

**ALASKA MENTAL HEALTH TRUST AUTHORITY**  
**RESOURCE MANAGEMENT COMMITTEE MEETING**  
**April 22, 2021**  
**12:15 p.m.**  
**WebEx Videoconference/Teleconference**

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

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**Trustees Present:**

John Sturgeon, Chair  
Rhonda Boyles  
Chris Cooke  
Brent Fisher  
Verne' Boerne  
Annette Gwalthney-Jones  
Anita Halterman

**Trust Staff Present:**

Mike Abbott  
Steve Williams  
Carol Howarth  
Miri Smith-Coolidge  
Allison Biastock  
Luke Lind  
Valette Keller  
Kat Roch  
Becky Carpenter  
Marisol Miller  
Josephine Stern  
Sean O'Guinn

**Trust Land Office:**

Sarah Morrison  
Jusdi Doucet  
David MacDonald  
Karsten Eden  
Hollie Chalup  
Paul Slenkamp  
Katie Vachris

**Also participating:**

Jack Fowler; Kristin Vandagriff.

## PROCEEDINGS

### CALL TO ORDER

CHAIR STURGEON called the meeting to order and began with a roll call. With all the trustees present, he asked for any announcements.

TRUSTEE GWALTHNEY-JONES stated that she had a prior meeting and would have to leave early.

CHAIR STURGEON asked for any other announcements. There being none, he moved to approval of the agenda.

### APPROVAL OF AGENDA

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

*After the roll-call vote, the MOTION WAS APPROVED. (Trustee Boyles, yes; Trustee Boerner, yes; Trustee Cooke, yes; Trustee Fisher, yes; Trustee Gwalthney-Jones, yes; Trustee Halterman, yes).*

### ETHICS DISCLOSURES

CHAIR STURGEON asked for any ethics disclosures. Hearing none, he moved to the approval of the minutes. He asked for a motion for the January 7, 2021, meeting.

### APPROVAL OF MINUTES

**MOTION:** A motion to approve the January 7, 2021, minutes was made by TRUSTEE COOKE; seconded by TRUSTEE HALTERMAN.

*After a roll-call vote, the MOTION WAS APPROVED. (Trustee Boerner, yes; Trustee Boyles, yes; Trustee Gwalthney-Jones, yes; Trustee Cooke, yes; Trustee Fisher, yes; Trustee Halterman, yes).*

CHAIR STURGEON stated that the executive director's report would be made by Jusdi Doucet as Mr. Menefee is not here.

### EXECUTIVE DIRECTOR'S REPORT

MS. DOUCET stated that she is the deputy director at the Trust Land Office and was honored to fill in for Mr. Menefee. She continued that the TLO is doing some exciting things outside of Alaska and around the state. She talked about the staff trip to Texas, Utah and Washington where the brokerage teams were met and we toured the commercial real estate buildings and absorbed the first-hand knowledge of the experts on the ground. She added that the vacancies are very competitive in their current submarkets, and the teams are working hard on deals; all while ensuring the buildings are managed fiscally and responsibly. She continued to Alaska and Fort Knox and stated that SGMI would be signing the Gil project agreements this week. She explained that Gil is a satellite open pit gold recovery project 11 miles east of the Fort Knox mine, and ore from Gil would be trucked to the Fort Knox mill, which will utilize the Gil easement. She stated that Usibelli's production of coal was slightly higher than forecasted for the

first quarter. The Trust continues to benefit from Usibelli's work as a result of the Healy coal unitization where the Trust receives a proportional royalty value based on the acreage of Trust land within the unit. Continued her presentation to Homer and talked about the competitive leasing program which is a new program and has taken off to a great start. More parcels are in the works of being appraised and set up for inclusion in the competitive leasing program for this summer. She talked about the success of the over-the-counter land sale program. She moved to the land exchange and stated anticipation of the final conveyance between May and June of this year. She continued that the final appraisal of land values was completed, and the values were accepted by both parties. She could not share more due to strict confidentiality until the U.S. Forest Service appraisal review report was complete. She added that once the decision is made on equalization of the land values, the conveyance process can proceed. She moved to Icy Cape and asked Karsten Eden to provide a progress report on the exploration project.

DR. EDEN gave a brief update on the progress made on the Icy Cape gold industrial heavy minerals project that is anticipated to be a five-year program. He explained the chart that was divided into categories. The first was planning where about 50 percent of the project had been planned which includes all the fieldwork that will start next month. The second category, procurement, has been 50 percent completed which included the barge service, the sample processing facility, construction, and engineering. The third is fieldwork with 3 percent completed. There is a contractor on site who did an inspection and layout of the access trails that will be put in this year. The next category is processing and assaying, and after three months, it is on schedule with 25 percent completed. He stated that the gold industrial heavy minerals analytical results are very encouraging. He added that all is right on schedule, and maybe even a bit ahead.

CHAIR STURGEON stated appreciation for the good presentations. He moved to Item 1 of the approval items that the Board was requested to act on. He asked for the motion.

**MOTION: A motion that the Resource Management Committee recommends that the Trust Authority Board of Trustees direct the TLO to consider the use of some Trust lands at Community Park Loop for the beneficiary-oriented uses with below-market rents and/or other revenues. Specific lease arrangements will still require trustee approval at a later date as described in 20 AAC 40.710 and 11 AAC 99 was made by TRUSTEE BOERNER; seconded by TRUSTEE GWALTHNEY-JONES.**

CHAIR STURGEON asked Ms. Doucet to explain the motion.

MS. DOUCET stated that the land is a mix of vacant, developable land, vacant wetlands, and lands occupied by beneficiary-serving organizations with an assortment of lease arrangements that predate the Trust's ownership of the land. She continued that the Trust has not consistently applied a comprehensive, long-term plan to develop or fully utilize its holdings at Community Park. The result was that the TLO embarked on a master planning effort of the Community Park lands and have employed ECI Alaska as the contract for this effort. The consultation today captures a piece of that master planning effort. She added that the TLO's mission is to maximize revenue from Trust land and in seeking to complete the master planning process the outstanding item is if the Trust should forego revenue on three parcels of land within Community Park, thereby preserving and perpetuating beneficiary-oriented use. The TLO is seeking the Board of

Trustees to direct the considered use of the three parcels for beneficiary-oriented uses with below-market rents or other revenues to complete the master planning effort. She continued describing the conditions of the assets. She talked about the three expiring leases and stated that the ECI and the TLO conducted an analysis of the three options: Sell the asset; offer below-fair-market lease rates; and require fair-market lease rates. She asked Mr. Fowler with ECI to continue.

MR. FOWLER explained the three proposed options. The strength of Option 1, selling the asset, is that it would provide the quickest route to revenue. The weakness is that the beneficiaries and beneficiary-serving organizations on site would lose site control. Another weakness is the anticipated increase in value of the parcel. The strength of Option 2, offer below-fair-market lease rates is that it would provide immediate and continued benefit to the Trust beneficiaries. The weakness is that these parcels would be limited from revenue-generating opportunities. He continued that Option 3 is very similar to Option 2, but instead of below-fair-market lease rates it would be about requiring fair-market lease rates. The strength would almost triple revenue, and the weakness is the impact to the partners would be substantial.

MS. DOUCET moved to the executive summary for a visualization of the main points, and concluded the presentation.

CHAIR STURGEON stated that the presentation was very well done and asked the trustees for any questions.

TRUSTEE BOERNER shared that she was in support of the motion as it was stated in the recommendation that was put forward. She added that it was a great presentation.

TRUSTEE COOKE agreed and stated that it does authorize the TLO to consider using the land for beneficiary-oriented purposes.

MR. ABBOTT added that all three organizations would like to extend their current leases at below-market rates. He added that all three are nonprofit organizations, and are primarily dedicated to serving Trust beneficiaries.

TRUSTEE HALTERMAN encouraged each of the applicants to present information about the fiscal impacts of the development of their programs over the years on their budget so an evaluation on their present needs could be evaluated versus their needs when the original leases were executed. Her main concern being that all of these community agencies are great agencies and are beneficiary-serving agencies.

CHAIR STURGEON asked for any further questions or comments.

TRUSTEE HALTERMAN called the question.

*After the roll-call vote, the MOTION WAS APPROVED. (Trustee Boyles, yes; Trustee Boerner, yes; Trustee Cooke, yes; Trustee Fisher, yes; Trustee Gwalthney-Jones, yes; Trustee Halterman, yes; Trustee Sturgeon, yes.)*

CHAIR STURGEON called a break.

(Break.)

CHAIR STURGEON called the meeting back to order and moved to the four consultations.

### CONSULTATIONS

CHAIR STURGEON asked for the motion to be read into the record.

**MOTION:** A motion that the Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the changes proposed to the Resource Management Strategy, 4<sup>th</sup> Edition, was made by TRUSTEE HALTERMAN; seconded by TRUSTEE COOKE.

CHAIR STURGEON recognized Ms. Doucet.

MS. DOUCET stated that the TLO is required by regulation to develop and maintain a long-term asset management strategy. She explained that the TLO meets this requirement through resource management of the RMS which has progressed over time in an interim nature. It began as a five-year investment plan focusing on real estate acquisition and development which was adopted in July 2013. She continued that the plan was an analysis of current events and not truly a strategy for managing assets. She added that the overall goal of the RMS is to provide strategy and guidance to the TLO for management of the Trust's nonliquid asset base. With a refocused strategy in the commercial real estate, it was appropriate to update the RMS, and the whole document has been brought current. She went through the fourth edition modifications that were made considering the financial requirements of the Trust, both operational and programmatic, economic and market conditions, and the Trust's Asset Management Policy Statement, known as AMPS. She explained the changes as she went along.

TRUSTEE BOERNER asked if the language under this did not conflict with the motion that was just passed regarding specific lease arrangements.

MS. DOUCET assured that it did take into account the action that was just approved, and it aligns with the motion that was just passed. She continued going through the modifications, explaining as she went through. In closing, she noted that this RMS fourth edition will supersede any version of the past. Post consultation, the TLO will next write a best-interest decision and solicit public comments before finalizing any RMS revisions.

CHAIR STURGEON asked for any comments or questions.

MS. HALTERMAN commended staff because this was a huge undertaking to revise regulations in this manner, and they have done an amazing job of presenting this information.

CHAIR STURGEON also thanked them for an outstanding job and called the vote.

*After the roll-call vote, the MOTION WAS APPROVED. (Trustee Boyles, yes; Trustee Boerner, yes; Trustee Cooke, yes; Trustee Fisher, yes; Trustee Gwaltney-Jones, excused;*

*Trustee Halterman, yes; Trustee Sturgeon, yes.)*

CHAIR STURGEON moved to Item B and asked for a trustee to read the proposed motion into the record.

**MOTION:** A motion that the Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the decision to issue a negotiated mineral lease for exploration and development at the Golden Summit project near Fairbanks, Alaska on parcel F70015 was made by TRUSTEE COOKE; seconded by TRUSTEE BOERNER.

CHAIR STURGEON recognized Ms. Doucet.

MS. DOUCET stated that this consultation is Freegold Ventures which holds the lode gold Golden Summit Project, and in 2016 they released a preliminary economic assessment with favorable results. This consultation proposes a negotiated mineral lease to facilitate ongoing exploration of that project. She introduced Hollie Chalup, the mineral and energy resource manager, to walk through it.

MS. CHALUP stated that Freegold Ventures has been conducting exploration of the Golden Summit area for several decades now. In an effort to continue to explore and acquire land for advancing this project, Freegold is looking at expanding their Trust land holding in the Golden Summit area. There are currently plans to also conduct drilling on Trust land beginning in several weeks. She continued that being able to facilitate a lease for this area would further advance their drilling plans for 2021, which would also help support an update to the 2016 preliminary economic assessment which is planned in a year or two. She added that there are significant updates that need to be made based on 2020 and 2021 drilling results which will give the Trust a much better understanding of the resource-generating potential of royalties on these properties. There also does not appear to be any environmental resources that would impact their ability to develop the parcel. She stated that by issue of lease on this land their presence would increase. Freegold would be actively doing map and exploration work this summer and would also increase the oversight and the boots-on-the-ground perspective to prevent folks from trespassing on the Trust mineral estate. She explained the options and stated that facilitating exploration and, specifically, drilling work on this parcel would be an asset to the Trust.

CHAIR STURGEON called the vote.

*After the roll-call vote the MOTION WAS APPROVED. (Trustee Boyles, yes; Trustee Boerner, yes; Trustee Cooke, yes; Trustee Fisher, yes; Trustee Gwaltney-Jones, excused; Trustee Halterman, yes; Trustee Sturgeon, yes.)*

CHAIR STURGEON moved to the next motion and asked for a trustee to read the proposed motion for Item C.

**MOTION:** A motion that the Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the decision to issue a negotiated mineral lease for exploration and development at the Ester Dome

Project and Trust lands described and attached hereto in Exhibit D surrounding Fox Pedro Dome, and Cleary Summit was made by TRUSTEE COOKE; seconded by TRUSTEE BOYLES.

CHAIR STURGEON asked Ms. Chalup to give the explanation for this proposal.

MS. CHALUP stated that this project is all about data and reconnaissance rather than advancing a drill target or a known prospect into a developing mine. She continued that this was a much larger lease area encumbering both the Ester Dome Mineral Project lands and the area near Pedro Dome and Cleary Summit. This is about 10,200 acres, and all of these parcels own both the mineral estate and the surface estate. This agreement is all about acquiring the data for the minerals prospects that are on Trust land. The exploration work is contingent on the applicant successfully acquiring State, Federal, and local authorizations. She added that the land is currently undeveloped, vacant land, but has undergone explorations. Having the dataset as a Trust asset will help with marketing the property in the future as well.

CHAIR STURGEON thanked Ms. Chalup on a well-prepared and well-presented report. He asked for any comments, questions or concerns. There being none, he did a roll-call vote.

*After the roll-call vote, the MOTION WAS APPROVED. (Trustee Boyles, yes; Trustee Boerner, yes; Trustee Cooke, yes; Trustee Fisher, yes; Trustee Gwaltney-Jones, excused; Trustee Halterman, yes; Trustee Sturgeon, yes.)*

CHAIR STURGEON moved to the next motion and asked for a trustee to read the proposed motion.

**MOTION:** A motion that the Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the disposal of the young growth timber in the West Naukati area through competitive timber sale on Trust land on Prince of Wales Island was made by TRUSTEE COOKE; seconded by TRUSTEE HALTERMAN.

CHAIR STURGEON asked Ms. Doucet to explain the proposed motion.

MS. DOUCET stated that this timber sale is located in West Naukati on exchanged lands, and we plan on a harvest-marketing agreement. She explained that this is the first young-growth sale from exchange lands, which is an indication that the transition to young growth harvest is beginning. She noted that this is an important sale in keeping the timber industry alive in Alaska. She introduced Paul Slenkamp, the senior resource manager down in Ketchikan.

MR. SLENKAMP stated that this is the first young-growth timber sale that is being sold under the land exchange program. He continued that, currently, there is a young growth sale that is operating in Tolstoy over by Thorne Bay on the other side of Prince of Wales Island. He added that this is primarily timber that was harvested either around World War II or prior; about 65 years of age is the optimum harvest age of this young-growth timber. This area is also under contract to Viking Timber for the old-growth component which is currently being harvested. There will be two operations in this unit, and it has been difficult to actually ascertain the actual

unit boundaries because the mapping and such has not been as thorough as it could have been. He stated that it will take a bit of research and ground work to actually come up with a good harvesting strategy. There is interest from industry, and he noted that this old-growth timber sale is one of the primary economic engines on Prince of Wales. It is keeping the Viking Lumber company operating, and there are over 100 jobs that are being supplied to the local economy there. It has been quite successful with very little negative feedback.

MR. ABBOTT added that the timber exchange includes the lands that have been talked about and was heavily vetted by the conservation community. There was a clear understanding that whatever lands the Trust received through the exchange included lands that will be actively harvested.

CHAIR STURGEON called the vote.

*After the roll-call vote the MOTION WAS APPROVED. (Trustee Boyles, yes; Trustee Boerner, yes; Trustee Cooke, yes; Trustee Fisher, yes; Trustee Gwaltney-Jones, excused; Trustee Halterman, yes; Trustee Sturgeon, yes.)*

CHAIR STURGEON thanked Mr. Slenkamp and Ms. Doucet for the great job presenting and stated that a lot was learned. Next on the agenda was Trustee Comments.

### **TRUSTEE COMMENTS**

TRUSTEE HALTERMAN thanked staff for the phenomenal amount of work done that went into the presentations. It was a very informative conversation, and she feels well prepared for the meetings. She stated appreciation for the amount of work it takes to get the trustees where they need to go.

TRUSTEE FISHER echoed the sentiments. He stated that the presentations have been great and thanked everyone that participated today.

TRUSTEE COOKE stated that he continues to be impressed with not only the staff's work, but also with hearing some new voices from the TLO and the participation of the board. He thanked everyone for their interest, their participation, the effort that people have put into preparing for these meetings. He thanked them for a good meeting.

TRUSTEE BOERNER appreciated the trustee comment period and thanked them for having it on the agenda. She also thanked the staff and trustees for the great meeting. She shared that her son, the youngest, is getting ready to graduate. She added that in her position as president of ANHB and as a trustee she felt a real obligation to continue building her own capacity in order to better fulfill her responsibilities. She stated that she applied for a Ph.D. program in environmental epidemiology and was humbled, honored, and excited to report that she was accepted to the Ph.D. program would be starting in August.

CHAIR STURGEON congratulated her on her acceptance.

TRUSTEE BOYLES stated that with all of the challenges the State faced and is facing that it was a ray of sunshine to see the gold investments exploration and mining and to see timber

development. She was pleased to see the motions pass and the work done by the TLO. She also congratulated Trustee Boerner.

CHAIR STURGEON also stated appreciation for all the work put into the meetings and asked Mr. Abbott for anything further.

MR. ABBOTT thanked all for all of the support. A lot was accomplished which will make the May meeting go much smoother.

CHAIR STURGEON asked for a motion to end the meeting.

TRUSTEE HALTERMAN congratulated Trustee Boerner on her acceptance.

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

*There being no objection, the MOTION WAS APPROVED.*

(Resource Management Committee meeting adjourned at 2:58 p.m.)