



SOUTHEAST ALASKA POWER AGENCY

*****Special Board Meeting & Workshop***
August 30, 2023**

| Wednesday, August 30, 2023 | |
|-----------------------------------|------------------------------------|
| 7:30 - 8AM | SEAPA Building Tour |
| 8AM | Meeting Starts |
| 8:45AM | Meeting Recesses & Workshop Starts |
| 11AM | 15-Minute Break |
| 11:15AM | Workshop Resumes |
| 12:15PM | Working Lunch |
| 12:45PM | Workshop Resumes |
| 2PM | 15-Minute Break |
| 2:15PM | Workshop Resumes |
| 5:00PM | Workshop Ends & Meeting Resumes |
| 5:30PM | Meeting Adjourns |
| 6:00 PM | Dinner at Landing |

Meeting held at:

**SEAPA Headquarters Board Room
55 Don Finney Lane
Ketchikan, Alaska**

◆◆◆◆◆
**For telephonic participation dial:
1.800.315.6338 or 1.913.904.9376
Access Code: 73272#**

- 1. Call to Order**
 - A. Roll Call
 - B. Communications/Lay on the Table Items:
 - C. Disclosure of Conflicts of Interest
- 2. Approval of the Agenda**
- 3. Persons to be Heard**
- 4. New Business**
 - A. Consideration of SEAPA's 2024 Administrative Employee Group Benefits
 - B. Sole Source Request Re FERC Part 12 Independent Consultant
 - C. FY2022 Audited Financial Statements Presentation by Joy Merriner/BDO

5. WORKSHOP

8:45 - 9:30AM

- A. **Financial Statement Training** (Joy Merriner, CPA, BDO USA, LLP)

9:30 - 11:00AM

- B. **Relicensing Strategy** (Finlay Anderson/Betsy McGregor, Kleinschmidt Assoc.)

*****15-Minute Break (11:00 - 11:15AM)*****

11:15AM - 12:15PM

- C. **Load Growth Study Results** (Ben Haight/Kirsten Shelton, Respec Co. LLC)

*****Break for Lunch 12:15 - 12:45PM*****

12:45 - 5:00PM

D. **SEAPA 2023-2028 Strategic Plan** (SEAPA CEO & Counsel Presenting)

*****15-Minute Break (2:00 - 2:15PM)**

5:00PM: WORKSHOP ENDS AND SPECIAL MEETING RESUMES

Agenda Item 4. New Business continued:

- D. Reserved for Possible Action Following Workshop
- 6. **Next Meeting Dates:** (September 28 & 29, 2023 in Petersburg)
- 7. **Director Comments**
- 8. **Adjourn**



SOUTHEAST ALASKA POWER AGENCY 2024 ADMIN BENEFITS

To: Robert Siedman, CEO Date: August 23, 2023
 From: Kay Key, Controller Subject: **FY2024 Administrative
 Employee Benefits**

National Rural Electric Cooperative Association (NRECA) is the group benefit provider for SEAPA’s administrative employees, and they have issued renewal rates for calendar year 2024. The deadline for group enrollment is September 22.

| SUGGESTED MOTION |
|---|
| I move to renew the NRECA 2024 employee group benefit plans as presented. |

HEALTH & WELFARE - Current Monthly Rates for 2023 and Renewal Rates for 2024 are displayed in the attached NRECA “**2024 Renewal Rates**”. The table directly below displays a history of annual premiums per employee. Employees contribute 10% of the medical, prescription, dental, and vision premiums.

| ANNUAL Premiums per Employee | CY20* | CY21* | CY22 | CY23 | CY24 |
|--|----------|----------|----------|----------|----------|
| NRECA - Single Med, RX, Dental, Vision | \$19,668 | \$19,668 | \$21,282 | \$23,253 | \$25,115 |
| NRECA - Family Med, RX, Dental, Vision | \$41,768 | \$41,768 | \$44,791 | \$48,506 | \$52,032 |
| NRECA - Life Insurance, Disability | \$2,694 | \$2,682 | \$2,855 | \$2,726 | \$2,853 |
| NRECA - Defined Benefit Plan (RS Plan) | 38.53% | 39.69% | 40.49% | 41.70% | 42.11% |
| SEAPA - Defined Contribution Plan (457b) | 3% | 3% | 3% | 3% | 3% |

*Medical-prescription-dental-vision rates did not change between 2020 and 2021 as NRECA utilized reserves to hold their rates steady during Covid.

RETIREMENT SECURITY PLAN - SEAPA participates in NRECA’s defined benefit plan (RS Plan). Calendar year 2024 billing rates for SEAPA’s defined benefit pension plan increased 0.41%. Historically low interest rates and a lower than anticipated investment rate of return contributed to the increase. Both of these factors have reversed year to date in 2023, reducing pressure for future increases. SEAPA’s historical contributions are displayed in the attached “**Retirement Security Plan**” Rate History.

457(b) DEFERRED COMPENSATION PLAN – Third-party administrators, Spectrum Pension Consultants, administer SEAPA’s 457b Plan. SEAPA contributes 3% of base salary to administrative employees’ accounts after they contribute 1%. This plan is not associated with NRECA.

BUDGET ESTIMATE – The following table contains a budget estimate for administrative employees based on 2023 wages and 7 FTEs, with RS Plan contributions for 5.3 FTEs due to the one-year waiting period. (NRECA premiums in 2024 will be based on employees’ base wages as of November 15, 2023.)

| Budget Item | Budget Estimate |
|--------------------|------------------------|
| Wages | \$952,000 |
| Taxes | 72,000 |
| H&W | 254,000 |
| Retirement | 330,500 |
| Total | \$1,608,500 |

PREMIUM-ONLY 125 PLAN – Administration is currently developing a Section 125 Premium Only Plan (POP) for implementation on January 1, 2024. Section 125 refers to IRS code, and H&W premium contributions and deductions would be treated as pre-tax under the POP. Federal withholding and FICA taxes (social security and Medicare taxes, 7.65% combined) would no longer apply to employees’ health care premiums. Since both employees and SEAPA pay FICA, both would benefit from tax savings. We anticipate presenting the POP to the Board for adoption at the September meeting.

ADMINISTRATIVE EMPLOYEE BENEFITS – An outline of SEAPA’s administrative employee benefits is attached for reference.

Attachments:

- NRECA 2024 Renewal Rates
- NRECA Retirement Security Plan Rate History
- SEAPA Administrative Employee Benefits

2024 Renewal Rates

Subgroup: 0102192001 - SOUTHEAST ALASKA PWR AGENCY - AK

Renewal Date: 1/1/2024

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 | \$0.318/\$1,000 | \$0.334/\$1,000 | 5.0% |
| Long Term Disability Plan | | | |
| ltd66Ss1 | \$0.0630/\$100 | \$0.0599/\$100 | -4.9% |
| Medical and Prescription Drug Plan | | | |
| ppo2 | | | |
| INDIVIDUAL | \$1,858.17 | \$2,013.26 | 8.3% |
| INDIVIDUAL + DEPENDENT | \$3,802.58 | \$4,096.41 | 7.7% |
| MEDICARE | \$408.80 | \$442.92 | 8.3% |
| Short Term Disability Plan | | | |
| std1 | \$0.0644/\$100 | \$0.0666/\$100 | 3.4% |
| Vision Plan | | | |
| visPpoEnh1 | | | |
| INDIVIDUAL | \$15.89 | \$15.89 | 0.0% |
| INDIVIDUAL + DEPENDENT | \$43.85 | \$43.85 | 0.0% |



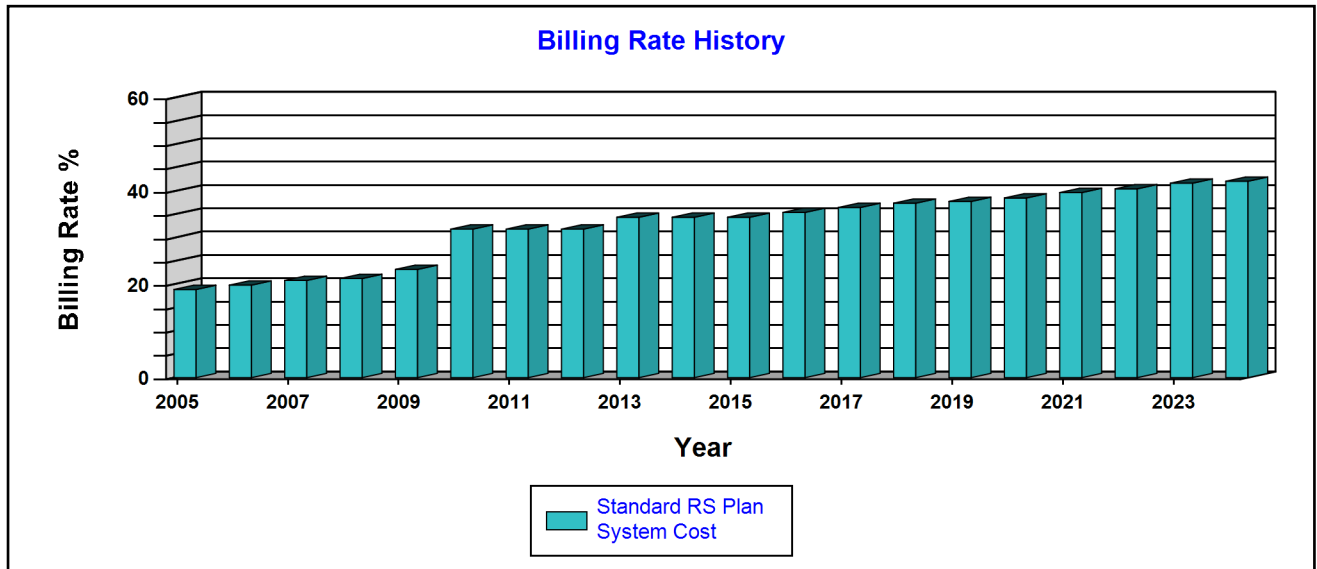
NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

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 |
|------|---------------|-------------|-----------------------|------|------|-------------|---------------|-------------|
| 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 |
| 2024 | 2.00 | 42.11 | 0.00 | 62 | Yes | 58 | 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, 2023, which is that participant's effective salary for the 2024 plan year. Beginning with your January 2024 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.



SOUTHEAST ALASKA POWER AGENCY

Administrative Employee Benefits Calendar Year 2024

Non-represented employees are eligible for these benefits provided by National Rural Electric Cooperative Association (NRECA).

| Nat'l Rural Electric Cooperative Assn. (NRECA) Plans | Coverage: No waiting period IN – In Network • OUT – Out of Network | | Employer Contrib. | Employee Contrib. |
|--|---|---|-------------------|-------------------|
| | | | | |
| Medical PPO | IN | Deductible: \$300 individual, \$600 family | 90% | 10% |
| | OUT | Deductible: \$600 individual, \$1200 family | | |
| | Out-of-Pocket Maximums: | | | |
| | IN | Coinsurance: \$0 individual, \$0 family | | |
| | OUT | Coinsurance: \$1200 individual, \$2400 family | | |
| Prescription | Coinsurance Max: \$2000/individual, \$5000/family | | | |
| Dental | Deductible: Preventive - \$0 / Basic - \$50 per participant | | 90% | 10% |
| Vision | Deductible: \$10 exam, \$20 glasses | | 90% | 10% |
| Retirees-Medical coverage is available to retirees after completing 5 years of continuous service with the Agency. | | | | |
| Basic Life & AD&D Insurance* | 2x Base Salary | | 100% | --- |
| Supplemental Life* | 1x Base Salary | | 100% | --- |
| Supplemental AD&D | Available | | 0 | 100% |
| Supplemental Family AD&D | Available | | 0 | 100% |
| Spouse Life* | \$10,000 | | 100% | --- |
| Child Life* | \$10,000 | | 100% | --- |
| Retired Life* | Available | | 0 | 100% |
| Business Travel Insurance | \$100,000 (covers all employees and Board members) | | 100% | --- |
| Short-Term Disability | 66-2/3% of weekly earnings, \$1500/wk maximum. Benefits begin on day 8 and are limited to 13 weeks. | | 100% | --- |
| Long-Term Disability | 66-2/3% of annual salary paid until age 65 if totally disabled. Benefits begin after 13 wks. | | 100% | --- |

*Group term life insurance coverage in excess of \$50,000 is taxable income.

| Homestead Plan (a division of NRECA) | Summary | Employer Contribution | Employee Contribution |
|---|---|--|-------------------------|
| 457(b) Government Deferred Compensation Plan (SEAPA Irrevocable Trust) | Eligible on the first day of the month after one full month of completed service. Employee minimum contribution required; maximum subject to IRS limitations. | 3% of base wage after employee minimum | 1% of base wage minimum |

| Retirement Security Plan (sponsored by NRECA) | Employer Contribution | Employee Contribution |
|---|-----------------------|-----------------------|
| Defined Benefit Pension Plan – Participation begins first of the month following the first full year of employment. Benefit based on 2% of participant's final average effective salary. Subject to vesting schedule. | 100% | --- |



SOUTHEAST ALASKA POWER AGENCY

Administrative Employee Benefits Calendar Year 2024

| 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 | Standard Accrual: Employee earns 6 hours per pay period in first year; increasing to 10 hours per pay period. Maximum accrual of 480 hours cashed out each year-end or at 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 Review: _____



SOUTHEAST ALASKA POWER AGENCY

Date: August 21, 2023
To: Robert Siedman, Chief Executive Officer
From: Ed Schofield, Power Systems Specialist
Subject: Independent Consultant for Swan Lake 2024 FERC Part 12 Report

Every five years the Federal Energy Regulatory Commission (FERC) requires that SEAPA retain an Independent Consultant (IC) to conduct a third party (Part 12) Safety Inspection of SEAPA's Swan Lake Dam to identify any actual or potential deficiencies that might endanger life, health, or property, including deficiencies that may be in the condition of the Swan Lake Dam or in the quality or adequacy of project maintenance, safety, methods of operation, analyses, and other conditions. SEAPA is also required to seek FERC's approval of the Independent Consultant and the IC inspection plans 180 days in advance of the proposed inspection schedule.

In 2018, with the Board's approval, FERC approved Schnable Engineering LLC as SEAPA's 2019 FERC Part 12 Inspection IC. It is prudent to contract with Schnabel again as SEAPA's IC for the 2024 Swan Lake Part 12 Inspection. Staff seeks the Board's consideration of sole-sourcing the contract to Schnabel now so FERC's approval of Schnabel as the IC can be solicited next month to meet FERC deadlines for the project. Schnabel estimates the cost at \$77,000, which under SEAPA's current procurement policy, requires three quotes for the work.

Schnabel was awarded the work in 2018 based on their superior engineering knowledge and Part 12 experience with elliptical arch dam designs similar to the Swan Lake Hydroelectric Project, and for their familiarity with FERC's Dam Safety Performance Monitoring and PFMA Programs.

If the Board authorizes a sole-source contract with Schnable, staff will seek approval in SEAPA's FY2024 budget for \$84,700 (\$77,000 plus a 10% contingency) for the Part 12 inspection as the work will not be billed until 2024.

Please consider the following suggested motion:

SUGGESTED MOTION

I move to authorize staff to enter into a sole-source Contract with Schnabel Engineering, LLC to serve as SEAPA's Independent Consultant for the 2024 Swan Lake Hydroelectric Facility FERC Part 12 Report for the not-to-exceed value of \$77,000, plus a 10% contingency for a total of \$84,700.



SOUTHEAST ALASKA POWER AGENCY

AUDITED

FINANCIAL STATEMENTS

A copy of SEAPA's FY2022 Audited Financial Statements and Audit Wrap-up was sent to Board members under separate cover. Joy Merriner, Assurance Partner with SEAPA's audit firm, BDO USA, will be in attendance 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, 2022, as presented at the August 30, 2023 board meeting.

AGENDA ITEM 5A-D

WORKSHOP

**NEW BUSINESS CONTINUED:
AGENDA ITEM 4D**

Placeholder for possible action following Workshop