

Assembly Report



CITY AND BOROUGH OF SITKA
ELECTRIC UTILITY DEPARTMENT
RON VINSON, ELECTRIC UTILITY DIRECTOR

TABLE OF CONTENTS

Quarterly Summary	3
General Overview	3
Current Challenges	3
Next Quarter Look Ahead	4
Electric Department Organizational Chart.....	4
Capital Projects.....	5
Utility Pole Replacements.....	5
Island Improvements	5
Green Lake Powerplant Refurbishment – Phases II & III	5
FERC Compliance	5
Meter Replacement Project	5
Budget	6
Key Operational Projects	7
Performance Measures	8
Unit Power Generation – October	8
Unit Power Generation – November	9
Unit Power Generation – December	10
Diesel Generation Use	11

QUARTERLY SUMMARY

GENERAL OVERVIEW

Quarter four (Q4) was largely focused on wrapping-up year-end compliance reporting to FERC, budget development, and otherwise standard operations and maintenance activities. The Department made a focused effort to identify existing risks and outline mitigating projects to buy-down these risks.

A key area where attention was focused was specifically on developing a better long-term capital improvement plan. This effort began with a review of existing funded projects to determine if they were relevant. The analysis continued by collaborating with the various units within the Department to identify new areas of risk and mitigation strategies to reduce those identified risks. A focused effort was made to develop accurate scope, schedule, budget, and risk scores for each project. Additionally, each project was analyzed to determine execution needs and an execution timeline was established.

The Department did experience 18 minor, localized outages throughout this quarter. Most notably (and not localized) was an outage that occurred on November 18th as a result of a tree falling onto the transmission line from the Green Lake Powerplant. Power was restored within just over an hour of the incident. The Department relied on backup diesel generation to cover the energy production gap left with the Green Lake Powerplant being unable to transmit power to customers.

This quarter brought positive news as the Department's joint focus, with the Administrator and the Human Resources Department, began to pay-off with the addition of two new staff. The new staffing additions include filling the Transmission & Distribution Systems Manager role and filling one of the vacant Journey-level Lineworker positions. These two employee additions are expected to help the department significantly reduce dependence on contracted services.

The Operations Budget for the fourth quarter is trending just over 50% expended. With consideration that most professional and contracted services were encumbered in the first quarter of FY25, a 50%± use, mid-calendar year is on track to remain within budget for the remainder of the fiscal year.

CURRENT CHALLENGES

Current challenges that the Department are facing include:

- Safety Deficiencies – The Department is currently challenged by several unaddressed areas of safety management. These areas include lacking fall protection, lack of spill prevention, containment, and countermeasure (SPCC) plans, and several other areas. These safety deficiencies are currently being evaluated with the support of consulted specialists.
- Regulatory Compliance – FERC and insurance requirements continue to increase. The Department is currently entering into FY26 budget planning, and this is providing an opportunity to develop a plan to meet the increasing requirements.
- Capital Planning – Prior capital planning was limited in detail and lacked clarity regarding specific projects, their scopes, and their costs. The FY26 budget season has presented an excellent opportunity to fix these issues by developing a better understanding of the department's risks and a better understanding of the projects that will help reduce those risks.

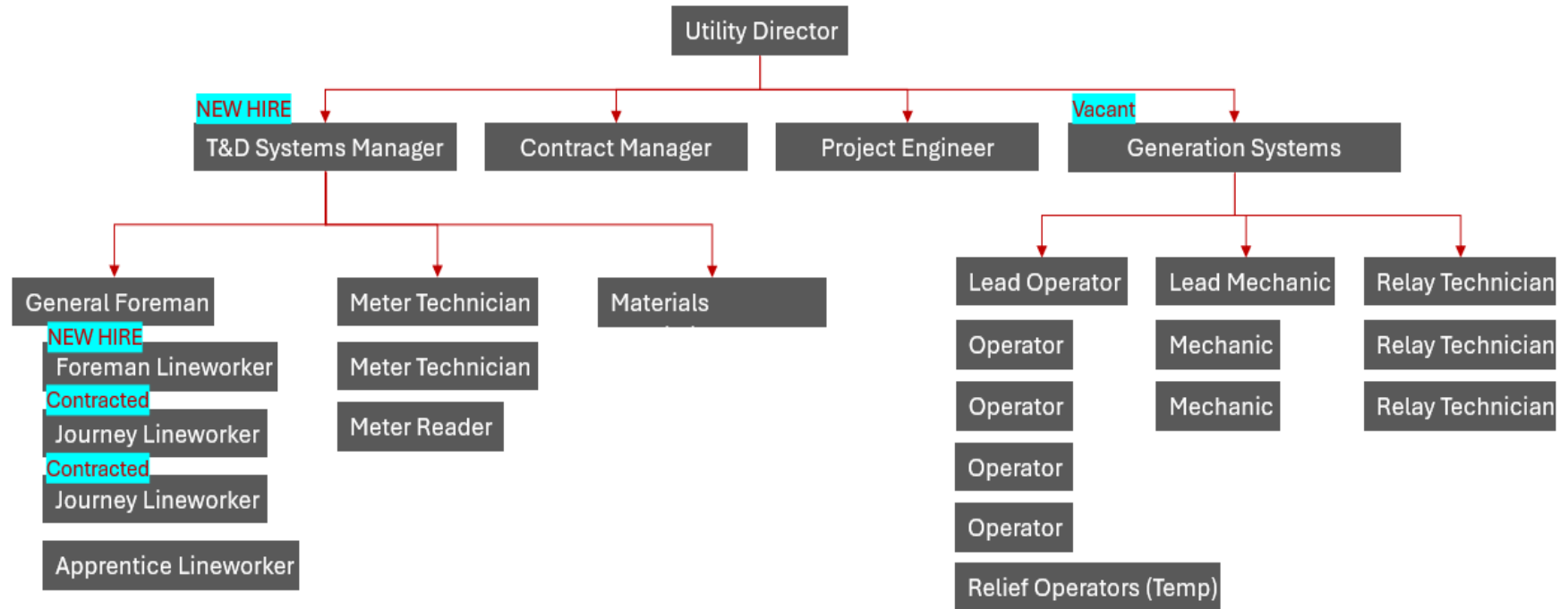
- Personnel - Vacancies (Journey Lineman, Generation Manager) continue to lead to increasing transmission line work costs. These costs expand beyond capital work, as the line worker unit has to be augmented by contractors.
- Inventory Management – The Department is facing challenges with an aging and unsupported inventory management software. This has resulted in inaccurate Department inventory. The Department is currently seeking transition to a new inventory management software.
- Preparing for Winter Operations – The Department is facing challenges with poorly maintained roads (Green Lake Road & Blue Lake Road) and an expired snow management contract. The Department is currently collaborating with the Public Works Department and a local contractor to perform road repairs. The Department is also currently advertising for a snow management contractor.

NEXT QUARTER LOOK AHEAD

During the coming quarter the Department is looking forward to kicking off and completing a number of critical utility projects and tasks including:

- ☐ Budget development wrap-up with Finance, the Administrator, and the Assembly
- ☐ FERC Security upgrades – ensuring compliance with the FERC security plan
- ☐ Onboard project engineer/manager for Green Lake Phase II/III Rehabilitation Project
- ☐ Perform in-person First Aid, CPR, AED training at Fire Hall
- ☐ Perform fall protection evaluation with consultants
- ☐ Onboard project engineer/manager for Marine Street Side A Substation relay replacement project
- ☐ Collaborate with insurance provider to ensure compliance with policy requirements for maintenance
- ☐ Continue to perform DGA monitoring on trouble transformers
- ☐ Onboard other various project engineer's/managers for key capital projects
- ☐ Continue to recruit for the Lineworker vacancies to support T&D operations and maintenance
- ☐ Finalize Meter Replacement Project and kickoff field work
- ☐ Issue Professional Services Roster to solicit professional services
- ☐ Procure long-lead replacement switches
- ☐ Begin planning for NSRAA water turnout at Blue Lake Powerplant
- ☐ Develop contract and solicit contractors to perform repairs at Blue Lake Boat Ramp and Intake Structure
- ☐ Perform unit overspeed testing at Blue Lake Powerplant
- ☐ Begin design for Green Lake failure detection and alarm installation
- ☐ Perform refurbishment on Green Lake spare single-phase transformer
- ☐ Onboard project engineer/manager for design of new transformer yard at Green Lake Development
- ☐ Procure 33 breaker replacement
- ☐ Perform quarterly diesel generator operations
- ☐ Continued safety training for all staff
- ☐ Perform survey of existing conditions for relays at Marine Street Substation – side A

ELECTRIC DEPARTMENT ORGANIZATIONAL CHART



Key Notes:

- Full-Time Employees: **25**
- Temp Employees: **8** (including relief operators)
- Vacant Positions: **3**
- NEW HIRE - T&D Syst. Mgr.
- NEW HIRE – Journeyman Lineman

CAPITAL PROJECTS

UTILITY POLE REPLACEMENTS

The scope of this project includes using contracted labor to replace a number of transmission line carrying structures including a total of 25 utility poles that were aged 40(+) years and at the end of their useful life. The Project budget was planned at \$421,056 and is currently tracking within budget. Work on this project was anticipated to start late summer 2024 and is expected to continue into the coming spring. The next steps for this project include preparing for spring-time work by procuring materials.

ISLAND IMPROVEMENTS

During this quarter, the Transmission and Distribution Division worked with Northern Powerline Constructors to perform minor improvements to Sitka's island infrastructure. The CBS supplies power to 19 islands in total. Minor improvements were comprised of approximately 3-weeks of contracted labor including replacing underwater transmission line following damage that took place in one of this fall's adverse weather events. Other improvements included minor island infrastructure replacements. Work is planned to kick back off in the spring.

GREEN LAKE POWERPLANT REFURBISHMENT – PHASES II & III

The scope of this project includes the refurbishment of both hydropower units at the Green Lake Powerplant. This project has been selected for Department of Energy funding through the 247 Program. This funding is currently being negotiated with the DOE for a potential funding of up to 30% of the project total. The budget of this project currently sits at about \$6.49M. It is currently anticipated that some additional funding may be required in FY26. Project cost estimates are being performed to narrow down the projected costs on this project. This project is anticipated to be awarded in July 2025 and completed in July 2026 and is currently on-track. Next steps for this project include wrapping up cost estimates, finalizing project schedule, and selecting a project management consultant to lead the work.




FERC COMPLIANCE

The scope of this project includes continuing the FERC relicensing process for the Green Lake Development. This project also includes the development of FERC Part 12D reporting for Blue Lake and Emergency Action Plan (EAP) updates for the Blue Lake and Green Lake Developments. Upcoming work on this project includes completing a physical and cyber security assessment and security plan update. This project is both on schedule and within budget.

METER REPLACEMENT PROJECT

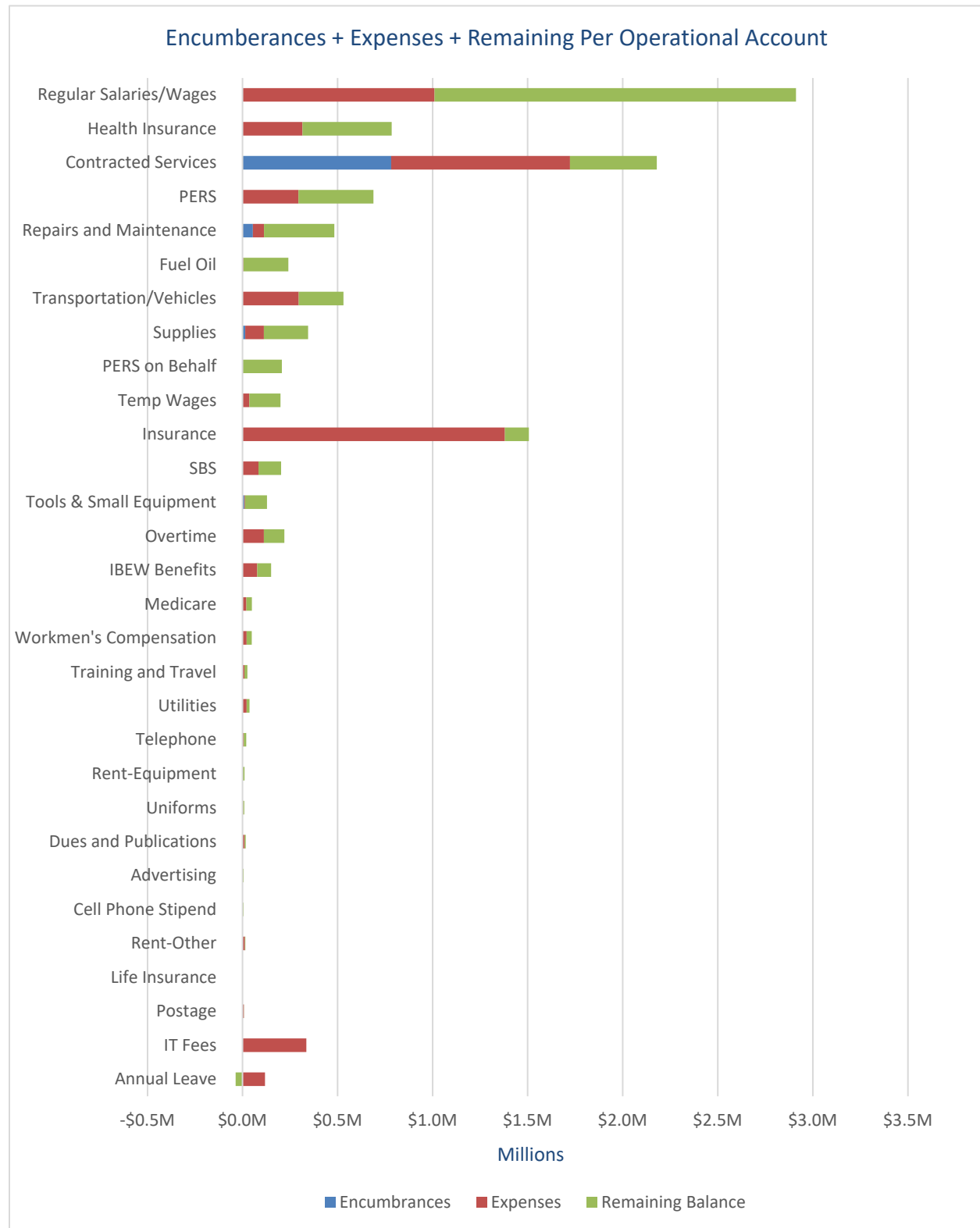
The scope of this project includes the replacement of existing revenue meters to facilitate remote meter reading. This improvement will improve meter data collection and reduce the potential for meter reading error. This will also reduce the amount of time that is solely focused on meter reading. The budget of this project was planned for \$860k and is currently in alignment with the planned amount. The schedule for this project included an original start date of 07/01/2024 and a completion date of 07/01/2025.. This project is currently behind schedule. Project contracts are currently under legal review. This project will kick-off immediately following this review. Next steps for this project include wrapping up legal review, purchasing equipment, and formally kicking-off the project.

Legend:

	Meeting Objectives		At Risk of Missing Objectives		Missing Objectives
---	--------------------	---	-------------------------------	---	--------------------

BUDGET

The following chart outlines operational encumbrances, expenses, and remaining budget through 12/31/24
Total expenses to date are at 53% of budgeted amount



KEY OPERATIONAL PROJECTS

Project Description	Scope	Schedule	Budget
Green Lake Seasonal Debris Removal	Seasonal debris and logs were collected, removed, and disposed of at both Green Lake and Blue Lake	Planned Time: 1-Week Actual Time: 1-Week	Incorporated into operational budget (Repairs and Maintenance)
SCADA Preventative Maintenance	The Relay Control Unit worked with consultant to perform SCADA system back-ups and perform updates where needed.	Planned: 1-week Actual: 1-week	Planned: \$15,000 Actual: \$13,000
Diesel Generator Preventative Maintenance and disconnect switch maintenance	Maintenance units collaborated to perform quarterly diesel backup generator preventative maintenance and perform disconnect switch repairs to ensure that diesel generation was operated at a minimum.	Planned: 1 day Actual: 1 day	Incorporated into operational budget (Repairs and Maintenance)
Green Lake Road Repairs	The Department collaborated with local contractors and the Public Works Department to perform minor road grading and re-topping on Green Lake Road	Planned: 1-week Actual: 1-week	Planned: \$50k Actual: \$50k
Safety Training	All staff completed the planned safety-related training for 2024. This included key training such-as confined space, fall protection, arc flash, bloodborne pathogens, etc.	Planned: 1-year Actual: 1-year	Tests and inspections were performed and completed within budget
Response to Outages	Team responded to 18 minor outages and one significant outage	A significant outage occurred on Nov. 18 th due to a tree falling onto the main transmission line from Green Lake Powerplant. This event caused a loss of power to most customers.	Incorporated into operational budget (Repairs and Maintenance)

Legend

	Meeting Objectives
	At Risk of Missing Objectives
	Missing Objectives

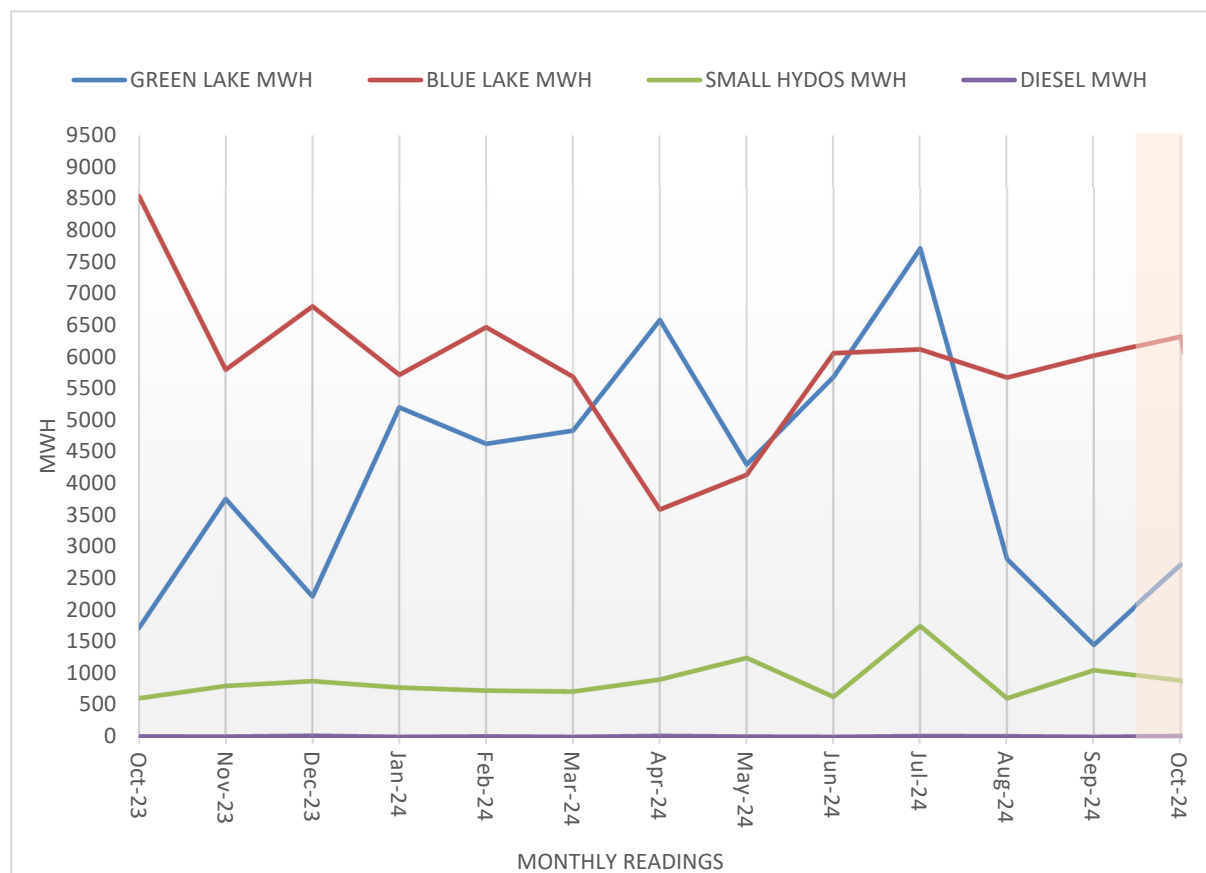
PERFORMANCE MEASURES

UNIT POWER GENERATION – OCTOBER

Performance Measure: generation (by type & unit) possible vs. actual

Generation Unit	Generation Type	Possible Generation	Actual Generation
Green Lake Unit 1	Hydropower	6,919 MWH	960.74 MWH
Green Lake Unit 2	Hydropower	6,919 MWH	1759.42 MWH
Blue Lake Unit 3	Hydropower	3,943 MWH	2851.00 MWH
Blue Lake Unit 4	Hydropower	3,943 MWH	1837.00 MWH
Blue Lake Unit 5	Hydropower	3,943 MWH	1635.00 MWH
Blue Lake Fish Valve Unit	Hydropower	1,116 MWH	888.00 MWH
Jarvis Unit 1	Diesel (backup)	Non-Op	0.00 MWH
Jarvis Unit 2	Diesel (backup)	1,860 MWH	0.00 MWH
Jarvis Unit 3	Diesel (backup)	1,860 MWH	2.00 MWH
Jarvis Unit 4	Diesel (backup)	3,348 MWH	8.50 MWH
Jarvis Unit 5	Diesel (backup)	9,672 MWH	0.00 MWH

Monthly Generation Production by Plant

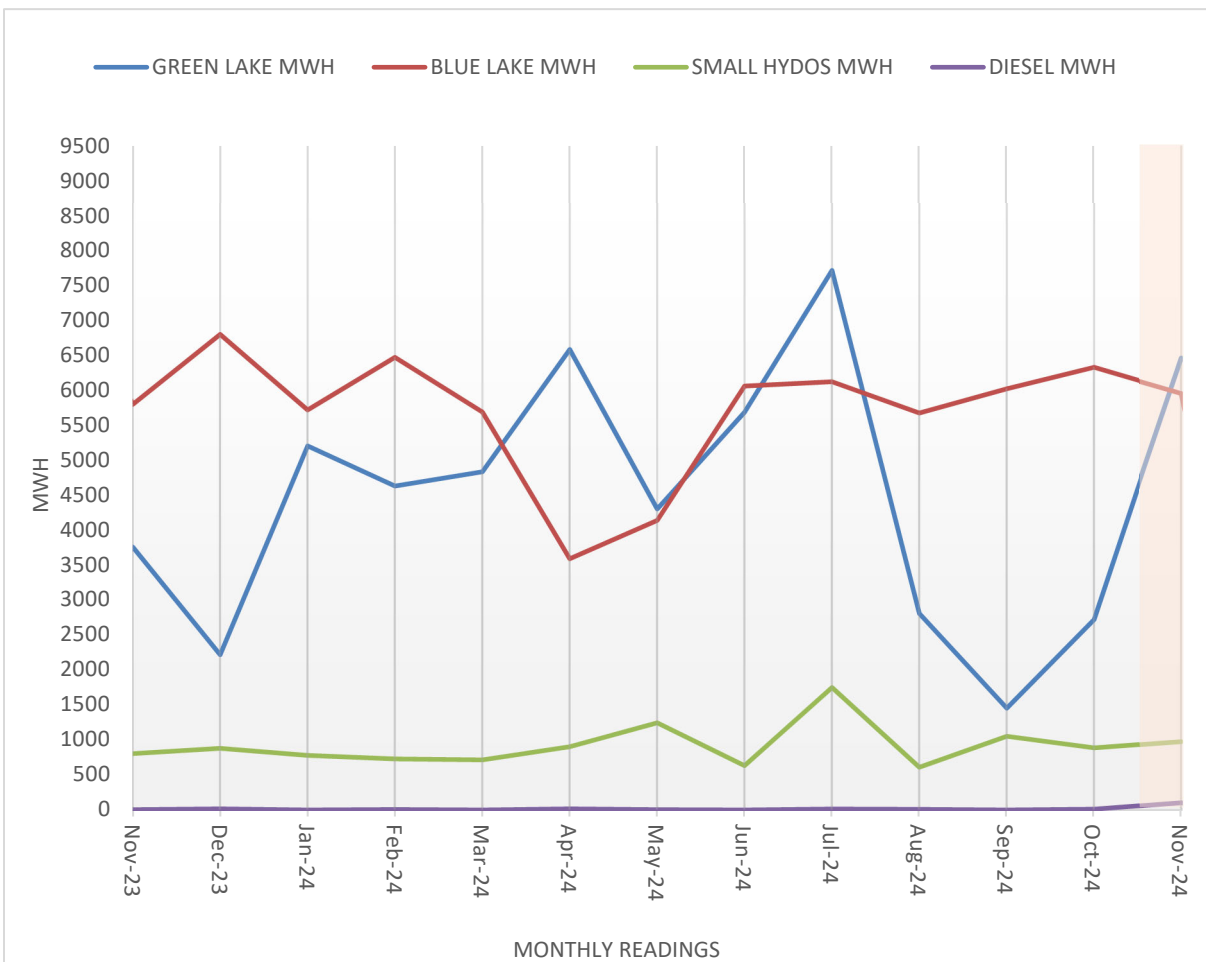


UNIT POWER GENERATION – NOVEMBER

Performance Measure: generation (by type) possible vs. actual

Generation Unit	Generation Type	Possible Generation	Actual Generation
Green Lake Unit 1	Hydropower	6,919 MWH	1005.60 MWH
Green Lake Unit 2	Hydropower	6,919 MWH	2737.60 MWH
Blue Lake Unit 3	Hydropower	3,943 MWH	1497.59 MWH
Blue Lake Unit 4	Hydropower	3,943 MWH	2563.03 MWH
Blue Lake Unit 5	Hydropower	3,943 MWH	1895.77 MWH
Blue Lake Fish Valve Unit	Hydropower	1,116 MWH	978.50 MWH
Jarvis Unit 1	Diesel (backup)	Non-Op	0.00 MWH
Jarvis Unit 2	Diesel (backup)	1,860 MWH	13.00 MWH
Jarvis Unit 3	Diesel (backup)	1,860 MWH	7.00 MWH
Jarvis Unit 4	Diesel (backup)	3,348 MWH	50.70 MWH
Jarvis Unit 5	Diesel (backup)	9,672 MWH	34.00 MWH

Monthly Generation Production by Plant

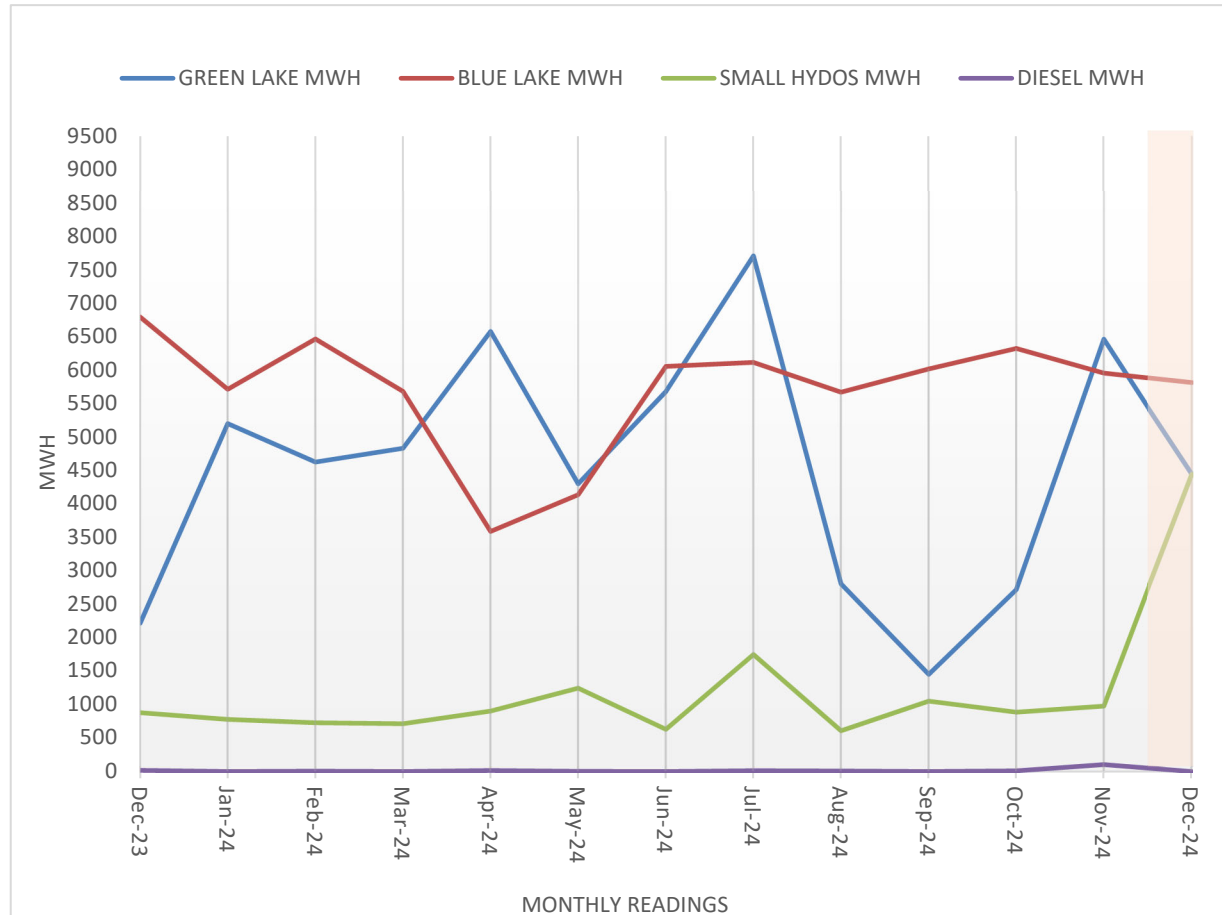


UNIT POWER GENERATION – DECEMBER

Performance Measure: generation (by type) possible vs. actual

Generation Unit	Generation Type	Possible Generation	Actual Generation
Green Lake Unit 1	Hydropower	6,919 MWH	2729.80 MWH
Green Lake Unit 2	Hydropower	6,919 MWH	1712.60 MWH
Blue Lake Unit 3	Hydropower	3,943 MWH	1818.41 MWH
Blue Lake Unit 4	Hydropower	3,943 MWH	2025.97 MWH
Blue Lake Unit 5	Hydropower	3,943 MWH	1968.23 MWH
Blue Lake Fish Valve Unit	Hydropower	1,116 MWH	1094.50 MWH
Jarvis Unit 1	Diesel (backup)	Non-Op	0.00 MWH
Jarvis Unit 2	Diesel (backup)	1,860 MWH	0.00 MWH
Jarvis Unit 3	Diesel (backup)	1,860 MWH	0.00 MWH
Jarvis Unit 4	Diesel (backup)	3,348 MWH	0.00 MWH
Jarvis Unit 5	Diesel (backup)	9,672 MWH	0.00 MWH

Monthly Generation Production by Plant



DIESEL GENERATION USE

This performance measure monitors the use of diesel fuel for power generation. The Electric Utility Department operates and maintains five diesel powered generators as backup power suppliers to support the communities energy demands when hydropower units become unavailable. Often these backup units are used to supplement power when the hydropower units or transmission lines are taken offline for maintenance. There are also times when these units are operated as a part of their maintenance procedures. It is a goal of the Electric Utility Department to minimize diesel generator use to in-turn reduce related emissions and reduce ratepayer costs.

Diesel operation during the fourth quarter of 2024 was the result of quarterly preventative maintenance procedures, minor repairs to a disconnect switch, and repairs during an outage on Nov. 18th

Third Quarter Totals		
Generation Unit	Operating Hours	Fuel Used
Jarvis Unit 1	0	0
Jarvis Unit 2	9	1064
Jarvis Unit 3	6.1	727
Jarvis Unit 4	15.4	3629
Jarvis Unit 5	5	3264

DOCUMENT END