

Alaska Industrial Development and Export Authority
BOARD MEETING MINUTES
Thursday, August 12, 2021
Anchorage, Alaska
Via Teleconference

1. CALL TO ORDER

Chair Pruhs called the meeting of the Alaska Industrial Development and Export Authority to order on August 12, 2021, at 10:45 am. 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); Albert Fogle (Public Member); Bill Kendig (Public Member); Anna MacKinnon (Special Assistant to the Commissioner-DOR); and Julie Sande (Public Member).

3. AGENDA APPROVAL

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

The motion to approve the agenda as presented passed without objection.

4. PUBLIC COMMENTS (*2 minutes per person, for one hour*)

Chair Pruhs reminded the public that comments are limited to two minutes per person. One hour has been set aside for public comments. He requested that each person state their full name and their affiliation, if any. David Kennedy, AIDEA, instructed the public participating telephonically to press star-nine if they wish to make a public comment.

Becky Long commented that the Resolution 21-24 for public engagement sounds like a good idea, if it really results in the Board and the Executive Director listening to the public's real concerns about their natural resource extraction project that is promoted and financed. Ms. Long stated that AIDEA's Board and Executive Director many times turn a deaf ear when the project concerns or project opposition are aired. AIDEA's public relations work dismisses concerns and opposition as environmental extremism.

Ms. Long commented that AIDEA promotes projects that can pollute, poison, or destroy the habitat, fish and wildlife population, and the unfragmented, undeveloped land upon which the current economic development is based. Ms. Long asked why the current economies cannot be conserved for the future. She noted that she testified during the past legislative session to the Senate Finance and Senate Transportation Committees, and the House Transportation, Budget, Labor & Commerce Committees about AIDEA's problematic decision-making and terrible public process.

Ms. Long gave examples and reported that the Executive Director gave three different uses for the West Susitna Access bond money depending on which Committee he was speaking to. This is why Ms. Long does not trust AIDEA. She believes AIDEA Board meetings need consistent starting times, three minutes for public comments, no executive sessions in the middle of meeting, total transparency, conformance with open meetings, and a way to deal with public opposition without labeling it extremist.

Nya (sp) Tohler (sp) stated that she supports that public engagement is the same as the requirement to listen to public testimony. She believes that there is a bad image associated with AIDEA because there has been much testimony in opposition to projects and AIDEA continues to move forward with those projects. Ms. Tohler thinks the effort could be wonderful and AIDEA could do powerful and good things and have a great relationship with Alaskans. She is hoping this is the direction and the reasoning, rather than just trying to alleviate the recent tensions. Ms. Tohler feels that more investment into public engagement, other than the bare minimum of public testimony, would be useful for the people who are going to be most affected. She believes this would help AIDEA have a better idea of the opinions of the communities and not just those who provide public testimony. Ms. Tohler agreed with the previous comments and would appreciate open meetings that conform to the Open Meetings Act, including more public notice.

Melissa Heuer, Executive Director Susitna River Coalition, Talkeetna, expressed her support in putting time and resources into improving AIDEA's public engagement plan and policy. She noted that she has commented and participated at many AIDEA meetings over the last two years and there is little, if any, weight given to the public process. The meetings have mainly occurred in executive session and even with overwhelming public support or opposition to a project, the Board often votes in unanimous opposition to public comments.

Ms. Heuer discussed that slide seven in the presentation deck for today states that the Open Meetings Act is to ensure that decisions made and actions taken are public knowledge and represent the will of the public that the governing body serves. Ms. Heuer stated that review of the previous meetings showed this is not the case. She is hopeful to see changes. She conveyed three suggestions moving forward. The first is to set hard start times for both AIDEA and Alaska Energy Authority (AEA) meetings. The outdated rough start times does little to help with the public who are trying to schedule their day. Other organizations have regular start times and it is important that AIDEA and AEA, as separate entities, both have standing separate start times for their Board meetings.

Ms. Heuer described the second suggestion is to bring public citizens into the discussions as part of the work to move the resolution forward. She stated she is happy to volunteer, as others would be, to join the meetings to improve the organization by providing an outside public perspective. Ms. Heuer noted the third suggestion is the lines between Board member perks and private development money. She stated that Board members who own property or conduct any of the contract work for shareholders and/or any of the development companies should recuse themselves from voting on or discussing projects where they have a clear conflict of interest. Ms. Heuer expressed appreciation to the Board for addressing this issue. The lack of transparency between AIDEA and the public leaves a lot of room for improvement and she is eager to see the changes.

Margi Dashevsky, Regenerative Economy Coordinator for Fairbanks Climate Action Coalition, and lifelong Alaskan, noted that she will speak on what a robust public process looks like. She first shared her personal experiences with AIDEA showing what a robust public process does not look like. Ms. Dashevsky commented that it is incredibly hard to navigate the public comment input system, which means that regular people are completely unaware of what is going on and unable to have their concerns heard.

Ms. Dashevsky discussed that the purpose of public engagement is to understand the opinions of the community members who are going to be most impacted by the decisions being made, and to have the opinions actually influence the decisions made. She stated it is incredibly difficult to spend time and effort to earnestly try and improve the process and decisions when the outcome is predetermined and the Board proceeds with the plans, regardless of what the public says. She noted that previous public testimony has ended abruptly with people still on the line commenting on the Ambler Road. Ms. Dashevsky believes that the Board Chair closed that meeting saying, "I don't give a shit."

Ms. Dashevsky stated that public process is not when special meetings are called with less than two days' notice before Christmas and in the midst of power outages due to a wind storm. Ms. Dashevsky conveyed she only had seven hours to submit written public comment about the Arctic Refuge leases. She believes that decisions are being made before, during, and after Board meetings, and within the illegal executive sessions that the public is not privy to, and does not represent the will of the Alaskan public, to which AIDEA is legally obligated.

Ms. Dashevsky had hoped to be able to comment on the Arctic Refuge seismic process during this Board meeting that has already been decided and contracts are being awarded. The press release, once again, does not address any of the public comments that AIDEA received in opposition. Ms. Dashevsky requested to know when there will be future opportunities for the Board to walk-the-talk, in terms of public engagement with regard to the Arctic Refuge. She believes a robust public process will strengthen the decisions that are made and increase the profitability of the investments. The purpose of gathering the information is to improve the project outcome and provide a chance for the public to be able to enhance the policy, practices and dialog for a driving future.

Chair Pruhs informed Ms. Dashevsky that she had 15 seconds remaining for comments.

Ms. Dashevsky noted that slide seven claims that deliberation and action by AIDEA's Board occurs during public session and no decisions are made during executive session. She stated that her experience has been contrary to that.

Chair Pruhs informed that he will have to end Ms. Dashevsky's comments because she has exceeded the two-minute allotment.

Shannon Donahue noted that she is a staff member of Southeast Alaska Conservation Council and is a Haines resident, who is impacted by projects financed by AIDEA. Ms. Donahue stated that she is testifying on the public engagement study. She has attended most of AIDEA's meetings over the last few years and noted that attending and testifying is not easy. The meetings

do not have a precise start time and it is odious and burdensome for the public to sit through an unrelated AEA meeting to get to the AIDEA meeting.

Ms. Donahue expressed appreciation for AIDEA providing an estimated start time today and for updating the website. She stated that this practice is still an unacceptable way to run a public meeting. A more reasonable way to run a meeting is to schedule AEA and AIDEA meetings separately. She recognizes that the Board members are busy, but so are Alaskans. It is unreasonable to expect the public to wait and see when the meeting will start. This is not in the spirit of the Open Meetings Act.

Ms. Donahue stated that much of the business conducted in executive session is followed by unanimous votes that lack public discussion and ignore public comments. Last year, when the Board voted to bid on oil leases in the Arctic National Wildlife Refuge, public comments were arbitrarily cut off, while impacted Alaskans were still waiting to testify. Ms. Donahue said the public jumped through hoops to engage with the Board and expected to testify. She believes the one-hour allocation for public comment is arbitrary and disenfranchises Alaskans. The two-minute allocation for public comment is too short for meaningful testimony.

Ms. Donahue expressed appreciation for the attention the Board is giving to improving public engagement. The presentation cites building trust and reaching populations in potential project areas. She is phoning in from Haines where AIDEA is proposing an ore terminal to be built with heavy industrial traffic. Ms. Donahue noted that AIDEA has presented to the community twice this year and appreciates their presentations. She noted that the presentations lacked details on what is envisioned for an ore terminal. Ms. Donahue believes this is PR and is not substantive public engagement. She said if AIDEA wants to build trust, then details of the proposed project need to be discussed. The public wants to hear details. The public has seen the lack of AIDEA's engagement in Skagway as they are dealing with legacy contamination from their ore terminal.

Ms. Donahue believes Alaskans deserve thoughtful, thorough engagement from the AIDEA Board and not public relations. She looks forward to seeing AIDEA improvement public engagement and hopes the initiative becomes more than just lip service.

Dimitri Shein, Executive Director of Alaska Electric Vehicle Association, expressed support for Resolution G21-24 in striving to promote communication and public engagement. He believes AIDEA should explore the possibility of providing a loan to AEA to build fast charging in Alaska. Recently, AEA received over 20 applications from Alaskan businesses who wanted to install fast chargers at their location. AEA is only funding nine of the sites from Homer to Fairbanks. Mr. Shein noted that if the applications were open to all of Alaska, AEA would have received over 100 applications. The need and demand for fast chargers for Alaskans well exceeded the funding.

Mr. Shein stated that unfortunately, the application failed that AEA submitted last year for available Department of Energy (DOE) grants. This year, AEA did not submit an application for the \$10 million of available DOE grants because they were unable to bring in the private industry needed. Mr. Shein believes it is unacceptable that AEA did not submit an application. He discussed that the applications need to be submitted in order to attract private industry to Alaska, including Tesla and Rivian. He believes this creates investment in the state.

Mr. Shein noted that AEA is poised to have part of the infrastructure money because AEA is not submitting the required applications. Because of this, he believes AIDEA will have no choice, but to give a loan to AEA to fund the charging station applicants, which could have been funded by the federal government. Mr. Shein strongly encouraged the Board to figure out how to submit important grant applications to bring in investment to the state.

There being no further public comments, Chair Pruhs closed public comments.

5. PRIOR MINUTES – June 23, 2021

MOTION: A motion was made by Mr. Kendig to approve the Minutes of June 23, 2021. Motion seconded by Ms. Sande.

Ms. MacKinnon noted that there is an error on page six, paragraph four, indicating that Mr. Fogle commented that the Budget and Audit Subcommittee (BAS) meeting was chaired by Morgan Neff, Chief Investment Officer AIDEA. Ms. MacKinnon clarified and corrected that the specific BAS meeting referenced in the minutes was not chaired by Mr. Neff. Chair Pruhs asked Alan Weitzner, Executive Director, if he understood the correction. Mr. Weitzner agreed.

The motion to approve the Minutes of June 23, 2021, as corrected to clarify that Mr. Neff did not chair the referenced BAS meeting, passed without objection.

6. NEW BUSINESS

6A. Resolution G21-20 Appointment of Officer

Mr. Weitzner advised that Resolution G21-20 relates to the appointment of David H. Heimke as Chief Operating Officer and Assistant Secretary Treasurer of the Authority. Mr. Weitzner expressed that staff is delighted to have Mr. Heimke join the team. He asked Mr. Heimke to come to the table to answer any questions. Mr. Weitzner noted that Mr. Heimke brings with him engineering and team-working skills that will prove beneficial in growing the organization. He stated that Mr. Heimke has a proven track record in successfully navigating the complex engagement issues with multiple stakeholders across Alaska. As AIDEA broadens its different infrastructure development and loan programs, Mr. Heimke is a key stakeholder within AIDEA's leadership team in addressing those issues. Mr. Weitzner looks forward to Mr. Heimke's involvement. He briefly described Mr. Heimke's background and previous employment as Executive Vice-President of Risk and Engineering with Alyeska Pipeline Service Company, as well as with UNICOM, and his own company HLH Communications. Mr. Weitzner welcomed Mr. Heimke to AIDEA.

Chair Pruhs welcomed Mr. Heimke and requested that he speak about himself. Mr. Heimke discussed that he originally came from Michigan, which has a heavy mining history that dates before the Civil War. He noted that the copper mining industry crashed when he was young. Mr. Heimke stated he came to Alaska in 1985, as a logger out on the Yukon River in Galena. He worked for ITT and Arctic Services early in his career in the South Pole Station in the Antarctic. Mr. Heimke discussed his strong desire to come back to Alaska, and he has been a permanent

Alaskan resident since 1989. He has a Bachelor's Degree and a Master's Degree in Electrical Engineering from University of Alaska Fairbanks.

Mr. Heimke described that he then transitioned into remote and rural telecommunications and worked for Sea Lion Corporation out of Hooper Bay and UNICOM. The companies delivered the first internet service into Bethel. Mr. Heimke was involved in responding to issues with telemedicine to assist with the first broadband telemedicine network in the YK Delta. Mr. Heimke noted his extensive background in community engagement during that time. The TERRA network system ultimately was bought by GCI.

Mr. Heimke discussed that he owned a consulting business for a number of years before transitioning into a position at Alyeska Pipeline about 11 years ago. He indicated that his experience included extensive stakeholder engagement and fiduciary responsibility. Mr. Heimke explained that he has been watching AEA and AIDEA for many years as an Alaskan citizen and he believes in the mission.

Vice-Chair Karl welcomed Mr. Heimke. He believes that Mr. Heimke's experience with Alyeska Pipeline is a benefit and that he will be a very good fit.

Chair Pruhs welcomed Mr. Heimke to the team. He believes this is a good decision for AIDEA and strengthens the talent to implement AIDEA's mission. Chair Pruhs looks forward to working with Mr. Heimke for the benefits of the residents of Alaska. Chair Pruhs advised that Board members are available to answer any of Mr. Heimke's questions and that the Board members are available to help AIDEA become better.

MOTION: A motion was made by Mr. Kendig to approve Resolution G21-20. Motion seconded by Mr. Fogle.

Mr. Fogle asked Mr. Heimke and Mr. Weitzner regarding their goals for AIDEA and impacts to AIDEA while at the organization. Mr. Heimke discussed that Alaska is a resource-strong state. He stated that much of his work while in Alaska has been infrastructure-based. The telemedicine work in the Yukon-Kuskokwim Delta had a strong impact and was fulfilling to engage with the individuals, village councils, and city councils for the long-term benefit. Mr. Heimke commented that his intent is to fulfill AIDEA's mission in concert with Mr. Weitzner's executive direction and the Board's pleasure to continue to provide for Alaskans' future and to benefit from the wealth of the state and the people. Mr. Heimke conveyed that he listened carefully to the public comments today and looks forward to the part of the mission to let the public know that AIDEA is engaged and is listening to public input. He reflected on past experience at UNICOM when he engaged with the villages and listening to their inputs and modifying the designs appropriately to meet their needs. Mr. Heimke believes his UNICOM experience and his executive experience from Alyeska Pipeline will be beneficial throughout the state.

Mr. Weitzner added that discussions occurred internally with staff and with the Board about the tangible benefits to Alaskans that come from AIDEA's investments. In order for staff to be able to deliver on those benefits, staff needs to have a balanced mix of experience and competence to address the different projects. AIDEA plays a critical role within the state as being a lead investor in new areas of infrastructure and providing a structure in areas of local partnership. Mr.

Weitzner believes that the addition of Mr. Heimke expands AIDEA's ability to deliver on those tangible benefits for Alaskans and to be able grow the investments for the state. Mr. Weitzner expressed appreciation to the Board for the ability to define these roles within the organization and to bring in people like Mr. Heimke.

A roll call was taken, and the motion to approve Resolution G21-20 passed unanimously.

6B. Resolution G21-24 Public Engagement Plan & Presentation

Mr. Weitzner explained that Resolution G21-24 is in support of a public engagement plan. The attached presentation has been prepared by the Communications Director Colleen Bryan. This effort is in large part to follow up on previous meeting comments regarding AIDEA's engagement with the public in order to be responsive and address particular public comment issues by providing broader information. Mr. Weitzner believes this plan is a key element to active engagement and will provide tangible follow up to the public.

Mr. Weitzner requested that Ms. Bryan review the presentation on public engagement. Ms. Bryan shared that she has been the Communications Director with AIDEA for about eight months. She discussed that she is very familiar with the names of the members of the public who commented earlier today. Ms. Bryan noted that she has had recurring interaction with many passionate individuals who want to know what is best for Alaska and who want to be involved and actively participate in the process of economic development for the state. Ms. Bryan reviewed that she has read all of the numerous public comments that AIDEA has received. She believes that the public wants to be informed and the public may feel like there have been barriers to receiving communication and to participation.

Ms. Bryan discussed that the proposed plan before the Board today is intended to alleviate some of the public barriers and to improve the ways AIDEA engages with the public. This will allow for a more informed public and will offer ways that the public can take a more active role in the future of economic development for Alaska as it fits within AIDEA's purview. Ms. Bryan described the outline of today's presentation, which is included in the packet; AIDEA Overview, Public Engagement, Methods & Tools, Open Meetings Act, Summary & Next Steps Discussion.

Ms. Bryan discussed AIDEA's mission is to promote, develop, and advance general prosperity for Alaskans by making investments and offering different financing tools to Alaskans. AIDEA was established by the Legislature in 1967 to offer conduit revenue bonds and has expanded to ensure that wide arrays of financing tools are available to individuals, communities, and businesses throughout the state. AIDEA is a public corporation, which is part of the Department of Commerce, Community, and Economic Development. AIDEA is governed by the seven-member Board.

Ms. Bryan noted that during her tenure with AIDEA, she has noticed public confusion and misperceptions regarding AIDEA's roles and responsibilities. She explained that AIDEA has a public purpose as a public corporation, but functions in large part as a private business. Other public corporations in Alaska include the Alaska Permanent Fund Corporation, Alaska Housing Financing Corporation, and the Alaska Railroad. Ms. Bryan explained the financial returns from

AIDEA's investments are placed either in AIDEA's pool of funds to then be reinvested or issued as dividends to the State of Alaska as unrestricted general funds.

Ms. Bryan highlighted previous public comments that AIDEA has taken State funds for various projects. AIDEA has declared over \$439 million in dividends to the State's general fund since 1997, which helps to support programs and services that are offered throughout the state, and may become projects for healthcare, education, and public safety. Ms. Bryan explained that AIDEA is Alaska's development and finance authority, whose job is to listen to Alaskans and businesses to understand their economic priorities. These priorities include tourism, infrastructure, transportation, or recreation. Ms. Bryan expressed that AIDEA is open for business. She wants the public to understand clearly from today's messaging that AIDEA is a resource for offering financing and development throughout the state to create jobs and to grow the economy.

Ms. Bryan discussed that AIDEA is open to receiving ideas regarding economic pursuits. The potential projects have to be sustainable financial investments that generate returns and the potential projects have to create tangible benefits for Alaska and its communities with community support and community engagement. Ms. Bryan reviewed that public engagement is also known as public involvement and community outreach. The underlying focus describes a broad range of methods that provide opportunities for people to be informed, and to provide and receive feedback. Ms. Bryan expressed that public engagement is important because it informs all of the decisions made by AIDEA as an investment entity. It is necessary to have the foundation of good communication by providing the right kinds of tools and opportunities for people to participate.

Ms. Bryan reviewed that by creating an effective public engagement plan, AIDEA is looking to build trust with the public. This is accomplished through fair access for opportunities for engagement within the communities, utilizing in-person meetings, Zoom meetings, and telephonic outreach.

Chair Pruhs commented that his experience is that the portion of the public who are worried about trust are typically the portion of the public who are opposed to the specific project that the Board is reviewing at that time and they are looking for problems or a rationale to justify AIDEA's reasons for action. Ms. Bryan agreed. Chair Pruhs noted for the record that it is inaccurate to say everybody in the state of Alaska doesn't trust AIDEA. He stated that it is expected that when things do not go the way a certain group wants them to go and when they have a different opinion from AIDEA, they may want to try to manipulate anything they can to make things go their way. Chair Pruhs does not blame them and would do the same thing.

Ms. Bryan expressed the importance that AIDEA provides the opportunity to give feedback, even though their feedback and opinions may not personally or organizationally align with AIDEA. She believes there is value in giving people the opportunity to state their opinions and identify their concerns, which ultimately helps to form the design of projects. Ms. Bryan discussed that people are genuinely interested in AIDEA and staff wants to provide as many opportunities as possible to be heard and feel heard.

Chair Pruhs requested additional information regarding the process requirements necessary for AIDEA to be involved in an infrastructure project within a political subdivision. Mr. Weitzner explained that Statute 44.88.177 indicates that AIDEA is required to have the support of the local community's governing body for any of AIDEA's investment activity under the economic development account, which includes most of AIDEA's development project financing. Chair Pruhs asked for the ways that support is garnered. Mr. Weitzner conveyed that AIDEA traditionally has resolutions that are passed by the local governing body, including the local assembly, the borough assembly, or the municipality. Letters of support from the local governing body are also received.

Chair Pruhs inquired the same question with regard to nonpolitical subdivisions. Mr. Weitzner informed that AIDEA then goes to the general stakeholders that are in the region of the project being developed. Mr. Weitzner explained that AIDEA is a financing tool and so it is always the situation that someone has approach AIDEA about collaborating on a specific development project within a local community. AIDEA works with a project and identifies the specific stakeholder. There is an element of engaging with the stakeholders and getting their feedback. One form of the feedback and support is through the town hall structures. Mr. Weitzner discussed that the element of public trust comes through communication and explanation of the project and by addressing open questions. He believes that there are some cases where misunderstanding may have led to a lack of trust. Mr. Weitzner noted that through public engagement, staff is able to directly answer questions and hear the public's perspective.

Chair Pruhs identified that some projects are given to AIDEA by the State through the Legislature and then community engagement follows. Chair Pruhs asked if it is accurate to say that AIDEA is actually an arm of the State of Alaska Legislature on some programs. Mr. Weitzner agreed. He gave the example of the Skagway Ore Terminal. Mr. Weitzner explained that because of the issues that were present in the early 1990's and the environmental issues with levels of lead and zinc that were faced by the owner of the terminal at that point in time, the City of Skagway could not remain as the ongoing owner of that ore terminal. AIDEA was directed by the Governor and the Legislature to acquire the terminal and continue the operations. AIDEA then made significant changes and allocated additional capital for investment. AIDEA implemented responsible management and since that point in time, there have been no further lead or zinc concentrations.

Chair Pruhs requested additional information regarding how staff proposes to handle conflicts between user groups. Ms. Bryan believes the first step is to start with the open dialog. She discussed that being in the community as much as possible can alleviate some of the tension that comes from having differing opinions. Ms. Bryan feels that people are often times more embolden to say things in writing with a certain level of anonymity that they may not say face-to-face. She believes that everyone is coming from a position of trying to identify what they think is valuable and what they think is most important. Ms. Bryan thinks the differing opinions are rooted in a conflict of values. She believes that when that type of dynamic is humanized by meeting in-person, particularly through town halls and face-to-face communication, the accomplishment is for the parties to leave the meeting feeling heard and respected, even if there is no agreement and their positions are unchanged.

Chair Pruhs requested additional discussion. He asked if AIDEA's role is as the arbitrator regarding conflicts between user groups. He gave an example of conflicts between commercial fishing user groups versus sport fishing user groups. Chair Pruhs noted that AIDEA has to undergo a balancing act between user groups for projects. He asked about the ways AIDEA would facilitate that conflict between user groups to a trustworthy resolution. Ms. Bryan responded that staff would look to the project team, the identified stakeholders, and help to provide open communication to create unique solutions with the project staff for the individual projects. Mr. Weitzner agreed. He discussed that there is a balance that depends on the project team management and Board discussions regarding ways to find the fine line between the different groups. This process is a component of the deal structure, which includes the right financing and community support for the investment.

Chair Pruhs discussed the example of the Haines dock. He noted that the Haines dock is substandard. There is an opportunity from the Palmer Mining District to produce ore that needs to get shipped to get processed. Mr. Weitzner explained that the Haines dock needs a deep water port. AIDEA was asked by the Haines Chamber of Commerce and the Borough Assembly about financing for the rehabilitation of the dock. One of the opportunities attached with the dock restructuring project is commercial activity for the dock, which would be a source of revenue to support financing.

Chair Pruhs discussed that the perception is that AIDEA is the proponent of the project and thus receives the opposition testimony. Whereas AIDEA is actually the finance development organization, whose mission is to facilitate the project. Chair Pruhs noted his concern that AIDEA gets in the middle of the conflict in the Haines community. Mr. Weitzner agreed. He asked for ways that AIDEA can stay above the conflict and let the community decide whether or not to utilize the tools that AIDEA can provide or to use tools from a third-party.

Chair Pruhs believes that the communications plan needs to immediately ensure that any new projects and existing projects that come before the Board are clear that AIDEA is not placed in the middle of community conflict. He asked staff to be sensitive to that request to identify that everyone knows that AIDEA is owned by the State and its role is to facilitate utilizing their available tools. Chair Pruhs reiterated that AIDEA does not want to be involved in a community resource fight. AIDEA is on the sidelines ready to help if the project and community request assistance.

Chair Pruhs discussed the importance of AIDEA communicating the different ways it can help, while not being involved in the determination of whether or not a project is justified within the community. He does not believe that is the role of AIDEA. Mr. Weitzner explained that staff addresses that particular concern by defining AIDEA's role. Under statute, AIDEA serves a function that works with the private sector in a public/private partnership to arrange financing for the state's infrastructure so there is not reliance on the State's undesignated general fund (UGF) or on the State's bonding to pay for these projects. Mr. Weitzner noted that AIDEA frames projects on the basis of working with commercial parties and working with the private sector as a financial tool. He believes that this gets interpreted as AIDEA promoting that type of commercial activity.

Chair Pruhs commented that he has not witnessed that neither Key Bank or Wells Fargo has been blamed for financing an infrastructure project. Mr. Weitzner agreed that is a key point and observation. He noted that this is one of the issues that falls to AIDEA because the project is not actively engaging to develop solutions. It is part of AIDEA's role to work with the communities to find solutions.

Mr. Kendig believes that members have all viewed the emails between some of the stakeholders in Haines and Mr. Weitzner and Ms. Bryan. Mr. Kendig thinks that Chair Pruhs is requesting that the conversation is changed to direct the stakeholders to talk to the local municipality or the borough about project concerns, since AIDEA is merely the facilitator of the financing arm. Mr. Kendig noted that he has not seen the email discussions phrased in this manner.

Ms. MacKinnon asked if it would be fair to say that part of the communication plan will include capturing meaningful feedback and bringing that feedback before the Board. No response was provided. Ms. MacKinnon added that during discussion on the financing positions, the Board can then understand how the community feels and can have a response regarding the considerations made. Ms. MacKinnon commented that she has been on the Board for over a year and understands the community's frustration and takeaways from their engagement with AIDEA. She commented that the public may not have all of the information that the Board has received. Ms. MacKinnon noted that the perception is that AIDEA has an opportunity to improve and that this is one tool in public engagement that Ms. Bryan would like AIDEA to begin to utilize.

Ms. MacKinnon commented that when AIDEA hears and documents what the public is saying in a manner that can be reviewed, then the hope is that the public will have improved trust and confidence that AIDEA heard what they said, even if there may not be alignment or agreement with the individual public comment. Ms. MacKinnon gave the example of public comments that were given that concerned the Porcupine Caribou herd and the worries about migration patterns and calving. Ms. MacKinnon noted that the Board had a document in its possession from another indigenous interested party that delineated the specific time period when the calving occurs, which was a different time period than what the public was expressing occurs and that the project would interrupt. Ms. MacKinnon supports the idea of capturing the public's meaningful feedback and the ability to share the considerations that AIDEA takes in making decisions. Ms. MacKinnon commented that she understands the frustrations and respects the positions of the public. She noted that sometimes the public is providing information that is not current and that is sometimes inaccurate. Other times, the public has an issue that is spot-on and that the Board needs to address.

Ms. MacKinnon reiterated AIDEA's need to capture meaningful feedback and to reflect on the reasons why a particular issue is more important or less important as a financing decision is made. Ms. MacKinnon discussed the need for AIDEA to establish a framework of agreed upon facts with the public that will be utilized in the decision-making process. She referenced her example of the comments regarding the Porcupine Caribou herd and stated that if AIDEA staff had an opportunity to engage with the people that were saying that the migration of the herd would be endangered by activity that occurred in December, staff could identify that the historical data used in the decision-making establishes that the migration happens in July. Ms. MacKinnon understands that the process takes time and that the public may not be able to follow along because of how quickly a project can advance. Ms. MacKinnon asked Ms. Bryan to

discuss staff's thoughts on how to engage the public and subsequently, capture and report the public's findings to both the Board and to the stakeholders.

Ms. Bryan discussed the public education component relating to the types of programs and projects in which AIDEA is involved. She believes that AIDEA staff and Board members have to be good ambassadors of AIDEA. This includes having accurate information to be able to share with the public. She believes this will widen the net as a trusted source for economic development and responsible stewards of the state. Ms. Bryan noted that capturing meaningful information is important to making data-driven decisions and is critical for public transparency. Ms. Bryan discussed the occurrence of echo chambers, whereby people tend to seek out information that reinforces already existing beliefs. She believes that if staff is able to cast a much wider net for public engagement, then the result will be a more accurate representation of what most Alaskans believe on certain subjects.

Ms. Bryan indicated that the typical public comment is at either end of the spectrum; people who are extremely opposed to a project or people who are extremely in favor of the project. She noted that staff also wants to know the opinions and the beliefs of the people in between the two spectrums. Ms. Bryan believes that having a robust public engagement program, including the tools to reach a variety of Alaskans geographically and in terms of opinions and priorities, will provide the feedback to show that AIDEA's investments and decision-making aligns with what is going to be economically best for Alaska moving forward.

Chair Pruhs believes there is a difference between a finance project and an investment project. He discussed that AIDEA's communication plan should be completely different based on whether AIDEA is considering investing in a project or considering owning a project. Chair Pruhs suggested that there could be a subset of those distinctions. He thinks that the communication path is different for an ownership stake like Ambler Road, versus financing a project for a community, who are the proponents of the project seeking long-term financing, like the IGU project. Mr. Weitzner agreed that is a good distinction and that there is a distinction between the depth of the discussion that needs to take place in each case.

Ms. Bryan continued the presentation showing key categories for improvements; audience understanding, messaging, frequency, and tools. She discussed the importance of understanding that the audience and stakeholders are unique to each program and project. The approach will be different depending on the audience, in order to understand the audience's concerns and priorities and how they are looking to best utilize AIDEA as a resource. Ms. Bryan believes that messaging focuses on both what the message says and how the message is delivered. The delivery of the messaging can include the use of videos, animation, and graphics in order to communicate complex ideas. Ms. Bryan commented that AIDEA processes may be complicated to folks who do not have a financial background. She sees herself as a translator between the subject matter experts and project managers and then communicating that information to the public. She believes that if people do not understand, then it can feel like information is being withheld.

Ms. Bryan discussed the importance of the frequency of communication and availability of information. The tools that are adopted and implemented for public engagement should be sustainable and allow people to opt-in to the types of communication they want to receive. This

option is similar to a list serve service in which a person can identify on which subjects they want to receive information and the frequency in which to receive that information. This is not a one-size-fits-all approach and it will utilize various methods and tools.

Ms. Bryan noted that AIDEA has historically relied heavily on traditional methods of communications with press releases and the website. These methods will continue to be part of the plan going forward. The intent is to diversify and to modernize the ways in which AIDEA communicates and engages with the public. Ms. Bryan discussed and described the digital, print and broadcast tools that will be used. These include e-newsletters/e-blasts, digital and hard copy ways to submit public comment, project specific websites, improvements to the AIDEA website to make it more user-friendly, both organic and paid use of social media, email and text notifications, the use of digital and hard copy surveys and results on dashboards and within reports, hard copy mailers and radio communication for rural communities, and NextDoor app for local areas. These tools provide a modern and comprehensive approach to public content. Ms. Bryan believes that the public expects this type of custom experience with content.

Ms. Bryan discussed the elements of in-person, virtual gatherings, sponsorships and volunteering. She noted that due to the Covid-19 pandemic, some communities are conducting in-person meetings and some communities are conducting virtual meetings. Ms. Bryan believes it is important for AIDEA staff to be active in the community to show that staff lives in Alaska and cares about wanting good things to happen within Alaskan neighborhoods and communities.

Mr. Weitzner highlighted that one of the issues for community engagement is that the ways people are communicating and looking for information is actively and rapidly growing. AIDEA's main portal and systems were last updated in 2010. The recent portal creation was implemented to interact for the AK Cares Program. Mr. Weitzner discussed that new tools reflecting the most effective ways of engagement need to be created and implemented. He noted the increased requests for data and AIDEA's current slow response in providing the information due to the paper-based form of information stockpiling. Within the last year, AIDEA has utilized a digital documentation system in order to be more responsive to the community and to be more effective in transmitting information internally.

Commissioner Anderson believes this public engagement plan is an excellent and ambitious idea. She requested additional information regarding the budget and timing that is necessary in order to fully implement the plan. Ms. Bryan noted that subject will be discussed in more detail later in the presentation and requested that she respond fully at that time. There was no objection.

Ms. Bryan continued to the next slide regarding the Open Meetings Act. She noted that she is not a lawyer. AIDEA is a public corporation of the State and it is within AIDEA's purview to be in compliance with the Open Meetings Act. AIDEA is a unique organization and there may be public confusion as to what AIDEA is and what rules apply to AIDEA. Ms. Bryan explained that AIDEA is an economic development and financing-based organization. She often compares AIDEA to an investment firm or to a bank. The financial information provided to AIDEA by borrowers is sensitive in nature. She noted that some people have been critical regarding AIDEA's use of executive session. Ms. Bryan informed that AIDEA uses executive session to discuss sensitive financial information, including income, social security numbers, home

addresses, length of occupancy, and other specific financial information used to evaluate a project.

Mr. Weitzner added that AIDEA is unique in that it includes a confidentiality statute outlined in 44.88.215. The statute addresses the issues and the information that is required to be held confidential. This allows for AIDEA to engage in partnerships with corporations who share their business plans with AIDEA. This information, if made available to the public, could put the corporation in a compromising situation regarding future investments and ongoing operations. Mr. Weitzner noted that AIDEA is required to keep a broad set of information confidential.

Ms. Bryan reviewed the slide listing some of the requirements of the Open Meetings Act and the ways that AIDEA is complying with those requirements. This includes providing and publishing linked meeting agendas on the website with sufficient notice to access the information. There is a dedicated section of the website for Board related items.

Ms. Bryan discussed the importance for AIDEA to invest in resources to create more meaningful and active public engagement and communication. She reported that the public is very interested in AIDEA's projects and wants to be active in the process. Ms. Bryan believes this is positive and wants to encourage the public's excitement and desire for information. She informed that the resolution before the Board today addresses the public engagement plan. Ms. Bryan discussed Commissioner Anderson's previous question regarding pricing. Staff is proposing that AIDEA conduct a competitive procurement and select one provider to streamline some of the tools and key features of the plan listed in the presentation. Supplementation can occur when needed. Mr. Weitzner discussed that the allocation that is currently within the budget is approximately \$60,000, which encompasses the general tools to support Ms. Bryan's functions for communications and engagement with the public.

Commissioner Anderson asked regarding the implementation timeline. Ms. Bryan indicated that implementation will begin as soon as possible. Work has already begun with the current resources. Ms. Bryan highlighted that a robust and active public engagement plan is essential in order to grow AIDEA and to rebuild trust. The hope is to submit the procurement within six to eight weeks and to continue to work on planning the implementation. Commissioner Anderson believes this is a good step forward.

Ms. Sande expressed appreciation for the presentation. She hopes that members of the public recognize that this is one of the many things that staff has done and continues to do in response to public comments in efforts to solve problems. Ms. Sande stated she can appreciate the comment that Ms. Bryan views herself as a translator. Ms. Sande noted that she became a Board member without a finance background and can understand the potential for a disconnect in communication. Ms. Sande expressed appreciation for the comment from Chair Pruhs making the distinction between the projects that AIDEA finances and the projects that AIDEA owns or maintains ownership interest. She believes the responses to public engagement for each category should be different. Ms. Sande expressed support for the budgeted amount and agreed that the timeline should begin as soon as possible.

MOTION: A motion was made by Mr. Kendig to approve Resolution G21-24. Motion seconded by Ms. Sande.

A roll call was taken, and the motion to approve Resolution G21-24 passed unanimously.

MOTION: A motion was made by Mr. Kendig to enter into Executive Session to discuss confidential matters related to the BlueCrest Alaska Operating LLC, Alaska SMC LLC, and Mustang Holding LLC Divestiture. This is supported by the Open Meetings Act, AS 44.62.310, which allows a Board to consider confidential matters in executive session. In this case, the Board believes that these are subjects which would have an adverse effect upon the finances of AIDEA or are protected by law, due to the rules protecting personal privacy and certain business information. Motion seconded by Mr. Fogle.

The motion was approved without objection.

6C. EXECUTIVE SESSION: 12:14 pm

Confidential matters related to the BlueCrest Alaska Operating LLC, Alaska SMC LLC, and Mustang Holding LLC Divestiture

The Board reconvened its regular meeting at 3:35 pm. Chair Pruhs advised that the Board did not take any formal actions on matters discussed while in executive session.

Chair Pruhs requested that the agenda be modified to read Item 6D. Resolution G21-21 BlueCrest Alaska Operating LLC, and Item 6E. Resolution G21-17 Mustang Holding LLC Divestiture.

MOTION: A motion was made by Mr. Fogle to amend the agenda to read Item 6D. Resolution G21-21 BlueCrest Alaska Operating LLC, and Item 6E. Resolution G21-17 Mustang Holding LLC Divestiture. Motion seconded by Mr. Kendig.

Mr. Weitzner informed that staff has already posted the amended agenda with attachments to the website so it is accessible by the public.

There was no objection.

6D. Resolution G21-21 BlueCrest Alaska Operating LLC

Chair Pruhs stated that Resolution G21-21 approves amendments to loan agreements with BlueCrest Alaska Operating LLC and co-borrowers. Mr. Weitzner explained that the Board is aware from previous modification requests by BlueCrest Alaska Operating LLC and co-borrowers that they were initially very much impacted by the reduction in oil prices that occurred as the Covid-19 pandemic developed. BlueCrest has since been reviewing how they are able to restart the development of the field. The previous extension of the modification was approved in April 2021 and extended through August 1. Mr. Weitzner informed that BlueCrest is returning to request a forbearance extension for 12 months. This is due to continued impacts from the Covid-19 pandemic, even with the increase in oil prices.

Mr. Weitzner explained that the resolution includes a proposal from staff that would provide an extension of the 12-month basis and apply the payments to the principal balance, rather than the payments apply to interest-only. Mr. Weitzner requested Mr. Neff provide additional background

information. Mr. Neff clarified that the resolution states that the interest will be applied to the principal, but the interest payments will stay as they are today. Mr. Neff reiterated that this operator has continued to be impacted by the Covid-19 pandemic, as well as the tax credit legislation that removed a substantial amount of liquidity from their forecast. From AIDEA's perspective, BlueCrest has been a very good borrower in good standing and has always made payments on time based on the existing or modified agreement.

Mr. Neff discussed that BlueCrest continues to produce oil and gas hydrocarbons, which continue to generate a substantial amount of royalty revenue for the state. To date, BlueCrest has generated approximately \$13.8 million in royalty revenue and have increased property values in the Kenai Peninsula Borough from \$699 million to approximately \$1.49 billion. BlueCrest still needs some relief from their loan and due to the recovery in oil and gas prices, they continue to evaluate options for further development, but they are continuing to produce their field as it is today. Mr. Neff expressed support for this resolution and requested Board approval.

Ms. MacKinnon asked how many tax credits were being held by BlueCrest. Mr. Neff stated that he does not know if that is public information. Staff is aware of how many tax credits BlueCrest holds. Mr. Neff informed that it is a substantial figure that drastically impacted their future liquidity and availability to develop this project.

Chair Pruhs commented that it is good that AIDEA is in a position to be able to help put Alaskans to work. The resolution deals with a combination of circumstances of tax credits, the Covid-19 pandemic, the price of oil, and low reserves. He appreciates that AIDEA can assist with some of these challenging loans for the benefit of the business and to keep Alaskans working.

MOTION: A motion was made by Mr. Kendig to approve Resolution G21-21. Motion seconded by Mr. Fogle.

Vice-Chair Karl informed that he will abstain from voting on this resolution due to a conflicting involvement.

A roll call was taken, and the motion to approve Resolution G21-21 passed unanimously, with Vice-Chair Karl abstaining.

6E. Resolution G21-17 Mustang Holding LLC Divestiture

Mr. Weitzner explained that Resolution G21-17 approves the monetization and/or divestiture of assets of, or the equity interests in, Mustang Holding LLC, and approving an amended 2021 Budget. Staff seeks the Board's guidance and approval to initiate a sales process of Mustang Holding, LLC, as the entity is a subsidiary of AIDEA. This was created from all the assets of Mustang Development that were owned by Caracol and operated at one time by Brooks Range Petroleum Corporation.

Mr. Weitzner discussed that AIDEA foreclosed on the assets in September 2020, and has been working with all the creditors and interested stakeholders in optimizing its value. AIDEA has stabilized the assets and has provided responsible oversight to the management of the fields and

to the budget that has been approved by the Board. Mr. Weitzner explained the process would be through a competitive sale and AIDEA would directly engage with parties. Staff will define a timeline and evaluation criteria related to the sales process.

Mr. Weitzner explained the second element of this request is to increase the budget in order to meet expenditures to manage the field responsibly through the end of the year. The proposed budget increase is \$500,000. The Board previously approved the budget of \$1.59 million. Mr. Weitzner requested Mr. Neff provide additional information. Mr. Neff discussed that the one-year anniversary of the foreclosure of the asset is approaching. The plan is to properly move forward and to monetize the asset by engaging with interested and qualified third parties that have the ability to properly develop the assets. Over time, the asset could generate in excess of \$200 million in royalty and tax revenue for the State. The acquisition process will be very competitive, robust, and available to everyone that is interested.

Mr. Neff explained that the proposed budget increase is in line with AIDEA's continued holding of the asset under ownership. A portion of the increased budget will be used for infrastructure preservation activities and to pay go-forward property taxes to the borough. This is unique because AIDEA has a statutory tax exemption. Additionally, the increase in budget is due to AIDEA's engagement of new council to assist with the review and proposal to monetize and dispose of this asset through a competitive bid process.

Chair Pruhs requested that staff provide a side-by-side comparison of the new budget and the proposed revised budget any time there is a proposal that contains budget revisions. Mr. Weitzner indicated that was provided in the confidential information that was attached. Chair Pruhs commented that the budget the Board approved was not confidential. Mr. Weitzner said staff can provide it. Chair Pruhs stated that the public should be able to see both the original budget that was approved and the proposed revised budget. He noted that the Board could then ask questions for the public's benefit based on the provided information. Mr. Weitzner indicated that staff can add the budget information that the Board members have to the resolution online so that the public can see a direct comparison.

MOTION: A motion was made by Mr. Kendig to approve Resolution G21-17. Motion seconded by Mr. Fogle.

Vice-Chair Karl advised that he will recuse himself on voting because of his involvement with the oil industry.

A roll call was taken, and the motion to approve Resolution G21-17 passed unanimously, with Vice-Chair Karl abstaining.

7. DIRECTORS COMMENTS

7A. Interior Energy Project Quarterly Report to Legislature (July 2021)

Mr. Weitzner informed that the provided Interior Energy Project Quarterly Report to the Alaska State Legislature was requested by the Board for review. AIDEA goes through the process of preparing this report with the assistance of Interior Gas Utility (IGU). Mr. Weitzner introduced

Mark Davis, AIDEA, who is responsible for overseeing the asset investment. Mr. Weitzner requested Mr. Davis to answer any Board questions.

Chair Pruhs asked if IGU has been meeting their proposed projections. Mr. Davis agreed and noted that the slow growth projections are being met. Mr. Davis explained that Fairbanks Natural Gas (FNG) initially had 1,107 customers and as of now, there are 1,448, which is basically on track. The projections that were included in the bond for the sale last year noted that customers could reach a maximum of 2,160 with the current situation. The anticipation is that an additional 250 customers should be added by November.

Mr. Davis discussed that IGU has been able to finish the North Pole storage facility. North Pole has their first 15 gas customers. The storage now has 20,000 gallons. IGU is using the water storage, which contains 2.7 million gallons. The contract with Hilcorp for the gas supply was signed in January. It is anticipated that three million gallons will be placed in the tank.

Chair Pruhs asked for the reason only three million gallons are being placed in a five-million-gallon tank. Mr. Davis explained that IGU noted that given the current load, three million gallons is the optimal amount to run the system. The full storage is meant to service up to 5,000 customers. Chair Pruhs asked for the project date to reach 2,100 customers. Mr. Davis informed that the 2,160 customer number does not include a projected date. That number is the maximum that could be used with the current system. The report indicates that IGU projects to add approximately 250 to 300 customers a year. Mr. Weitzner noted that the report indicates that by FY 2023, the projected customers reached is 2,143. Mr. Davis commented that at that point, IGU will need to begin adding more gas into storage.

Chair Pruhs asked if IGU received the tax credits for the facility. Mr. Davis responded that he does not believe they did, but he will have to confirm. Chair Pruhs noted that he thinks the credits expired and they did not receive them. He asked if that is reflected in their cash flow model. Mr. Davis noted that it was in the original model, but it has been backed out. The statement in the report is that current demand does not require IGU to fill to full capacity of 5.2 million gallons. IGU expects to increase the 2.7 million gallons to three million gallons by January.

Chair Pruhs asked if the three million gallons' amount is due to liquidity restriction. Mr. Davis disagreed and believes it is an operational decision. IGU has not utilized any of the \$11.7 million in bond proceeds. The plan for this winter is to spend \$1.53 million for gas distribution and mainline extensions. IGU has no intention at the present time to expand the Titan 2 plant, especially given the current demand and growth situation. Mr. Davis discussed that the key to conversion is the price of fuel, which is at \$3.05. The gas is about 8% less than fuel oil, which is not a big advantage. The projections are that fuel oil and gasoline prices will increase as Americans begin driving more. In Fairbanks, gasoline is at \$3.59 per gallon. Mr. Davis advised that the Borough's incentive program that contained \$1 million to help people convert from oil to gas has been exhausted. The conversions varied in price within the range of \$2,000 to \$10,000, depending upon the type of boiler.

Chair Pruhs asked if IGU is building a reserve with cash flow. Mr. Davis stated that they are cash flowing, but he does not believe they are building a reserve. The current loan has less than one

million dollars remaining. The next expenditure will focus on the mainline extensions and will provide additional service to the residential areas. The commercial customers have been attended to. Chair Pruhs asked when IGU anticipates putting money into a reserve account. Mr. Davis believes that once IGU gets close to 2,000 customers, they should be in a position to begin putting money into a reserve account.

Chair Pruhs inquired about the construction of Titan 3. Mr. Davis noted that additional discussion needs to occur and IGU can use the bond proceeds as they wish. He commented that he oversaw the Titan repairs during the acquisition and he would not expand the plant at this point because of the expensive cost and not having any customers. Mr. Davis believes that it is a good sign that IGU has put that plan on hold and they are focusing on the mainline extensions and signing up customers.

Mr. Weitzner advised that the quarterly report will be provided to Board members as it is updated.

7B. Board Resolution Report

Mr. Weitzner noted that the Board Resolution Report is provided in the packets and lists the current status of the resolutions that have been adopted by the Board. There were no questions.

7C. Loan Dashboard Report, Predevelopment Projects Quarterly Report

Mr. Weitzner highlighted that the Loan Dashboard Report is as of June 30, 2021. Updated information for July and August will be provided at the September 22, 2021 Board meeting. Mr. Weitzner reviewed that the anticipated funding for Swiftwater Creek was extended for an additional month to September 1, 2021. He noted that both of the RVIN AK, LLC pending applications listed on page 10 are still pending. The other applications listed are now pending commitments. Mr. Weitzner advised that the K&G Enterprises pending commitment listed with a pending due date of July 13, 2021, has been signed.

Mr. Weitzner discussed that AIDEA has undertaken approximately \$59.5 million in funding under the loan participation in FY21. The list of applicant names is contained in the report. He noted that the loan participations 10 years ago were about \$20 million per year. More activity has been seen this year due to the decrease in interest rates and the long-term fixed rate program. Mr. Weitzner advised that there are quite a few applications in place and staff anticipates the same level of volume for FY22.

Mr. Weitzner highlighted a key element for Board members is the loan balance delinquencies shown in orange on page 13. He explained that Tiffany Janssen, Commercial Finance Director, and Michelle McLean, Sr. Loan Servicer, and their team are reexamining the previous information and are correcting the earlier reports. Mr. Weitzner expressed the importance that this information is as current as possible. Efforts are underway to backdate the information through to the beginning of the year to get the full updates. This process is expected to be completed by the September Board meeting. Mr. Weitzner discussed that the program is performing very well. The delinquency numbers were in error because payments that were made

were not being applied. Staff is reexamining the system and correctly applying the payments. This has resulted in a reduction of delinquencies, in some cases, from 5% to below 1%.

Mr. Fogle expressed appreciation to Mr. Weitzner for the analysis and for retaining Ms. Janssen. He noted that the Board previously requested that Ms. Janssen be proactive with the list and to communicate with the entities who have received loan modifications. He asked if Ms. Janssen has contacted any of those businesses to understand their current condition. Mr. Weitzner indicated that staff are actively following up with the loans and are having conversations with the originating banks, and in some cases, the borrowers themselves, as well as with participants who are part of the direct finance program.

7D. Development Project Financing Report

Mr. Weitzner reviewed the Development Project Financing Report included in the packet. He noted that this is in a new format and he requested that the Board provide feedback. The intent of the change from a spreadsheet and matrix format to the individual pages is to be able to more easily present and share the information with the public. Mr. Weitzner discussed that staff was able to conduct a helicopter site visit of the Arctic and Bornite Deposits earlier this week. Staff met with NANA shareholders and was joined by the Governor, Commissioner Corri Feige, Joe Kemp, Program Manager, and others. Mr. Weitzner described that the tour provided a full appreciation of what is being developed in the territory and how the road is ultimately connecting with the development.

Chair Pruhs indicated that he was privileged to be able to attend the site visit. He added that there were three helicopters running trips all day for the attendees, who included geologists and environmentalists. He discussed that Covid-19 protocol was implemented to keep the camp safe and visitors had to have a negative test to attend. Chair Pruhs described the exploration camp as very clean and professional and he noted that the dollars are being spent toward a first class operation.

Mr. Weitzner added that staff was also joined by Linda Lee, Chairman of NANA, who gave particular insight into the development and how it is impacting NANA shareholders and the different communities. Chair Pruhs commented the he saw many NANA shareholders working onsite. There were no questions.

7E. AIDEA-AEA Organization Chart (Updated)

Mr. Weitzner informed that the provided organizational chart and structure was previously reviewed during the AEA meeting. He highlighted the role of Dave Heimke as Chief Operating Officer. The project operational assets of the organization are reporting to Mr. Heimke. The Chief Investment Officer and his staff are set up to provide oversight across the organization. The intent of AIDEA's organizational structure is to establish a functional foundation for growth with the necessary management oversight, mentoring, and leadership to facilitate working together as one team. Mr. Weitzner emphasized that the IT shared services play an important role in the efforts of digital transformation for AIDEA and AEA. The process takes time to transition from a paper-centric operation into a digital focused and productive approach to the internal

organizations. The IT shared services will report to Mr. Heimke on AIDEA's side. Mr. Weitzner is looking forward to positively impacting all forms of the organization's operations.

Chair Pruhs asked if Mr. Weitzner can speak to when some of the vacancies shown on the organizational chart will be filled, specifically the Ambler Contracts and Ambler Support positions. Mr. Weitzner expressed hope in filling at least one of those positions immediately. He advised that discussions are ongoing regarding the possibility of an Assistant Program Manager to work with Mr. Kemp in Fairbanks. The position would focus on procurement activities and monitoring support of the different professional services contracts. Additionally, discussions are ongoing regarding the possibility of engaging further support for Ms. Bryan to assist with external communications. Mr. Weitzner explained that the chart is showing vacancies, but there is internal staff support within the organization because of RSA arrangements and other external contractor arrangement that are fulfilling certain elements of the open positions.

Chair Pruhs requested that the organizational chart is modified to reflect the two positions Mr. Weitzner discussed that are not included in the graphic. Mr. Weitzner noted that the chart was updated as of July 27, 2021. He clarified that the Ambler Contracts position will be replaced by the Assistant Program Manager position. Chair Pruhs asked if Mr. Kemp is currently administering the contracts. Mr. Weitzner noted that there are nine specific tasks and eight specific contracts which have gone through the procurement under Mr. Heimke. Mr. Weitzner indicated that review is ongoing regarding the possibility of retaining a contract officer, as well as a support for procurement. Chair Pruhs commented that funds are being expended for Ambler and he wants to ensure that the necessary people are in place to be successful with the increased activity.

Mr. Weitzner commented that there are some PCN positions that have been vacant for well over three years. Chair Pruhs reiterated his understanding of the two new positions that will be added to the chart. He requested to know how the Ambler contracts are formatted and implemented, and how the monitoring structure is maintained. Chair Pruhs discussed that AIDEA has a private partner with Ambler and it is important to ensure funds are spent wisely and appropriately. Mr. Weitzner explained that is undertaken through an RSA arrangement that AIDEA is looking to replace with its own staff.

Ms. MacKinnon commented that during the prior AEA meeting, Chair Pruhs inquired regarding the federal infrastructure bill currently under discussion in Congress and whether or not staff is ready for the bill. Based on the new structure from the organizational chart, procurement is being separated and identified for each organization, rather than the shared services concept previously utilized. She asked Mr. Weitzner to comment on AIDEA's readiness, should the infrastructure package pass and projects begin to advance to Alaska.

Mr. Weitzner remarked that he and Curtis Thayer, AEA Executive Director, have been discussing the restructure of the procurement function within AIDEA and AEA, which was previously under a shared services procedure. Each organization has specific regulations regarding the procurement capacity. Mr. Weitzner noted that he and Mr. Thayer believe it is better to implement the separation of the procurement program and delegating specific key procurement officers, who have their own support. Mr. Weitzner has observed that AIDEA has

been more efficient and responsive to the RFPs. He gave the example of being able to issue the RFP the day after the Board's approval of Budget Section 1002. Mr. Weitzner believes that the level of efficiency is improving and what looks like less staff on the chart, is actually more focused staff who are accepting ownership of the underlying procurement processes. They are working directly with the project managers, which increases productivity.

Chair Pruhs reiterated that between AEA and AIDEA, \$70 million was reserved for the Ambler access over three years. He noted that the expenditures will take oversight and much of the expenditures will occur in a short period of time between June 1 and November 1. Chair Pruhs highlighted the importance of ensuring that the infrastructure and the systems are in place now to fully execute the work that needs to be completed to meet the milestones. He also discussed the importance of providing confidence to the partners that their funding is valuable and that they are satisfied with the procurement process, including monitoring, prompt vendor payments, vendor accountability of services, and the ability to react quickly to decision-making requests by the contractors.

Mr. Weitzner commented that from discussions with Mr. Heimke and Dona Keppers, Chief Financial Officer (CFO), that staff is very focused on the issues Chair Pruhs highlighted. Mr. Weitzner stated that the previous approach will not survive and that staff is looking to establish internal systems that function with the finance accounting feature in order to provide the guidance to Mr. Kemp when needed.

7F. AIDEA Work Session for Review of Investment Policy for Outside Advisor-Managed Investment Assets: Friday, August 13, 2021

Mr. Weitzner discussed that the work session scheduled for tomorrow is to review the Investment Policy for Outside Advisor-Managed Investment Assets. This is a public meeting and will begin at 8:30 am. It will not exceed four hours. The agenda has been publically provided and contains a public comment period.

Ms. MacKinnon expressed that her understanding was that tomorrow's work session would review two items; the outside investment manager and AIDEA's Investment Policy. In looking at the agenda, Ms. MacKinnon asked when that discussion would occur, if not tomorrow. Mr. Weitzner explained that the agenda item will include discussion regarding all of that information. There will be a presentation from Callan, as requested. Staff will review the analysis of the information that was provided to the Budget and Audit Subcommittee in June. Both the Investment Managers' Agreement and the recently amended Investment Policy will be discussed.

7G. Next regularly scheduled AIDEA Board Meeting, Wed. Sept 22, 2021

Mr. Weitzner indicated that the next regularly scheduled AIDEA Board meeting is Wednesday, September 22, 2021.

8. BOARD COMMENTS

Vice-Chair Karl expressed sincere appreciation for the updates and information. He feels like much progress was made during today's long day.

Mr. Kendig stated it was a good meeting and agreed that much was accomplished. He looks forward to the discussion tomorrow.

Mr. Fogle expressed appreciation for the public comments regarding public engagement. He was happy to see the communications plan for AIDEA. He looks forward to the discussion tomorrow and is hoping to be provided the follow-up items that were requested in June.

Ms. MacKinnon thanked Mr. Weitzner for his team's hard work and for the outreach that is now possible due to the expiration of different emergency orders in the community. She noted that it is possible to move a bit more freely in the community, even though there has been an uptick in caseloads and a change in the virus. She requested that Mr. Weitzner extend the Board's gratitude to the team. She looks forward to the discussion tomorrow. Ms. MacKinnon expressed appreciation for Ms. Bryan's concise presentation and how the organization can better reflect its motives, intentions, and the facts that are considered in loan advancements. She discussed how AIDEA can highlight the differences and the similarities with banks in processing confidential information.

Ms. MacKinnon supports the different ways staff is engaging with communities to help support their initiatives. She thanked Chair Pruhs for his leadership and moving through the agenda in a timely manner. Ms. MacKinnon appreciates the Board members' attention to detail regarding the complex issues that affect families. She commented that members are all Alaskans who have perspectives that may not always align with everyone who comes to the Board meetings, but that she respects and considers all of the comments that are received before making decisions.

Ms. Sande echoed the comments of Board members in relation to the staff's effort under Mr. Weitzner's leadership, and under the leadership of Chair Pruhs, especially in response to some of the public comments. She expressed appreciation for the public comments that were made today and previously, especially those that reflect original thought. Ms. Sande discussed that she was born and raised in Alaska, but has not had the opportunity to travel to some of the communities represented during the public comments. She added that it is really nice to be able to hear the perspective of individuals in areas that she has not yet traveled to. Ms. Sande noted that the presentation given by Ms. Bryan was very good. She hopes that some members of the public who provided comments about their perception of AIDEA's lack of transparency understand that creating a public engagement plan is a direct reflection of how seriously the Board and Mr. Weitzner have been taking public comments into consideration and making changes. Ms. Sande found the plan uplifting and was impressed by the technological ways the plan will emphasize communication with the public in urban, remote, and rural areas of Alaska, while appreciating some of the limitations in rural Alaska.

Chair Pruhs echoed many of the statements made by Board members. He added a sincere welcome to the new Chief Operating Officer Mr. Heimke. Chair Pruhs looks forward to working with staff on the upcoming challenges and opportunities, noting that his emphasis is on the opportunities. Chair Pruhs discussed that prior to the Covid-19 pandemic, the Board would hold a couple of the meetings in a different location, particularly if the Board was reviewing investment in a specific asset. He asked members to suggest a location in which to conduct a Board meeting this winter. Chair Pruhs expressed appreciation for members' comments today and recognized their efforts. He thanked staff for all of their work.

Vice-Chair Karl announced that the 15th Annual Renewable Energy Fair at Chena Hot Springs will occur on Sunday. The Secretary of Energy will be present, along with a senior senator and the Governor. Chair Pruhs commented that, switching to his AEA affiliation, it would be nice to conduct a Board meeting in Fairbanks with the timing such that members could attend the Renewable Energy Fair.

9. ADJOURNMENT

There being no further business of the Board, the AIDEA meeting adjourned at 4:34 pm.



Alan Weitzner, AIDEA Executive Director
Secretary