



SOUTHEAST ALASKA POWER AGENCY

Minutes of Regular Meeting

April 13, 2017

The Landing Hotel
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 Williams called the meeting to order at 9:00 a.m. AKDT on April 13, 2017. The following directors and alternates were present, thus establishing a quorum of the board:

Director	Alternate	Representing	
Lew Williams	Andy Donato	Swan Lake	Ketchikan
Judy Zenge	Charles Freeman	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
Ed Schofield, Power System Specialist	Robert Siedman, Dir. of Eng. & Tech Svc.
Kay Key, Controller	Sharon Thompson, Ex. Asst./Cont. Adm.
Lisa Maddocks, Administrative Asst.	Joel Paisner, Ascent Law Partners, LLC

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

- Volunteer Conference SEAPA Sponsorship Request

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

➤ Motion	M/S (Jensen/Prysunka) to approve the agenda as presented. Motion approved unanimously by polled vote.	Action 17-574
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3) Persons to be Heard – None.

4) Review and Approve Minutes

➤ Motion	M/S (Jensen/Zenge) to approve the Minutes of the Regular Meeting of February 8, 2017. Motion approved unanimously by polled vote.	Action 17-575
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➤ Motion	M/S (Jensen/Zenge) to approve the Minutes of the Special Meeting of March 9, 2017. Motion approved unanimously by polled vote.	Action 17-576
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5) Financial Reports

(A)-(G) Mr. Acteson reported that SEAPA's financial position remains stable, and noted that expenses may accelerate in May and June when loads moderate, which present an opportunity for major capital work to be performed, and reported that a late winter thaw may shift some scheduled expenditures into later months. He provided updates on the Whitman True-up and the Agency's two remaining grants, the KPI#2 and FY13 DCCED.

➤ Motion	M/S (Jensen/Zenge) to approve the financial statements for the months of February and January 2017. Following Mr. Acteson's overview of the Controller's report covering a kWh graph, grant summary, financial statements, and R&R reports, the motion was unanimously approved by polled vote.	Action 17-577
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➤ Motion	M/S (Prysunka/Jensen) to approve disbursements for the months of February and March 2017 in the amount of \$845,348.09. Motion approved unanimously by polled vote.	Action 17-578
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The meeting recessed at 9:15 a.m. and reconvened at 9:22 a.m.

6) Load Forecast Presentation by John Heberling / D. Hittle & Associates, Inc.

Mr. Heberling introduced himself and explained that he had been retained to conduct a 20-year annual forecast of customers, energy requirements, and peak demand for each of SEAPA's member utilities. He presented a slideshow and provided an overview of the load forecast for the SEAPA system.

7) New Business

- A. *Consideration and Approval of Wrangell Switchyard Circuit Switcher Current Transformers and Relay Installation Contract.*

➤ Motion	M/S (Jensen/Zenge) to authorize staff to enter into a Contract with Electric Power Constructors, Inc. for SEAPA's Wrangell Switchyard Circuit Switchers Current Transformers and Relay Installation Project for the value of \$104,065, plus a 10% contingency of \$10,406 for any unanticipated expenses, for a total not-to-exceed value of \$114,471. Motion approved unanimously by polled vote.	Action 17-579
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B. *Consideration and Approval of Swan Lake Exciter and Unit Breaker Replacement Project.*

➤ Motion	M/S (Prysunka/Jensen) to authorize staff to enter into a Contract with Electric Power Constructors, Inc. for SEAPA's Swan Lake Exciter and Unit Breaker Replacement Project for \$359,926, plus a 10% contingency for potential remobilization due to potential time constraints of \$36,000 for the not-to-exceed value of \$395,926. Motion approved unanimously by polled vote.	Action 17-580
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C. *Consideration and Approval of Additional Funds for SEAPA Hydrosite Investigations Contract.*

➤ Motion	M/S (Jensen/Zenge) to increase the not-to-exceed value of Hydropower Site Evaluation contracts with McMillen, LLC by \$50,000 for a total not-to-exceed value of \$2,130,625. Motion approved unanimously by polled vote.	Action 17-581
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D. *Consideration of Proposed Amendment to SEAPA Policy Handbook – Application of the Alaska Public Disclosures Act.*

➤ Motion	M/S (Prysunka/Jensen) to discuss a proposed Amendment to SEAPA's Policy Handbook – Application of the Alaska Public Disclosures Act. The motion passed three to two with Mr. Amylon, Ms. Zenge, and Mr. Williams voting in favor, and Mr. Prysunka and Mr. Jensen voting against the motion.	Action 17-582
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Considerable discussion followed on the pros and cons of amending SEAPA's Policy Handbook to consider incorporating rules and procedures for Agency adherence to the Alaska Public Disclosures Act. Mr. Prysunka expressed concerns for more due diligence to take place prior to amending the Agency's policy. Mr. Williams explained that any suggested amendment would still require further consideration and approval prior to enactment, and encouraged board members who may still have questions to address them with management or the Agency's counsel.

➤ Motion	M/S (Amylon/Zenge) that the SEAPA board direct the Chief Executive Officer and Attorney Paisner to draft an amendment to the SEAPA Policy Handbook incorporating such procedures and rules as may be necessary to have the Agency adhere to the appropriate provisions of the Alaska Public Disclosures Act. The motion passed three to two with Ms. Zenge, Mr. Williams, and Mr. Amylon voting in favor, and Mr. Prysunka and Mr. Jensen voting against the motion.	Action 17-583
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8) **CEO Report**

Mr. Acteson announced he would be traveling to Washington, D.C. in May to meet with key legislators and staff to maintain momentum on a bill compelling the Bureau of Land Management

to transfer the remaining 25.8 acres of federal land to the Alaska Department of Natural Resources that were originally intended to be conveyed as part of the Swan Lake project. He advised that FERC still did not have a quorum to rule on the Agency's challenge to FERC's 71% land use fee increase, and that he has been working with hydro and power associations drafting comments and support letters for establishing 50 years as the default duration for new hydro licenses and a minimum of 40 years for renewals.

Mr. Acteson reported he was working with McMillen Jacobs Associated to complete SEAPA's Hydrosite Investigation Project, and provided updates on the Tyee Lake 3rd Turbine review, and his efforts toward public relations with the three member communities. He highlighted the Agency's progress in transparency and cautioned that subjecting the Agency to FOIA requests should be carefully considered. Mr. Acteson welcomed SEAPA's new Director of Engineering and Technical Services, Robert Siedman, who was present at the meeting, and announced that SEAPA had also recruited Daniel Flickinger as the new Brushing Technician replacement in Wrangell.

9) Staff Reports

A. Operations Manager Report

Mr. Henson provided updates on several projects including ATV use on the Tyee transmission system, silting in the Tyee Lake harbor area, satellite communications, Wrangell current transformer and relay installations, Tyee Lake maintenance and procedures, Tyee TSV controls, and announced that work would be starting on April 20th for assembly of the Needle Feedback at Tyee and for replacement of Tyee's governor manifold. He reported that new Real Time Automation Controllers were on order and provided the tentative schedule for annual transmission line maintenance. He reviewed the activities that had taken place at Tyee Lake since the previous board meeting and advised that Mr. Donato had provided an update on Swan Lake activities in the board packet.

B. Power System Specialist Report

Mr. Schofield reported on close-out of the Swan Lake Reservoir Expansion Project, FERC license amendment conditions, and that a Final Project Report would be submitted to FERC on or about April 15th. He reported that adverse weather conditions caused a delay in mobilization for Marble Construction to start construction of the Swan Lake Debris Boom, and announced staff's recommendation of award of a contract for the Agency's Swan Lake Exciter and Generator Breaker Replacement Project.

10) Next Meeting Date(s)

There were no objections to the next meeting dates of June 20-21 in Wrangell, Alaska.

11) Director Comments

Directors provided brief comments.

12) Adjourn

Chairman Williams adjourned the meeting at 11:09 a.m.