



PO Box 329 Petersburg, AK 99833

February 21, 2014

Southeast Alaska Power Agency Attn: Trey Acteson, CEO 1900 1st Avenue, Suite 318 Ketchikan, Alaska 99901

Re: Joint Application from Petersburg and Wrangell to have SEAPA take over the operations and maintenance of the Tyee Hydroelectric Project

Dear Mr. Acteson,

The assemblies of both Petersburg and Wrangell are jointly proposing to SEAPA to take over the operations and maintenance of the Tyee Hydroelectric Project and for this action to take effect as soon as reasonably possible.

SEAPA initially brought up the idea of taking over the operations from Thomas Bay Power Authority at a meeting on August 19, 2013. The Petersburg Borough Assembly adopted Resolution No. 2013-21 on September 27, 2013, accepting SEAPA's offer and urged Wrangell to do the same. The Wrangell Borough Assembly adopted Resolution No. 12-13-1290 on December 10th, 2013, outlining the conditions that Wrangell would like to see in this transfer. The Petersburg Borough Assembly adopted Resolution No. 2014-03 on February 14, 2014 declaring their support of Wrangell's resolution in its entirety.

At this time we jointly request that SEAPA review the attached resolutions and provide a written proposal back to the two communities under what terms SEAPA would accept this transfer. The proposal should address the items listed in the Wrangell resolution in detail which is supported by Petersburg. Please provide as much detail as possible with respect to the employees, including benefits before and after the transfer. Once the formal offer or proposal is received by the communities, we will act as fast as is reasonable on your proposal. Our staffs will assist SEAPA with any information that we have and can provide for use in your proposal.

We have attached the resolutions referenced above.

Mark Jensen, Mayor Petersburg Borough

David L. Jack, Mayor

City & Borough of Wrangell