



**ALASKA ENERGY AUTHORITY
BOARD OF DIRECTORS
March 29, 2005, @ 10:55 a.m.
Anchorage and Juneau, Alaska**

1. CALL TO ORDER

Chairman Barry called the meeting of the Alaska Energy Authority to order on March 29, 2005, at 10:55 a.m. A quorum was established.

2. BOARD OF DIRECTORS ROLL CALL

Directors present in Anchorage: Mr. Mike Barry (Chairman/Public Member).

Directors present in Juneau: Deputy Commissioner Tom Boutin (Designee for the Department of Revenue), Commissioner Mike Barton (Department of Transportation and Public Facilities), and Mr. John Winther (Public Member).

3. PUBLIC ROLL CALL

Staff present in Anchorage: Ronald W. Miller (Executive Director), James A. McMillan (Deputy Director-Credit & Business Development), Valorie Walker (Deputy Director-Finance), Brenda J. Fuglestad (Administrative Manager), Becky Gay (Project Manager), Mike Harper (Deputy Director-Rural Energy), Chris Rutz (Procurement Manager), and Art Copoulos (Project Manager).

Others attending in Anchorage: Brian Bjorkquist and Mike Mitchell (Department of Law), Ken Vassar (Birch, Horton, Bittner & Cherot), and Margie Bauman (Alaska Journal of Commerce).

4. PUBLIC COMMENTS

There were no public comments.

5. PRIOR MINUTES

The January 5, 2005 AEA board minutes and January 21, 2005 joint AIDEA and AEA board minutes were approved as presented.

6. OLD BUSINESS

There was no old business.

7. NEW BUSINESS

7A. Resolution No. 2005-02, Resolution of the Alaska Energy Authority Relating to the Adoption of an Amendment to the Authority's Regulations, Addressing Protests

Mr. Miller stated that the Board previously adopted AEA regulatory amendments via Resolution No. 2005-01. This resolution directed the Executive Director to finalize the relevant regulatory amendments and to file those amendments with the Lieutenant Governor. During that filing process, the Department of Law's regulations attorney requested that we modify the proposed regulation covering procurement protests and appeals. This modification structures the procurement appeal process to more accurately reflect statutory authority that final decision-making of AEA procurement protests rest with the Board and the Board may delegate that authority to the Executive Director. Mr. Mitchell also stated that the matter could then be referred to a mediator or arbitrator for resolution. Mr. Miller and Mitchell briefly reviewed the amended regulations for the Board and referred them to their packet for detailed information.

In response to Board questions, Mr. Rutz stated that the procurements that would be contemplated under this resolution are only those procurements that would not fall under AS 36.30. An example would be the procurement that AEA performs on behalf of local communities for building powerhouse projects and bulk fuel tank farms where AEA is acting as an agent of the grantee and is procuring things for the grantee not AEA. The funding for these grants come from the Denali Commission and there are federal requirements that AEA is obligated to follow. This resolution would handle claims and disputes that are outside the purview of AS 36.30. This change would allow these disputes to be taken care of through a mediator or arbitrator without going to court.

In response to Board questions, Mr. Rutz stated this would not include bulk fuel purchases, just the facilities.

Staff recommended approval of Resolution No. 2005-02.

MOTION: Commissioner Barton moved to approve Resolution No. 2005-02. Seconded by Mr. Winther. There being no further discussion, the question was called. A roll call vote was taken and the motion passed with Messrs. Boutin, Barry, Barton, and Winther voting yea (Commissioner Blatchford was absent).

Resolution No. 2005-03, Resolution of the Alaska Energy Authority Delegating to the Executive Director the Authority to Decide Procurement Protests

Mr. Miller stated Resolution No. 2005-03 delegates to the Executive Director the authority to make final decisions on protests of AEA procurements up to \$250,000 that are not subject to AS 36.30, State Procurement code. The dollar limitation is not required, but staff recommended the limit as a reasonable "ceiling" above which the Board should have input.

Staff recommended approval of Resolution No. 2005-03.

In response to Board questions, Mr. Miller stated the \$250,000 number was chosen as it seemed to be a reasonable ceiling.

MOTION: Commissioner Barton moved to approve Resolution No. 2005-03. Seconded by Mr. Winther. There being no further discussion, the question was called. A roll call

vote was taken and the motion passed with Messrs. Boutin, Barry, Barton, and Winther voting yea (Commissioner Blatchford was absent).

8A. DIRECTORS COMMENTS

Mr. Miller stated that staff has been very active in providing support for the Governor's Rural Energy Action Council. The report for this council is due out on April 15, 2005.

8B. NEXT MEETING DATES

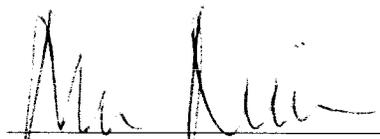
Chairman Barry stated the next board meeting would be held in conjunction with the AIDEA board meeting.

9. BOARD COMMENTS

There were no board comments.

10. ADJOURNMENT

Chairman Barry adjourned the meeting at 11:08 a.m.



Ron Miller, Secretary