



# Interior Gas Utility

## Board of Directors Work Session

December 15, 2015

4:00PM

Interior Gas Utility

100 Cushman Street, Suite 501, Fairbanks, Alaska

### AGENDA

On Tuesday, December 5, 2015 a meeting of the IGU Board of Directors met for a work session, Chair Meeks presiding. The meeting was called to order at 4:02 pm. Others in attendance were Ted Johnson, Jomo Stewart, Gary Wilken, Sam Trotzke, David Carlisle (VISTA), Cynthia Klepaski (FNSB Attorney), Pam Throop, Mindy O'Neill (MWH), David Prusak (MWH), Kara Moore (C&H), Sam Trotzke (RJG). Online were: Monique Garbowicz (MWH) and Mark Premo (MWH).

#### I. Call to Order

- Roll call – call to order at 4:02

Present:

Bill Butler – arrived at 4:10

Aaron Lojewski

Jack Wilbur – arrived at 4:06

Nadine Winters

Excused:

Frank Abegg

Steve Haagenson

*With only three members present, the IGU, the board moved down the agenda to the General Manager report, without adopting the agenda.*

#### II. Reports

- General Manager and MWH Update

Gary Wilken gave an update on the recent GVEA decision to sign a long term contract to use Naptha from PetroStar at their North Pole Power Plant. They have however, verbally committed to the use of .6 bcf of natural gas from IEP.

*The board rolled up the agenda to Call to Order.*

#### I. Call to Order

- Approval of Agenda

With a quorum present, the meeting agenda was moved to be approved by Director Butler and seconded by Director Winters. With no objection, the meeting agenda was approved.

- October Financial Reports

Minutes for the October Finance Meeting were dispersed. Sam Trotzke reported on the Oct. Financials. No questions were asked.

- Public Comment  
No public comment.

## **II. Reports**

- General Manager and MWH Update (continued)

David Prusak reported on the General Manager and MWH updates.

An error in the BM 2015-16 was found, and Prusak reported the annual accounting costs are estimated at \$52,280 instead of the \$65,000 as reported in the BM. The total of the contract remains the same at \$84,700. There are sufficient funds within the budget available and the contract was extended to RJG.

A charrette was held December 4 and reviewed the combination of the gas distribution system between FNG and IGU systems. Better plans for strengths and weaknesses in the merge are understood, and Prusak will work on modeling with Enstar and AIDEA. Still reviewing the location of the storage sites, size and construction. Expects to reconvene at the beginning of the year.

Continuing work on pressure monitoring system in the Phase 1 area. Locates are being handled by PDC, currently, and plans are to contract with FNG on the locates after the first of the year.

Financial draws from the AIDEA Line of Credit (draw #8) is being discussed. Draw #6 was underspent by \$2 million. It is unnecessary to request additional funds at this time for anticipated expenses for the first quarter of 2016.

Record drawing are being completed with the approach to have them incorporated into the electronic GIS system to aide in right-of-way issues.

MBJ has been asked to prepare a SOW for permitting activities for Phase II. Discussions with AIDEA will advance or halt any continuation of this work.

Acquisition of PENTEX due diligence continues to move forward and the data was been received and non-disclosures are being prepared for signature.

## **III. Committee of the Whole**

- FY 15 Audit Presentation  
Kara Moore from Cook & Haugeberg (C&H) discussed the 2015 Audit Financial Statements, the Letter to the Board of Directors, Communication of Internal Control Related Matters.
- Audit Recommendations

The finance committee members recommended that the IGU Board accept the October Financial Report as presented at their meeting.

- Draft Policies for Capitalization and Collateralization Security  
The chair requested directors review the draft policies and reply to the Board Chair and Prusak on any suggested changes.
- Updated Schedule and Scope of Work Review  
Prusak provided an overview of the updated schedule and reviewed the tasks within the current and proposed scope of work and that they matched the schedule.

Wilbur requested the additional scope of work be provided in writing and be given to the board.

- Conversions  
A draft of the tactical plan will be submitted to the General Manager in January with a workshop planned for presentation to the Board at the February Work Session.

#### **IV. Special Business Meeting**

- Accept FY 15 Audit

Director Wilbur moved to enter into Special Business Meeting. Director Winters seconded and the Special Business Meeting was called to order.

##### **Discussion:**

Director Butler moved to accept the FY 15 Financial Audit. Director Winters seconded. A voice vote was called and the audit was unanimously accepted.

Winters – yay

Wilbur- yay

Butler- yay

Lojewski – yay

Meeks – yay

- 2016 Legislative Priorities

Director Winters moved to accept the 2016 Legislative Priorities. Director Lojewski seconded.

Discussion: Lojewski asked if it was appropriate to support the AHFC funding with the deficit of the state, and suggested to advocate for local discretionary spending instead.

Winters replied that it was a program that benefits energy relief for Fairbanks and is a state program that should be supported.

A voice vote was called:

Winters – yay

Wilbur- yay  
Butler- yay  
Lojewski – nay  
Meeks – yay

Wilbur requested to submit the priorities to the Chamber Energy Committee and FNSB Assembly.

Winters moved to conclude the Special Board Meeting. The motion was seconded by Director Lojewski and the Special Business Meeting was concluded.

## **V. Adjournment**

- Next Agenda
  - Board Election of Officers
  - Approval of Oct. financial reports
  - Monthly Status Report
  - Draft policies for discussion
  - IEP

## **VI. Director Comments**

The board chair thanked Director Winters for her service to the IGU, as this was her last meeting.

## **VII. Adjourn**

Director Lojewski moved to adjourn; Director Butler seconded, and the meeting was adjourned at 5:56 pm.