



Interior Gas Utility

Board of Directors Board Meeting

March 7, 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, March 7, 2017, at the IGU, Fairbanks, Alaska. IGU Board Chairman, Mike Meeks, presiding.

Others in attendance were: Jomo Stewart (IGU General Manager), Jill Dolan (FNSB Deputy Attorney arrived 4:17 PM), David Prusak (MWH) and Ted Johnson (visitor).

I. Call to Order

- Roll call

Board Members Present:

Mike Meeks

Jack Wilbur

Frank Abegg – telephonic, 4:10 PM

Bill Butler – arrived 4:02 PM

Steve Haagenson

Aaron Lojewski

Pamela Throop

- Approval of Agenda and Consent Agenda

Director Lojewski moved to adopt the Agenda and the Consent Agenda items, Director Throop seconded. The Agenda and the Consent Agenda items were adopted.

- Public Comment – *limited to three minutes*
 - Ted Johnson again spoke to the relationship between increased natural gas use and achieving PM2.5 clean air attainment. Recommended IGU to establish a grant-based (direct cash assistance) program to encourage and support customer conversions.

II. Unfinished Business

- Review of updated Policies
 - Meeks discussed setting up smaller group to assist in policy revision process
 - Director Wilbur moved to postpone the policy discussion, Lojewski seconded.
 - Vote was unanimous to postpone.

- Haagenson and Wilbur both volunteer to assist on this group.
- Mr. Stewart requested permission to present as a blended discussion agenda items:
 - IEP Update
 - Purchase Sales Agreement (PSA) & Finance Agreement (FA) for Pentex
 - Utility Integration
 - Interior Energy Project Update
 Without objection, Mr. Stewart proceeded:
- Lead for GSA discussions with prime seller have evolved back up to the Governor's office and remain in-process.
 - Stewart has authorized Chris Wilde to begin making contacts with other producers in the Cook Inlet and he is doing so.
- Delay in AIDEA drafting of MOU-related documents means the MOU expiration date of March 31, 2017, may need to be extended. Only PSA currently in hand. Awaiting additional documents, notably Financing Agreement (FA), to allow full package review.
 - Based on sense of Board, Stewart to codify verbal understanding regarding PSA comments, and forward MOU-related process and timeline, in email to AIDEA
 - Resolution authorizing MOU extension likely to be before the Board at the next meeting.
- IEP efforts are continuing to advance for Due Diligence (DD), for both corporate and assets, and Utility Integration Planning (UIP). IGU team, technical and legal, is fully integrated and working cooperatively on DD and UIP.
- Integration status presentation is going to occur at the next meeting for the Board to look at the process under consideration.
- Regarding a new corporate council, Zane Wilson of Cook, Schuhmann & Groseclose is available and appropriate. Confirmed covered by the agreement IGU currently has with Rene Broker with the same firm.

Director Lojewski moved to enter into Executive Session. Director Throop seconded and without objection the Board moved into Executive Session at 4:53 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. Besides the Board, other participants include, Jomo Stewart, Jill Dolan and David Prusak.

Director Wilber moved to leave the Executive Session and continue the Board meeting, Director Butler seconded at 5:31 PM. Without objection, the board so moved.

III. Reports

- General Manager
 - Brought to the Boards attention that the budgeted legal line item is running high on the operating budget.
 - Some costs appear to be appropriate for the capital budget and may be moved there.
 - Option for lengthening availability of Grant funds.
 - Jill Dolan discussed some minor revisions that will be under housekeeping efforts at the FNSB for IGU's enabling ordinance this month.
 - Discussed Grossclose can get involved starting the next meeting, Zane Wilson is likely tied up for the meeting but he will have another attorney available e to attend.
- Stantec
 - Director Haagenson asked if pressure is holding in the system which it is.
 - Director Haagenson asked about the PDC contract will be closed out, Prusak explained this is remaining open until such time as some easement and permit issues are completed.
- Monthly Status Reports

IV. Other Business

- Next Agenda
 - IEP Update
 - Schedule Update
 - Integration Presentation
 - Executive Session Reserved
 - Special Business Meeting
 1. Resolution Approving Policies
 2. Resolution to Approve the Purchase Sales Agreement with AIDEA for Pentex (unlikely needed)
 3. Resolution to amend the MOU with AIDEA for the Purchase of Pentex extending the timeline beyond March 31, 2017

V. Director Comments

Director Wilbur: Suggested shortening the meeting minutes to capture only the action of the Board and not the dialogue.

Director Lojewski: supports this concept.

Director Haagenson: feels it is a style issue, also found GVEA letter interesting

Chair Meeks: knows GSA is holding everything up.

VI. Adjournment

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