

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
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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
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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
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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
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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
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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
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> 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
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> 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
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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 Tye 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 Tye 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	✓ Action 22-971
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market Renewable Energy Certificates for SEAPA. The motion was approved unanimously by polled vote.

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

The meeting adjourned at 12:14 p.m.

