

SOUTHEAST ALASKA POWER AGENCY

Special Meeting

July 17, 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 10:00 a.m. AKDT on July 17, 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	Swan Lake – Ketchikan
Dick Coose		Swan Lake – Ketchikan
		Swan Lake - Ketchikan
	John Jensen (via teleconference)	Tyee Lake - Petersburg
	Clay Hammer (via teleconference)	Tyee Lake – Wrangell

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

Trey Acteson	Chief Executive Officer, SEAPA
Eric Wolfe (telephonic)	Director of Special Projects, SEAPA
Steve Henson	Operations Manager, SEAPA
Sharon Thompson	Executive Assistant, SEAPA
Kay Key	Controller, SEAPA
Gary Griffin	Insurance Consultant, Warren, McVeigh & Griffin

2) Approval of the Agenda

Chairman Sivertsen requested approval of the agenda as presented.

Mr. Jensen moved to approve the agenda. Mr. Coose seconded the motion. The motion carried unanimously. (Action 14-234)

3) New Business

Mr. Acteson introduced SEAPA's insurance consultant, Gary Griffin, of Warren, McVeigh & Griffin, and highlighted SEAPA's review process of its insurance broker contract and policies. He explained that the FY14 budget allocated \$588,000 for SEAPA's insurance broker services, and that the competitive process garnered a \$15,000 reduction in the current broker, Marsh's,

annual fee and that up to \$69,000 could be saved if SEAPA elected to reduce its limits from \$52 million to \$35 million for general liability insurance. General liability was at \$25 million prior to the STI being built and was upped to \$50 million during construction. He advised that SEAPA could work with Marsh to conduct a detailed risk assessment at the project sites.

Mr. Griffin provided a brief history of how SEAPA's insurance program developed and where it is today. He advised the initial \$25 million limit was established by an attorney's recommendation, then after it was upped to \$50 million during STI construction, it was never adjusted, and that an analysis should be done to more accurately define what the limits should be. He recommended that a broker's contract be renegotiated with Marsh to include a risk analysis.

Mr. Sivertsen moved to authorize staff to enter into a contract with Marsh for insurance broker services in an amount not-to-exceed SEAPA's FY 2014 budget of \$588,000 for SEAPA's insurance program, and to change the liability limits from \$52 million dollars to \$35 million dollars for primary and excess insurance total limits. The motion carried unanimously. (Action 14-235)

Mr. Acteson provided a general overview of SEAPA's request for approval of a contract for hydropower site evaluation and planning services. He explained the evaluation process that took place when reviewing the proposals received for the project that lead to the recommendation of awarding a contract to McMillen, LLC that would be funded by grant dollars. He explained further that although an award not-to-exceed \$1.7 million dollars was requested that individual tasks would be controlled through individual task orders such as \$165,000 for project management, \$150,000 for office based work and research, and \$300,000 for field work. Considerable discussion followed on what projects would be identified for study, with Mr. Acteson advising that a part of the task to be done is providing a list to identify potential projects. Mr. Wolfe advised that the State's goal in awarding the grant funds for the project was to build a technical library of the best hydrosites in Southeast Alaska.

Mr. Coose moved to authorize staff to enter into a contract with McMillen, LLC for an amount not to exceed \$1,700,000.00 for the Hydropower Site Evaluation and Planning Services Project. Mr. Jensen seconded the motion. The motion carried unanimously. (Action 14-236)

Mr. Acteson updated the board on the progress that had been made by BAM, LLC clearing logs at the Tyee outlet and explained that because the BAM crew was already mobilized and water is rising at the site, it is important to move forward with the project to the next phases of log retention and civil construction before winter. Utilizing an RFP process for award of the next phases of the project would hinder the opportunity presented by the unusually dry season and cost savings to SEAPA if the current contractor is not utilized to continue the work.

Mr. Coose moved to authorize staff to exercise the option of entering into a contingency task order with BAM, LLC for construction of a log boom or log retention structure with a not-to-exceed value of \$94,800 for the Tyee Outlet Stream Gage Project. Mr. Jensen seconded the motion. The motion carried unanimously. (Action 14-237)

Mr. Coose expressed concern that in considering an award for the civil construction phase of the Tyee Stream Gage Project that the board is kept up to date on the progress so it is clear what will be accomplished. Mr. Acteson explained that the phases of the project needed to happen sequentially given the uncertainty of what parameters were available to work with prior

to the logs being removed. Final design of the weir could not be accomplished prior to completion of the log removal. Each completed phase of the project will afford the more detailed planning for the next phase. Mr. Acteson advised he would keep the board updated as the project moved forward.

Mr. Coose moved to authorize staff to exercise the option of entering into a civil works construction contract with BAM, LLC, or another qualified contractor, for a not-to-exceed value of \$750,000 for the Tye Outlet Stream Gage Project. Mr. Jensen seconded the motion. (Action 14-238)

Mr. Henson explained that the final agenda item concerned an oversight in not including \$60,000 in the FY2014 budget necessary for completion of the Tye Gatehouse Generator Replacement Project. He explained funds were initially approved in the FY13 budget for the project, but were not carried forward in FY2014.

Mr. Sivertsen moved to increase SEAPA's FY2014 R&R budget by \$60,000 for the Tye Gatehouse Propane Generator Replacement Project. Mr. Jensen seconded the motion. The motion carried unanimously. (Action 14-239)

Chairman Sivertsen requested final comments from the board. Mr. Donato reiterated that it would be helpful as a guide to the board to have a written summary showing how contractors are evaluated when considering awards of contracts.

4) Adjourn

Mr. Coose moved to adjourn. Chairman Sivertsen adjourned the meeting at 11:12 a.m. (Action 14-240)