

**RESOLUTION
OF
BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE**

**RESOLUTION NO. 2018 – 02
Authorizing the Second Amendment
to the
Second Amended and Restated O&M Agreement**

Introduction: The Bradley Lake Project Management Committee (“BPMC”) is in the process of developing a new O&M Agreement governing the terms and conditions under which the Bradley Lake Hydroelectric Project (“Project”) will be operated. The currently effective O&M Agreement is set to terminate on January 1, 2019. Additional time is needed by the BPMC to finalize the terms and conditions under which the Operator shall perform its duties at the Project.

Purpose of Resolution No. 2018-02: Resolution No. 2018-02, authorizes the Alaska Energy Authority (“Authority”) to enter a Second Amendment with the Operator, Homer Electric Association, Inc. (HEA), to extend the provisions of the current O&M Agreement governing the current term and notice of termination of the O&M Agreement for a period of two (2) additional months.

RESOLUTION NO. 2018-02

WHEREAS, the Bradley Lake Project Power Sales Agreement (the “Power Sales Agreement”) provides that the BPMC shall arrange for the operation and maintenance of the Project and Project Related Facilities;

WHEREAS, the BPMC is authorized under its Bylaws adopted pursuant to the terms of the Power Sales Agreement to approve agreements for the operation and maintenance of Project and Project related facilities;

WHEREAS, to provide for the operation and maintenance of the Project and Project Related Facilities, the BPMC entered the Master Maintenance and Operating Agreement with the Authority under which the Authority shall enter contracts necessary to perform services for, or operation maintenance of, the Project and Project Facilities;

WHEREAS, the Authority and HEA entered the Second Amendment and Restated Operation and Maintenance for Bradley Lake Hydroelectric Project effective July 1, 2008 (the “O&M Agreement”), to *inter alia*, provide that HEA would continue as Operator and operate and maintain the Project in accordance with the terms and conditions of the O&M Agreement;

WHEREAS, the BPMC authorized the Authority and HEA to enter the First Amendment to The Second Amended and Restated Operation & Maintenance Agreement for Bradley Lake Hydroelectric Project (“First Amendment”) on June 15, 2016;

WHEREAS, the First Amendment extended the provisions of the O&M Agreement governing the current term and notice of termination of the O&M Agreement for a period of six (6) months to January 1, 2019.

WHEREAS, the BPMC has decided that additional time is required to handle issues by and between BPMC Participating Utilities and has authorized the Authority to enter a Second Amendment to The Second Amended and Restated Operation & Maintenance Agreement for Bradley Lake Hydroelectric Project ("Second Amendment") with HEA on September 21, 2018 (Second Amendment attached hereto);

WHEREAS, the Second Amendment extends the provisions of the O&M Agreement governing the current term and previously presented notice of termination of the O&M Agreement for a period of two (2) months until March 1, 2019.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BPMC, that additional time is needed by the BPMC to finalize the terms and conditions under which the Operator shall perform its duties at the Project; and,

BE IT FURTHER RESOLVED BY THE BPMC, that a period of two (2) months should be enough time to finalize the terms and conditions under which the Operator shall perform its duties at the Project; and,

BE IT FURTHER RESOLVED BY THE BPMC, that the Authority is authorized by the BPMC to enter a Second Amendment with the Operator, Homer Electric Association, Inc. (HEA), to extend the provisions of the current O&M Agreement governing the current term and notice of termination of the O&M Agreement for a period of two (2) additional months; and,

BE IT FURTHER RESOLVED BY THE BPMC, that the above Recitals be incorporated and made part of to this Resolution No. 2018-02.

Dated at Anchorage Alaska, this 21st day of September 2018.



Chair

Attest: 
Secretary

**SECOND AMENDMENT
TO THE
SECOND AMENDED AND RESTATED
OPERATION & MAINTENANCE AGREEMENT
FOR
BRADLEY LAKE HYDROELECTRIC PROJECT**

not signed by
HEA.
They do not agree
w/ extensions

This SECOND AMENDMENT TO THE SECOND AMENDED AND RESTATED OPERATION & MAINTENANCE AGREEMENT FOR BRADLEY LAKE HYDROELECTRIC PROJECT ("Second Amendment") dated effective as of September 21, 2018, is entered into by and between the Alaska Energy Authority ("Authority") and Homer Electric Association, Inc. ("HEA").

WITNESSETH

WHEREAS, the Authority is a public corporation of the State of Alaska duly created, organized, and existing pursuant to AS 44.83, and authorized by law to sell electric power generated by the Bradley Lake Project ("Project");

WHEREAS, the Authority is authorized under AS 44.83.396 to enter agreements for the operation and maintenance of power projects owned by the Authority with a qualified utility;

WHEREAS, the Bradley Lake Project Power Sales Agreement (the "Power Sales Agreement") provides that the Bradley Lake Project Management Committee ("BPMC") shall arrange for the operation and maintenance of the Project and Project Related Facilities;

WHEREAS, the BPMC is authorized under its Bylaws adopted pursuant to the terms of the Power Sales Agreement to approve agreements for the operation and maintenance of Project and Project related facilities;

WHEREAS, to provide for the operation and maintenance of the Project and Project Related Facilities, the BPMC entered the Master Maintenance and Operating Agreement with the Authority under which the Authority shall enter contracts necessary to perform services for, or operation maintenance of, the Project and Project Facilities;

WHEREAS, the Authority and HEA entered the Second Amendment and Restated Operation and Maintenance for Bradley Lake Hydroelectric Project effective July 1, 2008 (the "O&M Agreement"), to *inter alia*, provide that HEA would continue as Operator and operate and maintain the Project in accordance with the terms and conditions of the O&M Agreement;

WHEREAS, the Authority, before executing a contract or contract amendment for operation or maintenance of the Project or Project related facilities, must submit the contract or amendment to the BPMC for its review and approval under the Master Maintenance and Operation Agreement;

WHEREAS, the BPMC authorized the Authority and HEA to enter the FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED OPERATION & MAINTENANCE AGREEMENT FOR BRADLEY LAKE HYDROELECTRIC PROJECT ("First Amendment") on June 15, 2016;

WHEREAS, the First Amendment extended the provisions of the O&M Agreement governing the current term and notice of termination of the O&M Agreement for a period of six (6) months to January 1, 2019.

WHEREAS, the BPMC has decided that additional time is required to handle issues by and between BPMC Participating Utilities and authorized the Authority and HEA to enter this Second Amendment on September 21, 2018;

WHEREAS, the Second Amendment extends the provisions of the O&M Agreement governing the current term and previously presented notice of termination of the O&M Agreement for a period of two (2) months until March 1, 2019.

WHEREAS, the BPMC has reviewed and approved this Second Amendment.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Section 2(b) of the O&M Agreement shall be amended to read as follows:

Except as expressly provided in this section, the term of this Agreement shall be five (5) years from the Effective Date and shall be automatically renewed for successive five-year terms until terminated as provided herein and subject to the termination rights set forth in Section 2(c) and Section 7(d). Notice of termination by either party shall be given two years in advance of the end of any term; provided, however, that the current, (or second) term of this Agreement shall be extended to March 1, 2019, and the date for which termination notice shall be given shall be correspondingly extended to February 28, 2017.

2. Except as amended in this Second Amendment, the terms and conditions of the O&M Agreement remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be executed the day and year first above written.

HOMER ELECTRIC ASSOCIATION, INC.

By

Bradley P. Janorschke
General Manager

ALASKA ENERGY AUTHORITY

By

Janet Reiser
Executive Director

**SECOND AMENDMENT
TO THE
SECOND AMENDED AND RESTATED
OPERATION & MAINTENANCE AGREEMENT
FOR
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WHEREAS, the BPMC is authorized under its Bylaws adopted pursuant to the terms of the Power Sales Agreement to approve agreements for the operation and maintenance of Project and Project related facilities;

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WHEREAS, the BPMC authorized the Authority and HEA to enter the FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED OPERATION & MAINTENANCE AGREEMENT FOR BRADLEY LAKE HYDROELECTRIC PROJECT ("First Amendment") on June 15, 2016;

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