

Date: June 19, 2014
To: SEAPA Board of Directors
From: Trey Acteson, CEO
Subject: FY15 SEAPA Budget

This memo will provide an overview and discussion of my recommended Fiscal Year 2015 (FY15) SEAPA system-wide budget. Included behind this memo are the following:

1. SEAPA FY15 system-wide budget summary.
2. FY15 Sales Projection.
3. SEAPA FY15 system-wide budget detail.
4. Renewal and Replacement (R&R) budget, including previously approved R&R projects with cash flows in FY15 and recommended new R&R projects.

EXECUTIVE SUMMARY

The recommended budget is premised on retaining the current Wholesale Power Rate (WPR) of 6.8 cents/kWh. This will be the 17th year that the WPR has remained unchanged. Revenues from sales in FY15 are budgeted slightly higher than FY14 due to favorable reservoir levels and fish processing capacity increases.

The FY15 system-wide consolidated administration, operations, and maintenance budget as proposed is \$7,560,175. This is slightly below FY14 and represents several reductions offset by a few larger one-time expenditures.

FERC Codes were reviewed and definitions have been refined to more clearly specify the types of expenses assigned to each code. The descriptions provided by FERC's Uniform Chart of Accounts are widely open to interpretation, and our goal was to ensure that SEAPA and both facilities assign like expenses to the same FERC codes in this budget.

SEAPA worked with KPU once again this year to create the budget for Swan Lake operations, but received no input from the Thomas Bay Power Authority regarding Tyee Lake. The Tyee Lake budget was created by SEAPA with the best available information and reflects status quo operations, with employee wages adjusted according to their

existing Collective Bargaining Agreement. The budget does not reflect labor and benefits adjustments that may be ratified as part of the transition to SEAPA as the Owner/Operator. Upon completion of transitional contracts, those changes will be brought forward to the Board and adjusted accordingly. The PERS termination lump-sum and annual unfunded liability payments have been included as they have been defined in the Buck Consultant's Report. The proposed budget also includes expenses that have historically been defined as Non-Net Billable (NNB) for Tyee Lake to help bridge the transition period to SEAPA as the Owner/Operator. NNB refers to expenses incurred by the operator, but not reimbursed by SEAPA; in the past, these costs were divided between the municipalities of Petersburg and Wrangell. Specifically, the secretary (office assistant) payroll and benefits, and accounting expense (paid to Wrangell primarily for processing payroll) were included in this year's budget for Tyee Lake operations (FERC 535).

The FY15 R&R Budget reflects a continuation of our commitment to a proactive R&R program. Total FY15 R&R budgeted expenditures include \$5,967,010 for previously approved projects and \$2,748,340 for six new proposed projects, totaling \$8,715,350. Several previously approved projects are in or nearing execution phase and we anticipate significant expenditures in FY15. The six new proposed R&R projects specifically address priority safety and system reliability issues.

BUDGET HIGHLIGHTS & DISCUSSION

Revenues: Our reservoirs are very close to capacity so we have budgeted FY15 revenue to be slightly higher than the FY14 budget. Volatility in the weather, snow pack, and timing of inflows have a wide influence on revenues and can impact actuals. Seasonal industrial loads can also vary. Eric Wolfe will discuss this in greater detail.

The following is a revenue summary of budget to actuals for the last four years:

FY11 Budget Sales (MWh)	152,110
FY11 Actual Sales (MWh)	163,748
FY11 Budget Revenue (\$)	\$10,318,514
FY11 Actual Revenue (\$)	\$11,099,705
FY12 Budget Sales (MWh)	173,930
FY12 Actual Sales (MWh)	171,432
FY12 Budget Revenue (\$)	\$11,827,240
FY12 Actual Revenue (\$)	\$11,657,376

FY13 Budget Sales (MWh)	173,174
FY13 Actual (MWh)	164,288
FY13 Budget Revenue (\$)	\$11,775,832
FY13 Actual Revenue (\$)	\$11,171,599
FY14 Budget Sales (MWh)	170,900
FY14 Expected Sales (MWh)	178,794
FY14 Budget Revenue (\$)	\$11,621,200
FY14 Expected Revenue (\$)	\$12,157,999
FY15 Budget Sales (MWh)	171,789
*FY15 Budget Revenue (\$)	\$11,681,652

*FY15 revenue forecasts are based on the premise that the Wholesale Power Rate remains at 6.8 cents/kWh.

Expenses: As previously noted, the proposed FY15 system-wide consolidated administration, operations and maintenance expense budget is \$7,560,175. This is 2% lower than FY14. The budget detail behind this memo provides explanation broken down by FERC code, but these are a few of the notable highlights:

FERC Code 535 – Management & Administration of Facility Operations: Tye Lake budget includes an office assistant (secretary) FTE and Wrangell accounting costs. Historically these have been NNB.

FERC Code 540 – Rents: A lower budget is a result of our lobbying efforts at the Federal level to eliminate non-Federal lands from FERC land use fees.

FERC Code 545 – Facility Miscellaneous Maintenance: Swan Lake budget includes \$20k to replace the decaying emergency shelter. The SEAPA budget includes \$24k for evaluation of the Swan Lake hillside where slides have occurred near existing structures. Depending on study results, further expenditures may be required, but are not included in this budget.

FERC Code 561 – SCADA & STICS: In anticipation of completing the SCADA upgrade, a budget line item was added for general SCADA maintenance.

FERC Code 562 – Substation Expense: Transformer testing on a 5-year testing cycle was added to this year’s budget and is substantial (\$17.5k each for 5 substations). The \$10k for the Southern States evaluation of the Petersburg circuit switcher, authorized by the Board, is also expensed here.

FERC Code 571 – Overhead Transmission Line Maintenance: A portion of the FY14 scheduled maintenance was not completed and is scheduled for completion this fall. That work has been included in the FY15 budget.

FERC Code 920 – Administrative Expense: Staff positions represent 7 positions, including the unfilled engineer position that we have been actively recruiting. Administrative wages reflect a 2% cost-of-living increase, with the exception of the recently filled Administrative Assistant and the CEO. Insurance benefits (H&W) were estimated with the most current available data. H&W premiums for 2015 will not be known until early fall, but may increase up to 10%. Insurance plan options are being reviewed to attenuate anticipated increases, and after prices are available, will be brought before the Board for subsequent approval.

FERC Code 923 – Contract Services: Includes \$30k for plant appraisals at Swan Lake and Tyee Lake. This will help us determine if we are under or over insured. We have also includes \$125k to conduct a comprehensive system load forecast model. Our interconnected system has evolved since the last load forecast was completed and it is essential that we clearly understand and incorporate these dynamics into our planning process.

FERC Code 926 – Retiree Benefits: This is a new FERC code to record retiree benefits. It includes an initial lump sum payment of \$160k and an annual payment of \$50k to address the PERS unfunded liability for the Tyee employees.

R&R Projects: The Board is well informed of the list of approved R&R Projects currently underway. As previously discussed, these projects may span multiple years and balances have been carried forward into FY15. Several of these projects are in advanced stages and expenditures will accelerate. The total R&R expenditures listed under “Previously Approved R&R Projects” for FY15 is \$5,967,010. Note that we will use grant funds to cover planned Swan Lake Reservoir Expansion work in FY15 and that has been broken out for illustration purposes. We are also recommending approval of six new R&R projects, specifically targeting safety and reliability. These new projects total \$2,748,340 and they are described in detail in your packets.

The total FY14 R&R proposed budget is \$8,715,350, which is 5% above last year. SEAPA's proactive R&R efforts are critically important to maintaining safety, reliability, and availability of power for our member utilities. We appreciate the Board's leadership and continued support of the R&R program.

Projected Fund Balances: The following is our projection of fund balances; year-end FY14, as reallocated at the beginning of FY15, and at the end FY15 based on the proposed consolidated administration, operations, maintenance, and R&R budgets:

- Projected June 30, 2014 Balance (unrestricted funds):
 - Self- Insured Risk Fund \$ 8,083,556
 - Revenue Fund \$ 7,045,337
 - Dedicated R&R Fund \$ 6,367,569
 - \$21,496,462

- Projected fund balances at the beginning of FY15 after levelizing Self-Insured Risk Fund and reallocating Revenue Fund to fully fund approved projects under Dedicated R&R Fund
 - Self-Insured Risk Fund \$ 8,000,000
 - Revenue Fund \$ 4,850,612
 - Dedicated R&R Fund (fully funded) \$ 8,645,850
 - \$21,496,462

- Fund Activity in FY15
 - Beginning fund balance (unrestricted funds): \$21,496,462
 - Levelized payment into R&R fund: \$ 2,243,000
 - Surplus from FY15 budget: \$ 745,883
 - Less FY15 R&R project expenditures (\$ 8,645,850)
 - \$15,839,495

- Projected June 30, 2015 balance (unrestricted funds):
 - Self- Insured Risk Fund \$ 8,000,000
 - Revenue Fund (minimum for cash flow) \$ 1,500,000
 - Dedicated R&R Fund \$ 6,339,495
 - \$15,839,495

Rebate: In last year's budget memo and at April's board meeting I advised that we should hold off on issuing rebates until funding is solidified for the Swan Lake Reservoir

Expansion. Since we only received partial funding in the last legislative session, we will need to wait until after the next legislative session in FY15 to determine our actual funding shortfall. We may also require additional cash on hand to bridge the gap until bonding is obtained for the project. Additionally, it is advisable to maximize the strength our financial position ahead of an inevitable bond offering. I believe this approach will allow us to successfully complete the Swan Lake Reservoir Expansion with the lowest possible risk to rates.

June 18, 2014

To: Trey Acteson & Kay Key

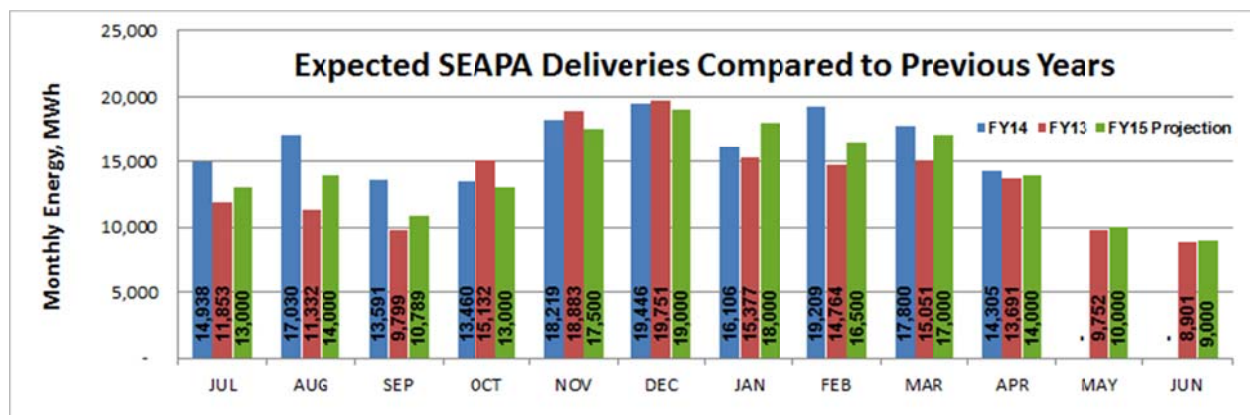
From: Eric Wolfe

RE: FY 15 Sales Forecast

SEAPA Sales were quite strong during FY14, the result of three fortunate circumstances:

- 1) a very strong fish processing load that occurred during the summer of 2013
- 2) mild, wet winter weather which infused our reservoirs with 3 huge inflow events
- 3) strong winter electrical demand even though temperatures were mild

We will probably not have as strong a fish processing season as last summer was a record pink return; yet fish processing may drive electrical demand over 2011 or 2012 levels as all three cities report capacity expansions at fish processing facilities (may pull fish from other locations). Electrical demand will most probably be greater this winter than last winter, but SEAPA deliveries are constrained in the winter by either capacity limits (40 MW +/-) or inflows that occurred during the preceding fall. All in all, this means most likely our deliveries will fall short of FY2014 deliveries. Please see the chart below for a graphical representation by month.



Annual SEAPA Deliveries (MWh)

FY10	FY11	FY12	FY13	FY14
130,127	163,749	170,709	164,288	182,633

FY14 contains projections for May & June

SOUTHEAST ALASKA POWER AGENCY

Projected Power Sales (\$68/MWh)		
	MWh	Revenue
Ketchikan	93,320	\$ 6,345,760
Petersburg	42,361	2,880,548
Wrangell	36,108	2,455,344
Total	171,789	\$ 11,681,652

FY15 SEAPA BUDGET SUMMARY

	Swan Lake - KPU	Tyee Lake - TBPA	SEAPA O&M G&A	TOTAL
535 - Operation Supervision & Engineering	36,180	310,690	181,950	528,820
537 - Hydraulic Expense	-	-	10,000	10,000
538 - Electric Expense	13,250	12,000	60,000	85,250
539 - Misc. Power Generation	130,690	80,500	194,200	405,390
540 - Rents	-	-	131,900	131,900
541 - Maintenance Supervision & Engineering	19,000	10,000	15,000	44,000
543 - Dams, Reservoirs & Waterways	-	2,500	49,075	51,575
544 - Electric Plant Maintenance	581,000	576,500	-	1,157,500
545 - Plant Misc Maint/USGS gaging	42,000	23,150	24,100	89,250
561 - Trans/SCADA Load Dispatch	-	-	70,000	70,000
562 - Substation Expense	15,000	36,000	108,500	159,500
564 - Submarine Cable Expense	-	12,000	10,000	22,000
571 - Overhead Line Maintenance	15,000	245,800	1,397,660	1,658,460
920 - Administrative Expense	-	-	1,292,100	1,292,100
921 - Office Expense	-	-	190,710	190,710
922 - Legislative Affairs	-	-	65,000	65,000
923 - Contract Services	-	-	426,050	426,050
924 - Insurance	-	-	529,000	529,000
926- Retiree Benefits	-	-	210,000	210,000
928 - Regulatory Commission Expense	-	-	161,320	161,320
930 - General Expenses	-	-	210,150	210,150
931 - Admin Rent	-	-	62,200	62,200
TOTAL EXPENSE	\$ 852,120	\$ 1,309,140	\$ 5,398,915	\$ 7,560,175

Surplus/(Deficit) from Operations **\$ 4,121,477**

SUGGESTED MOTION

**I move to approve the
Southeast Alaska Power Agency
Fiscal Year 2015 Budget
in the amount of
\$7,560,175**

Debt Service, Reserves & Project Feasibility	
Debt Service	\$ 1,359,425
DNR Reserve Contribution	37,500
Project Feasibility	73,169
*Levelized R&R Fund Contribution	2,243,000
Total Other Expenses	<u>\$ 3,713,094</u>
Other Income	
Investment Income	\$ 80,000
Other Income	257,500
Total Other Expenses	<u>\$ 337,500</u>
Net Fiscal Year Surplus/(Deficit)	<u>\$ 745,883</u>

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET		FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
535000 · Hyd/Operations-Supervision & Engineering		MANAGEMENT & ADMIN. of Facility Operations			
535100 · Hyd/Op Sup & Eng - Swan Lake	113,000				
a. Labor-Salary, KPU Mgmt, 2 days/month		20,000			
b. Labor-Benefits		10,000			
c. USPS Mail Pouch, postage		1,980			
d. Office Supplies		1,200			
e. Minor Equipment		3,000			
f. Software					
		36,180			
535150 · Hyd/Op Sup & Eng - SWL SEAPA	34,500				-
a. Mapcon software annual maint. fees (was 537)					2,500
b. Mapcon software upgrade (moved from 537)					6,000
c. Box-It LLC SWL Storage (\$110/mo.)					1,350
					9,850
535200 · Hyd/Op Sup & Eng - Tyee Lake	147,500				
a. Labor-Salary, Ops Supervisor & Office Assistant (11 mo.)				136,100	
b. Labor-Benefits				72,600	
c. Accounting (Wrangell payroll processing, \$1018/mo.)				12,240	
c. Fuels Oils-Machines/Equip./Rolling Stock (SEAPA vehicles)				1,000	
d. Insurance				75,000	
e. Software				500	
f. Supplies-Food				250	
g. Supplies-Office				6,000	
j. Utilities-Electric				7,000	
				310,690	
535250 · Hyd/Op Sup & Eng - TYL SEAPA	10,000				-
a. Mapcon software annual maint. fees (was 537)					2,500
b. Mapcon software upgrade (moved from 537)					6,000
c. Office equipment (printers, PCs)					15,000
d. IT audit & IT support					10,000
					33,500
535400 · Hyd/Op Sup & Eng - Proj Drawing	200,000				
a. May Engineering (SWL Project Drawings)					28,000
b. May Engineering (TYL Project Drawings)					33,600
c. May Engineering (SEAPA Project Office)					22,000
d. Redrafting red-lined prints					50,000
					133,600
535600 · Hyd/Op Sup & Eng - Diesl Genrtn	-				-
535700 · Hyd/Op Sup & Eng - 4R Plan	-				
a. DHittle 4R Plan - Update figures					5,000
					5,000
Total 535000 · Hyd/Operations-Supervision			36,180	310,690	181,950
TOTAL 535000			\$528,820		
FY14 BUDGET		505,000	113,000	147,500	244,500
FY14 - FY15 Budget Comparison		5%	-68%	111%	-26%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses		355,213	70,822	148,155	136,235
Notes:	535100 SWL - Moved Swan flights to FERC 539 535200 TYL - Added Tyee office assistant (11 months) and Wrangell accounting costs.				

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET	FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
537000 · Hydraulic Expenses	OTHER HYDRO Expenses			
537150 · Hydraulic Expense - SWL SEAPA Mapcon maintenance fees (moved to 535) Mapcon operator training (moved to 539) a. Snow survey expenses at SWL (helicopter)	13,000			- - - 4,000 4,000
537250 · Hydraulic Expense - TYL SEAPA Mapcon maintenance fees (moved to 535) Mapcon operator training (moved to 539) a. Snow survey expenses at TYL (helicopter)	18,000			- - - 6,000 6,000
Total 537000 · Hydraulic Expenses		-	-	10,000
TOTAL 537000		\$10,000		
FY14 BUDGET	31,000	-	-	31,000
FY14 - FY15 Budget Comparison	-68%			-68%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses	14,496	-	-	14,496
Notes: 537150-537250 - Mapcon (Maintenance software) annual fees moved to FERC 535, Training moved to FERC 539				

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET	FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
538000 · Electric Expenses	ELECTRIC O&M EXPENSE			
538100 · Electrical Expense - SWL a. Maintenance - Machine/Equip (all electrical equipment) b. Services - Professional (test transformer/generator oils) c. Supplies-Operating (lamps, all types)	3,250	8,000 1,000 4,250 13,250		
538150 · Electric Expense - SWL SEAPA a. Critical unforeseen electrical events	12,500			30,000 30,000
538200 · Electrical Expense - TYL a. Maintenance - Machine/Equip b. Supplies - Operating (electrical supplies) c. Supplies-Tools	3,600		5,000 5,000 2,000 12,000	
538250 · Electric Expense - TYL SEAPA a. Critical unforeseen electrical events	12,500			30,000 30,000
Total 538000 · Electric Expenses		13,250	12,000	60,000
TOTAL 538000		\$85,250		
FY14 BUDGET	31,850	3,250	3,600	25,000
FY14 - FY15 Budget Comparison	168%	308%	233%	140%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses	37,656	16,322	3,343	17,990
Notes: <i>Electrical maintenance expenses have historically been charged to other FERC codes.</i>				

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET		FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
539000 · Misc Power Generation Expense		MISC. OPERATIONS EXPENSE			
539100 · Misc Expense - Swan Lake	65,850				
a. Fuels Oils - Mach/Equip/Rolling Stock		20,950			
b. Maintenance - Rolling Stock		6,000			
c. Minor Equipment		10,000			
d. Safety - Annual fire inspection & fire prevention hdw		5,000			
e. Safety - Fire Hose replacement		10,000			
f. Services - Barge - KTN to SWL		9,000			
g. Services - Flights - Taquan contract flights		65,000			
h. Services - Other (annual physicals)		400			
i. Supplies - Clothing		1,840			
j. Supplies - Food		2,500			
		130,690			
539150 · Misc Expense - SWL SEAPA	73,600				-
a. Maintenance - Futaris maintenance contract SWL (\$1000/mo)					12,000
b. Maintenance - SWL communication equipment maintenance					2,000
c. Maintenance - SWL LAN-WAN maintenance					7,000
d. Training - Operator hydro plant maintenance					15,000
e. Training - Mapcon (\$6K) and Infrared (\$2K)					8,000
f. Utilities - Communications KPU SWL Powerhs					4,200
					48,200
539200 · Misc Expense - Tyee Lake	227,640				
a. Fuels Oils - Mach/Equip/Rolling Stock			1,500		
b. Maintenance - Rolling Stock			7,000		
c. Safety - Annual fire inspection & fire prevention hdw			4,000		
d. Services - Barge - Fuel & equip to TYL			25,000		
e. Services - Flights - Sunrise contract flights			30,000		
f. Services - Rents, Equipment rental			1,000		
g. Utilities - Internet			2,000		
h. Utilities - Phone			10,000		
			80,500		
539250 · Misc Expense - TYL SEAPA	155,850				
a. Maintenance - Burnett Peak repair as needed (helicopter)					20,000
b. Maintenance - Futaris maint. contract (\$1000/mo. x 3 mo)					3,000
c. Maintenance - TYL communication equipment maintenance					2,000
d. Maintenance - SWL LAN-WAN maintenance					7,000
e. Training - Operator hydro plant maintenance training					15,000
f. Training - Mapcon (\$6K) and Infrared (\$2K)					8,000
g. Utilities - Comm. WRG phone, long distance, 2 T1s; (ATC)					68,400
h. Utilities - Communications - WRG Long Distance (GCI)					600
i. Utilities - Communications - Dedicated line: AT&T Alascom					4,000
j. Utilities - Communications - Burnett Peak T1 WRG > Burnett					16,500
k. Safety - Pre-employment physicals					1,500
					146,000
539300 · Misc Expense - Annual Inspectns	1,500				-
					-
539400 · Misc Expense - Permits & Maps					
AK DNR Water Fees - moved to FERC 928	150				-
					-
Total 539000 · Misc Power Generation Expense			130,690	80,500	194,200
TOTAL 539000			405,390		
FY14 BUDGET	524,590	65,850	227,640		231,100
FY14 - FY15 Budget Comparison	-23%	98%	-65%		-16%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses	417,779	19,794	228,876		169,110
Notes:	539400 - Moved AK DNR Water Fees to FERC 928 REGULATORY; SWL flights moved from FERC 535.				

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET	FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
540000 · Rents	RENTS			
540300 · FERC Land Use Fee - Swan Lake	47,000			12,000
540400 · FERC Land Use Fee - Tye Lake	46,000			40,000
540500 · USDA Land Use Fee - USFS ROW	20,000			20,000
540600 · USDA Land Use Fee - STI	60,000			58,000
540700 · USDA Tye Passive Reflector	1,350			1,300
540710 · USDA Etolin Burnett Radio	650			600
Total 540000 · Rents				131,900
TOTAL 540000		\$131,900		
FY14 BUDGET	175,000			175,000
FY14 - FY15 Budget Comparison	-25%			-25%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses	136,410	-	-	136,410
Notes: Lower FERC Land Use fees.				

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET		FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
541000 · Hydro Power Station Maintenance		HYDRO POWER STATION (HYDRO PLANT)			
541100 · Maintenance - Swan Lake a. Maintenance - Infrastructure b. Maintenance - Machine/Equipment			11,000 8,000 19,000		
541150 · Maintenance - SWL SEAPA a. Maintenance - Engineering ,testing and reliability b. Turbine flow meter	88,750				- 30,000 5,000 5,000
541200 · Maintenance - Tyee Lake a. Services - Professional - lab testing b. Supplies - Operating - Power Plant c. Supplies - Tools - Hydro Station				500 7,500 2,000 10,000	
541250 · Maintenance - TYL SEAPA a. Maintenance - Engineering ,testing and reliability b. Turbine flow meter	78,250				- 30,000 10,000 10,000
Total 541000 · Hydro Power Station Maintenance			19,000	10,000	15,000
TOTAL 541000			\$44,000		
FY14 BUDGET		167,000	-	-	167,000
FY14 - FY15 Budget Comparison		-74%			-91%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses		79,212	-	-	79,212
Notes: <i>Plant maintenance was historically charged elsewhere for Swan and Tyee. SEAPA budget lower as last year's maintenance projects completed or advanced to R&R projects.</i>					

542000 · Hydro Structure Maintenance		No longer in use			
542100 · Hyd Structure Maint - Swan Lake		3,500			-
Total 542000 · Hydro Structure Maintenance					-
TOTAL 542000			\$0		
FY14 BUDGET		3,500	3,500	-	-
FY14 - FY15 Budget Comparison		-100%	-100%		
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses		7,871	7,871	-	-
Notes: <i>542100 - Fire inspections (SAFETY) moved to FERC 539</i>					

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET		FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
543000 · Dams, Reservoirs & Waterways		DAMS, RESERVOIRS & WATERWAYS			
543100 · Dams Res & Waterwys - SWAN LAKE	1,000	-			
		-			
543150 · Dams Res & Waterwys - SWL SEAPA a. New survey instruments for SWL dam surveys.					-
					10,000
					10,000
543200 · Dams Res & Waterwys - TYEE LAKE a. Employee Travel - Gatehouse repair (helicopter)	7,200			2,500	
				2,500	
543250 · Dams Res & Waterwys - TYL SEAPA a. USGS Stream Gage annual contract b. ADF&G TYL Tailrace Fish Monitoring (\$32,652 open)					16,375
					32,700
					49,075
Total 543000 · Dams, Reservoirs & Waterways			-	2,500	49,075
TOTAL 543000			\$51,575		
FY14 BUDGET		8,200	1,000	7,200	59,075
FY14 - FY15 Budget Comparison		529%	-100%	-65%	-17%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses		13,606	1,833	1,917	9,856
Notes: 54100 - Testing of potable water moved to FERC 545					
543250 - ADF&G contract moved from FERC 545					

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET	FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
544000 · Maintenance of Electric Plant	FACILITY OPERATION PAYROLL & BENEFITS			
544100 · Facility Payroll & Benefits - Swan Lake a. Labor - Salary b. Labor - OT c. Labor - Benefits	576,500	317,000 89,000 175,000 581,000		
544150 · Maint Electric Plant-SWL SEAPA	45,000			- -
544200 · Maint Electric Plant-Tyee Lake a. Labor - Salary b. Labor - OT c. Labor - Benefits	608,400		357,100 35,800 183,600 576,500	
544250 · Maint Electric Plant - TYL SEAPA	25,000			- -
Total 544000 · Maintenance of Electrical Plant		581,000	576,500	-
TOTAL 544000		\$1,157,500		
FY14 BUDGET	1,254,900	576,500	608,400	70,000
FY14 - FY15 Budget Comparison	-8%	1%	-5%	-100%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses	1,174,483	596,111	552,532	25,841
Notes: All maintenance expenses removed; FERC 544 now used to record facility payroll only.				

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET		FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
545000 · Facility Miscellaneous Maintenance		FACILITY MISC. MAINTENANCE			
545100 · Facility Misc Maint - Swan Lake	27,000				
a. Maintenance - Grounds		4,000			
b. Maintenance - Infrastructure - Living qtrs & facilities		7,000			
c. Supplies - Furnishings/Housing - unexpected appliance replacement; boiler repair or replacement		8,000			
d. Emergency Shelter replacement		20,000			
e. Services - Small tool & equipment rental		2,000			
f. Services - Professional - Potable water testing (R&M)		1,000			
		42,000			
545150 · Facility Misc Maint - SWL SEAPA					24,100
a. SWL Hillside Stabilization (Tetra Tech evaluation)					24,100
545200 · Facility Misc Maint - Tye Lake	9,700				
a. Maintenance - Infrastructure (Housing facia, paint)				15,000	
b. Supplies - Furnishings				2,500	
c. Covered Storage (was RR244-14) shelving, barge, storage				5,650	
				23,150	
545250 · Facility Misc Maint - TYL SEAPA	58,000				-
					-
Total 545000 · Facility Miscellaneous Maintenance			42,000	23,150	24,100
TOTAL 545000			\$89,250		
FY14 BUDGET		94,700	27,000	9,700	58,000
FY14 - FY15 Budget Comparison		-6%	56%	139%	-58%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses		62,345	19,625	11,185	31,535
Notes:	<i>FERC 545 for expenses related to non-hydro plant facility expenses: grounds, housing, potable water, etc. 545100 - \$20K for Emergency Shelter replacement 545150 - \$24K for evaluation of hillside at Swan Lake 545200 - RR244-14 moved to expense and project completion will be expensed here.</i>				

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET	FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
560000 · Trans Sys Operation Sup & Eng	No longer in use			
Total 560000 · Trans Sys Operation Sup & Eng	10,300			-
TOTAL 560000		\$0		
FY14 BUDGET	10,300	-	10,300	-
FY14 - FY15 Budget Comparison	-100%		-100%	
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses	7,629	-	7,629	-
Notes: <i>In FY14, utilities for the Tye office in Wrangell were charged here, as well as some warehouse charges. Expenses moved to FERC 535.</i>				

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET	FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
561000 · Trans/Gen SCADA	SCADA & STICS - SYSTEM CONTROLS			
561150 · Trans/Gen SCADA Load Dispatch - SWL SEAPA a. SCADA Maintenance b. STICS Maintenance c. Annual STICS Maintenance (Control Engineers Task Order) d. STICS Operator Training				12,500 7,500 5,000 <u>10,000</u> 35,000
561250 · Trans/Gen SCADA Load Dispatch - TYL SEAPA a. SCADA Maintenance b. STICS Maintenance c. Annual STICS Maintenance (Control Engineers Task Order) d. STICS Operator Training	25,000			12,500 7,500 5,000 <u>10,000</u> 35,000
Total 561000 · Trans/Gen SCADA Load Dispatch		-	-	70,000
TOTAL 561000		\$70,000		
FY14 BUDGET	25,000	-	-	25,000
FY14 - FY15 Budget Comparison	180%			180%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses	11,800	-	-	11,800
Notes: SCADA R&R Project nears completion; as expenses transition to system maintenance will be recorded here.				

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET	FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
562000 · Trans/Operations Station Exp	SUBSTATION & SWITCHYARD Expense			
562100 · Trans/Op Station Exp - Swan Lake a. Labor - Salary - Other KPU staff as needed b. Labor - Benefits - Other KPU staff as needed	15,000	10,000 5,000 15,000		
562150 · Trans/Op Station Exp - SWL SEAPA a. Transformer Testing at SWL & Bailey (5-yr testing cycle)	23,000			- 35,000 35,000
562200 · Trans/Op Station Exp - Tye Lake a. Employee Travel - PSG substation travel (meals, lodging) b. Services - Flights to PSG substation c. Services - Professional - Lab testing d. Services - Professional - Southern States circuit switcher PSG e. Supplies - Substation supplies f. Utilities - Electric - Substation	26,000		2,500 7,000 500 10,000 4,000 12,000 36,000	
562250 · Trans/Op Station Exp-TYL SEAPA a. Revenue meter in PSG b. New PT and/or CT transducers in WRG c. Transformer testing WRG, PSG & TYL (5-yr testing cycle)	25,000			- 6,000 15,000 52,500 73,500
Total 562000 · Trans/Operations Station Exp		15,000	36,000	108,500
TOTAL 562000		\$159,500		
FY14 BUDGET	89,000	15,000	26,000	48,000
FY14 - FY15 Budget Comparison	79%	0%	38%	126%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses	44,095	7,378	23,717	13,000
Notes: Transformer testing, on a 5-year testing cycle, was added to this year's budget (\$17,500 per substation) 562200 includes Southern States circuit switcher evaluation at PSG.				

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET		FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
564000 · Trans/Submarine Cable Expense		SUBMARINE CABLE Expense			
564200 · Trans/Sub Cable Exp - Tye Lake	12,825				
a. Employee Travel-Operations (helicopter expense)				5,000	
b. Fuels Oils - Tye Landing Craft fuel to marine terminals				2,000	
c. b. Supplies - Operating - Submarine cable supplies				5,000	
				12,000	
564250 · Trans/Sub Cable Exp - TYL SEAPA	30,000				
a. Unscheduled cable maintenance					10,000
					10,000
Total 564000 · Trans/Submarine Cable Expense			-	12,000	10,000
			\$22,000		
TOTAL 564000					
FY14 BUDGET	42,825	-	12,825	30,000	
FY14 - FY15 Budget Comparison	-49%		-6%	-67%	
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses	26,168	-	7,099	19,069	
Notes:					

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET		FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
571000 · Trans/Maint - Overhead Lines(OHL)		OVERHEAD LINE MAINTENANCE			
571100 · Trans/Maint - OHL - Swan Lake	15,000				
a. Labor - Salary - Other KPU staff as needed		10,000			
b. Labor - Benefits - Other KPU staff as needed		5,000			
		15,000			
571150 · Trans/Maint - OHL - SWL SEAPA	448,000				
a. Chatham Electric: Bid Item 7, 2015 SWL					207,630
b. Thermal Scan - Every other year (scheduled for CY2014)					6,000
c. Unscheduled power pole replacement					35,000
					248,630
571151 · Trans/Maint OHL - SWL ROW Clearing					
a. Right-of-way clearing on SWL transmission line					250,000
					250,000
571200 · Trans/Maint - OHL - Tye Lake	196,150				
a. Labor - Salary - Brushing Foreman & Tech (1.3 FTEs)				131,300	
b. Labor - Benefits - Brushing Foreman & Tech				72,400	
c. Employee Travel - Brushing Flights				1,000	
d. Fuels Oils - Brushing Equipment				1,500	
e. Fuels Oils - Tye Landing Craft				3,000	
f. Maintenance - Rolling Stock (Landing Craft)				5,000	
g. Services - Flights - Helicopter for brushing				25,000	
h. Services - Rents - Moorage for SEAPA landing craft				1,000	
i. Supplies - Food - Brushing crew groceries				2,300	
j. Supplies - Operating - Brushing crew supplies				2,000	
k. Supplies - Tools - Electrical tools				500	
l. Utilities - Electric - Harbor				800	
				245,800	
571250 · Trans/Maint - OHL - TYL SEAPA	787,750				
a. Chatham Electric: Bid Item 8, 2015 TYL					168,380
b. Meridian Environmental TO14055 ATV Assessment					215,000
c. Marker ball assessment (TYL line)					15,000
d. Thermal Scan - Every other year (scheduled for CY2014)					6,000
e. Unscheduled power pole replacement					35,000
f. Marker ball inventory					55,000
					494,380
571251 · Trans/Maint - OHL - TYL ROW Clearing					
a. Right-of-way clearing on TYL transmission line					-
					-
571300 · Trans/Maint - OHL - STI Maintenance	296,500				
a. Chatham Electric: Bid Item 6, 2014 STI, \$144,950 (Fall 2014)					107,250
b. Chatham Electric: Bid Item 9, 2015 STI \$148,900 (Spring 2015)					148,900
c. Unscheduled power pole replacement					35,000
d. Engineering support for line maintenance (Dryden & LaRue)					13,000
					304,150
571500 · Trans/Maint - OHL - STI Thermal Scan	10,000				
571500 a. STI Thermal Scan - Every other year - due in 2015					-

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET		FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
571600 · Trans/Maint - OHL - Spare Mat Stor a. Austin Powder, Implosives storage	500				500 500
571700 · Trans/Maint - OHL - STI ROW Clearing a. Only R&R helipad clearing in 2015	100,000				- -
571800 · Trans/Maint - OHL - System Events a. Critical maintenance due to unforeseen events	150,000				100,000 100,000
Total 571000 · Trans/Maint - Overhead Lines(OHL)			15,000	245,800	1,397,660
TOTAL 571000			\$1,658,460		
FY14 BUDGET		2,003,900	15,000	196,150	1,792,750
FY14 - FY15 Budget Comparison		-17%	0%	25%	-22%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses		1,467,663	10,367	159,960	1,297,336
Notes:	571151-251 added to separate right-of-way clearing from other maintenance; SWL clearing will be put out to bid. 571200 - Brushing labor budgeted at 1 FTE and a temp at .3 FTE				

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET	FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
920000 · Administrative Expenses	ADMINISTRATIVE PAYROLL & BENEFITS			
920100 · Administrative	1,256,761			
· a. Administrative Staff: Wages & PTO (7 employees)				805,000
· b. Administrative Staff: Overtime				1,000
· b. Administrative Staff: Taxes				57,300
· c. Administrative Staff: H&W Insurance				182,100
· d. Administrative Staff: Retirement Benefits				246,700
				1,292,100
Total 920000 · Administrative Expenses				1,292,100
TOTAL 920000		\$1,292,100		
FY14 BUDGET	1,256,761	-	-	1,256,761
FY14 - FY15 Budget Comparison	3%			3%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses	1,103,501	-	-	1,103,501
Notes: Reflects 2% cost-of-living increase, except CEO and admin. assist. hired in March.				

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET		FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
921000 · Office Expenses		OFFICE EXPENSES			
921100 · Office Supplies	13,000				
a. General Office Supplies (paper, toner, etc.)					13,750
b. Subscriptions (local newspapers)					250
c. Postage, freight (USPS, FedEx, etc.)					2,250
d. Coffee, meeting groceries					1,250
					17,500
921200 · Office Equipment	27,200				
a. Copier lease payments (GE Capital)					8,900
b. Copier annual maintenance agreement					4,000
c. Computer hardware (new employee, upgrades)					5,000
d. Office furniture (chairs)					1,500
e. Server Room air-conditioning					4,250
f. UPS Batteries (server room)					500
g. Headsets					300
					24,450
921300 · Phone, Courier, Internet	25,400				
a. Office long distance (ACS)					1,000
b. Conference calls (GCI)					7,500
c. Cell phones (AT&T Wireless)					4,000
d. Office telephone and internet (KPU#1)					6,900
e. STICS dedicated line (KPU#2)					1,800
f. SCADA Dedicated line (KPU#3)					1,200
g. Bailey-SCADA Dedicated line (KPU#4)					1,200
h. Mesh network fee for entire satellite communications system (Futaris VSAT) \$5145/mo					61,800
i. CenturyLink and Fiberpipe: E.Wolfe home office (\$71/mo.)					860
					86,260
921400 · IT Support	41,000				
a. Contracted tech support & online backup (TexRUs)					25,000
b. Software: New, updates, subscriptions					10,000
c. Continued website development					5,000
d. IT assessment & upgrades in Tye system					20,000
					60,000
921600 · Vehicle Expenses	3,000				
a. SEAPA Truck: Fuel and maintenance					1,750
b. SEAPA Facility Vehicles/Boats: License, registratn					750
					2,500
Total 921000 · Office Expenses					190,710
TOTAL 921000			\$190,710		
FY14 BUDGET		109,600	-	-	109,600
FY14 - FY15 Budget Comparison		74%			74%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses		142,896	-	-	142,896
Notes:	921300 - Futaris network fee was budgeted to 535150 in FY14 budget, \$61K				

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET		FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
922000 · Legislative Affairs		LEGISLATIVE EXPENSE			
922000	a. State of Alaska lobbyist: Ray Matiashowski & Assoc., \$4K/mo	70,000			50,000
	b. SEAPA direct lobbying expense				15,000
					65,000
Total 922000 · Legislative Affairs					65,000
TOTAL 922000			\$65,000		
FY14 BUDGET		70,000	-	-	70,000
FY14 - FY15 Budget Comparison		-7%			-7%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses		57,571	-	-	57,571
Notes: <i>No significant changes.</i>					

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET		FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
923000 · Contract Services		PROFESSIONAL SERVICES			
923200	· Annual Financial Audit a. Annual financial audit - 3rd year of BDO USA contract	28,000			25,000 - 25,000
923300	· Bank & Trustee Fees a. Wells Fargo 2009 Bond: Annual Trust Fees b. Wells Fargo DNR Reclamation Contingency Fund: Annual Trust Fees c. First National Bank of Alaska - Investment Fund Fees (Uninsured Risk Fund) d. Standard & Poor's: Annual Rating Fee e. Bank of America - Annual credit card fees	11,800			2,500 250 3,000 5,000 300 11,050
923400	· Insurance Consultant a. Independent insurance support & risk mitigation (G2Risk Consulting)	10,000			18,000 18,000
923500	· Investment Consultant a. Alaska Permanent Capital: Investment management fees b. Bond Advisor: A. Dashen & Assoc.	25,000			21,000 5,000 26,000
923600	· Legal Fees a. General Consul: Ascent Law Partners (\$106K in open task b. Bond Attorney: Foster Pepper PPLC c. Labor Law Attorney: Sedor, Wendlandt, et al	150,000			130,000 15,000 - 145,000
923700	· Recruitment a. General Recruitment (Relocation expense under Admin	30,000			30,000 30,000
923800	· Other Professional Services a. Appraisal of plants (SWL & TYL) b. NRECA Participant Review (audit of NRECA plan c. General consulting services d. System Load Forecast	16,000			- 30,000 1,000 15,000 125,000 171,000
Total 923000 · Contract Services					426,050
TOTAL 923000			\$426,050		
FY14 BUDGET		270,800	-	-	270,800
FY14 - FY15 Budget Comparison		57%			57%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses		260,667	-	-	260,667
Notes: <i>Plant appraisal and System Load Forecast added to 923800, Other Professional Services.</i>					

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET	FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
924000 · Insurance	INSURANCE			
924000 All lines of coverage. 7% increase over FY14. Workers Compensation Residual Broker Fee (Marsh) Contingency: 5%	588,000			481,500 3,500 20,000 24,000
Total 924000 · Insurance				529,000
TOTAL 924000		\$529,000		
FY14 BUDGET	588,000	-	-	588,000
FY14 - FY15 Budget Comparison	-10%			-10%
Actual FY14 Through March	345,222	-	-	345,222
April-Jun FY14 Budget	147,000	-	-	147,000
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses	492,222	-	-	492,222
Notes: RFP process lowered overall cost last year, but a 7% increase is forecasted for FY15.				

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET		FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
926000 · Retiree Benefits		RETIREE BENEFITS			
926250	Unfunded Liability Lump Sum Pmt (Wrangell, City & Borough) Annual PERS Contribution (Wrangell, City & Boro)				160,000 50,000 - -
Total 926000 · Retiree Benefits					210,000
TOTAL 926000			\$210,000		
FY14 BUDGET		-	-	-	-
Notes: <i>New FERC code to record Retiree Benefits. Budgeted expenses are related to PERS unfunded liabilities.</i>					

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET		FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
928000 · Regulatory Commission Expense		REGULATORY EXPENSES			
928150	· FERC SWL Admin Fees a. FERC Admin Fees (based on estimate of prior yr)	47,000			47,500 47,500
928151	· FERC SWL Other Expenses a. FERC Exhibit K Maps and follow-up on Annual Land Charge adjustments. b. Dam Surveys: Quarterly FERC biannual dam movement surveys (R&M) c. (DSSMP-DSSMR) Annual Dam Safety Surveillance Monitoring Plan & Report (HDR) d. (EAP) Emergency Action Plan: Prep for table-top drill in Jul 2015 (5-yr rotation) e. (ODSP) Owner Dam Safety Program: Completed FY13, followup in FY14. f. Part 12 Engineering survey: Initiate in FY14, complete in FY15 (Hatch Assoc. \$45,565) g. FERC Annual Inspection, travel expense	104,000			5,720 1,700 3,500 500 2,500 46,000 1,000 60,920
928152	· AK DNR SWL Fees a. Annual DNR Water Fee (<i>moved from 539400</i>)				50 50
928250	· FERC TYL Admin Fees a. FERC Admin Fees (based on estimate of prior yr)	43,000			45,000 45,000
928251	· FERC TYL Other Expenses a. FERC Exhibit K Maps and follow-up on Annual Land Charge adjustments. b. FERC Inspection: Plant & penstock; Every 3rd yr, done in FY13 c. FERC Inspection: Transmission lines				5,750 - 2,000 7,750
928252	· AK DNR TYL Fees a. Annual DNR Water Fee (<i>moved from 539400</i>)				100 100
Total 928000 · Regulatory Commission Expense					161,320
TOTAL 928000			\$161,320		
FY14 BUDGET		194,000	-	-	194,000
FY14 - FY15 Budget Comparison		-17%			-17%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses		150,046	-	-	150,046
Notes: Budget fluctuates depending on schedule of regulatory requirements.					

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET		FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
930000 · General Expenses		GENERAL EXPENSES			
930100 · Advertising Expense a. Board meetings, RFPs for O&M projects	5,000				5,000 5,000
930110 · Public Relations a. Full Circle Media TO13-01 b. Miscellaneous Sponsorships and multi-media	60,000				10,000 15,000 25,000
930111 · PR - SEAPA History Project a. Travel, documentation	15,000				35,000 35,000
930300 · Association Dues Expense a. Alaska Power Assn. b. Chamber of Commerce, Ketchikan c. Chamber of Commerce, Petersburg d. Chamber of Commerce, Wrangell e. National Hydropower Assn. f. Northwest Hydroelectric Assn. g. Northwest Public Power Assn. h. Southeast Conference	29,050				6,000 400 200 300 18,500 800 750 700 27,650
930310 · Professional Assn Dues a. AELS - AK Architects, Engineers & Land Surveyors b. Institute of Management Accountants (IMA)	645				250 250 500
930400 · Board Meeting Expenses a. Board member travel and all meeting expense	45,000				45,000 45,000
930500 · Training Expense a. Accounting & Finance Workshop, Anchorage b. AEGIS Insurance Conference c. Certified Managerial Accountant certification d. Emergency Action Plan (EAP) Training Session e. Director training f. NWAHA Maintenance workshop g. Alaska Power Assn. Conference h. Contract Administration certification i. FERC / NWAHA Annual Conference j. NWAHA Conference k. HydroVision Conference l. Rural Energy Conference m. Southeast Conference	23,575				1,000 2,500 2,000 2,000 5,000 2,000 4,000 1,000 2,500 1,500 4,000 500 1,000 29,000

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET		FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
930600	· Travel Expense a. Staff travel	47,000			40,000 40,000
930700	· Non-Travel Incidental a. Miscellaneous	3,500			3,000 3,000
Total 930000 · General Expenses					210,150
			\$210,150		
TOTAL 930000					
FY14 BUDGET		228,770	-	-	228,770
FY14 - FY15 Budget Comparison		-8%			-8%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses		167,378	-	-	167,378
Notes:					

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET		FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
931000 · Admin Rent		ADMINISTRATIVE RENT Expense			
931010 · Office Rent	51,700				
a. White Cliff office space (Ketchikan Gateway Borough)					47,500
b. Archived records, \$148/mo. (LK Storage)					1,800
c. White Cliff janitorial expense, \$325/mo.					3,900
					53,200
931100 · Apartment Rent - Ketchikan	8,700				
a. \$750/mo, includes utilities					9,000
					9,000
Total 931000 · Admin Rent					62,200
	TOTAL 931000		\$62,200		
	FY14 BUDGET	60,400	-	-	60,400
	FY14 - FY15 Budget Comparison	3%			3%
	(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses	60,181	-	-	60,181
Notes:					

SOUTHEAST ALASKA POWER AGENCY

SEAPA FY15 PROPOSED BUDGET		FY14 BUDGET	SWAN LAKE	TYEE LAKE	SEAPA O&M G&A
TOTAL O&M EXPENSE BUDGET					
TOTAL EXPENSE			852,120	1,309,140	5,398,915
			\$7,560,175		
FY14 BUDGET		7,745,096	820,100	1,249,315	5,734,756
FY14 - FY15 Budget Comparison		-2%	4%	5%	-6%
(YTD Actual + Apr-Jun Budget) Projected FY14 Expenses		6,290,888	750,123	1,144,413	4,396,352
Notes:					

SOUTHEAST ALASKA POWER AGENCY

FY2015 R&R BUDGET

CURRENT R&R PROJECTS	Overall Budget	Expenditures Thru FY14	FY15 BUDGET	FY16	FY17	FY18	
220-12 SCADA Upgrade	\$ 1,347,209	\$ 1,169,820	\$ 177,400				Open balance carried forward to FY15
228-13 Circuit Switcher WRG	170,000	-	170,000				Budget increase due to timing of installation
231-13 Helicopter Pads	3,350,000	148,044	1,500,000	\$ 1,701,956			Open balance carried forward to FY15-16
232-13 Communications Upgrade	520,100	194,106	326,000				Overall budget increase, includes ROIP
236-13 Wrangell Reactor	1,600,000	110,609	1,489,391				Overall \$200K decrease after reactor bid accepted
240-13 Cooling Water TYL	199,700	94,166	105,534				Increase of \$46K for new metering, design & engineering
241-13 Stream Gage TYL	1,467,758	557,280	910,478				Open balance carried forward to FY15
242-13 SWL Reservoir Expansion	13,391,869	962,635	763,736	\$ 3,750,000	\$ 6,615,498	\$ 1,300,000	Open balance carried forward to FY15
	(578,000)	(247,771)	(330,229)				FY13 DCCED Grant funding
	(3,320,000)	-	(433,507)	(2,886,493)			FY15 DCCED Grant funding
245-14 Crew Boat SWL	158,200	357	157,843				Increased from \$130K; board approved change orders
248-14 Lathe TYL	42,000	16,823	25,177				Open balance carried forward to FY15
249-14 Marine Term Gage/CommTYL	245,000	-	245,000				Increased budget due to more complexity & installation
251-14 Powerhs Roof Repair SWL	399,900	913	398,987				Open balance carried forward to FY15
252-14 Submarine SpliceSpareTYL	288,000		288,000				Open balance carried forward to FY15
254-14 Water Tank Remediatn SWL	73,000	3,800	69,200				Open balance carried forward to FY15
255-14 Wood Helipad Repair SWL	104,000	-	104,000				Open balance carried forward to FY15
R&R Subtotal	\$ 19,458,736	\$ 3,010,782	\$ 5,967,010	\$ 2,565,463	\$ 6,615,498	\$ 1,300,000	

NEW FY15 PROPOSED R&R PROJECTS	FY15 BUDGET	FY16	FY17	FY18	
15-01 Alarm Trip Protection SWL-TYL	\$ 222,000				Reliability and critical protection issue
15-02 Pressure-Reducing Valve TYL	\$ 71,000				System protection issue
15-03 System Control Improvements SWL-TYL	\$ 116,800				Reliability
15-04 Turbine Shutoff Valves TYL	\$ 575,240				Serves critical purpose; existing system unreliable
15-05 Exciters SWL	\$ 816,500				Reliability issue - coordinated with 15-07.
15-06 Generator Switch Gear SWL	\$ 946,800				Reliability and obsolescence; includes spare breaker.
TOTAL New FY15 Proposed R&R Projects	\$ 2,748,340	\$ -	\$ -	\$ -	

TOTALS FOR FY15 BUDGET	\$ 8,715,350	\$ 2,565,463	\$ 6,615,498	\$ 1,300,000
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SUGGESTED MOTIONS

I move to approve the New FY15 R&R Projects numbered 15-01, 15-02, 15-03, 15-04, 15-05 and 15-06 totaling \$2,748,340

I move to approve a FY15 budget of \$2,748,340 for New FY15 Approved R&R Projects.

I move to approve a FY15 budget of \$5,967,010 for Previously-Approved R&R Projects.

Project	CIRCUIT SWITCHER AT WRANGELL SWITCHYARD		
Description	Replace a manual 3-phase disconnect switch at the Wrangell Switchyard with a circuit switcher.		
Cost Estimate:	\$170,000	Start Date:	JUL 2012
Actual Cost:		Completion Date:	DEC 2014
Project Management: Steve Henson			
Project Discussion			
<p>The spur line from the Wrangell Switchyard to the Wrangell Substation has a 3-phase manual disconnect switch at the switchyard. Consequently there are no means of having relay protection for that spur. When a fault occurs on the spur, it causes the relays at the Tyee power plant to pick up thus de-energizing the entire transmission line from Tyee to Petersburg. A circuit switcher in the place of the manual disconnect would allow safe sectionalizing during a fault or routine maintenance of the system.</p> <p>JUN 2014 – Circuit switcher installation was originally scheduled to occur at the same time as the Wrangell Reactor, but that would now delay the project until winter. Installation has been rescheduled to this fall to realize the sectionalizing capabilities of this project.</p>			

Project Cost Estimate					
DESCRIPTION	COST EST.	VENDOR	BUDGET REQUEST		SPENT
Manufacturer	\$103,064	Southern States	Approved FY13	\$100,000	\$0
Technical Support	6,600	Southern States	Approved FY14	\$98,000	\$0
Installation	60,000	Chatham Electric	Approved Apr 2014	\$120,000	\$0
Total	\$169,664		Requested FY15	\$170,000	\$0
					\$0.00
Project Cost Estimate Discussion					
<p>The FY13 project cost of \$100K was originally based on a vendor estimate. The Board approved a sole source contract with Southern States in the amount of \$103,064 at the April 24, 2014 board meeting, as well as an additional \$16,600 Southern States technical support contract. (\$10K of the support contract is related to circuit switcher evaluation in Petersburg and has been moved to the O&M budget.) The overall budget was increased to \$130,000 at that time. The current budget reflects additional installation costs since they will no longer be shared with the reactor project.</p>					



Project	HELICOPTER PADS		
Description	Helipad installation on the STI, Swan and Tyee transmission lines.		
Cost Estimate:	\$3,350,000	Start Date:	JUL 2012
Actual Cost:		Completion Date:	JUN 2016
Project Management: Steve Henson, Brett Serlin (Tongass Engineering)			
Project Discussion			
<p>The STI was built without helicopter pads. In addition, the existing pads on the Tyee line are in need of reinforcement and/or replacement. The pads on the Swan Lake line need to be inspected and more may need to be placed on this section of line. This is a “global” problem that will take significant funds over the next 10 years to fix.</p> <p>This is a multi-year project that will require installation of new helipads on the STI. Refurbishment and/or replacement of existing pads on the Tyee and Swan transmission lines will follow.</p> <p>Three aluminum helipads were purchased from Touchdown Enterprises, Ltd. and R&M Engineering provided engineering services for the development of foundation systems. Fabrication of foundation footers and preliminary site evaluation and preparation was completed in FY12.</p> <p>FY13 – Forest Service permitting, purchase of 16 additional helipads and contracting for installation of the entire project. Project Management will be retained.</p> <p>FY14 – Tongass Engineering was hired for project management. Prototypes were installed on the STI in November 2013. Preliminary helipad design furnished by contractor PND.</p> <p>FY15 – After the PND design is accepted, an RFP will be issued for the supply of 105 helipads (late July).</p>			

Project Cost Estimate					
DESCRIPTION	COST EST.	VENDOR	BUDGET REQUEST		SPENT
Design	\$13,130	PND	Approved FY13	\$1,135M FY13 \$2.215M FY14	\$57,731
Manufacture	0,000		Approved FY14	\$1,608M FY14 \$1.674M FY15	90,313
Installation	0,000		Requested FY15	\$1,500M FY15 \$1.702M FY16	
Project Mgmt.	97,650	Tongass Engineer.			
Total	\$110,780				\$148,044
Project Cost Estimate Discussion					
<p>Multi-year project budget of \$3,350,000 approved in FY13. The cost estimate is for the installation of 105 helipads on the STI line. The new design is smaller and anticipated to be less expensive. Pending evaluation of bids for construction and installation of the helipads, the FY16 budget will be adjusted accordingly.</p>					



Project	COMMUNICATIONS UPGRADE		
Description	Satellite Mesh (Private Channel Connection) Network		
Cost Estimate:	\$520,100	Start Date:	JUL 2012
Actual Cost:		Completion Date:	JUN 2015
Project Management: Steve Henson			
Project Discussion			
<p>This R&R project was originally approved by the board in June 2012 under the original name of “Skywrap.” During FY13, the Skywrap product and alternative systems were evaluated further. After reviewing the initial expense and replacement costs associated with the Skywrap product, the decision was made to deploy a lower-cost option. An RFP for a satellite communication system was issued, and the successful proposal was submitted by Futaris since they were the only entity whose satellite could be seen from the Tyee Lake project. Installation of all satellite dishes and communication equipment are scheduled to take place this summer (pending permitting at Tyee Lake).</p> <p>This satellite system will provide enhanced internet and phone at the plants and improve communications between Swan Lake, Tyee Lake, the SEAPA office, switchyards and substations. It will increase security across the entire SEAPA system and is compatible with the enhanced security mandates for communication control of power systems being rolled out by the North American Electric Reliability Corporation (NERC) and are currently required in the lower 48, but not yet in Alaska.</p> <p>Segrity LLC has provided technical analysis during the evaluation of this project and will oversee installation and startup. Monthly service fees of approximately \$8200, based on a two-year contract, are included in the O&M budget.</p> <p>Permitting is underway for Tyee and is being handled by Tetra-Tech. The Satellite platform design is being engineered by Tongass Engineering and is in draft form. Completion of the project is expected by end of FY2015.</p>			



Project Cost Estimate					
DESCRIPTION	COST EST.	VENDOR	BUDGET REQUEST		SPENT
Equipment/Material TYL, WRG Switch/Sub, PSG	\$61,089	Futaris	Approved FY13	\$2,150,000	\$12,160
ROIP Hardware	23,197		Approved FY14	\$256,000	181,946
Shipping estimate	5,000		Requested FY15	\$326,000	
Install at TYL, WRG, PSG	97,100				
SEAPA Install Material	15,000				
SWL ROIP Installation	13,050				
Addtl Materials, Travel	33,250				
SCADA Network Config.	12,000				
Project Mgmt	12,000	Segrity			
	\$271,686				
Contingency 20%	54,388				
Total	\$326,024				\$194,106
Project Cost Estimate Discussion					
<p>The original approved FY2013 project budget of \$2.15M represented a Skywrap communications project. A satellite project was pursued at the FY2014 budget estimate of \$256K. The FY2015 request of \$326K is a \$237K increase over the FY14 budget and represents adding phone systems at Tye, another satellite dish at the Wrangell switchyard (less expensive than engineering a fiber installation at that site), Radio Over Internet Protocol (ROIP) at all sites, including Swan Lake, and equipment and installations costs that were higher than original estimates.</p>					



Project	WRANGELL REACTOR		
Description	Replace Wrangell Reactor with switchable reactors and capacitors.		
Cost Estimate: \$1,600,000	Start Date:	JUL 2012	
Actual Cost:	Completion Date:	JUN 2015	
Project Management: Steve Henson			
Project Discussion			
<p>The Wrangell reactor is aging and producing gasses indicating a hot spot in the winding and paper insulation degradation. The reactor is critical for the energizing of the transmission line from Wrangell to Petersburg. Replacing the reactor with switchable reactors will also allow better voltage control on the Tye transmission system during the high inductive loads of the cannery season. This project is an integral part of our system reliability.</p> <p>FY14 – Studies were conducted by Commonwealth and Segrity during FY13. EPS was awarded the design, engineering and project management contract for this project.</p> <p>FY15 – The contract to supply the 2.5 and 5.0 MVAR reactors was awarded to ABB of Finland. Tentative delivery is scheduled for December 2014. Engineering approvals of construction drawings are underway by EPS. Installation will most likely occur during spring 2015.</p>			

Project Cost Estimate					
DESCRIPTION	COST EST.	VENDOR	BUDGET REQUEST		SPENT
Switching Study	\$30,880	Segrity & Commonwealth	Approved FY13	\$3,615,000	\$55,066
Reactors (2)	532,000	ABB	Approved FY14	\$1,800,000	55,543
Installation	750,000		Requested FY15	\$1,489,391	
Design/Eng./Proj Mgmt	118,000	EPS			
Contingency	169,120				
Total	\$1,600,000				\$110,609
Project Cost Estimate Discussion					
<p>Original FY13 budget was \$3.615M for three reactors; project was changed to two reactors in FY14 and budget was reduced to \$1.8M. With approval of the ABB \$532K bid for the reactors in March 2014, the overall project budget was reduced to \$1.6M for FY15.</p>					



FY2013
R&R PROJECT
R&R 240-13
 Cooling Water

Project	COOLING WATER TYL		
Description	Convert Tyee cooling water system to a more efficient, water-saving method.		
Cost Estimate: \$199,700	Start Date:	APR 2013	
Actual Cost:	Completion Date:		
Project Management: Eric Wolfe			
Project Discussion			
<p>March 5-6, 2013 board meeting presentation is attached below.</p> <p>FY2015 – Controls and cooling water valves that will allow remote start of Tyee generators will be installed.</p>			

Project Cost Estimate					
DESCRIPTION	COST EST.	VENDOR	BUDGET REQUEST		SPENT
Contract Prep	\$10,350	Morris	Approved FY15	\$154,187	\$26,600
Mechanical	81,000	Kepler	Approved FY14	\$177,295	67,566
Controls/Electr.	15,000	Consulting	Requested FY15	\$105,534	
Isolation Valve Restoration	10,000				
Commissioning	7,000				
Contingency (25% of above)	30,837				
Design-Engineering	15,000				
New Metering	30,501				
Total	\$199,688				\$94,166
Project Cost Estimate Discussion					
<p>Original approved budget was \$154,187. Additional expenses for new metering, design and engineering increased the overall project budget to \$199,700.</p>					



**FY2013
R&R PROJECT
R&R 241-13
STREAM GAGE**

Project	STREAM GAGE – Tyee Lake				
Description	Tyee Outlet Stream Gage				
Cost Estimate:	\$1,467,758	Start Date:	MAR 2013		
Actual Cost:		Completion Date:	JUN 2015		
Project Management: Steve Henson / Eric Wolfe					
Project Discussion					
See attached Board Request for original request. Logs were cleared in July 2013. Weir construction completed and helipad placed at site in September 2013. Work to be completed in FY15 includes construction of the emergency shelter, stream gage installation, a communication and power network to relay data and confirmation of the log retention system.					

Project Cost Estimate					
DESCRIPTION	COST EST.	VENDOR	BUDGET REQUEST		SPENT
Design		McMillen LLC	Approved FY13	\$1,467,758	\$37,845
Construction		BAM LLC	Approved FY14	1,444,651	519,435
			Requested FY15	910,478	
Total					\$557,280
Project Cost Estimate Discussion					
FY15 - Request is to carry forward the balance of the original approved budget.					



SWAN LAKE RESERVOIR EXPANSION

Project	SWAN LAKE RESERVOIR EXPANSION		
Description	Expand the reservoir at Swan Lake by raising the dam and installing a gate system over the existing notch in the dam.		
Cost Estimate:	\$13,391,869	Start Date:	FEB 2012
Actual Cost:		Completion Date:	DEC 2016
Project Management: Eric Wolfe			
Project Discussion			
Preliminary work on this project was originally associated with the AEA's Integrated Resource Plan (543613). Those expenses and continued activity were eventually budgeted as Project Feasibility (183100). The SEAPA board authorized staff to proceed with the project at the June 26-27, 2012 meeting; all expenditures were moved from feasibility to this R&R project.			

Project Cost Estimate			
DESCRIPTION	EXPENDITURES		GRANT
Feasibility	FY12	\$151,421	
Feasibility	FY13	421,782	\$6,393
License application and engineering	FY14	389,432	241,378
Final design and engineering	FY15 Budget	763,736	763,736
Construction	FY16 Budget	3,750,000	2,886,493
Construction	FY17 Budget	6,615,498	
Logging	FY18 Budget	1,300,000	
Total		\$13,391,869	\$3,898,000

Project Cost Discussion
\$578,000 was earmarked for this project from a FY13 DCCED grant, and the legislation granted another \$3.32M to be issued in FY15.



**FY2014
R&R PROJECT
R&R245-14
CREW BOAT**

Project	CREW BOAT – Swan Lake				
Description	Crew Boat for Swan Lake project.				
Cost Estimate:	\$158,200	Start Date:	JUL 2013		
Actual Cost:		Completion Date:	OCT 2014		
Project Management: Steve Henson					
Project Discussion					
<p>Swan Lake Project does not have a boat of sufficient size to ferry operators or materials and supplies back and forth from the Swan Lake Plant to Ketchikan. The open skiff that is used to work around the dock area does not afford proper protection in inclement weather for crew changes when planes cannot fly nor does it have the capacity to carry appreciable freight. With the commitment of the SEAPA board to proceed with the Swan Lake Dam Raise Project, a landing craft in the 30-foot range with the capability to haul 5,000 lbs. of freight could afford a savings in the construction of this project and provide a safe means of crew transportation.</p> <p>FY15 – Contract was awarded to Munson Boats in March 2014. The landing craft is under construction with expected delivery, including trailer, in October 2014.</p>					

Project Cost Estimate					
DESCRIPTION	BID	VENDOR	BUDGET REQUEST		SPENT
Design/Construct.	156,037	Munson Boats	Approved FY14	\$130,000	\$357
Contingency	2,163		Approved May'14	\$158,165	
			Requested FY15	\$157,843	
Total					\$357
Project Cost Estimate Discussion					
<p>The bid was awarded to Munson Boats and the Board approved change orders during the May 2014 special board meeting. The bid of \$156,037 is for a 26' landing craft and trailer, including electronics and power.</p>					



Project Name	LATHE – Tyee Lake		
Project Description	New lathe to machine parts.		
Cost Estimate	\$42,000	Project Responsibility:	E.Wolfe/TBPA Foreman
Start Date:	June, 2013	Project Management:	Morris Kepler Consulting
Completion Date:	May, 2014	Design/Engineering:	
Submitted By:	Eric W.	Installation:	
Project Discussion			
<p>Lathe to allow Tyee operators to machine replacement parts at Tyee and provide the basis for a more self-sustaining operations and maintenance crew. Cost includes used lathe, new machine tools and associated parts. We'll get the largest lathe, but also a good quality lathe for the budgeted amount.</p> <p>FY15 – Following up with vendor as delivery of the lathe is behind schedule.</p>			

Project Cost Estimate			
Item	Cost	Budget Request	
Material / Shipping	\$35,0000	FY14	\$42,000
Project Management/Inspection/Training	\$7,000	FY15	25,177
Total	\$42,000	Total	\$42,000
Project Cost Estimate Discussion			
<p>Purchases include lathe, parts, tools and transportation. Project Management includes selection, price negotiation, shipping arrangements, selection and purchase of tools and training TBPA operators.</p>			



Project	MARINE TERMINAL GAGES & COM – Tyee Lake		
Description	Replace marine terminal oil pressure gages and add pressure transducers.		
Cost Estimate: \$245,000	Start Date:	AUG 2013	
Actual Cost:	Completion Date:	JUNE 2015	
Project Management: Steve Henson			
Project Discussion			
<p>An assessment of the undersea cables and the marine terminals by Poseiden Engineering was conducted in 2012. Two recommendations stemming from this assessment were to replace the present pressure gages, which will not hold calibration parameters and to add pressure transducers which would allow the pressures of all of the submarine cables to be read and alarmed from the new Tyee SCADA system. The labor required to install equipment, program, calibrate, and configure the system is included. Each of the four cable crossing terminal locations (Cleveland, Wrangell, Vank, and Mitkof) will receive upgraded equipment. The cost is high due to the special nature of the Japanese pressure Gauge/switches (36 x \$2700 each). Additionally, it is anticipated that the existing 8-bit Zetron communication boxes will be retained. A 15% contingency was added to cover exchange rate, unknown communication issues, and potential difficulties encountered during installation/configuration at these remote locations..</p>			

Project Cost Estimate					
DESCRIPTION	COST EST.	VENDOR	BUDGET REQUEST		SPENT
Material	\$111,080	Tyee Crew	Approved FY14	\$175,500	\$0
Design/Engineering	53,400		Requested FY15	\$245,000	
Project Mgmt	9,000	Segrity			
Installation	49,200				
Contingency 10%	22,268				
Total	\$244,948				\$0.00

Project Cost Estimate Discussion
<p>Materials include replacement pressure gages, new electronic SCADA packs, pressure transducers for real-time monitoring of undersea cable pressure.</p>



Project	POWER HOUSE ROOF – Swan Lake		
Description	Swan Lake Power House Roof Membrane		
Cost Estimate:	\$399,900	Start Date:	JUL 2013
Actual Cost:		Completion Date:	JUN 2015
Project Management: Steve Henson			
Project Discussion			
<p>Water is leaking through the present roof membrane in several places, including directly over the generators. The present membrane system has leaked since installation 15 years ago and has deteriorated since. The roof has been assessed by R&M Engineering-Ketchikan and the recommendation (attached) is to replace the membrane.</p> <p>This project will go out for bid as soon as bid specifications, currently being written by May Engineering, are complete.</p>			

Project Cost Estimate					
DESCRIPTION	COST EST.	VENDOR	BUDGET REQUEST		SPENT
Labor	\$109,400		Approved FY14	\$399,900	\$913
Material	98,500		Requested FY15	398,987	
Mobilization/Demob.	30,000				
Profit/Overhd/Bond	56,144				
Contingency 20%	58,808				
Design/Engineer	23,524				
Construction Admin/Inspection	23,524				
Total	\$399,900				\$913
Project Cost Estimate Discussion					
Refer to attached report from R&M Engineering-Ketchikan					



Project	SUBMARINE CABLE SPLICE KIT – Tyee Lake		
Description	Procure materials necessary to splice the undersea cable.		
Cost Estimate: \$288,000	Start Date:	JUL 2013	
Actual Cost:	Completion Date:	JUN 2015	
Project Management: Steve Henson			
Project Discussion			
<p>Poseidon Engineering performed an assessment of submarine cables and marine terminal sites in May 2012. The following excerpt from the Poseidon report recommends purchase of materials and equipment to facilitate a timely repair of one cable. Should a failure occur, these items are required before any splice or repair effort can be initiated. Not having a splice kit on hand would significantly delay the repair.</p> <p><i>Part I of this report identifies materials and equipment that the Southeast Alaska Power Agency should have on-hand to respond to a cable failure. Materials for a single phase repair is recommended. The estimated cost for these materials and equipment is \$266,300.</i></p>			

Project Cost Estimate					
DESCRIPTION	COST EST.	VENDOR	BUDGET REQUEST		SPENT
Materials	\$271,300		Approved FY14	\$288,000	\$0
Freight	15,000		Requested FY15	288,000	
Proj. Mgmt/Inspectn	1,000				
Total	\$287,300				\$0.00
Project Cost Estimate Discussion					
MATERIALS REQUIRED FOR REPAIR OF <u>ONE PHASE</u> OF THE EXISTING CABLES					
<p>The Southeast Alaska Power Agency (SEAPA) is presently unable to respond to any cable emergency due to the lack of materials that should always be on hand. The following is a list of items and materials that will allow proper and immediate response to an emergency and to make a repair to any single cable and/or pothead.</p>					
				<u>Approximate Cost</u>	
10 each	200 liter Barrels of Cable Oil			\$16,000	
1 each	Cable Oil Degassifier			\$165,000	
1 each	Cable Oil Pressurizer			\$60,000	
1 each	Vacuum Pump			\$5,500	
1 each	Vacuum Bottle (Oil Separator)			\$1,200	
3 each	5 gal. Cans of Kinney Vacuum Pump Oil			\$600	
1 each	Set of Misc. Fittings, Tools, Tubing, Propane Torch, etc.			\$2,500	
1 each	Portable Generator, 6.5 kW, 120/240volt (Diesel)			\$3,500	
4 each	Cable Oil Transfer Reservoirs, 30 liter capacity			\$16,000	
	Oil containment			_____	
				<u>\$1,000</u>	
	Total Cost of Materials that are Required Immediately			\$271,300	



Project	WATER TANK – Swan Lake		
Description	Water tank maintenance at Swan Lake		
Cost Estimate: \$73,000	Start Date:	JUL 2013	
Actual Cost:	Completion Date:		
Project Management:			
Project Discussion			
Lead-based paint is chipping off of Swan Lake water tank. An inspection (attached) was performed by R&M Engineering-Ketchikan. Recommendation was to repair the tank.			
FY15 – This project will go out to bid as soon as the bid specifications, being written by May Engineering, are prepared.			

Project Cost Estimate					
DESCRIPTION	COST EST.	VENDOR	BUDGET REQUEST		SPENT
Labor/Materials	\$25,800		Approved FY14	\$73,000	\$3,800
Freight	3,000		Requested FY15	\$69,200	
Mobilization/Demob	10,000				
Proj. Mgmt/Inspect.	10,000				
Profit/Overhd/Bond	11,517				
Contingency 20%	12,063				
Total	\$72,380				\$3,800
Project Cost Estimate Discussion					
See attached R&M Engineering report for details.					



Project	WOODEN HELIPAD REPAIR – Swan Lake		
Description	Repair, replace and install helipads on the Swan Lake transmission line		
Cost Estimate: \$104,000	Start Date:	JUL 2013	
Actual Cost:	Completion Date:	JUN 2015	
Project Management: Steve Henson			
Project Discussion			
<p>There are 7 helipads on the Swan Lake transmission line that are 30 years old and the wood decking has deteriorated to the point of needing replacement along with the need to recoat the steel structural members. There are areas that need additional helipads installed. The same foundation and new helipad design for the STI will be used for the additional pads. Repairing all 12 existing helipads on the Swan Lake transmission line will be completed by June 2015.</p>			

Project Cost Estimate					
DESCRIPTION	COST	VENDOR	BUDGET REQUEST		SPENT
Labor, Repair Existing (est.)	\$42,750		Approved FY14	\$102,000 FY14	\$0
Material	5,000			52,000 FY15	
Helicopter (15 days est.)	50,137		Request FY15	\$104,000	\$0
Design/Engineer.	3,000				
Proj. Mgmt/Inspect.	2,500				
Total	\$103,387				\$0.00
Project Cost Estimate Discussion					
<p>Originally approved at a budget of \$154,000, permitting for new helipads on the Swan transmission line, at a cost of \$50K, was removed from this project+ and is tentatively scheduled for FY2016.</p>					



PROPOSED R&R 15-01
ALARM TRIP PROTECTION

Project	ALARM TRIP PROTECTION – SWL TYL		
Description	Brief description.		
Cost Estimate: \$222,000	Start Date:	September 15, 2014	
Actual Cost:	Completion Date:	June 15, 2015	
Project Management: Eric Wolfe			
Project Discussion			
<p>The existing alarm and protection system for both Tye and Swan Lake are in need of review; these systems should reflect the dual point of control system (Swan Lake and Tye Lake) that is now in place. Additionally, many of the existing sensors and relays that drive this system are non-serviceable and in need of replacement. This project is time intensive to check each point from measuring surface all the way to PLC. After review and replacement of signal paths, the redesigned system will be implemented with updates to the existing SCADA.</p>			

Project Cost Estimate				
Alarm/Trip/Protection System Review	SWL	TYL	Bailey	Total
Drawings Technical Review	\$10,800	\$5,400		\$16,200
Verify sensor to annunciator function	\$16,200	\$8,100		\$24,300
Engineering Analysis of Alarm & Trip Methodology	\$17,000	\$17,000		\$34,000
Replacement of known faulty bearing RTDs	\$15,000			\$15,000
Replacement of known faulty bearing metal sensors	\$12,000	\$12,000		\$24,000
Reprogramming of SCADA	\$12,000	\$12,000		\$24,000
Addition of remote Transformer Indication		\$12,000	\$22,000	\$34,000
Analog Signal Add to PLC	\$4,000	\$4,000	\$4,000	\$12,000
Flights to SWL & Tye	\$2,400	\$4,000		\$6,400
Travel to KTN & Food for Contractor	\$7,000			\$7,000
15% Contingency on Labor & Materials				\$25,095
Project Total				\$221,995



PROPOSED R&R 15-02
PRESSURE-REDUCING VALVE

Project	PRESSURE-REDUCING VALVE - TYL		
Description	Brief description.		
Cost Estimate:	\$71,000	Start Date:	February 15, 2015
Actual Cost:		Completion Date:	June 15, 2015
Project Management: Eric Wolfe			
Project Discussion			
<p>The existing PRV system at Tyee is designed to feed the cooling water (CW) supply for both units and also supply water to the village. Now that CW is supplied with pumps (a 1,000 MWh value) the existing PRV system over-pressurizes the village. Although one solution would be to install a dump valve, that would waste water and isn't the best long-term optimization of the system. The correct PRV size should be designed for the village, and the back-up role of the larger PRVs should be isolated from the village with new piping.</p>			

Project Cost Estimate					
DESCRIPTION			BUDGET REQUEST		SPENT
Pipe fitting Spec	\$2,400	16 hrs.	FY15 Request	\$71,000	
Design Review	\$2,400	16 hrs.			
Piping Drawing	\$2,400	16 hrs.			
Pipe Welder	\$10,400	1 week			
UP Stream Control valve	\$800				
Control valve wiring & programming	\$7,200				
Stainless Piping Mtls	\$10,400				
Flights & food at Tyee	\$2,600				
Misc. Mtls	\$5,200				
Alarm & Indication & Controls	\$13,000				
Subtotal	<u>\$56,800</u>				
25% contingency	\$14,200				
Project Total	\$71,000				

Project Cost Discussion
<p>The cost estimate reflects contractor pricing. Substantial savings, but a longer duration project, will result if we utilize in-house engineering and plant labor for installation.</p>



FY2015 R&R PROJECT
PROPOSED R&R15-03
SYSTEM CONTROL IMPROVEMENTS

Project	System Control Improvements		
Description	Design control system to coordinate operations of the two facilities, maximize operational efficiency and stability and integrate STCS/SCADA.		
Cost Estimate:	\$116,800	Start Date:	July 21, 2014
Actual Cost:		Completion Date:	June 1, 2015
Project Management: Eric Wolfe			
Project Discussion			
STICS is currently running on a Windows XP platform, which is not sustainable and in need of updates. The intertie connected Tyee Lake and Swan Lake, and now it is time to improve coordinated control, which would improve capacity utilization during the winter and operational efficiency through better water use. This project would study and implement improvements to maximize efficiencies of the two plants working together and integrate the capacities of the SCADA and STICS applications.			

Project Cost Estimate			
System Operations Control Programming	Hrs.	Units	Cost
Engineering (investigation/planning) TYL			
Integrate new CW controller to Master Start String TYL	16	140	\$2,240
Review TSV open/close control philosophy & design intent TYL	24	140	\$3,360
Estimate functionality and cost of PLC architecture TYL	24	140	\$3,360
Improve automatic control/communication feature of DEC-400 TYL-SWL	4	140	\$560
Master Start String Monitoring Cost estimate TYL	4	140	\$560
Estimate PLC and added component costs TYL	4	140	\$560
Determine cost/benefit of improved Tyee Auto start capability	8	140	\$1,120
Plant long-term control plan TYL-SWL	40	140	\$5,600
Report	20	120	\$2,400
Subtotal			\$19,760
STCS Functionality (programming, documentation, testing)			
Troubleshoot STCS performance when SWL unit unavailable	120	140	\$16,800
Targeted Operational testing	40	140	\$5,600
Easier Dual Control with single point load table entry	80	140	\$11,200
Voltage control capability using existing parameter tables	20	140	\$2,800
Port STCS control features to SCADA	40	140	\$5,600
STCs-System testing sessions (3)	72	140	\$10,080
Travel	24	140	\$3,360
Determine where STCs should reside in the future	40	140	\$5,600
Subtotal			\$61,040



FY2015 R&R PROJECT
PROPOSED R&R15-03
SYSTEM CONTROL IMPROVEMENTS

SCADA Control Features			
SCADA Programming to reflect testing outcomes	65	150	\$9,750
SCADA improvements resulting from Alarm/Trip study	95	150	\$14,250
SCADA database improvements resulting from comm. changes	80	150	\$12,000
Subtotal			\$36,000
Project Total			\$116,800

Project Cost Estimate Discussion
Project would be put out to bid.



PROPOSED R&R 15-04
TURBINE SHUT-OFF VALVES

Project	TURBINE SHUT-OFF VALVES TYL		
Description	Brief description.		
Cost Estimate:	\$558,500	Start Date:	July 1, 2014
Actual Cost:		Completion Date:	July 1, 2016
Project Management: Steve Henson/Eric Wolfe			
Project Discussion			
<p>This project is the oil alternative for replacing the existing water-based TSV control valve system. While this system is more expensive, it will not corrode or become biologically clogged, which is a recurring problem now. If the unit is not shut down and the valves cycled frequently, it fails to close. The oil-based system will be simpler.</p>			

Project Cost Estimate						
DESCRIPTION	Hrs./U	Rate	Cost Est.	BUDGET REQUEST		SPENT
Tyee TSV Control Refurbishment				FY15 Request	\$575,240	
Mechanical Engineering Design						
Field Trip	24	150	\$3,600			
Research & Design	40	165	\$6,600			
Specifications	20	165	\$3,300			
Drawings	60	110	\$6,600			
Materials (2 Units)	2	65,000	\$130,000			
Fabrication (2 units)	2	107,250	\$214,500			
Installation (2 Units)	80	155	\$12,400			
Testing & Adjustments	80	165	\$13,200			
O&M Manual	40	110	\$4,400			
Integration to Unit Control	80	150	\$12,000			
Subtotal			<u>\$406,600</u>			
Overheads (5%)			\$20,330			
Contingency (35%)			\$142,310			
Com. & Travel (Tyee)			\$6,000			
Project Total			\$575,240			

Project Cost Discussion

The added cost over the water system includes piping, accumulator tanks and control that are different than the existing system. One unit will be refurbished per year during the annual shut-down.



PROPOSED R&R 15-05
EXCITER REPLACEMENT

Project	EXCITER REPLACEMENT - SWL		
Description	Swan Lake Exciter Replacement		
Cost Estimate:	\$816,500	Start Date:	July 2014
Actual Cost:		Completion Date:	June 2015
Project Management: Steve Henson			
Project Discussion			
<p>The exciters for the Swan generators were installed in 1997. There have been several instances of excitation failure within the past year. Technology advancements and ongoing issues with the existing systems have prompted staff to decide to replace the excitation system in conjunction with the generator switch gear.</p>			

Project Cost Estimate					
DESCRIPTION	COST EST.	VENDOR	BUDGET REQUEST		SPENT
Engineering & Equipment	\$635,500		Requested FY15	\$816,500	\$0
	0				
Installation	181,000				
Project Mngt.					
Total	\$816,500				\$0.00
Project Cost Estimate Discussion					
<p>Equipment in the cost estimate includes the automatic voltage-regulating system, excitation transformers, new cabling and new control wiring to be installed in existing cubicles. This installation estimate assumes coordination with the Generator Switchgear project.</p>					



PROPOSED R&R 15-06
GENERATOR SWITCH GEAR

Project	GENERATOR SWITCH GEAR – Swan Lake		
Description	Swan Lake Generator Switch Gear		
Cost Estimate: \$946,800	Start Date:	July 2014	
Actual Cost:	Completion Date:	June 2015	
Project Management: Steve Henson			
Project Discussion			
Due to the rarity of the existing switch gear and the lack of available spare parts, SEAPA staff has deemed the replacement of the gear with modern and readily available equipment would be prudent to preserve the integrity and reliability of the Swan Lake generation system.			

Project Cost Estimate					
DESCRIPTION	COST EST.	VENDOR	BUDGET REQUEST		SPENT
Engineering & Equipment	\$805,800		Requested FY15	\$946,800	\$0
Installation	141,000				
	0				
Total	\$946,800				\$0
Project Cost Estimate Discussion					
Equipment in the cost estimate includes replacing the entire switch gear cubicles consisting of the breaker, power monitoring equipment and station service switch; it also adds a disconnect switch to isolate the gear and generator from the main transformer buss. A spare breaker is included in the budget. The installation estimate assumes coordination with the Exciter Replacement project.					



PROJECT FEASIBILITY
WIND-ENERGY

FY2015 Budget
\$73,168.26

The AEA provided SEAPA with a meteorological tower to assess potential wind resources in the region. Permitting, installation and data collection will be funded by this budget request. \$75,000 was approved in FY14, and \$73,168.26 represents the remaining balance. Tower to be deployed in FY2015.

SUGGESTED MOTION

I move to approve the Wind Energy Feasibility Project in the amount of \$73,168.26.