

President/CEO
Doyon Utilities
Fairbanks, Alaska

Doyon Utilities (DU)

The utilities privatization contract with Doyon Utilities is the largest utility privatization contract ever awarded by the US Military to date, with an initial contract value of approximately \$4 billion over the 50-year term of the Utility service contract. Under the privatization contract, Doyon Utilities assumed direct ownership of twelve utility systems at three US Army bases and operate these under a 50-year utility contract, with associate utility easements. Doyon Utilities became a regulated utility in Alaska, subject to the jurisdiction of the Regulatory Commission of Alaska (RCA), at the title transfer date, and as such operates under a conventional cost-of-service rate base form of rate regulation. DU is 50/50 owned by Doyon Limited and the Corix Group of Companies.

Corporate governance is provided by the Doyon Utilities, LLC Management Committee, which is comprised of six voting members and one non-voting representative who hold quarterly meetings. DU has nearly \$566 million in net utility plant. It has about \$249 million in debt and about \$207 million in equity. On December 31, 2017, DU had 163 employees of the which the craft personnel are represented by the International Brotherhood of Electrical Workers (IBEW) and the International Union of the Operating Engineers (IUOE).

Under the terms of the contracts, DU owns and operates the gas distribution, central heat and power generation, electrical distribution, water treatment and distribution, and wastewater collection and treatment systems. In total, DU owns and operates 12 utility systems, four on each military installation. Each military installation stands as a small city equipped with its own airfields, hospitals, schools and recreational services, housing subdivisions, administration, commercial and industrial buildings and training facilities. DU is responsible for providing all necessary labor, supervision, equipment, and any other incidental services required for the operation, maintenance, repair, upgrade and improvement of the utility systems. DU provides administration to support its operational units from a headquarters located in the City of Fairbanks.

President/CEO

The President/CEO reports to the DU Management Committee and is responsible for the management of DU. The duties of the President/CEO must effectively lead DU to optimize its return, effectively meet its customer's expectations resulting in positive CPARs, and satisfy the RCA. Equally important is the effective leadership of DU's staff including the training and development of local personnel to develop successors.

Director Requirements

The most desirable candidates will have experience that includes diverse and progressively responsible supervisory and management assignments culminating in executive leadership in a combination utility of comparable size and complexity with personnel represented by organized labor.

Technical expertise in utility operations is desirable, but not required. Demonstrated success in the utility industry at the strategic and tactical level is essential. Innovation and strategic planning skills are mandatory skills.

Financial acumen is critical. Candidates should have budgetary, financial forecasting and rate making knowledge enabling the DU to optimize its ROE objectives.

Experience with government contracts is important to satisfy customer expectations of service and process along with assist in future business development.

Fairbanks, Alaska

Fairbanks is the second most populous city in Alaska and the most populous in interior Alaska. The city population is about 35,000; the Borough (metropolitan) population is over 100,000. Alaska only has 700,000 residents in an area twice the size of Texas. Fairbanks is the home of the University of Alaska.

Fairbanks is classified as subarctic with long cold winters and short warm summers. October through January are the snowiest months.

The Fairbanks economy is driven by local, state and federal employment along with Doyon Limited, an Alaska Native corporation. Some mining is in the region. Cost of living in Fairbanks is 104.3% of the national average. In 2016, the average cost of a detached house was \$255,000.

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