

Alaska Industrial Development and Export Authority
BOARD MEETING MINUTES
Monday, July 7, 2025
Teleconference

1. CALL TO ORDER

Chair Pruhs called the meeting of the Alaska Industrial Development and Export Authority to order on July 7, 2025, at 9:02 am.

2. ROLL CALL BOARD MEMBERS

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

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

4. PRIOR MINUTES – June 17, 2025

MOTION: A motion was made by Vice-Chair Kendig to approve the Minutes of June 17, 2025, as presented. Motion seconded by Mr. Vivlamore.

Mr. Eledge identified two typographical errors and a formatting error. The last paragraph of page three should read the name Sam rather than San. The top of page five should read Vice-Chair Kendig rather than Vice-Kendig. The additional line spacing within the second to last paragraph on page four should be removed.

There was no objection to modifying the typographical and formatting errors in the Minutes of June 17, 2025.

There was no objection to approving the Minutes of June 17, 2025, as modified.

5. PUBLIC COMMENT

There were no 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.

6. NEW BUSINESS

6A. Alyeschem Check Presentation

Randy Ruaro, Executive Director, discussed that the owners and partners of Alyeschem are in attendance today for the presentation of the check for the Alyeschem Methanol Plant Investment approved by the Board.

Chair Pruhs requested an overview of the project, including the benefits to the State, to AIDEA, and to Alyeschem. He also asked for the project schedule and estimated completion date. Mr. Ruaro explained that the loan agreement and negotiations have been completed. The process was extensive and lengthy. The project is manufacturing methanol in state by Alaskans. Methanol is an essential ingredient product for use on the North Slope, acting as antifreeze and corrosion inhibitor in pipes. Methanol was previously manufactured in Trinidad, then shipped and trucked to the North Slope. Manufacturing methanol in Alaska will remove a significant amount of traffic from the Dalton Highway. The project is modular and will be constructed in Texas. The project meets AIDEA's statutory mission for jobs and economic development. Between 15 and 30 full-time jobs are expected to be created by this project. The timeline of completion is approximately 2.5 years. The project will provide very good rates of return for AIDEA. Additionally, the project will provide royalties and property taxes to the State of Alaska. The combined rate of return is estimated at 22% to 23%. Mr. Ruaro looks forward to the success of the project.

Chair Pruhs asked how this loan commitment amount compares to other AIDEA commitment amounts. Mr. Ruaro indicated that he believes this loan commitment is one of the largest loans AIDEA has completed. The loan has a tariff element that converts at production wherein AIDEA will receive a permanent per gallon tariff from production which will continue as long as the plant is operating.

There were no other comments or questions. There was no objection to the brief at-ease. The Board took a brief at-ease for the check presentation and photo opportunity.

The Board reconvened its regular meeting.

MOTION: A motion was made by Vice-Chair Kendig to enter into executive session for the purpose of discussing the following: personnel, AIDEA financials, AIDEA projects, Legislature special session, 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 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.

6B. EXECUTIVE SESSION: 9:15 am. Confidential and deliberative matters related to: AIDEA Financials and Financial matters, Legislative and Congressional matters, AIDEA Projects including ANWR, Ambler, Alyeschem, Ketchikan Shipyard, 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 11:29 am. 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.

7. DIRECTOR COMMENTS

7A. Project Updates

Mr. Ruaro discussed that the Arctic National Wildlife Refuge (ANWR) Project continues. There is positive news for ANWR through the Reconciliation Bill that Congress recently passed. The bill sets the terms and conditions for the leases back to President Donald Trump's 2020 Record of Decision (ROD). The bill increases the royalty share rate for Alaska from 50% to 70%. Staff is expecting an updated detail of the calculations beginning in 2033 from the Economic Research Group through the Department of Revenue. This is a significant revenue benefit to the State. Additionally, the Reconciliation Bill established there must be at least four new lease sales in the next 10 years. Terms and conditions for those lease sales are the same as President Trump's 2020 ROD, which are much more favorable than President Joe Biden's 2024 decision. Mr. Ruaro discussed that staff will meet with AIDEA's attorneys and others to ensure full understanding and application of the Reconciliation Bill regarding moving forward with ANWR.

Mr. Ruaro noted that the Reconciliation Bill did not contain language regarding the Ambler Road Project. However, work continues on stakeholder outreach, including with Allakaket and other villages, permitting issues, and further plans to move ahead in an expedient manner.

Mr. Ruaro discussed that the West Susitna Project should have its application filed with the Army Corps of Engineers by July 18, 2025. Under President Trump's executive orders, there will be an expediated permitting process applied to the application. The hope is for a decision for an approved permit within six months.

Mr. Ruaro reported that the Loan Participation Program has a couple of significant potential projects that Tiffany Janssen, AIDEA Chief Finance Officer, could describe separately. He noted that the Birchwood Hotel has been completed. Ms. Janssen discussed that there are a couple of applications that will be returned probably by the end of August through October. As of May 31, 2025, the program closed out about \$36 million. This amount is double the previous year's amount. There were no comments or questions.

7B. Loan Dashboard Report

Ms. Janssen commented regarding the Loan Dashboard Report included in the packet. A payment was received on the modification. She explained there is one delinquency that is from a previous institution which seems to be a borrower accounting issue. Staff is less concerned about this particular scenario and believes it will likely be a servicing issue in the future.

An unidentified speaker asked Ms. Janssen if there are no delinquencies at this time. Ms. Janssen explained there are delinquencies through the modified note. She reiterated that the borrower has made a payment. However, they are still delinquent at this time.

Mr. Eledge requested clarification regarding page six of the provided Loan Dashboard Report where it shows a total of \$15 million, with a percent of total as 3.69%. Ms. Janssen explained that looks to be an issue with the formatting that is missing a portion. She believes that number is being pulled from the direct loan that is out for HEX. Ms. Janssen indicated that the NAICS spreadsheet can be updated with an appropriate code and category. She explained that the NAICS information pulls both existing projects and loans in process. There were no comments or questions.

7C. Project Fact Sheets

Mr. Ruaro reported that Mr. Eledge has informed him of a few typographical errors within the project fact sheets. Staff will correct the typographical errors promptly.

Mr. Eledge requested Mr. Ruaro to discuss the DeLong Mountain Transportation System (DMTS) that is referenced in the Board's package of projects. Mr. Ruaro explained that the DMTS or Red Dog approach or method to financing is referring to an approach where AIDEA would not move forward with issuing bonds until the mines that are benefiting from the infrastructure have committed to repayment of those bonds. This method involves establishing a reserve fund and the issuance of bonds by AIDEA. However, AIDEA does not move forward with the method until the mines provide solid commitments. There were no other comments or questions.

7D. Next regularly scheduled AIDEA Board Meeting: Wednesday, August 6, 2025

8. BOARD COMMENTS

Mr. Fogle expressed appreciation to Mr. Ruaro and staff for their tremendous efforts on the multiple activities of AIDEA. He understands the time constraints and the need to move as quickly as possible. Mr. Fogle reiterated his thanks for the efforts to continue the long-term success of AIDEA.

Vice-Chair Kendig echoed Mr. Fogle's comments of appreciation.

Chair Pruhs thanked the staff and the Board members for their attendance and efforts today. He noted that regardless of the challenges during the process, the end results are positive for AIDEA.

and for the State. He is excited, focused, and engaged on making the best decisions for the path forward.

9. ADJOURNMENT

There being no further business of the Board, the AIDEA meeting adjourned at 11:40 am.



Randy Ruaro, AIDEA Executive Director

Secretary