



Interior Gas Utility

Board of Directors Committee Meeting

July 21, 2015

4:00PM – 6:00PM

100 Cushman Street, Ste. 501, Fairbanks, Alaska

AGENDA

I. Call to Order

- Roll call

Present: Aaron Lojewski, Mike Meeks, Steve Haagenson, Nadine Winters, Frank Abegg (arrived at 4:11)

Excused: Jack Wilbur, Bill Butler

With four members present a quorum was established.

Others in Attendance: Rene Broker (FNSB Attorney), Mindy O’Neill, David Prusak (online), Brown Thornton (online), Monique Garbowicz, David Carlisle, Sam Trotzke (RJG), Nanci Ashford-Bingham, April Trickey, Tony Johnson

- Approval of Agenda

The agenda was amended bringing Parliamentary Procedures and Utility Integration discussions to the beginning of the agenda.

Without objection, the agenda was approved.

- May Financial Reports

Director Lojewski and Sam Trotzke reviewed the financial reports.

- Public Comment – *limited to 3 minutes*

Mayor Luke Hopkins called to discuss the importance of providing testimony for the upcoming GVEA meeting.

The next phase of the IEP seems like it is on track.

Met with attorney general about acquisition of Hilcorp. Discussions that began as opposition have become discussions that would be favorable conditions for a sale to move forward.

II. Committee of the Whole

- Parliamentary Procedures

Nanci Ashford-Bingham, FNSB Clerk, and April Trickey, FNSB Deputy Clerk presented on Effective Meetings using Roberts Rules of Order.

- Utility Integration
The board discussed issues of the IGU including owner-financing and options pertaining to the integration of both utilities.

Director Winters commented that the rates to the ratepayers must remain a priority and the IGU must retain cash reserves.

AIDEA is offering documentation that shows the financial integration overview.

Brown Thornton reviewed a presentation on the Combined IGU-FNG Rate Plan from 2017-2028. The model is meant to present a financial picture of what the integration costs are for IGU and FNG. The board requested the model to be given to Directors. Thornton will send to Director Haagenson with an instruction sheet to show how to work the model.

Winters is looking for a discussion on the process.

Haagenson responded that he had committed the board to see the details.

In other discussion, Haagenson reported August 3 proposals will be available to review and he will be representing the IGU.

Winters asked about the due diligence of the IGU.

Haagenson said the AIDEA goal is to have someone buy the utility system to operate and receive letters of support from the utilities. AIDEA's intention is to close the purchase of FNG by end of September. AIDEA wants to make a short term acquisition for the benefit of the community and does not want to operate it long term.

Debt amount to purchase FNG is concerning to Winters and uncertainty is high.

FNG is limited as to what they can provide to IGU on the assets.

- General Manager Update
Haagenson said audits are progressing and a meeting will be held on Bill.com processes.

\$13 million from the next AIDEA draw have been received and deposited.

Requests for Information regarding financial questions should be forwarded and answered by the General Manager.

Recommendation from the GM is to post the board packet before the meetings and post the financials after they have been reviewed and approved by the BOD.

- MWH Americas, Inc. Update
52% of the pipe in the ground.

Working on permitting components within existing contracts though have not moved forward with the advancement of design of Phase II.

- **Project Schedule Update**
The project schedule was included in the board packet.
- **GM Selection Team Update**
Director Abegg provided an update about the search for a general manager. They met with candidates from the selection interview and after going through evaluations have selected two people. A board interview is next and any questions must be submitted to the FNSB HR Director and approved before asked. If directors have other questions, they need to be submitted.

If follow up questions are desired, they must be related to the question. Current questions have been sent to the board chair.

The turn-around time to submit questions is by the end of July.

Abegg will send questions to board directors tonight.

III. Other Business

- **Next Agenda**
 - Financials
 - General Manager Update
 - Utility Integration
 - IEP Selection Process
 - FNG/AIDEA Purchase
 - AIDEA acquisition financial model
 - PDC Change Order \$ TBD
 - Monthly Updates
 - Bylaws – August work session
 - Open Meetings

IV. Director Comments

Haagenson curious about the Phase II design request – have not been given the rest of the money to complete design to 100%.

Curious of status of claims for subcontractors.

Lojewski pleased to hear about potential general manager candidates.

Meeks will be out of town Friday, July 24 to Sunday, August 2.

V. Adjournment

Haagenson moved to adjourn. Lojewski seconded. The meeting was adjourned at 6:15 pm.