieve the above goals are...

- The rotating seat could have a one-year term and regular seats could have two-year terms.
- The Chair would not have a vote and would rotate.
- An outside Board member would be added to the Board as a tie-breaker (Primary, Alternate, Independent).
- Do not change the Board chair rotation methodology and keep the process the same as current practice.

BOARD OBJECTIVES			
<u>Objectives</u> we will know this Goal/Strategy is achieved when...	<u>Who</u>	<u>When</u>	<u>Allocation of Resources</u>
The Board makes a decision and acts to change or retain the existing practice regarding rotating seats	CEO/Board	Sept 2020	Human - Same Budget - Same
The Board makes a decision and acts to change or retain the existing practice for Chair selection and term	CEO/Board	Sept 2020	Human - Same Budget - Same

C. Topic: Alignment of SEAPA Goals with Community Needs

Situation:

- There may be a difference of opinion on the alignment among communities.
- There may be a need to review SEAPA's organizational documents.
- There is a lack of regular communication.
- Community interests are sometimes in conflict.
- Opinions vary on if SEAPA governance and direction align with current community needs.

Board Goals:

- Make an effort to keep the Board informed of any potential issues.
- The Board will keep the CEO informed of its priorities.
- Both the Board and the CEO will explore ways to better communicate on issue areas.
- There will be a collective effort to address potential conflicts.
- There is a strong desire to avoid surprises.

Recommended Board Strategies: Proposals to achieve the above goals are...

- The CEO needs a mechanism to raise a red flag for any key issues that require a Board meeting.
- The CEO will call special meetings as needed to find commonality and agreement.
- There will be increased communication among and with communities.
- The CEO will be the first point of contact for issues that may require a special meeting.

BOARD OBJECTIVES			
<u>Objectives</u> we will know this Goal/Strategy is achieved when...	<u>Who</u>	<u>When</u>	<u>Allocation of Resources</u>
A mechanism (Phase I Communications plan/process) is established for staff to communicate potential conflicts/issues with members (Community to SEAPA staff, staff to CEO, CEO to Board)	Staff/CEO	June 2020	Human - Same Budget - Same

II. Power Supply

A. Topic: New Generation to Support All Communities

Situation:

- SEAPA's generation is nearly 100% renewable in years of high precipitation.
- Generation during peak demand isn't always renewable.
- Opinions on Demand Side Management (DSM) vary.
- Reduction in power sales reduce utility operation budget calling for rate restructures.
- Communities rely on diesel when hydropower is unavailable.
- Back up generation is from diesel power and is subject to reliability fluctuations.
- The cheapest power is that which you don't have to build.
- Debt service is costly on projects that are not needed leaving potential stranded assets.
- SEAPA had 7 years of operations without the need for diesel (weather dependent).

Board Goals:

- a. SEAPA would like to determine a preferred resource mix.*
- b. Direction is needed to determine SEAPA's role in providing new generation.*
- c. The Board would like to know options to displace diesel and maintain reliability.*
- d. The desire is to have manageable projects that aren't too expensive.*
- e. A regional effort is preferred to meet resource needs.*
- f. The preference is to displace fossil fuel (diesel).*
- g. The desire is to optimize timing on project development.*

Recommended Board Strategies: Proposals to achieve the above goals are...

- a. Seek to build additional generation to support communities during peaks, maintenance and weather issues.
- b. Evaluate and provide resource options for the Board to consider (with planning elements and recommendations).
- c. Seek to update load projections.
- d. Evaluate non-hydro resource options and provide potential recommendations for development (Wind, Solar, Marine, Small Nuclear).
- e. SEAPA will identify and present alternatives to diesel.

Topic: New Generation to Support All Communities - Continued

BOARD OBJECTIVES			
<u>Objectives</u> we will know this Goal/Strategy is achieved when...	<u>Who</u>	<u>When</u>	<u>Allocation of Resources</u>
Hydro generation recommendations and costs are presented to the Board for consideration	CEO	2021	Human - Same Budget - Same
Generation and load projections are provided to the Board along with considerations/decisions on when (timing) to take on debt for new project development	CEO/Board	Q4 2021	Human - Increase Budget - Increase
Provide an evaluation of a DSM program that runs in parallel with power contract efforts (studies/load forecasts and community input is needed to make a recommendation)	CEO/Board/ Munis	Q4 2021	Human - Increase Budget - Increase
SEAPA will explore additional renewable energy technologies and share research with the Board for collective consideration	CEO/Board	On-going	Human - Same Budget - Same



B. Topic: Diesel Protocol

Situation:

- SEAPA only sells hydropower (no diesel) and there is not clarity in SEAPA's role in diesel generation.
- Diesel is used by communities to meet needs when there is a hydro shortage.
- There is no process for who and when to recuperate costs of running diesel.
- Diesel is expensive and dirty.
- While uncommon, droughts caused turmoil and expense.
- Reservoirs do not hold a full year of storage for hydropower generation.
- The current protocol for diesel is Ad Hoc and relies on tracking drought curves built on historical data.
- An annual operation plan is in place and used.
- A more stringent reserve protocol has been established for the Tyee Lake Communities.

Board Goals:

- The Board needs to define SEAPA's role in mutual aid.
- SEAPA should establish a buffer mechanism to hedge against diesel use.
- There needs to be a tool established to recognize the cost of running diesel when external conditions dictate.
- Try to determine SEAPA's role in managing diesel use.

Recommended Board Strategies: Proposals to achieve the above goals are...

- SEAPA may coordinate all generation for member communities.
- SEAPA has the ability to "feather" and distribute diesel use during emergency conditions in a coordinated effort.
- SEAPA can modify its operations to be less conservative on its projections.

BOARD OBJECTIVES			
<u>Objectives</u> we will know this Goal/Strategy is achieved when...	<u>Who</u>	<u>When</u>	<u>Allocation of Resources</u>
An operations plan is prepared and reviewed quarterly by the Board that includes triggers for planning and notification of potential issues	CEO/Board	On-going	Human - Same Budget - Same
As part of a communications plan, there will be a proactive two-way interaction among Munis and SEAPA	CEO/Munis	On-going	Human - Same Budget - Same

III. Marketing, Communication, Legislative & Regulatory

A. Topic: Legislative & Regulatory Advocacy

Situation:

- SEAPA’s CEO is doing well with existing Legislative & Regulatory (L&R) efforts.
- Federal Energy Regulatory Commission (FERC) relicensing challenges are anticipated.
- SEAPA can develop stronger federal agency support and relationships.
- SEAPA has good access to its strong Congressional delegation.
- There is value for the membership in SEAPA’s L&R engagement.
- The Swan Lake Boundary Act had a good outcome and is an example of a successful legislative effort.
- SEAPA does a good job of protecting member interests through on-going advocacy.

Board Goals:

- A desire is to be more proactive on advocating interests.*
- SEAPA will advocate its interests in legislation to reform the National Environmental Policy Act (NEPA) & FERC relicensing process.*
- Work should continue to have a legislative influence on federal agencies.*

Recommended Board Strategies: Proposals to achieve the above goals are...

- SEAPA should continue efforts to proactively engage with Congress and agencies to advance its interests.
- SEAPA should work to provide insights on the FERC relicensing process.
- SEAPA will work with national, regional and state trade associations on L&R priorities.

BOARD OBJECTIVES			
<u>Objectives</u> we will know this Goal/Strategy is achieved when...	<u>Who</u>	<u>When</u>	<u>Allocation of Resources</u>
An advocacy outreach strategy is created and shared with the Board (May include DC lobbying support)	CEO	Q3 2020	Human - Same Budget - Increase
An educational hydro relicensing process report is delivered the Board for review and action	CEO/Board	2023	Human - Increase (Hire) Budget - Increase
Participation with national, regional and state trade associations continues to promote L&R priorities	CEO/Board	On-going	Human - Same Budget - Same

B. Topic: Technology & Video Conferencing

Situation:

- SEAPA doesn't do a good job telling its story.
- Access to Members of Congress can be improved through technology.
- There are few communications options in the area.
- Community communications are not coordinated well.

Board Goals:

- SEAPA should be seen as a member of all communities through increased visibility.
- Video capabilities will help with Congressional outreach and strengthen relationships.
- There needs to be a review of potential communications system options.
- The area needs a more coordinated communications system.

Recommended Board Strategies: Proposals to achieve the above goals are...

- The use of social media should be explored to communicate, inform and educate.
- Video conferencing capabilities should be in place for state and federal elected official communications.

BOARD OBJECTIVES			
<u>Objectives</u> we will know this Goal/Strategy is achieved when...	<u>Who</u>	<u>When</u>	<u>Allocation of Resources</u>
A communications plan/strategy (Phase II) is developed for public awareness that includes: social media, technology, community awareness, and recruitment of local talent	CEO/Exec Asst	Q2 2021	Human - Same Budget - Increase
A report is prepared on available conferencing technologies and a proposal is considered to deploy a solution	CEO/Exec Asst	Q2 2021	Human - Increase (IT Hire) Budget - Increase

IV. Administration

A. Topic: Evaluation of CEO's Performance

Situation:

- There is no formal CEO review process in place.
- The CEO is loosely rated on communication, organization status and past performance.
- There is an informal annual evaluation.
- The CEO conducts 360 staff reviews periodically.
- The CEO provides an annual list of accomplishments to the Board.

Board Goals:

- The CEO needs performance feedback and clear direction with set expectations.*
- Clear performance standards need to be established.*
- New Board members need to be educated on their responsibility to review the CEO annually.*

Recommended Board Strategies: Proposals to achieve the above goals are...

- Set goals and objectives for the CEO position need to be established.
- A formal CEO evaluation process needs to be established.
- Training needs to be developed for new board members on their CEO rating responsibilities and the review process.

BOARD OBJECTIVES			
<u>Objectives</u> we will know this Goal/Strategy is achieved when...	<u>Who</u>	<u>When</u>	<u>Allocation of Resources</u>
A formal process for annual review of the CEO's performance is in place and use (Includes: objectives, goals, deliverables...)	Board/Attorney (Special Meeting)	Q3 2020	Human - Same Budget - Increase (Attorney)

B. Topic: Additional Staff Hires

Situation:

- There are many existing staff needs at SEAPA.
- SEAPA currently needs information technology (IT) and engineering support.
- There is a potential loss of knowledge and experience as senior staff retire.
- Many employees are nearing retirement.
- SEAPA is currently a very lean organization.
- SEAPA needs to be able to free up specialized employees.
- Human resources support is needed or outsourced.

Board Goals:

- There is a need to hire replacement staff prior to retirements to transfer knowledge.*
- SEAPA prefers to maintain institutional knowledge and capabilities.*
- There is a strong desire to prevent burn-out of existing staff.*

Recommended Board Strategies: Proposals to achieve the above goals are...

- There may be an opportunity to outsource some work as opposed to hiring in-house staff to save on costs (HR, Accounting).
- There is a need to hire full-time IT employee.
- There is a desire to develop a training and recruitment program to attract local and technical talent (job fairs and scholarships).

BOARD OBJECTIVES			
<u>Objectives</u> we will know this Goal/Strategy is achieved when...	<u>Who</u>	<u>When</u>	<u>Allocation of Resources</u>
Consultants are hired using Board approved budget	CEO/Board	As needed	Human - Same Budget - Increase
A full-time IT employee is hired	CEO/Board	Q4 2020	Human - Increase Budget - Increase

C. Topic: Attract and Retain Local and Technical Talent

Situation:

- The Board has a preference to hire local and technical talent.

Board Goals:

- a. Create a strategy to hire local and technical talent.

Recommended Board Strategies: Proposal to achieve the above goals is...

- a. Develop a coordinated strategy to attract and retain new talent within local communities (training and recruitment program - job fairs and scholarships).

BOARD OBJECTIVES			
<u>Objectives</u> we will know this Goal/Strategy is achieved when...	<u>Who</u>	<u>When</u>	<u>Allocation of Resources</u>
A local talent recruitment plan (Phase II of communications plan) is established and in use that accommodates SEAPA upcoming employee needs	CEO/Exec Asst	Q2 2021	Human - Same Budget - Same

V. Engineering & Operations

A. Topic: Safety

Situation:

- Safety is a top priority while staff work to maintain SEAPA's system reliability.

Board Goals:

- The intent is to maintain zero lost time and high reliability at SEAPA.*

Recommended Board Strategies: Proposal to achieve the above goals is...

- SEAPA will continue to promote a culture of safety.

BOARD OBJECTIVES			
<u>Objectives</u> we will know this Goal/Strategy is achieved when...	<u>Who</u>	<u>When</u>	<u>Allocation of Resources</u>
System reliability is maintained with zero lost time due to injury	CEO	On-going	Human - Same Budget - Same

Strategic Initiatives

The SEAPA Board of Directors and senior staff reviewed and discussed the future of the agency with a focus on these following areas: board & organizational governance; power supply; marketing, communications, legislative & regulatory; administration; and engineering & operations.

Goal setting discussions, using these focus areas, generated several major strategic initiatives for SEAPA over a two-year period of time.

These strategic initiatives are to:

- ✓ Deliver safe and reliable electricity to its communities.
- ✓ Provide affordable, clean electricity to its communities.
- ✓ Continue to engage local communities and increase collaboration through communication.
- ✓ Attract and retain a capable and local workforce.





2020-2022 Strategic Plan

SEAPA's mission is to safely provide clean, reliable, low cost wholesale power to the communities we serve.

Who We Are:

A regional joint action agency established as an energy resource for our member communities in Southeast Alaska.

What We Do:

Manage and operate two hydroelectric projects (Tyee Lake & Swan Lake) and the transmission assets that supply power to the communities of Ketchikan, Petersburg and Wrangell.

What We Value:

Safely providing low cost, dependable service with efficiency and integrity to our communities through the transparent collaboration of dedicated employees.

What We Aspire to Become:

The trusted provider for energy and energy related services that our Members require.

Strategic Objectives

Safety & Reliability

Clean & Affordable

Engage Community

Local Workforce

Strategic Priorities

- ~ Maintain Zero Loss Time
- ~ Sustain High System Reliability
- ~ Continue to promote a **Culture of Safety**

- ~ Provide Energy using Financial Discipline and Informed Planning
- ~ Protect Renewable Hydro Resource for Continued Community Benefit
- ~ Explore Technology Alternatives to Diesel for Potential Development

- ~ Implement a Communications Plan to Connect, Inform and Coordinate
- ~ Maintain strong Legislative & Regulatory presence
- ~ Leverage Technology for increased Community Connection

- ~ Seek to Attract and Retain Local and Technical Talent
- ~ Develop a Training Program for Knowledge Retention
- ~ Conduct a Formal Annual Evaluation of the CEO's Performance

Topic	Description	Department	Ref.	
Reoccurring				
<i>Renewable Energy Generation</i>	Update the Board concerning renewable energy technology	2	A	
<i>Operations plan adjustments</i>	Board report for quarterly operations projections, issues and adjustments	2	B	
<i>Operations plan adjustment communication</i>	Proactively communicate operations projections, issues and adjustments with municipal utilities	2	B	
<i>Legislative and Regulatory Report</i>	Quarterly report to the board informing of legislative and regulatory issues	3	A	
Q2 2020				
<i>Aligning SEAPA and Communities</i>	Develop a communication plan (Phase I) with communities	1	C	
<i>Operations plan adjustments</i>	Develop a standard Board report for quarterly operations projections, issues and adjustments	2	B	
Q3 2020				
<i>Board Terms</i>	Staff present multiple options for Board terms	1	A	
<i>Board Rotating Seats</i>	Staff to present reasons for rotating seats	1	B	
<i>Board Chair Selection and Term</i>	Staff to present options for Board Chair selection and duration	1	B	
<i>Annual Advocacy Strategy</i>	Develop an annual outreach strategy report for the Board	3	A	
<i>CEO Annual Review</i>	Develop a formal annual review process for the CEO	4	A	
Q4 2020				
<i>New IT Position</i>	Hire a full-time IT employee	4	B	
Q2 2021				
<i>Public Awareness</i>	Develop a communication plan/strategy (Phase II) for public awareness	3	B	
<i>Conferencing Technologies</i>	Prepare a report to the Board on available meeting technologies and community accessibility	3	B	
<i>Local Talent Training and Retention</i>	Develop a local talent training and recruitment plan (Phase II of communications plan)	4	C	
Q4 2021				
<i>New Hydro Generation</i>	Present new hydro generation options to Board	2	A	
<i>Generation Needs vs. New Debt</i>	Present power projections for generation to the board	2	A	
<i>Demand Side Management (DSM)</i>	Propose DSM options to the board to offset new generation	2	A	
Future				
2023	<i>Relicensing</i>	Present the relicensing process to the Board for review	3	A

Departments are the order of importance as defined in the planning session:

1 - Board and Organizational Governance, 2 - Power Supply, 3 - Marketing, Communication, Legislative & Regulatory, 4 - Administration, 5 - Engineering and Operations

Utility Work Plan Template

Department: Power Supply	
Topic: Utility Peak Generation	
A	Board Level Goal: <i>To annually assess our utilities' awareness of new generation integration; their levels of knowledge related to new generation needs; and plans to install new generation at the utilities.</i>
Responsibility: Bob, Eugene, Mary	
Project: Annual Utility Generation Survey	
Project Completed by Date: March 31, 2021	
Project Measureable Objectives:	
1	To determine our utilities' level of awareness and knowledge about combined system power needs.
2	To determine how many of our utilities currently have additional generation on their system and operation strategies.
3	To determine characteristics of the already installed generation: type, size, location, output, safety switch, connected/not connected to the grid, etc.
4	To determine committed plans to install additional generation at the utilities within the next 12 months.
5	To determine characteristics of the planned generation: type, size, location, output, safety switch, connected/not connected to the system, etc.
6	To determine if SEAPA can be of assistance to the utilities and the nature of assistance wanted.
7	Other?
Project Deliverables:	
1	Determination on how to conduct the survey and related costs (Internal or Consultant)
2	Draft Survey for review by appropriate staff and management.
3	Survey Results
4	Report to GM and Board
Project Schedule:	
1	Internal or Consultant by: 1/31/21
2	Draft Survey by: 2/5/21
3	Survey Results by: 3/10/21
4	Report to GM/Board by: 3/31/21
Project Budget:	
	Revenue: None
	Expense: \$15,000
	Financed: Operating Budget
Board Project Evaluation Date: 10/1/21	
Comments or Additional Information Required to Fulfill Goal:	

ADDENDA

The following pages contain the addenda material used to prepare for the facilitation of the strategic planning process and are included as reference material. Together with the main elements of the strategic plan this makes up SEAPA's complete strategic plan.

Board of Directors & Staff Premeeting Survey Results

January 31, 2020 - **Raw Data: Edited Replies**

Q1. Please provide your personal information

Question or Response	Qty of Responses
Name	9
Title/Profession	9

Q2. Are you planning to participate in SEAPA's February 21-22 Strategic Planning Session?

Question or Response	Qty of Responses
Yes	9
No	0

Q3. How long have you been on the SEAPA Board of Directors?

Question or Response	Qty of Responses
1st Term	3
2nd Term	5
Does Not Apply, I am a Staff member	1
<i>Comments: 1 in 3rd term, 2 in 5th term, 1 in 8th term</i>	

Q4. Have you ever participated in a Strategic Planning Meeting?

Question or Response	Qty of Responses
Yes	8
No	1

Q5. Please complete this sentence...

SEAPA's Strategic Planning Meeting will be a big success if we:

Question or Response
Further address capital improvement projects for growth and options to fund those projects
We are able to align the interests of the communities with the interests of the agency
Understand what challenges we face as an organization moving forward into the future and develop an approach on how to address those challenges
Review and agree to the Agency's mission statement; establish a goal to guide the Agency in providing reliable power in the near term; establish a goal to guide the Agency in developing new sources of electrical power
Board members and staff develop a consensus that SEAPA as an organization exists for the betterment of its member utilities
Success would be to leave the meeting with agreed goals and prioritized objectives that will be pursued at a later date
Manage to review and endorse the agency mission statement, understand current goals, set future goals, and ensure that the interests of the member communities are being satisfied by the Power Sales Agreement
Provide a better means of open communications between the CEO and the Board as well as improved communications between SEAPA and the communities
Unify participants toward a common vision in key functional areas, and identify clear goals and objectives to get us there

Q6. In terms of time spent at this meeting, please rank the kinds of discussions that you feel will be of highest value to the organization:

TOPIC	1	2	3	4	TOTAL	SCORE
Big topics/High level strategic issues about the direction of the agency over the next 2 years	62.50%	0.00%	12.50%	25.00%		
	5	0	1	2	8	3.00
Goals and strategies for the agency activities (Policies, Utility Performance, Allocation of Resources) over the next 2 years	0.00%	50.00%	37.50%	12.50%		
	0	4	3	1	8	2.38
Goals and strategies for operational level activities (Engineering, Operations, Member Services) over the next 2 years	0.00%	42.86%	28.57%	28.57%		
	0	3	2	2	7	2.14
Mix of all the above	60.00%	0.00%	0.00%	40.00%		
	3	0	0	2	5	2.80

Q7. Thinking about all of the strategic planning meetings in which you've participated in over the years, please describe:

The contents of the strategic planning meeting(s) you found most beneficial:

Question or Response
Short term strategic planning
Getting to know board members and staff better
Strategic development of Knowledge Management / Succession planning
Determining how the interests and values of the customers can best be satisfied by the "Agency"
Focus of the organization's long-term objectives and impacts to its participating members and/or constituents
Dialogue between participants
Identifying priorities and setting goals to address those priorities.
Validation of the goals and objectives
Clearly defined, measurable, and obtainable action items

The contents of the strategic planning meeting(s) you found least beneficial:

Question or Response
Trying to plan more than 2 years out
Rehashing old problems to ensure that pound of flesh is completely extracted
Management of day-to-day strategies for staff
Discussions by participants that show a lack of understanding of the strategic planning process
Detailed discussions of day to day activities and micro-management of the professional staff
Common goals and objectives
Micromanaging solutions or objectives of the agency
Focusing on the past and trying to place blame
Lingering on past issues instead of focusing on the future of the organization

Other comments about strategic planning meetings?

Question or Response
I do not believe this meeting should be used to open discussions about the power sales agreement
I think the time will be best spent if we are focused on high level strategies
We only have two days; work products need to be clearly identified early in the process
It would have been beneficial for the board to have had a more detailed discussion in advance of what its expectations were for a strategic planning session and engagement of a professional facilitator
Keep the session high level to be successful
Should be kept at a high level and not overly focused on day to day details. Let's not dwell on past history that doesn't pertain to current discussions. Offer solutions, not problems
Define rolls and responsibilities
Content must be relevant to the organization or the process will lack credibility; the exercise must be followed up with a plan to memorialize discussions and potential actions

Q8. The top five or six issues we must address at SEAPA's Strategic Planning Meeting are:

Topic #1:

Question or Response
Capital improvement projects
The alignment of community needs with SEAPA's goals
Knowledge management
Review the mission statement
Recognition by the board and staff that SEAPA as an entity exists for the benefit of its member utilities
Review the agency's mission statement
Understanding and endorsement of the missions statement as a cohesive group.
Defining what is required of SEAPA by the communities
Rates: Strategy to replenish reserves due to upcoming required submarine cable repair/replacements and meeting levelized payments into R&R fund

Topic #2:

Question or Response
Operational policies for critical situations (low water)
Succession planning
Identify customers interests and values
Discussion of how staff establishes the short-term and long-term direction for the agency while keeping SEAPA's purpose of existing for the benefit of its member utilities
Chart course of action for the future
Solidifying the marine cable failure as a top priority for the agency
How to plan as it relates to the individual wants and needs of the communities
CAPEX Coordination: How does SEAPA's CAPEX timing blend with that of their member utilities/communities and is it realistic to manage that across four different entities

Topic #3:

Question or Response
Rate increases
Future power development / need
Goals must accommodate pressing needs (submarine cable replacement, relicensing the hydroelectric facilities, new power generation)
Discussion of the agency's future (expanded) hydroelectric and/or other energy portfolio, impacts to the wholesale power rate and integration with member utilities' short-term and long-term energy goals and objectives
Review the power sales agreement to see if it needs changes
Pursuing additional generation capacity
What are the responsibilities of the board and to whom
Diesel Protocol: What is SEAPA's role regarding member utility use of supplemental diesel

Topic #4:

Question or Response
System modernization
Low priority but communications between member utilities and the Agency regarding the decision making process to start diesels (when, who, how long, cost sharing)
Staff recognition and acceptance of the Board established objectives including the short-term and long-term direction
Identifying Replacement/Rehabilitation priorities
How does SEAPA operate with a board that is an owner and customer
A 100% renewable generation portfolio by a specific date including a potential new hydro-electric project

Topic #5:

Question or Response
Identifying revenue requirements to achieve agency goals
How should we communicate
Communications: The expectation for communications with member communities (the public, not utilities) and the role of the Directors in their respective communities
Other industry impacts on SEAPA

Topic #6:

Question or Response
Understand any member satisfaction issues with the PSA and agency as a whole
Who is responsible for what

Q9. Please rate how good of a job you think the SEAPA Board does, as a whole, with the following:

TOPIC	NO TIME	A LITTLE TIME	SOME TIME	MORE TIME	LOTS OF TIME	TOTAL	WEIGHTED AVERAGE
Representing the interests of our members?	0.00%	0.00%	33.33%	55.56%	11.11%		
	0	0	3	5	1	9	3.78
Establishing and carrying out the values of our organization?	0.01%	22.22%	33.33%	33.33%	11.11%		
	0	2	3	3	1	9	3.33
Setting or renewing a vision for our organization?	22.22%	33.33%	22.22%	22.22%	0.00%		
	2	3	2	2	0	9	2.44
Setting organizational goals?	11.11%	33.33%	33.33%	22.22%	0.00%		
	1	3	3	2	0	9	2.67
Setting policy for our organization?	0.00%	25.00%	62.50%	12.50%	0.00%		
	0	2	5	1	0	8	2.88
Appraising the performance of our CEO?	12.50%	62.50%	12.50%	12.50%	0.00%		
	1	5	1	1	0	8	2.25
Appraising the organization's performance?	33.33%	33.33%	11.11%	22.22%	0.00%		
	3	3	1	2	0	9	2.22
Appraising the board's performance?	50.00%	37.50%	12.50%	0.00%	0.00%		
	4	3	1	0	0	8	1.63
Allocating resources for our organization?	0.00%	11.11%	22.22%	55.56%	11.11%		
	0	1	2	5	1	9	3.67

Comments:

I believe that we as a board have done a poor job ensuring that the member utilities needs are merged adequately with the agency needs; agency culture is negative toward the board
Unable to address performance of our CEO or Board
A lack of formal goals complicates the evaluation of appraising performance and the budgetary process
These questions can be interpreted many different ways
Having not been involved with the agency at the Board level yet, my responses to this line of questions is based upon my limited perception of the Board's activities; I believe that SEAPA management does a good job of guiding and informing the Board, but the Board is not extremely active in setting goals or appraising performance of any specific parts of the agency, including itself
We sometimes have a hard time taking off our community hat and putting on the SEAPA hat
Several items above are inferred through the budget process or conveyed through Director comments some lack a formal process or a defined interval

Q10. Most electric utilities and agencies operate in several functional areas. Please review the list of areas below and rate where you think the Board should focus its time discussing goals and strategies for SEAPA:

TOPIC	NO TIME	A LITTLE TIME	SOME TIME	MORE TIME	LOTS OF TIME	TOTAL	WEIGHTED AVERAGE
Power Supply (Energy Efficiency, PSA's, IRP, Hydro Generation, Wind, Solar)	0.00%	0.00%	44.44%	33.33%	22.22%		
	0	0	4	3	2	9	3.78
Administration (Accounting, Finance, Rates, Human Resources)	11.11%	33.33%	33.33%	22.22%	0.00%		
	1	3	3	2	0	9	2.67
Board & Organizational Governance	0.00%	0.00%	55.56%	22.22%	22.22%		
	0	0	5	2	2	9	3.67
Engineering & Operations (Reliability, Hardening, Redundancy, Aging Infrastructure)	0.00%	33.33%	33.33%	33.33%	0.00%		
	0	3	3	3	0	9	3.00
Environmental, Permitting, Safety & Hazardous Materials	2.22%	77.78%	0.00%	0.00%	0.00%		
	2	7	0	0	0	9	1.78
Information Technology, Communications & Cyber Security	1.11%	77.78%	1.11%	0.00%	0.00%		
	1	7	1	0	0	9	2.00
Marketing, Communications & Member Services	1.11%	11.11%	33.33%	44.44%	0.00%		
	1	1	3	4	0	9	3.11

Comments:

Governance is important; the goals of the communities must be balanced with the goals of the agency, and ,at the end of the day, the member communities determine who leads the agency and in what direction it goes

The Board should focus on higher level discussions regarding projects, the PSA (as needed), member relationships and long term commitments to providing reliable and cost effective power

Providing clear direction as a board and not as individual members of the board

Q11. Regarding plans for SEAPA's Future, is there anything you feel would be better discussed by phone, in confidence, prior to the strategic planning meeting?

Q12. Other constructive input you have about holding a successful strategic planning meeting?

Question or Response
I just want to reiterate that this is not the event to review the power sales agreement.
We need to ensure that we have a complete agenda with backup items to take advantage of our time
I would be interested to know if you have suggestions for new or different practices to achieve goals; I also think we would benefit from a fresh look in defining our key initiatives
The group has many years of experience with different backgrounds and interests; collectively engaging all the individuals to participate and reach agreements would tremendously strengthen the organization
Communication is valuable; allowing open communication and sharing of perspectives, experiences and priorities is important, but keeping the group on track to produce a meaningful strategic plan can be daunting; facilitators should be kind yet firm while guiding Board members and SEAPA staff toward productive discussions. Planning session goals should be identified early and referred to often to keep the group on track and not waste valuable time
SEAPA has done what it was designed to do, provide cheap local power when available; what happens when the agency is not is the question

2020 Strategic Planning Meeting Agenda

Southeast Alaska Power Agency

2020 Strategic Planning Meeting Agenda

February 21-22, 2020



Index	February 21: Topics	Duration		Party
A.	Welcome & Successful Strategic Planning Background	9:00 AM	9:40 AM	
1	<i>Introductions</i>	20 min		TA/SL/All
2	<i>Overview of Strategic Planning Process</i>	5 min		SL
3	<i>Board Duties & Responsibilities</i>	5 min		SL
4	<i>Participants Roles & Responsibilities</i>	5 min		SL
5	<i>Facilitator Roles & Responsibilities</i>	5 min		SL
B.	Context & Framework for Strategic Planning	9:40 AM	1:35 PM	
1	<i>Results of the Pre-Meeting Survey</i>	20 min		SL
	BREAK	10:00 AM	10:15 AM	
2	<i>Accomplishments from 2019</i>	15 min		TA
3	<i>External & Internal Enviro. Scan: Challenges & Opportunities</i>	45 min		SL/All
4	<i>Values Exercise</i>	40 min		EJ/All
5	<i>Brief Review of JAA Agreement, Vision/Mission & Bylaws</i>	5 min		EJ/All
	LUNCH	12:00 PM	1:00 PM	
6	<i>Time Machine Exercise</i>	30 min		EJ/All
7	<i>Prioritization of Key Performance Areas (KPA)</i>	5 min		EJ/All
C.	Strategic Planning	1:35 AM	5:00 PM	
1	<i>Strategic, Operational, Tactical?</i>	5 min		SL/EJ/All
2	<i>STP+O (Situation, Target, Proposal, Objective) Strategic Planning Process</i>	5 min		SL/All
3	KPA Discussion Topic #1:	1:45 PM	2:15 PM	
a.	<i>Prioritization of Issues within the KPA</i>	5 min		SL/All
b.	<i>Issue to Be Addressed:</i>	1 min		SL/All
c.	Situation: Describe what's currently going on?	7 min		SL/All
d.	Targets or Goals: Re-state the Challenge or Opportunity as an Action Item that changes the status of the Existing Situation To the Achievement of the Desired State or Outcome	6 min		SL/All
e.	Proposals or Strategies: Recommended pathways to achieve Targets/Goals	5 min		SL/All
f.	+ Objectives: Recommended Measureable Objectives answering the question..."We will know we have achieved our goals and strategies when..."	5 min		SL/All
g.	Accountability: Who is responsible, When is it due, What Resources are required to accomplish (human/financial)	1 min		SL/All
4	KPA Discussion Topic #2: <i>(30 min per topic, format above)</i>	2:15 PM	2:45 PM	SL/All
5	KPA Discussion Topics #3, #4, #5... continues	2:45 PM	3:15 PM	SL/All
	BREAK	3:15 PM	3:30 PM	
6	KPA Discussion Topics continue... on Day 1	3:30 PM	5:00 PM	SL/All
	RECESS UNTIL TOMORROW	5:00 PM		

Southeast Alaska Power Agency 2020 Strategic Planning Meeting Agenda



Index	February 22: Topics	Duration		Party
D.	Welcome Back & Review Day 1	8:35 AM	8:40 AM	SL/All
E.	Strategic Planning (continued)			
1	<i>KPA Discussion Topic #?:</i>	8:40 AM	9:00 AM	SL/All
2	<i>KPA Discussion Topic #?:</i>	9:00 AM	9:30 AM	SL/All
3	<i>KPA Discussion Topic #?:</i>	9:30 AM	10:00 AM	SL/All
	BREAK	10:00 AM	10:15 AM	
4	<i>KPA Discussion Topic #?:</i>	10:15 AM	10:45 AM	SL/All
F.	Review of Governance Documents for Revisions	10:45 AM	11:20 AM	
1	<i>Joint Action Agency Agreement</i>		5 min	SL/All
2	<i>Bylaws</i>		10 min	SL/All
3	<i>Values, Vision, Mission Statements</i>		10 min	SL/All
4	<i>Policies</i>		5 min	SL/All
5	<i>Other</i>		10 min	SL/All
G.	Review, Wrap-up & Next Steps	11:25 AM	11:30 AM	SL/EJ/TA
H.	Adjourn		11:30 AM	
I.	<i>Hand Off Strategic Plan for Work Plan Development by Staff & BOD Final Approval</i>			TDB

Facilitation Flip Chart Notes

These are the Notes from the Environmental Scan, Values & 2030 Future's Exercises

Environmental Scan Exercise (External/Internal)

Board & Organizational Governance:

Weaknesses:

Board member terms
Debt-load constraints

Strengths:

Larger communities don't override smaller communities
Communities are decision makers through the board
The group is stronger as a whole

Power Supply:

Challenge:

Load profiles
Funding technological advancement
Weather conditions
Supplemental power costs
Aging infrastructure in the cities and SEAPA
Operation and maintenance of diesel generation
Hydro relicensing
FERC or EPA compliance
New customer load support
PSA reduces external generators selling power

Opportunity:

Weather changes drive action
Using technologies to drive efficiencies
Expansive geographical area for generation expansion
Transition diesel customers
Renewable energy opportunities
Consolidating generation control (possibly just hydro)
The community is interested in more reserve

Weaknesses:

Alternative generation costs and development
Differentiating who is served from what facility

Strengths:

Existing renewable generation

Environmental Scan Exercise (External/Internal - Continued)

Marketing, Communication, Legislative & Regulatory, Economic Development:

Challenge:

Inflation
Local economies
Load decrease/production reduction
Regional influence in the legislative process
State grant and funding reductions
Regulatory challenges
Public perception
Population decrease
Fisheries are important
Shipping is moving (Cruise Ships and Ship Yard)
Infrastructure needs of member utilities

Opportunity:

Interruptible load projects
Strong Alaska legislative delegation
SEAPA assisting member utilities
SEAPA fills community needs
Public relations
Low cost of power for local development

Weaknesses:

Limited or dismissive view of municipal interest
Limited mechanism to make decisions or progress when all municipals do not benefit
SEAPA's core documents, by nature, imply a separation between the services of the North vs. the South

Strengths:

Assists municipal utilities with legislative issues
Work to the benefit of all municipals and work to the benefit of SEAPA to serve all municipals
Common interest in SEAPA between all three communities (Protect communities)

Administration:

Challenge

Ability to invest in future capital projects
Workforce development and progression planning
Increase cost of labor and overhead
Local talent retention and talent recruitment

Opportunity

Flexible and nimble
Low interest loans

Weaknesses:

All communities are in the same boat during a crisis
Having the ability to time investments or when to take on projects vs debt considering projected loads
A very shallow bench employees/skillset

Strengths:

The collective benefit of financials
Great staff
Light on its feet/nimble to move

Values Exercise

SEAPA Values

Values from SEAPA Site:

Affordable, **low-cost rates**
 Sustainable
Communities
 Cost-effective
 Regional leadership
 Prudent Management
Safety

2020 Values Exercise Results (# of mentions):

Dependable (4)
Collaborative (4)
Service (4)
Integrity (4)
Employees (3)
Communities (3)
Transparency (3)
Efficiency (2)

Value Statement (DRAFT):

Safely providing **low-cost, dependable service** with **efficiency** and **integrity** to our **communities** through the **transparent collaboration** of dedicated **employees**.

Futures Exercise

What will the future look like for SEAPA in 2030?

Opinions vary on the future... (Individual Comments)

Board & Organizational Governance

The board very similar to the structure today
 Board members are equal in ratio
 Longer terms for board members
 No rotating seats on the board

Power Supply

Not much change in load
 Increased load/demand due to cruise ship/tourism growth
 Demand-Side Management (DSM) in place
 Efficient and collaborative operation of the various hydro systems

Futures Exercise (Continued)

What will the future look like for SEAPA in 2030?

Opinions vary on the future... (Individual Comments)

Power Supply

A unified power grid with SEAPA responsible for all operations and construction while municipals would manage local system maintenance and all customer interaction
Permitting in process for the next generation project
Less pressure due to drought
The deployment of small nuclear generation plants
Third-party influencers on power
100% power is generated by SEAPA
Large investments in infrastructure modernization
Population decline increases
Relicensing in progress
Interruptible loads
Move the entire system and communities to a fully renewable portfolio
Shelved projects to serve community peaks and ready for deployment at the right time
Back-up generation ready possibly for peak emergencies or supply outages
Bonded infrastructure package with utilities

Marketing, Communications, Legislative & Regulatory

Deepened communication with member utilities
Deepened connection with the communities
Power costs increase to \$0.08 per kWh
All municipals are still part of SEAPA
Economic development is still not a role for SEAPA
Economic development is a role for SEAPA
Economic growth incentives are in place
Utilizing technology and telecommunications for meetings to lower travel costs
SEAPA supports L&R activities to the benefit of all communities
Additional communication and engagements with utilities and communities
Tourism is driving growth

Futures Exercise (Continued)

What will the future look like for SEAPA in 2030?

Opinions vary on the future... (Individual Comments)

Administration

New consolidated office
Increased number of employees
Capital prefunding for infrastructure
Integration of a few additional financial ratios
Financial funding remains the same (Debt service, Grants, Revenue)
Legislative and regulatory managed by CEO and board

SEAPA STP+O (From Strategic Planning Session)

Key Topics Identified that were Not Run Through the STP+O Process:

Board & Organizational Governance

Economic development (Not appropriate role for SEAPA vs. SEAPA should have the flexibility to support)
Open meetings vs. Closed work sessions
SEAPA to manage partnerships

Power Supply

Unified grid with SEAPA providing power and munis managing customers (Retire Muni assets with SEAPA future load requirements)
Efficient management of hydro system (Operational? Board Direction?)
Outside generators on the system
Technology upgrades
Aging infrastructure
Consolidating generating assets

Marketing, Communications, Legislative & Regulatory

Messaging for reducing separation of North/South

Administration

New office/Consolidated location

Engineering & Operations

Reliability

Prioritization of issues from the pre-meeting survey with priority of topics agreed to at the meeting

Prioritization of Key Topics (Departments) from Pre-meeting Survey

Question #8 (unaided): What top 5 or 6 topics must be addressed during the strategic planning session?

Question #10 (aided): Rank topics by how much time we should allocate to discussion?

Rank	Survey Q #8 (Unaided)	Survey Q #10 (Aided)
1	Board & Organizational Governance (11)	Power Supply
2	Power Supply (9)	Board & Organizational Governance
3	Marketing, Communications, Member Services (7)	Marketing, Communications, Member Services
4	Administration (7)	Engineering & Operations
5	Engineering & Operations (2)	Administration
6	Information Technology (0)	Information Technology
7	Environmental, Permitting, Safety, Hazardous Materials (0)	Environmental, Permitting, Safety, Hazardous Materials

Note: The Survey Q #8 column lists topics by number of mentions, issues categorized, counted and arranged by issue

Prioritization of Departments and Topics during the Strategic Planning Meeting

1. Board & Organizational Governance

- A Board Terms
- B Board Rotating Seats/Chair Selection & Term
- C Alignment of SEAPA Goals with Community Needs

2. Power Supply

- A New Generation to Support All Communities
- B Diesel Protocol

3. Marketing, Communications, Legislative & Regulatory

- A Legislative & Regulatory Advocacy
- B Technology & Video Conferencing

4. Administration

- A Evaluation of CEO's Performance
- B Additional Staff Hires
- C Attract & Retain Local & Technical Talent

5. Engineering & Operations

- A Safety

Strategic Issues by Department & Topic

1. Department: Board & Organizational Governance						
A Topic: Board Terms						
Situation - current state	Target/Goal - we must	Proposal(s) - recommended pathways/strategies to achieving Goals	Objectives - we will know this Goal/Strategy is achieved when	Who	When	Allocation of Resources
Lack of continuity and loss of knowledge/experience hinders the Board's ability to act quickly	SEAPA helps address Board gaps in knowledge via education	Direct staff to present multiple options for the Board to consider regarding Board terms	Make a decision on changing Board terms or abandon effort (Board action)	CEO/Board	Sep-20	Human - Same Budget - Same
Takes time to educate new board members						
Past distrust among communities (Good now)						
Need for new/fresh ideas with board turnover						
B Topic: Board Rotating Seats						
Situation	Target/Goal	Proposal(s)	Objectives	Who	When	Allocation of Resources
Lack of continuity and loss of knowledge/experience hinders the Board's ability to act quickly	SEAPA helps address Board gaps in knowledge via education and through opportunities to serve as Chair	The rotating seat could have a one year term and regular seats can have two	Make a decision on changing Board seat rotation or abandon effort (Board action)	CEO/Board	Sep-20	Human - Same Budget - Same
Takes time to educate new board members		The Chair would not have a vote and would rotate	Make a decision on changing Board Chair selection and term or abandon effort (Board action)	CEO/Board	Sep-20	Human - Same Budget - Same
Past distrust among communities (Good now)		Bring in an outside Board member as a tie-breaker (Primary, Alternate, Independent)				
		Status quo (No changes in current rotation methodology)				
C Topic: Alignment of SEAPA Goals with Community Needs						
Situation	Target/Goal	Proposal(s)	Objectives	Who	When	Allocation of Resources
Alignment the same for all Munis?	Keep Board informed of potential issues	Establish mechanism to have CEO raise a red flag concerning an issue for a discussion meeting	Mechanism (Communication plan/process) is established for staff to communicate early potential conflicts with Muni members (staff to staff, staff to CEO, CEO to Board) (Phase 1)	Staff/CEO	Jun-20	Human - Same Budget - Same
Does there need to be a review of the organizational documents?	Keep CEO informed of priorities	Call a special meeting for commonality or agreement				
Lack of communication on a regular basis	Need better communications on issue areas	Have regular communication with communities				
Member interests are sometimes in conflict	Try to find a way to address potential conflicts	Approach CEO first then hold a special meeting if needed				
The governance and direction of SEAPA does not align with an immediate community need	Need to communicate needs so there are NO Surprises!					

2. Department: Power Supply

A Topic: New Generation to Support All Communities							
Situation	Target/Goal	Proposal(s)	Objectives	Who	When	Allocation of Resources	
Nearly 100% renewable in rainy years	Determine a preferred resource mix	Build generation to support communities during peaks, maintenance and weather issues	Present hydro generation recommendations and costs to Board for consideration	CEO	2021	Human - Same Budget - Same	
Generation for peaks are not renewable	Determine SEAPAs role in providing new generation	Evaluate and provide resource options for the Board to consider (with planning elements and recommendations)	Generation and load projections are provided to the Board along with considerations/decisions on when (timing) to take on debt for new project development	CEO/Board	Q4 2021	Human - Increase Budget - Increase	
Demand Side Management (DSM) opinions vary	Know options to displace diesel and maintain reliability	Update load projections	Provide an evaluation of a DSM program that runs in parallel with power contract efforts (studies/ load forecasts and community input is needed to make prepare a recommendation)	CEO/Board/ Munis	Q4 2021	Human - Increase Budget - Increase	
Communities rely on diesel when hydro power is unavailable	Need manageable projects that aren't too expensive	Evaluate non-hydro resource options and provide potential recommendations for development (Wind, Solar, Marine, Small Nuclear)	SEAPA will explore additional renewable energy technologies and share research with the Board for collective consideration	CEO/Board	On-going	Human - Same Budget - Same	
Back up generation is diesel and is subject reliability fluctuations	Communities rely on diesel when hydro power is unavailable	SEAPA will identify and present alternatives to diesel					
The cheapest power is that which you don't have to build	A regional effort is preferred						
Debt service is costly on projects that are not needed, stranded assets	The preference is to displace fossil fuel (diesel)						
7-8 years of operations without the need for diesel (weather dependent)	Optimize timing on project development						
B Topic: Diesel Protocol							
Situation	Target/Goal	Proposal(s)	Objectives	Who	When	Allocation of Resources	
SEAPA only sells hydro power/ no diesel (Lack of clarity on SEAPA's role in diesel use)	Define SEAPA's role in mutual aid	SEAPA may coordinate all generation for member communities	Present an operations plan with triggers for planning and notification of potential issues with quarterly review by the Board	CEO/Board	On-going	Human - Same Budget - Same	
Community needs to backfill when there is a hydro shortage	Want to know a buffer of safety to hedge against diesel use	SEAPA has the ability to "feather" and distribute diesel use during emergency conditions in a coordinated effort	As part of a communications plan, provide proactive two-way communication among Munis and SEAPA	CEO/Munis	On-going	Human - Same Budget - Same	
No process for who and when to recuperate costs	Establish a tool to recognize the cost of running diesel when external conditions dictate	SEAPA can modify its operations to be less conservative on its projections					
Diesel is expensive and dirty	Will SEAPA manage diesel?						
Drought has caused turmoil and expense (anomaly occurrences)							
Reservoirs do not hold a full year of storage							
The current protocol for diesel is Ad Hoc - Tracking drought curves							
Annual operation plan is in place							

3. Department: Marketing, Communication, Legislative & Regulatory

A Topic: Legislative & Regulatory Advocacy						
Situation	Target/Goal	Proposal(s)	Objectives	Who	When	Allocation of Resources
CEO is doing well with existing Legislative & Regulatory (L&R) efforts	Be proactive on advocating interests	Proactively engage with Congress and agencies to advance SEAPA interests	Create and share advocacy outreach strategy with Board and update annually (May include DC lobbying support)	CEO	Q3 2020	Human - Same Budget - Increase
FERC relicensing challenges ahead	NEPA & FERC licensing reform through legislation	Provide insights on relicensing process	Deliver hydro relicensing process report to educate the Board and seek review and action	CEO/Board	2023	Human - Increase (Hire) Budget - Increase
Better federal agency support can be developed	Have legislative influence on federal agencies	Work with national, regional and state trade associations on L&R priorities	Participate with national, regional and state trade associations to promote L&R priorities	CEO/Board	On-going	Human - Same Budget - Same
Strong Congressional delegation with SEAPA influence						
There is value for the membership in SEAPA L&R engagement						
Swan Lake Conveyance was a good outcome and example of success						
SEAPA does a good job of protecting member interests						
B Topic: Technology & Video Conferencing						
Situation	Target/Goal	Proposal(s)	Objectives	Who	When	Allocation of Resources
Don't tell the SEAPA story well enough	Be seen as a member of all communities (increase visibility)	Use social media to communicate, inform and educate	Develop a communications plan/strategy for public awareness that includes: social media, technology, community awareness, recruitment of local talent	CEO/Exec Asst	Q2 2021	Human - Same Budget - Increase
Due to distance, this can help get better access to Members of Congress	Video capabilities will help with Congressional outreach and strengthen relationships	Use video conferencing for state and federal elected official communications and presentations	Prepare report on available conferencing technologies and consider a proposal to deploy	CEO/Exec Asst	Q2 2021	Human - Increase (IT Hire) Budget - Increase
There are few communications options	Review potential communications system options					
Communications is not coordinated	Have a more coordinated communications system					

4. Department: Administration

A Topic: Evaluation of CEO's Performance						
Situation	Target/Goal	Proposal(s)	Objectives	Who	When	Allocation of Resources
Loose CEO review process without formal goals or objectives (CEO is rated on communication, organization status and past performance)	CEO needs performance feedback and clear direction with set expectations	Set goals and objectives for the CEO position	Formal process for annual review of the CEO's performance is in place and use (Includes: objectives, goals, deliverables...)	Board/Attorney (Special Meeting)	Q3 2020	Human - Same Budget - Increase (Attorney)
Annual evaluation	Need clear performance standards	Develop a formal process for evaluation				
Conduct periodic staff surveys	Educate new Board members on their responsibility to review the CEO annually	Develop training for new board members on their CEO rating responsibility and process				
CEO provides an annual list of accomplishments						

4. Department: Administration (Continued)

B Topic: Additional Staff Hires						
Situation	Target/Goal	Proposal(s)	Objectives	Who	When	Allocation of Resources
Many existing staff needs at SEAPA	Need to hire replacement staff prior to retirements to learn from long-time staff	Outsource some work as opposed to hiring in-house staff to save on costs (HR, Accounting)	Consultants are hired using Board approved budget	CEO/Board	As needed	Human - Same Budget - Increase
Currently need Information Technology (IT) and Engineering support	Prefer to maintain institutional knowledge and capabilities	Hire full-time IT employee	Full-time IT employee is hired	CEO/Board	Q4 2020	Human - Increase Budget - Increase
Potential loss of knowledge and experience	Prevent burn-out of existing staff	Develop a training and recruitment program (job fairs and scholarships)				
Many employees are nearing retirement						
Currently very lean organization						
Need to be able to free up specialized employees						
Human Resources support is needed or outsourced						
C Topic: Attract and Retain Local and Technical Talent						
Situation	Target/Goal	Proposal(s)	Objectives	Who	When	Allocation of Resources
The Board has a preference to hire local and needed technical talent	Work to hire local and technical talent	Attract and retain new talent within local communities with a coordinated strategy (Develop a training and recruitment program - job fairs and scholarships)	With understanding of SEAPA upcoming needs, establish local and technical talent recruitment plan (Part of communications plan)	CEO/Exec Asst	Q2 2021	Human - Same Budget - Same

5. Department: Engineering & Operations

A Topic: Safety						
Situation	Target/Goal	Proposal(s)	Objectives	Who	When	Allocation of Resources
Safety while maintaining reliability is a priority for SEAPA	Maintain zero lost time and high reliability	Continue to promote a culture of safety at SEAPA	Reliability is maintained with zero lost time	CEO	On-going	Human - Same Budget - Same

Organizational Statement Revisions

Notes from the organizational governance and statements discussion

Joint Action Agency Agreement, Power Sales Agreement and Bylaws

No changes were proposed to any of SEAPA's governing documents



**SEAPA DIRECTOR & OFFICER SERVICE HISTORY
(FOLLOWING DIVESTITURE THROUGH RESTRUCTURING TO PRESENT)**

Name	Year	Notes	Voting/Alt (V/A)	Officer Position	Rep
Amylon, Karl	2017		V		Ktn
	2018		V	Secty-Treas.	Ktn
	2019		V	Secty-Treas.	Ktn
	2020		V		Ktn
Ashton, Brian	2012		A		Wrg
	2013		V		Wrg
	2014		V		Wrg
Beers, Steve	2018		A		Wrg
Benson, Tor	2020		A		Psg
Bergeron, Sam	2013		V	Secty-Treas.	Ktn
Bynum, Jeremy	2020		A		Ktn
Coose, Dick	2010		A		Ktn
	2011		V		Ktn
	2013		V		Ktn
	2019		V		Ktn
Davies, Jack	2019		A		Ktn
Dawson, Jack	2009		V		Ktn
	2010		V		
Donato, Andy	2011	Appointed as Voting Member in place of Mike Kline effective as of 06.25.2011 Board Meeting	V		Ktn
	2012		A		Ktn
	2013		A		Ktn
	2014		A	Secty-Treas.	Ktn
	2015		A		Ktn
	2016		A		Ktn
	2017		A		Ktn
	2018		A		Ktn
	2019		A		Ktn
Elerding, Mike	2009	Appointed as Alternate to Lew Williams at 08.27.09 Board Meeting	A		Ktn
	2011		A		Ktn
Freeman, Charles	2006		A		Ktn
	2007		A		Ktn
	2008		A		Ktn
	2009	Started 2009 as alternate; following Feb. 2009 restructuring, was selected as Voting Member and Vice Chair at 06.25.2009 board meeting	A	Vice Chair	Ktn
	2010		V	Vice Chair	Ktn
	2011		V	Chair	Ktn
	2012		V		Ktn
	2013		A		Ktn
	2014		A		Ktn
	2015		A		Ktn
2016		A		Ktn	
2017		A		Ktn	
Friesen, Tom	2003		A	Vice Chair	Ktn
Hagerman, Karl	2020		A		Psg

Hammer, Clay	2013		A		Wrg
	2014		A		Wrg
	2015		A	Vice Chair	Wrg
	2016		A	Vice Chair	Wrg
	2017		A		Wrg
Henson, Steve	2007		A		Wrg
Jamieson, Christie	2014		V		Wrg
Jensen, John	2009	After restructuring and the coin toss determining a rotation for the three communities, John Jensen of Petersburg was appointed as an alternate for Ketchikan for both Jack Dawson and Charles Freeman (a 'floating' alternate pending further appointments). He was also selected as Secretary-Treasurer.	A	Secretary-Treasurer	Ktn
	2012		A		Psg
	2013		A	Vice Chair	Psg
	2014		A	Vice Chair	Psg
	2015		A	Chair	Psg
	2016		V	Chair	Psg
	2017		V		Psg
	2018		A	Vice Chair	Psg
Jensen, Mark	2016		A		Psg
	2017		A		Psg
Kline, Mike	2010		A		Ktn
	2011		V		Ktn
Lagoudakis, Cindi	2016		A		Psg
Larson, Robert	2012		V	Secty-Treas.	Ktn
	2019		A		Psg
	2020		V		Psg
Lewis, Dennis	2003		V		Psg
	2004	Served partial year	A		Psg
Lynn, Bob	2018		V		
	2019		V	Vice Chair	Psg
	2020		V	Chair	Psg
Maxand, Jeremy	2009		V	Vice Chair	Wrg
	2010		V	Secty-Treas.	Wrg
	2011		V		Wrg
	2012		V	Chair	Wrg
McConachie, Don	2014		A		Wrg
Nelson, Jim	2003		V		Wrg
	2004		V		Wrg
	2005		V		Wrg
	2006		V		Wrg
	2018		A		Wrg
Nelson, Joe	2003		A		Psg
	2004		V		Psg
	2005		V		Psg
	2006		V		Psg
	2007		V		Psg
	2008		V		Psg
	2009	Mr. Nelson was nominated as Chair following Mr. Weinstein's resignation (06.25.2009 Mtg)	V	Chair	Psg

	2010		V	Chair	Psg
	2011		V	Secty-Treas.	Psg
	2012		V		Psg
	2013		V		Psg
	2014		V		Psg
	2015		V		Psg
	2016		V		Psg
Olsen, Matt	2015		V		Ktn
Privett, William	2010		V		Wrg
Prunella, Bob	2003		A		Wrg
	2004		A		Wrg
	2005		A		Wrg
	2006		A		Wrg
	2007		V		Wrg
	2008		V		Wrg
Prysunka, Steve	2015		V		Wrg
	2016		V		Wrg
	2017		V	Vice Chair	Wrg
	2018		V	Chair	Wrg
	2019		V		Wrg
	2020		V		Wrg
Rhodes, Jay	2011		A		Ktn
	2012		A		Ktn
	2013		A		Ktn
Rooney, Tim	2010		A		Wrg
	2011		A		Wrg
Rotecki, Bill	2015		V		Ktn
Sims, Tom	2008		A		Wrg
Sivertsen, Bob	2011		A		Ktn
	2012		V	Vice Chair	Ktn
	2013		V	Chair	Ktn
	2014		V	Chair	Ktn
	2017		A		Ktn
	2018		A		Ktn
	2019		V	Chair	Ktn
	2020		V	Vice Chair	Ktn
Skillings, Cliff	2019		A		Ktn
	2020		A	Secty-Treas.	Ktn
Smith, Ted	2004	Appointed as New Alternate for Psg	A		Psg
	2005		A		Psg
	2006		A	Chair	Psg
	2007		A		Psg
	2008		A		Psg
	2009		A	Vice Chair	Psg
	2010		A		Psg
	2011		A		Psg
	2012		A		Psg
Southland, Paul	2009		A		Wrg
	2010		A		Wrg
Von Bargaen, Lisa	2018		V		Wrg
	2019		A		Wrg
	2020		A		Wrg

Weinstein, Bob	2003		V		Ktn
	2004		V	Vice Chair	Ktn
	2005		V	Vice Chair	Ktn
	2006		V	Vice Chair	Ktn
	2007		V	Chair	Ktn
	2008		V	Chair	Ktn
	2009	May 2009 Mr. Weinstein resigned as Mayor of the City of Ketchikan and Chair of SEAPA Board		V	Chair
Williams, Lew	2009	Appointed as Voting Member in place of Bob Weinstein as of 06.25.2009 Board Meeting	V		Ktn
	2014		V		Ktn
	2015		V		Ktn
	2016		V		Ktn
	2017		V	Chair	Ktn
Williams, Steve	2004		A		Ktn
	2005		A		Ktn
Zenge, Judy	2015		V	Secty-Treas.	Ktn
	2016		V	Secty-Treas.	Ktn
	2017		V	Secty-Treas.	Ktn
	2018		V		Ktn

*Note: Following divestiture from 2003 up until restructuring in 2009, if no officer position is named from board members representing Ktn-Psg-Wrg then the position was held by a Copper Valley or Kodiak Electric board member.



SOUTHEAST ALASKA POWER AGENCY
FY19 AUDITED
FINANCIAL STATEMENTS

Date: **June 22, 2020**

From: **Trey Acteson**

To: **Board of Directors**

Subject: **Audited Financial Statements**

An audit of SEAPA's financial statements for the six-month fiscal year ending December 31, 2019 took place remotely during the last week of April 2020. A copy of the resulting audited financial statements will be distributed in a separate communication. Joy Merriner, Assurance Partner with BDO, is scheduled to present the audited financial statements and will be available to answer any questions.

SUGGESTED MOTION

I move to accept the Southeast Alaska Power Agency Audited Financial Statements for the six-month period ending December 31, 2019 as presented in the June 30, 2020 SEAPA board meeting.



SOUTHEAST ALASKA POWER AGENCY

Date: June 15, 2020

To: Trey Acteson, Chief Executive Officer

From: Robert Siedman, Director of Engineering and Technical Services

Subject: Swan Lake Station Service Switchgear Construction Contract

FISCAL NOTE: Dedicated R&R Fund unencumbered balance through FY20: \$3,574,333

A Request for Proposals for the Agency's Swan Lake Station Service Switchgear Construction Contract was advertised on February 6, 2020. One (1) bid was received on June 1, 2020 as follows:

Bidder	City/State	Lump-Sum Bid Amount
Electric Power Constructors, Inc.	Anchorage, Alaska	\$1,701,016.66

The proposal was primarily evaluated on price, experience/qualifications, construction approach, safety record, and proposed schedule. Based upon evaluations by staff of the sole bid, staff recommends award of the contract to Electric Power Constructors, Inc. for the lump-sum bid amount and also requests a 5% contingency of \$85,851 for weather delays or other unexpected expenses.

An overall budget of \$1.3M had been approved for this project. Since the project has been delayed and the construction bid was significantly higher than the original estimate provided by Olsson Industrial, this project is now scheduled for completion in mid-2021 and the overall budget has increased to \$1.787M. No budget increase is being requested at this time because the \$1.287M already approved for FY2020 is expected to meet this year's needs. Authorization for the increased project cost is expected to be part of the FY2021 R&R budget. An updated summary of this R&R project is attached.

Suggested motion to award contract:

SUGGESTED MOTION

I move to authorize staff to enter into a Contract with Electric Power Constructors, Inc. for SEAPA's R&R Project 19314 for the Swan Lake Station Service Switchgear Construction Contract for the lump-sum bid amount of \$1,701,017 and further authorize a 5% contingency of \$85,051 for a total not-to-exceed amount of \$1,786,068.



RR19314

Station Switchgear SWL

Project: Station Service Switchgear – Swan Lake			
Description:	480V Double-Ended Station Service Switchgear		
Cost Estimate:	\$1,787,000	Sched. Complete: Jun 2021	Project Mgmt: R. Siedman

PROJECT DISCUSSION

The Swan Lake Station Service Switchgear is 38 years old and at the end of its useful life. The N1 480V station service breaker is currently stuck in the racked-in position and is unable to be racked out for inspection and maintenance. The E2 breaker was recently inoperable with hardware from the breaker found loose in the cabinet by Swan Lake maintenance personnel. Replacement of the E2 breaker hardware provided extended use of the breaker however all station service switchgear breakers have become a reliability and safety concern. Auto-trip and transfer functionality, including emergency power transfers to diesel generators, is intermittent and does not perform reliably. All feeder and sub-feeder cables are also at the end of their useful life with increased probability of failures. This project would result in new 480V double-ended Station Service Switchgear, breakers, feeder and sub-feeder cables, fiber optic Arc Flash protected busbars, Arc Flash Reduction Maintenance Switches (ARMS), complete drawings sets including updated powerhouse one-line and three-lines, Operations Manuals and Training. The new switchgear will be designed with redundancy and isolation in metal-clad rated gear to provide reliability, redundancy and increased safety to onsite personnel with reduced incident energy levels (Arc Flash). Dry type transformers will be utilized to reduce concerns with the existing oil filled transformers in the powerhouse, further increasing safety, reliability and reducing fire hazard concerns.

FY2020 – SEAPA developed Request for Proposals (RFP) in February of 2020 and received a single bid for \$1,701,017 to perform the work. The schedule for performing the work requires procurement of equipment in 2020. Anticipated expenditures for FY2020 are listed in the project cost estimate below.

FY2021 – Installation of equipment is scheduled to begin in May of 2021 with an estimated completion of Jun 2021.

PROJECT COST ESTIMATE

BREAKDOWN	ESTIMATE	BUDGET - EXPENDITURES	
Mobilization/Demobilization	184,740	2019 Expenditures	185,565
Equipment Procurement	1,061,952	2020 Approved Budget	1,286,893
Construction & Install	454,325	2021 Budget	314,542
Contingency 5%	85,051		
Estimate Total	\$1,786,168	Budget Total	\$1,787,000

Project Cost Estimate Discussion

Original engineering estimate was generated by Olsson Industrial Electric pursuant to an on-site visit. The design contract was awarded to Electric Power Systems, with work completed in January of 2020. Equipment procurement is expected to occur in late 2020 however invoices may not be provided until 2021. Construction is expected to occur by May-June 2021.



Swan Lake Existing Switchgear



SOUTHEAST ALASKA POWER AGENCY

Date: June 15, 2020

FISCAL NOTE: Dedicated R&R Fund unencumbered balance through FY20: \$3,574,333

To: Trey Acteson, CEO

From: Clay Hammer, Operations Manager

Subject: Consideration of Sole Source & Funding Re Carroll Inlet Marker Ball Tie Wrap Replacement Project

Electric Power Constructors Inc. (EPC) is the Agency’s contractor for Annual Transmission Line Maintenance. They were also awarded the contract for the completed 2019 Carroll Inlet Transmission Line Crossing Marker Ball Replacement Project. Recently it became apparent the marker balls on the Carroll Inlet crossing are oscillating in the wind outside normal parameters because the line wraps that hold the balls in position on the conductor are off by 0.07 inches allowing the balls to rotate on a limited axis. Over time this oscillation will cause the wraps to fail prematurely. The manufacturer recommends that the wraps be custom built specific to the conductor and replaced as soon as possible. The conductor size is extremely rare and requests for wraps this size are unusual. EPC will already be mobilized in the Carroll Inlet area in late July-early August, which will save the Agency mobilization costs if the contract is sole-sourced to EPC. EPC quoted \$88,816 for the work. It will also expedite replacement, reducing risk of premature fail. A photo of a marker ball and wrap is attached.

SEAPA’s procurement policy requires three written quotes for items between \$75,000-\$100,000 in value. Section 8.12 of the policy provides that competitive bidding is not required “Any other time the Board elects to except [emphasis added] from the competitive bidding process any particular improvement or purchase from competitive bidding or other requirements by a majority vote.” Staff recommends a sole source contract to EPC for the work to save on mobilization costs and utilization of a contractor already familiar with the area and marker balls.

This will be a renewal and replacement project which was not included in the FY2020 R&R budget. Staff requests an increase to the budget of \$95,250 which will cover parts, shipping, installation, and helicopter time.

Please consider the following suggested motions:

SUGGESTED MOTION

I move to increase SEAPA’s FY2020 R&R Budget by \$95,250 for the Carroll Inlet Marker Ball Tie Wrap Replacement Project.

SUGGESTED MOTION

I move to authorize staff to enter into a sole source contract with Electric Power Constructors, Inc. for SEAPA’s Carroll Inlet Marker Ball Tie Wrap Replacement Project for the not-to-exceed value of \$88,618.





SOUTHEAST ALASKA POWER AGENCY

Date: June 15, 2020

FISCAL NOTE: Dedicated R&R Fund unencumbered balance through FY20: \$3,574,333

To: Trey Acteson, CEO

From: Clay Hammer, Operations Manager

Subject: Consideration of R&R Project Approval and Budget Amendment Re Tyee Lake Cooling Water Pumps

Recent testing of the 37-year old Tyee Lake Cooling Water Pumps indicates they are at the end of their useful life. Pump pressures have dropped significantly, causing plant alarms, and requiring use of the emergency backup valve to maintain required generator cooling. A complete write-up of the proposed project appears on the following page.

Please consider the following suggested motion:

SUGGESTED MOTION

I move to increase SEAPA's FY2020 R&R Budget by \$65,900 for the Tyee Lake Cooling Water Pump Replacement project.

Proposed RR20xxx Cooling Water Pumps TYL

Project: Cooling Water Pumps – Tye Lake			
Description:		Tye Lake Cooling Water Pump Replacement	
Cost Estimate:	\$65,900	Sched. Complete:	12/31/2020
		Project Mgmt:	Hammer

PROJECT DISCUSSION

The three cooling water pumps at the Tye Lake facility were originally configured to serve as backup to the penstock-served generator cooling loop. This system was upgraded in 2013 to provide a more efficient cooling platform that allows more penstock water to be used for generation. These pumps are original to the facility, over 37 years old, and at the end of their useful life.

Pump pressures have dropped significantly, causing plant alarms and requiring use of the emergency backup valve to maintain required generator cooling.

A more efficient PLC-based control system will better control temperature fluctuations in the generator windings and optimize cooling pump longevity. This system will act as a direct replacement of the existing system.



PROJECT COST ESTIMATE			
BREAKDOWN	ESTIMATE	BUDGET – EXPENDITURES	
Three (3) Pumps	\$40,000	FY20 BUDGET	\$65,900
Labor to install pumps	3,400		
PLC Controls and Installation	20,000		
Shipping	2,500		
Total Estimate	\$65,900	Total Budget	\$65,900

Project Cost Estimate Discussion

Cooling pump prices are based on recent quote from Beckwith and Kuffle.

Shipping based on quote from Alaska Marine Lines.

Installation is estimated using in-house labor.

PLC controls and installation based on in-house engineering estimate.



SOUTHEAST ALASKA POWER AGENCY

Date: June 22, 2020
To: Trey Acteson, Chief Executive Officer
From: Robert Siedman, Director of Engineering and Technical Services
Subject: Submarine Cable Replacement Contract

A Request for Proposals for the Agency's Submarine Cable Replacement Contract was advertised on April 10, 2020. Three (3) bids were received on June 15, 2020 as follows:

Bidder	Location
Sumitomo Electric USA, Inc.	Torrance, CA
Zhongtian Technology Submarine Cable Co., Ltd.	Nantong City, China
Hengtong Optic-Electric Co., Ltd.	Suzhou City, China

Staff has scheduled an executive session in the Agenda to apprise the board of the bid results. In order to preserve the Agency's negotiating position, staff recommends that the board discuss these bid results in an executive session. Subsequent to the executive session, it is anticipated a motion will be developed to reflect the board's intent on going forward.

Please see the attached memo from the Agency's counsel with a suggested motion for the executive session.

MEMORANDUM
ATTORNEY-CLIENT COMMUNICATIONS

TO: Chairman
Southeast Alaska Power Agency

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

DATE: June 22, 2020

RE: Suggested Motion for Executive Session

The Board of Directors will enter into an executive session during a Regular Board Meeting to be held on June 30, 2020 to apprise the board of bid results of the Submarine Cable Replacement Project which, if discussed publicly, would compromise the Agency's negotiating position.

I recommend the following motion be made:

I move to recess into Executive Session to be conducted pursuant to SEAPA's Bylaws consistent with Alaska Statute 44.62.310 for discussions on the bid results of the Agency's Submarine Cable Replacement Project, which is a matter the immediate knowledge of which would clearly have an adverse effect on the finances of the Agency, the Projects, or any of the Member Utilities represented on the Board.



SOUTHEAST ALASKA POWER AGENCY CEO REPORT

DATE: June 16, 2020
TO: SEAPA Board of Directors
FROM: Trey Acteson, Chief Executive Officer
SUBJECT: CEO Report

CORONAVIRUS (COVID-19) UPDATE:

SEAPA continues to actively manage our COVID-19 response. We transitioned back into the White Cliff building offices on April 27th and have implemented proactive measures to protect our employees, contractors, and the public. Further to this effort, the Agency submitted a detailed COVID-19 Response Plan to the State of Alaska. This plan has guided our efforts to seamlessly transition several employees that required out-of-state travel back into the workforce. We have successfully maintained business continuity throughout the pandemic.

SEAPA's hydroelectric projects are still closed to the public, except for the dock facilities. This is to reduce potential random COVID-19 exposure to critical infrastructure operators. As an interim measure, on June 11th, I restored the ability of immediate family members to conditionally visit SEAPA Employees at these locations. They are required to submit a detailed screening questionnaire and gain SEAPA Management approval prior to visitation. They are also prohibited from interacting with other SEAPA Employees and Contractors while they are on site.

From a supply chain perspective, various suppliers have decreased production due to factory closures or reduced operating hours in those facilities. We anticipate this will have a negative impact on both the cost and our ability to expedite scheduled projects.

Access to reliable rapid testing for critical infrastructure employees is not readily available. This remains a significant challenge in managing the Agency's COVID-19 risk and increases the cost of doing business due to quarantine requirements. There has also been a recent spike in cases as anticipated with increased business activity and seasonal worker inflows. This presents additional uncertainty in our ability to readily move SEAPA Employees and Contractors supporting scheduled work.

GOVERNMENTAL AFFAIRS:

In just a few short months we have experienced a worldwide pandemic, an unprecedented economic shutdown, record unemployment, riots, supply chain gaps, closing of borders, and the collapse of oil markets. Coupled with the upcoming national election, these are indeed challenging times. Through all this adversity, our industry is still actively working behind the scenes on hydro related licensing and regulatory reform. Most recently, we have engaged the Department of

Energy (DOE) to begin developing an Alaska-specific energy plan. There is an opportunity to formalize Alaska's relationship with DOE and create a programmatic pathway for Federal support of energy projects. As the State of Alaska's fiscal situation declines, DOE may be able to bolster funding for critical energy related infrastructure. SEAPA is participating in this engagement through our deep involvement in the Alaska Power Association. The initiative is still in the early stages, but through cost sharing with the collective group, APA has hired a Washington D.C. firm to assist in strategy and outreach.

ALASKA DEPARTMENT OF NATURAL RESOURCES (ADNR) RECLAMATION FUND

SEAPA currently maintains a joint ADNR reclamation fund covering projects that were originally in the Four Dam Power Pool. Copper Valley Electric and Kodiak Electric each contribute \$18,750 annually on behalf of their respective hydroelectric projects. SEAPA contributes a total of \$37,500 annually, for Swan Lake and Tye Lake projects. The DNR Reclamation Fund is held in a custodial account and the balance was \$1,268,282 at the end of May.

During restructuring in 2009, an attempt was made to separate the joint reclamation fund so each party would be independently responsible for the projects they own. This effort was in the form of a Second Amendment to the Lease Agreement that was drafted but never approved by the parties. This remains one of the final pieces of unfinished business associated with restructuring.

On January 29, 2020, I met with ADNR in Juneau and successfully sparked a renewed interest in resolving this long-standing issue. I also made it explicitly clear that any alternative mechanism, such as a Reclamation Bond, could not be more expensive than the current arrangement.

As follow-on to the January 29th meeting, the previously drafted and black-lined Second Amendment to the Lease Agreement was resurrected and ADNR began their internal review. I received a follow-up response from ADNR on June 4, 2020 outlining an alternative performance guaranty arrangement for consideration and we are scheduled to discuss details on June 22nd. It is my understanding that SEAPA's share (50%) of the existing Reclamation Fund, would be released back to the Agency once we have established a mutually agreed upon performance guaranty.

EXTERNAL INDUSTRY ACTIVITIES:

I have continued to chair weekly Alaska Power Association (APA) Manager's Forum meetings since the outbreak of the virus. This effort has led to a coordinated response amongst electric utilities across the state. Meetings have addressed a broad range of topics including testing, mitigation measures, return to work procedures, and legal interpretation of the everchanging Governor imposed mandates. The Forum has also hosted special guests including Alaska's Federal Delegation and we look forward to Dr. Anne Zink, Alaska Chief Medical Officer, joining us on June 23rd.

I have regularly participated in National Hydroelectric Association Regulatory Committee meetings. The group is focused on building momentum and shaping hydropower regulatory/policy reform. These initiatives cover a broad spectrum including the Clean Water Act (CWA) Section 401, FERC licensing/relicensing, marine energy, R&D/technology pathways, Department of Energy (DOE) synergies, valuing Hydro for parity with other renewables, financing, and energy markets.

BEST PRACTICES AND PROCESS IMPROVEMENTS:

The Strategic Plan has been refined with Board input and will be presented under Old Business for consideration and approval. A new Mission Statement and Organizational Statements will also be presented for consideration and approval. As a next step in the strategic planning process, I have worked with our consultants to develop individual work plans for each section of the Strategic Plan, providing internal structure for executing Board-defined objectives.

Staff has compiled a service history of SEAPA's Director and Officer positions held since January 31, 2002 when the Four Dam Pool Power Agency (FDPPA) purchased the four hydroelectric projects from the Alaska Energy Authority, commonly known as "Divestiture". The service history provides a solid foundation for future discussions regarding term durations, Board composition, and balancing of Chairman duties. Even with the annual rotation of one of the Board seats, most Directors have served multiple one-year terms. I will be looking to the Board to provide further direction on whether they want staff to pursue drafting alternative Board configurations or if this new information sufficiently addresses previous concerns. The service history is attached behind Agenda Item 6.B. in the board packet.

SEAPA has engaged our Human Resources (HR) legal consultant to support drafting and review of a complete re-write of Administrative Policies. This is a major undertaking but is necessary to align with current HR best practices. A table of contents has been developed and the team will focus on high impact areas first. The Board will be provided individual sections for consideration/approval as content is developed.

Migration to the new Sage Intacct accounting software system is essentially complete. The focus has shifted to integration of payroll, refinement of reporting functions, and development of dashboards for Managers. It is important to note this migration was a significant undertaking for our short-staffed organization and there were many late nights and weekends involved to successfully complete the transition.

HYDROSITE INVESTIGATION (HSI) UPDATE:

The Hydrosite Investigation (HSI) Project is making good progress. Estimator cost updates on the individual Site Definition Documents (SDD's) were completed on March 31st. Technical review of the SDD's was completed on May 4th. Editorial review of the SDD's was completed on May 15th. The priority ranking worksheet updates were completed on May 22nd and the Summary Report was completed on May 29th. Steps remaining include a final review meeting with McMillen Jacobs, final SDD and Summary Report revisions, final QA/QC, SEAPA Board presentation, and rollout to AEA.

PERSONNEL:

All regular budgeted full-time positions are filled at this time. Additionally, SEAPA has rehired a seasonal Brushing Tech to assist the Brushing Foreman in clearing access trails and towers ahead of scheduled transmission line inspections and repairs.

Date: June 16, 2020
To: Trey Acteson, CEO
From: Robert Siedman, P.E., Director of Engineering & Technical Services
Subject: Report for June 30 Board Meeting

Tyee and Swan Lake Snow Survey(s)



The survey(s) performed indicated that Swan Lake had an average of 12.27 inches of Snow Water Equivalent (SWE) in the drainage basin. Tyee Lake had an average of 36.5 inches of SWE. The results of the survey(s) indicate an excellent snowpack, far greater than the 2019 surveys. The resultant feet of water in the drainage basin(s) for each respective lake are as follows:

The Tyee and Swan Lake snow surveys were slightly delayed for 2020 due to travel restrictions. Typically snow surveys occur the first week of April annually however for 2020, Swan and Tyee snow surveys could not be performed until late May and early June. Although late, the snow surveys were successful and provided SEAPA with excellent information about the 2020 summer inflow season.

Tyee SWE to Feet of Lake:

$$Lake_{ft} = SWE * 2.15 * Sublimation\ Factor$$

$$Lake_{ft} = 36.5 * 2.15 * 0.8 = \mathbf{62.8\ ft_{Lake\ rise}}$$

Swan SWE to Feet of Lake:

$$Lake_{ft} = SWE * 1.2 * Sublimation\ Factor$$

$$Lake_{ft} = 12.27 * 1.2 * 0.8 = \mathbf{10.3\ ft_{Lake\ rise}}$$

Note: See attached Snow Survey reports for full set of calculations and results

Swan Lake Station Service Switchgear



As discussed in the RR writeup (19314), the Swan Lake 38-year-old switchgear is at the end of its useful life and currently has a breaker that is stuck in the racked-in position. In 2018, SEAPA contracted the services of an industrial electric company to develop an engineering estimate. The estimate submitted to SEAPA in August of 2018 assumed direct procurement of equipment from Eaton Power Systems and had a total estimated cost of \$1.3M. The Board of Directors approved this project and SEAPA subsequently solicited industry for proposals in January of 2019.

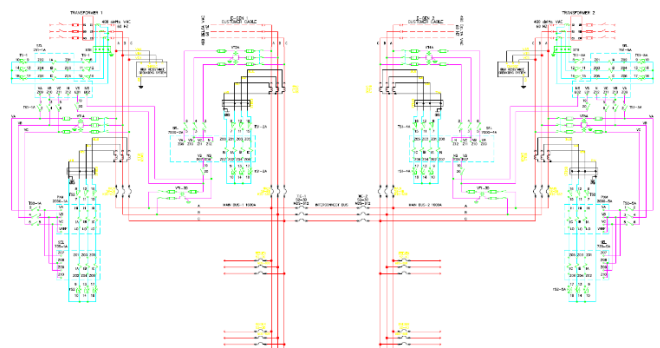
In March of 2019, SEAPA received a single bid from Electric Power Constructors (EPC) with a proposed cost of \$2.5M. Considering the bid proposal was nearly double the engineering estimate and \$1.2M above SEAPA's budget, a Notice of Rejection of Bid was sent to EPC on March 14.

For the purpose and intent of reducing future bid costs, SEAPA decided to change future bid requirements from a Design-Build type contract to a Construction contract. Subsequently, a 100% design was performed (\$229k), thereby reducing risk of uncertainty for potential future bidders.

A revised Request for Proposals (RFP) was issued in February 2020, which included a 100% design package, as a cost mitigation strategy. In June of 2020, SEAPA again received only a single bid. The sole bid for Construction only (no design required) was submitted by EPC with a significantly lower proposed cost of \$1.7M, for a reduction of \$0.8M from the previous bid. Considering the cost of design, the total savings from the original bid is \$571,000.

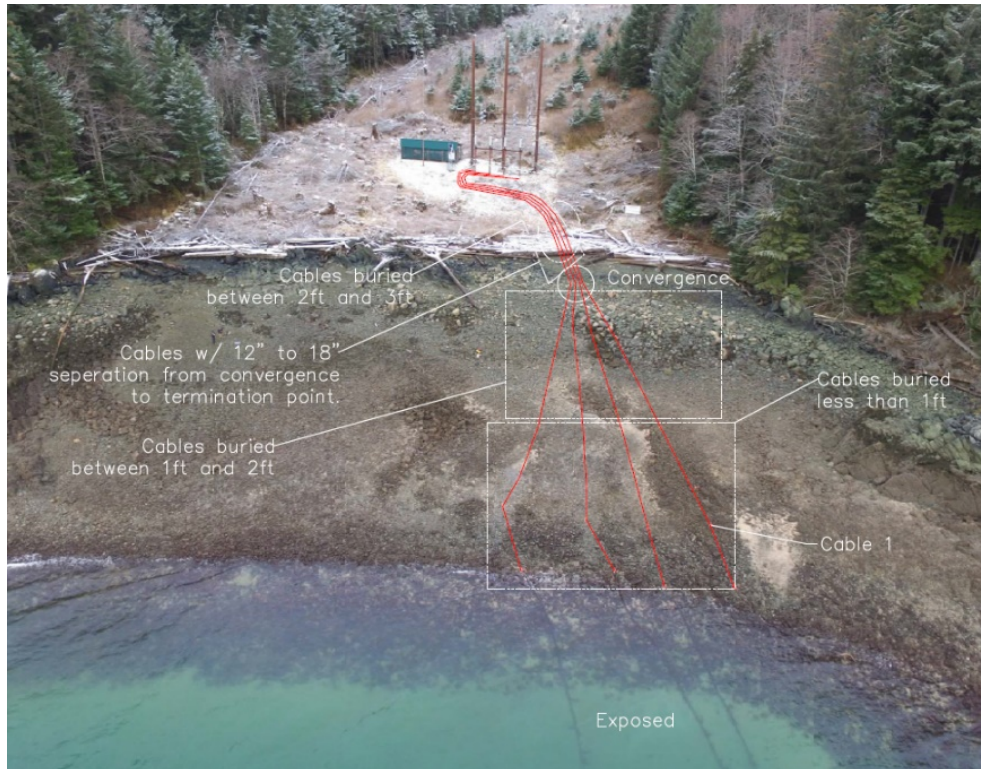
Although the Construction only bid received by EPC in June 2020 was still above SEAPA's engineering estimate, consideration of market fluctuations, inflation, and logistics of performing work in remote areas of Alaska were evaluated internally.

After consideration of many factors, SEAPA has determined that it would be in the best interest of the Agency to recommend to the Board, award of the contract to EPC. This project is a high priority for the Agency and considering the strategic approach and significant cost reduction(s), an increase in the budget is warranted and recommended by SEAPA to complete this project.



SWL Station Service Design 3-Line Diagram

Stikine Crossing Submarine Cables



On May 1, 2020, SEAPA received a Nationwide Permit (NWP) from the U.S. Army Corps of Engineers (USACE) for the replacement of the Stikine Crossing failed submarine cable. The permitting process was streamlined, and the timeframe was extremely short between the time of application and the date of issuance due to extensive research and design criteria performed by SEAPA and its consultants.

On May 22, SEAPA had a conference call with GCI to discuss their fiber-optic cable that crosses over the top of SEAPA's submarine power cable(s) in the Stikine Crossing. For this project to be successful, GCI would be required to remove or relocate their cable. As a result of the meeting, GCI has applied for a Department of Natural Resources (DNR) permit to relocate their fiber optic submarine cable.

On June 15, SEAPA received bids from three contractors to manufacture a new cable, perform the installation, and remove the faulted cable. The bids are currently being evaluated and it is anticipated that SEAPA will provide a detailed summary to the Board at the June 30 Board meeting.

The following is a list of the completed tasks and the anticipated path forward as it pertains to the Stikine Crossing faulted submarine cable.



Completed Tasks:

- ✓ October 2019: A hydrographic survey of the cable routing was completed by eTrac to identify the path of all four Stikine crossing submarine cables.
- ✓ October 2019: Time Domain Reflectometer (TDR) testing was completed by SEAPA staff to identify the location of the fault for determining path forward on repair or replacement risks.
- ✓ November 2019: SEAPA awarded Center Marine a contract to perform in capacity as SEAPA's submarine cable consultant.
- ✓ December 2019: SEAPA awarded PND Engineering a contract to perform permitting functions once determination was made on whether a repair or replacement would occur.
- ✓ December 2019: SEAPA legal counsel drafted and SEAPA delivered a notice to GCI concerning conflicting DNR permits whereas GCI's fiber optic cable crosses SEAPA's submarine cable and may be required to be removed for work to be performed.
- ✓ December 2019: SEAPA begins receiving budgetary quotes for cable replacement with options from multiple manufacturers, for budgeting purposes and industry awareness.
- ✓ January 2020: SEAPA awarded contract to eTrac to identify the depth of burial of the failed cable across the Stikine cable crossing to determine feasibility and risk of a repair option.
- ✓ February 2020: eTrac completes sub-bottom hydrographic surveys and depth of burial contract.
- ✓ February 2020: SEAPA performs underwater Remote Operated Vehicle (ROV) operations to identify possible cause of fault.
- ✓ February 2020: SEAPA notified the Board of intent to replace instead of repair, after Depth of Burial and ROV video indicated the risk of repair was high and length of spare cable for replacement was not adequate to perform a successful repair.
- ✓ February 2020: SEAPA notified U.S. Coast Guard and ADEC of intent to remove and replace cable for awareness and guidance on actions required during cable removal of a fluid filled cable.
- ✓ March 2020: Center Marine completes cable procurement specifications.
- ✓ March 2020: SEAPA performs a shoreline cable survey to identify cable route and depth of burial for USACE permitting and developing removal and installation specifications.
- ✓ March 2020: PND completes U.S. Corps of Engineers (USACE) permitting.
- ✓ March 2020: Center Marine completes cable installation and removal specifications.
- ✓ April 2020: SEAPA solicited Request for Proposal(s) to repair and replace the Stikine crossing faulted cable.
- ✓ May 2020: SEAPA receives USACE permit to perform install and removal
- ✓ May 2020: SEAPA confirms GCIs intent to relocate fiber optic cable that is crossing SEAPAs submarine power cable.
- ✓ May 2020: SEAPA develops seven addendums in response responds to bidder inquiries.
- ✓ June 2020: SEAPA receives bids from three contractors.

Tyee 125V Battery Bank



Removal of Existing Bank and Seismic Rack

In late 2019, Battery Capacity discharge testing at Tyee Lake identified 2 cells at the end of their useful life. Cell 69 voltage dropped off significantly at approximately 3.5hrs into the 10hr test. The cell was bypassed to continue the test per IEEE-450 recommendations. At approximately 8hrs, cell 25 voltage dropped off significantly. The result of the battery capacity discharge testing at Tyee demonstrated that the 125V battery bank was at the end of its useful life and required replacement.

The Board approved RR (19333) for the replacement of the Tyee battery bank. Quotes for procurement and replacement were received in early 2020 however due to the contractor quotes being significantly higher than anticipated, SEAPA performed engineering and procurement in-house. The SBS Lead-Selenium batteries were installed and commissioned this month by SEAPA.



New Battery Bank and Seismic Rack Install

Date: June 15, 2020
To: Trey Acteson, Chief Executive Officer
From: Clay Hammer, Operations Manager
Re: Report for June 30, 2020 Board Meeting

MAJOR CONTRACTS and PROJECTS

Tyee Road Access to Tidewater Project

Access to the Tyee facility has long been problematic given the only two means of access are by air utilizing contract aircraft and runway or by boat through a tidal river estuary. This presents complications when weather and tides are not favorable creating serious logistical challenges for getting crew and goods to and from the plant as well as any form of outside assistance in the event of an emergency.

A road route to deeper tide water has been identified that would include a small dock option and a place to unload goods and materials without having to maintain or transit the narrow river channel. What remains is Preliminary Design work to firm up the road rout and design, quantify material amounts as well as identify permitting costs and requirements.

Funds have been allocated within the FY 2020 budget for the Preliminary Design work and staff has been working with a local engineering company to refine the scope of work and help prepare the RFP. The RFP is complete, and a bid solicitation will be published in August to seek bids for the board's consideration and approval at the September 2020 board meeting



Bradfield River Delta and current Tyee Plant Access Route

Svensden 34' SEAPA Boat Engines

After a history of premature power head failures with the Mercury 350 HP Verados on SEAPA's 34' Svensden, Mercury Marine has opted to replace both motors on warranty with the latest class 300 HP outboard. This new class is a 4.6-liter V-8 naturally aspirated 4-stroke engine that tips the scales at only 527 lbs. That is a weight savings of over 140 lbs. per engine compared to the earlier supercharged 6 cylinder 350 HP models. Fuel economy is improved with the new engines using 15-20% less fuel than their predecessors. Sea trials with a full load of cargo onboard indicate that the change in performance is negligible. These engines have retained the same propellers as the previous engines and are still able to obtain the same speed and RPM range as before.



New Mercury 300 HP Motors installed on SEAPA's 34' Svensden

Spring Transmission Line Survey

Each spring a welfare inspection of all SEAPA transmission lines is performed by staff. This year the work was delayed by COVID-19 travel restrictions. As soon as restrictions were lifted, flights were scheduled, and work completed the first week of June. Key observations made during the survey are conditions of the structures, integrity of insulators, anchors, and line dampers. Also noted are brush conditions under the lines and around the helicopter pads as well as any danger trees that may pose a risk to the transmission line.

Notable observations from this season's survey include the need for additional brushing around many of the helipads system-wide, line dampers requiring replacement in a number of areas, and at least one location where a tree is starting to poke up through the phases along the Swan/Bailey line at Structure #250. All anchors are noted as secure and no major deficiencies were reported. Of note was a small landslide along the Swan-Tyee Intertie in the Neets Bay area approximately one acre in size which traveled between SEAPA Structures #93 and #94 in an area known for slide action (no photo available).



Tree Intrusion on Swan/Bailey Transmission Line Structure #250

Brushing Program

The 2020 Brushing Season got off to a great start when the board awarded brushing contracts to Gage Tree Service of Wasilla, Alaska for two of the season's highest priority target areas on Mitkof Island and the Neets Bay area. Although contract conformance was initiated with Gage, the momentum ended with the onset of the COVID-19 pandemic but is still projected for completion this year. Although local communities exercised social distancing precautions, it was impossible to field a crew to start the work. Eventually restrictions lifted to the point that SEAPA's own brush crew could get started on Wrangell island projects. The crew got to work on an area known locally as "The Ski Hill" where the line climbs up the hill behind the Wrangell Warehouse. This was one of our Argo accessible areas and the crew made good use of it. In total over eight acres of underbrush and trees were removed. A count of growth rings on some of the trees indicated that trees in this area are 30-plus years old making this an area of comparatively slow growth and unlikely to need clearing again for at least another 20 years. The next area of focus will be trail and brush work around structures and towers system-wide in preparation for this Fall's annual maintenance inspections.

The Mitkof Island and the Neets Bay area brushing work is still on hold pending further lifting of COVID-19 travel restrictions.



SEAPA's Argo, Ski Hill, Wrangell Island



SEAPA Brushers, Ski Hill, Wrangell Island

End of an Era

Earlier this month Tyler Robinson, owner of Petersburg's Pacific Wings, LLC air transportation company, officially shutdown business operations. Mr. Robinson was the previous owner and founder of Sunrise Aviation and first started hauling passengers and freight to Tyee with Diamond Aviation in 1987. Tyler purchased Diamond Aviation in 1990 and started Sunrise Aviation. In the 30-plus years that followed, Tyler completed over 2,000 trips in support of SEAPA's Tyee Lake facility maintaining an impeccable reliability and safety record. The close of Pacific Wings and Mr. Robinson's transition to retirement is yet another casualty of the COVID-19 pandemic. His services in support of SEAPA's Tyee and Swan Lake facilities as well as the local communities will be missed.



(Pictured left, Clay Hammer, and right, Tyler Robinson)
Tyler Robinson's last official service flight to Tyee Lake, May 27, 2020

Tyee Lake Report

While the current pandemic has made work challenging, the Tyee Lake crew has remained hard at it staying up on PM's and related projects. In addition to the regular PM's, the crew performed the following tasks:

- Graded and rolled the Tyee airstrip. This work is performed annually each spring to correct any deficiencies caused by the winter freeze and thaw cycles.
- Graded the road out to the HughesNet Satellite Pad. Maintaining winter access to the pad resulted in additional potholes which needed to be repaired this spring.
- Constructed HughesNet Satellite Pad solar array structure.
- Constructed antenna tower and base at the HughesNet Satellite Pad site.
- Replaced and upgraded electrical service to the Tyee Lake Incinerator Building.
- Chairs, desk, and video monitors were replaced in the Tyee Control Room.
- A new AED was installed at the Wrangell Warehouse.

Last Quarter's Scheduled Safety Training included:

- Arc Flash Training
- Confined Space Training
- Rigging and Overhead lift Training

There were zero reportable injuries last quarter.



Tyee Electrician, Matt Vodopich
(outfitted in Honeywell Cat. 4 Arc Flash PPE)



SOUTHEAST ALASKA POWER AGENCY

Date: June 15, 2020
To: Trey Acteson, CEO
From: Ed Schofield, Power System Specialist
Subject: Report for June 30, 2020 Board Meeting

Swan Lake Operations & Maintenance Report

As is standard practice for both of SEAPA's generating facilities, the majority of the daily scheduled maintenance activities are dictated by an automated Preventative Maintenance Program known as MAPCON. MAPCON auto-generates work tasks for all SEAPA fixed assets. The Work Orders (WO) are generated on a time-driven basis, with each WO having an assigned work task determined by industrial maintenance best practices. Each month throughout the year, WOs are generated and assigned to a crew member by Plant Foremen. The number of generated WOs varies from month-to-month averaging around a hundred WOs per worker classification.

In addition to scheduled preventive maintenance there is also unscheduled maintenance activities (equipment or infrastructure failures) that take priority over scheduled maintenance. Recent unscheduled activities include the Swan Lake Dam's Fixed Wheel Gate hydraulic system and the dam's access road that washed out following a culvert failure.

The Swan Lake crew also performs common facility ground maintenance activities which include road ditch repairs, snow removal, marine dock repairs, grass mowing, bush clearing, fence and gate repairs, facility painting, etc., all of which consume a great deal of crew time each month.

Special projects are also always in various stages of progress. Special projects are asset improvement projects either implemented by the Swan Lake crew or SEAPA management. Current special projects include:

- Operation & Maintenance manual rewrite
- MAPCON WO task update
- Dam Ice Avoidance control automation
- Dam air compressor building ventilation system upgrades
- Storage Building Fire Alarm Panel upgrades
- Generator Excitation Brush vacuum system installation
- Generator winding monitoring system installation
- Critical Spare Part inventory
- Transformer condition monitoring system upgrade
- Establishing and documenting alarm and shutdown set points

- Facility video surveillance upgrades
- Swan Lake House Replacement electrical and communication upgrade
- Installation of Excavator Flail Mower attachment

PROJECT UPDATES

Swan Lake Stuffing Box Repair

SEAPA's Unit 2 Stuffing Box Replacement Project is scheduled to start on July 26, 2020. The lower end (below the generator) of the Swan Lake hydro units are manufactured by Litostroj, a heavy machinery manufacturer based in Ljubljana, Slovenia. Components to complete the Stuffing Box project are scheduled to arrive from Litostroj on June 29th. The Stuffing Box is the generator's main drive shaft mechanical seal and is located directly above the turbine's Francis runner. To access the stuffing box for repairs, the complete mechanical drive end of the turbine must be disassembled. The project anticipates a team of five technicians working 12 hour days for a minimum of 10 days. The seal is a double-carbon, water-cooled mechanical seal. Wear measurements indicate the carbon seals are at the end of their serviceable life. The Swan Lake Unit 1 Stuffing Box was replaced in 2019. The following are photos of the Unit 1 project:



Unit 1 - Disassembly of Turbine End Guide Bearing Wicket Gate Control Ring and Stuffing Box Seal in 2019

Swan Lake Four-Plex Housing

The Swan Lake Four-Plex Housing Project will replace a Swan Lake single-occupancy home constructed in 1983 for employees. All three Swan Lake single-occupancy homes have been

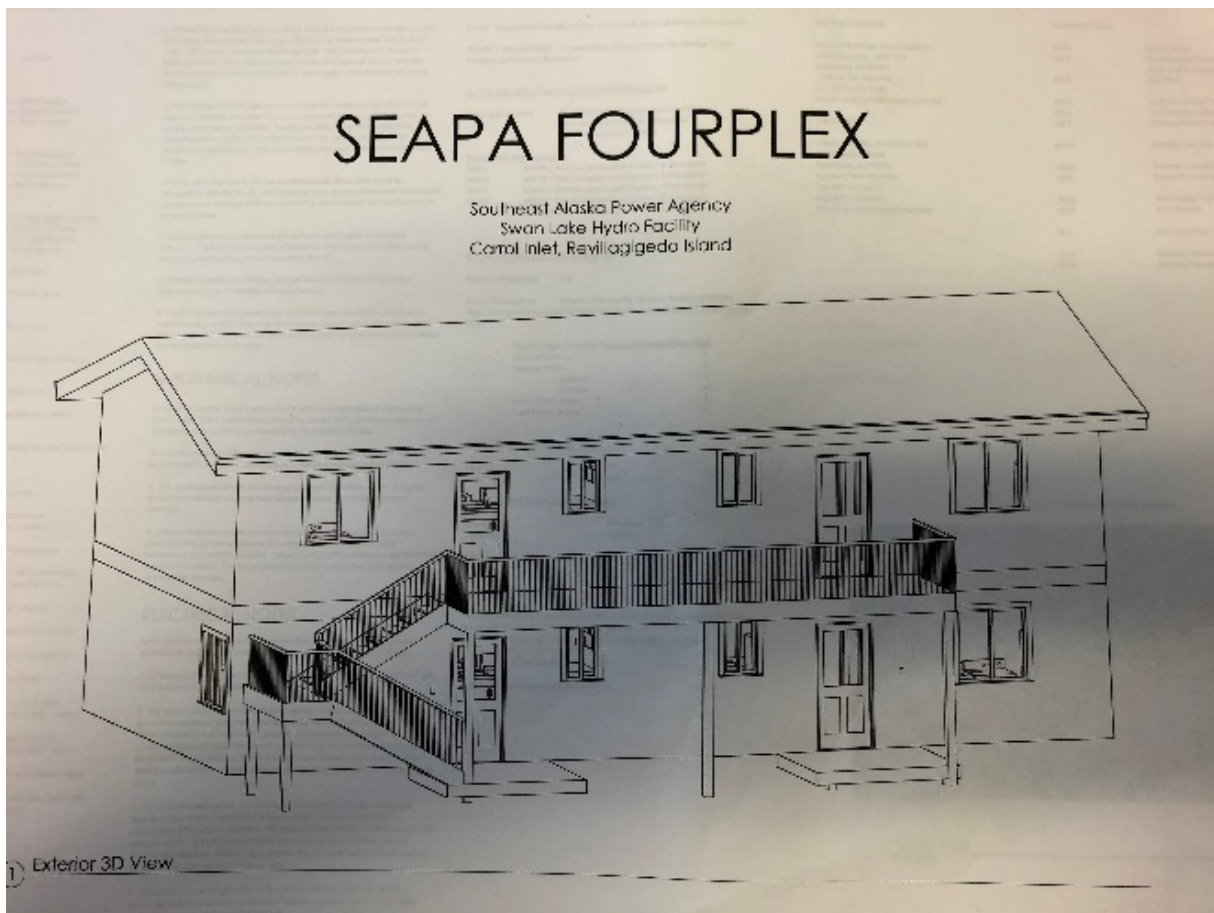
used continuously 24/7 for nearly 40 years and need extensive renovations. Home #2 of the three homes was prioritized for replacement because it required the most renovations after being used as a family, or double-occupancy dwelling over the years. Historically, the housing accommodations at Swan Lake have been inadequate to meet staffing needs. Staff has either used a single-occupancy home as a double-occupancy, or permanently occupied a bedroom within the Swan Lake Contractor's Bunkhouse. The Bunkhouse is a multi-use environment as it is also used for training and safety meetings, staff conferences, and housing for contractors so staff and other occupants have had to co-exist in the facility and all use the common areas.

The new four-plex home is a modular home manufactured by Continental Modular homes in Seattle and will be assembled onsite by Byron Construction of Ketchikan. The contractor will disassemble and remove the existing Home #2 and re-assemble the new modular on the original home's concrete foundation utilizing original utility infrastructure. The new modular will arrive in Ketchikan on August 9 and be directly transported to Swan Lake for installation.



Aerial Photo of Swan Lake showing location of Home #2

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Architect's conceptual Drawing of New Swan Lake Home # 2

Federal Energy Regulatory Commission (FERC)

Swan Lake Seventh Part 12 Report

The Swan Lake 2019 Seventh Part 12D Dam Safety Inspection Report is completed by SEAPA and submitted to FERC. In brief, the report is a third-party engineer's review of the preventative maintenance activities related to the safety of the facility's dam and water conveyance infrastructure. FERC requires the licensee (SEAPA) to retain a third-party engineer to assess how well the Swan Lake Project operator (SEAPA) is following its written maintenance plan. The plan is known as the "Dam Safety and Surveillance Monitoring Plan" (DSSMP). The 2019 Part 12 Report was much more complex than the first six reviews due to the addition of the Swan Lake spillway control gates installed in 2016. The addition of the Dam spillway control gate changed every aspect of the preventative maintenance plan due to the increased reservoir impoundment elevation which resulted in the reviewing engineer's recommendation that an elevated emphasis be implemented for all Dam stability monitoring tasks.

Swan Lake 2019 Standard Technical Information Document (STID)

The Swan Lake Technical Information Document (STID) was updated and submitted to FERC in January 2020. The STID is a historical record of the Swan Lake project from conception of the

project in 1928 to the present. The STID is intended to be a living document, with the licensee adding any significant changes in infrastructure or operation of the facility added to the document. The STID is normally submitted to FERC along with the Part 12 report every five years for review and approval. Due to the planned addition of the dam spillway control gate, SEAPA requested and was granted a waiver to the submittal in 2014. The waiver was granted until the dam spillway control gates were completed, which occurred in October 2016. In early 2017, SEAPA requested a second extension of the STID until January 2020 so the upcoming engineer's recommendation from the Seventh Part 12 Report could be added to the document.

Tyee Lake Intake Gate and Intake Gate HPU Reconditioning Project

In 2016 a peer review of the Tyee Plant was performed at SEAPA's request by the U.S. Bureau of Reclamation (USBR). The USBR's Power Review of Operation & Maintenance Team (PRO&M Team) conducted the review. One of the deficiencies noted by the PRO&M Team was insufficient maintenance records for the Tyee Lake Intake Gate. Efforts were directed at correcting the Intake Gate maintenance issues by implementing USBR maintenance standards for water control gates. The USBR recommends that all gates be exercised annually from fully open to fully closed with all service items accomplished and at a minimum, the gate must be pulled out of the water for inspection every five years. No record of the Tyee Gate being pulled out the water for an inspection could be located. The maintenance records indicated that the gate operation was tested annually.

After extensive investigation it was determined that the Intake Gate's Hydraulic Power Unit (HPU) has been plagued with electrical control issues since the plant was commissioned in 1983. It was reported that the gate would require major electrical repairs annually to even exercise the Gate Hydraulic System. Due to the difficulty of accessing the Tyee Intake Gate each year, the gate degraded even further. At some point the degradation of the HPU electrical controls became overwhelmingly complex and exceeded the abilities of the maintenance crew to resolve in a timely and cost-effective manner. The gate's hydraulic system was and currently still is in a manual piping configuration which means the only way to get the gate to close in an emergency is via the gate's weight.

SEAPA staff pulled the intake gate for inspection and assessment of condition in the summer of 2018. Several deficient mechanical items were found with both the HPU and the gate during this inspection. The HPU electrical system had to be completely rewired to make the gate operable. The position limit switches had to be replaced. The HPU directional valves had to be removed and manually manipulated to change cylinder direction. They are still dysfunctional. The interconnecting gate stems are badly corroded and need replacement.

The gate is connected to the hydraulic cylinder by 18 two-inch steel rods called "gate stems". The Intake Gate Hydraulic Cylinder is located at elevation 1442.0. The Intake Gate is located 200' below elevation 1217.0'.¹

The gate stems were removed in 2018 and taken to Wrangell to be sandblasted and recoated to stop the corrosion until they could be replaced. All 12 of the gate's guide rollers were found to be inoperable and require complete reconditioning. The gate's Coal-Tar coating is compromised and needs repair. Face and bottoms seals also need to be replaced. The intake gate was put back into service as-is until repair and replacement plans are developed.

¹ The intake gate is stated as 200' below elevation 1217.0 when accounting for the length of the cylinder and size of the gate.

To fully understand how the gate degraded to this point the complexity of addressing and correcting deficiencies of the Tyee Intake gate must be understood. There are several unique conditions that must be overcome and dealt with at this site. First, the Intake Gatehouse is accessible only by helicopter as it is located along the north shore of Tyee Lake at elevation 1630.0', 200 feet above Tyee Lake on a vertical rock cliff. Upon arrival at the Gatehouse you must then descend 200' feet down a man ladder system suspended in a vertical 12-foot diameter rock shaft to operate or make repairs to the intake gate. The environment within the intake gate shaft is cold, wet, and inadequately lighted equating to miserable working conditions. Given the hostile conditions, this project is beyond the ability of a plant crew to resolve and should have been addressed years ago.

The following steps represent the required procedures and average time commitment it takes for each Intake Gate maintenance activity:

Task	Minutes
Helicopter trip (Tyee Plant to Gatehouse)	15
Start gatehouse generator; energize gatehouse	15
Start gate shaft ventilation fans (requires minimum 30 mins. to exchange air within the shaft)	30
Develop job hazard assessment to assure all personnel are familiar with the required climbing harness, air monitoring equipment, emergency retrieval procedures, and the tasks to be accomplished	45
Don a climbing harness, emergency lights, personal air monitor, foul weather gear, miner's hard hat, and stage tools	30
Descend man ladder with each person descending in 20-ft spacing to avoid being hit if a fall occurs	45
Lower tools and parts with Gatehouse Overhead Crane	25
Total in Hours	3.25

In summary, the average time from departing the Tyee Hydro Plant to starting work on the Intake Gate HPU at elevation 1442.0' is roughly 3hrs 25mins utilizing a crew familiar with the routine.

SEAPA embarked on a plan in 2018 to return the Tyee Intake Gate back to optimal operating conditions. It was clear that to overcome some of the operation and maintenance constraints the HPU would need to be relocated to an above-ground location. This will enable the gate to be operated and maintained from the Tyee Gatehouse eliminating the need to access the gate shaft except for out-of-water intake gate inspections.

The HPU Relocation and Intake Gate Reconditioning Projects were approved by the SEAPA Board in the 2019 budget.

Both the HPU and the Intake Gate Projects will occur as one project in two phases. SEAPA will issue a Request for Proposals in July 2020 to cover the labor required to complete the projects with SEAPA supplying all parts and materials. The parts and materials are all to be delivered to the Tyee Plant by mid-August 2020.

Phase 1. HPU Relocation

The Tyee Intake Gate HPU Relocation Project will relocate the HPU from within the gate shaft to an above-ground location at the Gatehouse. Most of the labor to complete this project will be provided by a contractor. Tyee maintenance staff will recondition the HPU and install all electrical control circuits.

The HPU Relocation Project tasks include:

- Remove HPU from elevation 1442.0'
- Recondition HPU
- Remove old hydraulic piping
- Remove old HPU electrical circuits
- Install a new HPU mounting plat form at elevation 1610.0'
- Core drill gate shaft collar for hydraulic line and electrical conduit access to HPU from gate shaft
- Install a new working deck within the gate shaft at elevation 1610.5'
- Install new HPU control limit switch at elevation 1610.5'
- Install limit switch position indication cable and hardware to gate hydraulic cylinder ram at elevation 1442.0'
- Install four new 1 ¼ inch hydraulic lines, approximately 192' and 212' feet in length to connect the HPU to the gate cylinder
- Commission HPU operation
- Assemble and install the new HPU enclosure.

Phase 2. Tyee Intake Gate Reconditioning

The Tyee Intake Gate will be pulled by the contractor and secured for maintenance at elevation 1417.0'. As the gate is being pulled the contractor will remove the 12 gate stems and transport them to the Tyee Plant for disposal. Commissioning of the intake gate will be a joint effort between the Tyee maintenance staff and contractor.

Reconditioning of the Intake Gate tasks include:

- Power wash the gate
- Recondition all 12 intake gate guide rollers
- Replace Gate's power tunnel slow-fill valve
- Install new gate face and bottom seals
- Apply new Coal-Tar Epoxy Coating to the Gate's outer surface
- Replace 18 gate stems
- Place intake gate to elevation 1217.0'
- Commission Gate's limit switch

It is important that the SEAPA Board understands that there are some inherent risks any time an Intake Gate is removed from service as will be the case during this project. SEAPA has developed contingency plans to lessen this risk; however, the Intake Gate's primary purpose is to close off the water flow to the Tyee Plant in the event of an emergency, such as a penstock or inlet valve failure. That said, due to the remote location and difficulty of accessing the Intake Gate the Tyee Plant has always operated with an elevated risk factor, which is relative to most hydro facilities.



Tyee Intake Gate during 2018 Inspection



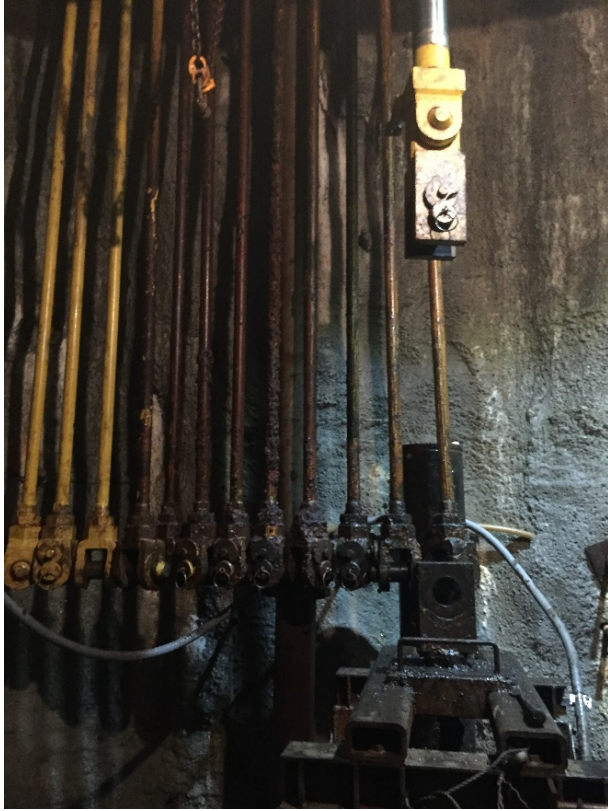
Gate Shaft & Man Ladder System



Gate Hydraulic Cylinder



One of 18 Gate Stems connecting the Intake Gate to the Cylinder



Gate Stems in Storage Rack as Gate is pulled up to the maintenance deck.



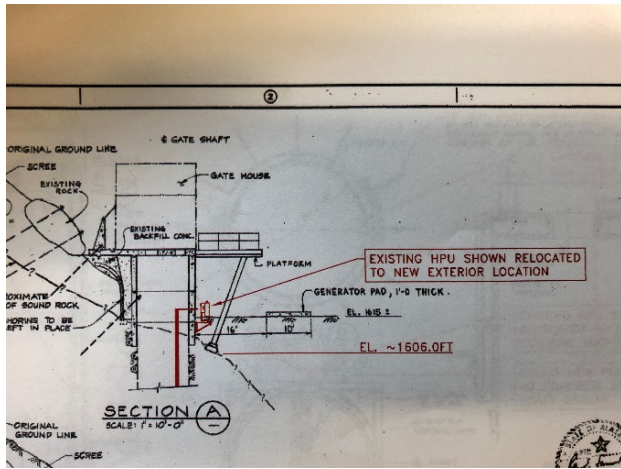
Gate Cylinder and Stem



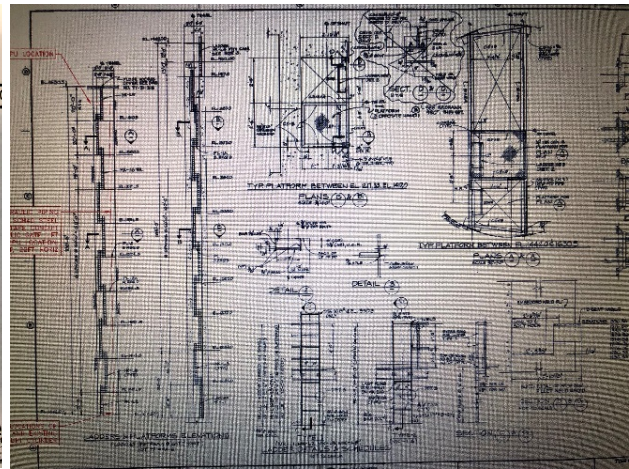
Gate Stems in Wrangell 2018



Gate Stem Corrosion



Proposed Relocation of HPU



Gate Shaft Ladder System



Gate Stem Clevis End Corrosion



Tyee Gatehouse



Tyee Lake Gatehouse Located at Elevation 1630.0' / Tyee Lake Elevation 1396.0'

End of Report



SEAPA 2020 BOARD MEETING DATES

Date(s)	Weekday(s)	Location ¹	Comments	
September	29-30	Tuesday/Wednesday	Wrangell	Regular Board Meeting
December	10	Thursday	Ketchikan	Regular Board Meeting

2020

January						
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<https://www.vertex42.com/calendars/2020.html>

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(See attached for additional information on 2020 meeting dates and events)

¹ Meetings may be held electronically pending Center for Disease Control social distancing guidelines.

2020 MEETING DATES | EVENTS

DATE	ORGANIZATION/EVENT	LOCATION
JANUARY		
1	SEAPA Holiday (New Year's Day)	N/A
2	Ketchikan City Council	Ketchikan
6	Petersburg Borough Assembly	Petersburg
14	City & Borough of Wrangell Assembly	Wrangell
16	Ketchikan City Council	Ketchikan
21	Petersburg Borough Assembly	Petersburg
28	City & Borough of Wrangell Assembly	Wrangell
28-30	APA Manager's Forum & State Legislative Conference	Juneau
FEBRUARY		
3	Petersburg Borough Assembly	Petersburg
4-6	SE Conference Mid-Session (4th-5th) & Health Care Summit (6 th)	Juneau
6	Ketchikan City Council	Ketchikan
11	City & Borough of Wrangell Assembly	Wrangell
17	SEAPA Holiday (President's Day)	N/A
18	Petersburg Borough Assembly	Petersburg
20	Ketchikan City Council	Ketchikan
18-21	NWHA Annual Conference & FERC Meeting	Seattle
25	City & Borough of Wrangell Assembly	Wrangell
MARCH		
2	Petersburg Borough Assembly	Petersburg
5	Ketchikan City Council	Ketchikan
10	City & Borough of Wrangell Assembly	Wrangell
16	Petersburg Borough Assembly	Petersburg
19	Ketchikan City Council	Ketchikan
24	City & Borough of Wrangell Assembly	Wrangell
31	SEAPA BOARD MEETING	ELECTRONIC
APRIL		
2	Ketchikan City Council	Ketchikan
6	Petersburg Borough Assembly	Petersburg
14	City & Borough of Wrangell Assembly	Wrangell
TBD	SEAPA ANNUAL AUDIT	Ketchikan
16	Ketchikan City Council	Ketchikan
16-17	NWHA Strategic Planning Meeting	Seattle
20	Petersburg Borough Assembly	Petersburg
28	City & Borough of Wrangell Assembly	Wrangell
MAY		
4	Petersburg Borough Assembly	Petersburg
7	Ketchikan City Council	Ketchikan
12	City & Borough of Wrangell Assembly	Wrangell
18	Petersburg Borough Assembly	Petersburg
19-21	NHA Waterpower Week (hydro/marine energy)	Washington, D.C.
21	Ketchikan City Council	Ketchikan
25	SEAPA Holiday (Memorial Day)	N/A
26	City & Borough of Wrangell Assembly	Wrangell
JUNE		
1	Petersburg Borough Assembly	Petersburg
2-4	APA Federal Legislative Conference	Washington, D.C.
4	Ketchikan City Council	Ketchikan
9	City and Borough of Wrangell Assembly	Wrangell
15	Petersburg Borough Assembly	Petersburg
18	Ketchikan City Council	Ketchikan
23	City and Borough of Wrangell Assembly	Wrangell
30	SEAPA BOARD MEETING	ELECTRONIC
JULY		
2	Ketchikan City Council	Ketchikan
3	SEAPA Holiday (Independence Day)	N/A
6	Petersburg Borough Assembly	Petersburg
14	City and Borough of Wrangell Assembly	Wrangell
13-16	AEGIS Policy Holder's Conference	San Diego
14-16	Hydrovision International	Minneapolis

16	Ketchikan City Council	Ketchikan
20	Petersburg Borough Assembly	Petersburg
28	City & Borough of Wrangell Assembly	Wrangell
AUGUST		
3	Petersburg Borough Assembly	Petersburg
6	Ketchikan City Council	Ketchikan
11	City and Borough of Wrangell Assembly	Wrangell
17	Petersburg Borough Assembly	Petersburg
20	Ketchikan City Council	Ketchikan
25	City and Borough of Wrangell Assembly	Wrangell
25-28	Alaska Power Assoc./AIE Annual Mtg	Homer
SEPTEMBER		
3	Ketchikan City Council	Ketchikan
7	SEAPA Holiday (Labor Day)	N/A
8	Petersburg Borough Assembly and City and Borough of Wrangell Assembly	Petersburg and Wrangell, respectively
17	Ketchikan City Council	Ketchikan
21	Petersburg Borough Assembly	Petersburg
22	City and Borough of Wrangell	Wrangell
24	City & Borough of Wrangell Assembly	Wrangell
29-30 (T-W)	SEAPA BOARD MEETING	WRANGELL
OCTOBER		
1	Ketchikan City Council	Ketchikan
5	Petersburg Borough Assembly	Petersburg
8-9	APA Accounting & Finance Workshop	Anchorage
13	City & Borough of Wrangell Assembly	Wrangell
15	Ketchikan City Council	Ketchikan
19	Petersburg Borough Assembly	Petersburg
27	City & Borough of Wrangell Assembly	Wrangell
NOVEMBER		
2	Petersburg Borough Assembly	Petersburg
5	Ketchikan City Council	Ketchikan
11	SEAPA Holiday (Veteran's Day – Observed)	N/A
10	City & Borough of Wrangell Assembly	Wrangell
16	Petersburg Borough Assembly	Petersburg
19	Ketchikan City Council	Ketchikan
24	City & Borough of Wrangell Assembly	Wrangell
26-27 (T-F)	SEAPA Holiday (Thanksgiving & Day After)	N/A
DECEMBER		
2-3	APA Annual December Meeting Series	Anchorage
3	Ketchikan City Council	Ketchikan
7	Petersburg Borough Assembly	Petersburg
8	City & Borough of Wrangell Assembly	Wrangell
10	SEAPA BOARD MEETING	KETCHIKAN
17	Ketchikan City Council	Ketchikan
21	Petersburg Borough Assembly	Petersburg
22	City & Borough of Wrangell Assembly	Wrangell
24-25	SEAPA Holiday (Christmas Eve and Christmas Day)	N/A

(Assembly and Council Meetings noted on the calendar above are estimated as a result of the schedule below)

- Petersburg Borough Assembly Meetings 1st & 3rd Monday every month
- City & Borough of Wrangell Assembly Meetings 2nd & 4th Tuesday every month
- Ketchikan City Council Meetings 1st & 3rd Thursday every month