



Alaska Industrial Development and Export Authority
BOARD MEETING MINUTES
Thursday, May 18, 2017
Anchorage and Juneau, Alaska

1. CALL TO ORDER

Chair Pruhs called the meeting of the Alaska Industrial Development and Export Authority to order on May 18, 2017, at 1:18 p.m. A quorum was established.

2. ROLL CALL: BOARD MEMBERS

Members present: Chair Dana Pruhs (Public Member); Vice-Chair Russell Dick (Public Member); Elaine Brown (Public Member); Dan Kennedy (Public Member); and Gary Wilken (Public Member).

Members present via teleconference: Fred Parady (Deputy Commissioner, Department of Commerce, Community, and Economic Development [DCCED]); and Jerry Burnett (Deputy Commissioner, Department of Revenue [DOR]).

3. ROLL CALL: STAFF, PUBLIC

AIDEA Staff present: John Springsteen (CEO/Executive Director); Chris Anderson (Commercial Finance Director); Brenda Applegate (Chief Financial Officer); Mark Davis (Chief Infrastructure Development Officer); Jennifer Haldane (Human Resources & Administration Director); Jim Hemsath (Project Development & Asset Management [PDAM] Director); Yulia Ellsworth (Controller); Tom Erickson (Chief Procurement Officer); Karsten Rodvik (External Affairs Officer); Lori Stender (PDAM Project Manager); Gene Therriault (Interior Energy Project [IEP] Team Lead); Sherrie Siverson (Executive Assistant); and Krin Kempainen (Administrative Assistant).

Public: Alan Bailey (Petroleum News); Elwood Brehmer (Alaska Journal of Commerce); Dan Britton (Pentex Alaska); Mark Gardiner (PFM Group Consulting); Sydney Hamilton (Accu-Type Depositions); and Jerry Juday (Department of Law).

Public present via teleconference: Jomo Stewart (Interior Gas Utility [IGU]).

4. AGENDA APPROVAL

John Springsteen requested to switch Item 7B IEP Update and Item 7C and to add Administrative Order 281 [AO 281] to the Executive Session. The agenda was approved as amended.

5. PUBLIC COMMENTS

There were no public comments.

6. PRIOR MINUTES - March 30, 2017 and April 27, 2017

The minutes were approved as presented

7. NEW BUSINESS

7A. Resolution No. G15-14A Relating to Office Building Maintenance and Repair Work

Mr. Springsteen stated Resolution No. G15-14A amends Resolution G15-14, which authorized \$173,000 for office building maintenance and repair work, including replacement of the roof and replacement of failing windows. He invited Jennifer Haldane to the table. Ms. Haldane stated asbestos was discovered when the roof was tested last summer, roof replacement is scheduled this summer. She noted the initial resolution covered replacement of 11 failing windows and subsequently, four more windows have been identified as failing. The request is to add \$40,000 to the work authorization due to the additional cost of asbestos abatement and the increase in window replacement.

MOTION: Mr. Wilken moved to approve Resolution No. G15-14A Relating to Office Building Maintenance and Repair Work. Motion seconded by Vice-Chair Dick.

The motion was approved with members Pruhs, Dick, Brown, Burnett, Kennedy, Parady, and Wilken voting yea.

7B. Executive Session: Interior Energy Project, MOC1, Strategy & Performance, and AO 281

MOTION: Vice-Chair Dick moved to go into Executive Session to discuss confidential and financial information related to Interior Energy Project, MOC1, Strategy & Performance, and AO 281. Motion seconded by Ms. Brown.

The Board entered Executive session at 1:24 p.m. Participants included board members Dana Pruhs, Russell Dick, Elaine Brown, Jerry Burnett (via teleconference), Dan Kennedy, Fred Parady (via teleconference), and Gary Wilken. AIDEA staff invited to join the session, at different times, for related topics: John Springsteen, Brenda Applegate, Gene Therriault, and guests, Dan Britton, Mark Gardiner, and Jerry Juday.

The Board reconvened its regular meeting at 3:27 p.m. Chair Pruhs stated no formal action was taken on the matters discussed in executive session.

7C. IEP Update

Gene Therriault stated the Memorandum of Understanding (MOU) with IGU has been extended. Redline versions of utility consolidation documents have been given to IGU. A meeting is tentatively scheduled next week to further the discussions. The liquefied natural gas (LNG) plant status remains the same. The transportation status remains the same. The timeline on storage implementation is being refreshed to ensure deadlines can be met. Mr. Therriault noted House Bill (HB) 111, which contained a section regarding LNG storage credits, did not pass the Legislature. It has been listed on the Governor's Special Session call. HB 80 legislation, The Property Assessed Clean Energy (PACE) passed and has gone to the Governor for his signature. Coordination with local governments will need to occur to make the PACE legislation successful. Other potential sources of conversion assistance include competitive funds from the Environmental Protection Agency (EPA).

Mr. Wilken expressed frustration regarding the systematic process and timing of applying for competitive grants necessary to fund natural gas conversions. He believes conversion funds should be sought and received now, rather than after the gas is flowing. Mr. Wilken requested additional information on how the current process has been helpful. Mr. Therriault explained the grants awarded to the Fairbanks North Star Borough (FNSB) help with the immediate PM2.5 problem by replacing wood stoves with cleaner burning appliances. Mr. Therriault said part of the difficulty in applying for natural gas conversion grants now is not being able to promise when a larger supply of natural gas will be available. Mr. Therriault believes the relationship being established could provide a smooth transition to natural gas conversion grants, once the gas supply is firm.

Mr. Wilken requested a status update on the team within the FNSB who is responsible for writing the federal conversion funds grant. Mr. Wilken believes the application process should be completed as much as possible. He requested the Board be apprised of the plan to ensure there is no delay in applying for the grant when gas is available. Mr. Wilken reiterated conversions and demand are the driving factors in making this project successful. Mr. Therriault agreed to research and report back to the Board.

8. DIRECTOR COMMENTS

Mr. Springsteen expressed his appreciation to Ms. Haldane for her contribution and service to AIDEA.

Mr. Springsteen stated the dashboard, loan, delinquencies-to-outstanding reports, IFD, PDAM project fact sheets and project matrices are included in the board packet. Chair Pruhs asked for clarification on the Loan Dashboard Report for the Revolving Fund, and requested the information be presented more clearly. Ms. Applegate explained the method and agreed to present the information more succinctly. Chair Pruhs directed the Board's attention to the incremental increase in delinquencies since November.

9. BOARD COMMENTS


Mr. Kennedy reminded the Board of their visit last June to a surgery center under construction in Wasilla. The surgery center is complete and is a significant investment for the community. Mr. Kennedy expressed appreciation to staff for arranging his tour of AIDEA assets in Southeast last week. He noted, for the record, he paid for all of his travel and accommodation costs. Mr. Kennedy was highly impressed with the skilled job creation and innovative construction at the Ketchikan Shipyard. He visited Juneau, Hoonah, and thanked Vice-Chair Dick for arranging his fascinating tour of Icy Straight Point. Mr. Kennedy continued his tour at the Skagway Ore Terminal. He is available for further discussions off the record.

Mr. Kennedy stated he has been asked to speak on behalf of AIDEA to the Greater Wasilla Chamber of Commerce next month and will be contacting staff for updated information. Mr. Kennedy expressed an interest in attending the May 31, 2017 Alaska Oil & Gas Association (AOGA) annual conference and requested possible reimbursement of costs by available Board education funds.

Chair Pruhs expressed appreciation to Mr. Kennedy for his report and encouraged all Board members to visit AIDEA assets when possible.

10. ADJOURNMENT

There being no further business of the Board, the AIDEA meeting adjourned at 3:57 p.m.



John Springsteen, CEO/Executive Director
Secretary-Treasurer