BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE (BPMC)
MEETING MINUTES
May 15, 2026

1. CALL TO ORDER

Chair Travis Million called the meeting of the Bradley Lake Hydroelectric Project Management Committee to order at 10:00 a.m. A quorum was established.

2. ROLL CALL (for Committee members)

Tony Izzo (Matanuska Electric Association [MEA]); Brad Janorschke (Homer Electric Association [HEA]); Travis Million (Golden Valley Electric Association [GVEA]); Brian Hickey (City of Seward); Arthur Miller (Chugach Electric Association [CEA]); and Curtis Thayer (Alaska Energy Authority [AEA]).

3. PUBLIC ROLL CALL (for all others present)

Jennifer Bertolini, Mark Billingsley, Pat Domitrovich, Pamela Ellis, Josi Hartley, Jim Mendenhall, William Price, Casey Reeves, Vienna Vaden, Robert Varga, Mark Ziesmer (AEA); Matt Clarkson, Josh Crowell, Sherri Highers, Mike Miller, Paul Millwood (CEA); Dan Bishop (GVEA); Larry Jorgensen, Sarah Lambe, Martin Law, Mike Salezetti, Jessica Spuhler, Brad Zubeck (HEA); Josh Crowell, Kim Henkel, David Pease, Matt Reisterer (MEA); Matthew Schoenfeld, and Thomas Toepfer.

4. AGENDA APPROVAL

MOTION: A motion was made by Mr. Thayer to approve the agenda, as presented. Motion seconded by Mr. Miller.

A roll call was taken, and the motion to approve the agenda passed unanimously.

5. PUBLIC COMMENTS - None.

6. APPROVAL OF MEETING MINUTES – March 20, 2026

Mr. Thayer discussed one typographical error in the last sentence of the first paragraph on page 12. The reference to 78 cents per kilowatt should be corrected to seven cents to eight cents per kilowatt. Jennifer Bertolini, AEA, noted that correction will be made to the minutes. There was no objection.

MOTION: A motion was made by Mr. Thayer to approve the Minutes of March 20, 2026, including the correction of the typographical error on page 12. Motion seconded by Mr. Janorschke.

A roll call was taken, and the motion to approve the Minutes of March 20, 2026, including

the correction passed unanimously.

7. NEW BUSINESS

A. Hiring Attorney for BPMC

Chair Million requested Mr. Thayer to provide information regarding hiring an attorney for the BPMC. Mr. Thayer discussed that AEA has gone out on three separate occasions looking for a Request for Proposal (RFP) from a firm. Only one firm returned the RFP that does not have a conflict of interest with the existing utilities' lawyers. The firm is Van Ness Feldman. They did work on Susitna Watana about 12 years ago on behalf of the BPMC. Mr. Thayer asked Mark Billingsley, AEA, to provide additional comments. Mr. Billingsley indicated that Van Ness Feldman also helped with work on Dixon. He noted that the attorneys for the utilities had a chance to talk with the attorney from Van Ness Feldman regarding their minimal prior representation.

Mr. Thayer noted that the two solicitations for legal representation were for a BPMC attorney and for an attorney to represent, if needed, on the RCA June 4, 2026 order. Van Ness Feldman responded to the BPMC attorney RFP. There were no responses for an attorney for the RCA June 4, 2026 order. Mr. Billingsley indicated that if there is a need for an appeal to the RCA June 4, 2026 order, it is possible that Van Ness Feldman could handle the appeal, subject to the BPMC's approval.

Mr. Janorschke asked if the BPMC will get the opportunity to meet and visit the representative from Van Ness Feldman. Mr. Thayer explained that the solicitation closed on Thursday. The information packet was distributed to all of the members of the BPMC. Mr. Thayer asked for the will of the BPMC regarding legal counsel and how to move forward. Mr. Thayer noted that Van Ness Feldman was not invited to today's meeting because a decision has yet to be made.

Chair Million asked if any of the BPMC members have recommendations before offering the contract to Van Ness Feldman. Mr. Thayer suggested that a call could be set up with the attorneys of the utilities to meet with a representative of Van Ness Feldman.

Mr. Izzo agreed that a call with counsel is a good idea. He believes that the process needs to move forward. The BPMC has tried a number of times to identify local or in state counsel, as is the preference. At this point though, the BPMC needs counsel and Van Ness Feldman has experience. He reiterated his support for the utilities counsel to have a call with the Van Ness Feldman representation.

Mr. Janorschke commented that he would like to have a meet and greet with the Van Ness Feldman representation.

Mr. Thayer suggested that a Teams call could be set up to meet the Van Ness Feldman representation. Mr. Janorschke agreed.

Mr. Miller agreed with Mr. Janorschke that it is important to have an opportunity to speak with the Van Ness Feldman representation. The utilities can bring their counsel to the meeting.

Mr. Hickey agreed that it is time to move on with the process and secure counsel. He agreed to the suggestion of meeting the representative.

Mr. Billingsley clarified that he is to set up a meeting as soon as possible with the Van Ness Feldman counsel and the members.

Mr. Thayer suggested that a special meeting of the BPMC could be scheduled to interview counsel in executive session. After executive session, the BPMC could approve the contract or not approve the contract. The meeting could be scheduled as soon as possible. The individual utilities can bring their counsel for discussion at that special meeting.

Mr. Miller noted that Van Ness Feldman is located out of state. He asked if it is possible to find opportunities that the representative attend and participate in the BPMC meetings via Teams, so that the additional costs of travel and accommodations is not incurred for every meeting. Mr. Thayer expressed support for that idea. There was no objection.

Chair Million requested that Mr. Thayer and his team coordinate the special meeting for the introduction of the Van Ness Feldman representative. There was no objection.

Ms. Bertolini acknowledged the representatives from PFM who are attending via Teams.

8. OLD BUSINESS

A. Bradley Lake Expansion Capital Project Financing

Mr. Billingsley discussed that AEA has a team of people who have been working on the financing for capital projects. He noted that he will review the public portion of the presentation and then go into executive session for the content that is more appropriately discussed in executive session. The total project cost of the Bradley Lake Expansion Project and Dixon Diversion Project (Bradley Expansion) is $420 million, of which $20 million has been raised. The project is 4.9% funded. The goal is to have the financing closed by December 2026. Mr. Billingsley reviewed the cashflow slide and the current funding sources. Most of the expenses will occur in 2029 and 2030.

Mr. Billingsley discussed the CIPLink total project cost is $412 million, of which $270 million has been raised. Half of the total project cost was funded through the Department of Energy (DOE) Grid Resilience and Innovation Partnerships (GRIP) grant. The CIPLink financing deadline is January 2028. Mr. Billingsley reviewed the cashflow slide and current funding sources. The biggest spending is expected in 2028 for the cable.

Mr. Billingsley discussed the Soldotna-Sterling-Quartz Creek (SSQ) Transmission Line and Substation Project updated total project cost is $173 million, of which $90 million has been raised from Bond Series 11. The SSQ Project financing deadline is June 2027. He reviewed the cashflow slide. The biggest spending is expected in 2028. The project includes three substations. Mr. Billingsley continued the presentation and noted the slide showing the expert partners who are working on these capital projects.

Mr. Miller commented that the Bradley Expansion projected cost is $420.7 million. He asked what that cost is on a levelized per megawatt hour basis. Mr. Thayer indicated that will be discussed in executive session. Mr. Billingsley stated that it depends on the funding source that will be utilized. He explained that if the cost of current debt and the cost of current operations are included, and then the cost of Dixon is added to that, the range is between 8 cents to 10.5 cents. If only the cost of building Dixon is considered, the range is between 3.5 cents to 6 cents per kilowatt hour for the additional generation. This assumes a 30-year life. Mr. Miller commented that the number seems very low, but he is happy with that number. Mr. Billingsley explained that the projection depends on tax credits and financing options.

Mr. Janorschke commented for the public's information that the word Bradley is misspelled on the second slide. He noted that the CIPLink and SSQ Line slides show significant funding gaps. He asked if there is a plan to close that funding gap. Mr. Thayer indicated that discussion would occur during executive session and the members will be involved in choosing which funding sources will be utilized. Mr. Billingsley noted that it would not be appropriate to disclose the financial analysis to the different financial partners.

Chair Million noted that he was not on the Committee when the BPMC dedicated $90 million of bond funding to the SSQ Line upgrades. He asked if the estimated project cost at that time was $90 million. Mr. Thayer noted that the revised total project cost also accommodates the necessary substations that were not originally included. Two of the substations are owned by Homer Electric Association and one of the substations is owned by Chugach Electric Association. The financing structure of those substations has to be discussed and determined with the utilities.

Mr. Thayer requested to move the Executive Session for the CIPLink and SSQ Financing update later in the agenda after 8F. SS Line Update, so that all of the project updates are reviewed before entering executive session. There was no objection.

C. CIPLink Update

Jim Mendenhall, AEA, reported on the CIPLink memorandum update included in the Committee packet. Staff continue to work closely with the owner's engineer Stantec and with HDR on permitting for geotechnical work and marine surveys in the Inlet this summer. Additionally, information is being gathered regarding the previous studies for the geophysical and environmental data. AEA is pursuing a U.S. Army Corps of Engineers Nationwide Permit for surveying. The work is expected to occur late this summer. Onshore geotechnical sampling may begin once the location for the landing points are selected.

Mr. Mendenhall noted that Stantec continues efforts on procurement strategy solicitations. A draft agreement for the supply of the cable has been obtained, and a similar agreement is being finalized for the converter stations. The procurements will be under a phased approach. The global market for cable is still constrained. There is only one U.S. manufacturer for the cable. It is possible that an application for a Build America, Buy America (BABA) waiver will need to be pursued. Staff has been engaging with Stantec and with the utilities regarding updates to the preliminary design. It appears that the best location for the terminus of the HVDC line may be the Soldotna substation.

Mr. Mendenhall discussed that AEA recently worked with DOE on the contract continuation. The contract has been extended through June 30, 2027. Approximately, $250,000 of the $894,000 for Community program work no longer required by DOE was able to be retained for outreach during the permitting phase. AEA continues to make adjustments with DOE to the internal rates for fringes and overhead. Mr. Mendenhall noted that more discussion will occur in executive session regarding the funding status. The spending amount to-date is approximately $1.86 million, and will be invoiced very soon. Mr. Mendenhall announced that Owned Assets brought on a new staff member last month, Casey Reeves, as an environmental engineer, and a contractor, Brite Niezek, to assist with project scheduling, controls, and compliance for the project. There were no comments or questions.

D. Bradley Lake Expansion Project Update

Mr. Mendenhall noted that he will provide the Bradley Lake Expansion Project Update because Ryan McLaughlin, AEA, is on a well-deserved vacation. The focus has been on the mid-June submittal for the final amendment for the dam. The Federal Energy Regulatory Commission (FERC) will review the amendment and is expected to take about a year to get approval. Mr. Mendenhall discussed that Mr. McLaughlin has been working closely with Alaska Department of Fish and Game (ADFG) and US Fish and Wildlife Service (USFWS) on additional modeling for fish passage and sediment management in the Martin River.

Mr. Mendenhall reviewed AEA's efforts on the possibility of incorporating a micro-turbine in-pipe design for one of the fish bypass valves. This could possibly produce an additional .5 MW to 1 MW of capacity. The 3-phase power upgrade will make this opportunity an option. Mr. Mendenhall noted that Mr. McLaughlin is reviewing the bids for the 3-phase transformer to be set up near the electric facility and will run power to the dam. AEA plans to procure additional long lead materials of cable and insulators for the 3-phase power upgrade in July. The current single-phase line is near its end of life. Later this year, vegetation will be cleared in advance of the 3-phase power. Field crews have installed stream gauges and cameras on the Martin River for the discharge measurements. Drilling crews are expected to mobilize in mid-May and will be onsite for most of the summer. FERC has approved the revised Drilling Program Plan, which includes holes in the front of the spillway, the base of the dam, the diversion site, and two deep boreholes midway along the tunnel for soil samples. Mr. Mendenhall noted that the third Board of Consultants meeting is scheduled to be onsite in late June.

Mr. Mendenhall stated that Martin Law, HEA, may speak about the water well freezing up today at Bradley Lake.

Mr. Thayer commented that the cost of the current 3-phase power upgrade materials is anticipated to be approximately $12 million. There is enough interest earned on the Series 11 Bonds to cover those expenses this summer. Mr. Thayer read Resolution 25-01 that passed last year allowing the interest earned on the bonds to apply to additional cost of acquisition and construction at the Bradley Lake Hydro Project for required project work.

Mr. Janorschke requested clarification on the location of the 3-phase power. Mr. Mendenhall explained that the 3-phase power will run to the existing dam, to the portal for the tunnel boring machine, and to the diversion structure.

Chair Million asked for the sizing and lead time for the 3-phase transformer. Mr. Mendenhall noted that the lead time is approximately a year. He will get the specific information to Chair Million to provide to members. The procurement was obtained six months to nine months ago. There were no other comments or questions.

E. SQ Upgrade Update

Chair Million invited Mike Miller, CEA, to provide the update on the SQ Upgrade. Mr. Mike Miller discussed the progress since the BPMC meeting in March. A bid package for construction was issued on May 5, 2026 for Project 2. Those bids are due back July 2, 2026. A Notice to Proceed (NTP) for construction is expected at the end of July. Staff is working through a permitting issue with USFWS regarding the request for a proposed requirement for a surety bond for AEA's land rights. All of the materials have been purchased for Project 2. The actual costs were approximately 15% over the original budget. The total cost for Project 1, Project 2, and Project 3 is approximately $90 million. Mr. Mike Miller discussed that request for bids for steel poles were issued on May 14, 2026 for Project 3.

Mr. Thayer asked when and how long the out-of-service is expected to occur. Mr. Mike Miller believes there will be 80 outage days that could occur either in the last quarter of this year or in the first quarter of next year. There were no other comments or questions.

F. SS Line Update

Chair Million requested Mike Salezetti, HEA, to provide the SS Line Update. Mr. Salezetti reviewed that the current project scope includes approximately six items, including the land interest study, recommendation of the best corridor, acquisition of required land rights, construction ready design and specifications, choice of procurement packages, initiation of procurement, and receipt and storage of the material. The current project charter does not include the construction. Mr. Salezetti asked to modify the current project charter scope to include the project construction.

Mr. Salezetti reviewed the status on each of the project scope items. The land studies have been completed. Six of the seven required easements have been obtained. The design is advanced as far as possible without the receipt of the transmission poles. Additionally, outstanding on the design is the fiber optic termination at both substations in Soldotna and in Sterling. A little more work remains on the construction units for the utility enterprise system. The procurement packages are ready, and are expected to be released in the spring of 2027. The receipt of materials is expected in the fall of 2028. Construction is anticipated for the winter of 2028 / 2029. The original project cost estimates was $24.4 million for a double circuit 230 line from Soldotna to Sterling. This does not include any of the substation upgrades required for the project. In the spring of 2025, the materials were bid out and came back significantly higher at approximately $34.5 million. With the 10% contingency, the overall project cost is approximately $38 million.

Mr. Salezetti noted that the budget does not include any adjustments for inflation. The budget does not include any Buy America premiums that may be required. The low bidder for the bids received was Chinese steel. If the American bidder must be utilized for the transmission poles, the cost would increase by approximately $1.2 million. The cost also does not include any summer construction, which would increase the cost another $4.3 million for the matting. Mr. Salezetti explained that the budget does not account for the timing of the 2025 bid, which includes President Trump's tariffs and the spiking price of steel. He noted that EPS estimates that if the bid had occurred in October of 2025, the costs would have been about $3.5 million lower.

Mr. Salezetti discussed the project was originally scheduled for the winter of 2025 / 2026. Due to the material costs, the project was delayed. Given the current Railbelt schedule, the next logical window is the winter of 2028 / 2029. This would require putting the bids out on the street in the spring of 2027, with material receipt in the fall of 2028 and construction in the winter of 2028 / 2029. Mr. Salezetti noted action items are for the change in scope to include construction of the project, authorization of funding to accommodate the 2027 release of materials, and any upfront payments required for material purchases.

Mr. Thayer expressed his assumption that a resolution is needed to move forward on Mr. Salezetti's action item requests. He asked if Mr. Salezetti and Mr. Janorschke can have that resolution ready for the next BPMC meeting. Mr. Thayer noted that discussion could also occur in executive session regarding financing options.

Mr. Janorschke believes that the change in scope can be made with a motion today. As far as moving the project forward, the financing portion can be discussed during executive session. The prices have increased significantly, and Mr. Janorschke is not willing to sign off of the procurement of the materials until there is agreement to pay for them.

Chair Million asked Mr. Janorschke if a motion is needed at today's meeting or at the next meeting. Mr. Janorschke noted that the motion for changing the charter could occur at either meeting.

Mr. Thayer noted that the next BPMC meeting is in late June.

Chair Million commented that he would like to review the current charter and review the proposed changes before voting on the changes.
Mr. Janorschke and Mr. Salezetti agreed to those preparations. There were no other comments or questions for Mr. Salezetti.

Mr. Mendenhall advised that he pulled up the specifications for the pad-mounted 3-phase 2500 kVA high voltage transformer. He read the full description.

Mr. Thayer commented that he believes all preparations have occurred to now enter into executive session. There was no objection.

MOTION: A motion was made by Mr. Thayer to enter into executive session to discuss confidential financial matters, the immediate knowledge of which may have an adverse effect on the Authority or the Project. Motion seconded by Mr. Miller.

Mr. Izzo requested that Item 8B. Dispute Resolution Process could be included within the executive session discussion.

Mr. Thayer and Mr. Miller accepted the friendly amendment. There was no objection.

A roll call was taken, and the motion to go into executive session with the friendly amendment to include discussion of Item 8B. passed unanimously.

i. **CIPLINK and SSQ Financing Update**
   1. **Executive Session – 10:52 a.m. (Bylaws Section 5.11.4) – To discuss confidential financial matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the Authority of the Project.**

B. Dispute Resolution Process – Wheeling Services Agreement

The Committee reconvened its regular meeting at 11:50 a.m.

9. OPERATORS REPORT

Chair Miller requested Mr. Law to provide the Operator's Report. Mr. Law noted that the Operator's Report is included in the packet, as well as an update on the barge dock repair status. The spring outage is ongoing from May 14 to May 27, 2026. Mr. Law explained that the well is not frozen, rather it has failed and is not replenishing like it should. A contractor is scheduled for this Sunday to run a camera in the well to determine the problem.

Mr. Janorschke asked Mr. Law for the well depth. Mr. Law noted the well is 75 feet deep. The pump sits at 65 feet in the water table. There were no other comments or questions.

10. COMMITTEE REPORTS

Chair Million commented on time restraints for today's meeting. He asked if there were any objections from the Committee to forego Item 10A. and 10B., as both reports are provided in written form. There were no objections.

A. Budget vs. Actuals - Included in the packet

B. O&D Report - Included in the packet

11. EXECUTIVE SESSION: - (Bylaws Section 5.11.4) –To discuss confidential matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the Authority of the Project. **– NO EXECUTIVE SESSION**

12. MEMBERS COMMENTS

Mr. Miller thanked AEA for their thorough work on the financing and the significant progress that has been made.

Mr. Thayer complimented the financing team for their efforts, especially now moving into the next phase of review.

Mr. Hickey echoed the previous comments of appreciation for the financial presentation and the good information.

Mr. Izzo echoed the positive comments.

Chair Million echoed the previous comments of appreciation.

13. NEXT MEETING DATE – June 26, 2026

Chair Million noted that the next meeting date is June 26, 2026. Additional work will be completed before that meeting.

Mr. Thayer noted that the Chief Financial Officers (CFOs) will be contacted regarding the financing. If any other individuals are to be included in those financing discussions, please inform Mr. Thayer. There were no other comments.

14. ADJOURNMENT

There being no further business for the committee, the meeting adjourned at 11:57 a.m.

Travis Million, Chair

Curtis Thayer, Secretary