



SOUTHEAST ALASKA POWER AGENCY

Regular Board Meeting
(To be held electronically)

AGENDA

FEBRUARY 28, 2022 SEAPA BOARD MEETING

Time	Event	For telephonic participation dial: 1.888.475.4499 ¹ or 1.833.548.0276 Meeting ID No. 849 7612 0699
9 AM	Meeting Starts	
10:30 AM	15-Minute Break	
12 Noon	Lunch	
1 PM	Meeting Resumes	
2:30 PM	15-Minute Break	
5 PM	Meeting Adjourns	

1. **Call to Order**
 - A. Roll Call
 - B. Communications/Lay on the Table Items
 - i. *TD World Submarine Cable Article*
 - C. Disclosure of Conflicts of Interest
2. **Approval of the Agenda**
3. **Introduction of Board Members**
4. **Election of Officers**
 - A. Chairperson
 - B. Vice Chairperson
 - C. Secretary/Treasurer
5. **Persons to be Heard**
6. **Introduction to SEAPA**
7. **Review and Approve Minutes**
 - A. December 10, 2021 Minutes of Regular Board Meeting
 - B. December 16, 2021 Minutes of Special Board Meeting
8. **Financial Reports**
 - A. CEO Financial Memo
 - B. Controller Memo
 - C. kWh Graph
 - D. Fund Graph
 - E. Grant Summary
 - F. Financial Statements
 - G. Disbursements

¹ In the event of a failure with Zoom connectivity, the meeting shall continue by telephonic participation by dialing 1.800.315.6338 (Code 73272#).

- 9. **CEO Report**
- 10. **Staff Reports**
 - A. Operations Manager (*Hammer*)
 - B. Power System Specialist (*Schofield*)
 - C. Directory of Engineering & Technical Services (*Siedman*)
- 11. **New Business**
 - A. Operations Plan Quarterly Update
 - B. Discussion Re Future WPR Increase
- 12. **Next Meeting Dates**
- 13. **Director Comments**
- 14. **Adjourn**

Agenda Item 1.B.i.
Lay on the Table Item

TD World Submarine Cable Article
(attached)



Without SEAPA's subsea transmission connection to the mainland, several Alaska island communities would be entirely dependent on diesel generators for power. Photo by SEAPA

An Alaskan High-Voltage Submarine Cable Failure

A utility serving several isolated Alaskan communities works to repair a severed power lifeline to the mainland.

By **ROBERT SIEDMAN**, Southeast Alaska Power Agency

When communities on remote islands are connected to an interconnected power system, the reliability of supply gets a boost while customer energy costs are reduced. For the small island of Petersburg, Alaska, U.S., the electrical connection to the Southeast Alaska Power Agency's (SEAPA) power system reduces customer energy costs by more than 70%. Without SEAPA's carbon-free connection, Petersburg would be forced to rely on diesel generation that, on average, discharges some 92,250 lb (41,844 kg) of CO₂ annually.

In September 2019, one of SEAPA's four, single-phase 138-kV oil-filled submarine cables failed. It was lying at a depth of 700 ft (213 m) at the bottom of the Stikine Strait crossing between the two uninhabited islands of Woronkofski and Vank. The potential cause of failure was an underwater avalanche-like landslide that separated the cable. Installed in 1984, these high-voltage (HV) subsea cables form part of SEAPA's 175-mile (282-km) transmission system, which connects the communities of Petersburg, Wrangell and Ketchikan, Alaska, to the utility's hydro-generation facilities.

SEAPA has four submarine cable crossings, each consisting of four single-phase cables totaling more than 55 miles (86 km). Three of the four cables in each crossing are energized continuously, with the fourth cable — a spare — deenergized at any given time. Every year, SEAPA rotates the energized cables to ensure their integrity, resulting in one cable remaining deenergized for no longer than one year at a time.

Following the energization of the previously deenergized (spare) cable, the three-phase power supply to Petersburg was restored, but with an elevated risk to the security of that supply. Failure of any of the remaining single-phase cables would result in Petersburg having to resort back to diesel generation, with an energy cost up to four times the average. To avoid this scenario, a project was initiated to repair or replace the faulted HV cable with minimal delay.

Fault Investigation

Before considering cable replacement, SEAPA investigated the possibility of performing a splice to effectively repair the failed cable. Time-domain reflectometer (TDR) tests were performed

to identify the position of the fault. Test results signaled a negative reflection, indicating a break in the cable at nearly 2000 ft (610 m) offshore at a depth of 350 ft (107 m). A smaller positive reflection also was evident, which was either a possible ghost reflection or water ingress from gravity and density differentials between the seawater and oil.

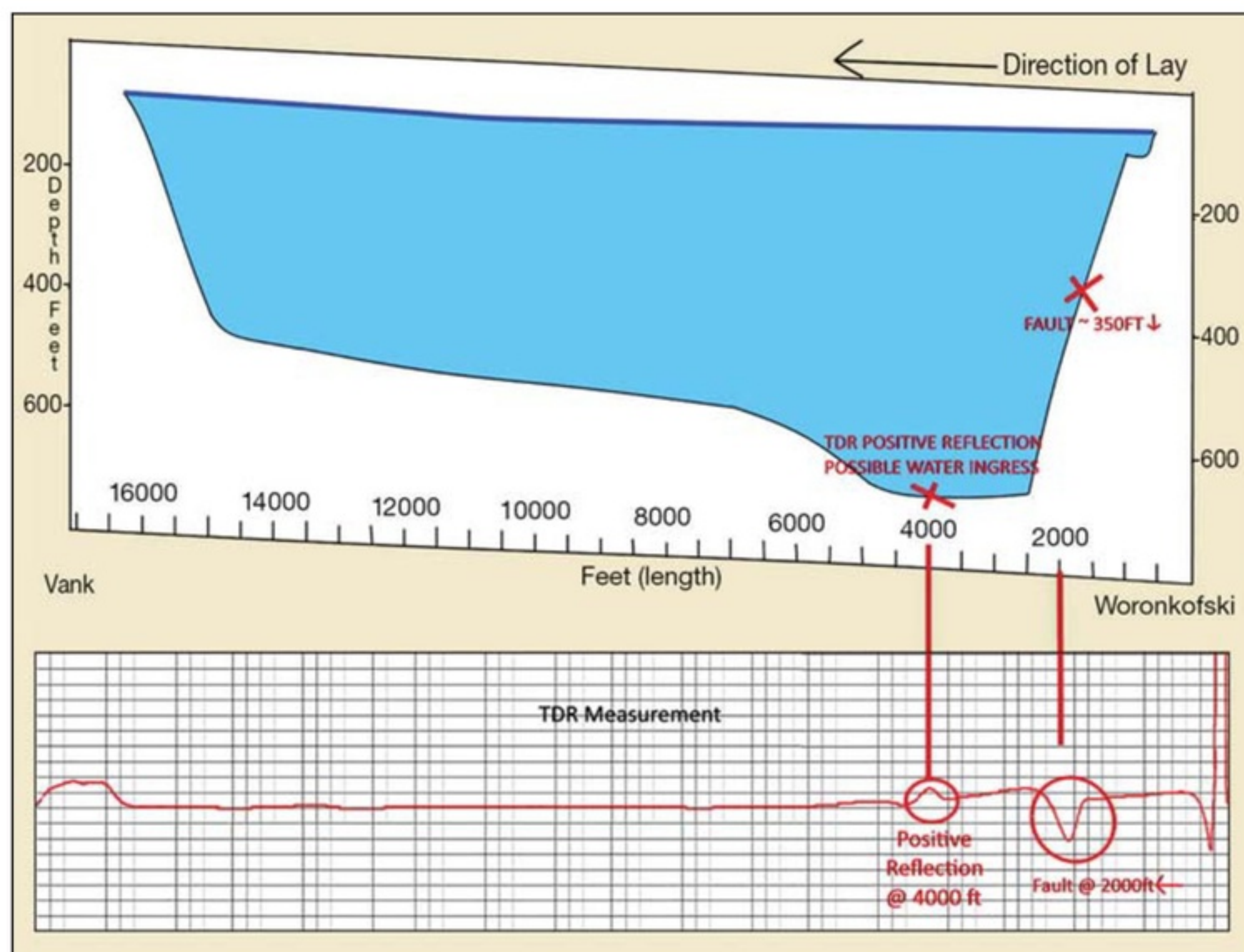
Remotely operated vehicle (ROV) footage revealed the failed cable was severed and that water ingress was highly probable at the point of failure to the deepest part of the cable. Although SEAPA had 2000 feet of oil-filled cable in storage, when considering the probability of water ingress over a cable length greater than 2000 ft, the agency concluded it was not possible to repair the cable.

A Replacement Cable

Subsequently, specifications for a new replacement cable were developed, and SEAPA launched a request for proposals (RFP) with the support of a submarine cable consultant, Center Marine Services Inc. The replacement cable contract was awarded to Sumitomo Electric Industries Ltd. through a competitive evaluation bid process. SEAPA selected the

company because of its reliable track record of more than 100 years of submarine cable manufacturing experience and sound proposal based on extensive knowledge of the U.S.

SEAPA engineering and eTrac Inc. gathered and provided an arsenal of information to Sumitomo:



Cable 1 with TDR. Graphic by SEAPA.

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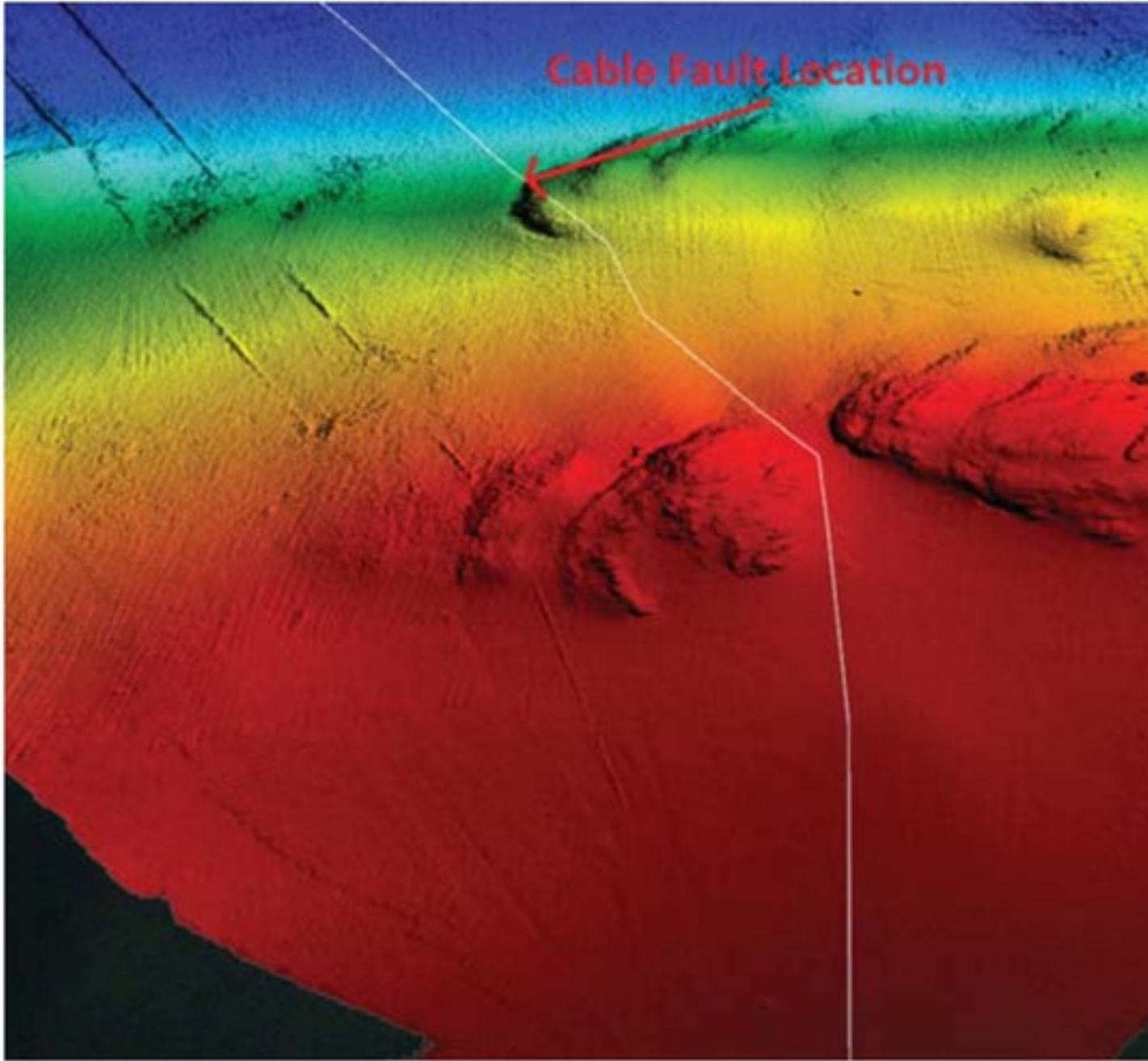
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High-Resolution multi-beam sonar bathymetric map. Photo by eTrac Inc.

- ROV footage.
- High-resolution multi-beam sonar bathymetric maps.
- Magnetometer sub-bottom profiles.
- Directional peak cable location surveys.

Using SEAPA-furnished surveys, Sumitomo began the design process for the replacement cable in November 2020.

Design Phase

The SEAPA transmission system for Petersburg was designed and installed with 138-kV submarine cables to supply a potential 200% increase in load growth. However, since its commissioning in 1984, this transmission system has remained in operation at 69 kV. Therefore, SEAPA specified a 69-kV cable instead of a 138-kV cable to reduce costs while still maintaining a sufficient 100% increase in load-transfer capacity for future growth. The decision to reduce the voltage requirement also reduced the following:

- Total cable weight
- Challenges associated with transportation logistics
- Time for cable installation

To satisfy SEAPA specifications, Sumitomo designed a double-armored 69 kV XLPE insulated submarine cable with integral fiber optics that would sustain a pressure of 315 psi at a water depth of 700 ft (213 m). A continuous 17,400-ft (5,304-m) length of cable was manufactured with no factory splices. Ancillary equipment required to perform potential future repairs had to meet similar demanding pressure requirements.

Along with the new cable, Sumitomo designed a dual-purpose cable storage turntable system to transport the cable from Japan to Alaska and store the recovered existing oil-filled cable prior to installation of the new cable. The design included oil containment for potential escapement due to temperature-related pressure changes in the existing cable that had to be recovered from the subsea floor.



Aerial Footage of Wrangell Alaska during Installation Phase. Photo by SEAPA

cast aluminum
blades

specially designed
motors

galvanized
or stainless
steel guards



get cool
extend transformer life

Cable Removal Phase

Sumitomo subcontracted the cable installation and cable removal phases of the contract to ITB Subsea Ltd. (ITBS). The 17,400-ft (5304-m) cable, weighing more than 600,000 lb (272,155 kg), was transported from Japan to Vancouver, British Columbia, Canada, where it was transferred to the ITBS dynamic-positioning vessel. On July 1, 2021, ITBS began the removal phase of the project.

During the oil extraction process, and governed by fluid dynamics, oil extracted on the shoreline was replaced by saltwater at the fault location 350 ft (107 m) below the ocean surface. With 140 gal (530 liter) extracted, nearly 8000 ft (2438 m) of cable was oil free. The cables were capped and hydraulically locked, ready for removal.

With the cable ends capped, the process for removing the cable consisted of the following:

- Pulling the shoreline ends onto the vessel, the ITB 45, using ropes and mesh pull grips.
- Using dynamic positioning, the existing cable was extracted onto the ITB 45 and loaded into the cable storage system, specifically designed to contain the cable should an oil leak occur.
- Monitoring tensions so as not to exceed the cable manufacturer's tension limits.
- Calculating fluid dynamics to determine the depth required to maintain equilibrium pressures for CanPac Marine Services Inc. divers to install caps without oil escapement.
- Deploying divers at the faulted cable ends to cap the cable underwater and prevent oil escapement.

The cable removal phase proved to be successful, with no oil released and 100% of the faulted cable removed. The total start-to-finish time of four and a half days included diving operations, ROV cable location, shoreline extractions and dynamic positioning vessel subsea extractions.

Cable Installation Phase

Removal of the existing cable may have been the riskiest operation of the project, but installation of the new cable proved to be the most challenging. Southeast Alaska has tidal exchanges



Installation of the 69 kV XLPE insulated cable, Vank Island, Alaska. Photos by SEAPA.

of more than 20 ft (6 m), with some of the most extreme riptides and tidal currents in the world. Located within the Alexander Archipelago, Vank and Woronkofski Islands have steep shorelines, no access roads and volcanic rigid rock formations under the water surface.

Precise routing plans with precision routing equipment was required for this phase of the project to be successful. Although it was preferred the cable be laid completely on the subsea floor, cable spans were allowed but had to be less than 20 ft in length, with the cable laid entirely within the existing permitted right-of-way. Rock outcrops, boulder fields, cliffs and steep slopes had to be avoided as well as sharp changes in the seabed profile.

Installation was planned to happen during the lowest tidal exchange in the month of July to minimize the effects of tidal currents while the cable was being laid at a depth of 700 ft (213 m) below the water surface. Coincidentally, this window of opportunity occurred on July 4, 2021. While the residents of Wrangell were enjoying Independence Day festivities, SEAPA, Sumitomo and subcontractors were diligently performing operations to successfully install the new submarine cable during the small window of low tidal exchange. The results of this installation phase were exactly as engineers planned.

Failure Turned Success

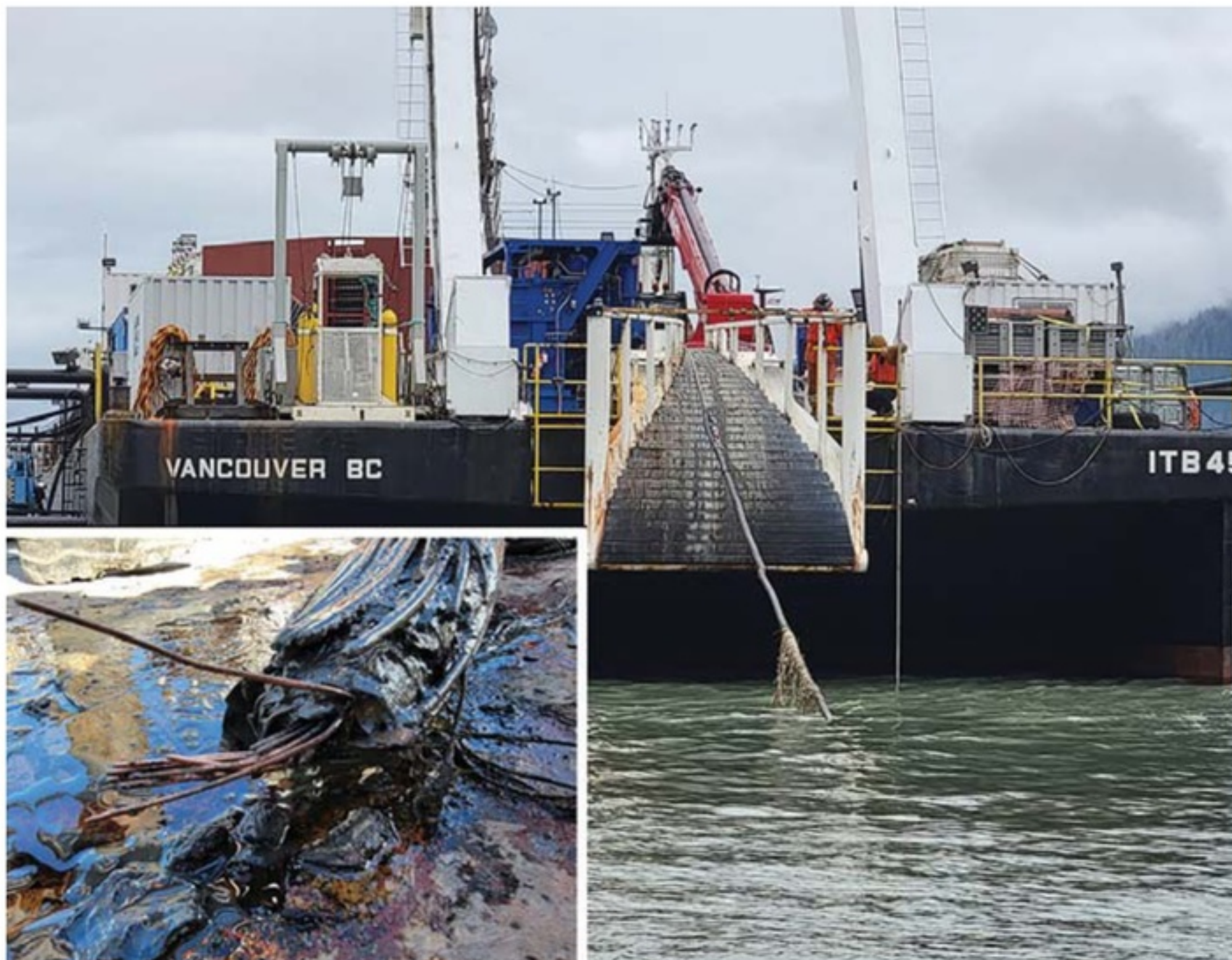
With little wind, bluebird sunny skies and minimal tidal currents, the new subsea cable was installed from shore to shore

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increase capacity

get cool with Krenz Vent Fans
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Removal of the oil-filled submarine cable near Wrangell, Alaska. Photo by SEAPA.

without incident. An underwater ROV was deployed during operations to confirm the approved cable route and specifications were met. The result was the 3.3-mile (5.3-km) subsea cable was installed with only two short sections suspended less than 6 inches (152 mm) above the seabed and spanning less than 15 ft.

Partial-discharge testing was used to confirm a successful installation project undertaken by Sumitomo, ITBS, Westpark Electric Ltd. and all the participating subcontractors. The collaborative efforts of all parties turned SEAPA's Alaskan island-to-island subsea HV cable failure into an island-to-island success story. **TDW**

ROBERT SIEDMAN (rsiedman@seapahydro.org), P.E., graduated cum laude from Washington State University with a bachelor's degree in electrical power engineering and joined the Schweitzer Engineering Laboratories Inc. He expanded his experience at the U.S. Army Corps of Engineers (USACE), where he held the position of chief of power systems for the USACE Hydroelectric Design Center. Following more than 15 years of power-related experience, Siedman joined the Southeast Alaska Power Agency (SEAPA) in 2017 and currently serves as director of engineering and technical services.

For More Information

CanPac Marine Services | <https://canpacmarine.com>

Center Marine Services Inc. | (360) 620-5720

eTrac Inc. | www.etracinc.com

ITBS | www.itbmarine.com/itbsubsea

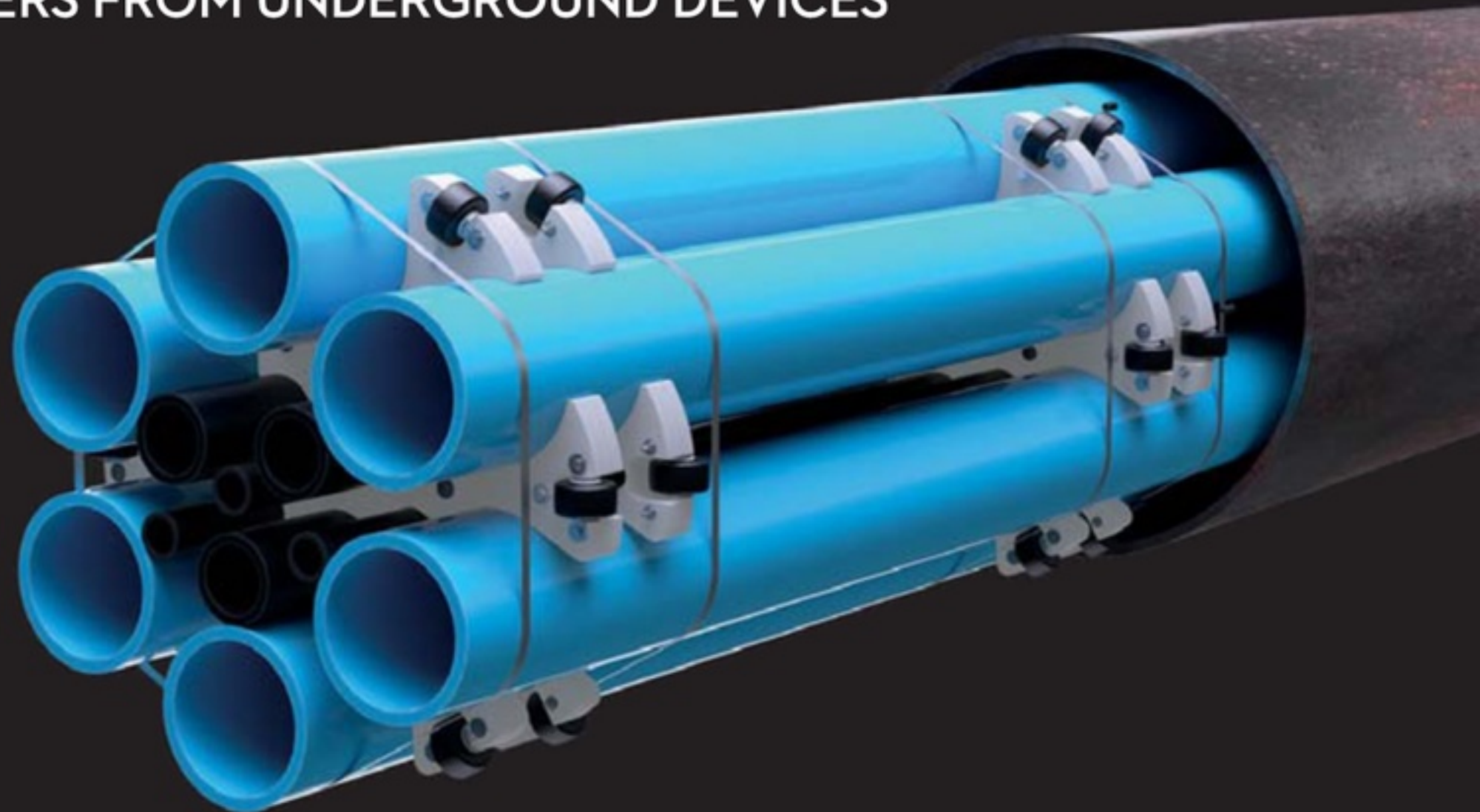
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Southeast Alaska Power Agency

Regular Meeting Minutes

Location: Held Electronically¹

Date: December 10, 2021

Time: 8:00 a.m. AKST

Agenda Items

1) Call to Order

A. Roll Call.

Chairperson Sivertsen called the regular meeting to order at 8:00 a.m. AKST on December 10, 2021. The following directors and alternates were present, thus establishing a quorum of the board:

Directors	Present Electronically (E) In Person (IP)	Alternates	Present Electronically (E) In Person (IP)	Representing	Community
Bob Sivertsen	E	Doug Ward	E	Swan Lake	Ketchikan
*		Jeremy Bynum	E	Swan Lake	Ketchikan
Cliff Skillings	E	Dick Coose	E	Swan Lake	Ketchikan
Stephen Prysunka	E	Mike Ottesen		Tyee Lake	Wrangell
Bob Lynn	E	Karl Hagerman	E	Tyee Lake	Petersburg

*Director Alternate, Jeremy Bynum, served as a Voting Director in place of the late Director, Mr. Karl Amylon

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

Staff	Present Electronically (E) In Person (IP)	Staff/Counsel	Present Electronically (E) In Person (IP)
Trey Acteson, CEO	E	Joel Paisner, SEAPA Counsel	E
Clay Hammer, Operations Mgr.	E	Kay Key, Controller	E
Ed Schofield, Power Sys. Sp.	E	Sharon Thompson, EA/CA	E
Robert Siedman, DE/TS	E	Marcy Hornecker, Admin. Asst.	E

B. Communications/Lay on the Table Items - The Chair announced the following lay on the table items:

- Article Re SEAPA CEO Presents APA Awards
- CEO Report
- SEAPA 4R Plan & Suggested Motion
- RR21363 Storm Damage
- Segrity Assignment

C. *Disclosure of Conflicts of Interest* - Mr. Acteson disclosed a conflict with a SEAPA employee and SEAPA's Safety Training Contract vendor.

2) Approval of the Agenda

¹ The meeting was held electronically via Zoom due to recommendations from the Center for Disease Control and its social distancing guidelines. An audio recording of this meeting is available on SEAPA's website at www.seapahydro.org/board-members#minutes

Chairperson Sivertsen requested a motion to amend the Agenda to add Item 8J to consider approval of the assignment of a Segrity LLC sole-source contract to Basler Services, LLC.

➤ Motion	M/S (Prysunka/Lynn) to approve the Agenda, as amended, to add Item 8J to New Business for consideration and approval of assignment of a Segrity LLC sole-source contract. After hearing no objections to the motion, the Chair accepted the motion as approved.	✓ Action 21-915
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3) **Persons to be Heard**

- A. Tor Benson, a Petersburg citizen, voiced several comments.
- B. Mike Rovito, Deputy Director of the Alaska Power Association (APA) provided information on the APA and an update of its activities.

4) **Review and Approve Minutes**

The Chair requested a motion to approve the minutes of September 9, 2021.

➤ Motion	M/S (Prysunka/Lynn) to approve the minutes of the regular meeting of September 9, 2021. The motion was approved unanimously by polled vote.	✓ Action 21-916
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The Chair requested a motion to approve the Minutes of September 17, 2021.

➤ Motion	M/S (Bynum/Lynn) to approve the minutes of the special meeting of September 17, 2021. The motion was approved unanimously by polled vote.	✓ Action 21-917
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The Chair requested a motion to approve the Minutes of October 6, 2021.

➤ Motion	M/S (Prysunka/Lynn) to approve the minutes of the special meeting of October 6, 2021. The motion was approved unanimously by polled vote.	✓ Action 21-918
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5) **Staff Reports**

The Chair announced that staff reports will be heard prior to the end of the meeting if time allows.

6) **CEO Report**

Mr. Acteson provided updates on the impact of Covid-19 on SEAPA's workforce, governmental affairs, and external industry activities, SEAPA's 4R and Strategic Plans, and the challenges facing the Agency in trying to fill three vacant positions, and the cost of labor. He fielded questions and comments from directors.

7) **Financial Reports**

Mr. Acteson provided highlights of the Agency's financial position, revenues and expenses, renewal and replacement projects, grants, insurance claims, and discussed the submarine cable bond proceeds. He discussed the necessity of implementing small incremental increases in revenue and noted the Agency had not had an increase in over 23 years. He reported the reservoirs are full and that good snow pack will help sales deep into the spring.

The Chair requested a motion on the financial statements.

➤ Motion	M/S (Lynn/Bynum) to accept the year-to-date financial statements through October 2021, to approve RR21362 Storm Transmission Repair Swan Lake in the amount of \$28,400, to approve RR21363 Storm Transmission Repair Wrangell in the amount of \$60,000, and to accept disbursements for August, September, October, and November totaling \$10,072,060.62, as presented.	✓ Action 21-919
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Mr. Acteson reviewed the Agency's finances and discussed sales and fund allocations, the DCCED grant, YTD financial overview, and R&R capital expenditures. He noted that August through November 2021 disbursements were available for review in the board packet.

A vote was taken on the financial motion and unanimously approved.

The meeting recessed at 9:44 a.m. and resumed at 10:00 a.m.

A brief roll call was taken to assure all attendees were available electronically following the recess. The Chair noted discussion on New Business Items A (Executive Session) and B (action items following the Executive Session) need to be deferred pending availability of SEAPA's counsel, and other agenda items would need to be adjusted due to the change.

➤ Motion	M/S (Bynum/Lynn) to postpone discussion on New Business Items 8A and 8B until 1:00 p.m. The motion was approved unanimously by polled vote.	✓ Action 21-920
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➤ Motion	M/S (Bynum/Lynn) to move Agenda Item 5, Staff Reports, to be heard following New Business Agenda Item 8G, 4R Plan. The motion was approved unanimously by polled vote.	✓ Action 21-921
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8) New Business

C. Consideration and Approval of FY2022 Safety Training Contract

New Business Items A and B having been postponed by motion, the Chair requested a motion on New Business Item C regarding SEAPA's Safety Program Support Services and Training Contract.

➤ Motion	M/S (Lynn/Bynum) to authorize staff to enter into a sole-source contract amendment to SEAPA's Task Order No. 20055 for SEAPA's 2022 Swan Lake and Tyee Lake Safety Program Support Services and Training, with TSS, Inc. for the not-to-exceed value of \$40,000. The motion was approved unanimously by polled vote.	✓ Action 21-922
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D. Consideration and Approval of Air Carrier Contract

➤ Motion	M/S (Lynn/Prysunka) to authorize staff to enter into an amendment to the sole source Air Carrier Contract executed between Sunrise Aviation, Inc. and SEAPA on February 18, 2021, for fixed wing flight services at the special rate of \$550 for each contracted, scheduled, completed flight between Wrangell and the Tyee Hydroelectric facility and regular rate of \$600 per flight for all other flights, effective as of January 1, 2022. The motion was approved unanimously by polled vote.	✓ Action 21-923
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E. *Consideration and Approval of Resolution #2021-082 (Inventory Policy)*

➤ Motion	M/S (Lynn/Prysunka) to approve Resolution #2021-082, adopting an Inventory Policy establishing a process for the identification, recording, and accountability of materials and equipment purchased and held as Inventory Items by SEAPA. The motion was approved unanimously by polled vote.	✓ Action 21-924
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F. *Consideration and Approval of FY2022 Operations Plan*

➤ Motion	M/S (Lynn/Skillings) to approve the 2022 SEAPA Operations Plan as presented in the December 10, 2021 Board packet. Following a presentation of the Operations Plan by Mr. Siedman proposing that Swan Lake's 2022 draft limit be approved at 280ft. and Tyee's at 1260ft., and considerable board discussion, the motion was approved unanimously by polled vote.	✓ Action 21-925
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The meeting recessed at 11:25 a.m. and reconvened at 11:35 a.m.

A brief roll call was taken to assure all attendees were available electronically following the recess.

G. *4R Plan Presentation by John Heberling*

Mr. Acteson introduced John Heberling to present SEAPA's Renewal & Replacement and Risk Reserve (4R) Plan and a motion was requested by the Chair.

➤ Motion	M/S (Lynn/Bynum) to approve the Southeast Alaska Power Agency's December 3, 2021 Renewal & Replacement and Risk Reserve Plan as presented at the December 10, 2021 SEAPA Regular Board Meeting. Following Mr. Heberling's presentation of the plan and considerable board discussion, the motion was approved unanimously by polled vote.	✓ Action 21-926
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5) **Staff Reports**

Agenda Item 5 (Staff Reports) having been moved earlier in the meeting by motion to be heard following New Business Item 8G, staff reported as follows:

A. *Power System Specialist (Schofield)*

Mr. Schofield summarized his report topics noting an update on the Tyee operation and maintenance manual is complete and provided highlights of MAPCON activities at both plants, the SEAPA Headquarters Project, Swan Lake FERC activities, and general plant operations.

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

Mr. Siedman reviewed an executive summary showing a list of 2021 renewal and replacement (R&R) projects that demonstrated engineering's execution of 100% completion of all but two of the ten projects, which realized a savings of \$2.88M due to staff's efforts in mitigating the \$15.3M cost of the projects. He provided brief updates on each of the R&R projects and fielded questions from directors.

C. *Operations Manager (Hammer)*

Mr. Hammer reported on a Substation and Switchyard Lighting Project, brushing work, and discussed a landslide that occurred near the Wrangell Transmission Line. He reported that a valve project at the Tyee Plant was completed and provided an update on the Cleveland Peninsula Helipad Project. He closed his report advising that a spare

submarine cable and two containers of spare parts had been received and commended Mr. Siedman's organizational plan for the placement of the inventory within the 40' containers.

The Chair noted the agenda would move to New Business Items A and B that had been postponed earlier by motion during the meeting.

8) New Business

A. Executive Session

The Chair requested a motion to move into an executive session.

➤ Motion	M/S (Skillings/Bynum) to recess into Executive Session to be conducted pursuant to SEAPA's Bylaws consistent with Alaska Statute 44.62.310 for discussions relating to hydrosite analysis, engineer's estimate for a proposed project, potential interconnection, employees' performances, and evaluation of an Agency employee, as these discussions will include matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the Agency and the Projects and which discussions may involve subjects that tend to prejudice the reputation and character of a person. The motion was approved unanimously by polled vote.	✓ Action 21-927
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The meeting recessed at 1:05 p.m. for the executive session and resumed at 5:26 p.m. for the regular session.

The Chair announced that during the executive session direction was given and the various items provided in the motion were discussed with no action taken. He directed that the meeting will move to New Business Agenda Item 8B.

B. Reserved for any action(s) to be taken following Executive Session discussions

➤ Motion	M/S (Bynum/Skillings) to adopt Resolution No. 2021-083 adopting a Policy regarding the CEO Evaluation Process and Evaluation form attached to the Resolution. The motion was approved unanimously by polled vote.	✓ Action 21-928
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New Business Items A - G having already been heard, the meeting moved to New Business Item 8H.

H. Presentation, Consideration and Approval of FY2022 SEAPA Budget

The Chair requested a motion for SEAPA's Fiscal Year 2022 budget:

➤ Motion	M/S (Lynn/Bynum) to adopt the Southeast Alaska Power Agency budget for fiscal year 2022, comprised of:			Action 21-929
	1)	the 2022 Revenue Budget of:	\$ 12,368,003	
	2)	and the 2022 Operating Expense Budget of:	\$ 7,608,630	
	3)	and the 2022 Nonoperating Revenue Budget of:	\$ 825,665	
	4)	and the 2022 Nonoperating Expense, Liabilities and Feasibility Budget of: which includes debt service and a levelized contribution to R&R Fund Reserves of:	\$ 5,575,543 \$ 3,000,000	
	5)	and approved projects in the 2022 Renewal & Replacement Capital Budget of: as presented at the December 10, 2021, SEAPA Board Meeting.	\$ 4,266,283	

Mr. Acteson reported that SEAPA's Fiscal Year 2022 Draft Budget is based on a one-quarter of a cent (or \$.0025/kWh) increase to the wholesale power rate beginning on January 1, 2022. He reviewed the FY2022 projections on Operating Revenue as compared to FY2021 and discussed the highlights of each FERC code presented in the draft budget while fielding director questions and comments. Following a review of FERC Code 920, Mr. Acteson recommended that the board amend the total amount of FERC Code 920 to increase it by 5% to address staff wage adjustments for progression through their wage structure, inflation, and the cost of living.

➤ Motion	M/S (Bynum/Prysunka) to increase FERC Code 920 in the FY2022 Operating Budget by 5%, or \$92,800, to accommodate for cost-of-living and other costs. The motion was approved unanimously by polled vote.	✓ Action 21-930
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Mr. Acteson continued with highlights of the remainder of the operating expense budget and discussed the nonoperating revenue, nonoperating expense, liabilities and feasibility, and renewal and replacement (R&R) capital budgets. He noted that the Fund Balance Forecast chart provided to directors shows the \$5 million submarine cable insurance proceeds will be deposited in the self-insured risk fund bringing the fund total to \$13,349,382.

The Chair requested a vote on the motion adopting SEAPA's FY2022 Budget, as amended, which amendment includes an increase of 5%, or \$92,800, to FERC Code 920 in the Operating Budget for cost-of-living and other costs, which brings FERC Code 920 to a total of \$1,948,800. There was no further discussion, and following a vote, the motion was passed unanimously.

I. *Wholesale Power Rate*

➤ Motion	M/S (Lynn/Prysunka) to approve setting SEAPA's wholesale power rate at 7.05 cents per kWh for January 1, 2022 through December 31, 2022. The motion was unanimously passed by polled vote.	✓ Action 21-931
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J. *Consideration and Approval of Segrity Assignment of Sole-Sourced Contract*

➤ Motion	M/S (Lynn/Bynum) to authorize SEAPA staff to enter into a Consent to Assignment of Contract as presented at the December 10, 2021 board meeting to assign Segrity, LLC's sole-source contract to Basler Services, LLC for completion of the programming/engineering, testing, and commissioning services for SEAPA's STCS-HMI-Historian Modernization Project (R&R13331). The motion was passed unanimously by polled vote.	✓ Action 21-932
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9) **Next Meeting Dates**

The Chair reported the next regular board meeting is scheduled for February 28 & March 1, 2022 in Wrangell unless Covid circumstances preclude an in-person meeting. He also noted other dates set out in 2022 in the board packet for the remainder of SEAPA's 2022 meetings.

10) **Director Comments**

Directors exchanged brief comments. Staff also commented expressing thanks to the board for their service and exchanged holiday best wishes.

11) Adjourn

The Chair requested a motion to adjourn.

➤ Motion	M/S (Bynum/Prysunka) to adjourn the meeting. After no objections were heard, the Chair declared the meeting adjourned.	✓ Action 21-933
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The meeting adjourned at 7:04 p.m.

Signed:

Attest:

Secretary/Treasurer

Chairperson

Southeast Alaska Power Agency Special Meeting Minutes

Location: Held Electronically¹

Date: December 16, 2021

Time: 10:00 a.m. AKST

Agenda Items

1) Call to Order

A. Roll Call

Chairperson Sivertsen called the special meeting to order at 10:00 a.m. AKST on December 16, 2021. The following directors and alternates were present, thus establishing a quorum of the board:

Directors	Present Electronically (E) In Person (IP)	Alternates	Present Electronically (E) In Person (IP)	Representing
Bob Sivertsen	E	Doug Ward		Swan Lake Ketchikan
*		Jeremy Bynum	E	Swan Lake Ketchikan
Cliff Skillings	E	Dick Coose	E	Swan Lake Ketchikan
Stephen Prysunka	E	Mike Ottesen		Tyee Lake Wrangell
Bob Lynn	E	Karl Hagerman	E	Tyee Lake Petersburg

*Director Alternate, Jeremy Bynum, served as a Voting Director in place of the late Director, Mr. Karl Amylon

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

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

2) Approval of the Agenda

➤ Motion

M/S (Prysunka/Lynn) to approve the agenda. The motion was approved unanimously by polled vote.

✓ Action
21-934

3) New Business

A. Consideration and Approval of New Effective Date of SEAPA Wholesale Power Rate and FY2022 Budget Amendment.

¹ The meeting was held electronically due to recommendations from the Center for Disease Control and its social distancing guidelines.

➤ **Motion**

M/S (Prysunka/Coose) to approve setting SEAPA's wholesale power rate at 6.8 cents per kWh for the month of January 2022 and at 7.05 cents per kWh effective February 1, 2022 through December 31, 2022, and further move to amend SEAPA's FY2022 Budget to reflect the aforementioned rates and effective dates. The motion was approved unanimously by polled vote.

✓ **Action
21-935**

4) Adjourn

Chairperson Sivertsen requested a motion to adjourn.

➤ **Motion**

M/S (Prysunka/Skillings) to adjourn the meeting. The Chair declared the meeting adjourned after no objections were heard.

✓ **Action
21-936**

The meeting adjourned at 10:14 a.m.

Signed:

Attest:

Secretary/Treasurer

Chairperson



SOUTHEAST ALASKA POWER AGENCY CEO FINANCIAL COVER MEMO

DATE: February 17, 2022

TO: SEAPA Board of Directors

FROM: Trey Acteson, Chief Executive Officer

SUBJECT: CEO Financial Cover Letter

SEAPA's financial position is stable, but revenue adjustments will be necessary in 2022 and beyond to pay for increased debt service, enhanced transmission line right of way clearing, infrastructure investments, and inflation. The quarter-cent increase to the wholesale power rate, approved in SEAPA's 2022 budget, became effective February 1.

Reservoirs levels are excellent at both projects, with both being periodically replenished over the winter during warmer rain events. Snowpack is trending above average and should support robust sales to the member utilities going into Q2. However, a quick shift to warmer weather or a significant rain on snow event over the next few months could cause spill.

REVENUE & EXPENSES: Annual revenue for firm power sales for the fiscal year ending December 31 was slightly above budget at \$11,504,829 actual compared to \$11,367,356 budgeted; however, displaced sales related to the Whitman True-up added another \$708,381 to revenue at year-end, resulting in kWh revenue totaling \$12,213,210. Operating Expenses were \$6,434,749 actual vs. \$7,251,800 budget. Shortfalls in spending were interspersed throughout many cost centers, impacted by covid-related delays and the submarine cable replacement project consuming staff attention.

RENEWAL & REPLACEMENT PROJECTS: R&R expenditures were \$14,278,365 compared to a budget of \$18,238,154 for 2021. The volume and magnitude of projects completed in 2021 is quite remarkable considering SEAPA's extremely small staff. These projects were expertly executed, resulting in considerable savings to the Agency.

GRANTS: SEAPA has one open grant, the FY13 DCCED, with an open balance of \$157,594. The grant has been extended to June 30, 2023.

FUND FLOW: In January, the \$5MM submarine cable insurance proceeds were transferred from the Revenue Fund to the Self-Insured Risk Fund. This increases the balance of the Self-Insured Risk Fund from \$8MM to \$13MM, as proposed in the 2021 4R Plan that was approved by the Board at our December meeting.

The first quarter of the annual \$3MM levelized payment to the Dedicated R&R Fund also took place in January. This transaction transferred \$750K from the Revenue Fund into Dedicated R&R.

INSURANCE CLAIM: The insurance claim for SEAPA's Wrangell Warehouse/Office is still pending. I have delayed any settlement negotiations pending the results of SEAPA's RFP. This is necessary to ascertain the actual costs in the current volatile construction marketplace. The rough order of magnitude (ROM) for repairs is \$600K and there is a \$100K insurance policy deductible.

WRANGELL STORM DAMAGE: Wrangell has been granted an emergency declaration by the State of Alaska related to damage incurred during the December 2021 storm. SEAPA spent approximately \$65K (RR21363 Storm Transmission Repair WRG) to repair damage incurred during that storm. We are in contact with Wrangell's interim Borough Manager and may have an opportunity to recoup some of these costs.

WOOD POLE INVENTORY: The December storm also brought to light the need for additional wood pole inventory for Petersburg and Wrangell. Three poles replaced during that storm were purchased from Wrangell. Approximately \$36,500 will be needed to purchase 6 new wood poles, which will be inventory for Petersburg and Wrangell locations, as well as \$4,600 for transmission line hardware. These purchases were not specifically included in the 2022 budget. Staff is not requesting a change to the budget but wanted to make the Board aware of these upcoming expenditures.

INTEREST RATE DISCUSSION: The 10 Year Treasury Note (10y) is on the rise and jumped above 2% on February 10th. Richard Cochinos, Senior Portfolio Manager at Alaska Permanent Capital Management (APCM) recently posted an article providing perspective on interest rates. I have condensed some of his comments below:

Currently a total of six 25bs (basis points) are expected in 2022 (starting in March). Consensus forecasts suggesting a 10y benchmark of 2.2% by year end, rising to 2.5% in 2023.

Focusing on the US, the dynamics for higher rates can be unpacked into three drivers:

- 1. QE purchases will stop in early March 2022. Up until November the Fed was purchasing \$80bn of Treasuries per month, and \$40bn of agency debt. While this has been falling by 15-30bn/month since then, it falls to zero very soon. These structural purchases of course would need to be replaced by the private market, which they will, but private investors will always demand a higher return than the Treasury. 2022 is being marked by greater economic uncertainty and policy uncertainty than 2021. It is natural that the market will demand greater return for the risk.*
- 2. The Fed is embarking on a multi-year tightening cycle – driven by tight labor markets and persistently high levels of inflation. Currently Fed hikes are expected in March, May, June, September and December of this year. Although the 5y, 10y, and 30y rates moves to date are similar to what markets have seen over the last five hiking cycles, the 3-month and 2-year notes have ample room to move upward (see Chart 1 below). In addition, the change in the Fed's inflation mandate in September 2020 to allow inflation to extend above 2% from the previous fixed target of 2% has created additional uncertainty how much rates can overshoot when comparing to prior cycles.*
- 3. The Fed's balance sheet will fall when maturing securities are not reinvested. As bonds held on the Fed's balance sheet expire, new ones won't be bought and the money will be returned to the US Treasury. This is also what is known as Quantitative Tightening,*

and will lead to roughly \$100bn reduction in the Fed's balance sheet monthly, or \$4.5tn over the next five years (Chart 2 below). While these number may seem large, the balance sheet has grown by over \$4tn since March 2020. At a natural rate of attrition (meaning no active selling) it would still take until 2026 before the balance sheet regains its pre-COVID size.

St. Louis Federal Reserve President James Bullard is much more pessimistic. During a recent panel talk at Columbia University, he stated *"We're at more risk now than we've been in a generation that this could get out of control"*. Bullard has called for a full percentage point in rate hikes by July. As some may recall, back in 1994 Allen Greenspan raised the overnight rate by 3% over the course of a single year. Coupled with inflation, rate increases are a notable concern for SEAPA as they will increase the cost of major infrastructure replacements and development of any new hydro projects.



SOUTHEAST ALASKA POWER AGENCY CONTROLLER MEMO

Date: February 16, 2022

From: Kay Key

To: Trey Acteson

Subject: **FINANCIAL STATEMENTS**

SUGGESTED MOTION

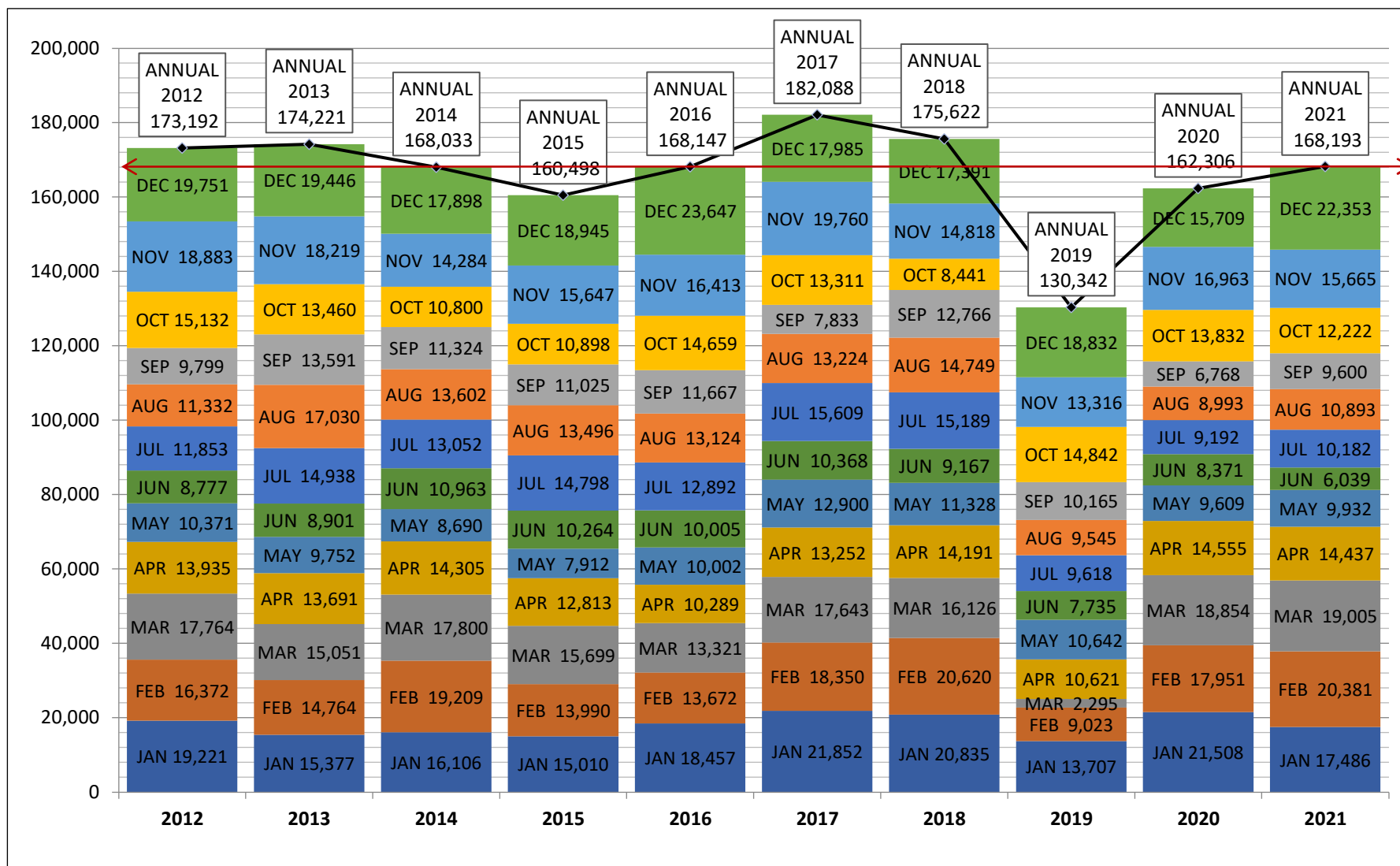
I move to accept year-to-date financial statements through December 2021, and disbursements for December 2021 and January 2022 totaling \$1,020,106.45, as presented.

Financial Statements in this board packet include:

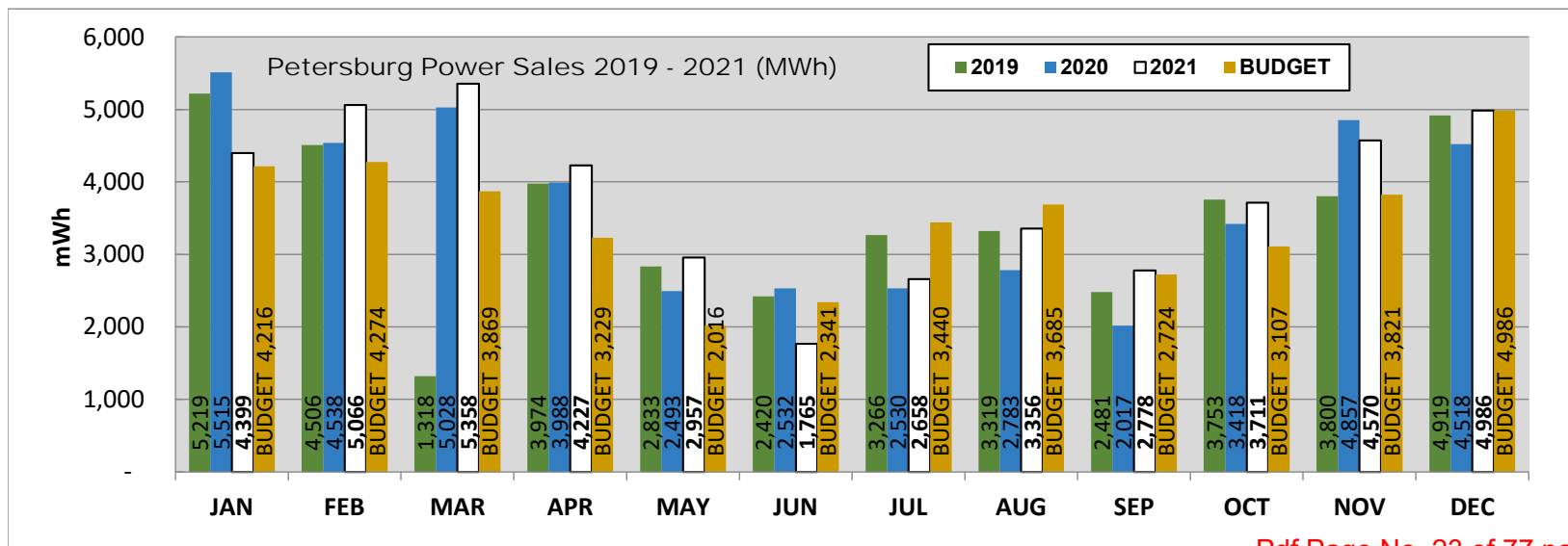
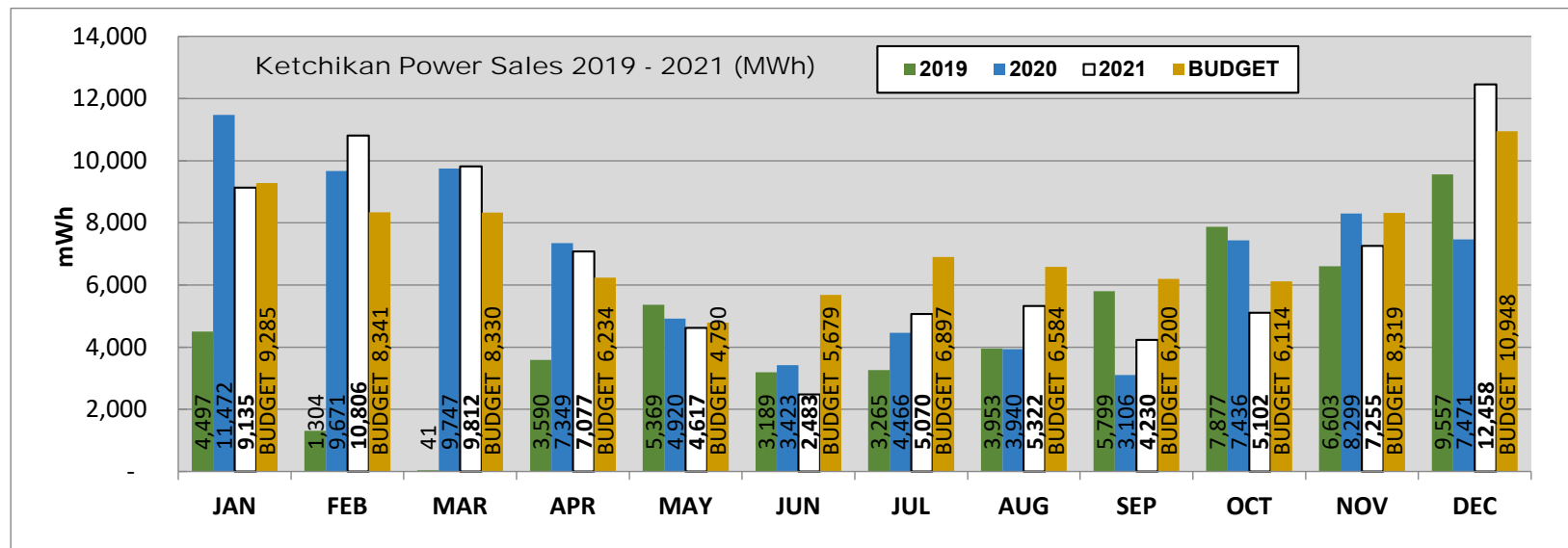
- **kWh Graphs** (Dec 2021) (Jan 2022 MWH only)
- **Fund Allocation Graph** (Dec 2021) (Jan 2022)
- **Grant Summary** (Quarterly through December 2021)
- **Year-to-Date Financial Statements through December 2021**
 - ✓ Financial Overview
 - ✓ Statement of Financial Position – Year-to-date with prior year comparison
 - ✓ Statement of Activities – Summary of year-to-date expenses by FERC code, compared to budget and prior year
 - ✓ Statement of Activities – Line-item detail of actual expenses compared to budget by location
 - ✓ R&R Summary
- **Disbursements for December 2021 and January 2022**

SOUTHEAST ALASKA POWER AGENCY

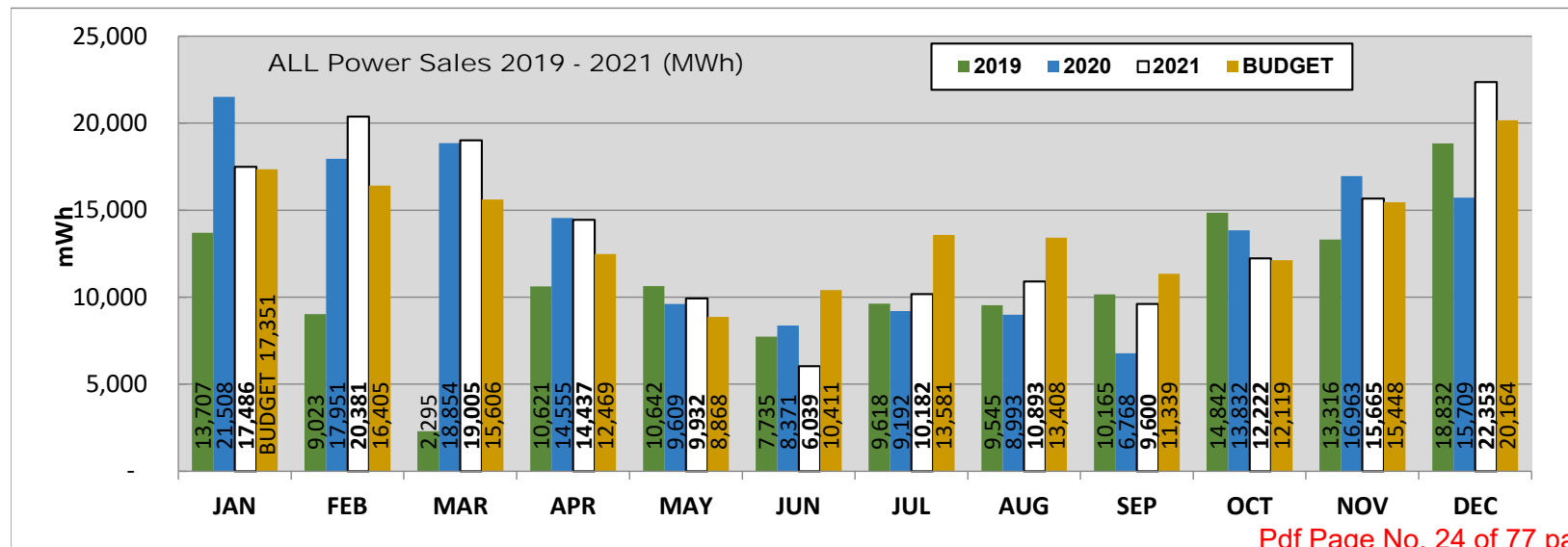
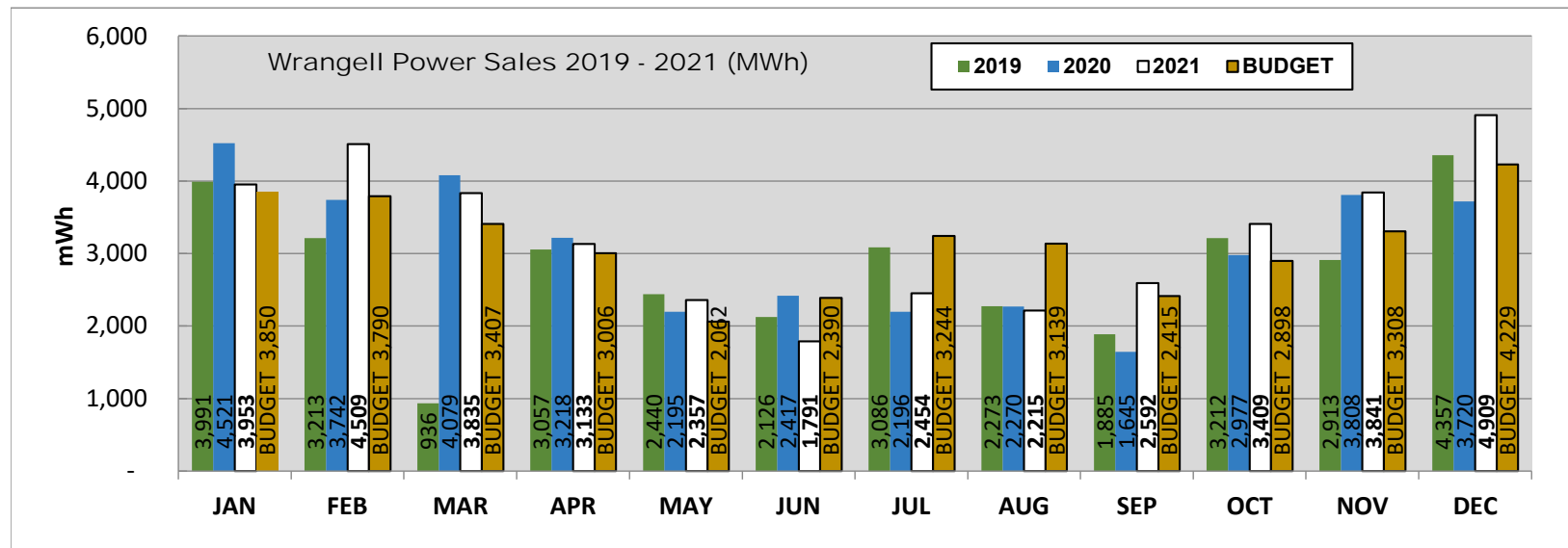
MWh Sales Year-to-Year Comparison



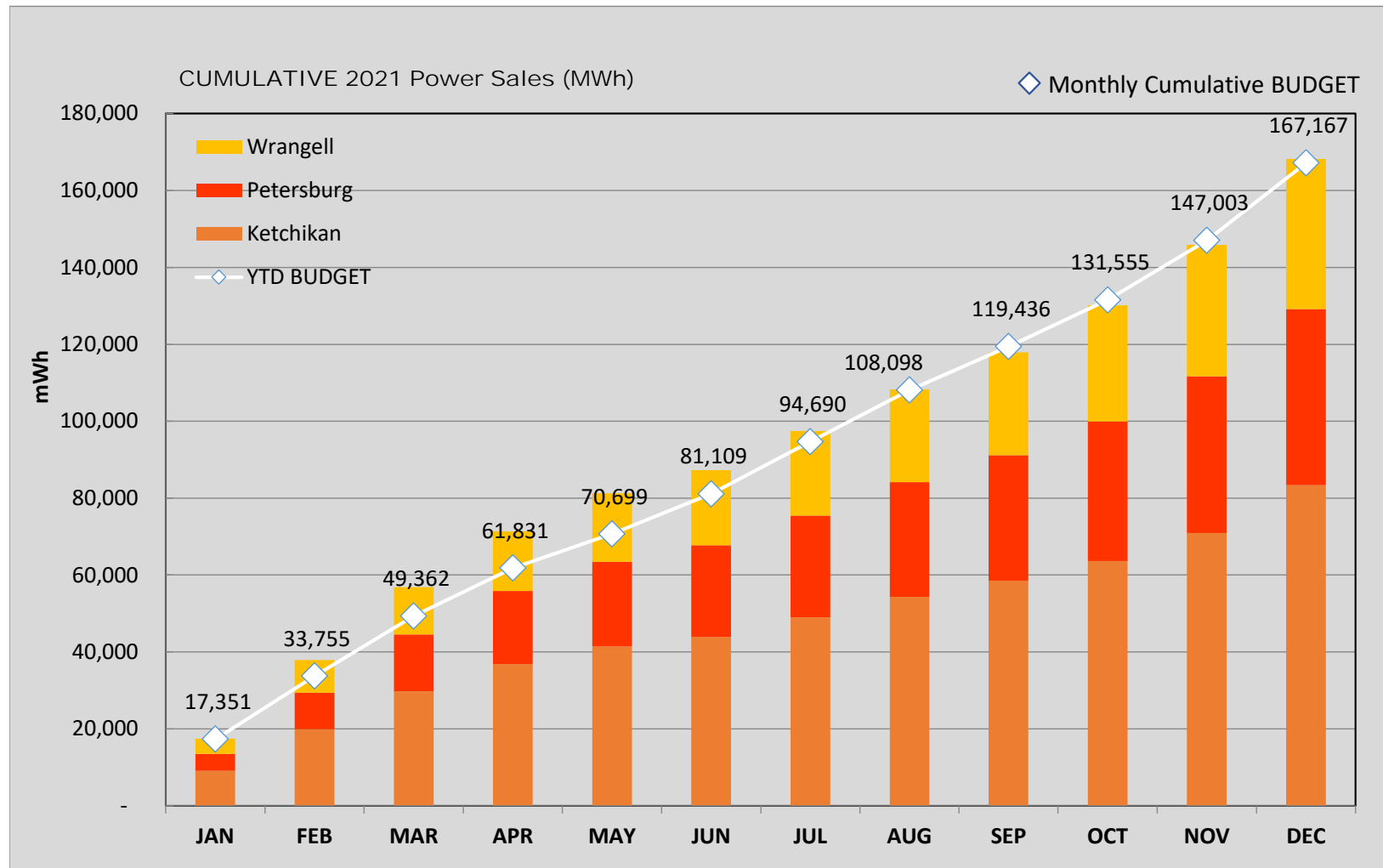
DEC 2021	2021 kWh HYDROPOWER SALES	CURRENT MONTH		YTD	
		Actual	Budget	Actual	Budget
	Ketchikan Power Purchases	12,457,920	10,948,299	83,366,208	87,720,975
	Petersburg Power Purchases	4,986,403	4,986,403	45,831,297	41,707,856
	Wrangell Power Purchases	4,908,550	4,228,947	38,995,420	37,738,161
	Total Power Purchases	22,352,873	20,163,649	168,192,925	167,166,992



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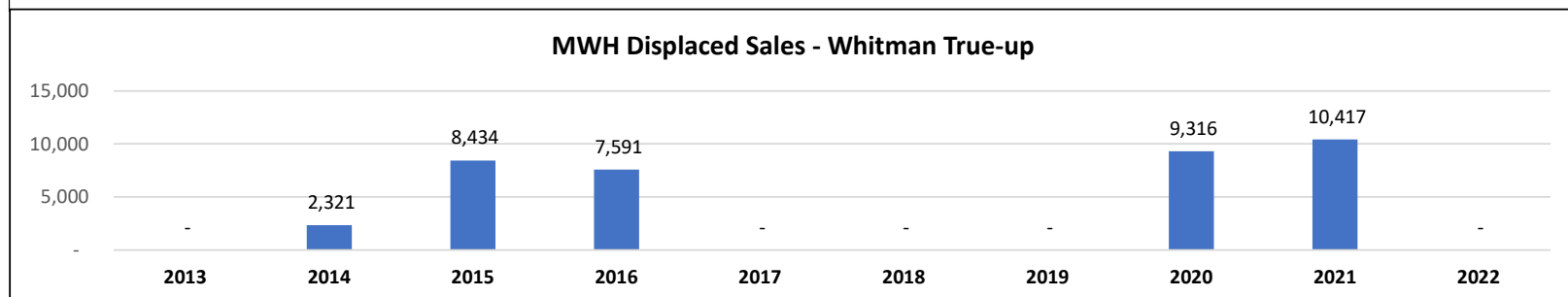
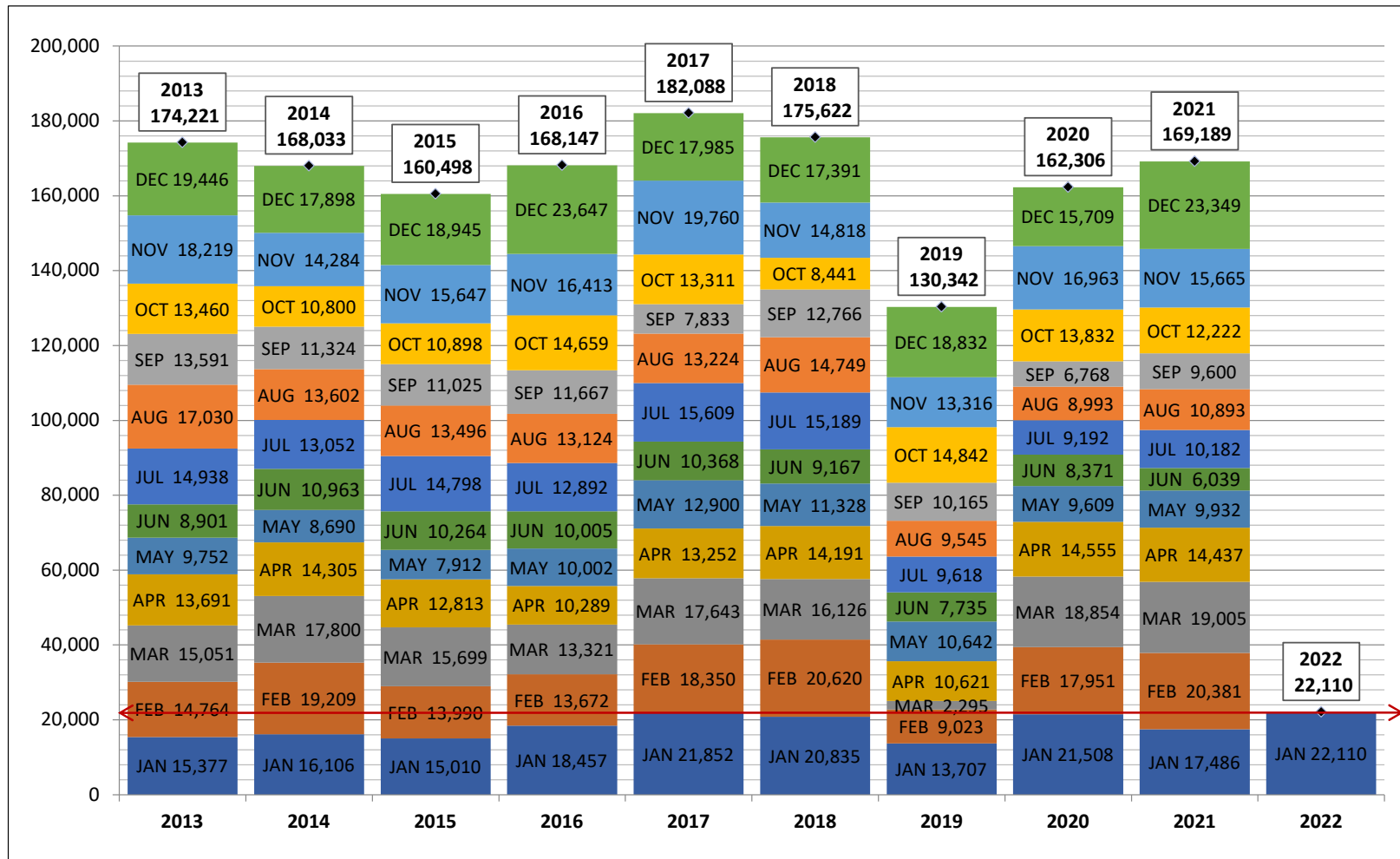


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	Total Power Purchases	22,352,873	20,163,649	168,192,925	167,166,992



SOUTHEAST ALASKA POWER AGENCY

MWh Firm Power Sales YOY Comparison



DEC 2021

Operations, Capital and Self-Insured Funds

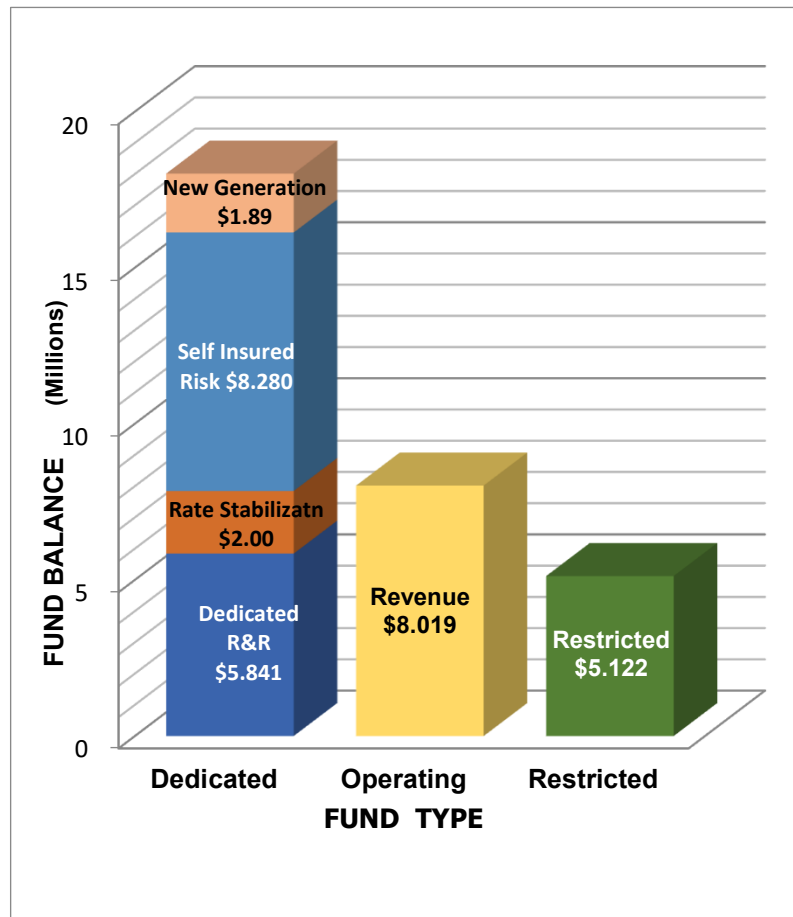
Revenue Fund	\$ 8,017,832 *
Checking	1,000
Dedicated R&R Projects Fund	5,841,215
New Generation Fund	1,888,893
Rate Stabilization Fund	2,003,605
Self Insured Risk Fund	8,279,734 *
Total Operations, Capital and Insurance Funds	26,032,278

Trustee Funds

2015 Series Bond Interest	\$ 169
2015 Series Bond Reserve	205,246
2019 Series Bond Interest	11,166
2019 Series Bond Principal	493,264
2019 Series Bond Reserve	1,264,297
2021 Series Bond Interest	206
2021 Series Bond Reserve	781,896
Total Trustee Funds	2,756,245

Other Restricted Funds

STI - USFS CD	\$ 21,639
DNR Reclamation Fund	1,343,472
Required R&R Fund	1,000,866
Total Other Restricted Funds	2,365,978
Total Agency Funds	\$ 31,154,500



* \$5MM Submarine cable insurance proceeds were transferred from Revenue Fund to Self Insured Risk Fund in January, in accordance with recommendations included in the 2021 4R Plan, presented at the December board meeting.

Dedicated Funds

- New Generation = Project feasibility funding (hydro, wind, geothermal)
- Self-Insured Risk = Coverage for uninsured transmission lines, submarine cables and insurance deductibles.
- Rate Stabilization Fund = Reserve Fund governed by the Rate Stabilization Fund Policy.
- Dedicated R&R = Funds Renewal & Replacement projects approved by the SEAPA Board in the budget.

Operating Funds

Revenue Fund & Commercial Checking: All SEAPA income is deposited to the Revenue Fund as required by Bond Indentures and transferred to checking as needed to cover expenditures.

Restricted Funds (Legally or contractually restricted)

- All Trustee Funds: Bond Interest, Principal, Reserve and Costs of Issuance accounts
- R&R = \$1,000,000 minimum balance required by bond indenture
- DNR = Alaska DNR Reclamation Agreement (50% SEAPA and 50% held in trust for Copper Valley and Kodiak)
- USFS = USFS Land Remediation Certificate of Deposit

JAN 2022

Operations, Capital and Self-Insured Funds

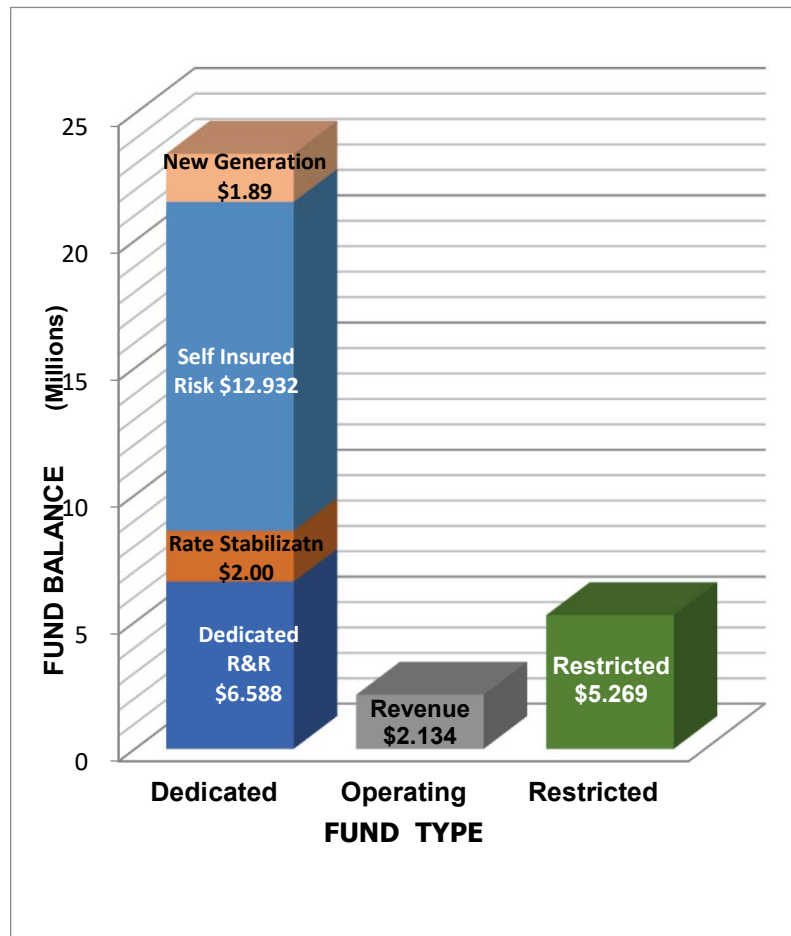
Revenue Fund	\$ 2,132,908	^{2,3}
Checking	1,000	
Dedicated R&R Projects Fund	6,588,037	^{1,3}
New Generation Fund	1,888,957	
Rate Stabilization Fund	2,003,673	
Self Insured Risk Fund	12,932,036	^{1,2}
Total Operations, Capital and Insurance Funds	25,546,610	

Trustee Funds

2015 Series Bond Interest	\$ 81,451
2015 Series Bond Reserve	205,246
2019 Series Bond Interest	33,416
2019 Series Bond Principal	493,264
2019 Series Bond Reserve	1,264,297
2021 Series Bond Interest	44,174
2021 Series Bond Reserve	781,896
Total Trustee Funds	2,903,745

Other Restricted Funds

STI - USFS CD	\$ 21,639
DNR Reclamation Fund	1,343,584
Required R&R Fund	1,000,034
Total Other Restricted Funds	2,365,257
Total Agency Funds	\$ 30,815,612



- ¹ 2021 earnings of \$279,734 were transferred from the Self-Insured Fund to the Dedicated R&R Projects Fund in January, per the 4R Plan.
- ² \$5MM submarine cable insurance proceeds were transferred from Revenue Fund to Self Insured Risk Fund in January, in accordance with recommendations included in the 2021 4R Plan presented and approved at the December board meeting.
- ³ \$750K was transferred from the Revenue Fund to the Dedicated R&R Fund in January. This represents the first of four quarterly payments scheduled for 2022.

Dedicated Funds

New Generation = Project feasibility funding (hydro, wind, geothermal)
 Self-Insured Risk = Coverage for uninsured transmission lines, submarine cables and insurance deductibles.
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SOUTHEAST ALASKA POWER AGENCY
GRANT SUMMARY
DECEMBER 2021

AK DCCED GRANT 13-DC-553

Grant Billing	Grant Budget	Billing thru 2021	Open Balance
1 - Hydro Storage	578,000	578,000	0
2 - G&T Site Evaluation	2,109,092	1,951,497	157,594
3 - Stability / Interconnecti	0	0	0
4 - Load Balance Model	9,181	9,181	0
5 - Project Mgmt	255,712	255,712	0
6 - Business Analysis / PSA	48,015	48,015	0
Total FY13 AK DCCED	3,000,000	2,842,406	157,594

QUARTERLY BILLING

Mar-21	Jun-21	Sep-21	Dec-21	FY21
-	-	-	-	-
1,779	-	64,218	113,141	179,138
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,779	-	64,218	113,141	179,138

TERM: JUL 2013 - JUN 2023

The grant term has been formally extended through June 2023.

DECEMBER 2021 YTD FINANCIAL OVERVIEW

OPERATING REVENUE

kWh SALES	JAN-DEC Actual	JAN-DEC Budget	JAN-DEC Prior Yr
Ketchikan	\$5,668,902	\$5,965,026	\$5,528,392
Petersburg	\$3,184,238	\$2,836,134	\$3,006,851
Wrangell	\$2,651,689	\$2,566,196	\$2,501,578
Total Firm Sales	\$11,504,829	\$11,367,356	\$11,036,820
Whitman Displaced Sales	\$708,381	-	\$633,508
Total kWh Revenue	\$12,213,210	\$11,367,356	\$11,670,328

OPERATING EXPENSES

	JAN-DEC Actual	JAN-DEC Budget	JAN-DEC Prior Yr
Hydro Facilities	\$2,299,196	\$2,513,700	\$2,358,329
Transmission	\$1,181,877	\$1,364,650	\$1,370,350
G&A	\$2,953,676	\$3,373,450	\$2,791,239
Total Ops Exp	\$6,434,749	\$7,251,800	\$6,519,918

FIRM MWH TREND

Year-to-Date MWH SALES		MWH Thousands	
Year	MWH		
Dec-21	168,193	Dec-21	
Dec-20	162,306	Dec-20	
Dec-19	130,342	Dec-19	
Dec-18	175,622	Dec-18	
Dec-17	182,088	Dec-17	

2019 drought.

Southeast Alaska Power Agency
Statement of Financial Position
as of December 31, 2021

	Year To Date 12/31/21	Prior Year To Date 12/31/20
Assets		
Current Assets		
Agency Funds		
Operating & Reserve Funds		
1110-001 - Revenue Fund	8,017,832	1,592,173
1110-002 - Commercial Checking	1,000	1,000
1110-003 - Dedicated R&R Fund	5,841,215	5,210,017
1110-004 - New Generation Fund	1,888,893	1,888,137
1110-101 - Rate Stabilization Fund	2,003,605	2,002,803
1110-102 - Self Insured Risk Fund	8,279,734	7,915,403
Total Operating & Reserve Funds	26,032,278	18,609,534
Restricted Trustee Funds		
1120-004 - 2015 Series Bond Interest Fund	169	64
1120-006 - 2015 Series Bond Reserve Fund	205,246	205,312
1120-009 - 2019 Series Bond Interest Fund	11,166	14,460
1120-010 - 2019 Series Bond Principal Fund	493,264	470,001
1120-011 - 2019 Series Bond Reserve Fund	1,264,297	1,264,186
1120-012 - 2021 Series Bond Interest Fund	206	-
1120-014 - 2021 Series Bond Reserve Fund	781,896	-
Total Restricted Trustee Funds	2,756,245	1,954,024
Restricted Other Funds		
1130-001 - USFS CD - STI	21,639	21,637
1130-002 - DNR Reclamation Fund	1,343,584	1,268,441
1130-003 - Required R&R Fund	1,000,933	1,000,533
Total Restricted Other Funds	2,366,156	2,290,611
Total Agency Funds	31,154,679	22,854,168
Accounts Receivable		
1100-001 - Accounts Receivable	2,794,128	2,855,337
1100-002 - Grants Receivable	113,141	1,721
1100-003 - Other Misc Receivable	5,800	5,800
Total Accounts Receivable	2,913,069	2,862,858
Other Current Assets		
Accrued Interest Receivable		
1200-102 - Accrued Interest Receivable	13,362	37,399
Total Accrued Interest Receivable	13,362	37,399
Prepaid Fees		
1200-201 - Prepaid FERC Fees	626,423	468,782
1200-202 - Prepaid Insurance	15,395	167,854
1200-206 - Prepaid Admin Group Ben	11,148	10,211
1200-207 - Prepaid Admin Retirement	15,143	14,588
Total Prepaid Fees	668,110	661,435
Inventory Assets		
1200-300 - Inventory Spares-Stores	231,507	237,584
1200-301 - Inventory SWL Winding Replace	890,405	890,405
1200-302 - Inventory Flashboard Kickers	439,456	439,456
1200-303 - Inventory Sub Cable Spare	768,484	-
1210 - Accumulated Inventory Amortization	(197,349)	-
Total Inventory Assets	2,132,503	1,567,445
Total Other Current Assets	2,813,975	2,266,279
Total Current Assets	36,881,723	27,983,304

Southeast Alaska Power Agency
Statement of Financial Position
as of December 31, 2021

	Year To Date 12/31/21	Prior Year To Date 12/31/20
Capital Assets		
1300-100 - Swan Lake Capital Assets	36,042,665	33,636,420
1300-200 - Tyee Lake Capital Assets	43,818,745	32,778,455
1300-300 - Swan-Tyee Intertie Capital Assets	115,184,260	115,093,787
1300-400 - Ketchikan Capital Assets	1,411,793	1,402,705
Total Capital Assets	196,457,462	182,911,368
R&R WIP Capital Projects		
1320-100 - WIP Swan Lake	119,318	389,105
1320-200 - WIP Tyee Lake	124,055	446,484
1320-300 - WIP Swan-Tyee Intertie	-	-
1320-400 - WIP Ketchikan	284,788	87,949
Total R&R WIP Capital Projects	528,161	923,538
Accumulated Depreciation	(60,624,688)	(56,636,815)
Total Capital Assets	136,360,935	127,198,091
Other Assets		
Deferred Assets		
1830-006 - New Generation Integration	7,021	7,021
1830-007 - 2019 Bond Gain on 2009 Refund	54,859	77,559
Total Other Assets	61,880	84,580
Total Assets	173,304,538	155,265,975
Liabilities and Net Position		
Current Liabilities		
Accounts Payable		
2100-001 - Accounts Payable General	387,495	169,763
Total Accounts Payable	387,495	169,763
Other Current Liabilities		
2100-301 - Other Current Liabilities	73,624	15,252
2100-304 - Reserve Interest Payable	11,125	14,460
2100-340 - Wages Payable	201,850	168,321
2100-341 - PTO Payable	198,957	235,782
2100-350 - Other Payroll Liabilities	14,796	27,362
Total Other Current Liabilities	500,352	461,176
Total Current Liabilities	887,846	630,939
Long Term Liabilities		
2200-001 - PERS Unfunded Liability WRG	634,379	757,332
2200-002 - DNR Fund CVEA KEA Liability	671,680	634,220
2200-202 - Series 2015 Bonds	10,295,000	10,295,000
2200-203 - Series 2019 Bonds	2,670,000	3,475,000
2200-204 - Series 2021 Bonds	11,330,000	-
2200-302 - 2015 Bond Issuance Premium	628,582	683,641
2200-303 - 2019 Bond Issuance Premium	192,784	272,557
2200-304 - 2021 Bond Issuance Premium	2,863,755	-
Total Long Term Liabilities	29,286,181	16,117,749
Total Liabilities	30,174,027	16,748,688
Net Position		
3100-001 - Net Investment Capital Assets	108,434,673	112,549,453
3100-002 - Restricted for Debt Service	2,253,788	1,466,438
3100-003 - Restricted by External Agreement	1,365,223	1,290,078
3100-004 - Unrestricted	26,462,603	23,201,485
Total Net Position	138,516,287	138,507,454
Net Income	4,614,224	9,833
Total Net Position	143,130,511	138,517,287
Total Liabilities and Net Position	173,304,538	155,265,975

Southeast Alaska Power Agency
Statement of Activities - YTD Budget
as of **December 31, 2021**

	YTD FY21	YTD BUDGET	VARIANCE % of Budget	YTD FY20	ANNUAL Budget
OPERATING REVENUE					
400 - Hydro Facility Revenues	12,213,210	11,367,356	7.44 %	11,670,328	11,367,356
454 - Rent-Electric Property	9,780	6,800	43.82 %	4,896	6,800
Net Operating Revenue	12,222,990	11,374,156	7.46 %	11,675,223	11,374,156
OPERATING EXPENSE					
HYDRO FACILITY O&M					
535 - Operations Supervision	65,817	90,900	(27.6) %	23,837	90,900
537 - Hydraulic Expense	3,437	10,000	(65.6) %	11,653	10,000
538 - Electric Expenses	23,440	79,000	(70.3) %	30,692	79,000
539 - Operations Misc Expense	327,470	419,900	(22.0) %	397,721	419,900
540 - Rents	179,001	186,250	(3.9) %	167,371	186,250
541 - Hydro Power Station Maintenance	49,828	39,500	26.1 %	38,802	39,500
543 - Dams Reservoirs Waterways	7,279	29,250	(75.1) %	7,714	29,250
544 - Electric Plant Wages-Benefits	1,541,275	1,540,000	0.1 %	1,562,016	1,540,000
545 - Nonproduction Plant Maintenance	54,554	54,900	(0.6) %	74,728	54,900
561 - Control System Maintenance	47,094	64,000	(26.4) %	43,795	64,000
Total Hydro Facility Expense	2,299,196	2,513,700	(8.5) %	2,358,329	2,513,700
TRANSMISSION O&M					
562 - Substation Expense	86,967	73,800	17.8 %	75,735	73,800
564 - XMSN Submarine Cable Expense	2,545	3,200	(20.5) %	40,296	3,200
571 - XMSN Overhead Lines Expense	1,092,365	1,287,650	(15.2) %	1,254,319	1,287,650
Total Transmission Expense	1,181,877	1,364,650	(13.4) %	1,370,350	1,364,650
GENERAL & ADMIN EXPENSE					
920 - Admin Wages-Benefits	1,661,728	1,832,000	(9.3) %	1,616,989	1,832,000
921 - Office Expenses	150,213	222,400	(32.5) %	163,253	222,400
923 - Professional Services	262,474	404,750	(35.2) %	233,650	404,750
924 - Insurance	584,932	598,500	(2.3) %	481,141	598,500
928 - Regulatory Commission Expense	104,244	113,500	(8.2) %	109,206	113,500
930 - General Expense	114,760	120,700	(4.9) %	107,670	120,700
931 - Admin Rent	75,325	81,600	(7.7) %	79,330	81,600
Total G&A Expense	2,953,676	3,373,450	(12.4) %	2,791,239	3,373,450
Total Operating Expense	6,434,749	7,251,800	(11.3) %	6,519,918	7,251,800
NET OPERATING REVENUE/(EXPENSE)	5,788,241	4,122,356	40.4 %	5,155,305	4,122,356
Nonoperating Income					
941 - Grant Income	179,138				
942 - Interest Income Misc	101,336				
944 - Gain/(Loss) Investments	(119,494)				
946 - Misc Nonoperating Income	4,789,097				
Total Nonoperating Income	4,950,078				
Nonoperating Expense					
951 - Interest Expense	15,706				
952 - Bond Interest Expense	705,408				
953 - Depreciation-Amortization Expense	5,103,867				
954 - Grant Expense	199,797				
955 - Misc Nonoperating Expense	99,317				
Total Nonoperating Expense	6,124,096				
NET NONOPERATING INCOME/(EXPENSE)	(1,174,017)				
Change in Net Position	4,614,224				

Southeast Alaska Power Agency

Statement of Activities

YTD Budget

as of December 31, 2021

	All Locations		0--No Location		1--Swan Lake		2--Tyee Lake		3--Swan-Tyee Intertie	
	01/01/21 Through 12/31/21		01/01/21 Through 12/31/21		01/01/21 Through 12/31/21		01/01/21 Through 12/31/21		01/01/21 Through 12/31/21	
	Actual	Current Budget	Actual	Current Budget	Actual	Current Budget	Actual	Current Budget	Actual	Current Budget
Revenue FERC										
400 - Hydro Facility Revenues										
4000-401 Hydropower Sales Ketchikan	5,668,902	5,965,026	5,668,902	5,965,026	-	-	-	-	-	-
4000-402 Hydropower Sales Petersburg	3,184,238	2,836,134	3,184,238	2,836,134	-	-	-	-	-	-
4000-403 Hydropower Sales Wrangell	2,651,689	2,566,196	2,651,689	2,566,196	-	-	-	-	-	-
4000-421 Displaced Power Ketchikan	708,381	-	708,381	-	-	-	-	-	-	-
Total 400 - Hydro Facility Revenues	12,213,210	11,367,356	12,213,210	11,367,356	-	-	-	-	-	-
454 - Rent-Electric Property										
4540-451 Rent Electric Property	9,780	6,800	9,780	6,800	-	-	-	-	-	-
Total 454 - Rent-Electric Property	9,780	6,800	9,780	6,800	-	-	-	-	-	-
Total Operating Revenue	12,222,990	11,374,156	12,222,990	11,374,156	-	-	-	-	-	-
Operating Expenses										
535 - Operations Supervision										
0310 Contractor	54,286	77,500	-	-	31,775	37,500	22,510	40,000	-	-
0390 Software	3,930	3,000	-	-	1,918	1,500	2,012	1,500	-	-
0610 Office Equipment	5,238	8,400	-	-	2,650	5,900	2,588	2,500	-	-
0730 Office Supplies	2,364	2,000	-	-	875	1,000	1,489	1,000	-	-
Total 535 - Operations Supervision	65,817	90,900	-	-	37,217	45,900	28,600	45,000	-	-
537 - Hydraulic Expense										
0330 Helicopters	3,437	8,000	-	-	1,719	4,000	1,719	4,000	-	-
0800 Materials-Minor Equip	-	2,000	-	-	-	1,000	-	1,000	-	-
Total 537 - Hydraulic Expense	3,437	10,000	-	-	1,719	5,000	1,719	5,000	-	-
538 - Electric Expenses										
0310 Contractor	6,622	59,000	-	-	2,352	12,000	4,270	47,000	-	-
0740 Operating Supplies	3,158	10,000	-	-	3,034	5,000	124	5,000	-	-
0800 Materials-Minor Equip	12,530	10,000	-	-	11,349	5,000	1,181	5,000	-	-
0850 Tools	1,131	-	-	-	1,131	-	-	-	-	-
Total 538 - Electric Expenses	23,440	79,000	-	-	17,865	22,000	5,575	57,000	-	-
539 - Operations Misc Expense										
0300 Communication Services	74,382	89,000	-	-	21,086	22,000	53,295	67,000	-	-
0310 Contractor	16,939	13,500	-	-	6,563	6,500	10,376	7,000	-	-
0320 Flights	84,506	115,000	-	-	23,123	50,000	61,383	65,000	-	-
0330 Helicopters	8,614	-	-	-	-	-	8,614	-	-	-
0360 Lodging	2,863	-	-	-	-	-	2,863	-	-	-
0373 Rent-Other	1,333	1,200	-	-	1,333	1,200	-	-	-	-
0401 Training-Pro-Tech	9,311	15,000	-	-	4,510	7,500	4,801	7,500	-	-
0402 Training-Safety	25,887	76,000	-	-	14,509	35,000	11,378	41,000	-	-
0410 Transport-Other	7,530	28,000	-	-	2,618	14,000	4,912	14,000	-	-
0420 Utilities	702	1,200	-	-	702	1,200	-	-	-	-
0600 Phones, Radios, Video	2,003	3,000	-	-	754	1,000	1,249	2,000	-	-
0710 Food, Meals	3,044	3,000	-	-	360	1,000	2,684	2,000	-	-
0740 Operating Supplies	1,805	4,500	-	-	1,058	1,500	747	3,000	-	-
0750 Safety	8,506	11,000	-	-	6,026	5,500	2,480	5,500	-	-
0800 Materials-Minor Equip	7,579	7,500	-	-	1,517	1,000	6,062	6,500	-	-
0810 Rolling Stock Maint	16,012	12,500	-	-	2,805	5,000	13,207	7,500	-	-
0811 Marine Vessel Maint	1,178	2,500	-	-	1,178	2,500	-	-	-	-
0820 Fuels and Oils	39,564	27,000	-	-	26,153	15,000	13,411	12,000	-	-
0830 Fuels and Oils - Marine	14,898	10,000	-	-	5,533	5,000	9,365	5,000	-	-
0850 Tools	817	-	-	-	213	-	604	-	-	-
Total 539 - Operations Misc Expense	327,470	419,900	-	-	120,040	174,900	207,430	245,000	-	-

Statement of Activities

YTD Budget

as of December 31, 2021

	All Locations		0--No Location		1--Swan Lake		2--Tyee Lake		3--Swan-Tyee Intertie	
	01/01/21 Through 12/31/21		01/01/21 Through 12/31/21		01/01/21 Through 12/31/21		01/01/21 Through 12/31/21		01/01/21 Through 12/31/21	
	Actual	Current Budget	Actual	Current Budget	Actual	Current Budget	Actual	Current Budget	Actual	Current Budget
540 - Rents										
0010 Other Regulatory	-	20,000	-	-	-	-	-	-	-	20,000
0030 FERC Land Use	71,008	58,400	-	-	15,258	12,600	55,750	45,800	-	-
0050 USFS Land Use	107,993	107,850	-	-	-	-	28,233	29,600	79,760	78,250
Total 540 - Rents	179,001	186,250	-	-	15,258	12,600	83,983	75,400	79,760	98,250
541 - Hydro Power Station Maintenance										
0310 Contractor	3,663	5,000	-	-	3,663	2,500	-	2,500	-	-
0740 Operating Supplies	7,736	10,000	-	-	3,743	5,000	3,993	5,000	-	-
0750 Safety	1,608	-	-	-	-	-	1,608	-	-	-
0800 Materials-Minor Equip	31,352	10,000	-	-	25,051	5,000	6,301	5,000	-	-
0850 Tools	5,470	14,500	-	-	716	6,000	4,754	8,500	-	-
Total 541 - Hydro Power Station Maintenance	49,828	39,500	-	-	33,173	18,500	16,655	21,000	-	-
543 - Dams Reservoirs Waterways										
0310 Contractor	-	15,000	-	-	-	15,000	-	-	-	-
0330 Helicopters	-	7,000	-	-	-	-	-	7,000	-	-
0740 Operating Supplies	1,352	3,500	-	-	677	1,500	675	2,000	-	-
0800 Materials-Minor Equip	5,927	2,000	-	-	5,927	1,500	-	500	-	-
0820 Fuels and Oils	-	250	-	-	-	-	-	250	-	-
0850 Tools	-	1,500	-	-	-	1,000	-	500	-	-
Total 543 - Dams Reservoirs Waterways	7,279	29,250	-	-	6,604	19,000	675	10,250	-	-
544 - Electric Plant Wages-Benefits										
0110 Wages / PTO	949,331	1,047,000	-	-	508,603	508,000	440,727	539,000	-	-
0120 OT	225,030	138,000	-	-	91,258	79,000	133,772	59,000	-	-
0140 Taxes	93,373	73,000	-	-	47,842	41,000	45,530	32,000	-	-
0150 H&W	188,533	204,000	-	-	100,907	102,000	87,626	102,000	-	-
0160 Retirement	129,217	137,000	-	-	68,655	69,000	60,561	68,000	-	-
0170 Capx-Grants	(44,208)	(59,000)	-	-	(28,045)	(45,000)	(16,163)	(14,000)	-	-
Total 544 - Electric Plant Wages-Benefits	1,541,275	1,540,000	-	-	789,221	754,000	752,054	786,000	-	-
545 - Nonproduction Plant Maintenance										
0310 Contractor	22,371	16,000	-	-	22,013	15,500	358	500	-	-
0373 Rent-Other	3,852	4,000	-	-	3,852	4,000	-	-	-	-
0710 Food, Meals	67	-	-	-	-	-	67	-	-	-
0740 Operating Supplies	7,970	10,000	-	-	1,367	2,500	6,603	7,500	-	-
0750 Safety	421	-	-	-	-	-	421	-	-	-
0800 Materials-Minor Equip	15,490	16,100	-	-	12,546	7,000	2,944	9,100	-	-
0810 Rolling Stock Maint	94	500	-	-	-	-	94	500	-	-
0820 Fuels and Oils	452	-	-	-	-	-	452	-	-	-
0840 Furnishings	3,223	7,500	-	-	13	6,000	3,210	1,500	-	-
0850 Tools	614	800	-	-	-	300	614	500	-	-
Total 545 - Nonproduction Plant Maintenance	54,554	54,900	-	-	39,792	35,300	14,762	19,600	-	-
561 - Control System Maintenance										
0310 Contractor	45,096	60,000	-	-	17,364	30,000	27,732	30,000	-	-
0390 Software	-	4,000	-	-	-	2,000	-	2,000	-	-
0800 Materials-Minor Equip	1,999	-	-	-	1,999	-	-	-	-	-
Total 561 - Control System Maintenance	47,094	64,000	-	-	19,362	32,000	27,732	32,000	-	-

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YTD Budget

as of December 31, 2021

	All Locations		0--No Location		1--Swan Lake		2--Tyee Lake		3--Swan-Tyee Intertie	
	01/01/21 Through 12/31/21		01/01/21 Through 12/31/21		01/01/21 Through 12/31/21		01/01/21 Through 12/31/21		01/01/21 Through 12/31/21	
	Actual	Current Budget	Actual	Current Budget	Actual	Current Budget	Actual	Current Budget	Actual	Current Budget
562 - Substation Expense										
0300 Communication Services	5,716	1,500	-	-	-	-	5,716	1,500	-	-
0310 Contractor	50,211	50,000	-	-	-	-	50,211	50,000	-	-
0320 Flights	7,450	3,600	-	-	-	-	7,450	3,600	-	-
0360 Lodging	-	500	-	-	-	-	-	500	-	-
0373 Rent-Other	260	500	-	-	-	-	260	500	-	-
0420 Utilities	10,785	12,000	-	-	-	-	10,785	12,000	-	-
0710 Food, Meals	78	200	-	-	-	-	78	200	-	-
0740 Operating Supplies	1,405	3,000	-	-	177	500	1,228	2,500	-	-
0750 Safety	1,041	-	-	-	-	-	1,041	-	-	-
0800 Materials-Minor Equip	9,737	2,000	-	-	-	1,000	9,737	1,000	-	-
0820 Fuels and Oils	-	250	-	-	-	-	-	250	-	-
0850 Tools	285	250	-	-	-	-	285	250	-	-
Total 562 - Substation Expense	86,967	73,800	-	-	177	1,500	86,790	72,300	-	-
564 - XMSN Submarine Cable Expense										
0360 Lodging	260	-	-	-	-	-	260	-	-	-
0410 Transport-Other	159	-	-	-	-	-	159	-	-	-
0740 Operating Supplies	208	1,000	-	-	-	-	208	1,000	-	-
0750 Safety	268	-	-	-	-	-	268	-	-	-
0800 Materials-Minor Equip	1,650	2,200	-	-	-	-	1,650	2,200	-	-
Total 564 - XMSN Submarine Cable Expense	2,545	3,200	-	-	-	-	2,545	3,200	-	-
571 - XMSN Overhead Lines Expense										
0110 Wages / PTO	119,596	125,000	119,596	125,000	-	-	-	-	-	-
0120 OT	2,055	2,000	2,055	2,000	-	-	-	-	-	-
0140 Taxes	10,224	11,000	10,224	11,000	-	-	-	-	-	-
0150 H&W	22,139	23,000	22,139	23,000	-	-	-	-	-	-
0160 Retirement	13,959	15,000	13,959	15,000	-	-	-	-	-	-
0170 Capx-Grants	(1,402)	-	(1,402)	-	-	-	-	-	-	-
0300 Communication Services	1,535	1,750	1,535	1,750	-	-	-	-	-	-
0310 Contractor	522,181	664,500	147	-	163,225	207,200	200,047	247,200	158,762	210,100
0320 Flights	5,990	6,000	5,990	6,000	-	-	-	-	-	-
0330 Helicopters	58,230	65,000	58,230	65,000	-	-	-	-	-	-
0360 Lodging	5,131	5,000	5,131	5,000	-	-	-	-	-	-
0373 Rent-Other	1,429	1,500	1,429	1,500	-	-	-	-	-	-
0380 ROW Clearing	307,100	345,000	-	-	159,100	165,000	148,000	180,000	-	-
0410 Transport-Other	7,059	1,500	7,059	1,500	-	-	-	-	-	-
0420 Utilities	934	1,100	934	1,100	-	-	-	-	-	-
0710 Food, Meals	1,914	3,000	1,914	3,000	-	-	-	-	-	-
0740 Operating Supplies	4,013	5,000	4,013	5,000	-	-	-	-	-	-
0750 Safety	1,307	-	1,307	-	-	-	-	-	-	-
0800 Materials-Minor Equip	40	2,500	40	2,500	-	-	-	-	-	-
0810 Rolling Stock Maint	124	-	124	-	-	-	-	-	-	-
0811 Marine Vessel Maint	5,176	5,000	5,176	5,000	-	-	-	-	-	-
0820 Fuels and Oils	2,317	1,800	2,317	1,800	-	-	-	-	-	-
0830 Fuels and Oils - Marine	278	3,000	278	3,000	-	-	-	-	-	-
0850 Tools	1,037	-	1,037	-	-	-	-	-	-	-
Total 571 - XMSN Overhead Lines Expense	1,092,365	1,287,650	263,230	278,150	322,325	372,200	348,047	427,200	158,762	210,100

Statement of Activities

YTD Budget

as of December 31, 2021

	All Locations		0--No Location		1--Swan Lake		2--Tyee Lake		3--Swan-Tyee Intertie	
	01/01/21 Through 12/31/21		01/01/21 Through 12/31/21		01/01/21 Through 12/31/21		01/01/21 Through 12/31/21		01/01/21 Through 12/31/21	
	Actual	Current Budget	Actual	Current Budget	Actual	Current Budget	Actual	Current Budget	Actual	Current Budget
920 - Admin Wages-Benefits										
0110 Wages / PTO	971,441	1,044,000	971,441	1,044,000	-	-	-	-	-	-
0120 OT	691	2,000	691	2,000	-	-	-	-	-	-
0140 Taxes	72,550	77,000	72,550	77,000	-	-	-	-	-	-
0150 H&W	226,137	263,000	226,137	263,000	-	-	-	-	-	-
0160 Retirement	390,910	446,000	390,910	446,000	-	-	-	-	-	-
Total 920 - Admin Wages-Benefits	1,661,728	1,832,000	1,661,728	1,832,000	-	-	-	-	-	-
921 - Office Expenses										
0190 Medical	100	-	100	-	-	-	-	-	-	-
0300 Communication Services	27,228	33,500	27,228	33,500	-	-	-	-	-	-
0310 Contractor	63,415	114,500	63,415	114,500	-	-	-	-	-	-
0350 Licenses-Permits	191	150	191	150	-	-	-	-	-	-
0390 Software	30,223	25,050	30,223	25,050	-	-	-	-	-	-
0420 Utilities	7,774	10,000	7,774	10,000	-	-	-	-	-	-
0600 Phones, Radios, Video	805	-	805	-	-	-	-	-	-	-
0610 Office Equipment	7,142	18,000	7,142	18,000	-	-	-	-	-	-
0710 Food, Meals	1,820	1,600	1,820	1,600	-	-	-	-	-	-
0730 Office Supplies	9,687	11,000	9,687	11,000	-	-	-	-	-	-
0810 Rolling Stock Maint	476	7,500	476	7,500	-	-	-	-	-	-
0820 Fuels and Oils	1,203	1,100	1,203	1,100	-	-	-	-	-	-
0840 Furnishings	149	-	149	-	-	-	-	-	-	-
Total 921 - Office Expenses	150,213	222,400	150,213	222,400	-	-	-	-	-	-
923 - Professional Services										
0910 Audit-Accounting	34,700	32,000	34,700	32,000	-	-	-	-	-	-
0920 Banking-Trustee-Investment	31,847	25,250	31,847	25,250	-	-	-	-	-	-
0930 Legal	59,391	125,000	59,391	125,000	-	-	-	-	-	-
0940 Legislative	48,000	48,000	48,000	48,000	-	-	-	-	-	-
0950 Other Professional Services	88,536	174,500	88,536	174,500	-	-	-	-	-	-
Total 923 - Professional Services	262,474	404,750	262,474	404,750	-	-	-	-	-	-
924 - Insurance										
0960 Insurance	584,932	598,500	584,932	598,500	-	-	-	-	-	-
Total 924 - Insurance	584,932	598,500	584,932	598,500	-	-	-	-	-	-
928 - Regulatory Commission Expense										
0010 Other Regulatory	17,000	17,000	-	-	-	-	17,000	17,000	-	-
0020 FERC Admin	57,333	61,000	0	-	29,884	32,000	27,448	29,000	-	-
0040 FERC Other	26,756	27,500	-	-	26,756	27,500	-	-	-	-
0060 AK Agency	200	500	-	-	50	50	150	150	-	300
0310 Contractor	2,955	7,500	-	-	2,955	7,500	-	-	-	-
Total 928 - Regulatory Commission Expense	104,244	113,500	0	-	59,646	67,050	44,598	46,150	-	300
930 - General Expense										
0200 Advertising-Public Relations	10,707	30,000	10,707	30,000	-	-	-	-	-	-
0210 Association Dues	38,239	37,400	38,239	37,400	-	-	-	-	-	-
0220 Board Meeting Expense	3,686	13,000	3,686	13,000	-	-	-	-	-	-
0230 Professional Development	16,615	11,800	16,615	11,800	-	-	-	-	-	-
0240 Travel Expense (Admin)	12,135	15,000	12,135	15,000	-	-	-	-	-	-
0250 Non-Travel Incidental	1,973	1,500	1,973	1,500	-	-	-	-	-	-
0260 Recruitment	31,404	12,000	31,404	12,000	-	-	-	-	-	-
Total 930 - General Expense	114,760	120,700	114,760	120,700	-	-	-	-	-	-
931 - Admin Rent										
0371 Rent-Office Space	62,718	63,000	62,718	63,000	-	-	-	-	-	-
0372 Rent-Apartment	12,607	18,600	12,607	18,600	-	-	-	-	-	-
Total 931 - Admin Rent	75,325	81,600	75,325	81,600	-	-	-	-	-	-
Total Operating Expenses	6,434,749	7,251,800	3,112,663	3,538,100	1,462,399	1,559,950	1,621,164	1,845,100	238,522	308,650
NET OPERATING REVENUE/(EXPENSE)	5,788,241	4,122,356	9,110,327	7,836,056	(1,462,399)	(1,559,950)	(1,621,164)	(1,845,100)	(238,522)	(308,650)

Southeast Alaska Power Agency
Statement of Activities
YTD Budget
as of December 31, 2021

Nonoperating Income	
941 - Grant Income	
5410 Grant Income	179,138
Total 941 - Grant Income	179,138
942 - Interest Income Misc	
5010 Interest Earned Misc	7,639
5020 Interest DNR Liability	152
5030 Interest Investment Income	93,545
Total 942 - Interest Income Misc	101,336
944 - Gain/(Loss) Investments	
5200 Realized Gain/(Loss) on Invest	90,894
5210 Unrealized Gain/(Loss) Investmt	(210,387)
Total 944 - Gain/(Loss) Investments	(119,494)
946 - Misc Nonoperating Income	
5040 Other Misc Income	6,035
5041 2021 Submarine Cable Insurance	5,000,000
5420 Gain/(Loss) Property Dispositm	(216,937)
Total 946 - Misc Nonoperating Income	4,789,097
Total Nonoperating Income	4,950,078
Nonoperating Expense	
951 - Interest Expense	
6020 Interest Expense Investments	15,706
Total 953 - Depreciation Expense	15,706
952 - Bond Interest Expense	
6120 Bond Interest Expense 2015 Series	432,629
6130 Bond Interest Expense 2019 Series	93,218
6131 Bond Interest Expense 2021 Series	179,561
Total 952 - Bond Interest Expense	705,408
953 - Depreciation-Amortization Expense	
6300 Depreciation Expense	4,906,518
6310 Inventory Amortization	197,349
Total 953 - Depreciation-Amortization Expense	5,103,867
954 - Grant Expense	
6520 Grant Contractual	199,670
6530 Grant Equipment	127
Total 954 - Grant Expense	199,797
955 - Misc Nonoperating Expense	
6600 Other Misc Expense	952
6621 WRG Warehouse-Office	707
6641 Issuance Costs 2021 Bonds	97,658
Total 955 - Misc Nonoperating Expense	99,317
Total Nonoperating Expense	6,124,096
NET NONOPERATING INCOME/(EXPENSE)	(1,174,017)
Change in Net Position	4,614,224

All Locations		0--No Location		1--Swan Lake		2--Tyee Lake		3--Swan-Tyee Intertie	
01/01/21 Through		01/01/21 Through		01/01/21 Through		01/01/21 Through		01/01/21 Through	
12/31/21		12/31/21		12/31/21		12/31/21		12/31/21	
Actual	Current Budget	Actual	Current Budget	Actual	Current Budget	Actual	Current Budget	Actual	Current Budget

5041 - Insurance proceeds
5420 - Recording disposal of retired assets, primarily old submarine cable

6310 - Inventory Amortization expense, in accordance with new Inventory Policy

Southeast Alaska Power Agency
R&R Summary - Capital Expenditures
as of December 31, 2021

	2021 EXPENDITURES	2021 BUDGET	PRIOR YRS EXPENDITURES	OVERALL EXPENDITURES	Overall Budget through 2021
RR19307 - Helipads Cleveland	16,210	500,874	18,626	34,836	538,126
RR19314 - Statn Service Switch	1,678,201	1,543,047	243,953	1,922,154	1,787,000
RR19326 - Don Finney Lane HQ	134,803	2,767,880	5,704	140,507	2,775,000
RR19331 - STCS-HMI-Historian	63,434	330,525	123,563	186,997	430,525
RR20337 - Excitation Brush Vacuum SWL	8,489	16,711	33,389	41,877	50,100
RR20338 - Excitation Brush Vacuum TYL	9,004	12,921	46,649	55,654	59,700
RR20339 - Guy Thimbles STI Phase II	90,472	301,782	118,817	209,289	420,599
RR20341 - Intake Gate Refurbish TYL	91,836	130,396	142,904	234,741	251,300
RR20343 - Partial Discharge Monitors SWL	-	21,710	85,930	85,930	108,229
RR20344 - Spillway Recovery Davit	9,208	8,860	3,640	12,847	12,500
RR20345 - Stationary Winch SWL	11,045	54,545	-	11,045	54,545
RR20346 - XFMR Dif Relay Bailey	41,482	40,000	3,420	44,903	43,420
RR20349 - Submarine Cable Stikine Strait	11,511,157	11,745,903	215,760	11,726,916	13,370,352
RR21350 - Bunkhouse SWL	-	25,000	-	-	25,000
RR21351 - Equipment Trailer KTN	9,088	15,000	-	9,088	15,000
RR21352 - Fiber Buildout PSG WRG	57,936	59,000	-	57,936	59,000
RR21353 - Flashboard Deicing SWL	40,981	44,300	-	40,981	44,300
¹ RR21354 - Guardrail SWL	-	21,700	-	-	21,700
² RR21355 - Lighting TYL-WRG	-	26,000	-	-	26,000
RR21356 - Office Unit SWL Four-Plex	4,060	15,000	-	4,060	15,000
RR21357 - PRV Valves TYL	36,949	43,000	-	36,948	43,000
RR21358 - RTAC KTN	28,080	30,000	-	28,080	30,000
RR21359 - XFMR Refurb SWL-Bailey	325,145	379,000	-	325,146	379,000
RR21360 - Potential XFMR TYL	16,559	16,600	-	16,559	16,600
RR21361 - XFMR Circuit Switcher WRG	989	-	-	989	-
RR21362 - XMSN Storm Repair SWL	28,393	28,400	-	28,392	28,400
RR21363 - Storm XMSN Repair WRG	64,844	60,000	-	64,845	60,000
Total All RR Projects	14,278,365	18,238,154	1,042,355	15,320,720	20,664,396

Overall budget is through December 2021 and does not include future years.

R&R Projects completed in 2021

SEAPA completed R&R projects valued at \$14,647,067 in 2021.

¹ RR21354 - Guardrail SWL: This project was expensed because the materials were less than anticipated, and the projected completion costs are less than SEAPA's Capitalization Threshold (\$10K).

² RR21355 - Lighting TYL-WRG: This project was expensed as costs were spread out over many locations/assets and did not end up fitting the definition of a capital assets in accordance with SEAPA's Capitalization Policy.

**SOUTHEAST ALASKA
POWER AGENCY**

Revenue Fund 711,641.21
Dedicated R&R Fund 308,465.24
Commercial Checking \$ 1,020,106.45

**DISBURSEMENTS
DEC 2021 & JAN 2022**

VENDOR		REVENUE FUND	DEDICATED R&R FUND
Aero Services - KTN		14.63	-
Alaska Airlines Cargo		146.74	-
Alaska Electrical Trust Fund		2,184.00	-
Alaska Miners Association Inc		250.00	-
Alaska Permanent Capital, Inc		5,189.45	-
Alaska Power Association		6,638.00	-
Alltek Network Solutions Inc		219.95	-
Alpine Mini Mart		111.91	-
Amazon.com		1,287.06	-
Angerman's Inc		8.95	-
Ascent Law Partners LLP		11,550.00	-
Bank of America - Nov 2021	Recurring utility & communications, travel	9,442.57	-
Bank of America - Dec 2021	Recurring utility & communications, travel	9,712.93	-
Basler Electric Company		162.00	14,670.00
Bay Company		260.43	-
Big Sky Hydro LLC		10,888.00	-
Breakaway Adventures LLC		2,100.00	-
Buness Bros. Inc		1,222.24	-
Cambria Properties LLC		4,575.00	-
City Market Inc		446.55	-
Eisenhower Carlson PLLC		480.00	-
Electric Power Constructors Inc	RR19314 Station Switchgr SWL RR21363 Storm XMSN Repair WRG	-	194,676.29
Electric Power Systems Inc		14,682.00	988.76
Evans Keane LLP		45.00	-
First City Electric, Inc		471.66	-
Fjord Contractors		560.08	-
G2 Risk Consulting		2,250.00	-
Governor Control Systems LLC		3,567.14	-
Grainger		1,967.88	-
Greater Ketchikan Chamber of		407.00	-
Hammer & Wikan, Inc		7.07	-
Heberling, John		8,450.00	-
High Tide Parts		42.90	-
Intandem, LLC		250.00	-
Jaco Analytical Lab, Inc		165.05	-
John Taylor and Sons Inc		200.00	-
Johnson's Building Supply		-	1,800.00
Kelley Connect		875.85	-
Ketchikan Daily News		444.10	-
Ketchikan Gateway Borough		10,742.90	-
Ketchikan Public Utilities 334		-	24,416.89
Landing Hotel		1,062.00	-
LNM Services		354.49	-
Lorman Education Services		349.50	-
Madison Lumber & Hardware I		43.98	-
Madison Lumber & Hardware Inc		212.89	-
Mapcon Technologies, Inc		4,080.00	-
Marble Construction		642.00	-
Marsh USA Inc		29,500.00	-
Massin Tool & Equipment Rentals		152.63	-

**SOUTHEAST ALASKA
POWER AGENCY**

Revenue Fund 711,641.21
Dedicated R&R Fund 308,465.24
Commercial Checking \$ 1,020,106.45

**DISBURSEMENTS
DEC 2021 & JAN 2022**

VENDOR		REVENUE FUND	DEDICATED R&R FUND
McMillen Jacobs Associates		38,217.00	-
National Hydropower Associati		23,426.57	-
North Creative Design Co LLC		500.00	-
Northwest Public Power Assn		750.00	-
NRECA 758777		2,540.00	-
NRECA Group Ins	Administrative Employee Benefits (3 mo.)	67,284.82	-
NRECA Group Ins Admin		5,092.56	-
NRECA RSP Admin		2,754.73	-
NRECA RSP Trust Contrib	Administrative Employee Benefits (3 mo.)	89,325.91	-
Pacific Pride of Alaska LLC		152.50	-
Petro Marine Services-KTN		1,285.58	-
Petro Marine Services-WRG		2,129.37	-
Pilot Publishing, Inc		288.00	96.00
Platt Electric Supply		764.45	-
R&M Engineering-Ketchikan, Inc		1,350.00	-
Ray Matiashowski		8,000.00	-
Samson Tug & Barge		232.88	-
Satellite & Sound Inc		3,845.00	-
Schmolck Mechanical KTN		551.52	-
SEAPRO		3,703.00	-
SEARHC Accts Rec		525.00	-
Sentry Hardware & Marine		1,754.66	-
Service Auto Parts		1,250.65	-
Sockeye Business Solutions Inc		2,000.00	-
Southeast Auto & Marine Parts, Inc		843.86	-
Southeast Diesel & Electric		907.29	-
Sunrise Aviation Inc		6,065.00	-
Svendsen Marine LLC		448.25	-
Taquan Air		520.00	-
TexRus LLC		13,798.68	-
Tongass Business Center Inc		537.13	-
Tongass Engineering LLC		-	12,545.00
TSS		4,675.00	-
Tyler Industrial Supply		386.00	-
Tyler Rental Inc		243.45	-
USDA Forest Service	2022 USFS Land Use Fees	110,317.62	-
Wells Fargo 2015 Interest	2015 Series Bond Interest	81,282.00	-
Wells Fargo 2019 Interest		22,250.00	-
Wells Fargo 2021 Interest		43,968.00	-
WelshWhiteley Architects. LLC	RR19326 Done Finney Ln HQ	-	59,272.30
Western Tire Chain		58.80	-
Western Tire Chani		40.20	-
Workforce Go		87.50	-
Wrangell Chamber of Commerce		260.00	-
Wrangell City & Borough		6,840.66	-
Wrangell Sentinel		240.50	-
WrangellCity & Borough		6,840.66	-
WrangellIGA Inc		289.88	-
X2nSat		4,600.00	-
		711,641.21	308,465.24



SOUTHEAST ALASKA POWER AGENCY CEO REPORT

DATE: February 17, 2022
TO: SEAPA Board of Directors
FROM: Trey Acteson, Chief Executive Officer
SUBJECT: CEO Report

SAFETY:

No work related recordable or lost time incidents have occurred since my last report.

CORONAVIRUS (COVID-19) UPDATE:

Persistent COVID-19 community outbreaks have periodically impacted SEAPA's workforce over the last quarter. All cases thus far appear to have originated outside of the workplace. Supply chain issues stemming from the pandemic may impact schedule and pricing of planned capital projects.

GOVERNMENTAL AFFAIRS & EXTERNAL INDUSTRY ACTIVITIES:

The State Legislature is back in session, but they are a long way from reaching consensus on the budget. Major wedge issues include the Governor's proposed general obligation bonds, Permanent Fund payouts, the level of capital investment, and revenue streams. Regarding rollout of the Federal Infrastructure Investment & Jobs Act (IIJA), State and Federal leadership have been attempting to temper expectations. Monies are anticipated to flow gradually over at least a five-year period and mostly through existing programs (e.g., DOT, Denali Commission, Department of Energy, etc.).

This is the second year of the of the two-year legislative cycle. Any bills that do not pass this year will either die or must start from scratch next year. Here are a few notable energy related bills (with sister bills) that I am tracking:

HB 29 (SB 110) – Electric Utility Liability: This bill makes clear in statute that a utility offering electric service to the public may not be held liable for property damage, death, or personal injury resulting from contact between vegetation and the utility's facilities, unless the vegetation is located entirely within the boundaries of the utility's right-of-way or if the utility fails to have a written vegetation management plan or fails to comply with

that plan. SEAPA developed and adopted a formal Vegetation Management Plan in 2021.

HB 310 (SB 179) – Renewable Portfolio Standards: This bill directs regulated utilities to increase their proportion of net electricity generated from renewable energy resources to meet discrete statutory targets, starting with 20 percent renewable resources by 2025 and ending with 80 percent renewable energy resources by 2040. The original bill has already been modified significantly to lower fines and integrate several exclusions. Although SEAPA is not currently economically regulated by the Regulatory Commission of Alaska (RCA), passage of such a bill could change energy investment in Alaska in a big way. Significant investment will be required up in the Railbelt to meet proposed renewable objectives (e.g., transmission expansion and renewable generation) which may possibly be leveraged for increased spending in our region (e.g., large hydro project in Southeast!).

HB 299 (SB 177) – Microreactors: This bill accomplishes three objectives: Sec. 1 provides an exemption from the legislative siting requirement for microreactors (but does NOT eliminate the need for a local municipality to consent). Sec. 2 provides an exemption from the ongoing study requirements for microreactors. Sec. 3 defines a microreactor according to the IIJA: No more than 50MWe and meeting the requirements for an “advanced nuclear reactor” as defined in federal code. Eielson Airforce Base and Copper Valley Electric are both actively pursuing this technology to displace diesel generation. This technology appears to be gaining some traction in Alaska and could become a viable alternative to wind, solar, and hydro.

The Alaska Power Association (APA) typically hosts a legislative fly-in to Juneau each year to engage legislators and advance strategic initiatives. This year’s meeting was held virtually due to a last-minute COVID outbreak in the Capital, but still experienced strong attendance due to high interest in a strong slate of speakers. As APA’s President, I presided over the two days of meetings on February 1st and 2nd. A detailed summary was provided to Board.

I attended Southeast Conference’s (SEC) Mid-Session Summit the second week of February in Juneau. The conference was well attended and included a broad range of economic updates and forecasts. It was also a great opportunity to reconnect with key industry contacts and contemplate the impact of economic and population growth on energy demand. Energy discussions included micro-nuclear reactor advancements, EV infrastructure, beneficial electrification (e.g., ferries, cruise ships, buses, heat pumps, etc.), and hydro project development throughout the region. Mining interests discussed their significant successes and expansion plans, while growing momentum in mariculture was also highlighted. Overall, most stakeholder groups expressed high optimism for 2022.

While in Juneau, I had an opportunity to meet privately with the Governor’s Chief of Staff and Senator Stedman. Both meetings went extremely well and focused on SEAPA’s regional role in future hydropower development and potential funding strategies to

minimize the impact to existing ratepayers. SEAPA is unique in that we serve a region that is already nearly 100% renewable and has the lowest cost of power in the state (also below the national average!). Unfortunately, this puts SEAPA at a grant funding disadvantage to other utilities that burn fossil fuels and have a much higher cost of power.

SEAPA has carefully crafted State funding requests that are well aligned with the Federal IIJA. IIJA essentially ignored hydropower, but included billions for broadband, cyber security, and grid resiliency. The following four requests, in order of priority, were submitted to the Governor's Office at their request on November 26th. The projects have also been entered into the State's CAPSIS program. I will pursue additional opportunities as programmatic funding pathways become better defined.

1.	Fiber Optic Broadband "SkyWrap"	\$11,152,830
2.	Tyee Station Service Switchgear	\$2,330,400
3.	Tyee 15kV Switchgear	\$1,211,000
4.	Helipads	\$1,480,553

The Department of Energy (DOE) and their Water Power Technology Office (WPTO) are in the process of reorganizing and hiring an additional thousand employees to better accommodate the influx of billions of dollars associated with IIJA. I have recently been in direct contact with the WPTO and SEAPA is closely tracking their progress.

I will attend the Northwest Hydroelectric Association's Annual Conference in Portland next week. This will be my last meeting as Past President on the Executive Committee. I termed out on the Board last year and Robert Seidman replaced me as the designated Director for Alaska. SEAPA will continue to maintain a leadership role in this important regional trade organization, influencing core legislative and regulatory reforms.

REQUEST FOR PROPOSALS (RFP's):

The SEAPA Team has been extremely busy queueing up planned work for 2022. Major renewal and replacement projects require development of an RFP which typically includes a Scope of Work (SOW), engineering design, detailed specifications, sample contracts, proposed schedules, milestone payment metrics, and award criteria. The following table is a quick snapshot of RFP's that are out on the street or in development. With a two-week window for vetting bids on the Office & Warehouse, issuance of Notice of Recommendation of Award, plus a five-day appeal period, staff recommends a Special Board Meeting be held electronically on Tuesday, April 19, 2022, at 2 p.m. for consideration and award of all bids. [Note: This date is after the Petersburg Borough Meeting (18th) and prior to the Ketchikan Council Meeting (21st) and Wrangell Assembly Meeting (26th).]

	Project	Description	Bid Due Date
1.	Petersburg Substation Refurbishment	Upgrade Petersburg Substation	March 4, 2022
2.	Wrangell Warehouse Fire Remediation	Remediate Fire and Water Damage	March 7, 2022
3.	Wrangell Circuit Switcher Replacement	Replace SF6 Circuit Switchers	March 15, 2022
4.	Wrangell Island Transmission Line Brushing	Brush 42.71 acres on Wrangell Island	March 22, 2022
5.	Mitkof Island Transmission Line Brushing	Brush 44.60 acres on Mitkof Island	March 22, 2022
6.	Swan-Bailey Transmission Line Brushing	Brush 52.05 acres on Revillagigedo Island	March 22, 2022
7.	SEAPA Administration & Operations Building	6,800 SF 2-Story Structure Across from Ketchikan International Airport Ferry Landing	March 24, 2022
Additional Bids that may also be developed prior to the end of March			
8.	Tyee Hydroelectric Project Roof and Siding Project	Replace Metal Roofing on one house and Vinyl Siding on another House at Tyee Hydro Project	TBD
9.	Tyee Hydroelectric Project Airstrip	Resurface Airstrip with crushed rock	TBD

BEST PRACTICES & PROCESS IMPROVEMENTS:

We have begun a comprehensive rewrite of SEAPA's Employment Policies. This complicated and time-consuming task is underway, and staff is committed to advancing the effort. The process will be broken down into manageable sections and they will be presented to the Board following legal review. We look forward to updating these important policies, so they more accurately reflect current standards.

PERSONNEL RECRUITMENT:

SEAPA recently filled the vacant Operator/Electrician position at Swan Lake. We have conducted multiple interviews for the Operator/Mechanic position at Tyee and have a short list of candidates scheduled for in-person interviews. We have not received any applications from qualified candidates for the Control Systems Engineer for several months. If we do not receive any applications from qualified applicants by the end of March, we will pursue enlisting a recruiter.

Date: February 14, 2022
To: Trey Acteson, Chief Executive Officer
From: Clay Hammer, Operations Manager
Re: Report for February 28, 2022 SEAPA Board Meeting

MAJOR CONTRACTS and PROJECTS

Wrangell Warehouse Fire Remediation Project

On January 27th a Request for Proposals (RFP) issued for repair of the fire-damaged SEAPA warehouse and office building located in Wrangell. Based on SEAPA's contract engineering consultant's observations and the insurance adjuster's engineering report, it has been concluded that the building will require full replacement of all roofing and side panels together with a number of interior ancillary components. Interested bidders attended mandatory site visits so they fully understand the scope of work followed by a pre-bid conference. The site visits and follow-up pre-bid conference were well attended. Bids are due March 7th. The contract will require board approval. If a contract is awarded, the successful contractor will have until the end of August to complete the work.



SEAPA's Wrangell Warehouse and Office

Brushing Work Contracts

The 2022 brushing season kicks off an aggressive new strategy in which all 2000 acres of SEAPA transmission Right-of-Way (ROW) will be brought into an industry standard 15-year cutting rotation. This will require an average annual cut of 134 acres of ROW per season.

This year there will be contracts out to cut 51 acres on Revillagigedo Island, 43 acres on Wrangell Island, and an additional 34 acres on Mitkof Island for a total of 128 acres. Draft RFPs for this work have been drawn up with the finals ready to hit the street soon.

SEAPA's in-house brushing crew also contributes 5-10 acres of ROW clearing per season. This is in addition to approximately 80 transmission towers and 15 Marine Terminal landings that must be cleared prior to the Annual Service Outage taken each year for line and plant maintenance.



Contract Location Revillagigedo Island

[Remainder of page intentionally left blank.]



Contract Location Wrangell Island



Contract Location Mitkof Island

Tyee Airstrip Resurfacing Project

The Tyee Lake Airstrip is the primary means of access for the Tyee Lake facility for goods, services, and emergency access. The last time it saw major service work was 28 years ago when a contract was issued to lengthen, widen, correct drainage issues, and cap the surface with a six-inch lift of crushed rock. In the time since that work was completed the surface topping has worn away exposing base aggregate. This base material is native river run material with large stones and fine sand.

An R&R was approved by the Board at the end of last year to have the strip resurfaced with a six-inch lift of new crushed material. Staff has a draft RFP prepared for this project and it is expected the final draft will be ready for bid shortly. The Work is expected to be complete by the end of the 2022 construction season.



Crew Change on Tyee Lake Airstrip

Cleveland Peninsula Helipad Project

Tyee's Cleveland Peninsula represents some of the steepest and most difficult to access transmission line ROW in SEAPA's inventory. Access is entirely by helicopter using pre-installed helicopter pads to facilitate safe landing. It was noted several seasons ago that many of the originally installed pads were experiencing failure due to age and snow loading conditions. An

inventory was done and a total of 23 pads were identified as needing replacement plus installation of one pad that was overlooked during original installation.

This project was scheduled to proceed over two seasons. Phase 1 will cover engineering and the replacement of 11 of the worst pads using material from SEAPA's inventory. Phase 2 will complete the balance of the replacement plus one pad for an additional location. This will include purchasing of 13 additional helipad structures and 8 more fiberglass decking pieces.

This project has fallen behind schedule due to Covid and engineering delays. At this point engineering was completed and an RFP was issued. Unfortunately, only one bid was received, which was substantially over budget. The bid was rejected, and staff is now moving forward in 2022 with procurement of the additional pads and materials required for Phase 2 of the project with the intent of issuing an RFP in 2023 to complete the project.

In the interim, the U. S. Forest Service (USFS) has noted that there has been a change in the International Building Code standards for snow and wind loading since the current pad design was last approved. The USFS has asked that those plans be updated to show that they meet current IBC code standards. Once this is resolved, we can proceed with the procurement process of obtaining the additional pads and materials required to complete the project in 2023.





Helipads, Cleveland Peninsula

[Remainder of page intentionally left blank.]

Tyee Plant Activities



Newly Painted Turbine Shutoff Valve Pit



River Ice encountered during December Mitkof Marine Terminal Inspection



Road obstructions this season due to snow laden trees and high winds



Road Grader Plowing Snow on Tyee Airstrip



Winter SAT Pad Access and Service, Tyee Internet and WIFI

Tyee Lake Report

It has been a long, cold winter but the Crew continues to stay busy with the regularly scheduled PMs and plant work. In addition to their normal duties, they also accomplished the following:

- Multiple site visits to the Tyee Marine Terminals
- Snow removal, Tyee airstrip and service roads
- Repaint TSV pits
- Replaced the starter on the warehouse forklift
- Completed plant battery monitoring installation
- Tree clearing from roadways, storm, and snow events
- Added dedicated SCADA circuit, Petersburg Substation for PML&P

Safety Training this quarter included:

- CPR First Aid Certification
- Harassment Training
- Scaffolding Training
- Burn Treatment
- Covid Awareness and Mitigation



Evening View from Tyee Lake Plant

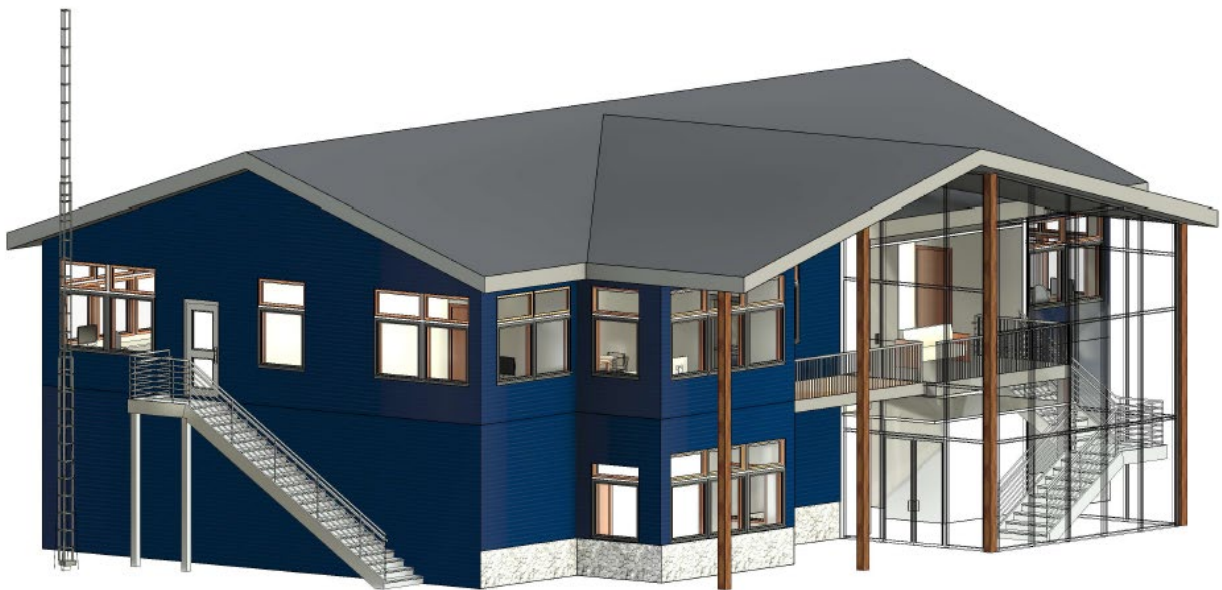


SEAPA Truck in Petersburg buried under the Snow

Date: February 10, 2022
To: Trey Acteson, CEO
From: Ed Schofield, Power System Specialist
Subject: Report for February 28, 2022 SEAPA Board Meeting

SEAPA Headquarters

The SEAPA Headquarters' Request for Proposal (RFP) was advertised for public bid on February 10th with a closing date of March 24, 2022. The project will be constructed at Mile 2.8 along the upland side of North Tongass Highway along Don Finney Lane. The structure is a 6,800 square-foot, two-story office, and warehouse complex. A 1,550 sq. ft. warehouse and 735 sq. ft. board room, and restrooms and kitchenette will occupy the ground floor. The second floor will have 9 staff offices, engineer's library, IT room, and a SCADA operations center.



Southwest Facing Front View of SEAPA Headquarters

Swan Lake Federal Energy Regulatory Commission (FERC) License Activities

Staff is currently developing the Swan Lake Emergency Action Plan (EAP) Tabletop Exercise, which will be held in May 2022 at the Swan Lake facility. The purpose of the Tabletop Exercise is to prevent, minimize, or mitigate, to the extent possible, loss of life and property which may occur in the event of a catastrophic failure of the Swan Lake infrastructure. The exercise will be based

on a dam failure scenario, as realistic as possible. Participating parties act out response and rescue procedures. The exercise verifies the effectiveness of the EAP and assures that responding agencies are familiar with their roles and responsibilities. EAP plan holders and emergency responding agencies include the Alaska State Troopers, FERC, U.S. Coast Guard, Ketchikan Volunteer Rescue Squad, PeaceHealth (Hospital), Ketchikan Police Department, National Weather Service, Tyee Plant, Swan Lake Plant, and SEAPA management.

A Dewatering Inspection will occur in the Swan Lake Power Tunnel during this year's annual maintenance outage in June. Dewatering of facility water conveyance structures requires notification to FERC a minimum of 30 days prior to any dewatering activities. FERC requires that the power tunnel is dewatered and inspected a minimum of once every five years. The 2022 dewatering will be one year prior to the mandated dewatering requirements. The premature dewatering schedule is due to the historically high reservoir operating elevations experienced in 2021 as a precautionary measure.

Swan Lake Operations

- A Swan Lake Plant Electrician/Operator retired in October 2021. An aggressive effort to fill the position has been underway for the last four months. Staff is pleased to report an employment offer was made to a qualified candidate who accepted the offer in late January. The candidate will start on March 9th.
- The primary objective and duties of generation plant maintenance personnel is preventative maintenance. SEAPA uses a Computerized Maintenance Management System (CMMS) known as MAPCON to assure all assets are covered throughout the year and the appropriate maintenance is performed. For Swan Lake, there are over 1,200 assigned preventive maintenance Work Orders issued annually.
- Due to adverse weather conditions this winter, Swan Lake staff has had to dedicate an extraordinary amount of time to snow and ice removal and water drainage issues. The following photo of the Swan Lake Power House depicts the wintry conditions:



- Safety training is conducted monthly at the Swan Lake plant by SEAPA's Safety Consultant. Recent training includes Workplace Violence, Slips, Trips and Falls, together with a skills' check-off for CPR and First Aid, and a Burns video was presented followed by discussion. Vessel safety inspections were conducted for the Swan Lake skiff, response boat, and crew transport boat.
- A continuing education training course is held weekly at Swan Lake. All crew members participate as a group in each training exercise. The training is based around a set of operation and maintenance manuals that have been developed by the Bureau of Reclamations Hydro Division. Training completed to date includes FIST Manual 1-2 (Conduct of Power Operations, Basic Governor Control - Principals and Functions).
- A new Reservoir Debris Removal Winch was custom manufactured for removal of Swan Lake reservoir debris. The winch will be placed at a designated site on the reservoir shoreline outside of the dam's debris booms and will be used to skid logs out of the water where they will be bucked and burned. The winch was transported via the Swan Lake landing craft earlier this month.



Reservoir Debris Removal Winch



Reservoir Debris Removal Site

Swan Lake Intake Structure Vibration Monitoring

The Swan Lake reservoir remained at a historical high operational elevation during the summer and fall of 2021 due to high precipitation and heavy snowpack. During the extended high reservoir operations, an increase in power tunnel vibrations was observed. Historically there has been no means to measure intake vibrations at the Swan Lake intake structure. An R&R project was added to the 2022 budget and is now in Phase 1. An engineering firm specializing in structural vibration analysis has been retained. The engineering firm will identify what type of monitoring equipment to purchase, and the appropriate installation locations based on structural drawings. Phase 2 will be an on-site visit by the engineering firm to oversee installation implementation of monitoring information to the SCADA system. Phase 3 will consist of analysis of vibration monitoring information to develop an assessment of conditions and provide recommendations for corrective measures, if required.

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Swan Lake Intake Structure 2021



Swan Lake 2021 Reservoir Spill

Swan Lake Intake Gate Refurbishment

The Swan Lake Intake Gate Refurbishment is schedule to occur during the plant's annual maintenance shutdown in June 2022. The gate will be removed by Swan Lake staff, inspected, cleaned, and refurbished as needed.

Swan Lake Bunkhouse Replacement

The Swan Lake Bunkhouse Replacement Project is presently in the design and RFP development phase. The Welsh Whiteley architectural firm is developing construction drawings and specifications for construction of a 2,400 sq. ft. modular unit to replace the existing 1983 Swan Lake Bunkhouse. The new bunkhouse will be similar in size and outer appearance to the four-plex modular unit installed in 2019. The new bunkhouse will be constructed on the foundation of the original staff housing known as Home 101, which will be removed as part of this project. Homes 101 and 103 are both slated to be removed as part of the new bunkhouse installation as is the old bunkhouse. The Swan Lake Project originally had three 1,200 sq. ft. homes for staff housing, identified as Homes 101,102, and 103. Home 102 was removed in 2019 to accommodate installation of the 2,400 square foot modular four-plex housing unit.



Existing Swan Lake Bunkhouse



New Four-Plex installed at Swan Lake in 2019

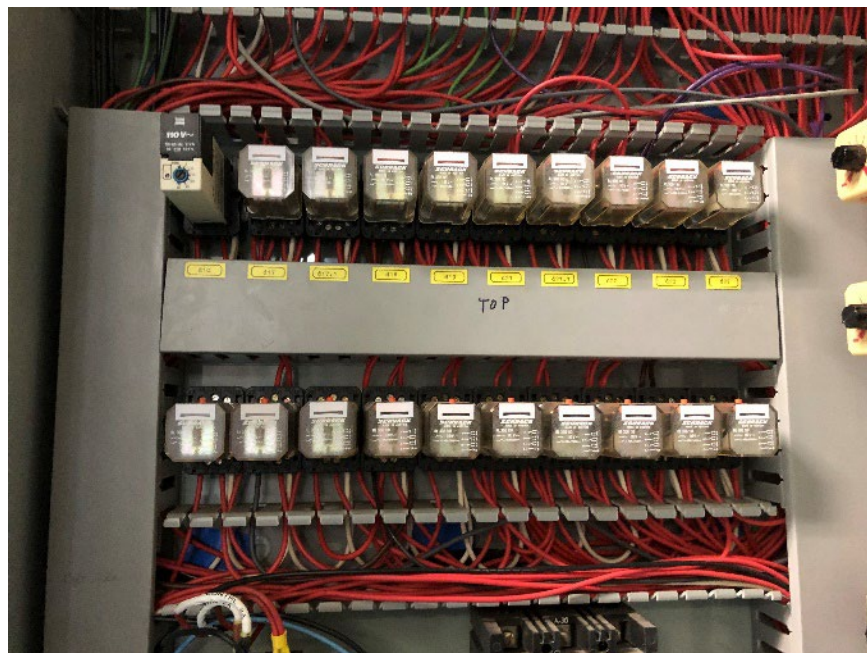
Swan Lake Inlet Valve Control System Upgrades

The R&R Inlet Valve Control Upgrade Project is presently in the design phase. The design has been awarded to Basler Services, LLC, the company that bought out Segrity. The primary scope of the inlet valve upgrade project is to install a Programmable Logic Controller (PLC) and remove the original hardwired mechanical control systems. The original inlet valve control system uses mechanical relays and time-activated switches. These mechanical devices are not reliable and difficult to troubleshoot when they fail. The original inlet valve controls system also relies on old mechanical position indication devices and pressure permissives. All the mechanical indication devices will be replaced with magnetic non-mechanical devices. The project will greatly improve the operational reliability of the plant.

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Swan Lake Inlet Valve Control Cabinet



Mechanical Relay & Timer Control System



Mechanical Delay Control Timers



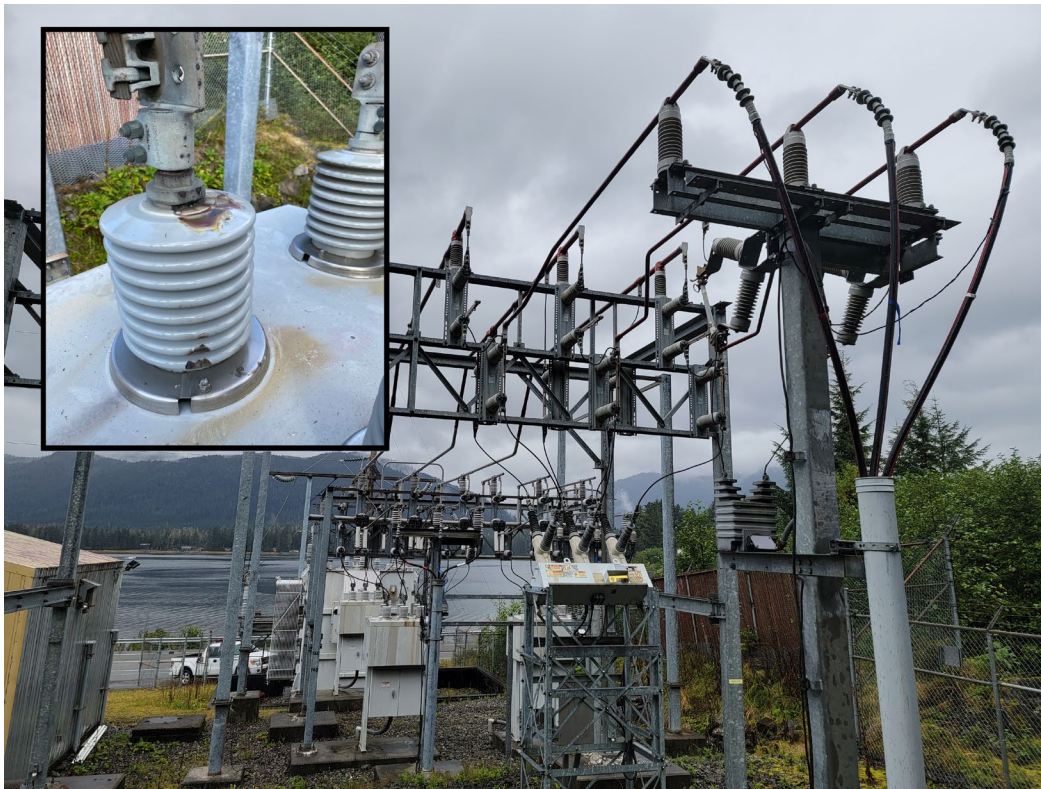
Swan Lake Inlet Valve Unit 1

SEAPA Safety Committee

A SEAPA Safety Committee has been established and is composed of equal representation from SEAPA management and IBEW (one representative from each of SEAPA's plants). The Committee will meet as required to address safety concerns as they relate to the SEAPA Safety Manual or at a minimum, once annually. The committee will review incident/accident analysis forms, provide corrective actions, and follow-up assessments to assure compliance with corrective actions.

Date: February 18, 2022
To: Trey Acteson, CEO
From: Robert Siedman, P.E., Director of Engineering & Technical Services
Subject: Report for February 28, 2022 Board Meeting

Petersburg Substation Refurbishment:



The scope of work for this project is to upgrade and extend the life of the Petersburg Substation, increase reliability, and allow SEAPA to programmatically schedule a full replacement in the next 10-20 years. The work includes replacement of three (3) 25kV bushings on an existing ABB vacuum breaker, grout removal and replacement on sixteen (16) structure pedestals, installation of approximately 100 cubic-yards of substation gravel, 35 yards of non-screened crushed gravel, 40 yards of fill rock material, roof sealant applied on approximately 360 square-feet of the control building and new temperature gauges and paint on the existing 20MVA transformer and paint on miscellaneous ancillary equipment.

The specifications, drawings and scope of work are complete. This project is currently solicited and SEAPA is awaiting proposals.

Wrangell Circuit Switcher Replacement:

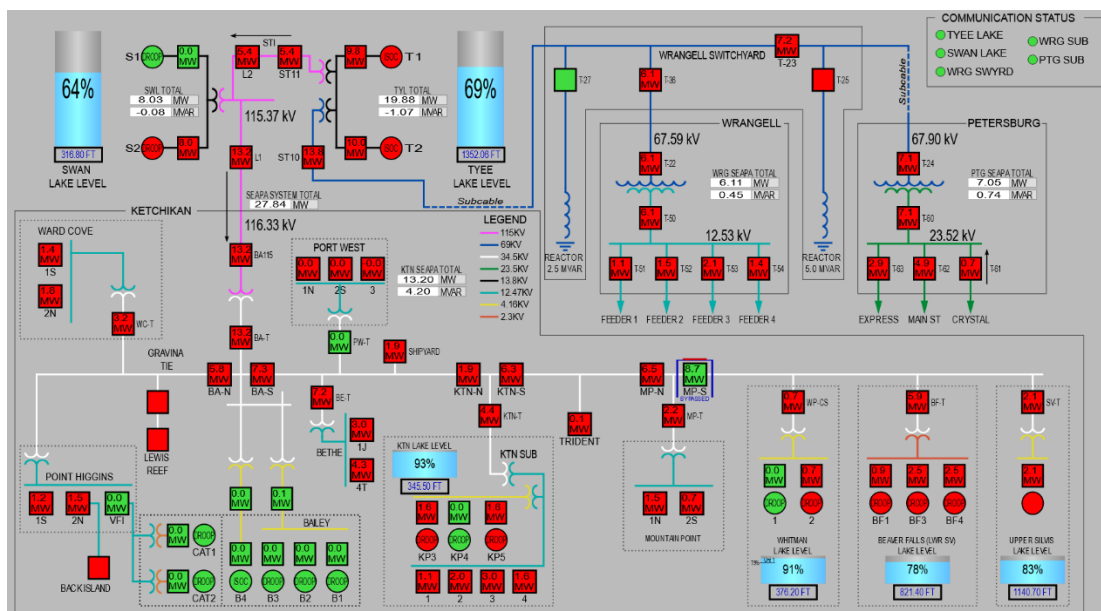


The scope of work for this project is to remove the existing circuit switcher and replace it with a new Owner- furnished circuit switcher. A ground switch will be reused whereas the new circuit switcher has provisions for installation. Disposal of the old circuit switcher will not be required. This project consists of removing three (3) 115kV SF6 circuit switcher appurtenances, all associated control mechanisms, a centrally located drive mechanism and replacing with all new equipment. Timing tests, HV testing, and resistance testing will be performed to verify return to service status of the circuit switcher.

SEAPA Website:



SEAPA has a new face in the digital world. The SEAPA website located at <https://seapahydro.org/> is live and ready for traffic. The site is interactive with extensive historical information, video footage, expansive menus, and ease of use for our Member Utilities and their respective rate payers. In addition, under the Resources tab, SEAPA has added a full system SCADA page that updates live data allowing the user to see exactly what current state our grid is in.

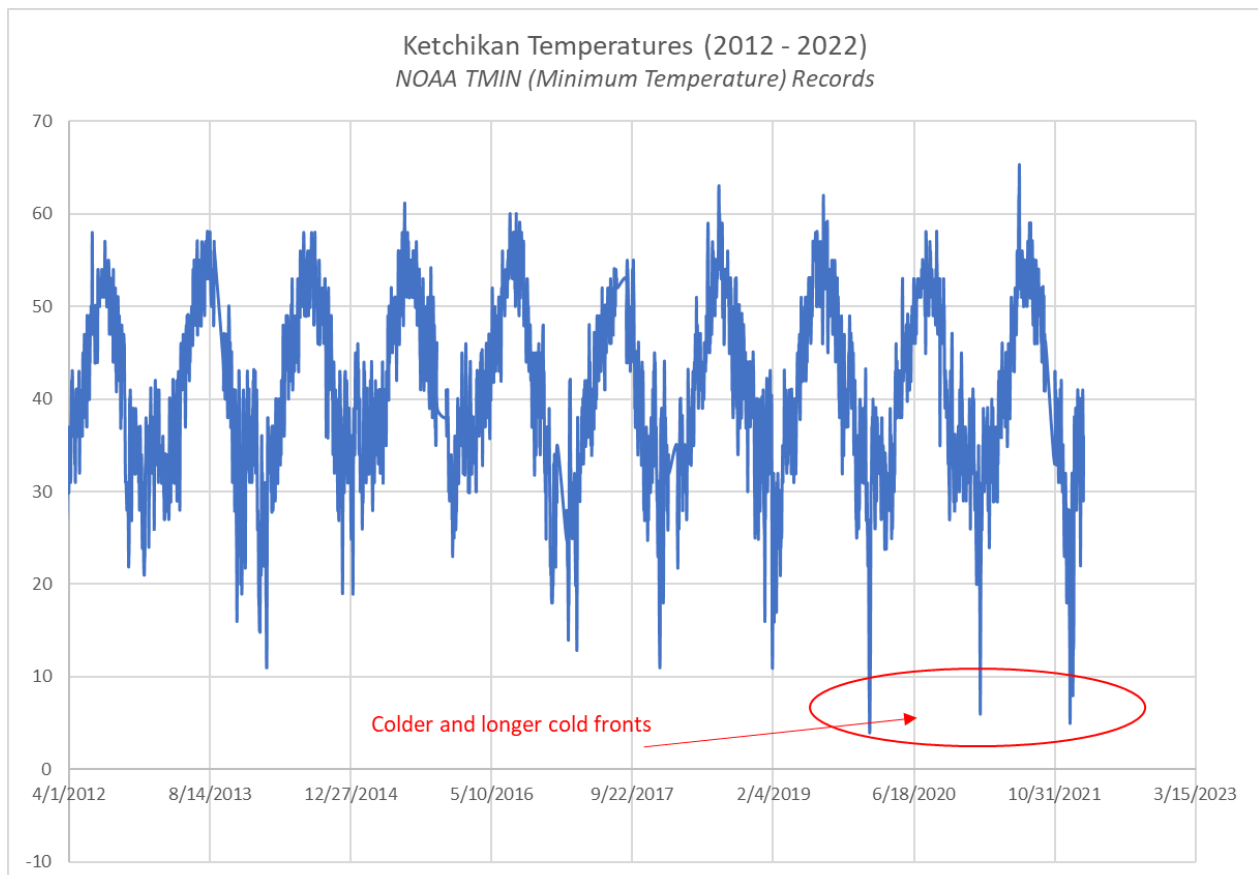




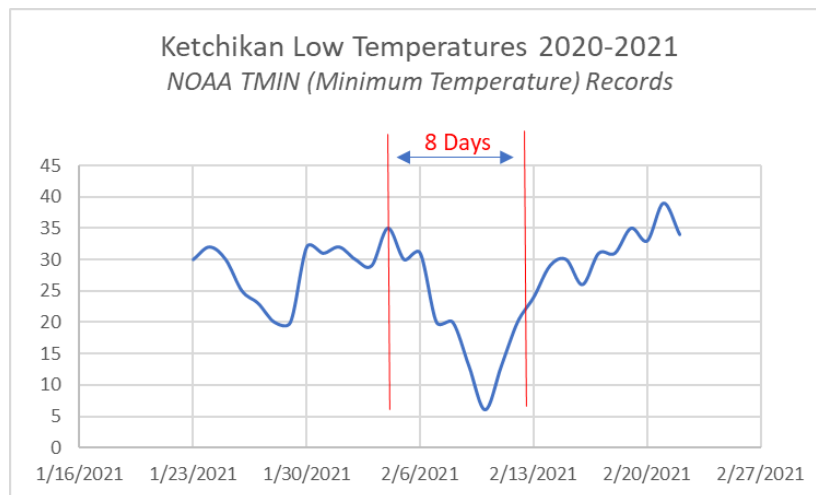
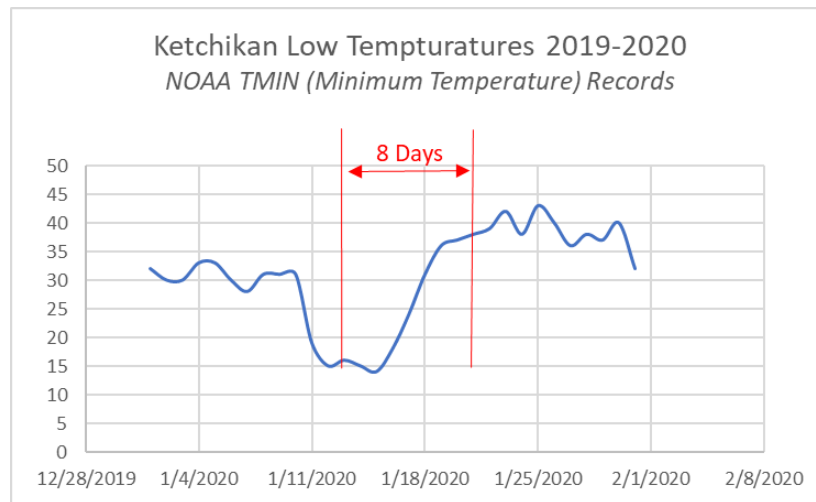
SOUTHEAST ALASKA POWER AGENCY

Date: February 17, 2022
To: Trey Acteson, CEO
From: Robert Siedman, P.E., Director of Engineering & Technical Services
Subject: First Quarter Operations Plan Update

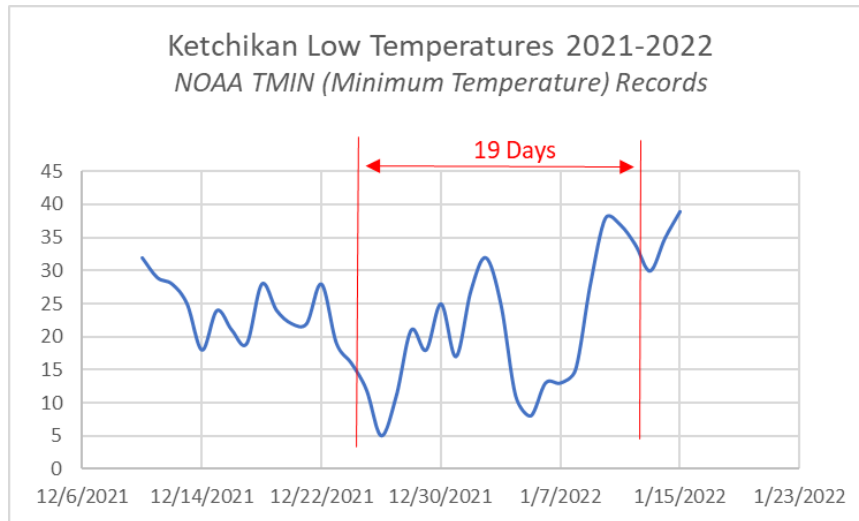
On December 10, 2021, the Board approved the 2022 SEAPA Operations Plan. On December 22, Southeast Alaska experienced a cold front and temperatures plummeted. It is not unusual for Southeast Alaska to experience cold fronts (sometimes referred to as Polar Vortexes), however in the past three years, temperatures have been lower and have lasted longer than the previous ten years. Weather patterns are cyclical in nature and as we move from the current La Nina to an El Nino with warmer Oceanic Temperatures, Southeast Alaska could experience warmer winters over the next few years. The resultant outcome of operations for SEAPA however has been influenced by this cold front and the new datums have provided further insight for future SEAPA operations.



In the chart above, it is evident that the past three winters have developed colder temperatures than the previous ten winters. Colder temperatures equate to higher demand on the SEAPA system due to heating loads. During the winter of 2019-2020, a high energy demand (low temperature) cold front lasted approximately 8 days. A similar cold front occurred during the winter of 2020-2021, however there was a slightly higher demand for energy.

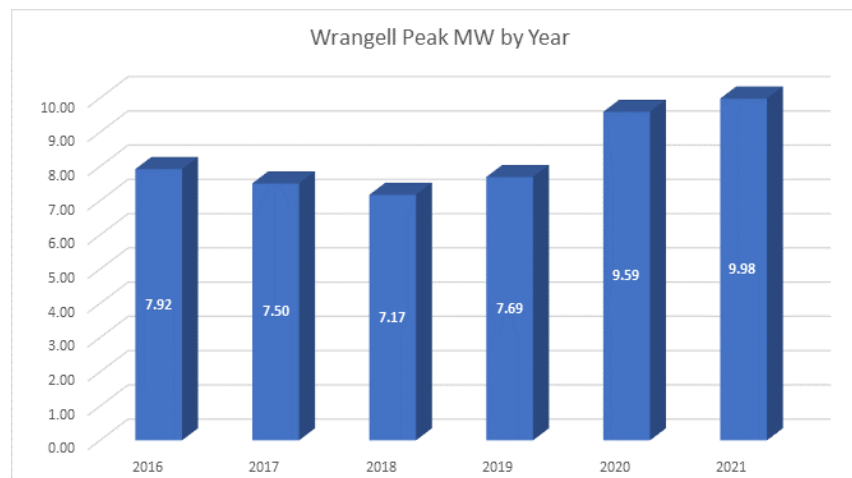


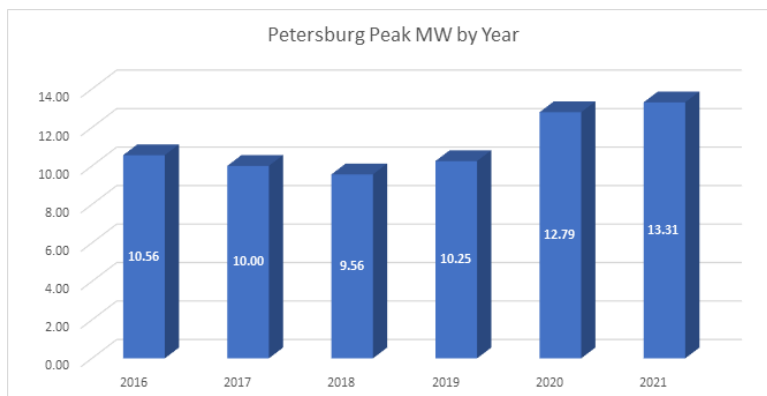
From December 22, 2021, until January 10, 2022, a cold front that caused high demand for energy on the SEAPA system lasted for over 19 days. This was the longest duration of high loads (above 40MW) on record since SEAPA interconnected the Swan and Tyee generation facilities.



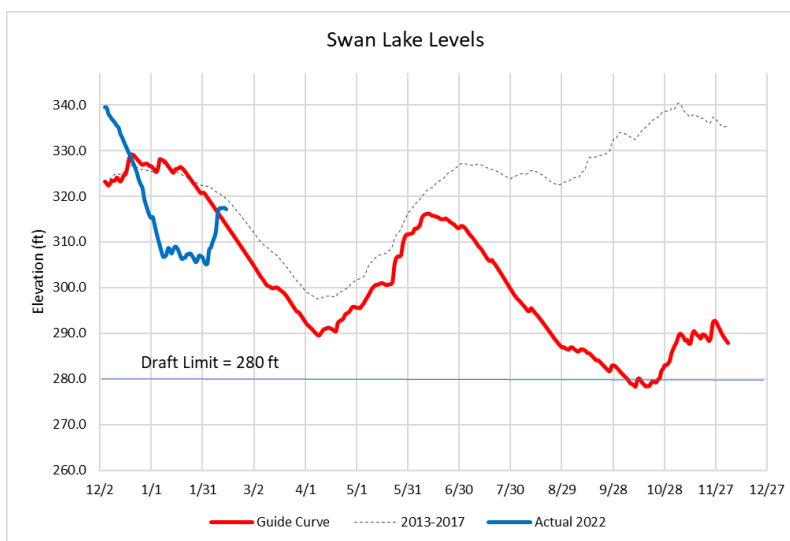
SEAPA has a total system capacity of 50 Megawatts (MW) at full lake levels (12.5MW per generator). As the lakes draft lower, SEAPA's total system capacity is reduced (power output of SEAPA's generators are directly proportional to the lake levels).

SEAPA's capacity in MW is also a function of the types of loads on the system. Inductive loads (such as motor loads), cause SEAPA generators to create Megavars (MVARs) which additionally lowers the total capacity of the SEAPA system. Over the past 6 years, SEAPA loads during the winter have increased. Increased loads are not only because of lower temperatures, but also because of what is assumed to be new heat pump installations. SEAPA has a certain level of confidence with this assumption based on increased MVARs during peak load periods (motor type loads). Fortunately, the submarine cables between Tyee and Petersburg require reactors at lower loads to balance MVARs. At higher loads, SEAPA can switch out these reactors, and effectively compensate for the new motor type loads which doesn't reduce SEAPA's total capacity.

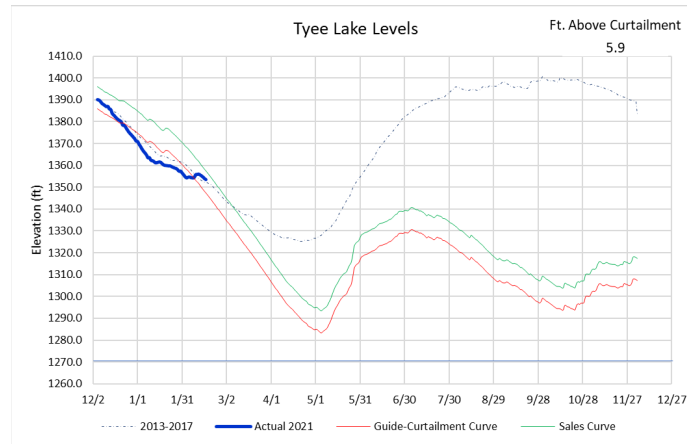




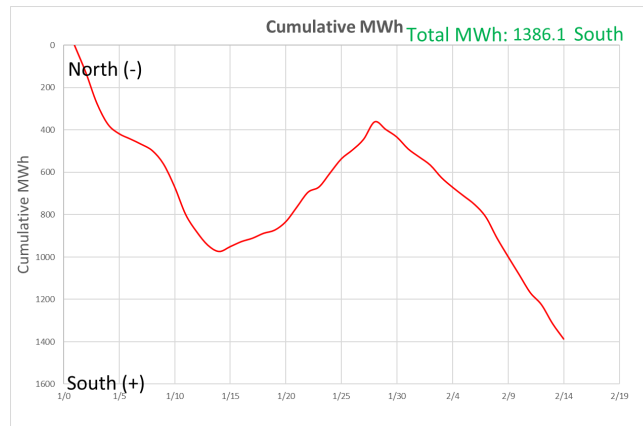
As evidenced in the charts above, peak loads in Petersburg and Wrangell are hitting all-time highs during cold weather events. Consideration should be given by each of SEAPA's Member Utilities as it pertains to a potential SEAPA system outage during peak load periods. There are multiple failure modes that could result in a loss of SEAPA grid availability such as potential submarine cable, transmission line, transformer, or generator failures. SEAPA has a robust Renewal and Replacement program and is rigorous with maintenance. Although SEAPA's reliability is extremely high from an industry standpoint, SEAPA is not immune from natural disasters or fluke outages. In the event of a SEAPA outage, Member Utilities would be required to meet their respective community's energy demands.



High loads impact SEAPA's lake levels because draft rates increase. High loads were taken into consideration during the development of the 2022 Operations Plan. Contingency was also added to account for worse-case scenarios. The average duration of 8-days for historical cold weather events was superseded this year by an increased duration of 137%. With the cold temperatures and high loads in December and January, SEAPA lakes drafted lower rapidly. As a result, Swan Lake levels dropped at a rate of over 1.5ft per day.



Tyee Lake drafted at a significant rate as well during this winter's cold weather event. In early January, the Tyee Lake level dropped at a rate significant enough to drop it below the curtailment curve. This was mainly due to extreme heating loads in Petersburg and Wrangell during the cold spell, not sales to the south. Because Tyee was below the curtailment curve, SEAPA began a Net Zero exchange across the STI and effectively curtailed Tyee generation to Ketchikan. In mid-January, temperatures and precipitation began to increase rapidly. Swan Lake levels increased, and Tyee Lake draft rates flattened which brought Tyee Lake above the curtailment curve and allowed for normal operations to resume. The cumulative generation from Tyee to Ketchikan (South exports) is currently 1386.1 MWh.



The snow pillow at Swan Lake measured 28 inches of snow water equivalent (SWE) which equates to 38 lake feet. Tyee Lake snow pillow has not reported since December however SEAPA estimates 40 inches of SWE based on temperature, precipitation and images which equates to 86 lake feet. Both lakes are at very healthy levels and SEAPA predicts that they will not reach draft limits in 2022.



SEAPA 2022 BOARD MEETING DATES

Date(s)	Weekday(s)	Location ¹	Comments
February 28	Monday	Electronic	Regular Board Meeting (9 am - 5 pm) (An in-person meeting was originally scheduled to be held in Wrangell but changed to electronic due to Covid concerns.)
May 12	Thursday	Ketchikan	Regular Board Meeting (9 am - 5 pm)
September 22 ²	Thursday	Petersburg	Regular Board Meeting (½ day) 1 - 5 pm
September 23	Friday	Petersburg	Regular Board Meeting (½ day) 9 am - 2 pm
December 8	Thursday	Ketchikan	Regular Board Meeting (9 am - 5 pm)

2022 Calendar

January 2022

N	S	M	T	W	T	F	S
52							1
1	2	3	4	5	6	7	8
2	9	10	11	12	13	14	15
3	16	17	18	19	20	21	22
4	23	24	25	26	27	28	29
5	30	31					

February 2022

N	S	M	T	W	T	F	S
5			1	2	3	4	5
6	6	7	8	9	10	11	12
7	13	14	15	16	17	18	19
8	20	21	22	23	24	25	26
9	27	28					

March 2022

N	S	M	T	W	T	F	S
9			1	2	3	4	5
10	6	7	8	9	10	11	12
11	13	14	15	16	17	18	19
12	20	21	22	23	24	25	26
13	27	28	29	30	31		

April 2022

N	S	M	T	W	T	F	S
13						1	2
14	3	4	5	6	7	8	9
15	10	11	12	13	14	15	16
16	17	18	19	20	21	22	23
17	24	25	26	27	28	29	30

May 2022

N	S	M	T	W	T	F	S
18	1	2	3	4	5	6	7
19	8	9	10	11	12	13	14
20	15	16	17	18	19	20	21
21	22	23	24	25	26	27	28
22	29	30	31				

June 2022

N	S	M	T	W	T	F	S
22				1	2	3	4
23	5	6	7	8	9	10	11
24	12	13	14	15	16	17	18
25	19	20	21	22	23	24	25
26	26	27	28	29	30		

July 2022

N	S	M	T	W	T	F	S
26						1	2
27	3	4	5	6	7	8	9
28	10	11	12	13	14	15	16
29	17	18	19	20	21	22	23
30	24	25	26	27	28	29	30
31	31						

August 2022

N	S	M	T	W	T	F	S
31		1	2	3	4	5	6
32	7	8	9	10	11	12	13
33	14	15	16	17	18	19	20
34	21	22	23	24	25	26	27
35	28	29	30	31			

September 2022

N	S	M	T	W	T	F	S
35					1	2	3
36	4	5	6	7	8	9	10
37	11	12	13	14	15	16	17
38	18	19	20	21	22	23	24
39	25	26	27	28	29	30	

October 2022

N	S	M	T	W	T	F	S
39							1
40	2	3	4	5	6	7	8
41	9	10	11	12	13	14	15
42	16	17	18	19	20	21	22
43	23	24	25	26	27	28	29
44	30	31					

November 2022

N	S	M	T	W	T	F	S
44			1	2	3	4	5
45	6	7	8	9	10	11	12
46	13	14	15	16	17	18	19
47	20	21	22	23	24	25	26
48	27	28	29	30			

December 2022

N	S	M	T	W	T	F	S
48					1	2	3
49	4	5	6	7	8	9	10
50	11	12	13	14	15	16	17
51	18	19	20	21	22	23	24
52	25	26	27	28	29	30	31

2022 Holidays		Notes
Jan 01: New Year's Day	Sep 05: Labor Day	SEAPA Regular Board Meeting dates are highlighted in yellow.
Jan 17: Martin Luther King Day	Oct 10: Columbus Day	
Feb 21: Presidents Day	Nov 11: Veterans' Day	
May 30: Memorial Day	Nov 24: Thanksgiving	
Jul 04: Independence Day	Dec 25: Christmas Day	

(See attached for additional information on 2022 meeting dates and events)

¹ Meetings may be held electronically pending Center for Disease Control social distancing guidelines.

² If Covid circumstances preclude an in-person meeting, the meeting will be held electronically on Thursday, September 22, 2022 from 9 am to 5 pm.

2022 MEETING DATES / EVENTS

(Updated 02/17/2022)

JANUARY

Date	Organization / Event	Location
3	SEAPA Holiday (New Year's Day)	N/A
3	PSG Assembly Mtg	PSG
6	KTN Council Mtg	KTN
11	WRG Assembly Mtg	WRG
18	PSG Assembly Mtg	PSG
20	KTN Counsel Mtg	KTN
25	WRG Assembly Mtg	WRG
25	APA Manager's Forum	JNU
26-27	APA State Legislative Conference	JNU

FEBRUARY

Date	Organization / Event	Location
1-2	APA State Legislative Conference	Electronic
3	KTN Council Mtg	KTN
7	PSG Assembly Mtg	PSG
8	WRG Assembly Mtg	WRG
8-10	SE Conf Mid-Session Summit	JNU
17	KTN Council Mtg	KTN
21	SEAPA Holiday (President's Day)	N/A
22	PSG Assembly Mtg	PSG
22	WRG Assembly Mtg	WRG
23-25	NWHA Camp & Annual Conf	Portland
28 (M)	SEAPA Board Mtg (Note: An in-person meeting was originally scheduled to be held in Wrangell but changed to electronic due to Covid concerns.)	Electronic

MARCH

Date	Organization / Event	Location
3	KTN City Council Mtg	KTN
7	PSG Assembly Mtg	PSG
8	WRG Assembly Mtg	WRG
17	KTN Council Mtg	KTN
21	PSG Assembly Mtg	PSG
22	WRG Assembly Mtg	WRG

APRIL

Date	Organization / Event	Location
4	PSG Assembly Mtg	PSG
5-7	NHA Water Power Week	Wash DC
7	KTN Council Mtg	KTN
12	WRG Assembly Mtg	WRG
18	PSG Assembly Mtg	PSG
21	KTN Council Mtg	KTN
26	WRG Assembly Mtg	WRG
27-29	NWHA Strategic Planning Mtg	Seattle
TBD	SEAPA Audit	KTN

MAY

Date	Organization / Event	Location
2	PSG Assembly Mtg	PSG
3-4	NWHA Technical Workshop	Bend OR
5	KTN Council Mtg	KTN
10	WRG Assembly Mtg	WRG
12 (Th)	SEAPA Board Mtg 9-5 PM	KTN
16	PSG Assembly Mtg	PSG
19	KTN Council Mtg	KTN
24	WRG Assembly Mtg	WRG
30	SEAPA Holiday (Memorial Day)	N/A

JUNE

Date	Organization / Event	Location
2	KTN Council Mtg	KTN
6	PSG Assembly Mtg	PSG
7-9	APA Federal Legislative Conf	Wash DC
14	WRG Assembly Mtg	WRG
16	KTN Council Mtg	KTN
20	PSG Assembly Mtg	PSG
28	WRG Assembly Mtg	WRG

JULY

Date	Organization / Event	Location
4	SEAPA Holiday (Independence Day)	N/A
5	PSG Assembly Mtg	PSG
7	KTN Council Mtg	KTN
11-14	AEGIS Policy Holders Conf	Denver CO
12	WRG Assembly Mtg	WRG
18	PSG Assembly Mtg	PSG
21	KTN Council Mtg	KTN
26	WRG Assembly Mtg	WRG

AUGUST

Date	Organization / Event	Location
1	PSG Assembly Mtg	PSG
4	KTN Council Mtg	KTN
9	WRG Assembly Mtg	WRG
15	PSG Assembly Mtg	PSG
16-19	APA Annual Meeting	KTN
18	KTN Council Mtg	KTN
23	WRG Assembly Mtg	WRG

2022 MEETING DATES / EVENTS

SEPTEMBER

Date	Organization / Event	Location
1	KTN Council Mtg	KTN
5	SEAPA Holiday (Labor Day)	N/A
6	PSG Assembly Mtg	PSG
13	WRG Assembly Mtg	WRG
13-15	SE Conf Annual Mtg	KTN
15	KTN Council Mtg	KTN
19	PSG Assembly Mtg	PSG
22 (Th)	SEAPA Board Mtg 1/2 Day 1-5 PM	PSG
23 (Fr)	SEAPA Board Mtg 1/2 Day 9-2 PM	PSG
27	WRG Assembly Mtg	WRG

OCTOBER

Date	Organization / Event	Location
3	PSG Assembly Mtg	PSG
6	KTN Council Mtg	KTN
11	WRG Assembly Mtg	WRG
17	PSG Assembly Mtg	PSG
20	KTN Council Mtg	KTN
25	WRG Assembly Mtg	WRG

NOVEMBER

Date	Organization / Event	Location
3	KTN Council Mtg	KTN
7	PSG Assembly Mtg	PSG
8	WRG Assembly Mtg	WRG
11	SEAPA Holiday (Veteran's Day)	N/A
17	KTN Council Mtg	KTN
21	PSG Assembly Mtg	PSG
22	WRG Assembly Mtg	WRG
24	SEAPA Holiday (Thanksgiving)	N/A
25	SEAPA Holiday (Day After)	N/A

DECEMBER

Date	Organization / Event	Location
1	KTN Council Mtg	KTN
5	PSG Council Mtg	PSG
8 (Th)	SEAPA Board Mtg 9-5 PM	KTN
13	WRG Assembly Mtg	WRG
15	KTN Council Mtg	KTN
19	PSG Assembly Mtg	PSG
23	SEAPA Holiday (Christmas Eve)	N/A
26	SEAPA Holiday (Christmas Day)	N/A
27	WRG Assembly Mtg	WRG

SEAPA Board Meetings noted on the above calendar are scheduled around the following:

Petersburg Borough Assembly Meetings	1st & 3rd Monday every month
Ketchikan Gateway Borough Meetings	Same as Petersburg every month
City and Borough of Wrangell Meetings	2nd & 4th Tuesday every month
Ketchikan City Council Meetings	1st & 3rd Thursday every month