



Alaska Energy Authority
BOARD MEETING MINUTES
November 9, 2009
Anchorage, Alaska

1. CALL TO ORDER

Vice-Chair John Winther called the meeting of the Alaska Energy Authority to order on November 9, 2009 at 11:47 a.m.

2. ROLL CALL: BOARD

A quorum was established.

Members participating: Vice-Chair John Winther (Public Member); Mike Felix (Public Member); Commissioner Emil Notti (Department of Commerce, Community & Economic Development); and Commissioner Leo von Scheben (Department of Transportation & Public Facilities).

Absent: Chairman Pat Galvin (Commissioner, Department of Revenue).

3. AGENDA APPROVAL

Mr. Felix made a motion to approve the agenda as presented and Commissioner von Scheben seconded it. There being no discussion, the question was called. A roll call vote was taken and the motion passed with Messrs. Felix, Notti, von Scheben, and Winther voting yea.

The agenda was approved as presented.

4. ROLL CALL: STAFF, PUBLIC

Staff present in Anchorage: Steve Haagenson (Executive Director); Chris Anderson (Deputy Director-Credit); Sara Fisher-Goad (Deputy Director-Operations); James Hemsath (Deputy Director-Development); Valorie Walker (Deputy Director-Finance); Brenda Applegate (AIDEA Controller); Linda MacMillan (Accountant); Karsten Rodvik (Project Manager-External Affairs); Brenda Fuglestad (Administrative Manager); Shauna Howell (Administrative Assistant); and Sherrie Siverson (Administrative Assistant).

Others present in Anchorage: Mike Mitchell (Department of Law); Tim Bradner (Alaska Journal of Commerce); Jan Sieberts (Washington Capital Management); and Corinne Fiedler (KPMG).

5. PUBLIC COMMENTS

There were no public comments.

6. PRIOR MINUTES

The minutes of August 13, 2009 were approved as presented.

7. OLD BUSINESS

There was no old business.

8. NEW BUSINESS

8A. AEA Financial Statements

Ms. Corinne Fiedler, Audit Manager, KPMG reviewed the Letter to the AEA Board.

No new accounting policies were changed or adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the Authority during the year that were both significant and unusual. We noted no transactions entered into by the authority for which there is lack of authoritative guidance or consensus.

In connection with our audit of the Authority's financial statements, we have not identified any significant financial misstatements that have not been corrected in the Authority's books and records as of and for the year ended June 30, 2009, and have communicated that finding to management.

There were no disagreements with management on financial accounting and reporting matters that, if not satisfactorily resolved, would have caused a modification of our auditors' report on the Authority's financial statements.

Commissioner von Scheben asked for clarification as to what 'pending litigation' means.

Mr. Mitchell stated he was not aware of any pending litigation in the courts, but there was one case in the courts awaiting final judgment (PowerCorp Alaska v. AEA – Ron Miller, former Executive Director, and current Project Manager, Kris Noonan, on litigation involving a switchgear system) of which no date has been set. Commissioner von Scheben stated the board should know about any pending litigation.

Commissioner von Scheben also had a question about renewable energy loans and funding from the Denali Commission now that they are changing. Ms. MacMillan stated they are funding differently in that grants would be given out in smaller portions than before, pointing out that funding previously was in the \$25 million range, but was now at \$13 million. Mr. Haagenson commented that he was aware of staffing changes at the Denali Commission and whether there will be more or less funding remains to be seen.

Commissioner von Scheben asked Ms. Fiedler to clarify whether there was a "deficiency" referencing the "deficiency" statement on page 34 of the document, or was that just a statement. Ms. Fiedler commented there was no deficiency and that was their standard wording to call attention to what a significant deficiency would be.

8B. AEA Resolution 2009-04 Authorization to Executive Director regarding final decisions and appeals

Resolution 2009-04 is an authorization to the AEA Executive Director regarding final decisions on appeals. 3AAC 108.920 (a) provides that the appeal of the decision of the Authority is made to the Board of Directors of the Authority unless the Board of Directors has authorized the Executive Director to make the final decision of the Authority.

Mr. Winther asked if this was a housekeeping issue or was this resolution triggered by something else.

Mr. Haagenson stated it was triggered by the renewable energy fund regulations. Ms. Fisher-Goad explained the regulations recently passed was primary renewable energy fund regulations and a section dealing with appeals for grants and any grants based on projects we build. There was a section included on how the appeals would be handled and who would make the final decision. This resolution has the board delegate to the Executive Director the final decision with respects to any appeals and protests that would fall under this section.

Mr. Winther asked if the AIDEA Executive Director has the same authority. Ms. Fisher-Goad stated it was her understating that he did. However, since there became two Executive Directors, the overall delegation given to Mr. Haagenson as AEA Executive Director didn't cover these types of appeals.

MOTION: Mr. Felix moved to approve AEA Resolution 2009-04. Seconded by Commissioner von Scheben. There being no discussion, the question was called. A roll call vote was taken and the motion passed with Messrs. Felix, Notti, von Scheben, and Winther voting yea.

9. DIRECTOR COMMENTS

9A. Director's Status Report of AEA Programs and Projects

Mr. Haagenson stated AEA & AIDEA are currently working on the classification study and HR policies and procedures. AEA is working with OMB to look at both the capital budget and the 10-year budget, including performance measures for submittals. AEA is also working on the energy plan as described below.

ALASKA ENERGY PLAN

AEA is currently:

- Developing the narrative and formatting the document.
- Developing the database to provide data to support an immediate, short-term, mid-term, long-term and stretch goal for each community.
- We continue meeting with different Alaska regions to engage them and gain ownership in the final community and regional plans.
- Finalizing the Integrated Resource Plan for the Railbelt.
- Working with the Governor's office on rollout strategy and timing.

- Our target completion date is November 30, 2009.

RENEWABLE ENERGY FUND ROUND III

Applications for Round III are due November 10, 2009. Staff will begin the evaluation and ranking process immediately to produce a recommendation for up to \$50 million to the Legislature by January 29, 2010.

9B. Next meeting date December 9, 2009.

10. BOARD COMMENTS

There were no board comments.

11. ADJOURNMENT

There being no further business of the board, the meeting was adjourned at 12:12 p.m.



Steven Haagenon, Executive Director/Secretary
Alaska Energy Authority