



SOUTHEAST ALASKA POWER AGENCY

August 19-20, 2025 Regular Board Meeting

AGENDA

Tuesday, August 19, 2025	
11:30AM	Lunch @ Petersburg Assembly Chambers
12PM	Meeting Starts
5PM	Meeting Recesses
6PM	***Dinner at the Elks Lodge***
Wednesday, August 20, 2025	
8AM	Breakfast available at Petersburg Assembly Chambers
8:30AM	Meeting Starts
10AM-12PM	Meeting Adjourns @ 10AM Hospital Tour 10AM-12PM
12PM	Lunch @ Petersburg Assembly Chambers

Meeting held at:

Petersburg, Alaska Assembly Chambers

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For telephonic participation via Zoom dial:

1.888.475.4499

Meeting ID #865 0392 7181

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. June 25-26, 2025 – Regular Meeting
 - B. July 18, 2025 - Special Meeting
5. **Financial Reports**
6. **CEO Report**
7. **Staff Reports**
 - A. Plant Operations Quarterly Report (*Hammer*)
 - B. Plant Operations Projects Report (*Hammer*)
 - C. Project Manager Report (*Hilson*)
 - D. Electric Controls Engineer (*Womack*)
8. **New Business**
 - A. Consideration of FY2024 Audited Financial Statements (Joy Merriner, Consultant)
 - B. Consideration of SEAPA's NRECA 2026 Employee Group Benefit Plans
 - C. 3rd Quarter Operations Plan Update
 - D. Consideration of Tyee Relicensing Services Contract
 - E. Consideration of Sole Source Contract Re Tyee Crew House Renovation
 - F. Executive Session Re Cybersecurity Issues/Discussion

9. 2025 Meeting Dates

- October 30, 2025 (Special Meeting)
- December 3, 2025 (Regular Meeting)

10. Discuss Future Topics

11. Director Comments

12. Adjourn

Southeast Alaska Power Agency

Regular Meeting Minutes

Location: Wrangell, Alaska

Date/Time: June 25, 2025 (1-5PM)

June 26, 2025 (9AM-1PM)

Agenda Items

1) Call to Order

A. Roll Call.

Chairperson Lynn called the regular meeting to order at 1:00 p.m. AKDT on June 25, 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	IP	Swan Lake	Ketchikan
Lacey Simpson	IP	Jeremy Bynum	IP	Swan Lake	Ketchikan
Dick Coose	IP	Peter Amylon	IP	Swan Lake	Ketchikan
Bob Lynn	IP	Karl Hagerman	IP	Tyee Lake	Petersburg
Mason Villarma	IP	Patricia Gilbert	IP	Tyee Lake	Wrangell

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

Staff	Present Electronically (E) In Person (IP)	Staff	Present Electronically (E) In Person (IP)	Staff / Counsel	Present Electronically (E) In Person (IP)
Robert Siedman, P.E., CEO	IP	Clay Hammer, Ops. Mgr.	IP	Sharon Thompson, EA/CA	IP
Mark Hilson, P.E., Proj. Mgr.	IP	Kay Key, Controller	IP	Joel Paisner, Counsel	IP
Kris Womack, Elec. Cont. Eng.	IP	Marcy Graves, Ofc. Mgr.	IP		

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

C. Disclosure of Conflicts of Interest: None.

2) Approval of the Agenda

Chairperson Lynn requested a motion to approve the Agenda.

> Motion	M/S (Sivertsen/Villarma) to approve the Agenda as presented. The motion was approved unanimously by polled vote.	✓ Action 25-1170
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3) Persons to be Heard: None

4) Consideration of Approval of Minutes

A. Minutes of Special Meeting held on May 29, 2025

> Motion	M/S (Sivertsen/Villarma) to approve the minutes of SEAPA's special meeting held on May 29, 2025. The motion was approved unanimously by polled vote.	✓ Action 25-1171
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5) Financial Reports

> Motion	M/S (Sivertsen/Villarma) to accept year-to-date financial statements through April 2025 and disbursements for March through May 2025 totaling \$2,803,617.10. Following Mr. Siedman's review and presentation of the financial statements, discussion of key financial data, and fielding director comments and questions, the motion was approved unanimously by polled vote.	✓ Action 25-1172
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6) Staff Reports

A. *Electrical Controls Engineer Report (Womack)*

Mr. Womack provided updates on the Tyee Station Service & 15kV Switchgear, Ketchikan Substation Design, and Tyee 3rd Turbine Design projects.

B. *Project Manager Report (Hilson)*

Mr. Hilson presented comprehensive PowerPoint slides with photos on the progress and next steps of FERC-related activities, which included Swan Lake's Part 12D inspection and FERC relicensing, and Tyee Lake's Third Turbine FERC Capacity License Amendment and FERC relicensing.

The Chair recessed the meeting for a short break at 2:36 p.m.

The meeting resumed at 2:52 p.m. with the continuation of Mr. Hilson's report. Mr. Hilson provided updates on Swan Lake's incinerator and dock electrical panel replacement, road work, and water piping and basket strainer projects. He provided photographs of a sidewalk project recently completed at SEAPA's Headquarters, and reported that the Cleveland Helipad Replacement Project will likely be contracted out in 2026.

C. *Operations Manager Project Report (Hammer)*

Mr. Hammer provided updates on renewal and replacement projects, which included replacement of a pole on the Swan/Bailey line, a Wrangell Switchyard battery bank-inverter, renovation of the interior of a Tyee Crew House, and a skiff and plow truck for Swan Lake. He also reported on the progress of brushing maintenance and right-of-way contract clearing.

D. *Plant Operations Quarterly Report (Hammer)*

Mr. Hammer provided a summary of the Swan and Tyee Lake Hydroelectric Project monthly inspections that take place at each facility noting work orders that have been completed, maintenance and repairs scheduled or completed, and an update on inspections at the substations and switchyards. He noted that the Petersburg Substation was the focus of this year's service to inspect and test all transformers, breakers and related equipment. He reported the highlights of quarterly safety training and discussed photographs presented of several activities that had taken place since the previous quarter.

The meeting recessed at 3:36 p.m. and resumed at 3:47 p.m.

7) CEO Report

Mr. Siedman reported pertinent highlights of legislative activities including the 34th Alaska Legislative Session, portions of the Governor's budget that were vetoed, Renewable Energy Fund appropriations positioning SEAPA in 2026, DOE Section 247 grant fund delays, and an update on key provisions of investment tax credits in the Senate's Reconciliation Bill. He provided updates on SEAPA contracts and RFPs and the progress of SEAPA's Five-Year Strategic Plan projects and goals. He summarized significant takeaways for SEAPA following his participation at the Alaska Power Association's 2025 Federal Legislative Conference in Washington, D.C., and was pleased to report that although SEAPA is 100% staffed, additional staff may be

required for relicensing efforts and future development of potential hydro projects. He noted it is prudent to keep a focus on succession planning for key staff positions.

The meeting recessed at 4:20 p.m. on June 25, 2025.

The meeting reconvened on June 26, 2025 at 9:00 a.m.

The Chair requested a roll call. All directors and staff present on June 25, 2025 were present on June 26.

The Chair announced the meeting will resume with New Business, Agenda Item 8.A.

8) New Business

A. Consideration of Tyee 3rd Turbine, Generator & Transformer Procurement Contract

Motion	M/S (Sivertsen/Villarma) 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. The motion was approved unanimously by polled vote.	✓	Action 25-1173
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B. Consideration of Budget Requests and Authorizations Re Tyee 3rd Turbine, Generator and Transformer Procurement Contract

Motion	M/S (Villarma/Coose) to increase the FY2025 budget for RR25408 Tyee Third Turbine project from \$1,740,000 to \$7,902,572. The motion was approved unanimously by polled vote.	✓	Action 25-1174
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Motion	M/S (Villarma/Sivertsen) 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. The motion was approved unanimously by polled vote.	✓	Action 25-1175
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Motion	M/S (Villarma/Bynum) to authorize Robert Siedman, CEO, to seek financing proposals for up to 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.	✓	Action 25-1176
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Considerable discussion on the motion followed on the sum to be solicited by the CEO for financing proposals, resulting in the following amendment to the motion:

Motion	M/S (Villarma/Sivertsen) to amend the existing motion to authorize SEAPA's CEO to seek financing proposals for up to Twenty Million Dollars (\$20,000,000) incrementally, to be dedicated to the Tyee Third Turbine Project. The motion was approved unanimously by polled vote.	✓	Action 25-1177
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The Chair requested a vote on the original motion, as amended, for the financing proposals. The original motion, as amended, was approved unanimously by polled vote.

C. Second Quarter Operations Plan Update

Mr. Hammer reported that although snow surveys performed at both Swan and Tyee Lakes were below average, the lake levels were higher than average through the winter. He discussed the weather predictions for Southeast Alaska's summer quarter and provided the statistics of each lake's level noting that the levels at

both lakes are higher than the same time last year. He explained how management of lake elevations through the dispatch of power from each location meets load demands with the goal of minimizing spill. He closed his report with a review of 2nd quarter El Niño/Southern Oscillation (ENSO) predictions for 2025.

9) 2025 Meeting Dates

Staff announced it will be necessary to call a special board meeting in July to consider a resolution. It was determined a quorum could be available on July 18 for the meeting. There were no objections to the next regular board meeting to be held on August 19-20 in Petersburg.

10) Discuss Future Topics

No topics were presented for future discussion.

11) Director Comments

Directors exchanged brief comments.

12) Adjourn

Motion	M/S (Sivertsen/Villarma) to adjourn the meeting. Following the motion, the Chair requested and received a round of ayes for adjournment.	✓	Action 25-1178
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The Chair announced the meeting adjourned at 11:10 a.m.

Signed:

Attest:

Secretary/Treasurer

Chairperson

Southeast Alaska Power Agency Special Meeting Minutes

Location: Held Electronically¹

Date: July 18, 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 July 18, 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	E	Jeremy Bynum	E	Swan Lake	Ketchikan
Dick Coose	IP	Peter Amylon	IP	Swan Lake	Ketchikan
Bob Lynn	E	Karl Hagerman	E	Tyee Lake	Petersburg
Mason Villarma		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	Sharon Thompson, EA/CA	IP
Marcy Graves, Office Manager	E	Joel Paisner, Counsel	E

B. Communications/Lay on the Table Items: None

C. Disclosure of Conflicts of Interest: None

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 25-1179
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3) Persons to be Heard: None.

4) New Business

A. Consideration of Resolution Re AEA Grid Resilience Formula Grant Program

¹ The meeting was held electronically via Zoom.

➤ Motion	M/S (Sivertsen/Gilbert) to adopt the Southeast Alaska Power Agency Resolution No. 2025-103 authorizing Robert Siedman, CEO, to sign and submit a grant application to the Alaska Energy Authority (AEA) for the AEA's Grid Resilience Formula Grant Program, to commit to the obligations under the grant, and to act as an established point of contact for the grant. The motion was approved unanimously by polled vote. <div data-bbox="1299 210 1323 241">✓</div> <div data-bbox="1360 205 1433 247">Action 25-1180</div>
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5) Next Meeting Dates

There were no objections to SEAPA's next regular board meeting date of August 19-20, 2025 in Petersburg.

6) Director Comments

Directors exchanged various comments.

7) Adjourn

Chairperson Lynn announced the meeting was adjourned at 2:30 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 June 2025 and disbursements for June and July 2025 totaling \$1,191,079.17.

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

- Financial Snapshot
- Statement of Financial Position (Balance Sheet)
 - ✓ Fund Allocation Graph (*Jul*)
- Statement of Activities (P&L)
 - ✓ MWH Sales Graph (*Jul*)
- R&R Capital Expenditures Report
- Disbursements: June – July 2025

The 2025 Construction Fund was opened in July, and \$1.1MM of the \$5MM authorized by the Board was transferred from the Reserves Fund. The balances displayed in the Fund Allocation Graph are as of July 31 and reflect this activity. The transferred funds cover the down payment to Canyon Industries for the Third Turbine project (RR25408), paid at the beginning of August.

A high-level review of SEAPA's FY2026 budget will be shared at the October board meeting.



JUNE 2025 YTD FINANCIAL SNAPSHOT

OPERATING REVENUE

	JAN-JUN Actual	JAN-JUN Budget	JAN-JUN Prior Yr
Ketchikan	\$ 3,725,707	\$ 3,958,349	\$ 4,464,415
Petersburg	1,743,777	1,781,046	1,745,917
Wrangell	1,507,285	1,498,611	1,469,568
Total Power Sales	\$ 6,976,770	\$ 7,238,006	\$ 7,679,899

96% of YTD Budget

91% actual to prior year

OPERATING EXPENSE

Hydro Facilities	\$ 1,204,058	\$ 1,381,092	\$ 1,253,129
Transmission	568,705	1,424,894	828,080
G&A	1,904,388	1,922,500	1,686,415
Total Operating Expense	\$ 3,677,151	\$ 4,728,486	\$ 3,767,624

78% of YTD Budget

98% actual to prior year

NONOPERATING REVENUE/(EXPENSE)

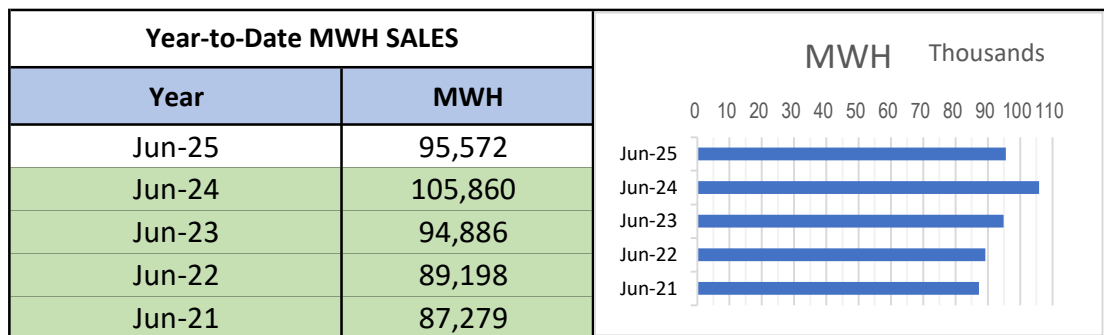
Nonoperating Revenue	\$ 891,466		\$ 350,553
Nonoperating Expense	(3,072,992)		(3,072,727)
Net NonOperating	\$ (2,181,526)		\$ (2,722,173)
CHANGE IN NET POSITION	\$ 1,118,093		\$ 1,190,102

R&R (CAPITAL)

Expenditures

JAN-JUN Actual	Annual Budget	Capitalized 2025
\$ 1,145,626	\$ 9,048,672	\$ 106,059

FIRM MWH TREND



STATEMENT OF FINANCIAL POSITION

as of June 30, 2025

Southeast Alaska

Power Agency

	Year To Date 06/30/25	Prior Year To Date 06/30/24	% Change	Value Change
ASSETS				
Current Assets				
Agency Funds				
Operating & Reserve Funds				
Operating Funds	10,452,766	21,453,140		
Reserves Funds	29,287,992	15,214,540		
Total Operating & Reserve Funds	39,740,758	36,667,680	8 %	\$3,073,079
Restricted Trustee Funds				
2015 Series Bond Funds	556,673	610,275		
2021 Series Bond Funds	872,433	811,530		
2022 Series Bond Funds	506,744	477,127		
Total Restricted Trustee Funds	1,935,850	1,898,932	2 %	\$36,918
Restricted Other Funds				
USFS CD - STI	22,434	22,013		
Required R&R Fund	-	1,001,576	... Transferred to Reserves Funds	
Total Restricted Other Funds	22,434	1,023,589	(98) %	(\$1,001,155)
Total Agency Funds	41,699,043	39,590,201	5 %	\$2,108,842
Other Current Assets				
Accounts Receivable	1,063,929	1,380,091	(23) %	(\$316,162)
Accrued Interest Receivable	248,128	146,806	69 %	\$101,322
Prepaid Fees	401,068	379,761	6 %	\$21,307
Inventory Assets, net amortization	2,106,113	2,010,764		
Total Other Current Assets	3,819,238	3,917,421		
TOTAL CURRENT ASSETS	45,518,281	43,507,622	5 %	\$2,010,659
Capital Assets				
R&R Construction in Progress	2,939,969	568,341		
Capital Assets	204,696,893	204,016,002		
Accumulated Depreciation	(75,957,412)	(70,979,559)		
Total Capital Assets	131,679,450	133,604,783	(1) %	(\$1,925,333)
Deferred Assets				
New Generation Integration	-	12,738		
Feasibility Solar	74,542	65,474		
Feasibility Ketchikan Substation	-	429	... Transferred to RR25403	
Feasibility TYL Capacity License Amendment	-	33,812	... Tranferred to RR25407	
Feasibility TYL Third Turbine Design Phase	-	3,493	... Tranferred to RR25408	
Feasibility PSG Potential XFMRs	1,912	-		
Total Deferred Assets	76,454	115,947	(34) %	(\$39,493)
TOTAL ASSETS	177,274,185	177,228,352	0 %	\$45,833

STATEMENT OF FINANCIAL POSITION

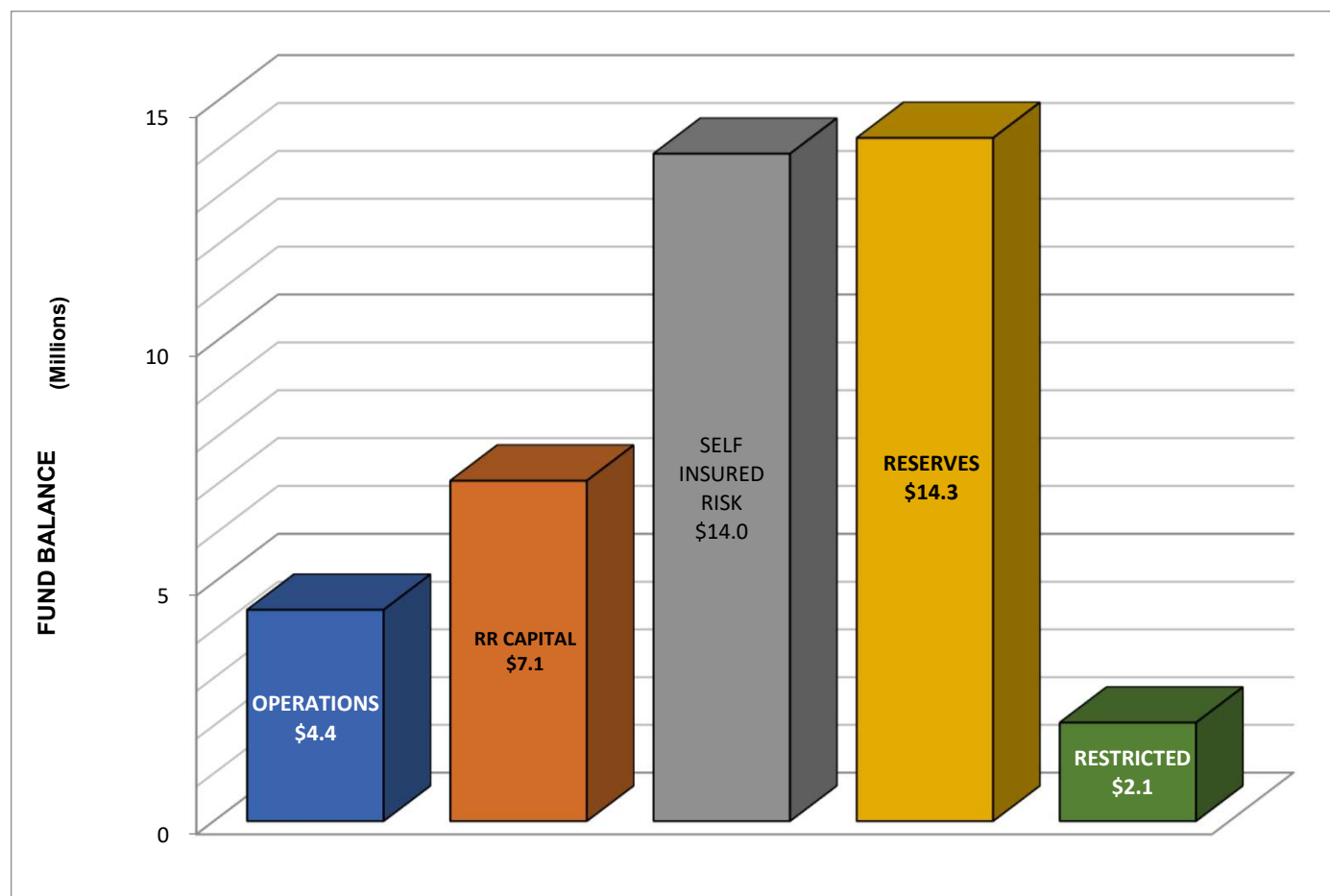
as of June 30, 2025

Southeast Alaska

Power Agency

	Year To Date 06/30/25	Prior Year To Date 06/30/24	% Change	Value Change
LIABILITIES & NET POSITION				
Current Liabilities				
Accounts Payable General	324,807	634,757		
Other Current Liabilities	84,255	82,388		PERS (Current portion)
Bond Reserve Interest Payable	(1,133)	(10,279)		
Payroll Liabilities	360,117	336,075		Wages, PTO, Other Payroll Liabilities
Total Current Liabilities	768,046	1,042,940	(26) %	(\$274,894)
Long Term Liabilities				
PERS Unfunded Liability WRG	369,152	452,792		
Series 2015 Bonds	9,330,000	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	2,815,806	2,993,629		
Total Long Term Liabilities	28,734,958	30,346,421	(5) %	(\$1,611,463)
TOTAL LIABILITIES	29,503,005	31,389,361	(6) %	(\$1,886,357)
NET POSITION				
Net Investment Capital Assets	103,588,488	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	40,466,208	35,845,280		
Net Position Subtotal	146,653,088	144,648,889	1 %	\$2,004,199
NET INCOME	1,118,093	1,190,102	(6) %	(\$72,009)
TOTAL NET POSITION	147,771,180	145,838,991	1 %	\$1,932,189
TOTAL LIABILITIES & NET POSITION	177,274,185	177,228,352	0 %	\$45,833

SEAPA FUND ALLOCATION - JULY 2025



OPERATING FUNDS		CAPITAL (R&R) FUNDS		RESERVES		RESTRICTED FUNDS	
Revenue Fund	\$ 4,427,106	Dedicated R&R	\$5,984,572	Self Insured Risk	\$13,957,106	Reserves Fund	\$14,287,591
Checking	1,000	25 Construction	1,142,002			Bond Funds	\$2,041,716
						USFS CD	22,434
TOTAL Agency Funds \$ 41,863,527							

OPERATING FUNDS

Revenue Fund & Commercial Checking: All SEAPA income is deposited to the Revenue Fund, as required by Bond Indentures. Monies are transferred to checking from Revenue and RR Capital Funds as needed to cover expenditures.

DEDICATED R&R (CAPITAL) FUNDS

This fund covers capital improvements as well as new capital projects.

Funded by annual deposit of \$3.2MM, transferred from Revenue Fund in quarterly installments, as outlined by the 4R Plan.

2025 Construction - Dedicated to RR25408. Balance reflects initial transfer of \$1.142MM from Reserves Fund out of \$5MM authorized by Board.

RESERVES

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

Reserves: Includes Rate Stabilization, New Generation, and additional R&R capital reserves, established under the board-approved Reserves Fund Policy.

RESTRICTED (Legally or contractually restricted)

All Trustee Funds: Bond Interest, Principal, Reserve Funds

USFS: USFS Land Remediation Certificate of Deposit

STATEMENT OF ACTIVITIES

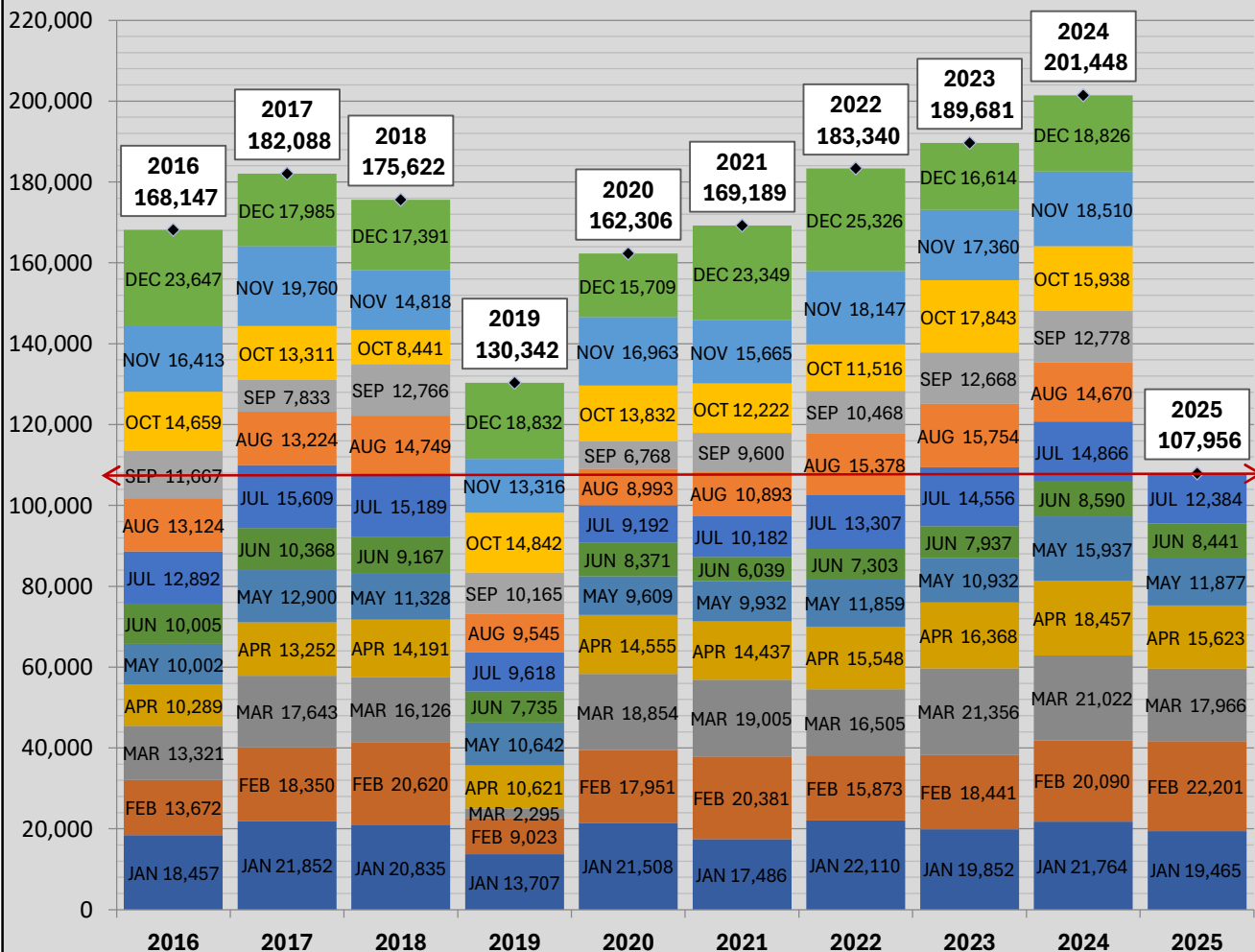
Southeast Alaska Power Agency

Budget Comparison YTD as of June 30, 2025

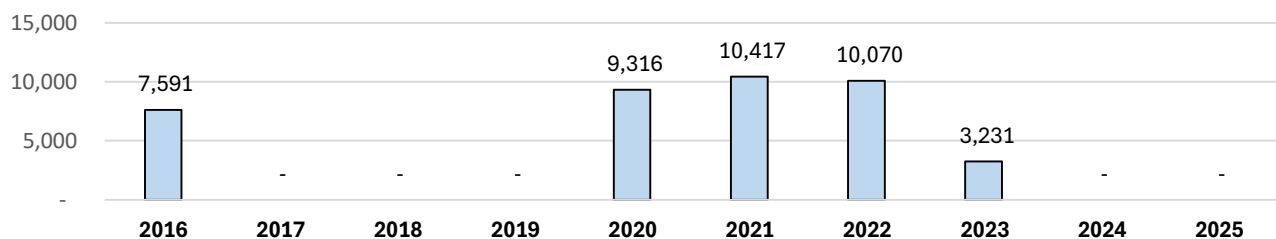
Budget Comparison YTD as of June 30, 2025	YTD	ANNUAL	% of	Prior YTD Comparison	
	FY25	BUDGET	Budget	FY24	2025 : 2024
OPERATING REVENUE					
400 - Hydro Facility Revenues					
Hydropower Sales Ketchikan	3,725,707	7,482,416		4,464,415	
Hydropower Sales Petersburg	1,743,777	3,532,250		1,745,917	
Hydropower Sales Wrangell	1,507,285	2,922,360		1,469,568	
Net Operating Revenue	6,976,770	13,937,026	50%	7,679,899	(9)%
OPERATING EXPENSE					
HYDRO FACILITY O&M					
535 - Operations Supervision	7,237	11,000	66%	8,143	
537 - Hydraulic	4,720	14,900	32%	5,655	
538 - Electric	5,194	128,500	4%	15,233	
539 - Operations Misc	155,996	420,850	37%	147,494	
540 - Rents	98,375	198,600	50%	95,893	
541 - Hydro Power Station Maintenance	19,596	48,000	41%	24,930	
543 - Dams Reservoirs Waterways	10,012	58,750	17%	39,144	
544 - Electric Plant Wages-Benefits	872,224	1,545,000	56%	894,785	
545 - Nonproduction Plant Maintenance	30,704	98,200	31%	21,851	
Total Hydro Facility Expense	1,204,058	2,523,800	48%	1,253,129	(4)%
TRANSMISSION O&M					
561 - Control System Maintenance	-	17,000	0%	8,890	
562 - Substation	60,398	103,650	58%	51,422	
564 - XMSN Submarine Cable	11,988	15,300	78%	752	
571 - XMSN Overhead Lines	496,319	1,868,100	27%	767,015	
Total Transmission Expense	568,705	2,004,050	28%	828,080	(31)%
GENERAL & ADMIN EXPENSE					
920 - Admin Wages-Benefits	972,142	2,014,000	48%	799,148	
921 - Office	139,819	307,350	45%	130,713	
923 - Professional Services	136,032	367,000	37%	181,754	
924 - Insurance	430,967	855,000	50%	407,305	
928 - Regulatory Commission	113,965	189,400	60%	66,541	
930 - General Administrative	101,614	158,100	64%	89,634	
931 - Admin Rent	9,850	19,500	51%	11,320	
Total G&A Expense	1,904,388	3,910,350	49%	1,686,415	13%
Total Operating Expense	3,677,151	8,438,200	44%	3,767,624	(2)%
NET OPERATING REVENUE/(EXPENSE)	3,299,619	5,498,826	60%	3,912,275	(16)%
Nonoperating Income					
941 - Grant Income	-			18,613	
942 - Interest Income Misc	475,156	Investment Funds		364,038	
944 - Gain/(Loss) Investments	284,410	Investment Funds		(95,877)	
946 - Misc Nonoperating Income	131,900	REC income		63,779	
Total Nonoperating Income	891,466			350,553	154%
Nonoperating Expense					
951 - Interest Expense	12,012			9,103	
952 - Bond Interest Expense	522,531			511,247	
953 - Depreciation-Amortization Expense	2,508,902			2,507,748	
954 - Grant Expense	-			24,953	
955 - Misc Nonoperating Expense	29,547			19,676	
Total Nonoperating Expense	3,072,992			3,072,727	0%
NET NONOPERATING INCOME/(EXPENSE)	(2,181,526)			(2,722,173)	
Change in Net Position	1,118,093			1,190,102	(6)%

kWh HYDROPOWER SALES	JULY 2025		YTD		% of YTD Budget
	Actual	Budget	Actual	Budget	
Ketchikan Power Purchases	5,722,704	6,407,983	56,759,792	60,631,946	94%
Petersburg Power Purchases	3,504,907	3,818,459	27,392,265	28,216,347	97%
Wrangell Power Purchases	3,155,950	3,313,163	23,803,690	23,842,066	100%
Total Power Purchases	12,383,561	13,539,605	107,955,747	112,690,359	96%

MWh Firm Power Sales YOY Comparison



MWh Displaced Sales - Whitman True-up



R&R Capital Expendituresas of **June 30, 2025**

	2025		PRIOR YRS EXPENDITURES	TOTAL EXPENDITURES	OVERALL BUDGET*	Placed in Service
	BUDGET	EXPENDITURES				
RR19307 - Helipads Cleveland	426,673	19,259	101,554	120,813	610,000	
RR22364 - 15kV Switchgear TYL	1,094,279	96,741	127,887	224,628	1,506,200	
RR22374 - Station Service Switchgear TYL	2,553,720	401,786	384,828	786,614	3,915,000	
RR23384 - FERC Relicensing SWL	670,000	213,385	53,968	267,353	3,017,000	
RR23385 - FERC Relicensing TYL	674,000	337	39,151	39,488	3,017,000	
RR23386 - Incinerator XFMR Panel-Controls SWL	18,903	16,235	17,096	33,331	36,000	Apr 2025
RR24397 - Road Work SWL	119,647	319	15,354	15,673	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	2,331	-	2,331	250,000	
RR25402 - EV Chevy Blazer KTN	43,600	47,720	-	47,720	43,600	Apr 2025
RR25403 - Ketchikan Substation	618,750	-	425,579	425,579	7,298,000	
RR25404 - Lake Skiff SWL	49,900	34,930	-	34,930	49,900	
RR25405 - Plow Truck SWL	70,000	42,104	-	42,104	70,000	Feb 2025
RR25406 - Sidewalk KTN HQ	20,000	989	-	989	20,000	
RR25407 - Third Turbine License Amendment TYL	149,000	59,789	197,555	257,344	339,720	
RR25408 - Third Turbine-Generator TYL	1,740,000	9,759	552,993	562,752	24,112,000	
RR25409 - Water Piping-Basket Strainer SWL	296,000	166,587	0	166,587	296,000	
Total All RR Projects	9,048,672	1,145,626	1,915,965	3,061,591	44,969,620	

*Overall Budget through 2030

DISBURSEMENTS REPORT

JUNE - JULY 2025

\$1,191,079.17

832,210.98

358,868.19

VENDOR	DESCRIPTION	REVENUE FUND	R&R FUND
Alaska Permanent Capital Inc		3,699.94	-
Amazon com		213.73	-
Arbitrage Group		9,500.00	-
Ascent Law Partners LLP		722.50	-
Barnett Christopher		50.20	-
Bay Company		3,559.54	-
Branom Instrument Company		-	1,534.03
Bureau Veritas North America		286.75	-
City Market Inc		635.60	-
Computershare 1450		2,500.00	-
Computershare 2015 Interest		36,419.00	-
Computershare 2021 Interest		41,758.00	-
Computershare 2022 Interest		21,414.00	-
Cowan Andrew		143.64	-
D&D Tree Service LLC	Brushing contractor	65,600.00	-
Electric Power Constructors Inc	RR22364-74 TYL 15kV Switchgr & Station	-	213,171.26
Grainger		2,899.95	331.14
HDR Alaska Inc		16,005.00	-
Hilson Mark		93.03	-
J Dedoes Enterprises Inc		2,702.45	-
LNM Services		170.64	-
Marsh USA Inc		27,000.00	-
North Coast Electric Company		163.45	-
NRECA Group Ins		26,747.12	-
NRECA Group Ins Admin		1,870.33	-
NRECA RSP Admin		1,084.91	-
NRECA RSP Trust Contrib		35,173.38	-
Petro Marine Services KTN		1,180.54	-
Petro Marine Services WRG		6,651.18	-
Pilot Publishing Inc		74.25	445.50
Raindrop Janitorial Services LLC		1,700.00	-
Samson Tug & Barge		142.35	713.79
Satellite & Sound Inc		440.00	-
Siemens Industry Inc		570.00	-
Sockeye Business Solutions Inc		1,036.00	-
Stewart Nathan		51.20	-
Stikine Inn		5,763.12	-
Sunrise Aviation Inc		16,140.00	2,050.00
Temco Helicopters Inc	Brushing contractor transport	59,181.50	-
TexRus LLC		11,523.60	-
Wrangell Sentinel		120.00	-
X2nSat		5,390.00	-
4RF USA Inc		3,488.20	-
A&P		1,146.71	-
Angermans Inc		139.95	-
Arrowhead LP Gas WRG		19.32	-
Cambria Properties LLC		3,250.00	-
Cascadia Law Group PLLC		-	7,318.75

DISBURSEMENTS REPORT**JUNE - JULY 2025****\$1,191,079.17****832,210.98****358,868.19**

VENDOR	DESCRIPTION	REVENUE FUND	R&R FUND
Channel Electric Inc		713.29	-
Daily Journal of Commerce		-	82.35
Hammer & Wikan Inc		123.64	-
Helicopter Air Alaska LLC		735.20	-
Jaco Analytical Lab Inc		1,192.00	-
Johnsons Building Supply		53.61	-
Kelley Create Co		295.84	-
Ketchikan City of 334		242.21	-
Ketchikan City Port & Harbor		38.08	-
Ketchikan Daily News		175.75	541.25
Ketchikan Mechanical Inc		512.99	-
Ketchikan Public Utilities Electric		4,796.05	-
Ketchikan Public Utilities Telecom		3,707.34	-
Kleinschmidt Associates		-	42,727.85
Landing Hotel		2,151.19	-
Madison Lumber & Hardware Inc		702.39	20.26
Misty Fjords Air & Outfitting LLC		11,475.00	3,375.00
Mitchell Instrument Co		89.80	-
Nolan Center		909.50	-
Oregonian Media Group		-	254.01
Ottesens Ace Hardware		3,649.15	-
Pacific Pride of Alaska LLC		104.25	-
Pacific Printing LLC		825.00	-
Panhandle Fire Protection LLC		588.60	-
Petersburg Municipal Power & Light		30.00	-
Puget Sound Pipe & Supply Co		-	5,655.70
Ray Matiasowski		8,000.00	-
Reliant Consulting & Research Inc		3,500.00	-
Rock N Road Construction Inc	Right of way clearing	273,432.00	-
Schmolck Mechanical KTN	RR25409 Water Piping SWL	-	75,505.68
Schnabel Engineering LLC		23,810.79	-
Sentry Hardware & Marine		628.21	-
Service Auto Parts		1,133.95	-
Simpson, Lacey		19.00	-
Sockeye Business Solutions Inc		19,390.00	-
Southeast Auto & Marine Parts Inc		1,292.67	-
Southeast Extinguisher Service Inc		320.00	-
TKs MiniMart LLC		63.82	-
Tongass Trading Company Inc		784.92	-
Tyler		-	1,181.00
Tyler Industrial Supply		1,844.88	2,590.00
White Rock Holding LLC		620.00	-
Wrangell City & Borough		16,714.25	-
Wrangell IGA Inc		170.69	-
Chase - May		11,336.56	-
Chase - Jun		17,617.28	1,370.62

DATE: August 13, 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:

On August 2, 2025, during a one-day special session, the Alaska Legislature successfully overrode Governor Mike Dunleavy's veto of education funding in a joint session with a 45-14 vote, just meeting the required 45-member threshold. This action restored approximately \$50 million in Base Student Allocation funding that had been reduced from \$700 to \$500 per student via the governor's line-item veto, effectively reinstating the originally approved school funding level.

The override marks a significant moment in Alaska politics; it is the first veto override of a budget item by a sitting governor since 1987. The override vote(s) underscores the bipartisan consensus among legislative majorities, including the participation of ten Republican minority members, toward preserving education funding across districts from Juneau to Ketchikan.

While the special session technically continues through at least August 19, most legislators have adjourned back to their districts. Leadership has adopted Senate Concurrent Resolution 101 to allow the extended recess beyond the constitutional three-day limit, effectively preventing ad hoc reconvening's without legislative consent.

Federal Engagement Highlights

At the federal level, SEAPA has maintained a proactive advocacy and funding strategy to support strategic projects in Southeast Alaska:

- **Infrastructure Investment and Jobs Act – Section 247 (Grid Resilience in Remote/Rural Communities):** SEAPA submitted a major funding application for the Tyee Third Turbine Project and was awarded \$5MM (pending negotiations).
- **DOE's Grid Resilience Program under the IIJA (Section 40101(d)):** Our planning includes targeting upcoming rounds of both formula and competitive grant opportunities for transmission reliability and system hardening. SEAPA submitted a \$4.8MM grant application to AEA for the Ketchikan Substation.
- **IRA & IIJA Transition Support:** SEAPA continues outreach through the National Hydropower Association (NHA) and direct agency feedback to DOE, FERC, and our Tax Consultant, focusing on ensuring SEAPA qualifies for investment tax credits (ITCs).
- **Maintaining and Enhancing Hydropower and River Restoration Act:** SEAPA has expressed support for this proposed legislation, monitoring its movement in Congress and engaging Senator Murkowski and Senator Sullivan to help establish long-term recognition and funding mechanisms for existing small hydro infrastructure.
- **Hydropower Tour with FERC Commissioner Judy Chang:** On July 2, I lead the hydropower discussion for the Alaska Power Association during a round table meeting with the commissioner in Anchorage via Zoom. On July 3, the Commissioner visited Ketchikan and I gave her and senior staff a tour of Swan Lake and surrounding areas. On July 4, in collaboration with KPU, the commissioner toured Ketchikan Lakes.

These federal strategies position SEAPA to streamline regulatory compliance and capitalize on emerging funding opportunities that align with Swan and Tyee Re-Licensing, Tyee Third Turbine, and the Ketchikan Substation, and to support workforce, economic, and climate resilience across Southeast Alaska.

Renewable Energy Fund (REF):

While FY26 appropriations to the Renewable Energy Fund (REF) were lower than in previous years, the Alaska Legislature demonstrated continued bipartisan support for renewable energy infrastructure, particularly in remote and coastal regions where energy burdens remain disproportionately high.

SEAPA remained actively engaged in REF Round 17, where the Southeast Alaska Grid Resiliency (SEAGR) project was originally ranked #11 statewide. Approval of funding for the top six projects by Legislators this year brought the SEAGR project to #5.

Under the current list, full funding through SEAPA's project would require an appropriation of approximately \$7.3 million in FY27. However, the Alaska Energy Authority announced they will not continue working down the list and will institute a new scoring round, resetting project rankings across the board. This unfortunate development creates uncertainty, as all applicants, including SEAPA, must now re-apply and compete again, regardless of their prior ranking.

Despite this setback, SEAPA is well-positioned to rise in the updated rankings, as several projects ahead of ours may drop off due to eligibility issues, lack of match, or inability to proceed within REF timelines. We are refining our application narrative and cost effectiveness metrics accordingly.

In addition to resetting project rankings, SEAPA has raised concerns about the methodology AEA used to determine regional energy costs, which are required to be considered under AS 42.45.045(d)(4). This statute directs AEA to evaluate a project's potential to reduce the cost of **energy**, not merely the cost of electricity. In Southeast Alaska, that distinction is critical:

- More than 50% of households in SEAPA's member communities use heating oil as their primary space heating source.
- Heating oil prices in the region routinely exceed \$5 per gallon, making total household energy costs some of the highest in the state.
- Unlike many rural communities in Alaska, Ketchikan, Wrangell, and Petersburg do not receive Power Cost Equalization (PCE), which further exacerbates the household energy burden.
- Consequently, focusing solely on cents per kWh undervalues the true impact REF projects could have in Southeast Alaska.

SEAPA will highlight these factors in the revised REF application to ensure evaluators account for the full energy cost picture, consistent with legislative intent and statute. We will also continue to advocate for full legislative funding in FY27 and remain attentive to the Governor's line-item veto authority, which remains a persistent risk, especially given that \$3.7 million in projects were vetoed in FY25, while all FY26 projects were preserved.

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.

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 pending receipt of parts.	
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 90% complete. Staff is prioritizing the final sections to brush.	
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	04/04/2025	06/25-26/2025	Project awarded to Canyon Industries, Inc. at July 18, 2025 Special Board Meeting. A Limited Notice to Proceed issued and Contract signed 07/15/25.	
Tyee Crew House #5 Renovation	TBD	TBD	08/19-20/2025	Staff will seek Board's consideration to sole source this contract at 08/19-20/2025 meeting.	
Tyee Lake FERC Relicensing Services	05/09/2025	07/10/2025	08/19-20/2025	Two proposals received 07/10/2025. Board to consider contract award at 08/19-20/2025 Board Meeting.	
Helipads Cleveland Peninsula	N/A	N/A	N/A	Helipads were barged to Tyee. A RFP will be issued in 2026 for installation.	
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 in 2026 due to equipment delays.	

UNION NEGOTIATIONS:

The Collective Bargaining Agreement (CBA) expires this year. SEAPA has prepared a management package and will be kicking off negotiations on September 5. A 3-day in-person negotiation marathon is scheduled to occur at the SEAPA HQ building the week of September 15.

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 Tye 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.

July 18, 2025: Issued Notice to proceed to Canyon Hydro for procurement

July 28, 2025: Transferred \$1.1MM from Reserves to Construction Account

August 1, 2025: Made down payment to Canyon Hydro for procurement

August 14, 2025: Meeting scheduled with AIDEA's Chief Lending Officer

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 (AEA reset list, re-applying)

ITC: \$12MM (IRS documents are currently being prepared by Moss Adams)

Investment Tax Credits (ITCs) have been evaluated and reauthorized under the Reconciliation Bill of 2025 through 2033. 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 1-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.

August 4, 2025: SEAPA applied for a \$4.8MM grant through the Alaska Energy Authority (AEA) Grid Resiliency Grant Program. Notification(s) of awards should be received in the upcoming months.

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 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.

On August 7, 2025, the EPA, under Administrator Lee Zeldin, terminated the \$7 billion Solar for All program, which was part of the Greenhouse Gas Reduction Fund authorized

by the Inflation Reduction Act. The program had awarded grants to 60 recipients (including Alaska), with the aim of helping nearly 900,000 low-income households deploy rooftop and community solar systems. EPA cited the "One Big Beautiful Bill Act" as repealing the Greenhouse Gas Reduction Fund, and thus removing the agency's legal authority and funding to continue Solar for All. Although the ITC's for solar projects were extended into 2028, the EPA is currently evaluating criteria for "begins construction" and "placed in service". Timing may be key to investing now, to take advantage of potential ITC's. I will continue to update the Board as this becomes clearer.

BEST PRACTICES & PROCESS IMPROVEMENTS:

AEA Board Member Update: Under AS 44.83.030, public members of the AEA Board appointed by the governor, serve for three-year terms, and any vacancies are filled by appointment for the remainder of the term. This is further affirmed in AEA's bylaws, which state that the six public members "shall serve for three-year terms," consistent with the statute.

When new terms were introduced, the legislature mandated staggered initial terms to establish rotation. The governor appointed:

- Two public members to one-year terms (expiring 2025),
- Two to two-year terms (expiring 2026),
- Two to three-year terms (expiring 2027)

When appointed to the AEA Board of Directors in 2024, I held a seat as a "public member". My Board Seat expired in August 1, 2025.

I am pleased to announce, after re-application, the Governor appointed me for a second term that will now expire in 2028.

APA Board Member Update: SEAPA continues to be a strong strategic partner with the Alaska Power Association. A recent example was a call to APA members to assist Senator Sullivan with the confirmation process of President Trump's FERC nominee Laura Swett. SEAPA provided an extensive list of hydro concerns and as a result, we received confirmation from the Senator's office highlighting the following (which were direct SEAPA comments):

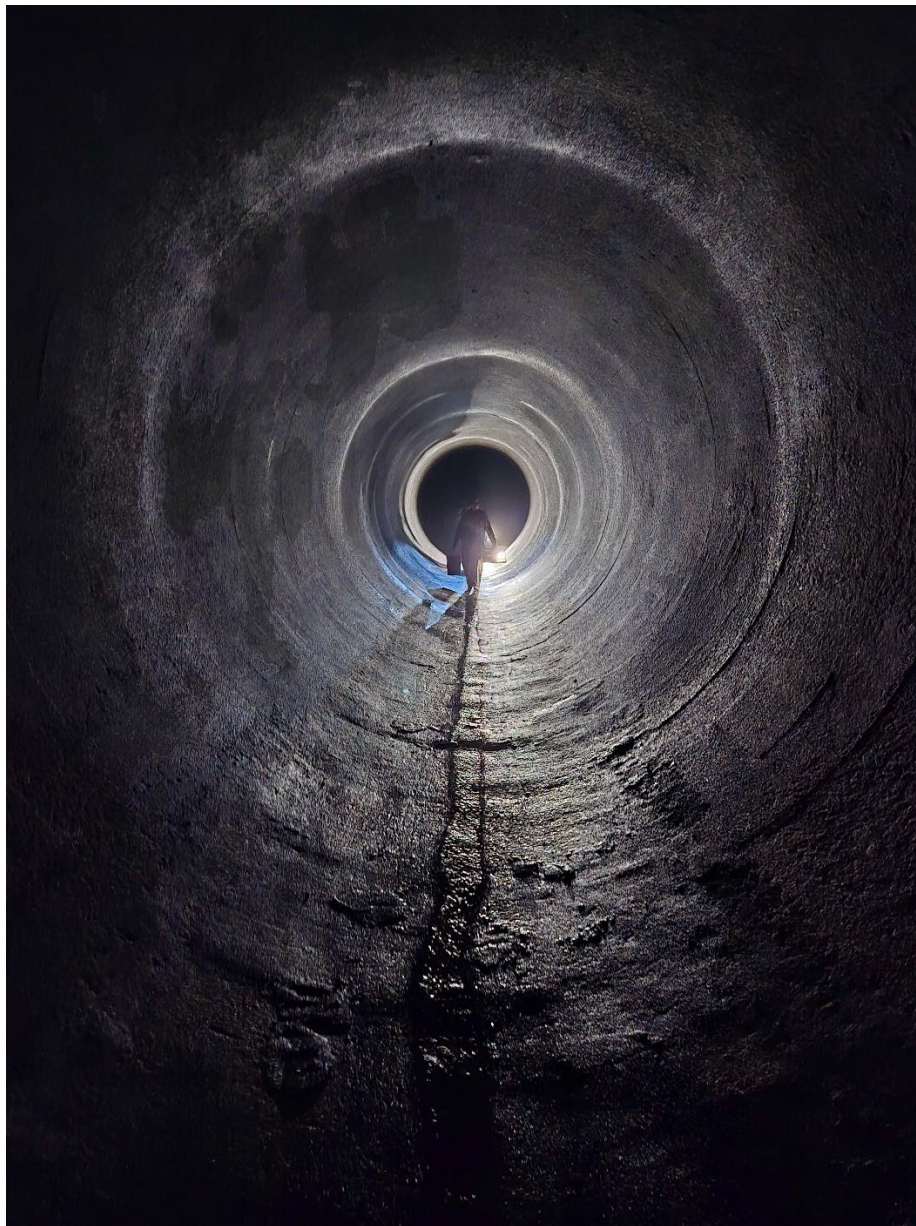
"Senator Sullivan spent the vast majority of the meeting with Ms. Swett focused on hydropower licensing reform and directly raised many of the specific ideas your team and member utilities highlighted. That included:

- *Establishing a "small hydro fast track" for license renewals and amendments under certain thresholds, particularly for proven systems with a strong performance history.*
- *Credit for state and tribal consultations already conducted by licensees to reduce duplicative federal review.*
- *More consistent use of Environmental Assessments in place of Environmental Impact Statements for low-impact amendments.*
- *Designation of regional FERC liaisons familiar with Alaska's logistical and environmental realities.*
- *Better interagency coordination, including expanded use of lead agency models and programmatic agreements."*

PERSONNEL RECRUITMENT & RETENTION:

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.

As a morale building exercise, this year SEAPA started the first ever photo contest. Turn out was great and excitement was in the air. I am proud to announce that this years (1st annual) photo contest winner was Nathan Stewart (Tyee Lake Foreman). The winning photo is below and will be displayed at the SEAPA office:



2025 Photo Contest: Swan Lake Tunnel Repair

Date: August 7, 2025
To: Robert Siedman, P.E. CEO
From: Clay Hammer, Operations Manager
Re: Quarterly Report for August 19-20, 2025 Board Meeting

Plant Operations Quarterly Report

This report is provided to the Board as a summary of the inspections that take place each month 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 third quarter is typically focused on outside maintenance work. This includes road work and grounds maintenance and any field work that needs to be done. This season has been especially busy with site work and contractors at both locations.

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 WOs are done and all scheduled Annual Maintenance items have been completed.

This quarter there was a unit outage at Tyee that resulted in a system outage for the plant and SEAPA interconnected utilities. This was caused by an oil level alarm that triggered a shut down cycle during single unit operations. A review of the circumstances leading to the outage concluded that the cause was an obstructed oil vent in the in the lower guide bearing. Improper ventilation caused oil vapors in the bearing housing to build which triggered an apparent high oil level condition. This type of condition is typically due to water intrusion, and therefore, a mechanical shut down of the generator to protect the bearing occurs. Corrections have been made to prevent this from happening again in the future.

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

Generators

- (No Major/Minor maintenance required)

Station Service and Substation

- Swan/Bailey B-phase neutral connection retested. Still shows elevated temperature, additional monitoring required
- Swan “A” phase transformer low side connection retested. Elevated temperature gone, no additional testing required.

Grounds/Camp/Dock

- Roads and parking areas resurfaced, graded and compacted.

Dam/Reservoir/Gate

- Ongoing Wood Debris removal from lake

Notable Maintenance and Repairs Completed

- New Stainless basket strainer installed for camp generator and potable water supply
- Assist contractor with plant water line project
- Completed road resurfacing project
- Plant and grounds maintenance
- Repair Unit S-2 wicket gate grease system
- Repair high bay lighting over generators
- Repair bridge crane circuit damaged during outage

Tyee Lake Plant

Tyee inspections are performed with plant foreman, Nathan Stewart, or plant lead, Ashley Goyne. 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 was one forced outage at Tyee Lake during the last quarter.

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

Generators

- Diagnose and repair braking system both generators
- Disassemble and clean generator oil venting systems

Station Service/Substation

- No significant maintenance required

Grounds/Dock/Penstock Tunnel/Airstrip

- Replaced road culvert by crew quarters
- Trimmed grass and weeds with weed eater and mowed around FS cabins and grounds

Notable Maintenance and Repairs Completed

- Complete replacement axle bearings and brakes on ARGO ATV
- Coordinate barge delivery of gravel and materials
- Load out old helipad wood and scrap metal
- Grade and compact all service roads
- Deliver new riding lawn mower and put it to work cutting the grass around camp
- Assist contractors with station service project
- Assist contractors with 3rd Turbine site visit recon work

Substations and Switchyards

Reviews were also performed on SEAPA assets in Ketchikan's Bailey Substation, the Wrangell Switchyard and Substation, and the 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

No major service work other than routine inspections and minor repairs have been required since the annual maintenance outage. Pending later in August is battery bank, charger and inverter replacement in the Wrangell Switchyard. This will be an in-house project similar to work already done in the Petersburg and Wrangell Substations.



Wrangell Switchyard

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:

- ✓ ***Back Injury Prevention***
- ✓ ***Asbestos Safety***
- ✓ ***Personal Protective Equipment Intro***
- ✓ ***Hazardous communication Comms***
- ✓ ***Carbon Monoxide Awareness***
- ✓ ***PPE-Respiratory Protection***
- ✓ ***Aerial and Scissor Lift Safety***



PHOTOS



Short-Haul Aerial Line Work

**SEAPA line
contractor
making repairs
to steel tower
structure on
STI Line during
Annual Maintenance Outage.**



Hughes 500 Helicopter Launching Tyee Lake Skiff



Completed Tyee Culvert Change Out



Recently graded and compacted Tyee Service Road - ready for Summer Service



**Latest addition to the Tyee Equipment Fleet:
New Craftsman Lawn Tractor has been getting a Workout!**



SEAPA's Swan Lake Air Service Contractor, Misty Fjords Air & Outfitting Inc.'s new upgraded Turbine Beaver Amphibious Aircraft providing crew change service to Swan Lake. This Carrier now has the ability to access both Tyee and Swan Lake Hydroelectric Facilities.



Swan Crew Spreading Gravel With Cat On Service Road Project



Swan Crew Compacting gravel On Road Service Project



Swan Lake crew uses this portable filtering station to clean hydraulic oil in S-2 Governor Station. The ability to remove water and particulates from the oil extends the service life of the oil at great savings to SEAPA.



Large industrial sized battery charger used for maintaining Swan Lake main plant battery bank. One of two chargers, this one is opened up so electricians can test and validate alarm set points.

End of Report

Date: August 7, 2025
To: Robert Siedman, P.E., CEO
From: Clay Hammer, Operations Manager
Re: Projects Report for August, 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. The structure was retested during the 2025 maintenance outage to reassess its condition and found to be in sound condition contrary to the 2024 testing. A final and more detailed test is scheduled for the middle of August to validate those findings and verify that this project is warranted.

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 at the end of August.

RR25401, Tyee Crew House Interior Renovation

A contractor from Palmer, Alaska with considerable past experience working at Tyee visited the site and reviewed the work to be performed. They presented a quote for the repairs which the agency will share with the board under New Business in the Agenda for the board's consideration in sole sourcing the work .

RR25404, Swan Lake Skiff

SEAPA contracted with Homestead Skiffs by Ratzat LLC in Ketchikan to build the skiff. The build kit is currently on site at the builders shop, and the engine package has been ordered and is expected to arrive the end of August. The build is scheduled to start the first week of September.

RR-25405, Swan Lake Plow Truck

A Swan Lake Snow 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, a snow plow mount was attached, and the truck was barged to Swan Lake.

FY25 Brushing Maintenance

SEAPA contracted with Don Stevens, Jr. of D&D Tree Service this year to clear towers and perform minor line clearing work. The majority of the work is complete with the exception of some trees that require trimming outside of the Swan Lake plant. The trimming is scheduled for mid-August after which all minor brush maintenance will be considered complete for the season.

FY25 Contract Right-of-Way Clearing Contract

Rock and Road Construction of Petersburg was awarded the 2025 SEAPA right-of-way brushing contracts consisting of 36 acres on Cleveland Peninsula and 27 acres on Woronkofski Island. The 36 acres on Cleveland are brushed and the 27 acres on Woronkofski is scheduled for completion later this season.

Tyee Culvert Replacement

The location of the culvert shown in the photograph below has been prone to flooding over the years with water coming over the road causing washout. The solution was a larger 4-foot HDPE culvert and bedding materials, which were budgeted for in the FY2025 budget. Materials were delivered in July and the crew took advantage of the dry weather to get it installed shortly after delivery.



End of Report

Date: July 28, 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 August Board Meeting to supplement and elaborate on this Board report:

Federal Energy Regulatory Commission (FERC) License-Related Activities

Swan Lake Drone Mapping and Geologic Data Collection Report

The need for additional geologic investigation of the left rock abutment was identified in the Part 12D Periodic Inspection Report.

Progress:

- Field Work Complete May 2025
- Schnabel Engineering submitted a draft report to SEAPA on July 27, 2025.

Next Steps:

- Review draft Geotechnical Report.
- Submit Report including a plan and schedule for any further actions to FERC by end of year.

Tyee 3rd Turbine FERC Capacity License Amendment

The License Amendment Application (LAA) was submitted January 27, 2025. FERC published the Public Notice accepting the License Amendment for filing, its intention to waive stage I and II consultations, and soliciting comments, motions to intervene, and protests. The LAA was advertised without any additional terms and conditions from FERC. This starts an important clock with a deadline for comments, motions to intervene and protests of August 19, 2025. Intervenor must file by August 19th. Barring any unanticipated challenges, we are on track to have approval within the next 9 months.

Swan Lake FERC Relicensing

Contractor: Kleinschmidt Associates

Start Date: November 6, 2024

Cost in 2024 dollars: \$3M

Completion: June 2030

Progress:

- FERC approved our request to use Traditional Licensing Process on July 8, 2025.
- FERC designated SEAPA as the Commission's non-federal representative for carrying out informal consultations.
- Began drafting drawdown study plan scope of work for FERC review

Next Steps:

- Publish Public Notice for Joint Agency Meeting (JAM) Public Meeting scheduled for August 26, 2025.
- Continue stakeholder/Agency engagement
- Complete drawdown study plan scope of work
- Final License Application due June 30, 2028

Tyee Lake FERC Relicensing

Cost in 2024 dollars: \$3M

Completion: July 2031

Progress:

- Received two Proposals, Kleinschmidt and McMillen

Next Steps:

- Make recommendation to Board
- Board Consideration of contract award at the August Board Meeting

Owner's Dam Safety Plan Audit

Progress:

- Schnabel Engineering is under contract to complete the FERC required Audit
- Completed field inspection of the facility
- Most staff interviews are complete.

Next Steps:

- Complete remaining interviews
- Review Schnabel's report when submitted

- Submit to FERC by end of year

Project Related Activities

Swan Lake Road Work

Progress:

- Project is complete

Swan Lake Water Piping and Basket Strainer

Progress:

- Schmolck Mechanical under contract
- Stainless steel portion of the job serving cooling water to units, including installation of the new duplex basket strainer complete.

Next Steps:

- Remainder of galvanized piping replacement waiting on some parts, will schedule completion when parts arrive.

Ketchikan HQ Sidewalk Project

Progress:

- Concrete complete

Next Steps:

- Finish areas next to the concrete sidewalk disturbed by construction

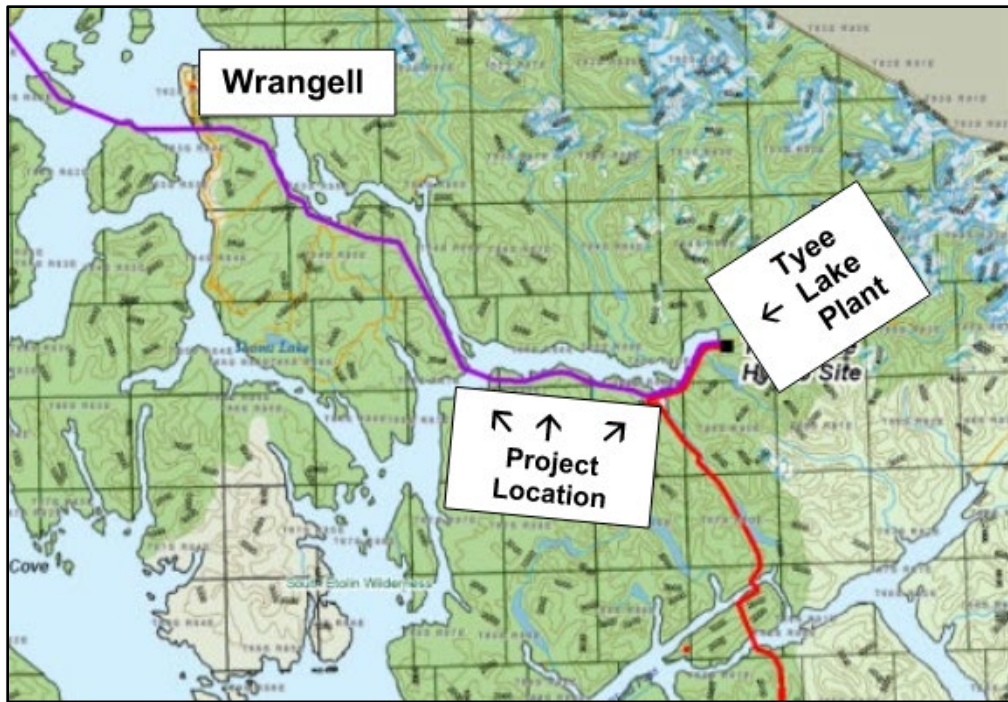
Cleveland Peninsula Helipad Replacement

Progress:

- Barged Helipads to Tyee

Next Steps:

- Contract for installation (likely 2026 installation)



Project location Map

End of Report

Date: August 11, 2025
To: Robert Siedman, P.E., CEO
From: Kris Womack, Electrical Controls Engineer
Re: Projects Report for August 19-20, 2025 Board Meeting

Tyee Station Service & 15kV Switchgear

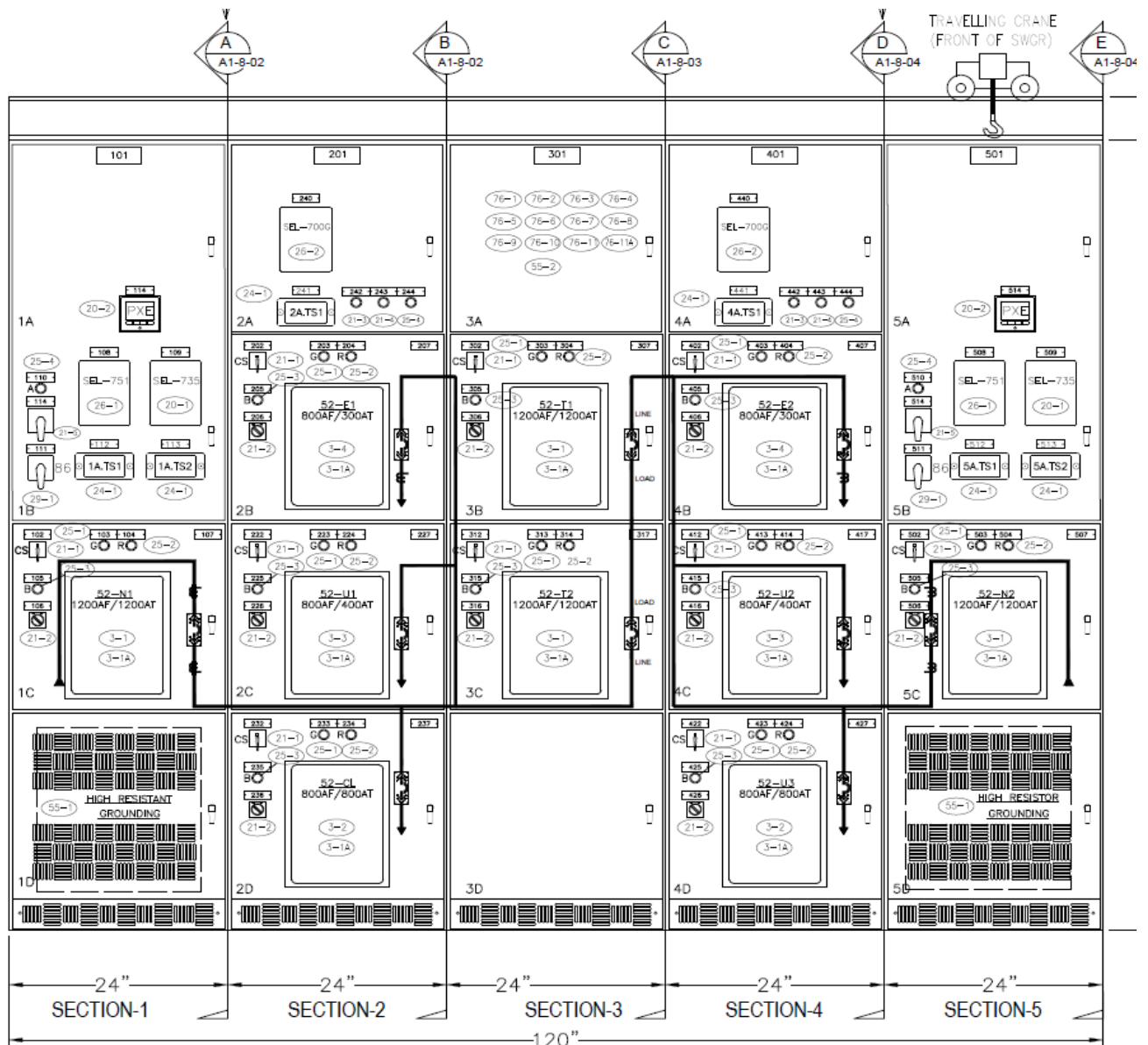
The Tyee Lake Station Service Switchgear is nearing 40 years of age and approaching the end of its useful life. A design was completed and a construction contract awarded to replace the equipment. This project will provide construction of a new Station 480V double-ended Station Service Switchgear, breakers, 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.

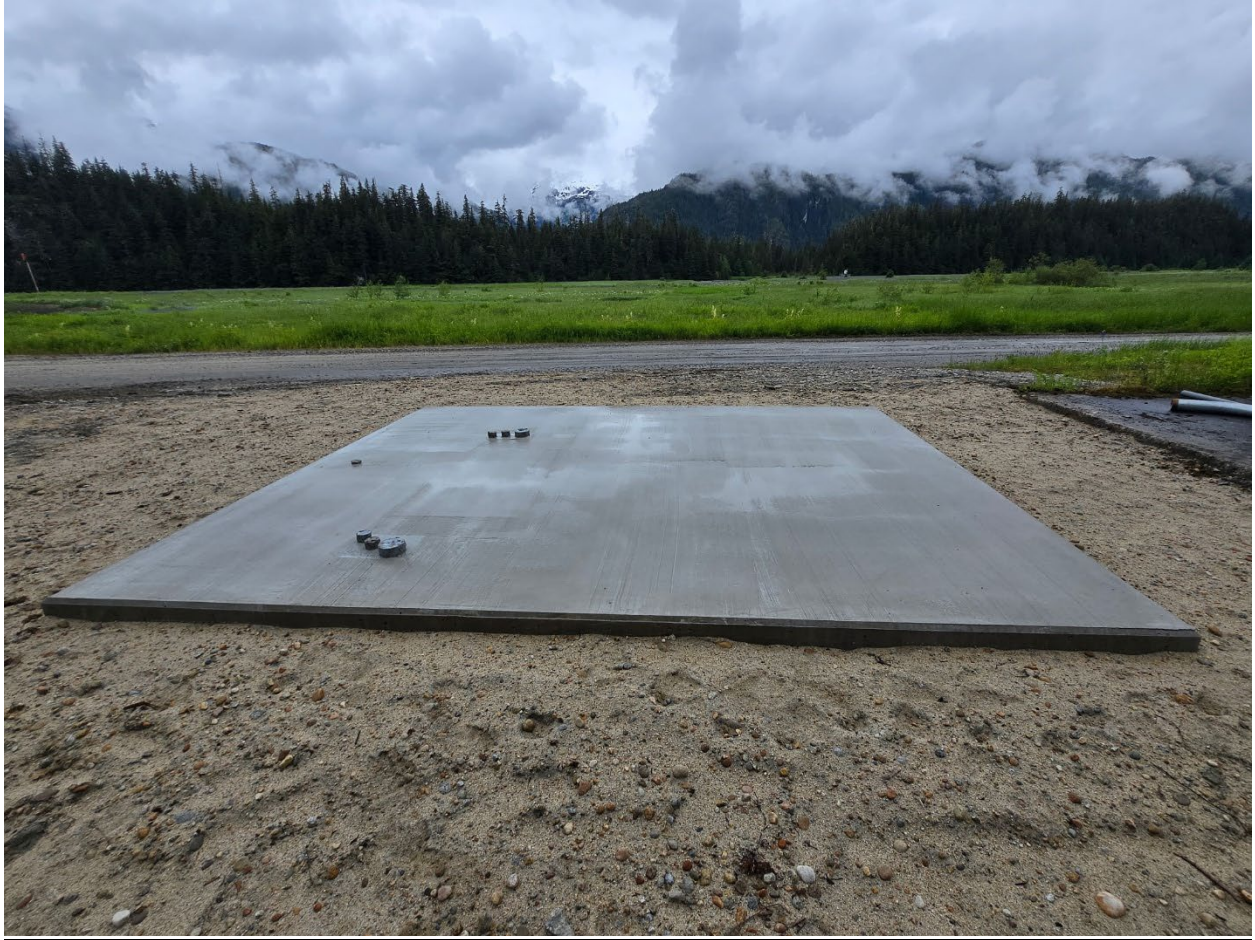
Upcoming Schedule:

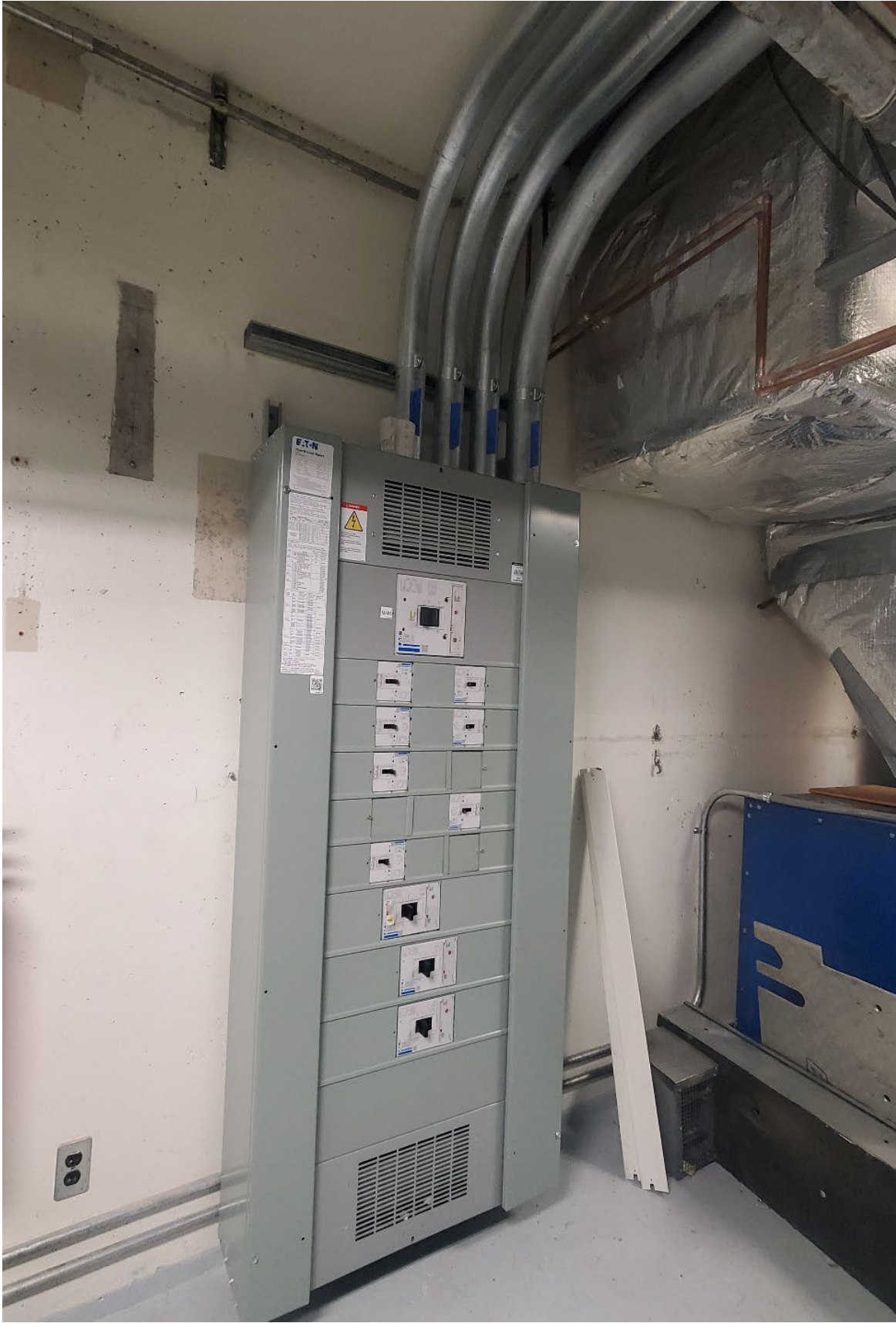
- Emergency Generators should be delivered in September.
- FY26: Construction that started in April 2025 will continue. Removal and installation of the 480V switchgear will take place. All other remaining equipment will be installed followed by testing and commissioning. Training will be provided for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



FRONT ELEVATION





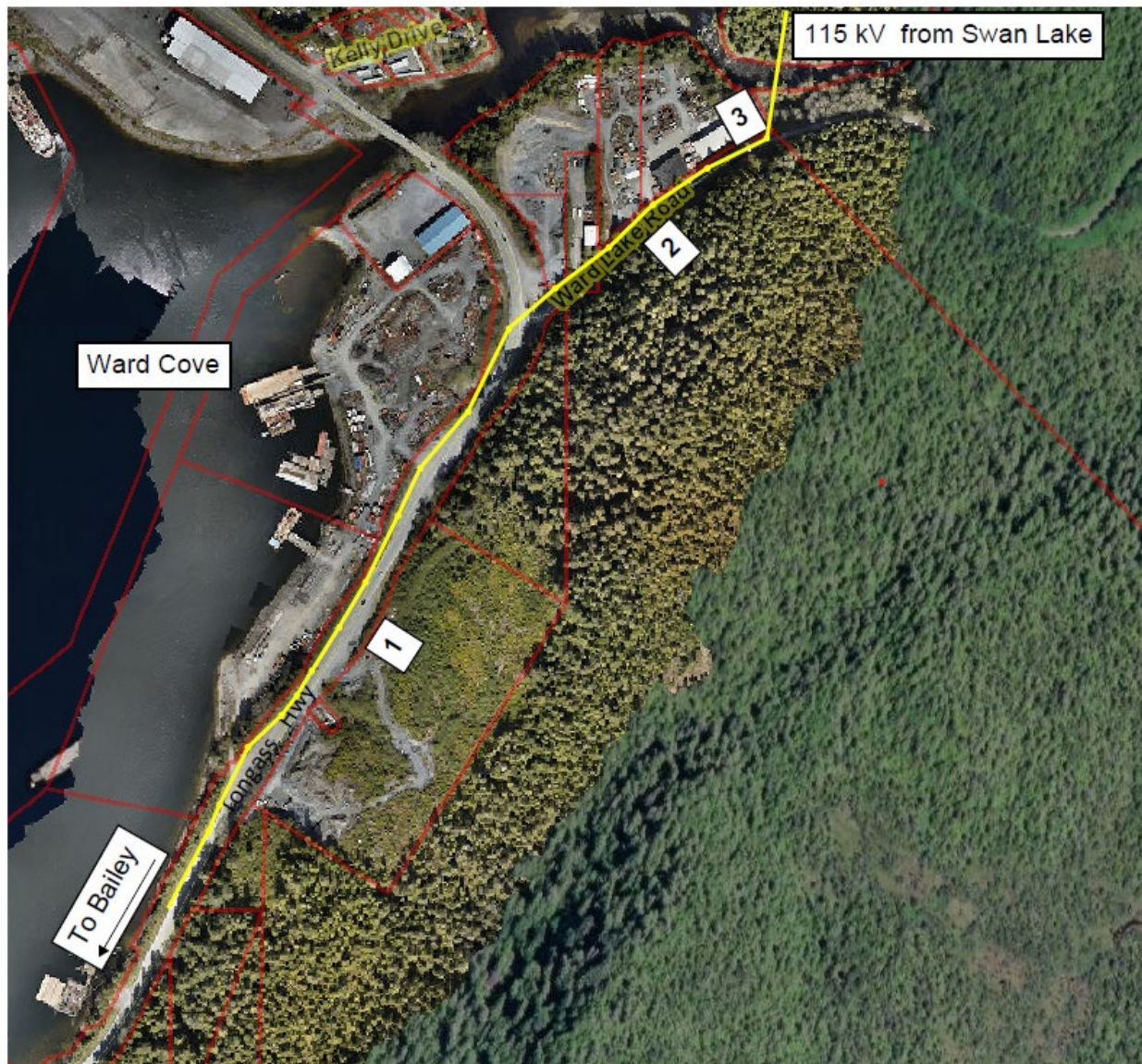




Ketchikan Substation Design

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.



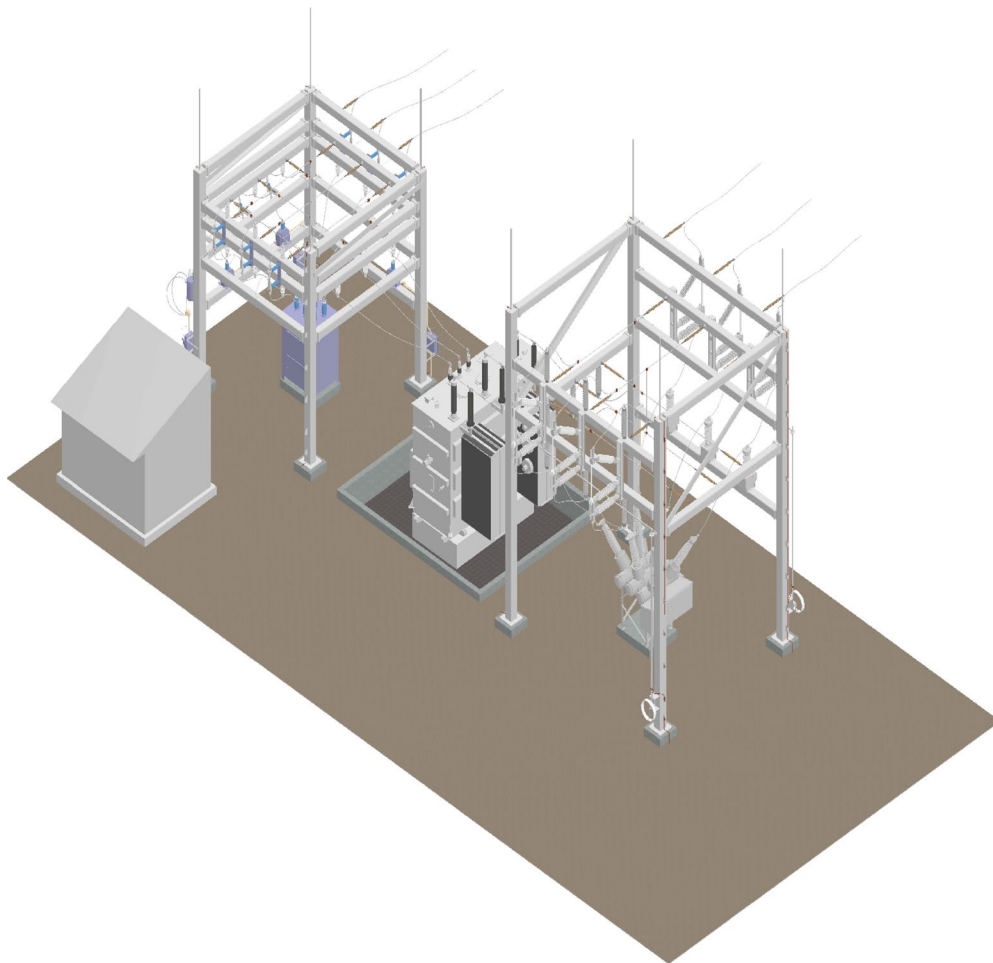
The new station will be served from an existing 115 kV transmission line owned by SEAPA. The design of two short transmission lines to bring power to (115kV) and from (34.5kVA) the substation via overhead lines are included in the scope of work.

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.

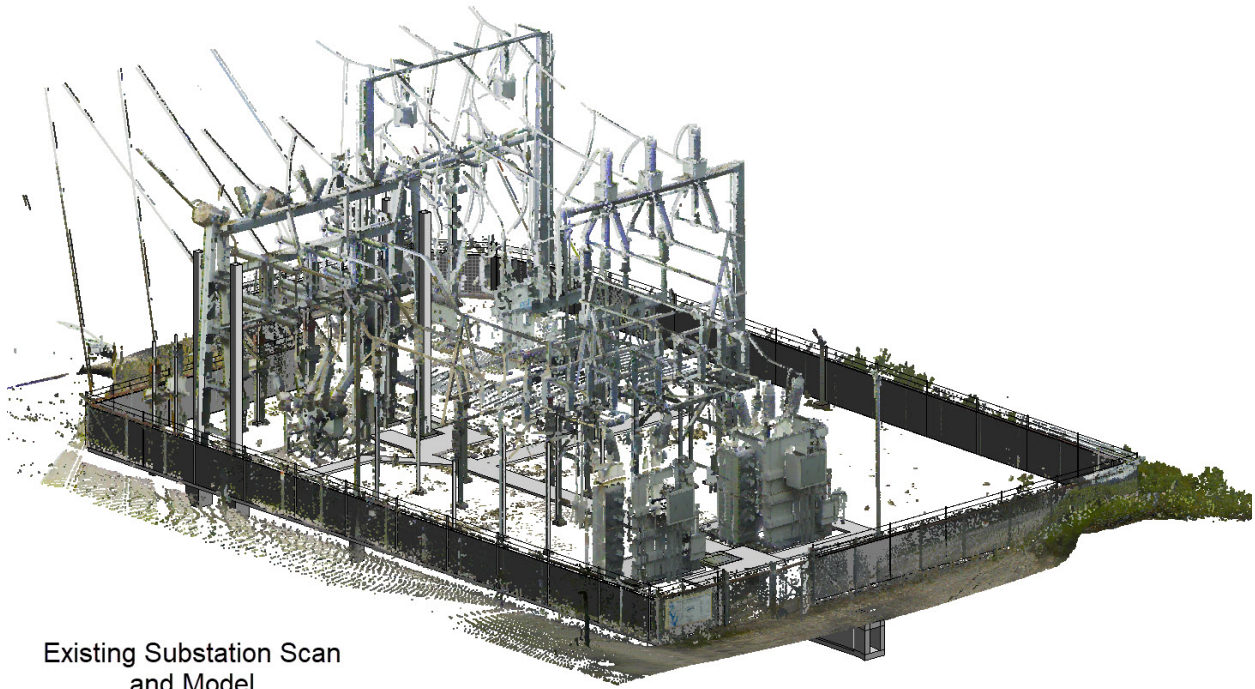
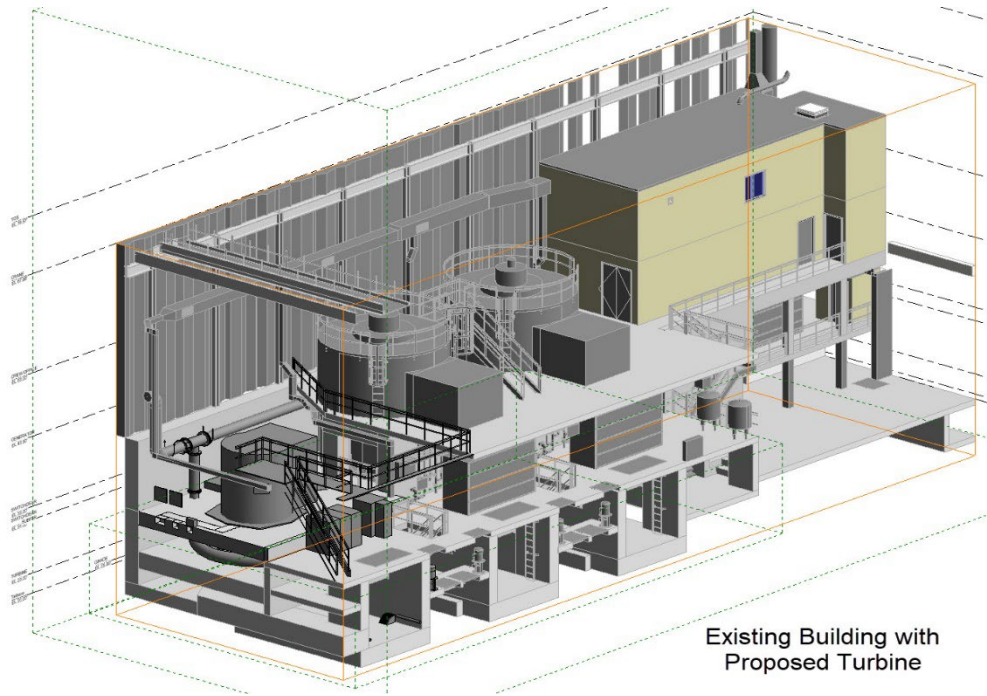
New Items:

- Issued Notice of Award to Canyon Industries on 07/03/2025
- Issued a Notice to Proceed on 07/18/2025
- Site visit to Tyee with Canyon, L&S, McMillen on 07/29/2025
- Submittal process underway

Next Steps:

- 90% design completion (November 2025)
- 100% design completion
- Construction RFP to be issued (early 2025)









SOUTHEAST ALASKA POWER AGENCY AUDITED FINANCIAL STATEMENTS

A copy of SEAPA's FY2024 Audited Financial Statements and Audit Wrap-up was sent to Board members under separate cover. Joy Merriner, Assurance Partner with SEAPA's audit firm, BDO USA, will call in to present the audited financial statements.

SUGGESTED MOTION
I move to accept the Audited Financial Statements of the Southeast Alaska Power Agency for the year ended December 31, 2024, as presented at the August 19-20, 2025 board meeting.



SOUTHEAST ALASKA POWER AGENCY 2026 ADMIN BENEFITS

August 8, 2025

Submitted by: Kay Key, Controller

National Rural Electric Cooperative Association (NRECA) is the group benefit provider for SEAPA's administrative employees. Renewal rates for calendar year 2026 will be published by NRECA on August 14, and their deadline for group enrollment is September 26.

An outline of administrative employee benefits, which the board is asked to approve annually, is attached for review. However, since 2026 rates are not yet available, the renewal packet will be sent under separate cover as soon as it is compiled.



SOUTHEAST ALASKA POWER AGENCY

Administrative Employee Benefits Calendar Year 2026

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

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

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

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

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



SOUTHEAST ALASKA POWER AGENCY

Administrative Employee Benefits Calendar Year 2026

Payroll, PTO & Holidays	Description
Payroll	Bimonthly pay periods are the 1st – 15th and 16th-last day of the month. Pay dates are the 7th and 22nd of the month.
Paid Time Off	Standard Accrual: Employee earns 6 hours per pay period in first year; increasing to 10 hours per pay period. Maximum accrual of 480 hours cashed out each year-end or at separation from service.
Holidays	10 holidays + 2 Floating Holidays annually. No carryover of floating holidays.

Retirement Security Plan - Vesting Schedule	
Years of Vesting Service	Vested Percent
One year of service	10%
Two years of service	20%
Three years of service	30%
Four years of service	40%
Five or more years of service	100%
If participating at age 55, regardless of years of service	100%

HOLIDAYS
New Year's Day Presidents Day Memorial Day Independence Day Labor Day Veterans Day Thanksgiving Day and the following Friday Christmas Eve and Christmas day 2 Floating Holidays

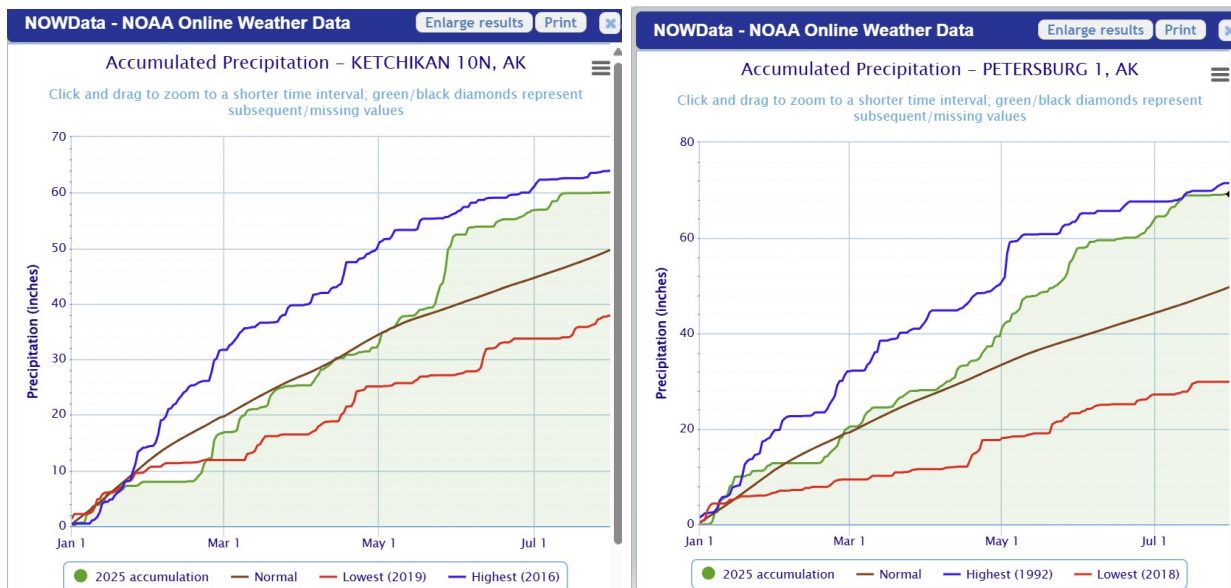
Board Review: August 19-20, 2025 Board Meeting

Date: August 6, 2025
To: SEAPA Board of Directors
From: Clay Hammer, SEAPA Operations Manager
Subject: Quarterly Operations Plan Update for August 19-20, 2025 Board Meeting

Operations Plan Update:

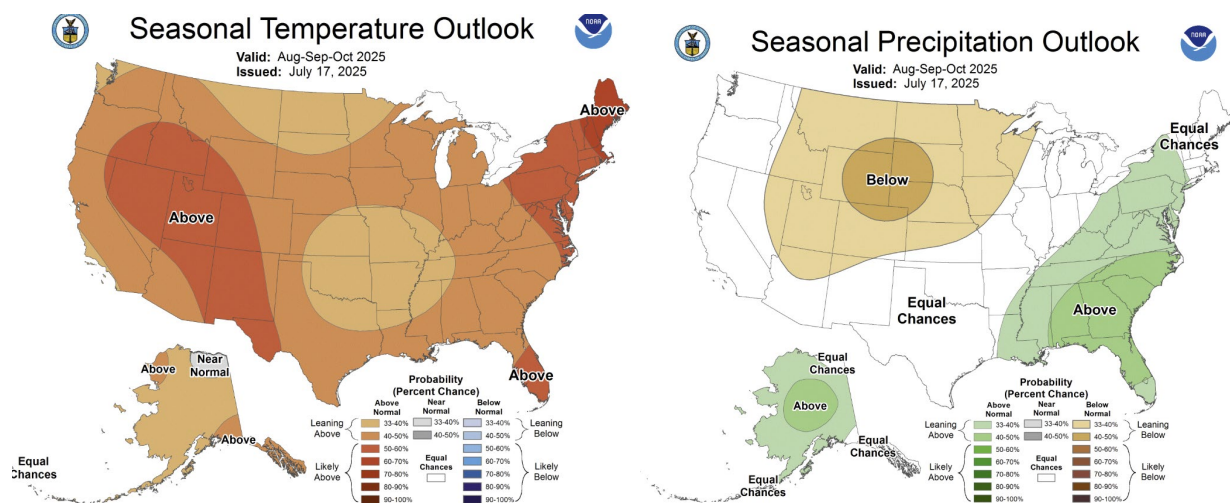
The Summer Season has proven wetter than might have been expected given NOAA's earlier predictions for equal chance of normal precipitation for the region. This warm wet weather accelerated the run off from the winter snowpack leading to generous contributions to the already ample lake levels. This led to spilling at both Swan and Tyee Lakes in July.

The year-to-date precipitation for Ketchikan as indicated by NOAA is 60 inches. 50 Inches is considered normal, the record high was set in 2016 with 64 inches and the record low was in 2019 with only 38 inches recorded. Of note, Petersburg was actually wetter than Ketchikan with 69 inches of rain. Their normal average is 49 inches with 1992 being the highest on record at 71.49 inches and a low back in 2018 of 29.84.

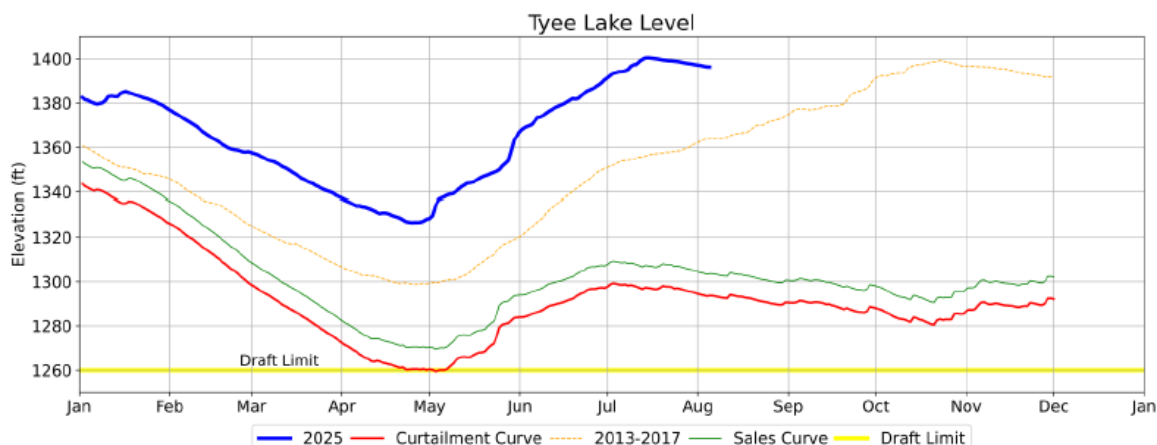


NOAA YTD Precipitation Data For Ketchikan & Petersburg
(NOAA does not track Wrangell DATA)

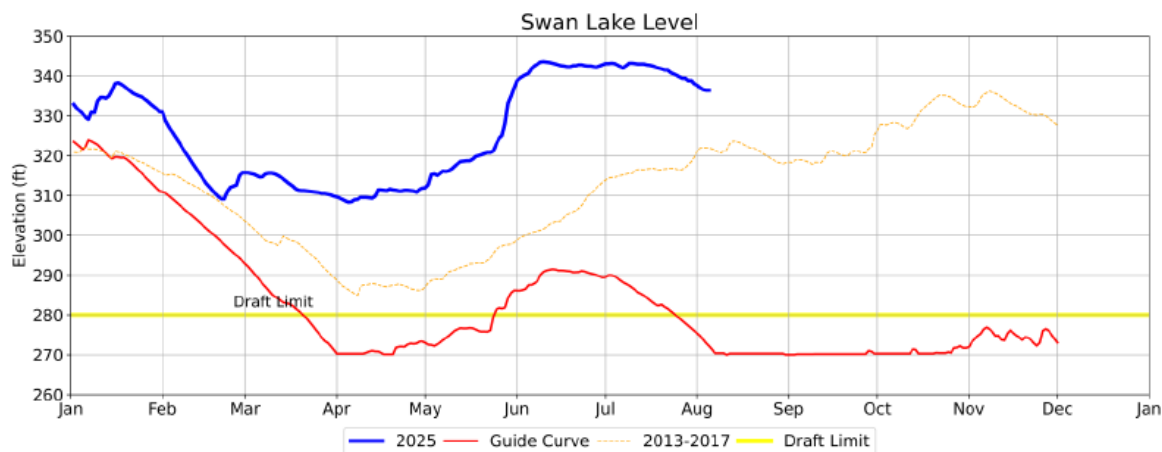
The weather predictions for Southeast Alaska's Fall Quarter are unchanged from the Summer Quarter. The forecast continues to call for warmer-than-average temperatures with equal chance for average precipitation. The first part of the season has been wet with record-setting rainfall in some locations in Southeast. With no change to NOAA's extended outlook, there is a good chance that the Fall Quarter which usually brings wet weather will produce at minimum a moderate amount of precipitation leaving the Agency in good standing as we progress towards the Winter Quarter.



NOAA's three-month outlook through August for precipitation and temperature predicts an equal-chance of average precipitation and above-average temperatures for the Summer Quarter.

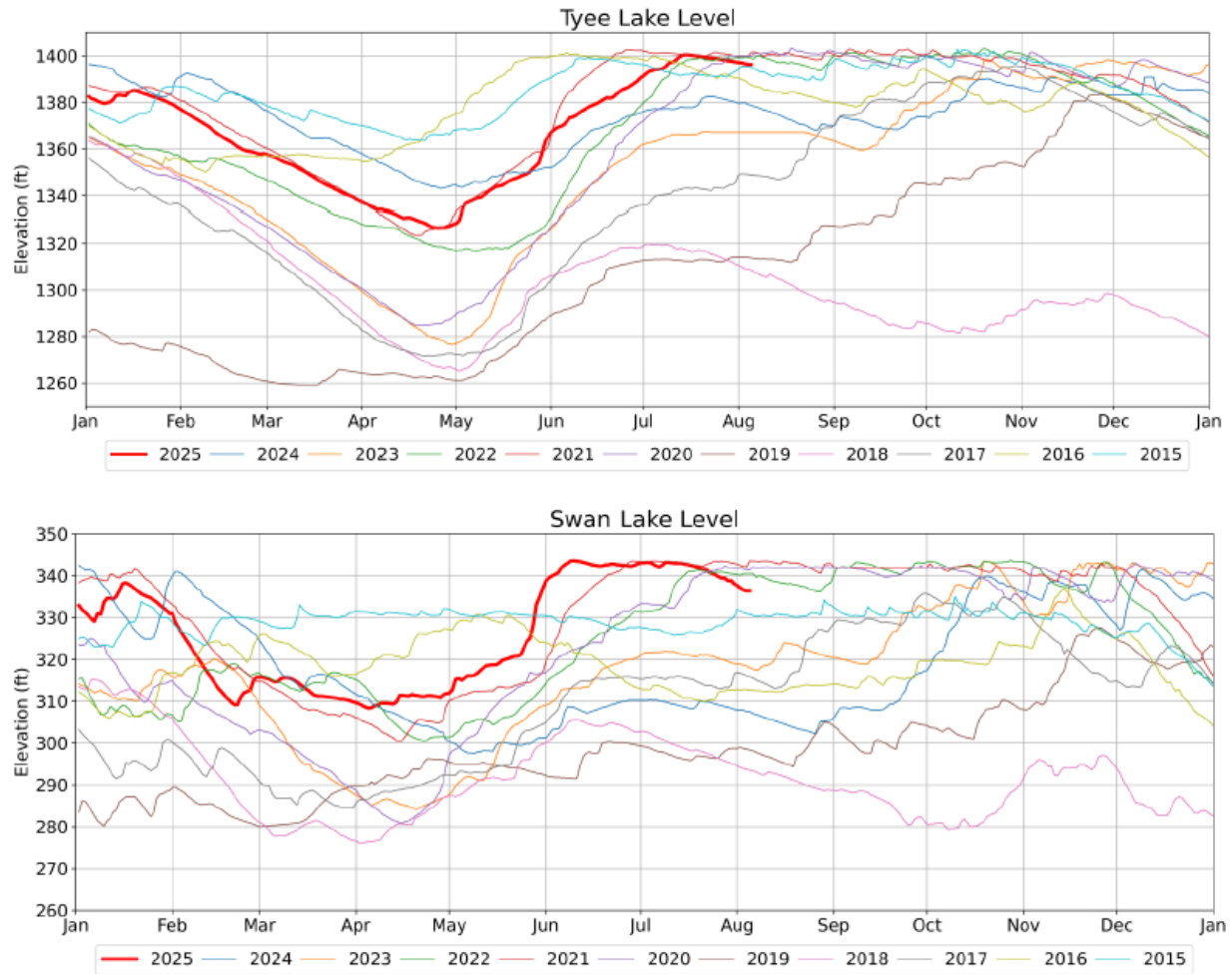


Tyee Lake is currently at elevation 1396 feet and 99% full, which is 102 feet above the curtailment curve. By comparison this is 19 feet and 13% higher than we were at this same time last year. This is the result of early inflows in the spring and a wet summer.



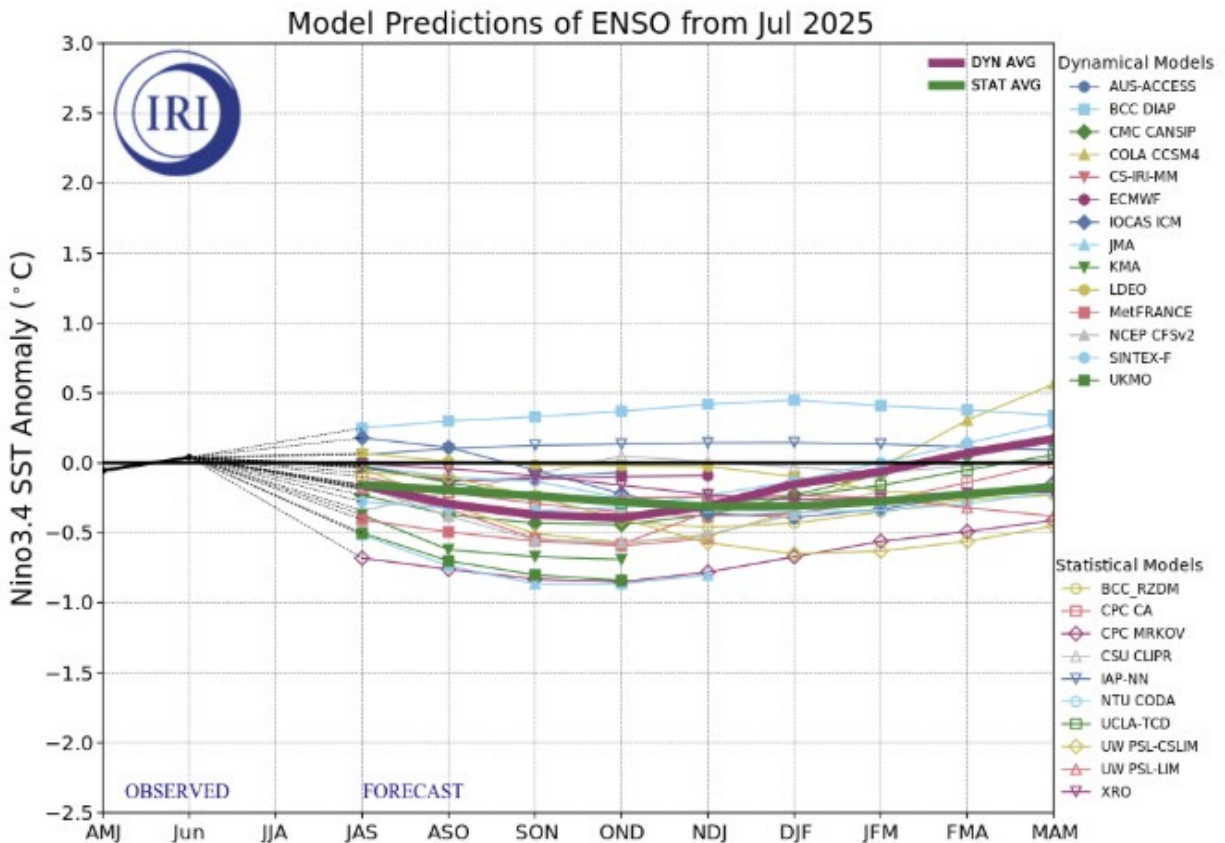
Swan lake is at elevation 336 feet and 92 % full, which is 29 feet and 42% higher than this same time last year. Conditions were ideal last quarter when spill conditions were reached to impound additional storage above the normal spill elevation of 342 feet. That spill elevation was increased through management of the FWG gate to impound an additional 1.6 feet of water. The ability to impound and use that extra water helped minimize the amount of spill that took place contributing to additional lake level now.

The Agency's water management strategy remains unchanged: continued lake elevation management through effective dispatch of power. The goal is to keep both lakes as close together in elevation as possible to maximize storage and minimize spill. By utilizing the Swan-Tyee Intertie, SEAPA is able to draw more power from one project or the other and exercise control over those elevations. Below is the current lake levels relative to the 10-year average.



Tyee and Swan Lake 10-Year Elevation Graph showing current elevations

[Remainder of page intentionally left blank]



Above are the third quarter ENSO predictions for 2025 updated in mid-July. Model predictions are from the International Research Institute (IRI) and Climate Prediction Centers (CPC). Earlier predictions called for a transition from ENSO neutral conditions back to El Nino by December of this year. As noted in the above graph this transition has been pushed out into January 2026 or later with the expectation that ENSO neutral conditions will most likely be the dominant category for 2026. If this trend persists it could bring an average-to-moderate winter transitioning to a slightly cooler spring.

Currently both Tyee and Swan Lakes are above average in terms of water elevation in reference to the 10-year average and the outlook for additional precipitation that will contribute to additional inflows is good. While these conditions may lead to additional spill later in the Fall when heavy rains arrive, it would put SEAPA in good standing as we approach the Winter with full lakes. As the season progresses, we will continue efforts to maintain balanced elevations between the two Projects setting the stage for adequate power reserves as we head into Winter.

End of Report

Date: August 1, 2025
To: Robert Siedman, P.E., CEO
From: Mark Hilson, P.E., Project Manager
Subject: FERC Relicensing Services Contract for Tyee Lake / RR23385

Fiscal Note:

The overall budget estimate for the FERC Relicensing Tyee Lake Project (RR23385) is currently \$3,017,000, of which \$674,000 was budgeted for FY2025.

A Request for Proposals (RFP) for Federal Regulatory Commission (FERC) Relicensing Services at Tyee Lake was issued on May 9, 2025 with proposals due July 10, 2025. The current 50-year FERC license for SEAPA's Tyee Lake Hydroelectric Project expires August 4, 2031. SEAPA's effort to seek a new license will involve navigating regulations and requests from multiple federal agencies, consulting with state, federal, and tribal agencies, and obtaining environmental clearances in order for FERC to comply with the National Environmental Policy Act (NEPA).

Given the number and diversity of stakeholders and their interests and the complexities associated with FERC relicensing, accurately estimating the full scope of the 5-year project in advance was not possible. Relicensing is very much a journey that requires expertise, vision, and flexibility. Therefore, the RFP carefully requested detailed project approach and successful relevant experience of the firm and subconsultants in the performance of similar projects with an emphasis on projects in Alaska. To evaluate cost without a defined scope, proposers were required to submit a detailed Rate Schedule that included costs for labor, equipment, administrative expenses, overhead, and other costs.

The following two (2) proposal(s) were received on July 10, 2025:

Proposer	Location
McMillen, Inc.	Boise, Idaho
Kleinschmidt Associates, Inc.	Pittsfield, Maine

While both proposals were very competitive, Kleinschmidt Associates, Inc. received the highest score following a thorough and careful evaluation. Kleinschmidt has completed over 140 relicensing projects and is well acquainted with SEAPA's projects and service areas having just completed the Tyee Third Turbine License Amendment. Staff recommends award of the contract to Kleinschmidt Associates, Inc.

If awarded the Contract, Kleinschmidt will start upon contract execution and continue until the license is reissued, which depending on regulatory review, could be later than the July 31, 2031 license expiration. Since this is a multi-year effort the RFP provided for respondents to provide their rate schedule which includes pricing through 2025 with annual step increases thereafter, until completion of the contract.

Please consider the following suggested motion:

SUGGESTED MOTION

I move to authorize staff to enter into a contract with Kleinschmidt Associates, Inc. for SEAPA's Tyee Lake FERC Relicensing Services Contract.

Date: August 8, 2025
To: Robert Siedman, P.E., CEO
From: Clay Hammer, Operations Manager
Subject: Tyee Crew House #5 Renovation Project / RR25401

RR25401 was approved in SEAPA's FY2025 budget to address interior issues with Tyee Crew House #5. Staff reported at SEAPA's June board meeting that an internal review of the Project revealed a number of concerns regarding variables that could affect bid quality and cost, and that as an alternative to bidding the project, quotes would be solicited for labor and the Agency would investigate procuring the materials to control quality and cost in anticipation of moving the project forward this season.

Staff solicited quotes from two local contractors who declined the work. In 2016, when staff solicited bids for housing/siding replacements for four of Tyee's crew houses, only two bids were received. In 2022, staff solicited bids for roof/siding for Tyee crew houses 4 and 5. One bid was received. H Construction of Palmer, Alaska, was awarded both the 2016 and 2022 contracts. They performed quality work, were on time, within budget, and there were no change orders or other complications.

A quote was solicited from H Construction who agreed to quote if they could travel to Tyee to assess the project. Joseph Hale, owner of H Construction, conducted a site visit and provided a detailed quote for material and labor costs which totals \$286,004.57. Staff seeks the Board's consideration of sole sourcing the contract to H Construction.

SEAPA's procurement policy requires that competitive bidding procedures are required for projects over \$200,000 in value. Section 8.12 of the policy provides that competitive bidding is not required "Any other time the Board elects to except [*emphasis added*] from the competitive bidding process any particular improvement or purchase from competitive bidding or other requirements by majority vote."

The approved 2025 budget for this project is \$250,000. The suggested motion would increase the budget to correspond with the H Construction quote plus a contingency of \$14,300 (5%). This would amount to an increase of \$50,305 to \$300,305, which represents the value of the contract plus a 5% contingency. A copy of an updated RR25401 description is attached.

Please consider the following suggested motion:

SUGGESTED MOTION
I move to authorize staff to enter into a sole source Contract with H Construction LLC for SEAPA's Tyee Crew House #5 Renovation Project (RR25401) for the not-to-exceed value of \$286,005 and accordingly increase the project's budget by \$50,305.

Attachment:
RR25401 Update

Description:	Crew House #5 Interior Renovation TYL (revised Aug 2025)		
Cost Estimate:	\$300,305	Sched. Complete:	2025
		Project Mgmt:	Hammer
PROJECT DISCUSSION			
<p>The proposed project would fully renovate the interior of Tyee crew housing unit #5. While the exterior is in excellent condition, the interior is original to the structure and requires significant updates. Key issues include cracked and leaking bathtubs, shower valves that won't seal and cannot be repaired, cracked countertops, buckled flooring, and broken seals on multiple double-pane windows. Additionally, the electric forced-air heating system requires frequent maintenance but is difficult to maintain due to the scarcity of parts for this aging system.</p> <p>Project would include these renovations:</p> <ul style="list-style-type: none"> • New Windows and Doors • New HVAC System: Replace forced air electric with mini-split heat pump (saving energy costs) • Bathrooms: Tubs, wall coverings, vanities, shower plumbing, heater and vents • New flooring in all areas • New kitchen cabinets, sink, fixtures and countertops <p>The project would restore the home to a like-new condition, providing a cost-effective alternative to the nearly \$500K estimate for a new build that is not necessary. The siding was replaced in 2016 and the roof was replaced in 2022. The home is considered structurally sound with no other major defects. Work would be completed in 2025.</p>			
<input type="checkbox"/> New Asset	<input checked="" type="checkbox"/> Improvement to Existing Asset, Crew House #5		<input checked="" type="checkbox"/> CEO Review

PROJECT COST ESTIMATE			
BREAKDOWN	ESTIMATE	BUDGET – EXPENDITURES	
Contractor & Materials	\$286,005	FY25 BUDGET	\$300,305
Contingency 5%	14,300		
Total Estimate	\$300,305	Total Budget	\$300,305
Project Cost Estimate Discussion			
Quote received from contractor (H Construction) after an onsite visit. Includes all materials, shipping, labor and housing to complete renovation.			

MEMORANDUM
ATTORNEY-CLIENT COMMUNICATIONS

TO: Bob Lynn, Chair
Southeast Alaska Power Agency

FROM: Joel R. Paisner, Ascent Law Partners, LLP

DATE: August 7, 2025

RE: Suggested Motion for Executive Session

The Board of Directors will enter into an executive session during a Regular Board Meeting to be held on August 19-20, 2025 to discuss a cyber security incident, potential threats, and mitigation strategies which if discussed publicly could alert attackers and compromise SEAPA's security measures.

I recommend the following motion be made:

I move to recess into Executive Session to be conducted pursuant to SEAPA's Bylaws consistent with Alaska Statute 44.62.310 for discussions on a cyber security issue, 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.



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
July	18	Friday	Electronic	2PM Special Meeting: Consideration of Resolution
August	19-20	Tues-Wed	Petersburg	19 th : 12-5PM; 20 th : 8:30-10AM Regular Meeting
October	30	Thursday	Ketchikan	9AM-5PM Special Meeting in-person for: <ul style="list-style-type: none"> • executive session to evaluate Agency's CEO • presentation of financing proposals • preliminary FY2026 draft budget • regular financial statements • potential Collective Bargaining Agreement approval
December	3	Wednesday	Ketchikan	9AM-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	31		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 07/09/2025)

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
18 (F)	SEAPA Special Board Mtg 2-3PM	Electronic
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 9AM-5PM	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