



Interior Gas Utility

Board of Directors Board Meeting

June 6, 2017

4:00PM

100 Cushman Street, Ste. 501, Fairbanks, Alaska

Minutes

A Meeting of the Board of Directors of the Interior Gas Utility was held Tuesday, June 6, 2017, at the IGU, Fairbanks, Alaska. IGU Board Chairman, Mike Meeks, presiding.

Others in attendance were: Jomo Stewart (IGU General Manager), Rene Broker (IGU Attorney arrived 4:03 pm), David Prusak (Stantec), Robin Brena (Attorney Consultant –telephonic arriving at 4:06 pm), Bob Shefchik (Volunteer consultant),

I. Call to Order

- Roll call

Board Members Present:

Mike Meeks
Jack Wilbur
Frank Abegg
Bill Butler - arrive at 4:13 pm
Steve Haagenon
Aaron Lojewski - telephonic
Pamela Throop

- Approval of Agenda and Consent Agenda

Director Abegg moved to adopt the Agenda and the Consent Agenda items, Director Wilber seconded. The Agenda and the Consent Agenda items were adopted.

- Public Comment – *no comments*

II. Unfinished Business

- FY 18 Operating Budget Approval
 - Handed out a revised budget with revised estimate for balance of FNSB grant funds.
 - Discussed the prepared 7 month budget; how it was formulated and detailing totals for major and sub categories.
 - Question from Director Wilber asking about legal expense of \$100,000 for the 7 months. GM indicated the proposed budget total reflects his best estimate, based on past and current efforts and expectation of future work requirements.

- He noted the current burn is roughly \$30K but he expects that to slow over the course of the year. Director Wilbur explained his discomfort with this item.
- Discussed IT expense and how it was modified.
 - Depreciation is not a cash item.
 - Membership fees: GM explained which to entities IGU currently belongs and asked for the consideration for the Board as to those memberships. No comments made.
 - GM recommended that the Board approve a 7 month budget.
- Moved by Director Throop and seconded by Director Abegg to approve a seven month operating budget presented in the Board packet.
 - After discussion, Chair Meeks called for a vote:
 - Chair Meeks yes
 - Vice Chair Wilbur yes
 - Director Abegg yes
 - Director Haagenon yes
 - Director Lojewski yes
 - Director Throop yes
 - Motion Carries, 7 month operating budget approved
 - Procurement Policy

Director Wilbur moved to approve the new Procurement Policy as presented in the Board packet and Director Haagenon seconded:

 - Discussed process that the sub group of Director Wilbur and Haagenon undertook to develop the policy.
 - After discussion, Chair Meeks called for a vote:
 - Chair Meeks yes
 - Vice Chair Wilbur yes
 - Director Abegg yes
 - Director Haagenon yes
 - Director Lojewski yes
 - Director Throop yes
 - Motion Carries, Procurement Policy (No. 6) approved
 - Interior Energy Project Update
 - Several negotiations have occurred related to the MOU-related agreements, status to be discussed in executive session.
 - Gas Supply Update
 - Discussed Mr. Wilde's progress on his discussions with several potential suppliers
 - Discussed a group which is bringing forward a possible propane project for IGU consideration and that an unsolicited proposal regarding same is to be coming forward from them.
 - Discussion with AGDC project and consideration of the possibility for partnering.
 - Purchase Sales (PSA) & Finance Agreement (FA) for Pentex from AIDEA
 - As noted under IEP update, several negotiations have occurred related to the PSA/FA, the status of which to be discussed in executive session.

Director Throop moved to enter into Executive Session. Director Throop seconded and without objection the Board moved into Executive Session at 4:29 PM.

Move to go into executive session to discuss matters that if discussed in public would violate IGU's non-disclosure agreements and/or matters involving ongoing negotiations which if immediately known would clearly have an adverse effect on IGU finances. This includes negotiation of contracts for natural gas supply, LNG production, transportation, delivery, storage of LNG, gas operator, transfer of control of FNG/Pentex assets from AIDEA, gas sales, and modeling, financing and other negotiations related to the Interior Energy Project. Along with the Board, the following are requested to stay, Jomo Stewart, David Prusak, Rene Broker, Bob Shefchik and Robin Brena

Director Wilbur moved to leave the Executive Session and continue the Board meeting. Director Abegg seconded at 5:39 PM. Without objection, the Board so moved.

III. Reports*

- General Manager
 - Director Wilbur asked about GM presentation to the Taku neighborhood, discussed.
 - Director Wilbur asked about GVEA fuel storage campus plan and how it might work with the LNG storage site. Mr. Prusak indicated IGU is coordinating better now with GVEA than when the project was first undertaken.
- Stantec Consulting Services, Inc.
- Monthly Status Reports
- Schedule Update

IV. Other Business

- Next Agenda
 - IEP Update
 - GSA update
 - Policy Manual
 - Executive Session Reserved
 - Special Business Meeting
 - 1. PSA/FA approval

V. Director Comments

Director Wilbur will not be at the next meeting.

Director Throop, appreciates the Boards continues to be open to and open minded about options.

VI. Adjournment

Director Wilbur moved to adjourn at 5:46 PM. This was seconded by Director Butler and without objection, the meeting Adjourned.