



SOUTHEAST ALASKA POWER AGENCY

Minutes of Regular Meeting

February 11-12, 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 Jensen called the meeting to order at 1:00 p.m. AKST on February 11, 2016. The following directors and alternates were present, thus establishing a quorum of the board:

Director	Alternate	Representing	
	Andy Donato	Swan Lake	Ketchikan
		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:

Trey Acteson, Chief Executive Officer	Eric Wolfe, Director of Special Projects
Sharon Thompson, Executive Assistant	Steve Henson, Operations Manager
Joel Paisner, Ascent Law Partners, LLC	Kay Key, Controller

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

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

2) Approval of the Agenda

➤ <b>Motion</b>	M/S (Nelson/Donato) to approve the agenda as presented. Motion approved unanimously by polled vote.	Action 16-480
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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 (Prysunka/Nelson) to nominate John Jensen as Chairman. Motion approved unanimously by polled vote.	Action 16-481
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➤ <b>Motion</b>	M/S (Nelson/Jensen) to nominate Clay Hammer as Vice Chairman. Motion approved unanimously by polled vote.	Action 16-482
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➤ <b>Motion</b>	M/S (Jensen/Donato) to nominate Judy Zenge as Secretary-Treasurer. Motion approved unanimously by polled vote.	<b>Action 16-483</b>
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5) **Persons to be Heard – None.**

6) **Introduction to SEAPA (Joel Paisner) –** Mr. Paisner presented a PowerPoint slideshow for the benefit of new board members, which provided Agency orientation.

7) **Review and Approve Minutes**

➤ <b>Motion</b>	M/S (Donato/Prysunka) to approve the Minutes of the Regular Meeting of December 10, 2015. Motion approved unanimously by polled vote.	<b>Action 16-484</b>
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8) **CEO Report**

Mr. Acteson provided an update on SEAPA's Swan Lake Reservoir Expansion Project advising that contracts were conformed for the flashboards and gate and that a special meeting would be called for award of a construction contract. Discussion followed on balancing Swan Lake levels during the construction period.

Mr. Acteson provided updates on various legislative matters and advised that he would be traveling to the Alaska Power Association's annual fly-in and meeting with key legislators to focus on the preservation of current rural energy programs and industry needs. He advised that SEAPA will provide comments to the U.S. Forest Service on their Proposed Amended Land and Resource Management Plan and Draft Environmental Impact Statement for the Tongass National Forest during a 90-day public review period. He reported that a multi-year Memorandum of Understanding with SSRAA had been completed for SSRAA's Chinook salmon rearing pens located next to SEAPA's Swan Lake Plant, and that SEAPA is waiting on final approvals for an agreement with the U.S. Forest Service for SEAPA's commitment of time and resources to maintain four public use cabins. Mr. Acteson advised that the engineering intern that worked for SEAPA during the summer of 2015 would be re-engaged for the 2016 season following completion of the employee classification changes and that recruitment would begin for a temporary assistant for the Wrangell office.

9) **Staff Reports**

**A. Operations Manager Report (Steve Henson).** Mr. Henson provided a summary of several projects including the Tye Lake Satellite Communications System, Wrangell Switchyard Circuit Switcher, CT's and Relay for the Wrangell Switchyard Circuit Switcher, Swan-Tye Helipads, Marine Terminal Gage Replacement and Communications Upgrade, Guy Wire Thimble Replacements on the Swan-Tye Intertie, Damper Replacements on the Tye Line, and explained that new roofs and siding would be necessary on the crew housing at Tye. Mr. Henson also provided updates on activities at Swan Lake and Tye Lake.

No formal action was taken for Agenda Item 9C (Power System Specialist Report) to be heard before Agenda Item 9B (Director of Special Projects Report). The agenda items were renumbered accordingly.

**B. Power System Specialist Report (Schofield).** Mr. Acteson reported on behalf of Mr. Schofield, who was not present at the meeting. He provided an update on a small leak that had been discovered at the Swan Lake Powerhouse roof. He explained that the Basler exciter equipment had been received and that final engineering design work and a request for proposals were being developed for installation of the equipment. Mr. Acteson outlined the status of license conditions required under

FERC's amendment to Swan Lake's license for implementation of the Swan Lake Reservoir Expansion Project. He advised an Emergency Action Plan Table Top Exercise would take place at SEAPA's offices on March 29 and that the Bureau of Reclamation would conduct a power review of operations and maintenance at the Tyee Plant the week of March 7<sup>th</sup>.

The meeting recessed at 3:51 p.m. and reconvened at 4:00 p.m.

**C. Director of Special Projects (Wolfe).** Mr. Wolfe explained the importance of appraising the future load demands of SEAPA's municipal members and the long-term benefits of an appraisal. He presented slides showing total load and distribution losses and transmission and SEAPA plant consumption, past loads, an estimate of future needs, and identified the key factors driving load. He provided an update of the Alarm-Controls-Protection Project at Tyee and explained the benefits of the upgrade. He reviewed the purpose of the Swan Lake Reservoir Expansion Project noting there would be minimal environmental impact, presented a drawing showing what the spillway will look like after completion, and provided a brief synopsis of recent activities highlighting the ongoing permitting efforts, contract activity, and explained the connection between the project's construction schedule and next year's water management since the spillway will be modified. Mr. Wolfe closed his report with a water management update with graphs showing that both of the Swan and Tyee reservoirs are significantly above target draft levels but will have to start drafting Swan Lake soon because of the upcoming construction project.

The meeting recessed at 5:07 p.m. on February 11, 2016 and reconvened at 9:00 a.m. on February 12, 2016.

A roll call was taken. The same directors and alternates present during the February 11, 2016 portion of the meeting were present for the February 12, 2016 portion of the meeting, thus establishing a quorum of the board.

## 10) Financial Reports

(A)-(H) Mr. Acteson reported that SEAPA's financial position remains solid and reviewed current revenue and expenses, grant activities, and renewal and replacement projects.

<b>➤ Motion</b>	M/S (Donato/Prysunka) to approve the financial statements for the months of November and December 2015. Motion approved unanimously by polled vote.	<b>Action 16-485</b>
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Following the discussion on finances, considerable discussion exchanged between staff and the directors on the status of several items, including siting of the meteorological tower SEAPA received from the Alaska Energy Authority, purchase of a lathe, helipads, SCADA tasks, community service projects, purchase of a used vehicle, refurbishment of the old Wrangell reactor, and various other expenditures.

<b>➤ Motion</b>	M/S (Donato/Prysunka) to approve disbursements for the months of December 2015 and January 2016 in the amount of \$3,493,667.30. Motion approved unanimously by polled vote.	<b>Action 16-486</b>
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## 11) Old Business

A. *Operations Plan (Action #2 Tabled at 12/10/2015 Meeting)* – Mr. Acteson explained the second option of SEAPA's 2016 Operations Plan and advised that staff would initiate drafting of an agreement to address any concerns related to exercising the option.

The meeting recessed at 10:26 a.m. and reconvened at 10:50 a.m.

12) **New Business**

A. *Consideration and Approval of Project Management Contract for STI Helipad Project.*

<b>➤ Motion</b>	M/S (Prysunka/Nelson) to authorize staff to enter into an amendment to Tongass Engineering, LLC's Task Order No. 13-01 to increase the not-to-exceed value of the contract from \$157,265 to \$257,015 for an increase of \$99,750 for Project Management Services for the completion of SEAPA's Swan-Tyee Intertie Helipad Project. Motion approved unanimously by polled vote.	<b>Action 16-487</b>
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B. *Consideration and Approval of Swan Lake Construction Engineering Services.*

<b>➤ Motion</b>	M/S (Prysunka/Nelson) to authorize staff to enter into a sole source contract with McMillen LLC for construction engineering for the Swan Lake Reservoir Expansion Project for the not-to-exceed value of \$367,000. Motion approved unanimously by polled vote.	<b>Action 16-488</b>
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C. *Consideration and Approval of Resolution #2016-063 (Amendment to SEAPA's Deferred Compensation Plan).*

<b>➤ Motion</b>	M/S (Donato/Nelson) to adopt Resolution No. 2016-063 approving and authorizing the Second Amendment to SEAPA's Deferred Compensation Plan and to adopt the Revised Employee Classifications contained in the February 1, 2016 Memo titled 'Employee Benefit Eligibility' provided in the February 11-12, 2016 SEAPA board packet. It was further moved to authorize staff to effect the amendment of SEAPA's group health and welfare plans to add temporary employees as an excluded class effective March 1, 2016. Motion approved unanimously by polled vote.	<b>Action 16-489</b>
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D. *Consideration and Approval of Wrangell/SEAPA Substation Upgrade.*

<b>➤ Motion</b>	M/S (Prysunka/Nelson) to increase SEAPA's FY2016 budget by \$93,309.50 for SEAPA's 50% share of the cost of an upgrade to the connection to the Wrangell/SEAPA substation. Motion approved unanimously by polled vote.	<b>Action 16-490</b>
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E. *Board Meeting Dates* – The board had no objections to the following dates for regular meetings of the directors for the remainder of calendar year 2016:

- April 28, 2016 (Ketchikan)
- June 8-9, 2016 (Petersburg)
- August 25, 2016 (Ketchikan)
- October 12-13, 2016 (Wrangell)
- December 14, 2016 (Ketchikan)

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

**14) Adjourn**

Chairman Jensen adjourned the meeting on February 12, 2016 at 11:27 a.m. AKST.