

Notes from SEAPA Board Meeting of March 14, 2024

-SEAPA ended fiscal year 2023 with Net Income of \$780,868 compared to \$638,722 in 2022. The increase is a result of Petersburg buying more power from SEAPA as a result of Crystal Lake hydro being rebuilt and also load growth in Ketchikan that resulted in higher sales than anticipated in that community.

-Power sales to the 3 communities increased by about 3.5% in 2023.

-There has always been a focus on safety, however in 2024 SEAPA transitioned to a service called the Health and Safety Institute as the agency's safety training system. To date the on-line modules with accountability have been accepted by staff and effective in continuing the safety culture at SEAPA.

-The Board awarded brushing and clearing contracts to Copper Ridge LLC, based in Ketchikan, to accomplish the next scheduled phases of the agency's vegetation management plan.

-The Board approved contracts for the Ketchikan Substation upgrade design and is hoping to include the Wrangell transformer upgrade design in the consultant's scope in the future. Both have been on the replacement and renewal plan and are critical to continued service to Wrangell and Ketchikan. The Petersburg transformer is in good condition with plenty of capacity.

-SEAPA applied for a \$4M grant through the Alaska Energy Authority (AEA) for the Tyee Third Turbine project. The grant application made the list and the AEA recommended to legislatures that \$4M (the full amount SEAPA requested) be funded. The third turbine offers many benefits to the three communities through additional spinning inertia, additional generation capacity, and increased ability to meet peak generation required by the member communities.

- The Board approved modifications to the job requirements of a Control Systems Engineer who may work remotely but also travel to Ketchikan and/or the hydro sites monthly. The agency has been trying to fill the position for more than three years and has increased the salary and benefits three times. One applicant turned the job down after looking at housing availability. The CEO has a prospective candidate currently in mind and the skills this individual would bring to the agency are critical to the FERC relicensing efforts, the Tyee third turbine project, substation upgrades and more.

-The Board approved a contract with Kleinschmidt Associates, Inc. to work on the Tyee Lake FERC License amendment that will focus on adding the third turbine.

- The Board discussed SEAPA's investment policy and a conceptual cash policy and asked that reviews of these policies occur at the next board meeting.

-The CEO is reviewing a draft report on the prospects of adding solar power to the SEAPA system and will provide more information to the Board about how this type of energy may be integrated into the grid at the next Board meeting.

- The Tye lake level is in extremely good condition. As of February 28th, lake elevation was 1375 feet and 85% full. That is 60 feet above the curtailment curve. By comparison that is 45 feet higher and 30% fuller than we were at that date last year.

-The lake level at Swan is also in a very healthy condition. As of February 28th, the lake was at elevation 325 feet and 75% full. By comparison this is 15 feet higher and 25% fuller than it was at that date last year.

- 2024 model predictions call for a transition from El Nino to La Nina weather patterns. The present forecast is for a change from above-average oceanic temperatures starting in June to below-average oceanic temperatures throughout the summer in the Northern Hemisphere. In theory this will result in a warm wet spring / early summer changing to a cooler dryer late summer and fall / winter.

-Snow surveys will be conducted in April by SEAPA staff and we will have more information at that time in regard to the snow pack's health and impacts to lake levels this spring and summer.

-SEAPA's next Board meeting will be in Wrangell June 26 and 27.