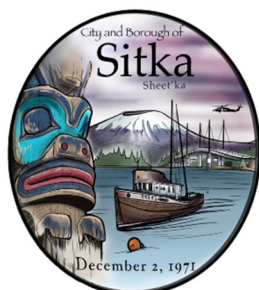


Assembly Report



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

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QUARTERLY SUMMARY

GENERAL OVERVIEW

Quarter three (Q3) was largely focused on moving funded operational and capital project forward. This included preparation for upcoming capital projects, regulatory compliance activities, student assistant program work, and preventative maintenance activities.

Preparation for upcoming capital projects included work for the Green Lake Dam Failure Monitoring improvements, Green Lake Secondary Transformer Yard improvements, Metering Improvement Project, Submarine Cable CRO Replacement, and disconnect switch replacement projects. The Green Lake Dam Failure Monitoring work included site preparation, installation of utility pole, and procurement of materials. Work on the Green Lake Secondary Transformer Yard included grounding and resistivity studies and site planning studies to identify a suitable site for the yard and preparation of specifications for major facility components. The Metering Improvement Project developments included procurement of sufficient upgraded meters and communications equipment to perform a significant wave of upgrades in 2026. The CRO Submarine Cable Project developments included kickoff of environmental permitting. Lastly, the disconnect switch replacement projects included monitoring switch development to ensure that equipment will be delivered for installation in Spring of 2026.

Regulatory compliance continues to be a significant portion of the Department's workload consisting of meeting requirements for safety, environmental, energy, and insurance. This quarter was heavily loaded with safety training and setup of safety apparel policy and procurement to meet OSHA regulatory requirements. Environmental compliance this quarter included training for staff to perform emissions reads to remain compliant with DEC regulations. On the energy regulatory side, the department moved forward with FERC relicensing studies for the Green Lake Development by performing Historic and Cultural studies and recreational use studies. In addition to this the department conducted dam overtopping study updates to better understand inundation impacts as result of a failure – these were requested by FERC. Lastly, annual insurance evaluations took place over the summer to ensure that the department is aligning with industry best practices for maintenance. The evaluation was successful and the department was able to meet requirements.

This quarter included the launch of an improved student assistant program geared toward the development of local youth within the sphere of the electric utility industry. The program employed two local students (one in college and one in high school). The program exposed each student to a broad array of office and field work to both provide industry experience, and to utilize the students to fill staffing gaps within the department. Additionally, students were put through a rigorous safety training program, a series of online industry-related courses, and job-related counseling through the Sitka Conservation Society.

Lastly, this quarter the department focused on preventative maintenance activities that included battery testing, vegetation management, thermal imaging, and other standard maintenance.

CURRENT CHALLENGES

Current challenges that the Department are facing include:

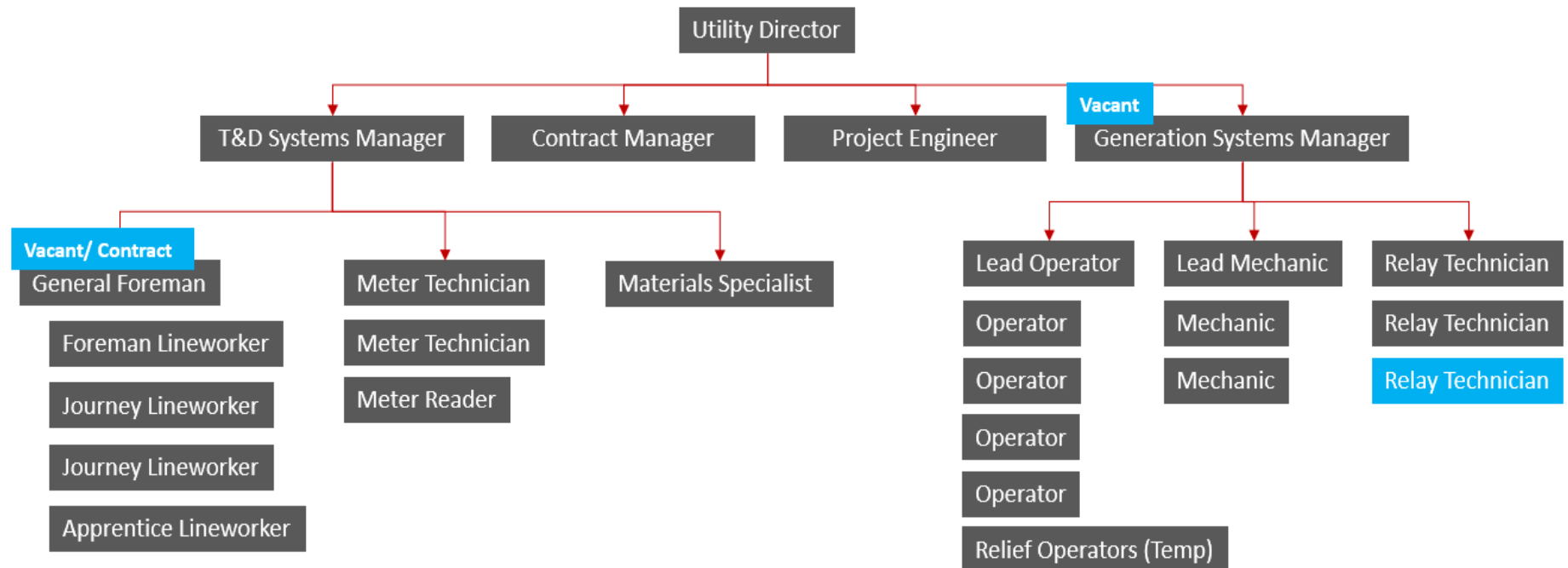
- Equipment deficiencies – (Continued) The Department has been rooting out historical deficiencies, as part of risk management. So far, a fair number of deficiencies have been identified and are being recorded for inclusion into the FY27 budget, or outright addressed with the FY26 budget.
- Procurement – The Department has struggled over the past year to both meet procurement policy and get projects moving at an adequate pace. Unfortunately, many of the projects and tasks that the department engages in, cost more than \$2,500 and are therefore required to go through a more rigid process that can be time consuming.
- The department still has 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. The 2025 Safety Audit is being finalized and will be used as guidance for a safety management framework to improve existing conditions. Additionally, fall protection risk will begin to be mitigated through upcoming contracted work that is anticipated to begin in Q4.
- Regulatory Compliance – Regulatory requirements continue to increase and increase burden on a workforce that is already at a full-time capacity. The department will continue to look for creative ways (contracting, tool or technology changes, process changes) to maintain foundational operation and maintenance activities while addressing the increased workload.
- Personnel – The department has made significant headway on recruiting lineman to reduce heavy contractor costs. Attention is now being shifted to recruiting a recently vacated General Foreman position and a Generation Systems Manager position. Filling these positions is critical to both maintain foundational operations and maintenance activities and take-on increasing challenges faced with regulatory requirements and customer projects.
- Inventory Management – The Department is facing challenges with an aging and unsupported inventory management software. This has resulted in inaccurate Department inventory. This challenge is in the process of being mitigated through the implementation of an inventory module that the CBS has already procured to manage maintenance. More updates on this topic, to follow.

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:

- ☐ Will have a full line crew employed in December
- ☐ Fall Protection Contract Award – anticipated in December
- ☐ Staffing - Recruiting for vacant positions (T&D General Foreman, Generation Manager)
- ☐ Planning for 2026 Student Assistant Program
- ☐ Marine Street, A-Side PLC upgrade and Protective Device Replacement
- ☐ Feeder switch radio/communications updates
- ☐ Sea Walk Phase II Coordination – Island Cable CRO Replacement
- ☐ Onboard consultants for various projects that are currently without internal PM support (continued)
- ☐ Perform DGA monitoring on trouble transformers (continued)
- ☐ Procure Green Lake Excitation Replacement Project parts and materials
- ☐ Solicit professional services for 2026 through an RFQ

ELECTRIC DEPARTMENT ORGANIZATIONAL CHART



Key Notes:

- Full-Time Employees (positions): **26**
- Temp Employees: **5** (including relief operators)
- Vacant Positions: **3**
- General Foreman interviews ongoing; also have contractor support
- Generation Systems Manager position vacant

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. The relay replacement portion of this project was completed in June 2025. The refurbishment of side-A will continue in the Spring of 2026 with the replacement of the PLC and protective devices at the facility. Existing PLC and protective devices 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 event of failure. Currently the department is evaluating the need for more funding to complete these remaining tasks.

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 the first quarter and is expected to begin construction in the third quarter of 2025. Final materials for this project are currently being procured. Completion is anticipated by December 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. Release of these funds are on hold due to Federal budgeting constraints.

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. Requested studies have been underway throughout 2025 and continued in Q3. A cultural and historical study was conducted in Q3. Additionally, a recreational study was continued throughout Q3.

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. This project has moved forward with procuring equipment. Once equipment arrives, further project planning and installation will begin. Installation kickoff is likely in Q1 of 2026.

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 the Department and NSRAA collaborated to refine design concepts for the proposed water turnout. The proposed design would combine two existing water lines that are in poor condition. This will reduce the overall asset liability associated with the existing turnout point. The CBS plans to procure and install a 24-inch valve as part of its commitment to the project.

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. New switches have a one-year lead time. Installation is anticipated to occur next spring (2026). These devices appear to be on-schedule.

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. This underwent a temporary repair during Q2 and is anticipated to have a permanent replacement of defective components in Spring of 2026.

REPLACE GREEN LAKE UNIT EXCITATION

The scope of this project includes the full replacement of the unit excitation controls, cabinets, and associated transformers at the Green Lake Powerplant. Existing unit excitation has outdated components and has experienced age and design related failures at an undesirable frequency. Replacement of the system will improve reliability associated with Green Lake unit start-ups. This reliability will help unit startup times, as such, provide a better service to rate-payers.

REPLACE CR0 (SUBMARINE DISTRIBUTION CABLE) FROM O'CONNEL BRIDGE TO ALEUTSKI IS.

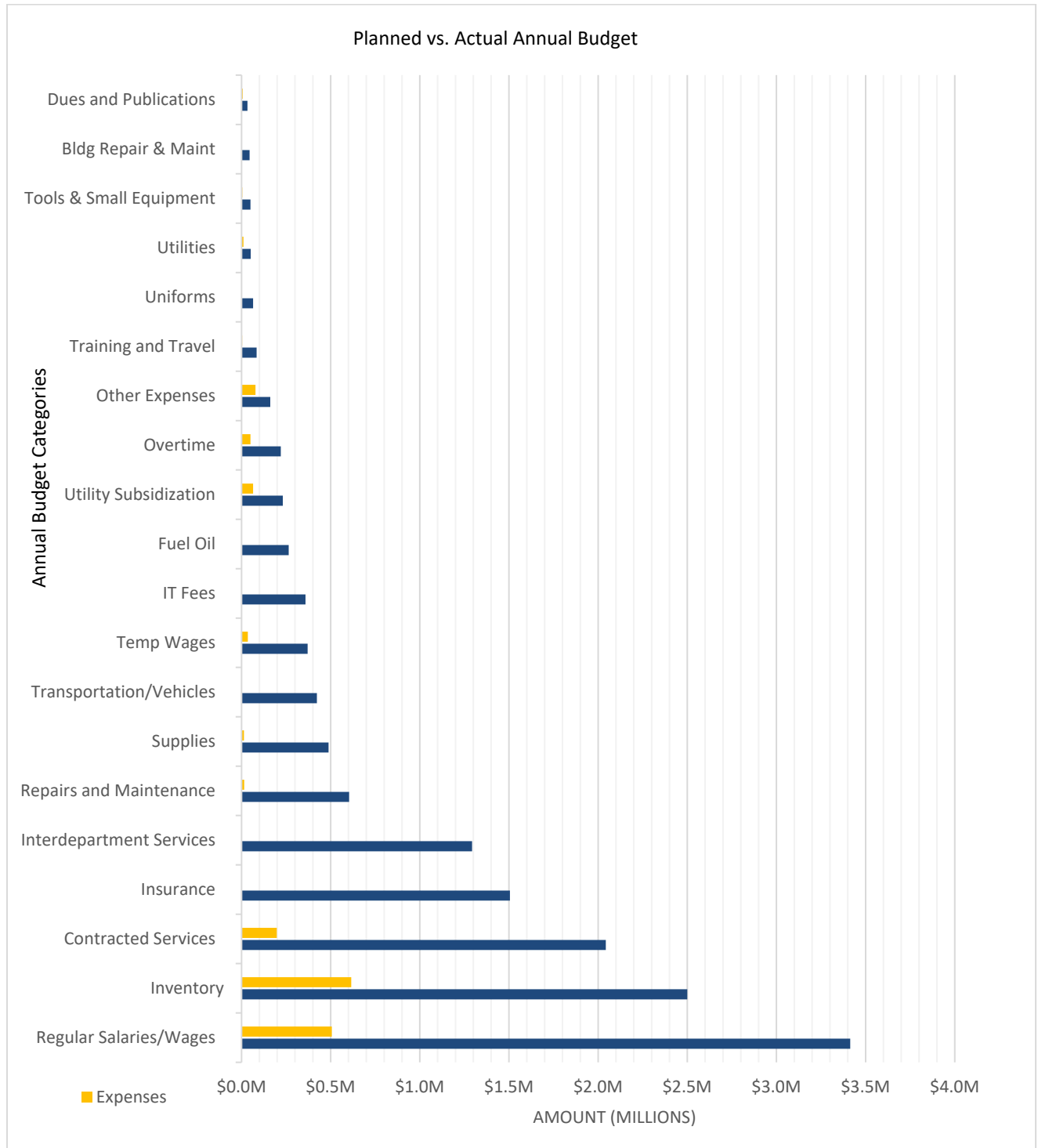
The scope of this project includes the full replacement existing underwater cable that currently stretches between the O'Connell Bridge to Aleutski Island. The existing underwater cable is beyond its service life and degraded. The said underwater cable is the initial run of distribution cable that serves many of the electrified islands south of Japonski Island. Replacing the cable will additionally include a significant amount of permitting to meet requirements mandated by the US Army Corps of Engineers, the NOAA, and DNR. This project is currently being synchronized with the CBS Sea Walk Project to ensure that project phases do not impact island reliability. Environmental permitting for this project is currently underway and anticipated to be completed at the end of Q4.

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 10/20/2025
Total expenses to date are 22% of budgeted (cost) ; we are currently through 31% of the budgeted year (time)



KEY OPERATIONAL PROJECTS

Project Description	Scope	Schedule	Budget
Inventory Management Updates	Review inventory management tools and processes. Make improvements where deficiencies exist.	To date process changes have been implemented to improve material count data and physical inventory procedures.	N/A
Solicit T&D Support Services	Solicited T&D Work Order Management services to assist with customer jobs and lineman support		N/A
Quarterly Preventative Maintenance	This quarter's maintenance included brushing and vegetation management, battery testing, thermal imaging, and dam inspections	These tasks were all completed on-time	N/A
Transformer Recycling Roundup	Collected, inventoried, and prepared decommissioned transformers for recycling	This project was able to stay on schedule with assistance from the student assistants, but is at risk of slowdown due to staff levels.	TBD
GIS Data Collection	Continued collection of GIS data for utility poles, transformers, vaults, and lines	This project has temporarily slowed down due to re-organization of project scope. Will continue in Q4	N/A
Student Assistant Program	Student assistants engage in assisting with department projects, undergoing educational training, and safety training	Student started program in beginning of summer and ended in August. Will begin recruitment again in Q4	N/A
Safety and Security Training	Staff undergo annual safety and security training	On track	N/A

Legend

	Meeting Objectives
	At Risk of Missing Objectives
	Missing Objectives

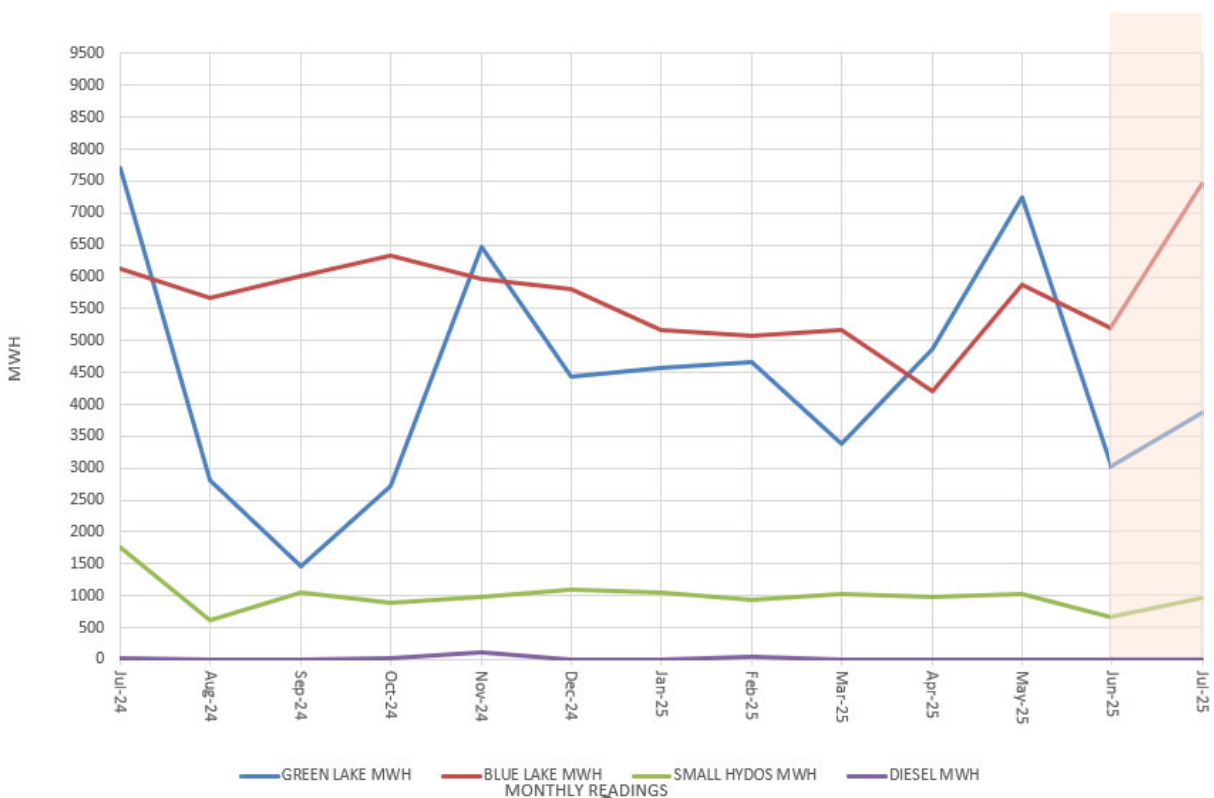
PERFORMANCE MEASURES

UNIT POWER GENERATION – JULY 2025

Performance Measure: generation (by type & unit) possible vs. actual. Total MWH produced: 9.242

Generation Unit	Generation Type	Possible Generation	Actual Generation
Green Lake Unit 1	Hydropower (8.0MW)	5,952 MWH	674
Green Lake Unit 2	Hydropower (9.6MW)	7,142 MWH	174
Blue Lake Unit 3	Hydropower (7.5MW)	5,580 MWH	3,111
Blue Lake Unit 4	Hydropower (7.5MW)	5,580 MWH	2,576
Blue Lake Unit 5	Hydropower (7.5MW)	5,580 MWH	1,756
Blue Lake Fish Valve Unit	Hydropower (1.4MW)	1,042 MWH	950
Jarvis Unit 1	Diesel (backup)	Non-Op	Non-Op
Jarvis Unit 2	Diesel (backup)	1,860 MWH	0
Jarvis Unit 3	Diesel (backup)	1,860 MWH	0
Jarvis Unit 4	Diesel (backup)	3,348 MWH	0
Jarvis Unit 5	Diesel (backup)	9,672 MWH	0

Monthly Generation Production by Plant

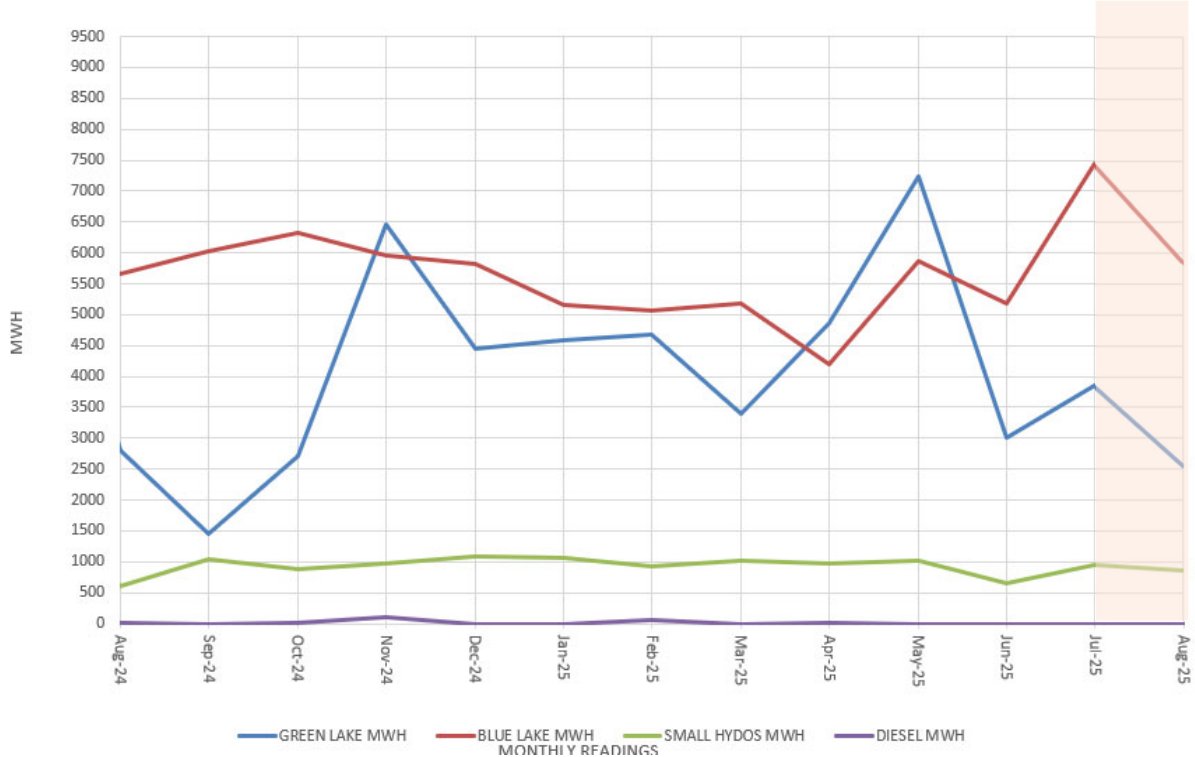


UNIT POWER GENERATION – AUGUST 2025

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

Generation Unit	Generation Type	Possible Generation	Actual Generation
Green Lake Unit 1	Hydropower	5,952 MWH	921
Green Lake Unit 2	Hydropower	7,142 MWH	1,844
Blue Lake Unit 3	Hydropower	5,580 MWH	1,619
Blue Lake Unit 4	Hydropower	5,580 MWH	1,844
Blue Lake Unit 5	Hydropower	5,580 MWH	2,377
Blue Lake Fish Valve Unit	Hydropower	1,042 MWH	921
Jarvis Unit 1	Diesel (backup)	Non-Op	Non-Op
Jarvis Unit 2	Diesel (backup)	1,860 MWH	0
Jarvis Unit 3	Diesel (backup)	1,860 MWH	0
Jarvis Unit 4	Diesel (backup)	3,348 MWH	0
Jarvis Unit 5	Diesel (backup)	9,672 MWH	0

Monthly Generation Production by Plant

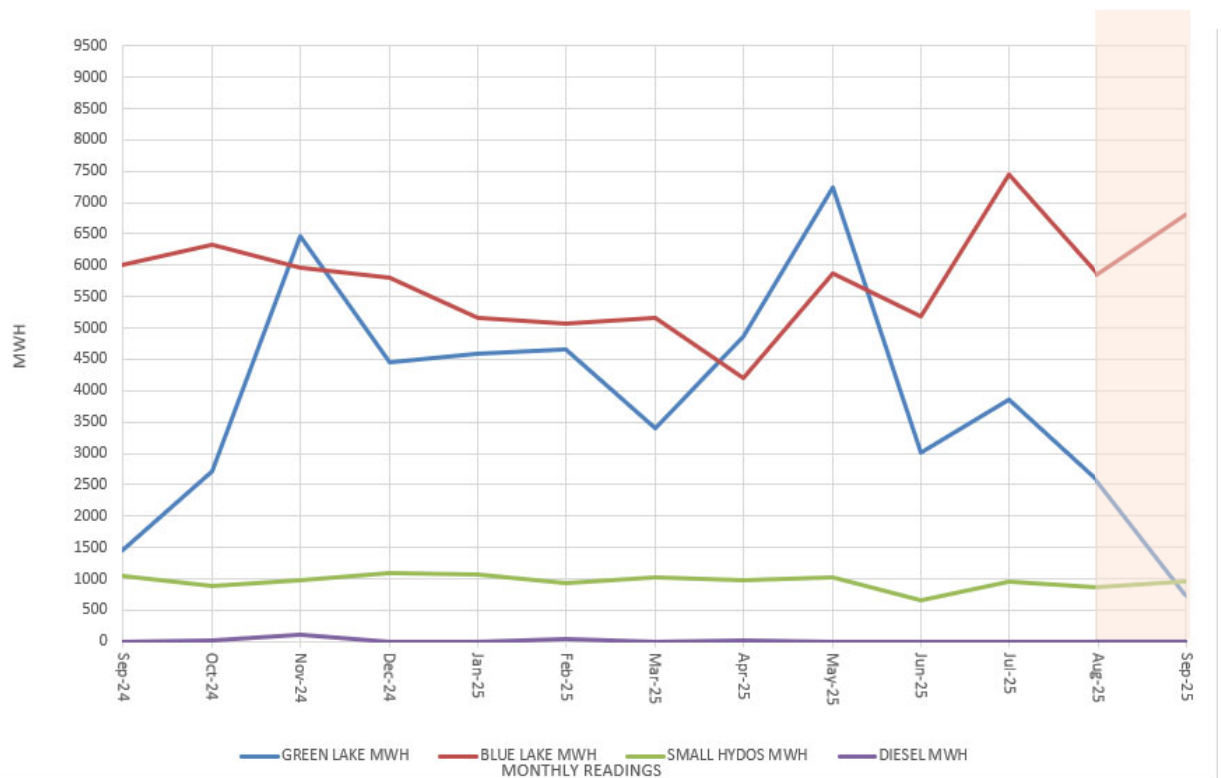


UNIT POWER GENERATION – SEPTEMBER 2025

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

Generation Unit	Generation Type	Possible Generation	Actual Generation
Green Lake Unit 1	Hydropower	5,760 MWH	47
Green Lake Unit 2	Hydropower	6,912 MWH	677
Blue Lake Unit 3	Hydropower	5,400 MWH	2,882
Blue Lake Unit 4	Hydropower	5,400 MWH	2,099
Blue Lake Unit 5	Hydropower	5,400 MWH	1,821
Blue Lake Fish Valve Unit	Hydropower	1,008 MWH	948
Jarvis Unit 1	Diesel (backup)	Non-Op	Non-Op
Jarvis Unit 2	Diesel (backup)	1,860 MWH	0
Jarvis Unit 3	Diesel (backup)	1,860 MWH	0
Jarvis Unit 4	Diesel (backup)	3,348 MWH	0
Jarvis Unit 5	Diesel (backup)	9,672 MWH	0

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 third quarter of 2025 was eliminated due to the timing of scheduled maintenance runs performed at the end of June and at the end of October.

First Quarter 2025 Totals		
Generation Unit	Operating Hours	Fuel Used (gal.)
Jarvis Unit 1	Unit Decommissioned	n/a
Jarvis Unit 2	0	0
Jarvis Unit 3	0	0
Jarvis Unit 4	0	0
Jarvis Unit 5	0	0

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.

