



# Interior Gas Utility

## Board of Directors Board Meeting

August 4, 2015

4:00PM – 6:00PM

100 Cushman Street, Ste. 501, Fairbanks, Alaska

### Minutes

A Meeting of the Board of Directors of the Interior Gas Utility was held Tuesday August 4, 2015, at the IGU, Fairbanks, Alaska. IGU Board Chairman, Mike Meeks, presiding.

Others in attendance were: Rene Broker (FNSB Attorney), Mindy O'Neill, David Prusak, David Carlisle, Ted Johnson, Steve Lowry, Kurt Anderson, Kevin Schenck

#### I. Call to Order

- Roll call

Board Members Present:

Mike Meeks

Frank Abegg

Steve Haagenson – arrived at 4:02

Aaron Lojewski

Nadine Winters

Bill Butler

Excused:

Jack Wilbur

- Approval of Agenda

Director Lojewski moved to approve the agenda. Director Winters seconded and the meeting agenda was approved.

- Approval of July Minutes

Director Winters moved to approve the minutes as amended from the 7/7 Board of Directors Meeting. Director Abegg seconded.

Director Winters moved to approve the minutes from the 7/21 Work Session. The motion was seconded by Director Lojewski.

- Public Comment – *limited to three minutes*

*Steve Lowry – professional surveyors for clearing (subcontractors). Disputes how PDC has calculated the pay quantities for surveying as part of the clearing contract. He requested the Board of Directors to require PDC to provide signed and stamped quantity calculations.*

*A list has been provided by PDC which is being disputed. The survey used has not been conducted with professional surveyor equipment and guidelines for the land survey profession. He believes PDC should sign and stamp the quantities documents they are providing. PDC determines the pay quantities, which he does not agree with how these measurements determined. He also does not agree with how the pay quantities were defined in the contract.*

*David Prusak reported that the measurements were outlined in the contract and are believed to be the standard professional methodology, and that calculations that are signed and stamped pay quantities is not typical nor a requirement of the contract. PDC has provided response back to the contractors (Gage and Carlos Tree Services) to compare their analysis and requested that their surveyor (Mr. Lowry) submit his calculation to see if they can determine if there are mistakes or variations of how this is paid for as part of the contract, to date this has not yet been submitted.*

*Differences are estimated to be about 10% discrepancy, which Mr. Lowry believes warrants a signed and stamped quantity.*

## **II. Reports**

- **Approval of May Financial Reports**

Director Lojewski made the motion to accept the May 2015 Financial statements; Director Winters seconded the motion and the May 2015 Financials were approved.

- **General Manager**

Steve Haagenson reported that there was no new business to report outside of the agenda.

- **MWH**

David Prusak reported that 70% of pipe installation is complete as of today. Pressure tests generally happen 2-3 days after installation –Pressure testing is limited to a maximum of 5000 feet of pipe.

Coordination with ADOT continues, and zones in B and C are anticipating to complete installation of the 2” pipe in their zones by next week.

Draw #5 of the AIDEA Line of Credit reconciliation of all expenditures is due for submittal August 15.

The conversion steering group met for a day-long session on tactical plan development and to identify and define roles and responsibilities for the next 4-6 months. Next meeting is scheduled August 19. The conversions committee is led by Monique Garbowicz, overseen by Mr. Prusak as the project manager, and supported by Mindy O’Neill and David Carlisle.

- **Monthly Status Reports**

Prusak updated the board on the monthly status reports from MWH, PDC and MBJ.

Director Abegg commented that he appreciated percentage complete in PDC report.

- **Special Committees**

- **GM Hiring Committee**

Director Abegg updated the board of upcoming interviews scheduled for the next meeting on August 18. The interviews are scheduled for 90 minutes.

Compensation packages have been discussed and are being finalized. This is expected to be done by the time of the interviews.

Compensation package review will be emailed out by 8/11.

8/17 – approve compensation Plan and contract, set up phone in, possible executive session

8/18 – regular Work Session, conduct GM interviews (90 minutes each)

8/19 – candidate recommendation, presentation by AIDEA on the gas integration and LCE, vote on resolution for the GM to enter into discussions with AIDEA about possibly becoming the LCE.

### **III. Unfinished Business**

- **Utility Integration Plan**

Steve Haagenon (GM), discussed the letter from AIDEA that was included in the packet referring to the ‘Local Entity Control’ proposition.

- Build out entire area
- Assume financial responsibility
- Operate system

Discussion ensued regarding questions about the AIDEA letter from Bob Shefchik, IEP Project lead.

Draft Resolution 02-2015 about the LCE was briefly discussed along with suggested changes to the resolution. This will be discussed after a presentation by Mr. Shefchik about the LCE for a combined gas utility.

- **FNG/AIDEA Purchase**

Bob Shefchik is invited to a Board Working Session on August 19 to review and update Directors on the progress.

- **AIDEA acquisition financial model**

This is scheduled to be given at 1:30pm on Monday, August 17 to any Director who would like to review it in a group setting. This is a public meeting and will be held at the IGU offices.

- **IEP Selection Process Liquefaction Process**

Evaluators of the RFPs are kept confidential. RFPs were received on August 3. The AIDEA Board is scheduled to make a determination this fall.

GVEA is holding an Energy Summit meeting on August 13 at 6pm at the Margaret Murie Auditorium at UAF. Brian Rogers will moderate.

#### IV. **New Business**

There was no new business noted to discuss at this meeting.

#### V. **Adjournment**

- Next Agenda
  - General Manager interviews
  - Schedule Update
  - Resolution 02-2015 (8/19)
  - Bylaws (9/15)
  - Open Meetings Act (9/15)

#### VI. **Director Comments**

Director Abegg is working on a presentation to the City of Fairbanks on the status of IGU on August 10 at 6pm.

Haagenson – questions for the GM interview will be spread throughout the board.

Prusak noted that the reference checks have been completed, though the background check will be conducted after a final candidate has been selected.

#### VII. **Adjourn** – Director Winters made a motion to adjourn and Director Haagenson seconded. The meeting was adjourned at 5:30 pm.