

**ALASKA MENTAL HEALTH TRUST AUTHORITY
RESOURCE MANAGEMENT COMMITTEE MEETING
HYBRID/WEBEX
July 30, 2024
9:45 a.m.**

**Originating at:
Alaska Mental Health Trust Authority
3745 Community Park Loop, Suite 200
Anchorage, Alaska 99508**

Trustees Present:

Corri Feige, Chair
Anita Halterman
John Morris
Agnes Moran (Virtual)
Kevin Fimon
Rhonda Boyles
Brent Fisher

Trust Staff Present:

Allison Biastock
Katie Baldwin-Johnson
Miri Smith-Coolidge
Julee Farley
Michael Baldwin
Eric Boyer
Kat Roch
Carrie Predeger
Luke Lind
Michael Baldwin
Kelda Barstad
Debbie DeLong
Valette Keller
Tina Voelker-Ross
Eliza Muse
Janie Caq'ar Ferguson

Trust Land Office staff present:

Jusdi Warner
Jeff Green
Sarah Morrison
Brittany Williams
Cole Hendrickson
David MacDonald

Also participating:

Gene Hickey; Patrick Reinhart; Maria Smilde; Stephanie Hopkins; Christopher Orman; Lee Cruise; Charlene Taufest.

PROCEEDINGS

CALL TO ORDER

CHAIR FEIGE called the Resource Management Committee meeting to order and began with a roll call. She asked for any announcements.

TRUSTEE MORAN stated that she would need to step away from about 12:15 to 1:45.

CHAIR FEIGE excused Trustee Moran.

TRUSTEE BOYES requested an excused absence from 11:30 to 1:30.

CHAIR FEIGE excused Trustee Boyles. She asked for a motion to approve the agenda.

APPROVAL OF AGENDA

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

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

CHAIR FEIGE asked for any ethics disclosures. There being none, she moved to the approval of the minutes from April 24-25, 2024.

APPROVAL OF MINUTES

MOTION: A motion to approve the minutes from April 24-25, 2024, was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORRIS.

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

EXECUTIVE DIRECTOR REPORT

CHAIR FEIGE recognized Jusdi Warner.

E.D. WARNER formally welcomed Trustee Feige to the Resource Management Committee Chair roll, and stated that she was excited to work with her. She continued that the report was set up to carry forward what the Board had already been consulted on or approved, and she moved quickly through the renewables IPP solar lease that was executed and complete, and is now off the list. She moved to the Alaska renewables wind leases. The two leases were not yet executed, but they have come forward, and she indicated that they have a partner and investor. Some negotiations are still occurring, and the leases have been drafted. She spoke about the carbon offset program and the commercial real estate asset dispositions, and then moved to the subdivision update for cost recovery. She spoke about the disposals that were brought to the committee. The parcel inventory for the statewide land sale parcels public notice ended yesterday with the next step being the best interest decision affirmed. She continued that there was an outstanding request of the Board from the Ketchikan Board meeting about the TLO general accounting practices and addressed that with a handout. She spoke about the TLO/DNR

relationship as it stood on a working basis in greater detail. She highlighted the Memorandum of Agreement between AMHTA, TLO, and DNR. She added that she and Trustee Feige would work with DNR to update that MOA, adding the new changes where the executive director will now report directly to the Board. She also explained that she serves as a subject-matter expert for DNR for any hearings that are legislative, and that they also go through the budget, objectives, and goals for the year. She spoke about the land sales and highlighted that the interest rates have remained at 11.5 percent since August 2023, which has not slowed the land sale interest at all. She stated that there are three negotiated sales pending at \$1.7 million. On timber, she reported that the main contractors in Southeast are Viking and Alcan, with cutting and logging at Shelter Cove. The cost of road-building was hard on this project, and two road builders fell through due to cost. She continued that there is not a lot of volume coming out of the sale, but it is consistent, and revenue is being received. She moved to the DNR RSA, Reimbursable Services Agreement, where Jeff Hermanns, the forester, will be paid by DNR for some of his expertise with efficient cost savings because it will offset some of his salary. She stated that she attended the Mining, Metallurgy & Explorations Current Trends in Mining Finance in New York, which is designed to connect mining, finance, and engineering executives. She served on a panel for the real estate trust lands and resource development, which was well worth the time. She thanked the trustees for supporting training and conferences. She continued that there was a fuel spill on Trust land, about 740 gallons. It was not an overnight cleanup, but was released from a U.S. Air Force F-16, and we are working with them, along with other regulators, to get that site cleaned up.

TRUSTEE BOYLES thanked Ms. Warner for clarifying the relationship with DNR and talked about the activity on the North Slope, which is not enough, and hoped for additional activity there in the future. She asked what was specifically being done on Trust lands with oil and gas.

E.D. WARNER replied that all of the land bases for oil and gas is in Cook Inlet, which is winding down. At the request of DNR, some of the data was released to try to incentivize new business.

A brief discussion ensued.

CHAIR FEIGE thanked Ms. Warner, and moved to the Icy Cape Update.

ICY CAPE UPDATE

E.D. WARNER stated that the project planning and strategic steps that need to be achieved for the remainder of the 2024 calendar year are currently being worked on. All of the procurement needs for the field season have been fully accomplished. Assay results were back for the gold samples and will be reported on in an Executive Session in October. She stated that the NI 43-010 report has been completed.

CHAIR FEIGE stated that NI 43-101 is an industry standard document that has a reserve calculation, and we will pay close attention to it.

A brief discussion ensued.

CHAIR FEIGE called a five-minute break.

(Break.)

COMMERCIAL REAL ESTATE UPDATE

CHAIR FEIGE called the meeting back to order, and moved to the commercial real estate update.

MOTION: A motion that the Resource Management Committee enter into Executive Session to discuss the commercial real estate holdings, appraisals, and sales process, pursuant to the Alaska Open Meetings Act, AS 44.62.310(c)(2), as the immediate knowledge of matters to be discussed during the Executive Session will have an adverse effect on AMHTA's finances. The motion was made by TRUSTEE BOYLES; seconded by TRUSTEE HALTERMAN.

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

CHAIR FEIGE announced that counsel, Ms. Warner, Mr. Green, Mr. MacDonald, CEO Biastock, Mr. Orman, and Ms. Farley would remain in the room.

(Executive Session from 10:34 a.m. until 11:35 a.m.)

CHAIR FEIGE came back on the record and asked for a motion to bring them out of Executive Session.

TRUSTEE MORRIS stated, for the record, that he, his fellow trustees, and members of the Trust Authority and Trust Land Office are returning to the Resource Management Committee from the Executive Session. There were no decisions made during the Executive Session.

CHAIR FEIGE noted, for the public, that there was an update and an overview of the commercial real estate portfolio that was available for review online. She moved to the Approvals.

APPROVALS

PROMONTORY POINT FINANCING

CHAIR FEIGE asked for a motion.

MOTION: The Resource Management Committee recommends to the Finance Committee that the Alaska Mental Health Trust Board of Trustees approves \$8.7 million of transfer to the Promontory Point operating expense bank account, with funds that are to be used by the Trust Land Office for the purpose of paying off the outstanding balance of the existing loan on the asset held by Principal Commercial Capital, along with the related fees and expenses associated with the loan defeasance and payoff. The transfer is to be funded out of reserves held by the Trust Authority, or such other source as deemed appropriate by the Trust Authority CFO, with the transfer occurring as soon as reasonably practical. All portions of the transfer that are not needed for the loan payoff shall be distributed back to the Trust Authority. The motion made by TRUSTEE MORRIS; seconded by TRUSTEE FIMON.

CHAIR FEIGE asked for any questions, comments, or discussion.

TRUSTEE HALTERMAN asked for some background.

MR. MacDONALD stated that the Board of Trustees for the Mental Health Trust concurred with the recommendation to proceed with the disposal of the Promontory Point asset in Austin, Texas. He continued that the property has a lease that is expiring in June of 2025, and a loan that matures in 2025. There is a clause within the loan that requires funding for a property reserve escrow fund of \$1.2 million with an option to either deposit funds to satisfy that or to use a letter of credit in lieu of the cash deposit. The loan could be paid off, or we can do nothing and fund the operating expenses out of cash reserves from the Trust Authority.

CHAIR FEIGE asked the CFO about the impact this would have on cash flows, cash reserves.

CFO FARLEY replied that if an additional \$75,000 a month was funded, she believed that it could be offset by the distributions received from the remaining commercial real estate property that would come into the Trust and the \$75,000 of that would go out.

CHAIR FEIGE thanked CFO Farley, and called the vote.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Fisher, yes; Trustee Fimon, yes; Trustee Morris, no; Trustee Boyles, excused; Chair Feige, yes; Trustee Moran, no).

TRUST AUTHORITY BUILDING OPTIONS

CHAIR FEIGE moved to the next approval, the Trust Authority Building Options.

MOTION: The requested motion is regarding the Trust Authority Building, TAB. The Resource Management Committee has chosen from the eight future TAB management options presented to the Trust Land Office, TLO, at the July 30, 2024, meetings and directs the TLO to research those committee's chosen options and provide additional information about those chosen options before the committee at a later date. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORRIS.

MR. MacDONALD stated that the motion pertains to the Trust Authority Building which was constructed in 1985. Since 2012, there were certain upgrades and renovations that have needed to occur and were deferred for various reasons over time. The current concern is there have been critical failures with some of the building systems, and we are worried that the mechanical systems will no longer work, making the building not habitable. At this point, renovating the systems or the building in its entirety cannot be done, and we are looking at contingency plans, which are incredibly expensive.

A discussion ensued.

CHAIR FEIGE called the question.

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

E.D. WARNER asked if the committee wanted to direct the TLO through an amended motion on specific options.

CHAIR FEIGE replied that amending the motion was not necessary, and moved to the Subdivision Development Program.

SUBDIVISION DEVELOPMENT PROGRAM

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees approve the additional potential subdivisions proposed as part of the statewide subdivision development program with funding from the Trust Land Office Development Account. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FIMON.

CHAIR FEIGE moved to the discussion, and recognized Katie Vachris.

MS. VACHRIS stated that she is a project manager for the Trust Land Office. She gave an update regarding the statewide subdivision program and requested approval to add additional projects to the program under the cost recovery plan. She began with a brief overview of the cost recovery program, as well as an overview of where they were this time last year and what was approved at that time. She added that this is a cost recovery plan for investment options in the Subdivision Development Program. Financing was provided by the Trust Land Office Development Account, and upon recovery would be paid back as appropriate. This provided the Trust the opportunity for additional spendable income in future years that had not previously been available. She also updated the projects at Boyd, Fish Hook Road, Longview, Control Lake, and Upper Coho. She added that they were not requesting any additional funding to complete the work, and will continue to provide updates in future meetings as the program develops.

MR. HICKEY suggested an amendment to the motion. The last line of the existing motion states “development program with funding.” After “funding” insert “previously approved by the Board of Trustees.”

TRUSTEE HALTERMAN re-read the amended motion.

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees approve the additional potential subdivisions proposed as part of the Statewide Subdivision Development Program with funding that had been previously approved by the Board of Trustees from the Trust Land Office Development Account, TLODA. The amended motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FIMON.

After the roll-call vote, the MOTION was APPROVED. (Trustee Moran, yes; Trustee Halterman, yes; Trustee Fisher, yes; Trustee Fimon, yes; Trustee Morris, no; Trustee Boyles, excused; Chair Feige, yes.)

CHAIR FEIGE thanked Ms. Vachris for the presentation, and called a lunch break.

(Lunch break.)

CHAIR FEIGE called the meeting back to order and moved to Consultations.

CONSULTATIONS

DISPOSAL OF TRUST PARCELS F20303/F20304/FM-0043/FM-0044/ FM-0045/PORTION OF FM-0046-MHT9400815

CHAIR FEIGE asked for a motion for the Consultation.

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the executive director of Trust Land Office's, TLO's, decision to dispose of Trust parcels F20303, a portion of F20304, FM 0043, FM 0044, FM 0045, and a portion of FM 0046 through a negotiated sale or subsequent disposal. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORRIS.

E.D. WARNER explained that this project initially started with Chandler Long who no longer works in the TLO. Jeff Green stepped up to carry this project forward.

MR. GREEN stated that this is a negotiated sale, and shared the application received from the United States Army Corps of Engineers Research and Development Center's Cold Regions Research and Engineering Laboratory Permafrost Tunnel Resource Facility. He explained that the tunnel was created in the 1960s by the Army during the Cold War, and is now a research tunnel. It is one of two in the world; the other one is in Siberia. The United States Army and Army Corps of Engineers, the University of Alaska Fairbanks, and other researchers from all over the world conduct research in that tunnel. The tunnel had been constructed up to the Trust's boundary, and the Trust owns the land beyond that. He explained that there are no other uses for this parcel now or foreseen in the future. He continued that the Army is very motivated to acquire that land and offered a very high premium. The parcel is a total of 338.1 acres, and is appraised at \$203,000. The Army has agreed to pay \$469,000 for this acreage. There is a timeline because their funding expires September 30th. He added that it is a good deal.

CHAIR FEIGE called the question.

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

MINERAL LEASE – MHT 9400902

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with a negotiated lease of Trust Mineral Estate on FM 0909 and FM 0910 on Ester and Willow Creek for the exploration and development of placer gold, as proposed. The motion made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORRIS.

CHAIR FEIGE moved to the TLO for discussion.

E.D. WARNER stated that this revenue projection is only up to \$25,000, and clarified that is not normally seen. She asked Cole Hendrickson, the mineral and energy resource manager, to continue.

MR. HENDRICKSON stated that the interested party in the Trust-owned mineral estate is Opportunity Placer, LLC, an owner-operator named Ernie Siemoneit, with over 30 years of mining experience in management, mining, engineering, and operations throughout Alaska. He formerly was the chief mining engineer for Pogo, and is currently, actively going through the reclamation process in the Richardson Mining District. He has been inspected by DNR several times through that process, and has a track record of reclamation and good stewardship of the land. Opportunity Placer, LLC, seeks to enter into an authorization with the Trust for the exploration and extraction of placer gold. That authorization would be subject to the standard TLO terms and conditions that govern development, reclamation, and royalties to the Trust. He continued that there is no data on these parcels. The placer lease on a negotiated basis turns these nonperforming assets into one that produces revenue while having an industry professional, with boots on the ground, to help further the understanding of the parcel's mineral potential. This is seen as a relatively low upfront risk-to-reward ratio, with the reward being a long-term understanding of the mineral potential of these lease documents, and the data becoming the rights of the Trust.

CHAIR FEIGE asked if this data would be submitted to the TLO on a yearly basis.

MR. HENDRICKSON replied that it is standard to go through an annual basis of submitting the data at the end of every season. It is required to submit end-of-season reports back to the TLO, which keeps us on track with understanding what we do on this parcel during the years.

CHAIR FEIGE called the question, and noted that Trustee Moran was back online.

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

TERM EASEMENT – MHT 9201024

CHAIR FEIGE moved to the last consultation, the term easement on MHT 9201024.

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the executive director of the Trust Land Office's, TLO, decision to issue a term easement on a portion of the Trust parcel SM 1747, as depicted in Exhibit A, for the purposes of fiber optic infrastructure. The motion made by TRUSTEE HALTERMAN; seconded by TRUSTEE FISHER.

E.D. WARNER stated that that is a small amount and falls within the same category as the last consultation. She asked Jeff Green to continue.

MR. GREEN stated that there is an existing easement issued to Chugach Electric in 1966, and we had, technically, disposed this corridor to Chugach Electric. This action and project will provide additional revenue because MTA, Matanuska Telecom Association, was not authorized to utilize that easement for their fiber optic line. This authorization will earn an additional income of \$8500 annually; \$170,000 over the 20-year term. It will be co-located with an existing easement. This project will provide fiber optic access to the communities over on the other side. He continued that there is a Master Utility Agreement with Matanuska Telecom Association, and those terms govern the terms of this easement. There is nothing to negotiate, and it is more of a housekeeping item.

TRUSTEE MORAN asked if it was standard to not put any kind of inflationary factor in there and to have a flat rate for 20 years through the lease.

MR. GREEN replied that there is a provision to modify the annual fee that is based on the Consumer Price Index, and that modification occurs every five years.

CHAIR FEIGE clarified that this is an easement, and called the vote.

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

CHAIR FEIGE stated that there was nothing else on the agenda, and asked for a motion to adjourn.

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

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

CHAIR FEIGE thanked all and adjourned the meeting.

(The Alaska Mental Health Trust Authority Resource Management Committee meeting adjourned at 1:05 p.m.)