



Interior Gas Utility

Board of Directors Meeting
December 18, 2018 @ 4:00 PM
100 Cushman Street, Ste. 512, Fairbanks, Alaska

DRAFT AGENDA

I. Call to Order

- Roll call
- Approval of Agenda & Consent Agenda
(*Items marked with * are approved under consent agenda*)
- Approval of December Minutes – 12/04/18*, 12/11/18* Pgs. 2-15
- Public Comment – *limited to three minutes*

II. New Business

- North Slope Pad (Board Discussion) Pgs. 16-22

III. Unfinished Business

- BM 2018-12 Stantec Contract Extension (Board Action)
 - Recommendation for Amendment No. 6 to the Master Services Agreement Contract with Stantec to increase funding for Contract Management Services for the Interior Gas Utility in the Fairbanks Area (RFP 14014) (\$770,000.00) Pgs. 23-24
- Siemens Negotiations Update (Board Discussion)
- FEED Update (Board Discussion)
- Executive Session re: possible internal disciplinary matter

IV. Other Business

- Action Items List Pgs. 25-26

V. Closing Comments

- General Manager Comments
- IGU Attorney Comments
- Directors Comments

VII. Adjournment

To participate via teleconference, call 1-800-315-6338; when prompted, enter 47499

DECEMBER 4,
2018 MINUTES



Interior Gas Utility

Board of Directors Board Meeting
December 4, 2018 @ 4:00 PM
100 Cushman Street, Ste. 512, Fairbanks, Alaska

Draft Minutes

A Meeting of the Board of Directors of the Interior Gas Utility was held Tuesday, December 4, 2018, in the IGU Conference Room, Fairbanks, Alaska. IGU Board Vice Chair, Jack Wilbur, presiding.

Others in attendance were: Dan Britton (IGU), Zane Wilson (CSG – IGU Attorney), Laura Steel (Secretary to the IGU Board), and Public members: Mary Nordale (2019 IGU Board elect), Gene Therriault (AIDEA), Michael Welch (Mayor of North Pole, AK), Jomo Stewart (FEDC), Liz Greig (public), and Kelly Laurel (Siemens-Telephonic).

I. Call to Order @ 4:02 pm.

- Roll call

Board Members Present:

Jack Wilbur
Bill Butler
Patrice Lee
Mike Meeks – arrived @ 4:05 pm
Gary Wilken
Pamela Throop - Excused
Steve Haagenson - Excused

- Approval of Agenda and Consent Agenda
 - Moved by Director Wilken and Seconded by Director Butler to accept the Agenda and Consent Agenda. Motion carried.
- Public Comment – *limited to three minutes*
 - Mary Nordale - Received a frantic call from her niece re: conflict of interest if a relative's company works for Siemens - it may be an issue. Mary does not know anything about the company and cannot see any way for her personally to have a conflict of interest. If IGU entered into an agreement with Siemens and IGU, she still doesn't see this as a conflict. Mary wants to send a letter to the Board to have it on file and explain all this, and wants permission to do so before she takes office as an IGU Board Member. Zane agrees, direct the letter to the IGU board, and then send it to Dan or Laura.

- Gene Therriault – Wanted to give an update of the AIDEA Board discussion with regards to the status of the project and progress of storage and status of the pad. Still waiting for a decision from DNR. In the last quarterly report in October, the major content was from IGU under sales and consolidation. Expense charts update, highlights funds from legislature, none of the bond money has been accessed, all of the capital funds are expended, issue of expense on North Slope, gives breakdown, \$6 million is the investment value which is preserved by maintaining the lease. Director Wilken asked if the Commissioner at DNR was staying on. No. Gene states that there is a new Commissioner and he spoke with them about the gravel pad and pending decision; there may be a pause in that pending decision while waiting for the administration changes. Director Wilken stated he was disappointed in Governor Walker not helping this utility. Director Lee asked about any predicted delay to the utility. Gene expects DNR to get up to speed quickly.

II. New Business

- FY 2019 IGU Budget Amendment
 - Dan presented the budget amendment. The legal expenses are up an additional \$285,000.00 due to the Siemens negotiations. The office rent is also up due to having the IGU office for \$1,500.00 per month.
 - Director Lee asked if it looks like we will use up the funds in the grant. Dan answered that it doesn't appear that an extension is available so we will use most of it. The FNSB wants the final draw request by December 18, 2018; the funds are available through the end of December.
 - Director Meeks stated that the budget for Board travel was more than the City and Mayors offices combined. Dan responded it was for travel to Anchorage for Siemens negotiations, if needed. Director Butler suggested using miles to offset travel, Bank of America offers miles for Alaska Airlines. Mayor Welch suggested an EasyBiz account past 5,000 offers mileage for the account. Dan responded we do not have an EasyBiz account at this time.
 - Dan recommended approval of the Budget Amendment. Moved by Director Wilken and Seconded by Director Meeks to approve the Budget Amendment. Discussion: Director Lee wants to discuss next year if we need this IGU office or need to move somewhere else that costs less. Without objection, Motion carried.

III. Unfinished Business

- Siemens Negotiations Update
 - Dan reports we have transmitted the document to Siemens and have no response yet. They are working towards a response. We have a tentative December 17, 2018 face to face negotiations meeting. Director Meeks asks if

Dan thinks we are 50% there on the term sheet or closer to 90%. In Dan's opinion, we are 50% or below.

- Director Butler states that December 17, 2018 is close to the end of the month deadline. Any requirement to provide ahead of meeting so not dropped at the meeting. Dan can and will ask for that.
- Director Lee asked if the new concepts are familiar to the Board at this time. Dan answered they are not new concepts. Director Lee asked if we simplified or complicated it, stating she did not see the document. The entire Board was provided this report and she was provided this document as well.
- Director Butler asked for an executive session to ask questions on the things he does not understand. Zane says until it stops changing, it may be a waste of effort. Dan will offer explanations if Director Butler wants to call him with questions.
- Director Meeks asked if we are going to plan a big dog and pony show like when we signed for Pentex. Dan suggests it is up to the Board. Once the agreement is defined and pending, you may want a public presentation or discussion.
- Director Wilken inquired about Line Item No. 0.15, we were wrestling with this six weeks ago, now we are at the first of July 2019 instead of the first of May 2019.

- FEED Update

- Analysis finalized next, then direction to request for FEED.
- Director Wilken asked if the earthquake caused any change in design. Dan says no, but there is a lot of plan in the design considering earthquakes.
- Was Line Item No. 2.09 part of the FEED effort? No, there are no detailed conversations about that yet, it was included in the term sheet.

- North Pole Storage Update

- Including a 65% budget, it was at 65% completion. We will be coming to Board for approval. Page 10 shows 65% budget. This is \$11,330,000.00 in the plan, and without including high pressure vaporization, this serves IGU Phases 1-3. The high pressure storage is \$1.5 Million. The budget was prepared by an estimator with PDC. The total contingency is \$2 Million of the \$11 Million budgeted.
- Director Lee asked what the contingency included. Dan answered it accounts for unknowns such as the difference between estimated profit bid by contractors and what they actually bid, explained work done for tanks and off load facilities.
- Director Wilken asked if it is appropriate to have a board meeting out there to become familiar with that area. The property purchase from GVEA is not included in this budget.
- Director Butler asks for rationale why not have the contractors buy it and then install it. Dan answered it is because we are buying items that the general contractors won't have experience with.

- Director Lee asked what the biggest expense for moving the tanks at Tria Road. The crane and trucking are a substantial expense, and the reconnect is the other substantial expense.

IV. Reports

- General Manager
 - Included pictures of recent activities. PHMSA was here Friday and the inspections are going well. Regarding the earthquake we were back up and running within 6 hours at the Titan location. No movement at all at Tria Road.
- IGU Attorney
 - IBEW meeting happened. Only one vote was cast in favor of unionization. He will pick up on the negotiating contract in January. Director Lee asked if there are negotiating team members from the Board. Dan explained that Zane and Dan will be the team for negotiations. Director Lee asked if it was possible for a Board member to sit in.
 - Director Butler asked about majority of vote rule regarding only one vote cast for unionization.
 - Director Meeks stated that getting Board members involved in the negotiations is not something that would help.

V. Other Business

- Action Items List
 - Mark Rockwell will be the new Director of Operations beginning January 7, 2019.
 - With the budget modification we can now issue the RFP for a marketing company.
 - We will be bringing a modification for the Stantec contract regarding North Pole.
 - There has been progress on the binders and the Policies are on the shelf for reference at the Board meetings.
 - Director Lee thinks it will be a good thing for the public to see the action item list. Dan answered they are on the website in the board packets. Director Lee will tell them to look there.

VI. Closing Comments

- Dan-The earthquake reminded us that we have a great team behind us. Chairman Wilbur asked about rerouting trucks. Vine Road connecting directly to the Parks highway was damaged and we weren't able to use it so they have to take KGB Road to the Parks highway, which added about 15 miles to the trip. A driver on the road was instructed to stay put for 2-3 hours during

earthquake.

- Zane – Will be out of town for the next couple meetings. He will be telephonic for the Siemens negotiation on December 17th. He leaves Friday afternoon and will be telephonic for the Board meeting on December 18th.
- Director Lee – Thanked the Titan staff and appreciates them. She also appreciated Mayor Walsh listening in.
- Director Wilken – Congratulations on hiring Mr. Rockwell. Director Wilken will be traveling next week and on teleconference for the Work Session. The article in the paper that he brought; it occurs to him that 50% of the problem of bad air occurs 8% of the time.
- Director Lee – Wanted to add to her comments, she can do a 3 hour board meeting on the details of the air problem. She asked if she could send some information to Dan for input to the agenda.
- Director Meeks – We may not want what AIDEA is working on. He won't be here when we will have AIDEA here to negotiate the North Slope Pad. He believes the agreement was that \$100,000 per year goes to AIDEA. That started when the first comments from AIDEA were a blank check. We are not giving you a blank check so settled on a \$100,000. Director Meeks thinks that covers anything extra that is done on the North Slope.
- Chairman Wilbur - Stated that he read that all power plant discharges are above the inversion zone so should not contribute to pollution. If they are not part of the problem, why are they hung up on best use, or has that gone by the wayside.
- Director Lee – Inversion can be at different levels. Ash is disposed of into wetlands. 12% of emission that is not taken out is part of the problem. Most of the problem is homes, but 12% is the accepted number.
- Director Meeks – EPA says ash can be put in landfills. They have no rules on households.

VII. Adjournment @ 5:19 pm.

Move to adjourn by Director Butler, Seconded by Director Meeks. Meeting Adjourned.

December 4, 2018

[illegible]

DECEMBER 11,
2018 MINUTES



Interior Gas Utility

Board of Directors Board Meeting
December 11, 2018 @ 4:00 PM
100 Cushman Street, Ste. 512, Fairbanks, Alaska

Draft Minutes

A Meeting of the Board of Directors of the Interior Gas Utility was held Tuesday, December 11, 2018, in the IGU Conference Room, Fairbanks, Alaska. IGU Board Chair, Pamela Throop, presiding.

Others in attendance were: Dan Britton (IGU), Zane Wilson (IGU Attorney - telephonic), Laura Steel (Secretary to the IGU Board), and Public members: Mary Nordale (2019 IGU Board elect), Jomo Stewart (FEDC), and Liz Greig (public).

I. Call to Order @ 4:00 pm.

- Roll call

Board Members Present:

Jack Wilbur
Bill Butler
Patrice Lee
Mike Meeks (telephonic @ 4:17 pm)
Gary Wilken (telephonic)
Pamela Throop
Steve Haagenon

- Approval of Agenda
 - Moved by Director Lee and Seconded by Vice Chair Wilbur to accept the Agenda. Without objection, Motion carried.
- Public Comment – *limited to three minutes*
 - Liz Greig - AIDEA is rumored to have been trying to make IGU fail so someone can swoop it up at pennies on the dollar. Not beneficial to the community. If any parties are blocking this deal with Siemens, this is a concern to her. She has been watching, and a lot of people are interested in the outcome of these negotiations.
 - Director Wilkens – This is the craziest thing he has heard in ages, go to her people who don't have the courage to come forward, they can come forward, but please don't carry their water for them, you have been a loyal follower and all this does is ruin your credibility.
 - Liz Greig – Does not agree that it affects her credibility.

II. New Business

- Stantec Contract Extension (Board Discussion)
 - Dan discussed Stantec contract extension that took them to the end of January 2019. We would like to continue to use their services, primarily their activities related to Tria Rd and North Pole. Recommending amendment for \$770,000; of that approximately \$650,000 is for Tria Road and North Pole Storage, project and construction management, \$40,000 is for Brown Thornton, and the remaining is for IGU activities.
 - Director Butler – Is it a lump sum?
 - Dan – Costs or incurred only for activities requested.
 - Director Haagenson – Are the task orders continuing?
 - Dan – Some are continuing.
 - Vice Chair Wilbur – Why do we continue to use the IGU contract as a mechanism for Dave Prusak's continuing employment? So we borrow the money, who pays the invoice? FNG pays but has a Memorandum from IGU to pay this. Some invoices are paid by IGU directly.
 - Director Wilken - Interested in what Stantec's scope of work is, would like an outline showing how they fit in the organization, would like it sometime in the next month or two.
 - Dan- It is a changing relationship, their responsibility has diminished substantially, very limited to any operational work. Brown is involved in financial modeling we are working on.
 - Director Butler – Is this a five year extension or a fifth year extension? One year extension, not a five year, was a typo that will be corrected.
 - Madam Chair Throop-Does this cover cost overruns? Tria road budget?
 - Dan-No, the need for David's time is what this is for. Not in addition to the budget.
 - Director Lee – There was an Earthquake report, can we get it? Specifically on North Pole land. It went to DEC, it is related to IGU insuring the North Pole property.
 - Dan – We already received reports from Golden Valley. He can ask if they did not supply us everything.
 - Director Butler - \$540,000 for David's time? David's time is for Tria Road, plus other people for North Pole Facility. David's hourly is \$198.00.
 - Dan – His intent is for this to be an action item at the next Board Meeting.

III. Other Business

- Action Items List
 - Updated from previous. Highlighted items are completed now. Will continue to add and delete as items are brought forward.
 - Madam Chair Throop – FEED Update is on here but we need a Feed timeline when we are expecting to be done. Dan replies that the Feed Scope is meant

to incorporate that. It has a November deadline which was meant to cover that. Dan wants to bring to the BOD how long we can sustain an outage; like an N+1 approach. It will have some high level comparisons, and what the capital is to see the best approach. This is before Braemar is issued the final go-ahead. The BOD needs to tell them whether they want two versus one tank and how to proceed.

- It will be 2.5 years after giving direction to Braemar before we get additional LNG.
- Number 19 – we will have HDR N+1 Security Analysis. They have provided a draft, Dan asked them to look at alternatives, per the Board's request, and they should have that soon.
- Number 18 – This is for a Full Time Construction Manager for sizeable construction management. QA, QC, processing invoices. The Stantec contract amendment approval takes care of this task.
- Director Lee – What is an example of adjustments made to the Analysis? How long can we withstand shortage? Are we looking at seismically stable places, or are we still looking at expansion at the Titan facility? Are we on gravel or river bed? Dan responded with the explanations.
- Our best security of supply is for two 100,000 gallon trains. If we lose one, we are ok in January and February. We are looking at how long this can last.
- Director Haagenson-If we decide to build two 100,000 gallon trains at the same time, it may save money.
- Dan-looking at opportunities and different ways to address security of supply.
- Madam Chair Throop – Haven't they worked on this for quite some time? Dan responded that they completed it, and then the BOD wanted to go past the 5 days' supply. It has been a few weeks. It will be done pretty soon.
- Madam Chair Throop – Aren't the items on the Siemens list overdue? We are going to be a month behind getting our FEED started. We can't go anywhere until we get this from HDR. We need to set our desired Scope.
- Number 9 - Progress has been made. It is an ongoing thing as we evolve, we adjust.
- Gas Supply – Have we talked with any more producers? Dan says there is no specific start of a negotiation.
- Madam Chair Throop provided a Siemens Update – There were 12 people on the phone. In order for them to give us the comparisons, they need the numbers from Dan. Madam Throop would like to ask for the numbers immediately. Wes and Dan met after the phone call earlier in the day. The numbers will be available for internal discussion Thursday and Friday. Madam Chair asks why they can't provide it to Siemens. Wes is working on this now; it takes time. Madam Chair doesn't believe it needs to go back to the IGU Negotiating Team, she wants it to be sent directly to Siemens without the Team reviewing it. Dan wants the team to see it before it goes to Siemens.
- Vice Chair Wilbur-what are we talking about? Madam Chair Throop says Siemens needs numbers for the variable operating cost for the Titan plant if there is an integration of Titan and Siemens; they need those numbers.

- Dan-Siemens believes they will have lower operating costs. We will deliver LNG to Fairbanks from either Titan or Siemens. They believe theirs are less expensive, Robin believes it would be Titan since there is no debt. Madam Chair does not believe the IGU Negotiations Team needs to see the numbers before they are sent to Siemens. Dan is not comfortable sending those numbers before they are sent to the IGU Team, at least to explain what they are.
- Director Lee-Team has come up with this request. She believes incorporating Titan complicates things in the Siemens negotiations. She is not an expert on the numbers, and asks why the board needs to see them. Dan answered that the numbers are available, and Siemens has probably already looked at them, but Dan will break it down so there can be an open conversation. Dan explains that this discussion is whether or not the numbers are available for review by the IGU Negotiating Team; not for the BOD's review.
- Vice Chair Wilbur asks if we are giving information for the team to decide if it is less expensive to produce gas under Titan or under the Siemens plan. Dan says yes; IGU wants to make sure if we make the agreement with Siemens, that we have an asset and we can fully utilize that asset to the best resource for our customers. What is the right mix? Vice Chair Wilbur asks if Titan would serve as a back up to Siemens so they would not have to provide that degree of backup. Dan says possibly, those discussions are ongoing; and to the extent of the potential for GVEA usage to benefit our customers at a reduced cost.
- Madam Chair states that Robin said today that we could take greater advantage of that Titan plant. We need the numbers to figure this out.
- Director Lee stated that legislators are asking questions regarding what is cheaper. Director Lee wants to look at best value when talking to Braemar and Siemens and this includes value on how soon we get the gas.
- Director Butler states that we are wandering very far from the agenda.
- Madam Chair Throop stated that providing the cost to Siemen's needs to go on action item list.
- She also wants us to make sure all emails to Fairbanks Natural Gas are saved according to the public records act. Dan will check with IT regarding this.
- Director Lee asks when Dan wants to put the Citizens for Clean Air Update on the Agenda. Madam Chair Throop suggested it will be on the next work session.

IV. Closing Comments

- Dan has heard questions regarding the schedule for January and February. Can we confirm what it is? January 8th and 22nd are Board Meetings, January 15th and 29th are Work Sessions. February 5th and 19th are Board Meetings, February 12th and 26th are Work Sessions, if needed. We will ensure the calendar on the IGU website reflects these as discussed.
- Vice Chair Wilbur stated that we have agreed to BOD meetings twice monthly. So if we cancel, it needs to be a Work Session canceled.
- Director Haagenson asks if we are doing something near Lowes'? No, not us,

not sure what is going on, it's not us.

- Follow up to activities related to the earthquake. Titan was restarted that day and remains in operation.
- Director Lee thanks everyone that comes to testify before us, says it is important to take public testimony very seriously.
- Vice Chair Wilbur said that Ms. Grieg's comments were interesting. He is convinced everyone on this board has the best interests of the community at heart. There are entities in this community that do not have the same desire. Lots of competing energy sources. Those are the interests we genuinely need to be concerned about.
- Director Wilken said he was almost physically ill and hopes the 7 of them have the same reaction. If we allow ourselves to be whipsawed by anonymity, if we steer this ship by hearsay, we are surely doomed. We can't sit and let that happen. He asks the BOD to think long and hard about that testimony. He asked Madam Chair to call the witness into her office, and if indeed people are whispering in her ear with the intent of doing harm to the corporation, she has the duty that those assertions are brought forward publicly. There are a hundred different places this could be brought forward if they were based in truth, which they were not. Again asked Madam Chair to visit with her tonight.

V. Adjournment @ 5:05 pm.

Move to adjourn by Director Butler, Seconded by Director Lee.



BOARD MEETING SIGN IN SHEET

DATE: 12-11-18

Name	Address or Title	Email Address	Do you wish to testify today?
Liz Greig			yes
Jomo Stewart	FEDC	jstewart@investfairbanks.com	

NORTH SLOPE PAD
(BOARD DISCUSSION)



October 30, 2018

Mr. Dan Britton
General Manager
Interior Gas Utility
3408 International Street
Fairbanks, AK 99701

Dear Dan:

As previously discussed, the Alaska Industrial Development and Export Authority (AIDEA) would like to formalize an agreement with the Interior Gas Utility (IGU) regarding the handling of expenses and income from the North Slope pad asset that was secured through the use of Interior Energy Project funds in 2014.

Following the close of the utility consolidation deal on June 13 of this year, AIDEA continued to pursue reissuance of the North Slope pad lease under less restrictive terms in order to accommodate IGU's request to have the pad ultimately transferred to its control. IGU's intent is to generate future income for the benefit of the IEP by subleasing the pad for general economic development. As the lease reissuance process with the Alaska Department of Natural Resources has progressed, AIDEA has used authority funds to keep the pad from lapsing back to state control and cover costs associated with the new lease.

I have enclosed a spreadsheet that details the North Slope pad costs paid by AIDEA from June 13 to today. The spreadsheet also includes an accounting of expenses that may be charged to AIDEA as well as expenses that will be due prior to the issuance of the new, less-restrictive lease.

Over the course of the last year, AIDEA has continued to interact with Prudhoe Bay Chemical, who continues to be interested in securing a long-term sublease for one third of the North Slope pad acreage. IGU previously reviewed the proposed sublease terms for this arrangement and provided comments that have been incorporated in the document. In addition to this potential revenue source, AIDEA has been in ongoing discussions with SAExploration regarding their interest in utilizing the remaining two-thirds of the pad for a temporary man-camp through the coming winter season.

To address the funds already expended by AIDEA and the need for additional funding to secure the new pad lease, AIDEA proposes a Cost Recovery Memorandum of Understanding (MOU). In principle, this MOU will address the anticipated need for funds to complete the lease reissuance, how AIDEA's expenses to date will be recovered, and how any future income generated from the Pad will be distributed. It will also reiterate AIDEA's intent to ultimately

Mr. Dan Britton
Interior Gas Utility
October 30, 2018

Page 2

apply for, and support, the transfer of the pad lease to direct IGU control. I propose the general terms of the MOU to be:

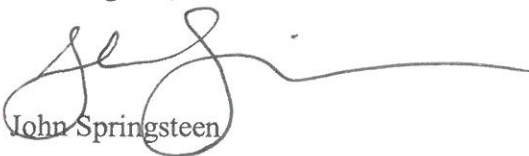
1. IGU agrees to pay future pad expenses to facilitate reissuance of the lease and approval of subleases,
2. IGU agrees to a 50/50 split on sublease net income until AIDEA recaptures NS pad carrying and lease reissuance costs incurred since June 13, 2018,
3. Beginning January 1, 2019, IGU agrees to cover reasonable AIDEA internal expense for ongoing management of the North Slope pad until the asset is transferred to IGU control, and
4. AIDEA reaffirms its pledge to facilitate reissuance of the North Slope pad lease, approval of potential short- and long-term commercial leases and ultimate transfer of the assets to IGU.

I have enclosed an AIDEA North Slope pad cash flow projection that is based on the principles outlined above and anticipated revenue from a Prudhoe Bay Chemical sublease starting in July, 2019. I have also enclosed a copy of proposed short-term lease language with SAExploration so you can see how beneficial having this near-term activity on the pad will be in facilitating this transaction. Please review the information supplied and let me know if the general terms are acceptable to IGU. If so, I will have MOU language drafted for your review.

An alternative to this proposal would be for both AIDEA and IGU to discontinue any further efforts associated with the North Slope pad and allow the acreage to revert to DNR control.

Please do not hesitate to contact Gene Therriault or myself if you have questions regarding the proposed path forward.

Kind regards,


John Springsteen

Attachment A - 2018 Expenses

North Slope Pad Expenses - 2018	Invoiced to AIDEA	Encumbered by AIDEA	Actual, Encumbered and Committed	Other Expenses	Est Cost by 12/31	Notes
Property Payments (IGU)						
Lease Preservation (Est future \$104k)	\$69,762		\$69,762	\$34,238	\$104,000	07/31/2018 - 07/31/2019 NS PAD LSE ADL 419409
					\$0	
Administration/ Support					\$0	
Financing structuring/dev	\$0		\$0		\$0	Mostly PFM - Assume no costs to date
DOL Legal R1813 FY18			\$0		\$0	Assume none in June
DOL Legal R1813 FY19	\$0	\$10,000	\$10,000		\$10,000	\$2154.22 to 8/30
AIDEA Admin Cost (estimated)						ADIEA Cost \$17,886.93 (@9/28)
Consultants Other	\$0		\$0		\$0	None to date
Survey	\$6,103	\$6,893	\$12,996		\$12,996	Pending
Appraisal	\$12,900	\$0	\$12,900		\$12,900	Pending
					\$0	
DMLW RSA R1906 FY18	\$0	\$20,700	\$20,700		\$20,700	Some Work June 13-30, but not invoiced
DMLW RSA R1906 FY19	\$0	\$20,700	\$20,700		\$20,700	RSA is for \$20,700. No bill yet
DOG RSA R1816 FY18	\$13,574		\$13,574		\$13,574	No work in June
DOG RSA R1816 FY19	\$0	\$0	\$0		\$0	Need to set up and RSA for Close Out of Lease
Other RSA	\$0	\$0	\$0		\$0	
					\$0	
O&M					\$0	
O&M	\$0		\$0	\$5,000	\$5,000	Will be needed
Insurance (General Liability)	\$0		\$0	\$5,000	\$5,000	GL only
					\$0	
Other Fees					\$0	
License/Fees/Misc	\$750		\$750		\$750	07.2018-06.2019 ANNUAL COMPLIANCE FEE
Unallocated	\$400		\$400		\$400	Reimb North Slope Pad Maps Purchase
Bond D, R&R			\$0	\$6,500	\$6,500	
Total	\$103,489	\$58,293	\$161,782	\$50,738	\$212,520	

North Slope Pad - Attachment B

Annual Operation Budget	FY 2020
Expenses	
Property Payments	
Lease Preservation (Cost Pending) \$69,762	\$104,000
Taxes	
2018 State property tax	\$0
2018 Local Property Tax	By Users
Administration/ Support	
Financing structuring/dev	\$0
Legal	\$1,000
AIDEA Admin Cost (estimated)	\$20,000
Consultants Other	\$0
Survey	\$0
Appraisal (allowance)	\$3,000
DMLW RSA	\$5,000
DOG RSA	\$0
Other RSA	\$0
O&M	
Repairs	By Users
Insurance (Operating)	By Users
Insurance (General Liability)	\$5,000
Utilities	By Users
Other Fees	
License/Fees/Misc	\$7,000
Unallocated	\$5,000
DNR Gravel	Not Included
Total Expenses	\$150,000

[illegible]

BM 2018-12



**Interior Gas Utility
BOARD MEMORANDUM
No. 2018-12**

Meeting Date: December 18, 2018

From: General Manager, IGU

Subject: Recommendation for Amendment No. 6 to the Master Services Agreement Contract with Stantec to increase funding for Contract Management Services for the Interior Gas Utility in the Fairbanks Area (RFP 14014) (\$770,000.00)

On January 17, 2014, IGU awarded a master services agreement (MSA) to Stantec Consulting Services Inc. (formerly MWH Americas, Inc.) in the amount of \$1,800,000. The MSA provided for an initial one-year contract period with the option for renewal of up to five additional one-year amendments. On January 6, 2015, the initial contract period was extended to March 16, 2015 for no additional cost. On March 3, 2015, the first-year of extension (Amendment 1) was awarded in the amount of \$1,998,784. On May 3, 2016, the second-year of extension (Amendment 2) was awarded in the amount of \$1,997,074. On June 4, 2017 the MSA was extended for the remaining third-year (Amendment 3) to January 17, 2018 at no additional cost. On January 17, 2018, a fourth-year extension (Amendment 4) to January 17, 2019 was issued for no additional cost at that time. On July 17, 2018, an Amendment 5 was approved for additional funds in the amount of \$322,979.21 to complete work through the end of the fourth contract year. Amendment No. 6 is requested for the final one-year extension to the MSA in the amount of \$770,000.00.

It is requested that the Board approve the increase funding for Amendment No. 6 to Stantec Consulting Services Inc. for an additional amount of \$770,000.00. This work will continue to be task order based, by which the IGU General Manager may issue task orders as the work need arises throughout the contract period and will exercise discretionary budgetary authority to manage spending at the task order level. Approval of this amendment for the MSA will extend the agreement through its last remaining year.

Prepared by: David J. Prusak, Project Manager

Submitted by: Dan Britton, General Manager

Approved:

Pamela Throop
Chair, IGU Board of Directors

Date

ACTION ITEMS LIST

Item	Action	Responsible Person	Date Initiated	Due Date	Status	Notes
1	Policies put on the IGU website and sent to IGU Attorney	Laura Steel	11/09/18	Completed	Completed	
2	Update Binder of Board Memorandums & Board Information Memos	Laura Steel	11/09/18	Completed	Completed	
3	Update Binders of HB 105, FNSB Ordinances, PSA/FA, Bylaws for BOD mtgs	Laura Steel	11/09/18	Completed	Completed	
4	Titan costs sent to Siemens	Dan Britton	12/11/18	Completed	Completed	
5	Ask Alan Shepherd (HDR Engineer) what it would take to make a utility grade firm gas supply	Dan Britton		Completed & Awaiting Report	Completed	
6	Original documents in a locked cabinet at the IGU office	Laura Steel	11/09/18	Originals at FNG office	Copies on IGU shelf	
7	Hire a construction Project Manager for the North Pole phase of storage	Dan Britton		01/31/19	Needs budget approval	
8	Siemens Negotiations Update under GM Report	Dan Britton		1st & 3rd Tuesdays	Ongoing	
9	FEED Update under GM Report	Dan Britton		1st & 3rd Tuesdays	Ongoing	
10	Citizens for Clean Air Update	Director Lee		Monthly	Ongoing	
11	Finish modeling for comparisons	Brown Thornton		Ongoing	Ongoing	
12	Staffing plan for overall Project Management, Scope, Schedule and Budget	Dan Britton		Ongoing	Ongoing	
13	Identify gas supplies and negotiate price and terms	Dan Britton		Ongoing	Ongoing	
14	Global Plan going forward with the Utility, Update Capital Plan and Proforma	IGU Board		Ongoing	Ongoing	
15	Siemens Negotiations Schedule sent to BOD	Dan Britton		Weekly	Ongoing	
16	FNG emails in compliance w Public Records Act. Check with FNG IT.	Dan Britton	12/11/18		Waiting for response	
17	Hire media company for updating and integrating IGU and FNG's online/internet presence	Michelle Hollowell		12/31/18	Will issue an RFP	
18	Difference in cost for one train versus two trains	Dan Britton		End of December		
19	Storage levels in any given year as we grow our demand and recognize our security of supply	Dan Britton		End of December		
20	Update Binders of Meeting Minutes & Attachments	Laura Steel	11/09/18	Ongoing		
21	IGU Policy 09 Relationship Between the IGU Board of Directors and the General Manager	IGU Board	09/04/18	Tabled on 9/4/18		
22	IGU Policy 10 Delegation of Authority by the IGU Board of Directors to the	IGU Board	09/04/18	Tabled on 9/4/18		
23	Policy Drafted on Written Records Retention	IGU Attorney	12/13/18			
24	FEED scope to be completed and discussed with Braemar	Dan Britton				
25	Policy No. 05 Ethics and Conflicts of Interest updated	IGU Attorney				
26	Policy No. 05 Ethics and Conflicts of Interest; Disclosure form created	IGU Attorney				
27	Change the Code of Ethics	IGU Attorney				