



SOUTHEAST ALASKA POWER AGENCY

Minutes of Special Meeting

October 30, 2019

Ketchikan Gateway Borough Building
Legislative Information Office
Ketchikan, Alaska

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

1) Call to Order

A. *Roll Call.*

Chairman Sivertsen called the meeting to order at 10:00 a.m. AKDT on October 30, 2019. The following directors and alternates were present, thus establishing a quorum of the board:

Directors	Present Telephonic (T) In Person (IP)	Alternates	Present Telephonic (T) In Person (IP)	Representing	
Karl Amylon	IP	Andy Donato	IP	Swan Lake	Ketchikan
Bob Sivertsen	IP	Jack Davies	IP	Swan Lake	Ketchikan
Dick Coose	IP	Cliff Skillings	IP	Swan Lake	Ketchikan
Bob Lynn	IP	Robert Larson	IP	Tyee Lake	Petersburg
Stephen Prysunka	IP	Lisa Von Bargaen	IP	Tyee Lake	Wrangell

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

Staff	Present Telephonic (T) In Person (IP)	Staff/Counsel	Present Telephonic (T) In Person (IP)
Trey Acteson, CEO	IP	Kay Key, Controller	IP
Ed Schofield, Power Syst. Spec.	IP	Sharon Thompson, EA/CA	IP
Clay Hammer, Operations Manager	IP	Marcy Hornecker, Admin. Asst.	IP
Robert Siedman, Dir. Eng & Tech Sv	IP	Joel Paisner, SEAPA Counsel	IP

2) Approval of the Agenda

> Motion	M/S (Prysunka/Lynn) to approve the agenda, as presented. Motion approved unanimously by polled vote.	Action 19-774
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3) New Business:

A. *Ratification of Two-Year Lease with Ketchikan Gateway Borough*

> Motion	M/S (Prysunka/Lynn) to approve Amendment No. 2 to the Lease Agreement entered into on or about September 3, 2019 between SEAPA and the Ketchikan Gateway Borough ('KGB') for the lease of SEAPA's offices in the KGB Building, and to ratify and authorize the execution of the lease agreement that includes a two-year term from January 16, 2019 through January 15, 2022. The motion was approved unanimously by polled vote.	Action 19-775
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B. *Consideration and Approval of RR19334 (Heat Pump for Wrangell Office) and RR19335 (Swan Lake Unit 2 Stuffing Box Replacement)*

➤ Motion	M/S (Lynn/Prysunka) to increase the current R&R Budget by \$7,500 for RR19334 (Heat Pump Wrangell) and by \$108,900 for RR19335 (Swan Lake Unit 2 Stuffing Box Replacement) and further move to approve the addition of both projects. The combined projects will increase the current new R&R Budget by \$116,400, bringing the total current new R&R Budget to \$564,050. The motion was approved unanimously by polled vote.	Action 19-776
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C. *Update/Discussion Re SEAPA Insurance Renewals*

SEAPA's insurance consultant, Gary Griffin of G2 Risk Consulting, joined the meeting telephonically to provide an update on SEAPA's insurance renewal program for the next renewal period of November 1, 2019 through November 1, 2020. He explained various options for Directors and Officers (D&O) and Side-A Insurance coverages the board may consider for the upcoming renewal period. He explained how the original limits of protection for D&O liability were established and how the limits fluctuated in response to changes to exposure over the years, whether the Agency is able to quantify its risk of loss related to actual or alleged wrongful acts of SEAPA management and its board, whether the current limits were currently adequate, and whether Side-A coverage is needed. He also discussed the Agency's excess liability, aviation, and submarine cable coverages. The consensus of the board was that the Agency should maintain the status quo on its D&O and Side-A coverages.

D. *Update/Discussion Re SEAPA's Submarine Cables*

➤ Motion	M/S (Prysunka/Lynn) to approve a feasibility project for the not-to-exceed value of \$200,000 for SEAPA's submarine cable issues on the Stikine Strait crossing. Following an executive summary presented by staff electrical engineer, Robert Siedman, on a fault that occurred on the Agency's Stikine Cable Crossing between the Islands of Woronkofski and Vank on September 29, 2019, the Agency's response and actions following the fault, and strategy going forward, the motion was approved unanimously by polled vote.	Action 19-777
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E. *Update/Discussion Re Alaska Roadless Rule.*

Mr. Acteson announced that he was informed on October 15th that the U.S. Department of Agriculture (USDA) is publishing six alternatives for roadless management and a proposed Alaska Roadless Rule, and that of the six alternatives, the USDA's preferred alternative is No. 6 for full exemption of the Tongass National Forest from the 2001 Rule. He recommended that SEAPA's member communities be proactive in submitting written comments on the USDA's proposed alternatives and provided information in the board packet on where to submit comments. Board members requested that the Agency prepare talking points for them to consider in their comments.

The meeting recessed at 12:07 p.m. for lunch and reconvened at 1:03 p.m.

F. *Executive Session Re CEO Evaluation*

➤ Motion	M/S (Lynn/Coose) to recess into Executive Session to be conducted pursuant to SEAPA's Bylaws consistent with Alaska Statute 44.62.310 for an evaluation of the Agency's CEO and to discuss the CEO's compensation and contract, which discussions may involve subjects that tend to prejudice the reputation and character of a person. The motion was approved unanimously by polled vote.	Action 19-778
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The meeting recessed for the executive session at 1:05 p.m. and reconvened at 3:26 p.m.

Chairman Sivertsen announced that during the executive session, that he and the Agency's counsel received direction to move forward following a discussion on the CEO's evaluation, compensation, and contract.

4) Adjourn

The Chair requested Directors' comments prior to a motion to adjourn the meeting. Directors provided brief comments.

> Motion	M/S (Coose/Lynn) to adjourn the meeting. The motion was approved unanimously by polled vote.	Action 19-779
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Chairman Sivertsen adjourned the meeting at 3:30 p.m.