

**SOUTHEAST ALASKA POWER AGENCY
Regular Board Meeting**

Nolan Center
Wrangell, Alaska

**Agenda for Tuesday, October 15, 2013 at 11:00 a.m. – 5:00 p.m. AKDT
and Wednesday, October 16, 2013 at 9:00 a.m. – 2:00 p.m. AKDT**

Access No. 1-800-315-6338
Access Code: 73272#

1. Call to Order
 - A. Roll Call
 - B. Communications
 - C. Disclosure of Conflicts of Interest
2. Approval of the Agenda
3. Persons to be Heard
4. Review and Approve Minutes **MINUTES**
 - A. August 27, 2013 Minutes of Regular Board Meeting
 - B. September 16, 2013 Minutes of Special Board Meeting
5. Financial Reports **FINANCE**
 - A. Financial Statements – July 2013
 - B. Financial Statements - August 2013
 - C. Disbursement Approvals – August and September 2013 **DISBURSEMENTS**
6. CEO Report **CEO RPT**
 - A. Legislative Affairs
 - B. Best Practices and Process Improvements
 - C. Recruitment
 - D. Kake-Petersburg Intertie Project (KPI)
 - E. Thomas Bay Power Authority (TBPA) O&M Contract
 - F. Whitman True-up
 - G. Financial
7. Operations Manager/Director of Special Projects Reports **OPS/DSP**
 - A. Operations Manager's Report (Henson)
 - i. Regulatory
 - (1) FERC
 - ii. Major Contracts
 - (1) Wrangell Reactor
 - (2) Satellite Communications System
 - (3) STI Helipads
 - (4) Structure 76-1M
 - (5) Tyee Gatehouse Generator and Gate Controls
 - (6) Tyee Equipment
 - (7) Swan Lake Power House Roof & Water Tank Projects

- (8) Dock Piling Zinks
 - (9) SEAPA Landing Craft for Swan Lake Project
 - (10) Breaker Remote Racking Devices
 - iii. Miscellaneous
 - iv. Conclusion
 - B. Director of Special Projects Report (Wolfe)
 - i. SCADA Capital Projects Update
 - ii. Tyee Lake Stream Gage Installation
 - iii. Swan Lake Reservoir Expansion
 - iv. Tyee Gate Controls Replacement
 - v. Tyee Cooling Water Conversion
 - vi. SEAPA Long-Term Planning – A Coordinated and Integrated Three-City Regional Effort
 - vii. Request for Offers of Power and Energy (RFO)
 - viii. Department of Commerce, Community & Economic Development Grant
 - ix. Water Management
8. Project Reports
- A. Swan Lake
 - B. Tyee Lake
9. New Business **NEW**
- A. Consideration and Approval of Board Member Travel to Law Seminars International 'Energy in Alaska' Conference
 - B. Consideration and Approval of Recording and Preservation of SEAPA History Project
 - C. Consideration and Approval of Board of Consultants Contract
 - D. Consideration and Approval of Swan Lake Landing Craft Contract
 - E. Consideration and Approval of Phase I of STI Helipad Installation Project Contract
 - F. Executive Session – Compensation Discussions Relating to SEAPA's CEO
 - G. Consideration and Approval of Adding CEO Position to Compensation Plan Development
 - H. Set next meeting date
 - I. Future Agenda Items
10. Director Comments
11. Adjourn

SOUTHEAST ALASKA POWER AGENCY

Regular Meeting

August 27, 2013

The Best Western Landing Hotel | Ketchikan, Alaska

1) Call to Order/Roll Call

Chairman Sivertsen called the meeting to order at 9:00 a.m. AKDT on August 27, 2013, which was held at The Best Western Landing Hotel in Ketchikan, Alaska.

Roll Call

The following directors and alternates were present, thus establishing a quorum of the board:

Director	Alternate	Representing
Bob Sivertsen	Andy Donato	Swan Lake – Ketchikan
Dick Coose	Jay Rhodes	Swan Lake – Ketchikan
	Charles Freeman	Swan Lake - Ketchikan
Joe Nelson	John Jensen	Tyee Lake – Petersburg
	Clay Hammer	Tyee Lake – Wrangell

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

Trey Acteson	Chief Executive Officer, SEAPA
Eric Wolfe	Director of Special Projects, SEAPA
Steve Henson	Operations Manager, SEAPA
Kay Key	Controller, SEAPA
Sharon Thompson	Executive Assistant, SEAPA
Joel Paisner	Attorney, AterWynne

Chairman Sivertsen noted that the Agenda should be amended to include discussion on a compactor for Tyee under New Business, Item D, ahead of the scheduled Executive Session, to which there were no objections. Chairman Sivertsen requested disclosure of any conflicts of interest. None were stated.

2) Approval of the Agenda

Mr. Coose moved to approve the agenda, as amended. Mr. Nelson seconded the motion. There were no objections to the motion. (Action 14-241)

3) Persons to be Heard

None.

4) Review and Approve Minutes

Mr. Freeman moved to approve the minutes of the Regular Meeting of June 25-26, 2013 and Special Meeting of July 17, 2013. Mr. Hammer seconded the motion. The motion carried unanimously. (Action 14-242).

5) Financial Reports

Mr. Coose moved to approve Financial Statements for the months of May and June 2013. Mr. Freeman seconded the motion. The motion carried unanimously. (Action 14-243)

Mr. Nelson moved to approve Disbursements for the months of June and July 2013 in the amount of \$1,744,261.86. Mr. Coose seconded the motion. The motion carried unanimously. (Action 14-244)

6) CEO Report

Mr. Acteson opened his report reiterating the task at hand in promoting the Swan Lake Reservoir Expansion Project in the current challenging fiscal environment. He provided an overview of the opportunities he had to promote SEAPA's endeavors in his recent travels to an APA manager's forum, while addressing the Ketchikan City Council and Borough Assembly during discussions on the community priority list, and during a visit with Governor Parnell at SEAPA's office. He reported that staff would also pursue funding for the project in Round VII of the Alaska Energy Authority Renewable Fund Energy Program.

Mr. Acteson discussed SEAPA's federal level objective of a possible land swap for Lake Grace, advising he spoke to Senator Murkowski's energy expert, Chuck Kleeshulte, on the topic. He advised Mr. Kleeshulte that Lake Grace would be included in SEAPA's hydrosite analysis and that a White Paper may be provided to him and other federal representatives in an attempt to move the initiative forward.

Mr. Acteson provided an update of his meeting in Kake on August 6th, which included discussions on the Kake-Petersburg Intertie and was attended by Senator Murkowski. He reported he was also able to attend a dinner on August 8th that included attendance by Tom Tidwell, Chief of the U.S. Forest Service, at which impacts of the roadless rule on hydro development were discussed. Mr. Acteson also reported he was working on a structured compensation plan for SEAPA with consultant, Winstan Tan, and suggested that Mr. Tan attend the December 17, 2013 board meeting to present results of the plan. He also advised that the recruiting process for an administrative assistant was nearing completion with interviews soon to be scheduled for selection of a qualified candidate, and that recruitment would continue for the engineering position.

Mr. Acteson reported that he was able to discuss O&M review issues with the TBPA Commission President and circulated a memo discussing possible solutions to Wrangell and Petersburg's Mayors in an effort to continue dialog on the topic. He advised he would be attending a Wrangell Assembly meeting on September 10 to provide an update on SEAPA and answer any questions the Assembly may have. He also reported on a meeting that was held on August 13 with KPU to review the Whitman True-up. He expressed confidence that an acceptable true-up arrangement could be achieved.

The meeting recessed at 10:14 a.m. and reconvened at 10:38 a.m.

7) A. Operations Manager Report (Steve Henson)

Mr. Henson reported that an RFP issued for the creation of a matrix for FERC reporting for assurance that all FERC reporting requirements are being met, and that the matrix could be shared with KPU when it is completed. He also reported that the annual inspection at Swan Lake went well with the FERC regional engineer reporting that all project structures were inspected, no deficiencies requiring immediate remedial action were observed, and the project structures currently meet commission dam safety standards and criteria. Mr. Henson commended the Swan Lake Foreman, Ray Davis, for a job well done in having all manuals, records, and everything else necessary available and on hand throughout the inspection.

Mr. Henson provided an update of the Wrangell Reactor Replacement Project advising that the project may be completed in December depending on completion of the design phase. He advised the Satellite Communication Project will provide a full-mesh private network between the SEAPA office, Tyee, the Petersburg and Wrangell substations, Wrangell Switchyard, and the Swan Lake Plant enabling all operators throughout the system to be on the same channel during switching however that capability will require an additional cost. He reported that SEAPA's consultant, Brett Serlin, redesigned some footers for the Helipad Project, saving approximately half a million dollars over the life of the project and that the Forest Service gave the go-ahead for final work, blasting, environmental foundation, and fire plans for the helipads.

Mr. Henson also provided updates on the Argo use permit, annual maintenance, SEAPA's Drawings and Documentations Project, Structure 76-1M, the Tyee dock, generator, and gate controls. He explained that after soliciting proposals for an excavator and compactor at Tyee, that only one vendor submitted a bid for the excavator and none were received for the compactor. Old equipment to be replaced by the excavator, a D4 Caterpillar with a winch on the back and a 310D John Deere rubber tired backhoe at Tyee will be surplussed.

Mr. Henson closed his report with a slide show on progress of the Tyee weir, new Tyee floats, Tower 252 guy anchor repairs, and repairs made to the interior and exterior of the Burnette Peak radio shack. He advised there were also problems encountered at Towers 28 and 29 on the STI where it was determined likely that someone shot the lines causing two strands of conductor wire to become unwrapped.

The meeting recessed at 11:31 a.m. for lunch and reconvened at 12:58 p.m.

B. Director of Special Projects Report (Eric Wolfe, P.E.)

Mr. Wolfe opened with a slide show presentation corresponding to his report in the board packet. He provided an update of the SCADA project showing how the satellite work on the north side will interface with a future satellite on the south side, replace the equipment tied into Petersburg, and integrate with the equipment at Swan Lake. His explanation of Swan and Tyee as the control points morphed into considerable discussion on control of the Swan Plant from the Bailey Substation. Mr. Donato explained the circumstances for requesting co-existence of the two processes. Discussion followed on the capability of control of the plants from other places with directors representing the northern communities affirming that they see no need to request control from Tyee, although they are faced with the same issues, and that communication between the plants could resolve issues as they arise. Mr. Wolfe explained that part of the review of the system was exploring options that are still available as technology emerges.

Mr. Wolfe showed several slides on the progress of the Tyee Outlet Weir Project and next construction steps to be undertaken. He advised that the US Geological Survey (USGS) had been

consulted on the construction and found the design acceptable. The USGS will install their own cables for holding velocity probes in the upstream waterway. FERC will be sent an as-built on the project.

Mr. Wolfe gave a brief update of the Swan Lake Storage Increase Project advising that agency resource plans were submitted to FERC, and that the next step is preparation of a Preliminary Draft Environmental Assessment (PDEA) followed by a draft license amendment. He explained that the PDEA is considered a draft when submitted with the license amendment application and becomes the Environmental Assessment once FERC accepts the license application. He followed with slides showing an enclosure built by consultant, Morris Kepler, for Swan Lake's spare generator coils and several more slides of work taking place on Swan Lake's Unit #2 bearing and advised that pipe will be ordered and construction will start in early September on Tyee's cooling water project.

Mr. Wolfe advised that he and Mr. Acteson attended a kick-off project management meeting in Boise for the hydrosite analysis funded by the Department of Commerce, Community and Economic Development (DCCED) grant. He explained that the other part of the DCCED grant is the Request for Offers of Power and Energy and that letters would be going out to those that submitted their Notice of Intent to make an offer.

Mr. Wolfe discussed water management and showed slides on Swan and Tyee's reservoir levels for expected and abnormal conditions and Swan Lake's historic elevations, with a reminder that we need to look at the risk going forward in management of the water.

8) Project Reports

Mr. Donato distributed a report on behalf of Swan Lake and provided a brief overview of activities that had taken place since the last board meeting.

There was no report on behalf of Tyee Lake.

9) Old Business

Mr. Freeman moved to approve a rebate of \$800,000.00 to the member utilities. Mr. Coose seconded the motion. The motion carried unanimously. (Action 14-245)

Mr. Freeman moved to approve setting the wholesale power rate at 6.8 cents/kWh. Mr. Hammer seconded the motion. The motion carried unanimously. (Action 14-246)

10) New Business

Mr. Coose moved to authorize staff to enter into a contract with Ater Wynne LLP for an amount not to exceed \$60,000 to update the FDPPA/PMC 2005 Policies and Procedures Manual to correct referencing and conform to SEAPA's policies and procedures. Mr. Sivertsen seconded the motion. Mr. Nelson requested affirmation that Mr. Paisner would be the counselor working on the project within the Ater Wynne firm. Mr. Paisner confirmed he would do the work on the task. There was no opposition to Mr. Nelson's request. The motion carried unanimously. (Action 14-247)

Mr. Coose moved to direct staff to renew SEAPA's NRECA employee group benefit plans as presented. Mr. Hammer seconded the motion. The motion carried unanimously. (Action 14-248)

Mr. Hammer moved to adopt Resolution 2013-050 approving signatories to SEAPA's First National Bank Alaska Corporate Custody Account No. 56800000. Mr. Nelson seconded the motion. The motion carried unanimously. (Action 14-249)

Mr. Coose moved to authorize staff to issue a Purchase Order to Tyler Rental, Inc. for a used 2006 Kobelco SK160 Excavator for \$78,500 and used Brush Cutting Head for \$22,900 for a not-to-exceed value of \$101,400 for the Tye Lake Hydroelectric Project. Mr. Hammer seconded the motion. The motion carried unanimously. (Action 14-250)

Mr. Coose moved to authorize staff to surplus a D4H with winch and a John Deere 310D Rubber Tired Backhoe from the Tye Hydroelectric Project stock. Mr. Hammer seconded the motion. Chairman Sivertsen requested information on how the stock would be surplused. Mr. Henson advised that Tyler Rental is now part of a nation-wide used equipment market system and that they offered to list it on that site, and that the alternative is to send it to Richie Auctioneers in Washington. **The motion carried unanimously. (Action 14-251)**

Mr. Coose moved to recess into Executive Session to conduct an evaluation of SEAPA's Chief Executive Officer. The Executive Session will be conducted pursuant to SEAPA's Bylaws and Alaska State Law as the discussions may include a person or subject that may tend to prejudice the reputation or character of a person. Mr. Freeman seconded the motion. The motion carried unanimously. (Action 14-252)

The meeting recessed at 2:20 p.m. for the executive session. The executive session ended at 4:09 p.m. The meeting reconvened at 4:13 p.m.

Chairman Sivertsen reported that the board met with the Agency's CEO and gave him direction. The SEAPA board meeting schedule was reviewed and all concurred that a special board meeting will be held on September 16, 2013 at 10 a.m. to consider approval of the submittal of two grant applications to the Alaska Energy Authority for Round VII of its Renewable Energy Fund Program, and that the next regular board meeting will be held in Wrangell on October 15 from 11 a.m. to 5 p.m. and on October 16 from 9 a.m. to 2 p.m.

16) Director Comments

Several directors expressed appreciation for the direction the Agency is going and thanked staff for their work. Mr. Donato provided an update of the Whitman Project. Chairman Sivertsen offered a reminder that there will be a lot of work to do for the upcoming legislative session.

17) Adjourn

Mr. Hammer moved to adjourn. Mr. Freeman seconded the motion. There was no opposition to the motion. (Action 14-253)

The meeting adjourned at 4:35 p.m.

Signed:

Attest:

Secretary/Treasurer

Chairman

SOUTHEAST ALASKA POWER AGENCY

Special Meeting September 16, 2013

Southeast Alaska Power Agency Offices via Teleconference | Ketchikan, Alaska

1) Call to Order/Roll Call

Bob Sivertsen, Chairman, called the meeting to order at 10:03 a.m. AKDT on September 16, 2013, held via teleconference at the offices of Southeast Alaska Power Agency in Ketchikan, Alaska.

Roll Call

The following directors and alternates were present, thus establishing a quorum of the Board:

Director	Alternate	Representing
Bob Sivertsen	Andy Donato (telephonic)	Swan Lake – Ketchikan
	Jay Rhodes ¹ (telephonic)	Swan Lake – Ketchikan
		Swan Lake - Ketchikan
Joe Nelson (telephonic)		Tyee Lake - Petersburg
Brian Ashton (telephonic)		Tyee Lake – Wrangell

The following participants were present for all or part of the meeting:

Trey Acteson	Chief Executive Officer, SEAPA
Steve Henson	Operations Manager, SEAPA
Sharon Thompson	Executive Assistant, SEAPA
Kay Key	Controller, SEAPA

2) Approval of the Agenda

Chairman Sivertsen requested approval of the agenda as presented.

Mr. Nelson moved to approve the agenda. Mr. Ashton seconded the motion. The motion carried unanimously. (Action 14-254)

3) New Business

Mr. Acteson provided an overview of staff's request to solicit funding from Round VII of the Alaska Energy Authority's Renewable Energy Fund Program for a wind energy grant and a grant for Phases III and IV of SEAPA's Swan Lake Reservoir Expansion Project. He explained that the State placed a limit on the amount of funds that could be solicited and that because the

¹ Mr. Rhodes joined the meeting telephonically after the roll was called.

SEAPA region is defined as a low energy cost area (communities with a residential electric rate below \$0.20 per kWh) the grant limit that can be requested is \$4,000,000 per project.

Chairman Sivertsen moved to adopt Resolution 2014-051 authorizing SEAPA staff to submit two renewable energy grants to the Alaska Energy Authority for Round VII of the Alaska Energy Authority Renewable Energy Grant Program, authorizing Trey Acteson, CEO, to sign the grant applications, commit to the obligations under the grants, and to act as an established point of contact for the grants. Mr. Ashton seconded the motion. The motion carried unanimously. (Action 14-255)

4) Adjourn

Chairman Sivertsen moved to adjourn. There was no objection to the motion. (Action 14-256)

The meeting adjourned at 10:15 a.m.

Signed:

Attest:

Secretary/Treasurer

Chairman

Southeast Alaska Power Agency CEO Financial Cover Letter

DATE: October 9, 2013
TO: SEAPA Board of Directors
FROM: Trey Acteson, CEO

Revenues for the first two months of FY14 have exceeded expectations due to a variety of factors including; weather, inflows (or lack thereof), and unusually high industrial fish processing activity. Total YTD (July – August) revenues were over our budget forecast by 21.48%. Most significant were Ketchikan YTD kWh sales revenues coming in at \$1,163,208 actual vs. 822,800 budget. Petersburg was also notably higher at \$547,225 actual vs. \$448,800 budget. Wrangell was relatively flat at \$463,406 vs. \$435,200.

The endless summer was spectacular but gave many of us pause looking ahead to winter. Although it's great to start out the year with strong revenues, there is always the lingering question of whether or not we'll go into winter with full reservoirs. I can assure you that nobody wants to burn expensive diesel! We're not out of the woods yet, but weather patterns appear to be shifting back to traditional fall inflows and fish processing is tapering off too. This should result in future sales transitioning back in-line with monthly sales projections.

Administrative and operating expenses YTD (July – August) were under budget by 16.6% (\$169,070). We expect this to adjust accordingly as employee vacancies are filled, attorney related activities increase, and public relations initiatives advance.

Please note that SEAPA's annual financial audit is scheduled to be performed by BDO (Formally Mikunda, Cottrell & Co.) during the week of October 21st. Their audit team is typically in our office for about 4 days and it requires dedicated staff support to facilitate the process.



DATE: August 16, 2013
TO: Trey Acteson
FROM: Kay Key
SUBJECT: Financial Reports

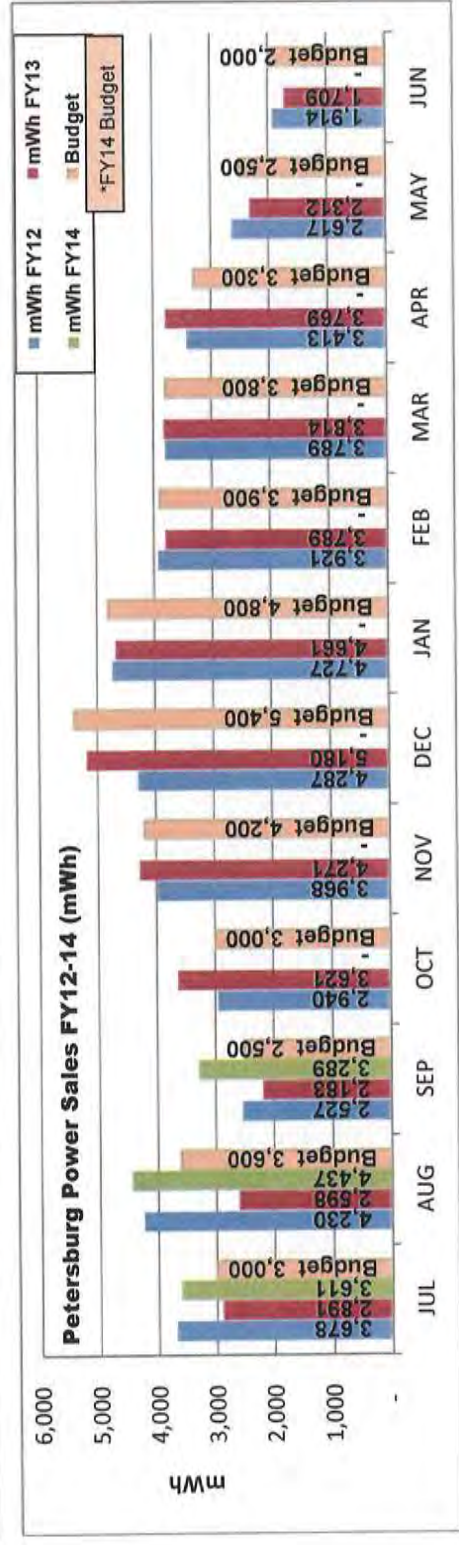
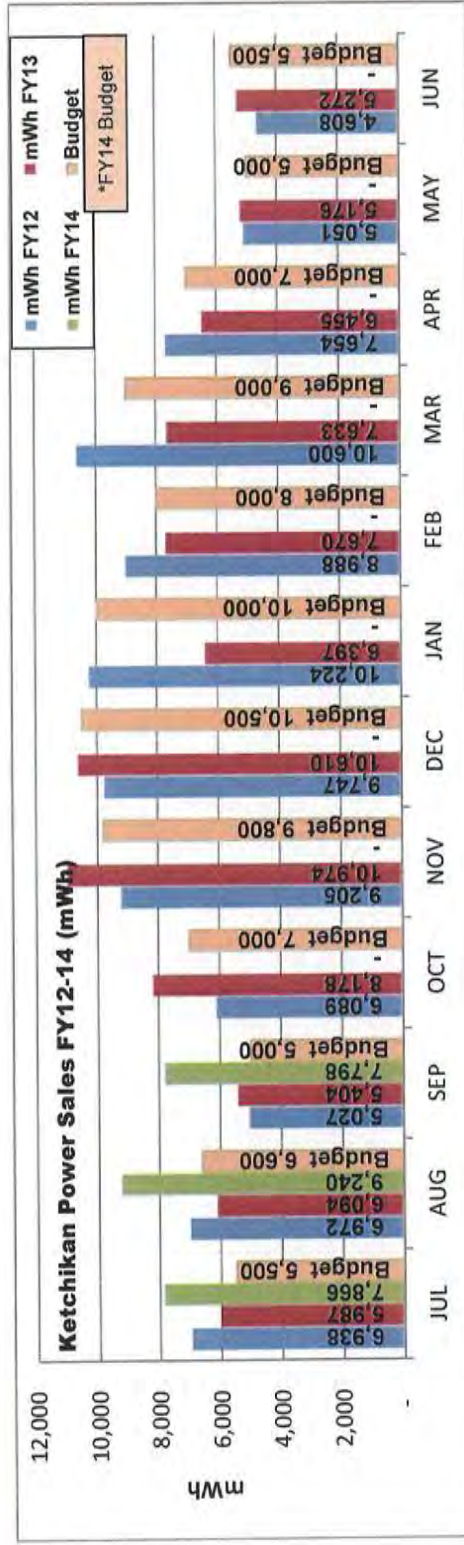
Financial reports included in the board packet for October 15-16 are as follows:

- **kWh Graph - YTD** (through September, 2013)
- **Grant Summary** (through August, 2013)
- **Monthly Financial Reports for July and August, 2013:**
 - ✓ Cover Memo
 - ✓ Fund Allocation Graph
 - ✓ Statement of Financial Position – Summary
 - ✓ Statement of Activities – Summary
 - ✓ Statement of Financial Position – Detail
 - ✓ Statement of Activities – Budget Comparison
- **R&R Reports** (through August, 2013)
 - ✓ R&R Summary
 - ✓ R&R Detail
 - ✓ Closed R&Rs
- **Disbursement Summary – August, September**

SUGGESTED MOTION
I move to approve financial statements for the months of July and August 2013.

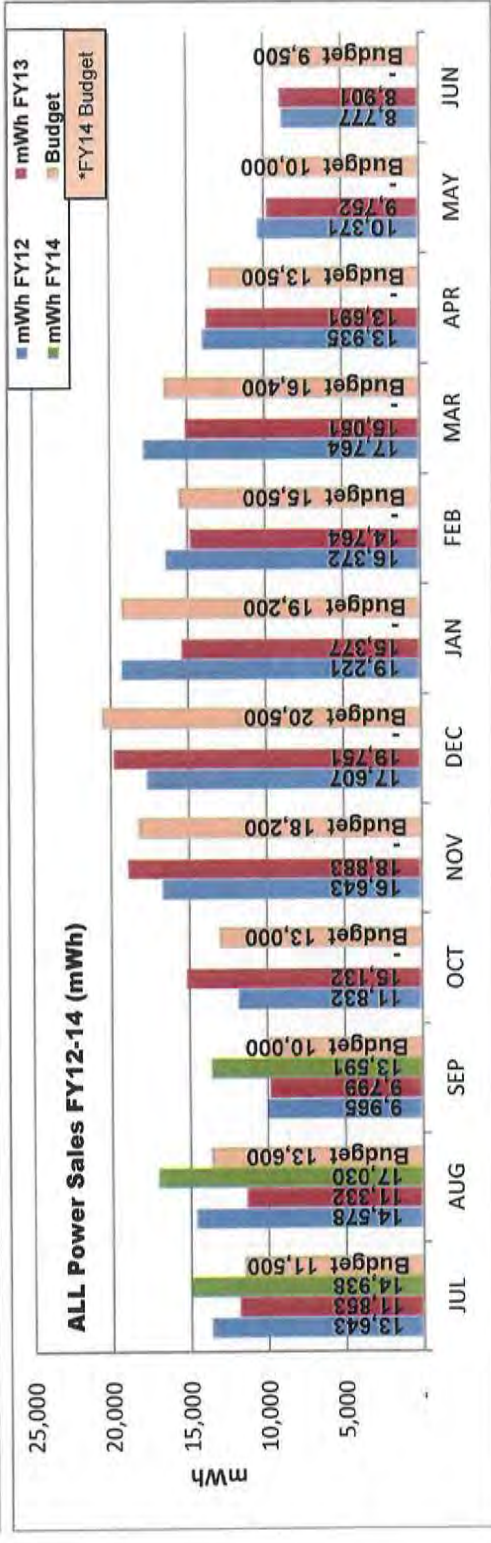
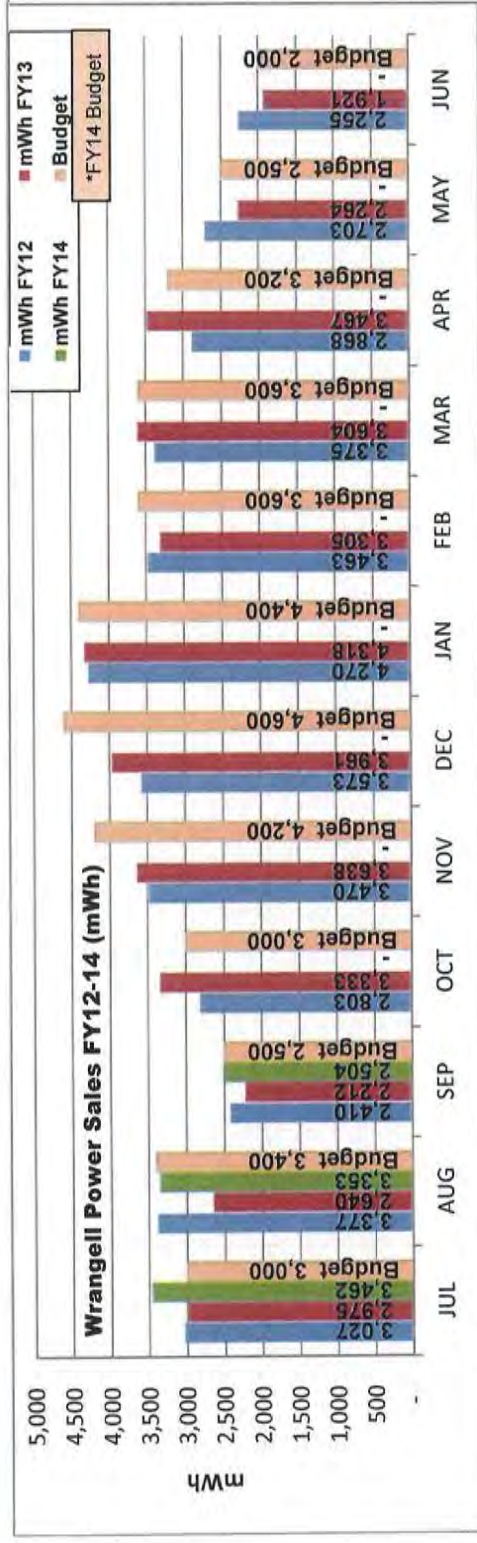
SOUTHEAST ALASKA POWER AGENCY **Power Sales - FY12 through FY14**

SEPT. 2014	FY14 kWh Hydropower Sales		Current Month		Year-To-Date	
			Actual	Budget	Actual	Budget
	Ketchikan Power Purchases		7,798,000	5,000,000	24,904,000	17,100,000
	Petersburg Power Purchases		3,289,420	2,500,000	11,336,840	9,100,000
	Wrangell Power Purchases		2,503,800	2,500,000	9,318,600	8,900,000
	Total Power Purchases		13,591,220	10,000,000	45,559,440	35,100,000



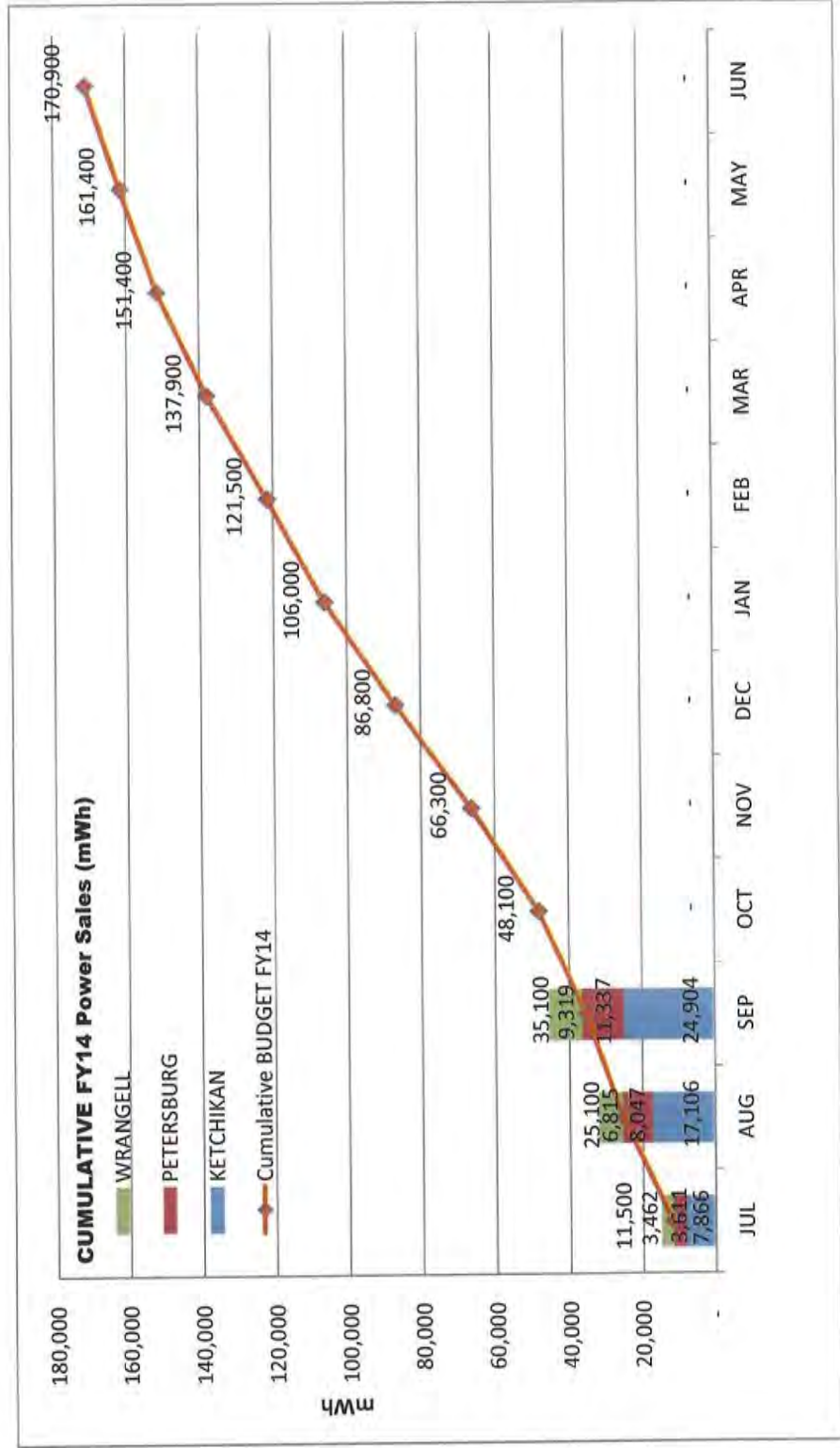
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	Total Power Purchases		13,591,220	10,000,000	45,559,440	35,100,000



SOUTHEAST ALASKA POWER AGENCY **Power Sales - FY12 through FY14**

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	Total Power Purchases		13,591,220	10,000,000	45,559,440	35,100,000



SOUTHEAST ALASKA POWER AGENCY
FY14 Grant Summary
All Transactions

	Grant	Expenditures	Balance
Grant Income			
*FY13 AEA KPI#1			
1 - Project Mgmt	500,000.00	82,452.69	417,547.31
2 - EIS	932,940.00	598,889.29	334,050.71
3 - Engineering / Design	296,165.00	172,561.61	123,603.39
4 - Engineering / Geotechnical	150,000.00	0.00	150,000.00
5 - SE Conference	50,000.00	26,702.14	23,297.86
6 - Unallocated	1,060,895.00	0.00	1,060,895.00
Total FY13 AEA KPI#1	2,990,000.00	880,605.73	2,109,394.27
FY13 AEA KPI#2			
1 - Unallocated	2,000,000.00	0.00	2,000,000.00
Total FY13 AEA KPI#2	2,000,000.00	0.00	2,000,000.00
FY13 AK DCCED			
1 - Hydro Storage	578,000.00	7,652.39	570,347.61
2 - G&T Site Evaluation	1,705,000.00	5,551.61	1,699,448.39
3 - Stability / Interconnectiv	146,000.00	0.00	146,000.00
4 - Load Balance Model	112,000.00	0.00	112,000.00
5 - Project Mgmt	309,000.00	13,706.89	295,293.11
6 - Business Analysis / PSA	150,000.00	35,153.71	114,846.29
Total FY13 AK DLG	3,000,000.00	62,064.60	2,937,935.40
TOTAL	7,990,000.00	942,670.33	7,047,329.67

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



DATE: September 17, 2013
TO: SEAPA Board of Directors
FROM: Trey Acteson
SUBJECT: Financial Reports – July, 2013

Financial reports for July, 2013 follow this memo. The following are a few brief highlights:

- July, 2013 revenues from kWh sales were over budget:
\$1,015,816 actual vs. \$782,000 budget.
 - Ketchikan - \$534,888 actual vs. \$374,000 budget
 - Petersburg - \$245,525 actual vs. \$204,000 budget
 - Wrangell - \$235,403 actual vs. \$204,000 budget
- July, 2013 sales in kWh – 14,938,470 vs.
July, 2012 sales in kWh – 11,853,120 and
July, 2011 sales in kWh – 13,643,110
- Administrative and operating expenses for July, 2013 were under budget:
\$498,473 actual vs. \$528,325 budget.

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



SOUTHEAST ALASKA POWER AGENCY

Fund Allocation Graph

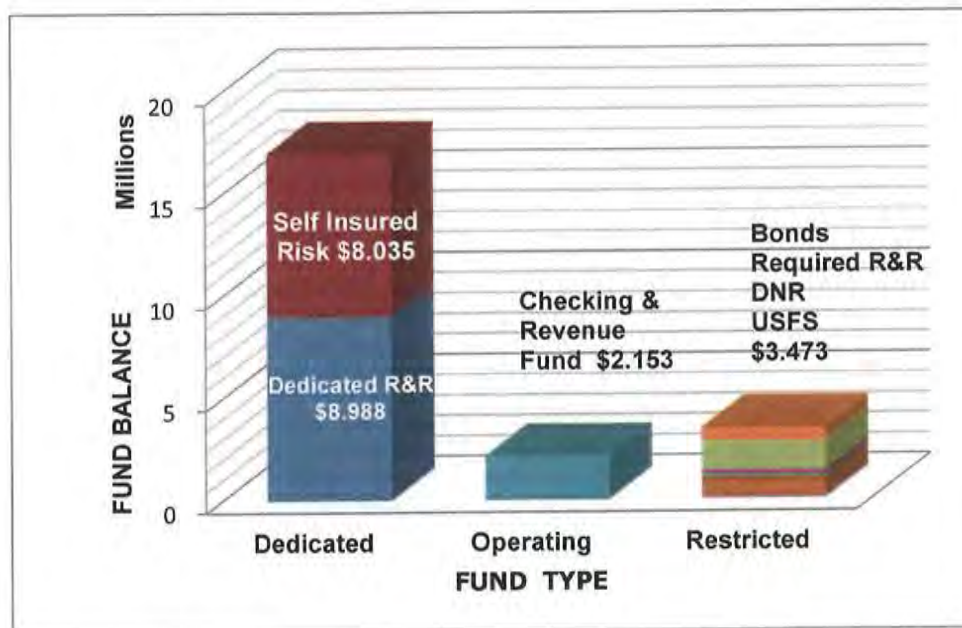
As of July 31, 2013

ASSETS

Current Assets

Agency Funds

111000 · Ops/Capital/Insurance Funds	
111100 · Revenue Fund FB	2,151,698
111200 · Required R&R Fund FB	1,000,052
111210 · Dedicated R&R Projects Fund FB	8,988,143
111300 · Commercial FB	1,000
111400 · Subordinate Debt Fund FB	309
111500 · Self Insured Risk Fund FNBA	8,034,557
Total 111000 · Ops/Capital/Insurance Funds	20,175,760
112000 · Trustee Funds	
112100 · WF Trust Bond Interest	164,751
112200 · WF Trust Bond Principal	175,035
112300 · WF Trust Bond Reserve	1,409,063
112400 · WF Refund 2004AB Escrow	2
Total 112000 · Trustee Funds	1,748,850
113000 · Restricted Funds	
113100 · STI - USFS CD WF	21,608
113500 · DNR Reclamation Fund WF	702,249
Total 113000 · Restricted Funds	723,856
Total Agency Funds	22,648,467



Dedicated Funds

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

Dedicated R&R = Funding for FY14 Replacement & Repair projects approved by the SEAPA Board.

Operating Funds

Checking & Revenue Fund

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, 2013

ASSETS

Current Assets

Checking/Savings

111000 - Ops/Capital/Insurance Funds 20,175,760

112000 - Trustee Funds 1,748,850

113000 - Restricted Funds 723,856

Total Checking/Savings 22,648,467

Accounts Receivable

110000 - Accounts Receivable 1,149,284

110100 - Grants Receivable 112,850

Total Accounts Receivable 1,262,134

Other Current Assets

120000 - Other Current Assets 192,922

Total Other Current Assets 192,922

Total Current Assets 24,103,523

Fixed Assets

130000 - Fixed Assets 132,536,941

Total Fixed Assets 132,536,941

Other Assets

133000 - Other Assets 259,433

Total Other Assets 259,433

TOTAL ASSETS 156,899,897

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

210100 - Accounts Payable General 538,391

Total Accounts Payable 538,391

Other Current Liabilities

210150 - Other Current Liabilities 1,019,499

210300 - Reserve Interest Payable 109,817

210400 - Wages Payable 54,395

210500 - Payroll Liabilities 149

Total Other Current Liabilities 1,183,860

Total Current Liabilities 1,722,251

Long Term Liabilities

220000 - Long Term Liabilities 13,985,126

Total Long Term Liabilities 13,985,126

Total Liabilities 15,707,377

Equity

310000 - Equity 133,661,640

320000 - Unrestricted Net Assets 7,410,617

Net Income 120,263

Total Equity 141,192,520

TOTAL LIABILITIES & EQUITY 156,899,897



SOUTHEAST ALASKA POWER AGENCY

Statement of Activities - Summary

July 2013

Ordinary Income/Expense

Income	
410000 · Hydro Facility Revenues	1,015,816
Total Income	<u>1,015,816</u>

Gross Profit 1,015,816

Expense

535000 · Hydro/Ops-Suprvision & Engineer	24,297
538000 · Electric Expenses	2,207
539000 · Misc Power Generation Expense	100,897
540000 · Rents	14,076
541000 · Hydro Power Station Maintenance	13,172
542000 · Hydro Structure Maintenance	737
543000 · Dams, Reservoirs & Waterways	655
544000 · Maintenance of Electric Plant	116,868
545000 · Plant Miscellaneous Maintenance	17,414
561000 · Trans/SCADA Load Dispatch	4,800
571000 · Trans/Maint Overhead Lines(OHL)	28,119
920000 · Administrative Expenses	84,222
921000 · Office Expenses	6,664
922000 · Legislative Affairs	4,000
923000 · Contract Services	16,655
924000 · Insurance	42,556
928000 · Regulatory Commission Expense	7,539
930000 · General Expenses	8,986
931000 · Admin Rent	4,610

Total Expense 498,473

Net Ordinary Income 517,343

Other Income/Expense

Other Income

941000 · Grant Income	2,734
942000 · Interest Income	11,323
944000 · Realized Gain/Loss	(1,574)
945000 · Unrealized Gain/Loss	11,943

Total Other Income 24,426

Other Expense

951000 · Amortization Expense	3,119
952000 · Bond Interest 2009 Series	55,765
953000 · Depreciation Expense	329,610
954000 · Grant Expenses	34,272
954100 · Contributed Capital	(1,260)
955000 · Interest Expense	-

Total Other Expense 421,506

Net Other Income (397,080)

Net Income 120,263



SOUTHEAST ALASKA POWER AGENCY

Statement of Financial Position - Detail

As of July 31, 2013

ASSETS

Current Assets

Agency Funds

111000 · Ops/Capital/Insurance Funds	
111100 · Revenue Fund FB	2,151,698
111200 · Required R&R Fund FB	1,000,052
111210 · Dedicated R&R Projects Fund FB	8,988,143
111300 · Commercial FB	1,000
111400 · Subordinate Debt Fund FB	309
111500 · Self Insured Risk Fund FNBA	<u>8,034,557</u>
Total 111000 · Ops/Capital/Insurance Funds	20,175,760

112000 · Trustee Funds	
112100 · WF Trust Bond Interest	164,751
112200 · WF Trust Bond Principal	175,035
112300 · WF Trust Bond Reserve	1,409,063
112400 · WF Refund 2004AB Escrow	<u>2</u>
Total 112000 · Trustee Funds	1,748,850

113000 · Restricted Funds	
113100 · STI - USFS CD WF	21,608
113500 · DNR Reclamation Fund WF	<u>702,249</u>
Total 113000 · Restricted Funds	<u>723,856</u>

Total Agency Funds 22,648,467

Accounts Receivable

110000 · Accounts Receivable	1,149,284
110100 · Grants Receivable	<u>112,850</u>
Total Accounts Receivable	1,262,134

Other Current Assets

120000 · Other Current Assets	
120200 · Other Receivables	4,286
120300 · Accrued Interest Receivable	24,955
120500 · Prepaid Fees	
120510 · Prepaid FERC Fees	19,630
120520 · Prepaid Insurance	2,841
120540 · Prepaid USDA FS Land Use Fees	32,042
120550 · Prepaid Admin Expense	<u>101,025</u>
Total 120500 · Prepaid Fees	155,539

120700 · Inventory Assets	
120701 · Inventory - Wood Poles	<u>8,143</u>
Total 120700 · Inventory Assets	<u>8,143</u>

Total 120000 · Other Current Assets 192,922

Total Other Current Assets 192,922

Total Current Assets 24,103,523



SOUTHEAST ALASKA POWER AGENCY

Statement of Financial Position - Detail

As of July 31, 2013

Fixed Assets

130000 · Fixed Assets	
130100 · Capital Assets	
130110 · Swan Lake	16,231,708
130120 · Tyee Lake	26,035,647
130130 · SEAPA Office	668,955
Total 130100 · Capital Assets	<u>42,936,310</u>
132100 · Swan Tyee Intertie in Operation	111,381,868
132200 · R&R Projects WIP Capital Improv	
132210 · R&R Projects - WIP Swan Lake	
132211 · WIP SWL Agency Permits/Environm	485,369
132213 · WIP SWL Equipment	2,250
132214 · WIP SWL Engineering/Design	3,640
132215 · WIP SWL Legal	1,260
132216 · WIP SWL Project Mgmt/Professnal	121,690
132210 · R&R Projects - WIP Swan Lake - Other	<u>1,022,086</u>
Total 132210 · R&R Projects - WIP Swan Lake	<u>1,636,296</u>
132220 · R&R Projects - WIP Tyee Lake	625,954
132230 · R&R Projects - WIP STI-Transmsn	147,129
132240 · R&R Projects - WIP SEAPA Office	20,587
Total 132200 · R&R Projects WIP Capital Improv	<u>2,429,966</u>
132900 · Accumulated Depreciation	<u>(24,211,202)</u>
Total 130000 · Fixed Assets	<u>132,536,941</u>
Total Fixed Assets	132,536,941

Other Assets

133000 · Other Assets	
133100 · Accumulated Amortization	
133110 · Amortization	<u>(237,473)</u>
Total 133100 · Accumulated Amortization	<u>(237,473)</u>
133200 · Bond Fees	
133210 · Origination Fees	444,906
133220 · Cost of Issuance Fees	52,000
Total 133200 · Bond Fees	<u>496,906</u>
Total 133000 · Other Assets	<u>259,433</u>
Total Other Assets	<u>259,433</u>
TOTAL ASSETS	<u><u>156,899,897</u></u>



SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
As of July 31, 2013

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

210100 · Accounts Payable General 538,391

Total Accounts Payable 538,391

Other Current Liabilities

210150 · Other Current Liabilities 1,019,499

210300 · Reserve Interest Payable 109,817

210400 · Wages Payable 54,395

210500 · Payroll Liabilities

210530 · SUI Tax Payable 149

Total 210500 · Payroll Liabilities 149

Total Other Current Liabilities 1,183,860

Total Current Liabilities 1,722,251

Long Term Liabilities

220000 · Long Term Liabilities

220100 · Series B Bonds 2009 14,100,000

220110 · Bond Issuance Premium 14,034

220120 · Bond Discount (128,908)

Total 220000 · Long Term Liabilities 13,985,126

Total Long Term Liabilities 13,985,126

Total Liabilities 15,707,377

Equity

310000 · Equity

310100 · STI Net Assets 106,354,593

310300 · Retained Earnings 27,307,048

Total 310000 · Equity 133,661,640

32000 · Unrestricted Net Assets 7,410,617

Net Income 120,263

Total Equity 141,192,520

TOTAL LIABILITIES & EQUITY 156,899,897



SOUTHEAST ALASKA POWER AGENCY

Statement of Activities - Budget Comparison

July 2013

Ordinary Income/Expense	Jul 13	Budget	Annual Budget
Income			
410000 · Hydro Facility Revenues			
410100 · Ketchikan Power Purchases	534,888	374,000	6,045,200
410200 · Petersburg Power Purchases	245,525	204,000	2,856,000
410300 · Wrangell Power Purchases	235,403	204,000	2,720,000
Total 410000 · Hydro Facility Revenues	1,015,816	782,000	11,621,200
Total Income	1,015,816	782,000	11,621,200
Gross Profit	1,015,816	782,000	11,621,200
Expense			
535000 · Hydro/Ops-Suprvision & Engineer			
535100 · Hyd/Ops Sup & Eng - Swan Lake	7,364	9,400	113,000
535150 · Hyd/Ops Sup & Eng - SWL SEAPA	110	2,800	34,500
535200 · Hyd/Ops Sup & Eng - Tyee Lake	15,963	12,200	147,500
535250 · Hyd/Ops Sup & Eng - TYL SEAPA	-	800	10,000
535400 · Hyd/Op Sup & Eng - Proj Drawing	-	-	200,000
535700 · Hyd/Op Sup & Eng - 4R Plan	860	-	-
Total 535000 · Hydro/Ops-Suprvision & Engineer	24,297	25,200	505,000
537000 · Hydraulic Expenses			
537150 · Hydraulic Expense - SWL SEAPA	-	500	13,000
537250 · Hydraulic Expense - TYL SEAPA	-	625	18,000
Total 537000 · Hydraulic Expenses	-	1,125	31,000
538000 · Electric Expenses			
538100 · Electric Expense - Swan Lake	2,207	300	3,250
538150 · Electric Expense - SWL SEAPA	-	1,000	12,500
538200 · Electric Expense - Tyee Lake	-	300	3,600
538250 · Electric Expense - TYL SEAPA	-	1,000	12,500
Total 538000 · Electric Expenses	2,207	2,600	31,850
539000 · Misc Power Generation Expense			
539100 · Misc Exp - Swan Lake	436	5,400	65,850
539150 · Misc Expense - SWL SEAPA	2,321	2,500	73,600
539200 · Misc Expense - Tyee Lake	91,037	81,000	227,640
539250 · Misc Expense - TYL SEAPA	7,103	8,000	155,850
539300 · Misc Expense - Annual Inspectns	-	-	1,500
539400 · Misc Expense - Permits & Maps	-	-	150
Total 539000 · Misc Power Generation Expense	100,897	96,900	524,590
540000 · Rents			
540300 · FERC Land Use Fee - Swan Lake	3,846	3,900	47,000
540400 · FERC Land Use Fee - Tyee Lake	3,822	3,800	46,000
540500 · USDA Land Use Fee - USFS ROW	1,541	1,600	20,000
540600 · USDA Land Use Fee - STI	4,720	5,000	60,000
540700 · USDA Tyee Passive Reflector	103	100	1,350
540710 · USDA Etolin Burnett Radio	44	50	650
Total 540000 · Rents	14,076	14,450	175,000
541000 · Hydro Power Station Maintenance			
541150 · Maintenance - SWL SEAPA	9,866	7,350	88,750
541250 · Maintenance - TYL SEAPA	3,306	6,500	78,250
Total 541000 · Hydro Power Station Maintenance	13,172	13,850	167,000

SOUTHEAST ALASKA POWER AGENCY

Statement of Activities - Budget Comparison

July 2013

	Jul 13	Budget	Annual Budget
542000 · Hydro Structure Maintenance			
542100 · Hyd Structure Maint - Swan Lake	737	250	3,500
Total 542000 · Hydro Structure Maintenance	737	250	3,500
543000 · Dams, Reservoirs & Waterways			
543100 · Dams Res & Waterwys - Swan Lake	655	50	1,000
543200 · Dams Res & Waterwys - Tyee Lake	-	600	7,200
Total 543000 · Dams, Reservoirs & Waterways	655	650	8,200
544000 · Maintenance of Electric Plant			
544100 · Maint Electric Plant-Swan Lake	56,046	48,000	576,500
544150 · Maint Electric Plant-SWL SEAPA	-	3,750	45,000
544200 · Maint Electric Plant-Tyee Lake	60,822	50,700	608,400
544250 · Maint Electric Plant-TYL SEAPA	-	2,000	25,000
Total 544000 · Maintenance of Electric Plant	116,868	104,450	1,254,900
545000 · Plant Miscellaneous Maintenance			
545100 · Plant Misc Maint - Swan Lake	647	2,250	27,000
545200 · Plant Misc Maint - Tyee Lake	32	800	9,700
545250 · Plant Misc Maint - TYL SEAPA	16,735	4,800	58,000
Total 545000 · Plant Miscellaneous Maintenance	17,414	7,850	94,700
560000 · Trans Sys Operation Sup & Eng			
560200 · Sys Ops Sup & Eng - Tyee Lake	-	800	10,300
Total 560000 · Trans Sys Operation Sup & Eng	-	800	10,300
561000 · Trans/SCADA Load Dispatch			
561250 · SCADA Load Dispatch - TYL SEAPA	4,800	5,000	25,000
Total 561000 · Trans/SCADA Load Dispatch	4,800	5,000	25,000
562000 · Trans/Operations Station Exp			
562100 · Trans/Ops Station - Swan Lake	-	1,000	15,000
562150 · Trans/Ops Station - SWL SEAPA	-	1,000	23,000
562200 · Trans/Ops Station - Tyee Lake	-	2,100	26,000
562250 · Trans/Ops Station-TYL SEAPA	-	2,000	25,000
Total 562000 · Trans/Operations Station Exp	-	6,100	89,000
564000 · Trans/Submarine Cable Expense			
564200 · Trans/Sub Cable Exp - Tyee Lake	-	1,500	12,825
564250 · Trans/Sub Cable Exp - TYL SEAPA	-	-	30,000
Total 564000 · Trans/Submarine Cable Expense	-	1,500	42,825
571000 · Trans/Maint Overhead Lines(OHL)			
571100 · Trans/Maint OHL - Swan Lake	-	1,000	15,000
571150 · Trans/Maint OHL - SWL SEAPA	-	-	448,000
571200 · Trans/Maint OHL - Tyee Lake	26,360	16,300	196,150
571250 · Trans/Maint OHL - TYL SEAPA	1,759	-	787,750
571300 · Trans/Maint OHL STI Maintenance	-	-	296,500
571500 · Trans/Maint OHL STI Therml Scan	-	-	10,000
571600 · Trans/Maint OHL Spare Mat Stor	-	-	500
571700 · Trans/Maint OH STI Clearing	-	-	100,000
571800 · Trans/Maint OHL System Events	-	12,500	150,000
Total 571000 · Trans/Maint Overhead Lines(OHL)	28,119	29,800	2,003,900

SOUTHEAST ALASKA POWER AGENCY

Statement of Activities - Budget Comparison

July 2013

	Jul 13	Budget	Annual Budget
920000 · Administrative Expenses			
920100 · Administrative	84,222	100,000	1,256,761
Total 920000 · Administrative Expenses	84,222	100,000	1,256,761
921000 · Office Expenses			
921100 · Office Supplies	924	1,500	13,000
921200 · Office Equipment	1,064	2,200	27,200
921300 · Phone, Courier, Internet	1,917	2,500	25,400
921400 · System Networking	2,578	3,600	41,000
921600 · Vehicle Expenses	181	250	3,000
Total 921000 · Office Expenses	6,664	10,050	109,600
922000 · Legislative Affairs	4,000	5,800	70,000
923000 · Contract Services			
923200 · Annual Financial Audit	-	-	28,000
923300 · Bank & Trustee Fees	297	980	11,800
923400 · Insurance Consultant	7,990	800	10,000
923500 · Investment Consultant	1,679	2,000	25,000
923600 · Legal Fees	2,625	12,500	150,000
923700 · Recruitment	2,597	2,500	30,000
923800 · Other Professional Services	1,467	1,300	16,000
Total 923000 · Contract Services	16,655	20,080	270,800
924000 · Insurance	42,556	49,000	588,000
928000 · Regulatory Commission Expense			
928150 · FERC SWL	3,945	4,500	151,000
928250 · FERC TYL	3,595	4,000	43,000
Total 928000 · Regulatory Commission Expense	7,539	8,500	194,000
930000 · General Expenses			
930100 · Advertising Expense	528	500	5,000
930110 · Public Relations	-	6,250	75,000
930300 · Association Dues Expense	660	2,500	29,050
930310 · Professional Assn Dues	230	245	645
930400 · Board Meeting Expenses	954	3,750	45,000
930500 · Training Expense	4,525	1,900	23,575
930600 · Travel Expense	2,051	4,100	47,000
930700 · Non-Travel Incidental	38	300	3,500
Total 930000 · General Expenses	8,986	19,545	228,770
931000 · Admin Rent			
931010 · Office Rent	3,885	4,100	51,700
931100 · Apartment Rent - Ketchikan	725	725	8,700
Total 931000 · Admin Rent	4,610	4,825	60,400
Total Expense	498,473	528,325	7,745,096
Net Ordinary Income	517,343	253,675	3,876,104



SOUTHEAST ALASKA POWER AGENCY

Statement of Activities - Budget Comparison

July 2013

	Jul 13	Budget	Annual Budget
Other Income/Expense			
Other Income			
941000 · Grant Income	2,734		
942000 · Interest Income			
942100 · Misc Interest Income	541		
942200 · Investment Interest Income	10,783		
Total 942000 · Interest Income	<u>11,323</u>		
944000 · Realized Gain/Loss			
944200 · Realized Gain/Loss on Invest	(1,574)		
Total 944000 · Realized Gain/Loss	<u>(1,574)</u>		
945000 · Unrealized Gain/Loss			
945100 · Unrealized Gain/Loss Bonds	120		
945200 · Unrealized Gain/Loss Investment	11,823		
Total 945000 · Unrealized Gain/Loss	<u>11,943</u>		
Total Other Income	24,426		
Other Expense			
951000 · Amortization Expense	3,119		
952000 · Bond Interest 2009 Series	55,765		
953000 · Depreciation Expense	329,610		
954000 · Grant Expenses			
954002 · Grant Contractual	31,641		
954004 · Grant Labor & Benefits	258		
954005 · Grant Legal	1,260		
954008 · Grant Travel	1,113		
Total 954000 · Grant Expenses	<u>34,272</u>		
954100 · Contributed Capital	(1,260)		
955000 · Interest Expense			
955200 · Investment Interest Expense	-		
Total 955000 · Interest Expense	<u>-</u>		
Total Other Expense	<u>421,506</u>		
Net Other Income	<u>(397,080)</u>		
Net Income	<u>120,263</u>	<u>253,675</u>	<u>3,876,104</u>



DATE: September 17, 2013
TO: SEAPA Board of Directors
FROM: Trey Acteson
SUBJECT: Financial Reports – August, 2013

Financial reports for August, 2013 follow this memo. The following are a few brief highlights:

- August, 2013 revenues from kWh sales were over budget:
\$1,158,023 actual vs. \$924,800 budget.
 - Ketchikan - \$628,320 actual vs. \$448,800 budget
 - Petersburg - \$301,700 actual vs. \$244,800 budget
 - Wrangell - \$228,003 actual vs. \$231,200 budget
- Year-to-date (July – August) revenues from kWh sales were also above budget:
\$2,173,839 actual vs. \$1,706,800 budget.
 - Ketchikan - \$1,163,208 actual vs. \$822,800 budget
 - Petersburg - \$547,225 actual vs. \$448,800 budget
 - Wrangell - \$463,406 actual vs. \$435,200 budget
- August, 2013 sales in kWh – 17,029,750 vs.
August, 2012 sales in kWh – 11,332,350 and
August, 2011 sales in kWh – 14,578,460
- Year-to-date (July – August, 2013) sales in kWh – 31,968,220 vs.
Year-to-date (July – August, 2012) sales in kWh – 23,185,470 and
Year-to-date (July – August, 2011) sales in kWh – 28,221,570
- Administrative and operating expenses for August, 2013 were under budget:
\$349,462 actual vs. \$488,681 budget.
- Year-to-date administrative and operating expenses (July – August) were also
under budget: \$847,936 actual vs. \$1,017,006 budget.

Other expense codes were added under 954200 to capture third party expense related to hydro site evaluations; these expenses will be reimbursed.
As always, feel free to ask any questions concerning the financials.



SOUTHEAST ALASKA POWER AGENCY

Fund Allocation Graph

As of August 31, 2013

ASSETS

Current Assets

Agency Funds

111000 · Ops/Capital/Insurance Funds

111100 · Revenue Fund FB	1,812,427
111200 · Required R&R Fund FB	1,000,104
111210 · Dedicated R&R Projects Fund FB	8,620,907
111300 · Commercial FB	1,000
111400 · Subordinate Debt Fund FB	309
111500 · Self Insured Risk Fund FNBA	8,030,440

Total 111000 · Ops/Capital/Insurance Funds 19,465,187

112000 · Trustee Funds

112100 · WF Trust Bond Interest	219,660
112200 · WF Trust Bond Principal	233,366
112300 · WF Trust Bond Reserve	1,409,627
112400 · WF Refund 2004AB Escrow	2

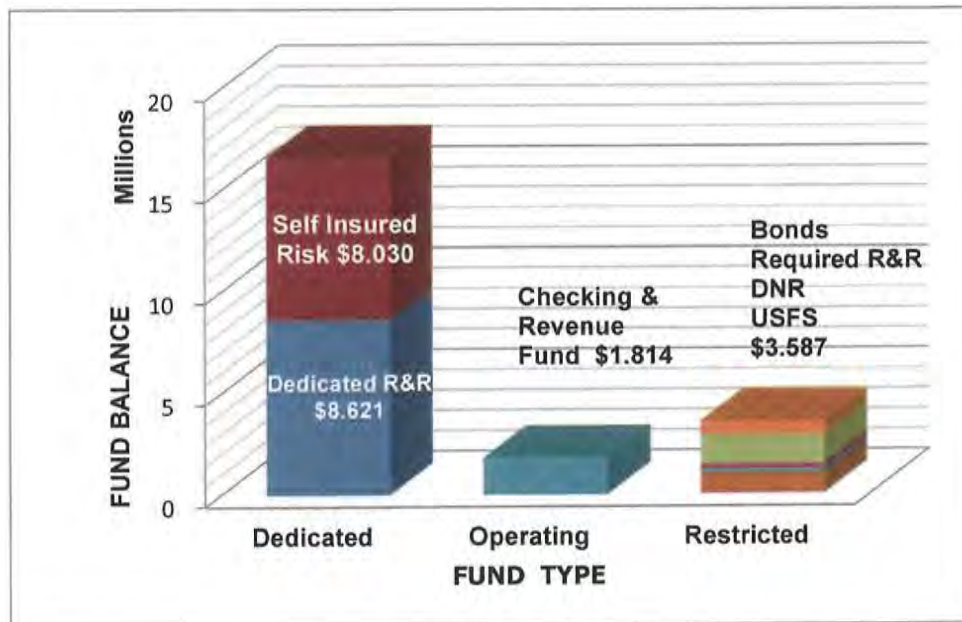
Total 112000 · Trustee Funds 1,862,655

113000 · Restricted Funds

113100 · STI - USFS CD WF	21,608
113500 · DNR Reclamation Fund WF	702,249

Total 113000 · Restricted Funds 723,856

Total Agency Funds 22,051,699



Dedicated Funds

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

Dedicated R&R = Funding for FY14 Replacement & Repair projects approved by the SEAPA Board.

Operating Funds

Checking & Revenue Fund

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 August 31, 2013

ASSETS

Current Assets

Checking/Savings

111000 - Ops/Capital/Insurance Funds 19,465,187

112000 - Trustee Funds 1,862,655

113000 - Restricted Funds 723,856

Total Checking/Savings 22,051,699

Accounts Receivable

110000 - Accounts Receivable 1,771,817

110100 - Grants Receivable 126,986

Total Accounts Receivable 1,898,803

Other Current Assets

120000 - Other Current Assets 593,979

Total Other Current Assets 593,979

Total Current Assets 24,544,480

Fixed Assets

130000 - Fixed Assets 132,452,665

Total Fixed Assets 132,452,665

Other Assets

133000 - Other Assets 256,437

Total Other Assets 256,437

TOTAL ASSETS 157,253,582

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

210100 - Accounts Payable General 462,668

Total Accounts Payable 462,668

Other Current Liabilities

210150 - Other Current Liabilities 987,148

210300 - Reserve Interest Payable 164,726

210400 - Wages Payable 59,193

210500 - Payroll Liabilities 150

Total Other Current Liabilities 1,211,216

Total Current Liabilities 1,673,884

Long Term Liabilities

220000 - Long Term Liabilities 13,985,982

Total Long Term Liabilities 13,985,982

Total Liabilities 15,659,866

Equity

310000 - Equity 133,661,640

32000 - Unrestricted Net Assets 7,410,617

Net Income 521,459

Total Equity 141,593,716

TOTAL LIABILITIES & EQUITY 157,253,582



SOUTHEAST ALASKA POWER AGENCY

Statement of Activities - Summary

August 2013

Ordinary Income/Expense

Income	
410000 · Hydro Facility Revenues	1,158,023
Total Income	<u>1,158,023</u>

Gross Profit	1,158,023
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Expense

535000 · Hydro/Ops-Suprvision & Engineer	12,995
538000 · Electric Expenses	1,194
539000 · Misc Power Generation Expense	18,363
540000 · Rents	14,076
541000 · Hydro Power Station Maintenance	8,830
542000 · Hydro Structure Maintenance	1
544000 · Maintenance of Electric Plant	95,765
545000 · Plant Miscellaneous Maintenance	2,773
560000 · Trans Sys Operation Sup & Eng	432
562000 · Trans/Operations Station Exp	1,954
564000 · Trans/Submarine Cable Expense	3,766
571000 · Trans/Maint Overhead Lines(OHL)	27,199
920000 · Administrative Expenses	87,254
921000 · Office Expenses	6,787
922000 · Legislative Affairs	4,039
923000 · Contract Services	3,316
924000 · Insurance	37,772
928000 · Regulatory Commission Expense	7,539
930000 · General Expenses	10,197
931000 · Admin Rent	5,210

Total Expense	<u>349,462</u>
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Net Ordinary Income	808,561
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Other Income/Expense

Other Income	
941000 · Grant Income	19,083
942000 · Interest Income	10,906
945000 · Unrealized Gain/Loss	<u>(13,755)</u>
Total Other Income	16,234

Other Expense

951000 · Amortization Expense	3,119
952000 · Bond Interest 2009 Series	55,765
953000 · Depreciation Expense	329,610
954000 · Grant Expenses	34,706
954200 · Third Party Expense	399

Total Other Expense	<u>423,599</u>
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Net Other Income	<u>(407,365)</u>
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Net Income	<u><u>401,196</u></u>
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SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
 As of August 31, 2013

ASSETS

Current Assets

Agency Funds

111000 · Ops/Capital/Insurance Funds	
111100 · Revenue Fund FB	1,812,427
111200 · Required R&R Fund FB	1,000,104
111210 · Dedicated R&R Projects Fund FB	8,620,907
111300 · Commercial FB	1,000
111400 · Subordinate Debt Fund FB	309
111500 · Self Insured Risk Fund FNBA	8,030,440
Total 111000 · Ops/Capital/Insurance Funds	<u>19,465,187</u>

112000 · Trustee Funds

112100 · WF Trust Bond Interest	219,660
112200 · WF Trust Bond Principal	233,366
112300 · WF Trust Bond Reserve	1,409,627
112400 · WF Refund 2004AB Escrow	<u>2</u>
Total 112000 · Trustee Funds	<u>1,862,655</u>

113000 · Restricted Funds

113100 · STI - USFS CD WF	21,608
113500 · DNR Reclamation Fund WF	<u>702,249</u>
Total 113000 · Restricted Funds	<u>723,856</u>

Total Agency Funds 22,051,699

Accounts Receivable

110000 · Accounts Receivable	1,771,817
110100 · Grants Receivable	<u>126,986</u>
Total Accounts Receivable	<u>1,898,803</u>

Other Current Assets

120000 · Other Current Assets	
120200 · Other Receivables	4,286
120300 · Accrued Interest Receivable	24,812
120500 · Prepaid Fees	
120510 · Prepaid FERC Fees	15,207
120520 · Prepaid Insurance	415,490
120540 · Prepaid USDA FS Land Use Fees	25,634
120550 · Prepaid Admin Expense	<u>100,408</u>
Total 120500 · Prepaid Fees	<u>556,738</u>

120700 · Inventory Assets

120701 · Inventory - Wood Poles	<u>8,143</u>
Total 120700 · Inventory Assets	<u>8,143</u>

Total 120000 · Other Current Assets 593,979

Total Other Current Assets 593,979

Total Current Assets 24,544,480



SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
 As of August 31, 2013

Fixed Assets	
130000 · Fixed Assets	
130100 · Capital Assets	
130110 · Swan Lake	16,231,708
130120 · Tyee Lake	26,035,647
130130 · SEAPA Office	668,955
Total 130100 · Capital Assets	<u>42,936,310</u>
132100 · Swan Tyee Intertie in Operation	111,381,868
132200 · R&R Projects WIP Capital Improv	
132210 · R&R Projects - WIP Swan Lake	
132211 · WIP SWL Agency Permits/Environm	488,522
132213 · WIP SWL Equipment	2,250
132214 · WIP SWL Engineering/Design	3,640
132215 · WIP SWL Legal	1,260
132216 · WIP SWL Project Mgmt/Professnal	123,949
132210 · R&R Projects - WIP Swan Lake - Other	<u>1,096,648</u>
Total 132210 · R&R Projects - WIP Swan Lake	<u>1,716,270</u>
132220 · R&R Projects - WIP Tyee Lake	735,971
132230 · R&R Projects - WIP STI-Transmsn	163,452
132240 · R&R Projects - WIP SEAPA Office	<u>59,606</u>
Total 132200 · R&R Projects WIP Capital Improv	<u>2,675,299</u>
132900 · Accumulated Depreciation	<u>(24,540,812)</u>
Total 130000 · Fixed Assets	<u>132,452,665</u>
Total Fixed Assets	132,452,665
Other Assets	
133000 · Other Assets	
133100 · Accumulated Amortization	
133110 · Amortization	<u>(240,592)</u>
Total 133100 · Accumulated Amortization	<u>(240,592)</u>
133200 · Bond Fees	
133210 · Origination Fees	444,906
133220 · Cost of Issuance Fees	<u>52,000</u>
Total 133200 · Bond Fees	<u>496,906</u>
183000 · Deferred Assets	
183300 · Meteorological Tower	<u>124</u>
Total 183000 · Deferred Assets	<u>124</u>
Total 133000 · Other Assets	<u>256,437</u>
Total Other Assets	<u>256,437</u>
TOTAL ASSETS	<u><u>157,253,582</u></u>



SOUTHEAST ALASKA POWER AGENCY
Statement of Financial Position - Detail
 As of August 31, 2013

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

210100 · Accounts Payable General	462,668
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Total Accounts Payable	462,668
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Other Current Liabilities

210150 · Other Current Liabilities	987,148
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210300 · Reserve Interest Payable	164,726
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210400 · Wages Payable	59,193
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210500 · Payroll Liabilities	
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210530 · SUI Tax Payable	150
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Total 210500 · Payroll Liabilities	150
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Total Other Current Liabilities	1,211,216
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Total Current Liabilities	1,673,884
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Long Term Liabilities

220000 · Long Term Liabilities

220100 · Series B Bonds 2009	14,100,000
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220110 · Bond Issuance Premium	13,548
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220120 · Bond Discount	(127,566)
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Total 220000 · Long Term Liabilities	13,985,982
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Total Long Term Liabilities	13,985,982
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Total Liabilities	15,659,866
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Equity

310000 · Equity

310100 · STI Net Assets	106,354,593
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310300 · Retained Earnings	27,307,048
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Total 310000 · Equity	133,661,640
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32000 · Unrestricted Net Assets	7,410,617
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Net Income	521,459
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Total Equity	141,593,716
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TOTAL LIABILITIES & EQUITY	157,253,582
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SOUTHEAST ALASKA POWER AGENCY

Statement of Activities - Budget Comparison

August 2013

Ordinary Income/Expense

Income

410000 · Hydro Facility Revenues

410100 · Ketchikan Power Purchases

410200 · Petersburg Power Purchases

410300 · Wrangell Power Purchases

Total 410000 · Hydro Facility Revenues

Total Income

Gross Profit

Expense

535000 · Hydro/Ops-Suprvision & Engineer

535100 · Hyd/Ops Sup & Eng - Swan Lake

535150 · Hyd/Ops Sup & Eng - SWL SEAPA

535200 · Hyd/Ops Sup & Eng - Tyee Lake

535250 · Hyd/Ops Sup & Eng - TYL SEAPA

535400 · Hyd/Op Sup & Eng - Proj Drawing

535700 · Hyd/Op Sup & Eng - 4R Plan

Total 535000 · Hydro/Ops-Suprvision & Engineer

537000 · Hydraulic Expenses

537100 · Hydraulic Expense - Swan Lake

537150 · Hydraulic Expense - SWL SEAPA

537250 · Hydraulic Expense - TYL SEAPA

Total 537000 · Hydraulic Expenses

538000 · Electric Expenses

538100 · Electric Expense - Swan Lake

538150 · Electric Expense - SWL SEAPA

538200 · Electric Expense - Tyee Lake

538250 · Electric Expense - TYL SEAPA

Total 538000 · Electric Expenses

539000 · Misc Power Generation Expense

539100 · Misc Exp - Swan Lake

539150 · Misc Expense - SWL SEAPA

539200 · Misc Expense - Tyee Lake

539250 · Misc Expense - TYL SEAPA

539300 · Misc Expense - Annual Inspectns

539400 · Misc Expense - Permits & Maps

Total 539000 · Misc Power Generation Expense

540000 · Rents

540300 · FERC Land Use Fee - Swan Lake

540400 · FERC Land Use Fee - Tyee Lake

540500 · USDA Land Use Fee - USFS ROW

540600 · USDA Land Use Fee - STI

540700 · USDA Tyee Passive Reflector

540710 · USDA Etolin Burnett Radio

Total 540000 · Rents

541000 · Hydro Power Station Maintenance

541100 · Maint/Supervision - Swan Lake

541150 · Maintenance - SWL SEAPA

541250 · Maintenance - TYL SEAPA

Total 541000 · Hydro Power Station Maintenance

542000 · Hydro Structure Maintenance

542100 · Hyd Structure Maint - Swan Lake

Total 542000 · Hydro Structure Maintenance

543000 · Dams, Reservoirs & Waterways

	Aug 2013	Budget	Jul-Aug '13	YTD Budget	Annual Budget
Income					
410000 · Hydro Facility Revenues					
410100 · Ketchikan Power Purchases	628,320	448,800	1,163,208	822,800	6,045,200
410200 · Petersburg Power Purchases	301,700	244,800	547,225	448,800	2,856,000
410300 · Wrangell Power Purchases	228,003	231,200	463,406	435,200	2,720,000
Total 410000 · Hydro Facility Revenues	1,158,023	924,800	2,173,839	1,706,800	11,621,200
Total Income	1,158,023	924,800	2,173,839	1,706,800	11,621,200
Gross Profit	1,158,023	924,800	2,173,839	1,706,800	11,621,200
Expense					
535000 · Hydro/Ops-Suprvision & Engineer					
535100 · Hyd/Ops Sup & Eng - Swan Lake	613	9,400	7,977	18,800	113,000
535150 · Hyd/Ops Sup & Eng - SWL SEAPA	110	2,800	220	5,600	34,500
535200 · Hyd/Ops Sup & Eng - Tyee Lake	10,272	12,200	26,235	24,400	147,500
535250 · Hyd/Ops Sup & Eng - TYL SEAPA	-	800	-	1,600	10,000
535400 · Hyd/Op Sup & Eng - Proj Drawing	2,000	2,000	2,000	2,000	200,000
535700 · Hyd/Op Sup & Eng - 4R Plan	-	-	860	-	-
Total 535000 · Hydro/Ops-Suprvision & Engineer	12,995	27,200	37,292	52,400	505,000
537000 · Hydraulic Expenses					
537100 · Hydraulic Expense - Swan Lake	-	-	-	-	-
537150 · Hydraulic Expense - SWL SEAPA	-	500	-	1,000	13,000
537250 · Hydraulic Expense - TYL SEAPA	-	625	-	1,250	18,000
Total 537000 · Hydraulic Expenses	-	1,125	-	2,250	31,000
538000 · Electric Expenses					
538100 · Electric Expense - Swan Lake	1,194	300	3,401	600	3,250
538150 · Electric Expense - SWL SEAPA	-	1,000	-	2,000	12,500
538200 · Electric Expense - Tyee Lake	-	300	-	600	3,600
538250 · Electric Expense - TYL SEAPA	-	1,000	-	2,000	12,500
Total 538000 · Electric Expenses	1,194	2,600	3,401	5,200	31,850
539000 · Misc Power Generation Expense					
539100 · Misc Exp - Swan Lake	285	5,400	721	10,800	65,850
539150 · Misc Expense - SWL SEAPA	1,659	2,500	3,980	5,000	73,600
539200 · Misc Expense - Tyee Lake	9,259	12,640	100,296	93,640	227,640
539250 · Misc Expense - TYL SEAPA	7,160	20,600	14,263	28,600	155,850
539300 · Misc Expense - Annual Inspectns	-	-	-	-	1,500
539400 · Misc Expense - Permits & Maps	-	-	-	-	150
Total 539000 · Misc Power Generation Expense	18,363	41,140	119,260	138,040	524,590
540000 · Rents					
540300 · FERC Land Use Fee - Swan Lake	3,846	3,900	7,692	7,800	47,000
540400 · FERC Land Use Fee - Tyee Lake	3,822	3,800	7,644	7,600	46,000
540500 · USDA Land Use Fee - USFS ROW	1,541	1,600	3,082	3,200	20,000
540600 · USDA Land Use Fee - STI	4,720	5,000	9,441	10,000	60,000
540700 · USDA Tyee Passive Reflector	103	100	206	200	1,350
540710 · USDA Etolin Burnett Radio	44	50	87	100	650
Total 540000 · Rents	14,076	14,450	28,152	28,900	175,000
541000 · Hydro Power Station Maintenance					
541100 · Maint/Supervision - Swan Lake	-	-	-	-	-
541150 · Maintenance - SWL SEAPA	8,830	7,400	18,695	14,750	88,750
541250 · Maintenance - TYL SEAPA	-	6,500	3,306	13,000	78,250
Total 541000 · Hydro Power Station Maintenance	8,830	13,900	22,001	27,750	167,000
542000 · Hydro Structure Maintenance					
542100 · Hyd Structure Maint - Swan Lake	1	250	738	500	3,500
Total 542000 · Hydro Structure Maintenance	1	250	738	500	3,500
543000 · Dams, Reservoirs & Waterways					



SOUTHEAST ALASKA POWER AGENCY
Statement of Activities - Budget Comparison
August 2013

	Aug 2013	Budget	Jul-Aug '13	YTD Budget	Annual Budget
543100 · Dams Res & Waterwys - Swan Lake	-	50	655	100	1,000
543200 · Dams Res & Waterwys - Tyee Lake	-	600	-	1,200	7,200
Total 543000 · Dams, Reservoirs & Waterways	-	650	655	1,300	8,200
544000 · Maintenance of Electric Plant					
544100 · Maint Electric Plant-Swan Lake	55,893	48,000	111,739	96,000	576,500
544150 · Maint Electric Plant-SWL SEAPA	-	3,750	-	7,500	45,000
544200 · Maint Electric Plant-Tyee Lake	40,072	50,700	100,895	101,400	608,400
544250 · Maint Electric Plant-TYL SEAPA	-	2,000	-	4,000	25,000
Total 544000 · Maintenance of Electric Plant	95,765	104,450	212,633	208,900	1,254,900
545000 · Plant Miscellaneous Maintenance					
545100 · Plant Misc Maint - Swan Lake	2,773	2,250	3,420	4,500	27,000
545200 · Plant Misc Maint - Tyee Lake	-	800	32	1,600	9,700
545250 · Plant Misc Maint - TYL SEAPA	-	4,800	16,735	9,600	58,000
Total 545000 · Plant Miscellaneous Maintenance	2,773	7,850	20,187	15,700	94,700
560000 · Trans Sys Operation Sup & Eng					
560200 · Sys Ops Sup & Eng - Tyee Lake	432	800	432	1,600	10,300
Total 560000 · Trans Sys Operation Sup & Eng	432	800	432	1,600	10,300
561000 · Trans/SCADA Load Dispatch					
561200 · SCADA Load Dispatch - Tyee Lake	-	-	-	-	-
561250 · SCADA Load Dispatch - TYL SEAPA	-	1,000	4,800	6,000	25,000
Total 561000 · Trans/SCADA Load Dispatch	-	1,000	4,800	6,000	25,000
562000 · Trans/Operations Station Exp					
562100 · Trans/Ops Station - Swan Lake	-	1,000	-	2,000	15,000
562150 · Trans/Ops Station - SWL SEAPA	-	2,000	-	3,000	23,000
562200 · Trans/Ops Station - Tyee Lake	1,954	2,100	1,954	4,200	26,000
562250 · Trans/Ops Station-TYL SEAPA	-	2,000	-	4,000	25,000
Total 562000 · Trans/Operations Station Exp	1,954	7,100	1,954	13,200	89,000
564000 · Trans/Submarine Cable Expense					
564200 · Trans/Sub Cable Exp - Tyee Lake	3,766	1,500	3,766	3,000	12,825
564250 · Trans/Sub Cable Exp - TYL SEAPA	-	-	-	-	30,000
Total 564000 · Trans/Submarine Cable Expense	3,766	1,500	3,766	3,000	42,825
571000 · Trans/Maint Overhead Lines(OHL)					
571100 · Trans/Maint OHL - Swan Lake	961	1,000	961	2,000	15,000
571150 · Trans/Maint OHL - SWL SEAPA	-	-	-	-	448,000
571200 · Trans/Maint OHL - Tyee Lake	14,252	16,300	40,612	32,600	196,150
571250 · Trans/Maint OHL - TYL SEAPA	7,526	11,000	9,285	11,000	787,750
571300 · Trans/Maint OHL STI Maintenance	-	-	-	-	296,500
571500 · Trans/Maint OHL STI Therml Scan	-	-	-	-	10,000
571600 · Trans/Maint OHL Spare Mat Stor	-	-	-	-	500
571700 · Trans/Maint OH STI Clearing	-	-	-	-	100,000
571800 · Trans/Maint OHL System Events	4,460	12,500	4,460	25,000	150,000
Total 571000 · Trans/Maint Overhead Lines(OHL)	27,199	40,800	55,318	70,600	2,003,900



SOUTHEAST ALASKA POWER AGENCY

Statement of Activities - Budget Comparison

August 2013

	Aug 2013	Budget	Jul-Aug '13	YTD Budget	Annual Budget
920000 · Administrative Expenses					
920100 · Administrative	87,254	106,761	171,476	206,761	1,256,761
Total 920000 · Administrative Expenses	87,254	106,761	171,476	206,761	1,256,761
921000 · Office Expenses					
921100 · Office Supplies	453	1,500	1,377	3,000	13,000
921200 · Office Equipment	2,634	2,200	3,698	4,400	27,200
921300 · Phone, Courier, Internet	1,366	2,500	3,283	5,000	25,400
921400 · System Networking	2,149	3,400	4,727	7,000	41,000
921600 · Vehicle Expenses	185	200	366	450	3,000
Total 921000 · Office Expenses	6,787	9,800	13,451	19,850	109,600
922000 · Legislative Affairs	4,039	5,800	8,039	11,600	70,000
923000 · Contract Services					
923200 · Annual Financial Audit	-	-	-	-	28,000
923300 · Bank & Trustee Fees	234	980	532	1,960	11,800
923400 · Insurance Consultant	-	800	7,990	1,600	10,000
923500 · Investment Consultant	1,677	2,000	3,356	4,000	25,000
923600 · Legal Fees	240	12,500	2,865	25,000	150,000
923700 · Recruitment	800	2,500	3,397	5,000	30,000
923800 · Other Professional Services	364	1,300	1,831	2,600	16,000
Total 923000 · Contract Services	3,316	20,080	19,971	40,160	270,800
924000 · Insurance	37,772	49,000	80,328	98,000	588,000
928000 · Regulatory Commission Expense					
928150 · FERC SWL	3,945	4,500	7,889	9,000	151,000
928250 · FERC TYL	3,595	4,000	7,189	8,000	43,000
Total 928000 · Regulatory Commission Expense	7,539	8,500	15,078	17,000	194,000
930000 · General Expenses					
930100 · Advertising Expense	161	500	690	1,000	5,000
930110 · Public Relations	-	6,250	-	12,500	75,000
930300 · Association Dues Expense	-	2,500	660	5,000	29,050
930310 · Professional Assn Dues	-	-	230	245	645
930400 · Board Meeting Expenses	3,415	3,750	4,369	7,500	45,000
930500 · Training Expense	1,642	1,900	6,167	3,800	23,575
930600 · Travel Expense	4,979	3,900	7,030	8,000	47,000
930700 · Non-Travel Incidental	-	300	38	600	3,500
Total 930000 · General Expenses	10,197	19,100	19,183	38,645	228,770
931000 · Admin Rent					
931010 · Office Rent	4,485	4,100	8,371	8,200	51,700
931100 · Apartment Rent - Ketchikan	725	725	1,450	1,450	8,700
Total 931000 · Admin Rent	5,210	4,825	9,821	9,650	60,400
Total Expense	349,462	488,681	847,936	1,017,006	7,745,096
Net Ordinary Income	808,561	436,119	1,325,903	689,794	3,876,104



SOUTHEAST ALASKA POWER AGENCY

Statement of Activities - Budget Comparison

August 2013

	Aug 2013	Budget	Jul-Aug '13	YTD Budget	Annual Budget
Other Income/Expense					
Other Income					
941000 · Grant Income	19,083		21,817		
942000 · Interest Income					
942100 · Misc Interest Income	1,170		1,710		
942200 · Investment Interest Income	9,736		20,518		
Total 942000 · Interest Income	10,906		22,229		
944000 · Realized Gain/Loss					
944200 · Realized Gain/Loss on Invest	-		(1,574)		
Total 944000 · Realized Gain/Loss	-		(1,574)		
945000 · Unrealized Gain/Loss					
945100 · Unrealized Gain/Loss Bonds	7		128		
945200 · Unrealized Gain/Loss Investment	(13,762)		(1,939)		
Total 945000 · Unrealized Gain/Loss	(13,755)		(1,811)		
Total Other Income	16,234		40,660		
Other Expense					
951000 · Amortization Expense	3,119		6,239		
952000 · Bond Interest 2009 Series	55,765		111,529		
953000 · Depreciation Expense	329,610		659,219		
954000 · Grant Expenses					
954002 · Grant Contractual	30,450		62,091		
954004 · Grant Labor & Benefits	-		258		
954005 · Grant Legal	-		1,260		
954007 · Grant Other Expense	185		185		
954008 · Grant Travel	4,071		5,184		
Total 954000 · Grant Expenses	34,706		68,978		
954100 · Contributed Capital	-		(1,260)		
954200 · Third Party Expense					
954210 · Annette Island Hydro Site Eval					
954214 · Annette Island - Travel	399		399		
Total 954210 · Annette Island Hydro Site Eval	399		399		
Total 954200 · Third Party Expense	399		399		
955000 · Interest Expense					
955200 · Investment Interest Expense	-		-		
Total 955000 · Interest Expense	-		-		
Total Other Expense	423,599		845,105		
Net Other Income	(407,365)		(804,444)		
Net Income	401,196	436,119	521,459	689,794	3,876,104

Southeast Alaska Power Agency
SUMMARY - WIP R&R CAPITAL PROJECTS
August 31, 2013

	FY14 Budget	FY14 Expenditures	EXPENDITURES				Total Expenditures
			FY10	FY11	FY12	FY13	
002-10TRN Helicopter Pads	\$ -		155,131	11,156	(63,600)	-	(20,600) \$ 82,085
			R&R will close when prototype is placed in the field. See R&R 231-13				
220-12 SCADA Upgrade	\$ 790,093	\$203,350	-	-	130,663	156,453	203,350 \$ 490,466
			Tentative completion: Apr 2014				
227-13 Burnett Peak Battery	\$ 13,160	\$18				21,140	18 \$ 21,158
			\$18 Work complete in August 2013				
228-13 Circuit Switcher WRG	\$ 98,000	\$0				-	- \$ -
			\$0 Scheduled after RR236-13, FY14.				
229-13 Gate Control Refurbish TYL	\$ 28,246	\$1,738				9,160	1,738 \$ 10,898
			\$1,738 Scheduled completion Oct 2013.				
231-13 Helicopter Pads	\$ 1,608,000	\$23,612				57,731	23,612 \$ 81,343
			\$23,612 Prototype in place by Nov 2013.				
232-13 Communications Upgrade	\$ 245,000	\$18,675				12,160	18,675 \$ 30,835
			\$18,675 Partial installation by Nov 2013.				
234-13 Gatehs Generator TYL	\$ 60,000	\$17,920				114	17,920 \$ 18,034
			\$17,920 Completed Sep 2013				
236-13 Wrangell Reactor	\$ 1,800,000	\$0				55,066	- \$ 55,066
			\$0 In design phase with EPS.				
237-13 Remote Brkr Rack. Device	\$ 70,000	\$0				-	- \$ -
			\$0 Complete Oct 2013.				
238-13 Replacement Winding SWL	\$ 28,492	\$18,481				872,559	18,481 \$ 891,041
			\$18,481 Complete Aug 2013				
240-13 Cooling Water TYL	\$ 177,295	\$3,148				26,600	3,148 \$ 29,748
			\$3,148 Piping installation done.				
241-13 Stream Gauge TYL	\$ 1,444,651	\$259,014				37,845	259,014 \$ 296,859
			\$259,014 Weir in place Sep 2013				
242-13 Reservoir Expansion SWL	\$ 1,626,750	\$46,419				421,782	46,419 \$ 619,622
			\$46,419 Increased Storage				
	\$ (575,750)		DCCED Grant Funds				
243-14 Compactor-Roller TYL	\$ 80,000	\$126				126	\$ 126
			\$126 RFP follow-up underway.				
244-14 Covered Storage TYL	\$ 25,000	\$0				-	- \$ -
			\$0 Spare OHL equipment				
245-14 Crew Boat SWL	\$ 130,000	\$0				-	- \$ -
			\$0 Replaces open skiff. Sep RFP				
246-14 Excavator TYL	\$ 125,000	\$139				139	\$ 139
			\$139 Oct delivery				
247-14 Generator Controls SWL	\$ 60,000	\$0				-	- \$ -
			\$0 New controls for standby generatr				
248-14 Lathe TYL	\$ 42,000	\$16,593				16,593	\$ 16,823
			\$16,593 New lathe to machine parts				
249-14 Marine Term Gage/CommTYL	\$ 175,500	\$0				-	- \$ -
			\$0 Replace analog w/digital, comm link				
250-14 Needle Valve AssemblyTYL	\$ 59,000	\$0				-	- \$ -
			\$0 Modify & manufacture assemblies				
251-14 Powerhs Roof Repair SWL	\$ 399,900	\$0				-	- \$ -
			\$0 Repair powerhouse roof				
252-14 Submarine SpicespareTYL	\$ 288,000	\$0				-	- \$ -
			\$0 Stock splicing kits				
253-14 Vehicle SEAPA Office	\$ 31,000	\$31,057				31,057	\$ 31,057
			\$31,057 Complete Aug 2013				
254-14 Water Tank Remediatn SWL	\$ 73,000	\$0				-	- \$ -
			\$0 Remediate rusting water tank.				
255-14 Wood Helipad Repair SWL	\$ 102,000	\$0				-	- \$ -
			\$0 Permit, new & wood deck replace.				
Total WIP R&R Capital Projects	\$9,004,337	\$619,690	\$155,131	\$11,156	\$218,483	\$1,670,609	\$619,690 \$2,675,299

Southeast Alaska Power Agency
WORK-IN-PROGRESS R&R CAPITAL PROJECTS
 August 31, 2013

Date	Num	Vendor	FY14 BUDGET \$	Amount	Description
002-10TRN Helicopter Pads					
	\$ 155,131	FY10 Expenditures	\$0	-	This project will be capitalized in FY14 after the helipad prototype is placed in service. The FY12 credit represents helipad design and materials that were abandoned due to excessive liability.
	\$ 11,156	FY11 Expenditures			Project continued under R&R 231-13.
	\$ (63,600)	FY12 Expenditures			
07/31/13	307	Touchdown Enterprises		(20,600)	One helipad moved to RR241-13 Stream Gage project.
Total 002-10 Helicopter Pads				<u>82,085</u>	
220-12 SCADA Upgrade					
	\$ 130,663	FY12 Expenditures	\$790,093	-	SEAPA System SCADA Consolidation Project. Continuation of SEAPA 001-09. Phase I (TYL-Wrangell-Petersburg) design underway. (E.Wolfe)
	\$ 156,453	FY13 Expenditures			
07/08/13	WOL201307	.Wolfe, Eric		7	
07/10/13	51212	Sunrise Aviation Inc		420	
07/10/13	51217	Sunrise Aviation Inc		720	
07/11/13	51222	Sunrise Aviation Inc		915	
07/12/13	51225	Sunrise Aviation Inc		285	
07/30/13	INV130731	Segrity LLC		6,778	
07/30/13	INV130731	Segrity LLC		6,778	
07/31/13	WOL9225-2013C "Bank of America			318	
07/31/13	THO9358-20130 "Bank of America			205	
07/31/13	783	Fiber Fusion		102,268	
08/19/13	S1108456001	Technical Marketing Mfg., Inc.		48,444	
08/28/13	5566922511	Siemens Industry Inc		8,443	
08/31/13	786	Fiber Fusion		27,769	
Total 220-12 SCADA Upgrade				<u>490,466</u>	
227-13 Burnett Peak Battery					
			\$13,160	-	Battery replacement at Burnett Peak communication center completed by AP&T in August 2013. (S.Henson)
01/10/13	18040	AP&T Wireless, Inc.		21,140	
08/29/13	8267401	Madison Lumber & Hardware Inc		18	
Total 227-13 Burnett Peak Battery				<u>21,158</u>	
228-13 Circuit Switcher WRG					
			\$98,000	-	Replace manual 3-phase circuit switcher at the Wrangell switchyard. Scheduled after R&R236-13 Wrangell Reactor. (S. Henson)
Total 228-13 Circuit Switcher Wrg				<u>-</u>	
229-13 Gate Control Refurbish					
			\$28,246	-	Replace control panel and components, rebuild hand-hydraulic pump. Scheduled for completion in October 2013. (S.Henson)
	\$9,160	FY13 Expenditures			
08/27/13	26937	Temasco Helicopters, Inc.		1,738	
Total 229-13 Gate Control Refurbish TYL				<u>10,898</u>	

Southeast Alaska Power Agency
WORK-IN-PROGRESS R&R CAPITAL PROJECTS
 August 31, 2013

Date	Num	Vendor	FY14 BUDGET \$	Amount	Description
231-13 Helicopter Pads					
	\$	57,731	\$1,608,000	-	Helipad installation on the intertie and replacement of pads on Swan and Tyee lines. Includes design work. Prototype tentatively in place on the STI during November (S.Henson)
07/15/13	1575	PSSA LLC		1,062	
07/16/13	26298	Taquan Air		467	
07/26/13	50705567	Tetra Tech Inc		1,391	
07/31/13	132017	Tongass Engineering		4,369	
08/23/13	13483	Ketchikan Autobody & Glass		5,000	
08/23/13	50712997	Tetra Tech Inc		387	
08/28/13	26947	Temasco Helicopters, Inc.		5,962	
08/31/13	132018	Tongass Engineering		4,974	
Total 231-13 Helicopter Pads				81,343	
232-13 Communications Upgrades					
	\$12,160	FY13 Expenditures	\$245,000	-	Preferred recommendation for SEAPA Communications upgrade. Continuation of Gillespie, Prudhon & Assoc. "Communication Network Evaluation & Recommendation" study. (S. Henson)
08/15/13	26680	Taquan Air		935	
08/17/13	51319	Sunrise Aviation Inc		180	
08/22/13	51322	Sunrise Aviation Inc		1,220	
08/30/13	MK139744	Futaris		14,790	
08/30/13	MK139757	Futaris		300	
08/30/13	MK139756	Futaris		1,250	
Total 232-13 Communications Upgrade				30,835	
234-13 Gatehs Generator TYL					
	\$	114	\$60,000	-	Replacement of aging propane generator and two propane tanks at Tyee Gatehouse. Propane tanks passed inspection July 2012 & will not be replaced. Generator installed & tanks filled Sep 2013. (S.Henson) COMPLETE Sep 2013.
07/30/13	72613	Arrowhead LP Gas WRG		13,880	
08/02/13	26858	Temasco Helicopters, Inc.		1,814	
08/27/13	26937	Temasco Helicopters, Inc.		1,738	
08/29/13	11410	Buness Electric LLC		488	
Total 234-13 Gatehs Gen-Propane TYL				18,034	
236-13 Wrangell Reactor					
	\$55,066	FY13 Expenditures	\$1,900,000	-	Replace aging reactor in Wrangell with switchable reactors and capacitors. Studies performed by EPS and Segrity. Currently in design phase. EPS is project manager/design contractor. (S.Henson)
Total 236-13 Wrangell Reactors				55,066	
237-13 Remote Brkr Rack. Device					
			\$70,000	-	Safety measure to protect personnel while racking a breaker. Two racking devices delivered to both Swan & Tyee complete in October. (S.Henson) COMPLETE Oct 2013.
Total 237-13 Remote Brkr Rack. Device				-	

Southeast Alaska Power Agency
WORK-IN-PROGRESS R&R CAPITAL PROJECTS
 August 31, 2013

Date	Num	Vendor	FY14 BUDGET \$	Amount	Description
238-13 Replacement Winding S'					
	\$ 872,559	FY13 Expenditures	\$28,492	-	Spare generator winding for Swan Lake. Constructed by Voith Hydro. Delivered to Swan Lake in June. Humidity-controlled storage built in August 2013. COMPLETE Aug 2013.
07/15/13	8129541	Madison Lumber & Hardware Inc		351	
07/15/13	8129671	Madison Lumber & Hardware Inc		86	
07/15/13	330359	Northland Services		15	
07/19/13	331757	Northland Services		51	
07/29/13	26451	Taquan Air		234	
07/31/13	THO9358-201307	"Bank of America		489	
07/31/13	MKC201307	Morris Kepler Consulting		34	
08/07/13	8203771	Madison Lumber & Hardware Inc		71	
08/12/13	26669	Taquan Air		234	
08/31/13	THO9358-201308	"Bank of America		127	
08/31/13	MKC201308	Morris Kepler Consulting		16,790	
Total Replacement Winding SWL				<u>891,041</u>	
240-13 Cooling Water TYL					
	\$ 26,600	FY13 Expenditures	\$177,295	-	Piping installation complete. Valves and control work remain.
07/31/13	MKC201307	Morris Kepler Consulting		719	
08/31/13	THO9358-201308	"Bank of America		458	
08/31/13	MKC201308	Morris Kepler Consulting		1,220	
08/31/13	TBPA201308	Thomas Bay Power Authority		751	
Total Project				<u>29,748</u>	

Southeast Alaska Power Agency
WORK-IN-PROGRESS R&R CAPITAL PROJECTS
 August 31, 2013

Date	Num	Vendor	FY14 BUDGET \$	Amount	Description
241-13 Stream Gauge TYL					
	\$ 37,845	FY13 Expenditures	\$1,444,651	-	Logs cleared July 2013. Weir construction completed September 2013. Helipad placed at site. Emergency shack to be constructed in spring.
07/02/13	26629	Temasco Helicopters, Inc.		2,070	
07/11/13	26699	Temasco Helicopters, Inc.		2,368	
07/11/13	127199	Promech Air		2,790	
07/14/13	129683	Promech Air		1,350	
07/15/13	1575	PSSA LLC		1,062	
07/19/13	8208	Alaska Clearing Inc		7,400	
07/19/13	76753	Pacific Airways Inc		1,000	
07/20/13	331933	Northland Services		833	
07/28/13	3291	McMillen, LLC		431	
07/29/13	129937	Promech Air		2,258	
07/30/13	201926	Best Western Landing Hotel		258	
07/31/13	2670-201307	Wrangell City of		12	
07/31/13	HEN0453-201307	"Bank of America		1,168	
07/31/13	BAM201307	BAM, LLC		151,900	
07/31/13	WOL9225-20130	"Bank of America		17	
07/31/13	307	Touchdown Enterprises		20,600	
08/01/13	26629	Taquan Air		1,233	
08/20/13	BAM201308	BAM, LLC		54,000	
08/22/13	51333	Sunrise Aviation Inc		1,724	
08/23/13	51338	Sunrise Aviation Inc		715	
08/29/13	11410	Buness Electric LLC		1,463	
08/31/13	26969	Temasco Helicopters, Inc.		3,810	
08/31/13	WOL201308	.Wolfe, Eric		2	
08/31/13	WOL9225-20130	"Bank of America		94	
08/31/13	THO9358-201308	"Bank of America		458	
Total 241-13 Stream Gauge TYL				296,859	

Refer to report from Director of Special Projects.

242-13 Reservoir Expansion SW		\$1,626,750
AK DCCED Grant >		(\$575,750)
06/30/12	\$ 151,421	FY12 Expenditures
	\$ 421,782	FY13 Expenditures
07/26/13	50705565	Tetra Tech Inc
07/26/13	50705569	Tetra Tech Inc
07/28/13	3290	McMillen, LLC
08/23/13	50712999	Tetra Tech Inc
08/24/13	3349	McMillen, LLC
Total 242-13 Reservoir Expansion SWL		619,622

Southeast Alaska Power Agency
WORK-IN-PROGRESS R&R CAPITAL PROJECTS
August 31, 2013

Date	Num	Vendor	FY14 BUDGET \$	Amount	Description
243-14 Compactor-Roller TYL					
08/08/13	28027	Ketchikan Daily News	\$80,000	47	Initial RFP responses unsuccessful; additional research underway.
08/08/13	54324	Pilot Publishing, Inc.		44	
08/08/13	54314	Wrangell Sentinel		36	
Total 243-14 Compactor-Roller TYL				126	
244-14 Covered Storage TYL					
			\$25,000		Pending prices from TBPA.
Total 244-14 Covered Storage TYL				-	
245-14 Crew Boat SWL					
			\$130,000		RFP issued in September 2013.
Total 245-14 Crew Boat SWL				-	
246-14 Excavator TYL					
			\$125,000		Acceptance-inspection scheduled for October in Wrangell.
08/08/13	28028	Ketchikan Daily News		53	
08/08/13	54324	Pilot Publishing, Inc.		47	
08/08/13	54314	Wrangell Sentinel		39	
Total 246-14 Excavator TYL				139	
247-14 Generator Controls SWL					
			\$60,000		Researching specifications.
Total 247-14 Generator Controls SWL				-	
248-14 Lathe TYL					
			\$42,000		Being delivered.
06/30/13	MK201306	Morris Kepler Consulting		230.00	
07/09/13	IMC1	Idaho Machinery Company, LLC		16,334.00	
07/31/13	MKC201307	Morris Kepler Consulting		258.75	
Total 248-14 Lathe TYL				16,823	
249-14 Marine Term Gage/Comr					
			\$175,500		Will tie in with SCADA work.
Total 249-14 Marine Term Gage/Co				-	
250-14 Needle Valve Assembly¹					
			\$59,000		Under review.
Total 250-14 Needle Valve Assembly				-	

Southeast Alaska Power Agency
WORK-IN-PROGRESS R&R CAPITAL PROJECTS
 August 31, 2013

Date	Num	Vendor	FY14 BUDGET \$	Amount	Description
251-14	Powerhs Roof Repair SV		\$399,900		RFP to be issued by first week of November.
Total 251-14	Powerhs Roof Repair				
252-14	Submarine SpliceSpare1		\$288,000		Scheduled to be ordered in December.
Total 252-14	Submarine Splice SpareTYL				
253-14	Vehicle SEAPA Office		\$31,000		Delivered. COMPLETE AUG 2013.
08/09/13	1FM5K	Titus-Will Ford		30,232	
08/16/13	339139	Northland Services		825	
Total 253-14	Vehicle SEAPA Office			31,057	
254-14	Water Tank Remediatn \$		\$73,000		RFP to be issued by first week of November.
Total 254-14	Water Tank Remediatn SWL				
255-14	Wood Helipad Repair SV		\$102,000		Scheduled for spring 2014.
Total 255-14	Wood Helipad Repair SWL				
Total WIP R&R Capital Projects			\$ 9,004,337	\$ 2,675,299	

R&R 253-14: CLOSED FY14

Project Name	VEHICLE – SEAPA Office		
Project Description	2013 Ford Explorer at SEAPA Office		
Cost Estimate	\$31,000	Project Responsibility: Trey Acteson	
Actual Cost	\$31,057		
Start Date:	Jul-Aug, 2013	Project Management:	
Submitted By:	Trey Acteson		
Project Discussion			
Increasing numbers of contractors will be in Ketchikan as the Swan Lake Reservoir Expansion proceeds. A second vehicle will reduce contractors’ travel expenses, which are reimbursed by SEAPA.			

Project Cost Estimate			
Item	Cost	Budget Request	
Vehicle	\$31,000	FY14	\$31,000
Total	\$31,000	Total	\$31,000
Project Cost Estimate Discussion			
Online search for Ford at Karlson Motors, Ketchikan.			

Features and Models
Photo Gallery
Colors
Options

2013 Explorer
Key Features

2013 Explorer Models
Click for details

Base
Starting At: \$29,135¹

XLT
Starting At: \$32,615¹

Limited
Starting At: \$38,125¹

Sport
Starting At: \$40,720¹



2013 Explorer
Starting MSRP: \$29,135¹

R&R Project / Budget Approval		FY14	
CEO Approval	Trey Acteson	06/2013	
Project/Budget Approval	SEAPA Board	06/26/2013	

R&R Project Contracts (Vendor, Description, Award Date)		
Titus-Will Ford	2013 Ford Explorer	

SOUTHEAST ALASKA POWER AGENCY DISBURSEMENTS

AUGUST & SEPTEMBER 2013

<u>ACCOUNTS</u>	<u>TOTAL</u>
Revenue Fund	\$ 1,057,566.11
R&R Fund	\$ 730,199.85
TOTAL	<u>\$ 1,787,765.96</u>

RECOMMENDED MOTION

I move to approve disbursements for the months of August & September 2013
in the amount of \$1,787,765.96.

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
1396329	AAA Moving & Storage	762.50	
8208	Alaska Clearing Inc	-	7,400.00
APCM201307	Alaska Permanent Capital Inc	1,678.61	
APCM201308	Alaska Permanent Capital Inc	1,677.13	
2484	Alaska Power Association	550.00	
ATC201309	Alaska Telephone Company	5,430.61	
ATC201310	Alaska Telephone Company	5,479.36	
201306	Alaska Telephone Company Pburg	348.61	
TX214073	Anchorage Daily News	338.00	
TX214074	Anchorage Daily News	338.00	
AP&T201308	AP&T Wireless, Inc.	1,352.50	
72613	Arrowhead LP Gas WRG	-	13,880.00
2650815144	AT&T Alascom 5019	305.34	
2650940747	AT&T Alascom 5019	305.34	
1127212	AterWynne LLP	10,798.61	
1127214	AterWynne LLP	700.00	
1128128	AterWynne LLP	1,028.89	
1128129	AterWynne LLP	490.00	
1128130	AterWynne LLP	1,596.23	
BAM201307	BAM, LLC	-	151,900.00
BAM201308	BAM, LLC	-	54,000.00
201926	Best Western Landing Hotel	-	258.49
202481	Best Western Landing Hotel	283.67	
202482	Best Western Landing Hotel	258.50	
202483	Best Western Landing Hotel	266.65	
202486	Best Western Landing Hotel	240.00	
100666-2869	Best Western Landing Hotel	1,539.59	
100666-6719	Best Western Landing Hotel	896.78	
BLUE201309	Blue Water Charter & Tackle	725.00	
BLUE201310	Blue Water Charter & Tackle	725.00	
2013433	Box-It LLC	110.00	
2013517	Box-It LLC	110.00	
11410	Buness Electric LLC	-	1,950.00
5604234	Cisco WebEx LLC	49.00	
5648653	Cisco WebEx LLC	49.00	
35456	Commonwealth Associates, Inc.	4,992.00	
35908	Commonwealth Associates, Inc.	2,337.67	
36014	Commonwealth Associates, Inc.	8,798.40	
52300	Daily Journal of Commerce	880.00	
3278248	Daily Journal of Commerce	83.60	

SOUTHEAST ALASKA POWER AGENCY DISBURSEMENTS

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
9696	DHittle & Associates, Inc.	860.00	
9698	DHittle & Associates, Inc.	3,123.25	
9755	DHittle & Associates, Inc.	7,355.70	
201355	Diversified Diving Service	9,856.00	
906	Dryden & LaRue Inc.	612.00	
1356	Dryden & LaRue Inc.	364.00	
1010	Electric Power Constructors	1,795.25	
1224	Electric Power Constructors	12,243.55	
899	Electric Power Systems Inc.	-	11,498.00
AKKET4979	Fastenal	498.87	
H13470-00 FY13	Federal Energy Regulatory Commission	47,334.99	
H13486-00 FY13	Federal Energy Regulatory Commission	10,783.73	
H13486-00 FY13	Federal Energy Regulatory Commission	32,351.04	
783	Fiber Fusion	-	102,267.87
786	Fiber Fusion	-	27,769.00
MK139744	Futaris	-	14,790.00
MK139756	Futaris	-	1,250.00
MK139757	Futaris	-	300.00
MK139757	Futaris	-	-
MK139764	Futaris	-	2,441.45
MK139765	Futaris	-	2,324.25
50803812	GCI 99001	345.06	
59223986	GE Capital	595.00	
59237374	GE Capital	140.00	
59397071	GE Capital	140.00	
59398707	GE Capital	595.00	
90136127903	GE Capital	110.05	
90136127909	GE Capital	23.07	
3095	I Even Do Windows	300.00	
3096	I Even Do Windows	300.00	
10380	JobMatch LLC	795.00	
98870	Jud's Office Supply	96.66	
98945	Jud's Office Supply	21.32	
99106	Jud's Office Supply	13.03	
99205	Jud's Office Supply	91.36	
EShaySign	Kayhi	350.00	
13483	Ketchikan Autobody & Glass	-	5,000.00
93387108	Ketchikan City of 334	12.50	
28027	Ketchikan Daily News	-	46.85
28028	Ketchikan Daily News	-	53.00
28074	Ketchikan Daily News	57.05	
28249	Ketchikan Daily News	61.15	
KDN201308	Ketchikan Daily News	800.25	
18989	Ketchikan Gateway Borough	100.00	
KGB201309	Ketchikan Gateway Borough	3,737.25	
KGB201310	Ketchikan Gateway Borough	3,737.25	
KPUT201308	Ketchikan Public Utilities 2417	801.65	
KPUT201309	Ketchikan Public Utilities 2417	838.66	
8168	LK Storage	123.54	
LK201309	LK Storage	304.20	
LK201310	LK Storage	452.40	
8203771	Madison Lumber & Hardware Inc	-	70.62
8267401	Madison Lumber & Hardware Inc	-	17.98
388722	Marsh USA Inc.	174,228.00	

SOUTHEAST ALASKA POWER AGENCY DISBURSEMENTS

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
388723	Marsh USA Inc.	150,816.87	
288842396716	Marsh USA Inc.	7,400.00	
288846127732	Marsh USA Inc.	24,619.00	
288846726020	Marsh USA Inc.	93,096.61	
3071	McMillen, LLC	-	12,375.00
3290	McMillen, LLC	-	4,196.25
3291	McMillen, LLC	861.00	
3295	McMillen, LLC	1,036.50	
3300	McMillen, LLC	780.00	
3301	McMillen, LLC	5,376.50	
3302	McMillen, LLC	11,813.77	
3349	McMillen, LLC	-	2,659.75
2790	Misty Fjords Air	2,070.00	
2803	Misty Fjords Air	2,001.00	
MKC201307	Morris Kepler Consulting	3,566.65	1,011.56
MKC201308	Morris Kepler Consulting	8,468.42	18,009.81
330359	Northland Services	-	15.01
331757	Northland Services	-	51.17
331933	Northland Services	-	833.00
339139	Northland Services	-	824.67
343078	Northland Services	47.60	
346056	Northland Services		300.27
13088046	NRECA 775670 RSP	25,039.08	
13088046A	NRECA 798330 RSP Admin	428.15	
13098046A	NRECA 798330 RSP Admin	428.15	
76753	Pacific Airways Inc	-	1,000.00
54112	Pilot Publishing, Inc.	54.00	
54195	Pilot Publishing, Inc.	378.00	
54324	Pilot Publishing, Inc.	-	91.13
54349	Pilot Publishing, Inc.	57.38	
Subscription	Pilot Publishing, Inc.	60.00	
145693	Powell Electrical Systems		9,610.00
127199	Promech Air	-	2,790.00
129683	Promech Air	-	1,350.00
129937	Promech Air	-	2,257.50
1575	PSSA LLC	-	2,123.75
506	Ray Matiashowski & Assoc.	4,000.00	
513	Ray Matiashowski & Assoc.	4,000.00	
8649	RdM Pilot Guide Ltd	607.50	
7291	Reid Brothers Logging & Construction	23,800.00	
719153	Satellite & Sound Inc	1,659.00	
911152	Satellite & Sound Inc	1,659.00	
807050304A	Scandia House Hotel	110.00	
40478534116	Schweitzer Engineering Laboratories		43,498.36
40478534328	Schweitzer Engineering Laboratories		863.72
40478535150	Schweitzer Engineering Laboratories		2,831.83
314565	SE Business Machines	406.00	
314609	SE Business Machines	47.80	
314622	SE Business Machines	47.90	
INV130630	Segrity LLC	-	9,875.00
INV130731	Segrity LLC	-	13,556.47
5566922511	Siemens Industry Inc	-	8,443.10
4568	Southeast Conference	255.00	
51225	Sunrise Aviation Inc	-	285.00

SOUTHEAST ALASKA POWER AGENCY DISBURSEMENTS

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
51305	Sunrise Aviation Inc	1,660.00	
51319	Sunrise Aviation Inc	-	180.00
51322	Sunrise Aviation Inc	-	1,220.00
51333	Sunrise Aviation Inc	-	1,724.00
51338	Sunrise Aviation Inc	-	715.00
51346	Sunrise Aviation Inc	95.00	
51365	Sunrise Aviation Inc	-	840.00
51371	Sunrise Aviation Inc	-	420.00
51372	Sunrise Aviation Inc	-	420.00
51373	Sunrise Aviation Inc	-	420.00
51383	Sunrise Aviation Inc	840.00	
51397	Sunrise Aviation Inc		420.00
51398	Sunrise Aviation Inc		720.00
26298	Taquan Air	467.45	467.45
26451	Taquan Air	233.73	233.73
26629	Taquan Air	-	1,233.00
26669	Taquan Air	233.73	233.72
26673	Taquan Air	467.45	
26680	Taquan Air	-	934.90
TIE201309	Tek Indoor Environmental		1,947.52
S1108456001	Technical Marketing Mfg., Inc.	-	48,444.18
42404	TekMate Incorporated	125.00	
42639	TekMate Incorporated	2,100.00	
2013 Q4	TekMate Incorporated	154.15	
TEK201310	TekMate Incorporated	2,100.00	
26858	Temsco Helicopters, Inc.	-	1,813.80
26919	Temsco Helicopters, Inc.	3,852.70	
26937	Temsco Helicopters, Inc.	-	3,476.80
26947	Temsco Helicopters, Inc.	-	5,961.80
26969	Temsco Helicopters, Inc.	-	3,810.00
26998	Temsco Helicopters, Inc.		3,769.23
26999	Temsco Helicopters, Inc.		8,683.25
27001	Temsco Helicopters, Inc.		14,081.88
27002	Temsco Helicopters, Inc.		3,911.20
50705565	Tetra Tech Inc	-	2,911.09
50705567	Tetra Tech Inc	-	1,390.85
50705568	Tetra Tech Inc	8,209.84	
50705569	Tetra Tech Inc	-	33,898.95
50712991	Tetra Tech Inc	-	320.95
50712997	Tetra Tech Inc	-	386.95
50712998	Tetra Tech Inc	14,296.05	
50712999	Tetra Tech Inc	-	2,431.60
13893	TexRus	2,000.00	
TBPA201306	Thomas Bay Power Authority	-	659.98
TBPA201308	Thomas Bay Power Authority		751.49
11901131860713	Thomson, JoMarie	890.20	
FM5K8B89EGA2325	Titus-Will Ford	-	30,232.00
132017	Tongass Engineering	-	4,368.75
132018	Tongass Engineering	-	4,974.38
132034	Tongass Engineering	1,758.75	
132035	Tongass Engineering	787.50	
9828E9178	Travelers	260.00	
K39322	Tyler Rental, Inc.		578.29
12447	Warren, McVeigh & Griffin, Inc.	7,990.22	

SOUTHEAST ALASKA POWER AGENCY DISBURSEMENTS

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
WF201308	Wells Fargo Bank-Corporate Trust	113,238.87	
WF201309	Wells Fargo Bank-Corporate Trust	113,238.87	
46690	Wesco Distribution	5,542.50	
46691	Wesco Distribution	1,148.30	
2670-201307	Wrangell City of	-	11.77
80237	Wrangell Oil Inc		498.70
80364	Wrangell Oil Inc		527.13
80371	Wrangell Oil Inc		696.85
54099	Wrangell Sentinel	44.00	
54268	Wrangell Sentinel	308.00	
54314	Wrangell Sentinel	-	74.25
54353	Wrangell Sentinel	46.75	
	Employee Reimbursement	761.41	2.11
	Bank of America Credit Card	27,852.34	3,332.44
		1,057,566.11	730,199.85
Total Disbursements		\$1,787,765.96	

Southeast Alaska Power Agency

CEO Report

DATE: October 9, 2013
TO: SEAPA Board of Directors
FROM: Trey Acteson, CEO

LEGISLATIVE AFFAIRS

Swan Lake Reservoir Expansion: We continue to dedicate significant time and resources in our effort to secure State funding support for this important project. The City of Ketchikan and Ketchikan Gateway Borough have voted to make this their #1 community priority. Unfortunately, the City of Saxman has diverged from the Executive Lobbying Committee process so it will be brought forward to the Governor's office without their support (see, Attachment 1). We are using a multi-pronged approach to maximize our opportunity for funding success. Certainly our best path for funding is inclusion into the Governor's budget. We've already met directly with Governor Parnell on this issue and continue to pursue this avenue through additional outreach to his office. Secondly, we will again pursue submission directly into CAPSIS as another path to get our project into the capital budget. Lastly, as approved in our Special Meeting on September 16, SEAPA has submitted a \$4MM request under Round VII of the Renewable Energy Grant Fund Program. As previously noted, this is the maximum request we qualify for under this program. It is important that we continue to promote the project publicly and keep it at the forefront with key decision makers that will ultimately impact the final outcome.

Southeast Conference: I attended S.E. Conference's annual meeting in September and presented a SEAPA update on current projects and initiatives. The presentation was well received and showcased the recent successful weir installation at Tyee. The Alaska Energy Authority also presented at this event and publically recognized SEAPA's regional hydrosite analysis initiative and our Request for Offers process. This type of exposure bolsters SEAPA's credibility and helps to underpin legislative financial support.

During the annual meeting I networked with power industry leaders and we agreed to re-establish a Southeast Alaska Utility Managers Forum to address issues of common interest. The first topic will likely be mutual aid agreements, which could reach beyond the confines of Southeast. A companion component to the proposed mutual aid agreements will be identification of major capital spares and resources that could be made available on a temporary basis to assist in system restoration. I would like to encourage our member utilities to consider compiling a list prior to February 2014 in advance of a Manager's Forum which will likely take place in Juneau during the annual APA legislative fly-in.

Southeast Conference released their report on "Southeast Alaska by the Numbers" comparing 2010 to 2012. There were significant findings in many sectors of our region and I highly recommend you take a few minutes to read the report. As long-range planners, it's important that we stay apprised of demographic changes, economic indicators, and their potential impact

Southeast Alaska Power Agency

to our industry. I have listed a few of the standout statistics below and the full report can be viewed on the Southeast Conference website at <http://www.seconference.org/>.

1. The regional population increased by 2,800 people to a record high of 74,423.
2. The labor force increased by 1,800 jobs. Government jobs are down and the private sector is up.
3. There were 279 new mining jobs created - an increase of 50%. However, falling commodity prices forecast a downward trend.
4. The number of residents over the age of 60 increased by 16%.
5. Average daily volume in TAPS was down 12%. This is significant because oil revenues fund State capital projects.
6. Timber harvest was down 16%.
7. Cruise ship passengers were up 13%. Related jobs were up by 400, resulting in a 7% increase.
8. Fish harvest reports indicate 2013 is going to be one for the record books. Increased fish processing clearly had a significant impact on sales in our industry this year.

Alaska Power Association (APA) - Annual Meeting: I attended the APA's annual meeting in Girdwood during the last week in September. SEAPA has a seat on the Board of Directors of the APA, which is our statewide trade association. One issue that rose to the top during various discussions was ongoing lawsuits with Independent Power Producers (IPP's) attempting to sell into the Railbelt grid. In short, it appears some IPP developers up north are attempting to shift their project risk onto the backs of the established local utilities and their ratepayers. It was also highlighted that there is growing pressure to create legislation to standardize rules for integration of IPP's in Alaska and it could redefine "avoided energy cost" which enables utilities to recover their ancillary services as IPP's sell into the system. Although this wouldn't immediately affect SEAPA, it could negatively impact our ratepayers down the road. Clearly a "one size fits all" approach will not work due to the high variability in PSA contracts and system integration challenges throughout the state. We will continue to monitor this issue as it unfolds.

During the APA annual meeting I was introduced to Lieutenant Governor Mead Treadwell. Unfortunately, he had to leave for another engagement, but it did provide a placeholder for a follow-up meeting at a more strategic time. I also had the opportunity to speak directly with Senator John Coghill, Senate Minority Leader and In-State Energy Committee Co-Chair. The Senator and I discussed Swan Lake Reservoir Expansion project details and funding needs. We also discussed energy development challenges facing Southeast Alaska. He is a strong advocate for the power industry and understands the challenges in rural Alaska. Additionally, I was able to familiarize Senator Bill Wielechowski with the Swan Lake Project and our funding needs.

During the APA Board Meeting there was interest in SEAPA hosting the 2015 conference in Ketchikan. This would be a great opportunity to showcase local projects and energy issues in our region. It would also bring economic benefit and could be timed with the slowdown at the end of the tourist season. I will pursue this further if there is no objection from the Board. Copper Valley Electric Association is going to host next year's event in Valdez.

National Hydro Association (NHA) - Annual Regional Meeting: This meeting was tagged onto the end of APA's meeting and focused on hydro issues on the Federal level. They reported a notable shift in Washington D.C. with regard to hydropower and showcased two recent pieces of bipartisan legislation that passed through the Senate with unanimous consent.

Southeast Alaska Power Agency

They also swept through the House with little to no opposition. The Hydropower Regulatory Efficiency Act (H.R. 267) and the Bureau of Reclamation Small Conduit Hydropower Development and Rural Jobs Act (H.R. 678), although not immediately impactful to SEAPA, may provide relief in the future. For example, H.R. 267 provides flexibility for a 2 year extension of a preliminary permit beyond the initial 3 year period if the permittee is actively pursuing a project in good faith.

SEC. 5. FERC AUTHORITY TO EXTEND PRELIMINARY PERMIT PERIODS.

Section 5 of the Federal Power Act (16 U.S.C. 798) is amended--

(1) by designating the first, second, and third sentences as subsections (a), (c), and (d), respectively; and

(2) by inserting after subsection (a) (as so designated) the following:

‘(b) The Commission may extend the period of a preliminary permit once for not more than 2 additional years beyond the 3 years permitted by subsection (a) if the Commission finds that the permittee has carried out activities under such permit in good faith and with reasonable diligence.’ (Emphasis added.)

Roadless Rule: SEAPA continues to push for an Alaska exemption for the Roadless Rule. While in Girdwood I questioned why the NHA had not taken a formal position on the issue. My impression from the crowd’s response was that most people thought they already had. At my request they agreed to move the issue forward and propose a position statement. This will be another tool that we can use at the Federal level to add credence to our push for an Alaska exemption. Additionally, Staff recently forwarded information to Senator Mark Begich’s Office (at their request) detailing Roadless Rule cost impacts for constructing, operating, and maintaining generation and transmission facilities in our region.

BEST PRACTICES AND PROCESS IMPROVEMENTS

SEAPA’s policy and procedures handbook is under review and being red-lined with recommended updates. This guiding document is a carry-over from the FDPPA and it is necessary to bring it up-to-date. As authorized by the Board, AterWynne has been issued a task order to facilitate this effort. Joel will provide further comment at the meeting.

Winston Tan, of Intandem LLC, is scheduled to provide a presentation at the December 17 Board meeting detailing the development of a structured compensation plan for the SEAPA organization. This is an important business process improvement that will provide a framework for the future.

As part of our insurance RFP and coverage review due diligence, we requested a risk assessment be performed at each of our hydro facilities. This task was completed in September and I am pleased to report there were no significant new findings. The results reaffirm that we are maintaining our facilities to a high standard and mitigating risk factors appropriately.

RECRUITMENT

Staff is happy to report that we have successfully recruited and hired a very qualified Administrative Assistant. Rachel Guyselman’s first day on the job was September 23rd and she has quickly adapted to her new position. Her strong financial and front office experience is a great fit for the SEAPA team.

Southeast Alaska Power Agency

Recruitment for our posted engineer position is ongoing and we have short-listed the current applicant pool. Interviews are forthcoming.

KAKE – PETERSBURG INTERTIE PROJECT (KPI)

The KPI Steering Committee met while we were in Sitka attending Southeast Conference's annual meeting. This allowed committee members to minimize travel expenses and provided a timely opportunity for us to discuss escalating KPI construction estimates. Senator Lisel McGuire joined us during the roundtable and was very engaged in the discussion. She listened intently as we highlight the negative impact of the Roadless Rule on generation and transmission projects. The Senator is very involved in power industry issues and is familiar with SEAPA's regional initiatives. We have attached a copy of the KPI update and meeting summary (Attachments 2 & 3).

THOMAS BAY POWER AUTHORITY (TBPA) O&M CONTRACT

I traveled to Wrangell on September 10th and participated in a joint work session with the Petersburg Borough and City and Borough of Wrangell. This was a productive meeting in which I presented a PowerPoint update of recent SEAPA activities and introduced our new Community Flyer. I explained that it will be distributed in conjunction with our Board meetings to help facilitate a better feedback loop to our member community governing bodies. Next we reviewed all TBPA issues and possible solutions that were outlined in my August 19, 2013 memorandum addressed to the President of TBPA (Attachment 4). Following that discussion, Mayor Jensen of Petersburg indicated that they would be bringing the issue before their assembly and would vote on the future of TBPA. This meeting occurred on September 27 in Petersburg and we have attached the resolution that was unanimously passed (Attachment 5). The Wrangell Assembly took up the issue during their September 24th meeting, but did not emerge with a definitive result. Rather, they gave guidance to the Interim City Manager to draft questions and acquire appropriate legal counsel to advise them on the matter. I listened to the 2.5 hours of audio from the September 24th Wrangell Assembly meeting and was appalled at the level of misinformation being provided during public comment. In response, I sent a memorandum to Mayor Jack of the City and Borough of Wrangell clarifying several issues and providing factual information to allow them to make informed decisions as they move forward (Attachment 6). The Wrangell Assembly held a subsequent meeting on October 8th and clarified the questions for which they would be seeking legal clarification. They include:

1. Does SEAPA have the legal right to deny administrative costs (secretary and accounting) from the O&M operating budget?
2. Are Wrangell and Petersburg both entitled to 50% of the power coming out of the Tyee Hydro Project?

The City of Ketchikan has experienced similar challenges with misinformation regarding the TBPA. On August 29th I sent Mayor Williams of the City of Ketchikan a memorandum (Attachment 7) addressing an unsolicited letter distributed to the Ketchikan City Council by KPU's Electric Division. The information cited by KPU's Electric Division was very misleading, failed to factor in critical information, and falsely stated there was going to be a one-time charge to KPU ratepayers.

Southeast Alaska Power Agency

WHITMAN TRUE-UP

SEAPA's is waiting for KPU to provide edits to our "Draft" True-up document that was forwarded to them following our last meeting on August 13th. KPU agreed to incorporate their suggested changes, redistribute, and then we would schedule a follow-up meeting. SEAPA strongly supports KPU's desire to integrate the Whitman Project into the regional generation mix and looks forward to completing a True-up Agreement to accomplish that objective.

FINANCIAL

Financial matters are addressed in a separate cover letter under the "Financial" tab in the Board packets.

Attachments:

- Attachment 1: Ketchikan Capital Project Requests to the Governor
- Attachment 2: KPI Community Flyer
- Attachment 3: KPI Steering Committee Meeting Minutes
- Attachment 4: SEAPA – TBPA Memorandum
- Attachment 5: Petersburg Borough Resolution #2013-21
- Attachment 6: SEAPA – City and Borough of Wrangell Memorandum
- Attachment 7: SEAPA – City of Ketchikan Memorandum



Ketchikan Gateway Borough Office of the Mayor
1900 First Avenue, Suite 115 907-228-6605
Ketchikan, Ak 99901

City of Ketchikan Office of the Mayor
334 Front Street 907-228-5658
Ketchikan, Ak 99901

October 8, 2013

Honorable Sean Parnell
Governor of Alaska
State Capitol Building 3rd Floor
Juneau, Ak 99801

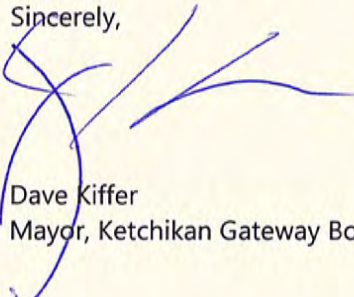
Dear Governor Parnell,

Ketchikan local governments worked together to compile the following priority list of improvement projects for the benefit of the Community of Ketchikan. This list places the top community projects in a priority order.

PROJECT DESCRIPTION	Funding Requested	Agency	Priority
SEAPA Swan Lake Reservoir Expansion Project	\$12,300,000	Ketchikan Gateway Borough / City of Ketchikan	1
Alaska Marine Highway Working Berth and NOAA Berth, Phase 2 of the Ward Cove Ferry Terminal and Layup Facility	\$13,725,000	Ketchikan Gateway Borough	2
Ketchikan Shipyard Land Level Berth II	\$3,000,000	Ketchikan Gateway Borough	3
OceansAlaska Hatchery Construction	\$2,400,000	Ketchikan Gateway Borough	4
Mahoney Lake Hydroelectric	\$800,000	City of Saxman	5
Ketchikan International Airport ADA Access and Infrastructure Improvements	\$2,621,140	Ketchikan Gateway Borough	6
Saxman Community Center Parking Lot: Phase I & II	\$557,740	City of Saxman	7
Sayles/Gorge Streets Viaduct Replacement	\$1,280,000	City of Ketchikan	8
Performing Arts Center	\$1,250,000	First City Players	9

The Community Legislative Priority List serves as the foundation of Ketchikan's attempt to move forward toward economic sustainability. The Ketchikan Gateway Borough and the City of Ketchikan request your favorable consideration of Ketchikan's priority projects for inclusion in your FY 2015 capital budget.

Sincerely,


Dave Kiffer
Mayor, Ketchikan Gateway Borough


Lew Williams
Mayor, City of Ketchikan

Greater Ketchikan Community Request for Fiscal Year 2015 State Funding for Swan Lake Reservoir Expansion Project

APPLICANT:

- **Applicant's name, address, telephone number, and email address**
Southeast Alaska Power Agency ('SEAPA')
1900 First Avenue, Suite 318, Ketchikan, Alaska 99901
P (907) 228-2281 | Email: tacteson@seapahydro.org
- **Federal Tax ID of applicant:** 92-0174669

GRANT RECIPIENT:

Same as above.

PROJECT DESCRIPTION:

Swan Lake Reservoir Expansion Project

Swan Lake is currently comprised of a concrete arch dam, 174' high and 430' long at its crest, which is located approximately $\frac{3}{4}$ mile downstream from the mouth of the original Swan Lake. SEAPA proposes a 15-foot lake raise, and a new reservoir level of 345 feet, raising the crest of the dam to 350 feet. SEAPA would install a 15-foot high Obermeyer gate system in the existing spillway to achieve the new maximum normal operating pool level of 345 feet. The intake structure would need to be raised to contain the maximum operating pool of 347 feet. This would require raising the concrete intake structure, relocating the gate hoist equipment, and increasing the gate lift shaft, depicted as follows:



Expected completion date of the project is mid-2016. Most required regulatory processes of the project are already complete with a final amendment of the Federal Energy Regulatory Commission (FERC) license to be submitted in January 2014 and FERC's amended license

**Request for Fiscal Year 2015 State Funding for
Swan Lake Reservoir Expansion Project**
Page 2

order anticipated by April 2015. The National Environmental Policy Act (NEPA) consultation is anticipated to take place from January 2014-February 2015.

PRIORITY RANK AMONG ALL KETCHIKAN AREA PROJECT PROPOSALS:

This project is ranked as the No. 1 Priority for the City of Ketchikan and the No. 2 Priority for the Ketchikan Gateway Borough.

Funding Plan

- **State the total project cost:** \$13,391,869.00
- **State funding already secured:** A portion of permitting and engineering costs up to a maximum of \$578,000.00 will be reimbursed using DCCED grant funds; this reimbursement will occur during SEAPA's Fiscal Year 2014 or 2015.
- **State the amount of the State funding request for this fiscal year:** \$12,330,519.
- **State the amount of funding available from other sources with an explanation where appropriate**
SEAPA is only eligible to request \$4 million from Round VII of the AEA Renewable Energy Fund; however, it is unlikely that amount will be received for this project due to grant funding project limits. Additionally, SEAPA has already contributed one and a half years of effort and \$571,000 on this project.
- **State whether the request is a one-time project or if additional State funding is expected to be requested in the future**
This is a one-time project.

ONGOING OPERATION AND MAINTENANCE:

Insert the name of the entity responsible for the ongoing operation and maintenance of this project.

Southeast Alaska Power Agency through its contractor and member utility, Ketchikan Public Utilities.

DETAILED PROJECT DESCRIPTION AND JUSTIFICATION:

- **Infrastructure:** If the project addresses public infrastructure, provide details.
The project enhances the storage capacity of the dam benefiting the public in that it: (1) directly contributes to increasing regional hydro storage capacity, which was identified as a priority in the Southeast Alaska Integrated Resource Plan (SEIRP); (2) displaces up to 12,000 MWhs of winter diesel generation, which equates to a reduction of 800,000 gallons of diesel fuel annually; (3) Swan Lake is interconnected to the communities of Petersburg, Wrangell, and Ketchikan; the additional storage adds operational flexibility that benefits the entire

**Request for Fiscal Year 2015 State Funding for
Swan Lake Reservoir Expansion Project**
Page 3

region; (4) it will shift summer spill to offset winter hydro generation; (5) provides additional storage for future longer-term projects; and, (6) maximizes the value of an existing hydro project.

- **Private Sector Tools:** If the project provides tools to support private-sector growth and development, explain how it will accomplish that end. If not, delete this subsection.

Delivery of renewable and reliable energy promotes existing and future private sector growth and development. Hydro will provide additional abundant and affordable power, which is the cornerstone of economic development.

- **Investment in Future:** If the project is an investment in the future of the greater community of Ketchikan, provide details.

Swan Lake is interconnected to the communities of Petersburg, Wrangell, and Ketchikan; the additional storage adds operational flexibility that benefits not only Ketchikan, but the entire region and displaces up to 12,000 MWhs of winter diesel generation, which equates to a reduction of 800,000 gallons of diesel fuel annually. This project anticipates 100 years of benefit to the communities as it represents an estimated cost savings of \$2,752,000 at the current diesel rate of \$3.44 gallon (2013 fuel prices, which are expected to escalate in the future.)

- **Support for Essential Services:** If the project will aid in the delivery of essential public services, please describe how it will do so.

Affordable electric power is an indispensable resource that aids in the delivery of power to hospitals, schools, fire stations, and other public services in the interconnected region. SEAPA views the rendering of affordable, renewable energy to support essential public services as a necessary and public responsibility. Hydropower is an essential contributor in the power grid because of its ability to respond quickly to rapidly varying loads or system disturbances. Abundant water and steep terrain have made hydroelectric power the natural, affordable choice for Southeast energy needs, and is Alaska's largest source of renewable energy. Generation of electricity in Southeast is either by renewable hydro or by non-renewable and expensive, polluting diesel generation. Increasing the storage capacity at the Swan Lake facility will displace up to 12,000 MWhs of winter diesel generation, which equates to a reduction of 800,000 gallons of diesel fuel annually. These favorable characteristics make hydroelectric projects attractive sources of electric power for essential public services.

SE Region - Marine Engineering

Project Cost Estimate

PROJECT NUMBER: 70006

PROJECT TITLE: KTN Ward Cove Ferry Terminal and Layup Facility

Phase 1A: Design, Permitting & Dredging & Uplands Development

Task No.	Description	Estimated Start Date	Estimated No Days	Estimated Completion Date	Estimated Cost
	Project Development				
1	Geotechnical & Bottom Explorations & Report	9/1/2013	30	10/1/2013	\$250,000
2	Environmental Permitting (All)	9/1/2013	120	12/30/2013	\$100,000
3	Engineering Design (Primary Uplands and Marine Facilities)	9/1/2013	240	4/29/2014	\$600,000
	Construction - Dredging & Upland Development				
4A	Offshore Dredging (Remove Bolles Ledge)	7/13/2014	240	3/10/2015	\$4,000,000
4B	Upland Development (Demolition & removal, riprap slope, grading, sewer, water & electrical utilities)	7/13/2014	240	3/10/2015	\$2,000,000

Total Phase 1 Cost = \$6,950,000

Phase 1B: Marine Facilities (AMHS Working Berth & NOAA Berth)

Task No.	Description	Estimated Start Date	Estimated No Days	Estimated Completion Date	Estimated Cost
	Project Development				
1	Engineering Design (Final PSE Documents)	XX	180	XX	\$300,000
2	Environmental Permitting (Permit Mods if Req'd)	XX	180	XX	\$50,000
	Construction - Marine Facilities				
3	Marine Facilities (AMHS & NOAA Berth)	XX	360	XX	\$19,000,000

Total Phase 2 Cost = \$19,350,000

Phase 1C: Terminal Building, Passenger Amenities & Uplands Paving

Task No.	Description	Estimated Start Date	Estimated No Days	Estimated Completion Date	Estimated Cost
	Project Development				
1	Engineering Design (Final PSE Documents)	XX	180	XX	\$350,000
	Construction - Terminal Building				
2	Terminal Building	XX	360	XX	\$850,000
3	Uplands Paving & Lighting	XX	360	XX	\$1,500,000

Total Phase 2 Cost = \$2,700,000

Project Totals (All Phases) = \$29,000,000



KETCHIKAN GATEWAY BOROUGH

1900 First Avenue, Suite 210, Ketchikan, Alaska 99901

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

Office of the Borough Manager

September 9, 2013

The Honorable Sean Parnell
Governor
State of Alaska
PO Box 110001
Juneau, AK 99811-0001

RE: AMHS/NOAA Layup Facility at Ward Cove – FY 2015 Capital Budget

Dear Governor Parnell:

This letter requests that you include \$13,725,000 in your FY 2015 State Capital Budget proposal for the Alaska Marine Highway/NOAA layup facility at Ward Cove.

The Ward Cove project was discussed when you met with local officials in Ketchikan on August 26. During that meeting we noted that the Ward Cove project is ranked #1 by the Ketchikan Gateway Borough Assembly for FY 2015 State capital project funding.

The Ward Cove project is ranked #2 overall by representatives of all three Ketchikan area local governments (the \$12.3 million Swan Lake Reservoir Expansion Project was ranked first). Both the Swan Lake and Ward Cove projects are vitally important for local jobs and economic development.

On September 4, I met with DOT&PF Commissioner Kemp, Deputy Commissioner Yost, and AHMS Director Captain Falvey regarding the Ward Cove project. It was a very positive meeting during which DOT&PF officials demonstrated their support for the Ward Cove project. The DOT&PF officials provided a copy of the recently completed 157-page project feasibility study outlining the project.

Not only is the Ward Cove project critical to Ketchikan, it serves the interests of the State of Alaska. The project consolidates AMHS facilities and operations headquartered at Ward Cove, resulting in greater efficiencies. It also fulfills AIDEA's contractual obligations for functional replacement of properties being transferred for expansion and development of the Ketchikan Shipyard. Additionally, it provides homeport facilities for the NOAA ship *Fairweather*. All of these characteristics mean more jobs and greater economic development for our community.

Ketchikan officials are keenly aware of the fiscal challenges facing the State, and that FY 2015 State Capital project funding will be tougher to come by than it has been in years past. As you

and your staff choose the particular projects to be included in your budget proposal, please consider the degree to which citizens of the Ketchikan already invest their own resources when it comes to local services and facilities.

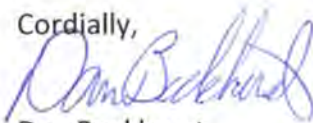
For example, the current debt load for public facilities incurred by Ketchikan area local governments is approximately \$140 million. In a matter of weeks, Ketchikan voters will be voting on a proposition to add \$43 million in debt for improvements to Ketchikan's hospital.

Further, the Ketchikan Gateway Borough carries out a number of essential services on behalf of the State of Alaska. For example, as one of 34 municipal school districts in Alaska, the Ketchikan Gateway Borough spends approximately \$10 million in local funds for schools annually. This contrasts with 19 of Alaska's 53 districts – some of which have greater fiscal capacity than Ketchikan – which rely exclusively on State and federal funding. Another example is the Ketchikan International Airport, the only State-owned airport in Alaska that is operated by a local government. The Borough relieves the State of a \$5 million dollar annual burden of operating the fifth busiest airport in Alaska.

Moreover, Ketchikan local governments provide approximately \$1 million annually in financial support for the Ketchikan Shipyard. The Ketchikan Gateway Borough also recently granted \$2.5 million in unrestricted funds to the City of Ketchikan for construction of the Whitman hydroelectric project, and provided some \$1.5 million in other funds to the City for additional infrastructure (drive down dock and transportation facilities).

As you and others craft your FY 2015 budget proposal, we ask you to consider the importance of the Swan Lake and Ward Cove projects that serve both State and local interests. Additionally, consideration of Ketchikan's willingness to take local responsibility for facilities and services will hopefully reflect positively on this request.

Cordially,



Dan Bockhorst

Borough Manager

cc: Mayor and Assembly, Ketchikan Gateway Borough
Michael Nizich, Chief of Staff, Office of the Governor
Karen Rehfeld, Director, Office of Management and Budget
Theodore Leonard, Executive Director, AIDEA
Pat Kemp, Commissioner, DOT&PF
Reuben Yost, Deputy Commissioner, DOT&PF
Captain John Falvey, Director, AMHS

Greater Ketchikan Community Request for Fiscal Year 2015 State Funding for Ketchikan Shipyard – Land Level Berth #2

APPLICANT:

Alaska Industrial Development & Export Authority (AIDEA) Point of Contact

813 West Northern Lights Blvd
Anchorage, AK 99503-2496
Attn: Mr. James Hemsath
Telephone: (907) 771-3040
Email: jhemsath@aidea.org
Federal Tax ID: 92-6001185

Alaska Ship & Drydock Point of Contact:

3801 Tongass Avenue
Ketchikan AK 99901
Attn: Doug Ward
Telephone: (907) 228-5302
Mobile: (907) 617-4726
Email: doug.ward@akship.com

GRANT RECIPIENT:

Alaska Industrial Development & Export Authority (AIDEA) – Same as applicant

PROJECT DESCRIPTION:

Ketchikan Shipyard (KSY) – construct an open air Land Level Berth #2: \$3,000,000

Currently Dry Dock #2, Land Level Berth #1, and the Assembly Hall are arranged in a linear configuration requiring Land Berth #1 to be clear of all work in order to launch ships from the Assembly Hall or recover ships for maintenance.

Construction of the new adjacent, open air Land Level Berth will provide repair and outfitting capacity that will not need to be interrupted during ship launch or recovery operations. An open air, Land Level Berth 2 will assist in side by side ferry construction as will be required to support the AMSH Day Boat –



Request for Fiscal Year 2015 State Funding for Ketchikan Shipyard – Utilization Improvements: Page 2

ACF, the Tustumena Replacement Ferry and commercial shipbuilding opportunities.

A significant portion of the work required to establish Land Level Berth #2 is the relocation of the primary electrical power substation that is currently located in the middle of the proposed Berth #2 foot print. The transformers and switch gear making up the substation have reached the end of their useful life and require replacement in the near future. Relocating and updating the equipment in this substation will achieve several shipyard development goals:

- Make way for establishing a Land Level Berth #2
- Modernize switching, transforming, and metering functions within the substation,
- provide for more accurate metering
- mitigate negative impacts on the utility, and
- provide more efficient distribution of energy within the yard.

PRIORITY RANK AMONG ALL KETCHIKAN AREA PROJECT PROPOSALS:

This project is ranked as the No. 3 Community Priority.

FUNDING PLAN

No other funding has been secured for this project nor are there other funding sources available. This project will increase the utilization of existing infrastructure and increase the volume of work that can be performed at the KSY. Future capital requests are expected to complete build out of the 2012 Shipyard Development Plan.

The municipalities of Ketchikan support development of the KSY at nearly \$1.0 million per year through the provision of competitive electrical rates and tax relief related to AIDEA owned real and personal property as stipulated by a 30 year Memorandum of Understanding between AIDEA, the City and Borough of Ketchikan, and KPU.

ONGOING OPERATION AND MAINTENANCE:

The Ketchikan Shipyard real and personal property including property, buildings, and major equipment (dry docks) are owned by AIDEA. Alaska Ship & Drydock (ASD) operates and maintains the shipyard through an Operating Agreement with AIDEA. The Agreement stipulates ASD pay into an AIDEA managed Repair and Replacement (R&R) Fund through Revenue Sharing as stipulated in the long term Operating Agreement between AIDEA and ASD. ASD has paid \$300,000, on the average, per year into the R&R fund since 2008.

DETAILED PROJECT DESCRIPTION AND JUSTIFICATION:

Deferred Maintenance: The existing KSY electrical substation has been in service since the yard opened in 1987, 26 years ago, and with significantly smaller electrical loads. The electrical substation has reached the end of its useful life. Relocation of upgraded substation equipment will facilitate build out of the KSY development plan and provide equipment sized for newly installed capacity at the yard.

Transportation: The Ketchikan Shipyard supports local, state, and federal marine transportation infrastructure through the building of new and maintenance of existing ferries, work boats, barges, fishing vessels, US Coast Guard Cutters, off shore oil and gas support vessels, and oil spill response assets. Ketchikan Airport Ferry, Inter-Island Ferry, AMHS)

Infrastructure: The Ketchikan Shipyard is owned by AIDEA. AIDEA's public purpose is to increase job opportunities and otherwise to encourage the economic growth of the state, including the development of its natural resources, through the establishment and expansion of manufacturing, industrial, energy, export, small business, and business enterprises.

Public Safety: The Ketchikan Shipyard reduces threats to Safety Of Life At Sea (SOLAS) and threats to the marine environment by providing regionally available ship repair capacity for stricken vessels.

Private Sector Tools: The State-owned KSY is operated by ASD/Vigor under a long term Operating Agreement with a goal of attracting new private investment. Purchase of ASD by Vigor is new investment in the state. With AMHS located in Ward Cove and establishing lay-up berths for both AMHS ferries and NOAA vessels, Ketchikan's marine vendor base will grow through expansion of existing businesses and attraction of new firms.

Investment in Future: Marine and industrial activity in Alaska is projected to grow in response to demand for modern ferries; fishing vessel replacement; off-shore oil and gas, energy, and natural resource exploration and development opportunities. The KSY industrial facilities will support these growing industry sectors.

Greater Ketchikan Community Request for Fiscal Year 2015 State Funding for OceansAlaska Shellfish Hatchery Construction

APPLICANT:

- OceansAlaska, P.O. Box 6383, Ketchikan, AK. 99901,
- email: tomhenderson@oceansalaska.org

GRANT RECIPIENT:

OceansAlaska

PROJECT DESCRIPTION:

- Shellfish Hatchery Construction, Phase II
- Phase II hatchery will build upon the success of the current OceansAlaska (OA) mariculture facility to provide education, training, and support to the Alaska shellfish industry. This project will build a large facility capable of meeting the shellfish seed needs of the industry for the next 10 years, with room for expansion as the industry grows. Production will start with oysters and geoducks. The hatchery structure will have the functional flexibility to target production as needed, perhaps producing seed from scallops, abalone, sea cucumbers, and other species.
- The requested funds are to be used for design completion and construction of a shellfish hatchery located at mile 9.8 South Tongass Highway, Ketchikan
- Receive funds July 1, 2014
- Publish RFP for final design work by July 1, 2014
- Select engineering firm by August 15, 2014
- Designed and ready to bid by December 15, 2014
- Construction contractor selected and start construction by March 1, 2015
- Expected completion date: December 31, 2015
- Startup operations in new facility January 1, 2016

PRIORITY RANK AMONG ALL KETCHIKAN AREA PROJECT PROPOSALS:

Ranked #4 on August 30, 2013 by committee comprised of representatives of the Ketchikan Gateway Borough, City of Ketchikan, and City of Saxman

FUNDING PLAN

Total project cost: \$3,150,000

Funding previously secured: \$750,000 (pre-construction work already completed)

Amount of State funding requested for FY 2015: \$2,400,000.

No additional state funding for construction is anticipated.

ONGOING OPERATION AND MAINTENANCE:

OceansAlaska will be responsible for operation and maintenance of the facility once constructed

DETAILED PROJECT DESCRIPTION AND JUSTIFICATION:

OceansAlaska Shellfish Hatchery Construction: Economic Development for Ketchikan and Coastal Alaska

OceansAlaska's "Tipping the Balance" document presents information that illustrates the need and opportunity to increase the economic diversity of Alaska through the growth of mariculture. Key steps include the development of an organization for training; developing best practice culture techniques; and creating collaborative efforts with the small and large mariculture industry participants, educational institutions, and research organizations with focused activities to remove obstacles for this industries growth.

In the past several years through the efforts of dedicated staff and federal, State, Ketchikan Gateway Borough, and private funding, several of these steps have been achieved. A floating facility was constructed for development of successful mariculture techniques for both geoducks and oyster seed. At the same time the shellfish industry along the entire Pacific coastal area is facing serious constraints resulting from environmental changes, pollution, and increased demand for shellfish. OceansAlaska is proposing to build a land-based facility that has many advantages over other potential projects to remove barriers and constraints to mariculture growth in Alaska. This project will lead to long-term private sector jobs throughout Southeast Alaska, and numerous year-round jobs in Ketchikan. It will also provide desperately needed shellfish seed to the shellfish industry from California to Alaska.

The OceansAlaska project has tremendous economic development potential for Alaska. Shellfish production in Alaska – valued at approximately \$550,000 annually – has been largely stagnant for the past several years. The proposed OceansAlaska facility would supply the seed necessary for growth of the industry. There is every reason to believe that Alaska could exceed the production of the Washington state (in excess of \$100 million annually). Alaska has more shoreline, cleaner water, and no ocean acidification (or any indication that it will suffer acidification).

This project is essential for the development of the shellfish industry in Alaska. Ketchikan is an ideal location for a shellfish hatchery to serve the entire state. Ketchikan is the home of OceansAlaska with more than 50 acres of waterfront and tidelands along the Tongass Highway just south of Ketchikan. Favorable electrical utility rates make Ketchikan competitive with any location on the Pacific Coast. Southeast Alaska is already the largest oyster and geoduck farming region of Alaska.

Mahoney Lake Hydroelectric Project: Phase IV Construction

CITY OF SAXMAN SFY2015 CAPITAL REQUEST**MAHONEY LAKE HYDROELECTRIC PROJECT: PRECONSTRUCTION -- \$800,000**

Requesting Entity: City of Saxman, Alaska in partnership with Alaska Power & Telephone, and Cape Fox Corporation.

Contact: Jason Custer -- 907-225-1950 x 33 or jason.c@aptalaska.com

Priority Ranking: #1 Saxman Priority, #5 Ketchikan City/Borough Priority

Summary of Request: The City of Saxman seeks \$800,000 State investment in remaining pre-construction tasks for 9.6MW Mahoney Lake Hydroelectric project (FERC License P-11393):

1. Review Underlying Characteristics of Project
2. Economic, Financial, and Operational Review
3. Development Recommendations and Cost Estimate Update
4. Permit Review and Update (if Necessary)
5. FERC Final Design
6. Development of Power Sales Agreements

These activities are consistent with near-term investment recommendations of the Southeast Alaska Integrated Resource Plan (SEIRP) to support in activities which reduce “unknowns” for potential future hydroelectric projects. In SFY14, Saxman requested \$1m State investment to address the abovementioned scope of work, and received \$200,000. This SFY15 request proposes to cover the funding deficit of \$800,000, so that remaining pre-construction tasks can be completed.

Summary of Expenditures to Date:

Funding Source	State of Alaska	Alaska Power & Telephone	Cape Fox Corporation	Total
Funding Amount	\$200,000 (of \$1m required)	\$2,000,000	\$2,000,000	\$4,200,000
Years	SFY14	mid-1990s	mid-1990s	
Inflation Adjusted per BLS CPI	\$200,000	\$3,060,000	\$3,060,000	\$6,320,000
Tasks	Update conditions of project in preparation for construction.	Licensing and access road construction.	Licensing and access road construction.	

Completion Date: June 30th, 2015

Contact: Jason Custer

907-225-1950 x 33

jason.c@aptalaska.com

Mahoney Lake Hydroelectric Project: Phase IV Construction

Description: The 9.6MW Mahoney Lake project can provide an average of 41,743,000 KWH (41.7 aGWH) of power per annum. Approximately 17.9 aGWH of power is available between November and April as winter storage. (Source: FERC license P-11393). Alaska Power & Telephone (AP&T) conducted a September, 2013 cost estimate update for the project in association with a grant request to the Alaska Energy Authority, producing a current cost estimate of \$46m, +/- 20%, or approximately \$1,102 per average annual megawatt hour.

Key Advantages which make Mahoney Lake a prudent energy investment choice:

- \$4m of private investment to date (AP&T, Cape Fox Corporation).
- Prioritized within the Southeast Alaska Integrated Resource Plan
- FERC license has already been issued – a significant development risk / cost which would take 9+ years to repeat. Mahoney Lake is the only new hydropower project in southeast Alaska which has received its FERC license but is yet to be constructed.
- Highly attractive pricing of \$1,102 per aMWH (+/-20% uncertainty).
- Access roads are already constructed to the site of the project's powerhouse.
- Configured as an alpine lake-tap project which does not require construction of a dam. Penstock and powerhouse are underground. Minimal environmental footprint and safety concerns.
- <5 mile transmission line connection to regional grid via existing road corridors owned by Cape Fox Corporation.
- Development partner AP&T has over 50 years of experience as private sector Alaskan business engaged in ownership, development, and reliable operation of hydropower projects.
- Mahoney Lake offers an opportunity to partner with and transfer development risks to the private sector to meet regional energy needs and Statewide renewable energy goals.

Priority Ranking: #1 Saxman SFY15 Priority, #5 Ketchikan City/Borough Priority

Prioritized as a key investment need by: SE Conference, The Ketchikan Chamber of Commerce, Alaska Ship and Drydock, Congressman Don Young, Ketchikan Indian Community, The Ketchikan Gateway Borough, The City of Ketchikan, The Organized Village of Saxman, The City of Saxman, Alaska Native Brotherhood / Alaska Native Sisterhood, and more.

Project Partnership Structure: In the 1990s, Saxman, CFC, and AP&T formed a public private partnership to develop Mahoney Lake as a regional hydroelectric generation resource. The FERC license for the project is issued to the City of Saxman. CFC and AP&T each have 50% ownership of "Ketchikan Electric Company, LLC" (KEC) – a company formed to develop, own, and operate the Mahoney Lake project. KEC invested \$4,000,000 in the project in the 1990s, resulting in construction roads to the site of the project's powerhouse, and issuance of the project's license by FERC.

Private sector partners do not have any expectation of deriving a return on public monies invested in Mahoney Lake. The private sector will realize a duly authorized, regulated return on private investment only. State participation in this project will produce a higher level of public transparency and participation, and will produce a public return on public investment realized through lower energy

Mahoney Lake Hydroelectric Project: Phase IV Construction

costs to energy consumers; investment in clean, renewable energy supportive of State renewable energy goals; and reduced diesel fuel purchases and associated cash outflow from rural Alaska.

Overcoming a History of Market-Entry Challenges:

The State of Alaska has financed most commercial-scale transmission infrastructure in Alaska, yet has not provided sufficient oversight and assurances of market access for private enterprise (ex: the Swan-Tyee Intertie). Saxman, Alaska Power & Telephone, and Cape Fox Corporation believe that because infrastructure projects such as the Swan-Tyee Intertie are built at public cost using public monies, it is important that all members of the public have an equitable opportunity to utilize and benefit from these investments. Municipal governments, tribal entities, ANCSA Corporations seeking to realize the intended benefit of federal land conveyances, and tax-paying businesses are amongst those who should have equal opportunity for access and benefit.

The electrical utility market is further distorted by the State's proclivity to heavily subsidize development of generation projects undertaken by public/governmental utilities (ex: Ketchikan's Whitman Lake project), which encourages public/governmental utilities to bypass opportunities to partner with the private sector in favor of State grant awards. When State funds are used to finance much or all of the cost of public utility projects outright, and the private sector does not receive comparable investment and treatment within the same market region, public projects will always outcompete private sector options on an economic basis, and public-private partnership will remain an unutilized option of significant yet significantly impeded potential. It is the unfortunate reality that Alaska currently ranks last in the nation for private sector investment/participation in the electrical utility sector.

The Mahoney Partnership believes that ultimately, constructive interface between municipal utilities and independent power producers will provide significant public benefit, a free market business environment, more affordable rates, greater transparency, and better risk management... all at a lower public cost. Public funds are limited, and the State's ambitious goal of 50% renewable energy by 2025 can only be realized through an investment approach which supports, attracts, and encourages private investment.

In the 1990s, proponents of the Swan-Tyee Intertie successfully lobbied US Congress to place an unprecedented "stay" on Mahoney Lake's FERC license so that the intertie could be completed in advance of Mahoney, effectively hamstringing private renewable energy investment made in the project through the present day. Alaskan businesses deserve to have their investment protected from – not neutralized by – political decisions.

The Mahoney Lake partnership is encouraged by the State of Alaska's decision to allocate \$200,000 State Designated Legislative Grant funds to the project for SFY14, and strongly encourages the State to continue to support the pre-construction investment process by providing the balance of \$800,000 required to restore the value of private sector investment to date, and prepare Mahoney Lake for development in service to regional ratepayers.

**Greater Ketchikan Community
Request for Fiscal Year 2015 State Funding for
Ketchikan International Airport Infrastructure
Improvements**

APPLICANT:

Ketchikan Gateway Borough (Federal Tax ID Number 92-0084626)

GRANT RECIPIENT:

Ketchikan Gateway Borough

PROJECT DESCRIPTION:

Ketchikan International Airport is the fifth busiest State-owned airport in Alaska, behind Anchorage, Fairbanks, Juneau and Bethel. Of the 255 State-owned airports in Alaska, Ketchikan International Airport is the only one operated by a local government (the Ketchikan Gateway Borough).

FY 2015 State capital funding for the State-owned Ketchikan International Airport is sought for the following equipment and facilities:

\$200,000 ADA Access ramp to Seaplane Dock Priority #1

This ramp is too steep to meet applicable standards. The Airport has had some injuries on this ramp and had to cover medical costs in the past. The fix is to change the direction on the ramp and add another section. Allowing for a ramp for people to pull their luggage to the dock. The cost estimate is \$200,000.

\$750,000 Seaplane Pullout and Dock Repair Priority #2

The seaplane pullout ramp and the dock are beyond repair and cement ramp itself needs to be refurbished. The dock that leads out to the three plans haul-out is beyond repair. The electrical cables runs are routed inside the dock sections and have been non-operational for 8 years. The pullouts themselves are positioned in the wrong way and we need at least 5 or 6 instead of the three we have. The way they are positioned makes it difficult to pull a plane upon the ramp because of the current and the wind. The cost of this project will be around \$500,000 if we don't add more stalls and \$750,000 if we add 3 more and position them in the right direction.

\$324,720 for Brush Cutting Hoe Priority #3

FAA requires that certain areas at the Airport be cleared of brush and trees, so as to deter wildlife habitat and to omit obstruction to navigational aids. This is a critical safety issue to airports throughout Alaska. It is estimated that it would take one year of consistent use to clear the required areas to meet minimum FAA standards, at which time the starting areas would need to be addressed again due to normal growth. Additionally, having the equipment on site would allow use for culvert repair, erosion correction, clearing of logs from seaplane facilities, perimeter fence repair, and possible grading projects on airport properties.

\$46,420 for Water Rescue Boat Priority #4

The FAA requires the airport to have a water rescue plan. With that water rescue plan, the airport's boat is no longer in operational use as it is 20 years old and the motor is at the end of its use full life. There are posted landing zones in the water way in front of the airport and the airport needs the ability to aid in aircraft incidents.

\$950,000 Water and Sewer improvements Priority #5

The airport needs to expand the water and sewer services to different lease lots of the airport fenced areas to be able to lease lots that do not have access to these basic infrastructures. The Airport fire hall and snow removal storage building do not have sewer lines that run to them. The airport has had many prospective tenants that have decided not to peruse a lease at the airport because the cost was too much to put the utilities in place.

\$350,000 Murphy's Pullout Priority #6

The dock needs replaced and more pullouts added. The cost is \$375,000 if we leave it at 8 pullouts and \$450,000 if we add 4 more.

The total projected cost of the projects above equals **\$2,621,140** \$1 million in Airport Fire Hall improvements were included in the FY 2014 State Capital Budget. However, the funding may be contingent upon receipt of federal funds. If that project is not funded, it should be included in this list. .

PRIORITY RANK AMONG ALL KETCHIKAN AREA PROJECT PROPOSALS:

This project is ranked as the No. 6 Community Priority.

FUNDING REQUEST:

The amount of funding requested for these projects and equipment is **\$2,621,140.**

Ketchikan International Airport has sought funding for years but the funds were not afforded to the airport and we cannot charge enough in charges to our tenants to perform these capital projects on our own. Given the fact that Ketchikan is the gateway to air travel into Alaska and if the fifth busiest airport in Alaska we think it is time to address these capital project before the cost grows further out of control. This is a onetime funding request.

ONGOING OPERATION AND MAINTENANCE:

The Ketchikan Gateway Borough will continue to operate and maintain the facilities at Ketchikan International Airport as agreed upon with the State of Alaska. This funding request will allow Ketchikan Gateway Borough to manage the daily activities at Ketchikan International Airport in a responsible manner and at the same time be the model for other Municipalities in Alaska.

PROJECT ATTRIBUTES:

These are suggested areas of focus based on the previous year formatting, which may be helpful in providing a summary of your project. Feel free to add or remove attributes as they apply to your project.

- **Deferred Maintenance:** FAA has mandated safety measures to be taken by clearing wildlife habitat. State of AK currently provides a brush cutter for 2-4 weeks approximately every four years. This has not allowed Ketchikan to clear the required

area.

- **Infrastructure:** The brush cutting hoe would allow Ketchikan Airport to repair culvert, correct erosion, and maintain other facilities at the airport. The fork lift would also assist in maintaining lights and buildings.
- **Public Safety:** One of the primary purposes of both pieces of equipment is public safety—the fork lift in assisting with snow/ice control of the runway, taxiways, and aircraft movement areas, and the brush cutting hoe for wildlife hazard management.
- **Support for Essential Services:** This equipment allows for safe operations at the airport, which is used by medevac flights and Alaska Airlines.

City of Saxman
Request for Fiscal Year 2015 State Funding for
Saxman Community Center Parking / Accessibility
Saxman #2 Priority

APPLICANT:

- **City of Saxman, Alaska**
Phone: 907-225-4166 Fax: 907-225-6450
Email: saxmangrants@kpunet.net
- **Tax Exempt: 3008E**

PROJECT DESCRIPTION:

- **Title: Saxman Community Center Parking / Accessibility**
- **Description: \$557,740 in State CPV or Capital Appropriation funding is requested to pave parking areas at the Saxman Community Center, which will assure accessibility for residents and tourists utilizing the facility. Project has been phased to allow for flexibility of State legislative intent / funding.**
- **Completion Date: June 30th, 2015**

PRIORITY RANK AMONG ALL KETCHIKAN AREA PROJECT PROPOSALS:

This project is ranked as the No. 7 Community Priority.

FUNDING REQUEST:

- **Funding Requested: \$557,740**
- **One Time Request**

ONGOING OPERATION AND MAINTENANCE:

City of Saxman

PROJECT ATTRIBUTES:

Project Description:

Saxman's new community center opened in 2009, following 10 years of planning and construction, funded through a package of Local, State, and Federal funds. In 2010-2011, the City of Saxman leveraged over \$300,000 in philanthropic funding to complete an outdoor canopy system, an ADA-compliant elevator, and outfit the facility with equipment and furnishings. Paving the facility's parking lot will complete the

Request for Fiscal Year 2015 State Funding for Saxman: New Raw Water Source**Joe Williams, Mayor****Page 2**

Saxman Community Center project.

The City of Saxman requests a State Capital Appropriation of \$557,740 -- either Commercial Passenger Vessel Excise Tax (CPV) or other funds -- to pave the Saxman Community Center parking lot. The City of Saxman will contribute 675 tons of crushed rock, valued at \$40,500, to the project. Paving will occur in two phases, illustrated in attached engineering conceptual documents. In the event that both phases cannot be funded in full for SFY2014, the City of Saxman requests \$239,330 to complete Phase 1 of the project, and will contribute \$16,500 of rock.

Project Budget:

Item	Request	Saxman Contribution
<u>Phase I</u>		
Mobilization	\$20,000	
Crushed Rock	\$16,500	\$16,500
Asphalt Paving	\$66,000	
Concrete Sidewalk	\$40,000	
Storm Drainage	\$40,000	
Contingency (10%)	\$19,900	
Topographical Survey	\$8,000	
Engineering Design	\$15,000	
Field Testing and Inspections (7%)	\$13,930	
Total	\$239,330	\$16,500
Total Phase I Cost	\$255,830	
<u>Phase II</u>		
Mobilization	\$25,000	
Crushed Rock	\$24,000	\$24,000
Asphalt Paving	\$132,000	
Concrete Sidewalk	\$8,000	
Storm Drainage System	\$60,000	
Contingency (10%)	\$27,300	
Topographical Survey	\$8,000	
Engineering Design	\$15,000	
Field Testing and Inspections (7%)	\$19,110	
Total	\$318,410	\$24,000
Total Phase II Cost	\$342,410	
Total: Phase I/II	\$557,740	\$40,500
Total Project Cost	\$598,240	

In addition to contributing crushed rock, the City of Saxman will contribute staff time towards completion of administrative and coordination duties associated with completing the project. The City of Saxman operates and maintains the Saxman Community Center, and will allocate Public Works staff time and budget appropriate funding to maintain the facility's paved parking lot.

Narrative:

Saxman's old Community Hall unexpectedly collapsed during a winter snowstorm in 1998. The community embarked on a 10-year design/construction process, funded through a combination of local, philanthropic, State, and Federal grants and loans. The facility opened to the public in 2009. In 2010-2011, the City of Saxman leveraged over \$300,000 in foundation grant funding to construct an ADA-compliant elevator, build a new canopy featuring artwork by Tlingit Master Carver Nathan Jackson, and to fill the facility with all equipment and furnishings needed for operations.

The City of Saxman leverages grant funding and volunteer support, and partners with non-profit organizations to provide ongoing programming for youth and children, including an after-school Homework Club, a summertime kids club, and traditional Alaska Native arts classes for children. New equipment and programming attracts many new visitors, creating pressing demand for paved parking areas. Paving of parking areas surrounding the facility is the "last step" needed to complete the Saxman Community Center project.

The Saxman Community Center is heavily utilized by visiting cruise ship passengers and tourists (receiving as many as several hundred visitors per day during peak summer months), as well as by Saxman residents. Residents of Metlakatla and Prince of Wales routinely travel to attend cultural events at the facility. Paving parking areas will help assure that all residents are able to attend and participate in events held at the facility, including elections and public meetings.

The Saxman Community Center serves as an emergency shelter for residents of Saxman and adjoining service areas, which are connected to the City of Ketchikan by a single coastal road. If this road were to be damaged in a natural disaster or other emergency, Saxman and other South Tongass residents would lose access to Ketchikan's airport, hospital, marine infrastructure, and emergency shelters. Paving the Saxman Community Center's parking areas will help support accessibility and function of the facility as a regional emergency shelter.

Community Support:

- Saxman CEDS (Comprehensive Economic Development Strategy) list priority

- The City of Saxman, City of Ketchikan, and Ketchikan Gateway Borough have adopted a joint resolution supporting completion of the Saxman Community Center facility.

Culture and Recreation:

The Saxman Community Center is Saxman's social core, accommodating daily programming for children, sports events, cultural events, traditional song and dance performances, non-profit organization events, potlatches, funerals, microeconomic activity (the "Saxman Flea Market"), tourism activities, public meetings, and elections. The community is frequented by residents of Saxman, Ketchikan, Prince of Wales, and Metlakatla, as well as visiting cruise ship passengers and tourists.

Public Safety:

The Saxman Community Center serves as an emergency shelter for residents of Saxman and adjoining service areas, which are connected to the City of Ketchikan by a single coastal road. If this road were to be damaged in a natural disaster or other emergency, Saxman and other South Tongass residents would lose access to Ketchikan's airport, hospital, marine infrastructure, and emergency shelters. Paving the Saxman Community Center's parking areas will help support accessibility and function of the facility as a regional emergency shelter. Currently, the Saxman Community Center's parking areas are covered with gravel, which impedes access.

Economic Development:

Cruise ship passengers and other tourists visiting Saxman during summer months visit the Saxman Community Center facility to view cultural presentations, artwork, and cultural items on display within the facility. The facility receives several hundred visitors per day during peak months of summer tourism. The City hosts a Saxman Arts Market, where entrepreneurs sell traditional Alaska Native crafts and foods. Improvements to parking areas are needed to accommodate private tour companies which take visitors to the facility.

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES (CEDs):

- **Community Development CEDs priority for the City of Saxman**
- **Number of jobs created after implementation: NA**
- **State the number and types of investments undertaken:**
- **State the number of jobs retained: NA**
- **Amount of private sector investment: NA**

City of Ketchikan, Alaska

Sayles/Gorge Street Viaduct Replacement Project

(Bridge No. 1841)

Owner: City of Ketchikan
334 Front Street
Ketchikan, Alaska 99901

Contact: Karl R. Amylon, City Manager
(907) 228-5603
karla@city.ketchikan.ak.us

Start of Construction: Spring 2014

Completion Date: Fall 2014

Estimated Cost: \$1,280,000

Funding Request: \$1,280,000

Priority Ranking: 2



Sayles/Gorge Bridge

Project Description

Ketchikan's streets and municipal infrastructure are among the oldest in the State and are beginning to deteriorate at an alarming rate. It is anticipated that over the next ten years a variety of projects will have to be undertaken including street, sidewalk and storm drainage reconstruction; asphalt overlays; chip seal coating; and water and sewer main replacement. It is projected that the City and Ketchikan Public Utilities (KPU) will be required to expend at least \$2,000,000 per year if any program is to be effective in addressing the advanced state of deteriorating streets and municipal infrastructure.

This project would replace the deteriorated Sayles/Gorge Street Viaduct. Inspections conducted on the Sayles/Gorge Street Viaduct found structural deficiencies, pile foundation problems, rotten wooden members, deck panel deterioration, and lack of seismic stability. As a result the structure was load restricted and recommended for replacement. The Sayles/Gorge Street Viaduct structure is a hybrid structure constructed from both concrete and timber components approximately 105 linear feet in length. The last major reconstruction project on this structure was 35 years ago. It is situated on the edge of a steep cliff, and provides general and emergency vehicle access to 6 residential homes. In addition the Sayles/Gorge Street viaduct provides a secondary arterial for the greater Gorge/Sayles/Millar neighborhood.

In March, 2011, the City and the Alaska Department of Transportation & Public Facilities entered into a Memorandum of Agreement (MOA) for the Rehabilitation/Replacement of Off-System City Bridges (State Project No. 69534). Of the ten bridge structures identified within the MOA, the Sayles/Gorge Bridge was listed as the third priority. However, funding has only been allocated for one of the ten projects included in the MOA. A design contract with Shearer Design, LLC of Seattle is in place and the design is at the 35% level.

A 2012 report from structural engineer David Shearer of Shearer Design again confirmed the need for replacement. The recommendation summary noted deterioration (spalling) of the deck panels, geotechnical concerns, and structural deficiencies.

Project Benefits

The Project will provide a long-term replacement of an aging bridge structure.

- Repair a public safety hazard
- Provide safe access for police, fire and ambulance emergency vehicles
- Provide safe vehicular and pedestrian access to the adjacent residential homes
- Ease the current parking and traffic problems
- Improve slope stability and drainage issues with adjacent properties
- Diminish the excessive maintenance burden on the City of Ketchikan

Schedule and Cost Estimate

Phase	Description	Schedule	Cost Estimate
I	Design (In Progress)	FFY 13	Locally Funded
II	Construction	FFY 14	\$ 1,280,000
Total			\$ 1,280,000

Funding Request

The City of Ketchikan Public Works Department is seeking an appropriation of \$1,280,000 for the replacement of the Sayles/Gorge Street Viaduct. The project could be bid and constructed starting in the spring of 2014 with construction completed by the fall of 2014. Given the deteriorated condition of the bridge structure, and the hazard to public safety it is recommended to replace the structure as soon as possible.

Greater Ketchikan Community Request for Fiscal Year 2015 State Funding for Ketchikan Performing Arts Center

APPLICANT:

First City Players / 335 Main St., Ketchikan AK 99901 / 907-225-4792 / firstcityplayers@ak.net / Federal tax ID 92-6004567

GRANT RECIPIENT:

First City Players - Ketchikan Performing Arts Center Project

PROJECT DESCRIPTION:

After decades of efforts, the Ketchikan Performing Arts Center became viable in 2009, when First City Players and Ketchikan Theater Ballet, with grants from Ketchikan Gateway Borough, City of Ketchikan and State of Alaska, purchased the 21,000 sq. ft. historically significant Fireside/Elks building at 335 Main St. The previously vacant three-story building located across the street from Ketchikan Area Arts and Humanities Council, will combine to create an arts corridor in Ketchikan's downtown core, revitalizing the area for year-round businesses to thrive.

A versatile performance space on the third floor will be equipped with sophisticated sound and lighting equipment, dressing rooms, a lobby with ticketing and a commercial kitchen, designed for staged performances and other community uses. It will seat up to 300. Ketchikan Theatre Ballet will have its offices, secure dressing rooms and four instructional/rehearsal studios on the second floor, two of which will open into a grand studio large enough to adequately rehearse large productions. First City Players took up residence in part of the first floor in 2012, when it was remodeled for offices and a handicapped accessible public restroom. Expanded restrooms to serve the busy visitor industry and technical facilities will finish out the first floor.

Funding secured from the 2014 Legislative session will go toward preliminary architectural, which will help achieve shovel ready status. An active capital campaign is ongoing, and with timely receipt of funding, project design is expected to be completed in 2014 with construction completed in 2016. Preliminary project design and a cost estimate have been completed, along with an assessment of the building's structure, showing its viability as a Performing Arts Center.

PRIORITY RANK AMONG ALL KETCHIKAN AREA PROJECT PROPOSALS:

This project is ranked as the No. 9 Community Priority.

**Request for Fiscal Year 2015 State Funding for
Ketchikan Performing Arts Center**
Page 2

Funding Plan

Strong community advocacy and a FY 2015 legislative allocation that fulfills the request would support final design and move the project to its next phase. Capital Campaign goals have been increased to show dedication to the project and reduce the burden on public funds. Full funding of \$1,250,000 for FY 2015 will be used for structural and mechanical upgrades to enable three full stories of accessible space.

Source	Raised	Remaining	Total
KETCHIKAN GATEWAY BOROUGH	\$500,000	\$500,000	\$1,000,000
CITY OF KETCHIKAN	\$172,000	\$500,000	\$672,000
STATE OF ALASKA	\$345,000	\$1,250,000	\$1,595,000
CAPITAL CAMPAIGN	\$260,467	\$739,533	\$1,000,000
HISTORIC TAX CREDITS	\$0	\$245,000	\$245,000
FOUNDATIONS:			\$1,950,000
Rasmuson	\$0	\$1,250,000	
Murdock	\$0	\$500,000	
Other Foundations	\$0	\$200,000	
Project Total			<u>\$6,462,000</u>

A legislative appropriation of \$125,000 was received for FY 2014 after \$1,800,000 was requested of state government in the community priority list. The applicant expects to make subsequent requests for legislative funding if the FY 2015 allocation is less than is applied for.

ONGOING OPERATION AND MAINTENANCE:

The building's owner, First City Players, will be responsible for operation and maintenance of the facility on behalf of itself and the co-tenant and lessee, Ketchikan Theatre Ballet. Scheduling and management of the Ketchikan Performing Arts Center will be conducted by independent personnel overseen by a committee of user-group representatives. A business plan shows current facility expenditures of the combined groups will fund operation of the facility. No further public funding is contemplated after completion of the building.

DETAILED PROJECT DESCRIPTION AND JUSTIFICATION:

Infrastructure

The Ketchikan Performing Arts Center solves the long-recognized lack of cohesive infrastructure for performing arts and arts education. First City Players' and Ketchikan Theatre Ballet's programs have been compromised for decades by the expense and inconvenience of inadequate rented properties; by inconsistent availability and costs of rehearsal and performance venues. The project provides a facility designed from scratch for rehearsals, performances and gatherings, with suitable technical equipment, acoustics and craft spaces.

Culture

The project addresses the absence downtown of a magnet for independent visitors and heritage travelers. Investment downtown has favored cruise ship visitors rather than long-term visitors who, like residents, are eager for arts, cultural events and entertainment in the city center. The Ketchikan Performing Arts Center and the Ketchikan Arts & Humanities Council across the street will anchor an enlivened city center, benefitting businesses that provide entertainment, dining, shopping and artwork.

Investment in Future:

In addition to the seven present full-time jobs supported by the proposed co-tenants of the Ketchikan Performing Arts Center, five new full-time jobs in management and technical services/training are expected to flow from the project. Increased downtown economic activity and services for independent visitors are expected to generate 14 or more jobs

Ketchikan's creative arts and historical heritage are integral to the quality of life enjoyed by residents and are essential to the community's appeal for newcomers and visitors. The arts and our unique history are acknowledged, in the community's "branding" efforts and recruitment tools, as indispensable parts of our economy. A versatile and attractive arts facility on Main Street will concentrate, in the downtown core, economic activity that is now diffuse. It will create new economic opportunities in providing cultural events for independent visitors. It will benefit the capacity of community theatre and the dance school to conduct programs and technical training for Ketchikan's youth and adults.

First City Players and Ketchikan Theatre Ballet engage more than 500 local youths in camps, classes and productions every year. These young people come out with confidence, discipline and understanding of other horizons. Hundreds of adults participate in theatrical productions each year. Scores of adults support dance productions.

This issue updates the information that was provided in March 2013.

Permitting and preliminary design work continues for a new electrical transmission line intertie that is proposed to extend west across the Tongass National Forest, from the Petersburg area to Kake on Kupreanof Island. The **Kake – Petersburg Intertie (KPI)** would transmit power to Kake at either 69 or 138 kilovolts (kV) and consist primarily of single wood pole structures.

The U.S. Forest Service is the lead agency for the Environmental Impact Statement (EIS). Chapter 1 – Purpose and Need and Chapter 2 – Alternatives were submitted to the Forest Service for review and comment. Taking the Forest Service’s and others’ comments into consideration, a new alternative route has been developed and identified as SEAPA’s Proposed Action. We are hopeful this new alternative addresses the concerns expressed.

The new route alternative starts at the existing substation south of Petersburg, and goes north-northeast to the Sandy Beach area. From the Sandy Beach area the new route alternative, Figure 1, continues north, but underground, as indicated by the red line east of the airport and along Sandy Beach Road to Outlook Park.

Any existing overhead distribution lines along this route (the red line) would be placed underground as a part of the project. From Outlook Park to Prolewy Point, directional bore technology would be used to

install a conduit under Wrangell Narrows. The conduit would contain the transmission line, a distribution line should it be needed, and a fiber optic cable for communications. From Prolewy Point north, the line would follow the previously identified northern route.

The draft EIS will also consider two other previously identified alternatives: the Submarine Cable route that is also depicted on Figure 1 and the Center South route. Routing alternatives will use existing roads for much of the line construction. However, there are significant undeveloped sections that may necessitate use of helicopters and low impact shovel trails.

The alternative that would cross Petersburg Creek and behind the community of Kupreanof has been dropped from detailed consideration at this point.

Cost estimates for the three routes being considered in the draft EIS, assuming construction in 2015-2016 and including the additional required helicopter construction, are:

69-kV Route Alternatives			
(,000)			
Northern Route			
Prolewy Pt.	Petersburg		
Dir. Bore	Sub. Cable		Center South
(Opt. 1)	(Opt. 2)		(Opt. 3)
\$ 65,850	\$ 72,008		\$ 58,955

We are planning to move the Kake Substation closer to town than originally planned. We are currently revising the costs to take this into consideration.

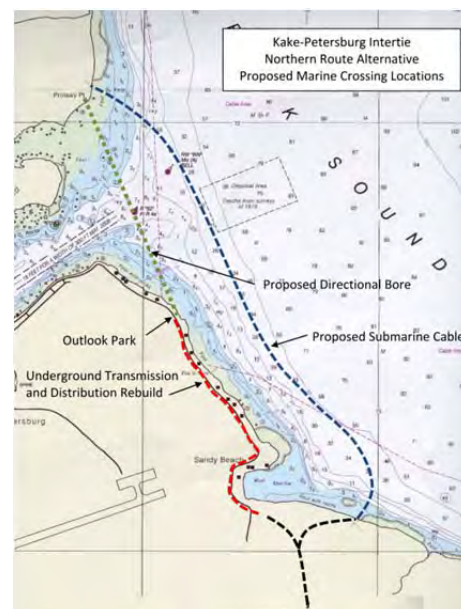


Figure 1

We have also redrafted chapters 1 and 2 of the EIS and resubmitted them to the Forest Service for review. ☺

Project Schedule

The current project schedule has been adjusted to:

May 2010 - Notice of Intent to prepare an EIS published

Apr/May 2010 - Public scoping meetings

October 2013 - Draft EIS published

November 2013 – Public meetings on draft EIS

June 2014 – EIS complete with Record of Decision for routing

STEERING COMMITTEE MEETING NOTES

Kake-Petersburg Intertie (KPI) Project

September 17, 2013

Sitka

3:30 PM

Participants Sign In Sheet Attached

1. **Meeting called to order** - Trey Acteson, SEAPA, CEO
2. **Introductions** - All
3. **KPI Construction Funding Status** – Nothing new to report
4. **Petersburg Assembly Meeting** – Mark Schinman reported the Petersburg Assembly had some questions about the possibility of the intertie EIS and the Kake Access EIS being combined and analyzed as a single project. As Trey Acteson was committed to attend a meeting of the Ketchikan City Council, Mark attended a Petersburg Assembly meeting August 19th. Also in attendance was Mike Traffalis (by phone), Federal Highway Administration, Andy Hughes, Alaska DOT, Jason Anderson and Tom Parker, USFS. Jason Anderson explained the USFS position as to why the projects should remain separate. Andy Hughes answered questions and supported the projects being separate. Mark Schinman presented a power point presentation about the KPI and also suggest the projects remain separate as:
 - a. Both projects can proceed independently
 - b. Both projects have a specific purpose and need which are different
 - c. The projects are considering different alternatives
 - d. The projects are on different time schedules.

Questions of the assembly were answered.

5. **KPI Status** – Mayor Henrich Kadake from Kake spoke eloquently regarding the need for the project for the Kake community. Lower cost energy is essential for his community. One example he provided was the schools energy costs are approximately \$200,000 annually. Four additional teachers could be hired if they didn't have this expense. Alaska State Senator Lesil McGuire who was in attendance spoke in support of the need for the project. Trey Acteson reported that SEAPA as a part of their hydro feasibility project will be looking closer at potential hydro development in Kake. Mark Schinman talked thru a paper handout of a power point presentation providing an update on the project. The significant change from the last steering committee meeting is we have moved the Kake substation closer to town to facilitate interconnection with the existing utility infrastructure. The cost estimate for the project has been adjusted to reflect this. Mark also reported that the USFS is in the process of reviewing the first two chapters of the draft EIS. The USFS is taking longer than anticipated as it is being reviewed by the Joint Review Team (JRT) in Juneau. It is likely that this will extend the EIS schedule.
6. **Schedule Next Meeting** – The next meeting will be held several months from now, a date was not set. It may be held concurrent with public meetings for the Draft EIS.

August 19, 2013

To: John Jensen, President - Thomas Bay Power Authority (TBPA)

From: Trey Acteson, CEO - Southeast Alaska Power Agency (SEAPA)

RE: TBPA – Tyee Hydroelectric Project Operation & Maintenance (O&M) Agreement.

Dear President Jensen,

SEAPA is reaching out to the Thomas Bay Power Authority to explore opportunities that exist to remedy a number of important issues that revolve around the current Tyee O&M Agreement. We have provided specific solutions to each of the prominent topics below and believe that collectively they represent an enormous benefit to the TBPA, your employees, and the communities your organization represents. We offer these potential solutions for the Commission's consideration, contingent upon final approval by the SEAPA Board of Directors.

PERS Unfunded Liability: The four TBPA power plant employees working under the existing Tyee O&M agreement participate in the State PERS retirement program instead of their Union's (IBEW) pension plan. They are technically employees of the City & Borough of Wrangell and one of the positions has an unfunded liability of \$528,250.00 (\$155,920 termination fee + 18 years of annual payments equaling \$372,330). The other three positions are PERS Tier 4, and although there is no unfunded liability identified for them, the City & Borough of Wrangell currently pays a 10% PERS premium above the normal contribution rate.

The TBPA Secretary position has an unfunded liability of \$228,574.00 (\$3,520 termination fee + 18 years of annual payments equaling \$225,054). There is no unfunded liability identified for the TBPA General Manager's position.

Termination of the existing Tyee O&M contract would result in the TBPA (technically the City & Borough of Wrangell) being burdened with payments for positions that no longer exist, totaling \$756,824.00 (per Buck Consultants' Termination Study).

Possible Solution: SEAPA proposes absorbing existing TBPA employees and making a one-time lump sum payment to the City & Borough of Wrangell to cover the unfunded liability for those positions. The City & Borough of Wrangell have indicated that they would consider keeping one employee on their books who prefers to stay in PERS until such time that they retire. The remainder of the employees, with the exception of the Secretary, would have the opportunity to join the IBEW pension plan. The IBEW pension plan is far superior to the PERS Tier 4, which is basically a 401k plan. The IBEW has indicated that they will work with us during any transition and past years of service are typically acknowledged through a partial credit. The secretary position is an administrative position and would be transitioned to SEAPA's NRECA program to be consistent with our other administrative employees.

This solution is a win/win that relieves the Northern communities of a large unfunded liability. It provides a much better opportunity for newer employees to have a "livable" wage when they retire, and also addresses concerns of those approaching retirement.

ARECA Insurance Rebate: There is approximately \$259,798.00 available in rebates from ARECA Insurance Exchange. The original premiums were funded by SEAPA through the net billing process. These

rebate monies could be applied toward the PERS unfunded liability payoff to help reduce the collective impact to SEAPA's three member utilities.

Clearing Crew: The existing clearing crew is based in Wrangell and consists of one regular full-time position, supplemented by seasonal part-time employees. These individuals face uncertainty every year depending on workload and budgets.

Possible Solution: SEAPA proposes absorbing the clearing crew operations as part of a comprehensive package. The crew's home base would remain in Wrangell and SEAPA would commit to hiring one additional regular position. The crew's work scope would expand to cover other areas of the SEAPA transmission system, which would provide greater job stability and help meet line clearing objectives.

Community Oversight of Tyee: There is a strong sense of community pride and purpose for the Tyee hydroelectric project in Wrangell and Petersburg. Although the project is owned by SEAPA, it is the primary source of low-cost hydroelectric power for the area. Power from Tyee also now flows south to the interconnected community of Ketchikan to displace high cost diesel generation. Some people feel that if the extra layer of management provided by TBPA is removed, somehow they will lose local control.

Possible Solution: The SEAPA Board is comprised of community members appointed by their respective Mayors. They are a direct conduit to their communities and are in a strong position to provide oversight and affect change. It is important to acknowledge that half of the members of the TBPA Commission are already on the SEAPA Board. The misperception of loss of community oversight can be resolved through better outreach and communications. SEAPA would commit to providing quarterly project updates in written report form directly to the City/Borough Assemblies of Wrangell and Petersburg. Community members are always welcome to attend SEAPA Board meetings and significant information regarding budgets and ongoing activities is now readily available on the SEAPA website.

Thomas Bay Power Authority's Role and Future: The TBPA's initial mission was to perform hydrosite analysis and advance hydro development in the Thomas Bay Basin. They also assumed the role of O&M contractor for the Tyee project. Over the years TBPA's role has narrowed to just being an O&M contractor.

Possible Solution: The State of Alaska has provided funding for SEAPA to perform regional hydrosite analysis and that process will include potential projects in the Thomas Bay Basin. If the Commission desires to have SEAPA transition into the role of managing daily O&M of Tyee, the TBPA could still remain in the community charters and be available for immediate re-activation should a need arise.

Transition to SEAPA: There is a clause in the current O&M agreement that requires SEAPA to provide a minimum one year notice of contract termination by June 30, effective the following year. The TBPA currently has a funding gap for non-net billables and they would benefit from an expedited solution.

Possible Solution: There is nothing that prevents an early termination of the O&M contract if it is mutually agreed upon by both parties. If it is the desire of the TBPA Commission (and their respective communities), SEAPA is willing to relieve the TBPA of their contractual obligations as part of a more timely transition. Although not required upon termination of the O&M agreement, SEAPA is offering a package of favorable solutions at this time to help facilitate a seamless and positive transition for all parties.

**PETERSBURG BOROUGH, ALASKA
RESOLUTION #2013-21**

A RESOLUTION INFORMING THE CITY AND BOROUGH OF WRANGELL ASSEMBLY THAT THE PETERSBURG ASSEMBLY ACCEPTS THE SOUTHEAST ALASKA POWER AGENCY'S AUGUST 19, 2013 OFFER TO TAKE OVER THE COSTS OF OPERATIONS OF THE TYEE HYDROELECTRIC PROJECT AND TO ABSORB THE CURRENT AND PAST EMPLOYMENT CASH LIABILITIES INCURRED BY THOMAS BAY POWER AUTHORITY AND SUGGESTS THAT THE NON-NET BILLABLE EXPENSES FOR FY 2014 BE PAID BY SEAPA; AND URGING THE WRANGELL ASSEMBLY DO THE SAME

WHEREAS, the formation of Southeast Alaska Power Agency (SEAPA) in late 2008, carried forward a 1996 Operation and Maintenance Agreement contract between the Thomas Bay Power Authority (TBPA) and the Alaska Energy Authority (AEA), whereby SEAPA assumed the rights and responsibilities of the operation and maintenance authority, and costs, of the Tyee Lake Hydro project; and

WHEREAS, in the mid 1970's the communities of Wrangell and Petersburg voters jointly approved formation of the TBPA for the purpose of hydro development and operation, and

WHEREAS, for many years, the Petersburg municipality has been voluntarily supporting and funding one-half of the Non-Net Billable portion of the annual TBPA budget. The Non-Net Billable budget for FY 2014 provided mostly for the expenses to employ one position within TBPA that is outside of the general operations & maintenance crew costs covered by the O&M Agreement with SEAPA. It also provided the administrative costs associated with the TBPA Board of Directors, and

WHEREAS, on May 6, 2013, the Petersburg Borough Assembly by a vote of 6-1 determined not to fund the proposed FY 13/14 TBPA Non-Net Billable budget. It was consensus of the Assembly that responsibility for this budget item was an issue which should be resolved between TBPA and SEAPA; and

WHEREAS, the CEO for SEAPA, in a memo dated August 19, 2013 addressed to the TBPA President, proposed a very fair solution, subject to SEAPA Board approval, to absorb all existing TBPA employees, to relieve the Petersburg and Wrangell boroughs from absorbing a substantial retirement liability cost incurred over the years for two employment positions, and to add and fund an additional employment position within the Tyee Project, and

WHEREAS, it was apparent at the joint work session held between the Wrangell and Petersburg Borough Assemblies on September 10, 2013 the Wrangell representatives may not fully appreciate the effects of the generous offer made by SEAPA that will benefit both communities.

NOW THEREFORE BE IT RESOLVED, the Petersburg Borough Assembly finds the August 19, 2013 memo from the SEAPA CEO to the President of TBPA regarding the Operation and Maintenance Agreement for the Tyee Hydroelectric Project to be acceptable and is willing to work with the SEAPA and TBPA boards to make the offer, or a similar negotiated offer, a permanent agreement.

RESOLVED FURTHER, the Petersburg Borough Assembly urges the City and Borough of Wrangell Assembly to acknowledge acceptance of the proposed August 19, 2013 SEAPA terms, or

similar terms that could be negotiated, to save TBPA in excess of \$750,000 in immediate cash liability, as well as retain the ability to influence regional hydro site analysis in the future, as a benefit to both communities.

FURTHER RESOLVED, failure of the City and Borough of Wrangell to accept the August 19, 2013 memo terms, or similar terms to be negotiated between SEAPA and TBPA, leaves the Petersburg Borough with no alternative but to take the position that 1) the unfunded PERS liability, exceeding \$750,000, will be the sole liability of the City and Borough of Wrangell should SEAPA determine to terminate the agreement with TBPA; 2) Petersburg Borough will not fund future Non-Net Billable items as currently presented in the TBPA budgets; and 3) Petersburg suggests that SEAPA fund the 2014 fiscal year Non Net Billable budget that is currently being paid by Wrangell.

Passed and Approved by the Petersburg Borough Assembly on Friday, September 27, 2013.



Mark Jensen, Mayor

ATTEST:



Kathy O'Rear, Clerk

TBPA**Thomas Bay
Power Authority****Non Net Billable Commission Expenses****TBPA Commission approved 3/27/2013**

2013 Budget	2013 Estimate	TO DATE 2/31/2012	2014 BUDGET
\$110,000	\$117,398	\$ 64,523	\$ 48,990

#	Expense Item & Supporting Detailed Description	2013	2014
1.	5001 535.01 Wages and Salaries - Office Manager	\$ 51,400	\$ 16,590
2.	5005 535.02 Overtime	\$ 1,500	\$ -
4.	5201 535.01 Employer Tax	\$ 936	\$ 300
5.	5205 535.01 Retirement	\$ 13,200	\$ 4,000
6.	5207 535.01 SBS (State Benefit System)	\$ 3,840	\$ 1,200
7.	5210 535.01 Health-Life Insurance	\$ 8,668	\$ 4,700
8.	8360 535.08 Commission Expense	\$ 6,716	\$ 8,000
9.	8365 535.09 Accounting Expense (City of Wrangell)	\$ 12,100	\$ 3,600
10.	8370 535.13 Professional (Audit)	\$ 900	\$ 900
11.	8385 535.10 Education	\$ 1,400	\$ 1,000
12.	8386 535.11 Office	\$ 2,040	\$ 1,500
13.	8390 535.14 D&O Insurance	\$ 7,300	\$ 7,200
		<u>\$ 110,000</u>	<u>\$ 48,990</u>

October 3, 2013

To: Honorable Mayor David L. Jack

From: Trey Acteson, CEO - Southeast Alaska Power Agency (SEAPA)



RE: Fact Check

Dear Mayor Jack,

The audio from the September 24, 2013 Wrangell Assembly meeting documented several false and/or misleading statements made during public testimony. I have attempted to address the most notable statements below and would appreciate if the Assembly is provided these corrections. Please don't hesitate to contact me if you have any questions or require further clarification on any issue.

1. **SEAPA is going to raise rates.** As CEO, it is my objective to keep SEAPA's wholesale power rate as low as possible while managing and maintaining our aging infrastructure following prudent utility business practices. The SEAPA region has enjoyed a stable wholesale power rate of 6.8 cents/kWh for over 16 years, the lowest in the State! It's actually been lower than 6.8 cents/kWh if you factor in annual rebates. Our three member utilities have less than 12,000 meters combined to recover the costs of O&M, Repair & Replacements (R&R), insurance premiums, significant self-insured assets (e.g. submarine cables and overhead transmission lines), and any new project development. Wrangell has less than 2,000 meters to recover costs if you were to build your own hydro project. SEAPA is actively pursuing State funding to help offset the cost of the Swan Lake Reservoir Expansion Project. We are cautiously optimistic that we will be able to complete the project without raising rates. Looking down the road, future hydro development will likely require additional revenues to pay for an increase in debt service.
2. **SEAPA isn't doing anything to meet Wrangell's future power needs.** SEAPA is conducting a thorough hydrosite analysis throughout our region to identify the highest value project(s) for future development. A field team of experts has already been assembled and was deployed in September. This effort will include detailed assessment of several projects in your area including Sunrise. We also recently installed a weir at Tyee to enhance stream flow measurement. This will provide important data to be used as part of a feasibility assessment for a dam at that location. As most people know, the Tyee powerhouse was designed to accommodate a third turbine. It's important to clarify that the TBPA has always been free to pursue hydro development independent of SEAPA. However, it is readily apparent that they lack the necessary funding and expertise to do so. There is no indication that the TBPA is doing anything to meet the future power and energy needs of Petersburg and Wrangell.
3. **SEAPA is going to put a moratorium on electric heat.** This is a ridiculous statement. SEAPA has three customers, the municipalities of Ketchikan, Petersburg, and Wrangell. We have no direct interaction with the end users. However, it is important for our member utilities to consider demand side management opportunities to slow load growth. This will extend the ability of existing hydro assets to meet regional load growth and slow the need for expensive hydropower development.
4. **SEAPA is going to build more diesel generation.** SEAPA does not own diesel generation to serve regional load and has no desire to build any. Our member utilities all have their own backup diesel generation and may need to add additional capacity to accommodate future load growth or to replace aging units.
5. **SEAPA is going to make Petersburg and Wrangell pay for Ketchikan's diesel.** Our three member utilities have discussed diesel protocol for years and it is a very complicated issue.

The primary thrust of recent discussions has been some members think SEAPA should pay for diesel when we request or cause an outage which requires one or more of our members to run their diesel generators. But... How do you measure it, who determines what is reasonable, what scenarios are covered, is SEAPA to be financially responsible for the speed of work being performed by others under the O&M contracts, will this disincentivize outage efficiency? Obviously, there is a lot to consider. On a related topic, KPU has indicated that they would pay for the North's diesel if they are allowed to draft Tyee reservoir lower than our Ops Plan typically allows. In short, if inflows fail to adequately refill the Tyee reservoir, Ketchikan would be on the hook to cover Petersburg and Wrangell's energy needs. Although this would enable us to more fully utilize our hydro resources, there are risk factors that must be considered. From a broader perspective, there are clearly more efficient ways for our member utilities to burn their diesel. Economic dispatch of diesel generation in our region would save everyone money but typically requires centralized start and stop capability. Additionally, diesel generation is often run according to what best fits a work schedule rather than what is best for hydro generation efficiency. Monthly maintenance runs could also be refined to minimize fuel cost and compliment hydro dispatch. As previously noted, diesel protocol is a complicated issue and it will require careful consideration before any implementation can occur.

6. **SEAPA's 2013 payroll was 1.3 Million for 5 employees and 1.7 Million this year for 7 employees, excluding benefits.** SEAPA's 2014 budget was published in our board packets and clearly states \$796,254 Wages and PTO (7FTE's) without other benefits factored in. The information being provided to the Assembly is irresponsible and grossly misrepresents the facts.
7. **Ketchikan passed a resolution stating they don't support the proposed \$750,000 PERS buyout.** This is false. An unsolicited memo was provided to the Ketchikan City Council by the KPU Electric Division Manager with his "opinion", but no official action was taken. SEAPA is already paying a portion of the TBPA employee unfunded PERS liability through the net billing process. Buck Consultants forecasts that it will take us at least another 18 years to pay off this debt. Therefore, the option of paying off the unfunded liability in advance is worthy of consideration. It may actually save money over the long haul and will allow newer Tier 4 employees to have access to a "livable wage" through a union pension plan when they reach retirement. The referenced unsolicited KPU memo falsely stated that there would be a one-time \$53 charge across all their 7,384 meters.
8. **Interconnection to BC is the save-all answer.** BC Hydro has an abundance of power and cheap natural gas. There doesn't appear to be a viable market to sell into B.C. in the foreseeable future. With regard to shipping power the other direction into Wrangell from B.C., the economics simply do not support building an expensive transmission line to support a load that doesn't currently exist. As an aside, the Alaska Energy Authority recently allocated funds to review this issue and I anticipate it will add clarity.
9. **A road can be built through the Bradfield Corridor by simply surveying the centerline, without any permits or NEPA process.** SEAPA regularly works with permitting agencies and I can assure you that this is not factual. The proposed route falls within the Inventoried Roadless Area. It's also likely that environmental groups would challenge the process.
10. **SEAPA financials, something's just not right there.** This is an uninformed, unsubstantiated, and disparaging comment. SEAPA's financial statements are included in our board packets, reviewed by accounting, myself, and then the SEAPA Board. They also undergo a rigorous annual audit process performed by a reputable independent third-party firm. This same person also stated at a previous Wrangell Assembly meeting that 2 million had mysteriously disappeared from SEAPA's financial statements. With regard to the referenced 2 million, this was a reduction in our self-insurance reserve fund and was reapportioned to fully fund SEAPA's Board approved R&R projects after an independent review confirmed it was prudent. This was described in detail in my CEO Report which is also included in our board packets and available on the SEAPA website.

August 29, 2013

To: Honorable Mayor Lew Williams III

From: Trey Acteson, CEO - Southeast Alaska Power Agency (SEAPA)

RE: KPU Memo - Observations/Recommendations, August 27, 2013, SEAPA Agenda (Authored by Tim McConnell, Electric Division Manager and Andrew Donato, Senior Electric Systems Engineer) sent directly to SEAPA Board members, bypassing the SEAPA Office.

Dear Mayor Williams,

As SEAPA's Chief Executive Officer, I am compelled to comment on the recent KPU communication referenced above.

Item 1: PERS Buyout Proposal

The information provided to you by KPU is very misleading and fails to factor in critical information that I provided in my memorandum to Thomas Bay Power Authority (TBPA) dated August 19, 2013. SEAPA is already paying a portion of the TBPA employee unfunded PERS liability through the net billing process. Buck Consultants forecasts that it will take us at least another 18 years to pay off this debt. Therefore, the option of paying off the unfunded liability in advance is worthy of consideration. It may actually save money over the long haul and will allow newer Tier 4 employees to have access to a "livable wage" through a union pension plan when they reach retirement. These are positive options that I have put on the table to resolve an outstanding funding issue with our northern communities. Wrangell and Petersburg were the ones that created the TBPA and their representatives have clearly expressed that they should be the ones to work through any TBPA O&M issues with SEAPA.

The KPU Observations/Recommendations memo states: "KPU rate payers will experience an inappropriate and unjustifiable one-time charge of \$53 across all our 7,384 meters". This is a completely false and misleading statement from KPU and the City of Ketchikan. **There will be no charge to any KPU customer or change to the wholesale power rate** as a result of my proposal to Thomas Bay Power Authority. Additionally, I find it surprising that KPU would take such a negative stance on this minor issue when using the same rationale they are expecting Petersburg and Wrangell to shoulder half the cost of the Swan Lake Reservoir Expansion (\$6.5 Million). Our three interconnected member utilities are in this marriage together. Monies are spent in a variety of areas every year that can be perceived as more favorable to one party or another. It requires give and take by all parties to make this relationship prosper for the long-term benefit of everyone.

Item 2: Policies and Procedures Updates

It is standard practice for changes to be tracked when updating policies and procedures. The SEAPA Board determines what is reasonable for review of any material brought forward for their consideration.

Item 3: SCADA Control Capability

SEAPA staff has addressed the Bailey SCADA control capability issue repeatedly during our Board meetings. It has been agreed that a change order (extra cost to the project) will be issued for our integration engineer to identify additional hardware, software, and programming required to accommodate adding this feature. At that time, the SEAPA Board will vote to determine if the additional expenditure associated with the scope change is warranted. Technology advancements and communications upgrades currently being implemented by SEAPA will result in a significantly more robust system for our entire interconnected SCADA system. From a technical perspective, there is no defensible reason why we should spend additional money to maintain a feature that is not used or needed. Additionally, the risk of a cyber-attack is very real and a standard utility practice for mitigating this risk includes reducing idle control nodes. There have been numerous cyber-attacks on Alaskan Electric Utilities recorded in the last five years. Luckily, they have been thwarted, but we can't ignore this increasing threat. Ultimately, the outcome of this issue will be determined by the SEAPA Board.

Under Item 3 of KPU's memo there is an assertion that Bailey will lose their remote monitoring capability. This again is very misleading and false. The new system provides for enhanced monitoring of Tyee power plant, Swan power plant, switchyards, and substations.

Item 4: With regard to RFP's, SEAPA will continue to follow our established procurement process and advertise as required. Our Board members have not requested any changes and it is unorthodox that KPU is attempting to set policy for the SEAPA Board.

In closing, I find it disconcerting that the referenced KPU memo was never transmitted to the SEAPA Office and was sent directly to SEAPA Board members for consideration. I'm unsure if this is standard City of Ketchikan policy, but believe this practice has been questioned in the past. I feel that it would be unprofessional to bypass the City Manager's Office and for SEAPA staff to send draft statements directly to the Council members for consideration. I did not have any knowledge of the memo prior to arriving at our recent Board meeting. However, Ketchikan's appointed SEAPA representatives did bring the issues forward for discussion during the meeting and in a more cooperative format. I respectfully request that you distribute my rebuttal to those that received the original KPU memo so they have factual information. Contrary to some belief, SEAPA has made significant progress in transparency and is working very hard to build trust. We are committed to fostering positive relationships with each of our member utilities and the communities we serve.

Cc: Karl Amylon - Manager, City of Ketchikan and KPU General Manger
Robert Sivertsen - SEAPA Board Chair

SOUTHEAST ALASKA POWER AGENCY

Date: October 10, 2013
To: Trey Acteson
From: Steve Henson, Operations Manager
Subject: Operations Update for October 15 &16, 2013 Board Meeting
Purpose: Status Report on Major Operations Activities

REGULATORY

FERC

A letter has been received from FERC requiring additional work on the Owners Dam Safety Program (ODSP) we submitted. We contacted Environmental Resources Management Southeast, Inc. (ERM) who authored our original ODSP, and they will be assisting us with the follow-up effort to FERC's request.

MAJOR CONTRACTS

Wrangell Reactor

The Wrangell Reactor replacement project management, engineering, and design have been awarded to Electric Power Systems, Inc. (EPS).

Satellite Communications System

Delivery of the satellite equipment is scheduled for the end of October with installation to follow in November at Swan Lake and the SEAPA office. The frame work for the satellite dish was designed by Tongass Engineering and fabricated by Tek Indoor Environmental. It has been delivered to Swan Lake. The crew installed the frame work and poured a 12'x12' concrete pad around it. They also installed the necessary conduit for power and fiber to the dish. After installation of the dish, a roof will be constructed to help shield it from snowfall.

STI Helipads

The U.S. Forest Service permit for installation of the permanent helipads on the STI has been received. Bids were solicited for the installation of two prototypes on the Swan-Tyee Intertie and are due by October 14. Results will be made available at the upcoming Board meeting in Wrangell. I will show photos of the type of pad installed as part of the Tyee Outlet Weir Project using Tongass Engineering's foundation design during my PowerPoint presentation at the meeting.

Structure 76-1M

The bank stabilization at Tower 76-1M on Mitkof has been completed by Reid Brothers Construction of Petersburg with design and project management provided by Tongass Engineering.

Tyee Gatehouse Generator and Gate Controls

The new propane generator for the Tyee Lake Gatehouse was purchased from Arrowhead Gas. New valves and hoses were installed by Arrowhead of Ketchikan after the Tyee crew had the generator in place. The crew wired and tested the generator. Installation of the new gate controls is scheduled to begin October 10 and 11.

Tyee Equipment

An acceptance inspection of the excavator for the Tyee project will be on October 14th.

One bid was received for the compactor, which was \$15,000 above the budgeted amount. I have asked Steve Beers, Tyee Foreman, to expand the search to suppliers in the Northwest.

Swan Lake Power House Roof and Water Tank Projects

Requests for Proposals have been prepared and will be released the first week of November. They consist of replacing the roof membrane and recoating the water tank.

Dock Piling Zincs

Diversified Diving performed an ROV inspection of the Swan Lake trash rack in May of this year. While they had the equipment on site we asked them to inspect the dock pilings and zincs. We discovered the zincs were not functioning and requested Diversified Diving to purchase new zincs and install them, which has now been accomplished.

Zincs will be installed on the Tyee dock pilings concurrently with a trash rack inspection at the Tyee Lake intake during June 2014.

SEAPA Landing Craft for Swan Lake Project

Invitations to Bid on the fabrication of a landing craft to be used primarily for the Swan Lake project have been advertised. Bids are due October 11. Results will be provided at the board meeting.

Breaker Remote Racking Devices

The breaker racking devices for both Tyee and Swan Lake have been received and delivered to their respective areas. These devices remove the operator from the “blast zone” when racking, removing, or installing breakers to an energized buss.

MISCELLANEOUS

A slide presentation will be given at the October Board meeting of various subjects.

CONCLUSION

Staff will be available to answer any questions or concerns.

SOUTHEAST ALASKA POWER AGENCY
Director of Special Projects Report

October 9, 2013

SCADA Capital Project Update
(Supervisory Control and Data Acquisition)

Proposal Process and Vendor Selection

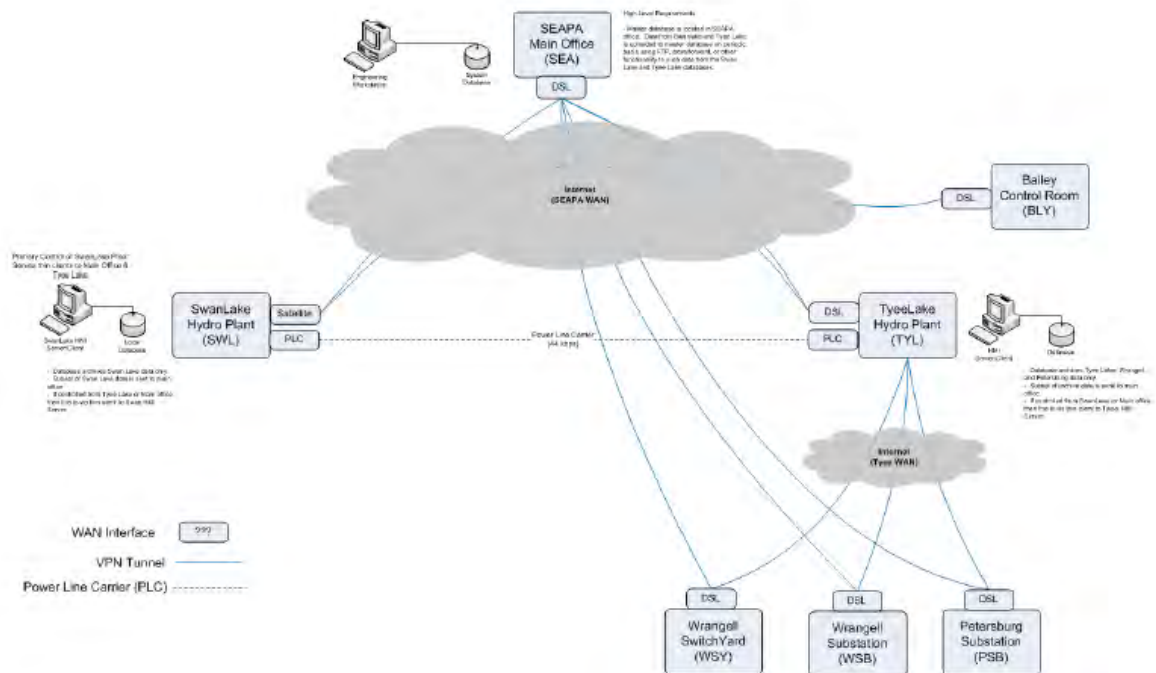
Fiber Fusion has completed Phase 1 design and construction drawings. Phase I covers the Tyee to Petersburg portion of the system, while Phase II is the Swan-Bailey-SEAPA office portion of the system. James Volk of Segrity, LLC continues to provide detailed project management, construction coordination, and technical support. The Phase I factory acceptance test start date has slipped in the schedule from October 1st to October 28 due to delays in delivery of new termination cabinets. Work progresses on device set-up, software configuration, and screen designs.

Schedule

The delayed cabinet delivery has shifted the schedule a bit; the new and original schedules are as shown below.

Original Schedule	Tyee-PSG	Swan-SEAPA-Bailey
SCADA Task	Phase I	Phase II
Site Visits	7/16 to 7/26	during Phase I
Preliminary Design	7/27 to 8/26	11/25 to 12/13
Factory Acceptance Test	10/1 to 10/18	1/6 to 1/10
Installation	10/21 to 11/15	1/13 to 2/3
Commissioning		
Complete	11/22	2/3/2014
Training/Manuals	2/4 to 2/14	2/4 to 2/15
Project Close-out		3/6/2014

New Schedule	Tyee-PSG	Swan-SEAPA-Bailey
SCADA Task	Phase I	Phase II
Site Visits	7/16 to 7/26	during Phase I
Preliminary Design	7/27 to 8/26	11/25 to 12/13
Factory Acceptance Test	10/28 to 11/11/10 to	1/6 to 1/10
Installation	12/15	1/13 to 2/3
Commissioning		
Complete	1/22	2/3/2014
Training/Manuals	2/4 to 2/14	2/4 to 2/15
Project Close-out		3/6/2014



This diagram is provided to remind us that the SCADA Upgrade Project is a large project involving multiple organizations over a mix of communication paths - the mix being in route, ownership, and type of communications (microwave, satellite, radio). We also want to stress that while we are not constrained by NERC security compliance regulations; our system will have security measures in place that meet the intent of NERC criteria.

Tyee Lake Stream Gage Installation

The terms and conditions of our FERC License (No. 3015) state that we must measure stage and flow on the streams upon which the project is located. The present outfall discharge (spill) measuring methods once considered poor by U.S. Geologic Survey (USGS) standards; have deteriorated due to the continued pile-up of logs at the outlet. Additionally, we need an accurate spill measurement for the Whitman true-up. *But most importantly*, the stream gage will allow us to better assess the basin as we evaluate expanding the Tyee project during the relicensing process. One last point, there is a small increase in storage even though we do not change the historic operating range of the lake (reservoir). This storage increase allows us to pay for this project in 6 years if the total cost is kept under \$1.5 million at our wholesale power rate of \$68/MWh.

The largest tasks of this project, log removal and concrete placing, were completed September 13th with BAM construction check-out signed on September 17th. Remaining tasks include installation of the stage measuring equipment and construction of the emergency shelter. Stage measurement installation and calibration of the weir may be delayed until 2014 due to a combination of low water conditions and the government shutdown.



Looking at Weir from upstream approach; permanent log retention cables in foreground.

Swan Lake Reservoir Expansion

Building or modifying a hydro project can be thought of as two major tasks; task one would be the licensing and permitting effort, and task two would be the engineering/construction effort, you know -- *the real stuff*. Even though licensing and permitting takes longer and this process, if not managed well, will derail the project by adding unjustified operational constraints, construction process limits, or delays, it is much less costly than engineering and construction. Engineering and construction which has a much shorter duration and high cash flows requires more management and oversight. These two tasks merge on hydro projects with a dam when the FERC Division of Dam Safety and Inspection (Safety) reviews and modifies our geotechnical and structural engineering analysis while the FERC Division of Hydropower Administration and Compliance (Compliance) decides if we should be granted a license amendment. In short SEAPA staff is proposing moving ahead with engineering before we are granted a license amendment because waiting adds at least a year of construction escalation (in excess of \$1.1M). Also, permitting for construction is contingent upon favorable reviews of our engineering design by FERC Safety. The project schedule as show below is our best route for lower costs and a smooth administration process:

		2011	2012	2013	2014	2015	2016	2017
	Project Initiation at PSG Board Mtg	Dec						
	Benefit/Cost Analysis		Mar-Jul					
	Feasibility study		Feb-May					
NEPA-FERC	Preconsultation meeting with Agencies		May					
NEPA-FERC	Issued study plans to Agencies		May					
NEPA-FERC	Environmental Field Studies		Jul-Sept					
NEPA-FERC	File Initial Consultation Document			April				
NEPA-FERC	Joint Agency Meeting (Verified no additional Studies Required)			May				
NEPA-FERC	Written Comments Received from AKDNR, USF&W,TNF,ADF&G,NMFS			Aug-Sept				
NEPA-FERC	Preliminary Draft Environmental Assessment			Sept-Dec				
NEPA-FERC	Draft Environmental Assessment (DEA)				Jan-Mar			
NEPA-FERC	File License Amendment Request(DEA, Project Def.(Boundary), Prop. Action, Econ Benefit, Constr. Plan				April			
NEPA-FERC	FERC conducts consultation with agencies and grants/denies License Amendment				May	Apr		
Permitting	Corps. Of Engineers 404 & 401 Permits				May	Apr		
Permitting	AKDNR-Logging Survey (cruise)		(either season)		May	Dec		
Permitting	Assemble Board of Consultants			Nov				
Permitting	Dam Safety Review by Portland Regional Office				Jan	April		
Permitting	Issue Engineering, Procurement, Construction Request for Proposal			Dec				
Permitting	Award EPC Contract				Jan-Feb			
	Engineering Design				Mar	Nov		
	Construction Engineering &Procurement					April	Nov	
	Construction			(2 months float)		June	May	
	Logging						Oct-Nov	Oct-Nov

FERC Safety requires a Board of Consultants (BOC) on any project that requires a dam modification, and a preliminary meeting to review the project scope, proposed change and the owner's intent regarding the BOC. SEAPA held this meeting during May of 2012. We asked for an exemption from having to retain a BOC due to the project simplicity; FERC Safety responded that they much preferred a BOC. Now is the time to assemble our BOC and plan the design-review process to identify any potential hurdles. We have accelerated the license amendment schedule by a year, and we now know there is low risk of a FERC Compliance mandated reservoir operational limit; that means we need to accelerate the design process. The above schedule indicates that for an efficient design process the BOC needs to be retained in November; they will then need to review our feasibility study and make recommendations regarding the analysis methods.

SEAPA staff strongly recommends selecting our BOC based on both previous Swan Dam design experience and excellent reputations with FERC Safety. We propose having the BOC hired immediately to review the feasibility study; we also will be issuing an RFP for an Engineering, Procurement, and Construction (EPC) Contract this December, and the BOC should follow that process. Board of Consultants are a strategic move by the owner; in our case, we do not want to bid this work, we want to hire Donald Bowes who was on the original RW Beck and Associates' Swan Dam design team, and Glenn Brewer of HDR, Inc. who holds an excellent reputation with the Portland office through his 35 years of dam construction, engineering, and his FERC Part 12 and FERC PFMA (Portland Office) consulting. We are hoping FERC will allow us to have only two BOC members as this is a small, low-risk, straight-forward project; the usual BOC size is between three-to-four members. I will include a memo under New Business in the agenda for consideration and approval of sole-sourcing the BOC contract to Mr. Bowes and Mr. Brewer, who are both uniquely qualified for the project. The cost of the BOC process for a high case (long process) excluding travel costs is estimated to be \$138,000. The original feasibility study estimate was near \$75,000. We will fall between these

two estimates. The wide variation is due to the unpredictability of the Portland Office response to our plan.

Conservative (High Case) BOC Budget	Task	# BOC	Hr. per	Rate	Lump	BOC Labor
Review Feasibility Study	BOC Review effort & response	2	30	\$250		\$15,000
SEAPA-BOC-FERC Dialog & Mtg#1	BOC Labor	2	10	\$250		\$5,000
SEAPA-BOC-FERC Dialog & Mtg#1	BOC Travel Costs	2			1000	
Review EPC Contract	BOC read & Advise	1	8	\$250		\$2,000
SEAPA-BOC-EPC Dialog & Advise	BOC read and advise SEAPA	1	8	\$250		\$2,000
BOC review EPC analysis & Advise	BOC Labor	2	32	\$250		\$16,000
EPC modifies method & recalcs	BOC Labor for 2nd review	2	8	\$250		\$4,000
SEAPA-FERC-BOC-EPC Mtg #2	BOC labor	2	10	\$250		\$5,000
SEAPA-FERC-BOC-EPC Mtg #2	BOC travel costs	2			1000	
Resulting BOC effort from Mtg #2	BOC Labor	2	24	\$250		\$12,000
EPC Final Analysis Review	BOC Labor	2	30	\$250		\$15,000
SEAPA-BOC-FERC-EPC Mtg#3	BOC Labor	2	10	\$250		\$5,000
SEAPA-BOC-FERC-EPC Mtg#3	BOC Travel Costs	2			1000	
Monitor Construction	BOC read construction reports	2	60	\$250		\$30,000
BOC travel to Construction site	BOC travel costs	2			1000	
BOC travel to Construction site	BOC Labor	2	10	\$250		\$5,000
Final Report Review	BOC Labor	2	8	\$250		\$4,000
		BOC Labor Total			\$120,000	
		Contingency			15%	\$18,000
		BOC Total			\$138,000	

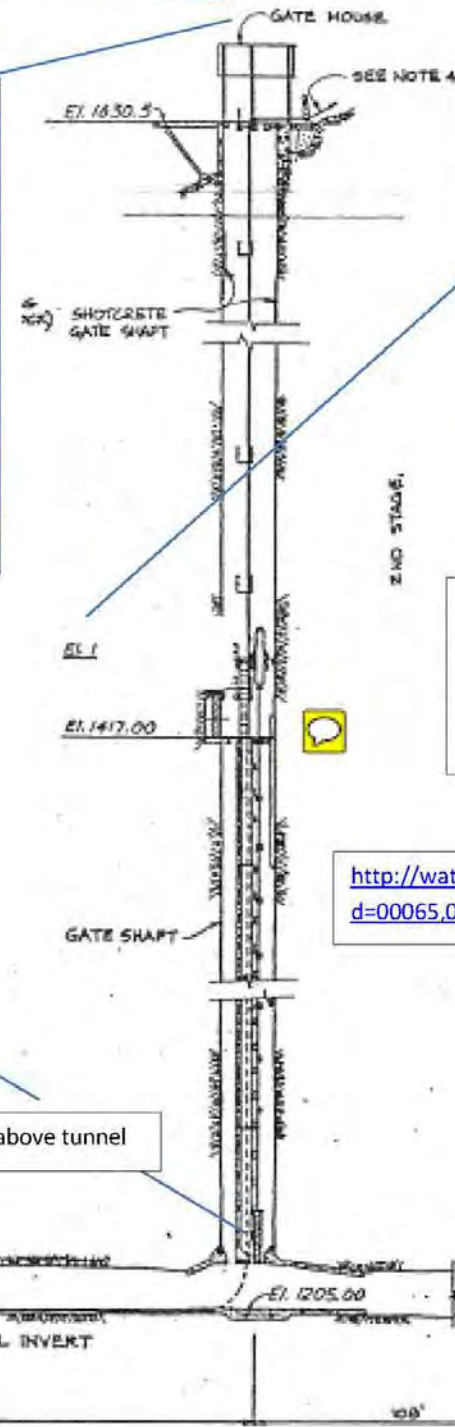
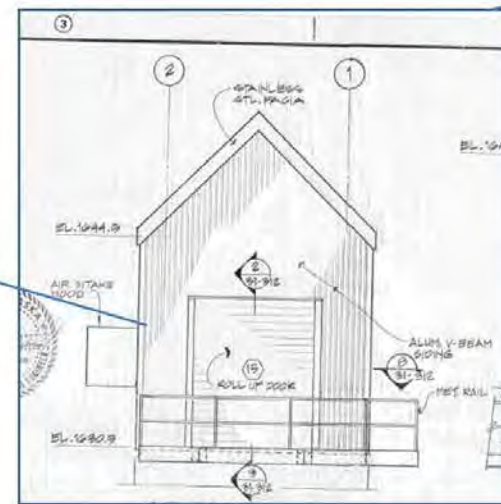
Tyee Gate Controls Replacement

We are very close to getting this project off our task list. Control retrofit/replacement and cut-over will occur and most likely be complete by end of October. We delayed this project until replacement of the propane generator was complete; this generator, located at the gatehouse provides power for the air exhaust, crane, and lighting. Please review the next page for an overview of the intake structure which provides an explanation of why this is not a straight forward task. Two hundred feet of vertical ladders in a confined space must be negotiated to move the gate controls from a highly corrosive environment on the deck just above the 1417 platform to the drier top level located in the gatehouse at elevation 1630.

SOUTHEAST ALASKA POWER AGENCY Director of Special Projects Report



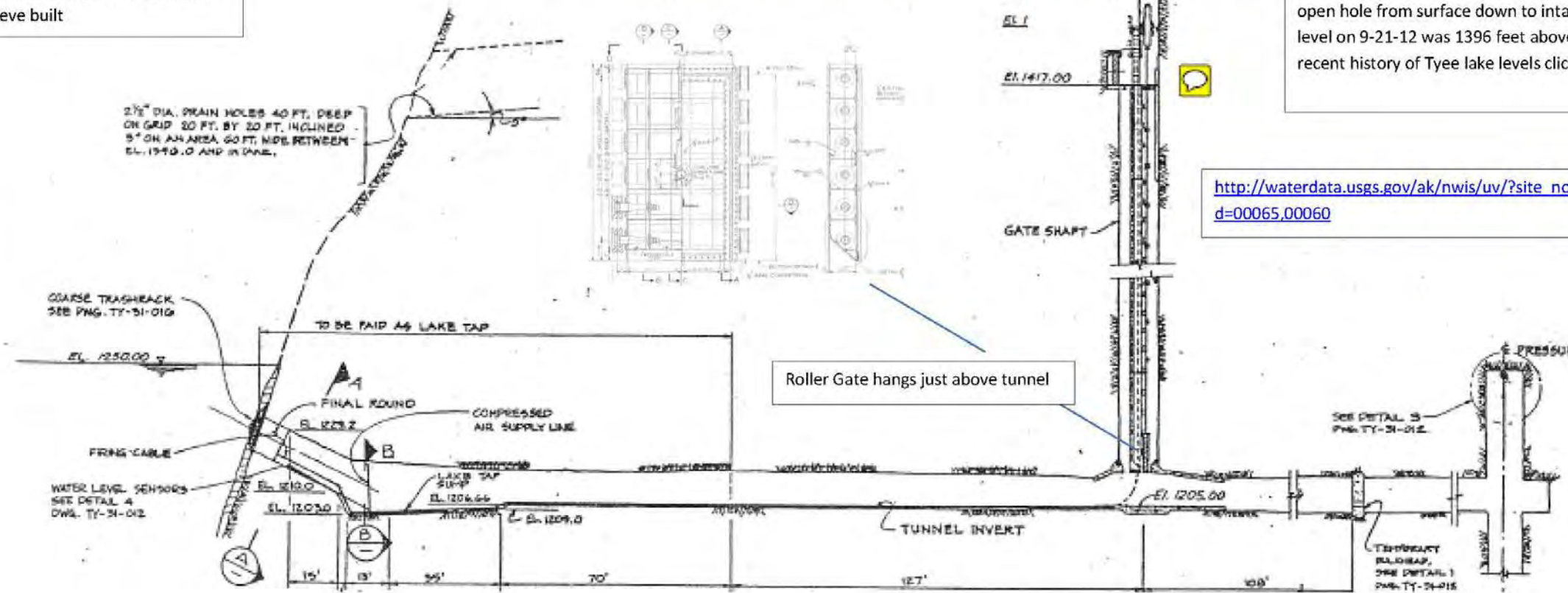
Gate House with helicopter pad, generator Building and crew shack that Steve built



Looking up from 1417 platform in Gate shaft

Water level same as reservoir in gate shaft, shaft is an open hole from surface down to intake tunnel. Water level on 9-21-12 was 1396 feet above sea level.. too see recent history of Tyee lake levels click the link below

[http://waterdata.usgs.gov/ak/nwis/uv/?site_no=15019990&PARAMeter c
d=00065.00060](http://waterdata.usgs.gov/ak/nwis/uv/?site_no=15019990&PARAMeter_cd=00065.00060)



Roller Gate hangs just above tunnel

SOUTHEAST ALASKA POWER AGENCY

Director of Special Projects Report

Tyee Cooling Water Conversion

Cooling water (CW) at Tyee is currently supplied off the penstock via a set of pressure reducing valves. Currently the valves controlling cooling water are manually operated; typically the valves are left fully open except during manual unit start/stop operation. Tests conducted during 2012 indicate throttling the CW and using the existing pumps is by far a more efficient way to cool the units. The annual value of using the existing CW pumps combined with a simple control system is approximately 1,000 MWh of additional energy for our municipal members.



We completed our piping modification design and have installed 90% of the piping system; we anticipate completion of the piping and valve installation during October and operation of the units using pumps starting in November. Verification of pump capability will take place this October, and verification of control logic design will occur this November. Control logic installation will occur and be integrated into our SCADA installation work.



SEAPA Long-Term Planning

A Coordinated and Integrated Three-City Regional Effort

SEAPA staff at this time has several projects/issues that are part of the long-term planning process. Within this process are project titles you will recognize:

- The Kake-Petersburg Intertie
- Annette Island Hydro and Transmission
- Future Hydro Sites such as: Mahoney Lakes, Sunrise, and Cascade Creek
- SEAPA's Request for Offers of Power and Energy
- Swan Lake Reservoir Expansion
- Swan Lake and Tyee Lake Relicensing

There is also the ongoing commitment to fulfill our Power Sales Agreement (PSA) obligations:

- ensure the intent of the dedicated and additional dedicated requirements
- maintain the full requirements clause
- deliver not only energy, but also capacity to industry standards such that the system is *both* economically operated but also maintains reliable deliveries

All of these topics are bundled into what SEAPA staff refers to as our long-term planning effort. One could correctly argue that the hourly dispatch operation is a short-term planning effort. That's true, but what we are conveying is that future energy and capacity issues must satisfy the characteristic of our loads, and understanding both the current load characteristic and the PSA is vitally important as we appraise future generation and transmission options. The above topics are not separate, individual issues, because we are physically linked by a transmission line and financially and politically linked by the PSA. During discussion of this portion of my report, we will answer the following questions:

- Why is SEAPA doing long-term planning?
- What is the difference between Energy and Capacity?
- How much diesel generation is on the horizon on an energy basis? On a capacity basis?
- Why is the full requirements clause in the PSA? Doesn't that hinder development?
- Why don't we bring on another hydro immediately?
- What is SEAPA doing to identify the next best site?
- How much would my rates increase if we did nothing?
- How much would my rates increase if a new hydro were commissioned in 2020?

Request for Offers of Power and Energy (RFO)

The RFO was issued on January 31, 2013 and a Workshop was held on April 10, 2013. The deadline to submit letters of intent to make an offer was April 15, 2013. Respondents have until September 30, 2014 to submit an offer under Options 1, 2, 3, and until November 29, 2013 to submit a business plan under option 4.

The RFO has developed interest from a variety of suppliers/manufacturers, utilities, and Independent Power Producers. We received letters of intent that totaled in excess of 70 MW of generating capacity. SEAPA has returned letters of clarification and acknowledgement to each party that submitted a letter of intent. We are now waiting for submittals under Option 4 due at the end of next month.

See the following documents for review of the RFO History: CEO Report: June and September 2012; Special Projects Report: December 2012, March and April 2013.

Department of Commerce, Community, and Economic Development Grant (DCCED Grant)

We received the grant last summer, and set up the accounts and project plan over the fall of 2012. Kay Key monitors the accounts and manages our submittals to the DCCED. We selected McMillen, LLC & Tetra Tech as our site evaluation contractor this past July, and we started field work this September. We have five years from July 2012 to execute our grant, and have initiated three aspects of the grant.

- 1 - Business Analysis Task (RFO)
- 2 - Hydro Site Analysis
- 3 - Storage (Swan Lake)

A field team of McMillen and Tetra Tech technicians traveled to Annette Island to appraise the energy and capacity content of not only the previously proposed projects, but also the capabilities of the entire Island. Investigations and analysis work include:

- Basin Hydrology Assessment (Inflow prediction)
- Flood estimation using USGS Regression Analysis
- Stream Gage Installation at Lower Todd and Triangle Lakes
- Intake/ Impoundment surveys
- Bathymetric Survey (depth) and side band LIDAR (storage)

Staff will explain the sites and technical work in more detail at our Board Meeting, but in short a lot of field measurements and observations were recorded; McMillen and Tetra Tech continue to format this data into site definition documents. These documents will be the basis for an electronic library of all sites, with each site having a definition document. As the analysis work continues, proposed sites will have different levels of information and detail depending on progression of the appraised value of the site. McMillen and SEAPA held a meeting on October 7th to review the Annette Island work, revise the site definition document, design the electronic library, and begin scoping our 2014 efforts.

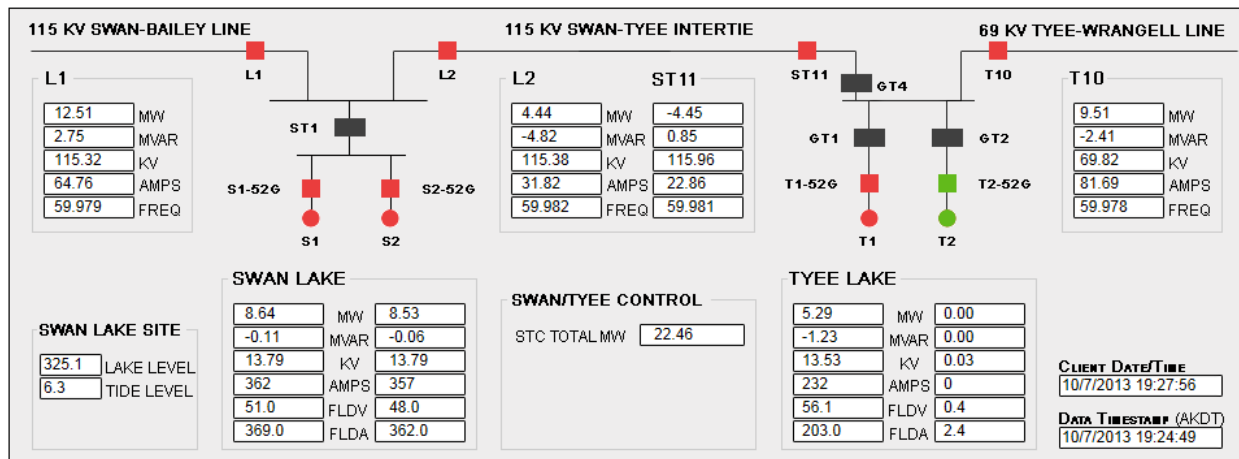
DCCED Grant Tasks	Schedule		Budget
	Start (Month-Year)	Projected Stop	Approved
Hydro Storage-Swan Lake Reservoir Expansion	Oct-13	Oct-14	\$578,000
Hydro Site Evaluation	Jul-13	Jun-15	\$1,705,000
Electrical Stability/Interconnection Studies	Jun-14	Nov-14	\$146,000
System Water & Load Balance Modeling	Jun-14	Oct-14	\$112,000
Project Management/Meetings/PR/Analysis	Nov-13	Dec-15	\$309,000
RFO-Business Analysis and Power Purchase/Sales/Exchange	Dec-12	Apr-13	\$150,000
DCCED Total			\$3,000,000

Remaining funds can be transferred to other tasks with approval by the DCCED.

This work is follow-up work that applies to SEAPA as a result of the SEIRP. If you have not read that document, please consider reading the executive summary of Section I: <http://www.akenergyauthority.org/southeastIRP.html>

Water Management

At our August meeting we said, "Our overall plan for summer generation is to meet load but with the expectation that both Swan Lake and Tyee Lake will be just under full for the next winter heating season." Later in September our predictions were for less-than-full conditions at both Tyee and Swan Lake if average weather conditions arrived as we had a very dry summer. Now, given the monsoon that just passed through S.E. Alaska, it looks like we will fill both Tyee and Swan Lake if average conditions prevail from mid-October through mid-November. On October 6th we switched generation patterns at Tyee and Swan Lake to leverage the quickly filling Swan Lake. Usually the generation pattern is for Tyee to deliver power south; similar to last year, power is now flowing north on the STI so we can refill Tyee Lake for the winter heating season.

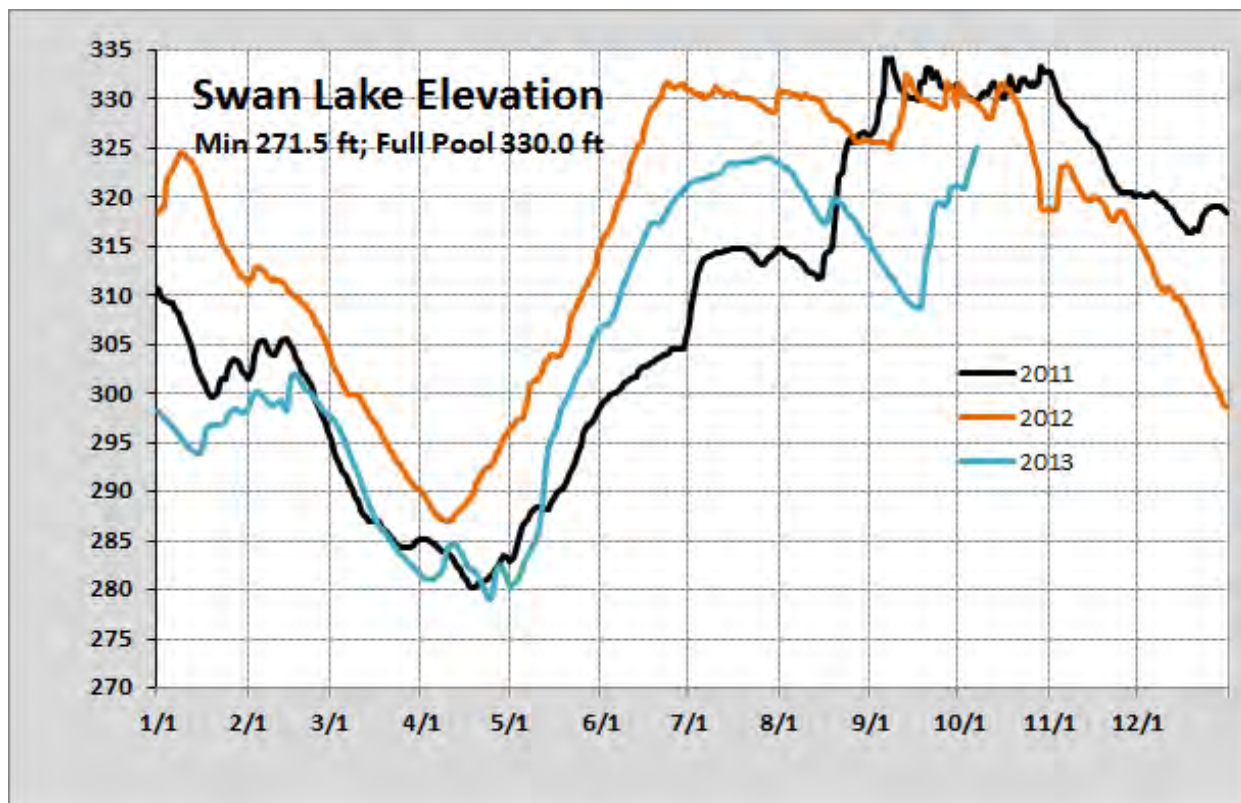


Fall generation pattern - Swan Lake filling while sending power north to Petersburg and Wrangell. In the picture above, Swan Lake generation totals 17.17 MW while Ketchikan demand is 12.51 MW, Tyee generation is from Unit #1 only at 5.29 MW but Wrangell and Petersburg demand is 9.51 MW.

Also, we had record summer generation as shown in the FY to date data, but in case you missed it, September was also a big month. Please see the table on the next page.

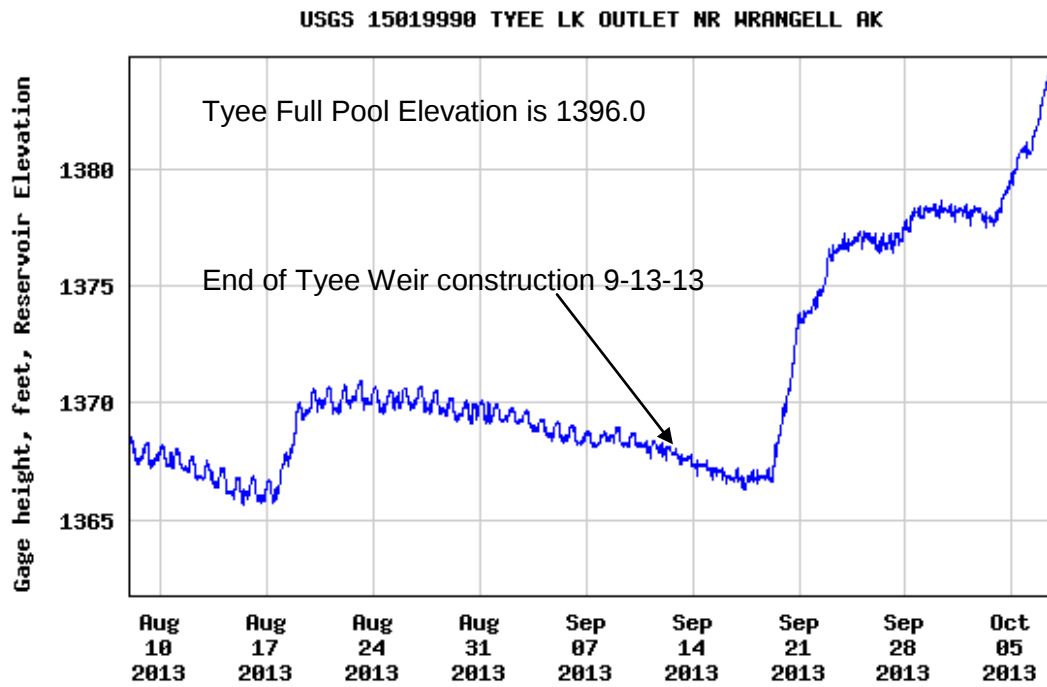
SEPT. 2014	FY14 kWh Hydropower Sales	Current Month		Year-To-Date	
		Actual	Budget	Actual	Budget
	Ketchikan Power Purchases	7,798,000	5,000,000	24,904,000	17,100,000
	Petersburg Power Purchases	3,289,420	2,500,000	11,336,840	9,100,000
	Wrangell Power Purchases	2,503,800	2,500,000	9,318,600	8,900,000
	Total Power Purchases	13,591,220	10,000,000	45,559,440	35,100,000

SEAPA deliveries in kWh for FY14 and September



Swan Lake Water levels shown above for years 2011, 2012, and 2013

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----- Provisional Data Subject to Revision -----

Tyee Lake reservoir level for this August and September

SEAPA Project Update: Swan Lake October 2013

Safety/Environmental/Security

- No Safety or Environmental incidents to report
- Safety Training for September included: PPE, hearing conservation, respirator training
- Recent Visitors include: several fisherman and hunters
- Recent initiatives (dam camera (issue), dock ladders, dock toe kicks)
- Dam Fail test with Bailey completed Oct 8th.

Outages/Unit constraints/Reservoir Level

- No forced outages for September
- Planned station outages (when returned to single unit operation)
- Reservoir level building: 325.1 ft. as of October 8th.
- Emergent work: replacement of ¾" copper cooling lines to turbine guide bearing and stuffing box, both units

Compliance

- Dam deflection and seepage pin surveys up for November

Periodic Maintenance

- (Unit 2 open item)Draft tube cavity inspections with replacement of vibration instrumentation
- (open item) Breaker fit testing with new machine breaker
- (open item) SF6 Breaker gas testing.

New Projects

- Phone issue repairs completed, three working phone lines for now
- New VHF antenna for the Power House installed and tested excellent
- Fork lift cylinder repair complete
- Log boom anchoring points repaired, logs removed and stacked at raft.

- New communications satellite dish pad & conduit complete await contractor installation
- New copier/scanner, complete
- New ATV received
- New lawn mower received (works great!)
- Lighting upgrades - motion/photo detector (open)
- Replacement motor operators for exciter breaker (open)
- Load of D1 gravel (open)



Dock ladder and toe kicks installed



Satellite dish pad and stand installed

Southeast Alaska Power Agency

DATE: October 9, 2013
TO: SEAPA Board of Directors
FROM: Trey Acteson, CEO
RE Board Member Travel Request

Board member, Brian Ashton, contacted our office on October 8th requesting the protocol for SEAPA funding his attendance at a Law Seminars International 'Energy in Alaska' conference to be held December 5 & 6, 2013 in Anchorage. A copy of the conference brochure is attached. In the past, Joel Paisner has typically attended these conferences at the expense of Ater Wynne. As SEAPA's Chief Executive Officer, I had already planned to attend on behalf of the Agency and have paid the \$830 registration fee.

I have attached Resolution 2009-027 adopting SEAPA's travel policy stating that board members may be reimbursed for travel expenses to attend board meetings and other *approved meetings or events*. Based on the policy, it appears it is a board decision whether this particular request is funded by SEAPA. The following is a suggested motion:

SUGGESTED MOTION
I move to authorize SEAPA's CEO to respond to Director Ashton's request for travel reimbursement for the Law Seminars International conference as determined appropriate by the board.

Attachments:

Conference Brochure
Resolution 2009-027 | SEAPA Travel Policy



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December 5 & 6, 2013

William A. Egan Civic & Convention Center in Anchorage, AK

Who Should Attend

Attorneys, industry executives and governmental and customer representatives involved with energy development

Why You Should Attend

As Co-Chairs, we have assembled a distinguished faculty designed to bring lawyers, industry executives, government officials and consultants up to date on a full range of Alaska energy issues. Speakers will address such topics as regional issues that are affecting Alaska's Outer Continental Shelf (OCS) development in the Beaufort and Chukchi seas, progress towards more affordable energy for Alaska's interior, LNG imports, electric generation and transmission changes and developments in environmental policy.

We are pleased to have on our agenda a special opening address by The Hon. Daniel Sullivan, Commissioner of the Alaska Department of Natural Resources, a look ahead to issues for the next Alaska legislature by State Senator Peter Micciche and State Representatives Lesil McGuire and Eric Feige. A special commissioners' panel focusing on energy issues in Alaska includes Commissioners Cathy Foerster, Larry Hartig, and Director William Barron. State Senator Cathy Giessel, State Representative Mike Hawker and David Haugen will focus on the implementation of energy bills coming out of the 2013 legislative session.

This distinguished group of speakers, among other leading practitioners and industry executives, makes this a highly informative and educational conference that you will not want to miss. We hope to see you there.

~ Mark Johnson, Esq. of Chugach Electric Association, Inc. and Bradford G. Keithley, Esq. of Keithley Consulting, LLC, Program Co-Chairs

What You Will Learn

- Energy bills coming out of the 2013 legislative session
- Outer Continental Shelf development
- Cook Inlet: Local natural gas production and storage
- The changing world for electric generation and transmission
- Middle Earth: Progress towards more affordable energy
- Developments in environmental policy
- Special commissioners' panel
- A look ahead for the next Alaska legislature

[Agenda](#) [Tuition](#) [Credits](#) [Location](#) [Homestudy](#) [Faculty Bios](#) [Register](#)

Agenda

Thursday, December 05, 2013

8:00 am Registration Opens

8:30 am Introduction & Overview

*Bradford G. Keithley, Esq., Program Co-Chair
Keithley Consulting, LLC / Anchorage, AK*

*Mark Johnson, Esq., Program Co-Chair
Chugach Electric Association, Inc. / Anchorage, AK*

8:45 am Special Opening Address

*The Hon. Daniel S. Sullivan, Commissioner
Alaska Department of Natural Resources / Juneau, AK*

9:15 am Implementation of Major Energy Bills Coming Out of the 2013 Legislative Session

SB 21 oil tax reform: How is it likely to change energy resource development in Alaska?

*The Hon. Cathy Giessel, Senator (R-District N)
Alaska State Senate / Juneau, AK*

HB 4 gas pipeline bill: How is it likely to change energy distribution in Alaska?

*The Hon. Mike Hawker, Representative (R-District 27)
Alaska State House of Representatives / Juneau, AK*

*David W. Haugen, Project Manager
Alaska Gasline Development Corporation / Anchorage, AK*

10:30 am Break

10:45 am Regional Issues: Outer Continental Shelf (OCS) Development in the Beaufort and Chukchi Seas

Update on development of new Federal OCS regulations and the jurisdictional MOU between the Coast Guard and Department of the Interior

*Bradford G. Keithley, Program Co-Chair
Keithley Consulting, LLC / Anchorage, AK*

State and local level development issues

*The Hon. Reggie Joule, Mayor
Northwest Arctic Borough / Kotzebue, AK*

12:00 pm Lunch (on your own)

1:15 pm Cook Inlet: Will Local Natural Gas Production and Storage be Sufficient to Meet Peak Needs Without LNG Imports?

ENSTAR's view of the long term future

*Colleen Starring, President
ENSTAR Natural Gas Company / Anchorage, AK*

2:00 pm The Changing World for Electric Generation and Transmission

Overview

*Mark Johnson, Esq., Program Co-Chair
Chugach Electric Association, Inc. / Anchorage, AK*

How key players view the issues

Joe Griffith, General Manager
Matanuska Electric Association / Palmer, AK
Sara Fisher-Goad, Executive Director
Alaska Energy Authority / Anchorage, AK

3:15 pm Break

3:30 pm Middle Earth: Progress Towards More Affordable Energy for the Interior

Liquefaction of North Slope gas and transportation via truck to Fairbanks

Gene Therriault, Deputy Director
Alaska Energy Authority / Anchorage, AK

Incentives for oil and gas development in Middle Earth

Teresa B. Clemmer, Esq.
Bessenyey & Van Tuyn LLC / Anchorage, AK

Development of renewables and other alternative sources of energy for rural Alaska

Meera Kohler, President & CEO
Alaska Village Electric Cooperative, Inc. / Anchorage, AK

5:00 pm Continue the Exchange of Ideas: Reception for Faculty and Attendees

Sponsored by Keithley Consulting, LLC

Friday, December 06, 2013

8:30 am Developments in Environmental Policy of Importance to Energy Production in Alaska

Other environmental quality developments impacting Alaska

Cameron M. Leonard, Esq.
Perkins Coie / Anchorage, AK

Practical tips for navigating permitting processes; endangered species listings and impacts

Svend Brandt-Erichsen, Esq.
Marten Law PLLC / Seattle, WA

Environmental perspective

Peter H. Van Tuyn, Esq.
Bessenyey & Van Tuyn LLC / Anchorage, AK

10:15 am Break

10:30 am Special Commissioners' Panel: Energy Issues Facing Alaska This Past Year and Coming Up

Alaska Oil and Gas Conservation Commission

The Hon. Cathy Foerster, Commissioner
Alaska Oil & Gas Conservation Commission / Anchorage, AK

Department of Natural Resources Division of Oil & Gas

The Hon. William Barron, Director
Department of Natural Resources, Division of Oil & Gas / Anchorage, AK

State regulatory perspective on which issues will come to the fore in Alaska and how they'll play out

*The Hon. Larry Hartig, Esq., Commissioner
Department of Environmental Conservation / Juneau, AK*

12:15 pm Lunch (on your own)

1:30 pm A Look Ahead to Issues for the Next Alaska Legislature

Finding the right state revenue model for development of Alaska's energy resources: How Norway's approach differs from the present fiscal regime in Alaska

*The Hon. Peter A. Micciche, R-District O
Alaska State Senate / Juneau, AK*

Prospects for legislative action to change the regime during the next session

*The Hon. Lesil McGuire, Senator (R-District N)
Alaska State Senate / Juneau, AK*

Other items likely to be on the legislative agenda

*The Hon. Eric Feige, Representative (R - House District 6 - Delta Junction)
Alaska State Legislature / Juneau, AK*

3:00 pm Evaluations and Adjourn

[Agenda](#) [Tuition](#) [Credits](#) [Location](#) [Homestudy](#) [Faculty Bios](#) [Register](#)

Tuition

Regular tuition for this program is \$1245 with a group rate of \$935 each for two or more registrants from the same firm. For government employees, we offer a special rate of \$830. For students and people in their job for less than a year, our rate is \$622.50. All rates include admission to all seminar sessions, food and beverages at breaks, and all course materials. Make checks payable to Law Seminars International.

Continuing Education Credits

Live credits: This program qualifies for 11.5 AK CLE credits. Upon request, we will apply for, or help you apply for, CLE credits in other states and other types of credits.

[Agenda](#) [Tuition](#) [Credits](#) [Location](#) [Homestudy](#) [Faculty Bios](#) [Register](#)

Location

The conference will be held at the William A. Egan Civic & Convention Center at 555 West Fifth Avenue in Anchorage, AK 99501.
[More about the Location](#)

If You Cannot Attend

Our complete Homestudy Course, consisting of a DVD recording and the course materials, is available for \$1255. The course materials alone are available for \$100. We will ship your Homestudy order via UPS ground within two weeks after the seminar or from the date we receive payment.

[Order Homestudy](#)

Cancellation & Substitution

You may substitute another person at any time. We will refund tuition, less a \$50 cancellation fee, if we receive your cancellation by 5:00 p.m. on Friday, November 29, 2013. After that time, we will credit your tuition toward attendance at another program or the purchase of a Homestudy. There is a \$25 cancellation fee for Course Materials orders and \$50 for Homestudy orders.

[Agenda](#) [Tuition](#) [Credits](#) [Location](#) [Homestudy](#) [Faculty Bios](#) [Register](#)

RESOLUTION 2009-027

**Resolution of the Southeast Alaska Power Agency
Adopting a Policy for Board Member and Staff Travel Expenses**

WHEREAS, the Bylaws of the Southeast Alaska Power Agency (Agency) allows for board members to be reimbursed for travel expenses to attend board meetings and other approved meetings or events, and

WHEREAS, the staff members of the Agency travel to attend board meetings and other travel as is required, and

WHEREAS, it is in the best interest of the Agency to adopt a Travel Policy defining the conditions under which board members or staff are to be reimbursed for travel.

NOW THEREFORE BE IT RESOLVED, the Board of Directors of the Southeast Alaska Power Agency hereby adopts the attached Travel Policy for board member and Agency staff travel.

Approved this 25th day of June, 2009


Chairman of the Board

Attest:


Secretary/Treasurer



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SEAPA Travel Policy

The Agency Bylaws state the following:

5.1 Compensation.

5.1.1. Directors and alternates to the Board, Directors and alternates serving as executive and special committee members and Directors and alternates serving as officers to the Board, may not receive salaries for such services, and except in emergencies, may not receive salaries for services provided to the Agency in any other capacity without the approval of a majority of the Board, excluding the vote of the Director or alternate to be compensated.

Directors and alternates to the Board may receive reasonable reimbursement for expenses, including but not limited to travel, hotel and a per diem for meals for any necessary travel required as a Director and alternate, including service as an executive and special committee member and officer. The Board from time to time may establish a policy governing such reimbursements for necessary travel to and from a meeting of the Board or other meetings while officially representing the Agency.

Reasonable reimbursement is subject to the following:

- 1) Travel must be by the most direct route and will be reimbursed at no more than airline coach fare.
- 2) Actual, itemized receipts are submitted to the SEAPA office within 30 days after the actual meeting days for each duly convened meeting to be reimbursed at cost.
- 3) Expenses for travel to and from a meeting of the Board or other meetings while officially representing the Agency are not submitted through the net billing process.

Southeast Alaska Power Agency

DATE: October 9, 2013
TO: SEAPA Board of Directors
FROM: Trey Acteson, CEO
RE Recording and Preservation of SEAPA History

With the annual change of board members, it may be prudent to consider recording a timeline of SEAPA's history to preserve factual data. While there are considerable historical documents evidencing events, it may also be necessary to schedule a time for those that have been with the Agency for a number of years to confer, discuss, and confirm data for the record. There may be a minimal cost involved. Chairman Sivertsen will elaborate further at the board meeting.

SUGGESTED MOTION
I move to authorize staff to prepare a timeline of SEAPA history for the preservation of factual data, and authorize the expenditure up to \$5,000 for any travel expenses necessary for participation by past and/or current Agency staff or board members who may contribute to the record.

Southeast Alaska Power Agency

DATE: October 9, 2013

TO: Trey Acteson

FROM: Eric Wolfe, Director of Special Projects

RE Board of Consultants for SEAPA's Swan Lake Reservoir Expansion Project

The Federal Energy Regulatory Commission's (FERC) Division of Dam Safety and Inspection (FERC Safety) requires a Board of Consultants (BOC) on any project that involves either a new dam or a dam modification. The BOC both advises FERC and the owner during the dam design and construction process. In our case, the BOC will review preliminary plans, engineering calculation methods, and assess the effect of the proposed modification on structural integrity. The BOC opinion of our design methods will not govern the scope of work should FERC become overly strict (a recent trend), but the BOC opinion does carry substantial weight given the experience usually held by the BOC members. Our accelerated project schedule requires us to now retain our BOC. We have accelerated the license amendment schedule by a year, and we now know there is low risk of our amended license containing a FERC mandated reservoir operational limit.

SEAPA staff strongly recommends selecting our BOC based on both previous Swan Dam design experience and excellent reputations with FERC Safety. We propose having the BOC retained during November to review the feasibility study; we also will be issuing an RFP for an Engineering, Procurement, and Construction (EPC) Contract this December, and the BOC should follow that process. A BOC is a strategic move by the owner; in our case, we do not want to bid this work. We recommend sole-sourcing a contract with Don Bowes who was on the original R.W. Beck and Associates' Swan Dam design team, and Glenn Brewer of HDR, Inc. who holds an excellent reputation with the Portland office through his 35 years of dam construction and engineering. Both are uniquely qualified for the work. Mr. Brewer has provided many of his Part 12 Inspections and performed most of his PFMA consulting in the Pacific Northwest under the Portland Office. We are hoping FERC Safety will allow us to retain only two members as this is a small, low-risk, straight-forward project; the usual BOC size is between three-to-four members. The high case cost as outlined in the Director of Special Project's report, excluding travel, is estimated to be \$138,000; the original feasibility study estimate was near \$75,000. We will fall between these two estimates.

SUGGESTED MOTION
I move to authorize staff to enter into a contract with Glenn Brewer, P.E. of HDR, Inc. and Donald Bowes, P.E. as consulting engineers for SEAPA's Board of Consultants for the not-to-exceed value of \$138,000 for SEAPA's Swan Lake Reservoir Expansion Project.

Southeast Alaska Power Agency

DATE: October 9, 2013
TO: Trey Acteson
FROM: Steve Henson, Operations Manager
RE Swan Lake Landing Craft

Staff issued a Request For Proposals for the design, engineering, and supply of a landing craft for Swan Lake on September 19, 2013. Proposals are due by October 11. Funding of \$130,000 was approved in the FY14 budget for the project. Results will be provided at the board meeting. I have prepared the following suggested form of motion in the event the board elects to award the contract at the upcoming meeting:

SUGGESTED MOTION
I move to authorize staff to enter into a contract with _____ for the lump-sum value of \$_____ for the design, engineering, and supply of a Landing Craft for SEAPA's Swan Lake facility.

Southeast Alaska Power Agency

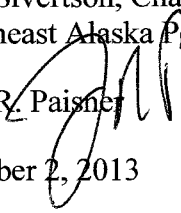
DATE: October 9, 2013
TO: Trey Acteson
FROM: Steve Henson, Operations Manager
RE Swan-Tyee Intertie Helipad Installation Project (Phase I)

Staff issued an Invitation to Bid for Phase I of its Swan-Tyee Intertie Helipad Installation Project. Bids are due by October 14. Results will be provided at the board meeting. I have prepared the following suggested form of motion in the event the board elects to award the contract at the upcoming meeting:

SUGGESTED MOTION
I move to authorize staff to enter into a contract with _____ for the lump-sum value of \$_____ for Phase I of SEAPA's Swan-Tyee Intertie Helipad Installation Project.

MEMORANDUM

TO: Bob Sivertson, Chair
Southeast Alaska Power Association

FROM: Joel R. Paisner 

DATE: October 2, 2013

RE: Proposed Motion for Executive Session Regarding Employee Compensation

I understand that the SEAPA Board of Directors may decide to discuss compensation for the Chief Executive Officer in an Executive Session. The following motion provides the basis for such a discussion:

I move to recess the regular meeting into an Executive Session in order to discuss compensation related to SEAPA's Chief Executive Officer. The Executive Session will be conducted pursuant to SEAPA's Bylaws and Alaska State Law as the discussions may include a subject or persons that may tend to prejudice the reputation or character of a person.

Please let me know if you have any questions.