



SOUTHEAST ALASKA POWER AGENCY

Special Board Meeting AGENDA

SEAPA Offices | Ketchikan, Alaska

August 31, 2018 | 2:00 p.m. AKDT

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

1. Call to Order
 - A. Roll call
2. Approval of the Agenda
3. New Business
 - A. Consideration and Approval of FY2019 Budget Increase
 - B. Executive Session for discussions related to update of union negotiations
4. Adjourn



SOUTHEAST ALASKA POWER AGENCY

DATE: August 29, 2018
TO: Trey Acteson, CEO
FROM: Ed Schofield
SUBJECT: Consideration and Approval of FY2019 Budget Increase

The board approved \$200,270 for line item 543200 for costs related to Tyee's Dams, Reservoirs and Waterways in the FY2019 budget. Costs include the Tyee Intake Tunnel ROV Inspection Project, gatehouse repair, intake gate maintenance, and weir repairs. Staff requests an additional \$92,435 be added to that line item in the budget for the following unanticipated costs:

- Tyee Lake Intake Tunnel ROV Inspection. In May 2018, the Agency entered into a contract for \$188,269 with Hibbard Inshore, LLC to conduct a survey of the Tyee power tunnel. During contract discussions, it was determined a pre-tunnel inspection of the Tyee shaft would be necessary, which cost \$24,000 in FY2018. Data recently obtained from the pre-tunnel inspection determined that it will take more manpower and helicopter support than originally anticipated to conduct the ROV survey (\$45,000 + 15% contingency of \$9,000). Staff anticipated that SEAPA's landing craft could be utilized for transport of equipment to Tyee. The vessel's motors recently broke down and will not be repaired in time for the project, which is expected to start right after Labor Day. A vessel charter with Breakaway Adventures will be necessary for additional transportation (\$6,000). An addition of \$60,000 to the budget is requested directly related to this project.
- Intake Gate Maintenance/Stems. In July of this year it became evident that the stems at the Intake Gatehouse required repair. The task required helicopter support (\$5,115) to transport the stems from the gatehouse to the Tyee Project, painting of the stems (\$7,500), and return of the stems from the Tyee Project back to the gatehouse by helicopter is anticipated to cost the same (\$5,115). An addition of \$17,730 to the budget is requested directly related to this project.
- Tyee Weir. A contractor was hired to fill voids in the Tyee weir with foam (\$5,625) which required Sunrise Aviation support (\$2,800) and Helicopter support (\$6,280). An addition of \$14,705 is requested directly related to this project.

Staff recommends that line item 543200 be increased by a total of \$92,435 in the FY2019 budget for these costs. Staff will elaborate further during the board meeting and be available for any questions.

Please consider the following suggested motion:

| SUGGESTED MOTION |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I move to increase line item 543200 in SEAPA's FY2019 Budget from \$204,770 to \$297,205 for an increase of \$92,435 for the Tyee Intake Tunnel ROV Inspection, Intake Gate Maintenance, and Gatehouse Repairs necessary at SEAPA's Tyee Lake Hydroelectric Project. |

**MEMORANDUM
ATTORNEY-CLIENT COMMUNICATIONS**

TO: John Jensen, Vice Chairman
Southeast Alaska Power Agency

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

DATE: August 29, 2018

RE: Suggested Motion for Executive Session Re: Union Negotiations Update

To the extent that the Board of Directors will enter into an executive session during a Special Board Meeting to be held on August 31, 2018 for an update of the Agency's negotiations with the IBEW Local 1547, I recommend the following motion be made:

I move to recess into Executive Session for an update by SEAPA's CEO of the Agency's negotiations with the IBEW Local 1547. The Executive Session will be conducted pursuant to SEAPA's Bylaws which are consistent with Alaska Statute 44.62.310 as the discussions will include subjects the immediate knowledge of which would clearly have an adverse effect upon the Agency Projects.