



Interior Gas Utility

Board of Directors Work Session

June 16, 2015

4:00PM – 6:00PM

Interior Gas Utility

100 Cushman Street, Suite 501, Fairbanks, Alaska

DRAFT AGENDA

I. Call to Order

- Roll call
- Approval of Agenda
- April Financial Reports pg. 2
- Public Comment

II. Special Business Meeting pg. 9

- BM 2015-11 Ferguson for \$38,000 for materials pg. 10
- BM 2015-12 RJG Contract Extension/Authorization for \$22,000 for Contract Extension and Authorization pg. 12

III. Committee of the Whole pg. 14

- General Manager Update
- MWH Update
- IEP Update
- Project Schedule Update
- FY16/FY17 Budget Review pg. 15
- Revised Draft Ethics Policy pg. 16

IV. Adjournment

- Next Agenda
- Director Comments
- Adjourn

Interior Alaska Natural Gas Utility

FINANCIAL STATEMENTS

**April 30, 2015
and Supplemental Schedules**

Interior Alaska Natural Gas Utility
Statement of Net Position
April 30, 2015

	Capital	Operating	Total
ASSETS			
Current Assets			
Checking/Savings			
13100 · Mt. McKinley	1,896,654.03	262,893.55	2,159,547.58
13103 · Mt. McKinley - AIDEA Reserve	7,023,433.10	0.00	7,023,433.10
13104 · Mt. McKinley - FNSB Reserve	500,219.63	0.00	500,219.63
Total Checking/Savings	9,420,306.76	262,893.55	9,683,200.31
Accounts Receivable			
14600 · Accounts Receivable	0.00	47,630.00	47,630.00
Total Accounts Receivable	0.00	47,630.00	47,630.00
Total Current Assets	9,420,306.76	310,523.55	9,730,830.31
Other Assets			
10100 · Utility Plant in Service	729,674.00	0.00	729,674.00
10700 · Construction Work In Progress	4,869,827.12	0.00	4,869,827.12
Total Other Assets	5,599,501.12	0.00	5,599,501.12
TOTAL ASSETS	15,019,807.88	310,523.55	15,330,331.43
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
23200 · Accounts Payable	1,317,914.76	0.00	1,317,914.76
Total Accounts Payable	1,317,914.76	0.00	1,317,914.76
Total Current Liabilities	1,317,914.76	0.00	1,317,914.76
Long Term Liabilities			
22400 · Other Long-Term Debt	12,972,219.12	0.00	12,972,219.12
Total Long Term Liabilities	12,972,219.12	0.00	12,972,219.12
Total Liabilities	14,290,133.88	0.00	14,290,133.88
Equity			
21600 · Unrestricted Net Position	0.00	311,438.94	311,438.94
21610 · Net Investment in Capital Asset	729,674.00	0.00	729,674.00
Changes in Net Position	0.00	-915.39	-915.39
Total Equity	729,674.00	310,523.55	1,040,197.55
TOTAL LIABILITIES & EQUITY	15,019,807.88	310,523.55	15,330,331.43

Management has elected to omit substantially all of the disclosures and the statement of cash flows ordinarily included in financial statements prepared in accordance with the accrual basis of accounting.

RJG, A Professional Corporation provides no assurance on these financial statements.

Interior Alaska Natural Gas Utility
Statement of Revenues and Expenses
Ten Months Ended April 30, 2015 and Year Ended June 30, 2014

	Operating July 2014 - April 2015	Capital and Operating July 2013 - June 2014
Income		
42110 · Misc Nonoperating Income		
42111 · FNSB Contract	87,410.26	1,304,556.06
42113 · Individ, Business Contributions	0.00	9,500.00
42114 · Interest	865.80	0.00
Total 42110 · Misc Nonoperating Income	88,276.06	1,314,056.06
Total Income	88,276.06	1,314,056.06
Expense		
42120 · Misc Nonoperating Expense		
42130 · Contractual Services		
42131 · Advertising	3,773.36	5,015.15
42132 · Contract Services	0.00	375,615.46
42133 · Legal Fees	557.73	2,574.43
42134 · Office Services	10,621.07	3,623.61
42135 · Travel Expenses	2,582.99	4,292.09
42136 · Rent	26,912.00	0.00
42137 · Insurance	3,123.00	0.00
42138 · Financial Services	15,698.72	0.00
42139 · Communications	2,426.44	0.00
42140 · Membership - Fees	1,113.00	0.00
Total 42130 · Contractual Services	66,808.31	391,120.74
42160 · Materials Expenses		
42161 · Office Supplies	13,534.40	0.00
42162 · Information Technology	8,848.74	0.00
Total 42160 · Materials Expenses	22,383.14	0.00
Total 42120 · Misc Nonoperating Expense	89,191.45	391,120.74
Total Expense	89,191.45	391,120.74
Changes in Net Position	-915.39	922,935.32
Capitalize CPCN	0.00	-729,674.00
Total Operating Net Position		
Beginning of period	311,438.94	118,177.62
End of period	310,523.55	311,438.94

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Interior Alaska Natural Gas Utility
Statement of Operating Revenues and Expenses -
Budget to Actual
July 2014 through April 2015

	Actual July 2014 - April 2015	Budget July 2014 - April 2015	Annual Budget
Income			
42110 · Misc Nonoperating Income			
42111 · FNSB Contract	87,410.26	369,375.00	443,250.00
42112 · Corporate Contributions	0.00	0.00	0.00
42114 · Interest	865.80		
Total 42110 · Misc Nonoperating Income	<u>88,276.06</u>	<u>369,375.00</u>	<u>443,250.00</u>
Total Income	88,276.06	369,375.00	443,250.00
Expense			
42120 · Misc Nonoperating Expense			
42130 · Contractual Services			
42131 · Advertising	3,773.36	4,166.68	5,000.00
42133 · Legal Fees	557.73	5,000.00	6,000.00
42134 · Office Services	10,621.07	10,416.68	12,500.00
42135 · Travel Expenses	2,582.99	4,583.34	5,500.00
42136 · Rent	26,912.00	30,000.00	36,000.00
42137 · Insurance	3,123.00	20,833.34	25,000.00
42138 · Financial Services	15,698.72	33,333.34	40,000.00
42139 · Communications	2,426.44	3,333.34	4,000.00
42140 · Membership - Fees	1,113.00	1,250.00	1,500.00
Total 42130 · Contractual Services	<u>66,808.31</u>	<u>112,916.72</u>	<u>135,500.00</u>
42160 · Materials Expenses			
42161 · Office Supplies	13,534.40	5,833.34	7,000.00
42162 · Information Technology	8,848.74	10,000.00	12,000.00
42163 · Miscellaneous	0.00	12,500.00	15,000.00
Total 42160 · Materials Expenses	<u>22,383.14</u>	<u>28,333.34</u>	<u>34,000.00</u>
42170 · Payroll Expenses			
42171 · Salary Expenses	0.00	0.00	118,750.00
Total 42170 · Payroll Expenses	<u>0.00</u>	<u>0.00</u>	<u>118,750.00</u>
42190 · Budget Reserve			
42191 · AIDEA Hold-back	0.00	66,666.66	80,000.00
42192 · Contingency	0.00	62,500.00	75,000.00
Total 42190 · Budget Reserve	<u>0.00</u>	<u>129,166.66</u>	<u>155,000.00</u>
Total 42120 · Misc Nonoperating Expense	<u>89,191.45</u>	<u>270,416.72</u>	<u>443,250.00</u>
Total Expense	<u>89,191.45</u>	<u>270,416.72</u>	<u>443,250.00</u>
Changes in Net Position	<u><u>-915.39</u></u>	<u><u>98,958.28</u></u>	<u><u>0.00</u></u>

Management has elected to omit substantially all of the disclosures and the statement of cash flows ordinarily included in financial statements prepared in accordance with the accrual basis of accounting.

RJG, A Professional Corporation provides no assurance on these financial statements.

Interior Alaska Natural Gas Utility
Statement of Operating Revenues and Expenses by Class
July 2014 through April 2015

	Non-Governmental Funding (Operating)	Task 3 - Utility Support (FNSB-Phase II)	Total Operating
Income			
42110 · Misc Nonoperating Income			
42111 · FNSB Contract	0.00	87,410.26	87,410.26
42114 · Interest	865.80	0.00	865.80
Total 42110 · Misc Nonoperating Income	865.80	87,410.26	88,276.06
Total Income	865.80	87,410.26	88,276.06
Expense			
42120 · Misc Nonoperating Expense			
42130 · Contractual Services			
42131 · Advertising	0.00	3,773.36	3,773.36
42133 · Legal Fees	0.00	557.73	557.73
42134 · Office Services	0.00	10,621.07	10,621.07
42135 · Travel Expenses	1,781.19	801.80	2,582.99
42136 · Rent	0.00	26,912.00	26,912.00
42137 · Insurance	0.00	3,123.00	3,123.00
42138 · Financial Services	0.00	15,698.72	15,698.72
42139 · Communications	0.00	2,426.44	2,426.44
42140 · Membership - Fees	0.00	1,113.00	1,113.00
Total 42130 · Contractual Services	1,781.19	65,027.12	66,808.31
42160 · Materials Expenses			
42161 · Office Supplies	0.00	13,534.40	13,534.40
42162 · Information Technology	0.00	8,848.74	8,848.74
Total 42160 · Materials Expenses	0.00	22,383.14	22,383.14
Total 42120 · Misc Nonoperating Expense	1,781.19	87,410.26	89,191.45
Total Expense	1,781.19	87,410.26	89,191.45
Changes in Net Position	-915.39	0.00	-915.39

Management has elected to omit substantially all of the disclosures and the statement of cash flows ordinarily included in financial statements prepared in accordance with the accrual basis of accounting.

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Interior Alaska Natural Gas Utility
A/R Aging Summary
April 30, 2015

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
Fairbanks North Star Borough*	981.56	11,648.99	0.00	14,732.24	20,267.21	47,630.00
TOTAL	<u>981.56</u>	<u>11,648.99</u>	<u>0.00</u>	<u>14,732.24</u>	<u>20,267.21</u>	<u>47,630.00</u>

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Interior Alaska Natural Gas Utility
A/P Aging Summary
April 30, 2015

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
Carlos Tree Service, Inc.	0.00	79,104.32	0.00	0.00	0.00	79,104.32
Ferguson Enterprises, Inc.	0.00	962,901.95	0.00	0.00	0.00	962,901.95
Gage Tree Service, LLC	0.00	240,827.49	0.00	0.00	0.00	240,827.49
State of Alaska	0.00	35,081.00	0.00	0.00	0.00	35,081.00
TOTAL	<u>0.00</u>	<u>1,317,914.76</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,317,914.76</u>

Plant

Carlos Tree Service, Inc.	79,104.32
Ferguson Enterprises, Inc.	962,901.95
Gage Tree Service, LLC	240,827.49
State of Alaska	<u>35,081.00</u>
Total Plant	<u><u>1,317,914.76</u></u>

Management has elected to omit substantially all of the disclosures and the statement of cash flows ordinarily included in financial statements prepared in accordance with the accrual basis of accounting.

RJG, A Professional Corporation provides no assurance on these financial statements.

Special Business Meeting

- BM 2015-11 Ferguson for \$38,000 for materials
- BM 2015-12 RJG Contract Extension/Authorization for \$22,000 for contract extension and authorization



Interior Gas Utility
BOARD MEMORANDUM
No. 2015-12

Meeting Date: June 16, 2015

From: General Manager, IGU

Subject: Recommendation for an Increase in Change Order Authority for the Materials Contract with Ferguson Enterprises, Inc. for the Construction of the Distribution System Phase 1 (IGU IFB 2015-G-05) (\$40,000.00)

IGU has competitively solicited an Invitation for Bid for the above referenced project. IGU received only one (1) bid, which was awarded to Ferguson Enterprises, Inc. for a total of \$308,304.78 on March 27, 2015 (BM No. 2015-08). In conjunction with this award, the Board authorized the General Manager a change order authority in the not to exceed amount of \$15,000.00. This Board Memorandum requests an increase in the change order authority an additional \$40,000.00 for a total not to exceed amount of \$55,000.00.

The project was for the procurement and delivery of HDPE valve, HDPE fittings, and locates material of HDPE gas pipe ranging in size from 2 inches to 8 inches for work in Phase 1 located within North Pole, Alaska and the surrounding area. Procurement of these materials assured IGU of the quality of fittings to be installed in the system, as well as the consistency and compatibility between the various stages of the project's construction. Materials per the original contract have been received and are being used in the construction of the distribution system that is currently underway with substantial completion of work scheduled for mid-to-late September 15, 2015.

This change order authority request is being made to allow for purchase of additional materials that will allow for the completion of the three zones of the Distribution System Phase 1 projects. Included in these additional material purchases are:

1. 8-inch and 4-inch electrofusion high volume tapping tees and pups to allow the conformed installation of the tees across all three zones of Phase 1. The three contractors installing the fittings are unable to use the originally purchased saddle tees for this part of the work. The saddle tees are able to be taken into IGU inventory and used on future phases of the work.
2. 12 each 8-inch and 4-inch clamps need to install the above electrofusion tees. These clamps will be the property of IGU and are able to be used for the future phases of the distribution system.
3. 8-inch, 4-inch and 2-inch (2,220) additional splice kits for fusing the distribution piping together. The original order for materials was predicated on an estimate of how many splices might be made versus heat fusion of pipe joints, particularly in light of not knowing how much open trench work would be accomplished as compared to directional drilling. The contractors were not mandated as to number of slices could be made by electrofusion versus heat fusion; as a result, IGU has insufficient quantities of these materials to meet the contractors' planned approach of using more electrofusion than heat fusion. Excess materials will be usable on the future project phases.
4. 27,500 linear feet of tracer wire to replace an equivalent quantity borrowed from Enstar Natural Gas Company in order to keep the distribution contractor moving forward on their work.
5. 1,000 linear feet of 1-inch HDPE pipe for tracer wire installation on longer directional bores required to be made under state roadways and or railroad embankments.
6. Additional expedited shipping costs.

The foregoing material increases are generally a result of unknown methods and means to be practiced by the general contractors installing the three zones of the distribution system, as well as replacing materials that Enstar Natural Gas Company graciously loaned to IGU. The current change order

1 authority authorized to the General Manager is \$15,000; therefore it is requested that this authorization
2 limit without further Board approval be increased to \$40,000.00 for a total not to exceed amount of
3 \$55,000.00. This increase represents approximately 13% of the initial contract value awarded to
4 Ferguson Enterprises, Inc.
5

6 Prepared by: David J. Prusak, PE Project Manager,
7 Submitted by: Steve Haagenon, P.E., General Manager
8

9 Approved:
10

11 _____ \ _____
12 Michael T Meeks Date
13 Chair, IGU Board of Directors



Interior Gas Utility
BOARD MEMORANDUM
No. 2015-12

Meeting Date: June 16, 2015

From: General Manager, IGU

Subject: Request for Authority to extend Sole Source contract with RJG for Professional Services for Accounting (NTE \$22,000.00)

This request is for authorization to extend the existing agreement with RJG for accounting services an additional six months at a cost of no more than \$22,000 bringing the contract total not to exceed \$53,800. Ongoing services will include transaction processing, payroll processing as may be needed, and reporting through December 31, 2015 as defined in the engagement letter attached. RJG has also offered to extend the agreement for an additional 6 months through June 30, 2016 if the IGU is unable to issue an RFP and put a new contract in place before December 31, 2015.

In December of 2014 the IGU board approved the award of a sole source contract to RJG for \$31,800.00 to provide accounting services. The services under this contract include processing of payment transactions, monthly presentation of financial statements to the finance committee, reconciliation of AIDEA quarterly line of credit reports to the financial information, a full disclosure compilation for the two years ending June 30, 2015, development of written procedures to comply with FY14 Audit recommendations and availability as needed to respond to any Audit requests for information regarding FY 15.

The basis for the original single source justification was that RJG completed the IGU's FY14 financials, and that RJG was uniquely positioned to undertake the work based on their previous experience with the IGU accounting records and there wasn't sufficient time to solicit, award the contract, and transition to any other accounting firm. RJG is still uniquely qualified based on the time it would take to bring another contractor up to speed and RJG already having an understanding of IGU's needs.

At the time of the original single source request the IGU intended to develop a scope of services to solicit an RFP for a longer term contract for accounting services in early May. However as a result of changes in the make-up of the IGU board, delays in recruiting for a full time GM and CFO, and the uncertainty regarding the scope of long term accounting services given the potential for changes in scope in the next few years it was not practical to issue an RFP for a long term contract at this time.

Accounting services are services that, for the long term, need to be competitively solicited and the current plan is to issue an RFP once a new CFO is hired and the required long-term services can be properly scoped. However, at this point in IGU's development, it is recommended that RJG continue as a sole source contractor to provide these monthly accounting services for the period July 1, 2015 to December 31, 2015. It is recommended that the sole source contract to RJG be increased by \$22,000 for a total amount not to exceed \$53,800.

1 Prepared by: Chris Rutz, MWH Procurement Specialist

2

3 Submitted by: Steve Haagenson, P.E., General Manager

4

5 Approved:

6 _____ \ _____
7 Mike Meeks Date

8 Chair, IGU Board of Directors

Committee of the Whole

IGU FY16 and FY17 Projected Budget

	A	B	C	D	E	F	G	H
1	Item	2015 Budget	End of 2015 Projected	2016 Annual budget	Notes	Fy 17 Projected		
2	Income			\$ -				
3	FNSB Contract	\$ 443,250.00		\$ 544,798.04				
4	Corporate Contributions			\$ -			Total available through June 2017	\$ 1,313,994.00
5	Interest			\$ 650.00			Left after June 2016	\$ 768,545.96
6							Left after 2017	\$ 545,448.04
7	Expenses			\$ -			Infaltion factor for 2017	1.025
8	Contractual Services							
9	Advertising	\$ 5,000.00	\$ 6,000.00	\$ 27,600.00	Increased for PR improvement	\$ 28,290.00		
10	Legal Fees	\$ 6,000.00	\$ 8,000.00	\$ 12,000.00	might require more legal advise	\$ 12,300.00		
11	Office Services	\$ 12,500.00	\$ 12,700.00	\$ 1,422.00	Start up costs for the first year were high	\$ 1,457.55		
12	Travel Expenses	\$ 5,500.00	\$ 3,000.00	\$ 7,500.00	Increase due to new GM and CFO	\$ 7,687.50		
13	Rent	\$ 36,000.00	\$ 39,000.00	\$ 54,000.00	Full Year	\$ 55,350.00		
14	Insurance	\$ 25,000.00	\$ 21,000.00	\$ 21,000.00	New provider	\$ 21,525.00		
15	Financial Services	\$ 40,000.00	\$ 20,000.00	\$ 69,000.04	Full year of services	\$ 10,000.00		
16	Communications	\$ 4,000.00	\$ 4,000.00	\$ 3,600.00		\$ 3,690.00		
17	Membership - Fees	\$ 1,500.00	\$ 1,500.00	\$ 2,120.00		\$ 2,173.00		
18								
19	Total Contractual Services	\$ 135,500.00	\$ 115,200.00	\$ 198,242.04		\$ 142,473.05		
20								
21	Materials Expenses							
22	Office Supplies	\$ 7,000.00	\$ 18,000.00	\$ 7,200.00	start up costs	\$ 7,380.00		
23	Information Tech	\$ 12,000.00	\$ 13,500.00	\$ 6,000.00	Will not have start up costs	\$ 6,150.00		
24	Miscellaneous	\$ 15,000.00	\$ 1,000.00	\$ 3,000.00	Getting a better defined cost model, less unknowns	\$ 3,075.00		
25								
26	Total Materials Expenses	\$ 34,000.00	\$ 32,500.00	\$ 16,200.00		\$ 16,605.00		
27	Payroll Expenses							
28	Salary Expenses	\$ 118,750.00	\$ -	\$ 267,006.00		\$ 273,681.15		
29								
30	Total Payroll Expenses	\$ 118,750.00	\$ -	\$ 267,006.00		\$ 273,681.15		
31								
32	Budget Reserve							
33	AIDEA Hold-back	\$ 80,000.00	\$ -	\$ 40,000.00	Based off last year this was overestimated	\$ 41,000.00		
34	Contingency	\$ 75,000.00	\$ 1,000.00	\$ 24,000.00		\$ 24,600.00		
35								
36	Total Budget Reserve	\$ 155,000.00	\$ 1,000.00	\$ 64,000.00	Based off history should be safe to drop lower	\$ 65,600.00		
37	Total Misc Nonoperating Expense	\$ 443,250.00	\$ 148,700.00	\$ 545,448.04		\$ 498,359.20		

last updated June 19, 2015

Code of Ethics for the IGU Board

AS OF 6 June, 2015

A. Purpose and Intent. Members serving on the IGU Board 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 interest.

B. General Prohibited Conduct. No person serving on the IGU Board shall:

1. Solicit, offer or receive money or other item of value in return for a vote, or the exercise of the person's official duties.
2. Offer or accept any money or other item of value for or in consideration of obtaining employment, appointment, or promotion of any person by IGU.
3. Offer or accept any money or other item of value for or in consideration of the use of the person's public position to obtain a contract for any person or business with IGU.
4. Use for the person's own benefit, or for the benefit of another, confidential information acquired by reason of the person's IGU position and which is not available to the public.
5. Disclose or release, confidential information acquired as a Board member or from the person's official duties unless authorized by law, by a Board majority, or order of the court.
6. Divert or permit the diversion of IGU personnel time, IGU services, vehicles, equipment, materials or other property for a purpose unrelated to IGU business.
7. Accept a gift from an individual or an entity with interests that may be substantially affected by the performance of the person's official IGU's duties under circumstances where the timing and nature of the gift would cause a reasonable person to question the person's judgment in exercising official IGU duties on a matter affecting the donor.
8. Accept gifts from persons on a basis so frequent as to raise an appearance of the use of the person's IGUs position for private gain.

9. 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.

C. IGU Exercising Monetary or Management Discretion. When action on a matter involves monetary discretion in the recommendation of policy or funding, IGU Board members shall disclose any financial interest or personal involvement in the matter, including a summary of personal contacts.

D. Disclosure Requirements. IGU Board members shall place the public interest above any financial or private interest when taking official action. If a Board Member's private relationships or interests prevent the member from placing the public interest above a financial or private interest, the Board member shall disclose this fact on the record. Prior to comment, deliberation or decision on a matter coming before the IGU Board, a member shall disclose any financial or private interest in the matter, including the financial interest or personal involvement of an immediate family member as defined in FNSBC 2.25.200. 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 interest is substantial or the personal involvement is prejudicial. If the other members of the IGU Board, by majority vote, determine that a financial interest is substantial or the personal involvement is prejudicial, the member may not participate in the matter coming before the IGU Board.

E. Substantial Financial Interest. Whether the 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 appointed body.

F. Restrictions on Employment. It is a conflict of interest for a Board Member to represent, advise, or assist a person for compensation regarding a matter that was under consideration by the Board if the member participated personally in the matter through the exercise of official duty.

G. Written Disclosure of Present Economic Interest. All Board Members shall disclose any economic interest that could cause the official to have a personal or financial interest in the decisions of the board. The Board member shall file supplemental written statements with the Board as new interests are acquired, and make disclosures on the record of potential conflicts as required when matters come before the IGU Board.

H. Acquisition of an Economic Interest in Board Contracts and Business. If a Board member or a member of the immediate family is defined in FNSBC 2.25.200 Can't take any official action with respect to preparation of the solicitation, award, or administration of a contract, the member or a member of the immediate family shall not acquire directly or indirectly an economic interest in a related IGU contract.

I. Gifts. Gifts to a member of the Board, unrelated to the service, and gifts without monetary value are not covered. Unless subject to supplemental restrictions governing the Board, these unsolicited gifts are allowed and subject to disclosure as follows:

1. A gift or award of monetary value presented in recognition of meritorious, civic, or voluntary service to the Board, 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 member of the Board shall disclose a gift or award with a monetary value in excess of \$50.00 and file the disclosure with the Board 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. Board Members shall disclose a gift under this category with a value in excess of \$150.00 and file the disclosure with the borough clerk within 30 working days of receipt.

J. Political Activity. A member of the Board 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 member is acting in the member's official capacity or otherwise representing the Board, when engaging in political activity during personal time.

DRAFT

Suggested rewrite to I.

I. Allowable Gifts. Gifts to a member of the Board that are unrelated to Board 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 the Board, 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 member of the Board shall disclose a gift or award with a monetary value in excess of \$50.00 and file the disclosure with the Board 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. Board Members shall disclose a gift under this category with a value in excess of \$150.00 and file the disclosure with the borough clerk within 30 working days of receipt.