



SOUTHEAST ALASKA POWER AGENCY

Regular Board Meeting AGENDA

The Landing Hotel | Ketchikan, Alaska

February 28, 2019 | 9:00 AM to 5:00 PM AKST

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

9:00 AM - REGULAR SESSION

1. Call to Order
 - A. Roll Call
 - B. Communications/Lay on the Table Items:
 - i. 02.25.2019 Minutes of Special Board Meeting¹
 - ii. CEO Report²
 - iii. Consideration and Approval for Authorization to Proceed with Alaska Municipal Bond Bank Financing³
 - C. Disclosure of Conflicts of Interest
2. Approval of the Agenda
3. Introduction of Board Members
4. Election of Officers
 - A. Chairman
 - B. Vice Chairman
 - C. Secretary/Treasurer
5. Persons to be Heard
6. Introduction to SEAPA (Joel Paisner)

9:30 to 11:30 AM - WORK SESSION

7. Work Session Re 2018 Operations & Curtailment Review⁴
 - A. Review Power Sales Agreement

¹ To be addressed under Item 8D of the Agenda.

² To be addressed under Item 12 of the Agenda.

³ To be addressed under Item 11D of the Agenda.

⁴ The purpose of the Work Session is to study/discuss issues relating to SEAPA's 2018 operations and curtailment review. No action will be taken during this session. The public is invited to attend and will have an opportunity to address the board prior to the start of the Work Session.

11:30 AM to 5:00 PM - REGULAR SESSION

8. Review and Approve Minutes
 - A. December 12-13, 2018 Minutes of Regular Board Meeting
 - B. February 15, 2019 Minutes of Special Board Meeting
 - C. February 18, 2019 Minutes of Special Board Meeting
 - D. February 25, 2019 Minutes of Special Board Meeting
9. Financial Reports
 - A. CEO Financial Memo
 - B. Controller Memo
 - C. Disbursements
 - D. kWh Graphs
 - E. Fund Allocation Graph
 - F. Grant Summary
 - G. Financial Statements – December and November 2018
 - H. R&R Reports
10. Old Business
 - A. Swan Lake Transition Update/Discussions
11. New Business
 - A. Executive Session Re Offer of Property for SEAPA Office
 - B. Consideration and Approval of RR19322 for Intake Gate Stem, RR19323 for Tunnel Lights at Tyee Lake and RR19324 for Swan Lake Unit 1 Stuffing Box
 - C. Consideration and Approval of Resolution No. 2019-072 Re Capitalization Threshold Change
 - D. Consideration and Approval for Authorization to Pursue Alaska Municipal Bond Bank Financing
12. CEO Report
13. Staff Reports
 - A. Operations Manager's Report (*Hammer*)
 - B. Power System Specialist's Report (*Schofield*)
 - C. Director of Engineering & Technical Services Report (*Siedman*)
14. Calendar Year 2019 Meeting Dates
15. Director Comments
16. Adjourn



(An audio recording of this meeting is available on SEAPA's website at www.seapahydro.org)

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|--------------------------|
| December 12, 2018 |
|--------------------------|

1) Call to Order

A. Roll Call

Chairman Prysunka called the meeting to order at 1:00 p.m. AKST on December 12, 2018. The following directors and alternates were present, thus establishing a quorum of the board:

| Director | Alternate | Representing | |
|------------------|---------------|--------------|------------|
| Karl Amylon | Andy Donato | Swan Lake | Ketchikan |
| | Bob Sivertsen | Swan Lake | Ketchikan |
| Bob Lynn | | Tyee Lake | Petersburg |
| Stephen Prysunka | | Tyee Lake | Wrangell |
| Lisa Von Bargaen | | Tyee Lake | Wrangell |

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

| | |
|---------------------------------------|---|
| Trey Acteson, Chief Executive Officer | Clay Hammer, Operations Manager |
| Ed Schofield, Power System Specialist | Robert Siedman, Dir. of Eng & Tech Svc. |
| Kay Key, Controller | Sharon Thompson, Ex Asst/Cont Admin |
| Marcy Hornecker, Administrative Asst. | Joel Paisner, Ascent Law Partners, LLC |

B. Communications/Lay on the Table Item(s): CEO Report

C. Disclosure of Conflicts of Interest: None.

2) Approval of the Agenda

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|-----------------|---|--------------------------|
| ➤ Motion | M/S (Lynn/Sivertsen) to approve the agenda as presented. Motion approved unanimously by polled vote. | Action 19-688 |
|-----------------|---|--------------------------|

3) Proclamation Honoring Board Service: Chairman Prysunka read a Proclamation recognizing, thanking, and honoring board members John Jensen, Judy Zenge, and Clay Hammer, who will not be serving on the board in calendar year 2019, for their dedication of service and support of hydropower in Southeast Alaska.

4) Persons to be Heard: None.

5) Review and Approve Minutes

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| ➤ Motion | M/S (Von Bargaen/Sivertsen) to approve the Minutes of the Regular Meeting of September 27, 2018. Motion approved unanimously by polled vote. | Action 19-689 |
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6) Financial Reports

(A)-(H) Mr. Acteson reported that following SEAPA's rigorous efforts in response to a Standard and Poor's (S&P) review process, the Agency's financial position was categorized by S&P as stable and its credit rating upgraded from an "A-" to an "A". The Agency may also realize an average annual savings of \$65,450 when a refunding of the callable 2009 bonds are conducted in 2019 as a result of the efforts. Mr. Acteson recommended that the Agency proceed with a rebate distribution for FY18 but advised that rebates for FY19 were unlikely if cash flow is negatively impacted by drought conditions. He continued his report with an overview of the Agency's revenue and expenses and renewal and replacement expenditures.

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| ➤ Motion | M/S (Von Bargaen/Lynn) to accept disbursements for September, October and November 2018 totaling \$1,920,159 and financial statements for August, September and October 2018. Following an overview by Mr. Acteson on the Agency's finances and discussion and fielding of various questions, the motion was unanimously approved by polled vote. | Action 19-690 |
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7) New Business

A. Executive Session

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| ➤ Motion | M/S (Sivertsen/Von Bargaen) to move to recess into Executive Session to be conducted pursuant to SEAPA's Bylaws consistent with Alaska Statute 44.62.310 for the following matters: Agency's Union Contract Negotiations, which will include subjects the immediate knowledge of which would clearly have an adverse effect upon the Agency Projects; Hydrosite Analysis and RCA matters, which will clearly have an adverse effect on the finances of the Agency, and the Swan Lake Transition of Operations and Maintenance and CEO Annual Evaluation, both of which may include subjects that could tend to prejudice the reputation and character of an individual. Motion approved unanimously by polled vote. | Action 19-691 |
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The meeting recessed at 1:45 p.m. on December 12, 2018 for the executive session.

Chairman Prysunka gavelled into the meeting at 4:59 p.m. from the executive session and announced that the executive session would continue on December 13 at 9 a.m. He adjourned the meeting for the evening.

The meeting reconvened at 9:00 a.m. on December 13, 2018.

8) Call to Order

A. Roll Call.

Chairman Prysunka requested a roll call. A roll call was taken. The same board members who were available on December 12th were present and Director Jensen, who was unavailable on December 12, joined the meeting.

New Business under Item 7 of the Agenda continued with the Chairman's announcement that direction resulting from the executive session on December 12th includes direction for SEAPA's counsel to continue with the Agency's petition to the Regulatory Commission of Alaska (RCA) to discontinue a certificate of public convenience and necessity process submitted on behalf of the Thomas Bay Power Authority, and also includes the following motion:

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| ➤ Motion | M/S (Sivertsen/Lynn) to authorize the Agency's CEO to enter into a Collective Bargaining Agreement (CBA) between the Southeast Alaska Power Agency and the IBEW Local 1547, which will be effective from July 1, 2018 through June 30, 2022 under the terms of the CBA presented to the Board for its consideration during an executive session at its December 12, 2018 regular board meeting. There was no discussion, and the motion was approved unanimously by polled vote. | Action 19-692 |
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Agenda Items 7B through 7H were not completed on December 12th due to the length of the executive session. Item 7E was advanced ahead of Items 7B through D to accommodate a pre-planned call-in by Joy Merriner of BDO USA, LLP, the firm conducting the Agency's FY18 financial audit.

7E. Presentation and Acceptance of FY18 Audited Financials

Joy Merriner joined the meeting telephonically to review the Agency's audited financial statements and answer questions from the board. She noted that SEAPA's accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and adequately described in the financial statements. She commended the Agency's Controller, Kay Key, management and staff on the positive results of the FY18 audit.

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| ➤ Motion | M/S (Sivertsen/Von Bargaen) to accept the Southeast Alaska Power Agency Fiscal Year 2018 Audited Financial Statements as presented in the December 12-13, 2018 SEAPA Board packet. Motion approved unanimously by polled vote. | Action 19-693 |
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Chairman Prysunka announced that the meeting would recess and requested a motion to enter back into executive session to complete the business of an annual evaluation of the Agency's CEO.

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| ➤ Motion | M/S (Sivertsen/Lynn) to recess into executive session to be conducted pursuant to SEAPA's Bylaws consistent with Alaska Statute 44.62.310 for the following matter: CEO Annual Evaluation which may include subjects that could tend to prejudice the reputation and character of an individual. Motion approved unanimously by polled vote. | Action 19-694 |
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The meeting recessed at 9:32 a.m. for the executive session and reconvened at 11:13 a.m. The Chairman gavelled back into the meeting to announce completion of the executive session and recessed the meeting for a brief break.

The meeting reconvened following the break. Chairman Prysunka announced that the meeting will continue under Item 7B of the Agenda.

7) New Business

B. *Consideration and Approval of Roving Relief Operator for Hydroelectric Projects*

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| ➤ Motion | M/S (Sivertsen/Von Bargaen) to authorize the Agency's CEO to recruit and hire a full-time Roving Relief Operator to supplement manning at the Tyee Lake and Swan Lake Hydroelectric Facilities. Motion approved unanimously by polled vote. | Action 19-695 |
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C. *Consideration and Approval of Contract Award for Swan Lake and Tyee Lake Fabric Covered Equipment Storage Building Packages Project*

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| ➤ Motion | M/S (Sivertsen/Lynn) to authorize staff to enter into a Purchase Order Contract with Legacy Building Solutions, Inc. for SEAPA's Swan Lake and Tyee Lake Fabric Covered Equipment Storage Building Packages Project for the lump-sum bid amount of \$104,562, plus a 10% contingency of \$10,456 for the total not-to-exceed value of \$115,018 for the Project. Motion approved unanimously by polled vote. | Action 19-696 |
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D. *Consideration and Approval of Increase to FY19 R&R Budget for Swan Lake Flashboard Gate Trigger Assembly*

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| ➤ Motion | M/S (Von Bargaen/Sivertsen) to increase the FY2019 R&R Budget by \$61,000 for Project RR19321 for the design, manufacture, and installation of a Flashboard Gate Trigger Assembly at Swan Lake. Motion approved unanimously by polled vote. | Action 19-697 |
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F.¹ *Consideration of Staff Bonuses.*

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| ➤ Motion | M/S (Sivertsen/Von Bargaen) to authorize SEAPA's CEO to issue staff bonuses not to exceed the total amount of \$7,500 payable on or before December 31, 2018. Motion approved unanimously by polled vote. | Action 19-698 |
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¹ Agenda Item 7E was completed earlier in the Agenda.

G. *Consideration and Approval of Distribution of Rebate to Member Utilities.*

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| ➤ Motion | M/S (Lynn/Von Barga) to authorize the distribution of an \$800,000 rebate with a pro rata share to each Member Utility based on an average of the last three years' firm kWh purchases from SEAPA as specified in the FY18 Rebate Memo dated December 5, 2018. Motion approved unanimously by polled vote. | Action 19-699 |
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H. *Consideration and Approval of SEAPA's Operations Plan for 2019.*

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| ➤ Motion | M/S (Prysunka/Sivertsen) to approve the 2019 Operations Plan as presented in the December 12-13, 2019 Board packet. | Action 19-700 |
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Mr. Acteson opened discussion on the Agency's 2019 Operations Plan (Ops Plan) explaining how SEAPA uses the guidelines of the plans approved annually by the board and noted the unique challenges faced by SEAPA and its member communities by the drought conditions in 2018.

Mr. Siedman queued up a Power Point presentation of the 2019 Ops Plan. He explained in detail how the Agency develops the plan, the conservative approach anticipated for 2019, and modeling for both the Swan Lake and Tyee Lake inflows. He announced that the 2019 Ops Plan proposes a draft elevation of 275 at Swan Lake and 1260 at Tyee Lake. He discussed integration of supplemental diesel into SEAPA's system and fielded questions from the board. Following a question on what would happen to Tyee's curve if more water was used from Tyee to save water in Swan, Mr. Siedman responded by reviewing the history of the guide curves from 1999 to 2015, and how the lakes operated before and after the Swan-Tyee Intertie (STI) was energized in 2009. He noted that prior to the STI, both Swan and Tyee spilled every year and after the STI, it was important to draw down the water for maximum optimization of the lakes and minimal impact to the communities in the months with less inflow. He summarized that the water could be shifted one way or the other at the risk of spilling or not maximizing utilization.

Concerns were expressed about holding water in reserve to cover for possible diesel failures and at the same time providing SEAPA with enough latitude to be able to work with the communities within the confines of the Power Sales Agreement. Mr. Siedman explained that the Agency wants to work with the communities by going to the board approved draft limit, then curtail based on the Power Sales Agreement, governing documents, and the Agency's understanding of how best to execute the documents to maximize the lake and reduce risk.

Following much discussion, Mr. Amylon summarized Ketchikan's concerns with its diesels and expressed reservations about a 275' draft limit for Swan Lake. He proposed a more conservative approach on Ketchikan's behalf by moving to increase Swan Lake's draft limit to 280.

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| ➤ Motion | M/S (Amylon/Sivertsen) to amend SEAPA's 2019 Operations Plan to move the draft limit for Swan Lake from 275 to 280. Motion approved unanimously by polled vote. | Action 19-701 |
|-----------------|---|------------------|

Mr. Prysunka opened discussion on Tyee Lake's draft levels expressing concerns about damage to the system with low lake levels because of high turbidity and low visibility in the shaft which became evident during the ROV inspection. He asked whether zero visibility was a function of the project or a function of low lake levels. Mr. Schofield explained that there is glacial silt that may be 100' deep and that low lake levels were causing the silt, which is a very fine mica, to stay suspended in the water. He advised that the turbidity does not harm the equipment.

Mr. Acteson discussed the modeling presented by Mr. Siedman, the efforts and data involved in developing the models, and the Agency's reasoning in determining Tyee's draft limit and efforts to manage the levels. Chairman Prysunka concurred with Mr. Acteson's reasoning as long as Wrangell's internal systems for generation are fully functional recognizing that the communities must evaluate their internal capacities to deliver power because SEAPA can't always guarantee that it can send power. He cautioned the board that the Agency is in a very unique situation as demonstrated by the drought conditions.

Mr. Lynn expressed Petersburg's concerns under the circumstances as well and the Chair expressed the importance of good communication between the communities and SEAPA.

Chairman Prysunka requested a poll vote on the main motion, as amended, to increase the draft limit at Swan from 275 to 280 and the Tyee Lake draft at 1260. The motion was approved unanimously.

The meeting recessed at 12:54 pm for a brief lunch and reconvened at 1:04 pm.

9) CEO Report

Mr. Acteson provided a brief summary of his activities as a committee member of the Governor's Citizen's Advisory Committee representing utility interests across the state to draft options for a State-specific Alaska Roadless Rule. He provided updates on public relations, insurance policy placements, the Swan Lake O&M transition, and best practices and process improvements. He discussed the recruitment and training that may be necessary for the Swan Lake transition and advised that the Agency's temporary brushing technician had been terminated for the winter.

10) Staff Reports

A. *Operations Manager's Report (Hammer)*

Mr. Hammer advised that the Agency solicited quotes from qualified engineering firms to submit a quote on alternative routes for Tyee road access routes to tidewater. He provided brief updates and comments on several other Agency projects currently in process and referred the board to his report in the board packet for additional information on each project.

B. *Power System Specialist Report (Schofield)*

Mr. Schofield discussed the Tyee Lake Intake Gate removal, inspection, and re-installation following the ROV survey of the Tyee power tunnel. He advised that the gate will be removed again next spring to complete identified repairs. Mr. Schofield provided updates on the Swan Lake Wastewater Treatment System Modifications Project and the Swan Lake Reservoir Access Ladder Extension Project. He presented a Power Point on an abnormal condition that was discovered during a scheduled preventative maintenance exercise that was conducted for the Swan Lake Flash Board Gate. He explained that the abnormal condition was corrected by SEAPA staff and that design engineers were in the process of determining the cause and how to prevent a reoccurrence.

C. *Director of Engineering and Technical Services.*

Mr. Siedman provided a brief report on his Swan Lake projects which include the satellite at Swan, Rittmeyer Flow Meters, Governor Pressure System(s), Distribution Valve Controller and Manifold, Station Service Switchgear, Tyee Lake Level Remote RF-Modem, and a landslide that occurred on the STI. He advised that the landslide occurred on November 14th in the Neets Bay area causing a 400Amp phase-to-phase fault. He explained that there was minimal impact to the system and that the Agency's annual transmission line maintenance contractor conducted emergency repairs. The contractor found that no poles were damaged, although one pole was leaning and became upright after debris was removed from the guy wires that were under tension. A new guy wire was installed and following an inspection of the line, the STI was returned to service on November 18th.

11) Calendar Year 2019 Meeting Dates

There were no objections to the proposed calendar year 2019 meeting dates.

12) Director Comments

Directors provided brief comments.

13) Adjourn

Chairman Prysunka adjourned the meeting at 2:00 p.m.

Signed:

Attest:

Secretary/Treasurer

Chairman



SOUTHEAST ALASKA POWER AGENCY

Minutes of Special Meeting

Friday, February 15, 2019

Southeast Alaska Power Agency Offices
via Teleconference | Ketchikan, Alaska

(An audio recording of this meeting is available on SEAPA's website at www.seapahydro.org)

1) Call to Order

- A. *Roll Call.* Chairman Prysunka called the meeting to order at 4:02 p.m. AKST on February 15, 2019. The following directors and alternates were present, thus establishing a quorum of the board:

| Directors | Present Telephonic (T) In Person (IP) | Alternates | Present Telephonic (T) In Person (IP) | Representing |
|------------------|---|------------------|---|----------------------|
| Karl Amylon | T | Andy Donato | IP | Swan Lake Ketchikan |
| Bob Sivertsen | IP | | | Swan Lake Ketchikan |
| | | Cliff Skillings | IP | Swan Lake Ketchikan |
| Bob Lynn | T | 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 | IP | Ed Schofield, Power Sys. Sp. | IP |
| Clay Hammer, Operations Manager | T | Robert Siedman, Dir. Tech Svs | T |
| Sharon Thompson, Ex Asst/Con Admin | IP | Joel Paisner, Counsel | T |

Chairman Prysunka announced that the Board would hear from any persons that would like to address the board. There was no response.

2) Approval of the Agenda

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|-----------------|---|------------------|
| ➤ Motion | M/S (Sivertsen/Lynn) to approve the agenda as presented. | Action 19-702 |
| ➤ Motion | M/S (Sivertsen/Lynn) to amend the agenda to hold the meeting in open session with the option to enter into an executive session if necessary. Motion approved unanimously by polled vote. | Action 19-703 |

Chairman Prysunka requested a vote on the main motion to approve the agenda, as amended. The main motion, as amended, was unanimously approved.

3) New Business

- A. *Reservoir Management Discussions*

Mr. Acteson opened discussions with updates on the weather, loads, lake levels, and current draft limits, and advised that meetings have occurred sometimes daily and sometimes hourly on member utilities' operational concerns. He explained that each of the Agency's member communities are experiencing

some diesel generation reliability and availability issues. Member utility and community representatives on the SEAPA board voiced their respective issues and challenges. Mr. Acteson solicited the board's consideration of lowering both lakes' current Operations Plan draft limits by five feet to provide maximum flexibility for the next two weeks to shift power to the north and have water available for Ketchikan's needs so the Agency can serve those needs without having to call another Special Board Meeting. Following considerable discussion, it was determined that the Agency's Operations Plan levels would be maintained and that certain discussions would be best vetted in the Agency's upcoming regular board meeting.

A discussion occurred regarding whether power can continue to be sent to the northern communities in order to delay a diesel burn and simultaneously serve Ketchikan's needs. Concern was raised that if Swan Lake's level drops to 280, the Agency has no authority to go below the 280 level without board action and an emergency special board meeting would need to be called to continue to serve the communities with power. It was determined that it would be prudent to meet again the following Monday to assess the situation.

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| ➤ Motion | M/S (Sivertsen/Lynn) to set a Special Board Meeting on Monday, February 18, 2019 at 10:00 a.m. AKST for continuing reservoir management discussions. | Action 19-704 |
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Board members expressed conflicts with their respective schedules for a 10:00 a.m. meeting.

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| ➤ Motion | M/S (Sivertsen/Amylon) to amend the motion setting the time of 10:00 a.m. for the meeting on February 18 th to a time to be determined by SEAPA's Chair. Motion approved unanimously by polled vote. | Action 19-705 |
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Chairman Prysunka requested a vote on the main motion, as amended to hold the February 18th Special Board Meeting at a time to be determined. The main motion, as amended, was unanimously approved.

4) Adjourn

Chairman Prysunka adjourned the meeting at 5:05 p.m. AKST.

Signed:

Attest:

Secretary/Treasurer

Chairman



SOUTHEAST ALASKA POWER AGENCY

Minutes of Special Meeting

Monday, February 18, 2019

Southeast Alaska Power Agency Offices
via Teleconference | Ketchikan, Alaska

(An audio recording of this meeting is available on SEAPA's website at www.seapahydro.org)

1) Call to Order

- A. *Roll Call.* Chairman Prysunka called the meeting to order at 3:00 p.m. AKST on February 18, 2019. 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 | IP | Andy Donato | IP | Swan Lake Ketchikan |
| Bob Sivertsen | IP | | | Swan Lake Ketchikan |
| | | Cliff Skillings | IP | Swan Lake Ketchikan |
| Bob Lynn | T | 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 | IP | Robert Siedman, Dir Tech Svcs | T |
| Ed Schofield, Power Sys. Specialist | T | Kay Key, Controller | T |
| Sharon Thompson, Ex Asst/Con Admin | IP | Joel Paisner, Counsel | T |

2) Approval of the Agenda

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|-----------------|---|-------------------------|
| ➤ Motion | M/S (Sivertsen/Lynn) to approve the agenda as presented. Motion approved unanimously by polled vote. | Action 19-706 |
|-----------------|---|-------------------------|

3) New Business: None.

4) Old Business

A. *Reservoir Management Discussions*

Mr. Acteson explained that the purpose of the meeting is for an update on KPU's diesel generation to be followed by discussion of a path going forward until the next board meeting, with the common goal of system stability for all three of SEAPA's member communities.

Mr. Donato reported that Swan's level was currently at 283, weekend weather had been warmer than forecasted, loads were lighter than forecasted and were currently at around 28, and KPU's two large diesel generators were currently running at Bailey, along with one of their rented CAT generators. Reliability was intact with no generator failures reported over the weekend. A discussion followed on whether SEAPA could open L1 with the intent of blending some generation out of Swan, over time, in the evening when the northern communities' diesels are off line, being careful not to go below the 280-draft limit.

Following a discussion on KPU's request that it be included in the blending, Mr. Amylon expressed KPU's willingness to reduce the draft limit from 280 to 278 at Swan Lake for the week of February 18 with the intent of a re-evaluation the following week. He conveyed KPU's intent that the power from any water above the 280 level at Swan be split equally between KPU and the northern communities, and that anything below 280 be exclusively designated for Ketchikan. Following discussion on Mr. Amylon's approach, and options the northern communities may have for increasing their supplemental diesel to blend in the system, the following motion was made:

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| ➤ Motion | M/S (Amylon/Sivertsen) to amend the Agency's 2019 Operations Plan to decrease the minimum level of the draw on Swan Lake from 280 to 278 with the understanding that anything beneath 280 is dedicated exclusively for Ketchikan's loads. Motion passed unanimously by polled vote. | Action 19-707 |
|-----------------|---|--------------------------|

Northern community board members expressed concerns about whether Tyee's draft limit of 1260 needed adjustment before the next board meeting. Mr. Acteson advised that once staff had an opportunity to process additional information, the matter would be discussed during the weekly operations call, and if it became necessary to reconvene a meeting, he would so advise. The board's consensus was that a special board meeting would take place on Monday, February 25 at 3:00 p.m. to continue reservoir management discussions, unless the board was notified otherwise.

4) Adjourn

The meeting adjourned at 3:36 p.m. AKST.

Signed:

Attest:

Secretary/Treasurer

Chairman

Agenda Item 8D

February 25, 2019 Minutes of Special Board Meeting

[To be provided as Lay on the Table Item during the Board Meeting]



SOUTHEAST ALASKA POWER AGENCY CEO FINANCIAL COVER MEMO

DATE: February 21, 2019
TO: SEAPA Board of Directors
FROM: Trey Acteson, CEO

SEAPA's financial position remains stable. However, Agency revenues are experiencing temporary headwinds as a result of the prolonged drought in Southeast Alaska. The drought has reduced the amount of energy available for sales. Staff has been proactive in curbing expenditures to maintain alignment with anticipated reductions in revenue.

REBATES:

The Board approved a Fiscal Year 2018 rebate in the amount of \$800,000 to the Member Utilities at our June 19-20, 2018 Board meeting. Checks were issued following final review and approval during our December 2018 Board meeting. Specific amounts are shown under disbursements in your Board packets.

REVENUE & EXPENSES:

Total FY19 revenues through January were \$6,600,177 actual vs. \$7,350,772 budget.

Total administrative and operating expenses through the end of December were \$2,905,950 actual vs. \$3,191,127 budget. Labor increases negotiated by KPU with the I.B.E.W. for their Swan Lake employees are being passed on to SEAPA through the net billing process. These increases were not provided for in the FY19 budget submitted by KPU and technically were not approved by the SEAPA Board. Swan Lake employees transitioning to SEAPA will eventually be covered under SEAPA's new I.B.E.W. labor agreement, which has been approved by the Board.

Major expense items are annotated in the disbursements list and include \$82K in emergency repairs made to restore transmission line operation following last year's landslide.

RENEWAL & REPLACEMENT PROJECTS:

Total R&R expenditures for FY19 through the end of December were \$734,552 actual vs. the total budget of \$3,027,166.

2009 REMAINING BOND DEBT - EARLY REFUNDING:

This item will be covered under New Business.



SOUTHEAST ALASKA POWER AGENCY CONTROLLER MEMO

Date: February 7, 2019

From: Kay Key

To: Trey Acteson

Subject: **FINANCIAL STATEMENTS**

SUGGESTED MOTION

I move to accept disbursements for December 2018 and January 2019 totaling \$1,846,512.48 and financial statements for December and November 2018, as presented.

Financial Statements in this board packet include:

- **Disbursements for December 2018 and January 2019**
- **kWh Graphs** (January 2019)
- **Fund Allocation Graph** (January 2018)
- **Grant Summary** (Quarterly – December 2018)
- **Monthly Financial Statements for December and November 2018 (FY19)**
 - ✓ Financial Overview
 - ✓ Statement of Financial Position – Monthly prior year comparison
 - ✓ Statement of Activities – Monthly prior year comparison, YTD prior year comparison, YTD and annual budget
 - ✓ Statement of Activities – YTD Detail (December only)
- **R&R Reports (FY19)**
 - ✓ Summary
 - ✓ Project Close-outs

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The FY2018 rebate of \$800K was paid to Member Utilities in December. \$898K in completed R&R projects have been closed this fiscal year-to-date.



The table below summarizes the expenditures included in the disbursement reports that follow:

| | Revenue Fund | R&R Fund | New Gen Fund |
|-------------------|-----------------------|------------|--------------|
| December 3, 2018 | 1,500.00 | - | - |
| December 11, 2018 | 430,572.89 | 29,708.39 | - |
| December 21, 2018 | 800,000.00 | - | - |
| December 26, 2018 | - | 41,825.00 | - |
| January 7, 2019 | 138,691.54 | 170,748.50 | 3,902.50 |
| January 22, 2019 | 212,801.16 | 16,762.50 | - |
| | 1,583,565.59 | 259,044.39 | 3,902.50 |
| TOTALS | \$1,846,512.48 | | |

Revenue Fund - Operations and maintenance expenses, grant expenses.

R&R Fund - Expenditures for capital (R&R) projects.

New Gen Fund - Costs directly associated with developing new generation.

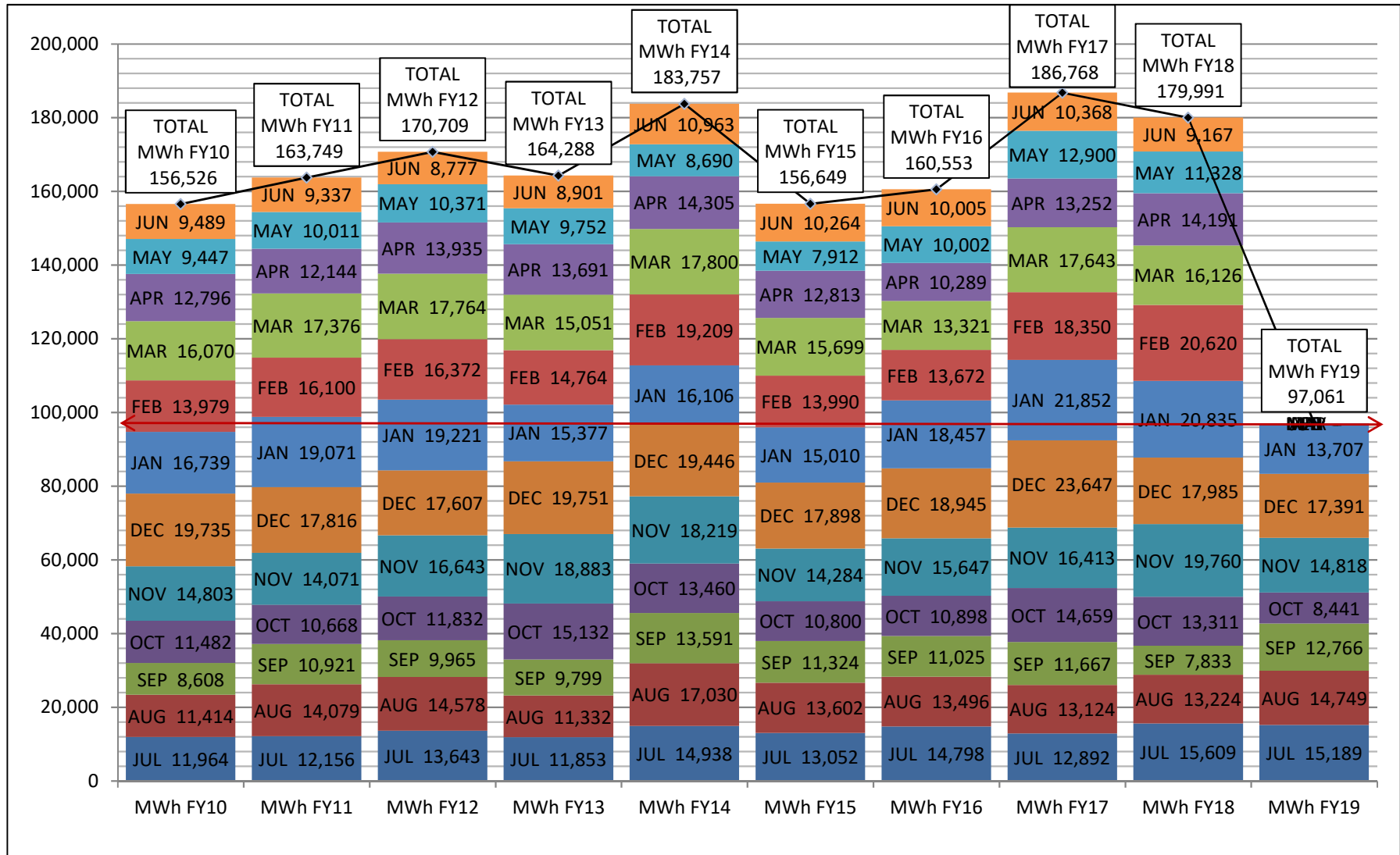
The December 21 disbursement represents payment of the FY18 rebate to member utilities.

| VENDOR | Revenue Fund | Dedicated R&R Fund | New Gen Fund | Southeast Alaska Power Agency Dec & Jan Disbursements |
|---------------------------------------|--------------|--------------------|--------------|--|
| AK DNR 111020 JNU | 1,500.00 | - | - | |
| Alaska Broadcast Communications, Inc. | 1,692.90 | - | - | |
| Alaska Marine Lines | - | 528.00 | - | |
| Alaska Miners Association | 250.00 | - | - | |
| Alaska Permanent Capital Inc | 3,378.15 | - | - | |
| Alaska Power Association | 6,262.00 | - | - | 2019 Dues |
| Alpine Mini Mart | 106.52 | - | - | |
| Amazon.com | 429.91 | - | - | |
| Angerman's Inc | 213.60 | - | - | |
| Anixter Inc | - | 7,335.00 | - | RR270 Dampener inventory |
| ARECA Training Council, Inc | 300.00 | - | - | |
| Arrowhead LP Gas WRG | 25.20 | - | - | |
| Ascent Law Partners LLP | 12,248.09 | - | - | |
| BAM LLC | 10,900.00 | 113,600.00 | - | RR19320 Wastewater upgrades SWL, SWL Spillway |
| Bay Company Enterprises, LLC | 378.65 | - | - | |
| BDO USA LLP | 30,730.37 | - | - | FY2018 Audit services |
| Borough of Petersburg | 202,910.80 | - | - | FY2018 Rebate |
| Boyer Towing, Inc. | 2,975.00 | 2,975.00 | - | |
| Breakaway Adventures, LLC | 2,750.00 | - | - | |
| Cambria Properties LLC | 3,050.00 | - | - | |
| City & Borough of Wrangell | 172,014.29 | - | - | FY2018 Rebate |
| City Market | 699.78 | - | - | |
| City of Ketchikan | 425,074.91 | - | - | FY2018 Rebate |
| Cummins, Inc. | 166.26 | - | - | |
| E&E Dining | 1,718.40 | - | - | |
| Electric Power Constructors | 78,970.90 | - | - | STI landslide repair |
| Frontier Shipping & Copyworks | 110.00 | - | - | |
| G2 Risk Consulting | 1,743.75 | - | - | |
| Glenn Brewer Consulting Engineer | - | 2,856.00 | - | |
| Grainger | 6,217.05 | 601.56 | - | |
| Greater Ketchikan Chamber of Commerce | 370.00 | - | - | |
| Hammer & Wikan | 300.24 | - | - | |
| Helicopter Air Alaska LLC | 2,464.50 | - | - | |
| I Even Do Windows | 800.00 | - | - | |
| John Taylor and Sons Inc | 200.00 | - | - | |
| Johnson's Building Supply | 108.32 | - | - | |
| Ketchikan Daily News | 241.46 | - | - | |
| Ketchikan Gateway Borough | 9,833.70 | - | - | Rent (2 months) |
| Landing Hotel & Restaurant | 128.65 | - | - | |
| Legacy Building Solutions Inc | - | 41,825.00 | - | RR19316-317 Storage Structures |
| Liv and Heidi's Kjokken | 1,818.00 | - | - | |
| LNK Services | 236.80 | - | - | |
| Mapcon Technologies, Inc. | 2,611.00 | - | - | |
| Marble Construction | 642.00 | - | - | |
| McMillen Jacobs Associates | 15,827.50 | 26,533.25 | 3,902.50 | RR19311 Pier-Ramp SWL, Hydrosite investigation |
| Meridian Environmental | 3,717.00 | - | - | |
| Mid Columbia Forklift, Inc. | 683.43 | - | - | |
| National Hydropower Association | 21,438.00 | - | - | 2019 Dues |
| Northwest Public Power Assn | 750.00 | - | - | |
| NRECA RSP Admin | 1,264.06 | - | - | |
| NRECA 758777 Deferred | 2,418.00 | - | - | |
| NRECA Group Ins | 35,162.94 | - | - | |

| VENDOR | Revenue Fund | Dedicated R&R Fund | New Gen Fund | Southeast Alaska Power Agency Dec & Jan Disbursements |
|-------------------------------------|-----------------------|--------------------|--------------|---|
| NRECA Group Ins Admin | 3,112.49 | - | - | |
| NRECA RSP Trust Contrib | 31,289.75 | - | - | |
| NRG Systems, Inc | 3,568.00 | - | - | |
| Ottesen's Inc | 1,030.51 | - | - | |
| Pacific Airways Inc | 440.00 | 1,320.00 | - | |
| Pacific Wings Inc. | 2,277.00 | - | - | |
| Panolin America | 7,236.65 | - | - | |
| Petersburg Chamber of Commerce, Inc | 558.00 | - | - | |
| Petro Marine Services-KTN | 351.54 | - | - | |
| Petro Marine Services-WRG | 713.17 | - | - | |
| Pilot Publishing, Inc. | 67.50 | - | - | |
| PML Environmental | 1,620.00 | - | - | |
| Pool Engineering, Inc. | - | 2,213.75 | - | |
| R&M Engineering-Ketchikan | 800.00 | - | - | |
| Ray Matiashowski & Associates | 8,000.00 | - | - | |
| Rittmeyer, LTD | - | 19,724.30 | - | |
| Samson Tug & Barge | 271.34 | 559.53 | - | |
| Satellite & Sound Inc | 1,050.00 | - | - | |
| Scandia House Hotel | 1,902.00 | - | - | |
| Schnabel Engineering LLC | 4,800.00 | - | - | |
| SE Business Machines | 835.00 | - | - | |
| Sentry Hardware & Marine | 1,479.99 | - | - | |
| Slatercom-WCD | - | 33,288.00 | - | Marker Ball inventory |
| Southeast Auto & Marine Parts, Inc | 1,278.92 | - | - | |
| Southeast Extinguisher Service Inc | 4,588.40 | - | - | |
| Spenard Builders Supply | 503.00 | - | - | |
| Standard & Poor's | 5,000.00 | - | - | |
| Stikine Inn | 496.00 | - | - | |
| Sunrise Aviation Inc | 7,197.50 | - | - | |
| Temsco Helicopters, Inc. | 1,199.55 | - | - | |
| Tetra Tech Inc | 896.20 | - | - | |
| TexRus | 6,954.83 | - | - | |
| Tongass Business Center | 410.13 | - | - | |
| TSS, Inc. | 675.00 | - | - | |
| USDA Forest Service | 102,683.88 | - | - | Annual land use fees |
| Wells Fargo 2009 Interest | 44,895.96 | - | - | 2009 Series bond interest |
| Wells Fargo 2009 Principal | 137,615.30 | - | - | 2009 Series bond principal |
| Wells Fargo 2015 Interest | 81,281.26 | - | - | 2015 Series bond interest |
| Welsh Whiteley Architects, LLC | - | 5,685.00 | - | |
| Wrangell Chamber of Commerce | 600.00 | - | - | |
| Wrangell City & Borough | 12,351.28 | - | - | PERS Liability (2 mo.) |
| Wrangell Extended Stay LLC | 561.80 | - | - | |
| Wrangell Sentinel | 54.00 | - | - | |
| X2nSat | 3,180.00 | - | - | |
| Bank of America (Nov) | 15,835.57 | | | |
| Bank of America (Dec) | 16,071.94 | | | |
| | \$ 1,583,566 | \$ 259,044 | \$ 3,903 | |
| | \$1,846,512.48 | | | |

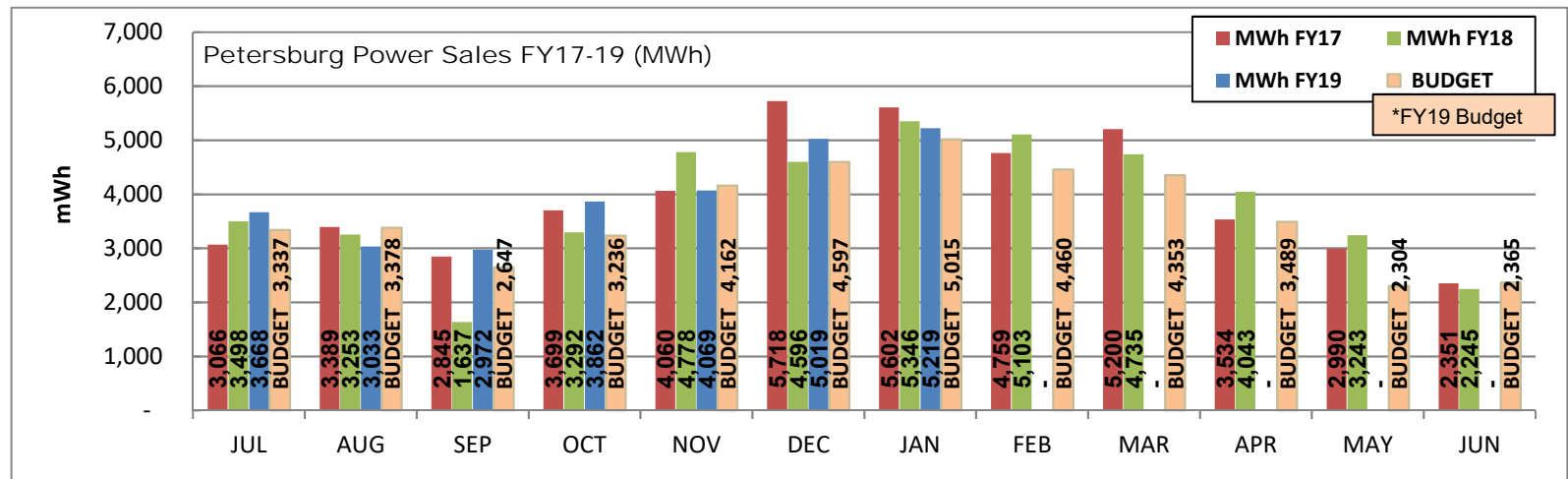
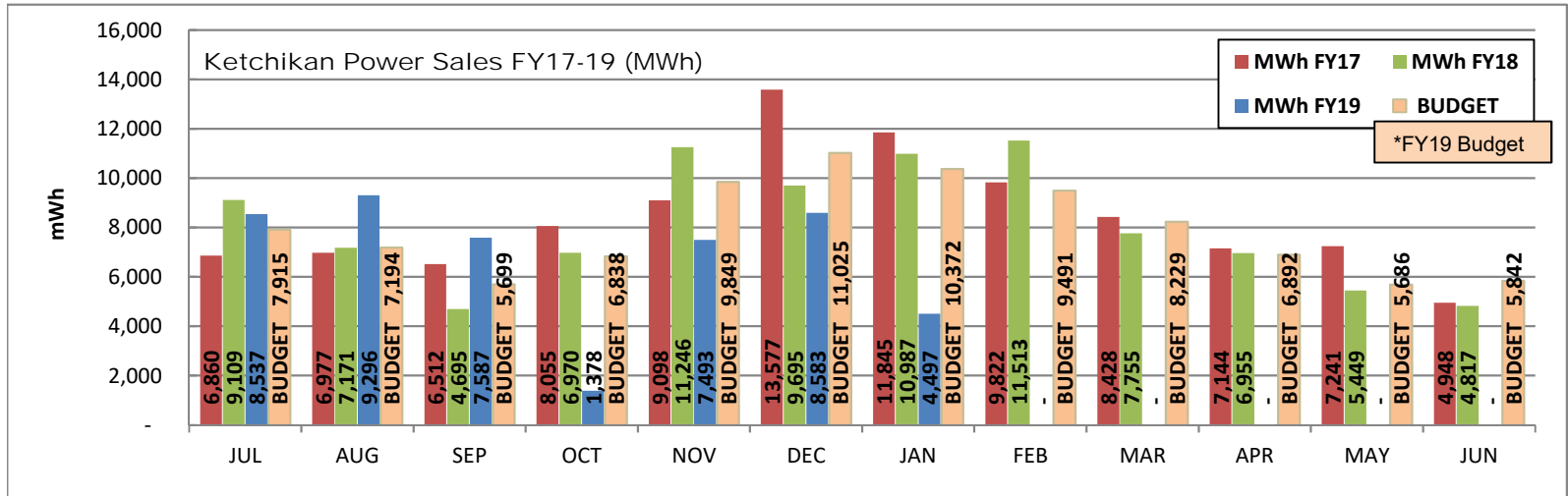
Bank of America credit card charges include commercial travel, most telecom and some utility expenses (ACS, AT&T Mobility, AP&T, GCI GCI, KPU, PSG Borough, Roadpost, Wrangell City & Boro). These recurring telecom & utility charges are approximately \$12K/mo.

MWh Sales Year-to-Year Comparison (JAN FY19)



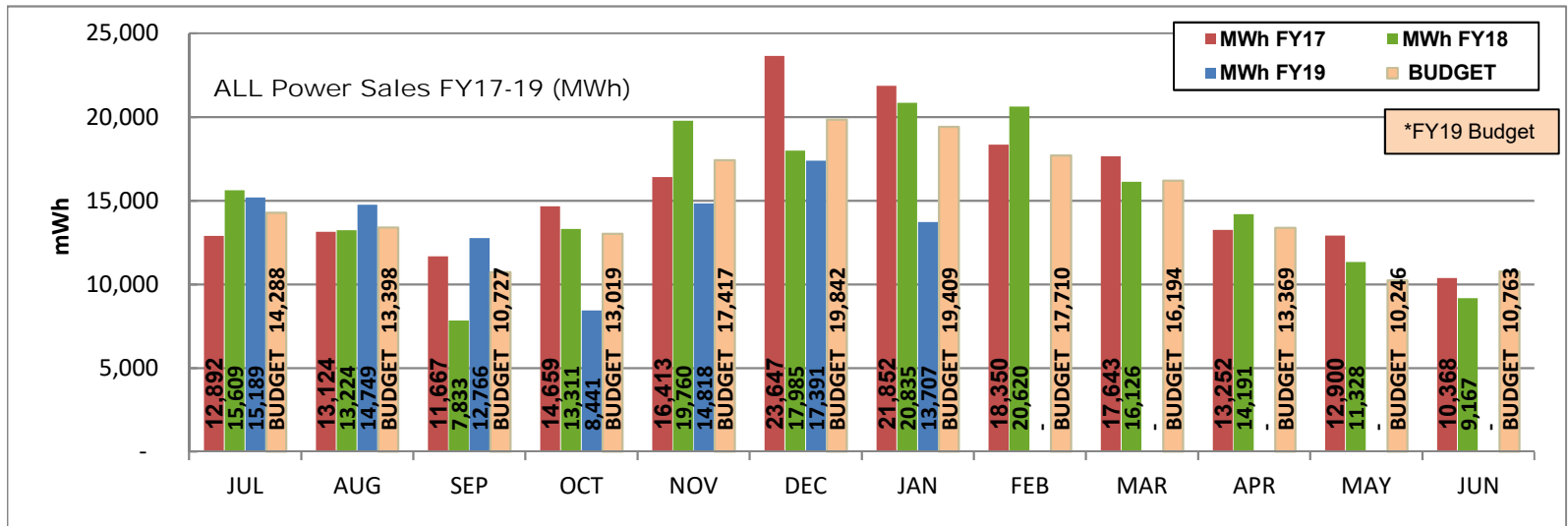
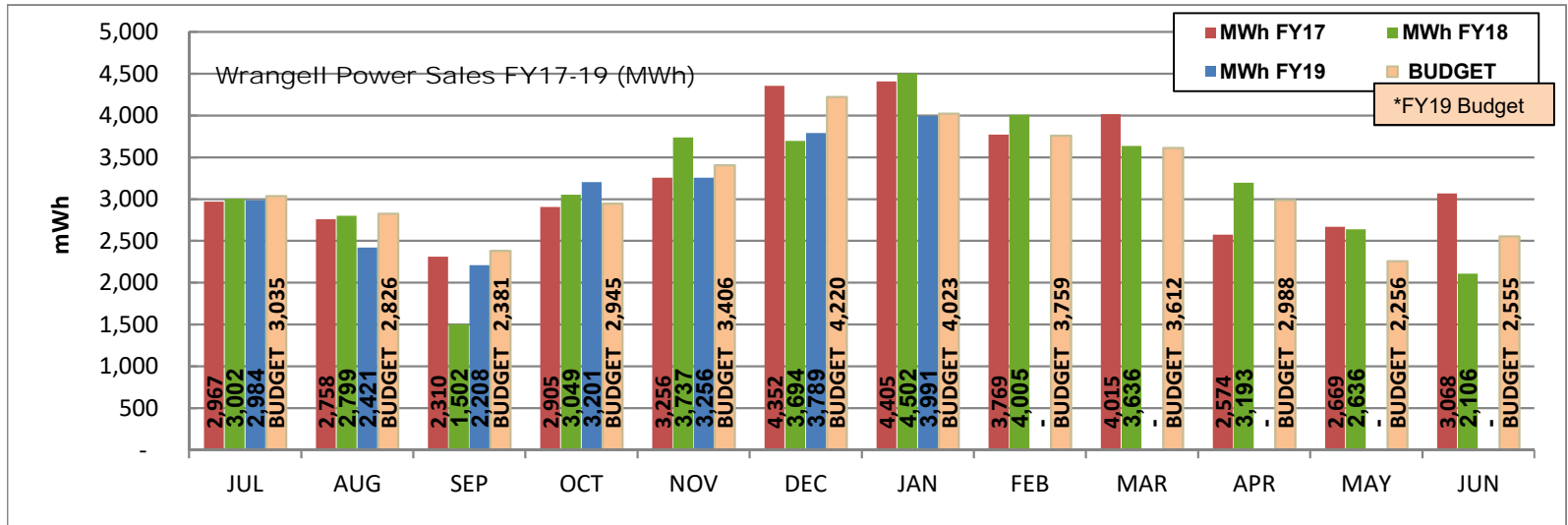
SOUTHEAST ALASKA POWER AGENCY
FIRM POWER SALES (kWh / MWh)

| JAN 2019 | FY19 kWh HYDROPOWER SALES | CURRENT MONTH | | YEAR-TO-DATE | |
|-------------|------------------------------|-------------------|-------------------|-------------------|--------------------|
| | | Actual | Budget | Actual | Budget |
| | | | | | |
| | Ketchikan Power Purchases | 4,496,641 | 10,371,962 | 47,369,473 | 58,890,976 |
| | Petersburg Power Purchases | 5,219,272 | 5,014,658 | 27,842,960 | 26,372,601 |
| | Wrangell Power Purchases | 3,991,200 | 4,022,627 | 21,848,990 | 22,836,013 |
| | Total Power Purchases | 13,707,113 | 19,409,247 | 97,061,423 | 108,099,590 |



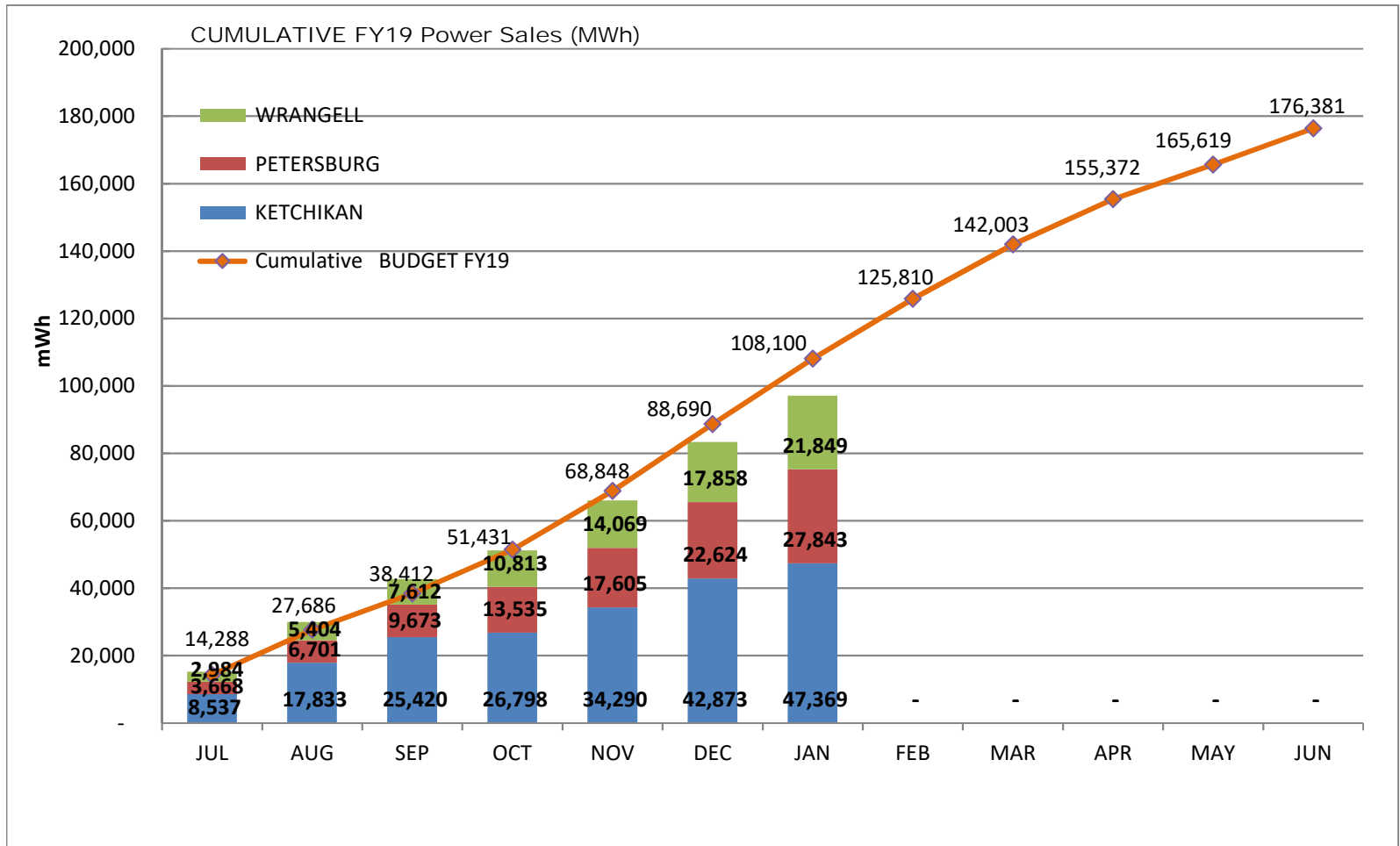
SOUTHEAST ALASKA POWER AGENCY
FIRM POWER SALES (kWh / MWh)

| JAN 2019 | FY19 kWh HYDROPOWER SALES | CURRENT MONTH | | YEAR-TO-DATE | |
|-------------|------------------------------|-------------------|-------------------|-------------------|--------------------|
| | | Actual | Budget | Actual | Budget |
| | | | | | |
| | Ketchikan Power Purchases | 4,496,641 | 10,371,962 | 47,369,473 | 58,890,976 |
| | Petersburg Power Purchases | 5,219,272 | 5,014,658 | 27,842,960 | 26,372,601 |
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| | Total Power Purchases | 13,707,113 | 19,409,247 | 97,061,423 | 108,099,590 |



SOUTHEAST ALASKA POWER AGENCY
FIRM POWER SALES (kWh / MWh)

| JAN 2019 | FY19 kWh HYDROPOWER SALES | CURRENT MONTH | | YEAR-TO-DATE | |
|-------------|------------------------------|-------------------|-------------------|-------------------|--------------------|
| | | Actual | Budget | Actual | Budget |
| | | | | | |
| | Ketchikan Power Purchases | 4,496,641 | 10,371,962 | 47,369,473 | 58,890,976 |
| | Petersburg Power Purchases | 5,219,272 | 5,014,658 | 27,842,960 | 26,372,601 |
| | Wrangell Power Purchases | 3,991,200 | 4,022,627 | 21,848,990 | 22,836,013 |
| | Total Power Purchases | 13,707,113 | 19,409,247 | 97,061,423 | 108,099,590 |



JANUARY 2019

Operations, Capital and Insurance Funds

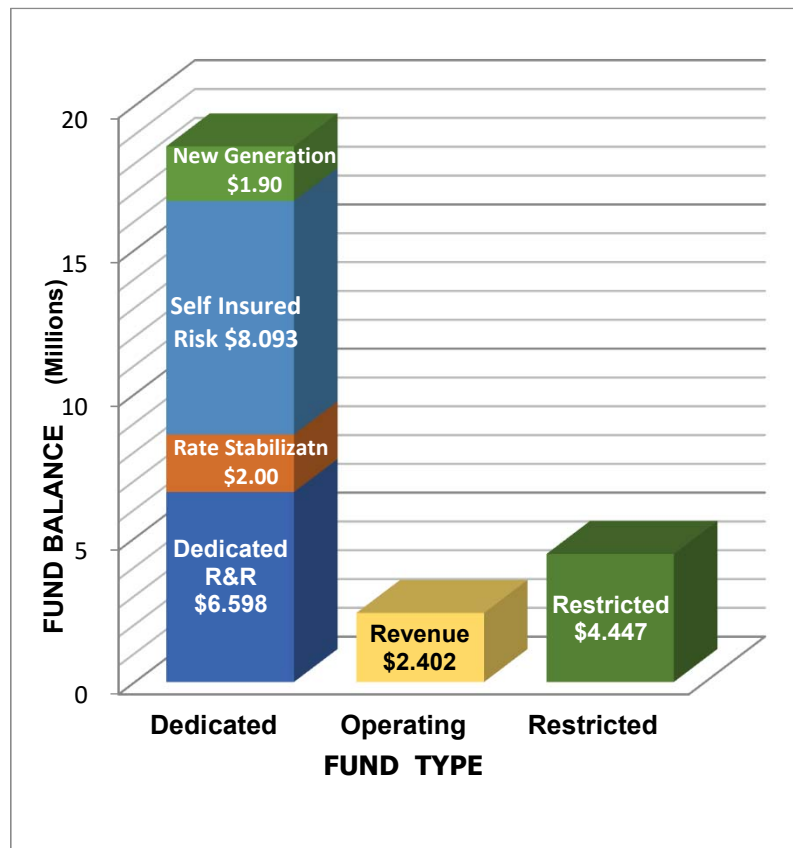
| | |
|---|--------------|
| Revenue Fund | \$ 2,400,590 |
| Required R&R Fund | 1,000,359 |
| Dedicated R&R Projects Fund | 6,598,240 |
| Commercial | 1,236 |
| New Generation Fund | 1,895,923 |
| Rate Stabilization Fund | 2,000,619 |
| Self Insured Risk Fund | 8,093,479 |
| Total Operations, Capital and Insurance Funds | 21,990,446 |

Trustee Funds

| | |
|---------------------|-----------|
| 2009 Bond Interest | \$ 45,875 |
| 2009 Bond Principal | 557,129 |
| 2009 Bond Reserve | 1,435,977 |
| 2015 Bond Interest | 82,290 |
| 2015 Bond Reserve | 216,702 |
| Total Trustee Funds | 2,337,972 |

Other Restricted Funds

| | |
|------------------------------|----------------------|
| STI - USFS CD | \$ 21,633 |
| DNR Reclamation Fund | 1,086,941 |
| Total Other Restricted Funds | 1,108,574 |
| Total Agency Funds | <u>\$ 25,436,992</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 to ensure stability of Member Utility rates.

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 SUMMARY
DECEMBER 2018

AK DCCED GRANT 13-DC-553

| FY19 Grant Billing | Grant Budget | Billing thru FY19 | Open Balance |
|--------------------------------|---------------------|--------------------------|---------------------|
| 1 - Hydro Storage | 578,000 | 578,000 | 0 |
| 2 - G&T Site Evaluation | 1,705,000 | 1,606,639 | 98,361 |
| 3 - Stability / Interconnectiv | 146,000 | 0 | 146,000 |
| 4 - Load Balance Model | 112,000 | 9,181 | 102,819 |
| 5 - Project Mgmt | 309,000 | 255,712 | 53,288 |
| 6 - Business Analysis / PSA | 150,000 | 48,015 | 101,985 |
| Total FY13 AK DCCED | 3,000,000 | 2,497,547 | 502,453 |

QUARTERLY BILLING

| Sep-18 | Dec-18 | Mar-19 | May-19 | FY19 |
|--------|--------|--------|--------|--------|
| - | - | - | - | - |
| 22,908 | 28,795 | - | - | 51,703 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 22,908 | 28,795 | - | - | 51,703 |

TERM: JUL 2013 - JUN 2020



DECEMBER 2018 FINANCIAL OVERVIEW

These tables provide a snapshot of SEAPA's revenues and expenses for DECEMBER 2018.

Revenues from kWh sales were under budget for the month and lower than last year:

| FIRM kWh SALES | DEC Sales | DEC Budget | Prior Year Sales |
|----------------------|--------------------|--------------------|--------------------|
| Ketchikan | \$583,629 | \$749,672 | \$659,245 |
| Petersburg | 341,302 | 312,623 | 312,538 |
| Wrangell | 257,648 | 286,978 | 251,182 |
| Total Revenue | \$1,182,579 | \$1,349,273 | \$1,222,966 |

Fiscal year-to-date revenues from kWh sales were under budget and lower than last year:

| FIRM kWh SALES | YTD Sales | YTD Budget | Prior YTD Sales |
|----------------------|--------------------|--------------------|--------------------|
| Ketchikan | \$2,915,353 | \$3,299,293 | \$3,324,209 |
| Petersburg | 1,538,411 | 1,452,340 | 1,431,682 |
| Wrangell | 1,214,330 | 1,279,310 | 1,209,273 |
| Total Revenue | \$5,668,093 | \$6,030,943 | \$5,965,163 |

| FIRM kWh SALES (Year-Over-Year) | FISCAL YEAR | DEC kWh | YTD JUL-DEC kWh |
|---------------------------------------|-------------|------------|-----------------|
| | FY2019 | 17,390,869 | 83,354,310 |
| | FY2018 | 17,984,789 | 87,722,984 |
| | FY2017 | 23,647,333 | 92,403,039 |

Administrative and operating expenses were under budget:

| Administrative & Operating Expenses | DEC Actual | DEC Budget | Prior Yr Expense |
|---|-------------|-------------|-------------------|
| | \$444,501 | \$452,942 | \$469,819 |
| | YTD Actual | YTD Budget | Prior YTD Expense |
| | \$2,905,950 | \$3,191,127 | \$3,072,331 |

| DECEMBER 2018 | | |
|---|-------------------|-------------------|
| | Dec-18 | Dec-17 |
| ASSETS | | |
| Current Assets | | |
| Agency Funds | | |
| 111000 · Ops/Capital/Insurance Funds | | |
| 111100 · Revenue Fund FB | 2,197,320 | 2,392,044 |
| 111200 · Required R&R Fund FB | 1,000,308 | 1,000,308 |
| 111210 · Dedicated R&R Projects Fund FB | 6,785,407 | 5,738,308 |
| 111300 · Commercial FB | 28,370 | 995 |
| 111401 · New Generation Fund | 1,899,727 | 1,898,642 |
| 111402 · Rate Stabilization Fund | 2,000,516 | - |
| 111500 · Self Insured Risk Fund FNBA | 8,093,479 | 7,986,209 |
| Total 111000 · Ops/Capital/Insurance Funds | 22,005,126 | 19,016,506 |
| 112000 · Trustee Funds | | |
| 112100 · WF Trust 2009 Bond Interest | 23,391 | 50,718 |
| 112200 · WF Trust 2009 Bond Principal | 487,595 | 534,426 |
| 112300 · WF Trust 2009 Bond Reserve | 1,433,710 | 1,415,421 |
| 112501 · WF Trust 2015 Bond Interest | 41,586 | 40,751 |
| 112503 · WF Trust 2015 Bond Reserve | 216,360 | 213,600 |
| Total 112000 · Trustee Funds | 2,202,642 | 2,254,916 |
| 113000 · Other Restricted Funds | | |
| 113100 · STI - USFS CD WF | 21,633 | 21,626 |
| 113500 · DNR Reclamation Fund WF | 1,086,941 | 1,003,273 |
| Total 113000 · Other Restricted Funds | 1,108,574 | 1,024,899 |
| Total Agency Funds | 25,316,341 | 22,296,321 |
| Accounts Receivable | | |
| 110000 · Accounts Receivable | 1,559,747 | 2,677,770 |
| 110100 · Grants Receivable | 28,795 | 122,295 |
| Total Accounts Receivable | 1,588,542 | 2,800,065 |
| Other Current Assets | | |
| 120200 · Other Receivables | 5,800 | 5,800 |
| 120300 · Accrued Interest Receivable | 37,002 | 25,826 |
| 120500 · Prepaid Fees | | |
| 120510 · Prepaid FERC Fees | - | - |
| 120520 · Prepaid Insurance | 372,025 | 374,097 |
| 120530 · Prepaid Operating Expense | 12,073 | 13,731 |
| 120540 · Prepaid USDA FS Land Use Fees | - | - |
| 120550 · Prepaid Admin Benefits | 6,793 | 924 |
| Total 120500 · Prepaid Fees | 390,892 | 388,752 |
| 120700 · Inventory Assets | | |
| 1207001 · Inventory Spares-Stores | 200,538 | 151,834 |
| 1207003 · Inventory - SWL Winding Replace | 890,405 | 890,405 |
| Total 120700 · Inventory Assets | 1,090,943 | 1,042,239 |
| Total Other Current Assets | 1,524,636 | 1,462,617 |
| Total Current Assets | 28,429,520 | 26,559,003 |

DECEMBER 2018

| | Dec-18 | Dec-17 |
|---|--------------------|--------------------|
| Fixed Assets | | |
| 130100 · Capital Assets | 179,149,085 | 177,662,993 |
| 132200 · R&R Projects WIP Capital Improv | 256,505 | 514,942 |
| 132900 · Accumulated Depreciation | (47,504,244) | (42,687,473) |
| Total Fixed Assets | 131,901,346 | 135,490,462 |
| Other Assets | | |
| 183000 · Deferred Assets | | |
| 183003 · 2009 Bond - Refunded Discount | 101,169 | 119,846 |
| Total 183000 · Deferred Assets | 101,169 | 119,846 |
| Total Other Assets | 101,169 | 119,846 |
| TOTAL ASSETS | 160,432,035 | 162,169,310 |
| LIABILITIES & EQUITY | | |
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable | | |
| 210100 · Accounts Payable General | 225,200 | 84,936 |
| Total Accounts Payable | 225,200 | 84,936 |
| Other Current Liabilities | | |
| 210150 · Other Current Liabilities | 29,925 | 124,512 |
| 210151 · Member Utility Rebate Payable | - | - |
| 210152 · DNR Fund - CVEA KEA Portion | - | 337,500 |
| 210300 · Reserve Interest Payable | 62,517 | 95,736 |
| 210400 · Wages Payable | 84,287 | 58,542 |
| 210401 · PTO Payable | 138,226 | 174,991 |
| 210500 · Payroll Liabilities | 20,519 | 25,269 |
| Total Other Current Liabilities | 335,474 | 816,551 |
| Total Current Liabilities | 560,674 | 901,487 |
| Long Term Liabilities | | |
| 220100 · Series B Bonds 2009 | 5,590,000 | 6,390,000 |
| 220120 · 2009 Bond Issuance Discount | (21,791) | (25,814) |
| 220121 · PERS Unfunded Liability WRG | 925,789 | 1,005,501 |
| 220122 · DNR Fund CVEA KEA Liability | 543,471 | - |
| 220130 · Series 2015 Bonds | 10,295,000 | 10,295,000 |
| 220131 · 2015 Bond Issuance Premium | 793,757 | 848,815 |
| Total Long Term Liabilities | 18,126,226 | 18,513,503 |
| Total Liabilities | 18,686,900 | 19,414,989 |
| Net Position | | |
| 310000 · Net Position | 142,091,471 | 142,591,882 |
| Net Income | 97,022 | 162,439 |
| Total Net Position | 142,188,493 | 142,754,321 |
| TOTAL LIABILITIES & NET POSITION | 160,875,393 | 162,169,310 |

| DECEMBER 2018 | DECEMBER 2018 | FISCAL YEAR-TO-DATE - DECEMBER 2018 | | | ANNUAL BUDGET | % Annual Budget |
|---|---------------------|-------------------------------------|---------------------|---------------------|----------------------|-----------------|
| | | YTD FY18 | YTD FY19 | YTD BUDGET | | |
| Operating Income/Expense | | | | | | |
| Operating Income | | | | | | |
| 410000 · Hydro Facility Revenues | | | | | | |
| 410100 · Ketchikan Power Purchases | \$ 583,629 | \$ 3,324,209 | \$ 2,915,353 | \$ 3,299,293 | \$ 6,462,162 | |
| 410200 · Petersburg Power Purchases | 341,302 | 1,431,682 | 1,538,411 | 1,452,340 | 2,947,334 | |
| 410300 · Wrangell Power Purchases | 257,648 | 1,209,273 | 1,214,330 | 1,279,310 | 2,584,416 | |
| Total 410000 · Hydro Facility Revenues | \$ 1,182,579 | \$ 5,965,163 | \$ 5,668,093 | \$ 6,030,943 | \$ 11,993,912 | 47% |
| Total Operating Income | \$ 1,182,579 | \$ 5,965,163 | \$ 5,668,093 | \$ 6,030,943 | \$ 11,993,912 | |
| Operating Expense | | | | | | |
| 535000 · Hydro Ops-Suprvsn & Engineering | \$ 759 | \$ 37,667 | \$ 37,115 | \$ 42,740 | \$ 322,480 | 12% |
| 537000 · Hydraulic Expenses | - | - | 11 | - | 10,000 | 0% |
| 538000 · Electric Expenses | 1,351 | 16,860 | 22,257 | 41,400 | 97,500 | 23% |
| 539000 · Misc Power Generation Expense | 35,853 | 147,919 | 213,255 | 199,700 | 359,545 | 59% |
| 540000 · Rents | 13,191 | 93,601 | 78,838 | 87,282 | 180,500 | 44% |
| 541000 · Hydro Power Station Maintenance | 3,938 | 22,001 | 34,253 | 39,990 | 75,500 | 45% |
| 543000 · Dams, Reservoirs & Waterways | (2,519) | 20,945 | 287,104 | 339,105 | 386,705 | 74% |
| 544000 · Maintenance of Electric Plant | 122,712 | 603,900 | 666,946 | 623,040 | 1,297,463 | 51% |
| 545000 · Plant Miscellaneous Maintenance | 6,846 | 53,552 | 20,360 | 28,750 | 57,500 | 35% |
| 561000 · Control System Maintenance | 1,439 | 58,317 | 14,016 | 52,000 | 126,000 | 11% |
| 562000 · Trans/Operations Station Exp | 2,533 | 14,956 | 12,596 | 21,500 | 65,700 | 19% |
| 564000 · Trans/Submarine Cable Expense | 2,083 | 729 | 22,890 | 25,400 | 548,500 | 4% |
| 571000 · Trans/Maint Overhead Lines(OHL) | 13,438 | 526,240 | 220,850 | 252,450 | 1,627,626 | 14% |
| 920000 · Admin Wages & Benefits | 122,111 | 725,686 | 703,570 | 688,720 | 1,418,000 | 50% |
| 921000 · Office Expenses | 7,367 | 45,472 | 44,913 | 82,150 | 144,500 | 31% |
| 922000 · Legislative Affairs | 8,000 | 24,000 | 24,043 | 29,000 | 53,000 | 45% |
| 923000 · Contract Services | 42,594 | 136,450 | 94,787 | 165,500 | 320,250 | 30% |
| 924000 · Insurance | 37,203 | 228,045 | 224,631 | 233,500 | 478,000 | 47% |
| 928000 · Regulatory Commission Expense | 11,645 | 188,340 | 49,667 | 87,750 | 174,500 | 28% |
| 930000 · General Expenses | 5,432 | 83,678 | 87,245 | 103,650 | 186,450 | 47% |
| 931000 · Admin Rent | 8,525 | 43,974 | 46,605 | 47,500 | 95,400 | 49% |
| Total Operating Expense | \$ 444,501 | \$ 3,072,331 | \$ 2,905,950 | \$ 3,191,127 | \$ 8,025,119 | 36% |
| Net Operating Income | \$ 738,078 | \$ 2,892,831 | \$ 2,762,143 | \$ 2,839,816 | \$ 3,968,793 | |

| DECEMBER 2018 | DECEMBER 2018 | FISCAL YEAR-TO-DATE - DECEMBER 2018 | | |
|------------------------------------|---------------------|-------------------------------------|-----------------------|------------|
| | | YTD FY18 | YTD FY19 | YTD BUDGET |
| Nonoperating Income/Expense | | | | |
| Nonoperating Income | | | | |
| 941000 · Grant Income | \$ 28,795 | \$ 147,715 | \$ 35,984 | |
| 942000 · Interest Income | 15,354 | 60,591 | 81,607 | |
| 944000 · Realized Gain/(Loss) | (898) | (7,606) | (7,635) | |
| 945000 · Unrealized Gain/(Loss) | 35,814 | (38,552) | 55,556 | |
| 946000 · Misc Nonoperating Income | - | 7,000 | 1,500 | |
| Total Nonoperating Income | \$ 79,064 | \$ 169,149 | \$ 167,013 | |
| Nonoperating Expense | | | | |
| 950001 · Misc Nonoperating Expense | \$ (28,914) | \$ (20) | \$ (38,661) | |
| 952000 · Bond Interest 2009 Series | 24,340 | 162,414 | 146,038 | |
| 952001 · Bond Interest 2015 Series | 36,052 | 215,948 | 216,089 | |
| 953000 · Depreciation Expense | 410,192 | 2,373,010 | 2,452,745 | |
| 954000 · Grant Expenses | 15,828 | 147,715 | 51,818 | |
| 960001 · Meteorological Tower | 3,568 | - | 4,104 | |
| Total Nonoperating Expense | \$ 461,065 | \$ 2,899,068 | \$ 2,832,133 | |
| Net Nonoperating Income | \$ (382,001) | \$ (2,729,919) | \$ (2,665,121) | |
| Net Income | \$ 356,077 | \$ 162,912 | \$ 97,022 | |

| JULY - DECEMBER 2018 | Jul - Dec 18 | YTD Budget | % YTD Budget | Annual Budget |
|---|--------------|------------|--------------|---------------|
| Operating Income/Expense | | | | |
| Operating Income | | | | |
| 410000 · Hydro Facility Revenues | | | | |
| 410100 · Ketchikan Power Purchases | 2,915,353 | 3,299,293 | 88% | 6,462,162 |
| 410200 · Petersburg Power Purchases | 1,538,411 | 1,452,340 | 106% | 2,947,334 |
| 410300 · Wrangell Power Purchases | 1,214,330 | 1,279,310 | 95% | 2,584,416 |
| Total 410000 · Hydro Facility Revenues | 5,668,093 | 6,030,943 | 94% | 11,993,912 |
| Total Operating Income | 5,668,093 | 6,030,943 | 94% | 11,993,912 |
| Operating Expense | | | | |
| 535000 · Hydro Ops-Suprvsn & Engineering | | | | |
| 535100 · Hyd/Ops Sup & Eng - Swan Lake | 4,333 | 9,240 | 47% | 18,480 |
| 535150 · Hyd/Ops Sup & Eng - SWL SEAPA | 28,370 | 21,500 | 132% | 147,500 |
| 535250 · Hyd/Ops Sup & Eng - TYL SEAPA | 4,412 | 6,000 | 74% | 86,500 |
| 535400 · Hyd/Op Sup & Eng - Proj Drawing | - | 6,000 | 0% | 70,000 |
| Total 535000 · Hydro Ops-Suprvsn & Engineering | 37,115 | 42,740 | 87% | 322,480 |
| 537000 · Hydraulic Expenses | | | | |
| 537150 · Hydraulic Expense - SWL SEAPA | 11 | - | 100% | 5,000 |
| 537250 · Hydraulic Expense - TYL SEAPA | - | - | 0% | 5,000 |
| Total 537000 · Hydraulic Expenses | 11 | - | 100% | 10,000 |
| 538000 · Electric Expenses | | | | |
| 538100 · Electric Expense - Swan Lake | 6,895 | 8,400 | 82% | 17,000 |
| 538150 · Electric Expense - SWL SEAPA | 3,515 | 13,000 | 27% | 35,000 |
| 538200 · Electric Expense - Tyee Lake | 11,843 | 8,500 | 139% | 20,500 |
| 538250 · Electric Expense - TYL SEAPA | 4 | 11,500 | 0% | 25,000 |
| Total 538000 · Electric Expenses | 22,257 | 41,400 | 54% | 97,500 |
| 539000 · Misc Power Generation Expense | | | | |
| 539100 · Misc Exp - Swan Lake | 38,771 | 51,600 | 75% | 104,195 |
| 539150 · Misc Expense - SWL SEAPA | 20,113 | 6,500 | 309% | 11,000 |
| 539151 · Misc Expense - SWL Communicatn | 22,999 | 11,800 | 195% | 15,300 |
| 539200 · Misc Expense - Tyee Lake | 57,590 | 45,000 | 128% | 90,000 |
| 539250 · Misc Expense - TYL SEAPA | 20,733 | 32,000 | 65% | 56,250 |
| 539251 · Misc Expense - TYL Communicatn | 53,049 | 52,800 | 100% | 82,800 |
| Total 539000 · Misc Power Generation Expense | 213,255 | 199,700 | 107% | 359,545 |
| 540000 · Rents | | | | |
| 540300 · FERC Land Use Fee - Swan Lake | 5,996 | 6,400 | 94% | 13,000 |
| 540400 · FERC Land Use Fee - Tyee Lake | 22,198 | 22,200 | 100% | 45,000 |
| 540500 · USDA Land Use Fee - USFS ROW | 12,234 | 12,240 | 100% | 25,000 |
| 540600 · USDA Land Use Fee - STI | 37,470 | 37,470 | 100% | 75,500 |
| 540601 · AK DNR Land Use Fee - STI | - | 8,000 | 0% | 20,000 |
| 540700 · USDA Tyee Passive Reflector | 662 | 690 | 96% | 1,400 |
| 540710 · USDA Etolin Burnett Radio | 279 | 282 | 99% | 600 |
| Total 540000 · Rents | 78,838 | 87,282 | 90% | 180,500 |
| 541000 · Hydro Power Station Maintenance | | | | |
| 541100 · Maintenance - Swan Lake | 16,237 | 12,000 | 135% | 24,000 |
| 541150 · Maintenance - SWL SEAPA | 8,634 | 6,000 | 144% | 12,500 |
| 541200 · Maintenance - Tyee Lake | 9,381 | 10,740 | 87% | 21,500 |
| 541250 · Maintenance - TYL SEAPA | - | 11,250 | 0% | 17,500 |
| Total 541000 · Hydro Power Station Maintenance | 34,253 | 39,990 | 86% | 75,500 |

| JULY - DECEMBER 2018 | Jul - Dec 18 | YTD Budget | % YTD Budget | Annual Budget |
|--|----------------|----------------|--------------|------------------|
| 543000 · Dams, Reservoirs & Waterways | | | | |
| 543100 · Dams Res & Waterwys - Swan Lake | 1,078 | 2,000 | 54% | 5,000 |
| 543150 · Dams Res & Waterwys - SWL SEAPA | 26,658 | 17,500 | 152% | 49,500 |
| 543200 · Dams Res & Waterwys - Tyee Lake | 226,860 | 296,605 | 76% | 297,205 |
| 543250 · Dams Res & Waterwys - TYL SEAPA | 32,509 | 23,000 | 141% | 35,000 |
| Total 543000 · Dams, Reservoirs & Waterways | 287,104 | 339,105 | 85% | 386,705 |
| 544000 · Maintenance of Electric Plant | | | | |
| 544100 · SWL Plant Wages & Benefits | | | | |
| 5441911 · SWL Plant Wages/PTO | 190,501 | 170,200 | 112% | 340,463 |
| 5441912 · SWL Plant Wages OT | 54,567 | 42,000 | 130% | 84,000 |
| 5441920 · SWL Plant Benefit - Taxes | 18,529 | 22,500 | 82% | 45,000 |
| 5441930 · SWL Plant Benefits - Insurance | 57,518 | 46,500 | 124% | 95,000 |
| 5441940 · SWL Plant Benefits - Retirement | 30,006 | 23,400 | 128% | 47,000 |
| 544100 · SWL Plant Wages & Benefits - Other | 300 | - | 100% | - |
| Total 544100 · SWL Plant Wages & Benefits | 351,423 | 304,600 | 115% | 611,463 |
| 544150 · Maint Electric Plant-SWL SEAPA | - | - | 0% | - |
| 5442900 · TYL Plant Wages & Benefits | | | | |
| 5442911 · TYL Plant Wages/PTO | 197,158 | 203,140 | 97% | 427,000 |
| 5442912 · TYL Plant Wages OT | 27,203 | 16,000 | 170% | 38,000 |
| 5442920 · TYL Plant Benefit - Taxes | 19,196 | 29,700 | 65% | 65,200 |
| 5442930 · TYL Plant Benefits - Insurance | 42,422 | 51,000 | 83% | 117,300 |
| 5442940 · TYL Plant Benefits - Retirement | 30,072 | 18,600 | 162% | 38,500 |
| 5442992 · TYL Plant Grant-Capital Payroll | (528) | - | 100% | - |
| Total 5442900 · TYL Plant Wages & Benefits | 315,523 | 318,440 | 99% | 686,000 |
| Total 544000 · Maintenance of Electric Plant | 666,946 | 623,040 | 107% | 1,297,463 |
| 545000 · Plant Miscellaneous Maintenance | | | | |
| 545100 · Plant Misc Maint - Swan Lake | 2,530 | 14,400 | 18% | 29,000 |
| 545150 · Plant Misc Maint - SWL SEAPA | 6,754 | 1,800 | 375% | 4,500 |
| 545200 · Plant Misc Maint - Tyee Lake | 10,084 | 11,800 | 85% | 22,500 |
| 545251 · Plant Misc Maint - WRG Warehous | 991 | 750 | 132% | 1,500 |
| Total 545000 · Plant Miscellaneous Maintenance | 20,360 | 28,750 | 71% | 57,500 |
| 561000 · Control System Maintenance | | | | |
| 561150 · Control System Maint. - SWL | 8,347 | 26,000 | 32% | 63,000 |
| 561250 · Control System Maint. - TYL | 5,669 | 26,000 | 22% | 63,000 |
| Total 561000 · Control System Maintenance | 14,016 | 52,000 | 27% | 126,000 |
| 562000 · Trans/Operations Station Exp | | | | |
| 562100 · Trans/Ops Station - Swan Lake | - | 6,900 | 0% | 15,000 |
| 562150 · Trans/Ops Station - SWL SEAPA | - | - | 0% | 21,500 |
| 562200 · Trans/Ops Station - Tyee Lake | 5,301 | 6,000 | 88% | 12,200 |
| 562250 · Trans/Ops Station-TYL SEAPA | 7,295 | 8,600 | 85% | 17,000 |
| Total 562000 · Trans/Operations Station Exp | 12,596 | 21,500 | 59% | 65,700 |
| 564000 · Trans/Submarine Cable Expense | | | | |
| 564200 · Trans/Sub Cable Exp - Tyee Lake | 22,890 | 25,400 | 90% | 548,500 |
| Total 564000 · Trans/Submarine Cable Expense | 22,890 | 25,400 | 90% | 548,500 |

| JULY - DECEMBER 2018 | Jul - Dec 18 | YTD Budget | % YTD Budget | Annual Budget |
|---|----------------|----------------|--------------|------------------|
| 571000 · Trans/Maint Overhead Lines(OHL) | | | | |
| 571100 · Trans/Maint OHL - Swan Lake | 648 | 12,000 | 5% | 24,000 |
| 571150 · Trans/Maint OHL - SWL SEAPA | - | 3,400 | 0% | 261,365 |
| 571151 · Trans/Maint OHL - SWL ROW Clear | - | 110,000 | 0% | 260,000 |
| 571200 · Trans/Maint OHL - Tyee Lake | 41,578 | 29,000 | 143% | 34,000 |
| 571250 · Trans/Maint OHL - TYL SEAPA | 9,894 | 12,500 | 79% | 260,742 |
| 571251 · Trans/Maint OHL - TYL ROW Clear | - | 2,200 | 0% | 235,000 |
| 5712900 · Brushing Wages & Benefits | | | | |
| 5712911 · Brushing Wages/PTO | 59,052 | 40,370 | 146% | 79,000 |
| 5712912 · Brushing Wages OT | 3,561 | 4,000 | 89% | 10,000 |
| 5712920 · Brushing Benefit - Taxes | 5,132 | 3,760 | 136% | 7,880 |
| 5712930 · Brushing Benefit- Insurance | 10,606 | 11,580 | 92% | 23,450 |
| 5712940 · Brushing Benefit- Retirement | 6,884 | 3,740 | 184% | 7,670 |
| 5712992 · Brushing Grant-Capital Payroll | - | - | 0% | - |
| Total 5712900 · Brushing Wages & Benefits | 85,234 | 63,450 | 134% | 128,000 |
| 571300 · Trans/Maint OHL STI Maintenance | - | 3,900 | 0% | 329,519 |
| 571500 · Trans/Maint OHL STI Therml Scan | - | - | 0% | - |
| 571700 · Trans/Maint OH STI Clearing | 1,584 | - | 100% | 55,000 |
| 571800 · Trans/Maint OHL System Events | 81,911 | 16,000 | 512% | 40,000 |
| Total 571000 · Trans/Maint Overhead Lines(OHL) | 220,850 | 252,450 | 87% | 1,627,626 |
| 920000 · Admin Wages & Benefits | | | | |
| 9201911 · Admin Wages/PTO | 436,448 | 424,100 | 103% | 851,000 |
| 9201912 · Admin Wages - Overtime | 307 | 1,000 | 31% | 2,000 |
| 9201920 · Admin Benefit - Taxes | 26,030 | 29,220 | 89% | 61,000 |
| 9201930 · Admin Benefit - H&W Insurance | 101,500 | 102,400 | 99% | 208,000 |
| 9201940 · Admin Benefit - Retirement | 139,285 | 132,000 | 106% | 296,000 |
| Total 920000 · Admin Wages & Benefits | 703,570 | 688,720 | 102% | 1,418,000 |
| 921000 · Office Expenses | | | | |
| 921100 · Office Supplies | 7,083 | 7,500 | 94% | 15,000 |
| 921200 · Office Equipment | 4,589 | 8,000 | 57% | 14,000 |
| 921300 · Phone, Courier, Internet | 11,677 | 9,100 | 128% | 17,500 |
| 921400 · System Network / IT Support | 20,768 | 55,300 | 38% | 93,500 |
| 921600 · Vehicle Expenses | 796 | 2,250 | 35% | 4,500 |
| Total 921000 · Office Expenses | 44,913 | 82,150 | 55% | 144,500 |
| 922000 · Legislative Affairs | 24,043 | 29,000 | 83% | 53,000 |
| 923000 · Contract Services | | | | |
| 923200 · Annual Financial Audit | 30,730 | 32,500 | 95% | 35,000 |
| 923300 · Bank & Trustee Fees | 1,616 | 1,500 | 108% | 16,250 |
| 923400 · Insurance Consultant | 2,756 | 6,500 | 42% | 10,000 |
| 923500 · Investment Consultant | 10,086 | 10,800 | 93% | 22,000 |
| 923600 · Legal Fees | 40,259 | 86,000 | 47% | 170,000 |
| 923700 · Recruitment | 1,761 | 7,000 | 25% | 26,000 |
| 923800 · Other Professional Services | 7,578 | 21,200 | 36% | 41,000 |
| Total 923000 · Contract Services | 94,787 | 165,500 | 57% | 320,250 |
| 924000 · Insurance | 224,631 | 233,500 | 96% | 478,000 |
| 928000 · Regulatory Commission Expense | | | | |
| 928001 · Other Regulatory Expense | 11,287 | 15,000 | 75% | 29,700 |
| 928150 · FERC SWL Admin Fees | 16,277 | 12,000 | 136% | 24,000 |
| 928151 · FERC SWL Other Expenses | 7,220 | 47,250 | 15% | 94,500 |
| 928250 · FERC TYL Admin Fees | 14,883 | 12,000 | 124% | 24,000 |
| 928251 · FERC TYL Other Expenses | - | 1,500 | 0% | 2,300 |
| Total 928000 · Regulatory Commission Expense | 49,667 | 87,750 | 57% | 174,500 |

| JULY - DECEMBER 2018 | Jul - Dec 18 | YTD Budget | % YTD Budget | Annual Budget |
|--|--------------------|------------------|--------------|------------------|
| 930000 · General Expenses | | | | |
| 930100 · Advertising Expense | 602 | 1,300 | 46% | 2,500 |
| 930110 · Public Relations | 15,633 | 21,000 | 74% | 37,000 |
| 930300 · Association Dues Expense | 23,258 | 22,900 | 102% | 33,900 |
| 930310 · Professional Assn Dues | - | 200 | 0% | 500 |
| 930400 · Board Meeting Expenses | 12,458 | 19,000 | 66% | 35,000 |
| 930500 · Training Expense | 18,312 | 22,050 | 83% | 38,550 |
| 930600 · Travel Expense | 15,721 | 15,000 | 105% | 35,000 |
| 930700 · Non-Travel Incidental | 1,261 | 2,200 | 57% | 4,000 |
| Total 930000 · General Expenses | 87,245 | 103,650 | 84% | 186,450 |
| 931000 · Admin Rent | | | | |
| 931010 · Office Rent | 35,096 | 36,000 | 97% | 73,100 |
| 931100 · Apartment Rent - Ketchikan | 11,509 | 11,500 | 100% | 22,300 |
| Total 931000 · Admin Rent | 46,605 | 47,500 | 98% | 95,400 |
| Total Operating Expense | 2,905,950 | 3,191,127 | 91% | 8,025,119 |
| Net Operating Income | 2,762,143 | 2,839,816 | 97% | 3,968,793 |
| Nonoperating Income/Expense | | | | |
| Nonoperating Income | | | | |
| 941000 · Grant Income | 35,984 | | | |
| 942000 · Interest Income | | | | |
| 942100 · Misc Interest Income | 20,334 | | | |
| 942200 · Investment Interest Income | 61,272 | | | |
| Total 942000 · Interest Income | 81,607 | | | |
| 944000 · Realized Gain/(Loss) | (7,635) | | | |
| 945000 · Unrealized Gain/(Loss) | 55,556 | | | |
| 946000 · Misc Nonoperating Income | 1,500 | | | |
| Total Nonoperating Income | 167,013 | | | |
| Nonoperating Expense | | | | |
| 950001 · Misc Nonoperating Expense | (38,661) | | | |
| 952000 · Bond Interest 2009 Series | 146,038 | | | |
| 952001 · Bond Interest 2015 Series | 216,089 | | | |
| 953000 · Depreciation Expense | 2,452,745 | | | |
| 954000 · Grant Expenses | 51,818 | | | |
| 955000 · Interest Expense | - | | | |
| 960001 · Meteorological Tower | 4,104 | | | |
| Total Nonoperating Expense | 2,832,133 | | | |
| Net Nonoperating Income | (2,665,121) | | | |
| Net Income | 97,022 | 2,839,816 | 3% | 3,968,793 |

| <u>YTD SUMMARY</u> | | | | |
|--|------------------|------------------|-----|-------------------|
| Operating Income | <u>5,668,093</u> | <u>6,030,943</u> | 94% | <u>11,993,912</u> |
| Operating & Maintenance Expense | 1,630,490 | 1,753,357 | 93% | 5,155,019 |
| General & Administrative Expense | 1,275,460 | 1,437,770 | 89% | 2,870,100 |
| Net Operating Income | <u>2,762,143</u> | <u>2,839,816</u> | 97% | <u>3,968,793</u> |
| Net Nonoperating Income & Expense, including Depreciation | (2,665,121) | | | |
| Net Income | <u>97,022</u> | | | |



NOVEMBER 2018 FINANCIAL OVERVIEW

These tables provide a snapshot of SEAPA's revenues and expenses for NOVEMBER 2018.

Revenues from kWh sales were under budget for the month and lower than last year:

| FIRM kWh SALES | NOV Sales | NOV Budget | Prior Year Sales |
|----------------------|--------------------|--------------------|--------------------|
| Ketchikan | \$509,493 | \$669,739 | \$764,714 |
| Petersburg | 276,725 | 283,032 | 324,894 |
| Wrangell | 221,403 | 231,589 | 254,092 |
| Total Revenue | \$1,007,620 | \$1,184,360 | \$1,343,700 |

Fiscal year-to-date revenues from kWh sales were under budget and lower than last year:

| FIRM kWh SALES | YTD Sales | YTD Budget | Prior YTD Sales |
|----------------------|--------------------|--------------------|--------------------|
| Ketchikan | \$2,331,723 | \$2,549,621 | \$2,664,964 |
| Petersburg | 1,197,109 | 1,139,717 | 1,119,144 |
| Wrangell | 956,682 | 992,332 | 958,090 |
| Total Revenue | \$4,485,514 | \$4,681,670 | \$4,742,197 |

| FIRM kWh SALES (Year-Over-Year) | FISCAL YEAR | NOV kWh | YTD JUL-NOV kWh |
|---------------------------------------|-------------|------------|-----------------|
| | FY2019 | 14,817,944 | 65,963,441 |
| | FY2018 | 19,760,292 | 69,738,195 |
| | FY2017 | 16,412,945 | 68,755,706 |

Administrative and operating expenses were under budget:

| Administrative & Operating Expenses | NOV Actual | NOV Budget | Prior Yr Expense |
|---|-------------|-------------|-------------------|
| | \$515,967 | \$506,757 | \$501,817 |
| | YTD Actual | YTD Budget | Prior YTD Expense |
| | \$2,461,449 | \$2,738,185 | \$2,602,513 |

NOVEMBER 2018

| | NOV 2018 | NOV 2017 |
|---|-------------------|-------------------|
| ASSETS | | |
| Current Assets | | |
| Agency Funds | | |
| 111000 · Ops/Capital/Insurance Funds | | |
| 111100 · Revenue Fund FB | 2,794,761 | 5,325,341 |
| 111200 · Required R&R Fund FB | 1,000,256 | 1,000,256 |
| 111210 · Dedicated R&R Projects Fund FB | 6,856,586 | 5,828,583 |
| 111300 · Commercial FB | 1,074 | 1,000 |
| 111401 · New Generation Fund | 1,899,629 | 1,898,543 |
| 111402 · Rate Stabilization Fund | 2,000,412 | - |
| 111500 · Self Insured Risk Fund FNBA | 8,055,706 | 7,984,038 |
| Total 111000 · Ops/Capital/Insurance Funds | 22,608,424 | 22,037,760 |
| 112000 · Trustee Funds | | |
| 112100 · WF Trust 2009 Bond Interest | 135,872 | 176,563 |
| 112200 · WF Trust 2009 Bond Principal | 418,250 | 467,578 |
| 112300 · WF Trust 2009 Bond Reserve | 1,431,648 | 1,414,696 |
| 112501 · WF Trust 2015 Bond Interest | 244,475 | 244,210 |
| 112503 · WF Trust 2015 Bond Reserve | 216,049 | 213,490 |
| Total 112000 · Trustee Funds | 2,446,294 | 2,516,537 |
| 113000 · Other Restricted Funds | | |
| 113100 · STI - USFS CD WF | 21,633 | 21,626 |
| 113500 · DNR Reclamation Fund WF | 1,086,941 | 1,003,273 |
| Total 113000 · Other Restricted Funds | 1,108,574 | 1,024,899 |
| Total Agency Funds | 26,163,292 | 25,579,195 |
| Accounts Receivable | | |
| 110000 · Accounts Receivable | 1,212,958 | 1,929,373 |
| 110100 · Grants Receivable | - | - |
| Total Accounts Receivable | 1,212,958 | 1,929,373 |
| Other Current Assets | | |
| 120200 · Other Receivables | 5,800 | 5,800 |
| 120300 · Accrued Interest Receivable | 28,865 | 25,786 |
| 120500 · Prepaid Fees | | |
| 120510 · Prepaid FERC Fees | - | - |
| 120520 · Prepaid Insurance | 409,228 | 411,367 |
| 120530 · Prepaid Operating Expense | 13,415 | 14,945 |
| 120540 · Prepaid USDA FS Land Use Fees | 8,441 | 8,266 |
| 120550 · Prepaid Admin Benefits | 24,230 | 21,193 |
| Total 120500 · Prepaid Fees | 455,314 | 455,772 |
| 120700 · Inventory Assets | | |
| 1207001 · Inventory Spares-Stores | 200,538 | 151,834 |
| 1207003 · Inventory - SWL Winding Replace | 890,405 | 890,405 |
| Total 120700 · Inventory Assets | 1,090,943 | 1,042,239 |
| Total Other Current Assets | 1,580,922 | 1,529,597 |
| Total Current Assets | 28,957,172 | 29,038,165 |

NOVEMBER 2018

| | NOV 2018 | NOV 2017 |
|---|--------------------|--------------------|
| Fixed Assets | | |
| 130100 · Capital Assets | 179,117,642 | 177,317,481 |
| 132200 · R&R Projects WIP Capital Improv | 514,728 | 755,949 |
| 132900 · Accumulated Depreciation | (47,094,052) | (42,281,714) |
| Total Fixed Assets | 132,538,318 | 135,791,715 |
| Other Assets | | |
| 183000 · Deferred Assets | | |
| 183003 · 2009 Bond - Refunded Discount | 102,725 | 121,402 |
| Total 183000 · Deferred Assets | 102,725 | 121,402 |
| Total Other Assets | 102,725 | 121,402 |
| TOTAL ASSETS | 161,598,214 | 164,951,282 |
| LIABILITIES & EQUITY | | |
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable | | |
| 210100 · Accounts Payable General | 197,627 | 220,407 |
| Total Accounts Payable | 197,627 | 220,407 |
| Other Current Liabilities | | |
| 210150 · Other Current Liabilities | 19,950 | 112,342 |
| 210151 · Member Utility Rebate Payable | 800,000 | 2,700,000 |
| 210152 · DNR Fund - CVEA KEA Portion | - | 337,500 |
| 210300 · Reserve Interest Payable | 378,375 | 425,232 |
| 210400 · Wages Payable | 57,239 | 58,356 |
| 210401 · PTO Payable | 160,992 | 179,834 |
| 210500 · Payroll Liabilities | 21,136 | 23,506 |
| Total Other Current Liabilities | 1,437,693 | 3,836,769 |
| Total Current Liabilities | 1,635,319 | 4,057,176 |
| Long Term Liabilities | | |
| 220100 · Series B Bonds 2009 | 5,590,000 | 6,390,000 |
| 220120 · 2009 Bond Issuance Discount | (22,126) | (26,149) |
| 220121 · PERS Unfunded Liability WRG | 925,789 | 1,005,501 |
| 220122 · DNR Fund CVEA KEA Liability | 543,471 | - |
| 220130 · Series 2015 Bonds | 10,295,000 | 10,295,000 |
| 220131 · 2015 Bond Issuance Premium | 798,345 | 853,404 |
| Total Long Term Liabilities | 18,130,479 | 18,517,756 |
| Total Liabilities | 19,765,798 | 22,574,931 |
| Net Position | | |
| 310000 · Net Position | 142,091,471 | 142,591,882 |
| Net Income | (259,055) | (215,531) |
| Total Net Position | 141,832,416 | 142,376,351 |
| TOTAL LIABILITIES & NET POSITION | 161,598,214 | 164,951,282 |

| NOVEMBER 2018 | NOVEMBER 2018 | FISCAL YEAR-TO-DATE - NOVEMBER 2018 | | | ANNUAL BUDGET | % Annual Budget |
|---|---------------------|-------------------------------------|---------------------|---------------------|----------------------|-----------------|
| | | YTD FY18 | YTD FY19 | YTD BUDGET | | |
| Operating Income/Expense | | | | | | |
| Operating Income | | | | | | |
| 410000 · Hydro Facility Revenues | | | | | | |
| 410100 · Ketchikan Power Purchases | \$ 509,493 | \$ 2,664,964 | \$ 2,331,723 | \$ 2,549,621 | \$ 6,462,162 | |
| 410200 · Petersburg Power Purchases | 276,725 | 1,119,144 | 1,197,109 | 1,139,717 | 2,947,334 | |
| 410300 · Wrangell Power Purchases | 221,403 | 958,090 | 956,682 | 992,332 | 2,584,416 | |
| Total 410000 · Hydro Facility Revenues | \$ 1,007,620 | \$ 4,742,197 | \$ 4,485,514 | \$ 4,681,670 | \$ 11,993,912 | 37% |
| Total Operating Income | \$ 1,007,620 | \$ 4,742,197 | \$ 4,485,514 | \$ 4,681,670 | \$ 11,993,912 | |
| Operating Expense | | | | | | |
| 535000 · Hydro Ops-Suprvsn & Engineering | \$ 30,347 | \$ 30,682 | \$ 36,356 | \$ 36,450 | \$ 322,480 | 11% |
| 537000 · Hydraulic Expenses | - | - | 11 | - | 10,000 | 0% |
| 538000 · Electric Expenses | 6,271 | 16,336 | 20,905 | 33,250 | 97,500 | 21% |
| 539000 · Misc Power Generation Expense | 23,092 | 129,087 | 177,402 | 168,600 | 359,545 | 49% |
| 540000 · Rents | 13,191 | 78,002 | 65,647 | 71,985 | 180,500 | 36% |
| 541000 · Hydro Power Station Maintenance | 10,692 | 19,233 | 30,314 | 34,200 | 75,500 | 40% |
| 543000 · Dams, Reservoirs & Waterways | 765 | 20,945 | 289,623 | 336,505 | 386,705 | 75% |
| 544000 · Maintenance of Electric Plant | 114,789 | 503,099 | 544,234 | 518,680 | 1,297,463 | 42% |
| 545000 · Plant Miscellaneous Maintenance | 1,270 | 30,741 | 13,513 | 24,075 | 57,500 | 24% |
| 561000 · Control System Maintenance | 5,879 | 46,843 | 12,577 | 41,000 | 126,000 | 10% |
| 562000 · Trans/Operations Station Exp | 2,736 | 12,720 | 10,063 | 17,750 | 65,700 | 15% |
| 564000 · Trans/Submarine Cable Expense | - | 714 | 20,807 | 24,400 | 548,500 | 4% |
| 571000 · Trans/Maint Overhead Lines(OHL) | 99,581 | 458,237 | 207,412 | 227,340 | 1,627,626 | 13% |
| 920000 · Admin Wages & Benefits | 110,702 | 593,390 | 581,459 | 573,650 | 1,418,000 | 41% |
| 921000 · Office Expenses | 5,868 | 38,220 | 37,546 | 73,925 | 144,500 | 26% |
| 922000 · Legislative Affairs | - | 20,000 | 16,043 | 24,000 | 53,000 | 30% |
| 923000 · Contract Services | 8,551 | 119,921 | 52,194 | 142,150 | 320,250 | 16% |
| 924000 · Insurance | 37,203 | 190,636 | 187,428 | 192,750 | 478,000 | 39% |
| 928000 · Regulatory Commission Expense | 8,527 | 181,740 | 38,022 | 73,875 | 174,500 | 22% |
| 930000 · General Expenses | 28,629 | 75,918 | 81,813 | 84,400 | 186,450 | 44% |
| 931000 · Admin Rent | 7,874 | 36,049 | 38,080 | 39,200 | 95,400 | 40% |
| Total Operating Expense | \$ 515,967 | \$ 2,602,513 | \$ 2,461,449 | \$ 2,738,185 | \$ 8,025,119 | 31% |
| Net Operating Income | \$ 491,654 | \$ 2,139,684 | \$ 2,024,065 | \$ 1,943,485 | \$ 3,968,793 | |

| NOVEMBER 2018 | NOVEMBER 2018 | FISCAL YEAR-TO-DATE - NOVEMBER 2018 | | |
|------------------------------------|---------------------|-------------------------------------|-----------------------|------------|
| | | YTD FY18 | YTD FY19 | YTD BUDGET |
| Nonoperating Income/Expense | | | | |
| Nonoperating Income | | | | |
| 941000 · Grant Income | \$ - | \$ 25,420 | \$ 7,189 | |
| 942000 · Interest Income | 14,271 | 49,589 | 66,253 | |
| 944000 · Realized Gain/(Loss) | (2,559) | (3,668) | (6,736) | |
| 945000 · Unrealized Gain/(Loss) | 13,355 | (36,286) | 19,743 | |
| 946000 · Misc Nonoperating Income | - | 7,000 | 1,500 | |
| Total Nonoperating Income | \$ 25,068 | \$ 42,056 | \$ 87,949 | |
| Nonoperating Expense | | | | |
| 950001 · Misc Nonoperating Expense | \$ - | \$ (20) | \$ (9,746) | |
| 952000 · Bond Interest 2009 Series | 24,340 | 135,345 | 121,698 | |
| 952001 · Bond Interest 2015 Series | 36,052 | 180,262 | 180,036 | |
| 953000 · Depreciation Expense | 408,620 | 1,967,252 | 2,042,553 | |
| 954000 · Grant Expenses | - | 114,432 | 35,991 | |
| 960001 · Meteorological Tower | - | - | 536 | |
| Total Nonoperating Expense | \$ 469,012 | \$ 2,397,271 | \$ 2,371,068 | |
| Net Nonoperating Income | \$ (443,944) | \$ (2,355,215) | \$ (2,283,119) | |
| Net Income | \$ 47,709 | \$ (215,531) | \$ (259,055) | |

| Southeast Alaska Power Agency R&R CAPITAL PROJECTS | FY2019 | | WIP CAPITAL PROJECTS December 31, 2018 | FY13 - FY16 | FY17 | FY18* | FY19 | TOTAL Expenditr. | Overall BUDGET |
|---|------------|--------------|---|----------------|---------|---------|---------|---------------------|-------------------|
| | Budget | Expenditures | | | | | | | |
| 241-13 Stream Gauge TYL | \$ 10,000 | 9,299 | COMPLETE JUL 2018 | 729,761 | 75,368 | (139) | 9,299 | \$ 814,289 | 815,000 |
| 259-15 Turbine Shutoff Valves TYL | \$ 365,700 | - | Contract repairs in FY19. | 255,631 | - | 4,127 | - | \$ 259,758 | 290,630 |
| 269-16 Guy Thimbles STI | \$ 80,100 | - | Yr3 of 3 spring 2019 | - | 44,781 | 62,571 | - | \$ 107,352 | 270,000 |
| 270-16 Dampeners OHL TYL | \$ 70,700 | 7,895 | Held Over til spring 2019 | 8,696 | (8,696) | 33,307 | 7,895 | \$ 41,201 | 99,900 |
| 278-17 Flashboard Kickers SWL | \$ 178,278 | 186,769 | COMPLETE DEC 2018 | | - | 252,686 | 186,769 | \$ 439,456 | 544,819 |
| 281-18 Bulkhead Repair SWL | \$ 200,153 | 148,341 | COMPLETE JUL 2018 | | | 23,552 | 148,341 | \$ 171,892 | 223,000 |
| 282-18 Control Rm Touchscrn SWL | \$ 25,536 | 25,592 | COMPLETE AUG 2018 | | | 10,537 | 25,592 | \$ 36,128 | 36,000 |
| 286-18 Duplex Housing SWL | \$ 7,500 | 10,670 | Design-permitting. | | | 2,165 | 10,670 | \$ 12,835 | 393,000 |
| 289-18 Governor Moderniztn SWL | \$ 46,560 | 37,059 | COMPLETE JUL 2018 | | | 58,338 | 37,059 | \$ 95,397 | 92,000 |
| 290-18 Helipad Ramps STI | \$ 42,000 | 27,528 | COMPLETE AUG 2018 | | | - | 27,528 | \$ 27,528 | 76,000 |
| 298-18 Unit Control PLC-RTD SWL | \$ 8,271 | 13,810 | COMPLETE AUG 2018 | | | 53,518 | 13,810 | \$ 67,328 | 60,000 |
| 19300 Access Ladder Ext SWL | \$ 75,000 | 221 | Extension of access ladders | | | - | 221 | \$ 221 | 75,000 |
| 19301 Disconnect Swtch-Bush SWL | \$ 102,800 | - | Equipment replacement | | | 1,022 | - | \$ 1,022 | 147,000 |
| 19302 Drone - Infrared Utility | \$ 30,500 | 28,771 | COMPLETE AUG 2018 | | | | 28,771 | \$ 28,771 | 30,500 |
| 19303 Gov Pressure System SWL | \$ 33,400 | - | System upgrade | | | | - | \$ - | 45,620 |
| 19304 Gov Pressure System TYL | \$ 33,400 | - | System upgrade | | | | - | \$ - | 45,620 |
| 19305 Governor PLC TYL | \$ 75,682 | - | PLC Modernization Tyee | | | | - | \$ - | 93,302 |
| 19306 Gravel WRG Switch-Sub | \$ 34,500 | - | Cap gravel surface | | | | - | \$ - | 34,500 |
| 19307 Helipads Clevelnd-Gatehs | \$ 130,000 | - | Repair and replace | | | | - | \$ - | 130,000 |
| 19308 Hydraulic Power Unit TYL | \$ 175,000 | - | Relocate HPU at gatehouse | | | | - | \$ - | 175,000 |
| 19309 Marker Balls TYL | \$ 220,000 | 376 | Replacement | | | | 376 | \$ 376 | 220,000 |
| 19310 Penstock Flow Monitor SWL | \$ 45,300 | 19,724 | EXPENSED OCT 2018 | | | | 19,724 | \$ 19,724 | 45,300 |
| 19311 Pier-Ramp SWL | \$ 193,500 | 15,456 | Replacement | | | | 15,456 | \$ 15,456 | 193,500 |
| 19312 Rock Anchors SWL | \$ 55,000 | - | Abandoned | | | | - | \$ - | 55,000 |
| 19313 Snow Markers-Gauges | \$ 40,000 | 5,453 | Replace markers-new gauges | | | | 5,453 | \$ 5,453 | 85,000 |
| 19314 Station Switchgear SWL | \$ 300,000 | 5,103 | 480V switchgear | | | 6,847 | 5,103 | \$ 11,950 | 1,300,000 |
| 19315 STCS Modernization | \$ 43,500 | - | Control system modernztn | | | | - | \$ - | 64,720 |
| 19316 Storage Structure SWL | \$ 89,950 | 21,095 | Structure ordered | | | | 21,095 | \$ 21,095 | 184,000 |

| Southeast Alaska Power Agency R&R CAPITAL PROJECTS | FY2019 | | WIP CAPITAL PROJECTS December 31, 2018 | FY13 - FY16 | FY17 | FY18* | FY19 | TOTAL Expenditr. | Overall BUDGET |
|---|-------------|--------------|---|----------------|-----------|-----------|-----------|---------------------|-------------------|
| | Budget | Expenditures | | | | | | | |
| 19317 Storage Structure TYL | \$ 55,000 | 21,095 | Structure ordered | | | | 21,095 | \$ 21,095 | 110,000 |
| 19318 Site-Glass Swtch UGB SWL | \$ 27,700 | - | Governor switches | | | | - | \$ - | 41,720 |
| 19319 Valve Cntrl-Manifold SWL | \$ 46,136 | - | Distribution controller | | | | - | \$ - | 49,736 |
| 19320 Wastewater Upgrades SWL | \$ 125,000 | 115,998 | Leach field at SWL-installed | | | | 115,998 | \$ 115,998 | 125,000 |
| 19321 FB Gate Trigger Assy SWL | \$ 61,000 | 2,856 | Flashboard gate trigger assy | | | | 2,856 | \$ 2,856 | 61,000 |
| **19322 Intake Gate TYL Phase I | \$ - | 31,443 | COMPLETE DEC 2018 | | | | 31,443 | \$ 31,443 | - |
| | | | | | | | | | |
| Total WIP R&R Capital Projects | \$3,027,166 | \$734,552 | | \$994,088 | \$111,454 | \$508,530 | \$734,552 | \$2,348,623 | \$6,211,867 |

\$898K in completed R&R Projects have been recorded this fiscal year-to-date.

*FY18, RR241 Stream Gage, Items moved from capital project to inventory


**Recorded as expense at time of execution, reclassified as R&R as the total cost exceeded threshold of Capitalization Policy

RR278-17 FLASHBOARDS & KICKERS SWL

| | | | |
|--|--|---------------|---------------------|
| Project | SPARE FLASHBOARD & KICKERS – Swan Lake | | |
| Description | Spare set of flashboards and kickers for Swan Lake | | |
| Cost: | \$439,456 | Scheduled: | DEC 2018 |
| | | Project Mgmt: | E. Schofield |
| PROJECT DISCUSSION | | | |
| <p>The new flashboard system at Swan Lake is designed to migrate downstream in the event the spillway vertical gate is unable to sufficiently pass flows. This scenario could occur when the reservoir is near full due to a simultaneous prolonged large inflow event. Although the gate is sized to accommodate an event that has not yet occurred since records began in 1917, other external factors such as landslides could restrict flow through the vertical gate. Staff has implemented a robust debris boom to collect moderate accumulations of debris, but it is designed with a fusible link if it becomes overloaded. It is also possible a landslide could occur downstream of the debris boom, with a direct path to the vertical gate. In addition, an operational issue could be a catalyst for flashboard release. The Board approved the Kuenz contract in Dec 2017, layout-and assembly-drawings were submitted, manufacturing and coating was completed, and gates were delivered to Ketchikan in October 2018. SEAPA delivered to Swan Lake</p> | | | |

| PROJECT COST | | | |
|--|-----------|-------------------|-----------|
| COST BREAKDOWN | ESTIMATE | BUDGET | SPENT |
| Spares, layout and assembly drawings, testing and delivery to Ketchikan Barge KTN-SWL | \$420,850 | FY18 Expenditures | \$252,687 |
| | | FY19 Expenditures | 186,769 |
| | | TOTAL | \$439,456 |
| | 10,000 | | |
| Total | \$430,850 | | |

| Project Cost Estimate Discussion |
|---|
| Overall budget reflects actual contract cost of manufacturing and delivery. Purchase includes flashboards, kickers and fully-enclosed storage containers. |



CLOSED FY2019 R&R PROJECT
RR278-17 FLASHBOARDS & KICKERS SWL

| Date | Num | Source Name | Memo | Amount |
|--------------------------------------|-----------|-----------------------------|--|--------------|
| 278-17 Flashboard-Kickers SWL | | | | |
| 10/25/17 | | CC Vendors | RFP for SWL Spare FBG | 113.97 |
| 10/25/17 | I01412112 | Alaska Dispatch News | Ad for RFP of SWL Flash Board Gates | 62.25 |
| 12/22/17 | 3206 | Kuenz America Inc | PO18076 Flashboard Spares - Signed Contract | 84,170.00 |
| 05/31/18 | 3583 | Kuenz America Inc | PO18076 Flashboard Spares - Layout Drawings | 84,170.00 |
| 05/31/18 | 3584 | Kuenz America Inc | PO18076 Flashboard Spares - Assembly Drawings | 84,170.00 |
| 08/06/18 | 104375 | Pacific Airways Inc | E. Scholfield, Cole Johnson (BAM), Justin Kolean (BAM) | 590.66 |
| 08/10/18 | 104472 | Pacific Airways Inc | Cole Johnson & Justin Kolean - BAM | 440.00 |
| 08/17/18 | 3773 | Kuenz America Inc | PO18076 Flashboard Spares - Testing / Dispatch-Ready | 84,170.00 |
| 08/22/18 | BAM3287 | BAM LLC | TO19007 SWL Container Setup | 11,250.00 |
| 11/06/18 | 4016 | Kuenz America Inc | PO18076 Flashboard Spares - FOB Barge Terminal KTN | 84,170.00 |
| 11/06/18 | | Tongass Trading Company Inc | Scale for Flashboards | 59.99 |
| 11/20/18 | N418960 | Alaska Marine Lines | Chassis for moving Flashboard to barge | 168.00 |
| 12/08/18 | 18635 | Boyer Towing, Inc. | Transport Flashboards | 2,975.00 |
| 12/12/18 | 2018201 | Pool Engineering, Inc. | Transport FB Gate Components to SWL | 2,213.75 |
| 12/19/18 | N419248 | Alaska Marine Lines | Chassis Rental for spare FGB | 360.00 |
| 12/31/18 | N419495 | Alaska Marine Lines | Chassis rental for moving Spare Flashboards | 372.00 |
| 12/31/18 | 744 | | Reclass RR278 Flashbd-Kickers to inventory | (439,455.62) |
| Total 278-17 Flashboard-Kickers SWL | | | | 0.00 |



RR19310

Penstock Flow Monitors - SWL

| | | | | | |
|---|----------|--|----------|---------------|------------|
| Project: | | Penstock Flow Monitors at Swan Lake | | | |
| Description: | | Rittmeyer flow monitors and sensors (spares) for Swan Lake Penstocks | | | |
| Cost: | \$19,724 | Completion: | OCT 2019 | Project Mgmt: | R. Siedman |
| PROJECT DISCUSSION | | | | | |
| <p>The Swan Lake Penstock Flow monitoring devices were inoperable the past few years. The initial diagnoses pointed towards failed sensors and not the monitoring unit. The sensors were replaced during the FY2018 June outage, however, with no success. Unit 1 did not display penstock flow. With the lake raise project, SEAPA intends to perform a hydraulic analysis to determine whether tuning the governors can add additional efficiencies, however penstock flow is required. The existing flow monitoring systems were over 13 years old and at the end of their useful life. The replacement Penstock Flow monitoring unit utilizes existing sensors (recently installed) and updates the existing monitoring unit.</p> | | | | | |

| PROJECT COST | | | |
|---|----------|----------------------------|----------|
| BREAKDOWN | ACTUAL | EXPENDITURES | |
| Hardware (Rittmeyer) | \$19,724 | FY2019 Expenditures | \$19,724 |
| Total | \$19,724 | | \$19,724 |
| Project Cost Discussion | | | |
| <p>Costs included hardware for Rittmeyer Flowmeter monitoring units, cables and cabinets. Installation was performed by Swan Lake and SEAPA staff.</p> <p><i>Project was expensed as the total cost did not meet the capitalization threshold.</i></p> | | | |

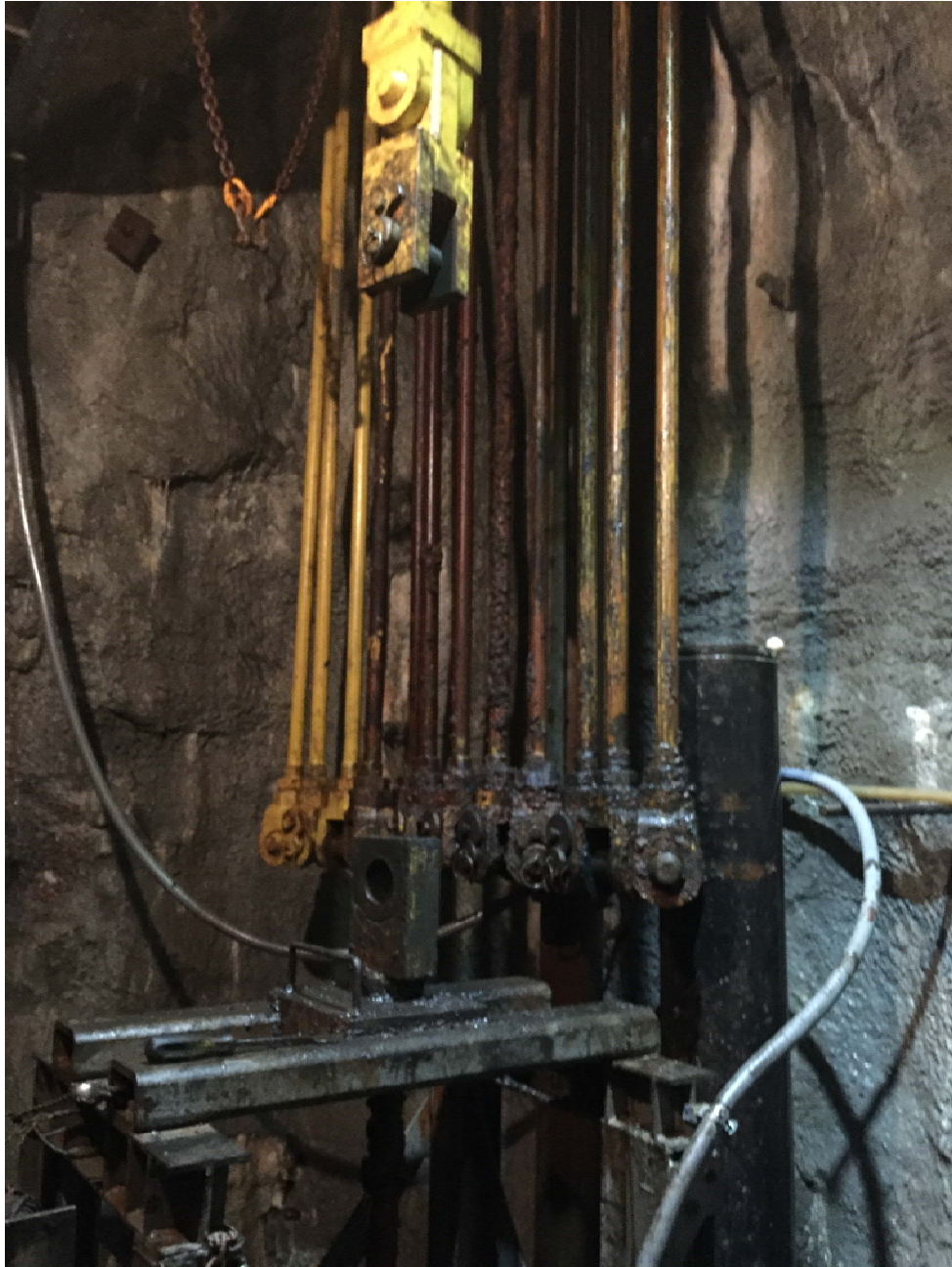
CLOSED RR19322

Intake Gate TYL (Phase I)

| | | | |
|---|--|---------------------|------------------|
| Project: | INTAKE GATE STEM REFURBISH | | |
| Description: | Recondition gate stems in Tye Lake tunnel. | | |
| Project Cost: | \$31,443 | Completion: | OCT 2018 |
| | | Project Mgmt: | Schofield |
| PROJECT DISCUSSION | | | |
| <p>In preparation for the ROV inspection of the Tye Lake tunnel, the intake gate had to be removed. The gate stems were in poor condition. They were removed, cleaned, and painted offsite before being reinstalled in the tunnel, extending their life to allow for a complete refurbishment in the future.</p> <p>This work represents the first phase of refurbishing the intake gate and was completed in October 2018. The second phase will be introduced with the FY2020 budget and will eventually lead to the replacement of the now-refurbished gate stems.</p> | | | |
| PROJECT COST | | | |
| BREAKDOWN | | BUDGET | |
| Contractor | \$12,965 | FY2019 Expenditures | \$31,443 |
| Parts, Supplies | 871 | | |
| Transport | 17,607 | | |
| Total | \$31,443 | | \$31,443 |
| Project Cost Estimate Discussion | | | |
| <p>All costs associated with preparation for the ROV inspection of the Tye Lake tunnel were originally recorded to expense (543200). The extraordinary maintenance that was specific to removing, refurbishing and reinstalling the gate stems was found to have met SEAPA's capitalization thresholds and those costs have been reclassified as Tye Lake capital improvements.</p> | | | |

| Date | Num | Name | Memo | Amount |
|--------------------------------------|------------|----------------------------------|--|------------------|
| RR19322 Intake Gate TYL | | | | |
| 07/20/18 | 304 | Helicopter Air Alaska LLC | 7/12 Intake gate, 7/18-7/19 \$2673.75 Intake G | 4,146.25 |
| 07/30/18 | | Tongass Trading Company Inc | Tye Intake gate maintenance | 65.95 |
| 07/31/18 | 52968 | Sunrise Aviation Inc | C. Hammer, BAM crew | 1,799.00 |
| 08/18/18 | 6870 | Superior Marine Services | Painting of Gate Stems for ROV project | 7,339.34 |
| 08/20/18 | 316 | Helicopter Air Alaska LLC | Removal TYL Intake Gate Stems | 5,115.00 |
| 08/20/18 | 9880791182 | Grainger | Sealant Tape, flap disc | 115.94 |
| 08/22/18 | BAM3288 | BAM LLC | TO19008 TYL Intake Gate Maintenance | 5,625.00 |
| 09/12/18 | 698 | Breakaway Adventures, LLC | Dams, Reservoirs & Waterways - Tye | 1,500.00 |
| 09/14/18 | 49807 | Petro Marine Services-WRG | Move ROV Crew & Equipment | 260.96 |
| 09/17/18 | 39478 | Arrowhead LP Gas WRG | Transport gate stems | 118.25 |
| 09/25/18 | 7742 | Schofield Equipment & Repair Inc | PO19129 Lube A Rope Aerosol (case) | 422.77 |
| 10/04/18 | 323 | Helicopter Air Alaska LLC | gate stem repair | 4,668.00 |
| 10/05/18 | S475KET27N | Samson Tug & Barge | Rubber gate seals PO19116 | 301.06 |
| 10/19/18 | 7769 | Schofield Equipment & Repair Inc | Credit on PO19129 for freight charges | (105.68) |
| 10/24/18 | S476WRA01N | Samson Tug & Barge | LUBE A ROPE PO19129 | 70.88 |
| Total RR19322 Intake Gate TYL | | | | 31,442.72 |

CLOSED RR19322 Intake Gate TYL (Phase I)



Agenda Item 10A

Swan Lake Transition Update/Discussions

[No handouts – discussion item only]

**MEMORANDUM
ATTORNEY-CLIENT COMMUNICATIONS**

TO: Chairman
Southeast Alaska Power Agency

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

DATE: February 19, 2019

RE: Suggested Motion for Executive Session Re: Discussions
Relating to Financial Impacts of Reservoir Management and
Potential Acquisition of Property

To the extent that the Board of Directors will enter into an executive session during a Regular Board Meeting to be held on February 28, 2019 for discussions relating to the financial impact of reservoir management and the potential acquisition of property, 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 financial impacts of reservoir management and the potential acquisition of property, 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 R&R Budget Amendment

Date: February 22, 2019 To: Trey Acteson Subject: **FY19 R&R Budget Amendment**

SUGGESTED MOTION

I move to amend the FY2019 R&R Budget, increasing it by \$31,443 for RR19322 Intake Gate Stem Phase I; \$27,000 for RR19323 Tunnel Lights Tyee Lake; and \$67,400 for Stuffing Box Unit 1 at Swan Lake. The combined projects will increase the FY19 R&R budget by \$125,843, bringing the FY2019 R&R Budget total to \$3,153,009.

RR19322 Intake Gate Stem – Phase I

This project represents work that was required for preparation of the ROV inspection of the Tyee Lake tunnel. The work was recorded to expense when performed, but was capitalized upon completion, recognizing that it extended the life of the asset by at least two years and exceeded the Capitalization Threshold of \$25,000.

RR19323 Tunnel Lights Tyee Lake

Upgrading the lighting system in the tunnel at Tyee Lake was initiated as a maintenance project; however, the total cost is now expected to exceed \$25,000.

RR19324 Stuffing Box Unit 1 Swan Lake

This project has been identified as a priority at Swan Lake and is scheduled for spring shutdown.

R&R Summaries for all three projects are attached:

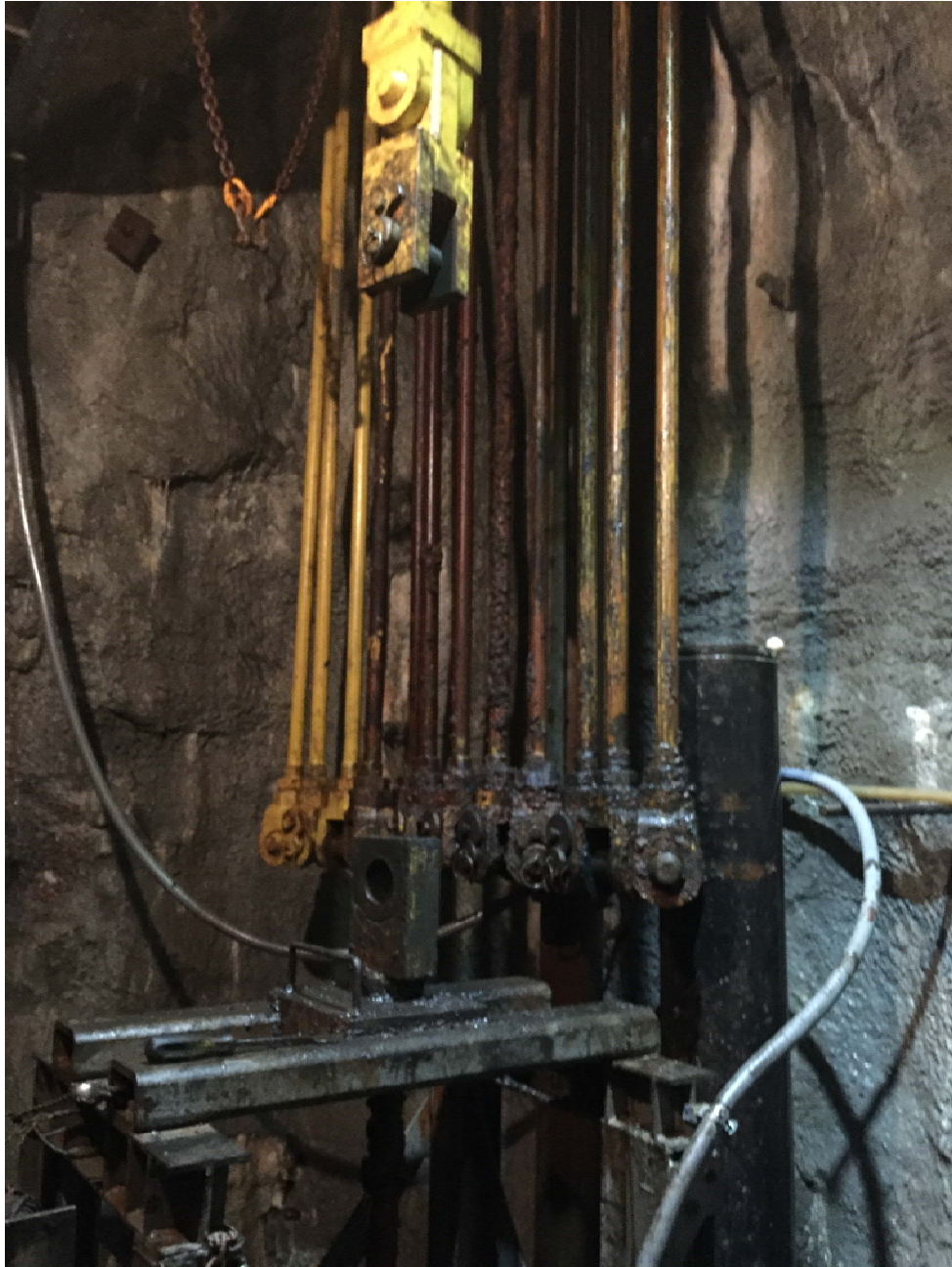


CLOSED RR19322 Intake Gate TYL (Phase I)

| | | | |
|---|--|---------------------|------------------|
| Project: | INTAKE GATE STEM REFURBISH | | |
| Description: | Recondition gate stems in Tye Lake tunnel. | | |
| Project Cost: | \$31,443 | Completion: | OCT 2018 |
| | | Project Mgmt: | Schofield |
| PROJECT DISCUSSION | | | |
| <p>In preparation for the ROV inspection of the Tye Lake tunnel, the intake gate had to be removed. The gate stems were in poor condition. They were removed, cleaned, and painted offsite before being reinstalled in the tunnel, extending their life to allow for a complete refurbishment in the future.</p> <p>This work represents the first phase of refurbishing the intake gate and was completed in October 2018. The second phase will be introduced with the FY2020 budget and will eventually lead to the replacement of the now-refurbished gate stems.</p> | | | |
| PROJECT COST | | | |
| BREAKDOWN | | BUDGET | |
| Contractor | \$12,965 | FY2019 Expenditures | \$31,443 |
| Parts, Supplies | 871 | | |
| Transport | 17,607 | | |
| Total | \$31,443 | | \$31,443 |
| Project Cost Estimate Discussion | | | |
| <p>All costs associated with preparation for the ROV inspection of the Tye Lake tunnel were originally recorded to expense (543200). The extraordinary maintenance that was specific to removing, refurbishing and reinstalling the gate stems was found to have met SEAPA's capitalization thresholds and those costs have been reclassified as Tye Lake capital improvements.</p> | | | |

| Date | Num | Name | Memo | Amount |
|--------------------------------------|------------|----------------------------------|--|------------------|
| RR19322 Intake Gate TYL | | | | |
| 07/20/18 | 304 | Helicopter Air Alaska LLC | 7/12 Intake gate, 7/18-7/19 \$2673.75 Intake G | 4,146.25 |
| 07/30/18 | | Tongass Trading Company Inc | Tye Intake gate maintenance | 65.95 |
| 07/31/18 | 52968 | Sunrise Aviation Inc | C. Hammer, BAM crew | 1,799.00 |
| 08/18/18 | 6870 | Superior Marine Services | Painting of Gate Stems for ROV project | 7,339.34 |
| 08/20/18 | 316 | Helicopter Air Alaska LLC | Removal TYL Intake Gate Stems | 5,115.00 |
| 08/20/18 | 9880791182 | Grainger | Sealant Tape, flap disc | 115.94 |
| 08/22/18 | BAM3288 | BAM LLC | TO19008 TYL Intake Gate Maintenance | 5,625.00 |
| 09/12/18 | 698 | Breakaway Adventures, LLC | Dams, Reservoirs & Waterways - Tye | 1,500.00 |
| 09/14/18 | 49807 | Petro Marine Services-WRG | Move ROV Crew & Equipment | 260.96 |
| 09/17/18 | 39478 | Arrowhead LP Gas WRG | Transport gate stems | 118.25 |
| 09/25/18 | 7742 | Schofield Equipment & Repair Inc | PO19129 Lube A Rope Aerosol (case) | 422.77 |
| 10/04/18 | 323 | Helicopter Air Alaska LLC | gate stem repair | 4,668.00 |
| 10/05/18 | S475KET27N | Samson Tug & Barge | Rubber gate seals PO19116 | 301.06 |
| 10/19/18 | 7769 | Schofield Equipment & Repair Inc | Credit on PO19129 for freight charges | (105.68) |
| 10/24/18 | S476WRA01N | Samson Tug & Barge | LUBE A ROPE PO19129 | 70.88 |
| Total RR19322 Intake Gate TYL | | | | 31,442.72 |

CLOSED RR19322 Intake Gate TYL (Phase I)





Proposed RR19323 Tunnel Lights

| | | | |
|---|--|----------------------------------|-----------------------------|
| Project: | Tunnel Lights – Tyee Lake | | |
| Description: | Permanent lighting structure in the Tyee tunnel. | | |
| Cost Estimate: | \$27,000 | Sched. Complete: MAR 2019 | Project Mgmt: Hammer |
| PROJECT DISCUSSION | | | |
| <p>The lighting system in the Tyee Lake penstock access tunnel was installed at the time of construction. Regulatory standards and safety concerns necessitate replacing the current lighting system with one that will be permanent and meet or exceed regulatory standards. The need for this upgrade was noted by the Bureau of Reclamation during their review of the Tyee facility. Conduit will be installed along the entire length of the tunnel, and it will be rewired.</p> | | | |

| PROJECT COST ESTIMATE | | | |
|--|----------|----------------|----------|
| BREAKDOWN | ESTIMATE | BUDGET REQUEST | |
| Materials | \$16,000 | FY2019 | \$27,000 |
| Labor (in-house) | 11,000 | | |
| Total Estimate | \$27,000 | Budget Total | \$27,000 |
| Project Cost Estimate Discussion | | | |
| <p>Estimate includes materials and 160 in-house man hours.</p> | | | |



Proposed RR19324 Stuffing Box Unit 1 SWL

| | | | |
|--|--|----------------------------------|--------------------------------|
| Project: | STUFFING BOX UNITS 1 - SWAN LAKE | | |
| Description: | Unit 1 Stuffing Box replacement at Swan Lake | | |
| Cost Estimate: | \$67,400 | Sched. Complete: May 2019 | Project Mgmt: Schofield |
| PROJECT DISCUSSION | | | |
| <p>The stuffing box is a mechanical water seal located above the head cover of the turbine wheel within the turbine pit. Both SWL units have excessive by-pass water leakage and need to be replaced. This project will replace the Unit 1 stuffing box during the spring shutdown. Replacement of the stuffing box for Unit 2 will be budgeted later.</p> | | | |

| PROJECT COST ESTIMATE | | | |
|--|----------|----------------|----------|
| BREAKDOWN | ESTIMATE | BUDGET REQUEST | |
| Litostroj Parts | \$25,000 | FY2019 | \$67,400 |
| Labor | 32,400 | | |
| Miscellaneous | 10,000 | | |
| Total | 67,400 | | 67,400 |
| Project Cost Estimate Discussion | | | |
| Replacement parts and labor to install one unit. | | | |



SOUTHEAST ALASKA POWER AGENCY CAPITALIZATION POLICY AMENDMENT

Date: **February 20, 2019**

To: **Trey Acteson**

From: **Kay Key**

SUGGESTED MOTION

I move to adopt Resolution 2019-072, amending SEAPA's Capitalization Policy by reducing the Capitalization Threshold from \$25,000 to \$10,000 effective July 1, 2019, and further move to amend Section 6.4.6 of SEAPA's Policy Handbook to concur with the Capitalization Policy, as both documents are presented in the February 28, 2019 Board Packet.

Lowering the Capitalization Threshold will enable SEAPA to capitalize the maintenance efforts when those efforts extend the life of an asset. Lowering the threshold from \$25K to \$10K will enable SEAPA to capture the cost of asset improvements without creating undue hardship on recordkeeping.

This change is proposed to take effect July 1, 2019 so that it would become effective with the next budget cycle. That date would also potentially align with the transition of Swan Lake operations, after which all purchases and payroll would be paid directly by SEAPA, facilitating the classification of any capital-related costs.

To illustrate the general impact of the proposed change, sections of SEAPA's audited financial statements for the years ended June 30, 2018 and 2017 are shown in the table below. In FY2018, SEAPA capitalized assets valued at \$2.474M. However, combined with the depreciation expense of \$4.775M, the net value of Capital Assets was still reduced by \$2.3M.

Reducing the Capitalization Threshold would initially lower operating and maintenance expense and increase capital work-in-progress, relative to any affected projects (in the \$10-\$25K range). As those capital projects are completed, depreciation expense would increase, but be more than offset by increases in capital assets.

Statements of Net Position

| June 30, | 2018 | 2017 |
|------------------------------------|--------------------|--------------------|
| Noncurrent Assets | | |
| Cash and investments, unrestricted | 6,438,781 | 7,535,712 |
| Capital assets, net | <u>134,078,720</u> | <u>136,441,286</u> |
| Total Noncurrent Assets | 140,517,501 | 143,976,998 |

Statements of Revenues, Expenses, and Changes in Net Position

| June 30, | 2018 | 2017 |
|---------------------------------|-------------------|-------------------|
| Operating Expenses | | |
| Operating and maintenance | 3,467,129 | 3,157,802 |
| General and administrative | 2,910,967 | 2,782,758 |
| Depreciation expense | <u>4,775,039</u> | <u>4,414,025</u> |
| Total Operating Expenses | 11,153,135 | 10,354,585 |

Red-lined versions of the proposed changes and Resolution 2019-072 are attached.



SOUTHEAST ALASKA POWER AGENCY

CAPITALIZATION POLICY

Effective 2019-07-01

Southeast Alaska Power Agency (SEAPA) maintains an asset capitalization policy for financial statement purposes.

Capital Assets: Capital Assets are structures, equipment and land that have a useful life of at least two years and for which costs exceed the Capitalization Threshold of ~~\$25~~10,000. The Capitalization Threshold generally applies to individual items, except when groups of similar items make up a significant portion of a total capital asset or when component pieces combine to form an asset that functions as a stand-alone unit. All rolling stock is capitalized, regardless of initial cost.

Capital Projects: All Capital Projects are approved by the SEAPA Board of Directors and are tracked by an assigned Renewal & Replacement number. Procedures for the acquisition of capital assets are outlined in the SEAPA Policy Handbook.

Capital Asset Expenditures: Capital Expenditures include the costs associated with the purchase or improvement of structures, equipment and land that exceed the Capitalization Threshold ~~of \$25,000~~ and increase the economic value of the asset. All costs necessary to acquire an asset and make it ready for its intended use; i.e., purchase, delivery and installation, qualify as Capital Expenditures. Capital Expenditures must also increase the useful life of the asset by at least two years beyond the original useful life or increase the productive capability or capacity of the asset. Capital Asset Expenditures do not include recurring costs (expenses) that maintain an asset's operating efficiency and expected productive life, but do not add value or increase its overall life.

Asset Disposal: The process of removing assets from company services is outlined in SEAPA's Procurement Policy, Section 11. Income and expenses related to the disposal of an asset, i.e., salvage income or freight costs, are expensed as a loss/gain on the disposal of the asset.

Fixed Asset Schedule: SEAPA's Fixed Asset Schedule is updated at least annually at fiscal year-end. The value of Capital Assets and improvements that were placed into service during the past fiscal year are added to the schedule, and the value of assets that were disposed during that period (and their accumulated depreciation) are removed. When Capital Projects span multiple years, a major portion of a capital project may be added to the Fixed Asset Schedule when it is placed into service if it meets the capitalization threshold on its own. When groups of similar items are added to the Fixed Asset Schedule as a single Capital Project, it takes place upon completion of the entire Capital Project.

Depreciation: SEAPA depreciates all fixed assets using the straight-line method beginning with the fiscal year the asset is placed into service. SEAPA assigns useful life to assets according to its Depreciation Table, based on GAAP's estimated useful life of depreciable hydro-plant generation assets table. (Land is not a depreciable asset.) The depreciation of used equipment is assessed individually.

Capitalization Policy - 201907.docx

SOUTHEAST ALASKA POWER AGENCY

POLICY HANDBOOK

6.4 BILLING PROCEDURES AND PAYMENT

6.4.6 Acquisition of Capital Assets. Capital assets are separately identifiable units of property that have a useful life of more than two years and for which the cost ~~\$25,000 or more~~ to place into service exceeds the Capitalization Threshold stated in the Board-approved Capitalization Policy. All rolling stock are categorized as capital assets, regardless of their cost. Capital assets shall be acquired according to the following procedures:

- (1) The funding for capital asset acquisition must be approved by the Board as a part of the annual budget or meeting of the Board.
- (2) Prior to purchase, the Agency will determine that the asset meets design specifications and industry standards, and is a cost-effective purchase.
- (3) Acquisition of the following capital assets requires Agency approval prior to purchase, if purchased by an Operator and the value exceeds \$5,000:
 - a. rolling stock;
 - b. test equipment; or
 - c. capital assets affixed to a project or critical or integral to the operation of a project.



Resolution No. 2019-072**

THE SOUTHEAST ALASKA POWER AGENCY

Resolution Approving Revised Capitalization Policy Effective July 1, 2019

WHEREAS, on April 28, 2016, the Southeast Alaska Power Agency ('SEAPA') updated the procedures for the acquisition and disposal of capital assets to benefit the Agency under Resolution 2016-064.

WHEREAS, the Board of Directors seek to revise the Capitalization Policy to lower the Capitalization Threshold from \$25,000 to \$10,000 effective July 1, 2019.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors hereby adopts the attached Capitalization Policy, as revised, effective July 1, 2019 in place of the previously updated Capitalization Policy dated April 28, 2016.

BE IT FURTHER RESOLVED, that the Board of Directors hereby revokes, in its entirety, Resolution No. 2016-064, and adopts the attached Capitalization Policy, as revised, establishing procedures for the acquisition and disposal of capital assets.

This Resolution No. 2017-072 was duly PASSED and ADOPTED by SEAPA's Board of Directors on the 28th day of February 2019 in Ketchikan, Alaska.

SOUTHEAST ALASKA POWER AGENCY

ATTEST:

By _____
Chairman

Secretary/Treasurer

Attachments:
Capitalization Policy 2019-07-01

New Business
Agenda Item 11D

Consideration and Approval of Authorization to Pursue
Alaska Municipal Bond Bank Financing

[To be provided as Lay on the Table Item during the Board Meeting]

Agenda Item 12

CEO Report

[To be provided as Lay on the Table Item during the Board Meeting]



SOUTHEAST ALASKA POWER AGENCY

Date: February 11, 2019
To: Trey Acteson, Chief Executive Officer
From: Clay Hammer, Operations Manager
Re: February 28, 2019 Board Meeting Report

MAJOR CONTRACTS and PROJECTS

Tyee Road Access to Tidewater Project

Due to its remote location, access to the Tyee Plant has always been challenging. The primary means of transportation to and from the plant is by air using the facility airstrip. If weather is problematic, or there is anything of substance that needs to be transported, then boat or barge are the only options. Access by boat or barge is difficult because transit to the Tyee dock must be done through a tidal estuary that is affected by silting and extreme tide fluctuations. Periodic dredging has been required to keep the channel open but even with dredging, access is still limited to high tides.

A road to tidewater has long been considered the solution to this problem. Staff solicited quotes from four different qualified engineering firms to conduct a high-level evaluation of road options with a comparative value for continued dredging. Two quotes were returned. Staff selected the most credible option resulting in a Task Order to R&M Engineering-Ketchikan, Inc. to conduct the evaluation. The result should present a realistic price for two different road options. This information will be brought to the board for possible action to conduct a more detailed assessment of the preferred option. The evaluation should be completed by this Spring.

ATV Use on the Tyee Transmission System

The recent government shutdown and resulting furlough of federal employees did not bode well for progress on our Forest Service Special Use Permit (SUP) Amendment for ATV use. As most are aware, this has been a long and detailed process and until the recent government shutdown, it appeared that the end of the process was very close. Just prior to the shutdown, staff at Meridian Environmental had submitted a final draft for review by the Forest Service. No progress was made during the shutdown.

After the shutdown lifted, I had an opportunity to meet with Wrangell's Acting District Ranger, Victoria Houser, as well as Special Permit Administrator, David Rak. Mr. Rak and I had an opportunity to review the complete draft. Notes were made and he had suggestions for the addition/deletion of language in a few places to provide clarity for the permit while at the same time removing some minor wording that would have made the permit more restrictive. In my opinion, the meeting was very productive and when Meridian staff makes the suggested changes, the document should be ready for signing.

Marker Ball Project, Eagle River Crossing

During the annual transmission line inspection, it was noted that several aircraft marker balls along Tyee's Eagle River crossing were gone with several more in the process of failing. At this time, the replacement marker balls are in stock at the Wrangell warehouse and a Request for Proposals has issued to soliciting bids to replace them. Bids are due March 1st. This work is currently scheduled to take place during the annual Spring maintenance outage.



Marker Balls in Storage at Wrangell Warehouse

TSV Actuator Pistons

SEAPA has contracted with Austrian firm Andritz Hydro Limited to build and replace the two TSV actuator pistons for the Tyee Lake facility. A recent update from Andritz indicates that the pistons have left the forge and are in the process of being machined. Andritz is currently finalizing their plans for coming up to do the work. The Work Plan calls for Andritz to send a field tech up to supervise the changing of the pistons and seals using local manpower within the plant. This will present a great training opportunity for the crew on site as well as insure that the work is done correctly. This work should be completed during the annual Spring maintenance outage.



Actuator Pistons at machine shop waiting next stage of work

Submarine Cable ROV inspection.

SEAPA awarded the contract for ROV submarine cable inspections to ITB Subsea Ltd. of Vancouver, BC. To date, ITB has submitted four drafts of their report. With each report, clarity and detail were added to fulfill the information expected from a report of this magnitude and meet the scope of work required under the RFP. At first glance, the most recent submittal which was received on February 8th, appears to on par with SEAPA's expectations; however, a full and detailed review by SEAPA staff is pending.

Cleveland Peninsula Helipads

Funds were budgeted this fiscal year for repairs to the decks of several helipads located along Cleveland Peninsula. A brief site visit to those locations revealed that most of the pads in question were well beyond repair and will have to be replaced.

Staff issued a Task Order to Tongass Engineering of Ketchikan to review the helipads. Their review will identify which pads need replacement and offer an engineering plan for the work based on the design of our current helipad inventory. We have 11 complete spare helipads in inventory.

MET Tower Data Collection

Poor weather and lack of a functioning boat has made accessing South Mitkof a problem this winter. As soon as our boat is cleared for service we will travel to the site and sample the latest data. This is quite possibly the season that could make or break that site as this is when the prevailing winds are most active.

An additional MET Tower package has been received and this unit will be commissioned in the Ketchikan area. An initial site review of the area around Ketchikan's landfill area looks promising. There are two communications-based towers in the area but the cost of co-habitation on the cell tower appears cost prohibitive. Staff will reach out to the radio tower in the same area to seek authorization for shared space. If that is not granted, we will seek to secure our own site in that general location and erect a 30-meter tower currently in inventory.

Wooden Pole Testing

SEAPA has purchased an IML PD-600 Resistograph and staff is currently scheduled for training for its use at the IML factory facility at the end of February. Staff will then be able to demonstrate and train others in its use. The current plan is to have SEAPA's maintenance contractor sample every 10th wooden pole along the Mitkof transmission line this coming maintenance cycle. This will give us a baseline for at least 20 poles and provide a fair indication of the health of the poles within that section. The long-term goal is to establish a baseline for the health of all the wooden poles within SEAPA's systems and help establish a predictable timeline for their future replacement as they age.

SEAPA Landing Craft

During the operating season last year, SEAPA's 34' Svendsen began having issues with the power heads on its outboard motors. This was Season 2 on a matched pair of 350 hp Mercury Verados. The first power head was considered an anomaly but after the opposite side motor failed a short time later, a review of the installation was done by the dealer. After dialog with the Factory representative, the fuel filter assemblies and hoses were changed to a bigger size and the boat

put back into service. After an additional 50 hours of service, the first powerhead failed again. This time a thorough examination of the engines indicated the possibility of sea spray ingestion into the engines. A subsequent sea trial with another power head indicated that at certain speeds and trim configurations, substantial spray was coming up the sides of the motors. Further examination showed water droplets inside the air intake.

As the stern of the vessel had been reconfigured to accept the newer higher horsepower engines, the decision was made to modify the stern further by boxing in the corners and relocating the trim tabs farther back. This will mimic the original configuration with the smaller motors and direct the sea spray away from the engines. This work has been done and the dealer is waiting for roads to clear so the boat can be safely launched to perform sea trials for confirmation of the effectiveness of the modification. All three powerheads have been covered by factory warranty so parts and labor directly related to the engine work have all been covered by Mercury Marine.



Stern Modification 34' Svendsen

Tyee Lake Report

All PM's and Work Orders are up to date. In addition to scheduled work, the Tyee Crew performed the following tasks:

- Station Service Air Compressor #2 rebuilt
- New Water Treatment Chlorinator installed and working
- Changed out water filter system to different style (lower cost filter; better water quality)
- New flooring installed in Control Center
- Batteries replaced at South Woronofski Marine terminal
- Nitrogen gas leak repaired South Woronofski Marine Terminal
- Solar Panel voltage regulator replaced at Cleveland Peninsula Marine Terminal
- Abandoned miscellaneous electrical equipment removed from Wrangell Switchyard Com Building
- Floor stripped and repainted at Wrangell Switchyard Com Building
- Floor painted at Wrangell Substation
- Site visit by AP&T for systems check on SEAPA's Microwave Communication System

- Safety Training with TSS: Cold Weather Safety, Slips Trips and Falls, OSHA requirements for walking/working surfaces. Fall Protection, Revisions in OSHA standards for fixed ladders

Staff will be available at the meeting to discuss any questions or concerns.

Swan Lake Report

KPU's Swan Lake Report is attached.



KETCHIKAN PUBLIC UTILITIES

Swan Lake Project Report

Andy Donato, Electric Division Manager | Feb. 2019

SAFETY | ENVIRONMENTAL | SECURITY

- Status on the dam flashboard trigger: since October 16, 2018, the dam flash board trigger was noted as tripped, kicker legs have since been locked-out. The flash board system remains inoperative. An alarm is in, "general flashboard load measuring bolt signal 2 faulted" status.
- Visitors include Tongass Engineering, BAM Construction, EPS Engineering, and a trapper Joe Berry.
- All three surveillance cameras remain in-service.
- Intake building alarm field wiring remains incomplete. Waiting on PLC inputs for the intrusion alarm and outputs for the plant horn.
- The auxiliary log boom remains broken, waiting on increased lake level to re-float it for repair.
- Additional dam abutment ladder sections have arrived, awaits BAM Construction to complete.
- The waste water project was verbally approved for use by Bret Serlin from Tongass Engineering on February 20, 2019.

OUTAGES | UNIT CONSTRAINTS | RESERVOIR LEVEL

- For information, KPU's earlier diesel campaign started February 27, 2018, and ended April 13, 2018. Two record low lake levels were reached; March 5, 2018, at 277.7' and April 2, 2018, at 276.1' (Intake at 271.5').
- KPU's second diesel campaign started September 24, 2018, and has continued intermittently to present, February 21, 2019. This is due to low Swan Lake level and suspended additional dedicated generation from Tyee Lake. Swan Lake level reached 280.2' on September 24, 2018.
- Tyee Unit #1 trip on February 1, 2019, forcing KPU system into load shed.
- Swan Lake reservoir level as of February 21, 2019, was 282.0' and falling.

MAINTENANCE (routine)

- Governor and Wicket Gate maintenance and Exciter brush replacement
- Replaced plant grease source with food grade type (environmentally friendly)
- Flashboard trigger part fabrication
- Perimeter Lighting repairs
- Plant Horn wiring and replacement
- Boat annual PMs and heater repair
- Front-end loader fuel troubleshooting pending computer code analysis

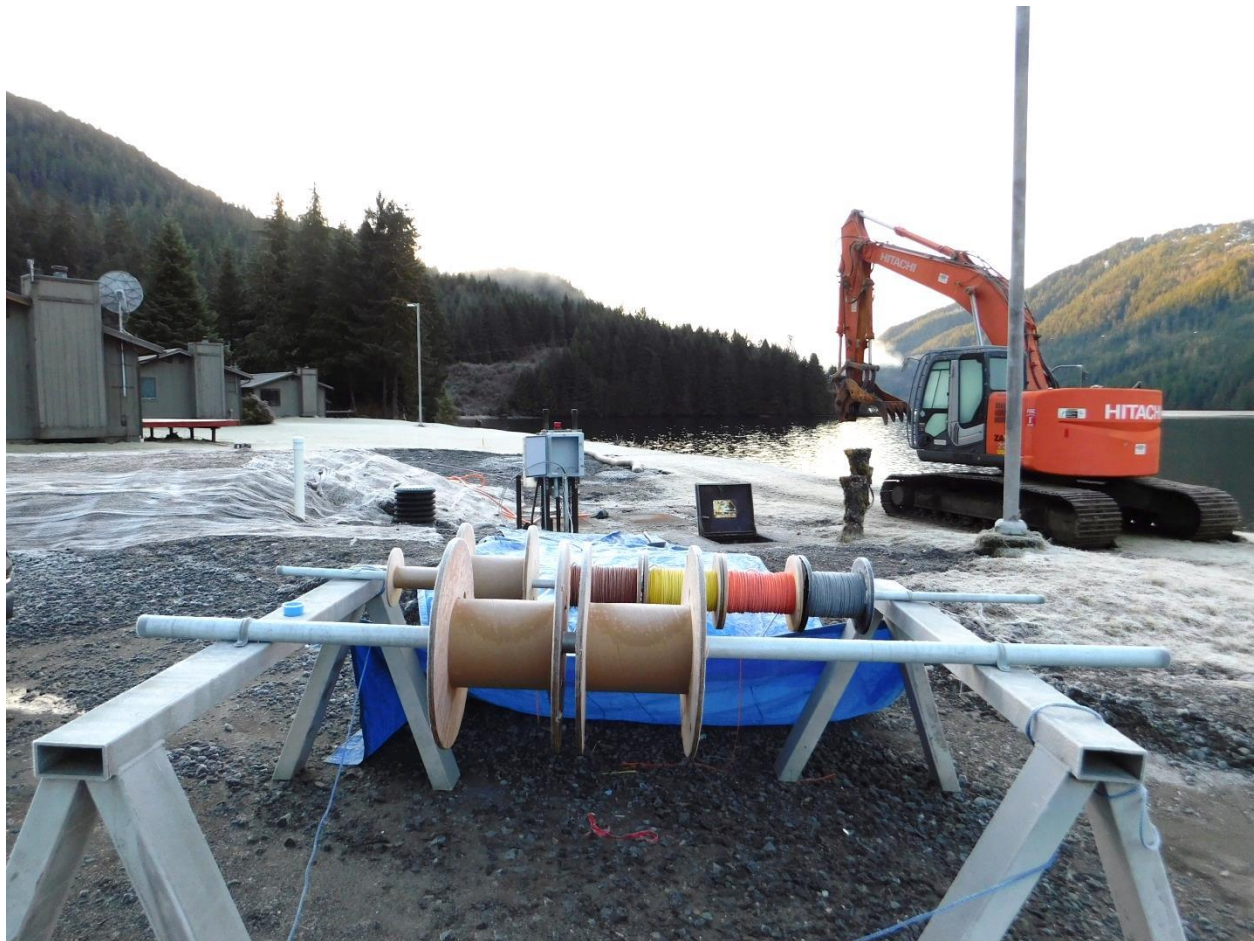
Project Support (continued)

- Waste water (septic tank & leach field) project wiring work and finish landscaping
- DC System Upgrade – Completed hydrogen gas detector & alarm
- Lake bubbler equipment support, holding on the actual PLC install
- New station (LVSG) switch gear project in review
- Governor/PLC upgrades, ISOC configuration being reviewed

COMPLIANCE

- Quarterly Dam deflection surveys made with R&M, December 20, 2018
- Seepage pin review/log last record September 19, 2018
- Spillway gate/standby power tested monthly
- Fire extinguisher testing last record November 28, 2018
- Intake gate inspections last record October 22, 2018

Attachments/Images



Above: Pulling wire for waste water controls



Above: Sorting rocks for sea wall re-construction



Above: Repair of sluff-off from excavation



Above: Top soil finish grade for waste water project



Above: February 21, 2019, a frozen Swan Lake. Note, the skiff sits in a gully carved in the bank from a normally flowing waterfall and creek. (Lake elevation 280.0').

Date: February 15, 2019
To: Trey Acteson, CEO
From: Ed Schofield, Power System Specialist
Subject: February 28, 2019 Board Report

Swan Lake Pier & Gangway Replacement Project Update

This project will replace the existing small boat dock access pier and gangway. The pier and gangway were constructed in 1980 and have both reached the end of their useful life. The existing pier is constructed of creosote wood with a steel gangway. Both the pier and gangway will be replaced with aluminum and supported with galvanized steel piling. The new aluminum pier and gangway will decrease maintenance and loaded weights on the dock. The length of the new gangway will be increased from the existing 59' to 70', which will decrease low water access slopes for safer and more efficient freight handling. This project is currently at the 90% design stage with completion estimated during Spring 2019.



Swan Lake Pier and Gangway



Present Gangway Slope at Low Tide

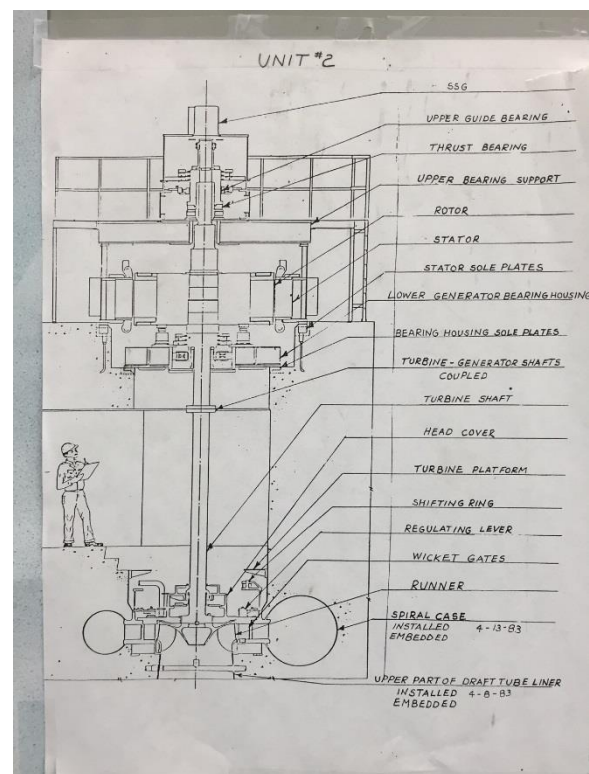
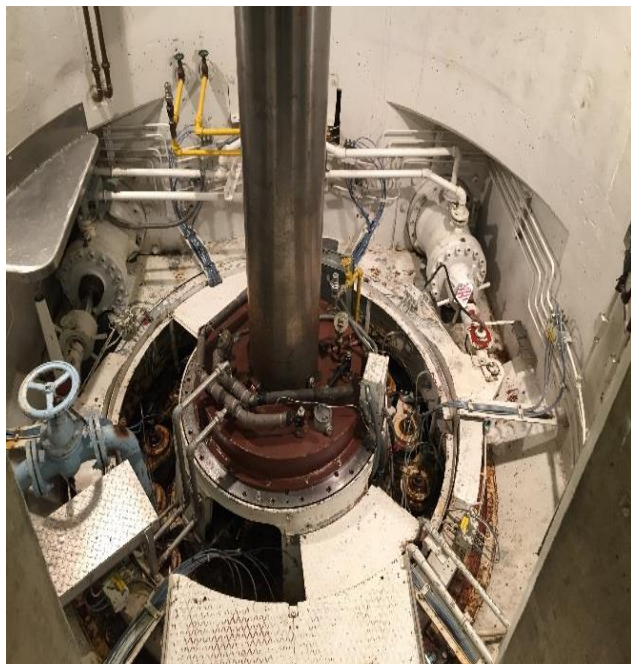
Swan Lake Power Ring & Stuffing Box Repairs

During mechanical inspections of Swan Lake due to recent governor operational concerns, it was discovered that the Power Ring Bushings exceeded their wear limits. The Power Ring is the connecting control mechanism between the governor's prime mover and the wicket gates. For a governor to be fully responsive, all mechanical control points must be able to move freely. The Power Ring is supported horizontally and centered by a set of bronze bushings. The horizontal bushings have worn over time to the point that the underside of the Power Ring is contacting the

wicket gate control arms, which binds free movement of the Rower Ring. Both units appear to be in similar condition and require corrective action.

The Stuffing Box is a mechanical water seal that prevents water pressure from escaping from the area around the turbine shaft. The Stuffing Boxes on both units are showing excessive leakage (Unit 1 more so than Unit 2). This issue has no negative effect on the governor; however, due to the seal's location, it is prudent to conduct repairs at the same time as the Power Ring repairs.

The mechanical end of the Swan Lake units were manufactured by Litostroj, a company from Slovenia (now a part of the Czech Republic). Securing parts and technical support from Litostroj has been challenging, if not impossible, in the past. However, Litostroj restructured and is now state owned with a North American presence in Canada. After extensive efforts, Litostroj located the original design files for the Swan Lake units. SEAPA placed an order for the Power Ring Bushings and the Stuffing Box Seal. The plan is to make the corrective repairs to Unit 1 during this year's annual maintenance shutdown tentatively scheduled for May. The repairs to Swan Lake Unit 2 will occur at the next available opportunity.



The photo on the left, above, is the Swan Lake Turbine Pit (location of the Power Ring and Stuffing Box Seal). The Power Ring is the device connected to control servos (cylinders). The Stuffing Box resides under the guide bearing, which is located in the center of the photo and is brown in this photo. The photo on the right, above, identifies the locations of all major components of the Swan Lake units.

Swan Lake Wastewater System Improvements and Housing Replacement

SEAPA's Swan Lake Wastewater System Improvement Project is complete and now in service. This project added a drain field and primary catchment and deleted an ocean outfall to bring the wastewater system up to ADEC permitting standards. With the wastewater complete, a zoning application can be submitted to the Ketchikan Gateway Borough for new staff housing. Design and specifications for the replacement housing are complete and once a zoning permit is issued, staff can solicit proposals. The replacement staff housing project will replace a single occupancy home at Swan Lake with a new triplex unit to meet upcoming SEAPA staffing requirements.

Tyee and Swan Lake Fabric Storage Buildings

Final design of the new fabric storage buildings is complete and manufacturing is underway with delivery and construction scheduled for May 2019.

Swan Lake Reservoir Access Ladders

This project was awarded to BAM LLC of Ketchikan and has been delayed by SEAPA due to low lake levels. The present low Swan Lake elevation would require the contractor to be working suspended by ropes at a far greater height than normally required to accomplish this task. SEAPA's election to delay this project is a safety precaution.

Tyee Intake Gate Hydraulic Power Unit (HPU) Upgrades Project

The intent of this project is to relocate the Tyee Intake HPU from its present location 188' below ground to ground elevation for ease of operations and maintenance. Engineering is presently underway for the construction of a new enclosure to house the HPU and the best means to refit the HPU and piping system.

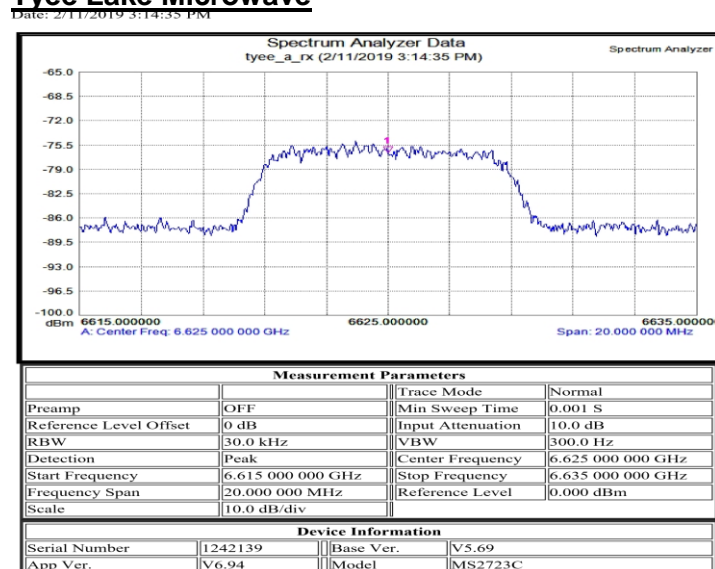
Swan Lake Flash Board Gate (FBG) Trigger Modification

Design engineers have determined the partial FBG trigger unloading was due to thermal contraction of the dam. To prevent this problem from reoccurring, an energy accumulator will be added between the kickers and the south spillway pier. This device will keep a minimum force on the kicker braces to maintain a loaded trigger in all conditions. In addition, design engineers determined the trigger counter balance weights are not adequate to maintain a balanced trip bucket weight in all conditions. Additional counter weights will be installed to correct this issue. Presently, the design engineers are working on the accumulator design drawing.

[End of report.]

Date: February 21, 2019
To: Trey Acteson, Chief Executive Officer
From: Robert Siedman, Dir. Eng. & Tech. Svcs.
Re: February 28, 2019 Board Report

Tyee Lake Microwave

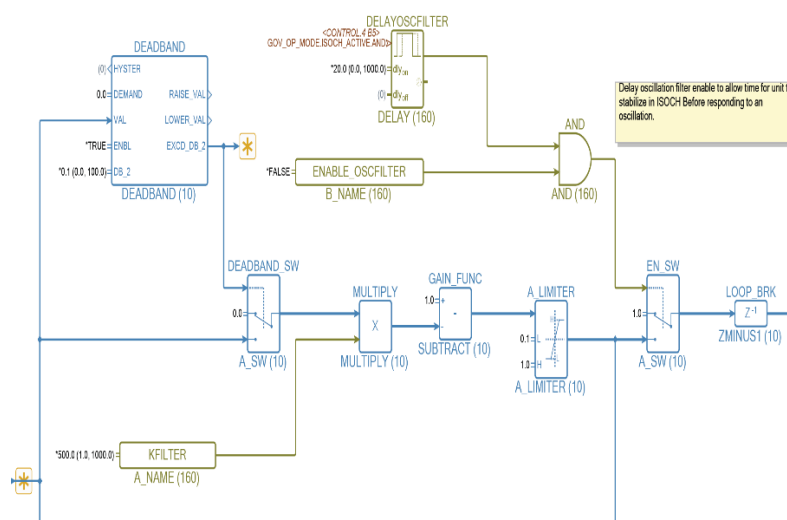


The Tyee Lake microwave link went down on February 8, 2019. Communications for the Powerhouse by telephone were lost and Tyee Operators had to use Satellite Phones and Radios to Wrangell for comms. Troubleshooting by AP&T appeared to indicate that the issue was located at Burnett Peak, and possibly an issue with the radios; however, AP&T personnel were not available until Monday, February 11 to investigate by helicopter. On February 9, prior to the AP&T investigation, the microwave link was mysteriously restored to normal operating conditions.

On February 11, AP&T technicians flew to Burnett Peak and performed a Spectrum Analysis (above) to test the reliability and signal strength of the microwave link. The test results were excellent. They performed fine tuning of the radios and proceeded to Tyee for further investigation. The radios at the Tyee site were also aligned and tuned well however the issue appeared to be snow and ice on the satellite dish (right). Part of the snow and ice appeared to have melted off, which was the likely cause for restoration of service. AP&T performed additional tests and tuning and cleared the snow off the dish. The field report provided by AP&T indicated the issue was resolved and reliability was restored. SEAPA plans to install satellite communications in the near future, with fiber-optics to the satellite pad recently connected and ready for service.



Swan Lake Isochronous Mode: Governors



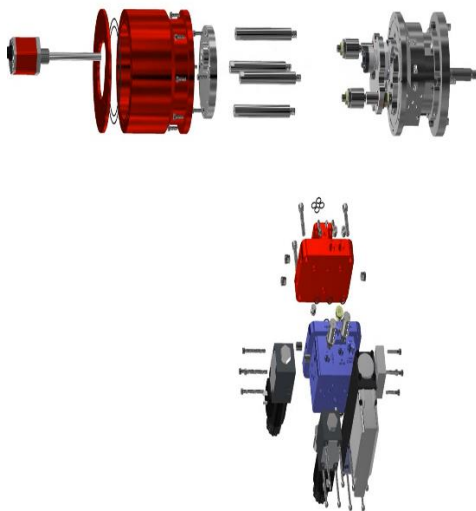
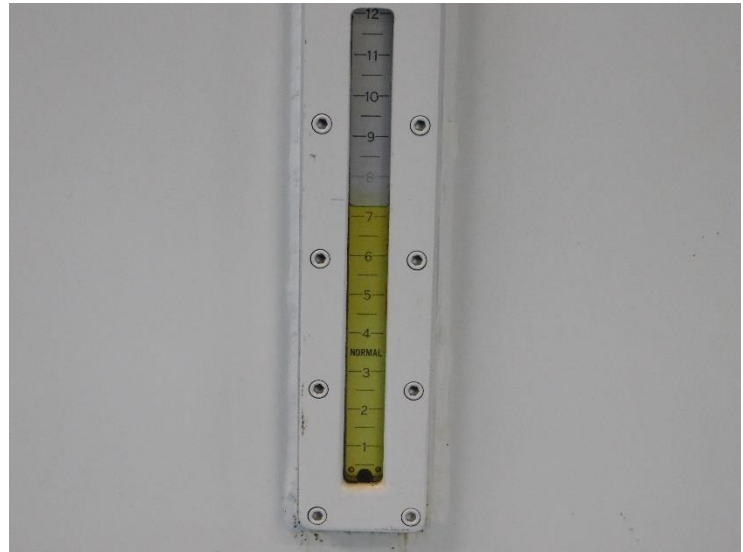
Swan Lake governors were installed in 2018 and were a huge success providing increased frequency support and decreased time-to-start response, thereby saving water during startup. The governors operated flawlessly in droop mode where response times were slow and governor feedback was dampened. In September, with low lake levels, Swan Lake governors experienced oscillations at higher loads when operated in Isochronous mode, which requires a more aggressive response.

SEAPA contacted governor experts to determine the root cause. Hydraulics in the penstock at low lake levels and local mode oscillations were considered the possible issues. A hydraulic transient study is currently being performed. Prior to the hydraulic study results being complete, SEAPA required the governor contractor to develop a Standard Deviation Oscillation Detector (above) to identify oscillations and dampen the governors when they occur. The oscillation detector algorithm is complete however will not be implemented until the Power Ring Bushings (right) are replaced (see Ed Schofield's report for more details).



Governor Pressure System(s)

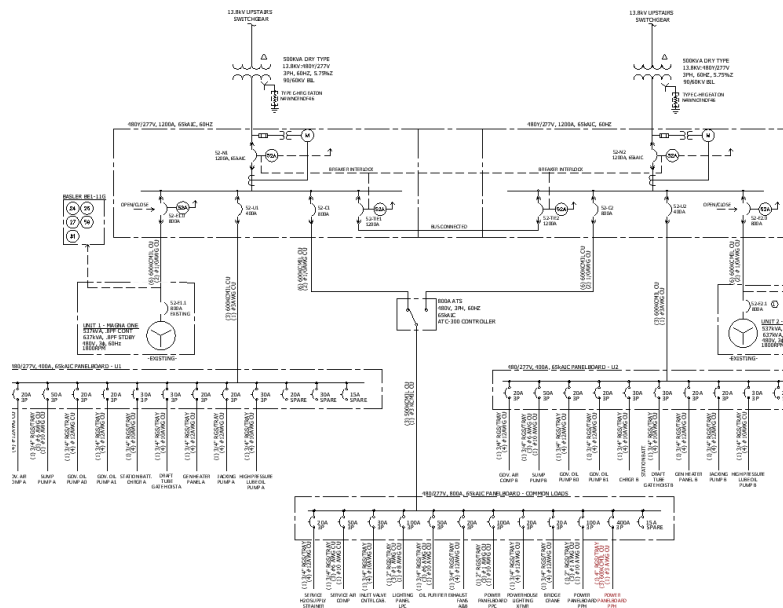
The Tyee and Swan Lake Governor Pressure System RR Projects 19303 and 19304 are currently in the engineering phase. These projects will replace the old site glasses with level sensing integrated sight glasses and level switches. Installation is scheduled to occur in July 2019.



Swan Lake Distribution Valve Controller & Manifold

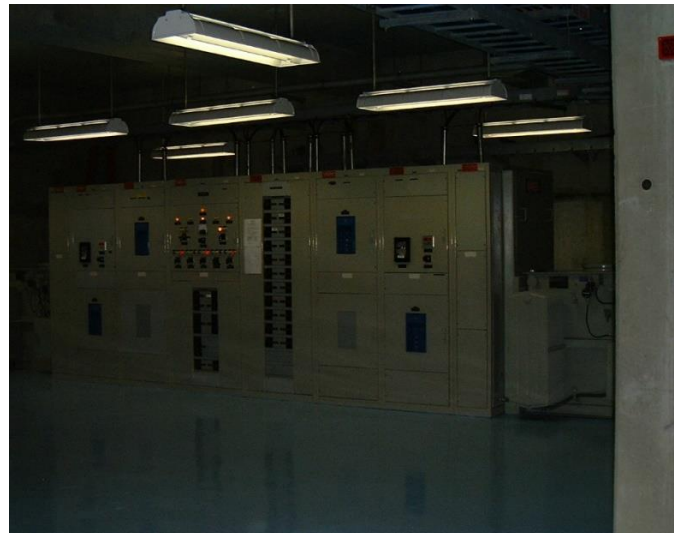
RR Project 19319 to replace the distributing valve controller assembly and governor manifold is complete (left). The RR Project will replace the Bosch/Rexroth proportional valves with an upgraded model similar to the one that is currently at Tyee, adding spare parts and reliability. Coincidentally, in November, the 65SD shutdown solenoid failed to operate at Swan Lake which resulted in a tear down to refurbish it. The unit is currently in operation however the assembly is showing signs of the end of its useful life. Installation of the new system is planned to occur in July 2019.

Swan Lake Station Service Switchgear



The Swan Lake Station Service Switchgear project pre-engineering design phase is complete. SEAPA issued a Request for Proposals on January 25 and conducted a mandatory site visit with contractors on February 13. The first phase of the project will be a complete engineering design. During the engineering design phase, long lead time items such as transformers will be ordered for Phase 2 (installation). Bids are due on March 11, 2019.

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.



Tyee Lake Level Remote RF-Modem



The Tyee Lake Level Project design was completed in September 2018 by SEAPA utilizing in-house engineering. Installation at the lake was completed on October 3, 2018. The lake level sensor is located 50' below the intake thereby allowing accurate measurements for the entire draft range.

The biggest challenge with remotely sending Tyee Lake level information with radios using Modbus-TCP is the distance and geography of the lake. The signal had to transmit down the canyon and around the corner from the Gate House to the Tyee Powerhouse (miles away). After installation of the Master Modem at the lake was complete, the Slave Modem was installed at the Tyee Satellite Platform. The project was a success and lake level values are now currently available remotely. The next phase of the project is to integrate the values into the SCADA system. A fiber-optic cable from the satellite platform to the Tyee powerhouse has been terminated.





SEAPA 2019 BOARD MEETING DATES

| Date(s) | Location | Comments |
|---|---|---|
| **Proposed Special Board Meeting** March 28, 2019 (Thurs) @ 3 PM AKDT | Telephonic @ SEAPA Offices Ketchikan | Purpose of the meeting: <ul style="list-style-type: none"> • Consideration and Approval of Contract Award for Swan Lake Station Service Switchgear Design-Build Project. • Consideration and Approval of Contract Award for Tyee Transmission Line Eagle Crossing Marker Ball Replacement Project • Other business that may be determined necessary |
| June 19-20, 2019 (Wed-Thurs) | Wrangell | Wed 1-5 / Thurs 9-2 |
| September 26-27, 2019 (Thurs-Fri) | Petersburg | Thurs 1-5 / Fri 9-2 |
| December 12, 2019 (Thursday) | Ketchikan | 9 – 5 PM |

2019

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| January S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 | February S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 | March S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 | April S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 |
| May S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 | June S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 | July S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 | August S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 |
| September S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 | October S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 | November S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 | December S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 |

2019 MEETING DATES | EVENTS

| DATE | ORGANIZATION/EVENT | LOCATION |
|----------------------|--|--|
| JANUARY | | |
| 1 | SEAPA Holiday (New Year's Day) | N/A |
| 3 | Ketchikan City Council | Ketchikan |
| 7 | Petersburg Borough Assembly | Petersburg |
| 8 | City & Borough of Wrangell Assembly | Wrangell |
| 17 | Ketchikan City Council | Ketchikan |
| 22 | Petersburg Borough Assembly | Petersburg |
| 22 | City & Borough of Wrangell Assembly | Wrangell |
| 29 – 31 | APA Manager's Forum & Legislative Conference | Juneau |
| FEBRUARY | | |
| 4 | Petersburg Borough Assembly | Petersburg |
| 7 | Ketchikan City Council | Ketchikan |
| 12 | City & Borough of Wrangell Assembly | Wrangell |
| 12-13 | Southeast Conference Mid-Session Summit | Juneau |
| 18 | SEAPA Holiday (President's Day) | N/A |
| 19 | Petersburg Borough Assembly | Petersburg |
| 21 | Ketchikan City Council | Ketchikan |
| 19-22 | NWHA Annual Conference & FERC Meeting | Portland |
| 26 | City & Borough of Wrangell Assembly | Wrangell |
| 28 (Thursday) | SEAPA BOARD MEETING | Ketchikan |
| MARCH | | |
| 4 | Petersburg Borough Assembly | Petersburg |
| 7 | Ketchikan City Council | Ketchikan |
| 12 | City & Borough of Wrangell Assembly | Wrangell |
| 18 | Petersburg Borough Assembly | Petersburg |
| 21 | Ketchikan City Council | Ketchikan |
| 26 | City & Borough of Wrangell Assembly | Wrangell |
| 28 (Thursday) | PROPOSED SEAPA SPECIAL BOARD MEETING | Telephonic @ SEAPA Offices, Ketchikan |
| APRIL | | |
| 1 | Petersburg Borough Assembly | Petersburg |
| 1-3 | NHA Waterpower Week (hydro/marine energy) | Washington DC |
| 4 | Ketchikan City Council | Ketchikan |
| 9 | City & Borough of Wrangell Assembly | Wrangell |
| 15 | Petersburg Borough Assembly | Petersburg |
| 18 | Ketchikan City Council | Ketchikan |
| 23 | City & Borough of Wrangell Assembly | Wrangell |
| MAY | | |
| 2 | Ketchikan City Council | Ketchikan |
| 6 | Petersburg Borough Assembly | Petersburg |
| 14 | City & Borough of Wrangell Assembly | Wrangell |
| 15-16 | NWHA Strategic Planning Meeting | Ketchikan |
| 16 | Ketchikan City Council | Ketchikan |
| 20 | Petersburg Borough Assembly | Petersburg |
| 27 | SEAPA Holiday (Memorial Day) | N/A |
| 28 | City & Borough of Wrangell Assembly | Wrangell |
| JUNE | | |
| 3 | Petersburg Borough Assembly | Petersburg |
| 4-6 | APA Federal Legislative Conference | Washington, D.C. |
| 6 | Ketchikan City Council | Ketchikan |
| 11 | City & Borough of Wrangell Assembly | Wrangell |
| 17 | Petersburg Borough Assembly | Petersburg |
| 19-20 (W-T) | SEAPA BOARD MEETING | Wrangell |
| 20 | Ketchikan City Council | Ketchikan |
| 23-25 | HydroVision International | Conference – Portland |
| 25 | City and Borough of Wrangell Assembly | Wrangell |

| JULY | | |
|---------------|--|------------|
| 1 | Petersburg Borough Assembly | Petersburg |
| 4 | SEAPA Holiday (Independence Day) | N/A |
| 8 | Ketchikan City Council | Ketchikan |
| 15 | Petersburg Borough Assembly | Petersburg |
| 15-18 | AEGIS Policy Holder's Conference | Boston |
| 18 | Ketchikan City Council | Ketchikan |
| 23 | City & Borough of Wrangell Assembly | Wrangell |
| AUGUST | | |
| 1 | Ketchikan City Council | Ketchikan |
| 5 | Petersburg Borough Assembly | Petersburg |
| 15 | Ketchikan City Council | Ketchikan |
| 19 | Petersburg Borough Assembly | Petersburg |
| 19-23 | NHA (19-20) / Alaska Power Assoc. (20-23) Annual Mtg | Juneau |
| 27 | City & Borough of Wrangell Assembly | Wrangell |
| SEPTEMBER | | |
| 2 | SEAPA Holiday (Labor Day) | N/A |
| 3 | 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 |
| 26-27 (T-F) | SEAPA BOARD MEETING | Petersburg |
| OCTOBER | | |
| 3 | Ketchikan City Council | Ketchikan |
| 7 | Petersburg Borough Assembly | Petersburg |
| 8 | City & Borough of Wrangell Assembly | Wrangell |
| 10-11 | APA Accounting & Finance Workshop | Anchorage |
| 17 | Ketchikan City Council | Ketchikan |
| 21 | Petersburg Borough Assembly | Petersburg |
| 22 | City & Borough of Wrangell Assembly | Wrangell |
| TBD | SEAPA Annual Audit | Ketchikan |
| NOVEMBER | | |
| 4 | Petersburg Borough Assembly | Petersburg |
| 7 | Ketchikan City Council | Ketchikan |
| 11 | SEAPA Holiday (Veteran's Day – Observed) | N/A |
| 12 | City & Borough of Wrangell Assembly | Wrangell |
| 18 | Petersburg Borough Assembly | Petersburg |
| 21 | Ketchikan City Council | Ketchikan |
| 26 | City & Borough of Wrangell Assembly | Wrangell |
| 28-29 | SEAPA Holiday (Thanksgiving & Day After) | N/A |
| DECEMBER | | |
| 2 | Petersburg Borough Assembly | Petersburg |
| 5 | Ketchikan City Council | Ketchikan |
| 10 | City & Borough of Wrangell Assembly | Wrangell |
| 12 (Thursday) | SEAPA BOARD MEETING | Ketchikan |
| 12-13 | APA Annual December Meeting Series | Anchorage |
| 16 | Petersburg Borough Assembly | Petersburg |
| 19 | Ketchikan City Council | Ketchikan |
| 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