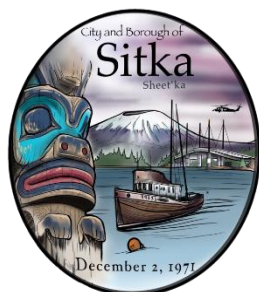


# Assembly Report



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

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## QUARTERLY SUMMARY

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### GENERAL OVERVIEW

Quarter one (Q1) was largely focused on budgeting, capital project preparation, performing preventative maintenance, engaging in training, and ensuring compliance with regulatory requirements.

This quarter focused on improving transparency and accountability through the development of a detailed capital improvement plan (CIP) that has an outlook of 10+ years. This CIP was developed using insight from the department's various disciplines and included projects that were identified through risk assessment. All projects were given a risk score and work was done to develop high-level budget estimates. The CIP was prioritized, based on risk score, and presented to the City Assembly for approval.

In alignment with our commitment and obligations to regulatory compliance, this quarter the Department focused on engaging in safety and security training. During this period, topics such as "Active Shooter Training", CPR-First Aid-AED Training, Fall Protection Training, etc. were completed by staff. Additionally, the Department engaged contracted support to complete a safety audit to identify strengths and weaknesses in our safety programs. Findings from this audit and lessons learned during training are being applied accordingly.

In addition to budgeting and compliance work, the Department worked with the Administrator and the Finance Department to present approximately \$2M in capital reallocations to the Assembly for consideration. The reallocations were primarily driven, again by an effort to develop transparency and accountability within our CIP. The reallocations took funded projects that had very little scoping detail and reallocated funding to higher priority, better scoped projects that brought down clear risk levels. Following Assembly approval of the reallocation, the Department began kicking off planning efforts for the various approved projects.

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## 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. In March a safety consultant was tasked with performing a safety audit for the Department. Findings from this audit are being evaluated and prioritized into a larger plan to improve department safety management practices.
- Regulatory Compliance – FERC and insurance requirements continue to increase. The Department has made budget requests and plans for FY26 to continue to meet 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. Additional engineering staff is needed to keep up with regulatory compliance and project demands.
- Inventory Management – The Department is facing challenges with an aging and unsupported inventory management software. This has resulted in inaccurate Department inventory. The Department performed a physical inventory count in the first quarter and is currently migrating inventory data into a new inventory management software.
- Preparing for upcoming projects – The Department is currently working on projects that are underway and preparing for projects that are coming up. Preparation for upcoming projects includes contractor solicitation development, which is a slow process.

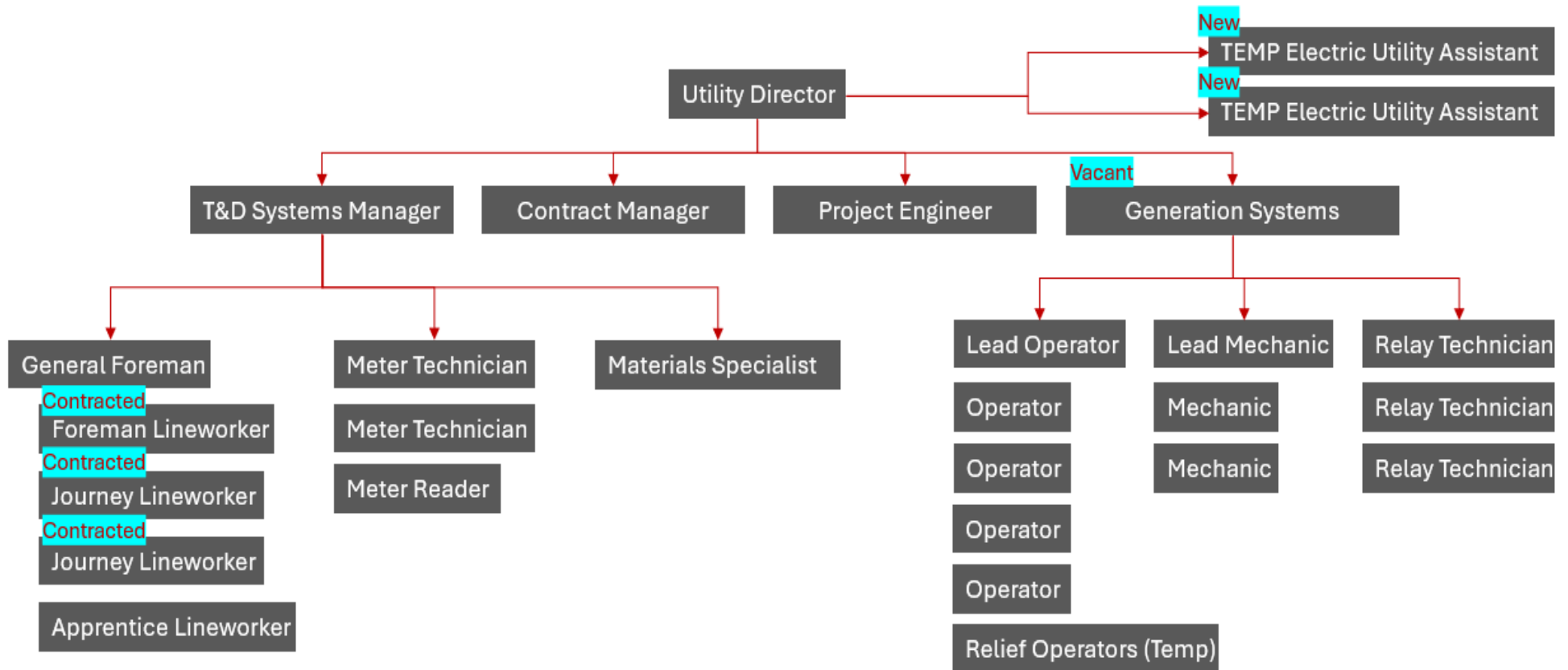
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## NEXT QUARTER LOOK AHEAD

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

- ☐ IBEW Collective Bargaining Negotiations
- ☐ FERC Security Upgrades – Continuing to address security concerns from FERC
- ☐ Insurance Compliance – Continuing to address maintenance concerns identified by insurance providers
- ☐ Continued recruiting for vacant positions
- ☐ Onboarding of student assistants for summer season
- ☐ Perform Minor refurbishment on transformer for GL (May)
- ☐ Onboard consultants for various projects that are currently without internal PM support
- ☐ Perform fall protection evaluation with consultants
- ☐ Continue to perform DGA monitoring on trouble transformers
- ☐ Kickoff meter replacement project
- ☐ Issue Professional Services Roster to solicit professional services
- ☐ 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
- ☐ 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

## ELECTRIC DEPARTMENT ORGANIZATIONAL CHART



### Key Notes:

- Full-Time Employees: **25**
- Temp Employees: **6** (including relief operators)
- Vacant Positions: **4**
- Journeyman Lineman Positions- 2 prospective candidates
- (2) New temp. student positions (in collaboration with E2C program)

## TOP CAPITAL PROJECTS

### MARINE STREET SUBSTATION – SIDE A REFURBISHMENT

The Marine Street Substation is split into two sides, “A” and “B”, each of which provides system redundancy in the case that equipment failure occurs. This substation distributes electricity to most of the city and ensuring reliability through the A-B redundancy is critical to provide reliable power to the community. This project includes replacing all relays within the substation with updated models that are supported. Existing relays within the facility are dated to a point at which they are no longer active industry models and therefore are less likely to have support in the case of failure. Use of new relays will ensure that a lower volume of spare parts will be required for inventory, and more focused training on fewer relays derivations will be a possibility. Planning and minor work for this project is underway. This project is anticipated to be completed by July 2025.

### GREEN LAKE DAM FAILURE DETECTION

This project is focused on installing failure monitoring systems at the Green Lake Dam, in alignment with FERC requests. This project will focus on installing dam monitoring cameras, improved elevation sensors, and failure alarming instrumentation to alert those that may be impacted by a failure event. This project kicked off during this quarter and is expected to begin construction in the third quarter of 2025.

### 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. The FY26 budget request will bring the CBS portion of the funding to \$7M. The CBS received unofficial award from the DOE that the remaining \$3M is likely to be funded through the DOE’s 247 program. Unfortunately, due to Federal realignment of funding, the said grant awards have been given a 90-day freeze for further evaluation. This project is on-hold until the DOE clarifies their position on their portion of the grant funding.




### 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. During this quarter, FERC-requested studies moved forward. These studies were requested as part of the licensing process, to inform FERCs licensing requirements. Specifically, watershed analysis along the Green Lake Road was completed to determine sufficient culvert and drainage sizing for roadway crossings.

### 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. The budget of this project was planned for \$860k, with additional funding for four years to continue upgrading meters. This project will be managed by both internal and external resources. Externally, the manufacturer of the City’s meters will be utilized to provide project management and engineering support. The contract for this work was completed during this quarter. Work is anticipated to kick-off in the second quarter of 2025.

**Legend:**

	Meeting Objectives		At Risk of Missing Objectives		Missing Objectives
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#### NSRAA WATER TURNOUT PROJECT

The scope of this project is to develop a new water turnout to meet water commitments to NSRAA. During this quarter NSRAA and the Department met and developed high-level scoping for the projects and outlined a rough schedule of tasks to take place. NSRAA will continue to work with their engineer to develop specifications for the new takeoff. The Department will continue to work with NSRAA to approve specifications and develop further planning.

#### 69kV DISCONNECT SWITCH REPLACEMENT PROJECT




The scope of this project includes the replacement of eleven (11) 69kV disconnect switches that are beyond their life expectancy and prone to increased failure rates. Funding for these replacements was obtained through reallocation of existing switchyard upgrade funding. Work was completed to develop specifications for new switches and new switches were ordered during this quarter. New switches have a one-year lead time. Installation is anticipated to occur next spring (2026).

#### REFERBISH GREEN LAKE SPARE TRANSFORMER

The scope of this project includes the testing and re-gasketing of one single-phase power transformer that serves as a spare unit for the Green Lake Powerplant. This unit currently serves as a spare and is critical to be operational. Recent evaluations have indicated that the transformer may have gas leak issues. Planning work occurred during this quarter. On-site work is anticipated to be completed in May of 2025.

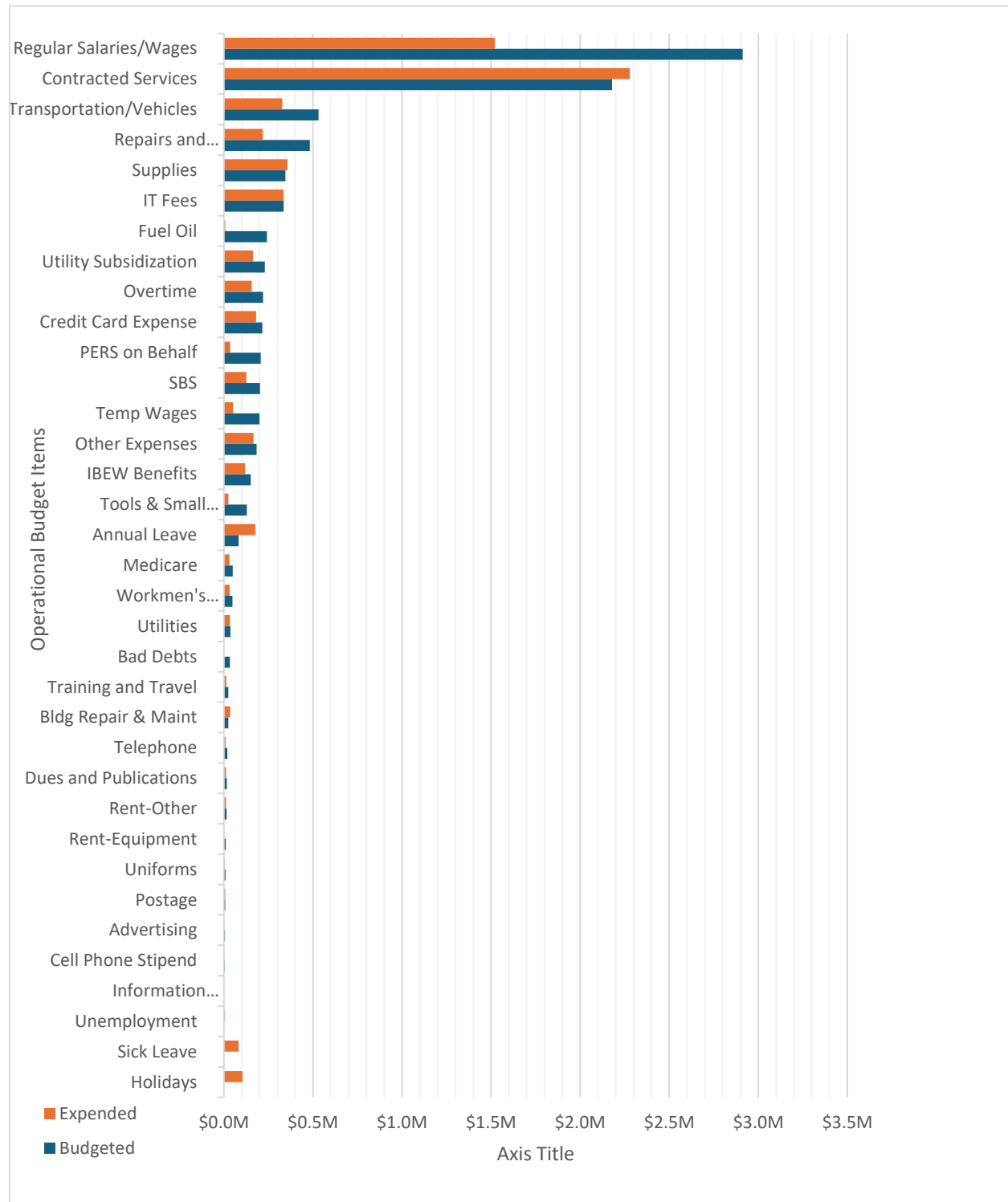
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**Legend:**

	Meeting Objectives		At Risk of Missing Objectives		Missing Objectives
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## BUDGET

The following chart outlines operational encumbrances, expenses, and remaining budget through 04/15/25  
Total expenses to date are 76% of budgeted (cost) ; we are currently through 87% of the budgeted year (time)





## KEY OPERATIONAL PROJECTS

Project Description	Scope	Schedule	Budget
Green Lake & Blue Lake Vegetation Abatement	FERC Requested – remove trees and other vegetation from abutments of both dams; remove vegetation near security features	This work was completed through contracted labor during the first quarter of 2025	The budgeted amount for this project was \$32,500. This project was completed within the budgeted amount.
Green Lake and Blue Lake Boom Repairs	Perform annual inspection and repair of debris log booms at both dams	This work was started in the first quarter of 2025 and will be completed during the second quarter of 2025	This task is part of normal operational maintenance each year. Costs were incorporated into the operational budget.
Develop Professional Services Roster Request for Qualifications (RFQ)	Develop an RFQ for professional services to streamline onboarding of consulted help for projects	Completed	N/A
Quarterly Preventative Maintenance	Work teams performed various preventative maintenance procedures across all assets	In alignment with equipment specifications or as deemed by Department based on conditions	
Safety and Security Training	The department engaged in OSHA-required safety training and FERC-required security training	Completed	Within Budget

### Legend

	Meeting Objectives
	At Risk of Missing Objectives
	Missing Objectives

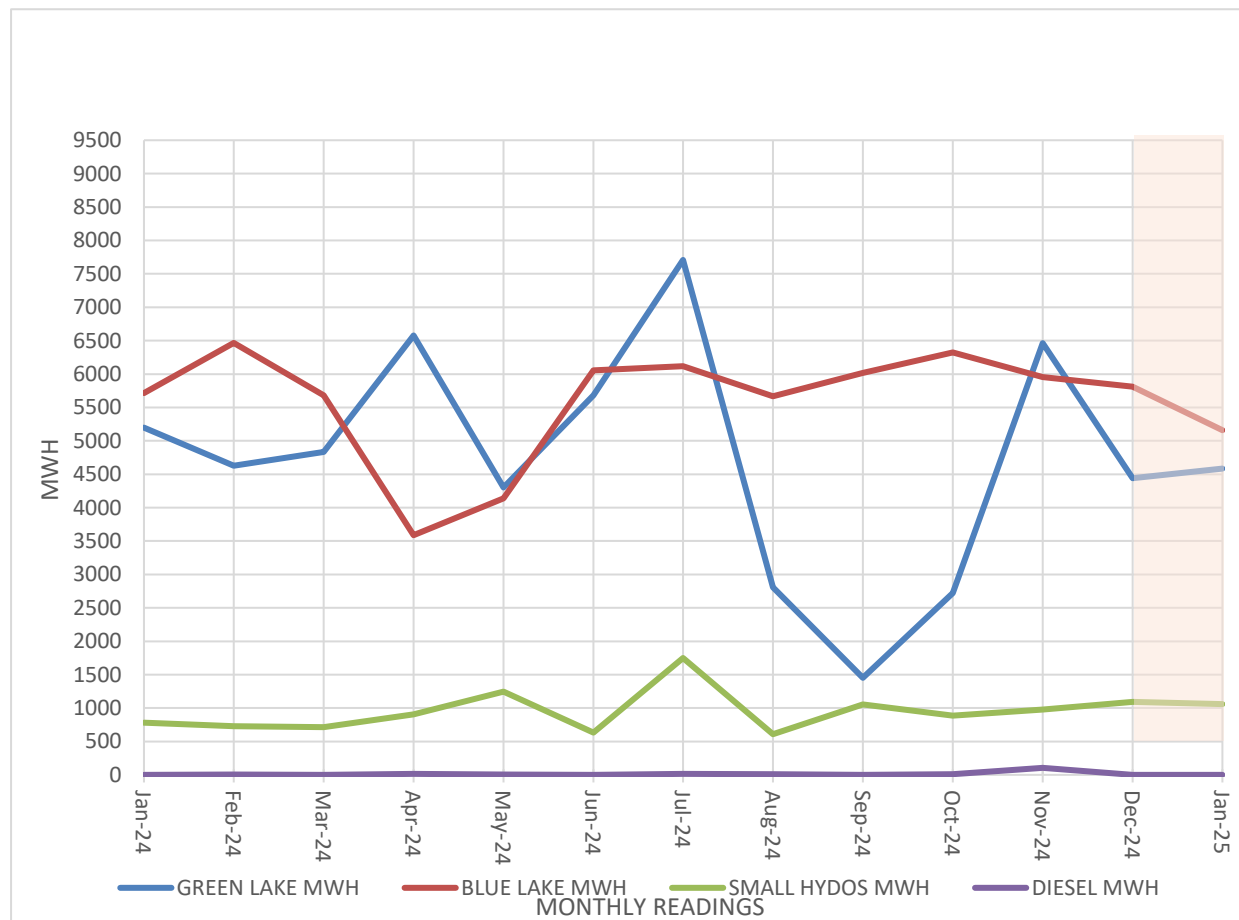
## PERFORMANCE MEASURES

### UNIT POWER GENERATION – JANUARY 2025

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

Generation Unit	Generation Type	Possible Generation	Actual Generation
Green Lake Unit 1	Hydropower (9.3MW)	6,896 MWH	1886.805 MWH
Green Lake Unit 2	Hydropower (9.3MW)	6,896 MWH	2768.146 MWH
Blue Lake Unit 3	Hydropower (5.3MW)	3,943 MWH	1187 MWH
Blue Lake Unit 4	Hydropower (5.3MW)	3,943 MWH	1323 MWH
Blue Lake Unit 5	Hydropower (5.3MW)	3,943 MWH	2793 MWH
Blue Lake Fish Valve Unit	Hydropower (1.8MW)	1,116 MWH	1057.3 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	0.2 MWH
Jarvis Unit 5	Diesel (backup)	9,672 MWH	0.00 MWH

#### Monthly Generation Production by Plant

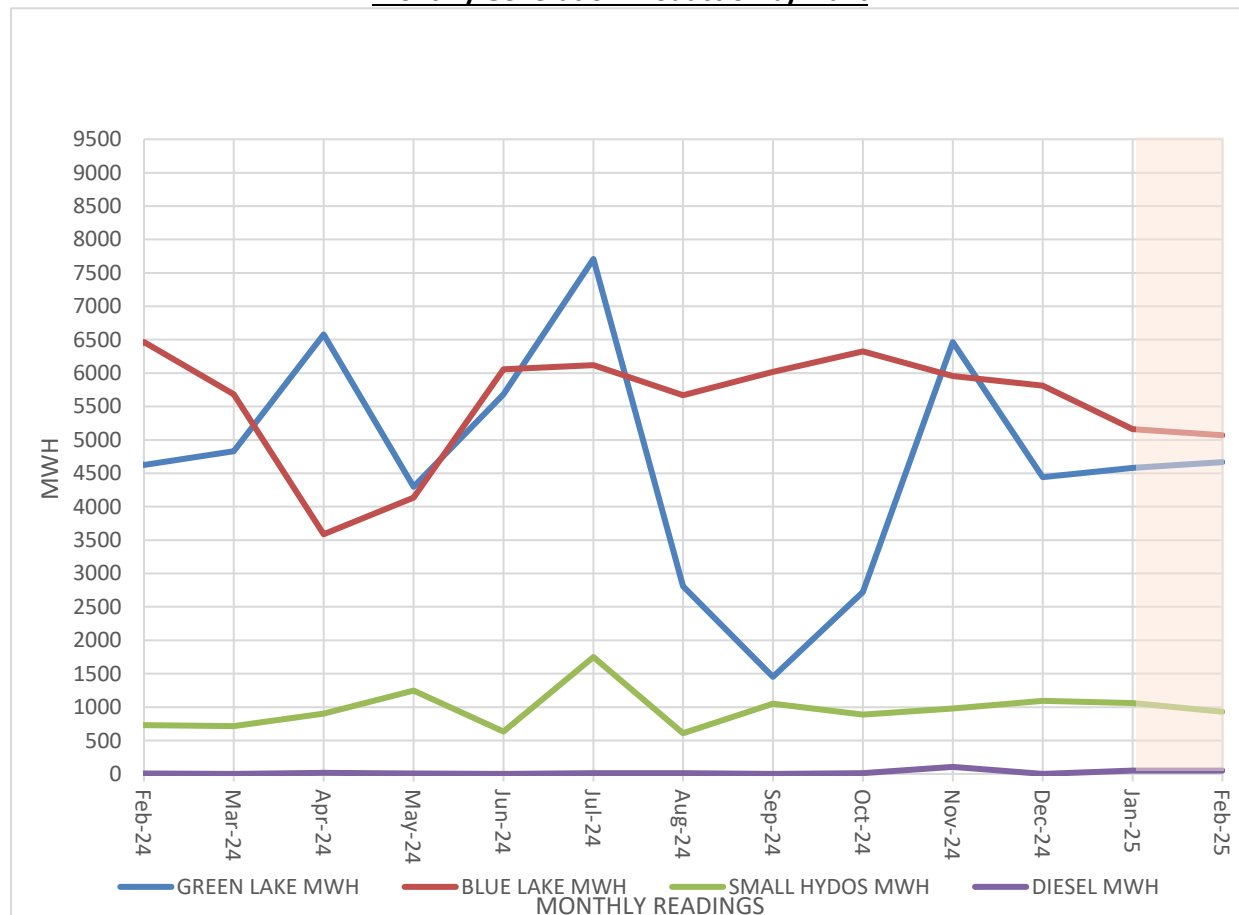


## UNIT POWER GENERATION – FEBRUARY 2025

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

Generation Unit	Generation Type	Possible Generation	Actual Generation
Green Lake Unit 1	Hydropower	6,919 MWH	1420.204 MWH
Green Lake Unit 2	Hydropower	6,919 MWH	3249.129 MWH
Blue Lake Unit 3	Hydropower	3,943 MWH	2153 MWH
Blue Lake Unit 4	Hydropower	3,943 MWH	1258 MWH
Blue Lake Unit 5	Hydropower	3,943 MWH	1657 MWH
Blue Lake Fish Valve Unit	Hydropower	1,116 MWH	929.5 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	3.00 MWH
Jarvis Unit 4	Diesel (backup)	3,348 MWH	4.8 MWH
Jarvis Unit 5	Diesel (backup)	9,672 MWH	0.00 MWH

**Monthly Generation Production by Plant**

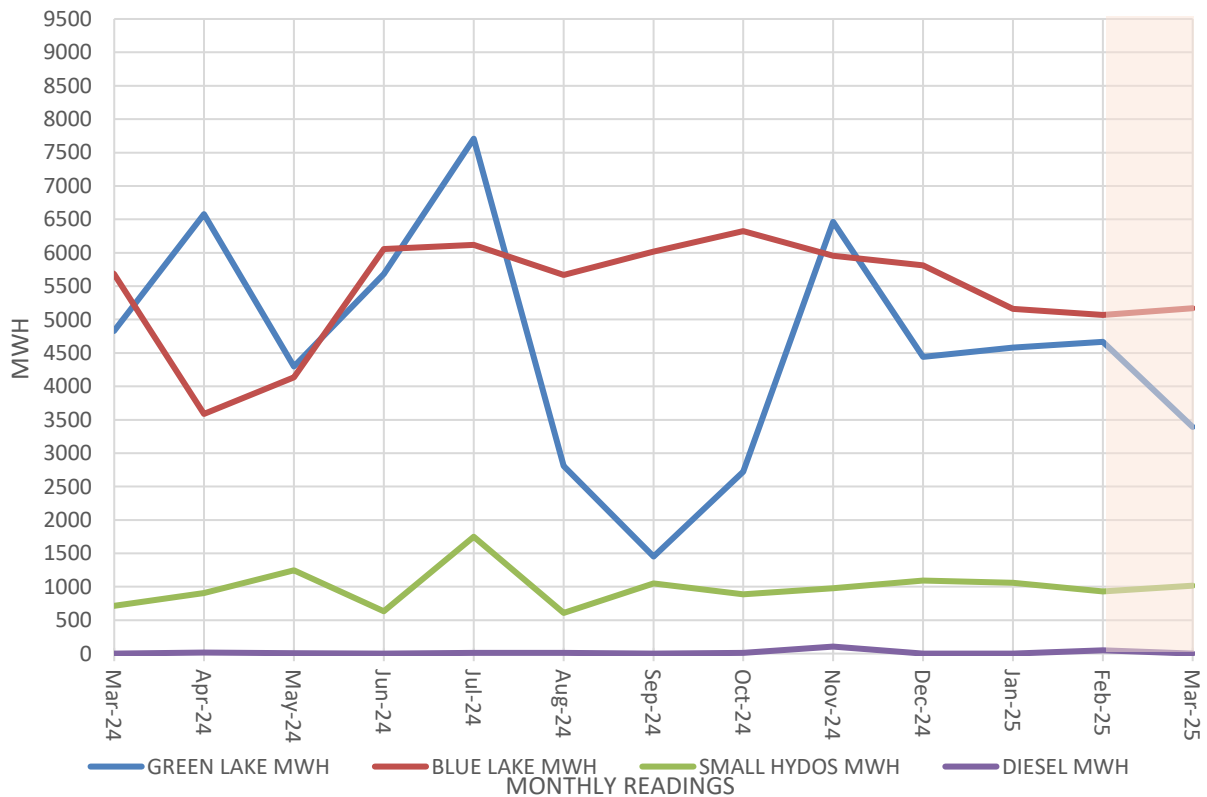


## UNIT POWER GENERATION – MARCH 2025

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

Generation Unit	Generation Type	Possible Generation	Actual Generation
Green Lake Unit 1	Hydropower	6,919 MWH	189.066 MWH
Green Lake Unit 2	Hydropower	6,919 MWH	3201.461 MWH
Blue Lake Unit 3	Hydropower	3,943 MWH	1734 MWH
Blue Lake Unit 4	Hydropower	3,943 MWH	2181 MWH
Blue Lake Unit 5	Hydropower	3,943 MWH	1256 MWH
Blue Lake Fish Valve Unit	Hydropower	1,116 MWH	1017.2 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

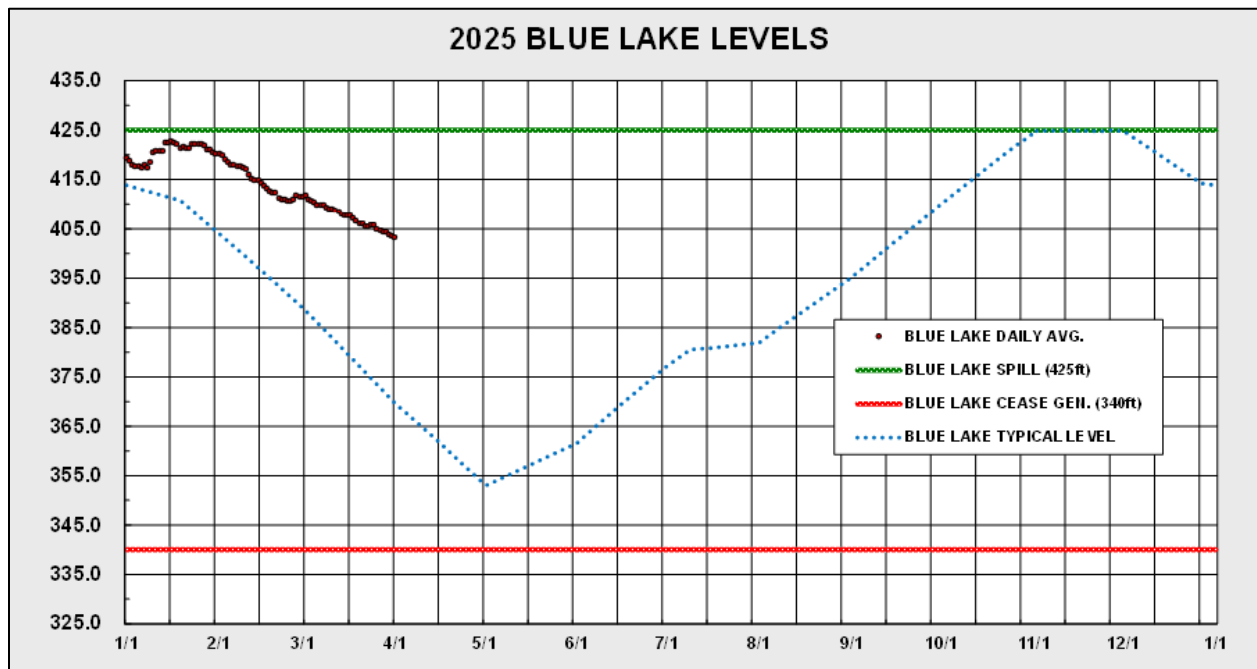
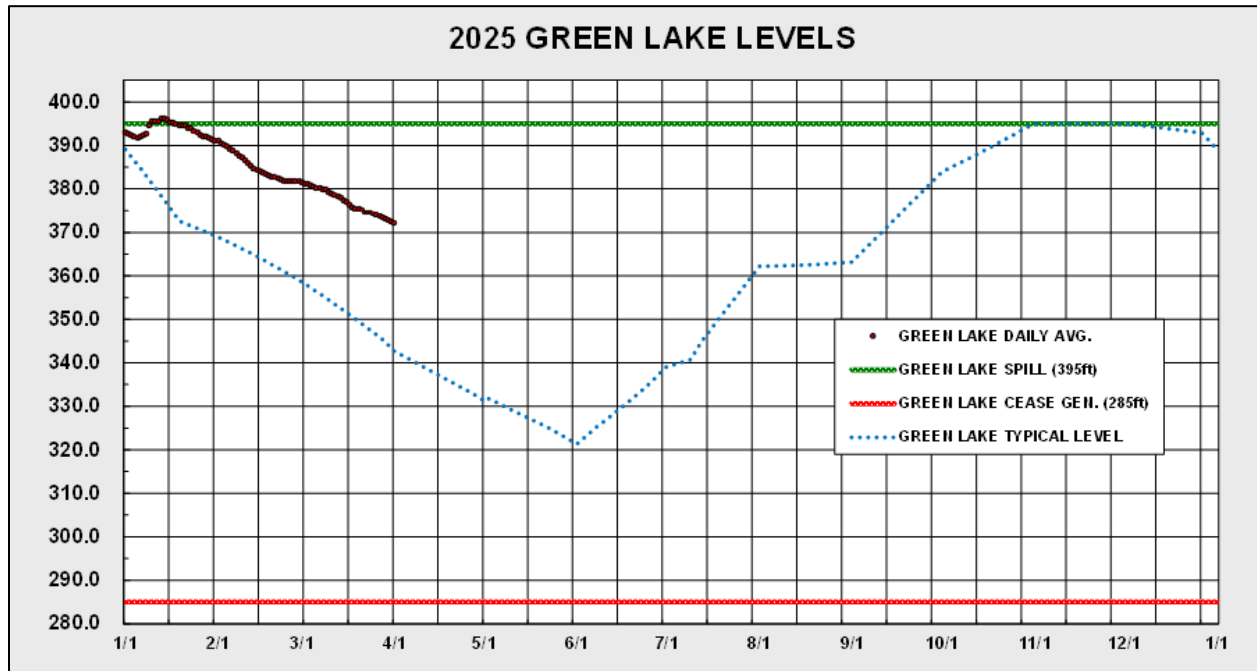
This performance measure monitors the use of diesel fuel for power generation. The Electric Utility Department operates and maintains five diesel powered generators as backup power suppliers to support the communities energy demands when hydropower units become unavailable. Often these backup units are 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 first quarter of 2025 was the result of quarterly preventative maintenance procedures

First Quarter 2025 Totals		
Generation Unit	Operating Hours	Fuel Used (gal.)
Jarvis Unit 1	0	0
Jarvis Unit 2	0	0
Jarvis Unit 3	2.4	314
Jarvis Unit 4	1.4	291
Jarvis Unit 5	1	264

## WATER PLANNING OUTLOOK

This performance measure monitors the lake elevation levels and identifies where current levels are currently. It is the Departments goal to manage water use in a manner that ensures renewable power production and minimized use of diesel backup generation. Managing water to ensure that levels remain within the Rule Curve (Typical Level – as indicated by the blue line in the graphs), helps guide responsible use of water.



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