

Alaska Industrial Development and Export Authority
BOARD MEETING MINUTES
Tuesday, November 18, 2025
Teleconference

1. CALL TO ORDER

Chair Pruhs called the meeting of the Alaska Industrial Development and Export Authority to order on November 18, 2025, at 9:00 a.m.

2. ROLL CALL BOARD MEMBERS

Members present: Chair Dana Pruhs (Public Member); Vice-Chair Bill Kendig (Public Member); Julie Sande (Commissioner, DCCED); Llewellyn Smyth (Policy Director, DOR); Albert Fogle (Public Member); and Randy Eledge (Public Member).

A quorum was established.

3. AGENDA APPROVAL

Chair Pruhs requested to add discussion of Resolution No. G25-10 and AIDEA's public image to the Executive Session topics. There was no objection.

MOTION: A motion was made by Vice-Chair Kendig to approve the agenda, as amended to include discussion of Resolution No. G25-10 and AIDEA's public image. Motion seconded by Mr. Fogle.

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

4. 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.

5. NEW BUSINESS

MOTION: A motion was made by Vice-Chair Kendig to enter into executive session for the purpose of discussing the following: Loan Participation Program Regulations, review of AIDEA Regulations, Review of AIDEA FY2025 Audited Financial Statements, Authorizing the FY27 Dividend, review of AIDEA Projects, 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 privilege, and matters involving consideration of issues and that by law are not subject to public disclosure due the executive or deliberate process privilege or other law. The executive session and

matters discuss 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.

5A. EXECUTIVE SESSION: 9:05 a.m. Confidential and deliberative matters related to: Loan Participation Program Regulations, Review of AIDEA FY2025 Audited Financial Statements, Authorizing the FY27 Dividend, review of AIDEA Projects, Legal Matters, Resolution No. G25-10, and AIDEA's public image. 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 12:06 p.m. 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.

5B. FY 2025 AIDEA Audited Financial Statements (Adoption by Motion)

MOTION: A motion was made by Mr. Fogle to approve the FY 2025 AIDEA Audited Financial Statements as presented. Motion seconded by Vice-Chair Kendig.

There was no objection to approving the FY 2025 AIDEA Audited Financial Statements.

5C. Resolution No. G25-08 Authorization to Amend Loan Participation and Bond Issuance Regulations

Chair Pruhs requested to postpone Item 5C. Resolution G25-08 to the December meeting. There was no objection.

5D. DRAFT Resolution No. G25-10 Declaring FY27 Dividend to the State

Randy Ruaro, Executive Director, explained that by statute, the AIDEA Board is required to declare a dividend within the range of 25% and 50% of the statutory net income earned in the two years prior. For the FY27 dividend, the staff has reviewed the fiscal analysis and is recommending a little over 25% dividend. The reasoning is the large volume of AIDEA projects. These include mega projects such as opening up the coastal plain of Arctic National Wildlife Refuge (ANWR) and the 3-D seismic work which is estimated to cost in the tens of millions of dollars. Another project moving forward is the Ambler Road. President Trump has granted AIDEA's Section 1106 appeal. AIDEA has the state right-of-ways, all federal right-of-ways and permits. The intent is to advance the project through fundamental preconstruction and into the construction phase. If the Ambler Road project is financed, there will be a significant bond reserve requirement. Additionally, there are other notable projects that are coming forward in the Loan Participation Program (LPP) program, and a considerable pipeline of direct projects. Given the totality of those circumstances, staff is recommending that the Board approve a dividend

slightly above 25%, totaling \$17 million. This amount is noteworthy because of the record setting and highest statutory net income in 60 years of operation. Mr. Ruaro discussed that as the projects are successful, the revenues produced will be many multiples of what would otherwise be paid out in the dividend.

Mr. Fogle asked for the exact percentage at a \$17 million dividend. An unidentified speaker responded that the amount is 25.225%. Mr. Fogle asked how this amount compares to AIDEA's previous years of dividends. Mr. Ruaro believes that a \$17 million dividend is in the median range for dividends. The dividend last year was \$20 million. There were no other comments or questions.

MOTION: A motion was made by Vice-Chair Kendig to approve Resolution G25-10, Resolution of the Alaska Industrial Development and Export Authority determining dividends to be made available to the State for Fiscal Year 2027; providing allocations; and a procedure for making dividends available. Motion seconded by Fogle.

Mr. Eledge asked if the AIDEA Board is providing allocations. Mr. Ruaro indicated that staff does not recommend allocations for this year. Mr. Eledge asked if the resolution should be amended to withdraw that language. Mr. Ruaro noted that there is a resolution form before the Board that does not have the allocations.

Chair Pruhs reiterated that AIDEA has many great opportunities in front of them. Obviously, it takes dollars to execute the opportunities and ultimately, giving a rate of return to the citizens of Alaska and full-time, long-term employment opportunities. Chair Pruhs expressed support for the \$17 million dividend declaration.

Mr. Fogle commented that to-date, not including today's dividend amount of \$17 million, AIDEA has contributed \$495 million in total dividends to the State since 1997. This exceeds the amount of seed money given at AIDEA's formation.

A roll call was taken, and the motion to approve Resolution G25-10 passed unanimously.

5E. Resolution No. G25-11 AIDEA Investment Policy

Mr. Ruaro explained that Resolution No. G25-11 would make two edits to the existing Investment Policy. The first amendment is on page 8, paragraph F, to explicitly authorize certificates of deposit (CDs) time certificates at Federal Deposit Insurance Corporation (FDIC) U.S. depositories as an eligible investment. Additionally, Section 1 on page 4, paragraph C.2. would be amended. Mr. Ruaro requested Chief Investment Officer Geoff Johns to explain the amendment. Mr. Johns discussed the two updates to AIDEA's Investment Policy. He reviewed that AIDEA's Investment Policy is comprised of two sections. Section 1 encompasses funds under external management, and Section 2 encompasses funds under staff's directive control, subject to the determination from the Executive Director or designee. Mr. Johns commented that these amendments are both prudent and essential for AIDEA to fulfill its fiduciary duty in an evolving marketplace.

Mr. Johns indicated that the amendments strengthen AIDEA's liquidity management, are forecasted to improve income efficiency, and modestly broaden AIDEA's sources of return while upholding the longstanding priorities of safety, prudence, accountability, and capital preservation. Specifically, the amendment in Section 2 provides authorization for time deposits, CDs, and clarification on repurchase agreements. The amendment modifies the liquidity management, allowing for greater internal ability regarding liquidity in self-directed investments. The current Investment Policy requires staff to come before the Board to obtain approval to enter into investments such as CDs, time deposits, and repurchase agreements. The amendment streamlines AIDEA's efficiency and allows staff additional low-risk diversification opportunities through the construction of a predictable CD ladder. This is consistent with best practices for those funds under AIDEA's management.

Mr. Johns discussed that the second amendment is related to Section 1 and those funds under external management. It permits a limited rules-based allocation to US high yield corporate bonds. This allows returns enhancement by permitting up to no greater than 5% of those funds under external management for the fixed income portfolios to invest in only US high yield corporate bonds rated BBB, B, or CCC, and incremental carry-over for investment grade bonds. With the current spreads, staff feels that investment sleeve could add up to 10 to 20 basis points return on the overall fixed income. This supports AIDEA's income objectives without materially increasing risk. The policy that the fund under external management must be no less than investment grade on a weighted average basis remains intact. There were no comments or questions.

MOTION: A motion was made by Vice-Chair Kendig to approve Resolution G25-11, Amended and Restated Resolution of the Alaska Industrial Development and Export Authority relating to Investment Policies Statement. Motion seconded by Mr. Fogle.

A roll call was taken, and the motion to approve Resolution G25-11 passed unanimously.

5. DIRECTOR COMMENTS

5A. Project Updates

Mr. Ruaro commented that the Ketchikan Shipyard operatorship has been transferred to JAG. They are now booked through August. There are currently two National Oceanic and Atmospheric Administration (NOAA) vessels in the yard. One of the vessels is the Oscar Dyson, and it will undergo major refurbishment. JAG has hired an additional 50 to 70 employees, and they have plans to hire another 40 to 50 more employees soon. Mr. Ruaro commented that this is good news for the people of the region and for AIDEA and its mission for jobs and economic development. He believes JAG will continue to grow and advance.

Mr. Ruaro discussed that the West Susitna Access Project is moving forward. The Environmental Protection Agency (EPA) and Army Corps issued their new guidance yesterday. The policy approach to wetlands on the road projects should comply with the law and the U.S. Supreme Court decision. The new policy guidance is open for comment and staff will provide comments. The policy contains a much narrower view of wetlands jurisdictions. A river of lake

must be present before federal wetlands can be established. Mr. Ruaro explained how this less restrictive process is different from the previous process. The control of the projects is largely placed back in the hands of the states. Mr. Ruaro commented that internal reviews have shown a reduction of federal wetlands between 90% and 95%.

Mr. Ruaro discussed that work is advancing on the study of polar bears and polar bear dens. The U.S. Fish and Wildlife Service requires the dens to be largely avoided for the southern Beaufort population of polar bears. Work is occurring to identify those locations, rather than relying on a mathematical model. Mr. Ruaro noted that oil and gas is present in the location. It was found to be present back in 1987 by the Department of Interior when they reviewed their 2-D seismic. AIDEA has reviewed data since that time and reconfirmed that in the area, there are billions of barrels of recoverable oil and trillions of cubic feet of gas.

Mr. Ruaro noted that the many projects in the LPP pipeline. A couple of those are significant projects that are still in underwriting. Additionally, there are several projects on the direct program side.

Mr. Elledge asked Mr. Ruaro if there is any more interest in the additional acreage in Ketchikan. Mr. Ruaro affirmed that there is recent interest in the additional acreage. He is meeting with companies next week. There were no other comments or questions.

5G. Next regularly scheduled AIDEA Board Meeting: Wednesday, December 9, 2025

Chair Pruhs advised that the next regularly scheduled meeting is December 9, 2025.

6. BOARD COMMENTS

Mr. Fogle expressed appreciation to Mr. Ruaro and to staff for their efforts in handling the current significant issues for Alaska and for future generations. He reiterated his appreciation.

Mr. Smyth echoed Mr. Fogle's comments of appreciation, and added special thanks to the accounting staff for their efforts.

Vice-Chair Kendig echoed the comments of appreciation.

Mr. Elledge extended praise that the audit report was flawless.

Chair Pruhs reiterated the thanks to the staff for today's Board meeting, and echoed the praise for the clean audit. There were no other comments or questions.

7. ADJOURNMENT

There being no further business of the Board, the AIDEA meeting adjourned at 12:47 p.m.