

# Southeast Alaska Power Agency Meeting Minutes

**Location:** Held Telephonically<sup>1</sup>

**Date:** March 31, 2020

**Time:** 9:00 a.m. AKDT

## Agenda Items

### 1) Call to Order

#### A. Roll Call.

Chairman Lynn called the regular meeting to order at 9:00 a.m. AKDT on March 31, 2020. The following directors and alternates were present, thus establishing a quorum of the board:

Directors	Present <i>Telephonic (T)</i> <i>In Person (IP)</i>	Alternates	Present <i>Telephonic (T)</i> <i>In Person (IP)</i>	Representing	
Karl Amylon <sup>2</sup>	T	Jeremy Bynum	T	Swan Lake	Ketchikan
Bob Sivertsen	T	Cliff Skillings	T	Swan Lake	Ketchikan
Bob Lynn	T	Tor Benson	T	Tyee Lake	Petersburg
Robert Larson	T			Tyee Lake	Petersburg
Stephen Prysunka	T	Lisa Von Bargaen	T	Tyee Lake	Wrangell

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

Staff	Present <i>Telephonic (T)</i> <i>In Person (IP)</i>	Staff/Counsel	Present <i>Telephonic (T)</i> <i>In Person (IP)</i>
Trey Acteson, CEO	T	Joel Paisner, SEAPA Counsel	T
Clay Hammer, Operations Mgr.	T	Kay Key, Controller	T
Ed Schofield, Power Sys. Sp.	T	Sharon Thompson, EA/CA	T
Robert Siedman, Dir. Eng & TS	T	Marcy Hornecker, Admin. Asst.	T

#### B. Communications/Lay on the Table Items

Mr. Acteson noted that the call-in number for the meeting had changed and is posted on the Agency's website to accommodate members of the public who would like to join the meeting.

#### C. Disclosure of Conflicts of Interest - None

### 2) Approval of the Agenda

➤ <b>Motion</b>	M/S (Sivertsen/Prysunka) to approve the agenda as presented. Motion approved unanimously by polled vote.	✓ <b>Action</b> 20-805
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<sup>1</sup> The meeting was held telephonically due to recommendations from the Center for Disease Control and its social distancing guidelines. An audio recording of this meeting is available on SEAPA's website at [www.seapahydro.org](http://www.seapahydro.org)

<sup>2</sup> Mr. Amylon joined the meeting at 9:46 a.m.



3) **Persons to be Heard - None**

4) **Review and Approve Minutes**

➤ <b>Motion</b>	M/S (Prysunka/Sivertsen) to approve the minutes of the regular meeting of December 12, 2019. Motion approved unanimously by polled vote.	✓ <b>Action 20-806</b>
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➤ <b>Motion</b>	M/S (Sivertsen/Larson) to approve the minutes of the special meeting of February 21-22, 2020. Motion approved unanimously by polled vote.	✓ <b>Action 20-807</b>
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➤ <b>Motion</b>	M/S (Prysunka/Bynum) to approve the minutes of the special meeting of March 10, 2020. Motion approved unanimously by polled vote.	✓ <b>Action 20-808</b>
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5) **Financial Reports**

➤ <b>Motion</b>	M/S (Sivertsen/Prysunka) to accept year-to-date financial statements for December 2019 and disbursements for December 2019, January and February 2020 totaling \$1,917,430.97, as presented. Following a review of the Agency's current financial position, revenue and expenses, R&R projects expenditures, grants, financial statements and disbursements by Mr. Acteson, the motion was approved unanimously by polled vote.	✓ <b>Action 20-809</b>
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6) **Old Business**

A. **Consideration and Approval of CEO Contract**

➤ <b>Motion</b>	M/S (Sivertsen/Prysunka) to authorize the Board Chair to execute the proposed contract between SEAPA and the Agency's CEO that is consistent with prior discussions and negotiations. Motion approved unanimously by polled vote.	✓ <b>Action 20-810</b>
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B. **March 2020 Operations Plan Update**

Mr. Siedman reported a 5% efficiency gain due to maximizing use of the Swan-Tyee Intertie to its fullest potential. He credited SEAPA and its member utilities' efforts in developing the 2020 Operations Plan for the result. Both lakes are drafting close to the 2019 guide curve models and based on current snow levels, it is anticipated both lakes will realize above curtailment levels equating to a robust season of hydropower production. Discussion migrated to the current situation with the COVID-19 Pandemic and importance of mitigating any diesel burn. Mr. Siedman expressed confidence that with the potential energy from snowpack, burning diesel could be mitigated in all three communities if consideration is given to lowering the draft limit. He suggested that if the 280 level was reached at Swan Lake, the draft limits could be dropped down by a couple of feet and at Tyee by 10 feet, so instead of 30 feet contingency at Tyee, there would be 20 feet. His recommendation considered that when snow begins to melt, and the lakes begin to fill (called "the turn") there is little-to-no risk and the efforts could buy 1200-1500 MWhrs at Swan Lake. Mr. Siedman fielded questions on factoring in various disruptions to demand, spill levels at both plants, and the differences between the Federal Energy Regulatory Commission (FERC) draft limits based on engineering of the plants and operational draft limits set by the SEAPA board. The consensus was that it is prudent to amend the agenda to discuss action on lowering the draft limits at this meeting to provide flexibility in operations when making the turn, rather than trying to call a special board meeting.

➤ <b>Motion</b>	M/S (Prysunka/Sivertsen) to amend the Agenda to add Item 7F under New Business to revisit SEAPA's 2020 Operations Plan draft limits. Motion approved unanimously by polled vote.	✓ <b>Action 20-811</b>
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**7) New Business**

**A. Consideration and Approval of 2020 Mitkof Island Brushing Contract**

<b>➤ Motion</b>	M/S (Sivertsen/Amylon) to authorize staff to enter into a Contract with Gage Tree Service, LLC for SEAPA's 2020 Mitkof Island Transmission Line Brushing Contract for the lump-sum price of \$167,500. A discussion followed on requiring contractors to provide an operations plan before entering a member community due to COVID-19. Mr. Acteson concurred and assured the board that the Agency will wait until some restrictions are lifted before assessing whether the work can move forward and will require a plan accordingly. The motion was approved unanimously by polled vote.	✓ Action 20-812
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**B. Consideration and Approval of 2020 Neets Bay Brushing Contract**

<b>➤ Motion</b>	M/S (Prysunka/Larson) to authorize staff to enter into a Contract with Gage Tree Service, LLC for SEAPA's 2020 Neets Bay Transmission Line Brushing Contract for the lump-sum price of \$86,500. Motion approved unanimously by polled vote.	✓ Action 20-813
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**C. Consideration and Approval of Budget Increase to FY2020 Operating Budget for Completion of Swan Lake Mapcon Review.**

<b>➤ Motion</b>	M/S (Sivertsen/Amylon) to increase SEAPA's FY2020 Operating Budget by \$37,500 for completion of the Mapcon review at Swan Lake. Motion approved unanimously by polled vote.	✓ Action 20-814
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**D. Consideration and Approval of Budget Increase to FY2020 Operating Budget for Transformer Testing**

<b>➤ Motion</b>	M/S (Prysunka/Sivertsen) to increase SEAPA's FY2020 Operating Budget by \$41,500 for testing of the three-phase transformers at the Petersburg, Wrangell, and Tye substation. Motion approved unanimously by polled vote.	✓ Action 20-815
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**E. Consideration and Approval of Swan Lake Fixed Wing Aircraft Services Contract**

<b>➤ Motion</b>	M/S (Sivertsen/Prysunka) to authorize staff to enter into a contract with Venture Travel, LLC, d/b/a Taquan Air, with additional terms at SEAPA's discretion, for SEAPA's 2020 Swan Lake Fixed Wing Aircraft Services for the value of \$49,920 annually, plus a 10% contingency for price adjustments related to increases in the price of aviation fuel for the total not-to-exceed value of \$54,912. Motion approved unanimously by polled vote.	✓ Action 20-816
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**F. Discussion and Consideration of Revisiting SEAPA 2020 Operations Plan Draft Limits**

<b>➤ Motion</b>	M/S (Sivertsen/Prysunka) to discuss on the Agency's draft limits.	✓ Action 20-817
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Mr. Siedman advised that Tye Lake's current draft limit is 1280, which is 30 feet above the FERC limit and 20 feet above the previous limits and that Swan Lake is currently at 280, which is consistent with what the Agency had in the past. He reiterated his earlier recommendation of a draft limit of 1270 for Tye and 277 for Swan Lake noting that 1270 at Tye provides a contingency of 20 feet before reaching the FERC limit and with the additional 3 ft at Swan Lake, there would still be 5.5 ft before reaching the FERC limit.



➤ **Motion**

M/S (Sivertsen/Prysunka) to accept SEAPA staff's recommendation to change Tyee's draft limit from 1280 to 1270 and Swan's draft limit from 280 to 277 to avoid diesel burn in SEAPA's member communities. Discussion following the motion included the following two clarifications: (i) adjusting the draft limit at Tyee will also adjust the curtailment curve, and (ii) that since the draft limit adjustments are made to get the Agency through the turn, then draft limits shall return to their original levels after the turn. Motion approved unanimously by polled vote.

✓ **Action  
20-818**

It was noted that a roll call was not taken on the original motion to discuss the draft limits. A roll call was taken on that motion and it was approved unanimously.

**8) CEO Report**

Mr. Acteson announced that SEAPA exercised a very proactive response to COVID-19 to protect employees and the communities and would continue to keep the Board apprised of developments. He reported that the language the Agency advocated in SB123 to protect SEAPA from RCA regulation remained intact in the bill and is currently before the Governor for signature and that an amendment to SB193, a bill that included electric utility liability pertaining to vegetation management, removed the core exemption for utilities. The exemption eliminates protection for utilities from liability if there is contact between vegetation and a utility's facilities that results in a fire even if the vegetation was outside of the utility's legal right of way. He closed his report advising that under the circumstances with COVID-19, hiring for an IT engineer/communications individual and temporary brusher would be delayed until restrictions are lifted.

**9) Staff Reports**

Chairman Lynn invited comments and/or questions from the board on staff's written reports. Mr. Schofield fielded questions on the Agency's Mapcon Program and Tyee Lake Gatehouse Project. Mr. Sivertsen commended staff for saving the Agency \$70,000 by performing the Tyee Battery Bank Project in-house.

**10) Next Meeting Dates**

There were no objections to holding the next regular meeting on June 29-30, 2020 in Wrangell if COVID-19 restrictions are lifted.

**11) Director Comments**

Much appreciation was expressed for keeping the board informed on Agency business and developments and management's efforts to keep employees and communities safe amid COVID-19 concerns.

**12) Adjourn**

➤ **Motion**

M/S (Sivertsen/Larson) to adjourn the meeting. The Chair declared the meeting adjourned after hearing several ayes.

✓ **Action  
20-819**

The meeting adjourned at 10:45 a.m.