



POLICY MANUAL

IGU POLICY MANUAL

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IGU General Policy 1.1 *Interior Gas Utility Policies*

I. OBJECTIVE

To establish the manner in which Interior Gas Utility (IGU) policies are developed, approved and implemented.

II. POLICY

- A. Policies shall be developed consistent with the Bylaws, enabling ordinances and appropriate laws.
- B. A policy or amendment to an existing policy shall become effective on the date upon which it is adopted by the Board, unless otherwise indicated by the Board.
- C. A record of IGU policies shall be maintained and available for public review.
- D. A comprehensive review of the current policies shall be conducted once every three years.

III. RESPONSIBILITY

The Board shall be responsible for developing and approving governing policies and amendments to existing policies with the advice and assistance of the General Manager and the utility's attorney. The General Manager is delegated the authority to adopt Policies applicable only to IGU employees and/or operational activities. A copy of any Policies adopted by the General Manager pursuant to this delegation shall, however, be promptly provided to the Board for their information.

- A. The General Manager shall be responsible for implementation of the policies.
- B. The General Manager shall conduct the comprehensive reviews of the current policies and make recommendations for changes to the Board.



IGU Financial Policy 2.1 *Capitalization of Assets*

I. OBJECTIVE

To provide guidelines for the capitalization of assets for the Interior Gas Utility (IGU) to ensure consistent and accurate application and recording of assets as required for internal, external, regulatory and financial reporting.

II. POLICY

- A. IGU shall capitalize and record assets in accordance with National Association of Regulatory Utility Commissioners (NARUC) accounting instructions and Generally Accepted Accounting Principles (GAAP).
- B. Newly acquired assets (through purchase or construction) shall be capitalized if the acquisition cost is greater than \$750 and the expected service life is greater than one year.
- C. Improvements to existing assets will be capitalized if the acquisition cost is greater than \$750 and:
 - i. The useful life of the asset has been increased; or
 - ii. The quantity and/or quality of units produced from the asset has been increased.
- D. Costs not meeting the criteria above will be expensed as incurred.

III. RESPONSIBILITIES

- A. The General Manager shall be responsible for establishing an Operating Procedure and internal controls that ensure compliance with this policy.

Adopted: February 2, 2016
Amended: April 14, 2017



IGU Financial Policy 2.2

Banking Security

I. OBJECTIVE

To ensure Interior Gas Utility (IGU) funds are housed in a secure financial institution in a manner that maintains an optimum balance between security, accessible liquidity and rate of return.

II. POLICY

- A. IGU funds shall be housed in a secure financial institution in conformance with State and Federal Regulations.
- B. IGU bank balances in excess of Federal Deposit Insurance Corporation (FDIC) insured limits will be secured through collateralization unless otherwise directed by the Board.

III. RESPONSIBILITIES

- A. The Board shall approve selection of IGU's primary financial institution and its banking agreement(s) with that institution including the method of security.
- B. The Board shall review banking agreements each year, preferably in June. The annual review shall consist of an examination of the method of security, rate of return and financial condition of the financial institution.
- C. The General Manager shall be responsible for compliance with and administration of this policy.

Adopted: February 2, 2016
Amended: April 14, 2017



IGU Financial Policy 2.3 *Debt Policy*

I. PURPOSE

To establish guidelines and a framework for the issuance and management of debt by the Interior Alaska Natural Gas Utility (Utility).

II. POLICY

- A. It is the policy of the Utility that the following paragraphs be used as the framework for the issuance of debt.
- B. All anticipated borrowings shall be consistent with local, state, and federal laws and regulation.
- C. The Utility will seek to foster and maintain positive relationships with all credit rating agencies and creditors.
- D. The Utility is committed to providing continuing disclosure of financial and pertinent credit information relevant to the Utility's outstanding debt and will comply with continuing disclosure requirements under Securities and Exchange Commission Rule 15c2-12 and reporting requirements under its bond and bank documents.
- E. The issuance of long-term debt will be used only to finance capital expenditures, and the acquisition of property, both land and equipment.
 - Long-term debt is not appropriate to fund current operating or maintenance expenses.
 - Long-term debt may include bonds, bank term loans and capital leases.
 - The final maturity of the debt will not exceed the useful life of the financed asset or project.
 - The Utility may utilize various debt and coupon structures to accomplish its financing goals, including the use of premium bonds, discount bonds, and capital appreciation bonds.
 - Capitalization of interest should be limited to completion of the financed project, until expected project revenues will be sufficient to pay debt service, and to align future net aggregate debt service of the Utility with available revenues for repayment of debt service.
 - Optional redemption provisions shall be as short as possible consistent with the lowest interest cost to the Utility. When possible, the

redemption price should be par plus accrued interest to the optional redemption date.

- Long-term debt issued on a project finance basis will only be issued if the projected revenues of the project or other identified sources of repayment are reasonably expected to be sufficient to provide for the timely payment of debt service.
 - Bond insurance will be considered for use when it provides an economic savings to the Utility.
 - The Utility will monitor opportunities to obtain savings in interest expense by refunding outstanding debt. As a general rule, the present value savings of a particular refunding should exceed 3% of the principal of the refunded bonds and the final maturity date of the refunding bonds should not exceed the final maturity date of the refunded bonds.
- F. The issuance of short-term debt will be used only to address timing differences between the receipt of revenues and expenditures, short-term working capital needs, and interim financing to be repaid through the issuance of long-term debt or the receipt of grants.
- Short-term debt issued to address timing differences between the receipt of revenues and expenditures or fund working capital, which excludes financing of inventories, will be reduced to no more than 3% of total annual revenues for one thirty (30) day period each fiscal year.
 - The issuance of interim financing will require demonstration that the interim debt can reasonably be expected to be serviced by current revenues and subsequently extinguished through the issuance of long-term debt.
- G. The Utility's preference is to structure its long-term debt to provide level debt service based on its aggregate outstanding long-term debt. To such end, the preference of the Utility is to issue long-term debt with level annual debt service. Other debt service structures may be considered if an economic advantage or business purpose is identified for a particular issuance.
- H. The Utility will determine the most economic means of selling its long-term debt via negotiated or competitive sale. While a competitive sale places potential purchaser's in competition to buy the long-term debt of the Utility in a transparent fashion, the Utility may realize a lower cost through negotiated sale due, among other reasons, to volatile market conditions, time constraints, size, credit rating, security, or nature of the issue.

- I. The Utility will comply with arbitrage rebate post-issuance federal tax requirements in connection with the issuance of tax-exempt debt.
- J. The Utility shall maintain a minimum bond rating objective of investment-grade for all debt issues with at least one nationally recognized rating agency.
- K. All covenants related to debt financing will be strictly followed.

III. REFERENCES

- A. Electronic Code of Federal Regulations – 17 CFR § 240.15c2-12 – Municipal securities disclosure.

IV. DEFINITIONS

- A. Arbitrage Rebate Post-Issuance federal tax requirements generally fall into two categories: (i) the qualified use of proceeds of tax-exempt debt and property financed thereby; and (ii) arbitrage yield restriction and rebate. Qualified use requirements require monitoring of the various direct and indirect uses of property financed by tax-exempt bonds over the life of the bonds and calculations of the percentage of nonqualified uses of such property. Arbitrage Rebate requirements also require monitoring, over the life of the bonds, to determine whether the (i) yield on investments acquired with tax-exempt bond proceeds are properly restricted and (ii) issuer must file IRS Form 8038-T to make a yield reduction payment and/or rebate payment.
- B. Capitalization of Interest – is the practice of using bond proceeds to pay the interest due on debt during the construction period of an asset that is expected to produce a revenue stream once it is complete.
- C. Investment-Grade – is a bond with a credit rating of BBB- (on the Standard & Poor's and Fitch scale) or Baa3 (on Moody's) or higher.
- D. Securities and Exchange Commission (SEC) Rule 15c2-12 requires dealers, when underwriting certain types of municipal securities, to ensure that the state or local government issuing the bonds enters into an agreement to provide certain information to the Municipal Securities Rulemaking Board (MSRB) about the securities on an ongoing basis.

V. RESPONSIBILITY

- A. The General Manager shall be responsible for implementation of the policy.
- B. The General Manager and Chief Financial Officer/Controller shall conduct the comprehensive review of the policy.
- C. The Chief Financial Officer/Controller shall be responsible for the execution of the policy. Also, no less than quarterly, the Chief Financial Officer/Controller will present a supplemental report to the Utility's Finance Committee reporting compliance or non-compliance with covenants. In the event of non-compliance, a comprehensive plan will be submitted to correct the non-compliance.

VI. PROCEDURES

- A. No specific tasks or activities associated with this policy.

VII. ANNUAL REVIEW DATE

- A. The policy will be reviewed annually on or before January 31.



I. PURPOSE

It is the policy of the Interior Alaska Natural Gas Utility (IGU or Utility) that investment of IGU funds should not expose IGU to undue risk of loss while maintaining liquidity and earning a market rate of interest. The public interest within IGU's certificated area is served to the extent IGU funds can be invested with or through local financial institutions qualified and experienced in providing the requested service. Investments shall not be placed with or through such a local institution if the placement would result in any decrease in or impairment of IGU's ability to meet these objectives.

II. POLICY

A. Investment policy and objectives.

- 1) This policy applies to the investment of all IGU moneys with the exception of bond proceeds which will be governed by and in accordance with the related Bond indenture. IGU moneys accounted for in the following cash accounts shall be invested only in accordance with this policy:
 - a) General checking;
 - b) All reserve cash accounts;
 - c) All non-bond debt service accounts.
- 2) All *persons* having responsibility for making decisions regarding the investment of *IGU* moneys shall utilize the same judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of capital as well as the probable income to be derived in accordance with the objectives of this policy
- 3) *IGU* investment portfolio shall be managed so that the portfolio, as a whole, meets the objectives set forth in this policy. All persons selecting investments for *IGU* moneys shall adhere to these objectives, which are listed in order of relative importance.
 - a) Safety of principal;
 - b) Maintaining sufficient liquidity to meet *IGU's* cash flow requirements;

- c) Achieving a reasonable market rate of return.
- 4) Notwithstanding the above objectives, no person shall invest *IGU* moneys in a manner which violates any provision of this policy or any administrative procedures established related to this policy.

B. Persons authorized to invest IGU moneys.

- 1) The general manager is authorized to invest *IGU* moneys in accordance with this policy, and shall ensure that no *person* invests *IGU* moneys other than in accordance with this policy and any administrative procedures established related to this policy.

C. Authorized investments.

- 1) *IGU* moneys shall be invested only in the following instruments:
 - a) *U.S. Treasury and Agency securities* with maturities not exceeding five years from the date of purchase;
 - b) Other obligations guaranteed by the U.S. government or its agencies and instrumentalities with maturities not exceeding five years from the date of purchase;
 - c) Repurchase and Forward agreements with *financial institutions* for the sale and repurchase of securities specified in subsections **(1)(a)** and **(b)** of this section, which meet the collateralization margin requirements for such securities specified in section **D. Collateralization** and with maturities not exceeding five years from the date of purchase;
 - d) Certificates of deposit and other deposits at *banks, credit unions, or savings and loan associations* collateralized as provided in section **D. Collateralization** with maturities not exceeding five years from the date of purchase;
 - e) Uncollateralized deposits at *banks, credit unions, and savings and loan associations*, to the extent that the deposits are insured by the Federal Deposit Insurance Corporation, the National *Credit Union* Administration, or the Federal Savings and Loan Insurance Corporation with maturities not exceeding five years from the date of purchase;
 - f) Bonds and notes which are issued by any *state* or political *subdivision* thereof, and which are graded in the “A” category or higher without regarding to modifier by Moody’s Investors Service, Inc., Standard and Poor’s Corporation, or Fitch Ratings Inc. with maturities not exceeding five years from the date of purchase;

- g) Prime commercial paper graded P1 or higher by Moody's Investors Service, Inc., A1 or higher by Standard and Poor's Corporation, or F1 or higher by Fitch Ratings Inc. with maturities not to exceed 270 days from the date of purchase;
 - h) Prime bankers acceptances offered by the 50 largest *international banks* with maturities not to exceed 180 days from the date of purchase;
 - i) *Money market mutual funds* whose portfolios consist entirely of instruments specified in subsections **(1)(a)**, **(b)** and **(c)** of this section, maturity date not applicable;
- 2) The general manager may enter into a short-term repurchase agreement, certificate of deposit or other authorized investment with the bank or credit union in which *IGU's* daily operating moneys are deposited, for the purpose of investing any excess operating moneys which will be needed in the immediate future to fund *IGU* operations. This investment may be continuing in nature, such that excess *IGU* operating moneys are continually invested. This short-term investment shall be governed by the provisions of this section relating to similar long-term investments.

D. Collateralization.

- 1) If *IGU* moneys are invested in certificates of deposit or other deposits in a bank, credit union, or savings and loan association, the entire amount of principal and interest which will be payable to *IGU* upon maturity of the investment must be collateralized by any combination of the following, unless otherwise provided insurance issued by the Federal Deposit Insurance Corporation (FDIC), National *Credit Union* Administration (NCUA), or Federal Savings and Loan Insurance Corporation (FSLIC):
- a) *U.S. Treasury and Agency securities*;
 - b) Obligations guaranteed by the U.S. government or its agencies and instrumentalities;
 - c) Obligations of the *state* of Alaska or its political *subdivisions* which are secured by the full faith, credit and taxing *power* thereof, and which are rated A or higher by Moody's Investors Service, Inc., Standard and Poor's Corporation, or Fitch Ratings Inc.

E. Safekeeping and custody of securities.

- 1) The general manager shall enter into agreements with one or more banks to provide custodial and safekeeping services for *IGU* investments. All investments purchased by *IGU*, and all securities pledged to *IGU* as collateral, shall be either held directly by *IGU* or held by a third-party custodial bank as agent for *IGU*. At no time shall the general manager permit the financial institution with whom *IGU* is investing funds to hold both *IGU*'s money and the securities pledged as collateral.

F. Internal controls.

- 1) By administrative procedure, the general manager shall adopt and establish a system of internal controls to provide checks and balances within the process by which *IGU* moneys are invested. The internal controls shall be designed to minimize the risk of loss of funds resulting from fraud, employee error, misrepresentation by third parties, anticipated changes in financial markets or imprudent actions by *IGU* officials and employees. *IGU*'s external auditors shall review and evaluate, at least annually, the system of internal controls to ensure that they are adequate for accomplishing the purposes stated in this section.

G. Investment reporting.

- 1) The general manager shall cause to be prepared and delivered to the Board of Directors and the investment review committee, if such committee exists, quarterly reports about each investment in which *IGU* moneys were invested at any time during the quarter:

III. RESPONSIBILITY

- A. The general manager shall be responsible for implementation of the policy.
- B. The general manager and chief financial officer/controller shall conduct the comprehensive review of the policy.
- C. The chief financial officer/controller shall be responsible for the execution of the policy and any procedures developed. Also, no less than quarterly, the chief financial officer/controller will present a supplemental report to the Utility's Finance Committee reporting compliance or non-compliance with the policy. In the event of non-compliance, a comprehensive plan will be submitted to correct the non-compliance.

IV. ANNUAL REVIEW DATE

- A. The policy will be reviewed annually on or before January 31.



IGU Financial Policy 2.5 *Accounting*

I. PURPOSE

To establish the policies of the Interior Alaska Natural Gas Utility (IGU or Utility) system of accounting in conformity with generally accepted accounting principles (GAAP) through guidance provided by Governmental Accounting Standards Board (GASB).

II. POLICY

A. Basis of Accounting.

Enterprise Fund Accounting - In preparing the comparative financial statements in conformity with GAAP, IGU is subject to the accounting requirements as set forth by the GASB. Accordingly, the financial activities of IGU are reported using the economic resources measurement focus and the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when goods or services are received, or the related liability is incurred.

B. Regulation.

The accounting records of the company conform to the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission for natural gas companies subject to provisions of the Natural Gas Act. IGU is exempt from economic regulation by the Regulatory Commission of Alaska (RCA) and the IGU Board of Directors is responsible for the governance and oversight of IGU.

C. Use of Estimates.

In preparing the comparative financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Plant Additions and Retirements.

Additions and replacements of property, plant and equipment are at original cost. Capitalization thresholds are set in IGU Financial Policy 2.1.

Plant costs are comprised of contracted services, direct labor and materials, and capitalized costs. The capitalized costs include indirect overhead charges, certain general and administrative costs, costs of funds and other developmental costs. When property, plant and equipment are disposed of or otherwise retired, the original cost of the property, plus cost of retirement, less salvage value is charged against the net book value of the asset. Any gain or loss is recognized as income or expense in the year of disposition or retirement. Maintenance, repairs and renewals are charged to operations and maintenance expense. Renewals which extend the useful life of the property are capitalized.

E. Intangible Assets.

Intangible assets of IGU are capitalized at historical cost. Intangible assets with an indefinite life are not amortized but are tested annually for impairment or change in circumstances that could affect the nature of the asset. Other intangible assets will be amortized over the useful life of those assets.

F. Cash.

Cash includes cash on hand and amounts held in checking accounts which are not subject to withdrawal restrictions or penalties.

G. Restricted Cash.

Restricted cash includes cash on hand and amounts held in checking and savings accounts which are subject to withdrawal restrictions.

H. Investments.

Investments are reported at fair value (generally based on quoted market prices). IGU has adopted a formal investment policy and is incorporated by reference, IGU Financial Policy 2.4.

I. Fair Value of Financial Instruments.

IGU categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- a) **Level 1** inputs are based on quoted market prices within active markets for identical assets;
- b) **Level 2** inputs are significant other observable inputs;
- c) **Level 3** inputs are significant unobservable inputs.

J. Accounts Receivable and Other Receivables.

Accounts receivable and other receivables are recorded at the amount the company expects to collect. Management determines the allowance for doubtful accounts by identifying troubled accounts, using historical experience applied to an aging of the accounts and regularly evaluating the individual accounts. Accounts receivables are written off when deemed uncollectible and recoveries of previously written off accounts are recorded as revenue when received.

K. Accounts Payable and Other Payables.

Accounts payable and other payables are recorded at cost and paid per vendor terms. If no vendor terms are available, the payables will be paid 30 days from the invoice date.

L. Inventories.

Inventories of liquefied natural gas and materials and supplies are recorded at cost. Cost is determined by the first in, first out method.

M. Accumulated Provision for Depreciation and Amortization.

Provision to be made for depreciation and amortization on a straight-line basis using the following ranges of annual rates:

- a) Distribution, storage, and vaporization 2 – 4%
- b) LNG production equipment 2 – 4%
- c) General Plant:
 - i) Structures and improvements 2 – 15%
 - ii) Transportation and power-operated equipment 2 – 17%

- iii) Furniture and office equipment 6 – 28%

N. Deferred Outflows of Resources.

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Any amount of deferred outflow of resources is to be deferred and amortized over the life of the associated assets purchased.

O. Net Position.

The implementation of Governmental Accounting Standards Board (GASB) Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position requires the IGU to categorize its net position. The company's net position is categorized as:

- a) ***Net investment in capital***- The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) ***Restricted***- The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- c) ***Unrestricted***- The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

P. Environmental Issues.

IGU's environmental issues policy is to record a liability when the likelihood of responsibility for pollution remediation activities such as site assessments and cleanup is probable, and the costs are reasonably estimable.

Q. Operating Revenues and Expenses.

IGU considers all revenues and expenses except investment income, gains and losses from dispositions of property, plant and equipment and materials and supplies inventory, other income relating to line hit repairs, and extraordinary items to be part of its ongoing operations and classifies them as operating in the statement of revenues, expenses, and changes in net position.

R. Debt Premium, Discount, and Issuance Costs.

When debt is issued at a premium or discount, the amounts will be recorded as an Unamortized Premium/Discount of Long-Term debt and be equitably amortized over the life of the debt instrument in monthly installments. The issuance cost of the debt will be recorded in Unamortized Issuance Cost and will be amortized over the life of the debt instrument in monthly instalments.

S. Internal Control.

By administrative procedure, the chief financial officer/controller shall adopt and establish a system of internal controls to provide checks and balances within the accounting processes. The internal controls shall be designed to minimize the risk of fraud, employee error, misrepresentation by third parties, anticipated changes in financial markets or imprudent actions by IGU officials and employees. IGU's external auditors shall review and evaluate, at least annually, the system of internal controls to ensure that they are adequate for accomplishing the purposes stated in this section.

III. RESPONSIBILITY

- A. The general manager shall be responsible for the implementation of the policy.
- B. The general manager and chief financial officer/controller shall conduct an annual comprehensive review of the policy.
- C. The chief financial officer/controller shall be responsible for the execution of the policy and any procedures developed.



I. PURPOSE

To establish the policies of the Interior Alaska Natural Gas Utility (IGU or Utility) for the annual operating and capital budgets of IGU.

Background

Fairbanks North Star Borough (FNSB) ORDINANCE NO. 2012-52 created the formation of IGU and established Title 11 Natural Gas Utility under the FNSB Code of Ordinances. Chapter 11.01.030 (E) of Title 11 directed the IGU Board of Directors to provide a separate capital and operating budget.

II. DEFINITIONS

- A. Cost of Goods Sold – includes the cost of gas, transportation of LNG, and electricity and gas used to manufacture LNG.
- B. Category of Expenses - Operating expenses:
 - (1) Gas Liquefaction.
 - (2) Distribution Operations and Maintenance.
 - (3) Storage and Vaporization Operations and Maintenance.
 - (4) Engineering.
 - (5) Customer Service.
 - (6) Administration and General, excluding depreciation and amortization.

III. POLICY

A. Guiding Principle.

- (1) To provide the FNSB rate payers with the lowest rate achievable without jeopardizing:
 - a. Financial stability.
 - b. Assets.
 - c. Debt obligations.

B. General Budget Policies.

- (1) The Board of Directors (Board), through the Chair, adopts the annual operating and capital budget, based on July 1 through June 30 fiscal year.
- (2) The operating budget includes revenue, cost of goods sold, and other operating expenses, identified by category of expense.
- (3) Given cost of goods sold and revenues vary with temperature, customer demand, and other influences, variances to budget commensurate with changes in revenue are excluded from approval requirements listed below and shall be reported at least quarterly through the Finance Committee to the Board.
- (4) Budget variances within the category of expense shall be reported to the Board through the Finance Committee at least quarterly.
- (5) Any operating expenditure or combination of operating expenditures that results in operating expenditures exceeding 2.5 percent of the total annual operating budget or any expenditures resulting in the breach of IGU financial covenants shall require advanced Board approval.
- (6) Any capital expenditure or combination of capital expenditures, resulting in capital expenditures exceeding 5 percent of the approved capital budget shall require advanced Board approval.

Revenue Requirements.

- (1) The Utility will establish rates sufficient on an annual basis to meet all utility cash requirements, including cost of goods sold, operating expenses, debt service, reserves, and rate-funded capital costs.
- (2) The Utility will establish rates sufficient to meet all security conditions of outstanding debt, including any bond coverage requirements.

Reserves.

- (1) Operating (Working Capital) Reserve: it is appropriate to maintain sufficient cash reserves to accommodate routine fluctuations in revenues and expenses. The Utility, therefore, establishes operating reserves for a minimum of 90 days cash on hand (25% of annual operating expense budget including cost of goods sold) with a long-term goal of achieving 180 days cash on hand.
- (2) Operational Capital Improvement/Replacement Reserve: It is prudent to protect the Utility's investments in LNG production, storage, and distribution assets. The Utility shall maintain a minimum of \$500,000 in the reserve to support the replacement, upgrading, or renewal of assets. The reserve will be evaluated annually for additional funding above the minimum requirement based on:
 - a. Operational Capital Improvement or Replacement plan.
 - b. The impact on rates.
- (3) Debt Service Reserve: It is an obligation of the Utility to meet reserve requirements of bonds and loans, which it uses for utility major expansion projects. It is the goal of the Utility to fully fund such reserves in excess of the requirement conditioned by the bond covenant or loan agreement.

C. Capital.

- (1) Capital Facilities Planning: Due to the impact of capital costs on rates and charges and the variation in funding levels needed over time, the Utility will establish and maintain a capital projects schedule of at least 5 years. Said schedule will be consistent with the Utility's Capital Improvement Plan. This schedule will include project description, scheduled year of construction and total estimated cost. Each project will be identified as an improvement project or a replacement project (including repair and rehabilitation).

- a. Improvements and additions to the system are generally debt-funded and shall be scheduled and budgeted with consideration of the rate impacts that may result.
- b. Replacement projects are normally to be funded with operating cash. Alternatives that may be considered include phasing and/or deferral of projects, the replacement reserve, or debt financing.

IV. RESPONSIBILITY

- A. The general manager shall be responsible for the implementation of the policy.
- B. The general manager and chief financial officer/controller shall conduct an annual comprehensive review of the policy.
- C. The chief financial officer/controller shall be responsible for the execution of the policy and any procedures developed.



IGU Director Policy 3.1 *Agenda Setting*

I. OBJECTIVE

To establish a method of agenda development that provides proper public notice and open discussion of Interior Gas Utility (IGU) issues.

II. POLICY

- A. Agendas for IGU Board meetings, special business meetings, work sessions and emergency meetings will be made available to the public in conformance with the requirements of the Open Meetings Act.
- B. The agenda may include a consent agenda to allow the Board to take action by unanimous consent on items that do not require discussion and are considered routine, procedural, informational, self-explanatory or non-controversial.
- C. Directors shall be given an opportunity to suggest potential agenda items at the end of the meeting prior to which the agenda for the next meeting is being set.
- D. A Director may request an item be added to the agenda through the Chair prior to the meeting notification deadline.
- E. Two Directors may add items to the agenda for action at the next meeting without Board Chair approval so long as sufficient information is provided to allow for publication of the meeting notice as required by the Open Meetings Act.

III. RESPONSIBILITIES

- A. The Board Chair shall be responsible for development of the agenda for upcoming meetings.
- B. The Board Chair shall be responsible for compliance with this Policy.



IGU Director Policy 3.2

Ethics, Conflicts of Interest and Complaint Procedures - Directors

I. PURPOSE

To provide guidelines by which Interior Gas Utility (IGU) Directors conduct themselves in a manner which avoids conflicts of interest, decreased productivity, monetary loss or inappropriate use of IGU's name or property and to provide a process for the filing and resolution of ethics complaints.

II. POLICY

- A. Directors shall comply with the board adopted *Code of Ethics for the IGU Board*. Every director is expected to avoid situations which might realistically be construed as unethical or a conflict of interest since it is not feasible in a policy statement to describe all of the circumstances and conditions that might be or have the potential of being a conflict of interest.
- B. Purpose and Intent. Directors provide their time and energy in public service to the Board and exercise significant personal commitment, often at substantial financial sacrifice in terms of time taken from other professional endeavors. The appointed and elected members are expected and permitted to earn a living and hold individual financial interests. However, matters coming before the Board may include matters in which the appointed or elected member or a family member has a financial or private interest creating ethical issues which should be regulated in order to ensure that decisions of IGU rest solely on what is in the public's best interest.
- C. General Prohibited Conduct. ¹ No Director shall:
 - 1. Take any official action in which a Director has a financial or private interest.
 - 2. Solicit, offer or receive money or anything of value in return for a vote, or the exercise of the Director's official duties.
 - 3. Offer or accept anything of value for or in consideration of obtaining employment, appointment, or promotion of any person by IGU.
 - 4. Offer or accept anything of value for or in consideration of the use of the Director's position to obtain a contract for any person or business with IGU.

¹ Moved from former IV. F. Restrictions on Employment.

5. Use for the Director's own benefit (including financial or private interest) or for the benefit of another person, confidential information acquired by reason of the Director's IGU position and which is not generally available to the public.
 6. Disclose or release, confidential information acquired as a Director or from the Director's official duties unless authorized by law, by a Board majority, or order of the court.
 7. Divert or permit the diversion of IGU personnel time, IGU services, vehicles, equipment, materials or other property for a purpose unrelated to IGU business.
 8. Accept a gift from an individual or an entity with interests that may be substantially affected by the performance of the Director's IGU duties under circumstances where the timing and nature of the gift would cause a reasonable person to question the Director's judgment in exercising official IGU duties on a matter affecting the donor.
 9. Accept gifts from persons on a basis so frequent as to raise an appearance of the use of the Director's IGU position for private gain.
 10. State or suggest to another person that official action or vote on any IGU matter is conditioned on the retention or non-retention of services, including without limitation professional services, construction, and the procurement of supplies, from another person or entity.
 11. Represent, advise, or assist a person for compensation regarding a matter that was under consideration by the Board if the Director participated personally in the matter through the exercise of an official duty.
- D. IGU Exercising Monetary or Management Discretion. When action on a matter involves monetary discretion in the recommendation of policy or funding, Directors shall disclose to the IGU Board any financial interest or private interest including a summary of personal contacts.
- E. Disclosure Requirements. Directors shall place the public interest above any financial or private interest when taking official action. If a Director's private relationships or interests prevent the Director from placing the public interest above a financial or private interest, the Director shall disclose this fact on the record. Prior to comment, deliberation or decision on a matter coming before the

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Amended: July 2, 2019

IGU Board, a Director shall disclose any financial or private interest in the matter, including the financial or private interest of an immediate family member. The nature of the financial or private interest shall be disclosed in sufficient detail to permit the other members of the IGU Board to determine if the financial or private interest disclosed is substantial. If the other members of the IGU Board, by majority vote, determine that a financial or private interest is substantial the member may not participate in the matter coming before the IGU Board.

- F. Substantial [FINANCIAL] Interest. Whether a financial or private interest disclosed is substantial shall be determined by the Board on a case-by-case basis, with evaluation of these factors:
1. Whether the financial or private interest is a substantial part of the matter under consideration;
 2. Whether the financial or private interest directly and substantially varies with the outcome of the official action;
 3. Whether the financial or private interest is immediate and known or conjectural and dependent on factors beyond the official action;
 4. Whether the financial or private interest is significant monetarily;
 5. Whether the financial or private interest is of a type which is generally possessed by the public or a large class of persons to which the member belongs.
 6. Other factors deemed appropriate by the Chair under the specifics of the disclosure and the nature of the action before the IGU Board.
- G. Written Disclosure of Present Economic Interest. All Directors shall, within 30 days after appointment or election, disclose any economic interest that could cause the Director to have a personal or financial interest in a decision of the IGU Board. The Director shall file supplemental written statements with the IGU Attorney as new interests are acquired, and regardless of any prior written disclosure, shall make a full disclosure on the record of a potential conflict when matters come before the IGU Board.
- H. Acquisition of an Economic Interest in Board Contracts and Business. If a Director or a member of the Director's immediate family takes any official action with respect to preparation of a solicitation, award, or administration of a contract,

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Amended: July 2, 2019

the Director or a member of the Director's immediate family shall not acquire directly or indirectly an economic interest in that contract or a related IGU contract.

I. Allowable Gifts. Gifts to a Director that are unrelated to the Director's service and gifts without monetary value are not prohibited. In addition, the following unsolicited gifts are allowed subject to disclosure as follows:

1. A gift or award of monetary value presented in recognition of meritorious, civic, or voluntary service to a Director, so long as presented by a recognized civic or non-profit charitable organization presenting such a gift or award as part of an established tradition, and not given as financial inducement for official action. A Director shall disclose a gift or award with a monetary value in excess of \$100.00 and file the disclosure with the IGU Attorney within 30 working days of receipt of the gift or award.
2. A perishable gift for immediate consumption or display, from member(s) of the public, expressing general appreciation or holiday cheer, when shared among members of the Board or donated to charity. Directors shall disclose a gift under this category with a value in excess of \$100.00 and file the disclosure with the IGU Attorney within 30 working days of receipt.

J. Political Activity. A Director shall not:

1. Use official position to solicit a contribution, endorsement, or other campaign support for any political candidate.
2. Use official position to discourage or inhibit any person from exercising voter franchise.
3. Act in a manner to suggest that the Director is acting in the Director's official capacity or otherwise representing the IGU Board, when engaging in political activity during personal time.

K. DEFINITIONS.

1. "Anything of value" means:
 - a) Anything having a monetary value in excess of \$100.00; or
 - b) Anything, regardless of its monetary value, perceived or intended by either the one who offers it or the one to whom it is offered to be

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sufficient in value to influence a Director in the performance or nonperformance of an official action; or

- c) Anything, regardless of its monetary value, which, under the circumstances, a reasonably prudent person in the position of the Director to whom the thing is or may be offered, would recognize as being likely to be intended to influence the Director in the performance or nonperformance of an official action; and
 - d) Includes but is not limited to, a valuable act, advance, award, benefit, contract, compensation, contribution, deposit, emolument, employment, favor, fee, forbearance, gift, gratuity, honorarium, loan, offer, payment, perquisite, privilege, promise, reward, remuneration, service, subscription, or the promise that any of these things will be conferred in the future.
- 2. "Benefit" means anything that is to a person's advantage or self-interest, or from which a person profits, regardless of the financial gain, including any dividend, pension, salary, acquisition, agreement to purchase, transfer of money, deposit, loan or loan guarantee, promise to pay, grant, contract, lease money, goods, service, privilege, exemption, patronage, advantage, advancement, or anything of value.
 - 3. "Complainant" means a person filing a complaint.
 - 4. "Confidential information" means information gained by the IGU in the course and scope of its business, including but not limited to personnel, financial and litigation information which is not generally made available to the public, or information concerning the acts or intended acts of IGU, including but not limited to executive sessions and ethics hearings not generally made available to the public.
 - 5. "Conflict of interest" means a private or financial interest, an interest in anything of value, or a professional interest in a relevant matter that conflicts with IGU's interest. [IT MAY ALSO INCLUDE THE FILING OF A COMPLAINT BY A DIRECTOR OR A MEMBER OF THE BOARD.]
 - 6. "Entity" means a group of persons organized for any purpose including but not limited to a corporation, company, partnership, firm, association, organization, joint venture, joint stock company, foundation, institution, government, union, trust, society, church or club.

7. "Financial interest" means:

- a) An interest held by a Director subject to this policy or an immediate family member, which includes an involvement or ownership of an interest in a business, including a property ownership, or a professional or private relationship, that is a source of income, or from which, or as a result of which, a person has received or expects to receive anything of value; or
- b) The Director holds a position in another entity, as an officer, director, trustee, partner, or holds a position of management.

7.1. This definition, however, shall be interpreted and applied in a manner that distinguishes between minor and insubstantial conflicts that are unavoidable in a free society and those conflicts of interest that are substantial and material. Specifically, a Director shall not be disqualified from participation in matters in which the Director:

- a) Has a financial interest which is insubstantial;
- b) Has a financial interest that is possessed generally by the public or a large class of persons to which the Director belongs;
- c) Merely performs some duty or has some influence which would have insubstantial or conjectural effect on the matter; or
- d) Has an interest because it involves compensation and benefits for the performance of Director duties.

8. "Gift" means anything of value which is conveyed to or performed for the benefit of a Director including any advance, award, contract contribution, deposit, employment, favor, forbearance gratuity, honorarium, loan, payment, service, subscription, or the promise that any of these things or acts of value will be conferred in the future, if such thing or act of value is conferred or performed without the lawful exchange of consideration which is at least equal in value to the thing or act conferred or performed.

9. "IGU" includes all entities owned in whole or in part by IGU.

10. "Immediate family member" means spouse, child (step, biological or adoptive), parent (step, biological or adoptive), sibling, grandparent, father-in-law, mother-in-law, or a regular member of the Director's household.

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11. "Person" means and includes a corporation, company, firm, partnership, association, society, organization or business trust, joint venture, as well as a natural person.
12. "Private interest" means any personal, other than financial, involvement that may be prejudicial to or in conflict with the public interest held by the Director or the Director's immediate family, including membership in any organization which, or as a result of which, a benefit is received. This definition, however, should be interpreted in a manner that distinguishes between minor and insubstantial involvement that is unavoidable in a free society and those that are substantial and material. Specifically, a Director shall not be disqualified from participation in matters in which the Director has an interest:
 - a) Which is insubstantial;
 - b) That is possessed generally by the public or a large class of persons to which the Director belongs; or
 - c) In a matter over which the Director merely performs some duty or has some influence which would have insubstantial or conjectural effect on the matter.
13. "Professional Interest" means an interest in one's career or the duties owed to others arising from one's profession.
14. "Public censure" means an official rebuke, which shall be part of the public records.
15. "Director" means any person serving on the IGU Board.
16. "Respondent" means the person against whom a complaint is filed.
17. "Subpoena" means a command to appear at a certain time and place to give testimony upon a certain matter. A subpoena duces tecum requires production of books, papers and other things.

III. RESPONSIBILITY

- A. The IGU Board shall be responsible for enforcing a Director's compliance with this policy.

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Amended: July 2, 2019

IV. PROCEDURES

A. Filing of a verified complaint. Any person may file a verified complaint with the IGU Attorney alleging that a Director has violated one or more provisions of this ethics policy.

B. The complaint must:

1. Be a written statement of the charge setting out in ordinary and precise language the acts or omissions with which the respondent is charged, so that the respondent is able to prepare a defense.

2. Specify the subsection(s) of the IGU ethics policy that the respondent is alleged to have violated:

- a) No action may be taken on an untimely complaint. A complaint alleging a violation must be filed within one year from the date the complainant(s) knew or should have known of the action alleged to be a violation; provided, that in no event shall a hearing be initiated more than three years after the alleged violation occurred.

- b) The complaint and verification must be signed by the complainant before a notary public.

3. Form of verification. The verification shall be substantially in the following form:

I, (complainant), have read the foregoing complaint/response, know the contents thereof, and the same are true to the best of my knowledge and belief.

4. Confidentiality.

- a) All proceedings in respect of a complaint filed under the IGU ethics policy are confidential and may not be disclosed to any person except as required for the proper processing and handling of the complaint.

- b) It is not a violation of this section for a person to contact or retain an attorney or to participate in a criminal investigation.

- c) All proceedings and records shall remain confidential unless the respondent requests a public hearing or the IGU Board issues its findings of fact and conclusions of law concerning the complaint.

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5. Service of complaint.

- a) Upon receipt of a verified complaint, the IGU Attorney shall:
- b) Stamp the complaint with the date and time received, number the complaint, establish a docket for further proceedings, and enter the complaint, including date and time received, on the docket.
- c) Review the complaint to determine that it complies with the IGU ethics policy, that it alleges facts sufficient to constitute a violation, and that the Board has jurisdiction over the matter.
- d) If the IGU Attorney determines that the complaint complies with the IGU ethics policy and that the IGU Board has jurisdiction, the IGU Attorney shall serve the complaint and notice on the respondent, personally, or by U.S. mail, restricted delivery, certified return receipt requested.
- e) The IGU Attorney shall notify both the respondent and the complainant that the complaint has been accepted.

6. The notice shall specify the following:

- a) Unless a written extension has been granted for good cause, the respondent must file a response to the complaint within 30 days from the date of the IGU Attorney's written notice;
- b) The respondent may file a challenge to sufficiency of the complaint, if any, within 15 days or within any approved written extension of time;
- c) The respondent has the right to submit affidavits or other written evidence in support of his or her response;
- d) Failure to submit a timely response shall be deemed an admission of the allegations in the complaint;
- e) The existence of the complaint shall be confidential until the findings of fact and conclusions of law are issued by IGU Board concerning the complaint;
- f) The complainant and the respondent have the right to be represented

at any hearing throughout these proceedings.

7. If the IGU Attorney determines that the complaint fails to comply with the IGU ethics policy or that the IGU Board does not have jurisdiction, the IGU Attorney shall dismiss the complaint, setting forth the grounds in a written decision. The IGU Attorney shall serve a copy of the decision on the complainant.
8. A complainant may appeal a dismissal of a complaint to the IGU Board by filing an appeal with the IGU Attorney within 15 days after the date of the notice of dismissal, or within the time period of any approved written extension of time. The appeal must state all facts and legal grounds for the appeal.

9. Response.

- a) The respondent shall file a verified response within 30 days from the date of service of the complaint or any approved written extension of time.
- b) The complaint and verification must be signed by the respondent before a notary public.
- c) The verification shall be substantially in the following form:

I, (respondent), have read the foregoing complaint/response, know the contents thereof, and the same are true to the best of my knowledge and belief.

10. If the respondent fails to respond timely, the allegations of the complaint shall be deemed admitted. The IGU Attorney shall notify the complainant and respondent that the allegations of the complaint are deemed admitted.
11. The respondent may appeal to the IGU Board any deemed admission of the allegations of the complaint, for good cause, by filing an appeal with the IGU Attorney within 15 days after the date on which the response was due. The appeal must state all facts and legal grounds for failure to respond timely.

12. Transmittal.

- a) The IGU Attorney will forthwith furnish to the IGU Board the complaint and response, if any, or any appeal and schedule a meeting of the IGU Board. The transmittal to the IGU Board shall

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include the IGU Attorney's recommendations to the IGU Board.

13. IGU Board review and determination.

- a) The IGU Board shall review and consider all complaints accepted by the IGU Attorney, and timely responses, or any appeal of the dismissal of the complaint.
- b) The IGU Board shall take any action or combination of actions which it deems appropriate and which it is lawfully empowered to take, including but not limited to issuing findings of fact and conclusions of law based on the written record if the respondent admits the allegation(s) or otherwise fails to respond.
- c) The IGU Board may, in its sole discretion, dismiss the complaint, or decide to proceed to resolution of the complaint if:
 - i. The complainant seeks to withdraw the complaint at any time before the Board takes final action; or
 - ii. The complainant, after notice, materially fails to cooperate in the Board's review and consideration of the complaint; or
 - iii. The complainant and respondent agree to a resolution.

14. Pre-hearing conference.

- a) Upon receipt of the response, or the time has passed and the respondent has failed to answer the allegations of the complaint, the IGU Attorney shall furnish copies of the complaint and response, if any, to the complainant, the respondent and the members of the IGU Board, including the notice convening the Board and setting the time and place for a pre-hearing conference.
- b) The pre-hearing conference shall be conducted by the IGU Attorney and held no later than 30 days after receipt of the response or the time for filing a response has run.
- c) Both the complainant and the respondent may be represented by counsel at all proceedings after the filing of the complaint. An attorney representing a party shall file with the IGU Attorney an entry of appearance, furnishing the IGU Attorney with his or her name,

mailing address, telephone and facsimile numbers and email addresses, if any.

15. At the pre-hearing conference, the following matters shall be considered:

- a) Time and place for hearing on the complaint and response;
- b) Any stipulations of fact;
- c) Any motions to be filed;
- d) Any simplifications of the issues;
- e) Scheduling motions, discovery and any other relevant matters;
- f) Exchange of evidence which shall not be later than 10 days before the hearing; and
- g) Any other matters that the IGU Attorney determines will provide a fair and orderly hearing.

16. Hearing notice.

- a) If the IGU Attorney determines that a hearing on the complaint must be held, the IGU Attorney shall serve on the complainant and the respondent a notice of hearing setting out the time and place of hearing and the schedule for any preliminary matters. This notice shall include a statement of the right to provide written evidence and oral testimony. The complainant and the respondent shall also be informed of the right to be represented at the hearing.
- b) If the respondent has failed to answer the allegations of the complaint or has admitted the allegations, the IGU Board shall prepare findings of fact and conclusions of law based on the written record.

17. Subpoenas.

- a) The IGU Board shall issue subpoenas and subpoenas duces tecum at the request of either the complainant or the respondent, and may issue subpoenas and subpoenas duces tecum to witnesses not called or named by either party but who are deemed by the Board to have relevant information.
- b) A subpoena issued under this section may be enforced in the superior court in the manner provided under the Alaska Rules of Civil Procedure.

18. Motions – Depositions.

- a) All motions shall be served in the manner set forth in the Alaska Rules of Civil Procedure and the answering party shall have 10 days from date of service to respond and moving party shall have five days to reply, unless another time has been agreed upon in the pre-hearing conference.
- b) Either party or the Board's attorney may depose witnesses. Notices of deposition shall be served on the parties no less than three business days before the date scheduled for the deposition.
- c) Motions and depositions may not be used to extend the time for hearing. For good cause shown, either party may apply to the Board for an extension of the time for hearing.

19. Service by mail and filing.

- a) If service by mail is used, three days will be added for response time from the date of mailing. The party must certify the date mailed on the document.
- b) All documents shall be filed with the IGU Attorney.

20. Hearing.

- a) All hearings shall be before the IGU Board and if necessary any required alternate(s). Any member of the Fairbanks North Star Borough Assembly, Fairbanks City Council or North Pole City Council may be selected as alternate(s). The chair of the Board shall preside, unless another member of the Board has been so designated by the Board. The chair shall rule on admission and exclusion of evidence.
- b) The Board may administer oaths, hold hearings, and take testimony. Upon motion by the Board or application by a party to the hearing, the Board may issue subpoenas to require the presence of witnesses and the production of records, books and papers at the hearing.
- c) The IGU Attorney, or designee, shall act as the attorney for the Board and shall advise the Board on matters of law.

- d) The complainant and the respondent may each present an opening statement setting out the matters they intend to prove. The complainant shall proceed first with his or her evidence and the respondent shall follow, setting forth his or her evidence. The complainant and the respondent may make closing arguments.
- e) The IGU Board may obtain additional information by a request to the IGU Attorney or designee, to investigate the complaint and report all information to the Board.
- f) The Alaska Rules of Evidence do not apply to the admission of evidence in a hearing, but the ethic Board's findings of fact must be based on reliable and relevant evidence.
- g) At the conclusion of the presentation of evidence and closing arguments, the IGU Board shall consider the allegations, the evidence supporting them and the respondent's evidence. If fewer than three members of the IGU Board are available for deliberation an alternate shall be selected by the remaining members and seated as a voting member until conclusion of the matter, including any appeals; otherwise, the alternate is excused at the conclusion of the hearing.
- h) The complainant, the respondent, and their counsel shall be excluded from all deliberations of the Board.

21. Findings of fact and conclusions of law.

- a) The IGU Board shall enter its findings of fact and conclusions of law no later than 30 days after the conclusion of the hearing. The IGU Board shall notify the parties and their attorneys if an extension is required to permit the IGU Board to prepare its findings of fact and conclusion of law.
- b) If the IGU Board finds that no violation has occurred, the IGU Board shall dismiss the complaint. The IGU Attorney shall serve the notice of dismissal on the complainant, the respondent and attorneys. The notice of dismissal remains confidential.
- c) If the IGU Board finds that a violation of the IGU ethics policy has been committed, it shall prepare and submit its findings of fact and conclusions of law to the assembly.

- d) The findings of fact and conclusions of law are final and conclusive.
- e) The IGU Board may impose any legally authorized penalty on the Director including public censure.
- f) If the IGU Board determines that no violation has occurred, or otherwise dismisses the complaint for substantive reasons, the IGU Board may, in its discretion, award full or partial attorney fees to a Director who reasonably incurred those costs defending the complaint. This award may be made only to the extent that the IGU Board has appropriated funds for that purpose.

22. Appeal of findings of fact and conclusions of law and penalty.

- a) After the IGU Board has determined an appropriate penalty, appeal of the findings of fact and conclusions of law and the penalty may be taken to the superior court in accordance with the Alaska Rules of Appellate Procedure.
- b) Notice of an appeal must be filed with the superior court within 30 days of the imposition of the penalty.

23. Records retention.

- a) The IGU Attorney shall provide for the storage or destruction of all records of the proceedings of the IGU Board in accordance with IGU's approved retention schedule.

V. ANNUAL REVIEW DATE

- A. The policy will be reviewed every three (3) years on or before January 31.



IGU Director Policy 3.3

Authority and Functions of Directors

I. OBJECTIVE

To describe the authority and major functions of Directors acting collectively as a Board and individually.

II. POLICY

- A. The business and affairs of the Utility shall be managed by a Board of seven (7) Directors which shall exercise all of the powers of the Utility except as otherwise provided by law, the Enabling Ordinance or the Bylaws.
- B. The Board shall appoint a General Manager. No Director may serve as General Manager until one year after ceasing to serve as a Director. The General Manager shall perform such duties and shall exercise such authority as the Board may from time to time vest in the General Manager.
- C. Except as otherwise provided by the Bylaws, the Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Utility. The authority may be general or confined to specific instances.
- D. The Board shall have the power to make and adopt such rules, regulations and policies, not inconsistent with law, the Enabling Ordinance or the Bylaws, as it may deem advisable for the management of the business and affairs of the Utility.
- E. The Board will strive to be the unified voice for the Utility. The Board will strive to adhere to the time-honored custom that it's Chair, or in the Chair's absence, the Vice Chair, will be the spokesperson for the Board, except in those cases previously authorized by the Board. Directors must act with unconflicted loyalty to the interests of the Utility. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups. The interest of the Utility shall supersede the personal interest of any Director acting as a consumer of the Utility's services.

Adopted: August 21, 2018

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IGU Director Policy 3.3
Authority and Functions of Directors

Directors shall remain informed about, alert to and aware of the ideals and objectives of the Utility to understand and contribute to the development of policies and plans, and to address issues and concerns.

III. BOARD FUNCTIONS

A. To maintain a legal entity charged with:

1. Ensuring that the Utility complies with all applicable legal requirements, including, but not necessarily limited to:
 - a. All federal, state and local statutes and ordinances.
 - b. The rules, regulations and legal requirements imposed by lending agencies.
 - c. The rules, regulations and legal requirements imposed by federal, state and local tax and regulatory agencies and commissions having jurisdiction over the Utility.
2. Selecting, appointing and reviewing annually the general counsel in consultation with the General Manager.
3. Studying, considering and approving amendments to the Bylaws to be recommended to the Fairbanks North Star Borough.
4. Reviewing and approving Cost of Service Studies and Rate Designs.
5. Reviewing and approving major contracts such as loan agreements, wholesale gas agreements, labor contracts and large construction or consulting contracts.
6. Developing and analyzing gas requirement studies and similar information to make gas supply decisions that will ensure sufficient, secure and reliable gas service for the Utility's current and projected customers.
7. Ensuring that complete and accurate minutes of the Board, and other public meetings are prepared, approved and maintained.
8. Acting as trustee of the customers' interests with respect to:

- a. Conducting well-planned community meetings which promote understanding of the Utility's objectives, goals, policies, plans and programs and provide opportunities for soliciting customer ideas and comments.
- b. Keeping well-informed about changing customer expectations and how the Utility might assist in meeting those expectations.
- c. Ensuring that the customers are informed of the results of the Utility operations through periodic publications, annual reports, community meetings and other communications, including the use of email and the Internet.
- d. Complying with the Bylaws and Board policies.
- e. Arranging for an ongoing appraisal of Board performance including outside assistance, at least every five years; developing a systematic program to keep the Board growing in its abilities and understanding.
- f. Assisting new Directors to develop a greater understanding of the Utility and their basic responsibilities and authority. An orientation will be arranged for new Directors.
- g. Ensuring that a continuous program of customer, public and governmental relations is carried out to obtain understanding and support for the Utility.
- h. Ensuring that board members are fully informed of their collective responsibilities for:
 - i. Selecting, hiring, evaluating and terminating of the General Manager.
 - ii. Providing stewardship of the planning process through active participation in strategic planning and budgets.
 - iii. Monitoring and evaluating organizational performance.
 - iv. Identifying principal risks to the Utility and ensuring effective systems are in place to manage these risks.

- v. Ensuring there is an orderly transition of the board and executive management.
- vi. Developing and reviewing policies to guide the Utility and its management.
- vii. Reviewing the adequacy and integrity of internal control and management information systems.
- viii. Establishing policies, processes and procedures for the structure, operation and evaluation of the board.

IV. RESPONSIBILITIES

- A. The Board may delegate any or all of these responsibilities to an Officer or committee of the Board or the General Manager, so long as such action is consistent with the Bylaws and other legal requirements.
- B. It shall be the responsibility of the Chair of the Board to ensure that the foregoing functions are carried out.



IGU Director Policy 3.4

Director Requests for IGU Information

I. OBJECTIVE

A. To ensure that Directors' requests for IGU information are answered in a prompt, efficient, transparent manner that allows full participation by other Board members and ensures that all Directors are afforded the full response to the request;

B. To provide an orderly structure for Director requests for information and placement on the agenda as necessary to ensure compliance with the Open Meetings Act

II. POLICY

A. The agenda shall include a standing agenda item: "Director Requests for IGU Information", to allow for an opportunity to advance information requests in open session and to allow for other Director's to add to the request, make related requests and consider whether it should be a future agenda item. Normally, all information requests will be made during meetings, under this agenda item, with responses promptly provided to the extent consistent with the Open Meetings Act at the current meeting with additional information sent out or provided at subsequent meetings, unless a reasonable time sensitivity exists.

B. All requests for information from Officers, employees and consultants, shall be made through the General Manager, who will provide responses to IGU Director requests for information by providing necessary information to make Board decisions or fulfill reasonable Board oversight responsibilities and ensure relevant information is made equally available to all Board members.

C. Other than minor, simple questions, requests for IGU information not made in open session shall be made to the General Manager in writing, when feasible, and shall briefly set forth what information is being requested, the time when a response is needed if time sensitive and why the information is being requested.

D. All requests for confidential or protected information shall be made and responded to in an appropriate manner as necessary to provide continued protection of the requested information.

(1) Board members must be mindful, when making a public request, that the question itself may disclose confidential information.

(2) If the question or the reply will disclose confidential information, the General Manager shall, in consultation with legal counsel, determine if an executive session is necessary. Any recommendation for an executive session will be forwarded to the Chair for the Chair's consideration and, if necessary, to the Board.

E. Any unresolved issues or concerns regarding a request shall be referred to the Chair. If the Chair denies a request in whole or in part, the Chair's determination shall, if requested by a Director, be placed on the next Agenda for action and resolved by the IGU Board of Directors.

F. Requests that are not reasonably related to the Director's or IGU Board's official responsibilities and duties or are made for a Director's private purposes shall instead utilize the public records request process and are subject to copying or other relevant fees charged to the general public.

III. RESPONSIBILITIES

It shall be the responsibility of the Board Chairman to ensure these functions are carried out.



IGU Management Policy 4.1 *Procurement Policy*

I. OBJECTIVE

- A. To establish the policy for conducting procurement of supplies, services, construction and professional services for IGU.

II. POLICY

- A. IGU procurements will be conducted in accordance with the IGU Procurement Manual.

III. RESPONSIBILITIES

- A. The Board shall:

- (1) Authorize the award of contracts that exceed the limits of the General Manager's delegation of authority prior to the General Manager executing the contract.
- (2) Establish general policies to guide the General Manager's development of, or revisions to, the IGU Procurement Manual. These general policies are:
 - Provide for a fair and competitive procurement process with any exceptions to a competitive process driven by practical business needs or emergency.
 - Provide for the fair, prompt and efficient resolution of procurement disputes and appeals thereof.
 - Provide a clear and easily understood procurement manual.

- B. The General Manager shall:

- (1) Develop and maintain the IGU Procurement Manual.
- (2) Annually conduct a comprehensive review of the Procurement Manual, review the Procurement Manual with the Board, present to the Board proposed changes to the Procurement Manual, and solicit Board input on the Procurement Manual and proposed changes.
- (3) Conduct IGU procurement in accordance with the IGU Procurement Manual.
- (4) Delegate, as necessary, procurement authority in writing to qualified employees or agents of IGU.
- (5) Maintain procurement records.
- (6) Ensure contractors perform in accordance with the terms and conditions of their contract with IGU.

Adopted: June 6, 2017
Amended: June 1, 2021



IGU Management Policy 4.2

Contract Authorization & Signature Authority

I. PURPOSE

To establish a policy to delegate certain signature and approval authority for contracts, agreements and other written documents occurring in the normal course of business but arising outside the procurement context and to ensure proper guidelines for the Board's delegation of signature and approval authority for all contracts legally binding on IGU.

II. POLICY

(a) Delegation of Contracting and Signature Authority to the General Manager. The Board delegates to the General Manager authority to approve any transaction legally binding on IGU occurring in the normal course of business that does not specifically require board action and which the General Manager has no conflict of interest or will receive any personal benefit. The General Manager may not delegate this authority without Board approval. The General Manager, prior to exercising this authority, is responsible for determining whether the transaction meets the following standards:

- Complies with all applicable laws, IGU policies and procedures, as well as any lender, grantor or other applicable restrictions.
- Where appropriate, the transaction, proposal or agreement includes the appropriate provisions recommended by IGU's corporate counsel.
- Funds have been appropriated or are otherwise allocated within regularly approved budgets and the resources (funding, personnel, facilities and space) required to fulfill the commitment are available.
- No real or apparent conflict of interest exists on the part of the approving and involved officials and employees and if it exists the issues have been disclosed to the Board and resolved prior to entering into the transaction.

(b) Transactions that require board authorization prior to signature.

- Any substantive modification to a Board approved contract that is not authorized in the contract itself or in the procurement policy.
- Transactions exempted from the procurement policy. [Currently these are Contracts for legal services and expert witnesses, banking and investment

Adopted: August 7, 2018

Amended: September 3, 2019

services, grants, loans, loan guarantees, bonds, bond guarantees or other indebtedness of IGU, cooperative agreements, MOU's or contracts between IGU and the FNSB, the state, its political subdivisions, and other governments or political subdivisions including the Alaska Railroad, contracts to acquire or supply natural gas and or LNG, partnership or joint venture agreements for utility services not tied to specific performance contracts, acquisition or disposal of real property or interests in real property, employment agreements, collective bargaining agreements, or labor relation services, insurance and insurance related contracts including employee benefits, services and products for IGU or its employees.]

- Agreements involving or setting legislative policy.

(c) Procurement policy. Other than the standards set forth in 2. (a), this policy excludes transactions covered by and separately addressed in the procurement policy and for which the Board has already made specific delegations of authority in Resolution #2018-01.

III. REFERENCES

IGU Board Bylaws Article IV General Manager authorizing the GM or designee to sign all contracts, escrow agreements and deeds, leases, grant or loan applications and agreements, and intergovernmental agreements, consistent with Board fiscal policies.

IGU Board Bylaws Article X—Financial Transactions §2 requiring adoption of fiscal policies including contract authorizations and signatory authority.

IV. DEFINITION

IGU—IGU and any entities owned or controlled by IGU including Pentex, FNG, Titan and AET.

Board—IGU Board of Directors

General Manager—General Manager of IGU

Contract—Any document legally binding on IGU except contracts, change orders, amendments or other documents governed by IGU Procurement Policy 06.

V. RESPONSIBILITIES

Adopted: August 7, 2018

Amended: September 3, 2019

The General Manager is responsible for compliance with and administration of this policy.

VI. PROCEDURE

(a) The General Manager shall ensure that he has the appropriate contract and signature authority prior to approving and signing a transaction.

(b) The General Manager shall ensure that the transaction to be approved meets the standards set forth in this policy.

(c) Any required board authority has been obtained prior to signature.

VII. ANNUAL REVIEW DATE

The General Manager will review this document in August of each year and make recommendations to the Board for any needed revisions.



IGU Management Policy 4.3

Compensatory Time for Exempt Employees

I. DEFINITIONS

“Compensatory Time” is leave time granted on an hour-for-hour basis (1:1) for time worked in excess of forty-one (41) hours and outside of the regular workweek (Monday through Friday) for Exempt (salaried) Employees. Compensatory time must be approved by the employee’s supervisor in advance of the time taken. The maximum accrual amount is eighty (80) hours.

“Exempt Employee” is an employee that is not eligible to receive overtime compensation.

“Fair Labor Standards Act” is a United States labor law that creates the right to a minimum wage, and “time-and-a-half” overtime pay when non-exempt employees work over forty (40) hours a week.

II. OBJECTIVE

Compensatory Time (Comp Time) provides Exempt (Not Eligible for Overtime) employees of Interior Gas Utility and its subsidiaries (IGU) who are required to work weekend hours outside their normal weekday schedule to receive compensatory time off on a pro-rata basis.

III. POLICY

Comp Time will be granted to exempt positions only. There is no legal requirement or obligation of IGU to grant Comp Time to exempt employees. Any exempt employee who receives advanced written permission from their supervisor and are required to work in excess of forty-one (41) hours per week for special projects and travel conducted outside the normal work week (Monday through Friday), will be granted Comp Time on an hour for hour basis (1:1), not to exceed the normal daily work hours (8) in a given day.

IV. REFERENCES

The provisions of the Fair Labor Standards Act (FLSA) have established a test to determine overtime exemption applied to all positions within IGU. Positions that do not meet the standard exemption test are classified as nonexempt. Nonexempt positions are entitled to overtime pay and must be compensated for any hours worked over forty

(40) hours in a workweek and by IGU policy are not eligible for compensatory time off.

V. RESPONSIBILITIES

The General Manager is responsible for compliance with and administration of this policy.

VI. PROCEDURE

- a. Scheduled Comp Time - If an employee's request for leave is approved by the supervisor, the employee has the right to use any approved accrued Comp Time rather than Paid Time Off (PTO) for that approved leave.
- b. Unused Comp Time - Comp Time has no cash value, if an employee is terminated regardless for cause or resigns; he/she will not be eligible for payment of any unused Comp Time accrued.
- c. Use or Lose - Comp Time will continue to accrue on an hourly basis until the Comp Time amount has reached eighty (80) hours. At that point, an employee will no longer accrue Comp Time hours and any hours above the cap will be forfeited.

VII. ANNUAL REVIEW DATE

The General Manager will review this document in January of each year and make recommendations to the Board for any Policies needing revisions.



IGU Management Policy 4.5 *Records Retention*

I. OBJECTIVE

To establish an organizational method for the efficient, orderly and secure storage, retrieval, retention, preservation and disposal of IGU records having administrative, legal or historical value as necessary to comply with state law.

II. POLICY

- A. Records shall be retained and disposed of according to the attached Retention and Disposition Schedule unless a litigation hold has been placed on a record.
- B. What constitutes a record is defined by state law [AS 40.21.150(6)]. This definition currently includes any document of any material regardless of physical form or characteristic, developed or received under law or in connection with the transaction of IGU business which is appropriate for preservation as evidence of IGU's function, policies, decisions, procedures, operations or other activities of IGU or because of the informational value in them.
- C. Other than records subject to a litigation hold or indicated to have historical value in the attached Retention and Disposition Schedule, once the retention period is met the General Manager shall ensure that the record is destroyed. The General Manager shall be responsible for identifying records with historical value. The individual destroying the records shall complete a Records Destruction Form which should identify the records being destroyed, contain a signed authorization from the General Manager executed prior to the destruction, and a signature of the person verifying that the records have been destroyed. A copy of the completed Records Destruction Form shall be transmitted to the IGU Board and this form must be preserved as a permanent record.
- D. IGU counsel shall notify the General Manager of any legal holds placed on a record. All copies of identified records, physical and electronic, shall be held from destruction until IGU counsel has notified the General Manager that the hold has been removed. When a litigation hold is in place all activity regarding the held records shall be pursuant to the advice of IGU counsel.
- E. Records should be stored and secured in an appropriate manner to enable prompt retrieval and proper protection from disclosure any confidential record.
- F. All records created or received by employees in the course of their employment are the property of IGU and subject to this policy.

III. RESPONSIBILITY

- A. The General Manager shall be responsible for enforcing compliance with this policy.

IGU
Records Retention and Disposition Schedule

Department: IGU
Schedule: A

KEY: ACT = Active
C = Current
Y = Years
P = Permanent

Item No.	Records Series Title	Total Retention	History of Records/Additional Comments (Historical Record means an original document containing important historical information about the organization or persons within the organization) Historical records shall be kept permanently.
1	GENERAL CORRESPONDENCE FILES Includes correspondence, reports, studies, requests, and other pertinent information on department functions, conditions and events.	3Y	Review for potential historical value.
1a	PUBLIC INFORMATION REQUESTS Logs, request forms and any back up in regard to the request.	ACT + 1Y	Review for litigation hold prior to destruction.
2	DEPARTMENT POLICIES & PROCEDURES	C +3Y	Retain old policies for 3 years after enactment of new policies for reference. Review for potential historical value.
3	FINANCIAL AND BUDGET FISCAL YEAR FILES Copies of petty cash records, purchase orders, accounting records, annual budget work papers, soft ledgers, p-card paperwork, overtime-comp earned requests, small dollar purchase checklist, fixed assets purchases, etc.	3Y	
4	CONTRACT GRANT FILES All data, documents, reports, subagreements, leases, third party contracts and supporting documents related to the project.	ACT + 3Y	Retain in office 3 years after grant closure.

IGU
Records Retention and Disposition Schedule

Department: IGU
Schedule: A

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5	MINUTES/ACTION OF BOARD Board/Action Memos of Regular/Special Board meetings, and all committees.	P	
5a	INTERIOR ALASKA NATURAL GAS UTILITY (IGU) REPORTS TO ASSEMBLY Quarterly and annual reports submitted to the Assembly from the IGU.	1Y	Review for potential historical value.
6	ADMINISTRATIVE PROJECT FILES Special projects or issues and Board research for resolutions.	9Y	Review for potential historical value.
7	AGENDA/AGENDA PACKETS Agendas from Board, Finance Committee, Committee of the Whole, Other Committees and Work Sessions.	ACT + 10Y	
7a	MINUTES Minutes of Board meetings and work sessions	P	
7b	COMMUNICATIONS TO THE BOARD FROM THE FINANCE COMMITTEE Financial reports.	7Y	Review for potential historical value.
8	AUDIO RECORDINGS (W DRIVE) Audio recordings from Board, Other Committees and Work Sessions.	P	
9	EXTERNAL AUDITS Includes financial reports from auditor, CAFR, and management letter, for IGU	ACT + 7Y	Review for potential historical value.
10	RESERVED		

IGU
Records Retention and Disposition Schedule

Department: IGU
Schedule: A

KEY: ACT = Active
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11	AFFIDAVITS OF PUBLICATION Notice of Public Meetings, Notice of Public Hearings, and election ads.	1Y	
12	DISCLOSURES Boards and Commissions	ACT + 6Y	
13	PERSONNEL FILES Includes employment agreements, wage and benefits letters and other employment related records.	ACT + 3Y	
14	CONTRACTS AND AGREEMENTS All contracts and agreements to which IGU is a party	ACT + 7Y	
15	CONTRACTS ADMINISTRATIVE FILES Correspondence, purchase orders, and other documents relation to the administration of contracts.	*ACT + 7Y	* ACTIVE = Expiration of any warranty period, if applicable.
16	RESERVED		
17	RESERVED		
18	RESERVED		
19	RESERVED		
20	ORDINANCES AND RESOLUTIONS	10Y	Review for potential historical value.
21	ETHICS PROCEEDINGS (DISMISSED) Complaints filed that are dismissed, are not public, and remain CONFIDENTIAL. Includes complaint and determination correspondence.	ACT	Review for potential historical value. All information in this category is CONFIDENTIAL and cannot be disclosed to the public.

IGU
Records Retention and Disposition Schedule

Department: IGU
Schedule: A

KEY: ACT = Active
C = Current
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22	ETHICS PROCEEDINGS (SUBSTANTIATED) Complaints filed and it is found that a violation has occurred. Includes Meeting Agendas from pre-hearing, hearing and subsequent meetings, subpoenas, hearing packet with exhibits, Findings of Fact, and Conclusions of Law, written correspondence between complaint and respondent.	ACT	Review for potential historical value.
23	Documents related to fixed assets	life of asset	
24	RECORDS RETENTION SCHEDULE Guidelines and procedures for the handling of IGU records and information.	C	
25	Social Media	C	
26	IGU Attorney Files	ACT + 7Y	Review for potential historical value.
27	Insurance Policies Occurrence based	P	
28	Insurance Policies Claim made based	ACT + 7Y	



IGU Employee Policy 5.1

Ethics, Conflicts of Interest and Complaint Procedures - Employees

I. PURPOSE

To provide guidelines by which Interior Gas Utility (IGU) employees conduct themselves in a manner which avoids conflicts of interest, decreased productivity, monetary loss or inappropriate use of IGU's name or property and to provide a process for the filing and resolution of ethics complaints.

II. POLICY

A. Every Employee of IGU is expected to avoid situations which might realistically be construed as unethical or a conflict of interest since it is not feasible in a policy statement to describe all of the circumstances and conditions that might be or have the potential of being a conflict of interest.

B. PROHIBITED CONDUCT¹

No employee shall:

1. Participate in or take any action on an IGU matter in which the employee has a conflict of interest.
2. Attempt to benefit a personal or financial interest through coercion of a subordinate or require an IGU employee to perform a service benefiting the employee's private or financial interest.
3. Solicit, offer or receive anything of value in return for the exercise of the employee's official duties or responsibilities from any person other than IGU.
4. Offer or accept anything of value for or in consideration of obtaining any employment, appointment, or promotion of any person by IGU.
5. Offer or accept anything of value for or in consideration of using the employee's IGU position to obtain a contract or payment for any person or entity other than IGU or to engage in any transaction with IGU.

¹ Moved from § IV.

6. Use for the person's own benefit (including a financial or private interest) or for the benefit of another, confidential information acquired by reason of the employee's IGU position.
7. Disclose or release confidential information acquired as an employee unless authorized by law by the IGU Board, or by court order.
8. Use, or permit the use of IGU resources including personnel time, IGU services, vehicles, equipment, materials or other property for a purpose unrelated to IGU business or for a private or financial interest:
 - a) This definition includes any product, procedure, process, intellectual property or invention developed by an employee(s) on IGU's premises, during the employee's work time or using IGU owned equipment or materials shall be the sole and exclusive property of IGU; and
 - b) This definition does not prohibit inconsequential use of IGU resources if the use does not interfere with the performance of official duties and the cost or value related to the use is nominal.
9. Accept a gift from an individual or an entity with interests that may be substantially affected by the performance of the employee's IGU duties under circumstances where the timing and nature of the gift would cause a reasonable person to question the person's judgment in exercising IGU duties on a matter affecting the donor.
10. Accept gifts from persons on a basis so frequent as to raise an appearance of the use of the employee's IGU position for private gain.
11. State or suggest to another person that official action or vote on any IGU matter is conditioned on the retention or non-retention of services, including without limitation professional services, construction, and the procurement of supplies, from another person or entity.
12. Engage, as a representative of IGU or during the employee's work hours, directly or indirectly, in partisan political activities or use the employee's position to solicit a contribution, endorsement, or other campaign support for any political candidate.
13. Act in a manner that reasonably suggests that the employee is acting in the employee's official capacity or otherwise representing IGU when engaging in

political activity during personal time.

14. Sell, distribute or provide gas, supplies or related services or products to other employees or the general public outside of their employment except that an employee who has engaged in providing such services prior to the adoption of this policy may continue to provide those services or products.

15. Engage in any outside activity which creates, has the realistic potential of creating, or has the appearance of a conflict of interest with the employee's duties or which is contrary to the interests of IGU. An employee may have another job in addition to the job he or she holds with IGU as long as the "second" job does not create a conflict of interest in their IGU position, as determined solely by IGU. The employee must notify the General Manager, and obtain written approval for the "second" job prior to accepting the "second" job. A "second" job cannot interfere in any way with their employment with IGU. The "second" job shall not adversely affect the employee's performance, hours of work, ability to meet overtime requirements or the reputation of IGU.

C. DEFINITIONS

1. "Anything of value" means:
 - a) Anything having a monetary value in excess of \$100.00; or
 - b) Anything, regardless of its monetary value, perceived or intended by either the one who offers it or the one to whom it is offered to be sufficient in value to influence an employee in the performance or nonperformance of an official action; or
 - c) Anything, regardless of its monetary value, which, under the circumstances, a reasonably prudent person in the position of the employee to whom the thing is or may be offered, would recognize as being likely to be intended to influence the employee in the performance or nonperformance of an official action; and
 - d) Includes, but is not limited to, a valuable act, advance, award, benefit, contract, compensation, contribution, deposit, emolument, employment, favor, fee, forbearance, gift, gratuity, honorarium, loan, offer, payment, perquisite, privilege, promise, reward, remuneration, service, subscription, or the promise that any of these things will be conferred in the future

2. "Benefit" means anything that is to a person's advantage or self-interest, or from which a person profits, regardless of the financial gain, including any dividend, pension, salary, acquisition, agreement to purchase, transfer of money, deposit, loan or loan guarantee, promise to pay, grant, contract, lease money, goods, service, privilege, exemption, patronage, advantage, advancement, or anything of value.
3. "Complainant" means a person filing a complaint.
4. "Confidential information" means information gained by the IGU in the course and scope of its business, including but not limited to personnel, financial and litigation information which is not generally made available to the public, or information concerning the acts or intended acts of IGU, including but not limited to executive sessions and ethics hearings not generally made available to the public.
5. "Conflict of interest" means a private or financial interest, an interest in anything of value, or a professional interest in a relevant matter that conflicts with IGU's interest.
6. "Employee" means any IGU employee and includes a permanent, probationary, seasonal, temporary, or casual employee.
7. "Entity" means a group of persons organized for any purpose including but not limited to a corporation, company, partnership, firm, association, organization, joint venture, joint stock company, foundation, institution, government, union, trust, society, church or club.
8. "Financial interest" means:
 - a) An interest held by a person or entity subject to this policy or an immediate family member, which includes an involvement or ownership of an interest in a business, including a property ownership, or a professional or private relationship, that is a source of income, or from which, or as a result of which, a person has received or expects to receive anything of value; or
 - b) The employee holds a position in an entity, as an officer, director, trustee, partner, or holds a position of management.
 - c) This definition, however, shall be interpreted and applied in a manner that distinguishes between minor and insubstantial conflicts that are

unavoidable in a free society and those conflicts of interest that are substantial and material. Specifically, an employee shall not be disqualified from participation in matters in which the employee:

- i. Has a financial interest which is insubstantial;
 - ii. Has a financial interest that is possessed generally by the public or a large class of persons to which the employee belongs;
 - iii. Merely performs some duty or has some influence which would have insubstantial or conjectural effect on the matter; or
 - iv. Has an interest because it involves compensation and benefits for the performance of employee duties.
9. "Gift" means any benefit or thing or act of value which is conveyed to or performed for the benefit of an employee including any advance, award, contract contribution, deposit, employment, favor, forbearance gratuity, honorarium, loan, payment, service, subscription, or the promise that any of these things or acts of value will be conferred in the future, if such thing or act of value is conferred or performed without the lawful exchange of consideration which is at least equal in value to the thing or act conferred or performed.
10. "IGU" includes all entities owned in whole or in part by IGU.
11. "Immediate family member" means spouse, child (step, biological or adoptive), parent (step, biological or adoptive), sibling, grandparent, father-in-law, mother-in-law, or a regular member of the employee's household.
12. "Person" means and includes a corporation, company, firm, partnership, association, society, organization or business trust, joint venture, as well as a natural person.
13. "Private interest" means any interest, other than financial, held by the employee or the employee's immediate family including membership in any organization from which, or as a result of which, a benefit is received, that may be prejudicial to or in conflict with the public interest. This definition, however, should be interpreted in a manner that distinguishes between minor and insubstantial involvement that is unavoidable in a free society and those that are substantial and material. Specifically, an employee shall not be disqualified from participation in matters in which the employee has a

personal interest:

- a) Which is insubstantial;
 - b) That is possessed generally by the public or a large class of persons to which the employee belongs; or
 - c) In a matter over which the employee merely performs some duty or has some influence which would have insubstantial or conjectural effect on the matter.
14. "Professional Interest" means an impact to a person's career or duties owed to others arising from one's profession.
15. "Respondent" means the person against whom a complaint is filed with the board of ethics.
16. "Subpoena" means a command to appear at a certain time and place to give testimony upon a certain matter. A subpoena duces tecum requires production of books, papers and other things.

III. RESPONSIBILITY

- A. The General Manager shall be responsible for enforcing employee compliance with this policy.

IV. COMPLAINT PROCEDURE

1. Any person may file a complaint under this policy concerning an employee with the General Manager. The complaint may be filed with the Chair if the General Manager is the subject of the complaint. A complaint shall specify the provisions of this policy alleged to have been violated and facts alleged to constitute the violation.
2. All complaints under this policy shall be in writing and signed and sworn to under oath by the complaining person. Upon request by the complainant, the name of the complainant shall be kept confidential and shall not be revealed unless for good cause shown. However, any and all persons under investigation shall be providing a notice of the substance of the complaint and an opportunity to present written information or oral testimony including the names of any individuals the person wishes to have interviewed.
3. The General Manager or Chair (when the GM is the subject of the complaint) shall be the final decision maker on all complaints, subject only to an appeal to

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the IGU Board. Violations of this policy or a determination that the employee furnished false or misleading information during the investigation will subject the employee to reprimand, demotion, suspension, discharge or other appropriate disciplinary action. An appeal to the IGU Board must be filed no later than 30 days from the date that the General Manager or Chair decision is mailed or otherwise delivered to the employee.

4. Action on complaints and investigations shall be completed within 90 days of the filing of the complaint unless good cause is shown for an additional 30-day extension.
5. All documents, records, testimony, final determination and disciplinary action relating to the investigation of the complaint are confidential and shall not be released to the public unless required by state law or court order.