



**SOUTHWEST ALASKA MUNICIPAL CONFERENCE  
BOARD MEETING**

August 21, 2013 at 9:30 a.m.  
Call-in information: 888.550.5602  
Passcode: 2722 0305

**AGENDA**

- I. Call to Order----- Stutes**  
Meeting called to order at 9:40am.
  
- II. Roll Call -----Varner**  
Alice Ruby, Michelle Ravenmoon, Paul Gronholdt, Layton Lockett, Joe Sullivan, Trevor Brown, Glen Gardner Jr. Quorum established. Shirley Marquardt & Dan Clarion arrived later in the meeting. *Staff: Andy Varner*
  
- III. Approval of Agenda ----- Ruby**  
Board President Stutes was absent, so VP Ruby conducted the meeting. Motion to approve agenda called by Gardner, 2<sup>nd</sup> by Brown; with no objections agenda approved.
  
- IV. Consent Agenda----- Ruby**
  - A. Board minutes for June 20, 2013  
Motion to approve agenda by Ravenmoon, 2<sup>nd</sup> by Lockett; with no objections consent agenda approved.
  
- V. Policy and Program Issues ----- Varner**
  - A. *SW Ferry Service, Tustumena Replacement Design*  
Captain Falvey from DoT was due to join the Board for this discussion, but was stuck on a ferry in Lynn Canal in Juneau and unsure of his phone service. The Board discussed the recent news with the Tustumena, primarily the delays in the Seward shipyard and the possibility of service resuming summer 2013. SWAMC membership passed a resolution at the 2013 conference that requested funding from the Legislature for a new vessel design. That request was granted and the design contract is under way this summer, so a new resolution would seek a sustainable service solution for the Southwest region, and also request the Governor and Legislature to fully capitalize the State's Vessel Replacement Fund to adequately meet SW and SE needs. Staff was requested to draft a new FY14 resolution addressing these two issues, and Varner agreed to do that and distribute to the Board after catching up with Capt Falvey and input from the late August Marine Transportation Advisory Board meeting. The Board did discuss

and decide that including support for the two Day Boats in Southeast Alaska was not necessary in a SWAMC resolution.

**B. Rural Alaska LNG**

Staff brought up this subject as an informational item and one with regional implications, based on a meeting held in early August that was attended by several SW Alaskan communities, businesses, and Legislators. A group of companies in the Lower 48, led by WesPac and including a gas utility called FortisBC, has started the process of shipping LNG to Hawaii and they are looking to extend a new market into Alaska. They are especially interested in serving rural Alaska and want to aggregate demand, seek interest from potential buyers (communities), and start feasibility studies over early Fall. SWAMC could help act as the aggregator for SW Alaska. Board requested that staff see about inviting this consortium to a Fall retreat, and that will act as the next step to see if there is interest and trust in their model. See a Dropbox link here for all of the presentation material from August meeting in Anchorage:  
<https://www.dropbox.com/home/LNG%20for%20Rural%20Alaska>.

**VI. Governance Issues**

**A. 2013 Board Retreat**

The Board discussed having a Fall Retreat in mid-late October, and decided that October 24-25 would be a good time for most. The meeting will be held in Anchorage, and staff will follow up when a location has been determined. The BP Center was booked for those days but other options exist.

**VII. Financial Report -----Varner**

**A. July 2013 Financial Statements**

Varner provided a financial overview. Lockett questioned the cost of SWAMC's insurance and why it appeared so low. Varner responded that we were able to find some savings in the D&O insurance this FY, even as health insurance increased. Lockett also questioned the schedule of Aging A/R, as it looked like several invoices in there should have been paid up to SWAMC. Varner responded that that is indeed the case and cleaned up much of the A/R information with Foraker prior to the Board meeting. Motion to approve Financials called by Lockett, 2<sup>nd</sup> by Gardner. Clarion abstained from voting because he had not seen the statements yet. With no objections Financials approved.

**VIII. Staff Report -----Staff**

Staff reported that ARDORs and Legislators have been talking over the summer about a strategy to get the ARDOR program back during the next session. To help gain support, the Board requested staff send out an email of bullet points describing the benefits of the program that can be rolled into a letter to the Governor and Legislative leadership. Varner suggested a template resolution requesting the reestablishment of the program would be even better, so the Board requested a draft resolution for use by communities and members.

**IX. Board Comments / Other Business**

Marquardt updated the Board on some of the discussions taking place at the summer AML conference. One of the things they will address is the Tustumena delays, and she is worried that DoT and AMHS have no Plan B for the vessel's extended absence. Of utmost concern is that the Tusty may never return to service, and the region will be squandered for the foreseeable future by relying on the Kennicott. She also stressed that folks from the SW region need to question AMHS, MTAB, and others in management why the \$100M+ in the Vessel Replacement Fund is going to the 2 Day Boats in SE – which were never asked for – instead of replacing the Tustumena which has obviously been laid up in dry dock all summer.

Marquardt also discussed the significance and costs the Affordable Care Act will have on communities and businesses going forward, as it was a big topic at the AML meeting. Staff will work to have this addressed at either the retreat or more likely the 2014 SWAMC Conference.

**X. Adjourn ----- Ruby**

Board meeting Adjourned at 10:42 am.

**Next Meeting**

September 19, 2013 @ 9.30 AM