



Interior Gas Utility

Board of Directors Board Meeting

October 4, 2016

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, October 4, 2016, 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), David Prusak (MWH), Gene Therriault (AIDEA), Dan Britton (FNG), Jeff Stepp (FNSB) and Kimberly Templeton (MWH.) Telephonically Present: Mark Premo (MWH)

I. Call to Order

- Roll call

Board Members Present:

Mike Meeks

Jack Wilbur

Frank Abegg

Bill Butler

Steve Haagenon

Aaron Lojewski

Pamela Throop

- Approval of Agenda and Consent Agenda

Chairman Meeks advised the Board that contrary to the published notice, consideration of Resolution 2016-06 was being removed from the finalized agenda and asked for adoption of the meeting agenda so finalized. Director Lojewski moved to adopt the Agenda as amended and the Consent Agenda items, Director Abegg seconded. The Agenda and the Consent Agenda items were adopted.

- Public Comment – *limited to three minutes*

No Public Comment.

II. Reports

- General Manager

The Audit is ahead of schedule and ongoing, IGU will be meeting with the auditors on Wednesday, October 5th at 10:30AM to review the draft audit.

The August Mt. McKinley Bank Statement was received and reviewed. Brought before the Finance Committee on September 22, 2016. The accounts have been reconciled and confirmed. The Finance Committee recommended the Board approve the August Financials, which have been approved.

Mr. Stewart also had face-to-face discussions with Mr. Therriault with regards to Gas Supply and the Binding Term Sheet Memorandum in late September. The request was made that IGU pare down the list within the Binding Term Sheet Memorandum, break it down by subject and prioritize the items. That being done, the Memo was retransmitted to AIDEA for further consideration and use.

- MWH

There will be a meeting with the auditor to present the findings of the 2016 draft audit. The Audit is approximately 2 weeks ahead of schedule as previously mentioned by Mr. Stewart.

On October 5th there will be a GIS Presentation with Chairman Meeks, Mr. Stewart, David Prusak and others attending. The presentation will show what that new GIS system will look like, with all of the information that has been included, such as, activates and how it will relate to the telemetry units that are currently monitoring the system.

There has been a challenge with DNR closing-out stream crossing permits, however the appropriate information to satisfy what had been outlined for their expectations has been submitted.

Continuing to monitor the system pressure and provide locate services.

A meeting with DOT took place to finalize the completion acceptance of the seeding and the location for pipeline markers that were in question and managed to satisfy their particular needs and requests.

III. Unfinished Business

- Interior Energy Project Update

Weekly upstream meetings, on Tuesdays, restarted on September 27th, 2016 as Mr. Shefchik is now back in town. Mr. Shefchik was brought up on current events. Mr. Stewart inquiring as to what Mr. Shefchik's availability would be and in what capacity he might still participate as he is no longer under direct contract with AIDEA. Mr. Shefchik has offered his assistance.

The weekly integration meetings, are ongoing. The last meeting, held Friday, September 30th, concluded with the scheduling of a face-to-face Wednesday, October 5th, 2016, to find some middle ground towards utility integration between IGU and AIDEA Negotiating teams. After IGU reviewed the Memorandum regarding Gas sales and Gas Purchase Term Sheet, it was revised and returned to AIDEA on September 28th, 2016 with the redline MOU for Utility Integration.

Mr. Stewart attended the Mayors Lunch-in on Tuesday, October 4th, 2016 and updated the mayors as well as the present assembly members on the status of IEP.

On October 6th, IGU will be giving a quarterly update with AIDEA to the Borough Assembly. AIDEA has agreed to participate.

Director Abegg moved to enter into Executive Session. Director Haagenson seconded and without objection the Board moved into Executive Session at 4:14 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 with Jomo Stewart, David Prusak, Jill Dolan, Mark Premo, Gene Therriault and Mr. Britton.

Director Butler requested to amend the motion to move into executive session. Requesting that the IGU Board of Directors, Jomo Stewart, David Prusak, Jill Dolan and Mark Premo enter into Executive Session discussions prior to inviting Mr. Therriault and Mr. Britton to participate. Director Throop seconded and Chairman Meeks opened the floor for discussion.

No discussions brought forth by other Directors.

Chairman Meeks explained that the intention was to enter into Executive Session first, with Mr. Therriault and Mr. Britton to allow them the opportunity to present their point of view with regards to the Board's recommendations and question on the MOU and Gas Sales agreement and then Modify the Executive Session enter excusing Mr. Brittan and Mr. Therriault.

Director Butler withdrew the Motion to enter into Executive Session without Mr. Therriault and Mr. Britton and the motion was withdrawn.

The original motion was then seconded by Director Lojewski. Without objection, the board so moved.

Director Throop moved to leave the Executive Session and continue the Board meeting, Director Butler seconded at 8:05 PM. Without objection, the board so moved.

IV. New Business

No new business.

VI. Adjournment

- Next Agenda
 - Executive Session Reserved
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VII. Director Comments

No comment.

VIII. Adjourn

Director Butler moved to adjourn at 8:07 PM. This was seconded by Director Lojewski and without objection, the meeting Adjourned.