

**ALASKA MENTAL HEALTH TRUST AUTHORITY
RESOURCE MANAGEMENT COMMITTEE MEETING**

WebEx Videoconference/Teleconference

**July 30, 2020
9:30 a.m.**

**Originating at:
3745 Community Park Loop, Suite 120
Anchorage, Alaska**

Trustees Present:

John Sturgeon, Chair
Verne' Boerner
Rhonda Boyles
Ken McCarty
Chris Cooke
Laraine Derr
Anita Halterman

Trust Staff Present:

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| Mike Abbott | Steve Williams |
| Carol Howarth | Miri Smith-Coolidge |
| Kelda Barstad | Luke Lind |
| Michael Baldwin | Carrie Predeger |
| Katie Baldwin-Johnson | Jimael Johnson |
| Valette Keller | Eric Boyer |
| Autumn Vea | Allison Biastock |
| Kelda Barstad | Kat Roch |

Trust Land Office:

Wyn Menefee
Paul Slenkamp
Sarah Morrison
Marisol Miller
Tracy Andris
David MacDonald
Rebeka Carpenter
Katie Vachris

Also participating:

Anne Applegate; Beverly Schoonover; Kristin Vandagriff; Roger Branson; Sheila Harris; Ed Boyer; Lesley Thompson.

PROCEEDINGS

CALL TO ORDER

CHAIR STURGEON called the meeting to order and began with a roll call. He stated that all trustees were present and asked for any announcements. There being none, he moved to the approval of the agenda.

MOTION: A motion to approve the agenda was made by TRUSTEE HALTERMAN; seconded by TRUSTEE COOKE.

After a roll-call vote, the MOTION was approved.

CHAIR STURGEON asked for any ethics disclosures. There being none, he moved to the approval of the minutes.

MOTION: A motion to approve the minutes was made by TRUSTEE HALTERMAN; seconded by TRUSTEE BOERNER.

TRUSTEE COOKE stated that there was something wrong with the last two lines on the second page of the minutes.

MR. MENEFEE explained that it should read “They trespassed the invalid authorization.”

TRUSTEE BOERNER stated that under “Trustees Present” her name was spelled incorrectly.

CHAIR STURGEON asked that those two corrections be made and took a roll-call vote.

After a roll-call vote, the MOTION was approved.

CHAIR STURGEON moved to the executive director’s report, recognizing Mr. Menefee.

EXECUTIVE DIRECTOR’S REPORT

MR. MENEFEE introduced Tracy Andris, the new administrative assistant and the front-desk receptionist.

MS. ANDRIS stated that she was excited to have this opportunity to meet virtually and was happy to be part of the Trust team.

MR. MENEFEE introduced David MacDonald, who is the senior commercial real estate asset manager.

MR. MacDONALD stated that he was excited to be part of the Trust Land Office team and is excited to be in Alaska.

MR. MENEFEE went through the asset types and began with commercial real estate, then moved to minerals and materials, then to timber, land and general information. He explained that we have healthy wetlands, and it looks like there is a prospect for monetizing them. He

continued that the first engagements back with the Board would be in late fall with an analysis, with a follow-up after that. He moved on to UMED where offers were solicited, and we had one submission asking about a negotiated lease, and those discussions will continue. He moved through the rest of the real estate and then went to minerals. He stated that a third-party adviser was hired to help with thinking on the financial decisions on how to move forward with Icy Cape. A draft final report was received with a final report expected in early August. He continued, that final report will help bring to the Board what the next steps for Icy Cape will be. He moved to Constantine and talked about the negotiations for a potential future lease which is required if the mineral properties in Haines are going to be acquired. He went into further detail and then continued on to the Palmer leases, which are still in effect, and he explained that they are still valid Federal claim leases. Constantine will still move forward with their project with those claims. He moved to Fairbanks Gold, FGMI, and then talked about the Twin Creek Placer. He stated that Freegold got a large infusion of cash and would like the 546 relinquished acres back. They believe that they will do a drilling program there, which is by Cleary Summit off the Steese Highway. He continued that an application was received from Colaska in Haines. There is a project on the road-straightening project from DOT, and they won the bid. He moved to timber, stating that there was a good project in Icy Cape with Sealaska, and we received \$3.7 million from them on the sale. There is a bit more to come, but the harvest operations are complete. He added that they will not be operating next year. He talked about Yak Timber in Yakutat and then moved to Naukati, which is Phase I of the land exchange. The land was received and a timber sale with Viking was negotiated. A return on this new land has been received. He moved to the big game guide permit program. Five areas were offered, and three of them received applications: Icy Cape, Tyonek, and Kodiak. He continued to the fall land sale, stating that the parcels have been chosen, 62 parcels, 256 acres. A good return is expected with a lot of interest in the land. He moved to Nenana and stated that this new development is exciting. There is a bridge which has opened up the opportunity for gas sales, timber, subdivisions. He talked about the Supreme Court victory which confirmed the way that business is done, giving a clear administrative record and making sound decisions. He concluded his executive director report.

CHAIR STURGEON moved to the U.S. Forest Service land exchange.

U.S. FOREST SERVICE LAND EXCHANGE

MR. MENELEE stated that the purpose of this presentation is to remind all where the Trust stands on the land exchange. This is being done before the consultation because it sets the stage for it. He explained that the land exchange was precipitated by opposition to some proposed timber cuts in Petersburg, Wrangell, Ketchikan, concerns by locals about stability of the mountainside, water quality, and recreational pursuits. This was done to see if another alternative to the normal procedures for doing timber harvest could be found. He continued that the idea was to restructure the Trust portfolio to have land in areas which could be better developed and receive revenue. He explained that it removed the majority of the community proximity concerns and allowed the land to be available for timber harvest and other commercial ventures. On the receiving end, the lands they get will be managed with the natural character which preserves the viewshed, the watershed, the recreational opportunities. He then went through and explained the process of the exchange and the main outstanding issues.

CHAIR STURGEON moved on to the consultation.

SHELTER COVE CONSULTATION

MR. MENEFEE stated that Shelter Cove is part of the results of the exchange. This is the consultation with the Trust to bring forth a motion that will allow the Resource Management Committee to recommend to the Trust Authority to take an action in August.

CHAIR STURGEON asked for a motion.

MOTION: A motion that the Resource Management Committee recommended that the Alaska Mental Health Trust Authority Board of Trustees concur with the disposal of the old-growth timber acquired through exchange and reconstruction of the road in the Shelter Cover area, near Ketchikan, through a competitive timber sale on Trust land on Revillagigedo Island was made by TRUSTEE DERR; seconded by TRUSTEE COOKE.

CHAIR STURGEON recognized Paul Slenkamp.

MR. SLENKAMP stated that he was senior resource manager for the Trust Land Office, overseeing the Forestry Section. He explained the Land Exchange and the long road to get here. He stated that this Shelter Cover timber sale is for the areas involved on Revillagigedo Island, near and through the Ketchikan road system. It is directly to the east of current Trust holdings at Leask Lake, which had a timber sale in 2005, 2012, 2013, and holds about \$7.2 million worth of timber from the Leask Cove Sale. He continued that it is basically 8800 acres of Shelter Cove; the actual acreages will be through appraisal. It is a value-for-value land exchange by appraisal. The Trust Forest Service lands are appraised, and they come as close to even as possible. The Phase 1 and Phase 2 appraisals have been done, and February 8th of 2020 is the appraisal date that is supposed to be applied to the entire Phase 2 portion of the exchange. He was fairly optimistic that the Trust should receive all or close to all of Shelter Cove. He moved to the consultation and explained that this timber sale is anticipated to be about 100 million feet, which is a ballpark figure. The initial access to all this timber is already in place and will require quite a bit of additional roads to access some of the areas. He addressed the importance of the Shelter Cover Road, which is a factor. He continued that this will be a ten-year timber sale, with a potential for extension. He added that this timber sale is in consultation, and timber sales generated about \$15 million in revenue. That will maximize the revenue and provide timber regeneration and future harvests. He stated that one of the things this land exchange has done is it consolidated the Trust's timber assets.

MR. MENEFEE stated that this is a consultation, not an approval. It is giving the trustees an opportunity to comment and give staff advice.

CHAIR STURGEON asked for any additional comments or questions. There being none, he called the vote.

*After the roll-call vote, the MOTION was approved.
(Trustee Boyles, yes; Trustee Boerner, yes; Trustee Cooke, yes; Trustee Derr, yes;
Trustee Halterman, yes; Trustee McCarty, yes; Trustee Sturgeon, yes.)*

CHAIR STURGEON asked for any other business for the Resource Committee. He thanked Mr. Menefee and Mr. Slenkamp for their counsel and presentations.

TRUSTEE BOERNER stated appreciation to Chair Sturgeon and his experience which helps explain the processes.

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

*After a roll-call vote, the MOTION was approved.
(Trustee Boyles, yes; Trustee Boerner, yes; Trustee Cooke, yes; Trustee Derr, yes;
Trustee Halterman, yes; Trustee McCarty,
yes; Trustee Sturgeon, yes.)*

(Resource Management Committee adjourned at 11:20 a.m.)