



**SOUTHEAST ALASKA POWER AGENCY**

**Minutes of Regular Meeting**

November 1-2, 2016

The Nolan Center  
Wrangell, Alaska

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

**1) Call to Order**

A. *Roll Call.* Chairman John Jensen called the meeting to order at 1:00 p.m. AKDT on November 1, 2016. The following directors and alternates were present, thus establishing a quorum of the board:

<b>Director</b>	<b>Alternate</b>	<b>Representing</b>	
	Andy Donato	Swan Lake	Ketchikan
Judy Zenge		Swan Lake	Ketchikan
Joe Nelson	Mark Jensen	Tyee Lake	Petersburg
John Jensen	Cindi Lagoudakis	Tyee Lake	Petersburg
Stephen Prysunka	Clay Hammer	Tyee Lake	Wrangell

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

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|---|---------------------------------------|
| Trey Acteson, Chief Executive Officer   | Steve Henson, Operations Manager      |
| Kay Key, Controller                     | Ed Schofield, Power System Specialist |
| Lisa Maddocks, Administrative Assistant | Shannon Barnett, Office Assistant     |
| Joel Paisner, Ascent Law Partners, LLC  |                                       |

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

C. *Disclosure of Conflicts of Interest* – None.

**2) Approval of the Agenda**

<b>&gt; Motion</b>	M/S (Nelson/Prysunka) to amend the agenda with a change to include new Item A – Review Marine Terminal Gages and Communications Project R&R249 - under New Business. All other New Business items to be shifted down respectively. Motion approved unanimously by polled vote.	<b>Action 17-536</b>
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**3) Persons to be Heard** – None.

**4) Review and Approve Minutes**

<b>&gt; Motion</b>	M/S (Zenge/Donato) to approve the Minutes of the Regular Meeting of September 8, 2016. Motion approved unanimously by polled vote.	<b>Action 17-537</b>
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## 5) Financial Reports

Prior to beginning financial discussions, Mr. Acteson introduced Shannon Barnett, Office Assistant, to the Board.

(A)-(H) Mr. Acteson reported that SEAPA's financial position is sound. He mentioned that the auditors were in the office this week and the audited financials should be ready to present to the Board during our December 14<sup>th</sup> meeting. He reviewed the Agency's revenue and expenses, grants, and renewal and replacement projects; including unanticipated expenditures on the Marine Terminal Gages and Communications Project (RR249), which will be discussed further under New Business, and the Swan Lake Debris Boom Fabrication contract. He further discussed that Futaris, our satellite provider, is going out of business and that staff is actively seeking an alternative provider. He advised that a Special Board Meeting may be necessary to approve a new contract. Mr. Acteson briefly discussed the NRECA Retirement Pre-Pay Option and stated that it would be discussed further under New Business.

As a result of discussions from the last regular meeting, Mr. Acteson provided an update on the Tyee transition agreement PERS obligation language.

Following the discussion, the Chairman requested a motion on the financial statements.

➤ <b>Motion</b>	M/S (Prysunka/Zenge) to approve the financial statements for the months of August and September 2016. Motion approved unanimously by polled vote.	Action 17-538
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The meeting recessed at 1:56 p.m. and reconvened at 2:20 p.m.

➤ <b>Motion</b>	M/S (Zenge/Donato) to approve disbursements for the months of September and October 2016 in the amount of \$3,215,998.14. Motion approved unanimously by polled vote.	Action 17-539
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## 6) CEO Report

Mr. Acteson encouraged the Board, during this election time, to review candidate positions on energy policy issues and how they may affect our ability to serve future power needs. He provided an update on public relations activities; including the historic preservation meeting, hosting the International Rotary Russian Delegation and distribution of the 3<sup>rd</sup> Quarter Community Flyer. He discussed the best practices and process improvements, stating that staff is continuing to work on a new Health and Safety Plan for the Tyee Lake Hydro Facility and a re-write of the SEAPA Employee Handbook. Mr. Acteson closed his report with an update on the Director of Special Projects position.

## 7) Staff Reports

### A. *Operations Manager Report (Steve Henson).*

Mr. Henson provided an update on major contracts and projects. He reported that the final Environmental Assessment on the ATV use on the Tyee Transmission System is being reviewed by the USFS and that an application for the Dredging/Road Tyee Power Plant Harbor plan has been filed and is under review in Washington, D.C. He further reported that the Satellite Communications System is ongoing and that the installation phase of the CTs-Relay Wrangell Circuit Switcher project will take place during maintenance shutdown in 2017. Mr. Henson

advised that ERM Environmental of Alaska will update the SPCC Plans for both the Tyee Lake and Swan Lake Projects and that SEAPA staff is working on the RFP to perform annual line maintenance on the transmission system. He closed with reports on Tyee Lake and Swan Lake activities.

*B. Director of Special Projects Report (Eric Wolfe).*

Mr. Acteson reported on behalf of Mr. Wolfe, who was not in attendance. He provided an update on the Alarm Controls Protection project, which had been delayed due to the construction at Swan Lake, advising that the final performance testing for Swan Lake was scheduled for the week of October 24<sup>th</sup> and final testing for Tyee Lake is scheduled to take place next spring. Mr. Acteson reported on the Swan Lake Reservoir Expansion Project including benefit and cost information, a historical timeline of the project and a construction update. He closed the report with a water management update which addressed questions from the last regular meeting.

*C. Power System Specialist Report (Ed Schofield).*

Mr. Schofield reported on FERC-related activities including the Swan Lake Reservoir Expansion Project monthly report, updating the Swan Lake Emergency Action Plan notification flow charts and the Rare and Invasive Plants Plan. He advised that FERC engineer, Justin Nettles, visited Swan Lake on September 15<sup>th</sup> for a scheduled monthly inspection. He provided an update on the Swan Lake Plunge Pool Access Security Gate, the decommissioning of the Swan Lake Load Bank and the documentation / filming of the Swan Lake project. He reported on the second phase of the Tyee Lake Outlet Weir / Abutment Void Filling project, noting that the abutments will continue to be monitored to determine the effectiveness of the fill efforts. Mr. Schofield updated the Board on the installation of a mounting bracket for the satellite dish at the Tyee Lake Intake Gate Building and the relocation of a pre-existing helicopter pad to be used for the Tyee Lake emergency shelter. He closed his report with a review of photos showing the progression of the Swan Lake Reservoir Expansion project.

The meeting recessed at 3:30pm and reconvened at 3:45pm.

**8) New Business**

*A. Discussion Re Consideration and Approval of Increase in Budget for Marine Terminal Gages and Communications Project R&R249.*

Chairman Jensen requested a motion on the item.

<b>➤ Motion</b>	M/S (Zenge/Prysunka) to add \$65,000 to the FY2017 R&R Budget for the Marine Terminal Gages & Communications Project R&R249. Following discussion, the motion was unanimously approved by a polled vote.	<b>Action 17-540</b>
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*B. Consideration and Approval of Retirement Security Plan Prepayment.*

Chairman Jensen requested a motion on the plan.

<b>➤ Motion</b>	M/S (Prysunka/Zenge) to direct staff to issue a lump-sum prepayment to NRECA's Retirement Security Plan in the approximate amount of \$445,905 to apply towards SEAPA's defined contribution plan. I further move to direct staff to amortize the payment over ten years using the straight-line	<b>Action 17-541</b>
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amortization method starting in FY2017. Following discussion of the plan by Mr. Acteson, the Board directed staff to obtain further information which will be discussed at the next meeting.

No vote was taken on the motion.

The meeting was recessed on November 1, 2017 at 4:34pm.

At 9:00am on November 2, 2017, Chairman Jensen came on the record to advise that one Board member was delayed and that the meeting would begin once all members were present. The meeting reconvened at 9:15am.

A roll call was taken. The same directors and alternates present during the November 1, 2017 portion of the meeting were present for the November 2, 2017 portion of the meeting, thus establishing a quorum of the board.

C. *Executive Session*

➤ *Motion*

M/S (Prysunka/Donato) to recess into Executive Session to conduct further discussions relating to an Annual Evaluation of SEAPA's Chief Executive Officer. The Executive Session will be conducted pursuant to SEAPA's Bylaws which are consistent with Alaska Statute 44.62.310 as the discussions may include subjects that tend to prejudice the reputation and character of any person. Motion approved unanimously by polled vote.

Action  
17-542

No actions were taken on items discussed during the Executive Session.

The meeting recessed at 9:17am for the Executive Session and reconvened into the regular session at 12:30pm.

D. *Next Meeting Dates* - The Board had no objections for the next meeting date: December 14, 2017 in Ketchikan, Alaska.

9) **Director Comments** – Directors provided brief comments.

10) **Adjourn**

Chairman Jensen adjourned the meeting at 12:37p.m.