

**Minutes of Special Assembly Meeting
Held November 30, 2012**

Mayor Donald McConachie called the special assembly meeting to order at 4:00 p.m., November 30, 2012, in the Assembly Chambers. Assembly Members Privett, Jack, Stough, and Wiederspohn were present. Assembly Members McCloskey and Stokes were absent. Borough Manager Timothy Rooney had been in another meeting and arrived at 4:05 p.m. Borough Clerk Kim Flores was also in attendance.

CONFLICT OF INTEREST

None.

PERSONS TO BE HEARD

Ernie Christian, 9.2 Mile Zimovia Hwy., stated that while listening to the recordings of the SEAPA discussions, nothing had been talked about with regards to administration costs; administration costs had gone up 38% in three years; not a cost savings entity to the rate payers of the City & Borough of Wrangell; SEAPA has over \$17 million dollars in the bank for reserves; asked why do we need SEAPA; advocate of total divestiture from SEAPA so that Wrangell and Petersburg could own Tyee and KPU could own Swan; believes that total divestiture should be looked at again; administrative costs should be looked at before the O&M costs were reviewed.

ITEMS OF BUSINESS

5a Clarification and Corrective Action of vote taken at the Regular Assembly Meeting held on November 27, 2012 for the D. Hittle and Associates "Operations and Maintenance Organizational Review" report.

Moved by Stough, seconded by Jack, to rescind all action taken at the November 27, 2012 Regular Assembly Meeting in relation to Item 13d - Assembly Action relating to the D. Hittle and Associates "Operations and Maintenance Organizational Review" report

Mayor McConachie reported that the action taken at the November 27, 2012 Regular Assembly Meeting in relation to the D. Hittle and Associates item, was not correct and that corrective action needed to be taken.

Motion approved unanimously by polled vote.

Moved by Privett, seconded by Jack, to instruct the Wrangell SEAPA Board Representatives to enforce the Power Sales Agreement (PSA) as our guide in all actions

and recognize that Petersburg and Wrangell share equally 100% of operating capacity of Tyee Hydro and also that the Operations and Maintenance Agreement be reviewed and consolidated under one operator with cooperation and approval of the three municipal owners (City of Ketchikan, City of Petersburg, and the City and Borough of Wrangell).

Assembly Member Privett said that he had appreciated Mr. Christian's comments; believed that the divestiture of the SEAPA process was something that needed to be looked at; State looked at SEAPA as an energy regulator; if divestiture were to happen, Wrangell's rate payers should not be held accountable; if there were projects that the State needed us to do, they would need to pay for us to do them.

Assembly Member Privett also agreed with Mr. Christian, that the SEAPA administration appears to be top heavy.

Assembly Member Privett said that his hope is that this motion would give direction to the Wrangell SEAPA Board Members and that the City of Ketchikan, City of Petersburg and the City & Borough of Wrangell would all be able to move forward.

Mayor McConachie said that when the Four Dam Pool was created, it functioned as it was supposed to for many years.

Assembly Member Stough said that the original goal for total divestiture was to keep our options open; divestiture would allow for the possibility to be independent and run our own operations.

Special meeting adjourned at 4:14 p.m.

ATTEST:


Kim Flores, Borough Clerk




Donald J. McConachie, Mayor