BOARD OF DIRECTORS MEETING

Tuesday, August 6, 2024 @ 4:00 P.M.
In-Person & ZOOM Meeting
2525 Phillips Field Road, Fairbanks, AK
DRAFT AGENDA

*This meeting will be held **both in person and telephonically**. Packets available to the public outside the door of the IGU Office at 2525 Phillips Field Road*

Join Zoom Meeting
https://us02web.zoom.us/j/82034384099?pwd=nEIJ0Ck3wxwbGCPKXMfoIVlQPQb6St.1

1-253-215-8782
Meeting ID: 820 3438 4099
Password: 080214

I. CALL TO ORDER
- Roll call
- Approval of Agenda
- *Approval of Minutes – 7/2/2024 & 7/11/2024
- Public Comment – *limited to three minutes*

II. NEW BUSINESS

III. REPORTS

IV. DIRECTOR REQUESTS FOR IGU INFORMATION

V. CLOSING COMMENTS
- General Manager
- IGU Attorney
- Directors

VI. ADJOURNMENT

THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE.
THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE DELETION OF ITEMS OR EXECUTIVE SESSIONS, IF NEEDED.

Approval of Minutes
7/2/2024 & 7/11/2024

BOARD OF DIRECTORS MEETING
Tuesday, July 02, 2024 @ 4:00 P.M.
In Person & Zoom Meeting

Draft MINUTES

A Meeting of the Board of Directors of the Interior Gas Utility was held on:

Tuesday July 02, 2024
IGU Board Chair, Gary Wilken presiding.

Others in attendance were: Elena Sudduth (IGU General Manager), Zach Dameron (IGU Controller), Mary Fox (IGU Administrative Assistant), Zane Wilson (IGU Attorney), Rene' Broker, (IGU Attorney)

I. CALL TO ORDER 4:04 pm

- Roll call
  Gary Wilken
  Steve Haagenson
  Jack Wilbur
  Mike Miller
  Jim Dodson
  Pete Kelly

- Approval of Agenda & Consent Agenda*
  *(Items marked with * are approved under consent agenda)*
- Approval of Minutes – 6/4/2024*
- Acceptance of Financials- May 2024*

Chair Wilken announces that Director Dodson has to leave the meeting early. With that, he requests that we adjust the agenda so that the General Manager's Report be moved to the beginning of the agenda so that Director Dodson can participate in the Executive Session.

Chair Wilken requests a motion to approve the agenda as amended and the consent agenda.

00:02:22 Moved by Director Kelly to approve the agenda as amended and to approve the consent agenda, 2nd by Director Dodson. ***Motion approved without objection.***

III. REPORTS

- General Manager Report 00:02:46

GM Elena Sudduth presents select portions of the GM report, specifically regarding the Harvest notice of LNG plant startup on January 1, along with the notice of force majeure, as well as a transportation contract update.

00:06:23 Moved by Director Miller to enter into executive session to DISCUSS CONTRACTUAL OBLIGATIONS AND NEGOTIATIONS, THE PUBLIC KNOWLEDGE OF WHICH WOULD CLEARY HAVE AN ADVERSE IMPACT ON THE FINANCES OF IGU, to include the IGU Board of Directors, GM Elena Sudduth, IGU Attorney, Administrative Assistant, Mary Fox, and IGU Controller Zach Dameron 2nd by Director Wilbur. Motion approved by unanimous consent.

Approximately 5:30 PM Moved *by Director Miller to exit Executive Session, 2nd by Director Wilbur.* *Motion approved without objection.*

00:07:05 Back in public session. Director Dodson no longer present.

- Public Comment 00:07:20

There were no Public Comment

II. OLD BUSINESS

GM CONTRACT *00:07:50*

00:08:19 Moved by Director Miller to approve the General Manager's contract as presented 2nd by Director Haagenson.

Discussion on the GM contract terms.

00:16:48 Roll Call Vote: Miller-Y, Kelly-Y, Wilbur-Y, Haagenson-Y, Wilken-Y
Motion passes unanimously 5-0.

III. REPORTS

- Finance Committee Report 00:18:22

Director Wilbur presents the details of the 6/25/2024 Finance Committee Meeting on the May 2024 financials. Director Wilbur discussed the dashboard report. He also brought attention to the fact that our working capital cash balance is way below budget but that is only because we have 17 million in our investment account.

- Marketing Report 00:20:29

GM Sudduth presented the Marketing Report, in place of Katie Yarrow, who recently left her position as IGU's Customer Service & Marketing Manager. Sudduth explained that she is currently hiring for the position. The report that followed addressed the KPIs such as the number of new service agreements, the number of turn ons, as well as recent public presence efforts. Discussion followed, specifically focusing on the numbers of approved requests, and the desire to reach our proforma numbers. Grants were also discussed as a possible means to secure more customers in the near future.

- GM Report (continued) 00:37:47

GM Elena Sudduth continued with the GM Report. Sudduth highlighted the upcoming 4 weeks of PHMSA audits, the receipt of the Public Gas System Achievement Award, grant applications, capital funding levels, as well as a report on IGU operations. Board discussion regarding mainline expansion, grants, and cost per MCF per component, followed.

- IGU Attorney 00:58:48

IGU Attorney report was presented by Rene' Broker and she explained that IGU legal council had been working on the items covered in the agenda, and that there was nothing else to add.

V. DIRECTOR REQUESTS FOR IGU INFORMATION 00:54:18

Chair Wilken: Is there anything coming from the Ft. Wainwright effort?
Elena: There is nothing new to report

VI. CLOSING COMMENTS 00:59:40

Chair Wilken- "I would just make one comment. I hope you all read Yuri's report, it was short and sweet and it got me thinking about, let's think about next November and then again in whenever they get out…May. We should have Yuri come and talk to us, just sit at the table, and I don't know if you all know him, I'm sure you all do, but I think I would just like him here to talk to us, I think he does just a bang up job and his little summaries or his sending us those reports every Sunday night on what's going on, I find myself relying on those. So let's just kind of flag that and we'll talk about it sometime this fall, having him come and visit us."

01:01:52 Moved by Director Miller to adjourn, 2nd by Director Wilbur. *Motion approved without objection.*

VII. ADJOURED @ *approximately 6:32 pm*

BOARD OF DIRECTORS SPECIAL BOARD MEETING
Thursday, July 11, 2024 @ 12:00 P.M.
In Person & Zoom Meeting

MINUTES Draft

A Meeting of the Board of Directors of the Interior Gas Utility was held on:

Thursday, July 11, 2024
IGU Board Vice Chair, Bob Shefchik presiding.

Others in attendance were: Elena Sudduth (IGU General Manager), Zach Dameron (IGU Controller), Zane Wilson (IGU Attorney) and Mary Fox (Administrative Assistant).

I. CALL TO ORDER 12:02 pm

- Roll call
  Gary Wilken
  Bob Shefchik
  Steve Haagenson
  Jack Wilbur
  Mike Miller
  Pete Kelly

- Approval of Agenda

Vice Chair Shefchik requests a motion to approve the agenda & consent agenda.

00:00:50 Moved by Director Wilbur to approve the Agenda, 2nd by Director Haagenson. ***Motion approved without objection.***

- Public Comment **00:00:55**

II. OLD BUSINESS 00:01:10

- Transportation Contracts

General Manager Sudduth gave an update on the status of the LNG transportation contracts, and recommended the Board resume and discuss further in Executive Session.

00:01:55 Moved by Director Miller to enter Executive Session to FURTHER DISCUSSIONS REGARDING LNG TRANSPORT CONTRACTS; THE IMMEDIATE PUBLIC KNOWLEDGE OF WHICH WOULD CLEARY HAVE AN ADVERSE IMPACT ON THE FINANCES OF IGU, to include the IGU Board of Directors, GM Elena Sudduth, Controller Zach Dameron, IGU Attorney Zane Wilson, and Administrative Assistant, Mary Fox. 2nd by Director Kelly. Motion approved by unanimous consent.

00:02:34 Return to Regular Session

00:02:35 Moved by Director Haagenson to adjourn, 2nd by Director Miller. *Motion approved without objection.*

V. ADJOURED @ *approximately 1:35 pm*

Finance Committee Meeting
Tuesday, July 23, 2024 @ 12:00 PM
2525 Phillips Field Road, Fairbanks, AK

Draft AGENDA

IGU INTERIOR GAS UTILITY

This meeting will be held both In Person and on Zoom. Packets will be available to the public outside the door of the IGU Office

Join Zoom Meeting:
https://us02web.zoom.us/j/84390501777?pwd=bqlJ1e90gaThquykKHMyQwUzazomHD.1
1-253-215-8782
Meeting ID: 843 9050 1777
Password: 880131

I. CALL TO ORDER

- Roll call
- Approval of Agenda
- Approval of Minutes – *June 25 th 2024*

II. MONTHLY FINANCIALS

III. PROJECT FINANCING (Discussion as needed)

IV. CLOSING COMMENTS

V. ADJOURNMENT

Interior Gas Utility

FINANCE COMMITTEE MEETING

June 25th, 2024 @ 12:00 PM

2525 Phillips Field Road, Fairbanks, Alaska

MINUTES

I. **Call to Order @ 12:03 PM** – Chair Wilbur

- **Roll Call:** Jim Dodson, David Durham, and Chair Wilbur

  Also, present: Elena Sudduth, Zach Dameron, Buffy Kuiper, Gary Wilken, and Mary Fox

12:04pm Motion to approve the agenda and the 5/28/24 Minutes Moved by Jim, and 2nd by Dave. **Motion approved by unanimous consent.**

II. **Monthly Financials:**

MAY FINANCIALS **12:05pm**

- **Controllers Summary Report – May 12:05pm:**

Controller Zach Dameron presents the *Controller Summary* attached on the Statement of Revenues, Expenses and Change in Net Position and the Detailed IGU Expenses. Informs the committee that IGU sold more gas in May than the budget anticipated, our financial position remains strong, and management is diligently managing finances.

Committee discussion & questions on the *Controller Summary,* specifically on TAG reimbursements and issues with predicting customer usage throughout the year.

- **Statement of Net Position with Budget Comparison – May**

Included in Controller Summary

- **Statement of Revenues, Expenses, and Changes in Net Position with Budget Comparison - May:**

Included in Controller Summary

12:23pm Motion to recommend that the Board of Directors accept the May financials as presented. Moved by Jim and 2nd by Dave. **Motion approved by unanimous consent.**

- BOD Dashboard Report – May 12:23pm

Chair Wilbur made brief comments regarding the BOD Dashboard report, noting that the utility is currently tracking 77 cents per MCF better than budget year to date.

III. PROJECT FINANCING 12:29pm

GM Elena Sudduth stated that the only thing she must add that hasn't already been discussed at the previous board meeting is that we have applied for a new grant totaling approximately $80,000 that does not require a match and is to be used for purchasing more/upgraded safety equipment as the grant is specifically for increasing safety measures.

IV. CLOSING COMMENTS 12:33pm

No comments

V. Adjourned @ 12:33pm

Controller Summary – Interior Alaska Natural Gas Utility – June 2024

The summary report for June 2024 was derived from an analysis and evaluation of the current and prospective profitability based on Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA), liquidity, financial stability, and compliance. The methods used include trend analysis as well as ratios such as Current and Quick ratios (Liquidity) and the Debt Coverage Ratio (Financial Stability and Compliance). Results of the data analyzed show that these ratios are equal to or above industry benchmark averages that have been researched. The following pages detail the monthly and year-to-date results for June 2024 and the year-to-date, further reinforcing the strength of IGU's financial position.

The following is a summary of the current preliminary highlights:

IGU's financial position remains strong at the end of the year, with a cash balance of $3.1 million, not including the 15.3 million in IGU's investment account. This was below budget by approximately $5.7 million. IGU management has ensured that working capital is sufficient to cover all operating expenses while investing residual cash that is not being utilized.

The budget anticipated utilizing the LOC in June; however, at year-end, the LOC had a zero balance, while the budget anticipated a balance of $4.2 million.

At the end of June, Marketable Securities had a balance of $15.3 million, resulting in approximately $312 thousand in interest income for the fiscal year.

LNG inventory increased by approximately 526 thousand gallons; however, year-to-date is below budget by 722 thousand gallons.

IGU's revenues were below budget by $48 thousand, mainly because 3 less large customers consumed gas than the budget anticipated. IGU's total number of customers consuming exceeded the budget by 321, helping offset the lesser usage of the large customers.

The overall cost of goods sold (COGS), which includes natural gas purchases, trucking expenses, LNG production electricity, and system gas costs, was below the budget by $47 thousand in June. These savings are partially due to less gas being sold, plant efficiency, and our transportation contractor not missing any loads; the most extensive portion was a $38 thousand reduction to the Cost of Gas due to misestimation in previous months, which resulted in the year-end adjustment.

During June, unaccounted-for gas totaled 2% of total usage, resulting in a total adjustment to the COGS of $8 thousand: $4 thousand for natural gas purchases, $2 thousand for trucking, and $1 thousand for electricity and system gas.

Gas liquefaction expenses were over budget by $84 thousand, which is attributed to a timing difference in the budget for when the work was expected to occur. The maintenance is a full overhaul of our two large engines, which are the primary engines at the plant. The majority of the parts have been received, and any parts that have been ordered and shipped have been recorded.

Operational expenses (Distribution, Storage, and Vaporization) exceeded the budget by $8 thousand. These accounts had a lot of activity, such as new operators receiving their required training and pushing the training labor over budget. We also received invoices in May/June from a 3rd party contractor for work completed in February; this contractor assisted IGU in getting customers' appliances relighted. Other labor accounts were over budget, such as Distribution Operations labor and Meter labor, due to additional maintenance on customer meters, such as replacing ERTs. Additionally, more labor occurred at the storage sites in preparation for the upcoming PHMSA audits and preparation for community site tours. While these labor accounts did exceed the budget, IGU's total labor compared to operating expenditures (OpEx) was 6% below budget for the month. For the year, IGU's labor was $7 thousand below budget.

Engineering for June was under budget by $11 thousand. IGU utilized in-house engineering to assist with direct construction planning. Other expenses, such as travel, training, and seminars, remained under budget.

Customer Service expenses for the month were below budget by $43 thousand. While the majority of accounts associated with Customer Service were under budget, IGU's annual adjustment for uncollectible accounts occurred. The adjustment resulted in a write-off of approximately $16 thousand. The budget anticipated $50 thousand of write-offs, leaving doubtful accounts below budget by $34 thousand.

Administration and general expenses for the month were $57 thousand over budget. This deficit is being driven by a reallocation of closing costs, which was a direct result of obtaining the LOC in January.

IGU is under budget, excluding COGS, by $583 thousand YTD.

IGU did not record any new contingent liabilities for the month of June.

The following financial statements are preliminary, and certain items will be adjusted for the end of the year. I do not anticipate any changes to revenue, only a change to depreciation and a reallocation of certain expenses that are deemed to be recorded incorrectly and will most likely be in small amounts. The final numbers for Fiscal Year 2024 will be presented once the audit has been completed.

Zach Dameron, C.P.A.
Controller

Interior Gas Utility
Financial Statements - with budget comparison
June 30, 2024

STATEMENT OF OPERATIONS	June 2024 (Actual)	June 2024 (Budget)	June 2024 (Variance) fav/(unfav)	Footnote	YTD 2024 (Actual)	YTD 2024 (Budget)	YTD 2024 (Variance) fav/(unfav)
Mcf:							
Residential	3,373	3,377	(4)		200,316	192,261	8,056
Small Commercial	11,529	10,382	1,147		565,196	554,826	10,370
Large Commercial	4,572	7,372	(2,800)		229,056	248,322	(19,266)
Interruptible - Small	4,012	4,165	(153)		85,668	76,210	9,458
Interruptible - Large	416	612	(197)		50,171	44,256	5,915
Hospital	5,373	5,316	57		133,503	126,473	7,030
UAF	549	0	549		7,300	5,095	2,205
Talkeetna	1,108	1,011	98		13,135	9,609	3,527
Total Mcf	30,932	32,234	(1,302)		1,284,346	1,257,051	27,295
HDD	52	141	(89)		12,730	13,431	(701)
Operating revenues							
Residential gas revenues	77,765	77,391	374		4,591,487	4,406,611	184,876
Small commercial gas revenues	263,554	237,340	26,213		12,918,703	12,683,314	235,389
Large commercial gas revenues	104,238	168,073	(63,835)		5,222,467	5,661,746	(439,279)
Interruptible - small commercial gas revenues	88,512	91,880	(3,368)		1,889,838	1,681,193	208,646
Interruptible - large commercial gas revenues	8,925	13,146	(4,221)		1,077,652	950,619	127,033
Hospital gas revenues	115,412	114,188	1,224		2,867,644	2,716,640	151,004
UAF gas revenues	(30,633)	0	(30,633)		156,804	109,441	47,363
Talkeetna commercial gas revenues	22,722	20,717	2,005		269,274	196,974	72,299
Service charge revenues	64,336	59,952	4,384		728,616	701,148	27,468
Other revenue	22,617	2,500	20,117		175,348	199,650	(24,302)
Total operating revenues	737,448	785,187	(47,739)	(a)	29,897,834	29,307,335	590,499
Cost of Goods Sold							
Natural gas purchases	227,052	274,219	47,167	(b)	9,923,939	9,790,864	(133,074)
Natural gas purchases - 3rd party	0	0	0	(b)	2,058,405	2,158,286	99,881
Trucking Expenses	120,345	94,363	(25,982)	(c)	3,542,946	3,320,445	(222,501)
Electricity	40,895	45,491	4,596	(d)	1,697,209	1,639,404	(57,805)
Cost of system gas - liquefaction	11,384	32,922	21,538	(e)	1,252,880	1,188,670	(64,211)
Operating expenses							
Gas liquefaction expenses	226,173	142,590	(83,582)	(f)	1,666,206	1,979,826	313,621
Distribution operations	63,020	36,739	(26,281)	(g)	522,884	434,728	(88,155)
Distribution maintenance	9,718	13,236	3,519		156,527	158,834	2,306
Storage & vaporization operations	112,377	119,967	7,590		1,574,429	1,625,533	51,104
Storage & vaporization maintenance	12,572	20,367	7,795		183,665	259,410	75,745
Engineering	10,705	22,066	11,361	(h)	166,461	264,788	98,327
Talkeetna maintenance	102	521	419		10,241	6,250	(3,991)
Customer services	(1,177)	41,734	42,911	(i)	448,249	503,720	55,472
Administration and general expenses	349,192	291,857	(57,335)	(j)	3,492,686	3,567,171	74,485
Property taxes	1,042	1,027	(14)		12,500	12,500	0
Interest expense	233,178	293,901	60,723	(k)	657,741	876,329	218,588
Depreciation	433,170	432,078	(1,092)		5,185,086	5,184,933	(153)
Amortization	38,529	38,529	0		462,351	462,352	1
Total operating expenses	1,888,276	1,901,608	13,331		33,014,402	33,434,043	419,641
Operating income (loss)	(1,150,829)	(1,116,421)	(34,408)		(3,116,568)	(4,126,708)	1,010,140
Operating income (loss) margin %	-156.06%	-142.2%	-13.9%		-10.4%	-14.1%	3.7%
Non operating income (expense)							
Gain (loss) from disposition of property, plant and equipment	0	0	0		2,650	0	2,650
Gain (loss) from disposition of materials and supplies inventory	0	0	0		0	0	0
Interest and dividend income	78,196	3,159	75,037	(l)	390,496	44,589	345,907
Grant income	33,286	0	33,286	(m)	162,660	0	162,660
Other income (expense)	39,469	0	39,469	(n)	15,530,921	0	15,530,921
Extraordinary Deductions	0	0	0		0	0	0
Total non operating income (expense)	150,951	3,159	147,792		16,086,727	44,589	16,042,139
Change in net position	(999,878)	(1,113,262)	113,384		12,970,159	(4,082,119)	17,052,279
Net position beginning of year	38,755,745	22,060,552	16,695,193		24,785,708	24,785,708	0
Net position - end of period	37,755,867	20,947,290	16,808,577		37,755,867	20,703,588	17,052,279
EBITDA	(373,196)	(351,330)	(21,866)		18,882,192	2,396,906	16,485,286

STATEMENT OF CASH FLOWS	June 2024 (Actual)	June 2024 (Budget)	June 2024 (Variance) fav/(unfav)	Footnote	YTD 2024 (Actual)	YTD 2024 (Budget)	YTD 2024 (Variance) fav/(unfav)
Increase (Decrease) in Cash							
Cash flows from operating activities							
Cash received from customers	1,559,139	1,353,417	205,721		45,729,637	29,626,257	16,103,380
Cash received from grants	33,286	0	33,286		162,660	0	162,660
Cash paid to suppliers, employees	(1,508,033)	(1,987,253)	479,220		(25,726,945)	(26,714,700)	987,755
Interest and dividends received	6,131	3,159	2,972		77,613	44,589	33,025
Net cash provided by operating activities	90,523	(630,677)	721,200		20,242,965	2,956,146	17,286,819
					0	0	0
Cash flows from capital and related financing activities							
Financing capital, operational, sources:							
Proceeds from issuance of long-term debt (Commercial)	0	0	0		0	0	0
Financing capital, operational, uses:							
Principal payments on long-term debt	(18,725)	(18,725)	0		(401,965)	(401,537)	(428)
Interest paid	65,131	(5,153)	70,284		(59,895)	(137,979)	78,084
Proceeds from disposal of assets	0	0	0		2,650	0	2,650
Purchase of property, plant and equipment	(1,342,910)	(2,000)	(1,340,910)		(4,766,857)	(492,000)	(4,274,857)
Construction payable - operating capital projects	(211,187)	2,000	(213,187)		1,283,383	2,000	1,281,383
Financing capital, IEP projects, sources:							
Proceeds from issuance of long-term debt (LOC)	0	262,272	(262,272)		0	4,223,598	(4,223,598)
Financing capital, IEP projects, uses:							
Principal payments on bond debt	(215,000)	(215,000)	0		(215,000)	(215,000)	0
Interest paid (Bonds)	(298,169)	(298,169)	0		(596,338)	(596,338)	0
Interest paid (LOC)	(141)	(22,878)	22,737		(1,509)	(174,311)	172,802
Purchase of pipe inventory for future customer services	5,416	0	5,416		(486,993)	(750,000)	263,007
Consumed pipe and parts inventory for services	0	0	0		(154,081)	0	(154,081)
Construction work in progress (Distribution and services)	(731,119)	(283,978)	(447,141)		(3,746,815)	(3,757,576)	10,761
Construction payable - IEP capital projects	601,798	21,706	580,092		(888,292)	251,429	(1,139,720)
Net cash provided by (used in) capital and related financing activities	(2,144,905)	(559,924)	(1,584,981)		(10,031,712)	(2,047,714)	(7,983,999)
Cash flows from investing activities							
Purchase of marketable securities	2,000,000	0	2,000,000		(15,000,000)	0	
Net cash provided by (used in) investing activities	2,000,000	0	2,000,000		(15,000,000)	0	0
Net increase (decrease) in cash	(54,383)	(1,190,601)	1,136,219		(4,788,747)	908,432	9,302,821
Cash at beginning of period	3,132,965	9,966,363	(6,833,398)		7,867,329	7,867,329	0
Cash at end of period	3,078,582	8,775,761	(5,697,179)		3,078,582	8,775,761	(5,697,179)
Reconciliation of Net Income (Loss) to Net Cash Provided By (Used in) Operating Activities							
Operating income/(loss)	(1,150,829)	(1,115,838)	(34,990)		(3,116,568)	(3,882,424)	765,856
Adjustments to reconcile net income to net cash provided by (used in) operating activities:							
Depreciation	433,170	432,078	1,092		5,185,086	5,184,933	153
Amortization	38,529	38,529	(0)		462,351	462,352	(1)
Unamortized Debt Expense	105,208	0	105,208		37,231	0	37,231
Gain (loss) from disposition of property, plant and equipment	0	0	0		0	0	0
Interest and dividend income	6,131	3,159	2,972		77,613	44,589	33,025
Other income (expense)	39,469	0	39,469		15,530,921	0	15,530,921
Grant income	33,286	0	33,286		162,660	0	162,660
Extraordinary Deductions	0	0	0		0		0
Interest paid	233,178	293,901	(60,723)		657,741	876,329	(218,588)
(Increase) decrease in assets							
Accounts receivable, net	782,222	568,231	213,992		300,882	318,922	(18,041)
Liquified natural gas inventory	(811,581)	(628,069)	(183,512)		464,795	157,451	307,344
Deposits and other current assets	94,898	82,994	11,904		(98,765)	1,774	(100,538)
Increase (decrease) in liabilities							
Accounts payable	273,154	(280,533)	553,687		994,517	(279,882)	1,274,399
Accrued wages and burden	4,615	(8,958)	13,573		20,865	49,089	(28,224)
Other current and accrued liabilities	9,070	(16,171)	25,241		(436,365)	23,013	(459,377)
Net cash provided by (used in) operating activities	90,523	(630,677)	721,200		20,242,965	2,956,146	17,286,819

Variance to Budget Footnotes
June 30, 2024

(a) - Revenues for the month were below budget by $48K. The primary cause is due to two items; (1) Large Commerical (LCM) customers were under budget due to three LCM customers not consuming, and (2) an adjustment to UAF's rate had to be corrected from a previous period billing error, while UAF burned gas for June, and while the budget did not anticipate this, the revenues earned were offset by the billing adjustment mentioned above; YTD UAF revenues exceed the budget by $47K.

	Customers Consuming		
	Actual	Budget	F (U) Variance
Residential	1,528	1,301	227
Small Commercial	776	669	107
Large Commercial	31	34	(3)
Interruptible - Small Commercial	23	28	(5)
Interruptible - Large Commercial	10	15	(5)
Interruptible - Large - FMH	1	1	-
Interruptible - Large - UAF	1	1	-
Total Customers Consuming Gas: June 30, 2024	2,370	2,049	321

(b) - Gas sold from our Titan liquefaction facility was below the anticipated budget by $47K, this is directly related to customers not burning as much gas as the budget anticipated. The lower cost per Mcf for gas is due to a year-end adjustment of $38K to adjust gas costs to actual from a previous accrual, without the adjustment, the cost per Mcf was in line with the budget.

	Actual			Budget		
	Mcf's	$ Mcf	Actual Cost	Mcf's	$ Mcf	Budget Cost
Titan Plant Gas	30,932	$7.20	$ 222,699	32,234	$8.21	$ 264,628
Third Party Gas	0		$ -	0	$0.00	$ -
Line Hit Gas		$7.20	$ -	0	$0.00	$ -
Enstar Transmission Loss		$7.20	$ -	0	$0.00	$ -
Unaccounted for gas	605	$7.20	$ 4,353	645	$8.51	$ 9,591
Charged to COGS	31,536	$7.20	$ 227,052	32,879	$8.34	$ 274,219
Cost per Mcf Sales	30,932	$7.34	$ 227,052	32,234	$8.51	$ 274,219

(c) - The trucking expense exceeded the budget by $26K and is due to higher transportation costs. The budget projected $2,270 per trip with actuals coming in at $3,750.

	Actual			Budget		
	Mcf's	$ Mcf	Actual Cost	Mcf's	$ Mcf	Budget Cost
Titan Plant	30,932	$3.82	$ 118,038	32,234	$2.87	$ 92,512
Third Party Gas	0	$0.00	$ -	0	$0.00	$ -
Enstar Transmission Loss	0	$3.82	$ -	0	$0.00	$ -
Unaccounted for gas	605	$3.82	$ 2,307	645	$2.87	$ 1,851
Charged to COGS	31,536	$3.82	$ 120,345	32,879	$2.87	$ 94,363
Cost per Mcf Sales	30,932	$3.89	$ 120,345	32,234	$2.93	$ 94,363

(d) - Electricity for the month was below budget by $5K and is due to less gas sold than the budget anticipated.

	Actual			Budget		
	Mcf's	Electricity $ Mcf	Actual Cost	Mcf's	Electricity $ Mcf	Budget Cost
Titan Plant	30,932	$1.30	$ 40,111	32,234	$1.38	$ 44,599
Third Party Gas	0	$0.00	$ -	0	$0.00	$ -
Enstar Transmission Loss	0	$1.30	$ -	0	$0.00	$ -
Unaccounted for gas	605	$1.30	$ 784	645	$1.38	$ 892
Charged to COGS	31,536	$1.30	$ 40,895	32,879	$1.38	$ 45,491
Cost per Mcf Sales	30,932	$1.32	$ 40,895	32,234	$1.41	$ 45,491

(e) - The cost of system gas liquefaction was below budget by $22K, and as the cost of gas above indicated, this is due to a year-end adjustment to actuals driving the cost per Mcf down compared to the budgeted amounts less gas being sold than the budget anticipated was also a causation.

	Actual			Budget		
	Mcf's	System $ Mcf	Actual Cost	Mcf's	System $ Mcf	Budget Cost
Titan Plant	30,932	$0.36	$ 11,166	32,234	$1.00	$ 32,277
Third Party Gas	0	$0.00	$ -			
Enstar Transmission Loss	0	$0.36	$ -			
Unaccounted for gas	605	$0.36	$ 218	645	$1.00	$ 645
Charged to COGS	31,536	$0.36	$ 11,384	32,879	$1.00	$ 32,922
Cost per Mcf Sales	30,932	$0.37	$ 11,384	32,234	$1.02	$ 32,922

(f) - The BTB's engines began their overhaul this month with parts arriving and some maintenance occuring which caused the gas liquefaction expense items to be over budget by $84K. YTD this item remains under budget due to the majority of labor not completely occuring on the BTB's and additional maintenace that was not required.

(g) - Distribution operations expenses were over budget for the month by $26K and are primarily driven by additional labor required in this area. Labor in this area exceeded the budget due to new staff in operations requiring training to meet standard operating procedures and more labor than the budget anticipated for meter maintenance, line patrolling, and on-call labor. Additionally, IGU recognized expenses from contractors assisting IGU in relighting customers' appliances back in February due to pressure drops in the system.

(h) - Engineering expenses were under budget by $11K. The savings for the month are a result of not requiring Outside Services, travel, and training. For the month, $6K in wages was capitalized for direct labor associated with construction activities.

(i) - Customer service was under budget for the month by $43K. IGU wrote off approximately $16K for the year for accounts deemed uncollectable, which is $34K below budgeted amounts; this resulted in an adjustment to an uncollectable expense account. Labor was slightly under budget for the month due to a vacated position within Customer Service for part of the month. IGU's billing expenses are under budget for the month, and there does not appear to be a direct causation, which resulted in savings of $3K.

(j) - Administration and General expenses were over budget by $57K due to allocating costs from closing the LOC in January from a balance sheet account to an expense account. It was deemed appropriate to expense the remaining $68K, which was a direct result of securing the LOC and should be expensed in the current FY.

(k) - For the month, interest expense was below budget. With sufficient cash on hand to cover all expenses, IGU did not utilize the Line of Credit and as a result, produced $61K in savings.

(l) - Interest income exceeded the budget by $75K due to IGU leveraging its sufficient cash on hand to prudently invest cash not required to cover operating expenses.

(m) - Grant revenue of $33K was received as a reimbursement for TAG work; this was not budgeted in the current FY.

(n) - An additional $39K was earned in Other Income that was not anticipated in the budget. These additional earnings are due to a combination of receiving 3rd party insurance proceeds from a contractor that damaged one of IGU's LNG trailers in the amount of $75K and recording our annual amortization costs associated with our 2020A bonds of $37K, resulting in a net positive impact of $39K.

Interior Alaska Natural Gas Utility

Detailed Expenses with Budget Comparison

	Jun 2024 (Actual)	Jun 2024 (Budget)	Jun 2024 (Variance)	Fav (F)/ Unfav (U)	Foot Note	YTD 2024 (Actual)	YTD 2024 (Budget)	YTD 2024 (Variance)	Fav (F)/ Unfav (U)
Cost of Gas									
Natural Gas Expense	227,052	273,712	46,660	F		9,923,939	9,790,864	(133,074)	U
Natural Gas Expense - 3rd Party	0	0	0			2,058,405	2,158,286	99,881	
Trucking Expenses	120,345	94,161	(26,184)	U		3,542,946	3,320,445	(222,501)	U
Electricity Expense	40,895	45,722	4,827	F		1,697,209	1,639,404	(57,805)	U
Cost of system gas - liquefaction	11,384	32,818	21,434			1,252,880	1,188,670	(64,211)	
Total cost of gas	399,676	446,412	46,737	F		18,475,378	18,097,669	(377,709)	U
Gas liquefaction expenses									
Communications	1,408	525	(883)	U		8,985	6,300	(2,685)	U
Utilities	4,828	3,550	(1,278)	U		59,252	58,201	(1,051)	U
Rent Expense - Houston Facility	596	600	4	F		7,050	7,200	150	F
Other Expenses	0	158	158	F		1,965	1,900	(65)	U
Training Material	0	717	717	F		7,059	8,600	1,541	F
Safety Material	491	775	284	F		13,305	9,300	(4,005)	U
Freight Expense	0	75	75	F		376	900	524	F
Yard Maintenance	0	1,292	1,292	F		9,223	15,500	6,277	F
Outside Services	2,014	5,417	3,403	F		27,700	65,000	37,300	F
Maint - Structure Materials	0	617	617	F		5,094	7,400	2,306	F
Maint - Equipment Materials	0	2,517	2,517	F		36,729	30,200	(6,529)	U
Maint - Turbo Expander	4,156	2,917	(1,239)	U		33,572	35,000	1,428	F
Maint - BTB 1	59,465	3,745	(55,719)	U	(1)	87,694	142,200	54,506	F
Maint - BTB 2	63,127	3,745	(59,381)	U	(2)	86,899	142,200	55,301	F
Maint - Amine & Glycol	4,692	4,167	(525)	U		29,111	50,000	20,889	F
Maint - Cascade	10	9,583	9,574	F	(3)	58,300	115,000	56,700	F
Maint - Boost Compressor	0	6,667	6,667	F	(4)	48,079	80,000	31,921	F
Maint - Feed Gas Compressor	1,876	1,364	(512)	U		34,909	75,000	40,091	F
Maint - Skid Process	9,526	1,400	(8,126)	U	(5)	26,507	16,800	(9,707)	U
Maint - Trans Truck Materials	0	208	208	F		524	2,500	1,976	F
Maint - Trans Trailer T-2	0	500	500	F		0	6,000	6,000	F
Maint - Trans Trailer T-4	0	500	500	F		1,986	6,000	4,014	F
Maint - Trans Trailer T-6	0	500	500	F		15,967	6,000	(9,967)	U
Maint - Trans Trailer T-7	0	500	500	F		18,330	6,000	(12,330)	U
Maint - Trans Trailer T-8	0	500	500	F		0	6,000	6,000	F
Maint - Trans Trailer T-9	0	500	500	F		692	6,000	5,308	F
Maint - Trans Trailer T-10	64	500	436	F		4,853	6,000	1,147	F
Maint - Trans Trailer T-13	64	500	436	F		4,525	6,000	1,475	F
Maint - Trans Trailer T-14	929	500	(429)	U		4,765	6,000	1,235	F
Maint - Trans Trailer T-15	0	500	500	F		0	6,000	6,000	F
Maint - Trans Trailer T-16	619	500	(119)	U		5,697	6,000	303	F
Maint - Trans Trailer T-17	0	500	500	F		12,474	6,000	(6,474)	U
Maint - Trans Trailer T-18	315	500	185	F		6,961	6,000	(961)	U
Maint - Trans Trailer T-19	1,894	500	(1,394)	U		9,671	6,000	(3,671)	U
Maint - Trans Trailer T-20	2,919	500	(2,419)	U		5,410	6,000	590	F
Maint - Trans Trailer T-21	1,110	500	(610)	U		4,561	6,000	1,439	F
Maint - Trans Trailer T-22	933	500	(433)	U		15,366	6,000	(9,366)	U
Maint - Trans Trailer Unallocated	664	5,542	4,878	F		47,571	66,500	18,929	F
Maint - Other Equip Materials	0	1,250	1,250	F		11,176	15,000	3,824	F
Maint - Light Truck	320	292	(29)	U		1,131	3,500	2,369	F
Maint - Heavy Equip	0	417	417	F		2,416	5,000	2,584	F
Maint - Small Tools	120	500	380	F		9,521	6,000	(3,521)	U
Maint - T800s	0	625	625	F		17,087	7,500	(9,587)	U
Maint - Shop Consumables	1,074	833	(241)	U		12,146	10,000	(2,146)	U
Salaries & Wages	56,224	67,004	10,780	F		771,510	804,049	32,539	F
Salaries & Wages - Overtime	4,608	4,983	376	F		74,215	59,800	(14,415)	U
Employee Benefits	2,126	2,606	480	F		25,838	31,276	5,438	F
Total gas liquefaction expenses	226,173	142,590	(83,582)	U		1,666,206	1,979,826	313,621	F

Interior Alaska Natural Gas Utility

Detailed Expenses with Budget Comparison

	Jun 2024 (Actual)	Jun 2024 (Budget)	Jun 2024 (Variance)	Fav (F)/ Unfav (U)	Foot Note	YTD 2024 (Actual)	YTD 2024 (Budget)	YTD 2024 (Variance)	Fav (F)/ Unfav (U)
Distribution operations									
Common									
Dist Ops - Office & Computer	932	109	(823)	U		6,041	1,309	(4,732)	U
Dist Ops - Training Materials	1,907	1,667	(240)	U		14,392	20,000	5,608	F
Dist Ops - Safety Materials	1,172	1,250	78	F		21,229	15,000	(6,229)	U
Dist Ops - Freight Expense	0	0	0	F		0	0	0	F
Dist Ops - Transportation Fuel	2,826	2,083	(742)	U		22,377	25,000	2,623	F
Dist Ops - Supervisor Labor	5,272	8,151	2,879	F		34,690	95,214	60,524	F
Dist Ops - Office Labor	(769)	2,212	2,981	F		37,372	16,912	(20,460)	U
Dist Ops - Training Labor	10,134	2,033	(8,101)	U	(6)	51,795	24,401	(27,394)	U
Dist Ops - Safety Labor	44	575	531	F		1,088	6,898	5,810	F
Dist Ops - Snow Removal Labor	0	984	984	F		231	11,808	11,577	F
Dist Ops - PTO Labor	3,587	3,482	(105)	U		65,243	41,785	(23,458)	U
Dist Ops - Holiday Labor	3,813	0	(3,813)	U		27,625	12,227	(15,399)	U
Dist Ops - Temp Labor	0	0	0	F		0	0	0	F
Dist Ops - Salaries & Wages	22,082	17,437	(4,645)	U		218,044	209,245	(8,800)	U
Dist Ops - Employee Benefits	0	2,834	2,834	F		0	34,010	34,010	F
Fairbanks & North Pole									
Dist Ops - Mains Materials	243	301	58	F		325	1,805	1,480	F
Dist Ops - Meter Material	0	722	722	F		667	4,331	3,664	F
Dist Ops - Customer Site	12,208	687	(11,521)	U	(7)	21,715	8,242	(13,473)	U
Dist Ops - Outside Services	0	18	18	F		565	214	(351)	U
Dist Ops - Rentals	0	167	167	F		0	2,000	2,000	F
Dist Ops - Lease ROW	1,431	479	(952)	U		10,279	5,753	(4,526)	U
Dist Ops - Mains Labor	0	50	50	F		188	600	(4,526)	U
Dist Ops - Patrolling Labor	694	265	(429)	U		7,389	3,175	412	F
Dist Ops - Locating Labor	19	1,467	1,448	F		7,085	17,600	(4,214)	U
Dist Ops - Sys Pressure Labor	0	483	483	F		8,006	5,792	10,514	F
Dist Ops - Odorant Route Labor	0	406	406	F		2,843	4,870	(2,214)	U
Dist Ops - Meter Labor	13,877	1,152	(12,725)	U	(8)	54,144	13,824	2,027	F
Dist Ops - Salaries & Wages	14,589	3,822	(10,767)	U	(9)	79,655	45,860	(33,795)	U
Dist Ops - OT Labor	0	2,874	2,874	F		18,812	34,491	15,679	F
Dist Ops - On Call Labor	5,630	2,289	(3,341)	U		108,782	27,468	(81,313)	U
Total distribution operations	63,020	36,739	(26,281)	U		522,884	434,728	(88,155)	U
Distribution maintenance									
Common				F					
Dist Maint - Structure	0	94	94	F		1,786	1,124	(662)	U
Dist Maint - Yard Clean Up	0	83	83	F		56	1,000	944	F
Dist Maint - Equip Materials	0	550	550	F		15,185	6,596	(8,589)	U
Dist Maint - Light Truck	3,761	2,653	(1,109)	U		60,389	31,831	(28,558)	U
Dist Maint - Heavy Equip	0	833	833	F		0	10,000	10,000	F
Dist Maint - Small Tools	74	440	366	F		1,980	5,274	3,294	F
Dist Maint - Shop Consumables	1,422	506	(916)	U		8,861	6,074	(2,787)	U
Dist Maint - CNG Comp	0	42	42	F		0	500	500	F
Dist Maint - Yard Labor	0	491	491	F		343	5,896	5,553	F
Dist Maint - Shop Labor	0	969	969	F		4,460	11,631	7,171	F
Dist Maint - Equipment Labor	0	465	465	F		2,930	5,576	2,646	F
Dist Maint - Salaries & Wages	0	1,925	1,925	F		7,732	23,102	15,370	F
Fairbanks & North Pole									
Dist Maint - Main Materials	0	103	103	F		0	1,230	1,230	F
Dist Maint - Services Material	0	83	83	F		193	1,000	807	F
Dist Maint - Meter/Reg Material	0	78	78	F		1,054	933	(121)	U
Dist Maint - Mains Labor	1,154	1,979	825	F		12,745	23,742	10,997	F
Dist Maint - Dist Valves Labor	0	203	203	F		1,353	2,440	1,087	F
Dist Maint - Line Hit Labor	0	336	336	F		2,785	4,027	1,242	F
Dist Maint - Locate Labor	3,306	280	(3,026)	U		20,276	3,361	(16,915)	U
Dist Maint - Service Labor	0	579	579	F		3,402	6,950	3,548	F
Dist Maint - Meter Labor	0	810	810	F		9,940	9,717	(223)	U
Dist Maint - Salaries & Wages	4,460	4,186	(274)	U		50,501	50,237	(264)	U
Dist Maint - OT Labor	0	1,661	1,661	F		8,789	19,932	11,143	F
Total distribution maintenance	9,718	13,236	3,519	F		156,527	158,834	2,306	F

Interior Alaska Natural Gas Utility
Detailed Expenses with Budget Comparison

	Jun 2024 (Actual)	Jun 2024 (Budget)	Jun 2024 (Variance)	Fav (F)/ Unfav (U)	Foot Note	YTD 2024 (Actual)	YTD 2024 (Budget)	YTD 2024 (Variance)	Fav (F)/ Unfav (U)
Storage & vaporization operations									
Storage Site I									
SS I - Communications	480	217	(264)	U		4,852	2,600	(2,252)	U
SS I - Outside Ser. - General	0	1,021	1,021	F		16,603	12,251	(4,352)	U
SS I - Utilities - Other	278	83	(194)	U		2,034	1,000	(1,034)	U
SS I - Supplies & Materials	1,407	10	(1,396)	U		18,581	125	(18,455)	U
SS I - Safety & Signage	0	50	50	F		1,937	600	(1,337)	U
SS I - Rents	0	21	21	F		0	256	256	F
SS I - Gas Usage	1,606	2,431	825	F		36,776	94,118	57,341	F
SS I - Electricity	1,788	2,439	651	F		23,461	21,451	(2,010)	U
SS I - Supervision Labor	2,973	373	(2,600)	U		25,441	4,470	(20,971)	U
SS I - Operations Labor	2,028	1,598	(429)	U		24,743	19,178	(5,565)	U
SS I - Snow Removal Labor	0	0	0	F		2,154	2,831	677	F
SS I - Salaries & Wages	5,000	1,971	(3,029)	U		52,338	26,479	(25,859)	U
SS I - OT Labor	0	137	137	F		3,539	1,640	(1,898)	U
Storage Site III									
SS III - Communications	2,577	433	(2,144)	U		7,338	5,200	(2,138)	U
SS III - Outside Ser. - General	1,304	8,333	7,029	F		136,710	100,000	(36,710)	U
SS III - Utilities - Other	2,779	798	(1,981)	U		9,862	9,577	(285)	U
SS III - Supplies & Materials	575	417	(158)	U		4,062	5,000	938	F
SS III - Safety & Signage	0	264	264	F		3,798	3,164	(634)	U
SS III - Rents	0	36	36	F		268	427	159	F
SS III - Gas Usage	2,947	7,901	4,954	F		250,987	305,883	54,896	F
SS III - Electricity	34,511	39,933	5,421	F		405,565	351,210	(54,355)	U
SS III - Salaries & Wages	45,661	38,537	(7,123)	U	(10)	402,920	467,479	64,559	F
SS III - OT Labor	0	2,755	2,755	F		15,460	33,064	17,604	F
Storage Site IV									
SS IV - Communications	351	383	32	F		4,947	4,600	(347)	U
SS IV - Outside Ser. - General	771	3,333	2,562	F		20,059	40,000	19,941	F
SS IV - Utilities - Other	17	125	108	F		227	1,500	1,273	F
SS IV - Supplies & Materials	202	292	90	F		4,598	3,500	(1,098)	U
SS IV - Safety & Signage	0	225	225	F		1,169	2,700	1,531	F
SS IV - Rents	0	21	21	F		0	250	250	F
SS IV - Gas Usage	764	1,823	1,060	F		46,555	70,588	24,034	F
SS IV - Electricity	2,454	4,026	1,572	F		38,359	35,412	(2,947)	U
SS IV - Salaries & Wages	6,905	1,825	(5,080)	U	(11)	59,288	23,950	(35,337)	U
SS IV - OT Labor	0	126	126	F		2,139	1,508	(631)	U
Total storage & vaporization operations	112,377	119,967	7,590	F		1,574,429	1,625,533	51,104	F
Storage & vaporization maintenance									
Storage Site I									
SS I - Maint of Control Rm	1,134	167	(967)	U		6,112	2,000	(4,112)	U
SS I - Maint of Boiler Rm	0	83	83	F		2,711	1,000	(1,711)	U
SS I - Maint S&I - Yard	0	232	232	F		265	2,780	2,515	F
SS I - Maint of LNG Tank 1	42	125	83	F		287	1,500	1,213	F
SS I - Maint of LNG Tank 2	0	63	63	F		159	750	591	F
SS I - Maint of LNG Tank 3	42	63	20	F		202	750	548	F
SS I - Maint of LNG Tank 4	0	63	63	F		159	750	591	F
SS I - Maint Vapor Equip	0	63	63	F		3,304	750	(2,554)	U
SS I - Maint of Meter - Main	0	158	158	F		1,073	1,896	823	F
SS I - Maint of Meter - Bypass	0	42	42	F		0	500	500	F
SS I - Maint of Odorant	0	1,333	1,333	F		4,528	8,000	3,472	F
SS I - Maint Other Equip	0	632	632	F		2,264	7,583	5,319	F
SS I - Maint Testing Equip	0	135	135	F		0	1,621	1,621	F
SS I - Salaries & Wages	(2,458)	2,004	4,461	F		18,303	24,043	5,741	F
SS I - Maint OT Labor	0	151	151	F		2,391	1,814	(577)	U
Storage Site III									
SS III - Maint of Control Rm	425	1,816	1,391	F		15,748	21,791	6,043	F
SS III - Maint of Boiler Rm	233	833	600	F		9,697	10,000	303	F
SS III - Maint S&I - Yard	0	125	125	F		1,116	1,500	384	F
SS III - Maint of LNG Tank 1	243	500	257	F		9,988	3,000	(6,988)	U
SS III - Maint Vapor Equip	7,373	500	(6,873)	U	(12)	8,904	6,000	(2,904)	U
SS III - Maint of Meter - Main	0	130	130	F		27	1,564	1,537	F
SS III - Maint of Odorant	0	667	667	F		4,667	8,000	3,333	F
SS III - Maint Tank LNG Pumps	0	0	0	F		0	20,000	20,000	F
SS III - Maint Boiloff Compressors	0	750	750	F		0	15,000	15,000	F
SS III - Maint Other Equip	2,580	1,468	(1,112)	U		30,092	17,613	(12,479)	U
SS III - Maint Testing Equip	0	265	265	F		2,575	3,183	608	F
SS III - Salaries & Wages	2,114	5,084	2,970	F		33,789	61,011	27,222	F
SS III - Maint OT Labor	0	124	124	F		2,042	1,489	(553)	U
Storage Site IV									
SS IV - Maint of Control Rm	425	667	242	F		5,633	8,000	2,367	F
SS IV - Maint of Boiler Rm	0	292	292	F		1,734	3,500	1,766	F
SS IV - Maint S&I - Yard	0	208	208	F		0	2,500	2,500	F
SS IV - Maint of LNG Tank 1	0	36	36	F		425	427	2	F
SS IV - Maint of LNG Tank 2	0	36	36	F		0	427	427	F
SS IV - Maint Vapor Equip	0	63	63	F		610	750	140	F
SS IV - Maint of Meter - Main	0	60	60	F		0	723	723	F
SS IV - Maint of Odorant	0	542	542	F		4,528	6,500	1,972	F
SS IV - Maint Other Equip	0	143	143	F		2,127	1,721	(406)	U
SS IV - Maint Testing Equip	0	66	66	F		216	792	576	F
SS IV - Maint General Labor	286	353	67	F		3,676	4,237	560	F
SS IV - Salaries & Wages	418	676	258	F		7,199	8,113	914	F
SS IV - Maint OT Labor	0	6	6	F		788	68	(720)	U
Total storage & vaporization maintenance	12,572	20,367	7,795	F		183,665	259,410	75,745	F

Interior Alaska Natural Gas Utility

Detailed Expenses with Budget Comparison

	Jun 2024 (Actual)	Jun 2024 (Budget)	Jun 2024 (Variance)	Fav (F)/ Unfav (U)	Foot Note	YTD 2024 (Actual)	YTD 2024 (Budget)	YTD 2024 (Variance)	Fav (F)/ Unfav (U)
Talkeetna maintenance									
Maint - Equip Materials	102	500	398	F		6,926	6,000	(926)	U
Maint - Small Tools	0	21	21	F		62	250	188	F
Maint - Salaries & Wages	0	0	0	F		3,252	0	(3,252)	U
Total Talkeetna maintenance	102	521	419	F		10,241	6,250	(3,991)	U
Engineering									
Eng Office & Computers	0	583	583	F		5,316	7,000	1,684	F
Eng - Outside Services - General	0	2,083	2,083	F		2,500	25,000	22,500	F
Eng - Travel	0	1,167	1,167	F		1,373	14,000	12,627	F
Eng - Training & Seminars	0	938	938	F		15,935	11,250	(4,685)	U
Eng - Dues & Subscriptions	833	1,083	250	F		11,616	13,000	1,383	F
Eng - Salaries & Wages	9,871	15,553	5,682	F		128,341	186,635	58,294	F
Eng - OT Labor	0	659	659	F		1,379	7,903	6,524	F
Total engineering	10,705	22,066	11,361	F		166,461	264,788	98,327	F
Customer Service									
Cust Accts - Billing General Expense	8,644	11,631	2,987	F		168,664	139,571	(29,093)	U
Cust Accts - Doubtful Accounts	(29,589)	4,167	33,755	F		16,245	50,000	33,755	F
Cust Accts - Public Awareness Expense	653	1,042	389	F		7,296	12,500	5,204	F
Cust Accts - Sales Expense - Materials	1,066	417	(649)	U		4,389	5,000	611	F
Cust Accts - Sponsorships and Donations	0	417	417	F		0	5,000	5,000	F
Cust Accts - Office Supplies & Expense	0	292	292	F		1,062	3,500	2,438	F
Cust Accts - Employee Benefits - Appreciation	233	2,500	2,267	F		29,166	30,000	834	F
Cust Accts - Travel	1,096	625	(471)	U		5,646	7,500	1,854	F
Cust Accts - Dues and Memberships	941	250	(691)	U		1,253	3,000	1,747	F
Cust Accts - Meals & Entertainment	95	375	280	F		1,894	4,500	2,606	F
Cust Accts - Training & Seminars	0	417	417	F		379	5,000	4,621	F
Cust Accts - Salaries & Wages	15,684	19,603	3,919	F		212,254	238,149	25,894	F
Total customer services	(1,177)	41,734	42,911	F		448,249	503,720	55,472	F
Depreciation	433,170	432,078	(1,092)	U		5,185,086	5,184,933	(153)	U
Amortization	38,529	38,529	0	F		462,351	462,352	1	F
Total cost of sales	1,304,864	1,314,239	9,375	F		28,851,475	28,978,044	126,569	F
Administration & General									
Administrative Salaries	58,653	67,761	9,108	F		884,830	813,129	(71,701)	U
Administrative Wages	18,254	14,930	(3,324)	U		172,226	179,158	6,932	F
Administrative PTO Salaries and Wages	4,605	614	(3,991)	U		24,160	7,373	(16,787)	U
Administrative Holiday Salaries and Wages	0	0	0	F		7,734	5,161	(2,574)	U
Administrative Training Wages	0	0	0	F		300	0	(300)	U
Administrative OT Wages	0	1,983	1,983	F		6,534	23,798	17,265	F
Taxes Other than Income Taxes	21,490	23,534	2,044	F		292,493	282,404	(10,089)	U
Administrative Employee Benefits	4,168	3,469	(699)	U		87,280	41,629	(45,652)	U
Admin & general expenses									
Office Supplies & Expense	3,132	3,204	72	F		37,484	38,451	967	F
Postage & Mailing Exp	4,992	1,143	(3,849)	U		21,383	13,717	(7,666)	U
Outside Services - General	16,341	17,333	992	F		94,724	208,000	113,276	F
Outside Services - Legal	4,020	8,333	4,313	F		61,370	100,000	38,630	F
Outside Services - Accounting	636	473	(163)	U		51,642	47,287	(4,354)	U
Outside Services - Engineering	6,511	0	(6,511)	U	(13)	48,994	0	(48,994)	U
Property Insurance - Equipment	64,773	63,397	(1,376)	U		735,101	760,759	25,658	F
Property Insurance - Auto	1,290	4,787	3,498	F		49,712	57,448	7,737	F
General Liability Insurance	14,510	19,133	4,623	F		210,799	229,600	18,801	F
Workers Compensation Insurance	4,507	5,106	600	F		46,065	61,276	15,211	F
Employee Benefits - Health Insurance	29,859	34,346	4,487	F		297,644	412,157	114,513	F
Employee Benefits - Union	5,702	2,842	(2,860)	U		31,296	34,100	2,804	F
Telephone & Communication	3,743	3,141	(602)	U		32,265	37,692	5,427	F
Misc General Expenses	63,998	304	(63,694)	U	(14)	79,076	3,642	(75,434)	U
Travel	3,582	2,500	(1,082)	U		32,182	30,000	(2,182)	U
Advertising - Public Notices	1,370	467	(903)	U		9,441	5,605	(3,837)	U
Dues and Subscriptions	1,271	2,081	810	F		27,741	24,976	(2,765)	U
Property Tax	1,042	1,027	(14)	U		12,500	12,500	0	F
Meals & Entertainment	389	749	360	F		7,094	8,991	1,897	F
Utilities - Office	2,187	2,314	127	F		40,819	45,877	5,057	F
Training & Seminars - Admin	800	1,292	492	F		12,126	15,500	3,374	F
General Maintenance Building	1,042	2,708	1,666	F		20,689	32,500	11,811	F
Maintenance of Computers	7,369	3,912	(3,457)	U		69,484	46,941	(22,543)	U
Total administration & general	350,234	292,885	(57,349)	U		3,505,186	3,579,671	74,485	F
Total cost of sales and administration & general	1,655,098	1,607,124	(47,974)	U		32,356,661	32,557,714	201,053	F

Variance to Budget Footnotes
June 30, 2024

(1) - Gas liquefaction expenses Maint - BTB 1 was over budget for the month due to timing differences of when the rebuilds occur. The $56K is directly related to part received for the rebuilds.

(2) - Gas liquefaction expenses Maint - BTB 2 was over budget for the month due to timing differences of when the rebuilds occur. The $59K is directly related to part received for the rebuilds.

(3) - Gas liquefaction expenses Maint - Cascade was under budget due to maintenance not occurring.

(4) - Gas liquefaction expenses Maint - Boost Compressor was under budget due to maintenance not occurring.

(5) - Gas liquefaction expenses Maint - Skid Process was over budget by $8K due to required maintenance that the budget did not anticipate. The Cold Box which is part of the Skid Process, requires a crane to complete the maintenance, part of this overage is due to renting a crane and the remaining overage is due to purchasing perlite for the cold box to reinsulate it.

(6) - Distribution operations - common - Dist Ops - Training Labor was over budget by $8K due to three newer operators completing their required training.

(7) - Distribution operations - Fairbanks & North Pole - Dist Ops - Customer Site was over budget by $12K. IGU received and recognized expenses from contractors assisting IGU in relighting customers' appliances back in February due to pressure drops in the system.

(8) - Distribution operations -Meter Labor was over budget by $13K. This labor account being over for the month is due to operations staff completing maintenance of radio devices (ERT) on meters that allow IGU to read customers' meters remotely.

(9) - Distribution operations -Dist Ops - Salaries & Wages was over budget by $11K for the month due to more labor being utilized in this area than the budget anticipated. It should be noted that overtime was incorrectly allocated to this expense account, approximately $4K.

(10) - Storage & vaporization operations—Storage Site III was over budget by $7K for the month due to additional labor being utilized at the storage site in preparation for the upcoming ribbon-cutting ceremony and additional maintenance.

(11) - Storage & vaporization operations—Storage Site IV was over budget by $5K for the month due to additional labor being utilized at the storage site in preparation for the upcoming PHMSA audit and required maintenance.

(12) - Storage & vaporization maintenance - Storage Site III - Maint Vapor Equipment was over budget by $7K. This overage is due to purchasing two sets of transfer hoses (LNG and Vapor) to replace worn hoses on the south transfer lane, this should have been capitalized and will be updated with the final audited report.

(13) - Administration & General - Outside Services - Engineering was over budget for the month by $7K. This is work being completed by NORSTAR for PHMSA compliance work that was not budgeted. YTD we have spent $49K for this work.

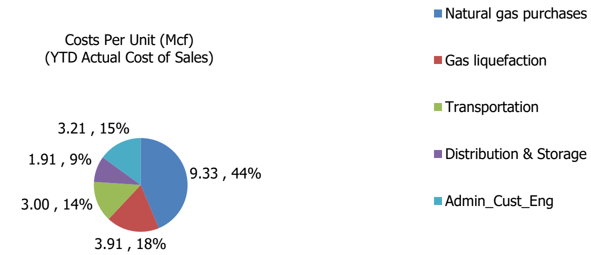
(14) - Administration & General - Misc General Expense was over budget by $64K for the month. The Line of Credit (LOC) closing costs were recognized this month as part of the FY end close. The LOC which closed in the current FY had direct expenses associated with securing the LOC; originally these closing costs were being amortized over a two-year period.

Interior Alaska Natural Gas Utility
Financial and Operating Report
Year to Date as of
June 30, 2024

Statement of Revenues, Expenses and Change in Net Position

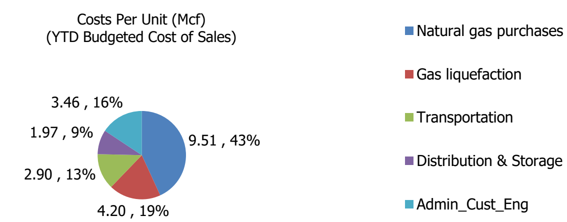
		YTD Actual	$Mcf	YTD Budget	$Mcf	Notes	% Difference Mcf
	Mcf's Sales - Manufactured LNG	1,179,347		1,143,457			
	Mcf's Sales - Purchased LNG	104,999		113,594			
	Total Sales - Mcf	1,284,346		1,257,051			2.17%
1	Revenues	29,897,834	23.28	29,307,335	23.31		-0.15%
2							
3	Cost of sales:						
4	Natural gas purchases	9,923,939	8.41	9,790,864	8.56		-1.7%
5	Natural gas purchases - 3rd party	2,058,405	19.60	2,158,286	19.00		3.2%
6	Gas liquefaction	2,919,086	2.48	3,168,496	2.77		-10.7%
7	Liquefaction electricity	1,697,209	1.44	1,639,404	1.43		0.4%
8	Transportation	3,542,946	3.00	3,320,445	2.90		3.5%
9	Cost of Sales	20,141,584	16.25	20,077,495	16.61		-2.2%
10	**Gross Margin**	9,756,250	7.60	9,229,840	7.34		3.5%
11							
12	Operating expenses:						
13	Distribution	679,411	0.53	593,562	0.47		12.0%
14	Storage	1,768,334	1.38	1,891,193	1.50		-8.5%
15	Engineering	166,461	0.13	264,788	0.21		-38.5%
16	Customer service	448,249	0.35	503,720	0.40		-12.9%
17	Administration and general	3,505,186	2.73	3,579,671	2.85		-4.2%
18	Interest expense	657,741	0.51	876,329	0.70		-26.5%
19	Depreciation and amortization	5,647,437	4.40	5,647,285	4.49		-2.1%
20	Total operating expenses	12,872,818	10.02	13,356,548	10.63		-5.7%
21	**Operating income (loss)**	(3,116,568)	(2.43)	(4,126,708)	(3.28)		26.1%
22							
23	Non operating income (expense)						
24	Gain (loss) from disposing PPE	2,650	0.00	0	0.00		
25	Interest and dividend income	390,496	0.30	44,589	0.04		775.8%
26	Net proceeds of bond financing	0	0.00	0	0.00		NA
27	Grant income	162,660	0.13	0	0.00		NA
28	Other income (expense)	15,530,921	12.09	0	0.00		NA
29	Extraordinary deductions	0	0.00	0	0.00		NA
30	Total non operating income (expense)	16,086,727	12.52	44,589	0.04		NA
							% Difference
31	**Change in net position**	12,970,159		(4,082,119)			417.7%
32	EBIDA	18,882,192	14.70	2,396,906	1.91		687.8%

Actual



Total Cost per Mcf less interest & depreciation: $21.36

Budget



Total Cost per Mcf less interest & depreciation: $22.04

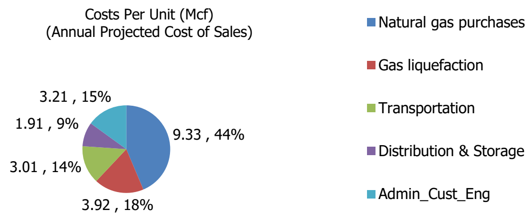
Working capital cash balance
Current ratio (Working capital)
Quick ratio
Debt coverage ratio (Annual)

LNG Inventory Levels	**5/31/2024**	**6/30/2024**	
Storage Site I - (66,820)	14,725	14,096	-4%
Storage Site III - (5,250,000)	1,920,332	2,446,009	27%
Storage Site IV - (150,000)	31,457	35,938	14%
	1,966,514	2,496,043	
20 Day of Security Supply (Gals LNG)	501,925	241,561	Gals
Security of Supply	76	200	Days

Key Financial Metrics:	Actual	Budgeted	% Difference
Working capital cash balance	$ 2,079,584	$ 6,731,603	-69.1%
Current ratio (Working capital)	8.4	6.2	35.5%
Quick ratio	6.1	3.4	78.3%
Debt coverage ratio (Annual)	14.8	1.8	741.2%
EBIDA	$ 18,882,192	$ 2,396,906	687.8%
Operating Income:	$ (3,116,568)	$ (4,126,708)	32.4%

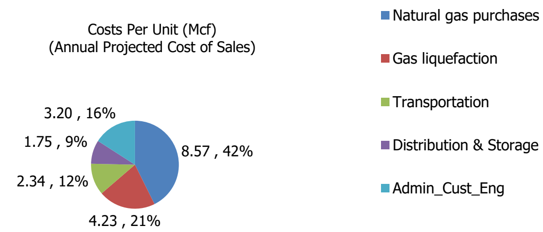
Interior Alaska Natural Gas Utility
Financial and Operating Report
Year to Date as of
June 30, 2024

12 Month Trailing Average
(July 2023 - June 2024)



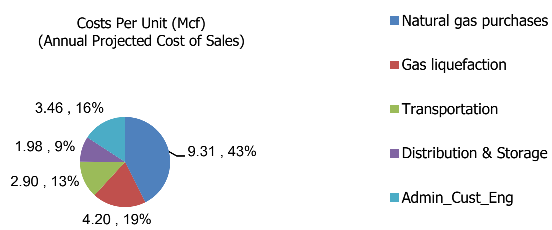
Total Cost per Mcf less interest & depreciation: $21.37

12 Month Trailing Average
(July 2022 - June 2023)



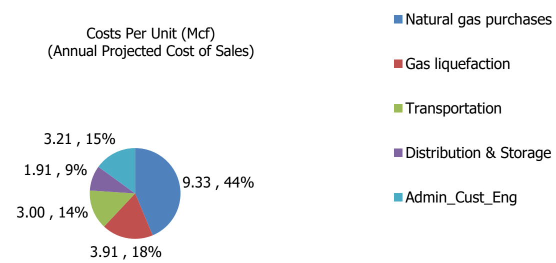
Total Cost per Mcf less interest & depreciation: $20.09

Annual Budget
(June 30, 2024)



Total Cost per Mcf less interest & depreciation: $21.86

Projected
(June 30, 2024)



Total Cost per Mcf less interest & depreciation: $21.36

Additional Metrics Less $15M:		Actual		Budgeted		% Difference	
Working capital cash balance	$	2,079,584	$	6,731,603	●	-69.1%	
Current ratio (Working capital)		3.3		6.2	●	-47.3%	Current Assets/Current Liabilities
Quick ratio		1.0		3.4	●	-71.8%	(Cash+A/R)/Current Liabilities)
Debt coverage ratio (Annual)		14.8		1.8	●	741.2%	(Loan Covenants 1.2/Future Financing 1.35)
Change in Net Position:	$	(2,029,841)	$	(4,082,119)	●	50.3%	

Working capital cash balance - Working capital cash balance is the most liquid financial asset available to pay current liabilities.
Current ratio (Working capital) - Current ratio (Working capital) is a measurement of the Utilities ability to meet current liability obligations.
Quick ratio - Quick ratio indicates the liquid or near-liquid current assets to cover current liabilities.
Debt coverage ratio (Annual) - Measures the company's ability to pay its current debt obligations.

Interior Alaska Natural Gas Utility
IGU Financial Summary:
Income Statement and Funds Available for Debt Service
Base Case - 11/7/2023 (Last Board Review)

Line No.	ITEM		FY 2024 (Proforma)	FY 2024 (Projected)	Difference	FY 2024 (Proforma)	FY 2024 (Projected)	Difference
				(Unaudited)		(Per Mcf)	(Per Mcf)	
	Total Customers		**2741**	**2428**	**-313**	**2741**	**2428**	**-313**
1	**Gas Sales (MCF)**		1,257,052	1,284,346	27,294			
2								
3	**Average Rate Revenue per MCF ($/MCF)**		$ 23.16	$ 23.14	$ (0.01)			
4								
5	**Operating Revenues**							
6	Sales/Charges for Service		$ 29,107,686	$ 29,722,486	$ 614,800			
7	Other Income		-	-	-			
8	**Total Operating Revenues**		**$ 29,107,686**	**$ 29,722,486**	**$ 614,800**			
9								
10	**Operating Expenses**							
11	Cost of Gas (delivered to Fairbanks)		19,865,074	20,141,584	276,510	15.80	15.68	(0.12)
12	ST - Revenues less Cost of Gas	[1]	$ 9,242,612	$ 9,580,903	$ 338,291	7.35	7.46	0.11
13								
14	Distribution							
15	Storage & Vaporizing		1,891,283	1,768,334	(122,949)	1.50	1.38	(0.13)
16	Distribution Operations		593,562	679,411	85,849	0.47	0.53	0.06
17	Customer Accounts		503,720	448,249	(55,471)	0.40	0.35	(0.05)
18	Administrative & General/Engineering		3,844,460	3,671,646	(172,814)	3.06	2.86	(0.20)
19	ST - Distribution		$ 6,833,025	$ 6,567,640	$ (265,385)	$ 5.44	$ 5.11	$ (0.32)
20								
21	**Operating Margin**	[2]	**$ 2,409,587**	**$ 3,013,263**	**$ 603,676**	**$ 1.92**	**$ 2.35**	**$ 0.43**
22								
23	**Non Operating (Revenues) Expenses**							
24	Depreciation and Amortization		5,647,285	5,647,437	152	4.49	4.40	(0.10)
25	Interest Expenses		1,334,596	657,741	(676,855)	1.06	0.51	(0.55)
26	Interest/Investment Earnings/Other Income		(199,650)	(565,844)	(366,194)	(0.16)	(0.44)	(0.28)
27	ST - Non-Operating Items		$ 6,782,231	$ 5,739,335	$ (1,042,896)	$ 5.40	$ 4.47	$ (0.93)
28								
29	**Net Income**	[3]	**$ (4,372,644)**	**$ (2,726,072)**	**$ 1,646,572**	**$ (3.48)**	**$ (2.12)**	**$ 1.36**
30								
31	**Funds Available for Debt Service**	[4]	**$ 2,609,237**	**$ 3,579,106**	**$ 969,869**	**$ 2.08**	**$ 2.79**	**$ 0.71**
32								
33	**Debt Service**							
34	SETS							
35	Bonds		811,338	811,338	-	0.65	0.63	(0.01)
36	Commercial Debt (Interest Only)		1,140,592	61,404	1,079,188	0.91	0.05	(0.86)
37	**Total Debt Service**		**$ 1,951,930**	**$ 872,741**	**$ 1,079,188**	$ 1.55	$ 0.68	$ (0.87)
38								
39	**Debt Service Coverage - SETS**	[5]	-	-				
40	**Debt Service Coverage - Bonds**	[6]	1.53	4.32				
41	**Debt Service Coverage - Commercial**	[7]	1.20	1.20				
42	**Total Debt Service Coverage - Combined**	[8]	1.34	4.10				
43								

Footnotes:
[1] Line 12 = Line 8 minus Line 11
[2] Line 21 = Line 12 minus Line 19
[3] Line 29 = Line 21 minus Line 27
[4] Line 31 = Line 29 plus Line 24 plus Line 25
[5] Line 39 = SETS debt service set at 1.0
[6] Line 40 = Funds remaining after SETS and Commercial debt service divided by Line 36
[7] Line 41 = Commercial debt service set at 1.2
[8] Line 42 = Line 31 divided by Line 37

LNG - ACTUAL

	Beg	Deliveries	Sold/Used	End	Change
September-23	4,095,001	1,299,785	(797,623)	4,597,162	
October-23	4,597,162	1,454,686	(1,365,278)	4,686,570	89,408
November-23	4,686,570	1,389,433	(1,646,479)	4,429,524	(257,046)
December-23	4,429,524	1,413,172	(2,325,567)	3,595,770	(833,754)
January-24	3,595,770	1,255,052	(2,653,052)	2,119,128	(1,476,642)
February-24	2,119,128	1,323,772	(2,044,550)	1,398,350	(720,778)
March-24	1,398,350	1,446,356	(1,787,395)	1,057,311	(341,039)
April-24	1,057,311	1,519,314	(1,167,566)	1,409,059	351,748
May-24	1,409,059	1,374,546	(817,091)	1,966,514	557,455
June-24	1,966,514	561,497	(31,968)	2,496,043	529,529

LNG -BUDGET

	Beg	Deliveries	Sold/Used	End	Change
September-23	4,209,190	1,355,000	(797,700)	4,766,490	
October-23	4,766,491	1,579,506	(1,340,160)	5,005,837	239,347
November-23	5,005,837	1,684,998	(2,012,297)	4,678,538	(327,299)
December-23	4,678,538	1,534,501	(2,279,932)	3,933,107	(745,431)
January-24	3,933,106	1,534,501	(2,431,798)	3,035,809	(897,298)
February-24	3,035,809	1,435,494	(2,026,884)	2,444,419	(591,390)
March-24	2,444,422	1,503,501	(1,898,235)	2,049,688	(394,731)
April-24	2,049,688	1,275,000	(1,164,811)	2,159,877	110,189
May-24	2,159,877	1,224,499	(731,257)	2,653,119	493,242
June-24	2,653,119	974,997	(409,720)	3,218,396	565,277

LNG COMPARATIVE - ACTUALS vs. BUDGET

	Beg	Deliveries	Sold/Used	End
September-23	(370,370)	(55,215)	77	(169,328)
October-23	(169,328)	(124,820)	(25,118)	(319,267)
November-23	(319,267)	(295,565)	365,818	(249,014)
December-23	(249,014)	(121,329)	(45,635)	(337,337)
January-24	(337,337)	(279,449)	(221,254)	(916,681)
February-24	(916,681)	(111,722)	(17,666)	(1,046,069)
March-24	(1,046,069)	(57,145)	110,840	(992,377)
April-24	(992,377)	244,314	(2,755)	(750,818)
May-24	(750,818)	150,047	(85,834)	(686,605)
June-24	(686,605)	(413,500)	377,752	(722,353)

Public Comment

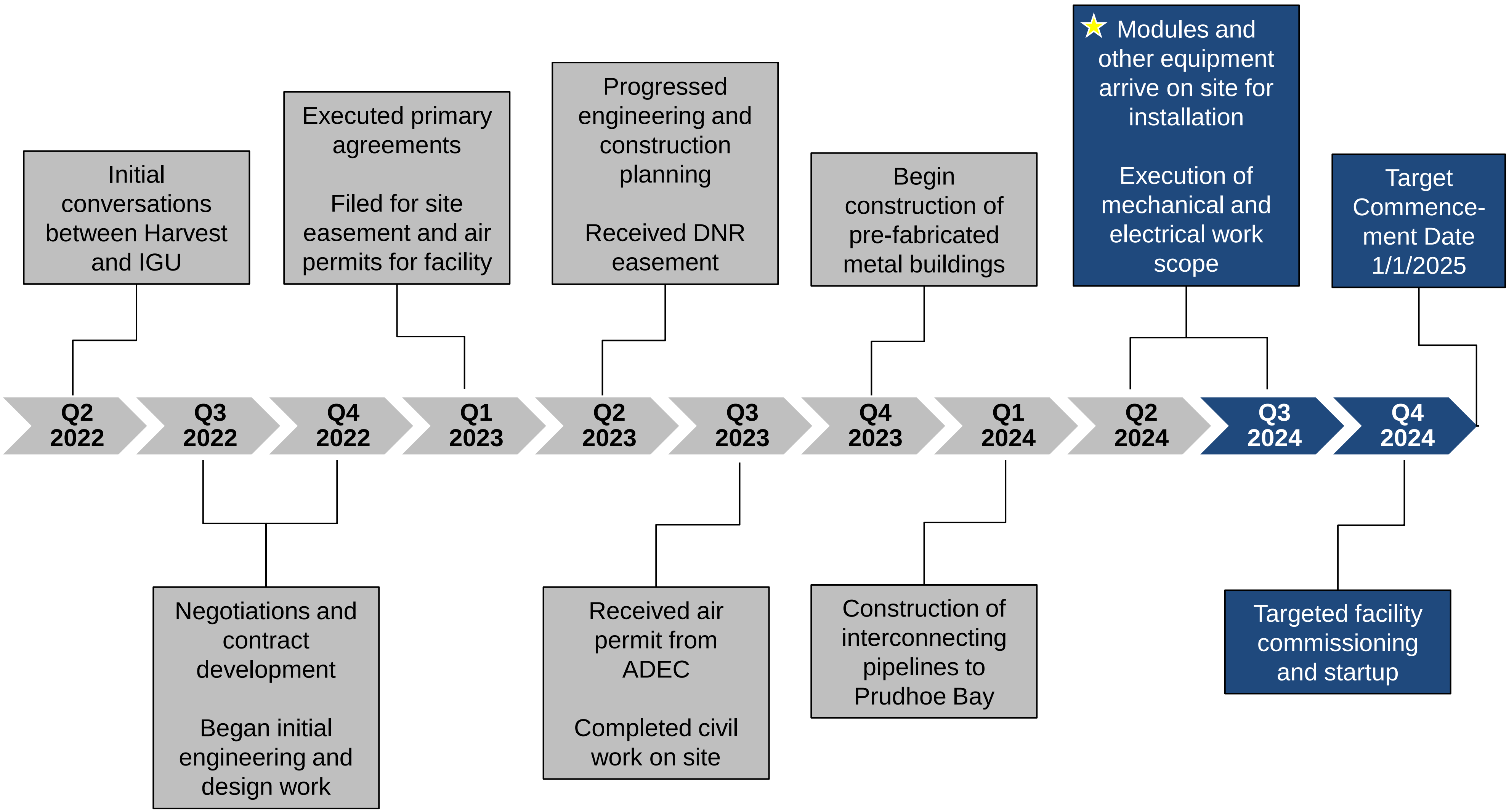
Limited to Three Minutes

Harvest North Slope LNG Facility Update

IGU Board Update

August 6, 2024

North Slope LNG Project Timeline



2024 Spring/Summer Key Activity Status Update

Construction

- Final facility piles and first phase of LNG Tank impoundment have been installed
- Base frames are being set for major exterior plant equipment ahead arrival on site
- Piperack structure is complete; piping install, interconnects, coating and insulation is underway
- Installation of cable trays, lighting, and switchgear is underway in preparation for major cable pulls

Logistics

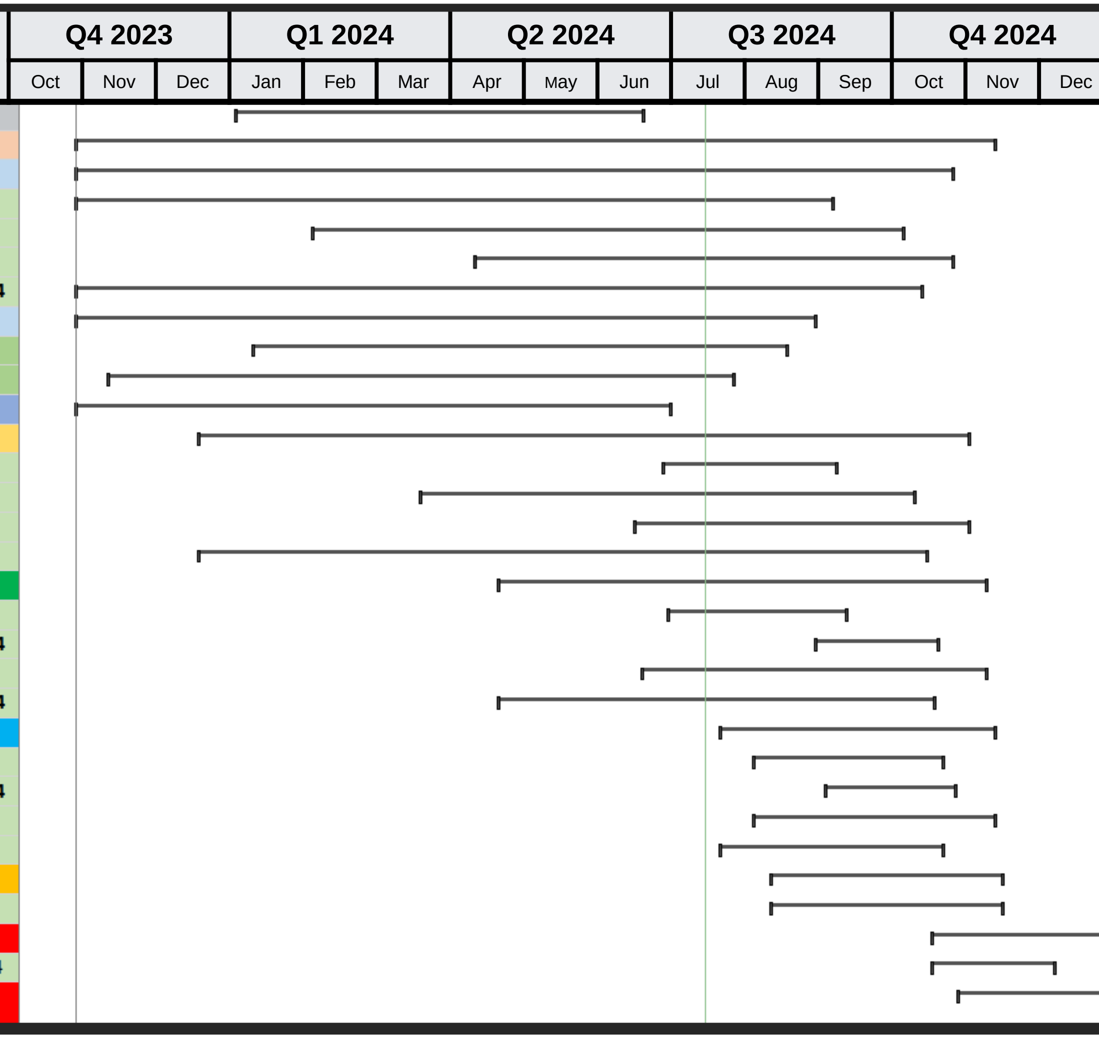
- Gas Connection/Ballot Agreements with the Prudhoe Bay owners executed July 26th
- Amine contactor, regenerator/surge vessel, mole sieve beds and thermal oxidizer on site
- Coldbox is in Valdez; expected arrival on August 5th
- LNG tanks are currently between Nome and Prudhoe; expected arrival by August 6th

Upcoming Scope

- Execution of mechanical and electrical work scope – 3Q/4Q 2024
- Hot tap into Prudhoe Bay field gas pipeline – 3Q 2024
- Facility commissioning and startup – 3Q/4Q 2024
- **Project on track for 4Q 2024 startup and January 1st, 2025 Commencement Date**

Project Detailed Schedule

Task Name	Days	Start Date	Finish Date
Engineering Packages	171.67 days	Mon 1/1/24	Thu 6/20/24
2024 LNG Construction	388.5 days	Wed 10/25/23	Sat 11/16/24
Modules delivery dates	370.5 days	Wed 10/25/23	Tue 10/29/24
Power Generation- Onsite	319.5 days	Wed 10/25/23	Sun 9/8/24
Pretreatment-Onsite	249.67 days	Fri 2/2/24	Tue 10/8/24
Nitrogen-Onsite	201.67 days	Thu 4/11/24	Tue 10/29/24
Misc Facility - Onsite	357.5 days	Wed 10/25/23	Wed 10/16/24
Procurement	312.5 days	Wed 10/25/23	Sun 9/1/24
Pipeline Construction	225.67 days	Mon 1/8/24	Tue 8/20/24
Building Construction	264 days	Wed 11/8/23	Mon 7/29/24
Facility structural	250.83 days	Wed 10/25/23	Tue 7/2/24
Facility Modules setting	325.67 days	Sat 12/16/23	Tue 11/5/24
Power Building	73.67 days	Sat 6/29/24	Tue 9/10/24
Pretreatment Building	208.67 days	Tue 3/19/24	Sun 10/13/24
Nitro Buidling	141.67 days	Mon 6/17/24	Tue 11/5/24
Misc Facility	307.67 days	Sat 12/16/23	Fri 10/18/24
Facility Modules mechanical tie-in	205.67 days	Sun 4/21/24	Tue 11/12/24
Mechanical Tie-in_Power Building	75.67 days	Mon 7/1/24	Sat 9/14/24
Mechanical Tie-in_Pretreatment Building	52 days	Mon 9/2/24	Wed 10/23/24
Mechanical Tie-in_Nitro Buidling	145.67 days	Thu 6/20/24	Tue 11/12/24
Misc Facility	183.67 days	Sun 4/21/24	Mon 10/21/24
Facility Modules electrical tie-in	116.67 days	Tue 7/23/24	Sat 11/16/24
E&I Tie-in_Power Building	80.67 days	Tue 8/6/24	Fri 10/25/24
E&I Tie-in_Pretreatment Building	55 days	Fri 9/6/24	Wed 10/30/24
E&I Tie-in_Nitro Buidling	102.67 days	Tue 8/6/24	Sat 11/16/24
Misc Facility	94.67 days	Tue 7/23/24	Fri 10/25/24
Construction Turnover	98 days	Wed 8/14/24	Tue 11/19/24
Turnover	98 days	Wed 8/14/24	Tue 11/19/24
Commissioning	72 days	Mon 10/21/24	Tue 12/31/24
Pre-Commissioning (Mechanical and E&I support)	52 days	Mon 10/21/24	Wed 12/11/24
Vendor Commisioning Support (Operations and vendors)	61 days	Fri 11/1/24	Tue 12/31/24

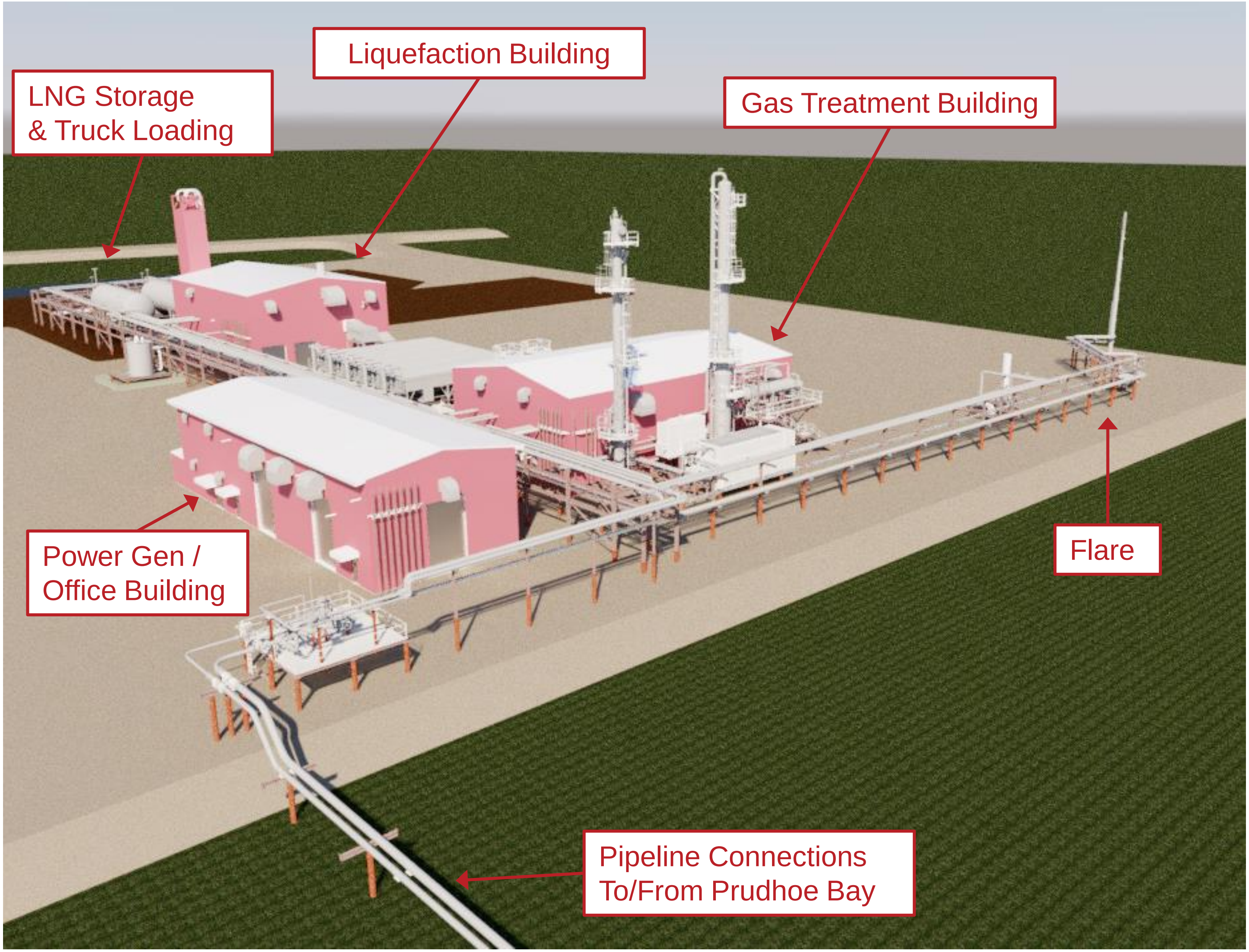


Critical Path – Equipment Tracker

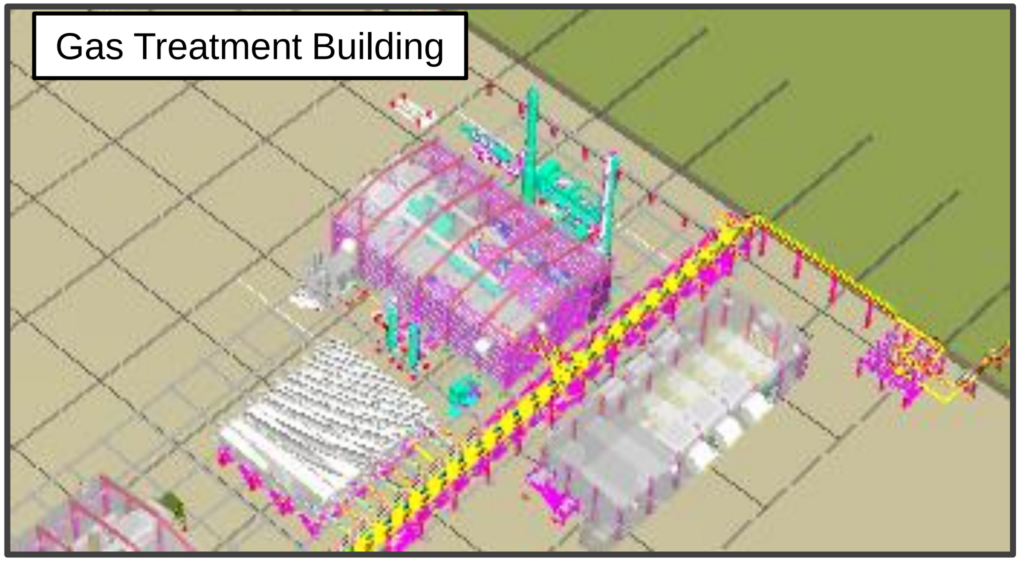
Cosmodyne Procurement Tracking Tool

Category	Line Item	Contract Delivery Date	New Expected Date	Variance	Status	Notes
Pre-Treatment System	Amine Column Skid	5/22/2024	5/27/2024	5	On Time	Amine Skid A - **CO-008 Approved May 22, 2024 Shipping**
Pre-Treatment System	Amine Pump Skid	5/22/2024	5/27/2024	5	On Time	Amine Pump Skid is Amine Skid B
Pre-Treatment System	Amine Dryer Skid	5/22/2024	5/27/2024	5	On Time	Amine Dryer Skid is Mole Sieve Skid
Pre-Treatment System	Amine Contactor Column	5/22/2024	5/27/2024	5	On Time	Amine Contactor Column is Amine Contactor
Pre-Treatment System	Amine Still Column	5/22/2024	5/27/2024	5	On Time	Amine Regen/Surge Tower
Pre-Treatment System	Regen. Gas Cooler	5/22/2024	2/7/2024	-105	Early	Amine/Regen Coolers
Liquefier Systems	Cold Box	5/31/2024	5/24/2024	-7	Early	**CO-012 Approved May 31, 2024 Shipping**
Liquefier Systems	Turbo-Expander Skid	5/18/2024	5/29/2024	11	Late	
Liquefier Systems	Nitrogen Recycle Compressor Package	5/18/2024	9/13/2024	118	Late	
Liquefier Systems	Nirtrogen Recycle Compressor Gas Turbine Driver	2/18/2024	3/24/2024	35	Late	
Liquefier Systems	Aftercooler/Coolant Pump Module	4/18/2024	7/9/2024	82	Late	
Downstream Systems	LNG Dual Pump Skid	3/18/2024	6/24/2024	98	Late	
Downstream Systems	Dual Trailer Loading Module Driver Kiosk	3/18/2024	6/14/2024	88	Late	
Downstream Systems	Cryogenic Tank for Liquefied Gases	2/18/2024	2/16/2024	-2	On Time	
Auxiliary Systems	Air Fan Cooler Module	12/18/2023	1/10/2024	23	Late	
Auxiliary Systems	Instrument Air/Nitrogen Generation System	2/18/2024	5/28/2024	100	Late	
Miscellaneous	Shipped Loose Items (Valves, Instruments, etc...)	4/18/2024	6/28/2024	71	Late	**CO-014 Approved delay on PLC for June 7, 2024 Shipping**

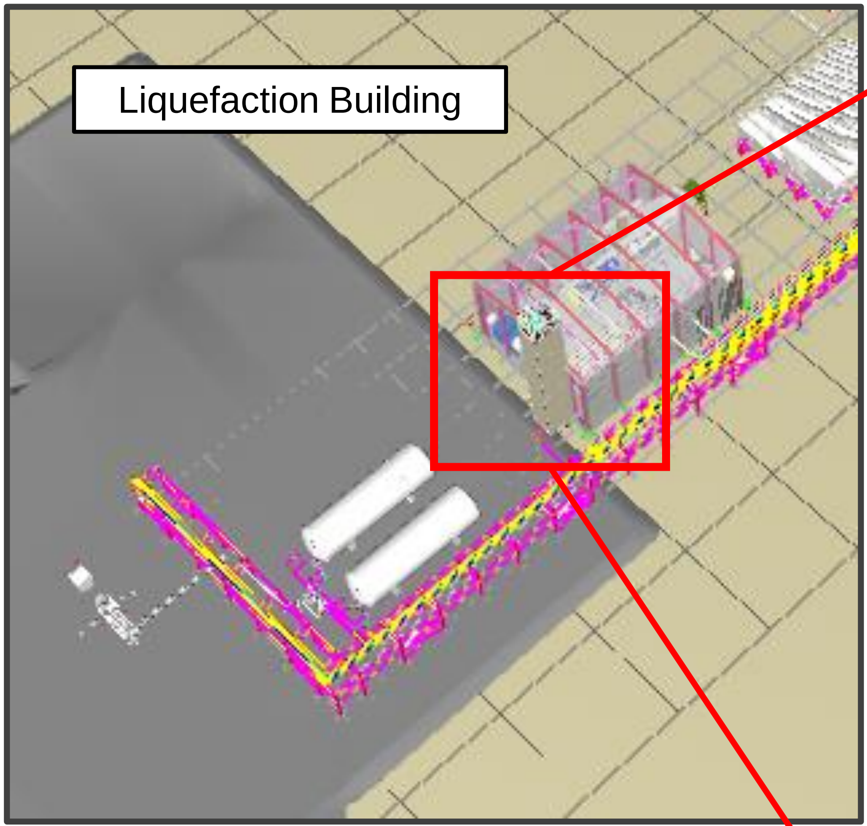
Facility Rendering



Gas Treatment: Components Staged On Site



Liquefaction Building: Coldbox Foundation and Site Prep.



HARVEST MIDSTREAM

Liquefaction Building: Solar Turbine

Infrastructure: Piperack Build Out

Power Building: Interior Build Out

Human Resources Update

by

Sallie Stuvek

Bylaw Review

Suggested Motion:
Move to approve Bylaws as presented.

IGU

INTERIOR GAS UTILITY

BYLAWS

Interior Alaska Natural Gas Utility
Bylaws

Originally adopted by FNSB Assembly Jan 2, 2013
Amended and adopted by FNSB Assembly Oct. 22, 2015
Amended and adopted by FNSB Assembly June 13, 2019
Amended and adopted by FNSB Assembly April 23, 2020

Table of Contents

Article I - Name and Purpose

Interior Alaska Natural Gas Utility, referred to as the Interior Gas Utility (IGU), was established by the Fairbanks North Star Borough (FNSB) on 15 Nov 2012 with the purpose of bringing natural and/or manufactured gas to the largest number of people in the FNSB, at the lowest possible sustainable cost, in the shortest amount of time (See FNSB Ordinance 2012-48 FNSBC 11.01.010 - 11.01.030).

IGU is a public corporation and an instrumentality of the FNSB, wholly owned by the FNSB but has legal existence independent of and separate from the borough.

IGU will function first as a facilitator, second as an implementing corporation that contracts, partners or joint ventures with private companies, and third as a provider/competitor if services are not currently being provided or if the private entity is unwilling to provide them or cannot do so in a cost effective, timely manner.

Article II - Definitions/ Abbreviations

1) Assembly: Refers to the FNSB Assembly.

2) Board or Board of Directors: Refers to the IGU Board.

3) Facilitate: Make (an action or process) easy or easier. Facilitation for IGU will contain a wide range of tools to make the utility's goals easier to achieve, such as, but not limited to:

    a) Develop relationships to advance the long term, cost effective supply of gas to the FNSB.

    b) Provide a community voice that keeps the community's best interest in mind toward achieving IGU's purpose.

    c) Provide services or products which are not available to the private sector that enhance the overall results, such as transparency, tax-exempt financing, reduced taxes, access to governmental programs, evaluation of services for contract compliance to meet IGU goals and acceptance of grants without triggering a taxable event.

4) FNSB: Fairbanks North Star Borough.

5) IGU: Interior Gas Utility.

6) Operations: An active process; a discharge of a function.

7) Oath of Office: I do solemnly affirm that I will support and defend the Constitution of the United States, the Constitution of the State of Alaska, and

the laws of the Fairbanks North Star Borough, and that I will honestly, faithfully, and impartially perform my duties as a member of the Interior Alaska Natural Gas Utility Board to the best of my ability.

8) Partner: A person or entity who shares activity. Includes all forms of public-private, public- public, and joint venture agreements that further the purpose of the Utility.

9) Provide: To make available. Includes, but is not limited to, direct provision of operations or product-based commodities.

10) Quorum of Board of Directors: The presence of four Directors is required to establish a quorum. Regardless of any other provision of the Bylaws a quorum is required for the Board to take official action.

11) Quorum for Committee Meetings: The presence of 51% or more of committee members constitutes a quorum of the committee. The act of a majority of all committee members present at a meeting at which a quorum exists constitutes a valid act of the committee.

12) Utility: Refers to IGU.

Article III - Board of Directors

The Board shall have the power to make and adopt resolutions, policies and procedures it may deem advisable for the management of the business and affairs of the Utility except those inconsistent with the enabling ordinance, these Bylaws or other applicable law.

Section 1: Appointment and Elections

1) Initial Terms of IGU Directors: Three seats are appointed (one each by the FNSB, City of North Pole and City of Fairbanks). Prior to the end of the initial terms, listed below, elections will be held to fill seats, A, B, C, and D.

FNSB seat appointed – 31 Dec 2016

North Pole seat appointed – 31 Dec 2016

Fairbanks seat appointed – 31 Dec 2016

At large seat A – 31 Dec 2015

At large seat B – 31 Dec 2015

At large seat C – 31 Dec 2014

At large seat D – 31 Dec 2014

2) Regular Terms of IGU Directors: After the expiration of their initial terms all Directors shall thereafter serve a term of three years.

3) Vacancy:

   a) The Board may declare a Board seat vacant when the Director:

      i) Resigns and the Board accepts the resignation;

      ii) Is convicted of a felony or an offense involving violation of the oath of office;

      iii) No longer physically resides in the FNSB; or

   b) Has more than 35% unexcused absences from regular Board meetings, as determined quarterly (does not apply to emergency board, special board, work sessions and committee meetings). If a city appointed seat becomes vacant then a new member will be selected by the associated city mayor and confirmed by the city's governing body. All other vacant seats are appointed by the FNSB mayor and confirmed by the assembly.

   c) A person appointed to fill a vacancy serves until the expiration of the term for which appointed and until a successor is appointed or elected and sworn.

   d) If less than 30 days remain in an appointment term or elected positions where there are less than 30 days prior to the vacant seat's election filing deadline, the vacant seat shall not be filled.

4) Term Limits: Except for appointed positions, seats will be limited to two consecutive terms. Directors may be reelected after sitting out one election cycle; at that point the elected member may once again run for up to two consecutive terms.

5) Qualifications: All Directors must be a resident of Fairbanks North Star Borough for at least one year at the time of appointment or election.

Section 2: Officers

1) Chair:

   a) The Chair shall be elected annually by the majority of the Directors present. The first regular board meeting in January of each year shall be the election cycle.

b) The Chair shall preside at all meetings of the Board and shall be the official representative of the Board, unless delegated by the Chair to another Director.

c) The Chair shall serve as the official FNSB Assembly representative for the Utility on all matters, unless delegated by the Chair to another Director.

d) The Chair should brief the FNSB Assembly at least quarterly, unless delegated by the Chair to another Director.

2) Vice Chair: Performs the duties of the Chair when the Chair is not physically present at the meeting and while there is a vacancy in the office of the Chair.

3) Additional Officers: The Board shall have the authority to create additional officers as needed, such as Treasurer and Secretary, and assign specific duties to those officers.

Section 3: Indemnity

1) To the fullest extent permitted by law, IGU shall indemnify a Director against any claim, demand, suit, or judgment arising from an act taken in good faith, within the scope of the Director's duties and permitted under AS 10.06.490, as may be amended by the legislature from time to time.

2) Independent legal counsel shall be provided if:

a) A Director requests and a majority of the membership of the remaining Board of Directors concurs, or

b) The Chair or IGU's attorney determines that there may be a conflict of interest between IGU and the Director.

Section 4: Sanction of Directors

1) A Director who violates the Board's ethical standards may be subject to one or more Board imposed sanctions including, but not limited to, public censure.

2) Prior to imposition of sanctions, the Director shall be entitled to present a defense to the Board.

3) A director may be removed as provided for by AS 29.26.240-350 and AS 29.20.170, as may be amended by the legislature from time to time.

4) Any action to sanction a board member shall require a 2/3 majority vote of seated Directors eligible to vote.

Section 5: Resignation of a Director

1) A Director may resign at any time.

2) Resignation must be in writing and submitted to the Chair. It is effective when accepted at the next Regular Board Meeting.

Section 6: Compensation

These Director positions are voluntary. Compensation to the Directors shall not exceed the compensation paid to FNSB Assembly members. Reimbursement of approved expenses is not considered compensation.

Article IV - General Manager

The General Manager (GM) of the Utility is responsible to the Board for the operation and management of the Utility and unless otherwise provided by ordinance, may not be appointed to a term longer than five years.

The GM, or designee, shall sign all contracts, escrow agreements and deeds, leases, grant and loan applications and agreements, and intergovernmental agreements, consistent with Board fiscal policies.

Exceptions occur when the signing is expressly delegated by the Board or these Bylaws to some other officer or agent of the Utility, or is required by law to be otherwise signed. The GM may be prescribed other duties by the Board that are not specifically delegated in these By-Laws.

The Board will review and confirm (by vote) the GM's performance objectives at the beginning of each calendar year.

At the end of the calendar year the Board will review the GM's performance.

Article V – Committees

The Board may establish standing and temporary committees to advise the Directors. Each committee shall be chaired by a member of the Board of Directors, and include at least one other member of the Board. Committees may include non-Directors. All appointments shall be made by the Chair, subject to confirmation by a majority of the Board of Directors present. These Committees will report and may develop work products during the Committee of the Whole Meetings.

Article VI - Public Relations

Any requests for interviews of Board Members, Officers, or employees by the media concerning the Utility shall be referred to the Chair or the GM for prior approval.

Article VII - Meetings

Section 1: Regular Board Meetings:

1) The Board shall establish a Regular Board Meeting schedule and publish that schedule.

2) Directors shall attend at least 65% of regular board meetings, as determined quarterly, unless excused by the Chair from doing so. Excused absences may include, but are not limited to, emergencies, competing work requirements, sickness, etc.

Section 2: Emergency Board Meetings

1) The Chair, Vice Chair, or any two Directors may call an emergency meeting when a bona fide emergency exists, and may be called with as much public notice as reasonably possible in light of the emergency.

2) The call for an emergency meeting may be transmitted electronically or hand delivered to the business or home address of each Director at the earliest convenience prior to the time of the meeting.

Section 3: Special Board Meetings

1) The Chair, Vice Chair, or any two Directors may call a special meeting when deemed expedient for the purpose of considering and transacting the business specified in the call for the meeting. Notice requirements for Special Board Meeting are the same as for a Regular Board Meeting.

2) The call for a special meeting may be transmitted electronically or hand delivered to the business or home address of each Director at the earliest convenience prior to the time of the meeting.

Section 4: Committee Meetings

The committee chair shall establish a meeting schedule and publish that schedule.

Section 5: Rules Governing Meetings:

1) All meetings shall be public meetings and, with the exception of Emergency Board Meetings, require public notice a minimum of five days prior to the meeting.

2) Meetings shall be conducted according to Robert's Rules of Order, except as otherwise set out herein; however, the Chair may use less formal procedures if no Director objects.

3) Directors do not have to be physically present at meetings, but may attend by electronic means.

4) Board meetings, including emergency and special board meetings, shall maintain a place on their regular meeting agenda for members of the public to address the Board of matters concerning the Utility. A public person shall be given three minutes to address the Board; this time may be reduced or expanded by the Chair but shall be applied equally to all members of the public. Public comment periods are not required at committee meetings.

5) Any substantive business that is publicly noticed in an agenda may be transacted at meetings.

6) The Chair or any other Director may request an executive session. A motion to enter into an executive session shall be duly seconded and subject to a vote of the Board. A majority of the Directors present must vote in the affirmative for the executive session to occur. Executive sessions shall be confidential unless waived by a majority vote of the board. Minutes will be taken during this session and archived according to Board policy.

7) A written record shall be made of meetings and approved at the next regular meeting.

8) Unless otherwise specifically stated in the Bylaws, any matter coming before the Board of Directors shall only be approved if a majority of the Directors present vote in favor of approval.

Article VIII - Ethical Standards

Section 1: Conflict of Interest

No Director, or the GM, shall have any substantial personal or financial gain or interest, direct or indirect, in any contract, subcontract, or the proceeds thereof, for work to be performed in connection with this Board's efforts. The Board shall adopt, by resolution, an ethics policy that covers the activities of Directors and employees.

Section 2: Use of Public Funds in Elections

Restrictions in state law applicable to political subdivisions on the use of public monies to influence elections shall apply to IGU.

Article IX – Amendments

These By-Laws may be amended by the Board by a vote of a simple majority of the membership of the Board of Directors subject to the approval of the FNSB Assembly.

Article X - Financial Transactions

Section 1: Independent Auditors

1) The Board shall provide an annual report, which must include financial statements audited by independent outside auditors.

2) These reports shall be available to the public.

Section 2: Fiscal Policies

The Board shall adopt by resolution, approved by a majority of the membership of the Board of Directors, fiscal policies that govern the financial activities of the organization. This shall include, but not be limited to: budgets, contract authorizations, signatory authority, procurement, investment, and debt.

Article XI - Sunset Review

1) On or before November 15, 2015, the Board shall conduct a thorough assessment of the activities and performance of the organization. At that time the Board shall make a determination, by resolution voted on by the Board, of the following:

   a) Whether IGU has substantially exercised the powers granted in the enacting ordinance;

   b) Whether sufficient progress has been made toward accomplishment of the organization's existence to continue efforts for another ten year period;

   c) Whether the organization has advanced sufficiently to the point where any operations and/or partnerships can be transferred to the private sector. Such a transfer shall be considered only if it is in the economic best interests of the rate-payers of gas utility services.

2) Any change to the organization recommended as a result of the sunset evaluation shall require approval of the Assembly.

3) Such an evaluation shall be undertaken by the Board every ten years. and approved by a majority of the membership of the Board of Directors.

Reports

- Finance Committee Report
- General Manager Report
- Attorney Report

General Manager Report – July 2024

General

- PHMSA Audits:
  - Titan: rescheduled from the week of July 8 to late August
  - Storage site 4: completed
  - Control Room: completed
  - Distribution: ongoing, starting August 5
- Presented Quarterly Report at Borough Assembly.
- Attended American Public Gas Association conference, where IGU received the APGA Public Gas System Achievement Award
- Fitch upgraded the rating for:
  - the ~$11.2 MM bonds AIDEA issued on IGU's behalf from BBB- to BBB
  - IGU's Issuer Default Rating from BB to BB+

Financial / Accounting

- The Finance Committee met on July 23rd, 2024, and did not recommend that the board approve the June financials, as we are in the middle of the audit and numbers may change.
- The state capital budget included a $2.535 MM allocation for IGU's main lines. Current status: Waiting on the Department of Administration to set up the financial coding. Then, IGU and the Department of Commerce will execute a grant agreement.
- IGU staff is investigating options regarding an application for the Environmental and Climate Justice Community Change Grant Program. We are working with Fairbanks Neighborhood Housing Association and potentially National Renewable Energy Laboratory. The intent of the grant for IGU would be to further incentivize conversions to natural gas for residents. The grant has a floor of $10MM and a ceiling of $20MM and it does not require a match. The application deadline is in November.

Previously reported, but kept on the report due to upcoming decision dates:

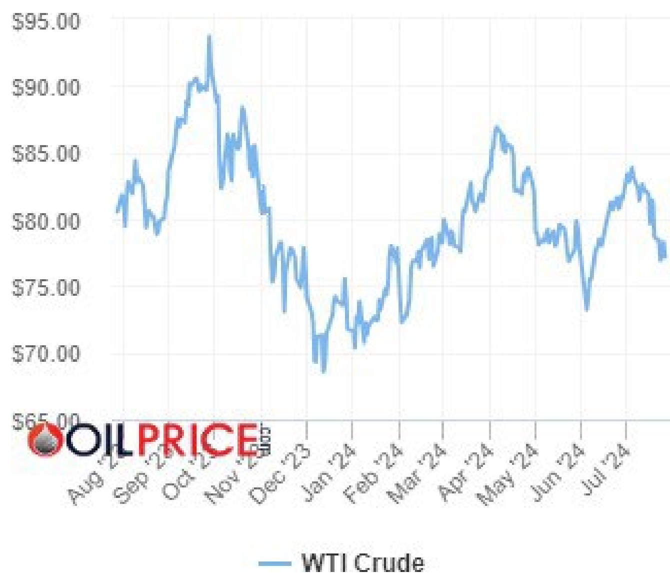
- IGU applied for a $15.8 MM Defense Community Infrastructure Program grant. If received, the grant would pay for the interconnection of IGU's Fairbanks and North Pole Systems via Badger road, as well as main line installation to the Fort Wainwright shooting ranges near Old Richardson Highway. There is no cost match requirement. A decision is expected in September 2024
- IGU applied for a $88,279 Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) Grant Program allocation. The grant does not have a cost match requirement. Thought the grant does not have a closing date, being a revolving funding opportunity a decision is estimated before October 1, 2024 The grant would pay for:
  - Three locating systems

- Two gas leak detectors
- Two 8”-12” squeeze tools

- FNSB applied for another Renew America’s school grant. IGU worked with the applicant and provided a letter of intent to service North Pole High school with natural gas. The grant includes an allocation for the conversion from diesel to natural gas. A decision is expected on August 30, 2024

Oil Markets

Date	West Texas Intermediate	ANS West Coast
7/26/2024	$77.16	$81.60



Sources: Daily NS prices estimated by Department of Revenue, WTI estimated by Bloomberg

Residential Heating Oil Average Price as of 7/24/2024 - $3.98/ gallon Natural Gas Oil Equivalent* - $3.36
Residential oil is 18% more expensive than natural gas
* Based on 135,000 BTU/gallon for #1 oil.

<u>Operations</u>

LNG Plant

- In July, the plant produced approximately 800,000 gallons of LNG.
- Zero Lost Time Injuries, Zero Vehicle Accidents
- Zero Third Party Damage.

IGU Storage Sites and Distribution Systems

- LNG Inventory at the end of July was approximately 2.6 MM gallons, slightly above the August 1 budget of 2.9MM
- All storage and vaporization facilities in continuous, uninterrupted operation.
- No Lost Time Injuries, Zero vehicle accidents.

New service update
- 419 approved for construction applications
- 36 July turn ons
- 29 2023 installs not turned on
- Zak Mitchell was hired as the new Community Relations Manager. She is currently the Communications Manager for Fairbanks International Airport. Her first day at IGU will be August 12.

Marketing and outreach activities
- IGU had a booth at the Golden Days Street Fair
- IGU has a booth at the Tanana Valley State Fair
    - Thank you to the staff who works after hours and on weekends staffing the booths

Capital Projects
- As of 7/29/24:
    - 145 service lines have been installed (34% of total approved)
    - IGU crews have installed 3.1 miles of main lines
        - IGU will install most mainlines that are to be paid for by IGU capital budget, as well as several Targeted Airshed Grant mainline portions.
    - UTI installed 2.9 miles of main lines.
        - UTI will install most of the North Pole Targeted Airshed Grant-funded main lines as well as a few mainlines to be paid for by IGU capital budget.
    - Management anticipates installing nearly 16 miles of main lines this construction season.

North Slope LNG Supply

- To date, 6 of the new LNG trailers have been received in Fairbanks. They are all registered with the DOT. Management will take the smaller trailers out of service and keep the older Heil and Chart trailers, as well as the new trailers, in service to maximize payload.
- A consensus with Carlile has not been reached, and management does not anticipate signing a contract with them.
- A contract with Middle Fork has been signed. They have been fulfilling all of IGU's transportation requirements since late May.
- GM recommends that IGU issues an RFP for ad hoc services so that we have negotiated rates and (a) confirmed partner(s) should that become necessary and otherwise rely on Middle Fork for baseload transportation services. GM

held meetings with two transportation companies interested in providing services. At the September Board Meeting, Middle Fork will provide their base and contingency plans for fulfilling all of IGU’s needs on the Haul Road.

<u>Other Operational Updates</u>

- Storage Site 3 is undergoing a perlite refill. This work, which is estimated at at least $500,000, is getting done under warranty.
- Titan is undergoing major scheduled maintenance work. The engines are getting rebuilt, the cold box – derimed, and there is also some preventative maintenance being done on the feed gas compressor. Things are going as planned and relatively uneventfully. The plant was shut down for 3 days and will be producing at a reduced rate for about two weeks.
- A trailer maintenance facility is needed in Fairbanks starting in January. IGU will post an RFP for a leased facility shortly. The capital budget approved by the board in June contains funding to start the work on an IGU-owned facility. Staff will begin working on engineering and design this winter.
- George Deal has been promoted to Director of Operations earlier than previously reported he would. He was able to participate in the PHMSA audits, help manage the perlite refill work, and otherwise start taking over operations. He will present the operations report to the board starting September.

MEMORANDUM

TO: IGU Board

FROM: Zane Wilson ZW

SUBJECT: Summary of Activity

DATE: July 26, 2024

Over the last month we have been engaged on the following issues.

1. Attend board meeting.
2. LNG Transportation contracts.
3. Storage tank warranty extension.
4. PHMSA reporting.

Director Requests for Interior Gas Utility Information

Closing Comments

- *General Manager*
- *IGU Attorney*
- *Directors*

ADJOURNMENT