

Alaska Industrial Development and Export Authority
BOARD MEETING MINUTES
Tuesday, June 17, 2025
Teleconference

1. CALL TO ORDER

Chair Pruhs called the meeting of the Alaska Industrial Development and Export Authority to order on June 17, 2025, at 9:01 am.

2. ROLL CALL BOARD MEMBERS

Members present: Chair Dana Pruhs (Public Member); Vice-Chair Bill Kendig (Public Member); Julie Sande (Commissioner, DCCED); Adam Crum (Commissioner, DOR); Randy Eledge (Public Member); Albert Fogle (Public Member); and Bill Vivlamore (Public Member).

A quorum was established.

3. AGENDA APPROVAL

MOTION: A motion was made by Vice-Chair Kendig to approve the agenda, as presented. Motion seconded by Mr. Fogle.

There was no objection to approving the agenda, as presented.

4. PRIOR MINUTES – May 21, 2025

MOTION: A motion was made by Vice-Chair Kendig to approve the Minutes of May 21, 2025, as presented. Motion seconded by Mr. Fogle.

There was no objection to approving the Minutes of May 21, 2025, as presented.

5. PUBLIC COMMENT

Chair Pruhs requested that those who wish to make a public comment, please state their name and affiliation clearly for the record.

Lois Epstein commented that she is an Alaska-licensed engineer and a technical and policy consultant. She noted this is the third Board meeting she has attended and has yet to receive the answers to the two questions she asked at the April and May Board meetings. Ms. Epstein indicated that at the May Board meeting, Chair Pruhs requested Executive Director Randy Ruaro to respond to Ms. Epstein's questions in writing. Ms. Epstein discussed that she received a one-page certified letter from Mr. Ruaro dated June 2, 2025. She has the letter with her today. The letter does not contain the answers to the questions Ms. Epstein asked.

Ms. Epstein restated the questions. The first question is: Why is AIDEA creating new accounts for the Ambler Road and the Arctic Refuge projects within the Revolving Fund, rather than including them within the Economic Development Account, which is more appropriate and better protects State assets? Ms. Epstein quoted from her testimony at the April Board meeting; “Projects in the Economic Development Account must, under Section 44.88.173, prepare a finance plan. Section B states that AIDEA shall give preference to a project that does not require financial assistance from the State. These are important provisions that need to apply to the two projects. The Economic Development Account currently includes the Red Dog project, the Ketchikan Shipyard, and other major projects that AIDEA owns, and there appears to be no reason for AIDEA to create separate and different accounts for these two Arctic projects.”

Ms. Epstein discussed that the June 2nd response received from Mr. Ruaro barely states AIDEA’s statutory authority to create new accounts in the Revolving Fund, and is nonresponsive to the important points she raised about the Revolving Funds Economic Development Account.

Ms. Epstein reviewed the second question she asked in both April and May. It addresses the fact that after 2022, AIDEA’s publicly available annual audits no longer break out the values for the Revolving Funds’ assets. Ms. Epstein commented that this is an unfortunate change and one that should be reversed for future audits. Ms. Epstein hopes the Board will support that change. Ms. Epstein noted that Mr. Ruaro’s June 2nd response to this question does not explain why the information provided in AIDEA’s audited financial statements regarding the Revolving Fund has changed since 2022. The answer is nonresponsive to her question.

Ms. Epstein commented that it is unfortunate that she has had to ask these same two questions at three separate AIDEA Board meetings. Ms. Epstein noted that she respects the Board’s time, and apologized that she is attending again to ask these same questions. She was greatly disappointed by Mr. Ruaro’s nonresponsive answers in the letter he sent, which could have been emailed, rather than incur the cost of certified mail. Ms. Epstein looks forward to obtaining the answers to her two questions.

Chair Pruhs thanked Ms. Epstein for her comments.

Ms. Epstein asked if she could request responses from Board members. Chair Pruhs indicated that this is a comment section only.

There were no other members of the public online or in-person who wished to make a public comment. Chair Pruhs closed the public comment period. There was no objection.

MOTION: A motion was made by Vice-Chair Kendig to enter into executive session for the purpose of discussing the following: AIDEA Loan Participation Program, AIDEA Financials, Legislative Matters, ANWR, Ambler, IGU, Alyeschem, Greensparc, legal matters, other matters related to AIDEA, and matters that are subject to specific legal advice, which is subject to the attorney-client privilege. These matters, which if discussed publicly, could have an adverse effect on the finances of AIDEA, are matters that are attorney-client privileged, and matters involving consideration of issues and that by law are not subject to public disclosure due to the executive or deliberative process, privilege, or

other law. The executive session and matters discussed therein are proper subjects for an executive session under the Alaska Open Meetings Act, reference Alaska Statute 44.62.310 (C)(1), (3), and (4), and the Alaska Public Records Act. Motion seconded by Mr. Fogle.

A roll call was taken, and the motion to enter into Executive Session passed unanimously.

6. NEW BUSINESS

6A. EXECUTIVE SESSION: 9:08 am. Confidential and deliberative matters related to: Calculating AIDEA's Cost of Funds/Interest Rates for Loan Participation Program, Loan Participation Program receipts and internal analysis, AIDEA Financials, Legislative matters, AIDEA Projects including ANWR, Ambler, IGU, Alyeschem, Greensparc, and others. All of which are subject to the deliberative process privilege, executive process privilege or other legal exemptions from the Open Meetings Act. Also, matters related to AIDEA subject to the attorney-client privilege will be discussed.

The Board reconvened its regular meeting at 1:32 pm. Chair Pruhs advised the public that the Board did not take any action on matters discussed while in Executive Session. The session was limited to discussion of matters directly protected from public disclosure by the Open Meetings Act.

MOTION: A motion was made by Mr. Fogle to amend the agenda by adding Item 6C. Amendment to Resolution G24-06. Motion seconded by Vice-Chair Kendig.

There was no objection to amending the agenda by adding Item 6C. Amendment to Resolution G24-06.

6B. Resolution G25-03 Greensparc

Mr. Ruaro advised that Resolution G25-03 is for a five-year term loan to Greensparc in the amount of \$17 million. Mr. Ruaro noted that Geoff Johns, AIDEA Chief Investment Officer, can provide additional details, if requested by the Board.

Chair Pruhs indicated that a full discussion of the resolution is expected for the record. Mr. Johns explained that the \$17 million term loan is related to equipment purchase by the small data company, Greensparc Inc. The five-year term loan is fully amortizing based on revenues of the small deployment of 256 GPUs deployed in Cordova, and is taking advantage of excess green power produced by Cordova Electric Corporation. Mr. Johns introduced Brandon Brefczynski, AIDEA Deputy Director, to answer any additional questions.

Mr. Brefczynski noted that San Enoka, owner, President, and founder of Greensparc is also online and available for questions. Mr. Brefczynski reiterated that the loan will finance the equipment purchase for the deployment of a 256-GPU cluster in Cordova. The equipment will be co-allocated in existing infrastructure. An additional expansion will occur; however, it is outside the scope of today's financing. Mr. Brefczynski explained that the company will have cash flow. It is a high-demand industry. Greensparc has customers who are ready to sign contracts for several years. Mr. Brefczynski discussed that the spot market also is in high demand. The five-

year term at 10% is fully amortizing. The loan-to-value is greater than 50%. There is significant collateral for this financing.

Chair Pruhs requested additional information regarding the collateral. Mr. Brefczynski explained that the collateral is the equipment that will be deployed and the equipment cabinet deployed in Cordova. The independent appraisal of the equipment that will be deployed is valued at an orderly sale of \$35 million. Chair Pruhs asked who manufactures the equipment. Mr. Brefczynski discussed that the full cabinet is Hewlett Packard Enterprise, and the components are Nvidia.

Commissioner Crum asked if the loan-to-value is approximately 50%. Mr. Brefczynski agreed.

Chair Pruhs asked how many Alaskan jobs will be created. Mr. Brefczynski noted that Greensparc has indicated there will be five full-time employees and 10 jobs associated with construction.

Chair Pruhs asked Mr. Johns to provide additional information on the commercial aspect of the loan. Mr. Johns explained that the commercial nature of the loan is provided in the confidential packet to the members within the term sheet. Numerous agreements similar to this one have been entered into, and staff is comfortable executing this loan as currently structured for a five-year term at 10% interest.

Mr. Eledge asked if the full capacity of the center will be under contract. Mr. Johns explained that Mr. Brefczynski previously indicated that a healthcare-related information services entity has expressed an interest to Mr. Enoka for a two or three-year term contract with renewals.

Chair Pruhs asked Mr. Brefczynski if the entity will be based in Cordova. Mr. Brefczynski agreed, and noted there is a draft lease with Cordova Electric. He explained there are conditions precedent before the loan can be executed, such as signed agreements, proof of insurance, and customers.

Mr. Eledge asked if the power to be utilized is stranded power. Mr. Brefczynski agreed, and explained that Cordova Electric has excess capacity, due in part to the decline of the fishing industry. Mr. Brefczynski discussed that Clay Koplin of Cordova Electric indicated that upgrades and maintenance to the dams have also increased the energy output. The additional revenue should help decrease rates for the cooperative rate payer consumers.

Mr. Fogle asked if this is the first data center in Alaska. Mr. Brefczynski explained that Alaska currently has data centers. However, this is the first data center using the latest GPU technology available. An unidentified speaker noted there are other data centers around the state. This would be the first AI data center. There were no other comments or questions.

MOTION: A motion was made by Mr. Vice-Kendig to approve Resolution G25-03 Greensparc, as presented. Motion seconded by Mr. Fogle.

A roll call was taken, and the motion to approve Resolution G25-03 passed unanimously.

6C. Amendment to Resolution G24-06

Mr. Ruaro explained that Resolution G24-06 addressed a modification of loan terms to BlueCrest and provided for a final payment of \$3 million, plus interest, due on July 1, 2025. The amendments clearly identify that Mr. Ruaro is now authorized to extend the payment date of July 1, 2025 out to October 1, 2025.

Chair Pruhs asked if the amendments to the resolution allow Mr. Ruaro to take any other actions. Mr. Ruaro agreed that there were additional directions given by the Board in executive session that Mr. Ruaro will undertake.

Mr. Ruaro requested Mr. Brefcynski to discuss the changes in the resolution for the record. Mr. Brefcynski noted that Resolution G24-06 will be edited to strike the references to an accompanying memorandum that indicates there will be no further loan modifications or forbearance to be granted. Adjustments have been made to the payment term date from July 1, 2025 to October 1, 2025. The resolution also grants the Executive Director latitude to make additional changes, if deemed necessary until the final date of October 1, 2025. Interest will still accrue at the current terms. Mr. Brefcynski noted the last page includes the revised date of June 17, 2025. There were no other comments or questions.

MOTION: A motion was made by Vice-Chair Kendig to amend Resolution G24-06, as presented. Motion seconded by Mr. Fogle.

A roll call was taken, and the motion to amend Resolution G24-06, as presented, passed unanimously.

7. DIRECTOR COMMENTS

7A. Project Updates

Mr. Ruaro discussed that AIDEA's two largest projects, the Arctic National Wildlife Refuge (ANWR) Project and the Ambler Road Project, are the subject of debate in Congress in the Reconciliation Bill. The Senate has released its version of the bill. Both projects are addressed in that version. The language directs the agencies and the Secretary of Interior to return to the previous Records of Decision that were entered by the first Trump Administration. Those decisions were more favorable to development than the denial of access to the Ambler Mining District and the wrongful cancellation of the ANWR leases received under the Biden Administration. The court fight over the leases was won, and AIDEA is working with Bureau of Land Management (BLM) to get those leases reinstated and to move ahead with seismic exploration.

Mr. Ruaro discussed that the West Susitna Project is continuing. Minor adjustments have been made to the design and to the route for significant cost savings. The application will be ready to file within the next 30 days with the Army Corps of Engineers. Expedited permitting will be requested under the current Trump Administration's executive orders that should accelerate the permitting. Mr. Ruaro noted that the Ketchikan Shipyard project continues to move forward, and

that there are several other potential projects in the pipeline. There were no comments or questions.

7B. Loan Dashboard Report

Chair Pruhs commented that the Loan Dashboard Report included in the packet is self-explanatory. There were no comments or questions.

7C. Callan 1st Quarter 2025 Quarterly Investment Measure Service Review

Chair Pruhs indicated that the Callan 1st Quarter 2025 Quarterly Investment Measure Service Review is included in the packet and shows the effects of the tariffs on the investments. There were no comments or questions.

7D. Statistics Summary

Mr. Ruaro explained that the Statistics Summary relates to the two loan programs at Department of Commerce. There has been little activity and change since the reporting at the previous Board meeting. There were no comments or questions.

7E. Next regularly scheduled AIDEA Board Meeting: Monday, July 7, 2025

8. BOARD COMMENTS

Vice-Chair Kendig expressed appreciation to staff for their diligent efforts and for presenting the information in a clear manner which assists in the decision-making process.

Mr. Eledge recognized the number of mega projects that AIDEA is currently undertaking. He noted that the workload is a heavy lift. He expressed appreciation for Mr. Ruaro's and staff's expertise and attention to detail communicated to the AIDEA Board.

Chair Pruhs thanked the staff and the Board members for the good conversation during today's subject matter discussions which support the future success of AIDEA. He noted that everyone is here to make a difference for the State, and that would not happen without the efforts of Mr. Ruaro and staff. Chair Pruhs expressed appreciation to Mr. Ruaro for taking his calls at all hours of the day.

9. ADJOURNMENT

There being no further business of the Board, the AIDEA meeting adjourned at 1:52 pm.

A handwritten signature in blue ink, appearing to read "R. Ruaro", is written over a horizontal line.

Randy Ruaro, AIDEA Executive Director

Secretary