



**Alaska Industrial Development and Export Authority**  
**BOARD MEETING MINUTES**  
**Thursday, June 28, 2018**  
Anchorage, Alaska and Wyoming

**1. CALL TO ORDER**

Chair Pruhs called the meeting of the Alaska Industrial Development and Export Authority to order on June 28, 2018, at 11:47 a.m. A quorum was established.

**2. ROLL CALL: BOARD MEMBERS**

Members present: Chair Dana Pruhs (Public Member); Vice-Chair Russell Dick (Public Member); Mike Barnhill (Deputy Commissioner, Department of Revenue [DOR]); Elaine Brown (Public Member); Bernie Karl (Public Member); and Gary Wilken (Public Member).

Members present via teleconference (from Wyoming): Fred Parady (Deputy Commissioner, Department of Commerce, Community, and Economic Development [DCCED]).

**3. ROLL CALL: STAFF, PUBLIC**

AIDEA Staff present: John Springsteen (CEO/Executive Director); Chris Anderson (Commercial Finance Director); Brenda Applegate (Chief Financial Officer); Mike Catsi (Business Development & Communications Director); Jim Hemsath (Project Development & Asset Management [PDAM] Director); Yulia Ellsworth (AIDEA Controller); Liz Greer (PDAM Project Manager); Michelle Hope (Procurement Senior Contracting Officer); Bill Phelan (Loan Officer); Linda Senn (AIDEA Human Resources Manager); Gene Therriault (Interior Energy Project [IEP] Team Lead); Rich Wooten (PDAM Project Manager); Sherrie Siverson (Executive Assistant); and Krin Kemppainen (Administrative Assistant).

Public present: Alan Bailey (Petroleum News); John Damjanovich (Northrim Bank); Joel Fuller (Arcticorp); Mark Gardiner (PFM Group Consulting); Steve Hall (Union Square Development Company); Zac Hayes and Chad Steadman (First National Bank Alaska [FNBA]); Mark Horne (Horne Management Group); Jerry Juday (Department of Law); Ladonna Lindley (Accu-Type Depositions); Richard Marko (Affinity Hospitality); Chad Powelson (Western Enterprises Inc.); Nancy Wainwright (public); and Gordon Weightman (Callan Associates).

Public present via teleconference: Daniella Meeker (Governor's Office).

**4. AGENDA APPROVAL**

The Agenda was approved as presented.

## **5. PUBLIC COMMENTS**

Nancy Wainwright reminded the Board she asked questions at the May 31, 2018 Board Meeting regarding the conflicting Ambler Road cost figures, at which time the Board requested she submit her questions in written form. Ms. Wainwright stated she has a prepared memo with attachments and submitted it to the Board through Mr. Springsteen. Ms. Wainwright highlighted two primary concerns which surfaced during the preparation of the questions. The first issue is the transparency of the cost of the road. This issue has been raised to the Board four previous times. On two occasions in existing minutes, Chair Pruhs directed staff to provide transparent and easy to understand cost figures to the public. Ms. Wainwright noted the cost figures have not been provided. She has specific cost questions in her memo that if answered would be helpful in promoting the transparency of the Ambler Road process.

Ms. Wainwright stated the second issue regards the DOWL HKM conflict of interest, and the lack of transparency of this conflict of interest. The Board passed Resolution No. G16-02 waiving any DOWL HKM conflict of interest until January 16, 2016. The memo includes the Recorder's Office number of the Affidavit of Annual Labor by Nova Copper showing DOWL continued to work for Nova Copper beyond January 16, 2016. Ms. Wainwright expressed concern regarding DOWL's ongoing involvement with Nova Copper while it is supposed to be representing the State's interest, and expressed concern of the lack of transparency surrounding this conflict of interest.

Chair Pruhs requested Mr. Springsteen and staff answer the questions in the memo. Mr. Springsteen agreed.

## **6. PRIOR MINUTES - May 31, 2018**

Mr. Springsteen asked for an amendment to improve the clarity of the minutes of May 31, 2018. Page nine of 13 should read, "Mr. Karl asked if the Northwest Arctic Borough will have the authority to tax the road. Mr. Springsteen explained the Northwest Arctic Borough negotiated with Teck Cominco to receive a payment in lieu of tax," and include the additional wording, "for the Red Dog Road and for the DeLong Mountain transportation system." Mr. Springsteen believes the Northwest Arctic Borough will negotiate in a similar manner with mining companies operating in the Borough and not with AIDEA or the State, which are both tax exempt."

The minutes from May 31, 2018 were approved as amended.

## **7. NEW BUSINESS**

### **7A. Loan Resolution No. L18-03 Anchorage MC Holdings LLC**

Mr. Springsteen stated Loan Resolution No. L18-03 regards participation by the Authority in a loan to Anchorage MC Holdings, LLC. The loan is for a 141-room Marriott Courtyard Hotel located at 4960 A Street in Anchorage. The financing supports 285 construction jobs, 60 new

permanent jobs, and five retained permanent jobs. The dollar amount of AIDEA's participation is \$19,200,000 for a fixed rate at a 25-year term. Mr. Springsteen invited Chris Anderson, to present.

Ms. Anderson reviewed the details of the 80/20 loan participation request by Northrim Bank in Loan Resolution No. L18-03, as presented in the memorandum. The guarantors are Richard Marko; Affinity Hospitality, LLC; MC Midtown, LLC; Mark Horne; Roger Scott McQuarrie; MSM Ventures, LLC; Margaret Horne; Margaret Horne Family Revocable Trust; Union Square Development, LLC; and Steven Hall. The use of the proceeds is to pay off Northrim's construction loan, as well as closing costs. The property will be professionally managed by Horne Management Group.

AIDEA would take a first lien on the property, appraised at a complete value of \$33,125,000. The loan-to-value is 72%. Debt service coverage is 1.70:1. UCC filing is required for all furniture, fixtures and equipment (FF&E), and a reserve, as recommended by the appraiser. There is no related debt. The confidential financial information was provided to the Board under separate cover. There are no known environmental issues. The Anchorage tourism market has been strong and is expected to follow this positive trend.

The strengths include the financials of the guarantors, new construction, flagged hotel with professional management, seasoned operators, good location, strong national economy in tourism sector, six months' payment reserve of \$875,000, and current low portfolio exposure to Anchorage hotels. There are no extraordinary risks beyond typical market risk.

AIDEA has 10.81% of its total statewide portfolio in the tourism industry and would increase to 14.78% with this credit. AIDEA has 48.07% of participated loans within the Anchorage region and would increase to 50.39% with this credit. Staff recommends approval of Loan Resolution No. L18-03 as presented.

**MOTION: Mr. Wilken moved to approve Loan Resolution No. L18-03 Anchorage MC Holdings LLC. Motion seconded by Vice-Chair Dick.**

Chair Pruhs asked the length of the franchise agreement with Marriott, if the franchise agreement was reviewed by staff, and if not, should a review of franchise agreements be a requirement. Ms. Anderson stated she personally did not review the franchise agreement and does not know if AIDEA's underwriting loan officer Leona Hakala has reviewed the franchise agreement. Ms. Hakala is currently on vacation. Northrim Bank conducted their complete underwriting and approval process for the loan. Ms. Anderson introduced John Damjanovich of Northrim Bank. Mr. Damjanovich stated Northrim Bank, as part of their underwriting and due diligence process, reviewed the confidential franchise agreement with Marriott Courtyard on behalf of the participants. The length of the franchise agreement is 25 years. A comfort letter was obtained describing the terms and conditions of the bank's relationship as a secured lender in relation to the franchise agreement.

Mr. Karl noted AIDEA's loan participation amount is \$19.2 million for 25 years and Northrim Bank's loan participation is \$4.8 million for 15 years. He believes AIDEA's due diligence should include a specific review of the franchise agreement by AIDEA staff. Deputy Commissioner Parady agreed to the importance of the review of the franchise agreement, especially because AIDEA's loan term is 25 years.

Chair Pruhs commented that in the late 1980's, he witnessed the collapse of the real estate market, the decrease of oil prices, and banks going under. He believes AIDEA has a fiduciary responsibility to conduct due diligence on franchise agreements for all loans. Chair Pruhs requested Mr. Springsteen and Ms. Anderson complete this due diligence.

Mr. Karl echoed Chair Pruhs' comments and noted he also witnessed the banks going under. He recommended staff review the franchise agreement for this resolution before approval. Deputy Commissioner Parady asked if there is a foreseeable direct consequence to delaying the vote a month, in order to review the franchise agreement. Ms. Anderson answered yes.

Ms. Anderson stated it has come to her attention AIDEA staff has a copy of the franchise agreement, and it was read by Ms. Hakala and included in the loan documents. Chair Pruhs asked if legal has reviewed the franchise agreement. Jerry Juday stated he has not reviewed the franchise agreement.

Deputy Commissioner Parady indicated he does not want to penalize anyone by delaying a vote and suggested a telephonic Board meeting could occur, if necessary. He is not persuaded staff are able to speak regarding the franchise agreement directly.

Chair Pruhs suggested the resolution be approved, subject to review of the franchise agreement by staff and legal. Mr. Wilken agreed. Deputy Commissioner Parady agreed.

Mr. Wilken suggested the review of franchise agreements become part of the report protocol of future loans.

Deputy Commissioner Barnhill emphasized the importance of ensuring the franchise agreement term covers the term of the loan, as well as other important factors.

**MOTION: Mr. Wilken moved to amend his previous motion to approve Loan Resolution No. L18-03 Anchorage MC Holding LLC, subject to review of the franchise agreement by the Executive Director, and franchise agreements, if any, are included in the preliminary review recommendations brought before the Board. Motion seconded by Mr. Karl. The motion to amend passed with no objection.**

Chair Pruhs requested additional information regarding UCC upgrades and communication of those upgrades to the lender. Mr. Damjanovich noted the replacement reserve account is funded on a monthly basis for the upgrades of FF&E.

Mr. Wilken asked for staff to provide a timeline as to when the franchise agreement review could occur. Mr. Springsteen anticipates a review can occur within the next week.

**The amended motion was approved with members Pruhs, Dick, Barnhill, Brown, Karl, Parady, and Wilken voting yea.**

**7B. Loan Resolution No. L18-04 City Center Wasilla LLC**

Mr. Springsteen stated Loan Resolution No. L18-04 regards the purchase by the Authority of participation in a loan to City Center Wasilla, LLC. The loan is for a newly constructed 6,560 square-foot office building in Wasilla. The financing supports 10 construction jobs and 3 retained permanent jobs. The dollar amount of AIDEA's participation is \$1,312,500. The item is before the Board because the borrower has related debt greater than \$5 million. The related debt is \$10,353,621. Mr. Springsteen requested Ms. Anderson to present.

Ms. Anderson reviewed the details of the loan participation request by FNBA in Loan Resolution No. L18-04, as presented in the memorandum. The guarantors are Western Enterprises, Inc.; Arctic Center; Arcticorp; Gold Street, LLC; and Carl Kuhn. The use of the proceeds is to pay off FNBA's construction loan and reimburse the borrower for certain out-of-pocket expenses, including land costs. The property is fully leased and is managed by Western Enterprises.

AIDEA would take a first lien on the improvements, appraised at a stabilized basis at \$1,750,000. The loan-to-value is 75%. Debt service coverage is 1.47:1. The related debt has been paid as agreed since inception. There are no known environmental issues. The appraiser has projected the commercial real estate market in this area is stable.

The strengths include new construction in a good location, a 7.5-year lease in place to provide a stable source of cash flow, owners are experienced in commercial real estate management, and outside financial support is available from the guarantors with strong net worth and cash flow. Perceived weaknesses include credit risk associated with property leased to a single tenant. This is mitigated by the strong net worth of the guarantors and the property being very marketable as office space in this area.

As of March 31, 2018, AIDEA had 21.7% of its total statewide portfolio secured by office type properties and would increase to 21.9% with this credit. AIDEA has 15.8% of participated loans within the MatSu region and would increase to 16.0% with this credit. Staff recommends approval of Loan Resolution No. L18-04 as presented.

**MOTION: Mr. Wilken moved to approve Loan Resolution No. L18-04 City Center Wasilla LLC. Motion seconded by Vice-Chair Dick.**

Chair Pruhs asked if the loan officer has visited the property. Ms. Anderson stated yes she personally visited the property. Chair Pruhs requested pictures be provided for the Board in future packets. Ms. Anderson had pictures of the property and distributed the copies to the Board. Chair Pruhs noted the borrower will have a total debt with AIDEA of approximately \$12

million. He asked what percentage of AIDEA's MatSu office building portfolio is that total debt. Ms. Anderson noted office type projects within the MatSu region is currently 18.8% of the total portfolio and would increase to 20.3% after this credit. She did not calculate the specific borrower's percentage of debt related to AIDEA's portfolio. On future loans whose borrowers' related AIDEA debt totals more than \$10 million, Chair Pruhs requested staff provide the Board with a description of additional AIDEA holdings, and show the percentage compared to the specific region, industry, and the whole portfolio. He believes this is prudent and consistent with fiduciary responsibility. Ms. Anderson agreed.

**The motion was approved with members Pruhs, Dick, Barnhill, Brown, Karl, Parady, and Wilken voting yea.**

### **7C. Resolution No. G18-07 Adoption of Amendments to AIDEA Regulations**

Mr. Springsteen stated Resolution No. G18-07 regards the adoption of the amendments to AIDEA regulations. Staff reviews regulation every two years to determine if rates and fees are reasonable and if any improvements are necessary. Staff recommends changes as shown in the memorandum related to application fees, loan guarantees, loan modifications, and reimbursement of third-party expenses paid by AIDEA. Staff recommends changes to certain items expressed as basis points rather than percentages, and similar text in regulations formatted to improve clarity and uniformity. Staff recommends approval of Resolution G18-07. Mr. Springsteen asked Brenda Applegate to help answer any questions.

Mr. Wilken requested additional information regarding the fiscal impacts of the 18 changes to the actual dollar amount of costs over the next two years and an explanation of why these changes are needed. Mr. Springsteen explained the change in nomenclature to basis points from percentages is to improve clarity. The example given is stating 15 basis points, rather than one-and-one-half tenth of one percent. The fee change increases are being made to cover AIDEA's cost of doing business. The costs of the specific activities exceed the current fee structure. Ms. Applegate noted the dollar amount of the fiscal impact is dependent upon what specific activities occur each year. Mr. Wilken expressed concern the fee changes have a round increase range from 5% to 500%. He is inclined to set this aside until staff has a chance to report on the fiscal impact of the changes and to have a frame of reference for the next two-year review. Ms. Applegate stated preparing a fiscal note would take time. Mr. Karl stated he shared Mr. Wilken's discomfort.

Deputy Commissioner Barnhill believes the 10% fee increases are in-line with inflation and the five-fold increases are certainly not in-line with inflation. He supports cost-based fees. Fees should not be increased in order to create a new revenue stream. Deputy Commissioner Barnhill asked if AIDEA is subject to the statute regarding cost-based fees. Mr. Juday stated he does not know that answer. Deputy Commissioner Barnhill asked if the proposed fee increases were cost-based. Ms. Applegate noted cost analysis has not been conducted on the fee increases.

Deputy Commissioner Parady expressed he will support the resolution, and instruct staff to report back at an appropriate time with a monitored update. Further adjustments can be made with a subsequent resolution. Chair Pruhs agreed with Deputy Commissioner Parady's position.

**MOTION: Vice-Chair Dick moved to approve Resolution No. G18-07 Adoption of Amendments to AIDEA Regulations. Motion seconded by Deputy Commissioner Parady.**

**The motion was approved with members Pruhs, Dick, Brown, and Parady voting yea. Members Barnhill, Karl, and Wilken voting nay.**

#### **7D. Financial Investments, presentation by Callan Associates Inc.**

Mr. Springsteen introduced Gordon Weightman of Callan Associates who is here to present the review and performance of AIDEA's Enterprise Development Account fixed income portfolio. Mr. Weightman gave an update of the market noting many positive economic indicators. Gross domestic product (GDP) has been positive in the range of 2% to 3%. The expectation is the recent tax cuts will help during the second part of calendar year 2018 and into 2019. Half of the S&P 500 stocks' earnings increase of 25% in the first quarter 2018 was attributed to the corporate tax cuts. Headline inflation is increasing and is now at 2.5%. This allows the Fed to continue to increase short-term interest rates. The unemployment rate was very low at 3.8% through May 2018.

Mr. Weightman stated equity investment managers are bullish on the market and fixed income investment managers are becoming more defensive in positioning as the yield curve flattens. Interest rates have been very low since the Global Financial Crisis and have begun to rise within the last two years, resulting in a challenging environment for bond managers. The portfolio's last two fiscal year returns have been slightly negative due to the effect of rising interest rates. The portfolio is indexed to the Bloomberg Barclay's Aggregate. Mr. Weightman explained yield spreads are becoming tighter and more expensive. Both of AIDEA's bond managers, Alaska Permanent Capital Management (APCM) and Barrow Hanley Mewhinney & Straus (BHM&S); have been responding by elevating the quality of the corporate securities, adding to government securities, and shortening duration.

Mr. Weightman reviewed the gross-of-fee performance results of the portfolio as of March 31, 2018. The external managers have beaten their benchmark, gross-of-fee, over the last year, 3-year, 5-year, 10-year and 18.5-year timeframes. APCM manages approximately \$133 million for a fee of 12 basis points, which is below median. BHM&S manages approximately \$175 million for a fee of 23 basis points, which is close to median. The total portfolio's performance illustrated in the presentation is not inflation-adjusted. The external managers' net-of-fee performance over the last five years has trailed the benchmark and has lost real capital, but over the last 10 years and 18.5 years, the portfolio has beaten the benchmark in excess of inflation.

Deputy Commissioner Barnhill requested additional information regarding the selection of BHM&S. Mr. Weightman explained Callan and staff conducted a competitive search process focused on a complementary manager to the conservative APCM manager. BHM&S has a value

philosophy and tends to be duration neutral compared to the benchmark. Deputy Commissioner Barnhill commented BHM&S is very expensive and has not provided a benefit at this point. Mr. Weightman agreed active management has not provided outperformance in this environment. The managers have become more defensive in capital preservation and have not increased risk strategies. Mr. Weightman expressed his disappointment in the performance of BHM&S over their 4.75-year tenure. He was hoping the returns would be closer to median. The return profile has been similar to APCM, but the risk has been greater and the management fee is almost double. Ms. Applegate stated BHM&S would be meeting with staff in August. There is currently no recommendation for action.

Mr. Karl stated the results seem to indicate the portfolio did not take advantage of the market when the environment was strong. Mr. Weightman indicated the nature of the program is structured with a low risk tolerance and a very conservative capital preservation framework. Mr. Karl believes it is necessary to increase the risk tolerance of the portfolio, specifically because of the rising interest rate environment that is expected to continue. Mr. Weightman indicated Callan would like to review and discuss the current risk tolerance settings.

Chair Pruhs suggested today's presentation is focused on reviewing the current portfolio status, its performance, and educating the Board on the reasons for the performance. He believes the discussion regarding future goals, strategies, and risk tolerance should occur at a separate work session meeting. The Board agreed. Ms. Applegate noted staff is in the process of developing strategies to present at a future date. Chair Pruhs recommended staff consult with Deputy Commissioner Barnhill and Mr. Wilken to review possible strategies before the work session is scheduled.

Mr. Weightman continued his presentation noting the rising interest rates in 2017 and 2018 is reflected in the negative returns of the portfolio because of capital loss in declining bond prices as interest rates rise. The higher yield from rising interest rates is offset by the price decline over a period of time. The duration of the entire portfolio is approximately 5.8 years. Mr. Weightman commented the managers believe we are late in the market cycle now. The managers are not willing to extend duration or take on additional credit risk, and anticipate a correction in the equity markets, at which point their conservative portfolio will add benefit.

#### **7E. Executive Session: IEP, MOC1**

**MOTION: Mr. Dick moved to go into Executive Session to discuss confidential and financial information related to IEP and MOC1. *The second was not audibly recorded.***

Deputy Commissioner Barnhill said he would not participate in the executive session with respect to MOC1 due to a conflict of interest.

The Board entered Executive session at 1:13 p.m. Participants included board members Dana Pruhs, Russell Dick, Mike Barnhill, Elaine Brown, Bernie Karl, Fred Parady, and Gary Wilken.



AIDEA staff invited to join the session, at different times, for related topics: John Springsteen, Brenda Applegate, Gene Therriault, and guests, Mark Gardiner and Jerry Juday.

The Board reconvened its regular meeting at 2:52 p.m. Chair Pruhs advised no formal action was taken on the matters discussed in executive session.

## **7F. IEP Update**

Mr. Springsteen invited Gene Therriault to present the IEP Update. Mr. Therriault began by stating that the IEP bond extension was achieved in the passage of the extensive House Bill (HB) 119. It is anticipated the Governor will sign the bill in July. The current gas supply contract runs through March 2021. Interior Gas Utility (IGU) is currently exploring different options for future gas supply. Staff has requested IGU provide an update to AIDEA as soon as possible. Regarding the liquefied natural gas (LNG) plant, the utility consolidation has been achieved under the recent financing agreement (FA) and the combined operations are being led by Dan Britton, as CEO of both IGU and Fairbanks Natural Gas (FNG). Potential scope modifications may be considered upon the receipt of a defensible business plan with qualified numbers. Regarding transportation, two of the three larger LNG trailers have developed a problem with the vacuum on the thermos bottle in the installation space. The manufacturer is making the required repairs.

Mr. Therriault explained the large storage project continues to advance in Fairbanks on-time and on-budget. Qualification for the storage credit repayment mechanism is unclear because of the passage of HB 111 and Senate Bill (SB) 331, which include modifications to the oil and gas tax credits and future funding. Mr. Therriault is expecting a return call from DOR personnel to clarify the issue. IGU has purchased an option on land in North Pole for a potential repositioning of one of the bullet tanks from the current FNG storage in time to also qualify that facility for potential funding under the storage credit mechanism. It will be a tight timeline.

Mr. Therriault noted FNG submitted a budget plan for FY19, which was approved by the IGU Board, and includes a \$350,000 capital component for placing pipe in the ground this year. Mr. Britton is reportedly looking for opportunities to place pipe during ongoing road construction to capture a savings in the distribution build-out. The creation of a specific customer conversion and outreach position was included in the approved budget. The on-bill legislation passed this year and is anticipated to be transmitted and signed by the Governor in July. Regarding conversion assistance, the potential federal sources utilized in the past, including the qualification of the additional \$4 million in Environmental Protection Agency (EPA) airshed non-attainment funds for Fairbanks North Star Borough (FNSB) through the Alaska Department of Environmental Conservation (ADEC), are expected to continue on an ongoing basis.

Chair Pruhs requested feedback regarding the possibility of the Board passing a resolution supporting the cities of Fairbanks and North Pole's implementation of an ordinance in the billing code requiring dual-fire furnaces for new construction and dual-fire furnaces for replacements. Mr. Therriault supports the idea and sees no downside. He will contact the city governments to

determine if such support would be helpful. Mr. Wilken informed the cities have been reluctant to implement ordinances until the project was actually underway.

Mr. Therriault stated the North Slope pad is available for lease. There have been a few inquiries regarding the lease notice with DNR. If no offer or expression of interest has been received by July 11, 2018, then a negotiation can be entered into directly with AIDEA for the pad to be leased under the statutes that would allow general economic activity on the North Slope. Mr. Therriault is in the process of updating the Legislative Quarterly Report due to legislators during the first week of July. This report remains AIDEA's responsibility.

Mr. Therriault stated he is awaiting approval for his position to soon transfer and reverse from being an AIDEA employee with a Reimbursable Services Agreement (RSA) with Alaska Gasline Development Corporation (AGDC) to becoming an AGDC employee with an RSA to AIDEA to purchase part of his time. The expectation is the demand for Mr. Therriault's time will begin to taper off, as efforts at the pipeline begin to increase.

Mr. Wilken expressed appreciation on the recent bill passage successes of Mr. Therriault with the help of Senator Pete Kelly. Mr. Wilken recognized Mr. Therriault's work and leadership to the benefit the project and rate payers in the Interior. Mr. Therriault noted Senator Click Bishop was involved in the process and deserves appreciation, as well as the staff members of both Senators.

## **8. DIRECTOR COMMENTS**

Mr. Springsteen echoed Mr. Wilken's appreciation for Mr. Therriault's contributions to the success of the IEP and moving it to the next stage.

Mr. Springsteen stated the loan and dashboard reports, PDAM project matrices were included in the packet. Please contact Ms. Siverson regarding the continuing education calendar.

The next AIDEA Board meeting is Wednesday, August 8, 2018, in Fairbanks, to begin at 9:00 a.m. and conclude at 2:00 p.m. On Tuesday, August 7, tours of the LNG tank farm and Chena Hot Springs are scheduled. Chair Pruhs encouraged all members attend both Tuesday and Wednesday.

## **9. BOARD COMMENTS**

Mr. Wilken expressed gratitude for the remarkable assistance from Mr. Therriault and Mark Gardiner, both of whom were many time zones away from Alaska during the critical negotiation meetings with IGU. Mr. Wilken emphasized his appreciation for their active and productive participation by teleconference which provided great benefit.