



**Alaska Industrial Development and Export Authority
BOARD MEETING MINUTES
Wednesday, June 24, 2020
Anchorage, Alaska**

1. CALL TO ORDER

Chair Pruhs called the meeting of the Alaska Industrial Development and Export Authority to order on June 24, 2020, at 10:33 a.m. A quorum was established.

2. ROLL CALL: BOARD MEMBERS

Members present: Chair Dana Pruhs (Public Member); Vice-Chair Bernie Karl (Public Member); Julie Anderson (Commissioner, DCCED) (arrived late); Albert Fogle (Public Member); Bill Kendig (Public Member); Anna MacKinnon (SOA-DOR); and Julie Sande (Public Member).

3. AGENDA APPROVAL

MOTION: A motion was made by Mr. Fogle to approve the agenda. Motion seconded by Mr. Kendig.

Alan Weitzner, Interim Executive Director, noted one change to the agenda on Item 7C. The heading is titled incorrectly as Resolution No. G20-22, and should be corrected to Resolution No. G17-15A. The attached related document is titled correctly.

Mr. Fogle noted a change on Item 6. from the Audit & Budget Subcommittee to the Budget & Audit Subcommittee.

The motion to approve the agenda, including the friendly amendments of titling Item 7C. Resolution No. G17-15A and correcting the wording on Item 6. to Budget & Audit Subcommittee, passed without objection.

4. PRIOR MINUTES - April 15, 2020

MOTION: A motion was made by Mr. Kendig to approve the Minutes of April 15, 2020. Motion seconded by Ms. Sande. The motion to approve the Minutes of April 15, 2020 passed without objection.

5. PUBLIC COMMENTS

Chair Pruhs reminded public comments are limited to two minutes each and should address today's agenda items. He informed the public comment period will not exceed 90 minutes.

Lois Epstein of the Wilderness Society Anchorage noted the organization has been advocating for protection of high value areas in Alaska since the 1930's. Ms. Epstein reiterated previous testimony to the AIDEA Board that AIDEA should not be funding the Ambler Mining Road without the Legislature approving the substantial expenditures, particularly now when the State

has large deficits in its annual budget. Ms. Epstein believes the current spending approach by AIDEA to the Ambler Mining Road is very different from the funding approach of the DeLong Mountain Road to the Red Dog Mine. AIDEA's predecessor agency, the Alaska Industrial Development Authority, hired SRI International to analyze the benefits and costs to the State of Alaska for the road. This could be a model for the analysis needed for the Ambler Mining Road.

Ms. Epstein discussed the June 24, 2020 memo from Jeff San Juan to the AIDEA Board lists preconstruction and predevelopment will cost nearly \$64 million more and an estimated three years of predevelopment work will be needed before any decision to finance the project is made. Ms. Epstein noted over \$26 million has been spent by the State to-date, which is approximately \$90 million of State funds spent prior to construction of the Ambler Mining Road. Ms. Epstein asked if the AIDEA Board expects to be repaid by the mining companies for the \$90 million. Ms. Epstein stated she has submitted a more detailed written testimony.

Lauren Carroll, of Palmer and Kotzebue, expressed opposition to the State spending for preconstruction work on the Ambler project. She is a hunting guide and part owner of a long-time business. All the spring hunts have been cancelled and it is unknown whether fall hunts will occur. Ms. Carroll believes it is unacceptable that in the midst of an ongoing pandemic and economic uncertainty, the State is pouring funds to aid multi-national corporations instead of the Alaska-owned businesses who are struggling to stay afloat. Ms. Carroll informed she has testified previously that the public meetings and mega-project reviews should be postponed during this pandemic crisis.

Ms. Carroll discussed people are rightly focused on the health and financial survival of their families and communities. There is grave concern in many villages about the availability of basic supplies and the concern of day-to-day survival. This is illustrated by the requests of special hunting seasons. Ms. Carroll commented AIDEA is moving forward with a State funding project whose funds were improperly committed with very little public notice at an emergency meeting convened to address small business loans during the crisis. She noted AIDEA attempted to justify these actions by saying that jobs will be created this summer. Ms. Carroll believes this amount of money could go much further to aid the solvency of existing businesses. Short-term job availability does not have the same benefits as assisting the stability of Alaskan-owned businesses who regularly employ Alaskans.

Ms. Carroll believes it is wrong that this funding, which is not a loan, to be committed to a project without any legislative oversight. AIDEA's action in April to allocate these funds shows AIDEA's propensity to work in secrecy with barely a modicum of proper public procedure and notice. Ms. Carroll implored the Board to halt the expenditure to the overseas corporation and direct the funds to helping Alaskans survive these extraordinary times.

Marleanna Hall, Executive Director for Resource Development Council of Alaska (RDC), stated it is one of RDC's priorities to encourage the responsible development of Alaska's natural resources and to encourage new exploration and projects across the state. RDC strongly believes resource development projects in Alaska can be completed responsibly with a key focus on

protecting the environment, including culture activities and wildlife, while providing well-paying jobs and the long-term economic future for Alaska. Ms. Hall expressed support for the general access to the Ambler Mining District and support for any proposed projects, including the mining permitting process. She noted this is an early step in the process and there will be additional opportunities to comment on the road and any mining project that might come before the proper agencies.

Ms. Hall believes the funds proposed for the predevelopment work for the Ambler Access Project by AIDEA and the funds matched by Ambler Metals is a great opportunity for furthering the predevelopment of the project. Ms. Hall acknowledged there are special interests that oppose any further development of mine materials in Alaska and elsewhere. Mineral development in Alaska could ultimately prove indispensable, as forecasts indicate our nation's mineral development demands will increase. The demands will continue to be satisfied, often through the use of imported minerals, when instead, the resources should be developed and produced in Alaska. She supports access to the Ambler Mining District.

Vincent Simon informed he is from Allakaket which is right next to the proposed road. Mr. Simon requested an Environmental Impact Study is conducted before the road is built to study the fish, animals, birds, and erosion. Mr. Simon asked if it is possible to set aside monies for disastrous incidents like contamination to the environment. He discussed the road will have a big impact to the subsistence way of life. Mr. Simon asked if a percentage of local hire will be included in the building of the road. He asked why Australian and Canadian companies are building the road through Alaska instead of a United States company.

Chair Pruhs informed that AIDEA staff has written down Mr. Simon's questions. Chair Pruhs requested Mr. Simon either call or email the staff to receive the answers.

Jennifer Luiten commented she is the Membership Director for the Alaska Miners Association (AMA), which was established in 1939 to represent the mining industry in Alaska. The professional organization is composed of more than 1,400 members from eight statewide branches. Ms. Luiten commented it is a priority of AMA to encourage responsible resource development in the state of Alaska. Ms. Luiten expressed support for general access to the Ambler Mining District and support for any proposed project, such as mining, to go through the permitting process.

Ms. Luiten noted the road, if built, will be paid for by project proponents through financing and will ultimately provide a number of benefits to the regions and Alaska. The potential mining project in the area will deliver positive impacts, including family job opportunities for hiring locally. Mineral development in Alaska could ultimately prove indispensable as forecasts indicate our nation's mineral demands will increase. The demands will continue to be satisfied often through the use of imported minerals, when instead, the resources should be developed and produced here in Alaska where operations are strictly regulated. Ms. Luiten expressed support for access to the Ambler Mining District.

Sean Lowry (sp) of the Operating Engineers Local 302 spoke in favor of the development. Alaska is the largest state in the nation, but has the least amount of road access. Alaska is a resource-rich state and should be doing all that it can to open up to responsible resource development. Mr. Lowry believes the amount of jobs that can be created and the long-term impact to the state far outweigh any of the negative consequences that are being proposed on the environmental aspect. Alaska has proven decade-after-decade that responsible resource development can occur in the state and it should continue. Responsible resource development will benefit the Alaskans who are employed on the jobs, as well as the State as a whole.

Melissa Heuer informed she is speaking to Resolution No. G20-20. She is the Executive Director of the Susitna River Coalition based in Talkeetna. The Coalition is focused on protecting the Susitna River Watershed and the communities it sustains. The Coalition opposes the approval of the Phase II West Susitna Industrial Mining Road. However, if AIDEA decides to move forward, there are key changes that need to be made based on the Mat-Su Borough (MSB) Assembly meeting on June 16.

At the Borough Assembly meeting, there was overwhelming opposition to the MOU in general, and specific concerns that were moved forward. Key amendments were proposed and accepted by the Assembly. Ms. Heuer noted she does not see many of these amendments included in the MOU in front of AIDEA today. Instead, page one lists that staff is working on a MOU with the Borough. The Borough signed and approved the final MOU on June 16, and made clear that all predevelopment work and cost assessments must include costs and impacts for multi-use public and private road usage.

Ms. Heuer discussed the MOU also needs to include the specific approved language that studied and identified resources along the corridor must include fish and wildlife habitat, cultural and historical sites, tourist attractions, and other aspects assisting AIDEA to determine programs to achieve the economic value of the resources owned by the MSB. Based on the important amendments, the timeframe for the study is inaccurate and the current budget outlined in the MOU is insufficient to adequately complete these tasks.

If AIDEA is going to allocate funds that should otherwise be used to help small Alaskan businesses instead of foreign mining companies, AIDEA should ensure that the funds are producing completed studies and that there is a reasonable timeline to complete the studies. Ms. Heuer highlighted that multiple public concerns were expressed regarding the completed work and the inability to adequately operate in this area, including the broad and unnecessary damage that has already been inflicted on the land due to the failure to work safely and responsibly in Alaska. She noted this seems like a questionable choice in partners going forward.

Ms. Heuer noted the Coalition does not support the MOU, but if it does move forward, the Assembly amendments need to be included and the budget needs to be reassessed addressing the terms and expectations of the MOU.

Laramie Maxwell of Fairbanks began a public comment. The teleconference call was disconnected. (Her written comments are attached to these minutes.)

Martha Siikauraq Whiting informed she is the Planning Director for the Northwest Arctic Borough (NAB) and is speaking on behalf of Mayor Nelson and the Ambler Access Road Project. The Northwest Arctic Borough is the host borough of the Ambler Mining District and the region is rich with mineral resources coupled with a thriving subsistence economy. Ms. Whiting read the Borough's preamble. The Borough's mission is to provide essential programs and services to improve the quality of life. The Borough's vision is to improve the living and economic conditions of all residents. The Borough supports responsible resource development that provides economic growth and investment while protecting the environment and ensuring socially responsible development.

Ms. Whiting informed the Borough's joint resolution with the North Slope Borough entails;

- Support for AIDEA's evaluation of an industrial road
- Acknowledgement that food security and public benefits should be considered a priority by state and federal agencies
- Recognition that public engagement and consultation should be meaningfully incorporated into a final decision
- Agreement that both boroughs will find ways to maximize community benefit and economic development opportunities while undertaking an analysis of impacts and ways to minimize or mitigate any adverse effects
- Commitment to explore opportunities for coinvestment and ownership of projects and resources

Ms. Whiting expressed support for Resolution No. G20-19 and the critical path tasks outlined in the resolution. She noted understanding that BLM has not issued a Record of Decision (ROD) for the Ambler Road Project and this resolution might be premature until after a ROD is issued. Ms. Whiting requests AIDEA continues building relationships with stakeholders within the Northwest Arctic Borough, especially the communities of Ambler, Shungnak, and Kobuk, as this project is in their homeland. Ms. Whiting discussed AIDEA was created in the interest of promoting the health, security, and general welfare of all the people of the state, to increase job opportunities, and to encourage the economic growth of the state, including the development of its natural resources through the establishment and expansion of business enterprises.

Ms. Whiting expressed her understanding that we are here to support economic development opportunities for the Northwest Arctic Borough residents, especially the resource that is within the Borough's boundary. Ms. Whiting expressed appreciation to Jeff San Juan for his many presentations to the Northwest Arctic Borough Planning Commission and Assembly. She hopes to continue the dialog moving forward. Ms. Whiting noted any questions can be addressed by calling her office.

Alicia Siira, Executive Director of the Associated General Contractors of Alaska (AGC), represents over 640 Alaskan contractors, specialty contractors, suppliers, manufacturers, and businesses in Alaska. Ms. Siira noted she is speaking on behalf of the largest construction trade association to express the strong support for the Ambler Mining District Industrial Access Road. The association encourages the AIDEA Board to approve the proposed spending from the Arctic Infrastructure Development Fund for 2020 predevelopment work on the Ambler Access Project with the understanding that these funds may be matched by Ambler Metals.

Ms. Siira urged the Board to approve the predevelopment work funds during this time the economy desperately need the project to begin moving forward. Ms. Siira noted the AGC membership builds Alaska efficiently, professionally, and environmentally sound, abiding by the best practices in the industry and taking pride in the work to build and connect Alaska. AGC is confident that this road will be built to the highest standards with minimal impact on the environment while respecting and partnering with surrounding communities.

Ms. Siira emphasized AGC's support of continued opportunities for public comment and involvement throughout the process. The proposed Ambler Road will create economic potential for the Ambler mining region and the state. It will allow access to current and new resource development, expand exploration and development, all of which will provide success and diversification for the state. It will allow for the creation of thousands of direct and indirect jobs for Alaskans, as well as wages and revenue to local and state governments during the construction phase and into the future. There are many direct benefits to local communities along the project route, such as lowering the cost of fuel and goods, and increasing connectivity.

Ms. Siira discussed one of AGC's top legislative priorities is the responsible development of all Alaska industries, including timely reviews of projects that support construction and the overall economy of Alaska. AGC strongly urges AIDEA's support and encouragement of moving the Ambler Mining District Industrial Access Road forward to the predevelopment work and the proposed 2020 project plan.

Becky Long of Talkeetna commented regarding Resolution No. G20-20 West Susitna Access, Phase II. The Mat-Su Borough's Resolution 20-066 amendments passed on June 16 addressed some of the public's concern. The Mat-Su Borough's Fish and Wildlife Commission May 20 letter to the Mat-Su Borough Assembly asked how will fish habitat and fish producing waterways be protected in the early stages. The Borough has not answered the question and AIDEA has not answered the question.

Ms. Long expressed the important of a heritage site survey. The Skwentna census-designated place of 450 square miles has a history of numerous historic villages and fish camps. Archaeological work points to human occupation for at least 3,600 years. Ms. Long noted Jesse Peterson of AIDEA said in an interview that this project could be put on hold at any time. Ms. Long requested the project be put on hold.

Ms. Long noted that 21 of the 26 subunits in the Mount Susitna region of the State DNR plan have a variety of anadromous streams, 18 units have important wintering concentrations, calving, and rutting places, 11 units have bear habitat that includes spring concentration for brown bears, 15 units have dispersed nesting sites for trumpeter swans and other waterfowl.

Ms. Long has four major questions she has asked of the Borough and AIDEA and no answers have been provided. She will email the questions again to AIDEA. Some of the questions relate to the confidentiality of the economic value of the current natural resources. Ms. Long requested a better map be provided to the public delineating the route selection by township range and section. The maps on the Borough's website are not very good. Ms. Long expressed her opposition to Phase II, but believes AIDEA is going to pass it anyway. The amendments from the Borough are good and have to be included.

Kathleen O'Reilly Doyle of Anchorage provided comments on the Ambler Access Project. She noted thousands of our fellow Alaskans are and will be suffering economic implosion as a result of the world pandemic. They will need a great deal of financial assistance from the State to move forward. Ms. Doyle requested the Board vote against the State of Alaska spending \$500,000 from the Arctic Infrastructure Development Fund to pay for preconstruction work on the Ambler Road. Alaskans have always looked out for each other. This is not the right time to fund a project such as the Ambler Road when the funds could be better spent supporting the residents, the medical community, and the small businesses in addressing a statewide response to the pandemic.

Nancy Wainwright informed she works with tribes in the Ambler region and the Red Dog Mine region. AIDEA has what it describes as a rigorous due diligence process to assess potential adverse economic, environmental, and social effects on communities impacted by projects. AIDEA has not met the rigorous due diligence requirements and therefore, should not adopt Resolution No. G20-19 for work on the Ambler Road.

Ms. Wainwright stated due diligence requires that the AIDEA Board has a ROD from the agencies and some analysis of the EIS on what the economic, social, and environmental effects are. Nothing in the staff's report provides that analysis and cannot, since the ROD has not yet been issued. Due diligence requires that AIDEA formally consider the effects and allow testimony from tribal communities in the region. Trilogy, and now Ambler Metals, have taken hours of AIDEA's staff and Board time over the past six years, yet there has been no invocations to communities to make presentations to the Board. Allowing two minutes is not due diligence.

Ms. Wainwright discussed AIDEA has proposed to again pay consultants like DOWL hundreds of thousands of dollars, yet not a penny is identified to be paid to the cultural experts in communities who are expected to document their cultural resources and ethno-history. The time it takes people in the region to meet with AIDEA consultants is not free. It takes time away from work, family, subsistence, and cultural practices, yet staff ignores these costs to the indigenous communities who stand to be most impacted and proposes no funding for them. That is not due diligence, and in this era confronting institutional racism, it is particularly disturbing.

Ms. Wainwright commented AIDEA's proposed Subsistence Committee does not and cannot speak for 56 tribes that are impacted, as the failure of the Red Dog Subsistence Committee model has shown. Tribes in the Red Dog regions require consultation with each tribe, not a committee. Ms. Wainwright urged AIDEA to defer action until the ROD is received, time is allotted for communities to speak, and the due diligence requirements are fulfilled.

Kati Capozzi, President and CEO of the Alaska Chamber, noted the Alaska Chamber is a nonprofit founded in 1952, and works to promote a positive business environment in Alaska. The Chamber represents hundreds of businesses and member companies employ more than 100,000 hardworking Alaskans. Increasing responsible natural resource development by gaining access to resources has been a longstanding position of the Chamber. Ms. Capozzi expressed support to access to the Ambler Mining District and support for any proposed resource development project to undergo the strictly regulated permitting process.

Ms. Capozzi discussed the Ambler Road, if built, would grant access to mining developments that will generate new revenue for the federal government, the State of Alaska, the stakeholders, and most importantly, it will bring new jobs for Alaskans. Identifying new job opportunities for Alaskans is most important at this time. Ms. Capozzi commented should a mine be later proposed, the State of Alaska Department of Natural Resources enforces stringent regulations overseeing mining activities statewide that effectively protect the environment, wildlife, and human health. The Chamber supports the allocation of funds from the Arctic Infrastructure Development Fund for 2020 predevelopment work on the Ambler Access Project. Ms. Capozzi informed the Chamber looks forward to additional opportunities to comment as the project progresses.

Alex Johnson informed he is commenting on Resolution No. G20-19. He lives in Anchorage and serves as the Alaska Program Manager for the National Parks Conservation Association (NPCA), which is a nonprofit organization devoted to advocating on behalf of the National Parks system. The NPCA has long held concerns about the Ambler Industrial Mining Access Road, including impacts to the people of the region who depend on the Western Arctic Caribou Herd, the Kobuk River and its tributaries, and their world-class fisheries.

Mr. Johnson discussed that at the March 27 AIDEA meeting, the Board and staff used the pandemic to push through a transfer of \$35 million for the Ambler Mining Road. Mr. Johnson noted Board Member Fogle stated that "We are going to create 100 to 200 jobs immediately that otherwise would have gone to waste and postponed to 2021." Mr. Johnson informed NPCA submitted a public information request to AIDEA for the justification of the statement and AIDEA's actual data directly refuted the statement. Mr. Johnson discussed AIDEA's pre-pandemic documents show the plan to spend as much as \$15 million on Ambler Road preconstruction in 2020, projecting the creation of 82 jobs and a few dozen indirect jobs. There was no reference to where the jobs would be created.

Mr. Johnson commented Board Member Fogle's statements were made after the pandemic began without any acknowledgement that work might not be able to be completed and that even the hope of filling 82 jobs was wildly and dramatically optimistic. AIDEA's June 8 predevelopment memo confirms this. Mr. Johnson stated fudging the numbers and making wildly optimistic projections about benefits to Alaskans suggests AIDEA is not looking out for Alaska's best interest and AIDEA may not be competent to do so. Mr. Johnson urged all Alaskans to carefully examine AIDEA's and outside mining interests' many false promises about this project. If AIDEA has its way, the intent is to spend \$64 million on preconstruction and permitting costs over the next three years with no guarantees of jobs or safeguards for cultural and environmental protections. Mr. Johnson encouraged AIDEA to spend the money on Alaskan businesses that need it right now.

Michael Jespersion expressed support for the road to the Ambler Mining District. Mr. Jespersion noted he lives in Anchorage and is a private citizen who wants the economy to improve by working on the project to open the Ambler Mining District with a road. He believes this will benefit all of Alaska and help the economy. Mr. Jespersion discussed before any actual mine is constructed, the process of EIS and federal and state permitting will have to occur. This is the first step of the process and he believes it will take 20 years to get a mine constructed. Mr. Jespersion commented if the process is not started now, then there will be nothing in 20 years. The economy is bad and is too dependent on oil. He believes more mines need to be constructed and more of other kinds of industries working. Mr. Jespersion believes AIDEA's proposed investment in a road to help open the district is good for Alaska and shows forethought and planning.

Mr. Jespersion commented we need to look to the future and not just now. He discussed his children need jobs when they graduate college. He would like the economy to improve and the value of his house to increase. Mr. Jespersion believes opening up the district beginning with the construction of the road could put billions of dollars into the state from wages and taxes. Mr. Jespersion noted people would much rather work a job than live off welfare. People that have jobs benefit the state economy and this leaves state resources to help people who cannot get jobs. Building a road and opening the mining district helps the state in so many ways. He suggested to stop talking and start doing. Mr. Jespersion expressed support for the proposed road to Ambler Mining District and all other development, provided it is done responsibly and the EIS and permitting proves it can be done safely. Mr. Jespersion discussed there is no downside if everything is done safely and according to laws and regulations. The road is just one step to building something that will help the future.

Ron Yarnell noted he lives in Fairbanks and has been leading trips into the Central Brooks Range and the Western Brooks Range since 1971. Mr. Yarnell informed he has been attending all of these meetings and AIDEA is not listening to the local people and is not listening to the public. He believes AIDEA is listening to the mining interests and to the developmental interests. Mr. Yarnell discussed there should be no more funds spent on this road. AIDEA needs to consult with the local communities and decide where and how this road will go through. He noted there is no right-of-way across the Doyon lands for the road to come in from the haul road and there is

no way to build the road without the right-of-way. He believes there should be no more funds spent until the right-of-way has been negotiated. Mr. Yarnell requested AIDEA Board answer why monies are going to be spent when there is no right-of-way.

Rachel Gaedeke informed she is reading a comment on behalf of Brooks Range Council Chairman John Gaedeke who is in the Brooks Range without any phone access. He writes, “Today you discuss, yet again, how to subsidize progress on the Ambler Road. You sit on this Board because you have built companies, resorts, parking lots, and hotels. As a Board, you meet to promote industrial development and discuss the next set of permits and financial reappropriating on the agenda. If you are successful, you will subsidize the way for massive multinational conglomerates to come into Alaska, fill their ships with precious metal, and leave. How long before the progress you bring to the foreign market becomes a confederacy of mistakes on the wrong side of history. As modern industrialists, you have been vaccinated by bankruptcies, layoffs, and downsizing, but you are coming into a region that does not have your immunities.

You subsidize roads as you furlough law enforcement, schools, and responsibility during this pandemic. We know this does not end well. We know any statues that might be erected will be torn down. We are wearing masks and protesting in the streets because this is not going well. We know better and we need you to do better. Stop resigning over no-bid contracts. Stop scheduling meetings during harvest season. Stop using a pandemic as an excuse to move millions and avoid proper oversight. Stop telling elders their two minutes of public comments are up when they spend hours on hold because you don’t even know when your meetings will start. Your actions will affect an entire region, but you haven’t scheduled a regional meeting since December of 2014.”

Melissa Clinton stated she would like to echo the comments of the previous speaker. Ms. Clinton noted all people on the line can hear the statement by Sherrie Siverson, AIDEA, “You have been unmuted,” which makes it difficult to understand whose turn it is to comment. There are people who cannot raise their hand on the conference system. Ms. Clinton expressed the conference system being used makes it difficult for the public to testify.

Ms. Clinton lives in Fairbanks and expressed opposition to the \$500,000 withdrawal from the Arctic Infrastructure Development Fund for the Ambler Road. Ms. Clinton gave examples of the public who said no to the project at the April meeting and at a BLM meeting, including three State Representatives, a representative from the Yukon Inter-Tribal Fish Commission, residents of Bettles, residents of Kobuk, and residents of Ambler. Ms. Clinton asked why the AIDEA Board is not listening to the local people and tribal governments who are saying no to the project.

Ms. Clinton noted we are still in a pandemic and contractors and laborers do not have the proper PPE to protect themselves and their coworkers. She understands that villages are struggling to protect themselves from this virus with little state or federal aid. She understands that construction without proper cautions and without proper equipment is a complete disaster because of the introduction of a virus that does not have a vaccine to communities that do not

have aid. Ms. Clinton believes the Board will be liable. She does not understand why the Board is not listening and why the money is not being given to Alaskan businesses who have had to furlough their employees or use the funding for renewable, clean energy, and sustainable projects that will not endanger villages and will not make people choose between having something to eat and having a proposed job that may or may not be available. Ms. Clinton asked if the Board is thinking about the future of the corporations or the future of the residents who live in the project area.

Chair Pruhs thanked Ms. Clinton for her comments. He noted she has been speaking for four minutes and additional comments can be submitted in writing.

John Horner of the Native Village of Kobuk expressed opposition to the Ambler Road. He does not understand how the road can move forward because of Section 106 of the National Historic Preservation Act. Mr. Horner noted the historical presence in the Kobuk region. He expressed the culture and way of life will be affected if and when the road gets built and the mining begins. The brownfields that are created from the open-pit copper mines total destroy everything they come into contact with. Once the brownfields get into the streams and into the Kobuk River that will affect the ecological system and other living creatures.

Mr. Horner discussed the Athabascans were in the Kobuk area before the locals were in the area. He commented work on the road has already affected the caribou and hunters have to spend more gas money to follow the caribou further downriver to attempt to get the caribou for the fall season. Mr. Horner commented the Board needs to listen to and hear what the local communities and residents are saying and take the comments into consideration because they will be living in the area. Mr. Horner stated it is not good what AIDEA is doing. Mr. Horner discussed the decision will affect his kids and his kids' future. He noted they cannot eat money. Mr. Horner commented the one word that comes to his mind when he thinks of the Ambler Road is genocide. He believes this will slowly kill off the culture and the way of life to which defines the indigenous people. Mr. Horner expressed opposition to the Ambler Road.

Regina Daniels with Davis Block and Concrete on the Kenai Peninsula expressed support for the Ambler Mining District Access Project. She noted her company employs about 30 employees who work all throughout the state on various construction projects. As a small family-owned business, the prospect of a project such as this gives hope and encouragement in an incredibly unstable economic climate in Alaska. The opportunities for her business are getting smaller. The business has had to lay off Alaskans as a result of COVID-19 and a decreased in projects. This is an important time to invest in responsible resource development to help Alaska jobs. Ms. Daniels discussed her business and the state of Alaska's need to diversify economically and no longer rely on oil.

Greg Beischer, President of Millrock Resources, noted Millrock Resources is a group of exploration geologists based out of Anchorage with the goal to search for and find new metal deposits of gold, copper, or zinc. Mr. Beischer discussed they have not explored the northwest Arctic very much because of the economic hurdle of starting a new mine. Mr. Beischer noted his

company would be more inclined to spend the millions of dollars needed to explore for and discover new mineral deposits if a road was built.

Mr. Beischer expressed Millrock's support of moving to the next step of the project. He believes the Red Dog Road and facility is a great example of success that can be achieved. Mr. Beischer feels that roads will have to be built to keep Alaska's economic engine running. Mr. Beischer expressed his understanding of the fear of the local people of the change a road could bring. He also sees the positive changes that have occurred at Red Dog.

Ms. Siverson informed she is answering an email indicating there are people trying to connect via Skype and the meeting is not on the Skype platform. She has no raised hands in the system right now.

Chair Pruhs paused and waited to see if others were trying to call in, he then requested Ms. Siverson to respond by email to those unable to join today and ask them to provide their testimony to the Board via email or otherwise. Chair Pruhs closed public comment. Ms. Siverson informed one hand is raised in the system. Chair Pruhs opened public comment.

Erica Weston noted she is speaking for a colleague who has been trying to raise their hand in the system for a while. Ms. Weston commented on the difficulty of access to the process of providing testimony. She relayed her colleague is still typing comments for her to communicate. Ms. Weston asked if it would be better for her colleague to try to access the system again. Chair Pruhs agreed.

John Horner of the Native Village of Kobuk began speaking. Chair Pruhs informed the Board has received Mr. Horner's comments today. Mr. Horner noted he has more comments to give if there are no other hands raised. Ms. Siverson indicated there are other hands raised in the system. Chair Pruhs thanked Mr. Horner. Ms. Siverson informed the hands that were raised are no longer raised.

Ms. MacKinnon informed the Board has received multiple pieces of public testimony that are included in the Board packet. She expressed appreciation to those who emailed public testimony and to those who testified today.

Chair Pruhs verified with Ms. Siverson there were no additional hands raised in the system. Chair Pruhs closed the public comment period and called for a brief at-ease at 11:37 a.m.

Chair Pruhs brought the meeting back to order at 11:47 a.m.

Ms. MacKinnon noted for the record Commissioner Anderson joined the meeting.

MOTION: A motion was made by Ms. Sande to enter into Executive Session to discuss confidential matters related to Loan Modification Policy and Report, Mustang

Development Loan, Allen Marine, Ambler Access Project, and Budget & Audit Subcommittee Update. Motion seconded by Mr. Kendig.

The motion was approved without objection

6. EXECUTIVE SESSION: 11:48 a.m.

Confidential matters related to Loan Modification Policy and Report, Mustang Development Loan, Allen Marine, Ambler Access Project, and Budget & Audit Subcommittee Update

The Board reconvened its regular meeting at 2:49 p.m.

Chair Pruhs advised the Board did not take any formal action on matters discussed while in executive session.

7. NEW BUSINESS

7A. Resolution No. G20-19 Relating to Predevelopment Work for the Ambler Access Project

Mr. Weitzner discussed Resolution No. G20-19 relating to predevelopment work for the Ambler Access Project. He recognizes a fair amount of the public comments that have been received to date on this project have yielded a significant amount of public interest. AIDEA appreciates receiving comments and input from the public. Large development projects like the Ambler Access Project are always controversial with many views being expressed by the public.

Mr. Weitzner identified the fact that Alaska has a history of responsible natural resource development that is the backbone of the Alaskan economy. A project like the Ambler Access Road is exactly what the Legislature established AIDEA for, promoting economic development and job opportunities by developing Alaska's natural resources. The investment in the Ambler Access Road will open up a rich mineral district with the potential for multiple new mines, which will create good paying jobs and short-term and long-term economic activity that Alaska needs now more than ever.

Mr. Weitzner informed the State and AIDEA have heard many comments from the public in more than 100 industry and stakeholder meetings since the project started more than a decade ago. AIDEA has worked to address and incorporate concerns from stakeholders into the route selection, the design criteria, and operations of the road. Many positive public comments from Alaskans were heard today regarding the need for job creation, economic development, and diversification. There were also public comments from Alaskans today opposed to the project. Mr. Weitzner will address a few of the comments that need more context and additional clarification.

Mr. Weitzner discussed the question raised if AIDEA needs legislative approval to allocate funding to this project. He highlighted AIDEA is the State's industrial development finance

agency that is set up as a semi-independent public corporation. AIDEA's funds are specifically separate and are available for use by AIDEA's Board to advance its mission.

Mr. Weitzner discussed the concern that AIDEA should be spending money on Alaska businesses especially during this pandemic time and that the project benefits out of state companies. He explained Alaska benefits from working with resource companies. An example of this is the \$144 million spent over the last 10 years for exploration activities by one of the mining companies in the Ambler Mining District. Over 50% of the employees at the exploration sites were local Alaska residents. This provided Alaskans with high paying job opportunities. Alaska needs this industry and the diversity that it brings. AIDEA believes further investment in the Ambler Access Road is promoting opportunities for Alaskans.

Mr. Weitzner discussed the concern for the need for additional local engagement. The current Ambler Access Project began in 2011, and there have been hundreds of opportunities for stakeholders and the public to interact with the project team. The in-person meetings have slowed since 2014. AIDEA wants to highlight public engagement and stakeholder engagement for this initial field work and scope of work. Mr. Weitzner indicated the ROD is anticipated to be announced very shortly and the phase to increase public engagement will begin. This has already begun with different parties along the route.

Mr. Weitzner discussed the concern regarding the coronavirus transmission to local communities and the question regarding the number of jobs created by the funding allocation. The 2020 field work as originally envisioned included job creation of up to 137 direct and indirect jobs. Due to concerns about the spread of COVID-19, the team has scaled back the 2020 work to activities that can be completed remotely. This change decreases the creation and availability of direct jobs. The focus will be on the public engagement and stakeholder engagement activities for the interested parties along the route.

Mr. Weitzner discussed the question of why AIDEA is spending money on the project without a Doyon right-of-way. AIDEA has and will continue to have discussions with Doyon, who is one of the parties that has been identified in April with the letter from Doyon directly on those issues. AIDEA is looking to actively engage and interact with Doyon to provide more information. AIDEA has discussed with Doyon the scaled back work at this stage with this 2020 field season and the focus in 2021. AIDEA is looking to continue that engagement with Doyon, Nenana, and all stakeholders along the road.

Mr. Weitzner noted he does not have the time today to fully address each of the comments received. Additional comments are being received via email and general information will be provided to the public addressing those comments. AIDEA's general approach is to engage the public and ensure the public outreach continues to provide information of each step that is being taken at this stage with the Ambler Access Project.

Commissioner Anderson asked if the scheduled LIDAR (Light Detection and Ranging Radar) work will occur this field season. Mr. Weitzner noted if the Board approves the field work, the

LIDAR work will occur as scheduled. Each community will be notified as to the time the LIDAR work will occur and what additional activities will occur, including plane flights and helicopter landings.

Ms. MacKinnon asked Mr. Weitzner to address the public testimony regarding the concern of tribal and cultural issues in the project area. Ms. MacKinnon noted the 2020 project plan includes information about an archaeologist, anthropologist, and cultural resources person to review issues raised during public testimony. Mr. Weitzner believes that information relates to the West Susitna Access Road Project under Resolution No. G20-20. Mr. Weitzner explained there is cultural resource work that is involved on the Ambler Access Project related to the programmatic agreement associated with the ROD. A desk study will occur that will refine the cultural aspects that need to be reviewed at a later stage. Mr. Weitzner agreed the cultural resource work is an important element of any EIS.

Mr. Weitzner requested Mr. San Juan, Project Manager, and Mark Davis of AIDEA to speak to the resolution. Mr. Davis discussed AIDEA has signed an agreement with the BLM and will be in compliance with the agreement. Mr. San Juan explained Resolution No. G20-19 requests AIDEA enter into two agreements with Ambler Metals for sharing the cost of the 2020 project plan and a memorandum of understanding (MOU) laying out a path to a full funding agreement between the parties. The Interim Funding Agreement and the MOU are considered an advance payment on the future tolls that Ambler Metals expect to pay for access to the Ambler Mining District.

Mr. San Juan explained the full funding agreement will detail how the parties will work together to align the timing of the project with the Mine Development Plan and to correspond with the timing of approval of the 2020 Project Plan. The Board and public have the full packet anticipated to be signed by both parties. The 2020 season work will include:

- Aerial photography imagery and collection of LIDAR to fill data gaps on the route approved in the final EIS
- Continuation of public outreach and stakeholder engagement
- Cultural resource tasks, including gathering ethnographic data, required under the Programmatic Agreement signed April 27, 2020
- Procurement of an external Program Manager

Mr. San Juan informed a complete budget and schedule is on page 11 of the 2020 Project Plan. The timing of hiring of an external Program Manager is critical to replacing the current Program Manager that has been assisting AIDEA with regard to the permitting process through the federal agencies. The external Program Manager will take AIDEA to the next stage and through the construction of the project.

Mr. Davis noted staff followed the Board's directive by establishing the framework with Ambler Metals before any funds were spent. The cost of the predevelopment work outlined in the

proposed Interim Funding Agreement will be split 50/50 with Ambler Metals, with authorization to spend up to \$500,000 each. AIDEA will submit invoices to Ambler Metals and they have 10 days to review and pay the invoices or use the dispute resolution system. Ambler Metals has agreed to work with AIDEA under the covenant of good faith and fair dealings to pay the invoices with little delay.

Mr. Davis explained the proposed MOU between AIDEA and Ambler Metals sets forth an idea of spending up to another cap of money to be split 50/50 for a detailed program going forward that will be developed and approved yearly. An annual progress report will be presented to the Board. Mr. Davis informed Ms. MacKinnon previously asked the question regarding what happens if both AIDEA and Ambler Metals spend \$20 million each and the mine does not open. Mr. Davis discussed Ambler Metals has agreed in writing to make their contribution at-risk and will not seek any reimbursement from AIDEA. The next phases depend on a series of definitive agreements, including methodology on engineering, compliance with Section 106, and other detailed issues. Mr. Davis explained another essence agreed upon in the MOU is AIDEA will own the right-of-way because it was built with funds from AIDEA and from the Legislature. This was a directive by the Board.

Mr. Weitzner highlighted the issues of the public process and stakeholder engagement within the MOU:

- AIDEA and Ambler Metals will jointly develop a robust stakeholder engagement strategy and plan
- The parties will collaborate and jointly establish key terms for agreements with impacted landowners and other stakeholders
- The parties will collaborate and jointly participate in discussions that facilitate aligned engagement with key stakeholders
- The parties shall work collaboratively and jointly undertake steps that facilitate the projects alignment with subsistence committees in the Ambler Mining District

Mr. Davis reiterated a Subsistence Committee will be very important to this project. He noted the Subsistence Committee for Red Dog Mine has been very successful.

Chair Pruhs asked if the current contract goes through DOWL. Mr. San Juan informed the contract is for \$902,000 with a \$90,000 contingency. The total amount going through DOWL is approximately \$600,000, of which approximately \$250,000 will go directly to DOWL for a continuation of their contract for logistical support, public outreach, and project management for the 2020 season. The remaining funds will go to subcontractors chosen by DOWL. Chair Pruhs asked if the process DOWL used to select their subcontractors was single source or multi-source. Mr. San Juan informed he did not know the answer and could get that information from DOWL. Chair Pruhs requested attendance by a representative from DOWL at any future AIDEA meetings in which DOWL will be discussed. Chair Pruhs asked when the contract with DOWL

will be concluded. Mr. San Juan indicated the contract with DOWL will be completed after this proposed 2020 work season.

Chair Pruhs noted Attachment A has a listing for two helicopters and also lists pricing for three helicopters. Each of the two helicopters appears to have seven days of work. He inquired as to the reason for two helicopters at seven days each, rather than one helicopter for 14 days. This will save the additional mob and de-mob cost from the second helicopter. Chair Pruhs inquired as to the reason for the listing of pricing for three helicopters. Mr. San Juan noted he will provide a more detailed response from DOWL, and will take Chair Pruhs's suggestion into consideration regarding the possibility of one helicopter for 14 days. Mr. San Juan noted the price listing of three helicopters is probably an oversight by staff from a previous discussion that included multiple helicopters.

Chair Pruhs asked if the potential financial agreement lists AIDEA as responsible for reclamation after the useful life of the road. Mr. Davis informed reclamation is the responsibility of the owner of the road and AIDEA could be involved. It is possible AIDEA may just own the right-of-way for 50 years. This is dependent on the legal structure of the road. A reclamation fund will be created when the bonds are floated before construction begins. Mr. Davis explained there is a possibility for a change agreement to occur that states what portion of the road is to be reclaimed and what portion is to remain for public use.

Ms. Sande expressed appreciation for the staff's comments and explanations relating to public concerns. She requested clarification, based on the proposed 2020 Project Plan, AIDEA would not be involved in any activity disturbing the ground until a cultural plan or survey had been completed. Mr. Davis agreed and explained AIDEA will respect the landowners and follow the programmatic agreement with BLM, which includes the requirement to have a DNR representative present and to notify the tribes about the activity.

Mr. San Juan added the EIS will include terms and conditions to respond to community concerns and ensure subsistence wildlife and fish are being protected. AIDEA has agreed the culverts for the road will be designed to Washington State standards, which are more stringent than the current Alaska standards.

Vice-Chair Karl asked if staff is aware the State Fish and Game are directing culverts to be removed due to fish not wanting to go through the culverts. He discussed the culverts are being replaced by bridges. Mr. Davis responded that many of the culverts in the design have been eliminated and replaced with bridges. The culverts that remain are wider and have a stream simulation, so they collect less debris and promote spawning.

Chair Pruhs requested staff review the costs to ensure they are reasonable, including a determination if one helicopter can be used for 14 days, rather than the use of two helicopters at seven days each.

Ms. MacKinnon noted for the record that several pieces of public comments were received in written form and distributed to the Board prior to this agenda item. She highlighted the technical difficulty during the comments by Laramie Maxwell and noted the Board has been provided Ms. Maxwell's written comments.

MOTION: A motion was made by Mr. Kendig to approve Resolution No. G20-19. Motion seconded by Mr. Fogle. A roll call was taken, and the motion to approve Resolution No. G20-19 passed unanimously.

7B. Resolution No. G20-20 Relating to the Second Phase of Preliminary Predevelopment Work on the West Susitna Access Road Project

Mr. Weitzner explained Resolution No. G20-20 relates to the second phase of the preliminary predevelopment work on the West Susitna Access Road Project. Mr. Weitzner informed Ted Leonard and George Hayes with the Mat-Su Borough are available telephonically to answer any questions or provide comments. Mr. Weitzner explained staff is proposing to work with AK Operations and the Mat-Su Borough in the second phase of the West Susitna Access Road for additional studies on the cost impact of the route selection from the Whiskey/Bravo area to the Port MacKenzie route. The scope of work for HDR is attached to the memorandum and includes some of the wetland delineation studies and an initial cost analysis for the road development.

Mr. Weitzner informed he, Mr. Kendig, and Mr. Peterson attended the Mat-Su Assembly meeting on June 16, during which a significant amount of public comment was given related to the current proposal. The result of the Assembly meeting was a vote in favor of entering into the MOU on Phase II. However, the Assembly did require additional changes to the MOU for clarification. Mr. Weitzner began to identify the changes to the MOU Phase 2 that would need to be implemented in AIDEA's MOU and approved by the Board. Mr. Weitzner noted the Mat-Su Assembly requested page numbers be added to the MOU.

- Page one, Section F., to add the words "provide public access" to the last sentence so it reads, "The Parties acknowledge that such road(s) and infrastructure could and may be used, subject to the appropriate permits and agreements, to access MSB's Resources, provide public access, as well as enhancing MSB's fire suppression activities."
- Page two, Section 2. Phased Development, under a., to add the words "and public" after the word "industrial" so the sentence reads, "Investigate the viability of permitting and constructing an all-season industrial and public access road to the Yentna Mining District, terminating near the Whiskey/Bravo airstrip and potentially investigate beyond to AKO's operated Estelle Gold Project."
- Page two, Section 2. Phase Development, under c., to remove the words "a plan for salmon habitat," and to add the words "best management practices for the stewardship of fish and wildlife habitat, cultural and historical sites, and other assets" so the sentence reads, "Establish the groundwork and collaboratively develop best management practices for the stewardship of fish and wildlife habitat, cultural and historical sites, and other assets."

- Page four, Section iii., at the top of the page, to remove the words “and assist AIDEA in determining programs to achieve the economic value of the Resources; and,” and to add the words “including fish and wildlife habitat, cultural and historical sites, tourist attractions, and other assets” so the sentence reads, “Identify Resources owned by MSB along the proposed and alternative transportation corridors, including fish and wildlife habitat, cultural and historical sites, tourist attractions, and other assets.”
- Page four, Section iv., at the top of the page, will be deleted in whole. The wording “Potentially represent all Parties as applicant in all applicable approvals or permits necessary for the Project and lead discussions with federal, state and other local governmental entities (if any) regarding the Project” will be deleted in whole.

Chair Pruhs commented members have to write down the proposed changes to the MOU on the document provided. He asked why a redline version of the proposed changes was not included in the Board packet. Mr. Weitzner noted there was not enough time since the Mat-Su Assembly meeting to include a redline version of the proposed changes in the Board packet for today’s meeting. An unidentified Board member requested staff, in the future, hand out a redline version of proposed changes to any documents to the Board the day of the meeting to expedite the process.

Ms. MacKinnon requested Mr. Weitzner clearly identify what words are being inserted and what words are being deleted so the public can follow along. She commented a redlined version is sometimes easier to work from and can be posted online for the public to see the proposed amendments.

Mr. Weitzner informed staff is not able to provide public information on the changes to highlight on the website. The agreement was listed because of requirements. The changes were provided to staff on June 17. Mr. Weitzner noted staff is happy to provide the redline version and the clean copy version after the meeting for review. He informed Amendments 1. and 2. are due to public comments raised at the Assembly meeting and the Mat-Su Borough’s desire for public access to the areas. Amendments 3. and 4. are related to the roles and responsibilities of the Mat-Su Borough. Amendment 5. is due to the fact that no permitting is being requested at this time.

Chair Pruhs requested Mr. Leonard and Mr. Hayes provide additional information. Mr. Hayes discussed the Assembly changes were prompted by public comments, including public access for hunting, fishing, tourism, and recreation, the good stewardship for fish and wildlife habitat, and the cultural and historical sites.

Mr. Leonard gave the Board a synopsis of the Assembly discussion that led to the decision to move forward in developing access in a responsible manner. The area across the Susitna is about 1/3 of the Borough’s size. The Borough and the Assembly are very interested to be able to have access for its citizens to the area. The inclusion of stewardship to wildlife and historical sites emphasizes the importance to protect these assets going forward. After all the public testimony was received, the Assembly voted six to one in favor of the MOU and looks forward to working with AIDEA in reaching a mutual mission.

Mr. Leonard believes the development of the area is vitally important for diversifying the Borough's tax base and creating jobs. He feels responsible resource development can be achieved in this area. Mr. Leonard informed Mat-Su has a port in which minerals or resources can go through. He expressed appreciation to AIDEA for their involvement, especially to staff, Mr. Weitzner, and Board Member Kendig for attending the Assembly meeting and answering questions and concerns.

Chair Pruhs thanked Mr. Leonard for his comments and informed Mr. Leonard was AIDEA's Executive Director at the time Chair Pruhs first became a Board member. Chair Pruhs expressed appreciation for comments made by Mr. Hayes outlining the Borough's position and support.

MOTION: A motion was made by Mr. Kendig to approve Resolution No. G20-20. Motion seconded by Commissioner Anderson.

Ms. MacKinnon made the following five friendly amendments to the MOU Phase 2:

1. Page one, Section F., to add the words "provide public access" to the last sentence so it reads, "The Parties acknowledge that such road(s) and infrastructure could and may be used, subject to the appropriate permits and agreements, to access MSB's Resources, provide public access, as well as enhancing MSB's fire suppression activities."

There was no objection to the first friendly amendment.

2. Page two, Section 2. Phased Development, under a., to add the words "and public" after the word "industrial" so the sentence reads, "Investigate the viability of permitting and constructing an all-season industrial and public access road to the Yentna Mining District, terminating near the Whiskey/Bravo airstrip and potentially investigate beyond to AKO's operated Estelle Gold Project."

There was no objection to the second friendly amendment.

3. Page two, Section 2. Phase Development, under c., to remove the words "a plan for salmon habitat," and to add the words "best management practices for the stewardship of fish and wildlife habitat, cultural and historical sites, and other assets" so the sentence reads, "Establish the groundwork and collaboratively develop best management practices for the stewardship of fish and wildlife habitat, cultural and historical sites, and other assets."

There was no objection to the third friendly amendment.

4. Page four, Section iii., at the top of the page, to remove the words "and assist AIDEA in determining programs to achieve the economic value of the Resources; and," and to add the words "including fish and wildlife habitat, cultural and historical sites, tourist attractions, and other assets" so the sentence reads, "Identify Resources owned by MSB along the proposed and alternative transportation corridors, including fish and wildlife habitat, cultural and historical sites, tourist attractions, and other assets." Page four, Section iv., at the top of the page, will be deleted as whole. The wording "Potentially represent all Parties as applicant in all applicable approvals

or permits necessary for the Project and lead discussions with federal, state and other local governmental entities (if any) regarding the Project” will be deleted in whole.

There was no objection to the fourth friendly amendment.

5. Staff has the liberty, according to the Board, to correct any grammatical errors or punctuations to the previous friendly amendments in alignment with the Mat-Su Borough MOU adopted amendments.

There was no objection to the fifth friendly amendment.

A roll call was taken, and the motion to approve Resolution No. G20-20, including the five friendly amendments, passed unanimously.

7C. Resolution No. G17-15A Building Expenses Capital Funds

Chair Pruhs informed Resolution No. G17-15A was mistakenly titled on the draft agenda as Resolution No. G20-22. Mr. Weitzner explained Resolution No. G17-15A relates to capital work for the office building. Mr. Weitzner informed Lex Sargento, Chief Procurement Officer, will present on the resolution. Mr. Sargento discussed AIDEA has passed resolutions over the past five years to conduct maintenance and repair work of its land and building investment located at 813 and 825 West Northern Lights in Anchorage, which serves as the main office of the Authority.

Mr. Sargento explained the previous Resolution No.’s G15-14, G15-14A, G15-22, and G17-15 constitute capital costs that are outside the Authority’s annual facility operating budget and address specific identified needs to protect the value of the investment. The excess funds of those resolutions after the work was completed or the remaining balances of the resolutions because of work not completed are disclosed on Resolution No. G17-15A before the Board. The adoption of Resolution No. G17-15A would transfer the disclosed excess remaining amounts of monies and aggregate them in the fund created by Resolution No. G17-15 to be available for current office and property work projects. The funds will be managed according to the G17-15 terms, including but not limited to, the allocation on an annual basis of \$250,000 for work on the office building. Chair Pruhs asked if the proposed transfer of \$445,000 will prioritize upcoming projects, including the parking lot and signage. Mr. Sargento explained staff is taking a different approach. Those projects have been identified as potential future projects. Based on conversations with the Executive Director, the first step is to obtain a building assessment. Staff provided an indication of possible maintenance project expenses.

Mr. Fogle inquired as to the reason work was not completed on previous resolutions and therefore created a remaining balance. Mr. Sargento noted the three estimated items on Resolution No. G15-22 that were not previously completed are the building assessment, pipe replacement, and repair to the electric panel. Mr. Sargento informed he does not know the reason the projects were not completed and does not know the reason the projects are not currently being completed. Mr. Sargento explained if the resolution before the Board passes today, staff would move forward with the completion of those projects, if directed.

Mr. Weitzner discussed the building assessment still has not been conducted and it is critical to determine what additional work is necessary at this point. Mr. Weitzner noted he is unable to address decisions made in 2015 by other parties.

Chair Pruhs indicated he was on the Board when authorization was given for up to \$250,000 for building repairs in each fiscal year. Chair Pruhs requested staff provide a delineation of how the \$250,000 was spent. The previous resolutions being discussed are in addition to the annual \$250,000 budgeted amount.

Mr. Fogle expressed discomfort in authorizing additional funding until the Board understands how the previous monies have been spent and if proposed projects will be funded.

Ms. Sande fully supports staff utilize a portion of the annual budgeted amount of \$250,000 to conduct a building assessment to determine an updated priority list of improvements.

Commissioner Anderson expressed support for a building assessment, including a holistic view and analysis to determine if the building is the right fit for the organization, and the total amount of money that has been spent to-date on the building.

Mr. Fogle requested, as the Chair of the Budget and Audit Subcommittee, to review the accounting of monies spent.

MOTION: A motion was made by Mr. Fogle to enter into Executive Session to discuss building maintenance and building RFI. Motion seconded by Mr. Kendig.

The motion was approved without objection.

EXECUTIVE SESSION: 4:11 p.m. Matters related to building maintenance and building information.

The Board reconvened its regular meeting at 4:28 p.m.

Chair Pruhs advised the Board did not take any deliberative actions on matters discussed while in executive session.

Mr. Weitzner recommended Resolution No. G17-15A is deferred for further review.

There was no objection.

7D. Resolution No. G20-23 Making Emergency Regulations Permanent 3AAC 99.925

Mr. Weitzner discussed Resolution No. G20-23 permanently adopts emergency regulations waiving or modifying requirements of the regulations governing the Authority, the Authority's loan guarantee and finance programs. Mr. Weitzner informed public comments have been received on the emergency regulation, including a letter from the Trustees of Alaska and a letter

from Representative Matt Claman of the Alaska State Legislature. Both of the letters address issues that they believe would not be necessary for the permanent adoption of the regulations.

Mr. Weitzner reported staff has coordinated with the Department of Law to prepare the Board memorandum addressing the specific issues that have been raised by Trustees of Alaska, as well as Representative Claman.

The memorandum mistakenly did not get included in today's Board packet. Chair Pruhs requested staff print copies of the memorandum to distribute to Board members while questions are being answered.

Chair Pruhs asked for the reasons the changes must be made permanent rather than extending the emergency regulations. Mr. Weitzner requested Stefan Saldanha, Department of Law, address the concern. Mr. Saldanha advised the emergency regulation automatically lapses after 120 days. It is possible for the Board to approve another emergency regulation. The resolution before the Board today is drafted quite broadly to address statewide disasters and allows AIDEA to act more quickly in the future without going through this process, which includes going out for public comments.

Chair Pruhs asked for the number of times AIDEA adopted emergency regulations since 1967. Mr. Saldanha informed he is aware of only this one time, but he does not know the full history. Chair Pruhs asked the question to determine if it is prudent to approve emergency regulations in perpetuity or if a sunset clause is included. Mr. Saldanha indicated a sunset clause can be included if the Board desires.

Mr. Weitzner discussed the regulation 3 AAC 99.925 states that once the Governor has determined and declared the statewide disaster emergency order has ended, the Authority shall comply with the requirements of the regulations of this chapter for any new or modified loans. Mr. Weitzner clarified when the statewide disaster emergency order is over, the emergency regulations cease. However, the actions taken under the emergency regulations are valid in perpetuity for the terms modified in those loans. The emergency regulations either have to be permanently adopted or approved again once they expire at 120 days. A copy of the memorandum was distributed to Board members.

Mr. Weitzner advised the emergency regulations do not include the Arctic Infrastructure Development Fund.

MOTION: A motion was made by Mr. Kendig to approve Resolution No. G20-23. Motion seconded by Ms. Sande. A roll call was taken, and the motion to approve Resolution No. G20-23 passed unanimously.

Commissioner Anderson requested Mr. Weitzner clarify that the need to make these emergency regulations permanent is to address the current crisis and to assist AIDEA in helping the people who need help during this time period. Mr. Weitzner agreed and clarified the intent is to enable

AIDEA to immediately address emergencies that were affecting the State economy due to the initial shut-down. The crisis is an ongoing situation for borrowers. The emergency regulations are only related to the loan and finance programs. The emergency regulations are not related to any development project. It is not related to the Ambler Access Road Project and does not include the Arctic Infrastructure Fund.

8. DIRECTOR COMMENTS

Mr. Weitzner provided an update to the Board regarding the current status of the AK CARES Program. Under existing guidelines, the Program Operator Credit Union One is reporting the most recent data as of June 23. Close to \$76 million in applications have been received by the institution from eligible applicants. Of that amount, the average request is in the range of \$43,000. There have been 474 applications from rural designated areas, just over 1,000 applications from urban areas, and 302 applications need to be defined due to an incorrect Zip Code or additional processing to determine designation.

Mr. Weitzner reported 120 applications have been approved to-date, for a total disbursement of \$4.4 million. The application process has been much slower than anticipated and is being addressed. Mr. Weitzner informed the initial program was structured with guidance of Department of Commerce to set aside up to 20% of the program for rural access, which has been maintained.

Vice-Chair Karl asked for the definition of rural. Mr. Weitzner explained rural is based on population and is defined specifically as communities with 5,000 inhabitants or less.

8A. AIDEA and AEA Org Chart, Quarterly Update

Mr. Weitzner informed the quarterly update of the organization chart is included in the Board packet.

8B. Resolution No. G19-21 Report

Mr. Weitzner stated the update on the two road projects, Ambler and West Susitna, is included in the Board packet. Both projects are currently on budget and the new budgets were passed in today's resolutions.

8C. Resolution No. G11-18 Report, Finance Dashboard and Commercial Loan Reports

Chair Pruhs inquired as to the status of the fish processing in Copper River. Mr. Weitzner noted he is unaware of any such application.

8D. Infrastructure Development (IFD)/Project Finance & Asset Management (PFAM) Updated Project Matrices

Mr. Weitzner noted the principal focus of the IFD has been on the Ambler Access Project.

8E. Resolution No. G17-19A Report

Mr. Weitzner requested Mr. Sargento provide the update and conclusion on the project. Mr. Sargento informed Navision 19 has been successfully launched with a projected completion date of July 8, six weeks ahead of schedule and 20% to 25% under budget. The project team has resolved normal minor issues that have arisen. Mr. Sargento acknowledged leadership's full engagement and support during this process. He acknowledged the project team for their commitment on this project and especially thanked the project contractors for their assistance.

Mr. Sargento informed the next steps on the project includes an upgrade to the upgrade, to address features and modules that were underdeveloped or undeveloped, including analytical reporting and workflow matrices. These additional upgrades are consistent with the original vision of Navision 19.

Chair Pruhs expressed his sincere appreciation to Mr. Sargento and staff for their efforts.

Chair Pruhs informed the next regularly scheduled AIDEA Board meeting is Wednesday, August 5. He noted an interim meeting may occur. The subject matter and the date of the meeting is yet to be determined.

Chair Pruhs requested the Budget and Audit Committee consider a memorandum or a position paper regarding a policy on loan participation modifications. He asked that Board members provide input and information to Mr. Fogle. The policy proposal will be discussed at the next meeting and brought forward for adoption.

9. COMMUNICATIONS (public comments received)

10. BOARD COMMENTS

Vice-Chair Karl expressed appreciation to Mr. Weitzner and staff for their efforts. He believes there is room for improvement for everyone and sincerely appreciates the efforts.

Mr. Fogle believes what has been seen in the past few months with the coronavirus should put all Alaskans and Americans on notice that resource and mineral development should be conducted in America. Mr. Fogle provided an anecdote that he was trying to replace a lost gold earring back for his daughter and the store he went to did not have any earring backs because they are all made in China. Mr. Fogle agreed with the statement from Senator Sullivan opining where else in the world can you get the best development of resources done the best way and also environmentally friendly. He believes the best place for that to happen is Alaska.

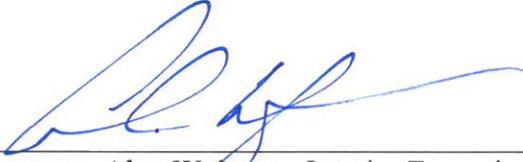
Mr. Fogle commented on the need to stop depending on other countries because Alaska has rare-earth minerals, gold, silver, copper, and other minerals to mine using an environmentally friendly process. Alaska needs this organization to help bring economic development to the state and to the country. The mining industry sector can provide great jobs to the state. Mr. Fogle complimented the Interim Executive Director and staff for helping move forward Ambler Road and West Susitna Road. Mr. Fogle hopes more projects can be developed.

Commissioner Anderson commended Mr. Fogle for his comments and shares similar beliefs. She would like to extend the goal to other sectors, including fish processing. She complimented Mr. Weitzner on his efforts and looks forward to the next few months as AIDEA continues to help stabilize the economy and turn towards a positive direction.

Chair Pruhs expressed appreciation to Mr. Weitzner and staff, and to the Board for their patience in working through many issues during this long day. He extended his thanks to Ms. Siverson and staff for navigating the new and better conference system.

11. ADJOURNMENT

There being no further business of the Board, the AIDEA meeting adjourned at 4:55 p.m.


Secretary, Alan Weitzner, Interim Executive Director

