



**ALASKA ENERGY AUTHORITY
BOARD OF DIRECTORS
June 6, 2005, @ 12:20 p.m.
Anchorage and Juneau, Alaska**

1. CALL TO ORDER

Chairman Barry called the meeting of the Alaska Energy Authority to order on June 6, 2005, at 12:20 p.m. A quorum was established.

2. BOARD OF DIRECTORS ROLL CALL

Directors present in Anchorage: Mr. Mike Barry (Chairman/Public Member), Mr. John Winther (Public Member), and Al Clough (Designee for the Department of Commerce, Community and Economic Development).

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

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), Mike Harper (Deputy Director-Rural Energy), Sara Fisher-Goad (AIDEA), Becky Gay (Project Manager), Art Copoulos (Project Manager), Bernie Smith (Project Manager), and Brenda J. Fuglestad (Administrative Manager).

Others attending in Anchorage: Brian Bjorkquist and Mike Mitchell (Department of Law), Richard Richtmyer (Anchorage Daily News), Sean Doogan (KTUU), and Margie Bauman (Alaska Journal of Commerce).

4. PUBLIC COMMENTS

There were no public comments.

5. PRIOR MINUTES

The March 29, 2005 AEA board minutes were approved as presented.

6. OLD BUSINESS

There was no old business.

7. NEW BUSINESS

7A. Rural Energy Action Counsel Update

Mike Harper stated that the counsel met and issued a report on April 15, 2005. A summary was included with the reading materials and the board members had been sent copies of the full report. The counsel was asked by the Governor to look at the situation in rural Alaska and come up with recommendations that could be implemented in the short-term with regard to improving conditions there in terms of energy and access to energy and low-cost alternatives.

Mr. Harper summarized this report in stating his list of eleven recommendations; the first and foremost being the full funding of power cost equalization and to fore-fund the PCE Endowment. Other recommendations deal with alternative energy and energy conservation measures. The notion was to increase the limit of that fund which is capped at \$300,000.00. Time was spent on how to put co-ops together or try to take advantage of the economies of scale in terms of trying to bring down the costs of diesel. A group called RAFS was formed by the Denali Commission. The Governor's office, with Commissioner Blatchford and Al Clough, put together a bridge loan program for people not qualified to get loans through the revolving loan fund.

Mr. Harper noted that they talked about alternatives such as coal and in-stream generators that APT is looking at in Eagle, Alaska. There was discussion of a program called Y.E. for Low Income Home Energy Assistance. This program provides individual grants for low income people. It has about \$9 million annually, \$6 million through the state, \$3 million through native organizations. There were other recommendations (long-term in nature) such as setting up regional energy centers at rural campuses for the University of Alaska, anticipating moving the information from central offices in Anchorage and Juneau out to the hubs, and hopefully to the smaller communities where they can use this information.

Chairman Barry expressed the need to coordinate between Alaska Housing Finance Corporation, the Denali Commission, and AEA so that the maximum benefit from manpower gets out to the rural areas.

In response to Board questions, Mr. Harper stated that the governor requested co-funding and the legislature gave the PCE program \$3 million more than normal; which places the program at approximately \$18.7 million.

Mr. Harper said that immediately after this report came out, there was activity in the legislature about the bulk fuel revolving loan fund but it was decided to pull back and take a look as to what the actual need is for that fund before taking any action. There have also been activities at the federal level which resulted from this report being published.

8A. DIRECTORS COMMENTS

Executive Session

Mr. Bjorkquist stated that there is proprietary information, strategy, financial, and contractual matters to discuss related to the possible selling of AEA assets. Under the open meetings act a body, such as the AEA Board, can go into executive session for matters the immediate knowledge of which would clearly have an adverse affect on the finances of AEA. The appropriate procedure for doing that is to have a Board member make a motion to go into executive session for that purpose and to vote on that motion.

MOTION: Commissioner Boutin moved to go into executive session to discuss proprietary information, strategy, financial, and contractual matters related to the possible selling of AEA assets. Seconded by Mr. Winther. There being no discussion, the question was called. A roll call vote was taken and the motion passed with Messrs. Barry, Boutin, Winther, and Barton voting yea; Commissioner Blatchford was absent.

EXECUTIVE SESSION: 12:33 p.m.

The Board reconvened its regular meeting at 1:07 p.m.

The Board did not take any formal action on the matters discussed while in Executive Session.

8B. NEXT MEETING DATES

Chairman Barry stated the next meeting date would be Monday, July 25, 2005.

9. BOARD COMMENTS

There were no board comments.

10. ADJOURNMENT

Chairman Barry adjourned the meeting at 1:08 p.m.



Ron Miller, Secretary