



Alaska Industrial Development and Export Authority
BOARD MEETING MINUTES
Wednesday, August 10, 2016
Anchorage, Alaska

1. CALL TO ORDER

Chair Pruhs called the meeting of the Alaska Industrial Development and Export Authority to order on August 10, 2016 at 12:08 p.m. A quorum was established.

2. ROLL CALL: BOARD MEMBERS

Members present: Chair Dana Pruhs (Public Member); Vice-Chair Russell Dick (Public Member); Fred Parady (Deputy Commissioner, Department of Commerce, Community, and Economic Development (DCCED)); Elaine Brown (Public Member); Dan Kennedy (Public Member); and Gary Wilken (Public Member).

3. ROLL CALL: STAFF, PUBLIC

AIDEA Staff present: John Springsteen (CEO/Executive Director); Michael Lamb (AEA Interim Executive Director/CFO); Chris Anderson (Commercial Finance Director); Mike Catsi (Business Development & Communications Director); Mark Davis (Chief Infrastructure Development Officer); Jennifer Haldane (Human Resources & Administration Director); Jim Hemsath (Project Development & Asset Management Director (PDAM)); Brenda Applegate (Assistant CFO/Controller); Tom Erickson (Chief Procurement Officer); Karsten Rodvik (External Affairs Officer); Sean Skaling (AEA Assistant Executive Director/Energy Policy Director); Nick Szymoniak (Energy Infrastructure Development Officer); 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); Marcia Davis (Governor's Office); Alex DeMarban (Alaska Dispatch News); Mark Gardiner (Western Financial Group); Sydney Hamilton (Accu-Type Depositions); Jerry Juday (Department of Law); Elizabeth Pierce (Quintillion); and Bob Shefchik (IEP Team).

4. AGENDA APPROVAL

Mr. Springsteen requested financing telecommunications in Alaska be added to the executive session. The agenda was approved as amended.

5. PUBLIC COMMENTS

There were no public comments.

6. PRIOR MINUTES - June 23, 2016

The minutes of June 23, 2016 were approved as presented.

7. NEW BUSINESS

7A. Resolution No. G16-08 Funding Administrative Order 281

Mr. Springsteen stated Resolution No. G16-08 authorizes AIDEA to contribute from the revolving fund up to \$475,000 to the Department of Administration to pay for the cost of Boston Consulting Group's work with respect to Administrative Order (AO) No. 281. AO 281 directed the commissioners of the Department of Revenue (DOR) and DCCED to work with AIDEA, AEA, and Alaska Housing Finance Corporation (AHFC), to develop a plan of recommendations for streamlining the organizations and making more efficient use of each organization's assets to advance economic growth and diversification in the state.

MOTION: Mr. Wilken moved to approve Resolution No. G16-08. Motion seconded by Vice-Chair Dick.

Mr. Wilken inquired about the total cost of this effort. Mr. Springsteen stated the estimate is in the range of \$800,000 to \$900,000 to be shared among AIDEA, AEA, and AHFC.

Chair Pruhs asked for the amount of AEA's contribution. Mr. Springsteen stated AEA's contribution is up to \$200,000.

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

7B. IEP Update - IEP Quarterly Report to the Legislature

Mr. Springsteen invited Gene Therriault to present the IEP update, including the quarterly report to the Legislature. Mr. Therriault discussed the quarterly report which was published and made available to the Legislature on July 7, 2016. Mr. Therriault stated he provided updates to the North Pole City Council, the Fairbanks City Council, and the Fairbanks North Star Borough (FNSB) Assembly on the continued supply chain negotiations, including the source of natural gas, storage, liquefaction, and transportation. In cooperation with Hitachi Corporation, testing will occur in October or November utilizing flatbed railcars to transport ISO containers from the Mat-Su area to Fairbanks.

Mr. Therriault assured the Board all the members of the IEP team have been responsive to information requests. He stated the Property-Assessed Clean Energy (PACE) legislation did not pass during the session and steps are being taken to prepare the PACE legislation for reintroduction in January 2017.

Mr. Therriault reported the Volkswagen Corporation has reached a settlement with the U.S. Government regarding the emissions control issue resulting in funds coming to all states. Mr. Therriault believes a small portion of these funds could potentially be utilized to convert the bus system in the FNSB to natural gas.

Mr. Wilken requested additional information regarding the federal filing against the EPA in the Interior. He requested an update on the increased number of air quality report stations in the FNSB. Mr. Therriault stated he will be meeting with the FNSB Air Quality Team to discuss these issues and the actions of the combined utility. Natural gas is an ultimate part of the air quality solution moving forward. The FNSB Assembly took recent action to utilize new mobile air quality sensors that provide a better quality stream of detailed information.

Chair Pruhs asked if the air quality issues have been assigned a percentage linked to specific factors such as homes, commercial buildings, and automobiles. Mr. Therriault stated air quality is measured in particulate matter and is aggravated by the use of wood for heating.

7C. Executive Session: Interior Energy Project, Skagway Ore Terminal, 2017 Legislative Proposal, AIDEA Building Security, and Financing Telecommunications in Alaska

MOTION: Vice-Chair Dick moved to go into Executive Session to discuss confidential and financial information related to the Interior Energy Project, Skagway Ore Terminal, 2017 legislative proposals, AIDEA building security, and financing telecommunications in Alaska. Motion seconded by Ms. Brown.

The Board entered Executive Session at 12:23 p.m. Participants included board members Dana Pruhs, Russell Dick, Elaine Brown, Dan Kennedy, Fred Parady, and Gary Wilken. AIDEA staff invited to join the session, at different times, for related topics: John Springsteen, Michael Lamb, Mark Davis, Jim Hemsath, Gene Therriault, Nick Szymoniak, and guests Dan Britton, Marcia Davis, Mark Gardiner, Jerry Juday, and Bob Shefchik.

The Board reconvened its regular meeting at 3:48 p.m. Chair Pruhs stated no formal action was taken during executive session.

8. DIRECTOR COMMENTS

Mr. Springsteen stated the improvements to the building security, included increased surveillance and the installation of fencing. Additional Board recommendations were requested. The dashboard, loan, delinquencies reports, IFD and PDAM project matrices, and the continuing education calendar are included in the board members' packets.

The next AIDEA Board meeting is Thursday, September 22, 2016.

9. BOARD COMMENTS

Deputy Commissioner Parady expressed his appreciation for the extensive dialog over the last two days, to include the range of issues that confront Alaska telecommunications. He suggested Mr. Springsteen work closely within the process to ensure AIDEA is attentive and responsive to telecommunication providers.

Chair Pruhs expressed his appreciation to members and staff for their participation and patience in today's meeting.

10. ADJOURNMENT

There being no further business of the Board, the AIDEA meeting adjourned at 3:53 p.m.



John Springsteen, CEO/Executive Director
Alaska Industrial Development & Export Authority

