



**Minutes of Regular Meeting**

September 26-27, 2019

Petersburg Assembly Chambers  
Petersburg, Alaska

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

**September 26, 2019**

**1) Call to Order**

A. *Roll Call*

Chairman Sivertsen called the meeting to order at 1:00 p.m. AKDT on September 26, 2019. The following directors and alternates were present, thus establishing a quorum of the board:

Director	Alternate	Representing	
Karl Amylon		Swan Lake	Ketchikan
Robert Sivertsen	Jack Davies	Swan Lake	Ketchikan
		Swan Lake	Ketchikan
Bob Lynn	Robert Larson	Tyee Lake	Petersburg
Steve Prysunka <sup>1</sup>	Lisa Von Bargaen	Tyee Lake	Wrangell

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

Trey Acteson, Chief Executive Officer	Clay Hammer, Operations Manager
Ed Schofield, Power System Specialist	Robert Siedman, Dir. of Eng & Tech Svc.
Kay Key, Controller	Sharon Thompson, Ex Asst/Cont Admin
Marcy Hornecker, Administrative Asst.	Joel Paisner, Ascent Law Partners, LLC

B. *Communications/Lay on the Table Item(s):*

- (1) Memo Re Information Technology Support Services Contract
- (2) Five-year Insurance Premium Summary

C. *Disclosure of Conflicts of Interest:*

- (1) Mr. Acteson advised there is a conflict with SEAPA staff, Ed Schofield, and the Safety Program Support Services and Training contract that the board will consider for approval under New Business in the Agenda.

**2) Approval of the Agenda**

➤ <b>Motion</b>	M/S (Lynn/Von Bargaen) to approve the agenda, as amended, to include a corrected five-year insurance summary as a second lay on the table item to be added to the agenda. Motion approved unanimously by polled vote.	Action 19-764
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**3) Persons to be Heard: None.**

<sup>1</sup> Mr. Prysunka joined the meeting at 2:43 p.m.

#### 4) Review and Approve Minutes

➤ <b>Motion</b>	M/S (Lynn/Von Barga) to approve the minutes of the regular meeting of June 19-20, 2019. Motion approved unanimously by polled vote.	Action 19-765
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➤ <b>Motion</b>	M/S (Lynn/Von Barga) to approve the minutes of the special meeting of June 27, 2019. Motion approved unanimously by polled vote.	Action 19-766
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#### 5(A-E) Financial Reports

➤ <b>Motion</b>	M/S (Amylon/Lynn) to accept disbursements for June, July and August 2019 totaling \$3,688,492.74 and financial statements for June through August 2019, as presented. Following Mr. Acteson's announcement that the Agency's financial position remains stable and an overview of its revenue and expenses, R&R projects, grants, update on accounting software, and investment strategy, the motion was approved unanimously by polled vote.	Action 19-767
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#### 6) CEO Report

Mr. Acteson reported on recent developments in the Governor's office and expressed concern about a bill introduced on May 3<sup>rd</sup> relating to regulation of electric utilities and electric reliability organizations and providing for an effective date. He advised that the bill threatened the Agency's status as an unregulated entity rendering authority by the RCA for the selection of new energy projects. Although the bill is intended for the Railbelt area of the State, he advised he would engage legislators to address the Agency's concerns with the bill. He provided an update on the State-specific Roadless Rule EIS process, and reported that he spoke at a joint Alaska Power Association and National Hydropower Association meeting which included discussions on drought impacts across the State, updates on recent hydro development challenges and achievements and a federal legislative update.

Mr. Acteson announced that the formal transition of operations and maintenance responsibilities from KPU to SEAPA took place on July 1<sup>st</sup> and provided updates on activities related to the Agency's insurance program. He advised that purchase of two lots for a future SEAPA office and warehouse was complete and that no substantive action had occurred since the State Department of Transportation's request for an easement on one of the lots, and provided highlights of the Agency's ongoing efforts to execute best practices and process improvements.

The meeting recessed at 2:24 p.m. and resumed at 2:38 p.m.

Chairman Sivertsen announced that the meeting would resume under Agenda Item 7, New Business.

#### 7) New Business

- A. *Consideration and Approval of Swan Lake and Tye Lake Safety Program Support Services and Training Contract.*

<b>➤ Motion</b>	M/S (Von Bargen/Lynn) to enter into a contract with TSS, Inc. for SEAPA's Swan Lake and Tye Lake Safety Program Support Services and Training for the contract period of October 1, 2019 through December 31, 2020 for the not-to-exceed value of \$96,000. Motion approved unanimously by polled vote.	Action 19-768
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B. *Consideration and Approval of Award Re Information Technology Support Services.*

<b>➤ Motion</b>	M/S (Lynn/Sivertsen) to authorize staff to enter into a contract with Arctic Information Technology, Inc. for SEAPA's Information Technology Support Services for a contract term of two (2) years for the not-to-exceed value of \$120,000. The motion was approved unanimously by polled vote. Motion approved unanimously by polled vote.	Action 19-769
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C. *Consideration and Approval of Administrative Employee FY2020 Administrative Employee Benefits*

<b>➤ Motion</b>	M/S (Lynn/Amylon) to renew NRECA employee group benefit plans as presented. Motion approved unanimously by polled vote.	Action 19-770
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D. *Consideration and Approval of New R&R Projects*

<b>➤ Motion</b>	M/S (Lynn/Prysunka) to increase the current R&R Budget by \$119,150 and approve the addition of projects RR19332 Accounting Software and RR19333 125V Battery Bank Tye. Motion approved unanimously by polled vote.	Action 19-771
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E. *Executive Session Re CEO Review and Hydrosite Investigations*

<b>➤ Motion</b>	M/S (Prysunka/Lynn) to recess into an Executive Session to be conducted pursuant to SEAPA's Bylaws consistent with Alaska Statute 44.62.310 for discussions on (a) review of the Agency's CEO, which discussions may involve subjects that tend to prejudice the reputation and character of a person, and (b) hydrosite analysis as the discussions may involve matters that have a clear impact on the Agency's finances. Motion was approved unanimously by polled vote.	Action 19-772
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The meeting recessed into executive session at 3:17 p.m. and reconvened into a regular session at 5:31 p.m.

The Chair announced that during the executive session there were discussions with regard to the CEO's contract and evaluations and that following a discussion with the Agency's counsel, a new item would be added under Item 10 (Next Meeting Dates) under the Agenda to consider holding a special board meeting on October 30<sup>th</sup> in Ketchikan to discuss the CEO's contract, compensation, and further review.

The meeting recessed at 5:32 p.m.

<b>September 27, 2019</b>
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**8) Call to Order**

A. *Roll Call*

Chairman Sivertsen called the meeting to order at 9:00 a.m. on September 27<sup>th</sup> and requested a roll call. The same directors that were in attendance on September 26 were present.

**9) Staff Reports**

A. *Director of Engineering and Technical Services (Siedman)*

Mr. Siedman opened with a PowerPoint presentation on a Swan Lake hydraulic analysis that had been completed in two phases. He explained that following completion of a Swan Lake Hydraulic Validation Model, Phase Two of the analysis was performed to seek possible solutions to prevent or reduce oscillations occurring in the Penstock at low lake levels due to local mode bifurcation. The two phases of the analysis showed that plant frequency control capability is limited by the actual design of the penstock / water column at the plant. He reported that proportional-integral-derivative (PID) gains were changed resulting in stable PID settings for the Swan Lake units when operated in Isochronous with both units online at full loads. He announced that the Tyee and Swan Lake Governor Pressure System and Swan Lake Distribution Valve Controller and Manifold projects were complete, and that 100% design submittal for Swan Lake's Station Service Switchgear project is expected by December 31<sup>st</sup>. He concluded his report with updates on the Tyee and Swan Lake Snow Pillows, Tyee Satellite Systems, and Tyee battery discharge testing results.

B. *Operations Manager Report (Hammer)*

Mr. Hammer announced that after a feasibility study had been performed, the Agency identified a preferred road route for the Tyee Road Access to Tidewater Project. He reported that quotes were pending for survey work to firm up the road route and design, quantify materials, and identify permitting costs and requirements with the expectation that the work would be complete by year end. He also reported that the fire control panel at the Tyee Plant was obsolete and after a tedious search for a representative to locate necessary parts for system restoration, the project is currently in the engineering phase pending State Fire Marshal approval. Mr. Hammer announced that the Eagle River and Carroll Inlet Crossing Marker Ball Project, TSV Actuator Pistons, and Tyee Gatehouse Propane Refill Projects were all complete. He provided an update on the Agency's brushing program and reported that a survey showed that of the 43 helipads in service on the Cleveland Peninsula, 10 have failed and 13 are significantly deteriorated. He closed with reports and updates on the Agency's wind data collection efforts, wooden pole testing, Wrangell Switchyard and Substation gravel work, the Tyee crew boat motor issues, and activities, work, and safety training that have taken place at the Tyee Plant to date.

C. *Power System Specialist Report (Schofield)*

Mr. Schofield reported that the Agency's 310-page Swan Lake Operations and Maintenance Manual and voluminous Technical Standards Documents that accompany the manual must be updated and rewritten. The tedious task was awarded to a consultant who is nearing completion of the final draft for review. He advised that Tyee's manual will also require an update following

completion of Swan Lake's manual. Mr. Schofield provided a thorough review of the Swan Lake Unit 1 Stuffing Box Seal and Distributor Bushing Repairs Project that was completed in August of this year. He announced that three R&R Projects, Site Glass Switches Upper Guide Bearing Installation, Governor Control Software upgrades, and Governor Pressure System Control Manifold installation, were all completed by contractor, Segrity, LLC with assistance from the Swan Lake staff, during Swan Lake's Annual Maintenance Shutdown. He commended the Swan Lake staff who also performed several annual preventive maintenance work orders and closed his report announcing that the Swan Lake Gangway & Pier Replacement Project materials had arrived and that the project is scheduled to start the week of September 23<sup>rd</sup>.

**10) Next Meeting Date(s)**

There was a consensus that the next meeting date would be for a special board meeting to be held on October 30<sup>th</sup> in Ketchikan to discuss the CEO's contract, compensation, and further review, and any other necessary matters. There were no objections to the regular meeting scheduled for December 12, 2019 in Ketchikan.

**11) Director Comments**

Directors provided brief comments.

**12) Adjourn**

**> Motion**

M/S (Prysunka/Von Bargaen) to adjourn the meeting. Motion approved unanimously by polled vote.

**Action  
19-773**

The meeting adjourned at 12:00 noon.