



SOUTHEAST ALASKA POWER AGENCY

Regular Board Meeting AGENDA

Petersburg Borough Chambers | Petersburg, Alaska

Monday, September 14, 2015 | 1:00 p.m. to 5:00 p.m. AKDT
Tuesday, September 15, 2015 | 9:00 a.m. to 12:00 Noon AKDT

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

Agenda for Monday, September 14, 2015

1. Call to Order
 - A. Roll Call
 - B. Communications/Lay on the Table Items
 - C. Disclosure of Conflicts of Interest
2. Approval of the Agenda
3. Persons to be Heard:
 - A. Ted Smith, Petersburg Resident
4. Review and Approve Minutes
 - A. June 10, 2015 Minutes of Regular Board Meeting
 - B. July 7, 2015 Minutes of Special Board Meeting
5. Financial Reports
 - A. CEO Financial Cover Memo
 - B. Controller's Report
 - C. kWh Graph
 - D. Grant Summary
 - E. Financial Statements – May 2015
 - F. Financial Statements – June 2015
 - G. Financial Statements – July 2015
 - H. R&R Reports
 - I. Disbursement Approvals – June, July, and August 2015
6. CEO Report
7. Staff Reports
 - A. Operations Manager's Report (*Henson*)
 - (i) Swan Lake Report
 - (ii) Tyee Lake Report
 - B. Director of Special Projects Report (*Wolfe*)
 - C. Power Systems Specialist (*Schofield*)

Agenda for Tuesday, September 15, 2015

8. Call to Order
 - A. Roll Call
9. New Business
 - A. Discussion Re Potential Unit 1 Rewind at Swan Lake
 - B. Consideration and Approval of Contract Award Re Two (2) Used S65 Genie Manlifts
 - C. Consideration and Approval of Sole Source Contracts to Futaris to extend SEAPA's Communication Network to Tyee
 - D. Consideration and Approval of Sole Source Contract to Sunrise Aviation
 - E. Review of Employee Benefits Plan FY16 Renewal Rates
 - F. Consideration and Approval of Resolution No. 2016-059 Re Approval of Signature Authorities
 - G. Consideration and Approval of Resolution No. 2016-060 Re Special Use Authorization for Use and Occupancy of National Forest Service Lands
 - H. Consideration and Approval of Resolution No. 2016-061 Re Acquisition and Disposal of Capital Assets
 - I. Executive Session Re: Status of Bell Island and Update on Mahoney Lake Stay Legislation
 - J. Discussion Re Wholesale Power Rate
 - K. Next Meeting Date
10. Director Comments
11. Adjourn



SOUTHEAST ALASKA POWER AGENCY

Minutes of Regular Meeting

June 10, 2015

Best Western Sunny Point Ball Room
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 Jensen called the meeting to order at 9:00 a.m. AKDT on June 10, 2015. The following directors and alternates were present, thus establishing a quorum of the board:

Director	Alternate	Representing	
Lew Williams	Bill Rotecki	Swan Lake	Ketchikan
Judy Zenge	Andy Donato	Swan Lake	Ketchikan
Matt Olsen	Charles Freeman	Swan Lake	Ketchikan
Joe Nelson	John Jensen	Tyee Lake	Petersburg
*	Clay Hammer	Tyee Lake	Wrangell

*It is noted that although Director, Stephen Prysunka, was not available for the meeting, he called in for a brief period during the Persons to be Heard portion of the meeting.

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

Trey Acteson, Chief Executive Officer	Eric Wolfe, Director of Special Projects
Ed Schofield, Power System Specialist	Steve Henson, Operations Manager
Sharon Thompson, Executive Assistant	Kay Key, Controller
Joel Paisner, Ascent Law Partners, LLC	Lisa Maddocks, Administrative Assistant

- B. *Communications/Lay on the Table* – None.

- C. *Disclosure of Conflicts of Interest* – Mr. Williams reported a conflict of interest in his capacity as a board member and ownership interest in the Ketchikan Daily News as the Agency had paid invoices from the Ketchikan Daily News.

2) Approval of the Agenda

➤ Motion	M/S (Williams/Hammer) to approve the Agenda as presented. Motion approved unanimously by polled vote.	Action 15-414
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- 3) **Persons to be Heard** – (1) Gage Tree Services Representative
(2) Stephen Prysunka

4) Review and Approve Minutes

➤ Motion	M/S (Williams/Olsen) to approve the Minutes of the Regular Meeting of March 25-26, 2015 and Special Meeting of May 15, 2015. Motion approved unanimously by polled vote.	Action 15-415
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5) Financial Reports

- (A) Mr. Acteson reported that revenues through May 2015 were below budget, that staff's processing of seven major RFP's would rapidly accelerate R&R spending during the upcoming construction season, and that the sale of SEAPA's Series 2015 Electric Revenue Improvement and Refunding Bonds on May 6, 2015 was successful.

➤ Motion	M/S (Williams/Hammer) to approve the financial statements for the months of February, March, and April 2015. Motion approved unanimously by polled vote.	Action 15-416
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➤ Motion	M/S (Williams/Olsen) to approve disbursements for the months of March, April, and May 2015 in the amount of \$1,993,912.08. Motion approved unanimously by polled vote.	Action 15-417
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6) CEO Report

Mr. Acteson explained the benefits of SEAPA's access to the Alaska Municipal Bond Bank, and voiced concerns over House Bill 78, the Alaska Competitive Energy Act of 2015 which attempts to force RCA regulatory oversight on SEAPA. He reported that he was able to meet with Senator Murkowski, Congressman Young, and Senator Sullivan during a trip to Washington, DC for the National Hydro Association's Annual Conference. Mr. Acteson advised he supported the Southern Southeast Aquaculture Association's (SSRAA) placement of pens near SEAPA's Swan Lake facility to resume release of King Salmon in upper Carroll Inlet, authorized mooring at the Swan Lake Dock for SSRAA's skiff, and authorized a base for the individuals tending the pens for approximately six weeks to show SEAPA's support of healthy fisheries. Mr. Acteson advised that Chris Barnett was hired as SEAPA's new Operator/Electrician at Tyee and that SEAPA was currently recruiting for a summer engineering intern.

The meeting recessed at 9:49 a.m. and resumed at 9:56 a.m.

7) A. Operations Manager Report (Steve Henson) – Mr. Henson's provided updates on several of SEAPA's major contracts and projects, one of which was Mapcon. Mr. Acteson elaborated on the benefits of a new, user-friendly version of Mapcon currently on the market. A brief exchange followed and Mr. Henson advised that the plant crews will have an opportunity to review the new program prior to an upgrade of the current system and centralization into the SEAPA office. Mr. Henson reported on activities at the Tyee Lake plant advising that annual maintenance of the generation and transmission facilities have been ongoing for the past several weeks and that refurbishment of the turbine shutoff valve hydraulic controls for Unit 1 was progressing. Mr. Henson followed with a slide show on what the crews do on the transmission lines, the clearing taking place on Vank Island, problems caused by birds on the lines, and various problems on different tower structures and poles. He recommended that SEAPA start pole replacement at the 40-year mark.

B. Director of Special Projects Report (Eric Wolfe, P.E.) – Mr. Wolfe opened with slides of load forecasting efforts. He explained that if there is no load forecast, there is no forward future plan, and further expounded on the need for a load forecast. He advised that utilities need to plan for capacity issues, which generated further discussion on how the data would be acquired for SEAPA's forecasting effort. Mr. Wolfe provided an update on the Swan Lake Reservoir Expansion Project, advising that if the application for license amendment is granted by October, then construction would still be on schedule. He provided further updates on the Tyee Lake Turbine Spherical Valve Project and hydrosite analysis

accomplishments to date. He summarized the geothermal investigations that had taken place at Bell Island and provided an update on water management.

The meeting recessed at 11:39 a.m. and reconvened at 11:47 a.m.

C. **Power System Specialist Report (Ed Schofield)** – Mr. Schofield reported on the various FERC related activities that had transpired since the last meeting noting that staff would be submitting an updated Supporting Technical Information Document to FERC by July 31, 2015. He provided an update on the Tyee Bureau of Reclamation Facility Review, and reported a 208 50-amp circuit outlet had been installed in SEAPA's server room to accommodate a new battery back-up system, and the corresponding need for a climate control system in the server room. He explained that proposals were solicited for the replacement of the Swan Lake Powerhouse roof, and that staff will seek approval for the design and purchase of Basler hardware for SEAPA's Swan Lake Generator Exciter Replacement and that once a vendor is approved, staff will solicit proposals for the installation of new switchgear and the exciter as one project.

8. **Project Reports** – Mr. Donato provided a report on behalf of Swan Lake.

The meeting recessed at 12:17 p.m. for lunch and resumed at 1:17 p.m.

9) **New Business.**

A. *Appointment of SEAPA Representative on Alaska Power Association Board.*

➤ Motion	M/S (Williams/Hammer) to appoint Trey Acteson to serve as SEAPA's representative on the Alaska Power Association's Board of Directors for a three-year term commencing August 27, 2015. Motion approved unanimously by polled vote.	Action 15-418
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It is noted for the record that Item 9.F. (seeking approval of an award for the Swan Lake Medium Voltage Switchgear Generator Breaker Replacement Project) and Item 9.H. (seeking approval of an award for Phase II of the Swan-Tyee Intertie Helipad Project (Assembly & Installation)) were inadvertently heard out of order during this portion of the meeting.

B. *Swan Lake Medium Voltage Switchgear Generator Breaker Replacement Project*

➤ Motion	M/S (Williams/Zenge) to authorize staff to enter into a contract with Gexpro Corporation for SEAPA's Swan Lake Medium Voltage Switchgear / Generator Breaker Replacement Project for the not-to-exceed value of \$480,278. Motion approved unanimously by polled vote.	Action 15-419
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C. *Phase II of Swan-Tyee Intertie Helipad Project (Assembly & Installation)*

➤ Motion	M/S (Williams/Hammer) to authorize staff to enter into a contract with BAM, LLC for Phase II of SEAPA's Swan-Tyee Intertie Helipad Project (Assembly and Installation) for the not-to-exceed value of \$2,148,100. Motion approved unanimously by polled vote.	Action 15-420
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D. *Wrangell Switchyard Reactor Installation Project*

➤ Motion	M/S (Williams/Olsen) to authorize staff to enter into a contract with Electric Power Constructors, Inc. for the installation of two reactors in the Wrangell, Alaska Switchyard for SEAPA's Wrangell Switchyard Reactor Installation Project for the not-to-exceed value of \$218,259. Motion approved unanimously by polled vote.	Action 15-421
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E. *Swan Lake Transmission Line Helicopter Pad Repair Project*

➤ Motion	M/S (Williams/Olsen) to authorize staff to enter into a contract with Alaska Clearing, Inc. for SEAPA's Swan Lake Transmission Line Helicopter Pad Repair Project for the not-to-exceed value of \$100,000. Motion approved unanimously by polled vote.	Action 15-422
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F. *Swan Lake Transmission Line Brushing Project*

➤ Motion	M/S (Williams/Olsen) to authorize SEAPA staff to enter into a contract with Carlos Tree Service, Inc. for SEAPA's Swan Lake Transmission Line Brushing Project for the not-to-exceed value of \$203,000. Motion approved unanimously by polled vote.	Action 15-423
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G. *Swan Lake Reservoir Expansion Project (Engineering Services)*

➤ Motion	M/S (Williams/Hammer) to authorize staff to enter into a contract with McMillen LLC for engineering services for SEAPA's Swan Lake Reservoir Expansion Project for the not-to-exceed value of \$456,510. Motion approved unanimously by polled vote.	Action 15-424
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H. *Sole Source Award for Swan Lake Exciter Replacement Project*

➤ Motion	M/S (Williams/Hammer) to authorize staff to enter into a Purchase Order Contract with Basler Electric through its sales representative, DCS-Morgan, for the design and purchase of Basler Hardware for SEAPA's Swan Lake Exciter Replacement Project for the not-to-exceed value of \$283,558.06. Motion approved unanimously by polled vote.	Action 15-425
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I. *2016 Transmission Line Maintenance*

➤ Motion	M/S (Williams/Olsen) to authorize staff to exercise an option in writing and contract with Chatham Electric, Inc. to perform SEAPA's Annual Transmission Line Maintenance for Swan Lake, Tyee Lake, and the Swan-Tyee Intertie Transmission Lines for Calendar Year 2016 for the not-to-exceed value of \$524,910. The motion passed four to one with Mr. Olsen, Ms. Zenge, Mr. Williams, and Mr. Hammer voted in favor of the motion, and Mr. Nelson voted against the motion.	Action 15-426
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J. Increase to Hydropower Site Evaluation Contracts

➤ Motion	M/S (Williams/Olsen) to increase the not-to-exceed value of Hydropower Site Evaluation contracts with McMillen LLC by \$380,625 for a total not-to-exceed amount of \$2,080,625 and authorize staff to enter into such contracts to effect same. Motion approved unanimously by polled vote.	Action 15-427
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K. Suplus Equipment: Tyee Lake Boom Truck

➤ Motion	M/S (Williams/Olsen) that the red 1988 Boom Truck, VIN #1FDM F60H 4JVA 52335 Boom S/N 1705116 located at Tyee Lake be declared surplus equipment and sold to the highest bidder. Motion approved unanimously by polled vote.	Action 15-428
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L. SEAPA FY15 Audit Services

➤ Motion	M/S (Williams/Hammer) to authorize staff to enter into a contract with BDO USA, LLP for the value of \$26,000 for SEAPA's Fiscal Year 2015 financial audit. Motion approved unanimously by polled vote.	Action 15-429
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M. Presentation, consideration, and approval of SEAPA's Fiscal Year 2016 Budget

➤ Motion	M/S (Williams/Olsen) to approve the Southeast Alaska Power Agency Fiscal Year 2016 Operating Budget in the amount of \$7,352,228.	Action 15-430
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Following the motion, Mr. Acteson presented and discussed SEAPA's Fiscal Year 2016 budget. Discussions ensued following the introduction of the administrative expense, Budget Item #920000 on the suggested 2% increase for eligible SEAPA staff. The following motion was made following those discussions:

➤ Motion	M/S (Williams/Nelson) to eliminate the 2% increase for eligible SEAPA staff from the proposed FY16 Budget Item #920000. The motion failed four to one with Mr. Olsen, Mr. Nelson, Ms. Zenge, and Mr. Hammer voting against the motion, and Mr. Williams voting in favor of the motion.	Action 15-431
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➤ Motion	M/S (Olsen/Zenge) that the 2% increase for eligible SEAPA staff proposed in SEAPA's FY16 Budget Item #920000 be reduced from 2% to 1.5%. The motion passed four to one with Mr. Nelson, Ms. Zenge, Mr. Olsen and Mr. Hammer voting in favor of the motion, and Mr. Williams voting against the motion.	Action 15-432
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Mr. Acteson continued with explanation of each of the remainder of SEAPA's proposed budget line items. Following additional questions and discussions, the Chairman advised a friendly amendment would be made to the initial motion for approval of the FY16 budget to reflect the

change from 2% to 1.5% for the wage increase for eligible SEAPA staff. A roll call vote was taken on the following initial motion changed to reflect the friendly amendment as follows:

➤ Motion	M/S (Williams/Olsen) to approve the Southeast Alaska Power Agency Fiscal Year 2016 Operating Budget in the amount of \$7,352,228 is amended to reduce the budget by \$3,900 for an amended total of \$7,348,328, which reflects a change from a proposed 2% wage increase to 1.5% for eligible SEAPA staff. Motion approved unanimously by polled vote.	Action 15-430 Cont'd.
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The meeting recessed at 3:27 p.m. and reconvened at 3:48 p.m.

Mr. Acteson reviewed the current and new proposed Fiscal Year 2016 R&R Projects. Following the review and discussion, the following motions were made:

➤ Motion	M/S (Williams/Hammer) to approve the Swan Lake Reservoir Expansion FY2016 budget in the amount of \$3,697,143. Motion approved unanimously by polled vote.	Action 15-433
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➤ Motion	M/S (Williams/Nelson) to approve Current R&R Projects' FY2016 budget in the amount of \$6,621,999. Motion approved unanimously by polled vote.	Action 15-434
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➤ Motion	M/S (Williams/Hammer) to approve the Proposed FY2016 R&R Projects numbered 1601, 1602, 1603, 1604, 1605, 1606, 1607, 1608, and 1609 totaling \$1,544,541. Motion approved unanimously by polled vote.	Action 15-435
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➤ Motion	M/S (Hammer/Olsen) to approve the Wind Energy Project Feasibility FY2016 budget in the amount of \$71,921. The motion passed four to one with Mr. Olsen, Mr. Nelson, Ms. Zenge, and Mr. Hammer voting in favor of the motion, and Mr. Williams voting against the motion.	Action 15-436
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N. *FY16 Rebate*. Mr. Acteson distributed a SEAPA Fund Flow Chart for FY16 and a table explaining the estimate provided for a proposed rebate to the member utilities based on a three-year average from FY2015. Following an explanation of the flow chart and rebate estimate, and further discussion, the following motion was made:

➤ Motion	M/S (Williams/Olsen) to establish a rebate to the member utilities in the amount of \$1,500,000. Motion approved unanimously by polled vote.	Action 15-437
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O. *Wholesale Power Rate for 2016*. Mr. Acteson explained that the FY16 budget was premised on retaining the current wholesale power rate of 6.8 cents/kWh, which has remained constant for the past 17 years.

➤ Motion	M/S (Williams/Olsen) to approve setting SEAPA's wholesale power rate at 6.8 cents/kWh for Fiscal Year 2016. Following discussion of the pros and cons of lowering the wholesale power rate, it was determined that although this motion sets the rate at 6.8 cents/kWh for FY2016, that further discussion	Action 15-438
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regarding lowering the wholesale power rate be included on the agenda at SEAPA's next regular board meeting. Motion approved unanimously by polled vote.

P. Executive Session

➤ **Motion**

M/S (Hammer/Olsen) to recess into Executive Session to facilitate discussions relating to a request by AP&T for a Confidentiality and Non-Circumvention Agreement, and related matters. The Executive Session will be conducted pursuant to SEAPA's Bylaws, which are consistent with Alaska Statute 44.62.310 as the discussions will involve matters discussed with an attorney retained by the board, the immediate knowledge of which could have an adverse effect on the legal position of the Agency, the Projects, or any of the Member Utilities represented on the Board. Motion approved unanimously by polled vote.

Action
15-439

It is noted for the record that Mr. Williams left for the remainder of the meeting prior to the executive session.

The meeting recessed for the executive session at 5:03 p.m. and reconvened at 5:59 p.m.

No formal action was taken following the executive session.

Q. Next Meeting Date

After discussing various board members' schedules, the board reached a consensus on the following dates for regular meetings of the directors for the remainder of 2015:

September 23-24, 2015 (Petersburg)
December 9-10, 2015 (Ketchikan)

10) Director Comments – Directors provided brief comments.

11) Adjourn

Chairman Jensen adjourned the meeting at 6:07 p.m. AKDT.

Signed:

Attest:

Secretary/Treasurer

Chairman



SOUTHEAST ALASKA POWER AGENCY

Minutes of Special Meeting

July 7, 2015

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 Jensen called the meeting to order at 10:00 a.m. AKDT on July 7, 2015. The following directors and alternates were present, thus establishing a quorum of the board:

Director	Alternate	Representing	
Lew Williams	Bill Rotecki (telephonic)	Swan Lake	Ketchikan
Judy Zenge	Andy Donato	Swan Lake	Ketchikan
	Charles Freeman	Swan Lake	Ketchikan
Stephen Prysunka (telephonic)	Clay Hammer (telephonic)	Tyee Lake	Wrangell
Joe Nelson (telephonic)	John Jensen (telephonic)	Tyee Lake	Petersburg

The following SEAPA staff were present either in person or telephonically for all or part of the meeting:

Trey Acteson, Chief Executive Officer	Steve Henson, Operations Manager
Ed Schofield, Power System Specialist	Sharon Thompson, Executive Assistant
Lisa Maddocks, Administrative Assistant	Joel Paisner, Ascent Law Partners, LLC

2) Approval of the Agenda

➤ Motion	M/S (Williams/Zenge) to approve the agenda. Chairman Jensen requested the Agenda be amended to include Persons to be Heard. Mr. Nelson and Mr. Prysunka objected to the request. Mr. Paisner explained that a frustrated bidder wished to address a claim, and after further discussion. Chairman Jensen advised the Agenda would be amended to allow Persons to be Heard but would limit the discussion for each person to five minutes. There were no further objections.	Action 16-440
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3) Persons to be Heard

Attorney John Ahlers, representing STG, Inc., a frustrated bidder for Phase II of SEAPA's Swan-Tyee Intertie Helipad Project (Assembly and Installation) addressed the Board explaining STG's position. Mark Johnson and Brad Finney of BAM, LLC also addressed the board, explaining BAM's position on the project.

4) New Business

A. *Contract Award re Swan Lake Powerhouse Roof Membrane Project.*

Mr. Schofield explained that the Swan Lake Powerhouse Roof Membrane project had gone out to bid and that after SEAPA issued a Notice of Recommendation of Award to CBC Construction, Inc. that one of the other bidders appealed SEAPA's recommendation of award to CBC. Mr. Paisner spoke to the circumstances of the appeal. Following further discussion on the project and the appeal, Chairman Jensen requested a motion.

➤ Motion	M/S (Williams/Zenge) to authorize staff to enter into a contract with CBC Construction Inc. for the not-to-exceed value of \$396,080 for the removal of the existing powerhouse roofing system and installation of a new PVC membrane roofing system for SEAPA's Swan Lake Powerhouse Roof Membrane Project. Mr. Nelson expressed concerns with the flat roof design and range of bids received, which prompted further considerable discussion on the project. Following that discussion, the motion passed 4 to 1 with Mr. Prysunka, Mr. Freeman, Ms. Zenge, and Mr. Williams voting yes, and Mr. Nelson voting no.	Action 16-441
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B. *Increase to Contract re Swan Lake Exciter Replacement Project.*

➤ Motion	M/S (Prysunka/Williams) to authorize staff to increase the not-to-exceed value for the Purchase Order Contract with Basler Electric for the design and purchase of Basler Hardware for SEAPA's Swan Lake Exciter Replacement Project by \$143,575 for a total not-to-exceed value of \$427,133 for the Purchase Order Contract. Motion approved unanimously by polled vote.	Action 16-442
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C. *Executive Session.*

➤ Motion	M/S (Williams/Zenge) to recess into Executive Session to facilitate discussions relating to obtaining legal advice regarding an appeal of the Agency's Recommendation of Award to BAM LLC for its Swan-Tyee Helipad Project (Assembly and Installation of Phase II Helipads), and to discuss the Agency's legal strategy regarding the Mahoney Lake Hydroelectric Project. The Executive Session will be conducted pursuant to SEAPA's Bylaws, which are consistent with Alaska Statute 44.62.310 as the discussions will involve matters discussed with an attorney retained by the board, the immediate knowledge of which could have an adverse effect upon the finances and legal position of the Agency, the Projects, or any of the Member Utilities represented on the board. Motion approved unanimously by polled vote.	Action 16-443
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The meeting recessed at 10:41 a.m. for an executive session. The meeting resumed into regular session at 11:20 a.m. and the following motion was made:

➤ Motion	M/S (Williams/Zenge) that at its June 10, 2015 board meeting, the SEAPA Board of Directors authorized staff to enter into a contract with BAM, LLC for Phase II of SEAPA's Swan-Tyee Intertie Helipad Project (Assembly and Installation) for the not-to-exceed value of \$2,148,100. STG Incorporated timely appealed the award. The Board having met in Executive Session and considered STG's appeal and responses thereto, finds that STG's appeal is denied. BAM's bid is not rendered non-responsive by its failure to timely file its corporate Biennial Report and BAM, LLC did not gain any significant advantage over other bidders by virtue of its noncompliance with that requirement. The Board upholds its authorization to SEAPA staff to enter into a contract with BAM, LLC for Phase II of SEAPA's Swan-Tyee Intertie Helipad Project (Assembly and Installation) for the not-to-exceed value of \$2,148,100 as unanimously approved by a polled vote at its June 10, 2015 board meeting. Motion approved unanimously by polled vote.	Action 16-444
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5) Adjourn

Chairman Jensen requested a motion to adjourn.

➤ Motion	M/S (Freeman/Zenge) to adjourn the meeting. There were no objections to the motion.	Action 16-445
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Chairman Jensen adjourned the meeting at 11:23 a.m. AKDT.

Signed:

Attest:

Secretary/Treasurer

Chairman



Southeast Alaska Power Agency CEO Financial Cover Letter

DATE: September 8, 2015
TO: SEAPA Board of Directors
FROM: Trey Acteson, CEO

SEAPA remains financially sound. The financial statements in your Board packets include May, June (FY15 year-end), and July of 2015. The power sales graphs include the most recent numbers available through August 2015.

REVENUE & EXPENSES: FY15 year-end revenues were approximately 9% under budget at \$10,652,158 actual vs. \$11,681,652 budget. This was offset by administrative and operating expenses coming in under budget at \$6,330,353 actual vs. \$7,745,175 budget. FY15 books closed in line with forecasts provided during our budget meeting in early June.

July 2015 revenues started out the new fiscal year higher than budget, but were tempered by low August sales to KPU. As indicated in the Power Sales Graph, revenues year-to-date are slightly below budget. Administrative and operating expenses for July 2015 were 10% below budget.

CONSTRUCTION FUND: Staff created a Construction Fund in May to hold and track the \$6 million in new money raised through the sale of bonds for the Swan Lake Reservoir Expansion Project. Now that we have received approval of our license amendment, we will investigate investment options that align with SEAPA's Investment Policy and are timed to meet capital disbursement needs of the project.

RENEWAL & REPLACEMENT PROJECTS: July 2015 R&R project expenditures were low mainly due to the lag between ordering and receiving. Staff also focused on long lead-time items and contract placements. Additionally, the Helipad Project experienced an initial delay while the contract award dispute process was completed.



SOUTHEAST ALASKA POWER AGENCY

Controller's Report
Kay Key | September 2015

Date: September 1, 2015
To: Trey Acteson, CEO
From: Kay Key
Subject: Financial Statements for September 14-15, 2015 Board Meeting

SUGGESTED MOTION

I move to approve financial statements for the months of
May, June and July 2015.

Financial reports for FY2015 and FY2016 are included in this board packet:

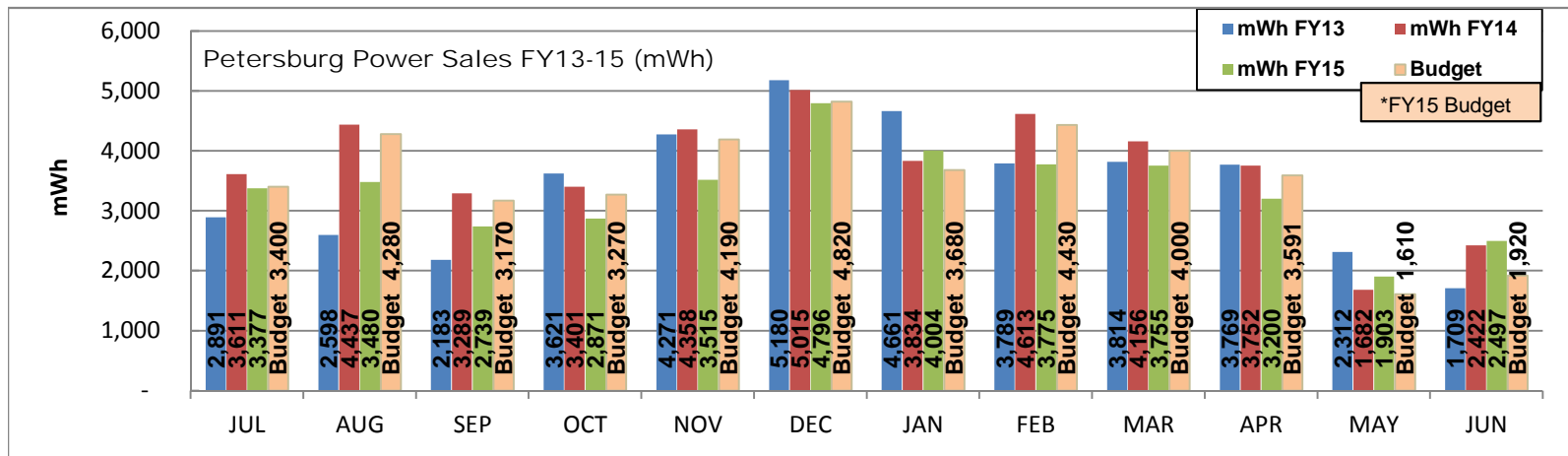
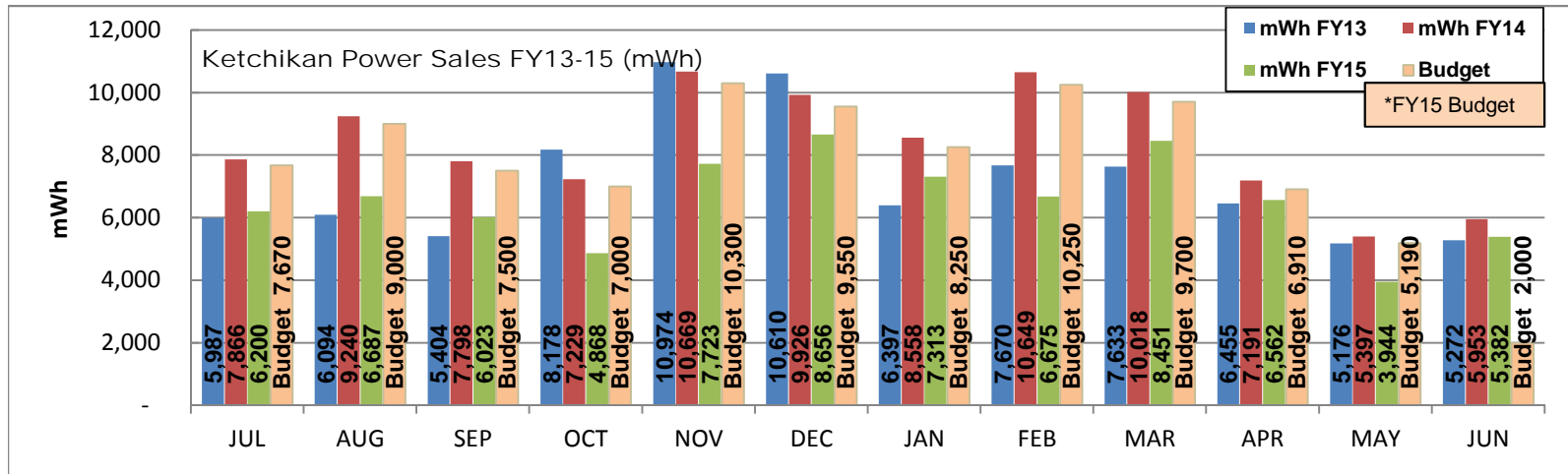
- **FY15 kWh Graph**
- **FY16 kWh Graph** (through August, 2015)
- **FY15 Grant Summary**
- **Monthly Financial Statements for May, June and July, 2015:**
 - ✓ Financial Overview
 - ✓ Fund Allocation Graph
 - ✓ Statement of Financial Position – Summary
 - ✓ Statement of Activities – Summary
 - ✓ Statement of Financial Position – Detail
 - ✓ Statement of Activities – Budget Comparison
- **FY15 R&R Summary and Detail**
- **FY16 R&R Summary**

- **Disbursement Approval for June, July and August, 2015** (with Suggested Motion)

SOUTHEAST ALASKA POWER AGENCY

Power Sales - FY13 through FY15

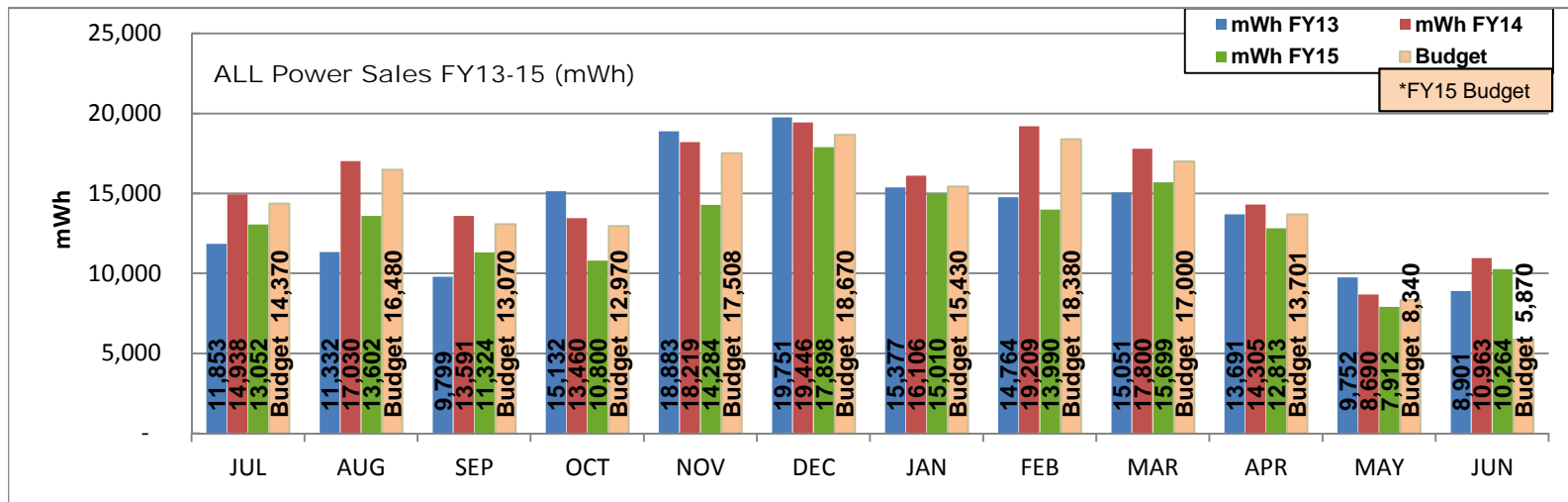
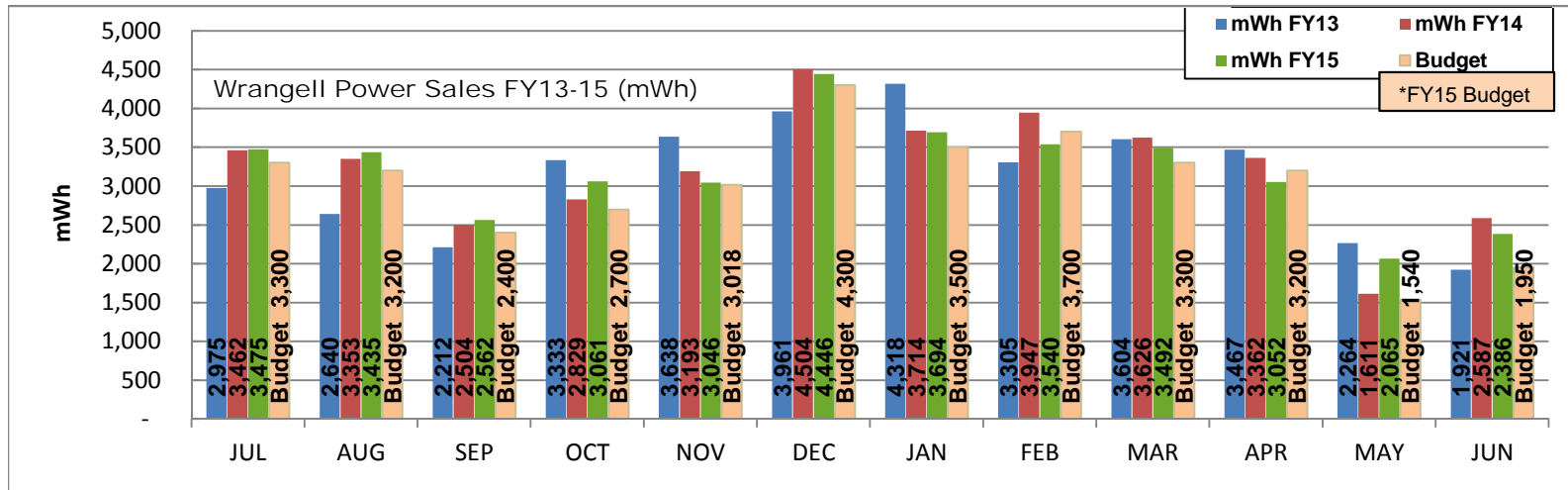
JUN 2015	FY15 kWh Hydropower Sales	Current Month		Year-To-Date	
		Actual	Budget	Actual	Budget
	Ketchikan Power Purchases	5,382,000	2,000,000	78,484,000	93,320,000
	Petersburg Power Purchases	2,496,830	1,920,000	39,911,120	42,361,000
	Wrangell Power Purchases	2,385,500	1,950,000	38,254,270	36,108,000
	Total Power Purchases	10,264,330	5,870,000	156,649,390	171,789,000



SOUTHEAST ALASKA POWER AGENCY

Power Sales - FY13 through FY15

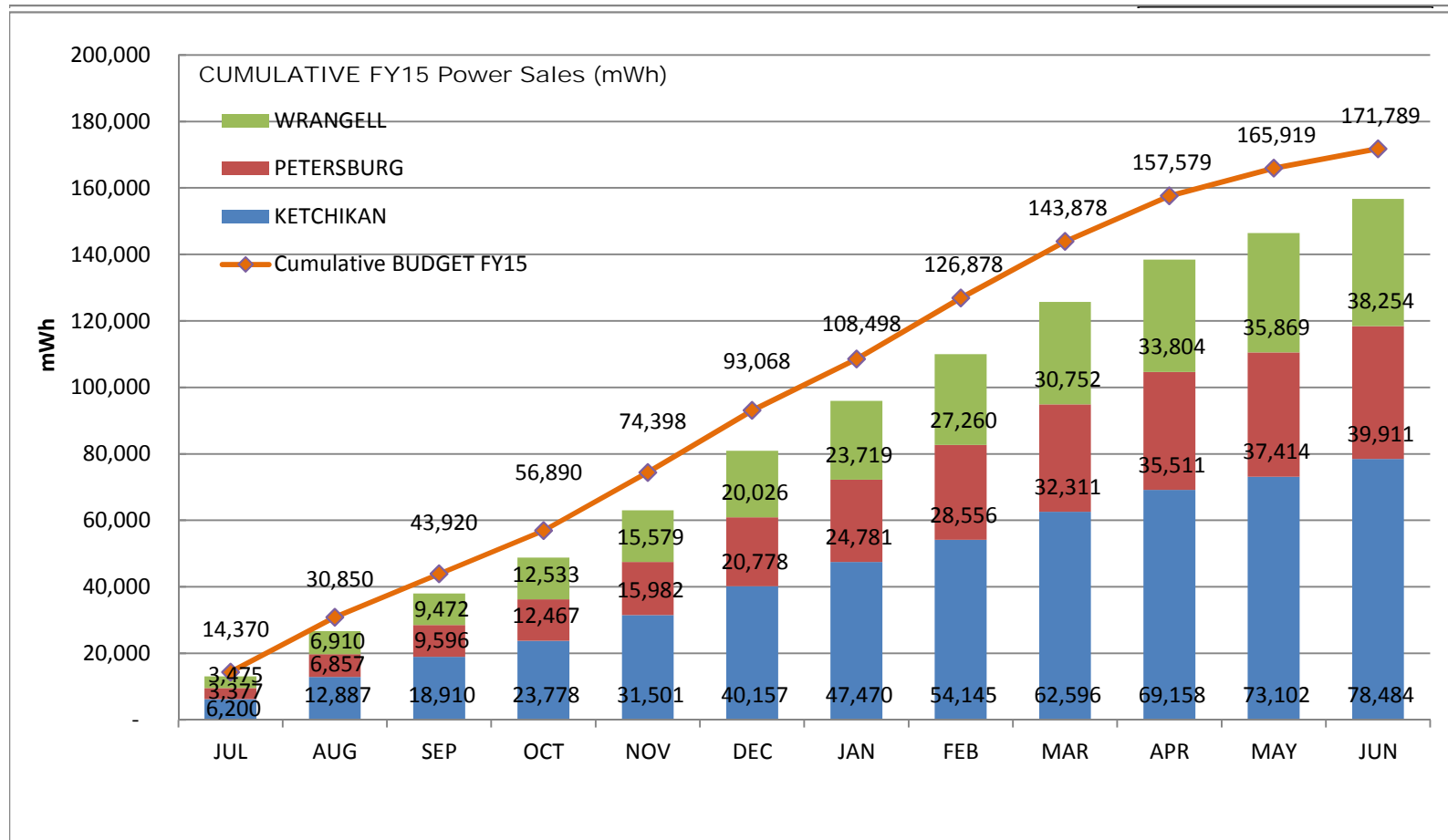
JUN 2015	FY15 kWh Hydropower Sales	Current Month		Year-To-Date	
		Actual	Budget	Actual	Budget
	Ketchikan Power Purchases	5,382,000	2,000,000	78,484,000	93,320,000
	Petersburg Power Purchases	2,496,830	1,920,000	39,911,120	42,361,000
	Wrangell Power Purchases	2,385,500	1,950,000	38,254,270	36,108,000
	Total Power Purchases	10,264,330	5,870,000	156,649,390	171,789,000



SOUTHEAST ALASKA POWER AGENCY

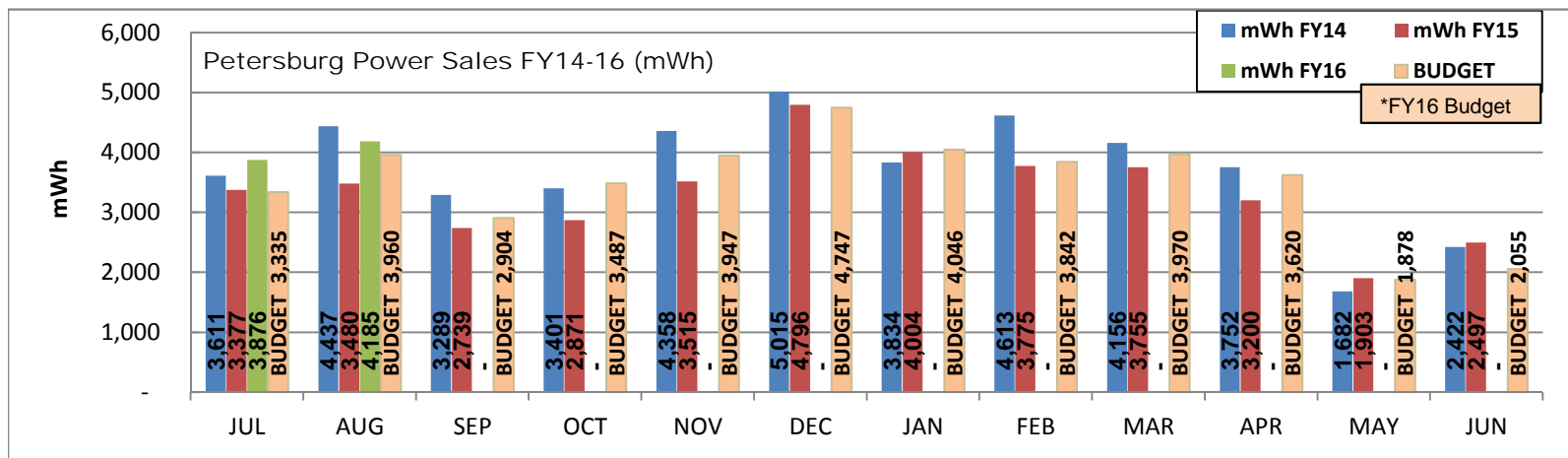
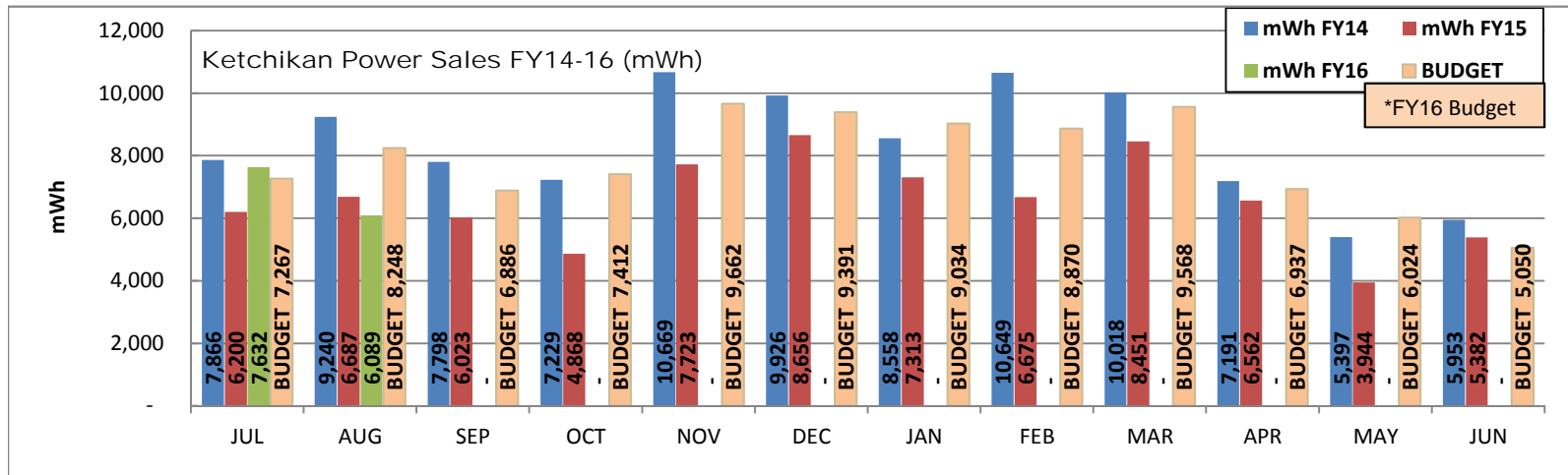
Power Sales - FY13 through FY15

JUN 2015	FY15 kWh Hydropower Sales	Current Month		Year-To-Date	
		Actual	Budget	Actual	Budget
	Ketchikan Power Purchases	5,382,000	2,000,000	78,484,000	93,320,000
	Petersburg Power Purchases	2,496,830	1,920,000	39,911,120	42,361,000
	Wrangell Power Purchases	2,385,500	1,950,000	38,254,270	36,108,000
	Total Power Purchases	10,264,330	5,870,000	156,649,390	171,789,000



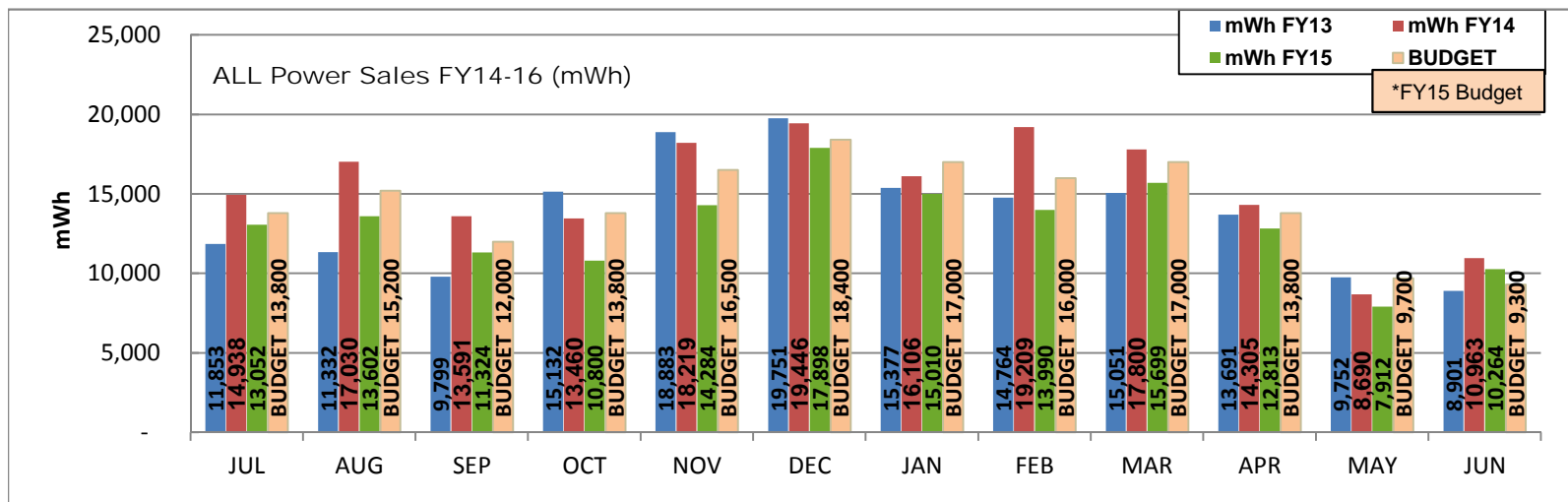
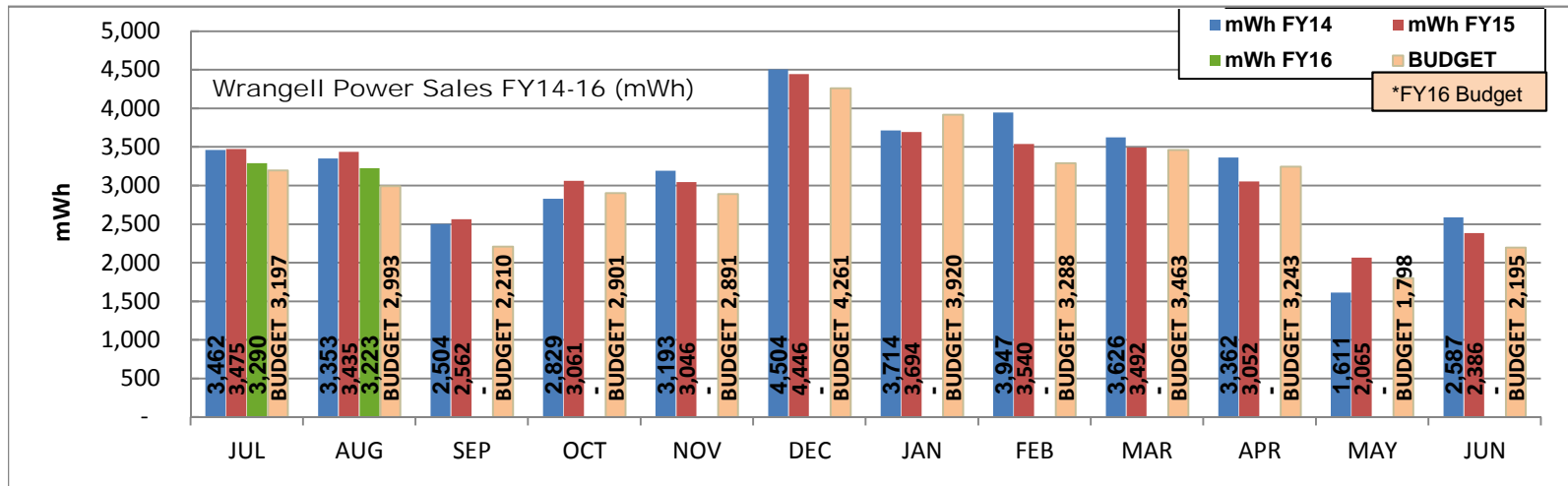
SOUTHEAST ALASKA POWER AGENCY
Power Sales - FY14 through FY16

AUG 2015	FY16 kWh Hydropower Sales	Current Month		Year-To-Date	
		Actual	Budget	Actual	Budget
	Ketchikan Power Purchases	6,088,528	8,247,520	13,720,528	15,514,600
	Petersburg Power Purchases	4,185,322	3,959,600	8,061,197	7,295,060
	Wrangell Power Purchases	3,222,610	2,992,880	6,512,960	6,190,340
	Total Power Purchases	13,496,460	15,200,000	28,294,685	29,000,000



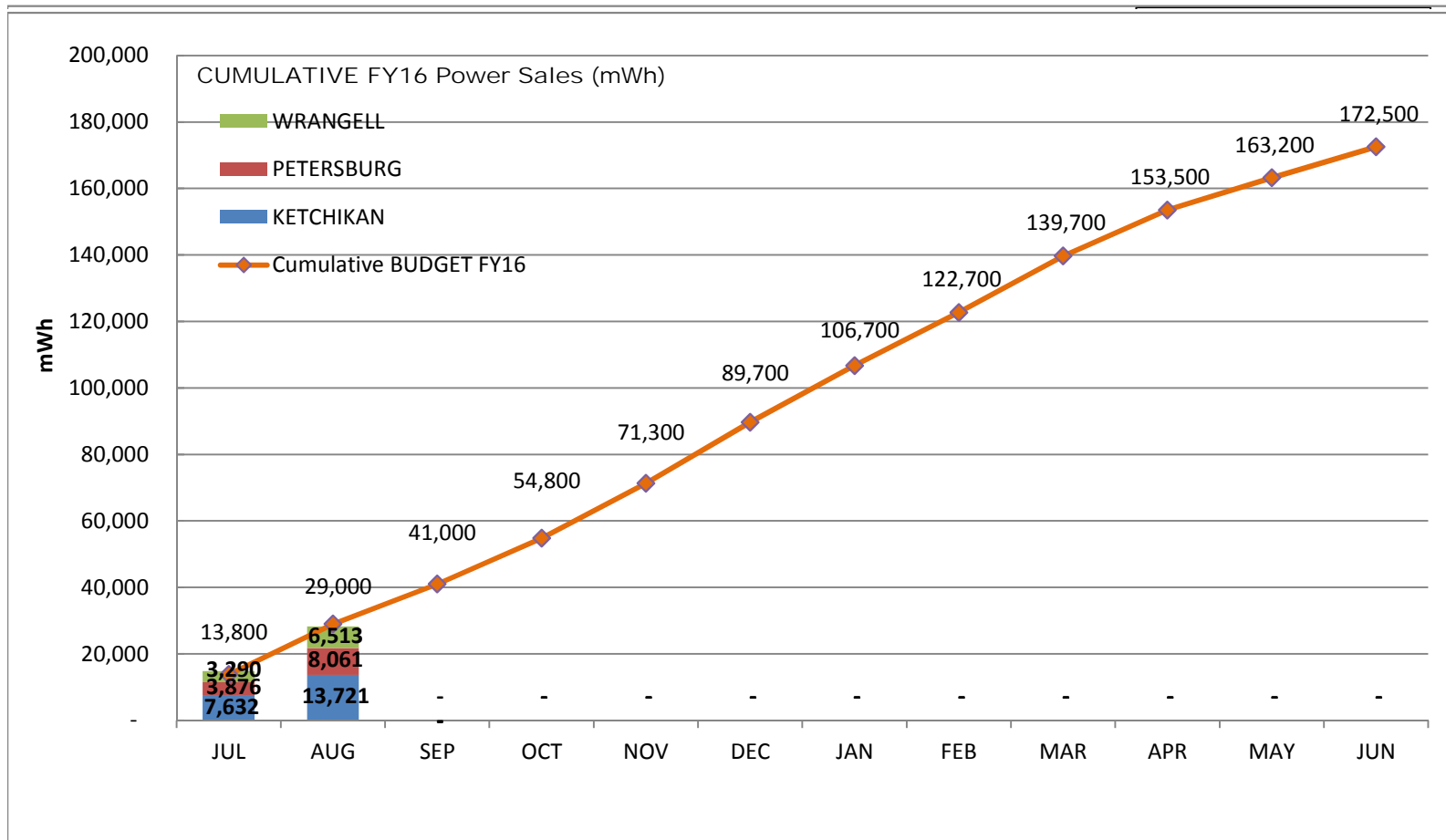
SOUTHEAST ALASKA POWER AGENCY
Power Sales - FY14 through FY16

AUG 2015	FY16 kWh Hydropower Sales	Current Month		Year-To-Date	
		Actual	Budget	Actual	Budget
	Ketchikan Power Purchases	6,088,528	8,247,520	13,720,528	15,514,600
	Petersburg Power Purchases	4,185,322	3,959,600	8,061,197	7,295,060
	Wrangell Power Purchases	3,222,610	2,992,880	6,512,960	6,190,340
	Total Power Purchases	13,496,460	15,200,000	28,294,685	29,000,000



SOUTHEAST ALASKA POWER AGENCY
Power Sales - FY14 through FY16

AUG 2015	FY16 kWh Hydropower Sales	Current Month		Year-To-Date	
		Actual	Budget	Actual	Budget
	Ketchikan Power Purchases	6,088,528	8,247,520	13,720,528	15,514,600
	Petersburg Power Purchases	4,185,322	3,959,600	8,061,197	7,295,060
	Wrangell Power Purchases	3,222,610	2,992,880	6,512,960	6,190,340
	Total Power Purchases	13,496,460	15,200,000	28,294,685	29,000,000



SOUTHEAST ALASKA POWER AGENCY

FY15 GRANT SUMMARY

as of JUNE 30, 2015

*FY13 Alaska Energy Authority Kake-Petersburg Intertie Grant #1			
	Grant Award	Expenditures	Balance
1 - Project Mgmt	320,000	204,645	115,355
2 - EIS	1,030,000	973,440	56,560
3 - Engineering / Design	1,613,298	172,562	1,440,736
5 - SE Conference	26,702	26,702	(0)
TOTAL	2,990,000	1,377,348	1,612,652

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

FY13 Alaska Energy Authority Kake-Petersburg Intertie Grant #2			
	Grant Award	Expenditures	Balance
TOTAL	2,000,000	0	2,000,000

FY13 Alaska Dept. of Commerce, Community & Economic Development			
	Grant Award	Expenditures	Balance
1 - Hydro Storage	578,000	578,000	0
2 - G&T Site Evaluation	1,705,000	1,103,155	601,845
3 - Stability / Interconnectiv	146,000	0	146,000
4 - Load Balance Model	112,000	98	111,902
5 - Project Mgmt	309,000	210,973	98,027
6 - Business Analysis / PSA	150,000	48,015	101,985
TOTAL	3,000,000	1,940,242	1,059,758

FY15 Alaska Dept. of Commerce, Community & Economic Development			
	Grant Award	Expenditures	Balance
Swan Lake Reservoir Expansion			
TOTAL	3,320,000	187,583	3,132,417

TOTAL ALL GRANTS	11,310,000	3,505,173	7,804,827
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MAY 2015 Financial Overview

MAY, 2015 revenues from kWh sales were under budget:
\$538,044 actual vs. \$567,120 budget.

- Ketchikan - \$268,192 actual vs. \$352,920 budget
- Petersburg - \$129,422 actual vs. \$109,480 budget
- Wrangell - \$140,430 actual vs. \$104,720 budget

Year-to-date (JULY – MAY) revenues from kWh sales were also below budget:
\$9,954,184 actual vs. \$11,282,492 budget.

- Ketchikan - \$4,970,936 actual vs. \$6,209,760 budget
- Petersburg - \$2,544,172 actual vs. \$2,749,988 budget
- Wrangell - \$2,439,076 actual vs. \$2,322,744 budget

MAY, 2015 sales in kWh – 7,912,410

MAY, 2014 sales in kWh – 8,690,440

MAY, 2013 sales in kWh – 9,752,160

Year-to-date (JULY – MAY, 2015) sales in kWh – 148,706,367

Year-to-date (JULY – MAY, 2014) sales in kWh – 172,794,100

Year-to-date (JULY – MAY, 2013) sales in kWh – 155,386,810

Administrative and operating expenses for MAY, 2015 were below budget:
\$529,448 actual vs. \$878,950 budget

Year-to-date administrative and operating expenses (JULY – MAY) were also below budget: \$5,038,916 actual vs. \$6,465,240 budget.

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

AGENCY FUNDSOperations, Capital and Insurance Funds

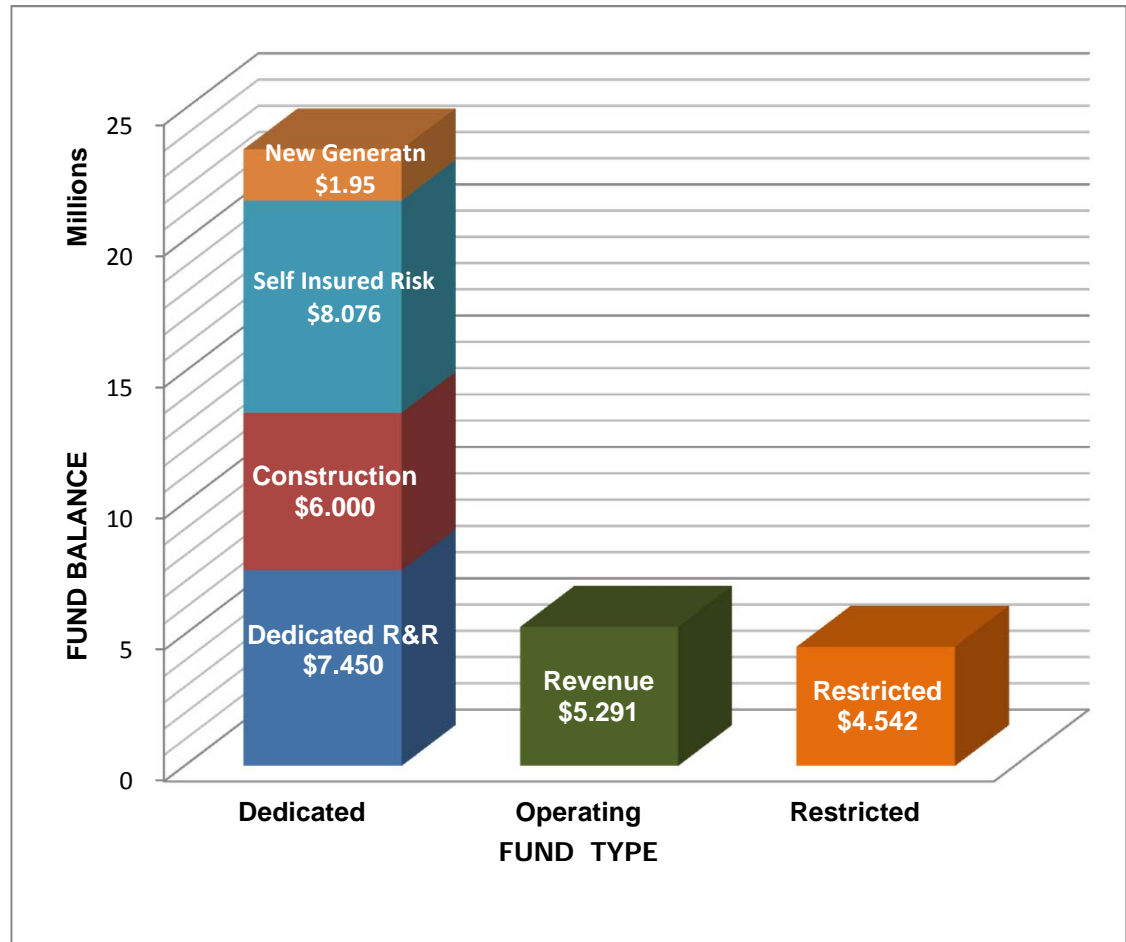
Revenue Fund FB	\$ 5,289,433
Required R&R Fund FB	1,001,171
Dedicated R&R Projects Fund FB	7,450,278
Construction Fund FB	6,000,246
Commercial FB	1,000
Subordinate Debt Fund FB	310
New Generation Fund	1,953,294
Self Insured Risk Fund FNBA	8,075,853
Total Operations, Capital and Insurance Funds	29,771,583

Trustee Funds

2009 Bond Interest	\$ 230,479
2009 Bond Principal	787,120
2009 Bond Reserve	1,410,062
2015 Bond Interest	0
2015 Bond Reserve	212,791
2015 Issuance	26,422
Total Trustee Funds	2,666,875

Other Restricted Funds

STI - USFS CD WF	\$ 21,621
DNR Reclamation Fund WF	852,265
Total Other Restricted Funds	873,886
Total Agency Funds	\$ 33,312,344

Dedicated Funds

New Generation = Project feasibility funding (hydro, wind, geothermal)

Self-Insured Risk = Coverage for uninsured transmission lines, submarine cables and insurance deductibles.

Construction Fund = 2015 bond proceeds dedicated to Swan Lake Reservoir Expansion project.

Dedicated R&R = Funds Replacement & Repair projects approved by the SEAPA Board in the FY15 budget.

Operating Funds

Revenue Fund & Commercial Checking: All SEAPA income is deposited to the Revenue Fund as required by Bond Indentures.

Restricted Funds (Legally or contractually restricted)

Bonds = All Trustee Funds: Bond Interest, Principal, Reserve and Escrow accounts

R&R = \$1,000,000 minimum balance required by bond indenture

DNR = Alaska DNR Reclamation Agreement

USFS = USFS Land Remediation Certificate of Deposit

SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Summary
As of May 31, 2015

ASSETS

Current Assets	
Agency Funds	
111000 · Ops/Capital/Insurance Funds	29,771,583
112000 · Trustee Funds	2,666,875
113000 · Other Restricted Funds	873,886
Total Agency Funds	<u>33,312,344</u>
Accounts Receivable	
110000 · Accounts Receivable	1,068,782
110100 · Grants Receivable	228,402
Total Accounts Receivable	<u>1,297,185</u>
Other Current Assets	
120000 · Other Current Assets	317,013
Total Other Current Assets	<u>317,013</u>
Total Current Assets	34,926,542
Fixed Assets	
130000 · Fixed Assets	<u>129,395,633</u>
Total Fixed Assets	129,395,633
Other Assets	
183000 · Deferred Assets	476,098
Total Other Assets	<u>476,098</u>
TOTAL ASSETS	<u>164,798,272</u>

LIABILITIES & NET POSITION

Liabilities	
Current Liabilities	
Accounts Payable	
210100 · Accounts Payable General	690,057
Total Accounts Payable	<u>690,057</u>
Other Current Liabilities	
210150 · Other Current Liabilities	312,500
210300 · Reserve Interest Payable	189,019
210400 · Wages Payable	153,586
210500 · Payroll Liabilities	11,275
Total Other Current Liabilities	<u>666,380</u>
Total Current Liabilities	1,356,437
Long Term Liabilities	
220000 · Long Term Liabilities	<u>20,363,362</u>
Total Long Term Liabilities	<u>20,363,362</u>
Total Liabilities	21,719,799
Net Position	
310000 · Net Position	142,439,177
Net Income	639,297
Total Net Position	<u>143,078,474</u>
TOTAL LIABILITIES & NET POSITION	<u>164,798,272</u>

SOUTHEAST ALASKA POWER AGENCY
Statement of Activities Summary
MAY 2015

Operating Income/Expense	
Operating Income	
410000 · Hydro Facility Revenues	538,044
Total Operating Income	<u>538,044</u>
Gross Income	538,044
Operating Expense	
535000 · Hydro Ops-Suprvsn & Engineering	13,173
537000 · Hydraulic Expenses	38
538000 · Electric Expenses	3,266
539000 · Misc Power Generation Expense	20,097
540000 · Rents	10,802
541000 · Hydro Power Station Maintenance	1,458
542000 · Hydro Structure Maintenance	436.89
544000 · Maintenance of Electric Plant	121,783
545000 · Plant Miscellaneous Maintenance	9,106
561000 · Control System Maintenance	1,373
562000 · Trans/Operations Station Exp	32,599
571000 · Trans/Maint Overhead Lines(OHL)	101,966
920000 · Administrative Expenses	115,614
921000 · Office Expenses	14,065
922000 · Legislative Affairs	4,000
923000 · Contract Services	1,503
924000 · Insurance	42,837
928000 · Regulatory Commission Expense	19,870
930000 · General Expenses	10,347
931000 · Admin Rent	5,113
Total Operating Expense	<u>529,448</u>
Net Operating Income	8,596
Non-Operating Income/Expense	
Non-Operating Income	
941000 · Grant Income	55,718
942000 · Interest Income	6,042
945000 · Unrealized Gain/Loss	(56,099)
946000 · Misc Nonoperating Income	(126)
Total Non-Operating Income	<u>5,535</u>
Non-Operating Expense	
951001 · Issuance Costs 2015 Bonds	298,486
952000 · Bond Interest 2009 Series	(75,316)
953000 · Depreciation Expense	338,483
954000 · Grant Expenses	114,435
954100 · Contributed Capital	(14,329)
Total Non-Operating Expense	<u>661,759</u>
Net Non-Operating Income	<u>(656,224)</u>
Net Income	<u><u>(647,628)</u></u>

SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
As of May 31, 2015

ASSETS

Current Assets

Agency Funds

111000 · Ops/Capital/Insurance Funds	
111100 · Revenue Fund FB	5,289,433
111200 · Required R&R Fund FB	1,001,171
111210 · Dedicated R&R Projects Fund FB	7,450,278
111211 · Construction Fund FB	6,000,246
111300 · Commercial FB	1,000
111400 · Subordinate Debt Fund FB	310
111401 · New Generation Fund	1,953,294
111500 · Self Insured Risk Fund FNBA	8,075,853
Total 111000 · Ops/Capital/Insurance Funds	<u>29,771,583</u>

112000 · Trustee Funds

112100 · WF Trust 2009 Bond Interest	230,479
112200 · WF Trust 2009 Bond Principal	787,120
112300 · WF Trust 2009 Bond Reserve	1,410,062
112503 · WF Trust 2015 Bond Reserve	212,791
112506 · WF Trust 2015 Bond Issuance	26,422
Total 112000 · Trustee Funds	<u>2,666,875</u>

113000 · Other Restricted Funds

113100 · STI - USFS CD WF	21,621
113500 · DNR Reclamation Fund WF	852,265
Total 113000 · Other Restricted Funds	<u>873,886</u>

Total Agency Funds 33,312,344

Accounts Receivable

110000 · Accounts Receivable	1,068,782
110100 · Grants Receivable	228,402
Total Accounts Receivable	<u>1,297,185</u>

Other Current Assets

120000 · Other Current Assets

120200 · Other Receivables	4,306
120300 · Accrued Interest Receivable	15,857
120500 · Prepaid Fees	
120510 · Prepaid FERC Fees	16,592
120520 · Prepaid Insurance	83,673
120530 · Prepaid Operating Expense	20,589
120540 · Prepaid USDA FS Land Use Fees	46,581
120550 · Prepaid Admin Benefits	66,869
Total 120500 · Prepaid Fees	<u>234,304</u>

120700 · Inventory Assets

120701 · Inventory - Wood Poles	8,143
120702 · Inventory - Marker Balls	54,404
Total 120700 · Inventory Assets	<u>62,547</u>

Total 120000 · Other Current Assets 317,013

Total Other Current Assets 317,013

Total Current Assets 34,926,542

SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
As of May 31, 2015

Fixed Assets

130000 · Fixed Assets	
130100 · Capital Assets	
130110 · Swan Lake	16,390,545
130120 · Tyee Lake	27,650,797
130130 · SEAPA Office	733,897
132100 · Swan Tyee Intertie in Operation	111,578,874
Total 130100 · Capital Assets	<u>156,354,113</u>
132200 · R&R Projects WIP Capital Improv	
132210 · R&R Projects - WIP Swan Lake	
1322100 · R&R WIP SWL- Reservoir Increase	
1322101 · WIP SWL Agency Permits/Environm	704,168
1322103 · WIP SWL Equipment	2,261
1322104 · WIP SWL Engineering/Design	630,392
1322105 · WIP SWL Legal	18,529
1322106 · WIP SWL Project Mgmt/Professnal	130,241
Total 1322100 · R&R WIP SWL- Reservoir Increase	<u>1,485,591</u>
132210 · R&R Projects - WIP Swan Lake - Other	<u>710,311</u>
Total 132210 · R&R Projects - WIP Swan Lake	<u>2,195,903</u>
132220 · R&R Projects - WIP Tyee Lake	1,159,027
132230 · R&R Projects - WIP STI-Transmsn	408,335
132240 · R&R Projects - WIP SEAPA Office	41,577
Total 132200 · R&R Projects WIP Capital Improv	<u>3,804,842</u>
1328100 · Capital Inventory SWL	
1328101 · Inventory-SWL Winding Replacmnt	890,405
Total 1328100 · Capital Inventory SWL	<u>890,405</u>
132900 · Accumulated Depreciation	<u>(31,653,729)</u>
Total 130000 · Fixed Assets	<u>129,395,633</u>
Total Fixed Assets	129,395,633

Other Assets

183000 · Deferred Assets	
183001 · Long Term Receivable	242,499
183002 · Geothermal	62,502
183003 · 2009 Bond - Refunded Discount	168,095
183300 · Meterological Tower	3,002
Total 183000 · Deferred Assets	<u>476,098</u>
Total Other Assets	<u>476,098</u>
TOTAL ASSETS	<u>164,798,272</u>

SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
As of May 31, 2015

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

210100 · Accounts Payable General 690,057

Total Accounts Payable 690,057

Other Current Liabilities

210150 · Other Current Liabilities 312,500

210300 · Reserve Interest Payable 189,019

210400 · Wages Payable 153,586

210500 · Payroll Liabilities

210522 · SUI Tax Payable 2,027

210531 · IBEW H&W Payable 5,145

210541 · IBEW Pension Payable 3,278

210550 · IBEW Dues Payable 825

Total 210500 · Payroll Liabilities 11,275

Total Other Current Liabilities 666,380

Total Current Liabilities 1,356,437

Long Term Liabilities

220000 · Long Term Liabilities

220100 · Series B Bonds 2009 8,630,000

220120 · 2009 Bond Issuance Discount (41,455)

220121 · PERS Unfunded Liability WRG 488,768

220130 · Series 2015 Bonds 10,295,000

220131 · 2015 Bond Issuance Premium 991,049

Total 220000 · Long Term Liabilities 20,363,362

Total Long Term Liabilities 20,363,362

Total Liabilities 21,719,799

Net Position

310000 · Net Position

3100001 · Net Investment Capital Assets 117,992,794

3100002 · Restricted for Debt Service 1,359,425

3100003 · Restricted by External Agreement 798,874

3100004 · Unrestricted 22,288,083

Total 310000 · Net Position 142,439,177

Net Income 639,297

Total Net Position 143,078,474

TOTAL LIABILITIES & NET POSITION 164,798,272

SOUTHEAST ALASKA POWER AGENCY

Statement of Activities - Budget Comparison

May 2015

	May '15	Budget	Jul'14-May'15	YTD Budget	Annual Budget
Operating Income/Expense					
Operating Income					
410000 · Hydro Facility Revenues					
410100 · Ketchikan Power Purchases	268,192	352,920	4,970,936	6,209,760	6,345,760
410200 · Petersburg Power Purchases	129,422	109,480	2,544,172	2,749,988	2,880,548
410300 · Wrangell Power Purchases	140,430	104,720	2,439,076	2,322,744	2,455,344
Total 410000 · Hydro Facility Revenues	538,044	567,120	9,954,184	11,282,492	11,681,652
412100 · Displaced Power Sales Ketchikan	-		157,849		
Total Operating Income	538,044	567,120	10,112,033	11,282,492	11,681,652
Gross Income	538,044	567,120	10,112,033	11,282,492	11,681,652
Operating Expense					
535000 · Hydro Ops-Suprvsn & Engineering					
535100 · Hyd/Ops Sup & Eng - Swan Lake	-	5,450	2,553	30,780	36,180
535150 · Hyd/Ops Sup & Eng - SWL SEAPA	110	2,200	3,490	7,650	9,850
535200 · Hyd/Ops Sup & Eng - Tyee Lake	11,026	28,170	74,962	261,970	310,690
535250 · Hyd/Ops Sup & Eng - TYL SEAPA	137	2,000	4,776	14,000	33,500
535400 · Hyd/Op Sup & Eng - Proj Drawing	1,900	17,000	52,201	116,600	133,600
535700 · Hyd/Op Sup & Eng - 4R Plan	-	500.00	1,548	4,500.00	5,000.00
Total 535000 · Hydro Ops-Suprvsn & Engineering	13,173	55,320	139,529	435,500	528,820
537000 · Hydraulic Expenses					
537150 · Hydraulic Expense - SWL SEAPA	-	1,300	-	4,000	4,000
537250 · Hydraulic Expense - TYL SEAPA	38	1,750	4,553	6,000	6,000
Total 537000 · Hydraulic Expenses	38	3,050	4,553	10,000	10,000
538000 · Electric Expenses					
538100 · Electric Expense - Swan Lake	1,762	1,500	15,562	11,750	13,250
538150 · Electric Expense - SWL SEAPA	234	3,000	20,058	27,000	30,000
538200 · Electric Expense - Tyee Lake	1,270	1,000	14,722	11,000	12,000
538250 · Electric Expense - TYL SEAPA	-	3,000	31,803	27,000	30,000
Total 538000 · Electric Expenses	3,266	8,500	82,146	76,750	85,250
539000 · Misc Power Generation Expense					
539100 · Misc Exp - Swan Lake	6,733	13,000	99,793	117,690	130,690
539150 · Misc Expense - SWL SEAPA	1,406	8,000	20,150	75,200	83,200
539200 · Misc Expense - Tyee Lake	4,158	1,920	87,307	74,290	80,500
539250 · Misc Expense - TYL SEAPA	7,801	16,000	107,194	165,000	181,000
Total 539000 · Misc Power Generation Expense	20,097	38,920	314,444	432,180	475,390
540000 · Rents					
540300 · FERC Land Use Fee - Swan Lake	891	1,000	9,756	11,000	12,000
540400 · FERC Land Use Fee - Tyee Lake	3,257	3,350	35,645	36,650	40,000
540500 · USDA Land Use Fee - USFS ROW	1,600	1,700	17,423	18,300	20,000
540600 · USDA Land Use Fee - STI	4,901	4,850	53,364	53,150	58,000
540700 · USDA Tyee Passive Reflector	107	110	1,169	1,190	1,300
540710 · USDA Etolin Burnett Radio	45	50	493	550	600
Total 540000 · Rents	10,802	11,060	117,849	120,840	131,900
541000 · Hydro Power Station Maintenance					
541100 · Maint/Supervision - Swan Lake	935	1,000	21,013	18,000	19,000
541150 · Maintenance - SWL SEAPA	92	200	12,767	4,800	5,000
541200 · Maint/Supervision - Tyee Lake	339	1,000	14,688	9,000	10,000
541250 · Maintenance - TYL SEAPA	92	1,000	16,853	9,000	10,000
Total 541000 · Hydro Power Station Maintenance	1,458	3,200	65,320	40,800	44,000
543000 · Dams, Reservoirs & Waterways					
543100 · Dams Res & Waterwys - Swan Lake	-		1,136		
543150 · Dams Res & Waterwys - SWL SEAPA	-	930	2,160	4,320	10,000
543200 · Dams Res & Waterwys - Tyee Lake	-	500	4,769	2,000	2,500
543250 · Dams Res & Waterwys - TYL SEAPA	-	8,000	31,574	30,300	39,075
Total 543000 · Dams, Reservoirs & Waterways	-	9,430	39,639	36,620	51,575

SOUTHEAST ALASKA POWER AGENCY
Statement of Activities - Budget Comparison

May 2015

	May '15	Budget	Jul'14-May'15	YTD Budget	Annual Budget
544000 · Maintenance of Electric Plant					
544100 · Maint Electric Plant-Swan Lake	68,540	60,000	598,345	533,000	581,000
544200 · Maint Electric Plant-Tyee Lake	-	-	82,161	82,000	82,000
5442900 · TYL Plant Wages & Benefits					
5442911 · TYL Plant Wages/PTO	33,942	30,000	308,055	268,100	312,600
5442912 · TYL Plant Wages OT	4,722	3,800	20,321	22,300	27,300
5442920 · TYL Plant Benefit - Taxes	3,016	3,000	25,980	27,000	30,000
5442930 · TYL Plant Benefits - Insurance	7,558	6,450	56,754	58,050	64,500
5442940 · TYL Plant Benefits - Retirement	4,004	6,250	32,867	53,750	60,100
Total 5442900 · TYL Plant Wages & Benefits	53,243	49,500	443,976	429,200	494,500
Total 544000 · Maintenance of Electric Plant	121,783	109,500	1,124,482	1,044,200	1,157,500
545000 · Plant Miscellaneous Maintenance					
545100 · Plant Misc Maint - Swan Lake	814	6,000	22,642	30,000	42,000
545150 · Plant Misc Maint - SWL SEAPA	7,897	2,500	47,236	20,000	24,100
545200 · Plant Misc Maint - Tyee Lake	832	-	16,444	15,990	17,500
545250 · Plant Misc Maint - TYL SEAPA	-	0	51	4,480	5,650
Total 545000 · Plant Miscellaneous Maintenance	9,543	8,500	86,373	70,470	89,250
561000 · Control System Maintenance					
561150 · Control System Maint. - SWL	686	3,500	6,177	31,500	35,000
561250 · Control System Maint. - TYL	686	3,500	6,645	31,500	35,000
Total 561000 · Trans/Gen SCADA	1,373	7,000	12,822	63,000	70,000
562000 · Trans/Operations Station Exp					
562100 · Trans/Ops Station - Swan Lake	-	250	13,184	14,750	15,000
562150 · Trans/Ops Station - SWL SEAPA	20,676	30,000	20,676	34,500	35,000
562200 · Trans/Ops Station - Tyee Lake	2,663	2,280	21,713	21,340	26,000
562250 · Trans/Ops Station-TYL SEAPA	9,260	50,000	17,856	78,000	83,500
Total 562000 · Trans/Operations Station Exp	32,599	82,530	73,429	148,590	159,500
564000 · Trans/Submarine Cable Expense					
564200 · Trans/Sub Cable Exp - Tyee Lake	-	2,000	682	10,000	12,000
564250 · Trans/Sub Cable Exp - TYL SEAPA	-	1,000	-	9,000	10,000
Total 564000 · Trans/Submarine Cable Expense	-	3,000	682	19,000	22,000
571000 · Trans/Maint Overhead Lines(OHL)					
571100 · Trans/Maint OHL - Swan Lake	-	-	-	15,000	15,000
571150 · Trans/Maint OHL - SWL SEAPA	19,272	75,000	36,348	75,000	248,630
571151 · Trans/Maint OHL - SWL ROW Clear	9,316	40,000	17,176	210,000	250,000
571200 · Trans/Maint OHL - Tyee Lake	30,732	5,170	85,064	45,960	53,600
571250 · Trans/Maint OHL - TYL SEAPA	23,069	100,000	206,660	222,270	494,380
5712900 · TYL Brushing Wages & Benefits					
5712911 · TYL Brushing Wages/PTO	8,505	13,000	38,754	110,000	123,000
5712912 · TYL Brushing Wages OT	4,420	1,400	5,325	4,800	6,200
5712920 · TYL Brushing Benefit - Taxes	1,076	1,250	4,730	9,250	10,500
5712930 · TYL Brushing Benefit- Insurance	3,111	3,400	25,751	30,100	33,500
5712940 · TYL Brushing Benefit- Retirement	2,192	2,000	14,097	17,000	19,000
Total 5712900 · TYL Brushing Wages & Benefits	19,305	21,050	88,658	171,150	192,200
571300 · Trans/Maint OHL STI Maintenance	272	29,200	143,000	174,150	304,150
571600 · Trans/Maint OHL Spare Mat Stor	-	-	350	500	500
571800 · Trans/Maint OHL System Events	-	0	1,964	100,000	100,000
Total 571000 · Trans/Maint Overhead Lines(OHL)	101,966	270,420	579,220	1,014,030	1,658,460

SOUTHEAST ALASKA POWER AGENCY
Statement of Activities - Budget Comparison

May 2015

	May '15	Budget	Jul'14-May'15	YTD Budget	Annual Budget
920000 · Administrative Expenses					
920100 · Admin Wages & Benefits	0.00		0.00		
9201911 · Admin Wages/PTO	74,110	75,000	673,127	730,000	805,000
9201912 · Admin Wages - Overtime	-	150	8	850	1,000
9201920 · Admin Benefit - Taxes	5,689	5,000	48,117	52,300	57,300
9201930 · Admin Benefit - H&W Insurance	15,815	15,300	139,240	166,800	182,100
9201940 · Admin Benefit - Retirement	20,000	22,500	207,956	224,200	246,700
Total 920000 · Administrative Expenses	115,614	117,950	1,068,448	1,174,150	1,292,100
921000 · Office Expenses					
921100 · Office Supplies	736	1,500	11,150	16,000	17,500
921200 · Office Equipment	3,654	2,000	20,642	22,450	24,450
921300 · Phone, Courier, Internet	6,884	7,500	74,366	78,760	86,260
921400 · System Network / IT Support	2,733	5,500	42,955	54,500	60,000
921600 · Vehicle Expenses	57	250	1,140	2,250	2,500
Total 921000 · Office Expenses	14,065	16,750	150,253	173,960	190,710
922000 · Legislative Affairs	4,000	7,000	45,112	58,000	65,000
923000 · Contract Services					
923200 · Annual Financial Audit	-	-	23,967	25,000	25,000
923300 · Bank & Trustee Fees	327	300	10,785	10,810	11,050
923400 · Insurance Consultant	975	-	4,534	16,400	18,000
923500 · Investment Consultant	3,373	1,150	18,539	24,850	46,000
923600 · Legal Fees	(6,548)	18,000	169,246	180,000	200,000
923700 · Recruitment	452	2,500	34,854	27,500	30,000
923800 · Other Professional Services	2,924	20,000	46,996	191,000	211,000
Total 923000 · Contract Services	1,503	41,950	308,922	475,560	541,050
924000 · Insurance	42,837	44,000	458,781	485,000	529,000
926000 · Retiree Benefits					
926250 · Retiree Benefits TYL-PERS	-		35,357		
926000 · Retiree Benefits - Other	-	0	-	210,000	210,000
926000 · Retiree Benefits	-	-	35,357	210,000	210,000
928000 · Regulatory Commission Expense					
928150 · FERC SWL Admin Fees	3,250	4,000	34,337	43,500	47,500
928151 · FERC SWL Other Expenses	13,620	5,000	55,352	35,920	60,920
928152 · AK DNR SWL Fees	-	-	10	50	50
928250 · FERC TYL Admin Fees	3,000	4,000	31,551	41,000	45,000
928251 · FERC TYL Other Expenses	-	1,650	-	7,750	7,750
928252 · AK DNR TYL Fees	-	-	100	100	100
928000 · Regulatory Commission Expense - Ot	-		4,500		
Total 928000 · Regulatory Commission Expense	19,870	14,650	125,850	128,320	161,320
930000 · General Expenses					
930100 · Advertising Expense	258	420	3,269	4,720	5,000
930110 · Public Relations	4,864	1,600	22,995	23,400	25,000
930111 · PR - SEAPA History Project	-	8,000	-	27,000	35,000
930300 · Association Dues Expense	-	-	30,300	27,650	27,650
930310 · Professional Assn Dues	-	-	949	500	500
930400 · Board Meeting Expenses	516	2,500	23,971	39,500	45,000
930500 · Training Expense	332	3,000	26,881	28,000	29,000
930600 · Travel Expense	4,377	5,000	40,407	38,000	40,000
930700 · Non-Travel Incidental	-	250	1,740	2,750	3,000
Total 930000 · General Expenses	10,347	20,770	150,511	191,520	210,150
931000 · Admin Rent					
931010 · Office Rent	4,363	4,700	46,942	48,500	53,200
931100 · Apartment Rent - Ketchikan	750	750	8,250	8,250	9,000
Total 931000 · Admin Rent	5,113	5,450	55,192	56,750	62,200
Total Operating Expense	529,448	878,950	5,038,916	6,465,240	7,745,175
Net Operating Income	8,596	(311,830)	5,073,117	4,817,252	3,936,477

SOUTHEAST ALASKA POWER AGENCY
Statement of Activities - Budget Comparison

May 2015

	May '15	Budget	Jul'14-May'15	YTD Budget	Annual Budget
Non-Operating Income/Expense					
Non-Operating Income					
941000 · Grant Income	55,718		1,387,014		
941100 · Third Party Income	-		7,179		
942000 · Interest Income					
942100 · Misc Interest Income	1,096		8,493		
942200 · Investment Interest Income	4,945		98,754		
Total 942000 · Interest Income	6,042		107,248		
944000 · Realized Gain/Loss					
944200 · Realized Gain/Loss on Invest	-		(67,000)		
Total 944000 · Realized Gain/Loss	-		(67,000)		
945000 · Unrealized Gain/Loss					
945200 · Unrealized Gain/Loss Investment	(56,099)		42,780		
Total 945000 · Unrealized Gain/Loss	(56,099)		42,780		
946000 · Misc Nonoperating Income					
946001 · Other Misc Income	-		11,572		
946002 · Gain/Loss on Property Dispositrn	(126)		174		
Total 946000 · Misc Nonoperating Income	(126)		11,746		
Total Non-Operating Income	5,535		1,488,967		
Non-Operating Expense					
950001 · Misc Nonoperating Expense	-		1,976		
950002 · Special Item- Tyee Ops Transitrn	-		405,708		
950003 · Bad Debt	0.00		16,334.00		
951001 · Issuance Costs 2015 Bonds	298,486		298,558		
952000 · Bond Interest 2009 Series	(75,316)		466,463		
953000 · Depreciation Expense	338,483		3,723,312		
954000 · Grant Expenses					
954002 · Grant Contractual	113,886		1,364,276		
954004 · Grant Labor & Benefits	-		14,565		
954005 · Grant Legal	350		17,269		
954006 · Grant Materials & Supplies	-		16,123		
954007 · Grant Non-Operating Expense	199		5,983		
954008 · Grant Travel	-		27,371		
Total 954000 · Grant Expenses	114,435		1,445,587		
954100 · Contributed Capital	(14,329)		(455,647)		
954200 · Third Party Expense					
954210 · Annette Island Hydro Site Eval					
954211 · Annette Island - Contractual	-		-		
954212 · Annette Island - Materials	-		7,179		
954214 · Annette Island - Travel	-		-		
Total 954210 · Annette Island Hydro Site Eval	-		7,179		
Total 954200 · Third Party Expense	-		7,179		
955000 · Interest Expense					
955200 · Investment Interest Expense	-		13,317		
Total 955000 · Interest Expense	-		13,317		
Total Non-Operating Expense	661,759		5,922,786		
Net Non-Operating Income	(656,224)		(4,433,819)		
Net Income	(647,628)	(311,830)	639,297	4,817,252	3,936,477



JUNE 2015 Financial Overview

JUNE, 2015 revenues from kWh sales were over budget:
\$697,974 actual vs. \$399,160 budget.

- Ketchikan - \$365,976 actual vs. \$136,000 budget
- Petersburg - \$169,784 actual vs. \$130,560 budget
- Wrangell - \$162,214 actual vs. \$132,600 budget

Year-to-date (JULY – JUNE) revenues from kWh sales were below budget:
\$10,652,158 actual vs. \$11,681,652 budget.

- Ketchikan - \$5,336,912 actual vs. \$6,345,760 budget
- Petersburg - \$2,713,956 actual vs. \$2,880,548 budget
- Wrangell - \$2,601,290 actual vs. \$2,455,344 budget

JUNE, 2015 sales in kWh –	10,264,330
JUNE, 2014 sales in kWh –	10,962,760
JUNE, 2013 sales in kWh –	8,901,410

Year-to-date (JULY – JUNE, 2015) sales in kWh –	158,970,697
Year-to-date (JULY – JUNE, 2014) sales in kWh –	183,756,860
Year-to-date (JULY – JUNE, 2013) sales in kWh –	164,288,220

Administrative and operating expenses for JUNE, 2015 were below budget:
\$1,291,486 actual vs. \$1,279,935 budget

Year-to-date administrative and operating expenses (JULY – JUNE) were also below budget: \$6,330,353 actual vs. \$7,745,175 budget.

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

AGENCY FUNDSOperations, Capital and Insurance Funds

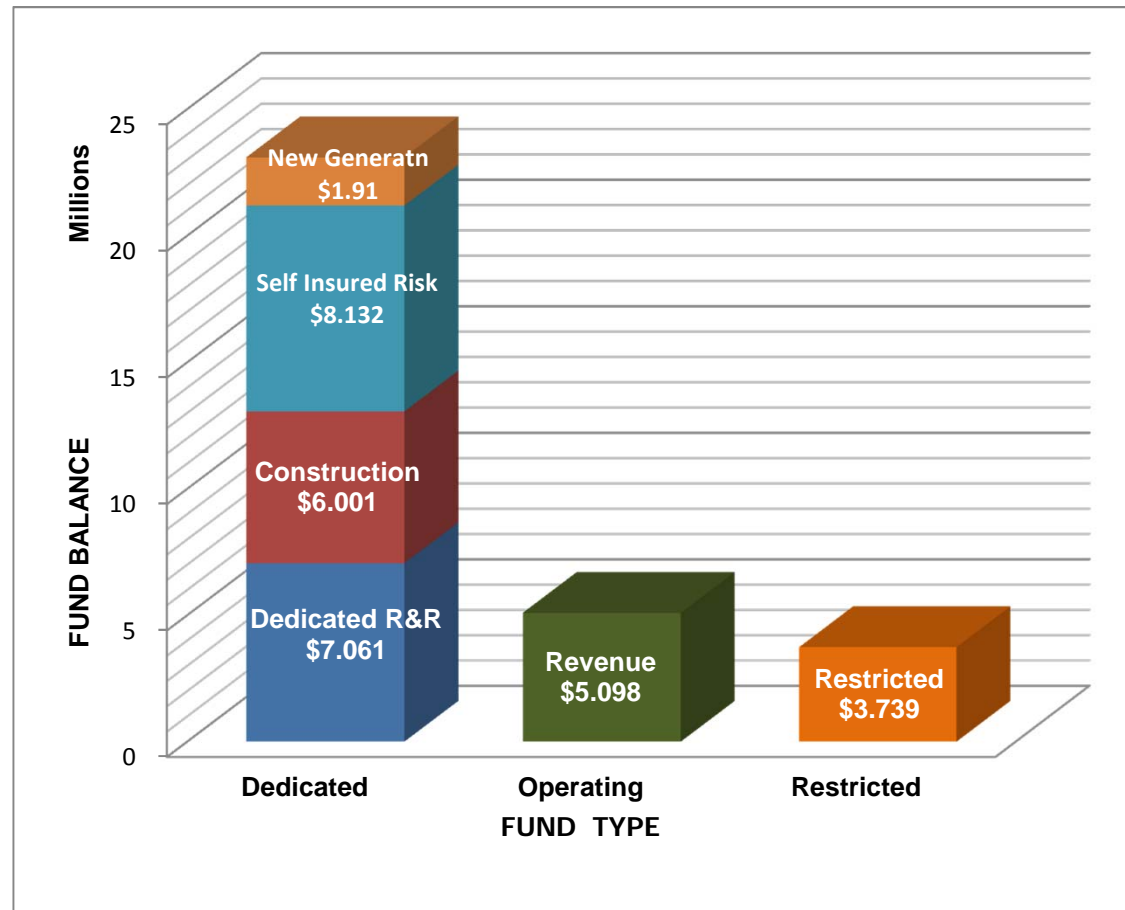
Revenue Fund FB	\$ 5,090,038
Required R&R Fund FB	1,001,221
Dedicated R&R Projects Fund FB	7,060,970
Construction Fund FB	6,000,563
Commercial FB	7,448
Subordinate Debt Fund FB	310
New Generation Fund	1,907,648
Self Insured Risk Fund FNBA	8,132,191
Total Operations, Capital and Insurance Funds	29,200,389

Trustee Funds

2009 Bond Interest	\$ 70,083
2009 Bond Principal	124,215
2009 Bond Reserve	1,410,074
2015 Bond Interest	46,285
2015 Bond Reserve	212,793
Total Trustee Funds	1,863,450

Other Restricted Funds

STI - USFS CD WF	\$ 21,621
DNR Reclamation Fund WF	852,265
Total Other Restricted Funds	873,886
Total Agency Funds	\$ 31,937,724

Dedicated Funds

New Generation = Project feasibility funding (hydro, wind, geothermal)

Self-Insured Risk = Coverage for uninsured transmission lines, submarine cables and insurance deductibles.

Construction Fund = 2015 bond proceeds dedicated to Swan Lake Reservoir Expansion project.

Dedicated R&R = Funds Replacement & Repair projects approved by the SEAPA Board in the FY15 budget.

Operating Funds

Revenue Fund & Commercial Checking: All SEAPA income is deposited to the Revenue Fund as required by Bond Indentures.

Restricted Funds (Legally or contractually restricted)

Bonds = All Trustee Funds: Bond Interest, Principal, Reserve and Escrow accounts

R&R = \$1,000,000 minimum balance required by bond indenture

DNR = Alaska DNR Reclamation Agreement

USFS = USFS Land Remediation Certificate of Deposit

SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Summary
As of JUNE 30, 2015

ASSETS

Current Assets	
Agency Funds	
111000 · Ops/Capital/Insurance Funds	29,200,389
112000 · Trustee Funds	1,863,450
113000 · Other Restricted Funds	873,886
Total Agency Funds	<u>31,937,724</u>
Accounts Receivable	
110000 · Accounts Receivable	805,386
110010 · Unbilled Receivables	235,420
110100 · Grants Receivable	145,158
Total Accounts Receivable	<u>1,185,964</u>
Other Current Assets	
120000 · Other Current Assets	264,590
Total Other Current Assets	<u>264,590</u>
Total Current Assets	<u>33,388,278</u>
Fixed Assets	
130000 · Fixed Assets	<u>129,251,265</u>
Total Fixed Assets	<u>129,251,265</u>
Other Assets	
183000 · Deferred Assets	481,776
Total Other Assets	<u>481,776</u>
TOTAL ASSETS	<u>163,121,319</u>

LIABILITIES & NET POSITION

Liabilities	
Current Liabilities	
Accounts Payable	
210100 · Accounts Payable General	520,453
Total Accounts Payable	<u>520,453</u>
Other Current Liabilities	
210150 · Other Current Liabilities	1,762,500
210300 · Reserve Interest Payable	28,621
210400 · Wages Payable	217,134
210500 · Payroll Liabilities	24,207
Total Other Current Liabilities	<u>2,032,461</u>
Total Current Liabilities	<u>2,552,914</u>
Long Term Liabilities	
220000 · Long Term Liabilities	19,643,611
Total Long Term Liabilities	<u>19,643,611</u>
Total Liabilities	<u>22,196,525</u>
Net Position	
310000 · Net Position	142,439,177
Net Income	(1,514,383)
Total Net Position	<u>140,924,793</u>
TOTAL LIABILITIES & NET POSITION	<u>163,121,319</u>

SOUTHEAST ALASKA POWER AGENCY
Statement of Activities Summary
May 2015

Operating Income/Expense

Operating Income

410000 · Hydro Facility Revenues	697,974
411000 · Rebate	(1,500,000)
412100 · Displaced Power Sales Ketchikan	235,420

Total Operating Income	<u>(566,606)</u>
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Gross Income	<u>(566,606)</u>
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Operating Expense

535000 · Hydro Ops-Suprvsn & Engineering	2,363
538000 · Electric Expenses	1,897
539000 · Misc Power Generation Expense	35,399
540000 · Rents	10,802
541000 · Hydro Power Station Maintenance	40,933
542000 · Hydro Structure Maintenance	16,800.00
544000 · Maintenance of Electric Plant	138,374
545000 · Plant Miscellaneous Maintenance	21,619
561000 · Control System Maintenance	1,373
562000 · Trans/Operations Station Exp	53,137
571000 · Trans/Maint Overhead Lines(OHL)	687,993
920000 · Administrative Expenses	174,222
921000 · Office Expenses	13,267
922000 · Legislative Affairs	4,000
923000 · Contract Services	39,065
924000 · Insurance	36,113
928000 · Regulatory Commission Expense	(8,614)
930000 · General Expenses	16,392
931000 · Admin Rent	6,166

Total Operating Expense	<u>1,291,302</u>
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Net Operating Income	<u>(1,857,907)</u>
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Non-Operating Income/Expense

Non-Operating Income

941000 · Grant Income	145,608
942000 · Interest Income	10,629
945000 · Unrealized Gain/Loss	46,595
946000 · Misc Nonoperating Income	(14,654)

Total Non-Operating Income	<u>188,179</u>
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Non-Operating Expense

951001 · Issuance Costs 2015 Bonds	26,423
952000 · Bond Interest 2009 Series	33,870
953000 · Depreciation Expense	347,189
954000 · Grant Expenses	83,729
954100 · Contributed Capital	(7,443)

Total Non-Operating Expense	<u>483,768</u>
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Net Non-Operating Income	<u>(295,589)</u>
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Net Income	<u><u>(2,153,496)</u></u>
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SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
As of June 30, 2015

ASSETS

Current Assets

Agency Funds

111000 · Ops/Capital/Insurance Funds	
111100 · Revenue Fund FB	5,090,038
111200 · Required R&R Fund FB	1,001,221
111210 · Dedicated R&R Projects Fund FB	7,060,970
111211 · Construction Fund FB	6,000,563
111300 · Commercial FB	7,448
111400 · Subordinate Debt Fund FB	310
111401 · New Generation Fund	1,907,648
111500 · Self Insured Risk Fund FNBA	8,132,191
Total 111000 · Ops/Capital/Insurance Funds	29,200,389

112000 · Trustee Funds

112100 · WF Trust 2009 Bond Interest	70,083
112200 · WF Trust 2009 Bond Principal	124,215
112300 · WF Trust 2009 Bond Reserve	1,410,074
112503 · WF Trust 2015 Bond Reserve	46,285
112506 · WF Trust 2015 Bond Issuance	212,793
Total 112000 · Trustee Funds	1,863,450

113000 · Other Restricted Funds

113100 · STI - USFS CD WF	21,621
113500 · DNR Reclamation Fund WF	852,265
Total 113000 · Other Restricted Funds	873,886

Total Agency Funds 31,937,724

Accounts Receivable

110000 · Accounts Receivable	805,386
110010 · Unbilled Receivables	235,420
110100 · Grants Receivable	145,158
Total Accounts Receivable	1,185,964

Other Current Assets

120000 · Other Current Assets

120200 · Other Receivables	4,306
120300 · Accrued Interest Receivable	15,398
120500 · Prepaid Fees	
120510 · Prepaid FERC Fees	25,704
120520 · Prepaid Insurance	41,837
120530 · Prepaid Operating Expense	20,341
120540 · Prepaid USDA FS Land Use Fees	39,926
120550 · Prepaid Admin Benefits	54,531
Total 120500 · Prepaid Fees	182,340

120700 · Inventory Assets

120701 · Inventory - Wood Poles	8,143
120702 · Inventory - Marker Balls	54,404
Total 120700 · Inventory Assets	62,547

Total 120000 · Other Current Assets 264,590

Total Other Current Assets 264,590

Total Current Assets 33,388,278

SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
As of June 30, 2015

Fixed Assets

130000 · Fixed Assets	
130100 · Capital Assets	
130110 · Swan Lake	16,427,490
130120 · Tyee Lake	27,566,918
130130 · SEAPA Office	733,897
132100 · Swan Tyee Intertie in Operation	111,578,874
Total 130100 · Capital Assets	156,307,179
132200 · R&R Projects WIP Capital Improv	
132210 · R&R Projects - WIP Swan Lake	
1322100 · R&R WIP SWL- Reservoir Increase	
1322101 · WIP SWL Agency Permits/Environm	705,715
1322103 · WIP SWL Equipment	2,261
1322104 · WIP SWL Engineering/Design	631,352
1322105 · WIP SWL Legal	23,465
1322106 · WIP SWL Project Mgmt/Professnal	130,241
Total 1322100 · R&R WIP SWL- Reservoir Increase	1,493,034
132210 · R&R Projects - WIP Swan Lake - Other	563,556
Total 132210 · R&R Projects - WIP Swan Lake	2,056,590
132220 · R&R Projects - WIP Tyee Lake	1,139,263
132230 · R&R Projects - WIP STI-Transmsn	565,522
132240 · R&R Projects - WIP SEAPA Office	41,577
Total 132200 · R&R Projects WIP Capital Improv	3,802,953
1328100 · Capital Inventory SWL	
1328101 · Inventory-SWL Winding Replacmnt	890,405
Total 1328100 · Capital Inventory SWL	890,405
132900 · Accumulated Depreciation	(31,749,272)
Total 130000 · Fixed Assets	129,251,265
Total Fixed Assets	129,251,265

Other Assets

183000 · Deferred Assets	
183001 · Long Term Receivable	242,499
183002 · Geothermal	68,102
183003 · 2009 Bond - Refunded Discount	168,095
183300 · Meterological Tower	3,080
Total 183000 · Deferred Assets	481,776
Total Other Assets	481,776

TOTAL ASSETS	163,121,319
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SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
As of June 30, 2015

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

210100 · Accounts Payable General	520,453
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Total Accounts Payable	520,453
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Other Current Liabilities

210150 · Other Current Liabilities	1,762,500
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210300 · Reserve Interest Payable	28,621
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210400 · Wages Payable	217,134
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210500 · Payroll Liabilities

210521 · FICA Payable	4,598
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210522 · SUI Tax Payable	2,699
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210531 · IBEW H&W Payable	10,184
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210541 · IBEW Pension Payable	5,979
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210550 · IBEW Dues Payable	747
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Total 210500 · Payroll Liabilities	24,207
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Total Other Current Liabilities	2,032,461
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Total Current Liabilities	2,552,914
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Long Term Liabilities

220000 · Long Term Liabilities

220100 · Series B Bonds 2009	7,905,000
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220120 · 2009 Bond Issuance Discount	(36,206)
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220121 · PERS Unfunded Liability WRG	488,768
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220130 · Series 2015 Bonds	10,295,000
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220131 · 2015 Bond Issuance Premium	991,049
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Total 220000 · Long Term Liabilities	19,643,611
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Total Long Term Liabilities	19,643,611
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Total Liabilities	22,196,525
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Net Position

310000 · Net Position

3100001 · Net Investment Capital Assets	117,992,794
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3100002 · Restricted for Debt Service	1,359,425
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3100003 · Restricted by External Agreement	798,874
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3100004 · Unrestricted	22,288,083
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Total 310000 · Net Position	142,439,177
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Net Income	(1,514,383)
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Total Net Position	140,924,793
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TOTAL LIABILITIES & NET POSITION	163,121,319
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SOUTHEAST ALASKA POWER AGENCY
Statement of Activities - Budget Comparison Detail
June 2015

	Jun 15	Budget	Jul '14 - Jun 15	YTD Budget	Annual Budget
Operating Income/Expense					
Operating Income					
410000 · Hydro Facility Revenues					
410100 · Ketchikan Power Purchases	365,976	136,000	5,336,912	6,345,760	6,345,760
410200 · Petersburg Power Purchases	169,784	130,560	2,713,956	2,880,548	2,880,548
410300 · Wrangell Power Purchases	162,214	132,600	2,601,290	2,455,344	2,455,344
Total 410000 · Hydro Facility Revenues	697,974	399,160	10,652,159	11,681,652	11,681,652
411000 · Rebate					
411100 · Ketchikan Rebate	(787,094)		(787,094)		
411200 · Petersburg Rebate	(372,344)		(372,344)		
411300 · Wrangell Rebate	(340,563)		(340,563)		
Total 411000 · Rebate	(1,500,000)		(1,500,000)		
412100 · Displaced Power Sales Ketchikan	235,420		393,269		
Total Operating Income	(566,606)	399,160	9,545,427	11,681,652	11,681,652
Operating Expense					
535000 · Hydro Ops-Suprvsn & Engineering					
535100 · Hyd/Ops Sup & Eng - Swan Lake	615	5,400	3,169	36,180	36,180
535150 · Hyd/Ops Sup & Eng - SWL SEAPA	110	2,200	3,600	9,850	9,850
535200 · Hyd/Ops Sup & Eng - WRG Office	1,262	48,720	76,224	310,690	310,690
535250 · Hyd/Ops Sup & Eng -TYL SEAPA	-	19,500	4,776	33,500	33,500
535400 · Hyd/Op Sup & Eng - Proj Drawing	375	17,000	52,576	133,600	133,600
535700 · Hyd/Op Sup & Eng - 4R Plan	-	500	1,548	5,000	5,000
Total 535000 · Hydro Ops-Suprvsn & Engineering	2,363	93,320	141,892	528,820	528,820
537000 · Hydraulic Expenses					
537150 · Hydraulic Expense - SWL SEAPA	-	-	-	4,000	4,000
537250 · Hydraulic Expense - TYL SEAPA	-	-	4,553	6,000	6,000
Total 537000 · Hydraulic Expenses	-	-	4,553	10,000	10,000
538000 · Electric Expenses					
538100 · Electric Expense - Swan Lake	1,897	1,500	17,460	13,250	13,250
538150 · Electric Expense - SWL SEAPA	-	3,000	20,058	30,000	30,000
538200 · Electric Expense - Tyee Lake	-	1,000	14,722	12,000	12,000
538250 · Electric Expense - TYL SEAPA	-	3,000	31,803	30,000	30,000
Total 538000 · Electric Expenses	1,897	8,500	84,043	85,250	85,250
539000 · Misc Power Generation Expense					
539100 · Misc Exp - Swan Lake	18,583	13,000	118,376	130,690	130,690
539150 · Misc Expense - SWL SEAPA	1,147	8,000	21,297	83,200	83,200
539200 · Misc Expense - Tyee Lake	5,013	6,210	92,320	80,500	80,500
539250 · Misc Expense - TYL SEAPA	10,656	16,000	117,850	181,000	181,000
Total 539000 · Misc Power Generation Expense	35,399	43,210	349,843	475,390	475,390
540000 · Rents					
540300 · FERC Land Use Fee - Swan Lake	891	1,000	10,647	12,000	12,000
540400 · FERC Land Use Fee - Tyee Lake	3,257	3,350	38,902	40,000	40,000
540500 · USDA Land Use Fee - USFS ROW	1,600	1,700	19,023	20,000	20,000
540600 · USDA Land Use Fee - STI	4,901	4,850	58,266	58,000	58,000
540700 · USDA Tyee Passive Reflector	107	110	1,276	1,300	1,300
540710 · USDA Etolin Burnett Radio	45	50	538	600	600
Total 540000 · Rents	10,802	11,060	128,652	131,900	131,900
541000 · Hydro Power Station Maintenance					
541100 · Maintenance - Swan Lake	2,058	1,000	23,071	19,000	19,000
541150 · Maintenance - SWL SEAPA	24,904	200	37,670	5,000	5,000
541200 · Maintenance - Tyee Lake	896	1,000	15,584	10,000	10,000
541250 · Maintenance - TYL SEAPA	13,075	1,000	29,928	10,000	10,000
Total 541000 · Hydro Power Station Maintenance	40,933	3,200	106,254	44,000	44,000

SOUTHEAST ALASKA POWER AGENCY
Statement of Activities - Budget Comparison Detail
June 2015

	Jun 15	Budget	Jul '14 - Jun 15	YTD Budget	Annual Budget
543000 · Dams, Reservoirs & Waterways					
543100 · Dams Res & Waterwys - Swan Lake	-		1,136		
543150 · Dams Res & Waterwys - SWL SEAPA	16,800	5,680	18,960	10,000	10,000
543200 · Dams Res & Waterwys - Tyee Lake	-	500	4,769	2,500	2,500
543250 · Dams Res & Waterwys - TYL SEAPA	-	8,775	31,574	39,075	39,075
Total 543000 · Dams, Reservoirs & Waterways	16,800	14,955	56,439	51,575	51,575
544000 · Maintenance of Electric Plant					
544100 · Maint Electric Plant-Swan Lake	50,272	48,000	648,617	581,000	581,000
544200 · Maint Electric Plant-Tyee Lake	-	-	82,161	82,000	82,000
5442900 · TYL Plant Wages & Benefits					
5442911 · TYL Plant Wages/PTO	52,810	44,500	360,864	312,600	312,600
5442912 · TYL Plant Wages OT	13,209	5,000	33,530	27,300	27,300
5442920 · TYL Plant Benefit - Taxes	5,280	3,000	31,259	30,000	30,000
5442930 · TYL Plant Benefits - Insurance	10,077	6,450	66,831	64,500	64,500
5442940 · TYL Plant Benefits - Retirement	6,727	6,350	39,594	60,100	60,100
Total 5442900 · TYL Plant Wages & Benefits	88,102	65,300	532,078	494,500	494,500
Total 544000 · Maintenance of Electric Plant	138,374	113,300	1,262,857	1,157,500	1,157,500
545000 · Plant Miscellaneous Maintenance					
545100 · Plant Misc Maint - Swan Lake	2,571	12,000	25,213	42,000	42,000
545150 · Plant Misc Maint - SWL SEAPA	18,426	4,100	65,662	24,100	24,100
545200 · Plant Misc Maint - Tyee Lake	622	1,510	17,066	17,500	17,500
545250 · Plant Misc Maint - TYL SEAPA	-	1,170	51	5,650	5,650
Total 545000 · Plant Miscellaneous Maintenance	21,619	18,780	107,993	89,250	89,250
561000 · Control System Maintenance					
561150 · Control System Maint. - SWL	686	3,500	6,863	35,000	35,000
561250 · Control System Maint. - TYL	686	3,500	7,332	35,000	35,000
Total 561000 · Control System Maintenance	1,373	7,000	14,194	70,000	70,000
562000 · Trans/Operations Station Exp					
562100 · Trans/Ops Station - Swan Lake	946	250	14,131	15,000	15,000
562150 · Trans/Ops Station - SWL SEAPA	30,481	500	51,157	35,000	35,000
562200 · Trans/Ops Station - Tyee Lake	801	4,660	22,514	26,000	26,000
562250 · Trans/Ops Station-TYL SEAPA	21,093	5,500	38,949	83,500	83,500
Total 562000 · Trans/Operations Station Exp	53,321	10,910	126,750	159,500	159,500
564000 · Trans/Submarine Cable Expense					
564200 · Trans/Sub Cable Exp - Tyee Lake	-	2,000	682	12,000	12,000
564250 · Trans/Sub Cable Exp - TYL SEAPA	-	1,000	-	10,000	10,000
Total 564000 · Trans/Submarine Cable Expense	-	3,000	682	22,000	22,000
571000 · Trans/Maint Overhead Lines(OHL)					
571100 · Trans/Maint OHL - Swan Lake	11,564	-	11,564	15,000	15,000
571150 · Trans/Maint OHL - SWL SEAPA	163,075	173,630	199,423	248,630	248,630
571151 · Trans/Maint OHL - SWL ROW Clear	-	40,000	17,176	250,000	250,000
571200 · Trans/Maint OHL - Tyee Lake	36,168	7,640	121,232	53,600	53,600
571250 · Trans/Maint OHL - TYL SEAPA	254,796	272,110	461,456	494,380	494,380
5712900 · TYL Brushing Wages & Benefits					
5712911 · TYL Brushing Wages/PTO	12,721	13,000	51,475	123,000	123,000
5712912 · TYL Brushing Wages OT	379	1,400	5,704	6,200	6,200
5712920 · TYL Brushing Benefit - Taxes	1,110	1,250	5,840	10,500	10,500
5712930 · TYL Brushing Benefit- Insurance	5,039	3,400	30,790	33,500	33,500
5712940 · TYL Brushing Benefit- Retirement	3,042	2,000	17,138	19,000	19,000
Total 5712900 · TYL Brushing Wages & Benefits	22,289	21,050	110,947	192,200	192,200
571300 · Trans/Maint OHL STI Maintenance	200,100	130,000	343,100	304,150	304,150
571500 · Trans/Maint OHL STI Therml Scan	-	-	-	-	-
571600 · Trans/Maint OHL Spare Mat Stor	-	-	350	500	500
571800 · Trans/Maint OHL System Events	-	-	1,964	100,000	100,000
Total 571000 · Trans/Maint Overhead Lines(OHL)	687,993	644,430	1,267,213	1,658,460	1,658,460

SOUTHEAST ALASKA POWER AGENCY
Statement of Activities - Budget Comparison Detail
June 2015

	Jun 15	Budget	Jul '14 - Jun 15	YTD Budget	Annual Budget
920000 · Admin Wages & Benefits					
920100 · Admin Wages & Benefits	-		-		
9201911 · Admin Wages/PTO	107,827	75,000	780,954	805,000	805,000
9201912 · Admin Wages - Overtime	95	150	102	1,000	1,000
9201920 · Admin Benefit - Taxes	8,352	5,000	56,462	57,300	57,300
9201930 · Admin Benefit - H&W Insurance	24,652	15,300	163,879	182,100	182,100
9201940 · Admin Benefit - Retirement	33,297	22,500	241,225	246,700	246,700
Total 920000 · Admin Wages & Benefits	174,222	117,950	1,242,621	1,292,100	1,292,100
921000 · Office Expenses					
921100 · Office Supplies	1,601	1,500	12,752	17,500	17,500
921200 · Office Equipment	2,530	2,000	23,172	24,450	24,450
921300 · Phone, Courier, Internet	6,574	7,500	80,940	86,260	86,260
921400 · System Network / IT Support	2,552	5,500	45,507	60,000	60,000
921600 · Vehicle Expenses	10	250	1,150	2,500	2,500
Total 921000 · Office Expenses	13,267	16,750	163,520	190,710	190,710
922000 · Legislative Affairs	4,000	7,000	49,112	65,000	65,000
923000 · Contract Services					
923200 · Annual Financial Audit	-	-	23,967	25,000	25,000
923300 · Bank & Trustee Fees	220	240	11,005	11,050	11,050
923400 · Insurance Consultant	-	1,600	4,534	18,000	18,000
923500 · Investment Consultant	1,687	21,150	20,226	46,000	46,000
923600 · Legal Fees	28,995	20,000	198,241	200,000	200,000
923700 · Recruitment	1,463	2,500	36,317	30,000	30,000
923800 · Other Professional Services	6,700	20,000	53,696	211,000	211,000
Total 923000 · Contract Services	39,065	65,490	347,987	541,050	541,050
924000 · Insurance	36,113	44,000	494,893	529,000	529,000
926000 · Retiree Benefits					
926250 · Retiree Benefits TYL-PERS	-	-	35,357	210,000	210,000
Total 926000 · Retiree Benefits	-	-	35,357	210,000	210,000
928000 · Regulatory Commission Expense					
928001 · Other Regulatory Expense	-	-	4,500	-	-
928150 · FERC SWL Admin Fees	(5,305)	4,000	29,031	47,500	47,500
928151 · FERC SWL Other Expenses	1,833	25,000	57,185	60,920	60,920
928152 · AK DNR SWL Fees	-	-	10	50	50
928250 · FERC TYL Admin Fees	(5,141)	4,000	26,410	45,000	45,000
928251 · FERC TYL Other Expenses	-	-	-	7,750	7,750
928252 · AK DNR TYL Fees	-	-	100	100	100
Total 928000 · Regulatory Commission Expense	(8,614)	33,000	117,236	161,320	161,320
930000 · General Expenses					
930100 · Advertising Expense	721	280	3,989	5,000	5,000
930110 · Public Relations	3,000	1,600	25,995	25,000	25,000
930111 · PR - SEAPA History Project	-	8,000	-	35,000	35,000
930300 · Association Dues Expense	-	-	30,300	27,650	27,650
930310 · Professional Assn Dues	-	-	949	500	500
930400 · Board Meeting Expenses	3,975	5,500	27,945	45,000	45,000
930500 · Training Expense	3,856	1,000	30,737	29,000	29,000
930600 · Travel Expense	4,781	2,000	45,188	40,000	40,000
930700 · Non-Travel Incidental	60	250	1,799	3,000	3,000
Total 930000 · General Expenses	16,392	18,630	166,903	210,150	210,150
931000 · Admin Rent					
931010 · Office Rent	4,663	4,700	51,605	53,200	53,200
931100 · Apartment Rent - Ketchikan	1,504	750	9,754	9,000	9,000
Total 931000 · Admin Rent	6,166	5,450	61,358	62,200	62,200
Total Operating Expense	1,291,486	1,279,935	6,330,353	7,745,175	7,745,175
Net Ordinary Income	(1,858,092)	(880,775)	3,215,074	3,936,477	3,936,477

SOUTHEAST ALASKA POWER AGENCY
Statement of Activities - Budget Comparison Detail
June 2015

	Jun 15	Budget	Jul '14 - Jun 15	YTD Budget	Annual Budget
Nonoperating Income/Expense					
Nonoperating Income					
941000 · Grant Income	145,608		1,532,623		
941100 · Third Party Income	-		7,179		
942000 · Interest Income					
942100 · Misc Interest Income	1,111		9,604		
942200 · Investment Interest Income	9,519		108,273		
Total 942000 · Interest Income	10,629		117,877		
944000 · Realized Gain/Loss					
944200 · Realized Gain/Loss on Invest	-		(67,000)		
Total 944000 · Realized Gain/Loss	-		(67,000)		
945000 · Unrealized Gain/Loss					
945200 · Unrealized Gain/Loss Investment	46,595		89,376		
Total 945000 · Unrealized Gain/Loss	46,595		89,376		
946000 · Misc Nonoperating Income					
946001 · Other Misc Income	-		11,572		
946002 · Gain/Loss on Property Dispositr	(14,654)		(14,480)		
Total 946000 · Misc Nonoperating Income	(14,654)		(2,908)		
Total Nonoperating Income	188,179		1,677,146		
Nonoperating Expense					
950001 · Misc Nonoperating Expense	-		1,976		
950002 · Special Item- Tyee Ops Transitr	-		405,708		
950003 · Bad Debt	-		16,334		
951001 · Issuance Costs 2015 Bonds	26,423		324,981		
952000 · Bond Interest 2009 Series	33,870		500,332		
953000 · Depreciation Expense	347,189		4,070,501		
954000 · Grant Expenses					
954002 · Grant Contractual	78,546		1,449,779		
954004 · Grant Labor & Benefits	-		10,914		
954005 · Grant Legal	4,936		22,205		
954006 · Grant Materials & Supplies	-		16,123		
954007 · Grant Other Expense	-		5,983		
954008 · Grant Travel	247		27,618		
Total 954000 · Grant Expenses	83,729		1,532,623		
954100 · Contributed Capital	(7,443)		(466,347)		
954200 · Third Party Expense					
954210 · Annette Island Hydro Site Eval					
954211 · Annette Island - Contractual	-		-		
954212 · Annette Island - Materials	-		7,179		
954214 · Annette Island - Travel	-		-		
Total 954210 · Annette Island Hydro Site Eval	-		7,179		
Total 954200 · Third Party Expense	-		7,179		
955000 · Interest Expense					
955200 · Investment Interest Expense	-		13,317		
Total 955000 · Interest Expense	-		13,317		
Total Nonoperating Expense	483,768		6,406,604		
Net Nonoperating Income	(295,589)		(4,729,458)		
Net Position	(2,153,681)	(880,775)	(1,514,383)	3,936,477	3,936,477



JULY 2015 Financial Overview

JULY, 2015 revenues from kWh sales were over budget:
\$1,006,280 actual vs. \$938,399 budget.

- Ketchikan - \$518,976 actual vs. \$494,161 budget
- Petersburg - \$263,560 actual vs. \$226,811 budget
- Wrangell - \$223,744 actual vs. \$217,427 budget

JULY, 2015 sales in kWh –	14,798,225
JULY, 2014 sales in kWh –	13,052,120
JULY, 2013 sales in kWh –	14,938,470

Administrative and operating expenses for JULY, 2015 were below budget:
\$393,222 actual vs. \$437,580 budget

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

AGENCY FUNDSOperations, Capital and Insurance Funds

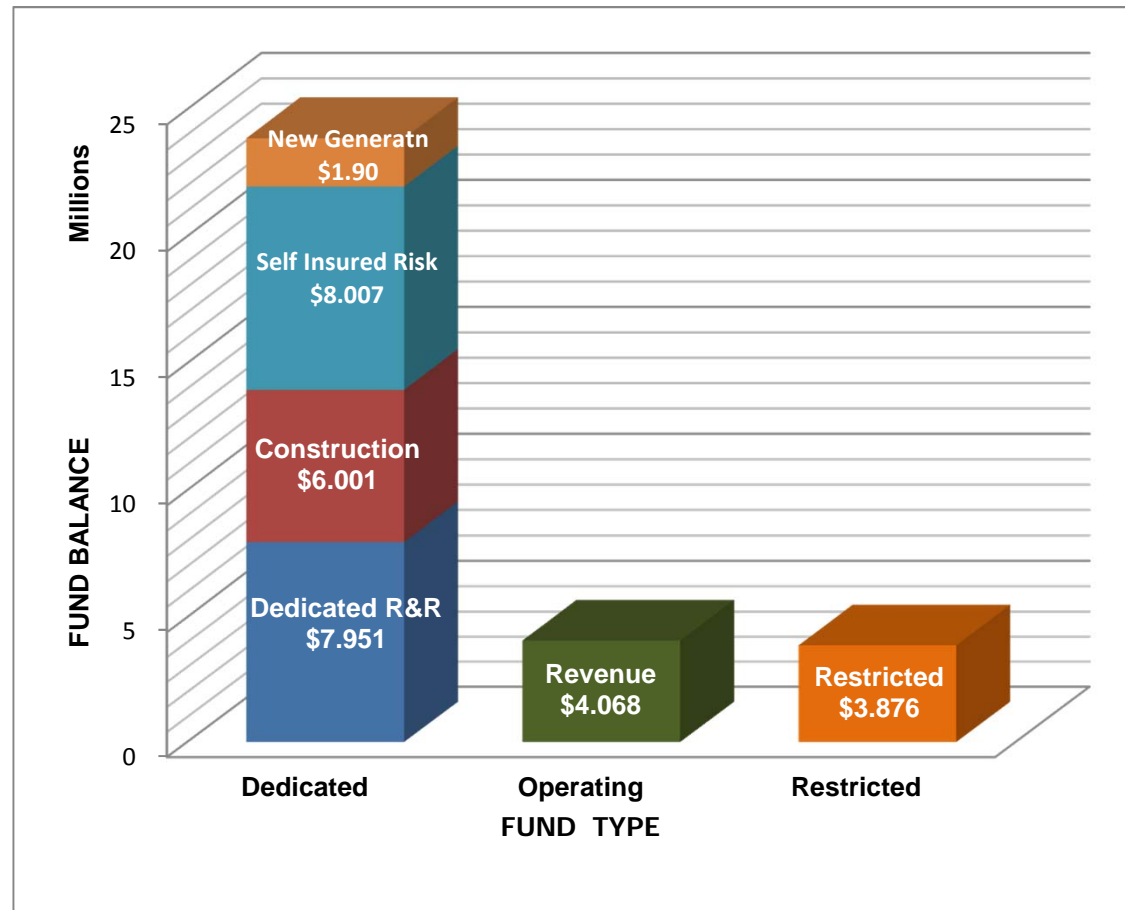
Revenue Fund FB	\$ 4,066,271
Required R&R Fund FB	1,001,273
Dedicated R&R Projects Fund FB	7,951,094
Construction Fund FB	6,000,873
Commercial FB	1,000
Subordinate Debt Fund FB	310
New Generation Fund	1,899,629
Self Insured Risk Fund FNBA	8,007,043
Total Operations, Capital and Insurance Funds	28,927,493

Trustee Funds

2009 Bond Interest	\$ 98,704
2009 Bond Principal	186,295
2009 Bond Reserve	1,410,086
2015 Bond Interest	92,570
2015 Bond Reserve	212,795
Total Trustee Funds	2,000,450

Other Restricted Funds

STI - USFS CD WF	\$ 21,621
DNR Reclamation Fund WF	852,265
Total Other Restricted Funds	873,886
Total Agency Funds	\$ 31,801,829

Dedicated Funds

New Generation = Project feasibility funding (hydro, wind, geothermal)

Self-Insured Risk = Coverage for uninsured transmission lines, submarine cables and insurance deductibles.

Construction Fund = 2015 bond proceeds dedicated to Swan Lake Reservoir Expansion project.

Dedicated R&R = Funds Replacement & Repair projects approved by the SEAPA Board in the FY15 budget.

Operating Funds

Revenue Fund & Commercial Checking: All SEAPA income is deposited to the Revenue Fund as required by Bond Indentures.

Restricted Funds (Legally or contractually restricted)

Bonds = All Trustee Funds: Bond Interest, Principal, Reserve and Escrow accounts

R&R = \$1,000,000 minimum balance required by bond indenture

DNR = Alaska DNR Reclamation Agreement

USFS = USFS Land Remediation Certificate of Deposit

SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Summary
As of JULY 31, 2015

ASSETS

Current Assets	
Agency Funds	
111000 · Ops/Capital/Insurance Funds	28,927,493
112000 · Trustee Funds	2,000,450
113000 · Other Restricted Funds	873,886
Total Agency Funds	31,801,829
Accounts Receivable	
110000 · Accounts Receivable	1,217,091
110010 · Unbilled Receivables	235,420
110100 · Grants Receivable	64,101
Total Accounts Receivable	1,516,612
Other Current Assets	
120000 · Other Current Assets	218,329
Total Other Current Assets	218,329
Total Current Assets	33,536,770
Fixed Assets	
130000 · Fixed Assets	129,128,701
Total Fixed Assets	129,128,701
Other Assets	
183000 · Deferred Assets	484,294
Total Other Assets	484,294
TOTAL ASSETS	163,149,765

LIABILITIES & NET POSITION

Liabilities	
Current Liabilities	
Accounts Payable	
210100 · Accounts Payable General	390,120
Total Accounts Payable	390,120
Other Current Liabilities	
210150 · Other Current Liabilities	1,766,920
210300 · Reserve Interest Payable	103,527
210400 · Wages Payable	156,346
210500 · Payroll Liabilities	9,722
Total Other Current Liabilities	2,036,515
Total Current Liabilities	2,426,634
Long Term Liabilities	
220000 · Long Term Liabilities	19,639,083
Total Long Term Liabilities	19,639,083
Total Liabilities	22,065,717
Net Position	
310000 · Net Position	140,924,978
Net Income	159,071
Total Net Position	141,084,048
TOTAL LIABILITIES & NET POSITION	163,149,765

SOUTHEAST ALASKA POWER AGENCY
Statement of Activities Summary
JULY 2015

Operating Income/Expense	
Operating Income	
410000 · Hydro Facility Revenues	1,006,279
Total Operating Income	<u>1,006,279</u>
Gross Income	1,006,279
Operating Expense	
535000 · Hydro Ops-Suprvsn & Engineering	2,834
538000 · Electric Expenses	10,969
539000 · Misc Power Generation Expense	42,442
540000 · Rents	10,802
541000 · Hydro Power Station Maintenance	4,251
542000 · Hydro Structure Maintenance	22,167
544000 · Maintenance of Electric Plant	70,314
545000 · Plant Miscellaneous Maintenance	13,576
561000 · Control System Maintenance	1,373
562000 · Trans/Operations Station Exp	1,060
571000 · Trans/Maint Overhead Lines(OHL)	30,492
920000 · Administrative Expenses	56,069
921000 · Office Expenses	37,760
922000 · Legislative Affairs	4,000
923000 · Contract Services	20,588
924000 · Insurance	41,837
928000 · Regulatory Commission Expense	6,141
930000 · General Expenses	10,039
931000 · Admin Rent	6,511
Total Operating Expense	<u>393,222</u>
Net Operating Income	<u>613,058</u>
Non-Operating Income/Expense	
Non-Operating Income	
941000 · Grant Income	(21,764)
942000 · Interest Income	1,098
945000 · Unrealized Gain/Loss	(12)
946000 · Misc Nonoperating Income	(3,440)
Total Non-Operating Income	<u>(24,118)</u>
Non-Operating Expense	
951001 · Issuance Costs 2015 Bonds	29,098
952000 · Bond Interest 2009 Series	41,280
953000 · Depreciation Expense	339,884
954000 · Grant Expenses	13,601
954100 · Contributed Capital	(3,514)
955000 · Interest Expense	9,521
Total Non-Operating Expense	<u>429,869</u>
Net Non-Operating Income	<u>(453,987)</u>
Net Income	<u><u>159,071</u></u>

SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
As of JULY 31, 2015

ASSETS

Current Assets

Agency Funds

111000 · Ops/Capital/Insurance Funds	
111100 · Revenue Fund FB	4,066,271
111200 · Required R&R Fund FB	1,001,273
111210 · Dedicated R&R Projects Fund FB	7,951,094
111211 · Construction Fund FB	6,000,873
111300 · Commercial FB	1,000
111400 · Subordinate Debt Fund FB	310
111401 · New Generation Fund	1,899,629
111500 · Self Insured Risk Fund FNBA	8,007,043
Total 111000 · Ops/Capital/Insurance Funds	28,927,493

112000 · Trustee Funds

112100 · WF Trust 2009 Bond Interest	98,704
112200 · WF Trust 2009 Bond Principal	186,295
112300 · WF Trust 2009 Bond Reserve	1,410,086
112501 · WF Trust 2015 Bond Interest	92,570
112503 · WF Trust 2015 Bond Reserve	212,795
112506 · WF Trust 2015 Bond Issuance	0

Total 112000 · Trustee Funds 2,000,450

113000 · Other Restricted Funds

113100 · STI - USFS CD WF	21,621
113500 · DNR Reclamation Fund WF	852,265

Total 113000 · Other Restricted Funds 873,886

Total Agency Funds 31,801,829

Accounts Receivable

110000 · Accounts Receivable	1,217,091
110010 · Unbilled Receivables	235,420
110100 · Grants Receivable	64,101

Total Accounts Receivable 1,516,612

Other Current Assets

120000 · Other Current Assets

120200 · Other Receivables	4,606
120300 · Accrued Interest Receivable	(4,854)
120500 · Prepaid Fees	
120510 · Prepaid FERC Fees	21,556
120520 · Prepaid Insurance	-
120530 · Prepaid Operating Expense	18,968
120540 · Prepaid USDA FS Land Use Fees	33,272
120550 · Prepaid Admin Benefits	82,235

Total 120500 · Prepaid Fees 156,032

120700 · Inventory Assets

120701 · Inventory - Wood Poles	8,143
120702 · Inventory - Marker Balls	54,404

Total 120700 · Inventory Assets 62,547

Total 120000 · Other Current Assets 218,329

Total Other Current Assets 218,329

Total Current Assets 33,536,770

SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
As of JULY 31, 2015

Fixed Assets

130000 · Fixed Assets	
130100 · Capital Assets	
130110 · Swan Lake	16,427,490
130120 · Tyee Lake	27,566,918
130130 · SEAPA Office	733,897
132100 · Swan Tyee Intertie in Operation	111,578,874
Total 130100 · Capital Assets	156,307,179
132200 · R&R Projects WIP Capital Improv	
132210 · R&R Projects - WIP Swan Lake	
1322100 · R&R WIP SWL- Reservoir Increase	
1322101 · WIP SWL Agency Permits/Environm	706,140
1322103 · WIP SWL Equipment	2,261
1322104 · WIP SWL Engineering/Design	631,502
1322105 · WIP SWL Legal	26,405
1322106 · WIP SWL Project Mgmt/Professnal	130,241
Total 1322100 · R&R WIP SWL- Reservoir Increase	1,496,548
132210 · R&R Projects - WIP Swan Lake - Other	571,987
Total 132210 · R&R Projects - WIP Swan Lake	2,068,536
132220 · R&R Projects - WIP Tyee Lake	1,196,444
132230 · R&R Projects - WIP STI-Transmsn	713,715
132240 · R&R Projects - WIP SEAPA Office	41,577
Total 132200 · R&R Projects WIP Capital Improv	4,020,272
1328100 · Capital Inventory SWL	
1328101 · Inventory-SWL Winding Replacmnt	890,405
Total 1328100 · Capital Inventory SWL	890,405
132900 · Accumulated Depreciation	(32,089,156)
Total 130000 · Fixed Assets	129,128,701
Total Fixed Assets	129,128,701

Other Assets

183000 · Deferred Assets	
183001 · Long Term Receivable	242,499
183002 · Geothermal	70,542
183003 · 2009 Bond - Refunded Discount	168,095
183300 · Meterological Tower	3,158
Total 183000 · Deferred Assets	484,294
Total Other Assets	484,294

TOTAL ASSETS	163,149,765
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SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
As of JULY 31, 2015

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

210100 · Accounts Payable General	390,120
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Total Accounts Payable	390,120
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Other Current Liabilities

210150 · Other Current Liabilities	1,766,920
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210300 · Reserve Interest Payable	103,527
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210400 · Wages Payable	156,346
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210500 · Payroll Liabilities

210522 · SUI Tax Payable	366
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210531 · IBEW H&W Payable	5,145
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210541 · IBEW Pension Payable	3,385
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210550 · IBEW Dues Payable	826
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Total 210500 · Payroll Liabilities	9,722
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Total Other Current Liabilities	2,036,515
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Total Current Liabilities	2,426,634
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Long Term Liabilities

220000 · Long Term Liabilities

220100 · Series B Bonds 2009	7,905,000
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220120 · 2009 Bond Issuance Discount	(35,729)
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220121 · PERS Unfunded Liability WRG	488,768
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220130 · Series 2015 Bonds	10,295,000
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220131 · 2015 Bond Issuance Premium	986,044
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Total 220000 · Long Term Liabilities	19,639,083
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Total Long Term Liabilities	19,639,083
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Total Liabilities	22,065,717
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Net Position

310000 · Net Position

3100001 · Net Investment Capital Assets	110,096,422
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3100002 · Restricted for Debt Service	1,622,843
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3100003 · Restricted by External Agreement	873,886
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3100004 · Unrestricted	28,331,827
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Total 310000 · Net Position	140,924,978
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Net Income	159,071
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Total Net Position	141,084,048
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TOTAL LIABILITIES & NET POSITION	163,149,765
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SOUTHEAST ALASKA POWER AGENCY
Statement of Activities - Budget Comparison
JULY 2015

	JUL 2015	Budget	Annual Budget
Operating Income/Expense			
Operating Income			
410000 · Hydro Facility Revenues			
410100 · Ketchikan Power Purchases	518,976	494,161	6,415,704
410200 · Petersburg Power Purchases	263,560	226,811	2,841,746
410300 · Wrangell Power Purchases	223,744	217,427	2,472,550
Total 410000 · Hydro Facility Revenues	1,006,279	938,399	11,730,000
Total Operating Income	1,006,279	938,399	11,730,000
Operating Expense			
535000 · Hydro Ops-Suprvsn & Engineering			
535100 · Hyd/Ops Sup & Eng - Swan Lake	1,635	2,400	28,480
535150 · Hyd/Ops Sup & Eng - SWL SEAPA	655	500	10,350
535250 · Hyd/Ops Sup & Eng -TYL SEAPA	545	500	84,000
535400 · Hyd/Op Sup & Eng - Proj Drawing	-	1,000	96,750
Total 535000 · Hydro Ops-Suprvsn & Engineering	2,834	4,400	219,580
537000 · Hydraulic Expenses			
537150 · Hydraulic Expense - SWL SEAPA	-	-	4,000
537250 · Hydraulic Expense - TYL SEAPA	-	-	4,000
Total 537000 · Hydraulic Expenses	-	-	8,000
538000 · Electric Expenses			
538100 · Electric Expense - Swan Lake	5,522	2,000	24,500
538150 · Electric Expense - SWL SEAPA	-	1,000	89,200
538200 · Electric Expense - Tyee Lake	5,447	1,500	18,000
538250 · Electric Expense - TYL SEAPA	-	1,000	65,000
Total 538000 · Electric Expenses	10,969	5,500	196,700
539000 · Misc Power Generation Expense			
539100 · Misc Exp - Swan Lake	13,477	8,000	96,690
539150 · Misc Expense - SWL SEAPA	7,380	5,000	82,000
539200 · Misc Expense - Tyee Lake	6,605	5,000	97,000
539250 · Misc Expense - TYL SEAPA	14,980	15,000	202,858
Total 539000 · Misc Power Generation Expense	42,442	33,000	478,548
540000 · Rents			
540300 · FERC Land Use Fee - Swan Lake	891	1,000	12,500
540400 · FERC Land Use Fee - Tyee Lake	3,257	3,160	41,000
540500 · USDA Land Use Fee - USFS ROW	1,600	1,720	20,750
540600 · USDA Land Use Fee - STI	4,901	5,000	60,000
540700 · USDA Tyee Passive Reflector	107	125	1,500
540710 · USDA Etolin Burnett Radio	45	75	625
Total 540000 · Rents	10,802	11,080	136,375
541000 · Hydro Power Station Maintenance			
541100 · Maintenance - Swan Lake	1,012	1,500	20,500
541150 · Maintenance - SWL SEAPA	642	2,500	32,500
541200 · Maintenance - Tyee Lake	2,597	1,000	19,000
541250 · Maintenance - TYL SEAPA	-	2,500	59,500
Total 541000 · Hydro Power Station Maintenance	4,251	7,500	131,500
543000 · Dams, Reservoirs & Waterways			
543150 · Dams Res & Waterwys - SWL SEAPA	-	-	25,000
543200 · Dams Res & Waterwys - Tyee Lake	-	1,000	6,500
543250 · Dams Res & Waterwys - TYL SEAPA	22,167	24,000	49,700
Total 543000 · Dams, Reservoirs & Waterways	22,167	25,000	81,200

SOUTHEAST ALASKA POWER AGENCY
Statement of Activities - Budget Comparison
JULY 2015

	JUL 2015	Budget	Annual Budget
544000 · Maintenance of Electric Plant			
544100 · Maint Electric Plant-Swan Lake	45,629	55,000	589,715
5442900 · TYL Plant Wages & Benefits			
5442911 · TYL Plant Wages/PTO	16,853	25,000	374,000
5442912 · TYL Plant Wages OT	2,076	750	35,000
5442920 · TYL Plant Benefit - Taxes	67	2,500	33,300
5442930 · TYL Plant Benefits - Insurance	3,359	5,000	69,000
5442940 · TYL Plant Benefits - Retirement	2,329	3,000	54,700
Total 5442900 · TYL Plant Wages & Benefits	24,684	36,250	566,000
Total 544000 · Maintenance of Electric Plant	70,314	91,250	1,155,715
545000 · Plant Miscellaneous Maintenance			
545100 · Plant Misc Maint - Swan Lake	5,365	3,000	29,500
545150 · Plant Misc Maint - SWL SEAPA	6,355	-	20,000
545200 · Plant Misc Maint - Tyee Lake	1,856	2,500	24,500
545250 · Plant Misc Maint - TYL SEAPA	-		
Total 545000 · Plant Miscellaneous Maintenance	13,576	5,500	74,000
561000 · Control System Maintenance			
561150 · Control System Maint. - SWL	686	-	7,500
561250 · Control System Maint. - TYL	686	-	7,500
Total 561000 · Control System Maintenance	1,373	-	15,000
562000 · Trans/Operations Station Exp			
562100 · Trans/Ops Station - Swan Lake	-	5,000	15,000
562200 · Trans/Ops Station - Tyee Lake	1,060	500	14,200
562250 · Trans/Ops Station-TYL SEAPA	-	5,000	156,500
Total 562000 · Trans/Operations Station Exp	1,060	10,500	185,700
564000 · Trans/Submarine Cable Expense			
564200 · Trans/Sub Cable Exp - Tyee Lake	-	-	2,000
Total 564000 · Trans/Submarine Cable Expense	-	-	2,000
571000 · Trans/Maint Overhead Lines(OHL)			
571100 · Trans/Maint OHL - Swan Lake	-	3,000	50,000
571150 · Trans/Maint OHL - SWL SEAPA	-	3,500	198,630
571151 · Trans/Maint OHL - SWL ROW Clear	-	-	250,000
571200 · Trans/Maint OHL - Tyee Lake	21,612	10,000	54,250
571250 · Trans/Maint OHL - TYL SEAPA	-	5,000	298,880
5712900 · TYL Brushing Wages & Benefits			
5712911 · TYL Brushing Wages/PTO	6,124	8,000	137,000
5712912 · TYL Brushing Wages OT	-	-	13,000
5712920 · TYL Brushing Benefit - Taxes	20	750	13,100
5712930 · TYL Brushing Benefit- Insurance	1,680	2,000	34,200
5712940 · TYL Brushing Benefit- Retirement	1,056	1,500	26,700
Total 5712900 · TYL Brushing Wages & Benefits	8,880	12,250	224,000
571300 · Trans/Maint OHL STI Maintenance	-	10,000	314,150
571500 · Trans/Maint OHL STI Thermal Scan	-	-	2,000
571800 · Trans/Maint OHL System Events	-	-	100,000
Total 571000 · Trans/Maint Overhead Lines(OHL)	30,492	43,750	1,491,910
920000 · Admin Wages & Benefits			
9201911 · Admin Wages/PTO	33,376	40,000	863,500
9201912 · Admin Wages - Overtime	-	-	1,500
9201920 · Admin Benefit - Taxes	4,776	4,800	61,000
9201930 · Admin Benefit - H&W Insurance	7,908	10,000	182,000
9201940 · Admin Benefit - Retirement	10,009	12,000	260,100
Total 920000 · Admin Wages & Benefits	56,069	66,800	1,368,100

SOUTHEAST ALASKA POWER AGENCY
Statement of Activities - Budget Comparison
JULY 2015

	JUL 2015	Budget	Annual Budget
921000 · Office Expenses			
921100 · Office Supplies	1,517	1,250	15,000
921200 · Office Equipment	24,969	20,000	72,100
921300 · Phone, Courier, Internet	6,902	7,400	88,960
921400 · System Network / IT Support	4,203	2,000	48,000
921600 · Vehicle Expenses	169	200	3,500
Total 921000 · Office Expenses	37,760	30,850	227,560
922000 · Legislative Affairs	4,000	4,000	65,000
923000 · Contract Services			
923200 · Annual Financial Audit	-	-	29,500
923300 · Bank & Trustee Fees	262	250	16,150
923400 · Insurance Consultant	-	-	7,500
923500 · Investment Consultant	1,661	2,000	27,000
923600 · Legal Fees	15,225	15,000	180,000
923700 · Recruitment	-	500	22,000
923800 · Other Professional Services	3,440	5,000	203,000
Total 923000 · Contract Services	20,588	22,750	485,150
924000 · Insurance	41,837	42,100	556,900
926000 · Retiree Benefits			
926250 · Retiree Benefits TYL-PERS	-	-	40,000
Total 926000 · Retiree Benefits	-	-	40,000
928000 · Regulatory Commission Expense			
928001 · Other Regulatory Expense	71	2,000	39,650
928150 · FERC SWL Admin Fees	2,107	4,000	40,000
928151 · FERC SWL Other Expenses	1,650	2,000	25,700
928250 · FERC TYL Admin Fees	2,313	3,000	37,000
928251 · FERC TYL Other Expenses	-	300	3,800
Total 928000 · Regulatory Commission Expense	6,141	11,300	146,150
930000 · General Expenses			
930100 · Advertising Expense	-	400	5,000
930110 · Public Relations	4,903	5,000	27,500
930111 · PR - SEAPA History Project	-	-	15,000
930300 · Association Dues Expense	660	1,000	32,330
930310 · Professional Assn Dues	254	300	750
930400 · Board Meeting Expenses	45	3,000	45,000
930500 · Training Expense	3,227	3,000	28,700
930600 · Travel Expense	883	3,000	43,000
930700 · Non-Travel Incidental	67	250	3,000
Total 930000 · General Expenses	10,039	15,950	200,280
931000 · Admin Rent			
931010 · Office Rent	4,694	4,400	59,560
931100 · Apartment Rent - Ketchikan	1,817	1,950	23,400
Total 931000 · Admin Rent	6,511	6,350	82,960
Total Operating Expense	393,222	437,580	7,348,328
Net Operating Income	613,058	500,819	4,381,672

SOUTHEAST ALASKA POWER AGENCY
Statement of Activities - Budget Comparison
JULY 2015

	JUL 2015	Budget	Annual Budget
NonoperatingIncome/Expense			
NonoperatingIncome			
941000 · Grant Income	(21,764)		
942000 · Interest Income			
942100 · Misc Interest Income	1,098		
Total 942000 · Interest Income	1,098		
944000 · Realized Gain/Loss			
944200 · Realized Gain/Loss on Invest	(12)		
Total 944000 · Realized Gain/Loss	(12)		
945000 · Unrealized Gain/Loss			
945200 · Unrealized Gain/Loss Investment	(3,440)		
Total 945000 · Unrealized Gain/Loss	(3,440)		
Total NonoperatingIncome	(24,118)		
NonoperatingExpense			
952000 · Bond Interest 2009 Series	29,098		
952001 · Bond Interest 2015 Series	41,280		
953000 · Depreciation Expense	339,884		
954000 · Grant Expenses			
954002 · Grant Contractual	9,627		
954005 · Grant Legal	2,940		
954008 · Grant Travel	1,035		
Total 954000 · Grant Expenses	13,601		
954100 · Contributed Capital	(3,514)		
955000 · Interest Expense			
955200 · Investment Interest Expense	9,521		
Total 955000 · Interest Expense	9,521		
Total NonoperatingExpense	429,869		
Net NonoperatingIncome	(453,987)		
Net Income	159,071	500,819	4,381,672

Southeast Alaska Power Agency R&R PROJECTS	FY2015		JUNE 2015 WIP CAPITAL PROJECTS	ANNUAL EXPENDITURES				Overall BUDGET
	Budget	Expenditures		FY12	FY13	FY14	TOTAL	
220-12 SCADA Upgrade	\$ 177,400	\$ 88,276	Integration complete in FY2016.	130,663	156,453	880,036	1,255,427	1,347,209
228-13 Circuit Switcher WRG	\$ 170,000	\$ 104,217	Installation scheduled Jul 2015.		-	-	104,217	170,000
231-13 Helicopter Pads	\$ 1,500,000	\$ 533,783	Installation starts summer 2015.		57,731	98,391	689,905	3,350,000
232-13 Communications Upgrade	\$ 326,000	\$ 17,744	Pending DNR permit for Tyee.		12,160	184,771	214,675	520,100
236-13 Wrangell Reactor	\$ 1,489,391	\$ 446,532	Installation scheduled Jul 2015.		55,066	216,832	718,431	1,600,000
240-13 Cooling Water TYL	\$ 105,534	\$ 1,157	Controls integration.		26,600	67,566	95,322	199,700
241-13 Stream Gauge TYL	\$ 910,478	\$ 22,753	Weir grouting contracted.		37,845	562,635	623,233	1,467,758
242-13 Reservoir Expansion SWL	\$ 763,736 \$ (763,736)	\$ 521,206	100% grant funded in FY2015.	151,421	421,782 (6,392)	394,811 (245,260)	1,489,220 (765,583)	13,391,869 (3,898,000)
243-14 Compactor-Roller TYL	\$ -	\$ 3,100	Complete - Delivered July 2014.			\$ 65,391	68,491	80,000
245-14 Crew Boat SWL	\$ 157,843	\$ 157,017	Complete - Sep 2014.			357	157,374	158,200
248-14 Lathe TYL	\$ 25,177	\$ (16,823)	Bad debt write-off.			16,593	-	42,000
249-14 Marine Term Gage/CommTYL	\$ 245,000	\$ 122,521	Gages delivered; ready for install.			-	122,521	245,000
251-14 Powerhs Roof Repair SWL	\$ 398,987	\$ 6,012	RFPs due Jun 23, 2015.			913	6,925	399,900
252-14 Submarine SpliceSpareTYL	\$ 288,000	\$ -	Existing kits evaluated			-	-	288,000
254-14 Water Tank Remediatn SWL	\$ 69,200	\$ (3,800)	Reduced cost; moved to expense.			3,800	-	73,000
255-14 Wood Helipad Repair SWL	\$ 104,000	\$ 633	Board approval of contract				633	104,000
256-15 Alarm Trip Protectn SWL-TYL	\$ 222,000	\$ 611	RFP scheduled for April.				611	222,000
257-15 Pressure-Reducing Valve TYL	\$ 71,000	\$ -	Completion spring 2016.				-	71,000
258-15 System Control Improve SWL-T	\$ 116,800	\$ 28,766	Bids due Mar 2015.				28,766	116,800
259-15 Turbine Shutoff Valves TYL	\$ 575,240	\$ 84,857	Install scheduled for Sep 2015				84,857	575,240
260-15 Exciters SWL	\$ 816,500	\$ 10,104	Equipment being manufactured.				10,104	816,500
261-15 Generator Switch Gear SWL	\$ 946,800	\$ 9,773	Equipment being manufactured.				9,773	946,800
Total WIP R&R Capital Projects				\$282,084	\$761,244	\$2,246,835	\$4,914,902	\$22,287,076

Date	Num	Vendor	FY15 BUDGET \$	Expenditures	Description
220-12 SCADA Upgrade			\$177,400	-	SEAPA-System Supervisory Control and Data Acquisition (SCADA) Consolidation Project. Installed and operational. Project completion scheduled for FY2016 as system is integrated with other facility operations. (E.Wolfe)
	\$156,453	<i>FY13 Expenditures</i>			
	\$881,204	<i>FY14 Expenditures</i>			
	(\$674,780)	<i>FY14 TYL Portion Capitalized</i>		181	
06/30/14	811	Fiber Fusion		5,074	
06/30/14	812	Fiber Fusion		2,144	FY14 CAPITALIZED TYL Portion of Project \$674K
06/30/14	INV14012	Segrity LLC		14,810	
08/22/14	28997	<i>Taquan Air</i>		156	
08/27/14	51932	<i>Sunrise Aviation Inc</i>		313	
08/29/14	51939	Sunrise Aviation Inc		720	
08/30/14	INV14014	Segrity LLC		8,212	
09/05/14	825	Fiber Fusion		1,967	
09/05/14	825	Fiber Fusion		1,967	
09/05/14	825	Fiber Fusion		1,967	
09/16/14	826	Fiber Fusion		10,671	
09/16/14	826	Fiber Fusion		10,671	
09/17/14	INV14015	Segrity LLC		587	
09/30/14	373	General Journal		48	
41943	I367	Siemens Industry Inc		(589)	
02/01/15	827	Fiber Fusion		11,215	
06/05/15	52262	Sunrise Aviation Inc		460	
06/06/15	30605	Taquan Air		467	
06/06/15	15043	Segrity LLC		17,416	
Total 220-12 SCADA Upgrade				<u>580,828</u>	
228-13 Circuit Switcher WRG			\$170,000	-	Replacement of manual 3-phase circuit switcher at the Wrangell switchyard. Delivered to WRG switchyard October 2014. Installation scheduled for July. (S.Henson)
07/31/14	HEN0453-201407	"Bank of America		33	
10/08/14	85432	Southern States LLC		103,064	
10/23/14	S062WRA15N	Samson Tug & Barge		1,121	
Total 228-13 Circuit Switcher Wrg				<u>104,217</u>	

Date	Num	Vendor	FY15 BUDGET \$	Expenditures	Description
231-13 Helicopter Pads			\$1,500,000	-	Helipad installation on the intertie and replacement of pads on Swan and Tyee lines. Prototype installed on the STI in November 2013. PND's helipad design approved by USFS in Dec 2014. Touchdown Enterprises helipad manufacturing to be completed in June; bids for installation being evaluated.
	\$57,731	FY13 Expenditures			
	\$98,391	FY14 Expenditures			
	(\$114,921)	FY14 Capitalize Prototypes			
06/30/14	1320117	Tongass Engineering		3,176	
06/30/14	14070071	PND Engineers		1,170	
07/25/14	50824990	Tetra Tech Inc		857	Project Management: Tongass Engineering (S.Henson)
07/31/14	27996	Temsco Helicopters, Inc.		2,569	Manufacturing: Touchdown Enterprises
07/31/14	73	Full Cycle LLC		1,393	FY14 CAPITALIZED \$114,921 (Prototypes)
08/01/14	28032	Temsco Helicopters, Inc.		1,339	
08/16/14	BAM122	BAM LLC		13,350	
08/18/14	14080064	PND Engineers		2,274	
08/22/14	50828719	Tetra Tech Inc		690	
08/31/14	1320118	Tongass Engineering		5,723	
09/26/14	50846456	Tetra Tech Inc		84	
10/24/14	50855139	Tetra Tech Inc		252	
12/10/14	13201-19	Tongass Engineering		2,888	
01/12/15	1320120	Tongass Engineering		1,995	
01/26/15	30526	Ketchikan Daily News		69	
01/28/15	3296531	Daily Journal of Commerce		55	
01/29/15	58173	Pilot Publishing, Inc.		71	
01/29/15	58179	Wrangell Sentinel		58	
02/01/15	ADN20150201	Alaska Dispatch News		110	
02/11/15	1320121	Tongass Engineering		2,835	
03/01/15	1320222	Tongass Engineering		2,048	
04/04/15	MAD4548-201503	"Bank of America		252	
04/09/15	BAM20150409	BAM LLC		2,000	
04/10/15	30849	Ketchikan Daily News		61	
04/11/15	1320123	Tongass Engineering		9,083	
04/13/15	PMT#1	Touchdown Enterprises		145,688	
04/28/15	1504123118	Pacific Pride		10,148	
04/28/15	58755	Pilot Publishing, Inc.		54	
04/29/15	58760	Wrangell Sentinel		44	
05/01/15	1320124	Tongass Engineering		8,059	
05/03/15	1362637-1363451	Alaska Dispatch News		67	
05/17/15	28777	Temsco Helicopters, Inc.		1,907	
05/18/15	152792	Paramount Supply Company		4,785	
05/18/15	152792	Paramount Supply Company		380	
05/19/15	AKKET10388	Fastenal		3,220	
05/19/15	31033	Ketchikan Daily News		88	
05/21/15	100067241615053	Morris Publishing Group		301	
05/26/15	58946	Wrangell Sentinel		78	

Date	Num	Vendor	FY15 BUDGET \$	Expenditures	Description
05/26/15	58945	Pilot Publishing, Inc.		78	
05/29/15	SIV/99153836	Fibergrate Composite Structures		135,360	
05/31/15	1320125	Tongass Engineering		11,852	
05/31/15	ADN201505	Alaska Dispatch News		90	
06/09/15	KDN20150609	Ketchikan Daily News		140	
06/09/15	PMT#2	Touchdown Enterprises		145,688	
06/10/15	WCI201506	Ward Cove Industries LLC		750	
06/29/15	1506131603	Pacific Pride		5,606	
06/30/15	1320126	Tongass Engineering		5,004	
Total 231-13 Helicopter Pads				<u>574,984</u>	
232-13 Communications Upgrade			\$326,000	-	Satellite dishes and telephone systems installed at Swan Lake and SEAPA Office in December 2013. Tyee Lake satellite dish permitting approved by ADF&G and Corp of Engineers, pending DNR approval. (S.Henson)
	\$ 12,160	<i>FY13 Expenditures</i>			
	\$ (177,163)	<i>FY14 Capitalize SWL-SEA Office</i>			
06/27/14	50814461	Tetra Tech Inc		999	
09/30/14	INV14012	Segrity LLC		750	CAPITALIZED SWL-SEAPA Office \$177,163
07/25/14	50826176	Tetra Tech Inc		952	
08/22/14	50828723	Tetra Tech Inc		3,625	
08/26/14	Easement	AK DNR 111020 JNU		100	
09/26/14	50846461	Tetra Tech Inc		1,432	
10/24/14	50855145	Tetra Tech Inc		303	
11/21/14	50865543	Tetra Tech Inc		270	
11/30/14	THO9358-201411	"Bank of America		214	
12/26/14	50873135	Tetra Tech Inc		168	
01/06/15	44031	Tongass Engineering		7,030	
02/01/15	50879654	Tetra Tech Inc		84	
03/27/15	50904554	Tetra Tech Inc		335	
04/24/15	50912924	Tetra Tech Inc		606	
05/22/15	50922166	Tetra Tech Inc		522	
06/26/15	50936895	Tetra Tech Inc		354	
Total 232-13 Communications Upgrade				<u>37,512</u>	

Date	Num	Vendor	FY15 BUDGET \$	Expenditures	Description
236-13 Wrangell Reactor			\$1,489,391	-	Replace aging reactor in Wrangell with switchable reactors and capacitors. EPS - Project management and engineering design; ABB - Manufacturer; Norconsult - Factory Acceptance Testing; Installation contract pending board approval. (S.Henson)
	\$ 55,066	FY13 Expenditures			
	\$ 216,832	FY14 Expenditures			
07/31/14	4130	Electric Power Systems Inc.		1,750	
09/16/14	4390	Electric Power Systems Inc.		2,030	
09/30/14	4651	Electric Power Systems Inc.		10,513	
10/31/14	4896	Electric Power Systems Inc.		16,039	
12/29/14	5309	Electric Power Systems Inc.		3,982	
12/31/14	104600593	Norconsult		8,697	
03/17/15	5927	Electric Power Systems Inc.		10,969	
04/02/15	52170	Sunrise Aviation Inc		375	
04/04/15	THO9358-201503	"Bank of America		1,765	
04/15/15	366816	Ottesen's Inc		59	
04/15/15	366815	Ottesen's Inc		59	
04/16/15	411370	Sentry Hardware & Marine		92	
04/17/15	411443	Sentry Hardware & Marine		23	
04/17/15	32794	Petersburg Bottled Gas		138	
04/18/15	367015	Ottesen's Inc		7	
04/18/15	411526	Sentry Hardware & Marine		24	
04/18/15	558474	Southeast Auto & Marine Parts, Inc		22	
04/23/15	30917	Ketchikan Daily News		61	
04/27/15	323282	Daily Journal of Commerce		59	
04/27/15	7102526527	ABB Inc.		372,400	
04/28/15	6261	Electric Power Systems Inc.		5,032	
04/30/15	HEN0453-201504	"Bank of America		101	
05/03/15	1362637-1363451	Alaska Dispatch News		65	
05/13/15	6479	Electric Power Systems Inc.		10,214	
05/26/15	58946	Wrangell Sentinel		57	
05/26/15	58945	Pilot Publishing, Inc.		57	
06/19/15	6776	Electric Power Systems Inc.		1,944	
Total 236-13 Wrangell Reactors				718,431	

Date	Num	Vendor	FY15 BUDGET \$	Expenditures	Description
240-13 Cooling Water TYL			\$105,534	-	Piping installation complete. Valves and control work remain and will be coordinated with System Control Improvements (RR258-15). (E.Wolfe)
	\$ 26,600	<i>FY13 Expenditures</i>			CAPITALIZED PIPE INSTALLATION \$94,165
	\$ 67,566	<i>FY14 Expenditures</i>			
	\$ (94,165)	<i>FY14 Pipe Install Capitalized</i>			
06/16/15	113526	McCall Industrial		428.56	
06/23/15	113641	McCall Industrial		327.72	
06/29/15	372413	Ottesen's Inc		318.78	
06/29/15	417789	Sentry Hardware & Marine		81.96	
06/29/15	417784	Sentry Hardware & Marine		93	
Total Project				<u>1,250</u>	
241-13 Stream Gauge TYL			\$910,478	-	Logs cleared July 2013. Weir construction completed and helipad place by Sep 2013. Grout work scheduled for summer 2015 (BAM). (E.Schofield)
	\$ 37,845	<i>FY13 Expenditures</i>			
	\$ 562,635	<i>FY14 Expenditures</i>			
	\$ (598,332)	<i>FY14 Weir & Helipad Capitalized</i>			FY14 CAPITALIZED WEIR & HELIPAD \$598,332
11/17/14	4472	McMillen LLC		540	
12/16/14	28459	Temsco Helicopters, Inc.		2,431	
01/10/15	4628	McMillen LLC		12,597	
03/08/15	4768	McMillen LLC		1,048	
04/01/15	4699	McMillen LLC		4,097	
04/30/15	4866	McMillen LLC		2,041	
Total 241-13 Stream Gauge TYL				<u>24,901</u>	

Date	Num	Vendor	FY15 BUDGET \$	Expenditures	Description
242-13 Reservoir Expansion SWL			\$763,736		Refer to report from Director of Special Projects. (E.Wolfe / E.Schofield)
AK DCCED Grant >			(\$763,736)		
06/30/12	\$ 151,421	FY12 Expenditures			
	\$ 421,782	FY13 Expenditures			
	\$ 394,811	FY14 Expenditures		-	
06/27/14	90495970	Hatch Associates Consultants, Inc	\$	5,505	
06/30/14	ALL9609-201406	"Bank of America, \$99.00		99	
06/30/14	51490004	Jacobs Associates, \$34525		34,525	
06/30/14	51490005	Jacobs Associates		18,544	
08/05/14	28753	Taquan Air		935	
08/29/14	51490006	Jacobs Associates		110,127	
08/31/14	ALL9609-201408	"Bank of America		166	
08/31/14	KDR201408	de Rubertis, Kim		800	
09/07/14	4284	McMillen LLC		20,193	
09/30/14	1409	Glenn Brewer Consulting Engineer		6,854	
09/30/14	WOL7101-201409	"Bank of America		541	
09/30/14	KDR201409	de Rubertis, Kim		4,139	
09/30/14	2	Kollgaard, Eric B.		5,904	
10/01/14	51490007	Jacobs Associates		30,572	
10/31/14	ALL9609-201410	"Bank of America		142	
10/31/14	WOL7101-201410	"Bank of America		1,550	
10/31/14	MKCL201410	Morris Kepler Consulting LLC		10,106	
10/31/14	51490008	Jacobs Associates		28,553	
11/02/14	4473	McMillen LLC		508	
11/28/14	51490009	Jacobs Associates		18,734	
11/30/14	MKC201411	Morris Kepler Consulting LLC		15,400	
11/30/14	WOL7101-201411	"Bank of America		91	
11/30/14	4534	McMillen LLC		4,033	
11/30/14	1143	Ascent Law Partners, LLP		4,165	
12/12/14	228338	Yanke Machine Shop		9,644	
12/16/14	116435	Van Ness Feldman PC		2,185	
12/23/14	124842762001	United Rentals		682	
12/28/14	4623	McMillen LLC		445	
12/31/14	1412	Glenn Brewer Consulting Engineer		3,378	
12/31/14	MKC201412	Morris Kepler Consulting LLC		8,895	
12/31/14	MKC201412	Morris Kepler Consulting LLC		2,440	
12/31/14	MAD4548-201412	"Bank of America		150	
12/31/14	WOL7101-201412	"Bank of America		603	
12/31/14	117111	Van Ness Feldman PC		10,570	
01/01/15	BF100522R0008	USDA Forest Service		200	
01/16/15	WOL20150116	.Wolfe, Eric		347	
01/20/15	12484276202	United Rentals		532	

Date	Num	Vendor	FY15 BUDGET \$	Expenditures	Description
01/30/15	51490010	Jacobs Associates		30,510	
01/31/15	MKC201501	Morris Kepler Consulting LLC		5,836	
01/31/15	MKC201501	Morris Kepler Consulting LLC		4,732	
02/04/15	WOL7101-201501	"Bank of America		89	
02/10/15	WOL20150223	.Wolfe, Eric		2	
02/13/15	228920	Yanke Machine Shop		1,396	
02/17/15	1390075	United Rentals		532	
02/26/15	1502	Glenn Brewer Consulting Engineer		3,774	
02/27/15	51490011	Jacobs Associates		32,338	
02/28/15	THO9358-201502	"Bank of America		120	
02/28/15	WOL7101-201502	"Bank of America		53	
02/28/15	KDR201502	de Rubertis, Kim		800	
02/28/15	MKC201502	Morris Kepler Consulting LLC		2,244	
02/28/15	MKC201502	Morris Kepler Consulting LLC		6,600	
02/28/15	MKC201502	Morris Kepler Consulting LLC		2,156	
03/27/15	51490012	Jacobs Associates		27,266	
03/31/15	3	Kollgaard Eric		3,150	
03/31/15	MKC201503	Morris Kepler Consulting LLC		4,080	
03/31/15	MKC201503	Morris Kepler Consulting LLC		10,005	
04/10/15	KDR201503	de Rubertis, Kim		400	
04/30/15	MKC201504	Morris Kepler Consulting LLC		4,910	
05/05/15	1505	Glenn Brewer Consulting Engineer		3,300	
05/05/15	51490013	Jacobs Associates		9,648	
05/07/15	30970	Ketchikan Daily News		69	
05/12/15	3300507	Daily Journal of Commerce		59	
05/31/15	THO9358-201505	"Bank of America		140	
05/31/15	4973	McMillen LLC		688	
05/31/15	ADN201505	Alaska Dispatch News		75	
06/15/15	119998	Van Ness Feldman PC		808	
06/28/15	5061	McMillen LLC		1,441	
06/30/15	MKC201506	Morris Kepler Consulting LLC		960	
06/30/15	1485	Ascent Law Partners LLP		420	
06/30/15	1440	Ascent Law Partners LLP		350	
06/30/15	MAD4548-201506	"Bank of America		106	
06/30/15	121006	Van Ness Feldman PC		3,709	
Total 242-13 Reservoir Expansion SWL				1,493,034	

Date	Num	Vendor	FY15 BUDGET \$	Expenditures	Description
243-14 Compactor-Roller TYL			\$0		Purchased and shipped to Wrangell in Mar 2014. Delivered to Tyee in July, 2014. CAPITALIZED FY2015.
08/08/13	28027	Ketchikan Daily News		47	
08/08/13	54324	Pilot Publishing, Inc.		44	
08/08/13	54314	Wrangell Sentinel		36	
03/14/14	K40247	Tyler Rental, Inc.		63,900	
03/17/14	S019WRA23N	Samson Tug & Barge		1,364	
12/31/14	1772	Stikine Transportation		3,100	
Total 243-14 Compactor-Roller TYL				68,491	
245-14 Crew Boat SWL			\$157,843		Contract to manufacture awarded to Munson Boats in March 2014. In service August 2014. CAPITALIZED FY15.
09/19/13	3280081	Daily Journal of Commerce		42	
09/19/13	28290	Ketchikan Daily News		53	
09/28/13	54635	Wrangell Sentinel		39	
02/10/14	3284726	Daily Journal of Commerce		48	
02/11/14	15009	Ketchikan Daily News		65	
02/14/14	55767	Pilot Publishing, Inc.		61	
02/14/14	55776	Wrangell Sentinel		50	
08/21/14	2014094	Munson Boats (William E. Munson)		109,226	
09/08/14	2014096	Munson Boats (William E. Munson)		47,791	
Total 245-14 Crew Boat SWL				157,374	
248-14 Lathe TYL			\$25,177		Vendor has been unresponsive; seeking delivery or refund. Expenditures expensed, working with legal.
06/30/14	\$ 16,822.75	FY14 Expenditures		-	
04/30/15	421	Bad Debt / Expense Writeoff		(16,823)	
Total 248-14 Lathe TYL				-	
249-14 Marine Term Gage/Comm			\$245,000		Pressure transducers, replacement gauges and software design to integrate marine terminal data. This summer, solar panels and charging system will be replaced and controls integrated. (S.Henson)
08/02/14	28039	Temsco Helicopters, Inc.		2,558	
08/04/14	215939	Best Western Landing Hotel		545	
01/24/15	15029	Segrity LLC		2,631	
02/16/15	PGS1502161	Shinagawa Sokki Mfg Co Ltd		73,992	
03/10/15	PGS1502161	Shinagawa Sokki Mfg Co Ltd		(225)	
05/15/15	504032454	Anixter		1,974	
05/17/15	15042	Segrity LLC		19,777	
05/18/15	504032496	Anixter		3,895	
05/23/15	4620000113	Druck, Inc.		11,942	
05/31/15	MAD4548-201505	"Bank of America		258	
06/06/15	15041	Segrity LLC		900	
06/26/15	999539	Transcat, Inc.		2,519	
06/27/15	15051	Segrity LLC		1,755	
06/30/15	15046	Segrity LLC		3,590	
Total 249-14 Marine Term Gage/Co				126,111	

Date	Num	Vendor	FY15 BUDGET \$	Expenditures	Description
251-14 Powerhs Roof Repair SWL			\$398,987		May Engineering preparing specifications for bid. Bids for work are due June 23. (S.Henson / E.Schofield)
04/28/14	201	May Engineering Services LLC		913	
06/03/14	202	May Engineering Services LLC		875	
06/27/14	203	May Engineering Services LLC		625	
07/30/14	204	May Engineering Services LLC		738	
08/31/14	205.	May Engineering Services LLC		713	
09/15/14	206	May Engineering Services LLC		250	
11/26/14	207	May Engineering Services LLC		1,015	
03/30/15	208	May Engineering Services LLC		673	
05/21/15	31043	Ketchikan Daily News		74	
06/04/15	30581	Taquan Air		935	
06/14/15	59121	Pilot Publishing, Inc.		64	
06/14/15	59114	Wrangell Sentinel		52	
Total 251-14 Powerhs Roof Repair				<u>6,925</u>	
252-14 Submarine SpliceSpareTYL			\$288,000		Existing spares being evaluated to determine portions that require replacement following specifications recommended by Poseidon Engineering. (S.Henson)
Total 252-14 Submarine Splice SpareTYL				<u>-</u>	
254-14 Water Tank Remediatn SW			\$69,200		Moved to expense (paint bid \$10K, total less than \$25K). Water tank painting coordinated with other small paint jobs during summer 2015 per contractor schedule. (S.Henson / E.Schofield)
04/28/14	301	May Engineering Services LLC		875	
06/03/14	302	May Engineering Services LLC		2,925	
07/30/14	29774	Ketchikan Daily News		55	EXPENSED FY2015.
08/01/14	515801	Juneau Empire		185	
08/03/14	1186365	Alaska Dispatch News		60	
08/09/14	57065	Pilot Publishing, Inc.		54	
08/09/14	57062	Wrangell Sentinel		44	
11/26/14	303	May Engineering Services LLC		1,113	
12/15/14	304	May Engineering Services LLC		263	
01/22/15	9577591	Madison Lumber & Hardware Inc		24	
03/30/15	305	May Engineering Services LLC		300	
04/30/15	421	Expensed		(5,897)	
Total Water Tank Remediatn SWL				<u>-</u>	
255-14 Wood Helipad Repair SWL			\$104,000		RFP bid cutoff May 26. (S.Henson)
08/12/14	28067	Temsco Helicopters, Inc.		446	
05/07/15	30971	Ketchikan Daily News		65	
05/26/15	58946	Wrangell Sentinel		61	
05/26/15	58945	Pilot Publishing, Inc.		61	
Total 255-14 Wood Helipad Repair SWL				<u>633</u>	

Date	Num	Vendor	FY15 BUDGET \$	Expenditures	Description
256-15 Alarm Trip Protection SWL			\$222,000		Two-year project; review sensors and relays, reliability and critical protection issue. Board awarded to Segrity (Mar 2015). (E.Wolfe)
02/23/15	3297477	Daily Journal of Commerce		70	
02/28/15	THO9358-201502	"Bank of America		137	
02/28/15	THO9358-201502	"Bank of America		137	
03/01/15	ADN20150301	Alaska Dispatch News		32	
03/01/15	ADN20150301	Alaska Dispatch News		32	
05/31/15	WOL7101-201505	"Bank of America		202	
Total 256-15 Alarm Trip Protection SWL-TYL				611	
257-15 Pressure-Reducing Valve T			\$71,000		System protection issue; affects camp and cooling water. In-house efforts not effective. Board awarded to Segrity (Mar 2015). Work underway. (E.Wolfe)
				-	
				-	
Total 257-15 Pressure-Reducing Valve TYL				-	
258-15 System Control Improvements			\$116,800		Two-year project to increase reliability at both plants; coordinate facilities' operations. Board awarded to Segrity (Mar 2015). Work underway. (E.Wolfe)
04/27/15	52200	Sunrise Aviation Inc		720	
04/27/15	226104	Best Western Landing Hotel		77	
04/27/15	226104	Best Western Landing Hotel		77	
05/02/15	52204	Sunrise Aviation Inc		540	
05/04/15	30210	Taquan Air		467	
05/11/15	15039	Segrity LLC		13,022	
05/11/15	15039	Segrity LLC		13,697	
05/27/15	227144	Best Western Landing Hotel		165	
Total 258-15 System Control Improvements SWL-TYL				28,766	

Date	Num	Vendor	FY15 BUDGET \$	Expenditures	Description
259-15 Turbine Shutoff Valves TYL			\$575,240		Replace existing water-based system with oil-based system. Contract work initiated by HDR. Installation scheduled for Sep 2015(E.Wolfe)
07/15/14	51855	Sunrise Aviation Inc		650	
08/22/14	28997	Taquan Air		156	
08/27/14	51932	Sunrise Aviation Inc		313	
08/28/14	51935	Sunrise Aviation Inc		360	
11/11/14	57709	Wrangell Sentinel		50	
12/04/14	57866	Pilot Publishing, Inc.		61	
12/31/14	MAD4548-201412	"Bank of America		204	
01/24/15	435233H	HDR Alaska Inc.		25,078	
01/28/15	52106	Sunrise Aviation Inc		720	
01/31/15	52113	Sunrise Aviation Inc		720	
02/04/15	MAD4548-201501	"Bank of America		192	
02/04/15	WOL7101-201501	"Bank of America		178	
02/10/15	WOL20150223	.Wolfe, Eric		2	
02/24/15	438898H	HDR Alaska Inc.		26,231	
04/01/15	442388H	HDR Alaska Inc.		9,609	
05/28/15	52249	Sunrise Aviation Inc		1,100	
05/31/15	MAD4548-201505	"Bank of America		52	
05/31/15	WOL7101-201505	"Bank of America		183	
06/02/15	446576H	HDR Alaska Inc.		1,636	
06/04/15	52260	Sunrise Aviation Inc		720	
06/11/15	52270	Sunrise Aviation Inc		720	
06/17/15	52287	Sunrise Aviation Inc		720	
06/17/15	52291	Sunrise Aviation Inc		470	
06/24/15	52300	Sunrise Aviation Inc		360	
06/30/15	451390H	HDR Alaska Inc.		14,301	
06/30/15	MAD4548-201506	"Bank of America		60	
06/30/15	WOL7101-201506	"Bank of America		12	
Total 259-15 Turbine Shutoff Valve TYL				84,857	
260-15 Exciters SWL			\$816,500		Replaces 1997 generators; coordinate with RR261-15. Equipment ordered and being manufactured. (S.Henson)
06/30/14	INV14012	Segrity LLC		1,500	
05/01/15	30206	Taquan Air		234	
05/01/15	15044	Segrity LLC		8,370	
Total 260-15 Exciters SWL				10,104	
261-15 Generator Switch Gear SW			\$946,800		Replace existing gear; includes spare breaker. Coordinate with RR260-15. Equipment being manufactured. (S.Henson)
06/30/14	INV14012	Segrity LLC		1,000	
05/18/15	3300715	Daily Journal of Commerce		68	
05/31/15	ADN201505	Alaska Dispatch News		65	
06/13/15	15052	Segrity LLC		8,640	
Total 261-15 Generator Switch Gear SWL				9,773	
Total WIP R&R Capital Projects		\$	8,715,350	\$	4,028,802

Southeast Alaska Power Agency R&R PROJECTS	FY2016		JULY 2015 WIP CAPITAL PROJECTS	ANNUAL EXPENDITURES					Overall BUDGET
	Budget	Expenditures		FY12	FY13	FY14	FY15	TOTAL	
242-13 Reservoir Expansion SWL Grant Funding Construction Fund	\$ 3,697,143 \$ (2,991,308) \$ (6,000,000)	3,514 (3,277) -	FERC Amendment issued Aug 2015.	151,421	421,782 (6,392)	394,811 (245,260)	525,020 (513,931)	1,496,548 (768,860) -	10,000,000 (3,898,000) (6,102,000)
220-12 SCADA Upgrade	\$ 110,125	1,810	Integration complete in FY2016.	130,663	156,453	880,036	88,276	1,257,237	1,347,209
228-13 Circuit Switcher WRG	\$ 65,783	-	Scheduled for Sep 2015.		-	-	104,217	104,217	170,000
231-13 Helicopter Pads	\$ 1,775,865	155,194	Installation began Jul 2015.		57,731	98,391	533,783	845,099	3,350,000
232-13 Communications Upgrade	\$ 301,801	3,062	Pending DNR permit for Tye.		12,160	184,771	17,744	217,737	520,100
236-13 Wrangell Reactor	\$ 223,003	5,198	Scheduled for Sep 2015.		55,066	216,832	446,532	723,629	939,000
240-13 Cooling Water TYL	\$ 105,534	870	Controls integration in process.		26,600	67,566	1,250	96,285	199,700
241-13 Stream Gauge TYL	\$ 844,525	6,863	Staged; pending weather.		37,845	562,635	22,753	630,096	1,467,758
248-14 Lathe TYL	\$ 42,000		To be ordered.			16,593	-	-	42,000
249-14 Marine Term Gage/CommTYL	\$ 148,498	19,033	Gages delivered; ready for install.			-	126,111	145,144	245,000
251-14 Powerhs Roof Repair SWL	\$ 419,200	-	Scheduled completion: Sep 2015			913	6,012	6,925	425,000
252-14 Submarine SpliceSpareTYL	\$ 213,000	-	Existing kits evaluated.			-	-	-	213,000
255-14 Wood Helipad Repair SWL	\$ 103,489	-	Completed Aug 2015.				633	633	104,000
256-15 Alarm Trip Protectn SWL-TYL	\$ 221,500	5,202	RFP scheduled for April.				611	5,813	222,000
257-15 Pressure-Reducing Valve TYL	\$ 71,000	-	Completion spring 2016.				-	-	71,000
258-15 System Control Improve SWL-TY	\$ 88,200	11,027	Bids due Mar 2015.				28,766	39,792	116,800
259-15 Turbine Shutoff Valves TYL	\$ 209,976	5,479	Install scheduled for Sep 2015				84,857	90,336	274,500
260-15 Exciters SWL	\$ 797,500	-	Equipment being manufactured.				10,104	10,104	799,000
261-15 Generator Switch Gear SWL	\$ 881,000	-	Equipment being manufactured.				9,773	9,773	882,000
262-16 Manlifts SWL-TYL	\$ 130,000	67	Purchase to board for approval.					67	130,000
263-16 CTs-Relay CircSwitcr WRG	\$ 201,000	-	Scheduled for Sep 2015.					-	201,000
264-16 Cooling System TGB SWL	\$ 130,000	-	Equipment being manufactured.					-	130,000
265-16 Marker Balls OHL TYL	\$ 600,596	-	Spring 2016					-	600,596
266-16 Pickup KTN	\$ 38,275	-	Purchase this fall.					-	38,275
267-16 Roof-Siding Housing TYL	\$ 120,770	-	Spring 2016					-	120,770
268-16 Vehicle SWL	\$ 20,000	-	Purchase this fall.					-	20,000
269-16 Guy Thimbles STI	\$ 204,000	-	Spring 2016					-	204,000
270-16 Dampeners OHL TYL	\$ 99,900	-	Spring 2016					-	99,900
Total WIP R&R Capital Projects	\$8,166,540	\$213,805		\$130,663	\$345,854	2,027,736	\$1,481,422	\$4,182,887	\$12,932,608

SOUTHEAST ALASKA POWER AGENCY

JUNE, JULY & AUGUST 2015 DISBURSEMENTS

Accounts	Total
Revenue Fund	\$ 2,449,340.11
R&R Fund	\$ 940,577.76
New Generation Fund	\$ 53,939.20
TOTAL	<u>\$ 3,443,857.07</u>

SUGGESTED MOTION
I move to approve disbursements for the months of June, July & August, 2015 in the amount of \$3,443,857.07.

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund	New Gen
4056251	4Imprint, Inc.	2,243.04		
4076047	4Imprint, Inc.	2,660.28		
15105447	AAA Moving & Storage	625.00		
90871605	ABB Inc.		43.87	
ADL108297	AK DNR 111020 JNU	70.50		
171735	AK DOL - Mechanical	330.00		
ADN201505	Alaska Dispatch News	74.70	154.38	
APCM201504	Alaska Permanent Capital Inc	1,686.24		
APCM201505	Alaska Permanent Capital Inc	1,687.12		
APCM201506	Alaska Permanent Capital Inc	1,687.27		
APCM201507	Alaska Permanent Capital Inc	1,660.63		
15825	Allen Marine Tours	2,015.00		
M1733625	Analysts, Inc.	161.70		
438210	Anders Oil	259.17		
504032454	Anixter	-	1,973.86	
504032496	Anixter	-	3,894.60	
3306	Arrowhead LP Gas WRG	11.48		
6469	Arrowhead LP Gas WRG	416.50		
1344	Ascent Law Partners LLP	3,436.81		
1440	Ascent Law Partners LLP	350.00		
1441	Ascent Law Partners LLP	3,900.00		
1442	Ascent Law Partners LLP	6,530.00		
1485	Ascent Law Partners LLP	420.00		
1486	Ascent Law Partners LLP	8,540.00		
1487	Ascent Law Partners LLP	12,110.12		
1488	Ascent Law Partners LLP	245.00		
1489	Ascent Law Partners LLP	385.00		
1514	Ascent Law Partners LLP	2,940.00	-	
1515	Ascent Law Partners LLP	455.00		
1516	Ascent Law Partners LLP	11,235.00		
1517	Ascent Law Partners LLP	3,535.00		
2653426167	AT&T Alascom 5019	305.34		
247101	Atlantic Ultraviolet Corporation	459.00		
AT10215	Automated Tool, Inc.		2,660.36	
BAM20150626	BAM LLC	16,800.00		
TO15111-1	BAM LLC	-	297,000.00	
50146	Bay Company Enterprises, LLC	118.80		
50318	Bay Company Enterprises, LLC	174.30		
150772	Bay Company Enterprises, LLC	1,282.52		
51057	Bay Company Enterprises, LLC	157.53		
227144	Best Western Landing Hotel	-	165.00	

SOUTHEAST ALASKA POWER AGENCY

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund	New Gen
1053	Best Western Landing Hotel	1,999.70		
1054	Best Western Landing Hotel	698.13		
227120	Best Western Landing Hotel	334.65		
227116	Best Western Landing Hotel	330.00		
227117	Best Western Landing Hotel	362.99		
227119	Best Western Landing Hotel	330.00		
BLUE201507	Blue Water Charter & Tackle	48.39		
1	Boutet Company Inc			45,369.94
2	Boutet Company Inc			2,440.00
35873	Buness Bros. Inc.	685.00		
CAM201507	Cambria Properties LLC	1,475.00		
DEPOSIT201507	Cambria Properties LLC	1,000.00		
CAM201508	Cambria Properties LLC	1,475.00		
CAM201509	Cambria Properties LLC	1,475.00		
130550	Carlos Tree Service, Inc.	126,996.18		
10972PB1	Chatham Electric, Inc.	9,260.00		
10972002	Chatham Electric, Inc.	8,332.72		
10972003	Chatham Electric, Inc.	5,384.00		
10972005	Chatham Electric, Inc.	20,566.00		
10972004	Chatham Electric, Inc.	5,282.66		
10972006	Chatham Electric, Inc.	2,001.25		
10972PB2-STI	Chatham Electric, Inc.	200,100.00		
10972PB2-SWL	Chatham Electric, Inc.	163,075.00		
10972PB2-TYL	Chatham Electric, Inc.	251,185.00		
174817	City Market	30.98		
199970	City Market	130.76		
164087	City Market	119.53		
173998	City Market	1,364.38		
174915	City Market	63.17		
175048	City Market	107.88		
224372	City Market	96.57		
165548	City Market	207.56		
223163	City Market	18.35		
125476	City Market	199.31		
126813	City Market	6.88		
208489	City Market	294.74		
42404	Commonwealth Associates, Inc.	211.25		
42657	Commonwealth Associates, Inc.	42.25		
43125	Commonwealth Associates, Inc.	380.25		
23957	Control Engineers	156.25		
C4001	Copper River Fleece	758.75		
3300507	Daily Journal of Commerce	59.40		
3300715	Daily Journal of Commerce	-	68.20	
3303574	Daily Journal of Commerce	88.00		
XJR5PJF36	Dell		1,809.82	
112489	Delta Western Inc	572.70		
10612	DHittle & Associates, Inc.	2,924.00		
10651	DHittle & Associates, Inc.	5,160.00		
10690	DHittle & Associates, Inc.	3,440.00		
D06768170	DHL Express		36.00	
4620000113	Druck, Inc.	-	11,942.37	
6732	Dryden & LaRue Inc.	7,988.00		
7221	Electric Power Constructors		2,723.31	
6776	Electric Power Systems Inc.		1,944.00	
6820	Electric Power Systems Inc.	24,093.00		
6937	Electric Power Systems Inc.	1,857.00		
7036	Electric Power Systems Inc.		117.17	
7176	Electric Power Systems Inc.	11,575.31		

SOUTHEAST ALASKA POWER AGENCY

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund	New Gen
1	Elger, Donald			5,600.00
AKKET10388	Fastenal	-	3,219.70	
H15436-00	Federal Energy Regulatory Commission	27,632.52		
H15479-00	Federal Energy Regulatory Commission	25,180.92		
SIV/99153836	Fibergrate Composite Structures	-	135,360.00	
23405	First City Electric, Inc.	1,729.93		
4092	Freeman & Sons Machine and Fabrication	734.77		
4128	Freeman & Sons Machine and Fabrication	487.50		
235884	Frontier Shipping & Copyworks	300.00		
241637	Frontier Shipping & Copyworks	54.27	54.28	
24302	Frontier Shipping & Copyworks	72.20		
FS3999376IN	Full Source	499.34		
80025	Futaris Inc	6,145.00		
80092	Futaris Inc	6,145.00		
80132	Futaris Inc	6,145.00		
SEAPA00515	G2Risk Consulting	975.00		
73823	GCSIT Solutions	645.00		
62848816	GE Capital	595.00		
63022599	GE Capital	595.00		
63190322	GE Capital	595.00		
9738918193	Grainger	360.57		
9739166982	Grainger	909.77		
90530104	Hatch Associates Consultants, Inc	13,620.00		
90535152	Hatch Associates Consultants, Inc	1,650.00		
446576H	HDR Alaska Inc.		1,635.66	
451390H	HDR Alaska Inc.		14,300.95	
I68170	Hi-Line Utility Supply Co.	1,872.09		
4058	I Even Do Windows	300.00		
4171	I Even Do Windows	300.00		
4195	I Even Do Windows	132.00		
4213	I Even Do Windows	300.00		
39078	ImageMaster, LLC	623.53		
51490013	Jacobs Associates	9,647.50		
23823	JobMatch LLC	995.00		
7027	Johnson's Building Supply	132.60		
KAG201505	Ketchikan Autobody & Glass	1,000.00		
782226	Ketchikan City of 334	12.50		
30991	Ketchikan Daily News	61.20		
31033	Ketchikan Daily News		87.85	
31043	Ketchikan Daily News		73.50	
31081	Ketchikan Daily News	61.20		
KDN20150609	Ketchikan Daily News		140.25	
31198	Ketchikan Daily News	77.60		
KDN20150629	Ketchikan Daily News	323.40		
31298	Ketchikan Daily News	-	67.35	
KGB201507	Ketchikan Gateway Borough	3,984.75		
KGB201508	Ketchikan Gateway Borough	3,984.75		
KGB201509	Ketchikan Gateway Borough	3,984.75		
2015Fireworks	Ketchikan Lions Club	1,000.00		
11116	Ketchikan Mechanical, Inc.	4,300.00		
LK201507	LK Storage & Rentals	78.00		78.00
LK201508	LK Storage & Rentals	78.00		78.00
LK201509	LK Storage & Rentals	78.00		78.00
95277	LNM Services	84.51		
95298	LNM Services	73.13		
95354	LNM Services	90.34		
95361	LNM Services	14.79		
95401	LNM Services	36.85		

SOUTHEAST ALASKA POWER AGENCY

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund	New Gen
95402	LNM Services	74.77		
95447	LNM Services	76.19		
95452	LNM Services	57.01		
95453	LNM Services	44.40		
95474	LNM Services	58.31		
95493	LNM Services	45.11		
95501	LNM Services	71.35		
113921	Madison Lumber & Hardware Inc	38.29		
114731	Madison Lumber & Hardware Inc	(4.99)		
115491	Madison Lumber & Hardware Inc	(11.00)		
115631	Madison Lumber & Hardware Inc	6.36		
18737	Mapcon Technologies, Inc.	8,703.46		
18768	Mapcon Technologies, Inc.	(51.00)		
288843272715	Marsh USA Inc.	149,856.00		
288847257426	Marsh USA Inc.	141,021.00		
408	May Engineering Services LLC	1,150.00		
605	May Engineering Services LLC	750.00		
409	May Engineering Services LLC	375.00		
113526	McCall Industrial		428.56	
113641	McCall Industrial		327.72	
34195928	McMaster-Carr	1,982.62	655.06	
34799332	McMaster-Carr	96.15	62.80	
35680602	McMaster-Carr		796.94	
4973	McMillen LLC	687.75		
4978	McMillen LLC	48,327.00		
5061	McMillen LLC	1,441.00		
5097	McMillen LLC	58,047.50		
5109	Meridian Environmental	6,962.00		
5152	Meridian Environmental	114.00		
5180	Meridian Environmental	456.00		
CD10215980	Minco Products, Inc.		527.54	
CD10217967	Minco Products, Inc.	641.87		
MKC201506	Morris Kepler Consulting LLC	28,435.75		
MKC201507	Morris Kepler Consulting LLC	5,692.50		
1000672416150531	Morris Publishing Group	-	301.14	
15068044	NRECA 775670 RSP	27,268.60		
15068044A	NRECA 775670 RSP	516.44		
15060630	NRECA 798185 Group Ins	15,853.27		
15070630	NRECA 798185 Group Ins	15,853.27		
15080630	NRECA 798185 Group Ins	15,853.27		
15060630A	NRECA 798324 Group Ins Admin	1,410.39		
15070630A	NRECA 798324 Group Ins Admin	1,410.39		
15080630A	NRECA 798324 Group Ins Admin	1,410.39		
15078044A	NRECA 798330 RSP Admin	516.44		
15088044A	NRECA 798330 RSP Admin	516.44		
15078044	NRECA 798369 RSP	27,268.60		
15088044	NRECA 798369 RSP	27,268.60		
369282	Ottesen's Inc	8.58		
370261	Ottesen's Inc	208.99		
370475	Ottesen's Inc	25.48		
370476	Ottesen's Inc	234.99		
370512	Ottesen's Inc	21.48		
370583	Ottesen's Inc	2.79		
372412	Ottesen's Inc	359.99		
372413	Ottesen's Inc		318.78	
372448	Ottesen's Inc	88.34		
372956	Ottesen's Inc	136.41		
373012	Ottesen's Inc	234.97		

SOUTHEAST ALASKA POWER AGENCY

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund	New Gen
373206	Ottesen's Inc	16.99		
373307	Ottesen's Inc	15.53		
373332	Ottesen's Inc	13.99		
374006	Ottesen's Inc	20.47		
374108	Ottesen's Inc	63.55		
374413	Ottesen's Inc	11.98		
374482	Ottesen's Inc	20.23		
374740	Ottesen's Inc	48.52		
374785	Ottesen's Inc		20.97	
374848	Ottesen's Inc	649.99		
2761647	Pacific Alaska Freightways, Inc.	6,048.18		
2761648	Pacific Alaska Freightways, Inc.	1,229.36		
1505125851	Pacific Pride	4,564.20		
1506131603	Pacific Pride		5,605.62	
19888	Pacific Wings, LLC	142.50		
152792	Paramount Supply Company	-	5,165.00	
33030	Petersburg Bottled Gas	128.00		
33031	Petersburg Bottled Gas	98.00		
153	Petersburg Bottled Gas	24.00		
2015Fireworks	Petersburg Chamber of Commerce, Inc	1,000.00		
34438	Petro Marine Services-WRG	-		295.26
37039	Petro Marine Services-WRG	315.05		
42855	Petro Marine Services-WRG	462.95		
42962	Petro Marine Services-WRG	293.04		
58755	Pilot Publishing, Inc.	-	54.00	
58945	Pilot Publishing, Inc.	-	77.63	
58945	Pilot Publishing, Inc.	138.68	118.13	
59121	Pilot Publishing, Inc.		64.13	
59121	Pilot Publishing, Inc.	283.50		
59189	Pilot Publishing, Inc.	70.88		
PILOT201509	Pilot Publishing, Inc.	60.00		
504739	Pure Alaskan Water	67.13		
PAW201506	Pure Alaskan Water	44.76		
PAW201507	Pure Alaskan Water	22.38		
142718005	R&M Engineering-Ketchikan	1,140.00		
142718006	R&M Engineering-Ketchikan	692.82		
689	Ray Matiashowski & Associates	4,000.00		
699	Ray Matiashowski & Associates	4,000.00		
709	Ray Matiashowski & Associates	4,000.00		
64467	RocTest Ltd.	5,166.62		
S117KET03I	Samson Tug & Barge	90.95		
S144KET08I	Samson Tug & Barge		76.30	
410984	Satellite & Sound Inc	300.00		
410999	Satellite & Sound Inc	550.00		
315273	SE Business Machines	641.00		
15044	Segrity LLC	-	8,370.00	
15042	Segrity LLC	-	19,777.19	
15040	Segrity LLC	1,943.75		
15041	Segrity LLC	-	900.00	
15043	Segrity LLC	-	17,416.49	
15052	Segrity LLC		8,640.00	
15051	Segrity LLC	-	1,755.00	
15046	Segrity LLC	-	3,590.02	
15049	Segrity LLC	-	11,026.58	
15054	Segrity LLC		5,535.00	
15050	Segrity LLC		4,635.00	

SOUTHEAST ALASKA POWER AGENCY

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund	New Gen
15053	Segrity LLC		3,622.61	
415558	Sentry Hardware & Marine	26.77		
416140	Sentry Hardware & Marine	75.36		
417784	Sentry Hardware & Marine	-	92.70	
417789	Sentry Hardware & Marine	-	81.96	
417918	Sentry Hardware & Marine		136.32	
418261	Sentry Hardware & Marine	108.40		
419124	Sentry Hardware & Marine	-	15.55	
419168	Sentry Hardware & Marine	37.98		
419319	Sentry Hardware & Marine	34.99		
419535	Sentry Hardware & Marine	44.27		
419757	Sentry Hardware & Marine		31.25	
419826	Sentry Hardware & Marine	39.85		
559364	Southeast Auto & Marine Parts, Inc	105.88		
559708	Southeast Auto & Marine Parts, Inc	136.92		
559709	Southeast Auto & Marine Parts, Inc	30.44		
559958	Southeast Auto & Marine Parts, Inc	95.89		
559959	Southeast Auto & Marine Parts, Inc	20.98		
559967	Southeast Auto & Marine Parts, Inc	4.99		
560325	Southeast Auto & Marine Parts, Inc	96.59		
560537	Southeast Auto & Marine Parts, Inc	351.22		
561168	Southeast Auto & Marine Parts, Inc	18.36		
561334	Southeast Auto & Marine Parts, Inc	180.99		
561608	Southeast Auto & Marine Parts, Inc	(38.50)		
561830	Southeast Auto & Marine Parts, Inc	57.48		
3888	Southeast Conference	660.00		
20404	Stikine Auto Works	115.50		
20422	Stikine Auto Works	126.33		
3397	Stikine Inn	219.95		
3398	Stikine Inn	262.00		
3498	Stikine Inn	126.95		
3504	Stikine Inn	140.90		
59238	Struble Fluid Power		7,215.33	
59379	Struble Fluid Power		891.69	
52210	Sunrise Aviation Inc	4,264.50		
52247	Sunrise Aviation Inc	2,155.00		
52249	Sunrise Aviation Inc	-	1,100.00	
52258	Sunrise Aviation Inc	285.00		
52260	Sunrise Aviation Inc	-	720.00	
52262	Sunrise Aviation Inc	460.00	460.00	
52265	Sunrise Aviation Inc	495.00		
52268	Sunrise Aviation Inc	940.00		
52270	Sunrise Aviation Inc	-	720.00	
52287	Sunrise Aviation Inc		720.00	
52291	Sunrise Aviation Inc	470.00	470.00	
52295	Sunrise Aviation Inc	720.00		
52298	Sunrise Aviation Inc	435.00		
52300	Sunrise Aviation Inc	360.00	360.00	
52259	Sunrise Aviation Inc	2,800.00		
52311	Sunrise Aviation Inc	138.25		
52327	Sunrise Aviation Inc	1,089.00		
52329	Sunrise Aviation Inc	435.00		
52334	Sunrise Aviation Inc	1,150.00		
52336	Sunrise Aviation Inc	465.00		
52312	Sunrise Aviation Inc	3,600.00		
52348	Sunrise Aviation Inc	435.00		
52354	Sunrise Aviation Inc	1,070.00		
30470	Taquan Air	934.90		

SOUTHEAST ALASKA POWER AGENCY

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund	New Gen
30581	Taquan Air	-	934.90	
30605	Taquan Air	-	467.45	
31198	Taquan Air	467.45		
28809	Temsco Helicopters, Inc.	3,744.05		
28810	Temsco Helicopters, Inc.	2,503.55		
28813	Temsco Helicopters, Inc.	3,572.75		
28777	Temsco Helicopters, Inc.	-	1,906.67	
28818	Temsco Helicopters, Inc.	3,627.52		
28847	Temsco Helicopters, Inc.	2,394.70		
28848	Temsco Helicopters, Inc.	2,177.00		
28850	Temsco Helicopters, Inc.	1,959.30		
28887	Temsco Helicopters, Inc.	3,496.95		
28939	Temsco Helicopters, Inc.	2,721.25		
28943	Temsco Helicopters, Inc.	2,177.00		
28946	Temsco Helicopters, Inc.	1,088.50		
28992	Temsco Helicopters, Inc.	979.65		
28993	Temsco Helicopters, Inc.	1,523.90		
29015	Temsco Helicopters, Inc.	2,068.15		
29018	Temsco Helicopters, Inc.	1,959.30		
29028	Temsco Helicopters, Inc.	1,959.30		
29057	Temsco Helicopters, Inc.	1,850.45		
29056	Temsco Helicopters, Inc.	1,850.45		
29055	Temsco Helicopters, Inc.	1,959.30		
29108	Temsco Helicopters, Inc.	2,177.00		
29132	Temsco Helicopters, Inc.	2,177.00		
29126	Temsco Helicopters, Inc.	-	6,204.45	
29127	Temsco Helicopters, Inc.	-	1,444.77	
29200	Temsco Helicopters, Inc.	3,731.00		
29202	Temsco Helicopters, Inc.	5,243.90		
29203	Temsco Helicopters, Inc.	1,850.45		
29205	Temsco Helicopters, Inc.	1,741.60		
370598IN	TEquipment.net	5,114.00		
50922165	Tetra Tech Inc	4,128.85		
50922166	Tetra Tech Inc	-	521.95	
50936895	Tetra Tech Inc		354.25	
50936894	Tetra Tech Inc	18,055.08		
50943703	Tetra Tech Inc	9,246.40		
16757	TexRus	1,541.00		
16918	TexRus	1,661.00		
17054	TexRus	3,450.42	354.00	
316108	Timber & Marine Supply Inc	6,795.00		
594390	Tongass Business Center	35.38		
592060	Tongass Business Center	227.85		
597170	Tongass Business Center	229.54		
597171	Tongass Business Center	14.94		
597420	Tongass Business Center	6.42		
597421	Tongass Business Center	8.31		
611960	Tongass Business Center	394.33		
611950	Tongass Business Center	163.34		
612570	Tongass Business Center	12.22		
614320	Tongass Business Center	247.80		
614880	Tongass Business Center	22.36		
618780	Tongass Business Center	26.75		
615280	Tongass Business Center	54.65		
62730	Tongass Business Center	83.37		
629410	Tongass Business Center	271.82		
638440	Tongass Business Center	225.13		
1320124	Tongass Engineering	-	8,058.75	

SOUTHEAST ALASKA POWER AGENCY

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund	New Gen
1320125	Tongass Engineering	-	11,851.81	
1320126	Tongass Engineering		5,003.91	
PMT#2	Touchdown Enterprises	-	145,687.50	
PMT#3	Touchdown Enterprises		145,687.50	
999539	Transcat, Inc.		2,518.93	
6B146482-A	Travelers	19,937.00		
2059901	Tyler Industrial Supply	721.42		
T2079301	Tyler Industrial Supply	51.05	225.62	
90362748	US Geological Survey	17,000.00		
119998	Van Ness Feldman PC	807.50		
121006	Van Ness Feldman PC	7,305.93		
121007	Van Ness Feldman PC	3,782.50		
150626001	Vertex Structures Inc	34,884.04		
PO1618DWNPMPT	Vertex Structures, Inc.		7,767.90	
5985	Vigor Alaska LLC		1,333.22	
5986	Vigor Alaska LLC		1,296.00	
WCI201506	Ward Cove Industries LLC		750.00	
WCI-LAST	Ward Cove Industries LLC	1,125.00		
WCI201507	Ward Cove Industries LLC		1,125.00	
1540	Ward Cove Industries LLC	-	1,380.00	
WCI201508	Ward Cove Industries LLC		1,125.00	
WCI201509	Ward Cove Industries LLC		1,125.00	
WF09-201506	Wells Fargo Bank-Corporate Trust	90,700.66		
WF2015-1506	Wells Fargo Bank-Corporate Trust	46,285.15		
WF09-201507	Wells Fargo Bank-Corporate Trust	90,700.66		
WF15-201507	Wells Fargo Bank-Corporate Trust	46,285.15		
WF09-201508	Wells Fargo Bank-Corporate Trust	90,700.66		
WF15-201508	Wells Fargo Bank-Corporate Trust	46,285.15		
715230515	Western Electrical Services	570.13		
62967B0515	Western Electrical Services	27,529.00		
240	Woffinden, Jeimi	871.20		
2015Fireworks	Wrangell Chamber of Commerce	1,000.00		
TBPA201505	Wrangell City & Borough	16,502.00		
TBPA201506	Wrangell City & Borough	370.00		
WRGPORT201507	Wrangell City & Borough	1,003.00		
58760	Wrangell Sentinel	-	44.00	
58946	Wrangell Sentinel	138.68	195.76	
59114	Wrangell Sentinel	231.00	52.25	
59193	Wrangell Sentinel	57.75		
201505	Employee Reimbursements	146.76		
201506	Employee Reimbursements	54.99		
201507	Employee Reimbursements	126.00		
201505	*Bank of America	15,306.07	694.18	-
201506	*Bank of America	18,988.64	72.00	-
201507	*Bank of America	19,072.66	39.50	-
Total Disbursements		\$ 2,449,340.11	\$ 940,577.76	\$ 53,939.20
		\$3,443,857.07		

* Bank of America credit card charges include all travel, most telecom and some utility:
 ACS, AT&T Mobility, AP&T, GCI, Globalstar, KPU, PSG Borough, Roadpost, Wrangell City & Boro
 These recurring telecom & utility charges are approximately \$12,000/month.

Total JUNE Disbursements	1,604,892.56
Total JULY Disbursements	709,080.65
Total AUGUST Disbursements	1,129,883.86



Southeast Alaska Power Agency CEO Report

DATE: September 8, 2015
TO: SEAPA Board of Directors
FROM: Trey Acteson, CEO

GOVERNMENTAL AFFAIRS

SEAPA received an Order from the Federal Energy Regulatory Commission (FERC) approving the license amendment for the Swan Lake Reservoir Expansion Project (see, Attachment 1). This is a significant milestone for advancing the project toward construction. I commend the outstanding multi-year effort of SEAPA staff and our expert consultants. An appeal by the intervening parties (Alaska Power & Telephone, City of Saxman and Cape Fox Corporation) is possible, but as you will see in the Order, FERC took special care to thoroughly address each argument that was presented by the intervening parties. At this time, we believe all conditions of the Order can be fulfilled and the project completed according to schedule.

The Energy Policy Modernization Act of 2015 relating to hydropower regulatory improvements passed the Senate Energy and Natural Resources Committee on July 30 by a vote of 18-4 (see, Attachment 2). This is a bipartisan effort being led by Senator Murkowski and Senator Cantwell from Washington State. The four dissenting votes were evenly split across party lines. The bill is awaiting consideration on the Senate floor when Congress returns from its August recess and there will likely be additional changes. This is the first significant comprehensive energy legislation in the past decade. It addresses several policy issues that SEAPA has been advocating for reform and will help enhance renewable energy development in our region. I have provided a few highlights below.

Section 3001. Hydropower regulatory improvement highlights (compiled by APA).

- Designates FERC as the lead agency to set a binding schedule and coordinate all needed federal authorizations in order to address hydropower permitting backlogs. Further authorizes the Chairman of CEQ to resolve any interagency disputes to ensure timely participation and decision-making by the resource agencies.
- Sets forth a sense of Congress that hydropower is a renewable resource for purposes of all Federal programs.
- Amends the federal purchasing requirement in EPACT 2005 to include all forms of hydropower and raises the federal purchase requirement for renewable energy from 7.5 to 15 percent.
- Extends preliminary permit terms from three years to four years and lengthens the subsequent potential FERC extension from two years to four years.

- Extends the construction start time for projects from two years to an additional eight years.
- Directs FERC to compile and make public a comprehensive collection of studies and data, to use existing studies in individual licensing proceedings, and to ensure that studies required for federal authorizations are not duplicated. It also encourages the development of a limited number of open-source methodologies and tools, including water balance models and streamflow analyses.
- Requires the concurrent preparation of biological opinions and starts the clock for water quality certifications when the request for certification is determined to be complete.
- Requires FERC to maintain an official consolidated record of a licensing proceeding, including the contributions made by other federal agencies.
- Requires a resource agency to demonstrate, in writing, that it has met the “equal consideration” requirement when imposing mandatory conditions or prescriptions.
- Makes a number of improvements to the Trial-Type Hearing (TTH) process, including requiring FERC’s existing Administration Law Judges (ALJ) to handle the TTH; extending time limit for a TTH from 90 to 120 days; and allowing an ALJ to stay the TTH for 120 days for settlement discussions.
- Directs FERC to establish a voluntary pilot program covering at least one region to consider a region-wide approach to hydropower licensing.

I attended the National Hydro Association regional conference in Anchorage on August 18-20. Senator Murkowski provided a detailed description of her Energy Policy Modernization Act and highlighted benefits to the hydro industry. The FERC Chairman, Norman Bay, also provided a key note speech at the event. After the conference, I met privately with Chairman Bay and a small group of Alaska Power Association folks to discuss policy and administrative hurdles. I expressed SEAPA’s ongoing concerns regarding the costly and cumbersome hydro permitting process. I also expressed a need for more transparency and better communication with permit applicants. We discussed challenges associated with tracking interagency timelines, jurisdictions, and possible improvements. Chairman Bay was very attentive and extended an open invitation for me to meet directly with him in D.C.

PUBLIC RELATIONS

SEAPA hosted the Alaska Power Association’s 64th Annual Meeting in Ketchikan on August 25-27. We were initially expecting about 75 attendees and ended up filling the room with over 150 power industry folks. SEAPA gained exceptional exposure during the event with a diverse audience of state-wide utility leaders, agency representatives, and legislators. Lieutenant Governor Byron Mallot and B.C. Minister of Mines, Bill Bennett, addressed the group. I provided opening remarks and participated as a speaker on one of the panels. I also lead a tour at our Swan Lake facility for Senator John Coghill (Majority Leader), Sara Fisher-Goad (AEA Executive Director), and Severin Randall (Majority staff counsel to the U.S. Senate Energy and Natural Resources Committee). SEAPA staff had a strong presence at the event and Lisa Maddocks was recognized by APA for her outstanding assistance in pulling it all together.

BEST PRACTICES AND PROCESS IMPROVEMENTS

Staff has drafted a records retention policy and schedule to be presented to the Board for consideration in December. This is a comprehensive program that will standardize an important business process. The schedule is very detailed and currently being reviewed to ensure it

meets all legal and regulatory requirements. Once adopted, it will require a dedicated effort to implement and maintain.

ANNUAL INSURANCE RENEWAL

SEAPA completed its annual insurance renewal process and I have attached an overview of the different coverages for the Board's cognizance (see, Attachment 3). This is typically a lengthy process that staff executes with the assistance of our insurance underwriter Marsh and our insurance consultant G3 Consultants. SEAPA spends approximately \$540,000 annually on insurance coverage.

RECRUITMENT AND PERSONNEL

Eric (Logan) Collins, SEAPA's summer intern, terminated on August 17th and is headed back for another year of engineering studies at U of A, Fairbanks. Logan had the opportunity to work on a variety of interesting projects including; arc flash assessment at all of the SEAPA facilities, vibration analysis at Tyee, hydrosite investigation, and installation of a battery back-up system at our Headquarters. He also assisted in cataloging and organizing historical project information. Logan is a bright, local engineering student and we look forward to the possibility of extending his internship in the future.

Many organizations offer small grants in addition to their intern programs, but many are having difficulty attracting interest. As a consideration for the Board, I would like to introduce the concept of utilizing an "embedded" scholarship that would assist in growing young professionals for eventual integration into our organization. Simply stated, a portion of their wages would be matched (with a cap) and retained as a scholarship for them to apply directly to furthering their education the following year. This would provide a mechanism to directly invest in workforce development and help build a long-term relationship with solid performers.

All funded positions in the Agency are currently filled.

Attachments:

- Attachment 1: FERC Order Re Swan Lake License Amendment
- Attachment 2: Energy Policy Modernization Act
- Attachment 3: 2015-2016 Insurance Premium Summary

ATTACHMENT 1

FERC ORDER RE

SWAN LAKE LICENSE AMENDMENT

152 FERC ¶ 61,136
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Philip D. Moeller, Cheryl A. LaFleur,
Tony Clark, and Colette D. Honorable.

Southeast Alaska Power Agency

Project No. 2911-039

ORDER AMENDING LICENSE

(Issued August 18, 2015)

1. On July 21, 2014, the Southeast Alaska Power Agency (Agency), licensee for the Swan Lake Project No. 2911, filed an application to amend its license in order to install spillway gates on the project dam and raise the project reservoir. As discussed below, this order approves the Agency's amendment application.

Background

2. The license for the Swan Lake Project was issued on July 17, 1980, and expires on June 30, 2030.¹ The project is located on Falls Creek on Revillagigedo Island, Alaska, and occupies federal lands managed by the U.S. Forest Service (Forest Service) within the Tongass National Forest. Project works include: a 174-foot-high, 480-foot-long concrete arch dam that includes a 100-foot-long uncontrolled ogee spillway² with a crest elevation of 330 feet mean sea level (msl); a reservoir (Swan Lake) that is 1,474 acres at normal maximum elevation of 330 feet mean sea level (msl) with a usable storage capacity of 81,704 acre-feet; a 2,200-foot-long, 11-foot-diameter power tunnel bifurcating into two 5.5-foot-diameter steel-lined penstocks; a concrete powerhouse containing two turbine-generator units with a total installed capacity of 22 megawatts (MW); a 13.8/115-kilovolt (kV) substation located adjacent to the powerhouse; and a

¹ *Ketchikan Public Utilities*, 12 FERC ¶ 61,331 (1980).

² An ogee spillway is a control weir that is S-shaped in profile and allows a large magnitude of water to safely flow over it.

30.5-mile-long, 115-kV transmission line. The project has an average annual generation of 75,700 megawatt-hours (MWh).

3. The licensee operates the Swan Lake Project to support other interconnected hydroelectric projects and help minimize the use of diesel generation. Since late 2009, when the Swan Lake Project was intertied with the licensee's Tyee Lake Project No. 3015 and the municipalities of Wrangell and Petersburg, Alaska, the licensee conducts a substantial drawdown of Swan Lake in the late autumn and winter and refills the reservoir in the spring and summer, aiming to reach full pool by mid-autumn. The minimum operational elevation of the reservoir is 271.5 feet msl. However, the licensee generally maintains the reservoir above an elevation of 280 feet msl.

Proposed Action

4. The licensee proposes to install one 20-foot-wide vertical operating gate and a 78-foot-wide flashboard system across the top of the existing 100-foot-wide, uncontrolled, ogee spillway. The gate would be located on the right side of the spillway and would be sealed against two piers, the existing pier on the right side of the spillway and a new pier that would be installed on the spillway crest. The gate would be operated by wire rope hoist drums located on a new steel deck spanning the top of the piers, and would be sized to pass flows in excess of the largest flood recorded since project operation began. The flashboard system would be installed between the new pier and the existing pier on the left side of the spillway. The flashboards would consist of wood panels placed on vertical wide flange-beam columns supported by angled compression members on the downstream side. The flashboards would be designed to automatically fail when flows exceed the capacity of the vertical gate, but the flashboard system would also include a manual failure mechanism, so that project operators could release the flashboards when deemed necessary. A new equipment enclosure, located on the right abutment, would house mechanical and electrical equipment for the new gate.

5. The proposed gate system on the spillway would raise the maximum surface elevation of Swan Lake by 15 feet, to 345 feet msl. The added elevation would increase the surface area of Swan Lake to 1,567 acres, inundating an additional 93 acres that are within the project boundary, including approximately 26 acres of federal lands within the Tongass National Forest.

6. To prevent flooding of the intake gate house and controls, the licensee proposes to raise the floor and ceiling of the gate house equipment room and gate support beam by 15 feet. The licensee would also upgrade equipment where appropriate and install a longer gate stem to connect the gate with the elevated gate control equipment.

7. The licensee proposes no changes to the power tunnel, powerhouse, generating equipment, or transmission line. Because the current project boundary follows the 350-foot contour, which is above the proposed maximum reservoir level, the licensee

does not request to alter the project boundary or the amount of federal lands the project occupies.

8. The project's authorized installed capacity of 22 MW would remain the same; however, the proposal would allow the licensee to curtail generation and store more inflow during the spring, summer, and fall when hydroelectric facilities in the region are typically underutilized. Due to the increase in storage capacity, the licensee would be able to generate for longer periods during the winter drawdown, increasing annual generation at the Swan Lake Project by an estimated 2,237 MWh, to approximately 77,937 MWh. During the period when the project would be storing additional flows rather than generating, other hydroelectric projects on the same isolated electrical grid would be able to increase their generation by a projected 5,537 MWh. If the Swan Lake Project could not store the flows, it would instead use them to generate, thus making the 5,537 MWh from the other projects unneeded and forcing the other projects to spill more water over their dams. Accordingly, the proposed action would increase generation efficiency in the local grid.

Consultation

9. Prior to filing the license amendment application, the licensee consulted with federal and state agencies, Alaska Natives likely to have an interest in the project, and nongovernmental organizations.³ The licensee prepared an initial consultation document in April 2013 and held a joint agency and public meeting on May 22, 2013. The agencies requested that the licensee perform field studies in the area of Swan Lake and its major tributaries. The licensee prepared several resource reports after conducting the field studies, and provided the reports to the agencies for review and comment before including them in the license amendment application.

Public Notice

10. On August 26, 2014, the Commission issued public notice that the amendment application was accepted for filing, that the project was ready for environmental analysis, and that the deadline was October 27, 2014, for filing motions to intervene, comments, recommendations, terms and conditions, and fishway prescriptions. In response, the

³ For a complete list of consulted parties, see Appendix K of Exhibit W of the licensee's July 21, 2014 application.

Forest Service filed a notice of intervention on September 2, 2014,⁴ and terms and conditions for inclusion in the amended license on October 23, 2014.

11. On October 27, 2014, the City of Saxman, Alaska (Saxman), Alaska Power and Telephone Company (Alaska Telephone), and Cape Fox Corporation (Cape Fox) (collectively, Mahoney Lake Parties) each filed timely motions to intervene⁵ and protests, arguing that the application should be denied or rejected. Saxman is the licensee for the Mahoney Lake Project No. 11393;⁶ Cape Fox and Alaska Telephone each have invested funds in the Mahoney Lake Project. Cape Fox, a Village Corporation formed under the Alaska Native Claims Settlement Act,⁷ states that the Mahoney Lake Project represents one of few local economic and community development opportunities for its shareholders.

12. On May 18, 2015, Commission staff issued an Environmental Assessment (EA) for the proposed action, as well as a public notice soliciting comments on the EA. The Alaska Department of Fish and Game (Alaska DFG) and Alaska Telephone filed comments on the EA.⁸ Alaska DFG stated that it agrees with Commission staff's finding that the proposed action, with the additional mandatory conditions, would not constitute a major federal action significantly affecting the quality of the human environment. Alaska

⁴ Under Rule 214(a)(2) of the Commission's Rules of Practice and Procedure, the Forest Service became a party to the proceeding upon the filing of its notice of intervention. 18 C.F.R. § 385.214(a) (2015).

⁵ Timely, unopposed motions to intervene are granted by operation of Rule 214(c) of the Commission's Rules of Practice and Procedure. 18 C.F.R. § 385.214 (c) (2015).

⁶ The license for the Mahoney Lake Project was issued in 1998. *City of Saxman, Alaska*, 82 FERC ¶ 62,041 (1998). Due to circumstances explained below, the project has not yet been constructed.

⁷ Pub. L. No. 92-203, § 2, 85 Stat. 688 (1971) (codified at 43 U.S.C. § 1601 (2012)).

⁸ On July 13, 2015, the Agency filed a motion to strike Alaska Telephone's comments on the EA, alleging that the comments address legal issues that do not pertain to the Commission's environmental review, or raise issues that have no basis in fact. On July 28, 2015, Alaska Telephone filed a response opposing the motion. In the interest of encouraging public participation in our proceedings, we generally allow commenters significant latitude, and see nothing in the comments that requires striking them. Accordingly, we deny the Agency's motion.

Telephone disagrees with several conclusions in the EA and states that Commission staff did not perform an adequate analysis of the proposed action. We discuss Alaska Telephone's comments below.

13. We have considered the comments, interventions, and protests in considering whether, and under what conditions, to authorize the amendment.

Water Quality Certification

14. Under section 401(a) of the Clean Water Act (CWA),⁹ the Commission may not authorize construction or operation of a hydroelectric project that may result in a discharge from the project unless the state water quality certifying agency either has issued water quality certification for the project or has waived certification by failing to act on a request for certification within a reasonable period of time, not to exceed one year. Section 401(d) of the CWA provides that the certification shall become a condition of any federal license that authorizes construction or operation of the project.¹⁰

15. On August 10, 1999, the Alaska Department of Environmental Conservation filed a letter with the Commission waiving all water quality certifications for FERC jurisdictional hydroelectric projects.¹¹ As a result, we consider the certification for the proposed amendment to be waived.

Threatened and Endangered Species

16. Section 7(a)(2) of the Endangered Species Act of 1973¹² requires federal agencies to ensure that their actions are not likely to jeopardize the continued existence of federally listed threatened and endangered species, or result in the destruction or adverse modification of their designated critical habitat.

17. In March 2014, the licensee completed a Biological Assessment/Evaluation (BA),¹³ which evaluates the impact of the proposed action on federally listed threatened

⁹ 33 U.S.C. § 1341(a) (2012).

¹⁰ 33 U.S.C. § 1341(d) (2012).

¹¹ Commission staff placed this letter in the record of this proceeding on July 16, 2015.

¹² 16 U.S.C. § 1536(a) (2012).

¹³ This document was prepared for the Forest Service and the licensee, who labeled it as a combined Biological Assessment and Biological Evaluation. The licensee

(continued...)

and endangered species. The species discussed in the BA are the humpback whale and Chinook salmon, sockeye salmon, and steelhead originating from the Columbia River basin. Based on the analysis in the BA, Commission staff concluded that the proposed action would not be likely to adversely affect federally listed threatened or endangered species and issued a letter on May 28, 2015, requesting that the National Marine Fisheries Service (NMFS) concur with its determination. On June 9, 2015, NMFS filed a letter concurring with Commission staff's determination.

National Historic Preservation Act

18. Under section 106 of the National Historic Preservation Act¹⁴ and its implementing regulations,¹⁵ federal agencies must take into account the effect of any proposed undertaking on properties listed or eligible for listing in the National Register (defined as historic properties) and afford the Advisory Council on Historic Preservation a reasonable opportunity to comment on the undertaking. This generally requires the Commission to consult with the State Historic Preservation Officer (SHPO) to determine whether and how a proposed action may affect historic properties, and to seek ways to avoid or minimize any adverse effects.

19. The licensee provided the Forest Service a cultural resources report determining that no historic properties would be affected by the proposed amendment. The Forest Service reviewed the report and agreed with the licensee's findings. The Forest Service sent a letter to the Alaska SHPO on June 13, 2013, outlining the licensee's survey and tribal consultation findings and asking the Alaska SHPO to concur with the determination that the proposal would not affect historic properties. The Alaska SHPO concurred in a communication dated June 28, 2013.¹⁶

20. The licensee proposes to develop and implement measures to protect tribal or cultural resources, if they are identified or discovered during construction. To ensure that these resources would be protected, we include Article 405 to require the licensee to

filed it as appendix D to the Applicant-Prepared EA included in the July 21, 2014 license amendment application.

¹⁴ Section 106 of the National Historic Preservation Act of 1966, as amended, 54 U.S.C. § 306108, Pub. L. No. 113-287, 128 Stat. 3188 (2014). (The National Historic Preservation Act was recodified in Title 54 in December 2014).

¹⁵ 36 C.F.R. part 800 (2014).

¹⁶ July 21, 2014 Application at Appendix I.

follow specific procedures in the event it discovers historical, cultural, or tribal resources during construction, operation, and maintenance activities.

Section 18 Fishway Prescriptions

21. Section 18 of the Federal Power Act (FPA)¹⁷ provides that the Commission shall require the construction, maintenance, and operation by a licensee of such fishways as may be prescribed by the Secretary of the Interior or the Secretary of Commerce, as appropriate. No fishway prescriptions or reservations of authority were filed.

Coastal Zone Management Act

22. Under section 307(c)(3)(A) of the Coastal Zone Management Act (CZMA),¹⁸ the Commission cannot issue a license for a project within or affecting a state's coastal zone unless the state CZMA agency concurs with the license applicant's certification of consistency with the state's CZMA program, or the agency's concurrence is conclusively presumed by its failure to act within 180 days of its receipt of the applicant's certification.

23. On July 1, 2011, by operation of Alaska State law, the federally-approved Alaska Coastal Zone Management Program expired, resulting in the state's withdrawal from participation in the CZMA's National Coastal Management Program. Therefore, section 307 of the CZMA does not currently apply in Alaska.¹⁹

¹⁷ 16 U.S.C. § 811 (2012).

¹⁸ 16 U.S.C. § 1456(3)(A) (2012).

¹⁹ 2005 Alaska Sess. Laws. Ch. 31.

Magnuson-Stevens Fishery Conservation and Management Act

24. The Magnuson-Stevens Fishery Conservation and Management Act²⁰ requires federal agencies to consult with NMFS on all actions that may adversely affect Essential Fish Habitat (EFH). In the EA, Commission staff determined that there would be no significant change to the frequency or duration of spill events that could adversely affect the small amount of EFH in Falls Creek below the dam. Additionally, Commission staff concluded that the licensee's plans to prevent and control sedimentation and fuel and oil spills during construction would protect fish habitat and prevent any adverse effect on EFH.²¹ We agree. Therefore, no further consultation in regards to the Magnuson-Stevens Fishery Conservation and Management Act is required.

Section 4(e) of the FPA

25. Section 4(e) of the FPA²² provides that the Commission may issue a license for a project on a federal reservation only if it finds that the license would not interfere or be inconsistent with the purpose for which the reservation was created or acquired. In addition, section 4(e) requires that any license for which we make this finding must include conditions prescribed by the Secretary under whose supervision the reservation falls. The Swan Lake Project occupies lands of the Tongass National Forest administered by the Forest Service.

26. Commission staff has reviewed the Organic Administration Act of 1897,²³ which established the purposes for forest reservations, and the presidential proclamations and executive orders that created and expanded the Tongass National Forest.²⁴ There is no

²⁰ 16 U.S.C. § 1855(b)(2) (2012).

²¹ See section 3.3.3.2 of the EA.

²² 16 U.S.C. § 797(e) (2012).

²³ 16 U.S.C. § 473 *et seq.* (2012).

²⁴ The Tongass National Forest was established by Presidential Proclamation of September 10, 1907 (35 Stat. 2152), and expanded by Executive Order No. 908, July 2, 1908; Presidential Proclamation of February 16, 1909 (35 Stat. 2226); and Presidential Proclamation of June 10, 1925 (44 Stat. 2578). At the time the national forest was established, the Organic Administration Act of 1897, 16 U.S.C. § 475 (2012), stipulated that all national forest lands were established and administered only for watershed protection and timber production. These are the only purposes that are relevant for a Commission determination under section 4(e) as to whether a project will interfere or be

(continued...)

evidence or allegation in this proceeding to indicate that the Swan Lake amendment will interfere with the purposes of the Tongass National Forest. We find that this amendment will not interfere or be inconsistent with the purposes for which the reservation was created.

27. The Forest Service filed 12 final 4(e) conditions for inclusion in the amendment order on October 23, 2014. The final terms and conditions are set forth in Appendix A of this order, incorporated into this license by ordering paragraph (C), and summarized below.

28. The Forest Service 4(e) conditions require the licensee to: (1) seek Forest Service approval on final designs; (2) seek Forest Service approval of changes after initial construction; (3) allow for the revision of Forest Service conditions following issuance of a Biological Opinion or Water Quality Certificate; (4) obtain a special use authorization;²⁵ (5) comply with revised conditions following a special use authorization administrative appeals process; (6) consult with the Forest Service annually to protect National Forest lands; (7) comply with applicable federal, state, and local laws; (8) restore, and guarantee that any future transferee could restore Forest Service lands in the event of license surrender; (9) self-insure itself and indemnify the United States for any acts related to the licensee's use of federal lands; (10) prepare an Invasive Plant Management Plan; (11) restrict the use of pesticides and herbicides on Forest Service lands; and (12) avoid disturbing, or replace, any survey monuments, private property corners, and National Forest boundary markers.

29. In the EA, Commission staff recommended all of the Forest Service's 4(e) environmental conditions. Condition 10 does not require Commission approval of the

inconsistent with the purpose for which the reservation (national forest) was created or acquired. *See Rainsong Company v. FERC*, 106 F.3d 269 (9th Cir. 1997).

²⁵ Section 2401 of the Energy Policy Act of 1992 prohibits the Commission from requiring a licensee to obtain a special use permit for continued operation of a hydroelectric project unless the Commission determines that the project involves the use of additional federal lands or the licensee previously obtained a special use permit. Pub. L. No. 102-486, 106 Stat. 3096 (1992). Appendix C to the licensee's July 21, 2014 application includes a statement that the power line for the project was originally authorized under a special use permit in 1984. Accordingly, we include conditions 4 and 5 regarding a special use permit in Appendix A. However, these conditions are only enforceable if the licensee in fact held a special use permit prior to the effective date of section 2401.

Invasive Plant Management Plan. Article 403, added to the license by this order, requires such approval.

Recommendations of Federal and State Fish and Wildlife Agencies Pursuant to Section 10(j) of the FPA

30. Section 10(j)(1) of the FPA²⁶ requires the Commission, when issuing a license, to include conditions based on recommendations submitted by federal and state fish and wildlife agencies pursuant to the Fish and Wildlife Coordination Act,²⁷ to “adequately and equitably protect, mitigate damages to, and enhance fish and wildlife (including related spawning grounds and habitat)” affected by the project.

31. No section 10(j) recommendations were filed for the proposed amendment.

Section 10(a)(1) of the FPA

32. Section 10(a)(1) of the FPA²⁸ requires that any project for which the Commission issues a license be best adapted to a comprehensive plan for improving or developing a waterway or waterways for the use or benefit of interstate or foreign commerce; for the improvement and utilization of waterpower development; for the adequate protection, mitigation, and enhancement of fish and wildlife; and for other beneficial public uses, including irrigation, flood control, water supply, recreation, and other purposes. No recommendations were filed pursuant to section 10(a)(1).

33. The licensee proposes a number of measures to protect resources during and following the proposed construction activities.

34. To protect soils and prevent the degradation of water quality through sedimentation, the licensee proposes to implement best management practices (BMPs) as specified by the Forest Service. These practices described by the Forest Service include identifying riparian or wetland areas that need specific protection measures, properly collecting solid wastes and materials contaminated with fuel or oils, and seeding disturbed soils following construction. The licensee also proposes its own construction-specific BMPs, which include site grading and spill prevention to control and protect stormwater, as well as the use of settling basins and sediment filters. These measures will be included in the Soil Erosion and Sediment Control Plan required by Article 301.

²⁶ 16 U.S.C. § 803(j)(1) (2012).

²⁷ 16 U.S.C. §§ 661 *et seq.* (2012).

²⁸ 16 U.S.C. § 803(a)(1) (2012).

35. To protect rare plants, the licensee proposes to avoid populations of known rare plant populations during construction activities, salvage populations of bog St. John's-wort in areas inundated by the reservoir raise, and notify the Forest Service upon discovery of any unknown populations of rare plants to determine the appropriate avoidance or salvage procedures. To implement these proposed measures and protect rare plant populations near the project, we are requiring the licensee to file a Rare Plant Salvage and Protection Plan under Article 402.

36. To prevent the spread of invasive plant species, the licensee proposes seven measures, which include treating existing infestations, using clean fill, and washing construction vehicles before transporting them. The Invasive Plant Management Plan required by Forest Service condition 10 and filed for Commission approval under Article 403 will ensure that the licensee implements these measures.

37. For timber resources, the licensee proposes to: (1) on Alaska Department of Natural Resources (Alaska DNR) lands, conduct a timber cruise²⁹ and develop a logging plan to cut merchantable trees, and (2) on Forest Service lands, to not remove any trees but conduct a timber cruise and enter into a settlement with the Forest Service to compensate it for the lost timber. Article 404 requires the licensee to conduct a timber cruise for state lands, develop a timber plan for affected state lands for review and approval by the Alaska DNR, and file the plan with the Commission. We will not, however, require the licensee to compensate the Forest Service for merchantable timber lost due to inundation. Requiring such monetary compensation would constitute the assessment of damages, and it is well-established that the Commission has no authority to adjudicate claims for, or require payment of, damages.³⁰ The licensee and the Forest Service are free to settle the matter outside the license, but the Commission will not include monetary compensation as a license condition.

²⁹ A timber cruise is a form of tree inventory.

³⁰ See, e.g., *Ohio Power Co.*, 71 FERC ¶ 61,092, at 61,313 (1995).

Other Issues

A. Mahoney Lake Project

38. The Mahoney Lake Project No. 11393 has a licensed capacity of 9.6 MW and would be constructed on Revillagigedo Island, approximately 6 miles northeast of Ketchikan, Alaska, and 16 miles southeast of the Swan Lake Project. Although the Commission issued a license for the Mahoney Lake Project on January 22, 1998,³¹ the project is, as yet, unconstructed.³²

39. The Mahoney Lake Parties generally argue that the Commission should reject the amendment application because they believe the Mahoney Lake Project is better adapted than the proposed amendment to fulfill the electrical needs of the area. The Mahoney Lake Parties support this claim by stating that the Mahoney Lake Project is included in the Southeast Alaska Integrated Resource Plan (Integrated Resource Plan),³³ while the Swan Lake Project expansion is not. Furthermore, the Mahoney Lake Parties state that the Mahoney Lake Project is capable of accommodating all increased electrical demand in the area and that the Swan Lake amendment is based only on the speculative assumption that future power projects may require storage and peaking service.

40. The Mahoney Lake Parties argue that inclusion of the Mahoney Lake Project and omission of the Swan Lake expansion in the Integrated Resource Plan indicates that the Mahoney Lake Project is better adapted to a comprehensive plan to improve the

³¹ *City of Saxman, Alaska*, 82 FERC ¶ 62,041 (1998).

³² On August 5, 2004, the Commission issued an order granting stay of the Mahoney Lake Project license, as required by Public Law No. 108-7. *City of Saxman, Alaska*, 108 FERC ¶ 61,153 (2004). Under section 314(b) of the law, the Commission must lift the stay upon request of the City of Saxman, Alaska, but not later than six years after the Commission receives written notice of the completion of the Swan-Tyee transmission line. By letter filed October 4, 2011, the Southeast Alaska Power Agency, which built the transmission line in question, reported that the Swan-Tyee transmission line was operational on October 21, 2009.

³³ The Integrated Resource Plan, prepared in 2012 for the Alaska Energy Authority, is a comprehensive review and prediction of the energy capabilities and needs within southeast Alaska intended to be used by the State of Alaska, municipalities, industry, and citizens for planning purposes. Black & Veatch Corp., *Southeast Alaska Integrated Resource Plan* (July 2012), available at <http://www.akenergyauthority.org/Content/Publications>.

waterway or waterways within the region. We disagree. After reviewing the screening process for the Integrated Resource Plan, it appears that the contractors who prepared the document listed all potential projects of which they were aware, even those which they summarily rejected due to the expectation of significant environmental impacts and adamant agency and public opposition. In finalizing the plan, the authors gave special consideration to projects that had been licensed by the Commission. Therefore, the Mahoney Lake Project was included in the Integrated Resource Plan, not necessarily based on a conclusion that it was best adapted for the region, but rather because it was licensed at the time the plan was prepared. It appears the Swan Lake Project was omitted from the document not because of its merits, but rather because the amendment application had not yet been filed with the Commission.

41. In the EA, Commission staff noted the prediction in the Integrated Resource Plan that energy use in the area may rise by up to 35 percent.³⁴ In addition, Commission staff referenced the Agency's plans to intertie its grid with the towns of Kake and Metlakatla, Alaska, which, as of 2012, had a combined annual energy consumption of approximately 24,187 MWh.³⁵ The Mahoney Lake Project is expected to produce approximately 46,000 MWh per year,³⁶ and the expansion of the Swan Lake Project would result in an increased annual generation of 7,774 MWh, for a combined total of approximately 53,775 MWh per year.

42. Based on the Integrated Resource Plan, a 35 percent rise in energy use would lead to an additional 105,000 MWh annually of needed generation by the year 2030. Additionally, the Integrated Resource Plan does not contemplate the addition of Kake and Metlakatla, Alaska, to the Southeast Alaska Power Agency's system. Even if actual future electrical demand in southeast Alaska falls short of expectations, the combined generation of both the Mahoney Lake and expanded Swan Lake projects appears needed to meet the likely increase in demand. Therefore, approving the Agency's proposal would not impair the feasibility of the Mahoney Lake Project.

43. The Mahoney Lake Parties also state that they stand ready, willing, and able to provide power to the Agency and its members. However, because the Mahoney Lake Project is not yet constructed, this is not the case. In fact, Saxman has had 17 years to commence project construction but has not done so. Indeed, Saxman has not started construction of its project in the nearly six years since completion of the Swan-Tyee

³⁴ EA at 3.

³⁵ *Id.*

³⁶ Integrated Resource Plan at 10-11.

transmission line, which significantly expanded the market potentially available to the Mahoney Lake Project. Based on this history, and the fact that the Agency expects its spillway gates to be operational in 2016, the Swan Lake Project expansion appears likely to be complete even before construction commences on the Mahoney Lake Project. We will not deny the amendment based on speculation as to the future of the Mahoney Lake Project.

44. We also find the argument put forth by the Mahoney Lake Parties that the amendment for the Swan Lake Project should be denied because it only increases annual generation and not capacity and that it serves a speculative need for storage and peaking services to be without merit. The grid in southeast Alaska is unique in that diesel generators provide a significant portion of generation capacity in the region. These diesel generating plants are relatively easy to site and construct; thus, adding capacity is comparatively straightforward. However, diesel generators are expensive to operate, and hydroelectric generation can often be several times less expensive by comparison. Although the proposed action does not increase capacity, it would diminish the need to use diesel generation and reduce rates for end users in the region. Furthermore, as previously explained, the Swan Lake expansion would result in a reduction in generation from the Swan Lake Project when stream flow throughout the region is high, thereby allowing other projects in the area to generate rather than spill excess flow. However, if peak loads exceed the capacity of those other projects, the additional storage at the Swan Lake Project could be called upon to meet that demand. Thus, the proposed action would increase the combined dependable capacity of hydroelectric generating assets within the region.

45. The Mahoney Lake Parties also claim that the Agency's proposal is an attempt to exclude the Mahoney Lake Project from access to the southeast Alaska electric market in violation of the Public Utility Regulatory Policies Act (PURPA).³⁷ In particular, they assert that the Agency, as a regional joint action agency under PURPA, is legally obligated to contract with the Mahoney Lake Project, a competing qualifying project, under PURPA's mandatory purchase obligations. They also argue that the Agency has failed its obligation to retain and make available data relevant to the calculation of avoided cost.

46. On October 30, 2014, Alaska Telephone filed a petition for enforcement against the Agency pursuant to section 210(h) of PURPA. The Commission issued a Notice of Intent Not to Act on December 18, 2014,³⁸ declining to initiate an enforcement action and

³⁷ 16 U.S.C. § 2601 *et seq.* (2012).

³⁸ *Alaska Power & Telephone Company and City of Saxman, Alaska*, 149 FERC ¶ 61,234 (2014).

explaining that Alaska Telephone may bring an enforcement action against the Agency in the appropriate court. We again find that this is not the appropriate forum to consider the Agency's alleged PURPA violations and will not address the issue further here.

B. Sufficiency of the EA

47. On June 18, 2015, Alaska Telephone filed comments in response to the EA, asserting that the EA fails to meet statutory standards. Alaska Telephone argues that the EA fails to adequately consider: (1) the need for power; (2) the existence of alternative projects, including the Mahoney Lake Project; (3) project risks related to the structural integrity of the dam; (4) Native American Interests; and (5) the licensee's fitness to hold a license.

48. Alaska Telephone states that Commission staff took a perfunctory look at the need for power and inappropriately found that power was needed in the region. Alaska Telephone cites the Agency's November 20, 2014 filing, made under docket EL15-12, in which it states that growth in the Southeast Alaska energy market appears to be declining. As noted above, the need for power analysis in the EA used data obtained from the Integrated Resource Plan. Commission staff's review of this data found that the region is in need of additional generation resources.³⁹ In its November 20, 2014 filing, the Agency referenced several sections of the Integrated Resource Plan to show that growth in the market appears to be declining. However, the Integrated Resource Plan and the Agency indicate that total load will continue to increase, though the rate at which it does may decline for the near future.

49. Alaska Telephone states that Commission staff failed to consider other hydropower projects in the region, including the Mahoney Lake Project, as action alternatives. We disagree with this argument. The action alternatives analyzed in an EA are up to the Commission's discretion⁴⁰ and do not need to be exhaustive; rather, the discussion of alternatives need only provide sufficient information to permit a reasoned choice of alternatives.⁴¹ Additionally, the Mahoney Lake and Swan Lake Projects are in

³⁹ As explained previously in response to similar arguments regarding the Mahoney Lake Project and its effect on the Commission's need for power analysis, the Commission does not look at specific sources of power but rather the need for power in the area. *Ketchikan Public Utilities*, 126 FERC ¶ 62,205, at P 83 (2009).

⁴⁰ See *Idaho Power Co.*, 110 FERC ¶ 61,242, at P 80 (2005) (citing *Vermont Yankee Nuclear Power Corp. v. NRDC*, 435 U.S. 519, 551-52 (1978)).

⁴¹ *North Carolina v. FPC*, 533 F.2d 702, 707 (D.C. Cir. 1976), citing *NRDC v. Morton*, 458 F.2d 827 (D.C. Cir. 1972); *Alabama Power Co.*, 141 FERC ¶ 61,127, at

(continued...)

different watersheds and affect separate environmental resources, making a comparison of the two actions of little value. Commission staff has analyzed the Mahoney Lake Project in an EA issued November 13, 1997. Analyzing the Mahoney Lake Project as an action alternative to the expanded Swan Lake Project, as Alaska Telephone requests, would simply be a comparison of the proposed action from the November 13, 1997 EA for Mahoney Lake to the no-action alternative analyzed in the May 18, 2015 EA for Swan Lake. Commission staff's analysis of these two actions is on the public record. As for Alaska Telephone's statement that Commission staff should have analyzed as alternatives all potential sites identified by the Agency, an alternative is not reasonable if it is speculative.⁴²

50. Alaska Telephone also contends that Commission staff disregarded the best adapted standard under section 10(a) of the FPA, asserting that the Swan Lake Project cannot possibly meet the best adapted standard because the Commission already determined that the Mahoney Lake Project met that criterion by issuing a license for the project. Alaska Telephone once again cites the fact that the Mahoney Lake Project was included in the Integrated Resource Plan while the amendment to the Swan Lake Project was not. We do not read section 10(a) as requiring the Commission to choose only one project that it determines to be best adapted; rather, the Commission must consider all information on the record and find that each project is best adapted to a comprehensive plan for beneficial uses of the waterway before issuing a license.⁴³ We have previously discussed why the two projects were or were not reviewed in the Integrated Resource Plan. Furthermore, although the Integrated Resource Plan is authorized by a state agency, is based on a comprehensive study of the beneficial uses of waterways, and articulates the standards, data, and methodology used, it was not filed with the Secretary of the Commission and is not a comprehensive plan as defined under section 2.19 of the Commission's regulations.⁴⁴

51. Alaska Telephone additionally states that the EA is incomplete because it does not analyze the environmental or economic impacts of a dam failure. The Commission's Division of Dam Safety and Inspections – Portland Regional Office (Portland Regional

PP 77-85 (2012).

⁴² *Pacific Gas & Electric Company*, 106 FERC ¶ 61,065, at P 56, *reh'g denied*, 107 FERC ¶ 61,232, at P 29 (2004).

⁴³ *See, e.g., Northern Lights, Inc.*, 39 FERC ¶ 61,352, at 62,102 (1987); *Nockamixon Hydro Associates*, 53 FERC ¶ 61,303, at 62,127 & n.5 (1990).

⁴⁴ 18 C.F.R. § 2.19 (2015).

Office) has reviewed the licensee's proposal and determined that it is safe. Accordingly, there is no reason to study the impacts of dam failure.

52. Finally, Alaska Telephone argues that the licensee failed its consultation obligation by not consulting with the Cape Fox Corporation or Sealaska, regional corporations that represent Native American interests. Alaska Telephone states that the EA failed to consider the economic harm that would be caused to Native Americans by the Swan Lake amendment and again asserts that the amendment is not in the public interest. Neither Cape Fox nor Sealaska appear on the list of federal recognized tribes⁴⁵ and thus are not treated as Indian Tribes under the Commission's regulations.⁴⁶ However, Cape Fox has been involved in the proceeding since it filed its intervention and protest on October 27, 2014, and the Commission has considered its concerns. Nevertheless, as previously explained, the Commission has determined that there is a need for power in the region and that the Swan Lake amendment is in the public interest.

Comprehensive Plans

53. Section 10(a)(2)(A)⁴⁷ of the FPA requires the Commission to consider the extent to which a project is consistent with federal or state comprehensive plans for improving, developing, or conserving waterways affected by the project.⁴⁸ Commission staff identified seven comprehensive plans that address resources relevant to the Swan Lake Project.⁴⁹ No conflicts were found.

Applicant's Plans and Capabilities

A. Conservation Efforts

54. Section 10(a)(2)(C) of the FPA requires the Commission to consider the electricity consumption improvement program of the applicant, including its plans, performance, and capabilities for encouraging or assisting its customers to conserve electricity cost effectively, taking into account the published policies, restriction, and requirements of

⁴⁵ *Indian Entities Recognized and Eligible to Receive Services from the United States Bureau of Indian Affairs*, 80 Fed. Reg. 1942 (Jan. 14, 2015).

⁴⁶ 18 C.F.R. § 4.30(10).

⁴⁷ 16 U.S.C. § 803(a)(2)(A) (2012).

⁴⁸ Comprehensive plans for this purpose are defined at 18 C.F.R. § 2.19 (2015).

⁴⁹ See section 4.4 of the EA for a complete list of all relevant comprehensive plans.

state regulatory authorities. The project provides power directly to the licensee's utility members.

55. The licensee's electric system is isolated with no interconnection to other systems and must supply the power needs of its utility customers with its own, or locally available, generating resources. Because the licensee delivers power to utilities and not the end user, it cannot readily influence conservation efforts made by the final customer. However, each of the three utilities that comprise the licensee's membership provides useful information and assistance to aid their customers in conserving energy. We conclude that, given its members' efforts to persuade customers to reduce energy usage and improve efficiency, the licensee complies with section 10(a)(2)(C) of the FPA.

B. Safe Management, Operation, and Maintenance of the Project

56. We have reviewed the licensee's management, operation, and maintenance of the Swan Lake Project pursuant to the requirements of 18 C.F.R. Part 12 of the Commission's regulations and the Commission's Engineering Guidelines and periodic Independent Consultant Safety Inspection Reports. We have determined that the amendment application, which includes the addition of a spillway gate and flashboards, should not affect the licensee's ability to safely operate and maintain the project. However, to ensure that the amended project is maintained in such a way to protect public safety in the future, we will require the licensee to prepare and file a Public Safety Plan in Article 304.

Administrative Conditions

A. Project Description

57. The licensee submitted, with its July 21, 2014 amendment application, a revised Exhibit M that describes the entire project, as proposed. The revised Exhibit M conforms to the Commission's rules and regulations and is approved in ordering paragraph (D).

B. Exhibit Drawings

58. The licensee included 11 Exhibit L drawings in the application showing the existing conditions and the spillway gates and modifications to the dam and gate house. Four of these drawings show existing conditions and two of them show the one-line wiring diagram and a process flow schematic that do not meet the requirements of an Exhibit L drawing. However, the remaining five drawings adequately show the new facilities. We have reviewed these Exhibit L drawings and determined that they conform to the Commission's regulations and should be approved. In Article 201 we are requiring the licensee to file the exhibit drawings in electronic format.

59. In addition, Article 303 requires the licensee to submit as-built Exhibits M, L, and K, as appropriate, to reflect the construction of the facilities approved in this order, within 90 days following the completion of construction activities.

C. Review of Final Plans and Specifications

60. Article 301 requires the licensee to provide the Commission's Portland Regional Office with final contract drawings and specifications – together with a supporting design report consistent with the Commission's engineering guidelines. Article 302 requires the licensee to provide the regional office with cofferdam construction drawings.

Comprehensive Development

61. Sections 4(e) and 10(a)(1) of the FPA⁵⁰ require the Commission to give equal consideration to power development purposes and to the purposes of energy conservation; the protection, mitigation of damage to, and enhancement of fish and wildlife; the protection of recreational opportunities; and the preservation of other aspects of environmental quality. Any license issued must be such as in the Commission's judgment would be best adapted to a comprehensive plan for improving or developing a waterway or waterways for all beneficial public uses. The decision to issue this license amendment, and the terms and conditions included herein, reflect such consideration.

62. The EA for the license amendment contains background information, analysis of effects, and support for related license articles. Based on the record of this proceeding, including the EA and the comments thereon, granting the licensee's amendment as described in this order would not constitute a major federal action significantly affecting the quality of the human environment. The project will be safe if operated and maintained in accordance with the requirements of this license amendment.

63. Based on staff's independent review and evaluation of the project, recommendations from the resource agencies and other stakeholders, and the no-action alternative, as documented in the EA, we have selected the licensee's proposal, with the staff-recommended measures, and find that it is best adapted to a comprehensive plan for improving or developing Falls Creek.

64. We selected this alternative because: (1) issuance of the amendment would serve to maintain a beneficial and dependable source of electric energy; (2) the additional generation comes from a renewable resource that does not contribute to atmospheric

⁵⁰ 16 U.S.C. §§ 797(e) and 803(a)(1) (2012).

pollution; and (3) the proposed and staff-recommended environmental measures would protect project resources.

Conclusion

65. For the above reasons, we conclude that the licensee's proposed amendment for the Swan Lake Project, as conditioned by this order, would be best adapted to a comprehensive plan for improving or developing Falls Creek. Therefore, we grant the amendment application, as conditioned herein.

The Commission orders:

(A) The license for the Swan Lake Project No. 2911 is amended as provided by this order, effective the day this order is issued.

(B) The first paragraph of Ordering Paragraph (B)(2) of the license is revised to read as follows:

(a) a concrete arch dam, 174 feet high and 480 feet long at its crest having a 20-foot-wide, vertical operating gate and a 78-foot-wide flashboard system across the top of the existing 100-foot-wide uncontrolled, ogee spillway resulting in a crest elevation of 345 feet mean sea level (msl); (b) Swan Lake Reservoir, with a surface area of 1,567 acres at normal maximum reservoir elevation of 345 feet msl and a usable storage capacity of 102,467 acre-feet between elevations 345 and 271.5 feet msl; (c) a power tunnel, 2,200 feet long and 11 feet in diameter, leading from an intake structure at the north abutment upstream of the dam to the powerhouse where it bifurcates into two steel-lined penstocks, 5.5 feet in diameter; (d) an indoor-type, remotely controlled, concrete powerhouse containing two generating units with a total installed capacity of 22,000 kilowatts and located on Carroll Inlet immediately north of the mouth of Falls Creek; (e) a 13.8/115-kilovolt (kV) substation located adjacent to the powerhouse; (f) access facilities comprised of port facilities 1,000 feet north of the powerhouse, a staging area adjacent to the port facilities, and access roads from the port facilities to the powerhouse and dam; (g) a 115-kV transmission line extending from the powerhouse substation 30.5 miles to the existing S.W. Bailey Substation; and (h) appurtenant facilities.

(C) The license is subject to the conditions submitted by the U.S. Forest Service on October 23, 2014, under section 4(e) of the Federal Power Act, as those conditions are set forth in Appendix A to this order.

(D) The Exhibit M filed with the amendment application on July 21, 2014, superseding the previous Exhibit M, is approved and made part of the license.

(E) The following exhibit drawings filed on July 21, 2014, for the Swan Lake Project conform to the Commission's rules and regulations and are approved and made part of the license. The superseded drawings are deleted from the license.

EXHIBIT	FERC DRAWING No.	SUPERSEDED FERC DRAWING No.	LICENSEE'S EXHIBIT No.	FERC DRAWING TITLE
L-1A	P-2911-31	P-2911-23	L-6	Dam Plan
L-1B	P-2911-32	P-2911-23	L-7	Dam Elevation and Sections
L-4	P-2911-33	---	L-8	Spillway Gate Plan and Elevation
L-5	P-2911-34	---	L-9	Spillway Gate Section
L-6	P-2911-35	---	L-10	Power Intake Plan and Sections

(F) The license is subject to the following additional articles:

Article 201. Approved Exhibit L Drawings. Within 45 days of the date of issuance of this order, as directed below, the licensee must file the approved exhibit drawings in electronic file format on compact disc.

Digital images of the approved exhibit drawings must be prepared in electronic format. Prior to preparing each digital image, the FERC Project-Drawing Number (i.e., P-2911-31, etc.) must be shown in the margin below the title block of the approved drawing. Exhibit L drawings must be identified as **Critical Energy Infrastructure Information (CEII) material under 18 C.F.R. § 388.113(c)**. Each drawing must be a separate electronic file, and the file name must include: FERC Project-Drawing Number, FERC Exhibit, Drawing Title, date of this order, and file extension in the following format [P-2911-31, L-1A, Dam Plan, MM-DD-YYYY.TIF].

All digital images of the exhibit drawings must meet the following format specification:

IMAGERY - black & white raster file
 FILE TYPE – Tagged Image File Format, (TIFF)
 CCITT T.6 (CCITT Group 4 fax encoding)
 RESOLUTION – 300 dpi desired, (200 dpi min)
 DRAWING SIZE FORMAT – 22” x 34” (min), 24” x 36” (max)
 FILE SIZE – less than 1 MB desired

Two sets of electronic drawings on compact discs must be filed with the Secretary of the Commission, ATTN: OEP/DHAC.

Article 301. Contract Plans and Specifications. At least 60 days prior to the start of any construction, the licensee must submit one copy of plans and specifications and any supporting design documents to the Commission's Division of Dam Safety and Inspections (D2SI) – Portland Regional Engineer, and two copies to the Commission (one of these must be a courtesy copy to the Director, D2SI). The submittal to the Regional Engineer must also include as part of preconstruction requirements: a Quality Control and Inspection Program, Temporary Construction Emergency Action Plan, a Stormwater Pollution Prevention Plan, a Spill Prevention and Control Plan, and a Soil Erosion and Sediment Control Plan. The Soil Erosion and Sediment Control Plan must include all best management practices proposed by the licensee in section 2.2.3 of its July 21, 2014 license amendment application. The licensee may not begin construction until the Regional Engineer has approved in writing the plans and specifications and determined that all preconstruction requirements have been satisfied.

Article 302. Cofferdam Construction Drawings. Before starting any removal, construction, or stream restoration activities, the licensee must review and approve the design of contractor-designed cofferdams and deep excavations and must make sure construction of cofferdams and deep excavations is consistent with the approved design. At least 30 days before starting construction of the cofferdam, the licensee must submit one copy to the Commission's Division of Dam Safety and Inspections (D2SI) – Portland Regional Engineer and two copies to the Commission (one of these copies must be a courtesy copy to the Commission's Director, D2SI), of the approved cofferdam construction drawings and specifications and the letters of approval.

Article 303. As-Built Drawings. Within 90 days of completion of construction of the facilities authorized by this license amendment, the licensee must file for Commission approval, revised exhibits M, L, and K, as applicable, to describe and show these project facilities as built. A courtesy copy must be filed with the Commission's D2SI – Portland Regional Office; the Director, D2SI, and the Director, Division of Hydropower Administration and Compliance.

Article 304. Public Safety Plan. Within 60 days from the issuance of this order, the licensee must submit one copy to the Commission's Division of Dam Safety and Inspections (D2SI) - Portland Regional Engineer and two copies to the Commission (one of these copies shall be a courtesy copy to the Commission's Director, D2SI) of a Public Safety Plan. The plan must include an evaluation of public safety concerns at the project site, including designated recreation areas, and assess the need for the installation of safety devices or other safety measures. The submitted plan must include a description of all public safety devices and signage, as well as a map showing the location of all

public safety measures. For guidance on preparing public safety plans the licensee can review the *Guidelines for Public Safety at Hydropower Projects* on the FERC website.

Article 402. Rare Plant Salvage and Protection Plan. At least 60 days prior to ground-disturbing activity, the licensee must file, for Commission approval, a Rare Plant Salvage and Protection Plan to prevent the loss of rare plant species near the project.

The plan must include but is not limited to: (1) a map showing locations of known rare plant populations that may be affected by the project in relation to project features; (2) a description of the methods that would be used to remove, transport, and re-plant rare plant species; (3) potential locations to which salvaged rare plant populations would be relocated; (4) methods used to prevent damage to rare plant populations near construction sites, i.e. fencing or construction worker education; and (5) provisions for initiating consultation with appropriate agencies if unknown rare plant populations are discovered during construction.

The licensee must develop the plan in consultation with the U.S. Forest Service, the U.S. Fish and Wildlife Service, and the Alaska Department of Natural Resources. When filing the plan with the Commission, the licensee must include documentation of consultation, copies of agency comments and recommendations, and a description of how the agency comments are accommodated by the plan. The licensee must allow a minimum of 30 days for the agencies to comment and make recommendations before filing the plan with the Commission. If the licensee does not adopt a proposal, the filing must include the licensee's reasons, based on project-specific information.

Article 403. Invasive Plant Management Plan. Within one year of the issuance date of this order or at least 60 days prior to ground-disturbing activity, whichever occurs first, the licensee must file, for Commission approval, the Invasive Plant Management Plan required by U.S. Forest Service 4(e) condition no. 10. This plan must include the seven invasive species control measures proposed by the licensee in section 2.2.3 of its July 21, 2014 license amendment application.

Article 404. Timber Management. Prior to operating the reservoir above an elevation of 330 feet mean sea level (msl), the licensee must: (1) conduct a timber cruise to survey timber resources on lands managed by the Alaska Department of Natural Resources (Alaska DNR) that would be inundated by the reservoir when it is at an elevation of 345 feet msl; (2) develop a Logging Plan based on the timber cruise of the affected state lands, for review and approval by the Alaska DNR, describing the location and methods for removing merchantable timber from lands owned by the State of Alaska, and remove trees as directed by the Alaska DNR; and (3) file the Logging Plan with the Commission within one year of the issuance date of this order or within 30 days after completing the plan, whichever occurs first.

Article 405. Inadvertent Discovery. If any cultural resources are discovered during construction, operation, and/or maintenance of spillway gates and reservoir raise, the licensee must immediately cease all work at the site. The licensee must consult with the Alaska State Historic Preservation Officer (SHPO) and any tribes that might attach religious or cultural significance to the cultural resources to determine what steps need to be taken to evaluate the discovered cultural resources. If the resource is found to be eligible for the National Register of Historic Places, the licensee, in consultation with the Alaska SHPO and tribes, if applicable, must develop measures to mitigate or to avoid any adverse effects. The licensee must file with the Commission, for approval, a report on the historic property and the effects of the undertaking. If the property would be adversely affected, the report must contain the proposed mitigation measures along with any comments received from the Alaska SHPO and tribes on the report. The licensee must allow 30 days for an agency to comment. If there are no comments, the licensee must include its request for comments in the filing to the Commission. The licensee must not resume work in the vicinity of the discovered site until instructed by the Commission.

(G) The licensee must serve copies of any Commission filing required by this order on any entity specified in this order to be consulted on matters related to that filing. Proof of service on these entities must accompany the filing with the Commission.

(H) This order constitutes final agency action. Any party may file a request for rehearing of this order within 30 days from the date of its issuance, as provided in section 313(a) of the Federal Power Act, 16 U.S.C. § 825l (2012), and the Commission's regulations at 18 C.F.R. § 385.713 (2015). The filing of a request for rehearing does not operate as a stay of the effective date of this order, or of any other date specified in this order. The licensee's failure to file a request for rehearing shall constitute acceptance of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

APPENDIX A

U.S. Department of Agriculture, Forest Service Final 4(e) Terms and Conditions

General

License articles contained in the Federal Energy Regulatory Commission's (Commission) Standard Form L-1 issued by Order No. 540, dated October 31, 1975, cover those general requirements that the Secretary of Agriculture, acting by and through the USDA Forest Service, considers necessary for adequate protection and utilization of the land and related resources of the Tongass National Forest. Under authority of section 4(e) of the Federal Power Act (16 U.S.C. 797(e)), the following terms and conditions are deemed necessary for adequate protection and utilization of Tongass National Forest lands and resources. These terms and conditions are based on those resources enumerated in the Organic Administration Act of 1897 (30 Stat. 11), the Multiple-Use Sustained Yield Act of 1960 (74 Stat. 215), the National Forest Management Act of 1976 (90 Stat. 2949), and any other law specifically establishing a unit of the National Forest System or prescribing the management thereof (such as the Wilderness Act or Wild and Scenic Rivers Act), as such laws may be amended from time to time, and as implemented by regulations and approved Land and Resources Management Plans prepared in accordance with the National Forest Management Act. Therefore, pursuant to section 4(e) of the Federal Power Act, the following conditions covering specific requirements for protection and utilization of the National Forest System lands shall also be included in any license amendment issued for the Swan Lake Hydroelectric Project.

Condition No. 1 - Forest Service Approval of Final Design

Prior to undertaking activities on National Forest System lands, the Licensee shall obtain written approval from the Forest Service for all final design plans for project components that the Forest Service deems as affecting or potentially affecting National Forest System lands and resources. As part of such prior written approval, the Forest Service may require adjustments in final design plans and facility locations to preclude or mitigate impacts and to assure that the project is compatible with on-the-ground conditions. Should the Forest Service, the Commission, or the Licensee determine that necessary changes are a substantial change; the Licensee shall follow the procedures of Article 2 of the license. Any changes to the license made for any reason pursuant to Article 2 or Article 3 shall be made subject to any new terms and conditions the Secretary of Agriculture may make pursuant to section 4(e) of the Federal Power Act.

Condition No. 2 – Approval of Changes after Initial Construction

Notwithstanding any license authorization to make changes to the project, the Licensee shall obtain written approval from the USDA Forest Service prior to making any changes in any constructed project features or facilities, or in the uses of project lands and waters the USDA Forest Service deems as affecting or potentially affecting National Forest System lands and resources. Following receipt of such approval from the USDA Forest Service, and a minimum of 60-days prior to initiating any such changes, the Licensee shall file a report with the Commission describing the changes, the reasons for the changes, and showing the approval of the USDA Forest Service for such changes. The Licensee shall file an exact copy of this report with the USDA Forest Service at the same time it is filed with the Commission. This article does not relieve the Licensee from the requirement for license amendment or other requirements of Article 2 or Article 3 of this license. Any changes to the license made for any reason pursuant to Article 2 or Article 3 shall be made subject to any new terms and conditions the Secretary of Agriculture may make pursuant to section 4(e) of the Federal Power Act.

Condition No. 3 - Revision of Forest Service Conditions

The Forest Service reserves the right, after notice and opportunity for comment, to require changes in the Project and its operation through revision of the Section 4(e) conditions to accomplish protection and utilization of National Forest System lands and resources. The Forest Service also reserves the right to modify these conditions, if necessary, to respond to any significant changes that warrant a revision of these conditions, for example, a Final Biological Opinion issued for this Project by the National Marine Fisheries Service or United States Fish and Wildlife Service; or any Certification issued for this Project by the State Water Resources Control Board.

Condition No. 4 - Requirement to Obtain a Forest Service Special Use Authorization

The Licensee shall obtain a special use authorization from the Forest Service for the occupancy and use of National Forest System lands. The licensee shall obtain the executed authorization before beginning ground-disturbing activities on National Forest System lands and within one year of amendment issuance.

The Licensee may commence ground-disturbing activities authorized by the Amendment and special use authorization no sooner 60 days following the date the licensee files the Forest Service special use authorization with the Commission, unless the Commission prescribes a different commencement schedule.

In the event there is a conflict between any provisions of the license and Forest Service special-use authorization, the special use authorization shall prevail to the extent that the Forest Service, in consultation with the Commission, deems necessary to protect and utilize National Forest System resources.

Condition No. 5 – Implementation and Modification of Forest Service Conditions

(Applies only to issuance of Special Use Permit)

The Forest Service reserves the authority to modify Forest Service 4(e) terms and conditions if upon completion of the Forest Service administrative appeals process for issuance of a special use authorization under Code of Federal Regulations (CFR), 36 CFR §214, the Chief, USDA Forest Service, or Secretary of Agriculture directs that substantial changes to the terms and conditions submitted herein be made.

Condition No. 6 – Consultation

Each year during the 60-days preceding the anniversary of this license, or as arranged with the USDA Forest Service, the Licensee shall consult with the USDA Forest Service with regard to measures needed to ensure protection and utilization of the National Forest System lands and resources affected by the Project. Within 60-days following such consultation, the Licensee shall file with the Commission evidence of the consultation with any recommendations made by the USDA Forest Service. The USDA Forest Service reserves the right, after notice and opportunity for comment and administrative review, to require changes in the project and its operation through revision of the 4(e) conditions that require measures necessary to accomplish protection and utilization of National Forest lands and resources.

Condition No. 7 - Compliance with USDA Regulations and Other Laws

The Licensee shall comply with the regulations of the Department of Agriculture and all Federal, State, county, and municipal laws, ordinances, or regulations in regard to the area or operations covered by this license, to the extent federal law does not preempt ordinances or regulations.

Condition No. 8 - Surrender of License or Transfer of Ownership

Prior to any surrender of this license, the Licensee shall restore National Forest System lands to a condition satisfactory to the USDA Forest Service. At least 1 year in advance of the proposed application for license surrender, the Licensee shall file with the Commission a restoration plan approved by the USDA Forest Service. The restoration plan shall identify improvements to be removed, restoration measures, and time frames for implementation and estimated restoration costs. In addition, the Licensee shall pay for an independent audit to assist the USDA Forest Service in determining whether the Licensee has the financial ability to fund the surrender and restoration work specified in the plan.

As a condition of any transfer of the license or sale of the project, the Licensee shall guarantee or assure, in a manner satisfactory to the USDA Forest Service, that the Licensee or transferee will provide for the costs of surrender and restoration.

Condition No. 9 - Self Insurance

The Licensee shall indemnify, defend, and hold the United States harmless for any costs, damages, claims, liabilities, and judgments arising from past, present, and future acts or omissions of the Licensee in connection with the use and/or occupancy authorized by this license. This indemnification and hold harmless provision applies to any acts and omissions of the Licensee or the Licensee's heirs, assigns, agents, employees, affiliates, subsidiaries, fiduciaries, contractors, or lessees in connection with the use and/or occupancy authorized by this license which result in: (1) violations of any laws and regulations which are now or which may in the future become applicable, and including but not limited to environmental laws such as the Comprehensive Environmental Response Compensation and Liability Act, Resource Conservation and Recovery Act, Oil Pollution Act, Clean Water Act, Clean Air Act; (2) judgments, claims, demands, penalties, or fees assessed against the United States; (3) costs, expenses, and damages incurred by the United States; or (4) the release or threatened release of any solid waste, hazardous substances, pollutant, contaminant, or oil in any form in the environment.

Condition No. 10 – Invasive Plant Management Plan

Within 1 year of license amendment or prior to any ground-disturbing activity, the Licensee shall file with the Commission an Invasive Plant Management Plan that is approved by the USDA Forest Service. At a minimum the Plan shall:

- Identify methods for prevention and control of noxious weeds. Treatment of existing infestations of highest priority weeds shall be initiated immediately upon approval of the Invasive Plant Management Plan by the Commission,
- Develop a monitoring program to evaluate the effectiveness of invasive plant control measures, and
- Develop procedures for identification of additional measures that the licensee shall implement if monitoring reveals that invasive plant control is not successful or does not meet intended objectives.

Condition No. 11 – Pesticide and Herbicide Use Restrictions

Herbicides may not be used to control undesirable woody and herbaceous vegetation, aquatic plants, and pesticides may not be used to control undesirable insects and rodents on National Forest System lands without the prior written approval of the USDA Forest Service. The Licensee shall submit a request for approval of planned uses of herbicides and pesticides. The request must cover annual planned use and be updated as required by the USDA Forest Service. The Licensee shall provide information essential for review in the form specified. Exceptions to this schedule may be allowed only when unexpected

outbreaks of pests require control measures that were not anticipated at the time the request was submitted. In such an instance, an emergency request and approval may be made.

The Licensee shall use on National Forest System lands only those materials registered by the U.S. Environmental Protection Agency for the specific purpose planned. The Licensee must strictly follow label instructions in the preparation and application of pesticides and disposal of excess materials and containers.

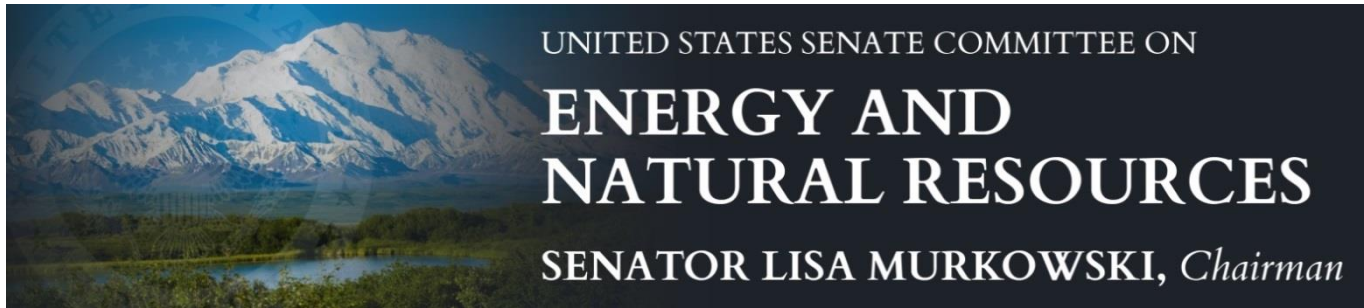
Condition No. 12 – Surveys and Land Corners

The Licensee shall avoid disturbance to all public land survey monuments, private property corners, and forest boundary markers. In the event that any such land markers or monuments are destroyed by an act or omission of the Licensee, in connection with the use and/or occupancy authorized by the license, depending on the type of monument destroyed, the Licensee shall reestablish or reference same in accordance with (1) the procedures outlined in the "Manual of Instructions for the Survey of the Public Land of the United States," (2) the specifications of the County Surveyor, or (3) the specifications of the USDA Forest Service.

Further, the Licensee shall ensure that any such official survey records affected are amended as provided for by law.

ATTACHMENT 2

ENERGY POLICY MODERNIZATION ACT OF 2015



THE ENERGY POLICY MODERNIZATION ACT OF 2015 **A BIPARTISAN MEASURE TO POWER ALASKA AND EMPOWER ALASKANS**

On July 22, 2015, Chairman Lisa Murkowski unveiled the first draft of the Energy and Natural Resources Committee's broad, bipartisan energy bill. Featuring more than a dozen provisions that she wrote, the bill will help Alaskans produce energy, save energy, pay less for energy, and protect the reliability of our electricity supply – without raising taxes or adding to the deficit. Specific benefits for the state include:

Grid Reliability – The reliability of energy systems is essential to protecting the lives and property of Alaskans. By requiring agencies to consider the reliability impacts of a proposed rule before it is adopted, this provision will help ensure that federal regulators protect our state's interests.

Reauthorization of the Weatherization Assistance Program – Provides the state with funding to improve the energy efficiency of low-income families' homes. This program supports hundreds of jobs across Alaska and has substantially reduced energy bills for thousands of residents. Continued federal funding is particularly important given constraints on the state's budget.

Reauthorization of State Energy Program (SEP) – Provides funding directly to the state to invest in energy efficiency, renewable energy, energy emergency preparedness, and other priorities. SEP funding allows the state to leverage energy-related programs across Alaska.

State Loan Eligibility – Clarifies that the Department of Energy may provide federal loan guarantees to support the state's efforts to invest in renewable energy systems and energy efficiency improvements. This eligibility will allow the state to continue its work to reduce the high cost of energy and create more sustainable economies throughout rural Alaska.

Federal Land Management – Establishes a single inventory of federal property and land. With the federal government controlling more than 61 percent of the land in Alaska, a single federal inventory will ensure that agencies can better identify and prioritize environmental cleanups, land utilization, and land transfers.

Hydropower Improvements – Ensures federal permitting decisions for new hydropower projects are made in a timely manner to reduce unnecessary delays and costs. The reforms in this provision could help hydro projects proposed in dozens of towns throughout Southeast, Southwest, Southcentral and Interior Alaska.

Critical Minerals – Focuses on reducing America's dependence on foreign suppliers for minerals that are critical to manufacturing, defense, and other industries. Substantive permitting reforms, increases for geological surveying, and other steps will help Alaskans produce more of our world-class mineral base without suffering needless project delays.

Geothermal Energy – Reauthorizes federal research critical to the development of Alaska's geothermal resources, which could benefit up to one-fourth of Alaska's communities.

Liquefied Natural Gas Permitting – Requires the Secretary of Energy to make a decision on any LNG export application within 45 days after completion of environmental review. This will ensure that Alaska’s efforts to market its stranded natural gas can proceed in a timely manner without undue federal delay.

Marine Hydrokinetic – Reauthorizes research to advance the development of electricity from ocean and river currents, tides, and waves. This program could provide grants for demonstration projects showcasing new technologies like those proposed at Igiugig, Yakutat, south of Kenai, and along the Yukon River.

Biomass – Authorizes a grant program at the Department of Agriculture to promote the production of heat and electricity from salvageable biomass resources from Alaska’s forests, which could help the development of wood pellet plants proposed in communities from Thorne Bay to Fairbanks.

Methane Hydrates – Reauthorizes federal research at Prudhoe Bay to promote the development of Alaska’s vast resources of frozen methane hydrates, which have significant promise as a secure, long-term source of American energy.

Grid Storage – Directs the Department of Energy to conduct research to advance grid storage technology. This program will improve the efficiency and affordability of power delivery for rural communities that are not connected to larger power systems, and could boost storage projects that are already under development in Kotzebue and Kodiak.

Hybrid Micro-Grid Systems – Promotes hybrid micro-grid technologies, including the integration of renewable resources in rural communities that currently depend on diesel for electricity generation, and promotes the kind of research being conducted at the University of Alaska’s Center for Energy and Power in Fairbanks.

Energy-Water Nexus – Promotes collaboration between the public and private sectors to promote new technologies that increase efficiency and better management of water resources.

E-Prize Competition Pilot Program – Establishes a competition for the development of new technologies that will reduce energy costs through increased efficiency and conservation. This is a novel way to promote energy affordability that could benefit communities across the state.

State Oversight of Oil and Gas Programs – Directs the Bureau of Land Management to coordinate with state agencies – like the Alaska Department of Natural Resources – on land management plans surrounding oil and natural gas production to ensure the federal government takes into account Alaska’s proven track record of safe, responsible production.

Energy Workforce Pilot Grant Program – Builds a strong energy workforce in Alaska to ensure continued resource production well into the future by instructing the Secretary of Energy to set up a job training pilot program.

Code Maintenance – Cleans up the U.S. Code by repealing many of the Department of Energy’s redundant, overlapping, and outdated authorities. This will help ensure that federal activities align with Alaska’s current priorities, not obsolete instructions from decades past.

ATTACHMENT 3

2015-2016 INSURANCE PREMIUM SUMMARY

2015 - 2016 Premium Summary

Carrier / Coverage	Limits	Premium	Change	Commision %	Commission \$
Property - Liberty & Starr Tech	\$100M	\$141,021	-15%	12.50%	\$17,627.63
B&M Jurisdictional Inspection		\$660	-29%	0.00%	\$0.00
Engineering Fee	N/A	\$5,500	N/A	0.00%	\$0.00
AEGIS - Excess Liability	\$35M	\$144,802	0%	15.00%	\$21,721.00
Alaska National Ins Co - Auto	\$1M	\$5,054	1%	15.00%	\$758.10
WC - Liberty	Statutory	\$52,520	12%	3.44%	\$1,805.60
WC - Liberty taxes & surcharges		\$13,938	0%	0.00%	\$0.00
Starnet - Non-owned Aviation	\$5M	\$15,000	-39%	27.50%	\$4,125.00
AEGIS - D&O/EPL	\$10M	\$99,342	18%	10.00%	\$9,934.00
AEGIS - D&O/EPL - Continuity Credit		-\$21,012	N/A	0.00%	\$0.00
Endurance - D&O Side A	\$2.5M	\$15,000	0%	0.00%	\$0.00
Hartford - Crime	\$1M	\$2,822	0%	20.00%	\$564.40
TOTAL		\$474,647			\$56,535.73

Note

Terrorism Declined - except as required for Workers Compensation

WC Commission:

8% for the 1st \$1,000 in premium	\$80.00
5% for the next \$9,000 in premium	\$450.00
3% for the next \$90,000 in premium	\$1,275.60
1.5% above \$100,0000 in premium	<u>\$0.00</u>
	\$1,805.60



SOUTHEAST ALASKA POWER AGENCY

Operations Manager Report

Date: September 8, 2015
To: Trey Acteson, CEO
From: Steve Henson, Operations Manager
Subject: Operations Manager Report

MAJOR CONTRACTS and PROJECTS

Wrangell Reactor

The Wrangell Reactor replacement project management, engineering, and design were awarded to Electric Power Systems, Inc. (EPS). Bids were solicited for the supply of one 2.5MVAR reactor and one 5.0 MVAR reactor to replace the ailing 7.5 reactor. The bid was awarded to ABB.

The installation of the two reactors and the T-36 circuit switcher was advertised for bid. Electric Power Constructors of Anchorage was awarded the contract for the work. Installation is scheduled to begin September 14, 2015.

Satellite Communications System

Tetra Tech, Inc. has been issued a task order to facilitate the permitting for the Tyee satellite dish. Permit applications were submitted and we received the U.S. Army Corps of Engineers and U.S. Fish & Wildlife Service permits. The Alaska Department of Natural Resources issued an Entry Authorization Permit. Prefabrication of a satellite platform by the Tyee crew is underway. Authorization to contract with Futaris for materials and support is included under New Business in the Board packet.

STI Helipads

The helipads manufactured by Touchdown have been received and are stored at Ward Cove. Bam, LLC was awarded the contract for installation and construction is in process. At the time this report was written, a total of 18 pads have been installed and we are anticipating a total of 45 pads to be completed this construction season.

The helipad in the following photos was installed at Tower #18 on the Swan-Tyee Intertie line:



ATV Use on the Tyee Transmission System

Meridian has been selected for the permitting effort required by the USFS for the use of the ARGO on select areas of the Tyee transmission line right-of-way.

Comments from agencies have been received by the USFS and a draft has been given to Meridian for resolution of these comments.

Operator Training

ESCI is evaluating the written OSHA programs for completeness and will be conducting safety training periodically at the Tyee plant.

Marine Terminal Gage Replacement and Communications Upgrade

An assessment of the undersea cables and the marine terminals was done by Poseiden Engineering in June of 2012. Two recommendations stemming from this assessment were to replace the present pressure gages, which will not hold their calibration parameters, and to add pressure transducers which would allow the pressures of all of the submarine cables to be read and alarmed from the new Tyee SCADA system.

Tim Gerler of Gerler Engineering and Design completed a field reconnaissance of the terminals and is designing the mounting and connections for the new gages and pressure transducers.

James Volk of Segrity, LLC is scheduled to reconfigure the data controllers at the terminals and integrate the pressure signals and data into the SCADA system at Tyee.

The new pressure gages and pressure transducers have been received. A purchase order has been issued for the new solar panels and battery chargers. Installation will begin in October.

A survey of the radio systems for the marine terminals was conducted by Twin Eagle consulting. Recommendations for upgrading radios and antennas has been received.

Helipad Repair on the Swan Lake Transmission Line

The existing helipads on the Swan Lake Transmission Line have been repaired by Alaska Clearing, Inc. This project is complete.



MAPCON; Planned Maintenance Program

The site visit by a Mapcon technician was completed. The crews at both plants had an opportunity for a hands on trial of the new program and to have input on the makeup of the plant accessible screens. The implementation process will begin in late September.

Swan Lake Transmission Line Clearing

Carlos Tree Service was the successful bidder for the right-of-way clearing on the Swan Lake Transmission Line corridor. The project is complete.

Sponsorship of USFS Cabins

Staff met with the Wrangell Ranger District Forester to discuss responsibilities and expectations of the sponsorship and is working on an agreement.

Swan Lake

The Unit #1 generator breaker failed due to the rupture of a vacuum bottle on one of the phases. The ensuing arc caused damage to the other two phases as evidenced in the following photos. The breaker was removed and crated by the Swan crew and shipped south to a repair facility for evaluation. Along with the repair of the old breaker we will be purchasing a new breaker that will be custom manufactured to fit the gear we have so we have a spare to get us through the winter months and the initial pool raise construction time frame until the new gear and exciters can be installed next spring.





The gazebo fire place has been “tagged out”. Failed grouting in the cinder blocks has created a fire hazard. The Swan crew noticed smoldering wood in the chimney area and extinguished the fire. This is one of the amenities we provide to comply with the FERC license requirement for public access. A plan for repairs or replacement by the crew is forthcoming. A copy of KPU's Swan Lake Report is attached.

Tyee Lake

Cooling water revisions are underway.

Fabrication of the satellite platform is 90% complete.

The brushing crew has been working on the Wrangell section of the transmission line, the roadway sections, and the USFS cabins at Tyee. Mark Looman assisted with hydro site investigation field support activities.

The voice repeater on Burnett Peak was garbled and intermittent. The repeater radio was removed, shipped back to the factory, repaired and then reinstalled.

Eric and the Tyee crew have been conducting vibration analysis, unit inspections, TSV control work and bypass valve removal preparations.

Arc Flash Study

EPS was the successful bidder. Field visit and data collection is complete. Next is calculations and then posting of placards. Any protective gear that is recommended by the study will be purchased and placed in the appropriate locations in the field.

Other Projects

The following is a list of other projects in the works or coming up, together with a short description of their status if available:

1. Day-to-day business of operations, maintenance, and line clearing of the Tyee Lake System
2. System drawings: May Engineering presently working on the Tyee system
3. Operator training: Sending operators to Golden, Colorado as time allows
4. New dam movement survey instruments for Swan Lake: After reservoir raise is complete, re-evaluate for need.
5. Contaminated water disposal: Working with Full Cycle of Ketchikan to process barrels of oily water from the Wrangell shop area
6. Buss insulation for substations: Will be accomplished in next spring's annual outage.
7. Document retention at Wrangell office (records management of stored documents from previous contractor)
8. Standard Operating Procedures: Working with the Tyee crew to assess and update switching procedures
9. Repair of Tyee microwave bench helipad: Work to be done September 2015
10. Replacing governor touch screens at Swan Lake
11. Bluff Lake Easement: ADNR to forward their requirements to finalize the easement

Attachment:
Swan Lake Report



KETCHIKAN PUBLIC UTILITIES

Swan Lake Project Report

Andy Donato, Electric Division Manager | September 2015

SAFETY | ENVIRONMENTAL | SECURITY

- Log Boom broke 8-28-15, during heavy spill
- Fire suppression system bottle exchange and re-arm from 8/17/2015 event
- New visitor signage installed
- Visitors included various contractor groups, CBC Roofing, Extreme Access, Bam Construction; FERC PFMA meeting; and multiple deer hunters.

OUTAGES | UNIT CONSTRAINTS | RESERVOIR LEVEL

- Forced outage of Unit #1, Machine breaker failure, Aug. 17, 2015
- Unit #1 un-available until a replacement breaker is obtained
- Unit #2 available
- Reservoir level: 334.2 on August 27, 2015
- Spill record made of 130+ days
- Emergent work: Bridge crane pendant repair, log boom repairs

MAINTENANCE (REGULAR)

- Barge Deliveries, CBC Roofing, scrap to follow along w/20' conex
- Dump Truck tires (4) replaced
- Line-starter for stand-by compressor in for installation
- Alarm horn annunciator install
- Generator walk-way and decking bolt replacement
- Power house roof equipment removal in prep for roof replacement
- Satellite dish fencing
- Near Term scheduled or inprogress:
 - Valve House battery charger
 - Boiler for House 103
 - Emergency Shelter install & wire
 - Altitude valve for Water Tank

COMPLIANCE

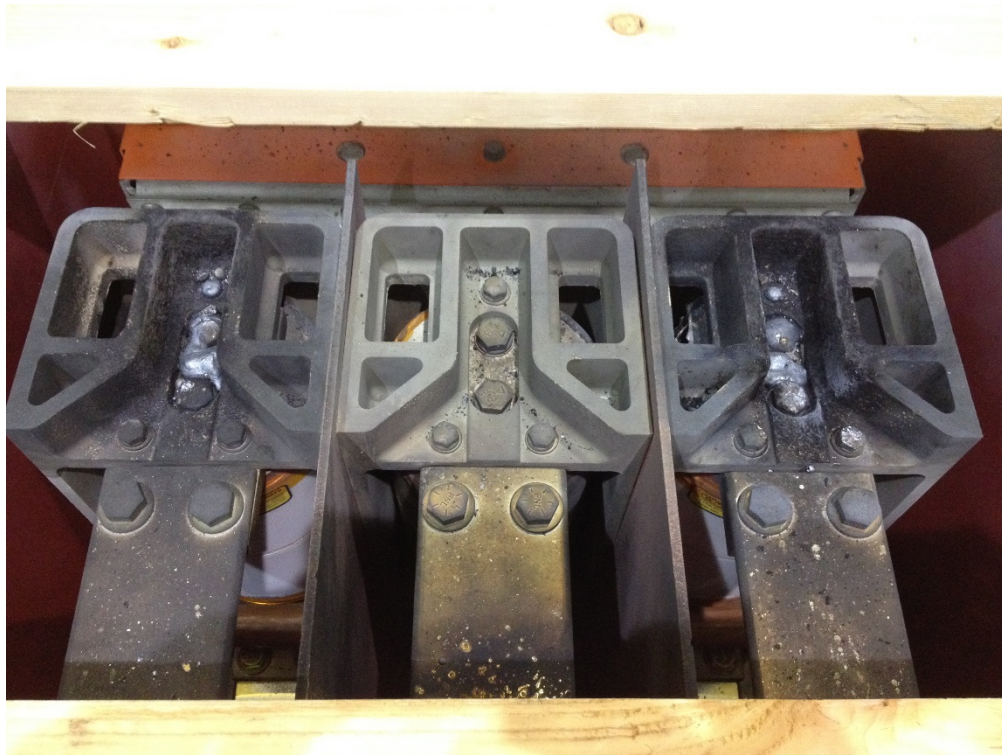
- Pressure vessel inspections completed

-
- Next R&M Dam deflection survey scheduled Sept 16

Attachments/Images



Failed vacuum interrupter (bottle) in machine breaker



Top of breaker showing failed bottles on ends



Breaker Cell showing holes blown in cell roof plate



Debris coming into spillway from failed log boom

Date: September 3, 2015
To: Trey Acteson, Chief Executive Officer
From: Eric Wolfe, P.E., Director of Special Projects
Subject: Director of Special Projects Report

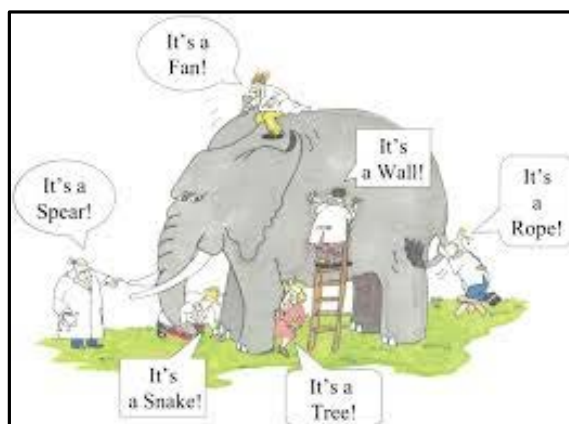
Load Forecasting

Our original data request is listed in the box below, of which categories 1-4 were received from Petersburg Municipal Power & Light & Wrangell Municipal Light & Power. We still need to receive the basic information from KPU to advance the load forecast effort. SEAPA will support the information gathering process as needed, but it still requires a reasonable level of cooperation. We will again discuss how load forecasts impact our forward planning initiatives at the upcoming board meeting in Petersburg.

Original Data Request to PSG, WRG, and KPU:

1. Monthly kWh energy sales, number of customers and revenues by customer class for each calendar year, 2012 through 2014, and the first four months of 2015.
2. Monthly peak demand for each calendar year, 2012 through 2014, and the first four months of 2015.
3. Monthly energy generation and energy purchases for each calendar year, 2012 through 2014, and the first four months of 2015.
4. Monthly energy sales and demand for each of the largest 25 customers for each of the past three years, 2012 through 2014.
5. If available, total system daily energy load (KWh) and peak demand for 2014.
6. If available, total system hourly loads (KWh) for 2014.

We are truly blind to the consequences of future summer and winter load growth without a load forecasting effort. Load forecasting is not an “answer” effort; it’s a process effort that must be designed as you learn over several years. If the blind men in the cartoon communicate, they will figure it out.....



Alarm-Controls-Protection (ACP)

What is this project about? It is literally about efficiency and reliability. This project is the wires, engineering logic, and devices that drive the human-machine unit protection system. This system requires modification because it hasn't been changed since the 1980's and because we have made significant physical changes to our plants to generate more energy for the same inflows.

What physical changes?

➤ The cooling water system at Tyee was modified in 2013-2014 to use the existing pumps instead of penstock water, and the flow of cooling water will be throttled to reduce water use during generator low load periods; these modifications increase output at Tyee by 1,000 MWh per year. The plant crew modified the piping and installed the new control valves, but automatic control of the cooling water system could not progress until temperature and flow monitoring devices are installed and wired to SCADA. The ACP project integrates engineering and installation services for device specification, device programming, and control wiring design, also component configuration-installation, and the final commissioning process into one manageable contract using project management methods developed by HP for multi-faceted systems.

➤ During periods of high Swan inflows and when loads are low, it is more efficient to operate only one Tyee machine. The spillway modifications taking place at Swan Lake will require sharp increases in Swan generation even when load demand is low. In a situation with low loads and water rising above elevation 338.0, we must be able to utilize the capacity at Swan to prevent small spill events; increasing generation at Swan means we must decrease generation at Tyee usually to the degree that one unit must be taken off-line.

➤ Many of the existing sensors and relays that drive alarming and unit protection are non-serviceable and need replacement. The Swan crew replaced difficult-to-access bearing RTD's this spring, but that is only half the story. Yes we need new sensors, but how those sensors protect the unit without causing system disturbances would not be addressed without a project like ACP. This is why we are separating mechanical driven events (like high temperature) from electrical events like generator faults into separate relay actions. In the future, high temperature events (or servicing temperature sensors) will be slow ramp-down transitions while electrical faults will continue as unit at load, tripping events. Units that go off-line slowly cause little to no system disturbance while sudden generator trips at load may cause system-wide disturbances, which often lead to distribution load shed in



Figure 1- Unit bearing and generator cooling water headers, manual valves and the new stator throttling valve (yellow). (Steve Beers plant foreman on the high lift pump.)

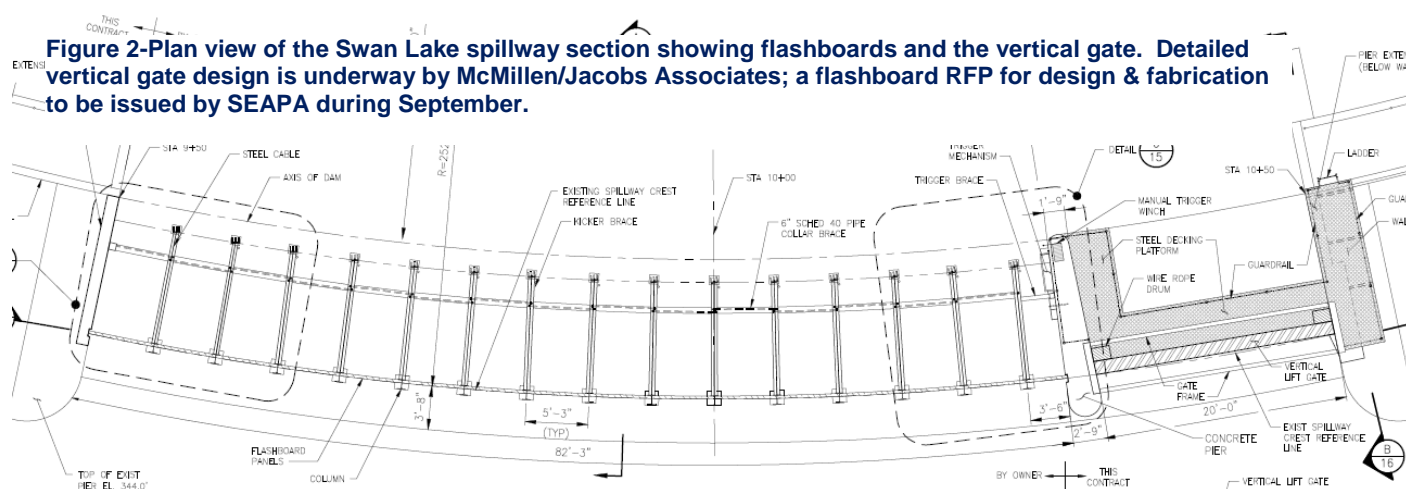
Ketchikan and Wrangell. Separating these relays requires an electrical engineering review, drawing modification, and wiring changes. This work is part of the ACP project.

During June and July top-level design efforts were completed for cooling water, SCADA integration, and shutdown relay separation. More detailed design efforts like wiring drawings, component selection, and device configuration will be completed during August and through September. Our original schedule to modify Tyee control and protection was to implement field changes during late September to early October. Now with the failure of the Swan Lake Unit #1 breaker, this schedule may be modified or delayed. We'll keep you posted and provide our best estimate for field work at the Board Meeting.

Swan Lake Reservoir Expansion

We have news! If you have not already heard, FERC issued our license amendment! Three years in the making, starting with agency consultation and environmental field studies in May of 2012, and ending with a FERC order issuing an amendment on August 18, 2015. As you probably know, this amendment was delayed by a lengthy FERC legal review (6 months - brief by industry standards) brought about by the Ketchikan Electric Company (KEC) - Alaska Power & Telephone (AP&T) intervention. FERC ruled in SEAPA's favor. Regarding KEC's charge that Mahoney Lakes is in the public's best interest, FERC responded: "We disagree".

SWL Raise-Project Benefit & Cost. Between 6,000 and 12,000 MWh of annual energy benefiting the entire system from a 25% increase in active storage; an annual average 7,500 MWh of weather-independent, dispatchable energy offsets ½ million gallons of diesel fuel using a 15 kWh/gal heat rate. This project is a non-capacity amendment (no change in project generation power level (24 MW), with little to no environmental impact. Reservoir timber from DNR lands may have to be removed, and based on Ed Schofield's work, payments to DNR and TNF for impacted trees are probably going to be significantly less than original project estimates. Total project cost, originally stated as \$13.3M, has dropped to \$10M without an increase in the wholesale power rate.



SWL Reservoir Expansion-Design Progress

We hired McMillen Jacobs to conduct the non-flashboard design through a standard RFP process and then conducted preliminary field investigations in June/July. We held the FERC Potential Failure Modes Analysis meeting at Swan Lake on August 19th setting a record for the number of people crammed into the crew quarters living room. The intent of this meeting is to allow the design engineer to hear the potential failure mode discussion such that FERC's concerns are incorporated into the final design. We knew this was going to be a difficult meeting as the concept of a sudden release of water from the flashboards to pass large flood flows is difficult for FERC to accept. In the end the process is good as it allows all the stakeholders not familiar with structural design or dam failure analysis to hear how the future structure will be designed, constructed, and operated.

Design work continues; electrical changes, concrete modifications, hydraulic analysis, gate outline and gate imbedded metals continue as the vertical gate purchase order (and bid process) must be issued during November for the project to stay on schedule. Also critical is selection of the flashboard designer/fabricator. An example of detailed design work underway by McMillen for the vertical gate pier is shown in Figure 3.

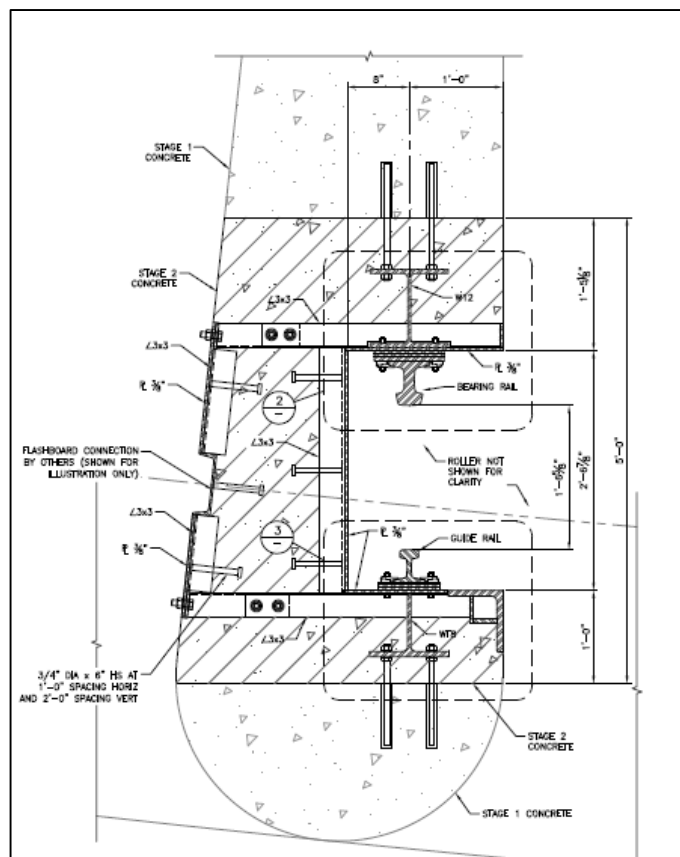


Figure 3 - Example of detailed design, section view of the center pier that supports the vertical lift gate; duel roller design reduces lift loads with the added benefit of less side seal leaking.

Tyee Lake Turbine Spherical Valve (TSV)

History

The Tyee turbine spherical valves provide protective isolation for the turbine from the penstock. The design intent of the valve is two-fold: 1) isolate the penstock from the turbine for maintenance, and 2) provide a means to stop water flow in the event the turbine nozzles and deflectors are inoperable during a "run-away" condition. The TSV is large, extremely stiff, of close tolerance, and driven by a water powered toroidal cylinder. TSVs are opened and closed using a system of smaller control valves that in turn are electrically controlled.

Original Issue Requiring Fix

Over the years the control valves have failed and been repaired or replaced, and corrosion and biological growth have fouled small passages. Often the TSVs will go for months without operation as moving the valves requires generator shutdown; this adds to the fouling problem. During the past two years, Tyee operators complained of poor valve opening and closing response. During late 2014, we solicited proposals to develop options for reliable long-term valve operation; the options list included everything from clean &

repair the existing control components (and buy spare parts) to completely changing the controls to an oil driven system rather than using the existing penstock water system.

Contract and Solution

SEAPA retained HDR, who completed a site inspection including operational testing in January 2015. They submitted a draft report in March and a final report this past August. Delay in issuing the final report was caused by turbine supply company, Andritz, who owns the rights to components originally supplied by Escher-Wyss-Bell (Bell is the original manufacturer). As part of the final report we asked HDR to specify replacements of the control valves and to get an estimate for OEM replacements. Getting a quote for the correct replacement control valves proved daunting, and time consuming. In addition to the communication delay, the quotes were expensive (\$10,000 per control valve) which forced us to look for equivalent components made in the USA. Because the control valves are high pressure, and therefore of close tolerance, we could not find equivalent valves that would not leak. The final report action items are listed below:

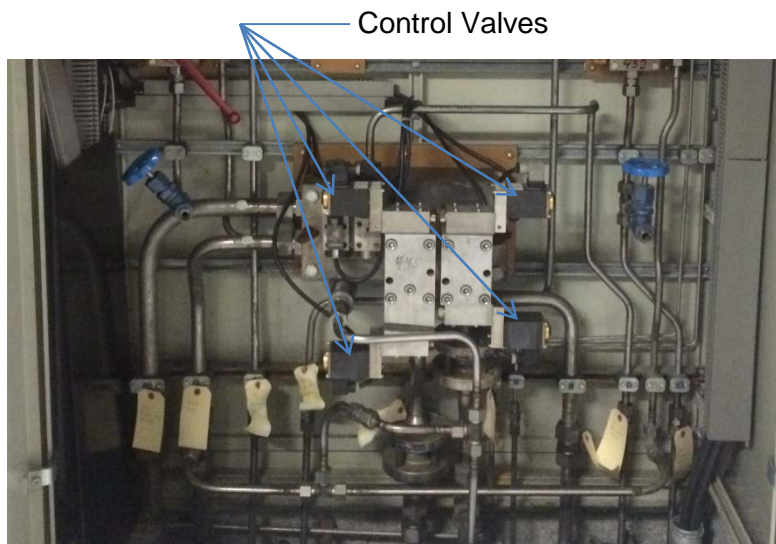


Figure 4- Internal view of TSV cabinet with the principal control valves identified.

- Filters upstream of the control valves will have piping added to isolate the filters such that during inspection/maintenance pressure spikes from the source 600 psi water will not damage the filters (pressure/flow gradually transitions)
- Spare control valves should be purchased and the current control valves returned for refurbishment. Using this approach, future outages will be of short duration while suspect valves are replaced with onsite spares
- The stuck bypass valve on Unit #1 is to be removed during September 5-6 and replaced with a manual valve. After an onsite inspection, if an overhaul is required as compared to cleaning and new O-rings installed, the bypass valve is to be shipped to a qualified shop
- Controls - SEAPA requested a piping design for manual control; this modification was reviewed and piping drawings received. Time delay relays will be retained but the timing made consistent with original commissioning values, and pressure gages will be added to existing control piping to verify control valve actuation
- SEAPA requested a review of the TSV close criteria. This was reviewed, the TSV is closed if:
 - a governor failure occurs (over-speed, loss of oil level, or loss of oil pressure)
 - Operator command at the TSV cabinet; remote TSV operation from the control room is to be removed. Control diagrams and instructions are pending from HDR

Hydro Site Investigation

Brief History

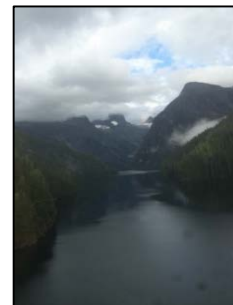
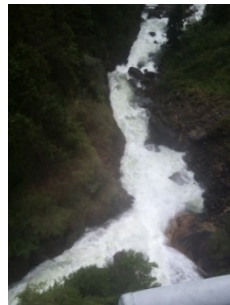
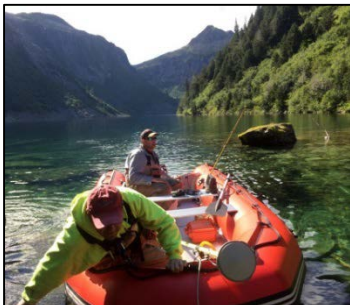
We received the grant during the summer of 2012, issued a RFP in the spring of 2013, and shortly thereafter started work; accomplishments to date include:

- We are building a database that contains site definition documents that are compositions of history, geologic characteristics, power and energy value, construction cost, environmental reviews, and hydrologic assessments for potential hydro sites located from Metlakatla to Kake.
- Over the past two years we have compiled historical and site survey data on many locations: Annette Island, Connell Lake, Lake Grace, Eagle Lake, Sunrise Lake, Virginia Lake, Orchard Lake, Lake Shelokum and Maude and Rowena Lakes, Kunk and Anita Lakes; and more recently Cabin Creek, City Creek, and the larger projects Scenery, Cascade, and Ruth.
- This summer site surveys were conducted at Anita and Kunk Lakes south of Wrangell on Etolin Island; also on City and Cabin Creeks near Petersburg, and at the larger projects Scenery, Cascade, and Ruth located near Thomas Bay. We recorded elevations and distance for penstock, tunnel, and transmission routes, noted construction difficulties brought about by a whole host of considerations: location, terrain, environmental, TNF LUD, rock stability and rock toughness, fish habitat and salmon spawning/migration zones. While civil survey work was underway, SEAPA employee, Mark Looman, and engineering intern, Logan Collins, mapped depths of Anita Lake, Falls Lake, and Scenery Lake.
- We are still working on the computer storage aspects of this mass of information and how to make the information available in an interactive manner and at the same time preserve the integrity of the data. Right now it is an Office 365 web application.



Figure 5- Mapping a potential lower penstock route at Scenery Lake.

Last winter we initiated discussions with the Alaska Fish & Game to establish a more proactive working arrangement with respect to hydro site investigations; our thought was to work with F&G outside the traditional NEPA (FERC) process to establish a working relationship up front as hydro sites come under review. One thought was to collaborate on studies. As a continuation of this process, and on a project in which we already have a working relationship with the F&G, we met with habitat biologists at Tyee to review those ongoing studies and to evaluate the scope of future data collection. More on this long-term germinating process at our board meeting.



Tyee Lake and Swan Lake Unit Integrity – an ongoing process

Swan Lake

We are scheduled on September 9 to conduct a pass-fail test on Unit #1. Should the winding fail, our on-call Contractor, Magnetech, who is the recommended vendor from the RFP process, would ship their tools and materials and start work approximately 9 days later. Should the winding pass, we probably won't test it again until 2019. Unit #2, which has a new winding, will be tested next year.

Tyee Lake

Tyee Lake has new windings, so our efforts here are more geared to due diligence checks relative to the commissioning data from the 2010 rewind effort. To date we find no evidence of temperature increases for a given load; we find no decrease in generation for a given flow rate. Even so, we conducted a vibration test & analysis of Unit 2 during the last week of August. The machine vibration response to different load cases continues to be well below generator manufacturer values; additionally the plant crew has noticed no difference in noise or vibration. Staff will expound on these tests if time permits at the Board Meeting.



Randy Rasler installs a temporary proximity probe bracket just above the upper guide bearing and below the slip rings.

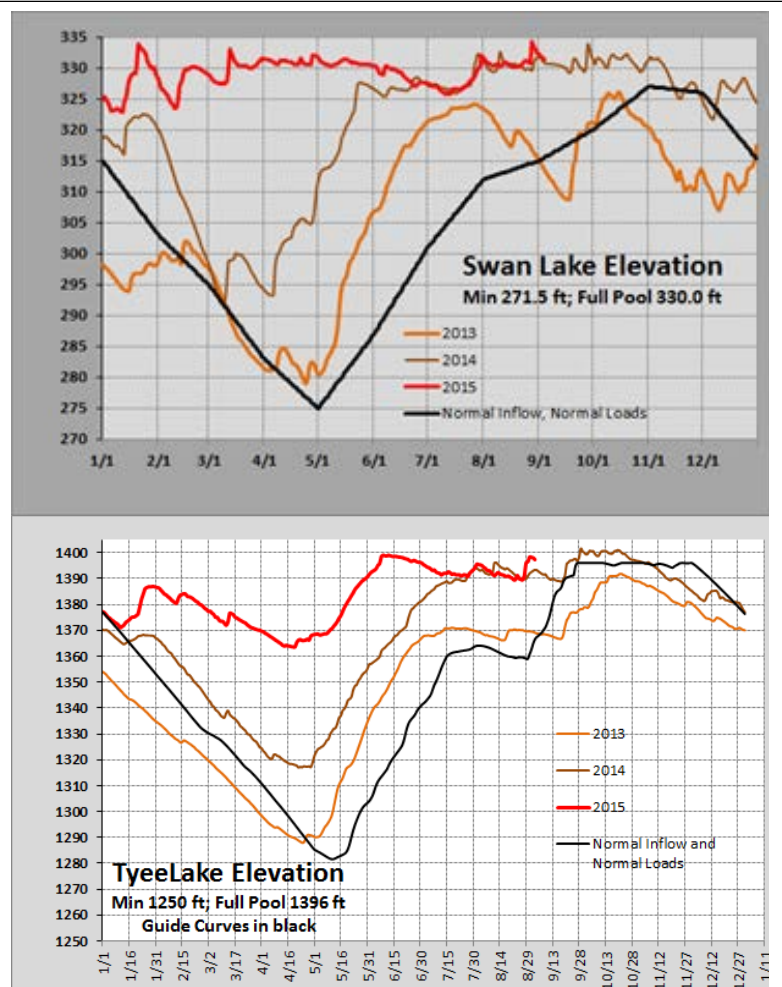
Water Management Update

Last time we noted:

- an extremely warm, wet winter, followed by a wet April
- municipal generation continued at strong levels during the winter and spring and right into the summer, thus demand for SEAPA power was lower than expected

[Remainder of page intentionally left blank.]

The winter and spring conditions noted above meant more water in storage was carried forward into the summer than a “normal” year. Now after a summer of lower than expected loads we continue with full reservoirs at both Tyee and Swan Lake. In fact, Swan has been full since late January. Compare the 2015 Swan reservoir level (red) to that of what we consider normal conditions (black) in the figure at right; graphically that’s how different our weather and loads have been. The same comparison between this year and normal conditions for Tyee are also shown in the figure at right. In the language of power sales we are long with nowhere for our excess capacity to go. But how long will this last? How different were the last two years to what we consider normal? What would our winter loads be if we had the weather of 2011 or 2012 repeat? These are vital questions for utility planners; we are compiling weather data and hopefully a load forecast will be more developed such that we can discuss this planning effort at our December Board Meeting.

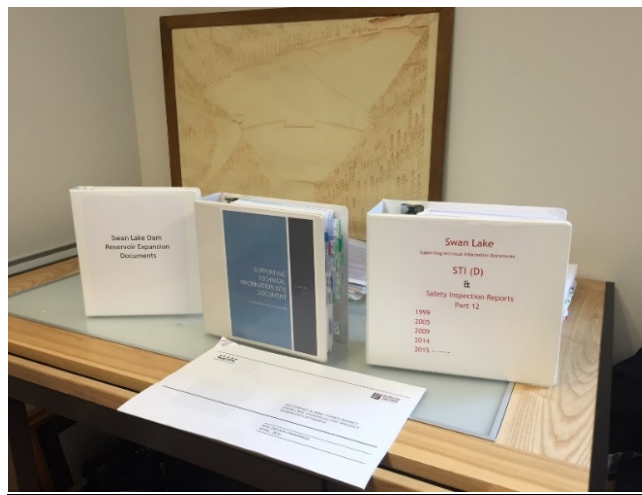


Reservoir levels for Swan Lake above, and Tyee Lake below for 2013-2015 and the guide curves for normal conditions.

Date: August 31, 2015
To: Trey Acteson, CEO
From: Ed Schofield, Power System Specialist
Subject: Power System Specialist Report

Federal Energy Regulatory Commission (FERC)

The Swan lake Supporting Technical Information Document (STID) informal update was compiled by SEAPA staff and submitted to FERC on August 3, 2015. Traditionally, the STID is updated and submitted every six years along with the Part 12 Safety Inspection Report (SIR). SEAPA's independent consultant requested a delay from FERC of the STID update until after the completion of the Swan Lake Reservoir Expansion Project as it would result in substantial changes to the project infrastructure, requiring a complete rewrite of the STID to meet FERC Part 12 requirements. FERC denied the request stating the updated STID would be a crucial part of the Swan Lake Reservoir Expansion Pre-Construction Potential Failure Mode Analysis (PFMA) session and requested that the updated STID be submitted two weeks prior to the August 19, 2015 PFMA session for PFMA participant review. SEAPA staff initiated verbal discussions with FERC requesting a delay of the formal STID update for an alternative informal STID update containing all Reservoir Expansion studies and reports in their complete original form (not summarized as found in the STID). FERC granted the request. The informal STID update was completed and provided to FERC two weeks prior to the pre-construction PFMA. After completion of the Swan Lake Reservoir Expansion Project, the STID will be rewritten and reformatted for submittal to FERC to reflect the substantial changes to the project.



Swan Lake Supporting Technical Information Document (Hard Copy)

SEAPA Office Server Back-Up Power System

The present UPS power back up has become inadequate to meet the required power demands. The UPS system fails within minutes of an electrical system outage. This results in the inability to view the status of generation and transmission systems and office data servers. SEAPA has purchased and installed the back-up power system equipment. Final switchover from the old to new power systems will occur in coordination with SEAPA's IT contractor. The new APC power system is adequate to operate independent of the grid power system for a minimum of 5 hours.

A Mitsubishi climate control system has been purchased and is waiting vendor installation in the server room to dissipate heat generated by the new back-up power system. The room currently has no climate control equipment and the power supply vendor strongly recommends climate control to offset the heat generated by the backup power system.



SEAPA Office Server Rack Mounted Backup Power System

Swan Lake Powerhouse Roofing Replacement Project

Sitka based contractor, CBC Construction, will be on site at Swan Lake with a crew of nine on August 29th to start the Swan Lake Powerhouse Roofing Replacement Project. This project is expected to take three to four weeks to complete and will consist of the removal and replacement of the powerhouse roofing system. The new roofing system will be a Johns Manville 80 mil PVC membrane package with a two-year contractor's workmanship warranty and a 20-year 120 mph manufacturer's warranty. The contractor will perform all work within the confines of a positive air tenting system to assure no down time of the plant due to roof leaks. CBC will also power wash the exterior walls of the powerhouse and apply concrete sealer.



Swan Lake Powerhouse



Swan Lake Powerhouse Lower Roof

Swan Lake Generator Exciter Replacement

Basler is presently developing drawings for SEAPA's approval prior to manufacturing of the Basler DECS-400 Exciter equipment. The present Swan Lake exciter cabinet (see photo below) will be removed and replaced with new equipment replicating the equipment installed at Tyee in 2010. There will be a 12-14 week lead time on equipment delivery after drawing approval. In October, SEAPA will develop an RFP for the installation of the new Basler exciter equipment as well as the GE generator switchgear. Each generator will be completed independently, with the second unit remaining in service. Once the equipment installation is complete, manufacturer's representatives will inspect and commission the unit. After a comprehensive testing and proving period, the second unit will be taken offline and the process repeated.



Swan Lake Exciter



Tyee Exciter (DECS-400)

Swan Lake Switchgear Replacement

The Swan Lake Medium Voltage Switchgear (Generator Breaker) project will replace Swan Lake Unit 1 and Unit 2 main generator switchgear. GE is presently developing drawings for SEAPA review and approval prior to manufacturing of equipment (equipment lead time 18 weeks). As mentioned in the summary of the exciter replacement project, the installation of the switchgear will coincide with the installation of the Basler exciters for both generators.



**Swan Lake Switchgear
(removed from cabinet for maintenance)**

Swan Lake Reservoir Expansion Project / Timber Cruise

Greatland Consultants will perform a certified timber cruise in October 2015 of the Swan Lake shore that has the potential to be inundated by impoundment water as a result of the Swan Lake Reservoir Expansion Project. Greatland Consultants has been approved by the Alaska Department of Natural Resources (ADNR) and the US Forest Service (USFS). Both agencies require a certified timber cruise prior to negotiating timber harvest agreements with SEAPA, and the timber cruise is also required under the terms and conditions of the FERC License Amendment. The cruise will determine the commercially harvestable number of trees, species, estimated values, and markets.

The shore area to be impacted by the reservoir expansion consists of the area from elevation 335' (old timber harvest elevation) to the new reservoir elevation of 345'. The majority of the Swan Lake shoreline is steep as seen in the photo below (45% grade on average). A 10' elevation change will impact approximately 20' of shoreline.



Swan Lake (14 miles of shoreline)

Swan Lake Dam Abutment Clearing

The Swan Lake Part 12 Independent Consultant Safety Inspection Report (SIR) recommended that the dam abutments be cleared of all vegetation out to at least 30' from the dam prior to the reservoir expansion pre-construction Potential Failure Mode Analysis. The dam abutments are nearly vertical and require rope rappelling to access. Extreme Access, a firm out of California that specializes in dam clearing and cleaning throughout the western United States was hired to complete the clearing task.



Swan Lake Dam Abutment

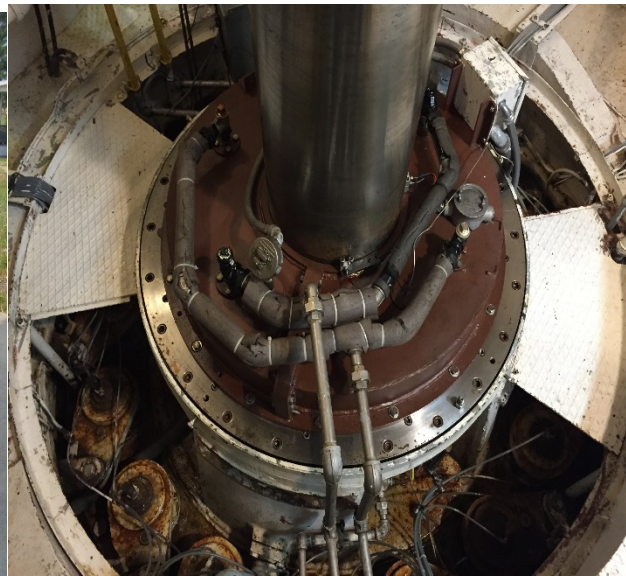
Swan Lake Lower Turbine Guide Bearing Skid Mounted Cooler

Historically, the Swan Lake lower turbine guide bearing has been cooled by a raw water open loop cooling system. The plant has experienced a bearing failure with both Units 1 and 2 in the past ten years due to rust and corrosion deterioration within the bearing cooling passages.

As a preventative maintenance measure, SEAPA has developed and will install skid mounted heat exchange cooling systems that will provide a closed loop glycol cooling system to inhibit rust in cooling passages. The skids will be remotely located from the turbine bearing pit for ease of serviceability. Each skid will have a redundant cooling system so maintenance can be performed with the units in service. The photo of a skid mounted cooling system shown below is representative of the Swan Lake skid. The skids are presently under construction with a six-to-eight week delivery date. A private contractor has been retained to complete installation.



Skid Mounted Cooling System



Swan Lake Lower Turbine Guide Bearing



SOUTHEAST ALASKA POWER AGENCY

SWAN LAKE | POTENTIAL UNIT REWIND PROJECT

Date: August 23, 2015

To: Trey Acteson, Chief Executive Officer

From: Eric Wolfe, P.E., Director of Special Projects

Subject: Swan Lake Potential Unit 1 Rewind Project - Update

Most utilities are part of an interconnected grid where replacement power can be purchased on a spot and/or balance of the month market at prices close to the host utility's delivery cost. Not so for us with back-up diesel generation as the only alternative. For this reason, we have instituted a unique risk management plan at Swan Lake that integrates a go, no-go test for the winding with an expedited repair plan. The key to this plan is to have a complete set of spare coils on hand and to time the test when both loads are low and a rewind contractor can be on site immediately after the failed test. We purchased a complete set of spare coils and most of the rewind materials in 2013; this September 9th we plan to conduct the first go, no-go DC high potential test on Swan Lake Unit 1. If the winding fails the test, we will have avoided the cost and time delays of a potential stator iron repair (phase-phase fault), avoided the time delay associated with coil procurement, and we will avoid failing a machine during the high load winter months. If the winding passes, we will retest Unit 1 in 2019.

Since our plan requires a contractor in ready status, SEAPA staff issued a Request for Proposals for rewind services in August; contractors were to reply with an experience history and a daily cost for crews such that the rewind could be completed in 6-7 weeks. We received three (3) proposals and I am happy to report that Magnetech of Massillon, Ohio, submitted the lowest price proposal and are also the most qualified.

Magnetech completed the two-unit rewind at Tyee on schedule, under budget, and was extremely accommodating of work that impeded their schedule (brake rotor machining, cooling water pipe replacement, exciter replacement, and bearing component machine work). When SEAPA suggested leaving the rotor in place, Magnetech openly reviewed their bid details and supplied us with a credit.

At this time we are not seeking authorization for staff to enter into a contract with Magnetech. We will notify Magnetech that contingent upon the failed test, we will request that our board assemble for a special board meeting for approval of a contract award to Magnetech. Rewind work at Swan would then start on or near September 20th.



SOUTHEAST ALASKA POWER AGENCY

USED GENIE S65 MANLIFTS PROJECT

Date: September 8, 2015

To: Trey Acteson, Chief Executive Officer

From: Ed Schofield, Power System Specialist

Subject: Used Genie S65 Boom Lifts Project

A Request for Quotes (RFQ) for two used Genie S65 Boom Lifts was advertised on July 21, 2015. Two responses were received on August 31, 2015. Each response was evaluated based on competitive pricing, ability to meet or exceed requested equipment specifications, reputation and experience of the supplier, performance history of the supplier with SEAPA, ability to meet any time requirements or stipulations provided for in the RFQ, and inspection records per the Manufacturer's Responsibility Manual. One Boom Lift would be used at Swan Lake and the other one would be used at Tyee Lake.

Staff conducted a review of the two bids received from Coast 2 Coast Equipment of Valley View, Ohio, and Tyler Rental of Ketchikan, Alaska. Coast 2 Coast Equipment was non-responsive. The equipment Tyler Rental is offering is located in Chehalis, Washington. Staff will be traveling to Chehalis on Friday, September 11th to inspect the equipment and will provide an update to the board at the board meeting. Staff issued a Notice of Recommendation of Award we would solicit the board's approval for award of a Purchase Order Contract to Tyler Rental, Inc. as the successful bidder.

\$130,000 was allocated to the Boom Lift Project in SEAPA's FY16 budget. Tyler Rental's total proposed price for two used Boom Lifts is a total of \$129,800, which includes shipping FOB Ketchikan and Wrangell.

Staff recommends award of a Purchase Order Contract to Tyler Rental, Inc. for the two used S65 Genie Boom Lifts. The following is a suggested motion:

SUGGESTED MOTION
<p>I move to authorize staff to enter into a Purchase Order Contract with Tyler Rental, Inc. for one (1) used Genie S65 Boom Lift, Serial No. 56008-17417 for \$65,900 to be utilized at SEAPA's Tyee Lake Hydroelectric Facility and one (1) used Genie Boom Lift, Serial No. 56008-19593 for \$63,900 to be utilized at SEAPA's Swan Lake Hydroelectric facility.</p>



SOUTHEAST ALASKA POWER AGENCY

FUTARIS CONTRACT

Date: September 2, 2015

To: Trey Acteson, Chief Executive Officer

From: Steve Henson, Operations Manager

Subject: Consideration and Approval of Sole Source Contract to Futaris, Inc.

SUGGESTED MOTION

I move to authorize staff to enter into sole-source Purchase Order and Services Contracts with Futaris, Inc. for the not-to-exceed value of \$160,000 for a Bill of Materials, labor, and costs for Phase II of SEAPA's Satellite Communications Upgrade Project.

At its June 25-26, 2013 meeting, the Board awarded a contract to Futaris, Inc. for \$154,000 for SEAPA's Satellite Communications Upgrade Project. The funds expended to date facilitated Phase I of the communications upgrade between SEAPA's office and Swan Lake, and included dish sighting and alignment testing at Tyee Lake and the Wrangell Substation.

On August 7, 2015, the State of Alaska issued an Entry Authorization for SEAPA to develop a Public Easement (#ADL 108297) for placement of a Satellite Dish at Tyee. The Entry Authorization authorizes SEAPA to develop the site, conduct an as-built survey, and make authorized improvements in the easement corridor until the actual easement is granted. The Entry Authorization is effective for a period of 30 months from July 10, 2015 to January 10, 2018. Once the easement is developed, it will be valid for a 25-year term inclusive of the 30-month term for the easement development period.

Phase II of SEAPA's Communications Upgrade Project anticipates development of the easement and extending SEAPA's communications network to Tyee. This will improve and extend communications to support voice, SCADA, and Radio over Internet Protocol (RoIP) using VSAT mesh connectivity with the Tyee Lake and Swan Lake Plants and SEAPA's main office in Ketchikan. Futaris, Inc. has submitted a proposal to facilitate the extension, which includes a bill of materials, subcontractor support, and labor to meet the requirements of a general plan for the extension. Significant unknowns in the project include travel elements and shipping. Futaris' proposal for the Bill of Materials is \$76,218, excluding shipping. Labor, travel, and meal estimates total \$68,938 for a total of \$145,156. Because of the significant unknown costs of travel and shipping, staff recommends a contingency of 10% or \$14,516 for a total of \$159,672.

At the time a communications upgrade was anticipated, proposals were solicited and only two bidders submitted a proposal, Spacenet and Futaris. After a field verification visit for a specific satellite signal trajectory, a signal from Futaris was the only one that could be seen from the Tyee project. The contract was awarded to Futaris based on that premise. Staff recommends sole sourcing Purchase Order and Service Agreement Contracts totaling \$160,000 to Futaris for this

portion of Phase II of SEAPA's Satellite Communications Upgrade Project. Development of the easement will be tasked to other contractors. SEAPA's 2016 Fiscal Year budget authorized at the June 10, 2015 board meeting, allocated \$301,801 for this R&R Project.



SOUTHEAST ALASKA POWER AGENCY

SUNRISE AVIATION CONTRACT

Date: September 2, 2015

To: Trey Acteson, Chief Executive Officer

From: Steve Henson, Operations Manager

Subject: Consideration and Approval of Sole Source of Sunrise Aviation Contract

Sunrise Aviation, Inc., located in Wrangell, Alaska, has facilitated the majority of air transportation between Wrangell and the Tye Lake Hydroelectric Facility for the past several years. Prior to SEAPA's direct operations of the Tye Plant, Sunrise Aviation contracted with Thomas Bay Power Authority to provide regular, scheduled flights to the facility. When SEAPA assumed operations of the plant, the contract between Sunrise and Thomas Bay was assigned to SEAPA. That contract expired on August 31, 2015.

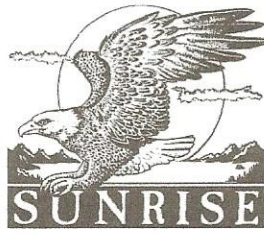
Sunrise Aviation has written to SEAPA expressing its interest in extending or renewing the contract for a five-year term. A copy of their letter is attached. The contract provides that the contract may be reviewed April 1 of each year for contract rate adjustments directly related to insurance or fuel costs. Services provided to date from this air carrier have been excellent and they make every effort to accommodate the Agency's needs whether it is a chartered or scheduled flight. Staff solicits the board's approval to enter into a sole source contract with Sunrise Aviation for a five-year term providing the option to the carrier to revisit their rates annually for rate adjustments.

\$47,000 was allocated to contracted flights to Tye in SEAPA's FY16 budget. Section 8.1 of SEAPA's Procurement Policy provides that competitive bidding is not required when the contractual services can be furnished only by a single dealer. Sunrise Aviation is the only air carrier in the Wrangell vicinity with the capacity to provide the regular, scheduled services between Wrangell and Tye.

The following is a suggested motion:

SUGGESTED MOTION
I move to authorize staff to enter into an Air Carrier Contract with Sunrise Aviation, Inc. for a five-year term effective September 1, 2015 to August 31, 2020 for fixed wing flight services at the base rate of \$400 for each contracted scheduled, completed flight between Wrangell and the Tye Hydroelectric Facility, estimated to be 104 flights annually, with the option for Sunrise Aviation to revisit its rate on April 1 each year and negotiate insurance and fuel cost adjustments accordingly with the Agency's staff.

Attachment:
2015 0815 Letter from Sunrise Aviation



Sunrise Aviation, Inc.

P.O. Box 1440
Wrangell, AK 99929


8-25-15

Hello Trey,

It has come to my attention that the contract between SEAPA and Sunrise Aviation is due to expire at the end of this month. Sunrise Aviation is interested in extending/renewing the current one, at the current base rate, with the option to revisit the rate yearly, for a 5 year period, or whatever you would be interested in.

Please let me know your thoughts on this.

Thanks,



Tyler Robinson



1900 First Avenue, Suite 318
Ketchikan, Alaska 99901-6059
Tel: (907) 228-2281 • Fax: (907) 225-2287
www.seapahydro.org

TO: TREY ACTESON
FROM: KAY KEY
DATE: SEPTEMBER 2, 2015
RE: **EMPLOYEE BENEFITS 2016**

National Rural Electric Cooperative Association (NRECA) has issued renewal rates for calendar year 2016 administrative employee's group benefits. SEAPA's enrollment deadline for group benefits is September 25.

An error in the calculation of retirement benefits in the FY16 budget created a shortfall of \$24K.

SUGGESTED MOTION

I move to increase the budget for Administrative Expense to \$1,413,000 to cover the \$24,000 error and the escalation of health and welfare costs and direct staff to renew NRECA employee group benefit plans as presented.

Health & Welfare – 2016 Renewal Rates attached to this memo display Current Rates (calendar year 2015), Renewal Rates (calendar 2016) and the percentage of change between the two. Increased prescription costs had the greatest impact on premium increases this year. The net impact on SEAPA's monthly premium for medical, prescription, dental and vision is an increase of 6.4%.

Life insurance and disability also increased slightly. As presented, the H&W premiums would exceed the FY16 budget by \$12,700. NRECA's renewal rates are not available prior to budget.

Coverage	2014 Rate	2015 Rate	2016 Rate	
Medical + Prescription	\$1,075.82 2,507.92	\$1,092.15 2,493.39	\$1,195.72 2,627.79	Individual Family
Dental	\$56.46 \$170.78	\$57.59 174.20	\$59.61 180.30	Individual Family
Vision	\$13.18 \$36.38	\$13.71 37.84	\$14.26 39.35	Individual Family
Year-to-Year Comparison		^ 1.5% v 0.4%	^ 9.1% ^ 5.3%	Individual Family
Deferred Benefit Plan 457(b)	3%	3%	3%	
Defined Contribution Plan (RSP)	34.39%	34.39%	35.43%	



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Retirement Security Plan (RSP) –2016 billing rates for SEAPA’s defined benefit pension plan increased 1.04% this year. This increase is due to lower returns on 2014 investments, a lower expected return on future investments, increased longevity of participants and higher Pension Benefit Guaranty Corporation (PBGC) premiums. PBGC is the government agency responsible for insuring pension plans. A copy of the RSP Billing Rate history is attached.

This would increase SEAPA’s retirement costs by \$4K, except that the budget was short \$24K due to an error in a formula, making the adjustment \$28K instead.

An outline of SEAPA administrative employee benefits is also attached for reference.

BUDGET COMPARISON		
Budget Item	Corrected Budget	Actual Costs
Wages	\$868,000	\$868,000
Taxes	61,000	61,000
H&W	182,000	195,000
Retirement	*285,000	289,000
Total	\$1,396,000	\$1,413,000
*includes \$24K correction		

2016 Renewal Rates

Subgroup: 0102192001 - SOUTHEAST ALASKA PWR AGENCY - AK

Renewal Date: 1/1/2016

These are your co-op's renewal billing rates. Your plan design may have changed. Check your plan's renewal options for more information.

Coverages	Current Monthly Rates	Renewal Monthly Rates	Change
Business Travel Accident Insurance Plan			
bta1	\$21.75	\$21.75	0.0%
Dental Plan			
ePDental1			
INDIVIDUAL	\$57.59	\$59.61	3.5%
INDIVIDUAL + DEPENDENT	\$174.20	\$180.30	3.5%
Life Insurance Plan			
basicLife1	\$0.299/\$1,000	\$0.284/\$1,000	-5.0%
Long Term Disability Plan			
ltd66Ss1	\$0.0618/\$100	\$0.0639/\$100	3.4%
Medical Plan			
ppo2			
INDIVIDUAL	\$1,004.53	\$1,058.72	5.4%
INDIVIDUAL + DEPENDENT	\$2,299.53	\$2,345.40	2.0%
MEDICARE	\$276.25	\$291.15	5.4%
Prescription Drug Plan			
rx3Tier2			
INDIVIDUAL	\$87.62	\$137.00	56.4%
INDIVIDUAL + DEPENDENT	\$193.86	\$282.39	45.7%
Medical Plan with Prescription Drugs			
ppo2 & rx3Tier2			
INDIVIDUAL	\$1,092.15	\$1,195.72	9.5%
INDIVIDUAL + DEPENDENT	\$2,493.39	\$2,627.79	5.4%
Short Term Disability Plan			
std1	\$0.0582/\$100	\$0.0598/\$100	2.7%

2016 Renewal Rates

Vision Plan				
visPpoEnh1				
INDIVIDUAL		\$13.71	\$14.26	4.0%
INDIVIDUAL + DEPENDENT		\$37.84	\$39.35	4.0%

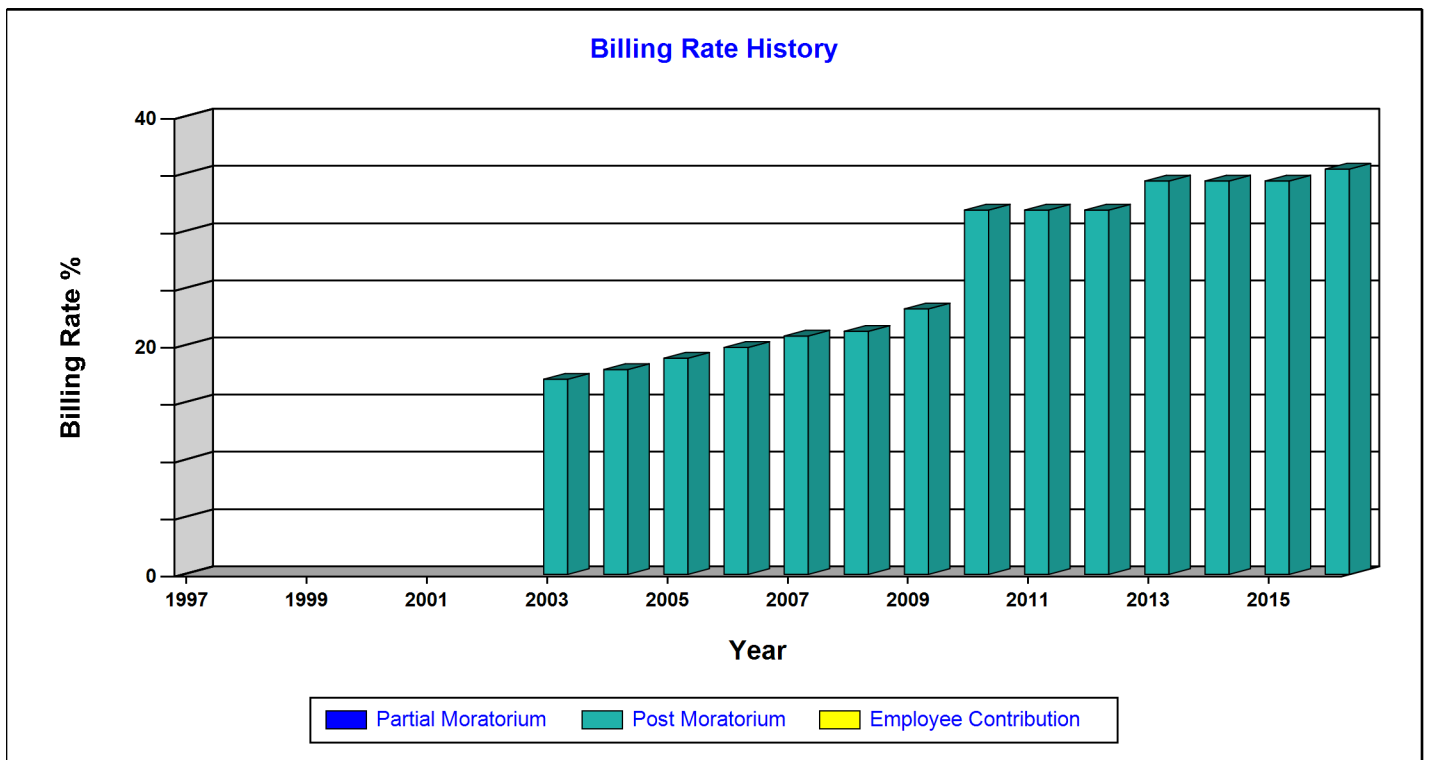


NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

Retirement Security Plan

System #: 01-02192-001 **Plan ID:** RNR01A
Name: SOUTHEAST ALASKA PWR AGENCY

Year	Benefit Level	System Cost	Employee Contribution	Plan	COLA	Average Age	100% Death Benefit	Salary Type
1997								
1998								
1999								
2000								
2001								
2002								
2003	2.00	17.06	0.00	62	Yes	51	No	BS
2004	2.00	17.91	0.00	62	Yes	52	No	BS
2005	2.00	18.90	0.00	62	Yes	63	No	BS
2006	2.00	19.84	0.00	62	Yes	51	No	BS
2007	2.00	20.84	0.00	62	Yes	56	No	BS
2008	2.00	21.25	0.00	62	Yes	51	No	BS
2009	2.00	23.21	0.00	62	Yes	49	No	BS
2010	2.00	31.85	0.00	62	Yes	50	No	BS
2011	2.00	31.85	0.00	62	Yes	50	No	BS
2012	2.00	31.85	0.00	62	Yes	57	No	BS
2013	2.00	34.39	0.00	62	Yes	56	No	BS
2014	2.00	34.39	0.00	62	Yes	55	No	BS
2015	2.00	34.39	0.00	62	Yes	56	No	BS
2016	2.00	35.43	0.00	62	Yes	56	No	BS



Note: The System Cost is the total of the Trust Contribution and the Administrative Fee.

Your Retirement Security Plan's salary type is "base salary." As a result, your contribution cost (system cost plus employee contribution rate shown above) is applied as a percentage of each participant's annualized base rate of pay in effect on November 15, 2015, which is that participant's effective salary for the 2016 plan year. Beginning with your January 2016 monthly statement, the estimated amount due will be based on this percentage. Rates shown are for the plan in effect as of January 1 for each year.



The Southeast Alaska Power Agency Administrative Employee Benefits

Non-represented employees are eligible for these benefits provided by National Rural Electric Cooperative Association (NRECA).

NRECA Plan	Coverage: No waiting period IN – In Network • OUT – Out of Network	Employer Contributn	Employee Contributn
Medical PPO	IN Deductible: \$300 individual, \$600 family OUT Deductible: \$600 individual, \$1200 family Out-of-Pocket Maximums: IN Coinsurance: \$0 individual, \$0 family OUT Coinsurance: \$1200 individual, \$2400 family	90%	10%
Prescription	Coinsurance Max: \$2000/individual, \$5000/family		
Dental	Deductible: Preventive - \$0 / Basic - \$50 per participant	90%	10%
Vision	Deductible: \$10 exam, \$20 glasses	90%	10%
Retirees -Medical coverage is available to retirees after completing 5 years of continuous service with the Agency.			
Basic Life & AD&D Insurance*	2x Base Salary	100%	---
Supplemental Life*	1x Base Salary	100%	---
Supplemental AD&D	Available	0	100%
Supplemental Family AD&D	Available	0	100%
Spouse Life*	\$10,000	100%	---
Child Life*	\$10,000	100%	---
Retired Life*	Available	0	100%
Business Travel Insurance	\$100,000	100%	---
Short-Term Disability	66-2/3% of weekly earnings, \$1500/wk maximum. Benefits begin on day 8 and are limited to 13 weeks.	100%	---
Long-Term Disability	66-2/3% of annual salary paid until age 65 if totally disabled. Benefits begin after 13 wks.	100%	---

*Group term life insurance coverage in excess of \$50,000 is taxable income.

Homestead Plan (a division of NRECA)	Eligibility	Employer Contribution	Employee Contribution
457(b) Government Deferred Compensation Plan SEAPA Irrevocable Trust	Eligible on the first day of the month after one full month of completed service. Employee may contribute a total of 100% of base wages subject to NRECA and IRS limitations.	3% of base wage after employee minimum	1% of base wage minimum

Retirement Security Plan	Eligibility	Employer Contribution	Employee Contribution
Defined Benefit Pension Plan	Participation begins first of the month following the first full year of employment. 2% of participant's final average effective salary. 50% Spousal Annuity death benefit. Vesting schedule starts at 10% after one year and increases to 100% after five years or age 55.	100%	---



The Southeast Alaska Power Agency

Administrative Employee Benefits

Payroll, PTO & Holidays	Description
Payroll	Bimonthly pay periods are the 1st – 15th and 16th-last day of the month. Pay dates are the 7th and 22nd of the month.
Paid Time Off	Employee starts earning 6 hrs per pay period in first year and increases to 10 hours per pay period in year seven. (Maximum 60-day PTO cash-out upon termination.)
Holidays	10 holidays + 2 Floating Holidays annually. No carryover of floating holidays.

HOLIDAYS
New Year's Day Presidents Day Memorial Day Independence Day Labor Day Veterans Day Thanksgiving Day and the following Friday Christmas Eve and Christmas day



SOUTHEAST ALASKA POWER AGENCY

Trey Acteson, Chief Executive Officer

Date: September 3, 2015
To: SEAPA Board of Directors
From: Trey Acteson, Chief Executive Officer
Subject: Resolution No. 2016-059 Re: Approving Signature Authorities

Attached for your consideration is Resolution No. 2016-059, which identifies signature authorities for SEAPA's First Bank accounts. The bank's signature card requires a formal board resolution to update the signature card on file. I recommend that myself, Steve Henson, Ed Schofield, and Sharon Thompson be authorized as signers on the account. Four signatories are recommended so at least two signers are available on site in the Ketchikan office for the Agency's banking business.

Please consider the following suggested motion:

SUGGESTED MOTION
I move to adopt Resolution No. 2016-059 authorizing signatories to the First Bank Accounts named in Resolution No. 2016-059.



SOUTHEAST ALASKA POWER AGENCY

RESOLUTION NO. 2016-059**

The Southeast Alaska Power Agency Approving Signatories to First Bank Accounts

WHEREAS, on September 15, 2015, the Board of Directors of The Southeast Alaska Power Agency ("SEAPA") desires to authorize the following, namely:

Name	Title
Albert E. (Trey) Acteson	Chief Executive Officer
Steven R. Henson	Operations Manager
Edward W. Schofield	Power System Specialist
Sharon E. Thompson	Executive Assistant

of SEAPA, the authority to sign checks and/or any documents necessary to transact business for the following SEAPA First Bank accounts:

Name of Account	Account No.
Business Checking Account	630260
Subordinate Debt Account	630290
Dedicated R&R Fund	773010
New Generation Fund	839700
Construction Fund	853960
R&R Fund	630300
Revenue Fund	630310

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of SEAPA authorizes the following, namely:

Name	Title
Albert E. (Trey) Acteson	Chief Executive Officer
Steven R. Henson	Operations Manager
Edward W. Schofield	Power System Specialist
Sharon E. Thompson	Executive Assistant

of SEAPA, the authority to sign checks and/or any documents necessary to transact business for the following SEAPA First Bank accounts:

Name of Account	Account No.
Business Checking Account	630260
Subordinate Debt Account	630290



SOUTHEAST ALASKA POWER AGENCY

RESOLUTION NO. 2016-059**

Dedicated R&R Fund	773010
New Generation Fund	839700
Construction Fund	853960
R&R Fund	630300
Revenue Fund	630310

Such authority shall remain in force until revoked by written notice to First Bank of such action taken by SEAPA's Board of Directors. All prior authorizations are superseded.

This Resolution No. 2016-059 was duly PASSED and ADOPTED by SEAPA's Board of Directors on the ____ day of September 2015 in Petersburg, Alaska.

SOUTHEAST ALASKA POWER AGENCY

By _____
Chairman of the Board

ATTEST:

Secretary/Treasurer



SOUTHEAST ALASKA POWER AGENCY

Trey Acteson, Chief Executive Officer

Date: September 4, 2015

To: SEAPA Board of Directors

From: Trey Acteson, Chief Executive Officer

Subject: Resolution No. 2016-060 Re: Swan Lake Reservoir Expansion Project
Special Use Authorization for Use and Occupancy of NFS Lands

Attached for your consideration is Resolution No. 2016-060, which serves to support SEAPA's application to the U.S. Forest Service for a Special Use Authorization to use and occupy a small parcel of National Forest System lands in the Lost Creek drainage area at Swan Lake. The USFS is the federal land manager for the small parcel of land. The parcel is, and always has been part of the existing FERC boundary for the Project; but it was always above the maximum operating elevation of the lake. Going forward, this parcel will be periodically inundated. The Order Amending the Swan Lake Project License that issued on August 18, 2015 is subject to conditions submitted by the U.S. Forest Service on October 23, 2014, under section 4e of the Federal Power Act. Condition No. 4 of that submittal requires that SEAPA obtain a Special Use Authorization from the USFS for the occupancy and use of National Forest System lands before beginning ground-disturbing activities on the lands and within one (1) year of license amendment issuance, or by August 18, 2016.

Please consider the following suggested motion:

SUGGESTED MOTION
<p>I move to adopt Resolution No. 2016-060 authorizing SEAPA's Chief Executive Officer to file an application with the U.S. Forest Service for a Special Use Authorization for the use and occupancy of National Forest System lands located in the Lost Creek drainage area at Swan Lake for activities that will be required for the development of SEAPA's Swan Lake Reservoir Expansion Project.</p>



SOUTHEAST ALASKA POWER AGENCY

RESOLUTION NO. 2016-060**

The Southeast Alaska Power Agency Authorizing Filing of Special Use Authorization with U.S. Forest Service

WHEREAS, the Southeast Alaska Power Agency (SEAPA) owns and operates the Swan Lake Hydroelectric Project (FERC No. 2911);

WHEREAS, SEAPA is planning to increase the size and volume of the Swan Lake reservoir to provide additional storage to offset diesel load in the control area;

WHEREAS, a portion of the expanded reservoir will inundate National Forest System (NFS) lands that are located within the existing Federal Energy Regulatory Commission boundary;

WHEREAS, the U.S. Forest Service (USFS) is the land manager for the affected NFS lands; and

WHEREAS, the USFS requires that SEAPA apply for and obtain a Special Use Authorization for use and occupancy of NFS lands.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of SEAPA authorizes SEAPA's Chief Executive Officer to file an application to obtain a U.S. Forest Service Special Use Authorization for use and occupancy of National Forest System lands identified within the existing Federal Energy Regulatory Commission boundary at SEAPA's Swan Lake Hydroelectric Project.

This Resolution No. 2016-060 was duly PASSED and ADOPTED by SEAPA's Board of Directors on the ____ day of September 2015 in Petersburg, Alaska.

SOUTHEAST ALASKA POWER AGENCY

By _____
Chairman of the Board

ATTEST:

Secretary/Treasurer



SOUTHEAST ALASKA POWER AGENCY

Trey Acteson, Chief Executive Officer

Date: September 9, 2015
To: SEAPA Board of Directors
From: Trey Acteson, Chief Executive Officer
Subject: Resolution No. 2016-061 Re: Update to SEAPA's Capitalization Policy

SUGGESTED MOTION
<p>I move to adopt Resolution No. 2016-061 which updates SEAPA's capitalization policy and which shall replace Resolution No. 90-42 in its entirety.</p>

Attached for your consideration is Resolution No. 2016-061, which is an update to SEAPA's capitalization policy. It will replace in its entirety Resolution No. 90-42 adopted on October 25, 1990. Resolution No. 90-42 was adopted by the Project Management Committee prior to divestiture and carried forward into restructuring of the Agency. Staff has updated the policy to align with SEAPA's recently updated Policies and Procedures.

A copy of Resolution No. 90-42, which staff suggests be replaced in its entirety by the new capitalization policy, is also attached.



SOUTHEAST ALASKA POWER AGENCY

RESOLUTION NO. 2016-061**

The Southeast Alaska Power Agency Authorizing an Update to SEAPA's Capitalization Policy

WHEREAS, on October 25, 1990, prior to divestiture, the Project Management Committee which is no longer required due to the divestiture and restructuring of SEAPA, adopted Resolution No. 90-42 establishing procedures for the acquisition and disposal of capital assets to benefit the Initial Project. The resolution carried forward into divestiture and restructuring of the Agency and SEAPA now requires an update to conform to current processes and procedures; and,

WHEREAS, the Southeast Alaska Power Agency (SEAPA or Agency) desires to update the procedures for the acquisition and disposal of capital assets to benefit the Agency and replace Resolution No. 90-42 in its entirety with the attached Policy.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of SEAPA hereby revokes in its entirety Resolution No. 90-42, and adopts the attached Capitalization Policy, which shall replace Resolution No. 90-42 establishing procedures for the acquisition and disposal of capital assets in its entirety.

This Resolution No. 2016-061 was duly PASSED and ADOPTED by SEAPA's Board of Directors on the ____ day of September 2015 in Petersburg, Alaska.

SOUTHEAST ALASKA POWER AGENCY

By _____
Chairman of the Board

ATTEST:

Secretary/Treasurer

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 \$25,000. 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 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 month 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.

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Resolution 90-42

A RESOLUTION OF THE PROJECT MANAGEMENT COMMITTEE ESTABLISHING PROCEDURES FOR THE ACQUISITION AND DISPOSAL OF CAPITAL ASSETS TO BENEFIT THE INITIAL PROJECT.

WHEREAS, on October 28, 1985, the Alaska Energy Authority (AEA), the City of Ketchikan, the City of Wrangell, the City of Petersburg, the Copper Valley Electric Association, Inc., and the Kodiak Electric Association, Inc., entered into a Long-Term Power Sales Agreement ("Agreement"); and

WHEREAS, Section 7 of the Agreement establishes the Project Management Committee (PMC) to implement the provisions of the Agreement, including the adoption of procedural rules for the acquisition of capital assets to benefit the Initial Project, and for the disposal of those capital assets; and

WHEREAS, in a (third) Memorandum of Understanding executed April 8, 1988, the AEA and the PMC established ownership for all capital assets which benefit the Initial Project in the AEA, and established custody, management and control of the said assets in the PMC; and

WHEREAS, the PMC desires to adopt standards and procedures that result in the consistent treatment for the acquisition of specific capital assets to benefit the Initial Project, and of all revenues generated by the disposal of assets acquired for the benefit of the Initial Project;

NOW THEREFORE, BE IT RESOLVED that the following procedure is adopted for the acquisition and disposal of capital assets acquired to benefit the Initial project:

Section 1. Capital Asset Defined.

"Capital Asset" means an asset acquired for the benefit of the Initial Project which at the time of acquisition had a value of \$5,000 or more, and a useful life of at least one year and substantially comprised a Retirement Unit as listed in the Federal Energy Regulatory Commission List of Retirement Units, as amended from time to time.

Section 2. Procedure for Purchase.

Capital assets which benefit the Initial Project shall be acquired according to the following procedures:

a) No capital assets shall be purchased unless funds for such acquisition were approved by the PMC as a part of the annual budget or by a special PMC action.

b) Prior to the purchase of a capital asset, the AEA shall assure that the asset meets design specifications and industry standards, and is a cost-effective purchase.

c) The acquisition of the following capital assets shall require AEA approval prior to purchase, of the specific proposed purchase, if purchased by an Operator or by any member of the PMC and the value exceeds \$5,000:

- i. rolling stock;
- ii. test equipment; or
- iii. capital assets affixed to the Initial Project or critical or integral to the operation of the Initial Project.

d) The AEA may act on behalf of the PMC and may purchase capital assets to benefit the Initial Project to the extent that purchase costs can be minimized through the State of Alaska's procurement procedures. To the extent other purchasing alternatives are preferable, the PMC may use those procedures.

Section 3. Disposal of Assets.

Surplus capital assets acquired to benefit the Initial Project shall be disposed of according to the following procedures:

a) Any PMC member or operator may initiate the disposal of surplus capital assets by notifying the AEA.

b) The AEA shall review alternative disposal options and identify the probable proceeds and the cost of disposal for each alternative. The AEA shall propose to the PMC a recommendation for disposal of the surplus capital asset, including consideration of utilizing the asset at another PMC site.

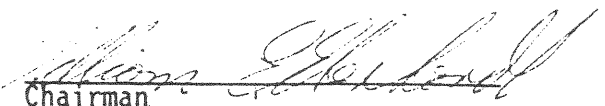
c) The PMC shall be consulted prior to the disposal of any surplus capital assets acquired to benefit the Initial Project to assure that maximum value is obtained for the proceeds.

d) The AEA may act on behalf of the PMC and may dispose of the surplus capital assets to the extent that disposal costs can be minimized through the State of Alaska's property disposal procedures. The AEA shall be reimbursed for its direct expenses for disposal of the surplus capital assets which benefit the Initial Project. To the extent that other disposal alternatives are preferable, the PMC may use those procedures.

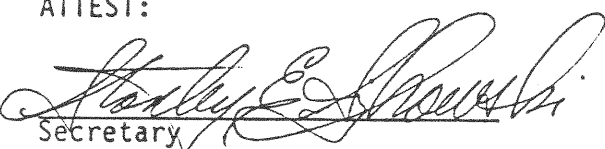
e) All revenues received by either the AEA or an Operator from the disposal of surplus capital assets acquired to benefit the Initial Project shall be deposited into the Project Revenue Fund or in other Four Dam Pool funds held by the AEA, as applicable. The proceeds shall be used to offset a portion of the cost of the items being replaced, or

shall be retained for future acquisition or renewal and replacement of assets.

PROJECT MANAGEMENT COMMITTEE


Chairman

ATTEST:


Secretary

Approved at PMC meeting held October 25, 1990

**MEMORANDUM
ATTORNEY-CLIENT COMMUNICATIONS**

TO: John Jensen, Chairman
Southeast Alaska Power Agency

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

DATE: September 2, 2015

RE: Suggested Motion for Executive Session for September 14-15, 2015

To the extent that the Board of Directors seeks to discuss legal matters concerning Bell Island and the Mahoney Lake Stay Legislation in Executive Session, I recommend the following motion be made:

I move to recess into Executive Session to facilitate discussions relating to Bell Island and the Mahoney Lake Stay Legislation. The Executive Session will be conducted pursuant to SEAPA's Bylaws, which are consistent with Alaska Statute 44.62.310 as the discussions will involve matters to be discussed with an attorney retained by the board, which could have an adverse effect on the legal position of the Agency, the Projects, or any of the Member Utilities represented on the Board, as well as matters that will have an immediate impact on the finances of the Agency..



SOUTHEAST ALASKA POWER AGENCY

WHOLESALE POWER RATE

Date: September 9, 2015
To: SEAPA Board of Directors
From: Trey Acteson, CEO
Subject: Discussion Re Wholesale Power Rate

Per the Board's request, we have added discussion of the wholesale power rate (WPR) to the Agenda under new business. The WPR has remained steady at 6.8 cents/kWh for over 17 years and has served the Member Utilities well. Revenues exceeding the business needs of the organization have been returned at the direction of the Board to the Member Utilities in the form of rebates. This has allowed the Agency to respond to peaks and valleys in facilities maintenance and capital improvements, while establishing and maintaining reserve levels set by the Board. It is not that the excess revenues are not being returned to the member utilities; it is the mechanism by which they are being returned. Maintaining the existing WPR and rebate structure provides the Board the maximum flexibility to proactively address the dynamic nature of our organization. I have listed a variety of issues the Board should take into consideration as they discuss any potential changes and timing.

1. The FY16 budget was based on a 6.8 cent/kWh WPR.
2. We will be executing our largest single capital project since construction of the STI when the Swan Lake Reservoir Expansion Project occurs next year. It is currently only at about 30-40% design and our budgeted contingency is low for this level of engineering. FERC could mandate changes during the final design process that would impact the overall project cost.
3. Revenues have been declining. We experienced a warm wet year in FY15 that resulted in a \$1 million decline in budgeted revenues. The prognostic weather charts are leaning toward a similar weather pattern for FY16, which may result in lower than budgeted revenues.
4. SEAPA's annual debt service payment recently increased \$263,418 after refinancing a portion of our existing debt and taking on an additional \$6 million in debt to fund the Swan Lake expansion.
5. SEAPA is experiencing many of the same overhead pricing pressures as our member utilities (e.g. insurance, health & welfare, professional services, communications, rents, etc.). We have done well to curb escalation in several areas through competitive bid processes and technology enhancements, but it is reasonable to expect increases in the future.
6. SEAPA is investigating renewable energy development opportunities such as geothermal, wind, marine hydrokinetics, and traditional hydro. Preliminary activities specific to "feasibility" should be funded with revenue whenever possible as opposed taking on additional debt.
7. Should the Board choose to proceed with licensing a new project, there will be upfront costs required prior to putting together a construction finance package.

8. The looming State fiscal crisis is going to eliminate grants for the most part. SEAPA will likely need to self-fund development initiatives in the future.



PROPOSED SEAPA BOARD MEETING DATES 2015

Date(s)	Location	Comments
December 9-10, 2015 (Wed/Thurs)	Ketchikan	9 am-5 pm

January 2015

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
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February 2015

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March 2015

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April 2015

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May 2015

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31						

June 2015

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July 2015

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August 2015

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September 2015

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October 2015

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November 2015

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29	30					

December 2015

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27	28	29	30	31		

2015

January
19: Martin Luther King Day
February
14: Valentine's Day
16: Presidents' Day
March
April
03: Good Friday
05: Easter Sunday
May
10: Mother's Day
25: Memorial Day
June
21: Father's Day
July
04: Independence Day
August
September
07: Labor Day
October
12: Columbus Day
31: Halloween
November
11: Veterans Day
26: Thanksgiving Day
December
25: Christmas Day

www.blankcalendar2015.net

(See attached for additional information on 2015 meeting dates and events)

2015 MEETING DATES | EVENTS

DATE	ORGANIZATION	EVENT LOCATION
23-24	SEAPA	Board Meeting – Petersburg
15-17	SOUTHEAST CONFERENCE	Annual Meeting – Prince Rupert
OCTOBER 8-9	APA	Accounting & Finance Workshop, Anchorage
19-23	AUDITORS	Annual SEAPA Audit
26-29	NWPPA/APA	Alaska Electric Utility Conference – Anchorage
NOVEMBER 11	SEAPA	HOLIDAY – Veteran's Day
25-26	SEAPA	HOLIDAY – Thanksgiving
DECEMBER (early)	APA	APA/AIE Dec Mtg Series, Anchorage
9-10	SEAPA	Board Meeting – Ketchikan
24-25	SEAPA	HOLIDAY – Christmas Eve & Christmas Day

OTHER EVENTS/MEETINGS

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

X/Administration/2015 MEETING DATES (Updated 09-09-2015).docx