



Official Minutes

Board of Directors Meeting September 24, 2020
Alaska Aerospace Conference Room
Anchorage, Alaska

1. Call to Order

Chairman McCoy called the meeting of the Alaska Aerospace Corporation (AAC) Board of Directors to order on September 24, 2020 at 9:30 a.m.

2. Roll Call

Roll call was taken, and a quorum established. The following Board members were present via telecommunication:

- Dr. Robert McCoy, Chairman
- Mr. Lindsay Knight, Vice Chair
- Mr. Bruce Abel
- Col Jack Anthony
- Mr. Jorg Jensen
- President Pat Pitney
- Commissioner Tory Saxe
- Ms. Jana Turvey
- Representative Louise Stutes

Also, present were:

- Mr. Mark D. Lester, President and CEO
- Ms. Shanna Bloom, Chief Financial Officer (CFO)
- Mr. Robert Greene, Aurora Launch Services President
- Ms. Maggie Minton, Director of Contracts
- Mr. Steve Wackowski, Chief of Staff
- Ms. Shannon Edwards, Contracts Specialist & Operations Director

3. Approval of the Agenda

- a. McCOY motioned an amendment to the agenda to move item 7 New Business to after item 11 Aurora Launch Services. McCOY asked for a motion to approve the agenda and amendment. KNIGHT motioned, seconded by ANTHONY. Hearing no objections, the agenda was approved.

4. **Approval of the Minutes**

- a. McCOY asked for a motion to approve the minutes for June 19, 2020 regular meeting. KNIGHT motioned; ANTHONY seconded. With no objections, the motion passed.

5. **Public Comments**

- a. Public member Mr. Charles McKee made comments referencing his role to represent as a beneficiary of the Charles McKee Trust. Mr. McKee commented on his right to receive his trust funds due to not releasing his mathematical equation to various companies, including Google or Microsoft. Mr. McKee concluded his comments and was invited by McCOY to stay for the rest of the meeting.

6. **Old Business**

- a. None

7. **New Business**

- a. CEO Compensation Review (moved between item 11 and item 12)

8. **Action Item**

- a. None

9. **Chief Executive Officer Report**

The First Minute for Safety topic by LESTER was to encourage everyone to please get their flu vaccine.

a. Overall Business Update

LESTER advised the board COVID-19 impact has mostly affected AAC's government customers; commercial customers timelines have been impacted less. The annual Space Symposium was ultimately canceled this year which impacted efficient networking with government and industry contacts.

LESTER informed the board due to MINTON and BLOOM leadership, AAC's contracting and financial processes and activities were improving the business. This includes a competitive procurement of Architecture and Engineering services and roll out of SAGE Intacct.

LESTER advised the board AAC led the state's efforts to submit a bid for Anchorage to be the headquarters of US Space Command. There was strong support from across the community, including DMVA, Dept of Commerce, Governor's and Mayor's offices, and others.

LESTER informed the board the events of Astra mission P127 on 2-7 August 2020. The launch campaign did not result in a lift-off due to a variety of scenarios, including vessels fouling the range. On this point, LESTER reminded the board of pre-launch campaign efforts to notify the public of the launch window. Exemplary efforts led by Spaceport Director GREENE involve communication with the US Coast Guard, FAA, processors, local mariners and aviators, Alaska Department of Natural Resources (DNR), etc.

LESTER informed the board the events of Astra mission P131 in Sept 2020. Rocket 3.1 had a successful lift off and powered flight for about thirty seconds on September 11, 2020. The safety officer commanded engine shutdown resulting in the rocket falling in two impact sites at PSCA. There were no injuries or damage to facilities—the spaceport is fully operational. Spaceport personnel reacted according to procedure. LESTER talked with KMXT radio the evening of the launch and Astra held a press conference the next day briefing what happened and how to improve for the next launch.

LESTER announced Governor Dunleavy recognized and awarded Alaska Aerospace personnel the Denali Peak Performance Award for Team Excellence. Specifically, the Range Safety Telemetry System team for their operations supporting Rocket Lab in New Zealand and U.S. government mission in 2019.

b. Personnel Update

LESTER informed the board of several personnel updates. JENSON was appointed by the Governor to fill AAC Board position in July 2020, BLOOM moved internally to a State employment position as CFO in August 2020 and WACKOWSKI joined the AAC team as Chief of Staff in Sept 2020. The Chief of Staff position was posted online, and several candidates were interviewed in and outside Alaska. WACKOWSKI was chosen for his relevant area of technical expertise, working relationships with Alaska stakeholders, and capability to maintain momentum within the team.

LESTER informed the board University of Anchorage Alaska (UAA) hosted a virtual Project Management training class with AAC and ALS staff. Senior staff also conducted ITAR/ Export Control training via virtual event.

c. PSCA Spaceport Master Plan Update

LESTER provided an update for the PSCA Spaceport Master Plan. Next steps are to post the Draft document online for public comments. The final step is Board review and approval. This has been delayed due to COVID-19 and is tentatively re-scheduled for the December 2020 board meeting.

d. PSCA Environmental Review Update

LESTER informed the board that AAC is currently revising to remove our request for stratospheric balloon launches at this time. This will be addressed in a future request when CONOPS is more defined. FAA continues to work the written re-evaluation process by consulting with Federal and State agencies, including NMFS and US Fish and Wildlife Services (USFWS), and is anticipating consultation from State on Historic Preservation and Recreation.

e. Industry/Stakeholder Engagement

LESTER updated the board that effective 1 October 2020, he will be serving as Chair of the Commercial Spaceflight Federation (CSF) Spaceports committee. LESTER is noted that despite COVID, AAC is staying engaged in several other industry/stakeholder activities. For example, LESTER presented on PSCA in the Small Payload Ride Share Association (SPRSA) virtual conference and is registered as a Space Coach for the online AFWERX Engage Space event. Unfortunately, the annual Space Symposium in Colorado Springs is canceled for 2020 and Space and Missile Defense (SMD) Symposium in Huntsville, AL is being held virtually.

LESTER informed the board AAC is continuing to emphasize the important role commercial spaceports provide USSF and DoD with resilient and responsive launch capabilities. LESTER also highlighted that the USSF continues to pursue two National Spaceports at the legacy Eastern and Western Ranges (ER/WR) and are pursuing efforts to establish National Spaceport Authority. If not accomplished with a broader commercial context, this push will threaten a vibrant future of commercial spaceports.

f. Government Programs Update

LESTER advised the board that FY20 Spaceport Enhancements have been delayed due to COVID-19. A revised plan is estimated to start in November to support upcoming missions.

g. Commercial Customer Update

LESTER informed the board on advancements in broadening and supporting our commercial customer base. Astra is working to set another launch window for P128. Agnikul and Phoenix, both rocket commercial companies, have signed a MOA with AAC for potential launches in 2022-2023. AAC is continuing to work with Poker Flat on FAA commercial spaceport licensing. Next step is to draft and submit commercial spaceport application for FAA review.

h. Spaceport Enhancements Implementation Report

LESTER advised the board the FY19 projects completed in July as planned. This encompassed Area 3 Upgrades, RSTS Transportability and Upgrades, Rocket Consumables, Security Enhancements and Digital Connectivity Planning.

LESTER informed the board, as previously stated, FY20 enhancements should be underway in November. Planned projects include Enhanced Command, Control and Communications (C3), Launch Pad Enhancements, Power Reliability for Critical Infrastructure, RSTS Operational Resiliency, Improved Emergency and Ground Support Equipment and Security Enhancements.

10. Executive Financial Manager Report.

a. FY 2020 Assets and Deferred Outflows of Resources

BLOOM presented AAC balance sheet, excluding ALS in the slides provided. A large effort was put into evaluating and tracking assets. Spaceport enhancements through Federal Appropriations were the main contributor fixed asset purchases.

a. FY 2020 Liabilities, Deferred Inflows of Resources and Net Position

BLOOM reviewed draft year and assets and liabilities highlighting increased cash balances and decreased payable balance compared to prior year. Also reviewed deferred revenue.

b. Statements of Revenues, Expenses, and Changes in Net Position

BLOOM reviewed draft income statement highlighting improvement in EBITA over prior year and CIP additions and expensing. Operating revenues came solely launch related work and Spaceport Enhancement Federal Appropriations. No capital contributions from the State of Alaska over the last two year have been received.

11. Aurora Launch Services

GREENE presented to the board an update on Aurora Launch Services (ALS) and continued collaboration to utilize personnel from Poker Flat with expertise in the industry. ALS also has two new hires: Garrett Mullen and Murray Zimmer, both lifelong residents of Kodiak. LESTER emphasized the importance of building State of Alaska talent and individuals with expertise, affiliation and collaboration between AAC/PSCA and Poker Flat allows us to utilize both aspects to create a symbiotic partnership moving forward.

BREAK taken at 10:52 AM, meeting re-commenced at 11:02 AM.

Re-Positioned: New Business

- b. CEO Compensation Review (moved between item 11 and item 12)

McCOY informed the board that at the onset of COVID-19 LESTER asked the board to reduce his salary by 10% to help with business costs during the uncertainty and expected slowdown; which was executed. McCOY advised the board though the pandemic is still in motion, there is more clarity business is picking back up. As such, McCOY recommended it is time to restore LESTER's salary to its pre-COVID state. The motion to restore LESTER's salary was put to a vote, board voted a unanimous yes to restore LESTER's salary to its pre-COVID state.

12. Executive Session

- a. None

13. Any Other Matters to Come Before the Board

- a. None

14. Board Member Comments

ABEL mentioned difficulty getting into the Microsoft Teams platform and audio issue and thanked LESTER and team for doing a great job.

TURVEY commented same issue with Microsoft Teams audio and appreciated the timeliness from AAC to alert the board with current events happening during launch operations.

STUTES appreciated the opportunity to participate, asked for clarification regarding AAC plans to pursue launch operations in Hawaii (LESTER clarified there are no active plans for a Hawaii spaceport), and thanked AAC for their dedication and hard work especially from a financial perspective.

McCOY concluded with congratulating AAC for a good job and thanked LESTER and SAXE with efforts to pursue having Alaska host headquarters US Space Command.

15. Proposed Future Board Meeting Dates

December 22, 2020 (Anchorage)

March 11, 2021 (Anchorage)

June 10, 2021 (Anchorage)

September 16, 2021 (Kodiak)

16. Adjournment

TURVEY motioned to adjourn, seconded by KNIGHT, hearing no objections the meeting adjourned at 11:35 AM.