



**SOUTHEAST ALASKA POWER  
AGENCY**

**Minutes of Regular Meeting**  
February 8-9, 2017

Tide's Inn Conference Room  
Petersburg, 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 Jensen called the meeting to order at 1:05 p.m. AKST on February 8, 2017. The following directors and alternates were present, thus establishing a quorum of the board:

<b>Director</b>	<b>Alternate</b>	<b>Representing</b>	
Lew Williams	Andy Donato	Swan Lake	Ketchikan
Judy Zenge		Swan Lake	Ketchikan
Karl Amylon	Bob Sivertsen	Swan Lake	Ketchikan
John Jensen	Mark Jensen	Tyee Lake	Petersburg
Stephen Prysunka	Clay Hammer	Tyee Lake	Wrangell

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

Trey Acteson, Chief Executive Officer	Steve Henson, Operations Manager
Kay Key, Controller	Ed Schofield, Power System Specialist
Joel Paisner, Ascent Law Partners, LLC	

B. *Communications/Lay on the Table Items:*

- Agendas
- Staff Memo Re 2017-2019 Annual Transmission Line Maintenance Contract
- MWh Sales Year-to-Year Comparison

C. *Disclosure of Conflicts of Interest*

Mr. Williams reported a conflict of interest in his capacity as a board member and ownership interest in the Ketchikan Daily News as the Agency had paid Ketchikan Daily News invoices.

**2) Approval of the Agenda**

➤ <b>Motion</b>	M/S (Williams/Prysunka) to approve the agenda as presented. Motion approved unanimously by polled vote.	Action 17-556
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**3) Introduction of Board Members**

Introductions of board members and staff were exchanged for the benefit of new board members.

**4) Election of Officers**

<b>➤ Motion</b>	M/S (Zenge/no second) to nominate Lew Williams as Chairman. Following no further nominations and no objections, Chairman Jensen relinquished his seat to the new Chair.	Action 17-557
<b>➤ Motion</b>	M/S (Jensen/no second) to nominate Steve Prysunka as Vice Chairman. There were no further nominations and no objections to the motion.	Action 17-558
<b>➤ Motion</b>	M/S (Jensen/no second) to nominate Judy Zenge as Secretary-Treasurer. There were no further nominations and no objections to the motion.	Action 17-559

**5) Persons to be Heard**

None.

**6) Introduction to SEAPA (Joel Paisner)**

After explaining board members' fiduciary duties, Mr. Paisner reported on the status of the Roadless Rule, and explained SEAPA's role as an intervenor challenging the Rule. Mr. Paisner responded to various questions and advised that the Agency is bound to defend and indemnify the board members in their capacities as board members and personally through the Agency's Directors' and Officers' insurance.

**7) Review and Approve Minutes**

<b>➤ Motion</b>	M/S (Jensen/Zenge) to approve the Minutes of the Regular Meeting of December 14, 2016 and Special Meeting of December 20, 2016. Motion approved unanimously by polled vote.	Action 17-560
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**8) Financial Reports**

(A)-(H) Mr. Acteson reported that SEAPA's financial position is stable, and noted that sales were higher than they have been for the last seven years. He reviewed the Agency's November and December 2016 financial statements, and discussed the Agency's outstanding grants, R&R summary, and reported that the Swan Lake Reservoir Expansion Project is substantially complete.

<b>➤ Motion</b>	M/S (Jensen/Zenge) to approve the financial statements for the months of November and December 2016. Following Mr. Acteson's overview of the Controller's report covering a kWh graph, grant summary, and monthly financial statements, the motion was unanimously approved by polled vote.	Action 17-561
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Mr. Acteson provided an overview of the R&R reports, and fielded questions regarding the helipads project.

➤ <b>Motion</b>	M/S (Jensen/Prysunka) to approve disbursements for the months of December 2016 and January 2017 in the amount of \$3,330,100.19. Motion approved unanimously by polled vote.	Action 17-562
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## 9) CEO Report

Mr. Acteson reported on numerous activities taking place at the federal level, public relations, an updated load forecast, and announced he would facilitate completion of the Agency's regional hydrosite investigation effort. He noted a consultant would be retained to conduct an independent review of the third turbine at Tyee with an effort to facilitate completion of the review prior to the end of FY17. Mr. Acteson advised that SEAPA had been granted a one-year extension for its KPI grant and that SEAPA's safety consultant submitted a final draft of a new Health and Safety Plan, which will be implemented after completion of the final review. He announced that both Eric Wolfe, SEAPA's Director of Special Projects, and the Wrangell based Brushing Technician both terminated from the Agency and explained that the Agency will be actively recruiting for replacements for both positions.

## 10) Staff Reports

### A. *Operations Manager Report*

Mr. Henson provided a brief summary of several projects including ATV use on the Tyee transmission system, silting in the Tyee Lake harbor area, satellite communications, Wrangell current transformer and relay installation work, Tyee Lake maintenance and procedures, new design for the needle feedback position assembly at Tyee, transformer bushing replacement on a transformer at Tyee, Tyee governor manifold replacement, Schweitzer RTAC upgrades, and discussed future R&R projects for FY2018. Mr. Henson reviewed the activities that have taken place at Tyee Lake since the previous board meeting.

The meeting recessed for a short break and reconvened approximately 10 minutes later.<sup>1</sup>

Mr. Henson completed his report with a review of the activities reported by Mr. Donato that had taken place at Swan Lake since the previous board meeting.

### B. *Power System Specialist Report*

Mr. Schofield provided an update on the Swan Lake Debris Boom Project. He also reported on the status of the Swan Lake Reservoir Expansion Project, and tasks that will be completed by SEAPA, the projects that SEAPA and KPU's Swan Lake staff are working on cooperatively to complete, and discussed several ongoing Agency licensing conditions related to the project. He also provided updates on current R&R projects, including the Swan Lake Exciter and Generator Switchgear Replacement, Tyee Lake Stream Gage, and Swan Lake Air Admission Valve Piping Replacement Projects.

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<sup>1</sup> The exact times for the recess and reassembly of the meeting were not recorded.

**11) Old Business**

A. *Roadless Rule Update (Joel Paisner)*

Chairman Williams announced that since Mr. Paisner had already provided an update on the Roadless Rule earlier in the meeting, the agenda would be advanced to New Business accordingly.

**12) New Business**

It is noted for the record that although Item 12A under New Business in the Agenda is Consideration and Approval of the 2017-2019 Annual Transmission Line Maintenance Contract, the following motion for Agenda Item 12B (Consideration and Approval of Swan Lake Transmission Line Brushing Contract, Carroll Inlet Area) was inadvertently read instead causing a reversal of these two agenda items accordingly:

A. *Consideration and Approval of Swan Lake Transmission Line Brushing Contract, Carroll Inlet Area.*

<b>➤ Motion</b>	M/S (Prysunka/Zenge) to authorize staff to enter into a Contract with BAM LLC for SEAPA's Swan Lake Transmission Line Brushing Project, Carroll Inlet Area, for the not-to-exceed value of \$113,300. Motion approved unanimously by polled vote.	Action 17-563
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B. *Consideration and Approval of 2017-2019 Annual Transmission Line Maintenance Contract*

<b>➤ Motion</b>	M/S (Prysunka/Jensen) to authorize staff to enter into a Contract with Electric Power Constructors, Inc. for SEAPA's 2017-2019 Annual Transmission Line Maintenance Contract for its base bid of the not-to-exceed value of \$1,824,678, plus a not-to-exceed value of \$202,106 for guy thimble installations on the Swan-Tyee Intertie Transmission Line in 2017-2019, and \$112,448 for Bucket Truck Inspections on the Swan Lake Transmission Line for 2017-2019, for a total not-to-exceed value of \$2,139,232. Following considerable discussion, Mr. Prysunka moved to amend the motion to award the contract to Chatham Electric, Inc. and following additional discussion and no second to the motion, Mr. Prysunka withdrew the motion. The main motion was approved unanimously by polled vote.	Action 17-564
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C. *Consideration of Spare Set of Flashboards and Kickers.*

<b>➤ Motion</b>	M/S (Prysunka/Jensen) to designate the Spare Set of Flashboards and Kickers Project as a new Replacement and Renewal (R&R) Project in SEAPA's FY2017 R&R Budget and authorize \$544,819 funding for the project. The motion passed four to one with Mr. Williams, Ms. Zenge, Mr. Jensen, and Mr. Prysunka voting in favor of the motion and Mr. Amylon voting against the motion.	Action 17-565
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➤ <b>Motion</b>	M/S (Prysunka/Jensen) to authorize staff to enter into a contract with Kuenz America Inc. for the purchase of a spare set of flashboards and kickers for the Swan Lake Hydroelectric Project for the not-to-exceed value of \$544,819. The motion passed four to one with Mr. Prysunka, Mr. Jensen, Ms. Zenge, and Mr. Williams voting in favor of the motion and Mr. Amylon voting against the motion.	Action 17-566
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Chairman Williams recessed the meeting on February 8, 2017 at 5:00 p.m. and reconvened the meeting on February 9, 2017 at 9:00 a.m.

A roll call was taken. The same directors and alternates present during the February 8, 2017 portion of the meeting were present when the meeting reconvened on February 9, 2017, thus establishing a quorum of the board.

D. *Executive Session*

➤ <b>Motion</b>	M/S (Jensen/Prysunka) to recess into Executive Session to conduct further discussions relating to possible litigation involving the Swan Lake Reservoir Expansion Project. The Executive Session will be conducted pursuant to SEAPA's Bylaws which are consistent with Alaska Statute 44.62.310 and will include matters to be discussed with an attorney retained by the Board that the immediate knowledge of which could have an adverse effect upon the legal position of the Agency, the Projects, or any of the Member Utilities represented on the Board. Motion approved unanimously by polled vote.	Action 17-567
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The meeting recessed for the executive session and reconvened for the regular session.<sup>2</sup>

Chairman Williams announced that the Board met in executive session, SEAPA's management and legal counsel had been given direction, and that there will be no further action.

E. *Next Meeting Dates*

The board had no objections to the following dates for regular meetings of the directors for the remainder of calendar year 2017:

- April 13, 2017 (Ketchikan)
- June 20-21, 2017 (Wrangell)
- September 28, 2017 (Ketchikan)
- December 13-14, 2017 (Petersburg)

**13) Director Comments**

Directors provided brief comments.

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<sup>2</sup> The exact times for the recess for the executive session and reassembly of the meeting were not recorded.

**14) Adjourn**

Chairman Williams adjourned the meeting at approximately 10:15 a.m.