

Southeast Alaska Power Agency Regular Meeting Minutes

Location: Petersburg, Alaska

Date: August 28-29, 2024

Time: 28th: 1-5 p.m.
29th: 11 a.m. – 12:30 p.m.

Agenda Items

1) Call to Order

A. Roll Call.

Vice Chair Lynn called the regular meeting to order at 1:00 p.m. AKDT on August 28, 2024. 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	IP	Jeremy Bynum	IP	Swan Lake	Ketchikan
Judy Zenge		Delilah Walsh		Swan Lake	Ketchikan
Steve Prysunka	IP	Mason Villarma ¹		Tyee Lake	Wrangell
Bob Lynn	IP	Thomas Fine-Walsh	IP	Tyee Lake	Petersburg
Karl Hagerman	IP	Mark Jensen ²		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	Present Electronically (E) In Person (IP)	Counsel	Present Electronically (E) In Person (IP)
Robert Siedman, P.E., CEO	IP	Kay Key, Controller	IP		
Clay Hammer, Operations Mgr.	IP	Sharon Thompson, EA/CA	IP		
Mark Hilson, P.E., Proj. Mgr.	IP	Marcy Graves, Admin. Asst.	IP	Joel Paisner	IP
Kris Womack, Elec Controls Engineer	IP				

B. Communications / Lay on the Table Items: None.

C. Disclosure of Conflicts of Interest: None.

2) Approval of the Agenda

Vice Chair Lynn requested a motion to approve the Agenda.

➤ Motion	M/S (Sivertsen/Bynum) to approve the Agenda as presented. The motion was approved unanimously by polled vote.	✓ Action 24-1122
----------	---------------------------------------------------------------------------------------------------------------	------------------

3) Persons to be Heard: None.

4) Consideration of Approval of Minutes

A. Minutes of Regular Meeting of June 26-27

¹ Director Villarma joined the meeting electronically on 08/29/2024

² Director Jensen joined the meeting in person at 4:25 p.m. on 08/28/2024



➤ Motion	M/S (Prysunka/Hagerman) to approve the minutes of SEAPA's regular meeting held on June 26-27, 2024. The motion was approved ✓	Action 24-1123
----------	-------------------------------------------------------------------------------------------------------------------------------	-------------------

5) Financial Reports

➤ Motion	M/S (Sivertsen/Hagerman) to accept year-to-date financial statements through June 2024 and disbursements for June and July 2024 totaling \$1,368,009.77. Following the CEO's report on the Agency's current financial position and financial statements, and fielding questions and comments from directors, the motion was approved unanimously by polled vote. ✓	Action 24-1124
----------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------

6) CEO Report

Mr. Siedman provided an update on safety and legislative activities that included Senate Bill 196 relating to drug and alcohol testing by employers, and House Bills 307 and 4045, respectively, relating to utility regulation and promoting/modernizing hydro licensing and construction. He provided the status of SEAPA's application for a grant under the federal Hydro Incentives Program, and reported the USFS has not provided an update on whether they took any action after the Agency's comprehensive comment letter expressed concerns about their Tongass Plan Revision study categorizing SEAPA's reservoirs as scenic rivers. Mr. Siedman summarized the progress of recent contracts and RFPs and discussed development of a drug and alcohol testing policy for the Agency. He reported two employees had resigned and that staffing would be discussed further in a workshop during SEAPA's October special board meeting.

The meeting recessed at 1:40 p.m. and resumed at 1:55 p.m.

7) New Business

A. Consideration of Contract Re Insurance Broker Services

➤ Motion	M/S (Sivertsen/Prysunka) to authorize staff to enter into a contract with Marsh USA Inc. for insurance and related broker services for the coverage period of November 1, 2024 through October 31, 2025. The motion was approved unanimously by polled vote. ✓	Action 24-1125
----------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------

B. Consideration of FY2023 Audited Financial Statements (Joy Merriner, Consultant)

The Vice Chair announced that this item will be deferred until the Consultant is able to join the meeting electronically.

C. Consideration of SEAPA's NRECA 2025 Employee Group Benefit Plans

➤ Motion	M/S (Bynum/Hagerman) to renew the NRECA 2025 employee group benefit plans as presented. Following staff's discussion and fielding of directors questions and comments on the benefits under the plan provided in the board packet, the motion was approved unanimously by polled vote. ✓	Action 24-1126
----------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------

D. Consideration of Increase to FY2024 R&R Budget Re RR 20343

➤ Motion	M/S (Sivertsen/Hagerman) to increase SEAPA's FY2024 R&R Budget by \$41,000 for the increased costs required for commissioning of SEAPA's Swan Lake Partial Discharge Monitors for RR20343. The motion was approved unanimously by polled vote. ✓	Action 24-1127
----------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------



E. Consideration of Resolution #2024-099 Re Solar

Motion	M/S (Sivertsen/Bynum) to adopt Resolution #2024-099 adopting the maximum capacity of community solar that can be integrated into SEAPA's electrical grid as a limit of 600 kilowatts and supporting SEAPA's Member Utilities' adoption of Solar Programs. The motion was approved unanimously by polled vote.	✓ Action 24-1128
---------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------

F. Consideration of RR24XXX Re Power Pole Replacement and Budget Increase

Motion	M/S (Sivertsen/Prysunka) to approve R&R Project #24XXX to replace two wood power poles on Structure 194 on Swan Lake's transmission line and increasing SEAPA's FY2024 R&R Budget by \$189,200 accordingly. The motion was approved unanimously by polled vote.	✓ Action 24-1129
---------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------

B-Cont'd: Consideration of FY2023 Audited Financial Statements (Joy Merriner, Consultant)

Mr. Lynn announced that Item B under New Business in the agenda would be heard as consultant, Joy Merriner, joined the meeting electronically. He requested a motion for SEAPA's FY2023 audited financial statements.

Motion	M/S (Sivertsen/Hagerman) to accept the Audited Financial Statements of the Southeast Alaska Power Agency for the year ended December 31, 2023, as presented at the August 28-29, 2024 board meeting. Following Ms. Merriner's presentation of the audited financial statements, the motion was approved unanimously by polled vote.	✓ Action 24-1130
---------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------

The meeting recessed at 3:12 p.m. and resumed at 3:30 p.m.

Mr. Lynn announced the meeting would resume under New Business Item G, 3rd Quarter Operations Plan Update.

G. 3rd Quarter Operations Plan Update

Mr. Hammer reported that Tyee Lake's elevation is 55 feet above the curtailment curve and 5% fuller than the previous year at the same time. He noted that weather predictions indicate above-average precipitation for the fall quarter and that snowpacks at both Swan and Tyee Lakes are nearly gone. He reported that in spite of Swan Lake's level measuring 20 feet below the 5-year average for this time of year due to below-average rainfall and 45% lower-than-average snowpack from earlier in the year, that loads will be met in 2024. He announced that every effort to minimize spill and impound water where possible are being made to prepare for the transition to cold weather.

H. Discussion Re Draft SEAPA Drug and Alcohol Policy

Mr. Siedman presented the key components of a formal Drug and Alcohol Testing Policy, explaining that staff intends to review the draft presented in the board packet in more detail during a work shop at SEAPA's October board meeting. He advised that the policy is necessary to protect the Agency from legal claims under Alaska's safe-harbor laws and is also needed for federal grant requirements. Following much discussion, the Vice Chair recommended that if the board has further comments about the policy to send them to staff prior to the October work shop so staff can prepare responses and SEAPA's HR counsel can be available to provide an overview and field questions. Mr. Siedman advised that the IBEW will also need to review the policy.

I. Discussion Re Impacts and Benefits of Interconnection with Metlakatla.

Mr. Siedman reported that the new cable for a Metlakatla interconnection is scheduled for commissioning by the end of this year, and that the Agency could benefit from increased sales to KPU. He discussed potential impacts to SEAPA, and Mr. Bynum elaborated further on the current status of the project.



The Vice Chair requested an update on the Ketchikan Landslide. Mr. Bynum provided an update and honored the City of Ketchikan employee whose life was lost in the slide.

The Vice Chair announced that Agenda Item 7J (SEAPA's Financial Management Plan) would be deferred until August 29, when Mr. Villarma is available to participate.

8) Staff Reports

A. *Plant Operations Quarterly Report (Hammer)*

Mr. Hammer provided highlights of the results of monthly inspections at SEAPA's Swan and Tyee Lake Plants noting that both plants were neat and orderly. He provided highlights of the safety training that had occurred noting that there were no safety concerns.

B. *Project Manager Report (Hilson)*

Mr. Hilson provided updates on Federal Energy Regulatory Commission (FERC) and Project related activities. He noted that the Tyee 3rd Turbine License Capacity Amendment was on schedule for its final amendment application at year end and that a Request for Proposals had been developed for Swan Lake's FERC relicensing with contract award anticipated at the October board meeting. He reported on the status of a partial discharge monitoring project at Swan Lake, and the Cleveland Peninsula Helipad Replacement program. He commended the Tyee crew's fabrication of a support stand and installation of strainers for the Basket Strainer replacements that were necessary at Tyee.

C. *Electric Controls Engineer (Womack)*

Mr. Womack reported that a location had been selected for the Ketchikan Substation and that 35% design had been received, and that a 30% design package had been received from the consultant for the Tyee Third Turbine Design Project.

9) 2024 Meeting Dates

The next meeting dates were reported as October 25, 2024 for a Special meeting, and that December 4, 2024 will be the final regular meeting of the year.

10) Topics for Future Discussion

No discussion.

The meeting recessed at 5:20 p.m.

Thursday, August 29, 2024

SEAPA staff, counsel, and directors participated in a tour of Petersburg's Blind Slough Hydro Project at 9 a.m. and returned to resume the board meeting at 11 a.m. Chairperson Sivertsen called the meeting to order and requested a roll call. Mr. Villarma joined the meeting electronically, and the same directors present in person at the August 28 meeting were present on August 29.

New Business, Item J (Discussion Re Outline of SEAPA Financial Management Plan)

The Chair announced that New Business, Item J, deferred during the August 28 portion of the meeting, will be heard and requested the CEO to present staff's proposed objectives for the Plan that are presented in the board packet. Mr. Siedman provided an overview of the objectives, which included minimizing increases to the Agency's wholesale power rate, ensuring compliance with Agency bond requirements and regulations, forecasting financial scenarios, and establishing investment thresholds, rate increases and rebate criteria. Following discussion, the Chair solicited directors Villarma and Lynn's interest in serving on a Finance Committee and requested a motion establishing the committee.



<i>Motion</i>	M/S (Sivertsen/Bynum) to designate a Finance Committee to work with the CEO and make recommendations to the Board on investing SEAPA's funds, which committee includes Directors Mason Villarma and Bob Lynn, and SEAPA's Chief Executive Officer, and other SEAPA staff as needed. The motion was approved unanimously by polled vote.	✓ Action 24-1131
---------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------

The Chair recommended that a motion is needed to authorize staff and the Finance Committee to work with SEAPA's investment manager to develop an investment plan to bring back to the Board for consideration.

<i>Motion</i>	M/S (Sivertsen/Prysunka) to authorize SEAPA staff to work with the newly designated Finance Committee, SEAPA's investment manager at Alaska Permanent Capital Management, and legal counsel, to develop an investment plan to present to the SEAPA Board for consideration. The motion was approved unanimously by polled vote.	✓ Action 24-1132
---------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------

11) Director Comments

Directors exchanged brief comments.

12) Adjourn

The Chair requested a motion to adjourn.

<i>Motion</i>	M/S (Sivertsen/Lynn) to adjourn the meeting. The Chair announced the meeting adjourned after no objections were heard.	✓ Action 24-1133
---------------	------------------------------------------------------------------------------------------------------------------------	------------------

The meeting adjourned on August 29, 2024 at 12:35 p.m.

