Alaska Industrial Development and Export Authority
BOARD MEETING MINUTES
Thursday, September 25, 2014
Anchorage, Alaska

1. CALL TO ORDER

Chair Pruhs called the meeting of the Alaska Industrial Development and Export Authority to order on September 25, 2014 at 10:03 a.m. A quorum was established.

2. ROLL CALL: BOARD MEMBERS

Members present: Chair Dana Pruhs (Public Member); Vice-Chair Russell Dick (Public Member); Jon Bittner (Deputy Commissioner, Department of Commerce, Community, and Economic Development); Wilson Hughes (Public Member); Crystal Nygard (Public Member); Mike Pawlowski (Deputy Commissioner, Department of Revenue); and Gary Wilken (Public Member).

3. ROLL CALL: STAFF, PUBLIC

AIDEA Staff present: Ted Leonard (Executive Director); Chris Anderson (Deputy Director-Commercial Finance); Mark Davis (Deputy Director-Infrastructure Development); Jim Hemsath (Deputy Director-Project Development & Asset Management (PDAM)); Matt Narus (PDAM, Project Manager); Karsten Rodvik (External Affairs Officer); Jeff San Juan (Infrastructure Development Finance Officer); Lori Stender (PDAM, Project Manager); Nick Szymoniak (Energy Infrastructure Development Officer); Kirk Warren (AEA Project Manager); Sherrie Siverson (Executive Assistant);and Krin Kemppainen (Administrative Assistant).

Members of the Public present: Rick Adcock and Chris Brown (MWH); Alan Bailey (Petroleum News); Brad Barnds and Michael Cox (WesPac); Brian Bjorkquist (Department of Law); Kathy Black (Birch Horton Bittner & Cherot); Elwood Brehmer (Alaska Journal of Commerce); Larry DeVilbiss (Mat-Su Borough Mayor); Lee Elder (Cardno); Tim Gallagher and Katriina Timm (HDR); Le Griffin (Arcadis); Steve Haagenson and David Prusak (Interior Gas Utility (IGU)); Jon Katchen and Kyle Parker (Crowell & Moring); Elji Maezawa and MaryAnn Pease (Resources Energy Inc. (REI)); Alex Marban (Alaska Dispatch News); George Owletuck and John Walsh (Calista Corporation); Glenn Ruckhaus (Owl Ridge); Mark Slaughter (Cook Inlet Energy); Tim Sullivan and Tim Williams (Alaska Railroad Corporation); Maryellen Tuttell (DOWL HKM); and Miranda Studstill (Accu-Type Depositions).

Public participating via teleconference: Cory Borgeson (Golden Valley Electric Association (GVEA)); Dave Domansky (Bracewell & Giuliani, LLP); DaleLynn Gardner (Resident, Bettles); Benjamin Johnson (Blue Crest Energy); Steve Klein (First Infrastructure); Bernie Smith (Regulatory Commission of Alaska (RCA)); and Jill Yordy (Northern Alaska Environmental Center).

4. AGENDA APPROVAL

The agenda was approved.

5. Prior Minutes - July 31, August 11, and August 25, 2014

Vice-Chair Dick moved to approve the minutes of July 31, August 11, and August 25, 2014 as presented. Motion seconded by Mr. Wilken. Motion approved unanimously.

6. PUBLIC COMMENTS (3 minutes per person)

Mat-Su Borough Mayor DeVilbiss certified the Borough is working in good faith with two potential liquefied natural gas (LNG) producer companies who are on the agenda today. The rail extension is making good progress, with four of the six segments either complete or in the final stages. The land for sale for a new town site is on schedule. Mayor DeVilbiss noted he is proud of the quality of the LNG interested parties. He expressed his appreciation to the Board for their cooperation.

Mr. Wilken asked how much funding is needed to complete the railing, and the source of those funds. Mayor DeVilbiss informed there are no federal funds, and this is supported primarily by the state. The project has spent $200 million and there is $100 million left to complete. The hope is to have the project completed by 2017. The Houston segment is already being used.

Mr. Wilken inquired about the potential funding sources. Mayor DeVilbiss noted the state is the funding source, and he does not know if there is a consideration of revenue bonds in the future. Mr. Wilken asked if the Railroad has capacity for any railroad bonding. Mayor DeVilbiss commented that question would have to be answered by the Railroad. It has not been discussed.

Ms. Gardner, resident, former Mayor, and City Council Member of Bettles, expressed the perceived dismissive approach to Bettles' community opposition to the Road to Ambler proposal. She informed there have been several meetings in Bettles in which comments were related that are not conducive to an open conversation, for instance, "No is not an acceptable answer," dismissing 90% of the residents' opposition. Ms. Gardner noted Bettles residents have been told AIDEA does not recognize Bettles' resolution.

Ms. Gardner relayed in the last Bettles' meeting, Maryellen Tuttle was very clear that AIDEA only recognized one or two of the numerous resolutions that have been passed, that Allakaket was unable to produce their resolution and doubted it existed, that the Evansville resolution in opposition to the Ambler road will be considered merely as a list of talking points and not as an opinion from the Elder Council of Evansville. Ms. Gardner stated these issues are very disturbing to the residents of Bettles. She expressed her concern that what is being discussed in the community meetings is not being translated correctly back to the stakeholders.

Ms. Gardner informed the Board that none of the villages in the eastern part of the corridor, those that will sacrifice for the mine, but will not profit from the mine, are very much opposed to this road.

Ms. Yordy, Clean Water and Mining Program Director with the Northern Alaska Environmental Center, noticed on the Infrastructure Development Project Summary Matrix on today's agenda, the Ambler Mining District Industrial Access Road is now on that list. There was recently a presentation in Fairbanks that communicated Teck Cominco, as well as several other mining companies, are potential investors in the Ambler Road project. Ms. Yordy believes Teck does not have any exploration activity at their site and Andover Mining Company went bankrupt in February of this year. Ms. Yordy expressed her concern regarding the validity of the portrayal of the investors in this project.

Mr. Wilken recommended Ms. Yordy formalize the question and send it to AIDEA for a response.

7. NEW BUSINESS

7A. WesPac Presentation

Mr. Leonard introduced Mr. Barnds and Mr. Cox of WesPac Midstream, LLC, who are potential LNG project developers in Cook Inlet. They provided a detailed PowerPoint presentation describing WesPac's work in Alaska and an update on the Cook Inlet LNG project. WesPac was founded in 1998, principally for infrastructure projects. The premise is to develop, build, own, and operate infrastructure projects. The scope has been broadened to include small and midscale LNG projects and gas processing projects across the country.

Mr. Wilken asked how many gallons 2.2 Bcf is of storage. Mr. Barnds informed it is about 24 million gallons.

Chair Pruhs asked if the pricing shown is for ISO tank delivery by rail only, but not delivery to a storage facility. Mr. Barnds agreed the price is for the ISO tank delivered and offloaded from the rail only. Separately, the ISO tank would be taken to a storage facility. The pricing does not include any costs for delivery to the burner tip. These costs are for Phase I. If Phase II were to occur, the per unit costs would decrease.

Mr. Wilken requested explanation of the reservation fee. Mr. Barnds stated if there is absolutely no take of the LNG, WesPac has to recover a return of the fixed investments and pay taxes, which is the collection of the $3.96 to $4.16 reservation fee. Chair Pruhs asked if that reservation fee would be a charge-back to the utilities. Mr. Barnds suggested that fee would be the utilities' responsibility in the event they take no LNG over some period of time. The advantage of Port Mackenzie is WesPac could take that same LNG and move it to another market and offset that reservation cost exposure to lower than the $3.96 to $4.16 estimated range.

Mr. Wilken requested explanation of the purpose of the comment regarding prices escalate at 2% per year. Mr. Barnds noted the WesPac model assumes there is an all-in, total cost 2% escalator. The prices shown are the first year prices in 2017, and they escalate at 2% compounded per year until the end of the assumed 10-year contract. The length of the contract is open for negotiation and could go out to 20 or 30 years.

Mr. Wilken asked Mr. Szymoniak if there is a current estimate range for storage costs per MmBfu. Mr. Szymoniak noted the estimates vary and he will defer to MWH's recent model. He stated he does not have an estimate with him today, because the costs are site specific and depend on various factors, including the cost for steel, different loans, site location and design. Mr. Wilken asked if there is a storage cost known for the AEA-financed project with FNG. Mr. Szymoniak noted that storage cost is still unknown. Mr. Leonard noted he can run a model with assumptions from WesPac and MWH, and provide an estimate range to the Board before the next meeting.

Mr. Barnds commented there are numerous ways to address the storage issue, including five or six smaller tanks prepositioned and then relocated. Mr. Cox stated the solution will be determining which storage configuration provides the greatest benefit to the consumer.

Chair Pruhs asked what is the anticipated method for WesPac's 24,000 gallons of storage in their model. Mr. Barnds stated the storage in their model was envisioned to be on the utilities' side. The WesPac model notes there needs to be storage of that size in the greater market area to be able to absorb the gas available. He believes the relative cost of storage could reasonably be between $8 to $10 per gallon installed cost.

Deputy Commissioner Bittner asked what level of confidence there is in the listed $177 to $194 million of capex. Mr. Cox said the model uses very median numbers, and WesPac's confidence is extremely high on their capex numbers. Mr. Barnds noted WesPac is currently building similar facilities in other locations, which provides them the confidence of working knowledge. The escalated cost factors of building in Alaska have been factored in. WesPac has found no inherent obstacles to building this project.

Chair Pruhs asked if the WesPac pricing model assumes railroad transport of the ISO tanks or interim trucking transport. Mr. Cox stated the analysis has assumed both and there is a slight cost differential between tandem trucking and rail transport. Trucking is at a higher cost. Mr. Cox expressed rail is the safest, most effective, and most deliberate way to transport. Chair Pruhs asked about weight restrictions. Mr. Barnds explained the Department of Transportation has communicated any waivers that might be needed are obtainable.

Mr. Wilken asked if Mr. Barnds or Mr. Cox has knowledge of an LNG train that travels 300 miles. Mr. Barnds noted he does not know of any. Mr. Cox stated there are not any in the United States currently, but it is not uncommon in other parts of the world, especially in Japan. Specific approval is necessary in order for an ISO container to be transported on a flat rail car and this approval is being actively sought by virtually every rail company in North America.

Mr. Barnds said if the Fairbanks market does not materialize, the project will continue forward and serve other markets. Mr. Cox informed WesPac is interested in Alaska as a whole, with additional projects, and if the railroad has issues regarding financing to complete the final sections, WesPac would be happy to assist with the financing of those sections to ensure they are completed on time.

Vice-Chair Dick expressed his appreciation to Mr. Barnds and requested a brief description of why this project is better for the Fairbanks consumer compared to other projects. Mr. Barnds believes WesPac's strengths include control and access to the long-term, prudent reserves at a manageable price. WesPac has proven experience in the development of these projects. This project has benefits, not only for Fairbanks, but for other Alaskan markets, as well. WesPac's total investment is over $600 million, which is private money that will free up state funds. Mr. Cox commented Alaska gas for Alaskans is also a personal objective, since both Mr. Barnds and Mr. Cox are long-time Alaskans, even though they are currently living in other places. Mr. Barnds said WesPac's parent companies are large and sophisticated, and if there is an obligation to serve in the greater Fairbanks market, WesPac will absorb some merchant risk.

Chair Pruhs asked if WesPac has considered off-ramps if a major line comes through to Fairbanks. Mr. Barnds agreed and noted off-ramps would be negotiated upfront with utilities.

Deputy Commissioner Pawlowski requested clarification regarding WesPac's obligation to serve and merchant risk. Mr. Barnds explained WesPac, as an owner in the facility, is better equipped to absorb some of the risk of the demand taking time to come on. The contract would be structured to stair-step as the market grows, which puts the merchant risk on WesPac to find another home for the remaining supply. In addition, a utility buyer has an obligation to serve, which greatly minimizes WesPac's commercial risk.

Chair Pruhs asked what is WesPac's internal rate of return on this investment. Mr. Barnds noted the IRR is in the range of 15%. This is something that will be different and negotiated with every customer.

Deputy Commissioner Pawlowski asked WesPac to provide their one main request from the Board. Mr. Barnds requested the Board to seriously consider WesPac as a credible project and would like to have the opportunity to be the LNG supplier for Fairbanks and the rest of Alaska, using Alaska's gas.

Ms. Nygard expressed her appreciation for the presentation and investment to date. She asked for the projected number of jobs expected to be created in the Fairbanks local economy. Mr. Cox believes approximately 300 jobs will be created during construction of Phase One, and 30 to 40 jobs created after operations. Phase Two would be a substantially larger project and would require more permanent staff.

7B. Resource Energy Inc., LLC

Mr. Leonard introduced MaryAnn Pease, General Manager/Vice President, and Elji Maezawa, Chief Operating Officer/Executive Vice President, of REI, who gave a detailed verbal presentation updating the pre-feasibility analysis. A three-page document was provided to the Board. REI is studying the construction of an export facility for LNG based off Cook Inlet supply. AIDEA and REI have a reimbursement agreement for this pre-feasibility analysis.

Ms. Pease noted REI has a long history with Alaska through the ConocoPhillips plant and the TAPS pipeline. After many studies, numerous reports and lots of investment in Alaska, REI has focused on a Cook Inlet LNG export facility. The facility is referred to as small-scale, even though it is approximately the same size as the existing Kenai project. It is a one million ton per annum facility, utilizing Cook Inlet gas on an aggregated basis. The gas requirements would be approximately 150 to 160 Mcf a day. The first phase of the plant would be modular in construction, allowing for expansion and opportunities to grow when additional gas supplies become available.

The estimated price for the facility is $1.35 billion, which includes the associated power plant. Approximately 150 billion of feed gas supply investment is needed to bring the aggregated supplies to market for a 20-year period. This Port MacKenzie-located project is an export opportunity project, and Japan has committed to own the supply gas on an export basis when sufficient in-state needs have been met. Japan demand peaks in the summer, which is countercyclical to the Alaskan winter-peaking demand. Any surplus supplies would be made available to the local market. The completed reservoir analysis is highly confidential. REI would only require 35% of the 2P reserves over a 20 to 25-year basis for the project and still have plenty for the remaining utility load. The desktop feasibility study by KBR will be completed at the end of October, providing the cost estimates, proposed site, and details describing project delivery prior to 2020.

Deputy Commissioner Pawlowski expressed appreciation for REI's partnership with AIDEA. He believes this is an important and successful partnership. Advancing this project is one opportunity in unlocking the commercial impediment to developing the gas reserves in the Cook Inlet.

Ms. Nygard thanked REI for their presentation, and asked for an estimate regarding local job creation for this project. Ms. Pease noted the construction job creation estimate is between 1,000 and 2,500. The all-inclusive operating jobs estimate is approximately 800.

Chair Pruhs inquired how many ships per year would travel to Japan, based on the current modeling at full plant production. Ms. Pease stated it takes seven to eight days to travel to Japan from Alaska and the plan is to have two ships every seven days, equating to approximately 24 ships per year. This project will build its own dedicated berth in Port MacKenzie, available only for this project.

Chair Pruhs thanked REI for their presentation and looks forward to another update in a public forum within the next 90 days.

7C. Interior Energy Project Update

Mr. Leonard noted IGU will provide the first IEP update, and MWH will give the second IEP update.

Mr. Steve Haagenson, Acting General Manager pro tem and Board of Directors member, and David Prusak, Project Manager, of IGU provided a detailed PowerPoint presentation regarding the updates on their project and the gas hydraulic modeling results. IGU is forward thinking in ensuring the planning is in place to provide the correct size and type of pipe to use for many years. The main goal is getting pipe in the ground and the consumers connected. Mr. Haagenson said IGU has contracted with MWH and this is completely separate from the IEP relationship with MWH.

Mr. Prusak explained the process for the six-phased build-out plan for the service territory given by the Regulatory Commission of Alaska (RCA) in December 2013. Each phase represents a year, beginning with Phase One construction in 2015. The plan is to have a two-way feed into each of the phases to continue service in the event of feed loss from one direction. IGU hired Enstar to assist with the modeling system used for the project. The build-out of a 60 psi system includes both distribution and transmission, with two regulator stations.

Chair Pruhs asked the location of the feedstock. Mr. Prusak noted the feedstock is located in North Pole, near the GVEA power plant.

Mr. Wilken asked if there are any issues with the 10-inch steel pipeline regarding frost jacking. Mr. Prusak informed the transmission gas lines are buried slightly lower than the distribution lines, at approximately five feet. There are not normally issues regarding frost jacking for those lines. Mr. Wilken asked if the steel transmission line will go through permafrost. Mr. Prusak agreed.

Chair Pruhs asked if there is only one feed or if a redundant route, separate storage, or a tie into FNG is utilized as a backup. Mr. Haagenson noted he does not like having only one site, but one site will have to work until the fourth year, when transmission is addressed and the bigger tank can be added on the route.

Chair Pruhs suggested having a transmission line that ultimately could tie into the bigger pipe gas line from a consortium-owned, centralized storage facility, which could then run a transmission line to North Pole and perhaps another transmission line up to the northeast corridor, where there are pressure issues. Chair Pruhs asked for comments on his suggestion. Mr. Haagenson said they are trying to develop a plan that will serve the whole community and is the least expensive. Chair Pruhs asked if there was a way to jointly use storage area facilities for all the users in Fairbanks and provide a cost savings. Mr. Prusak noted discussions regarding transmission lines around the outer areas versus transmission lines to other areas have occurred. There was no cost savings from a mileage standpoint.

Chair Pruhs asked if the storage at North Pole is owned by IGU or by GVEA. Mr. Haagenson noted that has yet to be determined. Chair Pruhs asked if GVEA could internally fund the storage if it was owned by GVEA. Mr. Haagenson agreed, and noted that could be part of the consortium option.

Deputy Commissioner Pawlowski asked what the division percentage amount is between residential and commercial usage. Mr. Prusak noted that number varies and estimated the split is 80% residential and 20% commercial. Mr. Prusak believes that number will change during Phase Five.

Ms. Nygard asked for the estimated price per mile for pipe. Mr. Prusak noted the cost is approximately $26 per foot for two-inch pipe. The tariff rate for Enstar in Anchorage is $22.59 per foot. The steel transmission pipe is approximately $171 per foot.

Chair Pruhs requested verification that IGU does not plan to self-perform the operation of the system. Mr. Haagenson explained when IGU was formed, the message was given that the Fairbanks residents do not like big government. IGU's response was to have approximately four employees, including a general manager, CFO equivalent, procurement person, and administration person. The operations would be contracted out.

Chair Pruhs asked what year is positive cash flow expected. Mr. Haagenson explained the variables are still being determined and include how much money is available with favorable terms. There is not a specific date shown in the current model for positive cash flow and it is dependent upon financing.

Mr. Wilken asked if there have been discussions between IGU and MWH regarding a consortium ownership of trucking and storage. Mr. Haagenson noted discussions have occurred at multiple different levels, and IGU is looking for a synergistic Fairbanks solution.

Mr. Chris Brown, Vice President, Alaska Regional Manager, and Mr. Rick Adcock, Vice-President, Managing Director, of MWH, provided a PowerPoint presentation regarding the updates on the Interior Energy Project. The concession agreement was signed on September 19, 2014. MWH and BP will work together to refine the gas supply agreement to help it align with the terms of the concession agreement.

Mr. Adcock asked Mr. Cory Borgeson, President and CEO of GVEA, if he had any comments regarding the current gas supply agreement negotiations. Mr. Borgeson informed the Board the utilities have been working very well together. Meetings are occurring on a regular basis working on off-take terms. Mr. Borgeson believes the Fairbanks community and the utilities are in line and everyone is moving in the same direction behind MWH and this project. He stated he is encouraged and believes this will lead to great opportunity of success in the project. Mr. Borgeson again extended to the Board that GVEA has fully offered its contract with BP to be used with this project.

Mr. Adcock explained the joint development agreement (JDA) is an agreement between MWH, GVEA, and the investor Northleaf to form the special purpose company that will be capitalized to execute the project for the LNG plant and delivery of the LNG. These negotiations are proceeding.

Deputy Commissioner Pawlowski expressed his appreciation for the schedule calendar being shown. He noted the schedule is on-pace, but may be slower than some would like.

Mr. Brown said an operator has been selected and the award process is happening. After the award process is completed in early December, the public will be informed who the operator is. Mr. Leonard noted confidential discussion regarding the selected operator can continue during executive session. Chair Pruhs commented that generally speaking, once an entity has been selected, that information is released to the public. He wants to ensure the public's right to know the selectee is being addressed. Mr. Leonard stated this selection process is not part of the ordinary state procurement process. The selectee is an apparent selectee and not a final selectee.

Mr. Bjorkquist stated he does not believe the law requires public disclosure at this point in between selection and contract negotiation. The information is considered business proprietary information. Mr. Davis commented this is also consistent with the terms of the concession agreement.

Mr. Wilken requested clarification on the revised EPC availability date. He informed the Board rescheduled the October meeting to November 6, 2014 in anticipation the EPC would then be available. Mr. Brown said the dates for completions of agreements have changed and they are working very hard to close by the end of the year. Mr. Wilken noted this is a logistical item. He requested the discussion and coordination of rescheduling the meeting after the important information is available. Chair Pruhs recommended getting through as much as the schedule as possible in the early part of November. He believes it is problematic to schedule meetings between November 15 and December 4, 2014. Mr. Brown expressed he fully acknowledges the challenges.

Deputy Commissioner Pawlowski asked if financial close can be achieved if the boards of the utilities have not acted on the agreements. Mr. Leonard informed there needs to be executed off-take agreements per the concession agreement for final financial close to occur. Chair Pruhs asked what time period is required for the utilities' boards to review agreements before action. No answer was provided.

Deputy Commissioner Pawlowski requested clarification of the capital calls in the calendar of the investor. Mr. Adcock believes the time period in order to transfer monies, make the call on the capital, once investment committee approval has been received is five business days.

Mr. Wilken requested further clarification regarding when and how the five funding sources are going to be balanced on the projected schedule. Mr. Brown explained those negotiations are currently ongoing. Mr. Adcock said AIDEA has been part of the discussions with Mr. Szymoniak in attendance.

Mr. Wilken asked what happens to the cost if no SETS money is contributed initially, but instead is used to help with distribution. The two drivers of this project are demand and opex on the plant. Chair Pruhs believes the feed costs have to be determined first, because they will affect the funding options downstream.

Mr. Wilken does not believe the schedule is realistic to finalize the off-take agreements a week after the cost of the plant is announced. Chair Pruhs commented the schedule puts pressure on everybody to come to solution. Mr. Adcock acknowledged the schedule is extremely aggressive and noted many steps are occurring in parallel, when they normally would occur in sequence. Mr. Wilken asked when in the schedule is a meeting planned regarding balancing the funding sources and the effect on the meter price. Mr. Adcock explained the ongoing forums will continue and expand as the end of the project draws near. Mr. Borgeson commented he is encouraged by the progress the three utilities made this week in getting an understanding of how this project will be completed.

Mr. Wilken requested further explanation of the tornado diagram. Mr. Adcock explained this typical tornado diagram lists key components of the supply chain and the impact they will have on the final cost of gas FOB Fairbanks. The upper X axis is the decrease or increase in cost FOB Fairbanks. Blue represents a negative change in the parameter. Red represents a positive change in the parameter. As shown, a positive red parameter change in the LNG demand results in a decrease in the gas price. Mr. Adcock believes this model will remain relatively consistent for all the scenarios being considered.

Mr. Wilken expressed his concern regarding the trucking component and asked when will trucking bids be received. Mr. Brown stated receiving trucking bids is not seen as a precedent to closing. Trailer prototype design testing needs to occur and AIDEA is involved with that. Mr. Brown noted trucking RFPs will not go out before closing. The parties involved in the discussions are experienced, but the current cost projection is not firm.

MOTION: Deputy Commissioner Pawlowski moved to go into Executive Session to discuss confidential information related to the Interior Energy Project and Resource Energy Inc. Motion seconded by Vice-Chair Dick. The motion was approved.

The Board entered Executive Session at 2:01 p.m. The Board reconvened its regular meeting at 3:48 p.m.

Chair Pruhs stated that the Board had not taken any formal action on the matters discussed while in Executive Session.

8. DIRECTOR COMMENTS

Mr. Leonard stated activity is increasing in the loan participation program based on the rates decreasing from 5.75% to 5.3%. Mr. Leonard noted the Brooks Range Project will be closing within two weeks. Callan will provide a full report presentation on the calendar year performance at the February 2015 meeting.

8E. AIDEA board meetings are scheduled on Thu. Nov 6, and Thu. Dec 4, 2014

Mr. Wilken requested moving the December 4, 2014 meeting out of that week because he will be out of town. The December meeting was rescheduled to Tuesday, December 16, 2014.

9. BOARD COMMENTS

Deputy Commissioner Pawlowski expressed his appreciation to Mr. Szymoniak returning to the team and the Board's confidence in his work in moving this project forward. He suggested the Board celebrate the Vigor contracts on the Alaska class ferries. This is great for AIDEA and for the state.

Mr. Wilken agreed with Deputy Commissioner Pawlowski's comments.

Chair Pruhs welcomed Deputy Commissioner Bittner to his first meeting.

10. ADJOURNMENT

There being no further business of the Board, the AIDEA meeting adjourned at 3:56 p.m.

Ted Leonard, Executive Director/Secretary
Alaska Industrial Development and Export Authority

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