

ALASKA MENTAL HEALTH TRUST AUTHORITY
RESOURCE MANAGEMENT COMMITTEE MEETING

August 1, 2019
9:15 a.m.

Taken at:
3745 Community Park Loop, Suite 120
Anchorage, Alaska

Trustees Present:

Paula Easley, Chair
Mary Jane Michael
Chris Cooke
Laraine Derr
John Sturgeon
Ken McCarty
Verne' Boerner

Trust Staff Present:

Mike Abbott
Kelda Barstad
Mike Baldwin
Eric Boyer
Jimael Johnson
Steve Williams
Miri Smith-Coolidge
Andy Stemp
Luke Lind
Valette Keller
Carrie Predeger
Autumn Vea

Trust Land Office:

Wyn Menefee
Jusdi Doucet
Sarah Morrison
Becky Carpenter
Katie Vachris
Paul Slenkamp (via Speakerphone)
Dave Griffin

Also participating:

Anita Halterman; Dan Gummo; Lisa Cauble; Anne Applegate.

PROCEEDINGS

CALL TO ORDER

CHAIR EASLEY called the Resource Management Committee to order and stated that all trustees were present for the committee as a whole. She asked for any announcements. There being none, she asked for a motion to approve the agenda.

APPROVAL OF AGENDA

MOTION: A motion was made to approve the agenda by TRUSTEE BOERNER; seconded by TRUSTEE DERR.

There being no objection, the MOTION was approved.

ETHICS DISCLOSURES

CHAIR EASLEY asked for any Ethics Disclosures. There being none, she moved to the approval of the minutes of April 17, 2019.

APPROVAL OF MINUTES

MOTION: A motion was made to approve the minutes of April 17, 2019, by TRUSTEE COOKE; seconded by TRUSTEE STURGEON.

There being no objection, the MOTION was approved.

CHAIR EASLEY stated that the first item on the agenda is the Yakutat timber sale consultation, and she recognized Wyn Menefee.

YAKUTAT TIMBER SALE CONSULTATION

MOTION: The Resource Management Committee concurs with the executive director's recommendation for the disposal of timber through negotiated sale on Trust land in Yakutat; seconded TRUSTEE DERR.

CHAIR EASLEY asked Mr. Menefee to explain the breakdown between principal and income in explaining the revenue projection.

MR. MENEFEE stated that Mr. Slenkamp would present the consultation. He continued that there would be a breakout in the revenue projections that show principal and income are different. In the regulations, there is a portion that talks about how revenues are split between principal and income. He explained that if any timber is sold, 85 percent goes to principal and 15 percent goes to the income. The primary thought behind that is that timber resources will be reused as they grow back sometime in the future.

MR. SLENKAMP thanked Chairman Easley for her long service as she will be leaving soon, and stated that she had been there his entire tenure with the Trust Land Office. He added that it had been an honor serving with her, and we did some very productive work. He referred to this as an opportunity sale and explained that currently there is a corporation company working in Yakutat called YAK Timber, which is working out of Yak-Tat Kwaan lands, part of the local Native corporation. He continued that they are harvesting timber on their own property, and we were

approached about potentially purchasing timber from Trust lands. He added that there is approximately 5 million board feet of timber in the three units, and we anticipate the harvest being about 2 million feet of that, just taking the primary spruce. The anticipated revenue is up to \$300,000 from this particular sale. He explained about the tariff situation in China, which is a 20 percent tariff on spruce, and has had a detrimental effect on the timber program. He continued that, with this particular sale, the idea is to have the timber available if the tariffs drop or the markets pick up to be able to negotiate with YAK Timber for harvest.

TRUSTEE STURGEON asked how the value, the \$300,000, was determined.

MR. SLENKAMP replied that he had not done a formal appraisal, but based it on other sales. He stated that it can be discussed and we can basically try to negotiate as high a price as possible. He explained that the owner of YAK Timber, Marvin Adams, is the CEO, and they are operating on Kwaan lands. They utilize local hire, but he did not believe that it was actually owned by Yak-Tat Kwaan.

TRUSTEE BOERNER asked if the tribal government there has a position on this.

MR. SLENKAMP replied that he had not approached the tribal government for a position on this.

CHAIR EASLEY asked for further questions. There being none, she asked for any objections to the motion.

There being no objection, the MOTION was approved.

CHAIR EASLEY asked Mr. Menefee for the executive director's report.

EXECUTIVE DIRECTOR'S REPORT

MR. MENEFEE began his report on the U.S. Forest Service exchange, which has been worked on for some time. There was a slowdown recently due to some situations of Forest Service procurement which has a potential of stalling the exchange for another year. He stated that it had to do with the timber cruise contract and some protests received. He continued that there are some trespass things on Forest Service land in Hollis that are also being worked on. He added that there is a stop-work order currently on the timber cruise procurement, and we are looking at alternative ways to get a timber cruise done. He then moved to a quick brief on the Constantine project; the mine exploration project in Haines. Direct negotiations have started with Constantine and Aleut Mining. This is about trying to eliminate the Federal claims that encumber the BLM land there that was never conveyed to us. It is still being worked on, and there is nothing to present right now. He moved on to an informative briefing by Dave Griffin. The Trust Land Office is excited to venture into the guide area permitting. This is not a consultation.

MR. GRIFFIN gave an overview of a program that is in its early stages and is a unique opportunity for the Trust. He explained that it is offering up permits for big-game guiding. This would be providing permits that give big-game guides access to Trust land. He stated that five areas have been identified that contain large amounts of acreage. Most of these areas are pretty

remote to fly in. He continued that starting a program like this is being looked into as well as the potential revenue. At present, there are no authorized big-game guides operating on Trust land. Another component of this program is to bring any potential guides that are operating on Trust land without an authorization into some sort of compliance. And added that a benefit of having guides operating on Trust land would be watching out for the stewardship obligations. He stated the hope of generating about \$100,000 a year in income revenue, which is based on a potential of having 20 guides operating on Trust land. He added that one of the requirements for State licensing is that guides must have at least 5,000 contiguous acres for hunting. These five areas have that and beyond. He went through the maps and showed the different areas in a general overview of the surface estate of the Trust. He pointed out that none of the potential authorizations would preclude the Trust from going in and developing the resource. This is just an opportunity to generate some additional income by allowing temporary use of the Trust land for the purpose of gaining access to these large areas which host some pretty significant game populations.

MR. MENEFEE moved on to the lawsuit going on. The Supreme Court brief is due August 12th, but, with a 30-day extension will be moved to 9/11. That is to carry on the Daniel Lakes lawsuit which is expected to do very well, and is progressing. Promontory Point, presented at the last meeting, has a 7/31 deadline to sign the lease. It is currently being reviewed. The ten-year termination is one of the pieces that needs to be finalized, and then has to get lender approval. It still looks to be on track. He moved to Sheridan Bay and stated that the Great Land Trust was talked to about the sale of Sheridan Bay through the EVOS project. Great Land Trust is putting into Exxon Valdez Oil Spill the preliminary approval to carry on negotiations; then there will be an appraisal just to make sure it makes sense to sell. He continued that Amber Oaks did a lease extension with continuum for 84 months, which will be worth about \$1.4 million over seven years. That is about keeping the buildings full. The Cordova Street Building is now filling up; and due diligence is being done on the GCI Digital acquisition for PRI work. The Northern Dancer well had to be plugged and abandoned; that should be completed by August 8th. The Community Park planning is moving forward, and bids will be received up to September 6th on the Juneau Subport. If the top bid has another bid that is within 5 percent, there will be an outcry auction September 19th. Icy Cape was completed, and there were 16 mining claims staked along the shoreline. The idea is to preserve the access along the edge of the shores there for a future mining operation. He added that the Icy Cape timber harvest is also progressing well. By the end of Fiscal year '19, there should be 16.4 million board feet harvested. The Naukati harvest has about 3 million board feet harvested. He explained that the Gayle Garcia foreclosure process is going, and we are attempting to recover about \$45,000 that was spent. Depending on how that foreclosure auction turns out, either Ionia or someone else will pick it up. He then moved to the general permit process, which has received a lot of comments, and we are reviewing that.

TRUSTEE DERR asked about the foreclosure and if it is land or a building.

MR. MENEFEE replies that it sits next to Ionia and was purchased by Gayle Garcia, but she did not pay a certain amount. She actually died. The process is to get a clerk deed issued, and if someone bids at the auction and pays the amount that was spent, they will get the property. If they do not, there is a deal on the books with Ionia and they can purchase it for a certain amount.

TRUSTEE MICHAEL thanked the staff for really pursuing creative revenue-generating ideas; it is very impressive. She also thanked them for their work on the PRI, which is not revenue-

generating.

CHAIR EASLEY also thanked staff on the great job.

TRUSTEE McCARTY asked about drones and then asked if the Trust is considering that everyone has to have permits to be on the land, like snowmobiles and such.

MR. MENEFEE replied that is the general permit. Right now there is a policy that prohibits motorized equipment, commercial or overnight use unless there is an authorization. He explained that day use of Trust land is permitted without a fee.

TRUSTEE BOERNER expressed her gratitude to the staff for their creativity and for looking for ways to increase the resources needed to be able to serve the beneficiaries. It is truly important work.

CHAIR EASLEY asked for a motion to adjourn.

MOTION: A motion to adjourn the meeting was made by TRUSTEE MICHAEL; seconded by TRUSTEE COOKE.

There being no objection, the MOTION was approved.

(Resource Management Committee adjourned at 10:28 a.m.)