



SOUTHEAST ALASKA POWER AGENCY

June 25-26, 2025 Regular Board Meeting

AGENDA

Wednesday, June 25, 2025

12-1PM	***Lunch @ Nolan Center***
1PM	Meeting Starts
5PM	Meeting Recesses
6PM	***Dinner at Stikine Inn***

Thursday, June 26, 2025

8AM	Breakfast at Nolan Center
9AM	Meeting Resumes
12NOON	Meeting Adjourns ***Lunch at Nolan Center***

Meeting held at:

**Nolan Center
Wrangell, Alaska**



**For telephonic participation via Zoom dial:
1.888.475.4499
Meeting ID #874 4088 3109**

- 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 29, 2025 – Special Meeting
- 5. Financial Reports**
- 6. Staff Reports**
 - A. Electric Controls Engineer (*Womack*)
 - B. Project Manager Report (*Hilson*)
 - C. Operations Manager Project Report (*Hammer*)
 - D. Plant Operations Quarterly Report (*Hammer*)
- 7. CEO Report**
- 8. New Business**
 - A. Consideration of Tyee 3rd Turbine, Generator & Transformer Procurement Contract
 - B. Consideration of Budget Requests and Authorizations Re Tyee 3rd Turbine, Generator & Transformer Procurement Contract
 - C. 2nd Quarter Operations Plan Update
- 9. 2025 Meeting Dates**
- 10. Discuss Future Topics**
- 11. Director Comments**
- 12. Adjourn**

Southeast Alaska Power Agency Special Meeting Minutes

Location: Held Electronically¹

Date: May 29, 2025

Time: 2:00 p.m. AKDT

Agenda Items

1) Call to Order

A. Roll Call.

Chairperson Lynn called the meeting to order at 2:00 p.m. AKDT on May 29, 2025. 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	Rodney Dial		Swan Lake	Ketchikan
Lacey Simpson	IP	Jeremy Bynum	IP	Swan Lake	Ketchikan
Dick Coose	IP	Peter Amylon	E	Swan Lake	Ketchikan
Bob Lynn	E	Karl Hagerman	E	Tyee Lake	Petersburg
Mason Villarma	E	Patricia Gilbert	E	Tyee Lake	Wrangell

The following SEAPA staff were present for all or part of the meeting:

Staff	Present Electronically (E) In Person (IP)	Staff/Counsel	Present Electronically (E) In Person (IP)
Robert Siedman, P.E., CEO	IP	Mark Hilson	E/IP
Kay Key, Controller	E	Kris Womack	E
Sharon Thompson, EA/CA	IP		

Randy Ruaro, Executive Director of the Alaska Industrial Development & Export Authority (AIDEA), joined the meeting electronically.

B. Communications/Lay on the Table Items: None

C. *Disclosure of Conflicts of Interest:* Director Simpson announced that approximately 15 years prior a family member worked for one of the bidders on a contract to be discussed in the agenda. No discussion or comments were made regarding the disclosure, and no conflict of interest was found to exist.

2) Approval of the Agenda

Chairperson Lynn requested a motion to approve the Agenda.

Motion	M/S (Sivertsen/Coose) to approve the Agenda as presented. The motion was approved unanimously by polled vote.	✓	Action 25-1165
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3) Persons to be Heard: None.

¹ The meeting was held electronically via Zoom.

4) Review and Approve Minutes

The Chair requested a motion to approve the minutes of March 27, 2025.

➤ Motion	M/S (Sivertsen/Coose) to approve the Minutes of the regular meeting of March 27, 2025. The motion was approved unanimously.	✓	Action 25-1166
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5) New Business

A. *Executive Session Re Tyee 3rd Turbine, Generator & Transformer Procurement Project*

➤ Motion	M/S (Sivertsen/Coose) to recess into Executive Session to be conducted pursuant to SEAPA's Bylaws consistent with Alaska Statute 44.62.310 for discussions on the bid results of the Agency's Tyee 3rd Turbine, Generator & Transformer Procurement Project, which is a matter the immediate knowledge of which would clearly have an adverse effect on the finances of the Agency, the Projects, or any of the Member Utilities represented on the Board. The motion was approved unanimously by polled vote.	✓	Action 25-1167
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The meeting recessed at 2:10 p.m. for the executive session and resumed in regular session at 3:08 p.m.

The Chair announced there were no decisions made during the executive session and requested that the Agency's CEO open with the next item under New Business.

B. *Discussion Re Financing Tyee 3rd Turbine, Generator & Transformer Procurement Project*

Mr. Siedman introduced SEAPA's consultant, Jay Dallas of McMillen Inc., to present an estimate for both procurement and construction considerations for the Tyee 3rd Turbine, Generator and Transformer Procurement Project. Following the presentation, Mr. Siedman discussed the actual cash flow and potential financial plan and requested SEAPA's Consultant, Craig Lammlin of Moss Adams, who joined the meeting electronically, to discuss whether tax-exempt bonds could be used on an IRS Tax Credit. Mr. Lammlin discussed the bonds and tax credit, and grants for construction of a clean energy project. Mr. Siedman and Mr. Lammlin both contributed to the remainder of discussions on potential financing scenarios and grant requirements, and fielded questions from directors.

C. *Reserved for Possible Action Following Executive Session and Financing Discussion*

➤ Motion	M/S (Sivertsen/Coose) to authorize staff to issue a notice of intent to award and enter into contract negotiations with Canyon Industries, Inc. to negotiate the lowest cost acceptable to SEAPA for SEAPA's Tyee 3rd Turbine, Generator and Transformer Procurement Contract. The motion was approved unanimously by polled vote.	✓	Action 25-1168
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6) Next Meeting Dates

There were no objections to SEAPA's next regular board meeting date of June 25-26, 2025 in Wrangell.

7) Director Comments

Directors exchanged various comments.

8) Adjourn

➤ Motion	M/S (Sivertsen/Simpson) to adjourn the meeting. Following the motion, the Chair requested a round of ayes in favor of adjournment. All were in favor.	✓	Action 25-1169
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Chairperson Lynn adjourned the meeting at 4:17 p.m.

Signed:

Attest:

Secretary/Treasurer

Chairperson



SOUTHEAST ALASKA POWER AGENCY CONTROLLER MEMO

SUGGESTED MOTION

I move to accept year-to-date financial statements through April 2025 and disbursements for March through May 2025 totaling \$2,803,617.10.

Year-to-Date Financial Reports in this packet include:

- Financial Snapshot
 - Statement of Financial Position (Balance Sheet)
 - ✓ Fund Allocation Graph (May)
 - Statement of Activities (P&L)
 - ✓ MWH Sales Graph
 - R&R Capital Expenditures Report
 - Disbursements: March – May 2025
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- A **Bond Arbitrage Report** is also included in this packet.

BDO is wrapping up the audit of SEAPA's 2024 financial activity. Audited Financial Statements are scheduled for presentation at the next regular board meeting.

The format of the financial reports in this packet have been updated. As always, feel free to address any questions or concerns.



APRIL 2025 YTD FINANCIAL SNAPSHOT

OPERATING REVENUE

	JAN-APR Actual	JAN-APR Budget	JAN-APR Prior Yr
Ketchikan	\$ 2,964,455	\$ 3,042,365	\$ 3,349,341
Petersburg	1,380,731	1,433,360	1,399,961
Wrangell	1,148,406	1,167,511	1,140,115
Total Power Sales	\$ 5,493,592	\$ 5,643,236	\$ 5,889,417

-3% of YTD Budget

-7% actual to prior year

OPERATING EXPENSE

Hydro Facilities	\$ 746,341	\$ 806,968	\$ 777,066
Transmission	110,277	117,837	87,369
G&A	1,221,324	1,258,340	1,040,635
Total Operating Expense	\$ 2,077,942	\$ 2,183,145	\$ 1,905,071

-5% of YTD Budget

9% actual to prior year

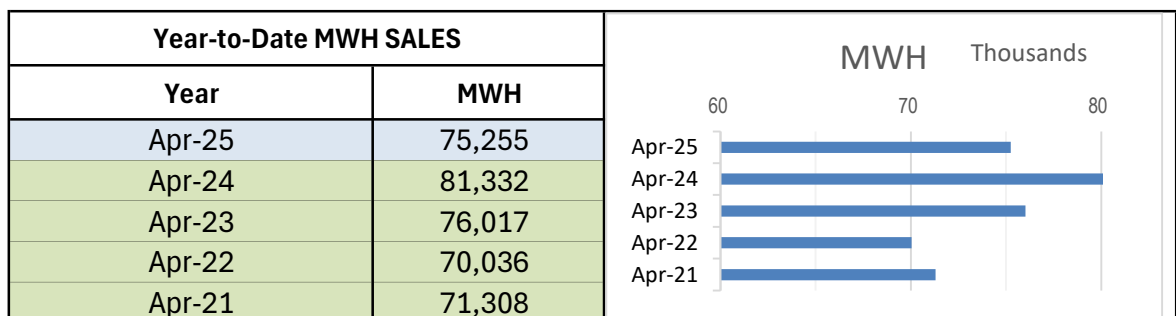
NONOPERATING REVENUE/(EXPENSE)

Nonoperating Revenue	\$ 705,636	\$ 160,256
Nonoperating Expense	2,064,216	2,050,974
Net NonOperating	\$ (1,358,579)	\$ (1,890,718)
CHANGE IN NET POSITION	\$ 2,057,071	\$ 2,093,628

R&R (CAPITAL) Expenditures

JAN-APR Actual	Annual Budget	Capitalized 2025
\$ 1,933,635	\$ 9,048,672	\$ 87,234

FIRM MWH TREND



STATEMENT OF FINANCIAL POSITION

Southeast Alaska Power Agency

as of April 30, 2025

	Year To Date 04/30/25	Prior Year To Date 04/30/24	% Change	\$ Change
ASSETS				
Current Assets				
Agency Funds				
Operating & Reserve Funds				
Operating Funds	11,123,050	19,138,584		
Reserve Funds	29,183,681	15,064,938		
Total Operating & Reserve Funds	40,306,731	34,203,522	18 %	\$6,103,209
Restricted Trustee Funds				
2015 Series Bond Funds	829,784	763,167		
2021 Series Bond Funds	1,030,027	976,601		
2022 Series Bond Funds	589,636	577,065		
Total Restricted Trustee Funds	2,449,448	2,316,832	6 %	\$132,616
Restricted Other Funds				
USFS CD - STI	22,434	22,013		
DNR Reclamation Fund	-	1,598,738	...	Replaced by annual surety bond
Required R&R Fund	-	1,001,459	...	Transferred to Reserves Funds
Total Restricted Other Funds	22,434	2,622,210	(99) %	(\$2,599,775)
Total Agency Funds	42,778,613	39,142,564	9 %	\$3,636,049
Other Current Assets				
Accounts Receivable	1,849,289	2,632,979	(30) %	(\$783,690)
Accrued Interest Receivable	189,653	133,315	42 %	\$56,338
Prepaid Fees	574,249	539,601	6 %	\$34,649
Inventory Assets, net amortization	2,116,633	2,021,760		
Total Other Current Assets	4,729,825	5,327,655		
TOTAL CURRENT ASSETS	47,508,438	44,470,219	7 %	\$3,038,219
Capital Assets				
R&R Construction in Progress	2,662,227	2,053,282		
Capital Assets	204,613,252	202,715,051		
Accumulated Depreciation	(75,131,341)	(70,325,528)		
Total Capital Assets	132,144,137	134,442,805	(2) %	(\$2,298,667)
Deferred Assets				
New Generation Integration	-	12,738		
2019 Bond Gain on 2009 Refund	-	1,892	...	2019 Series matured May 2024
Feasibility Solar	74,542	65,214		
Feasibility Ketchikan Substation	-	429	...	Transferred to RR25403
Feasibility TYL Capacity License Amendment	-	2,551	...	Transferred to RR25407
Feasibility TYL Third Turbine Design Phase	-	561	...	Transferred to RR25408
Feasibility PSG Potential XFMRs	1,912	-		
Total Deferred Assets	76,454	83,386	(8) %	(\$6,932)
TOTAL ASSETS	179,729,029	178,996,409	0 %	\$732,620

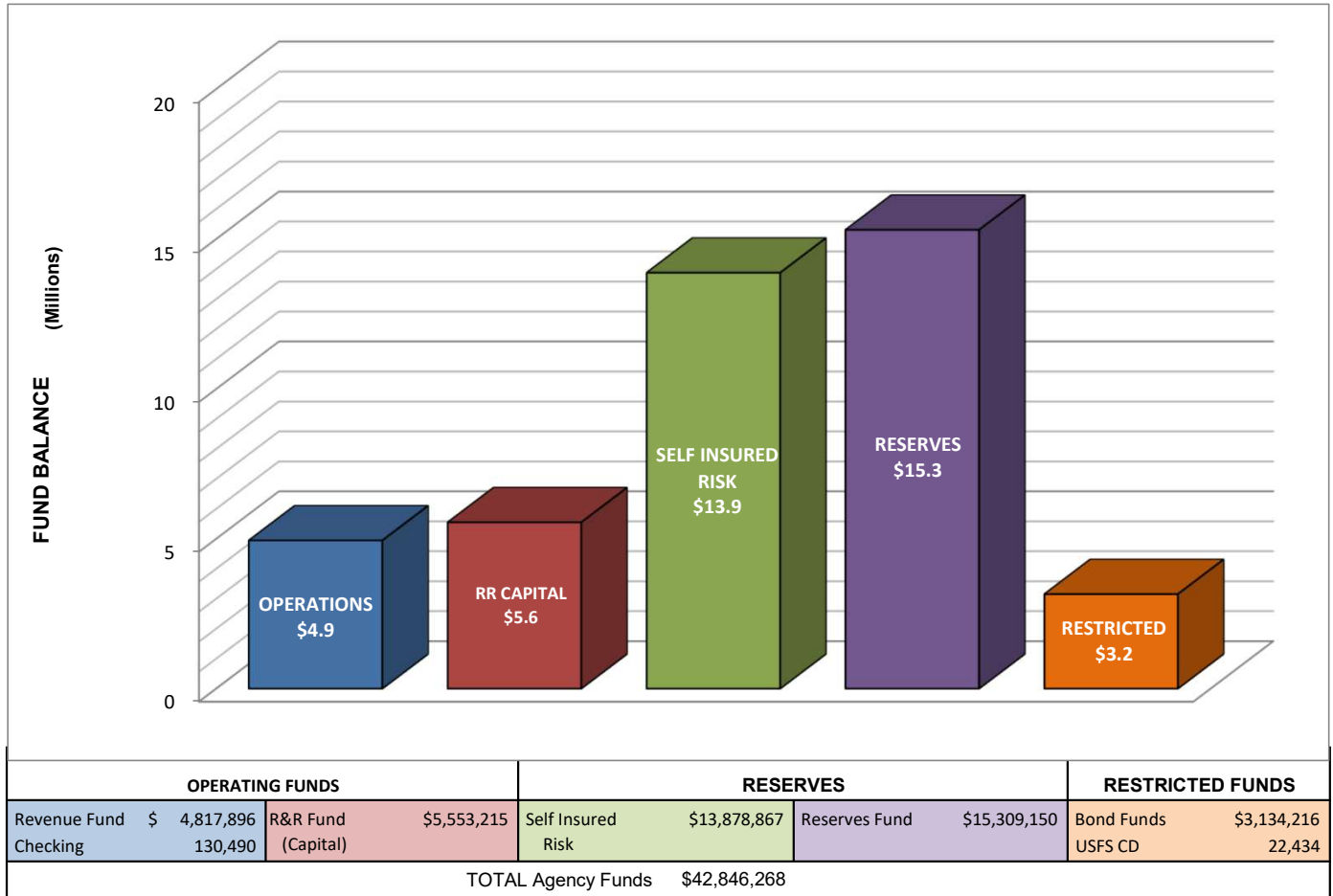
STATEMENT OF FINANCIAL POSITION

Southeast Alaska Power Agency

as of April 30, 2025

	Year To Date 04/30/25	Prior Year To Date 04/30/24	% Change	\$ Change
LIABILITIES & NET POSITION				
Current Liabilities				
Accounts Payable General	437,435	236,663		
Other Current Liabilities	87,798	84,414		PERS (Current portion)
Bond Reserve Interest Payable	414,574	427,173		
Payroll Liabilities	349,467	323,566		Wages, PTO, Other Payroll Liabilities
Total Current Liabilities	1,289,275	1,071,817	20 %	\$217,458
Long Term Liabilities				
PERS Unfunded Liability WRG	369,152	452,792		
DNR Fund CVEA KEA Liability	-	799,369	...	DNR Fund liability distributed Jun 2024
Series 2015 Bonds	10,295,000	10,295,000	...	Principal pmts begin Jun 2025
Series 2021 Bonds	10,515,000	10,800,000		
Series 2022 Bonds	5,705,000	5,805,000		
Bond Issuance Premium/Discount, net	2,845,443	3,029,914		
Total Long Term Liabilities	29,729,595	31,182,075	(5) %	(\$1,452,479)
TOTAL LIABILITIES	31,018,870	32,253,892	(4) %	(\$1,235,022)
NET POSITION				
Net Investment Capital Assets	102,412,360	104,614,884		
Restricted for Debt Service	2,576,169	2,594,125		
Restricted by External Agreement	22,223	1,594,601	...	DNR Fund (restricted) distributed Jun 2024
Unrestricted	41,642,335	35,845,280		
Net Position Subtotal	146,653,088	144,648,889	1 %	\$2,004,199
NET INCOME	2,057,071	2,093,628	(2) %	(\$36,557)
TOTAL NET POSITION	148,710,159	146,742,517	1 %	\$1,967,642
TOTAL LIABILITIES & NET POSITION	179,729,029	178,996,409	0 %	\$732,620

SEAPA FUND ALLOCATION GRAPH - MAY 2025



OPERATING FUNDS

Checking: Monies are transferred from Revenue and RR Fund, as needed, to cover expenditures.

Revenue Fund: All SEAPA income is deposited to the Revenue Fund, as required by Bond Indentures.

R&R Fund: Dedicated to cover capital expenditures. Funded by an annual deposit of \$3.2MM, in the form of quarterly transfers from t Revenue Fund, as outlined in the 4R Plan.

RESERVES FUNDS

Self-Insured Risk Fund: Coverage for uninsured transmission lines, submarine cables and insurance deductibles.

Reserves Fund: Established under the board-approved Reserves Fund Policy for the purposes of Rate Stabilization, New Generation, additional capital reserves.

RESTRICTED (Legally or contractually restricted)

Bond Trustee Funds: Interest, Principal, and Reserve Funds established by SEAPA bond issuances (2015, 2021, 2022 Series).

USFS: USFS Land Remediation Certificate of Deposit

STATEMENT OF ACTIVITIES

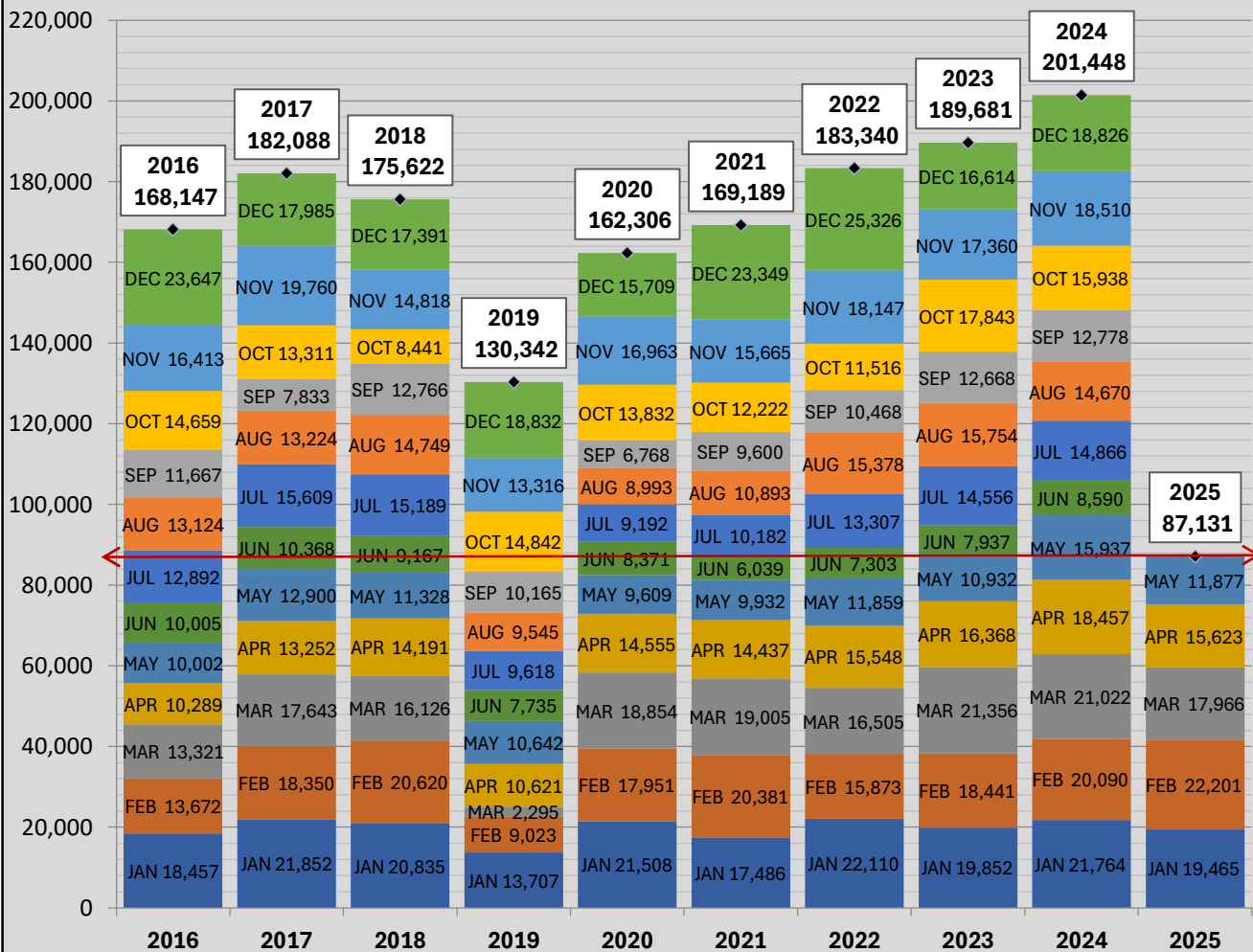
Southeast Alaska Power Agency

Budget Comparison YTD as of April 30, 2025

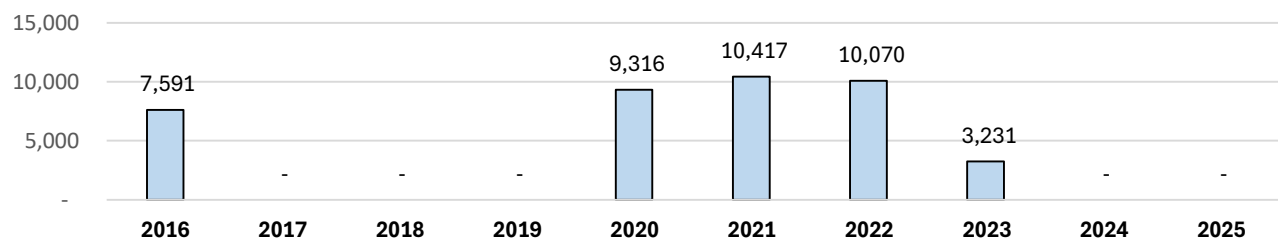
	YTD FY25	ANNUAL BUDGET	% of Budget	Prior YTD Comparison	
				FY24	2025 : 2024
OPERATING REVENUE					
400 - Hydro Facility Revenues					
Hydropower Sales Ketchikan	2,964,455	7,482,416		3,349,341	
Hydropower Sales Petersburg	1,380,731	3,532,250		1,399,961	
Hydropower Sales Wrangell	1,148,406	2,922,360		1,140,115	
Net Operating Revenue	5,493,592	13,937,026	39%	5,889,417	(7)%
OPERATING EXPENSE					
HYDRO FACILITY O&M					
535 - Operations Supervision	7,023	11,000	64%	5,367	
537 - Hydraulic	4,720	14,900	32%	5,655	
538 - Electric	4,601	128,500	4%	13,197	
539 - Operations Misc	90,709	420,850	22%	92,756	
540 - Rents	65,584	198,600	33%	63,996	
541 - Hydro Power Station Maintenance	18,581	48,000	39%	22,630	
543 - Dams Reservoirs Waterways	4,678	58,750	8%	4,759	
544 - Electric Plant Wages-Benefits	520,807	1,545,000	34%	549,790	
545 - Nonproduction Plant Maintenance	29,639	98,200	30%	18,916	
Total Hydro Facility Expense	746,341	2,523,800	30%	777,066	(4)%
TRANSMISSION O&M					
561 - Control System Maintenance	-	17,000	0%	8,890	
562 - Substation	16,130	103,650	16%	11,119	
564 - XMSN Submarine Cable	8,452	15,300	55%	1,032	
571 - XMSN Overhead Lines	85,696	1,868,100	5%	66,328	
Total Transmission Expense	110,277	2,004,050	6%	87,369	26%
GENERAL & ADMIN EXPENSE					
920 - Admin Wages-Benefits	640,622	2,014,000	32%	501,701	
921 - Office	81,616	307,350	27%	77,744	
923 - Professional Services	89,148	367,000	24%	82,019	
924 - Insurance	288,091	855,000	34%	271,446	
928 - Regulatory Commission	37,333	189,400	20%	24,081	
930 - General Administrative	77,915	158,100	49%	75,575	
931 - Admin Rent	6,600	19,500	34%	8,070	
Total G&A Expense	1,221,324	3,910,350	31%	1,040,635	17%
Total Operating Expense	2,077,942	8,438,200	25%	1,905,071	9%
NET OPERATING REVENUE/(EXPENSE)	3,415,650	5,498,826	62%	3,984,346	(14)%
Nonoperating Income					
942 - Interest Income Misc	315,222	Investment Funds		235,627	
944 - Gain/(Loss) Investments	259,040	Investment Funds		(165,090)	
946 - Misc Nonoperating Income	131,374	REC income		89,719	
Total Nonoperating Income	705,636			160,256	340%
Nonoperating Expense					
951 - Interest Expense	10,708			3,749	
952 - Bond Interest Expense	352,125			357,717	
953 - Depreciation-Amortization Expense	1,671,835			1,664,909	
954 - Grant Expense	-			4,852	
955 - Misc Nonoperating Expense	29,547			19,747	
Total Nonoperating Expense	2,064,216			2,050,974	1%
NET NONOPERATING INCOME/(EXPENSE)	(1,358,579)			(1,890,718)	
Change in Net Position	2,057,071			2,093,628	(2)%

kWh HYDROPOWER SALES	MAY 2025		YTD		% of YTD Budget
	Actual	Budget	Actual	Budget	
Ketchikan Power Sales	6,119,408	8,703,042	46,728,384	50,379,279	93%
Petersburg Power Sales	2,915,400	3,136,462	21,829,520	22,771,534	96%
Wrangell Power Sales	2,841,700	2,787,739	18,573,290	18,781,027	99%
Total Power Sales	11,876,508	14,627,243	87,131,194	91,931,840	95%

MWh Firm Power Sales YOY Comparison



MWh Displaced Sales - Whitman True-up



R&R Capital Expenditures

as of April 30, 2025

	2025		TOTAL PROJECT EXPENDITURES	BUDGET FY2026-2030	BUDGET* OVERALL through 2030	Placed in Service
	BUDGET	EXPENDITURES				
RR19307 - Helipads Cleveland	426,673	19,259	120,813	-	610,000	
RR22364 - 15kV Switchgear TYL	1,094,279	65,929	193,816	284,035	1,506,200	
RR22374 - Station Service Switchgear TYL	2,553,720	214,515	599,343	976,452	3,915,000	
RR23384 - FERC Relicensing SWL	670,000	180,577	234,544	2,300,000	3,017,000	
RR23385 - FERC Relicensing TYL	674,000	-	39,152	2,298,478	3,017,000	
RR23386 - Incinerator XFMR Panel-Controls SWL	18,903	16,234	33,331	-	36,000	
RR24397 - Road Work SWL	119,647	-	15,353	-	135,000	
RR24398 - Str194 Power Poles SWL	189,200	-	-	-	189,200	
RR25399 - Battery Bank WRG Switchyard	40,000	28,991	28,991	-	40,000	
RR25400 - Control Room SWL	25,000	4,364	4,364	-	25,000	
RR25401 - Crew House 5 Reno TYL	250,000	-	-	-	250,000	
RR25402 - EV Chevy Blazer KTN	43,600	47,721	47,721	-	43,600	Apr 2025
RR25403 - Ketchikan Substation	618,750	-	425,579	6,253,950	7,298,000	
RR25404 - Lake Skiff SWL	49,900	34,930	34,930	-	49,900	
RR25405 - Plow Truck SWL	70,000	39,514	39,513	-	70,000	Feb 2025
RR25406 - Sidewalk KTN HQ	20,000	-	-	-	20,000	
RR25407 - Third Turbine License Amendment TYL	149,000	41,564	239,120	-	339,720	
RR25408 - Third Turbine-Generator TYL	1,740,000	4,103	557,096	21,819,408	24,112,000	
RR25409 - Water Piping-Basket Strainer SWL	296,000	88,074	88,074	-	296,000	
Total All RR Projects	9,048,672	785,775	2,701,740	33,932,323	44,969,620	

SOUTHEAST ALASKA POWER AGENCY

MARCH - MAY 2025 DISBURSEMENTS

			\$2,803,617.10	
			2,150,206.11	653,410.99
VENDOR	DESCRIPTION	AMOUNT	REVENUE FUND	R&R FUND
A&P		640.86	571.89	-
Airmo Inc		1,066.18	-	1,066.18
AK DNR 550 1410		150.00	150.00	-
Alaska Airlines Cargo		842.72	842.72	-
Alaska Marine Lines		81.03	-	81.03
Alaska Permanent Capital Inc		11,057.09	11,057.09	-
Amazon com		5,508.17	5,379.28	128.89
Andritz Hydro Corp	Inventory - Turbine Shutoff Air Vent Valve	144,600.00	144,600.00	-
Anixter Power Solutions LLC		2,034.00	2,034.00	-
Arrowhead LP Gas WRG		299.00	299.00	-
Ascent Law Partners LLP		4,710.00	4,710.00	-
Automation Direct		3,289.66	2,050.03	1,239.63
Bay Company		1,101.68	1,101.68	-
BDO USA LLP		22,000.00	22,000.00	-
Bill Pierre Chevrolet		46,142.50	-	46,142.50
Branom Instrument Company		755.64	755.64	-
Bureau Veritas North America		514.25	514.25	-
Cambria Properties LLC		4,775.00	4,775.00	-
Cascadia Law Group PLLC		3,181.25	-	3,181.25
Channel Electric Inc		374.59	374.59	-
Chase 1 - FEB		12,415.57	12,415.57	-
Chase 2 - MAR		9,620.65	9,620.65	-
Chase 3 - APR		14,966.52	13,766.56	1,199.96
City Market Inc		429.58	429.58	-
Computershare 1450		5,000.00	5,000.00	-
Computershare 2015 Interest	Bond Debt Service	160,273.00	160,273.00	-
Computershare 2015 Principal	Bond Debt Service	848,800.00	848,800.00	-
Computershare 2021 Interest	Bond Debt Service	160,400.00	160,400.00	-
Computershare 2022 Interest	Bond Debt Service	84,622.00	84,622.00	-
Copper Ridge LLC		20,150.00	20,150.00	-
Copper River Fleece		169.05	169.05	-
D&D Tree Service LLC	Brushing	63,600.00	63,600.00	-
Doug Hanson & Associates Inc		7,706.00	-	7,706.00
Electric Power Constructors Inc	RR22364 15kV Switchgr TYL RR22374 Station Service Switchgear TYL	278,543.77	-	278,543.77
Emerson Power & Water Solutions		1,036.65	1,036.65	-
EMI Supply LLC		900.60	900.60	-
Exponential Power Inc		10,783.64	-	10,783.64
Fastenal Company		524.10	-	524.10
Federal Energy Regulatory Commission	Land Use Rents	76,753.75	76,753.75	-
Filtration World		634.43	634.43	-
First City Electric Inc		3,157.88	522.00	2,635.88
G2 Risk Consulting		450.00	450.00	-
Grainger		2,981.23	2,981.23	-
Greater Ketchikan Chamber of Commerce		407.00	407.00	-
Hammer & Wikan Inc		68.53	68.53	-
HD Fowler Company Inc		1,261.42	-	1,261.42
Helicopter Air Alaska LLC		4,264.00	4,264.00	-
Homestead Skiffs		34,930.00	-	34,930.00

SOUTHEAST ALASKA POWER AGENCY

MARCH - MAY 2025 DISBURSEMENTS

			\$2,803,617.10	
			2,150,206.11	653,410.99
VENDOR	DESCRIPTION	AMOUNT	REVENUE FUND	R&R FUND
Hubbell Power Systems Inc		2,480.04	2,480.04	-
Jaco Analytical Lab Inc		69.95	69.95	-
Johnsons Building Supply		2,966.27	2,966.27	-
Kelley Create Co		854.35	854.35	-
Kemppel Huffman and Ellis PC		6,112.50	6,112.50	-
Ketchikan City of 334		158.30	158.30	-
Ketchikan City Port & Harbor		832.79	832.79	-
Ketchikan Daily News		417.88	417.88	-
Ketchikan Lock & Key		390.00	390.00	-
Ketchikan Mechanical Inc		6,441.34	6,441.34	-
Ketchikan Public Utilities Electric		8,106.94	8,106.94	-
Ketchikan Public Utilities Telecom		5,511.13	5,511.13	-
Kleinschmidt Associates	RR23384 FERC Relicensing SWL	218,193.94	-	218,193.94
Landing Hotel		1,971.58	1,971.58	-
Les Schwab		8,264.90	8,264.90	-
Lightning Bolt & Supply Inc		3,036.97	-	3,036.97
LNM Services		175.36	175.36	-
LTI Power Systems		8,094.68	-	8,094.68
Madison Lumber & Hardware Inc		1,938.90	1,587.09	351.81
Magnum Enterprises		980.00	980.00	-
Marsh USA Inc		2,340.00	2,340.00	-
Mersen USA PTT Corp		1,740.28	1,740.28	-
Misty Fjords Air & Outfitting LLC		8,523.50	8,523.50	-
Mitchell Instrument Co		89.90	89.90	-
Moss Adams LLP		21,000.00	21,000.00	-
National Hydropower Association Inc		27,452.64	27,452.64	-
Newrose Enterprises LLC		480.00	480.00	-
North Coast Electric Company		8,555.93	8,555.93	-
Northwest Public Power Assn		750.00	750.00	-
NRECA Group Ins	Administrative Employee Benefits	80,241.36	80,241.36	-
NRECA Group Ins Admin		5,610.99	5,610.99	-
NRECA RSP Admin		2,918.73	2,918.73	-
NRECA RSP Trust Contrib	Administrative Employee Benefits	94,626.80	94,626.80	-
O'Reilly Automotive Stores Inc		175.10	175.10	-
Ottesens Ace Hardware		4,073.49	4,073.49	-
Pacific Corrugated Pipe Company LLC		6,380.00	6,380.00	-
Pacific Pride of Alaska LLC		5,372.31	5,372.31	-
Pacific Printing LLC		37.50	37.50	-
Pape Kenworth		254.26	254.26	-
Pape Machinery Inc		1,343.04	1,343.04	-
Petro Marine Services KTN		3,366.47	3,366.47	-
Petro Marine Services WRG		2,916.24	2,916.24	-
Pilot Publishing Inc		499.13	239.25	259.88
Platt Electric Supply		290.51	-	290.51
Puget Sound Pipe & Supply Co		2,530.55	-	2,530.55
Raindrop Janitorial Services LLC		2,550.00	2,550.00	-
Ray Matiashowski		12,000.00	12,000.00	-
Samson Tug & Barge		12,676.74	5,084.56	7,592.18

SOUTHEAST ALASKA POWER AGENCY

MARCH - MAY 2025 DISBURSEMENTS

			\$2,803,617.10	
			2,150,206.11	653,410.99
VENDOR	DESCRIPTION	AMOUNT	REVENUE FUND	R&R FUND
Satellite & Sound Inc		3,297.50	3,297.50	-
Schmolck Mechanical KTN		4,000.00	-	4,000.00
Schnabel Engineering LLC		549.15	549.15	-
SEL Engineering Services Inc		1,912.00	1,912.00	-
Sentry Hardware & Marine		697.84	484.12	213.72
Service Auto Parts		3,143.18	3,143.18	-
Sign Pro		201.80	201.80	-
Sockeye Business Solutions Inc		3,050.50	3,050.50	-
Southeast Auto & Marine Parts Inc		184.03	184.03	-
Sunrise Aviation Inc		22,670.00	21,970.00	700.00
Superior Marine Services		11,466.79	11,466.79	-
Svendsen Marine LLC		1,294.03	1,294.03	-
Temsco Helicopters Inc		22,591.50	22,591.50	-
TexRus LLC		18,945.28	18,945.28	-
Thompson Sharon		26.32	26.32	-
TKs MiniMart LLC		276.75	276.75	-
Tongass Trading Company Inc		259.98	259.98	-
Touchdown Helipads USA LLC		18,475.00	-	18,475.00
Tyler Industrial Supply		9,346.97	9,346.97	-
Tyler Rental Inc		604.65	604.65	-
WA Department of Licensing		15.00	15.00	-
White Rock Holding LLC		930.00	930.00	-
Wrangell City & Borough		25,561.65	25,561.65	-
Wrangell Sentinel		641.25	393.75	247.50
X2nSat		9,778.62	9,778.62	-



SOUTHEAST ALASKA POWER AGENCY ARBITRAGE

SEAPA's bond issuances were evaluated by The Arbitrage Group to determine whether any arbitrage earnings were due to the IRS. Their calculations determine whether bond fund earnings exceed the yield rate at the time of issuance for each bond. Tax-exempt bonds such as those issued by SEAPA, are allowed to earn interest that exceeds bond yields. Because of the bonds' tax-exempt status, however, those arbitrage earnings may prompt a rebate liability to the IRS. Arbitrage calculations are required every five years from the issuance date but may be evaluated annually to keep up with the impact of changing interest rates. This year, arbitrage calculations were required for the 2015 Series.

No arbitrage rebates or IRS filings are required this year for SEAPA's 2015 Series, 2021 Series, or 2022 Series bond issuances. Key findings are listed in the table below, and a copy of their cover letter for each issuance follows:

Issuance	Yield	Rebate Liability	Result
2015 Series	3.598300%	(\$661,359)	Negative arbitrage; no rebate liability.
2021 Series	1.295859%	\$3,408	Arbitrage will be recalculated in 2026. A rebate payment and IRS filing will be required.
2022 Series	4.487740%	(\$236,021)	Negative arbitrage; no rebate liability.



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June 14, 2025

Southeast Alaska Power Agency
Ketchikan, Alaska

\$10,296,000
The Southeast Alaska Power Agency
Electric Revenue Improvement and Refunding Bonds,
Series 2015

The Southeast Alaska Power Agency ("Borrower") issued the above referenced bonds ("Bonds") dated and delivered on May 6, 2015. At the request of the Borrower, we have performed the procedures enumerated below for the period May 1, 2020 to May 1, 2025 ("Current Period"). The Current Period along with the Prior Period (defined below) are collectively referred to as the "Computation Period". Information regarding the investment of gross proceeds from May 6, 2015 to May 1, 2020 ("Prior Period") has been compiled by Kutak Rock Arbitrage Consulting LLC and a copy of their report has been furnished to us ("Prior Provider Report"). We have not examined or verified the information included in their report. Insofar as our computation relates to the information for the Prior Period, it is based solely on the Prior Provider Report.

These procedures, which were agreed to by the Borrower were performed solely to assist the Borrower in evaluating compliance with the requirements of Section 148(f)(2) of the Internal Revenue Code of 1986, as amended ("Code"). This engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants for consulting services. The sufficiency of these procedures is solely the responsibility of the specified users of the report. This report is intended solely for your information and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report is not to be quoted or referred to without our prior written consent.

Our procedures and findings are as follows:

- (1) We read the IRS Form 8038-G ("8038"), Tax Certificate ("Certificate"), and bank statements, each provided to us by or on behalf of the Borrower.
- (2) A schedule of the sources and uses of funds (Exhibit A) was assembled based upon the 8038, Certificate, and bank statements.
- (3) The yield on the Bonds was abstracted from the 8038 and was shown to be 3.598300%.

Southeast Alaska Power Agency
June 14, 2025
Page 2

- (4) Schedules of actual earnings on the nonpurpose investments in the Debt Service Reserve Fund and allocable portions of the 2019 Debt Service Reserve Fund (collectively, the "Trust Funds") purchased with gross proceeds of the Bonds during the Current Period (Exhibits B-1 through B-4) were assembled based on the bank statements.
- (5) The allowable earnings amounts on the nonpurpose investments in the Trust Funds were calculated to be the amounts that the nonpurpose investments would have earned if they had been invested at a rate equal to the yield on the Bonds of 3.598300% (Exhibits B-1 through B-4).
- (6) The arbitrage earnings amounts during the Current Period for the Trust Funds were calculated to be the difference between the actual earnings and allowable earnings for the nonpurpose investments in each Trust Fund. The arbitrage earnings amounts for the Computation Period are as follows:

Trust Fund	Exhibit	Arbitrage Earnings
Debt Service Reserve Fund	B-1	(\$6,025.67)
2019 Debt Service Reserve Fund to June 16, 2021	B-2	(39,091.75)
2019 Debt Service Reserve Fund to September 29, 2022	B-3	(31,958.46)
2019 Debt Service Reserve Fund to April 17, 2023	B-4	(460.75)
Future Value of Prior Period Rebate Amount	C	(573,362.46)
Computation Date Credit	D	<u>(10,459.61)</u>
Total Negative Rebate Liability		<u>(\$661,358.70)</u>

- (7) The assumptions and computational information employed in the above calculations are explained in Exhibit E.
- (8) Based on the information provided to us by the Borrower and the assumptions employed, this report shows there is no rebate liability for the Bonds as of the May 1, 2025 Installment Rebate Computation Date. This amount is subject to change due to future investment activity, if any, subsequent to the end of the Computation Period.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the information referred to above. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. The terms of our engagement are such that we have no obligation to update this report because of events and transactions occurring subsequent to the date of this report.

Very truly yours,

The Arbitrage Group, Inc.



The Arbitrage Group, Inc.

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June 14, 2025

Southeast Alaska Power Agency
Ketchikan, Alaska

\$11,330,000
Southeast Alaska Power Agency
Electric Revenue Bond,
Series 2021

The Alaska Municipal Bond Bank ("Issuer") issued the above referenced bonds ("Bonds") dated and delivered on June 16, 2021. At the request of the Southeast Alaska Power Agency ("Borrower"), we have performed the procedures enumerated below for the period June 16, 2021 to March 1, 2025 ("Computation Period"). These procedures, which were agreed to by the Borrower were performed solely to assist the Borrower in evaluating compliance with the requirements of Section 148(f)(2) of the Internal Revenue Code of 1986, as amended ("Code"). This engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants for consulting services. The sufficiency of these procedures is solely the responsibility of the specified users of the report. This report is intended solely for your information and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report is not to be quoted or referred to without our prior written consent.

Our procedures and findings are as follows:

- (1) We read the IRS Form 8038-G ("8038"), Tax Certificate ("Certificate"), bank statements and electronic prepared schedules of investment activity ("Investment Activity"), each provided to us by or on behalf of the Borrower.
- (2) A schedule of the sources and uses of funds (Exhibit A) was assembled based upon the 8038 and Certificate.
- (3) The yield on the Bonds was abstracted from the 8038 and Certificate and shown to be 1.295859%.
- (4) Schedules of actual earnings on the nonpurpose investments in the Project Fund (using the cash-flow methodology), Costs of Issuance Fund, Debt Service Reserve Fund and allocable portions of the 2019 Debt Service Reserve Fund (collectively, the "Trust Funds") purchased with gross proceeds of the Bonds during the Computation Period (Exhibits C-1 through C-5) were assembled based on the Investment Activity.

Southeast Alaska Power Agency
 June 14, 2025
 Page 2

- (5) The allowable earnings amounts on the nonpurpose investments in the Trust Funds were calculated to be the amounts that the nonpurpose investments would have earned if they had been invested at a rate equal to the yield on the Bonds of 1.295859% (Exhibits C-1 through C-5).
- (6) The arbitrage earnings amounts during the Computation Period for the Trust Funds were calculated to be the difference between the actual earnings and allowable earnings for the nonpurpose investments in each Trust Fund. The arbitrage earnings amounts for the Computation Period are as follows:

Trust Fund	Exhibit	Arbitrage Earnings
Project Fund	B-1	(\$40,273.36)
Costs of Issuance Fund	B-2	(30.34)
Debt Service Reserve Fund	B-3	51,999.93
2019 Debt Service Reserve Fund to September 29, 2022	B-4	(2,528.82)
2019 Debt Service Reserve Fund to April 17, 2023	B-5	228.91
Computation Date Credit	C	(5,987.90)
Total Rebate Liability		<u>\$3,408.42</u>

- (7) The assumptions and computational information employed in the above calculations are explained in Exhibit D.
- (8) Based on the information provided to us by the Borrower and the assumptions employed, this report shows there is a rebate liability for the Bonds as of the March 1, 2025 Interim Rebate Computation Date. This amount is subject to change due to future investment activity, if any, subsequent to the end of the Computation Period.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the information referred to above. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. The terms of our engagement are such that we have no obligation to update this report because of events and transactions occurring subsequent to the date of this report.

Very truly yours,

The Arbitrage Group, Inc.



The Arbitrage Group, Inc.

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www.thearbitragegroup.com

June 15, 2025

Southeast Alaska Power Agency
Ketchikan, Alaska

\$5,990,000
Southeast Alaska Power Agency
Electric Revenue Bond, Series 2022
(Alaska Municipal Bond Bank Loan)

The Alaska Municipal Bond Bank ("Issuer") issued the above referenced bonds ("Bonds") dated and delivered on September 29, 2022. At the request of Southeast Alaska Power Agency ("Borrower"), we have performed the procedures enumerated below for the period September 29, 2022 to March 1, 2025 ("Computation Period"). These procedures, which were agreed to by the Borrower were performed solely to assist the Borrower in evaluating compliance with the requirements of Section 148(f)(2) of the Internal Revenue Code of 1986, as amended ("Code"). This engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants for consulting services. The sufficiency of these procedures is solely the responsibility of the specified users of the report. This report is intended solely for your information and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report is not to be quoted or referred to without our prior written consent.

Our procedures and findings are as follows:

- (1) We read the IRS Form 8038-G ("8038"), Tax Certificate ("Certificate"), bank statements and electronic prepared schedules of investment activity ("Investment Activity"), each provided to us by or on behalf of the Borrower.
- (2) A schedule of the sources and uses of funds (Exhibit A) was assembled based upon the 8038 and Certificate.
- (3) The yield on the Bonds was computed to be the discount rate that causes the present value of all principal and interest payments on the Bonds to equal the Issue Price to the Public. The yield on the Bonds as shown in the Certificate is 4.487740%.
- (4) Schedules of actual earnings on the nonpurpose investments in the Project Fund (using the cash-flow methodology), Capitalized Interest Fund, Costs of Issuance Fund, allocable portion of the 2019 Debt Service Reserve Fund and Debt Service Reserve Fund (collectively, the "Trust Funds") purchased with gross proceeds of the Bonds during the Computation Period (Exhibits B-1 through B-5, respectively) were assembled based on the Investment Activity.

Southeast Alaska Power Agency
 June 15, 2025
 Page 2

- (5) The allowable earnings amounts on the nonpurpose investments in the Trust Funds were calculated to be the amounts that the nonpurpose investments would have earned if they had been invested at a rate equal to the yield on the Bonds of 4.487740% (Exhibits B-1 through B-5).
- (6) The arbitrage earnings amounts during the Computation Period for the Trust Funds were calculated to be the difference between the actual earnings and allowable earnings for the nonpurpose investments in each Trust Fund. The arbitrage earnings amounts for the Computation Period are as follows:

Trust Fund	Exhibit	Arbitrage Earnings
Construction Fund	B-1	(\$230,056.08)
Capitalized Interest Fund	B-2	(1,270.81)
Costs of Issuance Fund	B-3	(30.70)
2019 Debt Service Reserve Fund	B-4	(2,642.24)
Debt Service Reserve Fund	B-5	2,175.76
Computation Date Credit	C	(4,196.85)
Total Negative Rebate Liability		<u>(\$236,020.92)</u>

- (7) The assumptions and computational information employed in the above calculations are explained in Exhibit D.
- (8) Based on the information provided to us by the Borrower and the assumptions employed, this report shows there is no rebate liability for the Bonds as of the March 1, 2025 Interim This amount is subject to change due to future investment activity, if any, subsequent to the end of the Computation Period.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the information referred to above. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. The terms of our engagement are such that we have no obligation to update this report because of events and transactions occurring subsequent to the date of this report.

Very truly yours,

The Arbitrage Group, Inc.



SOUTHEAST ALASKA POWER AGENCY

Date: June 18, 2025
To: Robert Siedman, P.E., CEO
From: Kris Womack, Electrical Controls Engineer
Re: Projects Report for June 18, 2025 Board Meeting

Tyee Station Service & 15kV Switchgear

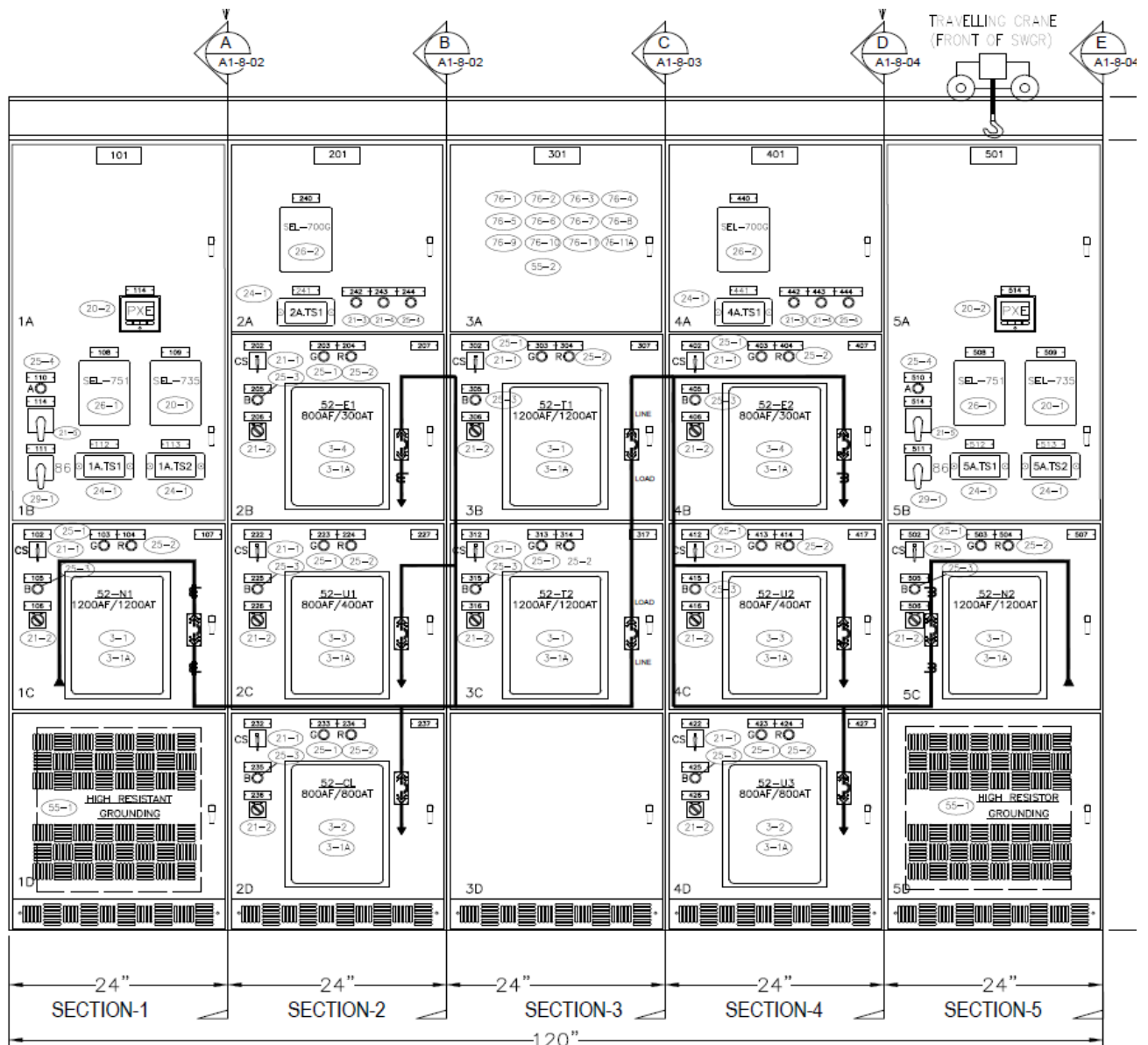
The Tyee Lake Station Service Switchgear is nearing 40 years of age and approaching the end of its useful life. A design was completed and a construction contract awarded to replace the equipment. This project will provide construction of a new Station 480V double-ended Station Service Switchgear, breakers, feeder and sub-feeder cables, fiber optic ARC Flash protected busbars, ARMS, Operations Manuals and Training. The new Station Switchgear is 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 also includes procurement and installation of new 15kV main generator switchgear and 15kV cables.

Progress Report:

- Awarded construction contract to Electric Power Constructors (EPC) on June 28, 2024
- Conducted a site visit in August 2024
- EPC equipment procurement in progress
- Construction began in April 2025. EPC completed the following:
 - Outdoor conduits to EDG
 - Concrete pad for EDG
 - Installed 480V panel boards
 - Installed conduit runs inside powerhouse
 - Ran some of the feeders in preparation for next year.

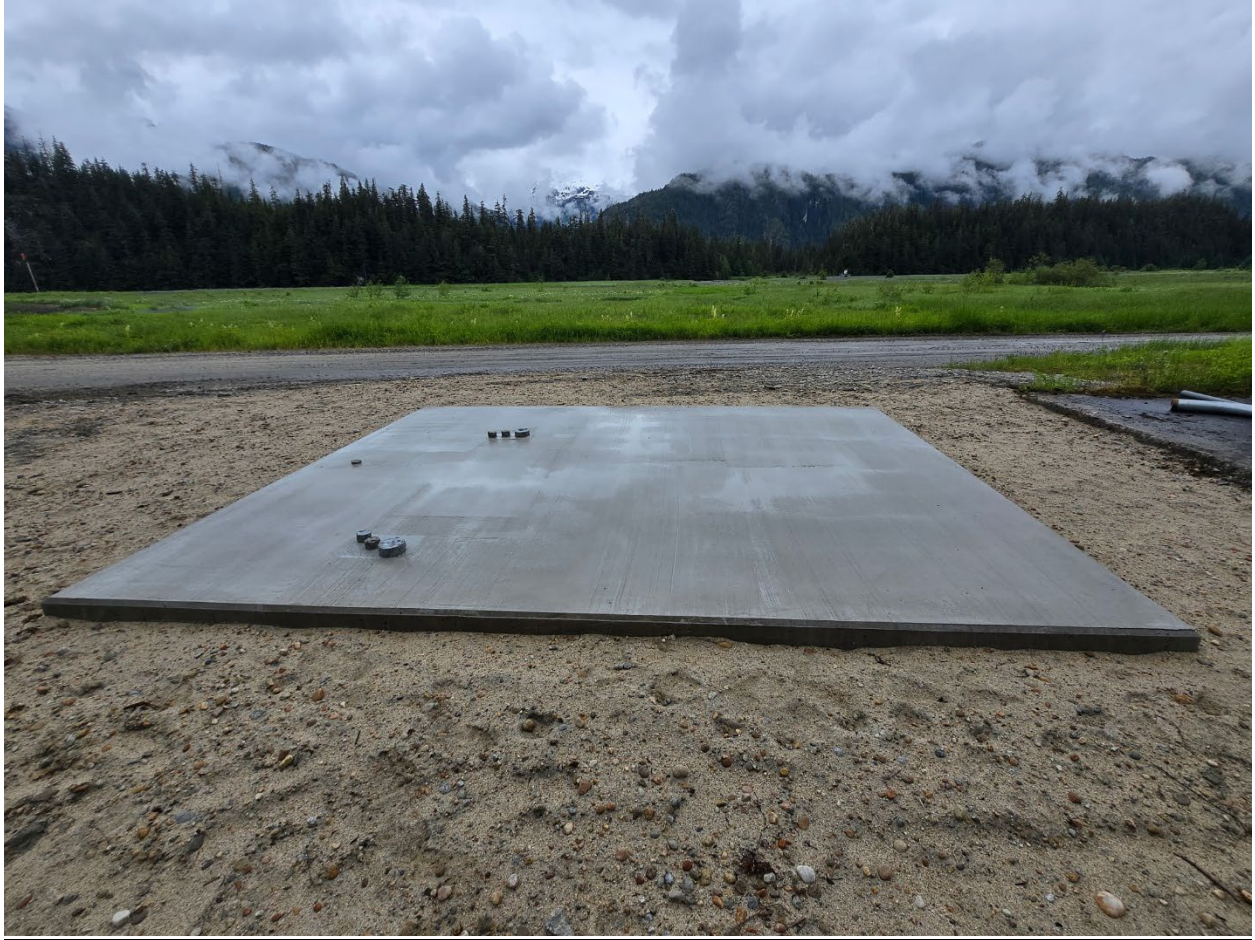
Upcoming Schedule:

- FY26: Construction that started in April 2025 will continue. Removal and installation of the 480V switchgear will take place. All other remaining equipment will be installed, followed by testing and commissioning. Training will be provided for operation and maintenance of the new equipment.



FRONT ELEVATION





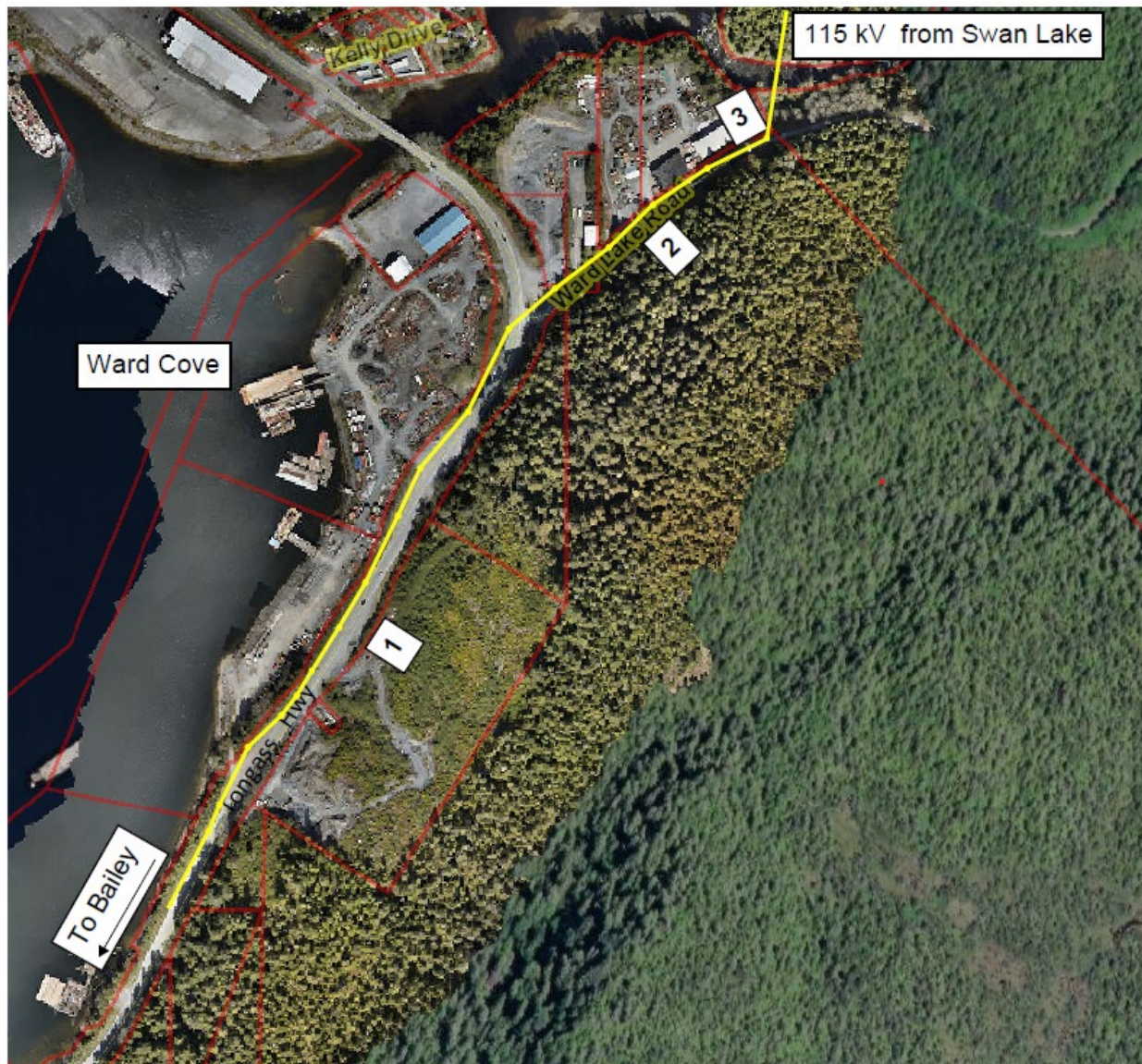




Ketchikan Substation Design

SEAPA's five-year Strategic Plan identified the need for a Third Turbine at its Tyee Hydroelectric Project to meet the horsepower demands of Ketchikan, Petersburg, and Wrangell, Alaska. Additional horsepower will require delivery capacity (a substation) in Ketchikan. The intent of this project is to develop a design with a construction cost estimate for a substation in Ketchikan that is sized and designed to service the load growth needs in Ketchikan.

The scope of work is for the design of a new remotely-controlled 115/34.5 kV substation located adjacent to SEAPA's 115 kV line from SEAPA's Swan Lake Hydroelectric Facility. Location 1 has been selected.



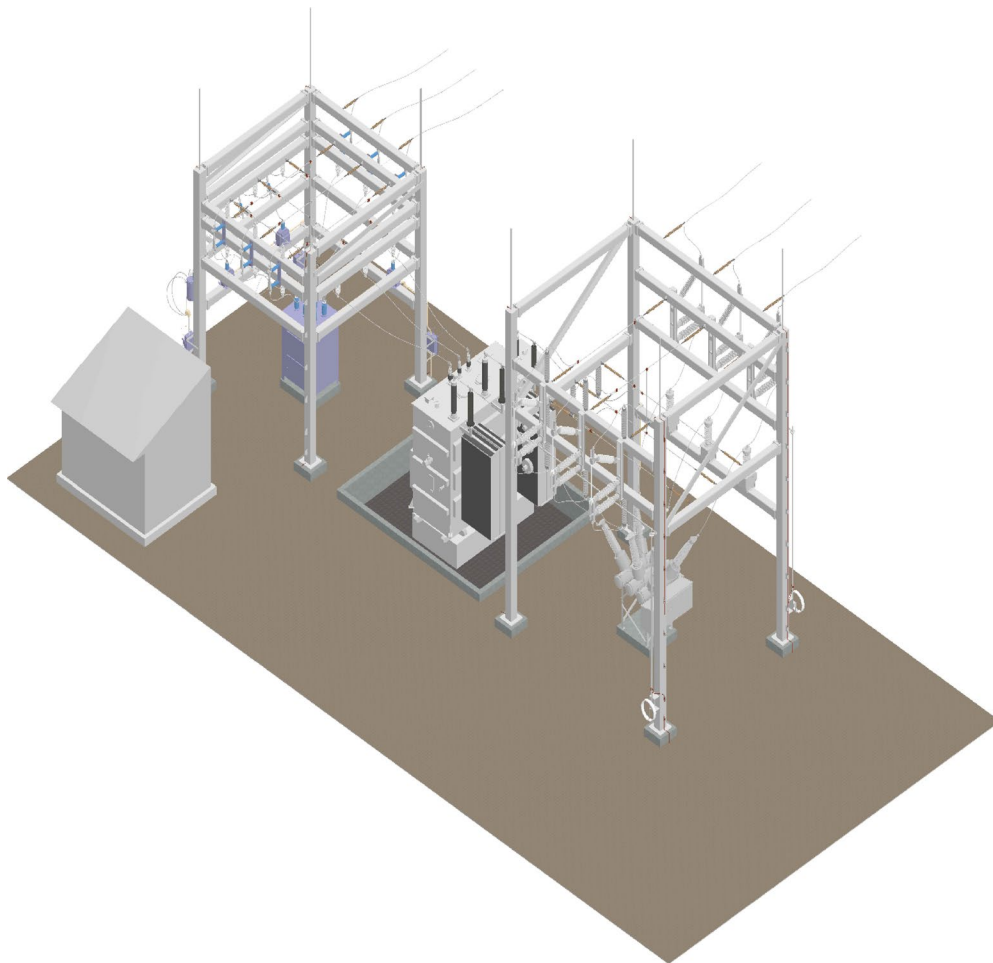
The new station will be served from an existing 115 kV transmission line owned by SEAPA. The design of two short transmission lines to bring power to (115kV) and from (34.5kVA) the substation via overhead lines are included in the scope of work.

Progress Report:

- 35% design was submitted on May 24, 2024.
- 65% design was submitted on September 05, 2024.
- 100% design was submitted on October 28, 2024. Final package included drawings, specifications, calculations, load flow study, grounding study, lightning study, short circuit study, coordination study, updated models, and a cost estimate for construction (~6.89MM).
- Drafted procurement specifications. RFP document is pending federal and state funding sources to solidify before soliciting for bids and awarding the contract.

Next Steps:

- Procure land by easement transfer from KPU
- Site Topographic Survey (including resistivity testing)
- Site Geotechnical Survey
- Incorporate survey information into design



Tyee Third Turbine Design

SEAPA's five-year Strategic Plan identified the need for a Third Turbine at its Tyee Hydroelectric Facility to meet the horsepower demands of Ketchikan, Petersburg, and Wrangell. This design contract will result in a shovel-ready design to include maximum horsepower criteria and construction cost estimates for the Tyee Third Turbine. SEAPA is in the process of seeking an amendment of its FERC license to add a third turbine. Design will additionally determine what capacity will be requested from FERC.

At its April 26, 2024 special meeting, the board awarded the contract to McMillen, Inc. A kick-off meeting was held with McMillen on May 28th and a subsequent site visit was conducted on June 3rd through June 6th. Eight individuals from McMillen attended the site visit. They gathered pertinent information for design considerations and performed 3D modeling of the entire powerhouse and switchyard.

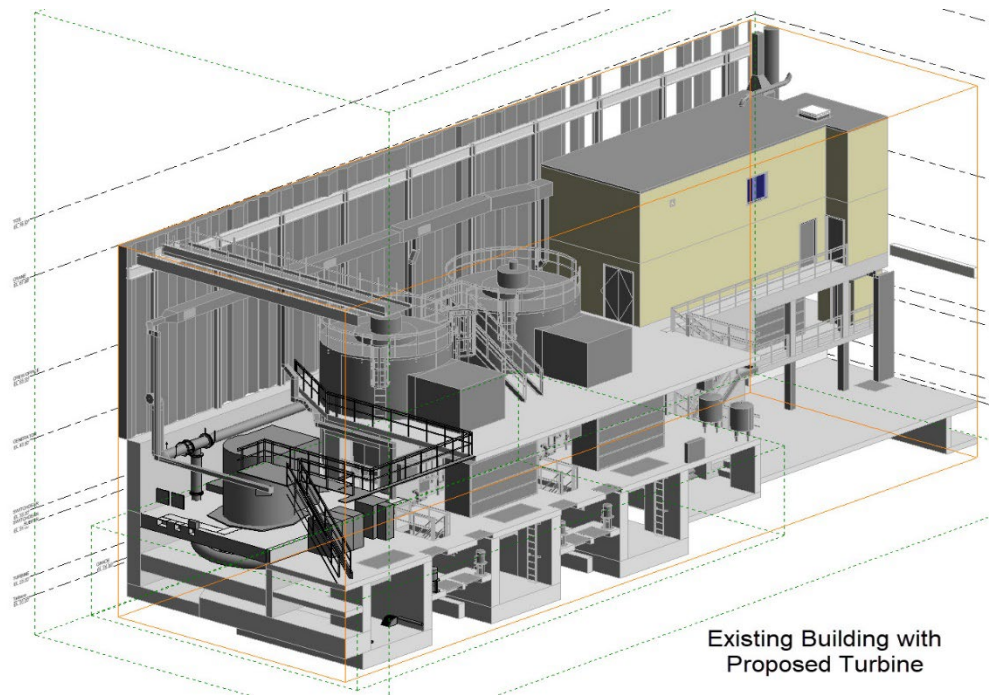
Progress Report:

- 30% design was submitted on August 15, 2024.
- McMillen and SEAPA coordinated procurement specifications for all major components, including Turbine, Generator, GSU Transformer, Exciter, Governor, cooling water systems, switchgear, TIV valves and HPU controls. The RFP issued on November 15, 2024.
- 60% design was submitted on November 19, 2024
- A Mandatory Pre-Bid Conference with bidders was held on December 12, 2024
- Final bids were due April 4, 2025
- Reviewed bids at May 29, 2025 special board meeting; board authorized contract negotiations with Canyon Industries, Inc.
- Consideration of award of contract to Canyon is on the Agenda for this board meeting

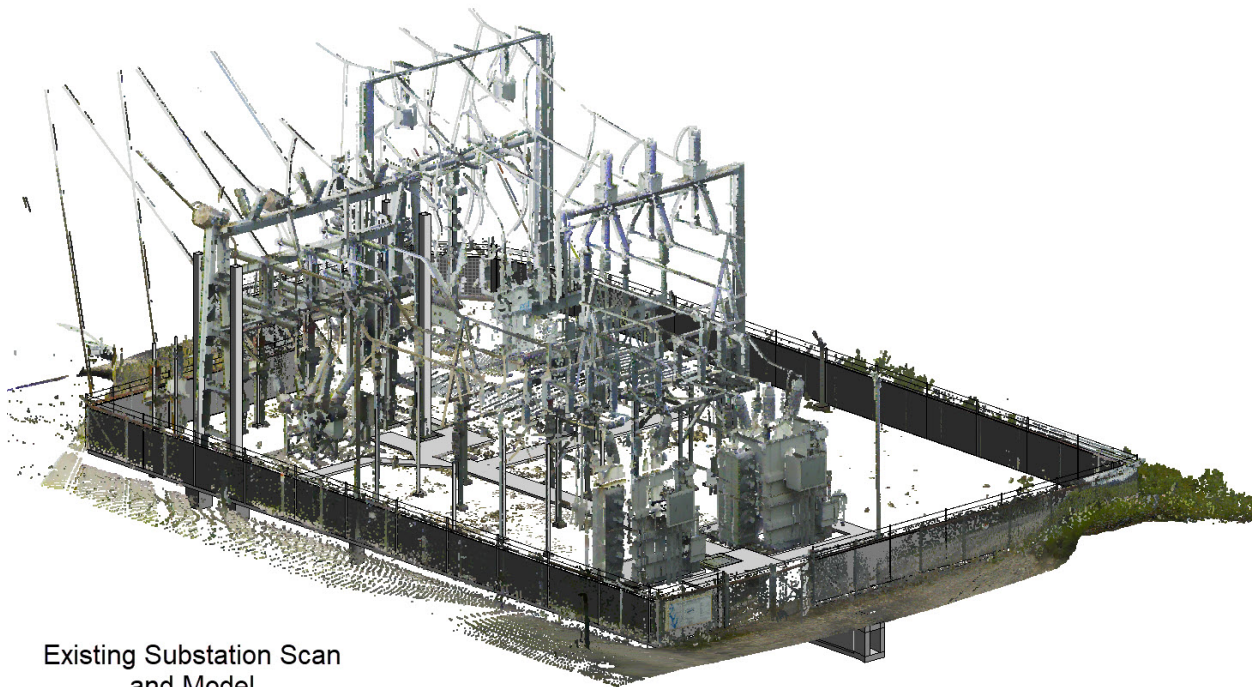
Next Steps:

- Issue Notice of Award to Canyon Industries, Inc.
- 90% design completion
- 100% design completion
- Construction RFP to be issued December 2025





Existing Building with
Proposed Turbine



Existing Substation Scan
and Model



Date: June 16, 2025
To: Robert Siedman, P.E., CEO
From: Mark Hilson, P.E., Project Manager
Subject: SEAPA Board Report

I will have a PowerPoint presentation for the June 25th and 26th Board Meeting to supplement and elaborate on this Board report:

Federal Energy Regulatory Commission (FERC) License-Related Activities

Swan Lake Part 12D Inspection and Report

The 8th Part 12D Inspection was successfully completed on May 14, 2024.

Progress:

- Consultant Safety Inspection Report (CSIR) submitted to FERC
- Submitted completion Plan and Schedule for Part 12D CSIR Recommendations to FERC
- Increased maintenance and monitoring (see page pins, etc.) incorporated into monitoring activities
- Completed the dewatering of the plunge pool, and completed Lidar abutment and plunge pool geotechnical field work
- Submitted in-house design for tunnel repairs to FERC, and obtained approval to proceed
- Dewatered, inspected, and successfully spot repaired power tunnel during 2025 outage
 - Power tunnel overall in good condition with some additional leaks and wear that will need to be addressed over the next few years



Next Steps:

- Draft report summarizing tunnel inspection and repairs for inclusion in the DSSMR
- Consider development of R & R project for tunnel repairs
- Respond to FERC comments when received

Tyee 3rd Turbine FERC Capacity License Amendment

The license amendment was submitted January 27, 2025. We received FERC comments in very timely fashion and filed a response to FERC on June 12, 2025. Barring any unanticipated challenges, we are still on track for approval this year.

Swan Lake FERC Relicensing

Contractor: Kleinschmidt Associates

Start Date: November 6, 2024

Cost in 2024 dollars: \$3M

Completion: June 2030

Progress:

- Filed the Preliminary Application Document (PAD) and the Notice of Intent (NOI) to use the Traditional Licensing Process (TLP) with FERC on May 13, 2025. (Major Milestone)
- PAD included proposal to lower draft limit from 270.5 to 262.0.
- PAD included removal of the Swan to Bailey transmission line right of way from the FERC license (lowering FERC land use fees)
- Agency early engagement

Next Steps:

- FERC comments or acceptance of TLP request
- Publish Public Notice for Joint Agency Public Meeting tentatively scheduled for August 26, 2025

Tyee Lake FERC Relicensing

Cost in 2024 dollars: \$3M

Completion: July 2031

Progress:

- Completed and Advertised Request for Proposals
- Proposals due July 10, 2025

Next Steps:

- Board Consideration of contract at the August Board Meeting

Project Related Activities

Swan Lake Incinerator and Dock Electrical Panel Replacement

Progress:

- Project complete.

Swan Lake Road Work

Progress:

- Equipment reserved and in-house labor scheduled for completion in July 2025

Next Steps:

- Mobilize barge and deliver materials and rented equipment after annual outage

Swan Lake Water Piping and Basket Strainer

Progress:

- Schmolck Mechanical under contract
- Material procurement underway
- Stainless steel portion of the job, including installation of the new duplex basket strainer, underway

Next Steps:

- Remainder of galvanized piping replacement scheduled for July and will not require plant shutdown
- Evaluate additional pipe replacement for copper lines going to unit coolers that have had a recent history of leaking

Ketchikan HQ Sidewalk Project

Progress:

- Rough graded sidewalk to existing Tongass Highway

Next Steps:

- Contract for concrete work
- Finish areas disturbed by construction

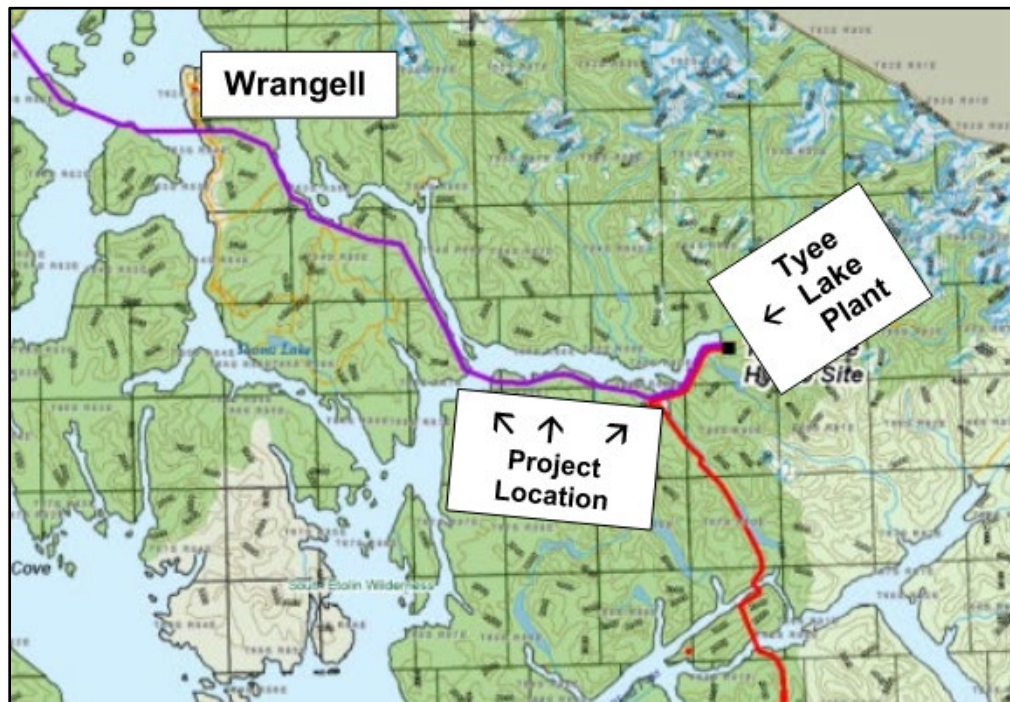
Cleveland Peninsula Helipad Replacement

Progress:

- USFS approved helipad design

Next Steps:

- Barge Helipads from Wrangell to Tyee
- Contract for installation (likely 2026 installation)



Project location Map

End of Report



SOUTHEAST ALASKA POWER AGENCY

Date: June 13, 2025
To: Robert Siedman, P.E., CEO
From: Clay Hammer, Operations Manager
Re: Projects Report for June 25-26, 2025 Board Meeting

The following is an update on special projects and contract work assigned to the Operations Manager for FY25:

RR24398, Structure #194 Replacement Swan/Bailey Line

Originally planned for FY24, this project had to be rescheduled for FY25 because of the availability of a local heavy lift helicopter to do the work. The helicopter is still not available. At this time the structure has been re-tested by Sturgeon Electric to reassess its structural condition and an estimate has been solicited from a local contractor to see what it might cost to build a short road to the structure to facilitate replacement. Both the test results and road estimate are pending at the time of this report.

RR25399, Battery Bank-Inverter Project - Wrangell Switchyard

This is an in-house R&R project for FY25. All materials for this project have been received. Work is expected to take place by August.

RR25401, Tyee Crew House Interior Renovation

An internal review of this project brought up a number of concerns regarding the variables in the project that could affect the bid quality and cost. As an alternative to bidding the project, staff is soliciting an estimate for the labor only to perform the required repairs. The Agency would contract the labor and provide the required material thereby controlling quality and cost. The expectation is that this will enable the project to move forward this season and stay on budget.

RR25404, Swan Lake Skiff

SEAPA has contracted with Homestead Skiffs by Ratzat LLC in Ketchikan to build the skiff. They have extensive experience constructing the Specmar kit and are familiar with the process. At this time the kit has been ordered with construction expected to start soon after all pieces arrive. Delivery of the completed skiff is expected by the end of this summer.

RR-25405, Swan Lake Plow Truck

A Swan Lake Plow truck and crew vehicle was budgeted for replacement in FY25. A low-mileage 2020 crew cab Ford F-350 4x4 1-ton flatbed in excellent condition was purchased in Washington

state and has been delivered to Ketchikan. The snow Plow mount has been mounted and that vehicle is ready to go out on the next available barge.

FY25 Brushing Maintenance

Don Stevens, Jr. with D&D Tree Service, an experienced local business, has been making good headway on tower clearing and small span clearing projects. Of the 95 towers and approximately 20 acres of mixed right-of-way work, all but 20 towers remain to be cleared. That work remains within budget and the quality of the work has been excellent.

FY25 Contract Right-of-Way Clearing Contract

This year Rock and Road Construction from Petersburg was awarded the 2025 SEAPA right-of-way brushing contracts. This consisted of two separate areas on the Tyee line: 36 acres on Cleveland Peninsula and 27 acres on Woronkofski Island. At this time the Cleveland work is complete and the Woronkofski work is planned for later this summer. Work so far has been on time and within budget and staff is very pleased with the results.



Fun Project of the Year! Clay Hammer and Mark Hilson standing in front of the newly delivered dry shack in Ketchikan's Bailey Substation. The building was built by Kayhi's high school shop class using materials provided by SEAPA. Not only was this an amazing training opportunity for

the students, but the finished product will provide shelter for the crews when doing yard work for years to come.



End of Report



SOUTHEAST ALASKA POWER AGENCY

Date: June 9, 2025
To: Robert Siedman, CEO
From: Clay Hammer, Operations Manager
Re: Quarterly Report for June 26, 2025 Board Meeting

Plant Operations Quarterly Report

This report is provided to the Board as a summary of the monthly inspections that take place at SEAPA's Swan and Tyee Hydroelectric Plants. Each detailed inspection is documented with site-specific inspection forms. A full day is reserved to perform these, and they provide a monthly baseline of the overall health and condition of each plant. The second quarter is typically focused on Single Unit outage work at the plants and preparing for the annual Spring Maintenance Outage in June. This is by far the busiest quarter of the year with planning and organizing the most crucial maintenance needs to insure affective repairs and the level of reliability we have all come to expect all year round.

Swan Lake Plant

Swan inspections were performed with plant foreman, Andy Cowan, or Shift Lead Operator John Stanley. On each occasion the plant was neat and orderly with no major safety concerns noted. Inspections started with Main Unit generators followed by station service, substation, Plant buildings and grounds, and closed with an inspection of the Dam and related ancillary equipment.

Findings

All weekly and monthly Work Orders (WOs) were up-to-date and complete. All outstanding WO's are done and all scheduled Annual Maintenance items have been completed.

There was one unanticipated outage at Swan Lake this quarter. Water intrusion into the Unit S-1 turbine oil compartment in May required taking the unit offline for a quick oil change and cleaning and it was returned to service later that same day. Intrusion is the result of seepage coming from the main water turbine seal which will be part of a larger R&R repair project in the future.

The following is an overview of noted maintenance and repairs scheduled or completed over the quarter:

Generators

- Annual Generator PMs completed; Exciter Brushes changed on all Swan Units
- Penstock Tunnel drain and maintenance

Station Service and Substation

- All annual yard PMs complete. Alarm points tested, transformer oil samples taken
- “A” phase transformer low-side connection disassembled, cleaned and retorqued
- Bailey Sub “B” phase neutral connection disassembled, cleaned and retorqued

Grounds/Camp/Dock

- Dam access road ready for reconditioning, which is scheduled for later this season

Dam/Reservoir/Gate

- Ongoing Wood Debris removal from lake
- Plunge pool in front of dam drained and survey completed

Notable Maintenance and Repairs Completed

- Oil changed and cleaned out S-1 turbine bearing compartment
- Fabricated stainless steel stand for new plant water strainer system
- Moved new 1600-pound water strainer down to lower level of power house
- Changed out generator brake pads
- Replaced generator Excitation brushes
- Completed Dock Power Project
- Installed sound proofing material in Swan Control Room
- New Bottom and Deck painted on Munson Crew Boat
- Repair penstock leaks
- Test FWG operations and Dam Failure Alarm System
- Annual switchyard and substation PMs done
- All insulators and bushings for transformers and circuit breakers cleaned
- Annual oil samples taken from all generators and transformers

Tyee Lake Plant

Tyee inspections are performed with plant foreman, Nathan Stewart, or plant lead, Ashley Goynes. Inspections started with main unit generators T1 and T2, followed by station service and the substation, then closed with the grounds, dock, penstock tunnel, and airstrip. The plant was clean and orderly with no safety concerns noted.

Findings

All weekly, monthly and annual Work Orders (WOs) are up-to-date. There were no forced outages at Tyee Lake during the last quarter.

The following is a highlight of noted repairs scheduled or completed:

Generators

- Generator windings meggered and inspected
- Excitation brushes changed and compartments cleaned

Station Service/Substation

- New conduit and conductor installed for WSY CST-27 Wrangell switchyard
- All yard and substation PMs done

Grounds/Dock/Penstock Tunnel/Airstrip

- Ongoing minor rock and rubble removal from Penstock Tunnel
- FS Admin Cabins watered up and prepared for occupation
- Wood piles from brush clearing projects cleaned up

Notable Maintenance and Repairs Completed

- Oil samples taken - generators, all transformers, reactors
- Gate House PMs complete
- Comm system at Vank Marine terminal working again
- Replaced axel bearings and brakes on ARGO ATV
- Pressure washed, replaced zincs, props and start batteries on Svendsen crew boat
- Removed Snow Tracks from side-by-side to prepare for summer
- Repaired EnGenius portable phone system
- Assisted electrical contractor with Station Service change out project
- Drafted and issued line clearances for annual line outage work
- Relocated Star Link Dish to Powerhouse roof
- Replaced weathered Windssocks on Airstrip
- Walked through five-year FS Cabin inspection with Forest Service personnel
- Gate House PMs completed, gate exercised, and brush cleared

Substations and Switchyards

Reviews were also performed on SEAPA assets in Ketchikan's Bailey Substation, the Wrangell Switchyard and Substation, and Petersburg Substation. Items inspected include, but are not limited to, the following:

- Yard and vegetation conditions
- SF-6 and nitrogen gas levels in transformers and switches
- Oil levels, temperatures in transformers and other oil-filled equipment

- Switch positions to verify whether they were fully engaged or open
- Condition of insulators, conductor connections, and line hardware
- Related comms buildings - checked for active annunciator alarms and relay flags, overall cleanliness, and building condition

The service schedule for most major yard and substation equipment is five years. This year the focus was on the Petersburg Substation with contractor Specialty Engineering hired to inspect and test all transformers, breakers and related equipment. This work was done during June's Annual Maintenance Outage with the results to be included in a later report.



Petersburg Substation

Safety

Safety Training:

SEAPA continues to use an online HR platform for Safety and Skills training. This past quarter the crews have received the following training:

- ✓ ***Chainsaw Safety***
- ✓ ***Confined Space Entry***
- ✓ ***Forklift Operations***
- ✓ ***Ladder Safety***
- ✓ ***Overhead and Gantry Crane***
- ✓ ***Pass Keys and Online Security***
- ✓ ***Struck By and Caught Safety***



Photo on left:
Confined Space work

SEAPA's Mark Hilson inspecting Tunnel repairs at Swan Lake Hydro Facility during SEAPA's annual maintenance outage.

SEAPA has long regarded The US Coast Guard and local SAR/EMS as potential assets and partners regarding safety both on the water and on shore at our remote sites. This past month

there were opportunities for training on both those fronts. Staff has been discussing with Air Station Sitka the possibility of doing recon flyovers of the hydro plants. The intent would be to identify potential LZs or hoisting areas in both locations as well as reviewing unique approach hazards such as transmission lines and other obstacles that might hinder access. This month it came together. On June 1st, Air Station Sitka sent an MH-60 Jayhawk first to Tyee then to Swan Lake hovering at each location to review the list of LZ locations that were provided as well as getting familiar with local hazards. This information will be documented by them to share with future air crews. The pilots were able to make contact with SEAPA personnel on the ground through normal VHF radio channels and share information about what might be expected if it had been an actual emergency. In general, the exercise was considered a success and we look forward to doing it again in the future.



Coast Guard MH-60 In Hover Mode over Swan Lake Dock

Another training opportunity put to good use, SEAPA partnered with Wrangell SAR to perform an Emergency Extrication Drill at the Tyee Gate House. Scheduled during the Annual Maintenance outage when site work was planned, Wrangell SAR was able to meet the crew up at the lake and take part in the drill. SEAPA crew, staff and WVFD personnel were able to participate in performing a Job Hazard Analysis, review of required PPE, as well as training on retrieval equipment. Once done a full deployment and retrieval of the rescue litter was performed taking

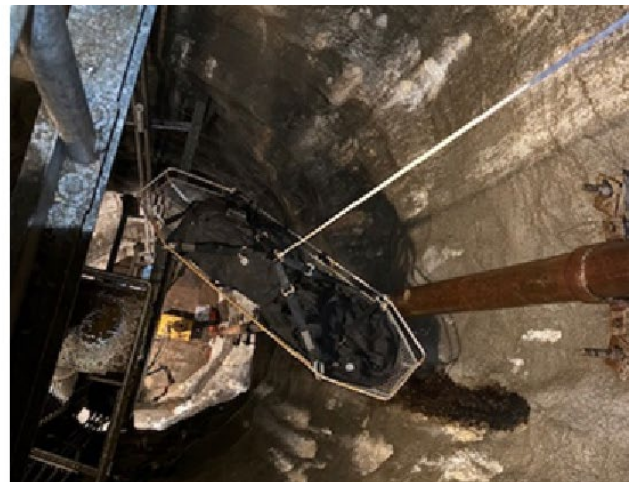
litter down to the 200' level of the shaft then back up again. The training was well received by all participants and the agency looks forward to partnering with local EMS/SAR in the future.



SEAPA Crew and Staff and Wrangell WVFD Search and Rescue
Performing Tye Gate shaft Emergency Extraction Drill



SEAPA Crew and Wrangell SAR rig
rescue litter for deployment.



Rescue Litter passing 100' level
on its way back to the surface.

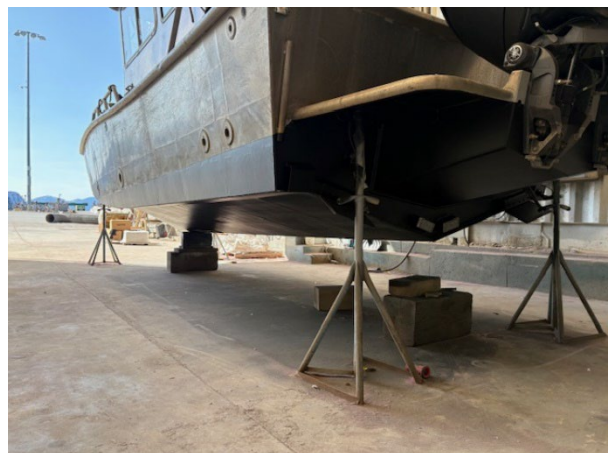


Tyee crew member, Dan Rohr, with Wrangell Fire Chief, Jordan Bunes, at the 200' level of Tyee gate shaft participating in Emergency Extraction Drill

PHOTOS



Swan Crew Boat at Wrangell Marine Service Center for bottom and deck paint



Swan crew boat with completed paint work



SEAPA pole inside recent Tongass Highway slide zone.
Slide mitigation efforts insured no damage was done to pole structure



A view not often seen: the Tyee Maru at the Swan Lake crew dock. Crew boats were traded between plants while paint work was being performed on Swan Lake's Munson Crew Boat.



New Dock Power and Camp Comms Structure at Swan Lake



Wind Sock Replacement at Tyee Lake Airstrip.
The Socks were weather-beaten and typically only last about 4-5 years



Work barge on approach to Tyee dock and bulkhead. As part of the Tyee Station Service Project, a Contractor from Wrangell navigated the tidal estuary to deliver equipment and supplies to the Tyee facility.



SEAPA crew, Andy Cowan and Dan Rohr, laying ditch for new conduit placement in Wrangell Switchyard. SEAPA Electrical Controls Engineer, Kris Womak, supervises to facilitate smooth operations. The yard was de-energized and crew is replacing a failed circuit switcher power supply to CST-27



Photo from the past:

Tyee right-of-way Clearing Crew Circa 1982. These were the timber fallers that opened up the power line corridor prior to construction from Tyee to Petersburg and Wrangell. Much of this was on very steep ground with a great deal of hiking involved even with helicopter support. The work was hard and dangerous but thanks in part to their efforts we now enjoy the most affordable electric power in the state.

End of Report



SOUTHEAST ALASKA POWER AGENCY CEO REPORT

DATE: June 19, 2025
TO: SEAPA Board of Directors
FROM: Robert Siedman, P.E., Chief Executive Officer
SUBJECT: CEO Report

SAFETY:

No work-related lost-time incidents have occurred since my last CEO report.

GOVERNMENTAL AFFAIRS & EXTERNAL INDUSTRY ACTIVITIES:

The 34th Alaska Legislative Session concluded on May 15, 2025, after a highly consequential 120-day session that was dominated by education funding and efforts to address a growing budget deficit. The first half of the session saw intense negotiations around House Bill 69 (HB69), which initially proposed a \$1,000 increase to the Base Student Allocation (BSA). After considerable debate and pressure from both fiscal conservatives and education advocates, the final version of the bill approved by the Legislature included a \$700 BSA increase, adding approximately \$187 million to the FY26 operating budget.

This increase contributed to a projected \$1.5 billion deficit for FY26, based on updated revenue projections from the Department of Revenue, which estimated \$6.23 billion in general-purpose revenue. Legislators ultimately relied on a combination of budget strategies to close the gap and as a result, the Legislature passed a balanced budget for FY26 without triggering a special session or requiring a CBR draw.

In June 2025, Governor Mike Dunleavy vetoed portions of the state's budget, including significant cuts to education funding. Specifically, he vetoed over \$122 million from the annual budget plan, including a reduction to the Base Student Allocation (BSA), the primary component of the education funding formula. The legislature had previously voted to increase the BSA by \$700 per student, but the governor's veto reduced that increase to \$500. The legislature may attempt to override the vetoes when they reconvene in January 2026.

Renewable Energy Fund (REF):

While total REF appropriations for FY26 were lower than in previous years, the Legislature signaled ongoing bipartisan support for renewable energy infrastructure, particularly in rural and coastal Alaska, where energy costs remain disproportionately high.

For SEAPA, the outcome of the session positions us well to proceed with our REF-supported Southeast Alaska Grid Resiliency Project (SEAGR) project and continue advocating for long-term investment in Southeast Alaska's energy independence.

SEAPA is positioned to be #5 on next year's list. Funding down the list to include SEAPA's project would require \$7.3MM in FY27. Money for the REF is at the full discretion of the Legislature and the Governor has line-item veto power. For example, in FY25 under Round 16 of the REF, the Governor vetoed the last two projects, totaling approximately \$3.7MM. In FY26, the Governor did not veto any of the Legislatively approved projects.

DOE Section 247: *The Maintaining and Enhancing Hydroelectricity Incentives*

SEAPA continues to actively engage with federal partners and industry allies to address delays in the disbursement of grant funds awarded under Section 247 of the Infrastructure Investment and Jobs Act. These grants, intended to improve electrical grid resiliency, were awarded over a year ago, yet remain unexecuted due to internal constraints at the Department of Energy (DOE).

The following Alaska-based projects received Section 247 awards:

1. SEAPA – Electrical Grid Resiliency Project – \$5,000,000
2. Alaska Electric Light & Power (AEL&P) – Salmon Creek Penstock Replacement – \$5,000,000
3. Chugach Electric Association (CEA) – Cooper Lake Hydroelectric Project – \$835,773
4. City & Borough of Sitka – Green Lake Rehabilitation, Phases II & III – \$2,520,630

Despite these awards being obligated, none have advanced to final negotiation or disbursement due to a severe staffing shortage within DOE's Grid Deployment Office (GDO), which is currently managing Section 247. At present, GDO reportedly has only one staff member assigned to this program. Compounding the issue, GDO is not congressionally authorized and lacks the institutional framework needed to manage complex grant execution in a timely manner.

SEAPA has been working in close coordination with other Alaska grant recipients, the National Hydropower Association (NHA), and our congressional delegation to address this problem. On June 5, I requested support from Senator Dan Sullivan's office for a formal congressional letter to DOE Undersecretary Chris Wright, urging a transition of Section 247 grant execution responsibilities to the Water Power Technologies Office (WPTO), which operates under the congressionally authorized Office of Energy Efficiency

and Renewable Energy (EERE). WPTO has both the technical expertise and staffing capacity to manage these awards effectively.

Senator Sullivan's staff acknowledged receipt of our request and committed to advancing the matter through internal channels. The Senator's engagement, alongside a companion advocacy letter submitted by NHA to DOE leadership, is intended to expedite the execution of these long-delayed funds — which are especially critical to energy resilience in rural and remote communities like ours.

Current Status

- No formal response has been received from DOE regarding the status of Alaska's Section 247 projects.
- SEAPA's \$5 million award remains fully obligated but unexecuted.
- Senator Sullivan's office is actively reviewing our request for a congressional letter to DOE and will elevate the issue to senior staff as appropriate.

SEAPA will continue pressing DOE and congressional offices for resolution and will maintain coordination with AEL&P, CEA, Sitka, and industry allies. We are also prepared to engage directly with WPTO should a transition in program administration be approved.

Delays in Section 247 execution underscore the need for structural improvements in DOE grant administration and continued federal advocacy. SEAPA is committed to ensuring our project, those of our partner utilities, and move forward as intended under this vital energy security initiative.

Senate Reconciliation Bill:

As part of my ongoing tracking of federal policy developments impacting SEAPA's projects and financing strategies, I want to provide an important update on the status of Investment Tax Credits (ITCs) and provisions within the proposed Senate Reconciliation Bill.

The version of the bill currently under consideration in the U.S. Senate contains significantly more favorable treatment of hydropower than the House version, particularly with regard to the Clean Electricity Investment Credit (Section 48D), which applies to qualified renewable energy projects.

Key provisions include:

- Full 30% Investment Tax Credit (ITC) remains available for hydropower projects that begin construction before January 1, 2033, assuming prevailing wage and apprenticeship conditions are met.
- The phase-out for hydro, nuclear, and geothermal follows a stepped reduction:
 - 100% of the credit for projects beginning construction in 2033
 - 75% in 2034
 - 50% in 2035
 - No credit beginning in 2036

This phase-out timeline does not use the “later of” test tied to national emissions benchmarks, which still applies to solar and wind. Instead, it sets a fixed calendar-based phase-out, offering more certainty for long-term project planning.

For comparison, solar and wind technologies begin phasing out as early as 2026, with their credit value dropping to 60% in 2026, 20% in 2027, and fully eliminated by 2028 — a stark contrast that elevates hydropower’s relative value in the renewable portfolio.

There is no formal markup scheduled in the Senate as of this update. However, leadership may push for a vote as early as next week. If the Senate passes its version, a negotiation process with House leaders — and likely the Senate Parliamentarian — will determine how the final reconciliation package merges both chambers’ provisions.

At this stage, the Senate language is substantially more advantageous to SEAPA and other public and nonprofit hydropower developers. We will continue to monitor closely and engage with our federal partners and associations to advocate for preserving this favorable treatment in the final bill.

SEAPA CONTRACTS and RFP's:

The following table is an overview of SEAPA Contracts and RFP's:

PROJECT	Publish Date	Bid Due Date	Board Mtg Date	Comments or Status	Complete?
Swan Lake Cooling Piping Replacement	N/A	N/A	N/A	\$91K Contract issued to Schmolck Mechanical on 12/12/2024; project approx. 70% complete. Scheduled for completion in July.	
General Brushing/Cutting Support	N/A	N/A	N/A	Two separate contracts issued to D&D Tree Service for brushing and cutting. One for Mitkof (6 acres) signed on 11/26/2024 and one for general brushing/cutting support signed on 01/21/2025. Work is ongoing.	
Petersburg Substation PT Upgrade Project	N/A	N/A	N/A	Contract to prepare design drawings signed by SEL Engineering Services. Completion date est. 09/30/2025.	
2025 Cleveland Brushing	02/05/2025	03/05/2025	03/27/2025	Contract awarded to Rock-N-Road Construction - complete	✓
2025 Woronkofski Island Brushing	02/05/2025	03/05/2025	03/27/2025	Contract awarded to Rock-N-Road Construction -completion planned for later this summer.	
Tyee 3rd Turbine, Generator & Transformer Procurement	11/15/2024	03/21/2025	05/29/2025 proposed for special board meeting	Three (3) bids received April 4, 2025. Notice of Intent to Negotiate Contract issued. Project award will be requested at June board meeting.	
Tyee Crew House #5 Renovation	05/01/2025	06/02/2025	06/25-26/2025	SEAPA to procure materials. Project Manager soliciting quote from H Construction for labor.	
Tyee Lake FERC Relicensing Services	05/09/2025	07/10/2025	08/19-20/2025	RFP issued on May 9, 2025; proposals due July 10, 2025.	
Helipads Cleveland Peninsula	N/A	N/A	N/A	Project Manager reviewing contract to determine what work can be accomplished in-house prior to soliciting quotes for helipad replacement.	
Petersburg Substation 2025 Annual Maintenance	N/A	N/A	N/A	Contract for substation annual maintenance at Petersburg issued to Specialty Engineering. Contract open pending rescheduling of portion of work due to equipment delays.	

5-YEAR STRATEGIC PLAN UPDATE:

During the September 28-29, 2023, Board Meeting in Petersburg, SEAPA's Board of Directors held a workshop to finalize the 2024-2028, 5-year strategic plan. Execution of the plan is underway. The following is an update on progress:

Phase 1: SEAGR – Southeast Alaska Grid Resiliency Project

The following is an updated timeline on current progress:

October 8, 2024: SEAPA filed a Draft Amendment Application (DAA) with FERC.

October 31, 2024: 100% procurement specifications completed.

November 1, 2024: The Federal Regulatory Commission (FERC) designated SEAPA as its non-federal representative for consultation purposes with Alaska SHPO, Alaska Indian tribes, U.S Fish and Wildlife Services, National Oceanic and Atmospheric Administration and other consulting parties (a.k.a. Stakeholders).

November 14, 2024: SEAPA held two public meetings with Stakeholders and received feedback that seemed to be largely non-impactful to the project or Agency.

November 15, 2024: SEAPA solicited Requests for Proposals (RFPs) for procurement of the Tyee Third Turbine generator, transformer and ancillary equipment.

December 9, 2024: SEAPA received the last and final stakeholder letter of support from the United States Department of the Interior, gaining total support from all Stakeholders to waive second-stage consultation per 18 CFR 4.38(e), setting the stage for an expedited and Final Application to FERC.

January 24, 2025: SEAPA filed the Final Application for license amendment with FERC.

June 18, 2025: Negotiated a lump-sum price for procurement (See New Business).

Persistent pursuit of funding for the SEAGR project is ongoing. The following is a synopsis of funding requests that are currently pending receipts:

DOE Section 247: \$5MM (awarded – pending negotiations)
REF Round 17: \$4MM (awarded – pending Legislative Appropriation)
FY26 CDS: \$4.5MM (currently being evaluated by Senator Murkowski's office)
ITC: \$12MM (IRS documents are currently being prepared by Moss Adams)

Congressional Directed Spending Requests (CDS) were submitted in March 2025 to Senator Murkowski's office. Investment Tax Credits (ITCs) are currently being investigated/prepared; however, it is my understanding that those funds will not be received until the following year after the project is complete. Funding part of the project with Tax Exempt Bonds would trigger a potential loss of 15% from ITCs under IRS tax code; confirmed by Moss Adams.

Phase 2: SEADR – Southeast Alaska Delivery Resiliency Project

The Ketchikan Substation Design is 100% complete and the project is nearly “shovel ready”. SEAPA’s next milestone will be issuing an RFP for procuring the transformer which has over a one-year lead time.

An “ideal” site next to KPU’s Ward Cove substation was identified for this project. The site has a Utility Easement from the Ketchikan Gateway Borough to KPU that states “KPU shall have the right to transfer and assign this easement, in whole or part, so long as its use will remain as described herein”. A substation is clearly identified as an asset that can be constructed on this utility easement.

The following is an updated timeline on current progress:

October 30, 2024: 100% design complete.

January 23, 2025: SEAPA held a meeting with KPU stakeholders to discuss the existing KPU Utility Easement at the Ward Cove Substation and potential transfer of the easement from KPU to SEAPA.

SEAPA is evaluating a strategic opportunity to pursue funding for the SEADR project through the Alaska Energy Authority (AEA) Grid Resiliency Grant Program, which is currently accepting applications through August 4, 2025.

The AEA Grid Resiliency Program is funded through the U.S. Department of Energy’s Grid Resilience State and Tribal Formula Grants (authorized by the Bipartisan Infrastructure Law) and is designed to strengthen the reliability and resilience of electric infrastructure against disruptive events such as extreme weather, seismic activity, and aging assets.

Eligible projects include upgrades to transmission and distribution systems, substation improvements, physical and cyber-hardening, and advanced control technologies.

The grant program is expected to provide cost-share funding, meaning SEAPA would likely need to contribute a portion of the total project costs. Further technical scoping and cost estimation are underway, and we are coordinating closely with AEA staff to ensure eligibility and alignment with program goals.

Phase 3: SEACR – Southeast Alaska Capacity Resiliency Project

As outlined in the 5-Year Strategic Plan, the SEACR project is a new hydroelectric facility. Although the need for additional hydro is likely more than 10 years away, as forecasted in the 2023 Load Forecast, I continue to pay special attention to opportunities, industry trends and potential alternative technologies. For example, the results of SEAPA’s solar feasibility study presented during the June 26-27, 2024 board meeting demonstrated that Solar would be a good technology to bridge the energy gap between now and the day a new hydro facility is needed. I anticipate applying for an AEA grant under the “Solar for All” program in 2025, once it is made available.

BEST PRACTICES & PROCESS IMPROVEMENTS:

AEA Board Member Update: After a brief pause on the EPA Solar for All Grant to AEA for \$62.5MM, the program appears to be back on track. AEA initially anticipated funding receipts from EPA in January 2025, however with the Federal funding freeze, that date was delayed. AEA intends to open the application process in the Summer or early Fall of 2025. The Alaska Energy Authority's Grid Resilience Formula Grant Program (under IIJA Section 40101(d)) is currently open for applications, having launched on June 2, 2025, and will remain open until 4:00 PM Alaska time on August 4, 2025. This is the third federal fiscal year of Alaska's competitive solicitation under this program. Substantial federal funding remains available, and AEA anticipates awarding grants by Q4 2025, with final approval from DOE's Grid Deployment Office.

APA Board Member Update: From June 3–5, I participated in the Alaska Power Association's 2025 Federal Legislative Conference in Washington, D.C., alongside utility CEOs and leadership from across Alaska. The conference included high-level meetings with Congressional offices, key federal agencies, and national utility organizations.

Below is a summary of relevant topics and strategic takeaways for SEAPA:

Senator Dan Sullivan, Senator Lisa Murkowski, and Representative Nick Begich

- Emphasized Alaska's unique energy challenges and ongoing federal grant delays.
- Reinforced support for Section 247 project execution and energy tax credit reforms.
- Expressed bipartisan commitment to defending direct pay ITCs for public power entities.

Congressional Western Caucus (John Veale, Executive Director)

- Discussion centered on energy independence, regulatory streamlining, and rural electric priorities.
- Provided a direct forum to relay Alaska's permitting and hydropower licensing challenges.

FERC (Legal Counsel to Chairman Christie):

- Delivered real-world feedback on hydropower relicensing timelines and dam safety regulation burdens.
- Advocated for support of legislation like S.1020 to extend construction deadlines for older permits.

Office of Electricity (OE) and Office of Energy Efficiency and Renewable Energy (EERE):

- Discussed opportunities to collaborate on distribution upgrades, microgrids, and energy storage.
- Emphasized the importance of tailoring federal grid programs to non-contiguous states like Alaska.

Office of Clean Energy Demonstrations (OCED) and Grid Deployment Office (GDO):

- Stressed need for execution of awarded grants (e.g., Section 247), staffing issues, and alignment with local implementation capacity.
- Noted DOE's continued development of new funding pathways for rural and islanded systems.

This year's fly-in provided critical momentum for several SEAPA priorities:

- Continued pressure on DOE to execute our \$5M Section 247 grant.
- Advocacy for long-term availability of direct-pay ITCs (especially under Senate reconciliation language).
- Federal alignment with Alaska's energy realities—such as high construction costs, supply chain delays, and limited regional grid access.
- Support for potential future DOE and USDA funding proposals, including substation infrastructure and grid hardening.

PERSONNEL RECRUITMENT:

SEAPA is currently 100% staffed. Additional regulatory efforts (relicensing) and construction of large capital assets (potential hydro) may require more staff. It is also prudent to start discussing succession planning, considering existing staff with key positions are eligible for retirement. Staff is still investigating potential future needs.



SOUTHEAST ALASKA POWER AGENCY

Date: June 19, 2025

To: Robert Siedman, P.E., CEO

From: Kris Womack, Electrical Controls Engineer

Subject: Tyee 3rd Turbine, Generator & Transformer Procurement Contract

Fiscal Note

RR25408 - Funding details for this project will be discussed in a separate memo under New Business in the Agenda.

Bid results for SEAPA's Tyee Lake 3rd Turbine, Generator and Transformer Procurement Contract (RR25408) were presented to the board at the Agency's May 29, 2025 special board meeting. The board authorized staff to negotiate Canyon Industries, Inc.'s \$12.9MM bid to achieve the most favorable cost to SEAPA. A savings of \$405,000 was realized during negotiations. Staff also determined it prudent to deduct \$1,146,343 included in Canyon's bid for spare parts and maintenance materials because many of those parts are not designed yet. When design is complete in 2026, staff will solicit a new proposal from Canyon and seek the board's authorization for a sole-source contract to purchase the parts. Canyon also identified a duplication error of \$219,285 in their spare parts bid, reducing the current value of spare parts and maintenance materials to \$927K.

Other potential savings were discussed, however, because prompt action is critical to procuring core materials for the project, discussions on those savings are pending additional information from vendors. Further negotiations will take place after the contract is signed, and Canyon has agreed that the contract may be amended if further savings are identified. Staff will elaborate further during the meeting on possible additional savings.

Staff seeks the board's authorization to enter into a contract with Canyon Industries, Inc. for the lump-sum negotiated amount of \$11,417,618 for the Tyee 3rd Turbine, Generator and Transformer Procurement Contract, together with a 5% contingency of \$570,881. A separate memo is included under New Business in the Agenda addressing the authorizations required for funding the project.

Please consider the following motion:

SUGGESTED MOTION

I move to authorize staff to enter into a contract with Canyon Industries, Inc. for SEAPA's Tyee 3rd Turbine, Generator and Transformer Procurement Contract for the lump-sum amount of \$11,417,618 plus a 5% contingency of \$570,881 for the total not-to-exceed value of \$11,988,499.



SOUTHEAST ALASKA POWER AGENCY

Date: June 19, 2025

To: SEAPA Board of Directors

From: Robert Siedman, P.E., CEO

Subject: Financing Tyee 3rd Turbine, Generator & Transformer Procurement Contract

Three related motions are included in this memo: to increase the 2025 budget for RR25408, to transfer funds from Reserves, and to solicit additional financing. Please consider the following suggested motions:

RR25408 BUDGET INCREASE
I move to increase the FY2025 budget for RR25408 Tyee Third Turbine project from \$1,740,000 to \$7,902,572.

RR25408 Budget Increase

The board authorized \$1,740,000 in the FY2025 budget for SEAPA's RR25408 for the Tyee Third Turbine Project. Additional funds will be required in this fiscal year as indicated in the table below. Payment for 60% of the procurement contract funds will be required in this fiscal year; SEAPA's consultant, McMillen, will be issuing final submittals and invoices; and staff seeks an additional \$700,000 for on-site work and additional direct procurements.

This action will NOT increase the project's overall budget of \$24.112MM, but will allow equipment procurement to proceed in accordance with the contract and facilitate the construction time window requirement by potential Investment Tax Credits (ITC).

2025 Activity	Funding	Expenditures	CONSTRUCTION FUND	CURRENT BUDGET
Transfer from Reserves Fund	\$5,000,000		\$5,000,000	\$1,740,000
JUL: Notice to Proceed (10% of \$11,417,618)		(1,141,762)	3,858,238	598,238
Submittals approved, Proceed to manufacture (25%)		(2,854,405)	1,003,833	(2,256,167)
Additional Funding Proceeds	10,000,000		11,003,833	
Due on receipt of runner forging (25%)		(2,854,405)	8,149,428	(5,110,572)
McMillen, final invoicing		(352,000)	7,797,428	(5,462,572)
Site work, early procurement (SEAPA)		(700,000)	7,097,428	(6,162,572)

----- continued on page 2 -----



SOUTHEAST ALASKA POWER AGENCY

REVENUE FUND TRANSFER

I move to authorize Robert Siedman, CEO, to transfer Five Million Dollars (\$5,000,000) from the Southeast Alaska Power Agency's Reserves Fund to establish a 2025 Construction account at First Bank that shall be dedicated to the RR25408 Tyee Third Turbine project.

Reserves Fund Transfer

Additional R&R funding is required to meet the payment schedule of the Canyon contract for RR25408 Tyee Third Turbine. Staff seeks board authorization to open a dedicated 2025 Construction Fund for this project and to transfer \$5MM from SEAPA's Reserve investment fund into the Construction Fund. This funding will be sufficient to address initial expenditures (10% deposit and 25% Equipment Release to Manufacture). With further board authorization, staff will solicit options for an additional \$10MM in financing to fully fund this project's anticipated FY2025 expenditures. Proposal(s) for the \$10MM funding would be presented to the board for consideration.

CEO AUTHORIZATION TO SOLICIT FINANCING PROPOSALS

I move to authorize Robert Siedman, CEO, to seek financing proposals for Ten Million Dollars to be dedicated funding for SEAPA's RR25408 Tyee Third Turbine project, which will be presented to the board for their consideration in awarding a financing contract to the most competitive proposer.

CEO Authorization to Solicit Financing Proposals

The Board is being asked to authorize the CEO to seek financing proposals for a loan or bond issuance for \$10MM. Discussions at the May 29 board meeting included the nuances of loans vs. taxable bonds, payment and prepayment terms, taxable vs. tax-exempt bonds, interest rate on loans, etc. Staff will elaborate further at the board meeting on the worst case scenarios of bonding, loans, and potential rate increase(s). If the board authorizes staff to solicit financing proposals, all competitive proposals will be presented to the board for consideration of award at the August 19-20 board meeting in Petersburg.

Date: 6/13/2025
To: SEAPA Board of Directors
From: Clay Hammer, SEAPA Operations Manager
Subject: Quarterly Operations Plan Update for June 26, 2025 Board Meeting

Operations Plan Update:

Snow Surveys: SEAPA Snow Surveys were performed in the first week of April and a report on those findings were provided to the board at that time. A brief summary of those results by location are as follows:

Swan Lake: 24.37 inches of snow water equivalent were measured which translates to 24.86 feet of water in the lake. On average this would be considered approximately 78% normal.

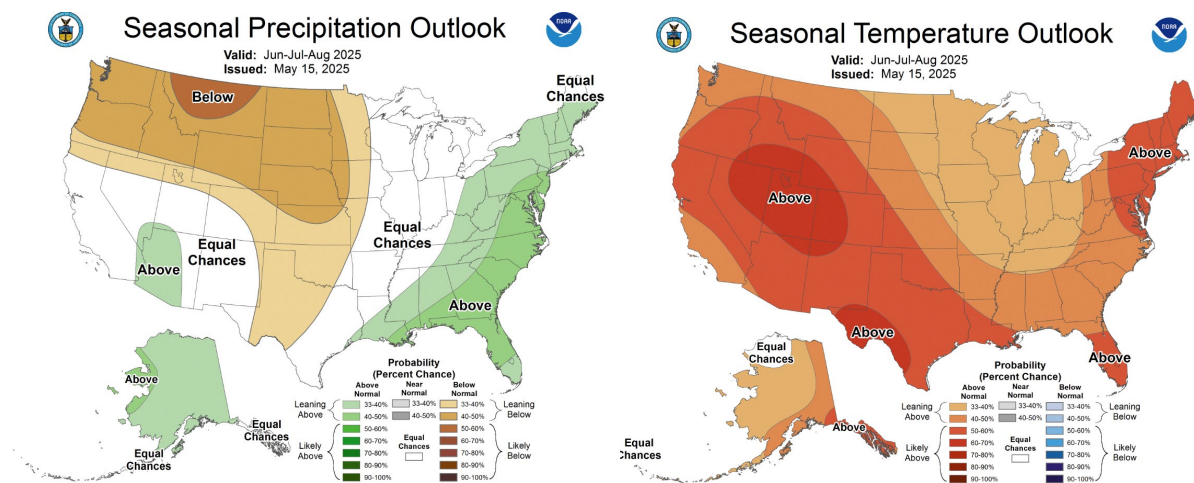
Tyee Lake: 32.59 inches of snow water equivalent were measured at this location which translates to 59.55 feet of water in the lake. On average this would be considered 71% of normal.

Though Swan was found to be 22% below average and Tyee was 29% below average, it is worth noting that the lake levels themselves were higher than average throughout the winter. This was most likely due to warmer temperatures and average precipitation. That average precipitation presented in the form of rain at lower elevations rather than snow and that rain being captured in the lakes rather than hanging on the mountain waiting for Spring runoff. Currently most of the snowpack is gone from the Swan Lake basin although Tyee still appears to have additional snow in the upper elevations of the watershed.



2025 SEAPA snow Survey Crew, Avalanche Alley in the Tyee Drainage

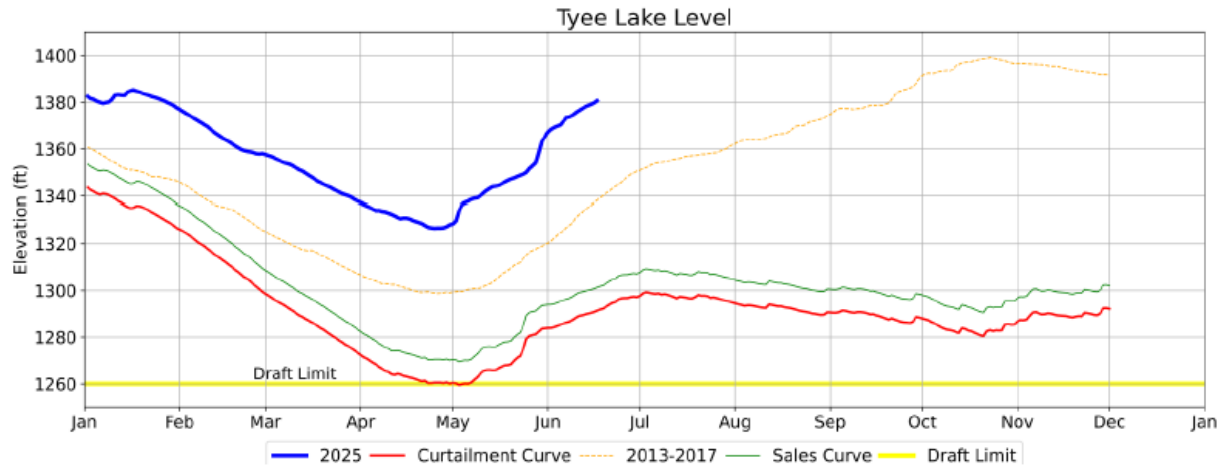
The weather predictions for Southeast Alaska Summer quarter call for warmer-than-average temperatures with equal chance for average precipitation. This is a departure from the Spring Quarter predictions that called for colder-than-average temps and equal chance average precipitation. The month of May was unusually cool but wet, setting precipitation records throughout the region. The City of Ketchikan saw over 25 inches of rain compared to the previous record of 8.6 inches and Petersburg saw just over 18 inches compared to the 6 inches it would normally see.



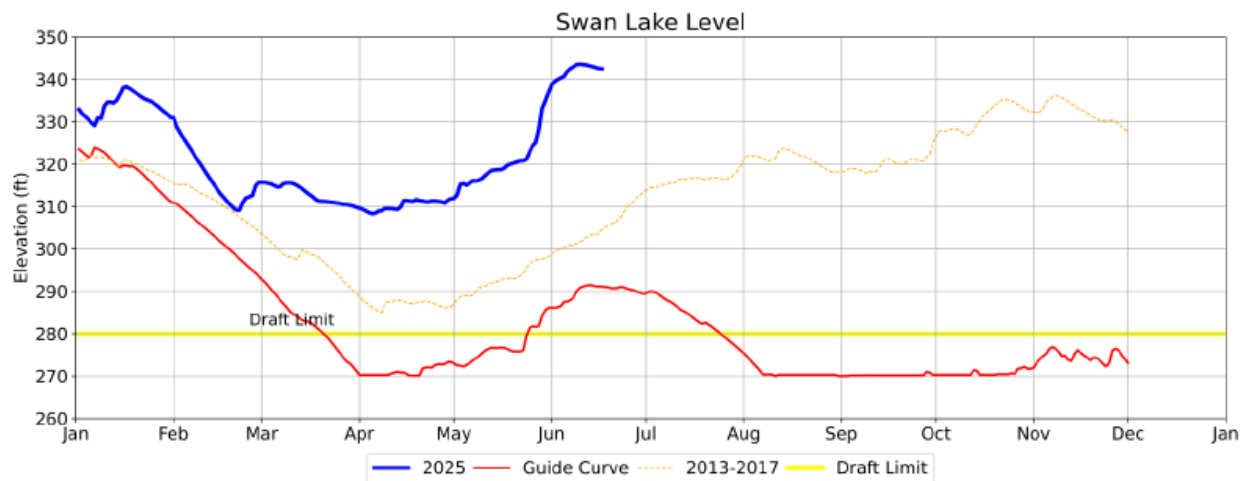
NOAA 3-Month outlook through August for precipitation and temperature. It predicts equal-chance average precipitation and above-average temperatures for the Summer quarter.



Swan Lake (Top) and Tyee Lake (Bottom) at current elevations

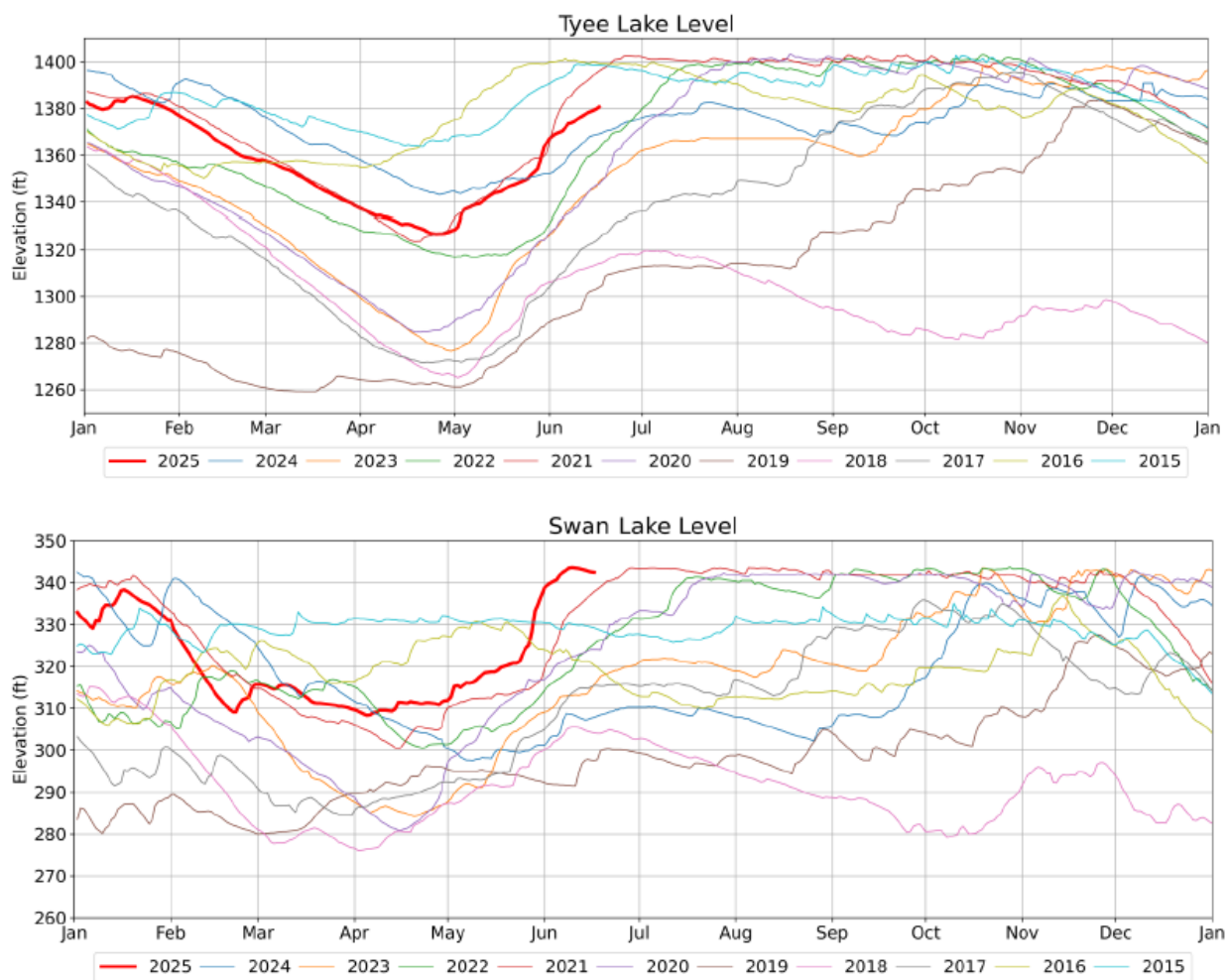


Tyee lake is currently at elevation 1381 feet and 89% full. That is 90 feet above the curtailment curve. By comparison this is 11 feet and 9% higher than we were at this same time last year. This is most likely the result of early inflows brought on by a mild Winter and a very wet May.



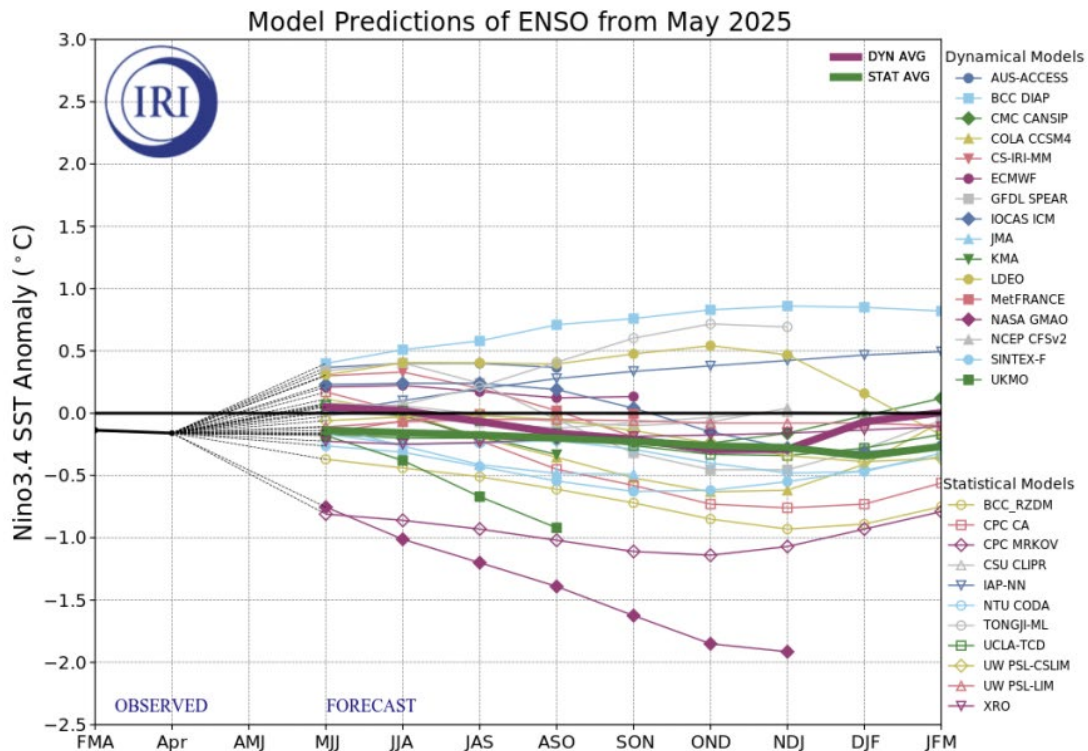
Swan lake is at elevation 342.5 feet and 100 % full. This is 50% higher than this time last year. With the flashboards in place Swan can impound water up to elevation 345'. There are risks involved with doing this so elevation 343 is currently considered "Full". Normally the FWG gate is set to regulate to that level and is only allowed to exceed that threshold under ideal circumstances and supervision. This month conditions were perfect for this and a new record for impoundment was reached with Swan being allowed to reach an elevation of 343.6 feet before plant operations brought the elevation back down. These efforts prevented spill and contributed to storage for later use.

Swan and Tye. The agency's goal remains the same: to meet load demands of the member utilities in the most reliable and efficient manner possible while at the same time minimizing spill at either hydro plant. We continue to do this by effective management of lake elevations through dispatch of power from those locations. The challenge is that both Tye and Swan Lakes are sized comparatively in terms of generation capacity but their respective reservoir sizes are quite different. Tye has nearly twice the energy holding capacity as Swan. To offset the difference in storage capacity, the agency operates the fuller lake at a higher level of generation to keep draft rates in check and maintain as close to equal lake elevations as possible.



Tye and Swan Lake 10-Year Elevation Graph

[Remainder of page intentionally left blank]



Above are the second quarter ENSO predictions for 2025. Model predictions are from the International Research Institute (IRI) and Climate Prediction Centers (CPC). Second quarter predictions are consistent with earlier predictions for a transition from El Nino weather pattern this Spring to an ENSO Neutral condition this Summer. The revised predictions indicate the transition from an ENSO Neutral back to an El Nino have been pushed back from September to possibly December. This would indicate the possibility of average weather conditions for the Summer transitioning into a slightly colder Winter.

In summary, the early inflows to both Swan and Tyee have led to adequate lake elevations at both Tyee and Swan plants. The weather is expected to be warm with equal chance for normal rainfall with that trend expected to project well into Fall.

With the higher lake elevations comes the potential for spill. If spill happens evenly at both locations storage loss is minimal. It is the Agency's goal to minimize disproportionate spill at either location through effective dispatch of power as we move through summer. This will set the stage for the Fall/Winter cycle insuring we have retained as much potential energy as possible minimizing future diesel exposure to the member utilities.



SEAPA 2025 BOARD MEETING DATES

Date(s)		Weekday(s)	Location or Format	Comments
January	17	Friday	Electronic	2PM Special Meeting: Introductions of New Board Members and Election of Officers
March	27	Thursday	Ketchikan	9-5PM Regular Meeting
May	29	Thursday	Electronic	2PM Special Meeting: Consideration of Tyee 3 rd Turbine Procurement Contract
June	25-26	Wed-Thurs	Wrangell	25 th : 1-5PM; 26 th : 9AM-1PM Regular Meeting
August	19-20	Tues-Wed	Petersburg	19 th : 1-5PM; 20 th : 9AM-1PM Regular Meeting
October	30	Thursday	Ketchikan	Time: TBD - Special Meeting to be held in person for an executive session to evaluate the Agency's CEO and potential Work Shop
December	3	Wednesday	Ketchikan	9-5PM Regular Meeting: Highlight is FY2026 Budget

(See attached for additional information on 2025 meeting dates and events)

2025

January							February							March							April						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1							1			1	2	3	4	5
5	6	7	8	9	10	11	2	3	4	5	6	7	8	2	3	4	5	6	7	8	6	7	8	9	10	11	12
12	13	14	15	16	17	18	9	10	11	12	13	14	15	9	10	11	12	13	14	15	13	14	15	16	17	18	19
19	20	21	22	23	24	25	16	17	18	19	20	21	22	16	17	18	19	20	21	22	20	21	22	23	24	25	26
26	27	28	29	30	31		23	24	25	26	27	28		23	24	25	26	27	28	29	27	28	29	30			
														30	31												
May							June							July							August						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7			1	2	3	4	5						1	2
4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9
11	12	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16
18	19	20	21	22	23	24	22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23
25	26	27	28	29	30	31	29	30						27	28	29	30	31			24	25	26	27	28	29	30
																					31						
September							October							November							December						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6				1	2	3	4								1		1	2	3	4	5	6
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27
28	29	30					26	27	28	29	30	1		23	24	25	26	27	28	29	28	29	30	31			
														30													

SEAPA Board Meeting dates are highlighted in yellow.

2025

MEETING DATES / EVENTS

(Updated 06/20/2025)

JANUARY

Date	Organization / Event	Location
1 (W)	SEAPA Holiday (New Year's Day)	N/A
2	KTN Council Mtg	KTN
6	PSG Assembly Mtg	PSG
14	WRG Assembly Mtg	WRG
16	KTN Council Mtg	KTN
17 (Fri)	SEAPA Special (Annual) Bd Mtg 2-5PM ***Elect Officers***	Electronic
20	PSG Assembly Mtg	PSG
28	WRG Assembly Mtg	WRG

FEBRUARY

Date	Organization / Event	Location
3	PSG Assembly Mtg	PSG
4-6	APA Legislative Conference	Juneau
6	KTN Council Mtg	KTN
11	WRG Assembly Mtg	WRG
11-13	SE Conference-Mid Session Summit	Juneau
17 (M)	SEAPA Holiday (President's Day)	N/A
18	PSG Assembly Mtg	PSG
20	KTN Council Mtg	KTN
24-26	NW Hydro Association Conference	Seattle
25	WRG Assembly Mtg	WRG

MARCH

Date	Organization / Event	Location
3	PSG Assembly Mtg	PSG
6	KTN City Council Mtg	KTN
11	WRG Assembly Mtg	WRG
17	PSG Assembly Mtg	PSG
20	KTN Council Mtg	KTN
25	WRG Assembly Mtg	WRG
27 (Th)	SEAPA Regular Board Mtg	KTN
31	NHA Waterpower Week	Wash DC

APRIL

Date	Organization / Event	Location
1-2	NHA Waterpower Week	Wash DC
3	KTN Council Mtg	KTN
7	PSG Assembly Mtg	PSG
9	WRG Assembly Mtg	WRG
17	KTN Council Mtg	KTN
21	PSG Assembly Mtg	PSG
22	WRG Assembly Mtg	WRG
30	NWHA Technical Workshop	Kennewick WA

MAY

Date	Organization / Event	Location
1	NWHA Technical Workshop	Kennewick WA
1	KTN City Council Mtg	KTN
5	PSG Assembly Mtg	PSG
13	WRG Assembly Mtg	WRG
15	KTN Council Mtg	KTN
19	PSG Assembly Mtg	PSG
26 (M)	SEAPA Holiday (Memorial Day)	N/A
27	WRG Assembly Mtg	WRG
29	SEAPA Special Bd Mtg 2-5PM	Electronic

JUNE

Date	Organization / Event	Location
All Month	SEAPA Hydro Plants Shutdown	SWL/TYL/STI
2	PSG Assembly Mtg	PSG
3-5	APA Federal Legislative Conf	Wash DC
5	KTN Council Mtg	KTN
10	WRG Assembly Mtg	WRG
16	PSG Assembly Mtg	PSG
19	KTN Council Mtg	KTN
24	WRG Assembly Mtg	WRG
25 (W)	SEAPA Regular Bd Mtg 1PM-5PM	WRG
26 (Th)	SEAPA Regular Bd Mtg 9AM-1PM	WRG

JULY

Date	Organization / Event	Location
3	KTN Council Mtg	KTN
4 (Fr)	SEAPA Holiday (Independence Day)	N/A
7	PSG Assembly Mtg	PSG
17	KTN Council Mtg	KTN
21	PSG Assembly Mtg	PSG
21-24	AEGIS Policyholders Conference	Boston
22	WRG Assembly Mtg	WRG

AUGUST

Date	Organization / Event	Location
4	PSG Assembly Mtg	PSG
7	KTN Council Mtg	KTN
18	PSG Assembly Mtg	PSG
19 (T)	SEAPA Regular Board Mtg 1PM-5PM	PSG
20 (W)	SEAPA Regular Board Mtg 9AM-1PM	PSG
21	KTN Council Mtg	KTN
26	WRG Assembly Mtg	WRG

2025 MEETING DATES / EVENTS

SEPTEMBER

Date	Organization / Event	Location
1 (M)	SEAPA Holiday (Labor Day)	N/A
2	PSG Assembly Mtg	PSG
4	KTN Council Mtg	KTN
9	WRG Assembly Mtg	WRG
15	PSG Assembly Mtg	PSG
16-18	Southeast Conference Annual Mtg	Sitka
18	KTN Council Mtg	KTN
23	WRG Assembly Mtg	WRG
23-26	APA Annual Meeting	Cordova

OCTOBER

Date	Organization / Event	Location
2	KTN Council Mtg	KTN
6	PSG Assembly Mtg	PSG
14	WRG Assembly Mtg	WRG
16	KTN Council Mtg	KTN
20	PSG Assembly Mtg	PSG
28	WRG Assembly Mtg	WRG
30 (Th)	SEAPA Special Board Mtg	KTN

NOVEMBER

Date	Organization / Event	Location
3	PSG Assembly Mtg	PSG
6	KTN Council Mtg	KTN
11 (Tu)	SEAPA Holiday (Veteran's Day)	N/A
12	WRG Assembly Mtg	WRG
17	PSG Assembly Mtg	PSG
20	KTN Council Mtg	KTN
25	WRG Assembly Mtg	WRG
27 (Th)	SEAPA Holiday (Thanksgiving)	N/A
28 (F)	SEAPA Holiday (Day After)	N/A

DECEMBER

Date	Organization / Event	Location
1	PSG Assembly Mtg	PSG
3 (Wed)	SEAPA Regular Board Mtg 9AM-5PM	KTN
4	KTN Council Mtg	KTN
TBD	Alaska Municipal League Annual Mtg	Anchorage
9	WRG Assembly Mtg	WRG
15	PSG Assembly Mtg	PSG
18	KTN Council Mtg	KTN
24 (W)	SEAPA Holiday (Christmas Eve)	N/A
25 (Th)	SEAPA Holiday (Christmas Day)	N/A

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, except only one meeting held in July, August, and December: July & August: <u>only 4th Tuesday mtg held</u> December: <u>only 2nd mtg held</u>
Ketchikan City Council Meetings	1st & 3rd Thursday every month