

**PETERSBURG BOROUGH, ALASKA
RESOLUTION #2014-03**

**A RESOLUTION IN SUPPORT OF CITY AND BOROUGH OF WRANGELL RESOLUTION
#12-13-1290, RECOMMENDING THE OPERATIONS AND MANAGEMENT OF THE TYEE
HYDROELECTRIC PROJECT BE TRANSFERRED FROM THOMAS BAY POWER
AUTHORITY (TBPA) TO SOUTHEAST ALASKA POWER AUTHORITY (SEAPA)**

WHEREAS, on September 27, 2013, the Petersburg Assembly adopted Resolution #2013-21, accepting SEAPA's August 19, 2013 offer to take over the costs of operations of the Tyee Hydroelectric Facility, and urged the Wrangell Assembly to do the same, and

WHEREAS, on December 10, 2013, the City and Borough of Wrangell Assembly adopted Resolution #12.13.1290, directing their Manager to enter into negotiations with SEAPA and the Petersburg Borough to develop a conversion plan to transfer the operations and maintenance of the Tyee Hydroelectric Facility to SEAPA and to bring back the plan to the respective boards for approval.

THEREFORE BE IT RESOLVED, the Assembly for the Borough of Petersburg hereby declares their support of City and Borough of Wrangell Resolution #12-13-1290 in its entirety, a copy of which is attached and made a permanent part of this resolution.

Passed and Approved by the Petersburg Borough Assembly on February 14, 2014.

Mark Jensen, Mayor

ATTEST:

Debra K. Thompson, Deputy Clerk

CITY OF WRANGELL, ALASKA

RESOLUTION NO. 12-13-1290

A RESOLUTION OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, RECOMMENDING THAT THE OPERATIONS AND MANAGEMENT OF THE TYEE HYDROELECTRIC PROJECT BE TRANSFERRED FROM THOMAS BAY POWER AUTHORITY (TBPA) TO SOUTHEAST ALASKA POWER AUTHORITY (SEAPA) AND TO WORK COOPERATIVELY WITH THE PETERSBURG BOROUGH AND SEAPA TO FORMULATE A COMPREHENSE CONVERSION PLAN TO MEET THIS GOAL

WHEREAS, Thomas Bay Power Authority is under contract with SEAPA to operate and maintain the Tyee Hydroelectric Facility; and

WHEREAS, TBPA was created by the Cities of Wrangell and Petersburg to operate and maintain the Tyee Hydro project Facility; and

WHEREAS, SEAPA is the owner and holds the Federal Energy Regulatory Commission (FERC) permit for the Tyee Hydroelectric project; and

WHEREAS, Wrangell recognizes the many contributions that TBPA has made over the years, the bond it has helped create between Petersburg and Wrangell and believes that TBPA should go into an inactive state rather than eliminate it so it may reactivate it in the future if the need arises ; and

WHEREAS, SEAPA has proposed to operate the Tyee facility for the communities of Wrangell and Petersburg; and

WHEREAS, Petersburg has passed a resolution that states that they want to accept the offer made by SEAPA's CEO dated August 19, 2013 and that they are willing to work with SEAPA and others to make the offer, or a similar negotiated offer, a permanent agreement and encouraged Wrangell to also accept the SEAPA offer; and

WHEREAS, Both Wrangell and Petersburg believe there are economic and operation advantages for SEAPA to operate the Tyee facility; and

WHEREAS, Wrangell believes that in this transfer of operations, it is important that the employees of TBPA that will be absorbed into the SEAPA system are given assurances that they will "kept whole" during the transfer and that the positions will be kept in Wrangell for a period of two years; and

WHEREAS, Wrangell currently is paying for 100% of the non-net billable costs of TBPA since July 1st, 2013 and believes that these costs need to be equally shared from July 1, 2013 up to the time that the conversion is completed; and

WHEREAS, Without TBPA, it is important that Wrangell, Petersburg, and SEAPA make every effort to continue to improve open and transparent communications with each other on both the Tyee Project and the SEAPA system as a whole and believes both a longer retention of SEAPA's Digital Audio Recording of meetings and having an assembly member on the SEAPA board will help both SEAPA community members and Wrangell achieve progress in area of better communications and transparency; and

WHEREAS, Wrangell believes that it is important that from time to time that the three communities: Ketchikan, Petersburg, and Wrangell revisit the existing MOU, including updates that may be needed, and the underlying reasons why it was part of the original divestiture and urges Ketchikan and Petersburg to participate in this process; and

WHEREAS, SEAPA's offer to run the Tyee Hydroelectric Project included absorbing all costs related to the Public Employees Retirement System (PERS) unfunded liability, transferring all employees to SEAPA and integrating them into the various benefit packages that SEAPA would provide; and

WHEREAS, Wrangell recognizes that the ARECA Insurance Rebate of approximately \$259,798 is an asset of TBPA and that it is not unreasonable to apply this amount to the unfunded liability debt incurred by its employees while working for TBPA and would encourage Petersburg to take a similar stance; and

WHEREAS, Wrangell understands that the conversion of various payroll, accounting and other records to SEAPA may take some time and Wrangell is committed to making that process as smooth as possible and is willing to assist in any way that we can to less the impact this transition has on the employees of TBPA.

NOW THEREFORE BE IT RESOLVED, THE CITY AND BOROUGH OF WRANGELL BOROUGH ASSEMBLY directs the Borough Manager to enter into negotiations with SEAPA and the Petersburg Borough to develop a conversion plan to transfer the operations and maintenance of the Tyee Hydroelectric Facility to SEAPA and to bring back the plan to the respective boards for approval.

RESOLVED FURTHER, THE CITY AND BOROUGH OF WRANGELL BOROUGH ASSEMBLY would like the following features included as part of the conversion plan:

1. That the conversion plan be completed and presented to the respective boards by January 31, 2014.
2. The current TBPA employees are "kept whole" as it relates to wages and benefits through the conversion process.
3. That the current employee contracts with both IBEW and the TBPA manager are "kept whole" during the conversion process or if some changes have to be made every effort will be made to minimize any negative impacts to the employees.
4. That the City and Borough of Wrangell will work cooperative with SEAPA with all matters related to payroll and other accounting records to help reduce any impact on both the TBPA employees and SEAPA.
5. That SEAPA will be responsible for all of the TBPA PERS unfunded liability and that to help lessen that impact, Wrangell and Petersburg agree to contribute the ARECA Insurance Rebate of approximately \$259,798 or the amount of the unfunded liability, whichever is less.
6. That there is a date set in the future that would require the City and Borough of Wrangell, the City and Borough of Ketchikan and the Petersburg Borough to review the Power Sales Agreement and the organization of SEAPA to see if it is in all of our best interest to continue as is or if there are changes that could be made for the mutual benefit of all communities.
7. That the non-net billable costs that Wrangell has paid since July 1, 2013 to the date of the final conversion are shared by the other parties to this agreement.

FINALLY RESOLVED, THE CITY AND BOROUGH OF WRANGELL ASSEMBLY would like the following items adopted in order to promote open communications between Wrangell, SEAPA, Petersburg Borough, and the City and Borough of Ketchikan:


1. Direct the Borough Manager to send a letter to the SEAPA Board requesting them to retain the Digital Audio recordings of their meetings for a period of two years.
2. That the City and Borough of Wrangell would make as policy that the SEAPA board appointment from Wrangell each year would first be chosen, if a candidate is available, from the borough assembly prior to any other candidates being considered.
3. That Wrangell send a letter to both the City and Borough of Ketchikan and the Petersburg

Borough urging them to participate in revising the existing MOU to meet current conditions and to adopt a date in the future that the three communities would participate in reviewing this revised MOU.

ADOPTED: December 10, 2013



David L. Jack, Mayor

ATTEST: 

Kim Lane, Borough Clerk

