

Bob Lynn's Notes from the December 12 & 13 SEAPA Meeting

*The wholesale power rate was maintained at 6.8 cents/kWh in fiscal year 2018, a rate that has held steady for 21 consecutive years and was approved again for fiscal year 2019.

*The Board approved an \$800,000 rebate prorated to the three communities. This will probably be the last rebate.

*As you may know in July the SEAPA Board of Directors voted to take over the management of Swan Lake Hydro from Ketchikan Public Utilities. Some of the details are still being negotiated, including:

- the number of KPU employees that will now become SEAPA employees
- responsibility for the power line between Swan Lake hydro and Ketchikan
- a new Union agreement voted on by the Board at the December Meeting

*In October Lake levels at both Tyee and Swan Lake dropped and SEAPA was not able to provide power from Tyee to Ketchikan. At that point Tyee became dedicated by the Power Sales Agreement to Petersburg and Wrangell exclusively.

- Tyee water levels are sufficient to meet Wrangell and Petersburg power needs.
- Swan Lake has been drawn down requiring KPU to use diesel power.
- The Board at the December meeting unanimously approved a revised operations plan for Swan to assure higher water levels for back-up power generation should that be needed by KPU.

*The fiscal year 2018 SEAPA audit gave an unmodified opinion. Through this audit SEAPA was able to increase its bond rating to A. SEAPA will be looking to refinance several bonds in the future and the bond rating change will save several hundred thousand dollars in interest.

*A land slide occurred on Nov. 14 near one of the Swan-Tyee pole structures. The structure was compromised and the intertie line shut down for 3 days until structure could be repaired.

*A survey of the submarine cables was completed during the summer. The survey was successful except for several thousand feet on both ends of the cable from Wrangell to Zarembo. The water was cloudy and did not allow for good camera coverage. That will need to be done again. The company also noted a place where the cable may now be suspended rather than laying on the bottom. That area will need follow-up.