

**ALASKA STATE LEGISLATURE
LEGISLATIVE BUDGET AND AUDIT COMMITTEE**

May 8, 2017

3:32 p.m.

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator Anna MacKinnon
Senator Cathy Giessel
Senator Click Bishop
Senator Lyman Hoffman
Senator Natasha von Imhof (alternate)

Representative Andy Josephson, Vice Chair
Representative Paul Seaton
Representative Ivy Spohnholz (via teleconference)
Representative Jennifer Johnston
Representative Dan Ortiz (alternate - via teleconference)

MEMBERS ABSENT

Representative Scott Kawasaki

OTHER LEGISLATORS PRESENT

Representative Lora Reinbold

COMMITTEE CALENDAR

APPROVAL OF AGENDA
APPROVAL OF THE MINUTES
EXECUTIVE SESSION
OIL & GAS CONSULTANT CONTRACTS
CONTRACT ASSIGNMENT AGREEMENT

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

No witnesses to record

ACTION NARRATIVE

[3:32:52 PM](#)

CHAIR GARY STEVENS called the Legislative Budget and Audit Committee meeting to order at 3:32 p.m. Representatives Seaton Spohnholz (via teleconference), Johnston, and Josephson, and Senators MacKinnon, Bishop, Giessel, Hoffman, von Imhof (alternate), and Stevens were present at the call to order. Representative Ortiz (alternate) arrived (via teleconference) as the meeting was in progress.

APPROVAL OF THE AGENDA

[3:33:51 PM](#)

REPRESENTATIVE JOSEPHSON moved that the Legislative Budget and Audit Committee approve the agenda. There being no objection, the agenda was approved.

APPROVAL OF THE MINUTES

[3:34:06 PM](#)

REPRESENTATIVE JOSEPHSON moved that the Legislative Budget and Audit Committee approve the minutes of the March 10, 2017, meeting as presented. There being no objection, the minutes were approved.

EXECUTIVE SESSION

[3:34:17 PM](#)

CHAIR STEVENS announced that the next order of business would be an executive session to discuss the request for proposal (RFP) 17-33-01.

[3:34:35 PM](#)

REPRESENTATIVE JOSEPHSON moved that the Legislative Budget and Audit Committee go into executive session under Uniform Rule 22(b)(1), discussion of matters, the immediate knowledge of which would adversely affect the finances of a government unit and 22 (b)(3), discussion of a matter that may, by law, be required to be confidential. He asked that the following individuals remain in the room: Kris Curtis, Tina Strong, Doug Gardner, and any legislative staff working for committee members. There being no objection, the Legislative Budget and Audit Committee took an at-ease to go into executive session.

[3:35:10 PM](#)

The committee took an at-ease from 3:35 p.m. to 4:44 p.m.

OIL & GAS CONSULTANT CONTRACTS

[4:44:06 PM](#)

SENATOR STEVENS called the Legislative Budget and Audit Committee back to order. Representatives Seaton, Johnston, Josephson, Spohnholz (via teleconference), and Ortiz (alternate - via teleconference), and Senators MacKinnon, Bishop, Giessel, Hoffman, von Imhof (alternate), and Stevens were present at the call back to order.

[4:45:15 PM](#)

REPRESENTATIVE JOSEPHSON moved that the Legislative Budget and Audit Committee award RFP 17-33-01 Oil and Gas Fiscal Systems Economic Analysis and Expertise to IN3ENERGY, LLC, in an amount not to exceed \$100,000, from the date the contract is signed through June 30, 2019.

[4:45:38 PM](#)

A roll call vote was taken. Representatives Seaton, Spohnholz (via teleconference), Johnston, and Josephson, and Senators MacKinnon, Bishop, Giessel, Hoffman, and Stevens voted in favor of the motion. Therefore, the motion passed by a vote of 9 yeas - 0 nays.

[4:46:18 PM](#)

REPRESENTATIVE JOSEPHSON moved that the Legislative Budget and Audit Committee award RFP 17-33-01 Oil and Gas Fiscal Systems Economic Analysis and Expertise to Palantir USA, Inc, in an amount not to exceed \$150,000, from the date the contract is signed through June 30, 2019.

[4:46:41 PM](#)

A roll call vote was taken. Representatives Seaton, Spohnholz (via teleconference), Johnston, and Josephson, and Senators MacKinnon, Bishop, Giessel, Hoffman, and Stevens voted in favor of the motion. Therefore, the motion passed by a vote of 9 yeas - 0 nays.

[4:47:11 PM](#)

REPRESENTATIVE JOSEPHSON moved that the Legislative Budget and Audit Committee award RFP 17-33-01 Oil and Gas Fiscal Systems Economic Analysis and Expertise to Gaffney, Cline & Associates, Inc., in an amount not to exceed \$200,000, from the date the contract is signed through June 30, 2019.

[4:47:32 PM](#)

A roll call vote was taken. Representatives Seaton, Spohnholz (via teleconference), Johnston, and Josephson, and Senators MacKinnon, Bishop, Giessel, Hoffman, and Stevens voted in favor of the motion. Therefore, the motion passed by a vote of 9 yeas - 0 nays.

CONTRACT ASSIGNMENT AGREEMENT

[4:47:56 PM](#)

CHAIR STEVENS announced that the next order of business would be to address a contract assignment agreement. He related that [Richard] Ruggiero did work for the State of Alaska when he was with Castle Gap Advisors, LLC, and since then has moved on to create his own company. Chair Stevens noted that the attorney who had been present had left. He said, "It's simply a matter of being able to pay him for work he has already done, and it should not go to the company that he was with."

[4:48:27 PM](#)

REPRESENTATIVE JOSEPHSON moved that the Legislative Budget and Audit Committee approve the Assignment Agreement and Amendment No. 2 to the professional services contract with Castle Gap Advisors, LLC to IN3ENERGY, LLC.

[4:48:41 PM](#)

A roll call vote was taken. Representatives Seaton, Spohnholz (via teleconference), Johnston, and Josephson, and Senators MacKinnon, Bishop, Giessel, Hoffman, and Stevens voted in favor of the motion. Therefore, the motion passed by a vote of 9 yeas - 0 nays.

[4:49:14 PM](#)

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 4:49 p.m.