

Southeast Alaska Power Agency Regular Meeting Minutes

Location: Held Electronically Via Zoom

Date: September 22, 2022

Time: 9:00 a.m. AKDT

Agenda Items

1) Call to Order

A. Roll Call.

The Chair called the regular meeting to order at 9:00 a.m. AKDT on September 22, 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	E	Andy Donato		Swan Lake	Ketchikan
Abby Bradberry	E ¹	Janalee Gage		Swan Lake	Ketchikan
Steve Prysunka		Mason Villarma	E	Tyee Lake	Wrangell
Steve Henson		Mark Walker	E	Tyee Lake	Wrangell
Bob Lynn	E	Karl Hagerman		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	E	Joel Paisner, SEAPA Counsel	E
Clay Hammer, Operations Mgr.	E	Kay Key, Controller	E
Ed Schofield, Power Sys. Sp.		Sharon Thompson, EA/CA	E
Robert Siedman, DE/TS	E	Marcy Hornecker, Admin. Asst.	E

B. Communications/Lay on the Table Items - None

C. Disclosure of Conflicts of Interest - None

2) Approval of the Agenda

<i>- Motion</i>	M/S (Walker/Lynn) to approve the Agenda. The Chair requested those in favor to voice ayes approving the agenda, and hearing no objections, he announced the motion passed.	✓ Action 22-977
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3) Persons to be Heard - None.

4) Review and Approve Minutes

A. May 12, 2022 Minutes of Regular Meeting.

<i>- Motion</i>	M/S (Lynn/Walker) to approve the Minutes of the regular meeting of May 12, 2022. The motion was approved unanimously by polled vote.	✓ Action 22-978
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¹ Ms. Bradberry joined the meeting electronically at approximately 9:07 a.m.



B. *August 12, 2022 Minutes of Special Meeting*

<i>- Motion</i>	M/S (Lynn/Walker) to approve the Minutes of the special meeting of August 12, 2022. The motion was approved unanimously by polled vote.	✓ Action 22-979
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5) **Financial Reports**

A-G. *CEO & Controller Memos, kWh Graph, Fund Graph, Grant Summary, Financial Statements, and Disbursements*

Mr. Acteson reported SEAPA's financial condition is stable, and reviewed revenue and expenses, renewal and replacement expenditures, and provided an update on bond pricing for SEAPA's Headquarters. The Chair requested a motion on the financial statements.

<i>- Motion</i>	M/S (Lynn/Villarma) 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. Following Mr. Acteson's review of the financial reports presented in the board packet, the motion was approved unanimously by polled vote.	✓ Action 22-980
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H. *Review and Acceptance of Audited 2021 Financial Statements for Continuing Disclosure*

The Chair announced that Joy Merriner of BDO would be calling in to the meeting to discuss SEAPA's FY2021 Audited Financial Statements. He requested a motion for acceptance of the statements.

<i>- Motion</i>	M/S (Lynn/Bradberry) 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.	✓ Action 22-981
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6) **CEO Report**

The Chair requested that the CEO start his report pending Ms. Merriner's call. Mr. Acteson provided an update on safety, followed by federal infrastructure funding opportunities. He noted that SEAPA would be eligible for the benefit of a new direct payment in lieu of tax credits due to tax incentives that could shift the economics in generation projects, and that SEAPA is vetting projects that may be eligible for funding opportunities. He stressed the importance of dedicating resources to actively pursue grants.

The Chair announced that Ms. Merriner joined the meeting so the meeting will resume under Agenda Item 5H.

5) H) *Continued: Review and Acceptance of Audited 2021 Financial Statements for Continuing Disclosure*

Joy Merriner, BDO USA, LLP's Assurance Partner, auditor of SEAPA's financial statements, presented a summary of the Agency's audited financial statements ending December 31, 2021, and responded to director's questions and comments.

A vote was taken and unanimously approved on the motion to accept the Audited Financial Statements for the year ended December 31, 2021, as presented.

6) **CEO Report continued**

Mr. Acteson provided highlights of IBEW negotiations and reported on the 2021 Wrangell windstorm disaster recovery, status of the rewrite of SEAPA's Employee Leave Policy, and an update on personnel recruitment efforts.

The meeting recessed at 10:38 a.m. and resumed at 10:45 a.m.



7) Staff Reports

A. Director of Engineering and Technical Services (Siedman)

Mr. Siedman provided updates on the Petersburg Substation Refurbishment, Wrangell Circuit Switcher Replacement, Swan Lake Emergency Diesel Generator Governors-Exciters, Tyee Lake Station Service Switchgear and 15kV Switchgear, underfrequency load shedding, and cyber security.

B. Operations Manager (Hammer)

Mr. Hammer provided updates on the Wrangell Warehouse fire remediation, brushing work, Tyee airstrip resurfacing, crew house roof and siding, and waterline replacement for the Tyee crew housing.

C. Power System Specialist (Schofield)

Mr. Schofield provided updates on construction of the SEAPA Headquarters, Swan Lake reservoir debris removal, FERC activities, Swan Lake staffing, and safety training.

8) Old Business

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

Mr. Siedman reported that both Swan and Tyee Lake levels were in a very healthy condition due to above average 2022 spring and summer snow-pack runoff. He presented charts demonstrating balancing of lake levels. He closed his report with current model predictions from the International Research Institute and Climate Prediction Centers advising that there is a high probability of SEAPA's reservoir levels maintaining full capacity until December.

9) New Business

A. Consideration and Approval of Sole-Source Contract Re Swan Lake Inlet Valve Control Systems Upgrade

<i>- Motion</i>	M/S (Lynn/Bradberry) 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. The motion was approved unanimously by polled vote.	✓ Action 22-982
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B. Consideration and Approval of Increase to SEAPA Operating Budget Re Load Growth Study

<i>- Motion</i>	M/S (Walker/Lynn) to increase SEAPA's FY2022 Operating Budget by \$100,000 for a third-party regional Load Growth Forecast Study. The motion was approved unanimously by polled vote.	✓ Action 22-983
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C. Consideration and Approval of SEAPA 2023 Administrative Employee Group Benefits

<i>- Motion</i>	M/S (Lynn/Bradberry) to renew the NRECA 2023 employee group benefit plans and Administrative Employee Benefits as presented. The motion was approved unanimously by polled vote.	✓ Action 22-984
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D. Consideration and Approval of Resolution #2022-087 Re SEAPA's Deferred Compensation Plan.

<i>- Motion</i>	M/S (Lynn/Bradberry) 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. The motion was approved unanimously by polled vote.	✓ Action 22-985
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E. *Review/Discuss CEO Evaluation Form and Schedule*

No modifications were suggested for the CEO Evaluation Form and Schedule presented in the board packet. A board member requested that their comments on the evaluation be shared with all board members for follow-up discussions.

The meeting recessed for the executive session at 10:17 a.m. and reconvened into regular session at 11:09 a.m.

F. *Executive Session Re Updates on Union Contract Negotiations, Hydrosite Investigations, and CEO Review*

<i>> Motion</i>	M/S (Lynn/Bradberry) 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.	✓ Action 22-986
	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.	
	The motion was approved unanimously by polled vote.	

The meeting recessed for the executive session at 11:57 a.m. and reconvened into regular session at 1:04 p.m.

10) **Next Meeting Dates**

The Chair noted that the next regular board meeting will be held on December 8th in Ketchikan. There were no objections.

11) **Director Comments**

Directors exchanged brief comments.

12) **Adjourn**

The Chair requested a motion to adjourn.

<i>> Motion</i>	M/S (Lynn/Bradberry) to adjourn the meeting. Hearing no objections to the motion, the Chair announced the meeting adjourned.	✓ Action 22-987
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The meeting adjourned at 1:20 p.m.

