



SOUTHEAST ALASKA POWER AGENCY

Regular Board Meeting
Held Electronically Via Zoom

AGENDA

SEPTEMBER 22, 2022 SEAPA BOARD MEETING		
Time	Event	For telephonic participation dial: 1.888.475.4499 ¹ or 1.833.548.0276 Meeting ID No. 882 4698 1093
Thursday, September 22, 2022		
9:00 a.m.	Meeting Starts	
11:00-11:15 a.m.	Break	
1:00 PM	Meeting Adjourns	

1. **Call to Order**
 - A. Roll Call
 - B. Communications/Lay on the Table Items
 - C. Disclosure of Conflicts of Interest
2. **Approval of the Agenda**
3. **Persons to be Heard**
4. **Review and Approve Minutes**
 - A. May 12, 2022 Minutes of Regular Meeting
 - B. August 12, 2022 Minutes of Special Meeting
5. **Financial Reports**
 - A. CEO Financial Memo
 - B. Controller Memo
 - C. kWh Graph
 - D. Fund Graph
 - E. Grant Summary
 - F. Financial Statements
 - G. Disbursements
 - H. Review and Acceptance of Audited 2021 Financial Statements for Continuing Disclosure²
6. **CEO Report**
7. **Staff Reports**
 - A. Director of Engineering and Technical Services (*Siedman*)
 - B. Operations Manager (*Hammer*)
 - C. Power System Specialist (*Schofield*)

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

² Joy Merriner, Assurance Partner with BDO, will call in to the meeting at 9:30 a.m. AKDT to present the audited financial statements and respond to any inquiries.

8. Old Business

- A. 3rd Quarter Update Re SEAPA Operations Plan (*Siedman*)

9. New Business

A.	Consideration and Approval of Sole-Source Contract Re Swan Lake Inlet Valve Control System Upgrade
B.	Consideration and Approval of Increase to SEAPA Operating Budget Re Load Growth Study
C.	Consideration and Approval of SEAPA 2023 Administrative Employee Group Benefits
D.	Consideration and Approval of Resolution 2022-087 Re SEAPA's Deferred Compensation Plan
E.	Review/Discuss CEO Evaluation Form and Schedule
F.	Executive Session re Updates on Union Contract Negotiations and Hydrosite Investigations, and CEO Review

10. Next Meeting Dates

11. Director Comments

12. Adjourn

Southeast Alaska Power Agency

Regular Meeting Minutes

Location: The Landing Hotel * Ketchikan, Alaska

Date: May 12, 2022

Time: 9:00 a.m. AKDT

Agenda Items

1) Call to Order

A. Roll Call.

Vice Chair Prysunka called the regular meeting to order at 9:00 a.m. AKDT on May 12, 2022. 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	--	Andy Donato	IP	Swan Lake	Ketchikan
Abby Bradberry	--	Janalee Gage	IP	Swan Lake	Ketchikan
Steve Prysunka	IP	Mason Villarma	IP	Tyee Lake	Wrangell
Steve Henson	IP	Mark Walker	IP	Tyee Lake	Wrangell
Bob Lynn	IP	Karl Hagerman	IP	Tyee Lake	Petersburg

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	IP	Joel Paisner, SEAPA Counsel	IP
Clay Hammer, Operations Mgr.	--	Kay Key, Controller	IP
Ed Schofield, Power Sys. Sp.	IP	Sharon Thompson, EA/CA	IP
Robert Siedman, DE/TS	IP	Marcy Hornecker, Admin. Asst.	IP

B. Communications/Lay on the Table Items

The Vice Chair announced there are two lay on the table items regarding Renewable Energy Certificates and an R&R Summary Page.

C. Disclosure of Conflicts of Interest - None

2) Approval of the Agenda

Vice Chair Prysunka requested a motion to approve the Agenda.

➤ Motion	M/S (Lynn/Henson) to approve the Agenda.	✓ Action 22-956
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The Vice Chair requested a motion to amend the Agenda to add New Business Item 8J to discuss Renewable Energy Certificates.

➤ **Motion**

M/S (Lynn/Henson) to amend the Agenda to add New Business Item 8J to discuss Renewable Energy Certificates. The motion was approved unanimously by polled vote. ✓ **Action 22-957**

The Vice Chair requested a vote on the original motion to approve the agenda, as amended. The motion passed unanimously by polled vote.

3) Persons to be Heard - None.

4) Review and Approve Minutes

A. February 28, 2022 Minutes of Regular Meeting.

The Vice Chair requested a motion to approve the minutes of the regular meeting of February 28, 2022.

➤ **Motion**

M/S (Prysunka/Donato) to approve the Minutes of the regular meeting of February 28, 2022. The motion was approved unanimously by polled vote. ✓ **Action 22-958**

B. March 18, 2022 Minutes of Special Meeting

The Vice Chair requested a motion to approve the Minutes of the special meeting of March 18, 2022.

➤ **Motion**

M/S (Lynn/Donato) to approve the Minutes of the special meeting of March 18, 2022. The motion was approved unanimously by polled vote. ✓ **Action 22-959**

C. April 19, 2022 Minutes of Special Meeting

The Vice Chair requested a motion to approve the Minutes of the special meeting of April 19, 2022.

➤ **Motion**

M/S (Lynn/Donato) to approve the Minutes of the special meeting of April 19, 2022. The motion was approved unanimously by polled vote. ✓ **Action 22-960**

The meeting recessed at 10:05 a.m. and reconvened at 10:16 a.m.

5) Financial Reports

The Vice Chair requested a motion on the financial statements.

➤ **Motion**

M/S (Prysunka/Lynn) to accept year-to-date financial statements through March 2022, and disbursements for February, March, and April 2022 totaling \$1,218,800.60, as presented. Following Mr. Acteson's review and discussion of topics in his Financial Cover Letter and statements presented in the board packet, the motion was approved unanimously by polled vote. ✓ **Action 22-961**

6) CEO Report

Mr. Acteson announced that although none of SEAPA's four legislative requests were in any of the Senate Finance and House Budgets, efforts were underway to encourage reconsideration of at least one of them through an amendment, and that SEAPA will receive an initial payment of \$448,000 from its insurance company as reimbursement for the Wrangell Warehouse fire remediation. After the deductible, the remaining balance will be paid upon substantial completion of the project. He provided highlights of IBEW negotiations, the 2021 Wrangell windstorm disaster recovery, status of the rewrite of SEAPA's Employee Leave Policy, and an update on personnel recruitment efforts.

7) Staff Reports

The Vice Chair announced that due to time constraints, staff reports available in the board packet will not be presented during the meeting and requested discussion or questions on any of the reports. There were no questions or discussion.

8) New Business

A. Consideration and Approval of Phase II-Tyee Lake Roof-Siding Replacement Contract

➤ Motion	M/S (Henson/Lynn) to authorize staff to enter into a contract with H Construction, LLC for Phase II of the Tyee Lake Housing Roof-Siding Project for the lump-sum value of \$117,500 and further move to increase the FY2022 Budget for RR22369 to \$123,375. The motion was approved unanimously by polled vote.	✓ Action 22-962
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B. Consideration and Approval of Tyee Lake Airstrip Resurfacing Contract

➤ Motion	M/S (Henson/Lynn) to authorize staff to enter into a contract with Ketchikan Ready Mix & Quarry, Inc. for the Tyee Lake Airstrip Resurfacing Project for the lump-sum value of \$330,000 and further move to increase the FY2022 Budget for RR22365 to \$332,720. The motion was approved unanimously by polled vote.	✓ Action 22-963
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C. Consideration and Approval of Vibration Engineering Sole-Source Contract

➤ Motion	M/S (Prysunka/Lynn) to authorize staff to enter into a sole-source contract with Vibration Engineering, Inc., d/b/a Response Dynamics for a Swan Lake Dam Vibration Monitoring System for the fixed cost of \$64,100, and further move to increase the FY2022 Budget for RR22376 to \$64,100. The motion was approved unanimously by polled vote.	✓ Action 22-964
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D. Consideration and Approval of Resolution #2022-084 Re CEO Authorization to Pursue Financing Options Re SEAPA Headquarters

➤ Motion	M/S (Henson/Lynn) to authorizing the Southeast Alaska Power Agency (SEAPA) and its CEO, Trey Acteson, to pursue bond funding through the Alaska Municipal Bond Bank to fund Project RR19326 SEAPA Headquarters and reimburse the Dedicated R&R Fund for all prior expenditures from the bond proceeds. The motion was approved unanimously by polled vote.	✓ Action 22-965
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E. Executive Session Re Hydrosite Analysis Contracts

➤ Motion	M/S (Prysunka/Lynn) to recess into Executive Session to be conducted pursuant to SEAPA's Bylaws consistent with Alaska Statute 44.62.310 for discussions on sole-source contracts to McMillen LLC for hydrosite project regulatory efforts and field work and analysis, as they involve matters the immediate knowledge of which would have an adverse effect upon the finances of the Agency, the Projects, or the Member Utilities represented on the Board. The motion was approved unanimously by polled vote.	✓ Action 22-966
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The meeting recessed for the executive session at 10:17 a.m. and reconvened into regular session at 11:09 a.m.

F. *Placeholder: Reserved for any action(s) to be taken following Executive Session*

The Vice Chair announced that no action was taken during the executive session and that motions resulting from discussions during the executive session may be heard.

➤ Motion	M/S (Lynn/Donato) to authorize staff to enter into Contract No. 22021 with McMillen LLC for 2022 hydrosite field work and analysis in the amount of \$132,820. The motion was approved unanimously by polled vote.	✓ Action 22-967
➤ Motion	M/S (Lynn/Donato) to authorize staff to enter into Contract No. 22022 with McMillen LLC for 2022 regulatory tasks in the amount of \$112,323. The motion was approved unanimously by polled vote.	✓ Action 22-968
➤ Motion	M/S (Lynn/Donato) to increase the FY2022 nonoperating expense budget for line item 1830-006 New Generation Feasibility to \$123,555. The motion was approved unanimously by polled vote.	✓ Action 22-969

G. *Quarterly Update Re SEAPA Operations Plan*

Mr. Siedman provided a brief update on SEAPA's Operations Plan explaining how lake levels are effectively balanced. He reported both reservoirs are in very healthy conditions with Tyee currently almost 50 feet above the draft limit and Swan 23.2 above its limit. He demonstrated current model conditions in graphs and explained that forecasting predicts continued below-average ocean temperatures, and that even if May-June-July 2022 have below-average precipitation, the healthy dam levels will maintain and likely return to full capacity by late September. He closed his update with a report on the 2022 spring snow surveys for the Tyee and Swan Lake drainage basins.

H. *Consideration and Approval of SEAPA Employee Handbook Updates*

➤ Motion	M/S (Prysunka/Henson) to approve the Introduction, Time Off, and Appendix A and B sections of the SEAPA Employee Handbook, as presented at the May 12, 2022, board meeting. The motion was approved unanimously by polled vote.	✓ Action 22-970
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I. *Wholesale Power Rate Discussion*

Mr. Acteson reviewed the background and history of SEAPA's wholesale power rate explaining the rate of \$.068/kWh has been consistent for over 23 years with rebates issued as revenues allowed. He advised that the recent increase in February 2022 was due to revenue shortfalls and significant cost increases, together with cumulative inflationary impacts on general and administrative expenses over the past two decades. He reviewed SEAPA's revenues, Rate Stabilization Fund, and recommendations for future proposed increases to facilitate planning by SEAPA's member communities when budgeting. Mr. Acteson fielded various comments and questions from the directors.

J. *Discussion Re Renewable Energy Certificates (RECs)*

Mr. Acteson directed attention to the lay on the table item on renewable energy certificates (RECs). He explained the difference between carbon offsets and RECS, how RECs are marketed, provided examples of pricing, and the marketing process in general. He discussed the marketer SEAPA proposes to contract with and fielded questions from directors. Following discussion, the following motion was made:

➤ Motion	M/S (Prysunka/Donato) to authorize the Southeast Alaska Power Agency's (SEAPA) CEO, Trey Acteson, to enter into an Agreement with Greenlight Energy Group, LLC to develop, verify, register, and market Renewable Energy Certificates for SEAPA. The motion was approved unanimously by polled vote.	✓ Action 22-971
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9) Next Meeting Dates

The Vice Chair noted that the next regular board meeting will be held on September 22nd and 23rd in Petersburg. There were no objections.

10) Director Comments

Directors exchanged brief comments.

11) Adjourn

The Vice Chair requested a motion to adjourn.

➤ Motion	M/S (Gage/Donato) to adjourn the meeting. There were no objections to the motion.	✓ Action 22-972
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The meeting adjourned at 12:14 p.m.

Signed:

Attest:

Secretary/Treasurer

Chairperson

Southeast Alaska Power Agency Special Meeting Minutes

Location: Held Telephonically

Date: August 12, 2022

Time: 3:00 p.m. AKDT

Agenda Items

1) Call to Order

A. Roll Call

Chairperson Sivertsen called the special meeting to order at 3:00 p.m. AKDT on August 12, 2022. The following directors and alternates were present, thus establishing a quorum of the board:

Directors	Present Telephonically (T) In Person (IP)	Alternates	Present Telephonically (T) In Person (IP)	Representing	
Bob Sivertsen	IP	Andy Donato	IP	Swan Lake	Ketchikan
Abby Bradberry	T ¹	Janalee Gage		Swan Lake	Ketchikan
Stephen Prysunka	T	Mason Villarma		Tyee Lake	Wrangell
Steve Henson	T	Mark Walker		Tyee Lake	Wrangell
Bob Lynn	T	Karl Hagerman	T	Tyee Lake	Petersburg

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	IP	Joel Paisner, SEAPA Counsel	T
Clay Hammer, Operations Mgr.	T	Kay Key, Controller	T
Ed Schofield, Power Sys. Sp.		Sharon Thompson, EA/CA	IP
Robert Siedman, Dir. Eng & TS		Marcy Hornecker, Admin. Asst.	

2) Approval of the Agenda

➤ Motion

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

✓ **Action**
22-973

3) New Business

A. Discussion and Consideration/Approval of Resolution 2022-085 authorizing amendment and restatement of SEAPA's Retirement Security Plan

¹ Ms. Bradberry joined the meeting telephonically after the roll call.

➤ Motion	M/S (Lynn/Henson) to adopt Resolution No. 2022-085, authorizing amendment and restatement of the Retirement Security Plan for the Southeast Alaska Power Agency effective July 1, 2022. Following Mr. Acteson's summary of the amendment and restatement, the motion was approved unanimously by polled vote.	✓ Action 22-974
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B. *Discussion and Consideration/Approval of Resolution 2022-086 Re Bonding SEAPA Headquarters*

➤ Motion	M/S (Lynn/Henson) to adopt Resolution No. 2022-086 authorizing the sale and issuance of Electric Revenue Bond, Series 2022, to the Alaska Municipal Bond Bank consistent with the terms provided in the Resolution in order to provide the funds necessary (i) to pay or reimburse SEAPA for the costs of a new SEAPA Headquarters building, Capital Project RR19326 (the "Improvements"); (ii) to make a deposit to the Bond Reserve Fund as necessary; and (iii) to pay the Issuance Costs of the Agency. Following Mr. Acteson's summary on the resolution, and directors' discussion, the motion was approved unanimously by polled vote.	✓ Action 22-975
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4) **Adjourn**

Chairperson Sivertsen requested a motion to adjourn.

➤ Motion	M/S (Henson/Lynn) to adjourn the meeting. The Chair declared the meeting adjourned after no objections were heard.	✓ Action 22-976
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The meeting adjourned at 3:15 p.m.

Signed:

Attest:

Secretary/Treasurer

Chairperson



SOUTHEAST ALASKA POWER AGENCY CEO FINANCIAL COVER MEMO

DATE: September 15, 2022
TO: SEAPA Board of Directors
FROM: Trey Acteson, Chief Executive Officer
SUBJECT: CEO Financial Cover Letter

SEAPA's financial position is stable. However, minor revenue adjustments will be required over time to offset increased costs associated with debt service, enhanced transmission line right of way clearing, infrastructure, and inflation.

Reservoirs are full heading into fall and are expected to support member utility demand beyond year-end.

REVENUE & EXPENSES:

Revenue generated from sales to Ketchikan during the months of July and August was higher than budgeted due to KPU implementing a different reservoir management strategy. It is not yet clear how this will play out over the remainder of the year. Sales to Petersburg and Wrangell were in-line with expectation. Total revenue from sales through the end of August was \$8,255,504 actual vs. \$7,595,159 budget. Operating Expense through the end of July was \$4,101,927 actual vs. \$4,677,065 budget. The timing of overhead line expenses is the primary cause for the difference and should levelize when August financials are completed.

RENEWAL & REPLACEMENT PROJECTS:

R&R expenditures through the end of July were \$2,575,475 actual vs. \$10,119,973 total FY2022 Budget. This does not fully reflect projects that have been recently completed and those currently under construction. Please see staff reports for the most recent project updates.

BONDING FOR SEAPA HEADQUARTERS:

Bond pricing occurred on September 15, 2022, and the delivery date is September 29, 2022. The all-in true interest cost is 4.775%. This is higher than originally expected but is a result of the recent aggressive Federal Reserve interest rate hikes. Considering the average 30-year mortgage just hit 6%, we still achieved a reasonably low rate. Annual debt service is expected to be approximately \$360K.

GRANTS: SEAPA has one open grant, the FY13 DCCED, with an open balance at the end of March totaling \$132,954. The grant expires June 30, 2023.



SOUTHEAST ALASKA POWER AGENCY CONTROLLER MEMO

Date: September 12, 2022 From: Kay Key
To: Trey Acteson Subject: **FINANCIAL STATEMENTS**

SUGGESTED MOTION

I move to accept year-to-date financial statements through July 2022, and disbursements for May, June, July, and August 2022 totaling \$4,575,022.47, as presented.

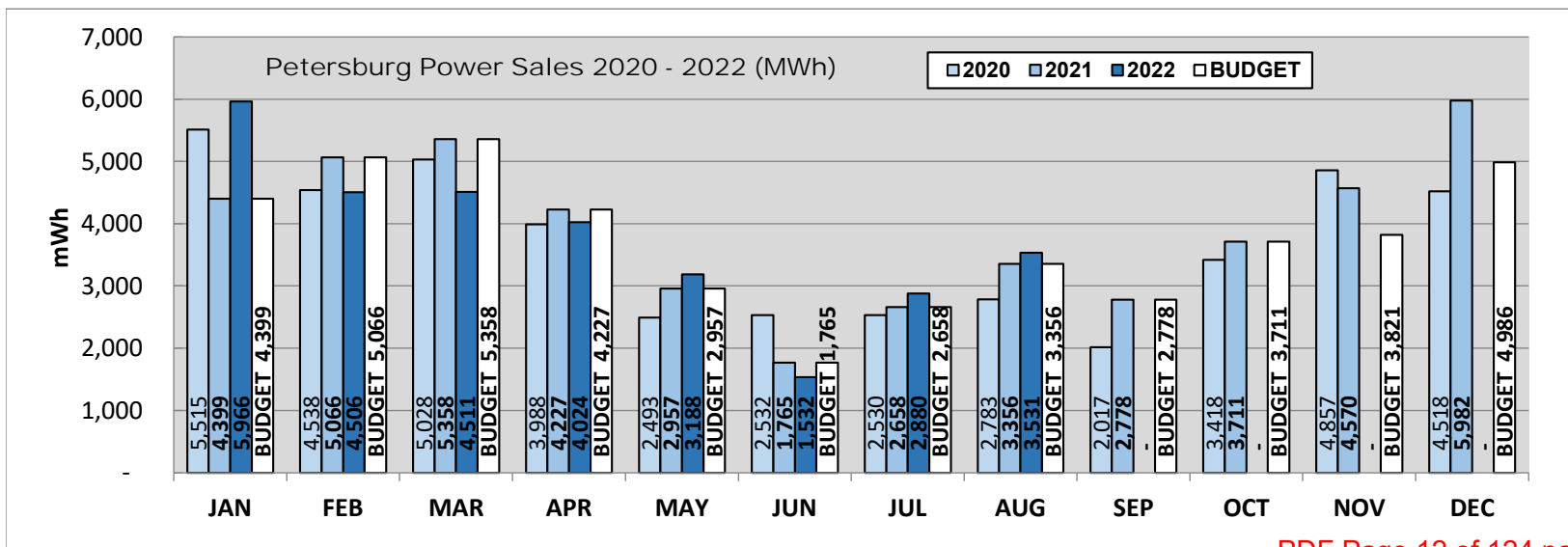
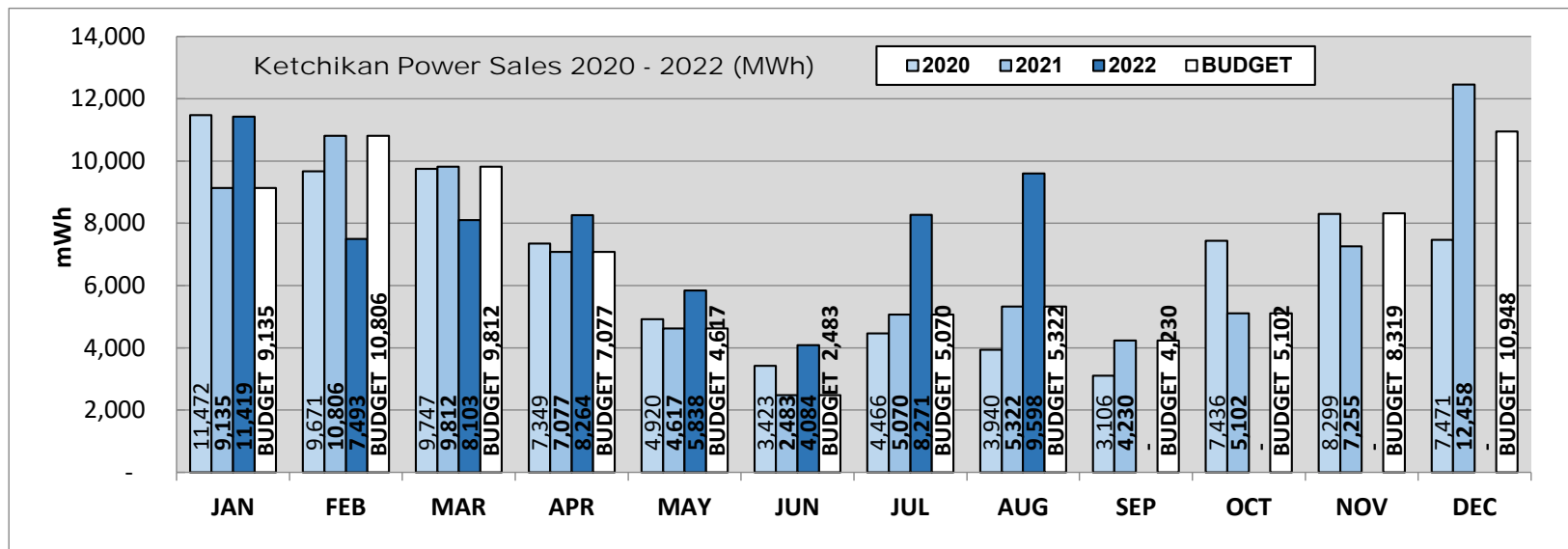
Financial Statements in this board packet include:

- **kWh Graphs** (August 2022)
- ***Fund Allocation Graph** (August 2022)
- **Grant Summary** (Quarterly through June 2022)
- **Year-to-Date Financial Statements through July 2022**
 - ✓ 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 May, June, July, and August 2022**

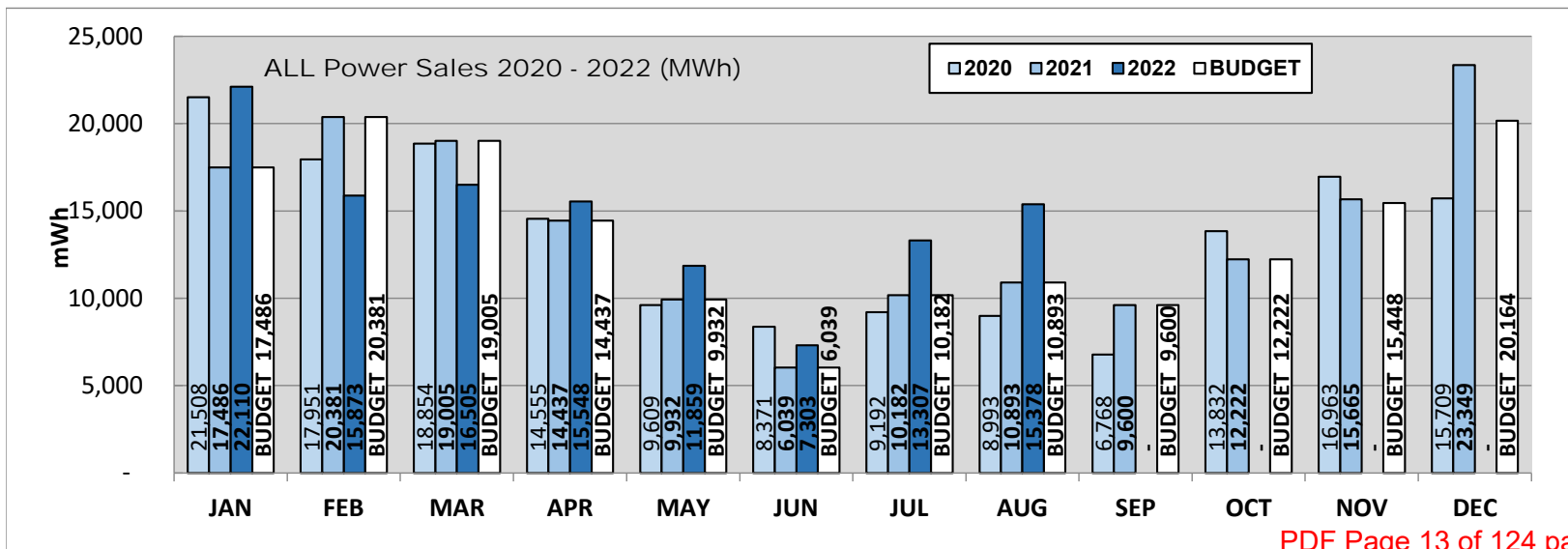
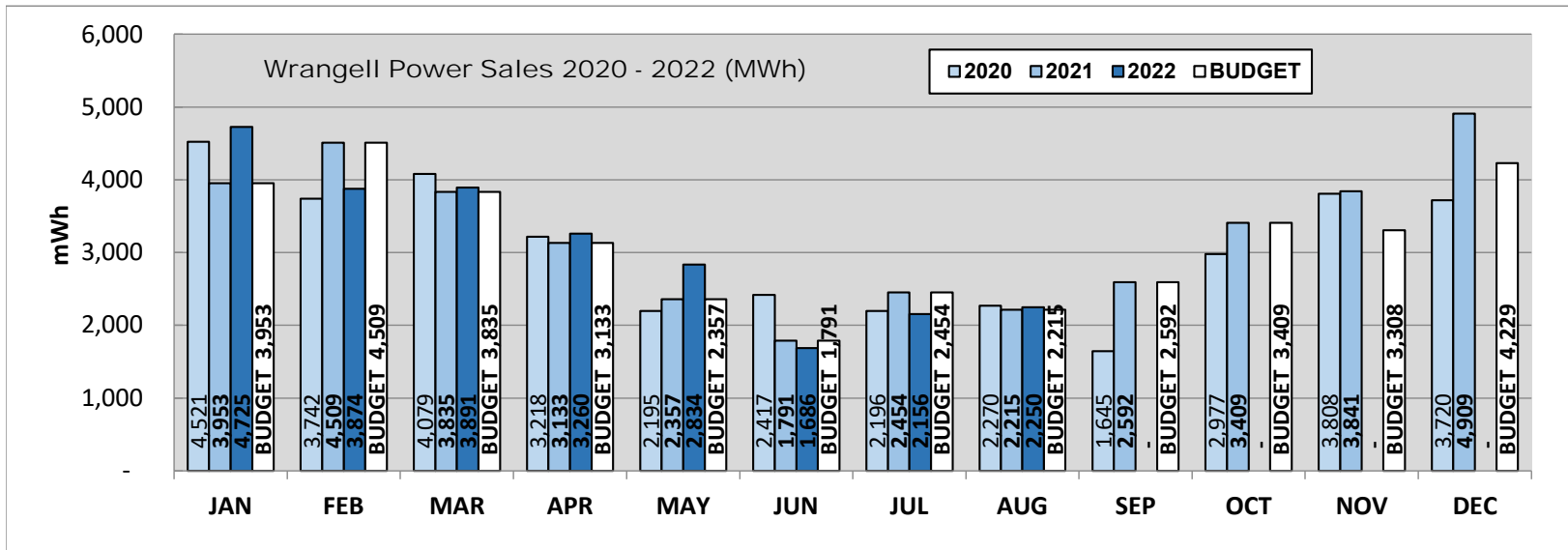
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*A summary of the Self-Insured Fund is also attached, displaying benchmarked fund performance.

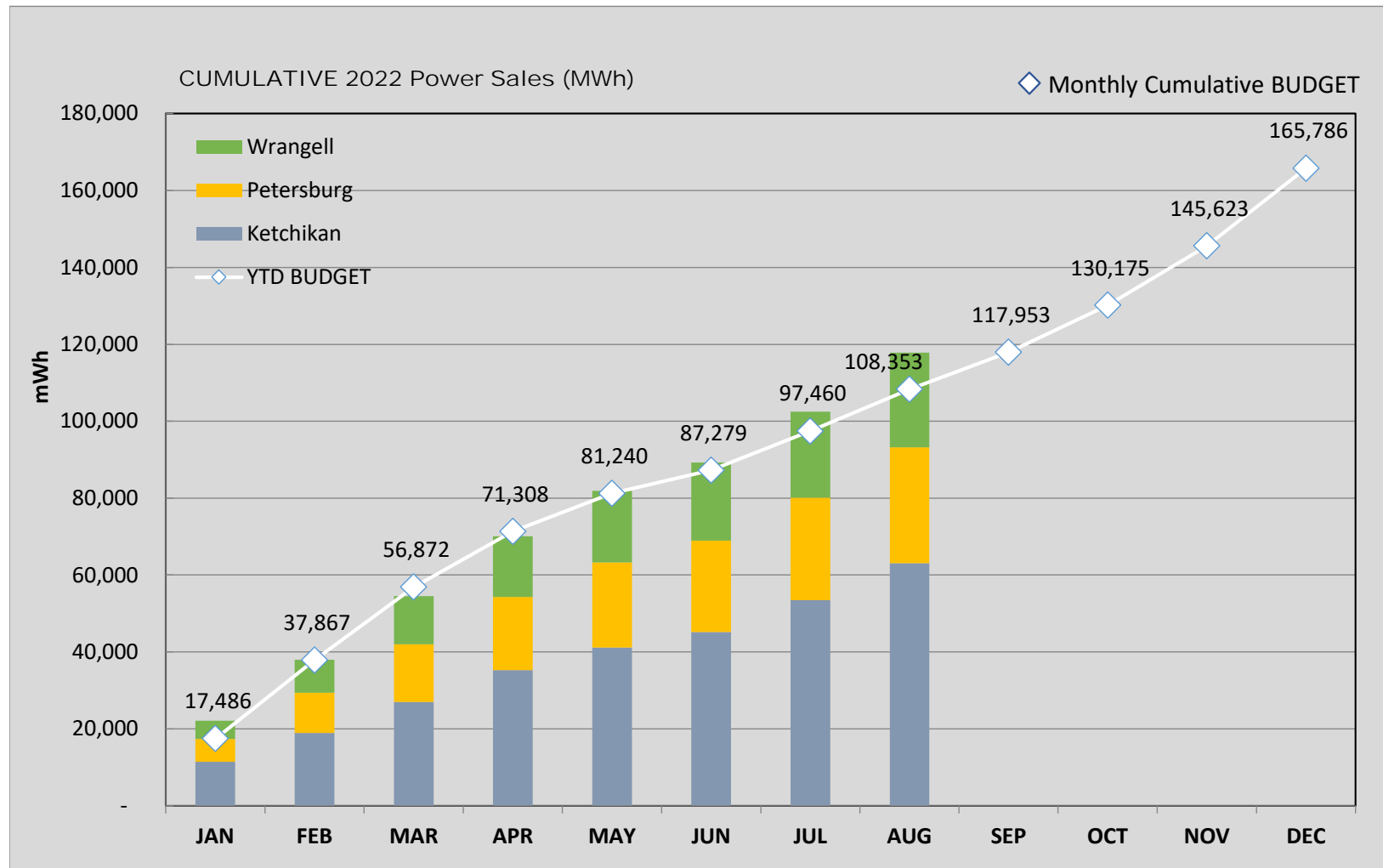
AUG 2022	2022 kWh HYDROPOWER SALES	CURRENT MONTH		YTD	
		Actual	Budget	Actual	Budget
	Ketchikan Power Purchases	9,597,888	5,321,792	63,070,090	54,321,728
	Petersburg Power Purchases	3,530,571	3,356,151	30,137,171	29,785,989
	Wrangell Power Purchases	2,249,680	2,214,660	24,676,120	24,245,140
	Total Power Purchases	15,378,139	10,892,603	117,883,381	108,352,857



AUG 2022	2022 kWh HYDROPOWER SALES	CURRENT MONTH		YTD	
		Actual	Budget	Actual	Budget
	Ketchikan Power Purchases	9,597,888	5,321,792	63,070,090	54,321,728
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	Petersburg Power Purchases	3,530,571	3,356,151	30,137,171	29,785,989
	Wrangell Power Purchases	2,249,680	2,214,660	24,676,120	24,245,140
	Total Power Purchases	15,378,139	10,892,603	117,883,381	108,352,857



SOUTHEAST ALASKA POWER AGENCY

MWh Firm Power Sales YOY Comparison



AUG 2022

Operations, Capital and Self-Insured Funds

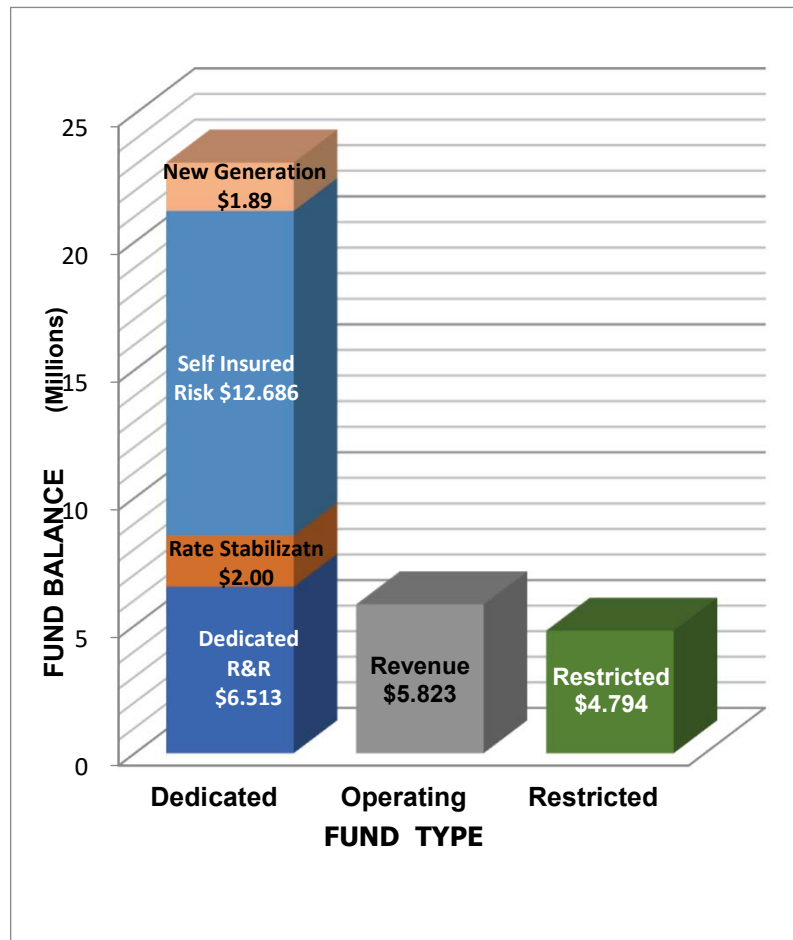
Revenue Fund	\$ 5,822,311
Checking	1,000
Dedicated R&R Projects Fund	6,513,350 ¹
New Generation Fund	1,889,331
Rate Stabilization Fund	2,004,070
Self Insured Risk Fund	12,685,530
Total Operations, Capital and Insurance Funds	28,915,593

Trustee Funds

2015 Series Bond Interest	\$ 40,975
2015 Series Bond Reserve	205,289
2019 Series Bond Interest	15,276
2019 Series Bond Principal	80
2019 Series Bond Reserve	1,265,189
2021 Series Bond Interest	44,137
2021 Series Bond Reserve	782,404
Total Trustee Funds	2,353,349

Other Restricted Funds

STI - USFS CD	\$ 21,640
DNR Reclamation Fund	1,418,634
Required R&R Fund	1,000,232
Total Other Restricted Funds	2,440,507
Total Agency Funds	\$ 33,709,448



¹ Three of four scheduled quarterly transfers (\$750K each) have been moved from the Revenue Fund to the Dedicated R&R Fund totaling \$2.25M of the \$3M 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.
- 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

SOUTHEAST ALASKA POWER AGENCY

Account Statement - Period Ending July 31, 2022



ALASKA PERMANENT
CAPITAL MANAGEMENT

Registered Investment Adviser

ACCOUNT ACTIVITY

Portfolio Value on 06-30-22	12,705,275
Contributions	0
Withdrawals	-369
Change in Market Value	33,747
Interest	2,642
Dividends	0

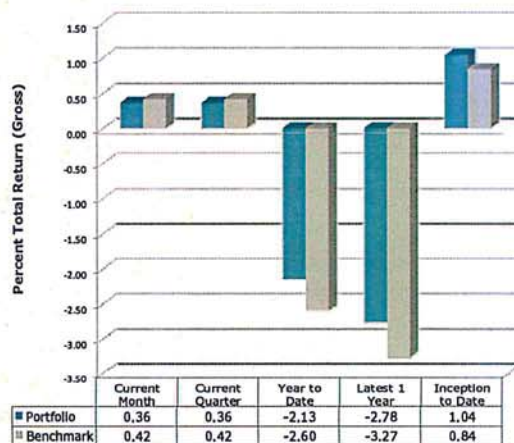
Portfolio Value on 07-31-22 12,741,294

MANAGEMENT TEAM

Client Relationship Manager:	Blake Phillips, CFA® Blake@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA®
Contact Phone Number:	(907) 272-7575

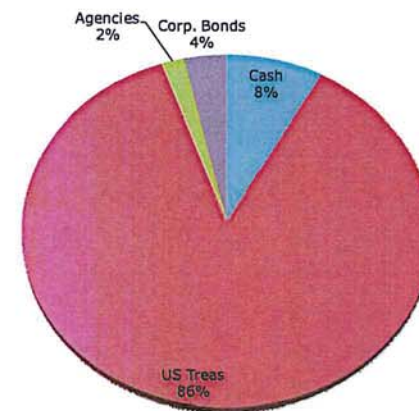
INVESTMENT PERFORMANCE

Current Account Benchmark:
Bloomberg 1-3 Yr Government



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: AA+ Yield to Maturity: 2.91% Average Maturity: 1.79 Yrs

SOUTHEAST ALASKA POWER AGENCY
GRANT SUMMARY
JUN 2022

AK DCCED GRANT 13-DC-553			
Grant Billing	Grant Budget	Billing thru 2022	Open Balance
1 - Hydro Storage	578,000	578,000	0
2 - G&T Site Evaluation	2,109,092	1,976,138	132,954
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	2,867,046	132,954

QUARTERLY BILLING				
Mar-22	Jun-22	Sep-22	Dec-22	FY22
-	-	-	-	-
24,641	-	-	-	24,641
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
24,641	-	-	-	24,641

TERM: JUL 2013 - JUN 2023

The grant term has been formally extended through June 2023.

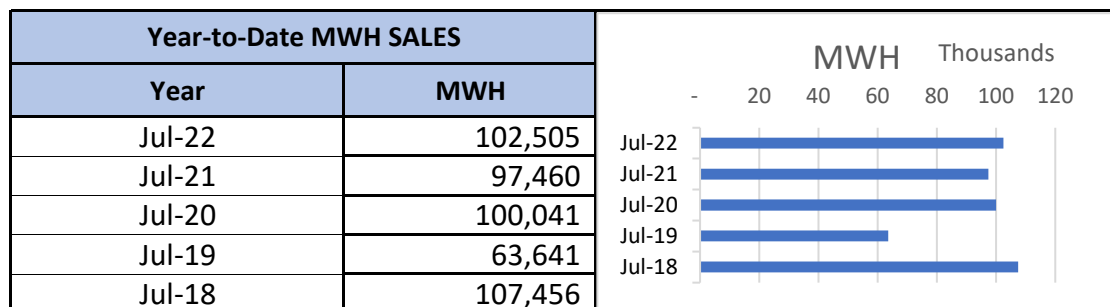
OPERATING REVENUE

kWh SALES	JAN-JUL Actual	JAN-JUL Budget	JAN-JUL Prior Yr
Ketchikan	\$3,741,243	\$3,431,658	\$3,331,996
Petersburg	1,860,851	1,852,305	1,797,229
Wrangell	1,569,252	1,543,267	1,498,073
Total Firm Sales	\$7,171,345	\$6,827,230	\$6,627,297

OPERATING EXPENSES

	JAN-JUL Actual	JAN-JUL Budget	JAN-JUL Prior Yr
Hydro Facilities	\$1,278,460	\$1,421,560	\$1,439,196
Transmission	931,673	1,204,280	554,167
G&A	1,891,793	2,051,225	1,672,811
Total Ops Exp	\$4,101,927	\$4,677,065	\$3,666,174

FIRM MWH TREND



2019 drought.

Southeast Alaska Power Agency

Statement of Financial Position

as of July 31, 2022

	Year To Date 07/31/22	Prior Year To Date 07/31/21	
Assets			
Current Assets			
Agency Funds			
Operating & Reserve Funds			
1110-001 - Revenue Fund	5,822,311	5,761,788	
1110-002 - Commercial Checking	1,000	1,102	
1110-003 - Dedicated R&R Fund	6,513,350	4,113,269	
1110-004 - New Generation Fund	1,889,331	1,888,576	
1110-101 - Rate Stabilization Fund	2,004,070	2,003,269	
1110-102 - Self Insured Risk Fund	12,685,530	3,387,739	1 In 2021, Self-Insured Fund used to pay for RR20349
1110-103 - Construction Fund 2021	-	11,616,169	2 2021 Proceeds from June bond issuance
Total Operating & Reserve Funds	28,915,593	28,771,911	
Restricted Trustee Funds			
1120-004 - 2015 Series Bond Interest Fund	40,975	81,444	
1120-006 - 2015 Series Bond Reserve Fund	205,289	205,235	
1120-009 - 2019 Series Bond Interest Fund	15,276	33,414	
1120-010 - 2019 Series Bond Principal Fund	80	211,646	
1120-011 - 2019 Series Bond Reserve Fund	1,265,189	1,264,228	
1120-012 - 2021 Series Bond Interest Fund	44,137	80,606	2 2021 Series bonds issued in June to pay for RR20349
1120-014 - 2021 Series Bond Reserve Fund	782,404	781,853	Submarine cable project
1120-015 - 2021 Series COI Fund	-	6,503	
Total Restricted Trustee Funds	2,353,349	2,664,928	
Restricted Other Funds			
1130-001 - USFS CD - STI	21,640	21,638	
1130-002 - DNR Reclamation Fund	1,418,634	1,343,472	
1130-003 - Required R&R Fund	1,000,232	1,000,765	
Total Restricted Other Funds	2,440,507	2,365,876	
Total Agency Funds	33,709,448	33,802,715	
Accounts Receivable			
1100-001 - Accounts Receivable	1,294,692	864,760	
1100-002 - Grants Receivable	-	-	
1100-003 - Other Misc Receivable	5,800	5,800	
Total Accounts Receivable	1,300,492	870,560	
Other Current Assets			
Accrued Interest Receivable			
1200-102 - Accrued Interest Receivable	33,189	33,189	
Total Accrued Interest Receivable	33,189	33,189	
Prepaid Fees			
1200-201 - Prepaid FERC Fees	22,210	26,034	
1200-202 - Prepaid Insurance	187,927	140,635	3 Higher insurance premiums in 2022
1200-204 - Prepaid USFS Land Use Fees	45,966	44,914	
1200-206 - Prepaid Admin Group Ben	11,995	10,223	
1200-207 - Prepaid Admin Retirement	15,448	15,143	
Total Prepaid Fees	283,546	236,948	
Inventory Assets			
1200-300 - Inventory Spares-Stores	425,480	248,876	4 Two Circuit Switchers added to inventory
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	(235,835)	-	5 New account created in accordance with board-
Total Inventory Assets	2,287,990	1,578,737	approved Inventory Policy
Total Other Current Assets	2,604,725	1,848,874	
Total Current Assets	37,614,666	36,522,148	

Southeast Alaska Power Agency

Statement of Financial Position

as of July 31, 2022

	Year To Date 07/31/22	Prior Year To Date 07/31/21
Capital Assets		
Capital Assets		
1300-100 - Swan Lake Capital Assets	36,042,665	33,636,420
1300-200 - Tyee Lake Capital Assets	44,304,269	32,778,455
1300-300 - Swan-Tyee Intertie Capital Assets	115,328,466	115,093,787
1300-400 - Ketchikan Capital Assets	1,411,793	1,411,793
Total Capital Assets	197,087,194	182,920,455
R&R WIP Capital Projects		
1320-100 - WIP Swan Lake	203,970	1,537,435
1320-200 - WIP Tyee Lake	314,737	7,261,486
1320-300 - WIP Swan-Tyee Intertie	-	799
1320-400 - WIP Ketchikan	1,773,463	137,363
Total R&R WIP Capital Projects	2,292,171	8,937,082
Accumulated Depreciation	(63,557,620)	(59,463,014)
Total Capital Assets	135,821,745	132,394,524
Other Assets		
Deferred Assets		
1830-006 - New Generation Integration	7,021	7,021
1830-007 - 2019 Bond Gain on 2009 Refund	41,617	64,317
Total Deferred Assets	48,638	71,338
Total Other Assets	48,638	71,338
Total Assets	173,485,048	168,988,010
Liabilities and Net Position		
Current Liabilities		
Accounts Payable		
2100-001 - Accounts Payable General	1,791,764	665,638
Total Accounts Payable	1,791,764	665,638
Other Current Liabilities		
2100-301 - Other Current Liabilities	58,955	80,001
2100-304 - Reserve Interest Payable	99,661	195,265
2100-340 - Wages Payable	151,618	152,275
2100-341 - PTO Payable	206,300	245,226
2100-350 - Other Payroll Liabilities	19,202	19,256
Total Other Current Liabilities	535,736	692,023
Total Current Liabilities	2,327,499	1,357,661
Long Term Liabilities		
2200-001 - PERS Unfunded Liability WRG	562,603	634,379
2200-002 - DNR Fund CVEA KEA Liability	709,317	671,736
2200-202 - Series 2015 Bonds	10,295,000	10,295,000
2200-203 - Series 2019 Bonds	1,825,000	2,670,000
2200-204 - Series 2021 Bonds	11,330,000	11,330,000
2200-302 - 2015 Bond Issuance Premium	596,465	651,523
2200-303 - 2019 Bond Issuance Premium	146,250	226,023
2200-304 - 2021 Bond Issuance Premium	2,791,124	2,905,259
Total Long Term Liabilities	28,255,758	29,383,920
Total Liabilities	30,583,258	30,741,581
Net Position		
3100-001 - Net Investment Capital Assets	108,434,673	112,548,453
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	31,079,245	23,211,318
Total Net Position	143,132,928	138,516,287
Net Income	(231,138)	(269,858)
Total Net Position	142,901,791	138,246,429
Total Liabilities and Net Position	173,485,048	168,988,010

6 TYL assets increased with capitalization of RR20349 Sub Cable in Sep 2021

7 2022 incl. major invoices for R&R Projects: KTN HQ, PSG Sub, XMFR Circ Switch WRG, WRG Warehs-Office

Statement of Activities - Budget Comparison YTD
Year To Date as of July 31, 2022

	YTD FY22	YTD BUDGET	VARIANCE % of Budget	YTD FY21	ANNUAL Budget
OPERATING REVENUE					
OPERATING REVENUE					
400 - Hydro Facility Revenues	7,171,345	6,827,230	5%	6,627,297	12,317,486
454 - Rent-Electric Property	10,334	6,800	52%	5,050	6,800
Total Operating Revenue	7,181,679	6,834,030	2%	6,632,347	12,324,286
Net Operating Revenue	7,181,679	6,834,030	2%	6,632,347	12,324,286
OPERATING EXPENSE					
HYDRO FACILITY O&M					
535 - Operations Supervision	4,398	7,830	-44%	8,018	10,980
537 - Hydraulic Expense	6,718	5,000	34%	3,437	10,000
538 - Electric Expenses	5,101	33,400	-85%	14,043	77,000
539 - Operations Misc Expense	182,114	216,765	-16%	228,543	359,000
540 - Rents	106,901	106,900	0%	104,285	183,250
541 - Hydro Power Station Maintenance	22,645	28,450	-20%	39,114	46,000
543 - Dams Reservoirs Waterways	14,052	35,975	-61%	6,949	69,250
544 - Electric Plant Wages-Benefits	911,105	914,390	0%	987,246	1,602,000
545 - Nonproduction Plant Maintenance	22,503	26,700	-16%	27,864	62,300
561 - Control System Maintenance	2,923	46,150	-94%	19,697	73,400
Total Hydro Facility Expense	1,278,460	1,421,560	-9%	1,439,196	2,493,180
TRANSMISSION O&M					
562 - Substation Expense	28,369	26,300	8%	53,543	38,750
564 - XMSN Submarine Cable Expense	3,669	3,150	16%	528	4,700
571 - XMSN Overhead Lines Expense	899,636	1,437,695	-37%	500,096	1,608,600
Total Transmission Expense	931,673	1,204,280	-25%	554,167	1,652,050
GENERAL & ADMIN EXPENSE					
920 - Admin Wages-Benefits	1,019,466	1,102,700	-8%	952,218	1,948,800
921 - Office Expenses	107,458	119,675	-10%	77,089	193,200
923 - Professional Services	113,870	191,450	-41%	127,498	315,150
924 - Insurance	450,988	428,750	5%	328,363	735,000
928 - Regulatory Commission Expense	30,774	42,525	-28%	59,477	89,400
930 - General Expense	121,952	115,675	5%	85,102	183,050
931 - Admin Rent	47,285	50,450	-6%	43,064	91,600
Total G&A Expense	1,891,793	2,051,225	-7%	1,672,811	3,556,200
Total Operating Expense	4,101,927	4,677,065	-13%	3,666,174	7,701,430
NET OPERATING REVENUE/(EXPENSE)	3,079,753	2,156,965	33%	2,966,173	4,622,856
Nonoperating Income					
941 - Grant Income	68,826			1,779	
942 - Interest Income Misc	118,923			78,655	
944 - Gain/(Loss) Investments	(342,059)			(45,733)	
946 - Misc Nonoperating Income	441,340			8,668	
Total Nonoperating Income	287,030			43,369	
Nonoperating Expense					
952 - Bond Interest Expense	524,889			333,294	
953 - Depreciation-Amortization Expense	2,990,453			2,826,199	
954 - Grant Expense	3,982			20,692	
955 - Misc Nonoperating Expense	78,598			99,216	
Total Nonoperating Expense	3,597,921			3,279,400	
NET NONOPERATING INCOME/(EXPENSE)	(3,310,891)			(3,236,031)	
Change in Net Position	(231,138)			(269,858)	

Southeast Alaska Power Agency

Statement of Activities YTD Budget as of July 31, 2022

OPERATING REVENUE

400 - Hydro Facility Revenues

4000-401 Hydropower Sales Ketchikan

4000-402 Hydropower Sales Petersburg

4000-403 Hydropower Sales Wrangell

Total 400 - Hydro Facility Revenues

454 - Rent-Electric Property

4540-451 Rent Electric Property

Total 454 - Rent-Electric Property

TOTAL OPERATING REVENUE

OPERATING EXPENSE

535 - Operations Supervision

0310 Contractor

0390 Software

0610 Office Equipment

0730 Office Supplies

Total 535 - Operations Supervision

537 - Hydraulic Expenses

0330 Helicopters

0800 Materials-Minor Equip

Total 537 - Hydraulic Expenses

538 - Electric Expenses

0310 Contractor

0740 Operating Supplies

0800 Materials-Minor Equip

Total 538 - Electric Expenses

539 - Operations Misc Expense

0300 Communication Services

0310 Contractor

0320 Flights

0330 Helicopters

0360 Lodging

0373 Rent-Other

0401 Training-Pro-Tech

0402 Training-Safety

0410 Transport-Other

0420 Utilities

0600 Phones, Radios, Video

0710 Food, Meals

0740 Operating Supplies

All Locations	0--No Location		1--Swan Lake		2--Tyee Lake		3--Swan-Tyee Intertie	
01/01/22 Through 07/31/22	01/01/22 Through 07/31/22		01/01/22 Through 07/31/22		01/01/22 Through 07/31/22		01/01/22 Through 07/31/22	
Actual YTD Budget	Actual	YTD Budget	Actual	YTD Budget	Actual	YTD Budget	Actual	YTD Budget
OPERATING REVENUE								
400 - Hydro Facility Revenues								
4000-401 Hydropower Sales Ketchikan	3,741,243	3,431,658	3,741,243	3,431,658	-	-	-	-
4000-402 Hydropower Sales Petersburg	1,860,851	1,852,305	1,860,851	1,852,305	-	-	-	-
4000-403 Hydropower Sales Wrangell	1,569,252	1,543,267	1,569,252	1,543,267	-	-	-	-
Total 400 - Hydro Facility Revenues	7,171,345	6,827,230	7,171,345	6,827,230	-	-	-	-
454 - Rent-Electric Property								
4540-451 Rent Electric Property	10,334	6,800	10,334	6,800	-	-	-	-
Total 454 - Rent-Electric Property	10,334	6,800	10,334	6,800	-	-	-	-
TOTAL OPERATING REVENUE	7,181,679	6,834,030	7,181,679	6,834,030	-	-	-	-
OPERATING EXPENSE								
535 - Operations Supervision								
0310 Contractor	242	-	-	-	30	-	212	-
0390 Software	2,856	3,680	-	-	1,428	1,840	1,428	1,840
0610 Office Equipment	289	2,350	-	-	289	1,400	-	950
0730 Office Supplies	1,011	1,800	-	-	557	600	454	1,200
Total 535 - Operations Supervision	4,398	7,830	-	-	2,304	3,840	2,094	3,990
537 - Hydraulic Expenses								
0330 Helicopters	6,718	4,000	-	-	3,528	2,000	3,190	2,000
0800 Materials-Minor Equip	-	1,000	-	-	-	500	-	500
Total 537 - Hydraulic Expenses	6,718	5,000	-	-	3,528	2,500	3,190	2,500
538 - Electric Expenses								
0310 Contractor	2,897	23,400	-	-	1,348	7,600	1,549	15,800
0740 Operating Supplies	266	5,500	-	-	266	4,000	-	1,500
0800 Materials-Minor Equip	1,938	4,500	-	-	1,938	3,000	-	1,500
Total 538 - Electric Expenses	5,101	33,400	-	-	3,552	14,600	1,549	18,800
539 - Operations Misc Expense								
0300 Communication Services	27,079	28,000	-	-	12,059	12,250	15,020	15,750
0310 Contractor	12,020	13,750	-	-	4,440	6,750	7,580	7,000
0320 Flights	48,503	65,400	-	-	10,933	22,900	37,570	42,500
0330 Helicopters	2,625	4,000	-	-	-	-	2,625	4,000
0360 Lodging	2,828	1,750	-	-	-	-	2,828	1,750
0373 Rent-Other	574	840	-	-	574	840	-	-
0401 Training-Pro-Tech	7,287	6,000	-	-	3,643	3,000	3,643	3,000
0402 Training-Safety	7,510	23,000	-	-	4,414	11,500	3,096	11,500
0410 Transport-Other	8,949	14,000	-	-	-	8,000	8,949	6,000
0420 Utilities	539	500	-	-	539	500	-	-
0600 Phones, Radios, Video	1,221	1,300	-	-	384	300	837	1,000
0710 Food, Meals	3,863	1,750	-	-	313	600	3,549	1,150
0740 Operating Supplies	1,569	1,800	-	-	1,177	900	392	900

Southeast Alaska Power Agency

Statement of Activities YTD Budget as of July 31, 2022

	All Locations		0--No Location		1--Swan Lake		2--Tye Lake		3--Swan-Tye Intertie	
	01/01/22 Through 07/31/22		01/01/22 Through 07/31/22		01/01/22 Through 07/31/22		01/01/22 Through 07/31/22		01/01/22 Through 07/31/22	
	Actual	YTD Budget	Actual	YTD Budget	Actual	YTD Budget	Actual	YTD Budget	Actual	YTD Budget
0750 Safety	4,588	6,000	-	-	3,515	3,000	1,073	3,000	-	-
0800 Materials-Minor Equip	5,736	5,500	-	-	181	-	5,555	5,500	-	-
0810 Rolling Stock Maint	10,014	8,800	-	-	6,478	3,000	3,536	5,800	-	-
0811 Marine Vessel Maint	992	1,500	-	-	992	1,500	-	-	-	-
0820 Fuels and Oils	27,664	23,500	-	-	14,355	15,500	13,309	8,000	-	-
0830 Fuels and Oils - Marine	8,248	7,875	-	-	5,199	3,500	3,049	4,375	-	-
0850 Tools	305	1,500	-	-	245	-	60	1,500	-	-
Total 539 - Operations Misc Expense	182,114	216,765	-	-	69,442	94,040	112,672	122,725	-	-
540 - Rents										
0030 FERC Land Use	42,069	42,350	-	-	9,039	9,100	33,030	33,250	-	-
0050 USFS Land Use	64,832	64,550	-	-	-	-	17,330	17,300	47,502	47,250
Total 540 - Rents	106,901	106,900	-	-	9,039	9,100	50,359	50,550	47,502	47,250
541 - Hydro Power Station Maintnce										
0310 Contractor	66	3,000	-	-	66	1,500	-	1,500	-	-
0740 Operating Supplies	15,128	7,000	-	-	6,063	3,500	9,064	3,500	-	-
0800 Materials-Minor Equip	5,616	14,750	-	-	5,616	8,750	-	6,000	-	-
0850 Tools	1,835	3,700	-	-	1,835	1,500	-	2,200	-	-
Total 541 - Hydro Power Station Maint.	22,645	28,450	-	-	13,581	15,250	9,064	13,200	-	-
543 - Dams Reservoirs Waterways										
0310 Contractor	1,841	27,000	-	-	-	27,000	1,841	-	-	-
0330 Helicopters	6,505	4,500	-	-	-	-	6,505	4,500	-	-
0740 Operating Supplies	1,814	2,000	-	-	1,541	875	273	1,125	-	-
0800 Materials-Minor Equip	3,892	1,225	-	-	3,892	875	-	350	-	-
0820 Fuels and Oils	-	250	-	-	-	-	-	250	-	-
0850 Tools	-	1,000	-	-	-	600	-	400	-	-
Total 543 - Dams Reservoirs Waterways	14,052	35,975	-	-	5,433	29,350	8,619	6,625	-	-
544 - Electric Plant Wages-Benefits										
0110 Wages / PTO	573,793	599,000	-	-	314,997	298,000	258,796	301,000	-	-
0120 OT	109,077	77,710	-	-	66,682	38,800	42,395	38,910	-	-
0140 Taxes	53,382	46,255	-	-	29,732	23,355	23,650	22,900	-	-
0150 H&W	109,232	118,755	-	-	60,087	59,255	49,145	59,500	-	-
0160 Retirement	73,033	77,670	-	-	40,329	38,750	32,704	38,920	-	-
0170 Capx-Grants	(7,413)	(5,000)	-	-	(5,175)	(5,000)	(2,238)	-	-	-
Total 544 - Electric Plant Wages-Benefits	911,105	914,390	-	-	506,653	453,160	404,452	461,230	-	-

Southeast Alaska Power Agency

Statement of Activities YTD Budget as of July 31, 2022

545 - Nonproduction Plant Maintenance

	All Locations 01/01/22 Through 07/31/22		0--No Location 01/01/22 Through 07/31/22		1--Swan Lake 01/01/22 Through 07/31/22		2--Tyee Lake 01/01/22 Through 07/31/22		3--Swan-Tyee Intertie 01/01/22 Through 07/31/22	
	Actual	YTD Budget	Actual	YTD Budget	Actual	YTD Budget	Actual	YTD Budget	Actual	YTD Budget
0310 Contractor	1,333	4,975	-	-	-	4,800	1,333	175	-	-
0373 Rent-Other	2,957	2,375	-	-	2,957	2,375	-	-	-	-
0740 Operating Supplies	8,914	7,900	-	-	2,596	1,150	6,318	6,750	-	-
0800 Materials-Minor Equip	5,775	7,900	-	-	2,231	2,900	3,544	5,000	-	-
0810 Rolling Stock Maint	641	150	-	-	-	-	641	150	-	-
0820 Fuels and Oils	442	-	-	-	71	-	371	-	-	-
0840 Furnishings	2,357	3,000	-	-	77	-	2,280	3,000	-	-
0850 Tools	84	400	-	-	-	150	84	250	-	-

Total 545 - Nonproduction Plant Maint.

561 - Control System Maintenance

0310 Contractor	2,268	35,000	-	-	1,134	17,500	1,134	17,500	-	-
0390 Software	-	3,150	-	-	-	1,575	-	1,575	-	-
0740 Operating Supplies	60	-	-	-	-	-	60	-	-	-
0800 Materials-Minor Equip	595	8,000	-	-	529	4,000	66	4,000	-	-

Total 561 - Control System Maint.

562 - Substation Expense

0300 Communication Services	3,316	875	-	-	-	-	3,316	875	-	-
0310 Contractor	2,155	7,500	-	-	-	-	2,155	7,500	-	-
0320 Flights	4,950	6,000	-	-	-	-	4,950	6,000	-	-
0360 Lodging	-	250	-	-	-	-	-	250	-	-
0373 Rent-Other	300	250	-	-	-	-	300	250	-	-
0420 Utilities	7,926	7,000	-	-	-	-	7,926	7,000	-	-
0600 Phones, Radios, Video	577	1,050	-	-	-	-	577	1,050	-	-
0710 Food, Meals	-	100	-	-	-	-	-	100	-	-
0740 Operating Supplies	4,184	1,800	-	-	386	300	3,797	1,500	-	-
0800 Materials-Minor Equip	4,926	1,175	-	-	-	600	4,926	575	-	-
0820 Fuels and Oils	-	150	-	-	-	-	-	150	-	-
0850 Tools	35	150	-	-	-	-	35	150	-	-

Total 562 - Substation Expense

564 - XMSN Submarine Cable Expense

0310 Contractor	3,000	-	-	-	-	-	3,000	-	-	-
0360 Lodging	-	250	-	-	-	-	-	250	-	-
0740 Operating Supplies	206	575	-	-	-	-	206	575	-	-
0800 Materials-Minor Equip	-	1,325	-	-	-	-	-	1,325	-	-
0850 Tools	463	1,000	-	-	-	-	463	1,000	-	-

Total 564 - XMSN Submarine Cable Exp.

Southeast Alaska Power Agency

Statement of Activities YTD Budget as of July 31, 2022

571 - XMSN Overhead Lines Expense

	All Locations		0--No Location		1--Swan Lake		2--Tyee Lake		3--Swan-Tyee Intertie	
	01/01/22 Through 07/31/22		01/01/22 Through 07/31/22		01/01/22 Through 07/31/22		01/01/22 Through 07/31/22		01/01/22 Through 07/31/22	
	Actual	YTD Budget	Actual	YTD Budget	Actual	YTD Budget	Actual	YTD Budget	Actual	YTD Budget
0110 Wages / PTO	72,251	75,150	72,251	75,150	-	-	-	-	-	-
0120 OT	519	1,500	519	1,500	-	-	-	-	-	-
0140 Taxes	6,132	6,520	6,132	6,520	-	-	-	-	-	-
0150 H&W	13,168	14,210	13,168	14,210	-	-	-	-	-	-
0160 Retirement	8,115	8,890	8,115	8,890	-	-	-	-	-	-
0300 Communication Services	894	1,000	894	1,000	-	-	-	-	-	-
0310 Contractor	526,484	518,800	-	-	161,833	161,900	210,901	203,100	153,749	153,800
0320 Flights	6,575	3,750	6,575	3,750	-	-	-	-	-	-
0330 Helicopters	58,160	60,000	58,160	60,000	-	-	-	-	-	-
0360 Lodging	2,977	3,750	2,977	3,750	-	-	-	-	-	-
0373 Rent-Other	1,457	1,500	1,457	1,500	-	-	-	-	-	-
0380 ROW Clearing	186,500	725,500	-	-	-	280,500	186,500	445,000	-	-
0410 Transport-Other	112	1,900	112	1,900	-	-	-	-	-	-
0420 Utilities	825	800	825	800	-	-	-	-	-	-
0710 Food, Meals	2,790	2,000	2,790	2,000	-	-	-	-	-	-
0740 Operating Supplies	5,635	4,950	5,610	4,950	-	-	25	-	-	-
0750 Safety	2,358	1,000	2,358	1,000	-	-	-	-	-	-
0800 Materials-Minor Equip	-	325	-	325	-	-	-	-	-	-
0811 Marine Vessel Maint	3,389	3,000	3,389	3,000	-	-	-	-	-	-
0820 Fuels and Oils	1,294	1,150	1,294	1,150	-	-	-	-	-	-
0830 Fuels and Oils - Marine	-	1,300	-	1,300	-	-	-	-	-	-
0850 Tools	-	700	-	700	-	-	-	-	-	-
Total 571 - XMSN Overhead Lines Exp.	899,636	1,437,695	186,627	193,395	161,833	442,400	397,426	648,100	153,749	153,800
920 - Admin Wages-Benefits										
0110 Wages / PTO	586,386	635,000	586,386	635,000	-	-	-	-	-	-
0120 OT	293	1,150	293	1,150	-	-	-	-	-	-
0140 Taxes	47,388	45,750	47,388	45,750	-	-	-	-	-	-
0150 H&W	151,914	171,050	151,914	171,050	-	-	-	-	-	-
0160 Retirement	233,510	249,750	233,510	249,750	-	-	-	-	-	-
0170 Capx-Grants	(25)	-	(25)	-	-	-	-	-	-	-
Total 920 - Admin Wages-Benefits	1,019,466	1,102,700	1,019,466	1,102,700	-	-	-	-	-	-
921 - Office Expenses										
0300 Communication Services	17,165	17,000	17,165	17,000	-	-	-	-	-	-
0310 Contractor	46,734	60,375	46,734	60,375	-	-	-	-	-	-
0350 Licenses-Permits	10	175	10	175	-	-	-	-	-	-
0373 Rent-Other	1,949	-	1,949	-	-	-	-	-	-	-
0390 Software	23,047	22,000	23,047	22,000	-	-	-	-	-	-
0420 Utilities	8,103	5,750	8,103	5,750	-	-	-	-	-	-

Southeast Alaska Power Agency

Statement of Activities YTD Budget as of July 31, 2022

	All Locations		0--No Location		1--Swan Lake		2--Tyee Lake		3--Swan-Tyee Intertie	
	01/01/22 Through 07/31/22		01/01/22 Through 07/31/22		01/01/22 Through 07/31/22		01/01/22 Through 07/31/22		01/01/22 Through 07/31/22	
	Actual	YTD Budget	Actual	YTD Budget	Actual	YTD Budget	Actual	YTD Budget	Actual	YTD Budget
0600 Phones, Radios, Video	1,188	1,750	1,188	1,750	-	-	-	-	-	-
0610 Office Equipment	1,364	3,500	1,364	3,500	-	-	-	-	-	-
0710 Food, Meals	1,212	925	1,212	925	-	-	-	-	-	-
0730 Office Supplies	4,678	7,000	4,678	7,000	-	-	-	-	-	-
0740 Operating Supplies	20	-	20	-	-	-	-	-	-	-
0810 Rolling Stock Maint	1,190	575	1,190	575	-	-	-	-	-	-
0820 Fuels and Oils	799	625	799	625	-	-	-	-	-	-
Total 921 - Office Expenses	107,458	119,675	107,458	119,675	-	-	-	-	-	-
923 - Professional Services										
0910 Audit-Accounting	-	26,500	-	26,500	-	-	-	-	-	-
0920 Banking-Trustee-Investment	32,415	18,650	32,415	18,650	-	-	-	-	-	-
0930 Legal	28,314	63,000	28,314	63,000	-	-	-	-	-	-
0940 Legislative	28,000	28,000	28,000	28,000	-	-	-	-	-	-
0950 Other Professional Services	25,141	55,300	25,141	55,300	-	-	-	-	-	-
Total 923 - Professional Services	113,870	191,450	113,870	191,450	-	-	-	-	-	-
924 - Insurance										
0960 Insurance	450,988	428,750	450,988	428,750	-	-	-	-	-	-
Total 924 - Insurance	450,988	428,750	450,988	428,750	-	-	-	-	-	-
928 - Regulatory Commission Expense										
0020 FERC Admin	21,115	33,375	-	-	11,161	16,450	9,955	16,925	-	-
0040 FERC Other	9,508	7,200	-	-	9,508	7,200	-	-	-	-
0060 AK Agency	150	450	-	-	50	50	100	100	-	300
0310 Contractor	-	1,500	-	-	-	1,500	-	-	-	-
Total 928 - Regulatory Commission Exp.	30,774	42,525	-	-	20,719	25,200	10,055	17,025	-	300
930 - General Expense										
0200 Advertising-Public Relations	22,287	16,000	22,287	16,000	-	-	-	-	-	-
0210 Association Dues	40,197	40,850	40,197	40,850	-	-	-	-	-	-
0220 Board Meeting Expense	12,438	6,000	12,438	6,000	-	-	-	-	-	-
0230 Professional Development	19,116	8,200	19,116	8,200	-	-	-	-	-	-
0240 Travel Expense (Admin)	4,893	8,750	4,893	8,750	-	-	-	-	-	-
0250 Non-Travel Incidental	639	875	639	875	-	-	-	-	-	-
0260 Recruitment	22,224	35,000	22,224	35,000	-	-	-	-	-	-
0750 Safety	158	-	158	-	-	-	-	-	-	-
Total 930 - General Expense	121,952	115,675	121,952	115,675	-	-	-	-	-	-
931 - Admin Rent										
0371 Rent-Office Space	36,610	39,600	36,610	39,600	-	-	-	-	-	-
0372 Rent-Apartment	10,675	10,850	10,675	10,850	-	-	-	-	-	-
Total 931 - Admin Rent	47,285	50,450	47,285	50,450	-	-	-	-	-	-
TOTAL OPERATING EXPENSE	4,101,927	4,939,930	2,047,647	2,202,095	806,066	1,124,790	1,046,963	1,411,695	201,251	201,350
NET OPERATING REVENUE/(EXPENSE)	3,079,753	1,894,100								

Southeast Alaska Power Agency

Statement of Activities YTD Budget as of July 31, 2022

	All Locations		0--No Location		1--Swan Lake		2--Tyee Lake		3--Swan-Tyee Intertie	
	01/01/22 Through		01/01/22 Through		01/01/22 Through		01/01/22 Through		01/01/22 Through	
	07/31/22		07/31/22		07/31/22		07/31/22		07/31/22	
	Actual	YTD Budget	Actual	YTD Budget	Actual	YTD Budget	Actual	YTD Budget	Actual	YTD Budget
NONOPERATING EXPENSE										
941 - Grant Income										
5410 Grant Income	68,826	-	68,826	-	-	-	-	-	-	-
Total 941 - Grant Income	68,826	-	68,826	-	-	-	-	-	-	-
942 - Interest Income Misc										
5010 Interest Earned Misc	5,741	-	5,741	-	-	-	-	-	-	-
5020 Interest DNR Liability	(24)	-	(24)	-	-	-	-	-	-	-
5030 Interest Investment Income	113,206	-	113,206	-	-	-	-	-	-	-
Total 942 - Interest Income Misc	118,923	-	118,923	-	-	-	-	-	-	-
944 - Gain/(Loss) Investments										
5200 Realized Gain/(Loss) on Invest	(45,534)	-	(45,534)	-	-	-	-	-	-	-
5210 Unrealized Gain/(Loss) Investmt	(296,525)	-	(296,525)	-	-	-	-	-	-	-
Total 944 - Gain/(Loss) Investments	(342,059)	-	(342,059)	-	-	-	-	-	-	-
946 - Misc Nonoperating Income										
5040 Other Misc Income	2,340	-	2,340	-	-	-	-	-	-	-
5042 Insurance Proceeds WRG Warehs-Of	448,000	-	448,000	-	-	-	-	-	-	-
5420 Gain/(Loss) Property Dispositr	(9,000)	-	(9,000)	-	-	-	-	-	-	-
Total 941 - Grant Income	441,340	-	441,340	-	-	-	-	-	-	-
TOTAL NONOPERATING INCOME	287,030	-	287,030	-	-	-	-	-	-	-
NONOPERATING EXPENSE										
952 - Bond Interest Expense										
6120 Bond Interest Expense 2015 Series	252,370	-	252,370	-	-	-	-	-	-	-
6130 Bond Interest Expense 2019 Series	37,518	-	37,518	-	-	-	-	-	-	-
6131 Bond Interest Expense 2021 Series	235,002	-	235,002	-	-	-	-	-	-	-
Total 952 - Bond Interest Expense	524,889	-	524,889	-	-	-	-	-	-	-
953 - Depreciation-Amortization Expense										
6300 Depreciation Expense	2,951,967	-	2,951,967	-	-	-	-	-	-	-
6310 Inventory Amortization	38,486	-	38,486	-	-	-	-	-	-	-
Total 953 - Depreciation-Amortization Expense	2,990,453	-	2,990,453	-	-	-	-	-	-	-
954 - Grant Expense										
6520 Grant Contractual	3,982	-	3,982	-	-	-	-	-	-	-
Total 955 - Misc Nonoperating Expense	3,982	-	3,982	-	-	-	-	-	-	-
955 - Misc Nonoperating Expense										
6020 Interest Expense Investments	63,313	-	63,313	-	-	-	-	-	-	-
6030 Other Misc Expense	15,285	-	15,285	-	-	-	-	-	-	-
Total 955 - Misc Nonoperating Expense	78,598	-	78,598	-	-	-	-	-	-	-
TOTAL NONOPERATING EXPENSE	3,597,921	-	3,597,921	-	-	-	-	-	-	-
NET NONOPERATING INCOME/(EXPENSE)	(3,310,891)	-	(3,310,891)	-	-	-	-	-	-	-
Change in Net Position	(231,138)	1,894,100								

Southeast Alaska Power Agency
R&R Summary - Capital Expenditures
as of July 31, 2022

	2022 EXPENDITURES	2022 BUDGET	PRIOR YRS EXPENDITURES	OVERALL EXPENDITURES	Overall Budget through 2022
RR19307 - Helipads Cleveland	-	347,000	34,836	34,836	1,480,318
RR19326 - Don Finney Lane HQ	1,435,567	5,349,060	140,507	1,576,074	5,489,567
RR19331 - STCS-HMI-Historian	49,446	277,320	186,997	236,443	464,317
RR20339 - Guy Thimbles STI Phase II	144,207	151,418	209,290	353,497	360,708
RR20343 - Partial Discharge Monitors SWL	3,873	22,300	85,930	89,803	108,230
RR20345 - Stationary Winch SWL	32,161	32,455	11,044	43,205	43,499
RR21350 - Bunkhouse SWL	-	1,124,000	-	-	1,124,000
RR21356 - Office Unit SWL Four-Plex	20,140	10,940	4,060	24,200	15,000
RR21361 - XFMR Circuit Switcher WRG	198,474	401,300	989	199,463	402,289
RR22364 - 15kV Switchgear TYL	-	80,000	-	-	1,211,000
RR22365 - Airstrip Resurface TYL	105,241	332,720	-	105,242	332,720
RR22366 - Annunciators SWL	-	72,000	-	-	72,000
RR22367 - EDG Governors-Exciters SWL	-	119,200	-	-	119,200
RR22368 - Fire Service Panels SWL	-	67,000	-	-	67,000
RR22369 - Housing Roof-Siding TYL	23,987	123,375	-	23,986	123,375
RR22370 - Inlet Valve Ctrl System SWL	9,489	106,150	-	9,489	106,150
RR22371 - Intake Gate Refurbishment SWL	-	18,400	-	-	18,400
RR22372 - Reservoir Debris Site SWL	-	41,000	-	-	41,000
RR22373 - Standby Generator KTN HQ	-	15,000	-	-	15,000
RR22374 - Station Service Switchgear TYL	-	230,000	-	-	2,330,400
RR22375 - Substation Refurbishment PSG	265,580	271,635	-	265,580	271,635
RR22376 - Vibration Monitoring Equipment SW	-	64,100	-	-	64,100
RR22377 - Warehouse-Office WRG	287,310	863,600	5,861	293,171	869,461
Total All RR Projects	2,575,475	10,119,973	679,514	3,254,989	15,129,369

Overall budget is through December 2022 and does not include future years.

R&R Projects completed in 2022

RR22371 Intake Gate completed inhouse; all costs were expensed as the total was beneath SEAPA's \$10K capitalization threshold

**SOUTHEAST ALASKA
POWER AGENCY**

Revenue Fund 1,963,543.41
Dedicated R&R Fund 2,611,479.06
Commercial Checking \$ 4,575,022.47

**DISBURSEMENTS
MAY 2022-AUG 2022**

VENDOR		REVENUE FUND	DEDICATED R&R FUND
4Imprint Inc		3,698.03	-
ABB Inc		-	4,716.00
Admiralty Environmental LLC		474.50	-
AK DNR 550-1410		150.00	-
Alaska Dispatch News		171.87	194.28
Alaska Marine Lines		464.69	275.00
Alaska Permanent Capital Inc		4,847.49	-
Alaska Permanent Capital, Inc		4,853.83	-
Alaska Power Association		850.00	-
Alltek Network Solutions Inc		212.55	-
Alpine Mini Mart		355.40	-
Amazon.com		3,073.09	374.83
Angerman's Inc		149.95	-
Anixter Power Solutions LLC		2,612.12	-
Arrowhead LP Gas WRG		423.92	859.20
Ascent Law Partners LLP		14,620.00	-
Automation Direct		210.87	-
BAM LLC	ROW Clearing, RR21356 Office Unit SWL	186,000.00	19,765.00
Bank of America - April		10,166.10	-
Bank of America - July		14,229.34	-
Bank of America - June		11,710.03	1,274.31
Bank of America - May		22,489.04	31.53
Basler Electric Company		2,268.00	28,890.00
Bay Company		2,020.15	-
Breakaway Ferry & Freight LLC		8,320.00	-
Buness Bros. Inc		1,580.00	-
Buness Electric LLC		10,375.00	-
C&T Fire Protection Inc		9,279.26	-
Cambria Properties LLC		6,100.00	-
City Market Inc		866.71	-
Computershare 1450		10,250.00	-
Computershare 2015 Interest	Bond interest payments	162,564.00	-
Computershare 2019 Interest	Bond interest payments	22,815.00	-
Computershare 2021 Interest	Bond interest payments	175,934.00	-
Construction Machinery Industrial LLC		288.19	-
Dawson Construction LLC	RR19326 Don Finney Lane HQ	-	1,425,161.93
Electric Power Constructors Inc	XMSN maint., RR19314 Station Service SWL, RR20339 Guy Thimbles, RR21361 XFMR Circuit	523,107.55	303,928.12
Employee Reimbursement - Jul		51.26	-
Employee Reimbursement - May		6.25	-
Federal Energy Regulatory Commissio	Annual Administrative fees	61,140.66	-
First Bank		135.00	-
First City Electric Inc		1,464.57	-
First City Electric, Inc		240.32	-
G2 Risk Consulting		731.25	-
Grainger		923.91	-
H Construction LLC		-	23,500.00
Hammer & Wikan, Inc		-	62.98
Hammer, Clay		41.73	-
HDR Alaska Inc		1,189.60	-
Heller High Water LLC		12,000.00	-

**SOUTHEAST ALASKA
POWER AGENCY**

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**DISBURSEMENTS
MAY 2022-AUG 2022**

VENDOR	REVENUE FUND	DEDICATED R&R FUND
Instrument Sales and Service Inc	404.73	-
Jaco Analytical Lab, Inc	2,727.10	-
Johnson's Building Supply	15.45	800.00
Kelley Connect	1,369.59	-
Kemppel Huffman and Ellis PC	6,420.00	-
Ketchikan City of 334	44.00	-
Ketchikan City Port & Harbor	573.90	-
Ketchikan Daily News	1,011.05	96.25
Ketchikan Gateway Borough	20,761.94	-
Ketchikan Lock & Key	232.48	-
Ketchikan Mechanical, Inc	-	161.00
Landing Hotel	8,542.07	-
LNM Services	478.06	-
LTI Power Systems	7,273.15	-
Madison Lumber & Hardware Inc	1,603.19	-
Mallory Safety and Supply	1,840.67	-
MaMaster Carr	(3.16)	-
Mapcon Technologies, Inc	7,286.89	-
Marble Construction RR22377 Warehs-Office WRG, Storage rent	2,348.40	287,087.87
Marsh USA Inc	49,199.00	-
McMaster-Carr Supply Company	759.90	-
Mitchell Instrument Co	330.61	-
Newark Corporation	533.44	-
NK Electric, Inc	135.50	-
Northern Sales Inc	1,269.47	-
NRECA Group Ins Admin employee benefits (4 mos.)	89,459.66	-
NRECA Group Ins Admin	6,490.36	-
NRECA RSP Admin	3,693.32	-
NRECA RSP Trust Contrib Admin employee benefits (4 mos.)	119,894.80	-
Ottesens Ace Hardware	863.34	-
Pacific Pride of Alaska LLC	1,606.93	-
Pacific Printing LLC	63.90	-
PCE Pacific Inc	404.44	-
Petersburg Municipal Power & Light	3,376.20	-
Petro Marine Services-KTN	16,711.85	-
Petro Marine Services-WRG	13,093.14	-
Pilot Publishing Inc	336.00	80.00
Pilot Publishing, Inc	496.00	88.00
Polar Supply Company	254.57	-
R&M Engineering-Ketchikan, Inc	1,100.00	-
Ray Matiashowski	16,000.00	-
Richard Wikan Construction	2,155.00	-
Samson Tug & Barge	11,208.03	370.29
Satellite & Sound Inc	6,225.78	-
Schmolck Mechanical KTN	78.30	-
Schnabel Engineering LLC	4,255.00	-
SEARHC Patient Pays	316.30	-
Sentry Hardware & Marine	2,716.64	-
Service Auto Parts	3,458.63	142.96
Sign Pro	599.63	-

**SOUTHEAST ALASKA
POWER AGENCY**

Revenue Fund 1,963,543.41
Dedicated R&R Fund 2,611,479.06
Commercial Checking \$ 4,575,022.47

**DISBURSEMENTS
MAY 2022-AUG 2022**

VENDOR		REVENUE FUND	DEDICATED R&R FUND
Sockeye Business Solutions Inc		20,360.22	-
Southeast Auto & Marine Parts, Inc		958.48	-
Southeast Conference		700.00	-
Southern States	RR21361 XFMR Circuit Switcher WRG	-	237,495.00
Specialty Engineering Inc	RR22375 Substation Refurbishment PSG	-	258,700.00
Stella Jones Corporation		16,387.98	-
Stikine Inn		2,135.44	1,429.34
Sunrise Aviation Inc		34,485.00	5,015.00
Svendsen Marine LLC		3,450.00	-
Tamico Inc		5,604.91	-
Taquan Air		16,867.45	-
Temco Helicopters Inc	Brushing, snow surveys	71,231.06	-
TexRus LLC		25,723.52	1,560.00
Tongass Indoor Storage		835.20	-
Tongass Trading Company Inc		734.54	-
TSS		2,900.00	-
Tyler Industrial Supply		3,591.33	657.00
Tyler Rental Inc		390.79	273.00
UPS		-	114.35
Welsh Whiteley Architects, LLC		-	8,035.29
WesSpur Tree Equipment Inc		382.04	-
WesSpur Tree Equipment, Inc		382.04	-
Workforce Go		48.80	-
Wrangell City & Borough		24,706.80	-
Wrangell Extended Stay LLC		1,028.00	-
Wrangell IGA Inc		292.46	-
Wrangell Island Tree Service LLC		500.00	-
Wrangell Sentinel		891.75	146.25
X2nSat		13,204.63	-
ZEP Sales & Service, Niagara National		271.37	-
Total		1,963,534.29	2,611,479.06



SOUTHEAST ALASKA POWER AGENCY FY2021 AUDITED FINANCIAL STATEMENTS

A copy of SEAPA's FY2021 Audited Financial Statements were sent to Board members under separate cover. Joy Merriner, Assurance Partner with SEAPA's audit firm, BDO USA, will call into the meeting to present the audited financial statements.

SUGGESTED MOTION
I move to accept the Audited Financial Statements of the Southeast Alaska Power Agency for the year ended December 31, 2021, as presented at the September 22, 2022 board meeting.



SOUTHEAST ALASKA POWER AGENCY CEO REPORT

DATE: September 15, 2022
TO: SEAPA Board of Directors
FROM: Trey Acteson, Chief Executive Officer
SUBJECT: CEO Report

SAFETY:

There has been no work related recordable or lost time incidents since my last update.

FEDERAL INFRASTRUCTURE FUNDING OPPORTUNITIES:

Infrastructure funding opportunities spurred by passage of the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) will be transformational for the state and our region. I am currently the lead on this issue for the Agency and have been dedicating significant time to track emerging opportunities and foster key relationships that are intertwined with big picture initiatives. As an example, developing interruptible load contracts for port electrification of the cruise ship fleet involves several players with diverse needs and objectives. Serving the load requires buildout of expensive infrastructure, some of which has exceptionally long lead times (e.g., transformers).

The IRA includes numerous tax incentives that could potentially shift the economics of new generation projects. Most notably is the new direct payment in lieu of tax credits which will be written into the tax code. SEAPA and municipalities will now be eligible for this substantial benefit, whereas only taxable entities previously qualified. There are also production tax credits and several other renewable energy incentives/provisions embedded in the bills.

The Department of Energy is still in the process of standing up new offices to support the infrastructure legislation and is having difficulty hiring the necessary support staff. Rulemaking to establish grant award criteria is also still in progress for much of the anticipated funding. They are eager to get money flowing, but the reality is it will be parsed out over the next several years.

SEAPA staff has been vetting potential infrastructure projects to pursue that are aligned with anticipated funding opportunities. The goal is to have requisite information preprepared so the Agency can easily meet application deadlines when they are posted. Unfortunately, the aforementioned bills do not include much support for greenfield hydro projects, so we have to be creative in our approach. Now may be the right time to pursue a third turbine at Tyee as it could qualify for partial funding as an improvement to an existing project and could help meet a growing peak demand associated with decarbonization. SEAPA's fiber wrap project may qualify under the Broadband initiative, and I have already received interest from third parties in gaining access to this bandwidth. A side benefit to bolstering SEAPA's communications backbone is it could

create an additional revenue stream. A pilot project for solar may also be timely as the economics continue to improve, especially with the new direct pay in lieu of tax credits. There are a few large capital improvement items already identified in SEAPA's 4R Plan that also appear to align with funding criteria.

The incredible amount of money flowing into infrastructure presents an unprecedented opportunity. It will be essential that we dedicate the necessary resources over the next few years to actively pursue these competitive grants. I anticipate there will be a lot of discussion on this topic at our upcoming meeting.

GOVERNMENTAL AFFAIRS & EXTERNAL INDUSTRY ACTIVITIES:

SEAPA had extensive external industry involvement over the quarter. I led Alaska Power Association's (APA) Annual Federal Legislative Conference in Washington D.C. that included multiple meetings with DOE and key Legislators. I attended the North American Hydrogen Technology Expo in Houston with Mr. Siedman to ascertain if H2 technology for seasonal storage of energy is economically viable and suitable for capturing SEAPA's spill. SEAPA hosted the National Hydropower Association's Alaska Regional Meeting in Ketchikan. SEAPA also hosted APA's Annual Conference in Ketchikan, in which I was re-elected President for another 2-year term. SEAPA was also a sponsor of Southeast Conference. During these events I moderated and/or served on several energy panels, provided keynotes, and in some cases emceed the events. I also had numerous interactions with key contacts and fostered new relationships.

SEAPA will continue to pursue the following funding requests at the state level during the next legislative cycle and may add to the list as we review future infrastructure needs.

Priority	Legislative Requests	
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

INSURANCE:

SEAPA's annual insurance renewals are in progress and staff is working diligently to file requisite applications for the multiple lines and carriers. A couple of years ago we were at the bottom of the premium cycle, and it has continued to trend upward. We have provided information on anticipated premium increases for SEAPA's various lines of coverage (Attachment 1).

SEAPA has been working with Marsh (Broker), AEGIS (Provider), Sedgwick (Adjuster) and G2 Risk Consulting to finalize reimbursement for the Wrangell Warehouse fire remediation. An initial payment of \$448,000 was transferred to SEAPA and the remaining balance of the project (less \$100,000 deductible) will be paid upon substantial completion. We have been providing periodic renovation progress updates to Sedgwick. There is a pictorial update in staff reports of progress to-date.

I.B.E.W. COLLECTIVE BARGAINING AGREEMENT NEGOTIATIONS:

SEAPA is currently in negotiations with the I.B.E.W. and an update will be provided in Executive Session.

2021 WRANGELL WINDSTORM DISASTER RECOVERY:

SEAPA was successful in securing a grant for \$64,844.70 from the State of Alaska Division of Homeland Security and Emergency Response for reimbursement of repairs required because of the damage from the 2021 Wrangell windstorm.

RENEWABLE ENERGY CERTIFICATES (REC's):

SEAPA's REC broker successfully completed the first sale of SEAPA's REC's. It was a small sale but resulted in a payment to SEAPA of \$26,460.53. We remain optimistic that the market will support additional sales.

BEST PRACTICES & PROCESS IMPROVEMENTS:

We have initiated a Wholesale Power Rate Study to establish an industry best practices approach to rates. Although we have already firmly established the need for increases to address fixed-cost increases, this effort will provide a third-party review and standardize the analysis process going forward.

PERSONNEL RECRUITMENT:

We filled the Temporary Administrative Assistant position, and that person is assisting with digitizing records and other front desk support.

SEAPA recently had one employee separate from employment at Tyee for personal reasons and that position was filled by a transfer from Swan Lake. We are now recruiting for an Operator/Electrician at Swan Lake and have interviews scheduled for September 20th.

Recruitment for a Control Systems Engineer has seen very little interest. This is indicative of the current market which will tighten further as infrastructure money begins to flow.

Attachment 1:

Anticipated Insurance Premium Increases

2022-2023 Renewal Premium

Hello,

Southeast Alaska Power Agency anticipates the following premium adjustments for the upcoming 2022-2023 renewal with Marsh, USA.

Lines of Coverages	Premium Adjustments
Directors & Officers	5% - 8%
Property	15%
Crime	Flat
Non-Owned Aviation	8%
Heliport	8%
Auto	3% - 5%
Workers' Compensation	1% - 3%
Excess Liability	9%
DIC Directors & Officers	3% - 5%

Sincerely,

Lindsey Baker

Account Representative

Marsh, USA

This document and any recommendations, analysis, or advice provided by Marsh (collectively, the "Marsh Analysis") are not intended to be taken as advice regarding any individual situation and should not be relied upon as such. The information contained herein is based on sources we believe reliable, but we make no representation or warranty as to its accuracy. Marsh shall have no obligation to update the Marsh Analysis and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting, or legal matters are based solely on our experience as insurance brokers and risk consultants and are not to be relied upon as actuarial, tax, accounting, or legal advice, for which you should consult your own professional advisors. Any modeling, analytics, or projections are subject to inherent uncertainty, and the Marsh Analysis could be materially affected if any underlying assumptions, conditions, information, or factors are inaccurate or incomplete or should change. Marsh makes no representation or warranty concerning the application of policy wording or the financial condition or solvency of insurers or reinsurers. Marsh makes no assurances regarding the availability, cost, or terms of insurance coverage. Although Marsh may provide advice and recommendations, all decisions regarding the amount, type or terms of coverage are the ultimate responsibility of the insurance purchaser, who must decide on the specific coverage that is appropriate to its particular circumstances and financial position.

Date: September 14, 2022
To: Trey Acteson, CEO
From: Robert Siedman, P.E., Director of Engineering & Technical Services
Subject: Report for September 22, 2022 Board Meeting

Petersburg Substation Refurbishment:



The scope of work for this project was 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 included 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, new temperature gauges, and paint on the existing 20MVA transformer and miscellaneous ancillary equipment.



The project was completed on time and within budget. Thermal gauge testing and functional testing on the transformer resulted in Return to Service (RTS) status after installation of all new appurtenances and paint on the transformer. Insulation resistance, contact resistance, and overpotential integrity tests proved the new bushing on the T62 circuit breaker were also RTS status. The project was very successful overall, and the Petersburg substation (other than the batteries) is in good condition.

During this project, it was discovered that the batteries in the Petersburg substation need replacement. SEAPA anticipates developing an internal design for approval during the December Board meeting for 2023 installation.

[Remainder of page intentionally left blank.]

Wrangell Circuit Switcher Replacement:



The scope of work for this project was to remove the existing circuit switcher and replace it with a new Owner-furnished circuit switcher. A ground switch was reused whereas the new circuit switcher had provisions for installation. Two of the phases for the old circuit switcher were stored at the Wrangell warehouse for emergency spares. This project consisted 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 were performed to verify return to service status of the circuit switcher.

This project was awarded to Electric Power Constructors, Inc (EPC) and all parts to complete the work were procured prior to contract award. The original bid for this project came in at \$148,130. With careful consideration and bid evaluation techniques, SEAPA subsequently negotiated and awarded the contract to EPC for \$115,656 for a \$32,474 savings.



The project was very successful with only one onsite modification (spacer plate), which was required to integrate the existing ground switch into the new circuit switcher installation. Timing tests were performed and after a few final minor adjustments, the circuit switcher was commissioned with less than 2ms between trip on all three phases and less than 9ms between closing on all three phases.

SEAPA anticipates that circuit switchers of this vintage may be nearing their end of life and plans to begin replacements of other switchers at Tyee in 2023.

Swan Lake Emergency Diesel Generator Governors-Exciters:

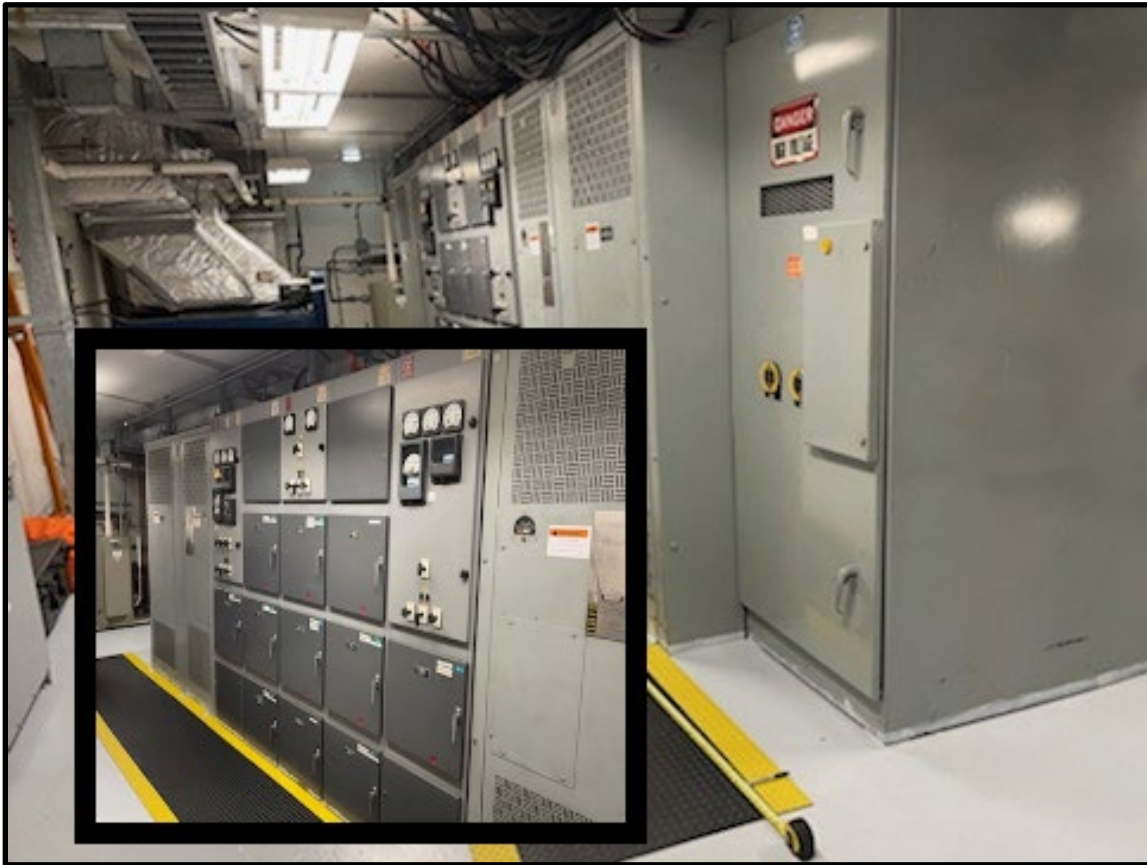


The Swan Lake diesel generators are emergency backup power for Swan Lake station service when the facility is islanded from the grid. The generators have relatively low hours of operation however the controls, governors, and exciters are nearing the end of their useful life. Upgrading the governors and exciters will extend the life of the generators and will add the ability for Swan Lake to synchronize to the grid for extended periods of time for load testing. With the completion of the Swan Lake Station Service project, functionality to synchronize was added however because the existing governors are isochronous, they can only be on the grid for a few minutes.

All parts have been ordered to include Woodward ProAct ISC digital Actuators, Basler DGC-2020HD genset controllers and Basler AVC 125-10 voltage regulators. A task order was awarded to Basler Services, LLC and the work is scheduled to be completed in November 2022.



Tyee Lake Station Service Switchgear (RR22374):



The Tyee Lake Station Service Switchgear is nearing 40 years of age and approaching the end of its useful life. The main station service transformers do not have differential protection or arc flash mitigation appurtenances (fiber optic sensors, ARMS switches, etc.) and were identified as “Extreme Danger” with an energy level of 65.3 Cal/cm² in the last Arc Flash hazard analysis. Auto-trip and transfer functionality, including emergency power transfers to diesel generators does not exist. All feeder and sub-feeder cables are also at the end of their useful life with increased probability of failures. This project would result in new 480V double-ended Station Service Switchgear, breakers, feeder and sub-feeder cables, fiber optic Arc Flash protected busbars, Arc Flash Reduction Maintenance Switches (ARMS), and complete drawing sets, including updated powerhouse one-line and three-lines, Operations Manuals, and Training. The new switchgear will be designed with redundancy and isolation in metal-clad rated gear to provide reliability, redundancy, and increased safety to onsite personnel with reduced incident energy levels (Arc Flash).

This project is currently in the design phase to develop drawings and specifications. SEAPA anticipates soliciting proposals to complete the design phase in December (3-year project).

Tyee Lake 15kV Switchgear (RR22364):



The Tyee Lake main unit generator 15kV Switchgear is approaching 40 years in service and is nearing the end of its useful life. The Switchgear is the primary protective device for the main unit generators and is essential for operation of the Tyee Lake generators. SEAPA has experienced minor failures in recent years including ancillary connection failures for open/close commands and Potential Transformer (PT) signal connection failures. This project would include engineering design, procurement of new 15kV main generator switchgear and 15kV cables, and installation. The equipment is a long lead-time item therefore this will be a 3-year project with engineering occurring in 2022-2023, procurement in 2023, and installation in 2024.

This project is currently in the design phase to develop drawings and specifications. SEAPA anticipates soliciting proposals to complete the design phase in July-August 2023. SEAPA is also conducting a synergy assessment to evaluate the benefits of combining this project with the Tyee Station Service Project, potentially saving the Agency significant Mobilization and Demobilization costs.



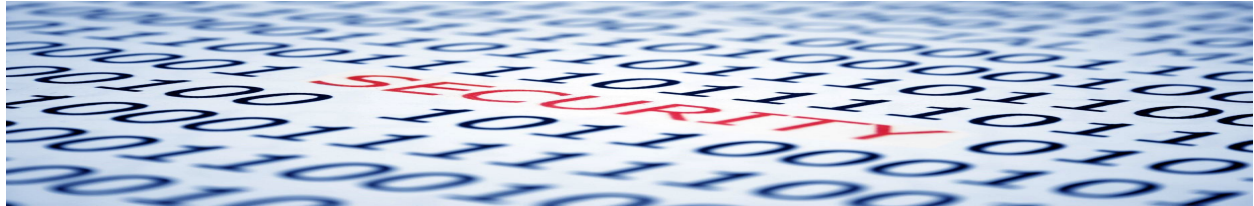
SOUTHEAST ALASKA POWER AGENCY

Underfrequency Load Shedding (UFLS)

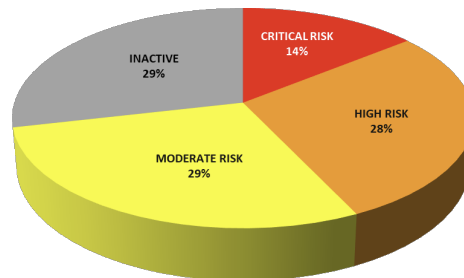
Under frequency load shedding is a key component for transient stability of a system. In 2012, SEAPA performed a transient stability study; however, in 2014 the Whitman powerhouse was placed in service. Although the SEAPA system is very stable, stability has come at the expense of potential increased outages in Ketchikan due to sensitive load shedding on certain feeders. The purpose of this study is to increase reliability for power flow cases under certain contingencies and minimize outages based on probable cases while maintaining existing stability for the system.

A new model has been completed and the first draft of the UFLS study is currently under review. Considering KPU is the most affected by any changes, SEAPA has this study out for review and anticipates a finalized load shedding scheme by 2023. Below is a snapshot of the of the current and recommend UFLS settings (prior to KPU review) for this important stability study:

Substation	Feeder	Peak Load (MW)	Old		New	
			Rate-of-Change Setting	Underfrequency Setting	Rate-of-Change Setting	Underfrequency Setting
North Point / Higgins	South	1.7	59.2 - 58.9 @ 18 cycles	58.5 @ 3 cycles	59.2 - 58.9 @ 12 cycles	None
	North	1.8	59.2 - 58.9 @ 18 cycles	58.5 @ 3 cycles	59.2 - 58.9 @ 12 cycles	None
Ward Cove	South	3.3	59.2 - 58.9 @ 18 cycles	58.5 @ 3 cycles	59.2 - 58.9 @ 12 cycles	None
	North	1.3		58.0 @ 3 cycles		58.0 @ 3 cycles
Mountain Point	South	1.0		57.5 @ 20 cycles	59.6 - 59.2 @ 6 cycles	57.5 @ 6 cycles
	North	1.3		57.5 @ 20 cycles	59.6 - 59.2 @ 6 cycles	57.5 @ 6 cycles
Port West	South	2.8		57.3 @ 20 cycles		57.2 @ 6 cycles
	North	1.7		57.3 @ 20 cycles		57.2 @ 6 cycles
Bethe	Port West	0.8		57.3 @ 20 cycles		57.2 @ 6 cycles
	Jackson	3.3		57.1 @ 20 cycles	59.6 - 59.2 @ 6 cycles	56.9 @ 6 cycles
Ketchikan	Tongass	1.3		57.1 @ 20 cycles	59.6 - 59.2 @ 6 cycles	56.9 @ 6 cycles
	1	1.5		57.0 @ 40 cycles		56.6 @ 6 cycles
	2	2.8		57.0 @ 40 cycles		56.6 @ 6 cycles
	3	2.0		58.0 @ 3 cycles		58.0 @ 3 cycles
	4	2.3		57.0 @ 40 cycles		56.6 @ 6 cycles
Wrangell	1	1.9		58.0 @ 3 cycles		58.0 @ 3 cycles
	2	1.9		57.0 @ 3 cycles		56.6 @ 6 cycles
	3	1.9		57.0 @ 3 cycles		56.6 @ 6 cycles
	4	1.9		None		None
Petersburg	T-60 Breaker	10.0		56.0 @ 3 cycles	59.6 - 59.2 @ 6 cycles	56.0 @ 3 cycles



In 2018 SEAPA contracted an information technology security expert company to perform cyber security testing on the SEAPA business and SCADA networks. The result of the study was that although SEAPA was found to be in an upper tier for security compared to its peers (other utilities), there were a few risks that were identified. As a result, SEAPA secured those areas of concern and increased cybersecurity on its critical networks.



SEAPA continues to increase security however external penetration and vulnerability testing is important to continue to maintain the highest security standards. As such, SEAPA is currently undergoing a 2022 cyber security audit for the following on both SCADA and business networks:

Firewall

- Identify the ability to access services (open ports)
- Identify exposed services with increased risk of attack or exploitation

Password Strength and Authentication

- Perform a password guessing attack to obtain unauthorized access
- Evaluate the length and complexity of passwords harvested
- Evaluate the efficacy of the discovered authentication mechanism(s), including identifying processes that disclose information useful to obtain access

Host Security

- Identify missing security patches and out-of-date/unsupported software in use
- Identify default host and web server settings, and other system/service misconfigurations
- Attempt to discover hidden or protected content available on the in-scope host(s)

Exploitation (Penetration Testing)

Safely and systematically exploit security flaws and configuration weaknesses to demonstrate to what extent the system or network may be compromised.

Date: September 6, 2022
To: Trey Acteson, Chief Executive Officer
From: Clay Hammer, Operations Manager
Re: Report for September 22, 2022 Board Meeting

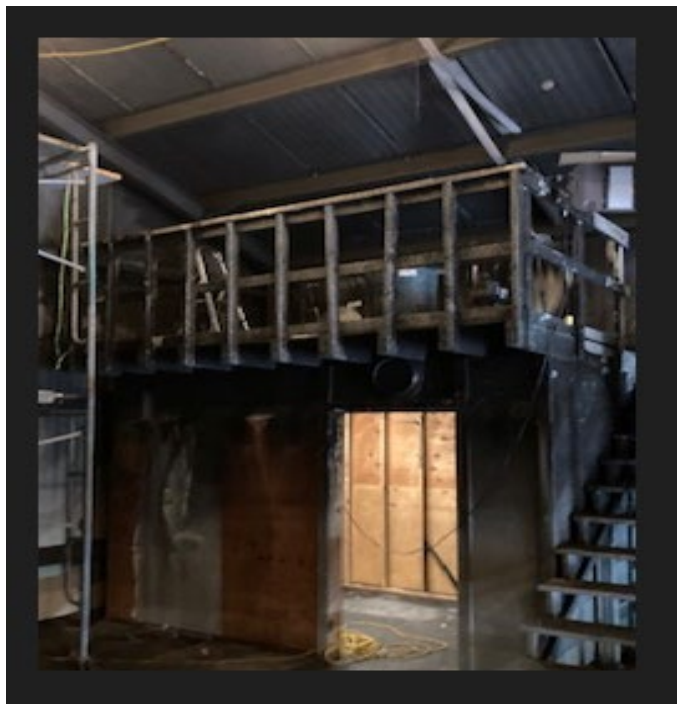
MAJOR CONTRACTS and PROJECTS

Wrangell Warehouse Fire Remediation Project

Fire remediation at the Wrangell warehouse has gotten off to a good start. Marble Construction of Ketchikan started work the last week of July and the project has steadily progressed ever since. Cleaning and painting of the inside steel structure is complete, along with the laundry room and upper storage space in the mezzanine area. The wood decking, stair treads, and anything else damaged by fire or smoke in the mezzanine were replaced.

Thickness of the roofing panels increased from 4" to 5" to meet local building code requirements for wind loading. The increased thickness required installation of additional roof purlins to support the heavier panels. Those purlins were installed and the damaged ones replaced. Side girts damaged in the fire were also replaced. Switching to heavier panels did not require a change order or incur additional cost to SEAPA. Roofing and side panel work is scheduled to take place the last three weeks of September. Following that, interior work will commence.

November 1st is the target date for substantial completion.



**Wrangell
Warehouse
mezzanine area
prior to Marble
Construction
starting
remediation.**



Stair treads were removed in order to clean risers, and replace the smoke damaged treads with new treads.



Newly painted pillars, trusses, girts and purlins.



Marble Contruction crew installing new purlins prior to panel placement



New panels secured on northwest end of building; northeast section panels being removed

Brushing Work Contracts

This season has been a busy one for both contract and in-house crew brushing work. Between Mitkof, Wrangell and Revillagigedo, there were 128 acres of right-of-way to be cleared along with an additional 19 acres cleared by SEAPA's in-house crew. BAM Construction was awarded all three of this season's contracts. They started work on Mitkof Island in May, wrapped up Wrangell Island by the end of July, and just completed Revillagigedo Island this week. Staff inspected their work and approved the work performed at all three sites.

SEAPA's in-house crew was given a full plate this season with 19 acres to clear in the Ketchikan area as well as a few small parcels on Wrangell Island. They are currently wrapping up the in-house list. That work should be complete by the first week of October.

Staff has already reviewed next season's projected cut list and will be field checking those areas to make sure they meet anticipated timelines for cutting. If necessary, acreage can be reallocated between locations so areas with the highest growth are cut and meet Agency goals for annual clearing.



Wrangell Island contract cut area

Tyee Lake Airstrip Resurfacing Project

The last time the Tyee Lake Airstrip was resurfaced was in 1994. In the 28 years since then, the crushed rock topping has worn away exposing the base aggregate. Staff solicited bids to resurface the airstrip with new material. Ketchikan Ready Mix & Quarry, Inc. was awarded a contract to provide the much-needed resurfacing.

A total of 3,500 yards of airport spec crushed rock was processed in Wrangell and will be delivered to the Tyee Lake facility using the contractor's river barge and pusher tug. 3,250 yards of the material will be used to resurface the 2,400-foot-long runway and 250 yards will be stockpiled for future runway maintenance.

Delivery of the spec rock is scheduled for the second week of September after which the Contractor will start laying and compacting the new surface. Once work starts, the airstrip is expected to be out of service for up to 7 days. Every effort will be made to minimize the impact of regularly scheduled flight service to the Tyee Lake Facility.



Stockpile of approximately 50% of crushed resurfacing material for Tyee Airstrip

Tyee Crew House Roof and Siding Project

“H” Construction of Palmer, Alaska was the sole bidder this last Spring for Phase II of the roof and siding project on the Tyee Lake crew quarters and bunkhouse buildings. H Construction is very familiar with the site and buildings having completed the first phase of the project a few years ago when the other housing buildings received this same work.

This project will include replacement of the metal roof for crew house #4 and a full replacement of the vinyl siding on the Bunkhouse. Lead times for material have been a challenge this year and as a result, work originally expected to take place in July or August has now been rescheduled for September 20th. All materials are expected to arrive in Wrangell the 3rd week of September with plans for the contractor to start work shortly thereafter.

Each of the housing units onsite are structurally sound. Performing this needed maintenance will extend their service life for many years to come.



Overhead view of Tyee crew housing; roof scheduled for replacement is on the left

Water Line Replacement Tyee Crew Housing

What was calculated to be a minor seep earlier this year developed into a major leak requiring replacement of the water main flowing from the filtration and treatment center in the Tyee mechanic shop up to the crew housing. Staff isolated the problem to a location between the shop and housing; however, digging it up to repair it proved problematic. The original routing of the line went under the service road leading up to crew housing and then dog legged in the direction of an abandoned well head that was removed from service when the camp was commissioned in the 1980s. A new line was properly installed using sand material to bed it, burial tape for future reference, and an additional isolation valve at the crew housing end to help with future trouble shooting.



New 2" water main with isolation valve at the end of the ditch line



Excavated material was removed to locate the leak and lay new line. Note the size of the bedding material used in original installation.



Photo showing work completed, water line properly bedded, and service road repaired.

Tyee Lake Report

It was a productive Summer this year with the Crew staying busy with regularly scheduled preventative maintenance items and Plant work. In addition to their normal duties, they also accomplished the following:

- *Pressure washed Miracle Span Quonset Hut*
- *Pressure washed Crew Housing buildings*
- *Cleaned debris and vegetation from third turbine tailrace*
- *Continued pothole repairs along roadways*
- *Installed a new aluminum access porch and stairs for the Forest Service storage cabin*
- *Mowed brush along all camp roadways*
- *Cleaned ditches and beaver dams along roadways where needed*
- *Trimmed trees and brush growing up around both ends of the airstrip*
- *Site visits to all four marine terminals to top off nitrogen levels and test alarm set points*
- *Replaced the Crew Housing water main*
- *Graded all service roads*
- *Cleaned up around the Transmission Line bone yard, palletized and stored Transmission Line hardware supplies*
- *Replaced overhead lighting in the Vehicle Barn and Miracle Span Quonset Hut*

Tyee Activities



**One of two
freshly
pressure-
washed and
painted fuel
supply tanks.**

New aluminum stairs and porch for USFS cabin. Hand rails will be built next, followed by installation of the new structure on the building.



Tyee Foreman, Nathan Stewart, reviewing operational parameters for the Tyee incinerator with crew members, Randy Rasler and Dan Rohr.

Safety Training this quarter included:

- ✓ *Heat Stress*
- ✓ *Hydration*
- ✓ *Ladder Safety*
- ✓ *Slips, Trips and Falls*
- ✓ *Walking Working Surfaces*
- ✓ *Chemical Protection*
- ✓ *Plant, Switchyard, and Substation Orientation Training for new hires*



Time to go home; helicopter departing Tyee Gatehouse after a day's work

Date: September 9, 2022
To: Trey Acteson, CEO
From: Ed Schofield, Power System Specialist
Subject: Report for September 22, 2022 SEAPA Board Meeting

SEAPA Headquarters Project Update

The SEAPA Headquarters construction is progressing on budget and schedule. The project is currently 45% complete. The building's upper structure is erected with a roofing system weather barrier and insulation installed. The first and second concrete floors are complete. Material submittals are complete, with delivery dates established for all items other than the entryway clearstory glass. To date the contractor, Dawson Construction, has submitted five minor change orders totaling \$22,075. Half of the total change order amount is due to SEAPA's request to relocate the satellite pad (\$9,530.23). The other four change orders are due to unforeseen site conditions, material specification changes and/or item availability. The Project's completion date is estimated to be late February or early March 2023.



Foundation Excavation



Foundation Bedding Compaction



Super Structure Column Foundation and Stem Wall Footer Concrete Forms



Super Structure Column and Stem Wall Footer



Foundation Stem Wall Forms



Concrete Placement Foundation Stem Walls



Foundation Complete



Placement of Concrete Reinforcement Steel for Ground Floor Concrete



Ground Floor Poured and Superstructure Assembly



Storm Drains and Catch Basin Installation



Second Story Superstructure Assembly



Sidewalk Curb Forms



Front Parking Lot Sidewalk Curbs



Second Floor and Roof Pan Decking Installed



Second Floor Concrete Pours Completed



Roofing Insulation Installation

Swan Lake Dam Vibration Monitoring Project

An array of vibration geophones has been installed on the Swan Lake dam and intake structure as a part of Swan Lake's Vibration Monitoring Project to record vibration characteristics of the power tunnel. Seven geophones were installed. Four are located along the top of the dam, one along the dam foundation at the elevation of the power tunnel intake, and two on the inside of the intake structure. The geophones are connected to a computer that records the vibration data for trending with reservoir elevation, plant generation, and water flows. The Project is 99% complete and will be completed the last week of September 2022.



Dam Foundation Vibration Monitoring Geophone



Geophone Installation on Top of Dam



Geophone Coaxial Intake Installation



Geophone Coaxial Dam Installation



Geophone Coaxial Intake Installation



Vibration Geophone Monitoring Computer Installation at Intake Structure

Swan Lake Reservoir Debris Removal

Due to the installation of spillway control gates in 2016 increasing the Swan Lake reservoir spill elevation from 330' to 345', a significant increase in floating debris in the reservoir is expected. Historically, debris has been removed from the reservoir with an excavator stationed alongside the intake building. To perform debris removal at this site the reservoir elevation must be greater than 325' and less than 342'. Most years, the window of opportunity for removal is very short or nonexistent. To increase the opportunity to remove debris, a second removal site has been established approximately one mile east of the dam. The site is located outside of both the primary and secondary log debris booms. This will enable crews to remove debris prior to it reaching the primary boom, where the debris is at the highest risk of negatively impacting the operations of the dam spillway gates. In August, the debris site was built, and a winch was flown in by helicopter and setup. Debris will be skidded from the reservoir at this site, bucked up with chainsaws, and burned.



Clearing a Site for Reservoir Debris Removal



Establishing a Winch Anchoring Platform



Winch Anchoring Platform under Construction



Winch Anchoring platform Complete



Debris Removal Site Complete



Transporting Winch by Helicopter to Reservoir Debris Site

Federal Energy Regulatory Commission Activities / Swan Lake

An Owner's 2022 Site Inspection of the Swan Lake Facility was completed in July by SEAPA staff and a report submitted to the Federal Energy Regulatory Commission (FERC) in September. The report reviews established dam maintenance practices, SEAPA's staff training program, and general overall condition of the Swan Lake facility. Historically, the inspection and report are completed annually by a FERC project engineer; however, FERC has not performed the inspections since 2019 due to COVID-19. They requested that SEAPA complete the annual inspection and write a report covering general conditions noted until further notice.

The Swan Lake Dam's Dam Safety Surveillance and Monitoring Report (DSSMR) was completed and submitted to FERC in September. This report is a third-party review of the previous (2021) year's preventative maintenance documentation and performance.

A Swan Lake Emergency Action Plan (EAP) Table Top Exercise was completed in June 2022 followed by preparation of an after-action Report, which was submitted to FERC.

Swan Lake Staffing

SEAPA is currently reviewing several promising applications for an Operator/Electrician to fill an open position at the Swan Lake Plant due to an internal transfer to the Tyee Plant.

Safety Training year-to-date includes:

- ✓ **Basic CPR/First Aid**
- ✓ **Vessel Safety Inspections**
- ✓ **Flame Resistant Clothing Selection & Care**
- ✓ **Boating Safety**
- ✓ **Hand Safety**
- ✓ **Hand Signaling for Rigging**
- ✓ **Job Hazard Analysis**
- ✓ **Eye Safety**
- ✓ **Swan Lake Manlift Safety Training**
- ✓ **Heat Stress**
- ✓ **Hydration**
- ✓ **Ladder Safety**
- ✓ **Slips, Trips and Falls**
- ✓ **Walking Working Surfaces**
- ✓ **Chemical Protection**
- ✓ **Plant, Switchyard, and Substation Orientation Training for new hires**



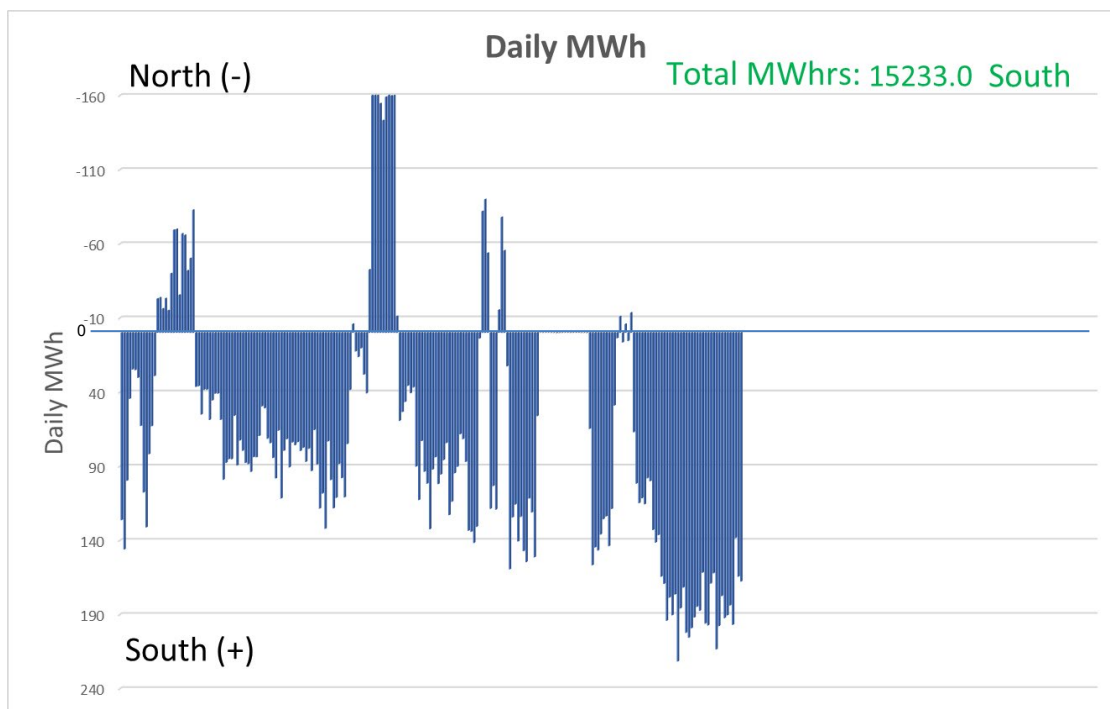


SOUTHEAST ALASKA POWER AGENCY

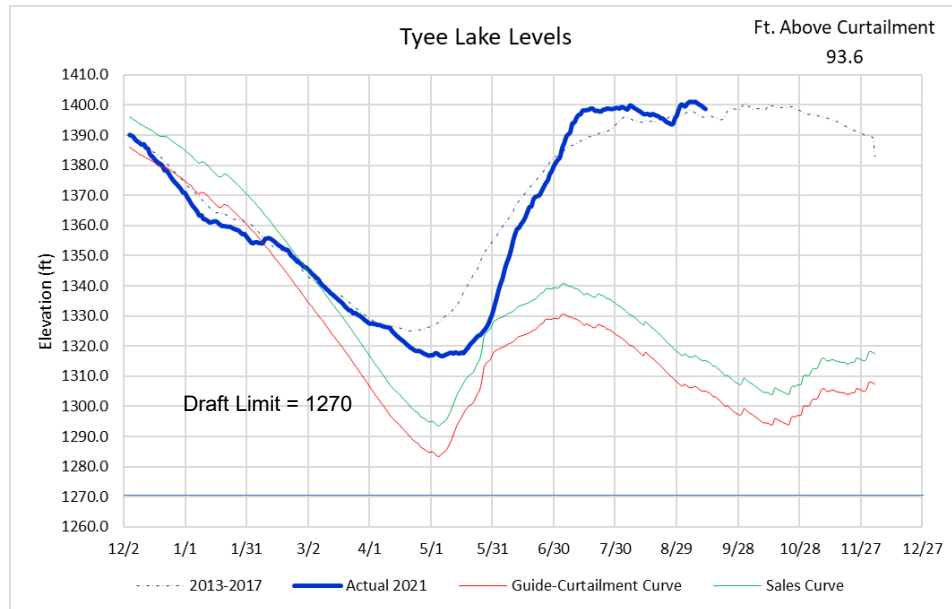
Date: September 14, 2022
To: Trey Acteson, CEO
From: Robert Siedman, P.E., Director of Engineering & Technical Services
Subject: Quarterly Operations Plan Update for September 22, 2022 Board Meeting

Operations Plan Update:

The 2022 spring and summer snow-pack runoff was above average causing lake levels to increase dramatically over the summer months. The lakes were at 100% full capacity in July and have remained at 100% full capacity since. SEAPA was able to prevent spill at Swan Lake through lake balancing over the Swan-Tyee Intertie (STI) until September 1st.

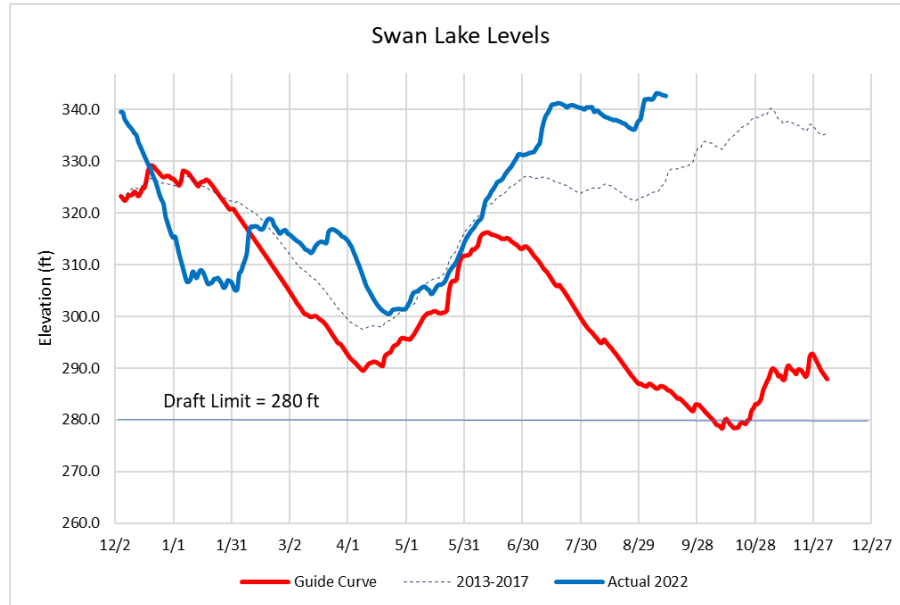


The above chart demonstrates SEAPA Operations since January 2022 as it relates to balancing lake levels. The daily transfer of MWh across the STI transmission line demonstrates that SEAPA effectively balanced the lakes by way of dispatching Mega-Watts to the North or to the South. The bar lines above the 0-MW line demonstrate how SEAPA dispatches Swan Lake generation to the North, preventing curtailment of Tyee generation. The bar lines below the 0-MW lines demonstrate Tyee dispatch to the South, causing Tyee to follow the Board-approved guide curve and prevent spill at Swan Lake.

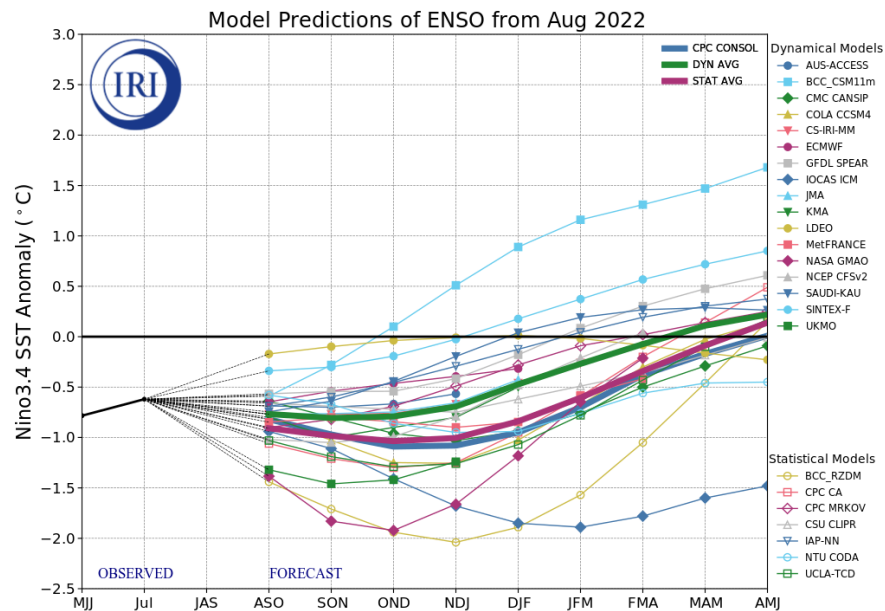


The lake level at Tye is currently in a very healthy condition with an elevation that is 93.6 feet above the curtailment curve (nearly 130 feet above the draft limit). Southeast Alaska experienced a colder spring in 2022 due to ensuing El Nina weather patterns which caused Tye runoff (snow melt) to be slightly behind the forecasted models (illustrated above). In June, Tye runoff accelerated and the Tye lake level increased rapidly, in almost a straight line upward. At full capacity by July, the spring runoff was exactly as SEAPA predicted in previous Operations Plan updates, resulting in the lake reaching full capacity which will sustain forecasted outputs for the 2022-2023 winter season.

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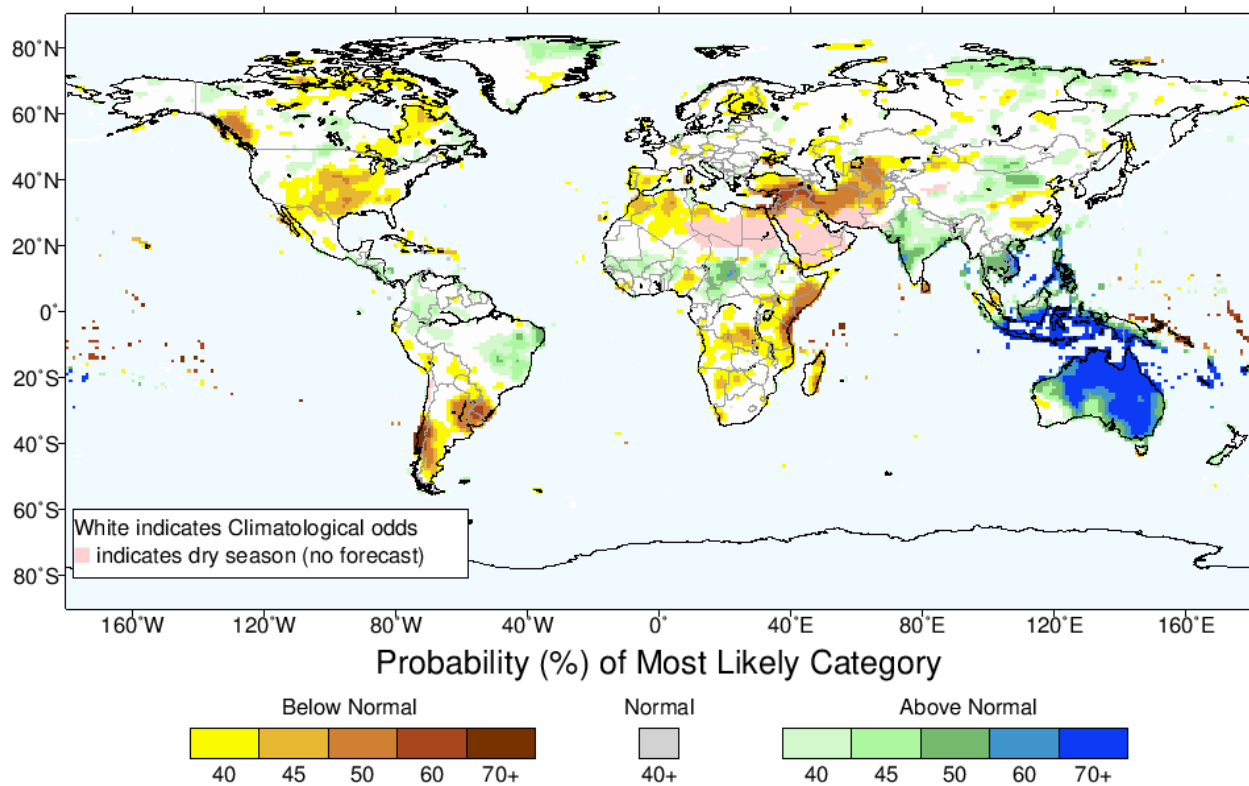


The lake level at Swan is also in a very healthy condition with the lake currently at 100% capacity. Because both lakes were at 100% capacity on September 1st, spill at Swan was unavoidable due to a heavy rain system. The Swan Lake Reservoir Expansion Project continues to prove to be extremely beneficial, allowing capture of rain events and increased storage capacity in the Swan Lake reservoir, however SEAPA continues to spill approximately 20-25% total generating capacity every year.



Current model predictions from the International Research Institute (IRI) and Climate Prediction Centers (CPC) (illustrated above) forecast continued below-average ocean temperatures. Below-average oceanic temperatures typically lead to below-average precipitation. As discussed in the 2022 Operations Plan, SEAPA developed 2022 guide curves in anticipation of continued La Nina type weather patterns because of this phenomenon. With an extremely wet year in 2021 and an excellent snowpack for 2022, both Swan Lake and Tyee Lake are at spill capacity (completely full). As a result, SEAPA has significant capacity to deliver all its Member Utilities' Firm Power Requirements for the foreseeable future. Although September-October-November 2022 will likely have below-average precipitation, SEAPA's reservoir levels are very healthy and have a high probability of maintaining full capacity until December.

IRI Multi-Model Probability Forecast for Precipitation for September–October–November 2022, Issued August 2022





SOUTHEAST ALASKA POWER AGENCY

Date: September 12, 2022
To: Trey Acteson, CEO
From: Ed Schofield, Power System Specialist

FISCAL NOTE:

RR 22370 (SWL Inlet Valve Control System)
\$106,150 approved in SEAPA FY2022 R&R
Capital Budget for parts, engineering, drawings,
labor (in-house & contractual), and shipping.

Subject: Consideration and Approval of Sole Source of Swan Lake Inlet Valve Control System Upgrade Project

Replacement of the Swan Lake inlet valve controls for reliability purposes was budgeted as a R&R project in the Agency's FY2022 budget. As noted in the attached project description, the inlet valve controls are a one-of-a-kind design for the Swan Lake Plant. Engineering includes development of operational control system logic to be integrated into the plant's existing automated SCADA system, and labor to remove the existing system and install new controls.

Staff recommends sole sourcing the work to Basler Services, LLC to reduce the risk of multiple contractors gaining access to our SCADA network, reducing security concerns, increasing efficiency, and thereby reducing costs due to Basler's intimate knowledge of our control network. The scope of work for the cost of \$69,730.00 is as follows:

Engineering & Design	Wiring & Enclosure Design Drawings, Integration into Unit PLC's, Station PLC, and HMI/RTAC's PLC Programming, SCADA Screens/Manual Operation from Control Room HMI, PLC Configuration & Factory Testing, Inlet Valve Position Sensing Bracket Design for Redundant Transducers, BOM, ordering drawings, etc., Create DOSO Section, and Manual Control Panel Assembly and Testing	\$39,260.00
Parts	Purchased by Basler	\$10,450.00
Installation & Commissioning	Travel and on-site expenses, labor for installation and commissioning (4 days for demo & 2 days for commissioning)	\$20,020.00
Total		\$69,730.00

SEAPA's procurement policy requires three oral quotes from at least three qualified persons or vendors for contracts over \$50,000 to \$75,000 in value; however, Section 8 of the Agency's Procurement Policy provides that the following may be contracted for without competitive bidding:

8.3 Contractual services of a professional nature, such as engineering, architectural, legal, medical or consulting services;

I recommend that the Board authorize staff to enter into a sole source contract with the engineering firm, Basler Services, LLC, for \$69,730 for the Swan Lake Inlet Valve Control System Upgrade Project. Please consider the following suggested motion:

SUGGESTED MOTION

I move to authorize staff to enter into a sole source contract with Basler Services, LLC for engineering & design, parts, and installation and commissioning services for SEAPA's Swan Lake Inlet Valve Control System Upgrade Project (RR22370) for \$69,730.

Inlet Valve Control System SWL

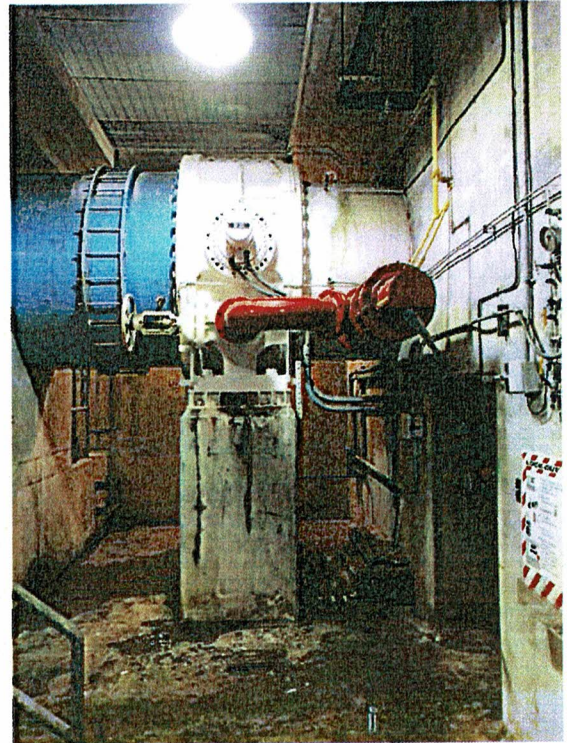
Description:	Development and installation of a new Inlet Valve operational control system for Swan Lake Unit 1 and Unit 2.		
Cost Estimate:	\$106,150	Sched. Complete: FY2022	Project Mgmt: Schofield
PROJECT DISCUSSION			
<p>The Swan Lakes inlet valves are installed upstream of the hydro units for the purpose of safely isolating the units from penstock flows. The inlet valve electrical controls were originally installed during the plant's construction 38 years ago. The system is an unreliable antiquated system consisting of a multitude of mechanical relays, switches and sensors that must function in sequential order. The failure of any one device results in an incomplete Hydro Unit start or stop.</p> <p>This project would remove all mechanical devices and replace them with a programable logic controller and magnetic position indicators. This will make the control system reliable and easier to trouble shoot if a component failure does occur.</p>			

PROJECT COST ESTIMATE			
BREAKDOWN	ESTIMATE	BUDGET – EXPENDITURES	
Parts	\$25,000	FY22 BUDGET	\$96,500
Engineering	28,000	Contingency 10%	9,650
Drawings	5,000		
Labor	28,000		
Inhouse Labor	8,000		
Shipping	2,500		
Total Estimate	\$96,500	Total Budget	\$106,150
Project Cost Estimate Discussion			
<p>Budget estimate covers off the shelf components and custom designed and manufactured items. The inlet valves are a one-of-a-kind design for the Swan Lake plant. Engineering costs covers the development of operation control system logic to be integrated into the existing plant's automated SCADA system and labor to remove the existing system and install the new.</p>			

Inlet Valve Control System SWL



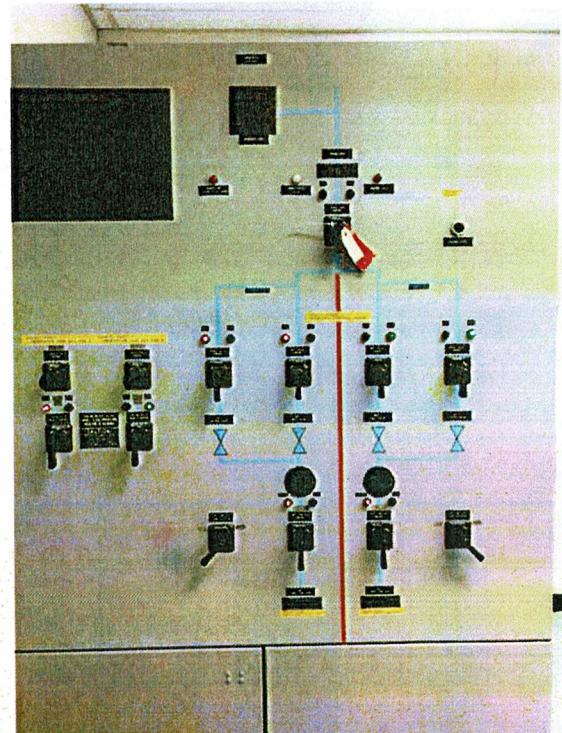
Inlet Valve Hydraulic Power Unit



Inlet Valve and Pressure By-Pass Valve

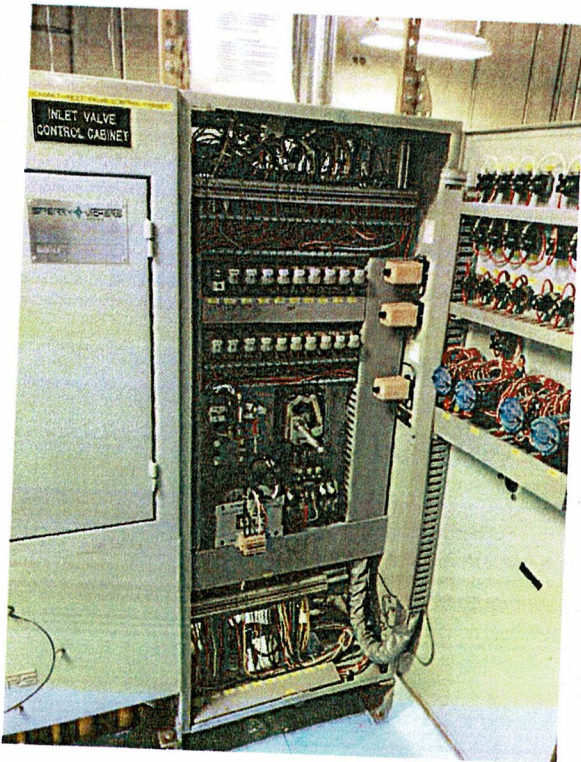


Inlet Valve Hydraulic Cylinder & Locking Pin



Powerhouse Control Center Inlet Valve Controls

RR22370 Inlet Valve Control System SWL



Inlet Valve Control Relays, Timers and Switches



Inlet Valve Hydraulic Power Unit



SOUTHEAST ALASKA POWER AGENCY

Date: September 12, 2022

To: SEAPA Board of Directors

From: Trey Acteson, CEO

Subject: Consideration and Approval of Increase to Operating Budget for Load Growth Study

During SEAPA's May 12, 2022, board meeting, staff presented a Wholesale Power Rate Presentation which demonstrated that SEAPA's revenue is primarily driven by sales and wholesale power rates are contingent on load growth. The presentation included the following two recommendations:

1. Commission a third-party rate study to establish a dynamic structure for analyzing current and future revenue needs of the Agency. SEAPA is not economically regulated by the Regulatory Commission of Alaska (RCA), so this is intended to refine the Agency's approach to establishing wholesale power rates.
2. Commission a comprehensive third-party regional load growth forecast study that includes potential impacts of evolving industries and beneficial electrification (e.g., heat pump conversions, EV's, public transit conversions, cruise ship electrification, mine processing, and seafood processing). Although utilities do not typically forecast rates beyond a couple of years, this will improve SEAPA's ability to forecast future revenue requirements.

As a follow-up to those discussions, staff seeks approval of a \$100,000 increase to SEAPA's FY2022 Operating Budget to fund a third-party regional Load Growth Study pertaining to electrification. Staff recently solicited a proposal from a qualified firm to conduct a 30-year study to provide an understanding of the likely scale and timing of conversion from petroleum-based energy to carbon-free, renewable energy sources and to facilitate SEAPA's forecasting to ensure future revenue requirements and power generation are sufficient to serve SEAPA's member communities. The firm's estimate was under \$100,000. If funding is approved, we will seek two additional written proposals from qualified firms as required under Section 5 of SEAPA's Procurement Policy, which provides the CEO with approval authority for contracts \$100,000 or less. If two additional written proposals are received, we will contract with the firm whose proposal is in the best interest of SEAPA for the study.

Please consider the following suggested motion:

SUGGESTED MOTION
I move to increase SEAPA's FY2022 Operating Budget by \$100,000 for a third-party regional Load Growth Forecast Study.



SOUTHEAST ALASKA POWER AGENCY 2023 ADMIN BENEFITS

To: Trey Acteson, CEO

Date: September 12, 2022

From: Kay Key, Controller

Subject: **FY2023 Administrative
Employee Benefits**

National Rural Electric Cooperative Association (NRECA) has issued their renewal rates for calendar year 2023 group benefits. These rates apply to administrative employee benefits. Our deadline for group enrollment is September 23. A summary of all administrative employees' benefits immediately follows this memo.

SUGGESTED MOTION

I move to renew the NRECA 2023 employee group benefit plans and Administrative Employee Benefits as presented.

Health & Welfare – Administrative employee benefits are provided by NRECA (National Rural Electric Cooperative Association). NRECA utilized reserves in 2021 to hold their rates steady (a 0% increase) due to Covid; however, there will be rate increases for benefit year 2022. The “2022 Renewal Rates” document attached to this memo display Current Rates for 2021, Renewal Rates for 2022, and the percentage of change between the two.

Employees contribute 10% of the medical, prescription, dental, and vision premiums:

Annual Premiums	CY19	CY20	CY21	CY22	CY23
Single Med, RX, Dental, Vision	\$18,764	\$19,668	\$19,668	\$21,282	\$23,253
Family Med, RX, Dental, Vision	\$40,119	\$41,768	\$41,768	\$44,791	\$48,506
Life Insurance, Disability	2.07%	2.10%	2.10%	2.01%	2.20%
Defined Contribution Plan (457b)	3%	3%	3%	3%	3%
Defined Benefit Plan (RS Plan)	37.78%	38.53%	39.69%	40.49%	41.70%

457(b) Deferred Compensation Plan - SEAPA contributes 3% of base salary to administrative employees' accounts after they contribute 1%.

Retirement Security Plan - SEAPA participates in NRECA's defined benefit plan, the RS Plan. Calendar year 2023 billing rates for SEAPA's defined benefit pension plan increased 1.21%. The increase is due to continuing historically low interest rates, which result in higher lump-sum payments to participants and reduces the plan's funding level. Please review the attached “NRECA Retirement Security Plan 2023 Rates” flyer for a more detailed explanation of rate changes.

A comparison of SEAPA's 2022 budget and an estimate of the FY2023 SEAPA benefits, based upon 2022 wages, is displayed below for your reference. This mock-up reflects 8 FTEs; it includes benefits for the unfilled Control Systems Engineer position, except for the RS Plan that has a one-year eligibility waiting period for employees who are not already participants.

Budget Item	2022 Budget	2023 Budget (Est.)
Wages	\$1,122,000	\$1,122,000
Taxes	80,000	80,000
H&W	303,800	330,000
Retirement	443,000	452,300
Total	\$1,948,800	\$1,984,300

Attachments:

2023 Administrative Employee Benefits (2 pages)
 NRECA 2023 Renewal Rates for Admin H&W Benefits
 NRECA Retirement Security Plan Billing Rate History graph
 NRECA Retirement Security Plan 2023 Rates



SOUTHEAST ALASKA POWER AGENCY

Administrative Employee Benefits Calendar Year 2023

Payroll, PTO & Holidays	Description
Payroll	Bimonthly pay periods are the 1st – 15th and 16th-last day of the month. Pay dates are the 7th and 22nd of the month.
Paid Time Off	Employee starts earning 6 hours per pay period in first year; increases to 10 hours per pay period. (Max accrual of 480 hours cashed out each year-end or separation from service.)
Holidays	10 holidays + 2 Floating Holidays annually. No carryover of floating holidays.

Retirement Security Plan - Vesting Schedule	
Years of Vesting Service	Vested Percent
One year of service	10%
Two years of service	20%
Three years of service	30%
Four years of service	40%
Five or more years of service	100%
If participating at age 55, regardless of years of service	100%

HOLIDAYS
New Year's Day Presidents Day Memorial Day Independence Day Labor Day Veterans Day Thanksgiving Day and the following Friday Christmas Eve and Christmas day 2 Floating Holidays

Board Approval: _____

2023 Renewal Rates

Subgroup: 0102192001 - SOUTHEAST ALASKA PWR AGENCY - AK

Renewal Date: 1/1/2023

These are your subgroup's renewal billing rates. Your plan design may have changed. Check your plan's renewal options for more information.

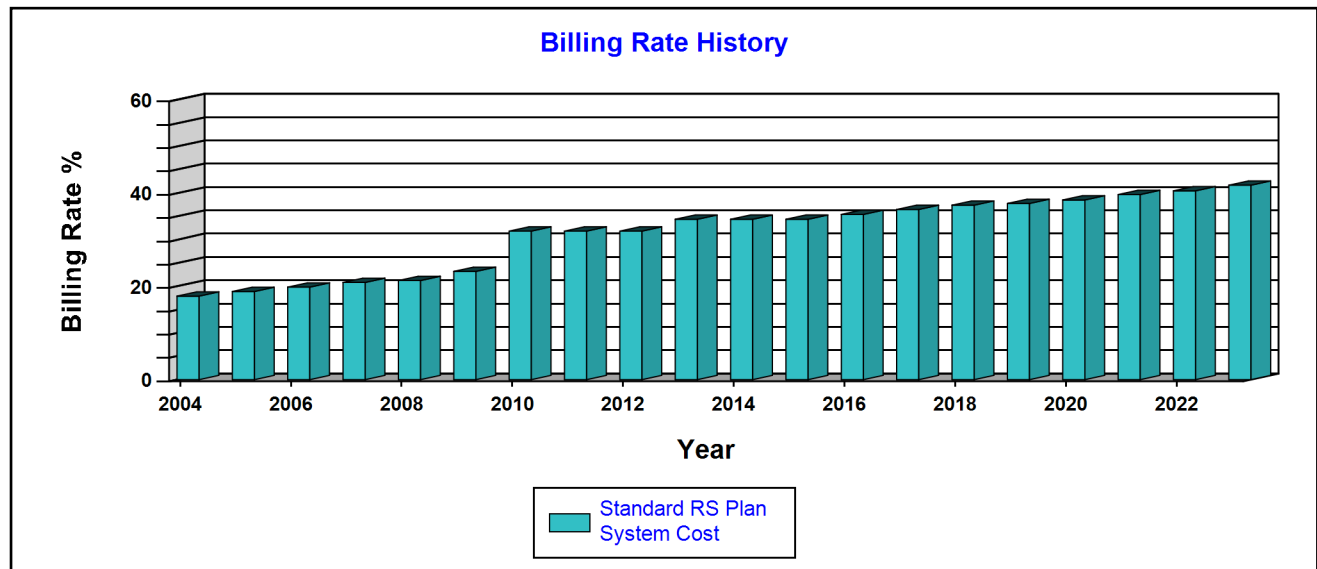
Coverages	Current Monthly Rates	Renewal Monthly Rates	Change
Business Travel Accident Insurance Plan			
bta1	\$27.00	\$27.00	0.0%
Dental Plan			
ePDental1			
INDIVIDUAL	\$63.73	\$63.73	0.0%
INDIVIDUAL + DEPENDENT	\$195.70	\$195.70	0.0%
Life Insurance Plan			
basicLife1	\$0.303/\$1,000	\$0.318/\$1,000	5.0%
Long Term Disability Plan			
ltd66Ss1	\$0.0654/\$100	\$0.0630/\$100	-3.7%
Medical and Prescription Drug Plan			
ppo2			
INDIVIDUAL	\$1,693.86	\$1,858.17	9.7%
INDIVIDUAL + DEPENDENT	\$3,493.03	\$3,802.58	8.9%
MEDICARE	\$372.65	\$408.80	9.7%
Short Term Disability Plan			
std1	\$0.0625/\$100	\$0.0644/\$100	3.0%
Vision Plan			
visPpoEnh1			
INDIVIDUAL	\$15.89	\$15.89	0.0%
INDIVIDUAL + DEPENDENT	\$43.85	\$43.85	0.0%

Retirement Security Plan

System #: 01-02192-001	Standard RS Plan: A
Name: SOUTHEAST ALASKA PWR AGENCY	

Standard RS Plan: A

Year	Benefit Level	System Cost	Employee Contribution	Plan	COLA	Average Age	Death Benefit	Salary Type
2004	2.00	17.91	0.00	62	Yes	52	Standard	BS
2005	2.00	18.90	0.00	62	Yes	63	Standard	BS
2006	2.00	19.84	0.00	62	Yes	51	Standard	BS
2007	2.00	20.84	0.00	62	Yes	56	Standard	BS
2008	2.00	21.25	0.00	62	Yes	51	Standard	BS
2009	2.00	23.21	0.00	62	Yes	49	Standard	BS
2010	2.00	31.85	0.00	62	Yes	50	Standard	BS
2011	2.00	31.85	0.00	62	Yes	50	Standard	BS
2012	2.00	31.85	0.00	62	Yes	57	Standard	BS
2013	2.00	34.39	0.00	62	Yes	56	Standard	BS
2014	2.00	34.39	0.00	62	Yes	55	Standard	BS
2015	2.00	34.39	0.00	62	Yes	56	Standard	BS
2016	2.00	35.43	0.00	62	Yes	56	Standard	BS
2017	2.00	36.49	0.00	62	Yes	56	Standard	BS
2018	2.00	37.41	0.00	62	Yes	58	Standard	BS
2019	2.00	37.78	0.00	62	Yes	55	Standard	BS
2020	2.00	38.53	0.00	62	Yes	54	Standard	BS
2021	2.00	39.69	0.00	62	Yes	55	Standard	BS
2022	2.00	40.49	0.00	62	Yes	56	Standard	BS
2023	2.00	41.70	0.00	62	Yes	57	Standard	BS



Note: The System Cost is the total of the Trust Contribution and the Administrative Fee.

Your Retirement Security Plan's salary type is "base salary." As a result, your contribution cost (system cost plus employee contribution rate shown above) is applied as a percentage of each participant's annualized base rate of pay in effect on November 15, 2022, which is that participant's effective salary for the 2023 plan year. Beginning with your January 2023 monthly statement, the estimated amount due will be based on this percentage. Rates shown are for the plan in effect as of January 1 for each year.

NRECA Retirement Security Plan 2023 Rates

Answers to Frequently Asked Questions

The Retirement Security (RS) Plan base contribution (billing) rates for 2023 have increased by 3% compared with the rates for 2022. The following provides additional insight to the rate increase.

Q1. How does the 3% increase affect my co-op's contribution rate?

A1. The 3% increase is a proportional rate increase, not an additional 3% on top of your current rate. For example, if your plan's contribution rate is 20% of payroll, the increase would be 3% of 20%, or 0.6% ($0.03 \times 20\%$). After the increase, your total contribution in dollar terms would be 20.6% of payroll ($20\% + 0.6\%$), assuming that you do not make any other changes to the design of your RS Plan and that the average age of your eligible participant population does not change significantly.

Q2. Has the administrative fee portion of the contribution rate changed?

A2. No, the administrative fee rate remains at 3% of the total contribution for 2023 (before reflecting the 2013 prepayment program discount), the same as in 2022.

Q3. My co-op's 2023 contribution rate increased more (or less) than 3% as compared with the 2022 rate. Why?

A3. The change in contribution rates for a particular plan may not equal exactly 3% for the following reasons:

- Due to changes in a co-op's participant population, the average participant age used for the 2022 rate may differ from the average age used for the 2023 rate. Other things being equal, a lower average age among participants will result in a lower contribution rate, and vice versa. Age changes in participant subgroups with lower average ages have a larger impact on the contribution rate than age changes for older populations.
- Plan design changes that apply to the 2023 rate, but did not apply to the 2022 rate (such as changes in benefit levels, the normal retirement age or employee contribution rates), can also cause a difference in actual contribution rates.

Q4. What necessitated the 2023 base contribution rate increase?

A4. In any given year, there are many elements that affect the base contribution rates. The decision to increase the 2023 base contribution rates is the result of a combination of factors, including:

- Low single cash payment (or "lump sum") interest rates—When interest rates are low, single cash distributions paid out of the RS Plan are higher. This leads to higher-than-expected plan liabilities and lower-than-expected asset levels. For the past decade, longer-term interest rates have been at historic lows and, despite the fact that single cash payment interest rates have been increasing over the first few months of 2022, it will take some time for these recent changes to take effect. If the recent increases in longer-term rates continue into the future, that should help reduce the cost pressures the RS Plan has experienced over the past several years.
- While the RS Plan Trust's 2021 investment rate of return of 17.6% was well above actuarial expectations, the 2022 year-to-date investment return (-13.33% through June 30) was

continued

significantly below what the RS Plan’s actuaries have assumed (6.75%). While there is still time during the remainder of this year for a rebound from this negative return performance, high volatility and inflationary pressure continue to make 2022 a challenging investment environment.

Q5. How do increases or decreases in assets (above or below the expected 6.75% asset return level) influence future base contribution rate changes?

A5. The RS Plan operates under special multiple-employer funding rules that our participating members helped us achieve under the Cooperative and Small Employer Charity (“CSEC”) Pension Flexibility Act in 2014. These rules allow the RS Plan to average investment returns over several years, with any asset gains or losses in the current year spread into costs over the next five years. Also, prudent plan management, including further diversification of invested assets over time, has helped keep recent changes in billing rates in the single-digit range for many years. This is in contrast to 2010, when a sudden downturn in the economy and heightened volatility in the capital markets in 2009 necessitated a 35% increase in base contribution rates in a single year. Fortunately, today the RS Plan is in a much better and stronger financial position that it was back in 2009.

Q6. What is the current funding level for the plan?

A6. There are many measures of the RS Plan’s funding level, each based on different required assumptions and methods. Under our special CSEC rules, the current funded level of the RS Plan is 89%. This is the measure of the funded ratio (the actuarial value of assets divided by RS Plan liabilities) that is reported on government forms and is comparable to how other pension plans like the RS Plan report their funded status.

It is important to note that the Annual Funding Notice that is mailed to participants each April shows different funding levels because of the unique assumptions and methods that are required for the annual notice. Specifically, the asset amounts shown in the Annual Funding Notice include contributions received during the first 8½ months of a given plan year. But for determining required annual funding for contribution rates, these receivable contributions are excluded. Excluding receivable contributions offers a more conservative snapshot of the RS Plan’s funded status. Shown below are amounts with and without the inclusion of receivable contributions in the assets.

Actuarial Valuation Date	CSEC Funded Ratio (Including Receivable Contributions)	Billing Funded Ratio (Excluding Receivable Contributions)
January 1, 2020	88% (see 2021 Annual Funding Notice)	81%
January 1, 2021	87% (see 2022 Annual Funding Notice)	80%
January 1, 2022	89% (see 2023 Annual Funding Notice)	82% (estimated)

Q7. Could there be future base contribution increases?

A7. Base contribution rates are reviewed each year as part of a process designed to move the plan over time toward a 100% funded ratio. This annual review takes into consideration:

- Results of the annual actuarial valuation—Funding rules used in the annual valuation determine a contribution level that is designed to eventually achieve a 100% funded ratio for the RS Plan over the anticipated funding period.

- Potential impact of key cost drivers—Key factors that could affect future base contribution rates include further regulatory changes and the outlook for investment returns and interest rates.

A generally decreasing funded ratio since 2016 was the primary cause for rate increases from 2016 to 2023. If the funded ratio does not improve as the result of other factors, it could be necessary to again increase rates in future years. Because the valuation process includes methods to reduce contribution volatility, any changes in costs would be gradual. The current 2022 market conditions have also raised the need to be prudent in adjusting the billing rate, especially in the event the annual return for 2022 remains well below the assumed 6.75% return.

Q8. Some cost factors have been slow to improve. How does this affect the RS Plan in the long term?

A8. The two primary sources of RS Plan funding are investment returns and employer contributions. As expectations for future investment returns decline, participating employers must pick up the difference through increased contributions (as seen in recent base contribution rate increases). The RS Plan, along with most large pension plans, has decreased its long-term investment return assumption five times in the past 10 years in response to a variety of market and macro-economic conditions. (The expected return on assets assumption was 8% as of January 1, 2012; currently it is 6.75%.)

Other factors have had an inflationary effect on the cost of benefits, and therefore contributions, including:

- Interest rates—As interest rates remain historically low, pension plans like the RS Plan must pay larger single cash payments than previously expected. However, on a positive note as explained above, interest rates have been increasing during the first half of 2022.
- Increasing longevity—People are living longer and, as a consequence, drawing on their pensions for longer periods of time, also increasing the overall cost of benefits.

While RS Plan actuaries expect interest rates to move back toward historical norms over time, increasing participant longevity is likely to continue.

Q9. When does the difference in rates between prepaying and non-prepaying co-ops end?

A9. Non-prepaying co-ops currently pay a higher billing rate than similarly situated prepaying co-ops. This higher rate essentially pays, over many years, the special contribution the non-prepaying co-ops could have made in 2013 by participating in the prepayment program.

- Those incrementally higher contributions are being tracked to determine when the non-prepayers have contributed total contributions that are actuarially equal to the amount of the 2013 special contributions they could have made. The rate discount will not be taken away from prepayers, but non-prepayers will essentially have bought into a comparable discount level over time. Therefore, prepaying co-ops should not expect a sharp increase in billing rates. Instead, over time non-prepaying co-ops can expect a proportional decrease in their billing rates.
- Based on assumptions about future RS Plan asset returns and other actuarial assumptions, we currently expect the differential in rates to phase out by 2029. This estimated timing is highly dependent on the actual asset returns and actuarial experience over the next several years, and therefore the actual end of the phase in period could be different.

Q10. Does the funding level in the RS Plan differ between employers that participated in the 2013 prepayment program, and those that did not?

A10. Yes. The accelerated contributions that employers prepaid into the RS Plan under the 2013 prepayment program immediately improved their individual funding levels, as compared with employers that decided not to participate in that program. This is what allowed for the 25% reduction in future base contribution rates for prepayers compared with those that did not prepay.

It is important to note, however, that while non-prepayers may have a lower individual funding level at any given point in time, the higher relative contribution rates being paid into the RS Plan will result (over time) in an improvement in their funding levels, eventually catching up to the average funding levels of the prepayers.

Following is a chart comparing the average RS Plan funding levels for prepayers versus non-prepayers, based on accrued benefit liabilities and the actuarial value of assets as of January 1, 2022:

	RS Plan Total	Average for Prepayers	Average for Non-prepayers
CSEC Funded Level*	89%	92%	78%

**Includes RS Plan contributions payable in 2022*

Q11. Regardless of their prepayment status, does each participating employer pay to fund only its own benefit obligations under the RS Plan?

A11. Yes. Despite the fact that we only perform a single actuarial valuation for the entire RS Plan each year, the contributions that each employer is required to make, regardless of prepayment status, are designed to fully fund the benefit obligations of its own unique population and plan design by the time each employee retires and draws his or her benefit from the RS Plan. The same is true for active plans versus frozen plans. Regardless of their status, each participating employer is only paying its fair share of the total cost based on its plan design features, eligible employee demographics and unique compensation.



SOUTHEAST ALASKA POWER AGENCY

DEFERRED COMPENSATION PLAN

SUGGESTED MOTION

I move to adopt Resolution 2022-087 which approves and adopts the Amended and Restated Deferred Compensation Plan of The Southeast Alaska Power Agency with an Effective Date of January 1, 2023.

SEAPA administers its own 457(b) Deferred Compensation Plan (“the Plan”). The Plan has been updated to adopt changes in retirement statutes that have taken place since the last Restatement in 2018. Plan deferrals are invested with Spectrum Retirement Consultants. The Plan was reviewed by SEAPA’s retirement consultant, Devitt Barnett, of Thorson, Barnett & McDonald, P.C., a Seattle-based firm that specializes in governmental 457(b) deferred compensation plans.

With Board approved, these revisions shall be effective January 1, 2023:

- **Required Beginning Date**, the date a separated employee is required to initiate distributions from the Plan, has been changed **from age 70½ to age 72**.
- Maximum deferral amounts have been updated to correspond with IRS 2022 standards: a maximum of \$20,500 and \$6,500 for Age 50 Catch-up Contributions. (IRS maximums generally change each year, and the Plan already includes language to adopt them annually.)
- Plan now **allows “in-service” withdrawals** for employees age 59 ½. (While still employed, Participants may take an annual distribution from the Plan after age 59½.)
- Limits the Required Minimum Distribution payment window to 10 years in case of death benefits.
- The effective date of the restated Plan shall be January 1, 2023. There were also revisions to grammar and punctuation that are not specifically outlined and do not change the benefits or administration of the Plan.

Specific changes to the Plan are in **blue text** and include:

Article 1 DEFINITIONS	
1.16 Required Beginning Date <i>Changes from age 70½ to age 72</i>	“Required Beginning Date”: The later of April 1 st of the Year following the Year of a Participant’s attainment of age 72 or Severance from Service. If a Participant attained age 70½ prior to January 1, 2020, then the reference to age 72 in the preceding sentence shall be adjusted to read “age 70½.”

Article 3 LIMITATIONS ON AMOUNTS DEFERRED	
3.1(a) General Limitation <i>IRS max. updated</i>	<u>General Limitation.</u> Except as provided in Sections 3.2 or 3.3, a Participant's Salary Deferrals plus any Employer contributions for a Year shall not exceed the lesser of: (1) \$15,000 as adjusted by Code section 457(e)(15)(B) (\$20,500 in 2022), or
3.2 Age 50 Catch-up Contributions <i>IRS max. updated</i>	<u>Age 50 Catch-up Contributions.</u> A Participant who will attain age 50 or more by the end of the Year is permitted to defer up to an additional \$5,000, as adjusted by Code section 414(v) (\$6,500 in 2022), ...
Article 5 BENEFIT DISTRIBUTIONS	
5.2 Election of Benefit Commencement Date <i>Allows in-service withdrawals after age 59½</i>	<u>Election of Benefit Commencement Date.</u> A Participant may elect to receive a distribution of his or her Account at any time after retirement or other Severance from Service by providing a notice to the Plan Administrator at least 30 days before the date on which the distribution is to occur. In addition, effective as of January 1, 2023, a Participant may request an "in-service" withdrawal of all or any portion of his or her Account upon attainment of age 59 ½, see Section 5.9 11 . In no event may a Participant designate a distribution date later than the date described in Section 1.16.
5.3 Forms of Distribution <i>Changes from age 70½ to age 72</i>	(b) annual installment payments to the Participant but only if necessary to satisfy the Required Minimum Distribution ("RMD") rules under Section 1.16 and Article 5 of the Plan (and Code §§401(a)(9) and 457(d)(2)), if the Participant is subject to the RMD rules at the time of his or her distribution date. If the Participant attains age 70 ½ on or after January 1, 2020, Section 114 of the SECURE Act will apply, and the Participant's first RMD must be taken by the later of April 1 of the calendar year following the calendar year in which the Participant attains age 72, or when the Participant retires, as determined under Code § 401(a)(9)(C)(i)(II). If the Participant attains age 70 ½ prior to the effective date of the SECURE Act, the pre-SECURE Act rules will apply and the Participant's first RMD must be taken by the later of April 1 of the calendar year following the calendar year in which the Participant attains age 70 ½, or when the Participant retires, whichever is later.

<p>5.4 Death Benefit Distributions</p> <p><i>Limits RMD payments to 10-year window</i></p>	<p><u>Death Benefit Distributions.</u> No later than 60 days after the last day of the Year of the Participant's death, the Participant's Account shall be paid to the Beneficiary in a lump sum. If a Participant has not designated a Beneficiary, or if no designated Beneficiary is living on the date of distribution, the Account shall be distributed to the Participant's estate in a lump sum distribution as soon as administratively feasible following the Participant's death. <i>In no event may the Plan be modified or amended to extend any RMD payments beyond the ten (10) year limitation described under the SECURE Act of 2019, unless payment is to be made to an "Eligible Designated Beneficiary" within the meaning of Code §401(a)(9).</i></p>
<p>5.5 Account Balances of \$1,000 or Less</p> <p><i>Added reference to section 5.9 for in-service withdrawals</i></p>	<p><u>Account Balances of \$1,000 or Less.</u> If the amount of a Participant's Account is not in excess of \$1,000 on the date of the Participant's Severance from Service or death, then payment shall be made to the Participant (or to the Beneficiary if the Participant is deceased) in a lump sum equal to the Participant's Account as soon as practicable following the Participant's retirement, death, or other Severance from Service. <i>See, Section 5.9 for in-service withdrawals prior to a Participant's Severance from Service with the Employer.</i></p>
<p>5.8 Latest Distribution Date</p> <p><i>Changes from age 70½ to age 72</i></p>	<p><u>Latest Distribution Date.</u> Any distribution under this Article 5 shall begin before the later of (a) April 1 following the Year in which the Participant attains age 72 or (b) April 1 following the Year in which the Participant retires or otherwise has a Severance from Service (defined herein as the Participant's "Required Beginning Date"). The initial distribution must be at least equal to the annual installment payment for the Year that the Participant has a Severance from Service or attained age 72 determined under Code Section 401(a)(9) and an amount equal to the annual installment payment for the Year after such severance or attainment of age 72 determined under Code Section 401(a)(9) must also be paid before the end of such Year after the severance or attainment of age.72.</p>

<p>5.9 Mandatory Distributions Prior to Severance from Service</p> <p><i>Allows in-service withdrawals at age 59½</i></p>	<p>Mandatory Distributions <u>Prior to Severance from Service.</u></p> <p>(a) <u>In-Service Withdrawals Available at 59½.</u> In accordance with changes under the SECURE Act of 2019, effective as of the 2023 Plan Year, and for each Plan Year thereafter, a Participant may elect to receive an “in-service” withdrawal of all or any portion of his or her Account on or after attaining age 59 ½, provided that this Plan continues to be sponsored by an Employer described in Code § 457(e)(1)(A) as a Governmental Employer who sponsors the Plan.</p> <p>(b) <u>Certain Accounts of \$5,000 or Less.</u> The Administrator may distribute a Participant's Account in a lump sum at any time (including an in-service withdrawal) if (a) the Account does not exceed \$5,000, (b) the Participant has not previously received a distribution of the total amount payable to the Participant under this Section 5.9 and (c) no Salary Deferral has been made with respect to the Participant during the two-year period ending immediately before the date of the distribution.</p>
<p>Article 9 BENEFIT DISTRIBUTIONS</p>	
<p>9.7 Procedure When Distributee Cannot Be Located</p> <p><i>Changes reference to federal Agency</i></p>	<p><u>Procedure When Distributee Cannot Be Located.</u> The Plan Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the Employer's or the Plan Administrator's records, (b) notification sent to the Social Security Administration or the Internal Revenue Service <u>Department of Labor</u> (under their program to identify payees under retirement plans), and (c) the payee has not responded within six months. If the Plan Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Plan Administrator may distribute the Account by creating an individual retirement account pursuant to Labor Regulations 2550.404a-2 <u>or by payment to the Department of Labor (“DOL”) under Field Assistance Bulletin 2014-01.</u></p>
<p>Adoption Date</p>	<p>Adopted this 22nd day of <u>September, 2022</u>, with an Effective Date of January 1, <u>2023</u>.</p>



RESOLUTION NO. 2022-087

SOUTHEAST ALASKA POWER AGENCY

Resolution Authorizing Amendment and Restatement of the Deferred Compensation Plan

WHEREAS, the Southeast Alaska Power Agency's 457(b) Plan was reviewed by Devitt Barnett of Thorson, Barnett & McDonald, P.D., a Seattle-based law firm recommended by SEAPA counsel that specializes in governmental 457(b) deferred compensation plans. SEAPA is a participating employer in the 457(b) Plan and seeks to adopt these stated amendments and restatements which are effective as of January 1, 2023;

NOW, THEREFORE, BE IT:

RESOLVED, that the attached amended and restated 457(b) Plan effective as of January 1, 2023 is adopted in its entirety.

BE IT FURTHER RESOLVED that the Southeast Alaska Power Agency Board of Directors does hereby authorize and direct its Chief Executive Officer, Trey Acteson, to execute all necessary documents and to take all further action(s) necessary to carry out the intentions of the Board of Directors as indicated in this Resolution.

Approved and signed this 22nd day of September 2022.

SOUTHEAST ALASKA POWER AGENCY

By _____
Chairperson

ATTEST:

Secretary/Treasurer

**SOUTHEAST ALASKA POWER AGENCY
DEFERRED COMPENSATION PLAN**

January 1, 2023

SOUTHEAST ALASKA POWER AGENCY
DEFERRED COMPENSATION PLAN

The purpose of this Plan is to provide deferred compensation for Employees that elect to participate in the Plan. This Plan is intended to constitute an “Eligible Deferred Compensation Plan” within the meaning of §457(b) of the Internal Revenue Code, and was effective January 1, 2006. This restatement is effective January 1, 2023, except as otherwise provided below.

Article 1 DEFINITIONS

The following terms when used in this document have the meaning shown below:

- 1.1 “Account”: The Account maintained with respect to each Participant under the Trust which reflects the current value of the Participant's Deferrals, the earnings or loss of the Trust Fund allocable to the Participant, any transfers for the Participant's benefit, and any distributions made to the Participant or the Participant's Beneficiary. The Account includes any amount established under Article 6 for rollover contributions and plan-to-plan transfers received from a Participant, the Account established for a Beneficiary after a Participant's death, and any Account or Accounts established for an alternate payee (as defined in Code section 414(p)(8)) pursuant to a marital dissolution, property settlement agreement or otherwise necessary for proper administration of the Plan.
- 1.2 “Administrator”: The Employer, or the Committee if the Employer has designated one. The terms “Administrator” and “Plan Administrator” may be used interchangeably hereunder.
- 1.3 “Beneficiary”: The person(s) designated by the Participant to receive distributions from the Participant's Account after the Participant's death as provided in Section 2.9.
- 1.4 “Code”: The Internal Revenue Code of 1986, as amended.
- 1.5 “Committee”: A Committee composed of one or more individuals appointed by the Employer to function as the Plan Administrator as described in Article 8.
- 1.6 “Compensation”: All wages paid by the Employer to an Employee as defined in Code section 3401(a) plus amounts otherwise excludible from wages due to salary reduction elections under Code sections 125, 132(f), 401(k), 403(b), or 457(b) (including an election to defer Compensation under Article 2).
 - (a) Effective January 1, 2006, Deferrals are permitted from an amount received following Severance from Service only if the amount is characterized as Post-Severance Compensation as defined in Section 1.6(b).

- (b) Post-Severance Compensation includes the amounts described in (i) and (ii) below, paid after a Participant's Severance from Service with the Employer, but only to the extent such amounts are included in the final paycheck paid to the Participant at the end of the pay period that includes the Participant's date of Severance from Service and are paid by the later of 2½ months after Severance from Service or the end of the calendar year that includes the date of such Severance from Service.
 - (i) Post-Severance Compensation includes regular pay after Severance from Service if (a) the payment is regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and (b) the payment would have been paid to the Participant prior to a Severance from Service if the Participant had continued in employment with the Employer.
 - (ii) Post-Severance Compensation includes leave cashouts if those amounts would have been included in the definition of Compensation if they were paid prior to the Participant's Severance from Service, and the amounts are payment for unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if employment had continued. In addition, Post-Severance Compensation includes payments of deferred compensation if the compensation would have been included in the definition of Compensation if it had been paid prior to the Participant's Severance from Service, and such compensation is received pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid at the same time if the Participant had continued in employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.
 - (c) Any payment of Compensation paid after Severance from Service that is not described in Section 1.6(b) above is not Post-Severance Compensation, even if payment is made by the later of 2½ months after Severance from Service or by the end of the calendar year that includes the date of such Severance from Service.
- 1.7 “Deferral”: The amount credited to a Participant's Account due to the Participant's Salary Deferral Agreement that defers receipt of a portion of the Participant's current Compensation under the Plan.
- 1.8 “Salary Deferral Agreement”: The signed Agreement between the Employer and an Employee, including any amendments thereto, that specifies the amount of Salary Deferrals and any Investment Option selections made by the Employee. Each Salary Deferral Agreement or amendment thereto shall be made or confirmed in writing using a form and under procedures established by the Employer. The Employee agrees to the terms and conditions of this Plan by executing a Salary Deferral Agreement.

- 1.9 “Eligible Deferred Compensation Plan”: A Plan that at all times constitutes an "eligible deferred compensation plan" within the meaning of Code section 457(b).
- 1.10 “Employee”: Any individual who receives wages as a common-law employee of the Employer. The term “Employee” shall not include a person who is classified by the Employer as an independent contractor, or a person who is not treated as an employee for purposes of withholding federal employment taxes. If an individual is subsequently reclassified as an Employee by a court, the Internal Revenue Service or any other governmental agency or authority (including any reclassification in settlement of any claim or action relating to such individual’s employment status), such individual shall not be eligible to enter the Plan by reason of such reclassification until the date of final determination on such reclassification.
- 1.11 “Employer”: Southeast Alaska Power Agency.
- 1.12 “Investment Option”: One of the available alternatives for crediting investment earnings to a Participant's Account, which shall be based upon the performance of one or a combination of the investment funds maintained under the Trust Fund.
- 1.13 “Normal Retirement Age”: Age 62.
- 1.14 “Participant”: Any Employee or former Employee from whom the Plan has received a Salary Deferral Agreement and who has not received a distribution of the Participant’s entire Account.
- 1.15 “Plan”: Southeast Alaska Power Agency Deferred Compensation Plan
- 1.16 “Required Beginning Date”: The later of April 1st of the Year following the Year of a Participant's attainment of age 72 or Severance from Service. If a Participant attained age 70 ½ prior to January 1, 2020, then the reference to age 72 in the preceding sentence shall be adjusted to read “age 70 ½”.
- 1.17 “Severance from Service”: The cessation of Employee’s active employment with the Employer due to the Employee’s death, retirement or voluntary or involuntary termination of service, as further defined in Treasury Regulations 1.457-6(b)(1).
- 1.18 “Transfer”: An amount credited to an Account due to a plan-to-plan transfer from another Eligible Deferred Compensation Plan.
- 1.19 “Trust Agreement”: The written agreement (or declaration) made by and between the Employer and the Trustee under which the Trust Fund is maintained pursuant to Code § 457(g).

- 1.20 “Trust Fund”: The Trust Fund created under and subject to the Trust Agreement.
- 1.21 “Trustee”: The Trustee(s) duly appointed under the Trust Agreement.
- 1.22 “Valuation Date”: Each business day that the New York Stock Exchange is open for trading, except for days that the Trust Fund cannot be valued due to circumstances beyond the control of the Trustee, Administrator or any Investment Option provider.
- 1.23 “Plan Year”: A calendar year ending every December 31st.

Article 2 PARTICIPATION AND CONTRIBUTIONS

- 2.1 Eligibility. Each Employee (unless otherwise excluded from participation) shall be eligible to participate in the Plan and defer Compensation on the first day of the month on or after the date the Employee completes thirty (30) consecutive days of employment as calculated from the Employee’s “date of hire.” An eligible Employee shall become a Participant on the first day of the month following the date the Employee files a Salary Deferral Agreement pursuant to Section 2.2. Notwithstanding the foregoing, an Employee will be treated as an “Excluded Employee” if the Employee is (a) a part-time employee; (b) a temporary employee; (c) a Leased Employee within the meaning of Code §414(n); or (d) an Employee covered by a collective bargaining agreement, unless the agreement provides for participation in the Plan. An Employee will be considered to be a “part-time” Employee if the Employee is regularly scheduled to work less than thirty-two (32) hours per week for any indefinite period for the Employer under its payroll practices and procedures. An Employee will be considered to be a “temporary” Employee if the Employee is either part-time or full-time, but expected to work less than 1,000 Hours of Service per year, and designated on the Employer’s payroll practices and procedures as a “temporary” Employee. If an Employee is designated as either a “part-time” or a “temporary” Employee, and later changes their status to a regular Employee of the Employer, the individual will become eligible to enter the Plan on the first day of the month immediately following the change in designation on the Employer’s payroll practices and procedures. Similarly, if an individual changes their status from an Independent Contractor to a regular Employee of the Employer, the individual will be eligible to enter the Plan on the first day of the month immediately following the change in status on the Employer’s payroll practices and procedures.
- 2.2 Election Required for Participation. An Employee may elect to become a Participant by executing a Salary Deferral Agreement and filing it with the Plan Administrator. Any such Salary Deferral Agreement shall remain in effect until a new Salary Deferral Agreement is filed under section 2.5 or the Participant has a Severance from Service. The Participant’s Salary Deferral Agreement shall specify whether the Participant’s Salary Deferrals are to be made on a “pre-tax” basis or an “after-tax” basis, or a combination of each. After-tax contributions under the Plan must comply with the rules under Code §402A as “designated Roth contributions,” and the Plan shall establish separate accounting for such amounts for each Employee and any earnings properly allocable to the Roth contributions, as well as maintaining separate recordkeeping with respect to each

such amount. The Plan Administrator may establish a minimum and maximum Salary Deferral amount and may change such amounts from time to time.

- 2.3 Information Provided by the Participant. Each Employee enrolling in the Plan must provide to the Plan Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Plan Administrator to administer the Plan, including, without limitation, the amount of the Salary Deferral, the Participant's Investment Options and whether the Employee is a participant in any other eligible deferred compensation plan or plans.
- 2.4 Contributions Made Promptly. The Employer shall promptly transfer Salary Deferrals from the Participant to the Trust Fund. For this purpose, Salary Deferrals shall be treated as contributed promptly if the Employer makes the contribution to the Trust Fund as soon as administratively practicable, but in no event later than 15 business days following the calendar month in which the amount would otherwise have been paid to the Participant.
- 2.5 Amendment of Salary Deferral Agreement. Subject to rules established by the Employer and other provisions of the Plan, a Participant may at any time revise their Salary Deferral Agreement and change the amount of their Salary Deferrals or their Investment Option(s). Any change in the Salary Deferral amount must be made prior to the payroll reporting cut-off date and shall take effect as of the first day of the next following payroll period or as soon as administratively practicable, if later. A change in the Participant's Investment Option(s) shall take effect as soon as administratively practicable.
- 2.6 Leave of Absence. Unless a Salary Deferral Agreement is otherwise revised, if a Participant is absent from work by leave of absence, Salary Deferrals under the Plan shall continue to the extent that the Participant's Compensation continues.
- 2.7 Disability. A disabled Participant may make Salary Deferrals during any portion of the period of the Participant's Disability to the extent that the Participant has actual Compensation (not imputed Compensation and not Disability benefits) from which to make Salary Deferrals to the Plan and, subject to the Post-Severance Compensation rules in Section 1.6(b), has not had a Severance from Service.
- 2.8 Investment Options. Upon enrollment, the Participant shall designate the Investment Option(s) to which the Participant's Salary Deferrals are to be allocated. A Participant may thereafter reallocate the Participant's Account among the then-available Investment Options. The Plan Administrator and any Investment Option provider may establish limitations and procedures regarding minimum and maximum amounts or percentages that may be allocated among Investment Options, and the timing and frequency of reallocations.
- 2.9 Beneficiary Designation. Upon enrollment, the Participant may designate, in writing, a Beneficiary to receive distributions from the Participant's Account under the Trust Fund in the event of the Participant's death. A Participant may change a designated Beneficiary at any time, provided that an amended Beneficiary designation shall be effective only if

it is signed by the Participant and delivered to the Plan Administrator (or post-marked for delivery) prior to the Participant's death. A Participant may designate any person or persons as a Beneficiary. Unless otherwise provided in the Beneficiary designation form, each designated Beneficiary shall be entitled to equal shares of the Account payable after the Participant's death. If the Participant fails to designate a Beneficiary, or if no designated Beneficiary survives the Participant, then the Participant's surviving spouse shall be the Beneficiary, but if there is no surviving spouse then the Participant's estate shall be the Beneficiary. A divorce decree, or a decree of legal separation, will revoke the Participant's Beneficiary designation, if any, of the Participant's spouse as a Beneficiary under the Plan unless: (a) the decree or a QDRO provides otherwise; or (b) the Participant executes a new Beneficiary form confirming the former spouse as the Participant's properly designated Beneficiary.

- 2.10 Employer Contributions under the Plan. The Employer may, in its discretion, make additional contributions in the form of "matching" contributions or "nonelective" Employer contributions, with respect to any Participant, resulting in additional contributions to the Account of the Participant. Any such amounts shall be treated as Employer contributions and shall be subject to the overall contribution limits of Article 3.

Article 3 LIMITATIONS ON AMOUNTS DEFERRED

- 3.1 General Limitation. Except as provided in Sections 3.2 or 3.3, a Participant's Salary Deferrals plus any Employer contributions for a Year shall not exceed the lesser of:
- (a) \$15,000 as adjusted by Code section 457(e)(15)(B) (\$20,500 in 2022), or
 - (b) 100% of the Participant's Compensation for the Year (determined after any required federal, state or local tax or other withholding).
- 3.2 Age 50 Catch-up Contributions. A Participant who will attain age 50 or more by the end of the Year is permitted to defer up to an additional \$5,000, as adjusted by Code section 414(v) (\$6,500 in 2022), above the limitation in Section 3.1(a) on either a pre-tax basis or as a Roth after-tax Salary Deferral Catch-Up Contribution. If, for any taxable year, an eligible Employee makes a Catch-Up Contribution under Section 3.3 (below), the Employee is not eligible to make an age 50 Catch-Up Contribution under this Section 3.2. A catch-up eligible Participant in each taxable year is entitled to the greater of the amount determined under Section 3.2 or 3.3, in addition to the Normal General Limitation set forth in Section 3.1 (above).
- 3.3 Pre-Retirement Catch-up Limitation. If the applicable Year is one of a Participant's last three Years ending before the Year in which the Participant attains Normal Retirement Age and the amount determined under this Section 3.3 exceeds the amount computed under Sections 3.1 and 3.2, then the Salary Deferral limit under this Article 3 for the Year shall be the lesser of:

- (a) An amount equal to two times the Section 3.1(a) amount for such Year; or
- (b) The sum of:
 - (1) An amount equal to (A) the Code section 457(b)(2) limit for the current Year plus each prior Year beginning after December 31, 2001 during which the Participant was an Employee, minus (B) the aggregate amount of Compensation that the Participant deferred under the Plan(s) during such Years (disregarding any deferrals allowed under an Age 50 Catch-up Contribution provision), plus
 - (2) An amount equal to (A) the aggregate limit referred to in Code section 457(b)(2) for each prior Year beginning after December 31, 1978 and before January 1, 2002 during which the Participant was an Employee (determined without regard to Sections 3.2 and 3.3), minus (B) the aggregate contributions to Pre-2002 Coordination Plans for such Years.

However, the Deferral can never exceed the Participant's Compensation less any required withholdings for that Plan Year.

3.4 Special Rules. For purposes of this Article 3, the following rules shall apply:

- (a) Participant Covered By More Than One Eligible Plan. If the Participant is or has been a participant in one or more other Eligible Deferred Compensation Plans, then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Article 3. For this purpose, the Administrator shall take into account any other such eligible plan maintained by the Employer and shall also take into account any other such eligible plan for which the Administrator receives from the Participant sufficient information concerning the Participant's participation in such other plan.
- (b) Pre-Participation Years. In applying Section 3.3, a Year shall be taken into account only if (i) the Participant was eligible to participate in the Plan during all or a portion of the Year and (ii) Compensation deferred, if any, under the Plan during the Year was subject to the limitation described in Section 3.1(a) or any other plan ceiling required by Code section 457(b).
- (c) Pre-2002 Coordination Years. For purposes of Section 3.3(b)(2)(B), "contributions to Pre-2002 Coordination Plans" means any employer contribution, salary reduction or elective contribution under any other Eligible Deferred Compensation Plan, or a salary reduction or elective contribution under any Code section 401(k) qualified cash or deferred arrangement, Code section 402(h)(1)(B) simplified employee pension plan, Code section 403(b) annuity contract, Code section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in Code section 501(c)(18), including plans, arrangements or accounts maintained by the

Employer or any employer for whom the Participant performed services. However, the contributions for any Year are only taken into account for purposes of Section 3.3(b)(2)(B) to the extent that the total of such contributions does not exceed the aggregate limit referred to in Code section 457(b)(2) for that Year.

- (d) Disregard Excess Deferral. For purposes of Sections 3.1, 3.2 and 3.3, an individual is treated as not having deferred compensation under a plan for a prior taxable year to the extent excess Salary Deferrals under the plan are distributed, as described in Section 3.5.

3.5 Correction of Excess Deferrals. If the Salary Deferral on behalf of a Participant for any Year exceeds the limitations described above, or the Salary Deferral on behalf of a Participant for any Plan Year exceeds the limitations described above when combined with other amounts deferred by the Participant under another Eligible Deferred Compensation Plan for which the Participant provides information that is accepted by the Administrator, then the Salary Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant.

3.6 Protection of Persons Who Serve in a Uniformed Service. An Employee whose employment is interrupted by qualified military service or who is on a leave of absence for qualified military service under Code section 414(u) may elect to make additional Deferrals upon resumption of employment with the Employer equal to the maximum Salary Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Salary Deferrals, if any, actually made for the Employee during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption for military leave).

In the case of a death occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code section 414(u)), the Participant's Beneficiary is entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed employment and then terminated employment on account of death. Moreover, the Plan will credit the Participant's qualified military service as service for vesting purposes, as though the Participant had resumed employment under USERRA immediately prior to the Participant's death.

Article 4 PLAN LOANS

4.1 Loans. A Participant who is an Employee may apply for and receive a loan from their Account as provided in this Article 4. Any such loan may not be for an amount less than \$1,000. No more than two loans may be outstanding at any time.

4.2 Maximum Loan Amount. No loan to a Participant hereunder may exceed the lesser of:

- (a) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period), or
- (b) one-half of the value of the Participant's Account as of the Valuation Date immediately preceding the date on which such loan is approved by the Administrator.

4.3 Terms of Loan. The terms of the loan shall:

- (a) require level amortization with payments not less frequently than each payroll period throughout the repayment period, except that alternative arrangements for repayment may apply in the event that the borrower is on an bona fide unpaid leave of absence for a period not to exceed one year for leaves other than a qualified military leave within the meaning of Code section 414(u) or for the duration of a leave which is due to qualified military service;
- (b) require that the loan be repaid within five years; and
- (c) provide for interest at a rate equal to one percentage point (1%) above the prime rate as published in the *Wall Street Journal* or other nationally recognized newspaper that publishes the prime rate daily on the first business day of the month in which the loan is approved by the Plan Administrator.

4.4 Security for Loan; Default.

- (a) *Security.* Any loan to a Participant shall be secured by the Participant's pledge of the portion of the Participant's Account invested in such loan.
- (b) *Default.* If a Participant fails to make a loan payment when due, a default on the loan shall occur. If the default is not cured within 90 days, the Administrator shall offset the portion of the Participant's interest in the Plan held as security for the loan in satisfaction of the loan. The Plan Administrator shall not be required to accept any post-offset loan payments from the Participant.
- (c) Notwithstanding anything elsewhere in the Plan to the contrary, in the event a loan is outstanding hereunder on the date of a Participant's death, The Participant's estate shall be the Beneficiary as to the portion of the Participant's interest in the Plan invested in such loan (with the Beneficiary or Beneficiaries as to the remainder of the Participant's interest in the Plan to be determined in accordance with otherwise applicable provisions of the Plan).

- 4.5 Repayment. The Participant shall be required, as a condition to receiving a loan, to enter into an irrevocable salary reduction repayment agreement authorizing the Employer to take payroll deductions from the Participant's Compensation as long as the Participant is an Employee of the Employer and to transfer such payroll deduction amounts to the Trustee in payment of the loan's principal plus interest. Repayments of a loan shall be made by payroll deduction of equal amounts (comprised of both principal and interest) from each paycheck, with the first such deduction to be made as soon as practicable after the loan funds are disbursed; provided however, that a Participant may prepay all or any portion of the outstanding balance of a loan at any time; and provided, further, that if any payroll deductions cannot be made in full because a Participant is on an unpaid leave of absence or is no longer employed or the Participant's paycheck is insufficient for any other reason, the Participant shall pay directly to the Plan Administrator the full amount that would have been deducted from the Participant's paycheck, with such payment to be received by the Plan Administrator by the last business day of the calendar month in which the amount would have been deducted.

Article 5 BENEFIT DISTRIBUTIONS

- 5.1 Benefit Distributions At Retirement or Other Severance from Service. Upon retirement or other Severance from Service (other than due to death), a Participant is entitled to receive a distribution of the Participant's Account under any form of distribution permitted under Section 5.3, commencing at the date elected under Section 5.2. If a Participant does not elect a distribution, the Plan Administrator shall commence distributions in accordance with Sections 5.5, 5.8 or 5.9. The distribution shall be paid as soon as practicable following Normal Retirement Age or, if later, following retirement or other Severance from Service and payment shall be made in annual installments of the minimum payments described in Section 5.3(b).
- 5.2 Election of Benefit Commencement Date. A Participant may elect to receive a distribution of the Participant's Account at any time after retirement or other Severance from Service by providing a notice to the Plan Administrator at least 30 days before the date on which the distribution is to occur. In addition, effective as of January 1, 2023, a Participant may request an "in-service" withdrawal of all or any portion of the Participant's Account upon attainment of age 59 ½, see also Section 5.9. In no event may a Participant designate a distribution date later than the date described in Section 1.16.
- 5.3 Forms of Distribution. A Participant entitled to a distribution under this Article 5 may elect to receive payment in any of the following forms of distribution:
- (a) a lump sum payment of the total Account, or
 - (b) annual installment payments to the Participant but only if necessary to satisfy the Required Minimum Distribution ("RMD") rules under Section 1.16 and Article 5 of the Plan (and Code §§401(a)(9) and 457(d)(2)), if the Participant is subject to the RMD rules at the time of a distribution date. If the Participant attains age

70 ½ on or after January 1, 2020, Section 114 of the SECURE Act will apply, and the Participant's first RMD must be taken by the later of April 1 of the calendar year following the calendar year in which the Participant attains age 72, or when the Participant retires, as determined under Code § 401(a)(9)(C)(i)(II). If the Participant attains age 70 ½ prior to the effective date of the SECURE Act, the pre-SECURE Act rules will apply and the Participant's first RMD must be taken by the later of April 1 of the calendar year following the calendar year in which the Participant attains age 70 ½, or when the Participant retires.

- (c) Effective as of January 1, 2019, unless the Participant has attained the Participant's Required Beginning Date under Section 1.16, then the Participant's sole form of distribution shall be as a lump sum under Section 5.3(a). If the Participant is subject to the RMD rules, the Participant can elect distribution of a greater amount (not to exceed the amount of the remaining Account) in lieu of the amount calculated using the RMD rules.

- 5.4 Death Benefit Distributions. No later than 60 days after the last day of the Year of the Participant's death, the Participant's Account shall be paid to the Beneficiary in a lump sum. If a Participant has not designated a Beneficiary, or if no designated Beneficiary is living on the date of distribution, the Account shall be distributed to the Participant's estate in a lump sum distribution as soon as administratively feasible following the Participant's death. In no event may the Plan be modified or amended to extend any RMD payments beyond the ten (10) year limitation described under the SECURE Act of 2019, unless payment is to be made to an "Eligible Designated Beneficiary" within the meaning of Code §401(a)(9).
- 5.5 Account Balances of \$1,000 or Less. If the amount of a Participant's Account is not in excess of \$1,000 on the date of the Participant's Severance from Service or death, then payment shall be made to the Participant (or to the Beneficiary if the Participant is deceased) in a lump sum equal to the Participant's Account as soon as practicable following the Participant's retirement, death, or other Severance from Service. Section 5.9 (below) has separate rules for in-service withdrawals prior to a Participant's Severance from Service with the Employer.
- 5.6 Amount of Account. Except as provided in Section 5.3(b), the amount of any payment under this Article 5 shall be based on the amount of the Account on the preceding Valuation Date on or immediately before the distribution date.
- 5.7 Revocation of Prior Election. Any election made under this Article 5 may be revoked at any time before the distribution commencement date.
- 5.8 Latest Distribution Date. Any distribution under this Article 5 shall begin before the later of (a) April 1 following the Year in which the Participant attains age 72 or (b) April 1 following the Year in which the Participant retires or otherwise has a Severance from Service (defined herein as the Participant's "Required Beginning Date"). The initial distribution must be at least equal to the annual installment payment for the Year that the

Participant has a Severance from Service or attained age 72 determined under Code Section 401(a)(9) and an amount equal to the annual installment payment for the Year after such severance or attainment of age 72 determined under Code Section 401(a)(9) must also be paid before the end of such Year after the severance or attainment of age 72.

5.9 Distributions Prior to Severance from Service.

- (a) In-Service Withdrawals Available at 59½. In accordance with changes under the SECURE Act of 2019, effective as of the 2023 Plan Year, and for each Plan Year thereafter, a Participant may elect to receive an “in-service” withdrawal of all or any portion of their Account on or after attaining age 59 ½, provided that this Plan continues to be sponsored by an Employer described in Code § 457(e)(1)(A) as a Governmental Employer sponsoring the Plan.
- (b) Certain Accounts of \$5,000 or Less. The Administrator may distribute a Participant’s Account in a lump sum at any time (including an in-service withdrawal) if (a) the Account does not exceed \$5,000, (b) the Participant has not previously received a distribution of the total amount payable to the Participant under this Section 5.9 and (c) no Salary Deferral has been made with respect to the Participant during the two-year period ending immediately before the date of distribution.

5.10 Rollover Distributions.

- (a) A Participant, the surviving spouse of a Participant (or a Participant's former spouse who is the alternate payee under a domestic relations order, as defined in section 414(p) of the Code) or for distributions after 2009 a Beneficiary who is entitled to an eligible rollover distribution may elect, at the time and in the manner prescribed by the Plan Administrator, to have all or any portion of the distribution paid directly to an eligible retirement plan specified by the recipient as a direct rollover.
- (b) For purposes of this Section 5.10, an “eligible rollover distribution” means any distribution of all or any portion of a Participant's Account, except that an eligible rollover distribution does not include (i) any RMD payment under Section 5.3(b) or (ii) for any other distribution, the portion, if any, of the distribution that is a Required Minimum Distribution under section 401(a)(9). In addition, an eligible retirement plan means an individual retirement account described in Code section 408(a), an individual retirement annuity described in Code section 408(b), a qualified trust described in Code section 401(a), an annuity plan described in Code section 403(a) or 403(b), or an eligible governmental plan described in Code section 457(b), that accepts the eligible rollover distribution. For distributions made after December 31, 2007, a Participant may elect to roll over directly an eligible rollover distribution to a Roth IRA described in Code section 408A(b).
- (c) For any distribution notice issued in Years beginning after December 31, 2006, any reference to the 90-day maximum notice period prior to distribution in

applying the notice requirements of Code section 402(f) (the rollover notice relating to an eligible rollover distribution), shall be extended to be 180 days.

- (d) For distributions after December 31, 2009, a non-spouse Beneficiary who is a “designated beneficiary” under Code section 401(a)(9)(E) and the regulations thereunder, by a direct trustee-to-trustee transfer (“direct rollover”), may roll over all or any portion of a distribution to an individual retirement account (“IRA”) that the Beneficiary establishes for purposes of receiving the distribution. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution. If the Participant’s Beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Code section 401(a)(9)(E). A non-spouse Beneficiary may not roll over an amount which is a Required Minimum Distribution (“RMD”), as determined under applicable Treasury regulations and other Revenue Service guidance.

(e)

Article 6 ROLLOVERS AND TRANSFERS

6.1 Eligible Rollover Contributions to the Plan.

- (a) A Participant who is an Employee and who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to this Plan and deposited into the Trust Fund. The Plan Administrator may require such documentation from the distributing plan as it deems necessary to accomplish the rollover in accordance with Code section 402 and to confirm that such plan is an “eligible retirement plan” within the meaning of Code section 402(c)(8)(B).
- (b) For purposes of Section 6.1(a), an eligible rollover distribution means any distribution of all or any portion of a Participant’s benefit under another eligible retirement plan, except that an eligible rollover distribution does not include: (1) any installment payment for a period of 10 years or more or based on the life expectancy of the individual or the joint lives of the individual and the individual’s designated beneficiary, (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the individual, or (3) for any other distribution, the portion, if any, of the distribution that is an RMD under Code section 401(a)(9), as described in Code section 402(c)(4). An eligible retirement plan means an individual retirement account described in Code section 408(a), an individual retirement annuity described in Code section 408(b), a qualified trust described in Code section 401(a), an annuity plan described in Code section 403(a) or 403(b), or an eligible governmental plan described in Code section 457(b), that accepts the eligible rollover distribution.
- (c) The Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any eligible retirement plan that is not an eligible governmental plan under Code section 457(b).

6.2 Plan-to-Plan Transfers to Plan. The Administrator may permit a Participant who participated in another eligible governmental plan under Code section 457(b) to transfer assets to the Plan as provided in this Section 6.2. Such a transfer is permitted only if the other plan provides for the direct transfer of each Participant's interest therein to the Plan and the Participant is an Employee on the date of the transfer. The Administrator may require in its sole discretion that the transfer be in cash or other property acceptable to the Administrator. The Administrator may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with section 457(e)(10) of the Code and Treasury Regulations 1.457-10(b) and to confirm that the other plan is an eligible governmental plan as defined in Treasury Regulations 1.457-2(f). The amount so transferred shall be credited to the Participant's Account and shall be held, accounted for, administered and otherwise treated in the same manner as a Deferral by the Participant under the Plan, except that the transferred amount shall not be considered a Deferral in determining the maximum Deferral under Article 3.

6.3 Plan-to-Plan Transfers from the Plan.

- (a) The Plan Administrator may permit a Participant or Beneficiary to elect to have all or any portion of their Account under this Plan transferred to another eligible governmental plan within the meaning of Code section 457(b) and Treasury Regulations 1.457-2(f). A transfer is permitted under this Section 6.3(a) for a Participant only if the Participant has had a Severance from Service and is an employee of an entity that maintains the other eligible governmental plan. Further, a transfer is permitted under this Section 6.3(a) only if the other eligible governmental plan provides for the acceptance of plan-to-plan transfers with respect to the Participant and the Participant has an account balance under the other plan immediately after the transfer at least equal to the amount transferred.
- (b) Upon the transfer of assets under this Section 6.3, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Plan Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 6.3 (for example, to confirm that the receiving plan is an eligible governmental plan under paragraph (a) of this Section 6.3, and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treasury Regulation 1.457-10(b).

Article 7 TRUST FUND

7.1 Trust Fund. All Deferrals, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held and invested in the Trust Fund in accordance with this Plan and the Trust Agreement. The Trust Fund, and any subtrust established under the Plan, shall be established pursuant to a written agreement that constitutes a valid trust under the laws of the State of Alaska and complies with Code section 457(g). The Trustee shall ensure that all investments, amounts, property, and rights

held under the Trust Fund are held for the exclusive benefit of Participants and their Beneficiaries or defraying reasonable expenses of the Plan or of the Trust Fund. It shall be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Trust Fund to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

Article 8 PLAN ADMINISTRATION

8.1 Powers and Responsibilities of the Plan Administrator. The Plan Administrator has the full power and responsibility to administer the Plan in all of its details, subject, however, to the applicable requirements of the Code. The Administrator's powers and responsibilities include, but are not limited to, the following:

- (a) To make, amend and enforce such rules, regulations, forms and procedures as it deems necessary or proper for the efficient administration of the Plan;
- (b) The discretionary authority to construe and interpret the Plan, its interpretation to be final and conclusive on all persons claiming benefits under the Plan;
- (c) To decide all questions concerning the Plan and the eligibility of any Employee to participate in or receive benefits from the Plan;
- (d) To administer the claims and review procedures specified in Section 8.2;
- (e) To compute the amount and authorize payment of benefits to any Participant, former Participant or Beneficiary in accordance with the provisions of the Plan;
- (f) To determine the person or persons to whom such benefits will be paid, with benefits being paid only if the Administrator decides in its discretion that the Participant or Beneficiary is entitled to them;
- (g) To appoint such agents, legal counsel, accountants, administrators and consultants as may be required to assist in administering the Plan;
- (h) By written instrument, to allocate and delegate its responsibilities; and
- (i) To make all other determinations deemed necessary or advisable for the administration of the Plan.

8.2 Claims and Review Procedures. If a Participant, Beneficiary or their representative believes the Administrator has incorrectly calculated or failed to pay a benefit to the Participant or Beneficiary, the Participant, Beneficiary or their representative will have sixty (60) days from the receipt of the original distribution or denial of payment to appeal the Administrator's decision. This appeal must be in writing and sent to the Administrator. The Participant, or the Participant's representative, has the right to review (upon request

and at no charge) all documents and other information relevant to any claim and to submit written comments, documents and other information relating to the claim. The Administrator will notify Participant or the Participant's representative in writing of its decision within sixty (60) days after it receives the appeal, unless special circumstances require an extension of up to sixty (60) more days, in which case Participant or the Participant's representative will be notified in writing of the extension, the special circumstances requiring the extension and the date by which the Administrator expects to render its decision. If the appeal is denied, the Plan Administrator will give Participant or the Participant's representative written notice explaining the Plan Administrator's actions.

The Participant shall have one year from the date the notice of the denial of the appeal to commence any action seeking judicial review of the denied claim, and cannot bring any action until exhausting this Claims Review Procedure. Failure to bring such an action within that period shall bar the claim.

- 83 Plan's Administrative Costs. The Employer shall pay all reasonable costs and expenses (including legal, accounting, and employee communication fees) incurred by the Plan Administrator or the Trustee in administering the Plan and Trust Fund.

Article 9 MISCELLANEOUS

- 91 Non-Assignability. Except as provided in statute or Section 9.2 and 9.4 the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.
- 92 Domestic Relation Orders. Notwithstanding Section 9.1, if the Plan Administrator determines that a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any State in accordance with Code section 414(p) ("domestic relations order"), then the amount of the Participant's Account shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Plan Administrator shall establish reasonable procedures for determining the status of any such decree or order and for making distribution pursuant to the domestic relations order.

Effective April 6, 2007, an order will not fail to be a domestic relations order solely because the order is issued after, or revises, another domestic relations order, or because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant's death.

- 93 Unforeseeable Emergency. In the event of a Participant's unforeseeable emergency, the Plan Administrator may make a distribution to a Participant who has not incurred a Severance from Employment (or who has incurred a Severance but will not begin to receive payments until some future date). In the event of an unforeseeable emergency, the Plan Administrator also may accelerate payments to a Participant or to a Beneficiary. The Plan Administrator will establish a policy for determining whether an unforeseeable emergency exists. An unforeseeable emergency is a severe financial hardship of a Participant or Beneficiary resulting from: (1) illness or accident of the Participant, the Beneficiary, or the Participant's or Beneficiary's spouse or dependent (as defined in Code §152(a)); (2) loss of the Participant's or Beneficiary's property due to casualty; (3) the need to pay for the funeral expenses of the Participant's or Beneficiary's spouse or dependent (as defined in Code §152(a); or (4) other similar extraordinary and unforeseeable circumstances arising from events beyond the Participant's or Beneficiary's control. The Plan Administrator will not pay the Participant or the Beneficiary more than the amount reasonably necessary to satisfy the emergency need, which may include amounts necessary to pay taxes or penalties on the distribution. The Plan Administrator will not make payment to the extent the Participant or Beneficiary may relieve the financial hardship by cessation of deferrals under the Plan, through insurance or other reimbursement, or by liquidation of the individual's assets to the extent such liquidation would not cause severe financial hardship.
- 94 IRS Levy. Notwithstanding Section 9.1, the Administrator may pay from a Participant's or Beneficiary's Account the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.
- 95 Mistaken Contributions. If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Plan Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) may be returned directly to the Participant or, to the extent required or permitted by the Plan Administrator, to the Employer.
- 96 Payments to Minors and Incompetents. In the event the Plan Administrator determines, on the basis of medical reports or other evidence satisfactory to the Plan Administrator, that a Participant or Beneficiary entitled to payment of all or any portion of the Account is incapable of handling their affairs by reason of minority, illness, infirmity or other incapacity, the Plan Administrator may direct the Trustee to disburse any such payments to a person or institution designated by a court which has jurisdiction over the Participant or Beneficiary or a person or institution otherwise having the legal authority under state law for the care and control the Participant or Beneficiary. The receipt by such person or institution of any such payments, and any such payment to the extent thereof, shall discharge the Plan, the Plan Administrator and Trustee's liability for the payment of the Account to such recipient.

- 9.7 Procedure When Distributee Cannot Be Located. The Plan Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the Employer's or the Plan Administrator's records, (b) notification sent to the Department of Labor (under their program to identify payees under retirement plans), and (c) the payee has not responded within six months. If the Plan Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Plan Administrator may distribute the Account by creating an individual retirement account pursuant to Labor Regulations 2550.404a-2 or by payment to the Department of Labor ("DOL") under Field Assistance Bulletin 2014-01.
- 9.8 Limitation of Rights. Neither the establishment of the Plan or Trust Fund, nor any amendment thereof, nor the creation of any fund or Account, nor the payment of any benefits, will be construed as giving to any Participant or other person any legal or equitable right against the Employer, the Plan Administrator or Trustee, except as provided herein; and in no event will the terms of employment or service of any Participant be modified or in any way affected hereby.
- 9.9 Information between Employer and Trustee. The Employer agrees to furnish the Trustee with such information relating to the Plan and Trust as may be required to carry out the Trustee's duties hereunder, including without limitation information required under the Code and any regulations or other guidance issued thereunder.
- 9.10 Notices. Any notice or other communication in connection with this Plan shall be deemed delivered in writing if addressed as provided below and if either actually delivered at such address or, in the case of a letter, three business days shall have elapsed after the same shall have been deposited in the United States mails, first-class postage prepaid and certified:
- (a) If it is sent to the Employer or Administrator, it will be at the then-current business address of the Employer;
 - (b) If it is sent to a Participant or Beneficiary, it will be sent to the last known address in the records of the Plan or the Employer.
- 9.11 Governing Law. The Plan will be construed, administered and enforced in accordance with the Code and any regulations thereunder, and to the extent not preempted thereby, the laws of the state of Alaska (but not its conflicts of law provisions). Venue and jurisdiction for any action brought hereunder shall be in any court whose jurisdiction includes Ketchikan, Alaska.
- 9.12 Amendment. The Employer reserves the right to amend, modify or terminate the Plan without the consent of any Employee, Participant or Beneficiary. However, any such amendment, modification or termination shall not impair any Participant's right to benefits previously credited to a Participant's Account.

9.13 Severability. If any provision of this Plan is found by a court to be invalid or unenforceable, that provision shall be disregarded, and the remainder of the Plan shall continue to be fully effective and be construed as if the invalid provision had not been included.

Adopted this _____ day of _____, 2022, with an Effective Date of January 1, 2023.

SOUTHEAST ALASKA POWER AGENCY

By: _____

Title: _____



SOUTHEAST ALASKA POWER AGENCY

Date: September 12, 2022

To: SEAPA Board of Directors

From: Bob Sivertsen, SEAPA Chair

Subject: CEO Evaluation Process

Attached is a CEO Evaluation Form for review and discussion under New Business during the September 22, 2022, Board meeting. The Board agreed with our CEO to provide an annual evaluation of his performance and the following schedule was developed to establish continuity in the process for the evaluations. Both the Evaluation Form and schedule below were adopted by consensus at a September 30, 2020, board meeting. Modifications to the attached Evaluation Form and schedule below may be suggested at the upcoming board meeting. If no modifications are suggested, then both will be accepted as-is and a formal motion is unnecessary. If modifications are suggested, SEAPA staff will modify the form(s) accordingly following the Board meeting.

SCHEDULE FOR CEO EVALUATION PROCESS		
Timeline	2022 Dates	Action Required
3rd Quarter Board Meeting	09/22/2022	Insert prior year's CEO evaluation form in Board packet for review, discussion, and modifications in regular session. If no changes the form is adopted by consensus. If modifications are requested, SEAPA staff shall modify the form accordingly following the Board meeting.
Two weeks after 3rd Quarter Board Meeting	10/06/2022	SEAPA staff distributes Evaluation Form to Directors via email for completion. Staff to include the following instructions in email distributing the form: <ul style="list-style-type: none"> Indicate the Evaluation Form provided is form agreed upon during 3rd Quarter Board meeting Completed forms shall be returned to SEAPA Counsel and Board Chair via Email Provide email addresses for Counsel and Chair Provide deadline date for return of the form (deadline for return should be two weeks following date of distribution of the form) to SEAPA Counsel and Chair stating "Privileged and Confidential Communications" in the subject line of the email.
One month after 3rd Quarter Board Meeting	10/24/2022	SEAPA Counsel to perform checklist to determine whether all directors have submitted evaluations and communicate with Board Chair to follow up with any that may not have been submitted by deadline
November 15	11/15/2022	Deadline for SEAPA Counsel and Board Chair to compile evaluations in preparation for December Board Meeting
One week prior to 4th Quarter Board Meeting	12/01/2022	SEAPA Counsel to distribute compiled evaluations to Board via email under "Privileged and Confidential" communications in preparation for CEO evaluation in Executive Session
4th Quarter Board Meeting	12/08/2022	Evaluate CEO in Executive Session

SEAPA CEO EVALUATION FORM

DATE:

Trey Acteson, CEO

Performance Measures

Evaluation Criteria	Meets	Exceeds	Needs Improvement	Comments or Suggestions
1. Leadership				
The CEO has shown clear vision in correctly anticipating trends and priorities effecting the Agency's prosperity and operation.				
The CEO has a clear understanding of Member Communities' utility needs and concerns, Agency needs and priorities, correctly anticipates industry trends, and uses that information to help develop short and long-term organization direction.				
The CEO keeps the Board informed of emerging issues of significant importance that affect the mission of the Agency as well as the Member Utilities				
The CEO has been an initiator, setting high working standards and pursuing goals with a high level of personal drive and energy.				
The CEO annually prepares a program of work for the Board's approval and keeps the Board apprised of progress, accomplishments, and proposed changes quarterly.				
2. Relationship with Board				
The CEO has provided leadership continually involving the Board in developing a shared vision, strategies, goals, and direction for the organization.				
The CEO has demonstrated a sound knowledge of Board governance and procedures.				

SEAPA CEO EVALUATION FORM

The CEO works with Board Members and Member Utilities to gain a broad understanding of their concerns, capital investment strategies, and financial characteristics. The CEO is sensitive to Member Communities' local issues and concerns and assists wherever possible to address their needs.				
The CEO has been readily available to individual Board Members whenever necessary, as well as supports the Board in its governance duties by providing necessary resources and information.				
3. External Relationships				
Gains respect and support of the communities on the conduct of the Southeast Alaska Power Agency.				
Prepares and sends periodic communications to the Member Communities.				
Keeps well informed on State and Federal Regulations and how they affect SEAPA.				
Works effectively with public and private agencies.				
4. Staff Development				
The CEO has created and maintained an organizational culture and climate which attracts, retains, and motivates staff to carry out SEAPA's mission.				
The CEO has empowered staff members appropriate levels of freedom and authority, as well as effectively solicited and fostered support for initiative and creativity within the organization.				
The CEO has developed and executed sound personnel procedures and practices.				

MEMORANDUM
ATTORNEY-CLIENT COMMUNICATIONS

TO: Chairperson
Southeast Alaska Power Agency

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

DATE: September 12, 2022

RE: Suggested Motions for Executive Session

The Board of Directors may conduct an executive session during a Regular Board Meeting to be held on September 22, 2022, for discussions relating to the Agency's union contract negotiations, a discussion regarding an individual, and an update on hydrosite investigations.

If it is determined during the meeting that an executive session is necessary, I recommend the following motions be made:

I move to recess into Executive Session to be conducted pursuant to SEAPA's Bylaws and Alaska Statute 44.62.310 for discussions related to SEAPA's union contract negotiations as the discussions may involve matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the Agency, the Projects, or any of the Member Utilities represented on the Board.

I move to recess into Executive Session to be conducted pursuant to SEAPA's Bylaws and Alaska Statute 44,62.310 for discussions related to a subject that could prejudice the reputation and character of any person, provided that the person may request a public discussion.

I move to recess into Executive Session to be conducted pursuant to SEAPA's Bylaws and Alaska Statute 44,62.310 for discussions with the Agency's attorney present related to hydrosite investigations, the immediate knowledge of which could have an adverse effect on the legal position of the Agency.



SEAPA 2022 BOARD MEETING DATES

Date(s)	Weekday(s)	Location	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	Thursday	Electronic	Regular Board Meeting (9 am - 1 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

Jan 01: New Year's Day	Sep 05: Labor Day
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

Notes

SEAPA Regular Board Meeting dates are highlighted in yellow.

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

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 9 am – 1 pm	Electronic
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 am - 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