



**SOUTHEAST ALASKA POWER AGENCY**

**Regular Board Meeting  
AGENDA**

Best Western Plus Landing Hotel | Ketchikan, Alaska

**Thursday, April 24, 2014 | 9:00 a.m. – 5:00 p.m. AKDT**

**For Telephonic Participation: Dial 1-800-315-6338 (Access Code: 73272#)**

- 1. Call to Order
  - A. Roll Call
  - B. Communications/Lay on the Table Items
  - C. Disclosure of Conflicts of Interest
  
- 2. Approval of the Agenda
  
- 3. Persons to be Heard
  
- 4. Review and Approve Minutes **MINUTES**
  - A. March 3-4, 2014 Minutes of Regular Board Meeting
  - B. March 27, 2014 Minutes of Special Board Meeting
  
- 5. Financial Reports **FINANCE**
  - A. CEO Financial Cover Letter
  - B. Controller Financial Memo
  - C. kWh Graph
  - D. Grant Summary
  - E. Financial Statements – February 2014
  - F. Financial Statements – January 2014
  - G. R&R Reports
  - H. Disbursement Approvals – February 2014  
and March 2014 **DISBURSEMENTS**
  
- 6. CEO Report **CEO RPT**
  - . (Will be provided as handout at Board Meeting)
  
- 7. Operations Manager/Director of Special Projects Reports **OPS/DSP**
  - A. Operations Manager's Report (Henson)
    - i. Regulatory
    - ii. Major Contracts
    - iii. Conclusion

- B. Director of Special Projects Report (Wolfe)
  - i. SCADA Capital Project Update
  - ii. Swan Lake Reservoir Expansion
  - iii. Tyee Lake Cooling Water Conversion
  - iv. Request for Offers of Power and Energy
  - v. Department of Commerce, Community & Economic Development
  - vi. Water Management
  
- 8. Project Reports
  - A. Swan Lake
  - B. Tyee Lake
  
- 9. Old Business **OLD**
  - A. SEAPA Compensation Plan Development
  - B. Follow-up Discussion Re Amendment to Bylaws
  - C. Discussion and Consideration of Diesel Protocol
  - D. Discussion Re Historic Preservation Project
  
- 10. New Business **NEW**
  - A. Consideration and Approval of SCADA Capital Project Budget Increase
  - B. Consideration and Approval of Contract for SEAPA Drawings and Documentation Project
  - C. Consideration and Approval of Award of Contract for Environmental Assessment for Tyee Transmission Line ROW for Proposed Access by ATV/OHV Vehicles
  - D. Discussion and Consideration of Petersburg Request to Reduce Wholesale Power Rate
  - E. Consideration and Approval of Action Related to SEAPA's NRECA Employee Benefits
  - F. Set Next Meeting Date
  - G. Executive Session Re Future Operations of Agency's Tyee Hydroelectric Project
  
- 11. Director Comments
  
- 12. Adjourn



**SOUTHEAST ALASKA POWER AGENCY**

**Minutes of Regular Meeting**

March 3-4, 2014

The Elks Lodge | Petersburg, Alaska

(An audio recording of these minutes are available on SEAPA's website at [www.seapahydro.org](http://www.seapahydro.org))

**1) Call to Order**

A. *Roll Call.* Chairman Sivertsen called the meeting to order at 9:45 a.m. AKST on March 3, 2014. The following directors and alternates were present, thus establishing a quorum of the board:

<b>Director</b>	<b>Alternate</b>	<b>Representing</b>	
Bob Sivertsen	Andy Donato	Swan Lake	Ketchikan
Lew Williams, III	Charles Freeman	Swan Lake	Ketchikan
Joe Nelson	John Jensen	Tyee Lake	Petersburg
Brian Ashton	Clay Hammer	Tyee Lake	Wrangell
Christie Jamieson		Tyee Lake	Wrangell

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

- |  |  |
|--|--|
| Trey Acteson, Chief Executive Officer      | Eric Wolfe, Director of Special Projects |
| Steve Henson, Operations Manager           | Kay Key, Controller                      |
| Sharon Thompson, Executive Assistant       | Joel Paisner, Ater Wynne                 |
| Rachel Guyselman, Administrative Assistant |  |

B. *Communications* – none.

C. *Disclosure of Conflicts of Interest* – none.

D. *Introduction of New Board Members* – new board members Lew Williams, III, and Christie Jamieson were introduced. New board member, Don McConachie, was absent.

The meeting recessed at 9:58 a.m. and reconvened at 10:05 a.m.

**2) Approval of the Agenda**

➤ <b>Motion</b>	M/S (Nelson/Ashton) to approve Agenda, as amended, to include a discussion on Diesel Protocol under Old Business. There were no objections to the motion.	<b>Action 14-287</b>
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**3) Election of Officers**

A. *Chairman*

➤ <b>Motion</b>	M/S (Nelson/Williams) to nominate Bob Sivertsen as Chairman. Motion approved unanimously by polled vote.	Action 14-288
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B. *Vice Chairman*

➤ <b>Motion</b>	M/S (Nelson/Ashton) to nominate John Jensen as Vice Chairman. Motion approved unanimously by polled vote.	Action 14-289
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C. *Secretary-Treasurer*

➤ <b>Motion</b>	M/S (Freeman/Williams) to nominate Andy Donato as Secretary-Treasurer. Motion approved unanimously by polled vote.	Action 14-290
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4) **Persons to be Heard** - none.

5) **Introduction to SEAPA (Joel Paisner)** – Mr. Paisner presented a PowerPoint slide show for the benefit of new board members, which provided Agency orientation. The PowerPoint presentation is available on SEAPA’s website at [www.seapahydo.org](http://www.seapahydo.org).

6) **Review and Approve Minutes**

➤ <b>Motion</b>	M/S (Jamieson/Ashton) to approve the Minutes of the Regular Meeting of December 17, 2013. Motion approved unanimously by polled vote.	Action 14-291
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7) **Financial Reports**

(A-F) Mr. Acteson provided an overview of his memo on finances provided in the board packet, and discussed a kWh graph, grant summary, November and December 2013 financial statements, and R&R reports.

➤ <b>Motion</b>	M/S (Williams/Jensen) to approve the Financial Reports for December 2013. Motion approved unanimously by polled vote.	Action 14-292
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➤ <b>Motion</b>	M/S (Williams/Nelson) to approve the Financial Reports for November 2013. Motion approved unanimously by polled vote.	Action 14-293
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(G) *Disbursement Approvals*

➤ <b>Motion</b>	M/S (Williams/Jamieson) to approve Disbursements for the months of December 2013 and January 2014 in the amount of \$1,731,179.00. Motion approved unanimously by polled vote.	Action 14-294
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8) **CEO Report** – Mr. Acteson highlighted his written report and discussed an Alaska Power Association meeting he had attended in Juneau, and provided updates on the Swan Lake Reservoir Expansion and Kake-Petersburg Intertie Projects. He reported that funding is still being actively pursued for the Swan Lake project and that although there was some political controversy after a visit by Governor Parnell to Ketchikan regarding hydro development concerns, that SEAPA worked quickly

to address the controversy with a written response to the Governor. He provided a copy of the letter in the board packet. He advised that formal resolutions of support from both Assemblies in Petersburg and Wrangell to proceed with a negotiated transition settlement for the operations and maintenance by SEAPA of the Tyee Hydroelectric Project were near concurrence by both communities. He reported that staff had met with KPU to advance the Whitman True-up Agreement and that it was currently being reviewed by legal counsel.

The meeting recessed at 12 noon for lunch, and reconvened at 1:09 p.m.

**9) A. Operations Manager Report (Steve Henson)** – Mr. Henson presented a slide show and provided an update on matters involving the Federal Energy and Regulatory Commission (FERC) and gave updates on the Wrangell Reactor, Satellite Communication System, Swan-Tyee Intertie Helipads, and other projects going out for bid. He reported that one operator from each of the plants will be sent to Colorado for an 8-day course on power plant operation and maintenance in early April. He advised that May Engineering Services, LLC had completed the first phase of SEAPA's drawings project, and that the next phase involved reviewing drawings in the field to verify redlines and changes for further updates and reissuance. He reported on a consultant's proposed approach for the permitting of helipad placements on Forest Service lands, and that two consultants had worked jointly on non-capacity amendments regarding land use fees charged by FERC to SEAPA each year.

The meeting recessed at 1:36 p.m. for projector set-up, and reconvened at 1:40 p.m.

**B. Director of Special Projects Report (Eric Wolfe, P.E.)** – Mr. Wolfe presented a slide show opening with updates on the SCADA and Swan Lake Dam Raise Projects, and discussed new SEAPA site planning and hydro site analysis. He reported that control work would occur on the Tyee Lake Cooling Water Conversion Project this spring. He explained upcoming work planned under the Department of Commerce, Community and Economic Development Grant and that staff met with Metlakatla on February 3rd with plans to issue an Annette Island report summarizing field investigations by the end of May 2014.

The meeting recessed at 3:22 p.m. and reconvened at 3:37 p.m.

Mr. Wolfe discussed water management and provided statistics on Swan Lake and Tyee Lake. He explained the reasons for staff's request to amend the 2014 Operation's Plan draft levels.

<b>&gt; Motion</b>	M/S (Williams/Sivertsen) to approve an amendment to SEAPA's 2014 Operations Plan that includes drafting Swan Lake to elevation 275 ft + 7 ft, -0 ft, and drafting Tyee Lake to 1265 ft + 23 ft, -0 ft, with a target of 1273 ft. The amended tolerances approved depend on snow pack and operational circumstances. Motion approved unanimously by polled vote.	<b>Action 14-295</b>
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**10) Project Reports** – Mr. Donato provided a report on behalf of Swan Lake. No verbal report was provided on behalf of Tyee Lake although it was noted there was a written report in the board packet. Mr. Henson explained the reasons work was halted on the installation of a camera at the Tyee Project.

**11) Old Business**

A. *SEAPA Compensation Plan Development* – no action taken. A request was made to staff to include Member Utility and SEAPA staff employee rates in the analysis for further discussion.

- B. *Consideration and Approval of Amendment to Bylaws* – Mr. Paisner addressed technical changes to the Agency’s Bylaws and clarified that if those changes were mirrored in the Agency’s Joint Action Agency Agreement, that it would require unanimous consent of all the Member Utilities to effect any changes in that agreement. He advised he would prepare a memorandum that could be provided to the Member Utilities for consideration by their governing bodies regarding changes to the Bylaws currently under consideration. Two board members indicated their consensus that the Bylaws be amended to extend board terms by two years; and two board member indicated they did not concur with a change.
- C. *Diesel Protocol* – Mr. Acteson and Mr. Wolfe explained an invoice from Petersburg Municipal Power & Light that was distributed for consideration during the meeting for payment of diesel fuel expenses incurred on December 11-12, 2013. Discussion followed with the consensus that the bill should be paid due to the Agency’s lack of a diesel protocol policy, without setting a precedence.

➤ <b>Motion</b>	M/S (Williams/Jensen) to authorize staff to approve a payment of \$6,293.58 for Petersburg Municipal Power & Light Invoice No. 1401 for diesel fuel expenses. The motion passed with Mr. Sivertsen, Mr. Williams, Mr. Ashton, and Ms. Jamieson voting in favor of the motion. Mr. Nelson abstained due to a conflict.	Action 14-296
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Ms. Jamieson requested that staff prepare an outline and recommendation for the board’s consideration on a process for staff to follow to address any future diesel payment requests.

**12) New Business**

- A. *Swan Lake Landing Craft*

➤ <b>Motion</b>	M/S (Williams/Jensen) to authorize staff to enter into a contract with Munson Boats for the lump-sum value of \$146,165.00 for the design/engineering and supply of a landing craft for SEAPA’s Swan Lake Hydroelectric Facility. Motion approved unanimously by polled vote.	Action 14-297
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- B. *MVAR Reactors for Wrangell Reactor Replacement Project* – action deferred until April 2014 board meeting.
- C. *Fabrication of Phase II Helipads for Swan-Tyee Helipad Project*

➤ <b>Motion</b>	M/S (Sivertsen/Freeman) to authorize staff to enter into a contract with Touchdown Enterprises Ltd. for the lump-sum value of \$1,896,200.00 for the engineering design, fabrication, painting, and delivery of 105 helicopter landing pads for SEAPA’s Swan-Tyee Intertie Helicopter Project. The motion failed 3-2 with Mr. Ashton, Mr. Nelson, and Mr. Williams voting against the motion, and Mr. Sivertsen and Ms. Jamieson voting in favor of the motion.	Action 14-298
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The meeting recessed at 5:22 p.m. The meeting reconvened on March 4, 2014 at 8:00 a.m.

Roll call was taken. All directors were present with the exception of Mr. McConachie.

Discussion on the helicopter landing pads continued with Chairman Sivertsen requesting a show of hands in favor of having staff re-evaluate the project. Ms. Jamieson, Mr. Ashton, and Mr. Williams raised their hands in favor of that direction to staff.

D. *Swan Lake Preliminary Engineering and Design*

➤ <b>Motion</b>	M/S (Williams/Nelson) to authorize staff to increase the not-to-exceed value of the contract with Jacobs Associates from \$367,000 to \$480,000 for SEAPA's Preliminary Engineering Design Services for the Swan Lake Reservoir Expansion Project. Motion approved unanimously by polled vote.	Action 14-299
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E. *Section II of SEAPA's 2005 Policies and Procedures Handbook*

➤ <b>Motion</b>	M/S (Williams/Ashton) to authorize staff to accept the changes made to Section II of SEAPA's 2005 Policies and Procedures Handbook as set forth in the redlined draft dated February 21, 2014. Motion approved unanimously by polled vote.	Action 14-300
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F. *Amendment to Travel Policy*

Chairman Sivertsen explained the circumstances of expenses Ms. Jamieson had incurred as a result of traveling from Juneau to the board meeting rather than from Wrangell and advised against setting a precedence for payment of expenses when a board member commutes to board meetings from a venue outside of a Member Community. Discussion followed reasoning that payment in Ms. Jamieson's circumstances should be made although the travel policy as currently adopted would not be amended.

➤ <b>Motion</b>	M/S (Ashton/Nelson) to authorize staff to reimburse Christie Jamieson for travel expenses incurred as a result of traveling from Juneau to Petersburg for the board meeting. The motion passed with Mr. Williams, Mr. Ashton, and Mr. Nelson voting in favor of the motion. Mr. Sivertsen voted against the motion and Ms. Jamieson abstained due to a conflict.	Action 14-301
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G. *Set Next Meeting Date* – there were no changes to the meeting date schedule included in the board packet which sets April 24, 2014 in Ketchikan for the next regular board meeting.

H. *Executive Session*

➤ <b>Motion</b>	M/S (Jamieson/Jensen) to recess into Executive Session for discussions relating to future operations of the Agency's Tye Lake facility and to provide staff an opportunity to update the Board on the Agency's Request for Offers of Power and Energy. The Executive Session will be conducted pursuant to SEAPA's Bylaws and Alaska State Law as the discussions may include matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the Agency, the Projects, or any of the Member Utilities represented on the board. Motion approved unanimously by polled vote.	Action 14-302
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The meeting recessed at 8:38 a.m. for the Executive Session. The Executive Session adjourned at 10:05 a.m. The meeting reconvened at 10:10 a.m.

Chairman Sivertsen advised that the board had discussions and staff was given direction.

I. *Labor Law Attorney*

<b>➤ Motion</b>	M/S (Williams/Jamieson) to authorize staff to retain a labor law attorney for counsel during the transition of Tye operations and maintenance to SEAPA, with a funding limit of \$50,000. Motion approved unanimously by polled vote.	<b>Action 14-303</b>
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13) **Director Comments** – Directors provided brief comments.

14) **Adjourn**

<b>➤ Motion</b>	M/S (Williams/Jensen) to adjourn the meeting. There was no objection to the motion.	<b>Action 14-304</b>
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The meeting adjourned on March 4, 2014 at 10:15 a.m. AKST.

Signed:

Attest:

\_\_\_\_\_  
Secretary/Treasurer

\_\_\_\_\_  
Chairman





**SOUTHEAST ALASKA POWER AGENCY**

**Minutes of Special Meeting**

March 27, 2014

SEAPA Offices | Ketchikan, Alaska

(An audio recording of these minutes are available on SEAPA's website at [www.seapahydro.org](http://www.seapahydro.org))

**1) Call to Order**

A. *Roll Call.* Chairman Sivertsen called the meeting to order at 4:00 p.m. AKDT on March 27, 2014. The following directors and alternates were present, thus establishing a quorum of the board:

<b>Director</b>	<b>Alternate</b>	<b>Representing</b>	
Bob Sivertsen	Andy Donato	Swan Lake	Ketchikan
		Swan Lake	Ketchikan
Joe Nelson	John Jensen	Tyee Lake	Petersburg
Brian Ashton	Clay Hammer	Tyee Lake	Wrangell
	Don McConachie	Tyee Lake	Wrangell

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

Trey Acteson, Chief Executive Officer	Steve Henson, Operations Manager
Sharon Thompson, Executive Assistant	Kay Key, Controller

**2) Approval of the Agenda**

➤ <b>Motion</b>	M/S (Jensen/McConachie) to approve Agenda. There were no objections to the motion.	Action 14-305
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**3) New Business**

A. *Wrangell Reactor Replacement Project*

➤ <b>Motion</b>	M/S (Ashton/Sivertsen) to authorize staff to award a purchase order contract to ABB Inc. for a lump-sum value of \$532,000 for one 2.5 MVAR and one 5 MVAR 3-Phase Oil-Immersed Shunt Reactor for SEAPA's Wrangell Reactor Replacement Project. Motion approved unanimously by polled vote.	Action 14-306
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**4) Adjourn**

➤ <b>Motion</b>	M/S (Jensen/Ashton) to adjourn the meeting. There were no objections to the motion.	Action 14-307
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The meeting adjourned on March 27, 2014 at 4:07 p.m. AKDT.

Signed:

Attest:

\_\_\_\_\_  
Secretary/Treasurer

\_\_\_\_\_  
Chairman

Unapproved Draft

## Southeast Alaska Power Agency CEO Financial Cover Letter

**DATE:** April 17, 2014  
**TO:** SEAPA Board of Directors  
**FROM:** Trey Acteson, CEO

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The Senate has approved \$3.32 million for the Swan Lake Reservoir Expansion Project and has passed the torch to the House. Although the final outcome is unknown at the time of this writing, I should be able to provide additional details at the upcoming board meeting. It should be noted that the overall size of the appropriation was larger than most others in the Senate's capital budget. However, considering the project's broad regional benefit, I'm disappointed in the low 25% level of funding. As you know, staff dedicated considerable time and energy toward orchestrating a coordinated lobbying effort. On a positive note, we do appreciate the State's contribution and it will directly benefit our member utilities and the ratepayers.

The strategy for addressing the 75% shortfall for the Swan project is to take another run at the legislature next year. We will apply again under the Renewable Energy Fund and CAPSIS in an effort to enhance the State's current contribution level. This will defer any bond offering or low-interest loan initiation until after the 2015 legislative session when we can confirm the remaining shortfall. I encourage the board to consider holding off on any rebates this year to ensure necessary working capital to bridge the gap from the start of construction to such time as additional monies become available. The board will be in a much better position at that time to determine any rate adjustments or rebalancing of reserves. From a strategic perspective, this would also help strengthen our lobbying position. It's important to recognize that headlines of rebates and rate reductions are counter-productive to our funding request efforts. This potentially sacrifices millions of dollars in state funding for smaller short-term gains at the local level. I realize this is a politically sensitive area, but I encourage the board to contemplate the overall long-term advantage.

Behind this memo you will see that the FY2014 operating budget is tracking well and we anticipate coming in under for the year. We do however expect a spike in legal support as a result of the Whitman True-up development, Bylaws rewrite, and the TBPA transition. The R&R/Capital project expenditures are significantly under budget as well, with the exception of the SCADA Project, which will be addressed at the board meeting. Spending on the projects will accelerate near the end of the fiscal year, coinciding with the construction season. As a reminder, several of the larger R&R projects are multi-year efforts and some have been delayed as staff has pursued lower-cost alternatives. The end result will be very positive.

DATE: April 14, 2014  
TO: Trey Acteson  
FROM: Kay Key  
SUBJECT: Financial Reports

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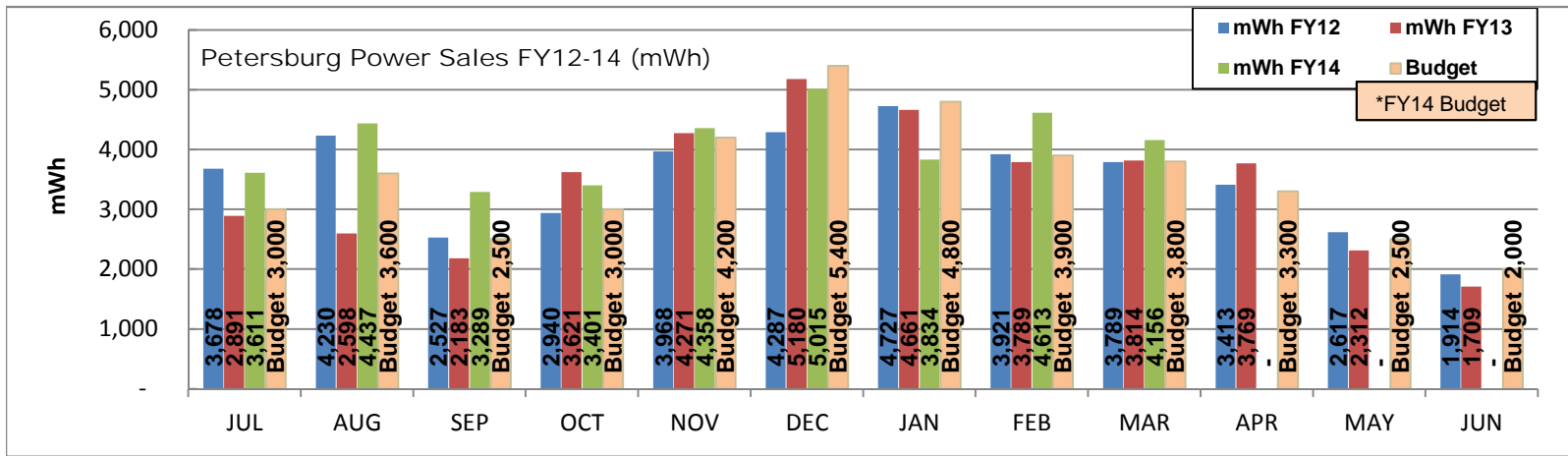
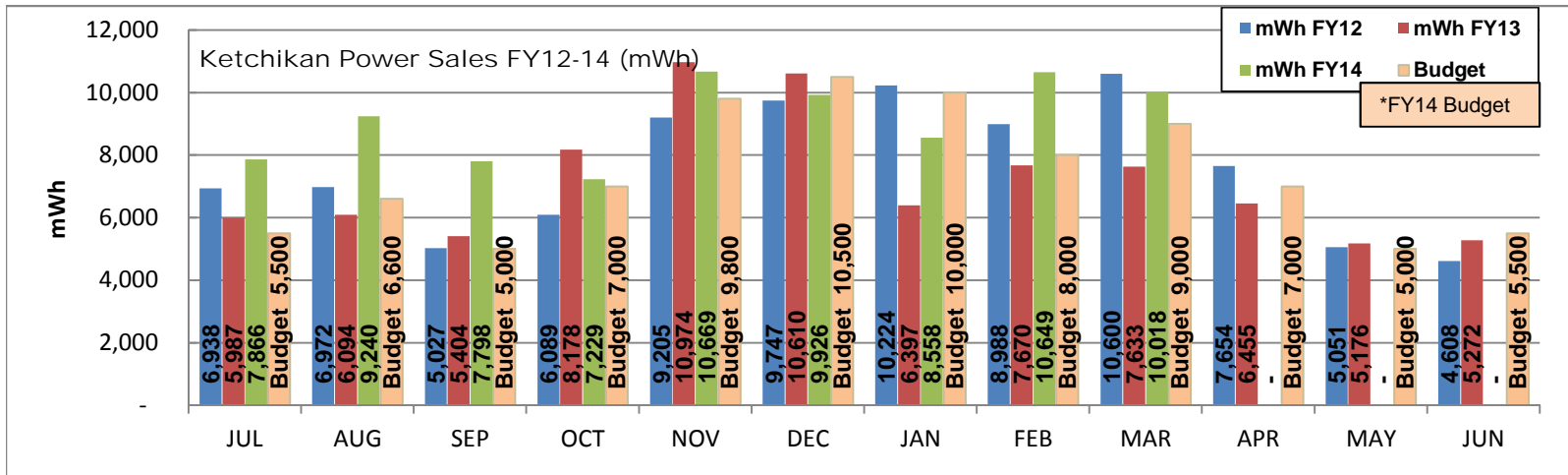
Financial reports included in the board packet for April 24 are as follows:

- **kWh Graph - YTD** (through March, 2014)
- **Grant Summary** (through February, 2013)
- **Monthly Financial Statements for February and January, 2014:**
  - ✓ Cover Memo
  - ✓ Fund Allocation Graph
  - ✓ Statement of Financial Position – Summary
  - ✓ Statement of Activities – Summary
  - ✓ Statement of Financial Position – Detail
  - ✓ Statement of Activities – Budget Comparison
- **R&R Reports** (through February, 2014)
  - ✓ R&R Summary
  - ✓ R&R Detail
- **Disbursement Summary – February, March**

SUGGESTED MOTION
I move to approve financial statements for the months of January and February 2014.

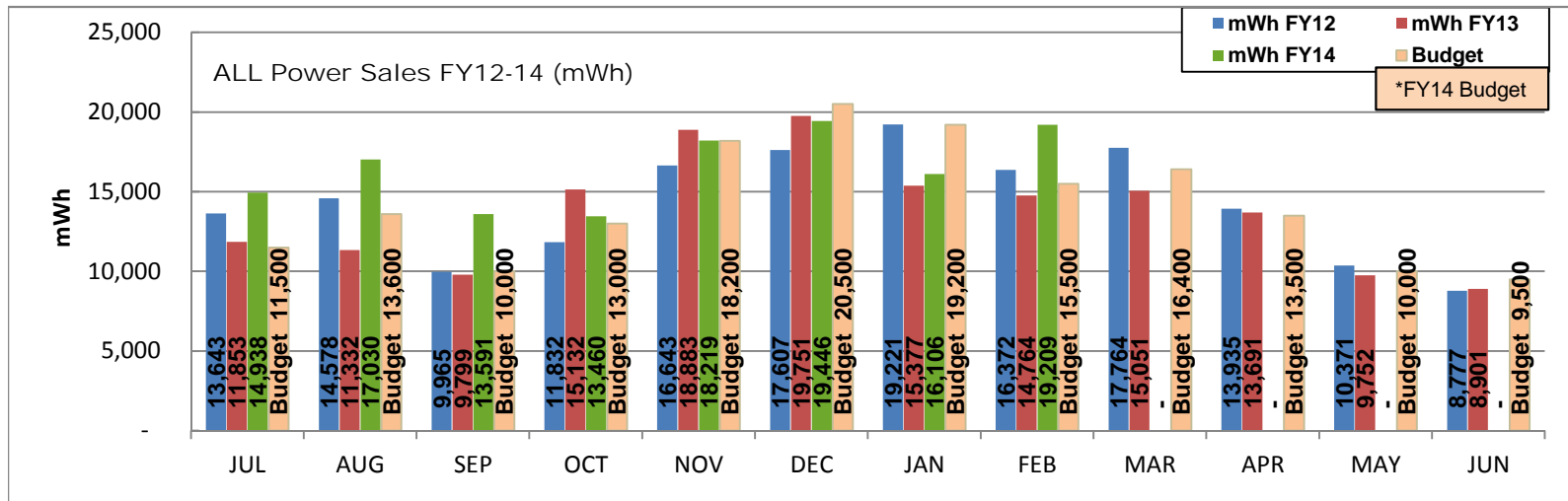
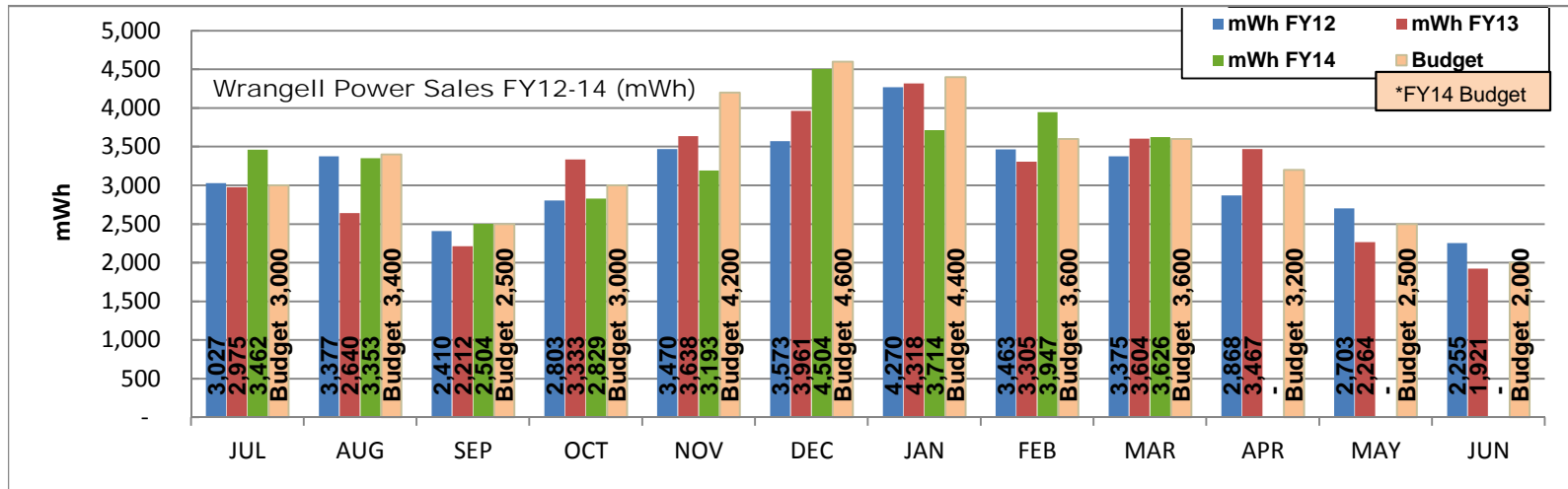
## SOUTHEAST ALASKA POWER AGENCY Power Sales - FY12 through FY14

MARCH 2014	FY14 kWh Hydropower Sales	Current Month		Year-To-Date	
		Actual	Budget	Actual	Budget
	<b>Ketchikan Power Purchases</b>	10,018,000	9,000,000	81,953,000	71,400,000
<b>Petersburg Power Purchases</b>	4,156,370	3,800,000	36,713,920	34,200,000	
<b>Wrangell Power Purchases</b>	3,625,610	3,600,000	31,131,630	32,300,000	
<b>Total Power Purchases</b>	17,799,980	16,400,000	149,798,550	137,900,000	



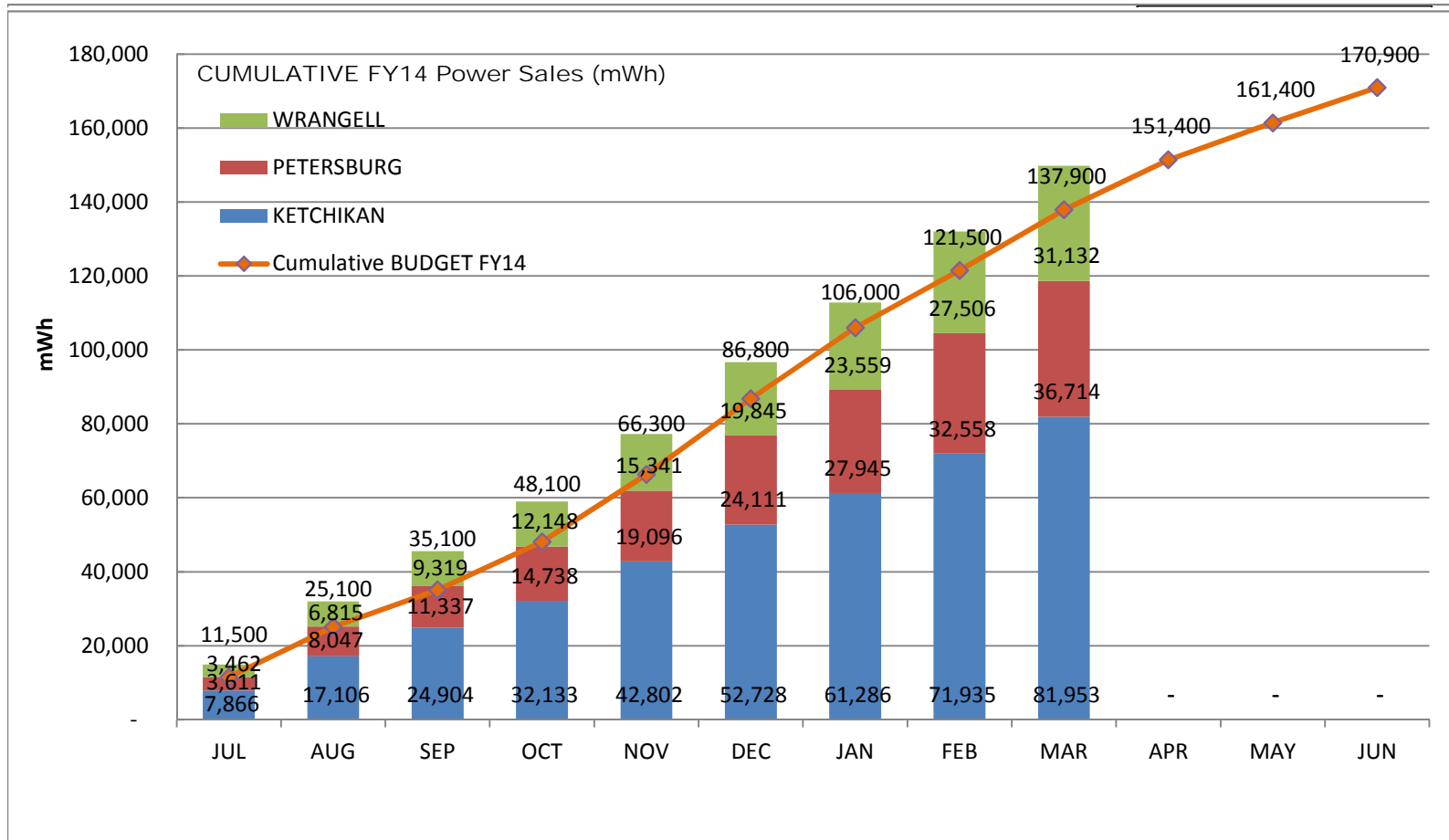
## SOUTHEAST ALASKA POWER AGENCY Power Sales - FY12 through FY14

MARCH 2014	FY14 kWh Hydropower Sales	Current Month		Year-To-Date	
		Actual	Budget	Actual	Budget
	<b>Ketchikan Power Purchases</b>	10,018,000	9,000,000	81,953,000	71,400,000
<b>Petersburg Power Purchases</b>	4,156,370	3,800,000	36,713,920	34,200,000	
<b>Wrangell Power Purchases</b>	3,625,610	3,600,000	31,131,630	32,300,000	
<b>Total Power Purchases</b>	17,799,980	16,400,000	149,798,550	137,900,000	



## SOUTHEAST ALASKA POWER AGENCY Power Sales - FY12 through FY14

MARCH 2014	FY14 kWh Hydropower Sales	Current Month		Year-To-Date	
		Actual	Budget	Actual	Budget
	<b>Ketchikan Power Purchases</b>	10,018,000	9,000,000	81,953,000	71,400,000
<b>Petersburg Power Purchases</b>	4,156,370	3,800,000	36,713,920	34,200,000	
<b>Wrangell Power Purchases</b>	3,625,610	3,600,000	31,131,630	32,300,000	
<b>Total Power Purchases</b>	17,799,980	16,400,000	149,798,550	137,900,000	



**SOUTHEAST ALASKA POWER AGENCY**  
**FY14 Grant Summary**  
as of February 28, 2014

	Grant	Expenditures	Balance
<b>Grant Income</b>			
<b>*FY13 AEA KPI#1</b>			
1 - Project Mgmt	320,000	137,710	182,290
2 - EIS	1,030,000	710,955	319,045
3 - Engineering / Design	1,613,298	172,562	1,440,736
5 - SE Conference	26,702	26,702	(0)
<b>Total FY13 AEA KPI#1</b>	<b>2,990,000</b>	<b>1,047,929</b>	<b>1,942,071</b>
<b>FY13 AEA KPI#2</b>			
1 - Unallocated	2,000,000	0	2,000,000
<b>Total FY13 AEA KPI#2</b>	<b>2,000,000</b>	<b>0</b>	<b>2,000,000</b>
<b>FY13 AK DLG</b>			
1 - Hydro Storage	578,000	33,426	544,574
2 - G&T Site Evaluation	1,705,000	59,442	1,645,558
3 - Stability / Interconnectiv	146,000	0	146,000
4 - Load Balance Model	112,000	0	112,000
5 - Project Mgmt	309,000	60,545	248,455
6 - Business Analysis / PSA	150,000	35,756	114,244
<b>Total FY13 AK DLG</b>	<b>3,000,000</b>	<b>189,169</b>	<b>2,810,831</b>
<b>TOTAL</b>	<b>7,990,000</b>	<b>1,237,098</b>	<b>6,752,902</b>

\*\$704,052.15 expended by Kwaan Electric Transmission Intertie Coop. prior to grant assignment to SEAPA



DATE: March 24, 2014  
TO: SEAPA Board of Directors  
FROM: Trey Acteson  
SUBJECT: Financial Reports – **FEBRUARY, 2014**

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Financial reports for February, 2014 follow this memo. The following are a few brief highlights:

- February, 2014 revenues from kWh sales were over budget:  
\$1,306,183 actual vs. \$1,054,000 budget.
  - Ketchikan - \$724,132 actual vs. \$544,000 budget
  - Petersburg - \$313,680 actual vs. \$265,200 budget
  - Wrangell - \$268,371 actual vs. \$244,800 budget
- Year-to-date (July – February) revenues from kWh sales were also above budget:  
\$8,939,526 actual vs. \$8,262,000 budget.
  - Ketchikan - \$4,871,885 actual vs. \$4,243,200 budget
  - Petersburg - \$2,205,176 actual vs. \$2,067,200 budget
  - Wrangell - \$1,862,465 actual vs. \$1,951,600 budget
- February, 2014 sales in kWh – 19,208,580 vs.  
February, 2013 sales in kWh – 14,763,770 and  
February, 2012 sales in kWh – 16,372,440
- Year-to-date (July – February, 2014) sales in kWh – 131,998,570 vs.  
Year-to-date (July – February, 2013) sales in kWh – 116,891,890 and  
Year-to-date (July – February, 2012) sales in kWh – 119,861,970
- Administrative and operating expenses for February, 2014 were under budget:  
\$382,346 actual vs. \$616,475 budget.
- Year-to-date administrative and operating expenses (July – February) were also  
under budget: \$3,165,259 actual vs. \$4,444,306 budget.

As always, feel free to ask any questions concerning the financials.

# SOUTHEAST ALASKA POWER AGENCY

## Fund Allocation Graph

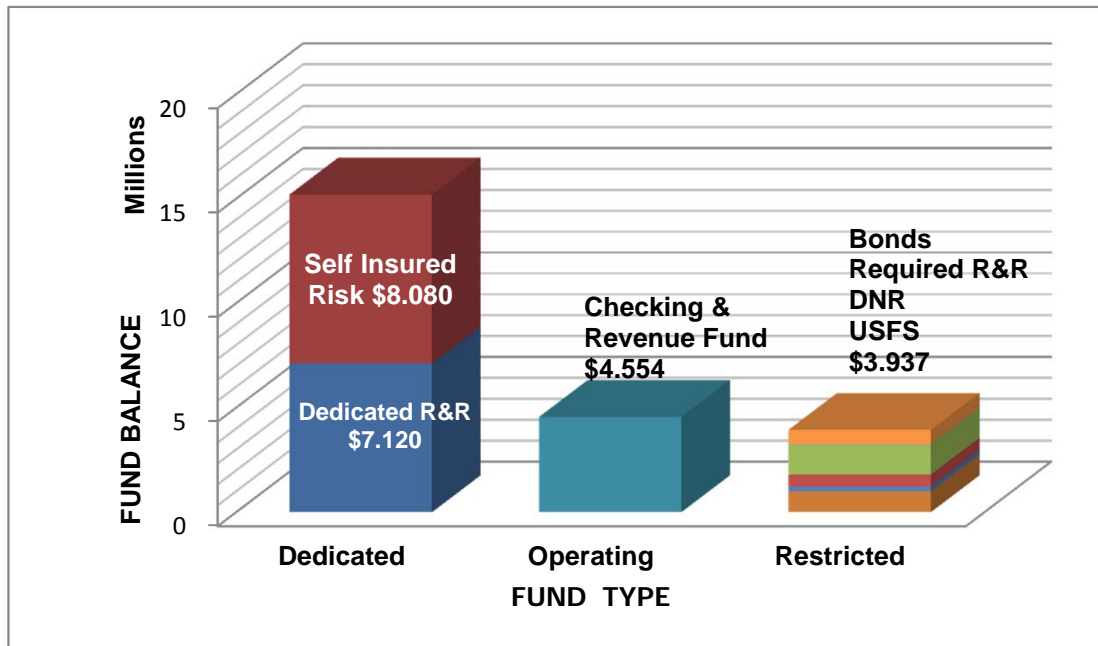
as of February 28, 2014

**ASSETS**

Current Assets

Agency Funds

111000 · Ops/Capital/Insurance Funds	
111100 · Revenue Fund FB	4,552,596
111200 · Required R&R Fund FB	1,000,406
111210 · Dedicated R&R Projects Fund FB	7,120,139
111300 · Commercial FB	1,021
111400 · Subordinate Debt Fund FB	310
111500 · Self Insured Risk Fund FNBA	<u>8,080,365</u>
<b>Total 111000 · Ops/Capital/Insurance Funds</b>	<b>20,754,837</b>
112000 · Trustee Funds	
112100 · WF Trust Bond Interest	219,660
112200 · WF Trust Bond Principal	583,364
112300 · WF Trust Bond Reserve	1,409,888
112400 · WF Refund 2004AB Escrow	<u>1</u>
<b>Total 112000 · Trustee Funds</b>	<b>2,212,914</b>
113000 · Restricted Funds	
113100 · STI - USFS CD WF	21,613
113500 · DNR Reclamation Fund WF	<u>702,249</u>
<b>Total 113000 · Restricted Funds</b>	<b>723,862</b>
<b>Total Agency Funds</b>	<b>23,691,612</b>



**Dedicated Funds**

Self-Insured Risk Fund = Coverage for uninsured transmission lines, submarine cables and insurance deductibles

Dedicated R&R = Funding for Replacement & Repair projects approved by the SEAPA Board in the FY14 budget.

**Operating Funds**

Checking & Revenue Fund

**Restricted Funds** (Legally or contractually restricted)

Bonds = All Trustee Funds: Bond Interest, Principal, Reserve and Escrow accounts

R&R = \$1,000,000 minimum balance required by bond indenture

DNR = Alaska DNR Reclamation Agreement

USFS = USFS Land Remediation Certificate of Deposit

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Summary**  
As of February 28, 2014

<b>ASSETS</b>	
Current Assets	
Agency Funds	
111000 · Ops/Capital/Insurance Funds	20,754,837
112000 · Trustee Funds	2,212,914
113000 · Restricted Funds	723,862
Total Agency Funds	23,691,612
Accounts Receivable	
110000 · Accounts Receivable	2,416,872
110100 · Grants Receivable	49,166
Total Accounts Receivable	2,466,038
Other Current Assets	
120000 · Other Current Assets	351,114
Total Other Current Assets	351,114
 Total Current Assets	 26,508,764
Fixed Assets	
130000 · Fixed Assets	132,037,720
Total Fixed Assets	132,037,720
Other Assets	
183000 · Deferred Assets	1,208
Total Other Assets	1,208
 <b>TOTAL ASSETS</b>	 <b>158,547,691</b>
 <b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
210100 · Accounts Payable General	595,223
Total Accounts Payable	595,223
Other Current Liabilities	
210150 · Other Current Liabilities	224,495
210300 · Reserve Interest Payable	164,715
210400 · Wages Payable	65,337
210500 · Payroll Liabilities	2,091
Total Other Current Liabilities	456,639
Total Current Liabilities	1,051,862
Long Term Liabilities	
220000 · Long Term Liabilities	13,991,117
Total Long Term Liabilities	13,991,117
Total Liabilities	15,042,979
Equity	
310000 · Equity	133,661,640
32000 · Unrestricted Net Assets	7,206,868
Net Income	2,636,204
Total Equity	143,504,712
 <b>TOTAL LIABILITIES &amp; EQUITY</b>	 <b>158,547,691</b>

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Summary**  
February 2014

Ordinary Income/Expense	
Income	
410000 · Hydro Facility Revenues	1,306,183
Total Income	1,306,183
 Gross Profit	 1,306,183
Expense	
535000 · Hydro/Ops-Suprvision & Engineer	18,678
537000 · Hydraulic Expenses	4,356
538000 · Electric Expenses	2,598
539000 · Misc Power Generation Expense	34,354
540000 · Rents	10,602
542000 · Hydro Structure Maintenance	2,341
544000 · Maintenance of Electric Plant	86,480
545000 · Plant Miscellaneous Maintenance	4,698
560000 · Trans Sys Operation Sup & Eng	847
562000 · Trans/Operations Station Exp	7,118
564000 · Trans/Submarine Cable Expense	29
571000 · Trans/Maint Overhead Lines(OHL)	16,579
920000 · Administrative Expenses	95,345
921000 · Office Expenses	6,056
922000 · Legislative Affairs	6,944
923000 · Contract Services	26,338
924000 · Insurance	37,857
928000 · Regulatory Commission Expense	10,256
930000 · General Expenses	6,135
931000 · Admin Rent	4,734
Total Expense	382,346
	923,837
 Other Income	
941000 · Grant Income	49,166
941100 · Third Party Income	11,150
944000 · Realized Gain/Loss	(12,768)
945000 · Unrealized Gain/Loss	8,096
946000 · Misc Nonoperating Income	1
Total Other Income	55,646
 Other Expense	
952000 · Bond Interest 2009 Series	55,765
953000 · Depreciation Expense	329,817
954000 · Grant Expenses	149,260
954100 · Contributed Capital	(83,127)
954200 · Third Party Expense	43,671
Total Other Expense	495,387
 Net Other Income	 (439,741)
 <b>Net Income</b>	 <b>484,096</b>

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Detail**  
As of February 28, 2014

**ASSETS**

**Current Assets**

Agency Funds

111000 · Ops/Capital/Insurance Funds	
111100 · Revenue Fund FB	4,552,596
111200 · Required R&R Fund FB	1,000,406
111210 · Dedicated R&R Projects Fund FB	7,120,139
111300 · Commercial FB	1,021
111400 · Subordinate Debt Fund FB	310
111500 · Self Insured Risk Fund FNBA	8,080,365
Total 111000 · Ops/Capital/Insurance Funds	<u>20,754,837</u>

112000 · Trustee Funds

112100 · WF Trust Bond Interest	219,660
112200 · WF Trust Bond Principal	583,364
112300 · WF Trust Bond Reserve	1,409,888
112400 · WF Refund 2004AB Escrow	1
Total 112000 · Trustee Funds	<u>2,212,914</u>

113000 · Restricted Funds

113100 · STI - USFS CD WF	21,613
113500 · DNR Reclamation Fund WF	702,249
Total 113000 · Restricted Funds	<u>723,862</u>

Total Agency Funds 23,691,612

Accounts Receivable

110000 · Accounts Receivable	2,416,872
110100 · Grants Receivable	49,166
Total Accounts Receivable	<u>2,466,038</u>

Other Current Assets

120000 · Other Current Assets	
120200 · Other Receivables	4,286
120300 · Accrued Interest Receivable	26,347
120500 · Prepaid Fees	
120510 · Prepaid FERC Fees	28,505
120520 · Prepaid Insurance	189,286
120540 · Prepaid USDA FS Land Use Fees	65,461
120550 · Prepaid Admin Expense	29,087
Total 120500 · Prepaid Fees	<u>312,338</u>

120700 · Inventory Assets

120701 · Inventory - Wood Poles	8,143
Total 120700 · Inventory Assets	<u>8,143</u>

Total 120000 · Other Current Assets 351,114

Total Other Current Assets 351,114

**Total Current Assets** **26,508,764**

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Detail**  
As of February 28, 2014

<b>Fixed Assets</b>	
130000 · Fixed Assets	
130100 · Capital Assets	
130110 · Swan Lake	16,231,708
130120 · Tyee Lake	26,060,565
130130 · SEAPA Office	668,955
Total 130100 · Capital Assets	<u>42,961,228</u>
132100 · Swan Tyee Intertie in Operation	111,381,868
132200 · R&R Projects WIP Capital Improv	
132210 · R&R Projects - WIP Swan Lake	
132211 · WIP SWL Agency Permits/Environm	614,393
132213 · WIP SWL Equipment	2,261
132214 · WIP SWL Engineering/Design	85,322
132215 · WIP SWL Legal	1,260
132216 · WIP SWL Project Mgmt/Professnal	128,446
132210 · R&R Projects - WIP Swan Lake - Other	1,420,890
Total 132210 · R&R Projects - WIP Swan Lake	<u>2,252,571</u>
132220 · R&R Projects - WIP Tyee Lake	1,668,812
132230 · R&R Projects - WIP STI-Transmsn	211,718
132240 · R&R Projects - WIP SEAPA Office	84,146
Total 132200 · R&R Projects WIP Capital Improv	<u>4,217,247</u>
132900 · Accumulated Depreciation	<u>(26,522,623)</u>
Total 130000 · Fixed Assets	<u>132,037,720</u>
<b>Total Fixed Assets</b>	<b>132,037,720</b>
<b>Other Assets</b>	
183000 · Deferred Assets	
183300 · Meterological Tower	1,208
Total 183000 · Deferred Assets	<u>1,208</u>
<b>Total Other Assets</b>	<b>1,208</b>
<b>TOTAL ASSETS</b>	<b><u>158,547,691</u></b>

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Detail**  
As of February 28, 2014

**LIABILITIES & EQUITY**

**Liabilities**

Current Liabilities

Accounts Payable

210100 · Accounts Payable General 595,223

Total Accounts Payable 595,223

Other Current Liabilities

210150 · Other Current Liabilities 224,495

210300 · Reserve Interest Payable 164,715

210400 · Wages Payable 65,337

210500 · Payroll Liabilities

210530 · SUI Tax Payable 2,091

Total 210500 · Payroll Liabilities 2,091

Total Other Current Liabilities 456,639

Total Current Liabilities 1,051,862

Long Term Liabilities

220000 · Long Term Liabilities

220100 · Series B Bonds 2009 14,100,000

220110 · Bond Issuance Premium 10,634

220120 · Bond Discount (119,517)

Total 220000 · Long Term Liabilities 13,991,117

Total Long Term Liabilities 13,991,117

**Total Liabilities** 15,042,979

**Equity**

310000 · Equity

310100 · STI Net Assets 106,354,593

310300 · Retained Earnings 27,307,048

Total 310000 · Equity 133,661,640

32000 · Unrestricted Net Assets 7,206,868

Net Income 2,636,204

**Total Equity** 143,504,712

**TOTAL LIABILITIES & EQUITY** 158,547,691

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
**February 2014**

	Feb 14	Budget	Jul '13-Feb 14	YTD Budget	Annual Budget
<b>Ordinary Income/Expense</b>					
Income					
410000 · Hydro Facility Revenues					
410100 · Ketchikan Power Purchases	581,944	680,000	4,147,753	3,699,200	6,045,200
410200 · Petersburg Power Purchases	260,681	326,400	1,891,496	1,802,000	2,856,000
410300 · Wrangell Power Purchases	252,585	299,200	1,594,094	1,706,800	2,720,000
Total 410000 · Hydro Facility Revenues	1,095,210	1,305,600	7,633,343	7,208,000	11,621,200
Total Income	1,095,210	1,305,600	7,633,343	7,208,000	11,621,200
<b>Gross Profit</b>	1,095,210	1,305,600	7,633,343	7,208,000	11,621,200
Expense					
535000 · Hydro/Ops-Suprvision & Engineer					
535100 · Hyd/Ops Sup & Eng - Swan Lake	397	9,400	34,082	65,800	113,000
535150 · Hyd/Ops Sup & Eng - SWL SEAPA	-	2,900	660	20,000	34,500
535200 · Hyd/Ops Sup & Eng - Tyee Lake	11,783	12,200	85,081	85,400	147,500
535250 · Hyd/Ops Sup & Eng -TYL SEAPA	-	800	-	5,600	10,000
535400 · Hyd/Op Sup & Eng - Proj Drawing	-	25,000	39,843	75,000	200,000
535600 · Hyd/Op Sup & Eng - Diesl Genrtn	6,294	-	6,294	-	-
535700 · Hyd/Op Sup & Eng - 4R Plan	-	-	860	-	-
Total 535000 · Hydro/Ops-Suprvision & Engineer	18,474	50,300	166,819	251,800	505,000
537000 · Hydraulic Expenses					
537150 · Hydraulic Expense - SWL SEAPA	-	500	2,195	11,000	13,000
537250 · Hydraulic Expense - TYL SEAPA	-	625	2,195	12,000	18,000
Total 537000 · Hydraulic Expenses	-	1,125	4,390	23,000	31,000
538000 · Electric Expenses					
538100 · Electric Expense - Swan Lake	481	250	9,368	1,850	3,250
538150 · Electric Expense - SWL SEAPA	2,820	1,000	10,990	7,000	12,500
538200 · Electric Expense - Tyee Lake	-	300	2,400	2,100	3,600
538250 · Electric Expense - TYL SEAPA	-	1,000	-	7,000	12,500
Total 538000 · Electric Expenses	3,300	2,550	22,758	17,950	31,850
539000 · Misc Power Generation Expense					
539100 · Misc Exp - Swan Lake	125	5,400	2,481	37,800	65,850
539150 · Misc Expense - SWL SEAPA	6,000	5,500	22,983	34,500	73,600
539200 · Misc Expense - Tyee Lake	67	13,000	149,359	158,640	227,640
539250 · Misc Expense - TYL SEAPA	13,834	8,000	73,578	82,600	155,850
539300 · Misc Expense - Annual Inspectns	-	-	-	-	1,500
539400 · Misc Expense - Permits & Maps	-	-	-	-	150
Total 539000 · Misc Power Generation Expense	20,026	31,900	248,402	313,540	524,590
540000 · Rents					
540300 · FERC Land Use Fee - Swan Lake	(8,035)	3,900	15,041	27,300	47,000
540400 · FERC Land Use Fee - Tyee Lake	1,319	3,800	24,251	26,600	46,000
540500 · USDA Land Use Fee - USFS ROW	1,570	1,600	10,817	11,200	20,000
540600 · USDA Land Use Fee - STI	4,810	5,000	33,132	35,000	60,000
540700 · USDA Tyee Passive Reflector	105	100	725	700	1,350
540710 · USDA Etolin Burnett Radio	44	50	306	350	650
Total 540000 · Rents	(186)	14,450	84,272	101,150	175,000
541000 · Hydro Power Station Maintenance					
541100 · Maint/Supervision - Swan Lake	-	-	-	-	-
541150 · Maintenance - SWL SEAPA	648	7,400	21,734	51,750	88,750
541250 · Maintenance - TYL SEAPA	1,302	6,500	6,472	45,500	78,250
Total 541000 · Hydro Power Station Maintenance	1,950	13,900	28,206	97,250	167,000
542000 · Hydro Structure Maintenance					
542100 · Hyd Structure Maint - Swan Lake	3,115	250	4,281	1,750	3,500
Total 542000 · Hydro Structure Maintenance	3,115	250	4,281	1,750	3,500



**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
**February 2014**

	Feb 14	Budget	Jul '13-Feb 14	YTD Budget	Annual Budget
543000 · Dams, Reservoirs & Waterways					
543100 · Dams Res & Waterwys - Swan Lake	50	50	1,283	350	1,000
543150 · Dams Res & Waterwys - SWL SEAPA	-	-	9,856	-	-
543200 · Dams Res & Waterwys - Tyee Lake	-	600	117	4,200	7,200
Total 543000 · Dams, Reservoirs & Waterways	50	650	11,256	4,550	8,200
544000 · Maintenance of Electric Plant					
544100 · Maint Electric Plant-Swan Lake	45,598	48,000	353,777	336,000	576,500
544150 · Maint Electric Plant-SWL SEAPA	-	3,750	1,155	26,250	45,000
544200 · Maint Electric Plant-Tyee Lake	43,689	50,700	311,763	354,900	608,400
544250 · Maint Electric Plant-TYL SEAPA	-	2,000	-	14,000	25,000
Total 544000 · Maintenance of Electric Plant	89,287	104,450	666,695	731,150	1,254,900
545000 · Plant Miscellaneous Maintenance					
545100 · Plant Misc Maint - Swan Lake	18	2,250	9,264	15,750	27,000
545200 · Plant Misc Maint - Tyee Lake	1,438	800	5,109	5,600	9,700
545250 · Plant Misc Maint - TYL SEAPA	-	4,800	16,735	33,600	58,000
Total 545000 · Plant Miscellaneous Maintenance	1,456	7,850	31,108	54,950	94,700
560000 · Trans Sys Operation Sup & Eng					
560200 · Sys Ops Sup & Eng - Tyee Lake	672	900	3,093	5,800	10,300
Total 560000 · Trans Sys Operation Sup & Eng	672	900	3,093	5,800	10,300
561000 · Trans/SCADA Load Dispatch					
561250 · SCADA Load Dispatch - TYL SEAPA	-	2,000	4,800	14,000	25,000
Total 561000 · Trans/SCADA Load Dispatch	-	2,000	4,800	14,000	25,000
562000 · Trans/Operations Station Exp					
562100 · Trans/Ops Station - Swan Lake	-	1,000	1,378	7,000	15,000
562150 · Trans/Ops Station - SWL SEAPA	-	2,000	-	13,000	23,000
562200 · Trans/Ops Station - Tyee Lake	3,184	2,200	10,512	15,000	26,000
562250 · Trans/Ops Station-TYL SEAPA	-	2,000	-	14,000	25,000
Total 562000 · Trans/Operations Station Exp	3,184	7,200	11,890	49,000	89,000
564000 · Trans/Submarine Cable Expense					
564200 · Trans/Sub Cable Exp - Tyee Lake	-	1,325	3,820	10,325	12,825
564250 · Trans/Sub Cable Exp - TYL SEAPA	-	-	-	15,000	30,000
Total 564000 · Trans/Submarine Cable Expense	-	1,325	3,820	25,325	42,825
571000 · Trans/Maint Overhead Lines(OHL)					
571100 · Trans/Maint OHL - Swan Lake	2,909	1,000	3,870	7,000	15,000
571150 · Trans/Maint OHL - SWL SEAPA	-	25,000	14,528	125,000	448,000
571200 · Trans/Maint OHL - Tyee Lake	1,983	16,350	103,779	114,150	196,150
571250 · Trans/Maint OHL - TYL SEAPA	-	50,000	38,090	211,000	787,750
571300 · Trans/Maint OHL STI Maintenance	-	-	13,021	-	296,500
571500 · Trans/Maint OHL STI Therml Scan	-	-	-	-	10,000
571600 · Trans/Maint OHL Spare Mat Stor	-	-	-	500	500
571700 · Trans/Maint OH STI Clearing	-	-	-	-	100,000
571800 · Trans/Maint OHL System Events	-	12,500	5,640	87,500	150,000
Total 571000 · Trans/Maint Overhead Lines(OHL)	4,892	104,850	178,928	545,150	2,003,900

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
**February 2014**

	Feb 14	Budget	Jul '13-Feb 14	YTD Budget	Annual Budget
920000 · Administrative Expenses					
920100 · Administrative	93,719	105,000	601,308	731,761	1,256,761
Total 920000 · Administrative Expenses	93,719	105,000	601,308	731,761	1,256,761
921000 · Office Expenses					
921100 · Office Supplies	1,932	1,000	9,020	8,000	13,000
921200 · Office Equipment	5,576	2,300	23,655	15,700	27,200
921300 · Phone, Courier, Internet	8,919	2,000	24,303	15,400	25,400
921400 · System Networking	5,186	3,400	32,663	24,000	41,000
921600 · Vehicle Expenses	147	250	822	1,500	3,000
Total 921000 · Office Expenses	21,761	8,950	90,464	64,600	109,600
922000 · Legislative Affairs	4,687	5,800	24,726	40,600	70,000
923000 · Contract Services					
923200 · Annual Financial Audit	-	5,500	23,616	28,000	28,000
923300 · Bank & Trustee Fees	5,235	980	6,886	6,860	11,800
923400 · Insurance Consultant	-	800	14,044	5,600	10,000
923500 · Investment Consultant	1,687	2,000	29,698	14,000	25,000
923600 · Legal Fees	10,080	12,500	53,051	87,500	150,000
923700 · Recruitment	-	2,500	4,366	17,500	30,000
923800 · Other Professional Services	6,862	1,300	9,282	9,500	16,000
Total 923000 · Contract Services	23,864	25,580	140,944	168,960	270,800
924000 · Insurance	37,857	49,000	269,699	343,000	588,000
928000 · Regulatory Commission Expense					
928150 · FERC SWL Admin Fees	5,881	3,900	29,365	27,300	47,000
928151 · FERC SWL Other Fees	-	8,000	4,852	22,000	104,000
928250 · FERC TYL Admin Fees	3,595	3,500	24,996	25,500	43,000
928252 · FERC TYL Other Fees	-	-	999	-	-
Total 928000 · Regulatory Commission Expense	9,476	15,400	60,212	74,800	194,000
930000 · General Expenses					
930100 · Advertising Expense	700	400	2,136	3,000	5,000
930110 · Public Relations	1,779	5,695	9,673	41,525	70,000
930111 · PR - SEAPA History Project	(10)	600	-	2,000	5,000
930300 · Association Dues Expense	5,733	2,400	25,102	17,050	29,050
930310 · Professional Assn Dues	-	-	230	645	645
930400 · Board Meeting Expenses	158	3,750	15,901	26,250	45,000
930500 · Training Expense	1,683	2,000	15,003	13,400	23,575
930600 · Travel Expense	3,552	3,900	16,500	27,500	47,000
930700 · Non-Travel Incidental	868	300	1,859	2,100	3,500
Total 930000 · General Expenses	14,462	19,045	86,403	133,470	228,770
931000 · Admin Rent					
931010 · Office Rent	4,250	4,500	29,363	29,200	51,700
931100 · Apartment Rent - Ketchikan	725	725	5,075	5,075	8,700
Total 931000 · Admin Rent	4,975	5,225	34,438	34,275	60,400
<b>Total Expense</b>	<b>357,022</b>	<b>577,700</b>	<b>2,778,912</b>	<b>3,827,831</b>	<b>7,745,096</b>
<b>Net Ordinary Income</b>	<b>738,188</b>	<b>727,900</b>	<b>4,854,431</b>	<b>3,380,169</b>	<b>3,876,104</b>

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
February 2014

	Feb 14	Budget	Jul '13-Feb 14	YTD Budget	Annual Budget
<b>Other Income/Expense</b>					
<b>Other Income</b>					
941000 · Grant Income	49,724		267,079		
941100 · Third Party Income	4,391		271,806		
942000 · Interest Income					
942100 · Misc Interest Income	618		4,773		
942200 · Investment Interest Income	10,394		72,424		
Total 942000 · Interest Income	11,011		77,196		
944000 · Realized Gain/Loss					
944200 · Realized Gain/Loss on Invest	(11,815)		(11,083)		
Total 944000 · Realized Gain/Loss	(11,815)		(11,083)		
945000 · Unrealized Gain/Loss					
945100 · Unrealized Gain/Loss Bonds	(47)		(190)		
945200 · Unrealized Gain/Loss Investment	17,063		3,168		
Total 945000 · Unrealized Gain/Loss	17,016		2,978		
946000 · Misc Nonoperating Income					
946001 · Other Misc Income	163		163		
946002 · Gain/Loss on Property Dispositi	-		9,068		
946000 · Misc Nonoperating Income - Other	37		37		
Total 946000 · Misc Nonoperating Income	200		9,268		
<b>Total Other Income</b>	70,527		617,245		
<b>Other Expense</b>					
951000 · Amortization Expense	-		-		
952000 · Bond Interest 2009 Series	55,765		390,352		
953000 · Depreciation Expense	329,817		2,308,721		
954000 · Grant Expenses					
954002 · Grant Contractual	42,759		340,590		
954004 · Grant Labor & Benefits	82		558		
954005 · Grant Legal	7,700		8,960		
954007 · Grant Other Expense	636		821		
954008 · Grant Travel	3,063		9,423		
954000 · Grant Expenses - Other	-		5,820		
Total 954000 · Grant Expenses	54,240		366,172		
954100 · Contributed Capital	(20,282)		(38,312)		
954200 · Third Party Expense					
954210 · Annette Island Hydro Site Eval					
954211 · Annette Island - Contractual	1,608		274,071		
954212 · Annette Island - Materials	-		232		
954213 · Annette Island - Direct Labor	-		9,486		
954214 · Annette Island - Travel	-		4,845		
Total 954210 · Annette Island Hydro Site Eval	1,608		288,634		
Total 954200 · Third Party Expense	1,608		288,634		
955000 · Interest Expense					
955100 · Interest Expense - Misc	-		1		
Total 955000 · Interest Expense	-		1		
<b>Total Other Expense</b>	421,149		3,315,567		
<b>Net Other Income</b>	(350,621)		(2,698,322)		
<b>Net Income</b>	<b>387,567</b>	<b>727,900</b>	<b>2,156,108</b>	<b>3,380,169</b>	<b>3,876,104</b>

DATE: March 24, 2014  
TO: SEAPA Board of Directors  
FROM: Trey Acteson  
SUBJECT: Financial Reports – **JANUARY, 2014**

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Financial reports for January, 2014 follow this memo. The following are a few brief highlights:

- January, 2014 revenues from kWh sales were over budget:  
\$1,095,210 actual vs. \$1,305,600 budget.
  - Ketchikan - \$581,944 actual vs. \$680,000 budget
  - Petersburg - \$260,681 actual vs. \$326,400 budget
  - Wrangell - \$252,585 actual vs. \$299,200 budget
  
- Year-to-date (July – January) revenues from kWh sales were also above budget:  
\$7,633,343 actual vs. \$7,208,000 budget.
  - Ketchikan - \$4,147,753 actual vs. \$3,699,200 budget
  - Petersburg - \$1,891,496 actual vs. \$1,802,000 budget
  - Wrangell - \$1,594,094 actual vs. \$1,706,800 budget
  
- January, 2014 sales in kWh – 16,106,030 vs.  
January, 2012 sales in kWh – 15,376,770 and  
January, 2011 sales in kWh – 19,221,000
  
- Year-to-date (July – January, 2014) sales in kWh – 112,789,990 vs.  
Year-to-date (July – January, 2012) sales in kWh – 102,128,120 and  
Year-to-date (July – January, 2011) sales in kWh – 103,489,530
  
- Administrative and operating expenses for January, 2014 were under budget:  
\$353,022 actual vs. \$577,700 budget.
  
- Year-to-date administrative and operating expenses (July – January) were also  
under budget: \$2,778,912 actual vs. \$3,827,831 budget.

As always, feel free to ask any questions concerning the financials.

# SOUTHEAST ALASKA POWER AGENCY Fund Allocation Graph

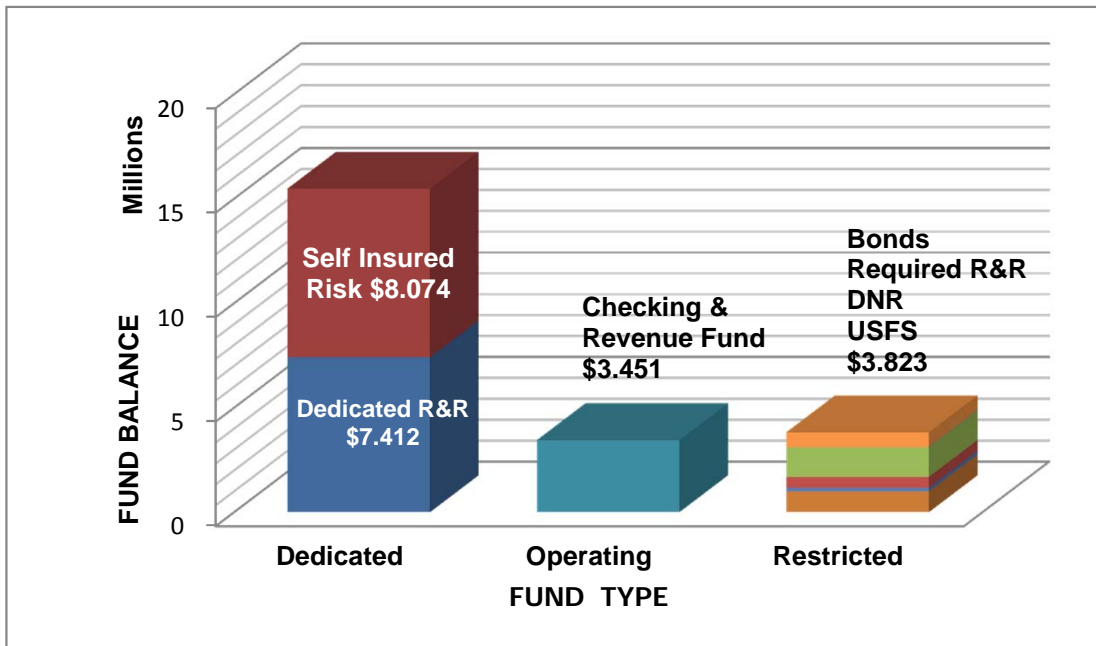
as of January 31, 2014

**ASSETS**

Current Assets

Agency Funds

111000 · Ops/Capital/Insurance Funds	
111100 · Revenue Fund FB	3,449,697
111200 · Required R&R Fund FB	1,000,359
111210 · Dedicated R&R Projects Fund FB	7,412,223
111300 · Commercial FB	1,001
111400 · Subordinate Debt Fund FB	310
111500 · Self Insured Risk Fund FNBA	<u>8,073,952</u>
<b>Total 111000 · Ops/Capital/Insurance Funds</b>	<b>19,937,542</b>
112000 · Trustee Funds	
112100 · WF Trust Bond Interest	164,750
112200 · WF Trust Bond Principal	525,030
112300 · WF Trust Bond Reserve	1,409,354
112400 · WF Refund 2004AB Escrow	<u>1</u>
<b>Total 112000 · Trustee Funds</b>	<b>2,099,135</b>
113000 · Restricted Funds	
113100 · STI - USFS CD WF	21,613
113500 · DNR Reclamation Fund WF	<u>702,249</u>
<b>Total 113000 · Restricted Funds</b>	<b>723,862</b>
<b>Total Agency Funds</b>	<b>22,760,539</b>



**Dedicated Funds**

Self-Insured Risk Fund = Coverage for uninsured transmission lines, submarine cables and insurance deductibles

Dedicated R&R = Funding for Replacement & Repair projects approved by the SEAPA Board in the FY14 budget.

**Operating Funds**

Checking & Revenue Fund

**Restricted Funds** (Legally or contractually restricted)

Bonds = All Trustee Funds: Bond Interest, Principal, Reserve and Escrow accounts

R&R = \$1,000,000 minimum balance required by bond indenture

DNR = Alaska DNR Reclamation Agreement

USFS = USFS Land Remediation Certificate of Deposit

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Summary**  
As of January 31, 2014

	<b>Jan 31, '14</b>
<b>ASSETS</b>	
Current Assets	
Agency Funds	
111000 · Ops/Capital/Insurance Funds	19,937,542
112000 · Trustee Funds	2,099,135
113000 · Restricted Funds	723,862
Total Agency Funds	22,760,539
Accounts Receivable	
110000 · Accounts Receivable	2,600,019
110100 · Grants Receivable	124,108
Total Accounts Receivable	2,724,127
Other Current Assets	
120000 · Other Current Assets	404,357
Total Other Current Assets	404,357
 Total Current Assets	 25,889,023
Fixed Assets	
130000 · Fixed Assets	132,142,013
Total Fixed Assets	132,142,013
Other Assets	
183000 · Deferred Assets	1,052
Total Other Assets	1,052
 <b>TOTAL ASSETS</b>	 <b>158,032,087</b>
 <b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
210100 · Accounts Payable General	622,001
Total Accounts Payable	622,001
Other Current Liabilities	
210150 · Other Current Liabilities	216,955
210300 · Reserve Interest Payable	109,807
210400 · Wages Payable	67,390
210500 · Payroll Liabilities	1,056
Total Other Current Liabilities	395,208
Total Current Liabilities	1,017,209
Long Term Liabilities	
220000 · Long Term Liabilities	13,990,261
Total Long Term Liabilities	13,990,261
 Total Liabilities	 15,007,471
Equity	
310000 · Equity	133,661,640
320000 · Unrestricted Net Assets	7,206,868
Net Income	2,156,108
Total Equity	143,024,617
 <b>TOTAL LIABILITIES &amp; EQUITY</b>	 <b>158,032,087</b>

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Summary**  
**January 2014**

	<b>Jan '14</b>
Ordinary Income/Expense	
Income	
410000 · Hydro Facility Revenues	1,095,210
Total Income	1,095,210
 Gross Profit	 1,095,210
Expense	
535000 · Hydro/Ops-Suprvision & Engineer	18,474
538000 · Electric Expenses	3,300
539000 · Misc Power Generation Expense	20,026
540000 · Rents	(186)
541000 · Hydro Power Station Maintenance	1,950
542000 · Hydro Structure Maintenance	3,115
543000 · Dams, Reservoirs & Waterways	50
544000 · Maintenance of Electric Plant	89,287
545000 · Plant Miscellaneous Maintenance	1,456
560000 · Trans Sys Operation Sup & Eng	672
562000 · Trans/Operations Station Exp	3,184
571000 · Trans/Maint Overhead Lines(OHL)	4,892
920000 · Administrative Expenses	93,719
921000 · Office Expenses	21,761
922000 · Legislative Affairs	4,687
923000 · Contract Services	23,864
924000 · Insurance	37,857
928000 · Regulatory Commission Expense	9,476
930000 · General Expenses	14,462
931000 · Admin Rent	4,975
Total Expense	357,022
	738,188
 Other Income	
941000 · Grant Income	49,724
941100 · Third Party Income	4,391
942000 · Interest Income	11,011
944000 · Realized Gain/Loss	(11,815)
945000 · Unrealized Gain/Loss	17,016
946000 · Misc Nonoperating Income	200
Total Other Income	70,527
 Other Expense	
952000 · Bond Interest 2009 Series	55,765
953000 · Depreciation Expense	329,817
954000 · Grant Expenses	54,240
954100 · Contributed Capital	(20,282)
954200 · Third Party Expense	1,608
Total Other Expense	421,149
 Net Other Income	 (350,621)
 <b>Net Income</b>	 <b>387,567</b>

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Detail**  
As of January 31, 2014

**ASSETS**

**Current Assets**

Agency Funds

111000 · Ops/Capital/Insurance Funds

111100 · Revenue Fund FB	3,449,697
111200 · Required R&R Fund FB	1,000,359
111210 · Dedicated R&R Projects Fund FB	7,412,223
111300 · Commercial FB	1,001
111400 · Subordinate Debt Fund FB	310
111500 · Self Insured Risk Fund FNBA	<u>8,073,952</u>
<b>Total 111000 · Ops/Capital/Insurance Funds</b>	<b>19,937,542</b>

112000 · Trustee Funds

112100 · WF Trust Bond Interest	164,750
112200 · WF Trust Bond Principal	525,030
112300 · WF Trust Bond Reserve	1,409,354
112400 · WF Refund 2004AB Escrow	<u>1</u>
<b>Total 112000 · Trustee Funds</b>	<b>2,099,135</b>

113000 · Restricted Funds

113100 · STI - USFS CD WF	21,613
113500 · DNR Reclamation Fund WF	<u>702,249</u>
<b>Total 113000 · Restricted Funds</b>	<b>723,862</b>

**Total Agency Funds** **22,760,539**

Accounts Receivable

110000 · Accounts Receivable	2,600,019
110100 · Grants Receivable	<u>124,108</u>
<b>Total Accounts Receivable</b>	<b>2,724,127</b>

Other Current Assets

120000 · Other Current Assets

120200 · Other Receivables	4,286
120300 · Accrued Interest Receivable	27,630
120500 · Prepaid Fees	
120510 · Prepaid FERC Fees	32,577
120520 · Prepaid Insurance	227,143
120540 · Prepaid USDA FS Land Use Fees	72,007
120550 · Prepaid Admin Expense	<u>32,572</u>
<b>Total 120500 · Prepaid Fees</b>	<b>364,298</b>

120700 · Inventory Assets

120701 · Inventory - Wood Poles	<u>8,143</u>
<b>Total 120700 · Inventory Assets</b>	<b>8,143</b>

**Total 120000 · Other Current Assets** **404,357**

**Total Other Current Assets** **404,357**

**Total Current Assets** **25,889,023**



**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Detail**  
As of January 31, 2014

<b>Fixed Assets</b>	
130000 · Fixed Assets	
130100 · Capital Assets	
130110 · Swan Lake	16,231,708
130120 · Tyee Lake	26,060,565
130130 · SEAPA Office	<u>668,955</u>
Total 130100 · Capital Assets	42,961,228
132100 · Swan Tyee Intertie in Operation	111,381,868
132200 · R&R Projects WIP Capital Improv	
132210 · R&R Projects - WIP Swan Lake	
132211 · WIP SWL Agency Permits/Environm	539,441
132213 · WIP SWL Equipment	2,250
132214 · WIP SWL Engineering/Design	8,160
132215 · WIP SWL Legal	1,260
132216 · WIP SWL Project Mgmt/Professnal	127,631
132210 · R&R Projects - WIP Swan Lake - Other	<u>1,358,569</u>
Total 132210 · R&R Projects - WIP Swan Lake	2,037,312
132220 · R&R Projects - WIP Tyee Lake	1,661,543
132230 · R&R Projects - WIP STI-Transmsn	209,556
132240 · R&R Projects - WIP SEAPA Office	<u>83,312</u>
Total 132200 · R&R Projects WIP Capital Improv	3,991,723
132900 · Accumulated Depreciation	<u>(26,192,806)</u>
Total 130000 · Fixed Assets	<u>132,142,013</u>
<b>Total Fixed Assets</b>	132,142,013
<b>Other Assets</b>	
183000 · Deferred Assets	
183300 · Meterological Tower	<u>1,052</u>
Total 183000 · Deferred Assets	<u>1,052</u>
<b>Total Other Assets</b>	<u>1,052</u>
<b>TOTAL ASSETS</b>	<u><u>158,032,087</u></u>

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Financial Position - Detail**  
As of January 31, 2014

**LIABILITIES & EQUITY**

**Liabilities**

Current Liabilities

Accounts Payable

210100 · Accounts Payable General 622,001

Total Accounts Payable 622,001

Other Current Liabilities

210150 · Other Current Liabilities 216,955

210300 · Reserve Interest Payable 109,807

210400 · Wages Payable 67,390

210500 · Payroll Liabilities

210530 · SUI Tax Payable 1,056

Total 210500 · Payroll Liabilities 1,056

Total Other Current Liabilities 395,208

Total Current Liabilities 1,017,209

Long Term Liabilities

220000 · Long Term Liabilities

220100 · Series B Bonds 2009 14,100,000

220110 · Bond Issuance Premium 11,120

220120 · Bond Discount (120,859)

Total 220000 · Long Term Liabilities 13,990,261

Total Long Term Liabilities 13,990,261

**Total Liabilities** 15,007,471

**Equity**

310000 · Equity

310100 · STI Net Assets 106,354,593

310300 · Retained Earnings 27,307,048

Total 310000 · Equity 133,661,640

32000 · Unrestricted Net Assets 7,206,868

Net Income 2,156,108

**Total Equity** 143,024,617

**TOTAL LIABILITIES & EQUITY** 158,032,087

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
**January 2014**

	Jan 14	Budget	Jul '13-Jan 14	YTD Budget	Annual Budget
<b>Ordinary Income/Expense</b>					
Income					
410000 · Hydro Facility Revenues					
410100 · Ketchikan Power Purchases	581,944	680,000	4,147,753	3,699,200	6,045,200
410200 · Petersburg Power Purchases	260,681	326,400	1,891,496	1,802,000	2,856,000
410300 · Wrangell Power Purchases	252,585	299,200	1,594,094	1,706,800	2,720,000
Total 410000 · Hydro Facility Revenues	1,095,210	1,305,600	7,633,343	7,208,000	11,621,200
Total Income	1,095,210	1,305,600	7,633,343	7,208,000	11,621,200
<b>Gross Profit</b>	1,095,210	1,305,600	7,633,343	7,208,000	11,621,200
Expense					
535000 · Hydro/Ops-Suprvision & Engineer					
535100 · Hyd/Ops Sup & Eng - Swan Lake	397	9,400	34,082	65,800	113,000
535150 · Hyd/Ops Sup & Eng - SWL SEAPA	-	2,900	660	20,000	34,500
535200 · Hyd/Ops Sup & Eng - Tyee Lake	11,783	12,200	85,081	85,400	147,500
535250 · Hyd/Ops Sup & Eng -TYL SEAPA	-	800	-	5,600	10,000
535400 · Hyd/Op Sup & Eng - Proj Drawing	-	25,000	39,843	75,000	200,000
535600 · Hyd/Op Sup & Eng - Diesl Genrtn	6,294	-	6,294	-	-
535700 · Hyd/Op Sup & Eng - 4R Plan	-	-	860	-	-
Total 535000 · Hydro/Ops-Suprvision & Engineer	18,474	50,300	166,819	251,800	505,000
537000 · Hydraulic Expenses					
537150 · Hydraulic Expense - SWL SEAPA	-	500	2,195	11,000	13,000
537250 · Hydraulic Expense - TYL SEAPA	-	625	2,195	12,000	18,000
Total 537000 · Hydraulic Expenses	-	1,125	4,390	23,000	31,000
538000 · Electric Expenses					
538100 · Electric Expense - Swan Lake	481	250	9,368	1,850	3,250
538150 · Electric Expense - SWL SEAPA	2,820	1,000	10,990	7,000	12,500
538200 · Electric Expense - Tyee Lake	-	300	2,400	2,100	3,600
538250 · Electric Expense - TYL SEAPA	-	1,000	-	7,000	12,500
Total 538000 · Electric Expenses	3,300	2,550	22,758	17,950	31,850
539000 · Misc Power Generation Expense					
539100 · Misc Exp - Swan Lake	125	5,400	2,481	37,800	65,850
539150 · Misc Expense - SWL SEAPA	6,000	5,500	22,983	34,500	73,600
539200 · Misc Expense - Tyee Lake	67	13,000	149,359	158,640	227,640
539250 · Misc Expense - TYL SEAPA	13,834	8,000	73,578	82,600	155,850
539300 · Misc Expense - Annual Inspectns	-	-	-	-	1,500
539400 · Misc Expense - Permits & Maps	-	-	-	-	150
Total 539000 · Misc Power Generation Expense	20,026	31,900	248,402	313,540	524,590
540000 · Rents					
540300 · FERC Land Use Fee - Swan Lake	(8,035)	3,900	15,041	27,300	47,000
540400 · FERC Land Use Fee - Tyee Lake	1,319	3,800	24,251	26,600	46,000
540500 · USDA Land Use Fee - USFS ROW	1,570	1,600	10,817	11,200	20,000
540600 · USDA Land Use Fee - STI	4,810	5,000	33,132	35,000	60,000
540700 · USDA Tyee Passive Reflector	105	100	725	700	1,350
540710 · USDA Etolin Burnett Radio	44	50	306	350	650
Total 540000 · Rents	(186)	14,450	84,272	101,150	175,000
541000 · Hydro Power Station Maintenance					
541100 · Maint/Supervision - Swan Lake	-	-	-	-	-
541150 · Maintenance - SWL SEAPA	648	7,400	21,734	51,750	88,750
541250 · Maintenance - TYL SEAPA	1,302	6,500	6,472	45,500	78,250
Total 541000 · Hydro Power Station Maintenance	1,950	13,900	28,206	97,250	167,000
542000 · Hydro Structure Maintenance					
542100 · Hyd Structure Maint - Swan Lake	3,115	250	4,281	1,750	3,500
Total 542000 · Hydro Structure Maintenance	3,115	250	4,281	1,750	3,500

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
**January 2014**

	Jan 14	Budget	Jul '13-Jan 14	YTD Budget	Annual Budget
543000 · Dams, Reservoirs & Waterways					
543100 · Dams Res & Waterwys - Swan Lake	50	50	1,283	350	1,000
543150 · Dams Res & Waterwys - SWL SEAPA	-	-	9,856	-	-
543200 · Dams Res & Waterwys - Tye Lake	-	600	117	4,200	7,200
Total 543000 · Dams, Reservoirs & Waterways	50	650	11,256	4,550	8,200
544000 · Maintenance of Electric Plant					
544100 · Maint Electric Plant-Swan Lake	45,598	48,000	353,777	336,000	576,500
544150 · Maint Electric Plant-SWL SEAPA	-	3,750	1,155	26,250	45,000
544200 · Maint Electric Plant-Tye Lake	43,689	50,700	311,763	354,900	608,400
544250 · Maint Electric Plant-TYL SEAPA	-	2,000	-	14,000	25,000
Total 544000 · Maintenance of Electric Plant	89,287	104,450	666,695	731,150	1,254,900
545000 · Plant Miscellaneous Maintenance					
545100 · Plant Misc Maint - Swan Lake	18	2,250	9,264	15,750	27,000
545200 · Plant Misc Maint - Tye Lake	1,438	800	5,109	5,600	9,700
545250 · Plant Misc Maint - TYL SEAPA	-	4,800	16,735	33,600	58,000
Total 545000 · Plant Miscellaneous Maintenance	1,456	7,850	31,108	54,950	94,700
560000 · Trans Sys Operation Sup & Eng					
560200 · Sys Ops Sup & Eng - Tye Lake	672	900	3,093	5,800	10,300
Total 560000 · Trans Sys Operation Sup & Eng	672	900	3,093	5,800	10,300
561000 · Trans/SCADA Load Dispatch					
561250 · SCADA Load Dispatch - TYL SEAPA	-	2,000	4,800	14,000	25,000
Total 561000 · Trans/SCADA Load Dispatch	-	2,000	4,800	14,000	25,000
562000 · Trans/Operations Station Exp					
562100 · Trans/Ops Station - Swan Lake	-	1,000	1,378	7,000	15,000
562150 · Trans/Ops Station - SWL SEAPA	-	2,000	-	13,000	23,000
562200 · Trans/Ops Station - Tye Lake	3,184	2,200	10,512	15,000	26,000
562250 · Trans/Ops Station-TYL SEAPA	-	2,000	-	14,000	25,000
Total 562000 · Trans/Operations Station Exp	3,184	7,200	11,890	49,000	89,000
564000 · Trans/Submarine Cable Expense					
564200 · Trans/Sub Cable Exp - Tye Lake	-	1,325	3,820	10,325	12,825
564250 · Trans/Sub Cable Exp - TYL SEAPA	-	-	-	15,000	30,000
Total 564000 · Trans/Submarine Cable Expense	-	1,325	3,820	25,325	42,825
571000 · Trans/Maint Overhead Lines(OHL)					
571100 · Trans/Maint OHL - Swan Lake	2,909	1,000	3,870	7,000	15,000
571150 · Trans/Maint OHL - SWL SEAPA	-	25,000	14,528	125,000	448,000
571200 · Trans/Maint OHL - Tye Lake	1,983	16,350	103,779	114,150	196,150
571250 · Trans/Maint OHL - TYL SEAPA	-	50,000	38,090	211,000	787,750
571300 · Trans/Maint OHL STI Maintenance	-	-	13,021	-	296,500
571500 · Trans/Maint OHL STI Therml Scan	-	-	-	-	10,000
571600 · Trans/Maint OHL Spare Mat Stor	-	-	-	500	500
571700 · Trans/Maint OH STI Clearing	-	-	-	-	100,000
571800 · Trans/Maint OHL System Events	-	12,500	5,640	87,500	150,000
Total 571000 · Trans/Maint Overhead Lines(OHL)	4,892	104,850	178,928	545,150	2,003,900

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
**January 2014**

	Jan 14	Budget	Jul '13-Jan 14	YTD Budget	Annual Budget
920000 · Administrative Expenses					
920100 · Administrative	93,719	105,000	601,308	731,761	1,256,761
Total 920000 · Administrative Expenses	93,719	105,000	601,308	731,761	1,256,761
921000 · Office Expenses					
921100 · Office Supplies	1,932	1,000	9,020	8,000	13,000
921200 · Office Equipment	5,576	2,300	23,655	15,700	27,200
921300 · Phone, Courier, Internet	8,919	2,000	24,303	15,400	25,400
921400 · System Networking	5,186	3,400	32,663	24,000	41,000
921600 · Vehicle Expenses	147	250	822	1,500	3,000
Total 921000 · Office Expenses	21,761	8,950	90,464	64,600	109,600
922000 · Legislative Affairs	4,687	5,800	24,726	40,600	70,000
923000 · Contract Services					
923200 · Annual Financial Audit	-	5,500	23,616	28,000	28,000
923300 · Bank & Trustee Fees	5,235	980	6,886	6,860	11,800
923400 · Insurance Consultant	-	800	14,044	5,600	10,000
923500 · Investment Consultant	1,687	2,000	29,698	14,000	25,000
923600 · Legal Fees	10,080	12,500	53,051	87,500	150,000
923700 · Recruitment	-	2,500	4,366	17,500	30,000
923800 · Other Professional Services	6,862	1,300	9,282	9,500	16,000
Total 923000 · Contract Services	23,864	25,580	140,944	168,960	270,800
924000 · Insurance	37,857	49,000	269,699	343,000	588,000
928000 · Regulatory Commission Expense					
928150 · FERC SWL Admin Fees	5,881	3,900	29,365	27,300	47,000
928151 · FERC SWL Other Fees	-	8,000	4,852	22,000	104,000
928250 · FERC TYL Admin Fees	3,595	3,500	24,996	25,500	43,000
928252 · FERC TYL Other Fees	-	-	999	-	-
Total 928000 · Regulatory Commission Expense	9,476	15,400	60,212	74,800	194,000
930000 · General Expenses					
930100 · Advertising Expense	700	400	2,136	3,000	5,000
930110 · Public Relations	1,779	5,695	9,673	41,525	70,000
930111 · PR - SEAPA History Project	(10)	600	-	2,000	5,000
930300 · Association Dues Expense	5,733	2,400	25,102	17,050	29,050
930310 · Professional Assn Dues	-	-	230	645	645
930400 · Board Meeting Expenses	158	3,750	15,901	26,250	45,000
930500 · Training Expense	1,683	2,000	15,003	13,400	23,575
930600 · Travel Expense	3,552	3,900	16,500	27,500	47,000
930700 · Non-Travel Incidental	868	300	1,859	2,100	3,500
Total 930000 · General Expenses	14,462	19,045	86,403	133,470	228,770
931000 · Admin Rent					
931010 · Office Rent	4,250	4,500	29,363	29,200	51,700
931100 · Apartment Rent - Ketchikan	725	725	5,075	5,075	8,700
Total 931000 · Admin Rent	4,975	5,225	34,438	34,275	60,400
<b>Total Expense</b>	<b>357,022</b>	<b>577,700</b>	<b>2,778,912</b>	<b>3,827,831</b>	<b>7,745,096</b>
<b>Net Ordinary Income</b>	<b>738,188</b>	<b>727,900</b>	<b>4,854,431</b>	<b>3,380,169</b>	<b>3,876,104</b>

**SOUTHEAST ALASKA POWER AGENCY**  
**Statement of Activities - Budget Comparison Detail**  
 January 2014

	Jan 14	Budget	Jul '13-Jan 14	YTD Budget	Annual Budget
<b>Other Income/Expense</b>					
<b>Other Income</b>					
941000 · Grant Income	49,724		267,079		
941100 · Third Party Income	4,391		271,806		
942000 · Interest Income					
942100 · Misc Interest Income	618		4,773		
942200 · Investment Interest Income	10,394		72,424		
Total 942000 · Interest Income	11,011		77,196		
944000 · Realized Gain/Loss					
944200 · Realized Gain/Loss on Invest	(11,815)		(11,083)		
Total 944000 · Realized Gain/Loss	(11,815)		(11,083)		
945000 · Unrealized Gain/Loss					
945100 · Unrealized Gain/Loss Bonds	(47)		(190)		
945200 · Unrealized Gain/Loss Investment	17,063		3,168		
Total 945000 · Unrealized Gain/Loss	17,016		2,978		
946000 · Misc Nonoperating Income					
946001 · Other Misc Income	163		163		
946002 · Gain/Loss on Property Dispositi	-		9,068		
946000 · Misc Nonoperating Income - Other	37		37		
Total 946000 · Misc Nonoperating Income	200		9,268		
<b>Total Other Income</b>	70,527		617,245		
<b>Other Expense</b>					
951000 · Amortization Expense	-		-		
952000 · Bond Interest 2009 Series	55,765		390,352		
953000 · Depreciation Expense	329,817		2,308,721		
954000 · Grant Expenses					
954002 · Grant Contractual	42,759		340,590		
954004 · Grant Labor & Benefits	82		558		
954005 · Grant Legal	7,700		8,960		
954007 · Grant Other Expense	636		821		
954008 · Grant Travel	3,063		9,423		
954000 · Grant Expenses - Other	-		5,820		
Total 954000 · Grant Expenses	54,240		366,172		
954100 · Contributed Capital	(20,282)		(38,312)		
954200 · Third Party Expense					
954210 · Annette Island Hydro Site Eval					
954211 · Annette Island - Contractual	1,608		274,071		
954212 · Annette Island - Materials	-		232		
954213 · Annette Island - Direct Labor	-		9,486		
954214 · Annette Island - Travel	-		4,845		
Total 954210 · Annette Island Hydro Site Eval	1,608		288,634		
Total 954200 · Third Party Expense	1,608		288,634		
955000 · Interest Expense					
955100 · Interest Expense - Misc	-		1		
Total 955000 · Interest Expense	-		1		
<b>Total Other Expense</b>	421,149		3,315,567		
<b>Net Other Income</b>	(350,621)		(2,698,322)		
<b>Net Income</b>	<b>387,567</b>	<b>727,900</b>	<b>2,156,108</b>	<b>3,380,169</b>	<b>3,876,104</b>

**Southeast Alaska Power Agency**  
**SUMMARY - WIP R&R CAPITAL PROJECTS**  
**February 28, 2014**

	FY14	FY14		EXPENDITURES					Total
	Budget	Expenditures		FY10	FY11	FY12	FY13	FY14	Expenditures
002-10TRN Helicopter Pads	\$ -	(\$20,600)	Complete Nov 2013.	155,131	11,156	(63,600)	-	(20,600)	\$ 82,085
220-12 SCADA Upgrade	\$ 790,093	\$730,399	SWL-SEAPA Office install underway	-	-	130,663	156,453	730,399	\$ 1,017,515
227-13 Burnett Peak Battery	\$ 13,160	\$6,452	Completed Aug 2013.				21,140	6,452	\$ 27,592
228-13 Circuit Switcher WRG	\$ 98,000	\$0	Scheduled with RR236-13, FY14.				-	-	\$ -
229-13 Gate Control Refurbish TYL	\$ 28,246	\$24,442	Scheduled completion Jun 2014.				9,160	24,442	\$ 33,602
231-13 Helicopter Pads	\$ 1,608,000	\$79,946	Bid request issued for manufacture.				57,731	79,946	\$ 137,677
232-13 Communications Upgrade	\$ 245,000	\$172,517	SWL-SEAPA Office complete.				12,160	172,517	\$ 184,677
234-13 Gatehs Generator TYL	\$ 60,000	\$38,833	Complete Sep 2013				114	38,833	\$ 38,947
236-13 Wrangell Reactor	\$ 1,800,000	\$36,218	Bid request issued for manufacture.				55,066	36,218	\$ 91,284
237-13 Remote Brkr Rack. Device	\$ 70,000	\$31,121	Complete Oct 2013				-	31,121	\$ 31,121
238-13 Replacement Winding SWL	\$ 28,492	\$17,846	Complete Aug 2013				872,559	17,846	\$ 890,405
240-13 Cooling Water TYL	\$ 177,295	\$67,566	Piping installation done.				26,600	67,566	\$ 94,165
241-13 Stream Gauge TYL	\$ 1,444,651	\$557,280	Weir & helipad in place Sep 2013.				37,845	557,280	\$ 595,125
242-13 Reservoir Expansion SWL	\$ 1,626,750	\$258,730	Increased Storage			151,421	421,782	258,730	\$ 831,933
	\$ (575,750)		DCCED Grant Funds						
243-14 Compactor-Roller TYL	\$ 80,000	\$126	Purchased Mar 2014					126	\$ 126
244-14 Covered Storage TYL	\$ 25,000	\$4,178	Spare OHL equipment storage					4,178	\$ 4,178
245-14 Crew Boat SWL	\$ 130,000	\$357	Contract awarded March 2014.					357	\$ 357
246-14 Excavator TYL	\$ 125,000	\$105,071	Complete Oct 2013					105,071	\$ 105,071
247-14 Generator Controls SWL	\$ 60,000	\$0	Project on hold.					-	\$ -
248-14 Lathe TYL	\$ 42,000	\$16,593	New lathe to machine parts.					16,593	\$ 16,823
249-14 Marine Term Gage/CommTYL	\$ 175,500	\$0	Replace analog w/digital, comm link					-	\$ -
250-14 Needle Valve AssemblyTYL	\$ 59,000	\$0	On hold pending further review.					-	\$ -
251-14 Powerhs Roof Repair SWL	\$ 399,900	\$0	Bid specs being developed					-	\$ -
252-14 Submarine SpliceSpareTYL	\$ 288,000	\$0	Stock splicing kits					-	\$ -
253-14 Vehicle SEAPA Office	\$ 31,000	\$31,057	Complete Aug 2013					31,057	\$ 31,057
254-14 Water Tank Remediati n SWL	\$ 73,000	\$0	Bid specs being developed					-	\$ -
255-14 Wood Helipad Repair SWL	\$ 102,000	\$0	Permit, new & wood deck replace.					-	\$ -
<b>Total WIP R&amp;R Capital Projects</b>	<b>\$9,004,337</b>	<b>\$2,158,131</b>		<b>\$155,131</b>	<b>\$11,156</b>	<b>\$218,483</b>	<b>\$1,670,609</b>	<b>\$2,158,131</b>	<b>\$4,213,740</b>

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
**February 28, 2014**

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>002-10TRN Helicopter Pads</b>			<b>\$0</b>	-	This project will be capitalized in FY14 after the helipad prototype is placed in service. The FY12 credit represents helipad design and materials that were abandoned due to excessive liability. Project continued under R&R 231-13.
	\$ 155,131	<i>FY10 Expenditures</i>			
	\$ 11,156	<i>FY11 Expenditures</i>			
	\$ (63,600)	<i>FY12 Expenditures</i>			
07/31/13	307	Touchdown Enterprises		(20,600)	One helipad moved to RR241-13 Stream Gage project.
<b>Total 002-10 Helicopter Pads</b>				<u>82,085</u>	COMPLETE. Prototype in place November 2013.
<b>220-12 SCADA Upgrade</b>			<b>\$790,093</b>	-	SEAPA System SCADA Consolidation Project. Installation nearly complete. System-wide testing pending Bailey installation. (E.Wolfe)
	\$ 130,663	<i>FY12 Expenditures</i>			
	\$ 156,453	<i>FY13 Expenditures</i>			
07/08/13	WOL201307	.Wolfe, Eric		7	
07/10/13	51212	Sunrise Aviation Inc		420	
07/10/13	51217	Sunrise Aviation Inc		720	
07/11/13	51222	Sunrise Aviation Inc		915	
07/12/13	51225	Sunrise Aviation Inc		285	
07/30/13	INV130731	Segrity LLC		6,778	
07/30/13	INV130731	Segrity LLC		6,778	
07/31/13	WOL9225-20130	"Bank of America		318	
07/31/13	THO9358-20130	"Bank of America		205	
07/31/13	783	Fiber Fusion		102,268	
08/19/13	S1108456001	Technical Marketing Mfg., Inc.		48,444	
08/28/13	5566922511	Siemens Industry Inc		7,266	
08/28/13	5566922511	Siemens Industry Inc		1,177	
08/31/13	786	Fiber Fusion		27,769	
09/03/13	40478534116	Schweitzer Engineering Laboratorie		43,498	
09/04/13	40478534328	Schweitzer Engineering Laboratorie		864	
09/05/13	71623	Transduction		18,263	
09/09/13	40478535150	Schweitzer Engineering Laboratorie		2,832	
09/18/13	40478536833	Schweitzer Engineering Laboratorie		14,697	
09/24/13	10141	Bison ProFab		3,521	
09/25/13	51111839001	Technical Marketing Mfg., Inc.		2,397	
09/27/13	XJ7KR2MP8	DELL		3,803	
09/30/13	WOL9225-20130	"Bank of America		66	
09/30/13	792	Fiber Fusion		35,849	
10/03/13	11G005646	Anixter		1,427	
10/03/13	11G005688	Anixter		3,109	
10/03/13	11G005688	Anixter		400	
10/04/13	11G005665	Anixter		1,657	
10/04/13	11G005653	Anixter		152	



**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
**February 28, 2014**

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
10/04/13	55185	Standard Automation		1,820	
10/06/13	INV131004	Segrity LLC		18,065	
10/06/13	INV131004	Segrity LLC		5,763	
10/07/13	11G005666	Anixter		72	
10/07/13	110961	REVL Communications & Systems		4,122	
10/10/13	40478541024	Schweitzer Engineering Laboratorie		1,713	
10/11/13	11G005698	Anixter		12	
10/14/13	11G005746	Anixter		776	
10/14/13	11G005746	Anixter		284	
10/23/13	XJ83NC8X9	DELL		627	
10/28/13	40478543768	Schweitzer Engineering Laboratorie		865	
10/31/13	GUY8385-20131	"Bank of America		68	
10/31/13	THO9358-20131	"Bank of America		194	
10/31/13	THO9358-20131	"Bank of America		97	
10/31/13	THO9358-20131	"Bank of America		97	
10/31/13	WOL9225-20131	"Bank of America		162	
10/31/13	TBPA201310	Thomas Bay Power Authority		2,317	
10/31/13	WOL201310	.Wolfe, Eric		354	
10/31/13	795B	Fiber Fusion		53,432	
11/15/13	30101	Petro Marine Services		507	
11/17/13	51532	Sunrise Aviation Inc		435	
11/19/13	51538	Sunrise Aviation Inc		435	
11/22/13	51539	Sunrise Aviation Inc		435	
11/24/13	51541	Sunrise Aviation Inc		435	
11/27/13	11G005951	Anixter		592	
11/27/13	11G005951	Anixter		592	
11/30/13	INV131210	Segrity LLC		37,285	
11/30/13	798	Fiber Fusion		12,650	
11/30/13	798	Fiber Fusion		12,650	
11/30/13	800	Fiber Fusion		784	
11/30/13	TBPA201311	Thomas Bay Power Authority		12,658	
11/30/13	797	Fiber Fusion		44,831	
12/03/13	40478550304	Schweitzer Engineering Laboratorie		483	
12/19/13	23149	Control Engineers		120	
12/19/13	11G006060	Anixter		1,309	
12/22/13	51575	Sunrise Aviation Inc		20	
12/31/13	TBPA201312	Thomas Bay Power Authority		2,522	
01/07/14	51582	Sunrise Aviation Inc		285	
01/09/14	139383	Industrial Networking Solutions		758	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
**February 28, 2014**

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
01/10/14		;Alaska Airlines		158	
01/12/14	51586	Sunrise Aviation Inc		190	
01/13/14	57587	Sunrise Aviation Inc		1,155	
01/14/14	139466	Industrial Networking Solutions		937	
01/15/14	51589	Sunrise Aviation Inc		1,880	
01/16/14	27386	Taquan Air		467	
01/31/14	803	Fiber Fusion		53,497	
01/31/14	INV14002	Segrity LLC		(1,765)	
01/31/14	INV14002	Segrity LLC		23,960	
01/31/14	8983	Automation Control Products		4,610	
01/31/14	802	Fiber Fusion		14,557	
01/31/14	XJ9XD8RX2	Dell		3,138	
01/31/14	TBPA201401	Thomas Bay Power Authority		7,702	
01/31/14	WOL7811-20140	"Bank of America		84	
01/31/14	WOL7811-20140	"Bank of America		80	
02/05/14	XJCIPX232	Dell		3,707	
02/11/14	71933	Transduction		6,667	
02/12/14	56275	Standard Automation		2,049	
02/15/14	23182	Control Engineers		156	
02/20/14	40478563091	Schweitzer Engineering Laboratorie		25,024	
02/21/14	5567254954	Siemens Industry Inc		3,338	
02/26/14	WQGVZR	;Alaska Airlines		578	
02/28/14	805	Fiber Fusion		19,408	
02/28/14	WOL201402	.Wolfe, Eric		7	
02/28/14	TBPA201402	Thomas Bay Power Authority		2,304	
<b>Total 220-12 SCADA Upgrade</b>				<u>1,017,515</u>	
<b>227-13 Burnett Peak Battery</b>			<b>\$13,160</b>	-	Battery replacement at Burnett Peak communication center completed by
01/10/13	18040	AP&T Wireless, Inc.		21,140	AP&T. (S.Henson) COMPLETE AUG 2013.
08/29/13	8267401	Madison Lumber & Hardware Inc		18	
09/20/13	19515	AP&T Wireless, Inc.		6,434	
<b>Total 227-13 Burnett Peak Battery</b>				<u>27,592</u>	
<b>228-13 Circuit Switcher WRG</b>			<b>\$98,000</b>	-	Replace manual 3-phase circuit switcher at the Wrangell switchyard.
				-	Scheduled to coincide with R&R236-13 Wrangell Reactor. (S.Henson)
<b>Total 228-13 Circuit Switcher Wrg</b>				<u>-</u>	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
**February 28, 2014**

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>229-13 Gate Control Refurbish</b>			<b>\$28,246</b>	-	Replace control panel and components, rebuild hand-hydraulic pump. Scheduled for completion in May 2014. (S.Henson)
	\$9,160	<i>FY13 Expenditures</i>			
08/27/13	26937	Temsco Helicopters, Inc.		1,738	
09/05/13	27058	Temsco Helicopters, Inc.		2,738	
09/06/13	27002	Temsco Helicopters, Inc.		1,303	
09/30/13	TBPS201309	Thomas Bay Power Authority		532	
10/10/13	27131	Temsco Helicopters, Inc.		1,863	
10/11/13	27138	Temsco Helicopters, Inc.		3,699	
10/12/13	27140	Temsco Helicopters, Inc.		3,494	
10/13/13	51468	Sunrise Aviation Inc		435	
10/31/13	TBPA201310	Thomas Bay Power Authority		4,492	
11/06/13	11062013	Temsco Helicopters, Inc.		2,706	
11/12/13	K5632	Temsco Helicopters, Inc.		203	
11/30/13	TBPA201311	Thomas Bay Power Authority		1,185	
12/31/13	TBPA201312	Thomas Bay Power Authority		55	
<b>Total 229-13 Gate Control Refurbish TYL</b>				<b>33,602</b>	
<b>231-13 Helicopter Pads</b>			<b>\$1,608,000</b>	-	Helipad installation on the intertie and replacement of pads on Swan and Tyee lines. Prototype installed on the STI in November 2013. Helipad design contract awarded to PND in April 2014. (S.Henson)
	\$ 57,731	<i>FY13 Expenditures</i>			
07/15/13	1575	PSSA LLC		1,062	
07/16/13	26298	Taquan Air		467	
07/26/13	50705567	Tetra Tech Inc		1,391	
07/31/13	132017	Tongass Engineering		4,369	
08/23/13	13483	Ketchikan Autobody & Glass		5,000	
08/23/13	50712997	Tetra Tech Inc		387	
08/28/13	26947	Temsco Helicopters, Inc.		5,962	
08/31/13	132018	Tongass Engineering		4,974	
09/27/13	50726766	Tetra Tech Inc		789	
09/30/13	132019	Tongass Engineering		1,234	
09/30/13	132101	Tongass Engineering		709	
09/30/13	28343	Ketchikan Daily News		59	
10/04/13	54805	Pilot Publishing, Inc.		57	
10/04/13	54803	Wrangell Sentinel		45	
10/07/13	27124	Temsco Helicopters, Inc.		3,279	
10/15/13	27141	Temsco Helicopters, Inc.		3,643	
10/15/13	27138	Taquan Air		467	
10/24/13	27173	Temsco Helicopters, Inc.		2,440	
10/24/13	27174	Temsco Helicopters, Inc.		555	
10/25/13	27176	Temsco Helicopters, Inc.		1,331	
10/27/13	27178	Temsco Helicopters, Inc.		1,664	
10/28/13	27185	Temsco Helicopters, Inc.		1,698	
10/29/13	27191	Temsco Helicopters, Inc.		1,220	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
**February 28, 2014**

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
10/31/13	27194	Temsco Helicopters, Inc.		1,553	
10/31/13	50741540	Tetra Tech Inc		611	
11/01/13	27210	Temsco Helicopters, Inc.		1,885	
11/01/13	1320110	Tongass Engineering		4,851	
11/02/13	27205	Temsco Helicopters, Inc.		2,576	
11/21/13	4177	Alaska Clearing Inc		11,500	
11/21/13	M639	Vigor Alaska LLC		216	
11/22/13	50752487	Tetra Tech Inc		2,809	
12/16/13	16490222	R&M Consultants Inc		194	
12/31/13	50759947	Tetra Tech Inc		1,175	
01/11/14	1320112	Tongass Engineering		1,103	
01/11/14	1320111	Tongass Engineering		3,216	
01/20/14	14985	Ketchikan Daily News		71	
01/24/14	50767954	Tetra Tech Inc		479	
01/31/14	55504	Pilot Publishing, Inc.		68	
01/31/14	1320113	Tongass Engineering		2,678	
02/02/14	100869838	Anchorage Daily News		72	
02/03/14	55699	Wrangell Sentinel		55	
02/28/14	50772681	Tetra Tech Inc		723	
02/28/14	1320114	Tongass Engineering		1,313	
<b>Total 231-13 Helicopter Pads</b>				<u>137,677</u>	
<b>232-13 Communications Upgrat</b>			<b>\$245,000</b>	-	Preferred recommendation for SEAPA Communications upgrade.
	\$12,160	<i>FY13 Expenditures</i>			Continuation of Gillespie, Prudhon & Assoc. "Communication Network
08/15/13	26680	Taquan Air		935	Evaluation & Recommendation" study. (S. Henson)
08/17/13	51319	Sunrise Aviation Inc		180	
08/18/13	51322	Sunrise Aviation Inc		1,220	Satellite dishes and telephone systems installed at Swan Lake and SEAPA
08/22/13	MK139744	Futaris		7,395	Office in December 2013. Permitting process for the Tyee Lake satellite
08/22/13	MK139744	Futaris		7,395	dish underway.
08/30/13	MK139757	Futaris		150	
08/30/13	MK139757	Futaris		150	
08/30/13	MK139756	Futaris		417	
08/30/13	MK139756	Futaris		417	
08/30/13	MK139756	Futaris		417	
09/03/13	TIE201309	Tek Indoor Environmental		1,948	
09/12/13	MK139764	Futaris		2,441	
09/12/13	MK139765	Futaris		2,324	
09/20/13	8326341	Madison Lumber & Hardware Inc		774	
09/20/13	8326351	Madison Lumber & Hardware Inc		66	
09/30/13	1600	PSSA LLC		798	
10/01/13	MK139771	Futaris		3,645	
10/01/13	MK139772	Futaris		6,956	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
**February 28, 2014**

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
10/06/13	INV131004	Segrity LLC		608	
10/06/13	INV131004	Segrity LLC		608	
10/10/13	MK139796	Futaris		7,165	
10/28/13	MK139807	Futaris		9,914	
10/28/13	MK139809	Futaris		2,736	
10/29/13	27180	Taquan Air		467	
10/30/13	205508	Best Western Landing Hotel		133	
10/30/13	CM139796	Futaris		(7,165)	
11/02/13	27205	Temsco Helicopters, Inc.		1,288	
11/07/13	27240	Taquan Air		467	
11/08/13	206103	Best Western Landing Hotel		148	
11/13/13	CM139807	Futaris		(9,914)	
11/25/13	MK139829	Futaris		1,198	
11/27/13	1776	Millard Associates Architects		1,979	
11/30/13	INV121205	Segrity LLC		(1,000)	
11/30/13	INV121205	Segrity LLC		333	
11/30/13	INV121205	Segrity LLC		333	
11/30/13	INV121205	Segrity LLC		333	
11/30/13	TX201026	Anchorage Daily News		(43)	
11/30/13	TX201026	Anchorage Daily News		14	
11/30/13	TX201026	Anchorage Daily News		14	
11/30/13	TX201026	Anchorage Daily News		14	
12/14/13	206772	Best Western Landing Hotel		515	
12/31/13	MK139848	Futaris		13,271	
12/31/13	3686	McMillen LLC		123	
12/31/13	MK139849	Futaris		22,148	
12/31/13	CM139850B	Futaris		(3,000)	
12/31/13	MK139850	Futaris		76,163	
01/24/14	CM139850	Futaris		(17)	
01/31/14	INV14002	Segrity LLC		2,018	
01/31/14	INV14002	Segrity LLC		2,018	
01/31/14	MK139808	Futaris		9,784	
01/31/14	MK139814	Futaris		1,065	
02/03/14	20144	Ketchikan City of 334		678	
02/25/14	MK149883	Futaris		494	
<b>Total 232-13 Communications Upgrade</b>				<u>184,677</u>	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
**February 28, 2014**

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>234-13 Gatehs Generator TYL</b>			<b>\$60,000</b>	-	Replacement of aging propane generator and two propane tanks at Tyee Gatehouse. Propane tanks passed inspection July 2012 & will not be replaced. Generator installed & tanks filled Sep 2013. (S.Henson)
	\$	114	<i>FY13 Expenditures</i>		
07/30/13	72613	Arrowhead LP Gas WRG		13,880	
08/02/13	26858	Temsco Helicopters, Inc.		1,814	COMPLETE Sep 2013.
08/27/13	26937	Temsco Helicopters, Inc.		1,738	
08/29/13	11410	Buness Electric LLC		488	
09/03/13	26999	Temsco Helicopters, Inc.		8,683	
09/03/13	26998	Temsco Helicopters, Inc.		3,769	
09/03/13	14259	Arrowhead LP Gas WRG		1,275	
09/03/13	17702	Service Auto Parts		66	
09/04/13	80237	Wrangell Oil Inc		499	
09/05/13	51365	Sunrise Aviation Inc		420	
09/05/13	95131	Arrowhead Transfer SIT		912	
09/06/13	27002	Temsco Helicopters, Inc.		1,303	
09/18/13	80364	Wrangell Oil Inc		527	
10/12/13	K9333001	Tyler Rental, Inc.		118	
10/25/13	51492	Sunrise Aviation Inc		870	
10/25/13	27176	Temsco Helicopters, Inc.		2,371	
10/31/13	HEN0453-20131	"Bank of America		101	
<b>Total 234-13 Gatehs Gen-Propane TYL</b>				<u>38,947</u>	
<b>236-13 Wrangell Reactor</b>			<b>\$1,800,000</b>	-	Replace aging reactor in Wrangell with switchable reactors and capacitors. Studies performed by EPS and Segrity. Design is complete. Bid for manufacture awarded to ABB in March 2014 with scheduled delivery in October. (S.Henson)
	\$55,066	<i>FY13 Expenditures</i>			
11/30/13	2147	Electric Power Systems Inc.		9,621	
01/23/14	2433	Electric Power Systems Inc.		18,104	
01/24/14	3284184	Daily Journal of Commerce		91	
01/31/14	2655	Electric Power Systems Inc.		8,402	
<b>Total 236-13 Wrangell Reactors</b>				<u>91,284</u>	
<b>237-13 Remote Brkr Rack. Devi</b>			<b>\$70,000</b>	-	Safety measure to protect personnel while racking a breaker. Two racking devices delivered to both Swan & Tyee complete in October. (S.Henson)
09/13/13	145693	Powell Electrical Systems		4,805	
09/13/13	145693	Powell Electrical Systems		4,805	COMPLETE Oct 2013.
09/27/13	10712	CBS ArcSafe, Inc		10,755	
09/27/13	10712	CBS ArcSafe, Inc		10,755	
<b>Total 237-13 Remote Brkr Rack. Device</b>				<u>31,121</u>	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
**February 28, 2014**

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>238-13 Replacement Winding S'</b>			<b>\$28,492</b>	-	Spare generator winding for Swan Lake. Constructed by Voith Hydro. Delivered to Swan Lake in June. Humidity-controlled storage built in August 2013. COMPLETE Aug 2013.
	\$ 872,559	<i>FY13 Expenditures</i>			
07/15/13	8129541	Madison Lumber & Hardware Inc		351	
07/15/13	8129671	Madison Lumber & Hardware Inc		86	
07/15/13	330359	Northland Services		15	
07/19/13	331757	Northland Services		51	
07/29/13	26451	Taquan Air		234	
07/31/13	THO9358-20130	"Bank of America		489	
07/31/13	MKC201307	Morris Kepler Consulting		34	
08/07/13	8203771	Madison Lumber & Hardware Inc		71	
08/12/13	26669	Taquan Air		234	
08/31/13	THO9358-20130	"Bank of America		127	
08/31/13	MKC201308	Morris Kepler Consulting		16,790	
09/30/13	MKC201309	Morris Kepler Consulting		1,260	
11/30/13	8129541	Madison Lumber & Hardware Inc		(351)	
11/30/13	8129671	Madison Lumber & Hardware Inc		(86)	
11/30/13	8010541	Madison Lumber & Hardware Inc		(1,457)	
<b>Total Replacement Winding SWL</b>				<u>890,405</u>	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
**February 28, 2014**

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>240-13 Cooling Water TYL</b>			<b>\$177,295</b>	-	Piping installation complete. Valves and control work remain.
	\$ 26,600	<i>FY13 Expenditures</i>			
07/31/13	MKC201307	Morris Kepler Consulting		719	
08/31/13	THO9358-20130	"Bank of America		458	
08/31/13	MKC201308	Morris Kepler Consulting		1,220	
08/31/13	TBPA201308	Thomas Bay Power Authority		751	
09/10/13	K39322	Tyler Rental, Inc.		578	
09/10/13	K9291801	Tyler Rental, Inc.		945	
09/11/13	2714550	Ferguson Enterprises		4,487	
09/12/13	346056	Northland Services		300	
09/18/13	80371	Wrangell Oil Inc		697	
09/20/13	51405	Sunrise Aviation Inc		420	
09/25/13	94867	McCall Industrial		4,356	
09/25/13	94869	McCall Industrial		6,875	
09/26/13	51423	Sunrise Aviation Inc		720	
09/27/13	2264220895	FedEx		183	
09/30/13	MKC201309	Morris Kepler Consulting		11,780	
09/30/13	WOL9225-20130	"Bank of America		41	
09/30/13	TBPS201309	Thomas Bay Power Authority		7,171	
10/01/13	351224	Northland Services		72	
10/04/13	ACT4655201309	"Bank of America		18	
10/08/13	51455	Sunrise Aviation Inc		435	
10/11/13	353357	Northland Services		72	
10/16/13	353818	Northland Services		38	
10/25/13	K9291802	Tyler Rental, Inc.		378	
10/31/13	TBPA201310	Thomas Bay Power Authority		10,191	
11/05/13	51513	Sunrise Aviation Inc		720	
11/09/13	51518	Sunrise Aviation Inc		435	
11/30/13	HEN0453-20131	"Bank of America		66	
11/30/13	MKC201311	Morris Kepler Consulting		4,171	
11/30/13	TBPA201311	Thomas Bay Power Authority		4,238	
12/31/13	TBPA201312	Thomas Bay Power Authority		562	
01/31/14	MKC201312	Morris Kepler Consulting		4,539	
02/20/14	214525	Northland Services		(72)	
<b>Total Project</b>				<u>94,165</u>	



**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
**February 28, 2014**

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>241-13 Stream Gauge TYL</b>			<b>\$1,444,651</b>	-	Logs cleared July 2013. Weir construction completed and helipad place at site in September 2013. Emergency shack to be constructed in spring/summer.
	\$ 37,845	<i>FY13 Expenditures</i>			
07/02/13	26629	Temsco Helicopters, Inc.		2,070	
07/11/13	26699	Temsco Helicopters, Inc.		2,368	
07/11/13	127199	Promech Air		2,790	
07/14/13	129683	Promech Air		1,350	
07/15/13	1575	PSSA LLC		1,062	
07/19/13	8208	Alaska Clearing Inc		7,400	
07/19/13	76753	Pacific Airways Inc		1,000	
07/20/13	331933	Northland Services		833	
07/28/13	3291	McMillen, LLC		431	
07/29/13	129937	Promech Air		2,258	
07/30/13	201926	Best Western Landing Hotel		258	
07/31/13	2670-201307	Wrangell City of		12	
07/31/13	HEN0453-201307	"Bank of America		1,168	
07/31/13	BAM201307	BAM, LLC		151,900	
07/31/13	WOL9225-201307	"Bank of America		17	
07/31/13	307	Touchdown Enterprises		20,600	
08/01/13	26629	Taquan Air		1,233	
08/20/13	BAM201308	BAM, LLC		54,000	
08/22/13	51333	Sunrise Aviation Inc		1,724	
08/23/13	51338	Sunrise Aviation Inc		715	
08/29/13	11410	Buness Electric LLC		1,463	
08/31/13	26969	Temsco Helicopters, Inc.		3,810	
08/31/13	WOL201308	.Wolfe, Eric		2	
08/31/13	WOL9225-201308	"Bank of America		94	
08/31/13	THO9358-201308	"Bank of America		458	
09/05/13	51365	Sunrise Aviation Inc		420	
09/06/13	51371	Sunrise Aviation Inc		420	
09/06/13	51372	Sunrise Aviation Inc		420	
09/06/13	27002	Temsco Helicopters, Inc.		1,305	
09/06/13	27001	Temsco Helicopters, Inc.		14,082	
09/07/13	51373	Sunrise Aviation Inc		420	
09/13/13	51398	Sunrise Aviation Inc		720	
09/13/13	51397	Sunrise Aviation Inc		420	
09/13/13	27045	Temsco Helicopters, Inc.		8,106	
09/13/13	27046	Temsco Helicopters, Inc.		3,034	
09/17/13	1489	Stikine Transportation		23,146	
09/18/13	3388	McMillen, LLC		3,502	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
**February 28, 2014**

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
09/25/13	BAM201309	BAM, LLC		10,000	
09/25/13	BAM201309	BAM, LLC		219,500	
09/27/13	350220	Northland Services		252	
09/30/13	TBPS201309	Thomas Bay Power Authority		5,588	
09/30/13	1600	PSSA LLC		798	
10/16/13	1772	Sign Pro		430	
10/31/13	WOL201310	.Wolfe, Eric		190	
11/06/13	11062013	Temsco Helicopters, Inc.		902	
11/12/13	K5632	Temsco Helicopters, Inc.		68	
11/21/13	4178	Alaska Clearing Inc		700	
11/30/13	3598	McMillen LLC		369	
11/30/13	8129541	Madison Lumber & Hardware Inc		351	
11/30/13	8129671	Madison Lumber & Hardware Inc		86	
11/30/13	8010541	Madison Lumber & Hardware Inc		1,457	
12/31/13	3686	McMillen LLC		123	
02/09/14	3761	McMillen LLC		1,456	
<b>Total 241-13 Stream Gauge TYL</b>				<u>595,125</u>	

**242-13 Reservoir Expansion SW** **\$1,626,750** Refer to report from Director of Special Projects.  
**AK DCCED Grant >** **(\$575,750)**

06/30/12	\$	151,421	<i>FY12 Expenditures</i>	
	\$	421,782	<i>FY13 Expenditures</i>	
07/26/13	50705565	Tetra Tech Inc		2,911
07/26/13	50705569	Tetra Tech Inc		33,899
07/28/13	3290	McMillen, LLC		4,196
08/23/13	50712999	Tetra Tech Inc		2,753
08/24/13	3349	McMillen, LLC		2,660
09/20/13	51405	Sunrise Aviation Inc		1,130
10/10/13	50726769	Tetra Tech Inc		2,479
10/10/13	50726769	Tetra Tech Inc		631
10/14/13	3437	McMillen, LLC		3,450
10/31/13	50741551	Tetra Tech Inc		219
10/31/13	50741551	Tetra Tech Inc		6,038
11/08/13	3281814	Daily Journal of Commerce		44
11/13/13	3517	McMillen LLC		8,348
11/15/13	27251	Taquan Air		935
11/22/13	50752491	Tetra Tech Inc		183
11/22/13	50752491	Tetra Tech Inc		10,767
11/30/13	3596	McMillen, LLC		5,820
12/01/13	I00764125	Anchorage Daily News		57

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
**February 28, 2014**

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
12/27/13	50759950	Tetra Tech Inc		3,015	
12/31/13	3584	McMillen, LLC		930	
01/22/14		;Alaska Airlines		888	
01/24/14	50767956	Tetra Tech Inc		486	
01/24/14	50767956	Tetra Tech Inc		10,924	
01/31/14		;Alaska Airlines		724	
01/31/14		;Southwest Airlines		299	
01/31/14	1401	Glenn Brewer Consulting Engineer		1,400	
01/31/14	WOL7811-20140	"Bank of America		589	
01/31/14	340			17	
02/03/14	194786	Frontier Shipping & Copyworks		48	
02/04/14	194557	Frontier Shipping & Copyworks		415	
02/09/14	3752	McMillen LLC		74,452	
02/24/14	27472	Taquan Air		1,870	
02/24/14	209479	Best Western Landing Hotel		99	
02/24/14	208696	Best Western Landing Hotel		99	
02/25/14	208610	Best Western Landing Hotel		198	
02/25/14	STZFHZ	;Alaska Airlines		279	
02/25/14	208695	Best Western Landing Hotel		198	
02/26/14	1402	Glenn Brewer Consulting Engineer		8,754	
02/28/14	50772683	Tetra Tech Inc		814	
02/28/14	50772683	Tetra Tech Inc		484	
02/28/14	WOL7811-20140	"Bank of America		11	
02/28/14	WOL7811-20140	"Bank of America		689	
02/28/14	KDR201402	de Rubertis, Kim		5,514	
02/28/14	51490001	Jacobs Associates		58,998	
02/28/14	344	USDA Forest Service		17	
<b>Total 242-13 Reservoir Expansion SWL</b>				<b>831,933</b>	
<b>243-14 Compactor-Roller TYL</b>			<b>\$80,000</b>		MAR 2014 Purchased and shipped to Wrangell in Mar 2014. To be shipped to Tye this spring along with containers for RR244-14.
08/08/13	28027	Ketchikan Daily News		47	
08/08/13	54324	Pilot Publishing, Inc.		44	
08/08/13	54314	Wrangell Sentinel		36	
<b>Total 243-14 Compactor-Roller TYL</b>				<b>126</b>	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
**February 28, 2014**

Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>244-14 Covered Storage TYL</b>			<b>\$25,000</b>		Purchased two 40' containers that will act as side-walls and provide additional storage. To be shipped to Tyee this spring along with RR243-14 Compactor-Roller.
12/27/13	25491	Alaska Marine Lines		4,000	
02/05/14	398859	Wrangell City & Borough		75	
02/28/14	WRG0314	Wrangell City & Borough		102	
<b>Total 244-14 Covered Storage TYL</b>				<u>4,178</u>	
<b>245-14 Crew Boat SWL</b>			<b>\$130,000</b>		Contract to manufacture awarded to Munson Boats in March 2014 with delivery scheduled for August.
09/19/13	3280081	Daily Journal of Commerce		42	
09/19/13	28290	Ketchikan Daily News		53	
09/28/13	54635	Wrangell Sentinel		39	
02/10/14	3284726	Daily Journal of Commerce		48	
02/11/14	15009	Ketchikan Daily News		65	
02/14/14	55767	Pilot Publishing, Inc.		61	
02/14/14	55776	Wrangell Sentinel		50	
<b>Total 245-14 Crew Boat SWL</b>				<u>357</u>	
<b>246-14 Excavator TYL</b>			<b>\$125,000</b>		COMPLETE OCT 2013.
08/08/13	28028	Ketchikan Daily News		53	
08/08/13	54324	Pilot Publishing, Inc.		47	
08/08/13	54314	Wrangell Sentinel		39	
10/04/13	351975	Northland Services		136	
10/15/13	K39536	Tyler Rental, Inc.		101,400	
02/28/14	TBPA201402	Thomas Bay Power Authority		3,396	
<b>Total 246-14 Excavator TYL</b>				<u>105,071</u>	
<b>247-14 Generator Controls SWL</b>			<b>\$60,000</b>		Replacement of generator controls is more extensive than originally estimated and will require additional funding; project moved to FY15.
<b>Total 247-14 Generator Controls SWL</b>				<u>-</u>	
<b>248-14 Lathe TYL</b>			<b>\$42,000</b>		In transit to Tyee Lake.
06/30/13	MK201306	Morris Kepler Consulting		230.00	
07/09/13	IMC1	Idaho Machinery Company, LLC		16,334.00	
07/31/13	MKC201307	Morris Kepler Consulting		258.75	
<b>Total 248-14 Lathe TYL</b>				<u>16,823</u>	
<b>249-14 Marine Term Gage/Comr</b>			<b>\$175,500</b>		Work initiated in April 2014. (S.Henson)
<b>Total 249-14 Marine Term Gage/Co</b>				<u>-</u>	

**Southeast Alaska Power Agency**  
**WORK-IN-PROGRESS R&R CAPITAL PROJECTS**  
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Date	Num	Vendor	FY14 BUDGET \$	Expenditures	Description
<b>250-14 Needle Valve Assembly</b>					
			<b>\$59,000</b>		On hold pending further review. (E.Wolfe)
				-	
<b>Total 250-14 Needle Valve Assembly</b>				-	
<b>251-14 Powerhs Roof Repair SV</b>					
			<b>\$399,900</b>		Specifications for bid being developed by May Engineering.
				-	
<b>Total 251-14 Powerhs Roof Repair</b>				-	
<b>252-14 Submarine SpliceSpare</b>					
			<b>\$288,000</b>		Scheduled to be ordered.
				-	
<b>Total 252-14 Submarine Splice SpareTYL</b>				-	
<b>253-14 Vehicle SEAPA Office</b>					
			<b>\$31,000</b>		Ford Explorer. COMPLETE AUG 2013.
08/09/13	1FM5K	Titus-Will Ford		30,232	
08/16/13	339139	Northland Services		825	
<b>Total 253-14 Vehicle SEAPA Office</b>				<b>31,057</b>	
<b>254-14 Water Tank Remediatn S</b>					
			<b>\$73,000</b>		Specifications for bid being developed by May Engineering.
				-	
<b>Total Water Tank Remediatn SWL</b>				-	
<b>255-14 Wood Helipad Repair SV</b>					
			<b>\$102,000</b>		Request for bids pending.
				-	
<b>Total 255-14 Wood Helipad Repair SWL</b>				-	
<b>Total WIP R&amp;R Capital Projects</b>			<b>\$ 9,004,337</b>	<b>\$ 4,213,740</b>	

# SOUTHEAST ALASKA POWER AGENCY

## SUGGESTED MOTION

I move to approve disbursements for the months of February & March 2014  
in the amount of \$1,572,231.48.

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
2013	A. Dashen & Associates	17,919.51	
ADL 100113	AK DNR 550	50.00	
ADL 100887	AK DNR 550	50.00	
LAS 27405	AK DNR 550	50.00	
ACS201402	Alaska Communications Systems	77.36	
ACS201403	Alaska Communications Systems	77.00	
240439	Alaska Marine Lines	4,039.96	
APCM201312	Alaska Permanent Capital Inc	1,683.57	
APCM201401	Alaska Permanent Capital Inc	1,687.02	
APCM201402	Alaska Permanent Capital Inc	1,688.86	
2684	Alaska Power Association	350.00	
8766	Alltek Network Solutions Inc	15.95	
100869838	Anchorage Daily News		72.21
I00927163	Anchorage Daily News	59.76	
684	Ascent Law Partners, LLP	8,225.00	
685	Ascent Law Partners, LLP	1,855.00	
686	Ascent Law Partners, LLP	7,700.00	
721	Ascent Law Partners, LLP	11,270.00	
722	Ascent Law Partners, LLP	6,895.00	
723	Ascent Law Partners, LLP	3,990.00	
2651559436	AT&T Alascom 5019	305.34	
2651680666	AT&T Alascom 5019	305.34	
1131884	AterWynne LLP	525.00	
1132025	AterWynne LLP	7,199.38	
1132026	AterWynne LLP	15.00	
1132032	AterWynne LLP	191.37	
8983	Automation Control Products		4,610.00
208696	Best Western Landing Hotel	-	99.00
209479	Best Western Landing Hotel	-	99.00
208610	Best Western Landing Hotel	-	198.00
208695	Best Western Landing Hotel	-	198.00
207929	Best Western Landing Hotel	99.00	
BLUE201403	Blue Water Charter & Tackle	725.00	
BLUE201404	Blue Water Charter & Tackle	725.00	
37190	Commonwealth Associates, Inc.	1,747.20	
37294	Commonwealth Associates, Inc.	1,368.50	
37754	Commonwealth Associates, Inc.	2,948.21	
23182	Control Engineers	-	156.25
3284184	Daily Journal of Commerce		91.20
3284726	Daily Journal of Commerce	-	48.30
3285376	Daily Journal of Commerce	46.20	
KDR201402	de Rubertis, Kim	-	5,513.86
XJ9XD8RX2	DELL	-	3,138.21
XJCIPX232	DELL	-	3,706.95
9990	DHittle & Associates, Inc.	2,477.65	
10030	DHittle & Associates, Inc.	3,268.00	
EE201403	E&E Dining	2,085.60	
2433	Electric Power Systems Inc.		18,104.00
2655	Electric Power Systems Inc.	-	8,401.50

## SOUTHEAST ALASKA POWER AGENCY

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
AKKET5753	Fastenal	690.61	
L14233-00FY14	Federal Energy Regulatory Commission	10,509.99	
L14238-01 FY14	Federal Energy Regulatory Commission	38,355.90	
259618037	FedEx	45.65	
797	Fiber Fusion		44,831.21
802	Fiber Fusion		14,556.76
803	Fiber Fusion		53,497.25
805	Fiber Fusion	-	19,408.00
1064248	Foster Pepper PLLC	3,609.00	
194786	Frontier Shipping & Copyworks	48.39	
194557	Frontier Shipping & Copyworks		415.45
FC201402	Full Circle Media	316.25	
CM139850B	Futaris		(3,000.00)
VP112013084	Futaris	182.82	
51205121	Futaris	6,145.00	
MK139848	Futaris		13,271.05
MK139849	Futaris		22,147.76
MK139850	Futaris		76,162.67
VP1220131098	Futaris	157.74	
CM139850	Futaris		(17.00)
52475248	Futaris	6,145.00	
MK139808	Futaris	-	9,784.37
MK139814	Futaris	-	1,065.00
MK149868	Futaris	605.98	
MK149883	Futaris	-	493.57
53765377	Futaris	6,145.00	
60204682	GE Capital	140.00	
60214994	GE Capital	595.00	
60344451	GE Capital	140.00	
60345491	GE Capital	595.00	
1401	Glenn Brewer Consulting Engineer		1,400.00
1402	Glenn Brewer Consulting Engineer	-	8,753.51
9421	Greater Ketchikan Chamber of Commerce	370.00	
245328600	HD Supply Power Solutions Ltd	13,935.60	
132920B	HDR Alaska Inc.	1,935.50	
138631B	HDR Alaska Inc.	1,287.68	
3403	I Even Do Windows	300.00	
3430	I Even Do Windows	300.00	
3479	I Even Do Windows	300.00	
139383	Industrial Networking Solutions		758.42
139466	Industrial Networking Solutions		937.37
INV0140939	Industrial Networking Solutions	-	1,984.85
3586	Intandem, LLC	6,862.25	
51490001	Jacobs Associates	-	58,998.05
10283	Jud's Office Supply	57.72	
10310	Jud's Office Supply	39.50	
10963	Jud's Office Supply	93.11	
11206	Jud's Office Supply	20.74	
485081	Juneau Empire	968.57	
20144	Ketchikan City of 334		678.00
14985	Ketchikan Daily News		71.45
15009	Ketchikan Daily News		65.30
15016	Ketchikan Daily News	98.05	
15025	Ketchikan Daily News	61.20	

## SOUTHEAST ALASKA POWER AGENCY

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
29081	Ketchikan Daily News	53.00	
29107	Ketchikan Daily News	59.10	
KGB2014	Ketchikan Gateway Borough	150.00	
KGB201403	Ketchikan Gateway Borough	3,861.00	
KGB201404	Ketchikan Gateway Borough	3,861.00	
20131231	Ketchikan Public Utilities 334	-	68.18
707-13	Ketchikan Public Utilities 334		1,552.18
LK201403	LK Storage	304.20	
LK201404	LK Storage	304.20	
3584	McMillen LLC		930.00
3654	McMillen LLC	2,539.10	
3655	McMillen LLC	953.12	
3656	McMillen LLC	56,929.09	
3685	McMillen LLC	338.25	
3686	McMillen LLC		246.00
3769	McMillen LLC	14,887.30	
3752	McMillen LLC	-	74,451.76
3760	McMillen LLC	1,428.75	
3761	McMillen LLC	-	1,456.00
3770	McMillen LLC	24,760.28	
3771	McMillen LLC	71,465.00	
3852	McMillen LLC	-	15,348.93
3861	McMillen LLC	1,613.00	
3860	McMillen LLC	4,492.81	
3863	McMillen LLC	416.25	
3387	Misty Fjords Air	4,347.00	
MKC201312	Morris Kepler Consulting	2,648.40	4,538.58
2014-15	Northwest Hydroelectric Association	800.00	
107311	Northwest Public Power Assn	715.00	
9519847PB	Northwest Strategies Inc	700.00	
14028046	NRECA 775670 RSP	26,247.87	
14038046	NRECA 775670 RSP	26,247.87	
14048046	NRECA 775670 RSP	26,247.87	
14010630	NRECA 798185 Group Ins	27,842.49	
14010630A	NRECA 798324 Group Ins Admin	7,765.38	
14028046A	NRECA 798330 RSP Admin	448.82	
14038046A	NRECA 798330 RSP Admin	448.82	
14048046A	NRECA 798330 RSP Admin	448.82	
51	Petersburg Elks Lodge 1615	348.00	
1401	Petersburg Municipal Power & Light	6,293.58	
55504	Pilot Publishing, Inc.		67.50
55767	Pilot Publishing, Inc.	-	60.75
55788	Pilot Publishing, Inc.	91.12	
55956	Pilot Publishing, Inc.	57.38	
55979	Pilot Publishing, Inc.	1,778.51	
122746	R&M Engineering-Ketchikan	1,040.00	
552	Ray Matiashowski and Associates	4,000.00	
560	Ray Matiashowski and Associates	4,000.00	
S014WRA31N	Samson Tug & Barge	321.11	
S019WRA23N	Samson Tug & Barge	-	1,364.45
303141	Satellite & Sound Inc	212.50	
4824	Scandia House Hotel	220.00	
4855	Scandia House Hotel	100.00	
4864	Scandia House Hotel	110.00	



## SOUTHEAST ALASKA POWER AGENCY

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
4866	Scandia House Hotel	110.00	
4867	Scandia House Hotel	140.00	
4868	Scandia House Hotel	113.00	
4870	Scandia House Hotel	103.00	
4875	Scandia House Hotel	100.00	
4876	Scandia House Hotel	110.00	
4877	Scandia House Hotel	110.00	
4886	Scandia House Hotel	140.00	
4922	Scandia House Hotel	110.00	
303080211A	Scandia House Hotel	113.00	
303090214A	Scandia House Hotel	110.00	
303090303A	Scandia House Hotel	110.00	
40478563091	Schweitzer Engineering Laboratories Inc	-	25,024.07
314705	SE Business Machines	1,104.52	
INV14002	Segrity LLC		26,229.57
5567254954	Siemens Industry Inc	-	3,338.18
56275	Standard Automation		2,048.51
51586	Sunrise Aviation Inc		190.00
57587	Sunrise Aviation Inc		1,155.00
51589	Sunrise Aviation Inc		1,880.00
27386	Taquan Air		467.45
27472	Taquan Air	-	1,869.80
36586	Temsco Helicopters, Inc.	4,356.40	
50759946	Tetra Tech Inc	(77.50)	
50759948	Tetra Tech Inc	7,832.95	
50759949	Tetra Tech Inc	754.20	
50759950	Tetra Tech Inc		3,329.90
50759947	Tetra Tech Inc		1,175.45
50767954	Tetra Tech Inc	-	478.65
50767955	Tetra Tech Inc	8,500.55	
50767956	Tetra Tech Inc	-	11,410.15
50772681	Tetra Tech Inc	-	722.50
50772682	Tetra Tech Inc	8,172.15	
50772683	Tetra Tech Inc	-	1,298.40
14507	TexRus	4,887.00	
14651	TexRus	1,442.00	
14677	TexRus	1,000.00	
14783	TexRus	3,003.98	
TBPA201312	Thomas Bay Power Authority		3,139.01
TBPA201401	Thomas Bay Power Authority	-	7,701.71
TBPA201402	Thomas Bay Power Authority	-	5,700.44
346070	Tongass Business Center	48.98	
35266	Tongass Business Center	119.97	
C34607	Tongass Business Center	(14.84)	
35629	Tongass Business Center	11.63	
35772	Tongass Business Center	37.17	
C35629	Tongass Business Center	(9.38)	
36850	Tongass Business Center	244.91	
1320113	Tongass Engineering	-	2,677.50
1320114	Tongass Engineering	-	1,312.50
71933	Transduction	-	6,666.75
K40247	Tyler Rental, Inc.	-	63,900.00
K9460201	Tyler Rental, Inc.	-	63.00
12559	Warren, McVeigh & Griffin, Inc.	4,436.25	

## SOUTHEAST ALASKA POWER AGENCY

Invoice No.	Company (vendor)	Revenue Fund	R&R Fund
1046386	Wells Fargo Bank MN	2,500.00	
WF201402	Wells Fargo Bank-Corporate Trust	113,238.87	
WF201403	Wells Fargo Bank-Corporate Trust	113,238.87	
DNR201404	Wells Fargo Bank-Corporate Trust	75,000.00	
9940314	Western Electrical Services	6,435.51	
398859	Wrangell City & Borough		75.25
WRG0314	Wrangell City & Borough	-	102.25
55284	Wrangell Sentinel	231.00	
55284	Wrangell Sentinel		
55699	Wrangell Sentinel		55.00
55776	Wrangell Sentinel	-	49.50
55789	Wrangell Sentinel	74.25	
55955	Wrangell Sentinel	46.75	
900648841	ZEP Sales & Service	903.67	
90065145	ZEP Sales & Service	28.32	
201401	*Bank of America	28,079.48	1,231.26
201402	*Bank of America	15,365.79	699.93
	Board Member reimbursement	172.00	
	Employee reimbursement	245.24	7.19
		927,448.71	644,782.77
	<b>Total Disbursements</b>	<b>\$1,572,231.48</b>	

\* Bank of America charges include all travel and most telecom: AT&T Mobility, ACS, AP&T, GCI, KPU  
Telecom charges are approximately \$8,000/month.

**AGENDA ITEM 6**

**CEO REPORT**

**HANDOUT WILL BE PROVIDED AT  
BOARD MEETING**

# SOUTHEAST ALASKA POWER AGENCY

**Date:** April 9, 2014  
**To:** Trey Acteson  
**From:** Steve Henson, Operations Manager  
**Subject:** Operations Update for April 24, 2014 Board Meeting  
**Purpose:** To provide a status report on major operations activities.

## REGULATORY

### FERC

Hatch Consultants were chosen for SEAPA's Part 12, five-year review. Dick Griffith has been chosen as the Independent Consultant to perform the inspection and reporting. Along with the Part 12, FERC required a review of the seismicity studies due to the earthquakes that have occurred near our region in the last two years. This will also dovetail with the requirements for studies on the Swan Dam raise.

The draft seismicity study has been received from Mr. Griffith and is under review by staff.

## MAJOR CONTRACTS

### Wrangell Reactor

The Wrangell Reactor replacement project management, engineering, and design were awarded to Electric Power Systems, Inc. (EPS). Bids were solicited for the supply of one 2.5 MVAR reactor and one 5.0 MVAR reactor to replace the ailing 7.5 reactor. The contract was awarded to ABB, Inc. at the Special Board Meeting held on March 27, 2014. Delivery is tentatively scheduled for late October of this year. Engineering by EPS is ongoing for the construction and installation phases of the project.

### Satellite Communications System

A task order was issued to Tetra Tech to facilitate permitting for the Tyee satellite dish.

The City and Borough of Wrangell has agreed to allow us to string a fiber optic cable between the Wrangell substation and switchyard on their distribution poles, which will save us the need for two dishes and equipment in Wrangell.

### STI Helipad

A Consulting Services Agreement and accompanying Task Order have been signed with PND Engineers, Inc. of Juneau for the design of a 12' x 12', aluminum-framed, fiberglass-decked helipad. Once we have an approved design, we will solicit bids for the manufacture of 105 pads.

Staff is working to reduce the cost of the U.S. Forest Service painting requirements with other alternatives.

### **ATV Use on the Tye Transmission System**

A Request for Proposals to solicit bids for an environmental assessment required by the U.S. Forest Service for the use of the ARGO on select areas of the Tye transmission line right-of-way was issued on February 28, 2014. Bids were received on April 1, 2014. Staff evaluated the bids and issued a Notice of Intent to Award letter to all bidders. Staff's recommendation for award of the contract is under New Business in the board packet.

### **Swan Lake Power House Roof and Water Tank Projects**

Task Orders were issued to May Engineering Services, LLC for developing the technical specifications for the water tank painting and power house roof replacement.

### **Operator Training**

One operator from each plant was sent to Golden Colorado for an eight-day course on power plant operation and maintenance. As time and budget allow, we will continue this rotation with other personnel.

### **Engineering Drawings**

May Engineering Services, LLC completed the first phase of the drawings project, which provides outside engineering access to our drawings library. Included in the board packet is a recommendation to accept three separate proposals by Joe May for the continuing work on the drawings project. These proposals are broken down into three areas, the SEAPA Office, Swan Lake, and Tye Lake. Once the tasks for these three areas are complete, the last step will be to copy all prints requiring changes, send them out to be redrawn, and then reissue them to their respective areas.

## **CONCLUSION**

Staff will be available to answer any questions or concerns.

# **SOUTHEAST ALASKA POWER AGENCY**

Director of Special Projects Report

April 16, 2014

## **Supervisory Control and Data Acquisition (SCADA) Capital Project Update**

The Board approved a contract with Fiber Fusion, Inc. at SEAPA's June 2013 fiscal planning meeting to replace the SCADA infrastructure on the north side (North of Tyee), and to consolidate the existing SCADA systems on the south side (South of Tyee). The project will provide system-wide information for the first time to our municipal members with the added benefit that Swan and Tyee crews will be able to archive and exchange operational data. The project was broken into two phases to efficiently manage expenditures and minimize installation risk. Phase I covers the north side work which includes the Petersburg and Wrangell substations, Wrangell Switchyard, and Tyee Powerhouse. Phase II covers the effort to consolidate the obsolete PLC network at Swan Lake and includes integrating the existing relays and devices at Bailey. Phase II also includes installations at the SEAPA office and the programming and configuration work necessary to implement a system-wide trending and data archival ability. SEAPA retained James Volk of Segrity LLC (Segrity) to manage integration issues such as connectivity security through telecommunications companies AP&T, KPU Telecom, and Futaris. Segrity also designed and implemented the PLC integration method and provides on-site installation and implementation problem resolution. Segrity wrote the design specification during 2013 from the SEAPA provided description of system operations. The board-approved FY14 Fiber Fusion contract value was \$513,211. Since that award, the following payments and pending Change Order related to the delay of construction at Bailey, require additional funding:

1. (\$25,299) Substation archival (SCADA Node) addition to prevent loss of data during communication interruptions (Change Order #1)
2. (\$5,300) Miscellaneous materials not covered by contract definition
3. (\$5,900) Communication system driven change to database reconfiguration (Archival software licensing and labor) to streamline Tyee and Swan Lake data exchange with the SEAPA office (Change Order #2)
4. Change Order pending to cover costs to remobilize crews to Ketchikan and cover the cost of work flow interruption and scheduling issues (costs to be determined)

At our previous Board Meeting we reported that installations at Tyee and the north side substations were complete and that we were designing the south side modifications. We have since completed the south side factory acceptance testing and installation work is nearly complete at Swan Lake. Work continues at the SEAPA office however it has been delayed at Bailey pending resolution of KPU proposed Bailey rack space charges. Also at our last meeting, we reported communication drop-outs at all north side locations using AP&T supplied and configured DSL modems. These drop-outs meant Tyee could not send/receive data, issue commands to the substations, and when communications are lost, an alarm triggers call-outs of TBPA personnel which result in overtime charges. The root cause of those drop-outs was traced to settings on the AP&T DSL modems. The DSL system is temporary until the new satellite system is fully operational; after the satellite system is fully commissioned, we will disconnect the DSL communication paths from Tyee to the substations. How and to what degree the Tyee Microwave system will be decommissioned has not yet been determined. The new north side SCADA network is no longer redundant with the original system; the original system has been removed.

## SCADA Project Cost Overruns and Unbudgeted Items

SCADA Project Costs	FY14 Budget	Invoiced	Unbudgeted	Basis
Fiscal Year 14 Budget	\$790,093.00	-	-	-
Fiber Fusion	\$513,211 <sup>1</sup>	\$378,133	-	-
Fiber Fusion Change Order #1	\$0	\$25,299	\$25,299	System Communication Failures
Fiber Fusion (Misc. Materials) <sup>2</sup>	\$0	\$5,326	\$5,326	Gap FF & SEAPA Hardware
Fiber Fusion Change Order #2	\$0	-	\$5,900	Bandwidth Limits
Segrity LLC	\$116,000	\$41,001	-	-
Segrity LLC (FY13 to FY14)		\$55,863	\$55,863	FY14 Budget Not Increased
Hardware	\$156,393	\$224,890	\$68,497	Unexpected Hardware Costs
Other	\$4,489	\$37,028	\$32,539	Unbudgeted Plant Labor
Bailey Delay			\$28,000	Rack Charge Request
Additional Tye-Swan Testing			\$14,750	To Avoid Diesel Generation
Revised Screens per Plant Use			\$7,000	Better Operator Acceptance
Misc. Materials, Power Supply Modifications and Final HW Changes			\$22,300	Actual vs. Design Deficiencies
Final Commissioning Travel			\$3,500	To Swan Lake & Tye Lake
<b>Totals</b>	<b>\$790,093</b>	<b>\$767,539</b>	<b>\$268,974</b>	

The FY14 budget was not evaluated after receiving the May 2013 SCADA proposals. As you may recall we received bids that ranged from \$850,000 to over \$3.5 million for replacement of the north side and consolidation of the south side SCADA systems. The comparison basis included a two-year service contract and redundant servers. We selected the lowest bidder, Fiber Fusion, and their contract total came to \$513,211 with redundant servers and the two-year warranty removed. The Board approved this amount along with the Segrity contract for \$116,000, and the hardware estimate of \$156,393 for an approvals total of \$785,604. Since this total was less than the carryover FY13 budget value of \$790,093, SEAPA staff did not adjust the budget reasoning that there was too much uncertainty regarding the project with respect to: communication system bandwidth, the recently installed LAN/WAN, new network security constraints, power supply integrity, and of course undertaking installations during the winter. In other words, we did not budget for these large contingencies knowing there would be unavoidable problems and unforeseen problems in the future. Our approach was to monitor development of these projects and then approach the board with known costs instead of estimates. As the above table reflects, an adjustment is needed in the FY14 budget as most, if not all, of the work will be completed before the end of this fiscal year. The following is a breakdown of the unbudgeted charges to date:

Fiber Fusion Change Order No. 1	Fiber Fusion change order for data buffering (storage) at substations during communication failures	\$25,299
Fiber Fusion Miscellaneous Materials	Cable harness, etc. specific to SEAPA purchased equipment	\$5,326
Fiber Fusion Change Order No. 2	Fiber Fusion change order to separate archival function & reduce data bandwidth requirements to meet Satellite mesh and DSL bandwidth requirements (when this project started, it was anticipated that a fiber cable would link the SEAPA office and Swan Lake)	\$5,900
Segrity LLC (FY13 to FY 14)	FY 14 budget not increased	\$55,863
Hardware	SEAPA purchased directly all PLC, RTU, Server, and communication hardware; the cost increase is the difference between actual quotes and actual invoices (time delay) and also due to stricter requirements for cyber security	\$68,497
Other, Bailey Delay, Additional Tye-Swan Testing, Revised Screens Per Plant Use, Misc. Materials, Power Supply Modifications, Final HW Changes and Final Commissioning Travel	Other charges include actual installation labor, conduit cable, fittings, SEAPA, Segrity, and TBPA airfare, lodging, food, all materials not purchased directly by Fiber Fusion or purchased by SEAPA under the hardware category. Remaining project costs are self-explanatory.	\$108,089
<b>Total</b>		<b>\$268,974</b>

<sup>1</sup> The board authorized a contract award to Fiber Fusion for the SCADA Project for \$513,211 at its June 25-26, 2013 board meeting.

<sup>2</sup> Authorization for payment of this invoice was memorialized in an email dated 2/13/2014 from staff.

Although the new charges are self-explanatory; staff will address any questions during the board meeting. An increase of \$270,000 to the SCADA RR Budget 220-12 for FY14 will be requested under New Business during this board meeting.

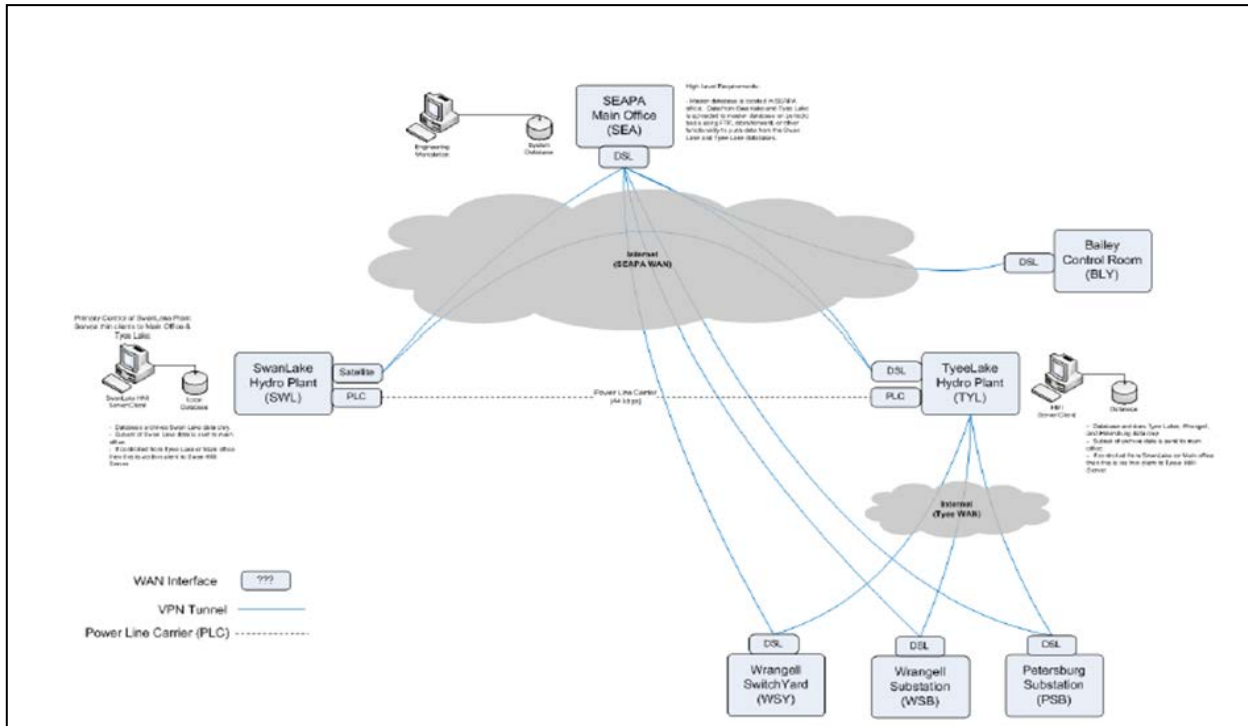
**SCADA Project Schedule**

The original schedule was impacted to a slight degree by component delivery delays to the Fiber Fusion offices, and by the previously mentioned communication drop problem. Bailey installation has been put on hold. Hopefully, we can complete the project by the close of the fiscal year. The new schedule is as follows:

Schedule	Tyee-PSG	Swan-SEAPA-Bailey
SCADA Task	Phase I	Phase II
Site Visits	7/16 to 7/26/2013	1/9/2014 +/-
Preliminary Design	7/27 to 8/26/2013	2/1/2014
Factory Acceptance Test	10/29/2013	3/13/2014
Installation	11/4 to 1/15/2014	3/17 to 4/28/2014
Commissioning Complete	1/22/2014	5/4/2014
Training/Manuals	1/15 to 2/14/2014	5/15/2014
Project Close-out	4/18/2014	6/18/2014

Figure 1, below, is a simplified system communication diagram depicting data flow and connectivity. The figure also implies the necessary hardware at each location. The SCADA upgrade project required new communication path networks (2013 LAN-WAN), new remote access security (EWON), new firewall design (substation and plant DMZ), new communication infrastructure (DSL lines and satellite system), new substation hardware (remote terminal units, PLCs, data storage computers), and new SCADA node and SCADA interface computers. This is a “in-a-nutshell” drawing for the entire SCADA Project.

Figure 1 - SEAPA SCADA Upgrade Communication Diagram





## Swan Lake Reservoir Expansion

SEAPA continues the planning effort to expand the Swan Lake reservoir. We plan to add 6 feet of concrete to our arch dam for a gain of 25% in active storage. In order to start construction, we need approval from FERC's Division of Dam Safety (D2SI), and we also need an amended FERC license from the Washington DC based Hydro Compliance Division (DHAC). We have retained Jacob Associates as our engineer to develop the 30% design. As part of the 30% design process, we were also required to retain a Board of Consultants (BOC), and we held our first BOC meeting at Swan Lake on February 24<sup>th</sup>.

Design Team: Jacob Associates, Portland, Oregon Office  
Subcontractors: Quest Structures, Orinda, California  
Northwest Hydraulic Consultants, Seattle, Washington

BOC: Mr. Glenn Brewer, P.E.; Mr. Kim De Rubertis, P.E.; & Mr. Eric Kollgaard, P.E.

FERC PRO: Mr. Glenn Koester; Mr. Walt Davis

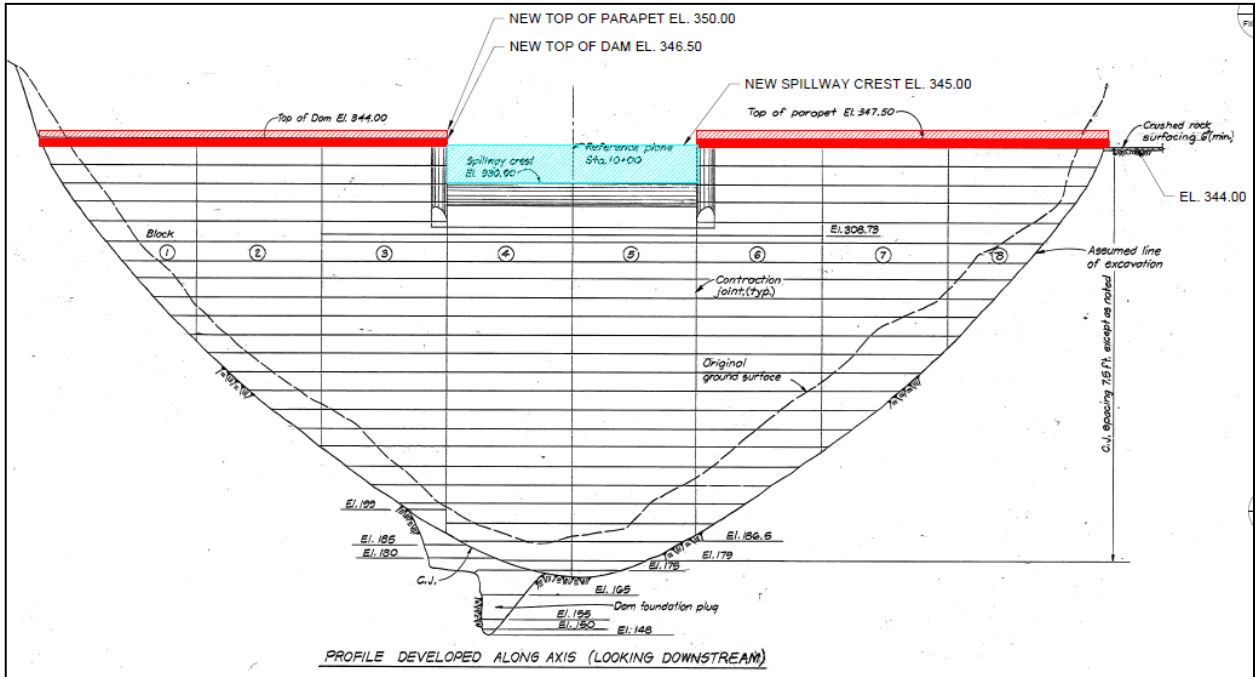
After the 30% design has been accepted by D2SI (July-August 2014) we will seek assurance from DHAC that no environmental restrictions have been added by the agencies to our Amendment; if we can receive these assurances, we can issue an Engineering-Procurement-Construction (EPC) Request for Proposal (RFP). After the amendment is granted, we will proceed with the RFP process. At this time we anticipate that we can issue an RFP during November-December of this year, gain our license amendment in the February to June 2015 timeframe, and hopefully have an EPC contract signed close to the license amendment date. Pre-construction activities will occur in 2015; and construction will continue into 2016 and may take a year to complete. Logging operations at this time are thought to occur during full pool elevation of 235-245 ft after construction is complete.

During March and April, Jacobs Associates refined spill gate options. Their task is to design spill gates that:

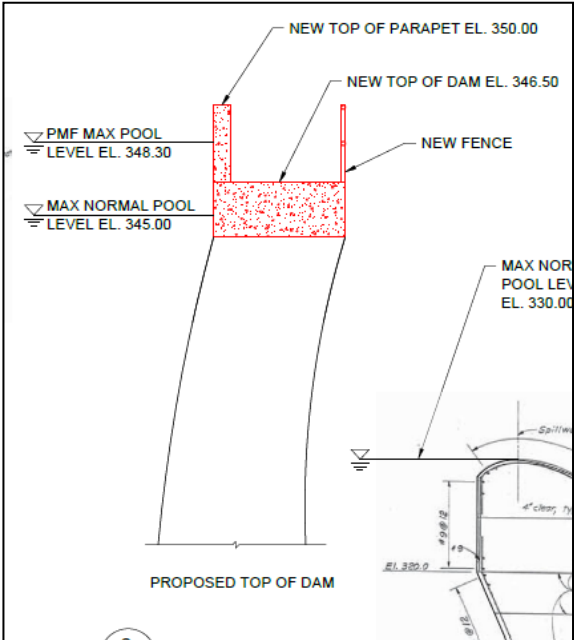
- Limit added mass
- Meet the Probable Maximum Flood (PMF) criteria (pass approximately 20,000 cfs without overtopping)
- Provide practical functional spill control up to a nominal 5,000 cfs
- Operate in iced conditions
- Meet the project cost estimate

Also ongoing is the structural modeling effort; this work by Quest structures verifies that the proposed modification will sustain FERC mandated loads usual, unusual, and extreme without infringing upon designated factors of safety.

Load Combination	Compressive Stress	Tensile Stress
Usual (LC)	2.0	1.0
Unusual (ULC)	1.5	1.0
Extreme (ELC)	1.1	1.0

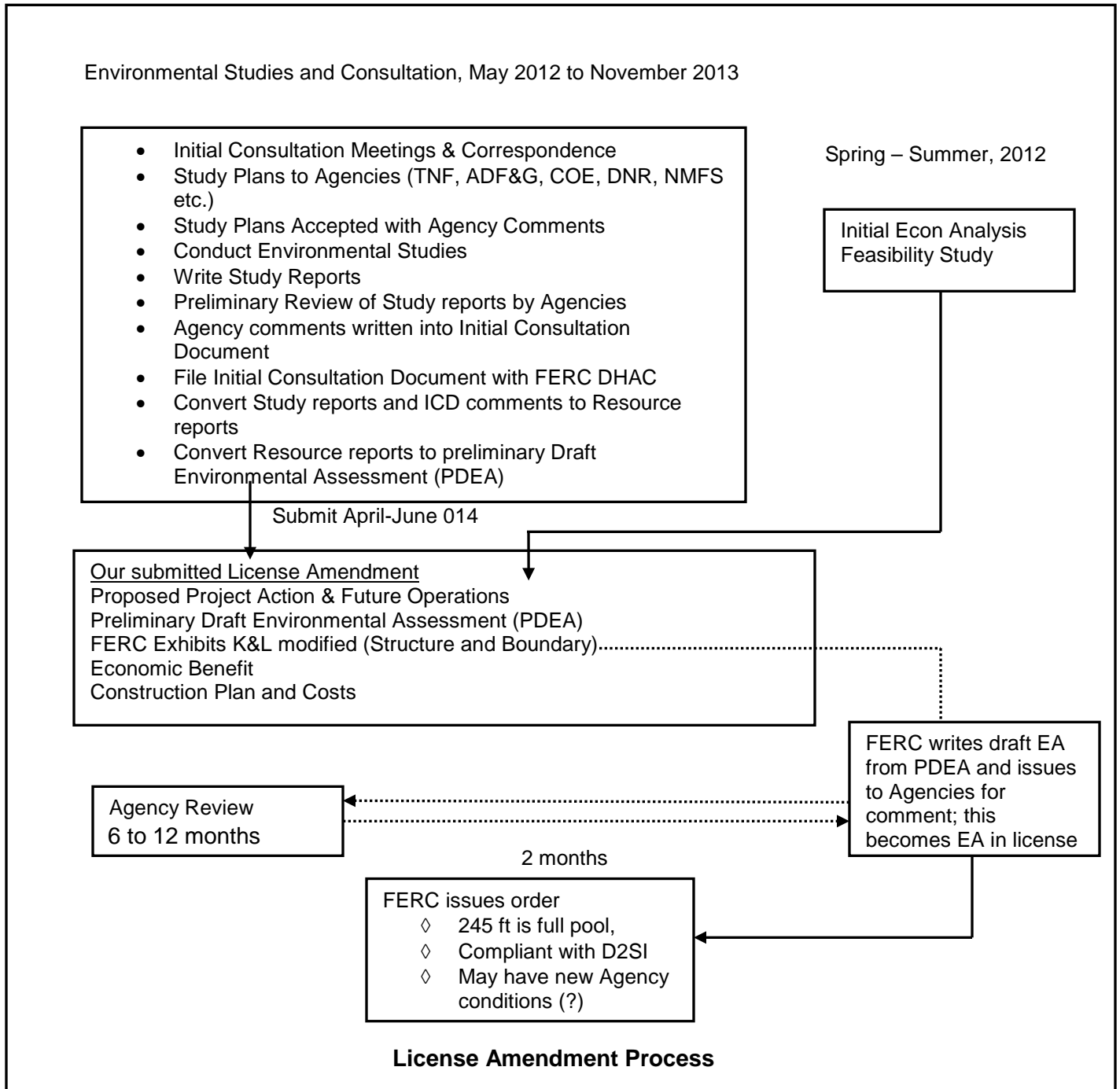


Figures above and to the right show the proposed concrete modifications to the dam; Obermeyer gates would be installed in the existing ogee slot shown as the blue area above. (Additional details on gate design will be provided during the Board Meeting.)



The Swan Lake Non-capacity Amendment Process

A huge documentation effort is necessary to submit a license amendment even for a project as small as this one. Words fail in the explanation of this effort; the diagram below may help. The draft amendment was filed with FERC on April 11. The final amendment application will be filed this June.



## **Tyee Lake Cooling Water (CW) Conversion**

*(No change from last board meeting, control work to occur this summer when unit loading can be interrupted without supplemental diesel generation.)*

Tests conducted during 2012 indicate throttling the CW and using the existing pumps is by far a more efficient way to cool the units. The annual value of using the existing CW pumps combined with a simple control system is approximately 1,000 MWh of additional energy for our municipal members. Cooling water (CW) at Tyee was supplied off the penstock via a set of pressure reducing valves until this October when Tyee crews under the direction of Morris Kepler Consulting modified the piping to allow the CW flows to be supplied from pumps. Since October CW has been supplied by two pumps in parallel with a third pump available as emergency standby. The next step is to conduct heat and flow measurements such that James Volk of Segrity LLC can program either one of the new SEL RTACs or a PLC; the control range will be stator temperatures between 70 and 75 degrees Celsius. Final control valve installation and pressure-flow measurements occurred December 10<sup>th</sup> and December 11<sup>th</sup>, and PLC or RTAC programming is scheduled to occur during the last stages of SCADA Phase I commissioning.

## **Request for Offers of Power and Energy (RFO)**

The RFO was issued on January 31, 2013; respondents have until **September 30, 2014** to submit an offer under Options 1, 2, and/or 3. The deadline to submit an Option 4 offer passed on November 29, 2013 and SEAPA received several Option 4 proposals. The RFO has developed interest from a variety of suppliers/manufacturers, utilities, and Independent Power Producers, and we received letters of intent that total in excess of 70 MW of generating capacity. We are now waiting for submittals of Options 1, 2, and/or 3. Analysis of Option 4 proposals is in process.

## **Department of Commerce, Community, and Economic Development Grant (DCCED Grant)**

### History

We received the grant during the summer of 2012 and set up the accounts and project plan over the following fall. Kay Key monitors the accounts and manages our submittals to the DCCED. McMillen LLC was selected as the site evaluation contractor in July 2013. They started field work last September on Annette Island. We have five years from July 2012 to execute our grant, and have initiated the following three aspects to date.

- 1 Business Analysis Task (RFO) - discussed above
- 2 Hydro Site Evaluation
- 3 Storage (Swan Lake) - a portion of the Swan Lake reservoir expansion project is covered by the grant (\$575,750 of the estimated \$13M)

### Ongoing Process & Project Goals

Information on 15 hydro sites has been compiled and analyzed; this list will swell to 20 sites by the end of 2014. We continue to review technical reports, compile hydrologic assessments, and estimate construction costs. This work when summarized will allow us to evaluate each site cost and benefit such that comparisons can be made using information of equal quality. The information quality objective is one of the purposes of the grant and was the result of the SEIRP Key Finding list in the text box on the following page.

- **Lack of Information on Potential Hydro Projects** - One significant impediment to the completion of this IRP was the wide variety in the quality and inclusiveness of information available to evaluate specific hydro projects. As a result of this wide variation in data quality across the spectrum of potential hydro projects in the Southeast region, it is impossible at this time to conduct a true “apples-to-apples” comparison of hydro projects. In a similar manner, it is impossible at this time to complete a definitive comparison of the economics of potential hydro projects to other resources (e.g., biomass, other renewable technologies, and DSM/EE).

Southeast Alaska Integration Resource Plan Key Finding

While many of the sites we have investigated do not at this time match the future resource needs of the SEAPA Control Area, we as administrators of the grant will make sure the information on the not-as-desirable sites is available to future Alaska power resource planners. This was an unwritten deal requirement - “do our (AEA) work also”. Of course, staff has not forgotten SEAPA’s primary mission regarding the grant and that is to provide a long-term renewable resource portfolio to SEAPA’s municipal members that is cost effective on a capital and O&M basis and meets the current Agency requirements of the National Environmental Policy Act (NEPA). By cost effective we mean production and construction risk is included as part of the evaluation process.

This spring, staff met with Paul Bryant of Metlakatla Power & Light and we are on schedule to issue by the end of May 2014 a draft Annette Island report that summarizes field investigations. We are currently billing any Annette site work (such as April 2014 follow-up surveying) to the Metlakatla Indian Community for reimbursement. The Metlakatla Indian Community has an AEA grant for preliminary hydro-site analysis.

A Summary of the grant schedule and budget is shown below; remaining funds can be transferred to other tasks with approval by the DCCED. Swan Lake preliminary engineering and license amendment costs are now charged to the DCCED grant.

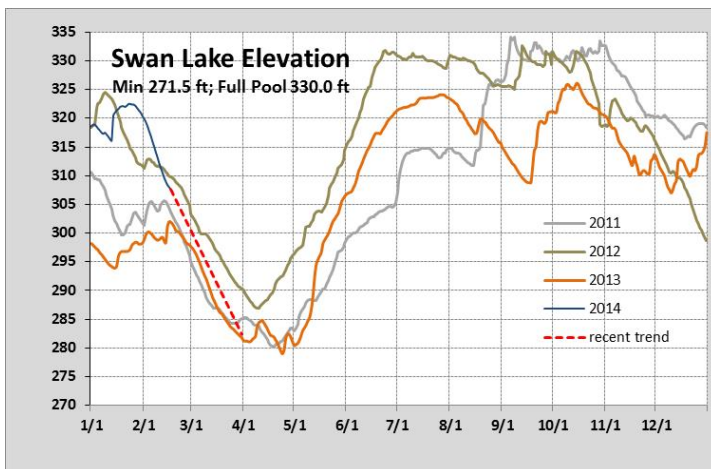
DCCED Grant Tasks	Schedule		Budget
	Start (Month-Year)	Projected Stop	Approved
Hydro Storage-Swan Lake Reservoir Expansion	Oct-13	Oct-14	\$578,000
Hydro Site Evaluation	Jul-13	Jun-15	\$1,705,000
Electrical Stability/Interconnection Studies	Jun-14	Nov-14	\$146,000
System Water & Load Balance Modeling	Jun-14	Oct-14	\$112,000
Project Management/Meetings/PR/Analysis	Nov-13	Dec-15	\$309,000
RFO-Business Analysis and Power Purchase/Sales/Exchange	Dec-12	Apr-13	\$150,000
<b>DCCED Total</b>			<b>\$3,000,000</b>

## Water Management

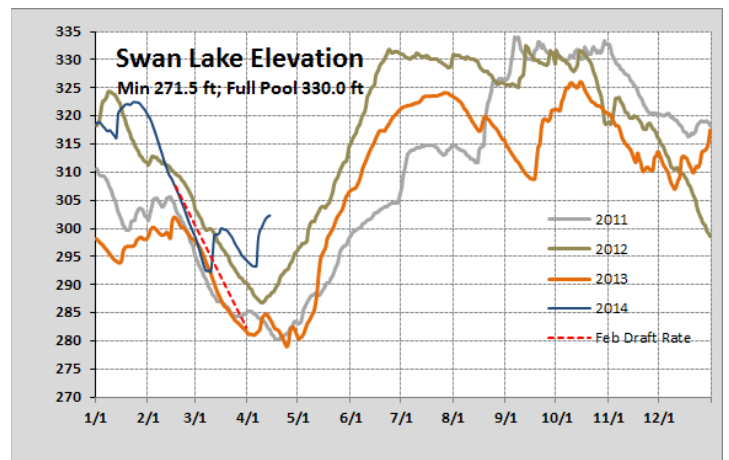
At our March 3-4, 2014 board meeting, staff reported a low snow pack, but the flip side is this winter and early spring were unusually wet and winter temperatures have been quite mild overall, which has kept electrical demand low. Two huge wet fronts in March and early April have sustained reservoir levels above the usual late winter levels, and as a result of the mild, wet weather, storage at both reservoirs is above the 2012 and 2013 levels. Also at our last Board meeting, staff requested an amendment to the Board-approved operations plan draft limits from last December to reduce reservoir draft levels. This motion was intended to support SEAPA staff preventing excessively low reservoir conditions this summer that would have resulted had cold temperatures and dry conditions (low snow pack + little rain) persisted from late February through June. The Swan Lake December level was raised 2 ft, and Tye draft level minimum was raised 8 ft by the March Board motion. Fortunately, this motion proved unnecessary since the mild, wet weather persisted through March and April.

Please see the Swan Lake graphs below for present and historical elevations. The same comparison at Tye Lake is presented on the next page.

### Swan Lake - February



### Swan Lake - April



Comparison of February 15 and April 15 Reservoir Conditions at Swan Lake; the blue trace is the actual 2014 reservoir level. If dry cold conditions would have persisted from mid-February into April, then Swan Lake would have been below the Board-approved operations plan a month before the maintenance outage (4-28-14). See the red trace in both graphs. If we would have drafted to elevation 275 ft *knowing we had a low snowpack, and having a dry spring weather forecast*; this would have exposed KPU to additional diesel generation later in the summer, thus it would not have been prudent to draft Swan Lake down to elevation 275 ft, 282 ft would have been a better draft target. The reason for this statement is that standard hydro operations policy is to retain head (elevation) in the face of draught to maximize use of the water.

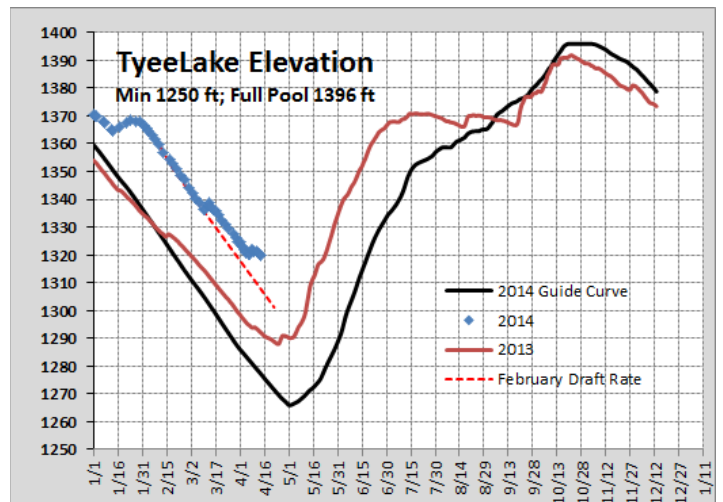
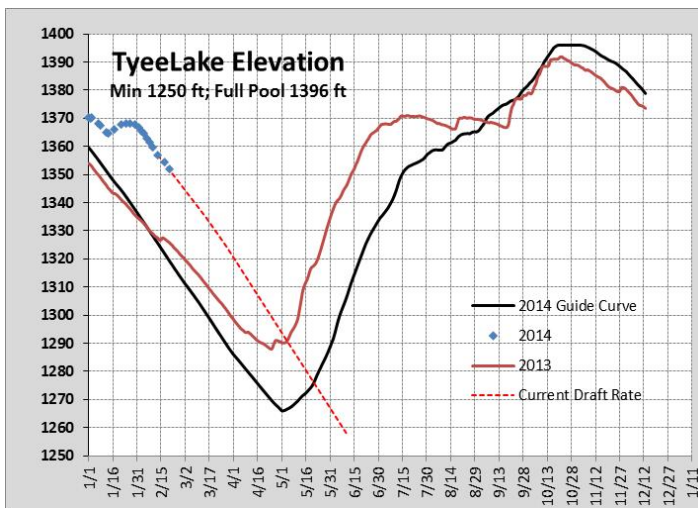
Dry, cold conditions did not occur and Swan Lake is now 15 feet above 2012 and 2013 levels (blue trace in graph on the right). Note for 1 week after the March 3-4 Board meeting, Swan Lake was drafting at a faster rate than the red line, with the sudden fill rate starting on March 10<sup>th</sup>.

**Tyee water level comparison: February conditions vs. April conditions.**

First note the early January 2014 level was 20 ft higher than the early January 2013 level; and by the end of the month nearly 30 ft of storage over 2013 conditions occurred. This is shown in either graph as the difference between the blue trace and the orange trace. Next note that wet weather continued and even though Tyee was loaded at high levels, two wet storms have increased actual water levels above those predicted in February. This is shown as the blue trace above the red dotted line in the right hand graph.

**Tyee Lake-February**

**Tyee Lake April**



Summary

We expect normal weather from July through October 2014 and the additional storage at Tyee and Swan Lake indicates loads can be met and there is a high probability spill will occur at either Swan Lake or Tyee Lake, or potentially at both projects. Things change fast this close to the Gulf of Alaska. To confirm our operational plans in the short term (which plant to load) and to verify our summer hydro resource potential, SEAPA will conduct snow surveys at Tyee Lake and Swan Lake on April 22<sup>nd</sup>.

End of Report

## SEAPA Project Update: Swan Lake April 2014

### Safety/Environmental/Security

- Hill side slough-off issues. Three large boulders washed down during two heavy rain events. Endangerment to buildings (storage & incinerator). Hill side unstable.
- Monthly potable water testing continues good. Chlorination and UV systems in good operating condition.
- Safety Training for March included: Cranes, hoists, and slings
- Visitors for March/April include James Volk, 3 contractors from Fiber Fusion to implement SEAPA SCADA system.

### Outages/Unit constraints/Reservoir Level

- Forced outages: Morning of April 17<sup>th</sup>, failure to start, KTN on diesel.
  - Unit failure to shutdown midnight 4/10/14, call-out from Bailey Operator.
  - Unit failure to start ~05:00 4/10.14, call-out from Bailey Operator
- Planned station outages (waiting to coordinate single unit operation)
  - Final baffle arrangement for cooling is incomplete, may re-install one side (coordination with SEAPA?)
  - Pre-outage work, i.e. contactor replacements on lube and cooling systems (starting 4-16-14)
- Reservoir level: 303.1 ft. and rising as of April 17<sup>th</sup>.
- Emergent work:
  - Multiple communications issues (6,000 + alarms) during SCADA implementation.
  - Need for an appropriately rated control room UPS identified.
  - Multiple cooling line leaks. Outage scheduled
  - Strainer dump valve replacement. Outage scheduled.
  - 20 hp vertical sump pump motor bearings making noise, new bearings on order, and complete motor.
  - Intake structure hydraulic venting valve for gate lift replacement



- Need log boom repair ASAP, many logs to move.

### Compliance

- EAP Books updated in April
- Next Dam deflection survey to be scheduled in May, w/ R&M.

### Periodic Maintenance

- (Unit 2 open item) Draft tube cavity inspections with replacement of vibration instrumentation
- Former Unit #1 Machine Breaker picked up 4-16-14. Shipping Crate damaged and recorded with shipper. Fit testing scheduled and followed by rotation with Unit #2 breaker.
- (open item) SF6 Breaker gas testing.
- Unit #2 baffle top re-install and cleaning scheduled.
- Mechanical clearances checked (list)

### New Projects

- Incinerator day tank inspection and clean-up following a fuel contamination issue. Consider fuel polisher for large tank.
- Fork lift engine replacement, rebuilt engine on order.
- Major tool procurements
- Load of D1 gravel (open)
- Plumping/piping of stand-by compressor complete and in-service.
- Need next barge schedule, coordinate gas cylinder rotations, etc.



— TYEE LAKE HYDROELECTRIC PROJECT —

P. O. BOX 1318 WRANGELL, ALASKA 99929 (907) 874-3834 FAX (907) 874-2581

General Manager Report  
Submitted by Michael J. Nicholls 04-15-14

**1) BUDGET:**

- a) R&R approved projects status:
  - i. Gate Control Relocation - Installation of components complete; Function test not complete.
  - ii. Cooling Water Piping -Piping and on/off valves complete; control valves to modulate generator cooling water from the tailrace rather than from the penstock incomplete; Valves for controlling the cooling water flow were purchased as air operated valves; provisions for an air dryer and clean dry air lines to the valves need to be made.
  - iii. Work on the SCADA upgrade in progress – James Volk and Fiber Fusion employees completed installation of equipment at Tyee, Wrangell Switchyard, Wrangell Substation, and Petersburg Substation. Work on Tyee Operators punch list was begun. Some SCADA alarms and set-points were tested; however, major testing of the system is postponed until a major system outage in order to minimize the possibility of accidental service interruptions. System is still unstable and loses communications too frequently.
  - iv. Trash Rack Inspection – Divers to inspect trash rack - time to be determined. Tyee Generators will be shut down during this inspection.

**2) TRAINING:**

- a) Awaiting training schedule from SEAPA.
- b) Randy Rasler is attending Electric Power Operations Training in Golden CO at Electric Power Training Center.
- c) CPR/First Aid Renewal Training completed for Beers, Gaylean, Looman. Working with Penny Allen to schedule CPR/First Aid Renewal Training for Mill, Ogren, Rassler, Christian.

**3) LINE CLEARING:**

- a) Petersburg Sub yard clean up complete.
- b) Wrangell Sub Yard clean up in progress.

**4) MISC:**

- a) Web camera for use on site at TBPA by Sunrise and available to others is installed - software issues required dedicated line with static IP address – was working with AP&T to install (**Steve Henson STOPPED the AP&T Technician from completing the installation**); In talking with the Sunrise Aviation pilots, the camera could well be used to help evaluate the safety in flying in and out of Tyee; Sunrise pilots routinely use private cameras to see weather conditions at remote landing strips; AP&T informed me that a hardware issue has arisen with their equipment at Tyee after recent SEAPA modifications. AP&T has 8 hours of labor invested (cost \$720) with up to another 8 hours necessary to complete (cost \$720). Approximate monthly costs of \$50.
- b) Surplus Submarine Cable oil and tanks are stored at TBPA warehouse site as weather permits.
- c) Gary Allen inquired about any difficulties in moving 3 each oil filled tanks into the switchyard; Each tank (Single Phase Reactor) weighs @ 45,000 lbs.
- d) TBPA Office Internet Usage – December billing from GCI indicated a ten-fold increase in internet usage. Our bill went from @ \$80 to \$800. GCI was called and after discussion with GCI, a fraud claim was instituted and I changed passwords. Upon rechecking usage since the password change, our usage has returned to traditional numbers. GCI has waived the overage charges.
- e) Transformer and Reactor Containment Drains – Petersburg transformer containment was found to be draining very slowly. The oil containment system in the drain was opened, cleaned, and reinstalled. The containment was found to be contaminated with silt and moss. The sealing media was found to be a gooeey mess. Renewal kit media was tested and found to turn from a gooeey mess to a hardened state. One Renewal kit was used to replace the containment system in the Petersburg Substation.

5) **SHUTDOWN:**

- a) TBPA personnel have expressed concerns regarding the upcoming 2014 Shutdown. Communication between SEAPA staff and TBPA staff are inadequate. Dates of shutdowns have been provided by SEAPA Staff to TBPA; however, little or no specifics regarding who, what, and where have been provided. TBPA personnel are responsible for providing written Clearances and for performing switching for placement and removal of the Clearances; as such, all aspects of work to be performed under the clearances needs to be provided. Work descriptions, names and contact information of job supervisors, as well as the names of any and all persons to be working under the clearances needs to be provided. I am only aware of things to be done from second hand information provided by my staff. To date, the information at hand is Chatham Electric to do line work on various lines (dates only are provided), Fiber Fusion is to test the new SCADA (no dates or other information provided), an unknown contractor to inspect the gatehouse gate (no dates or other information provided). Clear and concise communication is of the utmost importance to having a safe and successful shutdown. This being said, a safety meeting between the SEAPA operations manager and all parties involved to review the clearances and all work involved should be conducted prior to any work being performed.

## **AGENDA ITEM 9A**

**SEAPA COMPENSATION PLAN DEVELOPMENT**

**HANDOUT MAY BE PROVIDED AT  
BOARD MEETING**



Joel R. Paisner  
Partner  
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E [joel@ascentllp.com](mailto:joel@ascentllp.com)  
[www.ascentllp.com](http://www.ascentllp.com)

April 11, 2014

Mr. Karl R. Amylon  
General Manager  
Ketchikan Public Utilities  
334 Front Street  
Ketchikan AK 99901

Re: Process for SEAPA Bylaw and Joint Action Agency Agreement Amendments

Dear Mr. Amylon:

I am writing on behalf of the Southeast Alaska Power Agency ("SEAPA"), and am responding to Ketchikan Public Utilities' ("KPU") February 27, 2014 letter addressed to Trey Acteson, CEO of SEAPA. The SEAPA Board of Directors asked that I respond to your letter, and to assure KPU, as well as the other Member Utilities, that SEAPA has not taken any action to change its Bylaws.

At the December 17, 2013 meeting, the Board of Directors began a discussion about the possibility of increasing the terms each Director served, with the exception of the fifth Director that annually alternates between the two SEAPA projects. In addition, the Board of Directors also discussed whether specific terms of the Directors should be staggered to enhance continuity. As a follow up to that discussion, I prepared a draft of new Bylaws that increased each Director term from one year to two years, as well as a few minor technical clarifications. This item was placed on the agenda for the March 3, 2014 meeting for further discussion.

As your letter accurately points out, no such change to the Bylaws extending Director terms can be made solely by the SEAPA Board of Directors. The Joint Action Agency Agreement ("JAA Agreement") mandates the number of Board members (5), the length of each term (1 year), the rotation of the fifth Board member, as well as the number of Directors for each Project (2) and alternates. See Section 6, JAA Agreement. The SEAPA Bylaws reflect these requirements. A reference to the SEAPA minutes for December 17, 2013 meeting of the Board of Directors acknowledges the need to also amend the JAA Agreement before any Bylaws regarding Director terms may be altered.

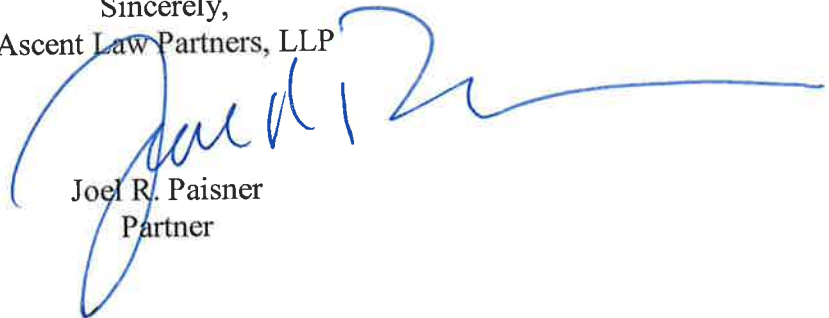
The SEAPA Board of Directors has not acted on any proposed changes to its Bylaws. It requested that this letter be sent to Member Utilities to inform them of the discussions, and make clear that to the extent any changes are made to its Bylaws for matters mandated by the JAA Agreement, each Member Utility will be consulted in advance. We agree with you that any amendments to the JAA Agreement must be approved by all Member Utilities, and that changes

April 11, 2014

to Director Terms, and rotation of those terms also require approval by the Member Utilities before the Bylaws may be amended.

At this time there is only a draft of the discussed changes to the Bylaws. I have attached the version presented at the SEAPA board meeting for your information. Thank you for your letter, and if you have any further questions, do not hesitate to contact me.

Sincerely,  
Ascent Law Partners, LLP



Joel R. Paisner  
Partner

Attachment

cc: Robert Sivertsen, Chair, SEAPA  
Trey Acteson, CEO, SEAPA  
Jeff Jabusch, Borough Manager, Wrangell  
Steve Giesbrecht, Borough Manager, Petersburg

**BYLAWS  
OF  
THE SOUTHEAST ALASKA POWER AGENCY**

**ARTICLE 1  
BOARD OF DIRECTORS**

**1.1 Duties and Voting Requirements.** All powers of the Southeast Alaska Power Agency (the "Agency") shall be exercised by or under the authority of the Board of Directors and the business and affairs of the Agency, including all matters related to the Long Term Power Sales Agreement between the Agency and the Member Utilities, as defined therein, shall be managed by or under the direction of the Board of Directors.

Except as otherwise provided, the Board shall make decisions by majority vote of all of its Directors.

**1.2 Appointment and Term of Office.** The Agency shall have a total of five Directors. Each Project shall be represented by two Directors. The Tyee Lake Project shall be represented by one Director, and one alternate from Petersburg and one Director, and one alternate from Wrangell. The Swan Lake Project shall be represented by two Directors and two alternates from Ketchikan. Each Member Utility shall notify [the Agency, and](#) all other Member Utilities in writing of its designated Director and alternate to the Board. Directors and alternates shall serve for a ~~one~~[two](#)-year term commencing on January 1 and ending on December 31 of ~~each~~[the](#) calendar year [at the end of the two-year term](#), provided that a Director or an alternate to the Board shall continue to serve until his or her successor is appointed. The fifth Director and one alternate shall be selected and approved, on an alternating annual basis, between the two Projects. When the Swan Lake Project is to select the fifth Director, the Member Utility from Ketchikan shall make the selection. In the year that the Tyee Lake Project is to select the fifth Director, the selection shall alternate between the Member Utilities of Petersburg and Wrangell.<sup>1</sup> The selection of the initial fifth Director shall be determined randomly in a manner unanimously agreed upon by the Member Utilities. In the event the Member Utility from Ketchikan, on behalf of the Swan Lake Project, is randomly determined to select the initial fifth Director, there shall be a second random selection between Wrangell and Petersburg to determine which Member Utility will select the initial fifth Director to represent the Tyee Lake Project. The fifth Director may serve one or more additional terms, with the consent of all Directors from each Project. Such a selection shall not alter the alternation of the selection of the fifth Director.

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<sup>1</sup> By way of example only, if Ketchikan selected the fifth Director in Year 1 (representing Swan Lake Project), in Year 2 Petersburg would select the fifth Director (representing the Tyee Lake Project). In Year 3 Ketchikan would select the fifth Director (representing Swan Lake). In Year 4 Wrangell would select the fifth Director (representing the Tyee Lake Project).

1.3 **Qualification.** A Director or alternate to the Board shall not be either an employee of the Agency or a party to a personal services contract with the Agency at any time that he or she is serving as a Director or alternate to the Board.

1.4 **Vacancies.** In the event any vacancy occurs on the Board of Directors, the unrepresented Member Utility shall appoint a successor prior to the next regular meeting of the Board. A Member Utility that appoints a new Director or alternate in accordance with the Third Amended and Restated Joint Action Agency Agreement (the "JAA Agreement") shall promptly provide written notice of such change to the [Agency and](#) other Member Utilities. A vacancy that will occur at a specific later date, by reason of a resignation or otherwise, may be filled before the vacancy occurs, and the new Director shall take office when the vacancy occurs.

1.5 **Resignation.** Any Director or alternate to the Board may resign by delivering written notice to the Board of Directors, [through](#) its chairperson. The Director or alternate shall continue to serve until his or her successor is appointed.

## **ARTICLE 2 BOARD MEETINGS**

2.1 **Open Meeting Requirement.** All formal meetings of the Board and its special purpose committees must, unless otherwise provided in the JAA Agreement or in these Bylaws, comply with the open meetings requirements contained in AS 44.62.310 *et seq.*

2.1.1 **Executive Sessions.** If any subjects to be discussed at a meeting are subjects that may potentially be discussed in an executive session, the meeting shall first be convened as a regular or special meeting and the question of holding an executive session to discuss matters that come within the exceptions to the open meeting requirement shall be determined by a majority vote of the Board. No subjects may be considered at the executive session except those mentioned in the motion calling for the executive session unless auxiliary to the main question. Formal action may not be taken during the executive session. The following subjects constitute exceptions to the open meeting requirement and may be discussed in an executive session:

- (a) matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the Agency, the Projects, or any of the Member Utilities represented on the Board;
- (b) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;
- (c) matters which by law are required to be confidential;
- (d) matters discussed with an attorney retained by the Board members, or with a consultant retained by such attorney, the immediate knowledge of which could have an adverse effect on the legal position of the Agency, the Projects, or any of the Member Utilities represented on the Board; and



- (e) matters which for any other reason allowed by law may be exempt from the open meeting requirement.

2.2 **Annual Meeting.** The Agency shall hold an annual meeting for the purpose of electing officers, and for transacting such other business as may come before the meeting.

2.3 **Regular Meetings.** Regular meetings of the Agency shall be held at least quarterly, with the specific date and time to be determined by the Agency.

2.4 **Special Meetings.** Special meetings of the Agency may be called at any time by the Chairperson or by three members of the Board of Directors by so advising the Secretary of the Board, provided each Project shall have one Director voting to approve such meeting. Business at a special meeting of the Board shall be limited to the purpose stated in the notice of such meeting.

2.5 **Notice of Meetings.** Notice of any meeting of the Board of Directors, including official meetings, informal meetings, or executive sessions, shall be given by the Secretary of the Board to the public, Directors and alternates to the Board, and the governing body of each Member Utility.

2.5.1 Notice of a regular meeting shall be mailed and published at least five (5) days in advance of the date of the meeting, and shall be given by:

- (a) mailing notice to all persons or organizations who have filed with the Agency a written request to receive notice, and
- (b) publishing notice once in the designated newspaper of the Agency, the local newspapers in Ketchikan, Wrangell and Petersburg.

2.5.2 A notice of a meeting shall include the date, time and place of the meeting, and if the meeting is by teleconferencing, the location of a teleconferencing facility that is equipped with a speaker-telephone or similar listening device.

2.5.3 Written notice of special meetings of the Board shall state the purpose or purposes for which the meeting is called. Business at a special meeting shall be limited to the purposes stated in the notice of the special meeting. Notice of special meetings shall be published to the extent practical and if sufficient time permits.

2.5.4 It is the intent of the Agency to give the best notice possible to the public of all its transactions, but the inadvertent failure to accomplish any one of the notice requirements shall not invalidate any action of the Board.

2.6 **Waiver of Notice.** Any person entitled to notice of a Board meeting may at any time waive any notice required by law, the JAA Agreement, or these Bylaws. Unless a person entitled to notice attends and participates in a meeting, a waiver must be in writing, must be signed by the person entitled to notice, must specify the meeting for which notice is waived, and must be filed with the minutes or Agency records. Attendance at a Board meeting shall constitute a waiver of notice,

except where attendance is for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

**2.7 Place of Meetings.** The Chairperson of the Board may designate any place as the place of meeting for any annual, regular or special meeting of the Board. As a matter of general policy, the Board will conduct its meetings in the State of Alaska. Should there be a need to meet outside the State of Alaska, the Board will consider the desire for easy access by the press and the public in addition to the need to conduct business at least cost to the ratepayer.

**2.8 Teleconferencing.** Attendance and participation by any or all Directors and alternates at any meeting of the Board may be by teleconference. The votes at a meeting held by teleconference shall be taken by roll call. Materials to be considered at a meeting held by teleconference shall be made available at the teleconference locations. Participation by such means shall constitute presence in person at a meeting.

**2.9 Minutes of Meetings.** Written minutes shall be kept for all regular and special meetings of the Board. Minutes of Board meetings shall be mailed, or provided electronically to each Director, alternate, and Member Utility following each meeting. The official copy of each minutes shall be signed by the Chairperson and the Secretary.

**2.10 Quorum.** The presence of any three Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, except as otherwise provided by law, another agreement, or these Bylaws.

**2.11 Manner of Acting.**

2.11.1 A Director may not vote by proxy but may vote by mail or facsimile or by participation in a meeting of the Board via telephone conference or similar communication.

2.11.2 All Board actions shall be taken in a manner that the public may know the vote of each member of the Board who is entitled to vote.

2.11.3 A Director who is present at a meeting of the Board of Directors at which the Board takes action on a matter shall vote on such matters by either yes or no.

2.11.4 Except for those matters that expressly require alternative voting procedures, the vote of a majority of Directors shall be required for the adoption of any matter voted upon, and shall be an act of the Board.

2.11.5 The following matters shall require the affirmative vote of all Board members.

(a) Adoption of the Bylaws, amendment, alteration or repealing of the Bylaws, consistent with the JAA, as amended.

(b) Any action required by the Joint Action Agency Agreement, as amended, to be approved by a unanimous vote of all Boardmembers.

(c) Releasing any Member Utility from its purchase of Firm Power Requirements as determined in the Long Term Power Sale Agreement.

(d) As otherwise required by the Long Term Power Sales Agreement.

2.11.6 The following matters shall require the affirmative vote of a supermajority of the Board members (eighty percent of all members):

(a) Providing any new hydroelectric generation or transmission lines.

(b) Any action required by the Joint Action Agency Agreement, as amended, to be approved by a Supermajority vote of all Boardmembers.

(c) As otherwise required by the Long Term Power Sales Agreement.

(d) The Funding of any capital projects in excess of an amount set by an adopted Agency Policy. This amount will be reviewed periodically by the Board of Directors as appropriate.

(e) Adoption of an Operations Plan consistent with the Power Sales Agreement.

(f) The sale and pricing of Surplus Power, after the Agency has determined that Surplus Power is available, pursuant to the Long Term Power Sales Agreement

(g) The entering of any long term service or operations contract in excess of 5 years.

2.11.7 Conduct of Meetings. Robert Rules of Order shall govern the conduct of Board meetings except where in conflict with specific procedural rules adopted by the Board.

### **ARTICLE 3 EXECUTIVE COMMITTEE AND SPECIAL PURPOSE COMMITTEES**

**3.1 Designation of Committees.** The Board of Directors may designate two or more Directors or alternates to constitute an executive committee or a special purpose committee, subject to such conditions as may be prescribed by the Board and subject to any limitations imposed by the JAA Agreement. The designation of a committee, and the delegation of authority to it, shall not operate to relieve the Board of Directors or any member thereof of any responsibility imposed by law or the JAA Agreement. No member of a committee shall continue to be a member thereof after ceasing to be a Director or alternate of the Agency. The Board of Directors shall have the power at any time to increase or decrease the number of members of the committee, to fill vacancies thereon, to change any member thereof, and to change the functions or terminate the existence thereof. The creation of a committee and the appointment of members to it shall be approved by a majority of the Directors in office when the action is taken, unless a greater number is required by the JAA Agreement or these Bylaws.

3.2 **Powers.** The Board may not delegate its decision making duties to any executive or special purpose committee.

3.3 **Term.** The members of a committee shall serve from the date of appointment until the date of the next annual meeting of the Board of Directors, unless earlier terminated by the Board of Directors.

### 3.4 **Procedures; Meetings; Quorum.**

3.4.1 The Board of Directors shall appoint a committee Chairperson and Secretary from among the members of the committee. The Chairperson shall preside at all meetings of the committee and the Secretary of the committee shall keep a record of its acts and proceedings, which shall be filed with the minutes of the Agency.

3.4.2 Regular meetings of a committee shall be held upon such notice as is required by these Bylaws for regular meetings of the Board of Directors, and shall be held on such days and at such places as shall be fixed by resolution adopted by the committee. Special meetings of the committee shall be called at the request of the Chairperson or of any member of the committee, and shall be held upon such notice as is required by these Bylaws for special meetings of the Board of Directors.

3.4.3 Attendance of any member of a committee at a meeting shall constitute a waiver of notice of the meeting. A majority of the committee, from time to time, shall be necessary to constitute a quorum for the transaction of any business, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Members of a committee may hold a meeting of such committee by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in such meeting shall constitute presence in person at the meeting.

## **ARTICLE 4 OFFICERS**

4.1 **Appointment and Term of Office.** The Board of Directors shall annually appoint a Chairperson, Vice Chairperson, Treasurer and Secretary. The offices of Chairperson and Secretary shall not be held by the same person. Each officer shall serve for a one-year term commencing on January 1 and ending on December 31 of each calendar year, and shall hold office until a successor is elected and accepts office, unless the officer earlier resigns or is removed by the Board of Directors as provided in the JAA Agreement.

4.2 **Qualification.** Only Directors or alternates to the Board shall be eligible to serve as officers of the Agency.

4.3 **Resignation and Removal.** An officer may resign at any time by delivering notice of such resignation to the Agency. A resignation is effective upon receipt unless the notice specifies a later effective date. If the Agency accepts a specified later effective date, the Board of Directors may fill the pending vacancy before the effective date, but the successor may not take office until the

effective date. Once delivered, a notice of resignation is irrevocable unless revocation is permitted by the Board of Directors. Any officer appointed by the Board of Directors may be removed from office at any time with or without cause by the Board.

4.4 **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, [a Director not being reappointed by the Member Utility](#), or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

4.5 **Chairperson of the Board of Directors.** The Chairperson shall preside over all meetings of the Agency and shall perform such other duties and have such other powers as the Board may prescribe, subject to the limitations set forth in the JAA Agreement.

4.6 **Vice Chairperson.** The Vice Chairperson shall act under the direction of the Chairperson, and in the absence or disability of the Chairperson or if the office of the Chairperson is vacant, shall perform the duties of Chairperson, and from time to time shall perform such other duties and have such other powers as the Chairperson or Board of Directors may prescribe, subject to the limitations set forth in the JAA Agreement.

4.7 **Secretary.** The Secretary shall act under the direction of the Chairperson. Subject to the direction of the Chairperson or the Board, the Secretary shall attend all meetings of the Board and keep accurate records of all proceedings. The Secretary shall perform like duties for committees when required. In the Secretary's absence, the Chairperson shall designate another member of the Board to keep a record of the proceedings. The Secretary shall give or cause to be given notice of all meetings of the Board and special meetings of the Board and shall promptly obtain and provide approval of all minutes of official meetings of the Agency. The Secretary shall perform such other duties as may be prescribed by the Chairperson or the Board. [The Secretary or the Board of Directors may delegate to another or others any of the duties hereinbefore assigned to this officer.](#)

4.8 **Treasurer.** The Treasurer shall act under the direction of the Board of Directors. Subject to the direction of the Board, the Treasurer shall have control of the Board's funds and securities and shall keep full and accurate records of all accounts and finances of the Agency, and shall report at least four times per year to the Board with a summary of all accounts and finances. The Treasurer shall immediately deposit all monies and other valuable effects in the name and to the credit of the Board in such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Board as may be ordered by the Board, taking proper vouchers for such disbursements. The Board shall secure a bond in an adequate amount to cover the actions of the Treasurer. [The Treasurer or the Board of Directors may delegate to another or others any of the duties hereinbefore assigned to this officer.](#)

## ARTICLE S MISCELLANEOUS PROVISIONS

### 5.1 Compensation.

5.1.1. Directors and alternates to the Board, Directors and alternates serving as executive and special committee members and Directors and alternates serving as officers to the Board, may not receive salaries for such services, and except in emergencies, may not receive

salaries for services provided to the Agency in any other capacity without the approval of a majority of the Board, excluding the vote of the Director or alternate to be compensated. Directors and alternates to the Board may receive reasonable reimbursement for expenses, including but not limited to travel, hotel and a per diem for meals for any necessary travel required as a Director and alternate, including service as an executive and special committee member and officer. The Board from time to time may establish a policy governing such reimbursements for necessary travel to and from a meetings of the Board or other meetings while officially representing the Agency.

**5.2 Contracts.** The Board of Directors may authorize any officer or officers and agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Agency, and such authority may be general or confined to specific instances.

**5.3 Checks; Drafts.** All checks, drafts or other orders for the payment of money and notes or other evidences of indebtedness issued in the name of the Agency shall be signed by such officer or officers and agent or agents of the Agency and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**5.4 Deposits.** All funds of the Agency not otherwise employed shall be deposited from time to time to the credit of the Agency in such banks, trust companies or other depositories as the Board of Directors may select.

**5.5 Severability.** Any determination that any provision of these Bylaws is for any reason inapplicable, invalid, illegal or otherwise ineffective shall not affect or invalidate any other provision of these Bylaws.

**ARTICLE 6  
AMENDMENTS**

6.1 These Bylaws may be altered, amended or repealed and new bylaws may be adopted only by unanimous vote of all members of the Board of Directors at any regular or special meeting.

, Secretary of the Board of Directors

**ADOPTED:** , 2014 .

## Southeast Alaska Power Agency

**EDATE:** April 16, 2014  
**TO:** SEAPA Board of Directors  
**FROM:** Trey Acteson, CEO  
**RE** Diesel Protocol

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At the March 3-4, 2014 board meeting, following board approval of an invoice for diesel fuel expenses, staff was directed to prepare an outline and recommendation for the board's consideration on a process for staff to follow to address any future diesel reimbursement requests.

The diesel protocol issue has come before the board at several board meetings over the past four years with no consensus to date. During this period, there have been occasional reimbursement requests for diesel fuel expenses and the board has reviewed them on a case-by-case basis. The board took action in each case, determining whether to pay the invoice in full, in part, or not at all.

I have attached to this memo documents previously presented to the board to help familiarize new board members with the topic of diesel protocol. The documents represent considerable time, effort, and research by staff and SEAPA's counsel on the issue. They describe the purpose, background, and application; plus highlight potential unintended consequences. There is also a legal review that looks at PSA obligations and whether SEAPA has the ability to pay diesel reimbursement. Additionally, there is a draft resolution that captures a diesel protocol framework that was previously discussed by the board. Any new outline or framework would likely mirror the content of these documents.

It is my recommendation moving forward that although the Agency is under no obligation to reimburse for diesel, until such time that a formal resolution on diesel protocol is adopted by the board, requests for diesel reimbursement be presented to the board for determination on a case-by-case basis. Staff will not pre-authorize the payment of any invoice prior to the board's approval and will be available to discuss each circumstance under consideration.

Until a formal resolution is adopted, I have prepared a suggested motion for your consideration.

SUGGESTED MOTION
<p><b>Until a formal diesel protocol resolution is adopted by SEAPA's Board of Directors, SEAPA staff may not pre-authorize any payment for diesel fuel expenses but may present any invoices for diesel fuel expenses to the board for its consideration of payment on a case-by-case basis.</b></p>

Attachments:

- 2013 0620 Memo to Board from Acteson Re Diesel Protocol
- 2012 0201 Memo to Board from Carlson Re Diesel Protocol
- 2010 1027 Memo to Board from Carlson Re Diesel Protocol
- 2010 1031 Memo to Carlson from Ater Wynne Re Payment of Diesel Generation Costs
- 2011 0209 Memo to Board from Carlson Re Diesel Protocol Resolution
- Draft Resolution No. 2011-035 Regarding Diesel Protocol



**PERTINENT PORTION OF  
ACTESON 06-20-2013  
MEMO TO BOARD RE  
DIESEL PROTOCOL**

## Southeast Alaska Power Agency

reapply for our grants under Round 7 of the Renewable Energy Grant Fund Program. AEA should be more receptive to our request considering that they have made an investment in equipment and our region is now an area of focus for wind resource analysis.

Diesel Protocol: I have reviewed the issue of diesel protocol in detail and do not recommend moving the initiative forward at this time. I originally considered employing a limited approach to test the waters, but after further assessment, the concept has fatal flaws and several possible unintended consequences. For example, there will likely be disproportionate diesel consumption which will create unnecessary stress among the member utilities due to inequitable distribution of reimbursement funds. Member utilities that are aggressive with demand side management may reconsider curtailing interruptible loads because others do not equally share in the effort. It may disincentivize efficient maintenance execution if someone else shoulders the cost of diesel generation. Member utilities will be less inclined to maximize diesel engine operation efficiency if they are being reimbursed. All of these things could potentially result in "more" diesel being consumed. The current mechanism of returning unallocated revenues through rebates is much easier to administer and allows individual members utilities to spend their money where they think it is most needed. As an example, a member utility could create their own diesel reserve account or dedicate their rebates to advancing demand side management efforts.

O&M Review: The O&M review is up for discussion again and in light of recent TBPA developments, I think progress can be made that mutually benefits the effected parties. I would like to recommend that the Board instruct SEAPA Staff to meet with the TBPA Commission and enter into negotiations to see if a draft settlement can be reached for subsequent Board consideration. There appears to be a growing recognition that TBPA is in essence an extension of the SEAPA Board, comprised of many of the same people. Additionally, there are issues with lack of funding for non-net billables and a significant outstanding PERS liability for the northern member utilities. There are also attrition considerations that enter into the array of issues. I recommend deferring any formal O&M Review action until a settlement can be explored with TBPA.

Kake-Petersburg Intertie Project (KPI): The KPI project is moving forward as described in the Memorandum of Understanding (MOU) between AEA, IPEC, and SEAPA. KPI routing options have been controversial, with concerns being voiced by both the City of Kupreanof and the Petersburg Borough. SEAPA has listened closely to these concerns and has come up with a "New" preferred route that is potentially a win-win solution for everyone. In short, this includes a directional bore across the entrance to the channel, underground routing along the waterfront utility corridor, and overhead along the back side of the town. This route addresses many concerns including avoidance of the City of Kupreanof and the sensitive Petersburg Creek recreational area. The proposed underground routing along the waterfront includes moving existing overhead to underground, thus improving viewscapes. This new routing option will be thoroughly investigated, but appears to be a favorable solution that addresses community concerns.

As discussed at our April meeting, I have arranged for Mark Schinman to attend this board meeting to provide a detailed update on the Kake-Petersburg Intertie Project.

Attachments:

- Attachment 1: Public Relations Plan
- Attachment 2: Alaska Permanent Capital Management – March Quarterly Statement
- Attachment 3: SEAPA Investment Policy

**02-01-2012**  
**MEMO TO BOARD**  
**FROM CARLSON**  
**RE DIESEL PROTOCOL**

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## Southeast Alaska Power Agency

DATE: February 1, 2012  
TO: SEAPA Board of Directors  
FROM: Dave Carlson  
SUBJECT: Diesel Protocol

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Joe Nelson requested that this topic be placed on the agenda for this meeting. For the benefit of new members, the board has spent portions of several meetings over the past couple years discussing the development of a Diesel Protocol. Simply stated, there may be specific situations and conditions where it would be equally beneficial to all members and ratepayers for SEAPA to authorize and pay for one or more of the utilities to generate with diesel.

Behind this memo, you will find the following documents which will help frame the discussions that took place. Almost a year ago, the board considered a Resolution, which would have been the 'first step' in establishing a Diesel Protocol. There were concerns raised by some board members and no further action was taken.

This may be a good opportunity to resurrect this issue. I do not expect any action will be taken at this meeting but this agenda item will provide an opportunity for you to give direction to staff on how (or if) you would like to proceed on the development of a Diesel Protocol.

The attached documents include the following:

1. Memo from Dave Carlson dated October 27, 2010
  2. Memo from Joel Paisner dated October 31, 2010
  3. Memo from Dave Carlson dated February 9, 2011
  4. Draft Resolution 2011-035
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**10-27-2010**

**MEMO TO BOARD**

**FROM CARLSON**

**RE DIESEL PROTOCOL**

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# Southeast Alaska Power Agency

DATE: October 27, 2010  
TO: SEAPA Board of Directors  
FROM: Dave Carlson  
SUBJECT: Diesel Protocol

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The purpose of this memo is to provide background and discussion points for the development of an agreed-upon Diesel Protocol or policy. As you are aware, diesels are used to generate power due to a number of circumstances. Even though all of the member utilities have diesel generation in place to provide back-up when local or Agency hydro power is unavailable, this generation is costly and has public relations concerns. It is fair to say that everyone is working on the same goal of reducing diesel generation to the maximum extent possible. Nonetheless, diesel generation is required and is an integral component of the overall generation mix. This memo will attempt to define the sets of conditions when diesel generation is required and also provide discussion points to be used in the development of a Diesel Protocol.

I expect this document to spawn some extensive discussions before an agreed-upon Protocol is developed. Any protocol or policy that is developed and agreed to by the Board would be in the form of a resolution.

It is important to remember that the member utilities share in the benefits and risks associated with the Agency's operations. Benefits can flow to the utilities via the wholesale power rate, rebates, meeting reserve requirements, etc. Benefits could also be delivered to the member utilities in other ways including the offset of diesel generation costs in agreed-upon circumstances.

Background: With the completion of the Swan-Tyee Intertie, as well as capital projects that are currently underway or recently completed at both the Swan Lake and Tyee Lake projects, there have been several occasions when the member utilities have had to run diesels because the Agency-owned hydro projects or transmission lines were taken out of service and thereby SEAPA hydro power was unavailable for delivery. Additionally, there could be occasions when it may be advantageous to run diesels for the overall benefit of a more efficient, long-term water management schedule.

The Long-Term Power Sales Agreement ("LTPSA") recognizes that interruptions or restrictions of deliveries (of power) will occur to allow the Agency or a Purchasing Utility to inspect, maintain, repair, test, or otherwise service its facilities or equipment. There is no obligation or requirement that the Agency pay for the diesel generated by a member utility to replace the power unavailable from an Agency-owned hydro project.

While the Agency is under no obligation to pay for diesel generation costs incurred by the member utilities, there may be instances when it could be in everyone's interest to have the

Agency pay for specific and agreed-upon diesel generation costs. This could include cases when sharing of risk seems appropriate. These and other circumstances when diesel generation occurs are addressed in this memo.

Discussion: The following is a summary of the issues and situations that may require diesel generation. There is also the need to develop a policy for how these diesel generation costs are invoiced. The issues and situations are summarized below:

1. Diesel generation required due for a planned capital project or planned maintenance at Agency-owned hydro projects or transmission lines.
2. Diesel generation required due to an unplanned event or outage resulting in the unavailability of power deliveries from Agency-owned facilities.
3. Diesel generation 'recommended' by the Agency due to Operations Plan/Water Management.
4. Diesel generation 'necessary' to support reserve requirements.
5. Diesel generation dispatch from one utility to other interconnected utilities when Agency power is not available.
6. Billing procedures for approved diesel generation by a utility.

There are, no doubt, additional issues and subsets to the above that will be identified as each of these issues are evaluated. The following is a brief discussion regarding each of the issues:

1. **Diesel Generation Required for a Planned Capital Project or Planned Maintenance at Agency-Owned Hydro Projects or Transmission Lines:** The Agency has recently completed, or is in the process of completing, several projects at the hydro facilities that required the hydro project to be offline resulting in the unavailability of power deliveries to a member utility.

With the new substation construction at Swan Lake and Tye Lake, incentives were placed in the contract to reduce the number of outage hours thereby reducing the amount of diesel generation by the local utilities. We have also had occurrences when the contractor for a specific capital project agreed to pay for diesel generation costs and the local utility (in this case, Ketchikan) was reimbursed for diesel generation. (Discussion regarding billing procedures is discussed below.)

Under the LTPSA, the Agency has no obligation to pay for a utility's diesel generation costs if power from an Agency-owned facility is unavailable. However, there are cases when a budget for a planned capital project, upon approval of the Board, could contain an allowance for expected diesel generation costs that a utility is expected to incur as a result of the capital project.

If the Board agrees that it is acceptable and reasonable that diesel generation costs should be paid by the Agency for planned capital projects, I recommend this be conditioned as follows:

- a. The budget for a specific capital or R&R project that will result in the need for a member utility to generate power with diesel should include a line item for 'expected' diesel generation costs.
- b. The budget for the capital or R&R project with the diesel generation component must be approved by the Board.

- c. Invoices for diesel generation submitted to the Agency for payment are approved by the CEO providing they meet the requirements in 'a' and 'b' above.
- d. Diesel generation costs for capital or R&R projects that do not include a budget for diesel generation costs will require Board approval prior to payment. This could be for projects where there was not expected to be an interruption of power from an Agency facility but events occur that result in the need for diesel generation by a member utility. If the Board deems it reasonable that a member utility should be reimbursed for unanticipated diesel generation costs, a line item should be added to the Agency's annual budget to cover these costs.

With respect to the planned & scheduled annual maintenance outages (usually in May and June), I recommend that we continue to work to keep these outages as short as possible with the member utilities continuing to pay for diesel generation costs during these outages. However, with that said, this is certainly a topic that deserves board input and discussion. Would it be appropriate for the Agency to budget and pay for some level of diesel generation during these types of planned outages?

- 2. **Diesel Generation Required Due to an Unplanned Event or Outage Resulting in the Unavailability of Power Deliveries from Agency-Owned Facilities:** In this situation, these are unplanned events that occur from time to time that require utilities to turn on their diesels to meet load and also restore the system. Generally, these are short outages but do require a member utility, or utilities, to incur costs for diesel generation. There is no obligation that the Agency is required to reimburse the utilities for these diesel generation expenses.

Before providing any recommendations, we need to conduct some research to determine the magnitude of diesel generation costs that have been incurred over the past several years. My impression is that this has not been a huge expense, and I would appreciate input from the member utilities regarding these past costs.

- 3. **Diesel Generation 'Recommended' by the Agency Due to Operations Plan/Water Management:** In this situation, the Agency could recommend that a member utility should burn diesel in order to maintain or keep water levels at a project from declining below levels agreed to in the Operations Plan. Admittedly, this is a very sensitive issue for the Agency and perhaps even more importantly for the member utilities. There is a significant political hurdle to overcome with the perception that burning diesel should only occur as a last resort. This coupled with the highly unpredictable weather and precipitation forecasts exacerbate this even further. However, it is imprudent to operate projects and manage water reservoirs in a manner that increases the overall cost of power to the ratepayer.

This subject has already received a good deal of discussion and will require much more but it is important that an agreed-upon framework is developed regarding when diesel generation should be initiated in order to prudently execute water management plans within the interconnected system. Because of the dedicated output provisions in the LTPSA, this will initially affect Ketchikan. Ketchikan is understandably nervous about running diesel and charging their ratepayers a surcharge when there is still water in the reservoirs. However, there will be (and has been) times during the year when our water management model shows that it would be prudent to burn diesel. Consequently, there



will need to be some good discussion and an approach developed to address the allocation of risk to both the Agency and the member utilities with respect to these diesel runs. The question of who should pay for the diesel if it turns out the Agency is wrong in its diesel-burn request (i.e., an unexpected rain or series of rain events occur such as the events in late September and October of this year) needs discussion and agreement. Conversely, should Ketchikan be required to pay for the loss of generating efficiency should the Agency turn out to be correct (the rain events do not occur as hoped)?

An example of a diesel request follows: During January 2009 high loads and low inflows caused the rate of draft at Swan Lake to exceed the guide curve draft rate for several weeks. To preserve head, and to re-establish a rate of draft on the guide curve, SEAPA suggested to KPU that they generate with diesel to the extent that Swan generation would be limited to one unit. KPU did not want to burn diesel early in the winter season because the public would not understand a diesel surcharge when Swan Lake and Tye Lake were not drafted, and rate payers were in the process of paying previous surcharges. This case was a peculiar event as Tye would not be able to supplement Swan as much as usual later in the winter due to the rewind project. In the end, a strong storm increased inflows and loads decreased. What if the weather pattern had remained cold and dry? KPU absorbed the risk that weather would turn warm and wet in sufficient time that the rewind constraint would not cause an extended period of diesel generation. The risk trade-off was a greater diesel generation level in the future if diesel is not used now to a limited degree. This example is typical of water management issues and also shows that each case is specific in nature, and that a supplemental diesel reimbursement for water management issues needs to be judged on a case-by-case basis.

#### 4. Diesel Generation 'Necessary' to Support Reserve Requirements:

- a. Spin Reserve: With the increase of conversions to electric heating, there will be occasions in the very near future when there is not enough installed hydro capacity within the interconnected system to meet these loads and provide spinning reserve. SEAPA has presently been providing this spin reserve for the member utilities. The member utilities that have their own hydro (Ketchikan & Petersburg) generally do not supply this reserve themselves and rely on SEAPA's capacity to provide this spin. SEAPA is currently under a spin reserve rule to continuously provide 4 MW of on-line reserve capacity. Our installed full reservoir capacity is 50 MW. After deductions for voltage support this capacity drops to 46 MW. In mid-winter this capacity drops to 44 MW because of reduced head in the reservoirs. If the net load to SEAPA exceeds 40 MW in mid-winter, SEAPA can meet this load, but the 4 MW spin reserve criteria will not be met. Should we waive the spin reserve rule during very high loads, which is the most critical time to provide reserves, or should diesel supplement the generation mix such that spin reserve is provided?
- b. Contingency Reserve Storage: There is currently a draft limit imposed at Swan Lake that when at or near elevation 280, diesel generation should be initiated to preserve water in Swan Lake for emergencies. If there is sufficient storage in Tye to refill Swan after the Swan elevation drops below Elevation 280, then why burn the diesel up front? The attenuated risk is now a failure of the Tye equipment or the Tye to Bailey transmission path. If Tye fails and KPU diesel fails, there is still adequate diesel capacity spread across the system to recharge the reservoirs. This example could be one where the option of shared resources reduces diesel generation costs.

5. **Diesel Generation Dispatch from One Utility to Other Interconnected Utilities when Agency Power is Not Available:** This is a discussion that needs to take place primarily between the utilities. In situations when an event occurs resulting in an unplanned outage affecting the entire system, there could be good reason and justification to have one utility run diesels to support all the interconnected utilities. Operational issues and system reliability issues need to be addressed, of course, to determine if this is even feasible. Assuming it is, however, the utilities would need to agree and develop a protocol on the dispatch and billing for this power.
  
6. **Billing Procedures for Approved Diesel Generation by a Utility:** An agreed-upon procedure for invoicing the costs of diesel generation should be developed. The obvious components that could be included in these billing charges include:
  - Cost of diesel
  - Cost of lube oils
  - Cost of labor
  - Amortized capital costs
  - Administration and Overhead

My recommendation with respect to billing is to keep it simple and include only the cost of diesel with an associated credit for the energy that would have been purchased at the current wholesale power rate (6.8 cents/kWh).

I look forward to some good discussion at the meeting. We are breaking new ground here and are in the first steps in the development of a Diesel Protocol policy. As policy makers, I would appreciate your initial thoughts regarding whether SEAPA should consider including diesel expenses within its budgets in certain agreed-upon situations. There are obvious operational discussions that will have to take place among the utilities at the Reliability Committee meetings. I believe we should strive for solutions that benefit and make sense for the ratepayers and our member utilities.

**10-31-2010**

**MEMO TO CARLSON**

**FROM ATER WYNNE**

**RE PAYMENT OF DIESEL**

**GENERATION COSTS**

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MEMORANDUM

TO: Dave Carlson, CEO, Southeast Alaska Power Agency  
FROM: Joel Paisner, Ater Wynne LLP  
DATE: October 31, 2010  
RE: Payment of Diesel Generation Costs

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I. QUESTIONS

1. In connection with the Southeast Alaska Power Agency's ("SEAPA" or the "Agency") obligations to provide continuous electrical service to its Purchasing Utilities under the Long Term Power Sales Agreement ("PSA"), is the Agency required to pay for diesel generation run by the Purchasing Utilities?
2. In connection with SEAPA's obligations to provide continuous electrical service to its Purchasing Utilities under the PSA, is the Agency prohibited from paying for diesel generation costs, in certain board-determined circumstances?

II. DISCUSSION AND ANSWER

Electric Power is to be continuously available by the Agency to its Purchasing Utilities at the agreed upon Delivery Point for each particular system. PSA, Section 4. However, this obligation is limited by the following exceptions:

- (a) Interruptions or restrictions of deliveries caused by the reasonable need of the Agency or its Purchasing Utilities to "inspect, maintain, repair, test or otherwise service its facilities or equipment in accordance with Prudent Utility Practice and standards." Id. Such interruptions shall excuse the Agency from its obligations under the Operations Plan.
- (b) When a cause or event is *not in the control* of the Agency.(emphasis added)

PSA Section 4(a). Each party to the PSA is obligated to reasonably limit any planned interruptions or restrictions in service, provide reasonable notice of planned outages, and to plan such known outages during light load periods.

The PSA limits the Agency's legal obligation regarding continuity of service to the Purchasing Utilities, and it is not obligated to pay for the outages and restrictions outlined above. Additionally, the PSA states that it "shall not create on the part of the Purchasing Utilities and the Agency any legal duty to maintain continuity of electric power service to any Purchaser's retail customers." Id at Section 4(a)(iii). In other words, if delivery of electric power to the Purchasing Utilities is interrupted, either through planning or causes beyond the control of the

Agency, the Agency is not responsible to pay for any outages for these excused circumstances. There is no obligation under the PSA to pay either the Purchasing Utilities for the cost impacts from such outages or pay the customers of the Purchasing Utilities for such outages.

The Purchasing Utilities remedy for system disturbances is to refuse to accept power from the Agency until reliability is restored. See PSA, Section 4(c). It is not refusal to pay for impacts from excused interruptions as defined in the PSA.

The question related to this is whether the Agency, in certain defined circumstances *may* pay for system outages, interruptions and restrictions. The PSA itself does not address this question, as it simply defines the core obligations between the Agency and its Purchasing Utilities. It is the Agency bylaws that govern this question. The bylaws define which decisions require unanimous approval of the Board of Directors, which require a super majority (4 of 5) and which require a simple majority vote (3 of 5).

For example, unanimous decisions are those that alter the bylaws, or release of a party from its obligation to take Firm Power. Supermajority decisions are those that relate to the addition of hydroelectricity or transmission, approval of the Operations Plan, the sale of surplus power, or entering into long term service or operations contracts.

The proposal reviewed by this memorandum relates to an overall diesel generation plan and protocol. In it, the proposal is that under certain circumstances – Agency proposed water management, or Agency proposed repair and facility replacement, or others yet to be discussed, that the Agency budget for the cost of each Purchasing Utility's diesel generation costs due to the agreed upon Agency action. To the extent these payments are included in a budget adopted by the Board, the bylaws do not prohibit such payments. However, in the event such payments are made pursuant to, and part of the Operations Plan, a supermajority must approve such plan, as is required in the Bylaws. See Bylaws, Section 2.11(e).

### III. CONCLUSION

The PSA establishes the overall obligations between the Agency and its Purchasing Utilities regarding the sale of electric power. The Agency sells its electric power on a continuous basis, however the PSA recognizes that events occur outside the direct control of the Agency, and excuses delivery of electric power in those circumstances. An example of such excused circumstances was the recent storm that impacted the Swan – Tyee Intertie and the operations at Swan Lake. Clearly those circumstances are beyond any party's control, and any impacts are to be born by each of the parties. Thus, generally, if any Purchasing Utility is required to use diesel generation to supply its customers, under the PSA, it is obligated to pay for such costs. This has been a historical practice of the Agency and its Purchasing Utilities as well.

The PSA does not address the question regarding whether the Agency, in certain defined and approved circumstance may pay for the diesel generation at a Purchasing Utility. Referring to the Agency bylaws, as part of the budgeting process, the Agency may include the costs of

1076192/1/JRP/104637-0000

November 1, 2010

Page 3

diesel generation that may occur. As proposed, the practice of including diesel generation costs at a Purchasing Utility impacted due to an approved repair, replacement or restoration project is well within the authority of the Board to consider. It is important to note that in the event such plans to contribute to diesel generation costs are part of the annual Operations Plan, the approval of such policies must be pursuant to a supermajority of the Board.

If you have any questions or further concerns, do not hesitate to let me know.

1076192/1/JRP/104637-0000

**02-09-2011**  
**MEMO TO BOARD**  
**FROM CARLSON**  
**RE DIESEL PROTOCOL**  
**RESOLUTION**

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## Southeast Alaska Power Agency

**DATE:** February 9, 2011  
**TO:** SEAPA Board of Directors  
**FROM:** Dave Carlson, CEO  
**SUBJECT:** Diesel Protocol Resolution

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Over the past year or so, the Board has discussed the development of a Diesel Protocol policy. I am attaching my memo to you dated October 27, 2010 that described the various circumstances when diesel generation by the member utilities may be required. Also attached is a memo from Joel Paisner dated October 31, 2011 that addresses this subject from a legal perspective. The Power Sales Agreement does not require SEAPA to pay for any costs Member Utilities have related to planned or unplanned outages, including any diesel costs. Except in a few special circumstances in the past, these diesel costs were paid by the member utility without any reimbursement. However, there may be situations where it may be advantageous for SEAPA to reimburse certain diesel generation costs. The attached resolution before you includes those circumstances and situations where I believe there was a consensus among board members where SEAPA could reimburse utilities for diesel costs. These are as follows:

- A. A planned and budgeted capital or R&R project that includes a line item within the budget for anticipated diesel generation resulting from the construction or implementation of the project.
- B. A capital or R&R project that was not anticipated or budgeted but arises during the fiscal year resulting in the need for a member utility to generate power with diesel. This type of project would require board approval through a budget amendment and the project would require a specific line item for the anticipated diesel generation.
- C. Annual Maintenance: Each year the projects and transmission lines are taken out of service to conduct annual maintenance. The member utilities have paid for these diesel generation expenses in the past. Under these circumstances, the specific amount of diesel generation to be reimbursed to the member utilities must be included as a separate line item in the board approved budget.

There are, of course, other circumstances when diesel generation could be required but the circumstances listed above were the ones that appeared to have board consensus. This resolution is a starting point and not the stopping point. This policy can always be amended in the future.

Regarding the reimbursement to the member utilities for diesel generation, the resolution specifies that the following policy will apply:



- A. Reimbursement will only cover fuel costs. No labor, capital, lubricants, mark-up, or other expenses will be reimbursed. Upon request from SEAPA, the member utilities will provide verification of the fuel cost.
- B. The member utilities will pay SEAPA, at the prevailing Wholesale Power Rate, for the amount of kWh generated. This payment will be shown as a credit on the fuel invoice.

Attachments:

10-27-10 Memo from Carlson to Board  
10-31-10 Memo from Paisner to Carlson  
Resolution No. 2011-35

**DRAFT RESOLUTION  
NO. 2011-035 REGARDING  
DIESEL PROTOCOL**

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**Resolution 2011-035**

**RESOLUTION OF THE SOUTHEAST ALASKA POWER AGENCY REGARDING DIESEL PROTOCOL, AGENCY USE OF DIESEL FOR PLANNED EVENTS AND PAYMENTS TO MEMBER UTILITIES**

**Recitals**

WHEREAS, the Member Utilities of the Southeast Alaska Power Agency (or "Agency") all have the capability to provide diesel generation to provide electric service to their customers when local or Southeast Alaska Power Agency hydro power is unavailable; and

WHEREAS, the Member Utilities and the Southeast Alaska Power Agency have entered into a Long Term Power Sales Agreement whereby the Agency has agreed to sell and the Member Utilities have agreed to buy the Electric Energy from its two Projects (Tyee Lake and Swan Lake); and

WHEREAS, the Southeast Alaska Power Agency as part of its obligations as owner of the two Projects and the Swan-Tyee Intertie, must plan, schedule and complete ongoing capital improvement projects, and repair and replacement projects, that may result in certain planned outages of some or all of the two Projects and the Swan-Tyee Intertie; and

WHEREAS, due to unplanned events, storms, outages, and other force majeure events, may result in the unavailability of power from the Agency-owned facilities requiring Member Utilities to resort to diesel generation to serve customer loads; and

WHEREAS, consistent with the Operations Plan, and with the system wide requirements to support necessary reserves, and consistent with prudent utility practices, the Southeast Alaska Power Agency hereby approves and authorizes the following procedures to address the impacts to its Member Utilities for use of diesel generation in specific circumstances.

NOW THEREFORE BE IT RESOLVED, the Southeast Alaska Power Agency, shall in certain circumstances, pay for and defray the costs of a Member Utility's diesel generation.

1. The Long Term Power Sales Agreement between the Agency and the Member Utilities governs all sales, purchases and delivery of Electric Energy and capacity from the Agency Facilities. All parties to the Long Term Power Sales Agreement acknowledge that, consistent with Section 4, power from the Agency Facilities may be interrupted due to events beyond the control of the Agency, and for maintenance, repair, testing or other similar circumstances of Agency facilities.

2. Consistent with the Long Term Power Sales Agreement, and Prudent Utility Practices, the Southeast Alaska Power Agency agrees to provide certain payments for its Member Utilities diesel generation, but the following conditions must be met before any such payments will be made:

- (a) Any planned capital project, repair & replacement project or scheduled annual maintenance for SEAPA facilities including transmission lines must include a specific budget line item for planned outages requiring diesel generation directly caused by the capital

project, repair & replacement project or scheduled annual maintenance.

(b) The budget for the planned capital project, repair & replacement project or scheduled annual maintenance is approved by the Agency Board of Directors, consistent with Agency Bylaws and the Long Term Power Sales Agreement.

(c) In the event a repair and replacement project arises during the fiscal year that was not approved for that year's budget, the Agency Board of Directors shall specifically approve any proposed payments for diesel generation directly related to the repair and replacement project.

3. Payments made shall only be for the direct actual cost of diesel to be purchased. No labor, capital costs, materials, overhead or other extra costs will be reimbursed by the Agency pursuant to this diesel reimbursement resolution. Each Member Utility will provide the Agency with an invoice detailing both the direct fuel costs authorized herein, as well as a credit back to the Agency for energy generated during the outage period. The energy credit to the Agency shall be at the then current Wholesale Power Rate annually established by the Agency.

4. Any other payments from the Agency to the Member Utilities must be approved by the Board of Directors of the Agency, consistent with its Bylaws and the Long Term Power Sales Agreement between the Agency and its Member Utilities.

5. In the event there is a conflict between the policies established by this resolution, and the Long Term Power Sales Agreement, the Long Term Power Sales Agreement shall govern.

THE SOUTHEAST ALASKA POWER AGENCY,

DATED \_\_\_\_\_

By: \_\_\_\_\_

Its: President

ATTEST: \_\_\_\_\_

## Southeast Alaska Power Agency

**EDATE:** April 16, 2014  
**TO:** SEAPA Board of Directors  
**FROM:** Trey Acteson, CEO  
**RE** Historic Preservation Meetings Update

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At SEAPA's October 2013 board meeting, staff was directed to prepare a timeline of the Agency's history for the preservation of factual data. Funds of \$5,000 were authorized at that meeting and \$10,000 at a subsequent meeting toward expenditures for the effort.

The first meeting was held on December 16, 2013 and was attended by Joe Nelson, Joel Paisner, Charles Freeman, Bob Sivertsen, Dave Carlson (telephonically), and SEAPA staff. A draft timeline of Agency history from its inception to date was presented for discussion. Names of additional contributors and/or participants were provided by those in attendance for additional historical facts, and tasks were identified for follow-up meetings and discussions. Participants at the meeting continued discussions and closed the meeting having discussed the period of time from the inception of the Agency up to September 2001.

A second meeting was held on March 26, 2014 and was attended by Joe Nelson, Joel Paisner, Bob Sivertsen, Dave Carlson, and SEAPA staff. The December 16 meeting results were reviewed and discussions continued on the timeline from September 2001 forward. Dave Carlson, who attended in person, provided staff with boxes of historical documents which need to be digitized and cataloged for use in the final product of the project. During the meeting, it was determined that it will be prudent to contact and interview key individuals who played an important role in SEAPA's history while they are still available to share their information. Mr. Carlson offered to interview individuals at no charge to the Agency other than his travel expenses. Chairman Sivertsen reasoned given the considerable time it will take to digitize all the historical documents, that a summer intern either be hired or the work be contracted out to scan and catalog the documents provided by Mr. Carlson. Mr. Carlson advised that he is also having several rolls of film digitized, which will be available soon for review.

To date approximately \$1,000 has been expended from the \$15,000 authorized toward this project. The vision for the end product of the project to date has been to present a formal timeline on SEAPA's website. However, the information gathered can also be memorialized by way of a film, hardcover books, or CD's. Staff will solicit the board's direction on the depth of the project at the upcoming board meeting.

## Southeast Alaska Power Agency

**EDATE:** April 16, 2014  
**TO:** Trey Acteson, CEO  
**FROM:** Eric Wolfe  
**RE** SCADA Capital Project Budget Increase

As elaborated by staff in the Director of Special Projects report, which is included in the board packet, an increase to the FY14 budget is requested for the SCADA capital project due to the previous uncertainty regarding the project with respect to communication system bandwidth, the recently installed LAN/WAN, new network security constraints, power supply integrity, and installations during the winter season. Staff provided the following breakdown serving as the basis for this request for additional funding:

Fiber Fusion Change Order No. 1	Fiber Fusion change order for data buffering (storage) at substations during communication failures	\$25,299
Fiber Fusion Miscellaneous Materials	Cable harness, etc. specific to SEAPA purchased equipment	\$5,326
Fiber Fusion Change Order No. 2	Fiber Fusion change order to separate archival function & reduce data bandwidth requirements to meet Satellite mesh and DSL bandwidth requirements (when this project started, it was anticipated that a fiber cable would link the SEAPA office and Swan Lake)	\$5,900
Segrity LLC (FY13 to FY 14)	FY 14 budget not increased	\$55,863
Hardware	SEAPA purchased directly all PLC, RTU, Server, and communication hardware; the cost increase is the difference between actual quotes and actual invoices (time delay) and also due to stricter requirements for cyber security	\$68,497
Other, Bailey Delay, Additional Tye-Swan Testing, Revised Screens Per Plant Use, Misc. Materials, Power Supply Modifications, Final HW Changes and Final Commissioning Travel	Other charges include actual installation labor, conduit cable, fittings, SEAPA, Segrity, and TBPA airfare, lodging, food, all materials not purchased directly by Fiber Fusion or purchased by SEAPA under the hardware category. Remaining project costs are self-explanatory.	\$108,089
<b>Total</b>		<b>\$268,974</b>

Staff recommends an increase of \$270,000.00 to the FY14 budget for this capital project. The following suggested motion has been prepared for your consideration:

**SUGGESTED MOTION**

**I move to authorize an increase to SEAPA's Fiscal Year 2014 budget of \$270,000.00 for the Supervisory Control and Data Acquisition (SCADA) Capital Project.**

# Southeast Alaska Power Agency

**EDATE:** April 14, 2014  
**TO:** SEAPA Board of Directors  
**FROM:** Trey Acteson, CEO  
**RE** SEAPA Engineering Drawings and Documentation Project

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In September 2012, staff solicited proposals for qualified firms to verify and update all engineering drawings to an as-built condition, which includes cataloging and categorizing drawings by location, system, subsystem, and individual components, and digitizing and saving the drawings in AutoCAD, printing and reissuing drawing sets to appropriate locations, and downloading updated data into SEAPA's Electronic Data Management System (EDMS). SEAPA's engineering drawings are located throughout its facilities at Swan and Tyee, and Wrangell, Petersburg, and Ketchikan. Four proposals were received, all from out-of-state vendors, with a broad range of bids from \$166,000 to \$988,000. After evaluation of the range of costs proposed in the bids, staff issued a notice to all bidders and interested parties on October 12, 2012 that all bids were rejected.

As explained to the board during the March 3-4 board meeting, a portion of the project which encompassed uploading of files into SEAPA's EDMS System was accomplished by local engineer, Joe May of May Engineering Services, LLC. Mr. May completed the project on time and under budget. The next step in the project is to verify redlines and changes, after which drawings will need to be updated and reissued to their respective areas.

Since the initial solicitation efforts for the overall project, staff has re-evaluated the scope of work and determined it more prudent and cost-effective to retain a local engineer to perform the next phases of the work in increments so to allow an engineer flexibility to review drawings in the SEAPA office if inclement weather prevents travel outside of Ketchikan to access the drawings located at the plants. If weather allows, then the engineer can make a determination as to which location is most accessible to travel to for review of the drawings.

Staff solicited separate proposals from May Engineering for the next phases of the project for the drawings located at Swan, Tyee, and the SEAPA office, with the following results:

Drawing/Document Review and Data Entry – Tyee	\$33,600
Drawing/Document Review and Data Entry – Swan	\$28,000
Drawing/Document Review and Data Entry – SEAPA Office	<u>\$22,000</u>
	\$83,600

The sum for all three proposals from May Engineering is considerably lower than the lowest bid received for the overall project. Savings are realized from having a local engineer available in Ketchikan and not having to pay lodging and travel costs for out-of-state vendors. Considering May Engineering's familiarity with SEAPA's system, that the project was already advertised for bids and all bids were rejected, staff seeks the board's approval to sole source the work to May Engineering for the not-to-exceed value of \$83,600 for all three locations. No budget adjustment in FY14 is necessary to accommodate this contract.

## **Southeast Alaska Power Agency**

I have prepared a suggested form of motion for your consideration.

<b>SUGGESTED MOTION</b>
<b>I move to authorize staff to enter into a contract with May Engineering Services, LLC for the not-to-exceed value of \$83,600 for SEAPA's Engineering Drawings and Documentation Project.</b>



## Southeast Alaska Power Agency

**DATE:** April 14, 2014  
**TO:** Trey Acteson  
**FROM:** Steve Henson, Operations Manager  
**RE** **Environmental Assessment of SEAPA's Tyee Transmission Line  
Right-of-Way for Proposed Access by ATV/OHV Vehicles**

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Staff issued a Request for Proposals for an environmental assessment of SEAPA's Tyee transmission line right-of-way for proposed access by all-terrain/off-highway vehicles on February 28, 2014. Seven bids were received. On April 11, 2014, staff issued a Notice of Intent to Award to Meridian Environmental, Inc. pending board approval. A discussion of the evaluation of the bids will be provided at the board meeting. The board approved a total of \$250,000 in the FY14 budget for the permitting effort. Meridian's bid for the time and materials contract is \$212,349.

I have prepared the following suggested motion in the event the board elects to award the contract at the upcoming meeting:

<b>SUGGESTED MOTION</b>
<p><b>I move to authorize staff to enter into a contract with Meridian Environmental, Inc. for the not-to-exceed value of \$212,349 for an environmental assessment of SEAPA's Tyee transmission line right-of-way for proposed access by all-terrain/off-highway vehicles.</b></p>



April 8, 2014

Mr. Robert Sivertsen, Chairman  
SEAPA Board of Directors  
1900 First Ave., Suite 318  
Ketchikan, AK 99901

Re: Wholesale Power Rate

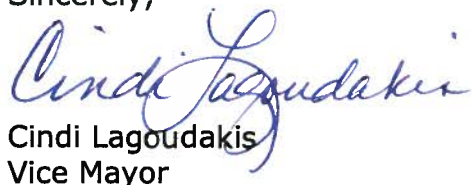
Dear Mr. Sivertsen:

While we appreciate the annual wholesale power rebates from SEAPA, it is increasingly difficult to factor them into the budgeting process. Our SEAPA delegates have, for several years, requested that the wholesale power rate be lowered as appropriate in lieu of annual rebates. However, no action has been taken in this regard. With the rebates, the effective, average wholesale power rate for the past three years is 6.13 cents, as opposed to 6.8.

We are, therefore, asking that this be given serious consideration. Knowing the actual cost of power in advance of the FY budgeting process would take away a lot of guesswork. In addition, SEAPA would be living up to its promise made during the Four Dam Pool to SEAPA transition that the wholesale power rate would be lowered after all contingency "pots" were filled. Filling the "pots" was expected to take five years, but in fact has taken less than three. The Agency now has enough history to accurately predict its financial performance, so that a modest lowering of the rate would not adversely impact the on-going operations, and would be sustainable. There would be no need to "yo-yo" rates.

Thank you for your time and attention to this matter. We will be asking our delegates to again bring this subject up during the year-end review of SEAPA's financial performance.

Sincerely,



Cindi Lagoudakis  
Vice Mayor

Cc Wrangell & Ketchikan

**AGENDA ITEM 10E**

**HANDOUT ON SEAPA'S  
NRECA EMPLOYEE BENEFITS  
TO BE PROVIDED AT  
BOARD MEETING**



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### BOARD MEETING DATES

<b>2014 Dates</b>	<b>Location</b>	<b>Comments</b>
June 25-26 (Wed/Thurs)	Wrangell	Propose split meeting from 11 am-5 pm Wednesday and 9 am-12 noon on Thursday
August 28 (Thurs)	Ketchikan	9 am-5 pm
October 22-23 (Wed/Thurs)	Petersburg	Propose split meeting from 1 pm-5 pm Wednesday and 9 am-1 pm on Thursday
December 11 (Thurs)	Ketchikan	9 am-5pm



**MEMORANDUM**  
CONFIDENTIAL ATTORNEY CLIENT COMMUNICATION

TO: Bob Sivertsen, Chair  
Southeast Alaska Power Agency

FROM: Mr. Joel Paisner, Ascent Law Partners, LLP

DATE: April 14, 2014

RE: Joel R. Paisner, Ascent Law Partners, LLP

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To the extent that the Board of Directors seeks to discuss future operations of the Agency's Tyee Lake Facility in Executive Session, I recommend the following motion be made:

I move to recess into Executive Session for discussions relating to future operations of the Agency's Tyee Lake facility. The Executive Session will be conducted pursuant to SEAPA's Bylaws and Alaska State Law as the discussions may include: (a) matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the Agency, the Projects, or any of the Member Utilities represented on the Board, as well as (b) discussions of certain subjects that could have an adverse effect on the Agency's legal position or the Projects.