
**ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY
BOARD OF DIRECTORS
January 25, 2008 10:30am
Anchorage, Alaska**

1. CALL TO ORDER

Chairman Notti called the meeting of the Alaska Industrial Development and Authority to order on January 25, 2008 at 10:30 a.m. A quorum was established.

2. BOARD OF DIRECTORS ROLL CALL

Members present in Anchorage: Commissioner Emil Notti (Department of Commerce, Community & Economic Development); Commissioner Leo von Scheben (Department of Transportation & Public Facilities); Mr. John Kelsey (Public Member); Deputy Commissioner Brian Andrews (Designee for Department of Revenue); Mr. John Winther (Public Member).

3. PUBLIC ROLL CALL

Staff present in Anchorage: Sara Fisher-Goad (Acting Executive Director); Chris Anderson (Deputy Director-Credit); Valorie Walker (Deputy Director-Finance); Karl Reiche (Projects Development Manager); Brenda Fuglestad (Admin Manager); Chris Mello (Program Manager RPSU/BF); Karsten Rodvik (Project Manager-External Affairs); Mark Schimsheimer (Project Manager); Sherrie M. Siverson (Admin Asst); Jim Strandberg (Project Manager).

Others present: Jan Sieberts (Washington Capital Management); Charlie Cole (Attorney); Bernie Karl (Chena Hot Springs); Brian Bjorkquist and Mike Mitchell (Department of Law); Rebecca Copeland (Patton Boggs).

Joined the meeting in progress: Tuckerman Babcock, Lorali Carter and Jim Walker (Matanuska Electric Association); Christine Vecchio (MEA Ratepayers Alliance).

4. PUBLIC COMMENTS

VERBATIM

Bernie Karl, Chena Hot Springs Resort:

Mr. Chairman and members of the board, thank you for this opportunity to speak on something that is very important; energy.

As you are all well aware we are addicted to two things, oil in one arm and addicted to greed in the other and it is really affecting us in Alaska. Alaska could be totally self-sufficient for energy if we had two ingredients; it takes vision and it takes passion. We're lacking both. So, consequently, we have the highest cost in the world. What's wrong that picture? And we're an energy state. What's wrong with that picture? So, then we have Healy Clean Coal. Healy Clean Coal, some \$380M dollars has been spent. It is ridiculous. My power cost in Fairbanks, Alaska is 19 cents a kw hour as a user. It is going to go up another 6 cents in July. It will now be 25 cents a kw hour.

We have \$380M invested, you and I, as taxpayers. We have \$380M dollars invested and we have a plant that is not running. It is total insanity. Now, there is enough blame to go around to blame everybody and everybody can tell you who is at fault. I think it is time we get rid of all of the fault and we make power. The Power Plant #1 fuel cost is 2.3 cents. We can be making power for the fuel cost at 4 cents for the coal. It probably all ends somewhere around 6 or 7 cents. We are paying 17 cents just for the fuel to run the turbine at North Pole. 17 cents just for the fuel, ladies and gentlemen, that is total insanity. I mean who is running the operation around here? I beg you folks to please get Healy Clean Coal running, not tomorrow, today! It needs to be running. You want to have trickle-down economics, you want to help the State of Alaska? Get Healy Clean Coal running. You have a fiduciary duty, you are using the public funds and the public is crying, the public is bleeding in Fairbanks, Alaska. Now the only way it is going to get solved is if you people solve it.

There are all new people involved now, all of the bad feelings and all the personalities, we have got to take that out of the equation. We have got to look at the good of the people and the good of the people has not been looked after. We have got to get all the attorneys uninvolved. You should fire every attorney. No attorney should be allowed to ever work for you or work for anybody else. Look at what it is costing. Sorry Charlie, he is one of the best attorneys, no, I will say in all honesty Charlie is one of the good guys, he rides the white horse. But I want you to get rid of him too. I am not going to talk behind his back. I mean if we bring all the attorney's bills in here, ladies and gentlemen, we could have built another Healy Clean Coal. It is not productive, what we are doing. It is not the least bit productive and I will donate my time and I am very busy, I came here today to bring you this message, but whatever it takes to help you, I need to help you because it is affecting me and it is affecting my businesses. So if you need help, we will help you. If you need more public to come to you, we will round them up. But it seems to me that you have this responsibility and maybe not just to Healy Clean Coal, but that is a good place to start. It is there, we can touch it, it is real, and if you want to be totally on renewable energy we can do that in ten years too, but we are going to need your help to do that also. And the plan is there. We should have had Susitna running 30 years ago. But you know the old Chinese proverb is "what is the best time to plant a tree?" Thirty years ago. And what is the second best time? Today. So do it today, please, vote today that whatever it takes to get Healy Clean Coal, you will do it. Thank you.

Chairman Notti: Are there any questions?

Mr. Winther: Mr. Chairman, I think we are fairly close, I don't know if you realize it or not, Bernie.

Mr. Karl: I don't know how close we are, but I hope we get there.

Chairman Notti: Thank you for your comments and it is a priority for the Board to do that, just what you are saying. Are there any other comments?

Tuckerman Babcock, Assistant General Manager, Matanuska Electric Association (MEA):

In looking over the agenda today, I see that one of the issues is the changing of the by-laws to create a new position for Executive Director of the Alaska Energy Authority. I suspect that is in keeping with our Governor's policy to have more of a state-wide approach to reviewing energy issues in Alaska, which we would like to be supportive of at MEA.

With me today I have brought our outside counsel Dr. Copeland and senior counsel Jim Walker and our Manager of Government and Corporate Communications, Lorali Carter, to let you know that we are very supportive of that goal, the Governor's. And so in considering who you might

choose to fill that position with we would like to recommend that you consider people who are very experienced in the electric industry, but also those who may be able to put on a different hat without too much conflict of interest being established. Keeping with that, one name that comes to mind, although it may be a surprise as it is coming as a name suggested by MEA, given I am sure your understanding of our general relationship with Chugach Electric, but their Vice-President for Power Delivery Systems, Lee Thiebert, is retiring from Chugach as of February 1, 2008 and he would be an excellent person who would be able to wear a different hat in conducting himself in that role. I haven't spoken with any of these gentlemen, but the former President of the Alaska Power Association, Robert Wilkenson from the Copper Valley Electric Association, is involved with the Four Dam Pool, might fill that role. And the retired General Manager of the Kodiak System who is a PE, Ed Kozak, he also would be somebody that would fit that role very well.

Anyone who has been involved in litigation with AIDEA or AEA, or anyone who has spent their entire life with one company, or in an adversarial role with the state, would, in my opinion, not be the best choice to implement the Governor's vision of bringing people together to advance a general energy policy. So I would urge you to take some thought and consideration on making sure whoever is appointed is not subject to any charges of conflict of interest. Thank you very much.

Chairman Notti: Thank you Tuckerman.

Commissioner von Scheben: Who are you saying we don't hire? Because you are dancing around something, and I know you are here for a reason and I am wondering what the names are who you think we shouldn't hire?

Mr. Babcock: I wouldn't recommend you hire Wayne Carmony, my boss, for example. He has been a very strong advocate. I would not recommend you hire the recently retired CEO of Chugach Bill Stewart or Joe Griffith, or Steve Haagenson who just retired after 33 years with Golden Valley in November. Any one of those individuals is going to bring a baggage of conflict of interest that would make it hard to accomplish the Governor's objectives, so those are the sort of people that I would urge you not to consider.

Commissioner von Scheben: You realize that anybody we consider is going to have some conflict of interest regarding working for MEA or Chugach Electric, or Golden Valley, or whoever, they are all going to have some kind of tie to another

Mr. Babcock: Yes, and I am not being naive enough to suggest that you find someone with no ties. What I am suggesting is that people who have spent their entire career with one focus, to ask them to put on a public policy hat and make decisions in the best interest of public policy, like in Steve Haagenson's case within two or three months of his retirement, after working 33 years with one company and advocating just for one company's interests, is asking too much of somebody. It is putting the state in a position of not knowing whether or not they are really going to be able to divorce themselves from the interests of the company that was their bread and butter for their whole career. Or say in Wayne Carmony's case, his entire working career in Alaska has been with MEA, or in Bill Stewart's case, 30 years with Chugach.

Commissioner von Scheben: This is Alaska, everybody is tied to everybody. I come from the private sector for 40 years with an architectural engineering company. I have to recuse myself from issues because of the private sector. I was with a company for many years. So I don't know if you can say because somebody's been with a company for a period of time that that should be, say, that's a negative that you can consider, but I appreciate what you are saying.

Mr. Babcock: Thank you.

Chairman Notti: Thank you. We plan to have a selection on the board agenda at the next board meeting. In the meantime, we'll be looking for resumes, so if you have them, we encourage people to send them in. We have not settled on a name, but we are actively looking.

Chairman Notti stated that before anyone is selected it will be run by the Department of Law for any conflict of interest. He requested the public keep the board members informed and encouraged their comments.

5. PRIOR MINUTES – December 7, 2007

The December 7, 2007 minutes were approved as presented.

6. OLD BUSINESS

There was no old business.

7. NEW BUSINESS

7A. Election of Officers

Chairman Notti opened nominations for Officers of the Board.

MOTION: Deputy Commissioner Andrews moved to nominate Mr. John Kelsey. Seconded by Commissioner von Scheben. There being no discussion, the question was called. A roll call vote was taken and the motion passed unanimously.

Mr. Kelsey requested Commissioner Notti continue as Acting Chair for the remainder of this meeting.

Mr. Winther was reconfirmed as Vice-Chair.

7B. Appointment of an Acting Executive Director, Resolution No. G08-01

Mr. Bjorkquist reviewed Resolution G08-01, stating it appoints an Acting Executive Director effective February 1, 2008. The current Executive Director has submitted his resignation and as soon as that resignation becomes effective there is a need for the Board to have an appointed Acting Executive Director. There are provisions for the designation and for the Chairman to negotiate an agreement on behalf of the Authority with the Acting Executive Director.

That agreement would then be brought back to the Board at a later meeting for approval by the full Board as opposed to the Chair being authorized to negotiate that agreement and have it become effective immediately.

Hearing no objection, the Board deferred Resolution No. G08-01 to later in the agenda for discussion about individual names for the Acting position in Executive Session.

7C. AIDEA By-Law Changes, Resolution No. G08-02

Mr. Bjorkquist reviewed the Resolution for amending the by-laws contained in the packet:

Section I: amendment to Article 2, Section 2 of the by-laws of the Authority to delete the sentence "Except as otherwise authorized by resolution of the Authority the Chair shall sign all contracts, deeds, and other instruments made by the Authority." The practice has been for the Board in the appointment of the Executive Director to delegate all of those signing authorities to the Executive Director. Section 2 of the proposed by-laws will transfer that from the Chair of the Board to the Executive Director. Instead of the signing authority being delegated through a Resolution appointing the Executive Director, it would become effective through the by-law changes itself.

Section II: adjusts language to clarify that the Executive Director takes direction from the Board and how the Executive Director conducts and oversees the operation of the public corporation.

Section III: a proposed "housekeeping" amendment to Article 2, Section 4E of the by-laws. The first insertion is at the beginning of Section 4E which again repeats what is already the practice. "The members of the Authority may appoint officers, such as Deputy-Director, Assistant Secretary, or Assistant Secretary Treasurer as may be needed to assist the Executive Director to supervise and control the business and affairs of the Authority." This proposed amendment clarifies that the Board appoints the Assistants who help the Executive Director.

Section IV: amends Article 2, Section 6 of the by-laws and deals with additional personnel. Currently, the Executive Director deals with hiring and compensation issues of staff of the Authority, subject to review by the members of the Authority. The proposed amendment would add "subject to prior approval by the members," so the selection, the hiring, and the compensation of AIDEA staff would not only be subject to the review by the Board, but also would require the prior approval of the Board for any of those hiring or compensation issues.

Section V: proposed amendment to add to Article 2, Section 7 that allows the Authority of the Board to hire an Executive Director of the Alaska Energy Authority. This is the topic that we had public testimony from Mr. Babcock this morning about.

Chairman Notti asked where this draft came from.

Mr. Bjorkquist stated he drafted the resolution with consultation with Commissioner Notti's office.

Chairman Notti queried if this was a new draft. Mr. Bjorkquist responded that this is not a new draft.

Chairman Notti indicated this was what was previously discussed. Mr. Bjorkquist affirmed this and also stated the other version of the Resolution for by-laws changes also has this identical language within it.

Mr. Bjorkquist continued his review of the Resolution taking the Board through the changes line by line.

First sentence: gives the Alaska Industrial Development and Export Authority Board the power to employ an Executive Director for the Alaska Energy Authority as the Board of Directors of the Alaska Energy Authority deems necessary to exercise their powers and duties under their statutory provisions and appropriate Alaska law. The reason that this Board, the AIDEA Board, is given power to hire, is that the Alaska Energy Authority has no statutory authority to hire any staff including an Executive Director. All staff who work on AEA matters are AIDEA employees and that currently includes the current Executive Director of the AEA. That person is an AIDEA employee and by the purpose of this is to allow the Board to hire an Executive Director for AEA who is not necessarily the Executive Director for AIDEA because this person would be hired and basically function under AEA issues. The Board of AEA needs to be involved in the hiring decision.

Second sentence: "AIDEA and AEA enter into a contract to provide for reimbursement of costs associated with the employment of the Executive Director." The purpose of the sentence is for AIDEA as a separate, independent, public corporation, and AEA as a separate, public corporation, work with themselves to deal with those types of issues so that AIDEA is not subsidizing the hiring of the person to be the Executive Director of the AEA. That contract between the two can deal with other bureaucratic type issues that might arise through the State processes, compensation and other issues dealing with the hiring.

Third sentence: "The members of the AIDEA Board may delegate to the Executive Director of the AEA supervisory responsibility over AIDEA personnel specifically dedicated to AEA duties and functions subject to review by and direction from the Board of Directors of AEA." If you have an independent AEA Executive Director, without this, you would still have an AIDEA Executive Director who would basically be the supervisor of all AIDEA employees, including those AIDEA employees dedicated to AEA functions. This gives this Board the ability to delegate supervisor authority over AIDEA employees who work on AEA matters so that there is a line of supervisory authority. My suggestion would be that after you have an independent Executive Director of AEA, that person and the AIDEA Executive Director would work out what the org chart would be between the two organizations to make it work efficiently. The Board ultimately would have the ability to resolve any disputes if there were any.

The final proposed by-law change in Section 6 would be an amendment to Article 3, Section 2. This eliminates the by-law provision that the Authority publishes in newspapers or general circulation, public notice of the meeting. This is to match the by-law with current State policy that in order for cost savings, etc., and because of the increased viability of internet noticings, the publishing of notice is done by internet-type notices and web page notices.

Commissioner von Scheben voiced his concern with regard to the Board being involved in the day-to-day operations of personnel matters. Specifically it states "... employ such personnel ..." which means all employees. We should be looking at a budget that the Executive Director works under and the management area, but not get involved in the day-to-day personnel issues.

Chairman Notti suggested the Board make a motion to this Resolution, which we can amend after discussions.

MOTION: Commissioner von Scheben moved to approve Resolution G08-02. Mr. Kelsey seconded the motion.

Mr. Winther expressed his concerns of not having a job description for the position that is being created. This makes it difficult to define the costs. There are so many unknowns with this position as far as I can see. There may be some conflicts with the two Directors as there is so much intermingling of staff. He again expressed his concern about increased costs and what the goal of that new position is going to be.

Chairman Notti explained what the Administration is trying to accomplish stating there is currently one Board of Directors for two corporations under State law and the Board has selected one Executive Director to run both organizations. The one running AEA is a Deputy Director, so what we want to do is increase the visibility, the scope of the Alaska Energy Authority, and to work more along what the Governor wants with developing the Statewide Energy Plan and work on getting the costs down. Alaska being a storehouse of energy, it's ironic that we have the highest costs anywhere. We want to separate the two and define that job and we are not going to increase a lot of costs. AEA now operates on mostly Denali Commission money, close to \$39M, plus some other earnings and grants and contracts. There is plenty there to absorb the cost of one person and beyond that we'll just have to wait and see what the Executive Director would like to do.

Mr. Winther thanked Chairman Notti for the explanation and asked who is going to put the job description together so the Board knows what kind of person we are looking for. It is important how that is written up.

Mr. Bjorkquist said under the Resolution as it is drafted that it would be the AEA Board setting the parameters of the selection and dealing with that. You are asking some good questions about how this fits in the budget; this by-law change is just one step in the process. There are also various State processes that have to be followed in order for there to be an actual hiring, funding, PCN numbers, etc. All this by-law change does is to give the authority to hire and then move on to the next step which is going to address many of the issues that you are speaking to. Ultimately, under the way that this is drafted, the Board of the Alaska Energy Authority would be dealing with that.

Also, it was mentioned that there is one Board for two corporations. I suggest to you that there are two Boards for two corporations, you just happen to have the same individuals sitting on them. When you are sitting as the Board for AIDEA, you have the duty to fulfill the Statutory purposes, goals, and mission of AIDEA and when you sit as the Board of AEA you have the duty to fulfill the Statutory purposes, goals, and mission of AEA, which are somewhat different. So there are two separate corporations. To clarify, the same individuals on two boards for two separate public corporations as opposed to one board for two corporations.

In response to Mr. Winther, Commissioner von Scheben said we cannot answer the question that you asked about the past. We do know that the Governor wants to elevate the importance of energy and that is what is driving this. It is a good idea. Basically we need to elevate the importance of energy in the State of Alaska. We are probably ten years behind in this process here, and should have done it a while back.

To answer the comments about costs, I understand exactly what you are talking about. This idea is to make the first step in a growth of energy and importance in Alaska and we're going to share accounting and share administrative, just like we are doing now within the organization of AIDEA and AEA until the new Executive Director comes on. I'm assuming there could be some growth there. But hopefully there's going to be some money to back that growth because it is important. This is the first step; phase one is to separate the two, by-laws, corporate, whatever

you do to make that legally work. Get the person on board, have him look at what he's got, he or she, and take a look at it, and get the job description as you were talking about. Start working toward making AEA, energy and the State of Alaska an important part of our job and elevate that importance. We are in phase one right now.

Mr. Winther said because energy is such a big issue in Alaska, maybe it's going to be beyond our bounds.

Commissioner von Scheben agreed that it could be, it could grow into something different. This is just the first step.

Mr. Kelsey asked if the Board has broad enough authority to fund the position.

Mr. Bjorkquist said this by-law change does not deal with those issues. This is one step in the process and those issues need to be dealt with separate from this. This by-law change alone does not deal with those budget issues, etc.

Mr. Kelsey asked if we are looking at an additional request for authority.

Mr. Bjorkquist replied the by-law provides that AIDEA can negotiate a contract that will deal with those types of issues. Then the bureaucratic issues of budgeting, funding, PCN numbers and other personnel matters will have to be dealt with. This by-law change is not intended to accomplish everything, it is just one step in what is going to be a longer process.

Commissioner von Scheben said this is one position and we have to figure a way to fund that position. Your comment is very perceptive towards the funding, but we're talking one position right now. I don't know what salary range we're talking about, we'll get to that in Executive Session when we talk about those numbers.

Ms. Fisher-Goad indicated this is the first step; the by-law changes. As Deputy Director of Operations one of my primary duties is to be the primary point person for both agencies with respect to working with the Office of Management and Budget in the Legislature. We fully expect that at the point where you are ready to appoint an AEA Executive Director, we would work out those details with respect to pay and compensation and would work with the Office of Management and Budget with respect to appropriate PCN and funding source and whether we would either need a supplemental or an adjustment to FY2009 budget.

Commissioner von Scheben stated the Board could give some ideas for the job description. We have some direction from the Governor about a policy. We can come up with some bullets and somebody can create a job description once we come up with the ideas. We can speak to that in Executive Session.

In response, Mr. Bjorkquist said that he is unsure if this type of personnel matter is appropriate for Executive Session. This might be something appropriate for a subcommittee of the Board to work on and work with staff because there already is a position, the Executive Director, and so what you may be looking at is what additional duties to the current duties of that Executive Director are. The concept is ultimately that you are going to have a person different from the AIDEA Executive Director and whether the position changes or the functions change, it is a matter for the Board and it is the other Board, the Alaska Energy Authority Board that would be dealing with that.

For clarification, Mr. Winther asked if we are looking for resumes before we have a job description. Earlier in the meeting I believe Chairman Notti said that we will be accepting resumes, but now, if we are going to create a job description, does it change the timing of wanting the resumes.

Commissioners von Scheben and Notti affirmed this does not change anything, we are accepting resumes at this time.

Mr. Winther indicated that without a job description, you might attract people who wouldn't ordinarily apply.

Commissioners von Scheben and Notti said this would be discussed in Executive Session.

Chairman Notti suggested a word change to Section 6, Line 2 of the by-laws: "from time to time employ such personnel." The Authority can change that one word to authorize instead of employ so we're not getting into the business of hiring everybody, we'll just authorize the Executive Director to do that.

Mr. Bjorkquist said the sentence speaks to employing the Executive Director and that the Board will want to continue to directly employ the Executive Director because if you just authorize the employment, then the question becomes who would do the employment. The last sentence currently reads "The selection and compensation of any additional personnel shall be determined by the Executive Director, subject to review by the members of the Authority." If the purpose is prior approval of a certain level of employee, then the question is what is that level of that employee that the Board wants?

Chairman Notti indicated it would be the Deputy Director level.

Commissioner von Scheben agreed.

Ms. Fisher-Goad stated the deputy level in the budget is a range 27.

She said her understanding of the by-law changes where the Board wants to go today is Section 5, which adds a Section 7 that allows the Executive Director of AEA to be appointed. This is the change that allows you to move forward in emphasizing energy. Section 6 is a cleanup item with respect to noticing public meetings. My recommendation on the other changes is not take those changes up right now and allow staff to work with the Board and the Department of Law to get the language that you would like with respect to whether it is at a Deputy Director or at a Range Level to address the approval for the Board.

Chairman Notti agreed with Commissioner von Scheben that the board does not want to get into the hiring of lower level employees. We want to see a budget and see the salaries if we are going to act as a Board of Directors so there is some control on it. The Executive Director is all I think the Board needs to see.

Deputy Commissioner Andrews indicated that could be taken care of today and then if staff has additional suggestions down the road we can deal with those at that time.

Chairman Notti indicated the Board did not want to delay this Resolution. The Resolution should read that the Board should be involved with the hiring of the Executive Directors only.

Mr. Bjorkquist said there is another draft substitute Resolution that deals with that.

Chairman Notti said we want just the Executive Directors and the Deputy Directors. We don't want to get into any other areas.

Mr. Bjorkquist briefed the board on the substitute resolution stating Section 1 is identical to Section 5. This will authorize AIDEA to hire an independent Executive Director for the Alaska Energy Authority. Section 2 is Section 6 and deals with the publication and notice of meetings to match State policy.

In response to Commissioner Notti, Mr. Bjorkquist said this gives approval to the Alaska Energy Authority Board for dealing with the selection and the compensation, and then AEA would contract with AIDEA to hire an Executive Director. This authorizes AIDEA to hire because AEA has no ability to hire staff. The AEA Board would be selecting the Executive Director and deciding on compensation for the AEA Executive Director.

Chairman Notti asked how much power we are authorizing for the Executive Director with this.

Mr. Bjorkquist said the authority that this Board gives to the Executive Director through the by-laws provision is that the AEA Executive Director generally has the power for the operations of the Alaska Energy Authority. This provision includes within it that the delegation to the Executive Director is subject to review by and direction from the Board of Directors of the Alaska Energy Authority. The Board will have supervisory authority over the Executive Director.

Chairman Notti voiced his concern that the salaries and hiring was totally up to the Executive Director and he wants to see the salaries of subordinates come before the Board.

Mr. Bjorkquist stated this is not being dealt with in this substitute resolution. It is my understanding that the Board has given direction to AIDEA staff to work on that issue with the Board and come back with more appropriate language to deal with that at a later time.

In response to Chairman Notti, Commission von Scheben said this will get us to the Executive Director portion; the staff will do what you are interested in.

MOTION: Mr. Winther moved to approve the substitute version of Resolution No. G08-02. Seconded by Deputy Commissioner Andrews. There being no discussion, the question was called. A roll call vote was taken and the motion passed unanimously.

7D. Executive Director Search

Ms. Fisher-Goad stated there is a current job description for a combined AIDEA and AEA Executive Director, if the Board would like to use that as a starting point. There is a draft RFP that our Procurement Officer has set up that that would allow the Board to hire a contractor to help you with an Executive Director search. The options are, with the Board, if you want to pursue that, if this is a personnel issue, I believe you could go into Executive Session with respect to the search.

Mr. Bjorkquist said there are certain aspects of the search that are appropriate for an Executive Session if there is a desire to do so. There is some legal advice that was provided to Board members. If there is any desire to discuss some of those legal issues that would be appropriate. Also, strategies for going forward with an Executive Director search which if

disclosed might be detrimental to the Authority would also be appropriate for Executive Session. If there are other topics related to the search I would be more than happy to discuss that with you as to whether those other topics would be appropriate for Executive Session.

Chairman Notti queried whether the new AEA Executive Director will be an employee of AIDEA. Mr. Bjorkquist responded yes, an employee of AIDEA. You could have that conversation in the AEA Board meeting.

Chairman Notti queried if the Executive Director search had to be authorize in this meeting.

Mr. Bjorkquist said for the AEA Executive Director it would be most appropriate to have it in the AEA Board meeting.

7E. Executive Session

MOTION: Deputy Commissioner Andrews moved to go into executive session to discuss personnel issues related to an AIDEA Executive Director search, litigation, mediation and negotiation strategies on the Healy Clean Coal Project and the Delong Mountain Transportation System. Seconded by Commissioner von Scheben. There being no discussion, the question was called. A roll call vote was taken and the motion passed unanimously.

EXECUTIVE SESSION: 11:33am

The Board reconvened its regular meeting at 2:57pm.

A quorum was established. Chairman Notti advised that the Board had not taken any formal action on the matters discussed.

7B. Appointment of an Acting Executive Director, Resolution No. G08-01

Mr. Bjorkquist said the Board needs to insert a name in Resolution No. G08-01 and make a motion for appointing an Acting Executive Director.

MOTION: Deputy Commissioner Andrews moved to insert Sara Fisher-Goad's name as Acting Executive Director and approve Resolution G08-01. Seconded by Mr. Winther. There being no discussion, the question was called. A roll call vote was taken and the motion passed unanimously.

Commissioner von Scheben stated for the record that the Board appreciates Sara's efforts and thanked her for doing a good job. He said the Board will work with staff to get these problems solved.

8. DIRECTOR COMMENTS

Ms. Fisher-Goad referred the Board to their packets for activity reports and project reports. She also noted for the record the recorded proceedings for the Board meetings will now be made available on the respective web sites.

8B. The next meeting will be Thursday, February 14, 2008

9. BOARD COMMENTS

There were no Board comments.

10. ADJOURNMENT

There being no objection and no further business of the Board, the meeting was adjourned at 3:00pm.



Sara Fisher Goad, Acting Executive Director/Secretary
Alaska Industrial Development and Export Authority