BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE (BPMC)
REGULAR MEETING AGENDA
January 29, 2021

1. CALL TO ORDER

Chair Izzo called the meeting of the Bradley Lake Hydroelectric Project Management Committee to order at 10:05 a.m. A quorum was established.

2. ROLL CALL (for Committee members)

Tony Izzo (Matanuska Electric Association [MEA]); John Burns (phone) (Golden Valley Electric Association [GVEA]); Lee Thibert (phone) (Chugach Electric Association [CEA]); Brad Janorschke (phone) (Homer Electric Association [HEA]); and Curtis Thayer (Alaska Energy Authority [AEA]).

3. PUBLIC ROLL CALL (for all others present)

Ladonna Lindley (phone) (Accu-Type Depositions); Jennifer Bertolini, Debra Caldwell, Conner Erickson, Kirk Warren (AEA); Don Maynor (phone) (ARECA Insurance Exchange); Stefan Saldanha (Department of Law); Lance Roberts (phone), Pete Sarauer (phone), Ron Woolf (phone) (GVEA); Bob Day, Emily Hutchinson (phone), Larry Jorgenson (phone), Andrew Patrick (phone) (HEA); Kirk Gibson (phone) (McDowell Rackner Gibson, PC); Matt Reisterer (phone), Tony Zellers (phone) (MEA); Bernie Smith (phone) (Public); and Christina Hunter (phone) (RCA).

4. AGENDA APPROVAL

MOTION: A motion was made by Mr. Thayer to approve the agenda. Motion seconded by Mr. Thibert.

A roll call vote was taken, and the motion to approve the agenda passed unanimously.

5. PUBLIC COMMENTS - None.

6. APPROVAL OF PRIOR MINUTES - December 2, 2020 and December 11, 2020

MOTION: A motion was made by Mr. Thayer to approve the Minutes of December 2, 2020, and December 11, 2020. Motion seconded by Mr. Janorschke.

A roll call vote was taken, and the motion to approve the Minutes of December 2, 2020, and December 11, 2020 passed unanimously.

7. NEW BUSINESS - None.

MOTION: A motion was made by Mr. Thayer to enter into Executive Session to discuss potential required project work, which would clearly have an adverse effect on the finances of the Authority or the Project, and matters with counsel to the Committee, the

immediate knowledge of which could have an adverse effect on the legal position of the Committee. Motion seconded by Mr. Burns.

A roll call vote was taken, and the motion to enter Executive Session passed unanimously.

8. EXECUTIVE SESSION: 10:14 a.m.

- **Discussion of potential Required Project Work which the immediate knowledge of which would clearly have an adverse effect upon the finances of the Authority or the Project.**
- **Discuss matters with Committee Counsel the immediate knowledge of which could have an adverse effect on the legal position of the Committee.**

The Committee reconvened its regular meeting at 11:19 a.m.

Chair Izzo advised that the BPMC did not take any formal actions on the matters discussed while in executive session.

9. COMMITTEE REPORTS

A. BUDGET REPORT

(i) Budget to Actual Report (7/1/2020 - 11/30/2020)

Debra Caldwell, AEA, reviewed the Budget to Actual Expense Report for the period of July 1, 2020 through November 30, 2020. The Battle Creek Bridge Repair line item was budgeted in FY20, and the costs are a carryover. The Emerson Cybersecurity Project line item work should be completed in February. Ms. Caldwell discussed the Operations and Maintenance (O&M) expenses, Schedule B, the R&C Fund disbursement and repayments on Schedule D, the capital purchases on Schedule E, and the O&M administrative costs related to Battle Creek on Schedule F.

(ii) Proposed Budget Amendment 4 (additions of SQ Line O&M Costs)

Ms. Caldwell explained that the FY2021 proposed Budget Amendment 4 increases the budget primarily for SSQ Line costs. The FY2021 Bradley Lake Budget remains lower than the FY2020 Bradley Lake Budget. The FY2021 Battle Creek Budget is greater than the FY2021 Battle Creek Budget. This is due to additions to the SSQ Line costs and Battle Creek final construction cost. There interest earned was lower than anticipated. Ms. Caldwell identified and reviewed the chart showing the proposed changes to the budget. The amendment will make the following changes: Bradley Lake:

- $190,000 increase in Capital Purchases - Schedule A-1
- $130,000 increase in the O&M budget for SSQ Line - Schedule B
- $362,075 increase in Bradley Lake Participating Utilities annual contributions - Schedule C
- $279,000 increase in Battle Creek participating Utilities contributions - Schedule G

MOTION: A motion was made by Mr. Thayer that the BPMC approve the fourth amendment of the Fiscal Year 2021 Bradley Lake Hydroelectric Project Budget. This amendment will make the following changes: Bradley Lake: $190,000 increase in Capital Purchases - Schedule A-1; $130,000 increase in the O&M budget for SSQ Line - Schedule B; $362,075 increase in Bradley Lake Participating Utilities annual contributions - Schedule C; and $279,000 increase in Battle Creek participating Utilities contributions - Schedule G. Motion seconded by Mr. Thibert.

A roll call vote was taken, and the motion passed unanimously.

10. Operator's Report

Chair Izzo requested Bob Day, HEA, present the Operator's Report. Mr. Day reviewed the report provided to members. He informed that Unit 1 is back on line. It was a long and difficult repair. The corrosion and damage to the needles was more severe than anticipated. The Unit 2 repair will begin Monday, with a goal of completion by March 1st.

Mr. Day read a portion of an email that he received from Norman Bishop, one of the original principle design engineers for Bradley Lake. The email explained that the condition of the needles is not unusual for its glacier water environment and other factors. The email praised HEA staff for its active maintenance and care of the units. Mr. Day reiterated that maintenance issues resulting from the glacier water environment will continue to arise and will pose future challenges.

Chair Izzo expressed appreciation to Mr. Day for his report.

11. COMMITTEE ASSIGNMENTS - None.

12. MEMBERS COMMENTS

Mr. Burns expressed appreciation for the committee reports, updates, and budget information.

Mr. Thibert echoed the appreciation for the thorough and complete reports.

Mr. Janorschke echoed the previous comments of appreciation.

Mr. Thayer thanked everyone for moving in the right direction. He looks forward to determining the next steps regarding the excess payments.

Chair Izzo reiterated his appreciation to AEA for being a great partner. He thanked Mr. Day for his efforts on the needle repair. Chair Izzo thanked Ms. Bertolini and staff for the technological improvements during this challenging year.

13. NEXT MEETING DATE - March 26, 2021 - Regular Meeting

Chair Izzo advised that in the event a meeting is needed before the next regularly scheduled meeting on March 26, staff will coordinate with members regarding scheduling.

14. ADJOURNMENT

There being no further business for the committee, the meeting adjourned at 11:39 a.m.

Tony Izzo, Chair

Curtis W. Thayer, Secretary