

**ALASKA MENTAL HEALTH TRUST AUTHORITY**  
**RESOURCE MANAGEMENT COMMITTEE MEETING**  
**July 26, 2022**  
**1:30 p.m.**  
**WebEx Videoconference/Teleconference**

**Originating at:**  
**Alaska Mental Health Trust Authority**  
**3745 Community Park Loop, Suite 120**  
**Anchorage, Alaska**

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**Trustees Present:**

John Sturgeon, Chair  
Brent Fisher  
Anita Halterman  
Agnes Moran  
Kevin Fimon  
Rhonda Boyles

**Trust Staff Present:**

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

**Trust Land Office staff present:**

Jusdi Warner  
Sarah Morrison  
David MacDonald  
Karsten Eden  
Hollie Chalup  
Jeff Hermanns  
Britt Williams  
Chandler Long  
Sean O'Guinn

Jeff Green

**Also participating:**

Pam Cawley; Patrick Reinhardt; Lesley Thompson; John Walker; Kathy Craft; Beverly Schoonover; Lisa Cauble; Josephine Stern; Adam Rutherford.

**PROCEEDINGS**

**CALL TO ORDER**

CHAIR STURGEON called the meeting to order and began with a roll call. He stated that Trustee Boerner was excused, and there was a quorum. He asked for any announcements. There being none, he moved to the agenda.

**APPROVAL OF AGENDA**

**MOTION:** A motion to approve the agenda was made, with the correction of it being Tuesday not Wednesday, by TRUSTEE HALTERMAN; seconded by TRUSTEE FISHER.

*After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trustee Halterman, yes; Trustee Moran, yes; Chair Sturgeon, yes.)*

CHAIR STURGEON asked for any ethics disclosures.

TRUSTEE MORAN stated that she lived on South Point Higgins Road where there will be property up for sale.

CHAIR STURGEON asked the Executive Director how to handle that.

MR. WILLIAMS replied that it was the will of the board to determine whether to consider Trustee Moran's declaration of conflict for the topic that may be discussed. She could always recuse herself from that topic and allow the quorum to conduct the business.

CHAIR STURGEON stated that Trustee Moran could explain in more detail the conflict when that issue was discussed, and the board would decide if there is a problem. Hearing no other ethics disclosures, he moved to the minutes from April 20, 2022.

**APPROVAL OF MINUTES**

**MOTION:** A motion to approve the Resource Management Committee minutes from April 20, 2022, was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FISHER.

*After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trustee Fisher, yes; Trustee Halterman, yes; Trustee Moran, yes; Chair Sturgeon, yes.)*

**TRUST LAND OFFICE EXECUTIVE DIRECTOR REPORT**

MS. WARNER welcomed the trustees, and introduced the new hires. She continued with the

timber presentation. Shelter Cove, outside of Ketchikan, is the one timber harvest contract there, but the project is bifurcated due to separate road funding. She stated that in her April update she mentioned that the funding from DOT may not be enough to complete the project and that it appeared to be about \$1.3 million short due to bridge costs, shipping costs, as well as all the ancillary costs and abutments that go along with putting in a bridge. She met with the DOT Commissioner, at the direction of the DNR Commissioner, to discuss funding options. It was a great meeting with him looking towards finding different funding sources for that \$1.3 million. She added that the Shelter Cove Road is a public easement, thus DOT's interest. The second part of the Shelter Cove project is the timber sale. She reported that a harvest market agreement with Alcan Timber was entered into. She stated that, after looking at the contract with Alcan, it was concluded that as that contract stands it does not serve either party's interests, and we agreed to enter into renegotiations. She thanked Chair Sturgeon for being an incredible resource for the TLO on this process. Ms. Warner continued that Jeff Hermanns came to the TLO with extensive experience in Alaska in the timber industry, including Southeast Alaska and Icy Bay. He was in Montana the past six years working state forestry. He has worked on securing a contract to harvest timber on Trust land surrounding the school at Tok. This serves as a dual-purpose project. For the Trust, it will generate some revenue from the timber, and it fosters the subdivision project for more revenue generation. She continued that the TLO had received more than 200 comments with respect to the TLO's review and approval of Constantine's amended plan of operations. As a stipulation of the lease, Constantine must submit a plan of operations for approval. This was not a new lease, but was a modification to the prior approved plan. She noted that she was a panelist at the Alaska Miners Association Mining Day in Fairbanks and served on a panel about managing Alaska's land for multiple use, environmental protection and maximum benefit. She continued that the TLO was invited back to give a presentation on the Icy Cape project at the conference in November in Anchorage. She discussed the two parcels that the Department of Military and Veteran's Affairs would like to purchase for a cemetery site. She then moved on to land sales, which had a great year with 59 new financed contracts. This shatters the highest record by 36 contracts financed, and increasing the contract portfolio balance by \$2.6 million. She noted that there is a new DNR commissioner, Akis Gialopsos, who set up the meeting to find that Shelter Cove Road funding. She thanked Sean O'Guinn, who has been with the State for ten years, and presented him with a certificate of appreciation and a pin.

(Applause.)

CHAIR STURGEON congratulated Mr. O'Guinn and asked about the hunting leases.

MS. WARNER replied that the big game guide permit program continued being a smooth and efficient program. There is a new guide in Icy Bay. We had not been able to get any additional interest in the program aside from a transporter at Tyonek that pays an annual permit fee.

CHAIR STURGEON thanked Ms. Warner for her great presentation and moved to the Icy Bay update.

### **ICY BAY UPDATE**

DR. EDEN began the update for the Icy Cape Gold and Industrial Heavy Minerals project for the second quarter of 2022. He stated that the project planning was currently at 60 percent at the end of the second quarter. He continued that planning for the field season was completed, and

planning for next year's field season is in full swing and on track. He added that procurement was also on track, and we are identifying procurement for next year. He reported on the field work and, at the end of the second quarter, we were only about 5 percent shy of the target goal. He noted that there were no surprises with the drilling, and continued to processing and assaying, which was at 45 percent. Science and engineering were at 60 percent; also on track. There is now a state-of-the-art sample processing facility out there. He added that PR and marketing were also on track. He reported on the site visit by three trustees. There were two complete drill holes on display, and everyone was able to see the three main lithological units, mainly the diamicton, the siltstone, the coarser sand with the interbedded beach sands. The group learned about geological core logging and the kind of samples taken for further processing and analysis. He summarized that a great discussion about the project was held with the employees of Global Mineral Sands and the visitors. He was impressed with the interest and enthusiasm the group showed during the visit, and he thanked all for coming out.

TRUSTEE BOYLES thanked Dr. Eden for having them and stated that the crew was awesome. They had a very positive attitude; and Andrew, the big geologist, convinced her quickly and clearly that the money would be made back, and that he would bake her a cake when that happened. She asked that he be reminded of that.

CHAIR STURGEON thanked Dr. Eden for the presentation and stated regret on not being able to attend. He called a break.

(Break.)

CHAIR STURGEON called the meeting back to order and moved to the five consultations that the Trust Land Office would present.

**MOTION: The Resource Management Committee concurred with the Executive Director's recommendation to dispose of Trust parcel CRM-1138-03 through a negotiated sale or subsequent disposal was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FISHER.**

MS. WARNER stated that this parcel and the next one are similar and are both located in Juneau. It is the same applicant, and he agreed to pay 30 percent over the fair-market value. She asked Jeff Green to continue.

MR. GREEN stated that this parcel is 16.12 acres, and the total sale price is \$390,000, which included the 30 percent premium. He continued that about 10 acres of the property is unencumbered, and the rest is steep mountainside. Subject to the public notice period, which will provide for the acceptance of any competing offers, there are no anticipated risks or concerns.

CHAIR STURGEON asked for any questions. There being none, he called for the question.

*After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trust Fisher, yes; Trustee Halterman, yes; Trustee Moran, yes; Chair Sturgeon, yes.)*

CHAIR STURGEON moved to the next consultation.

**MOTION:** The Resource Management Committee concurred with the Executive Director's recommendation to dispose of Trust Parcel C20492 through a negotiated sale or subsequent disposal. Motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE BOYLES.

MS. WARNER stated that the combination of these two sales to the applicant is just shy of \$900,000.

MR. GREEN stated that the same applicant is interested in this parcel. It is 10.34 acres, with the total sale price of \$487,500. That includes a 30 percent premium on the appraised value, which was \$375,000, to justify the negotiated sale. He continued that no other interest in the parcel, commercial or otherwise, has been received. The negotiated sale for the 30 percent premium is a good way to convert it to a performing asset. The applicant is also interested in the Trust mission.

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

*After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trust Fisher, yes; Trustee Halterman, yes; Trustee Moran, yes; Chair Sturgeon, yes.)*

CHAIR STURGEON moved to Item C.

**MOTION:** The Resource Management Committee concurred with the Executive Director's recommendation to dispose of Trust parcels SM-1435 and SM-1442 through negotiated sale or subsequent disposal. Motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FISHER.

MS. WARNER stated that this parcel is on Daniels Lake in Nikiski. It sounds familiar because the Trust Land Office and the Trust had gone through litigation on some land in the area. This parcel has nothing to do with that litigation, which was settled.

MR. GREEN explained that this third and final negotiated sale consultation is for Trust parcels SM-1435 and SM-1442. The applicant is Wetlands and Waters Foundation, LLC, which is a local resident that elected to purchase the parcel under an LLC. The parcels combined are approximately 47.29 acres. The total sale price for the parcels is \$432,380, which included a 30 percent premium on the appraised sale. The other thing that justified this negotiated sale is that the appraisal was done on a hypothetical subdivision. The applicant approached us with the interest in purchasing. It will also be subject to the public notice period. The applicant is a local landowner interested in preserving the parcel as raw land. They also expressed interest and support of the mission of the Trust.

CHAIR STURGEON called the roll-call vote.

*After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trust Fisher, yes; Trustee Halterman, yes; Trustee Moran, yes; Chair Sturgeon, yes.)*

*Chair Sturgeon, yes.)*

CHAIR STURGEON moved to Item D, land sale program parcels.

**MOTION:** The Resource Management Committee recommended that the Alaska Mental Health Trust Authority Board of Trustees concur with creating a pool of approximately 88 subdivision lots and small to large tract parcels to be subdivided that may be disposed of through the TLO's statewide land sale programs. Motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORAN.

MS. WARNER stated that this consultation was designed to create an inventory for the land sales program that includes a competitive land sale that is coming up in September. She asked Ms. Williams to talk about this.

MS. WILLIAMS stated that one of her responsibilities was managing the statewide land sales program, which includes a competitive and over-the-counter land sales program. She continued that this consultation was to create a bank of approximately 88 parcels from all three regions of the state and to authorize the disposal of them in a specific method over the next three years through the TLO land sale programs. She added that the TLO auctioned parcels are offered with a minimum bid based off a current appraisal that customers base their bids on. The TLO is estimating generating \$2 million in principal and \$1 million from interest annually from the land sales programs, totaling \$6 million in principal and \$3 million in interest over the course of three years. She did a brief overview of the land sale program and then discussed the parcels, how they were selected, and reviewed the general location maps. She stated that the parcel selections are subject to the best-interest decision and public-notice process, which will be completed as a requirement in regulation. The communities will be noticed, and the public will have an opportunity to comment on these potential sale parcels, if they choose to participate in that process.

CHAIR STURGEON asked Trustee Moran about her ethics concern on the property on Higgins Road so that the board could decide if there is a conflict.

TRUSTEE MORAN replied that she lives very close to the land sale. She stated that it would definitely have an impact on property values, and, being a property owner, she wanted full disclosure.

CHAIR STURGEON asked the board if that was a significant ethics concern. The board did not see the concern as significant, and noted that Trustee Moran could participate on this issue. He called the roll-call vote.

*After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trust Fisher, yes; Trustee Halterman, yes; Trustee Moran, yes; Chair Sturgeon, yes.)*

CHAIR STURGEON moved to Item E, Icy Cape Timber sale.

**MOTION:** The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the disposal of timber in the Icy

Bay area on Trust land. Motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE BOYLES.

MS. WARNER stated that there is an applicant interested in some timber at Icy Bay. The scope of the consultation has been broadened to all merchantable timber at Icy Bay. There are multiple projects going on at Icy Bay. We refer to timber as Icy Bay; and to mineral exploration as Icy Cape. Chandler was the project manager on the land exchange, and she did a great job. Jeff Hermanns was also on this consultation with some real-life experience at Icy Bay.

MS. LONG stated that she is a land resource manager and primarily works out of the Ketchikan Trust Land Office. She had the privilege of working with Paul Slenkamp, who retired in April. She was consulting on part or all of the merchantable timber within the Icy Bay tract. This disposal could be through competitive, negotiated or another method and would be valid for the next 10-year term. Any timber disposed of within that 10-year term would have a public-notice process at the time of that timber sale. There are about 48,000 acres of land in the Icy Bay tract, with roughly 18,000 acres of timber land. In 2013, a timber cruise was completed and forecasted 9,000 acres and roughly 35 million board feet, which are currently available for harvest in 2022. She added that portions of this timber are not accessible without bridge upgrades and road improvements. She stated that timber is a significant asset and continues to be an important component of the revenue stream in the Trust Land Office portfolio. She added that it is in the Trust's best interest to support maintaining the existing timber industry in Southeast Alaska. Yak Timber, Incorporated, part of the YaskwdGat KwGan portfolio, which is an ANCSA village corporation, has applied for 3 million board feet of timber in the southeast corner of Icy Bay. The harvest units they are applying for are part of the Sealaska sale that were left uncut when Sealaska demobilized from Icy Bay in 2020 due to unfavorable market conditions at that time. She stated that the current proposal from Yak Timber does not require bridge or other major access improvements. She asked TLO Forester Jeff Hermanns to share some insight and perspective from his experience there.

MR. HERMANNNS stated that he lived and breathed Icy Bay from 1999 through 2006 with the University of Alaska as their senior forest engineer. He continued that Icy Bay is one of the more difficult places in all of North America to harvest timber. The amount of movement and change at Icy Bay is spectacular and a big challenge. The biggest challenge with the entire operation is the road. This timber offering does not require road-building, but the risk is still challenging.

CHAIR STURGEON thanked Mr. Hermanns and noted that he appreciated his skill. He asked for any questions. He stated that it is an unbelievable difficult place to log, and they are actually putting log bundles into the open ocean and hauling them across the bay. After discussion, he moved to the roll-call vote.

*After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trust Fisher, yes; Trustee Halterman, yes; Trustee Moran, yes; Chair Sturgeon, yes.)*

CHAIR STURGEON stated that the consultations were done, and moved to the presentation on Trust Land Estate Education.

## TRUST LAND ESTATE EDUCATION

MS. WARNER stated that this was an educational piece about Trust land ownership and introduced Sean O’Guinn with an incredible in-depth understanding of State land title.

MR. O’GUINN stated that he is land title manager for the TLO and talked about his background. He began with a quick introduction on Trust lands and the history that began with the Mental Health Enabling Act on July 28, 1956, when all of the land was received. He then gave a brief history for the settlement agreement and talked about getting replacement land or missettlement land. He talked about selling the land estate and severing the mineral estate so that same parcel of land would have two owners: the owner of the surface, and the owner of the mineral estate. He explained that the mineral estate is the dominant estate, but it only has value if the minerals can be extracted. He talked about the “bundle of sticks,” which is about individual rights to the property and not necessarily split estates. He explained the importance of doing the title research and title reports because the land ownership and rights become complex without the proper research. He continued his presentation explaining as he went through the different rights and boundaries.

CHAIR STURGEON thanked Mr. O’Guinn, and asked for any questions. He stated that was the last item on the agenda.

**MOTION: A motion to adjourn the Resource Management Committee meeting was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FISHER.**

TRUSTEE BOYLES stated the need for a work session specifically for board information, and an opportunity for discussion relative to the presentations made.

CHAIR STURGEON thanked Trustee Boyles, and stated that a work session is a good idea. He moved to adjournment.

*After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trust Fisher, yes; Trustee Halterman, yes; Trustee Moran, yes; Chair Sturgeon, yes.)*

(Resource Management Committee meeting adjourned at 3:47 p.m.)